



CITY OF LOS ANGELES CALIFORNIA

HOLLYWOOD

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LETTER FROM THE CITY CONTROLLER KENNETH MEJIA

TO KAREN BASS,
MAYOR OF THE CITY OF
LOS ANGELES



January 25, 2023

Honorable Karen Bass, Mayor
Honorable Members of the Council of the City of Los Angeles
Citizens and Stakeholders of the City of Los Angeles

As the new Controller for the City of Los Angeles, I am pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City for the year ended June 30, 2022. This is in accordance with Section 216 of the City Charter. The ACFR contains financial statements that have been prepared in conformity with generally accepted accounting principles (GAAP) prescribed for governmental entities, and audited in accordance with generally accepted auditing standards by Macias Gini & O'Connell LLP, a firm of independent licensed certified public accountants. In accordance with the requirement of Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, the independent auditor is also in the process of completing an annual financial and compliance audit of federal funds expended by the City in fiscal year 2022.

The independent auditor expressed an opinion that the City's financial statements for fiscal year 2022 are fairly stated in conformity with GAAP.

Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. The management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse, and to ensure that adequate financial information is compiled to allow for the preparation of financial statements in conformity with GAAP.



Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from any material misstatements. I believe that the data presented is complete and reliable in all material respects.

The ACFR includes a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The MD&A is designed to complement the basic financial statements and should be read in conjunction with the financial statements and the notes to the basic financial statements. The MD&A can be found immediately following the report of the independent auditor.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. This was the twenty-seventh consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR, as well as satisfying GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. I believe our current report continues to conform to the Certificate of Achievement program requirements, and I am submitting it to GFOA to determine its eligibility for another certificate.

I would like to acknowledge the professional and dedicated staff of the Financial Analysis and Reporting Division of the Controller's Office for the preparation of this report. I would also like to express my appreciation to other staff of the Office for their assistance and contribution, as well as other professional contributors citywide.

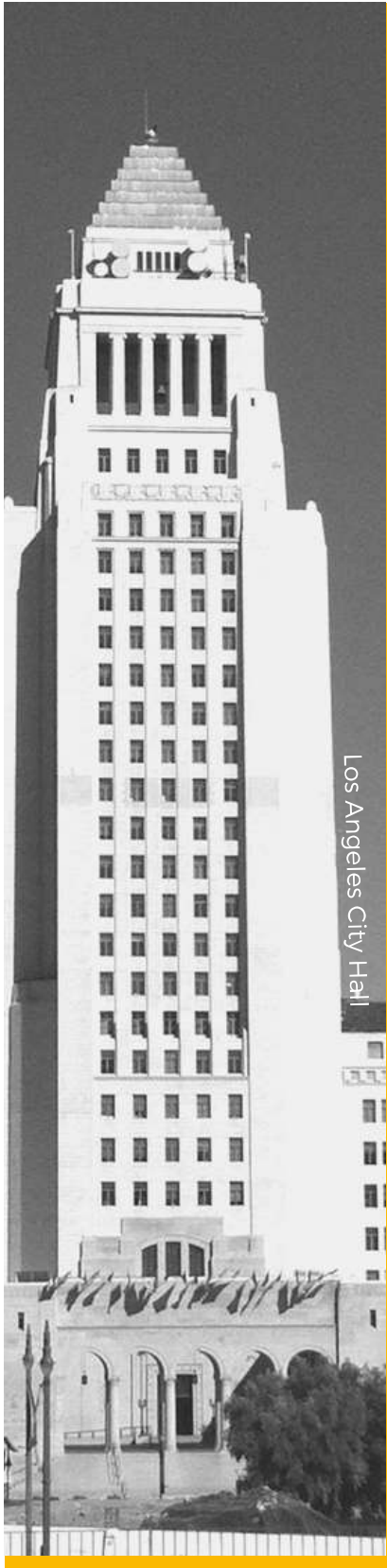
Respectfully submitted,

KENNETH MEJIA Los Angeles City Controller





CITY GOVERNANCE



Charter city - Governing system defined by the city's own charter document additionally to general law. Founding document of L.A. is the charter of the City of Los Angeles.

[Click here to go to the Charter!](#)

The form of government was originally adopted by voters on 1924, effective from July 1, 1925. It was reaffirmed by a new charter effective July 1, 2000; which also provided for the creation of a Citywide system of Neighbourhood councils in order to promote public participation in city governance, and create a government more responsive to local needs.

Elected government:

Mayor-council government

- Mayor directly elected by voters as a chief executive, on top of an elected legislative city Council; which are both elected by residents every 4 years

EXECUTIVE BRANCH

MAYOR - KAREN BASS

LEGISLATIVE BRANCH

L.A. CITY COUNCIL IS THE GOVERNING BODY OF THE CITY, THEY MEET AT THE L.A. CITY HALL

CITY-WIDE ELECTED OFFICIALS

ATTORNEY - HYDEE FELDSTEIN SOTO

CONTROLLER - KENNETH MEJIA

Other main city officers:

City clerk, Commissions , Departments & Bureaus, Executive director of the L.A. Board of Police officers, Neighbourhood councils.

Politics:

