

# SANITATION DISTRICTS OF LOS ANGELES COUNTY CALIFORNIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

*CONVERTING WASTE*



*INTO RESOURCES*

YEAR ENDED  
June 30, 2016

GRACE ROBINSON HYDE  
Chief Engineer & General Manager



# OUR MISSION

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 recycled water, energy, and recycled materials.

## **About the Cover**

The Tulare Lake Compost Facility is the most recent example of the Sanitation Districts' commitment to converting waste into resources. The facility, which opened in January 2016, is a state-of-the-art, 175-acre composting facility located near Kettleman City in Kings County, California. It uses an environmentally friendly process to combine agricultural and green waste from the Central Valley with biosolids from Los Angeles County to create an optimal mixture for composting, which can be used for commercial agriculture, landscaping, and gardening.

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2016

Prepared by the Accounting Section

Mr. Thomas J. Mueller  
Chief Accountant

# COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

Comprehensive Annual Financial Report

June 30, 2016

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# COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

1955 Workman Mill Road, Whittier, CA 90601-1400  
Mailing Address: P.O. Box 4998, Whittier, CA 90607-4998  
Telephone: (562) 699-7411, FAX: (562) 699-5422  
www.lacsd.org

GRACE ROBINSON HYDE  
*Chief Engineer and General Manager*

January 19, 2017

Honorable Boards of Directors  
County Sanitation Districts  
of Los Angeles County

Directors:

In accordance with the 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, 2016. 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, 2016, 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.

## INTRODUCTION

### 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.

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 Joint Administration Agreement 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 1,656 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, 11 wastewater treatment plants, and one biosolids composting facility. Through a Joint Powers Agreement, the Districts participate in the operation of another biosolids composting facility. The Districts currently convey and treat approximately 390 million gallons per day (mgd) of wastewater, which is roughly one half of the total wastewater generated in the County. Approximately 135 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 6,000 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 2017.

The Districts have entered into six Joint Powers Agreements that form 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 22 active districts created the Financing Authority on April 14, 1993. The two inactive districts, District No. 34 and the Newhall Ranch Sanitation District, are not members of the Financing Authority. The Financing Authority exists solely to facilitate the issuance of long-term debt on behalf of the member districts and has no daily operations and does not conduct business on its own behalf. Since the Financing Authority's governing body is comprised of the chairs of the Districts' Boards of Directors and because the Financing Authority provides services only to the Districts, the Financing Authority's financial activities have been consolidated with the Districts' financial activities for financial reporting purposes.

**Budget**

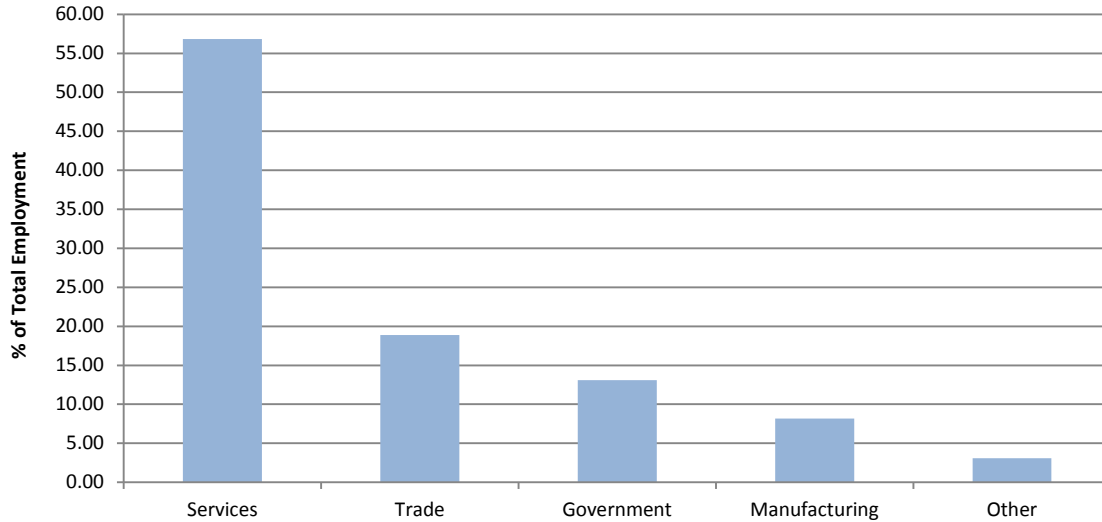
Each district annually adopts a wastewater budget that outlines the major elements of the forthcoming fiscal year's operating and capital programs. From that, management allocates the funds necessary for the next year's specific activities and projects. Additionally, an annual budget is prepared for 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 wastewater and solid waste management budgets for fiscal year 2015-2016 were \$567 million and \$175 million, respectively. Actuals for wastewater and solid waste management were \$513 million and \$155 million, respectively.

**GENERAL FACTORS IMPACTING ECONOMIC CONDITION****Overview of Los Angeles County**

The County's population and economy has been relatively stable in recent years, and a trend of modest growth is expected to continue. Population has decreased slightly (0.8%) since 2007, with forecasts by the California Department of Finance showing an expected population increase of 4.4% by 2025. Per capita personal income has increased 45% during the past 10 years. A table showing more economic indicators is located on page 100 of the Statistical Section.

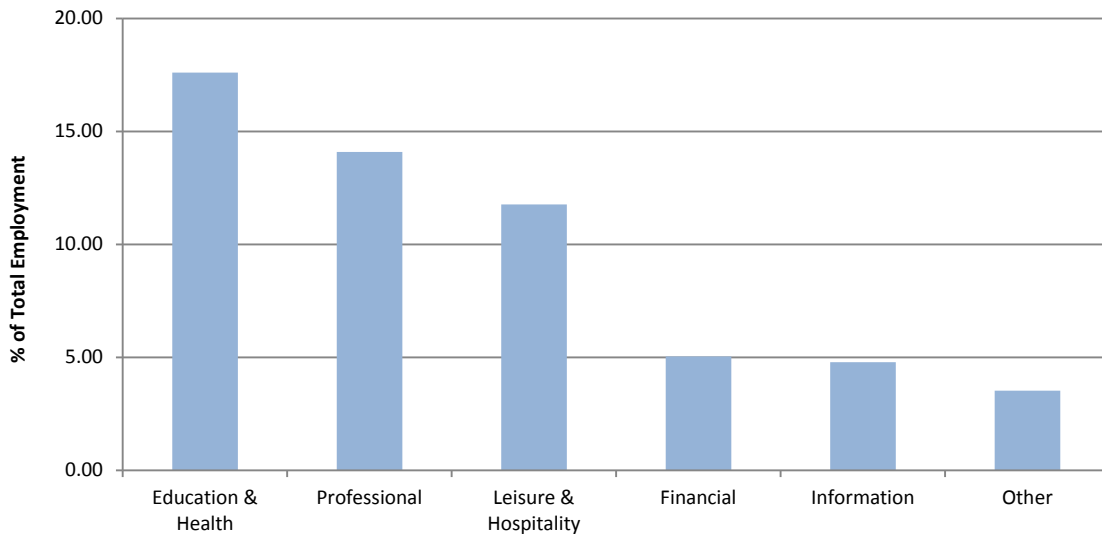
Historically, the job market in Los Angeles has been very diverse, with no one sector being dominant. However, as seen in Figure 1, that is no longer the case, as now more than half the jobs in Los Angeles County fall within the broad category of "Services." Figure 2 provides a breakdown of the services into focused groups within that sector. During fiscal year 2015-2016, the unemployment rate dropped from 6.9% at the beginning of the year to 5.2% by year's end. This translates to more than 126,000 new jobs, an increase of 2.7% over the preceding year. However, the majority of this growth was concentrated in the services sector, with the most significant increases being seen in education and health and leisure and hospitality. According to the Los Angeles County Economic Development Corporation, construction, professional and business services, educational and health services, and leisure and hospitality will see the most job growth over the next few years.

**Figure 1**  
**L.A. County Economic Employment Sectors**  
**2016**



Source: U.S. Department of Labor, Bureau of Labor Statistics

**Figure 2**  
**L.A. County Service Employment Sectors**  
**2016**



Source: U.S. Department of Labor, Bureau of Labor Statistics

**Water Conservation and Wastewater Flows**

California's water supply continues to be a concern due to projected population increases and frequent periods of time with low precipitation levels. Both the Governor's Office and the State Water Resources Control Board have issued orders requiring significant reductions in potable water use throughout the State of California. Residents and businesses have responded by continuing or increasing their water conservation efforts, not only with landscape irrigation, but with indoor water uses as well.

Reduction of indoor water use means that less wastewater is produced and, thus, less wastewater is going into the sewer system. With this decrease, less recycled water is available for beneficial reuse applications at a time when there is increased interest in new recycled water projects. The Districts are evaluating ways to manage flows that take into consideration this new reality while maintaining our commitment to the recycled water program. This trend has significantly impacted all of the Districts' water reclamation plants (WRPs) in the Joint Outfall System, which have seen a nearly 40% decrease in recycled water production from a peak of 161.5 mgd in 2001 to 97.5 mgd in 2015. Beneficial use of the recycled water supply, on the other hand, has increased overall almost 32%, from 56.1 mgd in 2001 to a peak of 74.0 mgd in 2013.

## **OPERATIONAL UNDERTAKINGS AND CAPITAL PROJECTS**

### **Wastewater**

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 possible for the Districts to 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 (construction to begin in 2017) and cathodic protection of the existing ocean outfalls (already complete). 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 and is expected to cost approximately \$700 million (in 2016 dollars).

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, under Districts' ownership, that would offer the Districts long-term reliability 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 and started up in early 2016. The Phase I project, with a construction cost of \$67 million, provides facilities with a capacity to compost approximately 100,000 wet tons of biosolids and 80,000 wet tons of bulking agent annually. The facility is "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 produces 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. Startup of Phase I is ongoing, and the facility is ramping up to a throughput of approximately 40,000 wet tons per year, about 8% of the biosolids produced by the Districts' wastewater treatment facilities, as an initial operating tonnage to establish stable operations, identify the cost of operation, and work to attract local organic material to compost to maximize the economy of the operation and become an asset to the local area. 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. Unfortunately, due to a legal dispute that has arisen with the current lessee of the Districts' farmland adjacent to the compost facility, the permitting process to apply compost to the

farmland has not yet been completed and compost being produced at the facility is currently being utilized offsite.

In October 2014, the Districts' Board approved a plan for the construction of a flow equalization project at the San Jose Creek WRP that will enhance the treatment process and provide for more reliable operations at higher wastewater flows. Treating higher flows at the San Jose Creek WRP will also make more effluent available for reuse. The project will cost approximately \$50 million. The Districts will be applying for funding through State Revolving Fund (SRF) loans and have already secured approximately \$3 million in Proposition 84 grant funding. Construction of the project will 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 majority of the recycled water is used for irrigation of fodder crops; however, the Districts have been working with the two cities to expand their municipal reuse programs. There are now 36 municipal sites permitted to use recycled water in Lancaster and 13 in Palmdale.

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. The Districts prepared a Facilities Plan and Environmental Impact Report to comply with the 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. 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 is being sought, and \$7.5 million in Proposition 84 funding for the ultra-violet light disinfection portion has already been secured. 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 (SEIR) was prepared evaluating brine concentration technology with limited truck disposal to an existing industrial site. The SEIR was certified in March 2016. Design had begun on the Project and was scheduled for completion in 2017. Unfortunately, following legal challenges to the 2013 EIR and 2016 SEIR documents, the Court ruled that additional environmental analysis of potential impacts associated with reduction of river discharge to support water recycling on an endangered fish must be performed. The court found no deficiencies in the analysis of the chloride-removal facilities, but nevertheless halted work on the Project until the additional environmental analysis can be performed. This additional analysis is expected to be complete by summer 2017.

### **Solid Waste**

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 a 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 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 is expected to be complete in 2017.

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 2016. 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 28, 2016, the Districts executed an amendment to its Municipal Solid Waste Management Agreement with Orange County to serve the disposal needs of the Districts' materials recovery/transfer facilities for the next nine years. The Districts are evaluating interim uses of the intermodal facilities to enhance revenue.

The Districts were among the first in the nation 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 Spadra Landfill Gas-to-Energy Facility, which started operations in 1991, was shut down permanently on October 1, 2015, because it was no longer economical to operate. At this time, there are no other commercially available energy recovery systems to cost-effectively re-use the landfill gas.

The Districts sell their electrical output from the Puente Hills Landfill Gas-to-Energy Facility to Southern California Edison (SCE) under a 30-year Qualifying Facility (QF) contract executed when the facility was constructed in 1986. The QF contract expired 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 the next 10 years.

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.

The Commerce Refuse-to-Energy Facility's 30-year power purchase agreement with SCE expired on December 31, 2016. The contract provided very favorable power pricing and, when it ended, the Facility will have to sell its power at market rates, and power revenue will decline significantly. There is some uncertainty whether the Facility will continue to be cost effective to operate over the long term selling power at market rates. But current revenue projections show that the Facility can operate cost-effectively through fiscal year 2016-2017 because of better plant performance, increased tipping fees, and cost cutting in operation and maintenance. The cost-effectiveness of continuing operation beyond 2017 will be re-evaluated on an ongoing basis.

## **MAJOR INITIATIVES AND LEGISLATIVE MANDATES**

### **Wastewater**

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 2015-2016, the Districts supplied an average of 90 million gallons per day of recycled water to more than 850 reuse sites.

Furthermore, efforts to implement new projects are underway to expand the recharge of groundwater basins in the eastern and northern areas of the County with recycled water. In late 2015, the Districts and the Metropolitan Water District (MWD) entered into an agreement to develop a potential regional recycled water program with the goal of producing up to 150 mgd (168,000 acre feet per year) of advanced treated water from the Districts' JWPCP for groundwater recharge. MWD would potentially build a new purification plant adjacent to JWPCP and approximately 30 miles of distribution lines to replenish groundwater basins in Los Angeles and Orange counties. Design of a 0.5 mgd demonstration plant and feasibility studies are currently underway.

The Districts have also 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 basin. In addition, the Districts continue to work with the Upper San Gabriel Valley Municipal Water District on plans to use recycled water for replenishment of the Main San Gabriel groundwater basin, and have started working with the Palmdale Water District on a project to recharge groundwater with recycled water in the Antelope Valley.

### **Stormwater**

During 2015, in accordance with direction from the Districts' Boards of Directors, and since many of the cities served by the Districts would benefit from technical assistance from the Districts in meeting the requirements of the Los Angeles Regional Water Quality Control Board municipal stormwater permit, the Districts sponsored new legislation, SB 485, authored by Senator Ed Hernandez, to give the 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, affords the 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 Districts will provide these

services to cities on a case-by-case, reimbursable basis. During fiscal year 2015-2016, the Districts initiated the first project under the new authority with the City of Carson.

### **Solid Waste**

In 2014, 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. Phase 1 of the law became effective April 1, 2016, and initially targets businesses that generate eight or more cubic yards of organic waste per week. It 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 to produce electricity or as a clean vehicle fuel. The Districts have also partnered with Los Angeles County on a pilot food waste recycling project serving unincorporated areas of the County. County franchise haulers collect food waste from businesses such as restaurants and grocery stores and deliver it to the Districts' Puente Hills MRF for recycling.

### **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 2015-2016, the Districts received approximately \$8.9 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 post-closure 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 wastewater reserves. The targeted wastewater reserves for each 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.

## **RATES**

### **Wastewater**

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.

In February 2015, the Financing Authority, on behalf of District No. 14, authorized the issuance of the Capital Projects Revenue Bonds, 2015 Series A, in order to refund the then-outstanding Capital Projects Revenue Bonds, 2005 Series B. The bonds were priced in June 2015, with a final closing date of July 8, 2015. The refunding 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. 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 continue to monitor the financial markets 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. Based on the continued low-interest-rate environment and the possibility that interest rates will rise over the next year, District No. 20's Board decided to move forward with refunding its existing debt in June 2016 and completed the process in November 2016 with the issuance of the Capital Projects Revenue Bonds, 2016 Series A.

### **Solid Waste**

Solid waste disposal rates are set based on costs of operating and maintaining each solid waste facility. In February 2016, rates at the Districts-owned facilities (Puente Hills Material Recovery Facility, Downey Area Recycling and Transfer, and South Gate Transfer Station) were increased to account for higher operating costs. In April 2016, the Districts approved an amendment to the disposal agreement with Orange County to extend the term for nine more years for disposal of waste transferred from our two MRFs and transfer station to Orange County's landfills. Rates at these three facilities were subsequently increased on July 1, 2016, to adjust for higher costs under the amended agreement. A rate increase at Calabasas Landfill was approved by Los Angeles County in January 2016 and became effective in March 2016. No rate increase was needed for Scholl Canyon Landfill during the fiscal year.

## **AWARDS AND ACKNOWLEDGEMENTS**

### **Peer Recognition**

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 2015, the Districts received Platinum Awards for the JWPCP, Los Coyotes WRP, and Saugus WRP; Gold Awards for the Lancaster WRP, Palmdale WRP, and Pomona WRP; and Silver Awards for the La Canada WRP, Long Beach WRP, San Jose Creek WRP (East and West), Valencia WRP, and Whittier Narrows WRP.

The Districts' "Waste Not, Want Not – Recycling Food Waste at a Wastewater Treatment Plant" project was awarded the Grand Prize in the Operations/Management category of the 2016 Excellence in Environmental Engineering and Science Competition by the American Academy of Environmental Engineers and Scientists. This food waste project was implemented in partnership with USA Waste of California (Waste Management), in which source-separated food waste is collected, processed, and delivered by Waste Management to an anaerobic digester at the JWPCP. Excess capacity in the digester is now being used to co-digest up to 61 tons per day of food waste with wastewater biosolids. This project was also awarded Municipal Project of the Year by the American Biogas Council for its innovation and positive example of public-private partnership.

In 2016, the Districts received the Award of Excellence from the California Association of Sanitation Agencies (CASA) for the construction of the Tulare Lake Compost Facility. This project earned the Outstanding Capital Project from CASA's Award of Excellence Program.

The Districts were among 61 utilities recognized for exceptional performance in the inaugural Utility of the Future Today Recognition Program by the National Association of Clean Water Agencies, the Water Environment Federation, and the Water Environment & Reuse Foundation, with input from the U.S. Environmental Protection Agency, in 2016. The program recognizes agencies that show success in innovative and sustainable utility management practices.

### **Certificate of Achievement**

The Districts' CAFR for the fiscal year ended June 30, 2016, 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 32 consecutive years and have submitted this year's CAFR for consideration as well.


### **Acknowledgments**

In submitting this 2015-2016 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, 2016

<u>City</u>	<u>District(s)</u>	<u>Director/Mayor<sup>1/</sup></u> <u>(2<sup>ND</sup> Director/Councilmembers)</u>	<u>Alternate Director<sup>2/</sup></u> <u>(Councilmember/Surpervisor)</u>
Alhambra	2-16	Barbara Messina	Steven Placido
Arcadia	15-22	Tom Beck	Roger Chandler
Artesia	2-18-19	Victor Manalo	Ali Sajjad Taj
Azusa	22	Joseph R. Rocha	Edward J. Alvarez
Baldwin Park	15-22	Manuel Lozano	Cruz Baca
Bell	1-2	Alicia Romero	Ali Saleh
Bell Gardens	2	Jennifer Rodriguez	Pedro Aceituno
Bellflower	2-3-18	Dan Koops	Ron Schnablegger
Beverly Hills	4	John Mirisch	Nancy Krasne
Bradbury	15-22	Richard T. Hale	Richard G. Barakat
Carson	8	Albert Robles	Elito Santarina
Cerritos	2-3-18-19	George Ray	Carol Chen
Claremont	21	Sam Pedroza (Resigned)	Corey Calaycay
Commerce (City of)	2	Ivan Altamirano	Lilia Leon
Compton	1-2-8	Aja Brown	Janna Zurita
Covina	22	Kevin Stapleton	Jorge Marquez
Cudahy	1	Baru Sanchez	- - -vacant- - -
Culver City	5	Jim B. Clarke	Jeffrey Cooper
Diamond Bar	21	Nancy Lyons	Steve Tye
Downey	2-18	Alex Saab	Fernando Vasquez
Duarte	15-22	Samuel Kang	Margaret Finlay
El Monte	15	Andre Quintero	Victoria Martinez
El Segundo	SBC-5	Suzanne Fuentes	- - -vacant- - -
Gardena	5	- - -vacant- - -	Dan Medina
Glendora	22	Gene Murabito	Gary Boyer
Hawaiian Gardens	19	Barry Bruce	Reynaldo Rodriguez
Hawthorne	5	Alex Vargas	Angie Reyes-English

**COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY**

Boards of Directors Membership

As of June 30, 2016

<u>City</u>	<u>District(s)</u>	<u>Director/Mayor<sup>1/</sup></u> <u>(2<sup>ND</sup> Director/Councilmembers)</u>	<u>Alternate Director<sup>2/</sup></u> <u>(Councilmember/Surpervisor)</u>
Hermosa Beach	SBC	Hany Fangary	Carolyn Petty
Huntington Park	1	Garciela Ortiz	Karina Macias
Industry (City of)	15-18-21	Mark D. Radecki	Cory Moss
Inglewood	5	James T. Butts	- - -vacant- - -
Irwindale	15-22	Mark A. Breceda	Albert F. Ambriz
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	Kyle Miller	Jane Williams
La Mirada	18	Steve De Ruse	Andrew Sarega
La Puente	15-21	Valerie Munoz	Violeta Lewis
La Verne	21-22	Don A. Kendrick	Donna Redman
Lakewood	3-19	Ron Piazza	Diane Dubois
Lancaster	14	R. Rex Parris	Ken Mann
Lawndale	5	Robert Pullen-Miles	Pat Kearney
Lomita	5	James Gazeley	Mark Waronek
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	Edwin Hernandez	Jose Luis Solache
Manhattan Beach	SBC-5	Tony D’Errico	David Lesser
Maywood	1	Ramon Medina	- - -vacant- - -
Monrovia	15-22	Tom Adams	Becky A. Shevlin
Montebello	2-15	Art Barajas	- - -vacant- - -
Monterey Park	2-15	Mitchell Ing	Teresa Real Sebastian
Norwalk	2-18	Michael Mendez	Cheri Kelley

**COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY**

Boards of Directors Membership

As of June 30, 2016

<u>City</u>	<u>District(s)</u>		<u>Director/Mayor<sup>1/</sup></u> <u>(2<sup>ND</sup> Director/Councilmembers)</u>	<u>Alternate Director<sup>2/</sup></u> <u>(Councilmember/Surpervisor)</u>
Palmdale	14-20		James C. Ledford	Roxana Martinez
Palmdale	20	2 <sup>nd</sup> Dir	Steven Hofbauer	Roxana Martinez
Palos Verdes Estates	SBC-5		Jennifer L. King	James D. Vandever
Paramount	1-2		Daryl Hofmeyer	Gene Daniels
Pasadena	15-16-17		Terry Tornek	- - - vacant - - -
Pico Rivera	2-18		David Armenta	Gregory Salcido
Pomona	21		Elliott Rothman	Paula Lantz
Rancho Palos Verdes	SBC-5		Ken Dyda	Susan Brooks
Redondo Beach	SBC-5		Steve Aspel	Jeff Ginsburg
Rolling Hills	5		Bea Dieringer	
Rolling Hills Estates	SBC-5		Steven Zuckerman	Frank V. Zerunyan
Rosemead	15		Sandra Armenta	Polly Low
San Dimas	21-22		Curtis W. Morris	Denis Bertone
San Gabriel	2-15		Chin Ho Liao	Juli Costanzo
San Marino	15-16		Allan Yung	Richard Sun
Santa Clarita	SCV**		Robert Kellar	Timben Boydston
Santa Clarita	SCV**	2 <sup>nd</sup> Dir	Laurene Weste	—”—
Santa Fe Springs	18		Richard J. Moore	William K Rounds
Sierra Madre	15		Gene Goss	- - - vacant - - -
Signal Hill*	3-29		Lori Y. Woods	Tina Hansen
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		William “Bill” De Witt	Maria Davila
South Pasadena	16		Diana Mahmud	Robert S. Joe

## COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

### Boards of Directors Membership

As of June 30, 2016

<u>City</u>	<u>District(s)</u>	<u>Director/Mayor <sup>1/</sup> (2<sup>ND</sup> Director/Councilmembers)</u>	<u>Alternate Director <sup>2/</sup> (Councilmember/Surpervisor)</u>
Temple City	15	Vincent Yu	Cynthia Sternquist
Torrance	SBC-5	Patrick J. Furey	Geoff Rizzo
Vernon*	1-2-23	William J. Davis	Melissa Ybarra D1 Alternate Yvette Woodruff-Perez 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	Robert “Bob” Pacheco	Eric Ching
West Covina	15-21-22	James Toma	Corey Warshaw
West Hollywood	4	Lauren Meister	Lindsey P. Horvath
Whittier	2-15-18	Joe Vinatieri	Bob Henderson
Los Angeles County	5, 15, 16, 19	Hilda Solis	Sheila Kuehl
	27***36***	1, 8, 9	“
		2, 3, 5, 9, 17, 18	“
		14, 20, 21, 22, SCV	“
	9	2 <sup>nd</sup> Dir Sheila Kuehl	Mark Ridley-Thomas
	17	2 <sup>nd</sup> Dir Michael D. Antonovich	Don Knabe

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

<sup>2/</sup> 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.)

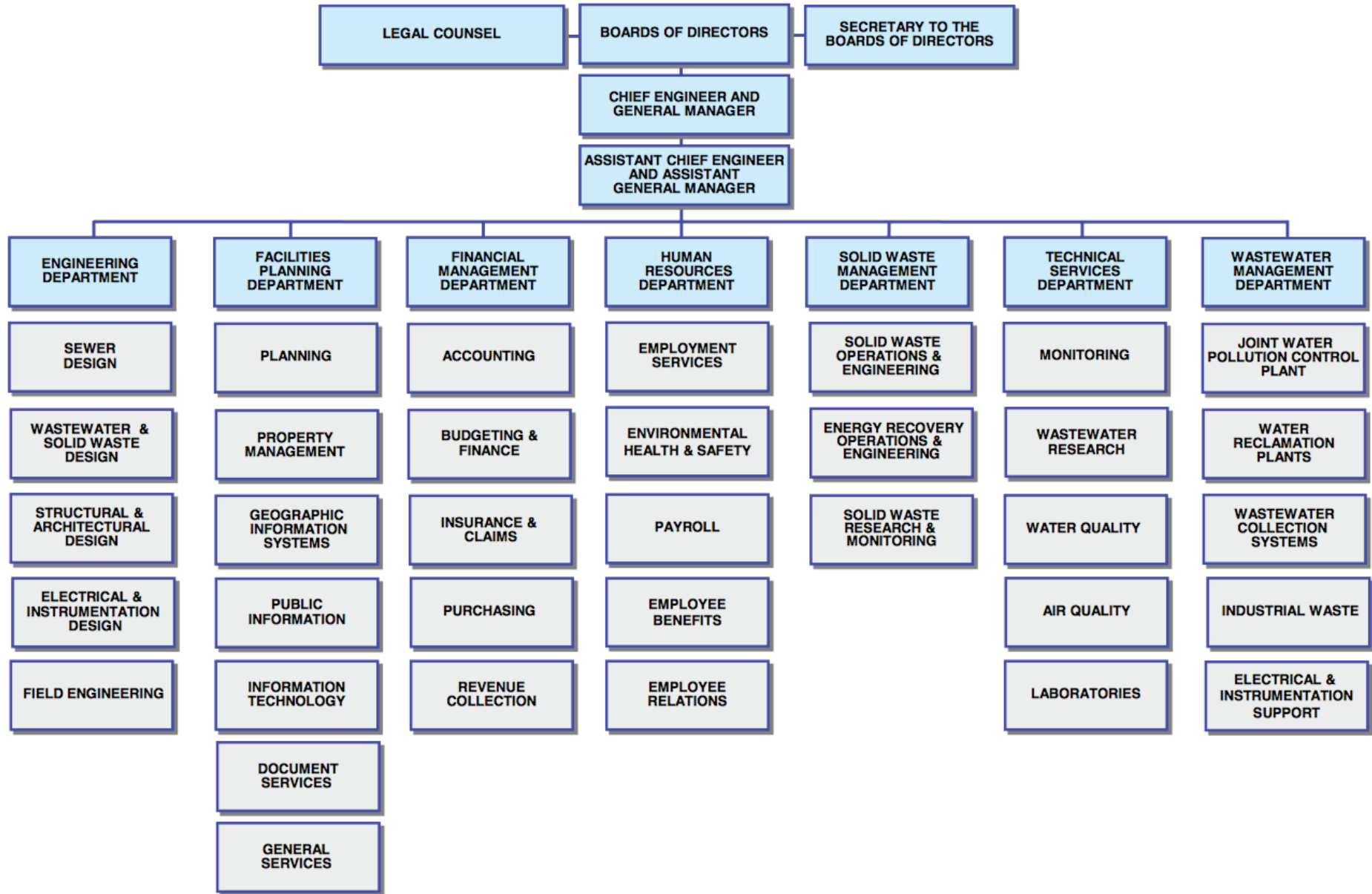
TOTAL CITIES IN SANITATION DISTRICTS: 78

\* 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

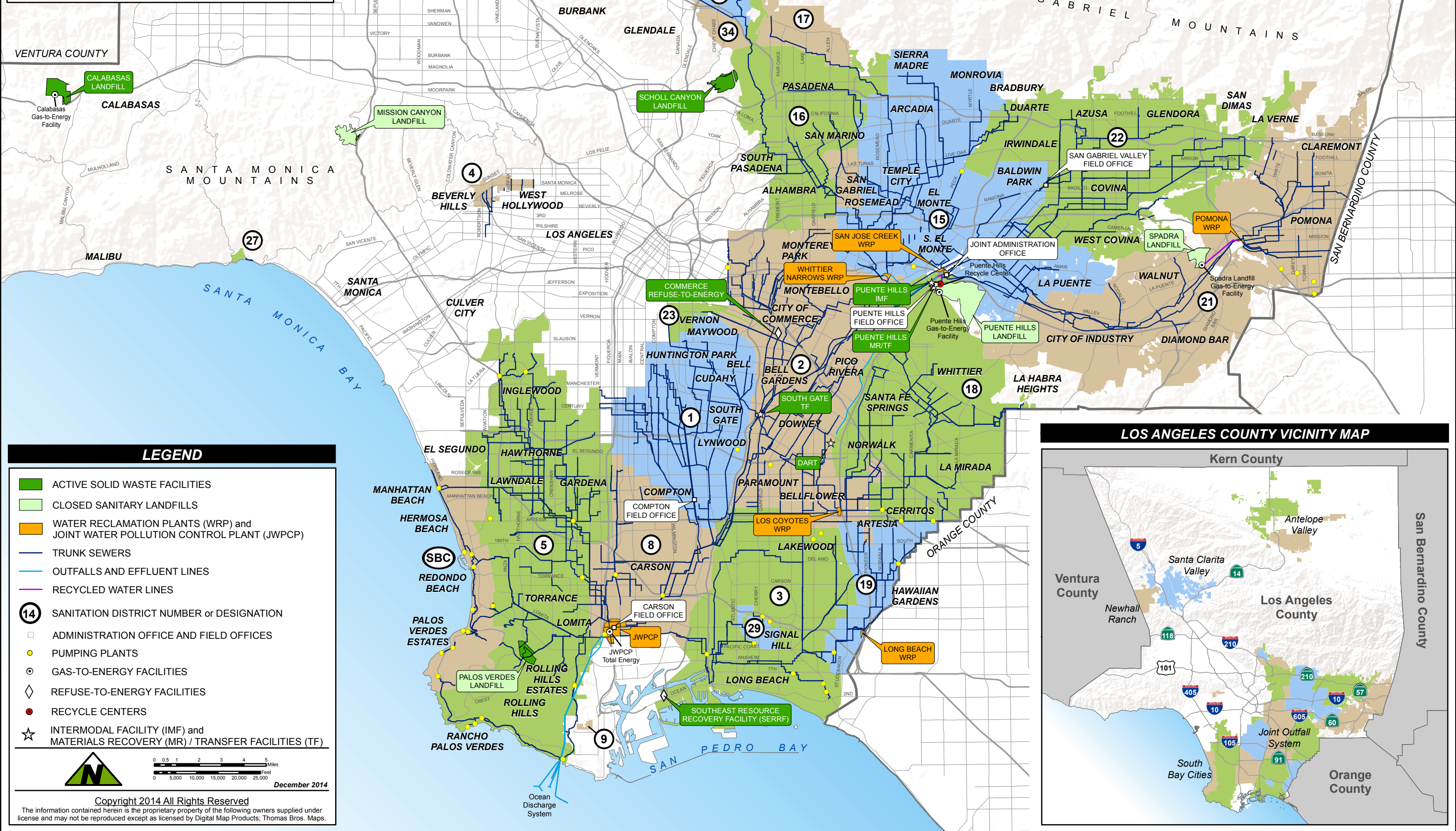
**County Sanitation Districts  
of Los Angeles County, California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

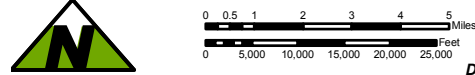
Executive Director/CEO

# 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)

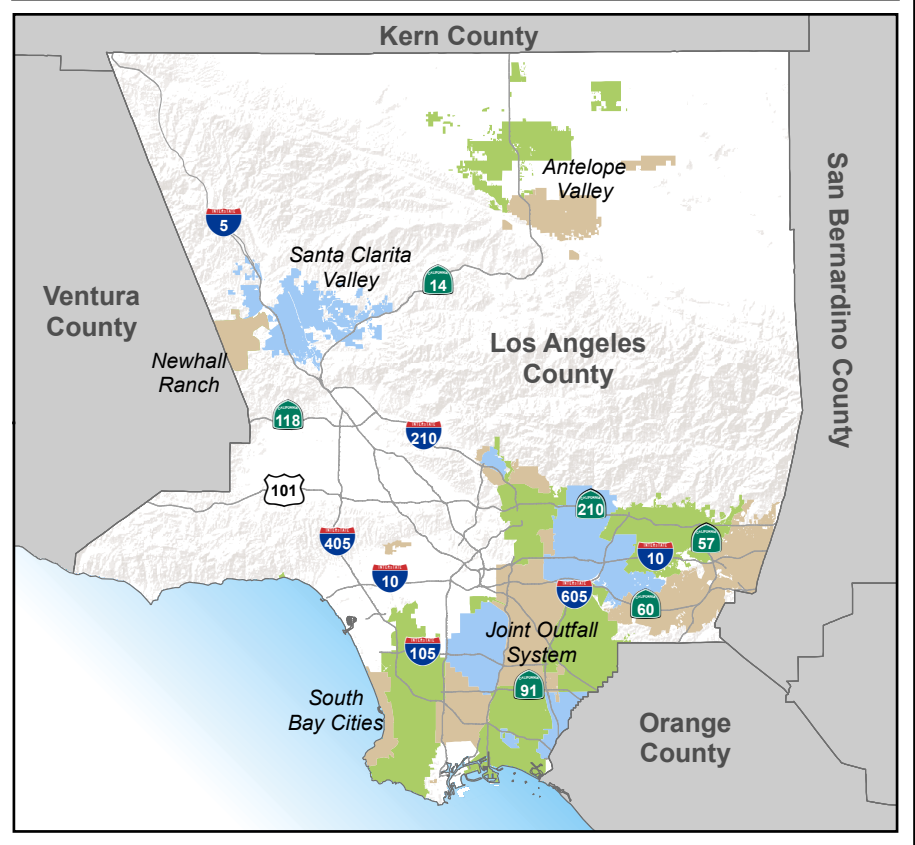


December 2014

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## LOS ANGELES COUNTY VICINITY MAP

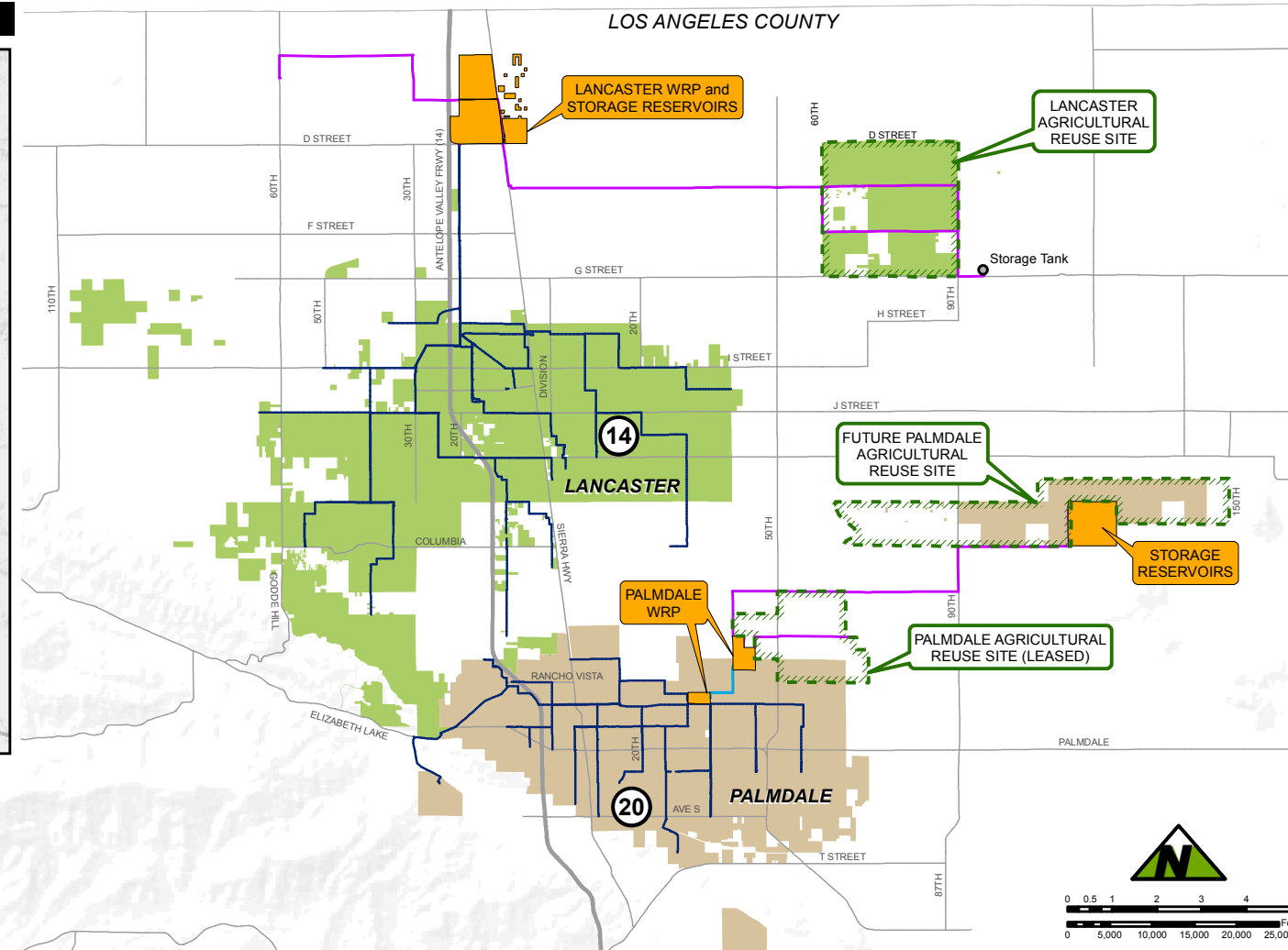




### REGIONAL FACILITIES



### KERN COUNTY LOS ANGELES COUNTY

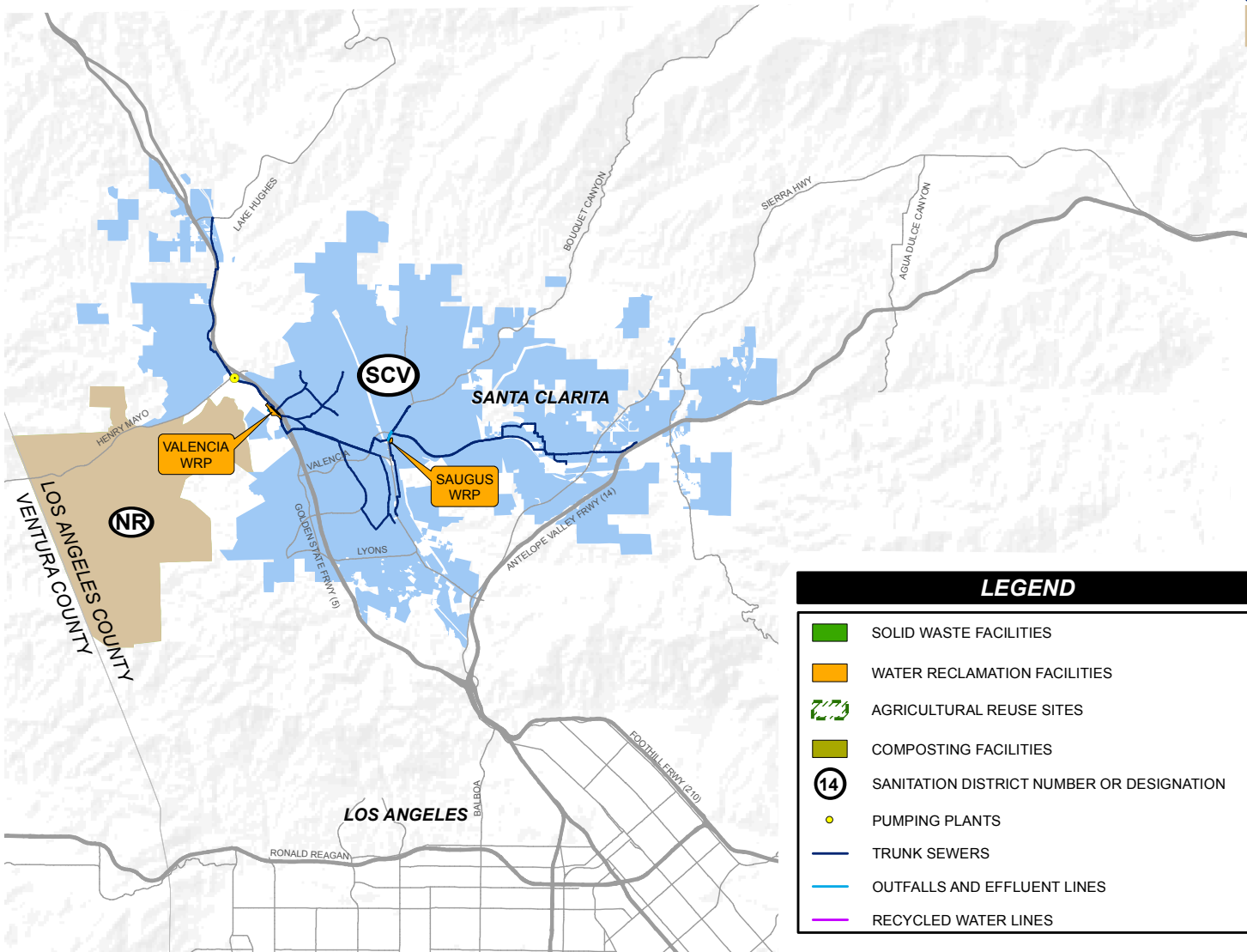


### SOLID WASTE FACILITIES

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

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

BASIC FINANCIAL STATEMENTS

JUNE 30, 2016



**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

**COMMERCIAL ACCOUNTING & TAX SERVICES**

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

**GOVERNMENTAL AUDIT SERVICES**

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

**Independent Auditor's Report**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the County Sanitation Districts of Los Angeles County, California (Districts), as of and for the fiscal year ended June 30, 2016, 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, 2016, 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, 2015, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Applications*. 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 combining and individual supplemental schedules 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 January 19, 2017 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  
January 19, 2017

# COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

## Management's Discussion and Analysis

June 30, 2016

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 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 approved new rates, the smallest increase was \$2 per single-family home and the largest increase was \$20 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 July 8, 2015, the Districts' Financing Authority issued \$149,940,000 in Capital Projects Revenue Bonds (2015A District No. 14 Subordinate Revenue Bonds) (the 2015A Revenue Bonds). The purpose of the 2015A Revenue 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%.
- On October 9, 2015, new legislation was signed into law by the Governor giving 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. This will allow the Districts to assist member cities in meeting the requirements of the Los Angeles Regional Water Quality Control Board municipal stormwater permit.
- On January 5, 2016, the Districts' Tulare Lake Compost Facility accepted its first load of biosolids. The facility produces an "exceptional quality" (as per USEPA) compost.

