Fiscal/Calendar Year: FY 2017-18

Grantee Name: Port of Los Angeles
Contact Person: Frank Liu
Contact Phone: 310.732.3799
Mailing Address: 425 S. Palos Verdes Street
                San Pedro, CA 90731

1. Funds
   a. Is a separate fund maintained for trust assets, liabilities, revenues and expenditures?
      YES ☑ NO ☐
      If “No”, under what fund are they accounted for? If “Yes,” please list the name(s) of the fund(s)

   b. Are separate financial statements prepared for the trust?
      YES ☑ NO ☐
      If “No,” in which financial statements are they included? (Name of the document(s) and the applicable page number(s)) If “Yes,” describe the organization of the separate financial statement.

2. Revenue
   a. What was the gross revenue received or generated from trust land or trust assets during the past fiscal year? $490,760,000
   b. Please list all sources of revenue and the amount of revenue generated from each source (e.g. permits, rentals, percentage of lease) Please see page 42 of the audited FY 2018 CAFR.

3. Expenses
   a. What was the total expenditure of funds received or generated from trust land or assets during the past fiscal year? $236,955,000
   b. What expenses were allocated or charged directly to the trust? Please list the source of the expenditure and the amount expended. Please see page 42 of the audited FY 2018 CAFR.
   c. Have there been any capital improvements over $250,000 within the current fiscal year? Are any capital improvements over $250,000 expected in the next fiscal year?
      YES and YES, Please see page 40 of the audited FY 2018 CAFR.
   d. Describe any other disposition of trust funds or assets or any other disposition of the trust lands or trust assets themselves. Include any internal funds that were transferred to other grantees, to the management of another entity or under the management of another political subdivision of the grantee per an agreement, settlement, or Memorandum of Understanding.
      None, not applicable.

4. Beginning and Ending Balance
   Please list the beginning and ending balances for the tidelands trust fund(s) for this past fiscal year.
   Net position beginning balance at July 1, 2017, as restated, is $3,241,520,000, and ending balance at June 30, 2018 is $3,334,871,000. Please see pages 41 and 43 of the audited FY 2018 CAFR. The restatement is due to the implementation of GASB 75. See Note 21 on page 113 for detailed explanation.

For all questions, please give the page number where the information can be found in your accompanying financial document. Please use additional pages as necessary.
PORT OF LOS ANGELES  
(HARBOR DEPARTMENT OF THE CITY OF LOS ANGELES, CALIFORNIA)  

Statements of Net Position  
June 30, 2018 and 2017  
(amounts in thousands)  

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$34,055</td>
<td>$31,617</td>
</tr>
<tr>
<td>Current maturities of notes payable and bonded debt</td>
<td>44,015</td>
<td>37,615</td>
</tr>
<tr>
<td>Accrued interest payable</td>
<td>17,420</td>
<td>18,023</td>
</tr>
<tr>
<td>Accrued salaries and employee benefits</td>
<td>18,642</td>
<td>17,542</td>
</tr>
<tr>
<td>Obligations under securities lending transactions</td>
<td>11,535</td>
<td>4,384</td>
</tr>
<tr>
<td>Accrued construction cost payable</td>
<td>3,579</td>
<td>3,060</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>34,897</td>
<td>67,879</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>164,143</strong></td>
<td><strong>180,120</strong></td>
</tr>
<tr>
<td>Long-term liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonds payable, net of unamortized discount/premium:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018 - $68,308; 2017 - $77,603</td>
<td>878,418</td>
<td>931,728</td>
</tr>
<tr>
<td>Accrued salaries and employee benefits</td>
<td>8,135</td>
<td>7,537</td>
</tr>
<tr>
<td>Net pension liabilities</td>
<td>210,882</td>
<td>231,325</td>
</tr>
<tr>
<td>Net OPEB liabilities</td>
<td>24,416</td>
<td>--</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>91,606</td>
<td>101,316</td>
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<tr>
<td><strong>Total long-term liabilities payable from unrestricted assets</strong></td>
<td><strong>1,213,457</strong></td>
<td><strong>1,271,906</strong></td>
</tr>
<tr>
<td>Long-term liabilities payable from restricted assets</td>
<td>11,198</td>
<td>10,299</td>
</tr>
<tr>
<td><strong>Total long-term liabilities</strong></td>
<td><strong>1,224,655</strong></td>
<td><strong>1,282,205</strong></td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>1,388,798</strong></td>
<td><strong>1,462,325</strong></td>
</tr>
<tr>
<td><strong>DEFERRED INFLOWS OF RESOURCES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred inflows of resources related to pensions</td>
<td>31,374</td>
<td>30,042</td>
</tr>
<tr>
<td>Deferred inflows of resources related to OPEB</td>
<td>6,009</td>
<td>--</td>
</tr>
<tr>
<td><strong>TOTAL DEFERRED INFLOWS OF RESOURCES</strong></td>
<td><strong>37,383</strong></td>
<td><strong>30,042</strong></td>
</tr>
<tr>
<td><strong>NET POSITION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>2,964,553</td>
<td>2,972,442</td>
</tr>
<tr>
<td>Restricted for debt service</td>
<td>62,225</td>
<td>62,255</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>308,093</td>
<td>230,701</td>
</tr>
<tr>
<td><strong>TOTAL NET POSITION</strong></td>
<td><strong>$3,334,871</strong></td>
<td><strong>$3,265,398</strong></td>
</tr>
</tbody>
</table>

