

SANITATION DISTRICTS OF LOS ANGELES COUNTY CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT



SOLID WASTE



WASTEWATER



GREEN ENERGY



RECYCLING

YEAR ENDED
June 30, 2014

GRACE ROBINSON HYDE
Chief Engineer & General Manager

**COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY,
CALIFORNIA**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2014

Prepared by the Accounting Section

Mr. Thomas J. Mueller
Chief Accountant

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COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Comprehensive Annual Financial Report

June 30, 2014

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COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

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GRACE ROBINSON HYDE
Chief Engineer and General Manager

December 19, 2014

Honorable Boards of Directors
County Sanitation Districts
of Los Angeles County

Directors:

In accordance with California Government Code, we hereby submit the Comprehensive Annual Financial Report (CAFR) of the County Sanitation Districts of Los Angeles County for the fiscal year ended June 30, 2014. The CAFR contains a complete set of financial statements presented in conformity with generally accepted accounting principles and audited in accordance with generally accepted auditing standards.

This report consists of representations by Districts' management concerning the finances of the Districts. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. Management has established a comprehensive internal control framework that is designed to ensure that the assets of the Districts are adequately protected from loss, theft, or misuse, and that sufficient reliable information is compiled for the preparation of the Districts' financial statements in conformance with accounting principles generally accepted in the United States of America. Recognizing that the cost of internal controls should not outweigh their benefits, the Districts' 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.

The Districts' financial statements have been audited by Moss, Levy & Hartzheim, LLP, a firm of licensed certified public accountants. The independent auditor concluded that the Districts' financial statements for the fiscal year ended June 30, 2014, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

Management's Discussion and Analysis (MD&A) can be found immediately following the report of the independent auditors and provides a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

During fiscal year 2013-2014, the County Sanitation Districts of Los Angeles County were comprised of 23 independent special districts created under the County Sanitation District Act, California Health & Safety Code Section 4700, et seq., to provide sanitation services. The Districts provide environmentally sound, cost-effective wastewater and solid waste management to approximately 5.5 million people in Los Angeles County. The Districts' service area covers approximately 800 square miles and encompasses 78 cities and unincorporated territory within the County, excluding the majority of the City of Los Angeles.

A 24th sanitation district, the Newhall Ranch Sanitation District (NRSD), was created in Los Angeles County on June 27, 2006, with the Los Angeles County Department of Public Works acting as staff. On March 11, 2014, NRSD took action to become signatory to the Amended Joint Administration Agreement (Amended JAA). This is the agreement whereby the other 23 districts have agreed to be administered by a single shared staff and legal counsel. At the same time, in order to carry out the business of NRSD during the interim period while the other 23 districts approved the change to the Amended JAA, they appointed the officers and counsel of District No. 2 to serve as interim officers and interim counsel for NRSD. The last of the 23 districts approved the change to the Amended JAA on September 10, 2014.

The governing body of each district is comprised of a Board of Directors generally consisting of the mayor of each city within the Districts' boundaries and the Chair of the County Board of Supervisors for unincorporated territory. The Boards are responsible for, among other things, adopting budgets, establishing user charges, and establishing policies. All of the districts party to the Amended JAA are served by one administrative staff, led by the Chief Engineer and General Manager and the Assistant Chief Engineer and Assistant General Manager. The Districts employ 1,706 full-time monthly and hourly employees, organized into seven departments. The workforce is diverse, with the largest concentration of employees serving in the operation and maintenance of the Districts' wastewater and solid waste management facilities.

The Districts' wastewater management system consists of approximately 1,400 miles of main trunk sewers, 48 active pumping plants, and 11 wastewater treatment plants. The Districts currently convey and treat approximately 410 million gallons per day (mgd) of wastewater, which is roughly one half of the total wastewater generated in the County. Approximately 152 mgd of the treated wastewater is available for reuse, after receiving a high level of treatment.

The Districts' solid waste management facilities handle an average of 5,500 tons per day of refuse and recyclable materials. The Districts operate two active sanitary landfills, one refuse-to-energy facility, two recycling centers, three materials recovery/transfer facilities, and three gas-to-energy facilities. The Districts also maintain four former sanitary landfill sites and, through a Joint Powers Agreement, have participated in the development and implementation of another refuse-to-energy facility. The Districts have acquired one remote landfill site and have developed this site as part of the initial implementation of a waste-by-rail system. The Districts are currently constructing an intermodal facility as part of the waste-by-rail system, which will be completed in 2015.

The Districts have entered into six Joint Powers Agreements that formed the basis of the following authorities: (1) the Southern California Coastal Water Research Project Authority; (2) the Commerce Refuse to Energy Authority; (3) the Southeast Resource Recovery Facility Authority; (4) the Puente Hills Habitat Preservation Authority; (5) the Inland Empire Regional Composting Authority; and (6) the Los Angeles County Sanitation Districts Financing Authority. The governing bodies of these

authorities are appointed pursuant to each of the Joint Powers Agreements. Except as discussed below, the budgeting and financing functions are maintained by the individual authorities.

Consolidated Entity

The Districts' CAFR also includes the financial activities of the Los Angeles County Sanitation Districts Financing Authority. Twenty-two of the districts created the Financing Authority on April 14, 1993. District No. 34 and the newest district, NRSD, are not members of the Financing Authority. The Financing Authority exists solely to facilitate the issuance of long-term debt and has no daily operations and does not conduct business on its own behalf. Since the Financing Authority's governing body is entirely comprised of members of the Districts' Boards and the Financing Authority provides services entirely for the Districts, the Financing Authority's financial activities have been consolidated with the Districts' financial activities for financial reporting purposes.

Budget

Each district annually adopts a wastewater budget that outlines the major elements of the forthcoming fiscal year's operating and capital programs. From that, management allocates the funds necessary for the next year's specific activities and projects. Additionally, an annual budget is prepared for solid waste management activities. The annual operating budgets are used to serve as a basis for monitoring financial progress and determining future wastewater and solid waste user rates. During each fiscal year, operating and capital programs may be amended as circumstances dictate. The overall wastewater and solid waste management budgets for fiscal year 2013-2014 were \$543 million and \$134 million, respectively. Actual expenses for wastewater and solid waste management were \$474 million and \$93 million, respectively.

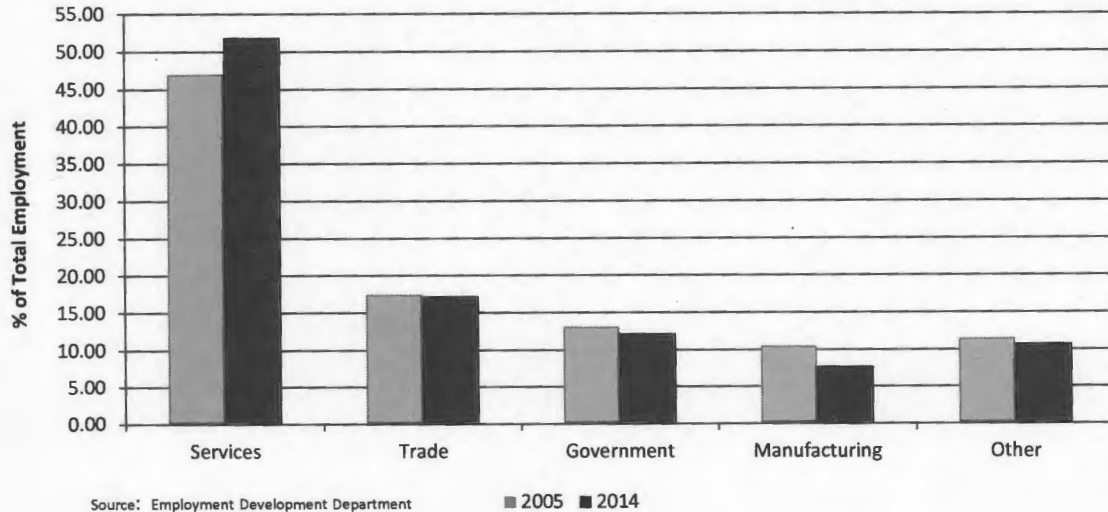
INFORMATION USEFUL IN ASSESSING ECONOMIC CONDITION

Local Economy

The County has experienced a population decrease of 1.3% since 2005, and the California Department of Finance predicts the County will see an increase of 6.2% by 2025. Per capita personal income increased 36.6% during the past 10 years. A table showing more economic indicators is located on page 96 of the Statistical Section.

The unemployment rate in the County nearly tripled from December 2006 (4.3%) to July 2010 (13.2%). Since reaching that high point, unemployment has steadily decreased to the current (June 2014) level of 8.2%. However, because of the increase in the size of the overall workforce, the total number of civilian employees has actually increased by 1.8% since 2005, with increases seen in the educational and health services sector, which saw a 30.5% increase, the leisure and hospitality sector, which saw an 18.6% increase, and the professional and business services sector, which saw a 6.9% increase. Employment in the services sector continues to be an increasing percentage of total employment in the County, as shown on Figure 1, increasing from 47.1% of total employment in 2005 to 51.9% in 2014, while manufacturing jobs decreased from 10.6% of total employment in 2005 to 7.7% in 2014. According to the Los Angeles County Economic Development Corporation, healthcare and social assistance; leisure and hospitality; professional, scientific, and technical services; administrative and support services; and construction will see the most job growth over the next few years.

Figure 1
L.A. County Economic Sectors
2004 vs. 2014



California's water supply continues to be a concern due to projected population increases and frequent periods of time with low precipitation levels. This concern has increased with the severity of the current drought condition and the emergency water conservation measures being enacted by the state and local governments. This, in turn, has increased interest in the use of recycled water for groundwater recharge, industrial uses, and irrigation. The Districts are continuing to work with local and regional water purveyors in planning and constructing recycled water, advanced treatment, and delivery systems throughout their service areas.

In recent years, there has been a noticeable decrease in wastewater flows generated within a majority of the Districts' service area. The impact of this observed decrease in flows varies at different Districts' facilities, but the overall wastewater flow to the Districts' 11 treatment plants has decreased more than 20% since 2005. The decrease in wastewater flow is believed to be associated with the combined effects of the recent economic downturn, specifically a 28% decrease in Joint Outfall System industrial sewage units since fiscal year 2005-2006, and water conservation measures. Increases in wastewater flows are anticipated during and following the economic recovery.

Long-Term Financial Planning

In the spring of 2011, nearly all districts adopted rates for a three-year period, beginning with fiscal year 2011-2012. The minimal increases of \$1 to \$2 per single-family home per year were reflective of the state of the economy and the ongoing recession. However, additional future increases were anticipated to upgrade treatment facilities and infrastructure, to comply with increasingly stringent regulatory requirements, and to begin a phased approach to replenishing reserves to targeted levels. In fact, in the spring of 2014, nearly all of the Joint Outfall Districts adopted three-year rate ordinances covering fiscal years 2014-2015 through 2016-2017. The average increase was approximately \$4.40 per year per single-family home. (A table reflecting each district's 10-year service charge rate history is located on page 87 of the Statistical Section.) Overall, the Districts' rates remain very competitive when compared to similar agencies.

The Districts' wastewater management system is critically dependent on its ability to dispose of the portion of treated effluent that is not recycled. The majority of the Districts' effluent is discharged, either directly or indirectly, to the Pacific Ocean, with a smaller portion being reused. The Joint Water Pollution Control Plant (JWPCP) discharges effluent through a tunnel and ocean outfall system, originally constructed in 1937, and expanded in 1958 and 1967. The tunnel and outfall system must remain in continuous operation, making it very difficult and, in the case of the tunnels, not practical for the Districts to fully determine the physical condition of these critical facilities. Therefore, the Districts evaluated a new tunnel and/or ocean outfall system in the context of a broader Joint Outfall System Master Facilities Plan to ensure the overall reliability of the wastewater management system. The board-approved project consists of an additional tunnel and cathodic protection of the existing ocean outfalls. This is expected to cost approximately \$600 million (in 2014 dollars). The Board of Directors of District No. 2 certified the Clearwater Environmental Impact Report and approved the Master Facilities Plan on November 28, 2012. The U.S. Army Corps of Engineers approved the federal Environmental Impact Statement on July 31, 2013. Final design and geotechnical work for a new 6.9-mile-long, 18-foot-diameter tunnel is underway and is scheduled to be completed by 2016. Construction of the tunnel will take 6-7 years.

The Lancaster and Palmdale Water Reclamation Plants (WRPs), located in the Antelope Valley, serve the wastewater management needs for the cities of Lancaster and Palmdale and adjacent unincorporated areas of Los Angeles County. Although the rapid population growth in the Antelope Valley service area has abated, this growth is expected to resume when the local economy recovers from the current downturn. Based on the expected increase in wastewater flows, the treatment capacity at the Lancaster and Palmdale WRPs, after the expansions and upgrades described below, is projected to be adequate until 2024 and 2028, respectively. Management of the recycled water produced at both WRPs is an ongoing issue, since the Antelope Valley is an enclosed watershed basin with no natural outlets. Requirements imposed by the Lahontan Regional Water Quality Control Board necessitated the construction of major capital facilities.

The major capital requirements in the Antelope Valley resulted in the need for significant increases in service charge rates. The Boards of Directors for District Nos. 14 and 20 originally approved four years of rate increases of \$50 and \$55 per single-family home per year, respectively, beginning with fiscal year 2007-2008, acknowledging that subsequent rate increases would be needed. In early 2011, Districts' staff recommended four years of additional rate increases for both Districts to support the increased operation and maintenance expense of the new facilities, along with the increased debt service payments associated with the state revolving fund (SRF) loans and bonds that were used to finance the facility upgrades. The District No. 20 Board of Directors approved the proposed four-year rate package, with increases of \$48, \$48, \$48, and \$10 per single-family home per year. The District No. 14 Board of Directors opted to defer a rate increase for fiscal year 2011-2012, based on the knowledge that the debt service associated with the SRF loan would not begin until July 2012. In August 2012, they did approve the necessary rate increases of \$88, \$24, and \$24 per single-family home per year, beginning with fiscal year 2012-2013.

The Santa Clarita Valley Sanitation District (SCVSD) owns and operates the Saugus and Valencia WRPs, which serve the wastewater management needs of the Santa Clarita Valley. In 2007, the SCVSD received the final version of the State regulatory mandate to reduce chloride levels in treated effluent discharged from these facilities to the Santa Clara River. After failed attempts in 2009 and 2010 to obtain Board approval of rates necessary to implement watershed-based approaches to compliance, the SCVSD has been working with regulators and stakeholders to explore other opportunities for more cost-effective compliance, while at the same time moving forward with preparation of a Facilities Plan and Environmental Impact Report to comply with the original regulatory standard. The SCVSD Board of

Directors approved the Chloride Compliance Project (the Project) and certified the associated environmental impact report (EIR) on October 28, 2013. The approved Project will cost approximately \$130 million and consist of installing ultra-violet light disinfection at both the Saugus and the Valencia WRPs and advanced-treatment facilities at the Valencia WRP only. The project will also include a brine disposal component by deep well injection. Design has begun on the project and will continue through 2017.

In approving the Project, the SCVSD Board directed staff to request a deadline extension from the California Regional Water Quality Control Board – Los Angeles Region (Regional Water Board) to allow time for construction of the Project without additional fines being incurred. In order to grant this request, the Regional Water Board would have to adopt an Amended Water Quality Control Plan for the Los Angeles Region by May 2015, the existing deadline. With the multiple levels of State and Federal reviews that are required, the draft amendments would have to be released for public comments during August 2014. However, the Regional Water Board indicated that they would not release the draft amendments unless the SCVSD had adopted service charge rates that would allow for full funding of the Project. Thus the SCVSD began the Proposition 218 process of adopting new rates. Following an extensive public outreach program and a formal public hearing, the SCVSD Board adopted rates for six years, beginning with fiscal year 2014-2015. The rates will increase an average of \$20.50 per year per single-family home, going from \$247 in fiscal year 2013-2014 to \$370 in fiscal year 2019-2020.

To address continued changes in available biosolids management options, a number of years ago the Districts undertook an effort to plan and develop a project that would offer the Districts long-term reliability at a controlled cost for managing biosolids produced from their wastewater treatment plants. Construction of the first phase of the Westlake Farms Composting Facility, located near Kettleman City, is underway and scheduled to be completed in 2015. The Phase I project, at a cost of \$64 million, will provide facilities to compost approximately 100,000 wet tons of biosolids and 80,000 wet tons of bulking agent annually. The facility will be "state-of-the-art," utilizing an indoor receiving and mixing facility and engineered fabric covers to control air emissions from the composting process. The facility will produce an "exceptional quality" (as defined by USEPA) compost that will be applied to the Districts' adjacent 14,500 acres of farmland, currently leased by a local farmer. Benefits of the application of compost to the farmland include replenishing the organic matter in depleted topsoil, which will increase productivity of the agricultural land by improving moisture retention, porosity, and nutrient conditions in the soil. Phase I will have sufficient capacity to compost 100,000 wet tons per year, which represents approximately 23% of the biosolids produced by the Districts' wastewater treatment facilities. The design of the facility is such that additional phases can be added in the future, in 100,000 wet tons per year increments, for an ultimate capacity of 500,000 wet tons of biosolids annually.

In 2004, the Districts implemented a treatment process upgrade project at the San Jose Creek WRP in order to meet new discharge limits for nitrogen compounds. The upgrades, however, necessitated a reduction in treatment flow in order to reliably meet the discharge limits. In October 2014, the Districts' Board approved the San Jose Creek WRP East Process Optimization Facilities Plan for a project that will enhance the treatment process providing for more reliable operations at higher wastewater flows. Providing for the treatment of higher flows at the San Jose Creek WRP will make more effluent available for reuse. The project will cost approximately \$55 million. The Districts will seek funding through SRF loans and have already secured approximately \$3 million in Proposition 84 grant funding.

In the area of solid waste management, the Districts are continuing efforts to recycle materials and to secure remote out-of-County disposal capacity through the development of a waste-by-rail system to be utilized as the capacities of more cost effective in-County and near-County disposal sites become

inadequate. The waste-by-rail system will be comprised of materials recovery/transfer facilities, intermodal facilities, rail operations, and a remote landfill. The Puente Hills MRF and the Downey Area Recycling and Transfer facility will process waste to remove recyclable materials, and the residual waste will be put into sealed "intermodal containers," which will look like any other shipping containers. The containerized waste will be transported to intermodal rail facilities where the containers will be loaded onto rail cars for transport to a remote landfill. Containerized waste arriving at the remote landfill will be unloaded from the rail cars and transported to an operating area where the waste is emptied from the containers for disposal.

The Districts have acquired one remote disposal site, the Mesquite Regional Landfill in Imperial County. Projects to prepare the site for initial operations have been constructed, and the site is now ready to accept waste by truck delivery. The acquisition of the Mesquite Regional Landfill provides 20,000 tons per day of permitted disposal capacity to Districts' cities and unincorporated County territories when needed. The operation of this site will provide more than 100 years of disposal capacity for Los Angeles County.

The Puente Hills Intermodal Facility (PHIMF), a 17-acre site located at 2500 Pellissier Place in the City of Industry, will have the capacity to load/unload two trains per day (4,000 tons per train) for transport to the Mesquite Regional Landfill. Construction of the PHIMF began in July 2009 and is expected to be complete in 2015.

Previously, a disposal capacity shortfall was expected to occur in the County when the Puente Hills Landfill closed on October 31, 2013. But, due to the economic downturn that significantly reduced tonnage County-wide and the successful permitting of additional nearby landfill capacity, there will be adequate disposal capacity within the region well beyond 2015. While there is adequate disposal capacity within the region, it is unlikely that customers will pay the higher cost of transporting waste over a 200-mile distance from Los Angeles County to a remote landfill. Therefore, utilization of the waste-by-rail system is not anticipated until local capacity is diminished. Until needed, the waste-by-rail system will be standing by, along with the option of truck hauling, to transport waste to the remote landfill. On April 24, 2013, the Districts executed an agreement with Orange County for short-term disposal capacity to serve the disposal needs of the Districts' materials recovery/transfer facilities.

The Districts were among the first to utilize landfill gas as a natural resource to produce renewable energy. The Districts constructed landfill energy recovery facilities at the Puente Hills, Spadra, Calabasas, and Palos Verdes Landfills that provide reliable and economic power that helps to serve California's increasing energy needs. The Palos Verdes Landfill Gas-to-Energy Facility, which started operations in 1988, was shut down permanently on October 1, 2011, because it was no longer economical to operate. The gas is now sent to an ultra-low emissions flare. The Districts sell their electrical output from the Puente Hills and Spadra Landfill Gas-to-Energy Facilities to Southern California Edison under 30-year Qualifying Facility (QF) contracts executed when the facilities were constructed in the 1980's. The QF contract for the Puente Hills Gas-to-Energy Facility expires at the end of 2016. The Districts have entered into a new power purchase agreement with Southern California Public Power Authority, effective January 1, 2017, at a fixed price of 8 cents/kW-hr. The agreement provides more revenue than other alternatives for selling the power, and it provides a reliable income stream that will allow the facility to operate cost-effectively through 2030. Energy production at the Spadra Gas-to-Energy Facility has been declining since the landfill closed in 2000. It is anticipated that, within the next few years, the facility production will be too low to cost-effectively operate and will have to be shut down. At this time, there are no other commercially available energy recovery systems to cost-effectively re-use the landfill gas.

The Districts sell their electricity, renewable attributes, and capacity attributes from the Calabasas Landfill Gas-to-Energy Facility to various buyers under agreements that are in effect through 2016. Most of the electricity generated at Calabasas is sold to Districts' wastewater facilities at a fixed price of 4.9 cents/kW-hr. The remainder, approximately 2 MW, is sold to the California grid at prices in the 3-5-cents/KW-hr. range. The average income for the Calabasas facility, including electricity and other attributes, is approximately 8 cents/kW-hr.

Relevant Financial Policies

The Districts' mission is to protect public health and the environment through innovative and cost-effective wastewater and solid waste management and, in doing so, convert waste into resources such as reclaimed water, energy, and recycled materials. In terms of meeting the Districts' mission as it relates to its financial goals, the relevant financial policies are addressed as follows:

Traditionally, the Districts' wastewater financial policies have been tailored to two groups: existing users and new users. Charges to existing users of the system fund operations and maintenance of existing facilities and construction of any necessary capital upgrades (either the rehabilitation of existing facilities or the construction of new facilities that will provide a higher level of treatment, without increasing capacity). Though the Districts continue to receive a pro rata share of the 1% general property tax levy to pay for sanitation services, this amount is insufficient to meet all necessary expenses. The Districts make up this revenue shortfall through outside funding, including SRF loans and bond proceeds, and through the residential and commercial service charge and the industrial waste surcharge program. Each district's board of directors sets service charge rates by ordinance. These rates are based on each district's budget, which consists of three major categories: (i) operations and maintenance; (ii) capital; and (iii) debt service. Tax revenues and service charges are received in periodic installments, with the largest receipts occurring in December and April.

The Boards of Directors have consistently endorsed a policy that the costs of additional facilities necessitated by increased flows from new development should be borne by new users, not existing users. Consequently, all of the districts have implemented a Master Connection Fee Ordinance establishing the structure and mechanism for levying and collecting connection fees. Each district's board of directors has adopted a connection fee rate ordinance, with a rate based on the incremental cost of expansion of all facilities. A new discharger's connection fee is based on the anticipated use of the sewerage system and is levied at the time a sewer permit is issued. The connection fees are accumulated in a restricted fund and withdrawn as necessary to construct expansion-related projects.

The Districts have aggressively pursued SRF loans offered by the State of California, which provide wastewater agencies 100% of eligible capital construction costs at an interest rate equal to one half of the State's current general obligation bond for a period of 20 years, to supplement the financing of capital upgrades. The State recently amended the SRF loan policy to extend the repayment period to 30 years, with no change in the interest rate. During fiscal year 2013-2014, the Districts received approximately \$9.66 million from SRF loans.

In addition to utilizing SRF loans, the Districts have issued ad valorem/revenue bonds to fund specific capital improvements. In 2011, the Districts undertook an "advanced" refunding of a portion of its 2003 Bonds, which resulted in a net present value savings of \$10.6 million. Because interest rates continued to drop to historic lows in early 2013, the Districts were able to refinance the remaining 2003 Bonds in July 2013 by issuing \$107.6 million of refunding bonds, with a net present value savings of \$28.8 million.

The Board of Directors of District No. 2 sets solid waste disposal tipping fees by ordinance for Districts-operated facilities, except for the Calabasas Landfill, for which rates are set by the Board of Supervisors of the County of Los Angeles after discussion with and recommendations by the Districts. The tipping fees include factors for solid waste facilities operations and maintenance costs, taxes, state and local regulatory agency fees, capital upgrade and expansion projects, and relevant future closure and postclosure costs.

Each district has adopted an investment policy with safety of principal the primary objective, while maintaining liquidity and a market rate of return on its portfolio. The Districts' investment policies are governed by and are in full compliance with the California Government Code. The Districts' Treasurer matches investments with anticipated cash flow requirements and does not invest in securities maturing more than five years from the date of purchase unless approved by the Districts' Boards of Directors. See accompanying Note 3 to the basic financial statements for additional information.

As part of the overall goal to protect the long-term financial viability of the Districts, an informal policy has been established regarding reserves. The targeted reserves for each sanitation district are equal to its six months of operations and maintenance expenses and one year of debt service. While it would be desirable to reach this goal in a single year, it would not be practical. Instead, reserves will be built up over a number of years so that the target can be reached in each district within six to ten years.

Major Initiatives

In an effort to help alleviate the statewide drought, the Districts continue to work toward maximizing recycling of the high-quality effluent produced by the WRPs. Working with local water agencies, a number of new projects are being considered to further displace some of the use of imported water with recycled water. This collaborative effort includes new distribution piping systems to meet irrigation and industrial supply needs that will serve areas within the County not previously served. During fiscal year 2013-2014, the Districts supplied an average of 90 million gallons per day of recycled water to more than 750 reuse sites.

Furthermore, scientific studies are underway to evaluate the feasibility of expanding the recharge of groundwater basins in the eastern areas of the County with recycled water. The Districts have been working for some time with the Water Replenishment District of Southern California on a Groundwater Reliability Improvement Program that would recycle additional water for replenishment of the Central Coast groundwater basins. The Districts have also begun discussions with the Upper San Gabriel Valley Municipal Water District on plans to supply recycled water for replenishment of the Main San Gabriel groundwater basin.

On October 31, 2013, the Puente Hills Landfill closed after more than 50 years of operation. Prior to its closing, the Districts undertook a number of activities to ensure a smooth and reliable transition for the customers who utilized the facility. These efforts focused on preparing three other Districts facilities also serving the southern and eastern areas of Los Angeles County for a significant increase in tonnage after landfill closure. The Puente Hills Materials Recovery Facility (PHMRF), the Downey Area Recycling and Transfer Facility, and the South Gate Transfer Station were projected to receive half the tonnage previously received at the landfill from non-District sources (approximately 3,000 tons per day). These preparation efforts included increasing staff and equipment and implementing new agreements for contract labor, transfer trucking, waste disposal, and incoming tonnage. The Districts entered into 20 waste disposal and processing agreements with hauling companies for guaranteed quantities of waste and recyclables at negotiated rates. These "put or pay" contracts provide a reliable and consistent stream of material and collectively account for more than half the tonnage currently received at

the three facilities. Overall, the increase in tonnage materialized as projected, although most of the increase occurred at PHMRF.

AWARDS AND ACKNOWLEDGEMENTS

The National Association of Clean Water Agencies Peak Performance Awards recognize member agency facilities for outstanding compliance of their National Pollutant Discharge Elimination System (NPDES) permit limits. This recognition program consists of three categories: Platinum, which recognizes facilities that have achieved 100% compliance with NPDES permit limits for five consecutive years; Gold, which recognizes facilities that have achieved 100% compliance with NPDES permit limits within the calendar year; and Silver, which recognizes eligible facilities that have received no more than five NPDES permit violations within the calendar year. For calendar year 2013, the Districts received Platinum Awards for the JWPCP, Long Beach WRP, San Jose Creek West WRP, Whittier Narrows WRP, and Valencia WRP; Gold Awards for the Los Coyotes WRP, San Jose Creek East WRP, and Saugus WRP; and a Silver Award for the Pomona WRP.

The Clearwater Program, the Master Plan and EIR for the Joint Outfall System through the year 2050, was awarded the Grand Prize in the Planning category of the 2013 Excellence in Environmental Engineering and Science by the American Academy of Environmental Engineers and Scientists.

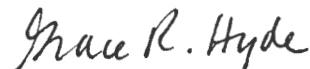
Certificate of Achievement

The Districts' CAFR for the fiscal year ended June 30, 2014, has been completed by Districts' staff and audited by Moss, Levy & Hartzheim, LLP. The CAFR details all of the Districts' financial activities for the entire agency. The independent auditor concluded that the Districts' financial statements present fairly, in all material respects, the financial position of the Districts in accordance with generally accepted accounting principles. The Districts have also received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for the past 30 consecutive years and have submitted this year's CAFR for consideration as well.

Acknowledgments

In submitting this 2013-2014 CAFR, appreciation is expressed to all departments and personnel that participated in preparing this report, and particularly to the Accounting Section members.

Very truly yours,



Grace Robinson Hyde
Chief Engineer and
General Manager



Thomas J. Mueller
Chief Accountant

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Boards of Directors Membership

As of June 30, 2014

<u>City</u>	<u>District(s)</u>	<u>Director/Mayor ^{1/}(2ND Director/Councilmembers)</u>	<u>Alternate Director ^{2/}(Councilmember/Supervisor)</u>
Alhambra	2-16	Stephen Sham	Gary Yamauchi
Arcadia	15-22	John Wuo	Roger Chandler
Artesia	2-18-19	Tony Lima	Miguel Canales
Azusa	22	Joseph R. Rocha	Edward J. Alvarez
Baldwin Park	15-22	Manuel Lozano	Cruz Baca
Bell	1-2	Nestor Enrique Valencia	Violeta Alvarez
Bell Gardens	2	Daniel Crespo	Pedro Aceituno
Bellflower	2-3-18	Sonny R. Santa Ines	Scott A. Larsen
Beverly Hills	4	Lili Bosse	Nancy Krasne
Bradbury	15-22	Richard G. Barakat	Richard T. Hale
Carson	8	James L. Dear	Mike A. Gipson
Cerritos	2-3-18-19	Mark E. Pulido	Carol Chen (19) Joseph Cho (2,3,18)
Claremont	21	Joe Lyons	Opanyi Nasiali
Commerce (City of)	2	Tina Baca Del Rio	Lilia Leon
Compton	1-2-8	Aja Brown	Janna Zurita
Covina	22	Peggy Delach	John King
Cudahy	1	Christopher Garcia	Cristian Markovich
Culver City	5	Meghan Sahli-Wells	Jeffrey Cooper
Diamond Bar	21	Carol A Herrera	Steve Tye
Downey	2-18	Fernando Vasquez	Mario Guerra
Duarte	15-22	Liz Reilly	Margaret Finlay
El Monte	15	Andre Quintero	Victoria Martinez
El Segundo	SBC-5	Suzanne Fuentes	Carl Jacobson
Gardena	5	Paul K. Tanaka	Dan Medina
Glendora	22	Judy Nelson	Karen Davis
Hawaiian Gardens	19	Reynaldo O. Rodriguez	Michael Gomez
Hawthorne	5	Chris Brown	- - -vacant- - -

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Boards of Directors Membership

As of June 30, 2014

<u>City</u>	<u>District(s)</u>	<u>Director/Mayor ^{1/}(2ND Director/Councilmembers)</u>	<u>Alternate Director ^{2/}(Councilmember/Supervisor)</u>
Hermosa Beach	SBC	Michael DiVirgilio	Peter C. Tucker
Huntington Park	1	Rosa E. Perez	Mario Gomez
Industry (City of)	15-18-21	Tim Spohn	Jeff Parriott
Inglewood	5	James T. Butts	- - -vacant- - -
Irwindale	15-22	Mark A. Breceda	Manuel R. Garcia
La Cañada Flintridge*	28-34	Michael A. Davitt	not applicable
La Cañada Flintridge*	28-34	Jonathan C. Curtis	—”—
La Cañada Flintridge*	28-34	Laura Olhasso	—”—
La Cañada Flintridge*	28-34	David A. Spence	—”—
La Cañada Flintridge*	28-34	Donald R. Voss	—”—
La Habra Heights	18	Brian Bergman	Michael Higgins
La Mirada	18	Lawrence P. Mowles	Steve De Ruse
La Puente	15-21	Violeta Lewis	Dan Holloway
La Verne	21-22	Don A. Kendrick	Donna Redman
Lakewood	3-19	Todd Rogers	Jeff Wood
Lancaster	14	R. Rex Parris	Ken Mann
Lawndale	5	Robert Pullen-Miles	Pat Kearney
Lomita	5	Michael G. Savidan	James Gazeley
Long Beach	1-2-3-8-19	Bob Foster	Dee Andrews
Los Angeles City	1-2-3-4-5-8-9-16	Herb Wesson, Jr.	Joe Buscaino
Lynwood	1	Aide Castro	Jose Luis Solache
Manhattan Beach	SBC-5	Amy Howorth	Wayne Powell
Maywood	1	Oscar Magana	Thomas Martin
Monrovia	15-22	Mary Ann Lutz	Becky A. Shevlin
Montebello	2-15	William M. Molinari	Jack Hadjinian
Monterey Park	2-15	Anthony Wong	Hans Liang
Norwalk	2-18	Marcel Rodarte	Michael Mendez

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Boards of Directors Membership

As of June 30, 2014

<u>City</u>	<u>District(s)</u>		<u>Director/Mayor</u> ^{1/} (^{2ND} <u>Director/Councilmembers</u>)	<u>Alternate Director</u> ^{2/} <u>(Councilmember/Supervisor)</u>
Palmdale	14-20		James C. Ledford	Steven Hofbauer
Palmdale	20	2 nd Dir	Tom Lackey	Steven Hofbauer
Palos Verdes Estates	SBC-5		Ellen Perkins	Rosemary Humphrey
Paramount	1-2		Diane J. Martinez	Peggy Lemons
Pasadena	15-16-17		William J. Bogaard	- - - vacant - - -
Pico Rivera	2-18		Brent A. Tercero	David Armenta
Pomona	21		Elliott Rothman	Paula Lantz
Rancho Palos Verdes	SBC-5		Jerry Duhovic (Resigned)	Susan Brooks
Redondo Beach	SBC-5		Steve Aspel	Bill Brand
Rolling Hills	5		B. Allen Lay	Frank E. Hill
Rolling Hills Estates	SBC-5		Judy Mitchell	John Addleman
Rosemead	15		William "Bill" Alarcon	Sandra Armenta
San Dimas	21-22		Curtis W. Morris	Denis Bertone
San Gabriel	2-15		John R. Harrington	Juli Costanzo
San Marino	15-16		Eugene Sun	- - - vacant - - -
Santa Clarita	SCV		Laurene Weste	Marsha McLean
Santa Clarita	SCV	2 nd Dir	Robert Kellar	—”—
Santa Fe Springs	18		Juanita Trujillo	Richard J. Moore
Sierra Madre	15		John Harabedian	John Capoccia
Signal Hill*	3-29		Edward H.J. Wilson	Larry Forester
Signal Hill*	29		Michael J. Noll	not applicable
Signal Hill*	29		Larry Forester	—”—
Signal Hill*	29		Tina Hansen	—”—
Signal Hill*	29		Lori Y. Woods	—”—
South El Monte	15		Luis "Louie" Aguinaga	Hector Delgado
South Gate	1-2		Henry Gonzalez	William "Bill" De Witt
South Pasadena	16		Marina Khubesrian, M.D	Robert S. Joe

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Boards of Directors Membership

As of June 30, 2014

<u>City</u>	<u>District(s)</u>	<u>Director/Mayor ^{1/}(2ND Director/Councilmembers)</u>	<u>Alternate Director ^{2/}(Councilmember/Supervisor)</u>
Temple City	15	Carl Blum	Cynthia Sternquist
Torrance	SBC-5	Patrick J. Furey	Heidi Ann Ashcraft
Vernon*	1-2-23	William M. McCormick	Michael A. Ybarra D1 Alternate William J. Davis D2 Alternate
Vernon*	23	Luz A. Martinez	not applicable
Vernon*	23	Michael A. Ybarra	—”—
Vernon*	23	William J. Davis	—”—
Vernon*	23	Richard J. Maisano	—”—
Walnut	21-22	Antonio “Tony” Cartagena	Eric Ching
West Covina	15-21-22	Steve Herfert	Fredrick Sykes
West Hollywood	4	John D’Amico	Jeffrey Prang
Whittier	2-15-18	Cathy Warner	Fernando Dutra
Los Angeles County	15, 18, 21	Don Knabe	Gloria Molina
27**	5	“	Mark Ridley-Thomas
	1, 2, 3, 8, 9, 14, 16, 19, 20, 22 & SCV	“	Michael D. Antonovich

^{1/} DIRECTOR is the Presiding officer of a city, all or part of which is in a Sanitation District. (§4730 Health & Safety Code)

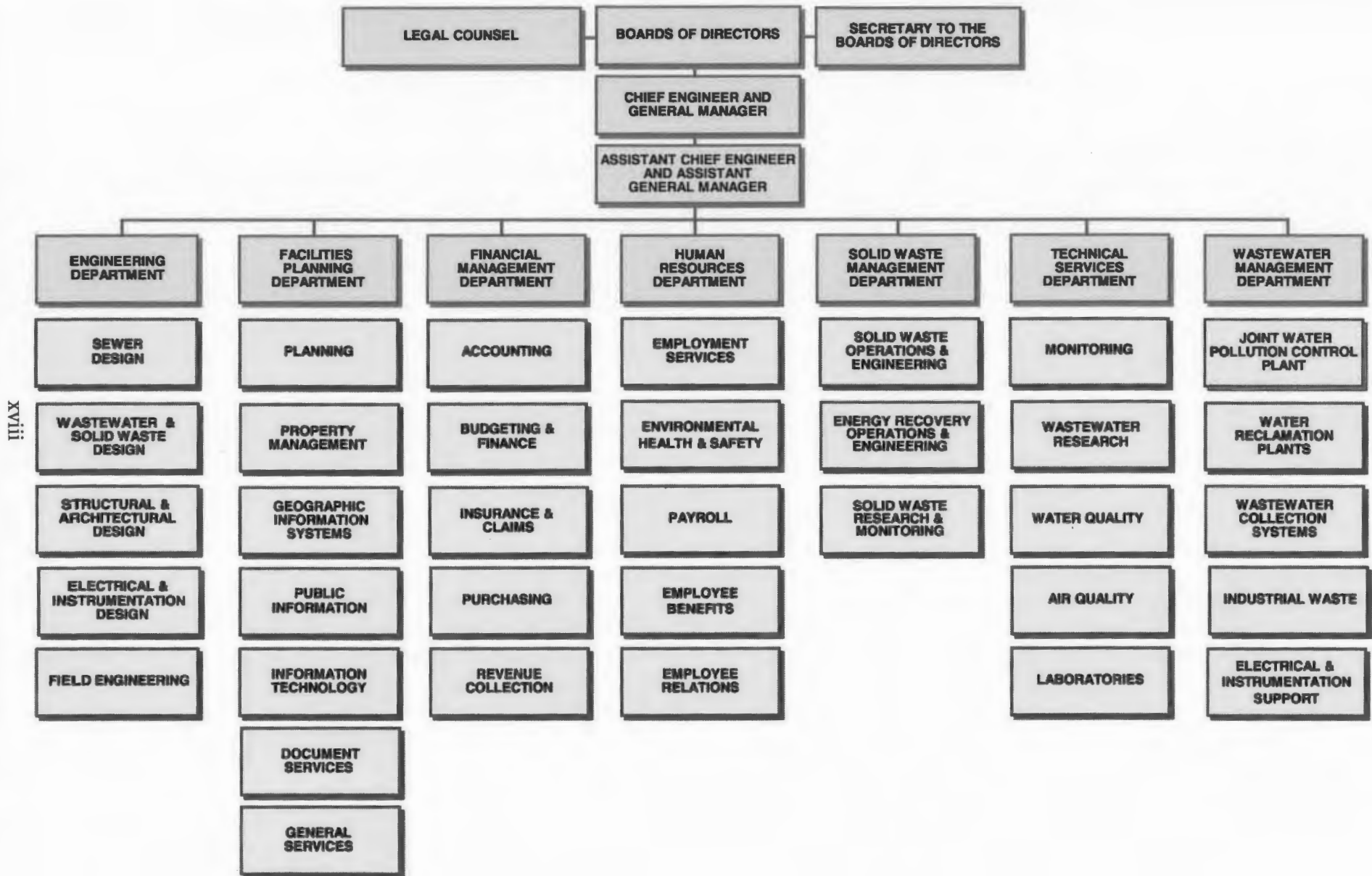
^{2/} ALTERNATE is a member of and appointed by city council or is a member of and appointed by the Board of Supervisors to act in the absence, refusal, or inability of presiding officer to so act. (§4730 Health & Safety Code) (exception-CLA Alternate appointed by Council Pres.)

TOTAL CITIES IN SANITATION DISTRICTS: 78

* Districts whose boundaries are composed of city area only: 23(Vernon), 29(Signal Hill), 28 & 34 (La Cañada Flintridge). The Boards of Directors is comprised of each city’s City Council.

** District whose boundaries are composed of only unincorporated area: 27 (Board of Supervisors is Board of Directors)

Sanitation Districts of Los Angeles County Organization Chart



XVII



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

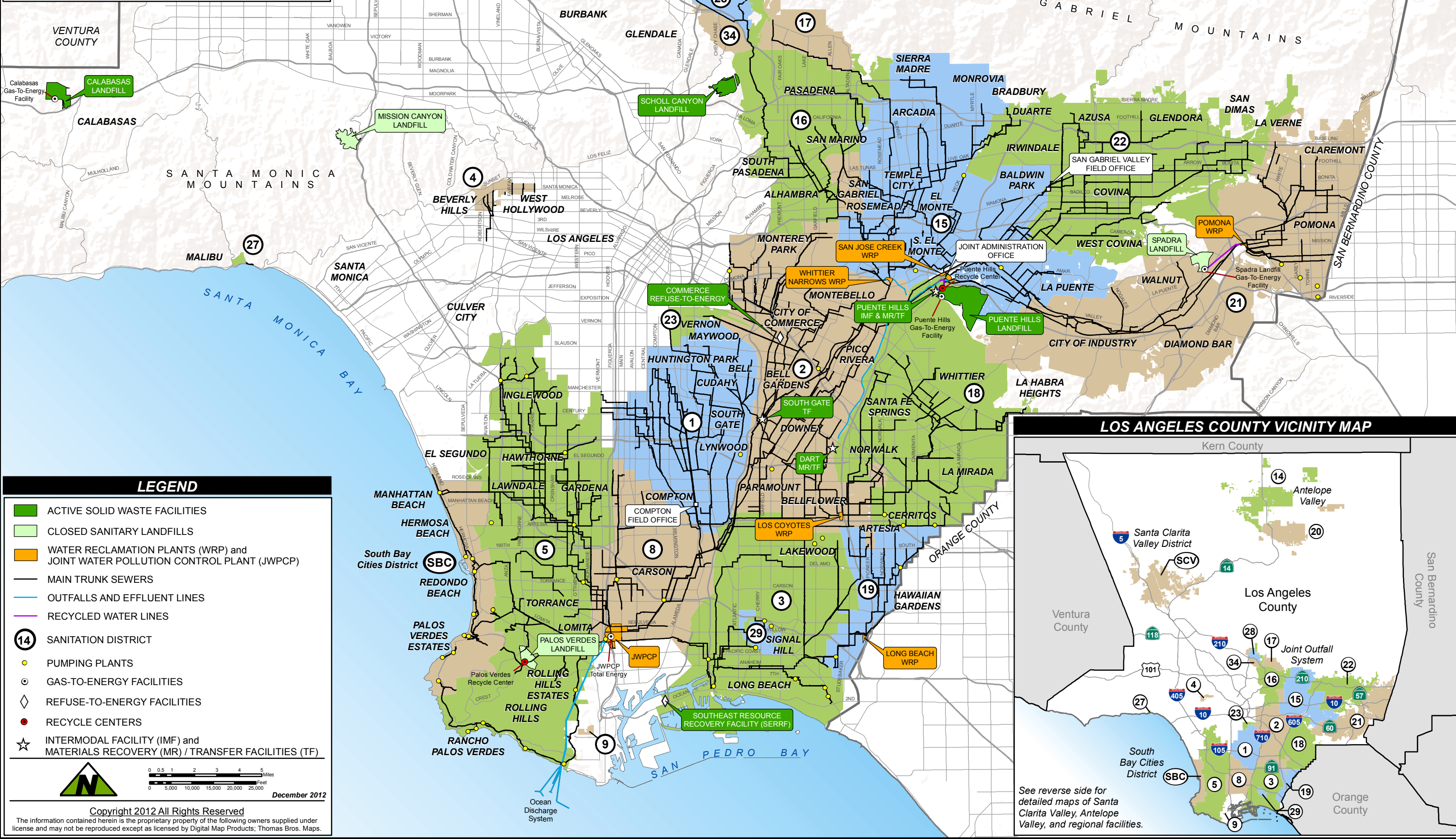
**County Sanitation Districts
of Los Angeles County, California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

SANITATION DISTRICTS OF LOS ANGELES COUNTY



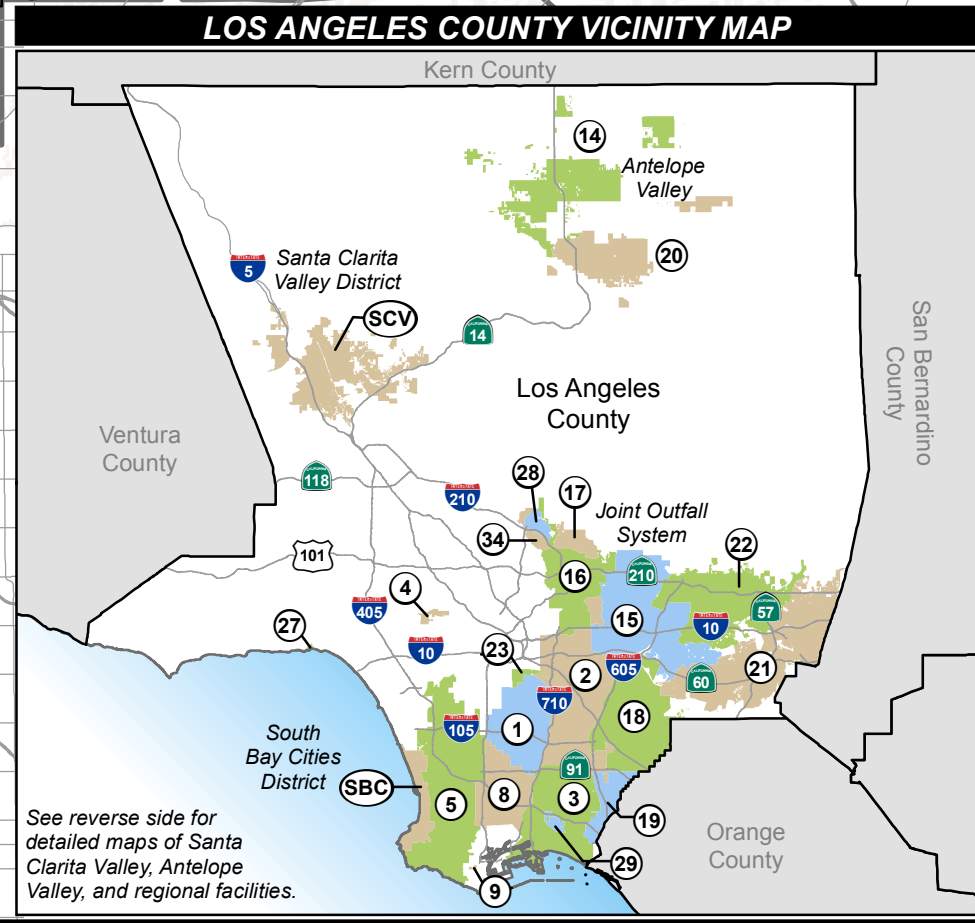
LEGEND

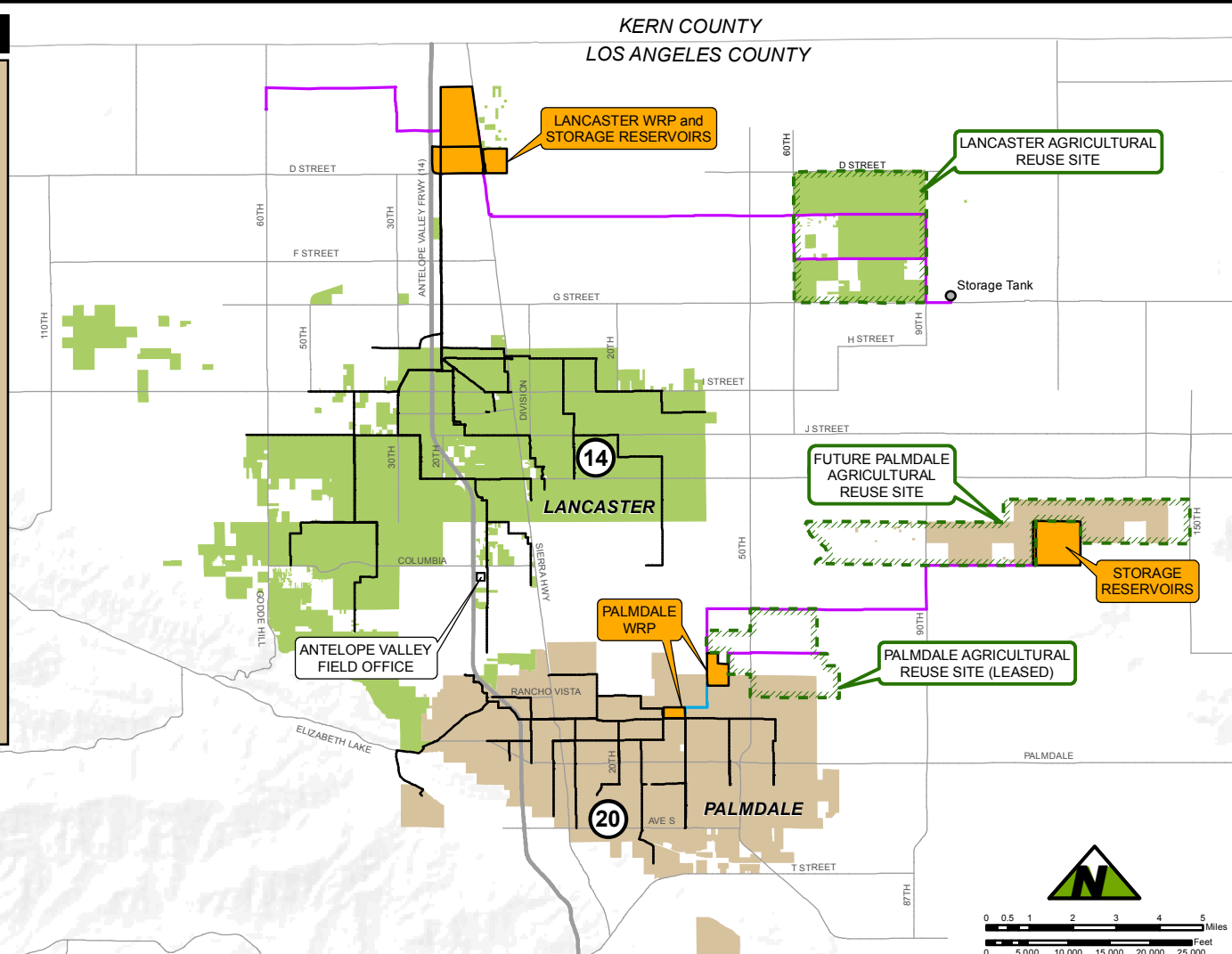
- ACTIVE SOLID WASTE FACILITIES
- CLOSED SANITARY LANDFILLS
- WATER RECLAMATION PLANTS (WRP) and JOINT WATER POLLUTION CONTROL PLANT (JWPCP)
- MAIN TRUNK SEWERS
- OUTFALLS AND EFFLUENT LINES
- RECYCLED WATER LINES
- 14 SANITATION DISTRICT
- PUMPING PLANTS
- GAS-TO-ENERGY FACILITIES
- REFUSE-TO-ENERGY FACILITIES
- RECYCLE CENTERS
- INTERMODAL FACILITY (IMF) and MATERIALS RECOVERY (MR) / TRANSFER FACILITIES (TF)