### *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 Uniform Guidance (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 2016	FY 2015	Dollar Change	Total Percent Change
Current and Other Assets	\$ 2,226.4	\$ 2,179.0	\$ 47.4	2.2 %
Capital Assets, net	<u>3,352.1</u>	<u>3,306.6</u>	<u>45.5</u>	1.4
Total Assets	<u>5,578.5</u>	<u>5,485.6</u>	<u>92.9</u>	<u>1.7</u>
 Deferred Outflow of Resources	 <u>34.2</u>	 <u>36.4</u>	 <u>(2.2)</u>	 <u>(6.0)</u>
Current Liabilities	158.7	132.4	26.3	19.9
Other Liabilities	656.6	632.9	23.7	3.7
Long-Term Debt	<u>780.4</u>	<u>839.5</u>	<u>(59.1)</u>	<u>(7.0)</u>
Total Liabilities	<u>1,595.7</u>	<u>1,604.8</u>	<u>(9.1)</u>	<u>(0.6)</u>
 Deferred Inflow of Resources	 <u>42.0</u>	 <u>86.4</u>	 <u>(44.4)</u>	 <u>(51.4)</u>
Invested in Capital Assets	2,510.6	2,425.7	84.9	3.5
Restricted	615.0	830.4	(215.4)	(25.9)
Unrestricted	<u>849.4</u>	<u>574.7</u>	<u>274.7</u>	47.8
Total Net Position	<u>\$ 3,975.0</u>	<u>\$ 3,830.8</u>	<u>\$ 144.2</u>	<u>3.8 %</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 decrease in deferred outflows of resources and deferred inflows of resources 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)

	FY 2016	FY 2015	Dollar Change	Total Percent Change
<b>Operating Revenues:</b>				
Industrial Waste Surcharge	\$ 64.5	\$ 63.5	\$ 1.0	1.6 %
Refuse Tipping Fees	95.1	80.3	14.8	18.4
Sale of Energy	23.2	30.4	(7.2)	(23.7)
Service Charges	335.5	331.3	4.2	1.3
Other	27.5	35.6	(8.1)	(22.8)
<b>Total Operating Revenues</b>	<b>545.8</b>	<b>541.1</b>	<b>4.7</b>	<b>0.9</b>
<b>Operating Expenses:</b>				
Depreciation	90.4	93.6	(3.2)	(3.4)
Operations & Maintenance	200.6	202.6	(2.0)	(1.0)
Salaries & Benefits	185.3	192.5	(7.2)	(3.7)
Other	20.0	50.8	(30.8)	(60.6)
<b>Total Operating Expenses</b>	<b>496.3</b>	<b>539.5</b>	<b>(43.2)</b>	<b>(8.0)</b>
<b>Nonoperating Revenues:</b>				
Interest Revenue	22.5	17.6	4.9	27.8
Taxes	70.1	67.9	2.2	3.2
Other	9.7	14.5	(4.8)	(33.1)
<b>Total Nonoperating Revenues</b>	<b>102.3</b>	<b>100.0</b>	<b>2.3</b>	<b>2.3</b>
<b>Nonoperating Expenses:</b>				
Interest Expense	33.2	32.8	0.4	1.2
Tax & Assessment Expense	7.5	7.1	0.4	5.6
Other	2.8	1.9	0.9	47.4
<b>Total Nonoperating Expenses</b>	<b>43.5</b>	<b>41.8</b>	<b>1.7</b>	<b>4.1</b>
<b>Income Before Capital</b>				
Contribution Revenue	108.3	59.8	48.5	81.1
Capital Contribution Revenue	35.9	33.0	2.9	8.8
Beginning Net Position	3,846.5	4,089.9	(243.4)	(6.0)
Prior-Period Adjustment	(15.7)	(336.2)	320.5	
<b>Ending Net Position</b>	<b>\$ 3,975.0</b>	<b>\$ 3,846.5</b>	<b>\$ 128.5</b>	<b>3.3 %</b>

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

## COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

### Management's Discussion and Analysis, Continued

Districts' wastewater and solid waste facilities and collectively account for 91% of the Districts' operating revenue.

In October 2015, the Spadra Gas-to-Energy Facility permanently closed. This event, combined with changes in energy prices, resulted in a decrease in the sale of energy by 23.7%.

Other operating expenses decreased by 60.6% due to changes in estimates for landfill closure and postclosure expenses. An increase in the weighted composite yield earned on cash equivalents and investments, 1.3787% in fiscal year 2015-2016 compared to 1.1276% in fiscal year 2014-2015, resulted in an increase in interest revenue.

### *Capital Assets and Debt Administration*

As of June 30, 2016, the Districts had \$5.3 billion invested in a broad range of assets, as shown below:

Capital Assets (In millions of dollars)				Dollar	Total	
	FY 2016	FY 2015	Change	Percent	Change	
	\$	\$	\$			%
Buildings and Equipment	71.3	68.0	3.3		4.9	
Capital Improvements	542.8	538.0	4.8		0.9	
Composting Facility	121.4	0.0	121.4		100.0	
Construction in Progress	399.1	501.1	(102.0)		(20.4)	
Disposal Rights	83.3	79.9	3.4		4.3	
Equipment Pool	68.0	62.7	5.3		8.5	
Gas-to-Energy Facilities	222.6	220.6	2.0		0.9	
Land	219.7	218.2	1.5		0.7	
Other	52.2	37.6	14.6		38.8	
Rail Facilities	54.1	54.0	0.1		0.2	
Recycling and Transfer Stations	63.2	63.2	0.0		0.0	
Treatment Plants	1,950.8	1,921.8	29.0		1.5	
Trunk Lines	1,370.2	1,320.2	50.0		3.8	
Use Rights	69.8	69.8	0.0		0.0	
Subtotal	5,288.5	5,155.1	133.4		2.6	
Less Accumulated Depreciation & Amortization	1,936.4	1,848.5	87.9		4.8	
Net Capital Assets	\$ 3,352.1	\$ 3,306.6	\$ 45.5		1.4	%

## COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

### Management's Discussion and Analysis, Continued

Major capital asset projects that were completed and placed in operation during fiscal year 2015-2016 included the following:

- \$121.4 million – Tulare Lake Composting Facility
- \$48.7 million – various Trunk Sewer Rehabilitations
- \$14.1 million – purchase and implementation of Enterprise Resource Planning system
- \$3.7 million – Joint Water Pollution Control Plant Modifications/Upgrades

Expenditures to date of ongoing construction projects (construction in progress) of \$399.1 million as of June 30, 2016, included, in part, the following projects:

- \$177.8 million - Puente Hills Intermodal Facilities development
- \$122.1 million - various water reclamation and pumping plant modifications
- \$54.8 million - planning for Clearwater Program and design of JWPCP Effluent Outfall Tunnel
- \$25.8 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.

#### 2016-2017 Capital Spending Plan (In millions of dollars)

Capital Project	Amount Planned
Landfill Acquisitions & Development	\$ 1.1
Sewer Relief and Rehabilitation	52.4
Clearwater Tunnel	45.0
Pumping Plant and Water Reclamation Plant Improvements and Expansions	72.7
Landfill General Improvements, Drainage, and Landscaping	2.7
Intermodal Facility Development	7.1
Gas Control Measures	0.6
Administration and Field Operations Improvements	5.5
Sewage Disposal Contracts	2.5
Total	\$ 189.6

## 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 6.3%.

Outstanding Debt (In millions of dollars)				
	FY 2016	FY 2015	Dollar Change	Total Percent Change
Revenue Bonds	\$ 501.4	\$ 539.0	\$ (37.6)	(7.0) %
Notes Payable	1.3	1.3	-	-
State Water Resources Control Board Loans	341.0	359.8	(18.8)	(5.2)
<b>Total Long-Term Debt</b>	<b>\$ 843.7</b>	<b>\$ 900.1</b>	<b>\$ (56.4)</b>	<b>(6.3) %</b>

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

#### Bond Debt Ratings As of June 30, 2016

	Standard & Poor's	Moody's Investor Service	Fitch Ratings
2005 Series A	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
2015 Series A	A+	N/A	AA-

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 29-33 of this report.

#### *Currently Known Significant Facts*

- On November 16, 2016, the Districts' Financing Authority issued \$170,265,000 in Capital Projects Revenue Bonds (2016A District No. 20 Revenue Bonds) (the 2016A Revenue Bonds). The purpose of the 2016A Bonds was to refund and defease the Authority's outstanding Capital Projects Revenue Bonds, 2005 Series A (District No. 20 Subordinate Revenue Bonds) and Capital Projects Revenue Bonds, 2007 Series A (District No. 20 Subordinate Revenue Bonds), prepay an outstanding Clean Water State Revolving Fund Loan, and to pay for costs of issuance. These serial bonds mature in varying amounts on October 1 in the years 2017 through 2036 at coupon rates ranging from 3.0% to 5.0%. The 2016A 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

#### *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**  
**SANITATION DISTRICTS OF LOS ANGELES COUNTY**  
**Statement of Net Position**  
**June 30, 2016**

**Assets**

Current assets:	
Cash in bank (note 3)	\$ 13,449,736
Cash on hand (note 3)	38,772
Cash and cash equivalents (note 3)	<u>102,468,102</u>
 Total unrestricted cash and cash equivalents	 <u>115,956,610</u>
Receivables:	
Accounts (note 6)	31,824,272
Interest	4,265,185
Service charges	15,331,327
Taxes	<u>4,566,582</u>
 Total receivables	 <u>55,987,366</u>
 Inventory	 <u>19,132,861</u>
Restricted cash and investments (note 3):	
Cash and cash equivalents	837,859,665
Specific investments	1,116,563,057
Bond proceeds with Trustee Cash and cash equivalents	<u>10,810,856</u>
 Total restricted cash and investments	 <u>1,965,233,578</u>
 Other specific investments (note 3)	 <u>14,681,500</u>
 Total current assets	 <u>2,170,991,915</u>
Noncurrent assets:	
Investment in joint ventures (note 17)	55,465,234
Capital assets (note 7):	
Buildings and equipment	71,270,820
Capital improvements	542,753,938
Composting facility	121,421,137
Construction in progress (note 16)	399,170,468
Disposal rights	83,330,589
Equipment pool	68,025,071
Gas-to-energy facilities	222,570,307
Land	219,655,042
Other	52,180,199
Rail facilities	54,060,853
Recycling and transfer facility	63,237,617
Treatment plants	1,950,821,522
Trunk lines	1,370,223,375
Use rights	69,779,636
Less accumulated depreciation/amortization	<u>(1,936,442,974)</u>
 Net capital assets	 <u>3,352,057,600</u>
 Total noncurrent assets	 <u>3,407,522,834</u>
 Total assets	 <u>5,578,514,749</u>
 <b>Deferred Outflow of Resources</b>	
Pension contribution subsequent to measurement date (note 11)	24,285,923
Deferred loss on refunding, net	<u>9,863,019</u>
	<u>\$ 34,148,942</u>

(Continued on following page)

**Exhibit A-2**  
**SANITATION DISTRICTS OF LOS ANGELES COUNTY**  
**Statement of Net Position**  
**June 30, 2016**

**Liabilities**

Current liabilities:	
Accounts payable	\$ 33,931,397
Accrued employee absences (note 1J and 14)	17,400,000
Amounts held for others	5,362,147
Bonds payable (note 8)	31,564,400
Claims liabilities (note 9)	5,586,692
Construction contracts payable	8,773,154
Estimated liability for closure and postclosure costs (note 18)	14,703,000
Estimated liability for pollution remediation (note 19)	317,000
Interest payable	8,750,201
Loans payable to State of California (note 8)	30,573,922
Note payable	1,328,375
Other	366,651
	<hr/>
Total current liabilities	158,656,939
	<hr/>
Long-term liabilities:	
Accrued employee absences (note 1J and 14)	21,411,277
Bonds payable, net (note 8)	469,861,629
Claims liabilities (note 9)	5,586,694
Estimated liability for closure and postclosure costs (note 18)	326,430,346
Estimated liability for pollution remediation (note 19)	1,720,000
Loans payable to State of California (note 8)	310,494,394
Pension liability (note 11)	301,507,834
	<hr/>
Total noncurrent liabilities	1,437,012,174
	<hr/>
Total liabilities	1,595,669,113
	<hr/>

**Deferred Inflow of Resources**

Pension deferrals (note 11)	41,994,617
	<hr/>

**Net Position**

Net position (note 20):	
Net investment in capital assets	2,510,653,120
Restricted for capital projects	425,534,939
Restricted for closure/postclosure maintenance	132,973,855
Restricted for equipment pool	21,989,136
Restricted for site development	34,465,861
Unrestricted	849,383,050
	<hr/>
Total net position	\$ 3,974,999,961
	<hr/> <hr/>

See accompanying notes to basic financial statements.



**Exhibit B**  
**SANITATION DISTRICTS OF LOS ANGELES COUNTY**  
**Statement of Revenues, Expenses,**  
**and Changes in Net Position**  
**Fiscal year ended June 30, 2016**

Operating revenues:	
Commodities	\$ 8,459,158
Contract revenue	17,394,198
Industrial waste surcharge	64,476,608
Refuse tipping fees	95,119,145
Sale of energy	23,173,004
Service charges (note 4)	335,525,376
Other	1,610,809
	<u>545,758,298</u>
Total operating revenues	545,758,298
Operating expenses:	
Chemicals	32,300,219
Insurance and claims	4,284,383
Landfill closure and postclosure costs (note 18)	10,418,677
Materials and supplies	27,677,274
Operations, repairs and maintenance	21,718,709
Pollution remediation costs (note 19)	1,032,495
Salaries and benefits (notes 11 and 12)	185,256,074
Services	96,657,648
Utilities	22,246,535
	<u>401,592,014</u>
Total operations and maintenance	401,592,014
Charges for collections	674,461
Depreciation and amortization of use rights (note 7)	90,359,440
Tonnage	3,633,907
	<u>94,667,808</u>
Total operating expenses	496,259,822
Operating income	<u>49,498,476</u>
Nonoperating revenues (expenses):	
Interest revenue	22,561,020
Investment in joint ventures	(430,939)
Taxes	70,121,090
Amortization of bond premium	6,507,494
Amortization of deferred loss on refunding	(1,790,174)
Interest expense	(33,203,369)
Gain on sale of equipment/assets	280,602
Tax and assessment expense	(7,702,133)
Other nonoperating expense	(496,691)
Unrealized gain on investments	2,942,091
	<u>58,788,991</u>
Net nonoperating revenues	58,788,991
Income before capital contribution revenue	108,287,467
Capital contribution revenue:	
Connection fees	34,353,797
Federal capital grants	1,446,454
	<u>35,800,251</u>
Change in net position	<u>144,087,718</u>
Total net position, July 1, 2015, as previously stated	3,846,657,001
Prior-period adjustments (note 21)	<u>(15,744,758)</u>
Total net position, July 1, 2015, as restated	<u>3,830,912,243</u>
Total net position, June 30, 2016	<u>\$ 3,974,999,961</u>

See accompanying notes to basic financial statements.

**Exhibit C**  
**COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY**  
**Statement of Cash Flows**  
**Fiscal year ended June 30, 2016**

Cash flows from operating activities:	
Receipts from customers and users	\$ 547,723,586
Payments to suppliers	(204,480,267)
Payments to employees	(182,087,114)
Payments applied to closure/postclosure liability	(14,963,818)
Net cash provided by operating activities	<u>146,192,387</u>
Cash flows from noncapital financing activities:	
Receipts from property taxes	69,817,023
Payments for tax and assessment	(8,442,329)
Net cash provided by noncapital financing activities	<u>61,374,694</u>
Cash flows from capital and related financing activities:	
Borrowings on loan from state	8,967,136
Proceeds from bond sale	172,408,048
Bond issuance costs	(653,812)
Purchases of capital assets	(141,400,789)
Connection fees proceeds	34,353,797
Grant proceeds	1,446,454
Donations	12,500
Bond defeasement	(171,720,322)
Interest paid on capital-related debt	(26,346,227)
Principal payments on bonds	(32,214,400)
Principal payments on note	(44,438)
Principal payments on loan from state	(30,100,398)
Proceeds from sale of assets/equipment	1,000,906
Receipts from joint venture	150,000
Net cash used by capital and related financing activities	<u>(184,141,545)</u>
Cash flows from investing activities:	
Interest received	24,734,530
Purchases of investments	(1,273,001,325)
Proceeds from maturities of investments	1,353,519,444
Net cash provided by investing activities	<u>105,252,649</u>
Net increase in cash and cash equivalents	128,678,185
Cash and cash equivalents at beginning of fiscal year	<u>835,948,946</u>
Cash and cash equivalents at end of fiscal year	<u>\$ 964,627,131</u>
Reconciliation of cash and cash equivalents at end of fiscal year:	
Current assets:	
Cash in bank	\$ 13,449,736
Cash on hand	38,772
Cash and cash equivalents	102,468,102
Restricted cash and investments:	
Cash and cash equivalents	837,859,665
Bond proceeds with Trustee	
Cash and cash equivalents	<u>10,810,856</u>
	<u>\$ 964,627,131</u>

(Continued on following page)

**Exhibit C-2**  
**COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY**  
**Statement of Cash Flows**  
**Fiscal year ended June 30, 2016**

Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 49,498,476
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	90,359,440
Landfill closure and postclosure costs	10,418,677
Decrease in accounts receivable	962,438
Decrease in service charge receivable	286,927
Increase in inventory	(389,305)
Increase in deferred outflows of resources	(3,203,839)
Increase in accounts payable	18,466,551
Increase in accrued employee absences	1,720,379
Decrease in estimated liability for closure and postclosure costs	(14,963,818)
Increase in claims liabilities	62,441
Increase in pension liability	35,904,606
Increase in amounts held for others	779,583
Increase in other liabilities	729,297
Decrease in deferred inflows of resources	(44,439,466)
Net cash provided by operating activities	\$ 146,192,387
Schedule of noncash investing activity-	
Unrealized gain on fair value of investments	\$ 2,942,091
Investment in joint ventures	(430,939)

See accompanying notes to basic financial statements.

# COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

## Notes to Basic Financial Statements

June 30, 2016

### (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 solid waste, wastewater, and stormwater 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 and deferred outflows of resources, less total reported liabilities and deferred inflows of resources) 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:

Classification	Basis of Accounting	Purpose
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.

#### (H) Capital Assets

Outlays for capital assets, including property, plant, equipment, and construction in progress, are recorded by the individual districts. 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.

# COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

## Notes to Basic Financial Statements, Continued

### 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.

### 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.

## COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

### Notes to Basic Financial Statements, Continued

#### Amortization of Use Rights

Use rights, as they apply to Sewerage Operations, are related to ground water adjudication in the Antelope Valley and are amortized over 20-years using the straight-line method.

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).

#### (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, 2016, accrued vacation and sick leave aggregated \$38,811,277 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.



## COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

### Notes to Basic Financial Statements, Continued

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) Amortization of Gain/Loss on Refunding

The advance refunding of revenue bonds in 2011, 2013, and 2015 (see note 8) resulted in a difference between the reacquisition price and the net carrying amount of the old debt. This difference, reported in the accompanying financial statements as deferred loss on refunding (net), is being amortized by the straight-line method (which approximates the effective-interest method) over the life of the bonds.

#### (M) 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.

#### (N) 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.

#### (O) New Accounting Pronouncements

For the fiscal year ended June 30, 2016, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Applications*. This Statement is effective for periods beginning after June 15, 2015. The objective of this Statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements. Implementation of GASB Statement No. 72 did have an impact on the District's financial statements for the fiscal year ended June 30, 2016; see Note 3 – Cash and Investments for further detail.

# COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

## Notes to Basic Financial Statements, Continued

### (2) Organization - Joint Agreements

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

#### Joint Administration Agreement

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

#### Joint Outfall Agreement

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

#### Los Angeles County Refuse Disposal Trust Agreement

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

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

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

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

## COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

### Notes to Basic Financial Statements, Continued

addition, the JPA provides that 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

District 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

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

### (3) Cash and Investments

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

The Districts' investment policies are governed by and in compliance with the California Government Code. The investment policies' objectives are to provide for safety of principal, maintain liquidity, and earn a market rate of return. The Districts are authorized to invest funds in the County of Los Angeles Pooled Surplus Investment Fund (County Pool), the State of California Local Agency Investment Fund, and other qualified investments in accordance with each district's individual investment policy and applicable law. During the fiscal year and at June 30, 2016, specific investments primarily consist of U.S. Agency securities and AA-rated Corporate Bonds.

## COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

### Notes to Basic Financial Statements, Continued

As of June 30, 2016, 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	\$ 921,434,802 (1)	-	101,388,630	820,046,172
Los Angeles County Pooled Surplus Investment Fund	895,599,503	895,599,503	-	-
AA-Rated Corporate Bonds	209,809,755	-	10,288,500	199,521,255
Dreyfus Institutional Reserves Money Market Fund	10,810,826	10,810,826	-	-
First American US Treasury Money Market Fund	30	30	-	-
U.S. Bank Commerical Paper	40,868,407	40,868,407	-	-
U.S. Bank Money Market Account	2,203,743	2,203,743	-	-
Wells Fargo Premium Rate Public Fund	1,656,114	1,656,114	-	-
	<u>\$ 2,082,383,180</u>	<u>951,138,623</u>	<u>111,677,130</u>	<u>1,019,567,427</u>

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

July 1, 2016 - September 30, 2016	\$ 263,675,528
October 1, 2016 - December 31, 2016	535,970,103
January 1, 2017 - March 31, 2017	-
April 1, 2017 - June 30, 2017	121,061,239
	<u>\$ 920,706,870</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, 2016, 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' investments in U.S. Bank Commercial Paper and the 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 US 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 in medium-term corporate notes rated AA or higher and all other investments shall be the same as the Los Angeles County Investment Policy. 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

## COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

### Notes to Basic Financial Statements, Continued

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.

*Fair Value of Investments.* The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

Debt securities classified in Level 1 are valued using prices quoted in active markets for those securities.

At June 30, 2016, the District had the following recurring fair value measurements:

Investments by fair value level	Value 6/30/2016	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
<b>Debt Securities:</b>				
U.S. Agency Securities	\$ 921,434,802	921,434,802		
AA-Rated Corporate Bonds	209,809,755	209,809,755		
	<u>\$ 1,131,244,557</u>	<u>1,131,244,557</u>	<u>-</u>	<u>-</u>

The Districts' cash, cash equivalents, and specific investments at June 30, 2016, are classified on the accompanying statement of net position as follows:

Unrestricted cash and cash equivalents (operating funds)	\$ 102,468,102
Restricted cash, cash equivalents, and specific investments	1,965,233,578
Other specific investments	14,681,500
	<u>2,082,383,180</u>
Cash in bank	13,449,736
Cash on hand	38,772
	<u>\$ 2,095,871,688</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, 2016:

	Cash and Cash Equivalents	Specific Investments	Total
Capital improvement fund	\$ 263,228,415	226,616,293	489,844,708
Closure/postclosure fund	120,619,832	338,132,109	458,751,941
Employee absences fund	23,369,161	-	23,369,161
Equipment pool fund	16,134,741	12,528,751	28,663,492
Rate stabilization fund	86,625,936	279,068,821	365,694,757
Pension liability	188,095,349	21,353,884	209,449,233
Waste-by-rail cost transition fund	36,099,194	200,157,573	236,256,767
Site development fund	23,605,664	11,741,154	35,346,818
Stabilization fund for contracted benefit costs	18,453,591	-	18,453,591
State loan fund	30,605,470	-	30,605,470
Surcharge fund	7,150,990	10,840,182	17,991,172
Other restricted funds	23,871,322	16,124,290	39,995,612
	<u>837,859,665</u>	<u>1,116,563,057</u>	<u>1,954,422,722</u>
Bond Reserve Fund	10,810,856	-	10,810,856
Total Restricted Cash, Cash Equivalents, and Specific Investments	<u>\$ 848,670,521</u>	<u>1,116,563,057</u>	<u>1,965,233,578</u>

#### Cash in Bank

At June 30, 2016, the carrying amount of the Districts' cash in bank deposits was \$13,449,736, while the bank balance was \$13,529,009. 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, 2016, the Districts had imprest cash funds in the amount of \$38,772.

#### Cash and Cash Equivalents

Cash consists of deposits in the interest-bearing Los Angeles County Pooled Surplus Investment Fund. Investments are stated at fair value. The fair value of the Districts' position in the pool is the same as the value of the pool shares. The Districts maintain separate balances for the individual districts, and investment income is allocated on a pro rata basis. Because the Districts' deposits are maintained in a recognized pooled investment fund under the care of a third party and the Districts' share of the pool does not consist of specific, identifiable investment securities owned by the

## COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

### Notes to Basic Financial Statements, Continued

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 US 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 and AA-Rated Corporate Bonds.

#### 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. At fiscal year-end, the balance of the bond reserve fund amounted to \$10,810,856.

At June 30, 2016, all monies are invested in the Dreyfus Institutional Reserves Treasury Prime Money Market Mutual Fund and First American US Treasury Money Market Fund, as permitted by the bond indentures.

## 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, 2016, the following Districts recorded service charge revenues:

District	Amount
1	\$ 24,082,852
2	33,396,291
3	27,539,187
4	3,749,171
5	37,292,534
8	9,195,113
9	102,759
14	30,872,105
15	26,271,487
16	16,031,720
17	2,185,565
18	18,762,650
19	5,742,206
20	21,386,393
21	23,775,720
22	18,823,080
23	346,450
28	1,018,809
29	1,928,588
Santa Clarita Valley	27,028,644
South Bay Cities	5,994,052
	\$ 335,525,376

#### (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.

#### 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



## COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

### Notes to Basic Financial Statements, Continued

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 2015 tax levy is for the fiscal year 2015-2016.

#### 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>2016</u>	<u>2015</u>
Sale of commodities	\$ 831	981
Sale of energy	389	441
Surcharge	20,285	19,637
Tipping fees	6,196	7,752
Other	<u>4,123</u>	<u>3,976</u>
Total accounts receivable	<u>\$ 31,824</u>	<u>32,787</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, 2016, was as follows (in thousands):

	June 30, 2015	Transfers and Prior Period Adjustment	Increases	Decreases	June 30, 2016
Capital assets, not being depreciated:					
Construction in progress (see note 16)	\$ 459,065	42,084	67,810	(169,789)	399,170
Land	217,603	639	1,413		219,655
Total capital assets, not being depreciated	<u>676,668</u>	<u>42,723</u>	<u>69,223</u>	<u>(169,789)</u>	<u>618,825</u>
Capital assets, being depreciated or amortized:					
Buildings and equipment	72,489	(4,494)	3,276	-	71,271
Capital improvements	541,447	(3,494)	4,801	-	542,754
Composting facility	-	-	121,421	-	121,421
Disposal rights	79,934	2	3,394	-	83,330
Equipment pool	61,155	1,555	8,463	(3,148)	68,025
Gas-to-energy facilities	221,243	(684)	2,011	-	222,570
Joint outfall facilities	2,131,856	(2,131,856)			-
Other	21,780	15,805	14,595	-	52,180
Rail Facilities	54,061	-	-	-	54,061
Recycling and transfer facility	63,155	-	83	-	63,238
Treatment plants	811,760	1,110,076	28,986	-	1,950,822
Trunk lines	345,338	974,873	50,012	-	1,370,223
Use rights	69,009	771	-	-	69,780
Total capital assets, being depreciated/amortized	<u>4,473,227</u>	<u>(37,446)</u>	<u>237,042</u>	<u>(3,148)</u>	<u>4,669,675</u>
Accumulated depreciation and amortization:					
Buildings and equipment	(38,265)	(5,523)	(1,461)	-	(45,249)
Capital improvements	(445,024)	58,660	(52,707)	-	(439,071)
Composting facility	-	-	(3,974)		(3,974)
Disposal rights	(33,278)	(1,397)	(128)	-	(34,803)
Equipment pool	(31,139)	(4,317)	(3,112)	2,440	(36,128)
Gas-to-energy facilities	(119,746)	(1,638)	(5,165)	-	(126,549)
Joint outfall facilities	(828,031)	828,031			-
Other	(7,930)	(15,596)	(1,695)	-	(25,221)
Recycling and transfer facility	(17,021)	994	(2,680)	-	(18,707)
Treatment plants	(177,645)	(467,433)	(12,494)	-	(657,572)
Trunk lines	(102,932)	(414,234)	(5,454)	-	(522,620)
Use rights	(26,419)	1,359	(1,489)	-	(26,549)
Total accumulated depreciation/amortization	<u>(1,827,430)</u>	<u>(21,094)</u>	<u>(90,359)</u>	<u>2,440</u>	<u>(1,936,443)</u>
Total capital assets, being depreciated, net	<u>2,645,797</u>	<u>(58,540)</u>	<u>146,683</u>	<u>(708)</u>	<u>2,733,232</u>
Total capital assets, net	<u>\$ 3,322,465</u>	<u>(15,817)</u>	<u>215,906</u>	<u>(170,497)</u>	<u>3,352,057</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	\$	71,598
Solid Waste Facilities Operations		6,220
Trustee Solid Waste Facilities Operations		3,169
Service Operations		<u>9,372</u>
Total depreciation and amortization expense	\$	<u><u>90,359</u></u>

### (8) Long-Term Debt

#### Revenue Bonds

In June 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 were to mature in varying amounts on October 1 in the years 2006 through 2035 at coupon rates ranging from 3.00% to 5.00%. These bonds were defeased in fiscal year 2015-16.

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 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. 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%.

In July 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), 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%.

#### Total Bond Indebtedness

The Districts' bond indebtedness is summarized as follows:

	Balance at June 30, 2015	Additions	Redemptions	Balance at June 30, 2016	Due Within One Year
Revenue Bonds:					
2005 Series A	\$ 20,485,000	-	(790,000)	19,695,000	825,000
2005 Series B	167,625,000	-	(167,625,000)	-	-
2007 Series A	131,170,000	-	(780,000)	130,390,000	810,000
2008 Series A	9,830,790	-	(1,404,400)	8,426,390	1,404,400
2011 Series A	128,650,000	-	(2,025,000)	126,625,000	2,090,000
2013 Series A	61,860,000	-	(22,555,000)	39,305,000	23,635,000
2015 Series A	-	149,940,000	(4,660,000)	145,280,000	2,800,000
	\$ 519,620,790	149,940,000	(199,839,400)	469,721,390	31,564,400
Plus unamortized premium	19,408,186	22,468,058	(10,171,605)	31,704,639	-
Bonds payable, net	\$ 539,028,976	172,408,058	(210,011,005)	501,426,029	31,564,400

## COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

### Notes to Basic Financial Statements, Continued

#### Total Bond Debt Outstanding

The annual requirements to amortize all bond debt outstanding as of June 30, 2016, are as follows:

Fiscal year ending June 30:	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2017	\$ 21,309,278	31,564,400	52,873,678
2018	19,869,048	33,024,400	52,893,448
2019	18,372,569	34,434,400	52,806,969
2020	16,738,806	36,009,400	52,748,206
2021	14,993,519	37,689,400	52,682,919
2022-2026	62,459,841	58,969,390	121,429,231
2027-2031	50,459,237	53,500,000	103,959,237
2032-2036	30,966,688	111,485,000	142,451,688
2037-2041	11,036,251	49,780,000	60,816,251
2042-2043	1,058,739	23,265,000	24,323,739
	<u>\$ 247,263,976</u>	<u>469,721,390</u>	<u>716,985,366</u>
Plus unamortized premium	<u>-</u>	<u>31,704,639</u>	<u>31,704,639</u>
Bonds payable, net	<u>\$ 247,263,976</u>	<u>501,426,029</u>	<u>748,690,005</u>

#### Notes Payable

The Districts executed an option agreement for the purchase of a key piece of property for the development of the Puente Hills Intermodal Facility. As part of the agreement, the Districts assumed a 10-year installment payment plan, from the Geosano Family Trust, totaling \$1,586,020, which is secured by a restricted interest-bearing account of 7.25%. The last payment under the installment agreement will be made in fiscal year 2016-17.

Notes payable are summarized as follows:

	<u>Maximum Principal Balance</u>	<u>Balance at July 1, 2015</u>	<u>Current-Year Draw Downs</u>	<u>Redemptions</u>	<u>Balance at June 30, 2016</u>	<u>Due Within One Year</u>
Geosano	\$ 1,586,020	1,372,813	-	44,438	1,328,375	1,328,375
Total Notes Payable	<u>\$ 1,586,020</u>	<u>1,372,813</u>	<u>-</u>	<u>44,438</u>	<u>1,328,375</u>	<u>1,328,375</u>

#### State Water Resources Control Board

The Districts also have several notes payable to the State Water Resources Control Board. These loan funds are received on an installment basis as the Districts incur the related expenditures and are repaid over a period not exceeding 30 years. The funds are utilized in the construction and expansion of wastewater conveyance and reclamation facilities.

## COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

### Notes to Basic Financial Statements, Continued

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

Description	Interest Rate	Maximum Principal Balance	Balance at July 1, 2015	Current-Year Draw Downs	Redemptions	Balance at June 30, 2016
Lancaster - Outfall & Trunk Sewer	2.3000 %	\$ 31,319,657	20,112,979	-	1,474,490	18,638,489
Lancaster WRP Stage V Expansion	2.6000	142,090,956	66,892,324	-	3,179,219	63,713,105
Palmdale WRP Stage V Expansion	2.5000	70,000,000	53,807,986	-	2,403,607	51,404,379
La Canada Trunk Sewer	3.4000	2,550,000	171,786	-	171,786	-
La Canada Foothill Main Trunk Sewer	3.1000	3,785,566	378,559	-	189,278	189,281
Saugus Equipment Purchases	2.4000	1,766,705	891,299	-	89,130	802,169
Valencia	2.8000	10,699,908	2,687,960	-	537,591	2,150,369
Valencia Stage V	2.4000	45,909,746	20,949,625	-	2,327,736	18,621,889
Valencia Stage V Exp	2.4000	1,400,546	564,113	-	70,514	493,599
Valencia WRP Boiler Upgrade	1.7000	4,335,543	4,201,586	-	189,200	4,012,386
Puente Hills	2.8000	5,000,000	236,580	-	236,580	-
Alamitos Pumping Plant Force Main	1.7000	1,069,500	880,835	-	42,241	838,594
Biological Reactors	2.4000	109,095,000	46,813,119	-	5,377,578	41,435,541
Central Odor Control	2.4000	11,444,141	5,740,995	-	574,099	5,166,896
Cryogenic Oxygen Generation	2.4000	23,869,940	9,610,311	-	1,201,289	8,409,022
Environmental Lab Bldg	2.4000	9,591,013	4,336,806	-	481,867	3,854,939
Fuel Gas Compressor Upgrade	2.4000	722,927	294,509	-	36,813	257,696
Heat Recovery Steam Gen. Equip.	2.4000	3,983,711	2,603,486	-	216,957	2,386,529
High-Speed Centrifuge	2.4000	4,500,995	2,322,953	-	232,295	2,090,658
Install Secondary Infl. Pump Station	2.4000	4,719,816	1,903,480	-	237,935	1,665,545
Install Secondary Infl Pump Station II	2.4000	1,541,429	811,283	-	81,128	730,155
JO A, Unit 1A-Dist 5 Trunk Sewer	2.1000	-	9,212,505	1,585,569	-	10,798,074
Long Beach Main PP Facility Upgrades	1.9000	34,482,000	16,323,023	7,381,567	-	23,704,590
Long Beach WRP Aeration	2.4000	368,511	184,261	-	23,032	161,229
Long Beach WRP Ammonia	2.4000	834,196	469,237	-	52,137	417,100
Long Beach WRP NDN Fac	2.4000	4,735,275	3,088,586	-	237,584	2,851,002
Long Beach WRP NDN Fac Equip.	2.4000	504,474	269,050	-	33,632	235,418
Los Coyotes WRP Ammonia	2.4000	1,208,597	679,838	-	75,537	604,301
Los Coyotes WRP Interceptor	2.7000	12,381,145	10,465,618	-	531,614	9,934,004
Los Coyotes WRP NDN Fac	2.4000	17,538,820	11,400,233	-	876,941	10,523,292
Mod. of Electrical Power Services	2.4000	4,153,307	1,629,519	-	203,690	1,425,829
Pomona WRP NDN Fac	2.4000	4,931,545	2,773,991	-	308,222	2,465,769
Pomona WRP NDN Fac. Equip.	2.4000	182,616	102,718	-	11,413	91,305
Power Generation Equipment	2.4000	12,298,084	5,217,952	-	652,244	4,565,708
Power Generation Steam Turbine Gen.	2.4000	2,978,767	1,939,951	-	161,662	1,778,289
Primary Screenings & Grit Dewatering	2.4000	11,730,892	4,689,372	-	586,172	4,103,200
Purch. Secondary Infl Pump Station Equip	2.4000	11,012,050	5,477,391	-	547,739	4,929,652
Reloc. & Install High-Speed Centrifuge	2.4000	2,109,325	843,610	-	105,453	738,157
San Jose Creek WRP NDN Fac.	2.4000	9,401,328	5,222,960	-	522,296	4,700,664
San Jose Creek WRP NDN Fac. Equip.	2.4000	1,349,480	768,179	-	76,818	691,361
Secondary Effluent Pumps	2.6000	1,176,608	563,200	-	64,240	498,960

Continued on following page

## COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

### Notes to Basic Financial Statements, Continued

Description	Interest Rate	Maximum Principal Balance	Balance at July 1, 2015	Current-Year Draw Downs	Redemptions	Balance at June 30, 2016
Silo Odor Control Fac. Phase I	2.4000	5,330,364	3,126,402	-	347,378	2,779,024
Silo Odor Control Fac. Phase II	2.4000	2,947,840	1,801,457	-	163,769	1,637,688
W. A. S. Thickening Expansion	2.4000	4,173,801	1,676,417	-	209,552	1,466,865
Whittier Narrows WRP NDN Fac.	2.4000	4,309,558	3,240,376	-	216,025	3,024,351
Wright Road Trunk Sewer Repair	2.6000	672,500	534,917	-	27,386	507,531
Digestion Tanks 17-23	2.4000	53,930,932	23,927,547	-	2,658,616	21,268,931
Primary Tank Covers	2.4000	3,608,121	1,494,514	-	198,616	1,295,898
Mod. of Biological Reactors	2.4000	34,354,567	18,413,553	-	1,857,297	16,556,256
		<u>\$ 732,101,802</u>	<u>381,748,951</u>	<u>8,967,136</u>	<u>30,100,398</u>	<u>360,615,689</u>
Less unamortized discount		-	<u>(21,938,677)</u>	-	<u>(2,391,304)</u>	<u>(19,547,373)</u>
Loans payable to State, net		<u>\$ 732,101,802</u>	<u>359,810,274</u>	<u>8,967,136</u>	<u>27,709,094</u>	<u>341,068,316</u>

The annual debt service requirements as of June 30, 2016, for the Districts' indebtedness to the State are as follows:

	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
Fiscal year ending June 30:			
2017	\$ 7,783,022	30,573,922	38,356,944
2018	7,814,556	31,701,704	39,516,260
2019	7,391,900	32,124,359	39,516,259
2020	6,958,999	32,557,261	39,516,260
2021	6,425,836	32,463,065	38,888,901
2022-2026	21,459,183	118,246,952	139,706,135
2027-2031	7,356,635	58,927,538	66,284,173
2032-2036	1,145,454	22,706,465	23,851,919
2037-2041	<u>26,770</u>	<u>1,314,423</u>	<u>1,341,193</u>
	<u>\$ 66,362,355</u>	<u>360,615,689</u>	<u>426,978,044</u>
Less unamortized discount	-	<u>(19,547,373)</u>	<u>(19,547,373)</u>
Loans payable to State, net	<u>\$ 66,362,355</u>	<u>341,068,316</u>	<u>407,430,671</u>

### (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, 2016, the liability for workers' compensation claims was estimated at \$11,173,386. 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, 2016, there were no reportable claims other than workers' compensation benefits as follows (in thousands):

	2016	2015
Unpaid claims, beginning of fiscal year	\$ 11,111	11,059
Incurred claims	2,865	2,820
Claim payments	(2,803)	(2,768)
Unpaid claims, end of fiscal year	\$ 11,173	11,111
Due within one year	\$ 5,587	5,555

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, 2016:

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	425,095,259
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	18,651,000
Extra Expense	JWPCP Total Energy Facilities	23,100,000
Pollution Legal Liability	Wastewater System	5,000,000
Fiduciary Liability-Deferred Compensation Program		1,000,000
Rental Property Insurance	3 Single-Family Homes - Carson	629,510



# 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, 2016, 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	7.00%	6.75%

The required employer blended contribution rate is 6.757%.

# COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

## Notes to Basic Financial Statements, Continued

### Employees Covered

At June 30, 2016, the following employees were covered by the benefit terms for each Plan:

Inactive employees or beneficiaries	
currently receiving benefits	1,447
Inactive employees entitled to but	
not yet receiving benefits	475
Active employees	1,641
Total	3,563

### 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, 2015, using an annual actuarial valuation as of June 30, 2014, rolled forward to June 30, 2015, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

	<u>Employees</u>
Valuation date	June 30, 2014
Measurement date	June 30, 2015
Actuarial cost method	Entry-age Normal Cost Method
Actuarial assumptions:	
Discount rate	7.65%
Inflation	2.75%
Payroll	3.00%
Projected salary increase	Varies by entry age and service <sup>(1)</sup>
Investment rate of return	7.50% <sup>(2)</sup>
Mortality	Derived by using CalPERS membership data for all funds

<sup>(1)</sup> Depending on age, service, and type of employment

<sup>(2)</sup> 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, 2014, valuation were based on an actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

#### Change of Assumptions

GASB 69, paragraph 68, states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014, measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015, measurement date is without reduction of pension plan administrative expense.

#### Discount Rate

The discount rate used to measure the total pension liability was 7.65%. 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 7.65% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.65% 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.

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 2017-2018 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. The target allocation was adopted by the CalPERS Board and was calculated net of administrative expenses.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10 (a)</u>	<u>Real Return Years 11+ (b)</u>
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	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:

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability/(Asset)</u>
Balance at June 30, 2015	\$ 1,502,814,538	1,237,211,330	265,603,208
Changes in the year:			
Service cost	22,319,935	-	22,319,935
Administrative expenses	-	(1,381,953)	1,381,953
Interest on the total pension liability	110,522,731	-	110,522,731
Change of assumptions	(27,590,677)	-	(27,590,677)
Contribution-employer	-	21,082,283	(21,082,283)
Contribution-employee (paid by employer)	-	11,456,578	(11,456,578)
Difference between expected and actual experience	(10,061,243)	-	(10,061,243)
Net investment income		28,129,212	(28,129,212)
Benefit payments, including refunds of Employee contributions	(63,161,978)	(63,161,978)	-
Net Changes	32,028,768	(3,875,858)	35,904,626
Balance at June 30, 2016	\$ 1,534,843,306	1,233,335,472	301,507,834

# 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		6.65%	
Net Pension Liability	\$		510,817,526
Current Discount Rate		7.65%	
Net Pension Liability	\$		301,507,834
1% Increase		8.65%	
Net Pension Liability	\$		128,142,369

### 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, 2016, the Districts recognized pension expense of \$12,547,419. At June 30, 2016, 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	\$ 24,285,923	-
Changes of assumptions	-	(21,459,425)
Difference between expected and actual experiences	-	(7,825,411)
Net differences between projected and actual earnings on plan investments	52,115,776	(64,825,557)
Total	<u>\$ 76,401,699</u>	<u>(94,110,393)</u>

Deferred outflows of resources of \$24,285,923 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, 2017. 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>
2017	\$	(16,946,671)
2018		(16,946,671)
2019		(16,946,671)
2020		8,845,396

# COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

## Notes to Basic Financial Statements, Continued

### (E) Payable to the Pension Plan

The Districts did not have an outstanding payable for contributions to the pension plan for the fiscal year ended June 30, 2016.

### (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](http://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 30 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
6/30/16	23,990	100	0

#### Funded Status and Funding Progress

As of June 30, 2015, the plan was 40% funded. The actuarial accrued liability for benefits was \$357 million, and the actuarial value of assets was \$145 million, resulting in a UAAL of \$212 million. The covered payroll (annual payroll of active employees covered by the plan) was \$156 million, and the ratio of the UAAL to the covered payroll was 135.8%.