Democratic party has been predominant for more than 50 years

PUBLIC SERVICES

WATER AND POWER PROVIDERS



LA DWP Los Angeles Department of Water & Power

SOUTHERN CALIFORNIA EDISON An EDISON INTERNATIONAL Company

Southern California Gas Company A Sempra Energy company



PUBLIC TRANSPORTATION PROVIDER



M Metro

TRASH PICK-UP AND SANITATION PROVIDER



environment LA SANITATION CITY OF LOS ANGELES



CULTURE AND EVENT PROVIDERS



LOS ANGELES PUBLIC LIBRARY

DCA DEPARTMENT OF CULTURAL AFFAIRS City of Los Angeles

DEMOGRAPHIC DATA



POPULATION

3,902,440

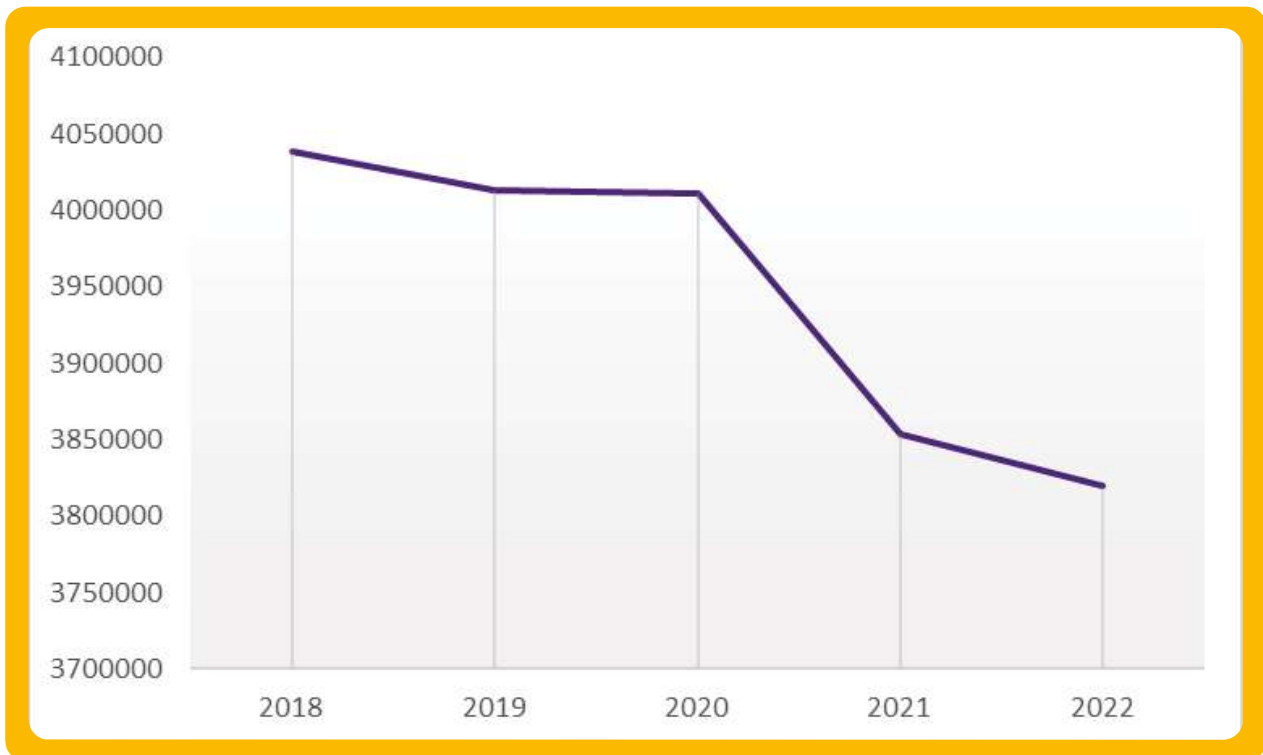


SURFACE
DENSITY

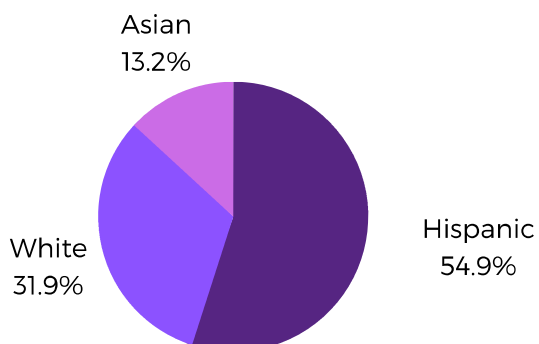
1,299 Km²

3,131,89 ab/Km²

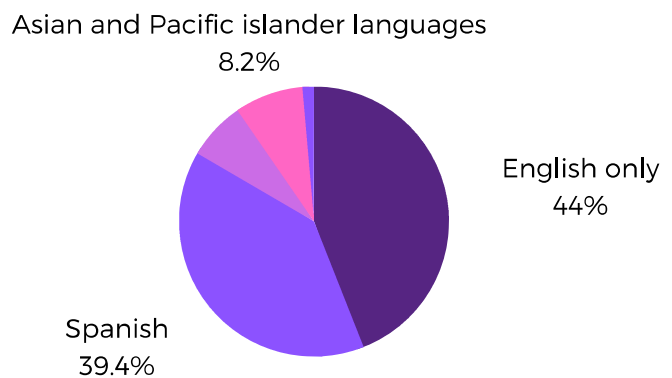
POPULATION TREND



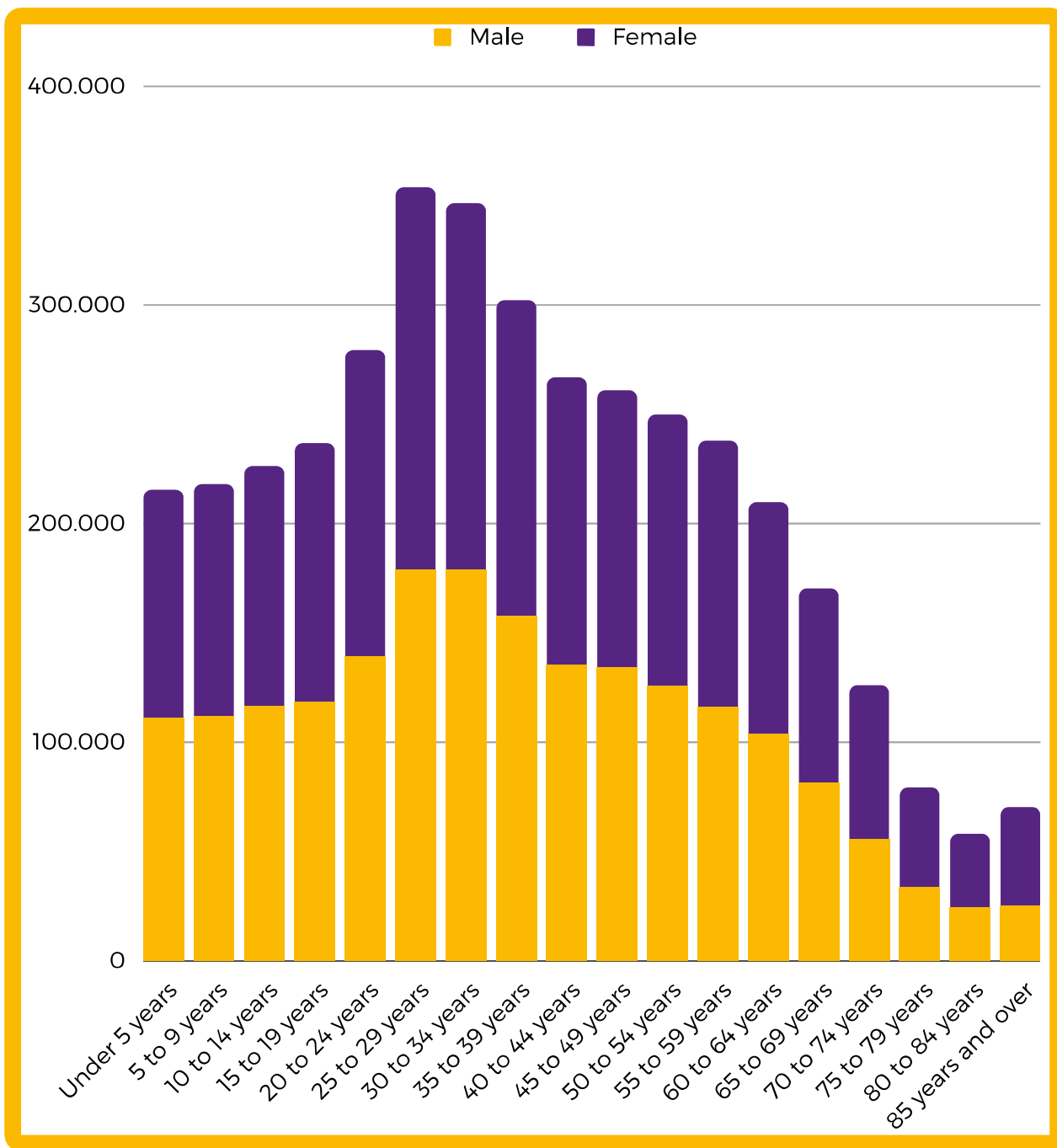
Race and Ethnicity



Language spoken at home

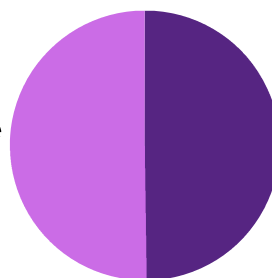


