

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ending
June 30, 2024



Los Angeles County, California



LOS ANGELES COUNTY BOARD OF SUPERVISORS



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1st District



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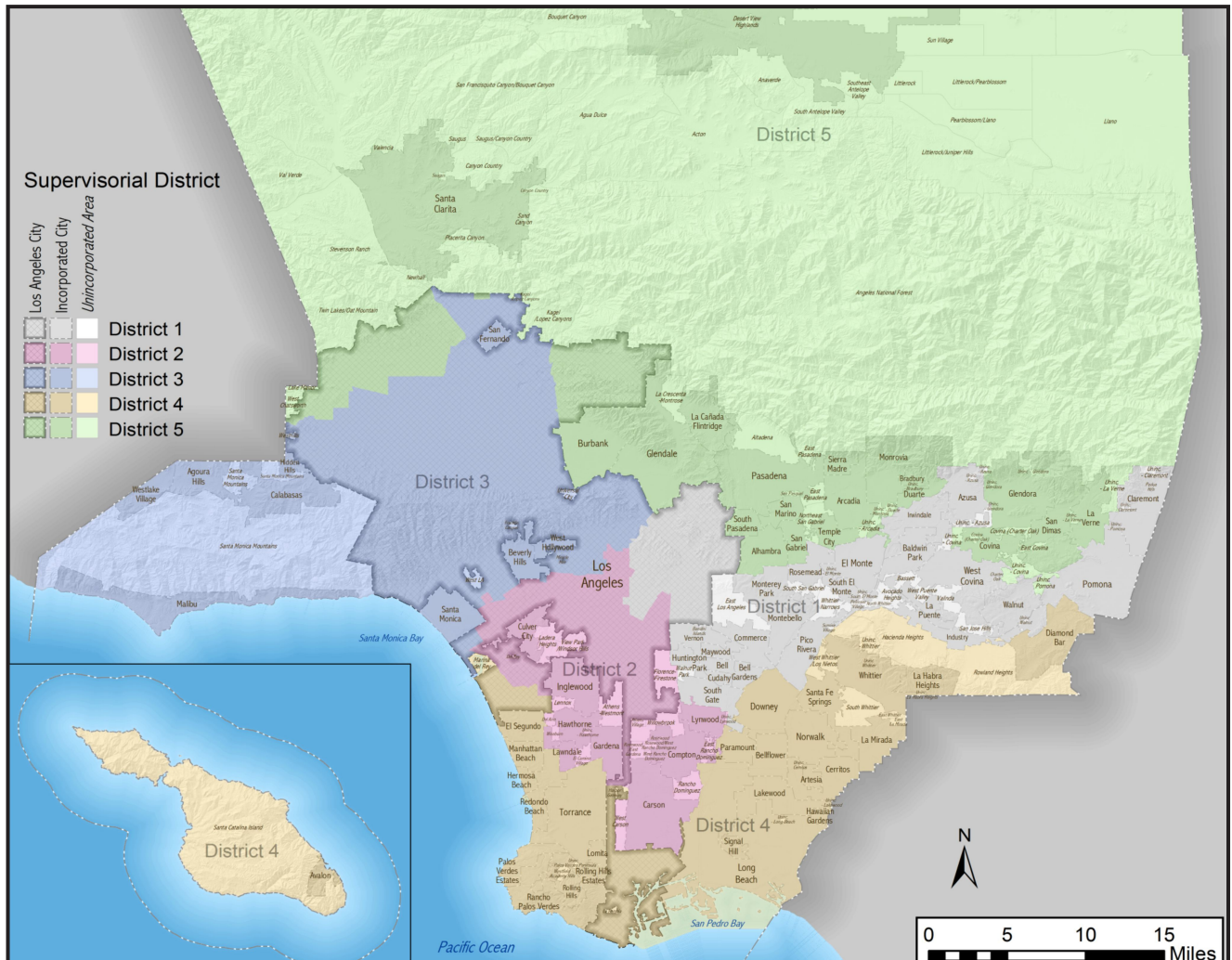
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LOS ANGELES COUNTY DEVELOPMENT AUTHORITY
CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2024

PREPARED BY:
FINANCE AND BUDGET DIVISION

EMILIO SALAS, EXECUTIVE DIRECTOR
MATTHEW FORTINI, CHIEF FINANCIAL OFFICER



HOUSING
COMMUNITY
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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 4, 2024

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, 2024. This report consists of management's representations concerning the finances of 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 Berman Hopkins, 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, 2024, 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, 2024.

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 employs formal budgetary control to ensure that the Agency’s expenditures are within the legally appropriated amounts approved by the Los Angeles County Board of Commissioners (Board). The LACDA’s accounting system facilitates budgetary control by tracking and providing timely information on accounting transactions, including revenues and expenditures, in comparison to approved appropriations. The annual budget, adopted by the Board, provides for the general operations of the LACDA. It includes proposed expenditures and estimated revenues for the aforementioned governmental, proprietary, and fiduciary funds.

The Executive Director is authorized to transfer appropriations between divisions and programs. Any revisions that increase the total approved appropriations must be approved by the Board.

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

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 in May 2019 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 includes the financial activities of the LACDA, and the Los Angeles County Community Development Foundation (LACDF). The LACDA has determined that the LACDF should be included in the basic financial statement as blended component unit 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 LACDA'S OPERATING PROGRAMS AND HOUSING PROGRAMS

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 affordable housing units for families, seniors, and people with special needs. NOFA eligible affordable 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;
- Utilizing Community Development Block Grant (CDBG) funds to fund community developments for one of the largest urban counties in the United States, including public infrastructure, social services, home and business rehabilitation, and comprehensive planning and design in affordable housing and community development;
- 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. This includes managing 3,229 public and affordable housing units located throughout the County, oversight of site improvements and support services such as case management, education and job training. And providing rental subsidy initiative aimed at aiding low-income families.

Housing Assistance Programs

Housing Assistance programs receive Federal funds from the Housing and Urban Development (HUD) to provide housing subsidies, paid directly to private landlords, for over 30,000 eligible families, seniors, veterans, and persons with disabilities living in the unincorporated area of Los Angeles and 62 participating cities. The rental assistance programs include Housing Choice Voucher (HCV), Veterans Affairs Supportive Housing (VASH), Continuum of Care (CoC), Project-Based Voucher (PBV), Emergency Housing Voucher (EHV), Mainstream, Family Unification, Foster Youth to Independence (FYI), Non-Elderly Disabled (NED), and HOPWA.

Public Housing Programs

The Public Housing operates 68 affordable and public housing complexes within the County of Los Angeles with 3,229 housing units serving more than 6,500 low-income families and individuals. The housing developments have 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 Rental Housing Construction Program (RHCP) Santa Monica 41 units. RHCP is funded by rental income and the State of California. The LACDA offers a variety of supportive programs for residents related to mental health, education, public safety, and family resources.

Community Development Block Grant (CDBG)

The LACDA's CDBG Program is the largest Urban County Program in the country. We partner with over 100 recipients that include various cities, community-based organizations (CBO), other public agencies, and County departments to utilize funds received from HUD. 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.

Housing Development and Preservation Programs

The housing development and preservation programs are comprised of affordable housing development, First-Time Home Ownership Program, Residential Sound Insulation Program, Senior Grant Program, and Handy-worker Program. The 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.

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.

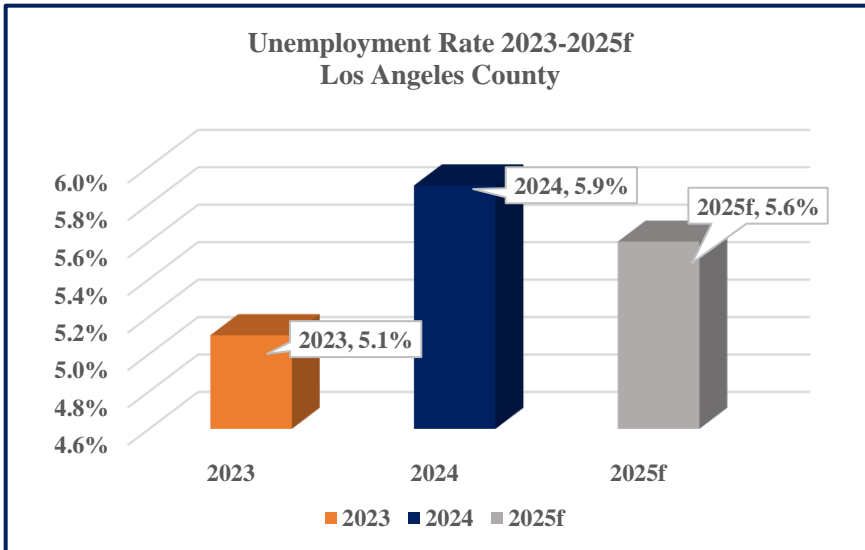
As one of California’s original 27 counties, the County of Los Angeles was established on February 18, 1850, several months before California was admitted into the Union. Comprised of 88 cities and 120 unincorporated communities, LA County is part of the greater Southern California region, which also includes Orange, San Bernardino, Riverside, Ventura, and San Diego counties with a total population of about 22 million. It is home to one quarter of Californians with LA County’s population at 9.8 million in 2024, making it the most populous county in California. LA County is rich in ethnicity and diversity and serves as home to people from over 140 countries who speak over 185 identifiable languages. With the 20th largest economy in the world, LA County would rank 11th in the country if it were a state, just below Michigan and just above New Jersey. And its economy would rank number seven (7) between Pennsylvania and Ohio. Also, if LA County were a nation, its economy would rank 21st in the world between Saudi Arabia and Poland. LA 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.

Significant Economic Data - Los Angeles County 2023-2025f

	2023	2024	2025f
Total Population	10.0M	9.8M	9.8M
Unemployment Rate	5.1%	5.9%	5.6%
Real Personal Income Growth	1.6%	3.6%	4.1%
Permits-New Homes	23,466	25,148	25,241
Median Home Value (Single-Family Home)	\$842K	\$889K	\$909K

Sources: U.S. Bureau of Labor Statistics (BLS), CA Department of Transportation, Los Angeles Economic Development Corporation (LAEDC), UCLA Anderson School of Management, California Association of Realtors

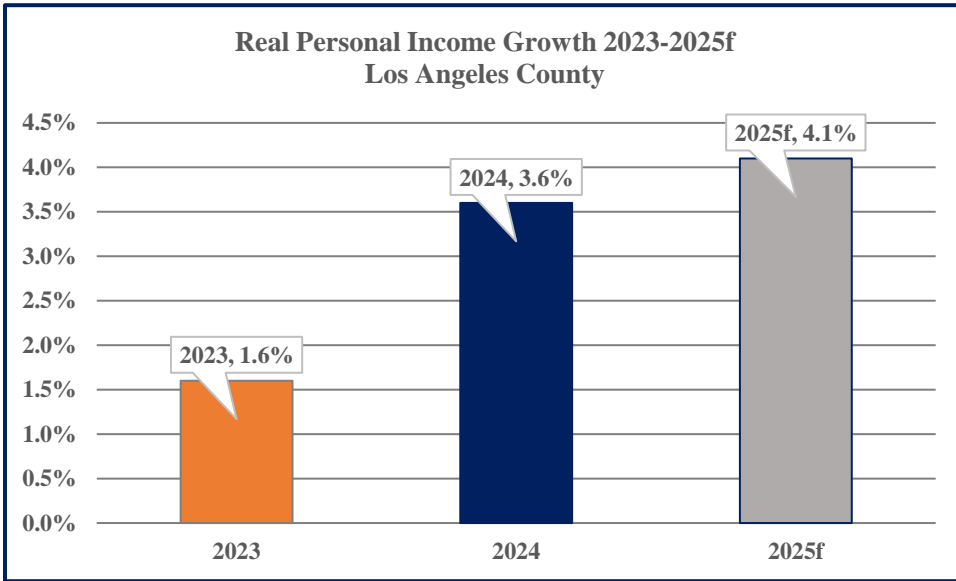
At the close of the fiscal year, LA County’s unemployment rate was at 5.9% (not seasonally adjusted) and was above the rate of 5.1 % one (1) year ago. The State’s unemployment rate closed at 5.2%.



Early in the fiscal year LA County added 99,300 non-farm payroll employees, reaching a total over 4.6 million jobs. Most of the major industry sectors experienced job growth with education and health (54,200 jobs) and leisure & hospitality (36,600 jobs) accounting for 90% of total job growth. Some industries experienced declines. The Information sector saw declines, losing 18,600 payroll jobs, an 8% drop from 2022. Other industries were impacted with job losses such as manufacturing (2,100 jobs), construction, natural resources & mining (1,700 jobs). Sectors expected to contribute to the highest job growth over the next two (2) years are education & health, leisure & hospitality, and professional & business services.

Personal income experienced a slight increase of 1.6% in 2023. Although this rate of growth fell below the more than 5% on a national level, it surpassed the State’s average growth rate of 0.2% as forecasted by UCLA Anderson.

In 2024 income moved upward by 3.6% and with the Fed’s tightening monetary policy, it’s forecasted that high inflation will come down slowly resulting in nominal personal income growth forecasted at 4.1% in 2025.



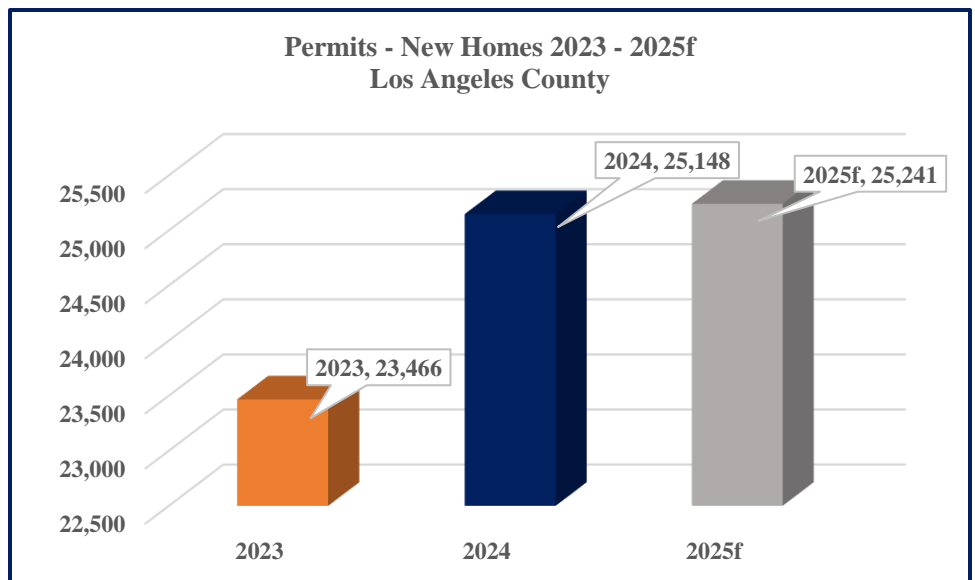
The affordable housing shortage in LA County is at the forefront among the county’s leadership and residents. At the close of the fiscal year, the median price sales price for a home was at \$889,180 representing a year-over-year 6.3% increase from the prior year according to the California Association of Realtors (C.A.R.) However, sales volume decreased by 9% in the county and by 8.1% in the broader Southern California region. Norada Real Estate Investments estimates that with a 3.1 month of supply remaining for LA County, there is still a shortage of what is needed for a balanced market. Therefore, the housing market will

continue to see upward pressure on home prices.

Many factors contribute to the inventory shortage; high labor and material costs, as well as new local regulations that together make it harder for developers to make a profit. One large factor is the high cost of borrowing. Rising interest rates make it more expensive for Americans to purchase a home but add in the cost for developers who must shell out more money to build and manage their projects, the result is fewer projects make financial sense to build and fewer homes are built, as reported by the Los Angeles Times. Apartment developers and real estate brokers advise that additional costs from local tax measures make it more difficult to earn a reasonable profit because when building apartments, developers sell their finished product, which could trigger a tax for any building over 15 units. There are apartment projects that started under different economic circumstances and have opened in recent years or soon will. That supply may help lower rent for a period time but in two or three years, as fewer apartments are finished, rents may begin to increase again.

About three-quarters of renters and people under 35 have considered leaving L.A. despite wanting to buy a home, a LA Times poll has found. More than 40% of respondents said they found additional sources of income to afford housing in the last five years. About 20% have added new roommates or renters to pay bills or have fallen behind with their rent or mortgage payments. Renters tend to spend more of their income on housing every month than owners. In recent years, both average rents for new listings and home values have increased. The average rent of a one-bedroom apartment in the West LA area is estimated at \$3,000 per month, while somewhat lower rents can be found in the San Bernardino area for an estimated \$1,380. A recent survey from UCLA’s Luskin School of Public Affairs found that nearly four (4) in 10 renters in LA County have concerns about losing their home and becoming homeless in the last few years.

Measures are being taken to cap the rate of rent increases in the county’s unincorporated areas. The LA County Rent Stabilization Program (RSTPO) oversees and enforces the Rent Stabilization and Tenant Protections Ordinance and Mobilehome Rent



Stabilization and Mobilehome Owner Protections Ordinance (MRSMOPO), which stabilizes rents and extends eviction protections for eligible properties. The program oversees the rental Housing Oversight Commission (RHOC) which resolves appeals related to the ordinances. The maximum allowable rent increase for rent stabilized units is 4%, effective January 1 – December 31, 2024, and in mobile home spaces, 4% January 1 to June 30, 2024.

International trade plays an important role in the county’s economy and LA County continues to be America’s gateway to Asia. The Port of Los Angeles and neighboring Port of Long Beach comprise the San Pedro Bay Port Complex, which are the largest ports in the United States, as measured by container volume. At the close of the fiscal year the ports have moved 4.7 million import and 1.5 million export Twenty-Foot Equivalent Units (TEUs) totaling 9.2 million TEUs, a 7% increase compared to the same period last year.

The Port of Los Angeles has worn the title of “Busiest Port in North America” for more than 20 years and serves as a major hub for cruise ships. This key port for international trade makes it the nation’s number one port complex for the import of furniture, auto parts, apparel, plastics, and footwear. And the export of pet/animal feed, paper, soybeans, fabrics/raw cotton, and scrap metal. 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.

MAJOR MANAGEMENT INITIATIVES

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.

In 2017, the Los Angeles County Board of Supervisors (the Board) proposed, and voters approved, the Measure H ballot initiative and passed a comprehensive set of strategies which make up the County’s Homeless Initiative. Measure H began providing revenue in July 2017 and was projected to raise \$355 million annually. By the 2022-23 fiscal year, the amount had grown to \$527 million. The Initiative covers six (6) major areas: homeless prevention, street outreach, interim housing, permanent housing, affordable housing, and supportive services.

LA County is in Year Seven of a 10-year effort to combat and prevent homelessness funded by Measure H, thanks to the affirmation and support of voters across LA County and the LACDA continues to be fully engaged serving as a lead, or collaborative agency as the County develops a new framework to end homelessness, consisting of five (5) pillars: Coordinate, Prevent, Connect, House, and Stabilize. The sunset of Measure H will be in 2027, to continue providing housing and support services to those experiencing homelessness and preventing homelessness, the Board voted in June 2024 to move a new measure, the *Affordable Housing, Homelessness Solutions and Prevention Now Initiative* proposed by the Our Future L.A. County Coalition, to the November 2024 ballot. The measure would double the county’s homelessness sales tax from one-quarter cent to a half-cent to fund housing and homeless services. If approved by voters, it would replace Measure H. It is forecasted that the new measure would generate an estimated \$1.2 billion annually. The funds would go towards affordable housing, mental health care, and substance abuse treatment, among other homeless services.

Utilizing Measure H funding, the LACDA created the Homeless Incentive Program (HIP) to remove barriers to access for voucher holders that were finding it next to impossible to use their voucher to secure a unit. LACDA uses HIP 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 HIP also assists 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. Additionally, we leveraged our partnerships to expand this program which supports eight (8) other PHAs in the County who have replicated the HIP, with the LACDA providing oversight and technical assistance. Each client receives access to County-funded intensive case management services to help with the transition and any ongoing supportive service needs. Measure H is the sole source of funding for the HIP. The LACDA has administered over \$90 million in the seven (7) years of Measure H. These resources helped over 9,547 individuals and families find a home through this strategy.

The LACDA continues to provide much needed services to County residents and assistance to small businesses. This will be accomplished, in part, through the utilization of American Rescue Plan Act (ARPA) funds, which created the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program, to deliver much needed aid because of the global pandemic. A

key component of SLFRF is to support an equitable recovery through immediate economic stabilization for small businesses and households by the creation of new affordable units and assistance to small businesses made vulnerable due to the impacts of COVID-19. The LACDA was charged with using up to \$40 million in ARPA-Enabled funding that will allocate funding through a competitive Notice of Funding Availability (NOFA). During the fiscal year the LACDA has committed \$34.2 million, though NOFA 28, and underwrote and/or executed loan agreements for eight (8) projects.

And, the LACDA has expended \$19 million of the \$29.5 million in ARPA funds for the Childcare Providers Grant Program to provide economic relief to 710 childcare facilities financially impacted by the COVID-19 pandemic in Los Angeles County.

Community Development Block Grant-Coronavirus (CDBG-CV) funds totaling \$5 billion was distributed nationally as part of the CARES Act to respond to the COVID-19 crisis. Working with partner agencies the LACDA developed CDBG-CV activities, which assisted residents with limited means who have been impacted by the pandemic, including rental assistance and small business assistance programs to retain employees that are low- and moderate-income. The LACDA received approximately \$32.6 million in CDBG-CV funds which were fully allocated among projects targeting small businesses, vulnerable populations, and health and safety projects. A total of \$30.1 million has been expended life to date through 06/30/2024. Federal Emergency Solutions Grant-Coronavirus (ESG-CV) totaling \$70.4 million was awarded to the LACDA under the CARES Act to prevent, prepare for, and respond to coronavirus, among individuals and families were homeless or receiving homeless assistance and to support additional homeless assistance and homeless prevention activities to mitigate the impacts created by corona virus. As the administrator, the LACDA allocated these funds to various agencies throughout LA County for rapid rehousing, temporary emergency shelter, homeless prevention, street outreach and homeless services. A total of \$70.3 million has been expended life to date through 06/30/2024.

Through the Bringing Families Home Program (BFH), the LACDA and Department of Children and Family Services (DCFS), in collaboration with housing partners, successfully provided supportive services and housing to families with children. 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 LA County, the continued success of the program reflects the strong partnership and shared mission to reunify families and end homelessness in the community.

In 2024 the CDBG Program, operated through our Community Development Division (CDD), marked its 50th anniversary. Our CDBG program is the largest Urban County Program in the county. Since its inception, the CDBG Program has consistently assisted County residents with limited means through a variety of community and economic development, public infrastructure, social services, and housing rehabilitation programs. Strong partnerships among LA County departments, participating cities, and county-based organizations/other public agencies have helped ensure the quality and effectiveness of the CDBG Program within LA County.

Over the LACDA's 40-year history, we have been focused and resolute in our 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, 2023. This was the 38th 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 2023-2024

Government Finance Officers Association (GFOA) of the United States and Canada
FY 2022-23 Certificate of Excellence in Financial Reporting

Government Finance Officers Association (GFOA) of the United States and Canada
FY 2023-24 Distinguished Budget Presentation Award

National Association of Counties (NACo) Achievement Award
Lead-Free Homes LA (LFHLA)
Los Angeles County Child Care Providers Recovery Grant Program

National Association of Housing and Redevelopment (NAHRO) Awards of Merit
Ervin Magic Johnson Park
Orchard Arms Solar Project

National Association of Housing and Redevelopment (NAHRO) Awards of Excellence
Ervin Magic Johnson Park
Orchard Arms Solar Project

37th Annual Productivity and Quality Awards Program
Lead Free Homes LA: Paint Remediation Revolution

ACCOMPLISHMENTS

Community Development Division

The Community Development Division (CDD) facilitates equitable development and community services throughout unincorporated areas of Los Angeles County through public and private partnerships. The division is comprised of two (2) units; Construction Management (CMU) and Grants Management (GMU). CDD's CDBG Program is the largest Urban County Program in the county.