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 Accrued Liability	Actuarial Value of Assets	Unfunded Liability/ (Excess Assets)	Funded Ratio	Covered Payroll	Unfunded Liability as a % of Covered Payroll
6/30/06 <sup>(1)</sup>	\$ 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
6/30/15	357,334	144,980	212,354	40.6	156,411	135.8

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

# 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 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, 2015, the entry age actuarial cost method was used. The actuarial assumptions included a 7.25% investment rate of return (net of administrative expenses) and actual healthcare premiums (depending on whether Medicare eligible), reduced by decrements to an ultimate rate of 5% after five 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, 2015, was 21 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 2016 was \$18,000 and will remain at \$18,000 in 2017.

At June 30, 2016, assets with a fair value of \$261,518,234 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, 2016, were as follows:

	<u>Balance at July 1, 2015</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance at June 30, 2016</u>	<u>Due Within One Year</u>
\$	37,090,898	27,396,139	25,675,760	38,811,277	17,400,000



**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, 2016:

	<u>Due From Other Districts</u>	<u>Due To Other Districts</u>
Sewerage Operations:		
District No. 1	\$ -	665,877
District No. 2	-	708,045
District No. 3	-	715,629
District No. 4	-	5,097
District No. 5	-	1,154,831
District No. 8	-	417,183
District No. 9	30	-
District No. 14	-	382,064
District No. 15	-	790,595
District No. 16	-	349,439
District No. 17	-	55,797
District No. 18	-	596,108
District No. 19	-	159,021
District No. 20	-	560,429
District No. 21	-	660,227
District No. 22	-	583,745
District No. 23	-	101,106
District No. 27	30	-
District No. 28	-	14,458
District No. 29	-	38,574
District No. 34	-	2,000
Joint Outfall	-	3,352,942
Santa Clarita Valley	-	676,369
South Bay Cities	-	232,682
Total Sewerage Operations	<u>60</u>	<u>12,222,218</u>
Solid Waste Facilities Operations:		
Palos Verdes Landfill	-	138,326
Spadra Landfill	-	174,098
South Gate Transfer Station	-	46,185
Puente Hills Landfill	-	1,399,961
Puente Hills Materials Recovery Facility	-	121,131
Downey Area Recycling & Transfer Station	-	116,639
Mesquite Landfill	5,028	-
Total Solid Waste Facilities Operations	<u>5,028</u>	<u>1,996,340</u>

## COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

### Notes to Basic Financial Statements, Continued

	Due From Other Districts	Due To Other Districts
Trustee Solid Waste Facilities Operations:		
Scholl Canyon Landfill	-	132,044
Calabasas Landfill	-	202,675
Los Angeles County Equipment Pool	-	383,765
Los Angeles County Refuse Disposal	-	46,153
Total Trustee Solid Waste Facilities Operations	-	764,637
Service Operations:		
Joint Administration	19,103,649	-
Technical Support	-	1,064,895
Joint Refuse Disposal	-	440,426
Joint Refuse Equipment Pool	-	1,372,861
Joint Administration Equipment Pool	-	67,720
Joint Outfall Equipment Pool	-	1,179,640
Total Service Operations	19,103,649	4,125,542
	\$ 19,108,737	19,108,737

#### (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, 2016:

	Transfers In	Transfers Out
Sewerage Operations:		
District No. 1	\$ 2,731,884	142,034,046
District No. 2	4,165,733	212,849,887
District No. 3	3,190,237	157,218,213
District No. 4	324,183	313,696
District No. 5	6,439,710	241,038,644
District No. 8	1,670,123	91,799,319
District No. 9	45,557	55,543
District No. 14	10,414,191	11,246,206
District No. 15	4,116,652	170,525,306
District No. 16	2,510,551	95,201,301
District No. 17	320,674	13,363,604
District No. 18	2,318,772	114,374,812
District No. 19	730,789	32,216,899
District No. 20	8,774,064	9,210,393
District No. 21	2,562,008	156,188,471
District No. 22	2,191,654	115,759,213
District No. 23	426,740	34,331,461
District No. 27	63,714	71,276

Continued on the following page

## COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

### Notes to Basic Financial Statements, Continued

	Transfers In	Transfers Out
District No. 28	111,727	1,443,538
District No. 29	48,372	4,708,061
District No. 34	-	3,841
Joint Outfall	1,616,328,353	-
Newhall Ranch	-	60
Santa Clarita Valley	3,321,060	3,479,414
South Bay Cities	1,104,245	41,340,122
Total Sewerage Operations	1,673,910,993	1,648,773,326
 Solid Waste Facilities Operations:		
Palos Verdes Landfill	1,184,406	2,000,000
Spadra Landfill	3,520,000	5,119,005
South Gate Transfer Station	4,912,813	4,823,226
Puente Hills Landfill	202,495	4,066,471
Puente Hills Materials Recovery Facility	9,201,280	7,806,508
Downey Area Recycling & Transfer Station	2,575,915	1,145,582
Mesquite Landfill	1,500,000	191,378
Total Solid Waste Facilities Operations	23,096,909	25,152,170
 Trustee Solid Waste Facilities Operations:		
Scholl Canyon Landfill	5,431,605	6,564,886
Calabasas Landfill	6,212,972	6,715,286
Los Angeles County Equipment Pool	2,157,628	-
Los Angeles County Refuse Disposal	688,771	-
Total Trustee Solid Waste Facilities Operations	14,490,976	13,280,172
 Service Operations:		
Joint Administration	-	6,281,005
Technical Support	2,867,610	17,226,181
Joint Refuse Disposal	8,821,074	14,564,333
Joint Refuse Equipment Pool	443,799	-
Joint Administration Equipment Pool	121,895	-
Joint Outfall Equipment Pool	1,523,931	-
Total Service Operations	13,778,309	38,071,519
	\$ 1,725,277,187	1,725,277,187

#### (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).

# COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

## Notes to Basic Financial Statements, Continued

### (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.

### (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, 2016, is as follows (see note 7):

Trunk sewer projects	\$	23,003,724
Water reclamation plant projects		176,596,480
Solid waste projects		187,499,860
Joint Administration projects		<u>12,070,404</u>
Total Construction in Progress	\$	<u><u>399,170,468</u></u>

## COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

### Notes to Basic Financial Statements, Continued

#### (17) Joint Ventures

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

- Southern California Coastal Water Research Project Authority

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

The current participants in this agreement are County Sanitation District No. 2 of Los Angeles County (acting in its capacity as the administrative District), the City of Los Angeles, Orange County Sanitation District, and the City of San Diego. A major portion of funding (\$1,600,000 in 2015-2016) is provided by the sponsoring agencies paying equal shares. Additional funding (\$400,000 in 2015-2016) is provided by the County of Los Angeles, the County of Orange, the County of San Diego, and the County of Ventura. The Districts account for their contributions as an operating expense. Complete separate financial statements for SCCWRPA may be obtained at 3535 Harbor Blvd., Costa Mesa, California, 92626-1437.

- Commerce Refuse to Energy Authority

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

The City and the Districts executed a First Amendment to the Facility Operating Agreement, which became effective July 1, 1994. This agreement incorporates CREA into the Districts' Solid Waste Management System (System), allows the Districts to set tipping fee rates, and provides for a management fee to the Districts for operating the facility. This agreement ensures the facility's long-term financial viability by making System funds available for short-term deficits. Any funds transferred will ultimately be repaid to the System, with interest, from future facility revenues. For the fiscal year ended June 30, 2016, management fees charged by the Districts were the same as the actual costs incurred by the Districts to operate the facility.

## COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

### Notes to Basic Financial Statements, Continued

CREA is projecting that operating revenues will exceed expenses until the end of calendar year 2016. However, CREA's long-term agreement for the sale of power ended on December 31, 2016, and power revenue is expected to drop significantly because new power agreements will see a decrease of over 50% in rates. This will make it difficult for CREA's revenue to consistently cover expenses. The long-term outlook for operation is questionable and alternative uses for the facility and site will continue to be evaluated.

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

- Inland Empire Regional Composting Authority

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

## COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

### Notes to Basic Financial Statements, Continued

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

	CREA June 30 (Audited)	IERCA June 30 (Unaudited)	SCCWRPA June 30 (Audited)	SERRF September 30 (Unaudited)
Total assets	\$ 30,811	91,781	6,984	43,609
Other liabilities	1,681	1,341	2,921	1,435
Bonds payable	-	-	-	31,020
Total liabilities	\$ 1,681	1,341	2,921	32,455
Districts' investment	13,345	42,120	-	-
Other	15,785	48,320	4,063	11,154
Total net position	\$ 29,130	90,440	4,063	11,154
Operating revenues	16,996	8,603	8,603	1,694
Operating expenses	(14,181)	(9,350)	(8,559)	(80)
Nonoperating revenues (expenses)	(90)	(123)	19	(1,196)
Capital contribution revenue (expense)	(290)	50	-	-
Change in net position	\$ 2,435	(820)	63	418

#### (18) Landfill Closure and Postclosure Care Cost

At June 30, 2016, 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>	Estimated Closure/ Postclosure Costs	Total Estimated Capacity (Tonnage in Millions)	Percentage of Capacity Used to Date %	Closure/ Postclosure Liability Balance at July 1, 2015	Change in Estimated Closure/ Postclosure Cost	Closure/ Postclosure Costs Applied to Liability	Closure/ Postclosure Liability Balance at June 30, 2016
<b>Trustee Landfills</b>							
Calabasas	\$ 82,467,552	30.90	80.84	65,188,726	1,479,218	-	66,667,944
Scholl Canyon	12,406,952	33.28	88.61	10,763,362	230,659	-	10,994,021
Total Trustee Landfills	94,874,504			75,952,088	1,709,877	-	77,661,965
<b>Districts' Landfills</b>							
Puente Hills	227,073,533	142.05	100.00	221,451,078	5,622,455	(12,216,620)	214,856,913
Spadra	50,878,443	17.19	100.00	48,275,321	3,086,345	(2,747,198)	48,614,468
Total Districts' Landfills	277,951,976			269,726,399	8,708,800	(14,963,818)	263,471,381
Total Landfills	\$ 372,826,480			345,678,487	10,418,677	(14,963,818)	341,133,346

## COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

### Notes to Basic Financial Statements, Continued

The \$341,133,346 reported on the statement of net position for the landfill closure and postclosure care liability at June 30, 2016, 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 2015-2016. Actual costs may be higher due to inflation, changes in technology, or changes in regulation. The current liability due within one year is \$2,804,000 for Spadra, and \$11,899,000 for Puente Hills.

The Districts are required by federal and state laws, regulations, and agreements with the County of Los Angeles to make annual contributions to finance future closure and postclosure care. The Districts are in compliance with these requirements, and at June 30, 2016, contributions of approximately \$459 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 or by contributions from Districts that are participants in the Sanitation Districts Solid Waste Management System Agreement or the Los Angeles County Refuse Disposal Trust Agreement. The estimated closure date for the open landfills is as follows: Scholl Canyon, 2028; and, Calabasas, 2035.

#### (19) Environmental Liabilities

The Districts purchased the Fletcher Oil and Refining Company (FORCO) property, located immediately adjacent to the Joint Water Pollution Control Plant, in June 2000. Under the purchase agreement, 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 Districts assumed control of all site work beginning in January 2010.

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

	Balance at June 30, 2015	Additions or Adjustments	Payments Current Year	Balance at June 30, 2016	Due Within One Year
FORCO Property	\$ 1,265,000	1,032,495	(260,495)	2,037,000	317,000
Net Pollution Remediation Liability	\$ 1,265,000	1,032,495	(260,495)	2,037,000	317,000



## COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

### Notes to Basic Financial Statements, Continued

#### (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 invested 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.

#### (21) Prior-Period Adjustment

Adjustments and corrections to previously reported financial activities are recorded as prior-period adjustments. The Districts have restated its net position for the fiscal year ended June 30, 2015, from amounts previously reported. The restatement includes an adjustment for changes to capital assets and related depreciation in the amount of \$(15,816,942) and correction of previously reported materials and supplies expense of \$72,184.

#### (22) Subsequent Event

On November 16, 2016, the Authority issued \$170,265,000 in Capital Projects Revenue Bonds (District No. 20 Revenue Bonds) (the 2016 Bonds). The purpose of the 2016 Bonds is to refund all of the Authority's outstanding Capital Projects Revenue Bonds, 2005 Series A (District No. 20 Subordinate Revenue Bonds); refund all of the Authority's outstanding Capital Projects Revenue Bonds, 2007 Series A (District No. 20 Subordinate Revenue Bonds); refinance certain improvements to the Sewerage System of County Sanitation District No. 20 of Los Angeles County by prepaying in full District No. 20's outstanding Clean Water State Revolving Fund Loan; and pay costs of issuance of the 2016 Bonds. These serial bonds mature in varying amounts on October 1 in the years 2017 through 2036 at coupon rates ranging from 3.0% to 5.0%.

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

REQUIRED SUPPLEMENTAL SCHEDULES

JUNE 30, 2016

**COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY**

Required Supplemental Disclosure

June 30, 2016

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

Measurement Period	2014-15	2013-14
<b>Total Pension Liability</b>		
Service Cost	\$ 22,319,935	23,304,566
Interest	110,522,731	105,962,106
Changes in Benefit Terms	-	-
Difference Between Expected and Actual Experience	(10,061,243)	-
Changes in Assumptions	(27,590,677)	-
Benefits Payments, Including Refunds of Employee Contributions	(63,161,978)	(55,255,873)
<b>Net Changes in Total Pension Liability</b>	<b>32,028,768</b>	<b>74,010,799</b>
<b>Total Pension Liability, Beginning</b>	<b>1,502,814,538</b>	<b>1,428,803,739</b>
<b>Total Pension Liability, Ending (a)</b>	<b>\$ 1,534,843,306</b>	<b>1,502,814,538</b>
 <b>Plan Fiduciary Net Position</b>		
Contributions-Employer	\$ 21,082,283	20,091,038
Contributions-Employee	11,456,578	12,344,493
Net Investment Income	28,129,212	187,477,208
Administrative Expenses	(1,381,953)	-
Benefit Payments, Including Refunds of Employee Contributions	(63,161,978)	(55,255,873)
Other Changes in Fiduciary Net Position	-	-
<b>Net Changes in Fiduciary Net Position</b>	<b>(3,875,858)</b>	<b>164,656,866</b>
<b>Plan Fiduciary Net Position, Beginning</b>	<b>1,237,211,330</b>	<b>1,072,554,464</b>
<b>Plan Fiduciary Net Position, Ending (b)</b>	<b>\$ 1,233,335,472</b>	<b>1,237,211,330</b>
 <b>Plan Net Pension Liability/(Asset)-Ending (a) - (b)</b>	<b>\$ 301,507,834</b>	<b>265,603,208</b>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.36%	82.33%
 Covered-Employee Payroll	166,392,842	167,309,687
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	181.20%	158.75%

<sup>(1)</sup>Fiscal year 2015 was the first year of implementation, therefore only two years are shown.

**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, 2014, valuation date.

Changes in Assumptions: The discount rate was changed from 7.50% (net of administrative expense) to 7.65%

**COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY**

Required Supplemental Disclosure, Continued

**Schedule of Plan Contributions**

**Last 10 Years <sup>(1)</sup>**

	Fiscal Year 2014-15	Fiscal Year 2013-14
Actuarilly Determined Contribution	\$ 21,082,283	20,091,038
Contributions in Relation to the Actuarially Determined Contribution	<u>(21,082,283)</u>	<u>(20,091,038)</u>
Contributions Deficiency (Excess)	<u>\$ -</u>	<u>-</u>
Covered-Employee Payroll	\$ 166,392,842	167,309,687
Contributions as a Percentage of Covered- Employee Payroll	12.67%	12.01%

**Notes to Schedule**

The actuarial methods and assumptions used to set the actuarially determine contribution for fiscal year 2014-15 were from the June 30, 2012 public agency valuations.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	See June 30, 2012, Funding Valuation Report
Asset Valuation Method	Actuarial Value of Assets. See June 30, 2012, 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

<sup>(1)</sup>Fiscal year 2015 was the first year of implementation, therefore only two years are shown.

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

COMBINING AND INDIVIDUAL  
SUPPLEMENTAL SCHEDULES

JUNE 30, 2016

## 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**  
**SANITATION DISTRICTS OF LOS ANGELES COUNTY**  
**Combining Schedule of Net Position**  
**June 30, 2016**

<b>Assets</b>	<b>Sewerage Operations</b>	<b>Solid Waste Facilities Operations</b>	<b>Trustee Solid Waste Facilities Operations</b>	<b>Service Operations</b>	<b>Total</b>
<b>Current assets:</b>					
Cash in bank	\$ -	1,789,519	1,151,370	10,508,847	13,449,736
Cash on hand	-	15,396	10,976	12,400	38,772
Cash and cash equivalents	<u>87,537,839</u>	<u>954,181</u>	<u>11,309,241</u>	<u>2,666,841</u>	<u>102,468,102</u>
<b>Total unrestricted cash and cash     equivalents</b>	<u>87,537,839</u>	<u>2,759,096</u>	<u>12,471,587</u>	<u>13,188,088</u>	<u>115,956,610</u>
<b>Receivables:</b>					
Accounts	20,686,787	7,054,145	3,432,417	650,923	31,824,272
Due from other funds (1)	60	5,028	-	19,103,649	19,108,737
Interest	2,503,175	940,298	106,699	715,013	4,265,185
Service charges	15,331,327	-	-	-	15,331,327
Taxes	<u>4,566,582</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,566,582</u>
<b>Total receivables</b>	<u>43,087,931</u>	<u>7,999,471</u>	<u>3,539,116</u>	<u>20,469,585</u>	<u>75,096,103</u>
<b>Inventory</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,132,861</u>	<u>19,132,861</u>
<b>Restricted cash and investments:</b>					
Cash and cash equivalents	545,327,349	132,917,512	49,050,993	110,563,811	837,859,665
Specific investments	527,038,997	324,759,945	26,200,355	238,563,760	1,116,563,057
Bond proceeds with Trustee:					
Cash and cash equivalents	<u>10,810,856</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,810,856</u>
<b>Total restricted cash and investments</b>	<u>1,083,177,202</u>	<u>457,677,457</u>	<u>75,251,348</u>	<u>349,127,571</u>	<u>1,965,233,578</u>
<b>Other specific investments</b>	<u>6,500,000</u>	<u>8,181,500</u>	<u>-</u>	<u>-</u>	<u>14,681,500</u>
<b>Total current assets</b>	<u>1,220,302,972</u>	<u>476,617,524</u>	<u>91,262,051</u>	<u>401,918,105</u>	<u>2,190,100,652</u>
<b>Investment in joint ventures</b>	42,269,935	-	-	13,195,299	55,465,234
<b>Capital assets:</b>					
Buildings and equipment	-	7,334,878	-	63,935,942	71,270,820
Capital improvements	-	389,929,724	150,716,278	2,107,936	542,753,938
Composting facility	121,421,137	-	-	-	121,421,137
Construction in progress	199,600,204	-	-	199,570,264	399,170,468
Disposal rights	83,330,589	-	-	-	83,330,589
Equipment pool	-	-	9,663,855	58,361,216	68,025,071
Gas-to-energy facilities	-	182,092,860	-	40,477,447	222,570,307
Land	158,694,959	26,511,591	5,482,200	28,966,292	219,655,042
Other	22,084,147	-	-	30,096,052	52,180,199
Rail facilities	-	54,060,853	-	-	54,060,853
Recycling and transfer facility	-	63,237,617	-	-	63,237,617
Treatment plants	1,950,821,522	-	-	-	1,950,821,522
Trunk lines	1,370,223,375	-	-	-	1,370,223,375
Use rights	770,580	67,761,710	1,247,346	-	69,779,636
Less accumulated depreciation/amortization	<u>(1,240,343,839)</u>	<u>(478,717,306)</u>	<u>(130,352,372)</u>	<u>(87,029,457)</u>	<u>(1,936,442,974)</u>
<b>Net capital assets</b>	<u>2,666,602,674</u>	<u>312,211,927</u>	<u>36,757,307</u>	<u>336,485,692</u>	<u>3,352,057,600</u>
<b>Total assets</b>	<u>3,929,175,581</u>	<u>788,829,451</u>	<u>128,019,358</u>	<u>751,599,096</u>	<u>5,597,623,486</u>
<b>Deferred Outflow of Resources</b>					
Pension contribution subsequent to measurement date	13,522,628	2,990,936	853,809	6,918,550	24,285,923
Deferred loss on refunding, net	<u>9,863,019</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,863,019</u>
<b>Total</b>	<u>\$ 23,385,647</u>	<u>2,990,936</u>	<u>853,809</u>	<u>6,918,550</u>	<u>34,148,942</u>

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

(Continued on following page)

**Exhibit D-1-2**  
**SANITATION DISTRICTS OF LOS ANGELES COUNTY**  
**Combining Schedule of Net Position**  
**June 30, 2016**

<b>Liabilities</b>	<u>Sewerage Operations</u>	<u>Solid Waste Facilities Operations</u>	<u>Trustee Solid Waste Facilities Operations</u>	<u>Service Operations</u>	<u>Total</u>
<b>Current liabilities:</b>					
Accounts payable	\$ 11,414,418	5,206,765	2,575,516	14,734,698	33,931,397
Accrued employee absences	-	-	-	17,400,000	17,400,000
Amounts held for others	-	-	-	5,362,147	5,362,147
Bonds payable	30,160,000	-	-	1,404,400	31,564,400
Claims liabilities	3,068,199	1,459,860	297,469	761,164	5,586,692
Construction contracts payable	7,220,217	68,470	35,974	1,448,493	8,773,154
Due to other funds (1)	12,222,218	1,996,340	764,637	4,125,542	19,108,737
Estimated liability for closure and postclosure costs	-	14,703,000	-	-	14,703,000
Estimated liability for pollution remediation	317,000	-	-	-	317,000
Interest payable	8,745,227	-	-	4,974	8,750,201
Loans payable to State of California	30,573,922	-	-	-	30,573,922
Note payable	-	-	-	1,328,375	1,328,375
Other	133,032	-	-	233,619	366,651
<b>Total current liabilities</b>	<b>103,854,233</b>	<b>23,434,435</b>	<b>3,673,596</b>	<b>46,803,412</b>	<b>177,765,676</b>
<b>Long-term liabilities:</b>					
Accrued employee absences	-	-	-	21,411,277	21,411,277
Bonds payable, net	462,839,636	-	-	7,021,993	469,861,629
Claims liabilities	3,068,200	1,459,861	297,469	761,164	5,586,694
Estimated liability for closure and postclosure costs	-	248,768,381	77,661,965	-	326,430,346
Estimated liability for pollution remediation	1,720,000	-	-	-	1,720,000
Loans payable to State of California	310,494,394	-	-	-	310,494,394
Pension liability	168,014,659	37,320,758	10,581,670	85,590,747	301,507,834
<b>Total liabilities</b>	<b>1,049,991,122</b>	<b>310,983,435</b>	<b>92,214,700</b>	<b>161,588,593</b>	<b>1,614,777,850</b>
<b>Deferred Inflow of Resources</b>					
Pension deferrals	25,027,865	7,605,909	1,239,786	8,121,057	41,994,617
<b>Net Position</b>					
<b>Net position:</b>					
Net investment in capital assets	1,835,177,524	312,143,457	36,721,333	326,610,806	2,510,653,120
Restricted for capital projects	416,579,523	1,420,416	335,000	7,200,000	425,534,939
Restricted for closure/postclosure maintenance	-	131,002,119	1,971,736	-	132,973,855
Restricted for equipment pool	-	-	1,926,427	20,062,709	21,989,136
Restricted for site development	-	34,465,861	-	-	34,465,861
Unrestricted	625,785,194	(5,800,810)	(5,535,815)	234,934,481	849,383,050
<b>Total net position</b>	<b>\$ 2,877,542,241</b>	<b>473,231,043</b>	<b>35,418,681</b>	<b>588,807,996</b>	<b>3,974,999,961</b>

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



**Exhibit D-2**  
**SANITATION DISTRICTS OF LOS ANGELES COUNTY**  
**Combining Schedule of Revenues, Expenses,**  
**and Changes in Net Position**  
**Fiscal year ended June 30, 2016**

	Sewerage Operations	Solid Waste Facilities Operations	Trustee Solid Waste Facilities Operations	Service Operations	Total
<b>Operating revenues:</b>					
Commodities	\$ -	8,428,832	29,213	1,113	8,459,158
Contract revenue	14,062,834	2,199,126	1,132,238	-	17,394,198
Equipment pool (1)	-	-	2,606,420	11,348,964	13,955,384
Industrial waste surcharge	64,476,608	-	-	-	64,476,608
Internal services revenue (1)	214,077,265	-	-	96,836,090	310,913,355
Refuse tipping fees	-	57,425,734	37,693,411	-	95,119,145
Sale of energy	223,290	19,929,044	-	3,020,670	23,173,004
Service charges	335,525,376	-	-	-	335,525,376
Other	852,438	9,319	-	749,052	1,610,809
<b>Total operating revenues</b>	<b>629,217,811</b>	<b>87,992,055</b>	<b>41,461,282</b>	<b>111,955,889</b>	<b>870,627,037</b>
<b>Operating expenses:</b>					
Chemicals	32,123,694	126,627	10,089	39,809	32,300,219
Equipment and vehicle rentals (1)	4,378,724	5,899,502	2,772,446	904,712	13,955,384
Insurance and claims	1,607,013	702,148	282,852	1,692,370	4,284,383
Internal administrative costs (1)	300,404,220	7,846,188	2,268,572	394,375	310,913,355
Landfill closure and postclosure costs	-	8,708,800	1,709,877	-	10,418,677
Materials and supplies	13,542,672	5,062,868	623,746	8,447,988	27,677,274
Operations, repairs and maintenance	5,843,190	2,148,216	6,984,382	6,742,921	21,718,709
Pollution remediation costs	1,032,495	-	-	-	1,032,495
Salaries and benefits	98,642,617	18,055,877	8,724,795	59,832,785	185,256,074
Services	44,285,175	44,585,368	1,727,619	6,059,486	96,657,648
Utilities	18,508,354	1,684,287	628,451	1,425,443	22,246,535
<b>Total operations and maintenance</b>	<b>520,368,154</b>	<b>94,819,881</b>	<b>25,732,829</b>	<b>85,539,889</b>	<b>726,460,753</b>
Charges for collections	674,461	-	-	-	674,461
Depreciation and amortization of use rights	71,598,269	6,219,948	3,169,279	9,371,944	90,359,440
Tonnage	-	-	3,633,907	-	3,633,907
<b>Total operating expenses</b>	<b>592,640,884</b>	<b>101,039,829</b>	<b>32,536,015</b>	<b>94,911,833</b>	<b>821,128,561</b>
<b>Operating income (loss)</b>	<b>36,576,927</b>	<b>(13,047,774)</b>	<b>8,925,267</b>	<b>17,044,056</b>	<b>49,498,476</b>
<b>Nonoperating revenues (expenses):</b>					
Interest revenue	13,007,748	5,088,690	873,963	3,590,619	22,561,020
Investment in joint ventures	(1,299,397)	-	-	868,458	(430,939)
Taxes	70,121,090	-	-	-	70,121,090
Amortization of bond premium	6,507,494	-	-	-	6,507,494
Amortization of deferred loss on refunding	(1,790,174)	-	-	-	(1,790,174)
Interest expense	(32,991,067)	-	-	(212,302)	(33,203,369)
Gain on sale of equipment	2,764	4,370	27,389	246,079	280,602
Tax and assessment expense	(2,348,921)	(2,898,561)	(2,331,780)	(122,871)	(7,702,133)
Other nonoperating revenue (expense)	(740,011)	-	-	243,320	(496,691)
Unrealized gain on investments	1,222,858	877,841	219,297	622,095	2,942,091
<b>Net nonoperating revenues (expenses)</b>	<b>51,692,384</b>	<b>3,072,340</b>	<b>(1,211,131)</b>	<b>5,235,398</b>	<b>58,788,991</b>
<b>Income (loss) before capital contribution revenue and transfers</b>	<b>88,269,311</b>	<b>(9,975,434)</b>	<b>7,714,136</b>	<b>22,279,454</b>	<b>108,287,467</b>
<b>Capital contribution revenue:</b>					
Connection fees	34,353,797	-	-	-	34,353,797
Federal capital grants	1,442,204	-	-	4,250	1,446,454
<b>Transfers in</b>	<b>1,673,910,993</b>	<b>23,096,909</b>	<b>14,490,976</b>	<b>13,778,309</b>	<b>1,725,277,187</b>
<b>Transfers out</b>	<b>(1,648,773,326)</b>	<b>(25,152,170)</b>	<b>(13,280,172)</b>	<b>(38,071,519)</b>	<b>(1,725,277,187)</b>
<b>Change in net position</b>	<b>149,202,979</b>	<b>(12,030,695)</b>	<b>8,924,940</b>	<b>(2,009,506)</b>	<b>144,087,718</b>
<b>Total net position, July 1, 2015, as previously stated</b>	<b>2,745,944,955</b>	<b>486,553,156</b>	<b>27,194,800</b>	<b>586,964,090</b>	<b>3,846,657,001</b>
<b>Prior-period adjustments</b>	<b>(17,605,693)</b>	<b>(1,291,418)</b>	<b>(701,059)</b>	<b>3,853,412</b>	<b>(15,744,758)</b>
<b>Total net position, July 1, 2015, as restated</b>	<b>2,728,339,262</b>	<b>485,261,738</b>	<b>26,493,741</b>	<b>590,817,502</b>	<b>3,830,912,243</b>
<b>Total net position, June 30, 2016</b>	<b>\$ 2,877,542,241</b>	<b>473,231,043</b>	<b>35,418,681</b>	<b>588,807,996</b>	<b>3,974,999,961</b>

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

**Exhibit D-3**  
**COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY**  
**Combining Schedule of Cash Flows**  
**Fiscal year ended June 30, 2016**

	Sewerage Operations	Solid Waste Facilities Operations	Trustee Solid Waste Facilities Operations	Service Operations	Total
<b>Cash flows from operating activities:</b>					
Receipts from customers and users	\$ 418,842,257	86,740,676	38,208,971	3,931,682	547,723,586
Receipts for internal services (1)	214,077,265	-	-	96,836,090	310,913,355
Receipts for equipment rental (1)	-	-	2,606,420	11,348,964	13,955,384
Payments to suppliers	(122,213,597)	(54,286,293)	(12,914,775)	(15,065,602)	(204,480,267)
Payments to employees	(115,876,928)	(19,656,715)	(9,366,587)	(37,186,884)	(182,087,114)
Payments applied to closure/postclosure liability	-	(14,963,818)	-	-	(14,963,818)
Payment for equipment rental (1)	(4,378,724)	(5,899,502)	(2,772,446)	(904,712)	(13,955,384)
Payment for internal administrative costs (1)	(300,404,220)	(7,846,188)	(2,268,572)	(394,375)	(310,913,355)
Net cash provided (used) by operating activities	<u>90,046,053</u>	<u>(15,911,840)</u>	<u>13,493,011</u>	<u>58,565,163</u>	<u>146,192,387</u>
<b>Cash flows from noncapital financing activities :</b>					
Receipts from property taxes	69,817,023	-	-	-	69,817,023
Payments for tax and assessment	(3,089,117)	(2,898,561)	(2,331,780)	(122,871)	(8,442,329)
Transfers from other funds	51,752,309	3,210,000	2,000,000	1,988,761	58,951,070
Transfers to other funds	(53,566,169)	(154,093)	(2,020,808)	(3,210,000)	(58,951,070)
Net cash provided (used) by noncapital financing activities	<u>64,914,046</u>	<u>157,346</u>	<u>(2,352,588)</u>	<u>(1,344,110)</u>	<u>61,374,694</u>
<b>Cash flows from capital and related financing activities:</b>					
Borrowings on loan from state	8,967,136	-	-	-	8,967,136
Proceeds from bond sale	172,408,048	-	-	-	172,408,048
Bond issuance costs	(653,812)	-	-	-	(653,812)
Purchases of capital assets	(108,868,273)	(2,065,701)	(3,180,652)	(27,286,163)	(141,400,789)
Connection fees proceeds	34,353,797	-	-	-	34,353,797
Grant proceeds	1,442,204	-	-	4,250	1,446,454
Donations	-	-	-	12,500	12,500
Bond defeasement	(171,720,322)	-	-	-	(171,720,322)
Interest paid on capital-related debt	(26,133,227)	(552)	-	(212,448)	(26,346,227)
Principal payments on bonds	(30,810,000)	-	-	(1,404,400)	(32,214,400)
Principal payments on note	-	-	-	(44,438)	(44,438)
Principal payments on loan from state	(29,863,818)	(236,580)	-	-	(30,100,398)
Proceeds from sale of assets/equipment	7,444	4,370	163,550	825,542	1,000,906
Receipts from joint venture	-	-	-	150,000	150,000
Net cash used by capital and related financing activities	<u>(150,870,823)</u>	<u>(2,298,463)</u>	<u>(3,017,102)</u>	<u>(27,955,157)</u>	<u>(184,141,545)</u>
<b>Cash flows from investing activities:</b>					
Interest received	14,441,860	5,437,515	972,544	3,882,611	24,734,530
Purchases of investments	(471,424,336)	(459,411,764)	(58,824,317)	(283,340,908)	(1,273,001,325)
Proceeds from maturities of investments	677,339,110	346,864,682	88,781,000	240,534,652	1,353,519,444
Net cash provided (used) by investing activities	<u>220,356,634</u>	<u>(107,109,567)</u>	<u>30,929,227</u>	<u>(38,923,645)</u>	<u>105,252,649</u>
Net increase (decrease) in cash and cash equivalents	224,445,910	(125,162,524)	39,052,548	(9,657,749)	128,678,185
Cash and cash equivalents at beginning of fiscal year	419,230,134	260,839,132	22,470,032	133,409,648	835,948,946
Cash and cash equivalents at end of fiscal year	<u>\$ 643,676,044</u>	<u>135,676,608</u>	<u>61,522,580</u>	<u>123,751,899</u>	<u>964,627,131</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ 36,576,927	(13,047,774)	8,925,267	17,044,056	49,498,476
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>					
Depreciation and amortization	71,598,269	6,219,948	3,169,279	9,371,944	90,359,440
Landfill closure and postclosure costs	-	8,708,800	1,709,877	-	10,418,677
Decrease (increase) in accounts receivable	3,430,457	(1,251,379)	(645,891)	(570,749)	962,438
Decrease in service charge receivable	286,927	-	-	-	286,927
Increase in inventory	-	-	-	(389,305)	(389,305)
Decrease in due from other funds	-	-	-	17,569,652	17,569,652
Increase in deferred outflows of resources	(1,692,379)	(259,123)	(125,801)	(1,126,536)	(3,203,839)
Increase in accounts payable	3,243,445	1,123,048	1,092,311	13,007,747	18,466,551
Increase in accrued employee absences	-	-	-	1,720,379	1,720,379
Decrease in estimated liability for closure and postclosure costs	-	(14,963,818)	-	-	(14,963,818)
Increase (decrease) in claims liabilities	(23,548)	22,118	2,953	60,918	62,441
Increase in pension liability	18,966,022	2,903,921	1,409,834	12,624,829	35,904,606
Increase in amounts held for others	-	-	-	779,583	779,583
Increase (decrease) in other liabilities	756,327	-	-	(27,030)	729,297
Increase (decrease) in due to other funds	(19,621,969)	(1,773,371)	(299,854)	4,125,542	(17,569,652)
Decrease in deferred inflows of resources	(23,474,425)	(3,594,210)	(1,744,964)	(15,625,867)	(44,439,466)
Net cash provided (used) by operating activities	<u>\$ 90,046,053</u>	<u>(15,911,840)</u>	<u>13,493,011</u>	<u>58,565,163</u>	<u>146,192,387</u>
<b>Schedule of noncash investing activity-</b>					
Unrealized gain on fair value of investments	\$ 1,222,858	877,841	219,297	622,095	2,942,091
Investment in joint ventures	(1,299,397)	-	-	868,458	(430,939)

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

**Exhibit E-1**  
**SANITATION DISTRICTS OF LOS ANGELES COUNTY**  
**Sewerage Operations**  
**Combining Schedule of Net Position**  
**June 30, 2016**

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	\$ 6,873,368	10,073,250	7,753,073	669,019	11,863,204	496,033	190,137	3,241,254	8,258,487
Receivables:									
Accounts	2,014,176	2,900,741	1,365,126	6,716	1,484,661	4,023,069	-	1,255,922	1,174,665
Due from other funds	-	-	-	-	-	-	30	-	-
Interest	115,953	183,429	154,719	68,467	172,637	61,945	11,823	118,777	165,797
Service charges	2,167,615	1,603,140	1,141,386	139,967	1,637,897	465,040	2,339	1,782,742	919,369
Taxes	168,741	419,747	328,788	37,661	773,607	135,590	6,681	57,135	509,017
Total receivables	4,466,485	5,107,057	2,990,019	252,811	4,068,802	4,685,644	20,873	3,214,576	2,768,848
Restricted cash and investments:									
Cash and cash equivalents	16,541,853	26,221,421	18,644,350	15,513,344	32,267,387	24,172,228	1,902,174	23,928,635	24,244,386
Specific investments	26,535,887	42,031,064	24,986,310	25,390,882	29,516,949	3,596,937	2,915,947	16,818,604	39,863,186
Bond proceeds with Trustee:									
Cash and cash equivalents	-	-	-	-	-	-	-	30	-
Total restricted cash and investments	43,077,740	68,252,485	43,630,660	40,904,226	61,784,336	27,769,165	4,818,121	40,747,269	64,107,572
Other specific investments	-	-	3,000,000	-	-	-	-	-	-
Total current assets	54,417,593	83,432,792	57,373,752	41,826,056	77,716,342	32,950,842	5,029,131	47,203,099	75,134,907
Investment in joint venture	-	-	-	-	-	-	-	-	-
Capital assets:									
Composting facility	-	-	-	-	-	-	-	-	-
Construction in progress	565	3,036,102	555,618	890,693	1,116,854	75,737	1,902	1,343,994	5,885
Disposal rights	-	60,119	-	65,006,383	7,504,001	-	1,942,104	-	-
Land	-	235,159	2,520	-	28,125	2,508	-	64,105,541	-
Other	737,931	1,136,064	841,117	3,348	1,222,294	530,662	281	13,130	863,801
Treatment plants	62,978	3,597,392	7,420,277	-	14,238,036	4,890,965	-	325,909,600	1,647,708
Trunk lines	26,178,501	31,802,035	21,619,419	1,284,217	55,702,304	15,092,923	-	56,514,049	12,167,715
Use rights	-	-	-	-	-	-	-	411,790	-
Less accumulated depreciation	(8,642,371)	(11,603,262)	(10,325,626)	(28,441,346)	(26,595,959)	(7,799,883)	(843,618)	(59,420,973)	(4,397,016)
Net capital assets	18,337,604	28,263,609	20,113,325	38,743,295	53,215,655	12,792,912	1,100,669	388,877,131	10,288,093
Total assets	72,755,197	111,696,401	77,487,077	80,569,351	130,931,997	45,743,754	6,129,800	436,080,230	85,423,000
<b>Deferred Outflow of Resources</b>									
Pension contribution subsequent to measurement date	101,026	211,444	118,937	5,349	248,656	82,893	344	530,859	71,113
Deferred loss/(gain) on refunding, net	878,697	1,356,626	1,030,483	131,093	2,217,568	535,873	18,424	(3,301,001)	1,387,727
Total	\$ 979,723	1,568,070	1,149,420	136,442	2,466,224	618,766	18,768	(2,770,142)	1,458,840

(Continued on following page)

**Exhibit E-1-2**  
**SANITATION DISTRICTS OF LOS ANGELES COUNTY**  
**Sewerage Operations**  
**Combining Schedule of Net Position**  
**June 30, 2016**

Assets	Districts								
	No. 16	No. 17	No. 18	No. 19	No. 20	No. 21	No. 22	No. 23	No. 27
Current assets:									
Cash and cash equivalents	\$ 4,370,940	585,000	5,476,337	1,491,919	4,198,769	3,539,966	5,461,629	910,968	253,580
Receivables:									
Accounts	253,854	11,129	1,230,139	15,075	184,462	789,348	1,751,997	1,192,756	-
Due from other funds	-	-	-	-	-	-	-	-	30
Interest	98,704	9,266	95,293	34,915	57,325	141,605	127,718	12,533	1,013
Service charges	615,442	104,825	915,606	167,410	1,099,525	902,033	578,744	19,483	-
Taxes	341,351	38,440	223,145	91,616	25,292	276,917	257,929	11,594	23,375
Total receivables	<u>1,309,351</u>	<u>163,660</u>	<u>2,464,183</u>	<u>309,016</u>	<u>1,366,604</u>	<u>2,109,903</u>	<u>2,716,388</u>	<u>1,236,366</u>	<u>24,418</u>
Restricted cash and investments:									
Cash and cash equivalents	16,985,246	6,176,224	13,967,111	5,978,598	9,597,931	27,412,790	23,210,751	7,799,464	453,015
Specific investments	26,229,728	1,274,684	16,032,845	7,538,425	6,723,320	33,143,445	25,976,020	4,247,167	37,020
Bond proceeds with Trustee:									
Cash and cash equivalents	-	-	-	-	10,810,826	-	-	-	-
Total restricted cash and investments	<u>43,214,974</u>	<u>7,450,908</u>	<u>29,999,956</u>	<u>13,517,023</u>	<u>27,132,077</u>	<u>60,556,235</u>	<u>49,186,771</u>	<u>12,046,631</u>	<u>490,035</u>
Other specific investments	-	-	3,500,000	-	-	-	-	-	-
Total current assets	<u>48,895,265</u>	<u>8,199,568</u>	<u>41,440,476</u>	<u>15,317,958</u>	<u>32,697,450</u>	<u>66,206,104</u>	<u>57,364,788</u>	<u>14,193,965</u>	<u>768,033</u>
Investment in joint venture	-	-	-	-	-	-	-	-	-
Capital assets:									
Composting facility	-	-	-	-	-	-	-	-	-
Construction in progress	463	-	391,304	51,127	1,218,899	98,300	177	-	564
Disposal rights	6,825,491	-	-	-	-	-	-	-	1,992,491
Land	-	-	-	5,600	16,297,751	79,240	-	-	-
Other	460,551	66,929	595,454	157,174	4,668	843,898	605,212	179,252	41
Treatment plants	-	-	-	377,236	245,042,708	12,586,617	-	-	2,569,204
Trunk lines	13,526,972	597,520	17,083,672	2,521,906	16,615,889	12,709,461	15,726,591	-	16,900
Use rights	-	-	-	-	358,790	-	-	-	-
Less accumulated depreciation	(6,530,242)	(389,053)	(5,565,443)	(2,363,484)	(43,962,537)	(12,425,129)	(6,404,282)	(169,420)	(1,966,571)
Net capital assets	<u>14,283,235</u>	<u>275,396</u>	<u>12,504,987</u>	<u>749,559</u>	<u>235,576,168</u>	<u>13,892,387</u>	<u>9,927,698</u>	<u>9,832</u>	<u>2,612,629</u>
Total assets	<u>63,178,500</u>	<u>8,474,964</u>	<u>53,945,463</u>	<u>16,067,517</u>	<u>268,273,618</u>	<u>80,098,491</u>	<u>67,292,486</u>	<u>14,203,797</u>	<u>3,380,662</u>
<b>Deferred Outflow of Resources</b>									
Pension contribution subsequent to measurement date	51,034	6,530	63,810	26,464	509,594	149,407	48,411	2,768	262
Deferred loss/(gain) on refunding, net	864,813	110,669	758,548	244,572	154,994	818,088	707,947	149,520	25,766
Total	<u>\$ 915,847</u>	<u>117,199</u>	<u>822,358</u>	<u>271,036</u>	<u>664,588</u>	<u>967,495</u>	<u>756,358</u>	<u>152,288</u>	<u>26,028</u>

(Continued on following page)

**Exhibit E-1-3**  
**SANITATION DISTRICTS OF LOS ANGELES COUNTY**  
**Sewerage Operations**  
**Combining Schedule of Net Position**  
**June 30, 2016**