POPULATION FRAGMENTATION



Median age
37.1 years

Female
50.2%



Male
49.8%

INCOME AND EMPLOYMENT



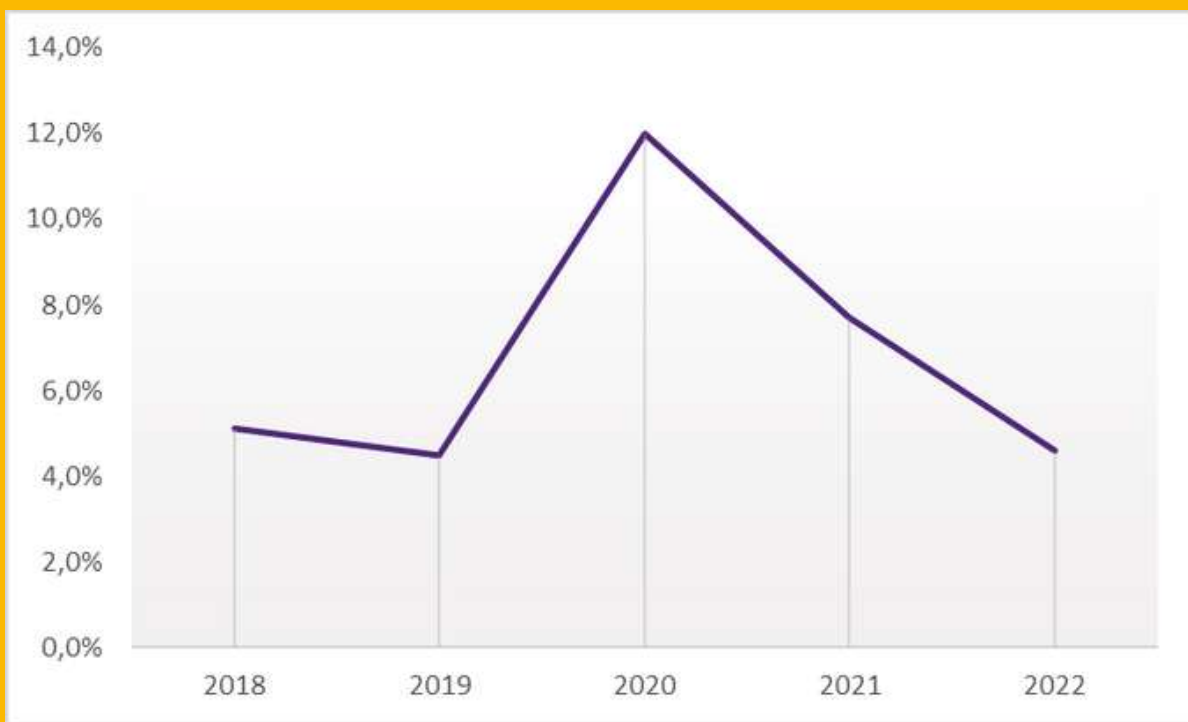
Median income
\$76,135



Employment rate
62.6%

Families	\$86,380
Married-couples families	\$110,073
Nonfamilies households	\$57,068

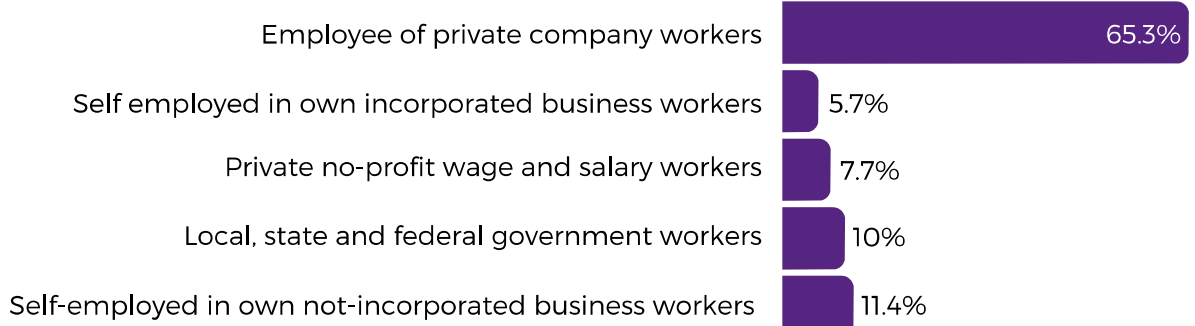
UNEMPLOYMENT RATE



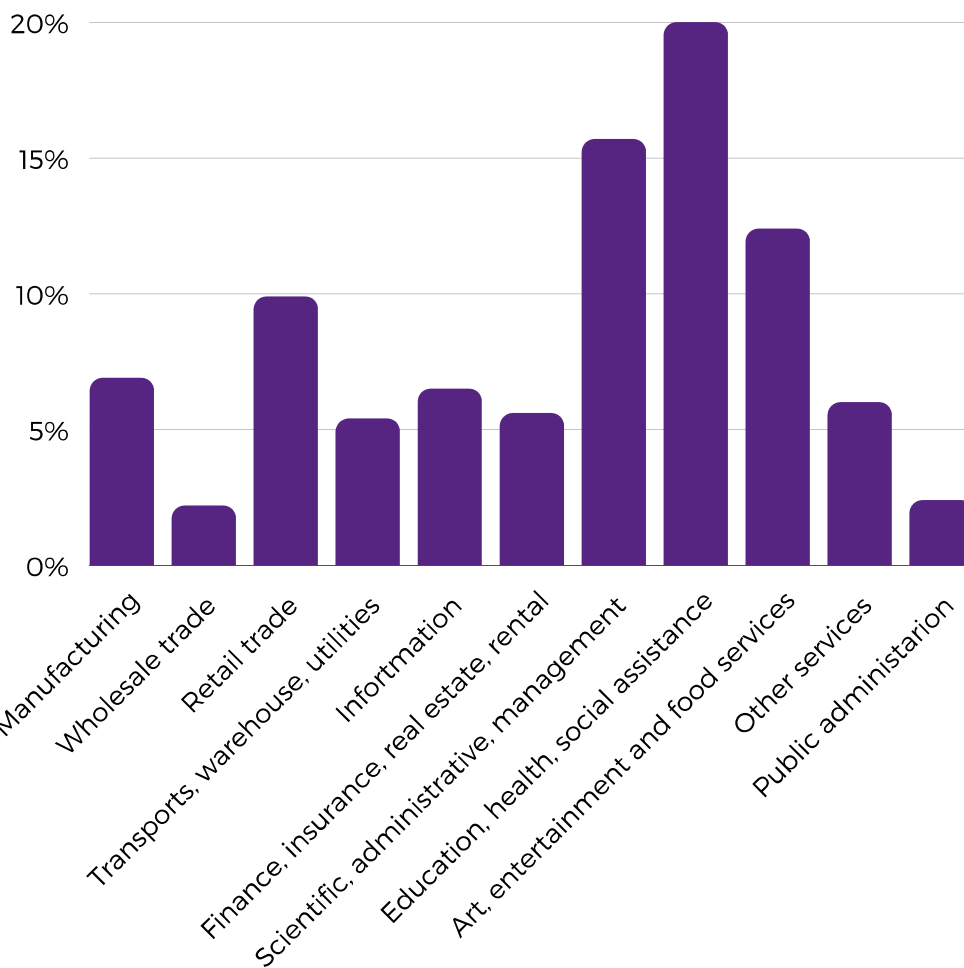
POVERTY BY AGE

Under 18 years	22.1%
18 to 64 years	15.2%
65 years old and over	16.9%

CLASS OF WORKERS



SECTORS OF EMPLOYEMENT



TOP PRIVATE EMPLOYERS IN L.A.

EMPLOYER	2022
KAISER PERMANENTE	40,303
UNIVERSITY OF SOUTHERN CALIFORNIA	22,735
NORTHOP GRUMMAN CORP	18,000
CEDARS-SINAI MEDICAL CENTER	16,659
TARGET CORP	15,888
ALLIED UNIVERSAL	15,328
PROVIDENCE HEALTH & SERVICES SOUTHERN CALIFORNIA	14,935
RALPH'S/FOOD 4 LESS/KROGER	14,000
WALMART	14,000
WALT DISNEY CO.	12,200



TOP PUBLIC EMPLOYERS IN L.A.



