

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended
June 30, 2021



Los Angeles County, California



LOS ANGELES COUNTY BOARD OF SUPERVISORS



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1st District



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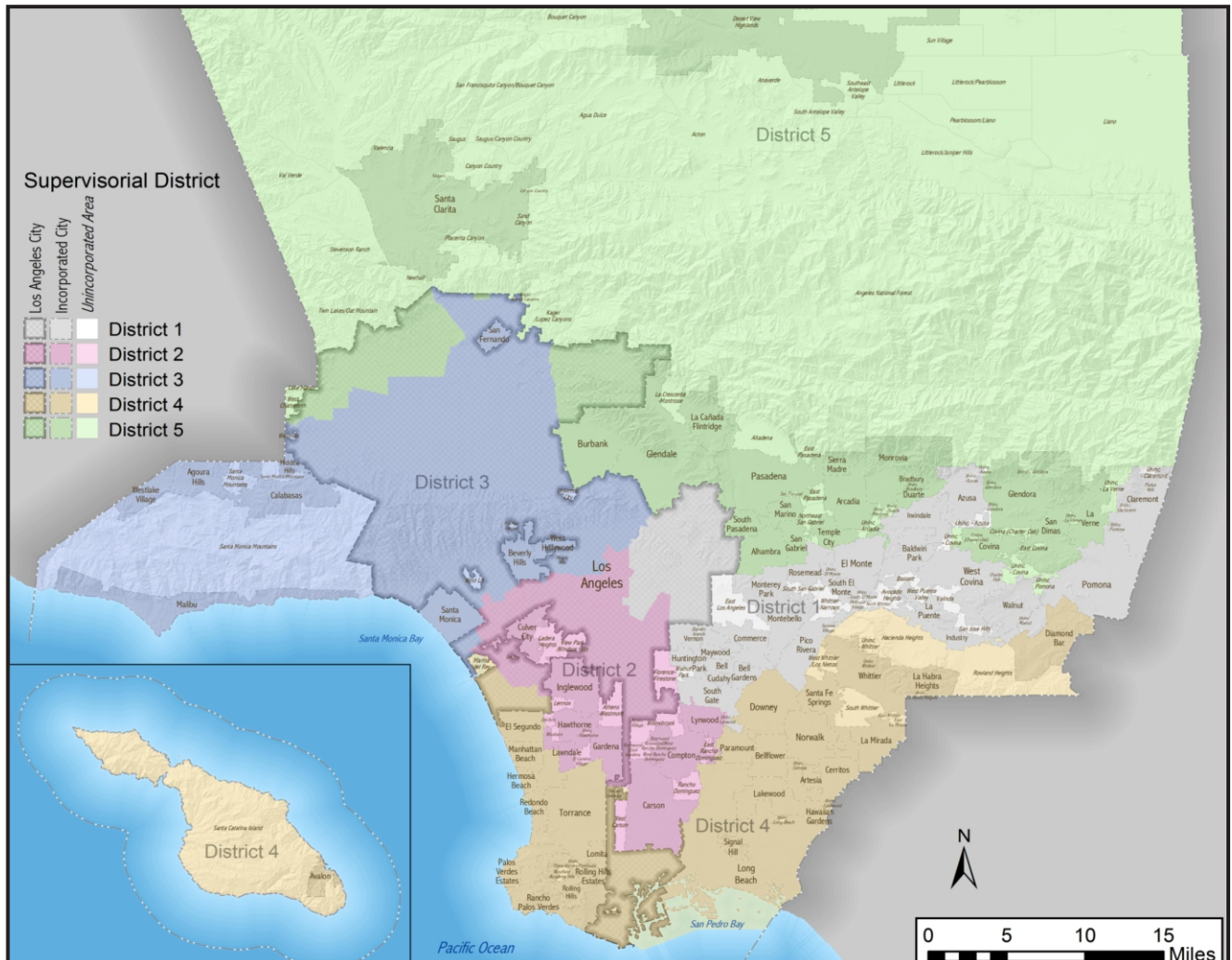
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LOS ANGELES COUNTY DEVELOPMENT AUTHORITY
CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2021

PREPARED BY:
FINANCE AND BUDGET DIVISION

EMILIO SALAS, EXECUTIVE DIRECTOR
KATHY THOMAS, CHIEF OF OPERATIONS
MATTHEW FORTINI, CHIEF FINANCIAL OFFICER



HOUSING
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LACDA

Los Angeles County Development Authority

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY CALIFORNIA

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LOS ANGELES COUNTY DEVELOPMENT AUTHORITY CALIFORNIA

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December 2, 2021

Honorable Board of Commissioners
Los Angeles County Development Authority
383 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

Please find for your review the Annual Comprehensive Financial Report of the Los Angeles County Development Authority (LACDA) for the fiscal year ended June 30, 2021. This report consists of management's representations concerning the finances of the LACDA. Also included in the report are partial discussions on how the pandemic caused by COVID-19 and approval of the CARES Act affected the LACDA. Management assumes full responsibility for the completeness and reliability of the information contained in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the LACDA's assets from loss, theft or misuse, and to compile sufficient reliable information for the preparation of the financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the LACDA's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. All disclosures necessary to enable the knowledgeable reader to gain an understanding of the financial activities have been included.

INDEPENDENT AUDIT

The LACDA's financial statements have been audited by Lance, Soll & Lunghard, LLP, Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements for the fiscal year ended June 30, 2021, are free of material misstatement. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion on the LACDA's financial statements for the fiscal year ended June 30, 2021.

The independent audit of the financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the LACDA's separately issued Single Audit Report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

The MD&A document provides a narrative introduction, an overview, and an analysis of the basic financial statements. It is intended to complement this letter of transmittal and should be read in conjunction with it.

BUDGETARY CONTROL

The LACDA's accounting system is designed to provide timely information concerning the uncommitted balance of appropriations and unrealized revenues. The annual budget, adopted by the Los Angeles County Board of Commissioners, provides for the general operations of the LACDA. It includes proposed expenditures and estimated revenues for the governmental and enterprise funds.

The Executive Director is authorized to transfer appropriations between divisions and programs. Any revision that changes the total expenditures must be approved by the Board of Commissioners.

Budgets for the governmental fund types are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). The LACDA uses two (2) different accounting methods: modified and full accrual when preparing the budget.

INTERNAL CONTROL

The LACDA uses internal accounting control which employs best practices specific to governmental accounting. It is designed to provide reasonable assurance with regards to the safeguarding of assets against loss from unauthorized use or disposition, the maintaining of accountability for assets, and the reliability of financial records for preparing financial statements.

The concept of reasonable assurance used by the LACDA recognizes that the costs of internal control should not exceed the benefits likely to be derived from it, and that the evaluation of costs and benefits require estimates and judgments by management.

The LACDA's internal control adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

PROFILE OF THE LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

On May 16, 2019 the Community Development Commission/Housing Authority of the County of Los Angeles (CDC/HACoLA), established on July 1, 1982 under the provisions of Section 34100-34160 of the Health and Safety Code of the State of California, was officially rebranded to the Los Angeles County Development Authority (LACDA). The rebranding provided an opportunity for the agency to reconnect with residents, partners, and clients and reintroduce its program portfolio, expanded service operations, and initiatives to better meet the needs of County residents and businesses.

The basic financial statements of the LACDA include the financial activities of the LACDA, Los Angeles County Community Development Foundation (LACDF), and the Community Development Properties Los Angeles County Incorporated (CDPLAC). The LACDA has determined that these separate legal entities should be included in the basic financial statement as blended component units in accordance with the requirements of Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 39, No. 61, and No. 80.;

- The LACDA is responsible for management of the County's Public Housing and Section 8 Housing programs.
- The LACDA's governing board establishes policies, appoints management, and exercises budgetary control.
- The LACDF is a 501(c)(3) non-profit organization dedicated to improving the quality of life for low-income Public Housing and Section 8 program residents living in Los Angeles County. The LACDF provides scholarships, funding for students to attend conferences, and SAT preparation courses free of charge. The LACDF is a single-purpose entity and the LACDA is its sole corporate member. In addition, the services provided are only available to participants of the LACDA's Public Housing and Section 8 programs. Therefore, the LACDF is reported as a blended component unit of the LACDA.

- The CDPLAC is a California non-profit public benefit corporation, formed in September 2010, to issue lease revenue bonds on behalf of the LACDA. The proceeds of the bonds were used to finance the purchase of land and construction of an office building (the project) for use as the LACDA's main office. The building was leased to the LACDA beginning September 2012. The CDPLAC is reported as a blended component unit because it is a single-purpose entity, created to issue bonds on behalf of the LACDA and to fulfill its obligations under the agreements entered for the completion of the Project.

SERVICES PROVIDED

The LACDA is responsible for the following services:

- Utilizing funding through Notice of Funding Availability (NOFA) on new construction and acquisition/rehabilitation projects that create new affordable multifamily rental housing units. NOFA eligible affordable multifamily rental housing projects may apply for both capital financing and rental assistance in the form of Section 8 Project-Based Vouchers (PBVs) and Project-Based Veterans Affairs Supportive Housing (PBVASH) Vouchers;
- Providing economic development, business revitalization, and comprehensive planning and financing for affordable housing;
- Funding community developments for one of the largest urban counties in the United States, including street resurfacing, and home and business rehabilitation;
- Working with the County's non-profit and for-profit development and service provider communities, the County health and human service departments, and many of the 88 cities within the County, to address housing needs for the homeless, transition age youth, and other special needs residents of the County; and
- Directing the County's Public Housing and Section 8 programs including planning, finance, preservation, and management.
- The LACDA functions in the unincorporated areas of the County of Los Angeles and in 48 participating cities that have requested involvement in the Community Development Block Grant program.

THE LACDA'S GENERAL OPERATING PROGRAMS

Housing Related Programs

The Housing related programs are comprised of Housing Investment and Finance, Public Housing, and Section 8 Housing.

The Housing Investment and Finance programs facilitate residential development and preservation throughout the County of Los Angeles, assisting those residents and residential property owners with limited incomes. The program works closely with non-profit and not-for-profit organizations, residents, owners, government agencies, supportive service providers, and property management companies to increase and sustain the availability of affordable and supportive housing for low- and moderate-income homeowners and residents.

The Public Housing programs provide affordable housing within the County of Los Angeles. As of June 30, 2021, there are 3,229 housing units leased under these programs. There are nine (9) housing developments with varying units as follows: Carmelitos 713 units, Harbor Hills 301 units, Nueva Maravilla 504 units, West County 487 units, North County 285 units, East County 263 units, South County 409 units, Kings Road Apartments 106 units, Lancaster Apartments 120 units, and RHCP Santa Monica 41 units. RHCP is the Rental Housing Construction Program which is funded by rental income and the State of California.

The Section 8 Housing Choice Voucher (HCV) Program provides housing assistance to low-income individuals, families, senior citizens, and persons with disabilities residing in the County of Los Angeles:

- The Continuum of Care (CoC) Program provides rental assistance services to low-income individuals with special needs in compliance with HUD regulations.
- The Family Self-Sufficiency (FSS) Program provides a five-year voluntary program designed for low-income families in the Housing Choice Voucher (HCV) Program to achieve self-sufficiency by providing case management

and referrals to supportive social services. Some of these services include career counseling, money management, job search training, and education.

- The Homeless Initiative Program (HIP) provides local funds to help homeless families and individuals with a federal housing voucher to secure subsidized housing, by encouraging landlord acceptance of homeless households with rental subsidies administered by the LACDA. In total, over 27,000 families have been served during this reporting period.
- The Veterans Affairs Supportive Housing (VASH) Program provides rental assistance services to low-income veterans and their families in combination with case management and clinical services through the Department of Veterans Affairs (VA) at Veterans Affairs Medical Center (VAMC) supportive services sites.

Community Development Block Grant

Program funds received from the U.S. Department of Housing and Urban Development (HUD) under the Community Development Block Grant (CDBG) program account for 7 percent of the LACDA's expenditures in its governmental fund types. The LACDA's primary role in administering the program is to ensure that funds are spent on eligible projects and that the recipients of the funds comply with HUD regulations. Currently, the recipients consist of 48 participating cities, 40 community-based organizations, seven (7) County departments, and two (2) other public agencies.

Successor Agency

The accompanying financial statements also include the private-purpose trust fund for the Successor Agency to the LACDA's former Redevelopment Agency (Successor Agency). The LACDA, as the Successor Agency, serves in a fiduciary capacity as custodian for the assets and is responsible for winding down the affairs of the former Redevelopment Agency. Its assets are held in trust for the benefit of the taxing entities within the former Redevelopment Agency's boundaries and are not available for the use by the LACDA.

ECONOMIC CONDITION AND OUTLOOK FOR THE LOS ANGELES COUNTY REGION

The LACDA operates under a complex set of economic, social and technological conditions that both directly and indirectly affect operations. The Financial Section, within this report, will be best understood if viewed within this context.

The County of Los Angeles, established on February 18, 1850 several months before California was admitted into the Union, is comprised of 88 cities and 120 unincorporated communities. Los Angeles County is part of the greater Southern California region, which also includes Orange, San Bernardino, Riverside, Ventura, and San Diego counties with a total population of about 21 million. Los Angeles County serves as home to people from over 140 countries who speak 224 identifiable languages reflecting a continued history of being rich in ethnicity and diversity. It is home to one quarter of Californians with Los Angeles County's population at 10 million in 2021, making it the most populous County in California. If Los Angeles County were a nation, its economy would be the 19th largest in the world. It is home to more than 244,000 businesses, with more minority and women owned businesses than any other in the nation. And, Los Angeles County produces over one quarter of the state's Gross Domestic Product (GDP) making it both a proxy for and driver of many of the economic trends occurring at the state-level.

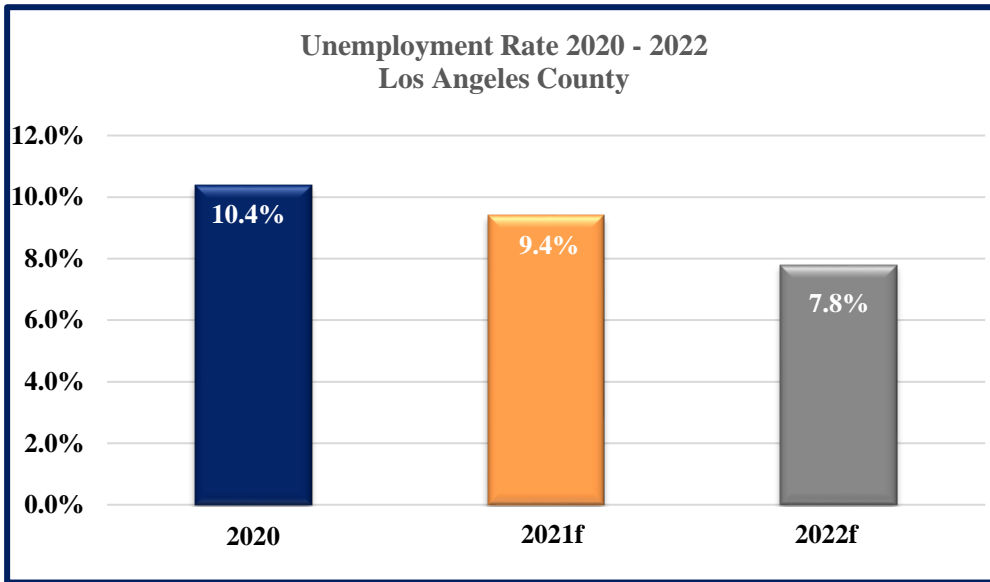
Los Angeles County continues to utilize Coronavirus Aid, Relief and Economic Security Act (CARES Act) funding to provide economic assistance to businesses and residents alike. The CARES Act (2020) and the Coronavirus Response and Consolidated Appropriations Act (2021) provided fast and direct economic assistance for American workers, families, small businesses, and industries. The CARES Act implemented a variety of programs to address issues related to the onset of the COVID-19 pandemic. The Consolidated Appropriations Act continued many of these programs by adding new phases, new allocations, and new guidance to address issues related to the continuation of the COVID-19 pandemic. The CARES Act was passed by Congress on March 25, 2020 and signed into law on March 27, 2020. The Consolidated Appropriations Act (2021) was passed by Congress on December 21, 2020 and signed into law on December 27, 2020. As the COVID-19 crisis continues, Los Angeles County is using CARES Act funding to support the health and well-being of its residents and communities through a wide range of programs from diagnostic testing and contact tracing to food distribution and rent relief. The County also implemented several economic loan programs to aid small businesses during this pandemic so they could remain open and continue to serve their communities.

Significant Economic Data - Los Angeles County 2020-2022

	2020	2021f	2022f
Total Population	10.8M	10.0M	10.1M
Unemployment Rate	10.4%	9.4%	7.8%
Per Capita Income	4.1%	-4.5%	2.7%
Permits-New Homes	86,000	81,000	104,000

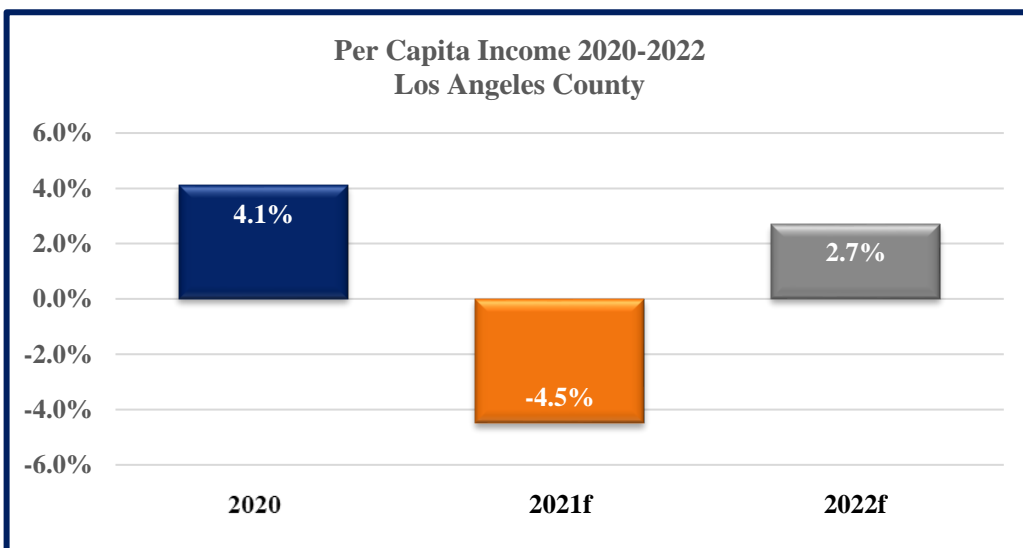
Sources: Los Angeles County Economic Development Corporation (LAEDC) 02 2021 Economic Industry Outlook Forecast.

At the close of the fiscal year, the Los Angeles County’s economy continued a slow recovery as the spread of the COVID-19 Delta variant gave rise to concerns about further business restrictions, Los Angeles County Economic Development Corporation (LAEDC) reported. During an economic briefing, which reviewed statistics, the LAEDC stated the unemployment rate was forecast at 9.4 percent and was at 10.5 percent at the end of June. The total employment rate is still down by 9.7 percent from the pre-pandemic peak seen in December 2019. Throughout the pandemic Los Angeles County experienced the greatest job loss associated with the measures taken to mitigate the spread of the virus between March and April, when more than 772,000 jobs fell off county non-farm payrolls. Since then, the county has added just over 45 percent of those jobs back between May of 2020 and July of this year, Shannon Sedgwick, director of LAEDC’s



Institute for Applied Economics, said during the briefing. When compared to pre-pandemic data, the overall employment in Los Angeles County remains significantly down across many industries. Almost all industry sectors are still experiencing employment contractions, especially accommodation and food services, which is still down by more than 81,000 jobs from pre-pandemic levels.

The extent of unemployment, economic displacement, and business closures had a disproportionate effect on workers. Low-income workers in Los Angeles County in comparison to high-income workers lost jobs at a disproportionate rate. Low-income employment fell by roughly 33 percent compared to high-income employment falling around 15 percent, resulting in a decrease in per capita income for the fiscal year. With the County’s vaccination efforts and reopening of the economy in the last quarter of the fiscal year, a rise in the per capita income is forecasted by close of the next fiscal year.



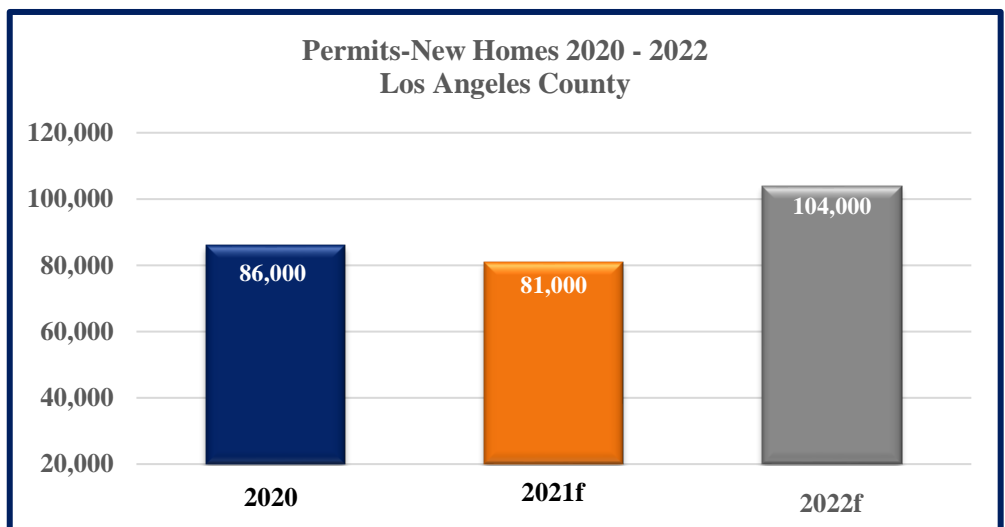
Following the impact of the COVID-19 pandemic, which temporarily stalled the housing market, Los Angeles County saw the first signs of recovery in property sales in June of last year. Since then, home prices and sales in Southern California have been increasing year over year, with Los Angeles being no exception. The housing market in Southern California has

have been increasing year over year, with Los Angeles being no exception. The housing market in Southern California has

been booming since last year, thanks to factors such as the desire for more space and historically low-interest rates. The Southern California region held up relatively well with a minor decline of -1.4 percent from last year. Similarly, the Los Angeles Metro Area posted a decline of -2.1 percent in sales of existing single-family homes while Los Angeles County recorded a Year-To-Year (YTY) sales growth of +6.4 percent (highest among all the six counties). The median sales price in Los Angeles County was \$809,750, up 1.7 percent Month-To-Month (MTM) and 22.6 percent YTY. The median home price of the Los Angeles metropolitan region rose to \$731,000, 23.9 percent higher as compared to July 2020. On the supply side, the number of active listings is still quite low as compared to the housing demand. A minor slowdown in housing sales and price growth over the previous months represents buyers have had an easier time getting offers accepted without having to waive contingencies. If a region’s housing market is balanced it means that there is enough demand from buyers to equal the supply from sellers. Based on the supply-demand dynamics, the real estate appreciation rate in Los Angeles is predicted to remain strong in 2021, according to Norada Real Estate Investments. The strong demand and tight inventory should put upward pressure on the prices. According to several real estate experts, the home values in the Los Angeles housing market will continue to appreciate over the next 12-months.

Although low mortgage rates tempted qualified buyers to the housing market, those who could not qualify for mortgages turned to the rental market creating an increase in the demand for affordable apartment rentals. According to online

apartment finder Zumper, median Los Angeles rents in May stood at \$1,970 for a one-bedroom and \$2,670 for a two-bedroom. By comparison, in April 2020, Zumper found one-bedrooms averaging \$2,250 and two-bedrooms averaging \$3,040. December 2020 marked the first time since 2016 that median rent for a one-bedroom apartment dipped below \$2,000, and March 2021 saw the first one-bedroom rent increase in a year. After rental pricing fell through much of the COVID-19 pandemic, as people relocated to suburbs or moved in with relatives, rents in big cities including Los Angeles are now back on the rise. And, experts say that prices are likely to keep swinging upward. Data shows the median rent in Los Angeles is up 3.6 percent from the bottom.



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Other data sources also showed a steady increase since the beginning of the year, which analysts attributed to job growth and returning demand for city life as the pandemic ebbs and the economy reopens. Real estate data provider CoStar reports that the Los Angeles county apartment vacancy rate in June 2021 has also declined to 5.8 percent after hitting a high of 6.2 percent in November 2020. These trends come just as Los Angeles County extended California’s eviction moratorium, originally set to expire June 30, 2021 through to September 2021, which could result in more available units and continued raised rates when it is eventually lifted. Affordability is probably the biggest challenge currently weighing on growth. Rents have grown significantly faster than average incomes for several straight years earlier in the cycle, and it is not sustainable over an extended period.

Los Angeles County continues to be America’s gateway to Asia. International trade plays an important role in the County of Los Angeles economy. The Port of Los Angeles and neighboring Port of Long Beach comprise the San Pedro Bay Port Complex, which handles more containers per ship call than any other port complex in the world, has seen a 50 percent rise in port productivity over the fiscal year. Worldwide, the Port of Los Angeles ranks number 17, and the San Pedro Bay Port Complex ranks number 9. This key port for international trade makes it the nation’s number one port complex for textiles, food products, automobiles and auto parts, and furniture. Thousands of jobs in the region depend on the flow of the nation’s goods moving in and out of Gateway Cities such as Los Angeles, Long Beach and San Pedro.

The County of Los Angeles has seen its share of economic growth and challenges over the past six years. And, although it is forecasted the impact of the pandemic will carry over well into 2022, efforts continue to cushion the pandemic’s health and economic consequences, protect vulnerable populations, and set the stage for a lasting recovery.

MAJOR MANAGEMENT INITIATIVES

The County of Los Angeles made it a priority to address the health and safety of all Los Angeles County residents during the COVID-19 pandemic. Working closely with County officials and agencies, the LACDA provided much needed assistance to small businesses and continues to provide services to County residents. The utilization of CARES Act funding, signed into law in 2020, provided funding for various programs and infused small businesses with capital to sustain operations and give rental assistance to housing tenants. The CARES Act provided the Economic Development Administration (EDA) with \$1.5 billion to support recovery efforts for communities impacted by the COVID-19 pandemic. Among the \$1.5 billion allocated, \$1.467 billion is available for grantmaking. These funds finance the \$38 million EDA CARES Act Recovery Assistance grant. The agency received a \$10.9 million grant to capitalize and administer a Revolving Loan Fund (RLF) program that extends credit to small businesses in Los Angeles County and augments existing business recovery assistance programs to prevent job losses and closure. The LACDA offered loans for working capital, equipment, and inventory needs.

On June 23, 2020, the Board of Supervisors allocated \$30 million of the County's portion of the CARES Act Coronavirus Relief Funds for the Los Angeles County Rent Relief Program (Program) to be administered by the Los Angeles County Development Authority (LACDA). The Board authorized an additional \$70 million on July 21, 2020, and the LACDA launched the \$100 million Program on August 17, 2020 to provide emergency rental assistance to Los Angeles County income-eligible renters financially impacted by COVID-19 pandemic. County residents who experienced job loss, furlough or a reduction in hours or pay because of the pandemic were eligible for a maximum assistance of up to \$10,000 towards rental arrears and/or future rent. Households with income at 50 percent or below the median income were eligible. Subsequent to the initial \$100 million funding, the Board approved additional \$10 million in January 2021 and \$23 million in April 2021 for a total funding of \$133 million.

The LACDA faced the following challenges: 1) 60 days to launch the Program; 2) no prior rent relief administration experience; 3) deploying an unprecedented amount of funding; 4) an anticipated high volume of applicants; 5) targeting outreach to residents at or below 50 percent of median income residing high risk eviction zip codes; and 6) meeting the December 31, 2020, funding expiration date. Once the Program launched, additional challenges arose including recruitment and staff training, delays in obtaining applicant documentation, and property owners refusing to participate in the Program.

The LACDA met these challenges by leveraging external resources such as 211 LA, the County's 24/7 community health, human and social services information, and referral helpline as well as partnering with 28 community-based organizations (CBOs) and cities. This successful collaboration of over 150 internal and external staff managed the entire process. Identifying 211 LA as a partner provided access to their CarelinQ database which worked in tandem with our Application Processing System, allowing for document repository, review, verification, approvals, and landlord payment.

The LACDA successfully provided assistance to 14,189 households and 39,636 individuals residing in all 87 cities and unincorporated areas throughout the County of Los Angeles.

Nationally, \$5 billion in Community Development Block Grant Program-Coronavirus (CDBG-CV) funds was also distributed as part of the CARES act to respond to the COVID-19 crisis. LACDA staff worked with partner agencies to develop CDBG-CV activities, which assisted residents with limited means who have been impacted by COVID-19, including rental assistance, grab-and-go/delivery meal programs, small business assistance programs to retain employees that are low- and moderate-income, and support of other COVID-19 response services. The Los Angeles County Board of Supervisors (the Board) authorized the LACDA to receive and administer the County's initial allocation of \$13.6 million in CDBG-CV funds, as well as future allocations, in response to the COVID-19 pandemic.

Prior to the COVID-19 pandemic, the leadership of the County of Los Angeles recognized the need for a collaborative, sustained effort to combat and end homelessness and passed a comprehensive set of strategies which make up the County's Homeless Initiative. The Initiative covers six (6) major areas: preventing homelessness, subsidizing housing, increasing income, providing case management and services, creating a coordinated system, and increasing the supply of affordable and homeless housing. In 2017, the Los Angeles County Board of Supervisors proposed, and voters approved, the Measure H ballot initiative, a quarter cent sales tax for the County of Los Angeles, generating approximately \$355 million annually to support the implementation of the Homeless Initiative. Los Angeles County is in Year Five of a 10-year effort to combat and prevent homelessness funded by Measure H, thanks to the affirmation and support of voters across Los Angeles County.

Los Angeles is investing, responding and working together and we are making a difference and the LACDA is fully engaged in the County's plan, serving as a lead, or collaborative agency, on 27 of the 51 individual strategies.

The LACDA administers several programs that provide housing opportunities for lower income families, the elderly, the disabled, youth transitioning out of foster care, and individuals and families experiencing homelessness, especially our homeless veterans. Additionally, the LACDA serves as the second largest Public Housing Agency (PHA) in Southern California, receives funding from HUD, and utilizes a blend of local, state, and federal resources to administer several grant-funded rental subsidy programs.