Assets	Districts							Total
	No. 28	No. 29	No. 34	Joint Outfall	Newhall Ranch	Santa Clarita Valley	South Bay Cities	
<b>Current assets:</b>								
Cash and cash equivalents	\$ 185,470	554,677	1,897	334,201	(5,292)	8,637,955	2,121,998	87,537,839
<b>Receivables:</b>								
Accounts	296	37,099	-	716,586	-	229,251	49,719	20,686,787
Due from other funds	-	-	-	-	-	-	-	60
Interest	11,864	11,065	4	470,532	266	303,033	74,492	2,503,175
Service charges	33,959	141,349	-	-	-	697,056	196,400	15,331,327
Taxes	44,754	4,104	-	-	-	439,887	351,211	4,566,582
<b>Total receivables</b>	<b>90,873</b>	<b>193,617</b>	<b>4</b>	<b>1,187,118</b>	<b>266</b>	<b>1,669,227</b>	<b>671,822</b>	<b>43,087,931</b>
<b>Restricted cash and investments:</b>								
Cash and cash equivalents	2,853,558	1,783,142	-	173,269,086	-	64,804,343	7,600,312	545,327,349
Specific investments	3,507,960	2,900,372	-	134,560,983	-	31,941,931	21,269,331	527,038,997
Bond proceeds with Trustee:								
Cash and cash equivalents	-	-	-	-	-	-	-	10,810,856
<b>Total restricted cash and investments</b>	<b>6,361,518</b>	<b>4,683,514</b>	<b>-</b>	<b>307,830,069</b>	<b>-</b>	<b>96,746,274</b>	<b>28,869,643</b>	<b>1,083,177,202</b>
Other specific investments	-	-	-	-	-	-	-	6,500,000
<b>Total current assets</b>	<b>6,637,861</b>	<b>5,431,808</b>	<b>1,901</b>	<b>309,351,388</b>	<b>(5,026)</b>	<b>107,053,456</b>	<b>31,663,463</b>	<b>1,220,302,972</b>
Investment in joint venture	-	-	-	42,269,935	-	-	-	42,269,935
<b>Capital assets:</b>								
Composting facility	-	-	-	121,421,137	-	-	-	121,421,137
Construction in progress	-	142	-	168,797,453	-	22,013,970	455	199,600,204
Disposal rights	-	-	-	-	-	-	-	83,330,589
Land	20,000	25,000	-	77,294,712	-	598,803	-	158,694,959
Other	929	22,378	525	13,547,639	-	41,387	209,482	22,084,147
Treatment plants	377,363	2,415,609	-	1,121,480,631	92,736	195,431,218	12,681,244	1,950,821,522
Trunk lines	6,886,922	8,962,571	-	1,022,980,782	38,833	28,999,122	3,195,071	1,370,223,375
Use rights	-	-	-	-	-	-	-	770,580
Less accumulated depreciation	(2,164,379)	(1,887,178)	(328)	(900,394,286)	(2,836)	(90,066,960)	(7,981,657)	(1,240,343,839)
<b>Net capital assets</b>	<b>5,120,835</b>	<b>9,538,522</b>	<b>197</b>	<b>1,625,128,068</b>	<b>128,733</b>	<b>157,017,540</b>	<b>8,104,595</b>	<b>2,666,602,674</b>
<b>Total assets</b>	<b>\$ 11,758,696</b>	<b>14,970,330</b>	<b>2,098</b>	<b>1,976,749,391</b>	<b>123,707</b>	<b>264,070,996</b>	<b>39,768,058</b>	<b>3,929,175,581</b>
<b>Deferred Outflow of Resources</b>								
Pension contribution subsequent to measurement date	1,997	35,560	3	10,034,107	1,605	1,125,181	95,274	13,522,628
Deferred loss/(gain) on refunding, net	39,116	12,282	-	-	-	1,343,009	378,205	9,863,019
	\$ 41,113	47,842	3	10,034,107	1,605	2,468,190	473,479	23,385,647

(Continued on following page)

**Exhibit E-1-4**  
**SANITATION DISTRICTS OF LOS ANGELES COUNTY**  
**Sewerage Operations**  
**Combining Schedule of Net Position**  
**June 30, 2016**

<b>Liabilities</b>	Districts								
	No. 1	No. 2	No. 3	No. 4	No. 5	No. 8	No. 9	No. 14	No. 15
<b>Current liabilities:</b>									
Accounts payable	\$ 9,974	(10,889)	436	1,354,529	26,087	33,897	-	470,500	5,868
Bonds payable	1,693,220	2,614,175	1,985,713	252,620	4,273,180	1,032,601	35,500	3,158,349	2,674,113
Claims liabilities	-	-	-	-	-	-	-	13,831	-
Construction contracts payable	-	280,950	-	-	23,978	-	-	-	-
Due to other funds	665,877	708,045	715,629	5,097	1,154,831	417,183	-	382,064	790,595
Estimated liability for pollution remediation	-	-	-	-	-	-	-	-	-
Interest payable	135,780	202,500	153,818	19,569	331,010	79,987	2,751	3,674,015	207,143
Loans payable to State of California	28,099	-	-	-	-	-	-	4,855,090	-
Other	-	-	133,032	-	-	-	-	-	-
<b>Total current liabilities</b>	<b>2,532,950</b>	<b>3,794,781</b>	<b>2,988,628</b>	<b>1,631,815</b>	<b>5,809,086</b>	<b>1,563,668</b>	<b>38,251</b>	<b>12,553,849</b>	<b>3,677,719</b>
<b>Long-term liabilities:</b>									
Bonds payable, net	9,909,586	15,299,493	11,621,411	1,478,458	25,008,845	6,043,316	207,768	164,945,987	15,650,289
Claims liabilities	-	-	-	-	-	-	-	13,831	-
Estimated liability for pollution remediation	-	-	-	-	-	-	-	-	-
Loans payable to State of California	479,432	-	-	-	-	-	-	77,496,503	-
Pension liability	1,257,806	2,619,798	1,468,805	66,408	3,085,755	1,031,581	4,255	6,592,206	882,128
<b>Total liabilities</b>	<b>14,179,774</b>	<b>21,714,072</b>	<b>16,078,844</b>	<b>3,176,681</b>	<b>33,903,686</b>	<b>8,638,565</b>	<b>250,274</b>	<b>261,602,376</b>	<b>20,210,136</b>
<b>Deferred Inflow of Resources</b>									
Pension deferrals	220,893	297,637	105,089	9,269	413,386	175,189	379	939,129	113,555
<b>Net Position</b>									
<b>Net position:</b>									
Net investment in capital assets	7,105,964	11,425,617	7,536,684	37,143,310	26,127,220	6,252,868	875,825	135,120,201	(6,648,582)
Restricted for capital projects	14,890,000	15,764,516	9,074,241	8,472,036	5,679,009	19,400,626	532,187	12,236,945	9,264,530
Unrestricted	37,338,289	64,062,629	45,841,639	31,904,497	67,274,920	11,895,272	4,489,903	23,411,437	63,942,201
<b>Total net position</b>	<b>\$ 59,334,253</b>	<b>91,252,762</b>	<b>62,452,564</b>	<b>77,519,843</b>	<b>99,081,149</b>	<b>37,548,766</b>	<b>5,897,915</b>	<b>170,768,583</b>	<b>66,558,149</b>

(Continued on following page)

**Exhibit E-1-5**  
**SANITATION DISTRICTS OF LOS ANGELES COUNTY**  
**Sewerage Operations**  
**Combining Schedule of Net Position**  
**June 30, 2016**

<b>Liabilities</b>	Districts								
	No. 16	No. 17	No. 18	No. 19	No. 20	No. 21	No. 22	No. 23	No. 27
<b>Current liabilities:</b>									
Accounts payable	\$ 2,328	8,165	31,518	3,542	404,519	17,799	16,265	3,282	358
Bonds payable	1,666,465	213,260	1,461,695	471,282	1,933,667	1,576,428	1,364,196	288,120	49,650
Claims liabilities	-	-	-	-	67,363	-	-	-	-
Construction contracts payable	3,679	-	24,811	-	120,378	-	-	-	-
Due to other funds	349,439	55,797	596,108	159,021	560,429	660,227	583,745	101,106	-
Estimated liability for pollution remediation	-	-	-	-	-	-	-	-	-
Interest payable	129,088	16,519	113,227	36,507	2,296,473	122,114	105,674	22,319	3,846
Loans payable to State of California	-	-	-	-	2,463,697	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>	<b>2,150,999</b>	<b>293,741</b>	<b>2,227,359</b>	<b>670,352</b>	<b>7,846,526</b>	<b>2,376,568</b>	<b>2,069,880</b>	<b>414,827</b>	<b>53,854</b>
<b>Long-term liabilities:</b>									
Bonds payable, net	9,753,014	1,248,108	8,554,587	2,758,185	151,182,915	9,226,067	7,983,981	1,686,227	290,572
Claims liabilities	-	-	-	-	67,364	-	-	-	-
Estimated liability for pollution remediation	-	-	-	-	-	-	-	-	-
Loans payable to State of California	-	-	-	-	48,940,683	-	-	-	-
Pension liability	636,138	80,806	790,809	328,690	6,338,502	1,866,661	602,024	34,269	3,225
<b>Total liabilities</b>	<b>12,540,151</b>	<b>1,622,655</b>	<b>11,572,755</b>	<b>3,757,227</b>	<b>214,375,990</b>	<b>13,469,296</b>	<b>10,655,885</b>	<b>2,135,323</b>	<b>347,651</b>
<b>Deferred Inflow of Resources</b>									
Pension deferrals	121,129	7,764	92,481	47,586	1,035,383	410,499	96,800	3,587	118
<b>Net Position</b>									
<b>Net position:</b>									
Net investment in capital assets	3,724,890	(1,075,303)	3,222,442	(2,235,336)	31,089,822	3,907,980	1,287,468	(1,814,995)	2,298,173
Restricted for capital projects	3,121,402	561,802	13,043,906	3,159,949	2,486,000	19,631,373	6,970,416	57,083	71,515
Unrestricted	44,586,775	7,475,245	26,836,237	11,609,127	19,951,011	43,646,838	49,038,275	13,975,087	689,233
<b>Total net position</b>	<b>\$ 51,433,067</b>	<b>6,961,744</b>	<b>43,102,585</b>	<b>12,533,740</b>	<b>53,526,833</b>	<b>67,186,191</b>	<b>57,296,159</b>	<b>12,217,175</b>	<b>3,058,921</b>

**Exhibit E-1-6**  
**SANITATION DISTRICTS OF LOS ANGELES COUNTY**  
**Sewerage Operations**  
**Combining Schedule of Net Position**  
**June 30, 2016**

<b>Liabilities</b>	Districts							Total
	No. 28	No. 29	No. 34	Joint Outfall	Newhall Ranch	Santa Clarita Valley	South Bay Cities	
Current liabilities:								
Accounts payable	\$ 277	11,172	2	7,659,917	-	1,358,626	6,246	11,414,418
Bonds payable	75,375	23,667	-	-	-	2,587,935	728,789	30,160,000
Claims liabilities	-	-	-	2,725,559	-	261,446	-	3,068,199
Construction contracts payable	-	-	-	6,720,086	-	46,335	-	7,220,217
Due to other funds	14,458	38,574	2,000	3,352,942	-	676,369	232,682	12,222,218
Estimated liability for pollution remediation	-	-	-	317,000	-	-	-	317,000
Interest payable	5,839	5,397	-	804,077	-	221,120	56,454	8,745,227
Loans payable to State of California	157,731	42,959	-	19,808,958	-	3,217,388	-	30,573,922
Other	-	-	-	-	-	-	-	133,032
<b>Total current liabilities</b>	<b>253,680</b>	<b>121,769</b>	<b>2,002</b>	<b>41,388,539</b>	<b>-</b>	<b>8,369,219</b>	<b>1,024,171</b>	<b>103,854,233</b>
Long-term liabilities:								
Bonds payable, net	441,139	138,511	-	-	-	15,145,927	4,265,250	462,839,636
Claims liabilities	-	-	-	2,725,559	-	261,446	-	3,068,200
Estimated liability for pollution remediation	-	-	-	1,720,000	-	-	-	1,720,000
Loans payable to State of California	-	795,636	-	163,597,867	-	19,184,273	-	310,494,394
Pension liability	24,609	441,463	25	124,713,437	23,021	13,939,622	1,182,616	168,014,659
<b>Total liabilities</b>	<b>719,428</b>	<b>1,497,379</b>	<b>2,027</b>	<b>334,145,402</b>	<b>23,021</b>	<b>56,900,487</b>	<b>6,472,037</b>	<b>1,049,991,122</b>
<b>Deferred Inflow of Resources</b>								
Pension deferrals	1,178	61,370	(31)	19,168,608	(21,091)	1,565,831	162,127	25,027,865
<b>Net Position</b>								
Net position:								
Net investment in capital assets	4,485,706	8,550,031	197	1,435,001,157	128,733	118,178,691	3,488,761	1,835,177,524
Restricted for capital projects	2,052	654,064	-	198,468,331	-	70,643,999	2,393,541	416,579,523
Unrestricted	6,591,445	4,255,328	(92)	-	(5,351)	19,250,178	27,725,071	625,785,194
<b>Total net position</b>	<b>\$ 11,079,203</b>	<b>13,459,423</b>	<b>105</b>	<b>1,633,469,488</b>	<b>123,382</b>	<b>208,072,868</b>	<b>33,607,373</b>	<b>2,877,542,241</b>



**Exhibit E-2**  
**SANITATION DISTRICTS OF LOS ANGELES COUNTY**  
**Sewerage Operations**  
**Combining Schedule of Revenues, Expenses, and**  
**Changes in Net Position**  
**Fiscal year ended June 30, 2016**

	Districts								
	No. 1	No. 2	No. 3	No. 4	No. 5	No. 8	No. 9	No. 14	No. 15
Operating revenues:									
Contract revenue	\$ 60,564	89,973	69,835	76	148,450	36,703	76	835,996	75,154
Industrial waste surcharge	5,273,698	7,702,478	3,595,384	23,642	4,633,527	10,961,031	-	2,767,125	4,603,662
Internal services revenue	-	-	-	-	-	-	-	-	-
Sale of energy	-	-	-	-	-	-	-	-	-
Service charges	24,082,852	33,396,291	27,539,187	3,749,171	37,292,534	9,195,113	102,759	30,872,105	26,271,487
Other	10	5	725	-	41	9	-	39,800	2,900
<b>Total operating revenues</b>	<b>29,417,124</b>	<b>41,188,747</b>	<b>31,205,131</b>	<b>3,772,889</b>	<b>42,074,552</b>	<b>20,192,856</b>	<b>102,835</b>	<b>34,515,026</b>	<b>30,953,203</b>
Operations and maintenance:									
Chemicals	74,754	94,541	19,520	94	18,611	33,870	-	1,084,570	19,042
Equipment and vehicle rentals	101,073	181,924	48,977	8,547	175,103	55,147	-	189,970	89,331
Insurance and claims	44,393	69,813	50,493	758	85,581	31,031	17	14,269	51,185
Internal administrative costs	26,419,203	38,227,840	29,726,665	11,409	43,547,450	18,497,281	3,919	2,790,015	32,050,391
Materials and supplies	27,353	23,071	259,964	2,368	93,645	16,748	-	626,658	16,895
Operations, repairs and maintenance	53,896	86,630	66,628	7,709	140,638	43,910	1,195	649,273	54,874
Pollution remediation costs	-	-	-	-	-	-	-	-	-
Salaries and benefits	743,389	1,270,768	1,089,021	49,780	2,033,509	572,208	4,062	4,319,178	694,885
Services	123,594	189,198	186,873	3,816,208	649,089	100,278	129,062	1,359,605	55,232
Utilities	13,642	23,352	78,787	16	189,594	94,994	-	1,622,405	26,808
<b>Total operations and maintenance</b>	<b>27,601,297</b>	<b>40,167,137</b>	<b>31,526,928</b>	<b>3,896,889</b>	<b>46,933,220</b>	<b>19,445,467</b>	<b>138,255</b>	<b>12,655,943</b>	<b>33,058,643</b>
Charges for collections	30,111	61,054	44,270	5,475	111,678	18,844	950	8,871	71,288
Depreciation	416,629	553,621	512,076	1,329,776	1,294,448	1,021,856	39,837	9,510,286	212,084
<b>Total operating expenses</b>	<b>28,048,037</b>	<b>40,781,812</b>	<b>32,083,274</b>	<b>5,232,140</b>	<b>48,339,346</b>	<b>20,486,167</b>	<b>179,042</b>	<b>22,175,100</b>	<b>33,342,015</b>
<b>Operating income (loss)</b>	<b>1,369,087</b>	<b>406,935</b>	<b>(878,143)</b>	<b>(1,459,251)</b>	<b>(6,264,794)</b>	<b>(293,311)</b>	<b>(76,207)</b>	<b>12,339,926</b>	<b>(2,388,812)</b>
Nonoperating revenues (expenses):									
Gain on sale of other assets	-	-	-	-	-	-	-	-	-
Interest revenue	443,797	812,050	487,091	532,276	733,778	256,727	59,454	448,430	741,846
Investment in joint venture	-	-	-	-	-	-	-	-	-
Taxes	3,160,448	6,466,018	5,272,701	546,916	10,719,354	1,931,799	90,084	1,227,452	7,193,558
Amortization of bond premium	284,165	438,724	333,253	42,396	717,147	173,296	5,958	2,159,441	448,783
Amortization of deferred loss on refunding	(129,487)	(199,916)	(151,855)	(19,319)	(326,787)	(78,967)	(2,714)	149,713	(204,500)
Interest expense	(552,091)	(831,232)	(631,399)	(80,326)	(1,358,747)	(328,337)	(11,289)	(13,207,071)	(850,290)
Other nonoperating expense	(250)	-	-	-	-	-	-	(653,812)	-
Tax and assessment expense	(14,121)	(18,599)	(27,839)	(4,097)	(18,558)	(14,646)	(2,001)	(135,616)	(14,767)
Unrealized gain (loss) on investments	91,799	30,634	79,843	5,955	(5,507)	(20,444)	9,949	36,064	43,297
<b>Net nonoperating revenues (expenses)</b>	<b>3,284,260</b>	<b>6,697,679</b>	<b>5,361,795</b>	<b>1,023,801</b>	<b>10,460,680</b>	<b>1,919,428</b>	<b>149,441</b>	<b>(9,975,399)</b>	<b>7,357,927</b>
<b>Income (loss) before capital contribution revenue and transfers</b>	<b>4,653,347</b>	<b>7,104,614</b>	<b>4,483,652</b>	<b>(435,450)</b>	<b>4,195,886</b>	<b>1,626,117</b>	<b>73,234</b>	<b>2,364,527</b>	<b>4,969,115</b>
Capital contribution revenue:									
Connection fees	587,139	877,051	163,449	408,236	714,100	951,819	-	1,360,208	1,591,155
Federal capital grants	-	-	-	-	-	-	-	-	-
Transfers in	2,731,884	4,165,733	3,190,237	324,183	6,439,710	1,670,123	45,557	10,414,191	4,116,652
Transfers out	(142,034,046)	(212,849,887)	(157,218,213)	(313,696)	(241,038,644)	(91,799,319)	(55,543)	(11,246,206)	(170,525,306)
<b>Change in net position</b>	<b>(134,061,676)</b>	<b>(200,702,489)</b>	<b>(149,380,875)</b>	<b>(16,727)</b>	<b>(229,688,948)</b>	<b>(87,551,260)</b>	<b>63,248</b>	<b>2,892,720</b>	<b>(159,848,384)</b>
Total net position, July 1, 2015, as previously stated	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
Prior-period adjustments	288,639	665,383	359,440	(109,492)	1,903,205	1,063,932	(3,137)	4,238,357	493,159
Total net position, July 1, 2015, as restated	193,395,929	291,955,251	211,833,439	77,536,570	328,770,097	125,100,026	5,834,667	167,875,863	226,406,533
Total net position, June 30, 2016	\$ 59,334,253	91,252,762	62,452,564	77,519,843	99,081,149	37,548,766	5,897,915	170,768,583	66,558,149

(Continued on following page)

**Exhibit E-2-2**  
**SANITATION DISTRICTS OF LOS ANGELES COUNTY**  
**Sewerage Operations**  
**Combining Schedule of Revenues, Expenses, and**  
**Changes in Net Position**  
**Fiscal year ended June 30, 2016**

	Districts								
	No. 16	No. 17	No. 18	No. 19	No. 20	No. 21	No. 22	No. 23	No. 27
<b>Operating revenues:</b>									
Contract revenue	\$ 41,035	5,243	49,394	13,678	489,594	796,644	49,470	6,763	76
Industrial waste surcharge	308,558	(9,831)	3,090,294	85,465	347,757	3,212,781	3,653,321	3,487,794	-
Internal services revenue	-	-	-	-	-	-	-	-	-
Sale of energy	-	-	-	-	-	-	-	-	-
Service charges	16,031,720	2,185,565	18,762,650	5,742,206	21,386,393	23,775,720	18,823,080	346,450	-
Other	-	-	-	33	33,555	4,850	7,300	-	-
<b>Total operating revenues</b>	<b>16,381,313</b>	<b>2,180,977</b>	<b>21,902,338</b>	<b>5,841,382</b>	<b>22,257,299</b>	<b>27,789,995</b>	<b>22,533,171</b>	<b>3,841,007</b>	<b>76</b>
<b>Operations and maintenance:</b>									
Chemicals	5,363	2,413	42,973	18,017	734,987	3,857	3,088	328	-
Equipment and vehicle rentals	30,768	6,837	90,593	22,445	335,950	76,160	88,884	-	-
Insurance and claims	27,254	3,757	37,131	10,850	(6,034)	42,793	35,228	3,976	17
Internal administrative costs	16,483,875	2,120,489	20,733,103	5,688,101	1,718,915	25,032,077	20,451,722	3,379,135	3,919
Materials and supplies	5,960	1,863	7,840	10,129	839,055	19,008	4,358	1,825	1,727
Operations, repairs and maintenance	25,188	5,681	50,814	14,132	400,619	70,679	34,335	7,782	-
Pollution remediation costs	-	-	-	-	-	-	-	-	-
Salaries and benefits	341,893	74,782	589,774	237,927	3,803,649	710,141	400,265	30,562	3,761
Services	392,588	9,583	524,560	553,118	1,018,087	81,823	112,852	1,654	34,131
Utilities	574	19	767	20,480	1,650,094	68,594	183	13	-
<b>Total operations and maintenance</b>	<b>17,313,463</b>	<b>2,225,424</b>	<b>22,077,555</b>	<b>6,575,199</b>	<b>10,495,322</b>	<b>26,105,132</b>	<b>21,130,915</b>	<b>3,425,275</b>	<b>43,555</b>
Charges for collections	48,059	5,568	34,359	12,026	7,742	40,175	35,754	3,465	4,155
Depreciation	342,114	6,329	222,995	31,116	6,431,927	405,654	215,622	4,747	71,089
<b>Total operating expenses</b>	<b>17,703,636</b>	<b>2,237,321</b>	<b>22,334,909</b>	<b>6,618,341</b>	<b>16,934,991</b>	<b>26,550,961</b>	<b>21,382,291</b>	<b>3,433,487</b>	<b>118,799</b>
<b>Operating income (loss)</b>	<b>(1,322,323)</b>	<b>(56,344)</b>	<b>(432,571)</b>	<b>(776,959)</b>	<b>5,322,308</b>	<b>1,239,034</b>	<b>1,150,880</b>	<b>407,520</b>	<b>(118,723)</b>
<b>Nonoperating revenues (expenses):</b>									
Gain on sale of other assets	-	-	-	-	-	-	-	-	-
Interest revenue	497,919	58,058	366,184	155,475	265,302	704,463	531,892	166,425	3,645
Investment in joint venture	-	-	-	-	-	-	-	-	-
Taxes	5,393,097	532,947	3,770,579	1,404,153	1,172,912	4,282,292	3,826,533	398,295	318,772
Amortization of bond premium	279,675	35,790	245,309	79,093	141,017	264,564	228,946	48,354	8,332
Amortization of deferred loss on refunding	(127,441)	(16,308)	(111,782)	(36,041)	(22,840)	(120,556)	(104,326)	(22,033)	(3,797)
Interest expense	(529,887)	(67,812)	(464,776)	(149,854)	(8,242,309)	(501,258)	(433,775)	(91,614)	(15,787)
Other nonoperating expense	-	-	-	-	-	-	-	-	-
Tax and assessment expense	(13,539)	(4,115)	(13,466)	(13,885)	(147,416)	(15,939)	(13,447)	(2,026)	-
Unrealized gain (loss) on investments	27,340	7,546	14,607	4,957	18,651	(8,315)	24,199	(2,978)	352
<b>Net nonoperating revenues (expenses)</b>	<b>5,527,164</b>	<b>546,106</b>	<b>3,806,655</b>	<b>1,443,898</b>	<b>(6,814,683)</b>	<b>4,605,251</b>	<b>4,060,022</b>	<b>494,423</b>	<b>311,517</b>
<b>Income (loss) before capital contribution revenue and transfers</b>	<b>4,204,841</b>	<b>489,762</b>	<b>3,374,084</b>	<b>666,939</b>	<b>(1,492,375)</b>	<b>5,844,285</b>	<b>5,210,902</b>	<b>901,943</b>	<b>192,794</b>
<b>Capital contribution revenue:</b>									
Connection fees	186,911	20,693	795,953	160,887	2,316,324	652,892	1,589,565	58,457	-
Federal capital grants	-	-	-	-	-	-	-	-	-
Transfers in	2,510,551	320,674	2,318,772	730,789	8,774,064	2,562,008	2,191,654	426,740	63,714
Transfers out	(95,201,301)	(13,363,604)	(114,374,812)	(32,216,899)	(9,210,393)	(156,188,471)	(115,759,213)	(34,331,461)	(71,276)
<b>Change in net position</b>	<b>(88,298,998)</b>	<b>(12,532,475)</b>	<b>(107,886,003)</b>	<b>(30,658,284)</b>	<b>387,620</b>	<b>(147,129,286)</b>	<b>(106,767,092)</b>	<b>(32,944,321)</b>	<b>185,232</b>
Total net position, July 1, 2015, as previously stated	139,002,987	19,442,502	150,707,913	43,085,597	49,013,097	218,431,752	163,819,681	45,036,474	2,885,157
Prior-period adjustments	729,078	51,717	280,675	106,427	4,126,116	(4,116,275)	243,570	125,022	(11,468)
Total net position, July 1, 2015, as restated	139,732,065	19,494,219	150,988,588	43,192,024	53,139,213	214,315,477	164,063,251	45,161,496	2,873,689
Total net position, June 30, 2016	\$ 51,433,067	6,961,744	43,102,585	12,533,740	53,526,833	67,186,191	57,296,159	12,217,175	3,058,921

(Continued on following page)

**Exhibit E-2-3**  
**SANITATION DISTRICTS OF LOS ANGELES COUNTY**  
**Sewerage Operations**  
**Combining Schedule of Revenues, Expenses, and**  
**Changes in Net Position**  
**Fiscal year ended June 30, 2016**

	Districts							Total
	No. 28	No. 29	No. 34	Joint Outfall	Newhall Ranch	Santa Clarita Valley	South Bay Cities	
<b>Operating revenues:</b>								
Contract revenue	1,672	2,052	76	10,514,968	47,816	709,060	18,466	14,062,834
Industrial waste surcharge	-	59,380	-	10,092,880	-	587,210	452	64,476,608
Internal services revenue	-	-	-	214,077,265	-	-	-	214,077,265
Sale of energy	-	-	-	223,290	-	-	-	223,290
Service charges	1,018,809	1,928,588	-	-	-	27,028,644	5,994,052	335,525,376
Other	-	-	5,900	662,328	50,000	44,957	25	852,438
<b>Total operating revenues</b>	<b>1,020,481</b>	<b>1,990,020</b>	<b>5,976</b>	<b>235,570,731</b>	<b>97,816</b>	<b>28,369,871</b>	<b>6,012,995</b>	<b>629,217,811</b>
<b>Operations and maintenance:</b>								
Chemicals	94	5,855	-	28,105,129	-	1,839,338	17,250	32,123,694
Equipment and vehicle rentals	3,418	51,726	-	2,473,913	-	306,857	41,101	4,378,724
Insurance and claims	1,112	16,215	-	655,027	17	397,118	35,012	1,607,013
Internal administrative costs	669,110	819,163	3,713	-	3,921	4,431,218	7,591,586	300,404,220
Materials and supplies	1,800	8,895	-	10,750,762	-	784,726	38,022	13,542,672
Operations, repairs and maintenance	9,495	18,604	112	3,650,937	-	390,621	59,438	5,843,190
Pollution remediation costs	-	-	-	1,032,495	-	-	-	1,032,495
Salaries and benefits	27,546	329,629	168	72,720,356	18,186	7,679,072	898,106	98,642,617
Services	1,027	12,674	-	32,518,247	-	2,366,464	49,228	44,285,175
Utilities	6	12,474	-	12,068,841	-	2,495,679	141,032	18,508,354
<b>Total operations and maintenance</b>	<b>713,608</b>	<b>1,275,235</b>	<b>3,993</b>	<b>163,975,707</b>	<b>22,124</b>	<b>20,691,093</b>	<b>8,870,775</b>	<b>520,368,154</b>
Charges for collections	6,460	987	-	-	-	70,381	52,789	674,461
Depreciation	122,112	109,293	328	42,324,431	2,836	6,041,168	375,895	71,598,269
<b>Total operating expenses</b>	<b>842,180</b>	<b>1,385,515</b>	<b>4,321</b>	<b>206,300,138</b>	<b>24,960</b>	<b>26,802,642</b>	<b>9,299,459</b>	<b>592,640,884</b>
<b>Operating income (loss)</b>	<b>178,301</b>	<b>604,505</b>	<b>1,655</b>	<b>29,270,593</b>	<b>72,856</b>	<b>1,567,229</b>	<b>(3,286,464)</b>	<b>36,576,927</b>
<b>Nonoperating revenues (expenses):</b>								
Gain on sale of other assets	-	-	-	2,764	-	-	-	2,764
Interest revenue	76,665	50,386	10	4,004,646	645	1,280,984	329,600	13,007,748
Investment in joint venture	-	-	-	(1,299,397)	-	-	-	(1,299,397)
Taxes	608,730	118,505	-	-	-	6,732,565	4,953,380	70,121,090
Amortization of bond premium	12,650	3,972	-	-	-	434,320	122,309	6,507,494
Amortization of deferred loss on refunding	(5,765)	(1,810)	-	-	-	(197,909)	(55,734)	(1,790,174)
Interest expense	(44,479)	(22,362)	-	(2,999,116)	-	(1,345,522)	(231,734)	(32,991,067)
Other nonoperating expense	-	-	-	(30,646)	-	(55,303)	-	(740,011)
Tax and assessment expense	(6,992)	(5,624)	(1,988)	(1,655,701)	(9,242)	(176,770)	(18,527)	(2,348,921)
Unrealized gain (loss) on investments	(168)	9,479	-	638,150	-	179,371	38,077	1,222,858
<b>Net nonoperating revenues (expenses)</b>	<b>640,641</b>	<b>152,546</b>	<b>(1,978)</b>	<b>(1,339,300)</b>	<b>(8,597)</b>	<b>6,851,736</b>	<b>5,137,371</b>	<b>51,692,384</b>
<b>Income (loss) before capital contribution revenue and transfers</b>	<b>818,942</b>	<b>757,051</b>	<b>(323)</b>	<b>27,931,293</b>	<b>64,259</b>	<b>8,418,965</b>	<b>1,850,907</b>	<b>88,269,311</b>
<b>Capital contribution revenue:</b>								
Connection fees	15,052	34,532	-	16,985,144	-	4,848,321	35,909	34,353,797
Federal capital grants	-	-	-	1,392,628	-	49,576	-	1,442,204
Transfers in	111,727	48,372	-	1,616,328,353	-	3,321,060	1,104,245	1,673,910,993
Transfers out	(1,443,538)	(4,708,061)	(3,841)	-	(60)	(3,479,414)	(41,340,122)	(1,648,773,326)
<b>Change in net position</b>	<b>(497,817)</b>	<b>(3,868,106)</b>	<b>(4,164)</b>	<b>1,662,637,418</b>	<b>64,199</b>	<b>13,158,508</b>	<b>(38,349,061)</b>	<b>149,202,979</b>
<b>Total net position, July 1, 2015, as previously stated</b>	<b>11,591,980</b>	<b>17,136,593</b>	<b>4,115</b>	<b>-</b>	<b>59,476</b>	<b>194,125,781</b>	<b>71,792,961</b>	<b>2,745,944,955</b>
<b>Prior-period adjustments</b>	<b>(14,960)</b>	<b>190,936</b>	<b>154</b>	<b>(29,167,930)</b>	<b>(293)</b>	<b>788,579</b>	<b>163,473</b>	<b>(17,605,693)</b>
<b>Total net position, July 1, 2015, as restated</b>	<b>11,577,020</b>	<b>17,327,529</b>	<b>4,269</b>	<b>(29,167,930)</b>	<b>59,183</b>	<b>194,914,360</b>	<b>71,956,434</b>	<b>2,728,339,262</b>
<b>Total net position, June 30, 2016</b>	<b>\$ 11,079,203</b>	<b>13,459,423</b>	<b>105</b>	<b>1,633,469,488</b>	<b>123,382</b>	<b>208,072,868</b>	<b>33,607,373</b>	<b>2,877,542,241</b>

**Exhibit E-3**  
**COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY**  
**Sewerage Operations**  
**Combining Schedule of Cash Flows**  
**Fiscal year ended June 30, 2016**

	Districts								
	No. 1	No. 2	No. 3	No. 4	No. 5	No. 8	No. 9	No. 14	No. 15
<b>Cash flows from operating activities:</b>									
Receipts from customers and users	\$ 29,086,417	41,049,534	31,371,857	3,773,745	42,479,313	18,299,390	102,806	35,918,098	31,285,413
Receipts from internal services	-	-	-	-	-	-	-	-	-
Payments to suppliers	(376,709)	(628,289)	(716,657)	(3,220,089)	(1,293,306)	(322,551)	(131,225)	(5,320,312)	(298,086)
Payments to employees	(2,621,690)	(4,539,119)	(3,279,873)	(57,222)	(5,422,230)	(1,865,552)	(4,995)	(5,075,540)	(3,001,530)
Payment for equipment rental	(101,073)	(181,924)	(48,977)	(8,547)	(175,103)	(55,147)	-	(189,970)	(89,331)
Payment for internal administrative costs	(26,419,203)	(38,227,840)	(29,726,665)	(11,409)	(43,547,450)	(18,497,281)	(3,919)	(2,790,015)	(32,050,391)
Net cash provided (used) by operating activities	<u>(432,258)</u>	<u>(2,527,638)</u>	<u>(2,400,315)</u>	<u>476,478</u>	<u>(7,958,776)</u>	<u>(2,441,141)</u>	<u>(37,333)</u>	<u>22,542,261</u>	<u>(4,153,925)</u>
<b>Cash flows from noncapital financing activities:</b>									
Receipts from property taxes	3,133,610	6,451,027	5,241,871	543,598	10,673,447	1,917,796	89,828	1,219,279	7,136,085
Transfers from other funds	403,168	599,071	464,530	-	695,431	244,537	-	-	499,983
Transfers to other funds	(3,536,213)	(5,588,055)	(5,360,420)	(36)	(2,180,495)	(3,115,499)	(36)	33,427	(6,953,892)
Payments for tax and assessment	(14,371)	(18,599)	(27,839)	(4,097)	(18,558)	(14,646)	(2,001)	(789,428)	(14,767)
Net cash provided (used) by noncapital financing activities	<u>(13,806)</u>	<u>1,443,444</u>	<u>318,142</u>	<u>539,465</u>	<u>9,169,825</u>	<u>(967,812)</u>	<u>87,791</u>	<u>463,278</u>	<u>667,409</u>
<b>Cash flows from capital and related financing activities:</b>									
Borrowings on loan from state	-	-	-	-	-	-	-	-	-
Proceeds from bond sale	-	-	-	-	-	-	-	172,408,048	-
Bond issuance costs	-	-	-	-	-	-	-	(653,812)	-
Purchases of capital assets	(219,283)	(2,453,397)	(516,118)	(2,857,468)	(1,128,291)	(75,064)	(92,730)	(15,847,796)	(5,341)
Connection fees proceeds	587,139	877,051	163,449	408,236	714,100	951,819	-	1,360,208	1,591,155
Bond defeasement	-	-	-	-	-	-	-	(171,720,322)	-
Grant proceeds	-	-	-	-	-	-	-	-	-
Interest paid on capital-related debt	(568,936)	(856,914)	(650,907)	(82,807)	(1,400,727)	(338,482)	(11,636)	(7,647,506)	(876,561)
Proceeds from sale of assets	-	-	-	-	-	-	-	-	-
Principal payments on bonds	(1,617,856)	(2,497,820)	(1,897,330)	(241,376)	(4,082,984)	(986,641)	(33,920)	(5,002,399)	(2,555,091)
Principal payments on loan from state	(27,386)	-	-	-	-	-	-	(4,653,709)	-
Net cash used by capital and related financing activities	<u>(1,846,322)</u>	<u>(4,931,080)</u>	<u>(2,900,906)</u>	<u>(2,773,415)</u>	<u>(5,897,902)</u>	<u>(448,368)</u>	<u>(138,286)</u>	<u>(31,757,288)</u>	<u>(1,845,838)</u>
<b>Cash flows from investing activities:</b>									
Interest received	493,840	938,300	578,141	629,466	850,640	281,805	72,360	511,318	864,202
Purchase of investments	(23,025,118)	(33,782,739)	(24,456,895)	(23,887,933)	(25,242,454)	(347,983)	(2,314,631)	(14,063,077)	(29,456,481)
Proceeds from maturities of investments	23,982,796	39,229,679	25,175,091	34,389,561	33,613,921	5,229,204	3,519,758	14,415,921	35,399,855
Net cash provided by investing activities	<u>1,451,518</u>	<u>6,385,240</u>	<u>1,296,337</u>	<u>11,131,094</u>	<u>9,222,107</u>	<u>5,163,026</u>	<u>1,277,487</u>	<u>864,162</u>	<u>6,807,576</u>
Net increase (decrease) in cash and cash equivalents	(840,868)	369,966	(3,686,742)	9,373,622	4,535,254	1,305,705	1,189,659	(7,887,587)	1,475,222
Cash and cash equivalents at beginning of fiscal year	24,256,089	35,924,705	30,084,165	6,808,741	39,595,337	23,362,556	902,652	35,057,506	31,027,651
Cash and cash equivalents at end of fiscal year	<u>\$ 23,415,221</u>	<u>36,294,671</u>	<u>26,397,423</u>	<u>16,182,363</u>	<u>44,130,591</u>	<u>24,668,261</u>	<u>2,092,311</u>	<u>27,169,919</u>	<u>32,502,873</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>									
Operating income (loss)	\$ 1,369,087	406,935	(878,143)	(1,459,251)	(6,264,794)	(293,311)	(76,207)	12,339,926	(2,388,812)
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>									
Depreciation and amortization	416,629	553,621	512,076	1,329,776	1,294,448	1,021,856	39,837	9,510,286	212,084
Decrease (increase) in accounts receivable	(390,466)	(164,278)	85,587	9,386	331,434	(1,863,403)	-	1,440,921	235,367
Decrease (increase) in service charge receivable	59,759	25,065	96,812	(8,530)	73,327	(30,063)	(29)	(37,849)	96,843
Increase in deferred outflows of resources	(10,757)	(31,677)	(21,287)	(705)	(33,726)	(9,163)	(57)	(68,854)	(9,905)
Increase (decrease) in accounts payable	(4,439)	(77,875)	(9,098)	612,611	6,070	17,707	(1)	129,248	(1,878)
Increase (decrease) in claims liabilities	-	-	-	-	-	-	-	(72,609)	-
Increase in pension liability	120,546	354,999	238,557	7,896	377,957	102,687	643	771,618	111,002
Increase (decrease) in other liabilities	-	-	(15,673)	-	-	-	-	-	-
Increase (decrease) in due to other funds	(1,843,417)	(3,155,042)	(2,113,881)	(4,933)	(3,275,691)	(1,260,354)	(722)	(515,387)	(2,271,237)
Decrease in deferred inflows of resources	(149,200)	(439,386)	(295,265)	(9,772)	(467,801)	(127,097)	(797)	(955,039)	(137,389)
Net cash provided (used) by operating activities	<u>\$ (432,258)</u>	<u>(2,527,638)</u>	<u>(2,400,315)</u>	<u>476,478</u>	<u>(7,958,776)</u>	<u>(2,441,141)</u>	<u>(37,333)</u>	<u>22,542,261</u>	<u>(4,153,925)</u>
<b>Schedule of noncash investing activity-</b>									
Unrealized gain on fair value of investments	\$ 91,799	30,634	79,843	5,955	(5,507)	(20,444)	9,949	36,064	43,297
Investment in joint venture	-	-	-	-	-	-	-	-	-

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**Exhibit E-3-2**  
**COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY**  
**Sewerage Operations**  
**Combining Schedule of Cash Flows**  
**Fiscal year ended June 30, 2016**

	Districts								
	No. 16	No. 17	No. 18	No. 19	No. 20	No. 21	No. 22	No. 23	No. 27
Cash flows from operating activities:									
Receipts from customers and users	\$ 16,434,513	2,201,296	22,090,009	5,855,061	22,192,353	29,760,643	22,301,028	3,504,319	76
Receipts for internal services	-	-	-	-	-	-	-	-	-
Payments to suppliers	(495,080)	(21,459)	(681,881)	(636,629)	(4,556,260)	(319,755)	(229,204)	(15,982)	(43,442)
Payments to employees	(1,571,838)	(232,061)	(2,095,641)	(648,797)	(4,200,022)	(2,555,727)	(1,923,012)	(289,445)	(917)
Payment for equipment rental	(30,768)	(6,837)	(90,593)	(22,445)	(335,950)	(76,160)	(88,884)	-	-
Payment for internal administrative costs	(16,483,875)	(2,120,489)	(20,733,103)	(5,688,101)	(1,718,915)	(25,032,077)	(20,451,722)	(3,379,135)	(3,919)
Net cash provided (used) by operating activities	(2,147,048)	(179,550)	(1,511,209)	(1,140,911)	11,381,206	1,776,924	(391,794)	(180,243)	(48,202)
Cash flows from noncapital financing activities:									
Receipts from property taxes	5,378,050	530,826	3,770,579	1,400,411	1,184,852	4,267,373	3,805,430	409,138	317,408
Transfers from other funds	268,627	34,999	328,625	91,361	-	392,714	329,534	44,998	-
Transfers to other funds	(3,451,665)	(1,444,440)	(3,175,603)	(1,172,312)	23,731	(9,525,748)	(3,836,414)	(2,821,278)	(1,144)
Payments for tax and assessment	(13,539)	(4,115)	(13,466)	(13,885)	(147,483)	(15,939)	(13,447)	(2,026)	-
Net cash provided (used) by noncapital financing activities	2,181,473	(882,730)	910,135	305,575	1,061,100	(4,881,600)	285,103	(2,369,168)	316,264
Cash flows from capital and related financing activities:									
Borrowings on loan from state	-	-	-	-	-	-	-	-	-
Proceeds from bond sale	-	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-
Purchases of capital assets	(271,930)	-	(551,812)	(50,904)	(1,746,228)	(97,562)	459	137	(31,005)
Connection fees proceeds	186,911	20,693	795,953	160,887	2,316,324	652,892	1,589,565	58,457	-
Bond defeasement	-	-	-	-	-	-	-	-	-
Grant proceeds	-	-	-	-	-	-	-	-	-
Interest paid on capital-related debt	(546,259)	(69,905)	(479,136)	(154,484)	(8,263,891)	(516,745)	(447,178)	(94,444)	(16,275)
Proceeds from sale of assets	-	-	-	-	-	-	-	-	-
Principal payments on bonds	(1,592,293)	(203,768)	(1,396,635)	(450,306)	(1,855,374)	(1,506,262)	(1,303,478)	(275,296)	(47,439)
Principal payments on loan from state	-	-	-	-	(2,403,607)	-	-	-	-
Net cash used by capital and related financing activities	(2,223,571)	(252,980)	(1,631,630)	(494,807)	(11,952,776)	(1,467,677)	(160,632)	(311,146)	(94,719)
Cash flows from investing activities:									
Interest received	575,045	72,323	419,060	180,543	281,550	807,776	606,076	207,544	3,663
Purchase of investments	(23,055,826)	(3,588,286)	(15,853,341)	(5,836,460)	(6,503,276)	(25,899,589)	(17,834,957)	(9,293,628)	(268,662)
Proceeds from maturities of investments	27,363,820	5,304,618	18,102,903	7,330,714	17,008,725	32,974,335	23,232,301	14,818,280	316,754
Net cash provided by investing activities	4,883,039	1,788,655	2,668,622	1,674,797	10,786,999	7,882,522	6,003,420	5,732,196	51,755
Net increase (decrease) in cash and cash equivalents	2,693,893	473,395	435,918	344,654	11,276,529	3,310,169	5,736,097	2,871,639	225,098
Cash and cash equivalents at beginning of fiscal year	18,662,293	6,287,829	19,007,530	7,125,863	13,330,997	27,642,587	22,936,283	5,838,793	481,497
Cash and cash equivalents at end of fiscal year	\$ 21,356,186	6,761,224	19,443,448	7,470,517	24,607,526	30,952,756	28,672,380	8,710,432	706,595
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:									
Operating income (loss)	\$ (1,322,323)	(56,344)	(432,571)	(776,959)	5,322,308	1,239,034	1,150,880	407,520	(118,723)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:									
Depreciation and amortization	342,114	6,329	222,995	31,116	6,431,927	405,654	215,622	4,747	71,089
Decrease (increase) in accounts receivable	71,083	9,808	187,671	21,777	(60,735)	1,978,507	(353,061)	(334,916)	-
Decrease (increase) in service charge receivable	(17,883)	10,511	-	(8,098)	(4,211)	(7,859)	120,918	(1,772)	-
Increase in deferred outflows of resources	(4,902)	(1,057)	(9,412)	(3,390)	(58,646)	(11,243)	(5,659)	(432)	(53)
Increase (decrease) in accounts payable	10,367	8,166	30,165	2,321	126,170	10,669	(2,413)	3,145	349
Increase (decrease) in claims liabilities	-	-	-	-	(27,956)	-	-	-	-
Increase in pension liability	54,945	11,855	105,473	37,987	657,223	126,004	63,407	4,840	596
Increase (decrease) in other liabilities	-	-	-	-	-	-	-	-	-
Increase (decrease) in due to other funds	(1,212,443)	(154,144)	(1,484,985)	(398,649)	(191,424)	(1,807,887)	(1,503,008)	(257,385)	(722)
Decrease in deferred inflows of resources	(68,006)	(14,674)	(130,545)	(47,016)	(813,450)	(155,955)	(78,480)	(5,990)	(738)
Net cash provided (used) by operating activities	\$ (2,147,048)	(179,550)	(1,511,209)	(1,140,911)	11,381,206	1,776,924	(391,794)	(180,243)	(48,202)
Schedule of noncash investing activity-									
Unrealized gain on fair value of investments	\$ 27,340	7,546	14,607	4,957	18,651	(8,315)	24,199	(2,978)	352
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, 2016**

