

SANITATION DISTRICTS OF LOS ANGELES COUNTY CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT



SOLID WASTE



WASTEWATER



GREEN ENERGY



RECYCLING

YEAR ENDED
June 30, 2015

GRACE ROBINSON HYDE
Chief Engineer & General Manager

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2015

Prepared by the Accounting Section

Mr. Thomas J. Mueller
Chief Accountant

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Comprehensive Annual Financial Report

June 30, 2015

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COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

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GRACE ROBINSON HYDE
Chief Engineer and General Manager

December 18, 2015

Honorable Boards of Director
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, 2015. 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, 2015, 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

The County Sanitation Districts of Los Angeles County are a confederation of 24 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 5.6 million people in Los Angeles County. The Districts' service area covers approximately 850 square miles and encompasses 78 cities and unincorporated territory within the County, excluding the majority of the City of Los Angeles.

During fiscal year 2014-2015, a 24th sanitation district, the Newhall Ranch Sanitation District (NRSD), joined the confederation. Although created on June 27, 2006, with the Los Angeles County Department of Public Works acting as staff, it did not take action until March 11, 2014, to become signatory to the Amended Joint Administration Agreement (Amended JAA). This is the agreement whereby all of the districts have agreed to be administered by a single shared staff and legal counsel. The last of the other 23 districts party to the JAA approved the change to the Amended JAA on September 10, 2014. During the interim, while the other 23 districts were taking action, NRSD appointed the officers and counsel of District No. 2 to serve as interim officers and interim counsel in order to carry out the business.

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 1,663 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 400 million gallons per day (mgd) of wastewater, which is roughly one half of the total wastewater generated in the County. Approximately 138 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, one recycling center, 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 finishing the construction of an intermodal facility and rail siding to complete the waste-by-rail system. Completion of the waste-by-rail system is expected in early 2016.

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. The twenty-two active 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 2014-2015 were \$534 million and \$175 million, respectively. Actual expenses for wastewater and solid waste management were \$500 million and \$162 million, respectively.

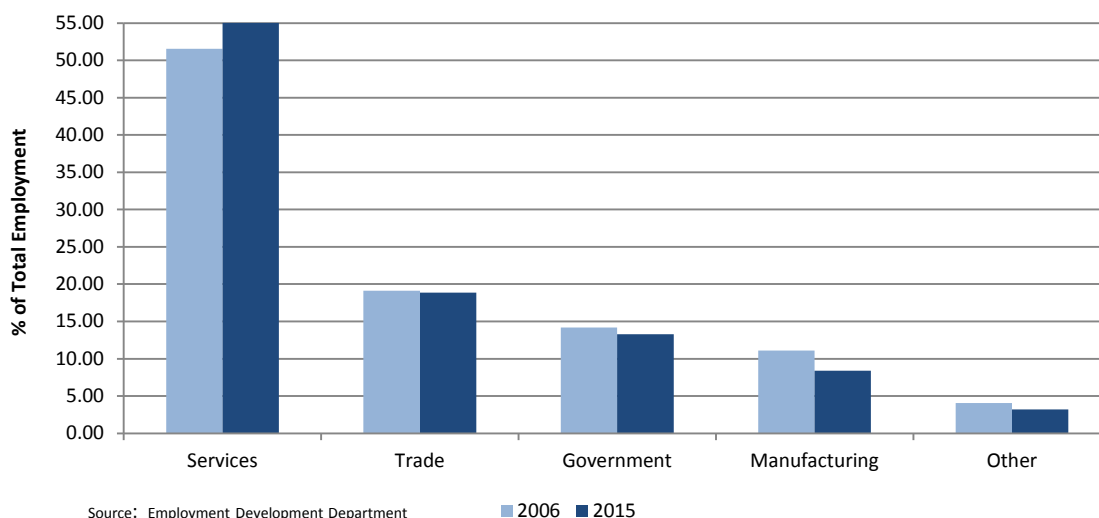
INFORMATION USEFUL IN ASSESSING ECONOMIC CONDITION

Local Economy

The County has experienced a population decrease of 1.26% since 2006, and the California Department of Finance predicts the County will see an increase of 5.42% by 2025. Per capita personal income increased 39.39% during the past 10 years. A table showing more economic indicators is located on page 100 of the Statistical Section.

The unemployment rate in the County more than tripled from December 2006 (4.3%) to July 2010 (13.2%). Since reaching that high point, unemployment has steadily decreased to the current (June 2015) level of 7.4%. However, because of the increase in the size of the overall workforce, the total number of civilian employees has actually increased by 2.4% since 2006, with increases seen in the educational and health services sector, which saw a 32.53% increase, the leisure and hospitality sector, which saw a 23.72% increase, and the professional and business services sector, which saw a 3.61% 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 51.55% of total employment in 2006 to 56.27% in 2015, while manufacturing jobs decreased from 11.08% of total employment in 2006 to 8.39% in 2015. According to the Los Angeles County Economic Development Corporation, healthcare and social assistance; construction; professional, scientific, and technical services; and administrative, support, and waste services will see the most job growth over the next few years.

Figure 1
L.A. County Economic Sectors
2006 vs. 2015



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 22% since 2005. The decrease in wastewater flow is believed to be associated with the combined effects of the recent economic downturn, specifically a 25% decrease in Joint Outfall System industrial flow since fiscal year 2005-2006, and water conservation measures. While some increase in wastewater flows may be expected following the economic recovery, much of the reduction due to water conservation measures will stay in place as these efforts become part of everyday life and are reflected in changes to building and plumbing codes.

Long-Term Financial Planning and Major Projects

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. Rate increases enacted by these ordinances were driven by the need to upgrade treatment facilities and infrastructure, to comply with increasingly stringent regulatory requirements, and to continue a phased approach to replenishing reserves to targeted levels. 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 91 of the Statistical Section.) Overall, the Districts' rates remain very favorable 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 \$700 million (in 2015 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 late 2016. Construction of the tunnel will take 6-7 years.

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 Tulare Lake Compost (previously named Westlake Farm Composting Facility), located in Kings County, was 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, but will be initially started up in early 2016 at a level of 40,000 wet tons per year, about 9% 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, according to the needs of the Districts.

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 flow equalization 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 also make more effluent available for reuse. The project will cost approximately \$58 million. The Districts will be applying for funding through SRF loans and have already secured approximately \$3 million in Proposition 84 grant funding. Design of the project is in progress, with construction anticipated to begin in 2017.

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. Management of the recycled water produced at both WRPs

has been an ongoing issue, since the Antelope Valley is an enclosed watershed basin with no natural outlets. Both WRPs were upgraded to provide tertiary-level treatment, providing a quality of recycled water that is suitable for a multitude of uses in compliance with requirements imposed by the Lahontan Regional Water Quality Control Board. Currently, the vast majority of the recycled water is used for irrigation of fodder crops; however, the Districts are working with the two cities to develop and implement a regional municipal reuse system.

The major capital requirements in the Antelope Valley resulted in the need for significant increases in service charge rates, which were implemented prior to the start-up of the facilities in 2011. 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, covering fiscal years 2011-2012 through 2014-2015. 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, covering fiscal years 2012-2013 through 2014-2015.

Throughout the spring of 2015, Districts' staff analyzed the possibility of refinancing District No. 14's debt. After pricing in June, followed by approval by the Financing Authority, on July 8, 2015, District No. 14 issued its Capital Projects Revenue Bonds, 2015 Series A, in order to refund its then-outstanding Capital Projects Revenue Bonds, 2005 Series B. This reduced the annual debt service of District No. 14 by approximately \$1.1 million per year, affording the District the opportunity to enact a service charge rate decrease. Therefore, the Board of Directors took action in June 2015 to adopt an ordinance with an immediate \$20 per single-family home reduction in the service charge rate for fiscal year 2015-2016 and then remaining unchanged for each of the following three fiscal years (2016-2017 through 2018-2019).

District No. 20 did not sell the majority of its revenue bonds until 2007; therefore, the only way it could have undertaken a restructuring of its debt would have been as an advanced refunding. However, the negative arbitrage associated with having the funds in an escrow account until the bonds could be called in October 2017 would have negated most of the savings that could have been realized. As a result, the Board of Directors opted to wait until 2017 before undertaking a refunding of those bonds. In order to ensure the long-term financial stability of District No. 20, they enacted a service charge rate ordinance that imposed a \$15 per year per single-family home rate increase for each of fiscal years 2014-2015 through 2018-2019.

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 State Water Board's 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 approved project included a brine disposal component by deep well injection. However, due to concerns raised by the community, in March 2015, the SCVSD Board directed staff to evaluate other alternatives for brine management. A Supplemental EIR will be prepared evaluating brine concentration technology with truck disposal to an

existing industrial site. Certification of the Supplemental EIR is scheduled for spring 2016. Design has begun on the project and will continue through 2017. In 2014, after extensive public outreach, the Board approved a series of rate increases to fund the project. Per direction from the Board, outside funding for the project is being sought.

In the area of solid waste management, the Districts are continuing efforts to recycle materials and to finalize the development of a waste-by-rail system to be utilized when 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 Mesquite Regional Landfill could provide 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 2016.

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. The power output is down from a high of 8 MW in 2001 to less than 4 MW today. Because of the low power production, this facility is no longer cost effective to operate and is scheduled to be permanently shut down on October 1, 2015. 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 1 MW, is sold to the California grid at prices in the 4-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 2014-2015, the Districts received approximately \$18.9 million from SRF loans.

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 2014-2015, the Districts supplied an average of 79 million gallons per day of recycled water to almost 800 reuse sites.

Furthermore, efforts to implement new projects are underway to expand 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 an additional 10,000 acre feet per year of advanced treated water for replenishment of the Central Coast groundwater basins. The Districts are also working with the Upper San Gabriel Valley Municipal Water District on plans to use recycled water for replenishment of the Main San Gabriel groundwater basin.

Legislation

During 2015, in accordance with direction from the Sanitation Districts' Board of Directors, and since many of the cities served by the Sanitation Districts would benefit from assistance from the Sanitation Districts in meeting the requirements of the Los Angeles Regional Water Quality Control Board municipal stormwater permit, the Sanitation Districts sponsored new legislation, SB 485, authored by Senator Ed Hernandez, to give the Sanitation Districts the authority to assist local jurisdictions with stormwater and urban runoff projects. The legislation, which was signed by the governor on October 10, 2015, would afford the Sanitation Districts the authority to acquire, construct, operate, and maintain facilities to divert, manage, discharge, and beneficially use stormwater and dry weather runoff from the stormwater drainage system. The Sanitation Districts would provide these services to cities on a case-by-case, reimbursable basis.

Last year, two laws were passed in California intended to divert organic waste away from landfill disposal: AB 1826, Mandatory Commercial Organic Recycling, and AB 1594, Green Waste Alternative Daily Cover. AB 1826 requires businesses to recycle organic waste such as food waste, wood waste, and green waste beginning in April 2016. The law initially targets businesses that generate eight or more cubic yards of organic waste per week and later expands to include businesses that generate four cubic yards per week. AB 1594 defines that green waste used as daily cover at landfills will no longer qualify as diversion and instead will be considered disposal starting January 2020. The Districts currently have programs in place at our two MRF's and transfer station to recover wood and green waste and transport it for recycling at compost and biomass facilities. In February 2014, the Districts began a demonstration project to recycle clean processed food waste using anaerobic digestion at JWPCP. Food waste slurry is delivered via tanker trucks by a private waste company and is pumped into an existing treatment plant digester where it is co-digested with solids recovered from the wastewater treatment process. The food waste is consumed by bacteria in the digester and produces biogas that can be beneficially used as a fuel to produce electricity. The Districts are also partnering with Los Angeles County on a pilot food waste recycling project serving unincorporated areas of the County. A County franchise hauler will collect food waste from businesses such as restaurants and grocery stores and deliver it to the Districts' Puente Hills MRF for recycling starting in September 2015.

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 2014, the Districts received Platinum Awards for the JWPCP, Long Beach WRP, San Jose Creek West WRP, Whittier Narrows WRP, Valencia WRP, and Saugus WRP; Gold Awards for the Los Coyotes WRP, San Jose Creek East WRP, Palmdale WRP, Pomona WRP, and La Canada WRP; and a Silver Award for the Lancaster WRP. This past year was the first time the Palmdale, Lancaster, and La Canada WRPs were eligible for the NACWA award.

The Santa Clarita Valley Sanitation District Chloride Compliance Program was awarded the Grand Prize in the Planning category of the 2015 Excellence in Environmental Engineering and Science Competition by the American Academy of Environmental Engineers and Scientists.

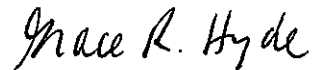
Certificate of Achievement

The Districts' CAFR for the fiscal year ended June 30, 2015, 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 31 consecutive years and have submitted this year's CAFR for consideration as well.

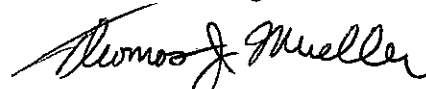
Acknowledgments

In submitting this 2014-2015 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, 2015

<u>City</u>	<u>District(s)</u>	<u>Director/Mayor^{1/}</u> <u>(2ND Director/Councilmembers)</u>	<u>Alternate Director^{2/}</u> <u>(Councilmember/Surpervisor)</u>
Alhambra	2-16	Luis Ayala	Barbara A. Messina
Arcadia	15-22	Gary Kovacic	Roger Chandler
Artesia	2-18-19	Miguel Canales	Sally Ann Flowers
Azusa	22	Joseph R. Rocha	Edward J. Alvarez
Baldwin Park	15-22	Manuel Lozano	Cruz Baca
Bell	1-2	Ali Saleh	Alicia Romero
Bell Gardens	2	Jennifer Rodriguez	Pedro Aceituno
Bellflower	2-3-18	Scott A. Larsen	Dan Koops
Beverly Hills	4	Julian Gold	Nancy Krasne
Bradbury	15-22	Richard T. Hale	Richard G. Barakat
Carson	8	Albert Robles	Elito Santarina
Cerritos	2-3-18-19	Carol Chen	George Ray
Claremont	21	Corey Calaycay	Opanyi Nasiali
Commerce (City of)	2	Lilia Leon	Tina Baca Del Rio
Compton	1-2-8	Aja Brown	Isaac Jacob Galvan
Covina	22	John King	Kevin Stapleton
Cudahy	1	Cristian Markovich	- - -vacant- - -
Culver City	5	Micheal O'Leary	Jeffrey Cooper
Diamond Bar	21	Steve Tye	Nancy Lyons
Downey	2-18	Luis H. Marquez	Alex Saab
Duarte	15-22	Tzeitel Paras-Caracci	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	Karen Davis	Gene Murabito
Hawaiian Gardens	19	Barry Bruce	Michael Gomez
Hawthorne	5	Chris Brown	- - -vacant- - -

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Boards of Directors Membership

As of June 30, 2015

<u>City</u>	<u>District(s)</u>	<u>Director/Mayor^{1/}</u> <u>(2ND Director/Councilmembers)</u>	<u>Alternate Director^{2/}</u> <u>(Councilmember/Surpervisor)</u>
Hermosa Beach	SBC	Peter C. Tucker	Nanette Barragan
Huntington Park	1	Karina Macias	Marilyn Sanabria
Industry (City of)	15-18-21	Mark D. Radecki	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	Teresa “Terry” Walker	—”—
La Cañada Flintridge*	28-34	David A. Spence	—”—
La Cañada Flintridge*	28-34	Leonard Pieroni	—”—
La Habra Heights	18	Michael Higgins	- - -vacant- - -
La Mirada	18	Pauline Deal	Steve De Ruse
La Puente	15-21	Dan Holloway	Charlie Klinakis
La Verne	21-22	Don A. Kendrick	Donna Redman
Lakewood	3-19	Jeff Wood	Ron Piazza
Lancaster	14	R. Rex Parris	Ken Mann
Lawndale	5	Robert Pullen-Miles	Pat Kearney
Lomita	5	Henry Sanchez, Jr.	James Gazeley
Long Beach	1-2-3-8-19	Robert Garcia	Dee Andrews
Los Angeles City	1-2-3-4-5-8-9-16	Herb Wesson, Jr.	Joe Buscaino
Lynwood	1	Jose Luis Solache	Edwin Hernandez
Manhattan Beach	SBC-5	Wayne Powell	Mark Burton
Maywood	1	Eddie De La Riva	Thomas Martin
Monrovia	15-22	Tom Adams	Becky A. Shevlin
Montebello	2-15	Jack Hadjinian	Art Barajas
Monterey Park	2-15	Hans Liang	Peter Chan
Norwalk	2-18	Leonard Shryock	Michael Mendez

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Boards of Directors Membership

As of June 30, 2015

<u>City</u>	<u>District(s)</u>		<u>Director/Mayor^{1/}</u> <u>(2ND Director/Councilmembers)</u>	<u>Alternate Director^{2/}</u> <u>(Councilmember/Surpervisor)</u>
Palmdale	14-20		James C. Ledford	Roxana Martinez
Palmdale	20	2 nd Dir	Steven Hofbauer	Roxana Martinez
Palos Verdes Estates	SBC-5		James Goodhart	Jennifer L. King
Paramount	1-2		Tom Hansen	Gene Daniels
Pasadena	15-16-17		Terry Tornek	--- vacant ---
Pico Rivera	2-18		Gregory Salcido	David Armenta
Pomona	21		Elliott Rothman	Paula Lantz
Rancho Palos Verdes	SBC-5		Jim Knight	Susan Brooks
Redondo Beach	SBC-5		Steve Aspel	Bill Brand
Rolling Hills	5		Jeff Pieper	Bea Dieringer
Rolling Hills Estates	SBC-5		John Addleman	Steven Zuckerman
Rosemead	15		Margaret Clark	Sandra Armenta
San Dimas	21-22		Curtis W. Morris	Denis Bertone
San Gabriel	2-15		Jason Pu	Juli Costanzo
San Marino	15-16		Eugene Sun	Allan Yung
Santa Clarita	SCV		Marsha McLean	Robert Kellar
Santa Clarita	SCV	2 nd Dir	Laurene Weste	—”—
Santa Fe Springs	18		Laurie Rios	Richard J. Moore
Sierra Madre	15		John Capoccia	--- vacant ---
Signal Hill*	3-29		Larry Forester	Lori Y. Woods
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		Jorge Morales	William “Bill” De Witt
South Pasadena	16		Robert S. Joe	Diana Mahmud

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Boards of Directors Membership

As of June 30, 2015

<u>City</u>	<u>District(s)</u>	<u>Director/Mayor^{1/}</u> <u>(2ND Director/Councilmembers)</u>	<u>Alternate Director^{2/}</u> <u>(Councilmember/Surpervisor)</u>
Temple City	15	Edward Thomas Chavez	Cynthia Sternquist
Torrance	SBC-5	Patrick J. Furey	Geoff Rizzo
Vernon*	1-2-23	William M. McCormick	Melissa Ybarra D1 Alternate William J. Davis D2 Alternate
Vernon*	23	Luz A. Martinez	not applicable
Vernon*	23	Melissa Ybarra	—”—
Vernon*	23	William J. Davis	—”—
Vernon*	23	Yvette Woodruff-Perez	—”—
Walnut	21-22	Nancy Tragarz	Antonio “Tony” Cartagena
West Covina	15-21-22	Fredrick Sykes	James Toma
West Hollywood	4	Lindsey P. Horvath	John D’Amico
Whittier	2-15-18	Fernando Dutra	Cathy Warner
Los Angeles County	1, 2, 15, 18, 21, 22	Michael Antonovich	Hilda Solis
27***36***	8, 9, 14, SCV	“	Mark Ridley-Thomas
	3, 5, 9, 16, 17, 19, 20	“	Don Knabe
	9 2 nd Dir	Don Knabe	Mark Ridley-Thomas
	17 2 nd Dir	Mark Ridley-Thomas	Don Knabe

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

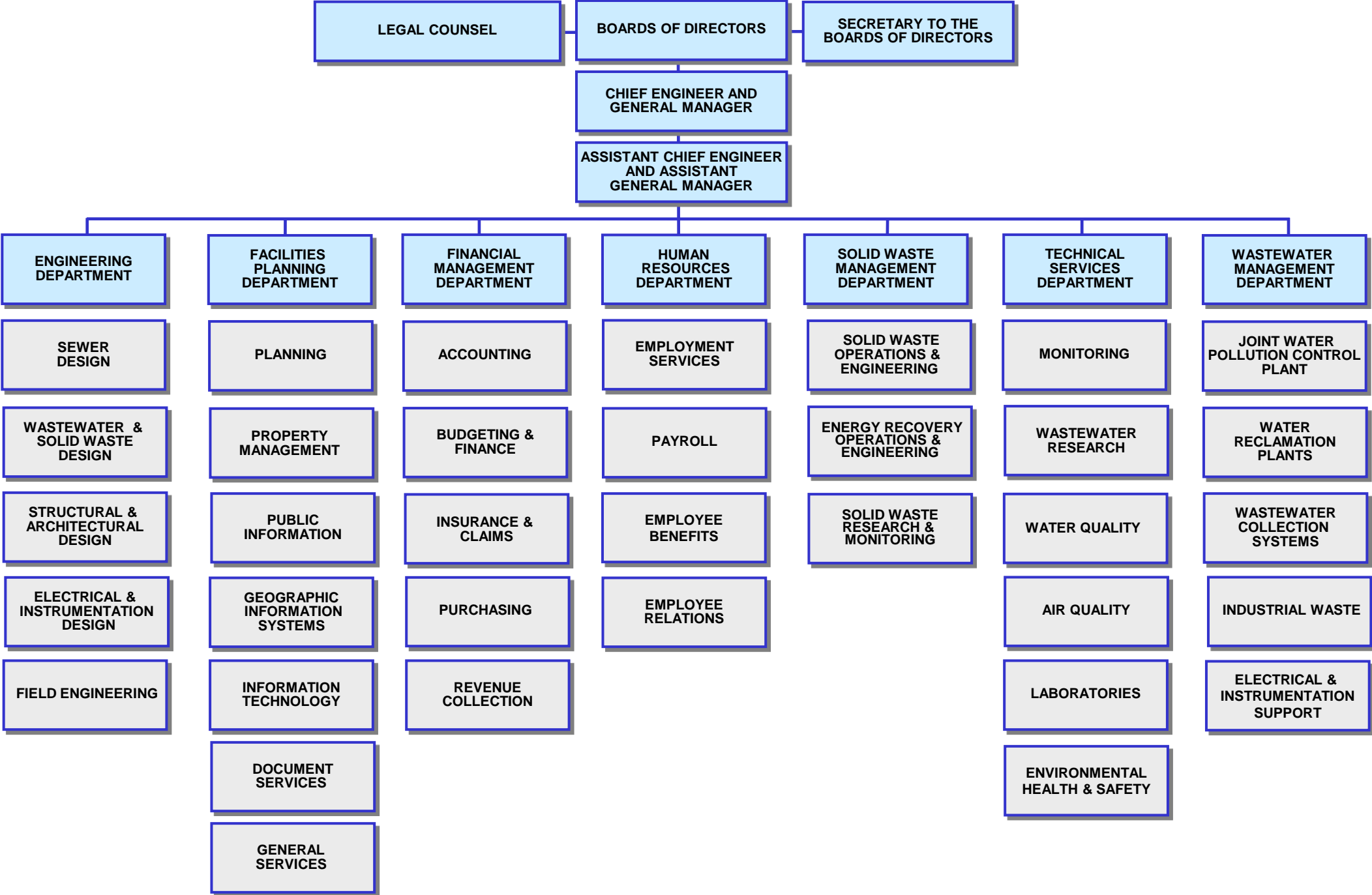
^{2/} Alternate is a member of and appointed by city council or is a member of and appointed by the Board of Supervisors to act in the absence, refusal, or inability of presiding officer to so act. (§4730 Health & Safety Code) (exception-CLA Alternate appointed by Council Pres.)

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.

*** Districts whose boundaries are composed of only unincorporated area: 27-35-36(Newhall Ranch) (Board of Supervisors is Board of Directors)

Sanitation Districts of Los Angeles County Organization Chart





Government Finance Officers Association

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

Presented to

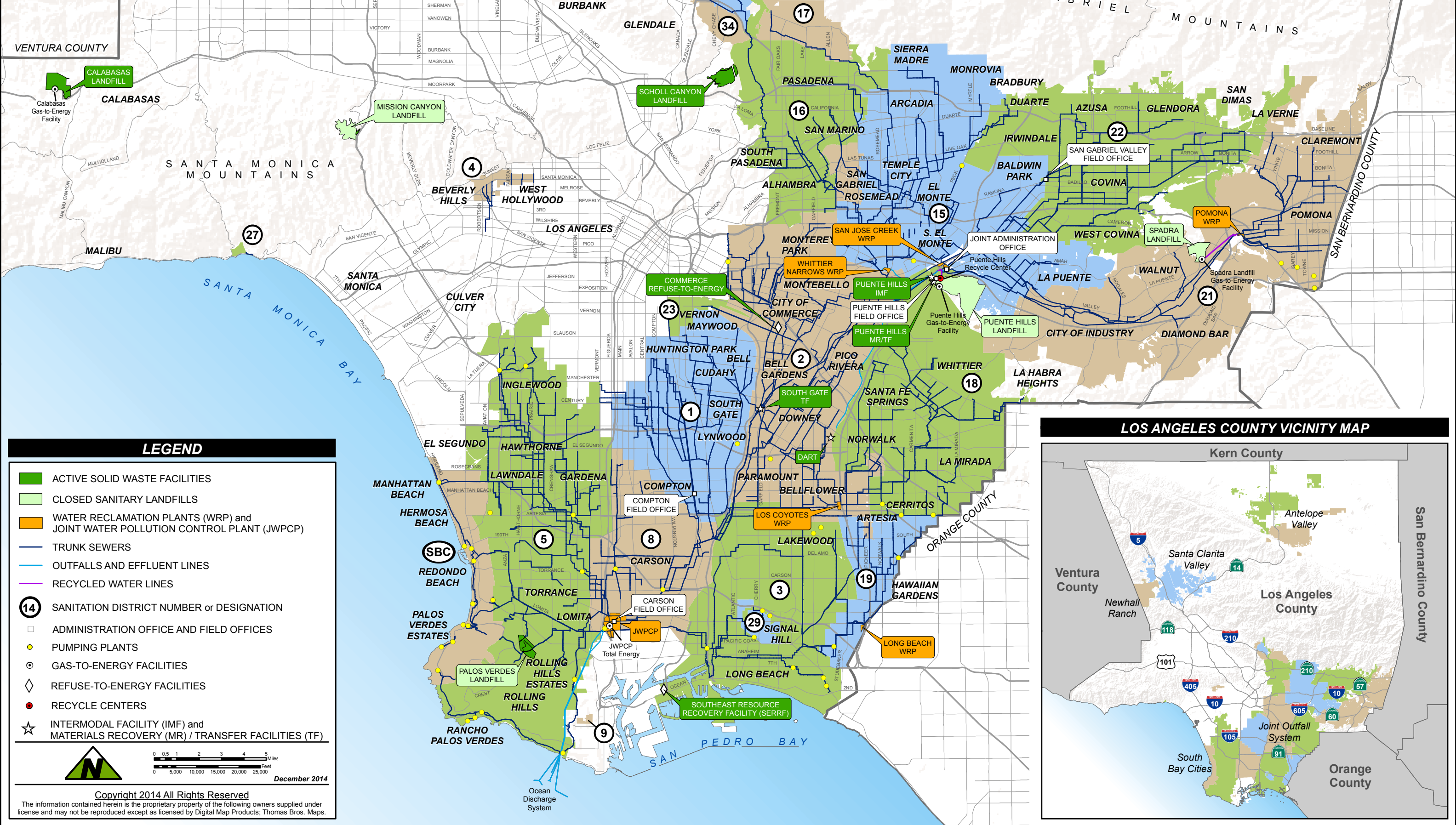
**County Sanitation Districts
of Los Angeles, California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

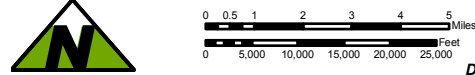
Executive Director/CEO

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)
- TRUNK SEWERS
- OUTFALLS AND EFFLUENT LINES
- RECYCLED WATER LINES
- 14 SANITATION DISTRICT NUMBER or DESIGNATION
- ADMINISTRATION OFFICE AND FIELD OFFICES
- PUMPING PLANTS
- GAS-TO-ENERGY FACILITIES
- REFUSE-TO-ENERGY FACILITIES
- RECYCLE CENTERS
- INTERMODAL FACILITY (IMF) and MATERIALS RECOVERY (MR) / TRANSFER FACILITIES (TF)



December 2014

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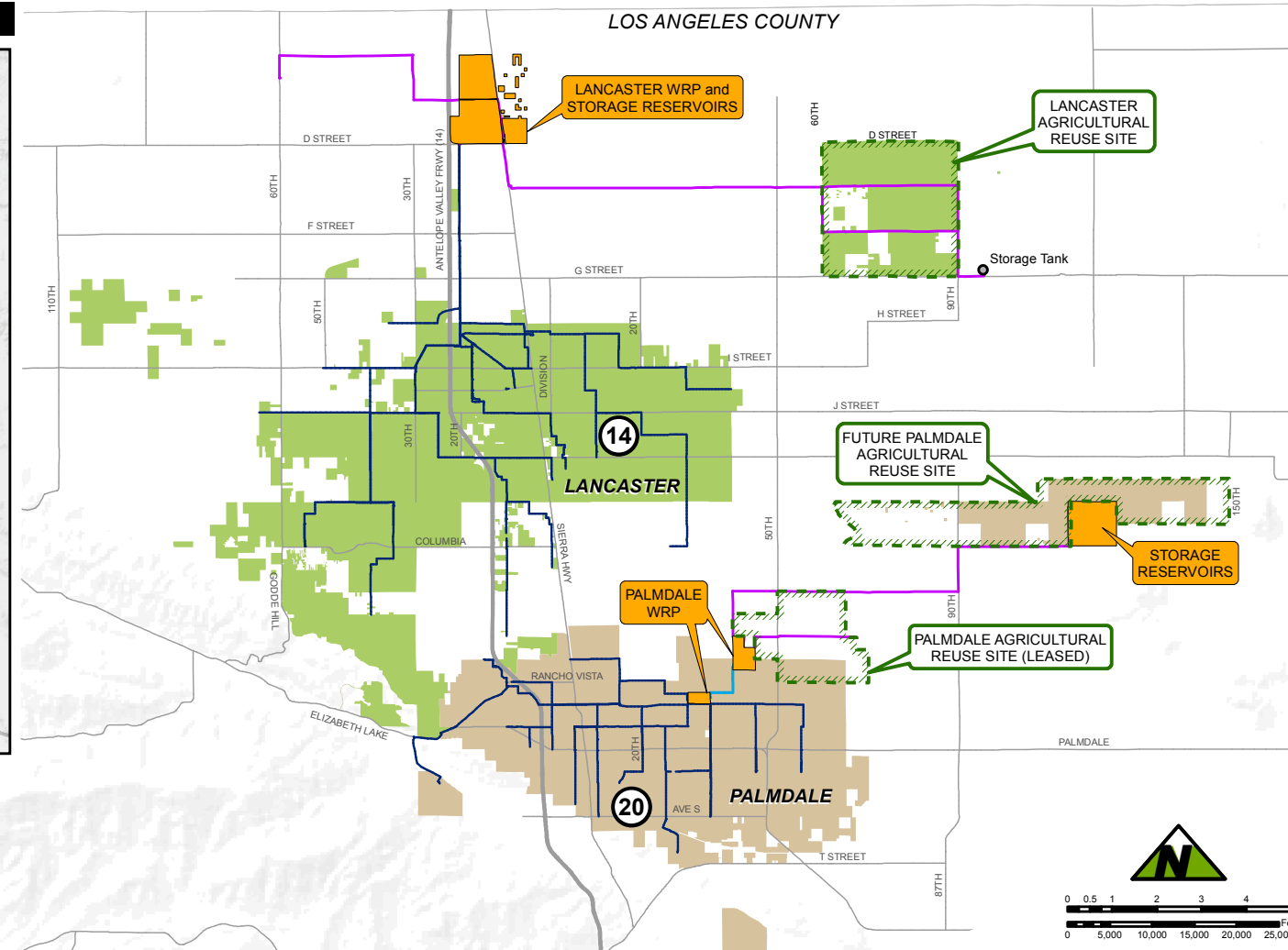
LOS ANGELES COUNTY VICINITY MAP



REGIONAL FACILITIES



KERN COUNTY LOS ANGELES COUNTY

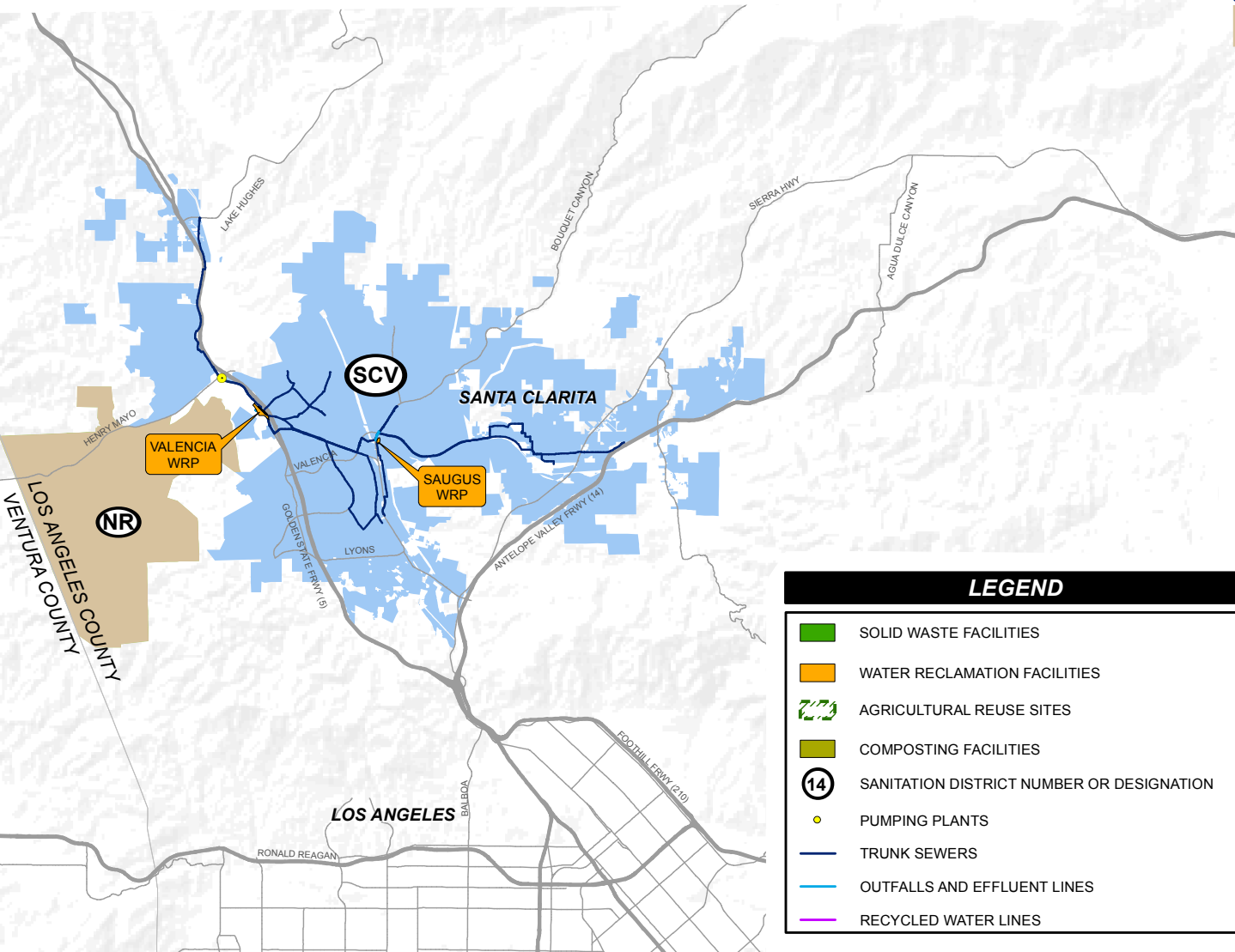


SOLID WASTE FACILITIES

Sanitary Landfills	Placed in Operation	Area in Acres	Status
Palos Verdes	5/15/1957	288	Closed 12/31/1980
Spadra	7/15/1957	338	Closed 4/8/2000
Puente Hills	5/19/1958	1,368	Closed 10/31/2013
Mission Canyon	6/1/1960	373	Closed 1/9/82
Scholl Canyon	3/22/1961	431	Operating
Calabasas	2/14/1961	500	Operating
Mesquite	Operational 2009	2,290	Operational

Energy Facility	Operational	Net Electricity Production
Commerce Refuse-to-Energy	1/1/1987	10 MW
Puente Hills Gas-to-Energy	1/1/1987	46 MW
SERRF Refuse-to-Energy	12/1/1988	30 MW
Spadra Gas-to-Energy	4/5/1991	6 MW
Puente Hills Engines	5/1/2005	5.4 MW
Calabasas Gas-to-Energy	7/12/2010	5.6 MW

Other Solid Waste Facilities	Operational
South Gate TF	1/2/1958
Puente Hills Recycle Center	10/25/1982
DART MR/TF	3/2/1998
Puente Hills MR/TF	7/11/2005
Puente Hills IMF	Under Construction



LEGEND

- SOLID WASTE FACILITIES
- WATER RECLAMATION FACILITIES
- AGRICULTURAL REUSE SITES
- COMPOSTING FACILITIES
- 14 SANITATION DISTRICT NUMBER OR DESIGNATION
- PUMPING PLANTS
- TRUNK SEWERS
- OUTFALLS AND EFFLUENT LINES
- RECYCLED WATER LINES

COMPOSTING FACILITIES

Composting Facility	Placed in Operation
Inland Empire	4/16/2007
Tulare Lake	Operational 2015

WASTEWATER FACILITIES

Facility	Placed in Operation	Permitted Capacity	Area in Acres
JWPCP	2/4/1928	400 mgd	381
Long Beach WRP	5/22/1973	25 mgd	17
Los Coyotes WRP	10/14/1970	37.5 mgd	36
Whittier Narrows WRP	7/27/1962	15 mgd	27
San Jose Creek WRP	6/29/1971	100 mgd	51
Pomona WRP	4/15/1954	15 mgd	12
La Canada WRP	11/2/1962	0.2 mgd	0
Valencia WRP	3/25/1966	21.6 mgd	26
Saugus WRP	7/1/1962	6.5 mgd	4
Palmdale WRP	11/28/1952	12 mgd	278
Lancaster WRP	10/1/1959	18 mgd	1,392

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

SANITATION DISTRICTS DATA

District	Date of Formation	Placed in Operation	Area (Sq. Miles)	Population 2014	Cities/Partial Cities	Miles of District Sewers 2014	Pump Stations	Wastewater Management
SBC	12/24/1923	9/12/1926	14.6	117,671	8	25.4	11	Joint Outfall System
1	11/17/194	2/13/1928	41.3	571,853	11	105.5	1	Joint Outfall System
2	2/25/1924	2/13/1928	76.1	691,957	19	219.9	2	Joint Outfall System
3	5/19/1924	5/20/1948	52.3	509,518	4	78.3	6	Joint Outfall System
4	3/17/1924	12/9/1926	1.9	35,723	2	6.3	0	LA City Sewerage System
5	3/31/1924	2/13/1928	87.8	743,064	15	181.6	10	Joint Outfall System
8	9/21/1925	2/13/1928	31.3	140,803	4	87.6	3	Joint Outfall System
9	8/16/1926	5/10/1927	0.2	2,324	1	0.0	0	LA City Sewerage System
14	8/31/1938	12/2/1941	59.0	197,512	2	75.5	0	Lancaster Sewerage System
15	1/2/1945	2/27/1948	77.6	584,145	20	145.9	2	Joint Outfall System
16	1/2/1946	2/27/1948	37.4	268,140	5	43.6	0	Joint Outfall System
17	1/2/1946	11/23/1949	7.7	55,678	1	5.2	0	Joint Outfall System
18	11/23/1948	7/1/1950	60.1	338,844	11	83.9	3	Joint Outfall System
19	3/28/1950	5/19/1951	14.2	92,550	5	35.1	2	Joint Outfall System
20	8/7/1951	9/8/1952	41.3	127,655	1	45.6	0	Palmdale Sewerage System
21	11/13/1951	8/21/1954	84.7	410,055	9	85.6	4	Joint Outfall System
22	9/22/1953	12/6/1954	64.1	333,742	12	102.0	0	Joint Outfall System
23	7/10/1956	7/14/1959	2.5	122	1	2.1	0	Joint Outfall System
SCV	1/2/1961	5/10/1962	63.3	278,097	1	43.2	1	Santa Clarita Valley Sewerage System
27	4/20/1961	4/2/1962	0.2	2,241	0	0.4	0	LA City Sewerage System
28	9/14/1961	11/2/1962	4.1	11,447	1	4.1	0	Joint Outfall System
29	9/20/1962	11/12/1964	2.2	11,411	1	35.4	3	Joint Outfall System
34	10/31/1967	Inactive	4.0	7,696	1	0.0	0	Inactive
NR	9/10/2014	Inactive	18.7	3	0	0.0	0	Inactive

Total	846.9	5,532,252	78	1,411.9	48
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**COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY,
CALIFORNIA**

BASIC FINANCIAL STATEMENTS

JUNE 30, 2015



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

RONALD A LEVY, CPA
CRAIG A HARTZHEIM, CPA
HADLEY Y HUI, CPA
ALEXANDER C HOLM, CPA
ADAM V GUISE, CPA
TRAVIS J HOLE, CPA

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CULVER CITY, CA 90230
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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, 2015, 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, 2015, 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(n) to the basic financial statements effective July 1, 2014, the District adopted Governmental Accounting Standards Board (GASB) Statement No 68, *Accounting and Financial Reporting for Pensions*, and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. 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, the Schedule of Changes in the Net Pension Liability and Related Ratios on page 53, and Schedule of Contributions on page 54 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 21, 2015, 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, LLP
Culver City, California
December 21, 2015

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Management's Discussion and Analysis

June 30, 2015

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 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 was \$2 per single-family home and the largest increase was \$24 per single-family home. As part of the rate-setting process, consideration was given to the economic environment and 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 91.
- On September 10, 2014, the last of the other 23 Districts approved Newhall Ranch Sanitation District (NRSD) becoming signatory to 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 a share of all joint administrative expenses.
- On January 1, 2015, the solid waste disposal rate for municipal solid waste and segregated green waste increased for all solid waste sites.
- On March 31, 2015, the Palos Verdes Recycle Center permanently closed. This certified buy-back center was opened to the public beginning in 1970. New stormwater regulations set to go into effect in the summer of 2015 would have required significant modifications to the facility at an estimated cost of approximately \$1.5 million. Further, the costs of operating the recycle center consistently exceeded revenues, despite Districts' efforts to keep costs at a minimum.