The LACDA created the Homeless Incentive Program (HIP) to remove barriers to access for our voucher holders that were finding it next to impossible to use their voucher to secure a unit. HIP allows us to engage property owners to secure their rental units in exchange for a monetary incentive while qualified renters with a voucher are referred to the owner. The LACDA also assist clients with funding to pay for security deposits, utility fees, move-in expenses, and a damage mitigation fund, which provides owners with a safety net to cover the costs of damages to the unit. Further, each client receives access to County-funded intensive case management services to help with the transition and any ongoing supportive service needs. In fact, the LACDA administered approximately \$40 million in the first four (4) years of Measure H. These resources helped over 5,792 individuals and families find a home through this strategy. Additionally, we leveraged our partnerships to expand this program which now supports eight (8) other PHAs in the County who have replicated HIP, with the LACDA providing oversight and technical assistance.

Through the Bringing Families Home Program (BFH) the LACDA and Department of Children and Family Services (DCFS), in collaboration with housing partners, have successfully served over 266 families. Los Angeles County was awarded \$4.6 million in State funding to provide further assistance. With this additional funding, the DCFS and the LACDA will be able to assist an additional 300 homeless families. The primary focus of BFH is to provide rapid re-housing and case management services to families in the child welfare system. Despite the challenges to locate affordable housing for these high-barrier families in Los Angeles County, the continued success of the program reflects the strong partnership and shared mission to reunify families and end homelessness in the community.

The LACDA is determined in its mission to *Build Better Lives and Better Neighborhoods*. We will continue to advocate for policies and funding that allow for the development of new affordable housing, preservation of existing affordable housing, supportive services for individuals and families in need, additional housing subsidies, and the programmatic flexibility to maximize their effectiveness, as well as protections for clients that allow them to find and retain affordable housing.

CERTIFICATE OF ACHIEVEMENT IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the LACDA for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. This was the 35th consecutive year that the LACDA has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government entity must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

OTHER SIGNIFICANT AWARDS FOR THE FISCAL YEAR 2020-2021

Government Finance Officers Association (GFOA) of the United States and Canada
FY 2020-21 Distinguished Budget Presentation Award

Government Finance Officers Association (GFOA) of the United States and Canada
FY 2019-20 Certificate of Excellence in Financial Reporting

National Association of Counties (NACo) Achievement Award
LACDA/Small Business Grant Program

National Association for County Community and Economic Development (NACCED) Award of Excellence
Elimination of Leaks and Lead (pb) in Public Housing without Relocation

National Association of Housing and Redevelopment Officials (NAHRO) Award of Merit
Nueva Maravilla Re-Pipe Project

National Community Development Association (NCDA) - Audrey Nelson Achievement Award
LACDA/Cities Small Business Grant Program

ACCOMPLISHMENTS

Community and Economic Development Division - Construction Management Unit

The Construction Management Unit (CEDD-CMU) is comprised of staff professionals with expertise in all phases of capital project development including architecture, engineering, project management, labor compliance, procurement and construction management. With this varied expertise, staff manages design development and provides construction oversight services for capital projects undertaken or funded by the LACDA, numerous other County groups including the Los Angeles County Board offices, other County departments and non-profit organizations.

The Norwalk Library, located at 12350 Imperial Highway, Norwalk, underwent major refurbishment which included minor demolition, new carpet, paint, lighting, refurbishment of public areas, furniture and shelving. Specific, areas of improvement included Americans with Disabilities Act (ADA) compliant public restrooms, group study rooms, Veteran's Resource Center, self-check units, California History room, and customer service desk. Exterior improvements included parking stall restriping, ADA signage upgrades, and a civic art sculpture. Project funding was provided from the Fourth District Capital Funds and was successfully completed in November 2020.

The Temple City Library, located at 5939 Golden West Avenue, is a 10,000 square foot library that was enlarged to approximately 11,400 square feet. The additional upgrades will maximize the use of space for expanded programming. Upgrades will include a new community meeting room, group study room, enhanced family place and children's reading areas, interior finishes, lighting, low voltage, HVAC (heating, ventilation, and air conditioning), energy saving measures, and furnishing. The project is budgeted at \$6.6 million and was completed Spring 2021.

The CEDD-CMU oversaw the successful and complete construction project to fully remodel the Los Nietos Community and Senior Center located at 11640 East Slauson Avenue in the unincorporated community of Los Nietos. The 12,000 square foot building and site, operated by the Los Angeles County Department of Workforce Development, Aging and Community Services (WDACS), is a multi-purpose facility designed to enhance the community with a range of educational, social and recreational activities. The Center staff network with other County departments and non-profit agencies to provide comprehensive information and referrals, form completion assistance, and translation services.

Community and Economic Development Division - Economic Development Unit

During the fiscal year, the Economic Development Unit (CEDD-EDU) administered and funded 203 loans and grants totaling \$9.4 million through the following programs: County Revolving Loan Program, Metropolitan Transportation Authority Revolving Loan Program and Fourth District Grant Program. And, as part of the Los Angeles regional COVID-19 Recovery Fund, in partnership with the Local Initiatives Support Corporation, \$2 million in grants was provided to 187 small businesses and micro-entrepreneurs impacted by the COVID-19 pandemic. Additionally, economic relief was provided to small business financially impacted by the COVID-19 pandemic through the CARES Act Business Grant Programs; the Small Business Revitalization Grant Program funded 124 grants totaling \$3.7 million, the Keep LA County Dining Grant Program funded 345 grants totaling \$10.4 million, the Childcare Grant Program funded 462 grants totaling \$9.7 million, and the Los Angeles Regional COVID-19 Recovery Grant Program funded 4,133 grants for \$58.7 million.

The LACDA launched the \$100 million Rent Relief Program on August 17, 2020 to provide emergency rental assistance to Los Angeles County income-eligible renters financially impacted by COVID-19 pandemic. The LACDA received 88,591 applications through 211 LA, of which 44,919 were eligible. The LACDA assisted 14,189 households and 39,636 individuals for a total of \$117.2 million (\$31.7 million in Cares Act Funds and \$85.5 million Net County Cost). Approximately 91 percent of the applicants receiving assistance came from targeted zip codes with higher risks of eviction

and other socio-economic vulnerabilities. The average assistance per household was \$8,263 and 628 tenants received direct rental payments.

CEDD-EDU continues to identify and facilitate projects to serve as area catalysts countywide through the Catalytic Development Fund (CDF). This fund is utilized to conduct feasibility studies for vacant or underuse properties. Once it is determined project sites are found to be good candidates for redevelopment, the CDF is used to produce developer procurement documents such as Request for Proposal (RFP) to solicit developers' interest to build out these sites. Three (3) projects were funded in FY 2019-2020 and during the FY 2020-2021 reporting period and a thorough review of each project was conducted. They include the Third Street and La Verne Avenue mixed use and Whittier Boulevard Scattered Sites development projects.

The E. Third Street and S. La Verne Avenue (Project Site) proposed project located in unincorporated East Los Angeles consists of three parcels. Altogether, the parcels comprise 39,799 square feet or approximately 0.91 acres. The project shows promise as a community recreational facility adjacent to an affordable housing development being proposed by Path Ventures. The developer is presently working with their architect to confirm programming and project cost. The underlying property is owned by the Los Angeles County's Department of Public Works and direct discussions are occurring with this department relative to the future development of the site.

The Whittier Boulevard Scattered Site Development project continued through the fiscal reporting period. It consists of two separate County-owned parking lots that are approximately two blocks from each other and adjacent to the commercial corridor of Whittier Boulevard in East Los Angeles. The location of the two sites are as follows:

- 922 So. Fetterly Avenue, East Los Angeles, CA 90022 (Site 1)
- 753 So. LaVerne Avenue, East Los Angeles, CA 90022 (Site 2)

Findings of an architectural study concluded that both sites are well suited for a mixed used development that includes affordable housing and a certain number of replacement parking stalls to accommodate commercial patronage of the stores along Whittier Boulevard. Based on these findings, staff has recommended proceeding with a mixed-use development strategy for both Site 1 and Site 2. In addition, because of their proximity to one another with similar uses, it is further recommended these lots be combined into one larger scattered site project.

CEDD-EDU continued to manage the following projects:

Vermont and Manchester – Executed Amendment to Option to Ground Lease a mixed-use development consisting of 180 units of affordable housing (62 senior and 118 family), parking structure, Metro transit plaza, Metro training center, grocer and three (3) retail spaces.

Lincoln Elementary School – Located in Willowbrook, the Compton Unified School District (CUSD) and the LACDA issued a joint Request for Proposal (RFP) to develop the site. Three (3) responses were received and reviewed by a panel of third-party experts in the fields of economic development, land use planning, real estate development and local city management. Final recommendations were submitted to the CUSD Board for consideration.

West Altadena – A Request for Proposal (RFP) was issued based on responses received from a previously issued Request for Statements of Qualification. Two finalists were invited to response to the RFP. Identification of the winning responses was subsequently halted to comply with AP 1486: surplus Land Act. Notices of availability have been drafted and will be distributed to surrounding developers and local governments once the Board of Supervisors declares the County property as surplus for the purposes of the Act.

West Los Angeles Court House – A Memorandum of Understanding (MOU) was executed by the County of Los Angeles and the City of Los Angeles for the development of the ten-acre Los Angeles Civic Center and Courthouse site in the City of Los Angeles.

Community and Economic Development Division - Grants Management Unit

The Community and Economic Development Division-Grants Management Unit (CEDD-GMU) is an exemplary rated program by the U.S. Department of Housing and Urban Development (HUD). The staff conducted 330 In-Progress Monitoring (IPM) reviews for compliance monitoring of the Community Development Block Grant (CDBG) activities

funded in the fiscal year 2020-2021. This unit also conducted 8 labor compliance reviews of CDBG-funded construction projects completed during the fiscal year 2020-2021 to ensure sub-recipients and their contractors complied with Federal labor standards provisions and HUD's Section 3 regulations that require training/employment of low-income residents.

The LACDA, in partnership with Los Angeles County Department of Public Health (DPH), launched Lead-Free Homes LA in the prior fiscal year, a program intended to mitigate the lead-based paint hazards from homes surrounding the Exide Technologies Battery Recycling Facility.

The program came into fruition after DPH received \$5.2 million from the SoCal Gas Company litigation settlement for the 2015 gas leak in Aliso Canyon. Lead-Free Homes LA focuses on eligible homes located within 1.7 miles of the former Exide plant whose soil was removed and cleaned by the California Department of Toxic Substances Control. The Lead-Free Homes LA program (Lead Free Program) encompasses the Exide program, serving the area surrounding the former Exide Technologies battery recycling facility in East Los Angeles, and the larger Countywide program. The LACDA was selected to administer the program because of its expertise and experience in community outreach and housing rehabilitation programs. A team was soon assembled to engage local communities, conduct outreach and enrollment, lead assessments in the home, and to begin the remediation activities to keep children safe from the dangers of lead-based paint.

All in-home activities related to the Program were suspended for a majority of fiscal year 2020-2021 due to the COVID-19 pandemic. Program remediation activities restarted in April 2021.

Lead testing and remediation resumed for those homes in the City of Maywood, Huntington Park and unincorporated East Los Angeles that were participating and placed on hold prior to the program suspension. As of June 30, 2021, 121 applications were received of which 88 were deemed eligible, 32 ineligible, and one (1) was pending an eligibility determination. Eighty-three properties were tested for lead-based paint hazards, 66 tested positive, and 17 tested negative for lead toxicity. The program completed the mitigation of four (4) homes from lead hazards.

The program received an additional \$134 million to expand the program into targeted areas across Los Angeles County over a seven-year period (Countywide program). While this portion of the program was on hold, the Unit identified the following partners to conduct the outreach and enrollment portion of the program in five concurrent focus areas throughout the County:

- Impact Assessment for the First District Exide and Adjacent Communities Focus Area
- Esperanza Community Housing Corp./St. John's Family Well Child and Family Center for the unincorporated Second District Willowbrook/Compton Focus Area
- Pacoima Beautiful for the Third District San Fernando Focus Area
- City of Long Beach Health Department for the Fourth District, City of Long Beach Focus Area

Negotiations were completed to finalize the Scope of Work (SOW) and budget for each partner's proposed outreach and enrollment methods to maximize the application flow within their focus area and agreements were prepared for approval and execution. The procurement for lead testing consultants and lead abatement contractors was completed and resulted in the award of two (2) and five (5) contracts, respectively.

During this reporting period the Unit responded to HUD's Notice of Funding Opportunity (NOFO) for the Lead-Based Paint Hazard Reduction Grant Program and was awarded \$5 million in funding as well as \$700,000 for the complementary Healthy Homes Program. The Healthy Homes Program is part of HUD's Healthy Homes Initiative (HHI) to protect children and their families from housing-related health and safety hazards.

Over the course of the fiscal year, the Family Reunification Housing Subsidy (FRHS) program allocated \$1.5 million received from the Department of Children and Family Services (DCFS) to various external agencies. The funds provided rapid re-housing financial assistance and supportive services for homeless families with children. As of June 30, 2021, a cumulative of 410 families with 984 children were reunited from foster care and received housing from the \$2.1 million expended.

The LACDA implemented the State of California's Bring Families Home Program (BFH) by providing grant administration of eight (8) projects for a total of \$4.6 million, comprised of contract development, project monitoring, monthly and quarterly reporting, and monthly partner meetings. As of June 30, 2021, 266 families received housing from the \$1.2 million expended.

As part of the CARES Act, the LACDA received over \$32 million in Community Development Block Grant-Coronavirus (CDBG-CV), of which \$15 million was allocated to the County to provide elderly nutrition programs. The remaining CDBG-CV funds were allocated based on the same formula as regular CDBG and have been fully allocated among projects targeting small businesses, vulnerable populations, and health and safety projects. Approximately \$7.5 million was expended during FY 2020-2021. Major activities included \$2.1 million for Small Business Assistance grants and \$3.3 million to Emergency Rental Assistance programs. In the Small Business Assistances program, approximately 521 businesses were assisted and in the Emergency Rental Assistance program, approximately 1,219 households were assisted.

Under the CARES Act, the Federal government awarded the LACDA approximately \$69 million towards Emergency Solutions Grant-CV (ESG-CV) to prevent, prepare for, and respond to COVID-19 among individuals and families who are homeless or receiving homeless assistance and to provide additional homeless assistance and homelessness prevention activities to mitigate the impacts created by COVID-19. Funds were allocated to the Los Angeles Homeless Services Authority (LAHSA), Department of Health Services (DHS), and Internal Services Department (ISD) to implement the following activities: Rapid Re-Housing (RRH), Temporary Emergency Shelter (TES), Homelessness Prevention (HP), and Street Outreach. The State also awarded the LACDA with \$38.8 million from the State Emergency solutions Grant-CV (State ESG-CV). The funds were allocated to the Los Angeles Homeless Service Authority (LAHSA) to implement Rapid Re-housing (RRH).

Housing Investment and Finance Division

The Housing Investment and Finance (HIF) Division is responsible for implementing programs that facilitate residential development and preservation throughout Los Angeles County, assisting those residents and residential property owners with limited incomes. The division works closely with non-profit and not-for-profit organizations, residents, owners, government agencies, supportive service providers, and property management companies to increase and sustain the availability of affordable and supportive housing for low – and moderate-income homeowners and residents.

The HIF Division utilized HOME, Measure H, Mental Health Housing Funds, Homeless Service Center Funds, No Place Like Home, and Affordable Housing Trust funds to assist in the financing of affordable and special needs housing. During FY 2020-2021, a total of 802 units were completed and received the Certificate of Occupancy from a total expenditure of \$195.2 million.

The Homeownership Program (HOP) funded 24 deferred loans totaling \$2 million for buyers earning less than 80 percent of the Area Median Income (AMI). To further assist buyers, the HOP is combined with Mortgage Credit Certificates (MCC), a federal income tax credit. During the fiscal year 2020-2021, the HIF Division issued 76 certificates in concert with mortgages totaling \$31 million. The Home Improvement Program (HIP), Handy Worker Program (HWP), and Mobile Home Program (MHP) provided assistance to eligible low-income homeowners for safety related repairs. During the fiscal year there were no units completed (deliveries impacted by COVID-19 construction moratorium) under HIP program, HWP program and the MHP. However, 13 units were under construction, 5 units were under pre-construction, 11 units out to bid, 89 units pending inspections or design, and 36 pending application.

The Residential Sound Insulation Program provided grants to sound insulate residential dwelling units from aircraft noise caused by the Los Angeles World Airports in the unincorporated area of Lennox, Del Aire, and Athens. During the fiscal year, 12 units with code-related issues were completed (deliveries impacted by COVID-19 construction moratorium) and 105 units were under-construction and 65 units were pending inspections or design for approximately \$1.8 million.

Through the Southern California Home Financing Authority (SCHFA), a Joint Powers Authority between Los Angeles and Orange Counties, the HIF Division funded one (1) loan for the First-Time Homebuyers Program totaling \$328,932. This program makes buying a home more affordable for qualifying low-income homebuyers by offering a competitive fixed rate loan and a grant for down payment and closing cost assistance.

On September 29, 2020 the Los Angeles County Board of Supervisors directed the Chief Executive Office (CEO), Treasurer and Tax Collector (TTC), the LACDA, and County Counsel to develop a process to help secure tax-defaulted properties through Chapter 8 Agreement Sales for Community Land Trusts (CLTs) to create long-term affordable housing. Further, the motion instructed the departments to establish a Pilot Community Land Trust Partnership Program, solicit partnerships with CLTs and nonprofits to utilize the process, and identify and designate funding for the Pilot Program. The CEO and the LACDA determined that the most efficient method to assist CLTs in purchasing properties is for the LACDA to administer the Pilot Program, which includes executing grant agreements with the CLTs and completing the transfer of County funding

into an escrow account for the respective CLT to acquire the property. During this fiscal year, assistance was provided in the acquisition of four (4) properties for conversion to affordable housing for the CLT program totaling \$8.5 million.

Casa Del Sol Apartments

In September 2020, officials from the Los Angeles County Development Authority (LACDA) joined staff from the County of Los Angeles Third Supervisorial District, A Community of Friends, and other project partners to celebrate the grand opening of Casa Del Sol.

Located in the Sun Valley Neighborhood of the City of Los Angeles, the Project will be a new construction development providing housing and supportive services for homeless seniors. It is comprised of 44 units, including one manager's unit. A Community of Friends will provide supportive services to all residents.

The Project consists of a four-story building, with a unit mix of 15 studio units, 28 one-bedroom units and one two-bedroom manager's unit. Project amenities include a community center, a learning center, a fitness center, on-site laundry room, outdoor courtyard, two patios, a community garden, offices for property management and supportive services staff, bike storage and 15 parking spaces.

The LACDA, in partnership with the Los Angeles County Department of Mental Health, provided \$3 million in Mental Health Housing Program Funds for construction and permanent financing. Additionally, the Project received 43 Section 8 Project-Based Vouchers from the Housing Authority of the City of Los Angeles.

Baldwin Rose Apartments

In October 2020 the LACDA celebrated the grand opening of the Baldwin Rose Apartments. The development is a 55-unit supportive housing development that includes 22 units for homeless veterans and 32 units for low-income families with a preference for veteran head of households, and one onsite manager's unit. The development includes one-, two-, and three-bedroom apartments, including 19 accessible apartments for mobility impaired households and four apartments for hearing/visually impaired households. The LACDA provided \$1.9 million for the construction and permanent financing of the project. The Baldwin Rose Apartments will include unique attributes and amenities such as onsite management, centrally located laundry rooms, and a wide range of outdoor community space, including outdoor lounge with barbecue pit and community garden.

Chesterfield Apartments

The Chesterfield Apartments (Chesterfield) is currently under construction and will be a 43-unit, new construction development located in South Los Angeles. The Project's 43 units will be comprised of 42 supportive housing studio units and one 1-bedroom unit reserved for an on-site property manager. The Project will serve 32 homeless seniors (55+) and 10 homeless seniors (55+) living with a mental illness. All 10 units restricted to homeless seniors living with a mental illness will be assisted by the Department of Mental Health (DMH) and the Department of Public Health (DPH) through No Place Like Home (NPLH). An additional eight units will be assisted by the LACDA through its County General Fund Loan. All 42 studio units will be reserved for individuals earning at or below 30 percent of the Area Median Income (AMI) and all 42 affordable units will be subsidized with Section 8 Project-Based Vouchers issued by the Housing Authority of the City of Los Angeles (HACLA). Chesterfield was awarded a total of \$4.1 million from the LACDA, which was comprised of \$2.1 million NPLH Funds through Round 2019-1 and \$2 million in County General Funds through Notice of Funding Availability (NOFA) 25-A. Since the time of award, the borrower has elected to reduce the Project's County General Fund loan to \$1.6 million due to over subsidy.

Stanford Apartments

Stanford Avenue Apartments is a permanent supportive housing project for homeless households with special needs and low-income families. The project was developed by Hollywood Community Housing Corporation, a Community Housing Development Organization (CHDO). The project features 85 units including two manager's units comprised of two (2) three-story structures. The project totals approximately 118,483 square feet of residential space on a 2.72-acre site. The site is comprised of three (3) contiguous parcels located in the unincorporated area of Compton in Los Angeles County. The development includes 46 one-bedroom units, 12 two-bedroom units, and 25 three-bedroom units with one (1) two-bedroom unit and one (1) three-bedroom unit set aside as manager's units.

The project received \$2.5 million in Affordable Housing Trust Funds (AHTF) and \$2.5 million in HOME funds from NOFA 22. The project received an additional \$1 million in AHTF and \$6.7 million from NOFA 23-A. The Second Supervisorial District provided \$250,000 of AHTF to the project. Additionally, the LACDA provided a seller carryback loan of \$1.3 million.

The Nook Apartments

In February 2021 Linc Housing (Linc) and the LACDA started construction on The Nook, a 27-unit apartment community in South Whittier, an unincorporated area of Los Angeles County. Linc, a nonprofit developer and manager of affordable and supportive housing throughout California, worked closely with the County of Los Angeles to create plans for a vibrant supportive housing community serving transition age youth, 18 to 24 years old, in need of stable housing. Funding for the development comes from a variety of sources including construction and permanent loans from Capital One, and \$3.9 million from the Los Angeles County Development Authority (No Place Like Home funds). The new community will have 26 one-bedroom units and one two-bedroom manager's unit. It will also feature a computer lab, community room, patio, second floor roof deck, and a community kitchen. The new building will address the demand for additional affordable housing in the neighborhood, while giving new life and energy to an underutilized former library site. The modern building design blends into the surrounding community.

Housing Operations Division

The LACDA has 3,229 public and affordable housing units located throughout Los Angeles County. Inventory consists of 2,962 public housing units located at 63 sites; 226 units under the Multi-Family/Section 8 New Construction Program at Kings Road in West Hollywood and Lancaster Homes in Lancaster; and 41 State Rental Housing Construction Program units in Santa Monica.

The Housing Operations Division (HOD) receives Operating Subsidies and Housing Assistance Payments contracts from HUD. Additional revenue consists of rent receipts, County General Funds and other federal and state grants. These revenue sources are used to operate and provide modest affordable housing and to provide resident supportive services to families and seniors with limited means.

HOD's Public Housing Program has been rated High Performer for the last 11 years. The Public Housing Assessment System Score Report tracks four indicators: Management Operations, Physical Conditions of our properties, Financial Conditions, and timely obligation and expenditure of Capital Funds. The lease up rate for public housing is 99 percent and the overall Real Estate Assessment Center (REAC) property inspections score is 94 out of 100.

Capital Fund Program funds received from HUD are utilized for modernization and property improvements. The 2021 Capital Fund Grant award will fund 12 new renovation projects countywide. CDBG funds will also be used for capital improvements. In FY 2021-2022, HOD will continue the renovation of kitchens at Marina Manor and at Carmelitos (phase III), complete generator installations at all senior housing developments, replace unit flooring at Quartz Hill, and replace windows at Nueva Maravilla. A Physical Needs Assessment is utilized to set priorities for future modernization projects.

HOD's ongoing vision is to disrupt the cycle of generational poverty and homelessness. We house homeless families in South Los Angeles County through our partnerships with the Los Angeles Homeless Services Authority (LAHSA) and the Los Angeles County Department of Children and Family Services (DCFS). During this challenging COVID-19 pandemic, the Division still found unique ways to provide services to our communities and residents, successfully hosting vaccination clinics across six (6) different housing developments to administer 1,000 vaccines to residents, employees, and community members. Working closely with our partner agencies to provide over 400 food boxes to families in need. HOD collaborated with the YMCA to provide after school cohorts to provide additional guidance and training for youth with distance learning needs at the Carmelitos and Nueva Maravilla Housing Developments. We also received a \$1.8 million Jobs Plus grant to work with our residents to provide training, education, and employment opportunities. The Resident Services Program, non-profit partners, and resident councils provide numerous resident support services including case management and counseling, activities for youth, health and life skills classes, and referrals to address barriers to self-sufficiency. The Los Angeles Community Development Foundation (LACDF), our non-profit organization, awards annual scholarships and supports residents pursuing higher education.

Through the Residential Services Program, we provide needs-based services to public housing residents utilizing various grants and connecting the residents to services available through program providers in the community. During the fiscal year HOD provided case management assistance services to 920 residences through the Family Resource Center, which

offers family support services, transportation and childcare referrals, and other counseling services. And, provided mental wellness services through the Los Angeles County Department of Mental Health (LACDMH) service provider at 13 senior housing sites. In collaboration with YMCA, Boys & Girls Club, and East LA Rising educational services were provided to 334 unduplicated public housing youth participating in the afterschool programs. 509 seniors and persons with disabilities were provided with Quality of Life programs, case management, and clinical services. Assisted Living Waiver Program services were provided to 40 seniors at South Bay Gardens, Orchard Arms, and Lancaster Homes. Provided onsite computer literacy, ESL, and High School Diploma classes to 80 public housing adult residents by partnering with local agencies. Carmelitos residents received work readiness, employer linkages, job placement, educational advancement technology skills, and financial literacy training. Pacific Gateway, a workforce development agency, maintained 50 enrolled residents and expanded services.

The LACDF is a 501(c)3 non-profit organization of the LACDA. Its mission is to end generational poverty in low-income housing throughout the Los Angeles County. The LACDF is meeting this mission by implementing a set of programs that empower extremely low-income students through college and continues to award annual scholarships and supports residents pursuing higher education.

The Scholarship Program awards are typically \$1,000 for students. Since 1997, the LACDF has awarded over \$360,000 in scholarships to over 340 participants, many of whom have since graduated and entered into professional fields of practice including doctors, nurses, and lawyers. During the fiscal year, 27 scholarships were awarded. Additionally, the LACDF offers College Access and Success Workshops to prepare students for college enrollment and completion. These workshops include FAFSA assistance, SAT test preparation, effective study tips, and assistance with college applications, and essays. Professionals within varying fields facilitate these workshops and are available for follow-up support. These workshops support both the student and parent in making decisions, with a special focus on navigating the transition from high school to college.

Housing Assistance Division

The LACDA is the second largest Public Housing Agency in Southern California. We receive Federal funds from the U.S. Housing and Urban Development (HUD) to provide housing subsidies paid directly to private landlords, for over 27,000 eligible families, seniors, veterans, and persons with disabilities living in the unincorporated area of Los Angeles and 62 participating cities. The rental subsidy programs include Housing Choice Voucher (Section 8) Program (HCV), Veterans Affairs Supportive Housing (VASH), Continuum of Care (CoC), Moderate Rehabilitation, Project-Based Voucher (PBV), Mainstream, Family Unification and Housing Opportunities for Persons with Aids (HOPWA).

During this reporting period, the Housing Assistance Division (HAD) received over \$325 million in local and Federal funding to house low-income, homeless, and special needs households; awarded over 300 Project-Based Vouchers to assist homeless, veterans, seniors and special needs; commenced/completed leasing activities for six (6) affordable housing developments; issued over 700 vouchers to applicant households; and leased over 1,100 first-time program participants.

The LACDA continues to be proud partners in the County's Homeless Initiative. Since HAD's last communication, one (1) additional local public housing authority joined our efforts to administer a Homeless Incentive Program (HIP), bringing the number of collaborating Public Housing Agencies to eight (8). The HIP provides monetary assistance to help homeless families secure decent, safe, and sanitary housing. First, property owners/managers receive the equivalent of one month's rent to hold their units and consider accepting a family with a housing voucher or certificate. The owner may also receive funds when the family moves out to prepare the unit for the next family. Secondly, HIP provides families with a listing of available units, assistance in the preparation for the rental process, transportation to visit units, and financial assistance to cover the application fee, security deposit, utility deposit, and other move-in costs. Since July 1, 2019, the LACDA successfully secured housing for nearly 4,000 formerly homeless families, expending over \$6 million in incentive payments and financial assistance to families in the process. The success of this initiative is a direct result of collective collaborations and commitments to end homelessness throughout Los Angeles County.

Additionally, in an effort to increase the number of property owners participating in the LACDA's rental assistance programs, on January 1, 2020, the LACDA launched a new business model which provides an enhanced customer service experience and monetary and non-monetary assurances to property owners who rent their units to subsidized individuals and families. Since January 1, 2020, the LACDA successfully expended nearly \$1.3 million to secure housing for nearly 1,100 families. Open Doors is a collaborative effort between the LACDA and Los Angeles County.

HAD received a “High Performer” rating under HUD’s Section Eight Management Assessment Program (SEMAP) for the fiscal year 2019-2020 and is on pace to receive the SEMAP High Performer rating for ten (10) consecutive years.

The Housing Choice Voucher (Section 8) Program (HCV) continues to provide housing assistance to low-income families to afford decent, safe, and sanitary housing. This fiscal year, we utilized 92 percent of allocated vouchers and expended 95 percent of annual Housing Assistance Payments (HAP) funding.

The Homeless Incentive Program (HIP) incentivizes property owners to rent to homeless HCV voucher holders while providing our clients with financial assistance for security deposits, and other move-in costs. Funding for the program comes as part of the Homeless Prevention Initiative, a collaborative effort between multiple County agencies supported by funding from Los Angeles County Measure H. In the fiscal year 2020-2021, HIP housed 533 individuals and families, paid 364 security deposits, provided clients with other move-in assistance; eight (8) utility deposits, 33 rental application fees, convened or attended 17 landlord engagement events, received 693 landlord requests to participate in HIP, and secured 444 units. Working in conjunction with eight (8) local Public Housing Agencies, 1,000 vouchers were committed.

The Open Doors program, a collaborative effort between the LACDA and Los Angeles County, was developed with the goal of increasing the number of property owners participating in the County’s rental assistance programs and to increase the number of rental unit available to subsidies families. During this reporting period the program was able to assist 563 families.

