

CITY OF LOS ANGELES, CALIFORNIA

Cost Allocation Plan 48
For Department Administration and Support,
and Compensated Time Off
(With Independent Auditor's Report)

For the Fiscal Year Ended June 30, 2024

CITY OF LOS ANGELES, CALIFORNIA
Cost Allocation Plan 48
For Department Administration and Support,
and Compensated Time Off
For the Fiscal Year Ended June 30, 2024

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Independent Auditor's Report

To the Honorable Mayor and Members of the City Council
City of Los Angeles, California

Opinion

We have audited the accompanying cash basis Schedule of Department Administration and Support Salary Base, Administration and Support Costs, and Rates by Department and Schedule of Compensated Time Off Salary Base, Compensated Time Off Costs, and Rates by Department (Schedules) of the City of Los Angeles, California (City) Cost Allocation Plan 48 for the fiscal year ended June 30, 2024, and the related notes to the Schedules as listed in the table of contents.

In our opinion, the accompanying Schedules present fairly, in all material respects, the cash basis Schedule of Department Administration and Support Salary Base, Administration and Support Costs, and Rates by Department and Schedule of Compensated Time Off Salary Base, Compensated Time Off Costs, and Rates by Department of the City Cost Allocation Plan 48 for the fiscal year ended June 30, 2024, in accordance with the cash basis of accounting described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Schedules section of our report. We are required to be independent of the City 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.

Emphasis of Matters - Basis of Accounting

We draw attention to Note 1 to the Schedules, which describes the basis of accounting. The Schedules are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America and in accordance with Title 2 U.S. Code of Federal Regulations (CFR), Subtitle A, Chapter II, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Schedules

The City's management is responsible for the preparation and fair presentation of the Schedules in accordance with the cash basis of accounting described in Note 1 and Title 2 U.S. Code of Federal Regulations (CFR), Subtitle A, Chapter II, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the Schedules in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Schedules

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedules, 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 Schedules.
- 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedules.

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

Other Matter - Restriction on Use

Our report is intended solely for the information and use of City management, Mayor, City Council, others within the City, the U.S. Department of Housing and Urban Development, and the U.S. Department of the Interior, and is not intended to be and should not be used by anyone other than these specified parties.

Macias Gini É O'Connell LAP

Los Angeles, California
March 26, 2026

CITY OF LOS ANGELES, CALIFORNIA
Department Administration Cost Allocation Plan 48
Schedule of Department Administration and Support Salary Base,
Administration and Support Costs, and Rates by Department
Based on the Fiscal Year Ended June 30, 2024
To be Applied in Fiscal Year 2025-26

<u>DEPARTMENT/Cost Center</u>	<u>Department Administration and Support Salary Base</u>	<u>Administration and Support Costs</u>	<u>Rates</u>
AGING			
Balance of Department	na	na	na
Special Fund (Title V)	na	na	na
ANIMAL SERVICES	\$ 22,161,122	\$ 5,615,476	25.34%
BUILDING and SAFETY	98,258,452	21,022,622	21.40%
CANNABIS REGULATION	3,871,904	3,134,151	80.95%
CITY ADMINISTRATIVE OFFICER			
Proprietary, Capital Projects (Physical Plant)	872,623	227,353	26.05%
Disaster Grants Coordination	445,845	110,996	24.90%
CITY ATTORNEY			
Criminal	53,584,721	6,671,361	12.45%
Direct, at User's Site	19,544,912	2,238,753	11.45%
Direct, in City Space	8,672,876	988,645	11.40%
CITY CLERK			
Elections	3,211,988	2,447,121	76.19%
Special Assessment Section	777,981	329,370	42.34%
CIVIL + HUMAN RIGHTS and EQUITY Dept.			
CHRED Public Information	3,259,454	1,201,699	36.87%
COMMUNITY INVESTMT for FAMILIES Dept.			
Grant Funded CIFD	na	na	na
Local Funded CIFD	na	na	na
CONTROLLER			
Direct, at User's Site	916,061	583,280	63.67%
Direct, in City Space	786,646	493,542	62.74%
CULTURAL AFFAIRS	7,912,296	4,264,284	53.89%
DEPARTMENT on DISABILITY	1,978,119	2,938,532	148.55%
ECONOMIC and WORKFORCE DEVELOPMENT Dept.			
Balance of Department	na	na	na
As Needed Employees	na	na	na

The accompanying notes are an integral part of this schedule.