	Districts							Total
	No. 28	No. 29	No. 34	Joint Outfall	Newhall Ranch	Santa Clarita Valley	South Bay Cities	
<b>Cash flows from operating activities:</b>								
Receipts from customers and users	\$ 1,007,309	1,953,480	5,976	23,468,815	97,816	28,563,687	6,039,303	418,842,257
Receipts for internal services	-	-	-	214,077,265	-	-	-	214,077,265
Payments to suppliers	(19,856)	(94,097)	1,887	(94,275,133)	(17)	(8,121,208)	(398,257)	(122,213,597)
Payments to employees	(78,490)	(394,753)	(176)	(65,393,024)	(23,758)	(9,093,568)	(1,507,948)	(115,876,928)
Payment for equipment rental	(3,418)	(51,726)	-	(2,473,913)	-	(306,857)	(41,101)	(4,378,724)
Payment for internal administrative costs	(669,110)	(819,163)	(3,713)	-	(3,921)	(4,431,218)	(7,591,586)	(300,404,220)
Net cash provided (used) by operating activities	<u>236,435</u>	<u>593,741</u>	<u>3,974</u>	<u>75,404,010</u>	<u>70,120</u>	<u>6,610,836</u>	<u>(3,499,589)</u>	<u>90,046,053</u>
<b>Cash flows from noncapital financing activities:</b>								
Receipts from property taxes	606,246	123,546	-	-	-	6,686,897	4,929,726	69,817,023
Transfers from other funds	328,012	13,636	-	46,890,360	-	-	122,723	51,752,309
Transfers to other funds	(5,760)	(56,308)	(1,144)	-	(3)	55,273	(1,452,135)	(53,566,169)
Payments for tax and assessment	(6,992)	(5,624)	(1,988)	(1,686,465)	(9,242)	(232,073)	(18,527)	(3,089,117)
Net cash provided (used) by noncapital financing activities	<u>921,506</u>	<u>75,250</u>	<u>(3,132)</u>	<u>45,203,895</u>	<u>(9,245)</u>	<u>6,510,097</u>	<u>3,581,787</u>	<u>64,914,046</u>
<b>Cash flows from capital and related financing activities:</b>								
Borrowings on loan from state	-	-	-	8,967,136	-	-	-	8,967,136
Proceeds from bond sale	-	-	-	-	-	-	-	172,408,048
Bond issuance costs	-	-	-	-	-	-	-	(653,812)
Purchases of capital assets	-	(2,312)	-	(74,144,150)	(91,579)	(8,685,432)	(467)	(108,868,273)
Connection fees proceeds	15,052	34,532	-	16,985,144	-	4,848,321	35,909	34,353,797
Bond defeasement	-	-	-	-	-	-	-	(171,720,322)
Grant proceeds	-	-	-	1,392,628	-	49,576	-	1,442,204
Interest paid on capital-related debt	(30,548)	(22,731)	-	(1,898,522)	-	(919,740)	(238,893)	(26,133,227)
Proceeds from sale of assets	-	-	-	7,444	-	-	-	7,444
Principal payments on bonds	(72,019)	(22,614)	-	-	-	(2,472,748)	(696,351)	(30,810,000)
Principal payments on loan from state	(361,062)	(42,241)	-	(19,161,642)	-	(3,214,171)	-	(29,863,818)
Net cash used by capital and related financing activities	<u>(448,577)</u>	<u>(55,366)</u>	<u>-</u>	<u>(67,851,962)</u>	<u>(91,579)</u>	<u>(10,394,194)</u>	<u>(899,802)</u>	<u>(150,870,823)</u>
<b>Cash flows from investing activities:</b>								
Interest received	90,058	55,743	9	4,439,719	442	1,098,188	384,049	14,441,860
Purchase of investments	(3,644,656)	(2,604,402)	-	(137,864,576)	-	(25,488,841)	(17,110,525)	(471,424,336)
Proceeds from maturities of investments	5,018,418	3,021,562	-	254,272,201	-	35,923,425	17,695,268	677,339,110
Net cash provided by investing activities	<u>1,463,820</u>	<u>472,903</u>	<u>9</u>	<u>120,847,344</u>	<u>442</u>	<u>11,532,772</u>	<u>968,792</u>	<u>220,356,634</u>
Net increase (decrease) in cash and cash equivalents	2,173,184	1,086,528	851	173,603,287	(30,262)	14,259,511	151,188	224,445,910
Cash and cash equivalents at beginning of fiscal year	865,844	1,251,291	1,046	-	24,970	59,182,787	9,571,122	419,230,134
Cash and cash equivalents at end of fiscal year	<u>\$ 3,039,028</u>	<u>2,337,819</u>	<u>1,897</u>	<u>173,603,287</u>	<u>(5,292)</u>	<u>73,442,298</u>	<u>9,722,310</u>	<u>643,676,044</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>								
Operating income (loss)	\$ 178,301	604,505	1,655	29,270,593	72,856	1,567,229	(3,286,464)	36,576,927
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>								
Depreciation and amortization	122,112	109,293	328	42,324,431	2,836	6,041,168	375,895	71,598,269
Decrease (increase) in accounts receivable	6,316	(624)	-	1,975,349	-	204,112	40,622	3,430,457
Decrease (increase) in service charge receivable	(19,488)	(35,916)	-	-	-	(10,296)	(14,314)	286,927
Increase in deferred outflows of resources	(391)	(4,698)	(3)	(1,222,557)	(1,521)	(169,570)	(12,714)	(1,692,379)
Increase (decrease) in accounts payable	192	10,147	-	2,129,918	-	246,244	(4,340)	3,243,445
Increase (decrease) in claims liabilities	-	-	-	58,164	-	18,853	-	(23,548)
Increase in pension liability	4,371	52,646	25	13,700,885	17,040	1,900,333	142,487	18,966,022
Increase (decrease) in other liabilities	-	-	-	772,000	-	-	-	756,327
Increase (decrease) in due to other funds	(49,570)	(76,451)	2,000	3,352,942	-	(835,176)	(564,403)	(19,621,969)
Decrease in deferred inflows of resources	(5,408)	(65,161)	(31)	(16,957,715)	(21,091)	(2,352,061)	(176,358)	(23,474,425)
Net cash provided (used) by operating activities	<u>\$ 236,435</u>	<u>593,741</u>	<u>3,974</u>	<u>75,404,010</u>	<u>70,120</u>	<u>6,610,836</u>	<u>(3,499,589)</u>	<u>90,046,053</u>
<b>Schedule of noncash investing activity-</b>								
Unrealized gain on fair value of investments	\$ (168)	9,479	-	638,150	-	179,371	38,077	1,222,858
Investment in joint venture	-	-	-	(1,299,397)	-	-	-	(1,299,397)

**Exhibit F-1**  
**SANITATION DISTRICTS OF LOS ANGELES COUNTY**  
**Solid Waste Facilities Operations**  
**Combining Schedule of Net Position**  
**June 30, 2016**

<b>Assets</b>	<u>Palos Verdes Landfill</u>	<u>Spadra Landfill</u>	<u>South Gate Transfer Station</u>	<u>Puente Hills Landfill</u>	<u>Puente Hills Materials Recovery Facility</u>	<u>Downey Area Recycling and Transfer Station</u>	<u>Mesquite Regional Landfill</u>	<u>Total</u>
<b>Current assets:</b>								
Cash in bank	\$ -	-	541,160	190,435	920,451	137,473	-	1,789,519
Cash on hand	-	-	3,700	4,056	4,900	2,740	-	15,396
Cash and cash equivalents	<u>23,496</u>	<u>312</u>	<u>8,300</u>	<u>486,350</u>	<u>112,915</u>	<u>26,321</u>	<u>296,487</u>	<u>954,181</u>
Total unrestricted cash and cash equivalents	<u>23,496</u>	<u>312</u>	<u>553,160</u>	<u>680,841</u>	<u>1,038,266</u>	<u>166,534</u>	<u>296,487</u>	<u>2,759,096</u>
Accounts receivable	1,632,434	173	235,474	374,730	3,647,566	1,163,768	-	7,054,145
Due from other funds	-	-	-	-	-	-	5,028	5,028
Interest receivable	103,403	148,359	2,418	673,619	6,176	2,689	3,634	940,298
<b>Restricted cash and investments:</b>								
Cash and cash equivalents	21,023,259	21,717,583	1,365,523	83,309,070	4,158,510	436,916	906,651	132,917,512
Specific investments	<u>34,020,781</u>	<u>57,602,330</u>	<u>-</u>	<u>232,936,804</u>	<u>-</u>	<u>-</u>	<u>200,030</u>	<u>324,759,945</u>
Total restricted cash and investments	<u>55,044,040</u>	<u>79,319,913</u>	<u>1,365,523</u>	<u>316,245,874</u>	<u>4,158,510</u>	<u>436,916</u>	<u>1,106,681</u>	<u>457,677,457</u>
Other specific investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,181,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,181,500</u>
Total current assets	<u>56,803,373</u>	<u>79,468,757</u>	<u>2,156,575</u>	<u>326,156,564</u>	<u>8,850,518</u>	<u>1,769,907</u>	<u>1,411,830</u>	<u>476,617,524</u>
<b>Capital assets:</b>								
Buildings	-	-	-	-	-	-	7,334,878	7,334,878
Capital improvements	23,711,506	41,216,843	2,260,241	245,932,223	-	-	76,808,911	389,929,724
Gas-to-energy facilities	16,556,860	26,052,049	-	139,483,951	-	-	-	182,092,860
Land	-	-	77,665	-	16,203,794	7,236,414	2,993,718	26,511,591
Rail facilities	-	-	-	-	-	-	54,060,853	54,060,853
Recycling and transfer facility	-	-	-	-	53,328,387	9,909,230	-	63,237,617
Use rights	3,758,185	635,000	-	9,001,642	-	12,006,393	42,360,490	67,761,710
Accumulated depreciation/amortization	<u>(44,025,823)</u>	<u>(58,126,431)</u>	<u>(2,260,241)</u>	<u>(343,591,675)</u>	<u>(14,660,474)</u>	<u>(16,052,662)</u>	<u>-</u>	<u>(478,717,306)</u>
Net capital assets	<u>728</u>	<u>9,777,461</u>	<u>77,665</u>	<u>50,826,141</u>	<u>54,871,707</u>	<u>13,099,375</u>	<u>183,558,850</u>	<u>312,211,927</u>
Total assets	<u>\$ 56,804,101</u>	<u>89,246,218</u>	<u>2,234,240</u>	<u>376,982,705</u>	<u>63,722,225</u>	<u>14,869,282</u>	<u>184,970,680</u>	<u>788,829,451</u>
<b>Deferred Outflow of Resources</b>								
Pension contribution subsequent to measurement date	<u>\$ 257,259</u>	<u>327,483</u>	<u>103,215</u>	<u>1,320,224</u>	<u>705,304</u>	<u>227,369</u>	<u>50,082</u>	<u>2,990,936</u>

(Continued on following page)

**Exhibit F-1-2**  
**SANITATION DISTRICTS OF LOS ANGELES COUNTY**  
**Solid Waste Facilities Operations**  
**Combining Schedule of Net Position**  
**June 30, 2016**

<b>Liabilities</b>	<u>Palos Verdes Landfill</u>	<u>Spadra Landfill</u>	<u>South Gate Transfer Station</u>	<u>Puente Hills Landfill</u>	<u>Puente Hills Materials Recovery Facility</u>	<u>Downey Area Recycling and Transfer Station</u>	<u>Mesquite Regional Landfill</u>	<u>Total</u>
Current liabilities:								
Accounts payable	\$ 45,994	(20,665)	529,055	351,266	3,325,634	956,672	18,809	5,206,765
Claims liabilities	68,418	28,456	16,361	1,294,313	18,738	33,574	-	1,459,860
Construction contracts payable	-	-	-	68,470	-	-	-	68,470
Due to other funds	138,326	174,098	46,185	1,399,961	121,131	116,639	-	1,996,340
Estimated liability for closure and postclosure costs	-	2,804,000	-	11,899,000	-	-	-	14,703,000
Total current liabilities	<u>252,738</u>	<u>2,985,889</u>	<u>591,601</u>	<u>15,013,010</u>	<u>3,465,503</u>	<u>1,106,885</u>	<u>18,809</u>	<u>23,434,435</u>
Long-term liabilities:								
Claims liabilities	68,419	28,456	16,361	1,294,313	18,738	33,574	-	1,459,861
Estimated liability for closure and postclosure costs	-	45,810,468	-	202,957,913	-	-	-	248,768,381
Pension liability	3,198,378	4,114,653	1,279,412	16,518,721	8,763,480	2,823,869	622,245	37,320,758
Total liabilities	<u>3,519,535</u>	<u>52,939,466</u>	<u>1,887,374</u>	<u>235,783,957</u>	<u>12,247,721</u>	<u>3,964,328</u>	<u>641,054</u>	<u>310,983,435</u>
<b>Deferred Inflow of Resources</b>								
Pension deferrals	<u>503,292</u>	<u>1,198,631</u>	<u>152,633</u>	<u>3,938,853</u>	<u>1,312,342</u>	<u>407,420</u>	<u>92,738</u>	<u>7,605,909</u>
<b>Net Position</b>								
Net position:								
Net investment in capital assets	728	9,777,461	77,665	50,757,671	54,871,707	13,099,375	183,558,850	312,143,457
Restricted for capital projects	-	-	-	1,050,416	-	-	370,000	1,420,416
Restricted for closure / postclosure maintenance	53,037,805	25,658,143	-	52,306,171	-	-	-	131,002,119
Restricted for site development	-	-	-	34,465,861	-	-	-	34,465,861
Unrestricted	-	-	219,783	-	(4,004,241)	(2,374,472)	358,120	(5,800,810)
Total net position	<u>\$ 53,038,533</u>	<u>35,435,604</u>	<u>297,448</u>	<u>138,580,119</u>	<u>50,867,466</u>	<u>10,724,903</u>	<u>184,286,970</u>	<u>473,231,043</u>



**Exhibit F-2**  
**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, 2016**

	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	\$ 109	402	27,452	114,948	4,599,886	3,686,035	-	8,428,832
Contract revenue	1,784,486	-	-	123,097	291,543	-	-	2,199,126
Refuse tipping fees	-	-	8,066,779	1,165,907	38,315,507	9,877,541	-	57,425,734
Sale of energy	-	1,247,904	-	18,681,140	-	-	-	19,929,044
Other	1,518	872	137	3,344	3,420	28	-	9,319
<b>Total operating revenues</b>	<b>1,786,113</b>	<b>1,249,178</b>	<b>8,094,368</b>	<b>20,088,436</b>	<b>43,210,356</b>	<b>13,563,604</b>	<b>-</b>	<b>87,992,055</b>
Operating expenses:								
Chemicals	-	3,433	167	118,174	4,080	773	-	126,627
Depreciation and amortization of use rights	1,369,154	129,069	-	3,250,146	1,229,099	242,480	-	6,219,948
Equipment and vehicle rentals	108,625	151,596	349,543	606,688	4,033,303	642,146	7,601	5,899,502
Insurance and claims	(33,114)	52,047	37,068	466,767	129,181	46,279	3,920	702,148
Internal administrative costs	632,910	404,817	243,865	3,661,464	2,343,958	558,797	377	7,846,188
Landfill closure and postclosure costs	-	3,086,345	-	5,622,455	-	-	-	8,708,800
Materials and supplies	253,395	25,238	10,816	2,436,048	1,308,763	1,025,300	3,308	5,062,868
Operations, repairs and maintenance	47,901	7,002	57,693	1,469,676	362,251	184,055	19,638	2,148,216
Salaries and benefits	2,151,494	534,468	1,063,851	5,785,823	6,184,463	2,047,879	287,899	18,055,877
Services	180,299	61,500	5,251,208	1,021,029	27,689,218	10,251,101	131,013	44,585,368
Utilities	275,920	(17,227)	52,789	1,007,841	66,249	111,085	187,630	1,684,287
<b>Total operating expenses</b>	<b>4,986,584</b>	<b>4,438,288</b>	<b>7,067,000</b>	<b>25,446,111</b>	<b>43,350,565</b>	<b>15,109,895</b>	<b>641,386</b>	<b>101,039,829</b>
<b>Operating income (loss)</b>	<b>(3,200,471)</b>	<b>(3,189,110)</b>	<b>1,027,368</b>	<b>(5,357,675)</b>	<b>(140,209)</b>	<b>(1,546,291)</b>	<b>(641,386)</b>	<b>(13,047,774)</b>
Nonoperating revenues (expenses):								
Interest revenue	603,533	865,349	6,001	3,578,085	18,545	6,993	10,184	5,088,690
Tax and assessment expense	(35,478)	(1,737)	(424,295)	(164,789)	(1,407,604)	(788,083)	(76,575)	(2,898,561)
Gain on sale of equipment	-	-	-	-	2,185	2,185	-	4,370
Unrealized gain on investments	85,046	190,000	-	601,911	-	-	884	877,841
<b>Net nonoperating revenues (expenses)</b>	<b>653,101</b>	<b>1,053,612</b>	<b>(418,294)</b>	<b>4,015,207</b>	<b>(1,386,874)</b>	<b>(778,905)</b>	<b>(65,507)</b>	<b>3,072,340</b>
<b>Income (loss) before transfers</b>	<b>(2,547,370)</b>	<b>(2,135,498)</b>	<b>609,074</b>	<b>(1,342,468)</b>	<b>(1,527,083)</b>	<b>(2,325,196)</b>	<b>(706,893)</b>	<b>(9,975,434)</b>
Transfers in	1,184,406	3,520,000	4,912,813	202,495	9,201,280	2,575,915	1,500,000	23,096,909
Transfers out	(2,000,000)	(5,119,005)	(4,823,226)	(4,066,471)	(7,806,508)	(1,145,582)	(191,378)	(25,152,170)
<b>Change in net position</b>	<b>(3,362,964)</b>	<b>(3,734,503)</b>	<b>698,661</b>	<b>(5,206,444)</b>	<b>(132,311)</b>	<b>(894,863)</b>	<b>601,729</b>	<b>(12,030,695)</b>
Total net position, July 1, 2015, as previously stated	56,268,227	39,727,439	(397,685)	144,499,634	51,048,669	11,721,631	183,685,241	486,553,156
Prior-period adjustments	133,270	(557,332)	(3,528)	(713,071)	(48,892)	(101,865)	-	(1,291,418)
Total net position, July 1, 2015, as restated	56,401,497	39,170,107	(401,213)	143,786,563	50,999,777	11,619,766	183,685,241	485,261,738
Total net position, June 30, 2016	\$ 53,038,533	35,435,604	297,448	138,580,119	50,867,466	10,724,903	184,286,970	473,231,043

**Exhibit F-3**  
**COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY**  
**Solid Waste Facilities Operations**  
**Combining Schedule of Cash Flows**  
**Fiscal year ended June 30, 2016**

	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	\$ 153,679	1,249,005	7,956,253	20,215,112	43,342,155	13,824,472	-	86,740,676
Payments to suppliers	(806,705)	(774,474)	(5,453,706)	(6,184,410)	(29,048,536)	(11,636,853)	(381,609)	(54,286,293)
Payments to employees	(2,391,997)	(180,491)	(1,199,727)	(6,324,269)	(7,001,937)	(2,249,574)	(308,720)	(19,656,715)
Payments applied to closure/postclosure liability	-	(2,747,198)	-	(12,216,620)	-	-	-	(14,963,818)
Payment for equipment rental	(108,625)	(151,596)	(349,543)	(606,688)	(4,033,303)	(642,146)	(7,601)	(5,899,502)
Payment for internal administrative costs	(632,910)	(404,817)	(243,865)	(3,661,464)	(2,343,958)	(558,797)	(377)	(7,846,188)
Net cash provided (used) by operating activities	(3,786,558)	(3,009,571)	709,412	(8,778,339)	914,421	(1,262,898)	(698,307)	(15,911,840)
Cash flows from noncapital financing activities:								
Payments for tax and assessment	(35,478)	(1,737)	(424,295)	(164,789)	(1,407,604)	(788,083)	(76,575)	(2,898,561)
Transfers from other funds	-	710,000	-	-	-	1,000,000	1,500,000	3,210,000
Transfers to other funds	(11,705)	(14,219)	(3,469)	(124,700)	-	-	-	(154,093)
Net cash provided (used) by noncapital financing activities	(47,183)	694,044	(427,764)	(289,489)	(1,407,604)	211,917	1,423,425	157,346
Cash flows from capital and related financing activities:								
Purchases of capital assets	(116,238)	(71,638)	(4,667)	(955,015)	31,720	(34,612)	(915,251)	(2,065,701)
Interest paid on capital related debt	-	-	-	(552)	-	-	-	(552)
Principal payments on loan from state	-	-	-	(236,580)	-	-	-	(236,580)
Proceeds from sale of equipment	-	-	-	-	2,185	2,185	-	4,370
Net cash provided (used) by capital and related financing activities	(116,238)	(71,638)	(4,667)	(1,192,147)	33,905	(32,427)	(915,251)	(2,298,463)
Cash flows from investing activities:								
Interest received	666,924	944,224	7,328	3,774,610	24,399	8,803	11,227	5,437,515
Purchase of investments	(51,712,500)	(81,068,987)	-	(326,380,277)	-	-	(250,000)	(459,411,764)
Proceeds from maturities of investments	44,391,041	64,399,552	-	237,774,089	-	-	300,000	346,864,682
Net cash provided (used) by investing activities	(6,654,535)	(15,725,211)	7,328	(84,831,578)	24,399	8,803	61,227	(107,109,567)
Net increase (decrease) in cash and cash equivalents	(10,604,514)	(18,112,376)	284,309	(95,091,553)	(434,879)	(1,074,605)	(128,906)	(125,162,524)
Cash and cash equivalents at beginning of fiscal year	31,651,269	39,830,271	1,634,374	179,081,464	5,631,655	1,678,055	1,332,044	260,839,132
Cash and cash equivalents at end of fiscal year	\$ 21,046,755	21,717,895	1,918,683	83,989,911	5,196,776	603,450	1,203,138	135,676,608
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:								
Operating income (loss)	\$ (3,200,471)	(3,189,110)	1,027,368	(5,357,675)	(140,209)	(1,546,291)	(641,386)	(13,047,774)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation and amortization	1,369,154	129,069	-	3,250,146	1,229,099	242,480	-	6,219,948
Landfill closure and postclosure costs	-	3,086,345	-	5,622,455	-	-	-	8,708,800
Decrease (increase) in accounts receivable	(1,632,434)	(173)	(138,115)	126,676	131,799	260,868	-	(1,251,379)
Increase in deferred outflows of resources	(30,686)	(8,014)	(15,054)	(82,018)	(87,884)	(29,202)	(6,265)	(259,123)
Increase (decrease) in accounts payable	9,524	(89,985)	(40,078)	376,454	768,065	93,305	5,763	1,123,048
Decrease in estimated liability for closure and postclosure costs	-	(2,747,198)	-	(12,216,620)	-	-	-	(14,963,818)
Increase (decrease) in claims liabilities	(52,505)	42,470	2,358	71,062	(8,520)	(32,747)	-	22,118
Increase in pension liability	343,887	89,808	168,713	919,154	984,892	327,252	70,215	2,903,921
Decrease in due to other funds	(167,395)	(211,627)	(86,963)	(350,328)	(743,811)	(173,520)	(39,727)	(1,773,371)
Decrease in deferred inflows of resources	(425,632)	(111,156)	(208,817)	(1,137,645)	(1,219,010)	(405,043)	(86,907)	(3,594,210)
Net cash provided (used) by operating activities	\$ (3,786,558)	(3,009,571)	709,412	(8,778,339)	914,421	(1,262,898)	(698,307)	(15,911,840)
Schedule of noncash investing activity-								
Unrealized gain (loss) on fair value of investments	\$ 85,046	190,000	-	601,911	-	-	884	877,841

**Exhibit G-1**  
**SANITATION DISTRICTS OF LOS ANGELES COUNTY**  
**Trustee Solid Waste Facilities Operations**  
**Combining Schedule of Net Position**  
**June 30, 2016**

<b>Assets</b>	<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>
<b>Current assets:</b>					
Cash in bank	\$ 673,750	477,620	-	-	1,151,370
Cash on hand	5,870	5,106	-	-	10,976
Cash and cash equivalents	<u>8,081,967</u>	<u>2,115,037</u>	<u>-</u>	<u>1,112,237</u>	<u>11,309,241</u>
Total unrestricted cash and cash equivalents	<u>8,761,587</u>	<u>2,597,763</u>	<u>-</u>	<u>1,112,237</u>	<u>12,471,587</u>
Accounts receivable	2,209,299	1,181,072	-	42,046	3,432,417
Interest receivable	45,579	51,632	5,435	4,053	106,699
<b>Restricted cash and investments:</b>					
Cash and cash equivalents	12,480,100	33,345,540	3,111,539	113,814	49,050,993
Specific investments	<u>5,500,825</u>	<u>20,699,530</u>	<u>-</u>	<u>-</u>	<u>26,200,355</u>
Total restricted cash and investments	<u>17,980,925</u>	<u>54,045,070</u>	<u>3,111,539</u>	<u>113,814</u>	<u>75,251,348</u>
Total current assets	<u>28,997,390</u>	<u>57,875,537</u>	<u>3,116,974</u>	<u>1,272,150</u>	<u>91,262,051</u>
<b>Capital assets:</b>					
Capital improvements	26,671,208	123,970,587	-	74,483	150,716,278
Equipment pool	-	-	9,663,855	-	9,663,855
Use rights	300,131	947,215	-	-	1,247,346
Land	-	-	-	5,482,200	5,482,200
Accumulated depreciation/amortization	<u>(23,895,573)</u>	<u>(100,980,033)</u>	<u>(5,476,766)</u>	<u>-</u>	<u>(130,352,372)</u>
Net capital assets	<u>3,075,766</u>	<u>23,937,769</u>	<u>4,187,089</u>	<u>5,556,683</u>	<u>36,757,307</u>
Total assets	<u>\$ 32,073,156</u>	<u>81,813,306</u>	<u>7,304,063</u>	<u>6,828,833</u>	<u>128,019,358</u>
<b>Deferred Outflow of Resources</b>					
Pension contribution subsequent to measurement date	<u>\$ 389,607</u>	<u>394,240</u>	<u>60,042</u>	<u>9,920</u>	<u>853,809</u>

(Continued on following page)

**Exhibit G-1-2**  
**SANITATION DISTRICTS OF LOS ANGELES COUNTY**  
**Trustee Solid Waste Facilities Operations**  
**Combining Schedule of Net Position**  
**June 30, 2016**

<b>Liabilities</b>	<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>
<b>Current liabilities:</b>					
Accounts payable	\$ 2,432,881	120,733	36,974	(15,072)	2,575,516
Claims liabilities	126,820	156,420	-	14,229	297,469
Construction contracts payable	-	35,974	-	-	35,974
Due to other funds	<u>132,044</u>	<u>202,675</u>	<u>383,765</u>	<u>46,153</u>	<u>764,637</u>
Total current liabilities	2,691,745	515,802	420,739	45,310	3,673,596
<b>Long-term liabilities:</b>					
Claims liabilities	126,820	156,420	-	14,229	297,469
Estimated liability for closure and postclosure costs	10,994,021	66,667,944	-	-	77,661,965
Pension liability	<u>4,832,255</u>	<u>4,891,568</u>	<u>744,033</u>	<u>113,814</u>	<u>10,581,670</u>
Total liabilities	<u>18,644,841</u>	<u>72,231,734</u>	<u>1,164,772</u>	<u>173,353</u>	<u>92,214,700</u>
 <b>Deferred Inflow of Resources</b>					
Pension deferrals	<u>613,110</u>	<u>644,321</u>	<u>85,817</u>	<u>(103,462)</u>	<u>1,239,786</u>
 <b>Net Position</b>					
<b>Net position:</b>					
Net investment in capital assets	3,075,766	23,901,795	4,187,089	5,556,683	36,721,333
Restricted for capital projects	335,000	-	-	-	335,000
Restricted for closure / postclosure maintenance	1,971,736	-	-	-	1,971,736
Restricted for equipment pool	-	-	1,926,427	-	1,926,427
Unrestricted	<u>7,822,310</u>	<u>(14,570,304)</u>	<u>-</u>	<u>1,212,179</u>	<u>(5,535,815)</u>
Total net position	<u>\$ 13,204,812</u>	<u>9,331,491</u>	<u>6,113,516</u>	<u>6,768,862</u>	<u>35,418,681</u>

**Exhibit G-2**  
**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, 2016**

	Scholl Canyon Landfill	Calabasas Landfill	Los Angeles County Equipment Pool	Los Angeles County Refuse Disposal Fund	Total
Operating revenues:					
Commodities	\$ 21,591	7,622	-	-	29,213
Equipment pool	-	-	2,606,420	-	2,606,420
Refuse tipping fees	21,553,006	16,140,405	-	-	37,693,411
Contract revenue	41,967	1,697	14	1,088,560	1,132,238
<b>Total operating revenues</b>	<b>21,616,564</b>	<b>16,149,724</b>	<b>2,606,434</b>	<b>1,088,560</b>	<b>41,461,282</b>
Operating expenses:					
Chemicals	1,973	7,600	516	-	10,089
Depreciation and amortization of use rights	656,467	1,777,870	734,942	-	3,169,279
Equipment and vehicle rentals	1,362,301	1,384,663	11,002	14,480	2,772,446
Insurance and claims	194,252	115,607	10,686	(37,693)	282,852
Internal administrative costs	1,126,675	1,056,258	-	85,639	2,268,572
Landfill closure & postclosure costs	230,659	1,479,218	-	-	1,709,877
Materials and supplies	54,396	137,497	414,039	17,814	623,746
Operations, repairs and maintenance	5,859,599	172,729	865,600	86,454	6,984,382
Salaries and benefits	3,743,775	3,786,333	627,768	566,919	8,724,795
Services	902,415	555,046	70,983	199,175	1,727,619
Tonnage	3,633,907	-	-	-	3,633,907
Utilities	353,461	226,216	567	48,207	628,451
<b>Total operating expenses</b>	<b>18,119,880</b>	<b>10,699,037</b>	<b>2,736,103</b>	<b>980,995</b>	<b>32,536,015</b>
<b>Operating income (loss)</b>	<b>3,496,684</b>	<b>5,450,687</b>	<b>(129,669)</b>	<b>107,565</b>	<b>8,925,267</b>
Nonoperating revenues (expenses):					
Interest revenue	237,296	614,470	11,252	10,945	873,963
Gain on sale of equipment	-	-	27,389	-	27,389
Tax and assessment expense	(496,324)	(1,825,838)	(476)	(9,142)	(2,331,780)
Unrealized gain on investments	47,896	171,401	-	-	219,297
<b>Net nonoperating revenues (expenses)</b>	<b>(211,132)</b>	<b>(1,039,967)</b>	<b>38,165</b>	<b>1,803</b>	<b>(1,211,131)</b>
<b>Income (loss) before transfers</b>	<b>3,285,552</b>	<b>4,410,720</b>	<b>(91,504)</b>	<b>109,368</b>	<b>7,714,136</b>
Transfers in	5,431,605	6,212,972	2,157,628	688,771	14,490,976
Transfers out	(6,564,886)	(6,715,286)	-	-	(13,280,172)
<b>Change in net position</b>	<b>2,152,271</b>	<b>3,908,406</b>	<b>2,066,124</b>	<b>798,139</b>	<b>8,924,940</b>
Total net position, July 1, 2015, as previously stated	11,098,632	5,448,770	4,628,165	6,019,233	27,194,800
Prior-period adjustments	(46,091)	(25,685)	(580,773)	(48,510)	(701,059)
Total net position, July 1, 2015, as restated	11,052,541	5,423,085	4,047,392	5,970,723	26,493,741
Total net position, June 30, 2016	\$ 13,204,812	9,331,491	6,113,516	6,768,862	35,418,681

**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, 2016**

	Scholl Canyon Landfill	Calabasas Landfill	Los Angeles County Equipment Pool	Los Angeles County Refuse Disposal Fund	Total
<b>Cash flows from operating activities:</b>					
Receipts from customers and users	\$ 21,267,915	15,894,528	14	1,046,514	38,208,971
Receipts for equipment rental	-	-	2,606,420	-	2,606,420
Payments to suppliers	(9,332,743)	(1,814,761)	(1,342,060)	(425,211)	(12,914,775)
Payments to employees	(4,212,696)	(4,262,294)	(273,581)	(618,016)	(9,366,587)
Payment for equipment rental	(1,362,301)	(1,384,663)	(11,002)	(14,480)	(2,772,446)
Payment for internal administrative costs	(1,126,675)	(1,056,258)	-	(85,639)	(2,268,572)
Net cash provided (used) by operating activities	<u>5,233,500</u>	<u>7,376,552</u>	<u>979,791</u>	<u>(96,832)</u>	<u>13,493,011</u>
<b>Cash flows from noncapital financing activities:</b>					
Payments for tax and assessment	(496,324)	(1,825,838)	(476)	(9,142)	(2,331,780)
Transfers from other funds	-	-	2,000,000	-	2,000,000
Transfers to other funds	(1,011,184)	(1,009,624)	-	-	(2,020,808)
Net cash provided (used) by noncapital financing activities	<u>(1,507,508)</u>	<u>(2,835,462)</u>	<u>1,999,524</u>	<u>(9,142)</u>	<u>(2,352,588)</u>
<b>Cash flows from capital and related financing activities:</b>					
Purchases of capital assets	(519,900)	(652,059)	(1,916,508)	(92,185)	(3,180,652)
Proceeds from sale of equipment	-	-	163,550	-	163,550
Net cash used by capital and related financing activities	<u>(519,900)</u>	<u>(652,059)</u>	<u>(1,752,958)</u>	<u>(92,185)</u>	<u>(3,017,102)</u>
<b>Cash flows from investing activities:</b>					
Interest received	247,148	715,298	-	10,098	972,544
Purchase of investments	(12,669,000)	(46,155,317)	-	-	(58,824,317)
Proceeds from maturities of investments	18,838,000	69,943,000	-	-	88,781,000
Net cash provided by investing activities	<u>6,416,148</u>	<u>24,502,981</u>	<u>-</u>	<u>10,098</u>	<u>30,929,227</u>
Net increase (decrease) in cash and cash equivalents	9,622,240	28,392,012	1,226,357	(188,061)	39,052,548
Cash and cash equivalents at beginning 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>
Cash and cash equivalents at end of fiscal year	<u>\$ 21,241,687</u>	<u>35,943,303</u>	<u>3,111,539</u>	<u>1,226,051</u>	<u>61,522,580</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ 3,496,684	5,450,687	(129,669)	107,565	8,925,267
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>					
Depreciation and amortization	656,467	1,777,870	734,942	-	3,169,279
Landfill closure and postclosure costs	230,659	1,479,218	-	-	1,709,877
Increase in accounts receivable	(348,649)	(255,196)	-	(42,046)	(645,891)
Increase in deferred outflows of resources	(54,769)	(54,089)	(8,923)	(8,020)	(125,801)
Increase (decrease) in accounts payable	1,673,058	(546,734)	23,446	(57,459)	1,092,311
Increase (decrease) in claims liabilities	44,536	(2,926)	-	(38,657)	2,953
Increase in pension liability	613,786	606,167	99,998	89,883	1,409,834
Increase (decrease) in due to other funds	(318,584)	(328,187)	383,765	(36,848)	(299,854)
Decrease in deferred inflows of resources	(759,688)	(750,258)	(123,768)	(111,250)	(1,744,964)
Net cash provided (used) by operating activities	<u>\$ 5,233,500</u>	<u>7,376,552</u>	<u>979,791</u>	<u>(96,832)</u>	<u>13,493,011</u>
<b>Schedule of noncash investing activity-</b>					
Unrealized gain (loss) on fair value of investments	\$ 47,896	171,401	-	-	219,297

**Exhibit H-1**  
**SANITATION DISTRICTS OF LOS ANGELES COUNTY**  
**Service Operations**  
**Combining Schedule of Net Position**  
**June 30, 2016**

<b>Assets</b>	<b>Joint Administration</b>	<b>Technical Support</b>	<b>Joint Refuse Disposal</b>	<b>Joint Refuse Equipment Pool</b>	<b>Joint Administration Equipment Pool</b>	<b>Joint Outfall Equipment Pool</b>	<b>Total</b>
<b>Current assets:</b>							
Cash in bank	\$ 10,508,847	-	-	-	-	-	10,508,847
Cash on hand	12,400	-	-	-	-	-	12,400
Cash and cash equivalents	<u>-</u>	<u>1,305,554</u>	<u>1,381,222</u>	<u>-</u>	<u>(19,935)</u>	<u>-</u>	<u>2,666,841</u>
<b>Total unrestricted cash</b>	<u>10,521,247</u>	<u>1,305,554</u>	<u>1,381,222</u>	<u>-</u>	<u>(19,935)</u>	<u>-</u>	<u>13,188,088</u>
<b>Receivables:</b>							
Accounts	541,317	5,958	103,648	-	-	-	650,923
Due from other funds	19,103,649	-	-	-	-	-	19,103,649
Interest	127,626	31,959	511,479	44,879	582	(1,512)	715,013
Inventory	7,788,855	-	11,344,006	-	-	-	19,132,861
<b>Restricted cash and investments:</b>							
Cash and cash equivalents	41,299,032	-	54,964,456	11,459,011	-	2,841,312	110,563,811
Specific investments	14,713,240	-	211,321,769	12,528,751	-	-	238,563,760
<b>Total restricted cash and investments</b>	<u>56,012,272</u>	<u>-</u>	<u>266,286,225</u>	<u>23,987,762</u>	<u>-</u>	<u>2,841,312</u>	<u>349,127,571</u>
<b>Total current assets</b>	<u>94,094,966</u>	<u>1,343,471</u>	<u>279,626,580</u>	<u>24,032,641</u>	<u>(19,353)</u>	<u>2,839,800</u>	<u>401,918,105</u>
Investment in joint ventures	<u>-</u>	<u>-</u>	<u>13,195,299</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,195,299</u>
<b>Capital assets:</b>							
Buildings and equipment	53,416,763	-	10,519,179	-	-	-	63,935,942
Capital improvements	-	-	2,107,936	-	-	-	2,107,936
Construction in progress	11,386,121	682,596	187,501,547	-	-	-	199,570,264
Equipment pool	-	-	-	27,598,795	1,602,764	29,159,657	58,361,216
Gas-to-energy facility	-	-	40,477,447	-	-	-	40,477,447
Land	592,901	-	28,373,391	-	-	-	28,966,292
Other	14,068,270	16,027,782	-	-	-	-	30,096,052
Accumulated depreciation	<u>(35,382,087)</u>	<u>(3,316,680)</u>	<u>(17,679,515)</u>	<u>(16,126,361)</u>	<u>(716,866)</u>	<u>(13,807,948)</u>	<u>(87,029,457)</u>
<b>Net capital assets</b>	<u>44,081,968</u>	<u>13,393,698</u>	<u>251,299,985</u>	<u>11,472,434</u>	<u>885,898</u>	<u>15,351,709</u>	<u>336,485,692</u>
<b>Total assets</b>	<u>138,176,934</u>	<u>14,737,169</u>	<u>544,121,864</u>	<u>35,505,075</u>	<u>866,545</u>	<u>18,191,509</u>	<u>751,599,096</u>
<b>Deferred Outflow of Resources</b>							
Pension contribution subsequent to measurement date	\$ 4,023,343	2,240,563	332,602	174,479	-	147,563	6,918,550

(Continued on following page)

**Exhibit H-1-2**  
**SANITATION DISTRICTS OF LOS ANGELES COUNTY**  
**Service Operations**  
**Combining Schedule of Net Position**  
**June 30, 2016**

<b>Liabilities</b>	Joint Administration	Technical Support	Joint Refuse Disposal	Joint Refuse Equipment Pool	Joint Administration Equipment Pool	Joint Outfall Equipment Pool	Total
Current liabilities:							
Accounts payable	\$ 13,841,439	324,009	33,113	267,645	19,226	249,266	14,734,698
Accrued employee absences	17,400,000	-	-	-	-	-	17,400,000
Amounts held for others	5,362,147	-	-	-	-	-	5,362,147
Bonds payable	-	-	1,404,400	-	-	-	1,404,400
Claims liabilities	196,396	485,274	79,494	-	-	-	761,164
Construction contracts payable	357,599	241,023	849,871	-	-	-	1,448,493
Due to other funds	-	1,064,895	440,426	1,372,861	67,720	1,179,640	4,125,542
Interest payable	-	-	4,974	-	-	-	4,974
Note payable	-	-	1,328,375	-	-	-	1,328,375
Other	218,090	-	15,529	-	-	-	233,619
<b>Total current liabilities</b>	<b>37,375,671</b>	<b>2,115,201</b>	<b>4,156,182</b>	<b>1,640,506</b>	<b>86,946</b>	<b>1,428,906</b>	<b>46,803,412</b>
Long-term liabilities:							
Accrued employee absences	21,411,277	-	-	-	-	-	21,411,277
Bonds payable, net	-	-	7,021,993	-	-	-	7,021,993
Claims liabilities	196,396	485,274	79,494	-	-	-	761,164
Pension liability	49,954,625	27,503,123	4,130,913	2,168,734	-	1,833,352	85,590,747
<b>Total long-term liabilities</b>	<b>71,562,298</b>	<b>27,988,397</b>	<b>11,232,400</b>	<b>2,168,734</b>	<b>-</b>	<b>1,833,352</b>	<b>114,785,181</b>
<b>Total liabilities</b>	<b>108,937,969</b>	<b>30,103,598</b>	<b>15,388,582</b>	<b>3,809,240</b>	<b>86,946</b>	<b>3,262,258</b>	<b>161,588,593</b>
<b>Deferred Inflow of Resources</b>							
Pension deferrals	7,086,720	(170,716)	596,972	335,171	-	272,910	8,121,057
<b>Net Position</b>							
Net position:							
Net investment in capital assets	43,724,369	13,152,675	242,023,721	11,472,434	885,898	15,351,709	326,610,806
Restricted for capital projects	-	-	7,200,000	-	-	-	7,200,000
Restricted for equipment pool	-	-	-	20,062,709	-	-	20,062,709
Unrestricted	(17,548,781)	(26,107,825)	279,245,191	-	(106,299)	(547,805)	234,934,481
<b>Total net position</b>	<b>\$ 26,175,588</b>	<b>(12,955,150)</b>	<b>528,468,912</b>	<b>31,535,143</b>	<b>779,599</b>	<b>14,803,904</b>	<b>588,807,996</b>