Community Development Division - Construction Management Unit

The Construction Management Unit (CDD-CMU) is comprised of staff professionals with expertise in all phases of capital project development including architecture, engineering, project management, and labor compliance. 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. This unit also conducted nine (9) labor compliance reviews of CDBG-funded construction projects completed during the fiscal year 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.

Community Development Division - Grants Management Unit

The Community Development Division-Grants Management Unit (CDD-GMU) is an exemplary rated program by the U.S. Department of Housing and Urban Development (HUD). The staff conducted 194 In-Progress Monitoring (IPM) reviews for compliance monitoring of the Community Development Block Grant (CDBG) activities funded in the fiscal year 2023-2024.

Lead Mitigation Programs

Lead-Free Homes LA (LFHLA)

The LACDA administers lead mitigation program, Lead-Free Homes LA (LFHLA), was developed to protect health and human safety by performing lead paint hazard remediation to prevent the future lead poisoning of thousands of children in the County of Los Angeles. The program received County funding, in partnership with Los Angeles County Department of Public Health (DPH) for residential units, and funding from HUD for multi-family units.

The LFHLA Program developed two (2) Service Area Plans that identified the outreach and enrollment strategies for two (2) focus areas where the Countywide Program will be offered in priority areas across all five (5) Supervisorial Districts.

During this fiscal year, outreach activities included: approximately 24,984 mailer packets/reminder postcards sent to residents in targeted areas; conducted 12,000 door knocks to speak directly with residents, hosted three (3) stakeholder community meetings to introduce the program and obtain local support and assistance with outreach to eligible residence. The program completed mitigation on 799 units.

Exide Lead Remediation Program

The Exide Lead Remediation program, part of the LFHLA program, serviced the area surrounding the former Exide Technologies battery recycling facility in East Los Angeles, and the larger Countywide program funded through the SoCal Gas Litigation funds and the paint company legal settlement respectively. The program closed on December 31, 2023 with a total of \$5.5 million was expended and 142 residential units being mitigated for lead.

Live Lead-Free Program

Utilizing \$5.7 million in Housing and Urban Development (HUD) Lead Hazard Reduction Grant Funds received in November 2021, the Live Lead-Free Program offers lead remediation and health and safety improvements to multi-family properties with five (5) or more properties in certain areas of the First, Second, and Fourth Supervisorial Districts. The LACDA assumed the role of outreach and enrollment upon the April 28, 2024 contract end date for Impact Assessment Inc. Coordination of outreach was conducted with the Housing Assistance Division (HAD) and 234 mailers were sent to property owners. These property owners participated in the County’s Housing Choice Voucher (HCV) Program and have properties in the program service. Mailers were also sent to 1,423 property owners in the target area to encourage their participation in the program. The program has expended \$717,768 as the June 2024.

The following is a summary of the Lead-Free Programs for the fiscal year end June 30, 2024:

Status	Exide Lead Remediation Total	Lead Free Homes LA Countywide Total	HUD Lead (Live Lead Free) Program Total
Total Applications Received (Units)	11	444	108
Approved (Eligible Households Enrolled)	11	272	67
Pending Eligibility Determination	0	0	0
Ineligible Households	0	51	41
Denied and Closed	0	106	N/A
Opt Out	0	15	19
Units Lead Tested	17	235	72
Units With Lead Paint Hazards	16	226	19
Units Without Lead Paint Hazards	1	9	53
Completed Units	58	389	11

Bring Families Home Program

The LACDA provided grant administration for 15 contracts, awarded to 11 CBO’s, for a total of \$26.8 million, comprised of contract development, project monitoring, monthly and quarterly reporting, and monthly partner meetings. Provided services to 501 housed and 441 enrolled families. Housed 501 families with 943 enrolled and 1,154 housed children.

During FY 2023-2024, the program expended \$21.3 million.

FY 2023-2024 ¹ Families Placed	Cumulative Families Housed	FY 2023-2024 Children Housed	Cumulative Children Housed
510	1,098	1,154	2,675

¹ Programs reuniting families and/or placing families in housing only.

Coronavirus Aid, Relief, and Economic Security (CARES) Programs

As part of the CARES Act enacted March 27, 2020, the LACDA received approximately \$32.6 million in Community Development Block Grant-Coronavirus (CDBG-CV), \$70.4 million in Federal Emergency Solutions Grant-CV (ESG-CV), and \$37.2 million in State of California (State) ESG-CV funds. 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. ESG-CV funds were used to assist persons who are homeless. Life to date through 06/30/2024, the CDGB-CV has expended \$30.1 million or 92% of funds, provided assistance to 12,825 persons (26 were considered to be homeless), assisted 46,070 businesses and 3,950 facilities and have helped to create 127 jobs. The ESG-CV programs, State and Federal, have expended \$107.6 million or 100% of the total funding received, assisting 16, 201 homeless persons.

Childcare Providers Recovery Grant Program

The Childcare Providers Recovery (CPR) Grant Program targets grant funding to licensed childcare providers (excluding facilities in the City of Los Angeles) that were disproportionately impacted by the COVID-19 pandemic as identified by the Anti-Racism, Diversity, and Inclusion (ARDI) Initiative COVID-19 Vulnerability and Recovery Index. As of June 2024, the CPR program has disbursed \$23.8 million in grants to 784 childcare facilities.

Permanent Local Housing Allocation (PLHA)

The LACDA Permanent Local Housing Allocation (PLHA) Program was established in June 2020. During the fiscal year, the PLHA program implementation several City/County activities; issued new program guidance; provided group and individual technical assistance; and oversaw program and financial compliance. The PLHA funded the LA County Department of Business and Consumer Affairs *Stay Housed LA* Program, which closed on March 31, 2024. Since its inception in 2021, the *Stay Housed LA* Program has served over 1,000 families and individuals residing in LA County. Although the program experienced some setbacks due to COVID restrictions, LA County residents received a total of \$5 million in PLHA funding through legal services like Eviction Defense and rental assistance.

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.

During the reporting period HOME, Measure H, Mental Health Housing Funds, Homeless Service Center Funds, No Place Like Home, and Affordable Housing Trust funds were utilized to assist in the financing of affordable, special needs, and homeless housing. A total of 1,733 units were completed and received the Certificate of Occupancy from a total expenditure of \$153.7 million.

The Homeownership Program (HOP80) funded 17 deferred loans totaling \$1.6 million for buyers earning less than 80 % of the Area Median Income (AMI). In February 2024, we launched the new Homeownership Program HOP120 for first-time home buyers earning less than 120% of the Average Median Income (AMI). HOP120 funded eight (8) deferred repayment loans totaling \$720,000 for closing costs and down payment assistance utilizing Permanent Local Housing Allocation (PLHA) funds.

The Senior Grant Program (SGP) and Handy Worker program (HW) provided assistance to eligible low-income homeowners for safety related repairs. Under SGP, 89 units were completed and 80 units under the HW program for a total expenditure of approximately \$2.8 million in Community Development Block Grant (CDBG) funds.

The Residential Sound Insulation Program (RSIP) 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, 62 units with code-related issues were completed for approximately \$6.4 million.

The Salvation Army Diane and John Mullin Hope Center

The LACDA staff joined Fifth District Supervisor Kathryn Barger, local philanthropist Rebecca King Crews, Pasadena Mayor Victor Gordo, Commissioner Douglas Riley from the Salvation Army, Western Territory Command, Lt. Colonel



Mike Dickinson, Southern California Divisional Commander and benefactors Diane and John Mullin on October 12, 2023 to celebrate the grand opening of The Salvation Army Diane and John Mullin Hope Center (Hope Center). The Mullins have supported The Salvation Army in Pasadena for over three decades. The Hope Center was developed by the Salvation Army Pasadena Tabernacle Corps. It is a 65-unit supportive housing development for homeless households and veterans earning 25% - 50% of the Area Median Income (AMI). The LACDA provided \$4.5 million from the Notice of Funding Availability (NOFA) and \$350,000 in Fifth Supervisorial District Homeless Services Center funds.

The Hope Center is a new four-story building featuring 65 studio units and one one-bedroom manager’s unit. It incorporates a 7,655 square foot client choice food pantry on the ground floor. Tenants will be able to select their

own groceries at The Cynthia & Michael Malone Family Hope Pantry, including fresh produce and pantry staples, at no cost to them. Tenants will also be able to obtain clothing and personal hygiene items. Inclusion of the pantry will address food insecurity issues, common in the target population while also encouraging autonomy and independence through the “grocery store” client choice model.

The Salvation Army is an Intensive Case Management Services (ICMS) provider and will serve as the lead supportive services provider for all units. They will provide trauma- informed care and case management of appropriate intensity on-site in four (4) private social services offices to greatly reduce the likelihood of a reversion to homelessness, helping each resident systematically address mental illness, substance use, health problems, deficits in life skills, employability, and/or other factors that may have contributed to homelessness and instability. A separate office will accommodate a U.S. Department of Veterans Affairs Case Manager, attuned to veterans’ experiences and culture, who will address veterans’ needs and will work in close collaboration with other Veteran’s Affairs (VA) staff.

Serenity Apartments

Serenity Apartments is a six-story new supportive housing development with 75 units located in the City of Los Angeles for senior persons over 55 years experiencing homelessness or chronic homelessness and/or with a mental illness. Completed in December 2023, the Development consists of five stories of Type III construction for residential living over a Type IA single-story concrete podium. The ground level includes offices for property management and supportive services, community room, lobby lounge, common area and multi-purpose rooms, shared laundry room, medical exam room, and warming kitchen. There is also exterior recreational space including community gardens and walking paths, and nine tuck-under parking spaces.



The unit mix is comprised of 17 one-bedroom units for senior persons experiencing homelessness with a mental illness, 21 studio units and 16 one-bedroom units for senior persons experiencing chronic homelessness with a mental illness, 20 studio units for senior persons experiencing homelessness, and one unrestricted two-bedroom unit for the onsite manager. All units, except the manager’s unit, are restricted to households

earning up to 30% of the Area Median Income (AMI) and are fully furnished. Some units also have their own private patio. Koreatown Youth and Community Center (KYCC) and LifeSTEPS are co-lead service providers for all residents. KYCC will provide a 2.0 full-time Case Managers and LifeSTEPS will provide a 1.7 full-time Case Manager. Supportive services include case management, benefits counseling and advocacy, physical health care, mental health care, substance use services, employment and OJT placement/training, education assistance/benefits information, financial counseling, legal/family law services, life skills, outpatient family therapy/counseling, domestic violence support, food bank/meal support services, social and recreational activities, peer support and advocacy, and educational services.

The LACDA awarded the development \$9.5 million in No Place Like Home Program (NPLH) funds for predevelopment, construction and permanent financing.

El Nuevo Amanecer Apartments

Completed in March 2024 El Nuevo Amanecer (Development) is a 61-unit permanent supportive housing development for homeless veterans and low-income households in unincorporated East Los Angeles. Seven units are fully accessible, all units include communication features and half of the units include Universal Design standards. The Development features electric vehicle parking, ENERGY STAR rated appliances, quality insulation installation, and is pursuing LEED Silver certification. Building amenities includes bicycle storage, computer workstations, two community rooms, a courtyard, a children’s play area, an exercise room, a container garden and an edible landscaping program, and supportive services coordinator offices.



On-site supportive services provided by Veteran Affairs for the 26 Project Based Veteran’s Affairs Supportive Housing (PBVASH) units and on-site supportive services provided by The People Concern for the 17 PBV units in addition to an on-site resident service coordinator for all units. Services include but are not limited to case management, substance abuse counseling, mental health counseling, employment training, life skills and green education.

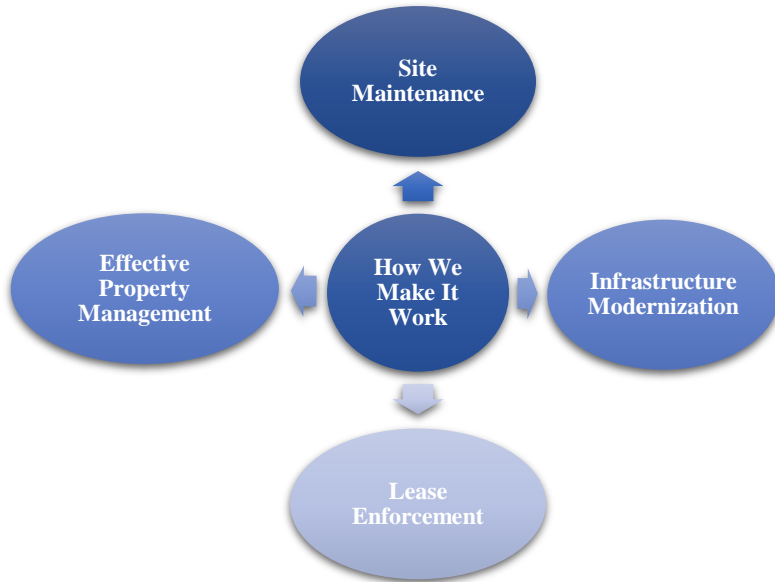
The Development unfortunately experienced a fire in September 2020 while at 88% complete. The Development was able to salvage the podium deck and the remaining structure was rebuilt. The Development experienced significant cost overruns requiring that the County pledge an additional \$3 million and an additional 12 PBVs to assist with closing the gap.

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 U.S. Department of Housing and Urban Development (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.

Property and Asset Management Overview



Effectively generate and utilize the resources of the LACDA to provide quality affordable housing and expand opportunities to improve the quality of life in our housing developments through the involvement of employees, residents, and community partners.

The Public Housing Program has been rated High Performer for the last 14 years by HUD for the following categories:

- Occupancy Rate: 98%
- REAC Score: 38/40
- Financial Score: 21/25
- Management Score: 25/25
- Capital Fund Score: 5/5
- PHAS Total Score: 98/100

Resident Opportunity Self-Sufficient Program (ROSS)

The ROSS-Service Coordinator program promotes the coordination of public and private resources for supportive services and resident empowerment activities. These services include large community events, Back 2 School Jams, and holiday events. A Service Coordinator also ensures that program participants are linked to the supportive services they need to achieve self-sufficiency or remain independent. ROSS served 200 program participants, including seniors, the disabled, families or individual working towards self-sufficiency and economic independence through increased social safety nets, direct delivery of services or linkages to basic needs, self-development, education, resource allocation.

Los Angeles County Development Foundation (CDF)

The LACDF is a 501(c)3 non-profit organization of the LACDA. The Scholarship Program awards are typically \$1,000 for students. Since 1997, the LACDF has awarded over \$380,000 in scholarships to over 360 participants, many of whom have since graduated and entered into professional fields of practice including doctors, nurses, and lawyers. During the fiscal year, 10 scholarships were awarded. Additionally, the LACDF offers College Access and Success Workshops to prepare students for college enrollment and completion. These workshops include Free Application for Federal Student Aid (FAFSA) assistance, Scholastic Aptitude Test (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 29,000 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 Section 8 Housing Choice Voucher (HCV) Program, 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).

Housing Programs

Section 8 Housing Choice Voucher (HCV) Program

The Section 8 HCV Program is a Federally funded housing assistance program for families with very limited means, the elderly, and persons with disabilities. The agency administers over 24,000 vouchers.

Project-Based Voucher (PBV) Program

The PBV Program offers housing assistance that is tied directly to a unit of an approved housing site. We have provided assistance to over 1,800 individuals and families.

Continuum of Care (CoC) Program

The CoC Program is designed to promote communitywide commitment to the goal of ending homelessness. The program provides rental assistance services to quickly rehouse homeless individuals and families. During the reporting period we have administered 30 grants which assisted 1,881 homeless families with special needs.

Emergency Housing Voucher (EHV) Program

The EHV Program provides vouchers for low-income housing assistance and incentives to eligible landlords, including a one-time signing bonus of \$2,500 for each unit leased to an EHV holder. During this reporting period 1,796 vouchers have been issued.

Veterans Affairs supportive Housing (VASH) Program

The VASH Program provides rental assistance vouchers, case management, and clinical services to unhoused veterans. Currently, we have leased up 57% of VASH vouchers.

Family Self-Sufficiency (FSS) Program

The FSS Program is a voluntary five-year plan to assist families receiving subsidized rental assistance to become financially independent. Currently, there are 299 families enrolled in the program with 31 graduates.

Housing Programs – Landlord Incentives

Open Doors

Open Doors enhances customer service and assurances to property owners who rent their units to LACDA voucher holders. Since the programs launch in January 2020, the LACDA has expended nearly \$24 million to secure housing for over 5,200 families.

Homeless Incentive Program (HIP) HIP offers monetary incentives to property owners who rent their available units to LACDA voucher holders who previously experienced homelessness. Over \$11.1 million of incentive payments have been provided during the fiscal year. Incentives include sign-on bonus, damage mitigate fees, security deposit, application fees, utility set-up, furniture, and rent on vacant units

Traffic Administration Services Program

The Traffic Administration Services (TAS) Program (formerly Traffic Violator School Monitoring) was created on April 15, 1997, when the LA County 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, we administer 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, we resolved 14,860 traffic citation and traffic school-related issues on behalf of the Los Angeles Superior Court and individual traffic violator schools. LACDA provided administration services at 18 Court locations. Traffic citation and traffic school related assistance was provided to 15,080 customers who contacted us via telephone, email and the LACDA/TAS website.

A total of 108,835 published copies of the Los Angeles Superior Court/TAS Traffic Violator School Location List (pursuant to Section 11205 of the California Vehicle Code) and 210,000 Traffic School Information Sheets 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, Berman Hopkins CPAs & Associates, 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

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HOLLY J. MITCHELL
SECOND SUPERVISORIAL DISTRICT

LINDSEY P. HORVATH
THIRD SUPERVISORIAL DISTRICT

JANICE HAHN
FOURTH SUPERVISORIAL DISTRICT

KATHRYN BARGER
FIFTH SUPERVISORIAL DISTRICT

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

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Holly J. Mitchell.....Supervisor Second District
Lindsey P. Horvath Supervisor Third District
Janice HahnSupervisor Fourth District

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James Brooks..... Vice Chair of Committee
Mary Canoy Tenant Member
Renee Contreras Tenant Member
Zella Knight..... Tenant Member
Ruthie Myers Tenant Member
Anna Swett Tenant Member
Takao SuzukiNon-Tenant Member, First District
Kelli Lloyd Non-Tenant Member, Second District
Elda Mendez-Lemus..... Non-Tenant Member, Third District
Connor Lock..... Non-Tenant Member, Fourth District

OFFICERS

Emilio Salas..... Executive Director
Tracie Mann Chief of Programs
Kathy Thomas Chief of Operations

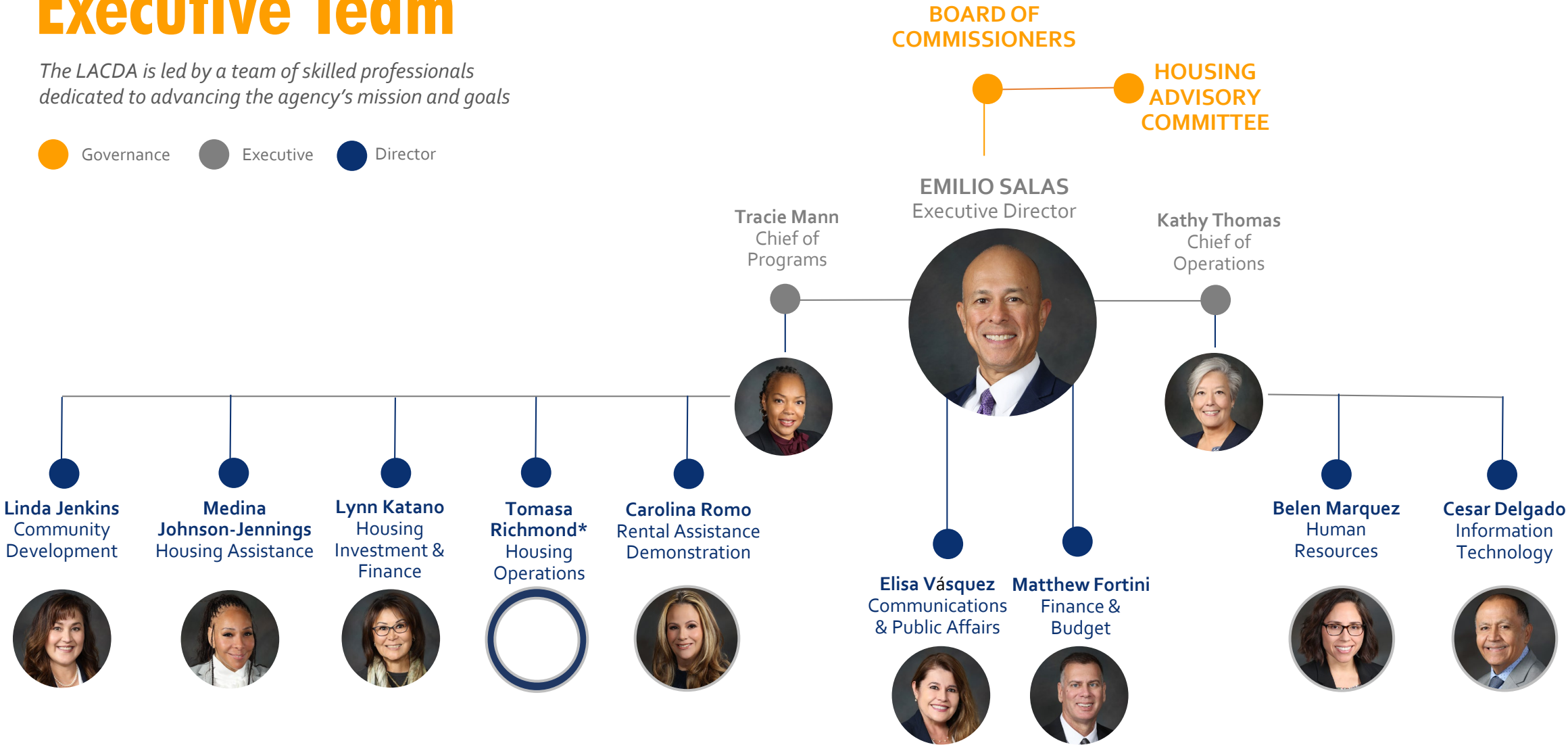
DIRECTORS

Cesar Delgado Information Technology
Matthew Fortini.....Finance and Budget
Linda Jenkins..... Community Development
Medina Johnson-Jennings Housing Assistance
Lynn KatanoHousing Investment and Finance
Belen Marquez Human Resources
Tomasa Richmond (Acting).....Housing Operations
Carolina Romo Rental Assistance Demonstration
Elisa Vásquez Communications and Public Affairs

Executive Team

The LACDA is led by a team of skilled professionals dedicated to advancing the agency's mission and goals

● Governance
 ● Executive
 ● Director



*Acting Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Los Angeles County Development Authority
California**

or its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of 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, 2024, and the related notes to the basic 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 financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the LACDA as of June 30, 2024, 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 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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; this includes 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 financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 opinions. 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 generally accepted auditing standards and *Government Auditing Standards* 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 there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, 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, we express no such opinion.
- 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that 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 the net pension liability and related ratios; the schedule of employer contributions for pension; the schedule of changes in net other postemployment benefit (OPEB) liability and related ratios; and the schedule of employer contributions for OPEB, as listed in the table of contents, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the LACDA's basic financial statements as a whole. The accompanying combining financial statements ("supplementary information") identified in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary 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 supplementary information is fairly stated in all material respects in relation to the basic financial statements taken 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 basic financial statements do 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 basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic 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 15, 2024 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.