See accompanying notes to the basic financial statements.
PORT OF LOS ANGELES  
(HARBOR DEPARTMENT OF THE CITY OF LOS ANGELES, CALIFORNIA)  

Statements of Revenues, Expenses, and Changes in Net Position  
For the Fiscal Years Ended June 30, 2018 and 2017  
(amounts in thousands)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shipping services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wharfage</td>
<td>$376,127</td>
<td>$369,459</td>
</tr>
<tr>
<td>Dockage</td>
<td>4,532</td>
<td>4,113</td>
</tr>
<tr>
<td>Demurrage</td>
<td>219</td>
<td>213</td>
</tr>
<tr>
<td>Lay day fees</td>
<td>38</td>
<td>255</td>
</tr>
<tr>
<td>Pilotage</td>
<td>10,502</td>
<td>9,558</td>
</tr>
<tr>
<td>Assignment charges</td>
<td>13,861</td>
<td>14,657</td>
</tr>
<tr>
<td><strong>Total shipping services</strong></td>
<td>405,279</td>
<td>398,255</td>
</tr>
<tr>
<td>Rentals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>60,746</td>
<td>50,554</td>
</tr>
<tr>
<td>Buildings</td>
<td>109</td>
<td>206</td>
</tr>
<tr>
<td>Warehouses</td>
<td>87</td>
<td>85</td>
</tr>
<tr>
<td>Wharf and shed</td>
<td>477</td>
<td>413</td>
</tr>
<tr>
<td><strong>Total rentals</strong></td>
<td>61,419</td>
<td>51,258</td>
</tr>
<tr>
<td>Royalties, fees, and other operating revenues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees, concessions, and royalties</td>
<td>10,555</td>
<td>10,436</td>
</tr>
<tr>
<td>Clean truck program fees</td>
<td>2,186</td>
<td>2,340</td>
</tr>
<tr>
<td>Other</td>
<td>11,321</td>
<td>12,243</td>
</tr>
<tr>
<td><strong>Total royalties, fees, and other operating revenues</strong></td>
<td>24,062</td>
<td>25,019</td>
</tr>
<tr>
<td><strong>Total operating revenue</strong></td>
<td>490,760</td>
<td>474,532</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and other benefits</td>
<td>96,208</td>
<td>94,677</td>
</tr>
<tr>
<td>Pension expense</td>
<td>20,843</td>
<td>23,905</td>
</tr>
<tr>
<td>OPEB expense</td>
<td>4,482</td>
<td>--</td>
</tr>
<tr>
<td>City services</td>
<td>42,749</td>
<td>39,554</td>
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<tr>
<td>Outside services</td>
<td>29,904</td>
<td>25,022</td>
</tr>
<tr>
<td>Utilities</td>
<td>15,642</td>
<td>15,573</td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>6,960</td>
<td>5,314</td>
</tr>
<tr>
<td>Marketing and public relations</td>
<td>2,784</td>
<td>2,583</td>
</tr>
<tr>
<td>Workers’ compensation, claims and settlement</td>
<td>4,009</td>
<td>4,977</td>
</tr>
<tr>
<td>Clean truck program expenses</td>
<td>831</td>
<td>704</td>
</tr>
<tr>
<td>Travel and entertainment</td>
<td>749</td>
<td>536</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>11,794</td>
<td>14,830</td>
</tr>
<tr>
<td><strong>Total operating expenses before depreciation and amortization</strong></td>
<td>236,955</td>
<td>227,675</td>
</tr>
<tr>
<td><strong>Operating income before depreciation and amortization</strong></td>
<td>253,805</td>
<td>246,857</td>
</tr>
</tbody>
</table>