During the fiscal year, the Family Self-Sufficiency (FSS) Program increased its enrollment to 75 percent. FSS is a five-year voluntary program designed to help families achieve economic self-sufficiency by providing services ranging from case management and referrals to supportive social services such as childcare, job preparation, education, and money management. As families report wage increases, their rent is adjusted, and a portion of their rent increase is credited into an interest-bearing escrow savings account monthly. FSS participants must successfully achieve all goals established in the FSS Contract of Participation and graduate from the Program in order to be eligible to receive escrow funds. This fiscal year ended with 31 participants graduating from the program; 27 Section 8 HCV and 4 Public Housing residents.

Communications and Public Affairs Unit (CPAU)

Over the past year, the Communications and Public Affairs Unit (CPAU) was heavily involved in promoting COVID-19 related programming among County residents and is presently assisting in the marketing of the California COVID-19 Rent Relief program. The number of media inquiries resulting from these marketing efforts is unprecedented, leading to significant coverage from media outlets of the various programs offered to residents and businesses struggling to stay afloat, such as the Los Angeles County Rent Relief Program (Rent Relief), EDA Stabilization Grant, Child Care Provider Grant, Revitalization Grant Programs (I and II), and Keep LA County Dining Program. As a result of issuing 17 press releases, multiple social media posts, and mentions in the agency newsletters specifically on these programs, approximately 60 requests for interviews or statements from the LACDA Executive Director were received. Additionally, marketing of COVID-19 testing and vaccination administration conducted at public housing communities yielded a press conference at Nueva Maravilla with attendance by Los Angeles County Board Chair Supervisor Hilda L. Solis, to acknowledge the County's commitment to keeping residents safe and bringing resources directly to them.

Other program marketing included the creation of a media toolkit for the Los Angeles County Rent Relief (Rent Relief) Program and the coordination of a WebEx webinar for the media in advance of the launch, with the inclusion of partners, and the creation of new program content for the website not only for the Rent Relief, but all programs launched.

As funding from these programs was received by applicants, follow up was conducted to document their experience and impact felt by assistance offered. This resulted in 22 testimonials created through the use of graphics and videos for inclusion as marketing material. An in-house video thanking the Los Angeles County Board of Supervisors (Board) for the Rent Relief program and another in-house video to acknowledge all employees who worked on COVID-19 related programming were created. Follow up was done to connect recipients to Countywide Communications to promote the impact to assisted residents on a broader scale, which led to eight (8) videos produced by LA 36. Data was also collected for the inclusion in the CARES Act webpages on agency programs.

Most recently for the California COVID-19 Rent Relief program, to assist the State promote the program with the assistance of Countywide Communications, outreach to the Spanish speaking media was conducted on several occasions, for interviews with the LACDA Executive Director. Additionally, a Public Service Announcement was recorded with the assistance of LA 36 and over \$10,000 was spent on two separate marketing campaigns on Facebook. Outreach was also conducted several times to Public Information Officers (PIO) of all County Departments asking for their assistance to promote the program, and flyers

were sent to Board Offices, Department of Health (DPH), Los Angeles County Office of Education (LACOE) in addition to a 600,000 mailing to property owners with assistance from the Assessor's office.

This additional marketing assistance provided to the State should help increase the number of program applicants, similar to how marketing efforts for the LACDA COVID-19 programming yielded the results needed to assist residents in need of rental assistance.

Also, during the fiscal year, the Unit monitored 2,500 public inquiries received through the Public Inquiry Portal and ensured that 100 percent of the public inquiries received were responded to by the appropriate division. It responded to 54 media inquiries within requested timelines, issued 40 press releases and media advisories, and coordinated 250 Public Records Act requests. The Unit grew the agency's social media presences using Facebook and Twitter. At the end of the fiscal year, the agency's Facebook account had 3,554 likes, Twitter reached 1,500 followers and over 2,600 followers on LinkedIn. The number of subscribers for the agency's e-newsletter increased to 12,742 compared to 7,438 in the prior fiscal year.

The Unit served as the lead for the County's Census 2020 activity until the close of the Census in October 2020. The Unit represented the agency in the 2020 Census Countywide Outreach Complete Count Committee and promoted the Census on social media and among the LACDA program participants, by preparing content to send to Section 8 HCV and publish housing residents encouraging them to complete the Census.

Traffic Administration Services Program (TAS)

The Traffic Administration Services (formerly Traffic Violator School Monitoring) Program was created on April 15, 1997, when the Board of Supervisors approved the Three-Party Agreement between the LACDA (then CDC/HACoLA), the Superior Court of California, and the County of Los Angeles (Court).

TAS provides and manages Traffic Court Specialist staff assigned at various Court locations to process and receive traffic citations on behalf of the Court. TAS also serves the Court's customers in providing printed and electronic information regarding the Court and traffic violator schools and providing customers with real-time assistance in resolving complaints regarding traffic violator course completion certificates.

In addition, TAS administers the LACDA's Court-Referred Community Service Program Monitoring (CRCS), which establishes and enforces policies and procedures for Community Service Referral Agencies (CSRAs) and provides the Court and its customers with a countywide list of CRCS-approved CSRAs. Through CRCS, TAS provides well-needed independent monitoring of the CSRA industry to help improve program reliability and accountability.

During the fiscal year, TAS staff resolved 2,514 traffic violator school completion certificate issues on behalf of the Los Angeles Superior Court and individual traffic violator schools. It also provided and managed 11 TAS Traffic Court Specialist (TCS) and three (3) TCS Supervisors to render traffic court customer and administration services at 18 Court locations. TCS staff provided service to over 11,277 court customers.

A total of 264,385 published copies of the Los Angeles Superior Court/TAS Traffic Violator School Location List (pursuant to Section 11205 of the California Vehicle Code) were distributed.

ACKNOWLEDGEMENT

The preparation of this report was accomplished through the efforts of the entire staff of the Finance and Budget Division. Assistance was also provided by employees of other Divisions and by our auditors, Lance, Soll & Lunghard, LLP. We wish to express our appreciation to the individuals who contributed to its preparation.

Sincerely,



EMILIO SALAS

Executive Director



MATTHEW FORTINI

Chief Financial Officer

BOARD OF SUPERVISORS

COUNTY OF LOS ANGELES



HILDA L. SOLIS
FIRST SUPERVISORIAL DISTRICT

HOLLY J. MITCHELL
SECOND SUPERVISORIAL DISTRICT

SHEILA KUEHL
THIRD SUPERVISORIAL DISTRICT

JANICE HAHN
FOURTH SUPERVISORIAL DISTRICT

KATHERYN BARGER
FIFTH SUPERVISORIAL DISTRICT

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

PRINCIPAL OFFICIALS

*BOARD OF COMMISSIONERS

Holly J. Mitchell..... Chair of the Board
Hilda L. Solis..... Supervisor First District
Sheila Kuehl Supervisor Third District
Janice HahnSupervisor Fourth District
Kathryn BargerSupervisor Fifth District

*HOUSING ADVISORY COMMITTEE

Ruthie Myers..... Chair of Committee
Zella Knight..... Vice Chair of Committee
Mary Canoy Tenant Member
Pamela Williams..... Tenant Member
Takao Suzuki.....Non-Tenant Member, First District
Elda Mendez-Lemus..... Non-Tenant Member, Third District
James Brooks..... Non-Tenant Member, Fifth District

OFFICERS

Emilio Salas..... Executive Director
Kathy Thomas Chief of Operations
Vacant..... Chief of Programs

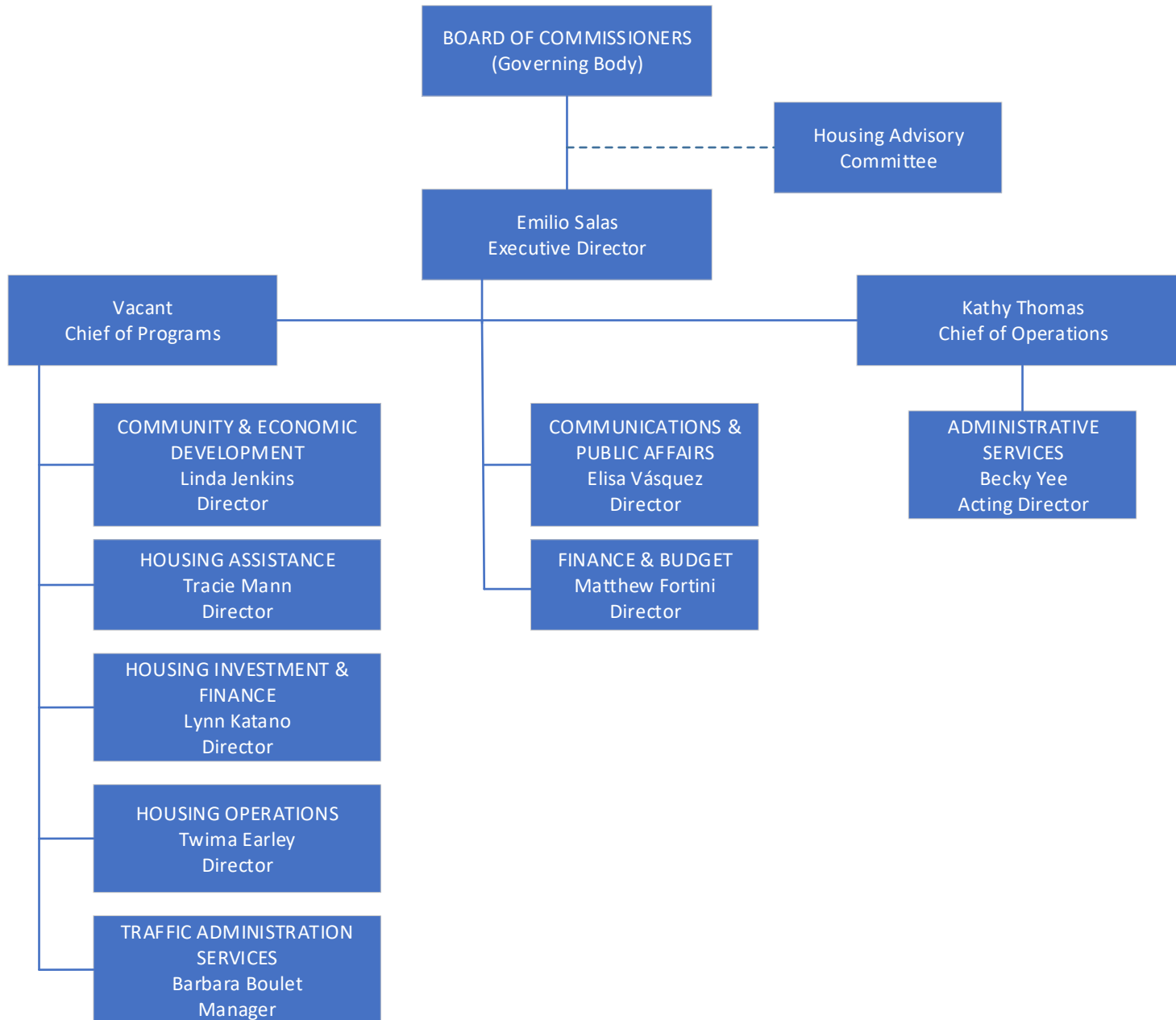
DIRECTORS

Becky Yee, Acting Administrative Services
Elisa Vasquez Communications and Public Affairs
Linda Jenkins..... Community and Economic Development
Matthew Fortini Finance and Budget
Tracie Mann Housing Assistance
Lynn Katano Housing Investment and Finance
Twima Early Housing Operations

*The Board of Commissioners and Housing Advisory Committee is as of December 31, 2021.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Los Angeles County Development Authority
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO



HOUSING
COMMUNITY
ECONOMIC

LACDA

Los Angeles County Development Authority



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Los Angeles County Development Authority
County of Los Angeles, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Los Angeles County Development Authority (the LACDA), a component unit of the County of Los Angeles, California, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the LACDA's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the LACDA as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the LACDA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the LACDA's ability to continue as a going concern for twelve months beyond the date of the financial statements.



To the Board of Commissioners
Los Angeles County Development Authority
County of Los Angeles, California

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with the GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the LACDA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the LACDA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Responsibilities

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules for the general fund, the Federal Housing and Community Development fund, the Other Federal fund, the Local Housing and Community Development fund, and the Low and Moderate Income Housing Asset fund; the schedule of changes in net pension liability and related ratios; the schedule of employer contributions for pension; the schedule of changes in net OPEB liability and related ratio; and the schedule of employer contributions for OPEB be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



To the Board of Commissioners
Los Angeles County Development Authority
County of Los Angeles, California

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the LACDA's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2021, on our consideration of the LACDA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the LACDA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the LACDA's internal control over financial reporting and compliance.

Lance, Solt & Lughard, LLP

Brea, California
November 17, 2021

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Management's Discussion and Analysis Year ended June 30, 2021

This Management's Discussion and Analysis (MD&A) section of the Annual Comprehensive Financial Report provides a financial overview and analysis of the LACDA's financial activities for the fiscal year ended June 30, 2021. The areas discussed include financial highlights, government-wide financial analysis, fund financial analysis, capital assets, and debt administration. This information should be read in conjunction with the accompanying transmittal letter, basic financial statements, notes to the basic financial statements, and required supplemental information. Financial activities deemed immaterial were not analyzed.

Financial Highlights

- Total aggregated net position for LACDA as of June 30, 2021, is \$704,745,392 and includes the following:
 - \$136,852,221 in net investment in capital assets
 - \$514,695,546 in restricted net position
 - \$53,197,625 in unrestricted net position
- Compared to last fiscal year, LACDA's total net position decreased by \$65,185,108. Of this decrease, \$88,892,607 was attributed to governmental activities offset by an increase of \$23,707,499 to business-type activities.
- At the end of the fiscal year, LACDA's fund balances of all governmental funds totaled \$519,719,677, a decrease of \$100,312,150 over last fiscal year. \$3,330,608 of the total fund balances is non-spendable, while \$491,740,281 is restricted, and \$24,648,788 is unassigned.
- \$3,330,608 of the total general fund balance is non-spendable, \$63,862,210 is restricted, and \$25,067,911 is unassigned.
- The LACDA's total debt increased by \$4,045,481 during the fiscal year. The increase was primarily due to an increase in the net pension liability of \$8,941,455 and \$860,434 in compensated absences. This was offset by a decrease of \$3,214,996 in net other postemployment benefits liability, the debt payments of \$1,568,000 for Section 108 loans, \$775,000 for lease revenue bonds, and \$198,412 for equipment and vehicle leases.
- Total revenue is \$884,682,605, comprised of the following activities: governmental \$449,889,520 or 51% of total revenue, and business-type \$434,793,085 or 49% of total revenue.
- Total expenses are \$949,867,713, comprised of the following activities: governmental \$535,391,642 or 56% of total expenses, and business-type \$414,476,071 or 44% of total expenses. The governmental activities include general government expenses of \$567,904 or 0.06% of total expenses.

Overview of the Basic Financial Statements

The basic financial statements include all the activities of the LACDA, using the integral approach prescribed by GASB Statement No. 34 and its related GASB Statements. The Government-wide Financial Statements present the financial position of the LACDA from the economic resources' measurement focus, using the accrual basis of accounting. Governmental activities and business-type activities are presented separately. The statement of net position presents all assets and liabilities of the LACDA, including restricted and unrestricted assets. Financial activities of the LACDA's component units are also reported in the financial statements.

The accompanying Fund Financial Statements include statements for three categories of activities: governmental, proprietary and fiduciary. The governmental funds are prepared using the current financial resources measurement focus and the modified-accrual basis of accounting. The proprietary funds are prepared using the economic resources measurement focus and the accrual basis of accounting. The fiduciary fund is *not* presented in the accompanying

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Management's Discussion and Analysis Year ended June 30, 2021

government-wide financial statements since the resources of those funds are *not* available to support the LACDA's programs. The basis of accounting used for the fiduciary fund is similar to what is used for the proprietary funds. The reconciliations of the Fund Financial Statements to the Government-wide Financial Statements are provided to facilitate a comparison between governmental funds and governmental activities.

Following the basic financial statements are the accompanying notes, which provide additional information essential to fully understanding the data provided in the Government-wide and Fund Financial Statements. Certain required supplemental information, demonstrating the LACDA's progress in meeting its funding obligations, and in maintaining budgetary control, is also provided in the Required Supplementary Information section.

During the fiscal year, the LACDA implemented the following GASB statements: *GASB Statement No. 84, Fiduciary Activities* and *GASB Statement No. 90, Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of *GASB Statement No. 90* are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This statement also requires that a component unit in which a government has a 100% equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100% equity interest in the component unit. The objective of *GASB Statement No. 84* is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The implementation of these two GASB statements have minimal impact in the presentation of the LACDA's financial statements.

Government-wide Financial Statements

The statement of net position and the statement of activities provide information about the LACDA as an integrated whole. These basic financial statements include all assets, liabilities, deferred outflows of resources, deferred inflows of resources, and net position of the LACDA using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two basic financial statements report the LACDA's changes in net position and activities for the year. Net position is the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Over time, increases and decreases in net position may serve as a useful indication of improvement or deterioration of the LACDA's financial health.

Fund Financial Statements

The LACDA, like state and local governments, uses fund accounting to ensure compliance with finance-related legal requirements. The LACDA uses three fund categories: governmental, proprietary and fiduciary.

Governmental funds

General Fund – The General Fund accounts for all general revenues and other receipts that are not appropriated by law or contractual agreement to specific funds. Expenditures of this fund include general operating expenditures, which are not paid through specific funds.

Other Major Governmental Funds – Other major governmental funds include Federal Housing and Community Development, Other Federal, Local Housing and Community Development, and Low and Moderate Income Housing Asset. These funds are used to account for revenues derived from specific sources, which are usually required by law or administrative regulation to be accounted for in separate funds.

The basic governmental fund statements are presented on pages 17-19 of this report.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Management's Discussion and Analysis Year ended June 30, 2021

Proprietary funds

Internal Service Funds – Internal service funds are used to account for the accumulation of resources and payments of services provided to multiple departments on a cost-reimbursement basis. The Internal Service Fund group includes: Construction Management, Central Services, Data Processing, Risk Management, and the Alhambra Building.

Enterprise Funds – Enterprise funds are used to account for activities similar to those found in the private sector. The LACDA's major enterprise funds are Public Housing, Other Housing, Section 8 program, and the LACDA's component unit, Community Development Properties Los Angeles County, Incorporated (CDPLAC).

The basic proprietary fund statements are presented on pages 21-23 of this report.

Fiduciary fund

Successor Agency Fund – The Successor Agency Fund is used to report assets and liabilities transferred from the LACDA's former redevelopment agency, held in a trustee capacity. The LACDA's redevelopment agency was dissolved in early 2012, per State legislation, ABX1 26.

The basic fiduciary fund statements are presented on pages 24-25 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The notes to the financial statements are found on pages 26-57 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain *Required Supplementary Information*, such as the schedule of revenues, expenditures, and changes of fund balances for all governmental funds with actual results compared to budget, and the LACDA's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 61-71 of this report.

Internal Service Funds are presented on pages 76-78, immediately following the required supplementary information.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Management's Discussion and Analysis Year ended June 30, 2021

Government-wide Financial Analysis

As presented earlier, the LACDA's net position at June 30, 2021, totaled \$704,745,392 with \$514,695,546 restricted, \$136,852,221 net investment in capital assets, and \$53,197,625 unrestricted. The changes in this year's net position include a decrease of \$88,892,607 in governmental activities and an increase of \$23,707,499 in business-type activities.

Los Angeles County Development Authority - Net Position

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$620,558,254	\$681,150,845	\$ 83,689,337	\$ 61,002,633	\$704,247,591	\$742,153,478
Capital assets, net of accumulated depreciation	58,028,825	60,728,674	112,756,407	112,375,884	170,785,232	173,104,558
Total assets	678,587,079	741,879,519	196,445,744	173,378,517	875,032,823	915,258,036
Deferred outflows of resources related to pensions and OPEB	9,663,432	9,148,864	6,198,485	5,519,687	15,861,917	14,668,551
Long-term liabilities	46,272,196	42,307,835	55,069,350	54,988,230	101,341,546	97,296,065
Other liabilities	70,731,971	48,911,244	11,675,532	11,244,401	82,407,503	60,155,645
Total liabilities	117,004,167	91,219,079	66,744,882	66,232,631	183,749,049	157,451,710
Deferred inflows of resources related to pensions and OPEB	1,763,955	1,434,308	636,344	1,110,069	2,400,299	2,544,377
Net investment in capital assets	26,295,814	28,056,834	110,556,407	104,716,447	136,852,221	132,773,281
Restricted	507,675,114	587,497,637	7,020,432	1,720,363	514,695,546	589,218,000
Unrestricted	35,511,461	42,820,525	17,686,164	5,118,694	53,197,625	47,939,219
Total net position	\$569,482,389	\$658,374,996	\$135,263,003	\$111,555,504	\$704,745,392	\$769,930,500

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Management's Discussion and Analysis Year ended June 30, 2021

Los Angeles County Development Authority – Changes in Net Position

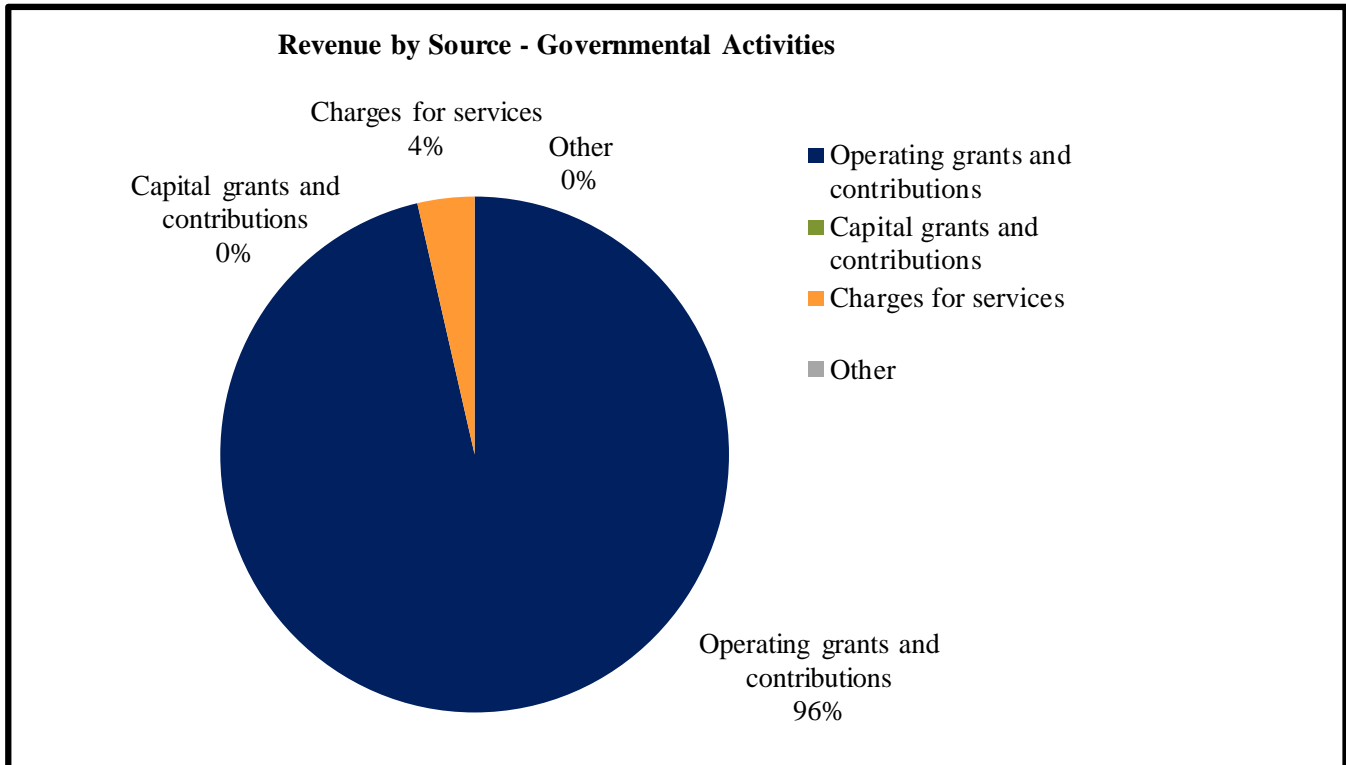
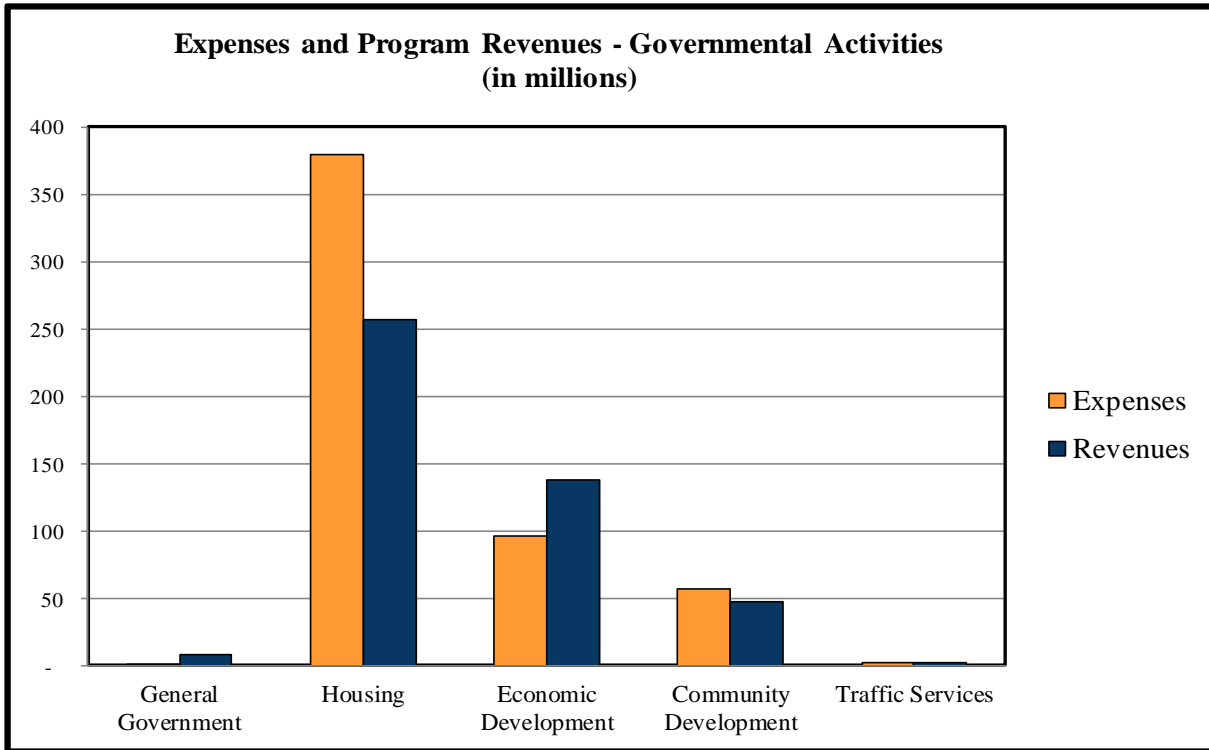
	Years ended June 30					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 16,339,245	\$ 14,899,757	\$ 15,054,746	\$ 14,768,427	\$ 31,393,991	\$ 29,668,184
Operating grants and contributions	435,161,783	354,926,429	413,571,049	374,410,041	848,732,832	729,336,470
Capital grants and contributions	-	-	4,284,800	4,545,291	4,284,800	4,545,291
General revenues:						
Investment income (loss)	(1,619,551)	6,221,356	1,882,490	2,138,542	262,939	8,359,898
Insurance recoveries	-	-	-	1,254,264	-	1,254,264
Gain on sale of property	8,043	1,283,413	-	-	8,043	1,283,413
Share in income of JPA	-	335,623	-	-	-	335,623
Total revenues	449,889,520	377,666,578	434,793,085	397,116,565	884,682,605	774,783,143
Program expenses:						
General government	567,904	2,291,048	-	-	567,904	2,291,048
Housing	379,160,360	162,860,678	-	-	379,160,360	162,860,678
Economic development	96,318,013	5,133,365	-	-	96,318,013	5,133,365
Community development	56,802,273	76,560,540	-	-	56,802,273	76,560,540
Traffic services	2,326,319	2,416,089	-	-	2,326,319	2,416,089
Interest on long-term debt	216,773	249,782	-	-	216,773	249,782
Section 8 program	-	-	376,943,905	363,117,764	376,943,905	363,117,764
Public housing	-	-	30,882,171	31,513,140	30,882,171	31,513,140
Other housing	-	-	4,991,203	4,869,765	4,991,203	4,869,765
CDPLAC	-	-	1,658,792	1,707,021	1,658,792	1,707,021
Total expenses	535,391,642	249,511,502	414,476,071	401,207,690	949,867,713	650,719,192
Change in net position before transfers	(85,502,122)	128,155,076	20,317,014	(4,091,125)	(65,185,108)	124,063,951
Transfers	(3,390,485)	1,364,484	3,390,485	(1,364,484)	-	-
Change in net position	(88,892,607)	129,519,560	23,707,499	(5,455,609)	(65,185,108)	124,063,951
Net position – beginning	658,374,996	528,855,436	111,555,504	117,011,113	769,930,500	645,866,549
Net position – ending	\$ 569,482,389	\$ 658,374,996	\$ 135,263,003	\$ 111,555,504	\$ 704,745,392	\$ 769,930,500

Governmental Activities

The decrease in net position of \$88,892,607 for governmental activities was attributed to the following decreases: \$80 million funding from local housing and community development programs, \$13 million funding in county construction projects and \$8.7 million due to changes in net pension liability. These decreases were slightly offset by a reduction of \$2.2 million in net OPEB liability, an increase of \$4.7 million in loan principal collections from the HOME loan program, and an additional CARES Act funding of \$6.5 million for the economic development revolving loan program due to the pandemic caused by COVID-19.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

**Management’s Discussion and Analysis
Year ended June 30, 2021**

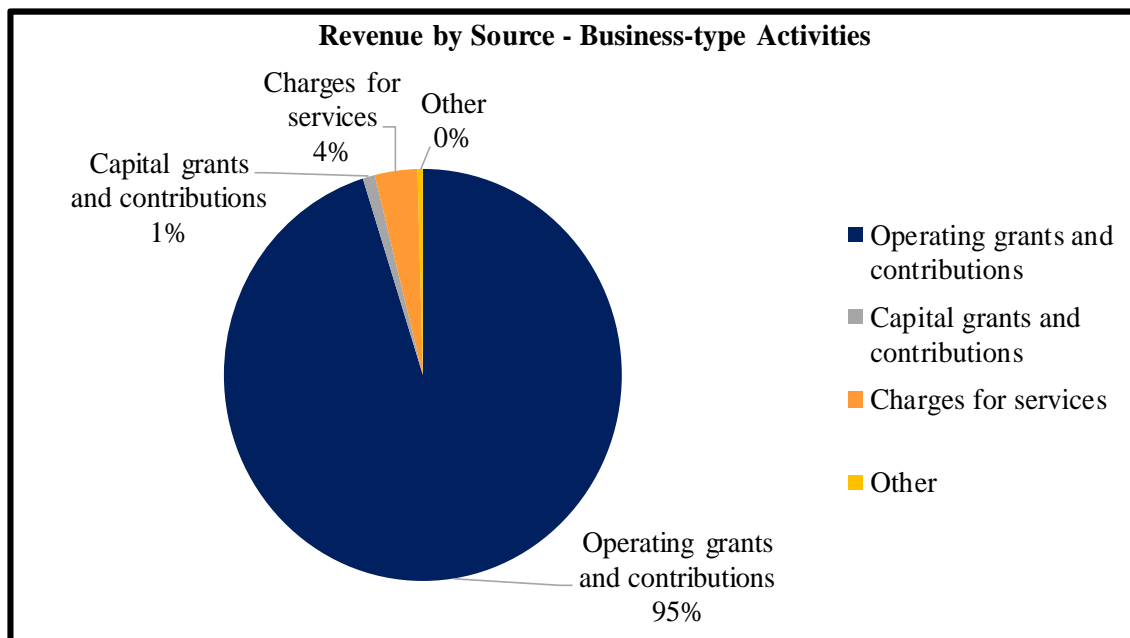
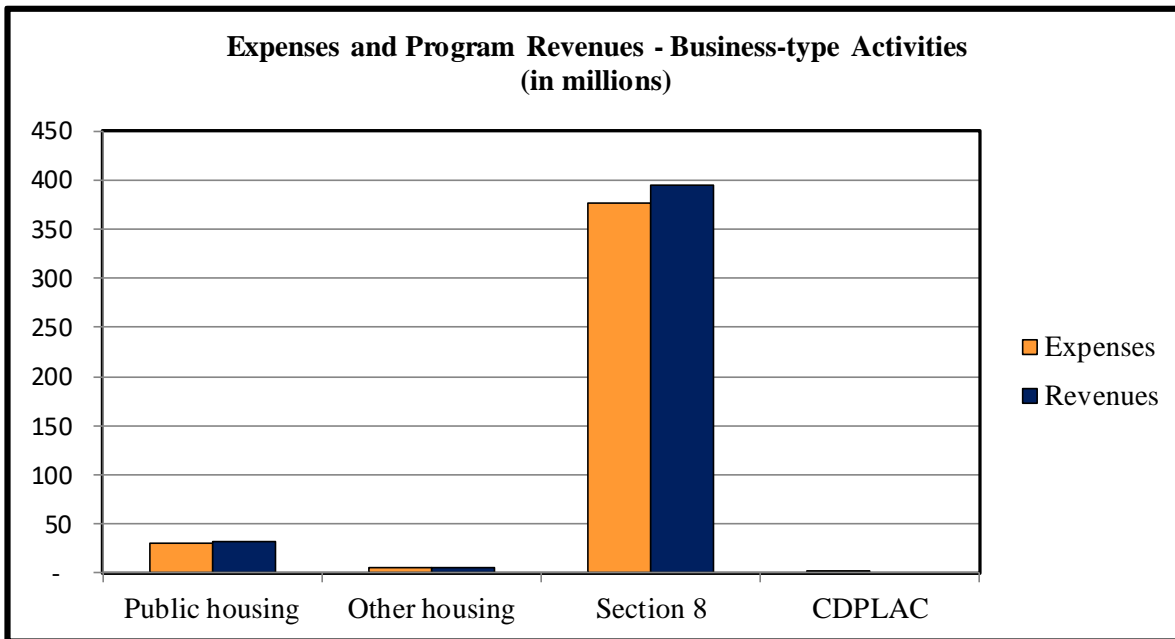


LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

**Management’s Discussion and Analysis
Year ended June 30, 2021**

Business-type Activities

The increase of \$23,707,499 in net position for business-type activities was mainly attributed to an increase of \$18.1 million in the Section 8 Program, \$2.6 million in Public Housing and \$3 million in the Other Housing Programs. An increase in CARES Act funding for both the Section 8 Program and Public Housing contributed to an increase in net revenues of approximately \$13.5 million. Other contributors to the increase in net position included the forgiveness of internal loans for both Public Housing and Other Housing of approximately \$5 million and an increase in net Housing Assistance Payments (HAP) revenue of approximately \$6 million.



LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Management's Discussion and Analysis Year ended June 30, 2021

Fund Financial Analysis

Governmental Funds

At June 30, 2021, the LACDA's total governmental fund balance was \$519,719,677, a net decrease of \$100,312,150, or 16.2% from last fiscal year. A decrease of \$80 million in the Local Housing and Community Development and a decrease of \$10.3 million in General Fund were mainly attributed to revenues recongnized in prior fiscal years, but expended in the current fiscal year which consisted of the No Place Like Home housing development program, the Mental Health Housing Program, the preservation and development of special needs and affordable housing, and the County construction projects. The remaining decreases of \$8.8 in Federal Housing and Community Development and \$1 million in Other Federal were due to the unavailable CARES Act revenues from the Emergency Solutcion Grants, Community Development Block Grant and Economic Development Revolving Loan Fund.

Proprietary Funds

The increase of \$2,556,909 in the net position of the Public Housing Program was due mainly to the forgiveness of the internal loan from the general fund to the Energy Performance Contract under Maravilla of \$1.5 million and to the increased CARES Act related revenue received of approximately \$1.2 million.

The increase of \$3,027,897 in the net position of the Other Housing Program was due mainly to the the forgiveness of the internal loan from the general fund to Lancaster Homes of \$3.5 million offset by a cash transfer of \$1.4 million from the non-conventional housing program to the Housing Operations' Central Office Cost Center to cover its deficit.

The increase in net position of \$18,058,846 in the Section 8 Program was primarily due to an increase in CARES Act administrative revenue of approximately \$12 million coupled with a net increase in HAP revenue of approximately \$6 million.

General Fund Budgetary Highlights

The unfavorable variance in the intergovernmental revenues is attributed mainly to \$28.6 million funding received from the County in prior fiscal year for the Magic Johnson Park, Temple City Library, Norwalk Library and the Vermont Manchester Prop A projects offset by the receipt of funding for the San Pedro Service Center and Economic Development Regional Recovery projects. Charges for services has a favorable variance of \$2.1 million is due to increased funding and higher admin fee proration. The \$7.2 million contributions is mainly due to the funding from various programs to fund the Section 115 Pension Trust. The General Fund investment loss of \$1.6 million is primarily due to the decrease in fair market value of the investment assets at year-end.

The favorable variance of \$3.6 million in general government expenditures was primarily due to the delay in the construction of the Antelope Valley Office along with savings from general administrative costs. Housing expenditures were \$2.4 million lower than the budgeted amount due to salary savings along with savings from general administrative costs. The variance of \$2.6 million in economic development expenditures was attributed mainly to salary savings due to vacancies along with the delayed start of the Vermont Manchester Prop A project. Community development expenditures were \$12.8 million lower than budgeted due to the construction pacing of the Magic Johnson Park and Temple City Library projects.

Capital Assets

Capital assets are reported as governmental or business-type activities in the accompanying Government-wide Financial Statements. Capital assets are defined by the LACDA as assets with an initial unit cost of more than \$5,000 and an estimated useful life in excess of one year, and include property, furniture and fixtures, vehicle and equipment.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Management's Discussion and Analysis Year ended June 30, 2021

Los Angeles County Development Authority - Capital Assets

(Net of depreciation)

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Land and land improvements	\$ 29,798,910	\$ 29,798,910	\$ 58,992,131	\$ 58,992,131	\$ 88,791,041	\$ 88,791,041
Construction in progress	134,315	134,315	3,822,724	593,028	3,957,039	727,343
Buildings and improvements	26,601,989	29,052,177	49,493,627	52,406,782	76,095,616	81,458,959
Equipment	107,340	78,844	447,925	383,943	555,265	462,787
Vehicles	540,384	725,444	-	-	540,384	725,444
Furniture and fixtures	51,694	67,934	-	-	51,694	67,934
Software	794,193	871,050	-	-	794,193	871,050
Total	\$ 58,028,825	\$ 60,728,674	\$112,756,407	\$112,375,884	\$170,785,232	\$173,104,558

Additional information on the LACDA's capital assets can be found in Note 6 under *Notes to Basic Financial Statements* of this report.

Debt Administration

The LACDA's total long-term liabilities of \$101,341,546 as of June 30, 2021, are composed of the following:

Long-term liabilities arising from governmental activities	\$ 46,272,196
Long-term liabilities arising from business-type activities	55,069,350
	<u>\$ 101,341,546</u>

Los Angeles County Development Authority - Outstanding Debt

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Long-term liability						
Long-term debt:						
Lease revenue bonds	\$ -	\$ -	\$31,930,000	\$32,705,000	\$ 31,930,000	\$ 32,705,000
Direct borrowing:						
Section 108 notes payable	7,452,000	9,020,000	-	-	7,452,000	9,020,000
Notes payable to CA						
State Dept	-	-	2,200,000	2,200,000	2,200,000	2,200,000
Leased purchase	414,261	612,673	-	-	414,261	612,673
Compensated absences	1,734,115	1,239,363	1,442,802	1,077,120	3,176,917	2,316,483
Claims payable	3,525,540	3,525,540	-	-	3,525,540	3,525,540
Net pension liability	30,943,518	23,362,406	18,980,923	17,620,580	49,924,441	40,982,986
Net other postemployment benefits liability	2,202,762	4,547,853	515,625	1,385,530	2,718,387	5,933,383
Total	\$46,272,196	\$42,307,835	\$55,069,350	\$54,988,230	\$101,341,546	\$ 97,296,065

Additional information on LACDA's long-term debt can be found in Note 7, Note 8, Note 11, Note 12, and Note 17 under *Notes to Basic Financial Statements* of this report.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Management's Discussion and Analysis Year ended June 30, 2021

Budgetary Highlights for Next Fiscal Year 2021-2022

The total budget for the Los Angeles County Development Authority (LACDA) is \$959.3 million for the fiscal year 2021-2022, a \$173.4 million increase from fiscal year 2020-2021. The increase is primarily due to the increased funding for the Housing Choice Voucher (HCV) program and the affordable housing development projects. Additionally, the recommended budget also includes carryover supplemental funding from the Federal and State COVID-19 Emergency Solutions Grants (ESG) and Community Development Block Grant (CDBG) funds as authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. These increases are offset by the substantial completion of the Magic Johnson Park Phase 1A construction project.

The budget consists mainly of federal monies, funded for housing and community development programs under HUD. Local revenue sources include Public Housing dwelling rental and County General Funds. Other sources include the Federal Aviation Administration (FAA) and the Los Angeles World Airports (LAWA).

The following major funding sources for fiscal year 2021-2022 are detailed below:

- Total Housing Funds are \$448 million comprised of \$404.7 million for Housing Assistance, \$43.3 million for Housing Operations and Capital Improvement Programs. These funds assist in providing quality affordable housing to eligible families, seniors, veterans, and special need households. Public Housing Capital Improvement Program funds are used to improve and rehabilitate public housing units.
- County funds are budgeted at \$157.5 million. Of the \$157.5 million, \$90.3 million supports the preservation and development of special needs and affordable housing; \$24.7 million comes from the Lead-Based Paint Mitigation Programs; \$16.3 million supports Rapid Rehousing and Landlord Incentive Programs; \$9.4 million is related to various countywide capital projects; \$10.6 million for activities related to economic development projects; and the remaining County funds to support other countywide initiatives.
- State funds are budgeted at \$125.6 million. The State provides funding for a variety of LACDA programs: \$99.1 million in No Place Like Home funds for affordable housing development; \$19.5 million in State Emergency Solutions Grant funds that are used for street outreach, emergency shelter, homelessness prevention, and rapid rehousing; \$5.8 million in Permanent Local Housing Allocation program; and the remaining dollars are used in support of various other State and Local initiatives.
- Total HUD Community Planning and Development funds are budgeted at \$111.9 million. These funds are comprised of the federal allocation of Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solution Grants (ESG), and Housing Opportunities for Persons with AIDS (HOPWA). They will be used for a variety of economic development, public infrastructure, social services, housing development and rehabilitation, housing assistance, and first-time home ownership programs.
- The remaining \$26.5 million budget consists of Cities and other funds.

Contacting Finance and Budget

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the LACDA's finances, including the LACDA's accountability for the money it receives. Inquiries regarding this report, or requests for additional information should be directed to: Mr. Matthew Fortini, Chief Financial Officer, Finance and Budget Division, 700 W. Main Street, Alhambra, California 91801, (626) 586-1890.



LACDA

Los Angeles County Development Authority

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

**Statement of Net Position
June 30, 2021**

	Primary government		
	Governmental activities	Business-type activities	Totals
Assets			
Cash and pooled investments	\$ 537,216,474	\$ 47,694,593	\$ 584,911,067
Restricted investments	8,487,198	-	8,487,198
Accounts receivable, net	2,664,466	936,488	3,600,954
Due from other governments	51,669,578	6,217,283	57,886,861
Internal balances	(28,737,270)	28,737,270	-
Notes receivable, net	23,097,601	-	23,097,601
Land held for resale	12,946,452	-	12,946,452
Inventory	46,790	11,694	58,484
Prepaid costs and other assets	717,030	92,009	809,039
Investment in JPA	12,449,935	-	12,449,935
Capital assets:			
Land	29,798,910	58,992,131	88,791,041
Construction in progress	134,315	3,822,724	3,957,039
Capital assets, net of accumulated depreciation	28,095,600	49,941,552	78,037,152
Total assets	<u>678,587,079</u>	<u>196,445,744</u>	<u>875,032,823</u>
Deferred Outflows of Resources			
Pension related amounts	5,750,117	4,569,810	10,319,927
Other postemployment benefits related amounts	3,913,315	1,628,675	5,541,990
Total deferred outflows of resources	<u>9,663,432</u>	<u>6,198,485</u>	<u>15,861,917</u>
Liabilities			
Accounts payable and accrued liabilities	50,409,783	4,257,339	54,667,122
Due to other governments	6,826,668	1,679,007	8,505,675
Tenant security deposits	41,646	1,099,226	1,140,872
Unearned revenue	13,453,874	4,639,960	18,093,834
Long-term liabilities:			
Due within one year:			
Long-term debt obligations	1,945,571	815,000	2,760,571
Estimated claims payable	352,554	-	352,554
Accrued compensated absences	1,560,704	1,298,522	2,859,226
Subtotal	<u>3,858,829</u>	<u>2,113,522</u>	<u>5,972,351</u>
Due in more than one year:			
Long-term debt obligations	5,920,690	33,315,000	39,235,690
Estimated claims payable	3,172,986	-	3,172,986
Accrued compensated absences	173,411	144,280	317,691
Net pension liability	30,943,518	18,980,923	49,924,441
Net other postemployment benefits liability	2,202,762	515,625	2,718,387
Long-term liabilities, net of current portion	<u>42,413,367</u>	<u>52,955,828</u>	<u>95,369,195</u>
Total liabilities	<u>117,004,167</u>	<u>66,744,882</u>	<u>183,749,049</u>
Deferred Inflows of Resources			
Other postemployment benefits related amounts	1,763,955	636,344	2,400,299
Total deferred inflows of resources	<u>1,763,955</u>	<u>636,344</u>	<u>2,400,299</u>
Net Position			
Net investment in capital assets	26,295,814	110,556,407	136,852,221
Restricted for:			
Pension obligations	8,487,198	-	8,487,198
Housing	429,130,342	-	429,130,342
Economic development	26,017,677	-	26,017,677
Community development	39,993,123	-	39,993,123
Traffic services	4,046,774	-	4,046,774
Housing assistance payments	-	4,994,022	4,994,022
Housing improvement projects	-	1,554,310	1,554,310
Debt service	-	472,100	472,100
Unrestricted	35,511,461	17,686,164	53,197,625
Total net position	<u>\$ 569,482,389</u>	<u>\$ 135,263,003</u>	<u>\$ 704,745,392</u>

See accompanying notes to basic financial statements.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Statement of Activities
Year ended June 30, 2021

Functions/programs	Expenses	Program revenues			Net revenue (expense) and changes in net position		
		Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Business-type activities	Totals
Governmental activities:							
General government	\$ 567,904	\$ 331,153	\$ 7,441,970	\$ -	\$ 7,205,219	\$ -	\$ 7,205,219
Housing	379,160,360	14,556,195	242,927,645	-	(121,676,520)	-	(121,676,520)
Economic development	96,318,013	278,546	137,268,146	-	41,228,679	-	41,228,679
Community development	56,802,273	1,173,351	45,903,731	-	(9,725,191)	-	(9,725,191)
Traffic services	2,326,319	-	1,620,291	-	(706,028)	-	(706,028)
Interest on long-term debt	216,773	-	-	-	(216,773)	-	(216,773)
Total governmental activities	535,391,642	16,339,245	435,161,783	-	(83,890,614)	-	(83,890,614)
Business-type activities:							
Public housing	30,882,171	13,847,091	13,666,341	4,284,800	-	916,061	916,061
Other housing	4,991,203	1,207,655	4,690,064	-	-	906,516	906,516
Section 8 program	376,943,905	-	395,155,057	-	-	18,211,152	18,211,152
CDPLAC	1,658,792	-	59,587	-	-	(1,599,205)	(1,599,205)
Total business-type activities	414,476,071	15,054,746	413,571,049	4,284,800	-	18,434,524	18,434,524
Total	\$ 949,867,713	\$ 31,393,991	\$ 848,732,832	\$ 4,284,800	(83,890,614)	18,434,524	(65,456,090)
General revenues:							
Investment income (loss)					(1,619,551)	1,882,490	262,939
Gain on sale of property					8,043	-	8,043
Transfers					(3,390,485)	3,390,485	-
Total general revenues and transfers					(5,001,993)	5,272,975	270,982
Change in net position					(88,892,607)	23,707,499	(65,185,108)
Net position – beginning					658,374,996	111,555,504	769,930,500
Net position – ending					\$ 569,482,389	\$ 135,263,003	\$ 704,745,392

See accompanying notes to basic financial statements.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

**Balance Sheet
Governmental Funds
June 30, 2021**

Assets	General fund	Federal housing and community development	Other federal	Local housing and community development	Low and moderate income housing asset fund	Total
Cash and pooled investments	\$ 78,025,311	\$ 9,838,224	\$ 4,604,478	\$ 430,672,660	\$ 3,459,419	\$ 526,600,092
Restricted investments	8,487,198	-	-	-	-	8,487,198
Accounts receivable	2,169,427	4,438	-	490,146	455	2,664,466
Due from other governments	5,374,415	21,759,914	2,517,808	22,017,441	-	51,669,578
Advances to other funds	2,581,480	-	-	-	-	2,581,480
Land held for resale	2,629,202	4,424,863	-	56,551	5,835,836	12,946,452
Prepaid costs and other assets	701,406	-	-	-	-	701,406
Total assets	<u>\$ 99,968,439</u>	<u>\$ 36,027,439</u>	<u>\$ 7,122,286</u>	<u>\$ 453,236,798</u>	<u>\$ 9,295,710</u>	<u>\$ 605,650,672</u>
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities:						
Accounts payable and accrued liabilities	\$ 4,427,200	\$ 18,742,526	\$ 2,206,265	\$ 24,211,113	\$ 86,870	\$ 49,673,974
Due to other governments	-	4,706,907	1,978,121	141,640	-	6,826,668
Tenant security deposits	41,646	-	-	-	-	41,646
Unearned revenues	4,594	-	1,538,512	11,910,768	-	13,453,874
Total liabilities	<u>4,473,440</u>	<u>23,449,433</u>	<u>5,722,898</u>	<u>36,263,521</u>	<u>86,870</u>	<u>69,996,162</u>
Deferred inflows of resources:						
Unavailable revenues	<u>3,234,270</u>	<u>10,882,052</u>	<u>1,818,511</u>	<u>-</u>	<u>-</u>	<u>15,934,833</u>
Fund balances:						
Nonspendable						
Land held for resale	2,629,202	-	-	-	-	2,629,202
Inventory, prepaid costs and other assets	701,406	-	-	-	-	701,406
Restricted						
Pension obligations	8,487,198	-	-	-	-	8,487,198
Housing	21,716,473	694,459	-	392,304,762	9,208,840	423,924,534
Economic development	14,552,387	1,001,495	-	8,739,696	-	24,293,578
Community development	19,106,152	-	-	11,882,045	-	30,988,197
Traffic services	-	-	-	4,046,774	-	4,046,774
Unassigned	25,067,911	-	(419,123)	-	-	24,648,788
Total fund balances	<u>92,260,729</u>	<u>1,695,954</u>	<u>(419,123)</u>	<u>416,973,277</u>	<u>9,208,840</u>	<u>519,719,677</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 99,968,439</u>	<u>\$ 36,027,439</u>	<u>\$ 7,122,286</u>	<u>\$ 453,236,798</u>	<u>\$ 9,295,710</u>	<u>\$ 605,650,672</u>

See accompanying notes to basic financial statements.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2021

Total governmental fund balances	\$ 519,719,677
Amounts reported for governmental activities in the accompanying statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. Those capital assets consist of:	
Capital assets, net of accumulated depreciation	23,045,627
Certain notes receivable are not considered to be current financial resources.	23,097,601
Internal service funds are used by management to charge the costs of certain activities, such as insurance, and vehicle and computer replacement, to individual funds. These assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	6,798,369
Investment in JPA is a long-term asset which is not considered current financial resources.	12,449,935
Amounts reported as unavailable revenues do not provide current financial resources and therefore are not reported in the governmental funds.	15,934,833
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. Those long-term liabilities consist of:	
Section 108 notes payable	(7,452,000)
Compensated absences	(1,179,476)
Amounts reported for net pension liability are not due in the current period and therefore are not reported in the governmental funds. Related components that will affect the net pension liability in future measurement years are reported as deferred outflows and deferred inflows of resources and are therefore not reported in the governmental funds.	
Net pension liability	(26,920,421)
Deferred outflows of resources related to pensions	4,191,265
Amounts reported for net other postemployment benefits liability are not due in the current period and therefore are not reported in the governmental funds. Related components that will affect the net other postemployment benefits liability in future measurement years are reported as deferred outflows and deferred inflows of resources and are therefore not reported in the governmental funds.	
Net other postemployment benefits liability	(1,794,820)
Deferred outflows of resources related to other postemployment benefits	3,111,182
Deferred inflows of resources related to other postemployment benefits	(1,430,409)
Accrued interest payable on long-term liabilities do not require the use of current financial resources and therefore are not reported in the governmental funds.	(88,974)
Net position of governmental activities	<u>\$ 569,482,389</u>

See accompanying notes to basic financial statements.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

**Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year ended June 30, 2021**

	<u>General fund</u>	<u>Federal housing and community development</u>	<u>Other federal</u>	<u>Local housing and community development</u>	<u>Low and moderate income housing asset fund</u>	<u>Total</u>
Revenues:						
Intergovernmental	\$ 7,003,081	\$ 52,522,661	\$ 134,208,287	\$ 223,233,553	\$ 110,261	\$ 417,077,843
Charges for services	15,010,802	40,908	100,068	299,560	-	15,451,338
Rentals	477,534	410,373	-	-	-	887,907
Investment income (loss)	(1,580,021)	1,562,960	14,009	5,776,739	234,343	6,008,030
Contributions	7,222,820	-	-	-	-	7,222,820
Other revenues	88,668	63,370	-	1,860,184	-	2,012,222
Total revenues	<u>28,222,884</u>	<u>54,600,272</u>	<u>134,322,364</u>	<u>231,170,036</u>	<u>344,604</u>	<u>448,660,160</u>
Expenditures:						
Current:						
General government	258,928	-	-	-	-	258,928
Housing	11,878,428	19,612,198	39,062,712	304,414,595	599,340	375,567,273
Economic development	3,676,998	1,155,461	94,880,173	3,643,777	-	103,356,409
Community development	19,916,059	40,558,705	1,290,844	514,045	-	62,279,653
Traffic services	-	-	-	2,309,773	-	2,309,773
Capital outlay	8,824	-	-	-	-	8,824
Debt service:						
Principal	-	1,568,000	-	-	-	1,568,000
Interest	-	232,965	-	-	-	232,965
Total expenditures	<u>35,739,237</u>	<u>63,127,329</u>	<u>135,233,729</u>	<u>310,882,190</u>	<u>599,340</u>	<u>545,581,825</u>
Excess (deficiency) of revenues over expenditures	<u>(7,516,353)</u>	<u>(8,527,057)</u>	<u>(911,365)</u>	<u>(79,712,154)</u>	<u>(254,736)</u>	<u>(96,921,665)</u>
Other financing sources (uses):						
Transfers out	(2,810,510)	(225,798)	(30,748)	(323,429)	-	(3,390,485)
Net other financing sources (uses)	<u>(2,810,510)</u>	<u>(225,798)</u>	<u>(30,748)</u>	<u>(323,429)</u>	<u>-</u>	<u>(3,390,485)</u>
Change in fund balances	(10,326,863)	(8,752,855)	(942,113)	(80,035,583)	(254,736)	(100,312,150)
Fund balances at beginning of year, as restated	102,587,592	10,448,809	522,990	497,008,860	9,463,576	620,031,827
Fund balances at end of year	<u>\$ 92,260,729</u>	<u>\$ 1,695,954</u>	<u>\$ (419,123)</u>	<u>\$ 416,973,277</u>	<u>\$ 9,208,840</u>	<u>\$ 519,719,677</u>

See accompanying notes to basic financial statements.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year ended June 30, 2021

Net change in fund balances – total governmental funds \$ (100,312,150)

Amounts reported for governmental activities in the accompanying statement of activities are different because:

Government funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Purchase of capital assets	8,824
Depreciation expense	(1,097,550)

Loans issued, net of collections do not have any effect on net position.	8,112,758
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Internal service funds are used by management to charge the costs of certain activities, such as insurance, and vehicle and computer replacement, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	(2,216,396)
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Investment in JPA that do not provide current financial resources are not reported in the governmental funds.	61,950
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Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Changes in compensated absences	(330,442)
Principal payment on Section 108 notes payable	1,568,000

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These expenses consist of the following:	
Changes in interest payable for long-term liabilities	16,192
Changes in net other postemployment benefits liabilities and OPEB related accounts	115,051
Changes in net pension liabilities and pension related accounts	(8,707,610)

Revenues in the statement of activities that do not provide current financial resources are not reported in the governmental funds.	<u>13,888,766</u>
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Change in net position of governmental activities	<u>\$ (88,892,607)</u>
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See accompanying notes to basic financial statements.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

**Statement of Net Position
Proprietary Funds
June 30, 2021**

	<u>Public housing</u>	<u>Other housing</u>	<u>Section 8 program</u>	<u>CDPLAC</u>	<u>Totals</u>	<u>Internal service funds</u>
Assets						
Current assets:						
Cash and pooled investments	\$ 11,375,036	\$ 6,803,224	\$ 27,895,566	\$ 1,620,767	\$ 47,694,593	\$ 10,616,382
Accounts receivable, net	247,658	12,094	676,736	-	936,488	-
Due from other governments	3,498,853	313,119	2,405,311	-	6,217,283	-
Lease receivable	-	-	-	845,000	845,000	-
Inventory	5,540	-	6,154	-	11,694	46,790
Prepaid costs and other assets	-	92,009	-	-	92,009	15,624
Total current assets	<u>15,127,087</u>	<u>7,220,446</u>	<u>30,983,767</u>	<u>2,465,767</u>	<u>55,797,067</u>	<u>10,678,796</u>
Noncurrent assets:						
Lease receivable	-	-	-	30,473,750	30,473,750	-
Capital assets, net	104,270,433	8,485,974	-	-	112,756,407	34,983,198
Total noncurrent assets	<u>104,270,433</u>	<u>8,485,974</u>	<u>-</u>	<u>30,473,750</u>	<u>143,230,157</u>	<u>34,983,198</u>
Total assets	<u>119,397,520</u>	<u>15,706,420</u>	<u>30,983,767</u>	<u>32,939,517</u>	<u>199,027,224</u>	<u>45,661,994</u>
Deferred Outflows of Resources						
Pension related amounts	1,496,893	258,883	2,814,034	-	4,569,810	1,558,852
Other postemployment benefits related amounts	747,740	80,085	800,850	-	1,628,675	802,133
Total deferred outflows of resources	<u>2,244,633</u>	<u>338,968</u>	<u>3,614,884</u>	<u>-</u>	<u>6,198,485</u>	<u>2,360,985</u>
Liabilities						
Current liabilities:						
Accounts payable and accrued liabilities	2,521,511	707,578	490,833	537,417	4,257,339	646,835
Due to other governments	322,530	-	1,356,477	-	1,679,007	-
Advances from other funds	252,766	46,065	2,282,649	-	2,581,480	-
Tenant security deposits	1,002,001	97,225	-	-	1,099,226	-
Unearned revenue	172,268	11,892	4,455,800	-	4,639,960	-
Estimated claims payable	-	-	-	-	-	352,554
Accrued compensated absences	382,900	77,145	838,477	-	1,298,522	499,176
Long-term debt obligations - current portion	-	-	-	815,000	815,000	1,220,571
Total current liabilities	<u>4,653,976</u>	<u>939,905</u>	<u>9,424,236</u>	<u>1,352,417</u>	<u>16,370,534</u>	<u>2,719,136</u>
Noncurrent liabilities:						
Estimated claims payable	-	-	-	-	-	3,172,986
Accrued compensated absences	42,544	8,572	93,164	-	144,280	55,463
Long-term debt obligations	-	2,200,000	-	31,115,000	33,315,000	30,512,440
Net pension liability	6,339,114	679,373	11,962,436	-	18,980,923	4,023,097
Net other postemployment benefits liability	346,744	56,287	112,594	-	515,625	407,942
Total noncurrent liabilities	<u>6,728,402</u>	<u>2,944,232</u>	<u>12,168,194</u>	<u>31,115,000</u>	<u>52,955,828</u>	<u>38,171,928</u>
Total liabilities	<u>11,382,378</u>	<u>3,884,137</u>	<u>21,592,430</u>	<u>32,467,417</u>	<u>69,326,362</u>	<u>40,891,064</u>
Deferred Inflows of Resources						
Other postemployment benefits related amounts	267,113	25,755	343,476	-	636,344	333,546
Total deferred inflows of resources	<u>267,113</u>	<u>25,755</u>	<u>343,476</u>	<u>-</u>	<u>636,344</u>	<u>333,546</u>
Net Position						
Net investment in capital assets	104,270,433	6,285,974	-	-	110,556,407	3,250,187
Restricted for:						
Housing assistance payments	-	-	4,994,022	-	4,994,022	-
Housing improvement projects	1,554,310	-	-	-	1,554,310	-
Debt service	-	-	-	472,100	472,100	-
Unrestricted	4,167,919	5,849,522	7,668,723	-	17,686,164	3,548,182
Total net position	<u>\$ 109,992,662</u>	<u>\$ 12,135,496</u>	<u>\$ 12,662,745</u>	<u>\$ 472,100</u>	<u>\$ 135,263,003</u>	<u>\$ 6,798,369</u>