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:

- **Statement of Net Position** — Reports the Districts' assets, deferred outflows of resources, liabilities, and deferred inflows of resources, 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.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Management's Discussion and Analysis, Continued

- **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 55-82 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.

Condensed Statement of Net Position (In millions of dollars)

	FY 2015	FY 2014	Dollar Change	Total Percent Change
Current and Other Assets	\$ 2,179.0	\$ 2,153.2	\$ 25.8	1.2 %
Capital Assets, net	<u>3,322.5</u>	<u>3,278.7</u>	<u>43.8</u>	1.3
Total Assets	<u>5,501.5</u>	<u>5,431.9</u>	<u>69.6</u>	<u>1.3</u>
 Deferred Outflow of Resources	 <u>36.4</u>	 <u>17.3</u>	 <u>19.1</u>	 <u>110.4</u>
Current Liabilities	132.4	134.7	(2.3)	(1.7)
Other Liabilities	632.9	339.8	293.1	86.3
Long-Term Debt	<u>839.5</u>	<u>884.6</u>	<u>(45.1)</u>	<u>(5.1)</u>
Total Liabilities	<u>1,604.8</u>	<u>1,359.1</u>	<u>245.7</u>	<u>18.1</u>
 Deferred Inflow of Resources	 <u>86.4</u>	 <u>0.0</u>	 <u>86.4</u>	 <u>-</u>
Invested in Capital Assets	2,425.7	2,324.7	101.0	4.3
Restricted	830.4	882.2	(51.8)	(5.9)
Unrestricted	<u>590.6</u>	<u>883.2</u>	<u>(292.6)</u>	<u>(33.1)</u>
Total Net Position	<u>\$ 3,846.7</u>	<u>\$ 4,090.1</u>	<u>\$ (243.4)</u>	<u>(6.0) %</u>

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.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Management's Discussion and Analysis, Continued

The increase in other liabilities of \$293.1 million is primarily due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions".

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 2015</u>	<u>FY 2014</u>	<u>Dollar Change</u>	<u>Total Percent Change</u>	
Operating Revenues:					
Industrial Waste Surcharge	\$ 63.5	\$ 58.1	\$ 5.4	9.3	%
Refuse Tipping Fees	80.3	87.8	(7.5)	(8.5)	
Sale of Energy	30.4	35.3	(4.9)	(13.9)	
Service Charges	331.3	312.9	18.4	5.9	
Other	<u>50.2</u>	<u>51.5</u>	<u>(1.3)</u>	<u>(2.5)</u>	
Total Operating Revenues	<u>555.7</u>	<u>545.6</u>	<u>10.1</u>	<u>1.9</u>	
Operating Expenses:					
Depreciation	93.6	110.8	(17.2)	(15.5)	
Operations & Maintenance	202.6	194.7	7.9	4.1	
Salaries & Benefits	192.5	198.3	(5.8)	(2.9)	
Other	65.4	50.5	14.9	29.5	
Total Operating Expenses	<u>554.1</u>	<u>554.3</u>	<u>(0.2)</u>	<u>(0.0)</u>	
Nonoperating Revenues:					
Interest Revenue	17.6	15.7	1.9	12.1	
Taxes	67.9	55.2	12.7	23.0	
Other	14.5	19.8	(5.3)	(26.8)	
Total Nonoperating Revenues	<u>100.0</u>	<u>90.7</u>	<u>9.3</u>	<u>10.3</u>	
Nonoperating Expenses:					
Interest Expense	32.8	32.2	0.6	1.9	
Tax & Assessment Expense	7.1	14.0	(6.9)	(49.3)	
Other	1.9	5.0	(3.1)	(62.0)	
Total Nonoperating Expenses	<u>41.8</u>	<u>51.2</u>	<u>(9.4)</u>	<u>(18.4)</u>	
Income Before Capital					
Contribution Revenue	59.8	30.8	29.0	94.2	
Capital Contribution Revenue	33.0	38.8	(5.8)	(14.9)	
Beginning Net Position	4,089.9	4,025.1	64.8	1.6	
Prior-Period Adjustment	<u>(336.2)</u>	<u>(4.8)</u>	<u>(331.4)</u>	100.0	
Ending Net Position	\$ <u>3,846.5</u>	\$ <u>4,089.9</u>	\$ <u>(243.4)</u>	<u>(6.0)</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 85% of the Districts' operating revenue.

Other operating expenses increased by 29.5% due to changes in estimates for landfill closure and postclosure expenses. The decrease in tax and assessment expense of 49.3% was a result of the closure of the Puente Hills landfill in the prior fiscal year.

Capital Assets and Debt Administration

As of June 30, 2015, the Districts had \$5.1 billion invested in a broad range of assets as shown below:

		Capital Assets (In millions of dollars)				
	FY 2015	FY 2014	Dollar Change	Total Percent Change		
Buildings and Equipment	\$ 72.5	\$ 69.5	\$ 3.0	4.3		%
Capital Improvements	541.4	536.3	5.1	1.0		
Construction in Progress	459.1	374.4	84.7	22.6		
Disposal Rights	79.9	77.8	2.1	2.7		
Equipment Pool	61.1	63.9	(2.8)	(4.4)		
Gas-to-Energy Facilities	221.2	221.6	(0.4)	(0.2)		
Joint Outfall Facilities	2,131.9	2,105.1	26.8	1.3		
Land	217.6	216.9	0.7	0.3		
Other	21.8	20.5	1.3	6.3		
Rail Facilities	54.1	54.1	0.0			
Recycling and Transfer Stations	63.2	62.5	0.7	1.1		
Treatment Plants	811.8	804.3	7.5	0.9		
Trunk Lines	345.3	341.5	3.8	1.1		
Use Rights	69.0	69.0	0.0	0.0		
Subtotal	<u>5,149.9</u>	<u>5,017.4</u>	<u>132.5</u>	2.6		
Less Accumulated Depreciation & Amortization	<u>1,827.4</u>	<u>1,738.7</u>	<u>88.7</u>	5.1		
Net Capital Assets	<u>\$ 3,322.5</u>	<u>\$ 3,278.7</u>	<u>\$ 43.8</u>	<u>1.3</u>		%

Major capital asset projects that were completed and placed in operation during fiscal year 2014-2015 included the following:

- \$8.2 million – various Joint Water Pollution Control Plant Modifications/Upgrades
- \$7.8 million – various Joint Outfall Trunk Sewer Rehabilitations
- \$2.7 million – San Jose Creek Water Reclamation Plant Boiler Modifications

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Management's Discussion and Analysis, Continued

Expenditures to date of ongoing construction projects (construction in progress) of \$459.1 million as of June 30, 2015 included, in part, the following projects:

- \$166.3 million - Puente Hills Intermodal Facilities development
- \$92.7 million – Tulare Lake Composting Facility development
- \$49.6 million - planning for Clearwater Program and design of JWPCP Effluent Outfall Tunnel
- \$52.2 million - various water reclamation and pumping plant modifications
- \$51.4 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 29-30 of this report.

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

Capital Project	Amount Planned
Landfill Acquisitions & Development	\$ 1.5
Sewer Relief and Rehabilitation	54.1
Long-Term Biosolids Recycling	0.9
Pumping Plant and Water Reclamation Plant Improvements and Expansions	76.9
Landfill General Improvements, Drainage, and Landscaping	2.7
Intermodal Facility Development	18.9
Gas Control Measures	1.4
Administration and Field Operations Improvements	7.4
Sewage Disposal Contracts	3.7
Total	\$ 167.5

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 4.8%.

Outstanding Debt (In millions of dollars)				
	<u>FY 2015</u>	<u>FY 2014</u>	<u>Dollar Change</u>	<u>Total Percent Change</u>
Revenue Bonds	\$ 539.0	\$ 574.0	\$ (35.0)	(6.1) %
Notes Payable	1.3	1.4	(0.1)	(7.1)
State Water Resources Control Board Loans	<u>359.8</u>	<u>369.7</u>	<u>(9.9)</u>	<u>(2.7)</u>
Total Long-Term Debt	<u>\$ 900.1</u>	<u>\$ 945.1</u>	<u>\$ (45.0)</u>	<u>(4.8) %</u>

Revenue Bond obligations decreased due to scheduled principal payments. State Water Resources Control Board obligations decreased due to scheduled principal payments, net of new obligations.

Not Yet Updated

Bond Debt Ratings As of June 30, 2015

	<u>Standard & Poor's</u>	<u>Moody's Investor Service</u>	<u>Fitch Ratings</u>
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 30-34 of this report.

Currently Known Significant Facts

- In July 2015, the Districts' Financing Authority issued \$149,940,000 in Capital Projects Revenue Bonds (District No. 14 Subordinate Revenue Bonds) (the 2015 Bonds). The purpose of the 2015 Bonds was to refund and defease the Authority's outstanding Capital Projects Revenue Bonds, 2005 Series B (District No. 14 Subordinate Revenue Bonds), and to pay for costs of issuance. These serial bonds mature in varying amounts on October 1 in the years 2015 through 2035 at coupon rates ranging from 2.0% to 5.0%. The 2015 Bonds are rated A+ by Standard & Poor's and AA- by Fitch Ratings.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Management's Discussion and Analysis, Continued

- Service charge rates will increase in fiscal 2015-2016 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 \$20 per single-family home. With respect to District 14, the service charge rate was decreased by \$20 per single-family home due to a refunding of existing bond debt to a lower interest rate which allowed for significant savings.
- The Districts have been actively pursuing legislation to obtain the authority to assist local jurisdictions with stormwater and urban runoff. The legislation, which was signed into law by the Governor on October 9, 2015, affords the Districts the authority to acquire, construct, operate and maintain facilities to divert, manage, discharge, and beneficially reuse stormwater and dry weather runoff from stormwater drainage systems.

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, 2015

Assets

Current assets:	
Cash in bank (note 3)	\$ 869,002
Cash on hand (note 3)	40,816
Cash and cash equivalents (note 3)	<u>129,152,203</u>
Total unrestricted cash and cash equivalents	<u>130,062,021</u>
Receivables:	
Accounts (note 6)	32,786,707
Interest	6,713,705
Service charges	15,618,254
Taxes	<u>4,262,517</u>
Total receivables	<u>59,381,183</u>
Inventory	<u>18,743,582</u>
Restricted cash and investments (note 3):	
Cash and cash equivalents	705,599,482
Specific investments	1,092,168,742
Bond proceeds with Trustee	
Cash and cash equivalents	287,443
Investments	<u>10,571,715</u>
Total restricted cash and investments	<u>1,808,627,382</u>
Other specific investments (note 3)	<u>106,151,843</u>
Total current assets	<u>2,122,966,011</u>
Noncurrent assets:	
Investment in joint ventures (note 17)	56,046,173
Capital assets (note 7):	
Buildings and equipment	72,488,959
Capital improvements	541,447,350
Construction in progress (note 16)	459,064,805
Disposal rights	79,933,913
Equipment pool	61,154,618
Gas-to-energy facilities	221,243,276
Joint outfall facilities	2,131,855,758
Land (note 19)	217,603,174
Other	21,780,019
Rail facilities	54,060,853
Recycling and transfer facility	63,155,341
Treatment plants	811,759,640
Trunk lines	345,338,156
Less accumulated depreciation	(1,801,009,925)
Use rights	69,009,056
Less accumulated amortization	<u>(26,420,434)</u>
Net capital assets	<u>3,322,464,559</u>
Total noncurrent assets	<u>3,378,510,732</u>
Total assets	<u>5,501,476,743</u>
Deferred Outflow of Resources	
Pension contribution subsequent to measurement date (note 11)	21,082,087
Deferred loss on refunding, net	<u>15,317,287</u>
	<u>\$ 36,399,374</u>

(Continued on following page)

Exhibit A-2
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Statement of Net Position
June 30, 2015

Liabilities

Current liabilities:	
Accounts payable	\$ 16,622,285
Accrued employee absences (note 1J and 14)	9,595,132
Amounts held for others	4,843,214
Bonds payable (note 8)	30,534,400
Claims liabilities (note 9)	5,555,481
Construction contracts payable	11,871,965
Estimated liability for closure and postclosure costs (note 18)	12,282,096
Estimated liability for pollution remediation (note 19)	465,000
Interest payable	10,338,254
Loans payable to State of California (note 8)	30,100,398
Note payable	44,437
Other	148,705
	<hr/>
Total current liabilities	132,401,367
	<hr/>
Long-term liabilities:	
Accrued employee absences (note 1J and 14)	27,495,766
Bonds payable, net (note 8)	508,494,576
Claims liabilities (note 9)	5,555,480
Estimated liability for closure and postclosure costs (note 18)	333,396,391
Estimated liability for pollution remediation (note 19)	800,000
Loans payable to State of California (note 8)	329,709,876
Note payable	1,328,376
Pension liability (note 11)	265,603,208
	<hr/>
Total noncurrent liabilities	1,472,383,673
	<hr/>
Total liabilities	1,604,785,040
	<hr/>

Deferred Inflow of Resources

Differences between projected and actual earnings on pension plan investments (note 11)	86,434,076
	<hr/>

Net Position

Net position (note 20):	
Net investment in capital assets	2,425,697,813
Restricted for capital projects	615,017,144
Restricted for closure/postclosure maintenance	125,943,265
Restricted for debt service	4,809,320
Restricted for disposal fees	732,866
Restricted for equipment pool	26,575,070
Restricted for noncapital projects	22,078,255
Restricted for site development	35,225,170
Unrestricted	590,578,098
	<hr/>
Total net position	\$ 3,846,657,001
	<hr/> <hr/>

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, 2015

Operating revenues:	
Commodities	\$ 8,778,882
Contract revenue	22,171,558
Equipment pool	14,645,027
Industrial waste surcharge	63,505,224
Refuse tipping fees	80,316,347
Sale of energy	30,355,733
Service charges (note 4)	331,261,144
Other	4,696,913
	<hr/>
Total operating revenues	555,730,828
	<hr/>
Operating expenses:	
Chemicals	33,675,018
Equipment and vehicle rentals	15,586,903
Hazardous waste siting study	(16,092)
Insurance and claims	5,104,991
Landfill closure and postclosure costs (note 18)	34,395,273
Materials and supplies	21,019,227
Operations, repairs and maintenance	30,960,214
Salaries and benefits (notes 11 and 12)	192,500,225
Services	91,973,154
Utilities	25,052,772
	<hr/>
Total operations and maintenance	450,251,685
	<hr/>
Charges for collections	474,800
Depreciation and amortization of use rights (note 7)	93,589,845
Research and development	6,152,206
Tonnage	3,636,397
	<hr/>
Total operating expenses	554,104,933
	<hr/>
Operating income	1,625,895
	<hr/>
Nonoperating revenues (expenses):	
Interest revenue	17,646,286
Investment in joint ventures (note 17)	1,975,445
Taxes	67,962,582
Other nonoperating revenue	1,500,000
Amortization of bond premium	5,659,877
Amortization of deferred loss on refunding	(1,967,291)
Interest expense (note 8)	(32,816,826)
Loss on sale of equipment/assets	(6,962)
Tax and assessment expense	(7,049,931)
Unrealized gain on investments	5,188,482
	<hr/>
Net nonoperating revenues	58,091,662
	<hr/>
Income before capital contribution revenue	59,717,557
	<hr/>
Capital contribution revenue:	
Connection fees	32,966,053
	<hr/>
Change in net position	92,683,610
	<hr/>
Total net assets, July 1, 2014, as previously stated	4,090,131,625
	<hr/>
Prior-period adjustments (note 21)	(336,158,234)
	<hr/>
Total net position, July 1, 2014, as restated	3,753,973,391
	<hr/>
Total net position, June 30, 2015	\$ 3,846,657,001
	<hr/> <hr/>

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, 2015

Cash flows from operating activities:	
Receipts from customers and users	\$ 544,623,146
Receipts for equipment rental	14,645,027
Payments to suppliers	(222,018,972)
Payments to employees	(200,428,840)
Payments applied to closure/postclosure liability	(6,843,778)
Payment for equipment rental within the Districts	(14,991,344)
Other payments	(18,589)
	<u>114,966,650</u>
Net cash provided by operating activities	
Cash flows from noncapital financing activities:	
Receipts from property taxes	67,042,029
Payments for tax and assessment	(7,049,931)
	<u>59,992,098</u>
Net cash provided by noncapital financing activities	
Cash flows from capital and related financing activities:	
Borrowings on loan from state	18,879,215
Contract proceeds from County of Los Angeles	1,500,000
Purchases of capital assets	(135,584,173)
Connection fees proceeds	32,713,345
Interest paid on capital-related debt	(30,941,557)
Principal payments on bonds	(29,264,400)
Principal payments on note	(41,338)
Principal payments on loan from state	(31,172,533)
Proceeds from sale of assets/equipment	2,384,640
Receipts from joint venture	131,163
	<u>(171,395,638)</u>
Net cash used by capital and related financing activities	
Cash flows from investing activities:	
Interest received	15,939,131
Purchases of investments	(610,933,002)
Proceeds from maturities of investments	863,261,627
	<u>268,267,756</u>
Net cash provided by investing activities	
Net increase in cash and cash equivalents	
	271,830,866
Cash and cash equivalents at beginning of fiscal year	<u>564,118,080</u>
Cash and cash equivalents at end of fiscal year	<u>\$ 835,948,946</u>
Reconciliation of cash and cash equivalents at end of fiscal year:	
Current assets:	
Cash in bank	\$ 869,002
Cash on hand	40,816
Cash in Los Angeles County treasury	129,152,203
Restricted cash and investments:	
Cash in Los Angeles County treasury and cash equivalents	705,599,482
Bond proceeds with Trustee Cash equivalents	287,443
	<u>\$ 835,948,946</u>

(Continued on following page)

Exhibit C-2
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Statement of Cash Flows
Fiscal year ended June 30, 2015

Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 1,625,895
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	93,589,845
Landfill closure and postclosure costs	34,395,273
Increase in accounts receivable	(320,194)
Decrease in service charge receivable	3,857,541
Decrease in inventory	47,693
Increase in deferred outflows of resources	(21,082,087)
Decrease in accounts payable	(1,170,040)
Decrease in accrued employee absences	(2,725,574)
Decrease in estimated liability for closure and postclosure costs	(6,843,778)
Increase in claims liabilities related to self-insurance	51,588
Increase in pension liability	37,487,561
Decrease in amounts held for others	(2,319,117)
Decrease in other liabilities	(19,439)
Decrease in deferred inflows of resources	(21,608,517)
Net cash provided by operating activities	\$ 114,966,650
Schedule of noncash investing activity-	
Unrealized gain on fair value of investments	\$ 5,188,482
Investment in joint ventures	1,975,445

See accompanying notes to basic financial statements.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements

June 30, 2015

(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 repairs	50 years
Trunk sewer lines, replacements, relocations, or reliefs	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, 2015, accrued vacation and sick leave aggregated \$37,090,898 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) Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Districts' California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information, see Note 11.

(M) 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.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

(N) New Accounting Pronouncements

For the fiscal year ended June 30, 2015, the Districts implemented Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions." This Statement is effective for periods beginning after June 15, 2014. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. This Statement replaces the requirements of Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers" as well as the requirements of Statement No. 50, "Pension Disclosures". This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense related to pensions. Implementation of the GASB Statement No. 68 did have an impact on the District's financial statements for the fiscal year ended June 30, 2015, see Note 11- Defined Benefit Pension Plan and Note 21 – Prior-Period Adjustment.

For the fiscal year ended June 30, 2015, the Districts implemented Governmental Accounting Standards Board (GASB) Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date." This Statement is effective for periods beginning after June 15, 2014. The objective of this Statement is to address an issue regarding application of the transition of GASB Statement No. 68 "Accounting and Financial Reporting for Pensions." The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This statement will eliminate the source of potential significant understatement of restated beginning net position and expense in the first year of implementation of GASB Statement No. 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. Implementation of the GASB Statement No. 71 did have an impact on the District's financial statements for the fiscal year ended June 30, 2015, see Note 11- Defined Benefit Pension Plan and Note 21 – Prior-Period Adjustment.

(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

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

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.

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.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

(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, 2015, specific investments primarily consist of U.S. Agency securities and AA-rated Corporate Bonds.

As of June 30, 2015, 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. Agency Securities	\$ 1,007,080,302 (1)	-	500,704,554	506,375,748
Los Angeles County Pool	822,124,953	822,124,953	-	-
AA-Rated Corporate Bonds	201,812,000			201,812,000
Dreyfus Institutional Reserves Money Market Fund	287,443	287,443	-	-
First American US Treasury Money Market Fund	459,190	459,190	-	-
U.S. Bank Commercial Paper	8,308,776	8,308,776	-	-
U.S. Bank Money Market Account	2,203,067	2,203,067	-	-
Wells Fargo Premium Rate Public Fund	1,655,697	1,655,697	-	-
	<u>\$ 2,043,931,428</u>	<u>835,039,126</u>	<u>500,704,554</u>	<u>708,187,748</u>

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

July 1, 2015 - September 30, 2015	\$ 299,440,683
October 1, 2015 - December 31, 2015	490,465,359
January 1, 2016 - March 31, 2016	6,346,508
April 1, 2016 - June 30, 2016	210,827,752
	<u>\$ 1,007,080,302</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, 2015, 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.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

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 Districts' investments in Corporate Bonds were rated AA by either Standard & Poor's, Moody's Investors Service, or Fitch Ratings. 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, 27, and Newhall Ranch 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 any one United States Agency to no more than 60% of the Districts' funds. These Districts' policies allow for investments in medium-term AAA-rated and AA-rated corporate and depository institution debt securities with remaining maturities of five years or less. No individual medium-term AAA-rated or AA-rated security may exceed 5% of Districts' funds and all medium and short-term investments in aggregate may not exceed 20% of Districts' funds.

The Districts' cash, cash equivalents, and specific investments at June 30, 2015, are classified on the accompanying statement of net position as follows:

Unrestricted cash and cash equivalents (operating funds)	\$	129,152,203
Restricted cash, cash equivalents, and specific investments		1,808,627,382
Other specific investments		<u>106,151,843</u>
		2,043,931,428
Cash in bank		869,002
Cash on hand		<u>40,816</u>
	\$	<u><u>2,044,841,246</u></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, 2015:

	Cash and Cash Equivalents	Specific Investments	Total
Capital improvement fund	\$ 100,302,906	374,891,238	475,194,144
Closure/postclosure fund	200,755,624	255,212,387	455,968,011
Contingency reserve fund	6,966,399	5,435,207	12,401,606
Employee absences fund	37,090,899	-	37,090,899
Equipment pool fund	16,313,758	11,230,024	27,543,782
Rate stabilization fund	168,425,607	226,114,612	394,540,219
Pension prepayment liability	24,282,503	-	24,282,503
Waste-by-rail cost transition fund	71,805,342	160,915,125	232,720,467
Site development fund	23,560,447	11,664,723	35,225,170
Stabilization fund for contracted benefit costs	9,123,000	-	9,123,000
State loan fund	12,677,351	23,204,435	35,881,786
Surcharge fund	11,641,321	6,130,476	17,771,797
Other restricted funds	22,654,325	17,370,515	40,024,840
	705,599,482	1,092,168,742	1,797,768,224
Bond Reserve Fund	287,443	10,571,715	10,859,158
Total Restricted Cash, Cash Equivalents, and Specific Investments	\$ 705,886,925	1,102,740,457	1,808,627,382

Cash in Bank

At June 30, 2015, the carrying amount of the Districts' cash in bank deposits was \$869,002, while the bank balance was \$4,050,971. 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, 2015, the Districts had imprest cash funds in the amount of \$40,816.

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

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

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. Agency securities.

Bond Reserve Fund 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 \$10,859,158.

At June 30, 2015, 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, 2015, the following Districts recorded service charge revenues:

District	Amount
1	\$ 23,588,278
2	32,883,222
3	28,215,464
4	3,689,574
5	35,746,738
8	8,912,178
9	86,498
14	32,492,173
15	26,034,095
16	15,872,547
17	2,124,254
18	18,525,173
19	5,853,756
20	22,259,542
21	22,599,939
22	18,400,830
23	368,455
28	999,668
29	1,863,791
Santa Clarita Valley	24,596,623
South Bay Cities	6,148,346
	\$ 331,261,144

(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.

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.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

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 2014 tax levy is for the fiscal year 2014-2015.

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):

	<u>2015</u>	<u>2014</u>
Sale of commodities	\$ 981	281
Sale of energy	441	480
Surcharge	19,637	18,510
Tipping fees	7,752	8,789
Other	3,976	4,129
Total accounts receivable	<u>\$ 32,787</u>	<u>32,189</u>

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, 2015, was as follows (in thousands):

	<u>June 30, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2015</u>
Capital assets, not being depreciated:				
Construction in progress (see note 16)	\$ 374,448	94,157	(9,540)	459,065
Land	216,896	707		217,603
Total capital assets, not being depreciated	<u>591,344</u>	<u>94,864</u>	<u>(9,540)</u>	<u>676,668</u>
Capital assets, being depreciated or amortized:				
Buildings and equipment	69,564	3,191	(266)	72,489
Capital improvements	536,308	5,139	-	541,447
Disposal rights	77,807	2,127	-	79,934
Equipment pool	63,874	4,504	(7,223)	61,155
Gas-to-energy facilities	221,590	(347)	-	221,243
Joint outfall facilities	2,105,128	26,728	-	2,131,856
Other	20,458	1,322	-	21,780
Rail Facilities	54,057	4	-	54,061
Recycling and transfer facility	62,458	697	-	63,155
Treatment plants	804,353	7,407	-	811,760
Trunk lines	341,468	3,870	-	345,338
Use rights	69,009	-	-	69,009
Total capital assets, being depreciated or amortized	<u>4,426,074</u>	<u>54,642</u>	<u>(7,489)</u>	<u>4,473,227</u>
Accumulated depreciation and amortization:				
Buildings and equipment	(36,182)	(2,083)	-	(38,265)
Capital improvements	(439,560)	(5,464)	-	(445,024)
Disposal rights	(31,501)	(1,777)	-	(33,278)
Equipment pool	(31,944)	(4,020)	4,825	(31,139)
Gas-to-energy facilities	(114,369)	(5,377)	-	(119,746)
Joint outfall facilities	(784,551)	(43,480)	-	(828,031)
Other	(7,484)	(446)	-	(7,930)
Recycling and transfer facility	(15,281)	(1,740)	-	(17,021)
Treatment plants	(154,637)	(23,008)	-	(177,645)
Trunk lines	(98,278)	(4,654)	-	(102,932)
Use rights	(24,878)	(1,541)	-	(26,419)
Total accumulated depreciation and amortization	<u>(1,738,665)</u>	<u>(93,590)</u>	<u>4,825</u>	<u>(1,827,430)</u>
Total capital assets, being depreciated, net	<u>2,687,409</u>	<u>(38,948)</u>	<u>(2,664)</u>	<u>2,645,797</u>
Total capital assets, net	<u>\$ 3,278,753</u>	<u>55,916</u>	<u>(12,204)</u>	<u>3,322,465</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	\$	75,417
Solid Waste Facilities Operations		10,334
Trustee Solid Waste Facilities Operations		2,755
Service Operations		<u>5,084</u>
Total depreciation and amortization expense	\$	<u><u>93,590</u></u>

(8) Long-Term Debt

Revenue Bonds

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%.

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%.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

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:

	Balance at June 30, 2014	Additions	Redemptions	Balance at June 30, 2015	Due Within One Year
Revenue Bonds:					
2005 Series A	21,245,000	-	(760,000)	20,485,000	790,000
2005 Series B	170,495,000	-	(2,870,000)	167,625,000	2,980,000
2007 Series A	131,920,000	-	(750,000)	131,170,000	780,000
2008 Series A	11,235,190	-	(1,404,400)	9,830,790	1,404,400
2011 Series A	130,615,000	-	(1,965,000)	128,650,000	2,025,000
2013 Series A	83,375,000	-	(21,515,000)	61,860,000	22,555,000
	\$ 548,885,190	-	(29,264,400)	519,620,790	30,534,400
Plus unamortized premium	25,068,063		(5,659,877)	19,408,186	-
Bonds payable, net	\$ 573,953,253	-	(34,924,277)	539,028,976	30,534,400

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, 2015, are as follows:

	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
Fiscal year ending June 30:			
2016	23,498,465	30,534,400	54,032,865
2017	22,124,622	31,869,400	53,994,022
2018	20,700,817	33,309,400	54,010,217
2019	19,206,113	34,719,400	53,925,513
2020	17,558,100	36,309,400	53,867,500
2021-2025	69,817,685	90,658,790	160,476,475
2026-2030	56,335,565	53,530,000	109,865,565
2031-2035	37,113,826	107,975,000	145,088,826
2036-2040	13,654,350	66,580,000	80,234,350
2041-2043	2,350,240	34,135,000	36,485,240
	\$ 282,359,783	519,620,790	801,980,573
Plus unamortized premium	-	19,408,186	19,408,186
Bonds payable, net	\$ 282,359,783	539,028,976	821,388,759

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%.

Notes payable are summarized as follows:

	<u>Maximum Principal Balance</u>	<u>Balance at July 1, 2014</u>	<u>Current-Year Draw Downs</u>	<u>Redemptions</u>	<u>Balance at June 30, 2015</u>	<u>Due Within One Year</u>
Geosano	\$ 1,586,020	1,414,151	-	41,338	1,372,813	44,437
Total Notes Payable	\$ 1,586,020	1,414,151	-	41,338	1,372,813	44,437

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	Rate		Balance	July 1, 2014	Draw Downs	Redemptions	June 30, 2015
Lancaster - Outfall & Trunk Sewer	2.3000	%	\$ 31,319,657	21,554,319	-	1,441,340	20,112,979
Lancaster WRP Stage V Expansion	2.6000		142,090,956	69,990,978	-	3,098,654	66,892,324
Palmdale WRP Stage V Expansion	2.5000		70,000,000	56,152,969	-	2,344,983	53,807,986
La Canada Trunk Sewer	3.4000		2,550,000	337,921	-	166,135	171,786
La Canada Foothill Main Trunk Sewer	3.1000		3,785,566	567,837	-	189,278	378,559
Saugus Equipment Purchases	2.4000		1,766,705	980,429	-	89,130	891,299
Valencia	2.8000		10,699,908	3,225,551	-	537,591	2,687,960
Valencia Stage V	2.4000		45,909,746	23,277,361	-	2,327,736	20,949,625
Valencia Stage V Exp	2.4000		1,400,546	634,627	-	70,514	564,113
Valencia WRP Boiler Upgrade	1.7000		4,335,543	4,051,855	338,424	188,693	4,201,586
Puente Hills	2.8000		5,000,000	575,417	-	338,837	236,580
Alamitos Pumping Plant Force Main	1.7000		1,069,500	922,371	-	41,536	880,835
Biological Reactors	2.4000		109,095,000	52,064,660	-	5,251,541	46,813,119
Central Odor Control	2.4000		11,444,141	6,315,094	-	574,099	5,740,995
Cryogenic Oxygen Generation	2.4000		23,869,940	10,811,600	-	1,201,289	9,610,311
Environmental Lab Bldg	2.4000		9,591,013	4,818,673	-	481,867	4,336,806
Fuel Gas Compressor Upgrade	2.4000		722,927	331,322	-	36,813	294,509
Heat Recovery Steam Gen. Equip.	2.4000		3,983,711	2,820,443	-	216,957	2,603,486
High-Speed Centrifuge	2.4000		4,500,995	2,555,248	-	232,295	2,322,953
Install Secondary Infl. Pump Station	2.4000		4,719,816	2,141,415	-	237,935	1,903,480
Install Secondary Infl Pump Station II	2.4000		1,541,429	892,411	-	81,128	811,283
JO A, Unit 1A-Dist 5 Trunk Sewer	2.1000		-	-	9,212,505	-	9,212,505
Long Beach Main PP Facility Upgrades	1.9000		34,482,000	6,994,737	9,328,286	-	16,323,023
Long Beach WRP Aeration	2.4000		368,511	207,293	-	23,032	184,261
Long Beach WRP Ammonia	2.4000		834,196	521,374	-	52,137	469,237
Long Beach WRP NDN Fac	2.4000		4,735,275	3,326,170	-	237,584	3,088,586
Long Beach WRP NDN Fac Equip.	2.4000		504,474	302,682	-	33,632	269,050
Los Coyotes WRP Ammonia	2.4000		1,208,597	755,375	-	75,537	679,838
Los Coyotes WRP Interceptor	2.7000		12,381,145	10,983,256	-	517,638	10,465,618
Los Coyotes WRP NDN Fac	2.4000		17,538,820	12,277,174	-	876,941	11,400,233
Mod. of Electrical Power Services	2.4000		4,153,307	1,833,209	-	203,690	1,629,519
Pomona WRP NDN Fac	2.4000		4,931,545	3,082,213	-	308,222	2,773,991
Pomona WRP NDN Fac. Equip.	2.4000		182,616	114,132	-	11,414	102,718
Power Generation Equipment	2.4000		12,298,084	5,870,196	-	652,244	5,217,952
Power Generation Steam Turbine Gen.	2.4000		2,978,767	2,101,613	-	161,662	1,939,951
Primary Screenings & Grit Dewatering	2.4000		11,730,892	5,275,544	-	586,172	4,689,372
Purch. Secondary Infl Pump Station Equip	2.4000		11,012,050	6,025,130	-	547,739	5,477,391
Reloc. & Install High-Speed Centrifuge	2.4000		2,109,325	949,063	-	105,453	843,610
San Jose Creek WRP NDN Fac.	2.4000		9,401,328	5,745,256	-	522,296	5,222,960
San Jose Creek WRP NDN Fac. Equip.	2.4000		1,349,480	844,997	-	76,818	768,179
Secondary Effluent Pumps	2.6000		1,176,608	625,812	-	62,612	563,200

Continued on following page

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

<u>Description</u>	<u>Interest Rate</u>	<u>Maximum Principal Balance</u>	<u>Balance at July 1, 2014</u>	<u>Current-Year Draw Downs</u>	<u>Redemptions</u>	<u>Balance at June 30, 2015</u>
Silo Odor Control Fac. Phase I	2.4000	5,330,364	3,473,780	-	347,378	3,126,402
Silo Odor Control Fac. Phase II	2.4000	2,947,840	1,965,226	-	163,769	1,801,457
W. A. S. Thickening Expansion	2.4000	4,173,801	1,885,970	-	209,553	1,676,417
Whittier Narrows WRP NDN Fac.	2.4000	4,309,558	3,456,401	-	216,025	3,240,376
Wright Road Trunk Sewer Repair	2.6000	672,500	561,609	-	26,692	534,917
Digestion Tanks 17-23	2.4000	53,930,932	26,586,161	-	2,658,614	23,927,547
Primary Tank Covers	2.4000	3,608,121	1,688,475	-	193,961	1,494,514
Mod. of Biological Reactors	2.4000	34,354,567	20,227,320	-	1,813,767	18,413,553
Digestion Tanks	3.1000	19,325,958	1,339,600	-	1,339,600	-
		\$ 751,427,760	394,042,269	18,879,215	31,172,533	381,748,951
Less unamortized discount		-	(24,329,981)	-	(2,391,304)	(21,938,677)
Loans payable to State, net		\$ 751,427,760	369,712,288	18,879,215	28,781,229	359,810,274

The annual debt service requirements as of June 30, 2015, for the Districts' indebtedness to the State are as follows:

	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
Fiscal year ending June 30:			
2016	\$ 7,947,423	30,100,398	38,047,821
2017	7,754,862	30,443,167	38,198,029
2018	7,640,602	31,325,256	38,965,858
2019	7,225,238	31,740,620	38,965,858
2020	6,799,770	32,166,088	38,965,858
2021-2025	24,768,262	135,336,897	160,105,159
2026-2030	8,511,000	58,866,171	67,377,171
2031-2035	1,649,613	29,290,845	30,940,458
2036-2040	66,659	2,479,509	2,546,168
	\$ 72,363,429	381,748,951	454,112,380
Less unamortized discount	-	(21,938,677)	(21,938,677)
Loans payable to State, net	\$ 72,363,429	359,810,274	432,173,703

(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, 2015, the liability for workers' compensation claims was estimated at \$11,110,944. Accordingly, this amount has been accrued in the accompanying basic financial statements.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

At June 30, 2015, there were no reportable claims other than workers' compensation benefits as follows (in thousands):

	2015	2014
Unpaid claims, beginning of fiscal year	\$ 11,059	13,451
Incurred claims	2,820	4
Claim payments	(2,768)	(2,396)
Unpaid claims, end of fiscal year	\$ 11,111	11,059
Due within one year	\$ 5,555	5,529

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, 2015:

Coverage	Facility	Limits
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	418,262,903
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	500,000 45,000 2,500
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	Puente Hills Energy Recovery from Gas and Calabasas Landfill Gas-to-Energy	23,811,000
Extra Expense	JWPCP Total Energy Facilities	19,260,000
Pollution Legal Liability	Wastewater System	5,000,000
Fiduciary Liability-Deferred Compensation Program		1,000,000
Rental Property Insurance	3 Single-Family Homes - Carson	615,250

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

(10) Litigation

The Districts are defendants in various 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

(A) General Information about the Pension Plan

Plan Description

The Districts' defined benefit pension plan, Public Employees' Retirement System (PERS), is available to all qualified permanent and probationary employees. 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.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2015, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5-years service	5-years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.4% to 2.4%	1.0% to 2.5%
Required employee contribution rates	7%	7%
Required employer contribution rates	11.509%	12.242%

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

Employees Covered

At June 30, 2015, the following employees were covered by the benefit terms for each Plan:

Inactive employees or beneficiaries	
currently receiving benefits	1,273
Inactive employees entitled to but	
not yet receiving benefits	477
Active employees	1,715
Total	2,192

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in rate. Funding contributions are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Districts are required to contribute the difference between the actuarially determined rate and the contribution rate of the employees.