0 0.5 1 2 3 4 5 Miles
0 5,000 10,000 15,000 20,000 25,000 Feet

December 2012

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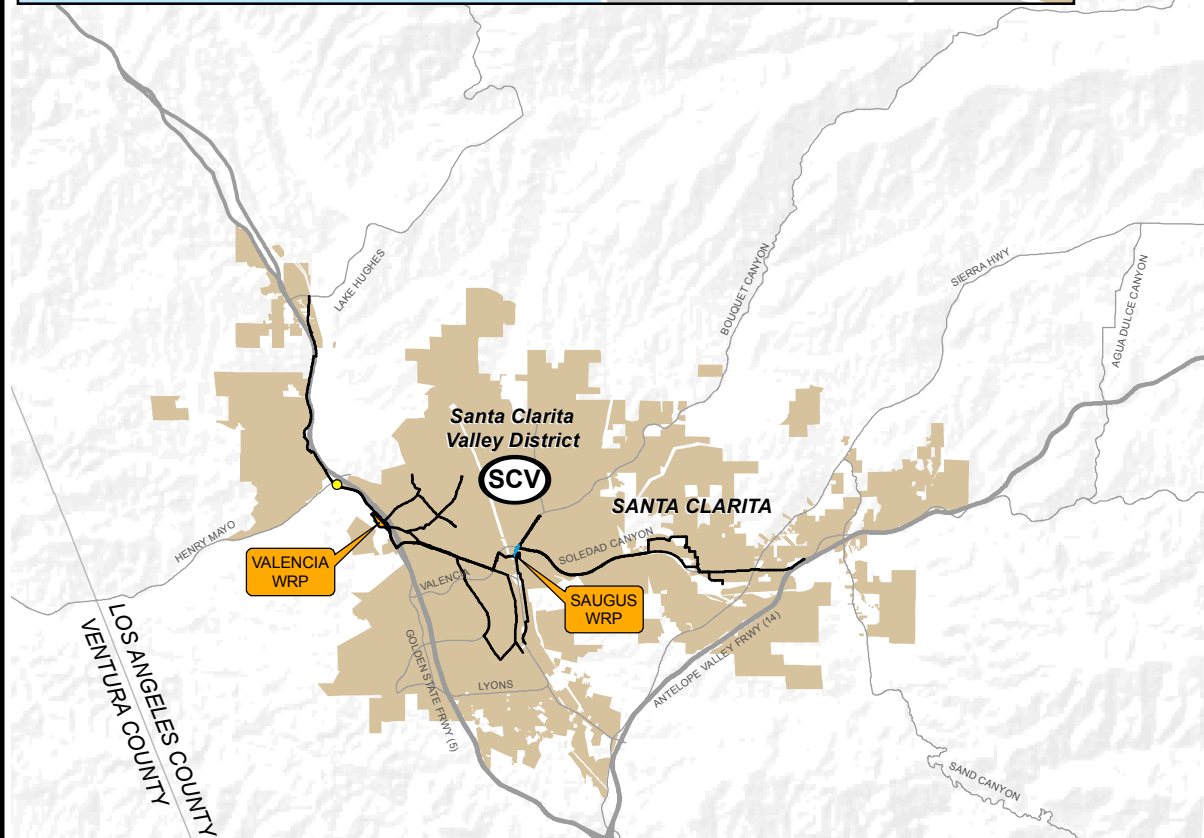


SOLID WASTE FACILITIES

Sanitary Landfills	Placed in Operation	Area in Acres	Status
Palos Verdes	5-15-57	288	Closed 12-31-80
Spadra	7-15-57	338	Closed 4-8-00
Mission Canyon	6-1-60	373	Closed 1-9-82
Scholl Canyon	3-22-61	431	Operating
Calabasas	2-14-61	500	Operating
Puente Hills	5-19-58	1368	Operating
Mesquite	Operational 2009		

Energy Facilities	Operational	Net Electricity Production
Puente Hills Gas Turbine	1-1-83	1.4 MW
Commerce Refuse-To-Energy	1-1-87	10 MW
Puente Hills Gas-To-Energy	1-1-87	46 MW
SERRF Refuse-To-Energy	12-1-88	30 MW
Spadra Gas-To-Energy	4-5-91	6 MW
Calabasas Gas-To-Energy	7-12-10	5.6 MW
Puente Hills Engines	5-1-05	5.4 MW

Other Solid Waste Facilities	Operational
South Gate TF	1-2-58
Palos Verdes Recycle Center	11-1-76
Puente Hills Recycle Center	10-25-82
DART MR/TF	3-2-98
Puente Hills MR/TF	7-11-05
Puente Hills IMF	Under Construction



LEGEND

	ACTIVE SOLID WASTE FACILITIES		SANITATION DISTRICT
	WATER RECLAMATION FACILITIES		PUMPING PLANTS
	AGRICULTURAL REUSE SITES		MAIN TRUNK SEWERS
	COMPOSTING FACILITIES		OUTFALLS AND EFFLUENT LINES
			RECYCLED WATER PIPELINES

COMPOSTING FACILITIES

Composting Facility	Placed in Operation
Inland Empire	4/16/2007
Westlake Farms	Under Construction

WASTEWATER FACILITIES

Facility	Placed in Operation	Permitted Capacity	Miles of Outfalls / Effluent Lines	Area in Acres
JWPCP	2-4-28	400 mgd	18.9	381.1
Long Beach WRP	5-22-73	25 mgd	0	17.2
Los Coyotes WRP	10-14-70	37.5 mgd	0	35.8
Whittier Narrows WRP	7-27-62	15 mgd	1.5	26.7
San Jose Creek WRP	6-29-71	100 mgd	9.9	50.8
Pomona WRP	4-15-54	15 mgd	0	12.4
La Canada WRP	11-2-62	0.2 mgd	0	0.3
Valencia WRP	3-25-66	21.6 mgd	0.3	26.0
Saugus WRP	7-1-62	7 mgd	0.6	4.1
Palmdale WRP	11-28-52	12 mgd	3.8	278.4
Lancaster WRP	10-1-59	18 mgd	0	1391.8

Energy Facilities	Placed in Operation	Net Electricity Production
JWPCP Total Energy	12-20-85	22 MW

DISTRICTS DATA

District	Date of Formation	Placed in Operation	Area (Sq. Miles)	Population 2010	Cities/Partial Cities	Miles of District Sewers 2010	Pump Stations	Wastewater Management
SBC	12-24-23	9-12-26	14.6	116,370	8	25.3	11	Joint Outfall System
1	11-17-24	2-13-28	41.6	566,108	11	104.6	1	Joint Outfall System
2	2-25-24	2-13-28	75.9	686,409	19	220.7	3	Joint Outfall System
3	5-19-24	5-20-48	52.1	503,422	4	74.4	6	Joint Outfall System
4	3-17-24	12-9-26	1.9	35,281	2	6.3	0	LA City Sewerage System
5	3-31-24	2-13-28	87.8	736,189	15	184.2	11	Joint Outfall System
8	9-21-25	2-13-28	31.3	139,524	4	85.2	3	Joint Outfall System
9	8-16-26	5-10-27	0.2	2,428	1	0.0	0	LA City Sewerage System
14	8-31-38	12-2-41	59.0	194,066	2	71.9	0	Lancaster Sewerage System
15	1-2-45	2-27-48	77.6	580,064	20	142.9	2	Joint Outfall System
16	1-2-46	2-27-48	37.4	264,392	5	40.6	0	Joint Outfall System
17	1-2-46	11-23-49	7.7	56,415	1	5.4	0	Joint Outfall System
18	11-23-48	7-1-50	60.1	337,157	11	84.7	3	Joint Outfall System
19	3-28-50	5-19-51	14.2	90,667	5	34.5	2	Joint Outfall System
20	8-7-51	9-8-52	40.9	125,155	1	41.8	0	Palmdale Sewerage System
21	11-13-51	8-21-54	83.0	405,673	9	85.6	4	Joint Outfall System
22	9-22-53	12-6-54	64.1	327,555	12	100.6	0	Joint Outfall System
23	7-10-56	7-14-59	2.5	112	1	2.1	0	Joint Outfall System
SCV	1-2-61	5-10-62	61.0	245,968	1	41.7	1	Santa Clarita Valley Sewerage System
27	4-20-61	4-2-62	0.2	2,269	0	0.4	0	LA City Sewerage System
28	9-14-61	11-2-62	4.1	11,299	1	4.1	0	Joint Outfall System
29	9-20-62	11-12-64	2.2	11,072	1	37.4	3	Joint Outfall System
34	10-31-67	Inactive	4.0	7,620	1	0.0	0	Inactive
Total			823.7	5,445,214	78	1394.3	50	

**COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY,
CALIFORNIA**

BASIC FINANCIAL STATEMENTS

JUNE 30, 2014

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MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

RONALD A. LEVY, CPA
CRAIG A. HARTZHEIM, CPA
HADLEY Y. HUI, CPA

COMMERCIAL ACCOUNTING & TAX SERVICES

433 N. CAMDEN DR., SUITE 730
BEVERLY HILLS, CA 90210
TEL: 310.273.2745
FAX: 310.670.1689
www.mlhcpas.com

GOVERNMENTAL AUDIT SERVICES

5800 E. HANNUM, SUITE E
CULVER CITY, CA 90230
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

Independent Auditor's Report

The Honorable Boards of Directors
County Sanitation Districts
of Los Angeles County:

Report on the Financial Statements

We have audited the accompanying financial statements of the County Sanitation Districts of Los Angeles County, California (Districts), as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which comprise the Districts' basic financial statements as listed in the table of contents.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the County Sanitation Districts of Los Angeles County as of June 30, 2014, and the changes in financial position and cash flows for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principles

As discussed in note 1(m) to the basic financial statements effective July 1, 2013, the District adopted Governmental Accounting Standards Board (GASB) Statement No 65, *Items Previously Reported as Assets and Liabilities*, Statement No. 66, *Technical Correct-2012*, Statement No. 67, *Financial Reporting for Pension Plans*, and Statement No. 70, *Accounting and Financial Reporting for Non-exchange Financial Guarantees*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 9 be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Districts' basic financial statements. The introductory section, combining and individual supplemental schedules, statistical section, and bond disclosure information are presented for purposes of additional analysis and are not required parts of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual supplemental schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section, statistical section, and bond disclosure information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2014, on our consideration of the Districts' 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and do not provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
December 6, 2014

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Management's Discussion and Analysis

June 30, 2014

Management's Discussion and Analysis (MD&A) is designed to provide an analysis of the Districts' financial condition and operating results and to inform the reader on the Districts' financial issues and activities. The MD&A section of the CAFR should be read in conjunction with the Transmittal Letter (beginning on page iv) and the Districts' basic financial statements (beginning on page 10).

Financial Highlights--Business-Type Activities

- Service charge rates increased in fiscal 2013-2014 for nearly all the Districts to fund improvements of existing facilities, fund construction of additional capital facilities, and address needs related to effluent and biosolids management. The smallest increase was \$1 per single-family home per year and the largest increase was \$48 per single-family home per year. As part of the rate-setting process, consideration is given to the economic environment and spikes in planned capital expenses so that users don't experience significant fluctuations from year to year. A table of annual service charge rates by District is included on page 87.
- In July 2013, the Districts' Financing Authority issued \$107.6 million in Senior Ad Valorem Revenue Bonds. The purpose of these bonds was to refund and defease the remaining portion of the Authority's outstanding 2003 Series A Bonds at substantially lower interest rates and pay costs of issuance. As a result of the refunding, the Districts realized a net present worth savings of approximately \$28.8 million. These serial bonds mature in varying amounts on October 1 in the years 2013 through 2021 at coupon rates ranging from 1.0% to 5.0%. The bonds were issued a rating of AA+ by Standard & Poor's and a rating of Aa1 from Moody's Investors Service.
- On October 31, 2013, the Districts' Puente Hills Landfill permanently closed. This had a significant financial and operational impact on the Districts' solid waste management system. Though total solid waste disposal revenue from all sites decreased by more than \$24 million, the tonnage disposed of at Puente Hills Materials Recovery Facility increased from less than 100,000 tons per year to over 1,200,000 tons per year. This necessitated increases in staff, operational hours, and equipment, as well as, processing and material recovery changes.
- On November 1, 2013, the solid waste disposal rate for municipal solid waste increased for the Puente Hills Material Recovery Facility by 7.8% per ton and decreased by 13.4% per ton at the Downey Area Recycling and Transfer Station. All other sites remained unchanged.
- The Districts' net position increased by \$65 million, or 1.6%.

Overview of the Basic Financial Statements

The basic financial statements included in this annual report are those of a special-purpose government engaged only in business-type activities. The CAFR consists of: a letter of transmittal, management's discussion and analysis, the basic financial statements, and supplemental information, including combining District level financial statements, various historical statistical tables designed to give the reader a 10-year financial perspective of the Districts' financial operations, a bond disclosure section, and the Districts' required reports on various federal loans and grants prepared in accordance with the U.S. Office of Management and Budget Circular A-133 (when applicable). The basic financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The basic financial statements include the following:

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Management's Discussion and Analysis, Continued

- **Statement of Net Position** — Reports the Districts' assets, deferred outflows of resources, and liabilities, with the difference representing net position. Over time, increases or decreases in net position may serve as a useful indicator of the financial position of the Districts.
- **Statement of Revenues, Expenses, and Changes in Net Position** — Reports the Districts' revenues and expenses and resulting change in net position for the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement measures the Districts' operations over the past fiscal year and can be useful in determining whether costs have been successfully recovered through user fees and other charges.
- **Statement of Cash Flows** — Reports the Districts' cash flows from operating, investing, capital, and noncapital activities. The primary purpose of this statement is to provide information about the Districts' cash receipts and cash payments over the past fiscal year.

The Districts maintain enterprise funds to account for all their sewerage and solid waste operations. The operations-level financial statements can be found on pages 48-75 of this report.

Financial Analysis of the Districts

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Districts' net position increased by 1.6% during fiscal year 2013-2014.

Condensed Statement of Net Position (In millions of dollars)

	FY 2014	FY 2013	Dollar Change	Total Percent Change
Current and Other Assets	\$ 2,153.2	\$ 2,179.1	\$ (25.9)	(1.2) %
Capital Assets, net	<u>3,278.7</u>	<u>3,259.7</u>	<u>19.0</u>	<u>0.6</u>
Total Assets	<u>5,431.9</u>	<u>5,438.8</u>	<u>(6.9)</u>	<u>(0.1)</u>
 Deferred Outflow of Resources	 <u>17.3</u>	 <u>20.3</u>	 <u>(3.0)</u>	 <u>(14.8)</u>
 Current Liabilities	 134.7	 120.6	 14.1	 11.7
Other Liabilities	339.8	332.7	7.1	2.1
Long-Term Debt	<u>884.6</u>	<u>980.7</u>	<u>(96.1)</u>	<u>(9.8)</u>
Total Liabilities	<u>1,359.1</u>	<u>1,434.0</u>	<u>(74.9)</u>	<u>(5.2)</u>
 Invested in Capital Assets	 2,324.7	 2,163.9	 160.8	 7.4
Restricted	882.2	1,489.9	(607.7)	(40.8)
Unrestricted	<u>883.2</u>	<u>371.3</u>	<u>511.9</u>	<u>137.9</u>
Total Net Position	\$ <u>4,090.1</u>	\$ <u>4,025.1</u>	\$ <u>65.0</u>	<u>1.6</u> %

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Management's Discussion and Analysis, Continued

The Districts' net investments in capital assets are used to provide services to residents and businesses; consequently, these assets are *not* available for future spending.

The restricted net position represents resources that are subject to external restrictions on how they may be used by debt covenants, enabling legislation, or other legal restrictions.

Revenues, Expenses, and Changes in Net Position

A summary of the key elements that contributed to the increase in the Districts' net position is presented below:

Condensed Statement of Revenues, Expenses, and Changes in Net Position (In millions of dollars)

	<u>FY 2014</u>	<u>FY 2013</u>	<u>Dollar Change</u>	<u>Total Percent Change</u>	
Operating Revenues:					
Industrial Waste Surcharge	\$ 58.1	\$ 57.0	\$ 1.1	1.9	%
Refuse Tipping Fees	87.8	112.2	(24.4)	(21.7)	
Sale of Energy	35.3	30.4	4.9	16.1	
Service Charges	312.9	318.0	(5.1)	(1.6)	
Other	51.5	53.5	(2.0)	(3.7)	
Total Operating Revenues	<u>545.6</u>	<u>571.1</u>	<u>(25.5)</u>	<u>(4.5)</u>	
Operating Expenses:					
Depreciation	110.8	84.7	26.1	30.8	
Operations & Maintenance	164.5	141.5	23.0	16.3	
Salaries & Benefits	198.3	195.8	2.5	1.3	
Other	80.5	71.8	8.7	12.1	
Total Operating Expenses	<u>554.1</u>	<u>493.8</u>	<u>60.3</u>	<u>12.2</u>	
Nonoperating Revenues:					
Interest Revenue	15.7	16.1	(0.4)	(2.5)	
Taxes	55.2	68.4	(13.2)	(19.3)	
Other	19.8	6.9	12.9	187.0	
Total Nonoperating Revenues	<u>90.7</u>	<u>91.4</u>	<u>(0.7)</u>	<u>(0.8)</u>	
Nonoperating Expenses:					
Interest Expense	32.2	42.5	(10.3)	(24.2)	
Tax & Assessment Expense	14.0	20.9	(6.9)	(33.0)	
Other	5.0	23.8	(18.8)	(79.0)	
Total Nonoperating Expenses	<u>51.2</u>	<u>87.2</u>	<u>(36.0)</u>	<u>(41.3)</u>	
Income Before Capital					
Contribution Revenue	31.0	81.5	(50.5)	(62.0)	
Capital Contribution Revenue	38.8	26.1	12.7	48.7	
Beginning Net Position	4,025.1	3,917.5	107.6	2.7	
Prior-Period Adjustment	(4.8)	0.0	(4.8)	100.0	
Ending Net Position	<u>\$ 4,090.1</u>	<u>\$ 4,025.1</u>	<u>\$ 65.0</u>	<u>1.6</u>	<u>%</u>

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Management's Discussion and Analysis, Continued

The Districts' operating revenues were primarily derived from wastewater service charges, industrial waste surcharges, and solid waste disposal tipping fees. These fees and charges were paid by users of the Districts' wastewater and solid waste facilities and collectively account for 84% of the Districts' operating revenue. The decrease in refuse tipping fees is the net result of the closure of the Puente Hills landfill in October 2013 and the increase at other sites for the remainder of the fiscal year. The 16.1% increase in sale of energy is due to the execution of new sales contracts.

Operation and maintenance expenses increased by \$23.0 million due to: (1) service contracts to dispose of residual solid waste from the Districts' material recovery and transfer stations that had previously been disposed of at the Puente Hills landfill, (2) contract labor costs for additional material processing, and (3) transfer trucking costs.

The increase of 187.6% in other nonoperating revenues/expenses is due to an unrealized gain on the market value of specific investments. Capital contribution revenue increased due to a donation of land and pumping plants from the City of Pomona.

Capital Assets and Debt Administration

As of June 30, 2014, the Districts had \$5 billion invested in a broad range of assets as shown below:

		Capital Assets (In millions of dollars)			
	FY 2014	FY 2013	Dollar Change	Total Percent Change	
Buildings and Equipment	\$ 69.5	\$ 68.6	\$ 0.9	1.3	%
Capital Improvements	536.3	534.3	2.0	0.4	
Construction in Progress	374.4	348.5	25.9	7.4	
Disposal Rights	77.8	76.0	1.8	2.4	
Equipment Pool	63.9	77.0	(13.1)	(17.0)	
Gas-to-Energy Facilities	221.6	217.3	4.3	2.0	
Joint Outfall Facilities	2,105.1	2,047.8	57.3	2.8	
Land	216.9	214.0	2.9	1.4	
Other	20.5	15.9	4.6	28.9	
Rail Facilities	54.1	54.0	0.1		
Recycling and Transfer Stations	62.5	61.5	1.0	1.6	
Treatment Plants	804.3	777.2	27.1	3.5	
Trunk Lines	341.5	339.6	1.9	0.6	
Use Rights	69.0	69.0	0.0	0.0	
Subtotal	<u>5,017.4</u>	<u>4,900.7</u>	<u>116.7</u>	2.4	
Less Accumulated Depreciation & Amortization	<u>1,738.7</u>	<u>1,641.0</u>	<u>97.7</u>	6.0	
Net Capital Assets	<u>\$ 3,278.7</u>	<u>\$ 3,259.7</u>	<u>\$ 19.0</u>	<u>0.6</u>	%

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Management's Discussion and Analysis, Continued

Major capital asset projects that were completed and placed in operation during fiscal year 2013-2014 included the following:

- \$17.8 million - JWPCP Dewatering Facility Modifications
- \$10.8 million - Western Avenue Pumping Plant Modifications
- \$9.3 million - Valencia Water Reclamation Plant Emergency Generator
- \$5.8 million - Valencia Water Reclamation Plant Steam Boiler System Upgrade

Expenditures to date of ongoing construction projects (construction in progress) of \$374.4 million as of June 30, 2014 included, in part, the following projects:

- \$152.2 million - Puente Hills Intermodal Facilities development
- \$89.4 million - Westlake Farms Composting Facility development
- \$41.4 million - planning for Clearwater Program and design of JWPCP Effluent Outfall Tunnel
- \$36.5 million - various water reclamation and pumping plant modifications
- \$22.1 million - various Districts' trunk sewer relief/rehabilitation projects
- \$9.7 million - Waste-by-Rail Disposal System development

Additional information regarding the Districts' capital assets can be found in Note 7 to the financial statements on pages 30-31 of this report.

2014-2015 Capital Spending Plan (In millions of dollars)

Capital Project	Amount Planned
Landfill Acquisitions & Development	\$ 1.1
Sewer Relief and Rehabilitation	49.7
Long-Term Biosolids Recycling	6.5
Pumping Plant and Water Reclamation Plant Improvements and Expansions	58.0
Landfill General Improvements, Drainage, and Landscaping	4.7
Intermodal Facility Development	18.9
Gas Control Measures	1.9
Administration and Field Operations Improvements	8.5
Sewage Disposal Contracts	2.3
Total	\$ <u>151.6</u>

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Management's Discussion and Analysis, Continued

Outstanding Debt

During the fiscal year, the Districts' revenue bonds, state loans, and notes outstanding decreased by 8.9%.

Outstanding Debt (In millions of dollars)				
	FY 2014	FY 2013	Dollar Change	Total Percent Change
Revenue Bonds	\$ 574.0	\$ 647.4	\$ (73.4)	(11.3) %
Notes Payable	1.4	1.7	(0.3)	(17.6)
State Water Resources Control Board Loans	369.7	388.2	(18.5)	(4.8)
Total Long-Term Debt	<u>\$ 945.1</u>	<u>\$ 1,037.3</u>	<u>\$ (92.2)</u>	<u>(8.9) %</u>

Revenue Bond obligations decreased due to scheduled principal payments and the refunding of the 2003 Series A Revenue Bonds. State Water Resources Control Board obligations decreased due to scheduled principal payments, net of new obligations.

Bond Debt Ratings As of June 30, 2014

	Standard & Poor's	Moody's Investor Service	Fitch Ratings
2005 Series A	AA-	N/A	AA-
2005 Series B	AA-	N/A	AA-
2007 Series A	A	N/A	AA-
2011 Series A	AA+	Aa1	N/A
2013 Series A	AA+	Aa1	N/A

The 2008 CREB bonds are a private placement with Bank of America and, therefore, are not rated. Additional information on the Districts' long-term debt is presented in Note 8 to the financial statements on pages 31-35 of this report.

Currently Known Significant Facts

- On September 10, 2014, the Newhall Ranch Sanitation District (NRSD) was approved to join the Joint Administration Agreement. This agreement provides for the joint administration of each of the Districts through a single staff and legal counsel. The NRSD is responsible for paying its own expenses and would pay a share of all joint administrative expenses.
- On January 1, 2015, the solid waste disposal rate for municipal solid waste and segregated green waste will increase for all solid waste sites.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Management's Discussion and Analysis, Continued

- Service charge rates will increase in fiscal 2014-2015 for nearly all the Districts to fund improvements of existing facilities, fund construction of additional capital facilities, and address needs related to effluent and biosolids management. For those Districts that have approved new rates, the smallest increase will be \$2 per single-family home and the largest increase will be \$24 per single-family home.

Financial Contact

The Districts' basic financial statements are designed to present users with a general overview of the Districts' finances and to demonstrate the Districts' accountability. If you have any questions about the report or need additional information, please contact the Accounting Section, Mr. Thomas J. Mueller, Chief Accountant, County Sanitation Districts of Los Angeles County, P.O. Box 4998, Whittier, California, 90607-4998.

Exhibit A
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Statement of Net Position
June 30, 2014

Assets

Current assets:	
Cash in bank (note 3)	\$ 877,337
Cash on hand (note 3)	40,816
Cash and cash equivalents (note 3)	<u>138,164,634</u>
Total unrestricted cash and cash equivalents	<u>139,082,787</u>
Receivables:	
Accounts (note 6)	32,188,803
Interest	5,006,567
Service charges	19,475,795
Taxes	<u>3,341,964</u>
Total receivables	<u>60,013,129</u>
Inventory	<u>18,790,252</u>
Restricted cash and investments (note 3):	
Cash and cash equivalents	424,780,263
Specific investments	1,378,992,960
Bond proceeds with Trustee	
Cash and cash equivalents	255,030
Investments	<u>10,623,480</u>
Total restricted cash and investments	<u>1,814,651,733</u>
Other specific investments (note 3)	<u>66,416,003</u>
Total current assets	<u>2,098,953,904</u>
Noncurrent assets:	
Investment in joint ventures (note 17)	54,201,891
Capital assets (note 7):	
Buildings and equipment	69,563,837
Capital improvements	536,308,085
Construction in progress (note 16)	374,447,704
Disposal rights	77,806,593
Equipment pool	63,873,948
Gas-to-energy facilities	221,590,058
Joint outfall facilities	2,105,127,551
Land (note 19)	216,896,495
Other	20,458,488
Rail facilities	54,056,552
Recycling and transfer facility	62,458,267
Treatment plants	804,353,377
Trunk lines	341,468,250
Less accumulated depreciation	(1,713,787,075)
Use rights	69,009,056
Less accumulated amortization	<u>(24,878,569)</u>
Net capital assets	<u>3,278,752,617</u>
Total noncurrent assets	<u>3,332,954,508</u>
Total assets	<u>5,431,908,412</u>

Deferred Outflow of Resources

Deferred loss on refunding, net	\$ <u>17,284,576</u>
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(Continued on following page)

Exhibit A-2
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Statement of Net Position
June 30, 2014

Liabilities

Current liabilities:

Accounts payable	\$	16,504,026
Accrued employee absences (note 1J and 14)		9,954,118
Amounts held for others		7,162,331
Bonds payable (note 8)		29,264,397
Claims liabilities (note 9)		5,529,676
Construction contracts payable		8,990,059
Estimated liability for closure and postclosure costs (note 18)		14,786,454
Estimated liability for pollution remediation (note 19)		325,003
Interest payable		10,854,290
Loans payable to State of California (note 8)		31,171,086
Note payable		41,338
Other		168,144
		<u>134,750,922</u>
Total current liabilities		<u>134,750,922</u>

Long-term liabilities:

Accrued employee absences (note 1J and 14)		29,862,354
Bonds payable, net (note 8)		544,688,856
Claims liabilities (note 9)		5,529,676
Estimated liability for closure and postclosure costs (note 18)		303,340,538
Estimated liability for pollution remediation (note 19)		975,002
Loans payable to State of California (note 8)		338,541,202
Note payable		1,372,813
		<u>1,224,310,441</u>
Total noncurrent liabilities		<u>1,224,310,441</u>
Total liabilities		<u>1,359,061,363</u>

Net Position

Net position (note 20):

Net investment in capital assets		2,324,682,866
Restricted for capital projects		593,033,741
Restricted for closure/postclosure maintenance		170,369,598
Restricted for debt service		8,934,511
Restricted for disposal fees		939,560
Restricted for equipment pool		25,013,387
Restricted for noncapital projects		48,943,093
Restricted for site development		34,972,167
Unrestricted		883,242,702
		<u>4,090,131,625</u>
Total net position	\$	<u>4,090,131,625</u>

See accompanying notes to basic financial statements.

Exhibit B
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Statement of Revenues, Expenses,
and Changes in Net Position
Fiscal year ended June 30, 2014

Operating revenues:	
Commodities	\$ 7,893,873
Contract revenue	23,807,796
Equipment pool	15,359,240
Industrial waste surcharge	58,092,374
Refuse tipping fees	87,797,921
Sale of energy	35,284,630
Service charges (note 4)	312,890,163
Other	<u>4,497,351</u>
Total operating revenues	<u>545,623,348</u>
Operating expenses:	
Chemicals	33,912,082
Equipment and vehicle rentals	15,467,317
Hazardous waste siting study	469,230
Insurance and claims	1,657,007
Landfill closure and postclosure costs (note 18)	22,763,644
Materials and supplies	18,164,027
Operations, repairs and maintenance	34,950,590
Salaries and benefits (notes 11 and 12)	198,288,205
Services	81,166,350
Utilities	<u>26,524,869</u>
Total operations and maintenance	433,363,321
Charges for collections	459,634
Depreciation and amortization of use rights (note 7)	110,794,857
Research and development	6,099,614
Tonnage	<u>3,393,097</u>
Total operating expenses	<u>554,110,523</u>
Operating loss	<u>(8,487,175)</u>
Nonoperating revenues (expenses):	
Gain on investments	2,783,465
Interest revenue	15,726,585
Investment in joint ventures (note 17)	525,175
Taxes	55,210,784
Other nonoperating revenue	2,700,000
Amortization of bond premium	5,226,919
Amortization of deferred loss on refunding	(1,946,992)
Interest expense (note 8)	(32,193,907)
Loss on sale of equipment/assets	(2,180,409)
Tax and assessment expense	(14,013,622)
Other nonoperating expense	(984,466)
Unrealized gain on investments	<u>8,647,094</u>
Net nonoperating revenues	<u>39,500,626</u>
Income before capital contribution revenue	31,013,451
Capital contribution revenue:	
Connection fees	33,290,672
Donated property	<u>5,551,971</u>
Change in net position	69,856,094
Total net assets, July 1, 2013, as previously stated	4,025,075,230
Prior-period adjustments (note 21)	<u>(4,799,699)</u>
Total net position, July 1, 2013, as restated	<u>4,020,275,531</u>
Total net position, June 30, 2014	<u>\$ 4,090,131,625</u>

See accompanying notes to basic financial statements.

Exhibit C
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Statement of Cash Flows
Fiscal year ended June 30, 2014

Cash flows from operating activities:	
Receipts from customers and users	\$ 534,475,116
Receipts for equipment rental	15,359,240
Payments to suppliers	(205,140,160)
Payments to employees	(198,736,054)
Payments applied to closure/postclosure liability	(6,959,967)
Payment for equipment rental within the Districts	(15,074,698)
Other payments	(18,588)
	<u>123,904,889</u>
Net cash provided by operating activities	
Cash flows from noncapital financing activities:	
Receipts from property taxes	57,526,593
Payments for tax and assessment	(14,827,012)
	<u>42,699,581</u>
Net cash provided by noncapital financing activities	
Cash flows from capital and related financing activities:	
Borrowings on loan from state	9,663,925
Proceeds from bond sale	117,460,063
Contract proceeds from County of Los Angeles	2,700,000
Bond issuance costs	(457,556)
Purchases of capital assets	(129,075,795)
Connection fees proceeds	33,290,672
Bond defeasement	(154,293,250)
Interest paid on capital-related debt	(30,903,598)
Principal payments on bonds	(29,859,400)
Principal payments on note	(286,623)
Principal payments on loan from state	(30,580,373)
Proceeds from sale of assets/equipment	2,630,372
Receipts from joint venture	2,930,719
	<u>(206,780,844)</u>
Net cash used by capital and related financing activities	
Cash flows from investing activities:	
Interest received	14,567,239
Purchases of investments	(466,367,383)
Proceeds from maturities of investments	397,566,372
	<u>(54,233,772)</u>
Net cash used by investing activities	
Net decrease in cash and cash equivalents	
	(94,410,146)
Cash and cash equivalents at beginning of fiscal year	<u>658,528,226</u>
Cash and cash equivalents at end of fiscal year	<u>\$ 564,118,080</u>
Reconciliation of cash and cash equivalents at end of fiscal year:	
Current assets:	
Cash in bank	\$ 877,337
Cash on hand	40,816
Cash in Los Angeles County treasury	138,164,634
Restricted cash and investments:	
Cash in Los Angeles County treasury and cash equivalents	424,780,263
Bond proceeds with Trustee Cash equivalents	255,030
	<u>\$ 564,118,080</u>

(Continued on following page)

Exhibit C-2
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Statement of Cash Flows
Fiscal year ended June 30, 2014

Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ <u>(8,487,175)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation and amortization	110,794,857
Landfill closure and postclosure costs	22,763,644
Decrease in accounts receivable	3,443,812
Decrease in service charge receivable	767,202
Increase in inventory	(757,869)
Decrease in accounts payable	(169,842)
Decrease in accrued employee absences	(447,847)
Decrease in estimated liability for closure and postclosure costs	(6,959,967)
Decrease in claims liabilities related to self-insurance	(2,391,292)
Increase in amounts held for others	5,367,954
Decrease in other liabilities	<u>(18,588)</u>
Net cash provided by operating activities	\$ <u><u>123,904,889</u></u>
Schedule of noncash investing activity-	
Unrealized gain on fair value of investments	\$ 8,647,094
Investment in joint ventures	525,175

See accompanying notes to basic financial statements.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements

June 30, 2014

(1) Organization and Summary of Significant Accounting Policies

(A) Description of the Reporting Entity

The County Sanitation Districts of Los Angeles County are defined as "Special Districts." The accompanying basic financial statements of the Districts include the operations of all independent Sanitation Districts operating within the County of Los Angeles providing both solid waste and wastewater management and disposal services. Each of the districts is governed by an independent board comprised of the presiding officer and, in some instances, additional members of the governing body of the cities and unincorporated areas of Los Angeles County within the respective district's boundaries. For purposes of control and daily management, the Districts are jointly governed by a Joint Administration Agreement (see note 2). Administration of the Districts entails fiscal and management control of the Districts' respective operations.

The Districts' accompanying basic financial statements also include the financial activities of the Los Angeles County Sanitation Districts Financing Authority. Various sanitation districts within Los Angeles County (Participating Districts) created the Financing Authority on April 14, 1993, pursuant to a Joint Exercise of Powers Agreement (see note 2). The Financing Authority is governed by a Commission that consists of the Chairperson from each Participating District and exists solely to facilitate the issuance of long-term debt. The Financing Authority has no daily operations and does not conduct business on its own behalf. Since the Financing Authority's governing body is entirely comprised of members of the Districts' Boards and the Financing Authority provides services entirely for the Districts, the Financing Authority's financial activities have been consolidated with the Districts' financial activities for financial reporting purposes. Complete separate financial statements for the Financing Authority may be obtained by writing to the Accounting Department, P.O. Box 4998, Whittier, California, 90607-4998 or at the Districts' Joint Administration Office.

The Districts are independent of and overlap many political jurisdictions. There are many governmental entities, including the County of Los Angeles, that operate within the Districts' jurisdictions; however, financial information for these entities is not included in the accompanying basic financial statements.

(B) District Operations

The Districts' accounts are maintained in a manner that facilitates compliance with the requirements and guidelines of the Controller of the State of California (State Controller). An annual report is filed with the State Controller for each district as required by Section 53891 of the California Government Code.

(C) Basis of Presentation

Enterprise Funds - The Districts' Enterprise Funds are used to account for three types of operations: (a) ones that are financed and operated in a manner similar to private business enterprises, where the intent of the Boards of Directors is that the costs (expenses, including depreciation) of providing

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

services to the general public on a continuing basis be financed or recovered primarily through user charges; (b) ones where the intent of the Boards of Directors is that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes; or (c) ones that account for the financing of services provided by one district to other districts, or to other governments, on a cost-reimbursement basis.

(D) Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Districts use the flow of economic resources measurement focus. Accordingly, all assets and liabilities are included in their respective statement of net position. Reported net position (total reported assets, less total reported liabilities) provides an indication of the economic net worth of the respective funds. Operating statements report increases (revenues) and decreases (expenses) in total net position.

The accrual basis of accounting is followed by the Districts. Under the accrual basis of accounting, revenues are recorded in the period earned and expenses are recorded in the period incurred. As such, no consideration is given to when cash may be received or disbursed, with the result that net income is the difference between the revenues earned and the expenses incurred in earning those revenues.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues are charges to customers for service charges and tipping fees. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Districts have elected, for all business-type activities (enterprise funds), to apply all applicable Governmental Accounting Standards Board (GASB) pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, the American Institute of Certified Public Accountants' (AICPA) Accounting Research Bulletins, and any FASB or AICPA pronouncements made applicable by a GASB Statement or Interpretation.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

The Districts operate various sub funds under the following bases of accounting:

<u>Classification</u>	<u>Basis of Accounting</u>	<u>Purpose</u>
Sewerage Operations	Accrual	To account for wastewater operations of the Districts, including debt service and capital improvement activities.
Solid Waste Facilities Operations	Accrual	To account for operations of the Districts' solid waste management system.
Trustee Solid Waste Facilities Operations	Accrual	To account for operations of the Los Angeles County Refuse Disposal Equipment Pool and for solid waste operations of the Trustee Landfills.
Service Operations	Accrual	To account for essential services and equipment rental provided to various sites and other governments.

(E) Operating Budgets

Each year, the Districts' personnel prepare annual budgets for each district. These annual operating budgets, as adopted by the respective Boards of Directors, are used to serve as a basis for monitoring financial progress and determining future wastewater service charge rates. During the fiscal year, such plans may be amended as circumstances or levels of operations dictate.

(F) Cash and Investments

The Districts' cash and investments are governed by each district's Investment Policy and are in compliance with the California Government Code. For purposes of the statement of cash flows, the Districts consider all highly liquid investments with original maturities of three months or less to be cash equivalents.

Securities purchased with original maturities greater than three months are reflected as investments in the accompanying basic financial statements.

Investments are generally stated at fair value. Fair value of investments is determined annually and is based on current market prices. The fair value of investments in open-end mutual funds is determined based on the fund's current share price.

(G) Inventory

Inventory is stated at the lower of cost (weighted average cost, which approximates first-in, first-out) or market.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

(H) Capital Assets

Outlays for capital assets, including property, plant, equipment, and construction in progress, are recorded by the individual districts. Such outlays may be for either individual District assets or their respective share of jointly owned assets. Capital assets are recorded at cost. Capital assets acquired by contribution are recorded at fair value at the time received. The Districts' capitalization threshold for capital assets is \$5,000.

Depreciation - General

The enterprise fund approach is used for accounting for capital assets. This approach requires that capital assets be capitalized and periodically charged against the operations of the Districts through depreciation.

Depreciation expense is provided using the straight-line method over the estimated useful lives of the assets as follows:

	<u>Useful Lives</u>
Buildings and equipment	5 to 20 years
Pumping plants	40 years
Wastewater treatment plants	40 years
Trunk sewer rehabilitations or replacements	50 years
Trunk sewer lines	75 years

Depreciation - Districts' and Trustee Solid Waste Facilities

Depreciation of capital improvements at landfill sites is determined annually, using the ratio of the number of tons disposed during the fiscal year to the total estimated capacity of each landfill and applying this ratio to the gross book value of the capital improvements.

Capital improvements at the South Gate Transfer Station are depreciated over a 10-year period using the straight-line method. The gas-to-energy facilities and related capital improvements at the Puente Hills and Spadra Landfills are depreciated over a 40-year period using the straight-line method. The recycling and transfer facilities and related capital improvements at the Downey Area Recycling and Transfer (DART) and Puente Hills Materials Recovery Facilities are depreciated over a 40-year period using the straight-line method.

Depreciation - Equipment Pools

Depreciation of assets maintained in the Equipment Pools is determined by either: (1) the straight-line method, using years of useful life as a basis; or (2) the vehicle mileage method, using miles driven as a basis. The depreciation basis selected is based on the type of asset and its usage. If the useful life basis is used, the assets are depreciated over a period of 8 to 12 years, depending on the type of asset.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

Disposal Rights - Sewerage Operations

Because of geographic conditions, certain districts have found it advantageous to enter into reciprocal agreements with other public agencies. In these agreements, the public agencies grant the Districts specific sewerage disposal rights and assess the Districts for the cost of the additional capital investment for treatment facilities necessary to dispose of the Districts' discharge. Disposal rights are amortized over a 30-year period using the straight-line method. Such amortization is included as a charge to operations in determining the respective district's results of operations.

Amortization of Use Rights - Districts' and Trustee Solid Waste Facilities

Use rights, as they apply to the cost of the Districts' landfills and the Trustee landfills, represent the Districts' right to dispose of waste material. As the landfills are used, their value is reduced. The reduction of the usefulness of the landfills is amortized against operations and is termed amortization of use rights. Amortization charges are determined annually using the ratio of the number of tons disposed of during the fiscal year to the total estimated capacity of each landfill and applying this ratio to the gross book value. The capacity of each landfill is determined by engineering estimates.

(I) Landfill Site Closure Costs

The Districts have adopted Governmental Accounting Standards Board Statement No. 18, "Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs" (GASB 18). Federal and state laws and regulations require the government to place a final cover on its landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. GASB 18 requires the government to accrue a liability for anticipated costs to provide the required care of closing landfill sites, plus the costs of monitoring and maintaining the sites during the postclosure period.

In compliance with GASB 18, the Districts recognize a portion of the closure and postclosure care costs as an operating expense and a liability in each period based on landfill capacity used as of each statement of net position date, although closure and postclosure care cost will be paid only near or after the date the landfills stop accepting waste. Recognition of such costs begins on the date the landfills begin accepting solid waste and continues in each period that the landfill accepts waste. It is intended that the costs of closure and postclosure care will be completed by the time the landfills stop accepting waste. The cumulative amounts recognized to date are reflected in the accompanying basic financial statements (see note 18).

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

(J) Accrued Employee Absences - Service Operations

Vacation and sick leave pay is recorded as an expense when earned by Districts' employees. As of June 30, 2014, accrued vacation and sick leave aggregated \$39,816,472 and is based upon the following criteria:

Monthly employees earn a maximum of 80 hours of vacation leave during each of the first 5 years of service. After 5 years of service, a maximum of 120 hours are earned each year, and after 10 years of service, 8 additional hours of vacation are earned per year up to 160 hours. After 25 years of service, monthly employees (with the exception of those in management positions) earn an additional 40 hours of vacation. In addition, earned vacation leave can be accumulated for 1 or 2 years, depending on the employee's representation unit. Upon retirement or termination, monthly employees are paid for all unused accumulated vacation leave. The accrued liability is based upon the full amount of accumulated vacation leave. Hourly employees earn vacation leave based on the number of hours worked in accordance with Subsection 6.2A of the Districts' Salary Resolution.

Monthly employees earn 8 hours of sick leave per month with a maximum accumulation for use of 1,440 or 720 hours, depending upon the employee's representation unit. Monthly employees are entitled to sick leave payment upon retirement or termination, but the number of hours subject to payment depends on when the accumulated sick leave was earned and the employee's representation unit. The accrued liability is based upon the sick leave that would be paid upon termination.

(K) Amortization of Premium on Bonds

Original issue premium related to the sale of revenue bonds (see note 8) is amortized by the effective-interest method over the life of the bonds. The unamortized portion of the bond premium is netted against bonds payable on the accompanying basic financial statements.

(L) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(M) New Accounting Pronouncements

For the fiscal year ended June 30, 2014, the Districts implemented Governmental Accounting Standards Board (GASB) Statement No. 65, "Items Previously Reported as Assets and Liabilities." This Statement is effective for periods beginning after December 15, 2012. The objective of this Statement is to establish accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. See Note 21 for the impact GASB Statement No. 65 had on the Districts' financial statements for the fiscal year ended June 30, 2014.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

For the fiscal year ended June 30, 2014, the Districts implemented Governmental Accounting Standards Board (GASB) Statement No. 66, "Technical Correction - 2012." This Statement is effective for periods beginning after December 15, 2012. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions", and GASB Statement No. 62 "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements." Since the release of these Statements, questions have arisen concerning differences between the provisions in Statement 54 and Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, regarding the reporting of risk financing activities. Questions also have arisen about differences between Statement 62 and Statements No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, regarding the reporting of certain operating lease transactions, and No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Equity Transfers of Assets and Future Revenues*, concerning the reporting of the acquisition of a loan or a group of loans and the recognition of servicing fees related to mortgage loans that are sold. Implementation of the GASB Statement No. 66 did not have an impact on the Districts' financial statements for the fiscal year ended June 30, 2014.

For the fiscal year ended June 30, 2014, the Districts implemented Governmental Accounting Standards Board (GASB) Statement No. 67, "Financial Reporting for Pension Plans." This Statement is effective for periods beginning after June 15, 2013. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement replaces the requirements of Statements No. 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans" and No. 50 "Pension Disclosures" as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. Implementation of the GASB Statement No. 67 did not have an impact on the Districts' financial statements for the fiscal year ended June 30, 2014.

For the fiscal year ended June 30, 2014, the Districts implemented Governmental Accounting Standards Board (GASB) Statement No. 70, "Accounting and Financial Reporting for Non-exchange Financial Guarantees." This Statement is effective for periods beginning after June 15, 2013. The objective of this Statement is to improve the recognition, measurement, and disclosure guidance for state and local governments that have extended or received financial guarantees that are non-exchange transactions. Implementation of the GASB Statement No. 70 did not have an impact on the Districts' financial statements for the fiscal year ended June 30, 2014.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

(2) Organization - Joint Agreements

The operations of the Districts are facilitated by certain Joint Agreements that permit the consolidation of duties and responsibilities.

Joint Administration Agreement

Each individual district is party to the Joint Administration Agreement wherein an administrative organization has been established to provide or perform the administrative functions for all individual districts. The Joint Administration Agreement provides that the revenue and expenses that can be readily segregated by district shall be applied directly to the district concerned. Except for some of the districts that have a fixed percentage, the indirect expenses are apportioned based upon the ratio of each district's total sewage units to the total number of sewage units within all districts. A sewage unit represents the average daily quantity of sewage flow and strength that would be discharged from a single-family home.

Joint Outfall Agreement

The following districts participate in a "Joint Outfall" Agreement: 1, 2, 3, 5, 8, 15, 16, 17, 18, 19, 21, 22, 23, 28, 29, 34, and South Bay Cities (referred to henceforth as Joint Outfall Districts). Under the terms of the Agreement, they share in the joint ownership, use, and operations of certain trunk sewers, pumping plants, treatment plants, and ocean outfalls. The Agreement specifies that the revenue accrued and expenses incurred from these activities be proportioned to each district on the basis of the ratio of sewage units within the district to the total number of sewage units within all Joint Outfall Districts.

Los Angeles County Refuse Disposal Trust Agreement

District No. 2, acting in its capacity as the administrative District, participates in a Joint Powers Agreement (JPA) with the County of Los Angeles to establish the Los Angeles County Refuse Disposal Fund and the Los Angeles County Refuse Disposal Equipment Pool to administer the landfills located outside of the Districts' boundaries, including the Calabasas and Scholl Canyon Landfills (Trustee Landfills).

Program development, future landfill acquisitions, and major capital expenditures are financed from the Los Angeles County Refuse Disposal Fund. The Los Angeles County Refuse Disposal Equipment Pool provides equipment to the Trustee Landfills and the revenue from rental of this equipment is used for operations and maintenance and to purchase new equipment as required.

The JPA provides that monies in excess of short-term operations and maintenance and capital improvement needs resulting from landfill operations be transferred to the Los Angeles County Refuse Disposal Fund. In the case of Scholl Canyon, the agreement provides for a sharing of revenues (referred to as tonnage expense) between the City of Glendale and the Los Angeles County Refuse Disposal Fund.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

In December 2005, the JPA was amended to provide financing for the ongoing operation of the Calabasas Landfill. The County of Los Angeles, through a Financing Authority, issued \$38.5 million of lease revenue bonds. Although the net revenues from the landfill are pledged for repayment of the bonds, the County of Los Angeles is ultimately responsible for all principal and interest payments. In addition, the JPA provides the Districts perform ongoing operation and maintenance of the Mission Canyon Landfill at no cost to the Districts.

Sanitation Districts Solid Waste Management System Agreement

Districts Nos. 1, 2, 3, 5, 8, 15, 16, 17, 18, 19, 21, 22, 23, 29, and South Bay Cities participate in the Solid Waste Management System Agreement. This agreement authorized District No. 2 to have full authority for acquiring, implementing, operating, and maintaining the Palos Verdes, Spadra, Puente Hills, and Mesquite Regional Landfills; the South Gate Transfer Station; the Commerce Refuse-to-Energy Facility; the Southeast Resource Recovery Facility; the Puente Hills, Spadra, Palos Verdes, and Calabasas gas-to-energy facilities; the Downey Area Recycling and Transfer Facility, the Puente Hills Material Recovery Facility; and programs and facilities that may be developed as part of materials recovery and remote disposal system.