See accompanying notes to basic financial statements.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year ended June 30, 2021

	<u>Public housing</u>	<u>Other housing</u>	<u>Section 8 program</u>	<u>CDPLAC</u>	<u>Totals</u>	<u>Internal service funds</u>
Operating revenues:						
Government subsidies	\$ 13,372,015	\$ 4,457,009	\$ 394,981,219	\$ -	\$ 412,810,243	\$ -
Charges for services	46,550	509	-	-	47,059	14,675,574
Rentals	13,800,541	1,207,146	-	-	15,007,687	3,784,452
Other revenue	294,326	233,055	173,838	59,587	760,806	74,327
Total operating revenues	<u>27,513,432</u>	<u>5,897,719</u>	<u>395,155,057</u>	<u>59,587</u>	<u>428,625,795</u>	<u>18,534,353</u>
Operating expenses:						
Current:						
Program administration	17,116,247	3,217,436	30,917,979	-	51,251,662	-
Utilities	2,714,360	223,383	106,073	-	3,043,816	359,993
Maintenance	5,433,244	647,959	792,470	-	6,873,673	3,365,768
General administration	2,089,316	448,001	753,888	-	3,291,205	13,589,893
Subgrants to county, cities, and community-based organizations	-	-	554,308	-	554,308	-
Housing assistance payments	-	-	343,819,187	-	343,819,187	-
Depreciation and amortization	3,529,004	451,610	-	-	3,980,614	1,851,112
Total operating expenses	<u>30,882,171</u>	<u>4,988,389</u>	<u>376,943,905</u>	<u>-</u>	<u>412,814,465</u>	<u>19,166,766</u>
Operating income (loss)	<u>(3,368,739)</u>	<u>909,330</u>	<u>18,211,152</u>	<u>59,587</u>	<u>15,811,330</u>	<u>(632,413)</u>
Nonoperating revenues (expenses):						
Gain on sale of property	-	-	-	-	-	8,043
Investment income	130,537	77,243	11,658	1,663,052	1,882,490	156,725
Interest expense	-	(2,814)	-	(1,658,792)	(1,661,606)	(1,748,751)
Net nonoperating revenues (expenses)	<u>130,537</u>	<u>74,429</u>	<u>11,658</u>	<u>4,260</u>	<u>220,884</u>	<u>(1,583,983)</u>
Change in net position before transfers	<u>(3,238,202)</u>	<u>983,759</u>	<u>18,222,810</u>	<u>63,847</u>	<u>16,032,214</u>	<u>(2,216,396)</u>
Capital grants	4,284,800	-	-	-	4,284,800	-
Transfers in	1,510,311	2,044,138	-	-	3,554,449	-
Transfers out	-	-	(163,964)	-	(163,964)	-
Change in net position	<u>2,556,909</u>	<u>3,027,897</u>	<u>18,058,846</u>	<u>63,847</u>	<u>23,707,499</u>	<u>(2,216,396)</u>
Net position at beginning of year	<u>107,435,753</u>	<u>9,107,599</u>	<u>(5,396,101)</u>	<u>408,253</u>	<u>111,555,504</u>	<u>9,014,765</u>
Net position at end of year	<u>\$ 109,992,662</u>	<u>\$ 12,135,496</u>	<u>\$ 12,662,745</u>	<u>\$ 472,100</u>	<u>\$ 135,263,003</u>	<u>\$ 6,798,369</u>

See accompanying notes to basic financial statements.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Statement of Cash Flows

Proprietary Funds

Year ended June 30, 2021

	Public housing	Other housing	Section 8 program	CDPLAC	Totals	Internal service funds
Cash flows from operating activities:						
Receipts from tenants	\$ 13,833,980	\$ 1,209,008	\$ -	\$ 59,587	\$ 15,102,575	\$ -
Receipts from rentals	-	-	-	-	-	3,784,452
Charges for services	46,550	509	-	-	47,059	14,675,574
Payments to employees for services	(9,442,728)	(2,009,219)	(18,732,735)	-	(30,184,682)	(13,152,638)
Payments to vendors for goods and services	(17,350,038)	(2,321,225)	(358,204,446)	-	(377,875,709)	(7,427,721)
Government subsidies	11,173,921	4,383,443	394,382,509	-	409,939,873	-
Other revenue	164,547	225,628	131,879	-	522,054	74,327
Net cash provided by (used in) operating activities	(1,573,768)	1,488,144	17,577,207	59,587	17,551,170	(2,046,006)
Cash flows from noncapital financing activities:						
Payment of advances to other funds	(1,714,062)	(3,745,374)	-	-	(5,459,436)	-
Advances from other funds received	252,766	46,065	2,282,649	-	2,581,480	-
Transfer out to other funds	-	-	(163,964)	-	(163,964)	-
Transfers in from other funds	1,510,311	2,044,138	-	-	3,554,449	-
Net cash provided by (used in) noncapital financing activities	49,015	(1,655,171)	2,118,685	-	512,529	-
Cash flows from capital and related financing activities:						
Purchase and construction of capital assets	(4,284,800)	(76,337)	-	-	(4,361,137)	(108,208)
Payment of capital lease obligation	-	-	-	-	-	(1,078,891)
Proceeds from sale of capital assets	-	-	-	-	-	16,324
Receipt of lease revenue payments	-	-	-	740,417	740,417	-
Payment of principal on bonds payable	-	-	-	(775,000)	(775,000)	-
Capital grants received	4,284,800	-	-	-	4,284,800	-
Interest paid	-	(2,814)	-	(1,672,376)	(1,675,190)	(1,748,751)
Net cash used in capital and related financing activities	-	(79,151)	-	(1,706,959)	(1,786,110)	(2,919,526)
Cash flows from investing activities:						
Interest received	130,537	77,243	11,658	1,522,073	1,741,511	156,725
Net cash provided by investing activities	130,537	77,243	11,658	1,522,073	1,741,511	156,725
Net increase (decrease) in cash and cash equivalents	(1,394,216)	(168,935)	19,707,550	(125,299)	18,019,100	(4,808,807)
Cash and cash equivalents at beginning of year	12,769,252	6,972,159	8,188,016	1,746,066	29,675,493	15,425,189
Cash and cash equivalents at end of year	\$ 11,375,036	\$ 6,803,224	\$ 27,895,566	\$ 1,620,767	\$ 47,694,593	\$ 10,616,382
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ (3,368,739)	\$ 909,330	\$ 18,211,152	\$ 59,587	\$ 15,811,330	\$ (632,413)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	3,529,004	451,610	-	-	3,980,614	1,851,112
Changes in assets and liabilities:						
Accounts receivable	(129,779)	(7,427)	(41,959)	-	(179,165)	-
Due from other governments	(2,154,141)	(73,566)	(150,581)	-	(2,378,288)	-
Inventory	(706)	-	5,872	-	5,166	(7,429)
Prepaid costs and other assets	3,201	285	18,735	-	22,221	144,699
Deferred outflows of resources - pension	(308,555)	(25,559)	(436,533)	-	(770,647)	(195,804)
Deferred outflows of resources - OPEB	(58,714)	18,171	132,392	-	91,849	85,578
Accounts payable and accrued expenses	479,953	455,060	107,462	-	1,042,475	(20,595)
Due to other governments	(43,953)	-	100,217	-	56,264	-
Unearned revenue	9,035	824	(548,346)	-	(538,487)	-
Tenant security deposits	24,404	1,038	-	-	25,442	-
Compensated absences	64,909	23,755	277,019	-	365,683	160,079
Deferred inflows of resources - pension	(348,603)	(49,951)	(686,907)	-	(1,085,461)	(387,912)
Deferred inflows of resources - OPEB	245,150	23,110	343,476	-	611,736	307,452
Net pension liability	826,199	(188,696)	722,840	-	1,360,343	(2,904,017)
Net other postemployment benefits liability	(342,433)	(49,840)	(477,632)	-	(869,905)	(446,756)
Net adjustments	1,794,971	578,814	(633,945)	-	1,739,840	(1,413,593)
Net cash provided by (used in) operating activities	\$ (1,573,768)	\$ 1,488,144	\$ 17,577,207	\$ 59,587	\$ 17,551,170	\$ (2,046,006)
Noncash noncapital financing activities:						
Issuance of a capital lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 140,062

See accompanying notes to basic financial statements.

**SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY
OF THE LOS ANGELES COUNTY DEVELOPMENT AUTHORITY**

Statement of Fiduciary Net Position

Fiduciary Fund

June 30, 2021

	<u>Private-Purpose Trust Fund</u>
Assets	
Cash and cash equivalents	\$ 616
Total assets	<u>616</u>
Net Position	
Net position held in trust	<u>\$ 616</u>

See accompanying notes to basic financial statements.

**SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY
OF THE LOS ANGELES COUNTY DEVELOPMENT AUTHORITY**

**Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Year ended June 30, 2021**

	Private-Purpose Trust Fund
Additions:	
Other revenues	\$ 304
Total additions	<u>304</u>
 Change in net position	 304
Net position held in trust - beginning	<u>312</u>
Net position held in trust - ending	<u><u>\$ 616</u></u>

See accompanying notes to basic financial statements.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Notes to Basic Financial Statements Year ended June 30, 2021

(1) Summary of Significant Accounting Policies

The basic financial statements of the Los Angeles County Development Authority, California (LACDA) have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) of the United States of America as promulgated by the Governmental Accounting Standards Board (GASB) which acts as the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The LACDA's most significant accounting policies are described below.

(a) *Description of Reporting Entity*

Los Angeles County Development Authority

On May 16, 2019, the Community Development Commission/Housing Authority of the County of Los Angeles established on July 1, 1982 under the provisions of Section 34100-34160 of the Health and Safety Code of the State of California, was officially rebranded to the Los Angeles County Development Authority (LACDA). The rebranding constituted the dissolution of the Housing Authority of the County of Los Angeles and the merger of responsibilities of the former Housing Authority to LACDA.

The LACDA is responsible for:

- Administering the Housing Choice Voucher and other Section 8 programs;
- Directing the County's housing programs, including planning, housing finance, production and conservation, and management of the County's public housing developments;
- Financing community improvements such as resurfacing streets and rehabilitating homes and businesses;
- Providing economic development, business revitalization services, and comprehensive planning systems for affordable housing; and
- Developing housing, business, and industry in designated areas.

The LACDA has program jurisdiction in the unincorporated areas of the County, and currently works with 48 participating cities that have requested LACDA's assistance in conducting various community development block grant programs.

The LACDA is a discretely presented component unit of the County of Los Angeles, California, as the Board of Supervisors of the County also serve as LACDA's governing board.

In evaluating how to define the LACDA for financial reporting purposes, management considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth by GAAP. As required by GASB Statement No. 14 (as amended by GASB Statements No. 39, 61 and 80), these basic financial statements include the activities of both LACDA and the following blended component units.

Blended Component Units

Los Angeles County Community Development Foundation (CDF)

The CDF is a 501(c)(3) non-profit organization dedicated to improve the quality of life for low-income Section 8 and public housing residents living in Los Angeles County. CDF provides scholarships, funding for students to attend conferences and SAT preparation courses free of charge.

CDF is a single-purpose entity and the LACDA is its sole corporate member. In addition, the services provided by CDF are only available to participants of LACDA's Section 8 and Public Housing programs. Therefore,

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Notes to Basic Financial Statements Year ended June 30, 2021

CDF is reported as a blended component unit of the LACDA. Separate financial statements are prepared for CDF and are available by contacting LACDA's Finance and Budget Division.

Community Development Properties Los Angeles County, Inc. (CDPLAC)

The CDPLAC is a California non-profit public benefit corporation formed in September 2010 to issue lease revenue bonds on behalf of the LACDA. The proceeds of the bonds were used to finance the purchase of land and construction of an office building (the Project) leased by the LACDA as its main office headquarters. The debt service for the bonds is not the obligation of the LACDA. However, the LACDA is responsible for the monthly lease payments, which are used to pay the scheduled debt service on the bonds. The lease term is for 30 years.

CDPLAC is a single-purpose entity created to issue the bonds on behalf of the LACDA and fulfill its obligations under the agreements entered in connection with the Project. Therefore, CDPLAC is reported as a blended component unit of the LACDA. Separate financial statements are prepared for CDPLAC and are available by contacting the LACDA's Finance Unit.

(b) Implementation of New Accounting Pronouncements

During the fiscal year ended June 30, 2021, the LACDA identified and adopted the following new Statements of the Governmental Accounting Standards Board (GASB):

GASB Statement No. 84, *Fiduciary Activities*. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The implementation of this statement did not impact LACDA's financial statements for the fiscal year ended June 30, 2021.

GASB Statement No. 90, *Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61*. The objectives of this statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. This statement also requires that a component unit in which a government has a 100% equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100% equity interest in the component unit. The implementation of this statement did not impact LACDA's financial statements for the fiscal year ended June 30, 2021.

(c) Government-wide and Fund Financial Statements

The Government-wide Financial Statements, the statement of net position and the statement of activities, report information on all the financial activities of the primary government and its component units. As a general rule, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between certain functions of the LACDA. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities that are normally supported by intergovernmental revenues, are reported separately from business-type activities, which are supported by revenues received from HUD's Housing and Section 8 programs, and other income from subsidized housing.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Notes to Basic Financial Statements Year ended June 30, 2021

The accompanying Government-wide Statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, 2) grants and contributions that are restricted to meeting the financial requirements of a particular function or segment, and the income earned on investments acquired with such grants and contributions. Other items not included among program revenues are reported as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and the fiduciary fund, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds and major individual business-type funds are reported on separate columns in the accompanying fund financial statements.

Business-type funds distinguish operating revenues and expenses from nonoperating items. Operating revenues include rental income and government subsidies received from HUD's Housing and Section 8 programs, while operating expenses are incurred to provide affordable housing, and to subsidize rental payments. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

(d) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accompanying government-wide financial statements, which consist of the statement of net position and the statement of activities, are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue when all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the LACDA considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, are recorded only when payments are made.

For the governmental funds' financial statements, revenues are recorded when they are susceptible to accrual. Specifically, investment income (loss), charges for services and other miscellaneous revenue are all considered to be susceptible to accrual and have been recognized as revenue in the current fiscal period. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met and are recorded at the time of receipt or earlier, if the susceptible to accrual criteria are met. When all eligibility requirements are met, except for the timing requirements, a deferred inflow of resources is reported until the time requirements have passed. All other revenues are not considered susceptible to accrual and are recognized when received.

The accounts of the LACDA are organized on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts, recording resources, related liabilities, obligations, reserves, and equities segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Notes to Basic Financial Statements Year ended June 30, 2021

The LACDA reports the following major funds:

Governmental Funds

General Fund – To account for all general revenues and other receipts that are not allocated by law or contractual agreement to other funds. Expenditures of this fund include general operating expenditures.

Federal Housing and Community Development – To account for Federally-funded programs designed to provide funding for the development of vacant, substandard, or underutilized properties, programs designed for the development of viable urban communities to provide decent housing, and suitable living opportunities for persons with low and moderate income, for the purpose of creating affordable housing and for the purpose of providing financial assistance to qualified owners to rehabilitate their homes, and to provide financial assistance to first time home buyers. Funds are also used to provide various types of loans at favorable interest rates to low- and moderate-income property owners for improvements and rehabilitation, and to provide administrative services and support to these programs. Revenues are received based on an annual appropriation from HUD.

Other Federal Program – To account for Federally-funded programs designed to provide funding for RSIP which provides grants to eligible property owners to insulate residential homes and rental units from noise caused by aircraft arriving and departing the Los Angeles International Airport, to account for economic development programs designed to provide small business stabilization loans that business was impacted by COVID-19, and to provide rental assistance to tenants and landlords, as well as economic relief to small businesses due to the pandemic caused by COVID-19. This fund also accounts for projects designed to strengthen the County's economic base through the generation of added employment opportunities, the improvement and expansion of the County's industrial base, and the administrative services and support of these programs. Sources of revenue are primarily from FAA, U.S. Treasury's Coronavirus Relief Fund and the Economic Development Administration's CARES Act Revolving Loan Fund.

Local Housing and Community Development – To account for the homeless and the development of affordable housing programs, lead-based paint hazard remediation program, and traffic administration services. Sources of revenue are primarily from the County of Los Angeles, the State of California and from the residual receipts of the development loans.

Low and Moderate Income Housing Asset – To account for the housing assets approved by the State Department of Finance to remain with LACDA after the dissolution of the former Redevelopment Agency of the County of Los Angeles. The program's revenue is mainly from administrative allowance from the State of California.

Proprietary Funds

Public Housing – To account for conventional housing programs designed to provide affordable housing for lower income, elderly, disabled, and handicapped persons. Housing units are constructed or acquired, and rehabilitated through HUD funding, and rented to eligible persons.

Other Housing – To account for other housing programs including non-conventional housing and CDF which provide affordable housing and other assistance for lower income, elderly, disabled, and handicapped persons.

Section 8 Program – To account for the housing assistance program designed to assist lower income, elderly, disabled, and handicapped persons obtain adequate housing. Assistance payments are made directly to landlords to reduce tenant rent and utility charges of approved units.

CDPLAC – To account for the blended component unit which issued lease revenue bonds on behalf of the LACDA. This fund accounts for the use of the bond proceeds and the payments made to the bond's debt service.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Notes to Basic Financial Statements Year ended June 30, 2021

Internal Service Funds – To be presented in a “memo format” under the proprietary fund financial statements. However, internal service balances and activities have been combined with the governmental activities in the government-wide financial statements. These internal service funds account for charges to other funds and departments for data processing, fleet management, procurement, printing, construction management, maintenance for the Alhambra building and insurance.

Fiduciary Fund

Private-purpose Trust Fund (Successor Agency) – To account for assets and trust arrangements where principal and income benefit other governments. This fund reports the assets, liabilities and activities of the Successor Agency to LACDA’s former Redevelopment Agency.

(e) Budgetary Control and Accounting

The LACDA adheres to the following general procedures in establishing the budgetary data, reflected as required supplementary information:

- A legally adopted budget is employed as a management control device during the fiscal year for the governmental funds. The budget is adopted on a fiscal-year basis; appropriations lapse at year-end.
- The level of budgetary control over appropriations is at the budget unit level. The LACDA is a budget unit within the budgetary structure of the County of Los Angeles. The Executive Director is authorized to transfer appropriations between programs within a budget unit. Any revisions that alter the total expenditures of any budget unit must be approved by the Board of Commissioners.
- Budgets for the governmental fund types are adopted on a modified accrual basis of accounting which is generally accepted accounting principle in the United States of America.

(f) Cash and Investments

The LACDA pools cash from all funds for the purpose of increasing interest earnings through investment activities. Cash and cash equivalents are combined with investments and displayed as cash and investments. For purposes of the statement of cash flows of the proprietary fund types, cash and cash equivalents include all investments, as the LACDA operates an internal cash management pool that maintains the general characteristics of a demand deposit account.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value in accordance with the provision of GASB Statement No. 72 – *Fair Value Measurement and Application*. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date.

The LACDA’s restricted cash and investments are pledged to the payment of deposits payable or for the security of certain long-term debt issuances.

(g) Inventories

Inventories are stated at cost, applied on a first-in, first-out basis in the proprietary funds. The cost of governmental fund type inventories is recorded as an expenditure at the time the individual inventory items are consumed.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

**Notes to Basic Financial Statements
Year ended June 30, 2021**

(h) Land Held for Resale

The LACDA records land held for resale at the lower of cost or estimated net realizable value. The cost of the land includes all costs incurred that are directly associated with the acquisition of the land, including purchase price, escrow costs, clearing land for use costs, demolition costs, etc.

(i) Capital Assets

Capital assets, which include property, furniture and fixtures, vehicle, equipment, and intangible assets, are reported in the applicable governmental or business-type activities columns in the accompanying government-wide financial statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized, as projects are constructed.

Capital assets are defined by the LACDA as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year, which include property, furniture and fixtures, vehicle and equipment. The LACDA's capitalization threshold for software intangible assets is \$1 million. Upon sale or retirement of capital assets, the cost and the related accumulated depreciation or amortization, as applicable, are removed from the respective accounts and any resulting gain or loss is included in the results of operations. Specific disclosures related to capital assets appear in Note 6. Amortization for software and other intangible assets is included in the reporting of depreciation.

The provision for depreciation or amortization of capital assets of the LACDA is computed using the straight-line method over estimated useful lives, and are as follows:

Building and improvements	15 to 30 years
Vehicles	5 years
Furniture and fixtures	7 years
Equipment	3 to 7 years
Software	5 to 25 years

(j) Employee Compensated Absences

On January 1, 1998, the LACDA added an optional Flexible Benefits Plan, authorized under Section 125 of the Internal Revenue Code. Employees who enrolled in the Flexible Benefits Plan do not accrue vacation or sick leave. Employees in this plan receive 80 hours annual leave on January first of each calendar year. Employees may elect to purchase up to 160 additional Elective Annual Leave (EAL) hours under this plan.

Employees who did not enroll in the Flexible Benefits Plan earn vacation leave, as follows:

<u>Years of service:</u>	<u>Annual accrual</u>
1 to 4	80 hours
5 to 10	120 hours
11	128 hours
12	136 hours
13	144 hours
14	152 hours
15	160 hours

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Notes to Basic Financial Statements Year ended June 30, 2021

Unused vacation leaves in excess of 240 hours, as of December 31 of each year, is paid to the employees. Sick leave is accrued at the rate of 8 hours per month and is based upon 120 compensated hours per month. Employees are not paid for accrued sick leave upon termination of employment.

(k) Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the LACDA's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred outflows and inflows of resources represent the effects on the net pension liability that have occurred after the liability was measured. Therefore, these will affect the net pension liability in future years. As noted in Note 11, deferred outflows and inflows of resources will be recognized as pension expense in future years; however, contributions subsequent to the measurement period will be recognized during the fiscal year ending June 30, 2022.

(l) Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the LACDA's Retiree Benefits Plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred outflows and inflows of resources represent the effects on the net OPEB liability that have occurred after the liability was measured. Therefore, these will affect the net OPEB liability in future years. As noted in Note 12, deferred outflows and inflows of resources will be recognized as OPEB expense in future years; however, contributions subsequent to the measurement period will be recognized during the fiscal year ending June 30, 2022.

(m) Fund Balance Reporting

Fund balance is a measurement of available financial resources and is the difference between total assets and total liabilities in each fund.

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, distinguishes fund balance classifications that comprise based on the relative strength of the constraints that control the purposes for which specified amounts can be spent. Beginning with the most restrictive constraints, fund balance amounts will be reported in the following categories in the governmental funds:

Nonspendable fund balance - amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The nonspendable form criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted fund balance - amounts that reflect constraints placed on the use of resources that are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance - amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action of the LACDA's highest level of decision-making authority, the Board of

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Notes to Basic Financial Statements Year ended June 30, 2021

Commissioners of the LACDA. These committed amounts cannot be used for any other purpose unless the LACDA removes or changes the specific use by taking the same type of action. Committed fund balance also should incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. Board action to commit fund balance should occur within the fiscal reporting periods; however, the amount can be determined subsequently.

Assigned fund balance – amounts that are constrained by the LACDA’s *intent* to be used for specific purposes, but that are neither restricted nor committed. Such intent needs to be established by: (a) the governing body itself, or (b) a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. The Board of Commissioners of the LACDA delegated to the Executive Director of the LACDA, or his/her designee, the authority to assign amounts to be used for specific purposes. Such assignments cannot exceed the available fund balance in any particular fund.

Unassigned fund balance – amounts that do not fall into one of the above four categories. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The General Fund is the only fund that should report this category of fund balance.

The LACDA’s current fund balance practice provides that restricted fund balance be spent first when the expenditure is incurred for which both restricted and unrestricted fund balance is available. Similarly, when expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance can be used, committed amounts are to be spent first, followed by assigned amounts and then unassigned amounts. GASB Statement No. 54 mandates that this hierarchy of expending fund balance be reported in new categories, using new terminology, and be formally adopted by the LACDA. It should be noted that the new categories only emphasize the extent that the LACDA is bound to honor expenditure constraints and the purposes for which amounts can be spent. The total reported fund balance would remain the same.

(n) *Use of Estimates*

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of revenue and expense during the reporting period. Actual results could differ from such estimates.

(o) *Reclassifications*

Certain prior year accounts may have been reclassified to conform to current year presentation. These reclassifications had no effect on reported net position.

(p) *Concentration of Risk*

LACDA manages the County’s housing programs, economic developments, public housing developments and Section 8 Housing Choice Voucher Programs. These programs are fully dependent on continued funding from HUD. Total grants received from HUD during the fiscal year ended June 30, 2021 amounted to approximately \$600 million, or 68% of total revenues of the LACDA during the fiscal year.

(q) *Pronouncements Issued But Not Yet Adopted*

The GASB has issued pronouncements that have an effective date subsequent to June 30, 2021, which may impact future financial presentations. Except as noted below, management has not determined what, if any, impact implementation of the following Statements may have on future financial statements of the LACDA:

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Notes to Basic Financial Statements Year ended June 30, 2021

- GASB Statement No. 87, *Leases*: Effective for the LACDA’s fiscal year ending June 30, 2022.
- GASB Statement No. 91, *Conduit Debt Obligations*: Effective for the LACDA’s fiscal year ending June 30, 2023.
- GASB Statement No. 92, *Omnibus 2020*: Effective for the LACDA’s fiscal year ending June 30, 2022.
- GASB Statement No. 93, *Replacement of Interbank Offered Rates*: Effective for the LACDA’s fiscal year ending June 30, 2022.
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*: Effective for the LACDA’s fiscal year ending June 30, 2023.
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*: Effective for the LACDA’s fiscal year ending June 30, 2023.
- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*: Effective for the LACDA’s fiscal year ending June 30, 2022.

(2) Cash and Investments

Cash and investments at June 30, 2021 are classified in the accompanying financial statements as follows:

	Government-Wide Financial Statement			Total
	Governmental activities	Business-type activities	Fiduciary fund	
Cash and investments	\$ 537,216,474	\$ 47,694,593	\$ 616	\$ 584,911,683
Restricted investments - Section 115 Trust	8,487,198	-	-	8,487,198
Total cash and investments	<u>\$ 545,703,672</u>	<u>\$ 47,694,593</u>	<u>\$ 616</u>	<u>\$ 593,398,881</u>

Cash and investments at June 30, 2021 consist of the following:

Deposits with financial institutions	\$ 10,282,025
Investments	568,331,212
Cash and investments held by trustee	<u>14,785,644</u>
Total cash and investments	<u>\$ 593,398,881</u>

(a) Investments Authorized by the LACDA’s Investment Policy

The table below identifies the investment types that are authorized under the LACDA’s investment policy. The table further identifies provisions in the LACDA’s investment policy that address interest rate risk, credit risk, and concentration of risk.

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**Notes to Basic Financial Statements
Year ended June 30, 2021**

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in one Issuer
U.S., State and Local Government Obligations	5 years	None	None
Banker's Acceptances	180 days	40%	30% of Portfolio
Commercial Paper	270 days	15%	10% of Outstanding CP of issuing Corp.
Negotiable Certificates of Deposit	3 years	20%	10% of Portfolio
Non-negotiable Certificates of Deposit	3 years	25%	10% of Portfolio
Repurchase Agreements	90 days	30%	None
Medium Term Corp Notes	5 years	30%	15% of Portfolio
Mutual Funds	N/A	20%	10% of Portfolio
State & Municipal Agency Investment Pools	N/A	None	None
Asset Backed Securities	5 years	20%	None
Supranational Bonds	5 years	30%	None

(b) Investments Authorized by Debt Agreements

Investments held by trustee are governed by provisions in the LACDA's investment policy. Investments held in trust are short-term in nature consisting of three-month treasury bills and money market accounts, thus not materially affected by interest rate risk, credit risk, or concentration of credit risk.

(c) Interest Rate Risk

Interest rate risk results from changes in market interest rates that can adversely affect the fair value of an investment. Sensitivity to fair value is greater when investments are held with longer maturities. Therefore, the LACDA's investment policy sets maturity limits for each type of investment instrument to safeguard against interest rate risk.

At June 30, 2021, the LACDA had the following investment maturities:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less Than 1 Year	1 to 3 Years	3-5 Years
U.S., State and Local Government Obligations	\$ 157,103,221	\$ 24,443,163	\$ 58,782,020	\$ 73,878,038
Non-negotiable Certificates of Deposit	250,000	250,000	-	-
Corporate Bonds	86,753,087	13,124,480	3,627,237	70,001,370
County Investment Pool	314,116,738	314,116,738	-	-
State Investment Pool	10,108,166	10,108,166	-	-
Total investments	\$ 568,331,212	\$ 362,042,547	\$ 62,409,257	\$ 143,879,408

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Notes to Basic Financial Statements Year ended June 30, 2021

(d) **Credit Risk**

In general, credit risk refers to the risk that an issuer of an investment will not fulfill its obligation to the holder of an investment. This risk is measured by a nationally recognized statistical rating organization (NRSRO) such as Standard & Poor's. The LACDA's investment policy requires that, where applicable, all allowable investments meet or exceed a minimum rating provided by an NRSRO, in the A category. The LACDA's minimum rating schedule is as follows:

Rating Agency

Moody's	Standard & Poor's	Fitch IBCA	Bauer Financial*
P-1/Aaa	A-1/AAA	2-A	4
P-1/Aa	A-1/AA	2-A/B	3
P-1/A	A-1/A	2-B	

*Alternative Rating Agency when security is not listed by an NRSRO

The LACDA currently holds investments in Municipal, Agency and Corporate Bonds, which are rated by an NRSRO. All other investments held by the LACDA are not rated. At the time of purchase, all bond purchases met or exceeded the LACDA's minimum rating requirement.

(e) **Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk associated with investments that are uninsured, are not in the name of LACDA, or are held by counterparty or counterparty's trust department or agent but not in the LACDA's name. In the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the counterparty is then unable to deliver securities that are in the possession of another party. As of June 30, 2021, none of LACDA's deposits or investments were exposed to custodial credit risk.