continued….  

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PORT OF LOS ANGELES  
(HARBOR DEPARTMENT OF THE CITY OF LOS ANGELES, CALIFORNIA)  

Statements of Revenues, Expenses, and Changes in Net Position  
For the Fiscal Years Ended June 30, 2018 and 2017  
(amounts in thousands)  

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income before depreciation and amortization</td>
<td>$253,805</td>
<td>$246,857</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>167,984</td>
<td>172,895</td>
</tr>
<tr>
<td><strong>OPERATING INCOME</strong></td>
<td>85,821</td>
<td>73,962</td>
</tr>
<tr>
<td>NONOPERATING REVENUE (EXPENSES)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income from investments in Joint Powers Authorities</td>
<td>2,001</td>
<td>2,162</td>
</tr>
<tr>
<td>Interest and investment income</td>
<td>618</td>
<td>1,118</td>
</tr>
<tr>
<td>Noncapital grant revenue</td>
<td>1,505</td>
<td>1,199</td>
</tr>
<tr>
<td>Pass through grant revenue</td>
<td>2,703</td>
<td>7,931</td>
</tr>
<tr>
<td>Other nonoperating revenue</td>
<td>4,076</td>
<td>864</td>
</tr>
<tr>
<td>Total nonoperating revenue</td>
<td>10,903</td>
<td>13,274</td>
</tr>
<tr>
<td>Nonoperating expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expense</td>
<td>(1,612)</td>
<td>(604)</td>
</tr>
<tr>
<td>Pass through grant expenses</td>
<td>(2,703)</td>
<td>(7,931)</td>
</tr>
<tr>
<td>Discontinued capital projects</td>
<td>(1,592)</td>
<td>(773)</td>
</tr>
<tr>
<td>Other nonoperating expenses</td>
<td>(1,990)</td>
<td>(2,436)</td>
</tr>
<tr>
<td>Total nonoperating expenses</td>
<td>(7,897)</td>
<td>(11,744)</td>
</tr>
<tr>
<td>Net nonoperating revenue (expenses)</td>
<td>3,006</td>
<td>1,530</td>
</tr>
<tr>
<td><strong>INCOME BEFORE CAPITAL CONTRIBUTIONS</strong></td>
<td>88,827</td>
<td>75,492</td>
</tr>
<tr>
<td>Capital contributions</td>
<td>4,524</td>
<td>18,801</td>
</tr>
<tr>
<td>Extraordinary item</td>
<td>--</td>
<td>9,150</td>
</tr>
<tr>
<td><strong>CHANGES IN NET POSITION</strong></td>
<td>93,351</td>
<td>103,443</td>
</tr>
<tr>
<td><strong>NET POSITION, JULY 1</strong></td>
<td>3,265,398</td>
<td>3,161,955</td>
</tr>
<tr>
<td>Cumulative effect of change in accounting principle</td>
<td>(23,878)</td>
<td>--</td>
</tr>
<tr>
<td>Net position, July 1, restated</td>
<td>3,241,520</td>
<td>3,161,955</td>
</tr>
<tr>
<td><strong>NET POSITION, JUNE 30</strong></td>
<td>$3,334,871</td>
<td>$3,265,398</td>
</tr>
</tbody>
</table>

See accompanying notes to the basic financial statements.