EMPLOYER	2022
COUNTY OF LOS ANGELES	106,200
LOS ANGELES UNIFIED SCHOOL DISTRICT	22,735
CITY OF LOS ANGELES	18,000
UNIVERSITY OF CALIFORNIA, L.A.	50,200
FEDERAL GOVERNMENT (NO DEFENSE & STATE)	44,700
STATE OF CALIFORNIA (NON-EDUCATION)	32,300

HEALTH AND HOUSING



Without health care coverage
9.3%



Total housing units
1,496,453

HAVING HEALTHCARE

	2021		2022	
	Number	%	Number	%
Population with health plan	300,900	91.70%	304,000	92.10%
Uninsured population	27,190	8.30%	25,940	7.90%
Population considered	328,090	100%	329,940	100%

**TOP THREE
CITIES IN
THE U.S.
WITH THE
HIGHEST
AMOUNT OF
HOMELESS
PEOPLE**



EDUCATION

 TOTAL STUDENTS	805,498
 TOTAL TEACHERS	35,024

902
Public schools


503

High schools recognized on the
Best High Schools rankings.

1667
Private schools

23 : 1

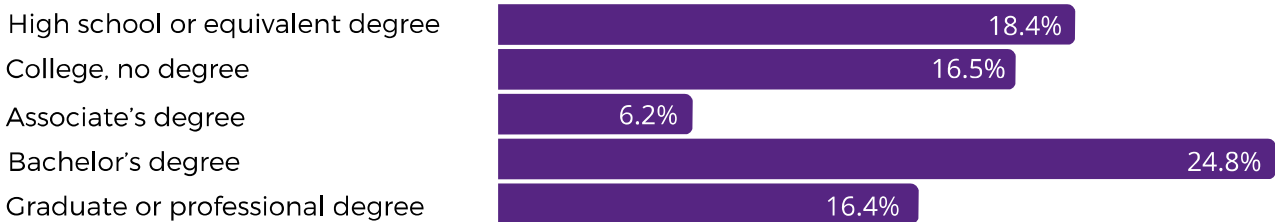
Student-Teacher ratio



Los Angeles has a higher score than similarly sized metro areas.

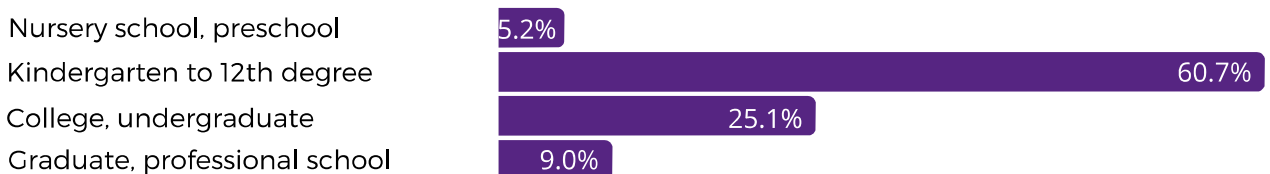
7.7 /10

College Readiness Index

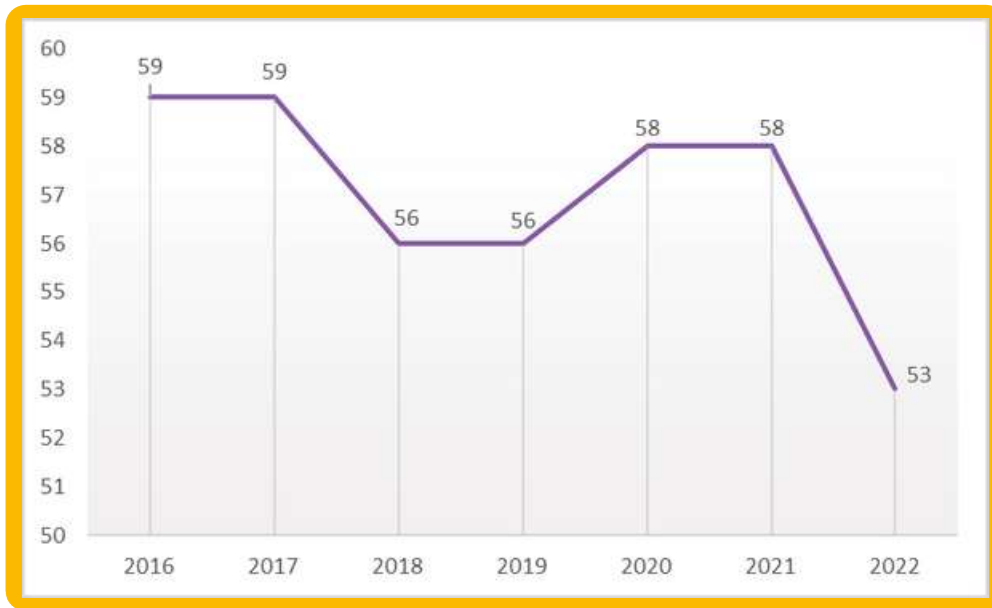
 Bachelor degree or higher
38.2%  California 37.0%



 School enrollment from kindergarten to 12th Grade
60.7%  California 65.0%



QUALITY OF LIFE



The Index is a calculation derived from survey respondents rating their satisfaction with approximately 40 aspects of their own quality of life, which are divided into nine categories.

CATEGORY	2021	2022
Cost of living	45	39
Transportation and traffic	56	51
Public safety	60	56
Job and economy	60	56
Intercultural relations	69	66
Healthcare	69	66
Environment	57	54
Neighborhood	68	66
Education	48	46

In 2022, all nine of the categories which comprise the Index declined in satisfaction compared to 2021, and eight of the nine fell to the lowest point registered for each over the last seven years. Not surprisingly, the most dramatic decline was found in the Cost of Living category, as the survey captured significantly higher concerns about inflation and gas prices, and ongoing angst about the cost of housing. Satisfaction with the Cost of Living category fell to an all-time low of 39, down six points from the previous year, when it was already the low point among all categories.

Human Development Index in L.A. city:

5.43 /10
 United States: 5.17

COST OF LIVING

Costs of living in Los Angeles are in the most expensive 20 percent of all 248 analyzed cities. Average living expenses are considerably higher, especially in the housing market.