(f) **Concentration of Credit Risk**

The LACDA's investment policy contains limitations on the amount that can be invested in any one issuer for bankers' acceptances, commercial paper, certificates of deposits, mutual funds and medium-term notes. At June 30, 2021, the LACDA did not have investments in any one issuer that represents 5 percent or more of the LACDA's total investments.

(g) **Fair Value Measurement**

The LACDA categorizes its fair value measurement within the fair value hierarchy established by Generally Accepted Accounting Principles (GAAP). The hierarchy is based on the valuation inputs used to measure the fair value of the investment. Level 1 inputs are quoted prices in active markets for identical investments; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Debt securities classified in Level 2 of the fair value hierarchy use a market approach to measure fair value. The LACDA's pricing vendor, through rules-based logic, utilizes valuation techniques that reflect market participants' assumptions and vary by asset class and per methodology, and maximizes the use of relevant observable data including quoted prices for similar assets, benchmark yield curves and market corroborated inputs.

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**Notes to Basic Financial Statements
Year ended June 30, 2021**

The LACDA has the following recurring fair value measurements as of June 30, 2021:

Investments by fair value level	Fair Value	Fair Value Measurement Using Significant Other Observable Inputs (Level 2)
Debt Securities:		
U.S., State and Local Government Obligations	\$ 157,103,221	\$ 157,103,221
Corporate Bonds	86,753,087	86,753,087
Total debt securities	243,856,308	<u>\$ 243,856,308</u>
Uncategorized:		
Non-negotiable Certificates of Deposit	250,000	
County Investment Pool	314,116,738	
State Investment Pool	10,108,166	
Total uncategorized	<u>324,474,904</u>	
Total investments measured at fair value	<u>\$ 568,331,212</u>	

(h) *Restricted Investments Section 115 Trust for Pension*

The LACDA established a Section 115 Pension Trust in March 2021. The investment was held by the trustee and the trust is irrevocable. As of June 30, 2021, the LACDA reported restricted investments held by the Pension Trust in the amount of \$8,487,198.

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**Notes to Basic Financial Statements
Year ended June 30, 2021**

(3) Due from Other Governments

At June 30, 2021, amounts due from other governments included:

	U.S. Department of Housing and Urban Development	Other governmental entities	Total
Governmental activities:			
General fund	\$ -	\$ 5,374,415	\$ 5,374,415
Federal housing and community development	17,513,189	4,246,725	21,759,914
Other federal grants	-	2,517,808	2,517,808
Local housing and community development	-	22,017,441	22,017,441
Total governmental	17,513,189	34,156,389	51,669,578
Business-type activities:			
Public housing	3,498,853	-	3,498,853
Other housing	64,030	249,089	313,119
Section 8 program	2,405,311	-	2,405,311
Total business-type	5,968,194	249,089	6,217,283
Total due from other governments	\$ 23,481,383	\$ 34,405,478	\$ 57,886,861

The LACDA anticipates full collection of the above receivables in future years.

(4) Notes Receivable

The LACDA's notes receivable at June 30, 2021 are reported as governmental activities and are related to the following programs:

	Governmental activities
Loans to assist in the rehabilitation of properties for low-income, elderly and handicapped persons	\$ 121,274,338
Development projects under various disposition and development agreements	776,857,232
Neighborhood stabilization program	16,945,593
Section 108 loan program	2,125,000
Float loan program	1,633,022
Economic development Loans	17,258,418
Other notes receivables	2,081,161
Total	938,174,764
Less allowance for uncollectible loans	(915,077,163)
Notes receivable, net	\$ 23,097,601

Because of the nature of the various notes receivable from low-income, elderly and handicapped persons, the LACDA provides an allowance for uncollectible against such notes receivable. The LACDA reports such notes as loan program costs. Allowance for uncollectible accounts are also established for loans related to development projects under various disposition and development agreements.

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Notes to Basic Financial Statements Year ended June 30, 2021

The float loan program is a financing mechanism that uses available Community Development Block Grant (CDBG) funds to provide interim loans for developers and participating cities for eligible commercial and industrial land acquisition, construction, and other related projects. The loans are secured by AA-rated irrevocable letters of credit.

(5) Investment in Southern California Housing Financing Authority (SCHFA)

The LACDA has recorded its investment interest in the SCHFA in accordance with the requirements of GASB Statement No. 61. The SCHFA was established by a Joint Powers Agreement (JPA) between the County of Los Angeles and the County of Orange for the purpose of issuing mortgage revenue bonds for the financing of single-family homes. The LACDA was assigned by the Los Angeles County Board to oversee and administer the activities of the SCHFA. As of June 30, 2021, the LACDA's investment interest in the JPA is \$12,449,935.

(6) Capital Assets

Capital asset activities for the year ended June 30, 2021, are as follows:

Governmental Activities:

	Balance July 1, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
Capital assets not being depreciated:					
Land and land improvements	\$ 29,798,910	\$ -	\$ -	\$ -	\$ 29,798,910
Construction in progress	134,315	-	-	-	134,315
Total capital assets not being depreciated	29,933,225	-	-	-	29,933,225
Capital assets being depreciated:					
Buildings and improvements	49,721,486	8,824	-	-	49,730,310
Equipment	4,981,625	108,208	(24,408)	-	5,065,425
Vehicles	1,317,450	140,062	(121,990)	-	1,335,522
Furniture and fixtures	964,471	-	-	-	964,471
Software	1,024,764	-	-	-	1,024,764
Total capital assets being depreciated	58,009,796	257,094	(146,398)	-	58,120,492
Less accumulated depreciation for:					
Buildings and improvements	(20,669,309)	(2,459,012)	-	-	(23,128,321)
Equipment	(4,902,781)	(79,712)	24,408	-	(4,958,085)
Vehicles	(592,006)	(316,841)	113,709	-	(795,138)
Furniture and fixtures	(896,537)	(16,240)	-	-	(912,777)
Software	(153,714)	(76,857)	-	-	(230,571)
Total accumulated depreciation	(27,214,347)	(2,948,662)	138,117	-	(30,024,892)
Total capital assets being depreciated, net	30,795,449	(2,691,568)	(8,281)	-	28,095,600
Governmental activities capital assets, net	\$ 60,728,674	\$(2,691,568)	\$ (8,281)	\$ -	\$ 58,028,825

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**Notes to Basic Financial Statements
Year ended June 30, 2021**

Business-type Activities:

	Balance July 1, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
Capital assets not being depreciated:					
Land and land improvements	\$ 58,992,131	\$ -	\$ -	\$ -	\$ 58,992,131
Construction in progress	593,028	3,360,367	-	(130,671)	3,822,724
Total capital assets not being depreciated	<u>59,585,159</u>	<u>3,360,367</u>	<u>-</u>	<u>(130,671)</u>	<u>62,814,855</u>
Capital assets being depreciated:					
Buildings and improvements	196,872,367	753,094	-	88,906	197,714,367
Equipment	1,852,119	247,676	-	41,765	2,141,560
Vehicles	28,572	-	-	-	28,572
Total capital assets being depreciated	<u>198,753,058</u>	<u>1,000,770</u>	<u>-</u>	<u>130,671</u>	<u>199,884,499</u>
Less accumulated depreciation for:					
Buildings and improvements	(144,465,585)	(3,755,155)	-	-	(148,220,740)
Equipment	(1,468,176)	(225,459)	-	-	(1,693,635)
Vehicles	(28,572)	-	-	-	(28,572)
Total accumulated depreciation	<u>(145,962,333)</u>	<u>(3,980,614)</u>	<u>-</u>	<u>-</u>	<u>(149,942,947)</u>
Total capital assets being depreciated, net	<u>52,790,725</u>	<u>(2,979,844)</u>	<u>-</u>	<u>130,671</u>	<u>49,941,552</u>
Business-type activities capital assets, net	<u>\$ 112,375,884</u>	<u>\$ 380,523</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112,756,407</u>

Depreciation expense was charged to functions/programs of the LACDA as follows:

Governmental activities:	
General government	\$ 397,508
Federal housing and community development	568,401
Local housing and community development	131,641
Capital assets held by LACDA's internal service funds	<u>1,851,112</u>
Total depreciation expenses - governmental activities	<u>\$ 2,948,662</u>
Business-type activities:	
Public housing	\$ 3,529,004
Other housing	<u>451,610</u>
Total depreciation expenses - business-type activities	<u>\$ 3,980,614</u>

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**Notes to Basic Financial Statements
Year ended June 30, 2021**

(7) Long-term Debt

Long-term debt activity for the year ended June 30, 2021, were as follows:

	Balance, July 1, 2020	Additions	Deletions	Balance, June 30, 2021	Due within one year
<u>Governmental activities:</u>					
Direct borrowing:					
Section 108 notes payable	\$ 9,020,000	\$ -	\$ (1,568,000)	\$ 7,452,000	\$ 1,570,000
Leased purchase	612,673	140,062	(338,474)	414,261	375,571
Total	<u>\$ 9,632,673</u>	<u>\$ 140,062</u>	<u>\$ (1,906,474)</u>	<u>\$ 7,866,261</u>	<u>\$ 1,945,571</u>
<u>Business-type activities:</u>					
Lease revenue bonds	\$ 32,705,000	\$ -	\$ (775,000)	\$ 31,930,000	\$ 815,000
Direct borrowing:					
Notes payable	2,200,000	-	-	2,200,000	-
Total	<u>\$ 34,905,000</u>	<u>\$ -</u>	<u>\$ (775,000)</u>	<u>\$ 34,130,000</u>	<u>\$ 815,000</u>

(a) Section 108 Notes Payable

The purpose of these debts is to finance eligible community and economic development activities. Such activities include the development of infrastructure and public facilities, job creation activities, as well as relocation and environmental remediation assistance.

The LACDA's outstanding notes payable related to governmental activities of \$7,452,000 contain a provision that in an event of default, outstanding amounts become immediately due if LACDA is not able to make payment.

(b) Leased Purchase

The LACDA leases its main office from CDPLAC, its component unit. CDPLAC issued bonds to finance the acquisition and construction of the subject property.

The lease, which is an absolute net lease, will expire on December 31, 2042, unless sooner terminated in accordance with its terms. The lease obligates LACDA to pay rent, which includes (a) monthly rent paid pursuant to a schedule of payments in the aggregate amount sufficient to pay the debt service on the bonds, and (b) additional rent sufficient to pay CDPLAC's insurance costs, taxes, maintenance, property management fees, building services and other costs. In accordance with the terms of the lease, LACDA has the option to purchase the property and terminate the lease, and to prepay the monthly rent payable under the lease at any time on or after September 1, 2021. The purchase price of the property shall be an amount equal to the total outstanding principal components of monthly rent plus accrued interest thereon to the date of prepayment plus an amount required to fully defease the outstanding bonds under the indenture.

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Notes to Basic Financial Statements Year ended June 30, 2021

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021, are as follows:

Fiscal year ending June 30:	
2022	\$ 845,000
2023	885,000
2024	921,250
2025	963,750
2026	1,012,500
2027-2042	<u>26,691,250</u>
	<u>\$ 31,318,750</u>

The LACDA also has other capital lease agreements for financing the acquisition of certain equipment and vehicles. These lease agreements qualify as capital leases for accounting purposes and have been recorded at the lesser of the fair value of the leased assets or the present value of the future minimum lease payments. The effective interest rates are 5% or less.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021, are as follows:

Fiscal year ending June 30:	
2022	\$ 375,571
2023	35,986
2024	<u>2,704</u>
	<u>\$ 414,261</u>

(c) 2011 Lease Revenue Bonds

These bonds were issued by CDPLAC on behalf of LACDA. The bond proceeds were used in financing the purchase of land and the construction of a building leased by LACDA.

The LACDA's outstanding bonds payable related to business-type activities of \$31,930,000 are secured with collateral of the Alhambra building for commercial use. The outstanding bonds payable related to business-type activities of \$31,930,000 contain a provision that in an event of default, the timing of repayment of outstanding amounts become immediately due if LACDA is unable to make payment.

(d) Notes Payable to Department of Housing and Community Development

The purpose of this notes payable is to finance the acquisition of the real property and the construction of a multi-unit rental housing development.

The LACDA's outstanding notes payable related to business-type activities of \$2,200,000 contain a provision that in an event of default, outstanding amounts become immediately due if LACDA is not able to make payment and failure to perform or observe any other term or provision of this note.

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**Notes to Basic Financial Statements
Year ended June 30, 2021**

(e) *Annual Debt Service Requirements*

Annual debt service requirements to maturity for the Section 108 (governmental activities) loans are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending June 30:			
2022	\$ 1,570,000	\$ 193,457	\$ 1,763,457
2023	736,000	164,030	900,030
2024	743,000	144,906	887,906
2025	747,000	125,115	872,115
2026	744,000	104,856	848,856
2027-2031	1,427,000	367,323	1,794,323
2032-2036	1,235,000	150,838	1,385,838
2037-2038	250,000	8,931	258,931
	<u>\$ 7,452,000</u>	<u>\$ 1,259,456</u>	<u>\$ 8,711,456</u>

Annual debt service requirements to maturity for the lease revenue bonds (business-type activities) are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending June 30:			
2022	\$ 815,000	\$ 1,632,625	\$ 2,447,625
2023	855,000	1,590,875	2,445,875
2024	895,000	1,551,600	2,446,600
2025	930,000	1,514,519	2,444,519
2026	975,000	1,470,962	2,445,962
2027-2031	5,700,000	6,527,319	12,227,319
2032-2036	7,435,000	4,789,406	12,224,406
2037-2041	9,685,000	2,542,181	12,227,181
2042-2043	4,640,000	246,750	4,886,750
	<u>\$ 31,930,000</u>	<u>\$ 21,866,237</u>	<u>\$ 53,796,237</u>

(8) Compensated Absences

During the fiscal year end June 30, 2021, in addition to the Section 108 notes payable and lease revenue bonds in Note 7, net pension liability in Note 11, other postemployment benefits in Note 12, and claims payable in Note 17, LACDA has the following changes in compensated absences:

	<u>Balance, July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2021</u>	<u>Due within one year</u>
<u>Governmental activities:</u>					
Compensated absences	\$ 1,239,363	\$ 1,653,750	\$ (1,158,998)	\$ 1,734,115	\$ 1,560,704
Total	<u>\$ 1,239,363</u>	<u>\$ 1,653,750</u>	<u>\$ (1,158,998)</u>	<u>\$ 1,734,115</u>	<u>\$ 1,560,704</u>
<u>Business-type activities:</u>					
Compensated absences	\$ 1,077,120	\$ 1,270,897	\$ (905,215)	\$ 1,442,802	\$ 1,298,522
Total	<u>\$ 1,077,120</u>	<u>\$ 1,270,897</u>	<u>\$ (905,215)</u>	<u>\$ 1,442,802</u>	<u>\$ 1,298,522</u>

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Notes to Basic Financial Statements Year ended June 30, 2021

The general fund and internal services funds are typically used to liquidate the compensated absences payable, the claims payable, the net pension liability, and the other postemployment benefit liability for governmental activities while the proprietary funds are typically used to liquidate these liabilities for business-type activities.

(9) Operating Lease Obligations

The LACDA is committed under various leases for building and office space. These leases are considered to be operating leases for accounting purposes. Lease expenditures for the year ended June 30, 2021, amounted to \$387,277.

Future minimum lease payments for these leases are as follows:

Fiscal year ending June 30:	
2022	\$ 132,342
2023	82,512
2024	<u>62,412</u>
	<u>\$ 277,266</u>

(10) Interfund receivables, payables, and transfers

The composition of interfund balances as of June 30, 2021, is as follows:

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	<u>\$ 2,581,480</u>	Public Housing Proprietary Fund	\$ 252,766
		Other Housing Proprietary Fund	46,065
		Section 8 program	<u>2,282,649</u>
			<u>\$ 2,581,480</u>
CDPLAC Proprietary Fund	<u>\$ 31,318,750</u>	Internal Service Funds	<u>\$ 31,318,750</u>

These balances are primarily to fund working capital for the housing reimbursement programs. The general fund expects to collect in subsequent years.

Amounts reported in the funds as advances to and from other funds were eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities. The following residual amounts due between governmental and business-type activities are presented in the statement of net position as internal balances but are eliminated in the total primary government column.

Advances from governmental activities to business-type activities for working capital	\$ 2,581,480
Capital lease payable by governmental activities to business-type activities	<u>(31,318,750)</u>
Total advances	<u>\$ (28,737,270)</u>

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Notes to Basic Financial Statements Year ended June 30, 2021

The composition of interfund transfers for the year ended June 30, 2021 is as follows:

Funds	Transfer in	Transfer out
Governmental Funds:		
General fund	\$ -	\$ 2,810,510
Federal housing and community development	-	225,798
Other federal	-	30,748
Local housing and community development	-	323,429
Proprietary Funds:		
Public housing	1,510,311	-
Other housing	2,044,138	-
Section 8 program	-	163,964
Total	\$ 3,554,449	\$ 3,554,449

Transfers are used to finance various programs that must be accounted for in accordance with budgetary authorizations including amounts provided as subsidies or matching funds for various grant programs. Transfers also include indirect expense allocations, which represent support services in administering the various governmental and business-type activities.

(11) Defined Benefit Pension Plan

(a) General information about the Pension Plan

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the LACDA’s Miscellaneous Plan, an agent multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan are established by State statute and LACDA resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

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Notes to Basic Financial Statements Year ended June 30, 2021

The Plans' provisions and benefits in effect at June 30, 2021, are summarized as follows:

	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.1% to 2.4%	1.0% to 2.5%
Required employee contribution rates	7.000%	7.000%
Required employer contribution rates	8.019%	8.019%

Employees Covered – At June 30, 2021, the following employees were covered by the benefit terms of the Plan:

Inactive employees or beneficiaries currently receiving benefits	539
Inactive employees entitled to but not yet receiving benefits	827
Active employees	<u>533</u>
Total	<u><u>1,899</u></u>

Contributions – Section 20814(c) of CalPERS Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The LACDA is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

(b) Net Pension Liability

The LACDA's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

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Notes to Basic Financial Statements Year ended June 30, 2021

Actuarial Assumptions – The total pension liability actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-age normal cost method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	3.3% - 14.2% (1)
Investment Rate of Return	7.00% (2)
Mortality	Derived using CalPERS' Membership data for all Funds

- (1) Depending on age, service and type of employment
- (2) Net of pension plan investment expenses, including inflation

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

Change of Assumptions – In 2020, there were no changes in assumptions and the discount rate remained at 7.15%.

Discount Rate – The discount rate used to measure the total pension liability was 7.15% for the Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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Notes to Basic Financial Statements Year ended June 30, 2021

The expected real rates of return by asset class are as followed:

Asset Class	Current Target Allocation	Real Return Years 1 - 10 (a)	Real Return Years 11+(b)
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	<u>100.00%</u>		

^(a) An expected inflation of 2.0% used for this period.

^(b) An expected inflation of 2.92% used for this period.

Subsequent Events – There were no subsequent events that would materially affect the results presented in this disclosure.

(c) *Changes in the Net Pension Liability*

The following table shows the changes in net pension liability over the measurement period:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at 6/30/2019	\$ 281,632,362	\$ 240,649,376	\$ 40,982,986
Changes Recognized for the Measurement Period:			
Service Cost	5,686,125	-	5,686,125
Interest on the Total Pension Liability	20,115,695	-	20,115,695
Differences between Expected and Actual Experiences	2,492,999	-	2,492,999
Contributions from the Employer	-	4,816,329	(4,816,329)
Contributions from the Employee	-	2,839,782	(2,839,782)
Net Investment Income	-	12,036,510	(12,036,510)
Benefit Payments, including Refunds of Employee Contributions	(11,260,063)	(11,260,063)	-
Administrative Expense	-	(339,257)	339,257
Net Changes during 2019-2020	17,034,756	8,093,301	8,941,455
Balance at 6/30/2020	<u>\$ 298,667,118</u>	<u>\$ 248,742,677</u>	<u>\$ 49,924,441</u>

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Notes to Basic Financial Statements Year ended June 30, 2021

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the LACDA, calculated using the discount rate, as well as what LACDA’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

1% decrease		6.15%
Net pension liability	\$	91,556,804
Current discount rate		7.15%
Net pension liability	\$	49,924,441
1% increase		8.15%
Net pension liability	\$	15,683,370

Pension Plan Fiduciary Net Position – Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

(d) Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the fiscal year ended June 30, 2021, LACDA recognized pension expense of \$10,338,184. At June 30, 2021, LACDA reported deferred outflows of resources and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 5,613,483	\$ -
Difference between actual and expected experience	2,588,616	-
Net Differences between projected and actual earnings on plan investments	2,117,828	-
	<u>\$ 10,319,927</u>	<u>\$ -</u>

Deferred outflows of resources totaling \$5,613,483 are related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal year ending June 30:	
2022	\$ 959,609
2023	1,483,937
2024	1,263,280
2025	999,618
	<u>\$ 4,706,444</u>

Refer to Required Supplementary Information for the Funded Status of the Pension Plan.

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Notes to Basic Financial Statements Year ended June 30, 2021

(12) Other Postemployment Benefits (OPEB) Plan

(a) *General information about the OPEB Plan*

Plan Descriptions – In June 2011, the LACDA created a trust with the California Employers’ Retiree Benefit Trust (CERBT), a single-employer defined benefit plan, which is administered by CalPERS for the purpose of prefunding obligations for past services. In addition to the pension benefits described in Note 11, the LACDA also provides retiree health care benefits for eligible employees. The retiree health care benefits provided by the LACDA are basically a continuation of the medical plans for active employees. Eligibility for continuation of medical coverage for employees hired prior to August 3, 2010, requires retirement from the LACDA on or after age 50 with at least 10 years of continuous service with the LACDA. The LACDA will contribute 75% plus 5% for each year of service in excess of 15 years up to 100% towards the cost of coverage. Eligibility for continuation of medical coverage for employees hired on or after August 3, 2010, requires retirement from the LACDA on or after age 50 with at least 25 years of continuous service with the LACDA. Effective January 1, 2005, the LACDA will not pay more than the highest amount contributed for a current regular employee, for employee only medical insurance.

Employees Covered – As of the June 30, 2019 actuarial valuation, the following employees were covered by the benefit terms of the OPEB Plan:

Active employees	540
Inactive employees or beneficiaries currently receiving benefits	175
Inactive employees entitled to but not yet receiving benefits	-
Total	<u>715</u>

Contributions – The OPEB Plan and its contribution requirements are established and may be amended by the Executive Director of the LACDA. The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2021, LACDA’s cash contributions were \$1,575,146 in payments to the trust and to the providers for the retiree’s insurance premium, and the estimated implied subsidy was \$293,211 resulting in total payments of \$1,868,357.

(b) *Net OPEB Liability*

The LACDA’s net OPEB liability for the Plan is measured as the total OPEB liability, less the OPEB plan’s fiduciary net position. The net OPEB liability of the Plan is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019 to determine the June 30, 2020 total OPEB liability. A summary of principal assumptions and methods used to determine the net OPEB liability is shown below.

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Notes to Basic Financial Statements Year ended June 30, 2021

Actuarial Assumptions – The total OPEB liability actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Assumptions:	
Discount Rate	7.00%
Inflation	2.75%
Salary Increase	2.75% per annum, plus merit scale
Investment Rate of Return	7.00%
Mortality Rate	Derived using CalPERS' Membership data for all Funds
Pre-Retirement Turnover	Derived using CalPERS' Membership data for all Funds
Healthcare Trend Rate	6.00% HMO/6.00% PPO decreasing to 5.00% HMO/5.00% PPO

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2020, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	59.00%	5.50%
Global Debt Securities	25.00%	2.35%
Inflation Assets	5.00%	1.50%
Commodities	3.00%	1.75%
REITs	8.00%	3.65%
Total	<u>100.00%</u>	

Change of Assumptions – In 2020, there were no changes in assumptions and the discount rate remained at 7.00%.

Discount Rate – The discount rate used to measure the total OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that LACDA's contributions will be made at rates equal to

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the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

(c) Changes in the Net OPEB Liability

The following table shows the changes in net OPEB liability over the measurement period:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at 6/30/2019	\$ 28,278,285	\$ 22,344,902	\$ 5,933,383
Changes Recognized for the Measurement Period:			
Service Cost	909,559	-	909,559
Interest on the Total OPEB Liability	2,005,552	-	2,005,552
Differences between Expected and Actual Experiences	(2,700,336)	-	(2,700,336)
Contributions from the Employer	-	2,651,321	(2,651,321)
Net Investment Income	-	789,365	(789,365)
Benefit Payments, including Refunds of Employee Contributions	(1,092,688)	(1,092,688)	-
Administrative Expense	-	(10,915)	10,915
Net Changes during 2019-2020	(877,913)	2,337,083	(3,214,996)
Balance at 6/30/2020	<u>\$ 27,400,372</u>	<u>\$ 24,681,985</u>	<u>\$ 2,718,387</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the net OPEB liability of the LACDA, calculated using the discount rate of 7.00%, as well as what LACDA’s net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net OPEB liability (asset)	\$ 6,398,789	\$ 2,718,387	\$ (327,359)

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Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates – The following presents the net OPEB liability of the LACDA if it were calculated using a health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.00%HMO/5.00%PPO decreasing to 4.00%HMO/4.00%PPO)	Current Healthcare Cost Trend Rates Rate (6.00%HMO/6.00%PPO decreasing to 5.00%HMO/5.00%PPO)	1% Increase (7.00%HMO/7.00%PPO decreasing to 6.00%HMO/6.00%PPO)
Net OPEB liability (asset)	\$ (1,007,557)	\$ 2,718,387	\$ 7,359,215

OPEB Plan Fiduciary Net Position – Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued plan financial reports.

(d) OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2021, the LACDA recognized OPEB expense of \$1,542,631. At June 30, 2021, the LACDA reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 1,575,146	\$ -
Difference between actual and expected experience	609,626	2,400,299
Changes in assumptions	2,771,101	-
Net Differences between projected and actual earnings on OPEB plan investments	586,117	-
	<u>\$ 5,541,990</u>	<u>\$ 2,400,299</u>

Deferred outflows of resources totaling \$1,575,146 are related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as expense as follows:

Fiscal year ending June 30:	
2022	\$ 234,001
2023	350,558
2024	384,719
2025	348,531
2026	182,923
Thereafter	65,813
	<u>\$ 1,566,545</u>

(13) Deferred Compensation Plan

The LACDA offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The deferred compensation plan permits employees to defer a portion of their salary until future years.

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The Plan is administered by an independent trustee. In accordance with GASB Statement No. 32, the accumulated assets of the deferred compensation plan are not reported in the accompanying basic financial statements of the LACDA but are considered resources of the participants.

While the LACDA has full power and authority to administer and to adopt rules and regulations for the plan, all investment decisions under the plan are the responsibility of the deferred compensation plan participants. The LACDA has no liability for losses under the deferred compensation plan but does have the duty of due care that would be required of an ordinary prudent investor. Under certain circumstances, employees may modify their arrangements with the deferred compensation plan to provide for greater or fewer contributions, or to terminate their participation.

If participants retire under the deferred compensation plan or terminate service with the LACDA, they may be eligible to receive payments under the deferred compensation plan in accordance with the provisions thereof. In the event of a serious financial emergency, the LACDA may approve, upon request, withdrawals from the deferred compensation plan by the participants, along with their allocated contributions.

The following is a summary of activity of the trust for the year ended June 30, 2021:

Fund assets (at fair value), July 1, 2020	\$ 70,113,085
Deferrals of compensation	4,701,238
Earnings and increase (decrease) in fair value of investments	17,949,000
Payments to eligible participants and beneficiaries	<u>(4,441,187)</u>
Fund assets (at fair value), June 30, 2021	<u>\$ 88,322,136</u>

(14) Mortgage Revenue Bonds (Conduit debt)

The LACDA expands the supply of affordable housing by issuing multifamily mortgage revenue bonds. Since 1984, the LACDA has issued more than \$650 million in mortgage revenue bonds for multifamily housing. The bonds are issued to developers to finance low- and moderate-income housing for families.

Projects instrumental to neighborhood revitalization provide significant public benefit and preserve existing affordable housing. Requests to issue bonds are submitted to the California Debt Limit Allocation Committee. Projects must be located within the County of Los Angeles. If the project is located within an incorporated city, the LACDA will require a cooperative resolution adopted by that city.

The County requires a defined public benefit before it is willing to act as an issuer for tax-exempt multifamily housing bonds. These benefits must conform to all federal and state requirements for tax-exempt multifamily housing bonds. To ensure a public benefit, developers must set aside at least 20 percent of the units in each project for rent to very low-income tenants (50 percent of median-income, adjusted for household size) for a minimum term of 30 years. The County reserves the right to impose added restrictions.

The mortgage revenue bonds are not debt of the LACDA. The bonds are secured by a letter of credit through a major financial institution. Since these bonds do not constitute a legal debt of the LACDA, such amounts have not been included in the accompanying basic financial statements.

(15) Federal Grant Awards

The LACDA's Grant Programs operate under a line of credit established with HUD, and other federal agencies, for its federal grant revenues. The approved line of credit amount was approximately \$427,524,223. Life-to-date, the LACDA has drawn down funds approximating \$206,013,436, against the line of credit, to cover its grant programs' activities, leaving available funds of approximately \$221,510,787 at June 30, 2021. The funds do not represent an obligation of LACDA and are available for draw-down by the LACDA to finance CDBG Float, Section 108 and

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Notes to Basic Financial Statements
Year ended June 30, 2021

Home Loan programs, which are repaid to the LACDA; and are also utilized for activities of the LACDA’s Grant Programs.