November 15, 2024
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Management's Discussion and Analysis Year ended June 30, 2024

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, 2024. 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, 2024, is \$905,277,241 and includes the following:
 - \$149,206,610 in net investment in capital assets
 - \$690,889,997 in restricted net position
 - \$65,180,634 in unrestricted net position
- Compared to last fiscal year, LACDA's total net position increased by \$89,731,975. Of this increase, \$87,594,759 was attributed to governmental activities and \$2,137,216 to business-type activities.
- At the end of the fiscal year, LACDA's fund balances of all governmental funds totaled \$731,175,186, an increase of \$106,548,931 over last fiscal year. \$3,994,537 of the total fund balances is non-spendable, while \$689,610,935 is restricted, and \$37,569,714 is unassigned.
- \$3,994,537 of the total general fund balance is non-spendable, \$73,361,333 is restricted, and \$37,569,714 is unassigned.
- The LACDA's total long-term liabilities increased by \$1,810,765 during the fiscal year. The increase was primarily due to an increase in the net pension liability of \$2.4 million and \$2.9 million in subscription liability for the software arrangements. This was offset by the debt payment of \$1.4 million for Section 108 loans, \$0.7 million for the general revenue bonds, and a decrease of \$1.5 million in net other postemployment benefits liability.
- Total revenue is \$1,009,170,861, comprised of the following activities: governmental \$414,483,718 or 41% of total revenue, and business-type \$594,687,143 or 59% of total revenue.
- Total expenses are \$919,438,886, comprised of the following activities: governmental \$325,865,242 or 35% of total expenses, and business-type \$593,573,644 or 65% of total expenses. The governmental activities include general government expenses of \$2,997,903 or 0.3% 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, deferred outflows of resources, liabilities, and deferred inflows of resources 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, 2024

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. 99, Omnibus 2022* and *GASB Statement No. 100, Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. The objectives of *GASB Statement No. 99* are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The primary objective of *GASB Statement No. 100* is to improve accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. 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 19-21 of this report.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Management's Discussion and Analysis Year ended June 30, 2024

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, and Section 8 program.

The basic proprietary fund statements are presented on pages 23-25 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 California State legislation, ABX1 26.

The basic fiduciary fund statements are presented on pages 26-27 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 28-62 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 65-75 of this report.

Internal Service Funds are presented on pages 80-82, immediately following the required supplementary information.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Management's Discussion and Analysis Year ended June 30, 2024

Government-wide Financial Analysis

As presented earlier, the LACDA's net position at June 30, 2024, totaled \$905,277,241 with \$690,889,997 restricted, \$149,206,610 net investment in capital assets, and \$65,180,634 unrestricted. The changes in this year's net position include an increase of \$87,594,759 in governmental activities and \$2,137,216 in business-type activities.

Los Angeles County Development Authority - Net Position

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 850,092,310	\$ 730,605,595	\$ 59,793,359	\$ 61,416,566	\$ 909,885,669	\$ 792,022,161
Capital assets, net of accumulated depreciation/amortization	50,576,858	52,104,459	139,319,347	131,913,016	189,896,205	184,017,475
Total assets	900,669,168	782,710,054	199,112,706	193,329,582	1,099,781,874	976,039,636
Deferred outflows of resources related to pensions and OPEB	20,366,087	23,451,783	12,786,648	15,270,491	33,152,735	38,722,274
Long-term liabilities	100,053,007	98,965,597	29,467,532	28,744,177	129,520,539	127,709,774
Other liabilities	73,712,739	47,073,292	8,863,984	9,562,128	82,576,723	56,635,420
Total liabilities	173,765,746	146,038,889	38,331,516	38,306,305	212,097,262	184,345,194
Deferred inflows of resources related to leases, pensions and OPEB	12,017,519	12,465,717	3,542,587	2,405,733	15,560,106	14,871,450
Net investment in capital assets	12,432,927	18,901,383	136,773,683	129,470,201	149,206,610	148,371,584
Restricted	676,668,871	607,848,016	14,221,126	14,129,101	690,889,997	621,977,117
Unrestricted	46,150,192	20,907,832	19,030,442	24,288,733	65,180,634	45,196,565
Total net position	\$ 735,251,990	\$ 647,657,231	\$ 170,025,251	\$ 167,888,035	\$ 905,277,241	\$ 815,545,266

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Management's Discussion and Analysis Year ended June 30, 2024

Los Angeles County Development Authority – Changes in Net Position

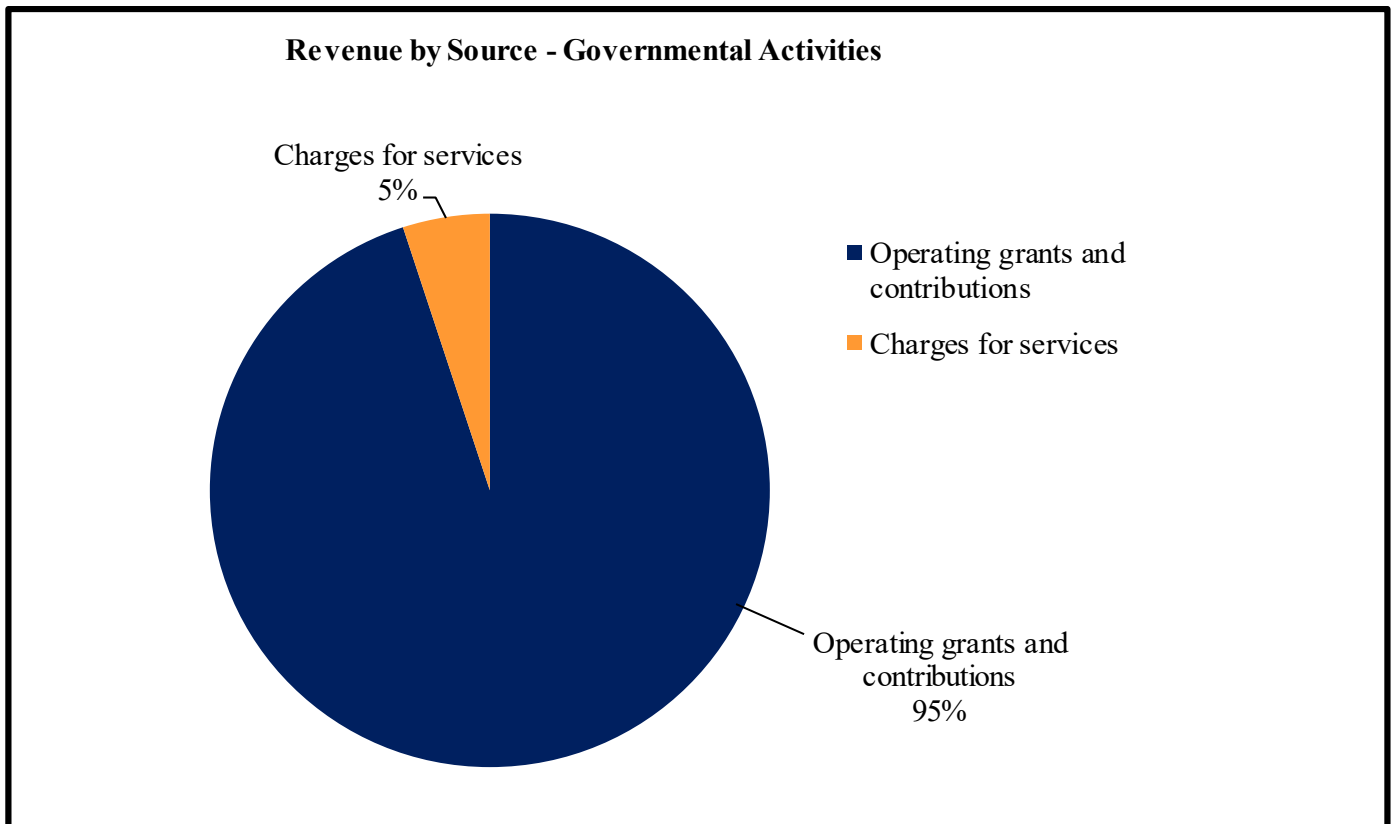
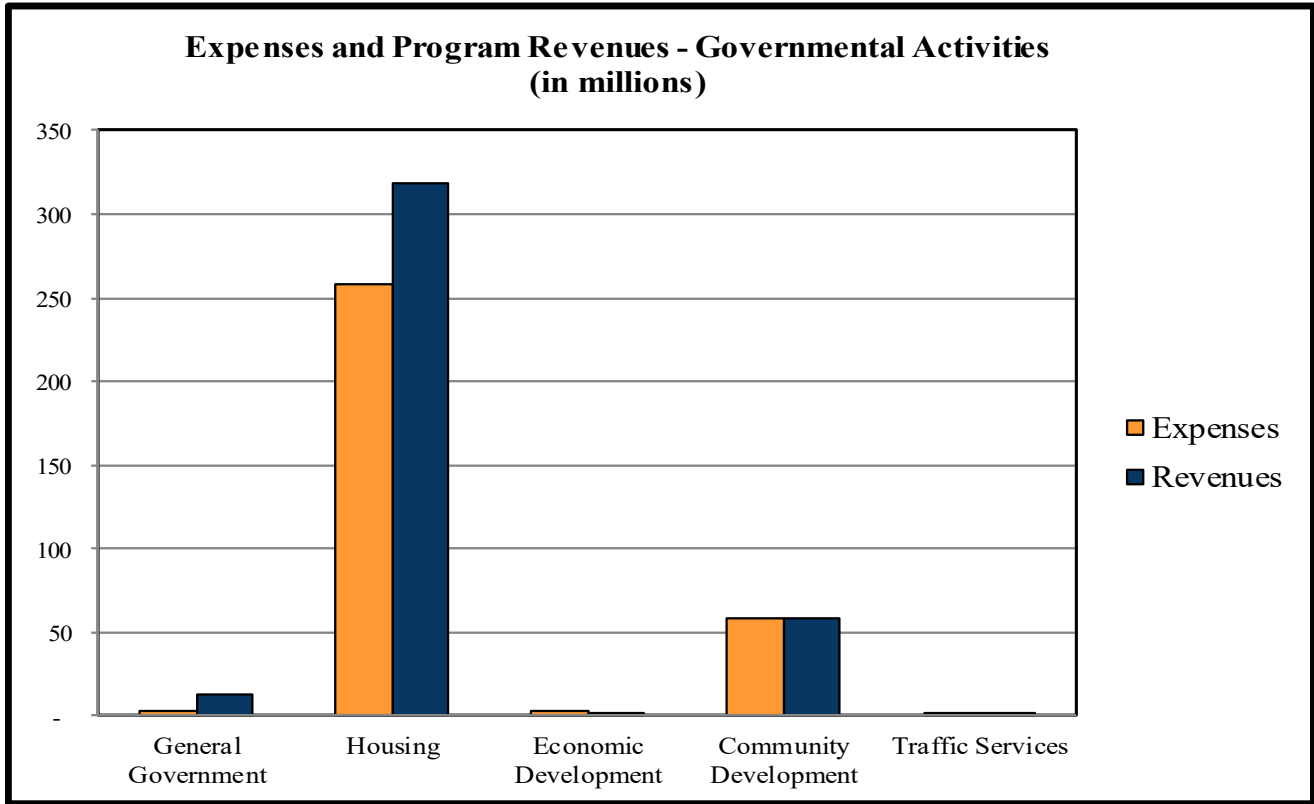
	Years ended June 30					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 19,763,225	\$ 18,798,179	\$ 17,816,841	\$ 16,771,443	\$ 37,580,066	\$ 35,569,622
Operating grants and contributions	374,246,586	387,201,280	566,786,649	502,862,766	941,033,235	890,064,046
Capital grants and contributions	-	-	9,260,353	13,142,147	9,260,353	13,142,147
General revenues:						
Investment income (loss)	25,763,604	(3,857,454)	435,561	362,900	26,199,165	(3,494,554)
Insurance recoveries	-	1,743,650	387,739	245,219	387,739	1,988,869
Gain (loss) on sale of property and lease/SBITA termination	(5,289,697)	(2,421,036)	-	15,004	(5,289,697)	(2,406,032)
Total revenues	414,483,718	401,464,619	594,687,143	533,399,479	1,009,170,861	934,864,098
Program expenses:						
General government	2,997,903	1,853,603	-	-	2,997,903	1,853,603
Housing	257,781,252	256,953,062	-	-	257,781,252	256,953,062
Economic development	3,381,967	13,394,731	-	-	3,381,967	13,394,731
Community development	58,610,471	46,961,673	-	-	58,610,471	46,961,673
Traffic services	2,465,839	2,323,602	-	-	2,465,839	2,323,602
Interest on long-term debt	627,810	470,933	-	-	627,810	470,933
Section 8 program	-	-	549,582,208	482,254,620	549,582,208	482,254,620
Public housing	-	-	39,702,842	33,344,317	39,702,842	33,344,317
Other housing	-	-	4,288,594	5,202,611	4,288,594	5,202,611
Total expenses	325,865,242	321,957,604	593,573,644	520,801,548	919,438,886	842,759,152
Change in net position before transfers	88,618,476	79,507,015	1,113,499	12,597,931	89,731,975	92,104,946
Transfers	(1,023,717)	(1,019,836)	1,023,717	1,019,836	-	-
Change in net position	87,594,759	78,487,179	2,137,216	13,617,767	89,731,975	92,104,946
Net position – beginning	647,657,231	569,170,052	167,888,035	154,270,268	815,545,266	723,440,320
Net position – ending	\$ 735,251,990	\$ 647,657,231	\$ 170,025,251	\$ 167,888,035	\$ 905,277,241	\$ 815,545,266

Governmental Activities

The increase in net position of \$87,594,759 for governmental activities was attributed to the following increases: \$76.5 million funding from the County for the local housing and community development programs, and \$25.8 million investment earning due to a higher market valuation of investment assets at year-end. These increases were offset by a decrease of \$9 million in HOME program revenues recognized in prior fiscal years but expended in the current fiscal year, and a loss of \$5.3 million related to a property transferred to the County and lease/SBITA termination.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Management's Discussion and Analysis
Year ended June 30, 2024

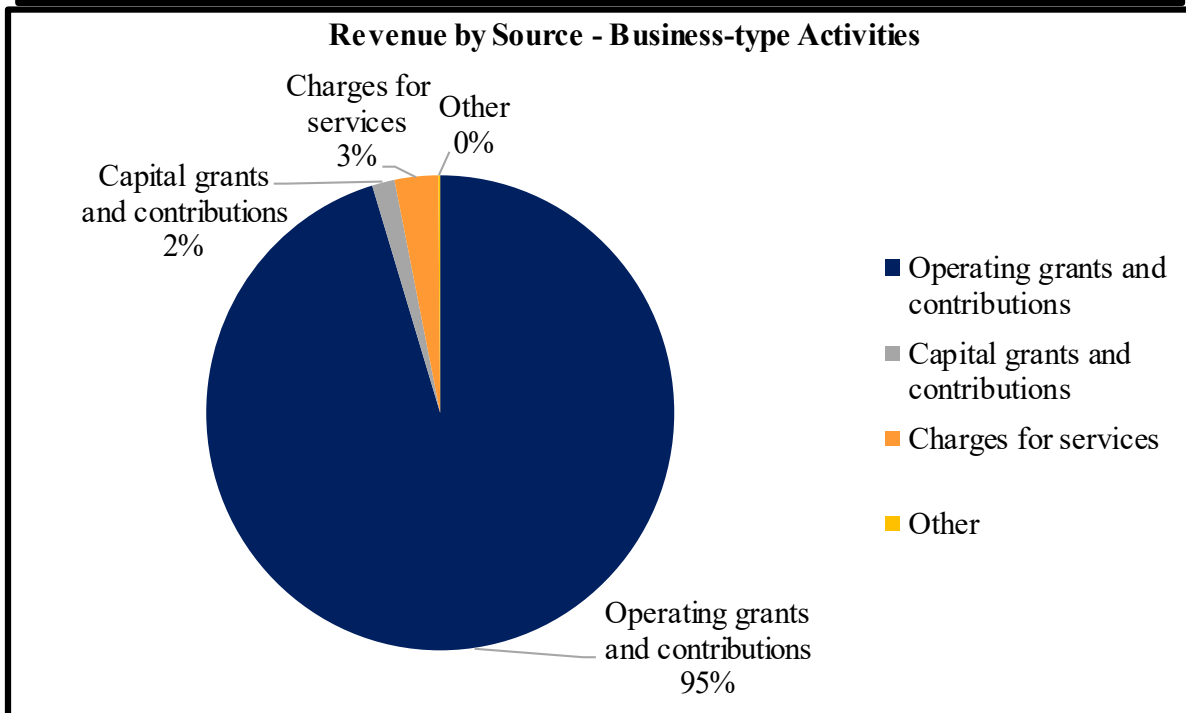
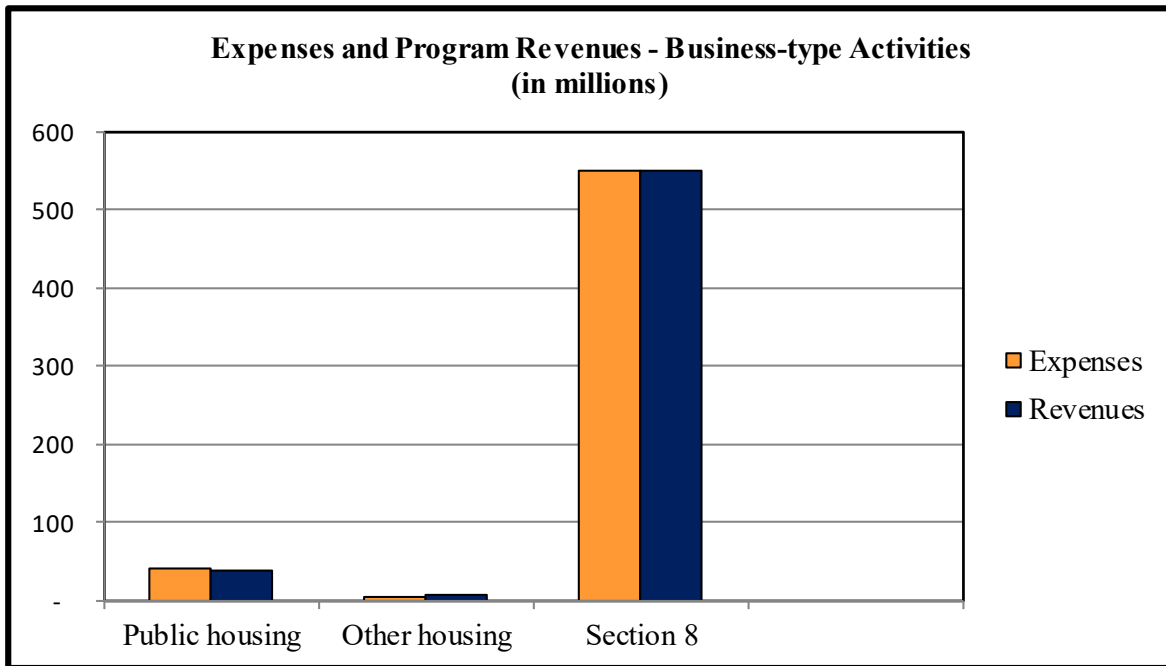


LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

**Management’s Discussion and Analysis
Year ended June 30, 2024**

Business-type Activities

The increase of \$2,137,216 in net position for business-type activities was mainly attributed to an increase of \$2.1 million in Public Housing and \$1.2 million in the Other Housing Programs. These increases were slightly offset by a decrease of \$1.1 million in the Section 8 Program. The decrease in Section 8 Program was due primarily to net increase in Section 8 HAP payments and administrative expenses of approximately \$0.9 million and a slight increase in administrative expenses for Emergency Housing Choice Vouchers. The \$2.1 million increase in Public Housing was due to the funding from the CDBG program for improvement of the public housing sites and dwelling rental revenues.



LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Management's Discussion and Analysis Year ended June 30, 2024

Fund Financial Analysis

Governmental Funds

At June 30, 2024, the LACDA's total governmental fund balance was \$731,175,186, a net increase of \$106,548,931, or 17% from last fiscal year. An increase of \$76.5 million in the Local Housing and Community Development was mainly attributed to new funding from the County for the administration of the Community Care Expansion (CCE) program to rehabilitate board and care facilities, and the development of special needs and affordable housing. Another factor in the increase of fund balance was the \$45.7 million in General Fund due to a higher market valuation of investment assets at year-end, the funding from LACDA's Investment in Southern California Housing Financing Authority (SCHFA), and the fees earned from the Housing Assistance Voucher programs. These increases were offset by a decrease of \$12.1 million in Federal Housing and Community Development due to the revenues recognized in prior fiscal years but expended in the current fiscal year for the HOME program, and the unavailable revenues of the CDBG Disaster Recovery Multifamily Housing program. The remaining decrease of \$3.6 million in Other Federal was due to the revenues recognized in prior fiscal years but expended in the current fiscal year for the American Rescue Plan (ARP) Childcare program.

Proprietary Funds

The increase of \$2,062,288 in the net position of the Public Housing Program was due primarily to increases in dwelling rental, government subsidies, and funding from the CDBG program. Dwelling rental revenue of \$16.5 million increased approximately by \$1 million, and government subsidy revenues increased by \$0.2 million as compared with last fiscal year. Other financial activities contributing to the increase in net position included the \$0.9 million additional funding from the CDBG program for improvement of the public housing sites.

The increase of \$1,172,737 in the net position of the Other Housing Program was due mainly to a decrease in administrative expenses.

The decrease in net position of \$1,097,809 in the Section 8 Program was primarily due to the decrease in VASH and the Housing Choice Voucher (HCV) HAP expenses and administrative costs that exceeded funding.

General Fund Budgetary Highlights

The unfavorable variance in the intergovernmental revenues was attributed mainly to \$0.5 million funding received from the County in prior year for the Magic Johnson Park Main Yard construction project. Charges for services had a favorable variance of \$4.9 million due to higher admin fees earned and higher bonds fees received. The General Fund investment income of \$24 million was primarily due to the increase in fair market value of the investment assets at year-end. The \$1 million contributions were mainly due to the funding from various programs to fund the Section 115 Pension Trust. The other revenues of \$10 million was due to the earnings from SCHFA.

The favorable variance of \$5.4 million in general government expenditures was due primarily to the delay renovations of the Antelope Valley Office, along with savings from general administrative expenses. Housing expenditures were \$2.6 million lower than the budgeted amount due to savings in salaries and general administrative costs. Community development expenditures were \$1.1 million lower than budgeted due to the construction pacing of the Renovate program.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Management's Discussion and Analysis Year ended June 30, 2024

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, equipment, and right-to-use leased and subscription assets.

Los Angeles County Development Authority - Capital Assets

(Net of accumulated depreciation/amortization)

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Land and land improvements	\$ 22,252,820	\$ 26,350,480	\$ 58,992,131	\$ 58,992,131	\$ 81,244,951	\$ 85,342,611
Construction in progress	43,248	282,608	9,964,611	5,896,215	10,007,859	6,178,823
Buildings and improvements	22,691,123	23,135,801	69,490,685	65,913,904	92,181,808	89,049,705
Equipment	683,283	114,490	545,678	855,339	1,228,961	969,829
Right-to-use leased equipment	-	68,585	-	-	-	68,585
Right-to-use leased vehicles	100,852	3,500	-	-	100,852	3,500
Furniture and fixtures	50,793	69,833	-	-	50,793	69,833
Software	486,764	589,241	-	-	486,764	589,241
Right-to-use software arrangements	4,267,975	1,489,921	326,242	255,427	4,594,217	1,745,348
Total	<u>\$ 50,576,858</u>	<u>\$ 52,104,459</u>	<u>\$ 139,319,347</u>	<u>\$ 131,913,016</u>	<u>\$ 189,896,205</u>	<u>\$ 184,017,475</u>

Additional information on the LACDA's capital assets can be found in Note 7 under *Notes to Basic Financial Statements* of this report.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

**Management’s Discussion and Analysis
Year ended June 30, 2024**

Debt Administration

The LACDA’s total long-term liabilities of \$129,520,539 as of June 30, 2024, are composed of the following:

Long-term liabilities arising from governmental activities	\$ 100,053,007
Long-term liabilities arising from business-type activities	<u>29,467,532</u>
	<u><u>\$ 129,520,539</u></u>

Los Angeles County Development Authority – Long-term Liabilities

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Long-term liabilities						
Long-term debt:						
General revenue bonds	\$ 30,430,000	\$ 31,105,000	\$ -	\$ -	\$ 30,430,000	\$ 31,105,000
Unamortized premium on bonds payable	3,566,362	3,608,060	-	-	3,566,362	3,608,060
Lease liability	65,653	75,634	-	-	65,653	75,634
Subscription liability	4,072,572	1,292,092	345,664	242,815	4,418,236	1,534,907
Direct borrowing:						
Section 108 notes payable	12,048,000	13,446,000	-	-	12,048,000	13,446,000
Notes payable	-	-	2,200,000	2,200,000	2,200,000	2,200,000
Compensated absences	2,171,623	1,931,969	1,239,498	1,357,846	3,411,121	3,289,815
Claims payable	6,914,040	6,914,040	-	-	6,914,040	6,914,040
Net pension liability	40,784,757	39,316,056	25,682,370	24,741,135	66,467,127	64,057,191
Net other postemployment benefits liability	-	1,276,746	-	202,381	-	1,479,127
Total	<u>\$ 100,053,007</u>	<u>\$ 98,965,597</u>	<u>\$ 29,467,532</u>	<u>\$ 28,744,177</u>	<u>\$ 129,520,539</u>	<u>\$ 127,709,774</u>

Additional information on LACDA’s long-term liabilities can be found in Note 8, Note 9, 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, 2024

Budgetary Highlights for Next Fiscal Year 2024-2025

The total budget for LACDA is \$1.095 billion for the fiscal year 2024-2025, a \$132.5 million increase from fiscal year 2023-2024. The increase is primarily attributed to the increases in Housing Assistance funding for Housing Choice Voucher (HCV) and Continuum of Care (CoC) landlord payments; capital improvements for the public housing sites; HOME American Rescue Plan (ARP) and other Affordable Housing Development programs to reduce homelessness and increase housing stability; Community Care Expansion (CCE) for the rehabilitation and preservation of existing adult residential care facilities and residential care facilities for the elderly; and Permanent Local Housing Allocation (PLHA) for unmet housing needs in local communities. The increase is offset by a decrease in Measure H, Economic Development Administration grants, and Section 108 loans.