CITY OF LOS ANGELES, CALIFORNIA
Department Administration Cost Allocation Plan 48
Schedule of Department Administration and Support Salary Base,
Administration and Support Costs, and Rates by Department
Based on the Fiscal Year Ended June 30, 2024
To be Applied in Fiscal Year 2025-26

<u>DEPARTMENT/Cost Center</u>	<u>Department Administration and Support Salary Base</u>	<u>Administration and Support Costs</u>	<u>Rates</u>
EL PUEBLO de LOS ANGELES	\$ 994,433	\$ 1,037,625	104.34%
EMERGENCY MANAGEMENT			
Emergency Mgmt Policy & Public Information	1,302,385	-	0.00%
FINANCE			
Revenue Collections	21,586,941	17,219,287	79.77%
Cash Management and Investment	1,709,092	1,406,447	82.29%
FIRE			
Civilian	10,620,900	4,169,394	39.26%
Sworn	413,387,009	206,514,722	49.96%
<i>Field Support rate, Sworn only -></i>	<i>398,824,199</i>	<i>77,487,988</i>	<i>19.43%</i>
GENERAL SERVICES			
Materials Testing	7,025,664	823,599	11.72%
Print Shop	1,889,782	240,235	12.71%
LOS ANGELES HOUSING Dept.			
Grant Funded Housing	na	na	na
Local Funded Housing	na	na	na
Enforcement	na	na	na
Internal Administration	na	na	na
LIBRARY	83,546,561	-	0.00%
LOS ANGELES CITY TOURISM Dept.	1,066,736	-	0.00%
MAYOR			
Executive Policy	9,480,909	1,327,554	14.00%
Grant Funded & Special Programs	11,557,249	1,982,773	17.16%
NEIGHBORHOOD EMPOWERMENT	1,910,858	2,764,525	144.67%
PERSONNEL			
Custody Care (Jails)	7,243,637	622,370	8.59%
Grant Funded & Special Programs	890,792	73,006	8.20%
PLANNING	45,349,163	11,088,367	24.45%
POLICE			
Civilian	185,544,739	106,948,468	57.64%
Sworn	1,112,623,374	338,368,308	30.41%
<i>Field Support rate, Sworn only -></i>	<i>1,086,259,857</i>	<i>399,698,647</i>	<i>36.80%</i>

The accompanying notes are an integral part of this schedule.

CITY OF LOS ANGELES, CALIFORNIA
 Department Administration Cost Allocation Plan 48
 Schedule of Department Administration and Support Salary Base,
 Administration and Support Costs, and Rates by Department
 Based on the Fiscal Year Ended June 30, 2024
 To be Applied in Fiscal Year 2025-26

<u>DEPARTMENT/Cost Center</u>	<u>Department Administration and Support Salary Base</u>	<u>Administration and Support Costs</u>	<u>Rates</u>
PUBLIC WORKS			
Board			
Public services	\$ 3,632,976	\$ 149,275	4.11%
Contract Administration			
Construction Inspection	27,024,659	4,208,145	15.57%
Engineering			
Clean Water Infrastructure	34,538,403	5,284,616	15.30%
Development Services	17,752,692	2,809,163	15.82%
Mobility	20,898,276	3,167,102	15.15%
Public Bldgs & Open Spaces	13,798,681	2,181,648	15.81%
General Mapping & Survey	10,900,930	1,803,616	16.55%
Sanitation			
Solid Resources	115,926,067	10,375,513	8.95%
Environmental Quality	32,725,122	2,812,169	8.59%
Watershed Protection	15,692,690	1,445,138	9.21%
Clean Water	130,665,207	9,196,914	7.04%
Street Lighting	33,381,402	8,132,949	24.36%
Street Services	106,148,010	22,128,574	20.85%
RECREATION and PARKS	171,687,564	20,753,140	12.09%
TRANSPORTATION	145,444,160	22,644,048	15.57%
YOUTH DEVELOPMENT Dept.			
Youth Development Public Information	1,050,976	951,948	90.58%
ZOO	20,211,831	5,345,692	26.45%

The accompanying notes are an integral part of this schedule.