(B) Net Pension Liability

The Districts' net pension liability is measured as the total pension liability, less the pension plan's fiduciary net position. The net position liability is measured as of June 30, 2014, using an annual actuarial valuation as of June 30, 2013, rolled forward to June 30, 2014, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is show below.

	<u>Employees</u>
Valuation date	June 30, 2013
Measurement date	June 30, 2014
Actuarial cost method	Entry-age Normal Cost Method
Actuarial assumptions:	
Discount rate	7.50%
Inflation	2.75%
Payroll	3.00%
Projected salary increase	Varies by entry age and service ⁽¹⁾
Investment rate of return	7.50% ⁽²⁾
Mortality	Derived by using CalPERS membership data for all funds

⁽¹⁾ Depending on age, service, and type of employment

⁽²⁾ Net of pension plan investment expenses, including inflation

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, the tested plan does not run out of assets. Therefore, the current 7.50% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.50% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be .15%. An investment return excluding administrative expenses would have been 7.65%. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle which should be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB Statement No. 67 and No. 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations, as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1-10 (a)	Real Return Years 11+ (b)
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	100.0%		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

(C) Changes in the Net Pension Liability

The changes in the Net Pension Liability for the Plan are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2014	\$ 1,428,803,739	\$ 1,072,554,464	\$ 356,249,275
Changes in the year:			
Service cost	23,304,566		23,304,566
Interest on the total pension liability	105,962,106		105,962,106
Contribution-employer		20,091,038	(20,091,038)
Contribution-employee (paid by employer)		12,344,494	(12,344,494)
Net investment income		187,477,207	(187,477,207)
Benefit payments, including refunds of Employee Contributions	(55,255,873)	(55,255,873)	-
Net Changes	74,010,799	164,656,866	(90,646,067)
Balance at June 30, 2015	\$ 1,502,814,538	\$ 1,237,211,330	\$ 265,603,208

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

Sensitivity of the Net Pension Liability to changes in the Discount Rate

The following presents the net pension liability of the Districts' Plan, calculated using the discount rate, as well as what the Districts' net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate.

1% Decrease		6.50%	
Net Pension Liability	\$		465,948,637
Current Discount Rate		7.50%	
Net Pension Liability	\$		265,603,208
1% Increase		8.50%	
Net Pension Liability	\$		98,754,962

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

(D) Pension Expenses and Deferred Outflows/Inflows of Resources

For the fiscal year ended June 30, 2015, the Districts recognized pension expense of \$15,879,044. At June 30, 2015, the Districts reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

		<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$	21,082,087	\$	-
Net differences between projected and actual earnings on plan investments		-		86,434,076
Total	\$	<u>21,082,087</u>	\$	<u>86,434,076</u>

Deferred outflows of resources of \$21,082,087 are related to contributions made subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>		<u>Pension Expense</u>
2016	\$	(21,608,518)
2017		(21,608,518)
2018		(21,608,518)
2019		(21,608,522)

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

(E) Payable to the Pension Plan

At June 30, 2015, the Districts did not have an outstanding payable for contributions to the pension plan for the fiscal year ended June 30, 2015.

(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).

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).

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

Fiscal Year Ending	Annual OPEB Cost	Percentage of OPEB Contributed	Net OPEB Obligation
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
6/30/15	23,087	100	0

Funded Status and Funding Progress

As of June 30, 2014 the plan was 32% funded. The actuarial accrued liability for benefits was \$337 million, and the actuarial value of assets was \$109 million, resulting in an UAAL of \$228 million. The covered payroll (annual payroll of active employees covered by the plan) was \$167 million, and the ratio of the UAAL to the covered payroll was 136.4%.

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.

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 a % 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
6/30/14 ⁽²⁾	336,860	108,623	228,237	32.3	167,309	136.4

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

(2) Projected calculations were based on the most recent actuarial valuation on June 30, 2013.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

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, 2014, was twenty-two 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 designated beneficiaries at the time of death. The annual IRS plan contribution limit for 2015 was \$18,000 and will remain at \$18,000 in 2016.

At June 30, 2015, assets with a fair value of \$257,832,362 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.

(14) Compensated Absences

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

	Balance at July 1, 2014	Earned	Taken	Balance at June 30, 2015	Due Within One Year
\$	39,816,472	13,294,302	16,019,876	37,090,898	9,595,132

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

(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, 2015:

	<u>Due From</u> <u>Other Districts</u>	<u>Due To</u> <u>Other Districts</u>
Sewerage Operations:		
District No. 1	\$ -	2,509,294
District No. 2	-	3,863,087
District No. 3	-	2,829,510
District No. 4	-	10,029
District No. 5	-	4,430,522
District No. 8	-	1,677,537
District No. 9	-	692
District No. 14	-	897,451
District No. 15	-	3,061,832
District No. 16	-	1,561,882
District No. 17	-	209,941
District No. 18	-	2,081,093
District No. 19	-	557,670
District No. 20	-	751,853
District No. 21	-	2,468,114
District No. 22	-	2,086,753
District No. 23	-	358,491
District No. 27	-	692
District No. 28	-	64,028
District No. 29	-	115,025
Santa Clarita Valley	-	1,511,545
South Bay Cities	-	797,085
	<hr/>	<hr/>
Total Sewerage Operations	-	31,844,126
	<hr/>	<hr/>

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

	<u>Due From Other Districts</u>	<u>Due To Other Districts</u>
Solid Waste Facilities Operations:		
Palos Verdes Landfill	-	305,721
Spadra Landfill	-	385,725
South Gate Transfer Station	-	133,148
Puente Hills Landfill	-	1,750,289
Puente Hills Materials Recovery Facility	-	864,942
Downey Area Recycling & Transfer Station	-	290,159
Mesquite Landfill	-	34,699
	<hr/>	<hr/>
Total Solid Waste Facilities Operations	-	3,764,683
Trustee Solid Waste Facilities Operations:		
Scholl Canyon Landfill	-	450,628
Calabasas Landfill	-	530,862
Los Angeles County Refuse Disposal	-	83,001
	<hr/>	<hr/>
Total Trustee Solid Waste Facilities Operations	-	1,064,491
Service Operations:		
Sewerage	31,844,126	-
Landfill	3,764,683	-
Trustee Landfill	1,064,491	-
	<hr/>	<hr/>
Total Service Operations	36,673,300	-
	<hr/>	<hr/>
	\$ 36,673,300	36,673,300
	<hr/>	<hr/>

(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, 2015:

	<u>Transfers In</u>	<u>Transfers Out</u>
Solid Waste Facilities Operations:		
Palos Verdes Landfill	100,000	-
South Gate Transfer Station	148,716	-
Puente Hills Landfill	-	5,995,976
Puente Hills Materials Recovery Facility	1,893,855	-
Downey Area Recycling & Transfer Station	1,130,142	-
	<hr/>	<hr/>
Total Solid Waste Facilities Operations	3,272,713	5,995,976
Service Operations:		
	<hr/>	<hr/>
Total Service Operations	2,723,263	-
	<hr/>	<hr/>
	\$ 5,995,976	5,995,976
	<hr/>	<hr/>

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

(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.

(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.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

(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, 2015, is as follows (see note 7):

Joint Outfall projects	\$ 253,936,555
District-owned trunk sewer projects	2,111,528
District-owned water reclamation plant projects	13,889,671
Solid waste projects	177,385,522
Joint Administration projects	<u>11,741,529</u>
Total Construction in Progress	<u>\$ 459,064,805</u>

(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 2014-2015) is provided by the sponsoring agencies paying equal shares. Additional funding (\$400,000 in 2014-2015) 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.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

- 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, 2015, management fees charged by the Districts were \$3,178,301 less than the actual costs incurred by the Districts to operate the facility.

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. 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.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

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.

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

	CREA	IERCA	SCCWRPA	SERRF
	June 30	June 30	June 30	September 30
	(Audited)	(Unaudited)	(Audited)	(Unaudited)
Total assets	\$ 30,166	92,746	7,157	53,081
Other liabilities	766	1,485	3,157	2,003
Bonds payable	2,685	-	-	40,340
Total liabilities	\$ 3,451	1,485	3,157	42,343
Districts' investment	12,477	44,239	-	-
Other	14,238	47,022	4,000	10,738
Total net position	\$ 26,715	91,261	4,000	10,738
Operating revenues	15,025	8,500	9,012	2,159
Operating expenses	(10,816)	(10,018)	(9,017)	(80)
Nonoperating revenues (expenses)	(258)	(210)	12	(1,623)
Capital contribution revenue	(289)	-	-	-
Change in net position	\$ 3,662	(1,728)	7	456

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

(18) Landfill Closure and Postclosure Care Cost

At June 30, 2015, 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, 2014</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, 2015</u>
Trustee Landfills							
Calabasas	\$ 81,651,059	30.90	79.84	76,888,978	(11,700,252)	-	65,188,726
Scholl Canyon	12,284,111	33.28	87.62	10,517,019	246,343	-	10,763,362
Total Trustee Landfills	<u>93,935,170</u>			<u>87,405,997</u>	<u>(11,453,909)</u>	<u>-</u>	<u>75,952,088</u>
Districts' Landfills							
Puente Hills	224,825,280	142.05	100.00	201,283,956	23,541,324	(3,374,202)	221,451,078
Palos Verdes	88,796,000	23.57	100.00	866,454	-	(866,454)	-
Spadra	50,878,443	17.19	100.00	28,570,585	22,307,858	(2,603,122)	48,275,321
Total Districts' Landfills	<u>364,499,723</u>			<u>230,720,995</u>	<u>45,849,182</u>	<u>(6,843,778)</u>	<u>269,726,399</u>
Total Landfills	<u>\$ 458,434,893</u>			<u>318,126,992</u>	<u>34,395,273</u>	<u>(6,843,778)</u>	<u>345,678,487</u>

The \$345,678,487 reported on the statement of net position for the landfill closure and postclosure care liability at June 30, 2015, 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 Puente Hills 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 2014-15. Actual costs may be higher due to inflation, changes in technology, or changes in regulation. The current liability due within one year is \$3,003,637 for Spadra, and \$9,278,459 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, 2015, contributions of approximately \$456 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. The estimated remaining landfill life for the open landfills is as follows: Scholl Canyon, 17 years; and, Calabasas, 26 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.

	<u>Balance at</u> <u>June 30, 2014</u>	<u>Additions or</u> <u>Adjustments</u>	<u>Payments</u> <u>Current</u> <u>Year</u>	<u>Balance at</u> <u>June 30, 2015</u>	<u>Due Within</u> <u>One Year</u>
FORCO Property	\$ 1,300,005	804,910	(839,915)	1,265,000	465,000
Net Pollution Remediation Liability	\$ 1,300,005	804,910	(839,915)	1,265,000	465,000

(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 Adjustment

GASB Statement No. 68, as amended by GASB Statement No. 71 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense related to pensions. Accounting changes to conform to the provisions of this Statement are to be applied retroactively by restating financial statements, if practical.

Upon implementation of this Statement, the Districts have restated its financial statements for the fiscal year ended June 30, 2014, from amounts previously reported. The restatement includes an adjustment to (a) pension liability of \$356,249,275, (b) deferred outflow of resources of \$20,091,041, and (c) net position of \$336,158,234. See Note 11.

(22) Subsequent Event

On July 8, 2015, the Authority issued \$149,940,000 in Capital Projects Revenue Bonds (District No. 14 Subordinate Revenue Bonds) (the 2015 Bonds). The purpose of the 2015 Bonds is to refund and defease the Authority's outstanding Capital Projects Revenue Bonds, 2005 Series B (District No. 14 Subordinate Revenue Bonds) (see Note 8), and to pay costs of issuance. These serial bonds mature in varying amounts on October 1 in the years 2015 through 2035 at coupon rates ranging from 2.0% to 5.0%.

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

REQUIRED SUPPLEMENTAL SCHEDULES

JUNE 30, 2015

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Required Supplemental Disclosure

June 30, 2015

**Schedule of Changes in Net Pension Liability and Related Ratios
During the Measurement Period
Last 10 Years⁽¹⁾**

Measurement Period	2013-14
Total Pension Liability	
Service Cost	\$ 23,304,566
Interest	105,962,106
Changes in Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes in Assumptions	-
Benefits Payments, Including Refunds of Employee Contributions	<u>(55,255,873)</u>
Net Changes in Total Pension Liability	74,010,799
Total Pension Liability, Beginning	1,428,803,739
Total Pension Liability, Ending (a)	\$ <u>1,502,814,538</u>
Plan Fiduciary Net Position	
Contributions-Employer	\$ 20,091,038
Contributions-Employee	12,344,493
Net Investment Income ⁽²⁾	187,477,208
Benefit Payments, Including Refunds of Employee Contributions	(55,255,873)
Other Changes in Fiduciary Net Position	-
Net Changes in Fiduciary Net Position	164,656,866
Plan Fiduciary Net Position, Beginning	1,072,554,464
Plan Fiduciary Net Position, Ending (b)	\$ <u>1,237,211,330</u>
Plan Net Pension Liability/(Asset)-Ending (a) - (b)	\$ <u>265,603,208</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.33%
Covered-Employee Payroll	167,309,687
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	158.75%

⁽¹⁾Fiscal year 2015 was the first year of implementation, therefore only one year is shown.

⁽²⁾Net of administrative expenses.

Notes to Schedule

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013.

Changes in Assumptions: There were no changes in assumptions.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Required Supplemental Disclosure, Continued

Schedule of Plan Contributions

Last 10 Years ⁽¹⁾

	Fiscal Year 2013-14
Actuarilly Determined Contribution	\$ 20,091,038
Contributions in Relation to the Actuarially Determined Contribution	(20,091,038)
Contributions Deficiency (Excess)	\$ -
 Covered-Employee Payroll	 \$ 167,309,687
 Contributions as a Percentage of Covered-Employee Payroll	 12%

Notes to Schedule

The actuarial methods and assumptions used to set the actuarially determine contribution for fiscal year 2013-14 were from the June 30, 2011 public agency valuations.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	See June 30, 2011, Funding Valuation Report
Asset Valuation Method	Actuarial Value of Assets. See June 30, 2011, Funding Valuation Report
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Retirement Age	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries

⁽¹⁾Fiscal year 2015 was the first year of implementation, therefore only one year is shown.

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

COMBINING AND INDIVIDUAL
SUPPLEMENTAL SCHEDULES

JUNE 30, 2015

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, 2015

Assets	Sewerage Operations	Solid Waste Facilities Operations	Trustee Solid Waste Facilities Operations	Service Operations	Total
Current assets:					
Cash in bank	\$ -	557,144	141,958	169,900	869,002
Cash on hand	-	16,840	10,976	13,000	40,816
Cash and cash equivalents	66,488,141	23,042,221	13,039,517	26,582,324	129,152,203
Total unrestricted cash and cash equivalents	66,488,141	23,616,205	13,192,451	26,765,224	130,062,021
Receivables:					
Accounts	24,117,241	5,802,766	2,811,526	55,174	32,786,707
Due from other funds (1)	-	-	-	36,673,300	36,673,300
Interest	4,268,003	1,344,257	224,827	876,618	6,713,705
Service charges	15,618,254	-	-	-	15,618,254
Taxes	4,262,517	-	-	-	4,262,517
Total receivables	48,266,015	7,147,023	3,036,353	37,605,092	96,054,483
Inventory	-	-	-	18,743,582	18,743,582
Restricted cash and investments:					
Cash and cash equivalents	352,454,550	237,222,927	9,277,581	106,644,424	705,599,482
Specific investments	640,721,220	216,249,257	56,600,691	178,597,574	1,092,168,742
Bond proceeds with Trustee:					
Cash and cash equivalents	287,443	-	-	-	287,443
Investments	10,571,715	-	-	-	10,571,715
Total restricted cash and investments	1,004,034,928	453,472,184	65,878,272	285,241,998	1,808,627,382
Other specific investments	98,022,946	8,128,897	-	-	106,151,843
Total current assets	1,216,812,030	492,364,309	82,107,076	368,355,896	2,159,639,311
Investment in joint ventures	43,569,332	-	-	12,476,841	56,046,173
Capital assets:					
Buildings and equipment	54,772,521	7,334,878	-	10,381,560	72,488,959
Capital improvements	-	389,820,272	149,519,142	2,107,936	541,447,350
Construction in progress	281,679,283	-	-	177,385,522	459,064,805
Disposal rights	79,933,913	-	-	-	79,933,913
Equipment pool	-	-	8,455,626	52,698,992	61,154,618
Gas-to-energy facilities	-	180,674,475	-	40,568,801	221,243,276
Joint outfall facilities	2,131,855,758	-	-	-	2,131,855,758
Land	157,235,992	26,511,591	5,482,200	28,373,391	217,603,174
Other	21,780,019	-	-	-	21,780,019
Rail facilities	-	54,060,853	-	-	54,060,853
Recycling and transfer facility	-	63,155,341	-	-	63,155,341
Treatment plants	811,759,640	-	-	-	811,759,640
Trunk lines	345,338,156	-	-	-	345,338,156
Less accumulated depreciation	(1,188,049,734)	(445,831,968)	(126,157,145)	(40,971,078)	(1,801,009,925)
Use rights	-	67,761,710	1,247,346	-	69,009,056
Less accumulated amortization	-	(25,401,220)	(1,019,214)	-	(26,420,434)
Net capital assets	2,696,305,548	318,085,932	37,527,955	270,545,124	3,322,464,559
Total assets	3,956,686,910	810,450,241	119,635,031	651,377,861	5,538,150,043
Deferred Outflow of Resources					
Pension contribution subsequent to measurement date	17,076,489	2,698,507	847,500	459,591	21,082,087
Deferred loss on refunding, net	15,317,287	-	-	-	15,317,287
	\$ 32,393,776	2,698,507	847,500	459,591	36,399,374

(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, 2015

Liabilities	Sewerage Operations	Solid Waste Facilities Operations	Trustee Solid Waste Facilities Operations	Service Operations	Total
Current liabilities:					
Accounts payable	\$ 9,143,198	4,357,942	1,478,756	1,642,389	16,622,285
Accrued employee absences	-	-	-	9,595,132	9,595,132
Amounts held for others	-	-	-	4,843,214	4,843,214
Bonds payable	29,130,000	-	-	1,404,400	30,534,400
Claims liabilities	3,714,986	1,448,803	295,993	95,699	5,555,481
Construction contracts payable	9,049,989	551,058	48,510	2,222,408	11,871,965
Due to other funds (1)	31,844,126	3,764,683	1,064,491	-	36,673,300
Estimated liability for closure and postclosure costs	-	12,282,096	-	-	12,282,096
Estimated liability for pollution remediation	465,000	-	-	-	465,000
Interest payable	10,332,666	552	-	5,036	10,338,254
Loans payable to State of California	29,863,818	236,580	-	-	30,100,398
Note payable	-	-	-	44,437	44,437
Other	148,705	-	-	-	148,705
Total current liabilities	123,692,488	22,641,714	2,887,750	19,852,715	169,074,667
Long-term liabilities:					
Accrued employee absences	-	-	-	27,495,766	27,495,766
Bonds payable, net	500,068,183	-	-	8,426,393	508,494,576
Claims liabilities	3,714,986	1,448,803	295,993	95,698	5,555,480
Estimated liability for closure and postclosure costs	-	257,444,303	75,952,088	-	333,396,391
Estimated liability for pollution remediation	800,000	-	-	-	800,000
Loans payable to State of California	329,709,876	-	-	-	329,709,876
Note payable	-	-	-	1,328,376	1,328,376
Pension liability	215,138,598	33,997,210	10,677,249	5,790,151	265,603,208
Total liabilities	1,173,124,131	315,532,030	89,813,080	62,989,099	1,641,458,340
Deferred Inflow of Resources					
Differences between projected and actual earnings on pension plan investments	70,011,600	11,063,562	3,474,651	1,884,263	86,434,076
Net Position					
Net position:					
Net investment in capital assets	1,813,800,963	317,298,294	37,479,445	257,119,111	2,425,697,813
Restricted for capital projects	591,797,144	3,050,000	520,000	19,650,000	615,017,144
Restricted for closure/postclosure maintenance	-	125,943,265	-	-	125,943,265
Restricted for debt service	4,809,320	-	-	-	4,809,320
Restricted for disposal fees	-	-	732,866	-	732,866
Restricted for equipment pool	-	-	916,470	25,658,600	26,575,070
Restricted for noncapital projects	-	12,314,676	6,633,579	3,130,000	22,078,255
Restricted for site development	-	35,225,170	-	-	35,225,170
Unrestricted	335,537,528	(7,278,249)	(19,087,560)	281,406,379	590,578,098
Total net position	\$ 2,745,944,955	486,553,156	27,194,800	586,964,090	3,846,657,001

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

TOTAL ASSETS (from previous pg)	3,989,080,686	813,148,748	120,482,531	651,837,452	5,574,549,417
DIFFERENCE:	-	-	-	-	-
TOTAL NET ASSETS (from next pg)	2,745,944,955	486,553,156	27,194,800	586,964,090	3,846,657,001
DIFFERENCE:	-	-	-	-	-

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, 2015

	Sewerage Operations	Solid Waste Facilities Operations	Trustee Solid Waste Facilities Operations	Service Operations	Total
Operating revenues:					
Commodities	-	8,707,272	71,610	-	8,778,882
Contract revenue	21,760,498	411,060	-	-	22,171,558
Equipment pool	-	-	2,165,942	12,479,085	14,645,027
Industrial waste surcharge	63,505,224	-	-	-	63,505,224
Refuse tipping fees	-	52,262,861	28,053,486	-	80,316,347
Sale of energy	322,469	25,886,407	-	4,146,857	30,355,733
Service charges	331,261,144	-	-	-	331,261,144
Other	4,415,545	187,198	-	94,170	4,696,913
Total operating revenues	421,264,880	87,454,798	30,291,038	16,720,112	555,730,828
Operating expenses:					
Chemicals	33,452,888	209,546	12,584	-	33,675,018
Equipment and vehicle rentals	6,130,571	6,597,555	2,601,105	257,672	15,586,903
Hazardous waste siting study	-	-	(8,045)	(8,047)	(16,092)
Insurance and claims	3,645,692	966,690	(35,969)	528,578	5,104,991
Landfill closure and postclosure costs	-	45,849,182	(11,453,909)	-	34,395,273
Materials and supplies	14,355,330	4,002,189	605,720	2,055,988	21,019,227
Operations, repairs and maintenance	10,213,546	11,895,180	1,526,578	7,324,910	30,960,214
Salaries and benefits	155,733,915	24,908,293	7,709,791	4,148,226	192,500,225
Services	46,473,105	43,237,942	1,226,295	1,035,812	91,973,154
Utilities	21,772,561	2,303,242	756,698	220,271	25,052,772
Total operations and maintenance	291,777,608	139,969,819	2,940,848	15,563,410	450,251,685
Charges for collections	474,800	-	-	-	474,800
Depreciation and amortization of use rights	75,416,784	10,334,006	2,754,824	5,084,231	93,589,845
Research and development	5,883,507	-	15,277	253,422	6,152,206
Tonnage	-	-	3,636,397	-	3,636,397
Total operating expenses	373,552,699	150,303,825	9,347,346	20,901,063	554,104,933
Operating income (loss)	47,712,181	(62,849,027)	20,943,692	(4,180,951)	1,625,895
Nonoperating revenues (expenses):					
Interest revenue	9,342,881	4,922,775	661,117	2,719,513	17,646,286
Investment in joint ventures	-	-	-	1,975,445	1,975,445
Taxes	67,962,582	-	-	-	67,962,582
Other nonoperating revenue	-	-	1,500,000	-	1,500,000
Amortization of bond premium	5,659,877	-	-	-	5,659,877
Amortization of deferred loss on refunding	(1,967,291)	-	-	-	(1,967,291)
Interest expense	(32,569,424)	(15,321)	-	(232,081)	(32,816,826)
Loss on sale of equipment	-	-	5,549	(12,511)	(6,962)
Tax and assessment expense	(88,757)	(2,287,011)	(4,670,807)	(3,356)	(7,049,931)
Unrealized gain on investments	2,005,520	1,895,205	54,834	1,232,923	5,188,482
Net nonoperating revenues (expenses)	50,345,388	4,515,648	(2,449,307)	5,679,933	58,091,662
Income (loss) before capital contribution revenue	98,057,569	(58,333,379)	18,494,385	1,498,982	59,717,557
Capital contribution revenue:					
Connection fees	32,966,053	-	-	-	32,966,053
Transfers in	-	3,272,713	-	2,723,263	5,995,976
Transfers out	-	(5,995,976)	-	-	(5,995,976)
Change in net position	131,023,622	(61,056,642)	18,494,385	4,222,245	92,683,610
Total net assets, July 1, 2014, as previously stated	2,887,209,502	590,638,052	22,213,976	590,070,095	4,090,131,625
Prior-period adjustments	(272,288,169)	(43,028,254)	(13,513,561)	(7,328,250)	(336,158,234)
Total net position, July 1, 2014, as restated	2,614,921,333	547,609,798	8,700,415	582,741,845	3,753,973,391
Total net position, June 30, 2015	\$ 2,745,944,955	486,553,156	27,194,800	586,964,090	3,846,657,001

Exhibit D-3
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Combining Schedule of Cash Flows
Fiscal year ended June 30, 2015

	Sewerage Operations	Solid Waste Facilities Operations	Trustee Solid Waste Facilities Operations	Service Operations	Total
Cash flows from operating activities:					
Receipts from customers and users	\$ 423,029,324	88,013,980	28,526,528	5,053,314	544,623,146
Receipts for equipment rental	-	-	2,165,942	12,479,085	14,645,027
Payments to suppliers	(136,384,549)	(63,727,764)	(8,012,744)	(13,893,915)	(222,018,972)
Payments to employees	(162,617,336)	(25,889,815)	(8,008,175)	(3,913,514)	(200,428,840)
Payments applied to closure/postclosure liability	-	(6,843,778)	-	-	(6,843,778)
Payment for equipment rental within the Districts	(5,822,769)	(6,572,366)	(2,596,209)	-	(14,991,344)
Other payments	(18,589)	-	-	-	(18,589)
Net cash provided (used) by operating activities	<u>118,186,081</u>	<u>(15,019,743)</u>	<u>12,075,342</u>	<u>(275,030)</u>	<u>114,966,650</u>
Cash flows from noncapital financing activities :					
Receipts from property taxes	67,042,029	-	-	-	67,042,029
Payments for tax and assessment	(88,757)	(2,287,011)	(4,670,807)	(3,356)	(7,049,931)
Transfers from other funds	-	3,272,713	-	2,723,263	5,995,976
Transfers to other funds	-	(5,995,976)	-	-	(5,995,976)
Net cash provided (used) by noncapital financing activities	<u>66,953,272</u>	<u>(5,010,274)</u>	<u>(4,670,807)</u>	<u>2,719,907</u>	<u>59,992,098</u>
Cash flows from capital and related financing activities:					
Borrowings on loan from state	18,879,215	-	-	-	18,879,215
Contract proceeds from County of Los Angeles	-	-	1,500,000	-	1,500,000
Purchases of capital assets	(110,814,744)	(3,727,107)	(1,666,926)	(19,375,396)	(135,584,173)
Connection fees proceeds	32,713,345	-	-	-	32,713,345
Interest paid on capital-related debt	(30,692,613)	(16,112)	-	(232,832)	(30,941,557)
Principal payments on bonds	(27,860,000)	-	-	(1,404,400)	(29,264,400)
Principal payments on note	-	-	-	(41,338)	(41,338)
Principal payments on loan from state	(30,833,696)	(338,837)	-	-	(31,172,533)
Proceeds from sale of assets/equipment	-	-	113,537	2,271,103	2,384,640
Receipts from (payment to) joint venture	(18,837)	-	-	150,000	131,163
Net cash used by capital and related financing activities	<u>(148,627,330)</u>	<u>(4,082,056)</u>	<u>(53,389)</u>	<u>(18,632,863)</u>	<u>(171,395,638)</u>
Cash flows from investing activities:					
Interest received	7,534,040	4,978,042	670,287	2,756,762	15,939,131
Purchases of investments	(439,275,755)	(54,887,547)	(56,146,120)	(60,623,580)	(610,933,002)
Proceeds from maturities of investments	421,855,866	241,271,795	54,360,209	145,773,757	863,261,627
Net cash provided (used) by investing activities	<u>(9,885,849)</u>	<u>191,362,290</u>	<u>(1,115,624)</u>	<u>87,906,939</u>	<u>268,267,756</u>
Net increase in cash and cash equivalents	26,626,174	167,250,217	6,235,522	71,718,953	271,830,866
Cash and cash equivalents at beginning 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>
Cash and cash equivalents at end of fiscal year	<u>\$ 419,230,134</u>	<u>260,839,132</u>	<u>22,470,032</u>	<u>133,409,648</u>	<u>835,948,946</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 47,712,181	(62,849,027)	20,943,692	(4,180,951)	1,625,895
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	75,416,784	10,334,006	2,754,824	5,084,231	93,589,845
Landfill closure and postclosure costs	-	45,849,182	(11,453,909)	-	34,395,273
Decrease (increase) in accounts receivable	(2,093,095)	559,182	401,432	812,287	(320,194)
Decrease in service charge receivable	3,857,541	-	-	-	3,857,541
Decrease in inventory	-	-	-	47,693	47,693
Decrease in due from other funds	-	-	-	3,073,713	3,073,713
Increase in deferred outflows of resources	(17,076,487)	(2,698,508)	(847,501)	(459,591)	(21,082,087)
Increase (decrease) in accounts payable	(766,568)	(534,597)	60,377	70,748	(1,170,040)
Decrease in accrued employee absences	-	-	-	(2,725,574)	(2,725,574)
Decrease in estimated liability for closure and postclosure costs	-	(6,843,778)	-	-	(6,843,778)
Increase (decrease) in claims liabilities related to self-insurance	961,253	(553,191)	(332,691)	(23,783)	51,588
Increase in pension liability	30,364,924	4,798,407	1,507,001	817,229	37,487,561
Decrease in amounts held for others	-	-	-	(2,319,117)	(2,319,117)
Decrease in other liabilities	(18,589)	-	-	(850)	(19,439)
Decrease in due to other funds	(2,668,963)	(315,529)	(89,221)	-	(3,073,713)
Decrease in deferred inflows of resources	(17,502,900)	(2,765,890)	(868,662)	(471,065)	(21,608,517)
Net cash provided (used) by operating activities	<u>\$ 118,186,081</u>	<u>(15,019,743)</u>	<u>12,075,342</u>	<u>(275,030)</u>	<u>114,966,650</u>
Schedule of noncash investing activity-					
Unrealized gain on fair value of investments	\$ 2,005,520	1,895,205	54,834	1,232,923	5,188,482
Investment in joint ventures	-	-	-	1,975,445	1,975,445

Exhibit E-1
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Sewerage Operations
Combining Schedule of Net Position
June 30, 2015

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	\$ 5,983,724	10,481,705	4,138,092	198,884	6,629,869	1,025,042	160,425	9,567,460	-
Receivables:									
Accounts	1,861,251	3,082,747	1,723,951	16,102	2,260,171	2,306,930	-	2,700,534	1,702,153
Interest	256,782	443,767	350,357	165,686	444,728	144,096	24,731	184,776	399,959
Service charges	2,227,374	1,628,205	1,238,198	131,437	1,711,224	434,977	2,310	1,744,893	1,016,212
Taxes	141,903	404,756	297,958	34,343	727,700	121,587	6,425	48,962	451,544
Total receivables	4,487,310	5,559,475	3,610,464	347,568	5,143,823	3,007,590	33,466	4,679,165	3,569,868
Restricted cash and investments:									
Cash and cash equivalents	18,272,365	25,443,000	25,946,073	6,609,857	32,965,468	22,337,514	742,227	25,490,046	31,027,651
Specific investments	44,466,166	73,151,242	39,861,296	33,107,269	65,821,516	19,277,775	4,116,462	17,500,714	58,810,997
Bond proceeds with Trustee:									
Cash and cash equivalents	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Total restricted cash and investments	62,738,531	98,594,242	65,807,369	39,717,126	98,786,984	41,615,289	4,858,689	42,990,760	89,838,648
Other specific investments	5,732,545	8,569,135	13,519,328	2,780,391	15,798,314	3,312,140	-	-	15,498,686
Total current assets	78,942,110	123,204,557	87,075,253	43,043,969	126,358,990	48,960,061	5,052,580	57,237,385	108,907,202
Investment in joint venture	3,858,651	5,736,393	4,257,480	-	6,335,780	2,614,487	-	-	4,570,905
Capital assets:									
Buildings and equipment	4,411,920	6,718,011	4,994,728	5,477	7,436,628	3,017,325	5,476	1,497,142	5,276,937
Construction in progress	23,963,578	36,580,596	25,862,112	35,236	38,392,393	15,740,863	1,451	1,212,551	27,628,938
Disposal rights	-	60,119	-	62,298,431	7,203,017	-	1,851,276	-	-
Joint outfall facilities	189,407,710	279,356,457	207,194,959	-	315,225,457	121,844,197	-	-	218,648,893
Land	6,695,186	10,356,262	7,446,805	59	11,072,671	4,543,450	59	64,036,922	7,950,062
Other	1,648,075	2,526,455	1,855,760	3,346	2,770,184	1,231,728	282	712,917	1,970,230
Treatment plants	62,978	2,795,183	7,417,650	-	14,236,691	4,259,852	-	310,344,848	1,647,004
Trunk lines	25,057,888	32,000,728	21,437,638	1,298,605	55,986,324	15,093,068	-	56,252,039	12,254,083
Less accumulated depreciation	(85,450,462)	(124,922,506)	(94,468,973)	(27,008,940)	(155,478,678)	(54,962,594)	(807,098)	(50,848,729)	(93,543,735)
Net capital assets	165,796,873	245,471,305	181,740,679	36,632,214	296,844,687	110,767,889	1,051,446	383,207,690	181,832,412
Total assets	248,597,634	374,412,255	273,073,412	79,676,183	429,539,457	162,342,437	6,104,026	440,445,075	295,310,519
Deferred Outflow of Resources									
Pension contribution subsequent to measurement date	1,298,656	1,943,768	1,463,097	6,325	2,264,216	986,641	-	643,004	1,553,750
Deferred loss on refunding, net	1,008,184	1,556,542	1,182,341	150,416	2,544,354	614,836	21,138	213,370	1,592,232
\$	2,306,840	3,500,310	2,645,438	156,741	4,808,570	1,601,477	21,138	856,374	3,145,982

(Continued on following page)

Exhibit E-1-2
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Sewerage Operations
Combining Schedule of Net Position
June 30, 2015

