




SANITATION DISTRICTS OF LOS ANGELES COUNTY

Converting Waste Into Resources

2019

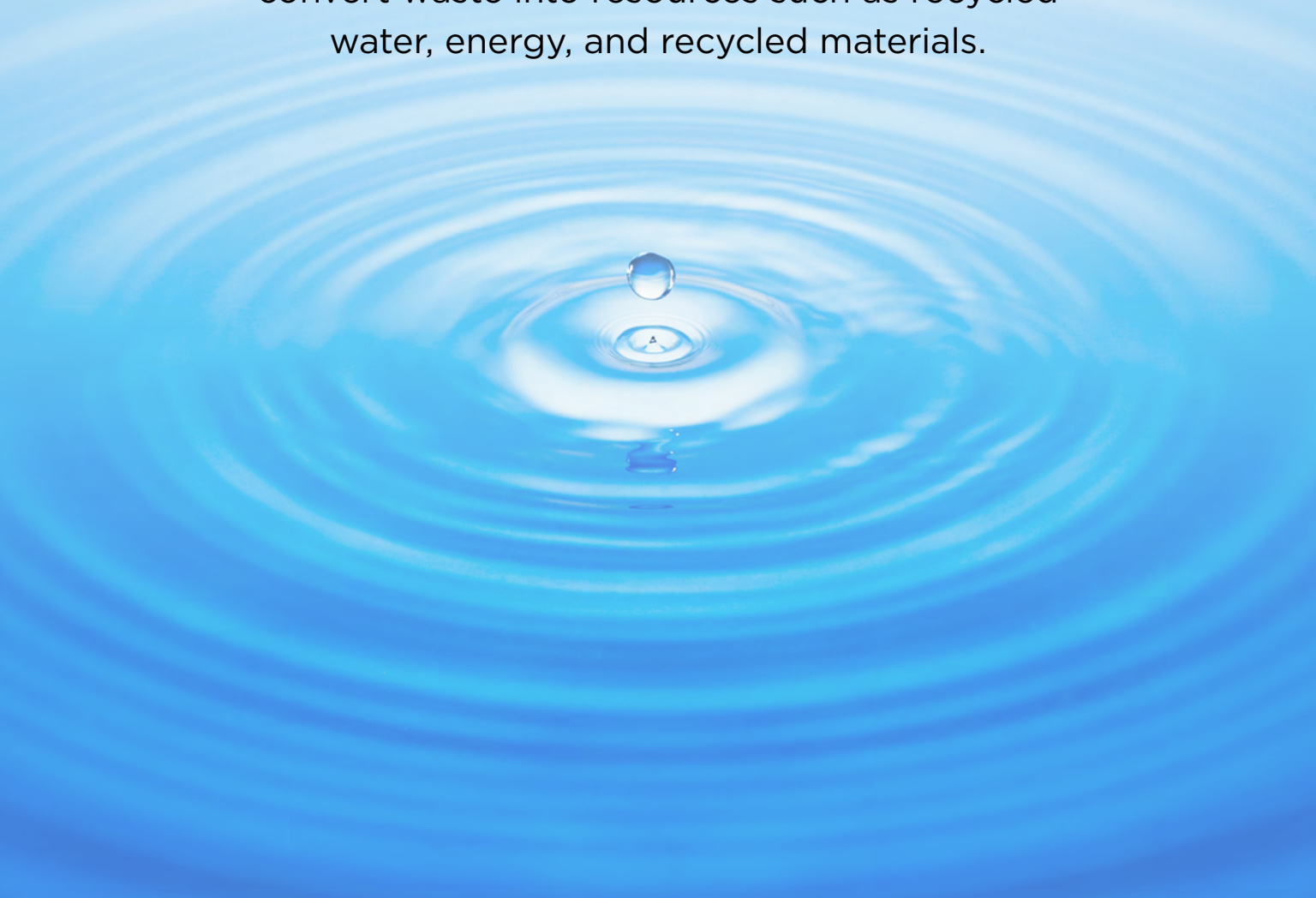
Comprehensive Annual Financial Report



Year Ended: June 30 ♦ Los Angeles County, California

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.



CORE VALUES



INTEGRITY

We are committed to ethical standards and accountability in our work

LEADERSHIP

We are committed to the advancement of excellence in wastewater and solid waste management

SERVICE

We are committed to reliable, responsive, and courteous service

Sanitation Districts of Los Angeles County, California

Comprehensive Annual Financial Report

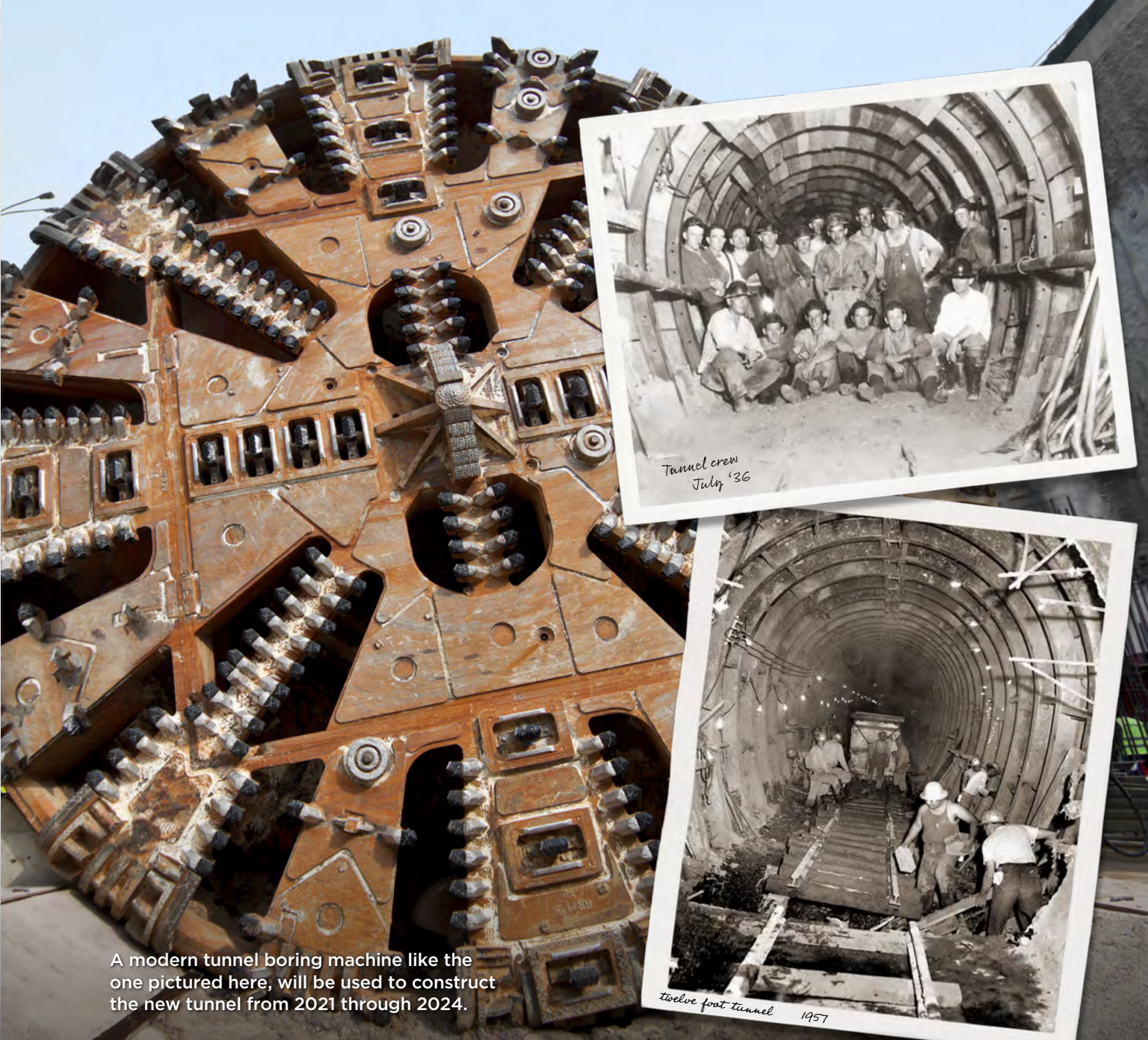
Year Ended: June 30, 2019

Prepared by the Accounting Section

Mr. Alan C. Nyberg
Chief Accountant

Financial Management Department





A modern tunnel boring machine like the one pictured here, will be used to construct the new tunnel from 2021 through 2024.

Addressing Aging Infrastructure

In 1937, the Sanitation Districts completed construction of a 6.5-mile tunnel to convey cleaned water from the Joint Water Pollution Control Plant (JWPCP) in Carson to Royal Palms Beach, where the tunnel was connected to an ocean outfall. This infrastructure allowed the JWPCP (then called the Joint Disposal Plant or Bixby Plant) to increase flow to 22 million gallons of water per day. In 1958, a second tunnel was completed to support more flow.

These tunnels have not been taken out of service because they must always carry flow. They are also not built to current earthquake standards, even though they cross two earthquake faults.

In 2012, the Sanitation Districts' Board of Directors approved the Clearwater Project, which will protect local waterways by addressing this aging infrastructure. Under this project, a new 7-mile long tunnel is being constructed that is almost entirely underneath public right-of-way (streets).

FRONT COVER: A view from JWPCP, looking towards the Pacific Ocean and Catalina Island.

BACK COVER: The Joint Disposal Plant, circa 1928. In the inset photo, Chief Engineer A.K. Warren (2nd from left) leads a crew to inspect tunnel construction at Royal Palms Beach in San Pedro.

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Nearly a Century of Service

The Joint Water Pollution Control Plant (JWPCP), located in Carson, began serving Los Angeles County in 1928. Today the JWPCP is one of the largest wastewater treatment plants in the world, encompassing 400 acres and serving 5 million people.



The Joint Disposal Plant in 1928.



SANITATION DISTRICTS OF LOS ANGELES COUNTY

Converting Waste Into Resources

December 10, 2019

Boards of Directors
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 Sanitation Districts of Los Angeles County for the fiscal year ended June 30, 2019. 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 costs 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, 2019, 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 auditor and provides a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

INTRODUCTION

Profile of the Districts

SERVING
5.6 million people **850** square miles **78** cities

The 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.

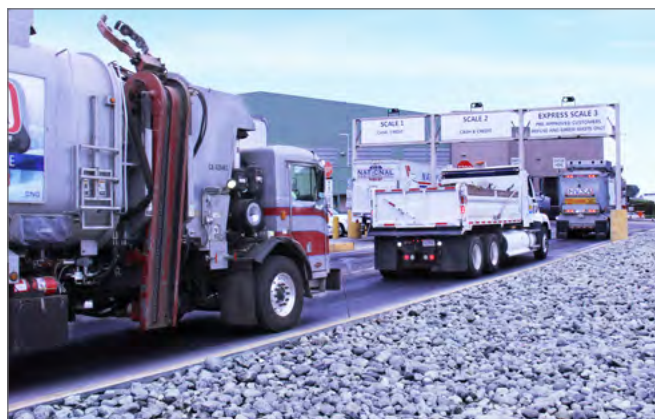
Each District is governed by a Board of Directors generally comprised of the mayors of the cities within each District's boundaries and the chair of the County Board of Supervisors for unincorporated territory. The Boards are responsible for, among other things, adopting budgets, establishing user charges, and establishing policies. All of the Districts, under the terms of the Amended Joint Administration Agreement, are served by one administrative staff, led by the Chief Engineer & General Manager and the Assistant Chief Engineer & Assistant General Manager. The Districts employ nearly 1,700 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.



Our 1,700 dedicated employees serve the wastewater and solid waste needs of Los Angeles County.

The wastewater management system consists of approximately 1,400 miles of main trunk sewers, 48 pumping plants, 11 wastewater treatment plants, and one biosolids composting facility. Through a Joint Powers Agreement, the Districts also participate in the operation of a second biosolids composting facility. Of these facilities, 1,200 miles of sewers, 47 pumping plants, and 7 wastewater treatment plants make up the Joint Outfall System, which manages the wastewater for 16 of the Districts in the Los Angeles basin. In total, the Districts' facilities convey and treat approximately 390 million gallons per day (mgd) of wastewater, of which approximately 125 mgd is available for reuse.

The solid waste management system, with 15 participating Districts, owns and/or operates two active sanitary landfills, one recycling center, three materials recovery/transfer facilities, two gas-to-energy facilities, and four closed sanitary landfill sites. The Districts have also developed a waste-by-rail system consisting of one remote landfill and two intermodal facilities. The waste-



Trucks line up at the scales before entering the Puente Hills Materials Recycling Facility.

by-rail system remains in standby mode while more cost-effective landfill capacity is used in the region. Through a Joint Powers Agreement, the Districts have participated in the development and implementation of two refuse-to-energy facilities, one of which ceased operation in June 2018. The solid waste management facilities process an average of 7,200 tons per day of refuse and recyclable materials.

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.

Los Angeles County Sanitation Districts Financing Authority

The Los Angeles County Sanitation Districts Financing Authority was created for the sole purpose of facilitating the issuance of long-term debt on behalf of the member Districts. It 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 member 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 and are included in this CAFR.

Budgets

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 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 2018-19 were \$678 million and \$175 million, respectively. Actual expenditures for wastewater and solid waste management were \$526 million and \$185 million, respectively.

GENERAL FACTORS IMPACTING ECONOMIC CONDITION

Overview of Los Angeles County

The County's population and economy have been relatively stable in recent years, and a trend of modest growth is expected to continue. Population has increased 4.9% since 2010, and the California Department of Finance forecasts a population increase of 3.9% over the next ten years. A table showing more economic indicators is provided in Schedule 19 of the Statistical Section.

Figure 1
L.A. County Economic Employment Sectors
2019

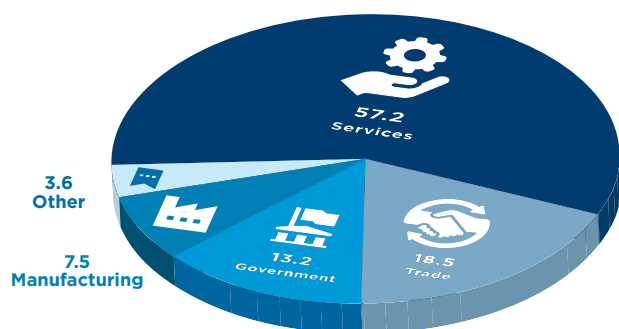
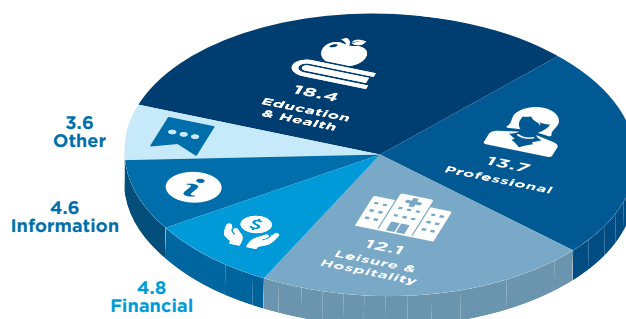


Figure 2
L.A. County Service Employment Sectors
2019



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

Historically, the job market in Los Angeles County 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 of 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. From 2018 to 2019, the unemployment rate dropped from 4.8% to 4.6%, though overall employment decreased by 52,000 jobs, primarily due to a large drop in the self-employment/other sector. Despite the overall decrease, the education & health, trade, and manufacturing sectors collectively added almost 65,000 jobs during the same period.



Construction of the 8-million-gallon Flow Equalization Tank at San Jose Creek WRP West.

WASTEWATER SYSTEM

Operational Undertakings and Capital Projects

Treated effluent from the Joint Water Pollution Control Plant (JWPCP) in Carson is conveyed to the ocean through two tunnels, one completed in 1937 and the other in 1958. Both tunnels have had continual flow since they were placed into operation and cannot be taken out of service under current circumstances. A new tunnel to be constructed pursuant to the Clearwater Project Master Facilities Plan will ensure the overall reliability of the effluent disposal system and allow the existing tunnels to be taken out of service and rehabilitated as necessary. Construction of the tunnel began in April 2019 and will take approximately 6.5 years to complete, at a cost of approximately \$700 million.

In January 2017, the Districts commenced construction of a Flow Equalization Project at the San Jose Creek Water Reclamation Plant (WRP) that will enhance the treatment process, provide for more reliable operations at higher wastewater flows, and make more recycled water available

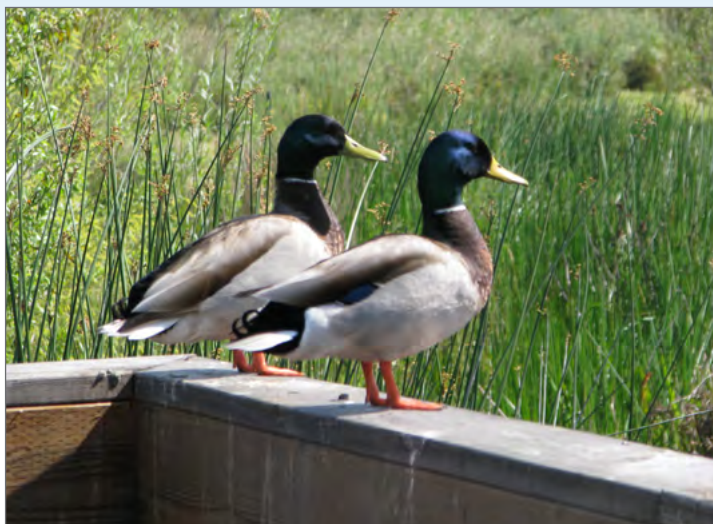
to reusers during peak demand periods. The project will cost approximately \$50 million, with \$3 million coming from a Proposition 84 grant and \$14.8 million coming from a Proposition 1 grant. The Districts have been awarded loans totaling \$29.3 million to supplement the grants. Construction is anticipated to be completed in the summer of 2020.

The Santa Clarita Valley Sanitation District owns and operates the Saugus and Valencia WRPs, which discharge their tertiary-level treated effluent to the Santa Clara River. In 2007, the District received a regulatory mandate from the Los Angeles Regional Water Quality Control Board to reduce chloride levels in treated effluent entering the river. As the first step in complying with the new standard, in October 2013 the District certified and approved a Facilities Plan and an Environmental Impact Report (EIR) for a Chloride Compliance Project and a Recycled Water Project. The Chloride Compliance Project will cost approximately \$130 million and will include ultra-violet light (UV) disinfection at both the Saugus and the Valencia WRPs and advanced water treatment facilities at the Valencia WRP. The Chloride Compliance Project was challenged on California Environmental Quality Act (CEQA) grounds and delayed by approximately two years until additional CEQA documentation was certified by the District and approved by the Los Angeles County Superior Court. An additional legal challenge to the Chloride Compliance Project is before the Los Angeles County Superior Court. Construction contracts for the UV disinfection facilities were awarded in August 2018 and completion is expected in late 2020. A construction contract for the advanced water treatment facilities was awarded in January 2019 and completion is expected in the summer of 2021. To fund the Chloride Compliance Project, the District approved a series of service charge rate increases in 2014. Additionally, the District has secured \$7.5 million in Proposition 84 grant funding for the UV disinfection facilities. In the State Water Resources Control Board's 2019-20 Intended Use Plan for SRF loans, the District is shown as qualifying for \$109.7 million in loans, with \$4 million being eligible for principal forgiveness. In February 2019, the District elected not to move forward with the Recycled Water Project after determining that it would not yield a timely or cost-effective solution for ratepayers due to permitting uncertainty and potential future litigation risks. The District will continue to assist the local water agency on future recycled water projects.

Water Conservation, Wastewater Flows, and Water Reuse

California's water supply continues to be a concern due to projected population increases and extended periods of drought. Although recent drought impacts were somewhat eased by above normal rainfall totals in the winters of 2016-17 and 2018-19, many residents and businesses have continued with their water conservation efforts with both landscape irrigation and indoor water usage. The reduction of indoor water usage results in less wastewater entering the sewer system, resulting in less recycled water available for beneficial reuse applications at a time when there is increased interest in new recycled water projects. An increase in ammonia loading has been observed with the decrease in flows to the wastewater treatment plants, which has required Districts staff to modify operations at its WRPs in an effort to maintain compliance with effluent discharge requirements. This trend has significantly impacted all of the Districts' WRPs, with a 37% decrease in recycled water production from a peak of 199 mgd in fiscal year 2000-01 to 125 mgd in 2018-19.

The Districts are continuing to evaluate ways to manage flows that take into consideration this new reality while maintaining their commitment to recycled water programs. In addition to the previously discussed flow equalization project at the San Jose Creek WRP, new projects are being considered that would further displace the use of imported water with recycled water and, at the same time, give consideration to the need to maintain sensitive habitat areas downstream of the Districts' WRP discharge points. In fiscal year 2018-19, roughly 62% of the recycled water produced was beneficially reused, with almost half of that going to recharge groundwater basins. In total, approximately 78 mgd of recycled water was used at 916 different sites. New irrigation and industrial reuse sites continue to be added to the extent feasible.



Restored by the Sanitation Districts, the Bixby marshland is a 17-acre wetlands located in an urban environment.



Chief Engineer Robert Ferrante at the Grand Opening of the Advanced Purification Facility. Photo courtesy of Metropolitan Water District.

Efforts are underway to expand groundwater recharge. 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. Construction of a 0.5 mgd demonstration plant started in October 2017 and was completed in September 2019. If the demonstration plant is successful, MWD is proposing to build a new purification plant adjacent to JWPCP, along with distribution lines, that would help replenish groundwater basins in Los Angeles and Orange counties.



The San Gabriel Spreading Grounds have been used to replenish groundwater for over 50 years.

The Districts have also been working with the Water Replenishment District of Southern California on the Groundwater Reliability Improvement Program, which would produce 10,000 acre feet per year of advanced treated water for replenishment of the Central Groundwater Basin. Construction of the advanced treatment plant, the Albert Robles Center for Water Recycling and Environmental Learning, began in 2016 and was completed in mid-2019. The Districts are also working with the Palmdale Water District on a project to recharge groundwater with recycled water in the Antelope Valley.

User Charge Rates and Funding

All of the Districts that have implemented a service charge program have adopted rates through at least fiscal year 2019-20. The rates were enacted pursuant to Section 5471 of the California Health and Safety Code and Article XIII D of the State Constitution (Proposition 218), following an extensive public outreach program and a formal public hearing. As it becomes necessary to increase rates over time, the Districts

will go through the same process again before adopting multi-year rate ordinances. A table reflecting each District’s 10-year service charge rate history is provided in Schedule 8 of the Statistical Section. Overall, the Districts’ rates remain very favorable when compared to similar agencies.

In the spring of 2017, nearly all of the Joint Outfall Districts adopted four-year rate ordinances covering fiscal years 2017-18 through 2020-21. 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 \$3.80 per year per single-family home.

In 2014, the Santa Clarita Valley Sanitation District adopted a 6-year rate ordinance, covering fiscal years 2014-15 through 2019-20 in support of the Chloride Compliance Project. The rates were designed so that the rate in fiscal year 2019-20 would provide sufficient debt coverage for repayment of the SRF loans scheduled to begin the following year. The average annual increase over the 6-year period was \$20.50 per single-family home.