Joint Exercise of Powers Agreement

Districts Nos. 1, 2, 3, 4, 5, 8, 9, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 27, 28, 29, Santa Clarita Valley, and South Bay Cities participate in a Joint Exercise of Powers Agreement related to the Los Angeles County Sanitation Districts Financing Authority.

(3) Cash and Investments

The Districts have adopted the provisions of Statement No. 31 of the Governmental Accounting Standards Board, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" (GASB No. 31), and Statement No. 40 of the Governmental Accounting Standards Board, "Deposit and Investment Risk Disclosures" (GASB No. 40), which require that certain investments and external investment pools be reported at fair value and disclosures be made of certain deposit and investment risks.

The Districts' investment policies are governed by and in compliance with the California Government Code. The investment policies' objectives are to provide for safety of principal, maintain liquidity, and earn a market rate of return. The Districts are authorized to invest funds in the County of Los Angeles Pooled Surplus Investment Fund (County Pool), the State of California Local Agency Investment Fund, and other qualified investments in accordance with each district's individual investment policy and applicable law. During the fiscal year and at June 30, 2014, specific investments primarily consist of U.S. Treasury notes and U.S. Agency securities.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

As of June 30, 2014, the Districts had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less Than 1	1-3	4-5
U.S. Treasury Securities	\$ 94,137,451	94,137,451	-	-
U.S. Agency Securities	1,361,894,996	-	-	1,361,894,996 (1)
Los Angeles County Pool	547,262,532	547,262,532	-	-
Dreyfus Institutional Reserves Money Market Fund	255,030	255,030	-	-
First American US Treasury Money Market Fund	2,949,967	2,949,967	-	-
U.S. Bank Commercial Paper	8,874,624	8,874,624	-	-
U.S. Bank Money Market Account	2,202,570	2,202,570	-	-
Wells Fargo Premium Rate Public Fund	1,655,200	1,655,200	-	-
	<u>\$ 2,019,232,370</u>	<u>657,337,374</u>	<u>-</u>	<u>1,361,894,996</u>

(1) A portion of these securities are callable as follows:

July 1, 2014 - September 30, 2014	\$ 525,036,601
October 1, 2014 - December 31, 2014	413,252,662
January 1, 2015 - March 31, 2015	212,113,250
April 1, 2015 - June 30, 2015	211,492,483
	<u>\$ 1,361,894,996</u>

Interest Rate Risk. As a means of limiting the Districts' exposure to fair value losses from rising interest rates, the Districts' investment policies prohibit investments in securities maturing more than five years from the date of purchase, unless specifically approved by the Districts' Boards of Directors at least three months prior to purchase.

Credit Risk. Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of June 30, 2014, the Districts' investment in Dreyfus Institutional Reserves Treasury Prime Money Market Mutual Fund was rated AAAM by Standard & Poor's and Aaa-mf by Moody's Investors Service. The Districts' investment in U.S. Bank Commercial Paper and U.S. Bank Money Market Fund are both rated A-1+ by Standard & Poor's and P-1 by Moody's Investors Service. The Districts' investment in First American U.S. Treasury Money Market Fund was rated AAA by Standard & Poor's and Moody's Investors Service. The Districts' investment in United States Treasury securities and United States Agency securities were rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service. The Los Angeles County Pooled Surplus Investment Fund and Wells Fargo Premium Rate Public Fund are not rated.

Concentration of Credit Risk. The investment policies for District Nos. 17, and 27 require that all investments placed are in full compliance with the California Government Code. The remaining Districts' investment policies further restrict the concentration of investments in aggregated United States Agency securities to 75% of Districts' funds, and no more than 30% of the Districts' funds may be invested in any one designated agency security. These Districts' policies allow for investments in medium-term AAA rated corporate and depository institution debt securities with remaining maturities of three years or less. No individual medium-term AAA rated security may exceed 5% of Districts' funds and all medium and short-term investments in aggregate may not exceed 20% of Districts' funds.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

The Districts' cash, cash equivalents, and specific investments at June 30, 2014, are classified on the accompanying statement of net position as follows:

Unrestricted cash and cash equivalents (operating funds)	\$ 138,164,634
Restricted cash, cash equivalents, and specific investments	1,814,651,733
Other specific investments	<u>66,416,003</u>
	2,019,232,370
Cash in bank	877,337
Cash on hand	<u>40,816</u>
	<u>\$ 2,020,150,523</u>

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

The Districts' total restricted cash, cash equivalents, and specific investments are comprised of the following at June 30, 2014:

	<u>Cash and Cash Equivalents</u>	<u>Specific Investments</u>	<u>Total</u>
Capital improvement fund	\$ 88,358,284	374,990,822	463,349,106
Closure/postclosure fund	46,613,865	408,594,316	455,208,181
Contingency reserve fund	8,357,837	3,061,163	11,419,000
Employee absences fund	39,816,472	-	39,816,472
Equipment pool fund	11,093,257	14,054,335	25,147,592
Rate stabilization fund	117,283,764	266,693,954	383,977,718
Pension prepayment liability	24,285,923	-	24,285,923
Waste-by-rail cost transition fund	22,713,422	234,964,517	257,677,939
Site development fund	8,817,756	25,974,936	34,792,692
Stabilization fund for contracted benefit costs	10,095,300	-	10,095,300
State loan fund	17,889,251	19,167,643	37,056,894
Surcharge fund	5,198,677	12,377,008	17,575,685
Other restricted funds	24,256,455	19,114,266	43,370,721
	<u>424,780,263</u>	<u>1,378,992,960</u>	<u>1,803,773,223</u>
Bond proceeds	255,030	10,623,480	10,878,510
Total Restricted Cash, Cash Equivalents, and Specific Investments	<u>\$ 425,035,293</u>	<u>1,389,616,440</u>	<u>1,814,651,733</u>

Cash in Bank

At June 30, 2014, the carrying amount of the Districts' cash in bank deposits was \$877,337, while the bank balance was \$15,996,838. All deposits are entirely insured or collateralized. The California Government Code requires California banks and savings and loan associations to secure Districts' deposits by pledging government securities as collateral. The fair value of pledged securities must equal at least 110% of the Districts' deposits. California law also allows financial institutions to secure Districts' deposits by pledging first trust deed mortgage notes having a value of 150% of the Districts' total deposits.

The Districts may waive collateral requirements for deposits that are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC).

Cash on Hand

At June 30, 2014, the Districts had imprest cash funds in the amount of \$40,816.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

Cash and Cash Equivalents

Cash consists of deposits in the interest-bearing Los Angeles County Pooled Surplus Investment Fund. Investments are stated at fair value. The fair value of the Districts' position in the pool is the same as the value of the pool shares. The Districts maintain separate balances for the individual districts, and investment income is allocated on a pro rata basis. Because the Districts' deposits are maintained in a recognized pooled investment fund under the care of a third party and the Districts' share of the pool does not consist of specific, identifiable investment securities owned by the Districts, no disclosure of the individual deposits and investments is required under generally accepted accounting principles. The Districts' deposits in the fund are considered liquid.

Cash equivalents consist of investments in the Dreyfus Institutional Reserves Treasury Prime Money Market Mutual Fund (a mutual fund), U.S. Bank Commercial Paper, U.S. Bank Money Market Fund, Wells Fargo Premium Rate Public Fund, and First American U.S. Treasury Money Market Fund. Investments are stated at fair value. The fair value of the Districts' position in the pool is the same as the value of the pool shares. The Districts maintain separate balances for the individual districts, and investment income is allocated on a pro rata basis. Because the Districts' deposits are maintained in a recognized pooled investment fund or in a mutual fund under the care of third parties and the Districts' share of the funds do not consist of specific, identifiable investment securities owned by the Districts, no disclosure of the individual deposits and investments is required under generally accepted accounting principles. The Districts' deposits in these funds are considered to be liquid.

Specific Investments

These represent investments in U.S. Treasury securities and U.S. Agency securities.

Bond Proceeds with Trustee

The revenue bond indenture agreements require the independent bond trustee to hold bond funds in restricted-use accounts (see note 8). The Districts hold monies to be used to: (a) finance the costs of acquisition, construction, and installation of certain additional improvements to the sewerage treatment and disposal facilities; (b) finance the cost of construction of a gas-to-energy facility; and (c) fund reserve accounts for debt service. The fiscal year-end balance of these accounts amounted to \$10,878,510.

At June 30, 2014, all monies are invested in U.S. Agency securities, and a Dreyfus Institutional Reserves Treasury Prime Money Market Mutual Fund, as permitted by the bond indenture. U.S. Agency securities are in the Los Angeles County Sanitation Districts Financing Authority's name (see note 1 [A]).

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

(4) Service Charge Revenue - Sewerage Funds

The Districts assess service charges against property owners using the Districts' sewerage system as a means of offsetting the cost of providing sanitation facilities. These service charges are collected through Los Angeles County's property tax billing system. During the fiscal year ended June 30, 2014, the following Districts recorded service charge revenues:

District	Amount
1	\$ 22,374,925
2	31,058,171
3	26,412,611
4	3,712,331
5	34,961,972
8	8,035,520
9	66,393
14	31,096,978
15	24,582,073
16	14,866,153
17	2,077,314
18	17,540,399
19	5,043,001
20	20,975,025
21	21,400,329
22	17,821,623
23	346,857
28	969,326
29	1,809,920
Santa Clarita Valley	21,579,313
South Bay Cities	6,159,929
	\$ 312,890,163

(5) Property Taxes

Proposition 13, adopted June 6, 1978, in part added Article XIII-A to the California Constitution. Section 1 of Article XIII-A limits the maximum ad valorem tax on real property to 1% of full cash value. Section 1 stipulates that the limitation provided for in Section 1 shall not apply to ad valorem taxes or special assessments to pay the interest and redemption charges on indebtedness approved by the voters prior to July 1, 1978.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

Property tax revenues are distributed to special districts, local agencies, school districts, the County superintendent of schools, community college districts, and community redevelopment agencies in accordance with provisions of Section 26912 of the Government Code and Section 95-100 of the Revenue and Taxation Code.

Taxes Become a Lien

All tax liens attach annually on the first day in January preceding the fiscal year for which the taxes are levied. Taxes are levied on both real and personal property as they exist on that date. The lien against real estate or the tax on personal property is not relieved by subsequent removal or change of ownership, and the Tax Collector cannot accept payment for taxes on real property unless the personal property tax indicated on the tax bill has been paid or is tendered. Secured property taxes are a lien against real property. Tax levies cover the fiscal year period July 1 to June 30; for instance, the 2013 tax levy is for the fiscal year 2013-2014.

Delinquency and Penalty

Taxes on the secured roll may be paid in two installments due November 1 and February 1. Taxes due on November 1, if unpaid, become delinquent at the close of business on December 10; and taxes due on February 1, if unpaid, become delinquent on April 10 at the close of business. If December 10 or April 10 falls on Saturday, Sunday or a legal holiday, the time of delinquency is the close of the next business day. The entire tax on real property may be paid when the first installment is due, if desired. The second may be paid separately only if the first installment has been paid.

Unsecured personal property taxes are not a lien against real property, are due on the first of January each year, and are payable to the Los Angeles County Tax Collector. These taxes become delinquent if not paid on August 31 at the close of business. If August 31 falls on Saturday, Sunday, or a legal holiday, the time of delinquency is the close of the next business day. If taxes are not paid by October 31, an additional penalty of 1.5% per month will accrue. Delinquent penalties of 10% are added to any unpaid secured and/or unsecured property taxes if received after the grace period.

(6) Accounts Receivable

Accounts receivable is composed of the following (in thousands):

	2014	2013
Sale of commodities	\$ 281	855
Sale of energy	480	796
Surcharge	18,510	17,724
Tipping fees	8,789	12,303
Other	4,129	3,955
Total accounts receivable	\$ 32,189	35,633

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

(7) Capital Assets

Capital asset activity for the fiscal year ended June 30, 2014, was as follows (in thousands):

	<u>June 30, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2014</u>
Capital assets, not being depreciated:				
Construction in progress (see note 16)	\$ 348,536	86,372	(60,460)	374,448
Land	213,967	2,929	-	216,896
Total capital assets, not being depreciated	<u>562,503</u>	<u>89,301</u>	<u>(60,460)</u>	<u>591,344</u>
Capital assets, being depreciated or amortized:				
Buildings and equipment	68,609	955	-	69,564
Capital improvements	534,325	1,983	-	536,308
Disposal rights	76,025	1,782	-	77,807
Equipment pool	76,932	4,965	(18,023)	63,874
Gas-to-energy facilities	217,298	4,292	-	221,590
Joint outfall facilities	2,047,786	57,342	-	2,105,128
Other	15,851	4,607	-	20,458
Rail Facilities	54,045	12	-	54,057
Recycling and transfer facility	61,503	955	-	62,458
Treatment plants	777,226	27,127	-	804,353
Trunk lines	339,636	1,832	-	341,468
Use rights	69,009	-	-	69,009
Total capital assets, being depreciated or amortized	<u>4,338,245</u>	<u>105,852</u>	<u>(18,023)</u>	<u>4,426,074</u>
Accumulated depreciation and amortization:				
Buildings and equipment	(34,260)	(1,922)	-	(36,182)
Capital improvements	(414,852)	(24,708)	-	(439,560)
Disposal rights	(29,768)	(1,733)	-	(31,501)
Equipment pool	(40,348)	(4,809)	13,213	(31,944)
Gas-to-energy facilities	(108,304)	(6,065)	-	(114,369)
Joint outfall facilities	(742,862)	(41,689)	-	(784,551)
Other	(7,038)	(446)	-	(7,484)
Recycling and transfer facility	(13,522)	(1,759)	-	(15,281)
Treatment plants	(132,538)	(22,099)	-	(154,637)
Trunk lines	(93,569)	(4,709)	-	(98,278)
Use rights	(24,022)	(856)	-	(24,878)
Total accumulated depreciation and amortization	<u>(1,641,083)</u>	<u>(110,795)</u>	<u>13,213</u>	<u>(1,738,665)</u>
Total capital assets, being depreciated, net	<u>2,697,162</u>	<u>(4,943)</u>	<u>(4,810)</u>	<u>2,687,409</u>
Total capital assets, net	<u>\$ 3,259,665</u>	<u>84,358</u>	<u>(65,270)</u>	<u>3,278,753</u>

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

Depreciation and amortization expense was charged to the Districts' various operations as follows (in thousands):

Sewerage Operations	\$	72,598
Solid Waste Facilities Operations		30,053
Trustee Solid Waste Facilities Operations		2,436
Service Operations		<u>5,708</u>
Total depreciation and amortization expense	\$	<u><u>110,795</u></u>

(8) Long-Term Debt

Revenue Bonds

On June 25, 2003, the Financing Authority issued \$444,830,000 of 2003 Series A Senior Ad Valorem Obligation Bonds. The purpose of the 2003 Series A bonds was to refund and defease the Authority's outstanding Capital Projects Revenue Bonds, 1993 Series A (Senior Ad Valorem Obligation Bonds); to finance the costs of acquisition, construction, and installation of certain additional improvements to the sewage treatment and disposal facilities of each district; to fund the Reserve Fund; and to pay costs of issuance. These serial bonds mature in varying amounts on October 1 in the years 2003 through 2023 at coupon rates ranging from 4.00% to 6.00%. Interest is paid semiannually each year on October 1 and April 1. The bonds maturing on or after October 1, 2014, are subject to optional redemption after October 1, 2013. These serial bonds were defeased in 2013-14.

On June 2, 2005, the Financing Authority issued \$25,305,000 of 2005 Series A District No. 20 Subordinate Revenue Bonds. The purpose of the 2005 Series A bonds was to finance the costs of the acquisition, construction, and installation of certain improvements to the sewage collection, treatment, and disposal facilities of County Sanitation District No. 20 of Los Angeles County; refinance certain improvements by prepaying in full District 20's outstanding Clean Water State Revolving Fund Loans in the approximate aggregate amount of \$6.3 million; finance the Reserve Fund for the Bonds; pay capitalized interest on a portion of the Bonds through April 1, 2006; and pay costs of issuance of the Bonds. Serial bonds were issued in the amount of \$16,195,000 at interest rates ranging from 3.00% to 4.50%. Interest is paid semiannually each fiscal year on October 1 and April 1. These serial bonds mature in varying amounts on October 1 in the years 2008 through 2028. The bonds maturing on or after October 1, 2016, are subject to optional redemption after October 1, 2015. Additionally, term bonds aggregating \$9,110,000 were issued at the interest rate of 5.00%. Interest is paid semiannually each year on October 1 and April 1. These term bonds mature on October 1, 2034, and are subject to mandatory redemption, in varying amounts, commencing October 1, 2029.

In October 2005, the Financing Authority issued \$182,915,000 of 2005 Series B District No. 14 Subordinate Revenue Bonds. The purpose of the 2005 Series B bonds was to finance the costs of the acquisition, construction, and installation of certain improvements to the sewage collection, treatment, and disposal facilities of County Sanitation District No. 14 of Los Angeles County; to pay the costs of a municipal bond debt service reserve policy; and to pay costs of issuance. These serial bonds mature in varying amounts on October 1 in the years 2006 through 2035 at coupon rates ranging from 3.00% to 5.00%.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

In March 2007, the Financing Authority issued \$134,515,000 of 2007 Series A District No. 20 Subordinate Revenue Bonds. The purpose of the 2007 Series A bonds was to finance the costs of the acquisition, construction, and installation of certain improvements to the sewage collection, treatment, and disposal facilities of County Sanitation District No. 20 of Los Angeles County; including land acquisition, treatment plant upgrades, and recycled water management facilities development; finance the Reserve Fund for the Bonds; capitalize a portion of interest on the Bonds through April 1, 2009; and pay costs of issuance of the Bonds. These serial bonds mature in varying amounts on October 1 in the years 2010 through 2042 at coupon rates ranging from 3.75% to 5.00%.

In November 2008, the Financing Authority issued \$19,661,583 in 2008 Series A Clean Renewable Energy Bonds (CREBS). The purpose of the bonds was to pay a portion of the cost of acquiring, constructing, and installing the Calabasas Gas-to-Energy Facility. The bonds were issued at a rate of 1.25% per annum and mature on December 15, 2021.

In July 2011, the Financing Authority issued \$130,615,000 in Capital Projects Revenue Bonds (Senior Ad Valorem Obligation Bonds) (the 2011 Bonds). The purpose of the 2011 Bonds was to refund and defease a portion of the Financing Authority's outstanding 2003 Series A Bonds and pay costs of issuance. These serial bonds mature in varying amounts on October 1 in years 2014 through 2023 at coupon rates ranging from 2.5% to 5.0%. This advance refunding was undertaken to reduce total debt service payments over the next 12 years by \$12.5 million and resulted in an economic gain of \$10.6 million.

In July 2013, the Districts' Financing Authority issued \$107,620,000 in Senior Ad Valorem Revenue Bonds. The purpose of these bonds is to refund and defease the remaining portion of the Authority's outstanding 2003 Series A Bonds at substantially lower interest rates and pay costs of issuance. As a result of the refunding, the Districts' realized a net present worth savings of approximately \$28.8 million. These serial bonds mature in varying amounts on October 1 in the years 2013 through 2021 at coupon rates ranging from 1.0% to 5.0%. The bonds were issued a rating of AA+ by Standard & Poor's and a rating of Aa1 from Moody's Investors Service.

Total Bond Indebtedness

The Districts' bonded indebtedness is summarized as follows:

	<u>Balance at June 30, 2013</u>	<u>Additions</u>	<u>Redemptions</u>	<u>Balance at June 30, 2014</u>	<u>Due Within One Year</u>
Revenue Bonds:					
2003 Series A	\$ 150,530,000	-	(150,530,000)	-	-
2005 Series A	21,980,000	-	(735,000)	21,245,000	760,000
2005 Series B	173,255,000	-	(2,760,000)	170,495,000	2,870,000
2007 Series A	132,635,000	-	(715,000)	131,920,000	750,000
2008 Series A	12,639,590	-	(1,404,400)	11,235,190	1,404,397
2011 Series A	130,615,000	-	-	130,615,000	1,965,000
2013 Series A	-	107,620,000	(24,245,000)	83,375,000	21,515,000
	<u>\$ 621,654,590</u>	<u>107,620,000</u>	<u>(180,389,400)</u>	<u>548,885,190</u>	<u>29,264,397</u>
Plus unamortized premium	25,757,947	9,840,063	(10,529,947)	25,068,063	-
Less deferred amount on refunding	<u>(20,313,800)</u>	<u>1,946,992</u>	<u>18,366,808</u>	<u>-</u>	<u>-</u>
Bonds payable, net	<u>\$ 627,098,737</u>	<u>119,407,055</u>	<u>(172,552,539)</u>	<u>573,953,253</u>	<u>29,264,397</u>

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

Total Bonded Debt Outstanding

The annual requirements to amortize all bond debt outstanding as of June 30, 2014, are as follows:

Fiscal year ending June 30:	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2015	\$ 24,806,620	29,264,397	54,071,017
2016	23,498,465	30,534,399	54,032,864
2017	22,124,622	31,869,399	53,994,021
2018	20,700,817	33,309,399	54,010,216
2019	19,206,112	34,719,399	53,925,511
2020-2024	74,771,753	119,198,197	193,969,950
2025-2029	58,775,694	46,405,000	105,180,694
2030-2034	42,101,875	96,465,000	138,566,875
2035-2039	17,060,238	82,590,000	99,650,238
2040-2044	4,120,200	44,530,000	48,650,200
	<u>\$ 307,166,396</u>	<u>548,885,190</u>	<u>856,051,586</u>
Plus unamortized premium	-	25,068,063	25,068,063
Less deferred amount on refunding	-	-	-
Bonds payable, net	<u>\$ 307,166,396</u>	<u>573,953,253</u>	<u>881,119,649</u>

Notes Payable

The Districts executed an option agreement for the purchase of a key piece of property for the development of the Puente Hills Intermodal Facility. As part of the agreement, the Districts assumed a 10-year installment payment plan, from the Geosano Family Trust, totaling \$1,586,020, which is secured by a restricted interest-bearing account of 7.25%. In addition, the Districts contract with Century Link, to provide and install fiber optic cables for use at Mesquite Landfill. The final payment for Century Link was made in fiscal year 2013-14.

Notes payable are summarized as follows:

	<u>Maximum Principal Balance</u>	<u>Balance at July 1, 2013</u>	<u>Current-Year Draw Downs</u>	<u>Redemptions</u>	<u>Balance at June 30, 2014</u>	<u>Due Within One Year</u>
Geosano	\$ 1,586,020	1,452,607	-	38,456	1,414,151	41,338
Century Link	489,779	209,711	-	209,711	-	-
Total Notes Payable	<u>\$ 2,075,799</u>	<u>1,662,318</u>	<u>-</u>	<u>248,167</u>	<u>1,414,151</u>	<u>41,338</u>

State Water Resources Control Board

The Districts also have several notes payable to the State Water Resources Control Board. These loan funds are received on an installment basis as the Districts incur the related expenditures and are repaid over a 20-year period. The funds are utilized in the construction and expansion of wastewater conveyance and reclamation facilities.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

The Districts' indebtedness to the State is summarized as follows:

Description	Interest Rate	Maximum Principal Balance	Balance at July 1, 2013	Current-Year Draw Downs	Redemptions	Balance at June 30, 2014
Lancaster - Outfall & Trunk Sewer	2.3000 %	\$ 31,319,657	22,963,253	-	1,408,934	21,554,319
Lancaster WRP Stage V Expansion	2.6000	142,090,956	73,011,108	-	3,020,130	69,990,978
Palmdale WRP Stage V Expansion	2.5000	70,000,000	58,440,757	-	2,287,788	56,152,969
La Canada Trunk Sewer	3.4000	2,550,000	498,594	-	160,673	337,921
La Canada Foothill Main Trunk Sewer	3.1000	3,785,566	757,115	-	189,278	567,837
Saugus Equipment Purchases	2.4000	1,766,705	1,069,559	-	89,130	980,429
Valencia	2.8000	10,699,908	3,763,142	-	537,591	3,225,551
Valencia Stage V	2.4000	45,909,746	25,605,097	-	2,327,736	23,277,361
Valencia Stage V Exp	2.4000	1,400,546	705,141	-	70,514	634,627
Valencia WRP Boiler Upgrade	1.7000	4,335,543	2,351,230	1,700,625	-	4,051,855
Puente Hills	2.8000	5,000,000	905,025	-	329,608	575,417
Alamitos Pumping Plant Force Main	1.7000	1,069,500	-	968,563	46,192	922,371
Biological Reactors	2.4000	109,095,000	57,193,118	-	5,128,458	52,064,660
Central Odor Control	2.4000	11,444,141	6,889,193	-	574,099	6,315,094
Cryogenic Oxygen Generation	2.4000	23,869,940	12,012,889	-	1,201,289	10,811,600
Environmental Lab Bldg	2.4000	9,591,013	5,300,540	-	481,867	4,818,673
Fuel Gas Compressor Upgrade	2.4000	722,927	368,135	-	36,813	331,322
Heat Recovery Steam Gen. Equip.	2.4000	3,983,711	3,037,400	-	216,957	2,820,443
High-Speed Centrifuge	2.4000	4,500,995	2,787,543	-	232,295	2,555,248
Install Secondary Infl. Pump Station	2.4000	4,719,816	2,379,350	-	237,935	2,141,415
Install Secondary Infl Pump Station II	2.4000	1,541,429	973,539	-	81,128	892,411
Long Beach Main PP Facility Upgrades	1.9000	34,482,000	-	6,994,737	-	6,994,737
Long Beach WRP Aeration	2.4000	368,511	230,325	-	23,032	207,293
Long Beach WRP Ammonia	2.4000	834,196	573,511	-	52,137	521,374
Long Beach WRP NDN Fac	2.4000	4,735,275	3,563,754	-	237,584	3,326,170
Long Beach WRP NDN Fac Equip.	2.4000	504,474	336,314	-	33,632	302,682
Los Coyotes WRP Ammonia	2.4000	1,208,597	830,912	-	75,537	755,375
Los Coyotes WRP Interceptor	2.7000	12,381,145	11,487,285	-	504,029	10,983,256
Los Coyotes WRP NDN Fac	2.4000	17,538,820	13,154,115	-	876,941	12,277,174
Mod. of Electrical Power Services	2.4000	4,153,307	2,036,899	-	203,690	1,833,209
Pomona WRP NDN Fac	2.4000	4,931,545	3,390,435	-	308,222	3,082,213
Pomona WRP NDN Fac. Equip.	2.4000	182,616	125,546	-	11,414	114,132
Power Generation Equipment	2.4000	12,298,084	6,522,440	-	652,244	5,870,196
Power Generation Steam Turbine Gen.	2.4000	2,978,767	2,263,275	-	161,662	2,101,613
Primary Screenings & Grit Dewatering	2.4000	11,730,892	5,861,716	-	586,172	5,275,544
Purch. Secondary Infl Pump Station Equip	2.4000	11,012,050	6,572,869	-	547,739	6,025,130
Reloc. & Install High-Speed Centrifuge	2.4000	2,109,325	1,054,516	-	105,453	949,063
San Jose Creek WRP NDN Fac.	2.4000	9,401,328	6,267,552	-	522,296	5,745,256
San Jose Creek WRP NDN Fac. Equip.	2.4000	1,349,480	921,815	-	76,818	844,997
Secondary Effluent Pumps	2.6000	1,176,608	686,837	-	61,025	625,812
Silo Odor Control Fac. Phase I	2.4000	5,330,364	3,821,158	-	347,378	3,473,780
Silo Odor Control Fac. Phase II	2.4000	2,947,840	2,128,995	-	163,769	1,965,226
W. A. S. Thickening Expansion	2.4000	4,173,801	2,095,523	-	209,553	1,885,970
Whittier Narrows WRP NDN Fac.	2.4000	4,309,558	3,672,426	-	216,025	3,456,401
Wright Road Trunk Sewer Repair	2.6000	672,500	587,624	-	26,015	561,609
Digestion Tanks 17-23	2.4000	53,930,932	29,244,777	-	2,658,616	26,586,161
Primary Tank Covers	2.4000	3,608,121	1,877,890	-	189,415	1,688,475
Mod. of Biological Reactors	2.4000	34,354,567	21,998,576	-	1,771,256	20,227,320
Digestion Tanks	3.1000	19,325,958	2,639,904	-	1,300,304	1,339,600
		\$ 751,427,760	414,958,717	9,663,925	30,580,373	394,042,269
Less unamortized discount		-	(26,721,286)	-	(2,391,305)	(24,329,981)
Loans payable to State, net		\$ 751,427,760	388,237,431	9,663,925	28,189,068	369,712,288

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

The annual debt service requirements as of June 30, 2014, for the Districts' indebtedness to the State are as follows:

	Interest	Principal	Total
Fiscal year ending June 30:			
2015	\$ 8,368,480	31,171,086	39,539,566
2016	7,946,517	30,097,998	38,044,515
2017	7,560,534	30,065,331	37,625,865
2018	7,276,962	30,551,736	37,828,698
2019	6,877,056	30,951,641	37,828,697
2020-2024	27,121,845	148,542,870	175,664,715
2025-2029	9,359,479	58,402,299	67,761,778
2030-2034	2,028,400	33,035,144	35,063,544
2035-2039	46,810	1,224,164	1,270,974
	\$ 76,586,083	394,042,269	470,628,352
Less unamortized discount	-	(24,329,981)	(24,329,981)
Loans payable to State, net	\$ 76,586,083	369,712,288	446,298,371

(9) Insurance

The Districts are exposed to various risks of loss and have effectively managed risk through a combination of insurance with deductibles, self-insurance, and employee education and prevention programs. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered. In addition, there were no settlements or claims in the past three years that exceeded insurance coverage.

The Districts are self-insured for workers' compensation benefits. As of June 30, 2014, the liability for workers' compensation claims was estimated at \$11,059,352. Accordingly, this amount has been accrued in the accompanying basic financial statements.

At June 30, 2014, there were no reportable claims other than workers' compensation benefits as follows (in thousands):

	2014	2013
Unpaid claims, beginning of fiscal year	\$ 13,451	14,445
Incurred claims	4	1,456
Claim payments	(2,396)	(2,450)
Unpaid claims, end of fiscal year	\$ 11,059	13,451
Due within one year	\$ 5,529	7,018

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

The Districts are insured for a variety of potential exposures. The following is a summary of the insurance policies carried by the Districts as of June 30, 2014:

<u>Coverage</u>	<u>Facility</u>	<u>Limits</u>
General Liability (excess coverage)	All Districts' Facilities (includes excess auto liability coverage) Annual Earth Day Event	\$ 25,000,000 1,000,000
Auto Liability - Bodily Injury and Property Damage (primary to above)	On-Road Vehicles	1,000,000
Property - Fire, Burglary, Extended Coverage, Vandalism and Malicious Mischief	Specific Buildings and Contents	395,259,493
Crime Policy - employee theft	All Districts' Employees	750,000
Marine:		
Vessel value plus instrumentation	1989 66-foot Ocean Sentinel 1988 25-foot Farallon Vessel 1976 19-foot Boston Whaler	450,000 54,000 5,000
Protection and Indemnity		10,000,000
All Risks - Real and Personal Property	Combined Single Limit/ Gas-to-Energy Facilities	100,000,000
Earthquake and Flood	Gas-to-Energy Facilities	25,000,000
Business Interruption		24,254,000
Extra Expense	Puente Hills Energy Recovery from Gas Calabasas Landfill Gas-to-Energy JWPCP Total Energy Facilities	18,100,000
Pollution Legal Liability	Wastewater System	5,000,000
Fiduciary Liability Deferred Compensation Program		1,000,000
Rental Property Insurance	3 Single-Family Homes - Carson	579,485

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

(10) Litigation

The Districts are defendants in various other litigation matters arising from the normal conduct of business. It is the opinion of the Districts' legal counsel that the resolution of these matters is not likely to have a material adverse effect on the Districts' overall financial condition.

(11) Defined Benefit Pension Plan

Plan Description

The Districts' defined benefit pension plan, Public Employees' Retirement System (PERS), provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is part of the Public Agency portion of the California Public Employees' Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute. CalPERS issues an annual report that includes financial statements and required supplementary information. That report may be obtained by writing to CalPERS, Executive Office, 400 P Street, Sacramento, California, 95814.

Funding Policy

The contribution rate for Districts' CalPERS participants is 7% of their annual covered salary. In accordance with Board approved labor agreements, the Districts make the contributions required of Districts' employees on their behalf and for their account, which, for fiscal year 2013-14, amounted to \$12,358,521. The Districts are required to contribute the actuarially determined remaining amounts necessary to fund the benefits. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required Districts' contribution rate for fiscal year 2013-2014 was 10.757% of annual covered salary, which, for fiscal year 2013-14, amounted to \$18,991,517. The contribution requirements of plan members are established by State statute, and the employer contribution rate is established and may be amended by CalPERS.

Annual Pension Cost

For fiscal year 2013-2014, the Districts' annual pension cost of \$18,991,517 for CalPERS was equal to the Districts' required and actual contributions. The required contribution for fiscal year 2013-2014 was determined as part of the June 30, 2011, actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included: (a) 7.50% discount rate (net of administrative expenses); (b) projected salary increases that vary by duration of service; and (c) an inflation component of 2.75%. Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CalPERS. Subsequent plan amendments are amortized as a level percentage of pay over a closed 20-year period. If the plan's accrued liability exceeds the actuarial value of plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30-year amortization period.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

On April 17, 2013, CalPERS Board of Administration approved a recommendation to change the CalPERS amortization and rate smoothing policies. Beginning with the June 30, 2013 valuations that set the 2015-16 rates, CalPERS no longer uses an actuarial value of assets and has employed an amortization and smoothing policy that will pay for all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a 5-year period.

Three-Year Trend Information for CalPERS Managed Districts' Plan (\$ Amount in Thousands)

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual Pension Cost</u> <u>(APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
6/30/12	\$ 16,704	100%	\$ 0
6/30/13	16,373	100	0
6/30/14	18,992	100	0

Funded Status of Districts' Plan (Unaudited) (\$ Amount in Thousands)

<u>Actuarial</u> <u>Valuation</u> <u>Date</u>	<u>Entry Age</u> <u>Actuarial</u> <u>Accrued</u> <u>Liability</u>	<u>Actuarial</u> <u>Value of</u> <u>Assets</u> ⁽¹⁾	<u>Unfunded</u> <u>Liability/</u> <u>(Excess</u> <u>Assets)</u>	<u>Funded</u> <u>Ratio</u>	<u>Covered</u> <u>Payroll</u>	<u>Unfunded</u> <u>Liability as a</u> <u>% of Covered</u> <u>Payroll</u>
6/30/11	\$ 1,232,768	\$ 1,113,591	\$ 119,177	90.3 %	\$ 164,502	72.447 %
6/30/12	1,299,922	1,159,223	140,699	89.2	163,406	86.104
6/30/13	1,372,528	1,070,389	302,139 ⁽¹⁾	78.0	162,437	186.004

(1) Beginning with the 6/30/2013 valuation, Actuarial Value of Assets equals Market Value of Assets per CalPERS Direct Rate Smoothing Policy.

(12) Other Post Employment Benefits (OPEB) Plan

Plan Description

The Districts provide health care and dental benefits for all retired employees and their dependents or survivors. The Districts have entered into a prefunding plan for their OPEB plan with the CalPERS California Employer's Retiree Benefit Trust Program (CERBT). The prefunding plan is a trust fund that is intended to perform an essential governmental function within the meaning of Section 115 of the Internal Revenue Code as an agent multiple-employer plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 45 consisting of an aggregation of single-employer plans, with pooled administrative and investment functions. Calpers issues a publicly available financial report that includes financial statements and required supplementary information for CERBT. The report may be obtained via the internet by accessing the Forms & Publication Center of the CalPERS web site at www.calpers.ca.gov or by calling 888 CalPERS (or 888-225-7377).

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

Funding Policy

The Districts' annual OPEB cost is calculated based on the actuarial required contribution of the Districts (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The Districts contracted with an outside actuarial consultant, Bartel Associates, LLC, to produce a GASB Statement No. 45 compliant actuarial report.

Annual OPEB Cost and Net OPEB Obligation

Historically, the Districts paid retiree medical benefits on a "pay-as-you-go" basis. However, GASB Statement No. 45 requires the calculation of a "normal" cost plus the cost of amortizing the Unfunded Actuarial Accrued Liability (UAAL) over a 30-year period. Normal Cost is the future cost of benefits earned in the current year. The following table shows the Districts' annual OPEB cost for the year, the percentage of OPEB cost actually contributed to the plan, and the Districts' net OPEB obligation (dollar amounts in thousands).

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of</u> <u>OPEB Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
6/30/08	\$ 18,754	100%	\$ 0
6/30/09	18,854	100	0
6/30/10	18,621	100	0
6/30/11	18,459	100	0
6/30/12	22,306	100	0
6/30/13	21,293	100	0
6/30/14	21,052	100	0

Funded Status and Funding Progress

As of June 30, 2013 the plan was 27.8% funded. The actuarial accrued liability for benefits was \$318 million, and the actuarial value of assets was \$88 million, resulting in an UAAL of \$229 million. The covered payroll (annual payroll of active employees covered by the plan) was \$163 million, and the ratio of the UAAL to the covered payroll was 141.3%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

Funded Status of Districts' Plan (\$ Amounts in Thousands)

Actuarial Valuation Date	Entry Age Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Liability/ (Excess Assets)	Funded Ratio	Covered Payroll	Unfunded Liability as % of Covered Payroll
6/30/06 ⁽¹⁾	\$ 197,779	\$ 0	\$ 197,779	0.0 %	\$ 143,394	137.9
6/30/08	210,249	12,477	197,772	5.9	158,628	124.7
6/30/10	267,055	38,053	229,002	14.3	162,975	140.5
6/30/11	269,563	52,881	216,682	19.6	164,502	131.7
6/30/13	318,019	88,465	229,554	27.8	162,437	141.3

Note: (1) The first OPEB actuarial valuation was conducted as of June 30, 2006. There is no data available prior to the first valuation.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the Districts' most recent actuarial valuation on June 30, 2013, the entry age actuarial cost method was used. The actuarial assumptions included a 7.25% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rates of 8% to 8.3% initially (depending on whether Medicare eligible), reduced by decrements to an ultimate rate of 5% after ten years. The cost trend rates include a 3% inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year open period. Changes to the UAAL on future valuations that were not expected (i.e., gains and losses) are amortized over a 15-year closed period. The UAAL is being amortized as a level percentage of projected payroll on a 30-year closed basis. The remaining amortization period on the initial actuarial unfunded balance at June 30, 2013, was twenty-three years.

(13) Employee Deferred Compensation Plan

All monthly and hourly employees are eligible to participate in the County Sanitation Districts of Los Angeles County Deferred Compensation Plan (Plan). The Plan was created in accordance with Internal Revenue Code Section 457(b). Pursuant to the Plan guidelines, a portion of an employee's compensation can be deferred to provide funds upon retirement, termination, reaching age 70½, unforeseeable emergencies, or to designated beneficiaries at the time of death. The annual IRS plan contribution limit for 2014 was \$17,500 and will increase to \$18,000 in 2015.

At June 30, 2014, assets with a fair value of \$243,325,200 were held for the exclusive benefit of participants and their beneficiaries in the Plan's custodial accounts. Accordingly, such assets have been excluded from the accompanying basic financial statements.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

(14) Compensated Absences

The changes to compensated absences balances at June 30, were as follows:

	<u>Balance at July 1, 2013</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance at June 30, 2014</u>	<u>Due Within One Year</u>
\$	40,264,320	15,603,316	16,051,164	39,816,472	9,954,118

(15) Interdistrict Receivables, Payables, and Transfers

(A) Interdistrict Receivables and Payables

The interdistrict receivables and payables have been eliminated in the accompanying basic financial statements. The following summarizes interdistrict receivables and payables, which have been included in the Districts' combining financial statements, at June 30, 2014:

	<u>Due From Other Districts</u>	<u>Due To Other Districts</u>
Sewerage Operations:		
District No. 1	\$ -	2,718,835
District No. 2	-	4,187,519
District No. 3	-	3,065,947
District No. 4	-	10,870
District No. 5	-	4,802,335
District No. 8	-	1,817,008
District No. 9	-	750
District No. 14	-	972,670
District No. 15	-	3,318,216
District No. 16	-	1,692,967
District No. 17	-	227,596
District No. 18	-	2,256,051
District No. 19	-	604,291
District No. 20	-	814,868
District No. 21	-	2,674,737
District No. 22	-	2,262,542
District No. 23	-	388,953
District No. 27	-	750
District No. 28	-	69,454
District No. 29	-	124,725
Santa Clarita Valley	-	1,638,233
South Bay Cities	-	863,772
Total Sewerage Operations	<u>-</u>	<u>34,513,089</u>

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

	Due From Other Districts	Due To Other Districts
Solid Waste Facilities Operations:		
Palos Verdes Landfill	-	331,345
Spadra Landfill	-	418,054
South Gate Transfer Station	-	144,307
Puente Hills Landfill	-	1,896,987
Puente Hills Materials Recovery Facility	-	937,436
Downey Area Recycling & Transfer Station	-	314,478
Mesquite Landfill	-	37,607
Total Solid Waste Facilities Operations	-	4,080,214
Trustee Solid Waste Facilities Operations:		
Scholl Canyon Landfill	-	488,396
Calabasas Landfill	-	575,356
Los Angeles County Refuse Disposal	-	89,958
Total Trustee Solid Waste Facilities Operations	-	1,153,710
Service Operations:		
Sewerage	34,513,089	-
Landfill	4,080,214	-
Trustee Landfill	1,153,710	-
Total Service Operations	39,747,013	-
	\$ 39,747,013	39,747,013

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

(B) Fund Transfers

The interdistrict fund transfers have been eliminated in the accompanying basic financial statements. The following summarized interdistrict fund transfers, which have been included in the Districts' combining financial statements, at June 30, 2014:

	Transfers In	Transfers Out
Sewerage Operations:		
District No. 14	\$ -	250,000
District No. 20	-	250,000
Total Sewerage Operations	-	500,000
Solid Waste Facilities Operations:		
Palos Verdes Landfill	25,000	-
South Gate Transfer Station	214,781	-
Puente Hills Landfill	-	11,596,616
Puente Hills Materials Recovery Facility	7,235,026	-
Downey Area Recycling & Transfer Station	2,133,266	-
Total Solid Waste Facilities Operations	9,608,073	11,596,616
Trustee Solid Waste Facilities Operations:		
Calabasas Landfill	520,000	-
Los Angeles County Refuse Disposal	-	520,000
Total Trustee Solid Waste Facilities Operations	520,000	520,000
Service Operations:	2,488,543	-
Total Service Operations	2,488,543	-
	\$ 12,616,616	12,616,616

(16) Commitments and Contingencies

(A) Palos Verdes Landfill

The Palos Verdes Landfill discontinued accepting refuse material in December 1980 and is being maintained by the Districts under the terms of the long-term agreement with the County of Los Angeles. Pursuant to implementation of GASB 18, accrued liabilities for the cost of the ultimate disposition have been established (see note 18).

(B) Mission Canyon Landfill

The Joint Powers Agreement between the Districts and County of Los Angeles was amended to provide for the maintenance of the Mission Canyon Landfill. The amended agreement terminated the Districts usufructuary rights to the landfill and the County has requested the Districts continue to perform ongoing operation and maintenance of the site at no cost to the Districts.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

(C) Spadra Landfill

The Spadra Landfill discontinued accepting refuse material from the public in April 2000 and is being maintained by the Districts and the California State Polytechnic University, Pomona, (Cal Poly) under the terms of the Spadra Landfill and Resource Conservation Agreement and Supplemental Agreement with Cal Poly. Pursuant to implementation of GASB 18, accrued liabilities for the cost of ultimate disposition have been established (see note 18).

(D) Calabasas Landfill

In December 2005, the JPA was amended to provide financing for the ongoing operation of the Calabasas Landfill. The County of Los Angeles, through a Financing Authority, issued \$38.5 million of lease revenue bonds at coupon rates ranging from 3.5% to 4.25%. These bond funds, which fully mature in 2022, are drawn down periodically by the Districts to fund future capital expenditures at the landfill. Although, landfill revenue in excess of operation and maintenance expenses has been pledged toward the debt repayment, the County has the sole responsibility for the bonded indebtedness, even if a shortfall in landfill revenue occurs. Because of this, the County assumed responsibility under the amended agreement for setting the tipping fees at the landfill. The Districts act solely as an advisor on the rates that would be necessary to generate sufficient revenue to pay for operation, maintenance, capital, and debt service.

(E) Construction in Progress

The Districts have been involved in various construction projects throughout the fiscal year. Accordingly, the Districts have several contractual commitments, since many of the projects are still in the construction phase. Construction projects are being funded by loans from the State Water Resources Control Board, revenue bonds, and Districts' operating funds. A recap of the construction in progress at June 30, 2014, is as follows (see note 7):

Joint Outfall projects	\$ 193,323,697
District-owned trunk sewer projects	3,731,118
District-owned water reclamation plant projects	9,888,958
Solid waste projects	161,379,212
Joint Administration projects	<u>6,124,719</u>
Total Construction in Progress	<u>\$ 374,447,704</u>

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

(17) Joint Ventures

The Districts have entered into four agreements that formed the basis of the following authorities: (1) the Southern California Coastal Water Research Project Authority (SCCWRPA); (2) the Commerce Refuse to Energy Authority (CREA); (3) the Southeast Resource Recovery Facility Authority (SERRF); and (4) the Inland Empire Regional Composting Authority (IERCA). The governing bodies of these authorities are appointed pursuant to each of the Joint Powers agreements. The budgeting and financing functions of SCCWRPA, CREA, SERRF, and IERCA are maintained by the individual authorities.

- Southern California Coastal Water Research Project Authority

The SCCWRPA's stated purpose is to increase the scientific knowledge of how treated wastewater discharges, stormwater discharges and other human activities interact to affect Southern California's coastal aquatic ecological systems, and thereby to ensure protection of these resources. The boundaries of this SCCWRPA study area include the coastal waters from the Ventura-Santa Barbara County line to the Mexican border, extending to, but not limited to, the outer edge of the coastal shelf.

The current participants in this agreement are County Sanitation District No. 2 of Los Angeles County (acting in its capacity as the administrative District), the City of Los Angeles, Orange County Sanitation District, and the City of San Diego. A major portion of funding (\$1,600,000 in 2013-2014) is provided by the sponsoring agencies paying equal shares. Additional funding (\$400,000 in 2013-2014) is provided by the County of Los Angeles, the County of Orange, the County of San Diego, and the County of Ventura. The Districts account for their contributions as an operating expense. Complete separate financial statements for SCCWRPA may be obtained at 3535 Harbor Blvd., Costa Mesa, California, 92626-1437.

- Commerce Refuse to Energy Authority

The Districts and the City of Commerce (City) entered into an agreement to construct and operate the first major refuse-to-energy facility in California. This facility provides for the disposal of approximately 360 tons of refuse daily and produces about 10 megawatts of electrical energy, which is sold to Southern California Edison Company. The Districts and the City maintain an equal partnership in CREA. The Districts account for their investment by the equity method.

The City and the Districts executed a First Amendment to the Facility Operating Agreement, which became effective July 1, 1994. This agreement incorporates CREA into the Districts' Solid Waste Management System (System), allows the Districts to set tipping fee rates, and provides for a management fee to the Districts for operating the facility. This agreement ensures the facility's long-term financial viability by making System funds available for short-term deficits. Any funds transferred will ultimately be repaid to the System, with interest, from future facility revenues. For the fiscal year ended June 30, 2014, management fees charged by the Districts were \$3,756,450 less than the actual costs incurred by the Districts to operate the facility.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

Because the Districts account for their investment in CREA by the equity method, 50% of the gain/loss in the joint venture is reflected in the accompanying basic financial statements. The Districts are not obligated to pay any future debt service relating to CREA's bonds payable, which are considered to be long-term and are secured and payable by revenues generated from the operation of the facility. Complete separate financial statements for CREA may be obtained by writing to P.O. Box 4998, Whittier, California, 90607-4998 or at the Districts' Joint Administrative Office.

- Southeast Resource Recovery Facility Authority

The SERRF Authority was formed as a joint powers agency by an agreement between County Sanitation District No. 2 and the City of Long Beach (City). Subsequent to formation, lease revenue bonds were issued by the City to construct a waste-to-energy facility and to contract for the design, construction, and demonstration of such plant.

The City has contracted to lease SERRF from the SERRF Authority for purposes of operating the facility. The City's lease payments to the SERRF Authority are paid in amounts sufficient to meet the SERRF Authority's debt service obligations on the bonds during the year, plus pay the SERRF Authority's administrative and other costs. Lease overpayments, if any, for the period are refunded to the City in a lump-sum payment. The lease is to end at the later of December 1, 2013, or when all bonds of the SERRF Authority have been retired, or when the energy contract is terminated. The SERRF facility's operational revenues (i.e., tipping fees, sale of power) and expenditures (i.e., labor) are accounted for in the City's Solid Waste Management Enterprise Fund.

The City and Districts amended the Joint Powers Agreement in November 2003. The purpose of the amendment was to partially compensate the City for costs it incurred in respect to administration of accounts and the extension of the City's general fund credit to further secure and enhance the marketability of, and lower the interest rate on, prior bond sales for the construction of the SERRF facility. The amendment also incorporates provisions to compensate the Districts for its future financial contribution related to the implementation of the waste-by-rail program for the benefit of all Districts' cities.

The Districts account for this investment by the cost method. Complete separate financial statements for SERRF may be obtained at 120 Pier S Avenue, Long Beach, California, 90802.