Assets	Districts							
	No. 16	No. 17	No. 18	No. 19	No. 20	No. 21	No. 22	No. 23
Current assets:								
Cash and cash equivalents	\$ 3,856,483	1,168,919	5,841,830	2,654,365	2,961,340	2,126,594	1,804,030	-
Receivables:								
Accounts	480,648	41,103	1,606,797	90,558	123,727	3,010,757	1,574,551	882,504
Interest	235,332	31,265	220,778	80,517	75,946	333,074	274,585	63,419
Service charges	597,559	115,336	915,606	159,312	1,095,314	894,174	699,662	17,711
Taxes	326,304	36,319	223,145	87,874	37,233	261,998	236,826	22,437
Total receivables	1,639,843	224,023	2,966,326	418,261	1,332,220	4,500,003	2,785,624	986,071
Restricted cash and investments:								
Cash and cash equivalents	14,805,810	5,118,910	13,165,700	4,471,498	10,082,214	25,515,993	21,132,253	5,838,793
Specific investments	40,566,605	4,197,173	37,341,076	13,545,213	6,934,217	53,483,211	42,923,189	12,105,949
Bond proceeds with Trustee:								
Cash and cash equivalents	-	-	-	-	287,443	-	-	-
Investments	-	-	-	-	10,571,715	-	-	-
Total restricted cash and investments	55,372,415	9,316,083	50,506,776	18,016,711	27,875,589	78,999,204	64,055,442	17,944,742
Other specific investments	5,285,141	-	3,083,871	710,415	-	9,292,338	6,871,186	332,909
Total current assets	66,153,882	10,709,025	62,398,803	21,799,752	32,169,149	94,918,139	75,516,282	19,263,722
Investment in joint venture	2,389,462	332,638	3,118,707	800,023	-	4,059,273	3,402,606	819,073
Capital assets:								
Buildings and equipment	2,873,443	390,522	3,555,378	943,050	931,181	4,761,062	3,694,842	879,013
Construction in progress	14,592,691	2,014,317	18,832,202	4,951,259	567,561	25,897,987	18,951,136	4,928,637
Disposal rights	6,559,020	-	-	-	-	-	-	-
Joint outfall facilities	121,610,029	16,908,409	151,151,175	41,842,566	-	207,611,377	151,544,091	47,365,540
Land	4,212,006	584,471	5,379,671	1,411,005	16,302,608	7,246,261	5,702,652	1,434,016
Other	1,023,857	140,041	1,331,544	345,767	584,332	1,789,725	1,362,030	371,418
Treatment plants	-	-	-	377,530	245,394,940	12,610,598	-	-
Trunk lines	13,507,437	631,377	16,573,251	2,450,714	15,995,403	12,713,232	15,701,480	-
Less accumulated depreciation	(55,952,990)	(7,268,544)	(67,045,008)	(19,528,953)	(41,951,212)	(96,998,884)	(67,740,499)	(18,948,447)
Net capital assets	108,425,493	13,400,593	129,778,213	32,792,938	237,824,813	175,631,358	129,215,732	36,030,177
Total assets	176,968,837	24,442,256	195,295,723	55,392,713	269,993,962	274,608,770	208,134,620	56,112,972
Deferred Outflow of Resources								
Pension contribution subsequent to measurement date	799,011	101,194	1,047,780	282,500	535,485	1,233,302	1,024,589	210,821
Deferred loss on refunding, net	992,254	126,980	870,328	280,613	177,834	938,643	812,276	171,554
Total	\$ 1,791,265	228,174	1,918,108	563,113	713,319	2,171,945	1,836,865	382,375

(Continued on following page)

Exhibit E-1-3
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Sewerage Operations
Combining Schedule of Net Position
June 30, 2015

Assets	Districts							Total
	No. 27	No. 28	No. 29	Santa Clarita Valley	No. 34	Newhall Ranch	South Bay Cities	
Current assets:								
Cash and cash equivalents	\$ 189,195	1,336	-	6,597,802	-	24,355	1,076,691	66,488,141
Receivables:								
Accounts	-	12,945	44,175	433,363	-	-	162,274	24,117,241
Interest	1,033	27,676	19,456	333,412	5	63	156,560	4,268,003
Service charges	-	14,471	105,433	686,760	-	-	182,086	15,618,254
Taxes	22,011	42,270	9,145	394,219	-	-	327,558	4,262,517
Total receivables	23,044	97,362	178,209	1,847,754	5	63	828,478	48,266,015
Restricted cash and investments:								
Cash and cash equivalents	292,302	864,508	1,251,291	52,584,985	1,046	615	8,494,431	352,454,550
Specific investments	84,760	5,214,750	4,087,591	39,128,704	-	-	24,995,345	640,721,220
Bond proceeds with Trustee:								
Cash and cash equivalents	-	-	-	-	-	-	-	287,443
Investments	-	-	-	-	-	-	-	10,571,715
Total restricted cash and investments	377,062	6,079,258	5,338,882	91,713,689	1,046	615	33,489,776	1,004,034,928
Other specific investments	-	291,977	-	3,566,757	-	-	3,377,813	98,022,946
Total current assets	589,301	6,469,933	5,517,091	103,726,002	1,051	25,033	38,772,758	1,216,812,030
Investment in joint venture	-	59,360	116,168	-	-	-	1,098,326	43,569,332
Other assets	-	-	-	-	-	-	-	0
Capital assets:								
Buildings and equipment	5,475	59,184	137,459	1,892,451	4,803	281	1,280,733	54,772,521
Construction in progress	1,455	413,128	713,527	13,716,070	1,467	753	6,679,375	281,679,283
Disposal rights	1,962,050	-	-	-	-	-	-	79,933,913
Joint outfall facilities	-	2,036,112	6,196,344	-	-	-	53,912,442	2,131,855,758
Land	59	101,432	227,079	613,552	59	-	1,919,645	157,235,992
Other	40	20,425	50,930	1,563,313	-	-	477,620	21,780,019
Treatment plants	2,320,487	377,364	2,413,431	194,818,439	525	1,470	12,680,650	811,759,640
Trunk lines	16,900	6,889,636	8,950,370	29,295,552	-	38,813	3,193,618	345,338,156
Less accumulated depreciation	(1,638,728)	(3,041,295)	(4,313,859)	(86,300,900)	(3,347)	-	(29,825,353)	(1,188,049,734)
Net capital assets	2,667,738	6,855,986	14,375,281	155,598,477	3,507	41,317	50,318,730	2,696,305,548
Total assets	\$ 3,257,039	13,385,279	20,008,540	259,324,479	4,558	66,350	90,189,814	3,956,686,910
Deferred Outflow of Resources								
Pension contribution subsequent to measurement date	-	33,731	73,787	1,134,216	-	555	440,061	17,076,489
Deferred loss on refunding, net	29,562	44,880	14,092	1,540,919	-	-	433,939	15,317,287
Total	\$ 29,562	78,611	87,879	2,675,135	-	555	874,000	32,393,776

(Continued on following page)

Exhibit E-1-4
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Sewerage Operations
Combining Schedule of Net Position
June 30, 2015

Liabilities	Districts								
	No. 1	No. 2	No. 3	No. 4	No. 5	No. 8	No. 9	No. 14	No. 15
Current liabilities:									
Accounts payable	\$ 693,832	1,053,409	785,946	34,158	1,170,553	443,311	156	625,838	838,819
Bonds payable	1,617,856	2,497,820	1,897,330	241,376	4,082,984	986,641	33,920	3,322,399	2,555,091
Claims liabilities	294,055	426,980	337,808	64	498,225	181,944	64	71,028	360,684
Construction contracts payable	707,023	1,501,531	833,719	156	1,229,616	449,043	156	138,676	890,177
Due to other funds	2,509,294	3,863,087	2,829,510	10,029	4,430,522	1,677,537	692	897,451	3,061,832
Estimated liability for pollution remediation	41,850	60,775	48,081	-	70,773	25,901	-	-	51,336
Interest payable	292,118	430,684	333,569	21,930	608,218	176,470	3,082	3,970,246	404,242
Loans payable to State of California	1,751,934	2,504,427	1,981,314	-	2,916,402	1,067,303	-	4,653,709	2,115,445
Other	-	-	148,705	-	-	-	-	-	-
Total current liabilities	7,907,962	12,338,713	9,195,982	307,713	15,007,293	5,008,150	38,070	13,679,347	10,277,626
Long-term liabilities:									
Bonds payable, net	11,886,976	18,352,386	13,940,376	1,773,474	29,999,172	7,249,213	249,226	170,824,838	18,773,186
Claims liabilities	294,055	426,980	337,808	64	498,225	181,944	64	71,028	360,684
Estimated liability for pollution remediation	72,000	104,560	82,720	-	121,760	44,560	-	-	88,320
Loans payable to State of California	15,950,694	22,942,220	16,256,577	-	24,045,881	10,948,608	-	82,351,593	17,098,164
Pension liability	16,361,158	24,488,616	18,432,863	79,681	28,525,784	12,430,230	-	8,100,898	19,574,956
Total liabilities	52,472,845	78,653,475	58,246,326	2,160,932	98,198,115	35,862,705	287,360	275,027,704	66,172,936
Deferred Inflow of Resources									
Differences between projected and actual earnings on pension plan investments	5,324,339	7,969,222	5,998,525	25,930	9,283,020	4,045,115	-	2,636,239	6,370,191
Net Position									
Net position:									
Net investment in capital assets	134,890,574	199,229,456	148,013,703	34,767,625	237,114,985	90,681,917	789,283	122,129,846	141,992,582
Restricted for capital projects	46,870,557	64,770,268	44,124,462	9,000,748	61,383,713	33,354,177	585,033	24,433,744	50,343,848
Restricted for debt service	-	-	-	-	-	-	-	-	-
Unrestricted	11,346,159	27,290,144	19,335,834	33,877,689	28,368,194	-	4,463,488	17,073,916	33,576,944
Total net position	\$ 193,107,290	291,289,868	211,473,999	77,646,062	326,866,892	124,036,094	5,837,804	163,637,506	225,913,374

(Continued on following page)

Exhibit E-1-5
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Sewerage Operations
Combining Schedule of Net Position
June 30, 2015

Liabilities	Districts							
	No. 16	No. 17	No. 18	No. 19	No. 20	No. 21	No. 22	No. 23
Current liabilities:								
Accounts payable	\$ 442,630	57,104	539,007	153,241	301,138	659,792	552,501	71,726
Bonds payable	1,592,292	203,768	1,396,636	450,306	1,855,374	1,506,262	1,303,477	275,296
Claims liabilities	192,716	24,875	233,296	66,296	94,232	283,585	232,027	30,015
Construction contracts payable	480,135	61,391	575,780	163,620	281,471	699,895	572,647	74,078
Due to other funds	1,561,882	209,941	2,081,093	557,670	751,853	2,468,114	2,086,753	358,491
Estimated liability for pollution remediation	27,342	3,534	33,201	9,440	-	40,362	33,015	4,278
Interest payable	236,329	30,361	238,195	72,558	2,308,551	272,162	229,108	39,354
Loans payable to State of California	1,126,705	145,628	1,368,141	388,981	2,403,607	1,663,230	1,360,477	176,287
Other	-	-	-	-	-	-	-	-
Total current liabilities	5,660,031	736,602	6,465,349	1,862,112	7,996,226	7,593,402	6,370,005	1,029,525
Long-term liabilities:								
Bonds payable, net	11,699,154	1,497,159	10,261,591	3,308,560	153,257,600	11,067,060	9,577,124	2,022,701
Claims liabilities	192,716	24,875	233,296	66,296	94,232	283,585	232,027	30,015
Estimated liability for pollution remediation	47,040	6,080	57,120	16,240	-	69,440	56,800	7,360
Loans payable to State of California	8,815,961	1,273,433	11,992,310	2,899,721	51,404,380	18,741,295	12,806,836	4,848,899
Pension liability	10,066,362	1,274,895	13,200,479	3,559,083	6,746,321	15,537,788	12,908,316	2,656,032
Total liabilities	36,481,264	4,813,044	42,210,145	11,712,012	219,498,759	53,292,570	41,951,108	10,594,532
Deferred Inflow of Resources								
Differences between projected and actual earnings on pension plan investments	3,275,851	414,884	4,295,773	1,158,217	2,195,425	5,056,393	4,200,696	864,341
Net Position								
Net position:								
Net investment in capital assets	85,703,500	10,346,193	105,054,082	25,862,363	28,800,216	142,892,258	104,407,447	28,804,470
Restricted for capital projects	25,608,405	3,689,441	36,450,959	10,778,617	3,133,423	48,467,982	32,058,013	5,885,937
Restricted for employee absences	-	-	-	-	-	-	-	-
Restricted for debt service	-	-	-	-	4,809,320	-	-	-
Unrestricted	27,691,082	5,406,868	9,202,872	6,444,617	12,270,138	27,071,512	27,354,221	10,346,067
Total net position	\$ 139,002,987	19,442,502	150,707,913	43,085,597	49,013,097	218,431,752	163,819,681	45,036,474

(Continued on following page)

Exhibit E-1-6
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Sewerage Operations
Combining Schedule of Net Position
June 30, 2015

Liabilities	Districts						
	No. 27	No. 28	No. 29	Santa Clarita Valley	No. 34	Newhall Ranch	South Bay Cities
Current liabilities:							
Accounts payable	\$ 165	18,130	23,295	462,383	159	154	215,751
Bonds payable	47,439	72,019	22,614	2,472,748	-	-	696,352
Claims liabilities	64	7,869	9,471	280,722	64	64	88,838
Construction contracts payable	156	19,419	23,374	128,358	156	156	219,256
Due to other funds	692	64,028	115,025	1,511,545	-	-	797,085
Estimated liability for pollution remediation	-	1,116	1,348	-	-	-	12,648
Interest payable	4,310	27,161	10,277	518,073	-	-	105,668
Loans payable to State of California	-	407,050	97,810	3,214,171	-	-	521,197
Other	-	-	-	-	-	-	-
Total current liabilities	52,826	616,792	303,214	8,588,000	379	374	2,656,795
Long-term liabilities:							
Bonds payable, net	348,554	529,153	166,150	18,168,182	-	-	5,116,348
Claims liabilities	64	7,869	9,471	280,722	64	64	88,838
Estimated liability for pollution remediation	-	1,920	2,320	-	-	-	21,760
Loans payable to State of California	-	152,916	1,246,541	21,897,323	-	-	4,036,524
Pension liability	-	424,965	929,611	14,289,453	-	6,991	5,544,116
Total liabilities	401,444	1,733,615	2,657,307	63,223,680	443	7,429	17,464,381
Deferred Inflow of Resources							
Differences between projected and actual earnings on pension plan investments	-	138,295	302,519	4,650,153	-	-	1,806,472
Net Position							
Net position:							
Net investment in capital assets	2,301,150	5,720,309	12,832,885	111,258,614	3,351	41,161	40,162,993
Restricted for capital projects	144,287	495,012	1,640,521	76,482,705	500	-	12,094,792
Restricted for employee absences	-	-	-	-	-	-	-
Restricted for debt service	-	-	-	-	-	-	-
Unrestricted	439,720	5,376,659	2,663,187	6,384,462	264	18,315	19,535,176
Total net position	\$ 2,885,157	11,591,980	17,136,593	194,125,781	4,115	59,476	71,792,961

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, 2015

	Districts									
	No. 1	No. 2	No. 3	No. 4	No. 5	No. 8	No. 9	No. 14	No. 15	
Operating revenues:										
Contract revenue	\$ 1,595,307	2,364,198	1,838,367	921	2,763,549	970,210	921	1,321,847	1,976,763	
Industrial waste surcharge	5,507,831	7,494,075	4,330,020	37,942	7,030,611	10,735,463	-	2,325,516	5,530,344	
Sale of energy	28,603	42,501	32,956	-	49,338	17,349	-	-	35,472	
Service charges	23,588,278	32,883,222	28,215,464	3,689,574	35,746,738	8,912,178	86,498	32,492,173	26,034,095	
Other	319,310	474,622	371,564	-	551,530	194,355	-	75,819	396,259	
Total operating revenues	31,039,329	43,258,618	34,788,371	3,728,437	46,141,766	20,829,555	87,419	36,215,355	33,972,933	
Operations and maintenance:										
Chemicals	2,647,511	3,937,730	3,010,670	197	4,505,890	1,604,781	-	1,102,507	3,232,054	
Equipment and vehicle rentals	437,477	685,561	425,903	9,066	777,490	288,930	61	351,520	499,415	
Insurance and claims	319,535	454,833	366,224	310	536,074	200,888	293	(12,280)	388,136	
Materials and supplies	1,045,298	1,543,959	1,241,236	1,233	1,841,444	651,833	67	647,742	1,275,946	
Operations, repairs and maintenance	723,305	993,486	821,124	7,620	1,109,949	480,177	1,321	1,262,231	828,759	
Salaries and benefits	11,873,607	17,735,471	13,362,681	48,962	20,702,549	8,978,687	5,886	5,874,828	14,181,656	
Services	3,524,264	5,293,837	3,535,095	1,394,170	6,321,009	2,191,155	124,771	1,443,365	4,299,294	
Utilities	1,285,123	1,912,701	1,572,769	373	2,392,864	887,839	126	1,902,176	1,598,535	
Total operations and maintenance	21,856,120	32,557,578	24,335,702	1,461,931	38,187,269	15,284,290	132,525	12,572,089	26,303,795	
Charges for collections	30,202	47,047	38,638	3,683	66,000	13,841	712	15,423	48,516	
Depreciation	4,574,379	6,543,529	5,271,955	1,386,381	8,657,818	2,789,162	41,724	9,071,246	5,328,960	
Research and development	521,032	781,765	611,529	1,021	926,681	323,517	-	65,830	644,800	
Total operating expenses	26,981,733	39,929,919	30,257,824	2,853,016	47,837,768	18,410,810	174,961	21,724,588	32,326,071	
Operating income (loss)	4,057,596	3,328,699	4,530,547	875,421	(1,696,002)	2,418,745	(87,542)	14,490,767	1,646,862	
Nonoperating revenues (expenses):										
Interest revenue	605,692	954,627	687,924	368,851	1,017,598	337,202	48,509	353,906	848,110	
Taxes	3,181,826	6,508,544	5,222,067	502,973	10,657,834	2,017,241	88,114	1,139,134	6,628,312	
Amortization of bond premium	345,851	533,961	405,595	51,599	872,824	210,915	7,251	384,186	546,205	
Amortization of deferred loss on refunding	(129,487)	(199,916)	(151,855)	(19,319)	(326,787)	(78,967)	(2,715)	(27,404)	(204,500)	
Interest expense	(972,041)	(1,453,913)	(1,115,555)	(91,002)	(2,134,741)	(584,594)	(12,788)	(10,566,349)	(1,392,593)	
Tax and assessment expense	(7,666)	(11,765)	(8,916)	(1)	(13,767)	(4,615)	(1)	448	(9,416)	
Unrealized gain (loss) on investments	210,159	222,262	114,331	84,369	258,958	63,428	7,412	7,706	209,455	
Net nonoperating revenues (expenses)	3,234,334	6,553,800	5,153,591	897,470	10,331,919	1,960,610	135,782	(8,708,373)	6,625,573	
Income (loss) before capital contribution revenue	7,291,930	9,882,499	9,684,138	1,772,891	8,635,917	4,379,355	48,240	5,782,394	8,272,435	
Capital contribution revenue:										
Connection fees	2,038,429	3,316,418	2,341,953	1,034,408	4,056,333	1,595,315	2,996	806,029	2,587,294	
Change in net position	9,330,359	13,198,917	12,026,091	2,807,299	12,692,250	5,974,670	51,236	6,588,423	10,859,729	
Total net assets, July 1, 2014, as previously stated	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	
Prior-period adjustments	(20,707,347)	(30,993,789)	(23,329,382)	(100,847)	(36,103,395)	(15,732,205)	-	(10,252,826)	(24,774,862)	
Total net position, July 1, 2014, as restated	183,776,931	278,090,951	199,447,908	74,838,763	314,174,642	118,061,424	5,786,568	157,049,083	215,053,645	
Total net position, June 30, 2015	\$ 193,107,290	291,289,868	211,473,999	77,646,062	326,866,892	124,036,094	5,837,804	163,637,506	225,913,374	

(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, 2015

	Districts							
	No. 16	No. 17	No. 18	No. 19	No. 20	No. 21	No. 22	No. 23
Operating revenues:								
Contract revenue	\$ 1,068,953	137,907	1,296,625	360,851	652,634	2,367,999	1,344,601	176,430
Industrial waste surcharge	589,208	25,466	3,502,376	144,545	325,824	8,574,867	3,138,068	3,281,290
Sale of energy	19,058	2,483	23,315	6,482	-	27,861	23,379	3,192
Service charges	15,872,547	2,124,254	18,525,173	5,853,756	22,259,542	22,599,939	18,400,830	368,455
Other	214,274	27,745	260,057	72,449	5	325,429	261,702	35,696
Total operating revenues	<u>17,764,040</u>	<u>2,317,855</u>	<u>23,607,546</u>	<u>6,438,083</u>	<u>23,238,005</u>	<u>33,896,095</u>	<u>23,168,580</u>	<u>3,865,063</u>
Operations and maintenance:								
Chemicals	1,731,453	227,003	2,148,966	603,229	806,279	2,528,859	2,119,858	288,767
Equipment and vehicle rentals	242,623	34,072	364,685	95,184	440,683	397,796	362,828	51,738
Insurance and claims	207,900	26,396	247,588	71,670	163,767	305,729	244,544	30,091
Materials and supplies	669,736	87,022	834,011	236,466	660,713	1,020,221	831,882	122,711
Operations, repairs and maintenance	429,150	59,660	552,006	197,486	362,863	658,210	540,740	97,649
Salaries and benefits	7,299,891	930,428	9,545,724	2,565,697	4,842,222	11,274,992	9,336,015	1,918,871
Services	2,443,533	301,136	2,868,916	767,887	1,307,660	3,376,351	2,863,746	396,237
Utilities	844,251	109,676	1,045,931	310,497	1,811,282	1,347,091	1,062,975	144,261
Total operations and maintenance	<u>13,868,537</u>	<u>1,775,393</u>	<u>17,607,827</u>	<u>4,848,116</u>	<u>10,395,469</u>	<u>20,909,249</u>	<u>17,362,588</u>	<u>3,050,325</u>
Charges for collections	28,310	4,660	30,051	9,738	10,206	36,958	29,704	1,008
Depreciation	3,165,557	377,959	3,629,156	1,008,434	7,412,557	4,530,413	3,619,218	595,776
Research and development	329,080	42,875	402,580	111,921	-	481,091	403,694	55,125
Total operating expenses	<u>17,391,484</u>	<u>2,200,887</u>	<u>21,669,614</u>	<u>5,978,209</u>	<u>17,818,232</u>	<u>25,957,711</u>	<u>21,415,204</u>	<u>3,702,234</u>
Operating income (loss)	<u>372,556</u>	<u>116,968</u>	<u>1,937,932</u>	<u>459,874</u>	<u>5,419,773</u>	<u>7,938,384</u>	<u>1,753,376</u>	<u>162,829</u>
Nonoperating revenues (expenses):								
Interest revenue	502,142	84,767	486,510	170,293	186,431	709,584	600,915	149,639
Taxes	4,688,219	507,628	3,904,786	1,316,312	1,103,133	4,316,640	3,693,815	459,486
Amortization of bond premium	340,386	43,560	298,560	96,262	155,398	321,995	278,646	58,850
Amortization of deferred loss on refunding	(127,441)	(16,309)	(111,781)	(36,041)	(22,840)	(120,556)	(104,325)	(22,034)
Interest expense	(830,117)	(106,686)	(806,972)	(248,455)	(8,352,544)	(905,406)	(771,886)	(141,366)
Tax and assessment expense	(5,003)	(677)	(6,301)	(1,810)	(333)	(7,710)	(6,647)	(973)
Unrealized gain (loss) on investments	125,357	25,963	132,067	45,315	(51,372)	175,317	144,118	50,334
Net nonoperating revenues (expenses)	<u>4,693,543</u>	<u>538,246</u>	<u>3,896,869</u>	<u>1,341,876</u>	<u>(6,982,127)</u>	<u>4,489,864</u>	<u>3,834,636</u>	<u>553,936</u>
Income (loss) before capital contribution revenue	<u>5,066,099</u>	<u>655,214</u>	<u>5,834,801</u>	<u>1,801,750</u>	<u>(1,562,354)</u>	<u>12,428,248</u>	<u>5,588,012</u>	<u>716,765</u>
Capital contribution revenue:								
Connection fees	1,626,419	164,488	1,625,746	453,588	674,087	2,285,420	2,012,972	189,442
Change in net position	<u>6,692,518</u>	<u>819,702</u>	<u>7,460,547</u>	<u>2,255,338</u>	<u>(888,267)</u>	<u>14,713,668</u>	<u>7,600,984</u>	<u>906,207</u>
Total net position, July 1, 2014, as previously stated	145,050,866	20,236,360	159,954,430	45,334,779	58,439,783	223,383,341	172,555,987	47,491,849
Prior-period adjustments	<u>(12,740,397)</u>	<u>(1,613,560)</u>	<u>(16,707,064)</u>	<u>(4,504,520)</u>	<u>(8,538,419)</u>	<u>(19,665,257)</u>	<u>(16,337,290)</u>	<u>(3,361,582)</u>
Total net assets, July 1, 2014, as restated	<u>132,310,469</u>	<u>18,622,800</u>	<u>143,247,366</u>	<u>40,830,259</u>	<u>49,901,364</u>	<u>203,718,084</u>	<u>156,218,697</u>	<u>44,130,267</u>
Total net position, June 30, 2015	<u>\$ 139,002,987</u>	<u>19,442,502</u>	<u>150,707,913</u>	<u>43,085,597</u>	<u>49,013,097</u>	<u>218,431,752</u>	<u>163,819,681</u>	<u>45,036,474</u>

(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, 2015

	Districts						
	No. 27	No. 28	No. 29	Santa Clarita Valley	No. 34	Newhall Ranch	South Bay Cities
Operating revenues:							
Contract revenue	921	44,202	53,693	937,037	921	-	485,641
Industrial waste surcharge	-	8,083	76,764	661,137	-	-	185,794
Sale of energy	-	806	967	-	-	-	8,707
Service charges	-	999,668	1,863,791	24,596,623	-	-	6,148,346
Other	-	8,946	10,791	594,458	1,500	121,769	97,265
Total operating revenues	921	1,061,705	2,006,006	26,789,255	2,421	121,769	6,925,753
Operations and maintenance:							
Chemicals	-	73,037	91,910	1,987,601	-	7	804,579
Equipment and vehicle rentals	61	13,113	65,039	449,096	61	64	138,105
Insurance and claims	310	8,064	9,841	(20,787)	276	307	95,983
Materials and supplies	214	28,043	44,814	1,208,044	67	53	362,575
Operations, repairs and maintenance	239	21,189	28,914	798,931	239	9,223	229,075
Salaries and benefits	6,563	296,213	665,436	10,286,661	1,682	52,285	3,946,908
Services	71,548	99,491	125,734	2,615,263	481	399	1,107,763
Utilities	199	35,530	58,377	2,892,189	126	103	557,567
Total operations and maintenance	79,134	574,680	1,090,065	20,216,998	2,932	62,441	7,242,555
Charges for collections	734	2,508	1,240	34,293	-	-	21,328
Depreciation	78,286	204,722	324,872	5,217,651	206	-	1,586,823
Research and development	-	13,920	16,705	-	-	-	150,341
Total operating expenses	158,154	795,830	1,432,882	25,468,942	3,138	62,441	9,001,047
Operating income (loss)	(157,233)	265,875	573,124	1,320,313	(717)	59,328	(2,075,294)
Nonoperating revenues (expenses):							
Interest revenue	2,820	57,738	44,777	811,246	20	149	313,431
Taxes	304,590	582,333	113,768	6,347,057	-	-	4,678,770
Amortization of bond premium	10,141	15,396	4,834	528,602	-	-	148,860
Amortization of deferred loss on refunding	(3,797)	(5,764)	(1,810)	(197,910)	-	-	(55,733)
Interest expense	(17,885)	(76,158)	(35,559)	(1,584,697)	-	-	(368,117)
Tax and assessment expense	(1)	(199)	(243)	(782)	(1)	(1)	(2,377)
Unrealized gain (loss) on investments	597	14,763	10,335	102,914	-	-	51,732
Net nonoperating revenues (expenses)	296,465	588,109	136,102	6,006,430	19	148	4,766,566
Income (loss) before capital contribution revenue	139,232	853,984	709,226	7,326,743	(698)	59,476	2,691,272
Capital contribution revenue:							
Connection fees	-	56,004	75,040	5,417,794	-	-	605,878
Change in net position	139,232	909,988	784,266	12,744,537	(698)	59,476	3,297,150
Total net position, July 1, 2014, as previously stated	2,745,925	11,219,845	17,528,881	199,466,557	4,813	-	75,521,518
Prior-period adjustments	-	(537,853)	(1,176,554)	(18,085,313)	-	-	(7,025,707)
Total net assets, July 1, 2014, as restated	2,745,925	10,681,992	16,352,327	181,381,244	4,813	-	68,495,811
Total net position, June 30, 2015	\$ 2,885,157	11,591,980	17,136,593	194,125,781	4,115	59,476	71,792,961

Exhibit E-3
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Sewerage Operations
Combining Schedule of Cash Flows
Fiscal year ended June 30, 2015

	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	\$ 31,776,937	43,126,708	34,904,067	3,751,591	47,075,276	21,683,367	88,716	37,206,529	34,663,830
Payments to suppliers	(10,082,573)	(14,919,581)	(11,174,289)	(1,408,517)	(17,696,729)	(6,331,266)	(127,257)	(6,546,063)	(12,302,830)
Payments to employees	(12,403,655)	(18,539,623)	(13,960,209)	(51,364)	(21,633,168)	(9,361,660)	(5,944)	(6,108,740)	(14,821,504)
Payment for equipment rental within the Districts	(413,964)	(649,921)	(399,412)	(8,931)	(738,202)	(273,329)	(48)	(343,044)	(470,516)
Other payments	-	-	(18,589)	-	-	-	-	-	-
Net cash provided (used) by operating activities	<u>8,876,745</u>	<u>9,017,583</u>	<u>9,351,568</u>	<u>2,282,779</u>	<u>7,007,177</u>	<u>5,717,112</u>	<u>(44,533)</u>	<u>24,208,682</u>	<u>7,068,980</u>
Cash flows from noncapital financing activities:									
Receipts from property taxes	3,153,660	6,468,939	5,185,372	500,224	10,564,257	2,020,242	87,775	1,115,336	6,574,694
Payments for tax and assessment	(7,666)	(11,765)	(8,916)	(1)	(13,767)	(4,615)	(1)	448	(9,416)
Net cash provided (used) by noncapital financing activities	<u>3,145,994</u>	<u>6,457,174</u>	<u>5,176,456</u>	<u>500,223</u>	<u>10,550,490</u>	<u>2,015,627</u>	<u>87,774</u>	<u>1,115,784</u>	<u>6,565,278</u>
Cash flows from capital and related financing activities:									
Borrowings on loan from state	1,644,568	2,443,676	1,894,869	-	2,836,741	997,495	-	-	2,039,487
Purchases of capital assets	(8,990,216)	(13,415,546)	(10,016,935)	(1,778,001)	(14,782,709)	(5,053,937)	(61,371)	(3,497,471)	(10,350,732)
Connection fees proceeds	1,971,648	3,172,288	2,341,953	1,034,408	4,038,590	1,595,315	2,996	806,029	2,563,240
Interest paid on capital-related debt	(832,045)	(1,251,100)	(954,770)	(93,773)	(1,912,076)	(497,890)	(13,177)	(10,692,990)	(1,226,918)
Payment to joint venture	(1,671)	(2,483)	(1,925)	-	(2,882)	(1,013)	-	-	(2,072)
Principal payments on bonds	(1,545,456)	(2,386,037)	(1,812,421)	(230,573)	(3,900,263)	(942,487)	(32,403)	(3,197,076)	(2,440,746)
Principal payments on loan from state	(1,828,314)	(2,677,045)	(2,075,827)	-	(3,107,647)	(1,092,754)	-	(4,539,993)	(2,234,256)
Net cash used by capital and related financing activities	<u>(9,581,486)</u>	<u>(14,116,247)</u>	<u>(10,625,056)</u>	<u>(1,067,939)</u>	<u>(16,830,246)</u>	<u>(4,995,271)</u>	<u>(103,955)</u>	<u>(21,121,501)</u>	<u>(11,651,997)</u>
Cash flows from investing activities:									
Interest received	495,223	770,252	501,272	294,965	857,862	305,099	33,076	265,222	668,060
Purchase of investments	(21,740,889)	(51,754,989)	(32,950,059)	(23,986,666)	(41,572,203)	(14,003,237)	(2,021,139)	(9,573,901)	(44,896,537)
Proceeds from maturities of investments	21,211,162	50,255,277	33,139,443	17,002,359	40,417,927	12,471,708	1,645,417	4,112,186	42,785,970
Net cash provided (used) by investing activities	<u>(34,504)</u>	<u>(729,460)</u>	<u>690,656</u>	<u>(6,689,342)</u>	<u>(296,414)</u>	<u>(1,226,430)</u>	<u>(342,646)</u>	<u>(5,196,493)</u>	<u>(1,442,507)</u>
Net increase (decrease) in cash and cash equivalents	2,406,749	629,050	4,593,624	(4,974,279)	431,007	1,511,038	(403,360)	(993,528)	539,754
Cash and cash equivalents at beginning of fiscal year	21,849,340	35,295,655	25,490,541	11,783,020	39,164,330	21,851,518	1,306,012	36,051,034	30,487,897
Cash and cash equivalents at end of fiscal year	<u>\$ 24,256,089</u>	<u>35,924,705</u>	<u>30,084,165</u>	<u>6,808,741</u>	<u>39,595,337</u>	<u>23,362,556</u>	<u>902,652</u>	<u>35,057,506</u>	<u>31,027,651</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:									
Operating income (loss)	\$ 4,057,596	3,328,699	4,530,547	875,421	(1,696,002)	2,418,745	(87,542)	14,490,767	1,646,862
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:									
Depreciation and amortization	4,574,379	6,543,529	5,271,955	1,386,381	8,657,818	2,789,162	41,724	9,071,246	5,328,960
Pension expense									
Decrease (increase) in accounts receivable	511,457	(338,905)	(63,684)	(8,683)	(112,649)	727,160	39	267,843	575,359
Decrease (increase) in service charge receivable	226,151	206,995	179,381	31,837	1,046,159	126,652	1,258	723,331	115,538
Increase in deferred outflows of resources	(1,298,656)	(1,943,768)	(1,463,097)	(6,324)	(2,264,215)	(986,641)	-	(643,004)	(1,553,749)
Increase (decrease) in accounts payable	(58,550)	(40,969)	(58,812)	143	(103,971)	(26,913)	(35)	(11,366)	(68,651)
Increase (decrease) in claims liabilities related to self insurance	95,760	122,386	108,298	82	146,441	65,279	81	(99,227)	110,760
Increase in pension liability	2,309,234	3,456,353	2,601,637	11,246	4,026,164	1,754,418	-	1,143,371	2,762,833
Decrease in other liabilities	-	-	(18,589)	-	-	-	-	-	-
Decrease in due to other funds	(209,541)	(324,432)	(236,437)	(841)	(371,813)	(139,471)	(58)	(75,219)	(256,384)
Decrease in deferred inflows of resources	(1,331,085)	(1,992,305)	(1,499,631)	(6,483)	(2,320,755)	(1,011,279)	-	(659,060)	(1,592,548)
Net cash provided (used) by operating activities	<u>\$ 8,876,745</u>	<u>9,017,583</u>	<u>9,351,568</u>	<u>2,282,779</u>	<u>7,007,177</u>	<u>5,717,112</u>	<u>(44,533)</u>	<u>24,208,682</u>	<u>7,068,980</u>
Schedule of noncash investing activity-									
Unrealized gain on fair value of investments	\$ 210,159	222,262	114,331	84,369	258,958	63,428	7,412	7,706	209,455

Exhibit E-3-2
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Sewerage Operations
Combining Schedule of Cash Flows
Fiscal year ended June 30, 2015

	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	\$ 18,045,486	2,322,552	23,214,635	6,552,690	23,573,347	32,157,233	22,381,655	3,496,996
Payments to suppliers	(6,683,295)	(858,529)	(8,201,953)	(2,306,190)	(4,997,181)	(9,771,938)	(8,090,712)	(1,144,737)
Payments to employees	(7,628,171)	(973,057)	(9,979,273)	(2,682,039)	(5,037,394)	(11,785,993)	(9,764,672)	(2,001,363)
Payment for equipment rental within the Districts	(224,627)	(32,142)	(344,853)	(89,782)	(424,888)	(375,300)	(343,648)	(48,236)
Other payments	-	-	-	-	-	-	-	-
Net cash provided (used) by operating activities	<u>3,509,393</u>	<u>458,824</u>	<u>4,688,556</u>	<u>1,474,679</u>	<u>13,113,884</u>	<u>10,224,002</u>	<u>4,182,623</u>	<u>302,660</u>
Cash flows from noncapital financing activities:								
Receipts from property taxes	4,648,726	504,972	3,811,637	1,307,742	1,098,608	3,939,072	3,654,898	454,489
Transfers from other funds								
Transfers to other funds								
Payments for tax and assessment	(5,003)	(677)	(6,301)	(1,810)	(333)	(7,710)	(6,647)	(973)
Net cash provided (used) by noncapital financing activities	<u>4,643,723</u>	<u>504,295</u>	<u>3,805,336</u>	<u>1,305,932</u>	<u>1,098,275</u>	<u>3,931,362</u>	<u>3,648,251</u>	<u>453,516</u>
Cash flows from capital and related financing activities:								
Borrowings on loan from state	1,095,761	142,764	1,340,500	372,670		1,601,924	1,344,207	183,554
Proceeds from bond sale								
Bond issuance costs								
Purchases of capital assets	(5,811,510)	(719,454)	(6,801,970)	(1,883,168)	(2,135,884)	(8,157,673)	(6,799,095)	(933,431)
Connection fees proceeds	1,626,419	164,488	1,625,746	453,588	674,087	2,285,420	2,012,972	189,442
Bond defeasement								
Receipt from settlement								
Interest paid on capital-related debt	(744,468)	(95,562)	(696,571)	(217,751)	(8,396,066)	(769,192)	(660,806)	(128,035)
Payment to joint venture	(1,113)	(145)	(1,362)	(379)	-	(1,627)	(1,366)	(186)
Proceeds from sale of assets								
Principal payments on bonds	(1,521,035)	(194,649)	(1,334,133)	(430,154)	(1,782,603)	(1,438,854)	(1,245,144)	(262,976)
Principal payments on loan from state	(1,200,405)	(156,398)	(1,468,515)	(408,259)	(2,344,983)	(1,754,906)	(1,472,578)	(201,083)
Net cash used by capital and related financing activities	<u>(6,556,351)</u>	<u>(858,956)</u>	<u>(7,336,305)</u>	<u>(2,113,453)</u>	<u>(13,985,449)</u>	<u>(8,234,908)</u>	<u>(6,821,810)</u>	<u>(1,152,715)</u>
Cash flows from investing activities:								
Interest received	412,725	75,354	388,958	136,037	149,920	565,799	480,258	130,389
Purchase of investments	(31,936,459)	(640,744)	(21,756,669)	(8,538,585)	(6,113,457)	(42,384,357)	(28,291,713)	(9,816,530)
Proceeds from maturities of investments	29,636,823	3,530,407	22,179,177	8,658,171	5,917,418	38,929,092	28,978,843	9,985,781
Net cash provided (used) by investing activities	<u>(1,886,911)</u>	<u>2,965,017</u>	<u>811,466</u>	<u>255,623</u>	<u>(46,119)</u>	<u>(2,889,466)</u>	<u>1,167,388</u>	<u>299,640</u>
Net increase (decrease) in cash and cash equivalents	(290,146)	3,069,180	1,969,053	922,781	180,591	3,030,990	2,176,452	(96,899)
Cash and cash equivalents at beginning 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
Cash and cash equivalents at end of fiscal year	<u>\$ 18,662,293</u>	<u>6,287,829</u>	<u>19,007,530</u>	<u>7,125,863</u>	<u>13,330,997</u>	<u>27,642,587</u>	<u>22,936,283</u>	<u>5,838,793</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:								
Operating income (loss)	\$ 372,556	116,968	1,937,932	459,874	5,419,773	7,938,384	1,753,376	162,829
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation and amortization	3,165,557	377,959	3,629,156	1,008,434	7,412,557	4,530,413	3,619,218	595,776
Amortization of state credits								
Decrease (increase) in accounts receivable	38,410	5,821	(463,146)	94,542	64,665	(1,873,417)	(928,225)	(377,122)
Decrease (increase) in service charge receivable	243,036	(1,124)	70,235	20,065	270,677	134,556	141,300	9,055
Increase in deferred outflows of resources	(799,011)	(101,194)	(1,047,780)	(282,500)	(535,485)	(1,233,302)	(1,024,590)	(210,820)
Increase (decrease) in accounts payable	(38,859)	(5,187)	(117,329)	(12,943)	36,298	(82,488)	(36,035)	(10,461)
Increase (decrease) in claims liabilities related to self insurance	56,973	7,017	65,257	21,049	105,086	87,555	61,646	5,075
Increase in pension liability	1,420,779	179,940	1,863,132	502,333	952,184	2,193,022	1,821,896	374,875
Decrease in other liabilities	-	-	-	-	-	-	-	-
Decrease in due to other funds	(131,085)	(17,655)	(174,958)	(46,621)	(63,015)	(206,623)	(175,789)	(30,462)
Decrease in deferred inflows of resources	(818,963)	(103,721)	(1,073,943)	(289,554)	(548,856)	(1,264,098)	(1,050,174)	(216,085)
Net cash provided (used) by operating activities	<u>\$ 3,509,393</u>	<u>458,824</u>	<u>4,688,556</u>	<u>1,474,679</u>	<u>13,113,884</u>	<u>10,224,002</u>	<u>4,182,623</u>	<u>302,660</u>
Schedule of noncash investing activity-								
Unrealized gain on fair value of investments	\$ 125,357	25,963	132,067	45,315	(51,372)	175,317	144,118	50,334
Investment in joint venture	\$							