\$2300

MEDIAN RENT FOR FLATS IN CITY CENTER



\$50 Monthly fitness club membership



\$15 Movie ticket



\$51 Broadband internet connection



\$88 Monthly public transport



\$14 Lunch



\$83 Meal at a restaurant



\$211 Basic utilities

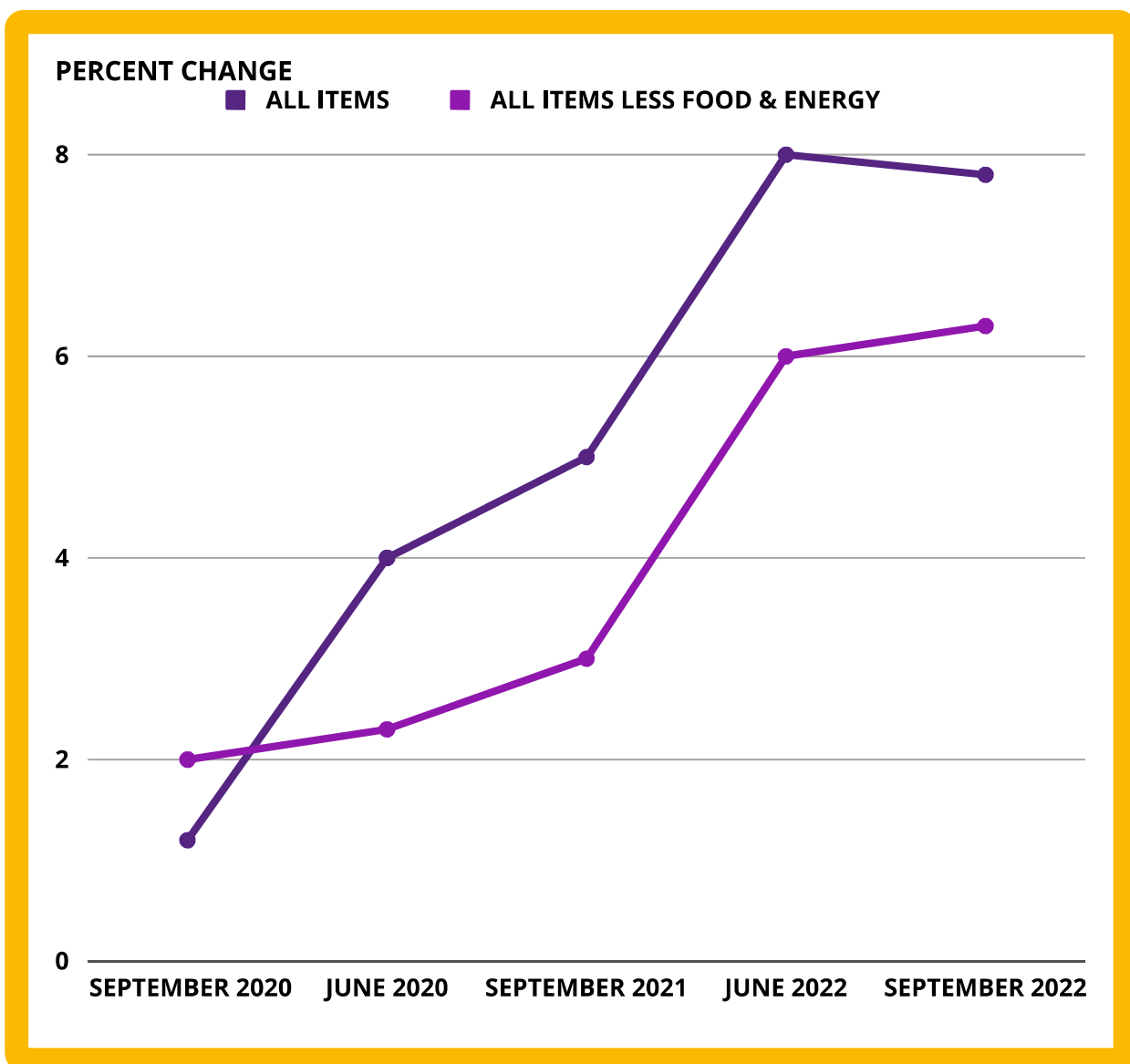
#2

MOST EXPENSIVE CITY
IN THE U.S.

CONSUMER PRICE INDEX

The Consumer Price Index (CPI) is a measure of the average change in prices over time using a fixed market basket of goods and services. The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living.

As displayed in the following table the CPI in Los Angeles has drastically increased over the last years as consequence of the pandemic.



CRIME RATE IN L.A.

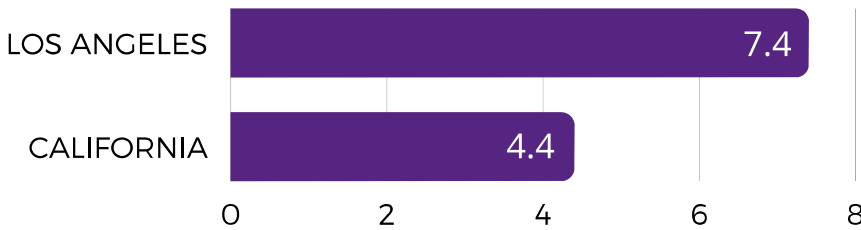
With a crime rate of 32 per one thousand residents, Los Angeles has one of the highest crime rates in America compared to all cities of all sizes. One's chance of becoming a victim of either violent or property crime here is one in 31. Within California State, more than 86% of the communities have a lower crime rate than Los Angeles.



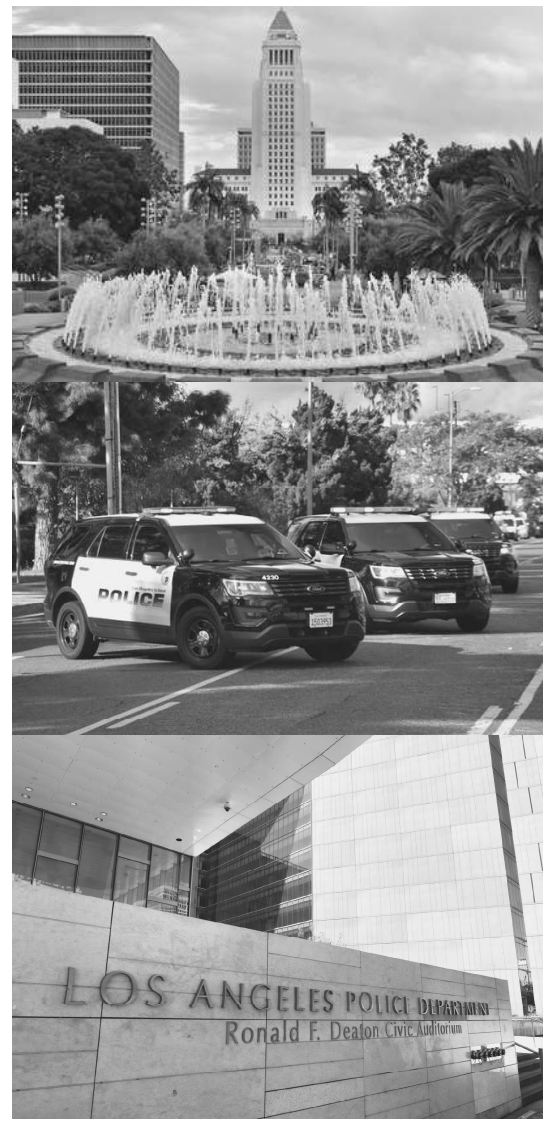
	VIOLENT	PROPERTY	TOTAL
NUMBER OF CRIMES	28,479	94,692	123,171
CRIMES RATE*	7.40	24.60	32

*per 1000 residents

Violent Crime Comparison (per 1,000 residents)



Property Crime Comparison (per 1,000 residents)



RANKINGS

Recognizing the irreplaceable value of urban centers serves as the driving force for the Kearney's annual Global Cities Report. This report is a collaborative effort involving top experts from academia and the business world worldwide. Each year, they examine the current status of cities and the investments they are making in their future development through the Global Cities Index (GCI) .This analysis is based on factors such as industry domination, diversity and global connectivity.

CITY	2022 RANK	2021 RANK
NEW YORK	1	1
LONDON	2	2
PARIS	3	3
TOKYO	4	4
BEIJING	5	6
LOS ANGELES	↓6↓	5
CHICAGO	7	8
MELBOURNE	8	12
SINGAPORE	9	9
HONG KONG	10	7



According to The world's Best Cities, which uses an evaluation system based on six metrics, Los Angeles is the third best city to live in the U.S..

RANKING	CITY
1st	NEW YORK
2st	CHICAGO
3rd	LOS ANGELES

WHICH ARE THOSE METRICS?