In June 2015, District No. 14 adopted a 4-year rate ordinance, covering fiscal years 2015-16 through 2018-19. Rates were steady during that 4-year period. In May 2019, the District adopted a new 4-year rate ordinance, covering fiscal years 2019-20 through 2022-23. During this period, rates will increase by \$11.88 per year per single-family home, or approximately 2.4% per year. The rate increases are driven by several significant capital improvement projects and increases in ongoing operations costs

In June 2015, District No. 20 adopted a 4-year rate ordinance, covering fiscal years 2015-16 through 2018-19, which was later revised in 2017 to provide for lower rate increases in the last two years. In May 2019, the District adopted a new 4-year rate ordinance, covering fiscal years 2019-20 through 2022-23. During this period, rates will increase by \$11.88 per year per single-family home, or approximately 2% per year. The rate increases are driven by several significant capital improvement projects, including possibly an additional storage reservoir, and increases in ongoing operations costs.

OUTREACH

- 5,350** sewer science students
- 68** school tours
- 16** educational programs
- 17** speakers bureau events
- 7** public tours
- 15** environmental fairs
- 2,500** earth day attendees
- 15** bixby marshland events

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 30 years, to supplement the financing of capital upgrades. During fiscal year 2018-19, the Districts received approximately \$13.3 million in SRF and \$1.8 million in Proposition 1 loans. In addition, the Districts also received \$4.6 million in Proposition 1 and \$0.8 million in Proposition 84 grant funding.

SOLID WASTE SYSTEM

Operational Undertakings and Capital Projects

The Districts are continuing to expand their efforts to recycle materials such as fibers, metal, wood, plastics, green waste, and food waste. In response to state laws increasing requirements on recycling, including AB 341 which increased the statewide recycling goal from 50 to 75 percent, the Districts have been implementing a number of projects to assist member cities and the County with programs and facilities needed for compliance with the new laws. These include a new materials recovery sorting line at the Puente Hills Materials Recovery Facility (PHMRF) using the latest recycling equipment technology capable of processing mixed waste and commingled recyclables. The new sorting line will be highly automated with three times the processing capacity of the previous system and will produce higher quality recyclables. Construction on the new line, at a cost of approximately \$25 million, was completed in the last quarter of 2019 and is expected to be fully operational in January 2020. The new sorting line will be capable of processing approximately 500 tons per day of mixed waste and commingled recyclables.

The new materials recovery equipment system at PHMRF will be critical for meeting the more stringent material quality standards imposed on recyclables over the past two years. The higher quality standards are the result of mandates by foreign governments, mainly China, which take the majority of recyclable material from California. In July 2017, the Chinese government notified the World Trade Organization that it would no longer allow importation of 24 types of recycled material and would increase their quality standards for other recycled materials. The Chinese government is calling this ban the "National Sword 2017," which went into effect at the end of 2017. China was the world's largest importer of recyclables and imported more than 60 percent of California's recyclables. Until National Sword 2017 was implemented, brokers selling to mills in China had consistently offered the best pricing due to low shipping rates from the Ports of Long Beach and Los Angeles. Since National Sword 2017, the Districts have seen commodities prices of fibers, such as cardboard and mixed paper, drop by more than half. It has also made some material such as mixed rigid plastics worthless. It has required the Districts to modify their recyclables processing practices to



A new automated sorting line will improve efficiency and increase the purity of recyclables.



Biogas generated at JWPCP from food waste and biosolids is used to fuel natural gas powered vehicles.

ensure the resulting commodities have a much higher quality. There is no indication that the Chinese government and the other countries will relax these higher standards.

The state passed several laws recently requiring the diversion of organic waste away from landfills. These laws include SB 1383, which requires a 50 percent reduction in disposal of organics by 2020 and a 75 percent reduction in disposal of organics by 2025. Food waste makes up approximately half of the organic waste stream, and

there are few facilities in Los Angeles County capable of recycling food waste. The Districts are currently implementing new projects to recycle food waste using a combination of solid waste and wastewater facilities. The Districts own both types of facilities, a situation that provides a unique opportunity to provide food-waste recycling services, since most entities/agencies only have either solid waste or wastewater facilities. Food waste processing began in April 2018 at the PHMRF by producing a slurry from the food waste, which is transported by tanker trucks to JWPCP where it is pumped into the headworks of the facility. A food waste slurry station is being constructed at JWPCP to allow the slurry to be pumped directly into digesters, which will increase the production of digester gas. This facility is estimated to cost \$900,000 and it is anticipated to be completed in mid-2020. To manage the additional digester gas from the food waste slurry, a pipeline is being constructed to bring gas to a new biogas conditioning system (BCS). The pipeline is estimated to cost \$2.4 million and the BCS is estimated to have a total cost \$3.1 million, which will be partially offset by a \$2.5 million grant from the California Energy Commission. Both of these projects are anticipated to be completed in late 2020. The BCS will purify the methane in the digester gas so that it can be used to fuel passenger and commercial vehicles. The purified gas will be used at the Districts' Compressed Natural Gas Facility currently in operation at the JWPCP.

Tipping Fee Rates

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 Los Angeles County after discussion with and recommendations by the Districts. On July 1, 2018, and on July 1, 2019, rates at several Districts-operated facilities (PHMRF, Downey Area Recycling and Transfer Facility, and South Gate Transfer Station) were increased to offset increased disposal and transportation costs at Orange County landfills, increased labor costs, replacement of aging recycling equipment, and significant stormwater improvement project costs required under the new stormwater permit issued by the State.

STORMWATER

In 2015, SB 485 expanded the Districts' authority to include the ability to assist local jurisdictions with stormwater and urban runoff projects. The legislation, which was signed by the governor on October 10, 2015, gives 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 2018-19, the Districts continued work under a Stormwater Services Agreement with the City of Carson to assist the city with designing, permitting, and constructing a project at Carriage Crest Park in Carson. The project is currently under construction and, when completed, will divert stormwater from the storm drain to storage facilities underneath the park and subsequently pump the captured stormwater to the sewer when capacity is available. In addition, the Districts have provided sewer capacity analyses to several entities developing or considering projects including Los Angeles County Public Works. The Districts have also provided shoreline bacteria monitoring services to Rancho Palos Verdes, and bacteria source tracking services to Palos Verdes Estates.

RELEVANT FINANCIAL POLICIES

Each District has adopted an investment policy with safety of principal as the primary objective, while maintaining liquidity and achieving a market rate of return. 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. This policy is adopted annually by the respective Boards of Directors. See accompanying Note 3 to the basic financial statements for additional information.

Each District has also adopted Debt Management and Wastewater Financial Reserve Policies.

The Debt Management Policy establishes guidelines under which the Districts may take on debt. The Policy focuses on the types of debt instruments that are allowable and provides metrics that can be used to assess the Districts' level of debt. Some of those same metrics can be used to help determine appropriate service charge rates and maximize the Districts' credit rating (which provides the lowest interest rates).

The Wastewater Financial Reserve Policy establishes guidelines for accumulating and expending reserve funds and ensures that funds are available as needed to ensure that the Districts can provide vital services to the public without interruption. Reserves are also used to smooth out rates as expenditures vary from year to year. Lastly, the Policy reinforces the concept that prudent reserves guard against adverse financial impacts from unforeseen circumstances such as natural disasters or other emergencies without jeopardizing service or requiring immediate, severe rate increases.

AWARDS AND ACKNOWLEDGMENTS

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 or more 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 2018, the Districts received a Platinum Award for the Los Coyotes WRP; Gold Awards for the JWPCP, La Cañada WRP, Lancaster WRP, Long Beach WRP, San Jose Creek WRP (West), Valencia WRP, and Whittier Narrows WRP; and Silver Awards for the Palmdale WRP, Pomona WRP, San Jose Creek WRP (East), and Saugus WRP.

National Association of Clean Water Agencies Awards

 **Platinum**
Los Coyotes

 **Gold**
La Cañada, Lancaster, Long Beach, San Jose West, Valencia, Whittier Narrows

 **Silver**
Palmdale, Pomona, Saugus, San Jose East



In 2019, the Districts received an Honor Award for Environmental Communications from the American Academy of Environmental Engineers and Scientists (AAEES) and Outreach Project of the Year Award from the Los Angeles Basin Section of the California Water Environment Association.

In 2019, the Districts were also recognized as a Utility of the Future Today, an award that honors water resource recovery facilities for community engagement, watershed stewardship, and recovery of resources such as water, energy, and nutrients.

Certificate of Achievement

The Districts' CAFR for the fiscal year ended June 30, 2019, 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 35 consecutive years and have submitted this year's CAFR for consideration as well.

Acknowledgments

In submitting this 2018-19 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,

Robert C. Ferrante
Chief Engineer and General Manager

Matthew A. Eaton
Department Head,
Financial Management Department

Boards of Directors

(as of October 21, 2019)

Alhambra DIST. 2, 16	Adele Andrade-Stadler; <i>Ross Maza</i>
Arcadia DIST. 15, 22	April Verlato; <i>Roger Chandler</i>
Artesia DIST. 2, 18, 19	Tony Lima; <i>Miguel Canales</i>
Azusa DIST. 22	Joseph R. Rocha; <i>Edward J. Alvarez</i>
Baldwin Park DIST. 15, 22	Manuel Lozano; <i>Monica Garcia</i>
Bell DIST. 1, 2	Ali Saleh; <i>Nestor Valencia</i>
Bell Gardens DIST. 2	Alejandra Cortez; <i>Lisseth Flores</i>
Bellflower DIST. 2, 3, 18	Sonny R. Santa Ines; <i>Juan Garza</i>
Beverly Hills DIST. 4	John Mirisch; <i>Robert Wunderlich</i>
Bradbury DIST. 15, 22	Richard G. Barakat
Carson DIST. 8	Albert Robles; <i>Cedric Hicks</i>
Cerritos DIST. 2, 3, 18, 19	Naresh Solanki; <i>Jim Edwards</i>
Claremont DIST. 21	Corey Calaycay; <i>Larry Schroeder</i>
City of Commerce DIST. 2	John Soria; <i>Ivan Altamirano</i>
Compton DIST. 1, 2, 8	Aja Brown; <i>Janna Zurita</i>
Covina DIST. 22	John C. King; <i>Victor Linares</i>
Cudahy DIST. 1	Jose R. Gonzalez; <i>Chris Garcia</i>
Culver City DIST. 5	Meghan Sahli-Wells; <i>Daniel Lee</i>
Diamond Bar DIST. 21	Carol Herrera; <i>Steve Tye</i>
Downey DIST. 2, 18	Richard Rodriguez; <i>Blanca Pacheco</i>
Duarte DIST. 15, 22	Tzeitel Paras-Caracci; <i>Margaret Finlay</i>
El Monte DIST. 15	Andre Quintero; <i>Victoria Martinez</i>
El Segundo DIST. 5, SBC	Drew Boyles; <i>Chris Pimentel</i>
Gardena DIST. 5	Tasha Cerda; <i>Dan Medina</i>
Glendora DIST. 22	Judy M. Nelson; <i>Michael Allawos</i>
Hawaiian Gardens DIST. 19	Myra Maravilla <i>Jesse Alvarado</i>
Hawthorne DIST. 5	Alex Vargas; <i>Olivia J. Valentine</i>
Hermosa Beach SBC	Stacey Armato; <i>Mary Campbell</i>
Huntington Park DIST. 1	Karina Macias; <i>Manuel Avila</i>
City of Industry DIST. 15, 18, 21	Cory Moss
Inglewood DIST. 5	James T. Butts
Irwindale DIST. 15, 22	Albert F. Ambriz; <i>Mark A. Brededa</i>
La Cañada Flintridge DIST. 28, 34	Michael A. Davitt Jonathan C. Curtis; <i>Teresa Walker</i> Greg C. Brown; <i>Leonard Pieroni</i>
La Habra Heights DIST. 18	Brian Bergman; <i>Carey Klingfus</i>
La Mirada DIST. 18	Lawrence Mowles; <i>Steve De Ruse</i>
La Puente DIST. 15, 21	Valerie Munoz; <i>Charlie Klinakis</i>
La Verne DIST. 21, 22	Don A. Kendrick; <i>Charlie A. Rosales</i>
Lakewood DIST. 3, 19	Todd Rogers; <i>Jeff Wood</i>
Lancaster DIST. 14	R. Rex Parris; <i>Marvin Crist</i>
Lawndale DIST. 5	Robert Pullen-Miles; <i>Pat Kearney</i>
Lomita DIST. 5	Henry Sanchez; <i>James Gazeley</i>
Long Beach DIST. 1, 2, 3, 8, 19	Robert Garcia; <i>Dee Andrews</i>
Los Angeles City DIST. 1, 2, 3, 4, 5, 8, 9, 16	Herb Wesson, Jr.; <i>Joe Buscaino</i>
Los Angeles County (unincorporated)	
DIST. 1, 2, 3, 8, 9, 17, 19	Janice Hahn; <i>Hilda Solis</i>
DIST. 14, 15, 16, 18, 20, 21, 22, SCV	Janice Hahn; <i>Kathryn Barger; Sheila Kuehl</i> <i>Mark Ridley Thomas</i>
DIST. 5	
DIST. 9, 17 (2nd DIR)	Kathryn Barger; <i>Hilda Solis</i>
DIST. 27, NR	Kathryn Barger, Janice Hahn, Sheila Kuehl, Mark Ridley Thomas, Hilda Solis
Lynwood DIST. 1	Jose Luis Solache; <i>Marisela Santana</i>
Manhattan Beach DIST. 5, SBC	Steve Napolitano <i>Nancy Hersman</i>
Maywood DIST. 1	Eddie de la Riva; <i>Ramon Medina</i>
Monrovia DIST. 15, 22	Tom Adams; <i>Becky A. Shevlin</i>
Montebello DIST. 2, 15	Jack Hadjinian; <i>Salvador Melendez</i>
Monterey Park DIST. 2, 15	Peter Chan; <i>Hans Liang</i>
Norwalk DIST. 2, 18	Margarita Rios; <i>Luigi Vernola</i>
Palmdale DIST. 14, 20	Steven Hofbauer; <i>Austin Bishop</i>
DIST. 20 (2nd DIR)	Richard J. Loa; <i>Austin Bishop</i>
Palos Verdes Estates DIST. 5, SBC	Kenneth Kao <i>David McGowan</i>
Paramount DIST. 1, 2	Tom Hansen; <i>Daryl Hofmeyer</i>
Pasadena DIST. 15, 16, 17	Terry Tornek
Pico Rivera DIST. 2, 18	Brent Tercero; <i>Gustavo Camacho</i>
Pomona DIST. 21	Tim Sandoval; <i>Ginna Escobar</i>
Rancho Palos Verdes DIST. 5, SBC	Jerry V. Duhovic <i>Susan Brooks</i>
Redondo Beach DIST. 5, SBC	Bill Brand; <i>Christian Horvath</i>
Rolling Hills DIST. 5	Leah Mirsch; <i>Patrick Wilson</i>
Rolling Hills Estates DIST. 5, SBC	Judith Mitchell <i>Velveth Schmitz</i>
Rosemead DIST. 15	Margaret Clark; <i>Sandra Armenta Lopez</i>
San Dimas DIST. 21, 22	Curtis W. Morris; <i>Denis Bertone</i>
San Gabriel DIST. 2, 15	Jason Pu; <i>Juli Costanzo</i>
San Marino DIST. 15, 16	Steven Huang <i>Gretchen Shepherd Romey</i>
Santa Clarita SCV	Marsha McLean; <i>Cameron Smyth</i>
SCV (2nd DIR)	Laurene Weste
Santa Fe Springs DIST. 18	Juanita A. Trujillo <i>William K. Rounds</i>
Sierra Madre DIST. 15	John Harabedian; <i>John Capoccia</i>
Signal Hill DIST. 3, 29	Lori Y. Woods; <i>Robert D. Copeland</i>
DIST. 29	Robert D. Copeland; <i>Keir Jones</i> Edward H. J. Wilson; <i>Tina Hansen</i>
South El Monte DIST. 15	Gloria Olmos; <i>Richard Angel</i>
South Gate DIST. 1, 2	Jorge Morales; <i>Maria Davila</i>
South Pasadena DIST. 16	Marina Khubesrian; <i>Robert S. Joe</i>
Temple City DIST. 15	Nanette Fish; <i>Cynthia Sternquist</i>
Torrance DIST. 5, SBC	Patrick J. Furey; <i>Geoff Rizzo</i>
Vernon DIST. 1, 2, 23	Melissa Ybarra
DIST. 1, 2	<i>William J Davis</i>
DIST. 23	Carol Menke; <i>Leticia Lopez; William J. Davis</i>
Walnut DIST. 21, 22	Nancy Tragarz; <i>Eric Ching</i>
West Covina DIST. 15, 21, 22	Lloyd Johnson; <i>Tony Wu</i>
West Hollywood DIST. 4	John D'Amico; <i>Lindsey P. Horvath</i>
Whittier DIST. 2, 15, 18	Joe Vinatieri; <i>Cathy Warner</i>

Alternate Directors in italics

Sanitation Districts of Los Angeles County

ORGANIZATION CHART

CHIEF ENGINEER & GENERAL MANAGER

Robert C. Ferrante

ASSISTANT CHIEF ENGINEER & ASSISTANT GENERAL MANAGER

Charles E. Boehmke

DEPARTMENTS & SECTIONS

ENGINEERING	FACILITIES PLANNING	FINANCIAL MANAGEMENT	HUMAN RESOURCES	SOLID WASTE MANAGEMENT	TECHNICAL SERVICES	WASTEWATER MANAGEMENT
Electrical & Instrumentation Design	Planning & Property Management	Accounting	Employee Benefits	Energy Recovery	Air Quality	Industrial Waste
Construction Management	Information Services	Budget & Finance	Employment Services	Fleet Management	Environmental Health & Safety	Joint Water Pollution Control Plant
Sewer Design	Information Technology	Purchasing	Payroll	Solid Waste Operations & Engineering	Laboratories	Wastewater Collection Systems
Structural, Geotechnical, & Architectural Design	Wastewater Planning				Reuse & Compliance	Water Reclamation Plants
Wastewater & Solid Waste Design					Wastewater Research	
					Water Quality	
					Legislative & Regulatory Programs	

ENGINEERING

Design and construction oversight of Sanitation Districts’ facilities

FACILITIES PLANNING

Long range planning, environmental review, environmental permitting, property management, information technology, public relations, security, facilities management, and document management

FINANCIAL MANAGEMENT

Budgeting, accounting, purchasing, revenue collection, and insurance

HUMAN RESOURCES

Hiring employees, payroll, benefits, and compliance with State and Federal employment laws

SOLID WASTE MANAGEMENT

Operation and maintenance of the solid waste management facilities and energy recovery facilities

TECHNICAL SERVICES

Water recycling, biosolids management, water and air permit compliance, research, laboratory processes, regulatory advocacy, and legislative advocacy

WASTEWATER MANAGEMENT

Operation and maintenance of wastewater management facilities and regulating industrial discharges to the Sanitation Districts’ sewer system

SANITATION DISTRICTS OF LOS ANGELES COUNTY



Converting Waste Into Resources



LEGEND

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

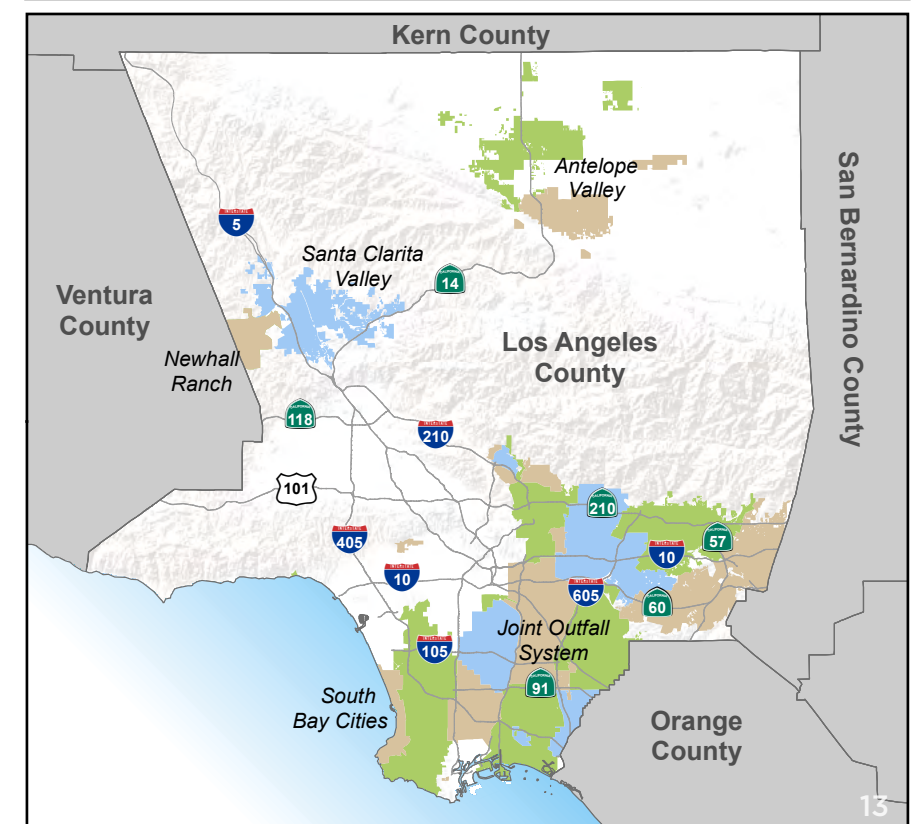


Revised Dec. 2019

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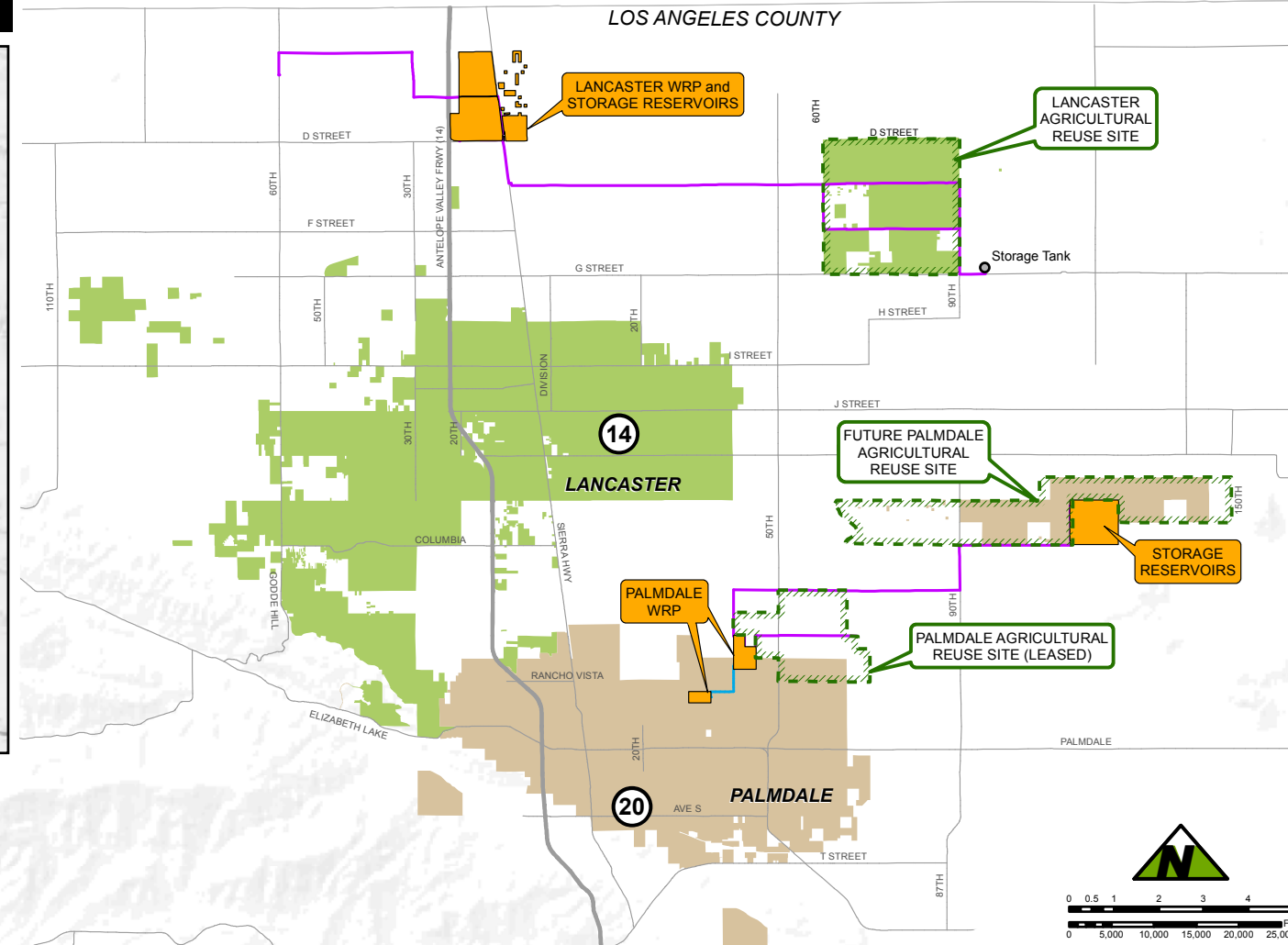
LOS ANGELES COUNTY VICINITY MAP