CITY OF LOS ANGELES, CALIFORNIA
 Compensated Time Off Cost Allocation Plan 48
 Schedule of Compensated Time Off Salary Base,
 Compensated Time Off Costs, and Rates by Department
 Based on the Fiscal Year Ended June 30, 2024
 To be Applied in Fiscal Year 2025-26

<u>DEPARTMENT/Cost Center</u>	<u>Compensated Time Off Salary Base</u>	<u>Compensated Time Off Costs</u>	<u>Rates</u>
AGING			
Balance of Department	\$ 3,181,802	\$ 702,235	22.07%
Special Fund (Title V)	306,792	55,449	18.07%
ANIMAL SERVICES	16,662,077	5,639,693	33.85%
BUILDING and SAFETY	82,497,359	20,453,959	24.79%
CANNABIS REGULATION	4,372,753	850,345	19.45%
CITY ADMINISTRATIVE OFFICER			
Proprietary, Capital Projects (Physical Plant)	21,310,765	4,286,497	20.11%
Disaster Grants Coordination	21,310,765	4,286,497	20.11%
CITY ATTORNEY			
Criminal	105,415,114	24,111,648	22.87%
Direct, at User's Site	105,415,114	24,111,648	22.87%
Direct, in City Space	105,415,114	24,111,648	22.87%
CITY CLERK			
Elections	3,235,626	534,443	16.52%
Special Assessment Section	7,729,330	1,438,850	18.62%
CIVIL + HUMAN RIGHTS and EQUITY Dept.			
CHRED Public Information	3,137,222	567,839	18.10%
COMMUNITY INVESTMT for FAMILIES Dept.			
Grant Funded CIFD	7,986,770	1,442,948	18.07%
Local Funded CIFD	7,986,770	1,442,948	18.07%
CONTROLLER			
Direct, at User's Site	15,038,431	3,166,477	21.06%
Direct, in City Space	15,038,431	3,166,477	21.06%
CULTURAL AFFAIRS	5,461,244	1,128,151	20.66%
DEPARTMENT on DISABILITY	2,475,078	558,554	22.57%
ECONOMIC and WORKFORCE DEVELOPMENT De			
Balance of Department	10,688,497	2,273,967	21.27%
As Needed Employees	na	na	na

The accompanying notes are an integral part of this schedule.

CITY OF LOS ANGELES, CALIFORNIA
 Compensated Time Off Cost Allocation Plan 48
 Schedule of Compensated Time Off Salary Base,
 Compensated Time Off Costs, and Rates by Department
 Based on the Fiscal Year Ended June 30, 2024
 To be Applied in Fiscal Year 2025-26