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.

The following major funding sources for fiscal year 2024-2025 are detailed below:

- Housing Assistance programs are budgeted at \$657.3 million and consist of the following: \$485.8 million in Section 8 Housing Choice Voucher funding to provide rental assistance to families and individuals; \$44.9 million in CoC funding to provide rental assistance and supportive services to families and individuals experiencing homelessness; \$38.5 million in HUD ARP funding to provide rental assistance for Emergency Housing Choice Vouchers; \$34.9 million in Veterans Affairs Supportive Housing (VASH) funding to provide rental assistance to homeless veterans; \$25.7 million in County funding to support the Bringing Families Home Program providing rapid rehousing to families experiencing homelessness in cases involving Child Protective Services; \$11 million in Measure H funding to provide landlord incentives; \$4.2 million in Mainstream funding to provide rental assistance to non-elderly persons with disabilities; \$4.2 million in American Rescue Plan funding to support the State's Emergency Rental Assistance Program; \$3.2 million in Emergency Solutions Grants funding for rapid rehousing for persons who are experiencing homelessness or at-risk of homelessness; \$2.8 million in County Affordable Housing Trust Fund (AHTF) funding to support the Open Doors Program; \$1.4 million in Family Self-Sufficiency funding to help assisted families achieve self-sufficiency; and the remaining funding is to support other housing assistance initiatives.
- Affordable Housing Development programs are budgeted at \$226.6 million to develop supportive and affordable housing for the homeless and/or mentally ill individuals and families. These programs consist of the following funding sources: \$86.4 million in California Department of Housing and Community Development (HCD) funding for No Place Like Home (NPLH); \$83 million in AHTF; \$23.9 million in other County funding for Affordable Housing Development; \$20.9 million in HUD American Rescue Plan funding for the HOME-ARP Program; \$8.2 million in HOME funding for HOME development activities; \$3.1 million in HPI funding for the Revolving Loan Fund Program; and the remaining funding is to support other affordable housing development initiatives.
- Housing Preservation programs are budgeted at \$77.3 million and consist of the following funding sources: \$52.9 million in County funding to support the Lead-Based Paint Mitigation Program to mitigate hazards in residential homes with young children and the Community Care Expansion (CCE) Program to rehabilitate board and care facilities; \$5.8 million in Community Development Block Grant (CDBG) funding to support home improvements under the Handyworker, Senior Grant, and Residential Sound Insulation Program (RSIP) Programs; \$5.8 million in Federal Aviation Administration funding for home improvement for residents living within the RSIP project area; \$4.5 million in PLHA funding and \$4.3 million in HOME funding to support first-time home ownership; \$2.7 million in other HUD funding to support the Lead-Based Paint Mitigation Program to mitigate hazards in multi-family units with children under the age of six; and the remaining funding is to support other housing preservation initiatives.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Management's Discussion and Analysis Year ended June 30, 2024

- Public Housing programs are budgeted at \$74.4 million to manage and maintain 3,229 public and affordable housing units. Funding includes new and carryover projects throughout Los Angeles County to rehabilitate housing units and perform site improvement. These programs consist of the following funding sources: \$38.3 million in Public Housing Operating Fund funding; \$13.1 million in Capital Funds funding; \$9.8 million in HCD funding; \$6.5 million in Multi-Family Housing Assistance Payments; \$2.7 million in County funding; \$1.9 million in CDBG funding; \$1.5 million in other HUD funding for resident services programs; and the remaining funding is to support other public housing program initiatives.
- Community Development programs are budgeted at \$41.9 million and consist of the following: \$22.4 million in CDBG funding to assist County residents with limited means; \$14.3 million in HCD funding for the PLHA activities to support various affordable housing activities tailored to meet the needs of extremely low to moderate-income households; \$1.9 million in County Capital Project funding for construction management services to complete Renovate business façade improvement projects; \$1.3 million in County funding for the Chiquita Canyon Landfill Program to assist residents affected by the public nuisance caused by the landfill; \$1 million in CARES Act (HUD) funding for the CDBG-CV Program to assist County residents impacted by COVID-19; and the remaining funding is to support other community development program initiatives.
- Other programs are budgeted at \$11.6 million and consist of the following funding sources: \$6.2 million in General Fund funding for general activities such as legal and Antelope Valley office building improvements; \$3.4 million in Court funding to administer the Traffic Administration Services (TAS) and Court-Referred Community Service (CRCS) programs; and the remaining funding is to support other program initiatives by the LACDA.
- Economic Development programs are budgeted at \$6.2 million and consist of the following funding sources: \$2.2 million in CDBG funding for the administration of the Section 108 Loan Program; to increase job growth and affordable housing; \$1.7 million in Economic Development Administration (EDA) funding for business grants, \$1.6 million in ARP funding to issue grants to childcare businesses impacted by COVID-19; and the remaining funding is to support other economic development initiatives.

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.



LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Statement of Net Position
June 30, 2024

	Primary government		
	Governmental activities	Business-type activities	Totals
Assets			
Cash and pooled investments	\$ 770,127,777	\$ 31,109,121	\$ 801,236,898
Restricted investments	14,470,105	-	14,470,105
Accounts receivable, net	5,662,587	4,107,802	9,770,389
Due from other governments	16,845,222	26,349,970	43,195,192
Internal balances	3,539,156	(3,539,156)	-
Notes receivable, net	16,221,023	-	16,221,023
Land held for resale	10,240,920	-	10,240,920
Inventory	56,252	7,797	64,049
Prepaid costs and other assets	813,380	-	813,380
Lease receivable	6,885,539	154,619	7,040,158
Net other postemployment benefits asset	1,889,775	1,603,206	3,492,981
Investment in JPA	3,340,574	-	3,340,574
Capital assets:			
Land	22,252,820	58,992,131	81,244,951
Construction in progress	43,248	9,964,611	10,007,859
Capital assets, net of accumulated depreciation/amortization	28,280,790	70,362,605	98,643,395
Total assets	<u>900,669,168</u>	<u>199,112,706</u>	<u>1,099,781,874</u>
Deferred Outflows of Resources			
Pension related amounts	15,223,459	10,380,583	25,604,042
Other postemployment benefits related amounts	5,142,628	2,406,065	7,548,693
Total deferred outflows of resources	<u>20,366,087</u>	<u>12,786,648</u>	<u>33,152,735</u>
Liabilities			
Accounts payable and accrued liabilities	61,205,936	3,884,701	65,090,637
Due to other governments	10,417,261	2,154,812	12,572,073
Tenant security deposits	75,859	1,186,509	1,262,368
Unearned revenue	2,013,683	1,637,962	3,651,645
Long-term liabilities:			
Due within one year:			
Long-term debt obligations	3,222,689	124,262	3,346,951
Estimated claims payable	691,404	-	691,404
Accrued compensated absences	1,954,461	1,115,548	3,070,009
Subtotal	<u>5,868,554</u>	<u>1,239,810</u>	<u>7,108,364</u>
Due in more than one year:			
Long-term debt obligations	46,959,898	2,421,402	49,381,300
Estimated claims payable	6,222,636	-	6,222,636
Accrued compensated absences	217,162	123,950	341,112
Net pension liability	40,784,757	25,682,370	66,467,127
Long-term liabilities, net of current portion	<u>94,184,453</u>	<u>28,227,722</u>	<u>122,412,175</u>
Total liabilities	<u>173,765,746</u>	<u>38,331,516</u>	<u>212,097,262</u>
Deferred Inflows of Resources			
Lease related amounts	6,335,080	148,301	6,483,381
Pension related amounts	308,656	241,452	550,108
Other postemployment benefits related amounts	5,373,783	3,152,834	8,526,617
Total deferred inflows of resources	<u>12,017,519</u>	<u>3,542,587</u>	<u>15,560,106</u>
Net Position			
Net investment in capital assets	12,432,927	136,773,683	149,206,610
Restricted for:			
Pension obligations	14,470,105	-	14,470,105
Housing	618,092,752	-	618,092,752
Economic development	26,093,431	-	26,093,431
Community development	15,114,061	-	15,114,061
Traffic services	2,898,522	-	2,898,522
Housing assistance payments	-	13,838,084	13,838,084
Housing improvement projects	-	383,042	383,042
Unrestricted	46,150,192	19,030,442	65,180,634
Total net position	<u>\$ 735,251,990</u>	<u>\$ 170,025,251</u>	<u>\$ 905,277,241</u>

See accompanying notes to basic financial statements.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Statement of Activities
Year ended June 30, 2024

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	\$ 2,997,903	\$ 1,380,083	\$ 11,259,922	\$ -	\$ 9,642,102	\$ -	\$ 9,642,102
Housing	257,781,252	17,658,841	301,687,818	-	61,565,407	-	61,565,407
Economic development	3,381,967	697,224	229,220	-	(2,455,523)	-	(2,455,523)
Community development	58,610,471	27,077	58,984,437	-	401,043	-	401,043
Traffic services	2,465,839	-	2,085,189	-	(380,650)	-	(380,650)
Interest on long-term debt	627,810	-	-	-	(627,810)	-	(627,810)
Total governmental activities	325,865,242	19,763,225	374,246,586	-	68,144,569	-	68,144,569
Business-type activities:							
Public housing	39,702,842	16,563,612	13,223,146	9,260,353	-	(655,731)	(655,731)
Other housing	4,288,594	1,253,229	4,377,640	-	-	1,342,275	1,342,275
Section 8 program	549,582,208	-	549,185,863	-	-	(396,345)	(396,345)
Total business-type activities	593,573,644	17,816,841	566,786,649	9,260,353	-	290,199	290,199
Total	\$ 919,438,886	\$ 37,580,066	\$ 941,033,235	\$ 9,260,353	68,144,569	290,199	68,434,768
General revenues:							
Investment income (loss)					25,763,604	435,561	26,199,165
Insurance recoveries					-	387,739	387,739
Gain (loss) on sale of property and lease/SBITA termination					(5,289,697)	-	(5,289,697)
Transfers					(1,023,717)	1,023,717	-
Total general revenues and transfers					19,450,190	1,847,017	21,297,207
Change in net position					87,594,759	2,137,216	89,731,975
Net position – beginning					647,657,231	167,888,035	815,545,266
Net position – ending					\$ 735,251,990	\$ 170,025,251	\$ 905,277,241

See accompanying notes to basic financial statements.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

**Balance Sheet
Governmental Funds
June 30, 2024**

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	\$ 89,281,547	\$ 2,865,283	\$ 3,604,390	\$ 654,248,591	\$ 4,140,284	\$ 754,140,095
Restricted investments	14,470,105	-	-	-	-	14,470,105
Accounts receivable	5,629,598	3,571	8,442	20,603	373	5,662,587
Lease receivable	6,264,133	621,406	-	-	-	6,885,539
Due from other governments	48,198	8,725,953	2,638,077	5,432,994	-	16,845,222
Advances to other funds	3,539,156	-	-	-	-	3,539,156
Land held for resale	2,685,753	1,719,331	-	-	5,835,836	10,240,920
Prepaid costs and other assets	782,380	-	-	-	-	782,380
Total assets	<u>\$ 122,700,870</u>	<u>\$ 13,935,544</u>	<u>\$ 6,250,909</u>	<u>\$ 659,702,188</u>	<u>\$ 9,976,493</u>	<u>\$ 812,566,004</u>
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities:						
Accounts payable and accrued liabilities	\$ 1,905,515	\$ 4,098,709	\$ 1,189,912	\$ 51,660,073	\$ 25,963	\$ 58,880,172
Due to other governments	-	5,012,574	-	5,404,687	-	10,417,261
Tenant security deposits	75,859	-	-	-	-	75,859
Unearned revenues	56,183	-	-	1,957,500	-	2,013,683
Total liabilities	<u>2,037,557</u>	<u>9,111,283</u>	<u>1,189,912</u>	<u>59,022,260</u>	<u>25,963</u>	<u>71,386,975</u>
Deferred inflows of resources:						
Unavailable revenues	-	3,668,763	-	-	-	3,668,763
Lease related amounts	5,737,729	597,351	-	-	-	6,335,080
Total deferred inflows of resources	<u>5,737,729</u>	<u>4,266,114</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,003,843</u>
Fund balances:						
Nonspendable						
Land held for resale	2,685,753	-	-	-	-	2,685,753
Lease receivable	526,404	-	-	-	-	526,404
Inventory, prepaid costs and other assets	782,380	-	-	-	-	782,380
Restricted						
Pension obligations	14,470,105	-	-	-	-	14,470,105
Housing	36,032,132	-	1,363,490	585,872,295	9,950,530	633,218,447
Economic development	11,663,193	-	1,994,728	-	-	13,657,921
Community development	11,195,903	558,147	1,702,779	11,909,111	-	25,365,940
Traffic services	-	-	-	2,898,522	-	2,898,522
Unassigned	37,569,714	-	-	-	-	37,569,714
Total fund balances	<u>114,925,584</u>	<u>558,147</u>	<u>5,060,997</u>	<u>600,679,928</u>	<u>9,950,530</u>	<u>731,175,186</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 122,700,870</u>	<u>\$ 13,935,544</u>	<u>\$ 6,250,909</u>	<u>\$ 659,702,188</u>	<u>\$ 9,976,493</u>	<u>\$ 812,566,004</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, 2024

Total governmental fund balances	\$ 731,175,186
Amounts reported for governmental activities in the accompanying statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds. Those capital assets consist of:	
Capital assets, net of accumulated depreciation/amortization	13,126,233
Certain notes receivable are not considered to be current financial resources.	16,221,023
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.	3,933,905
Investment in JPA is a long-term asset which is not considered current financial resources.	3,340,574
Amounts reported as unavailable revenues do not provide current financial resources and therefore are not reported in the governmental funds.	3,668,763
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	(12,048,000)
Compensated absences	(1,495,480)
Subscription liability	(731,973)
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	(33,826,141)
Deferred outflows of resources related to pensions	11,007,830
Deferred inflows of resources related to pensions	(222,722)
Amounts reported for net other postemployment benefits asset 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 asset 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 asset	1,247,715
Deferred outflows of resources related to other postemployment benefits	3,999,035
Deferred inflows of resources related to other postemployment benefits	(4,015,079)
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.	(128,879)
Net position of governmental activities	<u>\$ 735,251,990</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, 2024**

	General fund	Federal housing and community development	Other federal	Local housing and community development	Low- and moderate- income housing asset fund	Total
Revenues:						
Intergovernmental	\$ 4,666,116	\$ 41,327,646	\$ 24,268,522	\$ 290,073,724	\$ 46,226	\$ 360,382,234
Charges for services	18,030,551	19,437	1,894	924,363	8,618	18,984,863
Rentals	770,722	7,640	-	-	-	778,362
Investment income (loss)	26,277,410	927,493	370,369	9,208,353	239,179	37,022,804
Contributions	1,016,768	-	-	-	-	1,016,768
Other revenues	10,400,952	416,608	-	-	-	10,817,560
Total revenues	<u>61,162,519</u>	<u>42,698,824</u>	<u>24,640,785</u>	<u>300,206,440</u>	<u>294,023</u>	<u>429,002,591</u>
Expenditures:						
Current:						
General government	841,228	-	-	-	-	841,228
Housing	13,973,447	24,416,724	3,161,963	213,818,356	140,292	255,510,782
Economic development	500,194	-	84,353	1,053,277	-	1,637,824
Community development	1,965,854	25,958,361	24,996,159	5,584,673	-	58,505,047
Traffic services	-	-	-	2,455,297	-	2,455,297
Capital outlay	115,301	2,146,739	-	-	-	2,262,040
Debt service:						
Principal	40,330	1,398,000	-	182,916	-	1,621,246
Interest	3,370	603,476	-	25,396	-	632,242
Total expenditures	<u>17,439,724</u>	<u>54,523,300</u>	<u>28,242,475</u>	<u>223,119,915</u>	<u>140,292</u>	<u>323,465,706</u>
Excess (deficiency) of revenues over expenditures	<u>43,722,795</u>	<u>(11,824,476)</u>	<u>(3,601,690)</u>	<u>77,086,525</u>	<u>153,731</u>	<u>105,536,885</u>
Other financing sources (uses):						
Loss due to lease termination	(218,490)	-	-	-	-	(218,490)
Subscription revenues	107,514	-	-	-	-	107,514
Transfers in	2,070,160	-	9,718	-	-	2,079,878
Transfers out	-	(322,970)	-	(633,886)	-	(956,856)
Net other financing sources (uses)	<u>1,959,184</u>	<u>(322,970)</u>	<u>9,718</u>	<u>(633,886)</u>	<u>-</u>	<u>1,012,046</u>
Change in fund balances	45,681,979	(12,147,446)	(3,591,972)	76,452,639	153,731	106,548,931
Fund balances at beginning of year	69,243,605	12,705,593	8,652,969	524,227,289	9,796,799	624,626,255
Fund balances at end of year	<u>\$ 114,925,584</u>	<u>\$ 558,147</u>	<u>\$ 5,060,997</u>	<u>\$ 600,679,928</u>	<u>\$ 9,950,530</u>	<u>\$ 731,175,186</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, 2024

Net change in fund balances – total governmental funds \$ 106,548,931

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/amortization expense.

Purchase of capital assets	2,262,040
Capital asset contributions to business-type activities	(2,146,739)
Depreciation/amortization expense	(943,330)
Gain (loss) on sale of capital assets and lease/SBITA termination	(5,007,672)

Loans issued, net of collections do not have any effect on net position. (3,354,405)

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. (1,448,647)

Investment in JPA that do not provide current financial resources are not reported in the governmental funds.

Withdraw from JPA	(10,000,000)
Share in income of JPA	608,744

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	(172,607)
Issuance of subscription liability	(107,514)
Principal payment on Section 108 notes payable	1,398,000
Principal payment on subscription liability	223,246

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	4,432
Changes in net other postemployment benefits liabilities and OPEB related accounts	377,924
Changes in net pension liabilities and pension related accounts	(2,356,388)

Revenues in the statement of activities that do not provide current financial resources are not reported in the governmental funds.

	1,708,744
Change in net position of governmental activities	<u>\$ 87,594,759</u>

See accompanying notes to basic financial statements.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

**Statement of Net Position
Proprietary Funds
June 30, 2024**

	Public housing	Other housing	Section 8 program	Totals	Internal service funds
Assets					
Current assets:					
Cash and pooled investments	\$ 7,971,658	\$ 8,162,435	\$ 14,975,028	\$ 31,109,121	\$ 15,987,682
Accounts receivable, net	790,087	52,358	3,265,357	4,107,802	-
Due from other governments	2,984,361	12,621	23,352,988	26,349,970	-
Inventory	3,714	-	4,083	7,797	56,252
Prepaid costs and other assets	-	-	-	-	31,000
Total current assets	11,749,820	8,227,414	41,597,456	61,574,690	16,074,934
Noncurrent assets:					
Lease receivable	154,619	-	-	154,619	-
Net other postemployment benefits asset	621,573	33,199	948,434	1,603,206	642,060
Capital assets, net	129,508,370	9,484,735	326,242	139,319,347	37,450,625
Total noncurrent assets	130,284,562	9,517,934	1,274,676	141,077,172	38,092,685
Total assets	142,034,382	17,745,348	42,872,132	202,651,862	54,167,619
Deferred Outflows of Resources					
Pension related amounts	2,993,913	411,559	6,975,111	10,380,583	4,215,629
Other postemployment benefits related amounts	1,197,082	76,272	1,132,711	2,406,065	1,143,593
Total deferred outflows of resources	4,190,995	487,831	8,107,822	12,786,648	5,359,222
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	2,947,518	246,751	690,432	3,884,701	2,187,541
Due to other governments	383,222	-	1,771,590	2,154,812	-
Advances from other funds	437,233	124,669	2,977,254	3,539,156	-
Tenant security deposits	1,084,844	101,665	-	1,186,509	-
Unearned revenue	200,665	27,562	1,409,735	1,637,962	-
Estimated claims payable	-	-	-	-	691,404
Accrued compensated absences	289,353	66,850	759,345	1,115,548	608,529
Long-term debt obligations - current portion	-	-	124,262	124,262	1,774,903
Total current liabilities	5,342,835	567,497	7,732,618	13,642,950	5,262,377
Noncurrent liabilities:					
Estimated claims payable	-	-	-	-	6,222,636
Accrued compensated absences	32,150	7,428	84,372	123,950	67,614
Long-term debt obligations	-	2,200,000	221,402	2,421,402	35,637,055
Net pension liability	8,062,115	984,723	16,635,532	25,682,370	6,958,616
Total noncurrent liabilities	8,094,265	3,192,151	16,941,306	28,227,722	48,885,921
Total liabilities	13,437,100	3,759,648	24,673,924	41,870,672	54,148,298
Deferred Inflows of Resources					
Lease related amounts	148,301	-	-	148,301	-
Pension related amounts	73,914	9,511	158,027	241,452	85,934
Other postemployment benefits related amounts	1,436,913	89,093	1,626,828	3,152,834	1,358,704
Total deferred inflows of resources	1,659,128	98,604	1,784,855	3,542,587	1,444,638
Net Position					
Net investment in capital assets	129,508,370	7,284,735	(19,422)	136,773,683	38,667
Restricted for:					
Housing assistance payments	-	-	13,838,084	13,838,084	-
Housing improvement projects	383,042	-	-	383,042	-
Unrestricted	1,237,737	7,090,192	10,702,513	19,030,442	3,895,238
Total net position	\$ 131,129,149	\$ 14,374,927	\$ 24,521,175	\$ 170,025,251	\$ 3,933,905