REGIONAL FACILITIES



**KERN COUNTY
LOS ANGELES COUNTY**

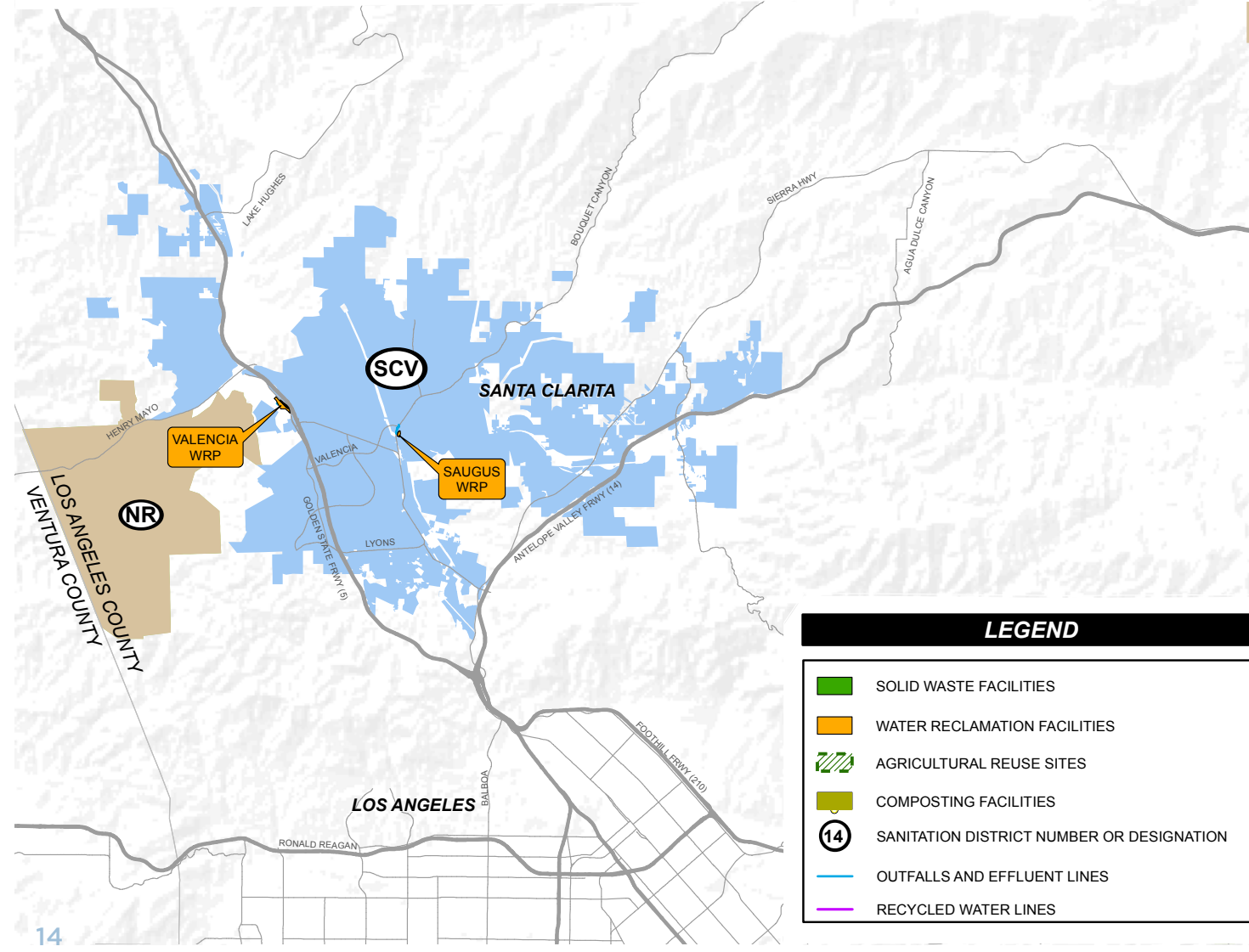
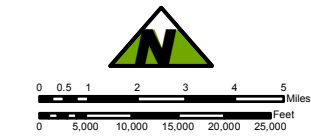


SOLID WASTE FACILITIES

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
- 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	11/17/1924	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	6/14/2006	Inactive	18.7	3	0	0.0	0	Inactive

Total			846.9	5,532,252	78	1,411.9	48	
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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, 2018

Christopher P. Morill

Executive Director/CEO



Serving a Growing Population

Two 6-mile tunnels, one completed in 1937 and the other in 1958, continue to convey cleaned water from JWPCP to ocean outfalls off of the Palos Verdes shoreline.

Tunnel construction crew from 1953.



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

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

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, 2019, 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, 2019, 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.

OFFICES: BEVERLY HILLS · CULVER CITY · SANTA MARIA

MEMBER AMERICAN INSTITUTE OF C.P.A.’S · CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS · CALIFORNIA ASSOCIATION OF SCHOOL BUSINESS OFFICIALS

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Changes in the Net Pension Liability and Related Ratios, Schedule of Pension Contributions, the Schedule of Changes in the Net Other Postemployment Benefits Liability and Related Ratios, and the Schedule of Other Postemployment Benefits Contributions, as listed in the table of contents, 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.

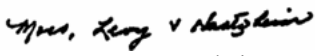
Other Information

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 and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such 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 combining and individual supplemental schedules are 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 November 15, 2019 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
November 15, 2019

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Management's Discussion and Analysis

June 30, 2019

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 at the beginning of the Introduction Section and the Districts' basic financial statements in the Financials Section.

Financial Highlights

- Service charge rate increases ranging from \$2-\$21 per single-family home were implemented for most Districts. A table of annual service charge rates by District is included in Schedule 8 in the Statistical Section.
- On November 9, 2018, the Woolsey Fire burned much of the Calabasas Landfill. Damaged or destroyed property included an office, irrigation wiring, and piping for landfill gas and condensate. Repairs were made by staff immediately after the fire in order to restore environmental systems and return the landfill to operation, and other repairs are ongoing. The Calabasas Landfill is operated by the Districts under a Joint Powers Agreement with the County of Los Angeles (see Note No. 2 to the Basic Financial Statements). Both the Districts and the County of Los Angeles hold insurance policies that combined with Federal Emergency Management Agency (FEMA) funds are anticipated to cover nearly all the costs of the damage.

In order to facilitate fire cleanup, the state granted an emergency waiver to increase daily tonnage limits and allow for increased hours of operation at the landfill. Calabasas received approximately 100,000 tons of ash/fire debris, nearly doubling the site revenue from the prior fiscal year.

- In response to increasingly stringent statewide recycling requirements and higher standards for quality imposed by foreign governments, mainly China, the Puente Hills Materials Recovery Facility (PHMRF) has installed a new sorting line that utilizes the latest technology to automate sorting and increase the quantity and quality of recycled materials. The new line is expected to be fully operational in January 2020 at a cost of approximately \$25 million.
- To help finance capital improvements, the Districts borrowed \$15.1 million in loans and received \$6.3 million in grants.
- The Districts' Investment Policies were amended to expand the Districts' options for investments and potentially increase interest earnings by allowing investment in A-rated medium-term corporate securities up to 10% of the District's funds, with no more than 2% in any single corporate A-rated entity.

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; and a bond disclosure section. The basic financial

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Management's Discussion and Analysis, Continued

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 outflow of resources, liabilities, and deferred inflow of resources, and net position. Increases or decreases in net position may serve as a useful indicator of the financial position of the Districts.
- **Statement of Revenues, Expenses, and Changes in Net Position** — Reports the Districts' revenues and expenses and resulting change in net position for the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement measures the Districts' operating and non-operating results 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, stormwater, and solid waste operations. The operations-level financial statements can be found immediately following the Required Supplemental Disclosures, which are found immediately following the Notes to Basic Financial Statements.

Financial Analysis of the Districts

Net Position

Condensed Statement of Net Position (In millions of dollars)

	FY 2019	FY 2018	Dollar Change	Total Percent Change
Current and Other Assets	\$ 2,550.8	\$ 2,396.9	\$ 153.9	6.4 %
Capital Assets, net	3,404.7	3,381.7	23.0	0.7
Total Assets	<u>5,955.5</u>	<u>5,778.6</u>	<u>176.9</u>	<u>3.1</u>
Deferred Outflow of Resources	<u>125.3</u>	<u>153.3</u>	<u>(28.0)</u>	<u>(18.3)</u>
Current Liabilities	177.6	164.7	12.9	7.8
Other Liabilities	962.2	979.0	(16.8)	(1.7)
Long-Term Debt	<u>630.8</u>	<u>688.5</u>	<u>(57.7)</u>	<u>(8.4)</u>
Total Liabilities	<u>1,770.6</u>	<u>1,832.2</u>	<u>(61.6)</u>	<u>(3.4)</u>
Deferred Inflow of Resources	<u>50.8</u>	<u>48.7</u>	<u>2.1</u>	<u>4.3</u>
Net Investment in Capital Assets	2,713.9	2,625.8	88.1	3.4
Restricted	466.0	511.9	(45.9)	(9.0)
Unrestricted	<u>1,079.5</u>	<u>913.3</u>	<u>166.2</u>	<u>18.2</u>
Total Net Position	\$ <u><u>4,259.4</u></u>	\$ <u><u>4,051.0</u></u>	\$ <u><u>208.4</u></u>	<u><u>5.1 %</u></u>

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Management's Discussion and Analysis, Continued

The investment in capital assets consists of net capital assets and deferred loss on refunding of debt, reduced by outstanding capital-related debt. Capital assets are used to provide services to residents and businesses; consequently, these assets are *not* available for future spending.

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

Revenues, Expenses, and Changes in Net Position

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

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

	FY 2019	FY 2018	Dollar Change	Total Percent Change
Operating Revenues:				
Industrial Waste Surcharge	\$ 71.3	\$ 67.1	\$ 4.2	6.3 %
Refuse Tipping Fees	137.9	107.0	30.9	28.9
Sale of Energy	19.1	24.9	(5.8)	(23.3)
Service Charges	375.5	365.4	10.1	2.8
Other	23.2	25.7	(2.5)	(9.7)
Total Operating Revenues	627.0	590.1	36.9	6.3
Operating Expenses:				
Depreciation	103.6	95.9	7.7	8.0
Operations & Maintenance	221.7	206.9	14.8	7.2
Salaries & Benefits	234.7	231.6	3.1	1.3
Other	25.4	18.2	7.2	39.6
Total Operating Expenses	585.4	552.6	32.8	5.9
Nonoperating Revenues/(Expenses):				
Interest Revenue	43.8	32.5	11.3	34.8
Taxes	82.7	77.4	5.3	6.8
Other	36.3	(22.3)	58.6	-
Interest Expense	(27.2)	(26.8)	(0.4)	1.5
Tax & Assessment Expense	(12.3)	(10.3)	(2.0)	19.4
Total Net Nonoperating Revenue	123.3	50.5	72.8	144.2
Income Before Capital				
Contribution Revenue	164.9	88.0	76.9	87.4
Capital Contribution Revenue	47.0	41.6	5.4	13.0
Beginning Net Position	4,051.0	4,128.3	(77.3)	(1.9)
Cumulative Effect of Change in				
Accounting Methods	0.0	(211.9)	211.9	-
Prior-Period Adjustment	(3.5)	5.0	(8.5)	(170.0)
Ending Net Position	\$ 4,259.4	\$ 4,051.0	\$ 208.4	5.1 %

Operating Revenues: 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

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Management's Discussion and Analysis, Continued

paid by users of the Districts' wastewater and solid waste facilities and collectively account for 93% of the Districts' operating revenue. Solid waste refuse tipping fees increased due to rate increases and disposal of ash/fire debris at the Calabasas Landfill.

Operating Expenses: Other operating expenses increased by 39.6% due to changes in the estimated costs of closure/postclosure costs and estimated pollution remediation costs.

Nonoperating Revenues/Expenses: An increase in the weighted composite yield earned on cash equivalents and investments, 1.95% in fiscal year 2018-2019 compared to 1.68% in fiscal year 2017-2018, resulted in an increase in interest revenue. Unrealized gains in market values of investments added to non-operating revenues in fiscal year 2018-2019, whereas unrealized losses in market values of investments decreased non-operating revenues in fiscal year 2017-2018.

Capital Analysis of the Districts

As of June 30, 2019, the Districts had nearly \$5.6 billion invested in a broad range of assets, as shown below:

Capital Assets (In millions of dollars)				
	FY 2019	FY 2018	Dollar Change	Total Percent Change
Buildings and Equipment	\$ 84.6	\$ 83.4	\$ 1.2	1.4 %
Capital Improvements	544.8	544.0	0.8	0.1
Composting Facility	122.8	122.1	0.7	0.6
Construction in Progress	404.1	450.6	(46.5)	(10.3)
Disposal Rights	91.8	88.6	3.2	3.6
Equipment Pool	66.6	67.1	(0.5)	(0.7)
Gas-to-Energy Facilities	217.4	217.4	0.0	0.0
Land	221.3	221.1	0.2	0.1
Other	51.5	50.1	1.4	2.8
Rail Facilities	110.4	54.1	56.3	104.1
Recycling and Transfer Stations	72.0	65.0	7.0	10.8
Treatment Plants	2,093.9	2,043.3	50.6	2.5
Trunk Lines	1,442.9	1,395.7	47.2	3.4
Use Rights	69.8	69.8	0.0	0.0
Subtotal	5,593.9	5,472.3	121.6	2.2
Less Accumulated Depreciation & Amortization	2,189.2	2,090.6	98.6	4.7
Net Capital Assets	\$ 3,404.7	\$ 3,381.7	\$ 23.0	0.7 %

Major capital asset projects that were completed and placed in operation during fiscal year 2018-2019 included the following:

- \$56.3 million – Puente Hills Intermodal Facility buildings and rail yard
- \$37.4 million – various trunk sewer rehabilitations
- \$39.2 million – various treatment plant modifications/upgrades

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Management's Discussion and Analysis, Continued

Expenditures to date of ongoing construction in progress of \$404.1 million as of June 30, 2019, included, in part, the following projects:

- \$136.6 million – various water reclamation and pumping plant modifications
- \$131.4 million – Puente Hills Intermodal Facility railroad improvements
- \$73.1 million – Clearwater Project plan, design, and construction
- \$23.1 million – various Districts' trunk sewer relief/rehabilitation projects
- \$19.4 million – Puente Hills Material Recovery Facility recycling modifications and additions
- \$9.8 million – Waste-by-Rail Disposal System development

Additional information regarding the Districts' capital assets can be found in Note No. 7 to the Basic Financial Statements.

2019-2020 Capital Spending Plan (In millions of dollars)

Capital Project	Amount Planned
Sewer Relief and Rehabilitation	\$ 59.1
Clearwater Tunnel	110.0
Pumping Plant and Water Reclamation Plant Improvements and Expansions	64.6
Intermodal Facility Development	5.7
Material Recovery/Transfer Station General Improvements	7.6
Flow Equalization for Water Reclamation Plant	16.6
Chloride Compliance	50.8
Power Distribution System Improvements	16.3
Biogas Conditioning	3.4
Administration and Miscellaneous Improvements	12.3
Sewage Disposal Contracts	2.6
Total	\$ 349.0

Outstanding Debt

During the fiscal year, the Districts' revenue bond and state loan obligations decreased by 7.3%.

Outstanding Debt (In millions of dollars)

	FY 2019	FY 2018	Dollar Change	Total Percent Change
Revenue Bonds	\$ 419.7	\$ 459.9	\$ (40.2)	(8.7) %
Clean Renewable Energy Bonds	4.2	5.6	(1.4)	(25.0)
State Water Resources Control Board Loans	276.1	289.5	(13.4)	(4.6)
Total Long-Term Debt	\$ 700.0	\$ 755.0	\$ (55.0)	(7.3) %

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Management's Discussion and Analysis, Continued

Revenue bond obligations and Clean Renewable Energy obligations decreased due to scheduled principal payments. State Water Resources Control Board obligations had a net decrease due to new obligations, net of scheduled principal payments.

Bond Debt Ratings As of June 30, 2019

	Standard & Poor's	Moody's Investor Service	Fitch Ratings
2011 Series A Senior Ad Valorem Obligation Bonds	AAA	Aa1	N/A
2013 Series A Senior Ad Valorem Obligation Bonds	AAA	Aa1	N/A
2015 Series A Subordinate Revenue Bonds	AA-	N/A	AA-
2016 Series A Revenue Bonds	A+	N/A	AA-

The 2008 Clean Renewable Energy 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 No. 8 to the Basic Financial Statements.

Currently Known Significant Facts

In June 2018, the Commerce Refuse to Energy Authority (CREA), a joint venture between District No. 2 and the City of Commerce, ceased operations at its sole refuse to energy facility in Commerce, California. In the fourth quarter of 2019, CREA sold the facility to the City of Commerce. Dissolution of CREA is expected by year end, and CREA's net position will be distributed based upon the capital accounts of the joint venture partners. As of June 30, 2019, only the Districts had a balance in its capital account.

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 Mr. Alan C. Nyberg, Chief Accountant, 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, 2019

Assets

Current assets:

Unrestricted cash and cash equivalents (note 3):	
Cash in bank	\$ 17,451,791
Cash on hand	49,046
Cash and cash equivalents	<u>502,010,640</u>
Total unrestricted cash and cash equivalents	<u>519,511,477</u>

Receivables:

Accounts, net (note 6)	46,728,048
Interest	10,720,241
Service charges	14,877,365
Taxes	<u>4,864,600</u>
Total receivables	<u>77,190,254</u>

Inventory	<u>20,843,398</u>
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Restricted/designated cash and investments (note 3):

Cash and cash equivalents	535,068,721
Specific investments	1,272,124,425
Bond proceeds with Trustee	
Cash and cash equivalents	<u>5,389</u>

Total restricted/designated cash and investments	<u>1,807,198,535</u>
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Other specific investments (note 3)	<u>75,294,424</u>
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Total current assets	<u>2,500,038,088</u>
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Long-term assets:

Investment in joint ventures (note 17)	50,710,307
Other assets	11,282

Capital assets (note 7):

Buildings & equipment	84,632,849
Improvements	544,822,379
Disposal rights	91,819,660
Equipment pool	66,577,230
Gas-to-energy facilities	217,400,934
Rail facilities	110,371,912
Recycling and transfer facilities	72,034,169
Treatment plants	2,093,940,473
Trunk lines	1,442,894,638
Use rights	69,779,636
Composting facilities	122,773,935
Other capital assets	51,516,618
Construction in progress	404,071,067
Land	221,276,298
Less accumulated depreciation/amortization	<u>(2,189,162,622)</u>

Net capital assets	<u>3,404,749,176</u>
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Total long-term assets	<u>3,455,470,765</u>
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Total assets	<u>\$ 5,955,508,853</u>
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Deferred Outflow of Resources

Deferred loss on refunding	\$ 9,107,331
Deferred pension contribution	90,464,345
Other postemployment benefit deferral	<u>25,681,125</u>

Total deferred outflow of resources	<u>\$ 125,252,801</u>
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Exhibit A-2
SANITATION DISTRICTS OF LOS ANGELES COUNTY
Statement of Net Position
June 30, 2019

Liabilities

Current liabilities:	
Accounts payable	\$ 50,418,411
Accrued employee absences (note 1J and 14)	27,000,000
Amounts held for others	7,165,517
Bonds payable (note 8)	37,564,400
Claims liabilities (note 9)	2,765,987
Estimated liability for closure/postclosure care (note 18)	12,066,000
Estimated liability for pollution remediation (note 19)	1,000,000
Interest payable	7,397,600
Loans payable to State of California (note 8)	31,596,530
Other	581,198
	<hr/>
Total current liabilities	177,555,643
	<hr/>
Long-term liabilities:	
Accrued employee absences (note 1J and 14)	11,075,381
Bonds payable, net (note 8)	386,343,324
Claims liabilities (note 9)	8,315,939
Estimated liability for closure/postclosure care (note 18)	301,202,408
Estimated liability for pollution remediation (note 19)	19,000,000
Loans payable to State of California (note 8)	244,465,543
Other postemployment benefits liability (note 12)	232,942,817
Pension liability (note 11)	389,687,698
	<hr/>
Total long-term liabilities	1,593,033,110
	<hr/>
Total liabilities	\$ 1,770,588,753
	<hr/>

Deferred Inflow of Resources

Other postemployment benefits deferrals (note 12)	\$ 4,761,494
Pension deferrals (note 11)	46,041,304
	<hr/>
Total deferred inflow of resources	\$ 50,802,798
	<hr/>

Net Position

Net position (note 1P):	
Net investment in capital assets	\$ 2,713,886,710
Restricted for capital projects	291,568,886
Restricted for closure/postclosure maintenance	127,318,492
Restricted for debt service	10,141,106
Restricted for site development	36,875,505
Unrestricted	1,079,579,404
	<hr/>
Total net position	\$ 4,259,370,103
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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, 2019

Operating revenues:	
Commodities	\$ 1,506,529
Contract revenue	20,918,917
Industrial waste surcharge	71,311,929
Refuse/food waste tipping fees	137,885,742
Sale of energy	19,150,639
Service charges (note 4)	375,530,576
Other	705,334
	<hr/>
Total operating revenues	627,009,666
	<hr/>
Operating expenses:	
Chemicals	34,986,440
Collection charges	1,323,891
Depreciation/amortization (note 7)	103,556,829
Insurance and claims	4,041,346
Landfill closure/postclosure costs (note 18)	4,436,122
Materials and supplies	32,099,075
Operations, repairs, and maintenance	24,887,869
Pollution remediation costs (note 19)	11,305,584
Salaries and benefits (notes 11 and 12)	234,717,160
Services	105,449,868
Tonnage	4,365,422
Utilities	24,231,094
	<hr/>
Total operating expenses	585,400,700
	<hr/>
Operating income	41,608,966
	<hr/>
Nonoperating revenues (expenses):	
Interest revenue	43,795,881
Investment in joint ventures	(966,611)
Taxes	82,675,846
Other nonoperating revenue	2,179,688
Amortization of bond premium	5,734,218
Amortization of deferred loss on refunding	(1,993,016)
Interest expense	(27,209,661)
Gain on sale of equipment/assets	883,923
Other nonoperating expense	(1,965,643)
Tax and assessment expense	(12,310,134)
Unrealized gain on investments	32,474,296
	<hr/>
Net nonoperating revenues	123,298,787
	<hr/>
Income before capital contribution revenue and transfers	164,907,753
	<hr/>
Capital contribution revenue:	
Connection fees	40,632,146
Capital grants	6,376,125
	<hr/>
Change in net position	211,916,024
	<hr/>
Total net position, July 1, 2018, as previously stated	4,051,009,327
	<hr/>
Prior-period adjustments (note 20)	(3,555,248)
	<hr/>
Total net position, July 1, 2018, as restated	4,047,454,079
	<hr/>
Total net position, June 30, 2019	\$ 4,259,370,103
	<hr/> <hr/>

See accompanying notes to basic financial statements.