- Inland Empire Regional Composting Authority

The Districts and the Inland Empire Utilities Agency (IEUA) entered into a Joint Powers Agreement to acquire a site or sites to be used for the composting of biosolids and to construct, operate, and maintain composting and ancillary facilities. The Districts and the IEUA jointly purchased a site located in the County of San Bernardino, prior to the formation of IERCA. The Districts and the IEUA maintain an equal ownership in IERCA. Because the Districts account for their investment in IERCA by the equity method, 50% of the gain/loss in the joint venture is reflected in the accompanying basic financial statements.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

A summary of financial information of the above joint ventures at fiscal year end, follows (in thousands):

	CREA June 30 (Audited)	IERCA June 30 (Unaudited)	SCCWRPA June 30 (Audited)	SERRF September 30 (Unaudited)
Total assets	\$ 29,447	94,916	6,877	62,054
Other liabilities	1,164	1,926	2,884	2,570
Bonds payable	5,230	-	-	49,200
Total liabilities	\$ 6,394	1,926	2,884	51,770
Districts' investment	10,651	43,550	-	-
Other	12,402	49,440	3,993	10,284
Total net position	\$ 23,053	92,990	3,993	10,284
Operating revenues	14,017	8,302	9,321	2,619
Operating expenses	(12,469)	(8,356)	(9,412)	(80)
Nonoperating revenues (expenses)	(391)	(53)	8	(2,161)
Capital contribution revenue	(292)	-	-	-
Change in net position	\$ 865	(107)	(83)	378

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

(18) Landfill Closure and Postclosure Care Cost

At June 30, 2014, the Districts reported the closure and postclosure care liability, which represents the cumulative amount reported to date based on the use of estimated capacity of the landfill sites as follows:

<u>Landfills</u>	<u>Estimated Closure/ Postclosure Costs</u>	<u>Total Estimated Capacity (Tonnage in Millions)</u>	<u>Percentage of Capacity Used to Date %</u>	<u>Closure/ Postclosure Liability Balance at July 1, 2013</u>	<u>Change in Estimated Closure/ Postclosure Cost</u>	<u>Closure/ Postclosure Costs Applied to Liability</u>	<u>Closure/ Postclosure Liability Balance at June 30, 2014</u>
Trustee Landfills							
Calabasas	\$ 97,252,125	30.90	79.06	77,116,835	(227,857)	-	76,888,978
Scholl Canyon	12,102,572	33.28	86.90	12,421,113	(1,904,094)	-	10,517,019
Total Trustee Landfills	109,354,697			89,537,948	(2,131,951)	-	87,405,997
Districts' Landfills							
Puente Hills	219,098,743	142.05	100.00	198,174,274	3,109,682	-	201,283,956
Palos Verdes	88,796,000	23.57	100.00	4,863,737	-	(3,997,283)	866,454
Spadra	66,155,448	17.19	100.00	9,747,357	21,785,913	(2,962,685)	28,570,585
Total Districts' Landfills	374,050,191			212,785,368	24,895,595	(6,959,968)	230,720,995
Total Landfills	\$ 483,404,888			302,323,316	22,763,644	(6,959,968)	318,126,992

The \$318,126,992 reported on the statement of net position for the landfill closure and postclosure care liability at June 30, 2014, represents the cumulative amount accrued based on the percentage of the landfill capacity that has been used to date, less actual costs disbursed related to the closure of the Palos Verdes, and Spadra Landfills. The remaining estimated cost of closure and postclosure is recognized as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in fiscal year 2013-14. Actual costs may be higher due to inflation, changes in technology, or changes in regulation. The current liability due within one year is \$866,454 for Palos Verdes, \$3,050,000 for Spadra, and \$10,870,000 for Puente Hills.

The Districts are required by federal and state laws, regulations, and agreements with the County of Los Angeles to make annual contributions to finance future closure and postclosure care. The Districts are in compliance with these requirements, and at June 30, 2014, contributions of approximately \$455 million are held in reserve for these purposes. These monies are reported as restricted assets on the accompanying statement of net position. The Districts expect that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined; these costs may need to be covered by charges to future landfill users. On October 31, 2013, the Districts' Puente Hills Landfill permanently closed. The estimated remaining landfill life for the open landfills is as follows: Scholl Canyon, 19 years; and, Calabasas, 27 years.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

(19) Environmental Liabilities

County Sanitation District No. 8 of Los Angeles County purchased the Fletcher Oil and Refining Company (FORCO) property, located immediately adjacent to the Joint Water Pollution Control Plant, in June 2000. District No. 8 holds fee title, the district in which property is located, and the expenses are distributed to all districts signatory to the Joint Outfall Agreement. Under a Disbursement Agreement entered into at that time, Street Environmental, LLC (Street), was required to complete demolition of the refinery structures and storage tanks on the site, remediate the environmental conditions on the property, and obtain regulatory closure as an industrial site. However, due to Street's failure to complete the required work, the Disbursement Agreement was terminated in January 2010 and the Districts assumed control of all site work.

Purchase orders, in the amount of \$1,005,300, were issued to Leymaster Environmental Consulting, LLC (Leymaster) to complete remediation at the FORCO property and obtain regulatory closure from the Los Angeles Regional Water Quality Control Board (RWQCB) for surface soils and deep soils/groundwater. Additional work will be required after regulatory closure to monitor the site for an additional three-year period. The pollution remediation obligation is an estimate and subject to change over time due to changes in costs of goods and services, difficulty in obtaining regulatory closure, performance of the remediation technology, or changes in laws and regulations governing the remediation efforts.

	Balance at June 30, 2013	Additions or Adjustments	Payments Current Year	Balance at June 30, 2014	Due Within One Year
FORCO Property	\$ 500,000	1,109,748	(309,743)	1,300,005	325,003
Net Pollution Remediation Liability	\$ 500,000	1,109,748	(309,743)	1,300,005	325,003

(20) Net Position

GASB No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position that is net investment in capital assets consist of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. Restricted net position is the portion of net position that has external constraints placed on it by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

(21) Prior-Period Adjustments

GASB Statement 65 requires that certain items that were previously reported as assets and liabilities be reclassified as deferred outflows of resources or deferred inflows of resources. Under this Statement, bond issuance costs are required to be recognized as an expense in the period incurred. Accounting changes adopted to conform to the provisions of this Statement are to be applied retroactively by restating financial statements, if practical, for all periods presented. If restatement is not practical, the cumulative effect of applying this Statement, if any, is to be reported as a restatement of beginning net position or fund balance, as appropriate, for the earliest period restated.

Upon implementation of this Statement, the Districts have restated its financial statements for the fiscal year ended June 30, 2013, from the amounts previously reported. The restatement includes an adjustment to (a) expense prior-period bond issuance costs of \$4,799,699 related to the 2003A, 2005A, 2005B, 2007A, 2008A, and 2011A Revenue Bonds, and (b) to decrease total net position by \$4,799,699.

(22) Subsequent Event

On September 10, 2014, the Newhall Ranch Sanitation District (NRSD) was approved to join the Joint Administration Agreement. This agreement provides for the joint administration of each of the Districts through a single staff and legal counsel. The NRSD is responsible for paying its own expenses and would pay a share of all joint administrative expenses.

**COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY,
CALIFORNIA**

COMBINING AND INDIVIDUAL
SUPPLEMENTAL SCHEDULES

JUNE 30, 2014

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TYPES OF OPERATIONS

Sewerage Operations - To account for wastewater operations of the Districts, including debt service and capital improvement activities.

Solid Waste Facilities Operations - To account for operations of the Districts' solid waste management system.

Trustee Solid Waste Facilities Operations - To account for operations of the Los Angeles County Refuse Disposal Equipment Pool and for solid waste operations of the Trustee Landfills.

Service Operations - To account for essential services and equipment rental provided to various sites and other governments.

Exhibit D-1
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Combining Schedule of Net Position
June 30, 2014

Assets	<u>Sewerage Operations</u>	<u>Solid Waste Facilities Operations</u>	<u>Trustee Solid Waste Facilities Operations</u>	<u>Service Operations</u>	<u>Total</u>
Current assets:					
Cash in bank	\$ -	501,154	206,283	169,900	877,337
Cash on hand	-	16,840	10,976	13,000	40,816
Cash and cash equivalents	<u>96,389,091</u>	<u>22,198,089</u>	<u>6,673,730</u>	<u>12,903,724</u>	<u>138,164,634</u>
Total unrestricted cash and cash equivalents	<u>96,389,091</u>	<u>22,716,083</u>	<u>6,890,989</u>	<u>13,086,624</u>	<u>139,082,787</u>
Receivables:					
Accounts	21,771,436	6,361,948	3,187,958	867,461	32,188,803
Due from other funds (1)	-	-	-	39,747,013	39,747,013
Interest	2,459,185	1,399,526	233,992	913,864	5,006,567
Service charges	19,475,795	-	-	-	19,475,795
Taxes	<u>3,341,964</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,341,964</u>
Total receivables	<u>47,048,380</u>	<u>7,761,474</u>	<u>3,421,950</u>	<u>41,528,338</u>	<u>99,760,142</u>
Inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,790,252</u>	<u>18,790,252</u>
Restricted cash and investments:					
Cash and cash equivalents	295,959,839	70,872,832	9,343,521	48,604,071	424,780,263
Specific investments	674,985,780	387,134,706	54,357,648	262,514,826	1,378,992,960
Bond proceeds with Trustee:					
Cash and cash equivalents	255,030	-	-	-	255,030
Investments	<u>10,623,480</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,623,480</u>
Total restricted cash and investments	<u>981,824,129</u>	<u>458,007,538</u>	<u>63,701,169</u>	<u>311,118,897</u>	<u>1,814,651,733</u>
Other specific investments	<u>44,281,214</u>	<u>21,732,492</u>	<u>402,297</u>	<u>-</u>	<u>66,416,003</u>
Total current assets	<u>1,169,542,814</u>	<u>510,217,587</u>	<u>74,416,405</u>	<u>384,524,111</u>	<u>2,138,700,917</u>
Investment in joint ventures	43,550,495	-	-	10,651,396	54,201,891
Capital assets:					
Buildings and equipment	51,848,865	7,333,412	-	10,381,560	69,563,837
Capital improvements	-	386,007,019	148,194,132	2,106,934	536,308,085
Construction in progress	213,068,492	-	-	161,379,212	374,447,704
Disposal rights	77,806,593	-	-	-	77,806,593
Equipment pool	-	-	8,596,342	55,277,606	63,873,948
Gas-to-energy facilities	-	181,087,091	-	40,502,967	221,590,058
Joint outfall facilities	2,105,127,551	-	-	-	2,105,127,551
Land	156,537,683	26,511,518	5,482,200	28,365,094	216,896,495
Other	20,458,488	-	-	-	20,458,488
Rail facilities	-	54,056,552	-	-	54,056,552
Recycling and transfer facility	-	62,458,267	-	-	62,458,267
Treatment plants	804,353,377	-	-	-	804,353,377
Trunk lines	341,468,250	-	-	-	341,468,250
Less accumulated depreciation	(1,112,632,950)	(437,030,306)	(123,444,569)	(40,679,250)	(1,713,787,075)
Use rights	-	67,761,710	1,247,346	-	69,009,056
Less accumulated amortization	<u>-</u>	<u>(23,868,876)</u>	<u>(1,009,693)</u>	<u>-</u>	<u>(24,878,569)</u>
Net capital assets	<u>2,658,036,349</u>	<u>324,316,387</u>	<u>39,065,758</u>	<u>257,334,123</u>	<u>3,278,752,617</u>
Total assets	<u>3,871,129,658</u>	<u>834,533,974</u>	<u>113,482,163</u>	<u>652,509,630</u>	<u>5,471,655,425</u>
Deferred Outflow of Resources					
Deferred loss on refunding, net	\$ <u>17,284,576</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,284,576</u>

(1) The interdistrict receivables and payables have been eliminated in the accompanying basic financial statements.

(Continued on following page)

Exhibit D-1-2
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Combining Schedule of Net Position
June 30, 2014

Liabilities	Sewerage Operations	Solid Waste Facilities Operations	Trustee Solid Waste Facilities Operations	Service Operations	Total
Current liabilities:					
Accounts payable	\$ 9,173,348	5,040,286	1,585,991	704,401	16,504,026
Accrued employee absences	-	-	-	9,954,118	9,954,118
Amounts held for others	-	-	-	7,162,331	7,162,331
Bonds payable	27,859,999	-	-	1,404,398	29,264,397
Claims liabilities	3,234,353	1,725,396	462,337	107,590	5,529,676
Construction contracts payable	6,880,196	26,875	197,815	1,885,173	8,990,059
Due to other funds (1)	34,513,089	4,080,214	1,153,710	-	39,747,013
Estimated liability for closure and postclosure costs	-	14,786,454	-	-	14,786,454
Estimated liability for pollution remediation	325,003	-	-	-	325,003
Interest payable	10,847,160	1,343	-	5,787	10,854,290
Loans payable to State of California	30,832,249	338,837	-	-	31,171,086
Note payable	-	-	-	41,338	41,338
Other	167,294	-	-	850	168,144
Total current liabilities	123,832,691	25,999,405	3,399,853	21,265,986	174,497,935
Long-term liabilities:					
Accrued employee absences	-	-	-	29,862,354	29,862,354
Bonds payable, net	534,858,064	-	-	9,830,792	544,688,856
Claims liabilities	3,234,353	1,725,396	462,337	107,590	5,529,676
Estimated liability for closure and postclosure costs	-	215,934,541	87,405,997	-	303,340,538
Estimated liability for pollution remediation	975,002	-	-	-	975,002
Loans payable to State of California	338,304,622	236,580	-	-	338,541,202
Note payable	-	-	-	1,372,813	1,372,813
Total liabilities	1,001,204,732	243,895,922	91,268,187	62,439,535	1,398,808,376
Net Position					
Net position:					
Net investment in capital assets	1,719,301,219	323,714,095	38,867,943	242,799,609	2,324,682,866
Restricted for capital projects	563,063,741	8,360,000	450,000	21,160,000	593,033,741
Restricted for closure/postclosure maintenance	-	168,286,220	2,083,378	-	170,369,598
Restricted for debt service	8,934,511	-	-	-	8,934,511
Restricted for disposal fees	-	266,593	672,967	-	939,560
Restricted for equipment pool	-	-	1,070,249	23,943,138	25,013,387
Restricted for noncapital projects	-	35,599,169	7,103,924	6,240,000	48,943,093
Restricted for site development	-	34,972,167	-	-	34,972,167
Unrestricted	595,910,031	19,439,808	(28,034,485)	295,927,348	883,242,702
Total net position	\$ 2,887,209,502	590,638,052	22,213,976	590,070,095	4,090,131,625

(1) The interdistrict receivables and payables have been eliminated in the accompanying basic financial statements.

Exhibit D-2
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Combining Schedule of Revenues, Expenses,
and Changes in Net Position
Fiscal year ended June 30, 2014

	Sewerage Operations	Solid Waste Facilities Operations	Trustee Solid Waste Facilities Operations	Service Operations	Total
Operating revenues:					
Commodities	\$ -	7,736,429	157,444	-	7,893,873
Contract revenue	23,368,841	438,955	-	-	23,807,796
Equipment pool	-	-	1,505,154	13,854,086	15,359,240
Industrial waste surcharge	58,092,374	-	-	-	58,092,374
Refuse tipping fees	-	60,922,619	26,875,302	-	87,797,921
Sale of energy	214,787	31,936,706	-	3,133,137	35,284,630
Service charges	312,890,163	-	-	-	312,890,163
Other	4,133,687	271,180	77,403	15,081	4,497,351
Total operating revenues	398,699,852	101,305,889	28,615,303	17,002,304	545,623,348
Operating expenses:					
Chemicals	33,700,433	209,677	1,972	-	33,912,082
Equipment and vehicle rentals	6,003,062	6,762,279	2,542,965	159,011	15,467,317
Hazardous waste siting study	-	-	(29,480)	498,710	469,230
Insurance and claims	2,637,218	(2,353,407)	672,512	700,684	1,657,007
Landfill closure and postclosure costs	-	24,895,595	(2,131,951)	-	22,763,644
Materials and supplies	13,006,674	2,677,881	423,738	2,055,734	18,164,027
Operations, repairs and maintenance	11,449,603	12,288,236	1,950,899	9,261,852	34,950,590
Salaries and benefits	162,949,685	23,199,549	7,525,065	4,613,906	198,288,205
Services	44,703,641	34,654,200	995,832	812,677	81,166,350
Utilities	22,855,626	2,624,899	876,864	167,480	26,524,869
Total operations and maintenance	297,305,942	104,958,909	12,828,416	18,270,054	433,363,321
Charges for collections	459,634	-	-	-	459,634
Depreciation and amortization of use rights	72,598,098	30,053,190	2,435,676	5,707,893	110,794,857
Research and development	5,744,741	-	-	354,873	6,099,614
Tonnage	-	-	3,393,097	-	3,393,097
Total operating expenses	376,108,415	135,012,099	18,657,189	24,332,820	554,110,523
Operating income (loss)	22,591,437	(33,706,210)	9,958,114	(7,330,516)	(8,487,175)
Nonoperating revenues (expenses):					
Gain on investments	-	-	-	2,783,465	2,783,465
Interest revenue	7,515,966	4,328,370	495,112	3,387,137	15,726,585
Investment in joint ventures	(53,697)	-	-	578,872	525,175
Taxes	55,210,784	-	-	-	55,210,784
Other nonoperating revenue	-	-	2,700,000	-	2,700,000
Amortization of bond premium	5,226,919	-	-	-	5,226,919
Amortization of deferred loss on refunding	(1,946,992)	-	-	-	(1,946,992)
Interest expense	(31,916,752)	(24,572)	-	(252,583)	(32,193,907)
Loss on sale of equipment	-	-	(101,101)	(2,079,308)	(2,180,409)
Tax and assessment expense	(73,107)	(9,491,667)	(4,451,434)	2,586	(14,013,622)
Other nonoperating expense	(171,084)	(813,382)	-	-	(984,466)
Unrealized gain on investments	6,125,562	1,714,268	648,772	158,492	8,647,094
Net nonoperating revenues (expenses)	39,917,599	(4,286,983)	(708,651)	4,578,661	39,500,626
Income (loss) before capital contribution revenue	62,509,036	(37,993,193)	9,249,463	(2,751,855)	31,013,451
Capital contribution revenue:					
Connection fees	33,290,672	-	-	-	33,290,672
Donated property	5,551,971	-	-	-	5,551,971
Transfers in	-	9,608,073	520,000	2,488,543	12,616,616
Transfers out	(500,000)	(11,596,616)	(520,000)	-	(12,616,616)
Change in net position	100,851,679	(39,981,736)	9,249,463	(263,312)	69,856,094
Total net assets, July 1, 2013, as previously stated	2,791,043,742	630,619,788	12,964,513	590,447,187	4,025,075,230
Prior-period adjustments	(4,685,919)	-	-	(113,780)	(4,799,699)
Total net position, July 1, 2013, as restated	2,786,357,823	630,619,788	12,964,513	590,333,407	4,020,275,531
Total net position, June 30, 2014	\$ 2,887,209,502	590,638,052	22,213,976	590,070,095	4,090,131,625

Exhibit D-3
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Combining Schedule of Cash Flows
Fiscal year ended June 30, 2014

	Sewerage Operations	Solid Waste Facilities Operations	Trustee Solid Waste Facilities Operations	Service Operations	Total
Cash flows from operating activities:					
Receipts from customers and users	\$ 398,439,724	106,851,446	25,968,843	3,215,103	534,475,116
Receipts for equipment rental	-	-	1,505,154	13,854,086	15,359,240
Payments to suppliers	(134,396,829)	(54,288,829)	(7,325,728)	(9,128,774)	(205,140,160)
Payments to employees	(161,987,756)	(25,096,086)	(7,585,114)	(4,067,098)	(198,736,054)
Payments applied to closure/postclosure liability	-	(6,959,967)	-	-	(6,959,967)
Payment for equipment rental within the Districts	(5,806,817)	(6,730,548)	(2,537,333)	-	(15,074,698)
Other payments	(18,588)	-	-	-	(18,588)
Net cash provided by operating activities	<u>96,229,734</u>	<u>13,776,016</u>	<u>10,025,822</u>	<u>3,873,317</u>	<u>123,904,889</u>
Cash flows from noncapital financing activities :					
Receipts from property taxes	57,526,593	-	-	-	57,526,593
Payments for tax and assessment	(73,107)	(10,305,057)	(4,451,434)	2,586	(14,827,012)
Transfers from other funds	-	9,608,073	520,000	2,488,543	12,616,616
Transfers to other funds	(500,000)	(11,596,616)	(520,000)	-	(12,616,616)
Net cash provided (used) by noncapital financing activities	<u>56,953,486</u>	<u>(12,293,600)</u>	<u>(4,451,434)</u>	<u>2,491,129</u>	<u>42,699,581</u>
Cash flows from capital and related financing activities:					
Borrowings on loan from state	9,663,925	-	-	-	9,663,925
Contract proceeds from County of Los Angeles	-	-	2,700,000	-	2,700,000
Proceeds from bond sale	117,460,063	-	-	-	117,460,063
Bond issuance costs	(457,556)	-	-	-	(457,556)
Purchases of capital assets	(99,828,408)	(8,421,722)	(1,981,900)	(18,843,765)	(129,075,795)
Connection fees proceeds	33,290,672	-	-	-	33,290,672
Bond defeasement	(154,293,250)	-	-	-	(154,293,250)
Interest paid on capital-related debt	(30,624,986)	(25,341)	-	(253,271)	(30,903,598)
Principal payments on bonds	(28,455,000)	-	-	(1,404,400)	(29,859,400)
Principal payments on note	-	(248,167)	-	(38,456)	(286,623)
Principal payments on loan from state	(30,250,765)	(329,608)	-	-	(30,580,373)
Proceeds from sale of assets/equipment	-	-	212,798	2,417,574	2,630,372
Receipts from (payment to) joint venture	(2,746)	-	-	2,933,465	2,930,719
Net cash provided (used) by capital and related financing activities	<u>(183,498,051)</u>	<u>(9,024,838)</u>	<u>930,898</u>	<u>(15,188,853)</u>	<u>(206,780,844)</u>
Cash flows from investing activities:					
Interest received	7,280,959	3,838,887	345,963	3,101,430	14,567,239
Purchases of investments	(187,974,114)	(190,960,291)	(23,521,148)	(63,911,830)	(466,367,383)
Proceeds from maturities of investments	124,075,994	186,725,448	23,828,618	62,936,312	397,566,372
Net cash provided (used) by investing activities	<u>(56,617,161)</u>	<u>(395,956)</u>	<u>653,433</u>	<u>2,125,912</u>	<u>(54,233,772)</u>
Net increase (decrease) in cash and cash equivalents	(86,931,992)	(7,938,378)	7,158,719	(6,698,495)	(94,410,146)
Cash and cash equivalents at beginning of fiscal year	479,535,952	101,527,293	9,075,791	68,389,190	658,528,226
Cash and cash equivalents at end of fiscal year	<u>\$ 392,603,960</u>	<u>93,588,915</u>	<u>16,234,510</u>	<u>61,690,695</u>	<u>564,118,080</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ 22,591,437	(33,706,210)	9,958,114	(7,330,516)	(8,487,175)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization	72,598,098	30,053,190	2,435,676	5,707,893	110,794,857
Landfill closure and postclosure costs	-	24,895,595	(2,131,951)	-	22,763,644
Decrease (increase) in accounts receivable	(1,027,329)	5,545,557	(1,141,301)	66,885	3,443,812
Decrease in service charge receivable	767,202	-	-	-	767,202
Increase in inventory	-	-	-	(757,869)	(757,869)
Decrease in due from other funds	-	-	-	994,657	994,657
Increase (decrease) in accounts payable	251,125	(903,996)	426,049	56,980	(169,842)
Decrease in accrued employee absences	-	-	-	(447,847)	(447,847)
Decrease in estimated liability for closure and postclosure costs	-	(6,959,967)	-	-	(6,959,967)
Increase (decrease) in claims liabilities related to self-insurance	105,860	(3,251,616)	539,284	215,180	(2,391,292)
Increase in amounts held for others	-	-	-	5,367,954	5,367,954
Decrease in other liabilities	(18,588)	-	-	-	(18,588)
Increase (decrease) in due to other funds	961,929	(1,896,537)	(60,049)	-	(994,657)
Net cash provided by operating activities	<u>\$ 96,229,734</u>	<u>13,776,016</u>	<u>10,025,822</u>	<u>3,873,317</u>	<u>123,904,889</u>
Schedule of noncash investing activity-					
Unrealized gain on fair value of investments	\$ 6,125,562	1,714,268	648,772	158,492	8,647,094
Investment in joint ventures	(53,697)	-	-	578,872	525,175

Exhibit E-1
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Sewerage Operations
Combining Schedule of Net Position
June 30, 2014

Assets	Districts								
	No. 1	No. 2	No. 3	No. 4	No. 5	No. 8	No. 9	No. 14	No. 15
Current assets:									
Cash and cash equivalents	\$ 9,736,770	9,822,421	7,498,186	2,867,088	11,085,891	4,370,914	152,826	8,158,685	7,740,180
Receivables:									
Accounts	2,305,927	2,599,712	1,660,266	7,419	2,129,779	3,034,090	39	2,968,377	2,253,458
Interest	146,309	259,392	163,705	91,799	284,995	111,996	9,301	96,096	219,908
Service charges	2,453,525	1,835,200	1,417,579	163,274	2,757,383	561,629	3,568	2,468,224	1,131,750
Taxes	113,737	365,151	261,263	31,594	634,123	124,588	6,086	25,164	397,926
Total receivables	5,019,498	5,059,455	3,502,813	294,086	5,806,280	3,832,303	18,994	5,557,861	4,003,042
Restricted cash and investments:									
Cash and cash equivalents	12,112,570	25,473,234	17,992,355	8,915,932	28,078,439	17,480,604	1,153,186	27,892,349	22,747,717
Specific investments	48,659,933	73,374,910	47,897,315	28,171,390	72,137,859	20,994,958	3,733,327	12,031,293	67,629,308
Bond proceeds with Trustee:									
Cash and cash equivalents	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Total restricted cash and investments	60,772,503	98,848,144	65,889,670	37,087,322	100,216,298	38,475,562	4,886,513	39,923,642	90,377,025
Other specific investments	798,891	6,623,493	5,558,362	647,594	8,068,737	-	-	-	4,360,354
Total current assets	76,327,662	120,353,513	82,449,031	40,896,090	125,177,206	46,678,779	5,058,333	53,640,188	106,480,601
Investment in joint venture	3,856,979	5,733,910	4,255,555	-	6,332,899	2,613,474	-	-	4,568,833
Capital assets:									
Buildings and equipment	4,178,904	6,371,850	4,726,044	5,185	7,030,228	2,876,112	5,184	1,400,369	4,987,778
Construction in progress	17,453,668	30,080,336	19,080,108	6,783	28,044,263	12,179,102	637	411,543	20,400,898
Disposal rights	-	60,119	-	60,523,285	7,063,000	-	1,790,814	-	-
Joint outfall facilities	187,036,918	275,833,679	204,463,337	-	311,136,042	120,406,220	-	-	215,708,790
Land	6,636,844	10,273,406	7,379,959	59	10,975,883	4,506,656	59	64,015,873	7,879,243
Other	1,557,056	2,387,950	1,753,463	3,100	2,611,582	1,167,410	266	639,012	1,858,870
Treatment plants	62,978	2,299,734	7,406,594	-	14,219,113	4,259,253	-	307,795,406	1,609,560
Trunk lines	25,057,514	28,823,812	21,050,307	1,296,889	55,986,324	15,093,068	-	56,188,423	12,254,083
Less accumulated depreciation	(80,876,083)	(118,378,977)	(89,197,018)	(25,622,559)	(146,820,860)	(52,173,432)	(765,374)	(41,777,483)	(88,214,775)
Net capital assets	161,107,799	237,751,909	176,662,794	36,212,742	290,245,575	108,314,389	1,031,586	388,673,143	176,484,447
Total assets	241,292,440	363,839,332	263,367,380	77,108,832	421,755,680	157,606,642	6,089,919	442,313,331	287,533,881
Deferred Outflow of Resources									
Deferred loss on refunding, net	\$ 1,137,671	1,756,458	1,334,196	169,735	2,871,141	693,803	23,853	240,774	1,796,732

(Continued on following page)

Exhibit E-1-2
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Sewerage Operations
Combining Schedule of Net Position
June 30, 2014

Assets	Districts							
	No. 16	No. 17	No. 18	No. 19	No. 20	No. 21	No. 22	No. 23
Current assets:								
Cash and cash equivalents	\$ 5,115,917	615,504	4,909,875	1,476,223	2,803,526	6,259,945	5,193,181	117,902
Receivables:								
Accounts	519,058	46,924	1,143,651	185,100	188,392	1,137,339	646,326	505,382
Interest	145,915	21,856	123,229	46,264	39,439	189,292	153,927	44,166
Service charges	840,595	114,212	985,841	179,377	1,365,991	1,028,730	840,962	26,766
Taxes	286,811	33,663	129,996	79,304	32,708	(115,570)	197,909	17,440
Total receivables	1,792,379	216,655	2,382,717	490,045	1,626,530	2,239,791	1,839,124	593,754
Restricted cash and investments:								
Cash and cash equivalents	13,836,522	2,603,145	12,128,602	4,726,859	10,091,850	18,351,652	15,566,650	5,817,790
Specific investments	41,497,625	6,612,820	37,479,461	13,260,910	6,737,785	55,767,618	47,423,835	12,557,775
Bond proceeds with Trustee:								
Cash and cash equivalents	-	-	-	-	255,030	-	-	-
Investments	-	-	-	-	10,623,480	-	-	-
Total restricted cash and investments	55,334,147	9,215,965	49,608,063	17,987,769	27,708,145	74,119,270	62,990,485	18,375,565
Other specific investments	1,929,129	448,052	3,235,926	1,068,989	-	3,377,349	2,913,552	-
Total current assets	64,171,572	10,496,176	60,136,581	21,023,026	32,138,201	85,996,355	72,936,342	19,087,221
Investment in joint venture	2,388,350	332,493	3,117,346	799,642	-	4,057,646	3,401,240	818,887
Capital assets:								
Buildings and equipment	2,715,565	370,349	3,365,340	890,424	871,831	4,533,894	3,504,512	852,992
Construction in progress	10,690,159	1,507,994	14,054,995	3,625,676	561,408	20,202,350	14,190,366	4,283,734
Disposal rights	6,452,205	-	-	-	-	-	-	-
Joint outfall facilities	120,030,392	16,702,601	149,218,725	41,305,329	-	205,302,060	149,606,296	47,100,931
Land	4,174,608	579,676	5,334,595	1,397,903	16,264,558	7,190,527	5,658,207	1,428,573
Other	968,125	132,787	1,257,760	326,127	526,392	1,700,913	1,286,363	356,159
Treatment plants	-	-	-	377,530	243,555,621	12,583,907	-	-
Trunk lines	13,347,409	633,107	16,575,106	2,450,714	15,979,730	12,684,375	15,701,313	-
Less accumulated depreciation	(52,787,433)	(6,890,585)	(63,415,852)	(18,520,519)	(34,538,655)	(92,468,471)	(64,121,281)	(18,352,671)
Net capital assets	105,591,030	13,035,929	126,390,669	31,853,184	243,220,885	171,729,555	125,825,776	35,669,718
Total assets	172,150,952	23,864,598	189,644,596	53,675,852	275,359,086	261,783,556	202,163,358	55,575,826
Deferred Outflow of Resources								
Deferred loss on refunding, net	\$ 1,119,695	143,289	982,110	316,653	200,674	1,059,199	916,601	193,587

(Continued on following page)

Exhibit E-1-3
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Sewerage Operations
Combining Schedule of Net Position
June 30, 2014

Assets	Districts						Total
	No. 27	No. 28	No. 29	Santa Clarita Valley	No. 34	South Bay Cities	
Current assets:							
Cash and cash equivalents	\$ 6,585	534,778	574,311	5,452,269	-	1,896,114	96,389,091
Receivables:							
Accounts	39	15,219	24,361	221,935	37	178,606	21,771,436
Interest	743	13,700	8,308	212,120	4	76,721	2,459,185
Service charges	-	20,472	92,697	888,688	-	299,332	19,475,795
Taxes	20,413	39,423	7,747	398,231	-	254,257	3,341,964
Total receivables	21,195	88,814	133,113	1,720,974	41	808,916	47,048,380
Restricted cash and investments:							
Cash and cash equivalents	230,280	1,010,087	1,040,200	40,057,387	2,347	8,650,082	295,959,839
Specific investments	163,241	4,376,099	3,045,752	47,080,639	-	24,351,927	674,985,780
Bond proceeds with Trustee:							
Cash and cash equivalents	-	-	-	-	-	-	255,030
Investments	-	-	-	-	-	-	10,623,480
Total restricted cash and investments	393,521	5,386,186	4,085,952	87,138,026	2,347	33,002,009	981,824,129
Other specific investments	41,784	-	-	3,558,270	-	1,650,732	44,281,214
Total current assets	463,085	6,009,778	4,793,376	97,869,539	2,388	37,357,771	1,169,542,814
Investment in joint venture	-	59,313	116,111	-	-	1,097,817	43,550,495
Capital assets:							
Buildings and equipment	5,183	52,752	129,565	1,760,594	4,522	1,209,688	51,848,865
Construction in progress	640	249,567	516,895	10,627,588	644	4,899,138	213,068,492
Disposal rights	1,917,170	-	-	-	-	-	77,806,593
Joint outfall facilities	-	1,969,291	6,116,159	-	-	53,190,781	2,105,127,551
Land	59	99,961	225,289	613,552	59	1,902,134	156,537,683
Other	40	18,193	48,116	1,407,077	-	451,727	20,458,488
Treatment plants	2,327,175	377,364	2,412,308	192,388,033	525	12,678,276	804,353,377
Trunk lines	16,900	6,889,636	8,950,370	29,295,552	-	3,193,618	341,468,250
Less accumulated depreciation	(1,560,442)	(2,836,573)	(3,988,987)	(81,083,249)	(3,141)	(28,238,530)	(1,112,632,950)
Net capital assets	2,706,725	6,820,191	14,409,715	155,009,147	2,609	49,286,832	2,658,036,349
Total assets	\$ 3,169,810	12,889,282	19,319,202	252,878,686	4,997	87,742,420	3,871,129,658
Deferred Outflow of Resources							
Deferred loss on refunding, net	\$ 33,359	50,644	15,902	1,738,828	-	489,672	17,284,576

(Continued on following page)

Exhibit E-1-4
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Sewerage Operations
Combining Schedule of Net Position
June 30, 2014

Liabilities	Districts								
	No. 1	No. 2	No. 3	No. 4	No. 5	No. 8	No. 9	No. 14	No. 15
Current liabilities:									
Accounts payable	\$ 651,616	950,412	729,240	6,252	1,102,956	407,750	73	645,897	784,824
Bonds payable	1,545,454	2,386,038	1,812,421	230,574	3,900,263	942,487	32,402	3,197,076	2,440,746
Claims liabilities	246,175	365,787	283,658	23	425,004	149,305	23	120,641	305,304
Construction contracts payable	533,090	792,107	614,273	65	920,601	323,314	65	21,666	683,286
Due to other funds	2,718,835	4,187,519	3,065,947	10,870	4,802,335	1,817,008	750	972,670	3,318,216
Estimated liability for pollution remediation	28,827	42,835	33,215	-	49,725	17,485	-	-	35,750
Interest payable	316,602	472,511	362,348	24,701	669,612	189,504	3,471	4,096,887	442,495
Loans payable to State of California	1,828,314	2,677,045	2,075,827	-	3,107,647	1,092,754	-	4,539,993	2,234,256
Other	-	-	167,294	-	-	-	-	-	-
Total current liabilities	7,868,913	11,874,254	9,144,223	272,485	14,978,143	4,939,607	36,784	13,594,830	10,244,877
Long-term liabilities:									
Bonds payable, net	13,850,682	21,384,173	16,243,301	2,066,449	34,954,979	8,446,770	290,397	174,531,423	21,874,482
Claims liabilities	246,175	365,787	283,658	23	425,004	149,305	23	120,641	305,304
Estimated liability for pollution remediation	86,483	128,505	99,645	-	149,175	52,455	-	-	107,250
Loans payable to State of California	15,893,580	22,758,331	16,153,459	-	23,841,483	10,918,679	-	87,005,302	16,970,193
Total liabilities	37,945,833	56,511,050	41,924,286	2,338,957	74,348,784	24,506,816	327,204	275,252,196	49,502,106
Net Position									
Net position:									
Net investment in capital assets	127,456,679	187,754,215	139,763,513	33,915,654	223,520,602	86,590,385	708,722	119,377,683	132,281,484
Restricted for capital projects	45,354,519	64,179,640	40,190,007	7,279,196	58,806,062	34,411,328	489,199	17,666,330	49,295,881
Restricted for debt service	-	-	-	-	-	-	-	-	-
Unrestricted	31,673,080	57,150,885	42,823,770	33,744,760	67,951,373	12,791,916	4,588,647	30,257,896	58,251,142
Total net position	\$ 204,484,278	309,084,740	222,777,290	74,939,610	350,278,037	133,793,629	5,786,568	167,301,909	239,828,507

(Continued on following page)

Exhibit E-1-5
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Sewerage Operations
Combining Schedule of Net Position
June 30, 2014

Liabilities	Districts							
	No. 16	No. 17	No. 18	No. 19	No. 20	No. 21	No. 22	No. 23
Current liabilities:								
Accounts payable	\$ 414,886	53,855	579,168	143,575	652,426	645,804	510,969	72,723
Bonds payable	1,521,034	194,649	1,334,134	430,154	1,782,603	1,438,854	1,245,144	262,976
Claims liabilities	164,230	21,366	200,667	55,771	41,689	239,807	201,204	27,477
Construction contracts payable	355,781	46,265	434,550	120,762	13,288	519,312	435,700	59,502
Due to other funds	1,692,967	227,596	2,256,051	604,291	814,868	2,674,737	2,262,542	388,953
Estimated liability for pollution remediation	19,208	2,503	23,498	6,533	-	28,080	23,563	3,218
Interest payable	260,203	33,524	261,905	79,160	2,352,073	296,328	252,701	44,464
Loans payable to State of California	1,200,405	156,398	1,468,515	408,259	2,344,983	1,754,906	1,472,578	201,083
Other	-	-	-	-	-	-	-	-
Total current liabilities	5,628,714	736,156	6,558,488	1,848,505	8,001,930	7,597,828	6,404,401	1,060,396
Long-term liabilities:								
Bonds payable, net	13,631,832	1,744,487	11,956,788	3,855,127	155,268,371	12,895,318	11,159,247	2,356,846
Claims liabilities	164,230	21,366	200,667	55,771	41,689	239,807	201,204	27,477
Estimated liability for pollution remediation	57,623	7,508	70,492	19,597	-	84,240	70,688	9,653
Loans payable to State of California	8,737,382	1,262,010	11,885,841	2,878,726	53,807,987	18,642,221	12,688,432	4,823,192
Total liabilities	28,219,781	3,771,527	30,672,276	8,657,726	217,119,977	39,459,414	30,523,972	8,277,564
Net Position								
Net position:								
Net investment in capital assets	80,144,596	9,632,120	99,310,841	24,160,156	30,003,652	136,478,944	98,824,676	27,966,119
Restricted for capital projects	24,812,690	3,634,364	35,039,411	10,617,293	1,896,410	46,622,286	31,367,037	5,884,729
Restricted for debt service	-	-	-	-	8,934,511	-	-	-
Unrestricted	40,093,580	6,969,876	25,604,178	10,557,330	17,605,210	40,282,111	42,364,274	13,641,001
Total net position	\$ 145,050,866	20,236,360	159,954,430	45,334,779	58,439,783	223,383,341	172,555,987	47,491,849

(Continued on following page)

Exhibit E-1-6
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Sewerage Operations
Combining Schedule of Net Position
June 30, 2014

Liabilities	Districts						Total
	No. 27	No. 28	No. 29	Santa Clarita Valley	No. 34	South Bay Cities	
Current liabilities:							
Accounts payable	\$ 78	17,560	30,939	570,614	73	201,658	9,173,348
Bonds payable	45,316	68,796	21,602	2,362,088	-	665,188	27,859,999
Claims liabilities	23	6,928	8,327	295,977	23	74,944	3,234,353
Construction contracts payable	65	14,995	18,033	811,114	65	162,297	6,880,196
Due to other funds	750	69,454	124,725	1,638,233	-	863,772	34,513,089
Estimated liability for pollution remediation	-	813	975	-	-	8,775	325,003
Interest payable	4,854	31,969	11,128	525,027	-	115,693	10,847,160
Loans payable to State of California	-	406,192	102,469	3,212,217	-	548,408	30,832,249
Other	-	-	-	-	-	-	167,294
Total current liabilities	51,086	616,707	318,198	9,415,270	161	2,640,735	123,832,691
Long-term liabilities:							
Bonds payable, net	406,135	616,568	193,598	21,169,532	-	5,961,559	534,858,064
Claims liabilities	23	6,928	8,327	295,977	23	74,944	3,234,353
Estimated liability for pollution remediation	-	2,438	2,925	-	-	26,325	975,002
Loans payable to State of California	-	477,440	1,283,175	24,270,178	-	4,007,011	338,304,622
Total liabilities	457,244	1,720,081	1,806,223	55,150,957	184	12,710,574	1,001,204,732
Net Position							
Net position:							
Net investment in capital assets	2,255,209	5,236,200	12,790,838	103,184,018	2,544	37,942,369	1,719,301,219
Restricted for capital projects	68,083	481,959	1,810,768	71,311,626	500	11,844,423	563,063,741
Restricted for debt service	-	-	-	-	-	-	8,934,511
Unrestricted	422,633	5,501,686	2,927,275	24,970,913	1,769	25,734,726	595,910,031
Total net position	\$ 2,745,925	11,219,845	17,528,881	199,466,557	4,813	75,521,518	2,887,209,502

Exhibit E-2
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Sewerage Operations
Combining Schedule of Revenues, Expenses, and
Changes in Net Position
Fiscal year ended June 30, 2014

	Districts								
	No. 1	No. 2	No. 3	No. 4	No. 5	No. 8	No. 9	No. 14	No. 15
Operating revenues:									
Contract revenue	\$ 1,635,738	2,466,782	1,892,840	1,056	2,891,793	989,302	1,056	1,520,412	2,021,212
Industrial waste surcharge	5,532,527	7,788,563	4,354,301	21,248	6,533,292	10,240,247	-	2,379,032	5,809,454
Sale of energy	18,880	28,481	21,844	-	33,184	11,405	-	-	23,326
Service charges	22,374,925	31,058,171	26,412,611	3,712,331	34,961,972	8,035,520	66,393	31,096,978	24,582,073
Other	274,907	413,386	321,222	-	481,277	236,027	-	58,176	341,426
Total operating revenues	29,836,977	41,755,383	33,002,818	3,734,635	44,901,518	19,512,501	67,449	35,054,598	32,777,491
Operations and maintenance:									
Chemicals	2,660,558	3,982,579	2,995,590	-	4,572,346	1,593,834	-	1,246,587	3,195,517
Equipment and vehicle rentals	435,092	695,131	424,430	9,261	785,425	283,755	64	396,554	496,492
Insurance and claims	223,530	327,148	256,401	1,673	381,824	136,196	161	50,361	278,504
Materials and supplies	934,700	1,393,809	1,083,586	1,643	1,651,075	581,660	67	589,238	1,131,512
Operations, repairs and maintenance	827,128	1,201,389	929,711	10,602	1,438,161	526,421	5,719	590,052	905,258
Salaries and benefits	12,440,798	18,837,869	13,824,052	73,854	22,184,739	8,963,731	5,572	6,079,842	14,985,615
Services	3,164,826	4,893,687	4,004,383	1,405,696	5,976,164	1,971,544	74,656	1,358,286	4,006,088
Utilities	1,365,423	2,068,748	1,665,184	327	2,563,435	917,747	130	1,950,494	1,687,181
Total operations and maintenance	22,052,055	33,400,360	25,183,337	1,503,056	39,553,169	14,974,888	86,369	12,261,414	26,686,167
Charges for collections	29,552	45,281	37,683	3,585	65,309	13,644	363	17,569	46,470
Depreciation	4,340,552	6,346,035	5,023,890	1,353,022	8,472,780	2,850,606	40,851	9,017,932	5,116,439
Research and development	504,963	761,753	584,240	-	887,562	305,046	-	-	623,879
Total operating expenses	26,927,122	40,553,429	30,829,150	2,859,663	48,978,820	18,144,184	127,583	21,296,915	32,472,955
Operating income (loss)	2,909,855	1,201,954	2,173,668	874,972	(4,077,302)	1,368,317	(60,134)	13,757,683	304,536
Nonoperating revenues (expenses):									
Interest revenue	488,024	784,479	541,430	277,177	849,190	284,149	38,780	261,130	700,090
Investment in joint venture	(4,720)	(7,120)	(5,461)	-	(8,296)	(2,851)	-	-	(5,832)
Taxes	2,630,557	5,248,058	4,278,355	409,051	8,661,100	1,681,366	72,726	812,372	5,547,685
Amortization of bond premium	317,030	489,465	371,795	47,299	800,089	193,339	6,647	378,544	500,688
Amortization of deferred loss on refunding	(128,151)	(197,853)	(150,288)	(19,119)	(323,415)	(78,152)	(2,687)	(27,122)	(202,390)
Interest expense	(918,264)	(1,378,309)	(1,052,814)	(80,447)	(1,995,833)	(549,088)	(11,305)	(10,771,262)	(1,301,988)
Other nonoperating expense	-	(171,084)	-	-	-	-	-	-	-
Tax and assessment expense	(6,357)	(9,579)	(7,353)	(1)	(11,171)	(3,841)	(1)	(518)	(7,856)
Unrealized gain on investments	359,986	696,717	416,512	209,696	672,683	223,902	25,419	15,938	622,025
Net nonoperating revenues (expenses)	2,738,105	5,454,774	4,392,176	843,656	8,644,347	1,748,824	129,579	(9,330,918)	5,852,422
Income (loss) before capital contribution revenue	5,647,960	6,656,728	6,565,844	1,718,628	4,567,045	3,117,141	69,445	4,426,765	6,156,958
Capital contribution revenue:									
Connection fees	2,737,024	3,548,367	2,477,893	301,222	4,018,492	1,544,683	5,557	995,679	2,889,730
Donated property	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(250,000)	-
Change in net position	8,384,984	10,205,095	9,043,737	2,019,850	8,585,537	4,661,824	75,002	5,172,444	9,046,688
Total net assets, July 1, 2013, as previously reported	196,189,108	299,018,311	213,838,882	72,933,160	341,919,166	129,186,578	5,713,449	163,898,381	230,923,663
Prior-period adjustments	(89,814)	(138,666)	(105,329)	(13,400)	(226,666)	(54,773)	(1,883)	(1,768,916)	(141,844)
Total net position, July 1, 2013, as restated	196,099,294	298,879,645	213,733,553	72,919,760	341,692,500	129,131,805	5,711,566	162,129,465	230,781,819
Total net position, June 30, 2014	\$ 204,484,278	309,084,740	222,777,290	74,939,610	350,278,037	133,793,629	5,786,568	167,301,909	239,828,507

(Continued on following page)

Exhibit E-2-2
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Sewerage Operations
Combining Schedule of Revenues, Expenses, and
Changes in Net Position
Fiscal year ended June 30, 2014

	Districts							
	No. 16	No. 17	No. 18	No. 19	No. 20	No. 21	No. 22	No. 23
Operating revenues:								
Contract revenue	\$ 1,089,256	143,134	1,339,536	375,986	583,754	1,688,137	1,412,385	195,032
Industrial waste surcharge	719,618	44,339	3,492,348	300,402	369,348	3,891,652	2,891,261	2,924,038
Sale of energy	12,458	1,654	15,465	4,339	-	18,686	15,851	2,255
Service charges	14,866,153	2,077,314	17,540,399	5,043,001	20,975,025	21,400,329	17,821,623	346,857
Other	182,004	24,034	224,946	62,988	(5)	280,710	538,762	32,383
Total operating revenues	16,869,489	2,290,475	22,612,694	5,786,716	21,928,122	27,279,514	22,679,882	3,500,565
Operations and maintenance:								
Chemicals	1,703,137	227,668	2,153,892	607,775	871,180	2,547,045	2,159,956	307,003
Equipment and vehicle rentals	238,275	34,191	362,428	96,096	322,080	401,308	367,315	52,079
Insurance and claims	152,235	19,156	181,119	49,806	26,716	213,518	176,724	22,775
Materials and supplies	594,437	78,691	746,331	210,239	654,710	947,659	763,967	117,807
Operations, repairs and maintenance	492,235	69,552	704,171	181,111	426,109	863,799	985,299	132,861
Salaries and benefits	7,329,579	982,026	10,034,332	2,697,693	4,771,216	12,037,208	10,106,576	2,067,801
Services	2,291,621	288,602	2,840,169	721,459	1,359,837	3,235,224	2,842,225	394,724
Utilities	894,329	118,220	1,109,354	331,206	1,769,666	1,413,901	1,133,443	162,555
Total operations and maintenance	13,695,848	1,818,106	18,131,796	4,895,385	10,201,514	21,659,662	18,535,505	3,257,605
Charges for collections	26,806	4,388	28,730	9,503	9,888	34,946	28,244	957
Depreciation	3,083,872	379,337	3,438,128	964,738	6,968,846	4,193,291	3,544,467	579,097
Research and development	333,195	44,235	413,621	116,044	-	499,792	423,962	60,320
Total operating expenses	17,139,721	2,246,066	22,012,275	5,985,670	17,180,248	26,387,691	22,532,178	3,897,979
Operating income (loss)	(270,232)	44,409	600,419	(198,954)	4,747,874	891,823	147,704	(397,414)
Nonoperating revenues (expenses):								
Interest revenue	405,949	71,906	397,329	140,373	168,008	563,387	500,964	107,094
Investment in joint venture	(3,114)	(413)	(3,866)	(1,085)	-	(4,672)	(3,963)	(564)
Taxes	3,640,520	429,158	3,357,527	1,043,097	846,234	3,312,802	2,986,215	306,441
Amortization of bond premium	312,021	39,930	273,680	88,241	154,770	295,162	255,426	53,946
Amortization of deferred loss on refunding	(126,126)	(16,141)	(110,628)	(35,669)	(22,605)	(119,312)	(103,249)	(21,806)
Interest expense	(771,820)	(99,685)	(763,061)	(233,266)	(8,457,036)	(860,011)	(736,807)	(134,090)
Tax and assessment expense	(4,204)	(556)	(5,205)	(1,460)	672	(6,285)	(5,327)	(756)
Other nonoperating expense	-	-	-	-	-	-	-	-
Unrealized gain on investments	368,708	50,976	317,696	118,018	364,535	501,013	437,029	104,943
Net nonoperating revenues (expenses)	3,821,934	475,175	3,463,472	1,118,249	(6,945,422)	3,682,084	3,330,288	415,208
Income (loss) before capital contribution revenue	3,551,702	519,584	4,063,891	919,295	(2,197,548)	4,573,907	3,477,992	17,794
Capital contribution revenue:								
Connection fees	1,637,221	194,953	2,113,331	621,200	184,729	2,526,746	2,726,539	260,253
Donated property	-	-	-	-	-	5,551,971	-	-
Transfers out	-	-	-	-	(250,000)	-	-	-
Change in net position	5,188,923	714,537	6,177,222	1,540,495	(2,262,819)	12,652,624	6,204,531	278,047
Total net position, July 1, 2013	139,950,339	19,533,135	153,854,742	43,819,283	62,289,906	210,814,337	166,423,818	47,229,085
Prior-period adjustments	(88,396)	(11,312)	(77,534)	(24,999)	(1,587,304)	(83,620)	(72,362)	(15,283)
Total net assets, July 1, 2013, as restated	139,861,943	19,521,823	153,777,208	43,794,284	60,702,602	210,730,717	166,351,456	47,213,802
Total net position, June 30, 2014	\$ 145,050,866	20,236,360	159,954,430	45,334,779	58,439,783	223,383,341	172,555,987	47,491,849