(16) Construction Commitments

The LACDA has entered into various contracts for the purchase of materials, professional and non-professional services for construction projects. At June 30, 2021, significant remaining commitments are as follows:

Project	Contract Amount	Spent-to-Date	Remaining Commitment
1st and Rowan Apartments	\$ 7,840,000	\$ 7,314,583	\$ 525,417
McCadden Campus Senior Housing	3,000,000	2,455,000	545,000
Veterans Park Apartments	5,200,000	4,635,000	565,000
Orchard Arms Unit & Common Area Windows	655,000	31,755	623,245
Whittier Place Apartment Phase II	6,789,000	6,042,500	746,500
433 Vermont Apartments	1,500,000	686,112	813,888
Avocado Heights	5,000,000	4,053,800	946,200
The Spark at Midtown	10,720,000	9,743,822	976,178
Florence Apartments	12,260,000	11,275,001	984,999
Stanford Ave Apartments	12,985,000	11,990,154	994,846
Ashley Willowbrook	5,980,000	4,867,955	1,112,045
Sherman Oaks Senior Housing	5,058,085	3,700,000	1,358,085
Alternative Housing - 410 E. Florence St.	5,000,000	3,623,577	1,376,423
Reseda Theater Senior Housing	2,300,000	896,602	1,403,398
Talisa Apartments	8,170,000	6,735,042	1,434,958
Whittier & Downey NorthWest	7,940,000	6,488,656	1,451,344
6604 West	6,918,564	5,145,112	1,773,452
Sylmar II	5,940,000	3,994,774	1,945,226
Fairview Heights	11,460,000	9,488,679	1,971,321
Ingraham Apartments	20,000,000	17,956,230	2,043,770
Nueva Maravilla Roof Replacement	2,789,894	678,990	2,110,904
Temple City Library	5,342,506	3,207,289	2,135,217
PCH Magnolia	8,540,000	6,318,942	2,221,058
Miramonte Apartments/Firestone Phoenix	9,098,124	6,755,522	2,342,602
South Library	3,900,000	1,176,801	2,723,199
Western Apartments	5,750,000	2,920,000	2,830,000
Willowbrook 2	9,750,000	6,629,942	3,120,058
Mariposa Lily	4,199,772	1,031,570	3,168,202
3rd and Dangler	7,000,000	2,965,223	4,034,777
Bell Creek Apartments	11,290,000	7,195,904	4,094,096
Kensington Homes	10,000,000	5,281,009	4,718,991
Corazon Del Valle I	7,000,000	2,088,792	4,911,208
West LA VA Campus	5,750,000	828,469	4,921,531
El Monte Area X Apartments	6,750,000	1,420,366	5,329,634
Essex Tower	6,100,000	531,874	5,568,126
Juniper Grove Apartments	13,680,000	4,241,187	9,438,813
	\$ 261,655,945	\$ 174,396,234	\$ 87,259,711

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Notes to Basic Financial Statements Year ended June 30, 2021

(17) Commitments and Contingencies

(a) *General Liability and Workers' Compensation*

The LACDA has been named as a defendant in various general damage and personal injury lawsuits and claims. Such claims arise primarily from injuries or damages sustained by claimants while on property owned and maintained by LACDA. The LACDA is self-insured for its general liability and workers' compensation claims up to \$500,000 per each type of claim. The LACDA has established accrued liabilities aggregating \$3,525,540 of which \$3,172,986 is considered noncurrent, for the estimated liability for payment of incurred (both reported and unreported) but unpaid claims at June 30, 2021. The LACDA obtains periodic funding valuations from claims-servicing companies managing the general liability and workers' compensation programs, and adjusts the charges to the various funds or departments as required, to maintain the appropriate level of estimated claims liability. No settlements exceeded insurance coverage in the last two fiscal years ended June 30, 2021, and June 30, 2020. Management believes that the ultimate result of the pending lawsuits and claims, beyond that already accrued, if any, will not have a material adverse effect upon the LACDA's financial position.

During the fiscal years 2021 and 2020, the changes in the self-insurance liability were as follows:

	<u>2021</u>	<u>2020</u>
Beginning balance	\$ 3,525,540	\$ 3,522,142
Additions	2,968,289	2,655,716
Payments	(2,968,289)	(2,652,318)
Ending balance	<u>\$ 3,525,540</u>	<u>\$ 3,525,540</u>

(b) *Grants and Other*

Under the terms of federal and state grants, periodic audits are required, and certain costs may be questioned as inappropriate expenditures, under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. The LACDA's management believes disallowances, if any, will not adversely affect the LACDA's financial position.

(18) Successor Agency Trust for Assets of Former Redevelopment Agency

The accompanying financial statements also include the Private-purpose Trust Fund for the Successor Agency to the LACDA's former Redevelopment Agency (Successor Agency). The LACDA, as the Successor Agency, serves in a fiduciary capacity as custodian of the assets, and to unwind the affairs of the former Redevelopment Agency. Its assets are held in trust for the benefit of the taxing entities within the former Redevelopment Agency's boundaries, and as such, are not available for the use by the LACDA.

The Successor Agency is allocated revenue in the amount that is necessary to pay the enforceable obligations of the former Redevelopment Agency until all obligations of the former Redevelopment Agency have been paid in full, and all assets have been liquidated.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

**Notes to Basic Financial Statements
Year ended June 30, 2021**

(19) Fund Balance

As of July 1, 2020, the LACDA reclassified the governmental funds to more accurately reflect the activities and operations of the governmental activities. Fund balances reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances for the governmental funds consisted of the following at July 1, 2020:

	Fund Balances, beginning of year, as originally reported	Reclassifications	Fund Balances, beginning of year, as reported on the Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund	\$ 95,277,920	\$ 7,309,672	\$ 102,587,592
Federal housing and community development	10,448,809	-	10,448,809
Other federal	18,390,304	(17,867,314)	522,990
Local housing and community development	486,451,218	10,557,642	497,008,860
Low and moderate income housing asset fund	9,463,576	-	9,463,576
Total Fund Balance, Governmental Funds	<u>\$ 620,031,827</u>	<u>\$ -</u>	<u>\$ 620,031,827</u>

(20) Subsequent Events

The LACDA has evaluated events subsequent to June 30, 2021, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through November 17, 2021, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require additional disclosure in the financial statements.



LACDA

Los Angeles County Development Authority

REQUIRED SUPPLEMENTARY INFORMATION



LACDA

Los Angeles County Development Authority

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

**Required Supplementary Information
 Schedule of Revenues, Expenditures and
 Change in Fund Balances – Budget and Actual
 General Fund
 Year ended June 30, 2021**

	Budget		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 38,767,106	\$ 35,636,206	\$ 7,003,081	\$(28,633,125)
Charges for services	11,620,956	12,893,727	15,010,802	2,117,075
Rentals	564,000	584,000	477,534	(106,466)
Investment income (loss)	663,718	786,718	(1,580,021)	(2,366,739)
Contributions	-	-	7,222,820	7,222,820
Other revenues	1,904,509	1,060,438	88,668	(971,770)
Total revenues	<u>53,520,289</u>	<u>50,961,089</u>	<u>28,222,884</u>	<u>(22,738,205)</u>
Expenditures:				
Current:				
General government	3,886,317	3,828,317	258,928	3,569,389
Housing	14,333,850	14,265,650	11,878,428	2,387,222
Economic development	9,014,649	6,310,549	3,676,998	2,633,551
Community development	32,461,080	32,732,180	19,916,059	12,816,121
Capital outlay	10,000	10,000	8,824	1,176
Total expenditures	<u>59,705,896</u>	<u>57,146,696</u>	<u>35,739,237</u>	<u>21,407,459</u>
Excess (deficiency) of revenues over expenditures	<u>(6,185,607)</u>	<u>(6,185,607)</u>	<u>(7,516,353)</u>	<u>(1,330,746)</u>
Other financing sources (uses):				
Transfers in (out)	6,185,609	6,185,609	(2,810,510)	(8,996,119)
Net other financing sources (uses)	<u>6,185,609</u>	<u>6,185,609</u>	<u>(2,810,510)</u>	<u>(8,996,119)</u>
Change in fund balance	2	2	(10,326,863)	(10,326,865)
Fund balance at beginning of year, as restated	<u>102,587,592</u>	<u>102,587,592</u>	<u>102,587,592</u>	<u>-</u>
Fund balance at end of year	<u>\$ 102,587,594</u>	<u>\$ 102,587,594</u>	<u>\$ 92,260,729</u>	<u>\$(10,326,865)</u>

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Required Supplementary Information Schedule of Revenues, Expenditures and Change in Fund Balances – Budget and Actual Federal Housing and Community Development Year ended June 30, 2021

	Budget		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 72,198,450	\$ 80,130,050	\$ 52,522,661	\$ (27,607,389)
Charges for services	-	-	40,908	40,908
Rentals	-	-	410,373	410,373
Investment income	800,000	800,000	1,562,960	762,960
Other revenues	-	-	63,370	63,370
Total revenues	<u>72,998,450</u>	<u>80,930,050</u>	<u>54,600,272</u>	<u>(26,329,778)</u>
Expenditures:				
Current:				
Housing	12,907,761	23,197,361	19,612,198	3,585,163
Economic development	495,000	1,205,500	1,155,461	50,039
Community development	58,263,895	55,195,395	40,558,705	14,636,690
Debt service:				
Principal	237,500	237,500	1,568,000	(1,330,500)
Interest	495,000	495,000	232,965	262,035
Total expenditures	<u>72,399,156</u>	<u>80,330,756</u>	<u>63,127,329</u>	<u>17,203,427</u>
Excess (deficiency) of revenues over expenditures	<u>599,294</u>	<u>599,294</u>	<u>(8,527,057)</u>	<u>(9,126,351)</u>
Other financing sources (uses):				
Transfers out	<u>(599,300)</u>	<u>(599,300)</u>	<u>(225,798)</u>	<u>373,502</u>
Net other financing sources (uses)	<u>(599,300)</u>	<u>(599,300)</u>	<u>(225,798)</u>	<u>373,502</u>
Change in fund balance	(6)	(6)	(8,752,855)	(8,752,849)
Fund balance at beginning of year	<u>10,448,809</u>	<u>10,448,809</u>	<u>10,448,809</u>	<u>-</u>
Fund balance at end of year	<u>\$ 10,448,803</u>	<u>\$ 10,448,803</u>	<u>\$ 1,695,954</u>	<u>\$ (8,752,849)</u>

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

**Required Supplementary Information
 Schedule of Revenues, Expenditures and
 Change in Fund Balances – Budget and Actual
 Other Federal
 Year ended June 30, 2021**

	Budget		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 7,975,860	\$ 136,029,860	\$ 134,208,287	\$ (1,821,573)
Charges for services	-	-	100,068	100,068
Investment income	-	-	14,009	14,009
Total revenues	<u>7,975,860</u>	<u>136,029,860</u>	<u>134,322,364</u>	<u>(1,707,496)</u>
Expenditures:				
Current:				
Housing	396,989	39,330,989	39,062,712	268,277
Economic development	-	95,140,000	94,880,173	259,827
Community development	<u>7,578,870</u>	<u>1,558,870</u>	<u>1,290,844</u>	<u>268,026</u>
Total expenditures	<u>7,975,859</u>	<u>136,029,859</u>	<u>135,233,729</u>	<u>796,130</u>
Excess (deficiency) of revenues over expenditures	<u>1</u>	<u>1</u>	<u>(911,365)</u>	<u>(911,366)</u>
Other financing sources (uses):				
Transfers out	<u>-</u>	<u>-</u>	<u>(30,748)</u>	<u>(30,748)</u>
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(30,748)</u>	<u>(30,748)</u>
Change in fund balance	<u>1</u>	<u>1</u>	<u>(942,113)</u>	<u>(942,114)</u>
Fund balance at beginning of year, as restated	<u>522,990</u>	<u>522,990</u>	<u>522,990</u>	<u>-</u>
Fund balance at end of year	<u>\$ 522,991</u>	<u>\$ 522,991</u>	<u>\$ (419,123)</u>	<u>\$ (942,114)</u>

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

**Required Supplementary Information
Schedule of Revenues, Expenditures and
Change in Fund Balances – Budget and Actual
Local Housing and Community Development
Year ended June 30, 2021**

	Budget		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 226,293,394	\$ 313,532,294	\$ 223,233,553	\$ (90,298,741)
Charges for services	116,200	296,500	299,560	3,060
Investment income	4,212,300	4,464,300	5,776,739	1,312,439
Other revenues	5,500	3,607,600	1,860,184	(1,747,416)
Total revenues	<u>230,627,394</u>	<u>321,900,694</u>	<u>231,170,036</u>	<u>(90,730,658)</u>
Expenditures:				
Current:				
Housing	218,275,639	310,902,839	304,414,595	6,488,244
Economic development	6,743,999	6,923,099	3,643,777	3,279,322
Community development	2,700,453	1,167,453	514,045	653,408
Traffic services	2,785,797	2,785,797	2,309,773	476,024
Total expenditures	<u>230,505,888</u>	<u>321,779,188</u>	<u>310,882,190</u>	<u>10,896,998</u>
Excess (deficiency) of revenues over expenditures	<u>121,506</u>	<u>121,506</u>	<u>(79,712,154)</u>	<u>(79,833,660)</u>
Other financing sources (uses):				
Transfers out	<u>(121,500)</u>	<u>(121,500)</u>	<u>(323,429)</u>	<u>(201,929)</u>
Net other financing sources (uses)	<u>(121,500)</u>	<u>(121,500)</u>	<u>(323,429)</u>	<u>(201,929)</u>
Change in fund balance	6	6	(80,035,583)	(80,035,589)
Fund balance at beginning of year, as restated	<u>497,008,860</u>	<u>497,008,860</u>	<u>497,008,860</u>	<u>-</u>
Fund balance at end of year	<u>\$ 497,008,866</u>	<u>\$ 497,008,866</u>	<u>\$ 416,973,277</u>	<u>\$ (80,035,589)</u>

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

**Required Supplementary Information
 Schedule of Revenues, Expenditures and
 Change in Fund Balances – Budget and Actual
 Low- and Moderate-Income Housing Asset Fund
 Year ended June 30, 2021**

	Budget		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 161,700	\$ 371,700	\$ 110,261	\$ (261,439)
Investment income	28,800	318,800	234,343	(84,457)
Total revenues	<u>190,500</u>	<u>690,500</u>	<u>344,604</u>	<u>(345,896)</u>
Expenditures:				
Current:				
Housing	135,900	635,900	599,340	36,560
Total expenditures	<u>135,900</u>	<u>635,900</u>	<u>599,340</u>	<u>36,560</u>
Excess (deficiency) of revenues over expenditures	<u>54,600</u>	<u>54,600</u>	<u>(254,736)</u>	<u>(309,336)</u>
Other financing sources (uses):				
Transfers out	<u>(54,600)</u>	<u>(54,600)</u>	-	54,600
Net other financing sources (uses)	<u>(54,600)</u>	<u>(54,600)</u>	-	54,600
Change in fund balance	-	-	(254,736)	(254,736)
Fund balance at beginning of year	<u>9,463,576</u>	<u>9,463,576</u>	<u>9,463,576</u>	-
Fund balance at end of year	<u><u>\$ 9,463,576</u></u>	<u><u>\$ 9,463,576</u></u>	<u><u>\$ 9,208,840</u></u>	<u><u>\$ (254,736)</u></u>

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

Year ended June 30, 2021

(1) Budget

Budgets for the governmental fund types are adopted on a modified accrual basis of accounting which is a generally accepted accounting principle in the United States of America.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

Year ended June 30, 2021

(2) Additional Pension Information

(a) Schedule of Changes in the Net Pension Liability and Related Ratios

Measurement Date of June 30,	Last Ten Years *						
	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:							
Service Cost	\$ 5,686,125	\$ 5,193,567	\$ 5,373,884	\$ 5,493,966	\$ 4,779,725	\$ 4,580,146	\$ 4,703,232
Interest on total pension liability	20,115,695	18,950,485	17,754,300	17,075,665	16,007,563	15,070,316	14,282,452
Differences between expected and actual experience	2,492,999	3,343,450	(1,368,676)	599,428	232,779	(1,060,307)	-
Changes in assumptions	-	-	(2,851,868)	15,801,836	-	(4,135,536)	-
Benefit payments, including refunds of employee contributions	(11,260,063)	(9,913,298)	(9,389,940)	(8,205,369)	(7,743,352)	(7,719,533)	(6,607,237)
Net change in total pension liability	17,034,756	17,574,204	9,517,700	30,765,526	13,276,715	6,735,086	12,378,447
Total pension liability - beginning	281,632,362	264,058,158	254,540,458	223,774,932	210,498,217	203,763,131	191,384,684
Total pension liability - ending (a)	\$ 298,667,118	\$ 281,632,362	\$ 264,058,158	\$ 254,540,458	\$ 223,774,932	\$ 210,498,217	\$ 203,763,131
Plan Fiduciary Net Position:							
Contributions - employer	\$ 4,816,329	\$ 4,161,151	\$ 3,611,401	\$ 3,528,385	\$ 3,511,537	\$ 2,285,548	\$ 2,283,753
Contributions - employee	2,839,782	2,682,042	2,619,662	2,523,028	2,588,047	2,447,451	2,738,370
Net investment income	12,036,510	14,904,211	17,970,975	21,715,192	995,011	4,318,628	29,150,178
Benefit payments	(11,260,063)	(9,913,298)	(9,389,940)	(8,205,369)	(7,743,352)	(7,719,533)	(6,607,237)
Plan and plan resource movement	-	-	(531)	-	-	905	-
Administrative expense	(339,257)	(163,404)	(335,245)	(289,184)	(119,839)	(221,319)	-
Other miscellaneous income (expense)	-	531	(636,636)	-	-	-	-
Net change in plan fiduciary net position	8,093,301	11,671,233	13,839,686	19,272,052	(768,596)	1,111,680	27,565,064
Plan fiduciary net position - beginning	240,649,376	228,978,143	215,138,457	195,866,405	196,635,001	195,523,321	167,958,257
Plan fiduciary net position - ending (b)	\$ 248,742,677	\$ 240,649,376	\$ 228,978,143	\$ 215,138,457	\$ 195,866,405	\$ 196,635,001	\$ 195,523,321
Net pension liability - ending (a)-(b)	\$ 49,924,441	\$ 40,982,986	\$ 35,080,015	\$ 39,402,001	\$ 27,908,527	\$ 13,863,216	\$ 8,239,810
Plan fiduciary net position as a percentage of the total pension liability	83.28%	85.45%	86.72%	84.52%	87.53%	93.41%	95.96%
Covered payroll	\$ 39,241,716	\$ 35,817,702	\$ 37,035,726	\$ 37,056,290	\$ 35,779,057	\$ 34,043,007	\$ 33,527,459
Net pension liability as percentage of covered payroll	127.22%	114.42%	94.72%	106.33%	78.00%	40.72%	24.58%

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

Year ended June 30, 2021

Notes to Schedule:

Benefit changes - The figures above include any liability impact that may have resulted from voluntary benefit changes that occurred after the June 30, 2019 valuation date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the June 30, 2019 valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes in assumption - None in 2019 or 2020. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65% to 7.15%. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.50% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5% discount rate.

* Fiscal year 2015 was the first year of implementation, therefore only seven years are shown.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

Year ended June 30, 2021

(b) Schedule of Contributions

Last Ten Years*

	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contributions	\$ 5,613,483	\$ 4,815,740	\$ 4,161,355	\$ 2,488,319	\$ 3,528,363	\$ 3,511,596	\$ 2,282,387
Contributions in relation to the actuarially determined contributions	(5,613,483)	(4,815,740)	(4,161,355)	(2,488,319)	(3,528,363)	(3,511,596)	(2,282,387)
Contributions deficiency (excess)	-	-	-	-	-	-	-
Covered payroll	\$ 40,460,413	\$ 39,241,716	\$ 35,817,702	\$ 37,035,726	\$ 37,056,290	\$ 35,779,057	\$ 34,043,007
Contributions as a percentage of covered payroll	13.87%	12.27%	11.62%	6.72%	9.52%	9.81%	6.70%

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2020-21 were from the June 30, 2018 public agency valuations.

Actuarial Cost Method	Entry age normal
Amortization method / Period	Level percent of payroll
Asset valuation method	CalPERS employs an amortization and smoothing policy that pays for all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a 5-year period. This direct rate smoothing method is equivalent to a method using a 5-year asset smoothing period with no actuarial value of asset corridor and a 25-year amortization period for gains and losses.
Inflation	2.625% compounded annually
Salary increases	Varies by Entry age and Service
Payroll Growth	2.875% compounded annually
Investment rate of return	7.25% compounded annually (net of expenses)
Retirement age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

*Fiscal year 2015 was the first year of implementation, therefore only seven years are shown.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

Year ended June 30, 2021

(3) Additional Other Postemployment Benefits (OPEB) Information

(a) Schedule of Changes in the Net OPEB Liability and Related Ratios

Last Ten Years *

Measurement Date of June 30,	2020	2019	2018	2017
Total OPEB Liability:				
Service Cost	\$ 909,559	\$ 601,214	\$ 583,703	\$ 545,518
Interest on total OPEB liability	2,005,552	1,599,935	1,519,491	1,436,483
Differences between expected and actual experience	(2,700,336)	783,804	-	-
Changes in assumptions	-	3,562,843	-	-
Benefit payments, including refunds of employee contributions	(1,092,688)	(1,049,052)	(893,928)	(774,789)
Net change in total OPEB liability	(877,913)	5,498,744	1,209,266	1,207,212
Total OPEB liability - beginning	28,278,285	22,779,541	21,570,275	20,363,063
Total OPEB liability - ending (a)	\$ 27,400,372	\$ 28,278,285	\$ 22,779,541	\$ 21,570,275
Plan Fiduciary Net Position:				
Contributions - employer	\$ 2,651,321	\$ 1,100,201	\$ 1,281,968	\$ 1,241,648
Net investment income	789,365	1,291,178	1,522,386	1,781,325
Benefit payments	(1,092,688)	(1,049,052)	(893,928)	(774,789)
Administrative expense	(10,915)	(4,497)	(10,195)	(9,055)
Other expense	-	-	(25,305)	-
Net change in plan fiduciary net position	2,337,083	1,337,830	1,874,926	2,239,129
Plan fiduciary net position - beginning	22,344,902	21,007,072	19,132,146	16,893,017
Plan fiduciary net position - ending (b)	\$ 24,681,985	\$ 22,344,902	\$ 21,007,072	\$ 19,132,146
Net OPEB liability - ending (a)-(b)	\$ 2,718,387	\$ 5,933,383	\$ 1,772,469	\$ 2,438,129
Plan fiduciary net position as a percentage of the total OPEB liability	90.08%	79.02%	92.22%	88.70%
Covered-employee payroll	\$ 39,574,100	\$ 37,418,466	\$ 35,947,478	\$ 35,721,075
Net OPEB liability as percentage of covered-employee payroll	6.87%	15.86%	4.93%	6.83%

Notes to Schedule:

Changes in assumption - In 2020, in 2019 and in 2018, there were no changes in the discount rate.

In 2017, the discount rate was reduced from 7.28% (net of administrative expense) to 7.00%.

* Fiscal year 2018 was the first year of implementation, therefore only four years are shown.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

Year ended June 30, 2021

(b) Schedule of Contributions

Last Ten Years*

	2021	2020	2019	2018
Actuarially determined contributions	\$ 1,575,146	\$ 2,348,739	\$ 863,366	\$ 1,078,833
Contributions in relation to the actuarially determined contributions	(1,575,146)	(2,348,739)	(863,366)	(1,078,833)
Contributions deficiency (excess)	-	-	-	-
Covered-employee payroll	\$ 40,460,413	\$ 39,574,100	\$ 37,418,466	\$ 35,947,478
Contributions as a percentage of covered-employee payroll	3.89%	5.94%	2.31%	3.00%

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2020-21 were from the June 30, 2019 actuarial valuation.

Actuarial Cost Method	Entry age normal
Amortization method / Period	Level percent of payroll over a closed rolling 20-year period
Asset valuation method	Market value
Inflation	2.75%
Payroll Growth	2.75% per annum, plus merit scale
Investment rate of return	7.00%
Healthcare cost trend rates	6.00% initial, 0.50% per year to ultimate rate of 5.00%
Retirement age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	Pre-retirement and post-retirement mortality probabilities are based on 2017 CalPERS 1997-2015 Experience Study covering CalPERS participants.

*Fiscal year 2018 was the first year of implementation, therefore only four years are shown.



LACDA

Los Angeles County Development Authority

SUPPLEMENTARY INFORMATION



LACDA

Los Angeles County Development Authority

INTERNAL SERVICE FUNDS

Internal service funds are used to account for services provided to benefit other funds. These funds are as follows:

Construction Management – To account for construction management services provided to other departments within the LACDA.

Central Services – To account for staff development, emergency management, purchasing, and printing costs provided to other departments within the LACDA.

Data Processing – To account for the operation of data processing equipment and data processing services provided to the divisions within the LACDA.

Risk Management – To account for the accumulation of resources and payment of liability self-insurance and workers' compensation provided to the divisions within the LACDA.

Alhambra Building – To account for lease payments and building maintenance for the LACDA's headquarters.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Combining Statement of Net Position

Internal Service Funds

June 30, 2021

Assets	Construction Management	Central Services	Data Processing	Risk Management	Alhambra Building	Total
Cash and pooled investments	\$ 2,421,320	\$ 913,447	\$ 1,645,122	\$ 4,483,943	\$ 1,152,550	\$ 10,616,382
Inventory	-	34,835	5,473	6,482	-	46,790
Prepaid costs and other assets	-	2,225	-	13,399	-	15,624
Capital assets, net	800,161	547,267	94,486	-	33,541,284	34,983,198
Total assets	3,221,481	1,497,774	1,745,081	4,503,824	34,693,834	45,661,994
Deferred Outflows of Resources						
Pension related amounts	760,659	223,936	529,195	45,062	-	1,558,852
Other postemployment benefits related amounts	342,514	201,041	215,372	18,258	24,948	802,133
Total deferred outflows of resources	1,103,173	424,977	744,567	63,320	24,948	2,360,985
Liabilities						
Current liabilities:						
Accounts payable and accrued liabilities	126,392	95,570	319,451	28,095	77,327	646,835
Long-term debt obligations - current portion	-	375,571	-	-	845,000	1,220,571
Estimated claims payable	-	-	-	352,554	-	352,554
Accrued compensated absences	190,442	98,345	183,368	19,155	7,866	499,176
Noncurrent liabilities:						
Long-term debt obligations	-	38,690	-	-	30,473,750	30,512,440
Estimated claims payable	-	-	-	3,172,986	-	3,172,986
Accrued compensated absences	21,160	10,927	20,374	2,128	874	55,463
Net pension liability	3,069,942	367,808	529,554	55,793	-	4,023,097
Net other postemployment benefits liability	168,181	117,996	102,559	5,638	13,568	407,942
Total liabilities	3,576,117	1,104,907	1,155,306	3,636,349	31,418,385	40,891,064
Deferred Inflows of Resources						
Other postemployment benefits related amounts	145,824	78,062	90,808	8,231	10,621	333,546
Total deferred inflows of resources	145,824	78,062	90,808	8,231	10,621	333,546
Net Position						
Net investment in capital assets	800,161	133,006	94,486	-	2,222,534	3,250,187
Unrestricted	(197,448)	606,776	1,149,048	922,564	1,067,242	3,548,182
Total net position	\$ 602,713	\$ 739,782	\$ 1,243,534	\$ 922,564	\$ 3,289,776	\$ 6,798,369

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Combining Statement of Revenues, Expenses and Changes in Net Position

Internal Service Funds

Year ended June 30, 2021

	<u>Construction Management</u>	<u>Central Services</u>	<u>Data Processing</u>	<u>Risk Management</u>	<u>Alhambra Building</u>	<u>Total</u>
Operating revenues:						
Charges for services	\$ 4,053,095	\$ 2,992,865	\$ 6,182,674	\$ 1,241,027	\$ 205,913	\$ 14,675,574
Rentals	-	-	-	-	3,784,452	3,784,452
Other revenue	-	28,454	1,889	43,984	-	74,327
Total operating revenues	<u>4,053,095</u>	<u>3,021,319</u>	<u>6,184,563</u>	<u>1,285,011</u>	<u>3,990,365</u>	<u>18,534,353</u>
Operating expenses:						
Utilities	19,921	16,016	25,594	1,360	297,102	359,993
Maintenance	228,260	253,938	1,786,797	6,342	1,090,431	3,365,768
General administration	6,049,429	2,150,880	3,964,559	1,300,184	124,841	13,589,893
Depreciation and amortization	78,694	328,645	65,017	-	1,378,756	1,851,112
Total operating expenses	<u>6,376,304</u>	<u>2,749,479</u>	<u>5,841,967</u>	<u>1,307,886</u>	<u>2,891,130</u>	<u>19,166,766</u>
Operating income (loss)	<u>(2,323,209)</u>	<u>271,840</u>	<u>342,596</u>	<u>(22,875)</u>	<u>1,099,235</u>	<u>(632,413)</u>
Nonoperating revenues (expenses):						
Gain on sale of property	-	8,043	-	-	-	8,043
Investment income	55,555	8,259	30,870	53,129	8,912	156,725
Interest expense	-	(86,063)	-	-	(1,662,688)	(1,748,751)
Net nonoperating revenues (expenses)	<u>55,555</u>	<u>(69,761)</u>	<u>30,870</u>	<u>53,129</u>	<u>(1,653,776)</u>	<u>(1,583,983)</u>
Change in net position	<u>(2,267,654)</u>	<u>202,079</u>	<u>373,466</u>	<u>30,254</u>	<u>(554,541)</u>	<u>(2,216,396)</u>
Net position at beginning of year	<u>2,870,367</u>	<u>537,703</u>	<u>870,068</u>	<u>892,310</u>	<u>3,844,317</u>	<u>9,014,765</u>
Net position at end of year	<u>\$ 602,713</u>	<u>\$ 739,782</u>	<u>\$ 1,243,534</u>	<u>\$ 922,564</u>	<u>\$ 3,289,776</u>	<u>\$ 6,798,369</u>

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

**Combining Statement of Cash Flows
Internal Service Funds
Year ended June 30, 2021**

	<u>Construction Management</u>	<u>Central Services</u>	<u>Data Processing</u>	<u>Risk Management</u>	<u>Alhambra Building</u>	<u>Total</u>
Cash flows from operating activities:						
Charges for services	\$ 4,053,095	\$ 2,992,865	\$ 6,182,674	\$ 1,241,027	\$ 205,913	\$ 14,675,574
Receipts from rentals	-	-	-	-	3,784,452	3,784,452
Payments to employees for services	(4,924,701)	(2,403,917)	(5,168,164)	(562,633)	(93,223)	(13,152,638)
Payments to vendors for goods and services	(1,689,088)	(933,349)	(2,598,179)	(969,777)	(1,237,328)	(7,427,721)
Other revenue	-	28,454	1,889	43,984	-	74,327
Net cash provided by operating activities	<u>(2,560,694)</u>	<u>(315,947)</u>	<u>(1,581,780)</u>	<u>(247,399)</u>	<u>2,659,814</u>	<u>(2,046,006)</u>
Cash flows from capital and related financing activities:						
Purchase of capital assets	-	-	(108,208)	-	-	(108,208)
Payment of capital lease obligation	-	(338,474)	-	-	(740,417)	(1,078,891)
Proceeds from sale of capital assets	-	16,324	-	-	-	16,324
Payments of interest on capital leases	-	(86,063)	-	-	(1,662,688)	(1,748,751)
Net cash used in capital and related financing activities	<u>-</u>	<u>(408,213)</u>	<u>(108,208)</u>	<u>-</u>	<u>(2,403,105)</u>	<u>(2,919,526)</u>
Cash flows from investing activities:						
Interest received	55,555	8,259	30,870	53,129	8,912	156,725
Net cash provided by investing activities	<u>55,555</u>	<u>8,259</u>	<u>30,870</u>	<u>53,129</u>	<u>8,912</u>	<u>156,725</u>
Net increase (decrease) in cash and cash equivalents	(2,505,139)	(715,901)	(1,659,118)	(194,270)	265,621	(4,808,807)
Cash and cash equivalents at beginning of year	4,926,459	1,629,348	3,304,240	4,678,213	886,929	15,425,189
Cash and cash equivalents at end of year	<u>\$ 2,421,320</u>	<u>\$ 913,447</u>	<u>\$ 1,645,122</u>	<u>\$ 4,483,943</u>	<u>\$ 1,152,550</u>	<u>\$ 10,616,382</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ (2,323,209)	\$ 271,840	\$ 342,596	\$ (22,875)	\$ 1,099,235	\$ (632,413)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	78,694	328,645	65,017	-	1,378,756	1,851,112
Changes in assets and liabilities:						
Inventory	-	4,526	(5,473)	(6,482)	-	(7,429)
Prepaid costs and other assets	-	(1,059)	-	(638)	146,396	144,699
Deferred outflows of resources -pension	(123,202)	(24,577)	(48,532)	507	-	(195,804)
Deferred outflows of resources - OPEB	36,291	18,854	25,404	2,062	2,967	85,578
Accounts payable and accrued expenses	4,416	(23,473)	(37,203)	(522)	36,187	(20,595)
Compensated absences	88,636	15,195	55,760	(168)	656	160,079
Deferred inflows of resources - pension	(154,348)	(67,516)	(146,568)	(19,480)	-	(387,912)
Deferred inflows of resources - OPEB	133,578	71,446	84,767	7,818	9,843	307,452
Net pension liability	(106,232)	(805,270)	(1,795,919)	(196,596)	-	(2,904,017)
Net other postemployment benefits liability	(195,318)	(104,558)	(121,629)	(11,025)	(14,226)	(446,756)
Net adjustments	<u>(237,485)</u>	<u>(587,787)</u>	<u>(1,924,376)</u>	<u>(224,524)</u>	<u>1,560,579</u>	<u>(1,413,593)</u>
Net cash provided by operating activities	<u>\$ (2,560,694)</u>	<u>\$ (315,947)</u>	<u>\$ (1,581,780)</u>	<u>\$ (247,399)</u>	<u>\$ 2,659,814</u>	<u>\$ (2,046,006)</u>
Noncash noncapital financing activities:						
Issuance of a capital lease	\$ -	\$ 140,062	\$ -	\$ -	\$ -	\$ 140,062



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners
Los Angeles County Development Authority
County of Los Angeles, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Los Angeles County Development Authority (LACDA), a component unit of the County of Los Angeles, California, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the LACDA's basic financial statements, and have issued our report thereon dated November 17, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the LACDA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the LACDA's internal control. Accordingly, we do not express an opinion on the effectiveness of the LACDA's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the LACDA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



To the Board of Commissioners
Los Angeles County Development Authority
County of Los Angeles, California

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lance, Solt & Luyhard, LLP

Brea, California
November 17, 2021

The image features a white background with two prominent diagonal stripes. A dark blue stripe runs from the bottom-left towards the top-right. A grey stripe runs from the top-right towards the bottom-left, intersecting the blue stripe. Below the grey stripe, an orange stripe runs from the top-right towards the bottom-left. The text 'STATISTICAL SECTION' is centered in white on the dark blue stripe.