(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, 2015

	Districts							Total
	No. 27	No. 28	No. 29	Santa Clarita Valley	No. 34	No. 36	South Bay Cities	
Cash flows from operating activities:								
Receipts from customers and users	\$ 960	1,069,980	1,973,456	26,779,755	2,458	121,769	7,059,331	423,029,324
Payments to suppliers	(73,211)	(283,558)	(387,448)	(9,661,556)	(1,156)	(9,958)	(3,324,022)	(136,384,549)
Payments to employees	(6,621)	(309,964)	(693,343)	(10,693,273)	(1,682)	(45,849)	(4,128,775)	(162,617,336)
Payment for equipment rental within the Districts	(48)	(11,522)	(63,616)	(435,391)	(48)	(34)	(131,267)	(5,822,769)
Other payments	-	-	-	-	-	-	-	(18,589)
Net cash provided (used) by operating activities	<u>(78,920)</u>	<u>464,936</u>	<u>829,049</u>	<u>5,989,535</u>	<u>(428)</u>	<u>65,928</u>	<u>(524,733)</u>	<u>118,186,081</u>
Cash flows from noncapital financing activities:								
Receipts from property taxes	302,992	579,486	112,370	6,351,069	-	-	4,605,469	67,042,029
Payments for tax and assessment	(1)	(199)	(243)	(782)	(1)	(1)	(2,377)	(88,757)
Net cash provided (used) by noncapital financing activities	<u>302,991</u>	<u>579,287</u>	<u>112,127</u>	<u>6,350,287</u>	<u>(1)</u>	<u>(1)</u>	<u>4,603,092</u>	<u>66,953,272</u>
Cash flows from capital and related financing activities:								
Borrowings on loan from state	-	46,352	55,622	338,424	-	-	500,601	18,879,215
Purchases of capital assets	(39,084)	(233,669)	(282,198)	(6,496,161)	(892)	(41,042)	(2,532,595)	(110,814,744)
Connection fees proceeds	-	56,004	75,040	5,417,794	-	-	605,878	32,713,345
Interest paid on capital-related debt	(18,429)	(44,792)	(30,856)	(1,087,312)	-	-	(328,034)	(30,692,613)
Payment to joint venture	-	(47)	(57)	-	-	-	(509)	(18,837)
Principal payments on bonds	(45,316)	(68,796)	(21,602)	(2,362,088)	-	-	(665,188)	(27,860,000)
Principal payments on loan from state	-	(406,192)	(102,469)	(3,213,664)	-	-	(548,408)	(30,833,696)
Net cash used by capital and related financing activities	<u>(102,829)</u>	<u>(651,140)</u>	<u>(306,520)</u>	<u>(7,403,007)</u>	<u>(892)</u>	<u>(41,042)</u>	<u>(2,968,255)</u>	<u>(148,627,330)</u>
Cash flows from investing activities:								
Interest received	2,529	43,761	33,628	689,954	20	85	233,592	7,534,040
Purchase of investments	(28,366)	(3,949,571)	(1,777,180)	(21,801,986)	-	-	(19,740,518)	(439,275,755)
Proceeds from maturities of investments	149,227	2,833,706	745,676	29,848,348	-	-	17,421,748	421,855,866
Net cash provided (used) by investing activities	<u>123,390</u>	<u>(1,072,104)</u>	<u>(997,876)</u>	<u>8,736,316</u>	<u>20</u>	<u>85</u>	<u>(2,085,178)</u>	<u>(9,885,849)</u>
Net increase (decrease) in cash and cash equivalents	244,632	(679,021)	(363,220)	13,673,131	(1,301)	24,970	(975,074)	26,626,174
Cash and cash equivalents at beginning of fiscal year	236,865	1,544,865	1,614,511	45,509,656	2,347	-	10,546,196	392,603,960
Cash and cash equivalents at end of fiscal year	<u>\$ 481,497</u>	<u>865,844</u>	<u>1,251,291</u>	<u>59,182,787</u>	<u>1,046</u>	<u>24,970</u>	<u>9,571,122</u>	<u>419,230,134</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:								
Operating income (loss)	\$ (157,233)	265,875	573,124	1,320,313	(717)	59,328	(2,075,294)	47,712,181
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation and amortization	78,286	204,722	324,872	5,217,651	206	-	1,586,823	75,416,784
Decrease (increase) in accounts receivable	39	2,274	(19,814)	(211,428)	37	-	16,332	(2,093,095)
Decrease (increase) in service charge receivable	-	6,001	(12,736)	201,928	-	-	117,246	3,857,541
Increase in deferred outflows of resources	-	(33,731)	(73,787)	(1,134,217)	-	(555)	(440,061)	(17,076,487)
Increase (decrease) in accounts payable	(35)	(2,066)	(10,774)	(101,806)	(35)	37	(15,761)	(766,568)
Increase (decrease) in claims liabilities related to self insurance	81	1,881	2,288	(30,511)	81	127	27,788	961,253
Increase in pension liability	-	59,980	131,206	2,016,831	-	6,991	776,499	30,364,924
Decrease in other liabilities	-	-	-	-	-	-	-	(18,589)
Decrease in due to other funds	(58)	(5,426)	(9,700)	(126,688)	-	-	(66,687)	(2,668,963)
Decrease in deferred inflows of resources	-	(34,574)	(75,630)	(1,162,538)	-	-	(451,618)	(17,502,900)
Net cash provided (used) by operating activities	<u>\$ (78,920)</u>	<u>464,936</u>	<u>829,049</u>	<u>5,989,535</u>	<u>(428)</u>	<u>65,928</u>	<u>(524,733)</u>	<u>118,186,081</u>
Schedule of noncash investing activity-								
Unrealized gain on fair value of investments	\$ 597	14,763	10,335	102,914	-	-	51,732	2,005,520

Exhibit F-1
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Solid Waste Facilities Operations
Combining Schedule of Net Position
June 30, 2015

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	\$ 269,412	-	63,818	108,567	77,552	37,795	-	557,144
Cash on hand	5,000	-	3,700	2,000	3,400	2,740	-	16,840
Cash and cash equivalents	<u>1,016,574</u>	<u>-</u>	<u>1,202,886</u>	<u>15,364,167</u>	<u>3,309,463</u>	<u>974,900</u>	<u>1,174,231</u>	<u>23,042,221</u>
Total unrestricted cash and cash equivalents	<u>1,290,986</u>	<u>-</u>	<u>1,270,404</u>	<u>15,474,734</u>	<u>3,390,415</u>	<u>1,015,435</u>	<u>1,174,231</u>	<u>23,616,205</u>
Accounts receivable	-	-	97,359	501,406	3,779,365	1,424,636	-	5,802,766
Interest receivable	171,069	232,447	5,104	911,711	14,009	5,162	4,755	1,344,257
Restricted cash and investments:								
Cash and cash equivalents	30,360,283	39,830,271	363,970	163,606,730	2,241,240	662,620	157,813	237,222,927
Specific investments	<u>26,987,185</u>	<u>41,195,911</u>	<u>110,492</u>	<u>147,706,523</u>	<u>-</u>	<u>-</u>	<u>249,146</u>	<u>216,249,257</u>
Total restricted cash and investments	<u>57,347,468</u>	<u>81,026,182</u>	<u>474,462</u>	<u>311,313,253</u>	<u>2,241,240</u>	<u>662,620</u>	<u>406,959</u>	<u>453,472,184</u>
Other specific investments	-	-	-	8,128,897	-	-	-	8,128,897
Total current assets	<u>58,809,523</u>	<u>81,258,629</u>	<u>1,847,329</u>	<u>336,330,001</u>	<u>9,425,029</u>	<u>3,107,853</u>	<u>1,585,945</u>	<u>492,364,309</u>
Capital assets:								
Buildings	-	-	-	-	-	-	7,334,878	7,334,878
Capital improvements	24,517,547	41,216,593	2,260,242	245,932,223	-	-	75,893,667	389,820,272
Less accumulated depreciation	<u>(23,710,778)</u>	<u>(41,195,913)</u>	<u>(2,260,242)</u>	<u>(245,932,223)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(313,119,836)</u>
Net capital improvements facilities	<u>806,769</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,228,545</u>	<u>84,035,314</u>
Gas-to-energy facilities	15,187,706	25,980,964	-	139,505,805	-	-	-	180,674,475
Less accumulated depreciation	<u>(15,187,706)</u>	<u>(15,588,578)</u>	<u>-</u>	<u>(84,913,498)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(115,689,782)</u>
Net gas-to-energy facilities	<u>-</u>	<u>10,392,386</u>	<u>-</u>	<u>54,592,307</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,984,693</u>
Rail facilities	-	-	-	-	-	-	54,060,853	54,060,853
Less accumulated depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net rail facilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,060,853</u>	<u>54,060,853</u>
Recycling and transfer facility	-	-	-	-	53,281,533	9,873,808	-	63,155,341
Less accumulated depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,319,672)</u>	<u>(3,702,678)</u>	<u>-</u>	<u>(17,022,350)</u>
Net recycling and transfer facility	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,961,861</u>	<u>6,171,130</u>	<u>-</u>	<u>46,132,991</u>
Land	-	-	77,665	-	16,203,794	7,236,414	2,993,718	26,511,591
Use rights	3,758,185	635,000	-	9,001,642	-	12,006,393	42,360,490	67,761,710
Less accumulated amortization	<u>(3,758,185)</u>	<u>(635,000)</u>	<u>-</u>	<u>(9,001,642)</u>	<u>-</u>	<u>(12,006,393)</u>	<u>-</u>	<u>(25,401,220)</u>
Net use rights	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,360,490</u>	<u>42,360,490</u>
Net capital assets	<u>806,769</u>	<u>10,392,386</u>	<u>77,665</u>	<u>54,592,307</u>	<u>56,165,655</u>	<u>13,407,544</u>	<u>182,643,606</u>	<u>318,085,932</u>
Total assets	<u>\$ 59,616,292</u>	<u>91,651,015</u>	<u>1,924,994</u>	<u>390,922,308</u>	<u>65,590,684</u>	<u>16,515,397</u>	<u>184,229,551</u>	<u>810,450,241</u>
Deferred Outflow of Resources								
Pension contribution subsequent to measurement date	<u>\$ 179,198</u>	<u>202,388</u>	<u>101,194</u>	<u>1,252,276</u>	<u>706,250</u>	<u>225,578</u>	<u>31,623</u>	<u>2,698,507</u>

(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, 2015

Liabilities	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 liabilities:								
Accounts payable	\$ 39,883	70,918	570,580	256,814	2,544,079	862,490	13,178	4,357,942
Claims liabilities	94,671	7,221	15,183	1,258,782	22,998	49,948	-	1,448,803
Construction contracts payable	-	-	-	551,058	-	-	-	551,058
Due to other funds	305,721	385,725	133,148	1,750,289	864,942	290,159	34,699	3,764,683
Estimated liability for closure and postclosure costs	-	3,003,637	-	9,278,459	-	-	-	12,282,096
Interest payable	-	-	-	552	-	-	-	552
Loans payable to State of California	-	-	-	236,580	-	-	-	236,580
Total current liabilities	440,275	3,467,501	718,911	13,332,534	3,432,019	1,202,597	47,877	22,641,714
Long-term liabilities:								
Claims liabilities	94,671	7,221	15,183	1,258,782	22,998	49,948	-	1,448,803
Estimated liability for closure and postclosure costs	-	45,271,684	-	212,172,619	-	-	-	257,444,303
Pension liability	2,257,627	2,549,791	1,274,895	15,776,831	8,897,707	2,841,954	398,405	33,997,210
Total liabilities	2,792,573	51,296,197	2,008,989	242,540,766	12,352,724	4,094,499	446,282	315,532,030
Deferred Inflow of Resources								
Differences between projected and actual earnings on pension plan investments	734,690	829,767	414,884	5,134,184	2,895,541	924,845	129,651	11,063,562
Net Position								
Net position:								
Net investment in capital assets	806,769	10,392,386	77,665	53,804,669	56,165,655	13,407,544	182,643,606	317,298,294
Restricted for capital projects	-	-	-	2,450,000	-	-	600,000	3,050,000
Restricted for closure / postclosure maintenance	55,461,458	29,335,053	-	41,146,754	-	-	-	125,943,265
Restricted for noncapital projects	-	-	-	11,873,041	-	-	441,635	12,314,676
Restricted for site development	-	-	-	35,225,170	-	-	-	35,225,170
Unrestricted	-	-	(475,350)	-	(5,116,986)	(1,685,913)	-	(7,278,249)
Total net position	\$ 56,268,227	39,727,439	(397,685)	144,499,634	51,048,669	11,721,631	183,685,241	486,553,156

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, 2015

	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	\$ -	-	66,824	19,786	4,243,565	4,377,097	-	8,707,272
Contract revenue	-	-	-	44,149	249,547	117,364	-	411,060
Refuse tipping fees	-	-	6,418,014	245,835	37,084,152	8,514,860	-	52,262,861
Sale of energy	-	2,019,868	-	23,866,539	-	-	-	25,886,407
Other	152,182	-	-	29,916	100	-	5,000	187,198
Total operating revenues	152,182	2,019,868	6,484,838	24,206,225	41,577,364	13,009,321	5,000	87,454,798
Operating expenses:								
Chemicals	83	21,829	-	183,796	3,838	-	-	209,546
Depreciation and amortization of use rights	-	687,846	10,195	7,095,683	1,481,442	1,058,840	-	10,334,006
Equipment and vehicle rentals	95,508	37,013	388,080	868,769	4,508,729	671,467	27,989	6,597,555
Insurance and claims	(7,620)	(1,855)	49,466	679,356	132,703	108,940	5,700	966,690
Landfill closure and postclosure costs	-	22,307,858	-	23,541,324	-	-	-	45,849,182
Materials and supplies	81,732	64,947	57,543	3,114,014	453,097	223,462	7,394	4,002,189
Operations, repairs and maintenance	504,372	230,089	362,264	7,303,435	2,762,024	654,666	78,330	11,895,180
Salaries and benefits	1,646,123	1,873,629	933,428	11,762,133	6,367,401	2,035,998	289,581	24,908,293
Services	242,129	67,353	4,254,414	1,889,768	27,187,368	9,539,633	57,277	43,237,942
Utilities	329,208	308,504	47,270	1,312,054	59,080	123,612	123,514	2,303,242
Total operating expenses	2,891,535	25,597,213	6,102,660	57,750,332	42,955,682	14,416,618	589,785	150,303,825
Operating income (loss)	(2,739,353)	(23,577,345)	382,178	(33,544,107)	(1,378,318)	(1,407,297)	(584,785)	(62,849,027)
Nonoperating revenues (expenses):								
Interest revenue	584,439	814,177	10,062	3,455,817	29,223	12,659	16,398	4,922,775
Interest expense	-	-	-	(15,321)	-	-	-	(15,321)
Tax and assessment expense	-	445	(353,200)	(13,532)	(1,167,944)	(730,243)	(22,537)	(2,287,011)
Unrealized gain (loss) on investments	606,867	(32,882)	31	1,326,362	-	-	(5,173)	1,895,205
Net nonoperating revenues (expenses)	1,191,306	781,740	(343,107)	4,753,326	(1,138,721)	(717,584)	(11,312)	4,515,648
Income (loss) before transfers	(1,548,047)	(22,795,605)	39,071	(28,790,781)	(2,517,039)	(2,124,881)	(596,097)	(58,333,379)
Transfers in	100,000	-	148,716	-	1,893,855	1,130,142	-	3,272,713
Transfers out	-	-	-	(5,995,976)	-	-	-	(5,995,976)
Change in net position	(1,448,047)	(22,795,605)	187,787	(34,786,757)	(623,184)	(994,739)	(596,097)	(61,056,642)
Total net assets, July 1, 2014, as previously stated	60,573,619	65,750,163	1,028,088	199,254,190	62,933,154	16,313,263	184,785,575	590,638,052
Prior-period adjustments	(2,857,345)	(3,227,119)	(1,613,560)	(19,967,799)	(11,261,301)	(3,596,893)	(504,237)	(43,028,254)
Total net position, July 1, 2014, as restated	57,716,274	62,523,044	(585,472)	179,286,391	51,671,853	12,716,370	184,281,338	547,609,798
Total net position, June 30, 2015	\$ 56,268,227	39,727,439	(397,685)	144,499,634	51,048,669	11,721,631	183,685,241	486,553,156

Exhibit F-3
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Solid Waste Facilities Operations
Combining Schedule of Cash Flows
Fiscal year ended June 30, 2015

	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	\$ 152,182	2,019,868	6,542,382	24,170,974	42,619,822	12,503,752	5,000	88,013,980
Payments to suppliers	(1,189,023)	(778,041)	(4,696,642)	(15,359,507)	(30,533,173)	(10,889,172)	(282,206)	(63,727,764)
Payments to employees	(1,715,973)	(1,955,907)	(969,562)	(12,217,892)	(6,614,197)	(2,115,990)	(300,294)	(25,889,815)
Payments applied to closure/postclosure liability	(866,454)	(2,603,122)	-	(3,374,202)	-	-	-	(6,843,778)
Payment for equipment rental within the Districts	(94,474)	(35,424)	(387,680)	(856,460)	(4,503,855)	(669,761)	(24,712)	(6,572,366)
Net cash provided (used) by operating activities	<u>(3,713,742)</u>	<u>(3,352,626)</u>	<u>488,498</u>	<u>(7,637,087)</u>	<u>968,597</u>	<u>(1,171,171)</u>	<u>(602,212)</u>	<u>(15,019,743)</u>
Cash flows from noncapital financing activities:								
Payments for tax and assessment	-	445	(353,200)	(13,532)	(1,167,944)	(730,243)	(22,537)	(2,287,011)
Transfers from other funds	100,000	-	148,716	-	1,893,855	1,130,142	-	3,272,713
Transfers to other funds	-	-	-	(5,995,976)	-	-	-	(5,995,976)
Net cash provided (used) by noncapital financing activities	<u>100,000</u>	<u>445</u>	<u>(204,484)</u>	<u>(6,009,508)</u>	<u>725,911</u>	<u>399,899</u>	<u>(22,537)</u>	<u>(5,010,274)</u>
Cash flows from capital and related financing activities:								
Purchases of capital assets	(944,157)	(21,676)	(10,195)	(1,744,236)	(665,445)	(33,053)	(308,345)	(3,727,107)
Interest paid on capital related debt	-	-	-	(16,112)	-	-	-	(16,112)
Principal payments on loan from state	-	-	-	(338,837)	-	-	-	(338,837)
Net cash used by capital and related financing activities	<u>(944,157)</u>	<u>(21,676)</u>	<u>(10,195)</u>	<u>(2,099,185)</u>	<u>(665,445)</u>	<u>(33,053)</u>	<u>(308,345)</u>	<u>(4,082,056)</u>
Cash flows from investing activities:								
Interest received	608,897	828,768	8,392	3,468,138	25,400	12,845	25,602	4,978,042
Purchase of investments	(9,340,380)	(10,613,499)	(100,853)	(34,582,815)	-	-	(250,000)	(54,887,547)
Proceeds from maturities of investments	33,680,400	40,157,369	101,334	165,047,437	-	-	2,285,255	241,271,795
Net cash provided by investing activities	<u>24,948,917</u>	<u>30,372,638</u>	<u>8,873</u>	<u>133,932,760</u>	<u>25,400</u>	<u>12,845</u>	<u>2,060,857</u>	<u>191,362,290</u>
Net increase (decrease) in cash and cash equivalents	20,391,018	26,998,781	282,692	118,186,980	1,054,463	(791,480)	1,127,763	167,250,217
Cash and cash equivalents at beginning of fiscal year	11,260,251	12,831,490	1,351,682	60,894,484	4,577,192	2,469,535	204,281	93,588,915
Cash and cash equivalents at end of fiscal year	<u>\$ 31,651,269</u>	<u>39,830,271</u>	<u>1,634,374</u>	<u>179,081,464</u>	<u>5,631,655</u>	<u>1,678,055</u>	<u>1,332,044</u>	<u>260,839,132</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:								
Operating income (loss)	\$ (2,739,353)	(23,577,345)	382,178	(33,544,107)	(1,378,318)	(1,407,297)	(584,785)	(62,849,027)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation and amortization	-	687,846	10,195	7,095,683	1,481,442	1,058,840	-	10,334,006
Landfill closure and postclosure costs	-	22,307,858	-	23,541,324	-	-	-	45,849,182
Decrease (increase) in accounts receivable	-	-	57,544	(35,251)	1,042,458	(505,569)	-	559,182
Increase in deferred outflows of resources	(179,198)	(202,388)	(101,194)	(1,252,276)	(706,250)	(225,579)	(31,623)	(2,698,508)
Increase (decrease) in accounts payable	(15,081)	(75,962)	65,531	(304,484)	57,007	(254,894)	(6,714)	(534,597)
Decrease in estimated liability for closure and postclosure costs	(866,454)	(2,603,122)	-	(3,374,202)	-	-	-	(6,843,778)
Increase (decrease) in claims liabilities	(23,004)	(9,623)	9,184	(560,293)	12,804	17,741	-	(553,191)
Increase in pension liability	318,644	359,881	179,940	2,226,761	1,255,833	401,117	56,231	4,798,407
Decrease in due to other funds	(25,624)	(32,329)	(11,159)	(146,696)	(72,494)	(24,319)	(2,908)	(315,529)
Decrease in deferred inflows of resources	(183,672)	(207,442)	(103,721)	(1,283,546)	(723,885)	(231,211)	(32,413)	(2,765,890)
Net cash provided (used) by operating activities	<u>\$ (3,713,742)</u>	<u>(3,352,626)</u>	<u>488,498</u>	<u>(7,637,087)</u>	<u>968,597</u>	<u>(1,171,171)</u>	<u>(602,212)</u>	<u>(15,019,743)</u>
Schedule of noncash investing activity-								
Unrealized gain (loss) on fair value of investments	\$ 606,867	(32,882)	31	1,326,362	-	-	(5,173)	1,895,205

Exhibit G-1
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Trustee Solid Waste Facilities Operations
Combining Schedule of Net Position
June 30, 2015

Assets	<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 assets:					
Cash in bank	\$ 64,978	76,980	-	-	141,958
Cash on hand	5,870	5,106	-	-	10,976
Cash and cash equivalents	<u>8,649,180</u>	<u>3,138,306</u>	<u>-</u>	<u>1,252,031</u>	<u>13,039,517</u>
Total unrestricted cash and cash equivalents	<u>8,720,028</u>	<u>3,220,392</u>	<u>-</u>	<u>1,252,031</u>	<u>13,192,451</u>
Accounts receivable	1,860,650	925,876	-	25,000	2,811,526
Interest receivable	59,873	156,607	4,949	3,398	224,827
Restricted cash and investments:					
Cash and cash equivalents	2,899,419	4,330,899	1,885,182	162,081	9,277,581
Specific investments	<u>11,978,265</u>	<u>44,622,426</u>	<u>-</u>	<u>-</u>	<u>56,600,691</u>
Total restricted cash and investments	<u>14,877,684</u>	<u>48,953,325</u>	<u>1,885,182</u>	<u>162,081</u>	<u>65,878,272</u>
Total current assets	<u>25,518,235</u>	<u>53,256,200</u>	<u>1,890,131</u>	<u>1,442,510</u>	<u>82,107,076</u>
Capital assets:					
Capital improvements	26,212,287	123,306,855	-	-	149,519,142
Equipment pool	-	-	8,455,626	-	8,455,626
Less accumulated depreciation	<u>(22,967,256)</u>	<u>(98,445,958)</u>	<u>(4,743,931)</u>	<u>-</u>	<u>(126,157,145)</u>
	<u>3,245,031</u>	<u>24,860,897</u>	<u>3,711,695</u>	<u>-</u>	<u>31,817,623</u>
Use rights	300,131	947,215	-	-	1,247,346
Less accumulated amortization	<u>(262,975)</u>	<u>(756,239)</u>	<u>-</u>	<u>-</u>	<u>(1,019,214)</u>
Net use rights	<u>37,156</u>	<u>190,976</u>	<u>-</u>	<u>-</u>	<u>228,132</u>
Land	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,482,200</u>	<u>5,482,200</u>
Net capital assets	<u>3,282,187</u>	<u>25,051,873</u>	<u>3,711,695</u>	<u>5,482,200</u>	<u>37,527,955</u>
Total assets	<u>\$ 28,800,422</u>	<u>78,308,073</u>	<u>5,601,826</u>	<u>6,924,710</u>	<u>119,635,031</u>
Deferred Outflow of Resources					
Pension contribution subsequent to measurement date	<u>\$ 349,963</u>	<u>392,127</u>	<u>61,138</u>	<u>44,272</u>	<u>847,500</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, 2015

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	\$ 784,840	668,182	13,891	11,843	1,478,756
Claims liabilities	104,552	157,883	-	33,558	295,993
Construction contracts payable	-	-	-	48,510	48,510
Due to other funds	<u>450,628</u>	<u>530,862</u>	<u>-</u>	<u>83,001</u>	<u>1,064,491</u>
Total current liabilities	1,340,020	1,356,927	13,891	176,912	2,887,750
Long-term liabilities:					
Claims liabilities	104,552	157,883	-	33,558	295,993
Estimated liability for closure and postclosure costs	10,763,362	65,188,726	-	-	75,952,088
Pension liability	<u>4,409,013</u>	<u>4,940,220</u>	<u>770,249</u>	<u>557,767</u>	<u>10,677,249</u>
Total liabilities	<u>16,616,947</u>	<u>71,643,756</u>	<u>784,140</u>	<u>768,237</u>	<u>89,813,080</u>
Deferred Inflow of Resources					
Differences between projected and actual earnings on pension plan investments	<u>1,434,806</u>	<u>1,607,674</u>	<u>250,659</u>	<u>181,512</u>	<u>3,474,651</u>
Net Position					
Net position:					
Net investment in capital assets	3,282,187	25,051,873	3,711,695	5,433,690	37,479,445
Restricted for capital projects	450,000	-	-	70,000	520,000
Restricted for disposal fees	732,866	-	-	-	732,866
Restricted for equipment pool	-	-	916,470	-	916,470
Restricted for noncapital projects	6,633,579	-	-	-	6,633,579
Unrestricted	<u>-</u>	<u>(19,603,103)</u>	<u>-</u>	<u>515,543</u>	<u>(19,087,560)</u>
Total net position	\$ 11,098,632	5,448,770	4,628,165	6,019,233	27,194,800

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, 2015

	Scholl Canyon Landfill	Calabasas Landfill	Los Angeles County Equipment Pool	Los Angeles County Refuse Disposal Fund	Total
Operating revenues:					
Commodities	\$ 53,314	18,296	-	-	71,610
Equipment pool	-	-	2,165,942	-	2,165,942
Refuse tipping fees	16,668,073	11,385,413	-	-	28,053,486
Total operating revenues	16,721,387	11,403,709	2,165,942	-	30,291,038
Operating expenses:					
Chemicals	3,822	8,759	-	3	12,584
Depreciation and amortization of use rights	713,673	1,537,297	503,854	-	2,754,824
Equipment and vehicle rentals	1,117,107	1,447,629	18,576	17,793	2,601,105
Hazardous waste siting study	-	-	-	(8,045)	(8,045)
Insurance and claims	209,105	(257,701)	12,244	383	(35,969)
Landfill closure & postclosure costs	246,343	(11,700,252)	-	-	(11,453,909)
Materials and supplies	97,592	227,256	264,415	16,457	605,720
Operations, repairs and maintenance	877,589	975,058	676,091	(1,002,160)	1,526,578
Research and development	4,343	4,292	-	6,642	15,277
Salaries and benefits	3,193,755	3,562,326	536,255	417,455	7,709,791
Services	531,565	601,244	49,273	44,213	1,226,295
Tonnage	3,636,397	-	-	-	3,636,397
Utilities	384,410	299,072	480	72,736	756,698
Total operating expenses	11,015,701	(3,295,020)	2,061,188	(434,523)	9,347,346
Operating income	5,705,686	14,698,729	104,754	434,523	20,943,692
Nonoperating revenues (expenses):					
Interest revenue	190,501	478,707	(830)	(7,261)	661,117
Other nonoperating revenue	-	1,500,000	-	-	1,500,000
Gain on sale of equipment	-	-	5,549	-	5,549
Tax and assessment expense	(2,935,406)	(1,661,950)	-	(73,451)	(4,670,807)
Unrealized gain (loss) on investments	13,198	42,871	-	(1,235)	54,834
Net nonoperating revenues (expenses)	(2,731,707)	359,628	4,719	(81,947)	(2,449,307)
Change in net position	2,973,979	15,058,357	109,473	352,576	18,494,385
Total net assets, July 1, 2014, as previously stated	13,704,880	(3,357,044)	5,493,551	6,372,589	22,213,976
Prior-period adjustments	(5,580,227)	(6,252,543)	(974,859)	(705,932)	(13,513,561)
Total net position, July 1, 2014, as restated	8,124,653	(9,609,587)	4,518,692	5,666,657	8,700,415
Total net position, June 30, 2015	\$ 11,098,632	5,448,770	4,628,165	6,019,233	27,194,800

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, 2015

	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	\$ 16,957,169	11,569,359	-	-	28,526,528
Receipts for equipment rental	-	-	2,165,942	-	2,165,942
Payments to suppliers	(5,634,220)	(2,216,156)	(1,028,964)	866,596	(8,012,744)
Payments to employees	(3,317,896)	(3,703,597)	(551,344)	(435,338)	(8,008,175)
Payment for equipment rental within the Districts	(1,115,520)	(1,444,788)	(18,442)	(17,459)	(2,596,209)
Net cash provided by operating activities	<u>6,889,533</u>	<u>4,204,818</u>	<u>567,192</u>	<u>413,799</u>	<u>12,075,342</u>
Cash flows from noncapital financing activities:					
Payments for tax and assessment	(2,935,406)	(1,661,950)	-	(73,451)	(4,670,807)
Net cash used by noncapital financing activities	<u>(2,935,406)</u>	<u>(1,661,950)</u>	<u>-</u>	<u>(73,451)</u>	<u>(4,670,807)</u>
Cash flows from capital and related financing activities:					
Contract proceeds from County of Los Angeles	-	1,500,000	-	-	1,500,000
Purchases of capital assets	(611,376)	(881,118)	-	(174,432)	(1,666,926)
Proceeds from sale of equipment	-	-	113,537	-	113,537
Net cash provided (used) by capital and related financing activities	<u>(611,376)</u>	<u>618,882</u>	<u>113,537</u>	<u>(174,432)</u>	<u>(53,389)</u>
Cash flows from investing activities:					
Interest received	187,344	461,227	-	21,716	670,287
Purchase of investments	(11,994,252)	(44,151,868)	-	-	(56,146,120)
Proceeds from maturities of investments	12,645,800	41,313,348	-	401,061	54,360,209
Net cash provided (used) by investing activities	<u>838,892</u>	<u>(2,377,293)</u>	<u>-</u>	<u>422,777</u>	<u>(1,115,624)</u>
Net increase in cash and cash equivalents	4,181,643	784,457	680,729	588,693	6,235,522
Cash and cash equivalents at beginning 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>
Cash and cash equivalents at end of fiscal year	<u>\$ 11,619,447</u>	<u>7,551,291</u>	<u>1,885,182</u>	<u>1,414,112</u>	<u>22,470,032</u>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	\$ 5,705,686	14,698,729	104,754	434,523	20,943,692
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization	713,673	1,537,297	503,854	-	2,754,824
Landfill closure and postclosure costs	246,343	(11,700,252)	-	-	(11,453,909)
Increase in accounts receivable	235,782	165,650	-	-	401,432
Increase in deferred outflows of resources	(349,963)	(392,128)	(61,138)	(44,272)	(847,501)
Increase (decrease) in accounts payable	63,570	25,976	(26,327)	(2,842)	60,377
Increase (decrease) in claims liabilities	48,620	(381,311)	-	-	(332,691)
Increase in pension liability	622,294	697,269	108,714	78,724	1,507,001
Decrease in due to other funds	(37,771)	(44,494)	-	(6,956)	(89,221)
Decrease in deferred inflows of resources	(358,701)	(401,918)	(62,665)	(45,378)	(868,662)
Net cash provided by operating activities	<u>\$ 6,889,533</u>	<u>4,204,818</u>	<u>567,192</u>	<u>413,799</u>	<u>12,075,342</u>
Schedule of noncash investing activity-					
Unrealized gain (loss) on fair value of investments	\$ 13,198	42,871	-	(1,235)	54,834

Exhibit H-1
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Service Operations
Schedule of Net Position
June 30, 2015

Assets

Current assets:	
Cash in bank	\$ 169,900
Cash on hand	13,000
Cash and cash equivalents	<u>26,582,324</u>
Total unrestricted cash	<u>26,765,224</u>
Receivables:	
Accounts receivable	55,174
Due from other funds	36,673,300
Interest receivable	876,618
Inventory	18,743,582
Restricted cash and investments:	
Cash and cash equivalents	106,644,424
Specific investments	<u>178,597,574</u>
Total restricted cash and investments	<u>285,241,998</u>
Total current assets	<u>368,355,896</u>
Investment in joint ventures	<u>12,476,841</u>
Capital assets:	
Buildings and equipment	10,381,560
Construction in progress	177,385,522
Capital improvements	2,107,936
Less accumulated depreciation	<u>(10,491,193)</u>
	<u>179,383,825</u>
Equipment pool	52,698,992
Less accumulated depreciation	<u>(26,423,005)</u>
Net equipment pool	<u>26,275,987</u>
Gas-to-energy facility	40,568,801
Less accumulated depreciation	<u>(4,056,880)</u>
Net gas-to-energy facility	<u>36,511,921</u>
Land	<u>28,373,391</u>
Net capital assets	<u>270,545,124</u>
Total assets	<u>651,377,861</u>

Deferred Outflow of Resources

Pension contribution subsequent to measurement date	\$ <u>459,591</u>
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(Continued on following page)

Exhibit H-1-2
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Service Operations
Schedule of Net Position
June 30, 2015

Liabilities

Current liabilities:	
Accounts payable	\$ 1,642,389
Accrued employee absences	9,595,132
Amounts held for others	4,843,214
Bonds payable	1,404,400
Claims liabilities	95,699
Construction contracts payable	2,222,408
Interest payable	5,036
Note payable	44,437
	<u>19,852,715</u>
Total current liabilities	<u>19,852,715</u>
Long-term liabilities:	
Accrued employee absences	27,495,766
Bonds payable, net	8,426,393
Claims liabilities	95,698
Note payable	1,328,376
Pension liability	5,790,151
	<u>43,136,384</u>
Total long-term liabilities	<u>43,136,384</u>
Total liabilities	<u>62,989,099</u>

Deferred Inflow of Resources

Differences between projected and actual earnings on pension plan investments	1,884,263
	<u>1,884,263</u>

Net Position

Net position:	
Net investment in capital assets	257,119,111
Restricted for capital projects	19,650,000
Restricted for equipment pool	25,658,600
Restricted for noncapital projects	3,130,000
Unrestricted	281,406,379
	<u>281,406,379</u>
Total net position	<u>\$ 586,964,090</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, 2015

Operating revenues:	
Equipment pool	\$ 12,479,085
Sale of power	4,146,857
Other	94,170
	<hr/>
Total operating revenues	16,720,112
	<hr/>
Operating expenses:	
Depreciation	5,084,231
Equipment and vehicle rentals	257,672
Hazardous waste siting study	(8,047)
Insurance and claims	528,578
Materials and supplies	2,055,988
Operations, repairs and maintenance	7,324,910
Research and development	253,422
Salaries and benefits	4,148,226
Services	1,035,812
Utilities	220,271
	<hr/>
Total operating expenses	20,901,063
	<hr/>
Operating loss	(4,180,951)
	<hr/>
Nonoperating revenues (expenses):	
Interest revenue	2,719,513
Investment in joint ventures	1,975,445
Interest expense	(232,081)
Loss on sale of equipment	(12,511)
Tax and assessment expense	(3,356)
Unrealized gain on investments	1,232,923
	<hr/>
Net nonoperating revenues	5,679,933
	<hr/>
Income before transfers	1,498,982
	<hr/>
Transfers in	2,723,263
	<hr/>
Change in net position	4,222,245
	<hr/>
Total net assets, July 1, 2014	590,070,095
	<hr/>
Prior-period adjustments	(7,328,250)
	<hr/>
Total net position, July 1, 2014, as restated	582,741,845
	<hr/>
Total net position, June 30, 2015	\$ 586,964,090
	<hr/> <hr/>