<u>DEPARTMENT/Cost Center</u>	<u>Compensated Time Off Salary Base</u>	<u>Compensated Time Off Costs</u>	<u>Rates</u>
EL PUEBLO de LOS ANGELES	\$ 830,643	\$ 184,694	22.24%
EMERGENCY MANAGEMENT			
Emergency Mgmt Policy & Public Information	2,835,046	576,822	20.35%
FINANCE			
Revenue Collections	27,085,073	6,737,760	24.88%
Cash Management and Investment	27,085,073	6,737,760	24.88%
FIRE			
Civilian	28,313,502	6,524,451	23.04%
Sworn	333,318,924	110,355,345	33.11%
GENERAL SERVICES			
Materials Testing	5,287,890	1,404,521	26.56%
Print Shop	1,395,176	366,673	26.28%
LOS ANGELES HOUSING Dept.			
Grant Funded Housing	54,048,126	11,058,523	20.46%
Local Funded Housing	54,048,126	11,058,523	20.46%
Enforcement	54,048,126	11,058,523	20.46%
Internal Administration	54,048,126	11,058,523	20.46%
LIBRARY	64,222,186	17,696,325	27.55%
LOS ANGELES CITY TOURISM Dept.	1,068,868	197,438	18.47%
MAYOR			
Executive Policy	12,229,582	1,281,964	10.48%
Grant Funded & Special Programs	1,465,243	240,658	16.42%
NEIGHBORHOOD EMPOWERMENT	2,586,073	514,355	19.89%
PERSONNEL			
Custody Care (Jails)	48,538,185	10,465,751	21.56%
Grant Funded & Special Programs	48,538,185	10,465,751	21.56%
PLANNING	40,754,554	8,928,301	21.91%
POLICE			
Civilian	190,068,637	58,932,155	31.01%
Sworn	852,312,761	303,527,041	35.61%

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CITY OF LOS ANGELES, CALIFORNIA
 Compensated Time Off Cost Allocation Plan 48
 Schedule of Compensated Time Off Salary Base,
 Compensated Time Off Costs, and Rates by Department
 Based on the Fiscal Year Ended June 30, 2024
 To be Applied in Fiscal Year 2025-26

<u>DEPARTMENT/Cost Center</u>	<u>Compensated Time Off Salary Base</u>	<u>Compensated Time Off Costs</u>	<u>Rates</u>
PUBLIC WORKS			
Board			
Public services	\$ 5,750,429	\$ 1,201,790	20.90%
Contract Administration			
Construction Inspection	30,002,971	6,723,494	22.41%
Engineering			
Clean Water Infrastructure	79,969,433	17,745,757	22.19%
Development Services	79,969,433	17,745,757	22.19%
Mobility	79,969,433	17,745,757	22.19%
Public Bldgs & Open Spaces	79,969,433	17,745,757	22.19%
General Mapping & Survey	79,969,433	17,745,757	22.19%
Sanitation			
Solid Resources	85,449,542	23,738,135	27.78%
Environmental Quality	23,466,187	6,318,741	26.93%
Watershed Protection	13,234,444	3,600,240	27.20%
Clean Water	92,735,392	23,976,642	25.85%
Street Lighting	25,526,908	5,650,860	22.14%
Street Services	79,524,557	22,186,435	27.90%
RECREATION and PARKS	169,650,372	30,014,402	17.69%
TRANSPORTATION	103,323,898	28,807,007	27.88%
YOUTH DEVELOPMENT Dept.			
Youth Development Public Information	1,412,879	255,355	18.07%
ZOO	14,924,577	3,983,162	26.69%

The accompanying notes are an integral part of this schedule.

CITY OF LOS ANGELES, CALIFORNIA
Cost Allocation Plan 48
For Department Administration and Support,
and Compensated Time Off
Notes to Schedules
For the Fiscal Year Ended June 30, 2024

NOTE 1 – ACCOUNTING POLICIES

The City of Los Angeles (City) prepares its Cost Allocation Plan (CAP) in accordance with Title 2 of the Code of Federal Regulations (CFR), Subtitle A, Chapter II, Part 200, “*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*”.

The Department Administration and Support CAP is prepared for certain City departments (see Note 2) to allow for the recovery of administrative overhead costs incurred within departments from Federal and State grants. The administrative costs included in the Department Administration and Support CAP represent the actual costs incurred in the fiscal year ended June 30, 2024 as reported in the City’s accounting system, Financial Management System (FMS). Costs reported in FMS are accounted for on the cash basis method of accounting. The administrative and support indirect costs are not always the same as the City’s General Administration and Support Program (GASP). Expenditures are included in the Department Administration and Support CAP if they conform to the following criteria: benefit the department as a whole; are not directly charged to a Federal or State grant; are not direct operating expenditures; and are costs which are not practical to directly bill, even though they might be considered allocable to direct operations. Actual costs incurred during the fiscal year ended June 30, 2024 are added to “carry forward” amounts, which represent the difference between the costs theoretically recovered in the fiscal year ended June 30, 2024 and the costs entitled to be recovered in the fiscal year ended June 30, 2024. The sum of the actual and carry forward costs (i.e., total allocated costs) is divided by departmental administrative and support salary base (see Note 3) to calculate overhead rates for each department cost center (see Note 4). Overhead rates are calculated for “direct” departments, which are departments that do not provide services to other City departments, and for “support” departments with direct cost objectives. Overhead rates of support departments are only calculated for the “direct” components of such departments.