Exhibit C
SANITATION DISTRICTS OF LOS ANGELES COUNTY
Statement of Cash Flows
Fiscal year ended June 30, 2019

Cash flows from operating activities:	
Receipts from customers and users	\$ 623,375,348
Payments to suppliers	(233,537,193)
Payments for salaries/benefits	(223,703,113)
Payments applied to closure/postclosure liability	(10,947,093)
	<hr/>
Net cash provided by operating activities	155,187,949
	<hr/>
Cash flows from noncapital financing activities:	
Receipts from property taxes	83,609,881
Other nonoperating receipts	1,594,094
Payments for tax and assessment	(10,041,875)
	<hr/>
Net cash provided by noncapital financing activities	75,162,100
	<hr/>
Cash flows from capital and related financing activities:	
Borrowings on loans	15,139,425
Purchases of capital assets	(126,568,002)
Connection fees proceeds	39,823,468
Grant proceeds	6,376,125
Interest paid on capital-related debt	(23,708,455)
Principal payments on bonds	(35,909,400)
Principal payments on loans	(30,941,181)
Proceeds from sale of assets/equipment	2,784,791
	<hr/>
Net cash used by capital and related financing activities	(153,003,229)
	<hr/>
Cash flows from investing activities:	
Interest received	36,786,516
Purchases of investments	(575,623,625)
Proceeds from maturities of investments	575,173,625
	<hr/>
Net cash provided by investing activities	36,336,516
	<hr/>
Net increase in cash and cash equivalents	113,683,336
	<hr/>
Cash and cash equivalents at beginning of fiscal year	940,902,251
	<hr/>
Cash and cash equivalents at end of fiscal year	\$ 1,054,585,587
	<hr/> <hr/>
Reconciliation of cash and cash equivalents at end of fiscal year:	
Unrestricted cash and cash equivalents	
Cash in bank	\$ 17,451,791
Cash on hand	49,046
Cash and cash equivalents	502,010,640
Restricted/designated cash and investments:	
Cash and cash equivalents	535,068,721
Bond proceeds with Trustee	
Cash and cash equivalents	5,389
	<hr/>
	\$ 1,054,585,587
	<hr/> <hr/>

(Continued on following page)

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements

June 30, 2019

(1) Organization and Summary of Significant Accounting Policies

(A) Description of the Reporting Entity

The Sanitation Districts of Los Angeles County are a confederation of 24 special districts created for the purpose of providing solid waste, wastewater, and stormwater management and disposal services within the County of Los Angeles. The accompanying basic financial statements include the activities of all 24 Districts. Each District is governed by a Board of Directors generally comprised of the presiding officers (typically the mayor) of the cities within each District's boundaries and the chair of the County Board of Supervisors for unincorporated territory. If there are only one or two jurisdictions within a District, additional members of the city council or County Board of Supervisors also sit on the District's Board of Directors. For purposes of control and daily management, the Districts are governed by a Joint Administration Agreement (see Note 2).

The Districts' accompanying basic financial statements also include the financial activities of the Los Angeles County Sanitation Districts Financing Authority. The 22 active Districts (Participating Districts) created the Financing Authority, 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 Participating Districts' Boards and the Financing Authority provides services entirely for the Participating 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, the financial information for these entities is not included in the accompanying basic financial statements.

(B) District Operations

The Districts' accounting records are maintained in a manner that facilitates compliance with the requirements and guidelines of the Controller of the State of California with whom an annual report is filed for each District as required by Section 53891 of the California Government Code.

(C) Basis of Presentation

The Districts use Enterprise Funds to account for three types of operations: (a) those 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 services to the general public on a continuing basis be financed or recovered primarily through user charges; (b) those 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) those that account for the financing of services provided by one District to other Districts, or to other governments, on a cost-reimbursement basis.

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

(D) Basis of Accounting

The Districts use the flow of economic resources measurement focus for accounting and financial reporting. Accordingly, all assets and liabilities are included in their respective statement of net position. Reported net position (total reported assets and deferred outflow of resources, less total reported liabilities and deferred inflow 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 Districts utilize the accrual basis of accounting, whereby revenues are recorded in the period earned and expenses are recorded in the period incurred, regardless of when cash is received or disbursed. As a result, operating 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 operations. The principal operating revenues are charges to customers for services, including service charges, industrial waste surcharges, 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.

The Districts operate various sub-funds:

<u>Classification</u>	<u>Purpose</u>
Sewerage Operations	To account for wastewater operations of the Districts, including debt service and capital improvement activities.
Stormwater Operations	To account for operations of the Districts' stormwater 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.

(E) Operating Budgets

Each year, the Districts' personnel prepare annual operating budgets for both the wastewater and solid waste systems. These annual budgets serve as a basis for monitoring financial progress and determining

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

future wastewater service charge rates and solid waste tipping fee 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 Wastewater Financial Reserve 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 based on market prices at the balance sheet date. 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 weighted average cost, which approximates first-in, first-out.

(H) Capital Assets

Outlays for capital assets, including property, plant, equipment, and construction in progress, are recorded at cost. Capital assets acquired by donation are recorded at fair market value at the time received. The Districts' capitalization threshold is \$5,000.

Depreciation - General

The accrual basis of accounting 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 active 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.

The gas-to-energy facilities, recycling and transfer facilities, and related capital improvements are depreciated over a 40-year period using the straight-line method.

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

Depreciation - Equipment

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

	<u>Useful Lives</u>
Heavy equipment such as dozers, graders, or cranes	6 to 15 years
On-highway transportation equipment	4 to 14 years
Marine equipment	20 years
Other equipment such as forklifts, compressors, generators, or pumps	6 to 15 years

Disposal Rights - Sewerage Operations

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

Amortization of Use Rights

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. Amortization is determined 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.

(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 placement of a final cover on landfill sites when they stop accepting waste and performance of certain maintenance and monitoring functions at the sites for 30 years after closure. GASB 18 requires the recognition of these costs ratably during the useful life of the landfill.

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 fully funded by the time the landfills stop accepting waste. The cumulative amounts recognized are reflected in the accompanying basic financial statements (see Note 18).

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

(J) Accrued Employee Absences - Service Operations

Vacation and sick leave pay is recorded as an expense when earned by Districts' employees. As of June 30, 2019, accrued vacation and sick leave aggregated \$38,075,381 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 (except those in management positions) earn an additional 40 hours of vacation. In addition, earned vacation leave can be accumulated for one or two years, depending on the employee's representation unit. Upon retirement or termination, monthly employees are paid for all unused accumulated vacation leave. The accrued liability is based upon the full amount of accumulated vacation leave. Hourly employees earn vacation leave based on the number of hours worked in accordance with Subsection 6.2A of the Districts' Salary Resolution.

Monthly employees earn eight 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 refunding of revenue bonds in 2011, 2013, 2015, and 2016 (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 outflow/inflow of resources related to pensions and pension expense, information about the fiduciary net position of the Districts' California Public Employees' Retirement System (CalPERS) 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 market value. For additional information, see Note 11.

(N) Other Postemployment Benefits (OPEB)

For purposes of measuring the net liability and deferred outflow/inflow of resources related to other postemployment benefits, information about the fiduciary net position of the Districts' California Employer's Retiree Benefit Trust Program (CERBT) (Plan) and additions to/deductions from the Plan's

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

fiduciary net position have been determined on the same basis as they are reported by CalPERS. For additional information, see Note 12.

(O) 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.

(P) Net Position

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation, 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.

(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 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 requires that revenues and expenses that can be readily identified by District shall be applied directly to that District. Except for some of the Districts that have a fixed percentage, indirect expenses are apportioned based upon the ratio of each District's sewage units to the sewage units within all Districts. A sewage unit represents the average 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 (Joint Outfall Districts). Under the terms of the Joint Outfall Agreement, they share in the joint ownership, use, and operations of certain trunk sewers, pumping plants, treatment plants, and ocean outfalls. The Joint Outfall Agreement specifies that the revenue and expenses from these activities be proportioned to each District based upon of the ratio of each District's sewage units to the sewage units within all Joint Outfall Districts.

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

Joint Powers Agreements with Los Angeles County

The Districts maintain and operate the Calabasas, Mission Canyon, Palos Verdes, and Scholl Canyon landfills on behalf of the County of Los Angeles (County). Each landfill is governed by a separate Joint Powers Agreement (JPA) between District No. 2 and the County whereby operations and maintenance expenses are financed by revenues derived from each facility (i.e., at no cost to the Districts).

Additionally, the County and 15 of the Joint Outfall Districts participate in a fifth JPA that establishes the Los Angeles County Refuse Disposal Fund and the Los Angeles County Refuse Disposal Equipment Pool. These funds, together with the four County-owned landfills, are collectively reported as the 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's provide that money 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, its JPA 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 County of Los Angeles, through its Financing Authority, issued \$38.5 million of lease revenue bonds to be used for improvements at Calabasas Landfill. 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.

Sanitation Districts Solid Waste Management System Agreement

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

Joint Exercise of Powers Agreement

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

(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

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

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.

Fair Value of Investments. The Districts measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. All debt securities have been valued using prices quoted in active markets for those securities.

As of June 30, 2019, the Districts had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less Than 1	1-3	4-5
U.S. Agency Securities	\$ 1,026,267,755 (1)	559,130	899,005,132	126,703,493
AA-Rated Medium Term Corporate Notes	296,246,094	201,043,014	58,324,080	36,879,000
A-Rated Medium Term Corporate Notes	24,905,000	-	-	24,905,000
Los Angeles County Pooled Surplus Investment Fund	1,025,019,908	1,025,019,908	-	-
U.S. Bank Commercial Paper	12,059,453	12,059,453	-	-
First American Government Obligation Mutual Fund	5,389	5,389	-	-
	\$ 2,384,503,599	1,238,686,894	957,329,212	188,487,493

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

Quarterly	\$ 885,090,198
Continuously	594,300
Semi-annually beginning May 2021	99,639,235

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, 2019, the Districts' investment in U.S. Bank Commercial Paper was rated A-1+ by Standard & Poor's and P-1 by Moody's Investors Service. The Districts' investment in the First American Government Obligation Mutual Fund was rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. The Districts' investment in United States Agency securities was rated AA+ at the time of purchase by Standard & Poor's and Aaa by Moody's Investors Service. The Districts' investments in Corporate Bonds were rated A or better at the time of purchase by Standard & Poor's, Moody's Investors Service, or Fitch Ratings. The Los Angeles County Pooled Surplus Investment Fund is not rated.

Concentration of Credit Risk. The investment policies for District Nos. 17, 27, and Newhall Ranch Sanitation District prescribe that all investments are subject to the conditions and limits as set forth in the Los Angeles County Investment Policy. The remaining Districts' investment policies further restrict

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

the concentration of investments in any one United States Agency to no more than 60% of a District's funds. These Districts' policies allow for investments in medium-term AAA-rated, AA-rated, and A-rated corporate and depository institution debt securities with original maturities of five years or less. No individual medium-term AAA-rated or AA-rated security may exceed 10% of a District's funds. No individual medium-term A-rated security may exceed 2% of the District's funds. All medium-term A-rated securities in aggregate may not exceed 10% of a District's funds, and all medium and short-term investments in aggregate may not exceed 20% of a District's funds.

Investments by fair value level	Value	Fair Value Measurement Using		
	6/30/2019	Level 1	Level 2	Level 3
Debt Securities:				
U.S. Agency Securities	\$ 1,026,267,755	1,026,267,755	-	-
AA-Rated Corporate Notes	296,246,094	296,246,094	-	-
A-Rated Corporate Notes	24,905,000	24,905,000	-	-
	<u>\$ 1,347,418,849</u>	<u>1,347,418,849</u>	<u>-</u>	<u>-</u>

The Districts' cash, cash equivalents, and specific investments at June 30, 2019, are classified on the accompanying statement of net position as follows:

Unrestricted cash and cash equivalents	\$ 502,010,640
Restricted/designated cash equivalents and specific investments	1,807,198,535
Other specific investments	<u>75,294,424</u>
	2,384,503,599
Cash in bank	17,451,791
Cash on hand	<u>49,046</u>
	<u>\$ 2,402,004,436</u>

Restricted cash, cash equivalents, and specific investments are defined as funds that have been established to comply with restrictions that have been imposed externally through law, administrative action, or contractual agreements. Restricted funds can only be used for the purpose for which they were established until the restrictions are removed by the party that imposed them or the contractual agreement that created them has expired.

Designated cash, cash equivalents, and specific investments are defined as funds for which the Districts' Boards have imposed restrictions on the use of the funds for specific purposes such as capital facilities, land acquisition, and repair/replacement of existing assets. The Board may designate these purposes either through specific action or through approval of the annual budget. These funds have no legal constraints and each District's Board has the discretion to amend the actual or intended use of these funds.

Cash, cash equivalents, and specific investments that do not meet the definition of restricted or designated are classified as unrestricted.

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

The total restricted and designated cash, cash equivalents, and specific investments are comprised of the following at June 30, 2019:

	Fund Type	Cash and Cash Equivalents	Specific Investments	Total
Bond Proceeds with Trustee	Restricted	\$ 5,389	-	5,389
Capital Improvement	Restricted	258,617,431	333,576,396	592,193,827
Capital Projects Financial Stability	Designated	72,879,768	141,857,672	214,737,440
Closure/Postclosure Reserves	Restricted	53,956,679	361,363,146	415,319,825
Corrective Action	Restricted	468,292	2,860,385	3,328,677
Emergency	Designated	13,472,326	-	13,472,326
Vacation/Sick Leave	Designated	24,074,771	-	24,074,771
Liability Reserve	Designated	1,607,533	16,427,854	18,035,387
O&M Financial Stability	Designated	54,196,267	169,297,314	223,493,581
Other	Both	10,286,993	-	10,286,993
Site Development	Restricted	33,806,093	3,069,412	36,875,505
State Loan Reserves	Restricted	931,806	9,209,300	10,141,106
Backup Post Closure Reserve *	Designated	10,770,762	234,462,946	245,233,708
		<u>\$ 535,074,110</u>	<u>1,272,124,425</u>	<u>1,807,198,535</u>

*The fund was changed from Waste by Rail Cost Transition to meet CalRecycle pledge of revenue requirements.

Cash in Bank

At June 30, 2019, the Districts' cash in bank deposits was \$17,451,791. 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, 2019, the Districts had imprest cash funds in the amount of \$49,046.

Cash and Cash Equivalents

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

Cash equivalents consist of investments in U.S. Bank Commercial Paper and First American Government Obligation Mutual 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

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

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, AA-rated medium-term corporate notes, and A-rated medium-term corporate notes.

Bond Funds 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 these funds amounted to \$5,389.

At June 30, 2019, all monies are invested in First American Government Obligation Mutual Fund, as permitted by the bond indentures.

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, 2019, the Districts recorded the following service charge revenues:

<u>District</u>	<u>Amount</u>
District 1	\$ 26,708,265
District 2	37,838,265
District 3	30,526,085
District 4	3,822,786
District 5	41,675,866
District 8	10,891,709
District 9	83,681
District 14	32,027,678
District 15	29,674,074
District 16	17,584,725
District 17	2,338,518
District 18	21,242,101
District 19	6,830,274
District 20	24,681,544
District 21	25,710,620
District 22	20,358,344
District 23	404,580
District 28	651,021
District 29	1,933,232
Joint Outfall	98
Santa Clarita Valley	33,743,189
South Bay Cities	6,803,921
	<u>\$ 375,530,576</u>

(5) Property Taxes

The County is permitted by the California Constitution (Proposition 13) to levy taxes on real property up to one percent of full cash value (determined at time of purchase) and subsequent assessed values may increase no more than two percent per year unless there is a change in ownership or completion of new construction. The Districts receive a share of these tax revenues in accordance with provisions of Section 26912 of the Government Code and Section 95-100 of the Revenue and Taxation Code.

Taxes Become a Lien

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

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

property. Tax levies cover the fiscal year period July 1 to June 30; for instance, the 2018 tax levy is for the fiscal year 2018-2019.

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 become delinquent if payment is not made or postmarked by December 10; and taxes due on February 1 become delinquent if payment is not made or postmarked by April 10. If December 10 or April 10 fall on Saturday, Sunday, or a legal holiday, the delinquency date is extended to the next business day. The entire tax on real property may be paid with the first installment.

Unsecured personal property taxes are not a lien against real property and are due on the first of January each year. These taxes become delinquent if not paid or postmarked by August 31. If August 31 falls on Saturday, Sunday, or a legal holiday, the delinquency date is extended to 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:

	<u>2019</u>	<u>2018</u>
Sale of commodities	\$ 52,602	287,830
Sale of energy	3,959,066	4,863,499
Industrial waste surcharge	23,401,170	19,380,840
Tipping fees, net of allowance	11,598,393	8,405,050
Other	7,716,817	3,851,339
Total accounts receivable	<u>\$ 46,728,048</u>	<u>36,788,558</u>

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, 2019 was as follows (in thousands):

	<u>June 30, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2019</u>
Capital assets, not being depreciated:				
Construction in progress (see note 16)	\$ 450,612	87,993	(134,534)	404,071
Land	221,083	2,693	(2,500)	221,276
Total capital assets, not being depreciated	<u>671,695</u>	<u>90,686</u>	<u>(137,034)</u>	<u>625,347</u>
Capital assets, being depreciated or amortized:				
Buildings and equipment	83,388	1,245	-	84,633
Capital improvements	544,036	787	-	544,823
Composting facility	122,118	656	-	122,774
Disposal rights	88,639	3,180	-	91,819
Equipment pool	67,092	5,802	(6,317)	66,577
Gas-to-energy facilities	217,401	-	-	217,401
Other	50,076	1,440	-	51,516
Rail facilities	54,061	56,311	-	110,372
Recycling and transfer facilities	65,003	7,031	-	72,034
Treatment plants	2,043,361	50,579	-	2,093,940
Trunk lines	1,395,709	47,186	-	1,442,895
Use rights	69,780	-	-	69,780
Total capital assets, being depreciated or amortized	<u>4,800,664</u>	<u>174,217</u>	<u>(6,317)</u>	<u>4,968,564</u>
Accumulated depreciation and amortization:				
Buildings and equipment	(49,699)	(2,407)	-	(52,106)
Capital improvements	(443,587)	(3,395)	-	(446,982)
Composting facility	(9,827)	(3,083)	-	(12,910)
Disposal rights	(38,846)	(2,157)	-	(41,003)
Equipment pool	(33,038)	(4,992)	5,022	(33,008)
Gas-to-energy facilities	(134,863)	(5,021)	-	(139,884)
Other	(20,525)	(1,700)	-	(22,225)
Rail facilities	-	(3,402)	-	(3,402)
Recycling and transfer facilities	(22,191)	(2,621)	-	(24,812)
Treatment plants	(745,743)	(52,696)	-	(798,439)
Trunk lines	(565,657)	(22,021)	-	(587,678)
Use rights	(26,651)	(62)	-	(26,713)
Total accumulated depreciation and amortization	<u>(2,090,627)</u>	<u>(103,557)</u>	<u>5,022</u>	<u>(2,189,162)</u>
Total capital assets, being depreciated, net	<u>2,710,037</u>	<u>70,659</u>	<u>(1,294)</u>	<u>2,779,402</u>
Total capital assets, net	<u>\$ 3,381,732</u>	<u>161,345</u>	<u>(138,328)</u>	<u>3,404,749</u>

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:

Sewerage Operations	\$	80,196,288
Solid Waste Facilities Operations		4,426,110
Trustee Solid Waste Operations		4,890,070
Service Operations		<u>14,044,361</u>
Total depreciation and amortization expense	\$	<u><u>103,556,829</u></u>

(8) Long-Term Debt

Revenue Bonds-Other Debt

In July 2011, the Financing Authority issued \$130,615,000 of 2011 Series A Capital Projects Senior Ad Valorem Obligation Bonds (2011 Series A Bonds). The proceeds of the 2011 Series A Bonds were used 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 March 2017, Standard & Poor's upgraded its rating of the 2011 Series A Bonds to AAA from AA+.

In July 2013, the Financing Authority issued \$107,620,000 of 2013 Series A Capital Projects Senior Ad Valorem Obligation Bonds (2013 Series A Bonds). The proceeds of the 2013 Series A Bonds were used 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 March 2017, Standard & Poor's upgraded its rating of the 2013 Series A Bonds to AAA from AA+.

In July 2015, the Authority issued \$149,940,000 of 2015 Series A Capital Projects District No. 14 Subordinate Revenue Bonds (2015 Series A Bonds). The proceeds of the 2015 Series A Bonds were used to refund and defease the Authority's outstanding 2005 Series B Subordinate 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%. In March 2017, Standard & Poor's upgraded its rating of the 2015 Series A Bonds to AA- from A+.

In November 2016, the Authority issued \$170,265,000 of 2016 Series A Capital Projects District No. 20 Revenue Bonds (2016 Series A Bonds). The proceeds of the 2016 Series A Bonds were used to refund all of the Authority's outstanding 2005 Series A Bonds, refund all of the Authority's outstanding 2007 Series A Bonds, refinance certain improvements to the Sewerage System of District No. 20 by prepaying in full District No. 20's outstanding Clean Water State Revolving Fund Loan, and pay 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.

The bonds are secured by a pledge of revenue and a covenant to set rates sufficient to make all bond obligation payments, including operation and maintenance costs, and that net revenues will at least equal the sum of (a) 120% of debt service on senior obligations for such fiscal year, and (b) 110% of debt service on subordinate obligations for such fiscal year.

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

Revenue bond debt obligations contain provisions providing: (a) if one or more Districts fail to pay installment obligations, then each non-defaulting District is obligated to pay an additional amount up to 20% of the amount payable by the non-defaulting District; (b) in the event of default by all Districts, any and all amounts related to the defaulted obligation become immediately due and payable; and (c) if an individual District is in default of any senior obligation, including state loans, all amounts due and payable with respect to such senior obligation become immediately due and payable.

Bonds-Direct Placement

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

The indenture and related agreements (Agreements) executed in conjunction with the issuance of the CREB's contain provisions to accelerate payment of outstanding principal and interest if an event of default occurs and is not cured within 30 days. Events of default include the failure to timely pay principal and interest payments, violation of any of the Agreements' covenants, or the filing of a petition or answer by the Financing Authority seeking arrangement or reorganization under the federal bankruptcy laws. There is also a provision in the Agreements for the Financing Authority to make an additional payment to the bond holders if the Financing Authority's action or inaction results in the CREB's losing their Clean Renewable Energy Bond status as defined by Section 54 of the Internal Revenue code. This additional payment would equal to the amount required to result in an effective yield of 7.7229% to the affected bond owners. To date, there has not been an event of default, and the CREB's have not lost their CREB status with the IRS.

The CREB's are secured by a pledge of funds designated for CREB repayment.