Exhibit H-3
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
Service Operations
Schedule of Cash Flows
Fiscal year ended June 30, 2015

Cash flows from operating activities:	
Receipts from customers and users	\$ 5,053,314
Receipts for equipment rental	12,479,085
Payments to suppliers	(13,893,915)
Payments to employees	(3,913,514)
	<u>(275,030)</u>
Net cash used by operating activities	
Cash flows from noncapital financing activities:	
Payments for tax and assessment	(3,356)
Transfers from other funds	2,723,263
	<u>2,719,907</u>
Net cash provided by noncapital financing activities	
Cash flows from capital and related financing activities:	
Purchases of capital assets	(19,375,396)
Receipt from joint venture	150,000
Interest paid on capital related debt	(232,832)
Principal payments on bonds	(1,404,400)
Principal payments on note	(41,338)
Proceeds from sale of equipment	2,271,103
	<u>(18,632,863)</u>
Net cash used by capital and related financing activities	
Cash flows from investing activities:	
Interest received	2,756,762
Purchase of investments	(60,623,580)
Proceeds from maturities/sale of investments	145,773,757
	<u>87,906,939</u>
Net cash provided by investing activities	
Net increase in cash and cash equivalents	
	71,718,953
Cash and cash equivalents at beginning of fiscal year	
	<u>61,690,695</u>
Cash and cash equivalents at end of fiscal year	
	<u>\$ 133,409,648</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ <u>(4,180,951)</u>
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	5,084,231
Decrease in accounts receivable	812,287
Decrease in inventory	47,693
Decrease in due from other funds	3,073,713
Increase in deferred outflows of resources	(459,591)
Increase in accounts payable	70,748
Decrease in accrued employee absences	(2,725,574)
Decrease in claims liabilities	(23,783)
Increase in pension liability	817,229
Decrease in other liabilities	(850)
Decrease in amounts held for others	(2,319,117)
Decrease in deferred inflows of resources	(471,065)
	<u>(275,030)</u>
Net cash used by operating activities	
Schedule of noncash investing activity-	
Unrealized gain on fair value of investments	\$ 1,232,923
Investment from joint ventures	\$ 1,975,445

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.	83-89
<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.	90-95
<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.	96-97
<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.	98-101
<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.	102-103

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

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Primary government										
Net investment in capital assets	\$ 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	\$ 2,425,697
Restricted	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	830,382
Unrestricted	<u>173,796</u>	<u>192,642</u>	<u>229,275</u>	<u>438,486</u>	<u>418,262</u>	<u>311,704</u>	<u>334,042</u>	<u>371,308</u>	<u>883,243</u>	<u>590,578</u>
Total government net position	<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>	<u>\$ 3,846,657</u>

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Sewerage Facilities Operations										
Operating Revenues	\$ 247,721	\$ 267,680	\$ 288,968	\$ 306,764	\$ 344,404	\$ 404,196	\$ 381,065	\$ 403,159	\$ 398,700	\$ 421,265
Operating Expenses	310,814	307,554	333,948	337,728	326,733	334,071	345,114	349,726	376,108	373,553
Operating Income/(Loss)	(63,093)	(39,874)	(44,980)	(30,964)	17,671	70,125	35,951	53,433	22,592	47,712
Total Net Nonoperating Revenues	19,690	81,106	87,307	64,511	42,901	24,884	24,129	24,531	39,918	50,345
Income/(Loss) Before Capital Contributions	(43,403)	41,232	42,327	33,547	60,572	95,009	60,080	77,964	62,510	98,057
Capital Contributions	48,629	28,780	29,694	21,966	25,163	18,144	19,453	26,113	38,842	32,966
Transfers	-	-	(2,733)	-	-	(280)	(364)	(3,604)	(500)	-
Change in Net Position	<u>5,226</u>	<u>70,012</u>	<u>69,288</u>	<u>55,513</u>	<u>85,735</u>	<u>112,873</u>	<u>79,169</u>	<u>100,473</u>	<u>100,852</u>	<u>131,023</u>
Solid Waste Facilities Operations										
Operating Revenues	211,645	216,579	225,061	202,312	197,481	171,763	169,919	167,915	146,923	134,466
Operating Expenses	182,404	212,379	198,350	199,431	128,413	166,905	160,637	144,135	178,002	180,552
Operating Income/(Loss)	29,241	4,200	26,711	2,881	69,068	4,858	9,282	23,780	(31,079)	(46,086)
Total Net Nonoperating Revenues/(Expenses)	6,793	17,536	18,612	15,981	(7,039)	(2,917)	(14,030)	(20,295)	(418)	7,746
Income Before Capital Contributions	36,034	21,736	45,323	18,862	62,029	1,941	(4,748)	3,485	(31,497)	(38,340)
Capital Contributions	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	2,733	-	-	280	364	3,604	500	-
Change in Net Position	<u>36,034</u>	<u>21,736</u>	<u>48,056</u>	<u>18,862</u>	<u>62,029</u>	<u>2,221</u>	<u>(4,384)</u>	<u>7,089</u>	<u>(30,997)</u>	<u>(38,340)</u>

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Sewerage Facilities Operations										
Service Charges	\$ 177,177	\$ 194,902	\$ 217,996	\$ 237,218	\$ 268,269	\$ 297,494	\$ 295,831	\$ 318,035	\$ 312,890	\$ 331,261
Industrial Waste Surcharge	49,702	51,926	49,860	49,394	54,305	59,508	57,861	56,999	58,092	63,505
Contract Revenue	16,982	17,030	17,933	16,822	17,925	43,569	23,982	24,617	23,369	21,761
Sale of Energy	152	120	92	-	-	-	9	158	215	322
Other	3,708	3,702	3,087	3,330	3,905	3,625	3,382	3,350	4,134	4,416
Total Operating Revenue	<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>	<u>421,265</u>
Solid Waste Facilities Operations										
Refuse Tipping Fees	150,603	150,954	152,097	136,917	134,835	108,808	102,538	112,160	87,799	80,316
Sale of Energy	39,012	40,708	43,976	42,880	43,061	43,241	45,502	30,271	35,070	30,034
Equipment Pool	19,226	19,822	21,793	16,478	16,074	15,396	16,094	16,792	15,359	14,645
Commodities	2,351	3,483	4,717	3,247	2,898	4,025	5,343	7,275	7,894	8,779
Contract Revenue	229	298	337	27	27	44	75	925	439	411
Other	224	1,314	2,141	2,763	586	249	367	492	362	281
Total Operating Revenue	<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>	<u>134,466</u>

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Sewerage Facilities Operations										
Salaries and Benefits	\$ 106,994	\$ 109,235	\$ 131,754	\$ 135,300	\$ 145,037	\$ 144,436	\$ 153,633	\$ 155,204	\$ 162,950	\$ 155,734
Services	62,400	55,492	54,662	49,836	43,466	45,139	41,156	41,800	44,704	46,473
Materials, Supplies, and Chemicals	33,429	33,902	41,263	44,778	37,731	41,868	43,909	45,574	46,706	47,808
Utilities	23,920	23,463	25,206	26,053	21,282	19,567	20,109	20,700	22,856	21,773
Operations, Repairs, and Maintenance	15,485	19,354	17,520	16,971	10,530	10,608	13,556	9,426	11,449	10,213
Research and Development	9,191	5,593	5,477	5,289	5,693	6,154	5,656	5,549	5,745	5,884
Miscellaneous (1)	<u>10,368</u>	<u>7,852</u>	<u>7,028</u>	<u>8,290</u>	<u>6,995</u>	<u>7,896</u>	<u>6,941</u>	<u>9,165</u>	<u>9,100</u>	<u>10,251</u>
Subtotal, Expenses before Depreciation	261,787	254,891	282,910	286,517	270,734	275,668	284,960	287,418	303,510	298,136
Depreciation and Amortization of Use Rights	49,027	52,663	51,038	51,211	55,999	58,403	60,184	62,308	72,598	75,417
Total Operating Expenses	<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>345,144</u>	<u>349,726</u>	<u>376,108</u>	<u>373,553</u>
Solid Waste Facilities Operations										
Salaries and Benefits	35,828	38,192	49,333	48,932	45,464	45,107	43,816	40,548	35,338	36,766
Services	30,109	34,685	35,347	27,493	21,524	19,972	17,344	20,668	36,462	45,500
Operations, Repairs, and Maintenance	29,567	29,284	21,752	20,950	18,385	44,609	23,960	21,844	23,501	20,746
Equipment and Vehicle Rentals	19,007	19,292	22,236	16,086	13,721	12,345	12,437	11,752	9,464	9,456
Landfill Closure and Postclosure Costs	13,483	41,376	11,655	34,350	(10,217)	4,193	23,894	8,842	22,763	34,395
Materials, Supplies, and Chemicals	5,922	5,794	6,801	5,283	5,183	5,074	5,258	5,813	5,367	6,886
Miscellaneous (2)	<u>10,902</u>	<u>10,085</u>	<u>12,561</u>	<u>12,686</u>	<u>9,055</u>	<u>11,662</u>	<u>10,446</u>	<u>12,242</u>	<u>6,910</u>	<u>8,630</u>
Subtotal, Expenses before Depreciation	144,818	178,708	159,685	165,780	103,115	142,962	137,155	121,709	139,805	162,379
Depreciation and Amortization of Use Rights	37,586	33,671	38,665	33,651	25,298	23,943	23,482	22,426	38,197	18,173
Total Operating Expenses	<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>	<u>180,552</u>

(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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Sewerage Facilities Operations										
Interest Revenue	\$ 50,492	\$ 52,181	\$ 64,067	\$ 39,919	\$ 21,170	\$ 17,608	\$ 11,512	\$ 7,681	\$ 7,516	\$ 9,343
Tax Revenue	14,456	49,116	54,012	59,328	60,493	53,197	54,770	68,435	55,211	67,963
Other Nonoperating Revenue	6,057	4,329	4,129	3,799	3,523	3,132	4,610	4,340	5,227	5,660
Interest Expense	(33,674)	(36,768)	(40,888)	(40,455)	(39,200)	(38,129)	(39,719)	(42,236)	(31,917)	(32,569)
Unrealized Gain/(Loss) on Investments	(16,125)	21,601	12,997	2,695	(1,484)	(2,967)	(2,634)	(9,927)	6,126	2,006
Tax and Assessment Expense	(214)	(2,706)	(5,704)	527	(300)	(305)	(339)	(106)	(73)	(89)
Other Nonoperating Expense	(1,302)	(6,647)	(1,306)	(1,302)	(1,301)	(7,652)	(4,071)	(3,656)	(2,172)	(1,969)
Total Net Nonoperating Revenue	<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>	<u>50,345</u>
Solid Waste Facilities Operations										
Interest Revenue	40,443	46,998	43,431	33,487	24,462	17,661	12,429	8,458	8,211	8,303
Gain on Investments	1,258	717	2,306	3,617	3,078	1,995	513	3,039	3,361	1,975
Other Nonoperating Revenue	18,582	-	-	585	1,259	442	-	-	2,700	1,500
Tax and Assessment Expense	(33,735)	(27,056)	(37,457)	(27,256)	(24,241)	(20,426)	(20,940)	(20,793)	(13,943)	(7,139)
Unrealized Gain/(Loss) on Investments	(16,789)	11,480	12,960	6,701	(2,654)	(1,131)	(3,912)	(9,563)	2,522	3,183
Interest Expense	(90)	(1,291)	(1,390)	(913)	(1,889)	(364)	(335)	(307)	(276)	(247)
Other Nonoperating Expense	(2,876)	(13,312)	(1,238)	(240)	(7,054)	(1,094)	(1,785)	(1,129)	(2,993)	171
Total Net Nonoperating Revenue/(Expense)	<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>	<u>7,746</u>

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Cash Flows from Operating Activities										
Receipts from customers and users	\$ 434,096	\$ 467,635	\$ 486,427	\$ 492,780	\$ 516,600	\$ 562,483	\$ 529,296	\$ 565,158	\$ 534,475	\$ 544,623
Receipts for equipment rental	19,226	19,822	21,793	16,478	16,074	15,396	16,094	16,792	15,359	14,645
Payments to suppliers	(221,621)	(232,593)	(220,584)	(216,214)	(188,534)	(209,396)	(187,623)	(191,064)	(205,140)	(222,019)
Payments to employees	(140,675)	(145,723)	(179,225)	(182,367)	(191,919)	(188,357)	(196,690)	(195,775)	(198,736)	(200,429)
Payments applied to closure/postclosure liability	(8,396)	(7,509)	(8,874)	(8,143)	(6,254)	(6,357)	(6,567)	(5,722)	(6,960)	(6,844)
Payment for equipment rental within the Districts	(19,023)	(19,687)	(21,571)	(16,268)	(15,733)	(14,973)	(16,912)	(16,412)	(15,075)	(14,991)
Other payments	(35)	(39)	(37)	(42)	(38)	(34)	(19)	(19)	(19)	(19)
Net cash provided (used) by operating activities	63,572	81,906	77,929	86,224	130,196	158,762	137,579	172,958	123,904	114,966
Cash Flows from Noncapital Financing Activities										
Receipts from property taxes	11,861	49,694	52,739	58,064	61,672	54,337	53,784	71,082	57,527	67,042
Payments for tax and assessment	(33,948)	(29,762)	(38,611)	(28,249)	(25,298)	(21,491)	(21,649)	(20,898)	(14,827)	(7,050)
Net cash provided (used) by noncapital financing activities	(22,087)	19,932	14,128	29,815	36,374	32,846	32,135	50,184	42,700	59,992
Cash Flows from Capital and Related Financing Activities										
Borrowings on loan from state	21,581	15,214	50,045	49,582	64,662	37,094	10,664	2,351	9,664	18,879
Proceeds on bond sales	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	1,500
Bond issuance costs	(2,366)	(1,437)	-	(162)	-	-	(717)	-	(457)	-
Purchases of capital assets	(215,422)	(203,455)	(242,914)	(351,829)	(305,465)	(261,729)	(168,072)	(134,346)	(129,324)	(135,584)
Principal payments on contracts/note	(1,100)	(1,265)	(1,365)	-	(1,643)	(743)	(713)	(316)	(39)	(41)
Connection fees proceeds	38,068	28,780	29,694	21,966	21,908	18,105	19,453	25,918	33,291	32,713
Grant proceeds	15,381	-	-	-	2,872	39	-	195	-	-
Interest paid on capital-related debt	(31,229)	(36,789)	(42,192)	(41,527)	(39,179)	(36,456)	(34,710)	(35,059)	(30,904)	(30,942)
Payment to joint venture	(9,370)	(4,916)	(2,957)	(1,586)	(1,363)	-	-	-	-	-
Principal payments on bonds	(14,190)	(15,130)	(15,870)	(18,684)	(19,364)	(22,559)	(174,229)	(24,744)	(184,152)	(29,264)
Principal payments on loan from state	(25,628)	(19,713)	(21,763)	(24,142)	(26,933)	(27,459)	(28,270)	(31,689)	(30,580)	(31,173)
Payment per joint powers agreement	-	(7,476)	-	-	(6,250)	-	-	-	-	-
Proceeds from sale of assets/equipment	196	325	459	144	758	329	4,080	3,823	2,630	2,385
Receipts from joint venture	1,458	867	2,456	3,767	3,229	2,170	165	2,306	2,930	131
Receipts from lease receivable	2,754	6,222	6,033	-	-	-	-	-	-	-
Receipts from settlement	-	-	-	-	-	1,508	-	-	-	-
Net cash provided (used) by capital and related financing activities	(13,051)	(100,542)	(227,861)	(340,197)	(304,059)	(289,340)	(221,069)	(191,561)	(206,781)	(171,396)
Cash Flows from Investing Activities										
Interest received	81,286	93,788	107,929	81,011	53,846	36,161	31,520	16,468	14,567	15,940
Purchases of investments	(223,111)	(344,260)	(284,659)	(468,733)	(1,630,212)	(990,755)	(1,363,978)	(1,490,217)	(466,367)	(610,933)
Proceeds from maturities of investments	251,214	473,881	1,076,949	352,952	1,471,080	918,392	1,160,068	1,298,975	397,566	863,262
Net cash provided (used) by investing activities	109,389	223,409	900,219	(34,770)	(105,286)	(36,202)	(172,390)	(174,774)	(54,234)	268,269
Net increase (decrease) in cash and cash equivalents	137,823	224,705	764,415	(258,928)	(242,775)	(133,934)	(223,745)	(143,193)	(94,411)	271,831
Cash and cash equivalents at beginning 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
Cash and cash equivalents at end of fiscal year	\$ 671,983	\$ 896,688	\$ 1,661,103	\$ 1,402,175	\$ 1,159,400	\$ 1,025,466	\$ 801,721	\$ 658,528	\$ 564,117	\$ 835,948

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

<u>Fiscal Year</u>	<u>Connection Fees</u>	<u>Federal Capital Grants</u>	<u>Donated Property</u>	<u>Total</u>
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
2015	30,942	-	-	30,942

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)
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	176.47	41.81
2012	1,909,355	2.49	57.29	183.10	41.56
2013	1,905,839	2.82	57.25	201.41	40.90
2014	1,880,054	2.00	59.11	211.85	46.34
2015	1,901,403	1.45	N/A	220.48	49.26

(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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1	\$ 101.50	\$ 108.75	\$ 116.00	\$ 126.00	\$ 138.00	\$ 152.00	\$ 154.00	\$ 156.00	\$ 158.00	\$ 163.00
2	98.00	104.50	111.00	121.00	133.00	147.00	148.00	149.00	150.00	155.00
3	98.00	105.00	112.00	122.00	134.00	148.00	150.00	152.00	154.00	157.00
4	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00
5	91.50	95.75	100.00	108.00	118.00	130.00	132.00	134.00	136.00	141.00
8	89.00	94.00	99.00	109.00	121.00	135.00	139.00	143.00	147.00	154.00
9	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00
14	129.00	160.00	210.00	260.00	310.00	360.00	360.00	448.00	472.00	496.00
15	93.00	98.00	103.00	110.00	119.00	130.00	132.00	134.00	136.00	141.00
16	96.00	101.00	106.00	113.00	122.00	133.00	135.00	137.00	139.00	142.00
17	97.00	102.00	107.00	114.00	123.00	134.00	136.00	138.00	140.00	143.00
18	97.00	104.50	112.00	122.00	134.00	148.00	149.00	150.00	151.00	156.00
19	97.50	103.75	110.00	120.00	132.00	146.00	148.00	150.00	152.00	155.00
20	131.00	161.00	216.00	271.00	326.00	381.00	429.00	477.00	525.00	535.00
21	96.00	102.50	109.00	119.00	131.00	145.00	146.00	147.00	148.00	153.00
22	99.50	106.25	113.00	121.00	131.00	143.00	145.00	147.00	149.00	152.00
23	73.00	79.00	85.00	92.00	101.00	112.00	114.00	116.00	118.00	120.00
26 ²	-	-	-	-	-	-	-	-	-	-
28 ³	308.00	308.00	308.00	315.00	324.00	335.00	336.00	337.00	338.00	340.00
28 ³	100.00	100.00	100.00	107.00	116.00	127.00	128.00	129.00	130.00	132.00
29	128.50	141.75	201.75	261.75	321.75	327.75	333.75	339.75	339.75	339.75
30	88.00	90.00	92.00	99.00	108.00	119.00	120.00	121.00	122.00	124.00
32 ²	-	-	-	-	-	-	-	-	-	-
SCV ²	122.00	141.00	160.00	179.00	199.00	199.00	215.00	231.00	247.00	267.00

- (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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1	135,738	136,159	137,336	142,916	143,577	142,747	142,853	143,258	143,429	144,702
2	202,748	202,938	204,343	215,916	215,348	214,597	214,923	215,551	215,730	217,082
3	166,680	167,181	172,709	179,758	179,295	178,736	180,446	179,597	176,037	177,585
4	21,306	21,298	21,677	22,692	22,643	22,675	22,767	23,778	23,830	24,556
5	253,735	250,885	253,285	267,927	266,577	267,358	267,878	268,676	262,048	266,716
8	57,331	57,207	57,762	60,556	61,652	60,059	60,029	59,831	58,296	59,108
9	908	911	917	917	909	911	1,254	1,273	1,216	1,015
14	55,975	57,654	62,753	66,216	66,803	67,362	67,880	66,680	65,615	67,130
15	180,107	177,422	180,866	188,796	187,478	186,848	187,229	186,714	183,592	187,253
16	105,106	105,071	105,766	113,412	113,124	113,225	114,751	113,741	109,897	112,893
17	14,605	14,533	14,701	15,634	15,485	14,958	14,926	15,064	14,511	14,629
18	119,911	119,358	119,949	125,216	123,601	123,578	123,789	121,399	121,021	121,371
19	34,754	35,102	35,406	37,658	37,140	37,103	37,335	37,761	37,247	37,269
20	36,329	38,232	40,099	42,156	42,079	42,082	42,658	42,854	42,094	43,010
21	143,954	143,027	144,323	151,966	150,530	150,858	151,244	149,715	148,776	149,972
22	119,568	118,182	121,671	125,271	124,263	124,500	125,206	125,193	123,768	124,183
23	3,124	3,043	3,071	3,127	3,298	3,220	3,308	3,270	3,271	3,198
28 ²	1,477	1,489	1,503	1,560	1,562	1,566	1,584	1,611	1,596	1,682
28 ²	1,344	1,675	2,478	3,238	3,254	3,276	2,830	2,881	2,866	3,021
29	4,702	4,749	4,934	5,454	5,411	5,349	5,430	5,515	5,144	5,380
30	48,604	48,481	49,018	53,537	50,584	50,314	50,631	50,864	50,504	50,920
SCV	74,886	77,133	83,179	91,232	89,207	91,265	93,234	93,494	92,432	91,749

- (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) 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)	2006	2007 ²	2008 ³	2009 ⁴	2010 ⁵	2011	2012	2013	2014	2015
Puente Hills Landfill (2013)	\$24.43 ¹	\$26.21	\$29.42	\$33.86	\$38.26	\$38.26	\$38.41 ⁷	\$38.41	\$0.00	\$0.00
Puente Hills MRF	24.43 ¹	26.21	29.42	33.86	38.26	42.14 ⁶	42.44 ⁷	42.44	45.75 ⁹	49.25 ¹⁰
South Gate Transfer Station	36.55 ¹	38.33	41.54	45.98	50.38	50.38	50.68 ⁷	51.91 ⁸	51.91	53.91 ¹⁰
DART Facility	40.32 ¹	42.10	45.31	49.75	54.15	54.15	54.45 ⁷	54.45	47.14 ⁹	53.64 ¹⁰
Scholl Canyon Landfill (2033)	33.77	36.93	40.07	44.83	48.99	48.99	49.18 ⁷	49.18	49.18	49.18
Calabasas Landfill (2041)	31.17 ¹	33.38	36.42	38.88	40.82	40.82	40.82	40.82	40.82	43.32 ¹⁰

- (1) Rates effective January 1, 2006.
- (2) Rates effective January 1, 2007.
- (3) Rates effective January 1, 2008.
- (4) Rates effective January 1, 2009 (Scholl Canyon Landfill January 9, 2009).
- (5) Rates effective January 1, 2010 (Scholl Canyon Landfill February 12, 2010).
- (6) Rate effective January 1, 2011.
- (7) Rate effective January 1, 2012.
- (8) Rate effective February 1, 2013.
- (9) Rates effective November 1, 2013.
- (10) Rates effective January 1, 2015.

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

District	Unit Rate	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
JO ¹	(a) Dollars/Million Gallons (Volume)	\$ 509.00	\$ 540.00	\$ 571.00	\$ 619.00	\$ 619.00	\$ 746.00	\$ 755.00	\$ 764.00	\$ 773.00	\$ 796.00	
	(b) Dollars/1,000 lbs. of Chemical Oxygen Demand (COD)	90.00	95.50	101.00	109.40	109.40	131.90	133.50	135.10	136.70	140.80	
	(c) Dollars/1,000 lbs. of Suspended Solids (SS)	254.40	269.90	285.40	309.20	309.20	372.70	377.40	382.10	386.70	398.30	
	(d) Dollars per Gallon per Minute of Peak Flow (P)	67.60	71.70	75.80	82.10	82.10	98.90	100.10	101.30	102.50	105.60	
	Flat Rate Charge in Dollars/Million Gallons	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	3,380.00	
	Sanitary Flow Charge per Employee	0.021	0.022	0.025	0.027	0.027	0.032	0.033	0.033	0.033	0.033	0.034
	Hospital (Acute) Dollars/Bed	170.17	180.55	190.92	206.90	206.90	249.30	252.40	255.40	258.40	266.20	
	Hospital (Intermediate) Dollars/Bed	54.55	57.87	61.20	66.30	66.30	79.90	80.90	81.90	82.90	85.30	
	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)	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	3,285.00
	(b) Dollars/1,000 lbs. of Chemical Oxygen Demand (COD)	96.10	119.20	156.50	193.80	193.80	268.40	268.40	334.00	351.90	369.80	
	(c) Dollars/1,000 lbs. of Suspended Solids (SS)	232.20	288.00	378.00	468.00	468.00	648.00	648.00	806.40	849.60	892.80	
	(d) Dollars per Gallon per Minute of Peak Flow (P)	164.40	203.80	267.50	331.20	331.20	458.60	458.60	570.70	601.30	631.80	
	Flat Rate Charge in Dollars/Million Gallons	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	7,309.00	
	Sanitary Flow Charge per Employee	0.027	0.033	0.044	0.054	0.054	0.075	0.075	0.093	0.098	0.103	
	Hospital (Acute) Dollars/Bed	243.11	301.44	395.65	489.86	489.86	678.30	678.30	844.10	889.30	934.50	
	Hospital (Intermediate) Dollars/Bed	74.21	92.02	120.77	149.53	149.53	207.00	207.00	257.70	271.50	285.30	
	20	(a) Dollars/Million Gallons (Volume)	598.00	735.00	986.00	1,237.00	1,237.00	1,739.00	1,958.00	2,177.00	2,396.00	2,442.00
(b) Dollars/1,000 lbs. of Chemical Oxygen Demand (COD)		133.40	163.90	219.90	275.90	275.90	387.90	436.80	485.60	534.50	544.70	
(c) Dollars/1,000 lbs. of Suspended Solids (SS)		267.90	329.30	441.80	554.30	554.30	779.30	877.50	975.70	1,073.80	1,094.30	
(d) Dollars per Gallon per Minute of Peak Flow (P)		127.40	156.70	210.20	263.70	263.70	370.70	417.40	464.10	510.80	520.50	
Flat Rate Charge in Dollars/Million Gallons		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	7,771.00	
Sanitary Flow Charge per Employee		0.027	0.033	0.044	0.055	0.055	0.077	0.087	0.097	0.107	0.109	
Hospital (Acute) Dollars/Bed		227.79	279.99	375.62	471.26	471.26	662.50	746.00	829.40	912.90	930.30	
Hospital (Intermediate) Dollars/Bed		70.19	86.27	115.75	145.21	145.21	204.10	229.90	255.60	281.30	286.70	
SCV ²		(a) Dollars/Million Gallons (Volume)	469.00	542.00	615.00	688.00	688.00	765.00	861.00	903.00	946.00	1,023.00
	(b) Dollars/1,000 lbs. of Chemical Oxygen Demand (COD)	106.80	123.40	140.10	156.70	156.70	174.20	196.10	205.70	215.30	233.10	
	(c) Dollars/1,000 lbs. of Suspended Solids (SS)	264.10	305.20	346.40	385.50	385.50	428.60	482.40	506.10	529.80	572.70	
	(d) Dollars per Gallon per Minute of Peak Flow (P)	66.30	76.60	87.00	97.30	97.30	108.20	121.80	127.80	133.80	144.60	
	Flat Rate Charge in Dollars/Million Gallons	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	3,462.00	
	Sanitary Flow Charge per Employee	0.023	0.026	0.030	0.033	0.033	0.037	0.042	0.044	0.046	0.050	
	Hospital (Acute) Dollars/Bed	176.31	203.74	231.27	258.41	258.41	287.29	323.40	339.20	355.20	384.20	
	Hospital (Intermediate) Dollars/Bed	56.21	64.94	73.71	82.31	82.31	91.50	103.00	108.00	113.10	122.40	

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

Fiscal Year 2015

Solid Waste Management Facilities Revenue			Wastewater Treatment Facilities Revenue		
Customer	Amount	%	Customer	Amount	%
United Pacific Waste	\$ 2,018,770	2.51%	Inland Empire Utility Agency	\$ 4,909,997	7.73%
NASA Disposal Service, Inc.	1,937,524	2.41%	Exxon Mobil Oil Corp.	3,655,964	5.76%
Metro Waste/Calmet Services	1,700,677	2.12%	Tesoro Refining - Carson	3,556,805	5.60%
City of Glendale	1,368,039	1.70%	Demunno Kerdoon	1,802,985	2.84%
Athens Disposal	1,110,241	1.38%	Tesoro Refining - Wilmington	1,708,982	2.69%
Universal Waste Systems	1,102,518	1.37%	MillerCoors LLC	1,661,816	2.62%
City of Pasadena	820,306	1.02%	Phillips 66 Company	1,485,308	2.34%
Ware Disposal Co.	790,809	0.98%	Oil Operators	1,356,533	2.14%
Burrtec Waste Services	710,646	0.88%	California State Prison	1,280,695	2.02%
Key Disposal	633,937	0.79%	Vons/Safeway Companies Inc.	1,205,750	1.90%
Subtotal (10 largest)	12,193,467	15.18%	Subtotal (10 largest)	22,624,835	35.63%
Balance from other customers	68,122,880	84.82%	Balance from other customers	40,880,389	64.37%
Grand total	\$ 80,316,347	100.00%	Grand total	\$ 63,505,224	100.00%

Fiscal Year 2006

Solid Waste Management Facilities Revenue			Wastewater Treatment Facilities Revenue		
Customer	Amount	%	Customer	Amount	%
Athens Disposal	\$ 16,387,147	10.88%	Miller Brewing	\$ 3,436,038	6.91%
Waste Management	8,813,338	5.85%	Exxon Mobil Oil Corp.	2,225,825	4.48%
Calmet/Calsan	7,879,994	5.23%	BP West Coast Products	1,930,062	3.88%
Grand Central Recycling & Transfer	6,841,252	4.54%	Blue Heron Paper Company of California LLC	1,792,237	3.61%
Metropolitan Waste Industries	4,347,782	2.89%	Shell Oil	1,381,957	2.78%
Innovative Waste Control	3,371,443	2.24%	Conoco Phillips Co.	1,136,800	2.29%
City of Glendale	2,918,783	1.94%	Smurfit-Stone Container	996,678	2.01%
Universal Waste Systems	2,868,079	1.90%	Baker Commodities	710,230	1.43%
Key Disposal	2,729,996	1.81%	Jenco Anodizing	667,087	1.34%
Consolidated Disposal	2,725,896	1.81%	Vons/Safeway Companies Inc.	641,524	1.29%
Subtotal (10 largest)	58,883,710	39.10%	Subtotal (10 largest)	14,918,438	30.02%
Balance from other customers	91,719,106	60.90%	Balance from other customers	34,783,334	69.98%
Grand total	\$ 150,602,816	100.00%	Grand total	\$ 49,701,772	100.00%

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⁾		
							Amount	Per Capita	As a Share of Personal Income
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	92.14	0.19%
2015	-	-	0.00%	539,029	1,373	359,810	900,212	88.98	0.18%

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
REVENUE SOURCES⁽¹⁾										
Ad Valorem Tax	\$ 14,456	\$ 49,116	\$ 54,012	\$ 59,328	\$ 60,493	\$ 53,197	\$ 54,770	\$ 68,435	\$ 55,210	\$ 67,963
CIF ⁽²⁾	8,380	7,428	11,101	13,483	14,889	15,734	15,667	14,996	12,664	12,627
Service Charge	177,177	194,902	217,996	237,218	268,268	297,494	295,831	318,034	312,889	331,260
Industrial Waste	49,702	51,926	49,860	49,394	54,305	59,508	57,861	56,998	58,091	63,505
Contract	16,982	17,030	17,933	16,822	17,925	43,569	23,982	24,615	23,367	21,759
Interest	50,492	52,181	64,064	39,919	21,170	17,608	11,512	7,679	7,513	9,343
Rate Stabilization Fund ⁽³⁾	27,597	1,665	9,995	7,742	8,822	-	-	1,488	14,161	-
Miscellaneous	3,708	3,795	3,176	3,305	3,906	3,642	3,390	3,486	4,345	4,616
Total	348,494	378,043	428,137	427,211	449,778	490,752	463,013	495,731	488,240	511,073
EXPENSES⁽⁴⁾										
Total O&M	261,788	254,501	282,903	286,517	270,723	275,663	284,926	287,411	303,506	298,081
Rate Stabilization Fund ⁽⁵⁾	6,359	36,388	33,901	19,947	36,735	68,630	31,839	56,593	12,921	41,328
Total	268,147	290,889	316,804	306,464	307,458	344,293	316,765	344,004	316,427	339,409
NET REVENUES	80,347	87,154	111,333	120,747	142,320	146,459	146,248	151,727	171,813	171,664
DEBT SERVICE										
State Loans	24,853	25,230	27,569	30,530	30,669	30,843	31,660	36,633	36,535	36,747
Installment Payments	39,144	44,531	50,583	51,226	51,212	53,557	53,075	52,826	52,793	52,530
Total Debt Service	63,997	69,761	78,152	81,756	81,881	84,400	84,735	89,459	89,328	89,277
COVERAGE	1.3	1.2	1.4	1.5	1.7	1.7	1.7	1.7	1.9	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>
2006	5.625	10.246	\$ 370,860	\$ 36.20	4.7%	4.9%
2007	5.660	10.332	379,824	36.76	5.0%	5.3%
2008	5.694	10.364	411,000	39.66	7.3%	7.2%
2009	5.716	10.393	392,000	37.72	11.7%	11.3%
2010	5.733	10.441	405,000	38.79	12.3%	12.1%
2011	5.445	9.858	420,900	42.70	12.5%	11.7%
2012	5.452	9.912	435,300	43.92	11.1%	10.4%
2013	5.490	10.019	451,100	45.02	10.3%	8.8%
2014	5.532	10.069	487,900	48.46	8.2%	7.5%
2015	5.571	10.117	510,500	50.46	7.4%	6.3%

Source: Schedule 17; Los Angeles Economic Development Corporation Economic Forecast; Bureau of Labor Statistics

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, 2015

CITY	POPULATION	CITY	POPULATION
Alhambra	85,545	Lomita	20,733
Arcadia	57,698	Long Beach	472,357
Artesia	16,842	Los Angeles	143,414
Azusa	49,362	Lynwood	71,381
Baldwin Park	77,047	Manhattan Beach	35,763
Bell	36,135	Maywood	27,884
Bell Gardens	42,875	Monrovia	37,399
Bellflower	78,106	Montebello	64,104
Beverly Hills	686	Monterey Park	62,063
Bradbury	486	Norwalk	106,960
Carson	93,148	Palmdale	154,753
Cerritos	49,968	Palos Verdes Estates	13,730
Claremont	36,006	Paramount	55,302
Commerce	13,060	Pasadena	141,492
Compton	98,506	Pico Rivera	64,182
Covina	48,644	Pomona	150,792
Cudahy	24,270	Rancho Palos Verdes	42,564
Culver City	0	Redondo Beach	68,095
Diamond Bar	56,229	Rolling Hills	1,904
Downey	113,900	Rolling Hills Estates	8,223
Duarte	21,502	Rosemead	55,017
El Monte	115,774	San Dimas	34,494
Gardena	60,414	San Gabriel	40,517
Glendora	50,698	San Marino	13,414
Hawaiian Gardens	14,545	Santa Clarita	208,003
Hawthorne	87,657	Santa Fe Springs	17,627
Hermosa Beach	19,772	Sierra Madre	11,127
Huntington Park	59,312	Signal Hill	11,585
Industry	440	South El Monte	20,841
Inglewood	112,333	South Gate	96,547
Irwindale	1,473	South Pasadena	26,174
La Canada-Flintridge	19,005	Temple City	36,275
La Habra Heights	370	Torrance	148,427
La Mirada	49,521	Vernon	123
La Puente	40,256	Walnut	30,254
La Verne	32,970	West Covina	108,167
Lakewood	81,598	West Hollywood	35,825
Lancaster	158,040	Whittier	86,948
Lawndale	33,403		
		77 Cities Subtotal	4,662,056
		Unincorporated	909,278
		TOTAL	5,571,334

Source: State of California, Department of Finance, E-1 Population Estimates for Cities, Counties, and the State, with Annual Percent Change -- January 1, 2014 and 2015. Sacramento, California, May 2015, and GIS analysis using L.A. County Assessor GIS parcel data (2014), L.A. County Department of Public Works 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>
2006	4,192.9	\$ 136.2	\$ 326.4	37.4	26,348	\$ 3,896
2007	4,227.4	137.8	347.3	35.7	20,363	4,739
2008	4,183.9	131.9	355.8	36.5	13,704	4,491
2009	3,949.5	112.7	282.9	34.4	5,653	2,674
2010	3,888.4	116.9	346.8	38.5	7,468	2,677
2011	3,909.0	126.4	386.7	40.4	10,403	3,129
2012	4,006.9	135.3	403.5	41.4	10,709	1,836
2013	4,112.6	142.8	414.5	42.2	16,850	4,280
2014	4,191.3	151.2	416.6	43.2	18,000	6,674
2015	N/A	N/A	N/A	N/A	N/A	N/A

Source: Los Angeles County Economic Development Corp., Keyser Center for Economic Research

*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, 2015			June 30, 2006		
	Number of Employees	Percentage of Total	Rank	Number of Employees	Percentage of Total	Rank
Trade, Transportation, and Utilities	814,700	18.85%	1	807,000	19.13%	1
Educational and Health Services	763,100	17.66%	2	575,800	13.65%	4
Professional and Business Services	623,000	14.42%	3	601,300	14.25%	2
Government	574,400	13.29%	4	598,000	14.17%	3
Leisure and Hospitality	487,600	11.28%	5	394,100	9.34%	6
Manufacturing	362,800	8.39%	6	467,600	11.08%	5
Financial Activities	211,100	4.88%	7	247,300	5.86%	7
Information Services	190,900	4.42%	8	209,100	4.96%	8
Other Services	155,900	3.61%	9	147,100	3.49%	10
Construction	128,200	2.97%	10	159,300	3.78%	9
Ten largest industries	4,311,700	99.77%		4,206,600	99.71%	
All other industries	10,000	0.23%		12,100	0.29%	
Total civilian employment	4,321,700	100.00%		4,218,700	100.00%	