STATISTICAL SECTION

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

STATISTICAL SECTION

This part of the Los Angeles County Development Authority's annual comprehensive financial report presents information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

FINANCIAL TRENDS 83

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

REVENUE CAPACITY 90

These schedules contain information to help the reader assess the government's most significant local revenue source.

DEBT CAPACITY..... 91

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION 93

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

OPERATING INFORMATION..... 95

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.



LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities										
Net investment in capital assets	\$ 26,295,814	\$ 28,056,834	\$ 29,812,460	\$ 33,952,068	\$ 37,762,410	\$ 39,061,742	\$ 40,577,570	\$ 42,345,130	\$ 43,350,776	\$ 35,489,180
Restricted	507,675,114	587,497,637	458,315,771	347,542,030	268,310,478	279,056,059	320,848,472	274,977,329	267,100,572	208,644,642
Unrestricted	35,511,461	42,820,525	40,727,205	32,299,543	45,129,790	46,029,017	39,988,964	49,356,080	41,646,683	60,483,536
Total governmental activities net position	\$569,482,389	\$658,374,996	\$528,855,436	\$413,793,641	\$351,202,678	\$364,146,818	\$401,415,006	\$366,678,539	\$352,098,031	\$304,617,358
Business-type activities										
Net investment in capital assets	\$110,556,407	\$104,716,447	\$100,923,037	\$ 95,306,977	\$ 93,867,211	\$ 91,312,812	\$ 96,735,090	\$ 95,234,083	\$ 92,729,420	\$ 84,809,798
Restricted	7,020,432	1,720,363	5,719,780	4,460,906	4,423,184	3,119,103	1,094,744	6,538,377	9,733,236	15,452,287
Unrestricted	17,686,164	5,118,694	10,368,296	13,531,950	16,001,513	13,858,747	5,758,347	14,878,380	7,721,601	12,170,883
Total business-type activities net position	\$135,263,003	\$111,555,504	\$117,011,113	\$113,299,833	\$114,291,908	\$108,290,662	\$103,588,181	\$116,650,840	\$110,184,257	\$112,432,968
Primary government										
Net investment in capital assets	\$136,852,221	\$132,773,281	\$130,735,497	\$129,259,045	\$131,629,621	\$130,374,554	\$137,312,660	\$137,579,213	\$136,080,196	\$120,298,978
Restricted	514,695,546	589,218,000	464,035,551	352,002,936	272,733,662	282,175,162	321,943,216	281,515,706	276,833,808	224,096,929
Unrestricted	53,197,625	47,939,219	51,095,501	45,831,493	61,131,303	59,887,764	45,747,311	64,234,460	49,368,284	72,654,419
Total primary government net position	\$704,745,392	\$769,930,500	\$645,866,549	\$527,093,474	\$465,494,586	\$472,437,480	\$505,003,187	\$483,329,379	\$462,282,288	\$417,050,326

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

**Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)**

	2021	2020	2019	2018	2017	2016 *
Expenses						
Governmental Activities:						
General government	\$ 567,904	\$ 2,291,048	\$ 2,187,542	\$ 2,803,179	\$ 2,242,060	\$ 11,738,327
Housing	379,160,360	162,860,678	112,292,273	57,833,721	67,190,627	57,196,903
Economic development	96,318,013	5,133,365	4,500,735	3,454,263	2,183,750	1,477,105
Community development	56,802,273	76,560,540	61,309,030	54,250,382	49,720,611	69,478,969
Traffic services	2,326,319	2,416,089	2,362,136	2,205,696	2,632,595	2,862,723
Non-Hud	-	-	-	-	-	-
Home development	-	-	-	-	-	-
City contract program	-	-	-	-	-	-
Low and moderate income housing asset	-	-	-	-	-	-
Interest on long-term debt	216,773	249,782	555,017	664,950	748,466	830,052
Total government activities expenses	<u>535,391,642</u>	<u>249,511,502</u>	<u>183,206,733</u>	<u>121,212,191</u>	<u>124,718,109</u>	<u>143,584,079</u>
Business-type activities:						
Section 8 program	376,943,905	363,117,764	314,731,935	301,122,863	299,167,327	272,186,686
Public housing	30,882,171	31,513,140	25,192,440	25,294,307	25,582,030	26,039,497
Other housing	4,991,203	4,869,765	4,864,480	4,104,471	3,993,129	-
CDPLAC	1,658,792	1,707,021	1,738,252	1,768,750	1,799,675	1,827,127
Total business-type activities expenses	<u>414,476,071</u>	<u>401,207,690</u>	<u>346,527,107</u>	<u>332,290,391</u>	<u>330,542,161</u>	<u>300,053,310</u>
Total primary government expenses	<u>\$ 949,867,713</u>	<u>\$ 650,719,192</u>	<u>\$ 529,733,840</u>	<u>\$ 453,502,582</u>	<u>\$ 455,260,270</u>	<u>\$ 443,637,389</u>
Program Revenues						
Governmental activities:						
Charges for services	\$ 16,339,245	\$ 14,899,757	\$ 13,927,765	\$ 13,424,682	\$ 14,489,871	\$ 13,043,325
Operating grants and contributions	435,161,783	354,926,429	275,283,870	173,316,221	91,893,872	90,232,440
Capital grants and contributions	-	-	-	-	-	450,000
Total governmental activities program revenues	<u>451,501,028</u>	<u>369,826,186</u>	<u>289,211,635</u>	<u>186,740,903</u>	<u>106,383,743</u>	<u>103,725,765</u>
Business-type activities:						
Charges for services	15,054,746	14,768,427	14,167,900	13,345,797	12,875,572	12,273,564
Operating grants and contributions	413,571,049	374,410,041	329,460,096	314,299,590	317,757,507	287,137,215
Capital grants and contributions	4,284,800	4,545,291	5,911,481	3,160,718	4,147,073	3,251,292
Total business-type activities program revenues	<u>432,910,595</u>	<u>393,723,759</u>	<u>349,539,477</u>	<u>330,806,105</u>	<u>334,780,152</u>	<u>302,662,071</u>
Total primary government program revenues	<u>\$ 884,411,623</u>	<u>\$ 763,549,945</u>	<u>\$ 638,751,112</u>	<u>\$ 517,547,008</u>	<u>\$ 441,163,895</u>	<u>\$ 406,387,836</u>
Net (expense) / revenue						
Governmental activities	(83,890,614)	120,314,684	106,004,902	65,528,712	(18,334,366)	(39,858,314)
Business-type activities	18,434,524	(7,483,931)	3,012,370	(1,484,286)	4,237,991	2,608,761
Total primary government net expense	<u>\$ (65,456,090)</u>	<u>\$ 112,830,753</u>	<u>\$ 109,017,272</u>	<u>\$ 64,044,426</u>	<u>\$ (14,096,375)</u>	<u>\$ (37,249,553)</u>
General Revenues and Other Changes in Net Position						
Governmental activities:						
Investment income (loss)	\$ (1,619,551)	\$ 6,221,356	\$ 5,492,450	\$ (1,945,659)	\$ (1,457,032)	\$ 2,280,398
Gain on sale of property	8,043	1,283,413	51,347	141,890	-	-
Insurance recoveries	-	-	1,500,000	2,029,672	5,831,509	-
Extraordinary loss	-	-	-	-	-	-
Share in net income (losses) of JPA	-	335,623	378,778	228,367	494,774	498,057
Transfers	(3,390,485)	1,364,484	1,634,318	1,469,202	520,975	(188,329)
Total governmental activities	<u>(5,001,993)</u>	<u>9,204,876</u>	<u>9,056,893</u>	<u>1,923,472</u>	<u>5,390,226</u>	<u>2,590,126</u>
Business-type activities:						
Investment earnings	1,882,490	2,138,542	2,333,228	2,262,971	2,194,037	1,905,391
Gain on sale of property	-	-	-	-	-	-
Insurance recoveries	-	1,254,264	-	-	-	-
Transfers	3,390,485	(1,364,484)	(1,634,318)	(1,469,202)	(520,975)	188,329
Total business-type activities	<u>5,272,975</u>	<u>2,028,322</u>	<u>698,910</u>	<u>793,769</u>	<u>1,673,062</u>	<u>2,093,720</u>
Total primary government	<u>\$ 270,982</u>	<u>\$ 11,233,198</u>	<u>\$ 9,755,803</u>	<u>\$ 2,717,241</u>	<u>\$ 7,063,288</u>	<u>\$ 4,683,846</u>
Change in Net Position						
Governmental activities	\$ (88,892,607)	\$ 129,519,560	\$ 115,061,795	\$ 67,452,184	\$ (12,944,140)	\$ (37,268,188)
Business-type activities	23,707,499	(5,455,609)	3,711,280	(690,517)	5,911,053	4,702,481
Total primary government	<u>\$ (65,185,108)</u>	<u>\$ 124,063,951</u>	<u>\$ 118,773,075</u>	<u>\$ 66,761,667</u>	<u>\$ (7,033,087)</u>	<u>\$ (32,565,707)</u>

* During the year ended June 30, 2016, LACDA reclassified certain balances to more accurately reflect the activities and operations of the governmental activities. The previous years shown have not been adjusted.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

**Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)**

	2015	2014	2013	2012
Expenses				
Governmental Activities:				
General government	\$ 62,456,044	\$ 61,955,666	\$ 39,067,640	\$ 33,750,042
Housing	1,860,539	10,339,502	23,050,538	17,921,922
Economic development	861,139	798,732	967,190	3,178,990
Community development	27,589,454	31,641,120	25,983,235	47,599,162
Traffic services	-	-	-	-
Non-Hud	32,583,839	31,881,152	21,565,259	19,418,803
Home development	9,771,730	14,269,207	17,978,500	15,169,027
City contract program	-	-	-	1,370,613
Low and moderate income housing asset	4,852	33,901	-	-
Interest on long-term debt	927,516	1,037,033	1,128,683	1,713,636
Total governmental activities expenses	<u>136,055,113</u>	<u>151,956,313</u>	<u>129,741,045</u>	<u>140,122,195</u>
Business-type activities:				
Section 8 program	257,669,164	265,240,552	275,133,351	265,632,867
Public housing	25,187,671	24,364,736	24,088,705	24,147,111
Other housing	-	-	-	-
CDPLAC	6,239	-	199,557	33,346
Total business-type activities expenses	<u>282,863,074</u>	<u>289,605,288</u>	<u>299,421,613</u>	<u>289,813,324</u>
Total primary government expenses	<u>\$ 418,918,187</u>	<u>\$ 441,561,601</u>	<u>\$ 429,162,658</u>	<u>\$ 429,935,519</u>
Program Revenues				
Governmental activities:				
Charges for services	\$ 40,361,927	\$ 52,065,464	\$ 52,789,250	\$ 50,112,553
Operating grants and contributions	136,891,756	110,463,305	112,731,508	81,828,918
Capital grants and contributions	-	-	-	-
Total governmental activities program revenues	<u>177,253,683</u>	<u>162,528,769</u>	<u>165,520,758</u>	<u>131,941,471</u>
Business-type activities:				
Charges for services	11,833,493	11,409,987	11,157,522	10,929,425
Operating grants and contributions	268,062,835	279,390,066	284,173,888	284,914,679
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>279,896,328</u>	<u>290,800,053</u>	<u>295,331,410</u>	<u>295,844,104</u>
Total primary government program revenues	<u>\$ 457,150,011</u>	<u>\$ 453,328,822</u>	<u>\$ 460,852,168</u>	<u>\$ 427,785,575</u>
Net (expense) / revenue				
Governmental activities	41,198,570	10,572,456	35,779,713	(8,180,724)
Business-type activities	(2,966,746)	1,194,765	(4,090,203)	6,030,780
Total primary government net expense	<u>\$ 38,231,824</u>	<u>\$ 11,767,221</u>	<u>\$ 31,689,510</u>	<u>\$ (2,149,944)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Investment income (loss)	\$ 3,228,862	\$ 3,361,139	\$ 2,469,953	\$ 2,458,298
Gain on sale of property	6,651	16,221	313,234	871,178
Insurance recoveries	-	-	-	-
Extraordinary loss	-	-	-	(6,282,013)
Share in net income (losses) of JPA	286,404	959,556	(2,511,326)	-
Transfers	2,408,367	(328,864)	(1,841,492)	(4,125,445)
Total governmental activities	<u>5,930,284</u>	<u>4,008,052</u>	<u>(1,569,631)</u>	<u>(7,077,982)</u>
Business-type activities:				
Investment earnings	-	-	-	49,026
Gain on sale of property	1,062,741	5,770,539	-	-
Insurance recoveries	-	-	-	-
Transfers	(2,408,367)	328,864	1,841,492	4,125,445
Total business-type activities	<u>(1,345,626)</u>	<u>6,099,403</u>	<u>1,841,492</u>	<u>4,174,471</u>
Total primary government	<u>\$ 4,584,658</u>	<u>\$ 10,107,455</u>	<u>\$ 271,861</u>	<u>\$ (2,903,511)</u>
Change in Net Position				
Governmental activities	\$ 47,128,854	\$ 14,580,508	\$ 34,210,082	\$ (15,258,706)
Business-type activities	(4,312,372)	7,294,168	(2,248,711)	10,205,251
Total primary government	<u>\$ 42,816,482</u>	<u>\$ 21,874,676</u>	<u>\$ 31,961,371</u>	<u>\$ (5,053,455)</u>



LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General fund										
Nonspendable	\$ 3,330,608	\$ 3,408,137	\$ 3,488,870	\$ 3,387,904	\$ 3,340,321	\$ 3,182,883	\$ 11,121,811	\$ 12,949,160	\$ 8,083,188	\$ 9,752,529
Restricted	63,862,210	62,743,730	79,117,573	52,328,361	52,584,561	56,381,862	138,771,585	92,855,488	107,708,909	98,679,917
Assigned	-	-	-	-	-	-	-	-	-	6,500,000
Unassigned	25,067,911	29,126,053	22,131,514	16,988,700	27,256,387	28,873,762	43,465,677	43,480,961	40,182,734	22,216,301
Total general fund	\$ 92,260,729	\$ 95,277,920	\$ 104,737,957	\$ 72,704,965	\$ 83,181,269	\$ 88,438,507	\$ 193,359,073	\$ 149,285,609	\$ 155,974,831	\$ 137,148,747
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ 25,909	\$ 287	\$ 140	\$ 301	\$ 16,038,523	\$ 16,796,908	\$ 17,616,286	\$ 18,634,231
Restricted	427,878,071	524,753,907	379,198,198	295,213,669	215,725,917	222,674,197	141,085,391	139,337,864	122,659,219	109,964,725
Unassigned	(419,123)	-	-	-	-	(294,683)	-	-	-	-
Total all other governmental funds	\$ 427,458,948	\$ 524,753,907	\$ 379,224,107	\$ 295,213,956	\$ 215,726,057	\$ 222,379,815	\$ 157,123,914	\$ 156,134,772	\$ 140,275,505	\$ 128,598,956

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2021	2020	2019	2018	2017
Revenues					
Intergovernmental	\$ 417,077,843	\$ 343,402,394	\$ 266,430,555	\$ 165,044,218	\$ 88,522,197
Charges for services	15,451,338	14,046,168	13,001,370	12,535,930	13,577,853
Incremental property taxes	-	-	-	-	-
Rentals	887,907	853,589	926,395	888,752	912,019
Investment income (loss)	6,008,030	18,734,877	16,002,336	5,218,408	4,031,862
Contributions	7,222,820	165,516	4,697,836	-	-
Other revenues	2,012,222	3,995,118	1,417,877	1,588,470	1,562,252
Total revenues	448,660,160	381,197,662	302,476,369	185,275,778	108,606,183
Expenditures					
Program administration	-	-	-	-	-
Loan program costs	-	-	-	-	-
Subgrants to county, cities, and community based organizations	-	-	-	-	-
Housing assistance payments	-	-	-	-	-
General government	258,928	994,311	1,990,079	2,645,496	2,094,517
Housing	375,567,273	160,543,207	113,092,750	54,494,494	67,532,459
Economic development	103,356,409	7,243,648	5,968,153	4,309,382	2,806,389
Community development	62,279,653	75,804,218	60,000,659	52,664,125	48,640,072
Traffic services	2,309,773	2,404,760	2,353,795	2,198,010	2,641,087
Capital outlay:					
Capital	8,824	-	-	307,104	366,772
Noncapital	-	-	-	-	-
Debt service:					
Principal	1,568,000	1,564,000	7,922,000	2,660,000	2,581,000
Interest	232,965	236,708	733,494	702,312	784,046
Total expenditures	545,581,825	248,790,852	192,060,930	119,980,923	127,446,342
Excess of revenues over (under) expenditures	(96,921,665)	132,406,810	110,415,439	65,294,855	(18,840,159)
Other financing sources (uses)					
Issuance of debt	-	-	3,120,000	511,000	672,000
Insurance recoveries	-	421,794	-	2,029,672	5,831,509
Sale of property	-	1,755,449	739,740	141,890	-
Extraordinary loss	-	-	-	-	-
Transfers in	-	1,549,301	1,990,437	1,034,178	475,093
Transfers out	(3,390,485)	(63,591)	(222,473)	-	(49,439)
Total other financing sources (uses)	(3,390,485)	3,662,953	5,627,704	3,716,740	6,929,163
Net change in fund balances	\$ (100,312,150)	\$ 136,069,763	\$ 116,043,143	\$ 69,011,595	\$ (11,910,996)
Debt service as a percentage of noncapital expenditures	0.3%	0.7%	4.5%	2.8%	2.6%

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2016 *	2015	2014	2013	2012
Revenues					
Intergovernmental	\$ 78,290,291	\$ 160,773,296	\$ 142,344,461	\$ 152,390,956	\$ 109,566,551
Charges for services	12,155,144	11,663,736	10,962,724	11,446,082	-
Incremental property taxes	-	-	-	-	242,470
Rentals	888,181	766,857	730,292	664,851	678,568
Investment income (loss)	9,411,503	7,092,213	9,303,907	6,340,953	7,198,009
Contributions	1,138,000	-	-	-	-
Other revenues	6,076,571	2,905,715	996,294	4,418,190	33,835,003
Total revenues	107,959,690	183,201,817	164,337,678	175,261,032	151,520,601
Expenditures					
Program administration	-	37,842,664	30,000,755	30,163,897	39,857,204
Loan program costs	-	27,613,982	35,605,872	52,301,929	38,418,630
Subgrants to county, cities, and community based organizations	-	36,282,346	39,084,011	23,926,848	46,533,929
Housing assistance payments	-	44,279	141,992	172,774	988,608
General government	14,917,438	-	-	-	-
Housing	56,757,839	-	-	-	-
Economic development	2,146,702	-	-	-	-
Community development	67,169,442	-	-	-	-
Traffic services	2,856,830	-	-	-	-
Capital outlay:					
Capital	460,545	-	583,968	2,594,996	3,785,338
Noncapital	-	34,744,387	45,742,917	24,037,282	11,463,648
Debt service:					
Principal	2,507,000	3,488,000	2,739,000	2,661,000	16,160,000
Interest	858,559	981,008	1,074,813	1,163,857	2,081,656
Total expenditures	147,674,355	140,996,666	154,973,328	137,022,583	159,289,013
Excess of revenues over (under) expenditures	(39,714,665)	42,205,151	9,364,350	38,238,449	(7,768,412)
Other financing sources (uses)					
Issuance of debt	50,000	-	-	-	3,216,000
Insurance recoveries	-	-	-	-	-
Sale of property	-	-	-	-	-
Extraordinary loss	-	-	-	-	(6,282,013)
Transfers in	21,835	6,865,072	4,463,104	11,324,509	4,090,051
Transfers out	(21,835)	(4,007,617)	(4,657,409)	(19,060,325)	(8,208,724)
Total other financing sources (uses)	50,000	2,857,455	(194,305)	(7,735,816)	(7,184,686)
Net change in fund balances	\$ (39,664,665)	\$ 45,062,606	\$ 9,170,045	\$ 30,502,633	\$ (14,953,098)
Debt service as a percentage of noncapital expenditures	2.3%	3.2%	2.5%	2.8%	11.7%

* During the year ended June 30, 2016, LACDA reclassified certain balances to more accurately reflect the activities and operations of the governmental activities. The previous years shown have not been adjusted.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Revenue by Source

The Los Angeles County Development Authority does not have a revenue category that can be categorized as "own source". A majority of revenues earned by LACDA is received through funding from HUD of the federal government with other funding received from state and county governments.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	Section 108 Notes Payable	Capital Leases	Lease Revenue Bonds	California State Department of Housing Notes Payable			
2012	\$ 30,789,000	\$ 133,316	\$ 43,710,000	\$ 2,991,731	\$ 77,624,047	0.018%	\$ 7.83
2013	28,128,000	2,568,898	37,210,000	2,997,514	70,904,412	0.016%	7.12
2014	25,389,000	1,919,525	36,640,000	2,011,097	65,959,622	0.014%	6.54
2015	21,901,000	1,270,977	36,050,000	2,013,911	61,235,888	0.012%	6.05
2016	19,444,000	611,243	35,440,000	2,016,725	57,511,968	0.011%	5.61
2017	17,535,000	29,255	34,805,000	2,200,000	54,569,255	0.009%	5.30
2018	15,386,000	980,336	34,140,000	2,200,000	52,706,336	0.009%	5.10
2019	10,584,000	738,475	33,440,000	2,200,000	46,962,475	0.007%	4.52
2020	9,020,000	612,673	32,705,000	2,200,000	44,537,673	0.006%	4.32
2021	7,452,000	414,261	31,930,000	2,200,000	41,996,261	0.006%	4.09

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data applicable to Los Angeles County.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

**Ratios of Lease Revenue Bonds
Last Ten Fiscal Years**

Fiscal Year	Business-type activities		Percentage of Charges for services*	Per Capita**
	Lease Revenue Bonds			
2012	\$	43,710,000	N/A	4.41
2013		37,210,000	N/A	3.74
2014		36,640,000	N/A	3.64
2015		36,050,000	N/A	3.56
2016		35,440,000	N/A	3.46
2017		34,805,000	N/A	3.38
2018		34,140,000	N/A	3.30
2019		33,440,000	N/A	3.22
2020		32,705,000	N/A	3.17
2021		31,930,000	N/A	3.11

** See changes in Net Position*

***See demographics for Los Angeles County*

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal Year	Los Angeles County					Southern California				
	Population (000)	Household (000)	Unemployment rate (%)	Total Personal income (in millions)	New Homes Permitted	Population (000)	Household (000)	Unemployment rate (%)	Total Personal income (in millions)	New Homes Permitted
2012	9,912	3,254	11.5%	442,800	11,715	21,341	6,927	10.0%	934,000	31,058
2013	9,961	3,267	9.6%	443,200	16,850	21,458	6,968	8.2%	941,300	46,149
2014	10,079	3,279	8.2%	470,200	18,841	21,672	7,001	6.9%	1,004,000	46,808
2015	10,124	3,293	7.3%	506,400	22,892	21,833	7,041	5.8%	1,078,800	54,911
2016	10,254	3,308	6.2%	545,100	19,936	22,153	7,077	4.9%	1,136,900	53,444
2017	10,300	3,323	5.0%	587,755	18,803	22,341	7,109	4.9%	1,196,912	53,732
2018	10,332	3,339	4.9%	619,400	17,795	22,374	7,157	4.9%	1,278,800	51,856
2019	10,384	3,355	4.9%	652,200	17,235	22,523	7,203	5.0%	1,346,000	49,718
2020	10,301	3,369	16.1%	687,000	22,930	22,492	7,253	11.2%	1,422,900	56,779
2021	10,279	3,379	8.8%	685,000	22,841	22,424	7,248	7.4%	1,397,700	53,077

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

**Ten Largest Industries*
Current Year and Nine Years Ago**

Industry	June 30, 2021			June 30, 2012		
	Number of Employees	Rank	Percentage of Total	Number of Employees	Rank	Percentage of Total
Educational & Health Services	839,300	1	19.91%	696,000	2	17.15%
Trade, Transportation and Utilities	804,600	2	19.09%	769,200	1	18.96%
Professional & Business Services	598,800	3	14.21%	562,100	4	13.85%
Government	558,700	4	13.26%	571,800	3	14.09%
Leisure & Hospitality	438,300	5	10.40%	420,400	5	10.36%
Manufacturing	306,900	6	7.28%	377,800	6	9.31%
Financial Activities	209,300	7	4.97%	212,900	7	5.25%
Information	177,000	8	4.20%	187,600	8	4.62%
Construction	148,100	9	3.51%	108,600	10	2.68%
Other Services	127,100	10	3.02%	143,000	9	3.52%
Ten largest industries	4,208,100		99.85%	4,049,400		99.79%
All other industries	6,400		0.15%	8,600		0.21%
Total industries	4,214,500		100.00%	4,058,000		100.00%

* LACDA is a special district agency and does not have the type of demographic and economic information required for this section. As an alternative, we are providing County of Los Angeles' ten largest industries by employment based on the most recent information available.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

**Full-Time Equivalent Employees by Division
Last Ten Fiscal Years**

Division	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Administration & Internal Services	89	89	91	96	96	96	94	93	93	111
Housing Operations & Capital Fund	123	128	133	133	136	130	129	131	132	108
Housing Assistance	204	217	211	209	200	188	181	183	190	170
Housing Investment & Finance	60	59	49	43	43	42	45	46	43	42
Community & Economic Development	89	90	74	76	74	82	79	79	81	98
Special Programs	23	27	22	22	32	35	35	36	12	13
Total	588	610	580	579	581	573	563	568	551	542

Sources: LACDA's FY2021-2022 Annual Budget

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Operating Indicators by Function Last Ten Fiscal Years

<u>Function</u>	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Section 8 Program										
Authorized Units	25,261	25,114	24,832	24,324	24,086	23,812	23,518	23,232	22,928	21,969
Units under contract	23,243	23,326	22,747	22,639	23,704	23,528	22,948	22,861	22,890	21,710
Public Housing										
Households	2,912	2,924	2,926	2,919	2,915	2,918	2,918	2,917	2,912	2,935
Tenants	6,482	6,521	6,601	6,516	6,528	6,410	6,521	6,533	6,365	7,080
Housing Development										
Homes Built	802	291	373	412	457	270	657	369	459	622
Homes Rehabilitated	105	162	272	306	333	657	486	677	428	743
Home Ownership Loans	24	52	57	44	64	33	41	70	56	79
Economic Development										
Business Loans Funded	390	98	4	5	4	4	4	8	6	6
Commercial Storefronts Renovated	5	17	10	27	27	19	8	24	15	11
Community Development										
Program Reviews	551	251	201	221	253	275	300	336	336	270
Single Audits	21	18	24	27	26	42	42	30	51	51
Community meetings	1	1	1	1	7	2	5	5	5	5

Sources: LACDA's various divisions

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

**Capital Assets by Function
Last Ten Fiscal Years**

<u>Function</u>	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Public Housing										
Apartment Units	3,162	3,179	3,182	3,174	3,151	3,049	3,036	3,157	3,143	3,175

Sources: LACDA's Housing Operations Division



LACDA

Los Angeles County Development Authority

Emilio Salas, Executive Director

Los Angeles County Development Authority

700 West Main Street, Alhambra, CA 91801

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