(Continued on following page)

Exhibit E-2-3
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Sewerage Operations
Combining Schedule of Revenues, Expenses, and
Changes in Net Position
Fiscal year ended June 30, 2014

	Districts						Total
	No. 27	No. 28	No. 29	Santa Clarita Valley	No. 34	South Bay Cities	
Operating revenues:							
Contract revenue	1,056	44,188	53,945	2,517,832	1,056	503,353	23,368,841
Industrial waste surcharge	-	14,356	71,182	447,661	-	267,505	58,092,374
Sale of energy	-	515	623	-	-	5,821	214,787
Service charges	-	969,326	1,809,920	21,579,313	-	6,159,929	312,890,163
Other	-	7,807	9,117	558,092	1,900	84,528	4,133,687
Total operating revenues	1,056	1,036,192	1,944,787	25,102,898	2,956	7,021,136	398,699,852
Operations and maintenance:							
Chemicals	-	70,357	89,735	1,901,416	-	814,258	33,700,433
Equipment and vehicle rentals	64	12,981	68,924	378,411	64	142,642	6,003,062
Insurance and claims	197	6,448	26,792	38,841	161	66,932	2,637,218
Materials and supplies	77	24,309	34,688	1,157,499	67	308,903	13,006,674
Operations, repairs and maintenance	24,570	27,346	82,293	783,296	410	242,110	11,449,603
Salaries and benefits	(2,220)	306,124	651,731	10,460,825	1,273	4,109,449	162,949,685
Services	50,034	89,787	112,545	2,578,715	412	1,042,957	44,703,641
Utilities	201	37,028	72,140	3,017,655	130	577,129	22,855,626
Total operations and maintenance	72,923	574,380	1,138,848	20,316,658	2,517	7,304,380	297,305,942
Charges for collections	692	2,311	1,170	32,030	-	20,513	459,634
Depreciation	75,233	195,825	326,710	4,749,513	190	1,536,744	72,598,098
Research and development	-	13,787	16,660	-	-	155,682	5,744,741
Total operating expenses	148,848	786,303	1,483,388	25,098,201	2,707	9,017,319	376,108,415
Operating income (loss)	(147,792)	249,889	461,399	4,697	249	(1,996,183)	22,591,437
Nonoperating revenues (expenses):							
Interest revenue	2,235	40,487	31,745	610,853	17	251,170	7,515,966
Investment in joint venture	-	(129)	(156)	-	-	(1,455)	(53,697)
Taxes	254,873	498,160	83,119	5,208,043	-	3,903,325	55,210,784
Amortization of bond premium	9,296	14,113	4,431	484,552	-	136,455	5,226,919
Amortization of deferred loss on refunding	(3,758)	(5,705)	(1,791)	(195,867)	-	(55,158)	(1,946,992)
Interest expense	(15,811)	(79,080)	(34,567)	(1,328,468)	-	(343,740)	(31,916,752)
Other nonoperating expense	-	-	-	-	-	-	(171,084)
Tax and assessment expense	(1)	(174)	(210)	(965)	(1)	(1,958)	(73,107)
Unrealized gain on investments	1,720	28,900	15,934	356,752	-	216,460	6,125,562
Net nonoperating revenues (expenses)	248,554	496,572	98,505	5,134,900	16	4,105,099	39,917,599
Income (loss) before capital contribution revenue	100,762	746,461	559,904	5,139,597	265	2,108,916	62,509,036
Capital contribution revenue:							
Connection fees	-	64,297	67,626	3,737,032	-	638,098	33,290,672
Donated property	-	-	-	-	-	-	5,551,971
Transfers out	-	-	-	-	-	-	(500,000)
Change in net position	100,762	810,758	627,530	8,876,629	265	2,747,014	100,851,679
Total net position, July 1, 2013	2,647,796	10,413,085	16,902,606	190,727,202	4,548	72,813,162	2,791,043,742
Prior-period adjustments	(2,633)	(3,998)	(1,255)	(137,274)	-	(38,658)	(4,685,919)
Total net assets, July 1, 2013, as restated	2,645,163	10,409,087	16,901,351	190,589,928	4,548	72,774,504	2,786,357,823
Total net position, June 30, 2014	\$ 2,745,925	11,219,845	17,528,881	199,466,557	4,813	75,521,518	2,887,209,502

Exhibit E-3
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Sewerage Operations
Combining Schedule of Cash Flows
Fiscal year ended June 30, 2014

	Districts								
	No. 1	No. 2	No. 3	No. 4	No. 5	No. 8	No. 9	No. 14	No. 15
Cash flows from operating activities:									
Receipts from customers and users	\$ 30,033,338	41,965,970	33,173,139	3,771,870	43,227,626	19,203,733	66,505	34,757,165	32,603,293
Payments to suppliers	(9,664,204)	(14,650,239)	(11,556,468)	(1,423,594)	(17,526,568)	(6,018,474)	(81,092)	(5,736,229)	(11,836,674)
Payments to employees	(12,296,956)	(18,618,999)	(13,709,012)	(75,426)	(21,872,852)	(9,063,880)	(5,721)	(6,513,256)	(14,793,822)
Payment for equipment rental within the Districts	(420,248)	(673,381)	(408,705)	(9,179)	(761,980)	(274,693)	(56)	(381,510)	(478,529)
Other payments	-	-	(18,588)	-	-	-	-	-	-
Net cash provided (used) by operating activities	<u>7,651,930</u>	<u>8,023,351</u>	<u>7,480,366</u>	<u>2,263,671</u>	<u>3,066,226</u>	<u>3,846,686</u>	<u>(20,364)</u>	<u>22,126,170</u>	<u>5,494,268</u>
Cash flows from noncapital financing activities:									
Receipts from property taxes	2,705,802	5,435,826	4,422,193	428,889	9,145,837	1,742,987	76,942	894,141	5,715,018
Transfers to other funds	-	-	-	-	-	-	-	(250,000)	-
Payments for tax and assessment	(6,357)	(9,579)	(7,353)	(1)	(11,171)	(3,841)	(1)	(518)	(7,856)
Net cash provided (used) by noncapital financing activities	<u>2,699,445</u>	<u>5,426,247</u>	<u>4,414,840</u>	<u>428,888</u>	<u>9,134,666</u>	<u>1,739,146</u>	<u>76,941</u>	<u>643,623</u>	<u>5,707,162</u>
Cash flows from capital and related financing activities:									
Borrowings on loan from state	614,837	927,502	711,365	-	1,080,687	371,421	-	-	759,628
Proceeds from bond sale	7,731,222	11,936,291	9,066,742	1,153,457	19,511,291	4,714,847	162,095	1,636,219	12,209,974
Bond issuance costs	(30,119)	(46,495)	(35,317)	(4,494)	(76,004)	(18,367)	(631)	(6,375)	(47,563)
Purchases of capital assets	(7,229,779)	(13,672,817)	(8,410,478)	(1,340,325)	(12,796,444)	(4,347,365)	(35,360)	(2,130,120)	(9,185,716)
Connection fees proceeds	2,737,024	3,548,367	2,477,893	301,222	4,018,492	1,544,683	5,557	995,679	2,889,730
Bond defeasement	(10,142,758)	(15,658,897)	(11,893,147)	(1,516,928)	(25,630,380)	(6,159,327)	(212,829)	(2,144,275)	(16,103,589)
Interest paid on capital-related debt	(817,957)	(1,231,938)	(938,078)	(88,865)	(1,867,119)	(488,319)	(12,488)	(10,902,521)	(1,196,491)
Payment to joint venture	(241)	(364)	(279)	-	(424)	(146)	-	-	(298)
Principal payments on bonds	(1,595,806)	(2,463,777)	(1,871,472)	(238,086)	(4,027,337)	(973,194)	(33,458)	(3,097,733)	(2,520,268)
Principal payments on loan from state	(1,791,646)	(2,663,507)	(2,042,826)	-	(3,103,408)	(1,066,608)	-	(4,429,065)	(2,181,425)
Net cash provided (used) by capital and related financing activities	<u>(10,525,223)</u>	<u>(19,325,635)</u>	<u>(12,935,597)</u>	<u>(1,734,019)</u>	<u>(22,890,646)</u>	<u>(6,422,375)</u>	<u>(127,114)</u>	<u>(20,078,191)</u>	<u>(15,376,018)</u>
Cash flows from investing activities:									
Interest received	475,283	767,028	527,240	266,837	830,585	257,330	38,558	235,050	682,391
Purchase of investments	(14,634,201)	(11,441,725)	(12,707,591)	(11,665,956)	(21,131,058)	(1,098,975)	(1,585,760)	(14,200,000)	(11,169,355)
Proceeds from maturities of investments	8,175,320	10,262,631	7,528,990	5,830,860	12,770,003	1,709,320	798,260	7,037,655	7,158,392
Net cash provided (used) by investing activities	<u>(5,983,598)</u>	<u>(412,066)</u>	<u>(4,651,361)</u>	<u>(5,568,259)</u>	<u>(7,530,470)</u>	<u>867,675</u>	<u>(748,942)</u>	<u>(6,927,295)</u>	<u>(3,328,572)</u>
Net increase (decrease) in cash and cash equivalents	(6,157,446)	(6,288,103)	(5,691,752)	(4,609,719)	(18,220,224)	31,132	(819,479)	(4,235,693)	(7,503,160)
Cash and cash equivalents at beginning of fiscal year	28,006,786	41,583,758	31,182,293	16,392,739	57,384,554	21,820,386	2,125,491	40,286,727	37,991,057
Cash and cash equivalents at end of fiscal year	<u>\$ 21,849,340</u>	<u>35,295,655</u>	<u>25,490,541</u>	<u>11,783,020</u>	<u>39,164,330</u>	<u>21,851,518</u>	<u>1,306,012</u>	<u>36,051,034</u>	<u>30,487,897</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:									
Operating income (loss)	\$ 2,909,855	1,201,954	2,173,668	874,972	(4,077,302)	1,368,317	(60,134)	13,757,683	304,536
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:									
Depreciation and amortization	4,340,552	6,346,035	5,023,890	1,353,022	8,472,780	2,850,606	40,851	9,017,932	5,116,439
Decrease (increase) in accounts receivable	(263,311)	(9,183)	(11,869)	(4,753)	(1,013,645)	(285,144)	(39)	44,980	(491,721)
Decrease (increase) in service charge receivable	459,672	219,770	182,190	41,988	(660,247)	(23,624)	(905)	(342,413)	317,523
Increase (decrease) in accounts payable	29,138	8,525	(18,811)	28	(7,453)	16,040	26	104,258	13,622
Increase (decrease) in claims liabilities related to self insurance	32,182	37,380	34,846	(14)	40,206	20,640	(14)	(22,856)	42,076
Decrease in other liabilities	-	-	(18,588)	-	-	-	-	-	-
Increase (decrease) in due to other funds	143,842	218,870	115,040	(1,572)	311,887	(100,149)	(149)	(433,414)	191,793
Net cash provided (used) by operating activities	<u>\$ 7,651,930</u>	<u>8,023,351</u>	<u>7,480,366</u>	<u>2,263,671</u>	<u>3,066,226</u>	<u>3,846,686</u>	<u>(20,364)</u>	<u>22,126,170</u>	<u>5,494,268</u>
Schedule of noncash investing activity-									
Unrealized gain on fair value of investments	\$ 359,986	696,717	416,512	209,696	672,683	223,902	25,419	15,938	622,025
Investment in joint venture	(4,720)	(7,120)	(5,461)	-	(8,296)	(2,851)	-	-	(5,832)

(Continued on following page)

Exhibit E-3-2
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Sewerage Operations
Combining Schedule of Cash Flows
Fiscal year ended June 30, 2014

	Districts							
	No. 16	No. 17	No. 18	No. 19	No. 20	No. 21	No. 22	No. 23
Cash flows from operating activities:								
Receipts from customers and users	\$ 16,725,313	2,295,148	23,167,953	5,862,474	21,916,870	27,806,884	22,945,574	3,765,503
Payments to suppliers	(6,467,600)	(849,450)	(8,118,387)	(2,224,724)	(5,165,131)	(9,713,818)	(8,518,828)	(1,204,909)
Payments to employees	(7,316,723)	(968,004)	(9,880,595)	(2,657,305)	(4,970,138)	(11,865,323)	(9,941,914)	(2,102,898)
Payment for equipment rental within the Districts	(228,545)	(33,039)	(350,587)	(92,768)	(318,454)	(387,709)	(355,572)	(49,697)
Other payments	-	-	-	-	-	-	-	-
Net cash provided (used) by operating activities	2,712,445	444,655	4,818,384	887,677	11,463,147	5,840,034	4,129,260	407,999
Cash flows from noncapital financing activities:								
Receipts from property taxes	3,797,847	438,194	3,452,014	1,105,630	918,344	3,535,482	3,086,964	329,842
Transfers to other funds	-	-	-	-	(250,000)	-	-	-
Payments for tax and assessment	(4,204)	(556)	(5,205)	(1,460)	672	(6,285)	(5,327)	(756)
Net cash provided (used) by noncapital financing activities	3,793,643	437,638	3,446,809	1,104,170	669,016	3,529,197	3,081,637	329,086
Cash flows from capital and related financing activities:								
Borrowings on loan from state	405,695	53,859	503,621	141,294	-	608,542	516,212	73,445
Proceeds from bond sale	7,609,063	973,744	6,674,080	2,151,868	1,363,711	7,197,953	6,228,908	1,315,553
Bond issuance costs	(29,640)	(3,793)	(25,998)	(8,382)	(5,312)	(28,040)	(24,265)	(5,126)
Purchases of capital assets	(4,912,154)	(622,442)	(6,669,074)	(1,633,590)	(2,499,605)	(7,744,932)	(6,021,564)	(866,698)
Connection fees proceeds	1,637,221	194,953	2,113,331	621,200	184,729	2,526,746	2,726,539	260,253
Bond defeasement	(10,030,010)	(1,283,976)	(8,768,028)	(2,839,231)	(1,782,772)	(9,384,292)	(8,170,112)	(1,709,081)
Interest paid on capital-related debt	(722,840)	(93,157)	(683,783)	(213,366)	(8,505,442)	(759,475)	(653,726)	(126,086)
Payment to joint venture	(159)	(21)	(198)	(56)	-	(239)	(203)	(29)
Principal payments on bonds	(1,570,591)	(200,991)	(1,377,601)	(444,168)	(1,731,484)	(1,485,734)	(1,285,712)	(271,544)
Principal payments on loan from state	(1,165,033)	(154,668)	(1,446,248)	(405,753)	(2,287,788)	(1,747,550)	(1,482,404)	(210,911)
Net cash provided (used) by capital and related financing activities	(8,778,448)	(1,136,492)	(9,679,898)	(2,630,184)	(15,263,963)	(10,817,021)	(8,166,327)	(1,540,224)
Cash flows from investing activities:								
Interest received	391,189	69,572	389,581	136,918	161,444	544,782	487,081	99,642
Purchase of investments	(7,286,505)	(2,752,625)	(10,413,165)	(2,814,192)	0	(11,394,947)	(8,948,649)	(3,151,502)
Proceeds from maturities of investments	4,353,583	1,697,000	6,210,135	1,710,345	170,279	6,921,584	5,322,546	2,388,307
Net cash provided (used) by investing activities	(2,541,733)	(986,053)	(3,813,449)	(966,929)	331,723	(3,928,581)	(3,139,022)	(663,553)
Net increase (decrease) in cash and cash equivalents	(4,814,093)	(1,240,252)	(5,228,154)	(1,605,266)	(2,800,077)	(5,376,371)	(4,094,452)	(1,466,692)
Cash and cash equivalents at beginning of fiscal year	23,766,532	4,458,901	22,266,631	7,808,348	15,950,483	29,987,968	24,854,283	7,402,384
Cash and cash equivalents at end of fiscal year	\$ 18,952,439	3,218,649	17,038,477	6,203,082	13,150,406	24,611,597	20,759,831	5,935,692
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:								
Operating income (loss)	\$ (270,232)	44,409	600,419	(198,954)	4,747,874	891,823	147,704	(397,414)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation and amortization	3,083,872	379,337	3,438,128	964,738	6,968,846	4,193,291	3,544,467	579,097
Decrease (increase) in accounts receivable	(40,479)	(3,903)	402,600	16,944	(46,218)	351,580	145,520	267,741
Decrease (increase) in service charge receivable	(103,697)	8,576	152,659	58,814	34,966	175,790	120,172	(2,803)
Increase (decrease) in accounts payable	5,819	(220)	46,429	(19)	(20,239)	31,511	(9,279)	(3,533)
Increase (decrease) in claims liabilities related to self insurance	24,306	2,434	24,412	5,766	(23,160)	24,154	16,014	8
Decrease in other liabilities	-	-	-	-	-	-	-	-
Increase (decrease) in due to other funds	12,856	14,022	153,737	40,388	(198,922)	171,885	164,662	(35,097)
Net cash provided (used) by operating activities	\$ 2,712,445	444,655	4,818,384	887,677	11,463,147	5,840,034	4,129,260	407,999
Schedule of noncash investing activity-								
Unrealized gain on fair value of investments	\$ 368,708	50,976	317,696	118,018	364,535	501,013	437,029	104,943
Investment in joint venture	\$ (3,114)	(413)	(3,866)	(1,085)	-	(4,672)	(3,963)	(564)

(Continued on following page)

Exhibit E-3-3
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Sewerage Operations
Combining Schedule of Cash Flows
Fiscal year ended June 30, 2014

	Districts						Total
	No. 27	No. 28	No. 29	Santa Clarita Valley	No. 34	South Bay Cities	
Cash flows from operating activities:							
Receipts from customers and users	\$ 1,017	1,034,238	1,939,299	25,284,304	2,917	6,889,591	398,439,724
Payments to suppliers	(75,767)	(270,848)	(428,402)	(9,635,394)	(1,176)	(3,228,853)	(134,396,829)
Payments to employees	(7,223)	(297,778)	(656,589)	(10,304,377)	(1,273)	(4,067,692)	(161,987,756)
Payment for equipment rental within the Districts	(56)	(11,632)	(67,090)	(364,830)	(56)	(138,501)	(5,806,817)
Other payments	-	-	-	-	-	-	(18,588)
Net cash provided (used) by operating activities	<u>(82,029)</u>	<u>453,980</u>	<u>787,218</u>	<u>4,979,703</u>	<u>412</u>	<u>(545,455)</u>	<u>96,229,734</u>
Cash flows from noncapital financing activities:							
Receipts from property taxes	263,996	506,690	102,875	5,371,970	-	4,049,110	57,526,593
Transfers to other funds	-	-	-	-	-	-	(500,000)
Payments for tax and assessment	(1)	(174)	(210)	(965)	(1)	(1,958)	(73,107)
Net cash provided (used) by noncapital financing activities	<u>263,995</u>	<u>506,516</u>	<u>102,665</u>	<u>5,371,005</u>	<u>(1)</u>	<u>4,047,152</u>	<u>56,953,486</u>
Cash flows from capital and related financing activities:							
Borrowings on loan from state	-	16,787	988,848	1,700,625	-	189,557	9,663,925
Proceeds from bond sale	226,698	344,158	108,063	11,816,482	-	3,327,644	117,460,063
Bond issuance costs	(881)	(1,340)	(421)	(46,030)	-	(12,963)	(457,556)
Purchases of capital assets	(98,426)	(193,337)	(475,058)	(6,715,879)	(459)	(2,226,786)	(99,828,408)
Connection fees proceeds	-	64,297	67,626	3,737,032	-	638,098	33,290,672
Bond defeasement	(273,604)	(448,531)	(145,650)	(15,596,964)	-	(4,398,869)	(154,293,250)
Interest paid on capital-related debt	(17,466)	(49,120)	(26,179)	(910,367)	-	(320,203)	(30,624,986)
Payment to joint venture	-	(7)	(8)	-	-	(74)	(2,746)
Principal payments on bonds	(46,793)	(71,038)	(22,305)	(2,439,047)	-	(686,861)	(28,455,000)
Principal payments on loan from state	-	(398,159)	(104,444)	(3,024,970)	-	(544,352)	(30,250,765)
Net cash provided (used) by capital and related financing activities	<u>(210,472)</u>	<u>(736,290)</u>	<u>390,472</u>	<u>(11,479,118)</u>	<u>(459)</u>	<u>(4,034,809)</u>	<u>(183,498,051)</u>
Cash flows from investing activities:							
Interest received	2,006	38,771	30,110	607,841	18	241,702	7,280,959
Purchase of investments	0	(1,898,321)	(1,984,247)	(32,544,337)	-	(5,151,003)	(187,974,114)
Proceeds from maturities of investments	100	966,363	1,027,450	28,812,395	-	3,224,476	124,075,994
Net cash provided (used) by investing activities	<u>2,106</u>	<u>(893,187)</u>	<u>(926,687)</u>	<u>(3,124,101)</u>	<u>18</u>	<u>(1,684,825)</u>	<u>(56,617,161)</u>
Net increase (decrease) in cash and cash equivalents	(26,400)	(668,981)	353,668	(4,252,511)	(30)	(2,217,937)	(86,931,992)
Cash and cash equivalents at beginning of fiscal year	263,265	2,213,846	1,260,843	49,762,167	2,377	12,764,133	479,535,952
Cash and cash equivalents at end of fiscal year	<u>\$ 236,865</u>	<u>1,544,865</u>	<u>1,614,511</u>	<u>45,509,656</u>	<u>2,347</u>	<u>10,546,196</u>	<u>392,603,960</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$ (147,792)	249,889	461,399	4,697	249	(1,996,183)	22,591,437
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation and amortization	75,233	195,825	326,710	4,749,513	190	1,536,744	72,598,098
Decrease (increase) in accounts receivable	(39)	(1,922)	517	(42,827)	(39)	(42,119)	(1,027,329)
Decrease (increase) in service charge receivable	-	(31)	(6,005)	224,233	-	(89,426)	767,202
Increase (decrease) in accounts payable	26	548	7,979	50,982	26	(4,278)	251,125
Increase (decrease) in claims liabilities related to self insurance	(14)	1,325	1,476	(163,343)	(14)	8,050	105,860
Decrease in other liabilities	-	-	-	-	-	-	(18,588)
Increase (decrease) in due to other funds	(9,443)	8,346	(4,858)	156,448	-	41,757	961,929
Net cash provided (used) by operating activities	<u>\$ (82,029)</u>	<u>453,980</u>	<u>787,218</u>	<u>4,979,703</u>	<u>412</u>	<u>(545,455)</u>	<u>96,229,734</u>
Schedule of noncash investing activity-							
Unrealized gain on fair value of investments	\$ 1,720	28,900	15,934	356,752	-	216,460	6,125,562
Investment in joint venture	-	(129)	(156)	-	-	(1,455)	(53,697)

Exhibit F-1
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Solid Waste Facilities Operations
Combining Schedule of Net Position
June 30, 2014

Assets	Palos Verdes Landfill	Spadra Landfill	South Gate Transfer Station	Puente Hills Landfill	Puente Hills Materials Recovery Facility	Downey Area Recycling and Transfer Station	Mesquite Regional Landfill	Total
Current assets:								
Cash in bank	\$ 117,306	-	98,642	78,719	164,627	41,860	-	501,154
Cash on hand	5,000	-	3,700	2,000	3,400	2,740	-	16,840
Cash and cash equivalents	1,341,003	-	716,824	16,701,656	1,933,139	1,490,731	14,736	22,198,089
Total unrestricted cash and cash equivalents	1,463,309	-	819,166	16,782,375	2,101,166	1,535,331	14,736	22,716,083
Accounts receivable	-	-	154,903	466,155	4,821,823	919,067	-	6,361,948
Interest receivable	195,526	247,040	3,434	924,034	10,186	5,348	13,958	1,399,526
Restricted cash and investments:								
Cash and cash equivalents	9,796,942	12,831,490	532,516	44,112,109	2,476,026	934,204	189,545	70,872,832
Specific investments	50,324,907	70,772,663	110,941	265,625,628	-	-	300,567	387,134,706
Total restricted cash and investments	60,121,849	83,604,153	643,457	309,737,737	2,476,026	934,204	490,112	458,007,538
Other specific investments	395,432	-	-	19,348,053	-	-	1,989,007	21,732,492
Total current assets	62,176,116	83,851,193	1,620,960	347,258,354	9,409,201	3,393,950	2,507,813	510,217,587
Capital assets:								
Buildings	-	-	-	-	-	-	7,333,412	7,333,412
Capital improvements	23,710,778	41,216,593	2,250,046	243,238,513	-	-	75,591,089	386,007,019
Less accumulated depreciation	(23,710,778)	(41,216,593)	(2,250,046)	(243,238,513)	-	-	-	(310,415,930)
Net capital improvements facilities	-	-	-	-	-	-	82,924,501	82,924,501
Gas-to-energy facilities	15,187,706	25,964,480	-	139,934,905	-	-	-	181,087,091
Less accumulated depreciation	(15,187,706)	(14,900,732)	-	(81,243,444)	-	-	-	(111,331,882)
Net gas-to-energy facilities	-	11,063,748	-	58,691,461	-	-	-	69,755,209
Rail facilities	-	-	-	-	-	-	54,056,552	54,056,552
Less accumulated depreciation	-	-	-	-	-	-	-	-
Net rail facilities	-	-	-	-	-	-	54,056,552	54,056,552
Recycling and transfer facility	-	-	-	-	52,617,513	9,840,754	-	62,458,267
Less accumulated depreciation	-	-	-	-	(11,838,230)	(3,444,264)	-	(15,282,494)
Net recycling and transfer facility	-	-	-	-	40,779,283	6,396,490	-	47,175,773
Land	-	-	77,665	-	16,203,721	7,236,414	2,993,718	26,511,518
Use rights	3,758,185	635,000	-	9,001,642	-	12,006,393	42,360,490	67,761,710
Less accumulated amortization	(3,758,185)	(635,000)	-	(8,269,724)	-	(11,205,967)	-	(23,868,876)
Net use rights	-	-	-	731,918	-	800,426	42,360,490	43,892,834
Net capital assets	-	11,063,748	77,665	59,423,379	56,983,004	14,433,330	182,335,261	324,316,387
Total assets	\$ 62,176,116	94,914,941	1,698,625	406,681,733	66,392,205	17,827,280	184,843,074	834,533,974

(Continued on following page)

Exhibit F-1-2
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Solid Waste Facilities Operations
Combining Schedule of Net Position
June 30, 2014

Liabilities	<u>Palos Verdes Landfill</u>	<u>Spadra Landfill</u>	<u>South Gate Transfer Station</u>	<u>Puente Hills Landfill</u>	<u>Puente Hills Materials Recovery Facility</u>	<u>Downey Area Recycling and Transfer Station</u>	<u>Mesquite Regional Landfill</u>	<u>Total</u>
Current liabilities:								
Accounts payable	\$ 192,352	152,073	505,050	565,111	2,488,423	1,117,385	19,892	5,040,286
Claims liabilities	106,173	12,033	10,590	1,538,927	16,596	41,077	-	1,725,396
Construction contracts payable	-	-	-	26,875	-	-	-	26,875
Due to other funds	331,345	418,054	144,307	1,896,987	937,436	314,478	37,607	4,080,214
Estimated liability for closure and postclosure costs	866,454	3,050,000	-	10,870,000	-	-	-	14,786,454
Interest payable	-	-	-	1,343	-	-	-	1,343
Loans payable to State of California	-	-	-	338,837	-	-	-	338,837
Total current liabilities	<u>1,496,324</u>	<u>3,632,160</u>	<u>659,947</u>	<u>15,238,080</u>	<u>3,442,455</u>	<u>1,472,940</u>	<u>57,499</u>	<u>25,999,405</u>
Long-term liabilities:								
Claims liabilities	106,173	12,033	10,590	1,538,927	16,596	41,077	-	1,725,396
Estimated liability for closure and postclosure costs	-	25,520,585	-	190,413,956	-	-	-	215,934,541
Loans payable to State of California	-	-	-	236,580	-	-	-	236,580
Total liabilities	<u>1,602,497</u>	<u>29,164,778</u>	<u>670,537</u>	<u>207,427,543</u>	<u>3,459,051</u>	<u>1,514,017</u>	<u>57,499</u>	<u>243,895,922</u>
Net Position								
Net position:								
Net investment in capital assets	-	11,063,748	77,665	58,821,087	56,983,004	14,433,330	182,335,261	323,714,095
Restricted for capital projects	1,680,000	50,000	-	5,550,000	-	10,000	1,070,000	8,360,000
Restricted for closure / postclosure maintenance	57,133,014	53,680,261	-	57,472,945	-	-	-	168,286,220
Restricted for disposal fees	-	-	59,658	69,102	113,364	24,469	-	266,593
Restricted for noncapital projects	440,000	956,154	890,765	24,880,000	5,836,786	1,845,464	750,000	35,599,169
Restricted for site development	-	-	-	34,972,167	-	-	-	34,972,167
Unrestricted	1,320,605	-	-	17,488,889	-	-	630,314	19,439,808
Total net position	<u>\$ 60,573,619</u>	<u>65,750,163</u>	<u>1,028,088</u>	<u>199,254,190</u>	<u>62,933,154</u>	<u>16,313,263</u>	<u>184,785,575</u>	<u>590,638,052</u>

Exhibit F-2
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Solid Waste Facilities Operations
Combining Schedule of Revenues, Expenses,
and Changes in Net Position
Fiscal year ended June 30, 2014

	Palos Verdes Landfill	Spadra Landfill	South Gate Transfer Station	Puente Hills Landfill	Puente Hills Materials Recovery Facility	Downey Area Recycling and Transfer Station	Mesquite Regional Landfill	Total
Operating revenues:								
Commodities	\$ -	-	34,622	37,093	3,747,156	3,917,558	-	7,736,429
Contract revenue	-	-	-	48,921	278,551	111,483	-	438,955
Refuse tipping fees	-	-	5,942,605	25,038,361	23,976,634	5,965,019	-	60,922,619
Sale of energy	-	2,841,287	-	29,095,419	-	-	-	31,936,706
Other	51,780	-	24,555	5,022	161,404	28,419	-	271,180
Total operating revenues	51,780	2,841,287	6,001,782	54,224,816	28,163,745	10,022,479	-	101,305,889
Operating expenses:								
Chemicals	151	27,309	25	182,097	-	95	-	209,677
Depreciation and amortization of use rights	-	652,785	2,596	26,838,256	1,496,140	1,063,413	-	30,053,190
Equipment and vehicle rentals	8,663	37,715	537,948	2,661,087	2,820,632	670,020	26,214	6,762,279
Insurance and claims	(280,426)	(1,730,863)	9,656	(465,704)	60,781	50,734	2,415	(2,353,407)
Landfill closure and postclosure costs	-	21,785,913	-	3,109,682	-	-	-	24,895,595
Materials and supplies	39,985	84,965	19,859	2,004,307	337,211	182,024	9,530	2,677,881
Operations, repairs and maintenance	1,779,130	248,853	342,533	7,371,209	1,987,522	502,797	56,192	12,288,236
Salaries and benefits	131,541	1,936,151	998,606	11,715,877	5,881,995	2,297,256	238,123	23,199,549
Services	100,574	117,940	3,804,379	3,049,614	19,387,229	8,135,084	59,380	34,654,200
Utilities	153,999	446,038	49,810	1,684,876	50,136	113,862	126,178	2,624,899
Total operating expenses	1,933,617	23,606,806	5,765,412	58,151,301	32,021,646	13,015,285	518,032	135,012,099
Operating income (loss)	(1,881,837)	(20,765,519)	236,370	(3,926,485)	(3,857,901)	(2,992,806)	(518,032)	(33,706,210)
Nonoperating revenues (expenses):								
Interest revenue	625,178	736,040	6,704	2,878,193	19,142	9,796	53,317	4,328,370
Interest expense	-	-	-	(24,572)	-	-	-	(24,572)
Tax and assessment expense	-	343	(264,384)	(7,950,610)	(739,140)	(603,438)	65,562	(9,491,667)
Other nonoperating expense	-	-	-	(813,382)	-	-	-	(813,382)
Unrealized gain (loss) on investments	78,467	280,809	1,340	1,385,262	5,483	-	(37,093)	1,714,268
Net nonoperating revenues (expenses)	703,645	1,017,192	(256,340)	(4,525,109)	(714,515)	(593,642)	81,786	(4,286,983)
Loss before transfers	(1,178,192)	(19,748,327)	(19,970)	(8,451,594)	(4,572,416)	(3,586,448)	(436,246)	(37,993,193)
Transfers in	25,000	-	214,781	-	7,235,026	2,133,266	-	9,608,073
Transfers out	-	-	-	(11,596,616)	-	-	-	(11,596,616)
Change in net position	(1,153,192)	(19,748,327)	194,811	(20,048,210)	2,662,610	(1,453,182)	(436,246)	(39,981,736)
Total net position, July 1, 2013	61,726,811	85,498,490	833,277	219,302,400	60,270,544	17,766,445	185,221,821	630,619,788
Total net position, June 30, 2014	\$ 60,573,619	65,750,163	1,028,088	199,254,190	62,933,154	16,313,263	184,785,575	590,638,052

Exhibit F-3
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Solid Waste Facilities Operations
Combining Schedule of Cash Flows
Fiscal year ended June 30, 2014

	Palos Verdes Landfill	Spadra Landfill	South Gate Transfer Station	Puente Hills Landfill	Puente Hills Materials Recovery Facility	Downey Area Recycling and Transfer Station	Mesquite Regional Landfill	Total
Cash flows from operating activities:								
Receipts from customers and users	\$ 51,780	2,841,287	6,086,067	63,560,167	23,694,483	10,617,662	-	106,851,446
Payments to suppliers	(2,095,497)	(822,642)	(4,065,483)	(19,044,250)	(19,536,448)	(8,453,002)	(271,507)	(54,288,829)
Payments to employees	(333,099)	(2,044,254)	(1,131,319)	(13,720,543)	(5,157,720)	(2,321,707)	(387,444)	(25,096,086)
Payments applied to closure/postclosure liability	(3,997,282)	(2,962,685)	-	-	-	-	-	(6,959,967)
Payment for equipment rental within the Districts	(8,443)	(36,256)	(537,154)	(2,641,184)	(2,819,727)	(669,076)	(18,708)	(6,730,548)
Net cash provided (used) by operating activities	<u>(6,382,541)</u>	<u>(3,024,550)</u>	<u>352,111</u>	<u>28,154,190</u>	<u>(3,819,412)</u>	<u>(826,123)</u>	<u>(677,659)</u>	<u>13,776,016</u>
Cash flows from noncapital financing activities:								
Payments for tax and assessment	-	343	(264,384)	(8,764,000)	(739,140)	(603,438)	65,562	(10,305,057)
Transfers from other funds	25,000	-	214,781	-	7,235,026	2,133,266	-	9,608,073
Transfers to other funds	-	-	-	(11,596,616)	-	-	-	(11,596,616)
Net cash provided (used) by noncapital financing activities	<u>25,000</u>	<u>343</u>	<u>(49,603)</u>	<u>(20,360,616)</u>	<u>6,495,886</u>	<u>1,529,828</u>	<u>65,562</u>	<u>(12,293,600)</u>
Cash flows from capital and related financing activities:								
Purchases of capital assets	-	(53,896)	(2,596)	(6,960,255)	(902,152)	(52,209)	(450,614)	(8,421,722)
Interest paid on capital related debt	-	-	-	(25,341)	-	-	-	(25,341)
Principal payments on note	-	-	-	-	-	-	(248,167)	(248,167)
Principal payments on loan from state	-	-	-	(329,608)	-	-	-	(329,608)
Net cash used by capital and related financing activities	<u>-</u>	<u>(53,896)</u>	<u>(2,596)</u>	<u>(7,315,204)</u>	<u>(902,152)</u>	<u>(52,209)</u>	<u>(698,781)</u>	<u>(9,024,838)</u>
Cash flows from investing activities:								
Interest received	564,999	666,769	5,278	2,527,931	12,476	7,129	54,305	3,838,887
Purchase of investments	(22,290,865)	(32,268,455)	-	(136,350,971)	-	-	(50,000)	(190,960,291)
Proceeds from maturities of investments	22,401,578	32,288,483	-	131,437,017	548,370	-	50,000	186,725,448
Net cash provided (used) by investing activities	<u>675,712</u>	<u>686,797</u>	<u>5,278</u>	<u>(2,386,023)</u>	<u>560,846</u>	<u>7,129</u>	<u>54,305</u>	<u>(395,956)</u>
Net increase (decrease) in cash and cash equivalents	(5,681,829)	(2,391,306)	305,190	(1,907,653)	2,335,168	658,625	(1,256,573)	(7,938,378)
Cash and cash equivalents at beginning of fiscal year	16,942,080	15,222,796	1,046,492	62,802,137	2,242,024	1,810,910	1,460,854	101,527,293
Cash and cash equivalents at end of fiscal year	<u>\$ 11,260,251</u>	<u>12,831,490</u>	<u>1,351,682</u>	<u>60,894,484</u>	<u>4,577,192</u>	<u>2,469,535</u>	<u>204,281</u>	<u>93,588,915</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:								
Operating income (loss)	\$ (1,881,837)	(20,765,519)	236,370	(3,926,485)	(3,857,901)	(2,992,806)	(518,032)	(33,706,210)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation and amortization	-	652,785	2,596	26,838,256	1,496,140	1,063,413	-	30,053,190
Landfill closure and postclosure costs	-	21,785,913	-	3,109,682	-	-	-	24,895,595
Decrease (increase) in accounts receivable	-	-	84,285	9,335,351	(4,469,262)	595,183	-	5,545,557
Increase (decrease) in accounts payable	(20,412)	90,923	152,855	(3,888,092)	2,254,144	516,892	(10,306)	(903,996)
Decrease in estimated liability for closure and postclosure costs	(3,997,282)	(2,962,685)	-	-	-	-	-	(6,959,967)
Increase (decrease) in claims liabilities	(281,452)	(1,717,864)	8,718	(1,309,856)	33,192	15,646	-	(3,251,616)
Increase (decrease) in due to other funds	(201,558)	(108,103)	(132,713)	(2,004,666)	724,275	(24,451)	(149,321)	(1,896,537)
Net cash provided (used) by operating activities	<u>\$ (6,382,541)</u>	<u>(3,024,550)</u>	<u>352,111</u>	<u>28,154,190</u>	<u>(3,819,412)</u>	<u>(826,123)</u>	<u>(677,659)</u>	<u>13,776,016</u>
Schedule of noncash investing activity-								
Unrealized gain (loss) on fair value of investments	\$ 78,467	280,809	1,340	1,385,262	5,483	-	(37,093)	1,714,268

Exhibit G-1
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Trustee Solid Waste Facilities Operations
Combining Schedule of Net Position
June 30, 2014

Assets	Scholl Canyon Landfill	Calabasas Landfill	Los Angeles County Equipment Pool	Los Angeles County Refuse Disposal Fund	Total
Current assets:					
Cash in bank	\$ 113,690	92,593	-	-	206,283
Cash on hand	5,870	5,106	-	-	10,976
Cash and cash equivalents	<u>4,872,978</u>	<u>1,199,927</u>	<u>-</u>	<u>600,825</u>	<u>6,673,730</u>
Total unrestricted cash and cash equivalents	<u>4,992,538</u>	<u>1,297,626</u>	<u>-</u>	<u>600,825</u>	<u>6,890,989</u>
Accounts receivable	2,096,432	1,091,526	-	-	3,187,958
Interest receivable	56,714	139,129	5,778	32,371	233,992
Restricted cash and investments:					
Cash and cash equivalents	2,445,266	5,469,208	1,204,453	224,594	9,343,521
Specific investments	<u>12,616,614</u>	<u>41,741,034</u>	<u>-</u>	<u>-</u>	<u>54,357,648</u>
Total restricted cash and investments	<u>15,061,880</u>	<u>47,210,242</u>	<u>1,204,453</u>	<u>224,594</u>	<u>63,701,169</u>
Other specific investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>402,297</u>	<u>402,297</u>
Total current assets	<u>22,207,564</u>	<u>49,738,523</u>	<u>1,210,231</u>	<u>1,260,087</u>	<u>74,416,405</u>
Capital assets:					
Capital improvements	25,611,038	122,583,094	-	-	148,194,132
Equipment pool	-	-	8,596,342	-	8,596,342
Less accumulated depreciation	<u>(22,255,747)</u>	<u>(96,916,018)</u>	<u>(4,272,804)</u>	<u>-</u>	<u>(123,444,569)</u>
	<u>3,355,291</u>	<u>25,667,076</u>	<u>4,323,538</u>	<u>-</u>	<u>33,345,905</u>
Use rights	300,131	947,215	-	-	1,247,346
Less accumulated amortization	<u>(260,811)</u>	<u>(748,882)</u>	<u>-</u>	<u>-</u>	<u>(1,009,693)</u>
Net use rights	<u>39,320</u>	<u>198,333</u>	<u>-</u>	<u>-</u>	<u>237,653</u>
Land	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,482,200</u>	<u>5,482,200</u>
Net capital assets	<u>3,394,611</u>	<u>25,865,409</u>	<u>4,323,538</u>	<u>5,482,200</u>	<u>39,065,758</u>
Total assets	<u>\$ 25,602,175</u>	<u>75,603,932</u>	<u>5,533,769</u>	<u>6,742,287</u>	<u>113,482,163</u>

(Continued on following page)

Exhibit G-1-2
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Trustee Solid Waste Facilities Operations
Combining Schedule of Net Position
June 30, 2014

Liabilities	<u>Scholl Canyon Landfill</u>	<u>Calabasas Landfill</u>	<u>Los Angeles County Equipment Pool</u>	<u>Los Angeles County Refuse Disposal Fund</u>	<u>Total</u>
Current liabilities:					
Accounts payable	\$ 731,396	799,566	40,218	14,811	1,585,991
Claims liabilities	80,242	348,538	-	33,557	462,337
Construction contracts payable	-	-	-	197,815	197,815
Due to other funds	488,396	575,356	-	89,958	1,153,710
Total current liabilities	1,300,034	1,723,460	40,218	336,141	3,399,853
Long-term liabilities:					
Claims liabilities	80,242	348,538	-	33,557	462,337
Estimated liability for closure and postclosure costs	10,517,019	76,888,978	-	-	87,405,997
Total liabilities	11,897,295	78,960,976	40,218	369,698	91,268,187
 Net Position					
Net position:					
Net investment in capital assets	3,394,611	25,865,409	4,323,538	5,284,385	38,867,943
Restricted for capital projects	450,000	-	-	-	450,000
Restricted for closure / postclosure maintenance	2,083,378	-	-	-	2,083,378
Restricted for disposal fees	672,967	-	-	-	672,967
Restricted for equipment pool	-	-	-	1,070,249	1,070,249
Restricted for noncapital projects	7,103,924	-	-	-	7,103,924
Unrestricted	-	(29,222,453)	1,170,013	17,955	(28,034,485)
Total net position	\$ 13,704,880	(3,357,044)	5,493,551	6,372,589	22,213,976

Exhibit G-2
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Trustee Solid Waste Facilities Operations
Combining Schedule of Revenues, Expenses,
and Changes in Net Position
Fiscal year ended June 30, 2014

	Scholl Canyon Landfill	Calabasas Landfill	Los Angeles County Equipment Pool	Los Angeles County Refuse Disposal Fund	Total
Operating revenues:					
Commodities	\$ 88,259	69,185	-	-	157,444
Equipment pool	-	-	1,505,154	-	1,505,154
Refuse tipping fees	15,360,967	11,514,335	-	-	26,875,302
Other	52,653	24,750	-	-	77,403
Total operating revenues	15,501,879	11,608,270	1,505,154	-	28,615,303
Operating expenses:					
Chemicals	1,871	94	-	7	1,972
Depreciation and amortization of use rights	415,392	1,386,014	634,270	-	2,435,676
Equipment and vehicle rentals	1,123,956	1,392,031	10,736	16,242	2,542,965
Hazardous waste siting study	-	-	-	(29,480)	(29,480)
Insurance and claims	95,704	552,221	12,555	12,032	672,512
Landfill closure & postclosure costs	(1,904,094)	(227,857)	-	-	(2,131,951)
Materials and supplies	83,384	159,615	175,369	5,370	423,738
Operations, repairs and maintenance	497,752	959,782	444,335	49,030	1,950,899
Salaries and benefits	3,195,738	3,790,927	463,214	75,186	7,525,065
Services	420,208	496,261	25,943	53,420	995,832
Tonnage	3,393,097	-	-	-	3,393,097
Utilities	365,644	407,619	480	103,121	876,864
Total operating expenses	7,688,652	8,916,707	1,766,902	284,928	18,657,189
Operating income (loss)	7,813,227	2,691,563	(261,748)	(284,928)	9,958,114
Nonoperating revenues (expenses):					
Interest revenue	121,636	311,659	2,643	59,174	495,112
Other nonoperating revenue	-	2,700,000	-	-	2,700,000
Loss on sale of equipment	-	-	(101,101)	-	(101,101)
Tax and assessment expense	(2,727,224)	(1,658,093)	-	(66,117)	(4,451,434)
Unrealized gain (loss) on investments	152,826	527,032	-	(31,086)	648,772
Net nonoperating revenues (expenses)	(2,452,762)	1,880,598	(98,458)	(38,029)	(708,651)
Income (loss) before transfers	5,360,465	4,572,161	(360,206)	(322,957)	9,249,463
Transfers in	-	520,000	-	-	520,000
Transfers out	-	-	-	(520,000)	(520,000)
Change in net position	5,360,465	5,092,161	(360,206)	(842,957)	9,249,463
Total net position, July 1, 2013	8,344,415	(8,449,205)	5,853,757	7,215,546	12,964,513
Total net position, June 30, 2014	\$ 13,704,880	(3,357,044)	5,493,551	6,372,589	22,213,976

Exhibit G-3
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Trustee Solid Waste Facilities Operations
Combining Schedule of Cash Flows
Fiscal year ended June 30, 2014

	Scholl Canyon Landfill	Calabasas Landfill	Los Angeles County Equipment Pool	Los Angeles County Refuse Disposal Fund	Total
Cash flows from operating activities:					
Receipts from customers and users	\$ 14,633,170	11,335,673	-	-	25,968,843
Receipts for equipment rental	-	-	1,505,154	-	1,505,154
Payments to suppliers	(4,721,288)	(1,996,684)	(619,441)	11,685	(7,325,728)
Payments to employees	(3,257,933)	(3,822,676)	(463,214)	(41,291)	(7,585,114)
Payment for equipment rental within the Districts	(1,121,919)	(1,388,832)	(10,702)	(15,880)	(2,537,333)
Net cash provided (used) by operating activities	<u>5,532,030</u>	<u>4,127,481</u>	<u>411,797</u>	<u>(45,486)</u>	<u>10,025,822</u>
Cash flows from noncapital financing activities:					
Payments for tax and assessment	(2,727,224)	(1,658,093)	-	(66,117)	(4,451,434)
Transfers from other funds	-	520,000	-	-	520,000
Transfers to other funds	-	-	-	(520,000)	(520,000)
Net cash used by noncapital financing activities	<u>(2,727,224)</u>	<u>(1,138,093)</u>	<u>-</u>	<u>(586,117)</u>	<u>(4,451,434)</u>
Cash flows from capital and related financing activities:					
Contract proceeds from County of Los Angeles	-	2,700,000	-	-	2,700,000
Purchases of capital assets	(267,439)	(452,438)	(1,262,023)	-	(1,981,900)
Proceeds from sale of equipment	-	-	212,798	-	212,798
Net cash provided (used) by capital and related financing activities	<u>(267,439)</u>	<u>2,247,562</u>	<u>(1,049,225)</u>	<u>-</u>	<u>930,898</u>
Cash flows from investing activities:					
Interest received	86,961	220,400	-	38,602	345,963
Purchase of investments	(6,169,000)	(17,352,148)	-	-	(23,521,148)
Proceeds from maturities of investments	6,157,000	16,438,000	-	1,233,618	23,828,618
Net cash provided (used) by investing activities	<u>74,961</u>	<u>(693,748)</u>	<u>-</u>	<u>1,272,220</u>	<u>653,433</u>
Net increase (decrease) in cash and cash equivalents	2,612,328	4,543,202	(637,428)	640,617	7,158,719
Cash and cash equivalents at beginning of fiscal year	4,825,476	2,223,632	1,841,881	184,802	9,075,791
Cash and cash equivalents at end of fiscal year	<u>\$ 7,437,804</u>	<u>6,766,834</u>	<u>1,204,453</u>	<u>825,419</u>	<u>16,234,510</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 7,813,227	2,691,563	(261,748)	(284,928)	9,958,114
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	415,392	1,386,014	634,270	-	2,435,676
Landfill closure and postclosure costs	(1,904,094)	(227,857)	-	-	(2,131,951)
Increase in accounts receivable	(868,709)	(272,592)	-	-	(1,141,301)
Increase in accounts payable	92,543	100,634	39,275	193,597	426,049
Increase in claims liabilities	45,866	481,468	-	11,950	539,284
Increase (decrease) in due to other funds	(62,195)	(31,749)	-	33,895	(60,049)
Net cash provided (used) by operating activities	<u>\$ 5,532,030</u>	<u>4,127,481</u>	<u>411,797</u>	<u>(45,486)</u>	<u>10,025,822</u>
Schedule of noncash investing activity-					
Unrealized gain (loss) on fair value of investments	\$ 152,826	527,032	-	(31,086)	648,772

Exhibit H-1
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Service Operations
Schedule of Net Position
June 30, 2014

Assets

Current assets:	
Cash in bank	\$ 169,900
Cash on hand	13,000
Cash and cash equivalents	<u>12,903,724</u>
Total unrestricted cash	<u>13,086,624</u>
Receivables:	
Accounts receivable	867,461
Due from other funds	39,747,013
Interest receivable	913,864
Inventory	18,790,252
Restricted cash and investments:	
Cash and cash equivalents	48,604,071
Specific investments	<u>262,514,826</u>
Total restricted cash and investments	<u>311,118,897</u>
Total current assets	<u>384,524,111</u>
Investment in joint ventures	<u>10,651,396</u>
Capital assets:	
Buildings and equipment	10,381,560
Construction in progress	161,379,212
Capital improvements	2,106,934
Less accumulated depreciation	<u>(9,972,515)</u>
	<u>163,895,191</u>
Equipment pool	55,277,606
Less accumulated depreciation	<u>(27,669,012)</u>
Net equipment pool	<u>27,608,594</u>
Gas-to-energy facility	40,502,967
Less accumulated depreciation	<u>(3,037,723)</u>
Net gas-to-energy facility	<u>37,465,244</u>
Land	<u>28,365,094</u>
Net capital assets	<u>257,334,123</u>
Total assets	<u>\$ 652,509,630</u>

(Continued on following page)

Exhibit H-1-2
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Service Operations
Schedule of Net Position
June 30, 2014

Liabilities

Current liabilities:	
Accounts payable	\$ 704,401
Accrued employee absences	9,954,118
Amounts held for others	7,162,331
Bonds payable	1,404,398
Claims liabilities	107,590
Construction contracts payable	1,885,173
Interest payable	5,787
Note payable	41,338
Other	850
	<u>21,265,986</u>
Total current liabilities	<u>21,265,986</u>
Long-term liabilities:	
Accrued employee absences	29,862,354
Bonds payable, net	9,830,792
Claims liabilities	107,590
Note payable	1,372,813
	<u>41,173,549</u>
Total long-term liabilities	<u>41,173,549</u>
Total liabilities	<u>62,439,535</u>

Net Position

Net position:	
Net investment in capital assets	242,799,609
Restricted for capital projects	21,160,000
Restricted for equipment pool	23,943,138
Restricted for noncapital projects	6,240,000
Unrestricted	295,927,348
	<u>590,070,095</u>
Total net position	<u>\$ 590,070,095</u>

Exhibit H-2
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Service Operations
Schedule of Revenues, Expenses,
and Changes in Net Position
Fiscal year ended June 30, 2014

Operating revenues:	
Equipment pool	\$ 13,854,086
Sale of power	3,133,137
Other	15,081
	<u>17,002,304</u>
Total operating revenues	<u>17,002,304</u>
Operating expenses:	
Depreciation	5,707,893
Equipment and vehicle rentals	159,011
Hazardous waste siting study	498,710
Insurance and claims	700,684
Materials and supplies	2,055,734
Operations, repairs and maintenance	9,261,852
Research and development	354,873
Salaries and benefits	4,613,906
Services	812,677
Utilities	167,480
	<u>24,332,820</u>
Total operating expenses	<u>24,332,820</u>
Operating loss	<u>(7,330,516)</u>
Nonoperating revenues (expenses):	
Gain on investments	2,783,465
Interest revenue	3,387,137
Investment in joint ventures	578,872
Interest expense	(252,583)
Loss on sale of equipment	(2,079,308)
Tax and assessment expense	2,586
Unrealized gain on investments	158,492
	<u>4,578,661</u>
Net nonoperating revenues	<u>4,578,661</u>
Loss before transfers	(2,751,855)
Transfers in	<u>2,488,543</u>
Change in net position	(263,312)
Total net assets, July 1, 2013, as previously reported	<u>590,447,187</u>
Prior-period adjustments	<u>(113,780)</u>
Total net position, July 1, 2013, as restated	<u>590,333,407</u>
Total net position, June 30, 2014	<u>\$ 590,070,095</u>

Exhibit H-3
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Service Operations
Schedule of Cash Flows
Fiscal year ended June 30, 2014

Cash flows from operating activities:	
Receipts from customers and users	\$ 3,215,103
Receipts for equipment rental	13,854,086
Payments to suppliers	(9,128,774)
Payments to employees	(4,067,098)
	<u>3,873,317</u>
Net cash provided by operating activities	
Cash flows from noncapital financing activities:	
Payments for tax and assessment	2,586
Transfers from other funds	2,488,543
	<u>2,491,129</u>
Net cash provided by noncapital financing activities	
Cash flows from capital and related financing activities:	
Purchases of capital assets	(18,843,765)
Receipt from joint venture	2,933,465
Interest paid on capital related debt	(253,271)
Principal payments on bonds	(1,404,400)
Principal payments on note	(38,456)
Proceeds from sale of equipment	2,417,574
	<u>(15,188,853)</u>
Net cash used by capital and related financing activities	
Cash flows from investing activities:	
Interest received	3,101,430
Purchase of investments	(63,911,830)
Proceeds from maturities/sale of investments	62,936,312
	<u>2,125,912</u>
Net cash provided by investing activities	
Net decrease in cash and cash equivalents	
	(6,698,495)
Cash and cash equivalents at beginning of fiscal year	
	<u>68,389,190</u>
Cash and cash equivalents at end of fiscal year	
	<u><u>\$ 61,690,695</u></u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (7,330,516)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	5,707,893
Decrease in accounts receivable	66,885
Increase in inventory	(757,869)
Increase in due from other funds	994,657
Increase in accounts payable	56,980
Decrease in accrued employee absences	(447,847)
Increase in claims liabilities	215,180
Increase in amounts held for others	5,367,954
	<u>3,873,317</u>
Net cash provided by operating activities	
Schedule of noncash investing activity-	
Unrealized gain on fair value of investments	\$ 158,492
Investment from joint ventures	\$ 578,872

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STATISTICAL SECTION

This part of the County Sanitation Districts of Los Angeles County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the Districts' overall financial health.