Professional and Business Services

Source: State of California, 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,									
	2006	2007	2008	2009	2010	2011	2012	2013 ¹	2014	2015
Solid Waste Management:										
Solid Waste Management	3	4	4	2	2	2	2	3	2	2
Waste-By-Rail	10	12	11	10	9	9	7	6	0	0
Solid Waste Operations	334	332	344	299	277	240	215	205	209	183
Energy Recovery Operations	91	93	120	159	153	150	137	114	116	112
Solid Waste Planning	4	2	0	0	0	0	0	0	0	0
Solid Waste Monitoring & Research	14	14	14	0	0	0	0	0	0	0
Energy Recovery Facilities Engineering	5	7	7	0	0	0	0	0	0	0
Wastewater Management:										
Wastewater Management	4	2	7	9	8	7	7	3	3	3
Industrial Waste	84	76	74	76	70	71	70	67	66	66
Joint Water Pollution Control Plant	377	369	326	328	321	307	310	302	297	296
Wastewater Collection System	116	117	121	133	132	130	125	124	130	129
Water Reclamation Plants	164	156	204	208	205	220	219	219	224	223
Electrical/Instrumentation Engineering Support	0	0	0	0	0	0	0	4	6	8
Engineering:										
Engineering	6	4	3	5	5	6	6	6	6	7
Field Engineering	75	74	70	82	78	78	73	66	61	56
Wastewater & Solid Waste Design	0	0	0	0	0	0	61	34	29	27
Structural Design	21	24	23	21	19	19	17	17	16	17
Electrical & Instrumentation Design	0	0	0	0	0	0	0	20	20	21
Mechanical & Civil Design	0	0	0	0	0	0	0	14	12	12
Sewer Design	0	0	0	0	0	0	0	23	24	23
Engineering Design	62	64	58	56	54	46	15	0	0	0
Electrical Design	24	23	20	22	22	21	22	0	0	0
Wastewater Design	26	29	28	25	24	23	0	0	0	0
Solid Waste Design	0	0	12	11	11	9	0	0	0	0
Technical Services:										
Technical Services	6	7	4	5	5	5	5	5	14	14
Air Quality Engineering	11	13	13	13	12	12	12	9	9	11
Laboratory	160	154	166	181	175	173	175	167	163	157
Monitoring	33	32	44	49	45	29	28	25	26	29
Wastewater Research	14	21	26	26	26	25	24	11	11	11
Water Quality	26	27	22	20	19	34	31	26	27	29
Public Information	11	10	12	12	10	10	10	10	0	0
Research	0	0	0	0	0	0	0	11	11	10
JWPCP Research	7	0	0	0	0	0	0	0	0	0
Administration:										
Financial Management & Facilities Planning	195	202	217	223	217	219	214	199	202	196
Human Resources	34	36	38	39	38	33	31	31	22	21
Total Employees:	1,917	1,904	1,988	2,014	1,937	1,878	1,816	1,721	1,706	1,663

(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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Sewerage Operations										
Miles of trunk lines (approximately)	1,380	1,386	1,360	1,360	1,395	1,407	1,408	1,410	1,410	1,411
Number of active pump stations	53	54	53	53	52	52	52	49	49	48
Number of treatment facilities	11	11	11	11	11	11	11	11	11	11
Amount of reclaimed water used (MGD) (1)	74	84	76	70	87	75	85	93	91	79
Number of reuse sites	516	531	539	571	624	650	703	720	757	790
Wastewater discharge inspections conducted	14,665	14,496	9,880	10,609	10,107	9,255	9,836	10,633	11,070	10,769
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	3.85	3.84	3.53	2.79	2.34	1.66	1.80	2.19	0.74	0.00
Puente Hills MRF (3)	0.08	0.10	0.09	0.10	0.12	0.07	0.02	0.04	0.55	0.73
South Gate Transfer Station	0.14	0.12	0.13	0.14	0.12	0.11	0.10	0.11	0.11	0.11
DART Facility	0.34	0.28	0.27	0.21	0.16	0.16	0.13	0.08	0.13	0.14
Scholl Canyon Landfill	0.45	0.42	0.37	0.29	0.25	0.23	0.23	0.21	0.23	0.24
Calabasas Landfill	0.55	0.48	0.44	0.30	0.27	0.26	0.21	0.19	0.24	0.23
Total	5.41	5.24	4.83	3.83	3.26	2.49	2.49	2.82	2.00	1.45
Cumulative solid waste disposal tonnages (2)										
Puente Hills Landfill	105.15	108.99	112.52	115.31	117.65	119.31	121.11	123.30	124.04	124.04
Puente Hills MRF (3)	0.08	0.18	0.27	0.37	0.49	0.56	0.58	0.62	1.17	1.90
South Gate Transfer Station	5.03	5.15	5.28	5.42	5.54	5.65	5.75	5.86	5.97	6.08
DART Facility	2.07	2.35	2.62	2.83	2.99	3.15	3.28	3.36	3.49	3.63
Scholl Canyon Landfill	26.66	27.08	27.45	27.74	27.99	28.22	28.45	28.66	28.89	29.13
Calabasas Landfill	21.91	22.39	22.83	23.13	23.40	23.66	23.87	24.06	24.30	24.53
Percentage of total County solid waste disposed of at Districts' landfills (4)										
	40%	40%	40%	35%	31%	31%	33%	37%	24%	7%
Household hazardous waste/electronic waste (HHW/EW) collections - number of households accommodated										
	64,380	77,574	66,479	62,792	60,726	57,677	57,891	52,850	50,056	51,054
Cost to conduct HHW/EW collections (millions)										
	\$4.0	\$5.0	\$4.3	\$4.2	\$4.0	\$3.8	\$3.9	\$3.6	\$3.7	\$3.5

- (1) Millions of gallons per day.
- (2) Millions of tons per year.
- (3) Began commercial operations in July 2005.
- (4) Based on tonnage information through March 2015.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure June 30, 2015

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, 2015.
- 4) The principal amount of bonds outstanding as of December 31, 2015 and as of December 31, 2014.
- 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, 2015.
- 6) The amount of each Senior Obligation and Subordinate Obligation for each District outstanding as of December 31, 2015.
- 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 95));
- f. Fund Balances on June 30, 2015;
- g. Outstanding Obligations;
- h. Districts' Historical Operating Data

REPORTING OF SIGNIFICANT EVENTS

On July 8, 2015, the Authority issued \$149,940,000 in Capital Projects Revenue Bonds (District No. 14 Subordinate Revenue Bonds) (the 2015 Bonds). The purpose of the 2015 Bonds was to refund and defease the Authority's outstanding Capital Projects Revenue Bonds, 2005 Series B (District No. 14 Subordinate Revenue Bonds), and to pay costs of issuance. These serial bonds mature in varying amounts on October 1 in the years 2015 through 2035 at coupon rates ranging from 2.0% to 5.0%.

SECTION 1-The Financing Authority's audited financial statements

Statement of Net Position June 30, 2015

Assets	
Cash and investments with Trustee, restricted as to use	
Cash and cash equivalents	\$ 287,443
Investments	10,498,845
Payments receivable from Participating Districts	539,028,978
Total assets	549,815,266
Deferred Outflow of Resources	
Deferred loss on refunding, net of accumulated amortization of \$6,330,030	15,317,290
Liabilities	
Current liabilities, payable from restricted assets:	
Interest payable	5,978,125
Current portion of bonds payable	30,534,400
Total current liabilities, payable from restricted assets	36,512,525
Long-term liabilities:	
Premium on issue, net of accumulated amortization of \$58,626,956	19,408,186
Due to Participating Districts	14,888,090
Revenue bonds payable	489,086,383
Total long-term liabilities	523,382,659
Total liabilities	559,895,184
Net Position	
Restricted for:	
Debt services	4,809,320
Unrestricted	428,052
Total net position	\$ 5,237,372

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

Statement of Revenues, Expenses, and Changes in Net Position Fiscal year ended June 30, 2015

Operating revenues-payments from Participating Districts	\$	<u>24,770,781</u>
Nonoperating revenues (expenses):		
Interest revenue		68,251
Interest expense		(24,481,981)
Drawdown expense		(310,991)
Unrealized gain on investments		71,715
Amortization of deferred loss on refunding		(1,967,291)
Amortization of bond premium		<u>5,659,878</u>
Net nonoperating expenses		<u>(20,960,419)</u>
Change in net position		3,810,362
 Total net position, beginning of fiscal year		 <u>1,427,010</u>
Net position, end of year	\$	<u><u>5,237,372</u></u>

Statement of Cash Flows Fiscal year ended June 30, 2015

Cash flows from operating activities:		
Receipts from Participating Districts	\$	<u>24,770,781</u>
Cash flows from capital and related financing activities:		
Receipts from Participating Districts		29,264,400
Principal payments on bonds		(29,264,400)
Interest paid on bonds		<u>(24,806,619)</u>
Net cash used by capital and related financing activities		<u>(24,806,619)</u>
Cash flows from investing activities:		
Interest received on investments		<u>68,251</u>
Net cash provided by investing activities		<u>68,251</u>
Net increase in cash and cash equivalents, restricted as to use		32,413
 Cash and cash equivalents, beginning of fiscal year, restricted as to use		 <u>255,030</u>
Cash and cash equivalents, end of fiscal year, restricted as to use	\$	<u><u>287,443</u></u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$	24,770,781
Net cash provided by operating activities	\$	<u><u>24,770,781</u></u>
Supplemental disclosure of noncash items:		
Amortization of premium on revenue bonds payable and deferred loss on refunding of (\$58,626,956) and (6,330,030), 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, 2015, the Reserve Fund for the 2007A District 20 Revenue Bonds had a balance of \$10,806,431 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, 2015, the total principal amount of bonds outstanding was \$471,125,791.00 and as of December 31, 2014, the total principal amount of bonds outstanding was \$519,620,783.00.

SECTION 5-Additional Obligations

During the calendar year ended December 31, 2015, the Districts incurred the following additional obligations.

<u>District</u>		<u>Total</u> <u>Additional Obligation</u>
1	\$	490,681
2		712,580
3		563,739
5		829,797
8		303,677
14		149,940,000
15		601,903
16		320,578
17		41,435
18		389,274
19		110,676
21		473,235
22		387,093
23		50,158
28		13,084
29		15,811
SBC		148,294
		<u>155,392,015</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, 2015

	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	\$ 8,334,458	12,867,631	9,774,184	21,033,679	5,082,728	13,162,668
2013 Series A Revenue Bonds	2,587,055	3,994,182	3,033,953	6,528,944	1,577,703	4,085,755
Total Senior A.V. Obligation	<u>10,921,513</u>	<u>16,861,813</u>	<u>12,808,137</u>	<u>27,562,623</u>	<u>6,660,431</u>	<u>17,248,423</u>
Senior Revenue Obligations						
Primary Sedimentation Tank Covers	134,506	195,333	154,533	227,465	83,244	164,994
Secondary Effluent Pump Station	44,906	65,214	51,592	75,942	27,792	55,085
Biological Reactors/Secondary Clarifiers	3,729,199	5,415,625	4,284,435	6,306,489	2,307,960	4,574,484
Cryogenic Oxygen Generation	756,812	1,099,059	869,493	1,279,853	468,383	928,356
Power Generation Equipment Purchase	410,914	596,738	472,094	694,901	254,310	504,054
Waste Activated Sludge Thickening Expansion	150,878	219,108	173,342	255,151	93,376	185,076
Relocating and Installing High-Speed Centrifuge	75,926	110,262	87,231	128,399	46,990	93,136
Installation of Secondary Influent Pumping Equip	171,313	248,785	196,820	289,710	106,024	210,144
Fuel Gas Compressor Upgrade	26,506	38,492	30,452	44,824	16,404	32,514
Modifications of Electrical Power	146,657	212,979	168,493	248,013	90,764	179,899
Primary Screenings and Grit Dewatering Fac.	422,044	612,902	484,882	713,723	261,198	517,707
Environmental Laboratory Building	346,944	503,840	398,600	586,721	214,720	425,585
JWPCP Digestion Tanks 17-23	1,914,204	2,779,849	2,199,207	3,237,131	1,184,679	2,348,090
Modification of Biological Reactors	1,657,220	2,406,652	1,903,961	2,802,543	1,025,635	2,032,856
High-Speed Scroll Centrifuges Purch & Install	188,159	273,249	216,174	318,198	116,450	230,809
Secondary Infl Pump Station Equipment	443,669	644,306	509,726	750,293	274,582	544,234
Silo Odor Control Facilities, Phase I	250,112	363,218	287,351	422,967	154,792	306,804
Silo Odor Control Facilities, Phase II	162,131	235,451	186,271	274,182	100,341	198,881
La Canada Foothill Main Trunk Sewer	-	-	-	-	-	-
Total Senior Revenue Obligations	<u>11,032,100</u>	<u>16,021,062</u>	<u>12,674,657</u>	<u>18,656,505</u>	<u>6,827,644</u>	<u>13,532,708</u>
Subordinate Revenue Obligations						
Install of Secondary Infl Pumping Equip Stg II	73,015	106,034	83,886	123,477	45,188	89,565
Central Odor Control System	516,689	750,348	593,619	873,779	319,773	633,806
Heat Recovery Steam Generation Equipment	214,788	311,919	246,767	363,230	132,930	263,473
Power Generation Steam Turbine Generator	160,046	232,422	183,875	270,655	99,051	196,323
Pomona WRP NDN Facilities	249,659	362,561	286,831	422,202	154,511	306,249
Pomona WRP NDN Facilities Equip. Purch.	9,245	13,426	10,621	15,634	5,722	11,340
Los Coyotes WRP NDN Facilities	1,026,021	1,490,010	1,178,784	1,735,115	634,993	1,258,586
Los Coyotes WRP Ammonia Addition Station	54,387	78,982	62,485	91,974	33,659	66,715
Long Beach WRP NDN Facilities	256,590	372,626	294,794	433,923	158,801	314,751
Long Beach WRP Ammonia Addition Station	37,539	54,515	43,128	63,482	23,232	46,048
Long Beach WRP NDN Facilities Equipment	24,215	35,165	27,820	40,950	14,986	29,703
Long Beach WRP Aeration System	16,583	24,082	19,052	28,044	10,263	20,342
Long Beach Pumping Plant Upgrades*	1,817,052	2,638,764	2,087,591	3,072,837	1,124,554	2,228,918
Whittier Narrows WRP NDN Facilities	272,192	395,283	312,718	460,306	168,456	333,888
San Jose Creek WRP NDN Facilities	470,066	682,641	540,054	794,935	290,919	576,615
San Jose Creek WRP NDN Fac. Equipment	69,136	100,401	79,430	116,917	42,788	84,807
Los Coyotes WRP Interceptor Sewer Rehab Phase II	941,906	1,367,856	1,082,145	1,592,867	582,935	1,155,404
Wright Road Truck Sewer Repair	534,917	-	-	-	-	-
District 5 Interceptor Section 2A Rehab*	971,827	1,411,308	1,116,521	1,643,467	601,453	1,192,107
Alamitos PP Force Main No. 2	-	-	-	-	-	-
Total Subordinate Revenue Obligations	<u>7,715,873</u>	<u>10,428,343</u>	<u>8,250,121</u>	<u>12,143,794</u>	<u>4,444,214</u>	<u>8,808,640</u>
Total Obligations	<u>\$ 29,669,486</u>	<u>43,311,218</u>	<u>33,732,915</u>	<u>58,362,922</u>	<u>17,932,289</u>	<u>39,589,771</u>

*Funds have been received as of December 31, 2015, 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	\$ 8,202,767	1,049,721	7,194,832	2,319,770	7,759,580	6,714,923
2013 Series A Revenue Bonds	2,546,178	325,839	2,233,310	720,067	2,408,611	2,084,345
Total Senior A.V. Obligation	<u>10,748,945</u>	<u>1,375,560</u>	<u>9,428,142</u>	<u>3,039,837</u>	<u>10,168,191</u>	<u>8,799,268</u>
Senior Revenue Obligations						
Primary Sedimentation Tank Covers	87,877	11,358	106,708	30,339	129,724	106,110
Secondary Effluent Pump Station	29,339	3,792	35,626	10,129	43,310	35,426
Biological Reactors/Secondary Clarifiers	2,436,410	314,910	2,958,498	841,141	3,596,605	2,941,923
Cryogenic Oxygen Generation	494,451	63,909	600,404	170,703	729,903	597,041
Power Generation Equipment Purchase	268,464	34,699	325,992	92,684	396,304	324,165
Waste Activated Sludge Thickening Expansion	98,573	12,741	119,696	34,031	145,513	119,026
Relocating and Installing High-Speed Centrifuge	49,605	6,412	60,235	17,126	73,226	59,897
Installation of Secondary Influent Pumping Equip	111,925	14,466	135,908	38,641	165,222	135,147
Fuel Gas Compressor Upgrade	17,317	2,238	21,028	5,978	25,563	20,910
Modifications of Electrical Power	95,816	12,384	116,348	33,079	141,443	115,696
Primary Screenings and Grit Dewatering Fac.	275,735	35,639	334,822	95,194	407,038	332,946
Environmental Laboratory Building	226,670	29,298	275,243	78,255	334,609	273,701
JWPCP Digestion Tanks 17-23	1,250,613	161,644	1,518,602	431,759	1,846,143	1,510,094
Modification of Biological Reactors	1,082,717	139,943	1,314,728	373,795	1,598,296	1,307,362
High-Speed Scroll Centrifuges Purch & Install	122,931	15,889	149,273	42,440	181,469	148,437
Secondary Infl Pump Station Equipment	289,864	37,465	351,977	100,072	427,894	350,005
Silo Odor Control Facilities, Phase I	163,407	21,121	198,422	56,414	241,219	197,311
Silo Odor Control Facilities, Phase II	105,926	13,691	128,624	36,570	156,367	127,904
La Canada Foothill Main Trunk Sewer	-	-	-	-	-	-
Total Senior Revenue Obligations	<u>7,207,640</u>	<u>931,599</u>	<u>8,752,134</u>	<u>2,488,350</u>	<u>10,639,848</u>	<u>8,703,101</u>
Subordinate Revenue Obligations						
Central Odor Control System	337,570	43,632	409,907	116,542	498,318	407,611
Heat Recovery Steam Generation Equipment	140,328	18,138	170,398	48,447	207,151	169,443
Power Generation Steam Turbine Generator	104,563	13,515	126,970	36,099	154,355	126,258
Pomona WRP NDN Facilities	163,111	21,082	198,063	56,312	240,783	196,954
Pomona WRP NDN Facilities Equip. Purch.	6,040	781	7,334	2,085	8,916	7,293
Los Coyotes WRP NDN Facilities	670,334	86,642	813,977	231,425	989,540	809,417
Los Coyotes WRP Ammonia Addition Station	35,533	4,593	43,147	12,267	52,453	42,905
Long Beach WRP NDN Facilities	167,639	21,668	203,562	57,875	247,467	202,421
Long Beach WRP Ammonia Addition Station	24,525	3,170	29,781	8,467	36,204	29,614
Long Beach WRP NDN Facilities Equipment	15,820	2,045	19,210	5,462	23,354	19,103
Long Beach WRP Aeration System	10,834	1,400	13,156	3,740	15,993	13,082
Long Beach Pumping Plant Upgrades*	1,187,141	153,440	1,441,528	409,846	1,752,446	1,433,452
Whittier Narrows WRP NDN Facilities	177,832	22,985	215,939	61,394	262,514	214,729
San Jose Creek WRP NDN Facilities	307,110	39,694	372,919	106,026	453,353	370,830
San Jose Creek WRP NDN Fac. Equipment	45,169	5,838	54,848	15,594	66,678	54,541
Los Coyotes WRP Interceptor Sewer Rehab Phase II	615,378	79,539	747,245	212,452	908,416	743,059
Wright Road Truck Sewer Repair	-	-	-	-	-	-
District 5 Interceptor Section 2A Rehab*	634,927	82,065	770,982	219,201	937,273	766,663
Alamitos PP Force Main No. 2	-	-	-	-	-	-
Total Subordinate Revenue Obligations	<u>4,691,557</u>	<u>606,393</u>	<u>5,696,891</u>	<u>1,619,703</u>	<u>6,925,633</u>	<u>5,664,976</u>
Total Obligations	<u>\$ 22,648,142</u>	<u>2,913,552</u>	<u>23,877,167</u>	<u>7,147,890</u>	<u>27,733,672</u>	<u>23,167,345</u>

*Funds have been received as of December 31, 2015, 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	\$ 1,418,200	371,012	116,495	3,587,287
2013 Series A Revenue Bonds	440,216	115,164	36,160	1,113,511
Total Senior A.V. Obligation	<u>1,858,416</u>	<u>486,176</u>	<u>152,655</u>	<u>4,700,798</u>
Senior Revenue Obligations				
Primary Sedimentation Tank Covers	13,750	3,587	4,334	40,651
Secondary Effluent Pump Station	4,590	1,198	1,447	13,572
Biological Reactors/Secondary Clarifiers	381,207	99,445	120,163	1,127,047
Cryogenic Oxygen Generation	77,363	20,182	24,386	228,725
Power Generation Equipment Purchase	42,005	10,958	13,241	124,187
Waste Activated Sludge Thickening Expansion	15,423	4,023	4,862	45,599
Relocating and Installing High-Speed Centrifuge	7,761	2,025	2,447	22,947
Installation of Secondary Influent Pumping Equip	17,512	4,568	5,520	51,775
Fuel Gas Compressor Upgrade	2,709	707	854	8,011
Modifications of Electrical Power	14,992	3,911	4,726	44,323
Primary Screenings and Grit Dewatering Fac.	43,142	11,255	13,599	127,551
Environmental Laboratory Building	35,465	9,252	11,179	104,854
JWPCP Digestion Tanks 17-23	195,674	51,045	61,680	578,515
Modification of Biological Reactors	169,405	44,193	53,399	500,849
High-Speed Scroll Centrifuges Purch & Install	19,234	5,018	6,063	56,866
Secondary Infl Pump Station Equipment	45,353	11,831	14,296	134,087
Silo Odor Control Facilities, Phase I	25,567	6,670	8,059	75,589
Silo Odor Control Facilities, Phase II	16,573	4,323	5,224	49,000
La Canada Foothill Main Trunk Sewer	-	378,557	-	-
Total Senior Revenue Obligations	<u>1,127,725</u>	<u>672,748</u>	<u>355,479</u>	<u>3,334,148</u>
Subordinate Revenue Obligations				
Central Odor Control System	52,817	13,778	16,649	156,155
Heat Recovery Steam Generation Equipment	21,956	5,728	6,921	64,914
Power Generation Steam Turbine Generator	16,360	4,268	5,157	48,369
Pomona WRP NDN Facilities	25,521	6,658	8,045	75,453
Pomona WRP NDN Facilities Equip. Purch.	945	247	298	2,794
Los Coyotes WRP NDN Facilities	104,882	27,361	33,061	310,086
Los Coyotes WRP Ammonia Addition Station	5,560	1,450	1,752	16,437
Long Beach WRP NDN Facilities	26,229	6,842	8,268	77,547
Long Beach WRP Ammonia Addition Station	3,837	1,001	1,210	11,345
Long Beach WRP NDN Facilities Equipment	2,475	646	780	7,318
Long Beach WRP Aeration System	1,695	442	534	5,012
Long Beach Pumping Plant Upgrades*	185,743	48,455	58,549	549,154
Whittier Narrows WRP NDN Facilities	27,824	7,258	8,771	82,262
San Jose Creek WRP NDN Facilities	48,051	12,535	15,147	142,065
San Jose Creek WRP NDN Fac. Equipment	7,067	1,844	2,228	20,894
Los Coyotes WRP Interceptor Sewer Rehab Phase II	96,284	25,117	30,350	284,665
Wright Road Truck Sewer Repair	-	-	-	-
District 5 Interceptor Section 2A Rehab*	99,342	25,915	31,314	293,708
Alamitos PP Force Main No. 2	-	-	880,836	-
Total Subordinate Revenue Obligations	<u>734,052</u>	<u>191,492</u>	<u>1,112,223</u>	<u>2,170,245</u>
Total Obligations	\$ <u>3,720,193</u>	<u>1,350,416</u>	<u>1,620,357</u>	<u>10,205,191</u>

*Funds have been received as of December 31, 2015, 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	\$ 1,243,457	174,742	1,763,887	1,470,117	244,387	12,738,475
2013 Series A Revenue Bonds	385,975	54,241	547,519	456,331	75,859	3,954,082
Total Senior A.V. Obligation	<u>1,629,432</u>	<u>228,983</u>	<u>2,311,406</u>	<u>1,926,448</u>	<u>320,246</u>	<u>16,692,557</u>
Senior Revenue Obligations						
Valencia WRP Solids Processing Expansion	-	-	-	-	-	2,687,957
Valencia WRP Stage V Expansion-Equipment	-	-	-	-	-	493,595
Total Senior Revenue Obligations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,181,552</u>
Subordinate Revenue Obligations						
2005 Series A Revenue Bonds	-	-	-	19,695,000	-	-
2007 Series A Revenue Bonds	-	-	-	130,390,000	-	-
2015 Series A Revenue Bonds	-	-	145,280,000	-	-	-
Lancaster - Rosamond Outfall & TS, Phase 1	-	-	4,303,255	-	-	-
Lancaster - Rosamond Outfall & TS, Phase 2	-	-	7,476,712	-	-	-
Lancaster - Rosamond Outfall & TS, Phase 3	-	-	6,858,519	-	-	-
Valencia WRP Stage V Expansion	-	-	-	-	-	18,621,888
Saugus WRP Equipment Purchases	-	-	-	-	-	802,169
Lancaster WRP Stage V Expansion, Phase I	-	-	63,713,106	-	-	-
Palmdale WRP Stage V Expansion, Phase I	-	-	-	53,807,987	-	-
Valencia WRP Steam Boiler Upgrade	-	-	-	-	-	4,201,586
Total Subordinate Revenue Obligations	<u>-</u>	<u>-</u>	<u>227,631,592</u>	<u>203,892,987</u>	<u>-</u>	<u>23,625,643</u>
Total Obligations	\$ <u>1,629,432</u>	<u>228,983</u>	<u>229,942,998</u>	<u>205,819,435</u>	<u>320,246</u>	<u>43,499,752</u>

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
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
2014-15	6,190	812,219	(6,190)	806,029	6,190	674,087	-	674,087

(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 2014-15**

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	234,073	20,921	1,995,293	\$307,391,539	\$58,477,581
14	56,452	13,869	2,605	999	73,925	34,817,689	1,139,134
20	35,280	9,075	292	28	44,675	22,585,366	1,103,133
SCV	72,015	26,018	1,074	3,384	102,491	25,257,760	6,347,057
4	10,031	15,917	138		26,086	3,727,516	502,973
9	423	676			1,099	86,498	88,114
27	494	64			558	0	304,590
TOTAL:	1,386,490	594,123	238,182	25,332	2,244,127	\$398,866,368	\$67,962,582

⁽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 2014-15 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 2010-11	Fiscal Year 2011-12	Fiscal Year 2012-13	Fiscal Year 2013-14	Fiscal Year 2014-15
1	\$ 152	\$ 154	\$ 156	\$ 158	\$ 163
2	147	148	149	150	155
3	148	150	152	154	157
5	130	132	134	136	141
8	135	139	143	147	154
15	130	132	134	136	141
16	133	135	137	139	142
17	134	136	138	140	143
18	148	149	150	151	156
19	146	148	150	152	155
21	145	146	147	148	153
22	143	145	147	149	152
23	112	114	116	118	120
28 ³	335	336	337	338	340
28 ³	127	128	129	130	132
29	328	340	340	340	340
SBC	119	121	121	122	124
(Non-JO)^{(1),(2)}					
4	150	150	150	150	150
9	78	78	78	78	78
14	360	360	448	472	496
20	381	429	477	525	535
SCV	199	215	231	247	267

⁽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, 2015

Districts	Operating Fund		Capital Improvement Fund
	Total Fund	Available as Rate	Total Fund
		Stabilization Fund	
1	34,629,139	34,629,000	38,310,757
2	63,532,354	63,532,000	51,836,268
3	49,856,063	49,856,000	31,911,462
4	36,518,717	36,518,000	6,243,747
5	71,754,372	71,754,000	46,919,713
8	14,098,524	14,098,000	30,826,512
9	4,588,388	3,191,000	438,033
14	44,893,530	42,024,000	7,358,744
15	62,566,978	62,566,000	41,008,848
16	43,294,390	43,294,000	20,284,406
17	7,315,220	6,519,000	3,038,441
18	28,953,965	28,953,000	29,263,959
19	12,010,817	12,010,000	9,059,617
20	19,058,387	18,345,000	736,423
21	48,458,884	48,458,000	40,329,982
22	45,151,276	45,151,000	26,045,013
23	13,122,855	12,589,000	5,105,937
27	543,157	543,000	22,287
28	6,072,686	4,161,000	285,012
29	3,956,464	3,621,000	1,342,521
SBC	27,750,217	27,750,000	9,796,792
SCV	31,944,108	31,944,000	69,567,705
Total	670,070,491	661,506,000	469,732,179

AVERAGE YEARLY FLOW FROM THE PARTICIPATING DISTRICTS⁽¹⁾
 Fiscal Years 2010-2011 Through 2014-15
 (In Millions Of Gallons Per Day)

District	Fiscal Year 2010-11	Fiscal Year 2011-12	Fiscal Year 2012-13	Fiscal Year 2013-14	Fiscal Year 2014-15
JO System ⁽²⁾	402.00	389.58	386.21	376.58	365.68
14	13.50	14.00	14.62	13.40	15.03
20	9.51	9.23	9.26	9.23	9.19
SCV	19.95	19.73	19.85	19.52	18.89
TOTAL:	444.96	432.54	429.94	418.73	408.79

⁽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, 2015</u>
Obligations Constituting Senior A.V. Obligations and Senior Revenue Obligations:	
2011 Series A Revenue Bonds	\$ 126,625,000
2013 Series A Revenue Bonds	39,305,000
Total Senior A.V. Obligation	<u>165,930,000</u>
Senior Revenue Obligations	
Primary Sedimentation Tank Covers	1,494,514
Secondary Effluent Pump Station	498,959
Biological Reactors/Secondary Clarifiers	41,435,540
Cryogenic Oxygen Generation	8,409,023
Power Generation Equipment Purchase	4,565,710
Waste Activated Sludge Thickening Expansion	1,676,417
Relocating and Installing High-Speed Centrifuge	843,623
Installation of Secondary Influent Pumping Equip	1,903,480
Fuel Gas Compressor Upgrade	294,507
Modifications of Electrical Power	1,629,523
Primary Screenings and Grit Dewatering Fac.	4,689,378
Environmental Laboratory Building	3,854,937
JWPCP Digestion Tanks 17-23	21,268,929
Modification of Biological Reactors	18,413,554
High-Speed Scroll Centrifuges Purch & Install	2,090,657
Secondary Infl Pump Station Equipment	4,929,652
Valencia WRP Solids Processing Expansion	2,687,957
Valencia WRP Stage V Expansion-Equipment	493,595
La Canada Foothill Main Trunk Sewer	378,557
Silo Odor Control Facilities, Phase I	2,779,024
Silo Odor Control Facilities, Phase II	1,801,458
Total Senior Revenue Obligations	<u>126,138,994</u>
Subordinate Revenue Obligations:	
2005 Series A Revenue Bonds	19,695,000
2007 Series A Revenue Bonds	130,390,000
2015 Series A Revenue Bonds	145,280,000
Install of Secondary Infl Pumping Equip Stg II	811,278
Central Odor Control System	5,740,993
Heat Recovery Steam Generation Equipment	2,386,528
Power Generation Steam Turbine Generator	1,778,286
Pomona WRP NDN Facilities	2,773,994
Pomona WRP NDN Facilities Equip. Purch.	102,721
Los Coyotes WRP NDN Facilities	11,400,233
Los Coyotes WRP Ammonia Addition Station	604,299
Long Beach WRP NDN Facilities	2,851,004
Long Beach WRP Ammonia Addition Station	417,098
Long Beach WRP NDN Facilities Equipment	269,053
Long Beach WRP Aeration System	184,255
Long Beach Pumping Plant Upgrades*	20,189,471
Whittier Narrows WRP NDN Facilities	3,024,351

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

	Outstanding Balance
	December 31, 2015
	<hr/>
Subordinate Revenue Obligations (Continued):	
San Jose Creek WRP NDN Facilities	5,222,960
San Jose Creek WRP NDN Fac. Equipment	768,179
Lancaster - Rosamond Outfall & TS, Phase 1	4,303,255
Lancaster - Rosamond Outfall & TS, Phase 2	7,476,712
Lancaster - Rosamond Outfall & TS, Phase 3	6,858,519
Valencia WRP Stage V Expansion	18,621,888
Saugus WRP Equipment Purchases	802,169
Lancaster WRP Stage V Expansion, Phase I	63,713,106
Palmdale WRP Stage V Expansion, Phase I	53,807,987
Valencia WRP Steam Boiler Upgrade*	4,201,586
Los Coyotes WRP Interceptor Sewer Rehab Phase II	10,465,618
Wright Road Truck Sewer Repair	534,917
District 5 Interceptor Section 2A Rehab	10,798,074
Alamitos PP Force Main No. 2	880,836
	<hr/>
Total Subordinate Revenue Obligations	536,354,370
Total Obligations	\$ <u>828,423,364</u>

*Funds have been received as of December 31, 2015, however, this obligation is not yet in repayment.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

DISTRICTS' HISTORICAL OPERATING DATA (\$000)

District No. 1	Fiscal Year 2011/12	Fiscal Year 2012/13	Fiscal Year 2013/14	Fiscal Year 2014/15
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 28,932	\$ 29,407	\$ 29,838	\$ 31,039
A.V. Tax	2,607	3,352	2,631	3,182
Interest	668	489	488	606
Rate Stabilization Fund ⁽²⁾	-	-	-	-
Subtotal	<u>32,207</u>	<u>33,248</u>	<u>32,957</u>	<u>34,827</u>
CIF Pledged for Debt ⁽³⁾	154	152	40	41
Total Revenue for Senior Calculation	<u>32,361</u>	<u>33,400</u>	<u>32,997</u>	<u>34,868</u>
CIF Connection Fee Revenue ⁽³⁾	1,409	1,408	2,737	2,038
Total Revenue for Subordinate Calculation	<u>33,616</u>	<u>34,656</u>	<u>35,694</u>	<u>36,865</u>
EXPENSES⁽⁴⁾				
Total O&M	21,513	21,238	22,586	22,408
Rate Stabilization Fund ⁽⁵⁾	1,169	3,347	1,015	2,655
Total	<u>22,682</u>	<u>24,585</u>	<u>23,601</u>	<u>25,063</u>
DEBT SERVICE PAYMENTS				
Senior				
State Loans	2,042	1,995	1,546	1,519
Revenue Bonds	2,209	2,194	2,192	2,173
Total Senior Debt Payments	<u>4,251</u>	<u>4,189</u>	<u>3,738</u>	<u>3,692</u>
Subordinate				
State Loans	290	324	468	433
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>290</u>	<u>324</u>	<u>468</u>	<u>433</u>
Total Debt Service	4,541	4,513	4,206	4,125
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	2.21	2.03	2.39	2.54
<u>SUBORDINATE</u>	<u>2.41</u>	<u>2.23</u>	<u>2.88</u>	<u>2.86</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. 2	Fiscal Year 2011/12	Fiscal Year 2012/13	Fiscal Year 2013/14	Fiscal Year 2014/15
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 41,384	\$ 43,603	\$ 41,755	\$ 43,259
A.V. Tax	5,084	6,944	5,248	6,509
Interest	1,220	833	784	954
Rate Stabilization Fund ⁽²⁾	-	-	3,542	-
Subtotal	<u>47,688</u>	<u>51,380</u>	<u>51,329</u>	<u>50,722</u>
CIF Pledged for Debt ⁽³⁾	231	232	61	60
Total Revenue for Senior Calculation	47,919	51,612	51,390	50,782
CIF Connection Fee Revenue ⁽³⁾	1,996	2,351	3,548	3,316
Total Revenue for Subordinate Calculation	49,684	53,731	54,877	54,038
EXPENSES⁽⁴⁾				
Total O&M	32,538	32,728	34,207	33,387
Rate Stabilization Fund ⁽⁵⁾	2,471	4,371	-	1,652
Total	<u>35,009</u>	<u>37,099</u>	<u>34,207</u>	<u>35,039</u>
DEBT SERVICE PAYMENTS				
Senior				
State Loans	3,007	2,977	2,332	2,206
Revenue Bonds	3,411	3,386	3,384	3,356
Total Senior Debt Payments	<u>6,418</u>	<u>6,363</u>	<u>5,716</u>	<u>5,562</u>
Subordinate				
State Loans	435	493	644	570
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>435</u>	<u>493</u>	<u>644</u>	<u>570</u>
Total Debt Service	6,853	6,856	6,360	6,132
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	1.94	2.20	2.89	2.73
<u>SUBORDINATE</u>	<u>2.14</u>	<u>2.43</u>	<u>3.25</u>	<u>3.10</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.