PLACE

The perceived quality of a city's natural and build environment. This includes also weather, safety, neighborhoods and landmarks.



PRODUCT

A city's key institutions, attractions and infrastructure, including the sub-categories of Airport Connectivity, Attractions, Museums, University.



PROGRAMMING

The arts, culture, entertainment and culinary scene in a city, including the sub-categories of Shopping, Culture, Restaurants, and Nightlife.



PEOPLE

The immigration rate and diversity of a city, including the sub-categories of Foreign Born and Educational Attainment.



PROSPERITY

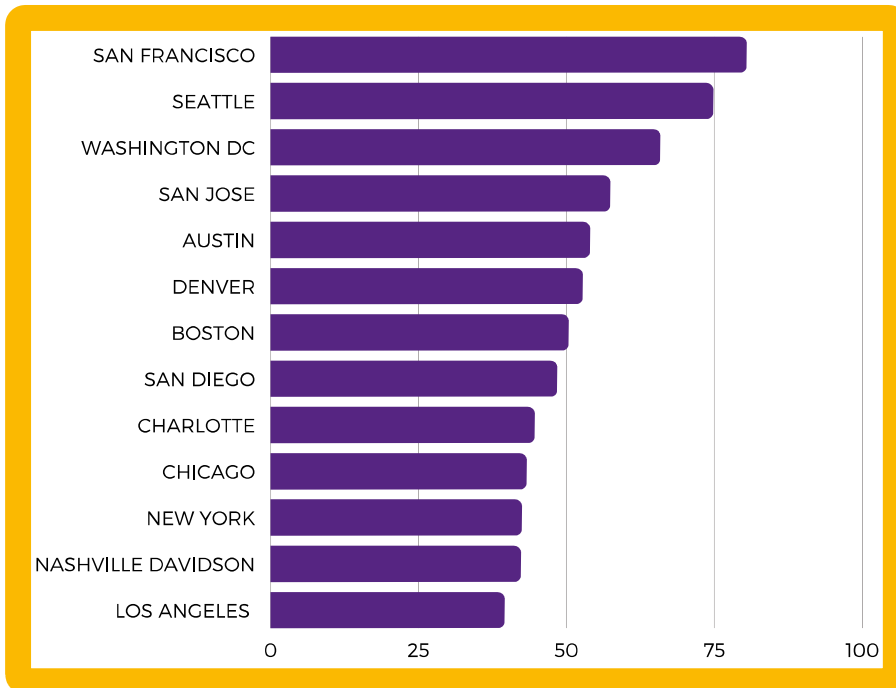
City's employment and corporate head offices, including the sub-categories of Fortune 500 Companies and Household Income as well as Employment Rate.



PROMOTION

The quantity of stories, references and recommendations shared online about a city, including the sub-categories of Google Search Results, Instagram Hashtags, and TripAdvisor Reviews.

INCOME RANKING



According to the data collected in 2022 Los Angeles is ranked 13th among the most populated cities in the U.S, with a per capita income of 39,509\$.

This data remains stable compared the previous year whilst the median income of San Francisco become the highest one in the U.S reaching the amount of 80,383\$.

RANKING OF MOST EXPENSIVE MAJOR CITIES IN THE U.S.

This ranking compares household bill costs across the 50 largest cities in the country, taking into account the following key household bill categories:

- Mortgage
- Rent
- Auto loan
- Utilities
- Auto insurance
- Cable, internet, phone
- Health insurance
- Mobile phone
- Alarm and security
- Life insurance

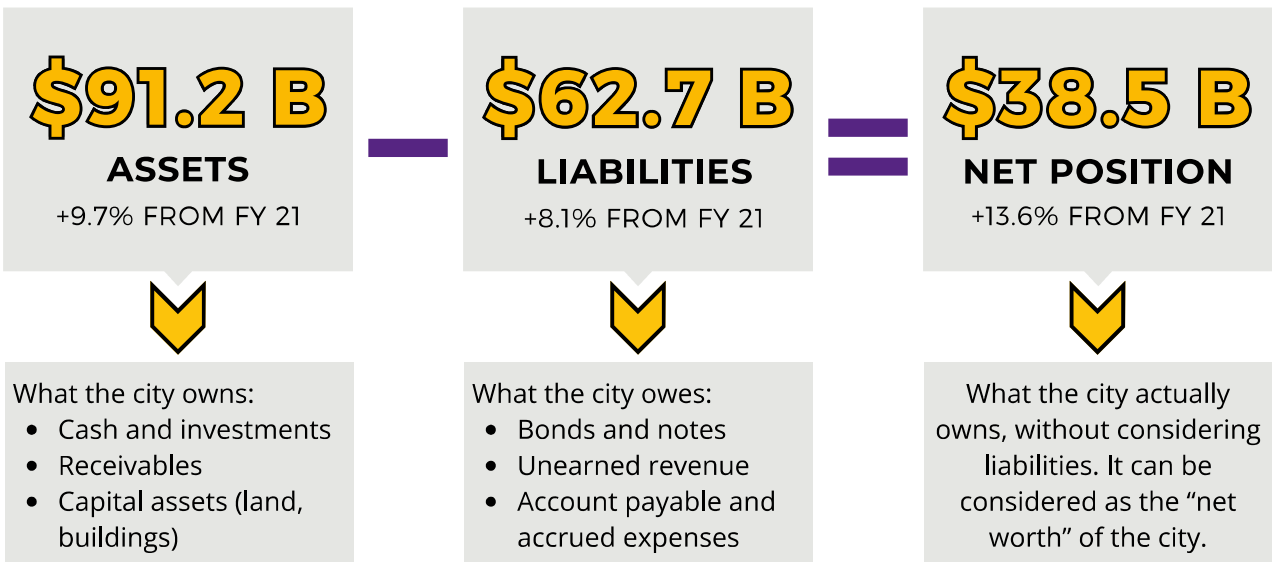
\$22,667

AVERAGE AMOUNT SPENT ON AVERAGE ON HOUSEHOLD BILLS ANNUALLY

- | | |
|------------------------------------|---------------------------|
| 1. SAN JOSE - CALIFORNIA | 6. SAN DIEGO - CALIFORNIA |
| 2. SAN FRANCISCO - CALIFORNIA | 7. BOSTON - MASSACHUSSETS |
| 3. WASHINGTON D.C | 8. SEATTLE - WASHINGTON |
| 4. LOS ANGELES - CALIFORNIA | 9. RIVERSIDE - CALIFORNIA |
| 5. NEW YORK - NEW YORK | 10. DENVER - COLORADO |