Contents

	<u>Pages</u>
<u>Financial Trends</u> – These schedules contain trend information to help the reader understand how the Districts' financial performance and well-being have changed over time.	79-85
<u>Revenue Capacity</u> – These schedules contain information to help the reader assess the Districts' most significant revenue sources: service charges, solid waste tipping fees, and industrial waste surcharge fees.	86-91
<u>Debt Capacity</u> – These schedules present information to help the reader assess the affordability of the Districts' current levels of outstanding debt and the Districts' ability to issue additional debt in the future.	92-93
<u>Demographic and Economic Information</u> – These schedules offer demographic and economic indicators to help the reader understand the environment within which the Districts' financial activities take place.	94-97
<u>Operating Information</u> – These schedules contain information about the Districts' operations and resources to help the reader understand how the Districts' financial information relates to the services it provides and the activities it performs.	98-99

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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Schedule 1
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Net Position by Component
Last Ten Fiscal Years
(in thousands)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Primary government										
Invested in capital assets, net of related debt	\$ 1,396,501	\$ 1,457,823	\$1,529,822	\$ 1,604,625	\$ 1,794,938	\$ 1,846,438	\$ 2,043,959	\$ 2,176,888	\$ 2,163,967	\$ 2,324,683
Restricted	1,662,312	1,649,651	1,633,070	1,638,978	1,313,829	1,431,817	1,487,066	1,406,583	1,489,800	882,206
Unrestricted	181,197	173,796	192,642	229,275	438,486	418,262	311,704	334,042	371,308	883,243
Total government net position	<u>\$ 3,240,010</u>	<u>\$ 3,281,270</u>	<u>\$3,355,534</u>	<u>\$ 3,472,878</u>	<u>\$ 3,547,253</u>	<u>\$ 3,696,517</u>	<u>\$ 3,842,729</u>	<u>\$ 3,917,513</u>	<u>\$ 4,025,075</u>	<u>\$ 4,090,132</u>

Schedule 2
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Changes in Net Position
Last Ten Fiscal Years
(in thousands)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Sewerage Facilities Operations										
Operating Revenues	\$230,470	\$247,721	\$267,680	\$288,968	\$306,764	\$344,404	\$404,196	\$381,065	\$403,159	\$398,700
Operating Expenses	<u>267,864</u>	<u>310,814</u>	<u>307,554</u>	<u>333,948</u>	<u>337,728</u>	<u>326,733</u>	<u>334,071</u>	<u>345,114</u>	<u>349,726</u>	<u>376,108</u>
Operating Income/(Loss)	(37,394)	(63,093)	(39,874)	(44,980)	(30,964)	17,671	70,125	35,951	53,433	22,592
Total Net Nonoperating Revenues	<u>30,920</u>	<u>19,690</u>	<u>81,106</u>	<u>87,307</u>	<u>64,511</u>	<u>42,901</u>	<u>24,884</u>	<u>24,129</u>	<u>24,531</u>	<u>39,918</u>
Income/(Loss) Before Capital Contributions	(6,474)	(43,403)	41,232	42,327	33,547	60,572	95,009	60,080	77,964	62,510
Capital Contributions	35,380	48,629	28,780	29,694	21,966	25,163	18,144	19,453	26,113	38,842
Transfers	-	-	-	(2,733)	-	-	(280)	(364)	(3,604)	(500)
Change in Net Position	<u><u>28,906</u></u>	<u><u>5,226</u></u>	<u><u>70,012</u></u>	<u><u>69,288</u></u>	<u><u>55,513</u></u>	<u><u>85,735</u></u>	<u><u>112,873</u></u>	<u><u>79,169</u></u>	<u><u>100,473</u></u>	<u><u>100,852</u></u>
Solid Waste Facilities Operations										
Operating Revenues	196,024	211,645	216,579	225,061	202,312	197,481	171,763	169,919	167,915	146,923
Operating Expenses	<u>165,664</u>	<u>182,404</u>	<u>212,379</u>	<u>198,350</u>	<u>199,431</u>	<u>128,413</u>	<u>166,905</u>	<u>160,637</u>	<u>144,135</u>	<u>178,002</u>
Operating Income/(Loss)	30,360	29,241	4,200	26,711	2,881	69,068	4,858	9,282	23,780	(31,079)
Total Net Nonoperating Revenues/(Expenses)	<u>4,949</u>	<u>6,793</u>	<u>17,536</u>	<u>18,612</u>	<u>15,981</u>	<u>(7,039)</u>	<u>(2,917)</u>	<u>(14,030)</u>	<u>(20,295)</u>	<u>(418)</u>
Income Before Capital Contributions	35,309	36,034	21,736	45,323	18,862	62,029	1,941	(4,748)	3,485	(31,497)
Capital Contributions	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	2,733	-	-	280	364	3,604	500
Change in Net Position	<u><u>35,309</u></u>	<u><u>36,034</u></u>	<u><u>21,736</u></u>	<u><u>48,056</u></u>	<u><u>18,862</u></u>	<u><u>62,029</u></u>	<u><u>2,221</u></u>	<u><u>(4,384)</u></u>	<u><u>7,089</u></u>	<u><u>(30,997)</u></u>

Schedule 3
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Operating Revenues
Last Ten Fiscal Years
(in thousands)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Sewerage Facilities Operations										
Service Charges	\$162,772	\$177,177	\$194,902	\$217,996	\$237,218	\$268,269	\$297,494	\$295,831	\$318,035	\$312,890
Industrial Waste Surcharge	48,598	49,702	51,926	49,860	49,394	54,305	59,508	57,861	56,999	58,092
Contract Revenue	15,213	16,982	17,030	17,933	16,822	17,925	43,569	23,982	24,617	23,369
Sale of Energy	94	152	120	92	-	-	-	9	158	215
Other	3,793	3,708	3,702	3,087	3,330	3,905	3,625	3,382	3,350	4,134
Total Operating Revenue	<u>230,470</u>	<u>247,721</u>	<u>267,680</u>	<u>288,968</u>	<u>306,764</u>	<u>344,404</u>	<u>404,196</u>	<u>381,065</u>	<u>403,159</u>	<u>398,700</u>
Solid Waste Facilities Operations										
Refuse Tipping Fees	139,724	150,603	150,954	152,097	136,917	134,835	108,808	102,538	112,160	87,799
Sale of Energy	36,455	39,012	40,708	43,976	42,880	43,061	43,241	45,502	30,271	35,070
Equipment Pool	17,257	19,226	19,822	21,793	16,478	16,074	15,396	16,094	16,792	15,359
Commodities	2,083	2,351	3,483	4,717	3,247	2,898	4,025	5,343	7,275	7,894
Contract Revenue	175	229	298	337	27	27	44	75	925	439
Other	330	224	1,314	2,141	2,763	586	249	367	492	362
Total Operating Revenue	<u>196,024</u>	<u>211,645</u>	<u>216,579</u>	<u>225,061</u>	<u>202,312</u>	<u>197,481</u>	<u>171,763</u>	<u>169,919</u>	<u>167,915</u>	<u>146,923</u>

Schedule 4
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Operating Expenses
Last Ten Fiscal Years
(in thousands)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Sewerage Facilities Operations										
Salaries and Benefits	\$ 98,858	\$106,994	\$109,235	\$131,754	\$135,300	\$145,037	\$144,436	\$153,633	\$155,204	\$162,950
Services	42,048	62,400	55,492	54,662	49,836	43,466	45,139	41,156	41,800	44,704
Materials, Supplies, and Chemicals	32,040	33,429	33,902	41,263	44,778	37,731	41,868	43,909	45,574	46,706
Utilities	22,334	23,920	23,463	25,206	26,053	21,282	19,567	20,109	20,700	22,856
Operations, Repairs, and Maintenance	12,423	15,485	19,354	17,520	16,971	10,530	10,608	13,556	9,426	11,449
Research and Development	8,128	9,191	5,593	5,477	5,289	5,693	6,154	5,656	5,549	5,745
Miscellaneous (1)	6,932	10,368	7,852	7,028	8,290	6,995	7,896	6,941	9,165	9,100
Subtotal, Expenses before Depreciation	222,763	261,787	254,891	282,910	286,517	270,734	275,668	284,960	287,418	303,510
Depreciation and Amortization of Use Rights	45,101	49,027	52,663	51,038	51,211	55,999	58,403	60,184	62,308	72,598
Total Operating Expenses	267,864	310,814	307,554	333,948	337,728	326,733	334,071	345,144	349,726	376,108
Solid Waste Facilities Operations										
Salaries and Benefits	32,445	35,828	38,192	49,333	48,932	45,464	45,107	43,816	40,548	35,338
Services	26,583	30,109	34,685	35,347	27,493	21,524	19,972	17,344	20,668	36,462
Operations, Repairs, and Maintenance	28,901	29,567	29,284	21,752	20,950	18,385	44,609	23,960	21,844	23,501
Equipment and Vehicle Rentals	17,462	19,007	19,292	22,236	16,086	13,721	12,345	12,437	11,752	9,464
Landfill Closure and Postclosure Costs	15,306	13,483	41,376	11,655	34,350	(10,217)	4,193	23,894	8,842	22,763
Materials, Supplies, and Chemicals	5,910	5,922	5,794	6,801	5,283	5,183	5,074	5,258	5,813	5,367
Miscellaneous (2)	10,968	10,902	10,085	12,561	12,686	9,055	11,662	10,446	12,242	6,910
Subtotal, Expenses before Depreciation	137,575	144,818	178,708	159,685	165,780	103,115	142,962	137,155	121,709	139,805
Depreciation and Amortization of Use Rights	28,089	37,586	33,671	38,665	33,651	25,298	23,943	23,482	22,426	38,197
Total Operating Expenses	165,664	182,404	212,379	198,350	199,431	128,413	166,905	160,637	144,135	178,002

(1) Miscellaneous expenses includes insurance and claims, equipment and vehicle rentals, pollution remediation costs, and charges for collections.

(2) Miscellaneous expenses includes utilities, research and development, insurance and claims, tonnage, and hazardous waste siting study.

Schedule 5
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Nonoperating Revenues and Expenses
Last Ten Fiscal Years
(in thousands)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Sewerage Facilities Operations										
Interest Revenue	\$ 40,626	\$ 50,492	\$ 52,181	\$ 64,067	\$ 39,919	\$ 21,170	\$ 17,608	\$ 11,512	\$ 7,681	\$ 7,516
Tax Revenue	8,584	14,456	49,116	54,012	59,328	60,493	53,197	54,770	68,435	55,211
Other Nonoperating Revenue	15,268	6,057	4,329	4,129	3,799	3,523	3,132	4,610	4,340	5,227
Interest Expense	(29,180)	(33,674)	(36,768)	(40,888)	(40,455)	(39,200)	(38,129)	(39,719)	(42,236)	(31,917)
Unrealized Gain/(Loss) on Investments	(2,910)	(16,125)	21,601	12,997	2,695	(1,484)	(2,967)	(2,634)	(9,927)	6,126
Tax and Assessment Expense	(165)	(214)	(2,706)	(5,704)	527	(300)	(305)	(339)	(106)	(73)
Other Nonoperating Expense	(1,303)	(1,302)	(6,647)	(1,306)	(1,302)	(1,301)	(7,652)	(4,071)	(3,656)	(2,172)
Total Net Nonoperating Revenue	<u>30,920</u>	<u>19,690</u>	<u>81,106</u>	<u>87,307</u>	<u>64,511</u>	<u>42,901</u>	<u>24,884</u>	<u>24,129</u>	<u>24,531</u>	<u>39,918</u>
Solid Waste Facilities Operations										
Interest Revenue	34,319	40,443	46,998	43,431	33,487	24,462	17,661	12,429	8,458	8,211
Gain on Investments	3,077	1,258	717	2,306	3,617	3,078	1,995	513	3,039	3,361
Other Nonoperating Revenue	1,763	-18,582	-	-	585	1,259	442	-	-	2,700
Tax and Assessment Expense	(31,393)	(33,735)	(27,056)	(37,457)	(27,256)	(24,241)	(20,426)	(20,940)	(20,793)	(13,943)
Unrealized Gain/(Loss) on Investments	(2,430)	(16,789)	11,480	12,960	6,701	(2,654)	(1,131)	(3,912)	(9,563)	2,522
Interest Expense	(97)	(90)	(1,291)	(1,390)	(913)	(1,889)	(364)	(335)	(307)	(276)
Other Nonoperating Expense	(290)	(2,876)	(13,312)	(1,238)	(240)	(7,054)	(1,094)	(1,785)	(1,129)	(2,993)
Total Net Nonoperating Revenue/(Expense)	<u>4,949</u>	<u>6,793</u>	<u>17,536</u>	<u>18,612</u>	<u>15,981</u>	<u>(7,039)</u>	<u>(2,917)</u>	<u>(14,030)</u>	<u>(20,295)</u>	<u>(418)</u>

Schedule 6
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Changes in Cash and Cash Equivalents
Last Ten Fiscal Years
(in thousands)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Cash Flows from Operating Activities										
Receipts from customers and users	\$ 403,667	\$434,096	\$ 467,635	\$ 486,427	\$ 492,780	\$ 516,600	\$ 562,483	\$ 529,296	\$ 565,158	\$ 534,475
Receipts for equipment rental	17,257	19,226	19,822	21,793	16,478	16,074	15,396	16,094	16,792	15,359
Payments to suppliers	(200,749)	(221,621)	(232,593)	(220,584)	(216,214)	(188,534)	(209,396)	(187,623)	(191,064)	(205,140)
Payments to employees	(120,816)	(140,675)	(145,723)	(179,225)	(182,367)	(191,919)	(188,357)	(196,690)	(195,775)	(198,736)
Payments applied to closure/postclosure liability	(9,834)	(8,396)	(7,509)	(8,874)	(8,143)	(6,254)	(6,357)	(6,567)	(5,722)	(6,960)
Payment for equipment rental within the Districts	(17,026)	(19,023)	(19,687)	(21,571)	(16,268)	(15,733)	(14,973)	(16,912)	(16,412)	(15,075)
Other payments	(136)	(35)	(39)	(37)	(42)	(38)	(34)	(19)	(19)	(19)
Net cash provided (used) by operating activities	72,363	63,572	81,906	77,929	86,224	130,196	158,762	137,579	172,958	123,904
Cash Flows from Noncapital Financing Activities										
Receipts from property taxes	8,437	11,861	49,694	52,739	58,064	61,672	54,337	53,784	71,082	57,527
Payments for tax and assessment	(31,617)	(33,948)	(29,762)	(38,611)	(28,249)	(25,298)	(21,491)	(21,649)	(20,898)	(14,827)
Net cash provided (used) by noncapital financing activities	(23,180)	(22,087)	19,932	14,128	29,815	36,374	32,846	32,135	50,184	42,700
Cash Flows from Capital and Related Financing Activities										
Borrowings on loan from state	33,103	21,581	15,214	50,045	49,582	64,662	37,094	10,664	2,351	9,664
Proceeds on bond sales	25,582	189,647	136,191	-	19,661	-	-	151,280	-	117,460
Contract proceeds from County of Los Angeles	-	17,169	2,040	10,513	2,613	2,709	361	-	-	2,700
Bond issuance costs	(528)	(2,366)	(1,437)	-	(162)	-	-	(717)	-	(457)
Purchases of capital assets	(175,552)	(215,422)	(203,455)	(242,914)	(351,829)	(305,465)	(261,729)	(168,072)	(134,346)	(129,324)
Principal payments on contracts/note	-	(1,100)	(1,265)	(1,365)	-	(1,643)	(743)	(713)	(316)	(39)
Connection fees proceeds	32,675	38,068	28,780	29,694	21,966	21,908	18,105	19,453	25,918	33,291
Grant proceeds	11	15,381	-	-	-	2,872	39	-	195	-
Interest paid on capital-related debt	(29,029)	(31,229)	(36,789)	(42,192)	(41,527)	(39,179)	(36,456)	(34,710)	(35,059)	(30,904)
Payment to joint venture	(17,992)	(9,370)	(4,916)	(2,957)	(1,586)	(1,363)	-	-	-	-
Principal payments on bonds	(13,395)	(14,190)	(15,130)	(15,870)	(18,684)	(19,364)	(22,559)	(174,229)	(24,744)	(184,152)
Principal payments on loan from state	(23,370)	(25,628)	(19,713)	(21,763)	(24,142)	(26,933)	(27,459)	(28,270)	(31,689)	(30,580)
Payment per joint powers agreement	-	-	(7,476)	-	-	(6,250)	-	-	-	-
Proceeds from sale of assets/equipment	154	196	325	459	144	758	329	4,080	3,823	2,630
Receipts from joint venture	3,352	1,458	867	2,456	3,767	3,229	2,170	165	2,306	2,930
Receipts from lease receivable	2,413	2,754	6,222	6,033	-	-	-	-	-	-
Receipts from settlement	-	-	-	-	-	-	1,508	-	-	-
Net cash provided (used) by capital and related financing activities	(162,576)	(13,051)	(100,542)	(227,861)	(340,197)	(304,059)	(289,340)	(221,069)	(191,561)	(206,781)
Cash Flows from Investing Activities										
Interest received	67,011	81,286	93,788	107,929	81,011	53,846	36,161	31,520	16,468	14,567
Purchases of investments	(592,805)	(223,111)	(344,260)	(284,659)	(468,733)	(1,630,212)	(990,755)	(1,363,978)	(1,490,217)	(466,367)
Proceeds from maturities of investments	621,411	251,214	473,881	1,076,949	352,952	1,471,080	918,392	1,160,068	1,298,975	397,566
Net cash provided (used) by investing activities	95,617	109,389	223,409	900,219	(34,770)	(105,286)	(36,202)	(172,390)	(174,774)	(54,234)
Net increase (decrease) in cash and cash equivalents	(17,776)	137,823	224,705	764,415	(258,928)	(242,775)	(133,934)	(223,745)	(143,193)	(94,411)
Cash and cash equivalents at beginning of fiscal year	551,936	534,160	671,983	896,688	1,661,103	1,402,175	1,159,400	1,025,466	801,721	658,528
Cash and cash equivalents at end of fiscal year	\$ 534,160	\$671,983	\$ 896,688	\$1,661,103	\$1,402,175	\$1,159,400	\$1,025,466	\$ 801,721	\$ 658,528	\$ 564,117

Schedule 7
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Annual Capital Contributions by Source
Last Ten Fiscal Years
(in thousands)

Fiscal Year	Connection Fees	Federal Capital Grants	Donated Property	Total
2005	\$ 34,588	\$ 395	\$ 397	\$ 35,380
2006	38,069	10,560	-	48,629
2007	28,780	-	-	28,780
2008	29,694	-	-	29,694
2009	21,966	-	-	21,966
2010	21,908	2,872	-	24,780
2011	18,105	39	-	18,144
2012	19,453	-	-	19,453
2013	25,918	195	-	26,113
2014	33,290	-	5,552	38,842

Schedule 8
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Total Sewerage Units, Solid Waste Received, and Industrial Waste Flow

Fiscal Year	Total Sewerage Units (1)	Solid Waste Disposal Tonnages (2)	Industrial Waste Flow (3)	Average Rates	
				Sewerage (4)	Solid Waste (5)
2005	1,772,874	5.44	76.90	\$ 93.78	\$ 26.58
2006	1,781,738	5.41	73.67	101.12	28.08
2007	1,780,055	5.24	64.28	110.20	29.68
2008	1,815,268	4.83	58.93	123.36	32.80
2009	1,911,917	3.83	59.43	139.69	37.05
2010	1,900,566	3.26	58.34	158.20	41.07
2011	1,899,311	2.49	55.76	194.26	41.81
2012	1,909,355	2.49	57.29	207.11	41.56
2013	1,905,839	2.82	57.25	236.53	40.90
2014	1,880,054	2.00	N/A	251.61	46.34

(1) See Schedule 10 for breakdown by district.

(2) Millions of tons per year.

(3) Million gallons per day. Information for Fiscal Year 2013/2014 not available until 2015.

(4) Dollars per single-family home per year. Weighted average of all districts; see Schedule 9 for breakdown by district. See Schedule 12 for industrial wastewater treatment surcharge rates.

(5) Per ton. Weighted average of all landfills; see Schedule 11 for breakdown by landfill.

Schedule 9
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Service Charge Rates (dollars per single-family home per year)
Last Ten Fiscal Years

District ¹	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1	\$ 94.25	\$101.50	\$108.75	\$116.00	\$126.00	\$138.00	\$152.00	\$154.00	\$156.00	\$158.00
2	91.50	98.00	104.50	111.00	121.00	133.00	147.00	148.00	149.00	150.00
3	91.00	98.00	105.00	112.00	122.00	134.00	148.00	150.00	152.00	154.00
4	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00
5	87.25	91.50	95.75	100.00	108.00	118.00	130.00	132.00	134.00	136.00
8	84.00	89.00	94.00	99.00	109.00	121.00	135.00	139.00	143.00	147.00
9	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00
14	98.00	129.00	160.00	210.00	260.00	310.00	360.00	360.00	448.00	472.00
15	88.00	93.00	98.00	103.00	110.00	119.00	130.00	132.00	134.00	136.00
16	91.00	96.00	101.00	106.00	113.00	122.00	133.00	135.00	137.00	139.00
17	92.00	97.00	102.00	107.00	114.00	123.00	134.00	136.00	138.00	140.00
18	89.50	97.00	104.50	112.00	122.00	134.00	148.00	149.00	150.00	151.00
19	91.25	97.50	103.75	110.00	120.00	132.00	146.00	148.00	150.00	152.00
20	101.00	131.00	161.00	216.00	271.00	326.00	381.00	429.00	477.00	525.00
21	89.50	96.00	102.50	109.00	119.00	131.00	145.00	146.00	147.00	148.00
22	92.75	99.50	106.25	113.00	121.00	131.00	143.00	145.00	147.00	149.00
23	67.00	73.00	79.00	85.00	92.00	101.00	112.00	114.00	116.00	118.00
26 ²	118.00	-	-	-	-	-	-	-	-	-
28 ³	308.00	308.00	308.00	308.00	315.00	324.00	335.00	336.00	337.00	338.00
28 ³	100.00	100.00	100.00	100.00	107.00	116.00	127.00	128.00	129.00	130.00
29	115.25	128.50	141.75	201.75	261.75	321.75	327.75	333.75	339.75	339.75
30	86.00	88.00	90.00	92.00	99.00	108.00	119.00	120.00	121.00	122.00
32 ²	119.00	-	-	-	-	-	-	-	-	-
SCV ²	-	122.00	141.00	160.00	179.00	199.00	199.00	215.00	231.00	247.00

- (1) District No. 27 does not have any service charge rate in effect, as its other revenues have been sufficient to meet expenses. District No. 27 does have a Master Service Charge Ordinance in place should the need for a service charge arise.
- (2) On July 1, 2005, District Nos. 26 and 32 consolidated into a single district, known as the Santa Clarita Valley Sanitation District of Los Angeles County.
- (3) Beginning in Fiscal Year 1999-00, District No. 28 had two service charge rates. The first rate is for those users directly connected to the La Canada Outfall Trunk Sewer or the Foothill Main Trunk Sewer or tributary to the La Canada WRP; the second is for those users within the City of La Canada Flintridge Assessment District.

Schedule 10
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Number of Sewage Units
Last Ten Fiscal Years

District ¹	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1	135,705	135,738	136,159	137,336	142,916	143,577	142,747	142,853	143,258	143,429
2	202,704	202,748	202,938	204,343	215,916	215,348	214,597	214,923	215,551	215,730
3	166,135	166,680	167,181	172,709	179,758	179,295	178,736	180,446	179,597	176,037
4	21,200	21,306	21,298	21,677	22,692	22,643	22,675	22,767	23,778	23,830
5	254,242	253,735	250,885	253,285	267,927	266,577	267,358	267,878	268,676	262,048
8	57,206	57,331	57,207	57,762	60,556	61,652	60,059	60,029	59,831	58,296
9	899	908	911	917	917	909	911	1,254	1,273	1,216
14	55,148	55,975	57,654	62,753	66,216	66,803	67,362	67,880	66,680	65,615
15	178,324	180,107	177,422	180,866	188,796	187,478	186,848	187,229	186,714	183,592
16	104,065	105,106	105,071	105,766	113,412	113,124	113,225	114,751	113,741	109,897
17	14,574	14,605	14,533	14,701	15,634	15,485	14,958	14,926	15,064	14,511
18	119,287	119,911	119,358	119,949	125,216	123,601	123,578	123,789	121,399	121,021
19	34,410	34,754	35,102	35,406	37,658	37,140	37,103	37,335	37,761	37,247
20	35,792	36,329	38,232	40,099	42,156	42,079	42,082	42,658	42,854	42,094
21	143,311	143,954	143,027	144,323	151,966	150,530	150,858	151,244	149,715	148,776
22	119,489	119,568	118,182	121,671	125,271	124,263	124,500	125,206	125,193	123,768
23	3,121	3,124	3,043	3,071	3,127	3,298	3,220	3,308	3,270	3,271
26 ²	35,899	-	-	-	-	-	-	-	-	-
28 ³	1,459	1,477	1,489	1,503	1,560	1,562	1,566	1,584	1,611	1,596
28 ³	1,220	1,344	1,675	2,478	3,238	3,254	3,276	2,830	2,881	2,866
29	4,655	4,702	4,749	4,934	5,454	5,411	5,349	5,430	5,515	5,144
30	48,443	48,604	48,481	49,018	53,537	50,584	50,314	50,631	50,864	50,504
32 ²	36,806	-	-	-	-	-	-	-	-	-
SCV ²	-	74,886	77,133	83,179	91,232	89,207	91,265	93,234	93,494	92,432

- (1) District No. 27 does not have any service charge rate in effect, as its other revenues have been sufficient to meet expenses. District No. 27 does have a Master Service Charge Ordinance in place should the need for a service charge arise.
- (2) On July 1, 2005, District Nos. 26 and 32 consolidated into a single district, known as the Santa Clarita Valley Sanitation District of Los Angeles County.
- (3) Beginning in Fiscal Year 1999-00, District No. 28 had two service charge rates. The first rate is for those users directly connected to the La Canada Outfall Trunk Sewer or the Foothill Main Trunk Sewer or tributary to the La Canada WRP; the second is for those users within the City of La Canada Flintridge Assessment District.

Schedule 11
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Solid Waste Rates (per ton; effective start of fiscal year unless otherwise noted)
Last Ten Fiscal Years

Facility (projected or actual closure date)	Fiscal Year									
	2005	2006	2007 ⁴	2008 ⁵	2009 ⁶	2010 ⁷	2011	2012	2013	2014
Puente Hills Landfill (2013)	\$22.65 ¹	\$24.43 ³	\$26.21	\$29.42	\$33.86	\$38.26	\$38.26	\$38.41 ⁹	\$38.41	\$0.00
Puente Hills MRF	22.65 ¹	24.43 ³	26.21	29.42	33.86	38.26	42.14 ⁸	42.44 ⁹	42.44	45.75 ¹¹
South Gate Transfer Station	34.77 ¹	36.55 ³	38.33	41.54	45.98	50.38	50.38	50.68 ⁹	51.91 ¹⁰	51.91
DART Facility	38.54 ¹	40.32 ³	42.10	45.31	49.75	54.15	54.15	54.45 ⁹	54.45	47.14 ¹¹
Scholl Canyon Landfill (2033)	33.77 ¹	33.77	36.93	40.07	44.83	48.99	48.99	49.18 ⁹	49.18	49.18
Calabasas Landfill (2041)	28.57 ²	31.17 ³	33.38	36.42	38.88	40.82	40.82	40.82	40.82	40.82

- (1) Rates effective January 1, 2005.
- (2) Rate effective April 1, 2005.
- (3) Rates effective January 1, 2006.
- (4) Rates effective January 1, 2007.
- (5) Rates effective January 1, 2008.
- (6) Rates effective January 1, 2009 (Scholl Canyon Landfill January 9, 2009).
- (7) Rates effective January 1, 2010 (Scholl Canyon Landfill February 12, 2010).
- (8) Rate effective January 1, 2011.
- (9) Rate effective January 1, 2012.
- (10) Rate effective February 1, 2013.
- (11) Rates effective November 1, 2013.

Schedule 12
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Industrial Wastewater Treatment Surcharge Rates
Last Ten Fiscal Years

District	Unit Rate	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
JO ¹	(a) Dollars/Million Gallons (Volume)	\$ 478.00	\$ 509.00	\$ 540.00	\$ 571.00	\$ 619.00	\$ 619.00	\$ 746.00	\$ 755.00	\$ 764.00	\$ 773.00	
	(b) Dollars/1,000 lbs. of Chemical Oxygen Demand (COD)	84.50	90.00	95.50	101.00	109.40	109.40	131.90	133.50	135.10	136.70	
	(c) Dollars/1,000 lbs. of Suspended Solids (SS)	238.90	254.40	269.90	285.40	309.20	309.20	372.70	377.40	382.10	386.70	
	(d) Dollars per Gallon per Minute of Peak Flow (P)	63.50	67.60	71.70	75.80	82.10	82.10	98.90	100.10	101.30	102.50	
	Flat Rate Charge in Dollars/Million Gallons	2,026.00	2,158.00	2,290.00	2,422.00	2,624.00	2,624.00	3,163.00	3,203.00	3,243.00	3,282.00	
	Sanitary Flow Charge per Employee	0.021	0.021	0.022	0.025	0.027	0.027	0.032	0.033	0.033	0.033	
	Hospital (Acute) Dollars/Bed	159.80	170.17	180.55	190.92	206.90	206.90	249.30	252.40	255.40	258.40	
	Hospital (Intermediate) Dollars/Bed	51.20	54.55	57.87	61.20	66.30	66.30	79.90	80.90	81.90	82.90	
	4	(a) Dollars/Million Gallons (Volume)	528.00	528.00	528.00	528.00	528.00	528.00	528.00	528.00	528.00	528.00
		(b) Dollars/1,000 lbs. of Chemical Oxygen Demand (COD)	111.20	111.20	111.20	111.20	111.20	111.20	111.20	111.20	111.20	111.20
(c) Dollars/1,000 lbs. of Suspended Solids (SS)		335.30	335.30	335.30	335.30	335.30	335.30	335.30	335.30	335.30	335.30	
(d) Dollars per Gallon per Minute of Peak Flow (P)		45.60	45.60	45.60	45.60	45.60	45.60	45.60	45.60	45.60	45.60	
Flat Rate Charge in Dollars/Million Gallons		2,129.00	2,129.00	2,129.00	2,129.00	2,129.00	2,129.00	2,129.00	2,129.00	2,129.00	2,129.00	
Sanitary Flow Charge per Employee		0.026	0.026	0.026	0.026	0.026	0.026	0.026	0.026	0.026	0.026	
Hospital (Acute) Dollars/Bed		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Hospital (Intermediate) Dollars/Bed		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
14		(a) Dollars/Million Gallons (Volume)	649.00	855.00	1,060.00	1,391.00	1,722.00	1,722.00	2,384.00	2,384.00	2,967.00	3,126.00
		(b) Dollars/1,000 lbs. of Chemical Oxygen Demand (COD)	73.00	96.10	119.20	156.50	193.80	193.80	268.40	268.40	334.00	351.90
	(c) Dollars/1,000 lbs. of Suspended Solids (SS)	176.40	232.20	288.00	378.00	468.00	468.00	648.00	648.00	806.40	849.60	
	(d) Dollars per Gallon per Minute of Peak Flow (P)	124.80	164.40	203.80	267.50	331.20	331.20	458.60	458.60	570.70	601.30	
	Flat Rate Charge in Dollars/Million Gallons	1,444.00	1,900.00	2,357.00	3,094.00	3,831.00	3,831.00	5,305.00	5,305.00	6,602.00	6,955.00	
	Sanitary Flow Charge per Employee	0.020	0.027	0.033	0.044	0.054	0.054	0.075	0.075	0.093	0.098	
	Hospital (Acute) Dollars/Bed	184.60	243.11	301.44	395.65	489.86	489.86	678.30	678.30	844.10	889.30	
	Hospital (Intermediate) Dollars/Bed	56.35	74.21	92.02	120.77	149.53	149.53	207.00	207.00	257.70	271.50	
	20	(a) Dollars/Million Gallons (Volume)	461.00	598.00	735.00	986.00	1,237.00	1,237.00	1,739.00	1,958.00	2,177.00	2,396.00
		(b) Dollars/1,000 lbs. of Chemical Oxygen Demand (COD)	102.80	133.40	163.90	219.90	275.90	275.90	387.90	436.80	485.60	534.50
(c) Dollars/1,000 lbs. of Suspended Solids (SS)		206.60	267.90	329.30	441.80	554.30	554.30	779.30	877.50	975.70	1,073.80	
(d) Dollars per Gallon per Minute of Peak Flow (P)		98.40	127.40	156.70	210.20	263.70	263.70	370.70	417.40	464.10	510.80	
Flat Rate Charge in Dollars/Million Gallons		1,467.00	1,902.00	2,338.00	3,137.00	3,936.00	3,936.00	5,534.00	6,231.00	6,928.00	7,626.00	
Sanitary Flow Charge per Employee		0.021	0.027	0.033	0.044	0.055	0.055	0.077	0.087	0.097	0.107	
Hospital (Acute) Dollars/Bed		175.66	227.79	279.99	375.62	471.26	471.26	662.50	746.00	829.40	912.90	
Hospital (Intermediate) Dollars/Bed		54.13	70.19	86.27	115.75	145.21	145.21	204.10	229.90	255.60	281.30	
SCV ²		(a) Dollars/Million Gallons (Volume)	461.00	469.00	542.00	615.00	688.00	688.00	765.00	861.00	903.00	946.00
		(b) Dollars/1,000 lbs. of Chemical Oxygen Demand (COD)	102.80	106.80	123.40	140.10	156.70	156.70	174.20	196.10	205.70	215.30
	(c) Dollars/1,000 lbs. of Suspended Solids (SS)	256.20	264.10	305.20	346.40	385.50	385.50	428.60	482.40	506.10	529.80	
	(d) Dollars per Gallon per Minute of Peak Flow (P)	64.10	66.30	76.60	87.00	97.30	97.30	108.20	121.80	127.80	133.80	
	Flat Rate Charge in Dollars/Million Gallons	1,556.00	1,589.00	1,836.00	2,084.00	2,331.00	2,331.00	2,591.00	2,917.00	3,060.00	3,203.00	
	Sanitary Flow Charge per Employee	0.022	0.023	0.026	0.030	0.033	0.033	0.037	0.042	0.044	0.046	
	Hospital (Acute) Dollars/Bed	171.20	176.31	203.74	231.27	258.41	258.41	287.29	323.40	339.20	355.20	
	Hospital (Intermediate) Dollars/Bed	54.58	56.21	64.94	73.71	82.31	82.31	91.50	103.00	108.00	113.10	

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Notes: The flat rate charge is applicable to industrial discharges whose yearly flow does not exceed 6 million gallons (in lieu of formula). The sanitary flow charge is paid by industrial dischargers whose domestic wastewater Annual wastewater treatment surcharge is computed by the following (simplified) formula: a(V) + b(COD) + c(SS) + d(P)

(1) JO = Joint Outfall Districts, which consist of Districts 1, 2, 3, 5, 8, 15, 16, 17, 18, 19, 21, 22, 23, 28, 29, 34, and South Bay Cities.

(2) SCV = Santa Clarita Valley Districts.

Schedule 13
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Ten Largest Customers
Current Year and Nine Years Ago

Solid Waste Management Facilities Revenue			Wastewater Treatment Facilities Revenue - just need total		
Customer	Amount	%	Customer	Amount	%
Athens Disposal	\$ 14,499,042	16.51%	Exxon Mobil Oil Corp.	\$ 4,121,723	7.10%
County Sanitation Districts	5,164,890	5.88%	Tesoro Refining - Carson	3,676,002	6.33%
NASA Disposal Service, Inc.	4,777,873	5.44%	Demunno Kerdoon	2,226,975	3.83%
City of Glendale	3,938,720	4.49%	Tesoro Refining - Wilmington	2,005,691	3.45%
Metro Waste/Calmet Services	3,878,035	4.42%	Phillips 66 Company	1,574,740	2.71%
United Pacific Waste	3,533,193	4.02%	California State Prison	1,366,195	2.35%
Key Disposal	2,724,051	3.10%	MillerCoors LLC	1,235,160	2.13%
City of Pasadena	2,392,958	2.73%	Clougherty Packing	1,151,976	1.98%
Burrtec Waste Services	1,941,128	2.21%	Oil Operators	1,148,433	1.98%
Universal Waste Systems	1,794,077	2.04%	Alta-Dena Certified Dairy	1,037,391	1.79%
Subtotal (10 largest)	44,643,967	50.85%	Subtotal (10 largest)	19,544,286	33.64%
Balance from other customers	43,153,954	49.15%	Balance from other customers	38,548,088	66.36%
Grand total	<u>\$ 87,797,921</u>	<u>100.00%</u>	Grand total	<u>\$ 58,092,374</u>	<u>100.00%</u>

Fiscal Year 2005

Solid Waste Management Facilities Revenue			Wastewater Treatment Facilities Revenue		
Customer	Amount	%	Customer	Amount	%
United Waste Recycling	\$ 9,167,980	6.56%	Miller Brewing	\$ 2,761,784	5.68%
Calmet/Calsan	9,084,471	6.50%	Exxon Mobil Oil Corp.	2,360,980	4.86%
Waste Management	8,427,499	6.03%	BP West Coast Products	1,772,963	3.65%
Grand Central Recycling & Transfer	5,242,148	3.75%	Smurfit Newsprint Corporation of California	1,738,783	3.58%
Athens Disposal	4,481,321	3.21%	Shell Oil	1,659,687	3.42%
Allied Industries/BFI Waste Systems	2,932,585	2.10%	Conoco Phillips Co.	1,312,792	2.70%
City of Glendale	2,854,849	2.04%	Smurfit-Stone Container	1,265,703	2.60%
Metropolitan Waste Industries	2,715,322	1.94%	Clougherty Packing	1,169,440	2.41%
Key Disposal	2,660,585	1.90%	Yoplait/Colombo - A Division of General Mills	664,445	1.37%
Crown Disposal	2,310,732	1.65%	Baker Commodities	656,917	1.35%
Subtotal (10 largest)	49,877,492	35.70%	Subtotal (10 largest)	15,363,494	31.61%
Balance from other customers	89,846,736	64.30%	Balance from other customers	33,234,460	68.39%
Grand total	<u>\$ 139,724,228</u>	<u>100.00%</u>	Grand total	<u>\$ 48,597,954</u>	<u>100.00%</u>

Schedule 14
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands, except Per Capita)

Fiscal Year	General Obligation Bonds	Per Capita	As a Share of Personal Income	Revenue Bonds	Notes/ Contracts	State Revolving Fund Loans	Total ⁽¹⁾		As a Share of Personal Income
							Amount	Per Capita	
2005	\$ 85	\$ 0.01	0.00%	\$ 445,070	\$ -	\$ 355,942	\$ 801,097	\$ 78.34	0.23%
2006	-	-	0.00%	613,880	17,482	353,376	984,738	96.11	0.27%
2007	-	-	0.00%	733,265	18,258	347,866	1,099,389	106.41	0.29%
2008	-	-	0.00%	729,331	27,406	346,056	1,102,793	106.41	0.27%
2009	-	-	0.00%	727,541	30,019	371,496	1,129,056	108.64	0.29%
2010	-	-	0.00%	705,686	32,670	411,581	1,149,937	110.14	0.28%
2011	-	-	0.00%	681,028	1,522	423,604	1,106,154	112.21	0.26%
2012	-	-	0.00%	654,476	1,978	411,971	1,068,425	107.79	0.25%
2013	-	-	0.00%	627,099	1,663	388,237	1,016,999	101.51	0.23%
2014	-	-	0.00%	556,668	1,414	369,712	927,794	91.95	0.20%

Source: California Statistical Abstract - California Department of Finance

(1) Includes general bonded debt.

Schedule 15
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Wastewater Pledged-Revenue Coverage
Last Ten Fiscal Years

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
REVENUE SOURCES⁽¹⁾										
Ad Valorem Tax	\$ 8,584	\$ 14,456	\$ 49,116	\$ 54,012	\$ 59,328	\$ 60,493	\$ 53,197	\$ 54,770	\$ 68,435	\$ 55,210
CIF ⁽²⁾	18,841	8,380	7,428	11,101	13,483	14,889	15,734	15,667	14,996	12,664
Service Charge	162,772	177,177	194,902	217,996	237,218	268,268	297,494	295,831	318,034	312,889
Industrial Waste	48,598	49,702	51,926	49,860	49,394	54,305	59,508	57,861	56,998	58,091
Contract	15,211	16,982	17,030	17,933	16,822	17,925	43,569	23,982	24,615	23,367
Interest	40,626	50,492	52,181	64,064	39,919	21,170	17,608	11,512	7,679	7,513
Rate Stabilization Fund ⁽³⁾	8,818	27,597	1,665	9,995	7,742	8,822	-	-	1,488	14,161
Miscellaneous	3,887	3,708	3,795	3,176	3,305	3,906	3,642	3,390	3,486	4,345
Total	307,337	348,494	378,043	428,137	427,211	449,778	490,752	463,013	495,731	488,240
EXPENSES⁽⁴⁾										
Total O&M	222,762	261,788	254,501	282,903	286,517	270,723	275,663	284,926	287,411	303,506
Rate Stabilization Fund ⁽⁵⁾	14,160	6,359	36,388	33,901	19,947	36,735	68,630	31,839	56,593	12,921
Total	236,922	268,147	290,889	316,804	306,464	307,458	344,293	316,765	344,004	316,427
NET REVENUES	70,415	80,347	87,154	111,333	120,747	142,320	146,459	146,248	151,727	171,813
DEBT SERVICE										
State Loans	24,634	24,853	25,230	27,569	30,530	30,669	30,843	31,660	36,633	36,535
Installment Payments	34,307	39,144	44,531	50,583	51,226	51,212	53,557	53,075	52,826	52,793
Total Debt Service	58,941	63,997	69,761	78,152	81,756	81,881	84,400	84,735	89,459	89,328
COVERAGE	1.2	1.3	1.2	1.4	1.5	1.7	1.7	1.7	1.7	1.9

(1) Each District is obligated to make its Installment Payments from its allocable portion of Ad Valorem Property Tax and, to the extent that its Ad Valorem taxes are insufficient, from the Net Revenues of its Sewerage System.

(2) Connection fees for some Districts have been included because they are pledged for repayment of State Loans that were used to fund expansion-related projects.

(3) These funds were expensed in prior years and are being used to pay unexpected operating costs and thereby minimize the impact on the Districts' ratepayers.

(4) Does not include depreciation.

(5) These funds are being set aside to minimize the impact on the Districts' ratepayers in the event of future unexpected operating costs.

Schedule 16
 COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
 Demographic and Economic Statistics
 Last Ten Fiscal Years

<u>July 1</u>	<u>Districts' Population (millions)</u>	<u>L.A. County Population (millions)</u>	<u>Personal Income (millions of dollars)</u>	<u>Per Capita Personal Income (thousands of dollars)</u>	<u>Unemployment Rate</u>	
					<u>County</u>	<u>State</u>
2005	5.617	10.226	\$ 349,868	\$ 34.21	5.3%	5.4%
2006	5.625	10.246	370,860	36.20	4.7%	4.9%
2007	5.660	10.332	379,824	36.76	4.9%	5.3%
2008	5.694	10.364	411,000	39.66	7.2%	7.0%
2009	5.716	10.393	392,000	37.72	11.7%	11.5%
2010	5.733	10.441	405,000	38.79	12.4%	12.3%
2011	5.445	9.858	420,900	42.70	12.5%	11.9%
2012	5.452	9.912	435,300	43.92	11.1%	10.6%
2013	5.490	10.019	451,100	45.02	10.3%	9.0%
2014	5.532	10.090	471,400	46.72	8.2%	7.4%

Source: Schedule 17; California Statistical Abstract - California Department of Finance; California Employment Development Department; Bureau of Economic Analysis; and Los Angeles Almanac.

Notes: Unless otherwise noted, data applies to County of Los Angeles.

Schedule 17
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Estimated Populations of Cities and Unincorporated Areas
Served by the County Sanitation Districts of Los Angeles County*
January 1, 2014

CITY	POPULATION	CITY	POPULATION
Alhambra	84,697	Lomita	20,630
Arcadia	57,440	Long Beach	469,953
Artesia	16,769	Los Angeles	141,132
Azusa	48,259	Lynwood	70,980
Baldwin Park	76,715	Manhattan Beach	35,619
Bell	35,972	Maywood	27,758
Bell Gardens	42,667	Monrovia	37,155
Bellflower	77,741	Montebello	63,527
Beverly Hills	651	Monterey Park	61,777
Bradbury	475	Norwalk	106,260
Carson	92,636	Palmdale	152,798
Cerritos	49,741	Palos Verdes Estates	13,665
Claremont	35,624	Paramount	55,051
Commerce	13,003	Pasadena	140,861
Compton	98,082	Pico Rivera	63,873
Covina	48,387	Pomona	150,093
Cudahy	24,142	Rancho Palos Verdes	42,358
Culver City	0	Redondo Beach	67,717
Diamond Bar	55,963	Rolling Hills	1,895
Downey	113,363	Rolling Hills Estates	8,184
Duarte	21,334	Rosemead	54,762
El Monte	115,064	San Dimas	33,845
Gardena	60,082	San Gabriel	40,313
Glendora	50,531	San Marino	13,341
Hawaiian Gardens	14,456	Santa Clarita	203,944
Hawthorne	86,644	Santa Fe Springs	17,349
Hermosa Beach	19,750	Sierra Madre	11,088
Huntington Park	59,033	Signal Hill	11,411
Industry	438	South El Monte	20,426
Inglewood	111,795	South Gate	96,057
Irwindale	1,466	South Pasadena	26,011
La Canada-Flintridge	18,952	Temple City	36,134
La Habra Heights	363	Torrance	147,706
La Mirada	49,178	Vernon	122
La Puente	40,045	Walnut	30,109
La Verne	32,082	West Covina	107,312
Lakewood	81,221	West Hollywood	35,072
Lancaster	157,095	Whittier	86,538
Lawndale	33,228		
		77 Cities Subtotal	4,627,910
		Unincorporated	904,340
		TOTAL	<u>5,532,250</u>

Source: State of California, Department of Finance, E-1 Population Estimates for Cities, Counties, and the State, with Annual Percent Change -- January 1, 2013 and 2014. Sacramento, California, May 2014, and GIS analysis using L.A. County Assessor GIS parcel data (2013), L.A. County Regional Planning's City Boundaries GIS layer, and Sanitation District Boundaries Annexation GIS layer.