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, 2024

	Public housing	Other housing	Section 8 program	Totals	Internal service funds
Operating revenues:					
Government subsidies	\$ 13,070,836	\$ 4,160,151	\$ 548,816,522	\$ 566,047,509	\$ -
Charges for services	54,336	751	-	55,087	20,264,595
Rentals	16,509,276	1,252,478	-	17,761,754	2,126,975
Other revenue	152,310	217,489	369,341	739,140	48,180
Total operating revenues	<u>29,786,758</u>	<u>5,630,869</u>	<u>549,185,863</u>	<u>584,603,490</u>	<u>22,439,750</u>
Operating expenses:					
Current:					
Program administration	15,961,364	2,462,872	39,900,488	58,324,724	-
Utilities	3,231,187	270,119	148,213	3,649,519	423,385
Maintenance	11,203,936	870,175	547,931	12,622,042	2,399,298
General administration	3,699,910	224,783	1,600,647	5,525,340	17,339,724
Subgrants to county, cities, and community-based organizations	-	-	1,025,350	1,025,350	-
Housing assistance payments	77,895	793	506,192,482	506,271,170	-
Depreciation and amortization	5,528,550	457,038	147,583	6,133,171	2,548,857
Total operating expenses	<u>39,702,842</u>	<u>4,285,780</u>	<u>549,562,694</u>	<u>593,551,316</u>	<u>22,711,264</u>
Operating income (loss)	<u>(9,916,084)</u>	<u>1,345,089</u>	<u>(376,831)</u>	<u>(8,947,826)</u>	<u>(271,514)</u>
Nonoperating revenues (expenses):					
Gain (loss) on sale of property and lease/SBITA termination	-	-	-	-	(63,535)
Insurance recoveries	-	387,739	-	387,739	-
Investment income	185,630	157,837	92,094	435,561	293,593
Interest expense	-	(2,814)	(19,514)	(22,328)	(1,407,191)
Net nonoperating revenues (expenses)	<u>185,630</u>	<u>542,762</u>	<u>72,580</u>	<u>800,972</u>	<u>(1,177,133)</u>
Change in net position before transfers and capital grants	<u>(9,730,454)</u>	<u>1,887,851</u>	<u>(304,251)</u>	<u>(8,146,854)</u>	<u>(1,448,647)</u>
Capital grants	9,260,353	-	-	9,260,353	-
Transfers in	2,532,389	-	-	2,532,389	-
Transfers out	-	(715,114)	(793,558)	(1,508,672)	-
Change in net position	<u>2,062,288</u>	<u>1,172,737</u>	<u>(1,097,809)</u>	<u>2,137,216</u>	<u>(1,448,647)</u>
Net position at beginning of year	<u>129,066,861</u>	<u>13,202,190</u>	<u>25,618,984</u>	<u>167,888,035</u>	<u>5,382,552</u>
Net position at end of year	<u>\$ 131,129,149</u>	<u>\$ 14,374,927</u>	<u>\$ 24,521,175</u>	<u>\$ 170,025,251</u>	<u>\$ 3,933,905</u>

See accompanying notes to basic financial statements.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

**Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2024**

	Public housing	Other housing	Section 8 program	Totals	Internal service funds
Cash flows from operating activities:					
Receipts from tenants	\$ 16,369,616	\$ 1,266,532	\$ -	\$ 17,636,148	\$ -
Receipts from rentals	-	-	-	-	2,126,975
Charges for services	54,336	751	-	55,087	20,264,595
Payments to employees for services	(7,835,724)	(1,201,560)	(20,936,480)	(29,973,764)	(11,377,125)
Payments to vendors for goods and services	(25,369,370)	(2,717,804)	(526,630,412)	(554,717,586)	(6,698,641)
Government subsidies	12,818,871	5,556,040	541,313,161	559,688,072	-
Other revenue	152,310	197,872	369,341	719,523	48,180
Net cash provided by (used in) operating activities	<u>(3,809,961)</u>	<u>3,101,831</u>	<u>(5,884,390)</u>	<u>(6,592,520)</u>	<u>4,363,984</u>
Cash flows from noncapital financing activities:					
Advances from other funds received	54,949	92,282	349,637	496,868	-
Transfer out to other funds	-	(751,777)	(793,558)	(1,545,335)	-
Transfers in from other funds	422,313	-	-	422,313	-
Net cash provided by (used in) noncapital financing activities	<u>477,262</u>	<u>(659,495)</u>	<u>(443,921)</u>	<u>(626,154)</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Purchase and construction of capital assets	(9,371,790)	(1,802,575)	-	(11,174,365)	(2,615,822)
Payment of lease obligations	-	-	-	-	(111,241)
Payment of subscription obligations	-	-	(115,549)	(115,549)	(1,307,198)
Receipt of lease revenue payments	190,477	-	-	190,477	-
Payment of principal on bonds payable	-	-	-	-	(675,000)
Capital grants received	9,260,353	-	-	9,260,353	-
Interest paid	-	(2,814)	(19,514)	(22,328)	(1,460,126)
Net cash provided by (used in) capital and related financing activities	<u>79,040</u>	<u>(1,805,389)</u>	<u>(135,063)</u>	<u>(1,861,412)</u>	<u>(6,169,387)</u>
Cash flows from investing activities:					
Insurance recoveries	-	387,739	-	387,739	-
Interest received	185,630	157,837	92,094	435,561	293,593
Net cash provided by investing activities	<u>185,630</u>	<u>545,576</u>	<u>92,094</u>	<u>823,300</u>	<u>293,593</u>
Net increase (decrease) in cash and cash equivalents	<u>(3,068,029)</u>	<u>1,182,523</u>	<u>(6,371,280)</u>	<u>(8,256,786)</u>	<u>(1,511,810)</u>
Cash and cash equivalents at beginning of year	11,039,687	6,979,912	21,346,308	39,365,907	17,499,492
Cash and cash equivalents at end of year	<u>\$ 7,971,658</u>	<u>\$ 8,162,435</u>	<u>\$ 14,975,028</u>	<u>\$ 31,109,121</u>	<u>\$ 15,987,682</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (9,916,084)	\$ 1,345,089	\$ (376,831)	\$ (8,947,826)	\$ (271,514)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	5,528,550	457,038	147,583	6,133,171	2,548,857
Changes in assets and liabilities:					
Accounts receivable	13,557	(19,617)	(1,868,349)	(1,874,409)	-
Due from other governments	(250,664)	1,395,889	(4,987,085)	(3,841,860)	-
Inventory	632	-	(2,083)	(1,451)	(9,070)
Prepaid costs and other assets	-	-	-	-	(31,000)
Deferred outflows of resources - pension	611,718	101,551	1,259,407	1,972,676	712,508
Deferred outflows of resources - OPEB	252,769	15,530	242,868	511,167	198,053
Net other postemployment benefits asset	(621,573)	(33,199)	(948,434)	(1,603,206)	(642,060)
Accounts payable and accrued expenses	104,970	(225,838)	24,158	(96,710)	1,088,054
Due to other governments	(1,301)	-	57,697	56,396	-
Unearned revenue	(2,231)	11,974	(705,624)	(695,881)	-
Tenant security deposits	35,973	2,080	-	38,053	-
Compensated absences	(46,730)	(5,429)	(66,189)	(118,348)	67,046
Deferred inflows of resources - lease	(186,959)	-	-	(186,959)	-
Deferred inflows of resources - pension	(61,598)	(7,926)	(131,690)	(201,214)	(71,611)
Deferred inflows of resources - OPEB	602,727	27,921	894,379	1,525,027	615,263
Net pension liability	285,825	49,149	606,261	941,235	394,535
Net other postemployment benefits liability	(159,542)	(12,381)	(30,458)	(202,381)	(235,077)
Net adjustments	<u>6,106,123</u>	<u>1,756,742</u>	<u>(5,507,559)</u>	<u>2,355,306</u>	<u>4,635,498</u>
Net cash provided by (used in) operating activities	<u>\$ (3,809,961)</u>	<u>\$ 3,101,831</u>	<u>\$ (5,884,390)</u>	<u>\$ (6,592,520)</u>	<u>\$ 4,363,984</u>
Noncash capital financing activities:					
Issuance of leases and software arrangements	\$ -	\$ -	\$ 218,398	\$ 218,398	\$ 4,325,962
Transfer of capital assets from other funds	\$ 2,110,076	\$ 36,663	\$ -	\$ 2,146,739	\$ -
Write-off of capital assets and right-to-use lease/SBITA assets	\$ -	\$ -	\$ -	\$ -	\$ 82,032

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, 2024

	Private-Purpose Trust Fund
Assets	
Cash and cash equivalents	\$ 1,527
Total assets	<u>1,527</u>
Liabilities	
Accounts payable and accrued liabilities	<u>-</u>
Total liabilities	<u>-</u>
Net Position	
Net position held in trust	<u><u>\$ 1,527</u></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, 2024**

	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>1,223</u>
Net position held in trust - ending	<u><u>\$ 1,527</u></u>

See accompanying notes to basic financial statements.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Notes to Basic Financial Statements Year ended June 30, 2024

(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 unit.

Blended Component Unit

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, 2024

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.

(b) *Implementation of New Accounting Pronouncements*

During the fiscal year ended June 30, 2024, the LACDA identified and adopted the following new Statements of the Governmental Accounting Standards Board (GASB):

GASB Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of this Statement did not impact LACDA's financial statements for the fiscal year ended June 30, 2024.

GASB Statement No. 100, *Accounting Changes and Error Corrections - an Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The implementation of this Statement did not impact LACDA's financial statements for the fiscal year ended June 30, 2024.

(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 unit. 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.

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

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Notes to Basic Financial Statements Year ended June 30, 2024

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.

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 financial assistance to licensed childcare providers 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

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Notes to Basic Financial Statements Year ended June 30, 2024

FAA, U.S. Treasury's Coronavirus State and Local Fiscal Recovery Funds 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.

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.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Notes to Basic Financial Statements Year ended June 30, 2024

(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.

(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 and Right-to-Use Assets

Capital assets, which include property, furniture and fixtures, vehicle, equipment, right-to-use leased and subscription assets 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. Right-to-use leased, and subscription assets are recorded at the present value of future lease/subscription payments. 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 7. Amortization for software and other intangible assets is included in the reporting of depreciation.

Right-to-use leased, and subscription assets are defined by the LACDA as assets with an initial individual cost of more than \$15,000 and an estimated useful life in excess of one year. Such assets are recorded at the present

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Notes to Basic Financial Statements Year ended June 30, 2024

value of the lease or subscription liability, including expenses to place the asset into service. In accordance with GASB Statement Nos. 87 and 96, LACDA has reported right-to-use leased assets for buildings, equipment, and vehicles, and right-to-use subscription asset for software arrangements.

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
Right-to-use leased and subscription assets	Shorter of the leased and subscription assets' useful life or the lease and subscription term

(j) *Employee Compensated Absences*

Effective January 1, 2024, regular employees and Officers enrolled in the Flex 5 Benefit Plan shall accrue leave time for both the first and second pay period of every month at a 3.334 hours per pay period up to 80 hours 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 5 Benefit 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

Unused vacation leave 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, 2025.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Notes to Basic Financial Statements Year ended June 30, 2024

(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, 2025.

(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 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.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Notes to Basic Financial Statements Year ended June 30, 2024

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.

(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, deferred outflows of resources, liabilities and deferred inflows of resources, 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, 2024, amounted to approximately \$639 million, or 65% 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, 2024, 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:

- GASB Statement No. 101, *Compensated Absences*: Effective for the LACDA's fiscal year ending June 30, 2025.
- GASB Statement No. 102, *Certain Risk Disclosures*: Effective for the LACDA's fiscal year ending June 30, 2025.
- GASB Statement No. 103, *Financial Reporting Model Improvements*: Effective for the LACDA's fiscal year ending June 30, 2026.
- GASB Statement No. 104, *Disclosure of Certain Capital Assets*: Effective for the LACDA's fiscal year ending June 30, 2026.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

**Notes to Basic Financial Statements
Year ended June 30, 2024**

(2) Cash and Investments

Cash and investments at June 30, 2024, are classified in the accompanying financial statements as follows:

	Government-Wide Financial Statement			Total
	Governmental activities	Business-type activities	Fiduciary fund	
Cash and investments	\$ 770,127,777	\$ 31,109,121	\$ 1,527	\$ 801,238,425
Restricted investments - Section 115 Trust	14,470,105	-	-	14,470,105
Total cash and investments	<u>\$ 784,597,882</u>	<u>\$ 31,109,121</u>	<u>\$ 1,527</u>	<u>\$ 815,708,530</u>

Cash and investments at June 30, 2024, consist of the following:

Deposits with financial institutions	\$ 4,581,375
Investments	787,756,716
Cash and investments held by trustee	23,370,439
Total cash and investments	<u>\$ 815,708,530</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.

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

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Notes to Basic Financial Statements
Year ended June 30, 2024

(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, 2024, 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	\$ 331,529,601	\$ 110,107,135	\$ 167,739,380	\$ 53,683,086
Money Market and Non-negotiable Certificates of Deposit	129,119,372	129,119,372	-	-
Corporate Bonds	165,792,785	14,759,285	140,057,550	10,975,950
County Investment Pool	118,980,430	118,980,430	-	-
State Investment Pool	8,019,504	8,019,504	-	-
Asset Backed Securities	34,315,024	-	2,341,928	31,973,096
Total investments	<u>\$ 787,756,716</u>	<u>\$ 380,985,726</u>	<u>\$ 310,138,858</u>	<u>\$ 96,632,132</u>

(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 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 NRSRO

The LACDA currently holds investments in a money market account, Municipal, Agency and Corporate Bonds, which are rated by 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

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**Notes to Basic Financial Statements
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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, 2024, 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, 2024, 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 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.

The increase or decrease in fair value is reflected only under the General Fund in order to minimize any temporary effect of the adjustment to the other program funds reported in the government-wide statements. The fair value adjustment is automatically reversed at the beginning of the new fiscal year.

The LACDA has the following recurring fair value measurements as of June 30, 2024:

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	\$ 331,529,601	\$ 331,529,601
Corporate Bonds	165,792,785	165,792,785
Asset Backed Securities	34,315,024	34,315,024
Total debt securities	531,637,410	\$ 531,637,410
Uncategorized:		
Money Market and Non-negotiable Certificates of Deposit	129,119,372	
County Investment Pool	118,980,430	
State Investment Pool	8,019,504	
Total uncategorized	256,119,306	
Total investments measured at fair value	\$ 787,756,716	

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**Notes to Basic Financial Statements
Year ended June 30, 2024**

(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, 2024, the LACDA reported restricted investments held by the Pension Trust in the amount of \$14,470,105.

(3) Due from Other Governments

At June 30, 2024, amounts due from other governments included:

	U.S. Department of Housing and Urban Development	Other governmental entities	Total
Governmental activities:			
General fund	\$ -	\$ 48,198	\$ 48,198
Federal housing and community development	4,820,078	3,905,875	8,725,953
Other federal grants	2,429,232	208,845	2,638,077
Local housing and community development	-	5,432,994	5,432,994
Total governmental	7,249,310	9,595,912	16,845,222
Business-type activities:			
Public housing	2,984,361	-	2,984,361
Other housing	12,621	-	12,621
Section 8 program	23,352,988	-	23,352,988
Total business-type	26,349,970	-	26,349,970
Total due from other governments	\$ 33,599,280	\$ 9,595,912	\$ 43,195,192

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

(4) Notes Receivable

The LACDA's notes receivable at June 30, 2024, 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	\$ 126,154,320
Development projects under various disposition and development agreements	1,222,255,578
Neighborhood stabilization program	16,065,892
Section 108 loan program	1,750,000
Economic development loans	12,435,509
Other notes receivables	2,035,514
Total	1,380,696,813
Less allowance for uncollectible loans	(1,364,475,790)
Notes receivable, net	\$ 16,221,023

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Notes to Basic Financial Statements Year ended June 30, 2024

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 is also established for loans related to development projects under various disposition and development agreements.

(5) Lease Receivable

The LACDA is reporting lease receivable of \$7,040,158 at June 30, 2024. For the fiscal year ended June 30, 2024, LACDA reported lease revenue of \$853,770 and interest revenue of \$231,144 related to lease payments received. These leases are summarized as follows:

Lease	Lease Receivable	Lease Revenue	Lease Interest Revenue
Carmelitos Health Center	\$ 54,184	\$ 55,791	\$ 2,563
Carmelitos Community Center	13,741	9,975	598
Harbor Hills Childcare Center	-	11,158	104
Nueva Maravilla Childcare Center	-	16,738	156
Centro De Ninos Childcare Center	86,694	93,297	4,101
Ground and Improvement Lease	621,406	6,564	18,682
Centro Estrella Office Building	-	81,652	10,015
Business Technology Center	6,264,133	578,595	194,925
Total	<u>\$ 7,040,158</u>	<u>\$ 853,770</u>	<u>\$ 231,144</u>

Carmelitos Health Center Lease - On June 22, 2020, LACDA entered into a five-year lease agreement with Central Neighborhood Health Foundation for the lease of the community space limited to health center, parking lot, community center and senior complex at Carmelitos Housing Development to conduct health care services for LACDA public housing residents and the surrounding community. Based on this agreement, LACDA is receiving monthly payments of \$5,000 through 2025. There is no renewal options included in this lease agreement.

Carmelitos Community Center Lease - On September 1, 2020, LACDA entered into a five-year lease agreement with Fairfield YMCA for the lease of the community space and outdoor areas at Carmelitos Housing Development to provide programs or services for elementary and middle school youth for the residents of this housing site. Based on this agreement, LACDA is receiving monthly payments of \$1,000 through 2025. There is no renewal options included in this lease agreement.

Harbor Hills Lease - On January 14, 2019, LACDA entered into a five-year lease agreement with Child Development Consortium of LA Inc. for the lease of the community space limited to the childcare center and gymnasium at Harbor Hills Housing Community to facilitate daycare/childcare services for pre-school aged children. Based on this agreement, the lease expired in January 2024 and did not get extended.

Nueva Maravilla Lease - On January 3, 2019, LACDA entered into a five-year lease agreement with Child Development Consortium of Los Angeles, Inc. for the lease of community space limited to the childcare center and main hall at Nueva Maravilla Public Housing to conduct daycare/childcare services for pre-school aged children, 2-5 years old and parent workshops. Based on this agreement, the lease expired in January 2024 and did not get extended.

Centro De Ninos Lease - On June 15, 2023, LACDA entered into a two-year lease agreement with Centro De Ninos, Inc. for the lease of community space limited to the childcare center and main hall at Nueva Maravilla Public Housing to provide childcare services including enrichment activities and resources for families with enrolled participants.

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Notes to Basic Financial Statements Year ended June 30, 2024

Based on this agreement, LCADA is receiving monthly payments of \$8,000 through 2025. There is no renewal options included in this lease agreement.

Ground and Improvement Lease - On December 31, 2016, LACDA entered into a ninety-nine-year lease agreement with Guadalupe Terrace, LLC for the lease of real property to be used for housing and the provision of services for low-income families and directly related uses. Based on this agreement, LACDA is receiving annual payments of \$20,000 through 2115. There is no renewal options included in this lease agreement.

Centro Estrella Office Building Lease - On January 1 and on September 30, 2014, LACDA entered into a ten-year lease agreement with the Associated League of Mexican Americans (ALMA) and Department of Mental Health of the County of Los Angeles respectively for the lease of an office building to provide services to persons with mental, physical and disabilities. Based on this agreement, LACDA is receiving monthly payments through 2024. However, the property was transferred to the County of Los Angeles in October 2023 along with the lease assignment and assumption. Therefore, the lease was terminated between LACDA and ALMA and Department of Mental Health. The termination of these two leases resulted in a net loss of \$218,490 from the removal of the lease receivable and deferred inflows net book value.

Business Technology Center Office Building Lease – On October 1, 2022, LACDA entered into an eleven-year and eight-month lease agreement with Honeybee Robotics, LLC for the lease of a multi-tenant office building at the Business Technology Center to be used as a general office for research and development of robotic equipment and community programming for youth educational robotic classes. Based on this agreement, LACDA is receiving monthly payments of \$56,455 through 2034. There are two additional five-year extensions renewal options.

The lease receivable will be reduced as payments are received. Annual requirements to reduce lease receivable and related interest are as follows:

Fiscal year ending June 30:	Principal	Interest	Total
2025	\$ 592,720	\$ 203,291	\$ 796,011
2026	474,349	187,292	661,641
2027	506,167	172,663	678,830
2028	541,590	157,005	698,595
2029	578,690	140,262	718,952
2030-2034	3,740,800	389,723	4,130,523
2035-2039	9,688	90,312	100,000
2040-2044	11,231	88,769	100,000
2045-2049	13,020	86,980	100,000
2050-2054	15,094	84,906	100,000
2055-2059	17,498	82,502	100,000
2060-2064	20,285	79,715	100,000
2065-2069	23,516	76,484	100,000
2070-2074	27,261	72,739	100,000
2075-2079	31,603	68,397	100,000
2080-2084	36,636	63,364	100,000
2085-2089	42,472	57,528	100,000
2090-2094	49,236	50,764	100,000
2095-2099	57,079	42,921	100,000
2100-2104	66,170	33,830	100,000
2105-2109	76,709	23,291	100,000
2110-2114	88,927	11,073	100,000
2115-2119	19,417	583	20,000
	<u>\$ 7,040,158</u>	<u>\$ 2,264,394</u>	<u>\$ 9,304,552</u>

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Notes to Basic Financial Statements Year ended June 30, 2024

The deferred inflows of resources related to leases will be recognized as lease revenue as follows:

Fiscal year ending June 30:	Amount
2025	\$ 731,797
2026	586,821
2027	585,159
2028	585,159
2029	585,159
2030-2034	2,877,577
2035-2039	32,822
2040-2044	32,822
2045-2049	32,822
2050-2054	32,822
2055-2059	32,822
2060-2064	32,822
2065-2069	32,822
2070-2074	32,822
2075-2079	32,822
2080-2084	32,821
2085-2089	32,821
2090-2094	32,821
2095-2099	32,821
2100-2104	32,821
2105-2109	32,821
2110-2114	32,821
2115-2119	6,564
	<u>\$ 6,483,381</u>

(6) 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, 2024, the LACDA's investment interest in the JPA is \$3,340,574.