Total Bond Indebtedness

The Districts' bond indebtedness is summarized as follows:

		Balance at			Balance at	Due Within
		June 30, 2018	Additions	Redemptions	June 30, 2019	One Year
2008 Series A	Direct Placement	\$ 5,617,590	-	(1,404,400)	4,213,190	1,404,400
2011 Series A	Revenue Bonds	100,360,000	-	(25,210,000)	75,150,000	26,390,000
2013 Series A	Revenue Bonds	12,870,000	-	(2,945,000)	9,925,000	3,095,000
2015 Series A	Revenue Bonds	139,535,000	-	(3,095,000)	136,440,000	3,255,000
2016 Series A	Revenue Bonds	167,140,000	-	(3,255,000)	163,885,000	3,420,000
		\$ 425,522,590	-	(35,909,400)	389,613,190	37,564,400
Plus unamortized premium		40,028,752	-	(5,734,218)	34,294,534	-
Bonds payable, net		\$ 465,551,342	-	(41,643,618)	423,907,724	37,564,400

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

Total Bond Debt Outstanding

The annual requirements to satisfy all bond debt outstanding as of June 30, 2019, are as follows:

Fiscal year ending June 30:	Revenue Bonds		Direct Placements		Total	
	Interest	Principal	Interest	Principal	Interest	Principal
2020	\$ 17,367,821	36,160,000	43,887	1,404,400	17,411,708	37,564,400
2021	15,555,508	37,930,000	26,332	1,404,400	15,581,840	39,334,400
2022	14,184,695	17,389,990	8,777	1,404,400	14,193,472	18,794,390
2023	13,375,744	15,370,000	-	-	13,375,744	15,370,000
2024	12,607,644	16,135,000	-	-	12,607,644	16,135,000
2025-2029	54,562,720	56,610,000	-	-	54,562,720	56,610,000
2030-2034	37,024,920	89,805,000	-	-	37,024,920	89,805,000
2035-2039	14,335,360	75,315,000	-	-	14,335,360	75,315,000
2040-2044	3,336,100	40,685,000	-	-	3,336,100	40,685,000
	\$ 182,350,512	385,399,990	78,996	4,213,200	182,429,508	389,613,190
Unamortized premium	-	34,294,534	-	-	-	34,294,534
Bonds payable, net	\$ 182,350,512	419,694,524	78,996	4,213,200	182,429,508	423,907,724

State Water Resources Control Board-Direct Borrowing

The Districts also have state revolving fund loans payable to the State Water Resources Control Board, issued at rates ranging from 1.7% to 2.8%. 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.

Loans are secured by a pledge of net revenue, as well as the operating and state loan reserve funds. The loans contain provisions that if any participating District fails to make scheduled payments, the State may assess penalties and proceed with legal action to enforce remedies. Further, a default in any senior loan payment may result in accelerated revenue bond payments. As of June 30, 2019, undrawn credit of \$14,593,559 was available for the San Jose Creek East Flow Equalization loan.

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

Description	Balance at	Drawdowns/		Balance at	Due Within
	July 1, 2018	Capitalized Interest	Redemptions	June 30, 2019	One Year
Alamitos Pumping Plant Force Main No. 2	\$ 751,946	-	44,432	707,514	45,188
Biological Reactors/Secondary Clarifiers	30,290,101	-	5,774,130	24,515,971	5,912,709
Central Odor Control System	4,018,695	-	574,099	3,444,596	574,099
Cryogenic Oxygen Generation	6,006,445	-	1,201,289	4,805,156	1,201,289
Digestion Tanks 17-23	15,951,697	-	2,658,616	13,293,081	2,658,616
Environmental Laboratory Building	2,891,203	-	481,867	2,409,336	481,867
Fuel Gas Compressor Upgrade	184,067	-	36,813	147,254	36,813
Heat Recovery Steam Generation Equipment	1,952,614	-	216,957	1,735,657	216,957
High-Speed Scroll Centrifuges Purch & Install	1,626,067	-	232,295	1,393,772	232,295
Install of Secondary Infl Pumping Equip Stg II	567,895	-	81,128	486,767	81,128
Installation of Secondary Influent Pumping Equip	1,189,675	-	237,935	951,740	237,935

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

Description	Balance at July 1, 2018	Drawdowns/ Capitalized Interest	Redemptions	Balance at June 30, 2019	Due Within One Year
JO "A" Unit 1A - Dist 5 Interceptor Trunk Sewer	\$ 11,323,930	-	524,185	10,799,745	535,193
JO "A" Unit 6 Rehabilitation	9,872,596	1,979,965	-	11,852,561	327,154
JO "B" Unit 1A Rehabilitation	9,556,071	748,496	273,066	10,031,501	270,498
JO "D" Units 7&8 Rehabilitation	6,818,065	2,026,698	247,889	8,596,874	231,813
Lancaster - Rosamond Outfall & TS, Phase 1	3,598,725	-	364,465	3,234,260	372,847
Lancaster - Rosamond Outfall & TS, Phase 2	6,252,622	-	633,241	5,619,381	647,805
Lancaster - Rosamond Outfall & TS, Phase 3	5,735,640	-	580,883	5,154,757	594,243
Lancaster WRP Stage V Expansion	57,104,541	-	3,433,701	53,670,840	3,522,980
Long Beach Main PP Facility Upgrades	40,231,372	2,844,341	1,826,582	41,249,131	1,823,007
Long Beach WRP Aeration System	115,160	-	23,032	92,128	23,032
Long Beach WRP Ammonia Addition Station	312,824	-	52,137	260,687	52,137
Long Beach WRP NDN Facilities	2,375,837	-	237,584	2,138,253	237,584
Long Beach WRP NDN Facilities Equip. Purch.	168,158	-	33,632	134,526	33,632
Los Coyotes WRP Ammonia Addition Station	453,224	-	75,537	377,687	75,537
Los Coyotes WRP Interceptor Sewer Rehab Phase II	8,827,328	-	575,848	8,251,480	591,396
Los Coyotes WRP NDN Facilities	8,769,410	-	876,941	7,892,469	876,941
Modification of Biological Reactors	12,706,868	-	1,994,257	10,712,611	2,042,120
Modifications of Electrical Power	1,018,452	-	203,690	814,762	203,690
Pomona WRP NDN Facilities	1,849,329	-	308,222	1,541,107	308,222
Pomona WRP NDN Facilities Equip. Purch.	68,481	-	11,413	57,068	11,413
Power Generation Equipment Purchase	3,261,222	-	652,244	2,608,978	652,244
Power Generation Steam Turbine Generator	1,454,962	-	161,662	1,293,300	161,662
Primary Screenings and Grit Dewatering Fac.	2,930,861	-	586,172	2,344,689	586,172
Primary Tank Covers	884,252	-	213,262	670,990	218,380
Purch of Secondary Infl Pump Station Equip	3,834,174	-	547,739	3,286,435	547,739
Relocating and Installing High-Speed Centrifuge	527,264	-	105,453	421,811	105,453
San Jose Creek East Flow Equalization	7,127,904	7,543,958	-	14,671,862	-
San Jose Creek WRP NDN Fac. Equip Purch	537,726	-	76,818	460,908	76,818
San Jose Creek WRP NDN Facilities	3,656,072	-	522,296	3,133,776	522,296
Saugus WRP Equipment Purchases	623,909	-	89,130	534,779	89,130
Secondary Effluent Pumps	365,425	-	69,382	296,043	71,186
Silo Odor Control Facilities, Phase I	2,084,267	-	347,378	1,736,889	347,378
Silo Odor Control Facilities, Phase II	1,310,151	-	163,769	1,146,382	163,769
Valencia WRP Solids Processing Expansion	1,075,183	-	537,591	537,592	537,591
Valencia WRP Stage V Expansion	352,568	-	70,514	282,054	70,514
Valencia WRP Stage V	13,966,416	-	2,327,736	11,638,680	2,327,736
Valencia WRP Steam Boiler Upgrade	3,624,282	-	199,014	3,425,268	202,398
Waste Activated Sludge Thickening Expansion	1,047,761	-	209,552	838,209	209,552
Whittier Narrows WRP NDN Facilities	2,592,301	-	216,025	2,376,276	216,025
Wright Road Trunk Sewer Repair	450,607	-	29,578	421,029	30,347
	<u>\$ 304,296,345</u>	<u>15,143,458</u>	<u>30,941,181</u>	<u>288,498,622</u>	<u>31,596,530</u>
Less unamortized discount	<u>(14,796,307)</u>	<u>-</u>	<u>(2,359,758)</u>	<u>(12,436,549)</u>	<u>-</u>
Loans payable to State, net	<u>\$ 289,500,038</u>	<u>15,143,458</u>	<u>28,581,423</u>	<u>276,062,073</u>	<u>31,596,530</u>

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

The annual debt service requirements as of June 30, 2019, for the Districts' indebtedness to the State are as follows:

Fiscal year ending June 30:	Interest	Principal	Total
2020	\$ 6,757,443	31,596,530	38,353,973
2021	6,281,921	31,444,692	37,726,613
2022	6,129,048	32,236,228	38,365,276
2023	5,694,359	32,435,326	38,129,685
2024	4,697,216	22,933,208	27,630,424
2025-2029	12,573,484	61,007,976	73,581,460
2030-2034	5,716,424	41,806,039	47,522,463
2035-2039	2,327,380	16,838,659	19,166,039
2040-2044	1,290,956	8,530,889	9,821,845
2045-2049	526,391	8,476,459	9,002,850
2050-2054	31,825	1,192,616	1,224,441
	\$ 52,026,447	288,498,622	340,525,069
Unamortized discount	-	(12,436,549)	(12,436,549)
Loans payable to State, net	\$ 52,026,447	276,062,073	328,088,520

(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 also considered.

The Districts are self-insured for workers' compensation benefits. As of June 30, 2019, the liability for workers' compensation claims was estimated at \$11,081,926. Accordingly, this amount has been accrued in the accompanying basic financial statements.

At June 30, 2019, there were no reportable claims other than workers' compensation benefits as follows:

	2019	2018
Unpaid claims, beginning of fiscal year	\$ 11,146,212	11,619,581
Incurred claims	2,627,432	2,187,567
Claim payments	(2,691,718)	(2,660,936)
Unpaid claims, end of fiscal year	\$ 11,081,926	11,146,212
Due within one year	\$ 2,765,987	\$ 2,784,649

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

The Districts are insured for a variety of potential exposures. The following is a summary of the insurance policies carried by the Districts as of June 30, 2019:

Coverage	Facility	Limits
General Liability (excess coverage)	All, includes excess auto liability coverage \$	25,000,000
	Annual Earth Day event	1,000,000
	Drones-Unmanned Aerial Vehicles	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	495,368,542
Crime policy-Employee theft	All employees	5,000,000
Marine-vessel value plus instrumentation	1989 66-foot Ocean Sentinel	500,000
	1988 25-foot Farallon Vessel	45,000
	1976 19-foot Boston Whaler	2,500
Marine-protection and indemnity		1,000,000
All risks-Real and personal	Combined single limit/	
Property	Gas-to-energy facilities	100,000,000
Earthquake and flood	Gas-to-energy facilities	30,000,000
Business interruption	Puente Hills energy recovery from gas	16,332,000
Extra expense		24,250,000
Pollution legal liability	Wastewater system	5,000,000
Fiduciary liability-deferred compensation program		1,000,000

(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

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 (State). Benefit provisions and all other requirements are established by State statute. CalPERS issues an annual report that includes financial

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

statements and required supplementary information. That report may be obtained from the CalPERS web site at www.calpers.ca.gov or by calling 888-CalPERS (or 888-225-7377).

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 (or age 52 if hired on or after January 1, 2013) 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: 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, 2019, are summarized as follows:

	<u>Miscellaneous</u>	
	<u>Prior to January 1, 2013</u>	<u>On or after January 1, 2013</u>
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	7.000%	5.750%

The required employer blended contribution rate is 7.372%.

Employees Covered

The following employees were covered by the benefit terms for each Plan as of June 30, 2018, the date of the latest actuarial valuation:

Inactive employees or beneficiaries currently receiving benefits	1,626
Inactive employees or beneficiaries entitled to but not yet receiving benefits	495
Active employees not receiving benefits	<u>1,629</u>
	<u>3,750</u>

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that employer contribution rates for all public employers be determined annually based on an actuarial study 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.

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

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, 2018, using an annual actuarial valuation as of June 30, 2017, rolled forward to June 30, 2018, using standard actuarial methods. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Valuation date	June 30, 2017
Measurement date	June 30, 2018
Actuarial cost method	Entry-age Normal Cost Method
Actuarial assumptions	
Discount rate	7.15%
Inflation	2.75% per annum
Payroll growth	3.00%
Projected salary increases	Varies by entry age and service
Investment rate of return	7.50%, net of investment expenses, including inflation
Mortality	Derived by using CalPERS membership data for all funds

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2017, valuation were based on 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more information, please refer to the December 2017 experience study report that can be found on the CalPERS website.

Discount Rate and Rate of Return

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which 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+ 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 rounded 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 equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

The table below reflects the expected real rates of return by asset class.

Asset Class	New Strategic Allocation	Real Return Years 1-10 (a)	Real Return Years 11+ (b)
Global Equity	50%	4.80%	5.98%
Global Fixed Income	28%	1.00%	2.62%
Private Equity	8%	6.30%	7.23%
Real Estate	13%	3.75%	4.93%
Liquidity	1%	0.00%	-0.92%
	100%		

(a) Expected inflation of 2.0% used for this period

(b) Expected inflation of 2.92% used for this period

Changes in the Net Pension Liability

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

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2018 ⁽¹⁾	\$ 1,720,704,098	1,303,718,232	416,985,866
Changes in the year:			
Service cost	24,400,248	-	24,400,248
Administrative expenses	-	(2,031,552)	2,031,552
Interest on the total pension liability	119,153,767	-	119,153,767
Difference between expected and actual experience	(16,743,416)	-	(16,743,416)
Changes in assumptions	(10,317,430)	-	(10,317,430)
Contributions-employer	-	29,347,050	(29,347,050)
Contributions-employee (paid by employer)	-	11,175,795	(11,175,795)
Net investment income	-	109,161,181	(109,161,181)
Other miscellaneous income/(expense)	-	(3,861,137)	3,861,137
Benefit payments, including refunds	(78,714,273)	(78,714,273)	-
Net Changes	37,778,896	65,077,064	(27,298,168)
Balance at June 30, 2019 ⁽²⁾	\$ 1,758,482,994	1,368,795,296	389,687,698

⁽¹⁾ Measurement date June 30, 2017

⁽²⁾ Measurement date June 30, 2018

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

	1% Decrease	Current Rate	1% Increase
Discount Rate	6.15%	7.15%	8.15%
Net pension liability	\$ 620,700,642	389,687,698	197,780,059

Pension Plan Fiduciary Net Position

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

Pension Expenses and Deferred Outflow/Inflow of Resources

For the fiscal year ended June 30, 2019, the Districts recognized pension expense of \$39,223,532. At June 30, 2019, the Districts reported deferred outflow of resources and deferred inflow of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Pension contributions subsequent to measurement date	\$ 34,883,096	-
Changes in assumptions	52,174,253	(10,983,657)
Difference between expected and actual experiences	-	(35,057,647)
Net difference between projected and actual pension plan investments	3,406,996	-
Total	\$ 90,464,345	(46,041,304)

Deferred outflow of resources of \$34,883,096 are related to contributions made subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2020. Other amounts reported as deferred outflow of resources and deferred inflow of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Pension Expense
2020	\$ 18,264,914
2021	11,896,390
2022	(15,205,199)
2023	(5,416,160)
Total	\$ 9,539,945

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

Payable to the Pension Plan

The Districts did not have an outstanding amount due for required contributions to the pension plan for the fiscal year ended June 30, 2019.

(12) Other Postemployment Benefits (OPEB) Plan

Plan Description

The Districts provide health care and dental benefits for qualifying 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 by accessing the Forms & Publication Center of the CalPERS web site at www.calpers.ca.gov or by calling 888-CalPERS (or 888-225-7377).

Benefits Provided

Employees hired prior to July 1, 2011 (September 1, 2015 for Technical Support unit) and retire (service or disability) directly from the Districts with a minimum of 5 years of Districts service are eligible for other postemployment benefits. The Districts pay retiree and dependent medical premiums up to the Kaiser Permanente premium cap (greater of Los Angeles or Other Southern California premium) depending on employee classification:

		Hourly <u>Employees</u>	Monthly <u>Employees</u>
2018	\$	666.80	\$ 1,733.68
2019	\$	628.63	\$ 1,634.44

The Districts contribute the greater of the cap above and the State 100/90 premium for employees hired on or after July 1, 2011 (September 1, 2015 for Technical Support unit employees). Benefits are 50% vested after 10 years of CalPERS service with a minimum of 5 years Districts service and reach full vesting at 20 years of CalPERS service. Disability retirement qualifies for 100% vested benefit.

		<u>Single</u>	<u>2-Party</u>	<u>Family</u>
2018	\$	725.00	\$ 1,377.00	\$ 1,766.00
2019	\$	734.00	\$ 1,398.00	\$ 1,788.00

The Districts pay dental premiums up to \$31.25 monthly.

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

Employees Covered

The following employees were covered by the benefit terms for each Plan as of June 30, 2018, the date of the latest actuarial valuation:

Inactive employees or beneficiaries currently receiving benefits	1,324
Inactive employees or beneficiaries entitled to but not yet receiving benefits	51
Active employees not receiving benefits	<u>1,600</u>
	<u><u>2,975</u></u>

Contributions

The obligation of the Districts to contribute to plan benefits is established and can be amended by Districts Boards action. Employees are not required to contribute to the plan. For the fiscal year ended June 30, 2019, the Districts total employer contribution to the plan was \$25,681,125.

Net OPEB Liability

The Districts' net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. A summary of principal assumptions and methods used to determine the net OPEB liability is shown below.

Actuarial assumptions

Discount rate	6.75%
Inflation	2.75% per annum
Aggregate payroll increases	3.00%
Expected long-term investment rate of return	6.75%, net of investment expenses
Mortality, termination, and disability	CalPERS 1997-2015 Experience Study
Mortality improvement scale	Mortality projected fully generational with Scale MP-17
Healthcare trend rate	Pre-Medicare-7.5% for 2019, decrease to 4% for 2076 and later Medicare-6.5% for 2019, decreasing to 4% for 2076 and later

Discount Rate and Rate of Return

The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total liability.

The long-term expected rate of return on OPEB 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 OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

allocation and best estimate of real rates of return for reach major asset class are summarized in the following table.

Asset Class	Target Allocation	Expected Real Rate of Return
Equities	57%	4.82%
Fixed income	27%	1.47%
TIPS	5%	1.29%
Commodities	3%	0.84%
REITs	8%	3.76%
Assumed long-term rate of inflation		2.75%
Expected long-term net rate of return, rounded		6.75%

Changes in the Net OPEB Liability

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

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2018 ⁽¹⁾	\$ 393,233,000	161,923,000	231,310,000
Changes in the year:			
Service cost	9,384,704	-	9,384,704
Administrative expenses	-	(301,781)	301,781
Interest on the total OPEB liability	26,652,278	-	26,652,278
Difference between expected and actual experience	-	-	-
Changes in assumptions	-	-	-
Contributions-employer	-	21,766,305	(21,766,305)
Net investment income	-	12,939,641	(12,939,641)
Benefit payments, including refunds	(15,538,305)	(15,538,305)	-
Net Changes	20,498,677	18,865,860	1,632,817
Balance at June 30, 2019 ⁽²⁾	\$ 413,731,677	180,788,860	232,942,817

⁽¹⁾ Measurement date June 30, 2017

⁽²⁾ Measurement date June 30, 2018

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

Sensitivity of the OPEB Liability to Changes in the Discount Rate

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

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Discount Rate	5.75%	6.75%	7.75%
Net OPEB liability	\$ 290,813,440	232,942,817	185,411,311

Sensitivity of the OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the net OPEB liability of the Districts calculated using the current healthcare trend rate, as well as what the Districts' net OPEB liability would be if it were calculated using a rate 1% lower or 1% higher than the current rate.

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Net OPEB liability	\$ 178,101,383	232,942,817	300,939,792

OPEB Plan Fiduciary Net Position

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

OPEB Expenses and Deferred Outflow/Inflow of Resources

For the fiscal year ended June 30, 2019, the Districts recognized OPEB expense of \$23,787,616. At June 30, 2019, the Districts reported deferred outflow of resources and deferred inflow of resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
OPEB contributions subsequent to measurement date	\$ 25,681,125	-
Net difference between projected and actual OPEB plan investments	-	4,761,494
Total	<u>\$ 25,681,125</u>	<u>4,761,494</u>

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

Deferred outflow of resources of \$25,681,125 are related to contributions made subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability in the fiscal year ended June 30, 2020. Other amounts reported as deferred inflow of resources related to OPEB will be an offset of OPEB expense as follows:

Year Ended June 30		OPEB Expense
2020	\$	(1,463,373)
2021		(1,463,373)
2022		(1,464,373)
2023		(370,375)
2024		-
Total	\$	<u>(4,761,494)</u>

(13) Employee Deferred Compensation Plan

All monthly and hourly employees are eligible to participate in the 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 2019 was \$19,000 and will increase to \$19,500 in 2020.