FINANCES

NET POSITION

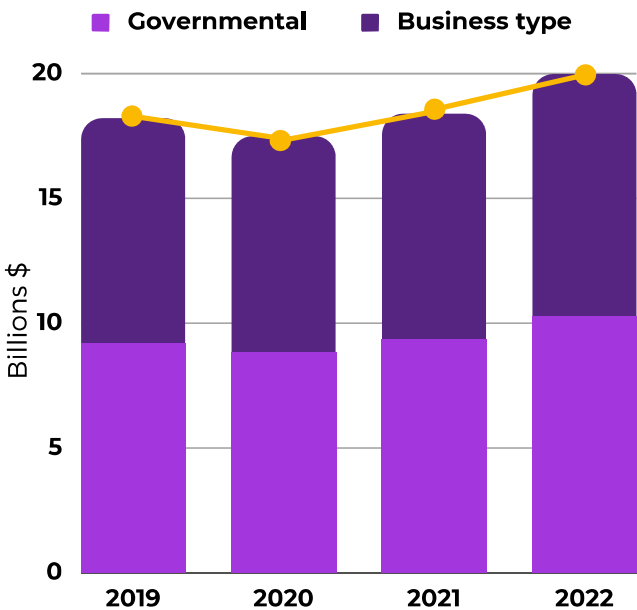


KEY TERMS

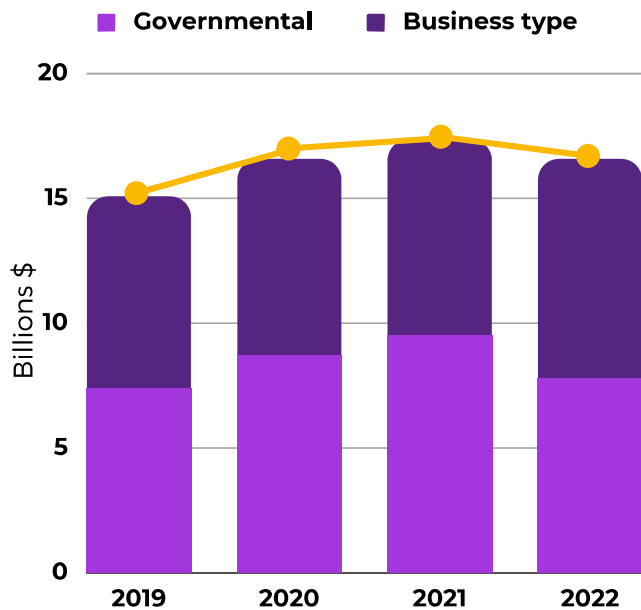
Governmental Activities: Functions of the City that are primarily supported by taxes and intergovernmental revenues.

Business-Type Activities: Functions and services provided to the general public, that are intended to recover all or a portion of their costs through user fees and charges.

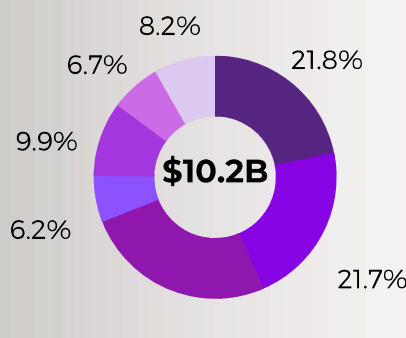
REVENUES



EXPENSES

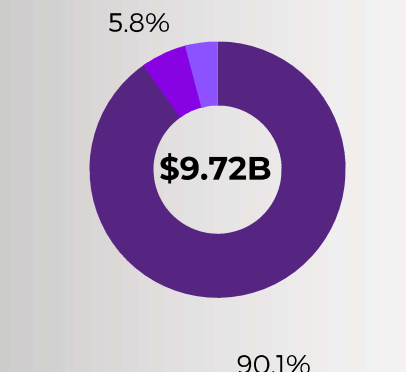


GOVERNMENTAL REVENUES



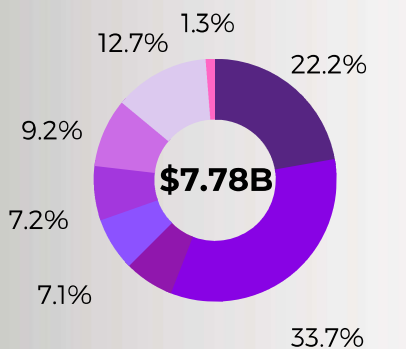
- Charges for services
- Grants and contributions
- Property taxes
- Utility taxes
- Business taxes
- Sales taxes
- Other taxes

BUSINESS TYPE REVENUES



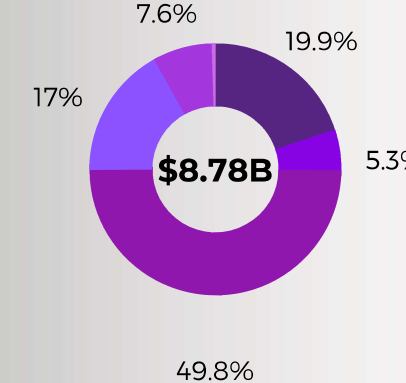
- Charges for services
- Grants and contributions
- Other revenues

GOVERNMENTAL EXPENSES



- General government
- Protection
- Public works
- Health and sanitation
- Transportation
- Culture and recreation
- Community development
- Interests on long-term debt

BUSINESS TYPE EXPENSES



- Airports
- Harbor
- Power
- Water
- Sewer
- Convention center



INCOME STATEMENT

	FY 2022	FY 2021	Difference	Δ %
REVENUES (thousands \$)				
Program (services)	14,009,082	12,955,814	1,053,268	+ 8.1%
General (taxes)	5,462,804	5,060,953	401,851	+ 7.9%
Others	481,041	346,791	134,250	+ 38.7%
Total revenues	19,952,927	18,363,558	1,589,369	+ 8.7%
EXPENSES (thousands \$)				
General expenses	(15,904,691)	(16,560,547)	655,856	+ 3.96%
Health and sanitation	(552,619)	(677,878)	125,259	+ 18.48%
Interests on long-term debt	(98,054)	(99,628)	1,574	+ 1.57%
Total expenses	(16,555,364)	(17,338,053)	782,689	+ 4.51%
Deficit/Surplus	3,397,563	1,025,505	2,372,058	+ 231.3%
Net position (July 1st)	25,151,551	24,111,615	1,039,936	+ 4.31%
Net position (June 30th)	28,549,114	25,137,120	3,411,994	+ 13.57%

The table presents informations showing how the City's net position changed over the fiscal year (July 1st 2021 - June 30th 2022). The GAAP are adopted for this document.

BUDGET

The city budget is destined to cover general city expenses such as public worker's salaries and public services, but also other public programs and offices. Some of the expenses include the police and fire departments, transportation, street lighting and services, youth development, the zoo, regulation programs, cultural affairs, housing, sanitation, economic and workforce development, and resources and waste management. Each city department has a budget for their operations, and the total of all budgets is included in the table below.

Adopted budget for 2022-2023	\$11,755,048,415
Adopted budget in 2021-2022	\$11,480,288,112
Net change	\$274,760,303
Percentage change	+2.4%