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**Notes to Basic Financial Statements
Year ended June 30, 2024**

(7) Capital Assets

Capital asset activities for the year ended June 30, 2024, are as follows:

Governmental Activities:

	Balance				Balance
	July 1, 2023	Additions	Deletions	Transfers	June 30, 2024
Capital assets not being depreciated/amortized:					
Land and land improvements	\$ 26,350,480	\$ -	\$(4,097,660)	\$ -	\$ 22,252,820
Construction in progress	282,608	7,787	-	(247,147)	43,248
Total capital assets not being depreciated/amortized	26,633,088	7,787	(4,097,660)	(247,147)	22,296,068
Capital assets being depreciated/amortized:					
Buildings and improvements	50,041,726	1,940,362	(7,565,900)	247,147	44,663,335
Equipment	4,762,095	675,461	(271,555)	-	5,166,001
Right-to-use leased equipment	233,571	-	(233,571)	-	-
Vehicles	65,534	-	(48,174)	-	17,360
Right-to-use leased vehicles	26,254	106,932	(26,254)	-	106,932
Furniture and fixtures	1,027,012	-	-	-	1,027,012
Software	1,024,764	-	-	-	1,024,764
Right-to-use software arrangements	2,738,978	4,326,543	(1,213,120)	-	5,852,401
Total capital assets being depreciated/amortized	59,919,934	7,049,298	(9,358,574)	247,147	57,857,805
Less accumulated depreciation/amortization for:					
Buildings and improvements	(26,905,925)	(1,663,408)	6,597,121	-	(21,972,212)
Equipment	(4,647,605)	(96,117)	261,004	-	(4,482,718)
Right-to-use leased equipment	(164,986)	(63,309)	228,295	-	-
Vehicles	(65,534)	-	48,174	-	(17,360)
Right-to-use leased vehicles	(22,754)	(9,580)	26,254	-	(6,080)
Furniture and fixtures	(957,179)	(19,040)	-	-	(976,219)
Software	(435,523)	(102,477)	-	-	(538,000)
Right-to-use software arrangements	(1,249,057)	(1,538,256)	1,202,887	-	(1,584,426)
Total accumulated depreciation/amortization	(34,448,563)	(3,492,187)	8,363,735	-	(29,577,015)
Total capital assets being depreciated/amortized	25,471,371	3,557,111	(994,839)	247,147	28,280,790
Governmental activities capital assets	\$ 52,104,459	\$ 3,564,898	\$(5,092,499)	\$ -	\$ 50,576,858

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Notes to Basic Financial Statements
Year ended June 30, 2024

Business-type Activities:

	Balance				Balance
	July 1, 2023	Additions	Deletions	Transfers	June 30, 2024
Capital assets not being depreciated/amortized:					
Land and land improvements	\$ 58,992,131	\$ -	\$ -	\$ -	\$ 58,992,131
Construction in progress	5,896,215	6,161,982	-	(2,093,586)	9,964,611
Total capital assets not being depreciated/amortized	<u>64,888,346</u>	<u>6,161,982</u>	<u>-</u>	<u>(2,093,586)</u>	<u>68,956,742</u>
Capital assets being depreciated/amortized:					
Buildings and improvements	221,893,746	7,159,122	-	2,093,586	231,146,454
Equipment	3,169,744	-	(17,140)	-	3,152,604
Right-to-use software arrangements	340,218	218,398	(48,479)	-	510,137
Total capital assets being depreciated/amortized	<u>225,403,708</u>	<u>7,377,520</u>	<u>(65,619)</u>	<u>2,093,586</u>	<u>234,809,195</u>
Less accumulated depreciation/amortization for:					
Buildings and improvements	(155,979,842)	(5,675,927)	-	-	(161,655,769)
Equipment	(2,314,405)	(309,661)	17,140	-	(2,606,926)
Right-to-use software arrangements	(84,791)	(147,583)	48,479	-	(183,895)
Total accumulated depreciation/amortization	<u>(158,379,038)</u>	<u>(6,133,171)</u>	<u>65,619</u>	<u>-</u>	<u>(164,446,590)</u>
Total capital assets being depreciated/amortized	<u>67,024,670</u>	<u>1,244,349</u>	<u>-</u>	<u>2,093,586</u>	<u>70,362,605</u>
Business-type activities capital assets	<u>\$ 131,913,016</u>	<u>\$ 7,406,331</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 139,319,347</u>

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

Governmental activities:

General government	\$ 375,574
Federal housing and community development	266,621
Local housing and community development	301,135
Capital assets held by LACDA's internal service funds	<u>2,548,857</u>
Total depreciation/amortization expenses - governmental activities	<u>\$ 3,492,187</u>

Business-type activities:

Public housing	\$ 5,528,550
Other housing	457,038
Section 8 program	<u>147,583</u>
Total depreciation/amortization expenses - business-type activities	<u>\$ 6,133,171</u>

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**Notes to Basic Financial Statements
Year ended June 30, 2024**

(8) Long-term Debt

Long-term debt activity for the year ended June 30, 2024, were as follows:

	Balance, July 1, 2023	Additions	Deletions	Balance, June 30, 2024	Due within one year
Governmental activities:					
General revenue bonds	\$ 31,105,000	\$ -	\$ (675,000)	\$ 30,430,000	705,000
Unamortized premium on bonds payable	3,608,060	-	(41,698)	3,566,362	-
Lease liability	75,634	71,319	(81,300)	65,653	12,774
Subscription liability	1,292,092	4,326,544	(1,546,064)	4,072,572	1,402,915
Direct borrowing:					
Section 108 notes payable	13,446,000	-	(1,398,000)	12,048,000	1,102,000
Total	<u>\$ 49,526,786</u>	<u>\$ 4,397,863</u>	<u>\$ (3,742,062)</u>	<u>\$ 50,182,587</u>	<u>\$ 3,222,689</u>
Business-type activities:					
Subscription liability	\$ 242,815	\$ 218,398	\$ (115,549)	\$ 345,664	\$ 124,262
Direct borrowing:					
Notes payable	2,200,000	-	-	2,200,000	-
Total	<u>\$ 2,442,815</u>	<u>\$ 218,398</u>	<u>\$ (115,549)</u>	<u>\$ 2,545,664</u>	<u>\$ 124,262</u>

(a) 2022 LACDA General Revenue Bonds

On April 21, 2022, LACDA issued \$31,140,000 in General Revenue Bonds to be used to refund and redeem all the outstanding Community Development Properties Los Angeles County, Inc. 2011 Lease Revenue Bonds for LACDA’s headquarter office building evidencing a lease and rental obligation. These bonds were issued with an interest rate between 4% to 5% and with a premium of \$3,630,967 which will be amortized over the 20-year bond term. The residual proceeds will be used by LACDA to fund renewable energy generation improvements, energy management systems and office renovations.

The LACDA’s outstanding bonds payable related to governmental activities of \$30,430,000 contain a provision that in an event of default, the timing of repayment of outstanding amounts become immediately due.

(b) Section 108 Notes Payable

The purpose of these debts is to finance eligible community and economic development activities for the County and certain applicable cities located in Los Angeles County. 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 \$12,048,000 contain a provision that in an event of default, outstanding amounts become immediately due. Interest rate on these notes is ranging from 2.85% to 5.50% with various maturity dates through August 1, 2039.

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Notes to Basic Financial Statements
Year ended June 30, 2024

(c) Lease Liability

Lease agreements are summarized as follows:

Describe	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance June 30, 2024
Enterprise Fleet Management Services	1/1/2024	5 Years	\$ 16,477	7.83%	\$ 71,319	\$ 65,653
Total Lease Agreements						<u>\$ 65,653</u>

The vehicles were leased from Enterprise Fleet Management, Inc. for LACDA’s Fleet Management Services, beginning on January 1, 2024, for a term of five years. The 7.83% interest rate is an average rate provided by Enterprise. This lease is not renewable and LACDA will not acquire the vehicles at the end of the lease term.

(d) Subscription Liability

Subscription-based information technology arrangement (SBITA) agreements are summarized as follows:

Describe	Date	Payment Terms	Payment Amount	Interest Rate	Total Subscription Liability	Balance June 30, 2024
3DI Preservation Database	1/9/2020	6 Years	\$ 45,000	5.00%	\$ 115,599	\$ 55,782
Emphasys Housing Database and Website Services	7/1/2021	5 Years	237,834	5.00%	898,472	544,078
eSkill Pre-Employment Assessment Services	9/1/2022	5 Years	7,500	5.00%	32,471	20,424
Nan McKay Rent Comparable System	7/1/2022	5 Years	62,400	5.00%	291,739	189,444
RBAS People Geographic Information Systems	10/1/2021	5 Years	70,763	5.00%	218,398	156,221
HKA Project Tracking Software and Database	11/1/2022	5 Years	42,671	5.00%	315,207	225,944
Yardi Public Housing & Section 8 Administration Software	9/1/2023	5 Years	499,137	5.62%	2,420,293	1,921,156
Crayon Microsoft Enterprise Volume Licensing Services	9/1/2023	3 Years	595,895	5.62%	1,798,737	1,202,842
Data Tree Internet Based Real Estate Property Data Services	3/1/2024	5 Years	24,600	5.62%	107,514	102,345
Total SBITA Agreements						<u>\$ 4,418,236</u>

The SBITA agreements are non-renewable upon the conclusion of each respective contract term. None of these agreements specified an explicit interest rate. Therefore, for the contracts executed prior to fiscal year 2023-2024, an interest rate of 5% was used based on the existing prime rate at the beginning of the fiscal year. For contracts executed in fiscal year 2023-2024, a 5.62% interest rate is used based on LACDA’s borrowing rate for its other long-term debts.

Each of these SBITA agreements provides distinct functions and they are described as follows:

- The preservation database was contracted with 3DI, Inc. for rent control ordinance and creating an affordable housing preservation database to track and preserve affordable housing units within a jurisdiction that is subject to rent control regulations.
- The agreement with Emphasys Computer Solutions, Inc. facilitates access to a housing locator system. This system seeks to optimize access to affordable housing databases and market data, thereby expanding housing opportunities for the community.

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- The pre-employment assessment was contracted with eSkill Corporation to provide the most relevant pre-employment tests for selection of candidates which help organizations simplify and streamline their recruitment process and enhance the quality of hires.
- The rent comparable system was contracted with Nan McKay and Associates, Inc., that provides housing agencies with immediate access to comparable rental data, which simplifies the process of calculating Housing Assistance payments and creating HUD-compliant rent reasonable reports.
- The geographic information system (GIS) software was contracted with RBAS People, LLC. The system allows for the automatic scheduling of annual and re-inspections and provides itineraries and maps to housing inspectors.
- The project tracking software and database was contracted with HKA Global, Inc., for the Construction Management unit to utilize the eComply software from PMWeb to manage its construction projects in ensuring the compliance prevailing wage, labor agreement, and workforce and participation management.
- The public housing and Section 8 administration software was contracted with Yardi Systems, Inc. Yardi provides software solutions for managing and administrating the housing programs and ensuring regulatory compliance.
- The Microsoft Enterprise Volume Licensing Services has contracted with Crayon Software Experts LLC to provide organizations with flexible and scalable licensing solutions for Microsoft products and services.
- The internet based real estate property data services was contracted with First American Data Tree, LLC. It provides comprehensive and detailed information about real estate properties which utilizes data from various sources to compile a comprehensive report about a specific property or a group of properties.

(e) Note Payable to Department of Housing and Community Development

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

The LACDA's outstanding note payable related to business-type activities of \$2,200,000 contain a provision that in an event of default, outstanding amounts become immediately due. Per the promissory note, this is a non-interest bearing note and no payment installments are required but rather the full amount of debt be repaid by LACDA on August 13, 2081.

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Notes to Basic Financial Statements
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(f) Annual Debt Service Requirements

Annual debt service requirements to maturity for the general revenue bonds and the unamortized premium on bonds payable (governmental activities) are as follows:

	Principal	Interest	Unamortized Premium	Total
Fiscal year ending June 30:				
2025	\$ 705,000	\$ 1,403,725	\$ 59,244	\$ 2,167,969
2026	745,000	1,367,475	77,366	2,189,841
2027	790,000	1,329,100	97,186	2,216,286
2028	835,000	1,288,475	116,321	2,239,796
2029	870,000	1,245,850	134,675	2,250,525
2030-2034	6,310,000	5,449,250	1,230,321	12,989,571
2035-2039	10,160,000	3,323,500	1,524,896	15,008,396
2040-2043	10,015,000	820,900	326,353	11,162,253
	<u>\$ 30,430,000</u>	<u>\$ 16,228,275</u>	<u>\$ 3,566,362</u>	<u>\$ 50,224,637</u>

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

	Principal	Interest	Total
Fiscal year ending June 30:			
2025	\$ 1,102,000	\$ 441,978	\$ 1,543,978
2026	1,144,000	508,513	1,652,513
2027	729,000	470,017	1,199,017
2028	757,000	435,506	1,192,506
2029	760,000	400,013	1,160,013
2030-2034	3,893,000	1,443,906	5,336,906
2035-2039	3,628,000	473,586	4,101,586
2040	35,000	996	35,996
	<u>\$ 12,048,000</u>	<u>\$ 4,174,515</u>	<u>\$ 16,222,515</u>

Annual debt service requirements to maturity for the lease liability obligations and related interest are as follows:

	Principal	Interest	Total
Fiscal year ending June 30:			
2025	\$ 12,774	\$ 4,648	\$ 17,422
2026	12,789	3,688	16,477
2027	13,827	2,650	16,477
2028	14,950	1,527	16,477
2029	11,313	354	11,667
	<u>\$ 65,653</u>	<u>\$ 12,867</u>	<u>\$ 78,520</u>

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**Notes to Basic Financial Statements
Year ended June 30, 2024**

Annual debt service requirements to maturity for the subscription liability obligations and related interest are as follows:

	Principal	Interest	Total
Fiscal year ending June 30:			
2025	\$ 1,527,177	\$ 238,674	\$ 1,765,851
2026	1,598,985	148,980	1,747,965
2027	700,172	68,643	768,815
2028	575,842	32,679	608,521
2029	16,060	340	16,400
	<u>\$ 4,418,236</u>	<u>\$ 489,316</u>	<u>\$ 4,907,552</u>

(9) Compensated Absences

During the fiscal year end June 30, 2024, in addition to the Section 108 notes payable, general revenue bonds, lease and subscription liabilities in Note 8, 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:

	Balance, July 1, 2023	Additions	Deletions	Balance, June 30, 2024	Due within one year
<u>Governmental activities:</u>					
Compensated absences	\$ 1,931,969	\$ 1,929,626	\$ (1,689,972)	\$ 2,171,623	\$ 1,954,461
Total	<u>\$ 1,931,969</u>	<u>\$ 1,929,626</u>	<u>\$ (1,689,972)</u>	<u>\$ 2,171,623</u>	<u>\$ 1,954,461</u>
<u>Business-type activities:</u>					
Compensated absences	\$ 1,357,846	\$ 1,087,811	\$ (1,206,159)	\$ 1,239,498	\$ 1,115,548
Total	<u>\$ 1,357,846</u>	<u>\$ 1,087,811</u>	<u>\$ (1,206,159)</u>	<u>\$ 1,239,498</u>	<u>\$ 1,115,548</u>

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.

(10) Interfund receivables, payables, and transfers

The composition of interfund balances as of June 30, 2024, is as follows:

Receivable Fund	Amount	Payable Fund	Amount
Advances to/from General Fund	<u>\$ 3,539,156</u>	Public Housing Proprietary Fund	\$ 437,233
		Other Housing Proprietary Fund	124,669
		Section 8 program	<u>2,977,254</u>
			<u>\$ 3,539,156</u>

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

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Notes to Basic Financial Statements
Year ended June 30, 2024

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	\$ 3,539,156
Total advances	<u>\$ 3,539,156</u>

The composition of interfund transfers for the year ended June 30, 2024, is as follows:

<u>Funds</u>	<u>Transfer in</u>	<u>Transfer out</u>
Governmental Funds:		
General fund	\$ 2,070,160	\$ -
Federal housing and community development	-	2,469,709
Other federal	9,718	-
Local housing and community development	-	633,886
Proprietary Funds:		
Public housing	2,532,389	-
Other housing	-	715,114
Section 8 program	-	793,558
Total	<u>\$ 4,612,267</u>	<u>\$ 4,612,267</u>

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 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, 2024

The Plans' provisions and benefits in effect at June 30, 2024, 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%	8.250%
Required employer contribution rates	9.020%	9.020%

Employees Covered – At June 30, 2024, the following employees were covered by the benefit terms of the Plan:

Inactive employees or beneficiaries currently receiving benefits	601
Inactive employees entitled to but not yet receiving benefits	872
Active employees	<u>558</u>
Total	<u><u>2,031</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, 2023, using an annual actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023, 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, 2024

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

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-age normal cost method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.80%
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 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

Change of Assumptions – In 2023, there were no changes in assumptions and the discount rate remained at 6.90%.

Discount Rate – The discount rate used to measure the total pension liability was 6.90% 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 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. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

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Notes to Basic Financial Statements Year ended June 30, 2024

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

Asset Class	Current Target Allocation	Real Return (a) (b)
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

^(a) An expected inflation of 2.3% used for this period.

^(b) Figures are based on the 2021 Asset Liability Management study.

Subsequent Events – During the time period between the valuation date and the publication of the GASB 68 accounting valuation report, price inflation has been higher than the assumed rate of 2.3% per annum. Since inflation influences cost of living adjustments for retirees and beneficiaries and active member pay increases, higher inflation is likely to put at least some upward pressure on the pension expense and the net pension liability in future valuations. The actual impact of higher inflation on future valuation results will depend on, among other factors, how long higher inflation persists. At this time, we continue to believe the long-term price inflation assumption of 2.3% per annum is appropriate.

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**Notes to Basic Financial Statements
Year ended June 30, 2024**

(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 6/30/2022	\$ 338,729,200	\$ 274,672,009	\$ 64,057,191
Changes Recognized for the Measurement Period:			
Service Cost	7,012,297	-	7,012,297
Interest on the Total Pension Liability	23,216,328	-	23,216,328
Differences between Expected and Actual Experiences	1,143,398	-	1,143,398
Changes of Assumptions	-	-	-
Contributions from the Employer	-	8,733,591	(8,733,591)
Contributions from the Employee	-	3,370,307	(3,370,307)
Net Investment Income	-	17,060,170	(17,060,170)
Benefit Payments, including Refunds of Employee Contributions	(13,820,443)	(13,820,443)	-
Administrative Expense	-	(201,981)	201,981
Net Changes during 2022-2023	17,551,580	15,141,644	2,409,936
Balance at 6/30/2023	\$ 356,280,780	\$ 289,813,653	\$ 66,467,127

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 (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Net pension liability	\$ 117,568,417	\$ 66,467,127	\$ 24,513,405

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

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Notes to Basic Financial Statements
Year ended June 30, 2024

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

For the fiscal year ended June 30, 2024, LACDA recognized pension expense of \$14,143,268. At June 30, 2024, 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	\$ 7,901,235	\$ -
Difference between actual and expected experience	786,086	550,108
Changes in assumptions	3,822,914	-
Net Differences between projected and actual earnings on plan investments	13,093,807	-
	<u>\$ 25,604,042</u>	<u>\$ 550,108</u>

Deferred outflows of resources totaling \$7,901,235 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, 2025.

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:	
2025	\$ 5,450,488
2026	2,268,996
2027	9,073,058
2028	360,157
	<u>\$ 17,152,699</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, 2024

(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, 2023 actuarial valuation, the following employees were covered by the benefit terms of the OPEB Plan:

Active employees	546
Inactive employees or beneficiaries currently receiving benefits	209
Inactive employees entitled to but not yet receiving benefits	<u>-</u>
Total	<u><u>755</u></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, 2024, LACDA’s cash contributions were \$1,063,155 in payments to the trust and to the providers for the retiree’s insurance premium, and the estimated implied subsidy was \$247,149 resulting in total payments of \$1,310,304.

(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, 2023, using an annual actuarial valuation as of June 30, 2023 to determine the June 30, 2023 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, 2024

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

Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Actuarial Assumptions:	
Discount Rate	6.00%
Inflation	2.75%
Salary Increase	2.75% per annum, plus merit scale
Investment Rate of Return	6.00%
Mortality Rate	Derived using CalPERS' Membership data for all Funds
Pre-Retirement Turnover	Derived using CalPERS' Membership data for all Funds
Healthcare Trend Rate	8.00% HMO/8.00% PPO decreasing to 4.50% HMO/4.50% PPO

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 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 expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These expected future real rates are combined to produce the long-term expected rate of return by weighting them based on the target asset allocation percentage and by adding expected inflation. The best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation effective October 2022 is summarized in the following table:

Asset Class	Long-Term	
	Target Allocation	Expected Real Rate of Return
Global Equity	49.00%	N/A
Fixed Income	23.00%	N/A
Treasury Inflation-Protected Securities (TIPS)	5.00%	N/A
Commodities	3.00%	N/A
Real Estate Investment Trusts (REITS)	20.00%	N/A
Total	100.00%	6.00%

Change of Assumptions – In 2023, there were no changes in assumptions and the discount rate remained at 6.00%.

Discount Rate – The discount rate used to measure the total OPEB liability was 6.00%. The projection of cash flows used to determine the discount rate assumed that LACDA's contributions will be made at rates equal to 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

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Notes to Basic Financial Statements
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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/Asset

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

	Increase (Decrease)		
	Total OPEB Liability (Asset)	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at 6/30/2022	\$ 29,668,571	\$ 28,189,444	\$ 1,479,127
Changes Recognized for the Measurement Period:			
Service Cost	936,298	-	936,298
Interest on the Total OPEB Liability	1,799,927	-	1,799,927
Differences between Expected and Actual Experiences	(443,370)	-	(443,370)
Changes of Assumptions	(4,115,714)	-	(4,115,714)
Contributions from the Employer	-	1,346,444	(1,346,444)
Net Investment Income	-	1,810,993	(1,810,993)
Benefit Payments, including Refunds of Employee Contributions	(1,230,102)	(1,230,102)	-
Administrative Expense	-	(8,188)	8,188
Net Changes during 2022-2023	(3,052,961)	1,919,147	(4,972,108)
Balance at 6/30/2023	<u>\$ 26,615,610</u>	<u>\$ 30,108,591</u>	<u>\$ (3,492,981)</u>

Sensitivity of the Net OPEB Liability/Asset to Changes in the Discount Rate – The following presents the net OPEB liability/asset of the LACDA, calculated using the discount rate of 6.00%, as well as what LACDA’s net OPEB liability/asset 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 (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Net OPEB liability (asset)	\$ 57,685	\$ (3,492,981)	\$ (6,451,250)

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**Notes to Basic Financial Statements
Year ended June 30, 2024**

Sensitivity of the Net OPEB Liability/Asset to Changes in the Health Care Cost Trend Rates – The following presents the net OPEB liability/asset 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	Current Healthcare Cost Trend Rates Rate	1% Increase
	(7.00%HMO/7.00%PPO decreasing to 3.50%HMO/3.50%PPO)	(8.00%HMO/8.00%PPO decreasing to 4.50%HMO/4.50%PPO)	(9.00%HMO/9.00%PPO decreasing to 5.50%HMO/5.50%PPO)
Net OPEB liability (asset)	\$ (7,011,829)	\$ (3,492,981)	\$ 926,021

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, 2024, the LACDA recognized OPEB expense of \$1,169,244. At June 30, 2024, 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	\$ 1,063,155	\$ -
Difference between actual and expected experience	348,359	4,822,474
Changes in assumptions	4,133,682	3,704,143
Net Differences between projected and actual earnings on OPEB plan investments	2,003,497	-
	<u>\$ 7,548,693</u>	<u>\$ 8,526,617</u>

Deferred outflows of resources totaling \$1,063,155 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, 2025.

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:	
2025	\$ 83,207
2026	(82,399)
2027	923,870
2028	(390,646)
2029	(850,331)
Thereafter	(1,724,780)
	<u>\$ (2,041,079)</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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Notes to Basic Financial Statements Year ended June 30, 2024

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, 2024:

Fund assets (at fair value), July 1, 2023	\$ 87,467,017
Deferrals of compensation	4,987,583
Earnings and increase (decrease) in fair value of investments	12,629,303
Payments to eligible participants and beneficiaries	<u>(5,787,614)</u>
Fund assets (at fair value), June 30, 2024	<u>\$ 99,296,289</u>

(14) 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 \$564,728,679. Life-to-date, the LACDA has drawn down funds approximating \$391,666,641, against the line of credit, to cover its grant programs' activities, leaving available funds of approximately \$173,062,038 at June 30, 2024. 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, 2024

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, 2024, significant remaining commitments are as follows:

Project	Contract Amount	Spent-to-Date	Remaining Commitment
Metro at Florence	\$ 7,000,000	\$ 6,500,000	\$ 500,000
1st and Rowan Apartments	10,840,000	10,332,042	507,958
Ambrosia	12,100,000	11,568,715	531,285
2111 Firestone	6,120,000	5,346,303	773,697
Pilgrim Place	4,710,000	3,910,725	799,275
Marian Place	3,155,000	1,989,188	1,165,812
Nueva Maravilla	2,656,408	1,381,067	1,275,341
Lincoln Ave Senior Apartments	11,250,000	9,900,000	1,350,000
Juniper Grove Apartments	13,680,000	12,262,000	1,418,000
3rd and Dangler	7,000,000	5,580,169	1,419,831
Normandie Rosemont Apartments	7,840,000	6,353,483	1,486,517
Avalon 1355	10,180,000	8,568,326	1,611,674
2052 Lake Avenue	7,000,000	5,251,323	1,748,677
Confianza	9,020,000	6,348,328	2,671,672
600 San Pedro	15,000,000	11,173,685	3,826,315
Montesquieu Manor	10,074,000	6,239,086	3,834,914
803 5th Street	17,000,000	12,600,000	4,400,000
600 San Pedro 2	15,000,000	9,535,757	5,464,243
Rousseau Residences	9,942,000	3,639,434	6,302,566
	<u>\$ 179,567,408</u>	<u>\$ 138,479,631</u>	<u>\$ 41,087,777</u>

(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 \$6,914,040 of which \$6,222,636 is considered noncurrent, for the estimated liability for payment of incurred (both reported and unreported) but unpaid claims at June 30, 2024. 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, 2024, and June 30, 2023. 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.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Notes to Basic Financial Statements Year ended June 30, 2024

During the fiscal years 2024 and 2023, the changes in the self-insurance liability were as follows:

	<u>2024</u>	<u>2023</u>
Beginning balance	\$ 6,914,040	\$ 3,525,540
Additions	4,013,546	7,250,541
Payments	(4,013,546)	(3,862,041)
Ending balance	<u>\$ 6,914,040</u>	<u>\$ 6,914,040</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.

(19) Subsequent Events

The LACDA has evaluated events subsequent to June 30, 2024, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through November 15, 2024, 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.