The Compensated Time Off (CTO) rates are to be used only when sick, vacation, and other CTO hours are not directly charged to a fee or grant project (see Notes 5 and 6). For employees who charge only part of their hours worked to a grant, their time off is not being charged to the project, so the cost of that time off may be recovered using the CTO rates. For employees whose entire annual salary is charged to a fee or grant, CTO is recovered as they take their time off, and the CTO rates are not used. When applicable, CTO costs should be billed to granting agencies or recipients of special services, either as a separate line item, or as an adjustment to salaries, increasing net salaries to gross salaries. The adjustment to salaries resulting in gross salaries is computed by applying the CTO rate to net salaries and adding this derived amount to net salaries. The derived gross salaries become the base against which the fringe benefit rate and other indirect cost rates are applied.

NOTE 2 – DEPARTMENTS WITHOUT DEPARTMENT ADMINISTRATION AND SUPPORT RATES

The City does not calculate Department Administration and Support rates for the Departments of Aging, Community Investment for Families, Economic and Workforce Development, and Los Angeles Housing (formerly Housing + Community Investment). These departments have been presented to be consistent with the presentation of the City’s Central Services CAP.

The Department of Aging cannot recover administrative costs from its grants due to grant expenditure limitations. Department Administration and Support rates are not computed for the Departments of Community Investment for Families, Economic and Workforce Development and Los Angeles Housing because their administrative and support costs are directly billed to the grants.

CITY OF LOS ANGELES, CALIFORNIA
Cost Allocation Plan 48
For Department Administration and Support,
and Compensated Time Off
Notes to Schedules (Continued)
For the Fiscal Year Ended June 30, 2024

NOTE 3 – DEPARTMENT ADMINISTRATION AND SUPPORT CAP - SALARY BASE AND OVERHEAD RATES

The salary base used to calculate overhead rates includes salaries of line employees only. It includes CTO and excludes overtime and unused sick and vacation pay. Line employees are those employees directly involved with the administration of the grant program.

NOTE 4 – COST CENTERS AND COST CATEGORIES

Cost centers and cost categories are constantly reviewed for changes and updates in order to more accurately allocate costs to the proper organizational units, and to accommodate the inclusion of allowable but heretofore unrecovered costs. There are no major changes to these categories between CAP 47 and CAP 48. The cost categories are the Department Administration and Support costs and CTO costs for each cost center, as discussed in Note 1.

NOTE 5 – COMPENSATED TIME OFF CAP – SALARY BASE AND OVERHEAD RATES

The salary base used to calculate the CTO rates includes salaries for actual hours worked (without CTO). The CTO cost includes salaries paid to employees who are on paid leave such as:

- | | |
|---|---------------------|
| Sick Leave | Injury on Duty |
| Vacation | Jury Duty |
| Holiday | Bereavement Leave |
| Military Leave | Preventive Medicine |
| Family Illness | Floating Holiday |
| Workers' Compensation (Salary continuance paid by the employing department) | |

NOTE 6 – COST CENTER WITH NO COMPENSATED TIME OFF RATE

The City does not calculate a CTO rate for the Economic & Workforce Development Department – As Needed Employees since this cost center consists of part-time employees who are not entitled to CTO.

Most “direct” cost centers have the same or commingled payroll ID codes department-wide. Therefore, the same salary and cost data applies to each cost center within the same department.