At June 30, 2019, assets with a fair value of \$327,443,639 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, 2019, were as follows:

	Balance at July 1, 2018	Earned	Taken	Balance at June 30, 2019	Due Within One Year
\$	36,577,247	28,552,900	27,054,766	38,075,381	27,000,000

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, 2019:

	<u>Due From Other Districts</u>	<u>Due To Other Districts</u>
Sewerage Operations:		
District No. 1	\$ 4,694,910	-
District No. 2	7,032,775	-
District No. 3	5,287,308	-
District No. 4	-	816
District No. 5	7,921,041	-
District No. 8	3,283,554	-
District No. 9	233	-
District No. 14	846,512	-
District No. 15	5,820,741	-
District No. 16	2,943,007	-
District No. 17	375,774	-
District No. 18	3,650,106	-
District No. 19	1,013,974	-
District No. 20	492,163	-
District No. 21	4,547,725	-
District No. 22	3,694,046	-
District No. 23	638,917	-
District No. 27	-	783
District No. 28	117,531	-
District No. 29	136,222	-
District No. 34	-	-
Joint Outfall	-	31,745,395
Newhall Ranch	-	15,343
Santa Clarita Valley	931,702	-
South Bay Cities	1,399,468	-
	<u>54,827,709</u>	<u>31,762,337</u>
 Total Sewerage Operations	 <u>54,827,709</u>	 <u>31,762,337</u>
 Stormwater Operations	 <u>-</u>	 <u>12,744</u>
 Total Stormwater Operations	 <u>-</u>	 <u>12,744</u>

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

	<u>Due From Other Districts</u>	<u>Due To Other Districts</u>
Solid Waste Facilities Operations:		
Spadra Landfill	90,790	-
South Gate Transfer Station	16,825	-
Puente Hills Landfill	1,477,377	-
Puente Hills Materials Recovery Facility	-	256,145
Downey Area Recycling & Transfer Station	-	51,868
Mesquite Landfill	<u>14,782</u>	<u>-</u>
Total Solid Waste Facilities Operations	<u>1,599,774</u>	<u>308,013</u>
Trustee Solid Waste Facilities Operations:		
Palos Verdes Landfill	291,545	-
Scholl Canyon Landfill	467,403	-
Calabasas Landfill	308,429	-
Los Angeles County Equipment Pool	-	8,867
Los Angeles County Refuse Disposal	<u>45,990</u>	<u>-</u>
Total Trustee Solid Waste Facilities Operations	<u>1,113,367</u>	<u>8,867</u>
Service Operations:		
Joint Administration	-	20,970,034
Technical Support	-	6,459,494
Joint Refuse Disposal	1,811,443	-
Joint Refuse Equipment Pool	171,840	-
Joint Administration Equipment Pool	-	82,722
Wastewater Equipment Pool	<u>80,078</u>	<u>-</u>
Total Service Operations	<u>2,063,361</u>	<u>27,512,250</u>
Total Interdistrict Receivables and Payables	<u>\$ 59,604,211</u>	<u>59,604,211</u>

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

(B) Fund Transfers

The interdistrict fund transfers have been eliminated in the accompanying basic financial statements. Fund transfers are made to fund operations, fund capital expenses for shared operations, and make bond payments. The following summarized interdistrict fund transfers, which have been included in the Districts' combining financial statements, at June 30, 2019:

	Transfers In	Transfers Out
Sewerage Operations:		
District No. 1	\$ 3,267,306	10,029,437
District No. 2	5,003,353	15,185,302
District No. 3	3,816,215	11,646,437
District No. 4	323,717	323,909
District No. 5	7,380,288	19,110,579
District No. 8	1,977,879	6,012,631
District No. 9	45,604	45,708
District No. 14	13,752,819	13,778,056
District No. 15	4,800,764	13,263,303
District No. 16	2,895,010	7,571,570
District No. 17	370,908	971,856
District No. 18	2,768,016	8,279,033
District No. 19	852,979	2,386,380
District No. 20	11,024,771	11,042,807
District No. 21	3,129,282	9,956,967
District No. 22	2,674,363	8,377,226
District No. 23	486,804	1,212,918
District No. 27	63,728	63,726
District No. 28	127,798	320,386
District No. 29	70,475	316,980
District No. 34	131	132
Joint Outfall	89,153,777	12,474,455
Newhall Ranch	131	130
Santa Clarita Valley	3,362,945	3,414,841
South Bay Cities	1,268,026	3,325,326
Total Sewerage Operations	158,617,089	159,110,095
Solid Waste Facilities Operations:		
Spadra Landfill	3,031,954	1,169,785
South Gate Transfer Station	6,025,875	6,025,875
Puente Hills Landfill	9,211,797	58,367,609
Puente Hills Materials Recovery Facility	13,163,978	9,664,138
Downey Area Recycling & Transfer Station	5,087,481	3,087,601
Mesquite Landfill	1,000,000	-
Total Solid Waste Facilities Operations	37,521,085	78,315,008

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

	Transfers In	Transfers Out
Trustee Solid Waste Facilities Operations:		
Palos Verdes Landfill	20,013	76,174
Scholl Canyon Landfill	10,674,763	10,864,534
Calabasas Landfill	8,290,085	8,457,302
Los Angeles County Equipment Pool	8,081,397	7,619,953
Los Angeles County Refuse Disposal	2,878	11,401
Total Trustee Solid Waste Facilities Operations	27,069,136	27,029,364
Service Operations:		
Joint Administration	2,880,950	1,487,940
Technical Support	566,294	37,623
Joint Refuse Disposal	50,719,961	10,933,040
Joint Refuse Equipment Pool	2,425,745	2,984,775
Wastewater Equipment Pool	3,812,390	3,714,805
Total Service Operations	60,405,340	19,158,183
Total Fund Transfers	\$ 283,612,650	283,612,650

(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.

(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 its Financing Authority, issued \$38.5 million of lease revenue bonds at coupon rates ranging from 3.5% to 4.25%. The proceeds from the bonds, maturing 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

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

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.

(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.

(A) SCCWRPA

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 Sanitation Districts of Los Angeles County, the City of Los Angeles, Orange County Sanitation District, and the City of San Diego. A major portion of funding (\$2,300,000 in 2018-2019) is provided by the sponsoring agencies paying equal shares. Additional funding 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 operating expenses. Complete separate financial statements for SCCWRPA may be obtained at 3535 Harbor Blvd., Costa Mesa, California, 92626-1437.

(B) CREA

CREA was formed as an equal partnership between the Districts and the City of Commerce (City) to construct and operate the first major refuse-to-energy facility in California. CREA ceased operations on June 26, 2018, due to continued financial losses resulting from lower power revenue. In the fourth quarter of 2019, CREA sold the facility to the City.

The various agreements governing CREA require that proceeds from sale of the facility and any remaining net position be distributed to the Districts and the City in proportion to their relative paid-in-capital balances. In September 2018 equal distributions of paid-in-capital were

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

made to the Districts and the City, resulting in the City's paid-in-capital balance decreasing to zero. The expected distribution of CREA's net position to the Districts exceeds the Districts' investment in CREA as of June 30, 2019.

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.

(C) SERRF

The SERRF Authority was formed as a joint powers agency by an agreement between the Districts 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 the facility 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, plus pay the SERRF Authority's administrative and other costs. Lease overpayments, if any, are refunded to the City. 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 in SERRF using the cost method. Complete separate financial statements for SERRF may be obtained at 120 Pier S Avenue, Long Beach, California, 90802.

(D) IERCA

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 using the equity method, 50% of the gain/loss in the joint venture is reflected in the accompanying basic financial statements.

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

A summary of most recently available financial information of the above joint ventures are as follows (in thousands):

	CREA 6/30/2019 Audited	IERCA 6/30/2019 Audited	SCCWRPA 6/30/2019 Audited	SERRF 9/30/2018 Audited
Total assets	\$ 10,370	87,132	5,726	23,133
Other liabilities	706	1,937	1,495	190
Bonds payable	-	-	-	10,954
Total liabilities	\$ 706	1,937	1,495	11,144
Districts' investment	9,664	41,117	-	-
Other	-	44,078	4,231	11,989
Total net position	\$ 9,664	85,195	4,231	11,989
Operating revenues	\$ -	8,994	8,800	372
Operating expenses	-	(10,957)	(8,541)	(80)
Nonoperating revenues (expenses)	(152)	88	-	190
Capital contribution revenue (expense)	(106)	-	-	-
Change in net position	\$ (258)	(1,875)	259	482

(18) Landfill Closure and Postclosure Care

At June 30, 2019, the Districts reported a closure and postclosure care liability of \$313,268,408, which represents the cumulative amount reported to date based on the use of estimated capacity of the landfill sites as follows:

	Estimated Closure/ Postclosure Costs	Total Estimated Capacity (Tons in Millions)	Percentage of Capacity Used to Date	Closure/ Postclosure Liability Balance at July 1, 2018	Change in Estimated Closure/ Postclosure Cost	Closure/ Postclosure Costs Applied to Liability	Closure/ Postclosure Liability Balance at June 30, 2019
Landfills							
Trustee Landfills							
Calabasas	\$ 86,914,298	30.70	85.34	70,125,860	4,048,557	-	74,174,417
Scholl Canyon	12,263,995	33.80	90.83	10,751,626	387,565	-	11,139,191
Total Trustee Landfills	<u>99,178,293</u>			<u>80,877,486</u>	<u>4,436,122</u>	<u>-</u>	<u>85,313,608</u>
Districts' Landfills							
Puente Hills	229,741,046	142.05	100.00	193,970,816	-	(8,084,090)	185,886,726
Spadra	47,846,800	17.19	100.00	44,931,076	-	(2,863,002)	42,068,074
Total Districts' Landfills	<u>277,587,846</u>			<u>238,901,892</u>	<u>-</u>	<u>(10,947,092)</u>	<u>227,954,800</u>
Total all sites	\$ <u>376,766,139</u>			<u>319,779,378</u>	<u>4,436,122</u>	<u>(10,947,092)</u>	<u>313,268,408</u>

The remaining estimated cost of closure and postclosure costs for Calabasas and Scholl Canyon landfills will be recognized as the remaining estimated capacity is filled. These amounts represent what it would cost to perform all closure and postclosure care as of June 30, 2019. Actual costs may be higher due to inflation, changes in technology, or changes in regulation. The current liability due within one year is \$2,919,000 for Spadra, and \$9,147,000 for Puente Hills.

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

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 have complied with these requirements, and at June 30, 2019, contributions of approximately \$415 million are held in restricted funds for these purposes. 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. Scholl Canyon landfill and Calabasas landfill are both scheduled to close in 2026.

(19) Environmental Liabilities

The Districts purchased the Fletcher Oil and Refining Company (FORCO) property, located 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. The changes in liabilities for pollution remediation during the fiscal year are as follows:

	<u>Balance at July 1, 2018</u>	<u>Additions or Adjustments</u>	<u>Payments Current Year</u>	<u>Balance at June 30, 2019</u>	<u>Due Within One Year</u>
\$	9,061,105	11,305,584	(366,689)	20,000,000	1,000,000

Purchase orders have been issued 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 years period and return the land to productive use. The pollution remediation obligation is an estimate and subject to change over time due to changes in costs of goods and services, potential difficulties in obtaining regulatory closure, performance of the remediation technology, or changes in laws or regulations governing the remediation efforts.

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Notes to Basic Financial Statements, Continued

(20) Prior-Period Adjustment

Adjustments and corrections to previously reported financial activities are recorded as prior-period adjustments. Several Districts have restated their net positions for the fiscal year ended June 30, 2018, from amounts previously reported as detailed below:

Increase/ (Decrease)	<u>in Net Position</u>	<u>Prior-Period Adjustment</u>
\$ (77,327)		Return of a portion of previous years' ad-valorem property tax revenue to the County of Los Angeles for re-distribution to various agencies, per court order.
(2,200,860)		Correction to actual closure/postclosure costs applied to the estimated liability for the previous fiscal year
(750,169)		Correction to services costs that relate to the previous fiscal year.
(571,985)		Correction to connection fee revenue received in previous fiscal year.
45,093		Refunds from power suppliers for overcharges that relate to the previous fiscal year.
	\$ (3,555,248)	

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Required Supplemental Disclosure

June 30, 2019

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

Measurement Period	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Total Pension Liability					
Service Cost	\$ 24,400,248	24,204,172	21,537,967	22,319,935	23,304,566
Interest	119,153,767	116,478,910	114,458,616	110,522,731	105,962,106
Changes in Benefit Terms	-	-	-	-	-
Difference Between Expected and Actual Experience	(16,743,416)	(30,829,545)	(15,215,092)	(10,061,243)	-
Changes in Assumptions	(10,317,430)	97,543,167	-	(27,590,677)	-
Benefits Payments, Including Refunds of Employee Contributions	(78,714,273)	(73,905,142)	(68,412,261)	(63,161,978)	(55,255,873)
Net Changes in Total Pension Liability	37,778,896	133,491,562	52,369,230	32,028,768	74,010,799
Total Pension Liability, Beginning	1,720,704,098	1,587,212,536	1,534,843,306	1,502,814,538	1,428,803,739
Total Pension Liability, Ending (a)	\$ 1,758,482,994	1,720,704,098	1,587,212,536	1,534,843,306	1,502,814,538
Plan Fiduciary Net Position					
Contribution-Employer	\$ 29,347,050	26,848,459	24,285,923	21,082,283	20,091,038
Contribution-Employee	11,175,795	11,300,541	11,387,270	11,456,578	12,344,493
Net Investment Income	109,161,181	134,988,348	6,422,215	28,129,212	187,477,208
Administrative Expenses	(2,031,552)	(1,780,853)	(751,740)	(1,381,953)	-
Benefits Payments, Including Refunds of Employee Contributions	(78,714,273)	(73,905,142)	(68,412,261)	(63,161,978)	(55,255,873)
Other Changes in Fiduciary Net Position	(3,861,137)	-	-	-	-
Net Changes in Fiduciary Net Position	65,077,064	97,451,353	(27,068,593)	(3,875,858)	164,656,866
Plan Fiduciary Net Position, Beginning	1,303,718,232	1,206,266,879	1,233,335,472	1,237,211,330	1,072,554,464
Plan Fiduciary Net Position, Ending (b)	\$ 1,368,795,296	1,303,718,232	1,206,266,879	1,233,335,472	1,237,211,330
Plan Net Pension Liability/(Asset)-Ending (a)-(b)	\$ 389,687,698	416,985,866	380,945,657	301,507,834	265,603,208
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.84%	75.77%	76.00%	80.36%	82.33%
Covered Payroll	160,665,356	160,696,932	161,103,800	166,392,842	167,309,687
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	242.55%	259.49%	236.46%	181.20%	158.75%

⁽¹⁾ Fiscal year 2015 was the first year of implementation, therefore only five years are shown.

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Required Supplemental Disclosure, Continued

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, 2017, valuation date.

Schedule of Plan Contributions

	<u>2018-2019</u>	<u>2017-2018</u>	<u>2016-2017</u>	<u>2015-2016</u>	<u>2014-2015</u>	<u>2013-2014</u>
Actuarially Determined Contribution	\$ 34,883,096	29,347,050	26,848,459	24,285,923	21,082,283	20,091,038
Contributions in Relation to the Actuarially Determined Contribution	<u>(34,883,096)</u>	<u>(29,387,862)</u>	<u>(26,848,459)</u>	<u>(24,285,923)</u>	<u>(21,082,283)</u>	<u>(20,091,038)</u>
Contributions Deficiency (Excess)	<u>\$ -</u>	<u>(40,812)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Covered Payroll	 \$ 160,915,007	 160,665,356	 160,696,932	 161,103,800	 166,392,842	 167,309,687
 Contributions as a Percentage of Covered Payroll	 21.68%	 18.27%	 16.71%	 15.07%	 12.67%	 12.01%

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Required Supplemental Disclosure, Continued

Notes to Schedule

The actuarial methods and assumptions used to set the actuarially determined contribution for fiscal year 2018-2019 were from the June 30, 2017, funding valuation report.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2015 Funding Valuation Report
Asset Valuation Method	Market Value of Assets. For details, see June 30, 2015 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 2014 CalPERS Experience Study for the period from 1997-2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997-2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Required Supplemental Disclosure, Continued

Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios During the Measurement Period-Last 10 Years ⁽¹⁾

Measurement Period	2017-2018	2016-2017
Total OPEB Liability		
Service Cost	\$ 9,384,704	9,112,000
Interest	26,652,278	25,347,000
Changes in Benefit Terms	-	-
Difference Between Expected and Actual Experience	-	-
Changes in Assumptions	-	-
Benefits Payments, Including Refunds of Employee Contributions	(15,538,305)	(15,240,000)
Net Changes in Total OPEB Liability	20,498,677	19,219,000
Total OPEB Liability, Beginning	393,233,000	374,014,000
Total OPEB Liability, Ending (a)	\$ 413,731,677	393,233,000
Plan Fiduciary Net Position		
Contribution-Employer	\$ 21,766,305	22,344,000
Contribution-Employee	-	-
Net Investment Income	12,939,641	15,137,000
Administrative Expenses	(301,781)	(77,000)
Benefits Payments, Including Refunds of Employee Contributions	(15,538,305)	(15,240,000)
Other Changes in Fiduciary Net Position	-	-
Net Changes in Fiduciary Net Position	18,865,860	22,164,000
Plan Fiduciary Net Position, Beginning	161,923,000	139,759,000
Plan Fiduciary Net Position, Ending (b)	\$ 180,788,860	161,923,000
Plan Net OPEB Liability/(Asset)-Ending (a)-(b)	\$ 232,942,817	231,310,000
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	43.70%	41.18%
Covered Payroll	\$ 160,665,356	160,696,932
Plan Net OPEB Liability/(Asset) as a Percentage of Covered Payroll	144.99%	143.94%

Only two years of data is shown due to date of implementation.

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Required Supplemental Disclosure, Continued

Schedule of Other Postemployment Benefits Contributions

	2018-2019	2017-2018
Actuarially Determined Contribution	\$ 25,681,125	21,766,000
Contributions in Relation to the Actuarially Determined Contribution	(25,681,125)	(21,766,000)
Contributions Deficiency (Excess)	\$ -	-
 Covered Payroll	 N/A	 N/A
 Contributions as a Percentage of Covered Payroll	 N/A	 N/A

Notes to Schedule

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	Level percentage of payroll over closed 22 year period.
Asset Valuation Method	Investment gains and losses spread over a 5-year open period.
Inflation	2.75%
Salary Increases	3.00%
Investment Rate of Return	6.75% at 6/30/2018, net of investment expenses
Retirement Age	The probabilities of retirement are based on the CalPERS Experience Study for the period from 1997-2011.
Mortality	The probabilities of mortality are based on the CalPERS Experience Study for the period from 1997-2011, with mortality improvements based on MP-2017 scale.

Exhibit D-1
SANITATION DISTRICTS OF LOS ANGELES COUNTY
Combining Schedule of Net Position
June 30, 2019

Assets	Sewerage Operations	Stormwater Operations	Solid Waste Facilities Operations	Trustee Solid Waste Facilities Operations	Service Operations	Total
Current assets:						
Unrestricted cash and cash equivalents:						
Cash in bank	\$ -	-	2,048,831	1,424,687	13,978,273	17,451,791
Cash on hand	-	-	23,469	10,976	14,601	49,046
Cash and cash equivalents	<u>386,218,924</u>	<u>6,755,444</u>	<u>18,148,479</u>	<u>44,714,604</u>	<u>46,173,189</u>	<u>502,010,640</u>
Total unrestricted cash and cash equivalents	<u>386,218,924</u>	<u>6,755,444</u>	<u>20,220,779</u>	<u>46,150,267</u>	<u>60,166,063</u>	<u>519,511,477</u>
Receivables:						
Accounts, net	29,903,418	123,449	7,477,919	5,355,901	3,867,361	46,728,048
Due from other funds (1)	54,827,709	-	1,599,774	1,113,367	2,063,361	59,604,211
Interest	7,118,527	65,506	1,611,967	539,696	1,384,545	10,720,241
Service charges	14,877,365	-	-	-	-	14,877,365
Taxes	4,864,600	-	-	-	-	4,864,600
Total receivables	<u>111,591,619</u>	<u>188,955</u>	<u>10,689,660</u>	<u>7,008,964</u>	<u>7,315,267</u>	<u>136,794,465</u>
Inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,843,398</u>	<u>20,843,398</u>
Restricted/designated cash and investments:						
Cash and cash equivalents	400,772,884	-	78,928,507	11,374,857	43,992,473	535,068,721
Specific investments	653,940,686	-	305,699,002	61,593,937	250,890,800	1,272,124,425
Bond proceeds with Trustee:						
Cash and cash equivalents	5,055	-	-	-	334	5,389
Total restricted/designated cash and investments	<u>1,054,718,625</u>	<u>-</u>	<u>384,627,509</u>	<u>72,968,794</u>	<u>294,883,607</u>	<u>1,807,198,535</u>
Other specific investments	<u>39,967,065</u>	<u>-</u>	<u>-</u>	<u>24,960,745</u>	<u>10,366,614</u>	<u>75,294,424</u>
Total current assets	<u>1,592,496,233</u>	<u>6,944,399</u>	<u>415,537,948</u>	<u>151,088,770</u>	<u>393,574,949</u>	<u>2,559,642,299</u>
Investment in joint ventures	41,117,501	-	-	-	9,592,806	50,710,307
Other assets	(1,519)	-	295	13	12,493	11,282
Capital assets:						
Buildings & equipment	-	-	7,334,878	-	77,297,971	84,632,849
Improvements	-	-	367,062,877	175,651,566	2,107,936	544,822,379
Disposal rights	91,819,660	-	-	-	-	91,819,660
Equipment pool	-	-	-	17,213,772	49,363,458	66,577,230
Gas-to-energy facilities	-	-	26,041,170	16,557,233	174,802,531	217,400,934
Rail facilities	-	-	54,060,853	-	56,311,059	110,371,912
Recycling and transfer facilities	-	-	72,034,169	-	-	72,034,169
Treatment plants	2,093,940,473	-	-	-	-	2,093,940,473
Trunk lines	1,442,894,638	-	-	-	-	1,442,894,638
Use rights	770,580	-	64,003,525	5,005,531	-	69,779,636
Composting facilities	122,773,935	-	-	-	-	122,773,935
Other capital assets	15,275,759	-	337,948	-	35,902,911	51,516,618
Construction in progress	232,697,393	-	21,440,857	462,236	149,470,581	404,071,067
Land	160,316,215	-	26,511,591	5,482,200	28,966,292	221,276,298
Accumulated depreciation & amortization	<u>(1,454,190,174)</u>	<u>-</u>	<u>(355,008,139)</u>	<u>(183,904,992)</u>	<u>(196,059,317)</u>	<u>(2,189,162,622)</u>
Net capital assets	<u>2,706,298,479</u>	<u>-</u>	<u>283,819,729</u>	<u>36,467,546</u>	<u>378,163,422</u>	<u>3,404,749,176</u>
Total assets	<u>\$ 4,339,910,694</u>	<u>6,944,399</u>	<u>699,357,972</u>	<u>187,556,329</u>	<u>781,343,670</u>	<u>6,015,113,064</u>
Deferred Outflow of Resources						
Deferred loss on refunding	\$ 9,107,331	-	-	-	-	9,107,331
Deferred pension contribution	50,232,851	-	7,537,798	4,281,819	28,411,877	90,464,345
Other postemployment benefit deferral	13,790,080	-	2,282,890	1,399,046	8,209,109	25,681,125
Total deferred outflow of resources	<u>\$ 73,130,262</u>	<u>-</u>	<u>9,820,688</u>	<u>5,680,865</u>	<u>36,620,986</u>	<u>125,252,801</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, 2019

Liabilities	Sewerage Operations	Stormwater Operations	Solid Waste Facilities Operations	Trustee Solid Waste Facilities Operations	Service Operations	Total
Current liabilities:						
Accounts payable	\$ 21,628,276	26	3,029,913	5,883,631	19,876,565	50,418,411
Accrued employee absences	-	-	-	-	27,000,000	27,000,000
Amounts held for others	-	35,000	-	-	7,130,517	7,165,517
Bonds payable	36,160,000	-	-	-	1,404,400	37,564,400
Claims liabilities	1,693,591	-	584,728	162,948	324,720	2,765,987
Due to other funds	31,762,337	12,744	308,013	8,867	27,512,250	59,604,211
Estimated liability for closure/postclosure care	-	-	12,066,000	-	-	12,066,000
Estimated liability for pollution remediation	1,000,000	-	-	-	-	1,000,000
Interest payable	7,395,113	-	-	-	2,487	7,397,600
Loans payable to State of California	31,596,530	-	-	-	-	31,596,530
Other	146,599	-	(398)	697	434,300	581,198
Total current liabilities	131,382,446	47,770	15,988,256	6,056,143	83,685,239	237,159,854
Long-term liabilities:						
Accrued employee absences	-	-	-	-	11,075,381	11,075,381
Bonds payable, net	383,534,528	-	-	-	2,808,796	386,343,324
Claims liabilities	5,089,424	-	1,763,508	488,846	974,161	8,315,939
Estimated liability for closure/postclosure care	-	-	215,888,800	85,313,608	-	301,202,408
Estimated liability for pollution remediation	19,000,000	-	-	-	-	19,000,000
Loans payable to State of California	244,465,543	-	-	-	-	244,465,543
Other postemployment benefits liability	127,430,262	-	18,722,669	11,964,303	74,825,583	232,942,817
Pension liability	216,341,630	-	30,037,953	19,143,551	124,164,564	389,687,698
Total long-term liabilities	995,861,387	-	266,412,930	116,910,308	213,848,485	1,593,033,110
Total liabilities	\$ 1,127,243,833	47,770	282,401,186	122,966,451	297,533,724	1,830,192,964
Deferred Inflow of Resources						
Other postemployment benefits deferrals	\$ 2,555,984	-	432,225	257,281	1,516,004	4,761,494
Pension deferrals	25,334,606	-	3,643,405	2,342,868	14,720,425	46,041,304
Total deferred inflow of resources	\$ 27,890,590	-	4,075,630	2,600,149	16,236,429	50,802,798
Net Position						
Net position:						
Net investment in capital assets	\$ 2,019,649,209	-	283,819,729	36,467,546	373,950,226	2,713,886,710
Restricted for capital projects	281,968,886	-	150,000	350,000	9,100,000	291,568,886
Restricted for closure/postclosure maintenance	-	-	112,195,126	15,123,366	-	127,318,492
Restricted for debt service	10,141,106	-	-	-	-	10,141,106
Restricted for site development	-	-	36,875,505	-	-	36,875,505
Unrestricted	946,147,332	6,896,629	(10,338,516)	15,729,682	121,144,277	1,079,579,404
Total net position	\$ 3,257,906,533	6,896,629	422,701,844	67,670,594	504,194,503	4,259,370,103