REQUIRED SUPPLEMENTARY INFORMATION



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, 2024**

	Budget		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 9,824,727	\$ 5,206,351	\$ 4,666,116	\$ (540,235)
Charges for services	12,797,682	13,058,082	18,030,551	4,972,469
Rentals	504,572	609,572	770,722	161,150
Investment income (loss)	2,639,067	2,211,567	26,277,410	24,065,843
Contributions	-	-	1,016,768	1,016,768
Other revenues	-	-	10,400,952	10,400,952
Total revenues	<u>25,766,048</u>	<u>21,085,572</u>	<u>61,162,519</u>	<u>40,076,947</u>
Expenditures:				
Current:				
General government	6,757,712	6,209,110	841,228	5,367,882
Housing	14,219,962	16,536,764	13,973,447	2,563,317
Economic development	7,404,572	942,072	500,194	441,878
Community development	3,258,087	3,034,911	1,965,854	1,069,057
Capital outlay	117,800	117,800	115,301	2,499
Debt service:				
Principal	-	103,000	40,330	62,670
Interest	-	5,000	3,370	1,630
Total expenditures	<u>31,758,133</u>	<u>26,948,657</u>	<u>17,439,724</u>	<u>9,508,933</u>
Excess (deficiency) of revenues over expenditures	<u>(5,992,085)</u>	<u>(5,863,085)</u>	<u>43,722,795</u>	<u>49,585,880</u>
Other financing sources (uses):				
Loss due to lease termination	-	-	(218,490)	(218,490)
Subscription revenues	-	-	107,514	107,514
Transfers in	5,992,085	5,863,085	2,070,160	(3,792,925)
Net other financing sources (uses)	<u>5,992,085</u>	<u>5,863,085</u>	<u>1,959,184</u>	<u>(3,903,901)</u>
Change in fund balance	-	-	45,681,979	45,681,979
Fund balance at beginning of year	<u>69,243,605</u>	<u>69,243,605</u>	<u>69,243,605</u>	<u>-</u>
Fund balance at end of year	<u>\$ 69,243,605</u>	<u>\$ 69,243,605</u>	<u>\$ 114,925,584</u>	<u>\$ 45,681,979</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, 2024**

	Budget		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 61,946,476	\$ 62,098,076	\$ 41,327,646	\$ (20,770,430)
Charges for services	-	-	19,437	19,437
Rentals	-	-	7,640	7,640
Investment income	-	-	927,493	927,493
Other revenues	235,028	235,028	416,608	181,580
Total revenues	<u>62,181,504</u>	<u>62,333,104</u>	<u>42,698,824</u>	<u>(19,634,280)</u>
Expenditures:				
Current:				
Housing	26,576,299	30,871,894	24,416,724	6,455,170
Community development	31,812,885	27,510,890	25,958,361	1,552,529
Capital outlay	2,200,000	2,200,000	2,146,739	53,261
Debt service:				
Principal	872,000	1,145,320	1,398,000	(252,680)
Interest	720,320	605,000	603,476	1,524
Total expenditures	<u>62,181,504</u>	<u>62,333,104</u>	<u>54,523,300</u>	<u>7,809,804</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(11,824,476)</u>	<u>(11,824,476)</u>
Other financing sources (uses):				
Transfers out	<u>-</u>	<u>-</u>	<u>(322,970)</u>	<u>(322,970)</u>
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(322,970)</u>	<u>(322,970)</u>
Change in fund balance	<u>-</u>	<u>-</u>	<u>(12,147,446)</u>	<u>(12,147,446)</u>
Fund balance at beginning of year	<u>12,705,593</u>	<u>12,705,593</u>	<u>12,705,593</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 12,705,593</u></u>	<u><u>\$ 12,705,593</u></u>	<u><u>\$ 558,147</u></u>	<u><u>\$ (12,147,446)</u></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, 2024

	Budget		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 14,450,433	\$ 31,132,433	\$ 24,268,522	\$ (6,863,911)
Charges for services	-	-	1,894	1,894
Investment income	43,300	93,300	370,369	277,069
Total revenues	<u>14,493,733</u>	<u>31,225,733</u>	<u>24,640,785</u>	<u>(6,584,948)</u>
Expenditures:				
Current:				
Housing	6,736,636	3,806,633	3,161,963	644,670
Economic development	43,300	93,300	84,353	8,947
Community development	7,713,797	27,325,800	24,996,159	2,329,641
Total expenditures	<u>14,493,733</u>	<u>31,225,733</u>	<u>28,242,475</u>	<u>2,983,258</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(3,601,690)</u>	<u>(3,601,690)</u>
Other financing sources (uses):				
Transfers in	<u>-</u>	<u>-</u>	<u>9,718</u>	<u>9,718</u>
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>9,718</u>	<u>9,718</u>
Change in fund balance	<u>-</u>	<u>-</u>	<u>(3,591,972)</u>	<u>(3,591,972)</u>
Fund balance at beginning of year	<u>8,652,969</u>	<u>8,652,969</u>	<u>8,652,969</u>	<u>-</u>
Fund balance at end of year	<u>\$ 8,652,969</u>	<u>\$ 8,652,969</u>	<u>\$ 5,060,997</u>	<u>\$ (3,591,972)</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, 2024**

	Budget		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 280,285,407	\$ 244,732,877	\$ 290,073,724	\$ 45,340,847
Charges for services	462,900	3,567,000	924,363	(2,642,637)
Investment income	5,204,780	5,544,780	9,208,353	3,663,573
Other revenues	14,800	-	-	-
Total revenues	<u>285,967,887</u>	<u>253,844,657</u>	<u>300,206,440</u>	<u>46,361,783</u>
Expenditures:				
Current:				
Housing	281,649,846	242,682,612	213,818,356	28,864,256
Economic development	70,680	1,094,680	1,053,277	41,403
Community development	1,037,052	6,332,052	5,584,673	747,379
Traffic services	3,210,309	3,210,313	2,455,297	755,016
Debt service:				
Principal	-	35,000	182,916	(147,916)
Interest	-	-	25,396	(25,396)
Total expenditures	<u>285,967,887</u>	<u>253,354,657</u>	<u>223,119,915</u>	<u>30,234,742</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>490,000</u>	<u>77,086,525</u>	<u>76,596,525</u>
Other financing sources (uses):				
Transfers out	-	(490,000)	(633,886)	(143,886)
Net other financing sources (uses)	-	(490,000)	(633,886)	(143,886)
Change in fund balance	-	-	76,452,639	76,452,639
Fund balance at beginning of year	<u>524,227,289</u>	<u>524,227,289</u>	<u>524,227,289</u>	<u>-</u>
Fund balance at end of year	<u>\$ 524,227,289</u>	<u>\$ 524,227,289</u>	<u>\$ 600,679,928</u>	<u>\$ 76,452,639</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, 2024**

	Budget		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 236,800	\$ 236,800	\$ 46,226	\$ (190,574)
Charges for services	-	-	8,618	8,618
Investment income	-	-	239,179	239,179
Total revenues	<u>236,800</u>	<u>236,800</u>	<u>294,023</u>	<u>57,223</u>
Expenditures:				
Current:				
Housing	<u>236,800</u>	<u>236,800</u>	<u>140,292</u>	<u>96,508</u>
Total expenditures	<u>236,800</u>	<u>236,800</u>	<u>140,292</u>	<u>96,508</u>
Change in fund balance	-	-	153,731	153,731
Fund balance at beginning of year	<u>9,796,799</u>	<u>9,796,799</u>	<u>9,796,799</u>	<u>-</u>
Fund balance at end of year	<u>\$ 9,796,799</u>	<u>\$ 9,796,799</u>	<u>\$ 9,950,530</u>	<u>\$ 153,731</u>

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

Year ended June 30, 2024

(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, 2024

(2) Additional Pension Information

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

Measurement Date of June 30,	Last Ten Years									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:										
Service Cost	\$ 7,012,297	\$ 6,698,420	\$ 5,745,188	\$ 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	23,216,328	22,059,245	21,174,641	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	1,143,398	(1,466,954)	804,178	2,492,999	3,343,450	(1,368,676)	599,428	232,779	(1,060,307)	-
Changes in assumptions	-	10,194,440	-	-	-	(2,851,868)	15,801,836	-	(4,135,536)	-
Benefit payments, including refunds of employee contributions	(13,820,443)	(12,756,951)	(12,390,125)	(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	17,551,580	24,728,200	15,333,882	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	338,729,200	314,001,000	298,667,118	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)	\$ 356,280,780	\$ 338,729,200	\$ 314,001,000	\$ 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	\$ 8,733,591	\$ 6,797,229	\$ 5,615,368	\$ 4,816,329	\$ 4,161,151	\$ 3,611,401	\$ 3,528,385	\$ 3,511,537	\$ 2,285,548	\$ 2,283,753
Contributions - employee	3,370,307	3,061,183	2,867,296	2,839,782	2,682,042	2,619,662	2,523,028	2,588,047	2,447,451	2,738,370
Net investment income	17,060,170	(22,614,216)	55,785,141	12,036,510	14,904,211	17,970,975	21,715,192	995,011	4,318,628	29,150,178
Benefit payments	(13,820,443)	(12,756,951)	(12,390,125)	(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	(201,981)	(187,114)	(248,479)	(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	15,141,644	(25,699,869)	51,629,201	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	274,672,009	300,371,878	248,742,677	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)	\$ 289,813,653	\$ 274,672,009	\$ 300,371,878	\$ 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)	\$ 66,467,127	\$ 64,057,191	\$ 13,629,122	\$ 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	81.34%	81.09%	95.66%	83.28%	85.45%	86.72%	84.52%	87.53%	93.41%	95.96%
Covered payroll	\$ 43,554,642	\$ 41,630,948	\$ 39,594,678	\$ 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	152.61%	153.87%	34.42%	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, 2024

Notes to Schedule:

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

In 2022, SB1168 increased the standard retiree lumpsum death benefit from \$500 to \$2,000 for any death occurring on or after July 1, 2023. The impact, if any, is included in the changes of benefit terms.

Changes in assumption – There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (June 30, 2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016, and 7.50% for measurement date June 30, 2014.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

Year ended June 30, 2024

(b) Schedule of Contributions

	Last Ten Years									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contributions	\$ 7,901,235	\$ 8,596,075	\$ 6,799,052	\$ 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	(7,901,235)	(8,596,075)	(6,799,052)	(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	\$ 45,014,244	\$ 43,554,642	\$ 41,630,948	\$ 39,594,678	\$ 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	17.55%	19.74%	16.33%	14.18%	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 2023-24 were from the June 30, 2021 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 20-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 20-year amortization period for gains and losses.
Inflation	2.30% compounded annually
Salary increases	Varies by Entry age and Service
Payroll Growth	2.75% compounded annually
Investment rate of return	7.00% compounded annually (net of expenses)
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions for the period from 2001 to 2019.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions for the period from 2001 to 2019. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2021 published by the Society of Actuaries.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

Year ended June 30, 2024

(3) Additional Other Postemployment Benefits (OPEB) Information

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

Measurement Date of June 30,	Last Ten Years *						
	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:							
Service Cost	\$ 936,298	\$ 748,243	\$ 868,462	\$ 909,559	\$ 601,214	\$ 583,703	\$ 545,518
Interest on total OPEB liability	1,799,927	1,865,557	1,939,265	2,005,552	1,599,935	1,519,491	1,436,483
Differences between expected and actual experience	(443,370)	(1,539,220)	(2,589,121)	(2,700,336)	783,804	-	-
Changes in assumptions	(4,115,714)	3,278,353	543	-	3,562,843	-	-
Benefit payments, including refunds of employee contributions	(1,230,102)	(1,154,345)	(1,149,538)	(1,092,688)	(1,049,052)	(893,928)	(774,789)
Net change in total OPEB liability	(3,052,961)	3,198,588	(930,389)	(877,913)	5,498,744	1,209,266	1,207,212
Total OPEB liability - beginning	29,668,571	26,469,983	27,400,372	28,278,285	22,779,541	21,570,275	20,363,063
Total OPEB liability - ending (a)	\$ 26,615,610	\$ 29,668,571	\$ 26,469,983	\$ 27,400,372	\$ 28,278,285	\$ 22,779,541	\$ 21,570,275
Plan Fiduciary Net Position:							
Contributions - employer	\$ 1,346,444	\$ 1,486,203	\$ 1,868,358	\$ 2,651,321	\$ 1,100,201	\$ 1,281,968	\$ 1,241,648
Net investment income	1,810,993	(4,309,230)	6,783,499	789,365	1,291,178	1,522,386	1,781,325
Benefit payments	(1,230,102)	(1,154,345)	(1,149,538)	(1,092,688)	(1,049,052)	(893,928)	(774,789)
Administrative expense	(8,188)	(8,149)	(9,339)	(10,915)	(4,497)	(10,195)	(9,055)
Other expense	-	-	-	-	-	(25,305)	-
Net change in plan fiduciary net position	1,919,147	(3,985,521)	7,492,980	2,337,083	1,337,830	1,874,926	2,239,129
Plan fiduciary net position - beginning	28,189,444	32,174,965	24,681,985	22,344,902	21,007,072	19,132,146	16,893,017
Plan fiduciary net position - ending (b)	\$ 30,108,591	\$ 28,189,444	\$ 32,174,965	\$ 24,681,985	\$ 22,344,902	\$ 21,007,072	\$ 19,132,146
Net OPEB liability (asset) - ending (a)-(b)	\$ (3,492,981)	\$ 1,479,127	\$ (5,704,982)	\$ 2,718,387	\$ 5,933,383	\$ 1,772,469	\$ 2,438,129
Plan fiduciary net position as a percentage of the total OPEB liability	113.12%	95.01%	121.55%	90.08%	79.02%	92.22%	88.70%
Covered-employee payroll	\$ 38,251,096	\$ 43,635,535	\$ 42,467,674	\$ 40,783,023	\$ 39,691,507	\$ 35,947,478	\$ 35,721,075
Net OPEB liability (asset) as percentage of covered-employee payroll	-9.13%	3.39%	-13.43%	6.67%	14.95%	4.93%	6.83%

Notes to Schedule:

Changes in assumption - In 2023, there were no changes in discount rate. In 2022, the discounted rate was reduced from 7.00% to 6.00%. In 2018 - 2021, 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 seven years are shown.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

Year ended June 30, 2024

(b) Schedule of Contributions

	Last Ten Years*						
	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contributions	\$ 1,063,155	\$ 1,029,217	\$ 1,203,253	\$ 1,575,146	\$ 2,348,739	\$ 863,366	\$ 1,078,833
Contributions in relation to the actuarially determined contributions	(1,063,155)	(1,029,217)	(1,203,253)	(1,575,146)	(2,348,739)	(863,366)	(1,078,833)
Contributions deficiency (excess)	-	-	-	-	-	-	-
Covered-employee payroll	\$ 41,775,399	\$ 38,251,096	\$ 43,635,535	\$ 42,467,674	\$ 40,783,023	\$ 39,691,507	\$ 35,947,478
Contributions as a percentage of covered-employee payroll	2.54%	2.69%	2.76%	3.71%	5.76%	2.18%	3.00%

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2023-24 were from the June 30, 2022 actuarial valuation.

Actuarial Cost Method	Entry age normal
Amortization method / Period	Level percent of payroll over a closed rolling 14-year period
Asset valuation method	Market value
Inflation	2.75%
Payroll Growth	2.80% per annum, plus merit scale
Investment rate of return	6.00%
Healthcare cost trend rates	8.00% initial, 0.25% per year to ultimate rate of 4.50%
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions for the period from 2001 to 2019.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions for the period from 2001 to 2019. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2021 published by the Society of Actuaries.

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



SUPPLEMENTARY INFORMATION



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 the general revenue bonds and building maintenance for the LACDA's headquarters.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

**Combining Statement of Net Position
Internal Service Funds
June 30, 2024**

Assets	Construction Management	Central Services	Data Processing	Risk Management	Alhambra Building	Total
Cash and pooled investments	\$ 4,420,410	\$ 359,651	\$ 1,909,136	\$ 4,511,438	\$ 4,787,047	\$ 15,987,682
Inventory	-	56,252	-	-	-	56,252
Prepaid costs and other assets	-	-	-	31,000	-	31,000
Net other postemployment benefits asset	271,251	75,961	264,290	15,793	14,765	642,060
Capital assets, net	722,195	214,769	3,845,850	-	32,667,811	37,450,625
Total assets	5,413,856	706,633	6,019,276	4,558,231	37,469,623	54,167,619
Deferred Outflows of Resources						
Pension related amounts	1,999,541	557,573	1,505,791	125,415	27,309	4,215,629
Other postemployment benefits related amounts	487,552	271,281	311,918	37,460	35,382	1,143,593
Total deferred outflows of resources	2,487,093	828,854	1,817,709	162,875	62,691	5,359,222
Liabilities						
Current liabilities:						
Accounts payable and accrued liabilities	141,897	121,317	1,048,475	53,222	822,630	2,187,541
Long-term debt obligations - current portion	68,541	12,774	988,588	-	705,000	1,774,903
Estimated claims payable	-	-	-	691,404	-	691,404
Accrued compensated absences	255,184	111,010	205,218	21,054	16,063	608,529
Noncurrent liabilities:						
Long-term debt obligations	157,403	52,880	2,135,410	-	33,291,362	35,637,055
Estimated claims payable	-	-	-	6,222,636	-	6,222,636
Accrued compensated absences	28,354	12,334	22,802	2,339	1,785	67,614
Net pension liability	4,491,233	693,974	1,653,397	120,012	-	6,958,616
Total liabilities	5,142,612	1,004,289	6,053,890	7,110,667	34,836,840	54,148,298
Deferred Inflows of Resources						
Pension related amounts	41,283	12,537	29,783	2,331	-	85,934
Other postemployment benefits related amounts	575,916	279,659	423,146	40,621	39,362	1,358,704
Total deferred inflows of resources	617,199	292,196	452,929	42,952	39,362	1,444,638
Net Position						
Net investment in capital assets	496,251	149,115	721,852	-	(1,328,551)	38,667
Unrestricted	1,644,887	89,887	608,314	(2,432,513)	3,984,663	3,895,238
Total net position	\$ 2,141,138	\$ 239,002	\$ 1,330,166	\$ (2,432,513)	\$ 2,656,112	\$ 3,933,905

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Combining Statement of Revenues, Expenses and Changes in Net Position

Internal Service Funds

Year ended June 30, 2024

	<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	\$ 6,329,572	\$ 2,943,289	\$ 7,640,289	\$ 1,963,645	\$ 1,387,800	\$ 20,264,595
Rentals	-	-	-	-	2,126,975	2,126,975
Other revenue	-	5,512	9,120	33,548	-	48,180
Total operating revenues	<u>6,329,572</u>	<u>2,948,801</u>	<u>7,649,409</u>	<u>1,997,193</u>	<u>3,514,775</u>	<u>22,439,750</u>
Operating expenses:						
Utilities	23,530	21,458	28,191	1,604	348,602	423,385
Maintenance	161,290	1,232,956	373,562	5,684	625,806	2,399,298
General administration	6,344,815	2,394,217	6,210,957	2,005,723	384,012	17,339,724
Depreciation and amortization	173,085	23,273	1,281,692	-	1,070,807	2,548,857
Total operating expenses	<u>6,702,720</u>	<u>3,671,904</u>	<u>7,894,402</u>	<u>2,013,011</u>	<u>2,429,227</u>	<u>22,711,264</u>
Operating income (loss)	<u>(373,148)</u>	<u>(723,103)</u>	<u>(244,993)</u>	<u>(15,818)</u>	<u>1,085,548</u>	<u>(271,514)</u>
Nonoperating revenues (expenses):						
Loss on sale of property and lease/SBITA termination	-	-	(7,564)	-	(55,971)	(63,535)
Investment income	85,062	-	-	-	208,531	293,593
Interest expense	(14,415)	(1,402)	(6,096)	-	(1,385,278)	(1,407,191)
Net nonoperating revenues (expenses)	<u>70,647</u>	<u>(1,402)</u>	<u>(13,660)</u>	<u>-</u>	<u>(1,232,718)</u>	<u>(1,177,133)</u>
Change in net position	<u>(302,501)</u>	<u>(724,505)</u>	<u>(258,653)</u>	<u>(15,818)</u>	<u>(147,170)</u>	<u>(1,448,647)</u>
Net position at beginning of year	<u>2,443,639</u>	<u>963,507</u>	<u>1,588,819</u>	<u>(2,416,695)</u>	<u>2,803,282</u>	<u>5,382,552</u>
Net position at end of year	<u>\$ 2,141,138</u>	<u>\$ 239,002</u>	<u>\$ 1,330,166</u>	<u>\$ (2,432,513)</u>	<u>\$ 2,656,112</u>	<u>\$ 3,933,905</u>

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

**Combining Statement of Cash Flows
Internal Service Funds
Year ended June 30, 2024**

	Construction Management	Central Services	Data Processing	Risk Management	Alhambra Building	Total
Cash flows from operating activities:						
Charges for services	\$ 6,329,572	\$ 2,943,289	\$ 7,640,289	\$ 1,963,645	\$ 1,387,800	\$ 20,264,595
Receipts from rentals	-	-	-	-	2,126,975	2,126,975
Payments to employees for services	(5,086,473)	(1,578,326)	(3,930,574)	(536,097)	(245,655)	(11,377,125)
Payments to vendors for goods and services	(902,608)	(1,880,898)	(1,544,430)	(1,470,945)	(899,760)	(6,698,641)
Other revenue	-	5,512	9,120	33,548	-	48,180
Net cash provided by (used in) operating activities	<u>340,491</u>	<u>(510,423)</u>	<u>2,174,405</u>	<u>(9,849)</u>	<u>2,369,360</u>	<u>4,363,984</u>
Cash flows from capital and related financing activities:						
Purchase of capital assets	-	(108,679)	(547,904)	-	(1,959,239)	(2,615,822)
Payment of lease obligations	-	(44,951)	(66,290)	-	-	(111,241)
Payment of subscription obligations	(62,353)	-	(1,244,845)	-	-	(1,307,198)
Payment of principal on bonds payable	-	-	-	-	(675,000)	(675,000)
Interest paid	(14,415)	(712)	(6,774)	-	(1,438,225)	(1,460,126)
Net cash provided by (used in) capital and related financing activities	<u>(76,768)</u>	<u>(154,342)</u>	<u>(1,865,813)</u>	<u>-</u>	<u>(4,072,464)</u>	<u>(6,169,387)</u>
Cash flows from investing activities:						
Interest received	85,062	-	-	-	208,531	293,593
Net cash provided by (used in) investing activities	<u>85,062</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>208,531</u>	<u>293,593</u>
Net increase (decrease) in cash and cash equivalents	348,785	(664,765)	308,592	(9,849)	(1,494,573)	(1,511,810)
Cash and cash equivalents at beginning of year	4,071,625	1,024,416	1,600,544	4,521,287	6,281,620	17,499,492
Cash and cash equivalents at end of year	<u>\$ 4,420,410</u>	<u>\$ 359,651</u>	<u>\$ 1,909,136</u>	<u>\$ 4,511,438</u>	<u>\$ 4,787,047</u>	<u>\$ 15,987,682</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ (373,148)	\$ (723,103)	\$ (244,993)	\$ (15,818)	\$ 1,085,548	\$ (271,514)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	173,085	23,273	1,281,692	-	1,070,807	2,548,857
Changes in assets and liabilities:						
Inventory	-	(9,070)	-	-	-	(9,070)
Prepaid costs and other assets	-	-	-	(31,000)	-	(31,000)
Deferred outflows of resources -pension	386,776	86,928	260,898	5,215	(27,309)	712,508
Deferred outflows of resources - OPEB	87,227	49,847	47,013	7,968	-	198,053
Net other postemployment benefits asset	(271,251)	(75,961)	(264,290)	(15,793)	(14,765)	(642,060)
Accounts payable and accrued expenses	(1,231)	59,379	780,501	16,470	232,935	1,088,054
Compensated absences	18,962	10,690	23,529	4,947	8,918	67,046
Deferred inflows of resources - pension	(34,402)	(10,447)	(24,819)	(1,943)	-	(71,611)
Deferred inflows of resources - OPEB	250,261	99,385	228,678	20,686	16,253	615,263
Net pension liability	193,855	54,951	133,555	12,174	-	394,535
Net other postemployment benefits liability	(89,643)	(76,295)	(47,359)	(12,755)	(9,025)	(235,077)
Net adjustments	<u>713,639</u>	<u>212,680</u>	<u>2,419,398</u>	<u>5,969</u>	<u>1,283,812</u>	<u>4,635,498</u>
Net cash provided by operating activities	<u>\$ 340,491</u>	<u>\$ (510,423)</u>	<u>\$ 2,174,405</u>	<u>\$ (9,849)</u>	<u>\$ 2,369,360</u>	<u>\$ 4,363,984</u>
Noncash capital financing activities:						
Issuance of leases and software arrangements	\$ -	\$ 106,932	\$ 4,219,030	\$ -	\$ -	\$ 4,325,962
Write-off of capital assets and right-to-use lease/SBITA assets	\$ -	\$ -	\$ 26,061	\$ -	\$ 55,971	\$ 82,032

INDEPENDENT AUDITOR’S 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

Board of Commissioners Los Angeles County Development Authority
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 (the “LACDA”), as of and for the year ended June 30, 2024, 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 15, 2024.