* The population estimates refer only to the population within the Sanitation Districts' Boundaries.

Schedule 18
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Economic Indicators
Last Ten Calendar Years

<u>Calendar Year</u>	<u>Total Nonfarm Employment (avg. 000's)</u>	<u>Total Taxable Sales (billions)</u>	<u>Value of Two-Way Trade* (billions)</u>	<u>Total Day & Overnight Visitors (millions)</u>	<u>Housing Unit Permits Issued</u>	<u>Value of Nonresidential Building Permits (millions)</u>
2005	4,024.3	\$ 130.7	\$ 291.6	N/A	25,647	\$ 3,824
2006	4,093.1	136.2	326.4	37.4	26,348	3,896
2007	4,122.9	137.8	347.3	35.7	20,363	4,739
2008	4,069.6	131.9	355.8	36.5	13,704	4,491
2009	3,823.3	112.7	282.9	34.4	5,653	2,674
2010	3,773.3	116.9	346.8	38.5	7,468	2,677
2011	3,798.5	126.4	386.7	40.4	10,403	2,965
2012	3,864.3	136.0	403.5	41.4	13,100	3,683
2013	3,925.9	143.2	414.5	42.2	15,700	4,028
2014	N/A	N/A	N/A	N/A	N/A	N/A

Source: Los Angeles County Economic Development Corp.

*Value of imports and exports combined.

Schedule 19
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Ten Largest Industries (1)
Current Year and Nine Years Ago

Industry	June 30, 2014			June 30, 2005		
	Number of Employees	Percentage of Total	Rank	Number of Employees	Percentage of Total	Rank
Trade, Transportation, and Utilities	789,200	17.29%	1	786,100	17.53%	1
Educational and Health Services	734,000	16.08%	2	562,500	12.55%	4
Professional and Business Services	613,400	13.44%	3	573,800	12.80%	3
Government	559,800	12.26%	4	591,800	13.20%	2
Leisure and Hospitality	454,100	9.95%	5	382,900	8.54%	6
Manufacturing	353,300	7.74%	6	475,300	10.60%	5
Financial Activities	213,100	4.67%	7	241,900	5.40%	7
Information Services	205,600	4.50%	8	203,900	4.55%	8
Other Services	149,300	3.27%	9	146,400	3.27%	10
Construction	126,600	2.77%	10	149,700	3.34%	9
Ten largest industries	<u>4,198,400</u>	<u>91.97%</u>		<u>4,114,300</u>	<u>91.77%</u>	
All other industries	<u>366,600</u>	<u>8.03%</u>		<u>369,200</u>	<u>8.23%</u>	
Total civilian employment	<u><u>4,565,000</u></u>	<u><u>100.00%</u></u>		<u><u>4,483,500</u></u>	<u><u>100.00%</u></u>	

Professional and Business Services

Source: Employment Development Department, Labor Market Information Division

Note: Data applies to County of Los Angeles.

(1) Because we have been unable to obtain employment numbers for individual employers we are presenting employment by industry.

Schedule 20
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Number of Employees by Identifiable Activity
Last Ten Fiscal Years

	Full-Time-Equivalent Employees as of June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013 ¹	2014
Solid Waste Management:										
Solid Waste Management	4	3	4	4	2	2	2	2	3	2
Waste-By-Rail	9	10	12	11	10	9	9	7	6	0
Solid Waste Operations	324	334	332	344	299	277	240	215	205	209
Energy Recovery Operations	90	91	93	120	159	153	150	137	114	116
Solid Waste Planning	5	4	2	0	0	0	0	0	0	0
Solid Waste Monitoring & Research	15	14	14	14	0	0	0	0	0	0
Energy Recovery Facilities Engineering	4	5	7	7	0	0	0	0	0	0
Wastewater Management:										
Wastewater Management	4	4	2	7	9	8	7	7	3	3
Industrial Waste	85	84	76	74	76	70	71	70	67	66
Joint Water Pollution Control Plant	372	377	369	326	328	321	307	310	302	297
Wastewater Collection System	115	116	117	121	133	132	130	125	124	130
Water Reclamation Plants	164	164	156	204	208	205	220	219	219	224
Electrical/Instrumentation Engineering Support	0	0	0	0	0	0	0	0	4	6
Engineering:										
Engineering	6	6	4	3	5	5	6	6	6	6
Field Engineering	76	75	74	70	82	78	78	73	66	61
Wastewater & Solid Waste Design	0	0	0	0	0	0	0	61	34	29
Structural Design	21	21	24	23	21	19	19	17	17	16
Electrical & Instrumentation Design	0	0	0	0	0	0	0	0	20	20
Mechanical & Civil Design	0	0	0	0	0	0	0	0	14	12
Sewer Design	0	0	0	0	0	0	0	0	23	24
Engineering Design	59	62	64	58	56	54	46	15	0	0
Electrical Design	21	24	23	20	22	22	21	22	0	0
Wastewater Design	28	26	29	28	25	24	23	0	0	0
Solid Waste Design	0	0	0	12	11	11	9	0	0	0
Technical Services:										
Technical Services	5	6	7	4	5	5	5	5	5	14
Air Quality Engineering	12	11	13	13	13	12	12	12	9	9
Laboratory	146	160	154	166	181	175	173	175	167	163
Monitoring	33	33	32	44	49	45	29	28	25	26
Wastewater Research	14	14	21	26	26	26	25	24	11	11
Water Quality	25	26	27	22	20	19	34	31	26	27
Public Information	11	11	10	12	12	10	10	10	10	0
Research	0	0	0	0	0	0	0	0	11	11
JWPCP Research	7	7	0	0	0	0	0	0	0	0
Administration:										
Financial Management & Facilities Planning	186	195	202	217	223	217	219	214	199	202
Human Resources	35	34	36	38	39	38	33	31	31	22
Total Employees:	1,876	1,917	1,904	1,988	2,014	1,937	1,878	1,816	1,721	1,706

(1) Some minor re-classifications have resulted in the elimination, addition, and modification of some group names in the above table. Eliminated areas will remain so as to reflect past numbers.

Schedule 21
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Operating and Capital Indicators
Last Ten Fiscal Years

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Sewerage Operations										
Miles of trunk lines (approximately)	1,320	1,380	1,386	1,360	1,360	1,395	1,407	1,408	1,410	1,410
Number of pump stations	53	53	54	53	53	52	52	52	49	49
Number of treatment facilities	11	11	11	11	11	11	11	11	11	11
Amount of reclaimed water used (MGD) (1)	61	74	84	76	70	87	75	85	93	91
Number of reuse sites	500	516	531	539	571	624	650	703	720	757
Wastewater discharge inspections conducted	15,185	14,665	14,496	9,880	10,609	10,107	9,255	9,836	10,633	11,070
Solid Waste Operations										
Number of active landfills	3	3	3	3	3	3	3	3	3	3
Solid waste disposal tonnages (2)										
Puente Hills Landfill	3.94	3.85	3.84	3.53	2.79	2.34	1.66	1.80	2.19	0.74
Puente Hills MRF (3)	0.00	0.08	0.10	0.09	0.10	0.12	0.07	0.02	0.04	0.55
South Gate Transfer Station	0.13	0.14	0.12	0.13	0.14	0.12	0.11	0.10	0.11	0.11
DART Facility	0.38	0.34	0.28	0.27	0.21	0.16	0.16	0.13	0.08	0.13
Scholl Canyon Landfill	0.44	0.45	0.42	0.37	0.29	0.25	0.23	0.23	0.21	0.23
Calabasas Landfill	0.55	0.55	0.48	0.44	0.30	0.27	0.26	0.21	0.19	0.24
Total	5.44	5.41	5.24	4.83	3.83	3.26	2.49	2.49	2.82	2.00
Cumulative solid waste disposal tonnages (2)										
Puente Hills Landfill	101.30	105.15	108.99	112.52	115.31	117.65	119.31	121.11	123.30	124.04
Puente Hills MRF (3)	0.00	0.08	0.18	0.27	0.37	0.49	0.56	0.58	0.62	1.17
South Gate Transfer Station	4.89	5.03	5.15	5.28	5.42	5.54	5.65	5.75	5.86	5.97
DART Facility	1.73	2.07	2.35	2.62	2.83	2.99	3.15	3.28	3.36	3.49
Scholl Canyon Landfill	26.21	26.66	27.08	27.45	27.74	27.99	28.22	28.45	28.66	28.89
Calabasas Landfill	21.36	21.91	22.39	22.83	23.13	23.40	23.66	23.87	24.06	24.30
Percentage of total County solid waste disposed of at Districts' landfills										
	40%	40%	40%	40%	35%	31%	31%	33%	37%	24%
Household hazardous waste/electronic waste (HHW/EW) collections - number of households accommodated										
	71,580	64,380	77,574	66,479	62,792	60,726	57,677	57,891	52,850	50,056
Cost to conduct HHW/EW collections (millions)										
	\$4.5	\$4.0	\$5.0	\$4.3	\$4.2	\$4.0	\$3.8	\$3.9	\$3.6	\$3.7

- (1) Millions of gallons per day.
(2) Millions of tons per year.
(3) Began commercial operations in July 2005.

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COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure
June 30, 2014

On April 14, 1993, various Districts of the Los Angeles County Sanitation Districts (Participating Districts) entered in a Joint Exercise of Powers Agreement to form the Los Angeles County Sanitation Districts Financing Authority. The Financing Authority is governed by a Commission that consists of the Chairperson from each Participating District. The Financing Authority was formed to assist the Participating Districts in the planning, financing, development, acquisition, construction, operation, and maintenance of projects relating to the Participating Districts' wastewater management system.

The Financing Authority has no daily operations and does not conduct business on its own behalf. Since the Financing Authority's governing body is entirely comprised of members of the Districts' Boards and the Financing Authority provides services entirely for the Districts, the financial activities of the Financing Authority have been consolidated with the Districts' financial activities for financial reporting purposes.

This Bond Disclosure Section included within the Districts' Comprehensive Annual Financial Report (CAFR) provides the information required by the Continuing Disclosure Agreements (Disclosure Agreements) for the Los Angeles County Sanitation Districts Financing Authority Capital Projects Revenue Bonds, the 2005 Series A District 20 Subordinate Revenue Bonds (2005A District 20 Revenue Bonds), the 2005 Series B District 14 Subordinate Revenue Bonds (2005B District 14 Revenue Bonds), the 2007 Series A District 20 Subordinate Revenue Bonds (2007A District 20 Revenue Bonds), the 2011 Series A Senior Ad Valorem Obligation Bonds (2011 Revenue Bonds), and the 2013 Series A Senior Ad Valorem Obligation Bonds (2013 Revenue Bonds). The material provided under the Disclosure Agreement is intended to comply with the requirements of the Securities and Exchange Commission Rule 15c2-12(b)(5) (the Rule). The CAFR will be filed with each National Repository specified in the Rule, and with any other repository that shall be identified in the future.

ANNUAL REPORT

As required by the Disclosure Agreements, this annual report is incorporated into the CAFR and thus, includes by reference, the audited financial statements of the Districts to comply with requirement 2 below. The annual report also contains the following seven (7) sections as required by the Disclosure Agreements:

- 1) The Financing Authority's audited financial statements, prepared in accordance with accounting principles generally accepted in the United States of America as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board.
- 2) The audited consolidated financial statements for the Districts, prepared in accordance with accounting principles generally accepted in the United States of America as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board.
- 3) The balance in the Reserve Fund, and a statement of the Reserve Requirement, as of December 31, 2014.
- 4) The principal amount of bonds outstanding as of December 31, 2014 and as of December 31, 2013.
- 5) A statement, with respect to each District, as to whether such District incurred any Additional Obligations during the calendar year ending on December 31, 2014.
- 6) The amount of each Senior Obligation and Subordinate Obligation for each District outstanding as of December 31, 2014.
- 7) An update, for the most recently ended fiscal year, of the following information contained in the Official Statements (not including any projections):
 - a. Connection Fee Revenue for District 14 and District 20;
 - b. Estimated Sewage Units by Customer Type, User Fees, and Ad Valorem Taxes;
 - c. Districts' Service Charge Rates;

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

- d. Average Yearly Sewage Flow;
- e. Ten Largest Wastewater Customers (this requirement is fulfilled by Schedule 13 in the Statistical Section of this Financial Statement (page 88));
- f. Fund Balances on June 30, 2014;
- g. Outstanding Obligations;
- h. Districts' Historical Operating Data

REPORTING OF SIGNIFICANT EVENTS

In July 2013, the Districts' Financing Authority issued \$107.6 million in Senior Ad Valorem Revenue Bonds. The purpose of these bonds was to refund and defease the remaining portion of the Authority's outstanding 2003 Series A Bonds at substantially lower interest rates and pay costs of issuance. As a result of the refunding, the Districts realized a net present worth savings of approximately \$28.8 million. These serial bonds mature in varying amounts on October 1 in the years 2013 through 2021 at coupon rates ranging from 1.0% to 5.0%.

During fiscal year 2013-2014, Standard & Poor's Ratings Services raised their rating on the 2005 Series B District 14 Subordinate Revenue Bonds to AA-. During fiscal year 2013-2014, Standard & Poor's Ratings Services raised their financial strength, financial enhancement and issuer credit ratings on National Public Finance (National) to AA-. National insures the 2005 Series A District 20 Subordinate Revenue Bonds.

SECTION 1-The Financing Authority's audited financial statements

Statement of Net Position June 30, 2014

Assets	
Cash and investments with Trustee, restricted as to use	
Cash and cash equivalents	\$ 255,030
Investments	10,427,130
Payments receivable from Participating Districts	573,953,247
Total assets	584,635,407
Deferred Outflow of Resources	
Deferred loss on refunding, net of accumulated amortization of \$4,362,739	17,284,581
Liabilities	
Current liabilities, payable from restricted assets:	
Interest payable	6,302,762
Current portion of bonds payable	29,264,400
Total current liabilities, payable from restricted assets	35,567,162
Long-term liabilities:	
Premium on issue, net of accumulated amortization of \$52,967,079	25,068,064
Due to Participating Districts	20,236,969
Revenue bonds payable	519,620,783
Total liabilities	600,492,978
Net Position	
Restricted for:	
Debt services	4,379,395
Unrestricted	(2,952,385)
Total net position	\$ 1,427,010

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

Statement of Revenues, Expenses, and Changes in Net Position
Fiscal year ended June 30, 2014

Operating revenues-payments from Participating Districts	\$ <u>24,462,945</u>
Nonoperating revenues (expenses):	
Interest revenue	57,753
Interest expense	(23,590,490)
Drawdown expense	(45,362,792)
Bond issuance expense	(457,550)
Unrealized gain on investments	123,480
Amortization of deferred loss on refunding	(1,946,992)
Amortization of bond premium	<u>5,684,468</u>
Net nonoperating expenses	<u>(65,492,123)</u>
Change in net position	(41,029,178)
Total net position, July 1, 2013, as previously reported	47,255,892
Prior period adjustments	<u>(4,799,704)</u>
Total net position, July 1, 2013, as restated	<u>42,456,188</u>
Net position, end of year	\$ <u><u>1,427,010</u></u>

Statement of Cash Flows
Fiscal year ended June 30, 2014

Cash flows from operating activities:	
Receipts from Participating Districts	\$ <u>24,462,945</u>
Cash flows from capital and related financing activities:	
Receipts from Participating Districts	180,389,400
Proceeds from bond sales	107,620,000
Premium proceeds from bond sales	9,840,063
Bond issuance costs	(457,556)
Bond defeasement	(154,293,250)
Construction drawdowns provided to Participating Districts	(1,163)
Principal payments on bonds	(180,389,400)
Interest paid on bonds	<u>(24,487,968)</u>
Net cash used by capital and related financing activities	<u>(61,779,874)</u>
Cash flows from investing activities:	
Interest received on investments	<u>57,764</u>
Net cash provided by investing activities	<u>57,764</u>
Net increase in cash and cash equivalents, restricted as to use	(37,259,165)
Cash and cash equivalents, beginning of fiscal year, restricted as to use	<u>37,514,195</u>
Cash and cash equivalents, end of fiscal year, restricted as to use	\$ <u><u>255,030</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 24,462,845
Net cash provided by operating activities	\$ <u><u>24,462,945</u></u>

Supplemental disclosure of noncash items:

Amortization of premium on revenue bonds payable and deferred loss on refunding of (\$52,967,079) and (4,362,739), respectively.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

SECTION 2-Districts audited consolidated financial statements

The audited consolidated financial statements for the Districts are provided on pages 10-14 of the Financial Section of this CAFR.

SECTION 3-Balance in the Reserve Fund and Statement of Reserve Requirement

As of December 31, 2014, the Reserve Fund for the 2007A District 20 Revenue Bonds had a balance of \$10,719,193 and the Reserve Requirement was \$10,489,070. The Reserve Requirement is the lesser of (a) 10% of the original aggregate principal amount of the bonds (\$13,451,500), (b) the maximum annual debt service (\$12,164,962), or (C) 125% of the average annual debt service (\$10,489,070).

The reserve requirement for the 2005A District 20 Revenue Bonds and the 2005B District 14 Revenue Bonds have been satisfied by Reserve Sureties, therefore no deposits have been made into a Reserve Fund. There is no reserve requirement applicable to the 2011 Revenue Bonds and 2013 Revenue Bonds.

SECTION 4-Principal amount of bonds outstanding

As of December 31, 2014, the total principal amount of bonds outstanding was \$519,620,783.00 and as of December 31, 2013, the total principal amount of bonds outstanding was \$537,650,000.00.

SECTION 5-Additional Obligations

During the calendar year ended December 31, 2014, the Districts incurred the following additional obligations in the form of State Water Resources Control Board Loans.

<u>District</u>		<u>Total</u> <u>Additional Obligation</u>
1	\$	438,007
2		650,839
3		504,671
5		755,526
8		265,669
15		543,188
16		291,840
17		38,023
18		357,023
19		99,255
21		426,650
22		358,011
23		48,887
28		12,345
29		14,814
SBC		133,328
SCV		283,688
		<u>5,221,764</u>

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

SECTION 6-Outstanding Senior and Subordinate Obligations for Each District as of December 31, 2014

	District No. 1	District No. 2	District No. 3	District No. 5	District No. 8	District No. 15
Obligations Constituting Senior A.V. Obligations and Senior Revenue Obligations						
2011 Series A Revenue Bonds	\$ 8,467,743	13,073,411	9,930,494	21,370,052	5,164,011	13,373,167
2013 Series A Revenue Bonds	4,071,625	6,286,221	4,774,973	10,275,555	2,483,061	6,430,347
Total Senior A.V. Obligation	<u>12,539,368</u>	<u>19,359,632</u>	<u>14,705,467</u>	<u>31,645,607</u>	<u>7,647,072</u>	<u>19,803,514</u>
Senior Revenue Obligations						
JWPCP Digestion Tanks 13-16	118,823	176,559	136,907	204,959	72,071	147,356
Primary Sedimentation Tank Covers	149,768	222,541	172,562	258,337	90,840	185,732
Secondary Effluent Pump Station	49,956	74,230	57,559	86,170	30,300	61,952
Biological Reactors/Secondary Clarifiers	4,163,241	6,186,191	4,796,880	7,181,239	2,525,168	5,162,982
Cryogenic Oxygen Generation	852,435	1,266,639	982,174	1,470,378	517,035	1,057,134
Power Generation Equipment Purchase	462,833	687,726	533,275	798,347	280,726	573,975
Waste Activated Sludge Thickening Expansion	167,285	248,571	192,746	288,553	101,465	207,457
Relocating and Installing High-Speed Centrifuge	84,183	125,088	96,996	145,209	51,060	104,398
Installation of Secondary Influent Pumping Equip	189,944	282,238	218,853	327,636	115,208	235,556
Fuel Gas Compressor Upgrade	29,388	43,668	33,861	50,692	17,825	36,445
Modifications of Electrical Power	162,606	241,617	187,354	280,482	98,627	201,653
Primary Screenings and Crit Dewatering Fac.	467,941	695,317	539,161	807,159	283,825	580,311
Environmental Laboratory Building	384,675	571,591	443,221	663,531	233,320	477,049
JWPCP Digestion Tanks 17-23	2,122,373	3,153,650	2,445,395	3,660,914	1,287,302	2,632,030
Modification of Biological Reactors	1,794,163	2,665,961	2,067,232	3,094,780	1,088,230	2,225,005
High-Speed Scroll Centrifuges Purch & Install	206,046	306,165	237,406	355,412	124,975	255,525
Secondary Infl Pump Station Equipment	485,845	721,920	559,789	838,041	294,684	602,513
Silo Odor Control Facilities, Phase I	277,312	412,060	319,518	478,340	168,200	343,904
Silo Odor Control Facilities, Phase II	174,316	259,017	200,846	300,680	105,729	216,175
La Canada Trunk Sewer	-	-	-	-	-	-
La Canada Foothill Main Trunk Sewer	-	-	-	-	-	-
Total Senior Revenue Obligations	<u>12,343,133</u>	<u>18,340,749</u>	<u>14,221,735</u>	<u>21,290,859</u>	<u>7,486,590</u>	<u>15,307,152</u>
Subordinate Revenue Obligations						
Install of Secondary Infl Pumping Equip Stg II	79,156	117,619	91,204	136,538	48,011	98,165
Central Odor Control System	560,149	832,329	645,402	966,209	339,752	694,660
Heat Recovery Steam Generation Equipment	230,929	343,139	266,076	398,333	140,067	286,383
Power Generation Steam Turbine Generator	172,073	255,685	198,263	296,812	104,369	213,394
Pomona WRP NDN Facilities	273,393	406,236	315,002	471,579	165,823	339,044
Pomona WRP NDN Facilities Equip. Purch.	10,124	15,043	11,665	17,463	6,140	12,555
Los Coyotes WRP NDN Facilities	1,088,985	1,618,132	1,254,727	1,878,408	660,512	1,350,489
Los Coyotes WRP Ammonia Addition Station	60,301	89,602	69,479	104,015	36,575	74,782
Long Beach WRP NDN Facilities	273,958	407,076	315,654	472,554	166,166	339,745
Long Beach WRP Ammonia Addition Station	41,621	61,845	47,956	71,793	25,245	51,616
Long Beach WRP NDN Facilities Equipment	26,848	39,894	30,934	46,311	16,284	33,295
Long Beach WRP Aeration System	18,386	27,320	21,185	31,715	11,152	22,802
Long Beach Pumping Plant Upgrades*	1,058,441	1,572,745	1,219,534	1,825,721	641,985	1,312,610
Whittier Narrows WRP NDN Facilities	287,421	427,082	331,166	495,778	174,332	356,441
San Jose Creek WRP NDN Facilities	509,604	757,225	587,165	879,024	309,095	631,978
San Jose Creek WRP NDN Fac. Equipment	74,951	111,371	86,359	129,285	45,461	92,950
Los Coyotes WRP Interceptor Sewer Rehab Phase II	974,215	1,447,593	1,122,489	1,680,438	590,899	1,208,158
Wright Road Truck Sewer Repair	561,609	-	-	-	-	-
District 5 Interceptor Section 2A Rehab*	124,177	184,516	143,077	214,195	75,318	153,996
Alamitos PP Force Main No. 2	-	-	-	-	-	-
Total Subordinate Revenue Obligations	<u>6,426,341</u>	<u>8,714,452</u>	<u>6,757,337</u>	<u>10,116,171</u>	<u>3,557,186</u>	<u>7,273,063</u>
Total Obligations	<u>\$ 31,308,842</u>	<u>46,414,833</u>	<u>35,684,539</u>	<u>63,052,637</u>	<u>18,690,848</u>	<u>42,383,729</u>

*Funds have been received as of December 31, 2014, however, this obligation is not yet in repayment.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

	District No. 16	District No. 17	District No. 18	District No. 19	District No. 21	District No. 22
Obligations Constituting Senior A.V. Obligations and Senior Revenue Obligations						
2011 Series A Revenue Bonds	\$ 8,333,947	1,066,508	7,309,893	2,356,868	7,883,672	6,822,309
2013 Series A Revenue Bonds	4,007,291	512,820	3,514,885	1,133,275	3,790,781	3,280,437
Total Senior A.V. Obligation	<u>12,341,238</u>	<u>1,579,328</u>	<u>10,824,778</u>	<u>3,490,143</u>	<u>11,674,453</u>	<u>10,102,746</u>
Senior Revenue Obligations						
JWPCP Digestion Tanks 13-16	79,170	10,315	96,853	26,926	115,742	97,121
Primary Sedimentation Tank Covers	99,789	13,001	122,077	33,938	145,884	122,414
Secondary Effluent Pump Station	33,285	4,337	40,719	11,320	48,660	40,832
Biological Reactors/Secondary Clarifiers	2,773,929	361,409	3,393,487	943,418	4,055,288	3,402,875
Cryogenic Oxygen Generation	567,969	73,999	694,826	193,167	830,331	696,748
Power Generation Equipment Purchase	308,381	40,178	377,258	104,881	450,831	378,302
Waste Activated Sludge Thickening Expansion	111,461	14,522	136,356	37,908	162,948	136,733
Relocating and Installing High-Speed Centrifuge	56,090	7,308	68,618	19,076	82,000	68,808
Installation of Secondary Influent Pumping Equip	126,558	16,489	154,824	43,042	185,018	155,253
Fuel Gas Compressor Upgrade	19,581	2,551	23,954	6,660	28,626	24,021
Modifications of Electrical Power	108,343	14,116	132,541	36,848	158,390	132,908
Primary Screenings and Grit Dewatering Fac.	311,785	40,622	381,422	106,039	455,808	382,477
Environmental Laboratory Building	256,305	33,393	313,551	87,170	374,700	314,418
JWPCP Digestion Tanks 17-23	1,414,118	184,242	1,729,962	480,944	2,067,340	1,734,747
Modification of Biological Reactors	1,195,435	155,750	1,462,435	406,569	1,747,641	1,466,481
High-Speed Scroll Centrifuges Purch & Install	137,286	17,887	167,949	46,691	200,703	168,414
Secondary Infl Pump Station Equipment	323,714	42,176	396,015	110,096	473,247	397,111
Silo Odor Control Facilities, Phase I	184,770	24,073	226,039	62,841	270,121	226,664
Silo Odor Control Facilities, Phase II	116,145	15,132	142,086	39,501	169,796	142,479
La Canada Trunk Sewer	-	-	-	-	-	-
La Canada Foothill Main Trunk Sewer	-	-	-	-	-	-
Total Senior Revenue Obligations	<u>8,224,114</u>	<u>1,071,500</u>	<u>10,060,972</u>	<u>2,797,035</u>	<u>12,023,074</u>	<u>10,088,806</u>
Subordinate Revenue Obligations						
Install of Secondary Infl Pumping Equip Stg II	52,741	6,872	64,521	17,937	77,104	64,699
Central Odor Control System	373,222	48,626	456,581	126,933	545,624	457,844
Heat Recovery Steam Generation Equipment	153,866	20,047	188,232	52,330	224,941	188,753
Power Generation Steam Turbine Generator	114,651	14,938	140,258	38,993	167,612	140,646
Pomona WRP NDN Facilities	182,159	23,733	222,844	61,953	266,303	223,461
Pomona WRP NDN Facilities Equip. Purch.	6,745	879	8,252	2,294	9,861	8,275
Los Coyotes WRP NDN Facilities	725,581	94,534	887,640	246,771	1,060,748	890,095
Los Coyotes WRP Ammonia Addition Station	40,178	5,235	49,152	13,665	58,738	49,288
Long Beach WRP NDN Facilities	182,536	23,782	223,305	62,081	266,854	223,923
Long Beach WRP Ammonia Addition Station	27,732	3,613	33,926	9,432	40,542	34,020
Long Beach WRP NDN Facilities Equipment	17,889	2,331	21,884	6,084	26,152	21,945
Long Beach WRP Aeration System	12,251	1,596	14,987	4,166	17,910	15,028
Long Beach Pumping Plant Upgrades*	705,229	91,883	862,742	239,850	1,030,995	865,129
Whittier Narrows WRP NDN Facilities	191,506	24,951	234,279	65,132	279,968	234,927
San Jose Creek WRP NDN Facilities	339,545	44,238	415,382	115,480	496,390	416,531
San Jose Creek WRP NDN Fac. Equipment	49,939	6,506	61,093	16,984	73,008	61,262
Los Coyotes WRP Interceptor Sewer Rehab Phase II	649,110	84,571	794,089	220,763	948,953	796,286
Wright Road Truck Sewer Repair	-	-	-	-	-	-
District 5 Interceptor Section 2A Rehab*	82,738	10,780	101,218	28,139	120,957	101,498
Alamitos PP Force Main No. 2	-	-	-	-	-	-
Total Subordinate Revenue Obligations	<u>3,907,618</u>	<u>509,115</u>	<u>4,780,385</u>	<u>1,328,987</u>	<u>5,712,660</u>	<u>4,793,610</u>
Total Obligations	\$ <u>24,472,970</u>	<u>3,159,943</u>	<u>25,666,135</u>	<u>7,616,165</u>	<u>29,410,187</u>	<u>24,985,162</u>

*Funds have been received as of December 31, 2014, however, this obligation is not yet in repayment.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

	District No. 23	District No. 28	District No. 29	South Bay Cities
Obligations Constituting Senior A.V. Obligations and Senior Revenue Obligations				
2011 Series A Revenue Bonds	\$ 1,440,880	376,945	118,358	3,644,655
2013 Series A Revenue Bonds	692,832	181,250	56,911	1,752,494
Total Senior A.V. Obligation	<u>2,133,712</u>	<u>558,195</u>	<u>175,269</u>	<u>5,397,149</u>
Senior Revenue Obligations				
JWPCP Digestion Tanks 13-16	13,262	3,349	4,019	36,169
Primary Sedimentation Tank Covers	16,716	4,221	5,065	45,589
Secondary Effluent Pump Station	5,576	1,408	1,690	15,206
Biological Reactors/Secondary Clarifiers	464,668	117,341	140,809	1,267,277
Cryogenic Oxygen Generation	95,142	24,026	28,831	259,478
Power Generation Equipment Purchase	51,658	13,045	15,654	140,885
Waste Activated Sludge Thickening Expansion	18,671	4,715	5,658	50,921
Relocating and Installing High-Speed Centrifuge	9,396	2,373	2,847	25,625
Installation of Secondary Influent Pumping Equip	21,200	5,354	6,424	57,818
Fuel Gas Compressor Upgrade	3,280	828	994	8,946
Modifications of Electrical Power	18,149	4,583	5,500	49,497
Primary Screenings and Grit Dewatering Fac.	52,228	13,189	15,827	142,440
Environmental Laboratory Building	42,934	10,842	13,010	117,094
JWPCP Digestion Tanks 17-23	236,883	59,819	71,783	646,044
Modification of Biological Reactors	200,250	50,568	60,682	546,138
High-Speed Scroll Centrifuges Purch & Install	22,997	5,807	6,969	62,720
Secondary Infl Pump Station Equipment	54,226	13,693	16,432	147,890
Silo Odor Control Facilities, Phase I	30,951	7,816	9,379	84,413
Silo Odor Control Facilities, Phase II	19,456	4,913	5,896	53,061
La Canada Trunk Sewer	-	171,785	-	-
La Canada Foothill Main Trunk Sewer	-	567,835	-	-
Total Senior Revenue Obligations	<u>1,377,643</u>	<u>1,087,510</u>	<u>417,469</u>	<u>3,757,211</u>
Subordinate Revenue Obligations				
Install of Secondary Infl Pumping Equip Stg II	8,835	2,231	2,677	24,095
Central Odor Control System	62,519	15,788	18,945	170,507
Heat Recovery Steam Generation Equipment	25,775	6,509	7,810	70,294
Power Generation Steam Turbine Generator	19,205	4,850	5,820	52,379
Pomona WRP NDN Facilities	30,514	7,706	9,247	83,220
Pomona WRP NDN Facilities Equip. Purch.	1,130	285	342	3,082
Los Coyotes WRP NDN Facilities	121,544	30,693	36,832	331,484
Los Coyotes WRP Ammonia Addition Station	6,730	1,700	2,040	18,356
Long Beach WRP NDN Facilities	30,577	7,721	9,266	83,392
Long Beach WRP Ammonia Addition Station	4,645	1,173	1,408	12,669
Long Beach WRP NDN Facilities Equipment	2,997	757	908	8,172
Long Beach WRP Aeration System	2,052	518	622	5,597
Long Beach Pumping Plant Upgrades*	118,135	29,832	35,798	322,186
Whittier Narrows WRP NDN Facilities	32,080	8,101	9,721	87,490
San Jose Creek WRP NDN Facilities	56,878	14,363	17,236	155,122
San Jose Creek WRP NDN Fac. Equipment	8,365	2,112	2,535	22,815
Los Coyotes WRP Interceptor Sewer Rehab Phase II	108,734	27,458	32,950	296,548
Wright Road Truck Sewer Repair	-	-	-	-
District 5 Interceptor Section 2A Rehab*	13,860	3,500	4,200	37,799
Alamitos PP Force Main No. 2	-	-	922,371	-
Total Subordinate Revenue Obligations	<u>654,575</u>	<u>165,297</u>	<u>1,120,728</u>	<u>1,785,207</u>
Total Obligations	<u>\$ 4,165,930</u>	<u>1,811,002</u>	<u>1,713,466</u>	<u>10,939,567</u>

*Funds have been received as of December 31, 2014, however, this obligation is not yet in repayment.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

	District No. 4	District No. 9	District No. 14	District No. 20	District No. 27	Santa Clarita Valley
Obligations Constituting Senior A.V. Obligations and Senior Revenue Obligations:						
2011 Series A Revenue Bonds	\$ 1,263,343	177,537	1,792,095	1,493,627	248,295	12,942,190
2013 Series A Revenue Bonds	607,465	85,367	861,710	718,194	119,390	6,223,116
Total Senior A.V. Obligation	<u>1,870,808</u>	<u>262,904</u>	<u>2,653,805</u>	<u>2,211,821</u>	<u>367,685</u>	<u>19,165,306</u>
Senior Revenue Obligations						
Valencia WRP Solids Processing Expansion	-	-	-	-	-	3,225,548
Valencia WRP Stage V Expansion-Equipment	-	-	-	-	-	564,110
Total Senior Revenue Obligations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,789,658</u>
Subordinate Revenue Obligations						
2005 Series A Revenue Bonds	-	-	-	20,485,000	-	-
2005 Series B Revenue Bonds	-	-	167,625,000	-	-	-
2007 Series A Revenue Bonds	-	-	-	131,170,000	-	-
Lancaster - Rosamond Outfall & TS, Phase 1	-	-	4,643,686	-	-	-
Lancaster - Rosamond Outfall & TS, Phase 2	-	-	8,068,195	-	-	-
Lancaster - Rosamond Outfall & TS, Phase 3	-	-	7,401,096	-	-	-
Valencia WRP Stage V Expansion	-	-	-	-	-	20,949,624
Saugus WRP Equipment Purchases	-	-	-	-	-	891,299
Lancaster WRP Stage V Expansion, Phase I	-	-	66,893,324	-	-	-
Palmdale WRP Stage V Expansion, Phase I	-	-	-	56,152,969	-	-
Valencia WRP Steam Boiler Upgrade*	-	-	-	-	-	283,688
Total Subordinate Revenue Obligations	<u>-</u>	<u>-</u>	<u>254,631,301</u>	<u>207,807,969</u>	<u>-</u>	<u>22,124,611</u>
Total Obligations	\$ <u>1,870,808</u>	<u>262,904</u>	<u>257,285,106</u>	<u>210,019,790</u>	<u>367,685</u>	<u>45,079,575</u>

*Funds have been received as of December 31, 2014, however, this obligation is not yet in repayment.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

SECTION 7-Updated Tables contained in the Official Statements.

DISTRICT 14 & 20 CONNECTION FEE REVENUE

Fiscal Year	District 14				District 20			
	Rates	Collected	Refunds ⁽¹⁾	Net Revenue	Rates	Collected	Refunds ⁽¹⁾	Net Revenue
2004-05	2,250	8,392,604	(52,811)	8,339,793	2,250	4,739,932	(2,168)	4,737,764
2005-06	2,720	8,409,831	(71,191)	8,338,640	2,720	5,622,037	(576,748)	5,045,289
2006-07	3,190	5,507,244	(45,224)	5,462,020	3,190	5,031,582	(331,353)	4,700,229
2007-08	4,190	2,738,880	(411,489)	2,327,391	4,190	4,961,208	(210,430)	4,750,778
2008-09	5,190	2,426,772	(94,268)	2,332,504	5,190	727,392	(15,570)	711,822
2009-10	6,190	2,025,259	(121,825)	1,903,434	6,190	812,715	-	812,715
2010-11	6,190	971,121	(50,758)	920,363	6,190	588,102	-	588,102
2011-12	6,190	956,410	-	956,410	6,190	477,727	(1,532)	476,195
2012-13	6,190	2,159,862	-	2,159,862	6,190	1,098,476	-	1,098,476
2013-14	6,190	995,679	-	995,679	6,190	386,129	-	386,129

(1) Refunds are reflected on this schedule during the fiscal year in which the fees were collected, not the fiscal year in which the refund was processed.

**SEWAGE UNITS BY CUSTOMER TYPE,
USER FEES AND AD VALOREM TAXES
Fiscal Year 2013-14**

District	Number of Sewage Units ⁽¹⁾				Sewage Units	User Fees ⁽²⁾	A.V. Taxes ⁽²⁾
	Residential	Commercial	Industrial	Contract			
JO System	1,211,795	528,504	230,471	18,365	1,989,135	\$293,362,754	\$47,607,485
14	56,452	13,869	2,507	1,094	73,922	33,476,010	812,372
20	35,280	9,075	289	28	44,672	21,344,373	846,234
SCV	72,015	26,018	1,121	3,574	102,728	23,999,873	5,208,043
4	10,031	15,917	129		26,077	3,733,579	409,051
9	423	676			1,099	66,393	72,726
27	494	64			558	0	254,873
TOTAL:	1,386,490	594,123	234,517	23,061	2,238,191	\$375,982,982	\$55,210,784

⁽¹⁾ A sewage unit is the average daily quantity of sewage flow and strength from a single family home.

⁽²⁾ Amounts based on receipt of funds for Fiscal Year 2013-14 and actual billings.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

DISTRICTS' SERVICE CHARGE RATES
(Dollars Per Single Family Home Per Year)

District (JO) ⁽¹⁾	Fiscal Year 2009-10	Fiscal Year 2010-11	Fiscal Year 2011-12	Fiscal Year 2012-13	Fiscal Year 2013-14
1	\$ 138	\$ 152	\$ 154	\$ 156	\$ 158
2	133	147	148	149	150
3	134	148	150	152	154
5	118	130	132	134	136
8	121	135	139	143	147
15	119	130	132	134	136
16	122	133	135	137	139
17	123	134	136	138	140
18	134	148	149	150	151
19	132	146	148	150	152
21	131	145	146	147	148
22	131	143	145	147	149
23	101	112	114	116	118
28 ³	324	335	336	337	338
28 ³	116	127	128	129	130
29	322	328	340	340	340
SBC	108	119	121	121	122
(Non-JO)^{(1),(2)}					
4	150	150	150	150	150
9	78	78	78	78	78
14	310	360	360	448	472
20	326	381	429	477	525
SCV	199	199	215	231	247

⁽¹⁾ JO indicated Joint Outfall.

⁽²⁾ District No. 27 does not have any service charge rate in effect as its other revenues have been sufficient to meet expenses. District No. 27 does have a Master Service Charge Ordinance in place should the need for a service charge arise.

⁽³⁾ Beginning in Fiscal Year 1999-00 District No. 28 had two service charge rates. The first rate is for those users directly connected to the La Canada Outfall Trunk Sewer or the Foothill Main Trunk Sewer or tributary to the La Canada WRP; the second for those users within the City of La Canada Flintridge Assessment District.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

FUND BALANCES ON JUNE 30, 2014

Districts	Operating Fund		Capital Improvement Fund
	Total Fund	Available as Rate	Total Fund
		Stabilization Fund	
1	31,973,870	30,959,000	38,005,519
2	61,880,229	65,422,000	51,321,640
3	45,593,995	44,741,000	31,741,007
4	35,242,123	33,878,000	5,510,196
5	70,832,078	76,939,000	46,210,062
8	11,658,835	11,762,000	30,209,328
9	4,621,741	3,116,000	432,199
14	37,743,389	31,624,000	9,998,330
15	60,169,296	61,546,000	40,726,881
16	41,529,212	41,996,000	20,023,690
17	7,140,641	5,556,000	3,031,364
18	27,561,997	27,871,000	29,089,411
19	11,255,121	11,482,000	9,006,293
20	19,247,483	18,120,000	179,410
21	42,387,350	42,653,000	39,890,286
22	44,362,124	44,352,000	25,615,037
23	13,093,662	12,039,000	5,105,729
27	419,473	375,000	22,083
28	5,635,373	3,303,000	284,959
29	3,299,211	1,999,000	1,330,768
SBC	26,458,264	26,100,000	9,737,423
SCV	27,832,392	24,746,000	67,931,626
Total	629,937,859	620,579,000	465,403,241

AVERAGE YEARLY FLOW FROM THE PARTICIPATING DISTRICTS⁽¹⁾
 Fiscal Years 2009-2010 Through 2013-14
 (In Millions Of Gallons Per Day)

District	Fiscal Year 2009-10	Fiscal Year 2010-11	Fiscal Year 2011-12	Fiscal Year 2012-13	Fiscal Year 2013-14
JO System ⁽²⁾	416.38	402.00	389.58	386.21	376.58
14	14.13	1.50	14.00	14.62	13.40
20	9.36	9.51	9.23	9.26	9.23
SCV	20.41	19.95	19.73	19.85	19.52
TOTAL:	460.28	444.96	432.54	429.94	418.73

⁽¹⁾ The flow from Districts Nos. 4, 9 and 27 is disposed of through the City sewerage system.

⁽²⁾ Joint Outfall System is comprised of Districts Nos. 1, 2, 3, 5, 8, 15, 16, 17, 18, 19, 21, 22, 23, 28, 29, 34 and SBC.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

Outstanding Senior and Subordinate Obligations

	<u>Outstanding Balance</u>
	<u>December 31, 2014</u>
Obligations Constituting Senior A.V. Obligations	
and Senior Revenue Obligations:	
2011 Series A Revenue Bonds	\$ 128,650,000
2013 Series A Revenue Bonds	61,860,000
Total Senior A.V. Obligation	<u>190,510,000</u>
Senior Revenue Obligations	
JWPCP Digestion Tanks 13-16	1,339,601
Primary Sedimentation Tank Covers	1,688,475
Secondary Effluent Pump Station	563,200
Biological Reactors/Secondary Clarifiers	46,936,200
Cryogenic Oxygen Generation	9,610,312
Power Generation Equipment Purchase	5,217,955
Waste Activated Sludge Thickening Expansion	1,885,969
Relocating and Installing High-Speed Centrifuge	949,076
Installation of Secondary Influent Pumping Equip	2,141,415
Fuel Gas Compressor Upgrade	331,320
Modifications of Electrical Power	1,833,213
Primary Screenings and Grit Dewatering Fac.	5,275,550
Environmental Laboratory Building	4,336,805
JWPCP Digestion Tanks 17-23	23,927,545
Modification of Biological Reactors	20,227,321
High-Speed Scroll Centrifuges Purch & Install	2,322,952
Secondary Infl Pump Station Equipment	5,477,391
Valencia WRP Solids Processing Expansion	3,225,548
Valencia WRP Stage V Expansion-Equipment	564,110
La Canada Trunk Sewer	171,785
La Canada Foothill Main Trunk Sewer	567,835
Silo Odor Control Facilities, Phase I	3,126,402
Silo Odor Control Facilities, Phase II	1,965,227
Total Senior Revenue Obligations	<u>143,685,207</u>
Subordinate Revenue Obligations:	
2005 Series A Revenue Bonds	20,485,000
2005 Series B Revenue Bonds	167,625,000
2007 Series A Revenue Bonds	131,170,000
Install of Secondary Infl Pumping Equip Stg II	892,406
Central Odor Control System	6,315,092
Heat Recovery Steam Generation Equipment	2,603,485
Power Generation Steam Turbine Generator	1,939,949
Pomona WRP NDN Facilities	3,082,216
Pomona WRP NDN Facilities Equip. Purch.	114,135
Los Coyotes WRP NDN Facilities	12,277,174
Los Coyotes WRP Ammonia Addition Station	679,836
Long Beach WRP NDN Facilities	3,088,588
Long Beach WRP Ammonia Addition Station	469,235
Long Beach WRP NDN Facilities Equipment	302,684
Long Beach WRP Aeration System	207,287
Long Beach Pumping Plant Upgrades*	11,932,814
Whittier Narrows WRP NDN Facilities	3,240,376

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

	Outstanding Balance December 31, 2014
Subordinate Revenue Obligations (Continued):	
San Jose Creek WRP NDN Facilities	5,745,256
San Jose Creek WRP NDN Fac. Equipment	844,997
Lancaster - Rosamond Outfall & TS, Phase 1	4,643,686
Lancaster - Rosamond Outfall & TS, Phase 2	8,068,195
Lancaster - Rosamond Outfall & TS, Phase 3	7,401,096
Valencia WRP Stage V Expansion	20,949,624
Saugus WRP Equipment Purchases	891,299
Lancaster WRP Stage V Expansion, Phase I	66,893,324
Palmdale WRP Stage V Expansion, Phase I	56,152,969
Valencia WRP Steam Boiler Upgrade*	4,335,543
Los Coyotes WRP Interceptor Sewer Rehab Phase II	10,983,256
Wright Road Truck Sewer Repair	561,609
District 5 Interceptor Section 2A Rehab	1,399,967
Alamitos PP Force Main No. 2	922,371
Total Subordinate Revenue Obligations	556,218,469
Total Obligations	\$ 890,413,676

*Funds have been received as of December 31, 2014, however, this obligation is not yet in repayment.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

DISTRICTS' HISTORICAL OPERATING DATA
\$000

<u>District No. 1</u>	<u>Fiscal Year 2010/11</u>	<u>Fiscal Year 2011/12</u>	<u>Fiscal Year 2012/13</u>	<u>Fiscal Year 2013/14</u>
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 30,251	\$ 28,932	\$ 29,407	\$ 29,838
A.V. Tax	2,458	2,607	3,352	2,631
Interest	989	668	489	488
Rate Stabilization Fund ⁽²⁾	-	-	-	-
Subtotal	<u>33,698</u>	<u>32,207</u>	<u>33,248</u>	<u>32,957</u>
CIF Pledged for Debt ⁽³⁾	<u>154</u>	<u>154</u>	<u>152</u>	<u>40</u>
Total Revenue for Senior Calculation	33,852	32,361	33,400	32,997
CIF Connection Fee Revenue ⁽³⁾	<u>1,557</u>	<u>1,409</u>	<u>1,408</u>	<u>2,737</u>
Total Revenue for Subordinate Calculation	35,255	33,616	34,656	35,694
EXPENSES⁽⁴⁾				
Total O&M	20,764	21,513	21,238	22,586
Rate Stabilization Fund ⁽⁵⁾	<u>3,833</u>	<u>1,169</u>	<u>3,347</u>	<u>1,015</u>
Total	24,597	22,682	24,585	23,601
DEBT SERVICE PAYMENTS				
Senior				
State Loans	1,977	2,042	1,995	1,546
Revenue Bonds	<u>2,250</u>	<u>2,209</u>	<u>2,194</u>	<u>2,192</u>
Total Senior Debt Payments	4,227	4,251	4,189	3,738
Subordinate				
State Loans	251	290	324	468
Revenue Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Subordinate Debt Payments	251	290	324	468
Total Debt Service	4,478	4,541	4,513	4,206
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	2.13	2.21	2.03	2.39
SUBORDINATE	<u>2.38</u>	<u>2.41</u>	<u>2.23</u>	<u>2.88</u>

⁽¹⁾ Fiscal Year 2013-2014 operating revenues includes service charge refunds related to prior years. The program that provided for these refunds will end July 1, 2015.

⁽²⁾ These funds were expensed in prior years and are being used to pay unexpected operating costs and thereby minimize the impact on the Districts' ratepayers.

⁽³⁾ Beginning fiscal year 2005-06, all connection fees pledged for repayment of debt were considered in calculating senior debt service coverage, while all connection fees collected were considered in calculating subordinate debt service coverage.

⁽⁴⁾ Does not include depreciation.

⁽⁵⁾ These funds are being set aside to minimize the impact on the Districts' ratepayers in the event of future unexpected operating costs.

⁽⁶⁾ Senior debt coverage calculation includes a deduction for subordinate debt payments pursuant to the applicable rate covenants. The subordinate debt coverage calculation is based on total debt service.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

DISTRICTS' HISTORICAL OPERATING DATA

\$000

<u>District No. 2</u>	<u>Fiscal Year 2010/11</u>	<u>Fiscal Year 2011/12</u>	<u>Fiscal Year 2012/13</u>	<u>Fiscal Year 2013/14</u>
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 45,404	\$ 41,384	\$ 43,603	\$ 41,755
A.V. Tax	4,909	5,084	6,944	5,248
Interest	1,795	1,220	833	784
Rate Stabilization Fund ⁽²⁾	-	-	-	3,542
Subtotal	<u>52,108</u>	<u>47,688</u>	<u>51,380</u>	<u>51,329</u>
CIF Pledged for Debt ⁽³⁾	<u>233</u>	<u>231</u>	<u>232</u>	<u>61</u>
Total Revenue for Senior Calculation	52,341	47,919	51,612	51,390
CIF Connection Fee Revenue ⁽³⁾	<u>2,063</u>	<u>1,996</u>	<u>2,351</u>	<u>3,548</u>
Total Revenue for Subordinate Calculation	54,171	49,684	53,731	54,877
EXPENSES⁽⁴⁾				
Total O&M	32,052	32,538	32,728	34,207
Rate Stabilization Fund ⁽⁵⁾	<u>5,999</u>	<u>2,471</u>	<u>4,371</u>	<u>-</u>
Total	38,051	35,009	37,099	34,207
DEBT SERVICE PAYMENTS				
Senior				
State Loans	2,988	3,007	2,977	2,332
Revenue Bonds	<u>3,472</u>	<u>3,411</u>	<u>3,386</u>	<u>3,384</u>
Total Senior Debt Payments	6,460	6,418	6,363	5,716
Subordinate				
State Loans	380	435	493	644
Revenue Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Subordinate Debt Payments	380	435	493	644
Total Debt Service	6,840	6,853	6,856	6,360
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	2.15	1.94	2.20	2.89
SUBORDINATE	<u>2.36</u>	<u>2.14</u>	<u>2.43</u>	<u>3.25</u>

⁽¹⁾ Fiscal Year 2013-2014 operating revenues includes service charge refunds related to prior years. The program that provided for these refunds will end July 1, 2015.