⁽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. 3	Fiscal Year 2011/12	Fiscal Year 2012/13	Fiscal Year 2013/14	Fiscal Year 2014/15
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 33,070	\$ 33,314	\$ 33,003	\$ 34,788
A.V. Tax	3,928	6,083	4,278	5,222
Interest	732	526	541	688
Rate Stabilization Fund ⁽²⁾	-	-	-	-
Subtotal	<u>37,730</u>	<u>39,923</u>	<u>37,822</u>	<u>40,698</u>
CIF Pledged for Debt ⁽³⁾	179	178	47	48
Total Revenue for Senior Calculation	37,909	40,101	37,869	40,746
CIF Connection Fee Revenue ⁽³⁾	1,473	1,860	2,478	2,342
Total Revenue for Subordinate Calculation	39,203	41,783	40,300	43,040
EXPENSES⁽⁴⁾				
Total O&M	23,987	24,123	25,805	24,986
Rate Stabilization Fund ⁽⁵⁾	3,418	6,040	853	4,262
Total	<u>27,405</u>	<u>30,163</u>	<u>26,658</u>	<u>29,248</u>
DEBT SERVICE PAYMENTS				
Senior				
State Loans	2,317	2,281	1,788	1,745
Revenue Bonds	2,591	2,572	2,570	2,549
Total Senior Debt Payments	<u>4,908</u>	<u>4,853</u>	<u>4,358</u>	<u>4,294</u>
Subordinate				
State Loans	337	378	494	451
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>337</u>	<u>378</u>	<u>494</u>	<u>451</u>
Total Debt Service	5,245	5,231	4,852	4,745
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	2.07	1.97	2.46	2.57
<u>SUBORDINATE</u>	<u>2.25</u>	<u>2.22</u>	<u>2.81</u>	<u>2.91</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 2011/12	Fiscal Year 2012/13	Fiscal Year 2013/14	Fiscal Year 2014/15
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 44,632	\$ 46,579	\$ 44,901	\$ 46,142
A.V. Tax	8,906	10,480	8,661	10,658
Interest	1,335	894	849	1,018
Rate Stabilization Fund ⁽²⁾	-	-	6,107	-
Subtotal	<u>54,873</u>	<u>57,953</u>	<u>60,518</u>	<u>57,818</u>
CIF Pledged for Debt ⁽³⁾	<u>267</u>	<u>273</u>	<u>71</u>	<u>70</u>
Total Revenue for Senior Calculation	55,140	58,226	60,589	57,888
CIF Connection Fee Revenue ⁽³⁾	<u>2,405</u>	<u>3,030</u>	<u>4,018</u>	<u>4,056</u>
Total Revenue for Subordinate Calculation	57,278	60,983	64,536	61,874
EXPENSES⁽⁴⁾				
Total O&M	37,903	38,692	40,506	39,180
Rate Stabilization Fund ⁽⁵⁾	<u>398</u>	<u>3,357</u>	<u>-</u>	<u>922</u>
Total	38,301	42,049	40,506	40,102
DEBT SERVICE PAYMENTS				
Senior				
State Loans	3,466	3,506	2,716	2,569
Revenue Bonds	<u>5,576</u>	<u>5,535</u>	<u>5,530</u>	<u>5,486</u>
Total Senior Debt Payments	9,042	9,041	8,246	8,055
Subordinate				
State Loans	503	581	751	663
Revenue Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Subordinate Debt Payments	503	581	751	663
Total Debt Service	9,545	9,622	8,997	8,718
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	1.81	1.73	2.34	2.13
<u>SUBORDINATE</u>	<u>1.99</u>	<u>1.97</u>	<u>2.67</u>	<u>2.50</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. 8	Fiscal Year 2011/12	Fiscal Year 2012/13	Fiscal Year 2013/14	Fiscal Year 2014/15
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 18,660	\$ 19,399	\$ 19,512	\$ 20,828
A.V. Tax	1,735	2,051	1,681	2,017
Interest	450	316	284	337
Rate Stabilization Fund ⁽²⁾	-	645	103	-
Subtotal	<u>20,845</u>	<u>22,411</u>	<u>21,580</u>	<u>23,182</u>
CIF Pledged for Debt ⁽³⁾	99	96	24	25
Total Revenue for Senior Calculation	20,944	22,507	21,604	23,207
CIF Connection Fee Revenue ⁽³⁾	905	1,091	1,545	1,595
Total Revenue for Subordinate Calculation	21,750	23,502	23,125	24,777
EXPENSES⁽⁴⁾				
Total O&M	15,369	15,379	15,293	15,622
Rate Stabilization Fund ⁽⁵⁾	766	-	-	2,439
Total	<u>16,135</u>	<u>15,379</u>	<u>15,293</u>	<u>18,061</u>
DEBT SERVICE PAYMENTS				
Senior				
State Loans	1,280	1,236	934	940
Revenue Bonds	1,348	1,338	1,336	1,325
Total Senior Debt Payments	<u>2,628</u>	<u>2,574</u>	<u>2,270</u>	<u>2,265</u>
Subordinate				
State Loans	186	205	258	243
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>186</u>	<u>205</u>	<u>258</u>	<u>243</u>
Total Debt Service	2,814	2,779	2,528	2,508
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	1.76	2.69	2.67	2.16
<u>SUBORDINATE</u>	<u>2.00</u>	<u>2.92</u>	<u>3.10</u>	<u>2.68</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. 15	Fiscal Year 2011/12	Fiscal Year 2012/13	Fiscal Year 2013/14	Fiscal Year 2014/15
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 31,447	\$ 33,145	\$ 32,776	\$ 33,972
A.V. Tax	5,461	6,542	5,548	6,628
Interest	1,053	714	700	848
Rate Stabilization Fund ⁽²⁾	-	-	1,377	-
Subtotal	<u>37,961</u>	<u>40,401</u>	<u>40,401</u>	<u>41,448</u>
CIF Pledged for Debt ⁽³⁾	193	193	50	51
Total Revenue for Senior Calculation	<u>38,154</u>	<u>40,594</u>	<u>40,451</u>	<u>41,499</u>
CIF Connection Fee Revenue ⁽³⁾	1,691	1,852	2,890	2,587
Total Revenue for Subordinate Calculation	<u>39,652</u>	<u>42,253</u>	<u>43,291</u>	<u>44,035</u>
EXPENSES⁽⁴⁾				
Total O&M	26,175	26,281	27,357	26,997
Rate Stabilization Fund ⁽⁵⁾	4,450	5,350	-	2,398
Total	<u>30,625</u>	<u>31,631</u>	<u>27,357</u>	<u>29,395</u>
DEBT SERVICE PAYMENTS				
Senior				
State Loans	2,505	2,475	1,908	1,864
Revenue Bonds	3,490	3,464	3,461	3,434
Total Senior Debt Payments	<u>5,995</u>	<u>5,939</u>	<u>5,369</u>	<u>5,298</u>
Subordinate				
State Loans	364	410	528	481
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>364</u>	<u>410</u>	<u>528</u>	<u>481</u>
Total Debt Service	<u>6,359</u>	<u>6,349</u>	<u>5,897</u>	<u>5,779</u>
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	1.20	1.44	2.34	2.19
SUBORDINATE	1.42	1.67	2.70	2.53

⁽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. 16	Fiscal Year 2011/12	Fiscal Year 2012/13	Fiscal Year 2013/14	Fiscal Year 2014/15
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 16,421	\$ 17,384	\$ 16,869	\$ 17,763
A.V. Tax	3,646	4,351	3,641	4,688
Interest	671	430	406	502
Rate Stabilization Fund ⁽²⁾	-	-	467	-
Subtotal	<u>20,738</u>	<u>22,165</u>	<u>21,383</u>	<u>22,953</u>
CIF Pledged for Debt ⁽³⁾	<u>104</u>	<u>104</u>	<u>27</u>	<u>27</u>
Total Revenue for Senior Calculation	20,842	22,269	21,410	22,980
CIF Connection Fee Revenue ⁽³⁾	<u>866</u>	<u>1,127</u>	<u>1,637</u>	<u>1,626</u>
Total Revenue for Subordinate Calculation	21,604	23,292	23,020	24,579
EXPENSES⁽⁴⁾				
Total O&M	13,705	13,707	14,056	14,225
Rate Stabilization Fund ⁽⁵⁾	<u>2,570</u>	<u>2,635</u>	<u>-</u>	<u>1,765</u>
Total	16,275	16,342	14,056	15,990
DEBT SERVICE PAYMENTS				
Senior				
State Loans	1,424	1,330	1,020	993
Revenue Bonds	<u>2,175</u>	<u>2,158</u>	<u>2,157</u>	<u>2,140</u>
Total Senior Debt Payments	3,599	3,488	3,177	3,133
Subordinate				
State Loans	197	221	282	256
Revenue Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Subordinate Debt Payments	197	221	282	256
Total Debt Service	3,796	3,709	3,459	3,389
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	1.21	1.64	2.23	2.15
<u>SUBORDINATE</u>	<u>1.40</u>	<u>1.87</u>	<u>2.59</u>	<u>2.53</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.

⁽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. 17	Fiscal Year 2011/12	Fiscal Year 2012/13	Fiscal Year 2013/14	Fiscal Year 2014/15
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 2,272	\$ 2,330	\$ 2,290	\$ 2,317
A.V. Tax	426	487	429	508
Interest	110	70	72	85
Rate Stabilization Fund ⁽²⁾	-	-	-	-
Subtotal	<u>2,808</u>	<u>2,887</u>	<u>2,791</u>	<u>2,910</u>
CIF Pledged for Debt ⁽³⁾	14	14	4	3
Total Revenue for Senior Calculation	<u>2,822</u>	<u>2,901</u>	<u>2,795</u>	<u>2,913</u>
CIF Connection Fee Revenue ⁽³⁾	104	135	195	164
Total Revenue for Subordinate Calculation	<u>2,912</u>	<u>3,022</u>	<u>2,986</u>	<u>3,074</u>
EXPENSES⁽⁴⁾				
Total O&M	1,778	1,795	1,867	1,823
Rate Stabilization Fund ⁽⁵⁾	435	535	398	565
Total	<u>2,213</u>	<u>2,330</u>	<u>2,265</u>	<u>2,388</u>
DEBT SERVICE PAYMENTS				
Senior				
State Loans	209	176	136	128
Revenue Bonds	<u>278</u>	<u>276</u>	<u>276</u>	<u>274</u>
Total Senior Debt Payments	487	452	412	402
Subordinate				
State Loans	26	29	37	33
Revenue Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Subordinate Debt Payments	26	29	37	33
Total Debt Service	513	481	449	435
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	1.20	1.20	1.20	1.22
<u>SUBORDINATE</u>	<u>1.36</u>	<u>1.44</u>	<u>1.61</u>	<u>1.58</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. 18	Fiscal Year 2011/12	Fiscal Year 2012/13	Fiscal Year 2013/14	Fiscal Year 2014/15
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 23,188	\$ 23,941	\$ 22,612	\$ 23,607
A.V. Tax	2,784	3,970	3,358	3,905
Interest	575	398	397	487
Rate Stabilization Fund ⁽²⁾	-	-	309	-
Subtotal	<u>26,547</u>	<u>28,309</u>	<u>26,676</u>	<u>27,999</u>
CIF Pledged for Debt ⁽³⁾	128	125	33	33
Total Revenue for Senior Calculation	26,675	28,434	26,709	28,032
CIF Connection Fee Revenue ⁽³⁾	1,100	1,452	2,113	1,626
Total Revenue for Subordinate Calculation	27,647	29,761	28,789	29,625
EXPENSES⁽⁴⁾				
Total O&M	17,713	17,748	18,574	18,041
Rate Stabilization Fund ⁽⁵⁾	70	3,094	-	1,392
Total	<u>17,783</u>	<u>20,842</u>	<u>18,574</u>	<u>19,433</u>
DEBT SERVICE PAYMENTS				
Senior				
State Loans	1,659	1,607	1,266	1,205
Revenue Bonds	1,908	1,893	1,892	1,877
Total Senior Debt Payments	<u>3,567</u>	<u>3,500</u>	<u>3,158</u>	<u>3,082</u>
Subordinate				
State Loans	241	266	350	311
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>241</u>	<u>266</u>	<u>350</u>	<u>311</u>
Total Debt Service	3,808	3,766	3,508	3,393
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	2.43	2.09	2.47	2.69
<u>SUBORDINATE</u>	<u>2.59</u>	<u>2.37</u>	<u>2.91</u>	<u>3.00</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. 19	Fiscal Year 2011/12	Fiscal Year 2012/13	Fiscal Year 2013/14	Fiscal Year 2014/15
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 6,414	\$ 6,370	\$ 5,786	\$ 6,438
A.V. Tax	1,023	1,404	1,043	1,316
Interest	209	142	140	170
Rate Stabilization Fund ⁽²⁾	-	-	227	-
Subtotal	<u>7,646</u>	<u>7,916</u>	<u>7,196</u>	<u>7,924</u>
CIF Pledged for Debt ⁽³⁾	<u>35</u>	<u>36</u>	<u>9</u>	<u>9</u>
Total Revenue for Senior Calculation	7,681	7,952	7,205	7,933
CIF Connection Fee Revenue ⁽³⁾	<u>285</u>	<u>375</u>	<u>621</u>	<u>454</u>
Total Revenue for Subordinate Calculation	7,931	8,291	7,817	8,378
EXPENSES⁽⁴⁾				
Total O&M	5,016	4,759	5,021	4,970
Rate Stabilization Fund ⁽⁵⁾	<u>637</u>	<u>880</u>	<u>-</u>	<u>756</u>
Total	5,653	5,639	5,021	5,726
DEBT SERVICE PAYMENTS				
Senior				
State Loans	455	454	355	343
Revenue Bonds	<u>615</u>	<u>610</u>	<u>610</u>	<u>605</u>
Total Senior Debt Payments	1,070	1,064	965	948
Subordinate				
State Loans	66	75	98	88
Revenue Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Subordinate Debt Payments	66	75	98	88
Total Debt Service	1,136	1,139	1,063	1,036
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	1.83	2.10	2.16	2.24
<u>SUBORDINATE</u>	<u>2.01</u>	<u>2.33</u>	<u>2.63</u>	<u>2.56</u>

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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. 21	Fiscal Year 2011/12	Fiscal Year 2012/13	Fiscal Year 2013/14	Fiscal Year 2014/15
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 26,912	\$ 28,248	\$ 27,280	\$ 33,897
A.V. Tax	3,332	4,065	3,313	4,317
Interest	847	573	563	709
Rate Stabilization Fund ⁽²⁾	-	-	266	-
Subtotal	<u>31,091</u>	<u>32,886</u>	<u>31,422</u>	<u>38,923</u>
CIF Pledged for Debt ⁽³⁾	<u>155</u>	<u>153</u>	<u>40</u>	<u>40</u>
Total Revenue for Senior Calculation	31,246	33,039	31,462	38,963
CIF Connection Fee Revenue ⁽³⁾	<u>1,325</u>	<u>1,910</u>	<u>2,527</u>	<u>2,285</u>
Total Revenue for Subordinate Calculation	32,416	34,796	33,949	41,208
EXPENSES⁽⁴⁾				
Total O&M	20,953	20,648	22,195	21,428
Rate Stabilization Fund ⁽⁵⁾	<u>1,286</u>	<u>3,945</u>	<u>-</u>	<u>6,072</u>
Total	22,239	24,593	22,195	27,500
DEBT SERVICE PAYMENTS				
Senior				
State Loans	2,013	1,966	1,529	1,465
Revenue Bonds	<u>2,057</u>	<u>2,042</u>	<u>2,041</u>	<u>2,024</u>
Total Senior Debt Payments	4,070	4,008	3,570	3,489
Subordinate				
State Loans	293	326	423	378
Revenue Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Subordinate Debt Payments	293	326	423	378
Total Debt Service	4,363	4,334	3,993	3,867
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	2.14	2.03	2.48	3.18
SUBORDINATE	<u>2.33</u>	<u>2.35</u>	<u>2.94</u>	<u>3.54</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.

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

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COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

DISTRICTS' HISTORICAL OPERATING DATA (\$000)

District No. 22	Fiscal Year 2011/12	Fiscal Year 2012/13	Fiscal Year 2013/14	Fiscal Year 2014/15
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 23,096	\$ 23,658	\$ 22,680	\$ 23,169
A.V. Tax	2,783	4,231	2,986	3,694
Interest	726	469	501	601
Rate Stabilization Fund ⁽²⁾	-	-	-	-
Subtotal	<u>26,605</u>	<u>28,358</u>	<u>26,167</u>	<u>27,464</u>
CIF Pledged for Debt ⁽³⁾	128	130	34	33
Total Revenue for Senior Calculation	26,733	28,488	26,201	27,497
CIF Connection Fee Revenue ⁽³⁾	1,356	1,525	2,727	2,013
Total Revenue for Subordinate Calculation	27,961	29,883	28,894	29,477
EXPENSES⁽⁴⁾				
Total O&M	17,559	17,731	18,988	17,796
Rate Stabilization Fund ⁽⁵⁾	2,239	4,297	10	789
Total	<u>19,798</u>	<u>22,028</u>	<u>18,998</u>	<u>18,585</u>
DEBT SERVICE PAYMENTS				
Senior				
State Loans	1,663	1,672	1,297	1,199
Revenue Bonds	1,780	1,767	1,766	1,751
Total Senior Debt Payments	<u>3,443</u>	<u>3,439</u>	<u>3,063</u>	<u>2,950</u>
Subordinate				
State Loans	242	277	359	309
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>242</u>	<u>277</u>	<u>359</u>	<u>309</u>
Total Debt Service	3,685	3,716	3,422	3,259
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	1.94	1.80	2.23	2.92
<u>SUBORDINATE</u>	<u>2.22</u>	<u>2.11</u>	<u>2.89</u>	<u>3.34</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.

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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. 23	Fiscal Year 2011/12	Fiscal Year 2012/13	Fiscal Year 2013/14	Fiscal Year 2014/15
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 4,196	\$ 3,889	\$ 3,500	\$ 3,864
A.V. Tax	309	367	306	459
Interest	201	125	107	150
Rate Stabilization Fund ⁽²⁾	-	-	120	-
Subtotal	<u>4,706</u>	<u>4,381</u>	<u>4,033</u>	<u>4,473</u>
CIF Pledged for Debt ⁽³⁾	19	19	5	4
Total Revenue for Senior Calculation	<u>4,725</u>	<u>4,400</u>	<u>4,038</u>	<u>4,477</u>
CIF Connection Fee Revenue ⁽³⁾	142	170	260	189
Total Revenue for Subordinate Calculation	<u>4,848</u>	<u>4,551</u>	<u>4,293</u>	<u>4,662</u>
EXPENSES⁽⁴⁾				
Total O&M	3,340	3,236	3,319	3,107
Rate Stabilization Fund ⁽⁵⁾	600	390	-	670
Total	<u>3,940</u>	<u>3,626</u>	<u>3,319</u>	<u>3,777</u>
DEBT SERVICE PAYMENTS				
Senior				
State Loans	247	241	185	156
Revenue Bonds	376	373	373	370
Total Senior Debt Payments	<u>623</u>	<u>614</u>	<u>558</u>	<u>526</u>
Subordinate				
State Loans	36	39	51	40
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>36</u>	<u>39</u>	<u>51</u>	<u>40</u>
Total Debt Service	659	653	609	566
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	1.20	1.20	1.20	1.25
<u>SUBORDINATE</u>	<u>1.38</u>	<u>1.42</u>	<u>1.60</u>	<u>1.56</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)

District No. 28	Fiscal Year 2011/12	Fiscal Year 2012/13	Fiscal Year 2013/14	Fiscal Year 2014/15
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 1,057	\$ 1,069	\$ 1,036	\$ 1,062
A.V. Tax	490	554	498	582
Interest	61	40	40	58
Rate Stabilization Fund ⁽²⁾	-	-	-	-
Subtotal	<u>1,608</u>	<u>1,663</u>	<u>1,574</u>	<u>1,702</u>
CIF Pledged for Debt ⁽³⁾	<u>4</u>	<u>4</u>	<u>1</u>	<u>1</u>
Total Revenue for Senior Calculation	1,612	1,667	1,575	1,703
CIF Connection Fee Revenue ⁽³⁾	<u>33</u>	<u>39</u>	<u>64</u>	<u>56</u>
Total Revenue for Subordinate Calculation	1,641	1,702	1,638	1,758
EXPENSES⁽⁴⁾				
Total O&M	520	539	590	591
Rate Stabilization Fund ⁽⁵⁾	<u>465</u>	<u>500</u>	<u>368</u>	<u>490</u>
Total	985	1,039	958	1,081
DEBT SERVICE PAYMENTS				
Senior				
State Loans	417	419	408	407
Revenue Bonds	<u>99</u>	<u>97</u>	<u>98</u>	<u>97</u>
Total Senior Debt Payments	516	516	506	504
Subordinate				
State Loans	7	9	12	10
Revenue Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Subordinate Debt Payments	7	9	12	10
Total Debt Service	523	525	518	514
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	1.20	1.20	1.20	1.21
<u>SUBORDINATE</u>	<u>1.25</u>	<u>1.26</u>	<u>1.31</u>	<u>1.32</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 2011/12	Fiscal Year 2012/13	Fiscal Year 2013/14	Fiscal Year 2014/15
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 1,966	\$ 2,005	\$ 1,945	\$ 2,007
A.V. Tax	87	147	83	114
Interest	39	23	32	45
Rate Stabilization Fund ⁽²⁾	-	277	-	-
Subtotal	<u>2,092</u>	<u>2,452</u>	<u>2,060</u>	<u>2,166</u>
CIF Pledged for Debt ⁽³⁾	<u>5</u>	<u>5</u>	<u>1</u>	<u>1</u>
Total Revenue for Senior Calculation	2,097	2,457	2,061	2,167
CIF Connection Fee Revenue ⁽³⁾	<u>46</u>	<u>74</u>	<u>68</u>	<u>75</u>
Total Revenue for Subordinate Calculation	2,138	2,526	2,128	2,241
EXPENSES⁽⁴⁾				
Total O&M	1,052	1,097	1,156	1,108
Rate Stabilization Fund ⁽⁵⁾	<u>248</u>	<u>-</u>	<u>737</u>	<u>885</u>
Total	1,300	1,097	1,893	1,993
DEBT SERVICE PAYMENTS				
Senior				
State Loans	66	68	51	49
Revenue Bonds	<u>31</u>	<u>31</u>	<u>30</u>	<u>30</u>
Total Senior Debt Payments	97	99	81	79
Subordinate				
State Loans	9	11	71	71
Revenue Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Subordinate Debt Payments	9	11	71	71
Total Debt Service	106	110	152	150
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	8.12	13.63	1.20	1.30
SUBORDINATE	<u>7.91</u>	<u>12.99</u>	<u>1.55</u>	<u>1.65</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 2011/12</u>	<u>Fiscal Year 2012/13</u>	<u>Fiscal Year 2013/14</u>	<u>Fiscal Year 2014/15</u>
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 6,894	\$ 7,180	\$ 7,022	\$ 6,926
A.V. Tax	3,892	4,381	3,903	4,679
Interest	350	245	251	313
Rate Stabilization Fund ⁽²⁾	-	-	-	-
Subtotal	<u>11,136</u>	<u>11,806</u>	<u>11,176</u>	<u>11,918</u>
CIF Pledged for Debt ⁽³⁾	<u>47</u>	<u>47</u>	<u>12</u>	<u>12</u>
Total Revenue for Senior Calculation	11,183	11,853	11,188	11,930
CIF Connection Fee Revenue ⁽³⁾	<u>352</u>	<u>478</u>	<u>638</u>	<u>606</u>
Total Revenue for Subordinate Calculation	11,488	12,284	11,814	12,524
EXPENSES⁽⁴⁾				
Total O&M	6,923	7,019	7,480	7,422
Rate Stabilization Fund ⁽⁵⁾	<u>2,109</u>	<u>2,101</u>	<u>358</u>	<u>1,292</u>
Total	9,032	9,120	7,838	8,714
DEBT SERVICE PAYMENTS				
Senior				
State Loans	608	606	476	459
Revenue Bonds	<u>951</u>	<u>944</u>	<u>943</u>	<u>935</u>
Total Senior Debt Payments	1,559	1,550	1,419	1,394
Subordinate				
State Loans	88	100	132	119
Revenue Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Subordinate Debt Payments	88	100	132	119
Total Debt Service	1,647	1,650	1,551	1,513
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	1.32	1.70	2.27	2.22
<u>SUBORDINATE</u>	<u>1.49</u>	<u>1.92</u>	<u>2.56</u>	<u>2.52</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. 4	Fiscal Year 2011/12	Fiscal Year 2012/13	Fiscal Year 2013/14	Fiscal Year 2014/15
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 3,556	\$ 3,813	\$ 3,734	\$ 3,729
A.V. Tax	405	474	409	503
Interest	360	253	277	369
Rate Stabilization Fund ⁽²⁾	-	-	-	-
Subtotal	<u>4,321</u>	<u>4,540</u>	<u>4,420</u>	<u>4,601</u>
CIF Pledged for Debt ⁽³⁾	-	-	-	-
Total Revenue for Senior Calculation	4,321	4,540	4,420	4,601
CIF Connection Fee Revenue ⁽³⁾	455	71	301	1,034
Total Revenue for Subordinate Calculation	<u>4,776</u>	<u>4,611</u>	<u>4,721</u>	<u>5,635</u>
EXPENSES⁽⁴⁾				
Total O&M	1,338	1,034	1,507	1,467
Rate Stabilization Fund ⁽⁵⁾	<u>1,678</u>	<u>2,320</u>	<u>1,364</u>	<u>1,277</u>
Total	3,016	3,354	2,871	2,744
DEBT SERVICE PAYMENTS				
Senior				
State Loans	-	-	-	-
Revenue Bonds	<u>329</u>	<u>327</u>	<u>327</u>	<u>325</u>
Total Senior Debt Payments	329	327	327	325
Subordinate				
State Loans	-	-	-	-
Revenue Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Subordinate Debt Payments	-	-	-	-
Total Debt Service	329	327	327	325
DEBT SERVICE COVERAGE:				
SENIOR	3.97	3.63	4.74	5.71

⁽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 2011/12	Fiscal Year 2012/13	Fiscal Year 2013/14	Fiscal Year 2014/15
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 83	87	67	87
A.V. Tax	78	87	73	88
Interest	30	30	39	49
Rate Stabilization Fund ⁽²⁾	-	-	-	-
Subtotal	<u>191</u>	<u>204</u>	<u>179</u>	<u>224</u>
CIF Pledged for Debt ⁽³⁾	-	-	-	-
Total Revenue for Senior Calculation	<u>191</u>	<u>204</u>	<u>179</u>	<u>224</u>
CIF Connection Fee Revenue ⁽³⁾	-	-	6	3
Total Revenue for Subordinate Calculation	<u>191</u>	<u>204</u>	<u>185</u>	<u>227</u>
EXPENSES⁽⁴⁾				
Total O&M	96	69	87	133
Rate Stabilization Fund ⁽⁵⁾	40	80	38	37
Total	<u>136</u>	<u>149</u>	<u>125</u>	<u>170</u>
DEBT SERVICE PAYMENTS				
Senior				
State Loans	-	-	-	-
Revenue Bonds	<u>46</u>	<u>46</u>	<u>45</u>	<u>45</u>
Total Senior Debt Payments	<u>46</u>	<u>46</u>	<u>45</u>	<u>45</u>
Subordinate				
State Loans	-	-	-	-
Revenue Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Subordinate Debt Payments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Debt Service	<u>46</u>	<u>46</u>	<u>45</u>	<u>45</u>
DEBT SERVICE COVERAGE:				
SENIOR	1.20	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.

⁽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. 14	Fiscal Year 2011/12	Fiscal Year 2012/13	Fiscal Year 2013/14	Fiscal Year 2014/15
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 26,330	\$ 32,491	\$ 35,054	\$ 36,216
A.V. Tax	911	991	812	1,139
Interest	471	249	261	354
Rate Stabilization Fund ⁽²⁾	1,380	-	-	-
Subtotal	<u>29,092</u>	<u>33,731</u>	<u>36,127</u>	<u>37,709</u>
CIF Pledged for Debt ⁽³⁾	5,320	6,155	3,488	3,488
Total Revenue for Senior Calculation	<u>34,412</u>	<u>39,886</u>	<u>39,615</u>	<u>41,197</u>
CIF Connection Fee Revenue ⁽³⁾	710	2,160	996	806
Total Revenue for Subordinate Calculation	<u>29,802</u>	<u>35,891</u>	<u>37,123</u>	<u>38,515</u>
EXPENSES⁽⁴⁾				
Total O&M	9,420	10,714	12,279	12,654
Rate Stabilization Fund ⁽⁵⁾	-	2,697	4,650	5,750
Total	<u>9,420</u>	<u>13,411</u>	<u>16,929</u>	<u>18,404</u>
DEBT SERVICE PAYMENTS				
Senior				
State Loans	-	-	-	-
Revenue Bonds	468	465	464	464
Total Senior Debt Payments	<u>468</u>	<u>465</u>	<u>464</u>	<u>464</u>
Subordinate				
State Loans	1,937	6,855	6,856	6,752
Revenue Bonds	11,115	11,113	11,110	11,110
Total Subordinate Debt Payments	<u>13,052</u>	<u>17,968</u>	<u>17,966</u>	<u>17,862</u>
Total Debt Service	<u>13,520</u>	<u>18,433</u>	<u>18,430</u>	<u>18,326</u>
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	25.51	18.29	10.17	10.63
SUBORDINATE	1.51	1.22	1.10	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</u> <u>2011/12</u>	<u>Fiscal Year</u> <u>2012/13</u>	<u>Fiscal Year</u> <u>2013/14</u>	<u>Fiscal Year</u> <u>2014/15</u>
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 18,298	\$ 21,604	\$ 21,928	\$ 23,238
A.V. Tax	973	1,004	846	1,103
Interest	277	211	168	186
Rate Stabilization Fund ⁽²⁾	-	-	800	
Subtotal	<u>19,548</u>	<u>22,819</u>	<u>23,742</u>	<u>24,527</u>
CIF Pledged for Debt ⁽³⁾	<u>3,832</u>	<u>2,343</u>	<u>3,980</u>	<u>3,960</u>
Total Revenue for Senior Calculation	23,380	25,162	27,722	28,487
CIF Connection Fee Revenue ⁽³⁾	<u>476</u>	<u>1,098</u>	<u>185</u>	<u>674</u>
Total Revenue for Subordinate Calculation	20,024	23,917	23,927	25,201
EXPENSES⁽⁴⁾				
Total O&M	8,855	9,300	10,211	10,405
Rate Stabilization Fund ⁽⁵⁾	<u>1,500</u>	<u>4,980</u>	<u>-</u>	<u>1,025</u>
Total	10,355	14,280	10,211	11,430
DEBT SERVICE PAYMENTS				
Senior				
State Loans	-	-	-	-
Revenue Bonds	<u>389</u>	<u>387</u>	<u>386</u>	<u>384</u>
Total Senior Debt Payments	389	387	386	384
Subordinate				
State Loans	-	-	3,749	3,749
Revenue Bonds	<u>8,391</u>	<u>8,392</u>	<u>8,389</u>	<u>8,391</u>
Total Subordinate Debt Payments	8,391	8,392	12,138	12,140
Total Debt Service	8,780	8,779	12,524	12,524
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	11.91	6.43	13.92	12.80
SUBORDINATE	1.10	1.10	1.10	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)

District No. 27	Fiscal Year 2011/12	Fiscal Year 2012/13	Fiscal Year 2013/14	Fiscal Year 2014/15
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 1	\$ 2	\$ 1	\$ 1
A.V. Tax	252	288	255	305
Interest	18	5	2	3
Rate Stabilization Fund ⁽²⁾	-	843	-	-
Subtotal	<u>271</u>	<u>1,138</u>	<u>258</u>	<u>309</u>
CIF Pledged for Debt ⁽³⁾	-	-	-	-
Total Revenue for Senior Calculation	<u>271</u>	<u>1,138</u>	<u>258</u>	<u>309</u>
CIF Connection Fee Revenue ⁽³⁾	-	-	-	-
Total Revenue for Subordinate Calculation	<u>271</u>	<u>1,138</u>	<u>258</u>	<u>309</u>
EXPENSES⁽⁴⁾				
Total O&M	154	108	74	80
Rate Stabilization Fund ⁽⁵⁾	40	-	44	124
Total	<u>194</u>	<u>108</u>	<u>118</u>	<u>204</u>
DEBT SERVICE PAYMENTS				
Senior				
State Loans	-	-	-	-
Revenue Bonds	<u>64</u>	<u>64</u>	<u>64</u>	<u>63</u>
Total Senior Debt Payments	64	64	64	63
Subordinate				
State Loans	-	-	-	-
Revenue Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Subordinate Debt Payments	-	-	-	-
Total Debt Service	64	64	64	63
DEBT SERVICE COVERAGE:				
SENIOR	1.20	16.09	2.19	1.67

⁽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.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

DISTRICTS' HISTORICAL OPERATING DATA (\$000)

<u>Santa Clarita Valley</u>	<u>Fiscal Year 2011/12</u>	<u>Fiscal Year 2012/13</u>	<u>Fiscal Year 2013/14</u>	<u>Fiscal Year 2014/15</u>
REVENUE SOURCES				
Operating Revenues ⁽¹⁾	\$ 22,245	\$ 23,615	\$ 25,103	\$ 26,789
A.V. Tax	5,655	6,182	5,208	6,347
Interest	1,107	644	611	811
Rate Stabilization Fund ⁽²⁾	-	-	-	-
Subtotal	<u>29,007</u>	<u>30,441</u>	<u>30,922</u>	<u>33,947</u>
CIF Pledged for Debt ⁽³⁾	<u>4,753</u>	<u>4,737</u>	<u>4,737</u>	<u>4,721</u>
Total Revenue for Senior Calculation	33,760	35,178	35,659	38,668
CIF Connection Fee Revenue ⁽³⁾	<u>2,323</u>	<u>3,712</u>	<u>3,737</u>	<u>5,418</u>
Total Revenue for Subordinate Calculation	31,330	34,153	34,659	39,365
EXPENSES⁽⁴⁾				
Total O&M	19,019	19,466	20,348	20,251
Rate Stabilization Fund ⁽⁵⁾	<u>5,250</u>	<u>5,674</u>	<u>3,086</u>	<u>4,112</u>
Total	24,269	25,140	23,434	24,363
DEBT SERVICE PAYMENTS				
Senior				
State Loans	1,011	1,011	627	627
Revenue Bonds	<u>3,378</u>	<u>3,352</u>	<u>3,349</u>	<u>3,322</u>
Total Senior Debt Payments	4,389	4,363	3,976	3,949
Subordinate				
State Loans	2,014	2,014	2,398	2,660
Revenue Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Subordinate Debt Payments	2,014	2,014	2,398	2,660
Total Debt Service	6,403	6,377	6,374	6,609
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	1.70	1.84	2.47	2.95
<u>SUBORDINATE</u>	1.10	1.41	1.76	2.27

⁽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**

Single Audit Report

For The Fiscal Year Ended June 30, 2015

**COUNTY SANITATION DISTRICTS
OF LOS ANGELES COUNTY**

Single Audit Report

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Boards of Directors
County Sanitation Districts of Los Angeles County:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the County Sanitation Districts of Los Angeles County (Districts) as of and for the fiscal year ended June 30, 2015, and have issued our report thereon dated December 21, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Districts' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Districts' internal control. Accordingly, we do not express an opinion on the effectiveness of the Districts' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Districts' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
December 21, 2015



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Honorable Boards of Directors
County Sanitation Districts of Los Angeles County:

Report on Compliance for Each Major Federal Program

We have audited the County Sanitation Districts of Los Angeles County's (Districts) compliance with the types of compliance requirements described in *the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2015. The Districts' major federal program is identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Districts' major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and *OMB Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Districts' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Districts' compliance.

Opinion on Each Major Federal Program

In our opinion, the Districts complied, in all material respects, with the requirements referred to above that could have a direct and material effect on its major federal program for the fiscal year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Districts is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the Districts' internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Districts' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purposes. This report is intended solely for the information and use of the Districts' Boards and management, the State Controller's Office, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
December 21, 2015

**COUNTY SANITATION DISTRICTS
OF LOS ANGELES COUNTY**

Schedule of Expenditures of Federal Awards

For The Fiscal Year Ended June 30, 2015

Federal Grantor/ Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditure(s)
United States Environmental Protection Agency Pass-through Programs			
Passed-through California State Water Resources Control Board State Water Resources Control Board Capitalization Grants for Clean Water State Revolving Funds	66.458	C-06-7694-110	\$ 4,938,077
State Water Resources Control Board Capitalization Grants for Clean Water State Revolving Funds	66.458	C-06-5892-110	<u>1,399,967</u>
Total United States Environmental Protection Agency Pass- through Programs			<u>6,338,044</u>
Total Expenditures of Federal Awards			<u><u>\$ 6,338,044</u></u>

See accompanying notes to schedule of expenditures of federal awards

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to the Schedule of Expenditures of Federal Awards

For the Fiscal Year Ended June 30, 2015

1. REPORTING ENTITY

The financial reporting entity consists of (a) the primary government, County Sanitation Districts of Los Angeles County (Districts), and (b) entities which include organizations for which the primary government is financially accountable, and other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The consolidated entity of the Districts is:

- The Los Angeles County Sanitation Districts Financing Authority (Authority)

The Authority exists solely to facilitate the issuance of long-term debt. The Authority has no daily operations and does not conduct business on its own behalf. Since the governing body of the Authority is entirely comprised of members of the Districts' Boards and the Authority provides services entirely for the Districts, the Authority's financial activities are consolidated with the Districts for financial reporting purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Districts utilize the accrual method of accounting. The accompanying Schedule of Expenditures of Federal Awards (Schedule) has been prepared accordingly.

Schedule of Expenditures of Federal Awards

The accompanying Schedule presents the activity of all federal financial assistance programs of the Districts. All Federal financial assistance received was passed-through the State of California.

The Schedule was prepared from only the account of the grant program and, therefore, does not present the financial position or results of operations of the Districts.

3. PROGRAM DESCRIPTIONS

U.S. Environmental Protection Agency

Capitalization Grants For Clean Water State Revolving Funds (CFDA No. 66.458)

Capitalization grants are awarded to States to create and maintain Clean Water State Revolving Funds to: (1) enable States to encourage construction of wastewater treatment facilities to meet the enforceable requirements of the Clean Water Act; (2) increase the emphasis on nonpoint source pollution control and protection of estuaries; and (3) establish permanent financing institutions in each State to provide continuing sources of financing to maintain water quality. The Clean Water State Revolving Fund provides loans and other types of financial assistance (but not grants) to qualified communities and local agencies.

**COUNTY SANITATION DISTRICTS
OF LOS ANGELES COUNTY**

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2015

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued	<u>Unmodified</u>		
Internal control over financial reporting:			
Material weakness(es) identified	_____	Yes	_____ <u>X</u> _____ No
Significant deficiency(ies) identified not considered to be material weaknesses	_____	Yes	_____ <u>X</u> _____ None reported
Noncompliance material to financial statements noted	_____	Yes	_____ <u>X</u> _____ No

Federal Awards

Internal control over major programs:			
Material weakness(es) identified	_____	Yes	_____ <u>X</u> _____ No
Significant deficiency(ies) identified not considered to be material weaknesses	_____	Yes	_____ <u>X</u> _____ None reported

Type of auditor’s report issued on compliance for major programs:	<u>Unmodified</u>		
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Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510 (a)	_____	Yes	_____ <u>X</u> _____ No
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Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____ 66.458 _____	_____ Capitalization Grants For State Revolving Funds _____

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 300,000</u>
--	--------------------------

Auditee qualified as low-risk auditee:	_____ <u>X</u> _____ Yes _____ No
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SECTION II – FINDINGS – FINANCIAL STATEMENT AUDIT

None

SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

None

**COUNTY SANITATION DISTRICTS
OF LOS ANGELES COUNTY**

Status of Prior Year's Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2015

**SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM
AUDIT**

There were no federal award findings.



SANITATION DISTRICTS OF LOS ANGELES COUNTY / CALIFORNIA

Converting Waste into Resources