**Exhibit H-2**  
**SANITATION DISTRICTS OF LOS ANGELES COUNTY**  
**Service Operations**  
**Combining Schedule of Revenues, Expenses,**  
**and Changes in Net Position**  
**Fiscal year ended June 30, 2016**

	Joint Administration	Technical Support	Joint Refuse Disposal	Joint Refuse Equipment Pool	Joint Administration Equipment Pool	Joint Outfall Equipment Pool	Total
Operating revenues:							
Commodities	\$ 1,113	-	-	-	-	-	1,113
Equipment pool	-	-	-	6,214,561	370,583	4,763,820	11,348,964
Sale of power	-	-	3,020,670	-	-	-	3,020,670
Internal services revenue	47,672,965	49,163,125	-	-	-	-	96,836,090
Other	49,907	24,197	668,713	3,824	105	2,306	749,052
<b>Total operating revenues</b>	<b>47,723,985</b>	<b>49,187,322</b>	<b>3,689,383</b>	<b>6,218,385</b>	<b>370,688</b>	<b>4,766,126</b>	<b>111,955,889</b>
Operating expenses:							
Chemicals	-	24,213	13,746	1,621	-	229	39,809
Depreciation	2,305,434	384,383	3,626,566	1,346,721	140,269	1,568,571	9,371,944
Equipment and vehicle rentals	100,049	418,758	53,068	119,265	199,963	13,609	904,712
Insurance and claims	(395,151)	1,603,789	131,856	95,149	41,002	215,725	1,692,370
Internal administrative costs	-	-	394,375	-	-	-	394,375
Materials and supplies	3,446,875	3,341,119	321,098	729,185	26,424	583,287	8,447,988
Operations, repairs and maintenance	1,348,481	2,533,109	187,888	1,766,077	101,420	805,946	6,742,921
Salaries and benefits	17,260,654	37,904,693	1,889,573	1,494,054	25,805	1,258,006	59,832,785
Services	3,253,098	1,502,863	313,264	775,086	2,239	212,936	6,059,486
Utilities	998,173	183,376	235,919	7,941	-	34	1,425,443
<b>Total operating expenses</b>	<b>28,317,613</b>	<b>47,896,303</b>	<b>7,167,353</b>	<b>6,335,099</b>	<b>537,122</b>	<b>4,658,343</b>	<b>94,911,833</b>
<b>Operating income (loss)</b>	<b>19,406,372</b>	<b>1,291,019</b>	<b>(3,477,970)</b>	<b>(116,714)</b>	<b>(166,434)</b>	<b>107,783</b>	<b>17,044,056</b>
Nonoperating revenues (expenses):							
Grant revenue	4,250	-	-	-	-	-	4,250
Interest revenue	392,575	38,583	2,956,988	183,015	1,294	18,164	3,590,619
Investment in joint ventures	-	-	868,458	-	-	-	868,458
Interest expense	-	-	(212,302)	-	-	-	(212,302)
Gain on sale of equipment	6	-	-	112,713	12,832	120,528	246,079
Tax and assessment expense	(1,241)	(33,435)	(56,395)	(22,590)	(654)	(8,556)	(122,871)
Unrealized gain on investments	97,378	-	432,285	91,946	-	486	622,095
Other nonoperating revenue (expense)	240,062	(65)	-	8	3,315	-	243,320
<b>Net nonoperating revenues</b>	<b>733,030</b>	<b>5,083</b>	<b>3,989,034</b>	<b>365,092</b>	<b>16,787</b>	<b>130,622</b>	<b>5,239,648</b>
<b>Income (loss) before transfers</b>	<b>20,139,402</b>	<b>1,296,102</b>	<b>511,064</b>	<b>248,378</b>	<b>(149,647)</b>	<b>238,405</b>	<b>22,283,704</b>
Transfers in	-	2,867,610	8,821,074	443,799	121,895	1,523,931	13,778,309
Transfers out	(6,281,005)	(17,226,181)	(14,564,333)	-	-	-	(38,071,519)
<b>Change in net position</b>	<b>13,858,397</b>	<b>(13,062,469)</b>	<b>(5,232,195)</b>	<b>692,177</b>	<b>(27,752)</b>	<b>1,762,336</b>	<b>(2,009,506)</b>
Total net position, July 1, 2015, as previously stated	10,188,968	-	530,984,777	31,940,926	-	13,849,419	586,964,090
Prior-period adjustments	2,128,223	107,319	2,716,330	(1,097,960)	807,351	(807,851)	3,853,412
Total net position, July 1, 2015, as restated	12,317,191	107,319	533,701,107	30,842,966	807,351	13,041,568	590,817,502
Total net position, June 30, 2016	\$ 26,175,588	(12,955,150)	528,468,912	31,535,143	779,599	14,803,904	588,807,996

**Exhibit H-3**  
**COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY**  
**Service Operations**  
**Combining Schedule of Cash Flows**  
**Fiscal year ended June 30, 2016**

	Joint Administration	Technical Support	Joint Refuse Disposal	Joint Refuse Equipment Pool	Joint Administration Equipment Pool	Joint Outfall Equipment Pool	Total
<b>Cash flows from operating activities:</b>							
Receipts from customers and users	\$ 296,473	18,239	3,585,735	28,824	105	2,306	3,931,682
Receipts for internal services	47,672,965	49,163,125	-	-	-	-	96,836,090
Receipts for equipment rental	-	-	-	6,214,561	370,583	4,763,820	11,348,964
Payments to suppliers	(92,711)	(8,224,295)	(1,328,541)	(3,436,971)	(169,951)	(1,813,133)	(15,065,602)
Payments to employees	3,497,015	(38,417,354)	(2,019,454)	(155,772)	41,916	(133,235)	(37,186,884)
Payment for equipment rental	(100,049)	(418,758)	(53,068)	(119,265)	(199,963)	(13,609)	(904,712)
Payment for internal administrative costs	-	-	(394,375)	-	-	-	(394,375)
Net cash provided (used) by operating activities	<u>51,273,693</u>	<u>2,120,957</u>	<u>(209,703)</u>	<u>2,531,377</u>	<u>42,690</u>	<u>2,806,149</u>	<u>58,565,163</u>
<b>Cash flows from noncapital financing activities:</b>							
Payments for tax and assessment	(1,241)	(33,435)	(56,395)	(22,590)	(654)	(8,556)	(122,871)
Transfers from other funds	788,761	-	-	-	-	1,200,000	1,988,761
Transfers to other funds	-	-	(3,210,000)	-	-	-	(3,210,000)
Net cash provided (used) by noncapital financing activities	<u>787,520</u>	<u>(33,435)</u>	<u>(3,266,395)</u>	<u>(22,590)</u>	<u>(654)</u>	<u>1,191,444</u>	<u>(1,344,110)</u>
<b>Cash flows from capital and related financing activities:</b>							
Purchases of capital assets	(10,658,001)	(788,592)	(9,302,302)	(863,667)	(142,931)	(5,530,670)	(27,286,163)
Receipt from joint venture	-	-	150,000	-	-	-	150,000
Grant proceeds	4,250	-	-	-	-	-	4,250
Donations	12,500	-	-	-	-	-	12,500
Interest paid on capital related debt	-	-	(212,448)	-	-	-	(212,448)
Principal payments on bonds	-	-	(1,404,400)	-	-	-	(1,404,400)
Principal payments on note	-	-	(44,438)	-	-	-	(44,438)
Proceeds from sale of equipment	7	-	-	487,465	80,248	257,822	825,542
Net cash used by capital and related financing activities	<u>(10,641,244)</u>	<u>(788,592)</u>	<u>(10,813,588)</u>	<u>(376,202)</u>	<u>(62,683)</u>	<u>(5,272,848)</u>	<u>(27,955,157)</u>
<b>Cash flows from investing activities:</b>							
Interest received	442,562	6,624	3,212,001	186,414	712	34,298	3,882,611
Purchase of investments	(20,843,220)	-	(250,602,888)	(11,894,800)	-	-	(283,340,908)
Proceeds from maturities/sale of investments	22,765,194	-	207,080,953	10,443,061	-	245,444	240,534,652
Net cash provided (used) by investing activities	<u>2,364,536</u>	<u>6,624</u>	<u>(40,309,934)</u>	<u>(1,265,325)</u>	<u>712</u>	<u>279,742</u>	<u>(38,923,645)</u>
Net increase (decrease) in cash and cash equivalents	43,784,505	1,305,554	(54,599,620)	867,260	(19,935)	(995,513)	(9,657,749)
Cash and cash equivalents at beginning of fiscal year	8,035,774	-	110,945,298	10,591,751	-	3,836,825	133,409,648
Cash and cash equivalents at end of fiscal year	<u>\$ 51,820,279</u>	<u>1,305,554</u>	<u>56,345,678</u>	<u>11,459,011</u>	<u>(19,935)</u>	<u>2,841,312</u>	<u>123,751,899</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>							
Operating income (loss)	\$ 19,406,372	1,291,019	(3,477,970)	(116,714)	(166,434)	107,783	17,044,056
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>							
Depreciation	2,305,434	384,383	3,626,566	1,346,721	140,269	1,568,571	9,371,944
Decrease (increase) in accounts receivable	(486,143)	(5,958)	(103,648)	25,000	-	-	(570,749)
Decrease (increase) in inventory	(474,634)	-	85,329	-	-	-	(389,305)
Decrease in due from other funds	17,569,652	-	-	-	-	-	17,569,652
Increase in deferred outflows of resources	(523,567)	(520,672)	(42,662)	(21,155)	-	(18,480)	(1,126,536)
Increase (decrease) in accounts payable	12,861,285	323,784	(177,339)	(18,980)	1,135	17,862	13,007,747
Increase (decrease) in accrued employee absences	2,150,256	-	(429,877)	-	-	-	1,720,379
Increase (decrease) in claims liabilities	(877,221)	970,548	(32,409)	-	-	-	60,918
Increase in pension liability	5,867,531	5,835,027	478,099	237,082	-	207,090	12,624,829
Increase (decrease) in other liabilities	(42,559)	-	15,529	-	-	-	(27,030)
Increase in amounts held for others	779,583	-	-	-	-	-	779,583
Increase in due to other funds	-	1,064,895	440,426	1,372,861	67,720	1,179,640	4,125,542
Decrease in deferred inflows of resources	(7,262,296)	(7,222,069)	(591,747)	(293,438)	-	(256,317)	(15,625,867)
Net cash provided (used) by operating activities	<u>\$ 51,273,693</u>	<u>2,120,957</u>	<u>(209,703)</u>	<u>2,531,377</u>	<u>42,690</u>	<u>2,806,149</u>	<u>58,565,163</u>
<b>Schedule of noncash investing activity-</b>							
Unrealized gain on fair value of investments	\$ 97,378	-	432,285	91,946	-	486	622,095
Investment from joint ventures	-	-	868,458	-	-	-	868,458

## 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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Primary government										
Net investment in capital assets	\$ 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	\$ 2,510,653
Restricted	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	614,964
Unrestricted	192,642	229,275	438,486	418,262	311,704	334,042	371,308	883,243	590,578	849,383
Total government net position	<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>	<u>\$ 3,975,000</u>

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Operating Revenues	\$ 464,436	\$ 492,236	\$ 492,598	\$ 525,810	\$ 560,563	\$ 534,890	\$ 554,282	\$ 530,264	\$ 541,086	\$ 545,758
Operating Expenses	500,112	510,505	520,681	439,072	485,580	489,657	477,068	538,751	539,460	496,260
Operating Income/(Loss)	(35,676)	(18,269)	(28,083)	86,738	74,983	45,233	77,214	(8,487)	1,626	49,498
Total Net Nonoperating Revenues	98,642	105,919	80,492	35,863	21,967	10,098	4,236	39,501	58,091	58,789
Income/(Loss) Before Capital Contributions	62,966	87,650	52,409	122,601	96,950	55,331	81,450	31,014	59,717	108,287
Capital Contributions	28,780	29,694	21,966	25,163	18,144	19,453	26,113	38,842	32,966	35,800
Change in Net Position	<u>91,746</u>	<u>117,344</u>	<u>74,375</u>	<u>147,764</u>	<u>115,094</u>	<u>74,784</u>	<u>107,563</u>	<u>69,856</u>	<u>92,683</u>	<u>144,087</u>

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Commodities	\$ 3,483	\$ 4,717	\$ 3,247	\$ 2,898	\$ 4,025	\$ 5,343	\$ 7,276	\$ 7,894	\$ 8,779	\$ 8,459
Contract Revenue	17,328	18,270	16,850	17,951	43,613	24,056	25,542	23,808	22,172	17,394
Industrial Waste Surcharge	51,926	49,860	49,394	54,305	59,508	57,861	56,999	58,092	63,505	64,477
Refuse Tipping Fees	150,953	152,097	136,917	134,835	108,808	102,539	112,160	87,798	80,316	95,119
Sale of Energy	40,828	44,068	42,880	43,061	43,241	45,511	30,429	35,285	30,356	23,173
Service Charges	194,902	217,996	237,218	268,269	297,474	295,831	318,035	312,890	331,261	335,526
Other	5,016	5,228	6,092	4,491	3,894	3,749	3,841	4,497	4,697	1,610
<b>Total Operating Revenue</b>	<b>464,436</b>	<b>492,236</b>	<b>492,598</b>	<b>525,810</b>	<b>560,563</b>	<b>534,890</b>	<b>554,282</b>	<b>530,264</b>	<b>541,086</b>	<b>545,758</b>

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Chemicals	\$ 26,343	\$ 33,279	\$ 32,579	\$ 33,314	\$ 31,790	\$ 33,394	\$ 34,778	\$ 33,912	\$ 33,675	\$ 32,300
Insurance and Claims	5,752	4,293	4,326	4,054	5,577	3,403	4,154	1,657	5,105	4,284
Landfill Closure and Postclosure Costs	41,376	11,655	34,349	(10,217)	4,193	23,894	8,842	22,764	34,395	10,419
Materials and Supplies	16,713	20,511	23,064	15,383	21,398	21,537	22,164	24,264	27,171	27,677
Operations, Repairs, and Maintenance	48,637	39,272	37,921	28,915	55,217	37,516	31,271	34,951	30,960	21,719
Salaries and Benefits	147,428	181,087	184,232	190,500	189,543	197,449	195,752	198,288	192,500	185,252
Services	90,177	90,009	77,329	64,990	65,110	58,499	62,468	81,166	91,973	96,658
Utilities	27,438	29,275	29,816	24,289	24,998	23,805	24,237	26,525	25,053	22,247
Miscellaneous (1)	9,914	11,421	12,203	6,547	5,409	6,494	8,668	4,429	5,039	5,345
Subtotal, Expenses before Depreciation	413,778	420,802	435,819	357,775	403,235	405,991	392,334	427,956	445,871	405,901
Depreciation and Amortization of Use Rights	86,334	89,703	84,862	81,297	82,345	83,666	84,734	110,795	93,589	90,359
Total Operating Expenses	<u>500,112</u>	<u>510,505</u>	<u>520,681</u>	<u>439,072</u>	<u>485,580</u>	<u>489,657</u>	<u>477,068</u>	<u>538,751</u>	<u>539,460</u>	<u>496,260</u>

(1) Miscellaneous expenses includes pollution remediation costs, tonnage, and charges for collections.

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Interest Revenue	\$ 99,179	\$ 107,498	\$ 73,406	\$ 45,632	\$ 35,269	\$ 23,940	\$ 16,139	\$ 15,727	\$ 17,646	\$ 22,561
Tax Revenue	49,116	54,012	59,328	60,493	53,197	54,770	68,435	55,211	67,962	70,121
Other Nonoperating Revenue	5,046	6,538	7,994	7,848	6,982	4,599	6,907	11,235	9,136	6,788
Interest Expense	(38,058)	(42,278)	(41,368)	(41,089)	(38,493)	(40,054)	(42,543)	(32,194)	(32,817)	(33,203)
Unrealized Gain/(Loss) on Investments	33,081	25,957	9,396	(4,139)	(4,098)	(6,546)	(19,491)	8,647	5,188	2,942
Tax and Assessment Expense	(29,762)	(43,161)	(26,729)	(24,538)	(20,731)	(21,274)	(20,899)	(14,014)	(7,050)	(7,702)
Other Nonoperating Expense	(19,960)	(2,647)	(1,535)	(8,344)	(10,159)	(5,337)	(4,312)	(5,111)	(1,974)	(2,718)
Total Net Nonoperating Revenue	<u>98,642</u>	<u>105,919</u>	<u>80,492</u>	<u>35,863</u>	<u>21,967</u>	<u>10,098</u>	<u>4,236</u>	<u>39,501</u>	<u>58,091</u>	<u>58,789</u>



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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Cash Flows from Operating Activities</b>										
Receipts from customers and users	\$ 467,635	\$ 486,427	\$ 492,780	\$ 516,600	\$ 562,483	\$ 529,296	\$ 565,158	\$ 534,475	\$ 544,623	\$ 547,724
Receipts from equipment rental	19,822	21,793	16,478	16,074	15,396	16,094	16,792	15,359	14,645	13,955
Payments to suppliers	(232,593)	(220,584)	(216,214)	(188,534)	(209,396)	(187,623)	(191,064)	(205,140)	(222,019)	(204,480)
Payments to employees	(145,723)	(179,225)	(182,367)	(191,919)	(188,357)	(196,690)	(195,775)	(198,736)	(200,429)	(182,087)
Payments applied to closure/postclosure liability	(7,509)	(8,874)	(8,143)	(6,254)	(6,357)	(6,567)	(5,722)	(6,960)	(6,844)	(14,964)
Payment for equipment rental within the Districts	(19,687)	(21,571)	(16,268)	(15,733)	(14,973)	(16,912)	(16,412)	(15,075)	(14,991)	(13,955)
Other payments	(39)	(37)	(42)	(38)	(34)	(19)	(19)	(19)	(19)	-
Net cash provided (used) by operating activities	81,906	77,929	86,224	130,196	158,762	137,579	172,958	123,904	114,966	146,193
<b>Cash Flows from Noncapital Financing Activities</b>										
Receipts from property taxes	49,694	52,739	58,064	61,672	54,337	53,784	71,082	57,527	67,042	69,817
Payments for tax and assessment	(29,762)	(38,611)	(28,249)	(25,298)	(21,491)	(21,649)	(20,898)	(14,827)	(7,050)	(8,442)
Net cash provided (used) by noncapital financing activities	19,932	14,128	29,815	36,374	32,846	32,135	50,184	42,700	59,992	61,375
<b>Cash Flows from Capital and Related Financing Activities</b>										
Borrowings on loan from state	15,214	50,045	49,582	64,662	37,094	10,664	2,351	9,664	18,879	8,967
Proceeds on bond sales	136,191	-	19,661	-	-	151,280	-	117,460	-	172,408
Contract proceeds from County of Los Angeles	2,040	10,513	2,613	2,709	361	-	-	2,700	1,500	-
Bond issuance costs	(1,437)	-	(162)	-	-	(717)	-	(457)	-	(654)
Purchases of capital assets	(203,455)	(242,914)	(351,829)	(305,465)	(261,729)	(168,072)	(134,346)	(129,324)	(135,584)	(141,401)
Principal payments on contracts/note	(1,265)	(1,365)	-	(1,643)	(743)	(713)	(316)	(39)	(41)	(44)
Connection fees proceeds	28,780	29,694	21,966	21,908	18,105	19,453	25,918	33,291	32,713	34,354
Grant proceeds	-	-	-	2,872	39	-	195	-	-	1,458
Interest paid on capital-related debt	(36,789)	(42,192)	(41,527)	(39,179)	(36,456)	(34,710)	(35,059)	(30,904)	(30,942)	(26,346)
Payment to joint venture	(4,916)	(2,957)	(1,586)	(1,363)	-	-	-	-	-	-
Principal payments on bonds	(15,130)	(15,870)	(18,684)	(19,364)	(22,559)	(174,229)	(24,744)	(184,152)	(29,264)	(203,934)
Principal payments on loan from state	(19,713)	(21,763)	(24,142)	(26,933)	(27,459)	(28,270)	(31,689)	(30,580)	(31,173)	(30,100)
Payment per joint powers agreement	(7,476)	-	-	(6,250)	-	-	-	-	-	-
Proceeds from sale of assets/equipment	325	459	144	758	329	4,080	3,823	2,630	2,385	1,001
Receipts from joint venture	867	2,456	3,767	3,229	2,170	165	2,306	2,930	131	150
Receipts from lease receivable	6,222	6,033	-	-	-	-	-	-	-	-
Receipts from settlement	-	-	-	-	1,508	-	-	-	-	-
Net cash provided (used) by capital and related financing activities	(100,542)	(227,861)	(340,197)	(304,059)	(289,340)	(221,069)	(191,561)	(206,781)	(171,396)	(184,141)
<b>Cash Flows from Investing Activities</b>										
Interest received	93,788	107,929	81,011	53,846	36,161	31,520	16,468	14,567	15,940	24,734
Purchases of investments	(344,260)	(284,659)	(468,733)	(1,630,212)	(990,755)	(1,363,978)	(1,490,217)	(466,367)	(610,933)	(1,273,001)
Proceeds from maturities of investments	473,881	1,076,949	352,952	1,471,080	918,392	1,160,068	1,298,975	397,566	863,262	1,353,519
Net cash provided (used) by investing activities	223,409	900,219	(34,770)	(105,286)	(36,202)	(172,390)	(174,774)	(54,234)	268,269	105,252
Net increase (decrease) in cash and cash equivalents	224,705	764,415	(258,928)	(242,775)	(133,934)	(223,745)	(143,193)	(94,411)	271,831	128,679
Cash and cash equivalents at beginning 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
Cash and cash equivalents at end of fiscal year	\$ 896,688	\$ 1,661,103	\$ 1,402,175	\$ 1,159,400	\$ 1,025,466	\$ 801,721	\$ 658,528	\$ 564,117	\$ 835,948	\$ 964,627

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

Fiscal Year	Connection Fees	Federal Capital Grants	Donated Property	Total
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
2016	34,354	1,446	-	35,800

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

Fiscal Year	Total Budgeted Sewerage Units (1)	Solid Waste Disposal Tonnages (2)	Industrial Waste Flow (3)	Average Rates	
				Sewerage (4)	Solid Waste (5)
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	58.46	220.48	49.26
2016	1,912,732	1.67	N/A	230.13	53.59

(1) See Schedule 10 for breakdown by district.

(2) Millions of tons per year.

(3) Million gallons per day. Information for Fiscal Year 2015/2016 not available until 2017.

(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 <sup>1</sup>	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1	\$ 108.75	\$ 116.00	\$ 126.00	\$ 138.00	\$ 152.00	\$ 154.00	\$ 156.00	\$ 158.00	\$ 163.00	\$ 168.00
2	104.50	111.00	121.00	133.00	147.00	148.00	149.00	150.00	155.00	160.00
3	105.00	112.00	122.00	134.00	148.00	150.00	152.00	154.00	157.00	160.00
4	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00
5	95.75	100.00	108.00	118.00	130.00	132.00	134.00	136.00	141.00	146.00
8	94.00	99.00	109.00	121.00	135.00	139.00	143.00	147.00	154.00	163.00
9	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00
14	160.00	210.00	260.00	310.00	360.00	360.00	448.00	472.00	496.00	476.00
15	98.00	103.00	110.00	119.00	130.00	132.00	134.00	136.00	141.00	146.00
16	101.00	106.00	113.00	122.00	133.00	135.00	137.00	139.00	142.00	145.00
17	102.00	107.00	114.00	123.00	134.00	136.00	138.00	140.00	143.00	146.00
18	104.50	112.00	122.00	134.00	148.00	149.00	150.00	151.00	156.00	161.00
19	103.75	110.00	120.00	132.00	146.00	148.00	150.00	152.00	155.00	158.00
20	161.00	216.00	271.00	326.00	381.00	429.00	477.00	525.00	535.00	550.00
21	102.50	109.00	119.00	131.00	145.00	146.00	147.00	148.00	153.00	158.00
22	106.25	113.00	121.00	131.00	143.00	145.00	147.00	149.00	152.00	155.00
23	79.00	85.00	92.00	101.00	112.00	114.00	116.00	118.00	120.00	122.00
28 <sup>2</sup>	308.00	308.00	315.00	324.00	335.00	336.00	337.00	338.00	340.00	342.00
28 <sup>2</sup>	100.00	100.00	107.00	116.00	127.00	128.00	129.00	130.00	132.00	134.00
29	141.75	201.75	261.75	321.75	327.75	333.75	339.75	339.75	339.75	339.75
30	90.00	92.00	99.00	108.00	119.00	120.00	121.00	122.00	124.00	126.00
SCV	141.00	160.00	179.00	199.00	199.00	215.00	231.00	247.00	267.00	287.00

(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) District No. 28 has 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 Budgeted Sewage Units  
Last Ten Fiscal Years

District <sup>1</sup>	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1	136,159	137,336	142,916	143,577	142,747	142,853	143,258	143,429	144,702	144,833
2	202,938	204,343	215,916	215,348	214,597	214,923	215,551	215,730	217,082	217,943
3	167,181	172,709	179,758	179,295	178,736	180,446	179,597	176,037	177,585	180,568
4	21,298	21,677	22,692	22,643	22,675	22,767	23,778	23,830	24,556	24,844
5	250,885	253,285	267,927	266,577	267,358	267,878	268,676	262,048	266,716	267,707
8	57,207	57,762	60,556	61,652	60,059	60,029	59,831	58,296	59,108	59,017
9	911	917	917	909	911	1,254	1,273	1,216	1,015	1,017
14	57,654	62,753	66,216	66,803	67,362	67,880	66,680	65,615	67,130	67,793
15	177,422	180,866	188,796	187,478	186,848	187,229	186,714	183,592	187,253	187,112
16	105,071	105,766	113,412	113,124	113,225	114,751	113,741	109,897	112,893	112,929
17	14,533	14,701	15,634	15,485	14,958	14,926	15,064	14,511	14,629	14,656
18	119,358	119,949	125,216	123,601	123,578	123,789	121,399	121,021	121,371	121,923
19	35,102	35,406	37,658	37,140	37,103	37,335	37,761	37,247	37,269	38,159
20	38,232	40,099	42,156	42,079	42,082	42,658	42,854	42,094	43,010	43,297
21	143,027	144,323	151,966	150,530	150,858	151,244	149,715	148,776	149,972	150,812
22	118,182	121,671	125,271	124,263	124,500	125,206	125,193	123,768	124,183	125,283
23	3,043	3,071	3,127	3,298	3,220	3,308	3,270	3,271	3,198	3,285
28 <sup>2</sup>	1,489	1,503	1,560	1,562	1,566	1,584	1,611	1,596	1,682	1,681
28 <sup>2</sup>	1,675	2,478	3,238	3,254	3,276	2,830	2,881	2,866	3,021	2,989
29	4,749	4,934	5,454	5,411	5,349	5,430	5,515	5,144	5,380	5,408
30	48,481	49,018	53,537	50,584	50,314	50,631	50,864	50,504	50,920	51,616
SCV	77,133	83,179	91,232	89,207	91,265	93,234	93,494	92,432	91,749	92,849

- (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) District No. 28 has 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  
Municipal Solid Waste Rates (per ton; effective start of fiscal year unless otherwise noted)  
Last Ten Fiscal Years

Facility (projected or actual closure date)	2007 <sup>1</sup>	2008 <sup>2</sup>	2009 <sup>3</sup>	2010 <sup>4</sup>	2011	2012	2013	2014	2015	2016
Puente Hills Landfill (2013)	\$26.21	\$29.42	\$33.86	\$38.26	\$38.26	\$38.41 <sup>6</sup>	\$38.41	\$0.00	\$0.00	\$0.00
Puente Hills MRF	26.21	29.42	33.86	38.26	42.14 <sup>5</sup>	42.44 <sup>6</sup>	42.44	45.75 <sup>8</sup>	49.25 <sup>9</sup>	55.50 <sup>10</sup>
South Gate Transfer Station	38.33	41.54	45.98	50.38	50.38	50.68 <sup>6</sup>	51.91 <sup>7</sup>	51.91	53.91 <sup>9</sup>	58.66 <sup>10</sup>
DART Facility	42.10	45.31	49.75	54.15	54.15	54.45 <sup>6</sup>	54.45	47.14 <sup>8</sup>	53.64 <sup>9</sup>	58.39 <sup>10</sup>
Scholl Canyon Landfill (2033)	36.93	40.07	44.83	48.99	48.99	49.18 <sup>6</sup>	49.18	49.18	49.18	49.18
Calabasas Landfill (2041)	33.38	36.42	38.88	40.82	40.82	40.82	40.82	40.82	43.32 <sup>9</sup>	47.32 <sup>10</sup>

- (1) Rates effective January 1, 2007.
- (2) Rates effective January 1, 2008.
- (3) Rates effective January 1, 2009 (Scholl Canyon Landfill January 9, 2009).
- (4) Rates effective January 1, 2010 (Scholl Canyon Landfill February 12, 2010).
- (5) Rate effective January 1, 2011.
- (6) Rate effective January 1, 2012.
- (7) Rate effective February 1, 2013.
- (8) Rates effective November 1, 2013.
- (9) Rates effective January 1, 2015.
- (10) Rates effective January 1, 2016.

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

District	Unit Rate	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	
JO <sup>1</sup>	(a) Dollars/Million Gallons (Volume)	\$ 540.00	\$ 571.00	\$ 619.00	\$ 619.00	\$ 746.00	\$ 755.00	\$ 764.00	\$ 773.00	\$ 796.00	\$ 819.00	
	(b) Dollars/1,000 lbs. of Chemical Oxygen Demand (COD)	95.50	101.00	109.40	109.40	131.90	133.50	135.10	136.70	140.80	144.90	
	(c) Dollars/1,000 lbs. of Suspended Solids (SS)	269.90	285.40	309.20	309.20	372.70	377.40	382.10	386.70	398.30	409.90	
	(d) Dollars per Gallon per Minute of Peak Flow (P)	71.70	75.80	82.10	82.10	98.90	100.10	101.30	102.50	105.60	108.70	
	Flat Rate Charge in Dollars/Million Gallons	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	3,479.00	
	Sanitary Flow Charge per Employee	0.022	0.025	0.027	0.027	0.032	0.033	0.033	0.033	0.034	0.035	
	Hospital (Acute) Dollars/Bed	180.55	190.92	206.90	206.90	249.30	252.40	255.40	258.40	266.20	273.90	
	Hospital (Intermediate) Dollars/Bed	57.87	61.20	66.30	66.30	79.90	80.90	81.90	82.90	85.30	87.80	
	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)	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	3,153.00
		(b) Dollars/1,000 lbs. of Chemical Oxygen Demand (COD)	119.20	156.50	193.80	193.80	268.40	268.40	334.00	351.90	369.80	354.90
	(c) Dollars/1,000 lbs. of Suspended Solids (SS)	288.00	378.00	468.00	468.00	648.00	648.00	806.40	849.60	892.80	856.60	
	(d) Dollars per Gallon per Minute of Peak Flow (P)	203.80	267.50	331.20	331.20	458.60	458.60	570.70	601.30	631.80	606.50	
	Flat Rate Charge in Dollars/Million Gallons	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	7,015.00	
	Sanitary Flow Charge per Employee	0.033	0.044	0.054	0.054	0.075	0.075	0.093	0.098	0.103	0.099	
	Hospital (Acute) Dollars/Bed	301.44	395.65	489.86	489.86	678.30	678.30	844.10	889.30	934.50	896.90	
	Hospital (Intermediate) Dollars/Bed	92.02	120.77	149.53	149.53	207.00	207.00	257.70	271.50	285.30	273.80	
	20	(a) Dollars/Million Gallons (Volume)	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	2,511.00
		(b) Dollars/1,000 lbs. of Chemical Oxygen Demand (COD)	163.90	219.90	275.90	275.90	387.90	436.80	485.60	534.50	544.70	559.90
(c) Dollars/1,000 lbs. of Suspended Solids (SS)		329.30	441.80	554.30	554.30	779.30	877.50	975.70	1,073.80	1,094.30	1,125.00	
(d) Dollars per Gallon per Minute of Peak Flow (P)		156.70	210.20	263.70	263.70	370.70	417.40	464.10	510.80	520.50	535.00	
Flat Rate Charge in Dollars/Million Gallons		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	7,989.00	
Sanitary Flow Charge per Employee		0.033	0.044	0.055	0.055	0.077	0.087	0.097	0.107	0.109	0.112	
Hospital (Acute) Dollars/Bed		279.99	375.62	471.26	471.26	662.50	746.00	829.40	912.90	930.30	956.40	
Hospital (Intermediate) Dollars/Bed		86.27	115.75	145.21	145.21	204.10	229.90	255.60	281.30	286.70	294.70	
SCV <sup>2</sup>		(a) Dollars/Million Gallons (Volume)	542.00	615.00	688.00	688.00	765.00	861.00	903.00	946.00	1,023.00	1,099.00
		(b) Dollars/1,000 lbs. of Chemical Oxygen Demand (COD)	123.40	140.10	156.70	156.70	174.20	196.10	205.70	215.30	233.10	250.50
	(c) Dollars/1,000 lbs. of Suspended Solids (SS)	305.20	346.40	385.50	385.50	428.60	482.40	506.10	529.80	572.70	615.60	
	(d) Dollars per Gallon per Minute of Peak Flow (P)	76.60	87.00	97.30	97.30	108.20	121.80	127.80	133.80	144.60	155.50	
	Flat Rate Charge in Dollars/Million Gallons	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	3,722.00	
	Sanitary Flow Charge per Employee	0.026	0.030	0.033	0.033	0.037	0.042	0.044	0.046	0.050	0.053	
	Hospital (Acute) Dollars/Bed	203.74	231.27	258.41	258.41	287.29	323.40	339.20	355.20	384.20	412.90	
	Hospital (Intermediate) Dollars/Bed	64.94	73.71	82.31	82.31	91.50	103.00	108.00	113.10	122.40	131.50	

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 2016

Solid Waste Management Facilities Revenue			Wastewater Treatment Facilities Revenue		
Customer	Amount	%	Customer	Amount	%
NASA Disposal Service, Inc.	\$ 1,672,116	1.76%	Inland Empire Utility Agency	\$ 4,160,474	6.45%
Metro Waste/Calmet Services	1,464,424	1.54%	Exxon Mobil Oil Corp.	3,109,217	4.82%
United Pacific Waste	1,101,162	1.16%	Tesoro Refining - Carson	2,985,226	4.63%
City of Glendale	1,056,833	1.11%	MillerCoors LLC	2,288,306	3.55%
Athens Disposal	876,558	0.92%	DeMenno/Kerdoon	2,068,467	3.21%
CR&R	817,329	0.86%	Tesoro Refining - Wilmington	2,058,997	3.19%
Key Disposal	708,940	0.75%	Phillips 66 Company	1,611,931	2.50%
Ware Disposal Co.	638,866	0.67%	Clougherty Packing Co.	1,273,631	1.98%
City of Pasadena	626,480	0.66%	Vons/Safeway Companies Inc.	1,271,355	1.97%
USA Waste	424,063	0.45%	California State Prison	1,157,453	1.80%
Subtotal (10 largest)	9,386,771	9.87%	Subtotal (10 largest)	21,985,057	34.10%
Balance from other customers	85,732,374	90.13%	Balance from other customers	42,491,551	65.90%
Grand total	<u>\$ 95,119,145</u>	<u>100.00%</u>	Grand total	<u>\$ 64,476,608</u>	<u>100.00%</u>

Fiscal Year 2007

Solid Waste Management Facilities Revenue			Wastewater Treatment Facilities Revenue		
Customer	Amount	%	Customer	Amount	%
Athens Disposal	\$ 17,711,728	11.73%	Miller Brewing	\$ 3,125,172	6.02%
Waste Management	10,273,541	6.81%	Exxon Mobil Oil Corp.	2,243,536	4.32%
Valley Vista Services	8,207,071	5.44%	BP West Coast Products	1,655,967	3.19%
Calmet/Calsan	7,424,120	4.92%	Clougherty Packing	1,438,692	2.77%
United Pacific Waste	4,429,585	2.93%	Shell Oil	1,329,519	2.56%
Metropolitan Waste Industries	3,997,527	2.65%	Blue Heron Paper Company	1,312,913	2.53%
Innovative Waste Control	3,516,759	2.33%	Conoco Phillips Co.	1,184,479	2.28%
Universal Waste Systems	3,314,473	2.20%	Smurfit-Stone Container	1,089,879	2.10%
City of Glendale	2,927,559	1.94%	Baker Commodities	809,601	1.56%
Key Disposal	2,858,599	1.89%	Alta-Dena Certified Dairy	718,670	1.38%
Subtotal (10 largest)	64,660,962	42.83%	Subtotal (10 largest)	14,908,428	28.71%
Balance from other customers	86,292,729	57.17%	Balance from other customers	37,017,479	71.29%
Grand total	<u>\$ 150,953,691</u>	<u>100.00%</u>	Grand total	<u>\$ 51,925,907</u>	<u>100.00%</u>



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

Fiscal Year	General Obligation Bonds	Per Capita	As a Share of Personal Income	Revenue Bonds	Notes/ Contracts	State Revolving Fund Loans	Total <sup>(1)</sup>		
							Amount	Per Capita	As a Share of Personal Income
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	89.40	0.17%
2016	-	-	0.00%	501,426	1,328	341,068	843,822	82.29	0.15%

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>REVENUE SOURCES<sup>(1)</sup></b>										
Ad Valorem Tax	\$ 49,116	\$ 54,012	\$ 59,328	\$ 60,493	\$ 53,197	\$ 54,770	\$ 68,435	\$ 55,210	\$ 67,963	\$ 70,121
CIF <sup>(2)</sup>	7,428	11,101	13,483	14,889	15,734	15,667	14,996	12,664	12,627	10,489
Service Charge	194,902	217,996	237,218	268,268	297,494	295,831	318,034	312,889	331,260	335,524
Industrial Waste	51,926	49,860	49,394	54,305	59,508	57,861	56,998	58,091	63,505	64,477
Contract	17,030	17,933	16,822	17,925	43,569	23,982	24,615	23,367	21,759	14,063
Interest	52,181	64,064	39,919	21,170	17,608	11,512	7,679	7,513	9,343	13,078
Rate Stabilization Fund <sup>(3)</sup>	1,665	9,995	7,742	8,822	-	-	1,488	14,161	-	7,923
Miscellaneous	3,795	3,176	3,305	3,906	3,642	3,390	3,486	4,345	4,616	1,075
Total	378,043	428,137	427,211	449,778	490,752	463,013	495,731	488,240	511,073	516,750
<b>EXPENSES<sup>(4)</sup></b>										
Total O&M	254,501	282,903	286,517	270,723	275,663	284,926	287,411	303,506	298,081	307,980
Rate Stabilization Fund <sup>(5)</sup>	36,388	33,901	19,947	36,735	68,630	31,839	56,593	12,921	41,328	14,701
Total	290,889	316,804	306,464	307,458	344,293	316,765	344,004	316,427	339,409	322,681
<b>NET REVENUES</b>	87,154	111,333	120,747	142,320	146,459	146,248	151,727	171,813	171,664	194,069
<b>DEBT SERVICE</b>										
State Loans	25,230	27,569	30,530	30,669	30,843	31,660	36,633	36,535	36,747	35,416
Installment Payments	44,531	50,583	51,226	51,212	53,557	53,075	52,826	52,793	52,530	51,390
Total Debt Service	69,761	78,152	81,756	81,881	84,400	84,735	89,459	89,328	89,277	86,806
<b>COVERAGE</b>	1.2	1.4	1.5	1.7	1.7	1.7	1.7	1.9	1.9	2.2

(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>
2007	5.660	10.332	\$ 379,824	\$ 36.76	5.0%	5.4%
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	12.4%	11.7%
2012	5.452	9.912	435,300	43.92	11.1%	10.4%
2013	5.490	10.019	451,100	45.02	10.2%	8.9%
2014	5.532	10.069	487,900	48.46	8.3%	7.5%
2015	5.571	10.192	521,900	51.21	6.9%	6.2%
2016	5.606	10.254	545,100	53.16	5.2%	5.4%

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, 2016

CITY	POPULATION	CITY	POPULATION
Alhambra	86,782	Lomita	20,290
Arcadia	56,990	Long Beach	484,525
Artesia	16,876	Los Angeles	146,122
Azusa	49,423	Lynwood	72,505
Baldwin Park	74,738	Manhattan Beach	35,297
Bell	36,716	Maywood	28,219
Bell Gardens	42,952	Monrovia	37,524
Bellflower	76,363	Montebello	63,924
Beverly Hills	757	Monterey Park	61,346
Bradbury	501	Norwalk	105,090
Carson	93,993	Palmdale	157,781
Cerritos	49,412	Palos Verdes Estates	13,712
Claremont	35,952	Paramount	56,400
Commerce	13,127	Pasadena	141,005
Compton	101,226	Pico Rivera	64,272
Covina	49,058	Pomona	153,940
Cudahy	24,602	Rancho Palos Verdes	43,041
Culver City	0	Redondo Beach	69,494
Diamond Bar	56,639	Rolling Hills	1,943
Downey	114,181	Rolling Hills Estates	8,028
Duarte	21,836	Rosemead	55,231
El Monte	113,885	San Dimas	33,930
Gardena	60,785	San Gabriel	40,424
Glendora	51,585	San Marino	13,566
Hawaiian Gardens	14,926	Santa Clarita	214,794
Hawthorne	88,003	Santa Fe Springs	18,459
Hermosa Beach	19,801	Sierra Madre	11,007
Huntington Park	59,718	Signal Hill	11,673
Industry	441	South El Monte	20,814
Inglewood	116,648	South Gate	99,578
Irwindale	1,415	South Pasadena	26,028
La Canada-Flintridge	18,968	Temple City	36,534
La Habra Heights	368	Torrance	147,175
La Mirada	49,639	Vernon	210
La Puente	40,094	Walnut	30,149
La Verne	33,128	West Covina	107,641
Lakewood	78,468	West Hollywood	35,923
Lancaster	154,424	Whittier	88,341
Lawndale	33,496		
		77 Cities Subtotal	4,693,851
		Unincorporated	912,509
		<b>TOTAL</b>	<b>5,606,360</b>

Source: State of California, Department of Finance, E-1 Population Estimates for Cities, Counties, and the State, with Annual Percent Change -- January 1, 2015 and 2016. Sacramento, California, May 2016, and GIS analysis using L.A. County Assessor GIS parcel data (2015), 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

Calendar Year	Total Nonfarm Employment (avg. 000's)	Total Taxable Sales (billions)	Value of Two-Way Trade* (billions)	Total Day & Overnight Visitors (millions)	Housing Unit Permits Issued	Value of Nonresidential Building Permits (millions)
2007	4,229.0	\$ 137.8	\$ 347.3	35.7	20,363	\$ 4,739
2008	4,185.4	131.9	355.8	36.5	13,704	4,491
2009	3,951.0	112.7	282.9	34.4	5,653	2,674
2010	3,890.0	116.9	346.8	38.5	7,468	2,677
2011	3,911.6	126.4	386.7	40.4	10,403	3,119
2012	4,010.5	135.3	403.5	41.4	10,709	1,803
2013	4,129.8	140.1	414.5	42.2	16,200	3,585
2014	4,226.4	147.1	416.6	44.2	18,707	6,658
2015	4,321.1	151.4	393.4	45.5	22,831	5,464
2016	4,394.5	159.8	393.7	46.6	26,000	5,967

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, 2016			June 30, 2007		
	Number of Employees	Percentage of Total	Rank	Number of Employees	Percentage of Total	Rank
Trade, Transportation, and Utilities	825,000	17.27%	1	812,300	17.65%	1
Educational and Health Services	769,800	16.11%	2	615,800	13.38%	2
Professional and Business Services	616,100	12.89%	3	608,000	13.21%	3
Government	572,500	11.98%	4	604,600	13.14%	4
Leisure and Hospitality	514,600	10.77%	5	404,100	8.78%	6
Manufacturing	356,400	7.46%	6	453,800	9.86%	5
Financial Activities	220,400	4.61%	7	245,200	5.33%	7
Information Services	209,300	4.38%	8	212,000	4.61%	8
Other Services	154,200	3.23%	9	148,700	3.23%	10
Construction	131,400	2.75%	10	160,200	3.48%	9
Ten largest industries	4,369,700	91.45%		4,264,700	92.66%	
All other industries	408,600	8.55%		338,000	7.34%	
Total civilian employment	4,778,300	100.00%		4,602,700	100.00%	

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,									
	2007	2008	2009	2010	2011	2012	2013 <sup>1</sup>	2014	2015	2016
Solid Waste Management:										
Solid Waste Management	4	4	2	2	2	2	3	2	2	2
Waste-By-Rail	12	11	10	9	9	7	6	0	0	0
Solid Waste Operations	332	344	299	277	240	215	205	209	183	190
Energy Recovery Operations	93	120	159	153	150	137	114	116	112	102
Solid Waste Planning	2	0	0	0	0	0	0	0	0	0
Solid Waste Monitoring & Research	14	14	0	0	0	0	0	0	0	0
Energy Recovery Facilities Engineering	7	7	0	0	0	0	0	0	0	0
Wastewater Management:										
Wastewater Management	2	7	9	8	7	7	3	3	3	3
Industrial Waste	76	74	76	70	71	70	67	66	66	63
Joint Water Pollution Control Plant	369	326	328	321	307	310	302	297	296	293
Wastewater Collection System	117	121	133	132	130	125	124	130	129	129
Water Reclamation Plants	156	204	208	205	220	219	219	224	223	234
Electrical/Instrumentation Engineering Support	0	0	0	0	0	0	4	6	8	8
Engineering:										
Engineering	4	3	5	5	6	6	6	6	7	7
Field Engineering	74	70	82	78	78	73	66	61	56	53
Wastewater & Solid Waste Design	0	0	0	0	0	61	34	29	27	22
Structural & Architectural Design	24	23	21	19	19	17	17	16	17	16
Electrical & Instrumentation Design	0	0	0	0	0	0	20	20	21	23
Mechanical & Civil Design	0	0	0	0	0	0	14	12	12	14
Sewer Design	0	0	0	0	0	0	23	24	23	22
Engineering Design	64	58	56	54	46	15	0	0	0	0
Electrical Design	23	20	22	22	21	22	0	0	0	0
Wastewater Design	29	28	25	24	23	0	0	0	0	0
Solid Waste Design	0	12	11	11	9	0	0	0	0	0
Technical Services:										
Technical Services	7	4	5	5	5	5	5	14	14	15
Air Quality Engineering	13	13	13	12	12	12	9	9	11	9
Laboratories	154	166	181	175	173	175	167	163	157	170
Monitoring	32	44	49	45	29	28	25	26	29	33
Wastewater Research	21	26	26	26	25	24	11	11	11	11
Water Quality	27	22	20	19	34	31	26	27	29	15
Public Information	10	12	12	10	10	10	10	0	0	0
Research	0	0	0	0	0	0	11	11	10	9
Administration:										
Financial Management & Facilities Planning	202	217	223	217	219	214	199	202	196	192
Human Resources	36	38	39	38	33	31	31	22	21	21
<b>Total Employees:</b>	<b>1,904</b>	<b>1,988</b>	<b>2,014</b>	<b>1,937</b>	<b>1,878</b>	<b>1,816</b>	<b>1,721</b>	<b>1,706</b>	<b>1,663</b>	<b>1,656</b>

(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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Sewerage Operations</b>										
Miles of trunk lines (approximately) (1)	1,386	1,360	1,360	1,395	1,407	1,408	1,410	1,410	1,411	1,412
Number of active pump stations	54	53	53	52	52	52	49	49	48	48
Number of treatment facilities	11	11	11	11	11	11	11	11	11	11
Amount of reclaimed water used (MGD) (2)	84	76	70	87	75	85	93	91	79	90
Number of reuse sites	531	539	571	624	650	703	720	757	790	855
Wastewater discharge inspections conducted	14,496	9,880	10,609	10,107	9,255	9,836	10,633	11,070	10,769	11,516
<b>Solid Waste Operations</b>										
Number of active landfills	3	3	3	3	3	3	3	2	2	2
<b>Solid waste disposal tonnages (3)</b>										
Puente Hills Landfill	3.84	3.53	2.79	2.34	1.66	1.80	2.19	0.74	0.00	0.00
Puente Hills MRF (4)	0.10	0.09	0.10	0.12	0.07	0.02	0.04	0.55	0.73	0.73
South Gate Transfer Station	0.12	0.13	0.14	0.12	0.11	0.10	0.11	0.11	0.11	0.14
DART Facility	0.28	0.27	0.21	0.16	0.16	0.13	0.08	0.13	0.14	0.16
Scholl Canyon Landfill	0.42	0.37	0.29	0.25	0.23	0.23	0.21	0.23	0.24	0.33
Calabasas Landfill	0.48	0.44	0.30	0.27	0.26	0.21	0.19	0.24	0.23	0.31
Total	5.24	4.83	3.83	3.26	2.49	2.49	2.82	2.00	1.45	1.67
<b>Cumulative solid waste disposal tonnages (3)</b>										
Puente Hills Landfill	108.99	112.52	115.31	117.65	119.31	121.11	123.30	124.04	124.04	124.04
Puente Hills MRF (4)	0.18	0.27	0.37	0.49	0.56	0.58	0.62	1.17	1.90	2.63
South Gate Transfer Station	5.15	5.28	5.42	5.54	5.65	5.75	5.86	5.97	6.08	6.22
DART Facility	2.35	2.62	2.83	2.99	3.15	3.28	3.36	3.49	3.63	3.79
Scholl Canyon Landfill	27.08	27.45	27.74	27.99	28.22	28.45	28.66	28.89	29.13	29.46
Calabasas Landfill	22.39	22.83	23.13	23.40	23.66	23.87	24.06	24.30	24.53	24.76
<b>Percentage of total County solid waste disposed of at Districts' landfills (5)</b>										
	40%	40%	35%	31%	31%	33%	37%	24%	7%	11%
<b>Household hazardous waste/electronic waste (HHW/EW) collections - number of households accommodated</b>										
	77,574	66,479	62,792	60,726	57,677	57,891	52,850	50,056	51,054	43,705
<b>Cost to conduct HHW/EW collections (millions)</b>										
	\$5.0	\$4.3	\$4.2	\$4.0	\$3.8	\$3.9	\$3.6	\$3.7	\$3.5	\$3.2

- (1) Calculated using the GIS digitized length.
- (2) Millions of gallons per day.
- (3) Millions of tons per year.
- (4) Began commercial operations in July 2005.
- (5) Based on tonnage information through June 2016.



## COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

### Bond Disclosure June 30, 2016

On April 14, 1993, various Districts of the Los Angeles County Sanitation Districts (Participating Districts) entered into 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 following Los Angeles County Sanitation Districts Financing Authority Capital Projects Revenue Bonds: the 2005 Series A District 20 Subordinate Revenue Bonds (2005A Revenue Bonds), the 2007 Series A District 20 Subordinate Revenue Bonds (2007A Revenue Bonds), the 2011 Series A Senior Ad Valorem Obligation Bonds (2011A Revenue Bonds), the 2013 Series A Senior Ad Valorem Obligation Bonds (2013A Revenue Bonds), and the 2015 Series A District 14 Subordinate Revenue Bonds (2015A Revenue Bonds). Limited information is provided on the 2016 Series A District 20 Subordinate Revenue Bonds (2016A Revenue Bonds) which were issued in November 2016, during the 2016 calendar year but after the close of the fiscal year. 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 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 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, if required, and a statement of the reserve requirement, as of December 31, 2016.
- 4) The principal amount of bonds outstanding as of December 31, 2016, and as of December 31, 2015.
- 5) A schedule of the changes in debt obligation for the calendar year ending on December 31, 2016.
- 6) The amount of each senior obligation and subordinate obligation for each district outstanding as of December 31, 2016.
- 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;

# COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

## Bond Disclosure, Continued

- b. Estimated sewage units by customer type, user fees, and ad valorem taxes;
- c. Districts' service charge rates;
- d. Fund balances on June 30, 2016;
- e. Average yearly sewage flow;
- f. Ten largest wastewater customers for District 14; ten largest wastewater customers for all Districts is fulfilled by Schedule 13 in the Statistical Section of this financial statement (page 95);
- g. Outstanding obligations as of December 31, 2015 and December 31, 2016;
- h. Districts' historical operating data

### REPORTING OF SIGNIFICANT EVENTS

On November 16, 2016, the Authority issued \$170,265,000 in Capital Projects Revenue Bonds (2016A District No. 20 Revenue Bonds) (the 2016A Revenue Bonds). The purpose of the 2016 Bonds is to refund all of the Authority's outstanding 2005A Revenue Bonds and 2007A Revenue Bonds; refinance certain improvements to the Sewerage System of County Sanitation District No. 20 of Los Angeles County by prepaying in full District No. 20's outstanding Clean Water State Revolving Fund Loan; and pay costs of issuance of the 2016A Revenue Bonds. These serial bonds mature in varying amounts on October 1 in the years 2017 through 2036 at coupon rates ranging from 3.0% to 5.0%.

### *SECTION 1-The Financing Authority's audited financial statements*

#### Statement of Net Position June 30, 2016

<b>Assets</b>	
Cash and cash equivalents with Trustee, restricted as to use	\$ 10,810,856
Interest receivable	1,300
Payments receivable from Participating Districts	480,750,853
Total assets	<u>491,563,009</u>
<b>Deferred Outflow of Resources</b>	
Deferred loss on refunding, net of accumulated amortization of \$8,120,197	<u>9,863,019</u>
<b>Liabilities</b>	
Current liabilities, payable from restricted assets:	
Interest payable	5,550,336
Current portion of bonds payable	31,564,400
Total current liabilities, payable from restricted assets	<u>37,114,736</u>
Long-term liabilities:	
Premium on issue, net of accumulated amortization of \$23,221,355	31,704,625
Revenue bonds payable	438,156,994
Total long-term liabilities	<u>469,861,619</u>
Total liabilities	<u>506,976,355</u>
<b>Net Position</b>	
Restricted for:	
Restricted for debt service	9,245,931
Unrestricted	(14,796,258)
Total net position	<u>\$ (5,550,327)</u>

# COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

## Bond Disclosure, Continued

### Statement of Revenues, Expenses, and Changes in Net Position Fiscal year ended June 30, 2016

Operating revenues-payments from Participating Districts	\$	<u>20,661,747</u>
Nonoperating revenues (expenses):		
Interest expense		(24,341,480)
Drawdown expense		(4,717,321)
Other income		4,783,045
Bond issuance expense		(653,812)
Amortization of deferred loss on refunding		(1,790,173)
Amortization of bond premium		<u>6,507,494</u>
Net nonoperating expenses		<u>(20,212,247)</u>
Change in net position		449,500
 Total net position, beginning of fiscal year		 5,237,372
Prior period adjustment		<u>(11,237,199)</u>
Net position, end of year	\$	<u><u>(5,550,327)</u></u>

### Statement of Cash Flows Fiscal year ended June 30, 2016

Cash flows from operating activities:		
Receipts from Participating Districts	\$	<u>20,661,747</u>
Cash flows from capital and related financing activities:		
Receipts from Participating Districts		32,214,400
Proceeds from bond sales		172,408,045
Bond issuance costs		(653,812)
Bond defeasement		(171,720,322)
Principal payments on bonds		(32,214,400)
Interest paid on bonds		<u>(20,695,663)</u>
Net cash used by capital and related financing activities		<u>(20,661,752)</u>
Cash flows from investing activities:		
Maturities/sales of investment securities		10,500,000
Interest received on investments		<u>23,418</u>
Net cash provided by investing activities		<u>10,523,418</u>
Net increase in cash and cash equivalents, restricted as to use		10,523,413
Cash and cash equivalents, beginning of fiscal year, restricted as to use		<u>287,443</u>
Cash and cash equivalents, end of fiscal year, restricted as to use	\$	<u><u>10,810,856</u></u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$	20,661,747
Net cash provided by operating activities	\$	<u><u>20,661,747</u></u>

Supplemental disclosure of noncash items:

Amortization of premium on revenue bonds payable and deferred loss on refunding of (\$23,221,355) and (8,120,197), 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, 2016***

The only bonds that had reserve requirements during 2016 were the 2005A Revenue Bonds and the 2007A Revenue Bonds. However, both of these bonds were fully defeased by the 2016A Revenue Bonds and the reserve requirements were eliminated. There is no reserve requirement applicable to the 2011A Revenue Bonds, 2013A Revenue Bonds, 2015A Revenue Bonds, or 2016A Revenue Bonds.

***SECTION 4-Principal amount of bonds outstanding***

As of December 31, 2016, the total principal amount of bonds outstanding was \$452,950,000.00, an overall decrease of \$8,345,000 from December 31, 2015, when the total principal amount of bonds outstanding was \$461,295,000.

***SECTION 5-Changes in debt obligations***

**CHANGES IN DEBT OBLIGATIONS  
Calendar Year 2016**

<u>System</u>	<u>New Debt</u>	<u>Principal Payments</u>	<u>Retirements</u>	<u>Net Change in Debt Obligations</u>
JO System <sup>(1)</sup>	\$ 18,260,772	(42,144,105)	-	(23,883,333)
4	-	(252,620)	-	(252,620)
9	-	(35,501)	-	(35,501)
14	-	(7,928,631)	-	(7,928,631)
20	170,265,000	(4,337,274)	(199,854,380)	(33,926,654)
27	-	(49,649)	-	(49,649)
SCV	-	(5,802,107)	-	(5,802,107)
<b>Total</b>	<b>\$ 188,525,772</b>	<b>(60,549,887)</b>	<b>(199,854,380)</b>	<b>(71,878,495)</b>

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

# COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

## Bond Disclosure, Continued

### *SECTION 6-Outstanding senior and subordinate obligations for each District as of December 31, 2016*

	District No. 1	District No. 2	District No. 3	District No. 5	District No. 8	District No. 15
<b>Obligations Constituting Senior A.V. Obligations</b>						
<b>and Senior Revenue Obligations</b>						
2011 Series A Revenue Bonds	\$ 8,196,891	12,655,247	9,612,857	20,686,509	4,998,835	12,945,414
2013 Series A Revenue Bonds	1,031,399	1,592,393	1,209,567	2,602,934	628,994	1,628,897
Total Senior A.V. Obligation	<u>9,228,290</u>	<u>14,247,640</u>	<u>10,822,424</u>	<u>23,289,443</u>	<u>5,627,829</u>	<u>14,574,311</u>
<b>Senior Revenue Obligations</b>						
Primary Sedimentation Tank Covers	116,631	169,374	133,996	197,236	72,182	143,067
Secondary Effluent Pump Station	38,974	56,600	44,777	65,910	24,121	47,809
Biological Reactors/Secondary Clarifiers	3,233,601	4,695,907	3,715,048	5,468,379	2,001,240	3,966,551
Cryogenic Oxygen Generation	648,696	942,051	745,280	1,097,017	401,471	795,734
Power Generation Equipment Purchase	352,212	511,490	404,652	595,630	217,980	432,047
Waste Activated Sludge Thickening Expansion	132,018	191,719	151,674	223,257	81,704	161,942
Relocating and Installing High-Speed Centrifuge	66,435	96,479	76,327	112,349	41,116	81,494
Installation of Secondary Influent Pumping Equip	149,899	217,687	172,217	253,496	92,771	183,876
Fuel Gas Compressor Upgrade	23,192	33,680	26,645	39,221	14,354	28,449
Modifications of Electrical Power	128,325	186,356	147,431	217,012	79,419	157,412
Primary Screenings and Grit Dewatering Fac.	369,288	536,289	424,271	624,508	228,549	452,994
Environmental Laboratory Building	303,576	440,860	348,775	513,381	187,880	372,387
JWPCP Digestion Tanks 17-23	1,674,928	2,432,368	1,924,306	2,832,490	1,036,594	2,054,579
Modification of Biological Reactors	1,490,063	2,163,903	1,711,917	2,519,862	922,184	1,827,811
High-Speed Scroll Centrifuges Purch & Install	167,253	242,888	192,155	282,843	103,511	205,163
Secondary Infl Pump Station Equipment	394,372	572,716	453,090	666,927	244,073	483,763
Silo Odor Control Facilities, Phase I	218,848	317,816	251,432	370,097	135,443	268,454
Silo Odor Control Facilities, Phase II	147,392	214,046	169,337	249,256	91,219	180,801
La Canada Trunk Sewer	-	-	-	-	-	-
La Canada Foothill Main Trunk Sewer	-	-	-	-	-	-
Total Senior Revenue Obligations	<u>9,655,703</u>	<u>14,022,229</u>	<u>11,093,330</u>	<u>16,328,871</u>	<u>5,975,811</u>	<u>11,844,333</u>
<b>Subordinate Revenue Obligations</b>						
Install of Secondary Infl Pumping Equip Stg II	65,714	95,431	75,498	111,129	40,669	80,609
Central Odor Control System	465,020	675,313	534,257	786,401	287,796	570,425
Heat Recovery Steam Generation Equipment	195,261	283,563	224,334	330,209	120,845	239,521
Power Generation Steam Turbine Generator	145,496	211,293	167,159	246,050	90,046	178,475
Pomona WRP NDN Facilities	221,920	322,277	254,961	375,291	137,344	272,221
Pomona WRP NDN Facilities Equip. Purch.	8,218	11,934	9,441	13,897	5,086	10,080
Los Coyotes WRP NDN Facilities	947,096	1,375,394	1,088,108	1,601,645	586,147	1,161,771
Los Coyotes WRP Ammonia Addition Station	47,589	69,109	54,674	80,478	29,452	58,375
Long Beach WRP NDN Facilities	235,208	341,574	270,228	397,763	145,567	288,522
Long Beach WRP Ammonia Addition Station	32,846	47,700	37,737	55,547	20,328	40,292
Long Beach WRP NDN Facilities Equipment	21,188	30,770	24,343	35,831	13,113	25,990
Long Beach WRP Aeration System	14,510	21,072	16,671	24,538	8,980	17,799
Long Beach Pumping Plant Upgrades*	3,326,123	4,830,269	3,821,345	5,624,843	2,058,500	4,080,044
Whittier Narrows WRP NDN Facilities	252,749	367,048	290,381	427,427	156,424	310,039
San Jose Creek WRP NDN Facilities	423,060	614,377	486,049	715,441	261,827	518,953
San Jose Creek WRP NDN Fac. Equipment	62,222	90,361	71,487	105,225	38,509	76,326
Los Coyotes WRP Interceptor Sewer Rehab Phase II	894,060	1,298,374	1,027,176	1,511,955	553,324	1,096,714
Wright Road Truck Sewer Repair	507,531	-	-	-	-	-
District 5 Interceptor Section 2A Rehab	1,065,677	1,547,599	1,224,344	1,802,177	659,535	1,307,230
Alamitos PP Force Main No. 2	-	-	-	-	-	-
Total Subordinate Revenue Obligations	<u>8,931,488</u>	<u>12,233,458</u>	<u>9,678,193</u>	<u>14,245,847</u>	<u>5,213,492</u>	<u>10,333,386</u>
Total Obligations	<u>\$ 27,815,481</u>	<u>40,503,327</u>	<u>31,593,947</u>	<u>53,864,161</u>	<u>16,817,132</u>	<u>36,752,030</u>

\*Funds have been received as of December 31, 2016, 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
<b>Obligations Constituting Senior A.V. Obligations</b>						
<b>and Senior Revenue Obligations</b>						
2011 Series A Revenue Bonds	8,067,377	1,032,395	7,076,078	2,281,481	7,631,505	6,604,090
2013 Series A Revenue Bonds	1,015,103	129,905	890,369	287,074	960,258	830,981
Total Senior A.V. Obligation	<u>9,082,480</u>	<u>1,162,300</u>	<u>7,966,447</u>	<u>2,568,555</u>	<u>8,591,763</u>	<u>7,435,071</u>
<b>Senior Revenue Obligations</b>						
Primary Sedimentation Tank Covers	76,199	9,849	92,527	26,307	112,484	92,009
Secondary Effluent Pump Station	25,463	3,291	30,920	8,791	37,589	30,746
Biological Reactors/Secondary Clarifiers	2,112,619	273,060	2,565,324	729,357	3,118,629	2,550,952
Cryogenic Oxygen Generation	423,815	54,779	514,632	146,317	625,631	511,749
Power Generation Equipment Purchase	230,112	29,742	279,421	79,443	339,689	277,856
Waste Activated Sludge Thickening Expansion	86,252	11,148	104,734	29,777	127,324	104,147
Relocating and Installing High-Speed Centrifuge	43,404	5,610	52,705	14,985	64,073	52,410
Installation of Secondary Influent Pumping Equip	97,934	12,658	118,920	33,811	144,569	118,254
Fuel Gas Compressor Upgrade	15,152	1,958	18,399	5,231	22,368	18,296
Modifications of Electrical Power	83,839	10,836	101,804	28,944	123,762	101,234
Primary Screenings and Grit Dewatering Fac.	241,268	31,184	292,969	83,295	356,158	291,328
Environmental Laboratory Building	198,337	25,635	240,837	68,473	292,782	239,488
JWPCP Digestion Tanks 17-23	1,094,286	141,438	1,328,776	377,789	1,615,375	1,321,332
Modification of Biological Reactors	973,508	125,828	1,182,117	336,092	1,437,083	1,175,494
High-Speed Scroll Centrifuges Purch & Install	109,272	14,124	132,687	37,725	161,306	131,944
Secondary Infl Pump Station Equipment	257,656	33,303	312,869	88,953	380,350	311,116
Silo Odor Control Facilities, Phase I	142,981	18,481	173,620	49,362	211,067	172,647
Silo Odor Control Facilities, Phase II	96,296	12,446	116,931	33,245	142,151	116,276
La Canada Trunk Sewer	-	-	-	-	-	-
La Canada Foothill Main Trunk Sewer	-	-	-	-	-	-
Total Senior Revenue Obligations	<u>6,308,393</u>	<u>815,370</u>	<u>7,660,192</u>	<u>2,177,897</u>	<u>9,312,390</u>	<u>7,617,278</u>
<b>Subordinate Revenue Obligations</b>						
Install of Secondary Infl Pumping Equip Stg II	42,933	5,549	52,133	14,822	63,377	51,841
Central Odor Control System	303,813	39,268	368,916	104,888	448,486	366,849
Heat Recovery Steam Generation Equipment	127,571	16,489	154,907	44,042	188,319	154,040
Power Generation Steam Turbine Generator	95,057	12,286	115,427	32,817	140,323	114,780
Pomona WRP NDN Facilities	144,987	18,740	176,056	50,055	214,029	175,070
Pomona WRP NDN Facilities Equip. Purch.	5,369	694	6,519	1,854	7,926	6,483
Los Coyotes WRP NDN Facilities	618,770	79,977	751,363	213,623	913,422	747,154
Los Coyotes WRP Ammonia Addition Station	31,091	4,019	37,754	10,734	45,897	37,542
Long Beach WRP NDN Facilities	153,669	19,862	186,598	53,052	226,845	185,553
Long Beach WRP Ammonia Addition Station	21,460	2,774	26,058	7,409	31,679	25,912
Long Beach WRP NDN Facilities Equipment	13,843	1,789	16,809	4,779	20,435	16,715
Long Beach WRP Aeration System	9,480	1,225	11,511	3,273	13,994	11,447
Long Beach Pumping Plant Upgrades*	2,173,067	280,873	2,638,724	750,225	3,207,860	2,623,941
Whittier Narrows WRP NDN Facilities	165,130	21,343	200,514	57,009	243,763	199,391
San Jose Creek WRP NDN Facilities	276,399	35,725	335,627	95,423	408,018	333,747
San Jose Creek WRP NDN Fac. Equipment	40,652	5,254	49,363	14,035	60,010	49,087
Los Coyotes WRP Interceptor Sewer Rehab Phase II	584,119	75,498	709,288	201,660	862,272	705,314
Wright Road Truck Sewer Repair	-	-	-	-	-	-
District 5 Interceptor Section 2A Rehab	696,242	89,990	845,437	240,369	1,027,786	840,700
Alamitos PP Force Main No. 2	-	-	-	-	-	-
Total Subordinate Revenue Obligations	<u>5,503,652</u>	<u>711,355</u>	<u>6,683,004</u>	<u>1,900,069</u>	<u>8,124,441</u>	<u>6,645,566</u>
Total Obligations	<u><u>20,894,525</u></u>	<u><u>2,689,025</u></u>	<u><u>22,309,643</u></u>	<u><u>6,646,521</u></u>	<u><u>26,028,594</u></u>	<u><u>21,697,915</u></u>

\*Funds have been received as of December 31, 2016, 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
<b>Obligations Constituting Senior A.V. Obligations and Senior Revenue Obligations</b>				
2011 Series A Revenue Bonds	1,394,792	364,888	114,572	3,528,080
2013 Series A Revenue Bonds	175,504	45,913	14,416	443,932
Total Senior A.V. Obligation	<u>1,570,296</u>	<u>410,801</u>	<u>128,988</u>	<u>3,972,012</u>
<b>Senior Revenue Obligations</b>				
Primary Sedimentation Tank Covers	11,922	3,110	3,758	35,248
Secondary Effluent Pump Station	3,984	1,039	1,256	11,779
Biological Reactors/Secondary Clarifiers	330,546	86,229	104,194	977,266
Cryogenic Oxygen Generation	66,311	17,299	20,902	196,050
Power Generation Equipment Purchase	36,004	9,392	11,349	106,446
Waste Activated Sludge Thickening Expansion	13,495	3,520	4,254	39,899
Relocating and Installing High-Speed Centrifuge	6,791	1,772	2,141	20,078
Installation of Secondary Influent Pumping Equip	15,323	3,997	4,830	45,303
Fuel Gas Compressor Upgrade	2,371	618	747	7,009
Modifications of Electrical Power	13,118	3,422	4,135	38,783
Primary Screenings and Grit Dewatering Fac.	37,749	9,848	11,899	111,607
Environmental Laboratory Building	31,032	8,095	9,782	91,748
JWPCP Digestion Tanks 17-23	171,215	44,665	53,970	506,201
Modification of Biological Reactors	152,318	39,735	48,013	450,330
High-Speed Scroll Centrifuges Purch & Install	17,097	4,460	5,389	50,547
Secondary Infl Pump Station Equipment	40,314	10,517	12,708	119,188
Silo Odor Control Facilities, Phase I	22,371	5,836	7,052	66,141
Silo Odor Control Facilities, Phase II	15,067	3,930	4,749	44,545
La Canada Trunk Sewer	-	-	-	-
La Canada Foothill Main Trunk Sewer	-	189,278	-	-
Total Senior Revenue Obligations	<u>987,028</u>	<u>446,762</u>	<u>311,128</u>	<u>2,918,168</u>
<b>Subordinate Revenue Obligations</b>				
Install of Secondary Infl Pumping Equip Stg II	6,717	1,752	2,117	19,860
Central Odor Control System	47,535	12,401	14,984	140,539
Heat Recovery Steam Generation Equipment	19,960	5,207	6,292	59,012
Power Generation Steam Turbine Generator	14,873	3,880	4,688	43,972
Pomona WRP NDN Facilities	22,685	5,918	7,151	67,069
Pomona WRP NDN Facilities Equip. Purch.	840	219	265	2,484
Los Coyotes WRP NDN Facilities	96,814	25,256	30,518	286,234
Los Coyotes WRP Ammonia Addition Station	4,865	1,269	1,533	14,382
Long Beach WRP NDN Facilities	24,043	6,272	7,579	71,085
Long Beach WRP Ammonia Addition Station	3,358	876	1,058	9,927
Long Beach WRP NDN Facilities Equipment	2,166	565	683	6,403
Long Beach WRP Aeration System	1,483	387	468	4,385
Long Beach Pumping Plant Upgrades*	340,004	88,697	107,175	1,005,228
Whittier Narrows WRP NDN Facilities	25,837	6,740	8,144	76,386
San Jose Creek WRP NDN Facilities	43,246	11,282	13,632	127,858
San Jose Creek WRP NDN Fac. Equipment	6,361	1,659	2,005	18,805
Los Coyotes WRP Interceptor Sewer Rehab Phase II	91,393	23,842	28,809	270,205
Wright Road Truck Sewer Repair	-	-	-	-
District 5 Interceptor Section 2A Rehab	108,936	28,418	34,338	322,071
Alamitos PP Force Main No. 2	-	-	838,595	-
Total Subordinate Revenue Obligations	<u>861,116</u>	<u>224,640</u>	<u>1,110,034</u>	<u>2,545,905</u>
Total Obligations	<u>3,418,440</u>	<u>1,082,203</u>	<u>1,550,150</u>	<u>9,436,085</u>

\*Funds have been received as of December 31, 2016, 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
<b>Obligations Constituting Senior A.V. Obligations and Senior Revenue Obligations:</b>						
2011 Series A Revenue Bonds	\$ 1,222,934	171,859	1,734,772	1,445,851	240,352	12,528,221
2013 Series A Revenue Bonds	153,879	21,625	218,284	181,929	30,243	1,576,401
Total Senior A.V. Obligation	<u>1,376,813</u>	<u>193,484</u>	<u>1,953,056</u>	<u>1,627,780</u>	<u>270,595</u>	<u>14,104,622</u>
<b>Senior Revenue Obligations</b>						
Valencia WRP Solids Processing Expansion	-	-	-	-	-	2,150,365
Valencia WRP Stage V Expansion-Equipment	-	-	-	-	-	423,081
Total Senior Revenue Obligations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,573,446</u>
<b>Subordinate Revenue Obligations</b>						
2015 Series A Revenue Bonds	-	-	142,480,000	-	-	-
2016 Series A Revenue Bonds	-	-	-	170,265,000	-	-
Lancaster - Rosamond Outfall & TS, Phase 1	-	-	3,954,995	-	-	-
Lancaster - Rosamond Outfall & TS, Phase 2	-	-	6,871,625	-	-	-
Lancaster - Rosamond Outfall & TS, Phase 3	-	-	6,303,462	-	-	-
Valencia WRP Stage V Expansion	-	-	-	-	-	16,294,152
Saugus WRP Equipment Purchases	-	-	-	-	-	713,039
Lancaster WRP Stage V Expansion, Phase I	-	-	60,451,228	-	-	-
Valencia WRP Steam Boiler Upgrade	-	-	-	-	-	4,012,386
Total Subordinate Revenue Obligations	<u>-</u>	<u>-</u>	<u>220,061,310</u>	<u>170,265,000</u>	<u>-</u>	<u>21,019,577</u>
Total Obligations	<u>\$ 1,376,813</u>	<u>193,484</u>	<u>222,014,366</u>	<u>171,892,780</u>	<u>270,595</u>	<u>37,697,645</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 <sup>(1)</sup>	Net Revenue	Rates	Collected	Refunds <sup>(1)</sup>	Net Revenue
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	587,559	-	587,559
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
2015-16	6,190	1,360,208	-	1,360,208	6,190	2,316,324	-	2,316,324

(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 2015-16**

District	Sewage Units <sup>(1)</sup>				Sewage Units	User Fees <sup>(2)</sup>	A. V. Taxes <sup>(2)</sup>
	Residential	Commercial	Industrial	Contract			
JO System <sup>(3)</sup>	1,215,896	504,633	216,876	19,889	1,957,294	313,137,178	59,732,389
14	56,649	12,431	2,066	999	72,145	33,639,230	1,227,452
20	35,252	8,268	267	28	43,815	21,734,150	1,172,912
SCV	73,500	23,936	1,169	3,167	101,772	27,615,854	6,732,565
4	10,043	16,451	152	-	26,646	3,772,813	546,916
9	421	897	-	-	1,318	102,759	90,084
27	494	64	-	-	558	-	618,772
Total	1,392,255	566,680	220,530	24,083	2,203,548	400,001,984	70,121,090

(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 2015-16 and actual billings.

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

**COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY**

Bond Disclosure, Continued

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

District (JO) <sup>(1)</sup>	Fiscal Year 2011-12	Fiscal Year 2012-13	Fiscal Year 2013-14	Fiscal Year 2014-15	Fiscal Year 2015-16
1	\$ 154	\$ 156	\$ 158	\$ 163	\$ 168
2	148	149	150	155	160
3	150	152	154	157	160
5	132	134	136	141	146
8	139	143	147	154	163
15	132	134	136	141	146
16	135	137	139	142	145
17	136	138	140	143	146
18	149	150	151	156	161
19	148	150	152	155	158
21	146	147	148	153	158
22	145	147	149	152	155
23	114	116	118	120	122
28 <sup>3</sup>	336	337	338	340	342
28 <sup>3</sup>	128	129	130	132	134
29	340	340	340	340	340
SBC	121	121	122	124	126
<b>(Non-JO)<sup>(1),(2)</sup></b>					
4	150	150	150	150	150
9	78	78	78	78	78
14	360	448	472	496	476
20	429	477	525	535	550
SCV	215	231	247	267	287

<sup>(1)</sup> JO indicated Joint Outfall.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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, 2016

Districts	Operating Fund		Capital Improvement Fund
	Total Fund	Available as Rate Stabilization Fund	Total Fund
1	35,467,408	35,467,000	41,500,350
2	62,591,608	62,591,000	55,078,264
3	50,403,348	50,403,000	35,042,150
4	35,076,246	35,076,000	6,558,248
5	69,031,237	69,031,000	50,418,664
8	12,469,269	12,469,000	32,560,995
9	4,566,638	3,250,000	444,350
14	40,992,441	40,992,000	2,985,945
15	63,190,973	63,190,000	42,413,696
16	44,837,595	44,837,000	20,451,135
17	7,477,472	7,159,000	2,840,325
18	29,331,631	29,331,000	31,128,985
19	11,855,643	11,855,000	9,267,858
20	20,518,776	20,345,000	-
21	48,657,558	48,657,000	41,609,083
22	47,871,100	47,871,000	28,162,561
23	12,919,821	12,919,000	2,821,406
27	721,087	721,000	22,505
28	6,540,406	4,711,000	736,210
29	4,653,511	4,653,000	1,953,749
SBC	28,647,896	28,647,000	10,535,474
SCV	34,191,970	34,191,000	71,036,332
Total	672,013,634	668,366,000	487,568,285

**COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY**

Bond Disclosure, Continued

AVERAGE YEARLY FLOW FROM THE PARTICIPATING DISTRICTS<sup>(1)</sup>  
 Fiscal Years 2011-12 Through 2015-16  
 (In Millions Of Gallons Per Day)

District	Fiscal Year 2011-12	Fiscal Year 2012-13	Fiscal Year 2013-14	Fiscal Year 2014-15	Fiscal Year 2015-16
JO System <sup>(2)</sup>	389.58	386.21	376.58	365.68	351.05
14	14.00	14.62	13.40	15.03	16.90
20	9.23	9.26	9.23	9.19	9.40
SCV	19.73	19.85	19.52	18.89	18.09
Total	432.54	429.94	418.73	408.79	395.44

(1) The flow from Districts No. 4, 9, and 27 is disposed of through the City sewerage system.

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

DISTRICT 14-TEN LARGEST DISPOSAL CUSTOMERS  
 Fiscal Year 2015-2016

Customer	Fiscal Year 2015-16 Billing	Percentage of Total User Charges
California State Prison Los Angeles County	\$ 1,157,453	3.75 %
Northrup Grumman Corporation MASD (Site 4)	799,504	2.59
Mission Linen & Uniform Service	198,652	0.64
Provident Housing Resources, Inc. (Apatments)	197,635	0.64
Northrup Grumman Corporation MASD (Site 3)	184,040	0.60
Antelope Valley Hospital	178,483	0.58
The Caritas Corporation (Friendly Village Mobile Home Park)	132,518	0.43
Front Gate Plaza LLC (Shopping Center)	120,761	0.39
Lancaster Mall Properties LP (Shopping Center)	90,700	0.29
The Caritas Corporation (Brierwood Estates Mobile Home Park)	87,679	0.28
	\$ <u>3,147,425</u>	<u>10.19 %</u>

# COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

## Bond Disclosure, Continued

### OUTSTANDING SENIOR AND SUBORDINATE OBLIGATIONS

	<u>Outstanding Balance</u> <u>December 31, 2015</u>	<u>Outstanding Balance</u> <u>December 31, 2016</u>	<u>Net Change</u>
<b>Obligations Constituting Senior A.V. Obligations and Senior Revenue Obligations:</b>			
2011 Series A Revenue Bonds	\$ 126,625,000	124,535,000	(2,090,000)
2013 Series A Revenue Bonds	39,305,000	15,670,000	(23,635,000)
Total Senior A.V. Obligation	<u>165,930,000</u>	<u>140,205,000</u>	<u>(25,725,000)</u>
<b>Senior Revenue Obligations</b>			
Primary Sedimentation Tank Covers	1,494,514	1,295,898	(198,616)
Secondary Effluent Pump Station	498,959	433,049	(65,910)
Biological Reactors/Secondary Clarifiers	41,435,540	35,928,901	(5,506,639)
Cryogenic Oxygen Generation	8,409,023	7,207,734	(1,201,289)
Power Generation Equipment Purchase	4,565,710	3,913,466	(652,244)
Waste Activated Sludge Thickening Expansion	1,676,417	1,466,865	(209,552)
Relocating and Installing High-Speed Centrifuge	843,623	738,170	(105,453)
Installation of Secondary Influent Pumping Equip	1,903,480	1,665,545	(237,935)
Fuel Gas Compressor Upgrade	294,507	257,693	(36,814)
Modifications of Electrical Power	1,629,523	1,425,832	(203,691)
Primary Screenings and Grit Dewatering Fac.	4,689,378	4,103,205	(586,173)
Environmental Laboratory Building	3,854,937	3,373,070	(481,867)
JWPCP Digestion Tanks 17-23	21,268,929	18,610,313	(2,658,616)
Modification of Biological Reactors	18,413,554	16,556,258	(1,857,296)
High-Speed Scroll Centrifuges Purch & Install	2,090,657	1,858,362	(232,295)
Secondary Infl Pump Station Equipment	4,929,652	4,381,913	(547,739)
Valencia WRP Solids Processing Expansion	2,687,957	2,150,365	(537,592)
Valencia WRP Stage V Expansion-Equipment	493,595	423,081	(70,514)
La Canada Foothill Main Trunk Sewer	378,557	189,278	(189,279)
Silo Odor Control Facilities, Phase I	2,779,024	2,431,646	(347,378)
Silo Odor Control Facilities, Phase II	1,801,458	1,637,689	(163,769)
Total Senior Revenue Obligations	<u>126,138,994</u>	<u>110,048,333</u>	<u>(16,090,661)</u>
<b>Subordinate Revenue Obligations:</b>			
2005 Series A Revenue Bonds	19,695,000	-	(19,695,000)
2007 Series A Revenue Bonds	130,390,000	-	(130,390,000)
2015 Series A Revenue Bonds	145,280,000	142,480,000	(2,800,000)
2016 Series A Revenue Bonds	-	170,265,000	170,265,000
Install of Secondary Infl Pumping Equip Stg II	811,278	730,151	(81,127)
Central Odor Control System	5,740,993	5,166,893	(574,100)
Heat Recovery Steam Generation Equipment	2,386,528	2,169,571	(216,957)
Power Generation Steam Turbine Generator	1,778,286	1,616,624	(161,662)
Pomona WRP NDN Facilities	2,773,994	2,465,773	(308,221)
Pomona WRP NDN Facilities Equip. Purch.	102,721	91,308	(11,413)
Los Coyotes WRP NDN Facilities	11,400,233	10,523,292	(876,941)
Los Coyotes WRP Ammonia Addition Station	604,299	528,762	(75,537)
Long Beach WRP NDN Facilities	2,851,004	2,613,420	(237,584)
Long Beach WRP Ammonia Addition Station	417,098	364,961	(52,137)
Long Beach WRP NDN Facilities Equipment	269,053	235,421	(33,632)
Long Beach WRP Aeration System	184,255	161,224	(23,031)
Long Beach Pumping Plant Upgrades*	20,189,471	36,956,918	16,767,447
Whittier Narrows WRP NDN Facilities	3,024,351	2,808,326	(216,025)

# COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

## Bond Disclosure, Continued

	<u>Outstanding Balance</u> <u>December 31, 2015</u>	<u>Outstanding Balance</u> <u>December 31, 2016</u>	<u>Net Change</u>
<b>Subordinate Revenue Obligations (Continued):</b>			
San Jose Creek WRP NDN Facilities	5,222,960	4,700,664	(522,296)
San Jose Creek WRP NDN Fac. Equipment	768,179	691,361	(76,818)
Lancaster - Rosamond Outfall & TS, Phase 1	4,303,255	3,954,995	(348,260)
Lancaster - Rosamond Outfall & TS, Phase 2	7,476,712	6,871,625	(605,087)
Lancaster - Rosamond Outfall & TS, Phase 3	6,858,519	6,303,462	(555,057)
Valencia WRP Stage V Expansion	18,621,888	16,294,152	(2,327,736)
Saugus WRP Equipment Purchases	802,169	713,039	(89,130)
Lancaster WRP Stage V Expansion, Phase I	63,713,106	60,451,228	(3,261,878)
Palmdale WRP Stage V Expansion, Phase I	53,807,987	-	(53,807,987)
Valencia WRP Steam Boiler Upgrade	4,201,586	4,012,386	(189,200)
Los Coyotes WRP Interceptor Sewer Rehab Phase II	10,465,618	9,934,004	(531,614)
Wright Road Truck Sewer Repair	534,917	507,531	(27,386)
District 5 Interceptor Section 2A Rehab	10,798,074	11,840,850	1,042,776
Alamitos PP Force Main No. 2	880,836	838,595	(42,241)
Total Subordinate Revenue Obligations	<u>536,354,370</u>	<u>506,291,536</u>	<u>(30,062,834)</u>
Total Obligations	<u>\$ 828,423,364</u>	<u>756,544,869</u>	<u>(71,878,495)</u>

\*Funds have been received as of December 31, 2016, however, this obligation is not yet in repayment.

# COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

## Bond Disclosure, Continued

### DISTRICTS' HISTORICAL OPERATING DATA (\$000)

<b>District No. 1</b>	<b>Fiscal Year 2012/13</b>	<b>Fiscal Year 2013/14</b>	<b>Fiscal Year 2014/15</b>	<b>Fiscal Year 2015/16</b>
<b>REVENUE SOURCES</b>				
User Fees <sup>(1)</sup>	\$ 27,275	\$ 27,908	\$ 29,096	\$ 29,357
Other Revenues	2,132	1,930	1,943	2,115
A.V. Tax	3,352	2,631	3,182	3,160
Interest	489	488	606	804
Rate Stabilization Fund <sup>(2)</sup>	-	-	-	-
Subtotal	<u>33,248</u>	<u>32,957</u>	<u>34,827</u>	<u>35,436</u>
CIF Pledged for Debt <sup>(3)</sup>	152	40	41	-
Total Revenue for Senior Calculation	<u>33,400</u>	<u>32,997</u>	<u>34,868</u>	<u>35,436</u>
CIF Connection Fee Revenue <sup>(3)</sup>	1,408	2,737	2,038	2,116
Total Revenue for Subordinate Calculation	<u>34,656</u>	<u>35,694</u>	<u>36,865</u>	<u>37,552</u>
<b>EXPENSES<sup>(4)</sup></b>				
Total O&M	21,238	22,586	22,408	23,136
Rate Stabilization Fund <sup>(5)</sup>	3,347	1,015	2,655	839
Total	<u>24,585</u>	<u>23,601</u>	<u>25,063</u>	<u>23,975</u>
<b>DEBT SERVICE PAYMENTS</b>				
Senior				
State Loans	1,995	1,546	1,519	1,503
Revenue Bonds	2,194	2,192	2,173	2,173
Total Senior Debt Payments	<u>4,189</u>	<u>3,738</u>	<u>3,692</u>	<u>3,676</u>
Subordinate				
State Loans	324	468	433	433
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>324</u>	<u>468</u>	<u>433</u>	<u>433</u>
Total Debt Service	4,513	4,206	4,125	4,109
<b>DEBT SERVICE COVERAGE<sup>(6)</sup>:</b>				
SENIOR	2.03	2.39	2.54	3.00
SUBORDINATE	2.23	2.88	2.86	3.30

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

<sup>(2)</sup> 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.

<sup>(3)</sup> 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

<sup>(4)</sup> Does not include depreciation.