(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, 2019

	Sewerage Operations	Stormwater Operations	Solid Waste Facilities Operations	Trustee Solid Waste Facilities Operations	Service Operations	Total
Operating revenues:						
Commodities	\$ 77,832	-	1,419,041	9,643	13	1,506,529
Contract revenue	16,731,941	732,925	619,659	1,006,725	1,827,667	20,918,917
Equipment pool (1)	-	-	-	4,738,614	10,622,390	15,361,004
Industrial waste surcharge	71,311,929	-	-	-	-	71,311,929
Internal services revenue (1)	159,343,046	-	-	-	95,730,521	255,073,567
Refuse/food waste tipping fees	740,113	-	72,168,670	64,976,959	-	137,885,742
Sale of energy	934,165	-	7,974,459	-	10,242,015	19,150,639
Service charges	375,530,576	-	-	-	-	375,530,576
Other	105,885	1,500	8,034	11,287	578,628	705,334
Total operating revenues	624,775,487	734,425	82,189,863	70,743,228	119,001,234	897,444,237
Operating expenses:						
Chemicals	34,847,102	-	40,901	13,150	85,287	34,986,440
Collection charges	1,323,891	-	-	-	-	1,323,891
Depreciation/amortization	80,196,288	-	4,426,110	4,890,070	14,044,361	103,556,829
Equipment and vehicle rentals (1)	5,720,300	-	3,746,192	4,964,081	930,431	15,361,004
Insurance and claims	2,477,561	-	47,615	342,372	1,173,798	4,041,346
Internal administrative costs (1)	243,755,832	-	2,042,184	4,061,880	5,213,671	255,073,567
Landfill closure/postclosure costs	-	-	-	4,436,122	-	4,436,122
Materials and supplies	15,601,583	3,240	1,546,557	2,452,052	12,495,643	32,099,075
Operations, repairs, and maintenance	4,084,599	-	888,835	9,049,153	10,865,282	24,887,869
Pollution remediation costs	11,305,584	-	-	-	-	11,305,584
Salaries and benefits	117,171,666	127,192	14,744,715	15,026,064	87,647,523	234,717,160
Services	43,500,471	601,732	43,243,343	4,280,201	13,824,121	105,449,868
Tonnage	-	-	-	4,365,422	-	4,365,422
Utilities	19,959,886	21	1,134,211	1,086,033	2,050,943	24,231,094
Total operating expenses	579,944,763	732,185	71,860,663	54,966,600	148,331,060	855,835,271
Operating income (loss)	44,830,724	2,240	10,329,200	15,776,628	(29,329,826)	41,608,966
Nonoperating revenues (expenses):						
Interest revenue	26,514,611	133,762	7,607,230	2,333,120	7,207,158	43,795,881
Investment in joint ventures	(937,788)	-	-	-	(28,823)	(966,611)
Taxes	82,675,846	-	-	-	-	82,675,846
Other nonoperating revenue	1,583,568	-	164,038	211,974	220,108	2,179,688
Amortization of bond premium	5,734,218	-	-	-	-	5,734,218
Amortization of deferred loss on refunding	(1,993,016)	-	-	-	-	(1,993,016)
Interest expense	(27,149,048)	-	-	-	(60,613)	(27,209,661)
Gain (loss) on sale of equipment/assets	77,859	-	-	966,323	(160,259)	883,923
Other nonoperating expense	(892,281)	-	(538,821)	(21,613)	(512,928)	(1,965,643)
Tax and assessment expense	(2,700,259)	-	(2,985,828)	(6,254,682)	(369,365)	(12,310,134)
Unrealized gain on investments	15,361,535	-	7,770,530	1,992,244	7,349,987	32,474,296
Net nonoperating revenues (expenses)	98,275,245	133,762	12,017,149	(772,634)	13,645,265	123,298,787
Income (loss) before capital contribution revenue and transfers	143,105,969	136,002	22,346,349	15,003,994	(15,684,561)	164,907,753
Capital contribution revenue:						
Connection fees	40,632,146	-	-	-	-	40,632,146
Federal capital grants	5,525,241	-	-	119,271	731,613	6,376,125
Transfers in	158,617,089	-	37,521,085	27,069,136	60,405,340	283,612,650
Transfers out	(159,110,095)	-	(78,315,008)	(27,029,364)	(19,158,183)	(283,612,650)
Change in net position	188,770,350	136,002	(18,447,574)	15,163,037	26,294,209	211,916,024
Total net position, July 1, 2018, as previously stated	3,070,535,664	6,760,627	443,301,645	52,625,007	477,786,384	4,051,009,327
Prior-period adjustments	(1,399,481)	-	(2,152,227)	(117,450)	113,910	(3,555,248)
Total net position, July 1, 2018, as restated	3,069,136,183	6,760,627	441,149,418	52,507,557	477,900,294	4,047,454,079
Total net position, June 30, 2019	\$ 3,257,906,533	6,896,629	422,701,844	67,670,594	504,194,503	4,259,370,103

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

Exhibit D-3
SANITATION DISTRICTS OF LOS ANGELES COUNTY
Combining Schedule of Cash Flows
Fiscal year ended June 30, 2019

	Sewerage Operations	Stormwater Operations	Solid Waste Facilities Operations	Trustee Solid Waste Facilities Operations	Service Operations	Total
Cash flows from operating activities:						
Receipts from customers and users	\$ 462,568,195	672,469	85,037,024	65,110,382	9,987,278	623,375,348
Receipts for internal services (1)	159,343,046	-	-	-	95,730,521	255,073,567
Receipts for equipment rental (1)	-	-	-	4,738,614	10,622,390	15,361,004
Payments to suppliers	(120,184,465)	(604,992)	(51,561,578)	(20,706,092)	(40,480,066)	(233,537,193)
Payments for salaries/benefits	(116,661,469)	(119,098)	(15,310,104)	(14,923,263)	(76,689,179)	(223,703,113)
Payments applied to closure/postclosure liability	-	-	(10,947,093)	-	-	(10,947,093)
Payment for equipment rental (1)	(5,720,300)	-	(3,746,192)	(4,964,081)	(930,431)	(15,361,004)
Payment for internal administrative costs (1)	(243,755,832)	-	(2,042,184)	(4,061,880)	(5,213,671)	(255,073,567)
Net cash provided (used) by operating activities	<u>135,589,175</u>	<u>(51,621)</u>	<u>1,429,873</u>	<u>25,193,680</u>	<u>(6,973,158)</u>	<u>155,187,949</u>
Cash flows from noncapital financing activities:						
Receipts from property taxes	83,609,881	-	-	-	-	83,609,881
Other nonoperating receipts	409,189	-	153,029	729,361	302,515	1,594,094
Payments for tax and assessment	(2,700,334)	-	(2,849,053)	(4,123,124)	(369,364)	(10,041,875)
Transfers from other funds	129,567,660	-	18,831,241	473,614	23,065,393	171,937,908
Transfers to other funds	(140,087,780)	(4,440)	(18,268,744)	(1,228,546)	(12,348,398)	(171,937,908)
Net cash provided (used) by noncapital financing activities	<u>70,798,616</u>	<u>(4,440)</u>	<u>(2,133,527)</u>	<u>(4,148,695)</u>	<u>10,650,146</u>	<u>75,162,100</u>
Cash flows from capital and related financing activities:						
Borrowings on loans	15,139,425	-	-	-	-	15,139,425
Purchases of capital assets	(93,666,109)	-	(20,577,214)	(3,075,172)	(9,249,507)	(126,568,002)
Connection fees proceeds	39,823,468	-	-	-	-	39,823,468
Grant proceeds	5,525,241	-	-	119,271	731,613	6,376,125
Interest paid on capital-related debt	(23,647,013)	-	-	-	(61,442)	(23,708,455)
Principal payments on bonds	(34,505,000)	-	-	-	(1,404,400)	(35,909,400)
Principal payments on loans	(30,941,181)	-	-	-	-	(30,941,181)
Proceeds from sale of assets/equipment	1,115,430	-	15,210	857,731	796,420	2,784,791
Net cash used by capital and related financing activities	<u>(121,155,739)</u>	<u>-</u>	<u>(20,562,004)</u>	<u>(2,098,170)</u>	<u>(9,187,316)</u>	<u>(153,003,229)</u>
Cash flows from investing activities:						
Interest received	23,930,110	134,530	6,437,554	268,161	6,016,161	36,786,516
Purchases of investments	(344,798,720)	-	(72,768,935)	(43,495,184)	(114,560,786)	(575,623,625)
Proceeds from maturities of investments	344,787,719	-	56,220,761	33,889,392	140,275,753	575,173,625
Net cash provided (used) by investing activities	<u>23,919,109</u>	<u>134,530</u>	<u>(10,110,620)</u>	<u>(9,337,631)</u>	<u>31,731,128</u>	<u>36,336,516</u>
Net increase (decrease) in cash and cash equivalents	109,151,161	78,469	(31,376,278)	9,609,184	26,220,800	113,683,336
Cash and cash equivalents at beginning of fiscal year	<u>677,845,702</u>	<u>6,676,975</u>	<u>130,525,564</u>	<u>47,915,940</u>	<u>77,938,070</u>	<u>940,902,251</u>
Cash and cash equivalents at end of fiscal year	<u>\$ 786,996,863</u>	<u>6,755,444</u>	<u>99,149,286</u>	<u>57,525,124</u>	<u>104,158,870</u>	<u>1,054,585,587</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 44,830,724	2,240	10,329,200	15,776,628	(29,329,826)	41,608,966
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	80,196,288	-	4,426,110	4,890,070	14,044,361	103,556,829
Landfill closure and postclosure costs	-	-	-	4,436,122	-	4,436,122
Decrease (increase) in accounts receivable	(4,835,782)	(96,957)	2,864,744	(904,155)	(2,614,978)	(5,587,128)
Decrease in service charge receivable	4,497,562	-	-	-	-	4,497,562
Increase in inventory	-	-	-	-	(509,208)	(509,208)
Decrease in deferred outflow of resources	14,053,036	-	1,730,898	1,558,728	8,729,143	26,071,805
Increase (decrease) in accounts payable	(692,894)	2	(2,218,934)	1,645,405	7,018,089	5,751,668
Decrease in accrued employee absences	-	-	-	-	(1,498,134)	(1,498,134)
Decrease in estimated liability for closure and postclosure costs	-	-	(10,947,093)	-	-	(10,947,093)
Increase (decrease) in claims liabilities	298,271	-	(242,828)	14,515	(134,244)	(64,286)
Increase in estimated pollution remediation	10,938,895	-	-	-	-	10,938,895
Increase in other postemployment benefits liability	880,113	-	108,401	97,618	546,685	1,632,817
Decrease in pension liability	(14,714,162)	-	(1,812,310)	(1,632,051)	(9,139,745)	(27,298,268)
Increase in amounts held for others	-	35,000	-	-	286,473	321,473
Increase (decrease) in other liabilities	(17,297)	-	-	-	212,255	194,958
Increase (decrease) in due to other funds	(967,252)	8,094	(2,946,473)	(813,614)	4,719,245	-
Increase in deferred inflow of resources	1,121,673	-	138,158	124,414	696,726	2,080,971
Net cash provided (used) by operating activities	<u>\$ 135,589,175</u>	<u>(51,621)</u>	<u>1,429,873</u>	<u>25,193,680</u>	<u>(6,973,158)</u>	<u>155,187,949</u>
Schedule of noncash investing activities:						
Unrealized gain on fair value of investments	\$ 15,361,535	-	7,770,530	1,992,244	7,349,987	32,474,296
Amortization of investment premium (discount)	272,352	-	431,170	(3,783)	-	699,739
Investment in joint ventures	937,788	-	-	-	344,994	1,282,782

(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, 2019

Assets	Districts								
	No. 1	No. 2	No. 3	No. 4	No. 5	No. 8	No. 9	No. 14	No. 15
Current assets:									
Unrestricted cash and cash equivalents:									
Cash and cash equivalents	\$ 30,005,876	34,025,637	29,777,551	3,040,378	38,066,667	12,047,836	220,350	18,525,664	31,038,738
Receivables:									
Accounts	1,818,304	3,508,876	1,000,129	3,804	4,822,399	4,796,001	-	864,570	2,498,528
Due from other funds	4,694,910	7,032,775	5,287,308	-	7,921,041	3,283,554	233	846,512	5,820,741
Interest	314,482	416,413	298,184	177,985	427,665	150,034	21,416	331,059	415,526
Service Charges	1,907,718	1,542,793	1,184,101	163,039	1,445,062	467,889	1,489	1,403,280	1,091,433
Taxes	135,287	460,169	356,607	41,929	877,535	141,898	7,379	76,563	617,677
Total receivables	8,870,701	12,961,026	8,126,329	386,757	15,493,702	8,839,376	30,517	3,521,984	10,443,905
Restricted/designated cash and investments:									
Cash and cash equivalents	7,652,810	7,477,980	4,261,853	5,266,806	8,173,501	12,308,911	654,909	23,713,859	10,222,020
Specific investments	25,608,480	36,178,986	25,539,113	35,685,472	23,605,039	4,512,389	3,993,129	16,990,060	41,920,212
Bond proceeds with Trustee									
Cash and cash equivalents	-	-	-	-	(1)	-	-	4,114	-
Total restricted/designated cash and investments	33,261,290	43,656,966	29,800,966	40,952,278	31,778,539	16,821,300	4,648,038	40,708,033	52,142,232
Other specific investments	1,605,717	10,936,073	2,899,553	-	14,151,091	964,410	-	-	3,632,384
Total current assets	73,743,584	101,579,702	70,604,399	44,379,413	99,489,999	38,672,922	4,898,905	62,755,681	97,257,259
Investment in joint ventures	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Capital assets:									
Disposal rights	-	60,119	-	71,379,517	8,283,194	-	2,170,162	-	-
Treatment plants	62,978	6,668,306	7,450,700	-	14,518,622	4,945,600	-	332,838,839	1,654,729
Trunk lines	26,343,546	38,767,223	25,291,058	1,284,217	54,548,990	15,092,923	-	57,854,296	12,167,715
Use rights	-	-	-	-	-	-	-	411,790	-
Composting facilities	-	-	-	-	-	-	-	-	-
Other capital assets	7,085	10,279	2,972	3,348	6,872	7,691	281	67,745	5,571
Construction in progress	312,508	6,547,756	2,731,650	341,543	3,831,326	3,861,089	-	2,712,437	227,702
Land	-	235,159	2,520	-	28,125	2,508	-	65,499,534	-
Accumulated depreciation & amortization	(9,212,081)	(12,506,546)	(11,161,687)	(33,276,022)	(29,239,161)	(8,406,301)	(991,437)	(87,456,606)	(4,194,186)
Net capital assets	17,514,036	39,782,296	24,317,213	39,732,603	51,977,968	15,503,510	1,179,006	371,928,035	9,861,531
Total assets	\$ 91,257,620	141,361,998	94,921,612	84,112,016	151,467,967	54,176,432	6,077,911	434,683,716	107,118,790
Deferred Outflow of Resources									
Deferred loss on refunding	\$ 490,235	756,878	574,920	73,141	1,237,207	298,967	10,278	(2,839,809)	774,232
Deferred pension contribution	347,075	1,063,106	651,651	19,538	1,144,652	317,941	1,376	2,377,187	354,893
Other postemployment benefit deferral	89,119	224,623	119,465	7,293	262,557	120,479	408	635,071	81,672
Total deferred outflow of resources	\$ 926,429	2,044,607	1,346,036	99,972	2,644,416	737,387	12,062	172,449	1,210,797

(Continued on the following page)

Exhibit E-1-2
SANITATION DISTRICTS OF LOS ANGELES COUNTY
Sewerage Operations
Combining Schedule of Net Position
June 30, 2019

Assets	Districts								
	No. 16	No. 17	No. 18	No. 19	No. 20	No. 21	No. 22	No. 23	No. 27
Current assets:									
Unrestricted cash and cash equivalents:									
Cash and cash equivalents	\$ 19,661,827	2,003,093	21,616,375	6,953,443	14,036,633	27,551,650	24,101,725	1,757,860	787,632
Receivables:									
Accounts	259,588	-	1,183,791	(70,844)	259,026	1,282,584	669,376	1,879,597	-
Due from other funds	2,943,007	375,774	3,650,106	1,013,974	492,163	4,547,725	3,694,046	638,917	-
Interest	249,746	51,577	238,800	85,779	180,201	348,975	334,580	67,872	7,927
Service Charges	648,174	113,865	749,292	166,141	1,093,167	775,911	622,060	20,262	-
Taxes	362,014	44,058	233,621	99,043	33,469	320,143	192,873	21,732	26,852
Total receivables	4,462,529	585,274	6,055,610	1,294,093	2,058,026	7,275,338	5,512,935	2,628,380	34,779
Restricted/designated cash and investments:									
Cash and cash equivalents	8,406,257	2,964,020	5,911,646	3,143,113	15,688,569	9,157,342	11,525,515	2,077,032	371,528
Specific investments	30,314,784	3,612,550	20,161,121	8,960,370	7,313,397	38,440,402	31,580,064	8,774,201	310,023
Bond proceeds with Trustee									
Cash and cash equivalents	-	-	1	-	942	-	1	-	-
Total restricted/designated cash and investments	38,721,041	6,576,570	26,072,768	12,103,483	23,002,908	47,597,744	43,105,580	10,851,233	681,551
Other specific investments	-	510,108	1,763,408	-	-	1,913,481	-	1,590,839	1
Total current assets	62,845,397	9,675,045	55,508,161	20,351,019	39,097,567	84,338,213	72,720,240	16,828,312	1,503,963
Investment in joint ventures	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	4	-	-	-	-
Capital assets:									
Disposal rights	7,680,243	-	16,781	163,636	-	-	-	-	2,066,008
Treatment plants	-	-	-	379,443	246,828,531	12,646,589	-	-	2,569,204
Trunk lines	13,598,110	597,520	17,614,924	2,521,906	16,620,287	13,180,946	15,726,591	-	16,900
Use rights	-	-	-	-	358,790	-	-	-	-
Composting facilities	-	-	-	-	-	-	-	-	-
Other capital assets	537	1,418	128,012	1,750	62,438	9,667	978	-	41
Construction in progress	5,912	-	1,852,905	5	1,087,993	2,783,324	111	-	-
Land	-	-	-	5,600	16,527,514	79,240	-	-	-
Accumulated depreciation & amortization	(7,192,773)	(340,768)	(5,845,973)	(2,293,863)	(64,706,158)	(12,886,085)	(6,463,171)	-	(2,204,534)
Net capital assets	14,092,029	258,170	13,766,649	778,477	216,779,395	15,813,681	9,264,509	-	2,447,619
Total assets	\$ 76,937,426	9,933,215	69,274,810	21,129,496	255,876,966	100,151,894	81,984,749	16,828,312	3,951,582
Deferred Outflow of Resources									
Deferred loss on refunding	\$ 482,489	61,745	423,202	136,450	4,689,246	456,421	394,974	83,419	14,375
Deferred pension contribution	126,135	21,672	339,080	146,433	1,860,322	510,618	186,531	13,066	1,167
Other postemployment benefit deferral	27,924	5,238	77,780	27,481	522,749	146,168	44,233	2,004	732
Total deferred outflow of resources	\$ 636,548	88,655	840,062	310,364	7,072,317	1,113,207	625,738	98,489	16,274

(Continued on the following page)

Exhibit E-1-3
SANITATION DISTRICTS OF LOS ANGELES COUNTY
Sewerage Operations
Combining Schedule of Net Position
June 30, 2019

Assets	Districts							Total
	No. 28	No. 29	No. 34	Joint Outfall	Newhall Ranch	Santa Clarita Valley	South Bay Cities	
Current assets:								
Unrestricted cash and cash equivalents:								
Cash and cash equivalents	\$ 744,160	1,338,383	4,957	40,546,064	126,264	18,921,699	9,318,462	386,218,924
Receivables:								
Accounts	-	41,557	-	4,768,965	26,669	272,341	18,157	29,903,418
Due from other funds	117,531	136,222	-	-	-	931,702	1,399,468	54,827,709
Interest	35,439	34,759	26	2,112,657	377	645,891	171,157	7,118,527
Service Charges	16,150	87,539	-	-	-	1,183,856	194,144	14,877,365
Taxes	50,245	8,189	-	-	-	348,666	408,651	4,864,600
Total receivables	219,365	308,266	26	6,881,622	27,046	3,382,456	2,191,577	111,591,619
Restricted/designated cash and investments:								
Cash and cash equivalents	2,486,067	2,701,255	-	167,544,498	-	82,540,441	6,522,952	400,772,884
Specific investments	4,842,010	3,285,731	-	223,180,388	-	36,807,228	22,325,537	653,940,686
Bond proceeds with Trustee								
Cash and cash equivalents	-	-	-	-	-	(2)	-	5,055
Total restricted/designated cash and investments	7,328,077	5,986,986	-	390,724,886	-	119,347,667	28,848,489	1,054,718,625
Other specific investments	-	-	-	-	-	-	-	39,967,065
Total current assets	8,291,602	7,633,635	4,983	438,152,572	153,310	141,651,822	40,358,528	1,592,496,233
Investment in joint ventures	-	-	-	41,117,501	-	-	-	41,117,501
Other assets	-	-	-	(1,523)	-	-	-	(1,519)
Capital assets:								
Disposal rights	-	-	-	-	-	-	-	91,819,660
Treatment plants	377,363	2,416,650	525	1,240,463,838	92,736	207,342,329	12,683,491	2,093,940,473
Trunk lines	6,886,922	8,962,571	-	1,082,650,379	38,833	28,999,122	4,129,659	1,442,894,638
Use rights	-	-	-	-	-	-	-	770,580
Composting facilities	-	-	-	122,773,935	-	-	-	122,773,935
Other capital assets	-	65	-	14,880,122	-	77,643	1,244	15,275,759
Construction in progress	-	117,273	-	168,415,311	536,337	37,329,387	2,824	232,697,393
Land	20,000	25,000	-	77,292,212	-	598,803	-	160,316,215
Accumulated depreciation & amortization	(2,446,594)	(2,405,889)	(367)	(1,036,352,683)	(11,345)	(105,935,108)	(8,660,836)	(1,454,190,174)
Net capital assets	4,837,691	9,115,670	158	1,670,123,114	656,561	168,412,176	8,156,382	2,706,298,479
Total assets	\$ 13,129,293	16,749,305	5,141	2,149,391,664	809,871	310,063,998	48,514,910	4,339,910,694
Deferred Outflow of Resources								
Deferred loss on refunding	\$ 21,823	6,852	-	-	-	749,281	211,005	9,107,331
Deferred pension contribution	13,860	150,631	-	36,324,096	(5,630)	3,893,803	373,648	50,232,851
Other postemployment benefit deferral	5,816	34,582	-	9,965,649	18,526	1,262,512	107,999	13,790,080
Total deferred outflow of resources	\$ 41,499	192,065	-	46,289,745	12,896	5,905,596	692,652	73,130,262

(Continued on the following page)

Exhibit E-1-4
SANITATION DISTRICTS OF LOS ANGELES COUNTY
Sewerage Operations
Combining Schedule of Net Position
June 30, 2019