⁽²⁾ These funds were expensed in prior years and are being used to pay unexpected operating costs and thereby minimize the impact on the Districts' ratepayers.

⁽³⁾ Beginning fiscal year 2005-06, all connection fees pledged for repayment of debt were considered in calculating senior debt service coverage, while all connection fees collected were considered in calculating subordinate debt service coverage.

⁽⁴⁾ Does not include depreciation.

⁽⁵⁾ These funds are being set aside to minimize the impact on the Districts' ratepayers in the event of future unexpected operating costs.

⁽⁶⁾ Senior debt coverage calculation includes a deduction for subordinate debt payments pursuant to the applicable rate covenants. The subordinate debt coverage calculation is based on total debt service.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

DISTRICTS' HISTORICAL OPERATING DATA \$000

<u>District No. 3</u>	<u>Fiscal Year 2010/11</u>	<u>Fiscal Year 2011/12</u>	<u>Fiscal Year 2012/13</u>	<u>Fiscal Year 2013/14</u>
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 34,830	\$ 33,070	\$ 33,314	\$ 33,003
A.V. Tax	3,612	3,928	6,083	4,278
Interest	1,082	732	526	541
Rate Stabilization Fund ⁽²⁾	-	-	-	-
Subtotal	<u>39,524</u>	<u>37,730</u>	<u>39,923</u>	<u>37,822</u>
CIF Pledged for Debt ⁽³⁾	<u>179</u>	<u>179</u>	<u>178</u>	<u>47</u>
Total Revenue for Senior Calculation	39,703	37,909	40,101	37,869
CIF Connection Fee Revenue ⁽³⁾	<u>1,444</u>	<u>1,473</u>	<u>1,860</u>	<u>2,478</u>
Total Revenue for Subordinate Calculation	40,968	39,203	41,783	40,300
EXPENSES⁽⁴⁾				
Total O&M	23,651	23,987	24,123	25,805
Rate Stabilization Fund ⁽⁵⁾	<u>5,366</u>	<u>3,418</u>	<u>6,040</u>	<u>853</u>
Total	<u>29,017</u>	<u>27,405</u>	<u>30,163</u>	<u>26,658</u>
DEBT SERVICE PAYMENTS				
Senior				
State Loans	2,307	2,317	2,281	1,788
Revenue Bonds	<u>2,638</u>	<u>2,591</u>	<u>2,572</u>	<u>2,570</u>
Total Senior Debt Payments	4,945	4,908	4,853	4,358
Subordinate				
State Loans	293	337	378	494
Revenue Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Subordinate Debt Payments	293	337	378	494
Total Debt Service	5,238	5,245	5,231	4,852
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	2.10	2.07	1.97	2.46
<u>SUBORDINATE</u>	<u>2.28</u>	<u>2.25</u>	<u>2.22</u>	<u>2.81</u>

⁽¹⁾ Fiscal Year 2013-2014 operating revenues includes service charge refunds related to prior years. The program that provided for these refunds will end July 1, 2015.

⁽²⁾ These funds were expensed in prior years and are being used to pay unexpected operating costs and thereby minimize the impact on the Districts' ratepayers.

⁽³⁾ Beginning fiscal year 2005-06, all connection fees pledged for repayment of debt were considered in calculating senior debt service coverage, while all connection fees collected were considered in calculating subordinate debt service coverage.

⁽⁴⁾ Does not include depreciation.

⁽⁵⁾ These funds are being set aside to minimize the impact on the Districts' ratepayers in the event of future unexpected operating costs.

⁽⁶⁾ Senior debt coverage calculation includes a deduction for subordinate debt payments pursuant to the applicable rate covenants. The subordinate debt coverage calculation is based on total debt service.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

DISTRICTS' HISTORICAL OPERATING DATA
\$000

District No. 5	Fiscal Year 2010/11	Fiscal Year 2011/12	Fiscal Year 2012/13	Fiscal Year 2013/14
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 48,678	\$ 44,632	\$ 46,579	\$ 44,901
A.V. Tax	8,882	8,906	10,480	8,661
Interest	2,018	1,335	894	849
Rate Stabilization Fund ⁽²⁾	-	-	-	6,107
Subtotal	<u>59,578</u>	<u>54,873</u>	<u>57,953</u>	<u>60,518</u>
CIF Pledged for Debt ⁽³⁾	265	267	273	71
Total Revenue for Senior Calculation	<u>59,843</u>	<u>55,140</u>	<u>58,226</u>	<u>60,589</u>
CIF Connection Fee Revenue ⁽³⁾	2,209	2,405	3,030	4,018
Total Revenue for Subordinate Calculation	<u>61,787</u>	<u>57,278</u>	<u>60,983</u>	<u>64,536</u>
EXPENSES⁽⁴⁾				
Total O&M	36,475	37,903	38,692	40,506
Rate Stabilization Fund ⁽⁵⁾	11,869	398	3,357	-
Total	<u>48,344</u>	<u>38,301</u>	<u>42,049</u>	<u>40,506</u>
DEBT SERVICE PAYMENTS				
Senior				
State Loans	3,404	3,466	3,506	2,716
Revenue Bonds	5,677	5,576	5,535	5,530
Total Senior Debt Payments	<u>9,081</u>	<u>9,042</u>	<u>9,041</u>	<u>8,246</u>
Subordinate				
State Loans	433	503	581	751
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>433</u>	<u>503</u>	<u>581</u>	<u>751</u>
Total Debt Service	9,514	9,545	9,622	8,997
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	1.22	1.81	1.73	2.34
SUBORDINATE	1.41	1.99	1.97	2.67

⁽¹⁾ Fiscal Year 2013-2014 operating revenues includes service charge refunds related to prior years. The program that provided for these refunds will end July 1, 2015.

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⁽³⁾ Beginning fiscal year 2005-06, all connection fees pledged for repayment of debt were considered in calculating senior debt service coverage, while all connection fees collected were considered in calculating subordinate debt service coverage.

⁽⁴⁾ Does not include depreciation.

⁽⁵⁾ These funds are being set aside to minimize the impact on the Districts' ratepayers in the event of future unexpected operating costs.

⁽⁶⁾ Senior debt coverage calculation includes a deduction for subordinate debt payments pursuant to the applicable rate covenants. The subordinate debt coverage calculation is based on total debt service.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

DISTRICTS' HISTORICAL OPERATING DATA
\$000

District No. 8	Fiscal Year 2010/11	Fiscal Year 2011/12	Fiscal Year 2012/13	Fiscal Year 2013/14
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 20,694	\$ 18,660	\$ 19,399	\$ 19,512
A.V. Tax	1,706	1,735	2,051	1,681
Interest	672	450	316	284
Rate Stabilization Fund ⁽²⁾	-	-	645	103
Subtotal	<u>23,072</u>	<u>20,845</u>	<u>22,411</u>	<u>21,580</u>
CIF Pledged for Debt ⁽³⁾	102	99	96	24
Total Revenue for Senior Calculation	<u>23,174</u>	<u>20,944</u>	<u>22,507</u>	<u>21,604</u>
CIF Connection Fee Revenue ⁽³⁾	1,045	905	1,091	1,545
Total Revenue for Subordinate Calculation	<u>24,117</u>	<u>21,750</u>	<u>23,502</u>	<u>23,125</u>
EXPENSES⁽⁴⁾				
Total O&M	15,760	15,369	15,379	15,293
Rate Stabilization Fund ⁽⁵⁾	977	766	-	-
Total	<u>16,737</u>	<u>16,135</u>	<u>15,379</u>	<u>15,293</u>
DEBT SERVICE PAYMENTS				
Senior				
State Loans	1,308	1,280	1,236	934
Revenue Bonds	1,372	1,348	1,338	1,336
Total Senior Debt Payments	<u>2,680</u>	<u>2,628</u>	<u>2,574</u>	<u>2,270</u>
Subordinate				
State Loans	166	186	205	258
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>166</u>	<u>186</u>	<u>205</u>	<u>258</u>
Total Debt Service	2,846	2,814	2,779	2,528
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	2.34	1.76	2.69	2.67
SUBORDINATE	2.59	2.00	2.92	3.10

⁽¹⁾ Fiscal Year 2013-2014 operating revenues includes service charge refunds related to prior years. The program that provided for these refunds will end July 1, 2015.

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⁽³⁾ Beginning fiscal year 2005-06, all connection fees pledged for repayment of debt were considered in calculating senior debt service coverage, while all connection fees collected were considered in calculating subordinate debt service coverage.

⁽⁴⁾ Does not include depreciation.

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⁽⁶⁾ Senior debt coverage calculation includes a deduction for subordinate debt payments pursuant to the applicable rate covenants. The subordinate debt coverage calculation is based on total debt service.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

DISTRICTS' HISTORICAL OPERATING DATA
\$000

District No. 15	Fiscal Year 2010/11	Fiscal Year 2011/12	Fiscal Year 2012/13	Fiscal Year 2013/14
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 33,941	\$ 31,447	\$ 33,145	\$ 32,776
A.V. Tax	5,305	5,461	6,542	5,548
Interest	1,614	1,053	714	700
Rate Stabilization Fund ⁽²⁾	-	-	-	1,377
Subtotal	<u>40,860</u>	<u>37,961</u>	<u>40,401</u>	<u>40,401</u>
CIF Pledged for Debt ⁽³⁾	191	193	193	50
Total Revenue for Senior Calculation	<u>41,051</u>	<u>38,154</u>	<u>40,594</u>	<u>40,451</u>
CIF Connection Fee Revenue ⁽³⁾	1,565	1,691	1,852	2,890
Total Revenue for Subordinate Calculation	<u>42,425</u>	<u>39,652</u>	<u>42,253</u>	<u>43,291</u>
EXPENSES⁽⁴⁾				
Total O&M	25,395	26,175	26,281	27,357
Rate Stabilization Fund ⁽⁵⁾	8,150	4,450	5,350	-
Total	<u>33,545</u>	<u>30,625</u>	<u>31,631</u>	<u>27,357</u>
DEBT SERVICE PAYMENTS				
Senior				
State Loans	2,459	2,505	2,475	1,908
Revenue Bonds	3,552	3,490	3,464	3,461
Total Senior Debt Payments	<u>6,011</u>	<u>5,995</u>	<u>5,939</u>	<u>5,369</u>
Subordinate				
State Loans	312	364	410	528
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>312</u>	<u>364</u>	<u>410</u>	<u>528</u>
Total Debt Service	6,323	6,359	6,349	5,897
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	1.20	1.20	1.44	2.34
<u>SUBORDINATE</u>	<u>1.40</u>	<u>1.42</u>	<u>1.67</u>	<u>2.70</u>

⁽¹⁾ Fiscal Year 2013-2014 operating revenues includes service charge refunds related to prior years. The program that provided for these refunds will end July 1, 2015.

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⁽³⁾ Beginning fiscal year 2005-06, all connection fees pledged for repayment of debt were considered in calculating senior debt service coverage, while all connection fees collected were considered in calculating subordinate debt service coverage.

⁽⁴⁾ Does not include depreciation.

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⁽⁶⁾ Senior debt coverage calculation includes a deduction for subordinate debt payments pursuant to the applicable rate covenants. The subordinate debt coverage calculation is based on total debt service.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

DISTRICTS' HISTORICAL OPERATING DATA
\$000

District No. 16	Fiscal Year 2010/11	Fiscal Year 2011/12	Fiscal Year 2012/13	Fiscal Year 2013/14
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 18,355	\$ 16,421	\$ 17,384	\$ 16,869
A.V. Tax	3,578	3,646	4,351	3,641
Interest	977	671	430	406
Rate Stabilization Fund ⁽²⁾	-	-	-	467
Subtotal	<u>22,910</u>	<u>20,738</u>	<u>22,165</u>	<u>21,383</u>
CIF Pledged for Debt ⁽³⁾	104	104	104	27
Total Revenue for Senior Calculation	<u>23,014</u>	<u>20,842</u>	<u>22,269</u>	<u>21,410</u>
CIF Connection Fee Revenue ⁽³⁾	881	866	1,127	1,637
Total Revenue for Subordinate Calculation	<u>23,791</u>	<u>21,604</u>	<u>23,292</u>	<u>23,020</u>
EXPENSES⁽⁴⁾				
Total O&M	13,568	13,705	13,707	14,056
Rate Stabilization Fund ⁽⁵⁾	5,000	2,570	2,635	-
Total	<u>18,568</u>	<u>16,275</u>	<u>16,342</u>	<u>14,056</u>
DEBT SERVICE PAYMENTS				
Senior				
State Loans	1,339	1,424	1,330	1,020
Revenue Bonds	2,213	2,175	2,158	2,157
Total Senior Debt Payments	<u>3,552</u>	<u>3,599</u>	<u>3,488</u>	<u>3,177</u>
Subordinate				
State Loans	170	197	221	282
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>170</u>	<u>197</u>	<u>221</u>	<u>282</u>
Total Debt Service	<u>3,722</u>	<u>3,796</u>	<u>3,709</u>	<u>3,459</u>
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	1.20	1.21	1.64	2.23
SUBORDINATE	1.40	1.40	1.87	2.59

⁽¹⁾ Fiscal Year 2013-2014 operating revenues includes service charge refunds related to prior years. The program that provided for these refunds will end July 1, 2015.

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⁽³⁾ Beginning fiscal year 2005-06, all connection fees pledged for repayment of debt were considered in calculating senior debt service coverage, while all connection fees collected were considered in calculating subordinate debt service coverage.

⁽⁴⁾ Does not include depreciation.

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COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

DISTRICTS' HISTORICAL OPERATING DATA
\$000

<u>District No. 17</u>	<u>Fiscal Year 2010/11</u>	<u>Fiscal Year 2011/12</u>	<u>Fiscal Year 2012/13</u>	<u>Fiscal Year 2013/14</u>
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 2,394	\$ 2,272	\$ 2,330	\$ 2,290
A.V. Tax	411	426	487	429
Interest	170	110	70	72
Rate Stabilization Fund ⁽²⁾	-	-	-	-
Subtotal	<u>2,975</u>	<u>2,808</u>	<u>2,887</u>	<u>2,791</u>
CIF Pledged for Debt ⁽³⁾	14	14	14	4
Total Revenue for Senior Calculation	<u>2,989</u>	<u>2,822</u>	<u>2,901</u>	<u>2,795</u>
CIF Connection Fee Revenue ⁽³⁾	108	104	135	195
Total Revenue for Subordinate Calculation	<u>3,083</u>	<u>2,912</u>	<u>3,022</u>	<u>2,986</u>
EXPENSES⁽⁴⁾				
Total O&M	1,768	1,778	1,795	1,867
Rate Stabilization Fund ⁽⁵⁾	640	435	535	398
Total	<u>2,408</u>	<u>2,213</u>	<u>2,330</u>	<u>2,265</u>
DEBT SERVICE PAYMENTS				
Senior				
State Loans	177	209	176	136
Revenue Bonds	283	278	276	276
Total Senior Debt Payments	<u>460</u>	<u>487</u>	<u>452</u>	<u>412</u>
Subordinate				
State Loans	22	26	29	37
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>22</u>	<u>26</u>	<u>29</u>	<u>37</u>
Total Debt Service	482	513	481	449
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	1.22	1.20	1.20	1.20
SUBORDINATE	1.40	1.36	1.44	1.61

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⁽³⁾ Beginning fiscal year 2005-06, all connection fees pledged for repayment of debt were considered in calculating senior debt service coverage, while all connection fees collected were considered in calculating subordinate debt service coverage.

⁽⁴⁾ Does not include depreciation.

⁽⁵⁾ These funds are being set aside to minimize the impact on the Districts' ratepayers in the event of future unexpected operating costs.

⁽⁶⁾ Senior debt coverage calculation includes a deduction for subordinate debt payments pursuant to the applicable rate covenants. The subordinate debt coverage calculation is based on total debt service.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

DISTRICTS' HISTORICAL OPERATING DATA
\$000

District No. 18	Fiscal Year 2010/11	Fiscal Year 2011/12	Fiscal Year 2012/13	Fiscal Year 2013/14
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 24,625	\$ 23,188	\$ 23,941	\$ 22,612
A.V. Tax	2,749	2,784	3,970	3,358
Interest	902	575	398	397
Rate Stabilization Fund ⁽²⁾	-	-	-	309
Subtotal	<u>28,276</u>	<u>26,547</u>	<u>28,309</u>	<u>26,676</u>
CIF Pledged for Debt ⁽³⁾	127	128	125	33
Total Revenue for Senior Calculation	<u>28,403</u>	<u>26,675</u>	<u>28,434</u>	<u>26,709</u>
CIF Connection Fee Revenue ⁽³⁾	1,102	1,100	1,452	2,113
Total Revenue for Subordinate Calculation	<u>29,378</u>	<u>27,647</u>	<u>29,761</u>	<u>28,789</u>
EXPENSES⁽⁴⁾				
Total O&M	17,193	17,713	17,748	18,574
Rate Stabilization Fund ⁽⁵⁾	3,419	70	3,094	-
Total	<u>20,612</u>	<u>17,783</u>	<u>20,842</u>	<u>18,574</u>
DEBT SERVICE PAYMENTS				
Senior				
State Loans	1,630	1,659	1,607	1,266
Revenue Bonds	1,942	1,908	1,893	1,892
Total Senior Debt Payments	<u>3,572</u>	<u>3,567</u>	<u>3,500</u>	<u>3,158</u>
Subordinate				
State Loans	207	241	266	350
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>207</u>	<u>241</u>	<u>266</u>	<u>350</u>
Total Debt Service	3,779	3,808	3,766	3,508
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	2.12	2.43	2.09	2.47
SUBORDINATE	2.32	2.59	2.37	2.91

⁽¹⁾ Fiscal Year 2013-2014 operating revenues includes service charge refunds related to prior years. The program that provided for these refunds will end July 1, 2015.

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⁽³⁾ Beginning fiscal year 2005-06, all connection fees pledged for repayment of debt were considered in calculating senior debt service coverage, while all connection fees collected were considered in calculating subordinate debt service coverage.

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COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

DISTRICTS' HISTORICAL OPERATING DATA
\$000

<u>District No. 19</u>	<u>Fiscal Year</u> <u>2010/11</u>	<u>Fiscal Year</u> <u>2011/12</u>	<u>Fiscal Year</u> <u>2012/13</u>	<u>Fiscal Year</u> <u>2013/14</u>
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 6,576	\$ 6,414	\$ 6,370	\$ 5,786
A.V. Tax	945	1,023	1,404	1,043
Interest	305	209	142	140
Rate Stabilization Fund ⁽²⁾	-	-	-	227
Subtotal	<u>7,826</u>	<u>7,646</u>	<u>7,916</u>	<u>7,196</u>
CIF Pledged for Debt ⁽³⁾	35	35	36	9
Total Revenue for Senior Calculation	<u>7,861</u>	<u>7,681</u>	<u>7,952</u>	<u>7,205</u>
CIF Connection Fee Revenue ⁽³⁾	289	285	375	621
Total Revenue for Subordinate Calculation	<u>8,115</u>	<u>7,931</u>	<u>8,291</u>	<u>7,817</u>
EXPENSES⁽⁴⁾				
Total O&M	4,647	5,016	4,759	5,021
Rate Stabilization Fund ⁽⁵⁾	1,471	637	880	-
Total	<u>6,118</u>	<u>5,653</u>	<u>5,639</u>	<u>5,021</u>
DEBT SERVICE PAYMENTS				
Senior				
State Loans	446	455	454	355
Revenue Bonds	626	615	610	610
Total Senior Debt Payments	<u>1,072</u>	<u>1,070</u>	<u>1,064</u>	<u>965</u>
Subordinate				
State Loans	57	66	75	98
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>57</u>	<u>66</u>	<u>75</u>	<u>98</u>
Total Debt Service	1,129	1,136	1,139	1,063
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	1.57	1.83	2.10	2.16
SUBORDINATE	1.77	2.01	2.33	2.63

⁽¹⁾ Fiscal Year 2013-2014 operating revenues includes service charge refunds related to prior years. The program that provided for these refunds will end July 1, 2015.

⁽²⁾ These funds were expensed in prior years and are being used to pay unexpected operating costs and thereby minimize the impact on the Districts' ratepayers.

⁽³⁾ Beginning fiscal year 2005-06, all connection fees pledged for repayment of debt were considered in calculating senior debt service coverage, while all connection fees collected were considered in calculating subordinate debt service coverage.

⁽⁴⁾ Does not include depreciation.

⁽⁵⁾ These funds are being set aside to minimize the impact on the Districts' ratepayers in the event of future unexpected operating costs.

⁽⁶⁾ Senior debt coverage calculation includes a deduction for subordinate debt payments pursuant to the applicable rate covenants. The subordinate debt coverage calculation is based on total debt service.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

DISTRICTS' HISTORICAL OPERATING DATA
\$000

District No. 21	Fiscal Year 2010/11	Fiscal Year 2011/12	Fiscal Year 2012/13	Fiscal Year 2013/14
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 29,011	\$ 26,912	\$ 28,248	\$ 27,280
A.V. Tax	3,128	3,332	4,065	3,313
Interest	1,221	847	573	563
Rate Stabilization Fund ⁽²⁾	-	-	-	266
Subtotal	33,360	31,091	32,886	31,422
CIF Pledged for Debt ⁽³⁾	154	155	153	40
Total Revenue for Senior Calculation	33,514	31,246	33,039	31,462
CIF Connection Fee Revenue ⁽³⁾	1,424	1,325	1,910	2,527
Total Revenue for Subordinate Calculation	34,784	32,416	34,796	33,949
EXPENSES⁽⁴⁾				
Total O&M	20,251	20,953	20,648	22,195
Rate Stabilization Fund ⁽⁵⁾	4,254	1,286	3,945	-
Total	24,505	22,239	24,593	22,195
DEBT SERVICE PAYMENTS				
Senior				
State Loans	1,983	2,013	1,966	1,529
Revenue Bonds	2,094	2,057	2,042	2,041
Total Senior Debt Payments	4,077	4,070	4,008	3,570
Subordinate				
State Loans	252	293	326	423
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	252	293	326	423
Total Debt Service	4,329	4,363	4,334	3,993
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	2.15	2.14	2.03	2.48
SUBORDINATE	2.37	2.33	2.35	2.94

⁽¹⁾ Fiscal Year 2013-2014 operating revenues includes service charge refunds related to prior years. The program that provided for these refunds will end July 1, 2015.

⁽²⁾ These funds were expensed in prior years and are being used to pay unexpected operating costs and thereby minimize the impact on the Districts' ratepayers.

⁽³⁾ Beginning fiscal year 2005-06, all connection fees pledged for repayment of debt were considered in calculating senior debt service coverage, while all connection fees collected were considered in calculating subordinate debt service coverage.

⁽⁴⁾ Does not include depreciation.

⁽⁵⁾ These funds are being set aside to minimize the impact on the Districts' ratepayers in the event of future unexpected operating costs.

⁽⁶⁾ Senior debt coverage calculation includes a deduction for subordinate debt payments pursuant to the applicable rate covenants. The subordinate debt coverage calculation is based on total debt service.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

DISTRICTS' HISTORICAL OPERATING DATA
\$000

<u>District No. 22</u>	<u>Fiscal Year 2010/11</u>	<u>Fiscal Year 2011/12</u>	<u>Fiscal Year 2012/13</u>	<u>Fiscal Year 2013/14</u>
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 24,707	\$ 23,096	\$ 23,658	\$ 22,680
A.V. Tax	2,718	2,783	4,231	2,986
Interest	1,031	726	469	501
Rate Stabilization Fund ⁽²⁾	-	-	-	-
Subtotal	<u>28,456</u>	<u>26,605</u>	<u>28,358</u>	<u>26,167</u>
CIF Pledged for Debt ⁽³⁾	128	128	130	34
Total Revenue for Senior Calculation	<u>28,584</u>	<u>26,733</u>	<u>28,488</u>	<u>26,201</u>
CIF Connection Fee Revenue ⁽³⁾	1,203	1,356	1,525	2,727
Total Revenue for Subordinate Calculation	<u>29,659</u>	<u>27,961</u>	<u>29,883</u>	<u>28,894</u>
EXPENSES⁽⁴⁾				
Total O&M	17,210	17,559	17,731	18,988
Rate Stabilization Fund ⁽⁵⁾	3,665	2,239	4,297	10
Total	<u>20,875</u>	<u>19,798</u>	<u>22,028</u>	<u>18,998</u>
DEBT SERVICE PAYMENTS				
Senior				
State Loans	1,642	1,663	1,672	1,297
Revenue Bonds	1,812	1,780	1,767	1,766
Total Senior Debt Payments	<u>3,454</u>	<u>3,443</u>	<u>3,439</u>	<u>3,063</u>
Subordinate				
State Loans	208	242	277	359
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>208</u>	<u>242</u>	<u>277</u>	<u>359</u>
Total Debt Service	3,662	3,685	3,716	3,422
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	2.17	1.94	1.80	2.23
<u>SUBORDINATE</u>	<u>2.40</u>	<u>2.22</u>	<u>2.11</u>	<u>2.89</u>

⁽¹⁾ Fiscal Year 2013-2014 operating revenues includes service charge refunds related to prior years. The program that provided for these refunds will end July 1, 2015.

⁽²⁾ These funds were expensed in prior years and are being used to pay unexpected operating costs and thereby minimize the impact on the Districts' ratepayers.

⁽³⁾ Beginning fiscal year 2005-06, all connection fees pledged for repayment of debt were considered in calculating senior debt service coverage, while all connection fees collected were considered in calculating subordinate debt service coverage.

⁽⁴⁾ Does not include depreciation.

⁽⁵⁾ These funds are being set aside to minimize the impact on the Districts' ratepayers in the event of future unexpected operating costs.

⁽⁶⁾ Senior debt coverage calculation includes a deduction for subordinate debt payments pursuant to the applicable rate covenants. The subordinate debt coverage calculation is based on total debt service.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

DISTRICTS' HISTORICAL OPERATING DATA
\$000

District No. 23	Fiscal Year 2010/11	Fiscal Year 2011/12	Fiscal Year 2012/13	Fiscal Year 2013/14
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 4,443	\$ 4,196	\$ 3,889	\$ 3,500
A.V. Tax	282	309	367	306
Interest	311	201	125	107
Rate Stabilization Fund ⁽²⁾	-	-	-	120
Subtotal	<u>5,036</u>	<u>4,706</u>	<u>4,381</u>	<u>4,033</u>
CIF Pledged for Debt ⁽³⁾	21	19	19	5
Total Revenue for Senior Calculation	<u>5,057</u>	<u>4,725</u>	<u>4,400</u>	<u>4,038</u>
CIF Connection Fee Revenue ⁽³⁾	154	142	170	260
Total Revenue for Subordinate Calculation	<u>5,190</u>	<u>4,848</u>	<u>4,551</u>	<u>4,293</u>
EXPENSES⁽⁴⁾				
Total O&M	3,431	3,340	3,236	3,319
Rate Stabilization Fund ⁽⁵⁾	815	600	390	-
Total	<u>4,246</u>	<u>3,940</u>	<u>3,626</u>	<u>3,319</u>
DEBT SERVICE PAYMENTS				
Senior				
State Loans	264	247	241	185
Revenue Bonds	383	376	373	373
Total Senior Debt Payments	<u>647</u>	<u>623</u>	<u>614</u>	<u>558</u>
Subordinate				
State Loans	34	36	39	51
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>34</u>	<u>36</u>	<u>39</u>	<u>51</u>
Total Debt Service	681	659	653	609
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	1.20	1.20	1.20	1.20
SUBORDINATE	1.39	1.38	1.42	1.60

⁽¹⁾ Fiscal Year 2013-2014 operating revenues includes service charge refunds related to prior years. The program that provided for these refunds will end July 1, 2015.

⁽²⁾ These funds were expensed in prior years and are being used to pay unexpected operating costs and thereby minimize the impact on the Districts' ratepayers.

⁽³⁾ Beginning fiscal year 2005-06, all connection fees pledged for repayment of debt were considered in calculating senior debt service coverage, while all connection fees collected were considered in calculating subordinate debt service coverage.

⁽⁴⁾ Does not include depreciation.

⁽⁵⁾ These funds are being set aside to minimize the impact on the Districts' ratepayers in the event of future unexpected operating costs.

⁽⁶⁾ Senior debt coverage calculation includes a deduction for subordinate debt payments pursuant to the applicable rate covenants. The subordinate debt coverage calculation is based on total debt service.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

DISTRICTS' HISTORICAL OPERATING DATA

\$000

<u>District No. 28</u>	<u>Fiscal Year</u> <u>2010/11</u>	<u>Fiscal Year</u> <u>2011/12</u>	<u>Fiscal Year</u> <u>2012/13</u>	<u>Fiscal Year</u> <u>2013/14</u>
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 1,093	\$ 1,057	\$ 1,069	\$ 1,036
A.V. Tax	476	490	554	498
Interest	84	61	40	40
Rate Stabilization Fund ⁽²⁾	-	-	-	-
Subtotal	<u>1,653</u>	<u>1,608</u>	<u>1,663</u>	<u>1,574</u>
CIF Pledged for Debt ⁽³⁾	<u>4</u>	<u>4</u>	<u>4</u>	<u>1</u>
Total Revenue for Senior Calculation	1,657	1,612	1,667	1,575
CIF Connection Fee Revenue ⁽³⁾	<u>34</u>	<u>33</u>	<u>39</u>	<u>64</u>
Total Revenue for Subordinate Calculation	1,687	1,641	1,702	1,638
EXPENSES⁽⁴⁾				
Total O&M	501	520	539	590
Rate Stabilization Fund ⁽⁵⁾	<u>530</u>	<u>465</u>	<u>500</u>	<u>368</u>
Total	1,031	985	1,039	958
DEBT SERVICE PAYMENTS				
Senior				
State Loans	417	417	419	408
Revenue Bonds	<u>100</u>	<u>99</u>	<u>97</u>	<u>98</u>
Total Senior Debt Payments	517	516	516	506
Subordinate				
State Loans	6	7	9	12
Revenue Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Subordinate Debt Payments	6	7	9	12
Total Debt Service	523	523	525	518
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	1.20	1.20	1.20	1.20
<u>SUBORDINATE</u>	<u>1.25</u>	<u>1.25</u>	<u>1.26</u>	<u>1.31</u>

⁽¹⁾ Fiscal Year 2013-2014 operating revenues includes service charge refunds related to prior years. The program that provided for these refunds will end July 1, 2015.

⁽²⁾ These funds were expensed in prior years and are being used to pay unexpected operating costs and thereby minimize the impact on the Districts' ratepayers.

⁽³⁾ Beginning fiscal year 2005-06, all connection fees pledged for repayment of debt were considered in calculating senior debt service coverage, while all connection fees collected were considered in calculating subordinate debt service coverage.

⁽⁴⁾ Does not include depreciation.

⁽⁵⁾ These funds are being set aside to minimize the impact on the Districts' ratepayers in the event of future unexpected operating costs.

⁽⁶⁾ Senior debt coverage calculation includes a deduction for subordinate debt payments pursuant to the applicable rate covenants. The subordinate debt coverage calculation is based on total debt service.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

DISTRICTS' HISTORICAL OPERATING DATA
\$000

District No. 29	Fiscal Year 2010/11	Fiscal Year 2011/12	Fiscal Year 2012/13	Fiscal Year 2013/14
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 1,980	\$ 1,966	\$ 2,005	\$ 1,945
A.V. Tax	79	87	147	83
Interest	48	39	23	32
Rate Stabilization Fund ⁽²⁾	-	-	277	-
Subtotal	<u>2,107</u>	<u>2,092</u>	<u>2,452</u>	<u>2,060</u>
CIF Pledged for Debt ⁽³⁾	<u>5</u>	<u>5</u>	<u>5</u>	<u>1</u>
Total Revenue for Senior Calculation	2,112	2,097	2,457	2,061
CIF Connection Fee Revenue ⁽³⁾	<u>93</u>	<u>46</u>	<u>74</u>	<u>68</u>
Total Revenue for Subordinate Calculation	2,200	2,138	2,526	2,128
EXPENSES⁽⁴⁾				
Total O&M	1,084	1,052	1,097	1,156
Rate Stabilization Fund ⁽⁵⁾	<u>153</u>	<u>248</u>	<u>-</u>	<u>737</u>
Total	1,237	1,300	1,097	1,893
DEBT SERVICE PAYMENTS				
Senior				
State Loans	68	66	68	51
Revenue Bonds	<u>31</u>	<u>31</u>	<u>31</u>	<u>30</u>
Total Senior Debt Payments	99	97	99	81
Subordinate				
State Loans	8	9	11	71
Revenue Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Subordinate Debt Payments	8	9	11	71
Total Debt Service	107	106	110	152
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	8.76	8.12	13.63	1.20
SUBORDINATE	<u>9.00</u>	<u>7.91</u>	<u>12.99</u>	<u>1.55</u>

⁽¹⁾ Fiscal Year 2013-2014 operating revenues includes service charge refunds related to prior years. The program that provided for these refunds will end July 1, 2015.

⁽²⁾ These funds were expensed in prior years and are being used to pay unexpected operating costs and thereby minimize the impact on the Districts' ratepayers.

⁽³⁾ Beginning fiscal year 2005-06, all connection fees pledged for repayment of debt were considered in calculating senior debt service coverage, while all connection fees collected were considered in calculating subordinate debt service coverage.

⁽⁴⁾ Does not include depreciation.

⁽⁵⁾ These funds are being set aside to minimize the impact on the Districts' ratepayers in the event of future unexpected operating costs.

⁽⁶⁾ Senior debt coverage calculation includes a deduction for subordinate debt payments pursuant to the applicable rate covenants. The subordinate debt coverage calculation is based on total debt service.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

DISTRICTS' HISTORICAL OPERATING DATA \$000

<u>South Bay Cities</u>	<u>Fiscal Year 2010/11</u>	<u>Fiscal Year 2011/12</u>	<u>Fiscal Year 2012/13</u>	<u>Fiscal Year 2013/14</u>
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 7,436	\$ 6,894	\$ 7,180	\$ 7,022
A.V. Tax	3,802	3,892	4,381	3,903
Interest	527	350	245	251
Rate Stabilization Fund ⁽²⁾	-	-	-	-
Subtotal	<u>11,765</u>	<u>11,136</u>	<u>11,806</u>	<u>11,176</u>
CIF Pledged for Debt ⁽³⁾	<u>46</u>	<u>47</u>	<u>47</u>	<u>12</u>
Total Revenue for Senior Calculation	11,811	11,183	11,853	11,188
CIF Connection Fee Revenue ⁽³⁾	<u>356</u>	<u>352</u>	<u>478</u>	<u>638</u>
Total Revenue for Subordinate Calculation	12,121	11,488	12,284	11,814
EXPENSES⁽⁴⁾				
Total O&M	6,786	6,923	7,019	7,480
Rate Stabilization Fund ⁽⁵⁾	<u>3,070</u>	<u>2,109</u>	<u>2,101</u>	<u>358</u>
Total	9,856	9,032	9,120	7,838
DEBT SERVICE PAYMENTS				
Senior				
State Loans	597	608	606	476
Revenue Bonds	968	951	944	943
Total Senior Debt Payments	<u>1,565</u>	<u>1,559</u>	<u>1,550</u>	<u>1,419</u>
Subordinate				
State Loans	76	88	100	132
Revenue Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Subordinate Debt Payments	76	88	100	132
Total Debt Service	1,641	1,647	1,650	1,551
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	1.20	1.32	1.70	2.27
<u>SUBORDINATE</u>	<u>1.38</u>	<u>1.49</u>	<u>1.92</u>	<u>2.56</u>

⁽¹⁾ Fiscal Year 2013-2014 operating revenues includes service charge refunds related to prior years. The program that provided for these refunds will end July 1, 2015.

⁽²⁾ These funds were expensed in prior years and are being used to pay unexpected operating costs and thereby minimize the impact on the Districts' ratepayers.

⁽³⁾ Beginning fiscal year 2005-06, all connection fees pledged for repayment of debt were considered in calculating senior debt service coverage, while all connection fees collected were considered in calculating subordinate debt service coverage.

⁽⁴⁾ Does not include depreciation.

⁽⁵⁾ These funds are being set aside to minimize the impact on the Districts' ratepayers in the event of future unexpected operating costs.

⁽⁶⁾ Senior debt coverage calculation includes a deduction for subordinate debt payments pursuant to the applicable rate covenants. The subordinate debt coverage calculation is based on total debt service.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

DISTRICTS' HISTORICAL OPERATING DATA
\$000

<u>District No. 4</u>	<u>Fiscal Year 2010/11</u>	<u>Fiscal Year 2011/12</u>	<u>Fiscal Year 2012/13</u>	<u>Fiscal Year 2013/14</u>
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 3,601	\$ 3,556	\$ 3,813	\$ 3,734
A.V. Tax	398	405	474	409
Interest	495	360	253	277
Rate Stabilization Fund ⁽²⁾	-	-	-	-
Subtotal	<u>4,494</u>	<u>4,321</u>	<u>4,540</u>	<u>4,420</u>
CIF Pledged for Debt ⁽³⁾	-	-	-	-
Total Revenue for Senior Calculation	<u>4,494</u>	<u>4,321</u>	<u>4,540</u>	<u>4,420</u>
CIF Connection Fee Revenue ⁽³⁾	44	455	71	301
Total Revenue for Subordinate Calculation	<u>4,538</u>	<u>4,776</u>	<u>4,611</u>	<u>4,721</u>
EXPENSES⁽⁴⁾				
Total O&M	1,371	1,338	1,034	1,507
Rate Stabilization Fund ⁽⁵⁾	1,450	1,678	2,320	1,364
Total	<u>2,821</u>	<u>3,016</u>	<u>3,354</u>	<u>2,871</u>
DEBT SERVICE PAYMENTS				
Senior				
State Loans	-	-	-	-
Revenue Bonds	336	329	327	327
Total Senior Debt Payments	<u>336</u>	<u>329</u>	<u>327</u>	<u>327</u>
Subordinate				
State Loans	-	-	-	-
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Debt Service	336	329	327	327
DEBT SERVICE COVERAGE:				
SENIOR	4.98	3.97	3.63	4.74

⁽¹⁾ Fiscal Year 2013-2014 operating revenues includes service charge refunds related to prior years. The program that provided for these refunds will end July 1, 2015.

⁽²⁾ These funds were expensed in prior years and are being used to pay unexpected operating costs and thereby minimize the impact on the Districts' ratepayers.

⁽³⁾ Beginning fiscal year 2005-06, all connection fees pledged for repayment of debt were considered in calculating senior debt service coverage, while all connection fees collected were considered in calculating subordinate debt service coverage.

⁽⁴⁾ Does not include depreciation.

⁽⁵⁾ These funds are being set aside to minimize the impact on the Districts' ratepayers in the event of future unexpected operating costs.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

DISTRICTS' HISTORICAL OPERATING DATA
\$000

District No. 9	Fiscal Year 2010/11	Fiscal Year 2011/12	Fiscal Year 2012/13	Fiscal Year 2013/14
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 100	83	87	67
A.V. Tax	77	78	87	73
Interest	41	30	30	39
Rate Stabilization Fund ⁽²⁾	-	-	-	-
Subtotal	<u>218</u>	<u>191</u>	<u>204</u>	<u>179</u>
CIF Pledged for Debt ⁽³⁾	-	-	-	-
Total Revenue for Senior Calculation	<u>218</u>	<u>191</u>	<u>204</u>	<u>179</u>
CIF Connection Fee Revenue ⁽³⁾	1	-	-	6
Total Revenue for Subordinate Calculation	<u>219</u>	<u>191</u>	<u>204</u>	<u>185</u>
EXPENSES⁽⁴⁾				
Total O&M	84	96	69	87
Rate Stabilization Fund ⁽⁵⁾	77	40	80	38
Total	<u>161</u>	<u>136</u>	<u>149</u>	<u>125</u>
DEBT SERVICE PAYMENTS				
Senior				
State Loans	-	-	-	-
Revenue Bonds	47	46	46	45
Total Senior Debt Payments	<u>47</u>	<u>46</u>	<u>46</u>	<u>45</u>
Subordinate				
State Loans	-	-	-	-
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Debt Service	47	46	46	45
DEBT SERVICE COVERAGE:				
SENIOR	1.21	1.20	1.20	1.20

⁽¹⁾ Fiscal Year 2013-2014 operating revenues includes service charge refunds related to prior years. The program that provided for these refunds will end July 1, 2015.

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⁽³⁾ Beginning fiscal year 2005-06, all connection fees pledged for repayment of debt were considered in calculating senior debt service coverage, while all connection fees collected were considered in calculating subordinate debt service coverage.

⁽⁴⁾ Does not include depreciation.

⁽⁵⁾ These funds are being set aside to minimize the impact on the Districts' ratepayers in the event of future unexpected operating costs.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

DISTRICTS' HISTORICAL OPERATING DATA

\$000

District No. 14	Fiscal Year 2010/11	Fiscal Year 2011/12	Fiscal Year 2012/13	Fiscal Year 2013/14
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 27,595	\$ 26,330	\$ 32,491	\$ 35,054
A.V. Tax	861	911	991	812
Interest	1,019	471	249	261
Rate Stabilization Fund ⁽²⁾	5,800	1,380	-	-
Subtotal	35,275	29,092	33,731	36,127
CIF Pledged for Debt ⁽³⁾	5,320	5,320	6,155	3,488
Total Revenue for Senior Calculation	40,595	34,412	39,886	39,615
CIF Connection Fee Revenue ⁽³⁾	959	710	2,160	996
Total Revenue for Subordinate Calculation	36,234	29,802	35,891	37,123
EXPENSES⁽⁴⁾				
Total O&M	9,084	9,420	10,714	12,279
Rate Stabilization Fund ⁽⁵⁾	-	-	2,697	4,650
Total	9,084	9,420	13,411	16,929
DEBT SERVICE PAYMENTS				
Senior				
State Loans	-	-	-	-
Revenue Bonds	476	468	465	464
Total Senior Debt Payments	476	468	465	464
Subordinate				
State Loans	1,937	1,937	6,855	6,856
Revenue Bonds	11,115	11,115	11,113	11,110
Total Subordinate Debt Payments	13,052	13,052	17,968	17,966
Total Debt Service	13,528	13,520	18,433	18,430
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	38.78	25.51	18.29	10.17
SUBORDINATE	2.01	1.51	1.22	1.10

⁽¹⁾ Fiscal Year 2013-2014 operating revenues includes service charge refunds related to prior years. The program that provided for these refunds will end July 1, 2015.

⁽²⁾ These funds were expensed in prior years and are being used to pay unexpected operating costs and thereby minimize the impact on the Districts' ratepayers.

⁽³⁾ Beginning fiscal year 2005-06, all connection fees pledged for repayment of debt were considered in calculating senior debt service coverage, while all connection fees collected were considered in calculating subordinate debt service coverage.

⁽⁴⁾ Does not include depreciation.

⁽⁵⁾ These funds are being set aside to minimize the impact on the Districts' ratepayers in the event of future unexpected operating costs.

⁽⁶⁾ Senior debt coverage calculation includes a deduction for subordinate debt payments pursuant to the applicable rate covenants. The subordinate debt coverage calculation is based on total debt service.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

DISTRICTS' HISTORICAL OPERATING DATA

\$000

<u>District No. 20</u>	<u>Fiscal Year 2010/11</u>	<u>Fiscal Year 2011/12</u>	<u>Fiscal Year 2012/13</u>	<u>Fiscal Year 2013/14</u>
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 17,107	\$ 18,298	\$ 21,604	\$ 21,928
A.V. Tax	952	973	1,004	846
Interest	544	277	211	168
Rate Stabilization Fund ⁽²⁾	-	-	-	800
Subtotal	<u>18,603</u>	<u>19,548</u>	<u>22,819</u>	<u>23,742</u>
CIF Pledged for Debt ⁽³⁾	<u>3,863</u>	<u>3,832</u>	<u>2,343</u>	<u>3,980</u>
Total Revenue for Senior Calculation	22,466	23,380	25,162	27,722
CIF Connection Fee Revenue ⁽³⁾	<u>587</u>	<u>476</u>	<u>1,098</u>	<u>185</u>
Total Revenue for Subordinate Calculation	19,190	20,024	23,917	23,927
EXPENSES⁽⁴⁾				
Total O&M	6,388	8,855	9,300	10,211
Rate Stabilization Fund ⁽⁵⁾	<u>3,310</u>	<u>1,500</u>	<u>4,980</u>	<u>-</u>
Total	9,698	10,355	14,280	10,211
DEBT SERVICE PAYMENTS				
Senior				
State Loans	-	-	-	-
Revenue Bonds	397	389	387	386
Total Senior Debt Payments	<u>397</u>	<u>389</u>	<u>387</u>	<u>386</u>
Subordinate				
State Loans	-	-	-	3,749
Revenue Bonds	<u>8,270</u>	<u>8,391</u>	<u>8,392</u>	<u>8,389</u>
Total Subordinate Debt Payments	8,270	8,391	8,392	12,138
Total Debt Service	8,667	8,780	8,779	12,524
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	11.33	11.91	6.43	13.92
SUBORDINATE	<u>1.10</u>	<u>1.10</u>	<u>1.10</u>	<u>1.10</u>

⁽¹⁾ Fiscal Year 2013-2014 operating revenues includes service charge refunds related to prior years. The program that provided for these refunds will end July 1, 2015.

⁽²⁾ These funds were expensed in prior years and are being used to pay unexpected operating costs and thereby minimize the impact on the Districts' ratepayers.

⁽³⁾ Beginning fiscal year 2005-06, all connection fees pledged for repayment of debt were considered in calculating senior debt service coverage, while all connection fees collected were considered in calculating subordinate debt service coverage.

⁽⁴⁾ Does not include depreciation.

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⁽⁶⁾ Senior debt coverage calculation includes a deduction for subordinate debt payments pursuant to the applicable rate covenants. The subordinate debt coverage calculation is based on total debt service.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

DISTRICTS' HISTORICAL OPERATING DATA
\$000

District No. 27	Fiscal Year 2010/11	Fiscal Year 2011/12	Fiscal Year 2012/13	Fiscal Year 2013/14
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 3	\$ 1	\$ 2	\$ 1
A.V. Tax	244	252	288	255
Interest	30	18	5	2
Rate Stabilization Fund ⁽²⁾	-	-	843	-
Subtotal	<u>277</u>	<u>271</u>	<u>1,138</u>	<u>258</u>
CIF Pledged for Debt ⁽³⁾	-	-	-	-
Total Revenue for Senior Calculation	<u>277</u>	<u>271</u>	<u>1,138</u>	<u>258</u>
CIF Connection Fee Revenue ⁽³⁾	-	-	-	-
Total Revenue for Subordinate Calculation	<u>277</u>	<u>271</u>	<u>1,138</u>	<u>258</u>
EXPENSES⁽⁴⁾				
Total O&M	116	154	108	74
Rate Stabilization Fund ⁽⁵⁾	82	40	-	44
Total	<u>198</u>	<u>194</u>	<u>108</u>	<u>118</u>
DEBT SERVICE PAYMENTS				
Senior				
State Loans	-	-	-	-
Revenue Bonds	66	64	64	64
Total Senior Debt Payments	<u>66</u>	<u>64</u>	<u>64</u>	<u>64</u>
Subordinate				
State Loans	-	-	-	-
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Debt Service	66	64	64	64
DEBT SERVICE COVERAGE:				
SENIOR	1.20	1.20	16.09	2.19

⁽¹⁾ Fiscal Year 2013-2014 operating revenues includes service charge refunds related to prior years. The program that provided for these refunds will end July 1, 2015.

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COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

DISTRICTS' HISTORICAL OPERATING DATA
\$000

<u>Santa Clarita Valley</u>	<u>Fiscal Year 2010/11</u>	<u>Fiscal Year 2011/12</u>	<u>Fiscal Year 2012/13</u>	<u>Fiscal Year 2013/14</u>
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 21,363	\$ 22,245	\$ 23,615	\$ 25,103
A.V. Tax	5,627	5,655	6,182	5,208
Interest	1,731	1,107	644	611
Rate Stabilization Fund ⁽²⁾	-	-	-	-
Subtotal	<u>28,721</u>	<u>29,007</u>	<u>30,441</u>	<u>30,922</u>
CIF Pledged for Debt ⁽³⁾	<u>4,789</u>	<u>4,753</u>	<u>4,737</u>	<u>4,737</u>
Total Revenue for Senior Calculation	33,510	33,760	35,178	35,659
CIF Connection Fee Revenue ⁽³⁾	<u>987</u>	<u>2,323</u>	<u>3,712</u>	<u>3,737</u>
Total Revenue for Subordinate Calculation	29,708	31,330	34,153	34,659
EXPENSES⁽⁴⁾				
Total O&M	18,084	19,019	19,466	20,348
Rate Stabilization Fund ⁽⁵⁾	<u>4,500</u>	<u>5,250</u>	<u>5,674</u>	<u>3,086</u>
Total	<u>22,584</u>	<u>24,269</u>	<u>25,140</u>	<u>23,434</u>
DEBT SERVICE PAYMENTS				
Senior				
State Loans	1,011	1,011	1,011	227
Revenue Bonds	<u>3,437</u>	<u>3,378</u>	<u>3,352</u>	<u>3,349</u>
Total Senior Debt Payments	4,448	4,389	4,363	3,576
Subordinate				
State Loans	2,014	2,014	2,014	2,798
Revenue Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Subordinate Debt Payments	2,014	2,014	2,014	2,798
Total Debt Service	6,462	6,403	6,377	6,374
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	2.00	1.70	1.84	2.64
SUBORDINATE	<u>1.10</u>	<u>1.10</u>	<u>1.41</u>	<u>1.76</u>

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