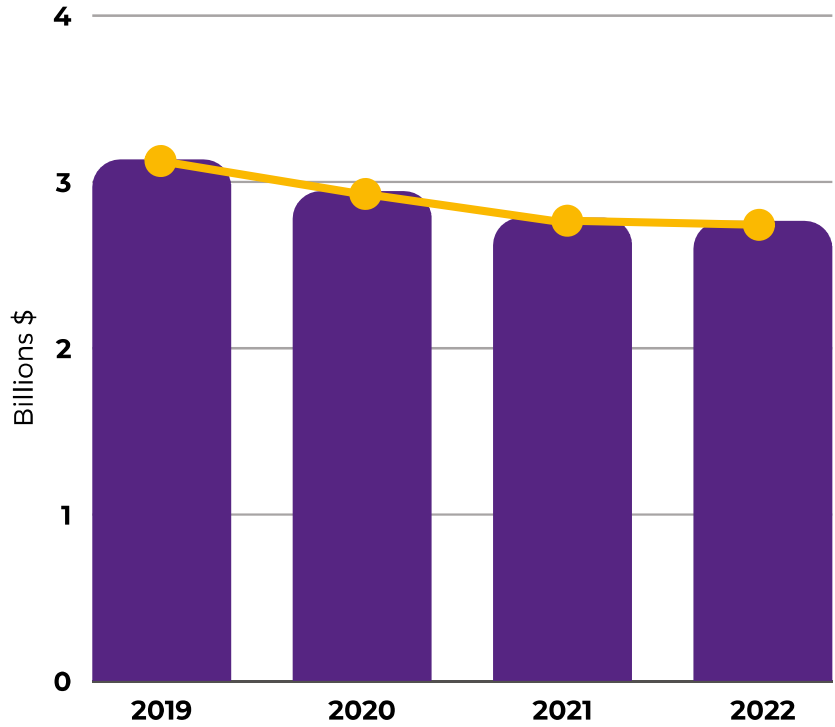
DEBT

GOVERNMENTAL DEBT

\$2,76B

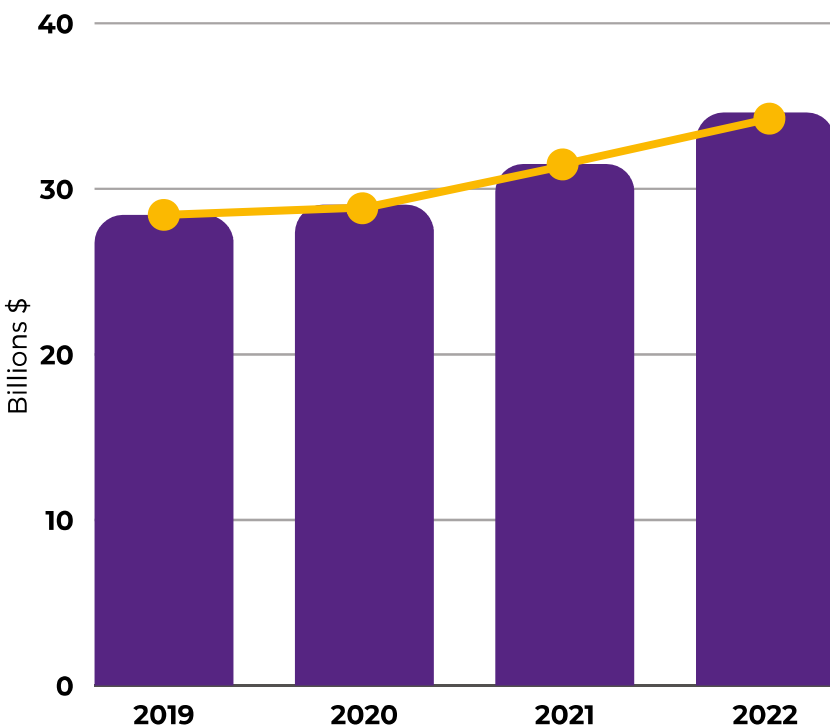
-\$20 M
GOVERNMENTAL DEBT
IN THE LAST FISCAL
YEAR

AAA
GENERAL OBLIGATION
BONDS FITCH RATING



BUSINESS TYPE DEBT

\$34,56B



+ 9,8%
BUSINESS TYPE DEBT
IN THE LAST FISCAL
YEAR

AWARDS AND ACCOMPLISHMENTS

“City of Los Angeles Is Selected as #2 Digital City In The Nation” - 2022

Given by the Information Technology Agency

“Award for Outstanding Achievement in Popular Annual Financial Reporting”

Given by The Government Finance Officers Association of the United States and Canada (GFOA) on June 30th, 2021

Top 100, "Innovations In American Government Award"

Given by Harvard University John F. Kennedy School of Government

"Recognition as Leader in Improving Air Quality Clean Cities"

From United States Department of Energy

“Distinguished Budget Presentation Award“

Presented by GOVERNMENT FINANCE OFFICERS ASSOCIATION



MAJOR POLICIES

01

WORKPLACE EQUITY POLICY

04

WORKPLACE VIOLENCE POLICY

02

REASONABLE ACCOMODATION
PROCESS

05

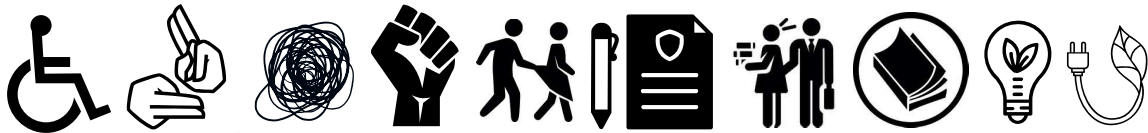
EDUCATION AND WORKPLACE
DEVELOPMENT

03

DOMESTIC VIOLENCE AND ABUSE
POLICIES

06

ENERGY, WATER &
ENVIRONMENTAL SUSTAINABILITY



SUSTAINABLE DEVELOPMENT GOALS IN LOS ANGELES

L.A. became one of the first cities in the world to take action on the SDGs at the local level in 2017.

Collaborative effort between the Mayor's office, local universities and the Conrad N. Hilton Foundation, that involves many projects and programs implemented throughout the years to cover all SDGs.

An initiative to highlight as it takes into consideration many SDGs is the "L.A.'s Green New Deal".



THE GLOBAL GOALS



SGD PROGRAMS IN L.A.



NO POVERTY

Emergency rental assistance program.
Children's saving account program.
Homeless emergency aid program.



ZERO HUNGER

Good food zone policy.
RecycLA food rescue.
C40 good food cities declaration.
Milan urban food policy pact.



GOOD HEALTH

LA28, Olympic and Paralympic games.
L.A.'s green new deal.
"Predicting what we breathe" project.



QUALITY EDUCATION

Student-to-student success pilot program.
L.A college promise.



GENDER EQUALITY

Executive directive 11
MyVoiceLA
CHANGE, City Hub and Network on Gender Equity.



CLEAN WATER, SANITATION

Operation NEXT
Hyperion 2035 project
CARE/CARE+



AFFORDABLE, CLEAN ENERGY

EV rebate program
Smart city strategies



ECONOMIC GROWTH

Sidewalk vendors, StreetsLA,
YouthSource, LA optimized program



INDUSTRY, INNOVATION, INFRASTRUCTURE

Urban Movement Labs and air mobility partnership
ZEV investment plan



REDUCED INEQUALITIES

Executive directive 27- Racial equity in city government.
Equity and empowerment E2



SUSTAINABLE COMMUNITIES

LA ADU accelerator program.
LowRiseLA.



RESPONSIBLE CONSUMPTION AND PRODUCTION

LA's Green new deal. Recycled plastic asphalt, StreetsLA & Technisoil ind.
Recycling market development program.



CLIMATE ACTION

MYCCA, mayor's youth council for climate action.
LA forever, C40.



LIFE BELOW WATER

Green ports forum
Proposition 40 and 0



LIFE ON LAND

UN decade on ecosystem restoration
Urban forest management plan (UFMP)



PEACE, JUSTICE, STRONG INSTITUTIONS

MORE, mayors organized for reparations and equity.
TURN, therapeutic unarmed response for neighbourhoods.



PARTNERSHIP FOR THE GOALS!



METHODOLOGICAL APPROACH

As a team, we have decided to approach this research project by extracting the information from official online sources published by the government of Los Angeles City. We only used official sources, and because of it although our information was somehow limited, we had a lot to go through.

We managed to find everything we needed, we read all of it, recognised what the key points were and finally we started to design our graphs based on the information we found, without altering the data.

So, our research is a fundamental mixed research, including both qualitative and quantitative data, not collected by us in polls or other methods of recollection of data; but by using data already available and collected by other professionals in the field. We based our study in published works, theoretical and practical results from the investigations led by a third team of professionals determined by the government of the city, elected by the population.

Besides the online sources, we based the structure and contents of our Popular Financial Statement on the guidelines provided by Dr. Valerio Brescia, Ph.D. in Business and Management, researcher and professor at Università degli Studi di Torino.

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