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

<sup>(6)</sup> 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)

<b>District No. 2</b>	<b>Fiscal Year 2012/13</b>	<b>Fiscal Year 2013/14</b>	<b>Fiscal Year 2014/15</b>	<b>Fiscal Year 2015/16</b>
<b>REVENUE SOURCES</b>				
User Fees <sup>(1)</sup>	\$ 40,380	\$ 38,847	\$ 40,377	\$ 41,098
Other Revenues	3,223	2,908	2,882	2,899
A.V. Tax	6,944	5,248	6,509	6,466
Interest	833	784	954	1,335
Rate Stabilization Fund <sup>(2)</sup>	-	3,542	-	940
Subtotal	<u>51,380</u>	<u>51,329</u>	<u>50,722</u>	<u>52,738</u>
CIF Pledged for Debt <sup>(3)</sup>	<u>232</u>	<u>61</u>	<u>60</u>	<u>-</u>
Total Revenue for Senior Calculation	51,612	51,390	50,782	52,738
CIF Connection Fee Revenue <sup>(3)</sup>	<u>2,351</u>	<u>3,548</u>	<u>3,316</u>	<u>3,097</u>
Total Revenue for Subordinate Calculation	53,731	54,877	54,038	55,835
<b>EXPENSES<sup>(4)</sup></b>				
Total O&M	32,728	34,207	33,387	33,699
Rate Stabilization Fund <sup>(5)</sup>	<u>4,371</u>	<u>-</u>	<u>1,652</u>	<u>-</u>
Total	37,099	34,207	35,039	33,699
<b>DEBT SERVICE PAYMENTS</b>				
Senior				
State Loans	2,977	2,332	2,206	2,183
Revenue Bonds	<u>3,386</u>	<u>3,384</u>	<u>3,356</u>	<u>3,356</u>
Total Senior Debt Payments	6,363	5,716	5,562	5,539
Subordinate				
State Loans	493	644	570	570
Revenue Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Subordinate Debt Payments	493	644	570	570
Total Debt Service	6,856	6,360	6,132	6,109
<b>DEBT SERVICE COVERAGE<sup>(6)</sup>:</b>				
SENIOR	2.20	2.89	2.73	3.33
SUBORDINATE	2.43	3.25	3.10	3.62

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

<sup>(4)</sup> Does not include depreciation.

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

<sup>(6)</sup> 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)

<b>District No. 3</b>	<b>Fiscal Year 2012/13</b>	<b>Fiscal Year 2013/14</b>	<b>Fiscal Year 2014/15</b>	<b>Fiscal Year 2015/16</b>
<b>REVENUE SOURCES</b>				
User Fees <sup>(1)</sup>	\$ 30,825	\$ 30,767	\$ 32,545	\$ 31,134
Other Revenues	2,489	2,236	2,243	2,294
A.V. Tax	6,083	4,278	5,222	5,273
Interest	526	541	688	901
Rate Stabilization Fund <sup>(2)</sup>	-	-	-	-
Subtotal	<u>39,923</u>	<u>37,822</u>	<u>40,698</u>	<u>39,602</u>
CIF Pledged for Debt <sup>(3)</sup>	178	47	48	-
Total Revenue for Senior Calculation	<u>40,101</u>	<u>37,869</u>	<u>40,746</u>	<u>39,602</u>
CIF Connection Fee Revenue <sup>(3)</sup>	1,860	2,478	2,342	1,919
Total Revenue for Subordinate Calculation	<u>41,783</u>	<u>40,300</u>	<u>43,040</u>	<u>41,521</u>
<b>EXPENSES<sup>(4)</sup></b>				
Total O&M	24,123	25,805	24,986	26,408
Rate Stabilization Fund <sup>(5)</sup>	6,040	853	4,262	548
Total	<u>30,163</u>	<u>26,658</u>	<u>29,248</u>	<u>26,956</u>
<b>DEBT SERVICE PAYMENTS</b>				
<b>Senior</b>				
State Loans	2,281	1,788	1,745	1,727
Revenue Bonds	2,572	2,570	2,549	2,549
Total Senior Debt Payments	<u>4,853</u>	<u>4,358</u>	<u>4,294</u>	<u>4,276</u>
<b>Subordinate</b>				
State Loans	378	494	451	451
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>378</u>	<u>494</u>	<u>451</u>	<u>451</u>
Total Debt Service	<u>5,231</u>	<u>4,852</u>	<u>4,745</u>	<u>4,727</u>
<b>DEBT SERVICE COVERAGE<sup>(6)</sup>:</b>				
<b>SENIOR</b>	1.97	2.46	2.57	2.85
<b>SUBORDINATE</b>	2.22	2.81	2.91	3.08

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

<sup>(4)</sup> Does not include depreciation.

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

<sup>(6)</sup> 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. 5</u>	<u>Fiscal Year 2012/13</u>	<u>Fiscal Year 2013/14</u>	<u>Fiscal Year 2014/15</u>	<u>Fiscal Year 2015/16</u>
<b>REVENUE SOURCES</b>				
User Fees <sup>(1)</sup>	\$ 42,748	\$ 41,495	\$ 42,778	\$ 41,925
Other Revenues	3,831	3,406	3,364	3,419
A.V. Tax	10,480	8,661	10,658	10,719
Interest	894	849	1,018	1,343
Rate Stabilization Fund <sup>(2)</sup>	-	6,107	-	2,743
Subtotal	<u>57,953</u>	<u>60,518</u>	<u>57,818</u>	<u>60,149</u>
CIF Pledged for Debt <sup>(3)</sup>	273	71	70	-
Total Revenue for Senior Calculation	58,226	60,589	57,888	60,149
CIF Connection Fee Revenue <sup>(3)</sup>	3,030	4,018	4,056	3,299
Total Revenue for Subordinate Calculation	60,983	64,536	61,874	63,448
<b>EXPENSES<sup>(4)</sup></b>				
Total O&M	38,692	40,506	39,180	39,428
Rate Stabilization Fund <sup>(5)</sup>	3,357	-	922	-
Total	<u>42,049</u>	<u>40,506</u>	<u>40,102</u>	<u>39,428</u>
<b>DEBT SERVICE PAYMENTS</b>				
<b>Senior</b>				
State Loans	3,506	2,716	2,569	2,542
Revenue Bonds	5,535	5,530	5,486	5,486
Total Senior Debt Payments	<u>9,041</u>	<u>8,246</u>	<u>8,055</u>	<u>8,028</u>
<b>Subordinate</b>				
State Loans	581	751	663	663
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>581</u>	<u>751</u>	<u>663</u>	<u>663</u>
Total Debt Service	9,622	8,997	8,718	8,691
<b>DEBT SERVICE COVERAGE<sup>(6)</sup>:</b>				
SENIOR	1.73	2.34	2.13	2.50
<u>SUBORDINATE</u>	<u>1.97</u>	<u>2.67</u>	<u>2.50</u>	<u>2.76</u>

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

<sup>(4)</sup> Does not include depreciation.

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

<sup>(6)</sup> 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)

<b>District No. 8</b>	<b>Fiscal Year 2012/13</b>	<b>Fiscal Year 2013/14</b>	<b>Fiscal Year 2014/15</b>	<b>Fiscal Year 2015/16</b>
<b>REVENUE SOURCES</b>				
User Fees <sup>(1)</sup>	\$ 18,050	\$ 18,276	\$ 19,647	\$ 20,156
Other Revenues	1,349	1,236	1,181	1,235
A.V. Tax	2,051	1,681	2,017	1,932
Interest	316	284	337	480
Rate Stabilization Fund <sup>(2)</sup>	645	103	-	1,629
Subtotal	<u>22,411</u>	<u>21,580</u>	<u>23,182</u>	<u>25,432</u>
CIF Pledged for Debt <sup>(3)</sup>	96	24	25	-
Total Revenue for Senior Calculation	<u>22,507</u>	<u>21,604</u>	<u>23,207</u>	<u>25,432</u>
CIF Connection Fee Revenue <sup>(3)</sup>	1,091	1,545	1,595	1,898
Total Revenue for Subordinate Calculation	<u>23,502</u>	<u>23,125</u>	<u>24,777</u>	<u>27,330</u>
<b>EXPENSES<sup>(4)</sup></b>				
Total O&M	15,379	15,293	15,622	16,679
Rate Stabilization Fund <sup>(5)</sup>	-	-	2,439	-
Total	<u>15,379</u>	<u>15,293</u>	<u>18,061</u>	<u>16,679</u>
<b>DEBT SERVICE PAYMENTS</b>				
<b>Senior</b>				
State Loans	1,236	934	940	930
Revenue Bonds	1,338	1,336	1,325	1,325
Total Senior Debt Payments	<u>2,574</u>	<u>2,270</u>	<u>2,265</u>	<u>2,255</u>
<b>Subordinate</b>				
State Loans	205	258	243	243
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>205</u>	<u>258</u>	<u>243</u>	<u>243</u>
Total Debt Service	<u>2,779</u>	<u>2,528</u>	<u>2,508</u>	<u>2,498</u>
<b>DEBT SERVICE COVERAGE<sup>(6)</sup>:</b>				
<b>SENIOR</b>	2.69	2.67	2.16	3.77
<b>SUBORDINATE</b>	2.92	3.10	2.68	4.26

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

<sup>(4)</sup> Does not include depreciation.

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

<sup>(6)</sup> 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)

<b>District No. 15</b>	<b>Fiscal Year 2012/13</b>	<b>Fiscal Year 2013/14</b>	<b>Fiscal Year 2014/15</b>	<b>Fiscal Year 2015/16</b>
<b>REVENUE SOURCES</b>				
User Fees <sup>(1)</sup>	\$ 30,455	\$ 30,391	\$ 31,564	\$ 30,875
Other Revenues	2,690	2,385	2,408	2,451
A.V. Tax	6,542	5,548	6,628	7,194
Interest	714	700	848	1,184
Rate Stabilization Fund <sup>(2)</sup>	-	1,377	-	-
Subtotal	<u>40,401</u>	<u>40,401</u>	<u>41,448</u>	<u>41,704</u>
CIF Pledged for Debt <sup>(3)</sup>	193	50	51	-
Total Revenue for Senior Calculation	<u>40,594</u>	<u>40,451</u>	<u>41,499</u>	<u>41,704</u>
CIF Connection Fee Revenue <sup>(3)</sup>	1,852	2,890	2,587	3,466
Total Revenue for Subordinate Calculation	<u>42,253</u>	<u>43,291</u>	<u>44,035</u>	<u>45,170</u>
<b>EXPENSES<sup>(4)</sup></b>				
Total O&M	26,281	27,357	26,997	27,616
Rate Stabilization Fund <sup>(5)</sup>	5,350	-	2,398	623
Total	<u>31,631</u>	<u>27,357</u>	<u>29,395</u>	<u>28,239</u>
<b>DEBT SERVICE PAYMENTS</b>				
Senior				
State Loans	2,475	1,908	1,864	1,844
Revenue Bonds	<u>3,464</u>	<u>3,461</u>	<u>3,434</u>	<u>3,434</u>
Total Senior Debt Payments	5,939	5,369	5,298	5,278
Subordinate				
State Loans	410	528	481	481
Revenue Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Subordinate Debt Payments	410	528	481	481
Total Debt Service	6,349	5,897	5,779	5,759
<b>DEBT SERVICE COVERAGE<sup>(6)</sup>:</b>				
SENIOR	1.44	2.34	2.19	2.46
SUBORDINATE	1.67	2.70	2.53	2.94

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

<sup>(4)</sup> Does not include depreciation.

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

<sup>(6)</sup> 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)

<b>District No. 16</b>	<b>Fiscal Year 2012/13</b>	<b>Fiscal Year 2013/14</b>	<b>Fiscal Year 2014/15</b>	<b>Fiscal Year 2015/16</b>
<b>REVENUE SOURCES</b>				
User Fees <sup>(1)</sup>	\$ 15,922	\$ 15,586	\$ 16,461	\$ 16,341
Other Revenues	1,462	1,283	1,302	1,304
A.V. Tax	4,351	3,641	4,688	5,393
Interest	430	406	502	733
Rate Stabilization Fund <sup>(2)</sup>	-	467	-	-
Subtotal	<u>22,165</u>	<u>21,383</u>	<u>22,953</u>	<u>23,771</u>
CIF Pledged for Debt <sup>(3)</sup>	104	27	27	-
Total Revenue for Senior Calculation	<u>22,269</u>	<u>21,410</u>	<u>22,980</u>	<u>23,771</u>
CIF Connection Fee Revenue <sup>(3)</sup>	1,127	1,637	1,626	1,186
Total Revenue for Subordinate Calculation	<u>23,292</u>	<u>23,020</u>	<u>24,579</u>	<u>24,957</u>
<b>EXPENSES<sup>(4)</sup></b>				
Total O&M	13,707	14,056	14,225	14,416
Rate Stabilization Fund <sup>(5)</sup>	2,635	-	1,765	1,544
Total	<u>16,342</u>	<u>14,056</u>	<u>15,990</u>	<u>15,960</u>
<b>DEBT SERVICE PAYMENTS</b>				
<b>Senior</b>				
State Loans	1,330	1,020	993	982
Revenue Bonds	2,158	2,157	2,140	2,140
Total Senior Debt Payments	<u>3,488</u>	<u>3,177</u>	<u>3,133</u>	<u>3,122</u>
<b>Subordinate</b>				
State Loans	221	282	256	256
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>221</u>	<u>282</u>	<u>256</u>	<u>256</u>
Total Debt Service	<u>3,709</u>	<u>3,459</u>	<u>3,389</u>	<u>3,378</u>
<b>DEBT SERVICE COVERAGE<sup>(6)</sup>:</b>				
SENIOR	1.64	2.23	2.15	2.42
SUBORDINATE	1.87	2.59	2.53	2.66

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

<sup>(4)</sup> Does not include depreciation.

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

<sup>(6)</sup> 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)

<b>District No. 17</b>	<b>Fiscal Year 2012/13</b>	<b>Fiscal Year 2013/14</b>	<b>Fiscal Year 2014/15</b>	<b>Fiscal Year 2015/16</b>
<b>REVENUE SOURCES</b>				
User Fees <sup>(1)</sup>	\$ 2,139	\$ 2,121	\$ 2,149	\$ 2,175
Other Revenues	191	169	168	211
A.V. Tax	487	429	508	533
Interest	70	72	85	88
Rate Stabilization Fund <sup>(2)</sup>	-	-	-	-
Subtotal	<u>2,887</u>	<u>2,791</u>	<u>2,910</u>	<u>3,007</u>
CIF Pledged for Debt <sup>(3)</sup>	14	4	3	-
Total Revenue for Senior Calculation	<u>2,901</u>	<u>2,795</u>	<u>2,913</u>	<u>3,007</u>
CIF Connection Fee Revenue <sup>(3)</sup>	135	195	164	150
Total Revenue for Subordinate Calculation	<u>3,022</u>	<u>2,986</u>	<u>3,074</u>	<u>3,157</u>
<b>EXPENSES<sup>(4)</sup></b>				
Total O&M	1,795	1,867	1,823	1,851
Rate Stabilization Fund <sup>(5)</sup>	535	398	565	640
Total	<u>2,330</u>	<u>2,265</u>	<u>2,388</u>	<u>2,491</u>
<b>DEBT SERVICE PAYMENTS</b>				
Senior				
State Loans	176	136	128	127
Revenue Bonds	276	276	274	274
Total Senior Debt Payments	<u>452</u>	<u>412</u>	<u>402</u>	<u>401</u>
Subordinate				
State Loans	29	37	33	33
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>29</u>	<u>37</u>	<u>33</u>	<u>33</u>
Total Debt Service	481	449	435	434
<b>DEBT SERVICE COVERAGE<sup>(6)</sup>:</b>				
SENIOR	1.20	1.20	1.22	1.20
SUBORDINATE	1.44	1.61	1.58	1.53

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

<sup>(4)</sup> Does not include depreciation.

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

<sup>(6)</sup> 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)

<b>District No. 18</b>	<b>Fiscal Year 2012/13</b>	<b>Fiscal Year 2013/14</b>	<b>Fiscal Year 2014/15</b>	<b>Fiscal Year 2015/16</b>
<b>REVENUE SOURCES</b>				
User Fees <sup>(1)</sup>	\$ 22,188	\$ 21,032	\$ 22,027	\$ 21,853
Other Revenues	1,753	1,580	1,580	1,584
A.V. Tax	3,970	3,358	3,905	3,771
Interest	398	397	487	652
Rate Stabilization Fund <sup>(2)</sup>	-	309	-	-
Subtotal	<u>28,309</u>	<u>26,676</u>	<u>27,999</u>	<u>27,860</u>
CIF Pledged for Debt <sup>(3)</sup>	125	33	33	-
Total Revenue for Senior Calculation	28,434	26,709	28,032	27,860
CIF Connection Fee Revenue <sup>(3)</sup>	1,452	2,113	1,626	2,009
Total Revenue for Subordinate Calculation	29,761	28,789	29,625	29,869
<b>EXPENSES<sup>(4)</sup></b>				
Total O&M	17,748	18,574	18,041	20,545
Rate Stabilization Fund <sup>(5)</sup>	3,094	-	1,392	378
Total	<u>20,842</u>	<u>18,574</u>	<u>19,433</u>	<u>20,923</u>
<b>DEBT SERVICE PAYMENTS</b>				
Senior				
State Loans	1,607	1,266	1,205	1,192
Revenue Bonds	1,893	1,892	1,877	1,877
Total Senior Debt Payments	<u>3,500</u>	<u>3,158</u>	<u>3,082</u>	<u>3,069</u>
Subordinate				
State Loans	266	350	311	311
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>266</u>	<u>350</u>	<u>311</u>	<u>311</u>
Total Debt Service	3,766	3,508	3,393	3,380
<b>DEBT SERVICE COVERAGE<sup>(6)</sup>:</b>				
SENIOR	2.09	2.47	2.69	2.16
<u>SUBORDINATE</u>	2.37	2.91	3.00	2.65

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

<sup>(4)</sup> Does not include depreciation.

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

<sup>(6)</sup> 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. 19</u>	<u>Fiscal Year 2012/13</u>	<u>Fiscal Year 2013/14</u>	<u>Fiscal Year 2014/15</u>	<u>Fiscal Year 2015/16</u>
<b>REVENUE SOURCES</b>				
User Fees <sup>(1)</sup>	\$ 5,876	\$ 5,343	\$ 5,999	\$ 5,827
Other Revenues	494	443	439	450
A.V. Tax	1,404	1,043	1,316	1,404
Interest	142	140	170	236
Rate Stabilization Fund <sup>(2)</sup>	-	227	-	156
Subtotal	<u>7,916</u>	<u>7,196</u>	<u>7,924</u>	<u>8,073</u>
CIF Pledged for Debt <sup>(3)</sup>	<u>36</u>	<u>9</u>	<u>9</u>	<u>-</u>
Total Revenue for Senior Calculation	7,952	7,205	7,933	8,073
CIF Connection Fee Revenue <sup>(3)</sup>	<u>375</u>	<u>621</u>	<u>454</u>	<u>506</u>
Total Revenue for Subordinate Calculation	8,291	7,817	8,378	8,579
<b>EXPENSES<sup>(4)</sup></b>				
Total O&M	4,759	5,021	4,970	5,574
Rate Stabilization Fund <sup>(5)</sup>	<u>880</u>	<u>-</u>	<u>756</u>	<u>-</u>
Total	5,639	5,021	5,726	5,574
<b>DEBT SERVICE PAYMENTS</b>				
Senior				
State Loans	454	355	343	339
Revenue Bonds	<u>610</u>	<u>610</u>	<u>605</u>	<u>605</u>
Total Senior Debt Payments	1,064	965	948	944
Subordinate				
State Loans	75	98	88	88
Revenue Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Subordinate Debt Payments	75	98	88	88
Total Debt Service	1,139	1,063	1,036	1,032
<b>DEBT SERVICE COVERAGE<sup>(6)</sup>:</b>				
SENIOR	2.10	2.16	2.24	2.55
<u>SUBORDINATE</u>	<u>2.33</u>	<u>2.63</u>	<u>2.56</u>	<u>2.91</u>

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

<sup>(4)</sup> Does not include depreciation.

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

<sup>(6)</sup> 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)

<b>District No. 21</b>	<b>Fiscal Year 2012/13</b>	<b>Fiscal Year 2013/14</b>	<b>Fiscal Year 2014/15</b>	<b>Fiscal Year 2015/16</b>
<b>REVENUE SOURCES</b>				
User Fees <sup>(1)</sup>	\$ 25,996	\$ 25,292	\$ 31,175	\$ 26,989
Other Revenues	2,252	1,988	2,722	2,668
A.V. Tax	4,065	3,313	4,317	4,282
Interest	573	563	709	1,051
Rate Stabilization Fund <sup>(2)</sup>	-	266	-	-
Subtotal	<u>32,886</u>	<u>31,422</u>	<u>38,923</u>	<u>34,990</u>
CIF Pledged for Debt <sup>(3)</sup>	153	40	40	-
Total Revenue for Senior Calculation	33,039	31,462	38,963	34,990
CIF Connection Fee Revenue <sup>(3)</sup>	1,910	2,527	2,285	2,127
Total Revenue for Subordinate Calculation	34,796	33,949	41,208	37,117
<b>EXPENSES<sup>(4)</sup></b>				
Total O&M	20,648	22,195	21,428	21,810
Rate Stabilization Fund <sup>(5)</sup>	3,945	-	6,072	199
Total	<u>24,593</u>	<u>22,195</u>	<u>27,500</u>	<u>22,009</u>
<b>DEBT SERVICE PAYMENTS</b>				
Senior				
State Loans	1,966	1,529	1,465	1,450
Revenue Bonds	2,042	2,041	2,024	2,024
Total Senior Debt Payments	<u>4,008</u>	<u>3,570</u>	<u>3,489</u>	<u>3,474</u>
Subordinate				
State Loans	326	423	378	378
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>326</u>	<u>423</u>	<u>378</u>	<u>378</u>
Total Debt Service	4,334	3,993	3,867	3,852
<b>DEBT SERVICE COVERAGE<sup>(6)</sup>:</b>				
SENIOR	2.03	2.48	3.18	3.63
<u>SUBORDINATE</u>	<u>2.35</u>	<u>2.94</u>	<u>3.54</u>	<u>3.92</u>

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

<sup>(4)</sup> Does not include depreciation.

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

<sup>(6)</sup> 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)

<b>District No. 22</b>	<b>Fiscal Year 2012/13</b>	<b>Fiscal Year 2013/14</b>	<b>Fiscal Year 2014/15</b>	<b>Fiscal Year 2015/16</b>
<b>REVENUE SOURCES</b>				
User Fees <sup>(1)</sup>	\$ 21,807	\$ 20,713	\$ 21,539	\$ 22,476
Other Revenues	1,851	1,967	1,630	1,583
A.V. Tax	4,231	2,986	3,694	3,827
Interest	469	501	601	816
Rate Stabilization Fund <sup>(2)</sup>	-	-	-	-
Subtotal	<u>28,358</u>	<u>26,167</u>	<u>27,464</u>	<u>28,702</u>
CIF Pledged for Debt <sup>(3)</sup>	130	34	33	-
Total Revenue for Senior Calculation	28,488	26,201	27,497	28,702
CIF Connection Fee Revenue <sup>(3)</sup>	1,525	2,727	2,013	2,796
Total Revenue for Subordinate Calculation	29,883	28,894	29,477	31,498
<b>EXPENSES<sup>(4)</sup></b>				
Total O&M	17,731	18,988	17,796	17,618
Rate Stabilization Fund <sup>(5)</sup>	4,297	10	789	2,721
Total	<u>22,028</u>	<u>18,998</u>	<u>18,585</u>	<u>20,339</u>
<b>DEBT SERVICE PAYMENTS</b>				
Senior				
State Loans	1,672	1,297	1,199	1,186
Revenue Bonds	<u>1,767</u>	<u>1,766</u>	<u>1,751</u>	<u>1,751</u>
Total Senior Debt Payments	3,439	3,063	2,950	2,937
Subordinate				
State Loans	277	359	309	309
Revenue Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Subordinate Debt Payments	277	359	309	309
Total Debt Service	3,716	3,422	3,259	3,246
<b>DEBT SERVICE COVERAGE<sup>(6)</sup>:</b>				
SENIOR	1.80	2.23	2.92	2.74
<u>SUBORDINATE</u>	<u>2.11</u>	<u>2.89</u>	<u>3.34</u>	<u>3.44</u>

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

<sup>(4)</sup> Does not include depreciation.

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

<sup>(6)</sup> 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)

<b>District No. 23</b>	<b>Fiscal Year 2012/13</b>	<b>Fiscal Year 2013/14</b>	<b>Fiscal Year 2014/15</b>	<b>Fiscal Year 2015/16</b>
<b>REVENUE SOURCES</b>				
User Fees <sup>(1)</sup>	\$ 3,626	\$ 3,271	\$ 3,649	\$ 3,834
Other Revenues	263	229	215	205
A.V. Tax	367	306	459	398
Interest	125	107	150	203
Rate Stabilization Fund <sup>(2)</sup>	-	120	-	-
Subtotal	<u>4,381</u>	<u>4,033</u>	<u>4,473</u>	<u>4,640</u>
CIF Pledged for Debt <sup>(3)</sup>	19	5	4	-
Total Revenue for Senior Calculation	4,400	4,038	4,477	4,640
CIF Connection Fee Revenue <sup>(3)</sup>	170	260	189	214
Total Revenue for Subordinate Calculation	<u>4,551</u>	<u>4,293</u>	<u>4,662</u>	<u>4,854</u>
<b>EXPENSES<sup>(4)</sup></b>				
Total O&M	3,236	3,319	3,107	2,968
Rate Stabilization Fund <sup>(5)</sup>	390	-	670	331
Total	<u>3,626</u>	<u>3,319</u>	<u>3,777</u>	<u>3,299</u>
<b>DEBT SERVICE PAYMENTS</b>				
<b>Senior</b>				
State Loans	241	185	156	154
Revenue Bonds	373	373	370	370
Total Senior Debt Payments	<u>614</u>	<u>558</u>	<u>526</u>	<u>524</u>
<b>Subordinate</b>				
State Loans	39	51	40	40
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>39</u>	<u>51</u>	<u>40</u>	<u>40</u>
Total Debt Service	653	609	566	564
<b>DEBT SERVICE COVERAGE<sup>(6)</sup>:</b>				
SENIOR	1.20	1.20	1.25	2.48
<u>SUBORDINATE</u>	<u>1.42</u>	<u>1.60</u>	<u>1.56</u>	<u>2.76</u>

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

<sup>(4)</sup> Does not include depreciation.

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

<sup>(6)</sup> 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)

<b>District No. 28</b>	<b>Fiscal Year 2012/13</b>	<b>Fiscal Year 2013/14</b>	<b>Fiscal Year 2014/15</b>	<b>Fiscal Year 2015/16</b>
<b>REVENUE SOURCES</b>				
User Fees <sup>(1)</sup>	\$ 1,009	\$ 983	\$ 1,008	\$ 1,019
Other Revenues	60	53	54	53
A.V. Tax	554	498	582	609
Interest	40	40	58	87
Rate Stabilization Fund <sup>(2)</sup>	-	-	-	-
Subtotal	<u>1,663</u>	<u>1,574</u>	<u>1,702</u>	<u>1,768</u>
CIF Pledged for Debt <sup>(3)</sup>	4	1	1	-
Total Revenue for Senior Calculation	<u>1,667</u>	<u>1,575</u>	<u>1,703</u>	<u>1,768</u>
CIF Connection Fee Revenue <sup>(3)</sup>	39	64	56	56
Total Revenue for Subordinate Calculation	<u>1,702</u>	<u>1,638</u>	<u>1,758</u>	<u>1,824</u>
<b>EXPENSES<sup>(4)</sup></b>				
Total O&M	539	590	591	600
Rate Stabilization Fund <sup>(5)</sup>	500	368	490	550
Total	<u>1,039</u>	<u>958</u>	<u>1,081</u>	<u>1,150</u>
<b>DEBT SERVICE PAYMENTS</b>				
<b>Senior</b>				
State Loans	419	408	407	407
Revenue Bonds	97	98	97	97
Total Senior Debt Payments	<u>516</u>	<u>506</u>	<u>504</u>	<u>504</u>
<b>Subordinate</b>				
State Loans	9	12	10	10
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>9</u>	<u>12</u>	<u>10</u>	<u>10</u>
Total Debt Service	525	518	514	514
<b>DEBT SERVICE COVERAGE<sup>(6)</sup>:</b>				
<b>SENIOR</b>	1.20	1.20	1.21	1.21
<b>SUBORDINATE</b>	1.26	1.31	1.32	1.31

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

<sup>(4)</sup> Does not include depreciation.

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

<sup>(6)</sup> 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)

<b>District No. 29</b>	<b>Fiscal Year 2012/13</b>	<b>Fiscal Year 2013/14</b>	<b>Fiscal Year 2014/15</b>	<b>Fiscal Year 2015/16</b>
<b>REVENUE SOURCES</b>				
User Fees <sup>(1)</sup>	\$ 1,931	\$ 1,881	\$ 1,941	\$ 1,988
Other Revenues	74	64	66	64
A.V. Tax	147	83	114	118
Interest	23	32	45	62
Rate Stabilization Fund <sup>(2)</sup>	277	-	-	-
Subtotal	<u>2,452</u>	<u>2,060</u>	<u>2,166</u>	<u>2,232</u>
CIF Pledged for Debt <sup>(3)</sup>	5	1	1	-
Total Revenue for Senior Calculation	<u>2,457</u>	<u>2,061</u>	<u>2,167</u>	<u>2,232</u>
CIF Connection Fee Revenue <sup>(3)</sup>	74	68	75	84
Total Revenue for Subordinate Calculation	<u>2,526</u>	<u>2,128</u>	<u>2,241</u>	<u>2,316</u>
<b>EXPENSES<sup>(4)</sup></b>				
Total O&M	1,097	1,156	1,108	1,132
Rate Stabilization Fund <sup>(5)</sup>	-	737	885	935
Total	<u>1,097</u>	<u>1,893</u>	<u>1,993</u>	<u>2,067</u>
<b>DEBT SERVICE PAYMENTS</b>				
<b>Senior</b>				
State Loans	68	51	49	48
Revenue Bonds	31	30	30	30
Total Senior Debt Payments	<u>99</u>	<u>81</u>	<u>79</u>	<u>78</u>
<b>Subordinate</b>				
State Loans	11	71	71	71
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>11</u>	<u>71</u>	<u>71</u>	<u>71</u>
Total Debt Service	110	152	150	149
<b>DEBT SERVICE COVERAGE<sup>(6)</sup>:</b>				
SENIOR	13.63	1.20	1.30	1.21
SUBORDINATE	12.99	1.55	1.65	1.67

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

<sup>(4)</sup> Does not include depreciation.

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

<sup>(6)</sup> 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 2012/13</u>	<u>Fiscal Year 2013/14</u>	<u>Fiscal Year 2014/15</u>	<u>Fiscal Year 2015/16</u>
<b>REVENUE SOURCES</b>				
User Fees <sup>(1)</sup>	\$ 6,521	\$ 6,428	\$ 6,334	\$ 5,995
Other Revenues	659	594	592	603
A.V. Tax	4,381	3,903	4,679	4,953
Interest	245	251	313	439
Rate Stabilization Fund <sup>(2)</sup>	-	-	-	-
Subtotal	<u>11,806</u>	<u>11,176</u>	<u>11,918</u>	<u>11,990</u>
CIF Pledged for Debt <sup>(3)</sup>	<u>47</u>	<u>12</u>	<u>12</u>	<u>-</u>
Total Revenue for Senior Calculation	11,853	11,188	11,930	11,990
CIF Connection Fee Revenue <sup>(3)</sup>	<u>478</u>	<u>638</u>	<u>606</u>	<u>498</u>
Total Revenue for Subordinate Calculation	12,284	11,814	12,524	12,488
<b>EXPENSES<sup>(4)</sup></b>				
Total O&M	7,019	7,480	7,422	7,566
Rate Stabilization Fund <sup>(5)</sup>	<u>2,101</u>	<u>358</u>	<u>1,292</u>	<u>897</u>
Total	9,120	7,838	8,714	8,463
<b>DEBT SERVICE PAYMENTS</b>				
Senior				
State Loans	606	476	459	454
Revenue Bonds	<u>944</u>	<u>943</u>	<u>935</u>	<u>935</u>
Total Senior Debt Payments	1,550	1,419	1,394	1,389
Subordinate				
State Loans	100	132	119	119
Revenue Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Subordinate Debt Payments	100	132	119	119
Total Debt Service	1,650	1,551	1,513	1,508
<b>DEBT SERVICE COVERAGE<sup>(6)</sup>:</b>				
SENIOR	1.70	2.27	2.22	2.45
<u>SUBORDINATE</u>	<u>1.92</u>	<u>2.56</u>	<u>2.52</u>	<u>2.67</u>

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

<sup>(4)</sup> Does not include depreciation.

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

<sup>(6)</sup> 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)

<b>District No. 4</b>	<b>Fiscal Year 2012/13</b>	<b>Fiscal Year 2013/14</b>	<b>Fiscal Year 2014/15</b>	<b>Fiscal Year 2015/16</b>
<b>REVENUE SOURCES</b>				
User Fees <sup>(1)</sup>	\$ 3,812	\$ 3,733	\$ 3,728	\$ 3,773
Other Revenues	1	1	1	-
A.V. Tax	474	409	503	547
Interest	253	277	369	532
Rate Stabilization Fund <sup>(2)</sup>	-	-	-	1,443
Subtotal	<u>4,540</u>	<u>4,420</u>	<u>4,601</u>	<u>6,295</u>
CIF Pledged for Debt <sup>(3)</sup>	-	-	-	-
Total Revenue for Senior Calculation	4,540	4,420	4,601	6,295
CIF Connection Fee Revenue <sup>(3)</sup>	71	301	1,034	408
Total Revenue for Subordinate Calculation	<u>4,611</u>	<u>4,721</u>	<u>5,635</u>	<u>6,703</u>
<b>EXPENSES<sup>(4)</sup></b>				
Total O&M	1,034	1,507	1,467	3,901
Rate Stabilization Fund <sup>(5)</sup>	2,320	1,364	1,277	-
Total	<u>3,354</u>	<u>2,871</u>	<u>2,744</u>	<u>3,901</u>
<b>DEBT SERVICE PAYMENTS</b>				
Senior				
State Loans	-	-	-	-
Revenue Bonds	327	327	325	325
Total Senior Debt Payments	<u>327</u>	<u>327</u>	<u>325</u>	<u>325</u>
Subordinate				
State Loans	-	-	-	-
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Debt Service	327	327	325	325
<b>DEBT SERVICE COVERAGE:</b>				
SENIOR	3.63	4.74	5.71	7.37

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

<sup>(4)</sup> Does not include depreciation.

<sup>(5)</sup> 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)

<b>District No. 9</b>	<b>Fiscal Year 2012/13</b>	<b>Fiscal Year 2013/14</b>	<b>Fiscal Year 2014/15</b>	<b>Fiscal Year 2015/16</b>
<b>REVENUE SOURCES</b>				
User Fees <sup>(1)</sup>	\$ 86	66	86	103
Other Revenues	1	1	1	-
A.V. Tax	87	73	88	90
Interest	30	39	49	59
Rate Stabilization Fund <sup>(2)</sup>	-	-	-	-
Subtotal	204	179	224	252
CIF Pledged for Debt <sup>(3)</sup>	-	-	-	-
Total Revenue for Senior Calculation	204	179	224	252
CIF Connection Fee Revenue <sup>(3)</sup>	-	6	3	-
Total Revenue for Subordinate Calculation	204	185	227	252
<b>EXPENSES<sup>(4)</sup></b>				
Total O&M	69	87	133	138
Rate Stabilization Fund <sup>(5)</sup>	80	38	37	59
Total	149	125	170	197
<b>DEBT SERVICE PAYMENTS</b>				
Senior				
State Loans	-	-	-	-
Revenue Bonds	46	45	45	46
Total Senior Debt Payments	46	45	45	46
Subordinate				
State Loans	-	-	-	-
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	-	-	-	-
Total Debt Service	46	45	45	46
<b>DEBT SERVICE COVERAGE:</b>				
SENIOR	1.20	1.20	1.20	1.20

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

<sup>(4)</sup> Does not include depreciation.

<sup>(5)</sup> 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)

<b>District No. 14</b>	<b>Fiscal Year 2012/13</b>	<b>Fiscal Year 2013/14</b>	<b>Fiscal Year 2014/15</b>	<b>Fiscal Year 2015/16</b>
<b>REVENUE SOURCES</b>				
User Fees <sup>(1)</sup>	\$ 31,688	\$ 33,476	\$ 34,818	\$ 33,639
Other Revenues	803	1,578	1,398	876
A.V. Tax	991	812	1,139	1,227
Interest	249	261	354	449
Rate Stabilization Fund <sup>(2)</sup>	-	-	-	1,032
Subtotal	<u>33,731</u>	<u>36,127</u>	<u>37,709</u>	<u>37,223</u>
CIF Pledged for Debt <sup>(3)</sup>	<u>6,155</u>	<u>3,488</u>	<u>3,488</u>	<u>3,372</u>
Total Revenue for Senior Calculation	39,886	39,615	41,197	40,595
CIF Connection Fee Revenue <sup>(3)</sup>	<u>2,160</u>	<u>996</u>	<u>806</u>	<u>1,360</u>
Total Revenue for Subordinate Calculation	35,891	37,123	38,515	38,583
<b>EXPENSES<sup>(4)</sup></b>				
Total O&M	10,714	12,279	12,654	12,311
Rate Stabilization Fund <sup>(5)</sup>	<u>2,697</u>	<u>4,650</u>	<u>5,650</u>	<u>-</u>
Total	13,411	16,929	18,304	12,311
<b>DEBT SERVICE PAYMENTS</b>				
Senior				
State Loans	-	-	-	-
Revenue Bonds	<u>465</u>	<u>464</u>	<u>464</u>	<u>460</u>
Total Senior Debt Payments	465	464	464	460
Subordinate				
State Loans	6,855	6,856	6,856	6,856
Revenue Bonds	<u>11,113</u>	<u>11,110</u>	<u>11,110</u>	<u>9,988</u>
Total Subordinate Debt Payments	17,968	17,966	17,966	16,844
Total Debt Service	18,433	18,430	18,430	17,304
<b>DEBT SERVICE COVERAGE<sup>(6)</sup>:</b>				
SENIOR	18.29	10.17	10.62	24.87
<u>SUBORDINATE</u>	<u>1.22</u>	<u>1.10</u>	<u>1.10</u>	<u>1.52</u>

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

<sup>(4)</sup> Does not include depreciation.

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

<sup>(6)</sup> 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>2012/13</u>	<u>Fiscal Year</u> <u>2013/14</u>	<u>Fiscal Year</u> <u>2014/15</u>	<u>Fiscal Year</u> <u>2015/16</u>
<b>REVENUE SOURCES</b>				
User Fees <sup>(1)</sup>	\$ 21,022	\$ 21,344	\$ 22,586	\$ 21,734
Other Revenues	582	584	652	523
A.V. Tax	1,004	846	1,103	1,173
Interest	211	168	186	265
Rate Stabilization Fund <sup>(2)</sup>	-	800	-	-
Subtotal	<u>22,819</u>	<u>23,742</u>	<u>24,527</u>	<u>23,695</u>
CIF Pledged for Debt <sup>(3)</sup>	<u>2,343</u>	<u>3,980</u>	<u>3,960</u>	<u>2,316</u>
Total Revenue for Senior Calculation	25,162	27,722	28,487	26,011
CIF Connection Fee Revenue <sup>(3)</sup>	<u>1,098</u>	<u>185</u>	<u>674</u>	<u>2,316</u>
Total Revenue for Subordinate Calculation	23,917	23,927	25,201	26,011
<b>EXPENSES<sup>(4)</sup></b>				
Total O&M	9,300	10,211	10,405	10,282
Rate Stabilization Fund <sup>(5)</sup>	<u>4,980</u>	<u>-</u>	<u>1,025</u>	<u>2,000</u>
Total	14,280	10,211	11,430	12,282
<b>DEBT SERVICE PAYMENTS</b>				
Senior				
State Loans	-	-	-	-
Revenue Bonds	<u>387</u>	<u>386</u>	<u>384</u>	<u>383</u>
Total Senior Debt Payments	387	386	384	383
Subordinate				
State Loans	-	3,749	3,749	3,749
Revenue Bonds	<u>8,392</u>	<u>8,389</u>	<u>8,391</u>	<u>8,391</u>
Total Subordinate Debt Payments	8,392	12,138	12,140	12,140
Total Debt Service	8,779	12,524	12,524	12,523
<b>DEBT SERVICE COVERAGE<sup>(6)</sup>:</b>				
SENIOR	6.43	13.92	12.80	4.15
<u>SUBORDINATE</u>	<u>1.10</u>	<u>1.10</u>	<u>1.10</u>	<u>1.10</u>

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

<sup>(4)</sup> Does not include depreciation.

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

<sup>(6)</sup> 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)

<b>District No. 27</b>	<b>Fiscal Year 2012/13</b>	<b>Fiscal Year 2013/14</b>	<b>Fiscal Year 2014/15</b>	<b>Fiscal Year 2015/16</b>
<b>REVENUE SOURCES</b>				
User Fees <sup>(1)</sup>	\$ -	\$ -	\$ -	\$ -
Other Revenues	2	1	1	1
A.V. Tax	288	255	305	319
Interest	5	2	3	4
Rate Stabilization Fund <sup>(2)</sup>	843			
Subtotal	1,138	258	309	324
CIF Pledged for Debt <sup>(3)</sup>	-	-	-	-
Total Revenue for Senior Calculation	1,138	258	309	324
CIF Connection Fee Revenue <sup>(3)</sup>	-	-	-	-
Total Revenue for Subordinate Calculation	1,138	258	309	324
<b>EXPENSES<sup>(4)</sup></b>				
Total O&M	108	74	80	47
Rate Stabilization Fund <sup>(5)</sup>	-	44	124	178
Total	108	118	204	225
<b>DEBT SERVICE PAYMENTS</b>				
<b>Senior</b>				
State Loans	-	-	-	-
Revenue Bonds	64	64	63	63
Total Senior Debt Payments	64	64	63	63
<b>Subordinate</b>				
State Loans	-	-	-	-
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	-	-	-	-
Total Debt Service	64	64	63	63
<b>DEBT SERVICE COVERAGE:</b>				
<b>SENIOR</b>	16.09	2.19	1.67	1.57

<sup>(1)</sup> 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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<sup>(3)</sup> 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.

<sup>(4)</sup> Does not include depreciation.

<sup>(5)</sup> 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</u> <u>2012/13</u>	<u>Fiscal Year</u> <u>2013/14</u>	<u>Fiscal Year</u> <u>2014/15</u>	<u>Fiscal Year</u> <u>2015/16</u>
<b>REVENUE SOURCES</b>				
User Fees <sup>(1)</sup>	\$ 21,676	\$ 22,027	\$ 25,258	\$ 27,616
Other Revenues	1,939	3,076	1,531	754
A.V. Tax	6,182	5,208	6,347	6,733
Interest	644	611	811	1,281
Rate Stabilization Fund <sup>(2)</sup>	-	-	-	-
Subtotal	<u>30,441</u>	<u>30,922</u>	<u>33,947</u>	<u>36,384</u>
CIF Pledged for Debt <sup>(3)</sup>	<u>4,737</u>	<u>4,737</u>	<u>4,721</u>	<u>4,801</u>
Total Revenue for Senior Calculation	35,178	35,659	38,668	41,185
CIF Connection Fee Revenue <sup>(3)</sup>	<u>3,712</u>	<u>3,737</u>	<u>5,418</u>	<u>4,848</u>
Total Revenue for Subordinate Calculation	34,153	34,659	39,365	41,232
<b>EXPENSES<sup>(4)</sup></b>				
Total O&M	19,466	20,348	20,251	20,255
Rate Stabilization Fund <sup>(5)</sup>	<u>5,674</u>	<u>3,086</u>	<u>4,112</u>	<u>2,249</u>
Total	25,140	23,434	24,363	22,504
<b>DEBT SERVICE PAYMENTS</b>				
Senior				
State Loans	1,011	627	627	627
Revenue Bonds	<u>3,352</u>	<u>3,349</u>	<u>3,322</u>	<u>3,321</u>
Total Senior Debt Payments	4,363	3,976	3,949	3,948
Subordinate				
State Loans	2,014	2,398	2,660	2,660
Revenue Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Subordinate Debt Payments	2,014	2,398	2,660	2,660
Total Debt Service	6,377	6,374	6,609	6,608
<b>DEBT SERVICE COVERAGE<sup>(6)</sup>:</b>				
SENIOR	1.84	2.47	2.95	4.06
<u>SUBORDINATE</u>	<u>1.41</u>	<u>1.76</u>	<u>2.27</u>	<u>2.83</u>

<sup>(1)</sup> 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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<sup>(3)</sup> 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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<sup>(5)</sup> These funds are being set aside to minimize the impact on the Districts' ratepayers in the event of future unexpected operating costs.

<sup>(6)</sup> 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.

INTEGRITY

SERVICE

LEADERSHIP

SANITATION DISTRICTS OF LOS ANGELES COUNTY / CALIFORNIA



Converting Waste into Resources