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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*.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

November 15, 2024
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

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..... 87

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 94

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

DEBT CAPACITY..... 95

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 98

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..... 100

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)**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities										
Net investment in capital assets	\$ 12,432,927	\$ 18,901,383	\$ 22,973,045	\$ 26,295,814	\$ 28,056,834	\$ 29,812,460	\$ 33,952,068	\$ 37,762,410	\$ 39,061,742	\$ 40,577,570
Restricted	676,668,871	607,848,016	522,334,698	507,675,114	587,497,637	458,315,771	347,542,030	268,310,478	279,056,059	320,848,472
Unrestricted	46,150,192	20,907,832	23,612,287	35,511,461	42,820,525	40,727,205	32,299,543	45,129,790	46,029,017	39,988,964
Total governmental activities net position	\$ 735,251,990	\$ 647,657,231	\$ 568,920,030	\$ 569,482,389	\$ 658,374,996	\$ 528,855,436	\$ 413,793,641	\$ 351,202,678	\$ 364,146,818	\$ 401,415,006
Business-type activities										
Net investment in capital assets	\$ 136,773,683	\$ 129,470,201	\$ 115,816,808	\$ 110,556,407	\$ 104,716,447	\$ 100,923,037	\$ 95,306,977	\$ 93,867,211	\$ 91,312,812	\$ 96,735,090
Restricted	14,221,126	14,129,101	14,065,586	7,020,432	1,720,363	5,719,780	4,460,906	4,423,184	3,119,103	1,094,744
Unrestricted	19,030,442	24,288,733	20,868,805	17,686,164	5,118,694	10,368,296	13,531,950	16,001,513	13,858,747	5,758,347
Total business-type activities net position	\$ 170,025,251	\$ 167,888,035	\$ 150,751,199	\$ 135,263,003	\$ 111,555,504	\$ 117,011,113	\$ 113,299,833	\$ 114,291,908	\$ 108,290,662	\$ 103,588,181
Primary government										
Net investment in capital assets	\$ 149,206,610	\$ 148,371,584	\$ 138,789,853	\$ 136,852,221	\$ 132,773,281	\$ 130,735,497	\$ 129,259,045	\$ 131,629,621	\$ 130,374,554	\$ 137,312,660
Restricted	690,889,997	621,977,117	536,400,284	514,695,546	589,218,000	464,035,551	352,002,936	272,733,662	282,175,162	321,943,216
Unrestricted	65,180,634	45,196,565	44,481,092	53,197,625	47,939,219	51,095,501	45,831,493	61,131,303	59,887,764	45,747,311
Total primary government net position	\$ 905,277,241	\$ 815,545,266	\$ 719,671,229	\$ 704,745,392	\$ 769,930,500	\$ 645,866,549	\$ 527,093,474	\$ 465,494,586	\$ 472,437,480	\$ 505,003,187

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

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

	2024	2023	2022	2021	2020
Expenses					
Governmental Activities:					
General government	\$ 2,997,903	\$ 1,853,603	\$ 3,117,660	\$ 567,904	\$ 2,291,048
Housing	257,781,252	256,953,062	324,945,641	379,160,360	162,860,678
Economic development	3,381,967	13,394,731	12,156,257	96,318,013	5,133,365
Community development	58,610,471	46,961,673	60,531,276	56,802,273	76,560,540
Traffic services	2,465,839	2,323,602	2,330,716	2,326,319	2,416,089
Non-HUD	-	-	-	-	-
Home development	-	-	-	-	-
Low- and moderate-income housing asset	-	-	-	-	-
Interest on long-term debt	627,810	470,933	176,725	216,773	249,782
Total governmental activities expenses	325,865,242	321,957,604	403,258,275	535,391,642	249,511,502
Business-type activities:					
Section 8 program	549,582,208	482,254,620	395,443,329	376,943,905	363,117,764
Public housing	39,702,842	33,344,317	30,813,539	30,882,171	31,513,140
Other housing	4,288,594	5,202,611	4,875,639	4,991,203	4,869,765
CDPLAC	-	-	1,319,131	1,658,792	1,707,021
Total business-type activities expenses	593,573,644	520,801,548	432,451,638	414,476,071	401,207,690
Total primary government expenses	\$ 919,438,886	\$ 842,759,152	\$ 835,709,913	\$ 949,867,713	\$ 650,719,192
Program Revenues					
Governmental activities:					
Charges for services	\$ 19,763,225	\$ 18,798,179	\$ 17,147,435	\$ 16,339,245	\$ 14,899,757
Operating grants and contributions	374,246,586	387,201,280	409,164,900	435,161,783	354,926,429
Capital grants and contributions	-	-	-	-	-
Total governmental activities program revenues	394,009,811	405,999,459	426,312,335	451,501,028	369,826,186
Business-type activities:					
Charges for services	17,816,841	16,771,443	15,994,970	15,054,746	14,768,427
Operating grants and contributions	566,786,649	502,862,766	423,350,541	413,571,049	374,410,041
Capital grants and contributions	9,260,353	13,142,147	7,962,202	4,284,800	4,545,291
Total business-type activities program revenues	593,863,843	532,776,356	447,307,713	432,910,595	393,723,759
Total primary government program revenues	\$ 987,873,654	\$ 938,775,815	\$ 873,620,048	\$ 884,411,623	\$ 763,549,945
Net (expense) / revenue					
Governmental activities	68,144,569	84,041,855	23,054,060	(83,890,614)	120,314,684
Business-type activities	290,199	11,974,808	14,856,075	18,434,524	(7,483,931)
Total primary government net expense	\$ 68,434,768	\$ 96,016,663	\$ 37,910,135	\$ (65,456,090)	\$ 112,830,753
General Revenues and Other Changes in Net Position					
Governmental activities:					
Investment income (loss)	\$ 25,763,604	\$ (3,857,454)	\$ (24,927,578)	\$ (1,619,551)	\$ 6,221,356
Gain (loss) on sale of property and lease/SBITA termination	(5,289,697)	(2,421,036)	-	8,043	1,283,413
Insurance recoveries	-	1,743,650	-	-	-
Share in net income (losses) of JPA	-	-	-	-	335,623
Transfers	(1,023,717)	(1,019,836)	988,736	(3,390,485)	1,364,484
Total governmental activities	19,450,190	(5,554,676)	(23,938,842)	(5,001,993)	9,204,876
Business-type activities:					
Investment earnings	435,561	362,900	1,608,670	1,882,490	2,138,542
Gain on sale of property	-	15,004	-	-	-
Insurance recoveries	387,739	245,219	-	-	1,254,264
Transfers	1,023,717	1,019,836	(988,736)	3,390,485	(1,364,484)
Total business-type activities	1,847,017	1,642,959	619,934	5,272,975	2,028,322
Total primary government	\$ 21,297,207	\$ (3,911,717)	\$ (23,318,908)	\$ 270,982	\$ 11,233,198
Change in Net Position					
Governmental activities	\$ 87,594,759	\$ 78,487,179	\$ (884,782)	\$ (88,892,607)	\$ 129,519,560
Business-type activities	2,137,216	13,617,767	15,476,009	23,707,499	(5,455,609)
Total primary government	\$ 89,731,975	\$ 92,104,946	\$ 14,591,227	\$ (65,185,108)	\$ 124,063,951

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

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

	2019	2018	2017	2016 *	2015
Expenses					
Governmental Activities:					
General government	\$ 2,187,542	\$ 2,803,179	\$ 2,242,060	\$ 11,738,327	\$ 62,456,044
Housing	112,292,273	57,833,721	67,190,627	57,196,903	1,860,539
Economic development	4,500,735	3,454,263	2,183,750	1,477,105	861,139
Community development	61,309,030	54,250,382	49,720,611	69,478,969	27,589,454
Traffic services	2,362,136	2,205,696	2,632,595	2,862,723	-
Non-HUD	-	-	-	-	32,583,839
Home development	-	-	-	-	9,771,730
Low- and moderate-income housing asset	-	-	-	-	4,852
Interest on long-term debt	555,017	664,950	748,466	830,052	927,516
Total government activities expenses	183,206,733	121,212,191	124,718,109	143,584,079	136,055,113
Business-type activities:					
Section 8 program	314,731,935	301,122,863	299,167,327	272,186,686	257,669,164
Public housing	25,192,440	25,294,307	25,582,030	26,039,497	25,187,671
Other housing	4,864,480	4,104,471	3,993,129	-	-
CDPLAC	1,738,252	1,768,750	1,799,675	1,827,127	6,239
Total business-type activities expenses	346,527,107	332,290,391	330,542,161	300,053,310	282,863,074
Total primary government expenses	\$ 529,733,840	\$ 453,502,582	\$ 455,260,270	\$ 443,637,389	\$ 418,918,187
Program Revenues					
Governmental activities:					
Charges for services	\$ 13,927,765	\$ 13,424,682	\$ 14,489,871	\$ 13,043,325	\$ 40,361,927
Operating grants and contributions	275,283,870	173,316,221	91,893,872	90,232,440	136,891,756
Capital grants and contributions	-	-	-	450,000	-
Total governmental activities program revenues	289,211,635	186,740,903	106,383,743	103,725,765	177,253,683
Business-type activities:					
Charges for services	14,167,900	13,345,797	12,875,572	12,273,564	11,833,493
Operating grants and contributions	329,460,096	314,299,590	317,757,507	287,137,215	268,062,835
Capital grants and contributions	5,911,481	3,160,718	4,147,073	3,251,292	-
Total business-type activities program revenues	349,539,477	330,806,105	334,780,152	302,662,071	279,896,328
Total primary government program revenues	\$ 638,751,112	\$ 517,547,008	\$ 441,163,895	\$ 406,387,836	\$ 457,150,011
Net (expense) / revenue					
Governmental activities	106,004,902	65,528,712	(18,334,366)	(39,858,314)	41,198,570
Business-type activities	3,012,370	(1,484,286)	4,237,991	2,608,761	(2,966,746)
Total primary government net expense	\$ 109,017,272	\$ 64,044,426	\$ (14,096,375)	\$ (37,249,553)	\$ 38,231,824
General Revenues and Other Changes in Net Position					
Governmental activities:					
Investment income (loss)	\$ 5,492,450	\$ (1,945,659)	\$ (1,457,032)	\$ 2,280,398	\$ 3,228,862
Gain (loss) on sale of property and lease/SBITA termination	51,347	141,890	-	-	6,651
Insurance recoveries	1,500,000	2,029,672	5,831,509	-	-
Share in net income (losses) of JPA	378,778	228,367	494,774	498,057	286,404
Transfers	1,634,318	1,469,202	520,975	(188,329)	2,408,367
Total governmental activities	9,056,893	1,923,472	5,390,226	2,590,126	5,930,284
Business-type activities:					
Investment earnings	2,333,228	2,262,971	2,194,037	1,905,391	-
Gain on sale of property	-	-	-	-	1,062,741
Insurance recoveries	-	-	-	-	-
Transfers	(1,634,318)	(1,469,202)	(520,975)	188,329	(2,408,367)
Total business-type activities	698,910	793,769	1,673,062	2,093,720	(1,345,626)
Total primary government	\$ 9,755,803	\$ 2,717,241	\$ 7,063,288	\$ 4,683,846	\$ 4,584,658
Change in Net Position					
Governmental activities	\$ 115,061,795	\$ 67,452,184	\$ (12,944,140)	\$ (37,268,188)	\$ 47,128,854
Business-type activities	3,711,280	(690,517)	5,911,053	4,702,481	(4,312,372)
Total primary government	\$ 118,773,075	\$ 66,761,667	\$ (7,033,087)	\$ (32,565,707)	\$ 42,816,482

* 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

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General fund										
Nonspendable	\$ 3,994,537	\$ 3,195,966	\$ 3,536,173	\$ 3,330,608	\$ 3,408,137	\$ 3,488,870	\$ 3,387,904	\$ 3,340,321	\$ 3,182,883	\$ 11,121,811
Restricted	73,361,333	62,312,970	56,040,705	63,862,210	62,743,730	79,117,573	52,328,361	52,584,561	56,381,862	138,771,585
Unassigned	37,569,714	3,734,669	6,264,047	25,067,911	29,126,053	22,131,514	16,988,700	27,256,387	28,873,762	43,465,677
Total general fund	\$ 114,925,584	\$ 69,243,605	\$ 65,840,925	\$ 92,260,729	\$ 95,277,920	\$ 104,737,957	\$ 72,704,965	\$ 83,181,269	\$ 88,438,507	\$ 193,359,073
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,909	\$ 287	\$ 140	\$ 301	\$ 16,038,523
Restricted	616,249,602	555,382,650	461,257,091	427,878,071	524,753,907	379,198,198	295,213,669	215,725,917	222,674,197	141,085,391
Unassigned	-	-	(538,442)	(419,123)	-	-	-	-	(294,683)	-
Total all other governmental funds	\$ 616,249,602	\$ 555,382,650	\$ 460,718,649	\$ 427,458,948	\$ 524,753,907	\$ 379,224,107	\$ 295,213,956	\$ 215,726,057	\$ 222,379,815	\$ 157,123,914

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2024	2023	2022	2021	2020
Revenues					
Intergovernmental	\$ 360,382,234	\$ 375,699,180	\$ 413,651,811	\$ 417,077,843	\$ 343,402,394
Charges for services	18,984,863	17,851,349	16,248,159	15,451,338	14,046,168
Rentals	778,362	946,830	899,276	887,907	853,589
Investment income (loss)	37,022,804	8,659,920	(16,888,911)	6,008,030	18,734,877
Contributions	1,016,768	2,572,496	-	7,222,820	165,516
Other revenues	10,817,560	2,526,726	696,004	2,012,222	3,995,118
Total revenues	429,002,591	408,256,501	414,606,339	448,660,160	381,197,662
Expenditures					
Program administration	-	-	-	-	-
Loan program costs	-	-	-	-	-
Subgrants to county, cities, and community based organizations	-	-	-	-	-
Housing assistance payments	-	-	-	-	-
General government	841,228	793,943	2,961,334	258,928	994,311
Housing	255,510,782	251,645,108	330,118,626	375,567,273	160,543,207
Economic development	1,637,824	14,330,095	14,130,641	103,356,409	7,243,648
Community development	58,505,047	47,708,736	59,113,718	62,279,653	75,804,218
Traffic services	2,455,297	2,313,855	2,330,248	2,309,773	2,404,760
Capital outlay:					
Capital	2,262,040	2,684,945	-	8,824	-
Noncapital	-	-	-	-	-
Debt service:					
Principal	1,621,246	3,020,498	1,570,000	1,568,000	1,564,000
Interest	632,242	400,520	193,457	232,965	236,708
Total expenditures	323,465,706	322,897,700	410,418,024	545,581,825	248,790,852
Excess of revenues over (under) expenditures	105,536,885	85,358,801	4,188,315	(96,921,665)	132,406,810
Other financing sources (uses)					
Issuance of debt	-	10,300,000	-	-	-
Insurance recoveries	-	1,743,650	-	-	421,794
Sale of property	-	1,220,264	-	-	1,755,449
Subscription revenues	107,514	1,125,655	-	-	-
Loss due to lease termination	(218,490)	-	-	-	-
Transfers in	2,079,878	-	3,009,103	-	1,549,301
Transfers out	(956,856)	(1,681,689)	(797,874)	(3,390,485)	(63,591)
Total other financing sources (uses)	1,012,046	12,707,880	2,211,229	(3,390,485)	3,662,953
Net change in fund balances	\$ 106,548,931	\$ 98,066,681	\$ 6,399,544	\$ (100,312,150)	\$ 136,069,763
Debt service as a percentage of noncapital expenditures	0.7%	1.1%	0.4%	0.3%	0.7%

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2019	2018	2017	2016 *	2015
Revenues					
Intergovernmental	\$ 266,430,555	\$ 165,044,218	\$ 88,522,197	\$ 78,290,291	\$ 160,773,296
Charges for services	13,001,370	12,535,930	13,577,853	12,155,144	11,663,736
Rentals	926,395	888,752	912,019	888,181	766,857
Investment income (loss)	16,002,336	5,218,408	4,031,862	9,411,503	7,092,213
Contributions	4,697,836	-	-	1,138,000	-
Other revenues	1,417,877	1,588,470	1,562,252	6,076,571	2,905,715
Total revenues	302,476,369	185,275,778	108,606,183	107,959,690	183,201,817
Expenditures					
Program administration	-	-	-	-	37,842,664
Loan program costs	-	-	-	-	27,613,982
Subgrants to county, cities, and community based organizations	-	-	-	-	36,282,346
Housing assistance payments	-	-	-	-	44,279
General government	1,990,079	2,645,496	2,094,517	14,917,438	-
Housing	113,092,750	54,494,494	67,532,459	56,757,839	-
Economic development	5,968,153	4,309,382	2,806,389	2,146,702	-
Community development	60,000,659	52,664,125	48,640,072	67,169,442	-
Traffic services	2,353,795	2,198,010	2,641,087	2,856,830	-
Capital outlay:					
Capital	-	307,104	366,772	460,545	-
Noncapital	-	-	-	-	34,744,387
Debt service:					
Principal	7,922,000	2,660,000	2,581,000	2,507,000	3,488,000
Interest	733,494	702,312	784,046	858,559	981,008
Total expenditures	192,060,930	119,980,923	127,446,342	147,674,355	140,996,666
Excess of revenues over (under) expenditures	110,415,439	65,294,855	(18,840,159)	(39,714,665)	42,205,151
Other financing sources (uses)					
Issuance of debt	3,120,000	511,000	672,000	50,000	-
Insurance recoveries	-	2,029,672	5,831,509	-	-
Sale of property	739,740	141,890	-	-	-
Subscription revenues	-	-	-	-	-
Loss due to lease termination	-	-	-	-	-
Transfers in	1,990,437	1,034,178	475,093	21,835	6,865,072
Transfers out	(222,473)	-	(49,439)	(21,835)	(4,007,617)
Total other financing sources (uses)	5,627,704	3,716,740	6,929,163	50,000	2,857,455
Net change in fund balances	\$ 116,043,143	\$ 69,011,595	\$ (11,910,996)	\$ (39,664,665)	\$ 45,062,606
Debt service as a percentage of noncapital expenditures	4.5%	2.8%	2.6%	2.3%	3.2%

* 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)
	General Revenue Bonds	Unamortized		Lease Liability	Subscription Liability	Lease Revenue Bonds	Lease Liability	Subscription Liability	California State Department of Housing Notes Payable				
		Premium on Bonds Payable	Section 108 Notes Payable										
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	
2022	31,140,000	3,630,741	5,882,000	186,406	-	-	1,058,746	-	2,200,000	44,097,893	0.006%	4.27	
2023	31,105,000	3,608,060	13,446,000	75,634	1,292,092	-	-	242,815	2,200,000	51,969,601	0.006%	5.24	
2024	30,430,000	3,566,362	12,048,000	65,653	4,072,572	-	-	345,664	2,200,000	52,728,251	0.006%	5.42	

(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 General Revenue Bonds
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities		Percentage of Charges for services*	Per Capita**
	General Revenue Bonds ***	Unamortized Premium on Bonds Payable		
2022	\$ 31,140,000	\$ 3,630,741	N/A	3.01
2023	31,105,000	3,608,060	N/A	3.14
2024	30,430,000	3,566,362	N/A	3.13

* See changes in Net Position

**See demographics for Los Angeles County

***Bonds issued in fiscal year 2022

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			
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
2022		-	N/A	0.00
2023		-	N/A	0.00
2024		-	N/A	0.00

* 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
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
2022	10,331	3,398	7.6%	728,000	21,223	22,320	7,332	5.2%	1,499,800	56,529
2023	9,913	3,423	5.2%	836,000	21,805	21,826	7,381	4.1%	1,696,600	57,344
2024	9,726	3,450	5.2%	826,000	25,148	21,616	7,483	4.1%	1,741,900	59,746

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Ten Largest Industries*

Current Year and Nine Years Ago

Industry	June 30, 2024			June 30, 2015		
	Number of Employees	Rank	Percentage of Total	Number of Employees	Rank	Percentage of Total
Educational & Health Services	947,400	1	20.62%	729,600	2	17.06%
Trade, Transportation and Utilities	823,100	2	17.92%	812,000	1	18.99%
Professional & Business Services	639,500	3	13.92%	591,400	3	13.83%
Government	600,600	4	13.07%	576,700	4	13.49%
Leisure & Hospitality	550,200	5	11.98%	489,400	5	11.44%
Manufacturing	315,900	6	6.88%	370,800	6	8.67%
Information	185,500	7	4.04%	206,000	8	4.82%
Financial Activities	211,200	8	4.60%	215,400	7	5.04%
Other Services	161,700	9	3.52%	151,100	9	3.53%
Construction	152,000	10	3.31%	125,800	10	2.94%
Ten largest industries	4,587,100		99.86%	4,268,200		99.81%
All other industries	6,700		0.14%	8,100		0.19%
Total industries	4,593,800		100.00%	4,276,300		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**

<u>Division</u>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Administration & Internal Services	133	94	93	89	89	91	96	96	96	94
Housing Operations & Capital Fund	120	118	117	123	128	133	133	136	130	129
Housing Assistance	300	303	219	204	217	211	209	200	188	181
Housing Investment & Finance	63	60	58	60	59	49	43	43	42	45
Community Development	54	86	92	89	90	74	76	74	82	79
Special Programs	23	27	23	23	27	22	22	32	35	35
Total	693	688	602	588	610	580	579	581	573	563

Sources: LACDA's FY2024-2025 Annual Budget

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Operating Indicators by Function Last Ten Fiscal Years

<u>Function</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Section 8 Program										
Authorized Units	26,840	25,961	25,726	25,261	25,114	24,832	24,324	24,086	23,812	23,518
Units under contract	23,826	23,317	22,965	23,243	23,326	22,747	22,639	23,704	23,528	22,948
Public Housing										
Households	2,859	2,898	2,923	2,912	2,924	2,926	2,919	2,915	2,918	2,918
Tenants	6,273	6,168	6,356	6,482	6,521	6,601	6,516	6,528	6,410	6,521
Housing Development										
Homes Built	1,733	1,005	537	802	291	373	412	457	270	657
Homes Rehabilitated	231	155	218	105	162	272	306	333	657	486
Home Ownership Loans	17	15	34	24	52	57	44	64	33	41
Economic Development										
Business Loans Funded*	-	2	22	390	98	4	5	4	4	4
Commercial Storefronts Renovated*	-	-	5	5	17	10	27	27	19	8
Community Development										
Program Reviews	341	369	369	551	251	201	221	253	275	300
Single Audits	41	34	34	21	18	24	27	26	42	42
Community meetings	2	3	1	1	1	1	1	7	2	5

Sources: LACDA's various divisions

* This function has moved to the County of Los Angeles in FY2022.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

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

<u>Function</u>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Public Housing										
Apartment Units	3,113	3,148	3,174	3,162	3,179	3,182	3,174	3,151	3,049	3,036

Sources: LACDA's Housing Operations Division

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