Liabilities	Districts								
	No. 1	No. 2	No. 3	No. 4	No. 5	No. 8	No. 9	No. 14	No. 15
Current liabilities:									
Accounts payable	\$ 1,185	118,361	170,132	341,543	26,446	1,017,529	-	528,417	863
Bonds payable	1,940,701	2,996,266	2,275,947	289,543	4,897,753	1,183,528	40,689	3,665,726	3,064,966
Claims liabilities	-	-	-	-	-	-	-	351	-
Due to other funds	-	-	-	816	-	-	-	-	-
Estimated liability for pollution remediation	-	-	-	-	-	-	-	-	-
Interest payable	72,596	106,212	80,678	10,264	173,617	41,954	1,446	3,250,255	108,648
Loans payable to State of California	30,347	-	-	-	-	-	-	5,137,873	-
Other	-	-	86,010	-	-	-	-	(64,762)	36
Total current liabilities	2,044,829	3,220,839	2,612,767	642,166	5,097,816	2,243,011	42,135	12,517,860	3,174,513
Long-term liabilities:									
Bonds payable	3,838,830	5,926,796	4,501,961	572,732	9,688,054	2,341,090	80,486	148,653,838	6,062,689
Claims liabilities	-	-	-	-	-	-	-	1,052	-
Estimated liability for pollution remediation	-	-	-	-	-	-	-	-	-
Loans payable to State of California	390,680	-	-	-	-	-	-	62,541,365	-
Other postemployment benefits liability	828,805	2,343,007	1,444,397	55,719	2,583,123	883,598	4,655	5,670,113	778,208
Pension liability	1,459,208	4,304,323	2,793,169	78,454	4,703,994	1,486,608	5,433	10,016,153	1,395,132
Total long-term liabilities	6,517,523	12,574,126	8,739,527	706,905	16,975,171	4,711,296	90,574	226,882,521	8,236,029
Total liabilities	\$ 8,562,352	15,794,965	11,352,294	1,349,071	22,072,987	6,954,307	132,709	239,400,381	11,410,542
Deferred Inflow of Resources									
Other postemployment benefits deferrals	\$ 16,632	42,469	22,065	1,376	49,360	21,983	77	118,463	15,579
Pension deferrals	168,248	474,264	298,591	10,171	528,101	188,972	656	1,166,594	157,047
Total deferred inflow of resources	\$ 184,880	516,733	320,656	11,547	577,461	210,955	733	1,285,057	172,626
Net Position									
Net position:									
Net investment in capital assets	\$ 11,803,713	31,616,112	18,114,225	38,943,469	38,629,368	12,277,859	1,068,109	149,089,424	1,508,108
Restricted for capital projects	5,850,000	5,052,000	950,000	1,940,000	8,506,000	7,764,000	68,000	2,500,000	125,000
Restricted for debt service	-	-	-	-	-	-	-	6,855,508	-
Unrestricted	65,783,104	90,426,795	65,530,473	41,967,901	84,326,567	27,706,698	4,820,422	35,725,795	95,113,311
Total net position	\$ 83,436,817	127,094,907	84,594,698	82,851,370	131,461,935	47,748,557	5,956,531	194,170,727	96,746,419

Exhibit E-1-5
SANITATION DISTRICTS OF LOS ANGELES COUNTY
Sewerage Operations
Combining Schedule of Net Position
June 30, 2019

	Districts								
	No. 16	No. 17	No. 18	No. 19	No. 20	No. 21	No. 22	No. 23	No. 27
Liabilities									
Current liabilities:									
Accounts payable	\$ 3,987	-	5,813	6,473	246,931	159,936	4,596	-	-
Bonds payable	1,910,038	244,432	1,675,338	540,165	3,762,321	1,806,841	1,563,590	330,232	56,906
Claims liabilities	-	-	-	-	47,803	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	783
Estimated liability for pollution remediation	-	-	-	-	-	-	-	-	-
Interest payable	67,708	8,667	59,388	19,148	1,854,188	64,049	55,427	11,710	2,016
Loans payable to State of California	-	-	-	-	-	-	-	-	-
Other	-	-	11	(5,000)	64,688	-	-	-	-
Total current liabilities	<u>1,981,733</u>	<u>253,099</u>	<u>1,740,550</u>	<u>560,786</u>	<u>5,975,931</u>	<u>2,030,826</u>	<u>1,623,613</u>	<u>341,942</u>	<u>59,705</u>
Long-term liabilities:									
Bonds payable	3,778,172	483,499	3,313,920	1,068,479	178,047,140	3,574,041	3,092,875	653,219	112,563
Claims liabilities	-	-	-	-	143,409	-	-	-	-
Estimated liability for pollution remediation	-	-	-	-	-	-	-	-	-
Loans payable to State of California	-	-	-	-	-	-	-	-	-
Other postemployment benefits liability	328,754	60,510	770,247	296,178	4,653,599	1,158,871	428,261	27,908	4,663
Pension liability	532,681	86,159	1,510,920	626,680	8,005,024	2,187,310	772,205	50,101	6,063
Total long-term liabilities	<u>4,639,607</u>	<u>630,168</u>	<u>5,595,087</u>	<u>1,991,337</u>	<u>190,849,172</u>	<u>6,920,222</u>	<u>4,293,341</u>	<u>731,228</u>	<u>123,289</u>
Total liabilities	<u>\$ 6,621,340</u>	<u>883,267</u>	<u>7,335,637</u>	<u>2,552,123</u>	<u>196,825,103</u>	<u>8,951,048</u>	<u>5,916,954</u>	<u>1,073,170</u>	<u>182,994</u>
Deferred Inflow of Resources									
Other postemployment benefits deferrals	\$ 5,199	995	14,204	5,081	96,942	27,147	8,295	390	133
Pension deferrals	59,250	9,815	169,085	67,298	943,295	259,142	87,360	5,162	898
Total deferred inflow of resources	<u>\$ 64,449</u>	<u>10,810</u>	<u>183,289</u>	<u>72,379</u>	<u>1,040,237</u>	<u>286,289</u>	<u>95,655</u>	<u>5,552</u>	<u>1,031</u>
Net Position									
Net position:									
Net investment in capital assets	\$ 8,886,308	(408,016)	9,200,593	(693,717)	39,659,180	10,889,220	5,003,018	(900,032)	2,292,525
Restricted for capital projects	529,000	5,000	2,568,000	5,000	1,200,000	3,530,000	3,200,000	-	70,000
Restricted for debt service	-	-	-	-	-	-	-	-	-
Unrestricted	61,472,877	9,530,809	50,827,353	19,504,075	24,224,763	77,608,544	68,394,860	16,748,111	1,421,306
Total net position	<u>\$ 70,888,185</u>	<u>9,127,793</u>	<u>62,595,946</u>	<u>18,815,358</u>	<u>65,083,943</u>	<u>92,027,764</u>	<u>76,597,878</u>	<u>15,848,079</u>	<u>3,783,831</u>

Exhibit E-1-6
SANITATION DISTRICTS OF LOS ANGELES COUNTY
Sewerage Operations
Combining Schedule of Net Position
June 30, 2019

	Districts						Total	
	No. 28	No. 29	No. 34	Joint Outfall	Newhall Ranch	Santa Clarita Valley		South Bay Cities
Liabilities								
Current liabilities:								
Accounts payable	\$ -	1,381	-	15,376,460	340	3,596,183	21,700	21,628,276
Bonds payable	86,391	27,126	-	-	-	2,966,191	835,310	36,160,000
Claims liabilities	-	-	-	1,550,360	-	95,077	-	1,693,591
Due to other funds	-	-	-	31,745,395	15,343	-	-	31,762,337
Estimated liability for pollution remediation	-	-	-	1,000,000	-	-	-	1,000,000
Interest payable	3,061	3,969	-	1,247,564	-	122,938	29,610	7,395,113
Loans payable to State of California	-	45,188	-	23,155,753	-	3,227,369	-	31,596,530
Other	-	-	-	65,562	-	54	-	146,599
Total current liabilities	<u>89,452</u>	<u>77,664</u>	<u>-</u>	<u>74,141,094</u>	<u>15,683</u>	<u>10,007,812</u>	<u>886,620</u>	<u>131,382,446</u>
Long-term liabilities:								
Bonds payable	170,887	53,657	-	-	-	5,867,306	1,652,294	383,534,528
Claims liabilities	-	-	-	4,659,731	-	285,232	-	5,089,424
Estimated liability for pollution remediation	-	-	-	19,000,000	-	-	-	19,000,000
Loans payable to State of California	-	662,326	-	169,845,896	-	11,025,276	-	244,465,543
Other postemployment benefits liability	36,860	357,596	-	92,249,328	103,772	11,413,802	948,288	127,430,262
Pension liability	44,064	693,402	-	157,148,291	72,404	16,854,156	1,509,696	216,341,630
Total long-term liabilities	<u>251,811</u>	<u>1,766,981</u>	<u>-</u>	<u>442,903,246</u>	<u>176,176</u>	<u>45,445,772</u>	<u>4,110,278</u>	<u>995,861,387</u>
Total liabilities	<u>341,263</u>	<u>1,844,645</u>	<u>-</u>	<u>517,044,340</u>	<u>191,859</u>	<u>55,453,584</u>	<u>4,996,898</u>	<u>1,127,243,833</u>
Deferred Inflow of Resources								
Other postemployment benefits deferrals	1,138	6,236	-	1,844,590	3,132	234,114	20,384	2,555,984
Pension deferrals	6,277	77,517	-	18,393,128	17,235	2,066,154	180,346	25,334,606
Total deferred inflow of resources	<u>7,415</u>	<u>83,753</u>	<u>-</u>	<u>20,237,718</u>	<u>20,367</u>	<u>2,300,268</u>	<u>200,730</u>	<u>27,890,590</u>
Net Position								
Net position:								
Net investment in capital assets	4,602,236	8,334,225	158	1,477,121,465	656,561	146,075,315	5,879,783	2,019,649,209
Restricted for capital projects	5,000	180,000	-	181,277,886	-	56,114,000	530,000	281,968,886
Restricted for debt service	-	-	-	-	-	3,285,598	-	10,141,106
Unrestricted	8,214,878	6,498,747	4,983	-	(46,020)	52,740,829	37,600,151	946,147,332
Total net position	<u>\$ 12,822,114</u>	<u>15,012,972</u>	<u>5,141</u>	<u>1,658,399,351</u>	<u>610,541</u>	<u>258,215,742</u>	<u>44,009,934</u>	<u>3,257,906,533</u>

Exhibit E-2
SANITATION DISTRICTS OF LOS ANGELES COUNTY
Sewerage Operations
Combining Schedule of Revenues, Expenses, and Changes in Net Position
June 30, 2019

	Districts								
	No. 1	No. 2	No. 3	No. 4	No. 5	No. 8	No. 9	No. 14	No. 15
Operating revenues:									
Commodities	\$ -	-	-	-	-	-	-	734	-
Contract revenue	-	-	-	-	2,518	-	-	1,098,934	-
Industrial waste surcharge	5,636,141	8,734,497	3,297,015	29,603	5,939,021	10,234,032	-	2,585,457	5,533,150
Internal services revenue	-	-	-	-	-	-	-	-	-
Refuse/food waste tipping fees	-	-	-	-	-	-	-	-	-
Sale of energy	-	-	-	-	-	-	-	-	-
Service charges	26,708,265	37,838,265	30,526,085	3,822,786	41,675,866	10,891,709	83,681	32,027,678	29,674,074
Other	-	24,813	734	-	210	-	-	83,630	4,462
Total operating revenues	32,344,406	46,597,575	33,823,834	3,852,389	47,617,615	21,125,741	83,681	35,796,433	35,211,686
Operating expenses:									
Chemicals	65,976	136,260	58,343	-	33,641	6,869	-	1,183,095	21,148
Collection charges	68,625	123,959	92,484	11,285	207,612	36,341	1,604	26,466	139,687
Depreciation/amortization	420,696	717,658	637,192	1,680,765	1,270,951	367,961	51,014	9,518,690	203,370
Equipment and vehicle rentals	22,070	39,549	16,063	1,766	45,723	13,770	-	249,544	20,833
Insurance and claims	17,102	30,075	19,571	21	29,375	9,971	21	35,140	20,636
Internal administrative costs	20,885,549	31,447,303	23,390,977	9,881	35,115,793	13,997,334	4,460	2,633,121	25,723,207
Materials and supplies	25,221	30,153	54,060	1,149	100,895	119,273	-	517,744	8,774
Operations, repairs, and maintenance	10,250	32,577	19,511	6,121	53,712	69,776	2,503	438,801	8,105
Pollution remediation costs	-	-	-	-	-	-	-	-	-
Salaries and benefits	687,906	1,144,364	783,232	52,172	1,675,001	606,003	2,646	5,273,901	518,338
Services	81,341	198,063	1,684,126	1,894,042	347,956	69,909	141,279	1,239,303	84,647
Utilities	7,749	22,311	77,324	30	167,222	70,367	-	1,825,029	15,697
Total operating expenses	22,292,485	33,922,272	26,832,883	3,657,232	39,047,881	15,367,574	203,527	22,940,834	26,764,442
Operating income (loss)	10,051,921	12,675,303	6,990,951	195,157	8,569,734	5,758,167	(119,846)	12,855,599	8,447,244
Nonoperating revenues (expenses):									
Interest revenue	1,074,192	1,566,638	997,565	748,606	1,412,038	594,938	83,662	1,167,510	1,534,195
Investment in joint ventures	-	-	-	-	-	-	-	-	-
Taxes	3,855,054	7,653,813	6,315,975	705,469	12,792,077	2,219,644	105,996	1,754,383	8,469,413
Other nonoperating revenue	-	-	1,041,443	1,014	-	-	-	2,278	-
Amortization of bond premium	120,035	185,323	140,771	17,909	302,933	73,203	2,517	1,810,481	189,573
Amortization of deferred loss on refunding	(129,487)	(199,916)	(151,855)	(19,319)	(326,787)	(78,967)	(2,715)	153,738	(204,500)
Interest expense	(305,111)	(453,437)	(344,428)	(43,818)	(741,197)	(179,108)	(6,158)	(8,671,766)	(463,834)
Gain (loss) on sale of equipment/assets	614	74,747	710	-	1,039	410	-	-	726
Other nonoperating expense	(80,600)	(39,361)	(7,387)	(3,597)	(16,170)	-	-	(76,902)	(20,624)
Tax and assessment expense	(12,973)	(13,687)	(15,830)	(2,286)	(17,807)	(13,687)	-	(152,177)	(13,687)
Unrealized gain on investments	774,508	965,548	676,797	883,486	788,200	74,346	96,885	360,690	921,835
Net nonoperating revenues (expenses)	5,296,232	9,739,668	8,653,761	2,287,464	14,194,326	2,690,779	280,187	(3,651,765)	10,413,097
Income (loss) before capital contribution revenue and transfers	15,348,153	22,414,971	15,644,712	2,482,621	22,764,060	8,448,946	160,341	9,203,834	18,860,341
Capital contribution revenue:									
Connection fees	553,425	1,003,128	585,661	216,967	994,817	391,037	2,730	1,394,234	550,642
Capital grants	-	-	-	-	-	-	-	-	-
Transfers in	3,267,306	5,003,353	3,816,215	323,717	7,380,288	1,977,879	45,604	13,752,819	4,800,764
Transfers out	(10,029,437)	(15,185,302)	(11,646,437)	(323,909)	(19,110,579)	(6,012,631)	(45,708)	(13,778,056)	(13,263,303)
Change in net position	9,139,447	13,236,150	8,400,151	2,699,396	12,028,586	4,805,231	162,967	10,572,831	10,948,444
Total net position, July 1, 2018, as previously stated	74,312,056	113,884,617	76,192,212	80,180,995	119,433,349	43,201,852	5,793,564	183,597,896	85,803,914
Prior-period adjustments	(14,686)	(25,860)	2,335	(29,021)	-	(258,526)	-	-	(5,939)
Total net position, July 1, 2018, as restated	74,297,370	113,858,757	76,194,547	80,151,974	119,433,349	42,943,326	5,793,564	183,597,896	85,797,975
Total net position, June 30, 2019	\$ 83,436,817	127,094,907	84,594,698	82,851,370	131,461,935	47,748,557	5,956,531	194,170,727	96,746,419

Exhibit E-2-2
SANITATION DISTRICTS OF LOS ANGELES COUNTY
Sewerage Operations
Combining Schedule of Revenues, Expenses, and Changes in Net Position
June 30, 2019

	Districts								
	No. 16	No. 17	No. 18	No. 19	No. 20	No. 21	No. 22	No. 23	No. 27
Operating revenues:									
Commodities	-	-	-	-	1,531	-	-	-	-
Contract revenue	-	-	-	-	483,177	1,003,344	800	-	-
Industrial waste surcharge	464,108	-	3,537,665	(53,509)	415,174	4,216,176	2,672,773	4,561,878	-
Internal services revenue	-	-	-	-	-	-	-	-	-
Refuse/food waste tipping fees	-	-	-	-	-	-	-	-	-
Sale of energy	-	-	-	-	-	-	-	-	-
Service charges	17,584,725	2,338,518	21,242,101	6,830,274	24,681,544	25,710,620	20,358,344	404,580	-
Other	1,450	-	129	-	8,842	(226,200)	7,710	-	550
Total operating revenues	18,050,283	2,338,518	24,779,895	6,776,765	25,590,268	30,703,940	23,039,627	4,966,458	550
Operating expenses:									
Chemicals	3,414	2,762	54,156	29,755	884,644	-	-	-	-
Collection charges	90,578	11,741	73,608	24,988	19,820	83,752	75,275	4,916	5,250
Depreciation/amortization	373,839	4,586	249,640	30,789	6,925,286	423,962	210,195	146	80,132
Equipment and vehicle rentals	6,357	1,413	18,716	5,826	499,534	20,478	18,363	-	-
Insurance and claims	11,570	1,494	13,337	3,807	90,368	16,450	13,735	1,851	21
Internal administrative costs	13,579,983	1,733,781	16,761,166	4,461,064	1,597,371	20,624,254	17,328,819	2,983,997	4,460
Materials and supplies	2,207	182	11,689	8,444	689,186	48,765	1,596	41	687
Operations, repairs, and maintenance	10,804	2,932	9,886	8,938	318,030	22,509	15,806	2,492	-
Pollution remediation costs	-	-	-	-	-	-	-	-	-
Salaries and benefits	247,654	36,365	570,633	278,549	4,837,871	711,081	374,711	7,926	8,927
Services	267,443	16,484	252,696	12,957	923,470	142,183	191,191	589	35,042
Utilities	436	42	1,020	23,638	1,580,016	78,058	251	4	1
Total operating expenses	14,594,285	1,811,782	18,016,547	4,888,755	18,365,596	22,171,492	18,229,942	3,001,962	134,520
Operating income (loss)	3,455,998	526,736	6,763,348	1,888,010	7,224,672	8,532,448	4,809,685	1,964,496	(133,970)
Nonoperating revenues (expenses):									
Interest revenue	989,688	147,631	826,390	322,775	783,929	1,353,679	1,200,914	257,565	24,507
Investment in joint ventures	-	-	-	-	-	-	-	-	-
Taxes	6,061,649	635,722	4,464,255	1,581,910	1,475,927	4,861,501	4,591,467	506,237	385,172
Other nonoperating revenue	-	-	1,014	5,069	3,504	3,041	1,014	1,014	-
Amortization of bond premium	118,139	15,118	103,622	33,410	2,146,624	111,756	96,710	20,425	3,520
Amortization of deferred loss on refunding	(127,441)	(16,309)	(111,782)	(36,041)	(229,706)	(120,556)	(104,325)	(22,034)	(3,797)
Interest expense	(289,054)	(36,991)	(253,536)	(81,745)	(7,379,284)	(273,437)	(236,624)	(49,975)	(8,612)
Gain (loss) on sale of equipment/assets	392	56	-	137	-	661	522	146	-
Other nonoperating expense	(7,510)	-	(24,659)	(3,191)	(222,812)	-	(6,450)	-	-
Tax and assessment expense	(12,419)	(2,286)	(12,259)	(12,973)	(149,683)	(15,115)	(12,259)	-	-
Unrealized gain on investments	699,313	107,705	509,243	191,517	192,177	861,882	680,113	215,750	7,844
Net nonoperating revenues (expenses)	7,432,757	850,646	5,502,288	2,000,868	(3,379,324)	6,783,412	6,211,082	929,128	408,634
Income (loss) before capital contribution revenue and transfers	10,888,755	1,377,382	12,265,636	3,888,878	3,845,348	15,315,860	11,020,767	2,893,624	274,664
Capital contribution revenue:									
Connection fees	460,525	7,768	191,727	44,994	721,989	157,679	335,982	192	-
Capital grants	-	-	-	-	-	-	-	-	-
Transfers in	2,895,010	370,908	2,768,016	852,979	11,024,771	3,129,282	2,674,363	486,804	63,728
Transfers out	(7,571,570)	(971,856)	(8,279,033)	(2,386,380)	(11,042,807)	(9,956,967)	(8,377,226)	(1,212,918)	(63,726)
Change in net position	6,672,720	784,202	6,946,346	2,400,471	4,549,301	8,645,854	5,653,886	2,167,702	274,666
Total net position, July 1, 2018, as previously stated	64,219,569	8,343,591	55,649,652	16,414,887	60,305,042	83,381,910	71,487,051	13,680,377	3,509,165
Prior-period adjustments	(4,104)	-	(52)	-	229,600	-	(543,059)	-	-
Total net position, July 1, 2018, as restated	64,215,465	8,343,591	55,649,600	16,414,887	60,534,642	83,381,910	70,943,992	13,680,377	3,509,165
Total net position, June 30, 2019	\$ 70,888,185	\$ 9,127,793	\$ 62,595,946	\$ 18,815,358	\$ 65,083,943	\$ 92,027,764	\$ 76,597,878	\$ 15,848,079	\$ 3,783,831

Exhibit E-2-3
SANITATION DISTRICTS OF LOS ANGELES COUNTY
Sewerage Operations
Combining Schedule of Revenues, Expenses, and Changes in Net Position
June 30, 2019

	Districts							Total
	No. 28	No. 29	No. 34	Joint Outfall	Newhall Ranch	Santa Clarita Valley	South Bay Cities	
Operating revenues:								
Commodities	-	-	-	74,361	-	1,206	-	77,832
Contract revenue	-	-	-	12,818,627	466,738	857,803	-	16,731,941
Industrial waste surcharge	-	97,542	-	12,821,260	-	572,080	17,866	71,311,929
Internal services revenue	-	-	-	159,343,046	-	-	-	159,343,046
Refuse/food waste tipping fees	-	-	-	740,113	-	-	-	740,113
Sale of energy	-	-	-	934,165	-	-	-	934,165
Service charges	651,021	1,933,232	-	98	-	33,743,189	6,803,921	375,530,576
Other	-	-	5,600	163,315	-	30,640	-	105,885
Total operating revenues	651,021	2,030,774	5,600	186,894,985	466,738	35,204,918	6,821,787	624,775,487
Operating expenses:								
Chemicals	-	6,987	-	30,361,317	-	1,967,285	31,450	34,847,102
Collection charges	10,770	2,496	-	-	-	121,976	90,658	1,323,891
Depreciation/amortization	94,344	179,936	13	50,887,181	2,836	5,565,204	299,902	80,196,288
Equipment and vehicle rentals	706	13,064	-	4,284,151	-	424,373	18,001	5,720,300
Insurance and claims	463	610	-	2,012,651	21	144,201	5,070	2,477,561
Internal administrative costs	551,931	727,081	4,460	-	4,460	4,238,193	5,947,187	243,755,832
Materials and supplies	56	13,982	-	12,732,166	-	1,209,924	25,389	15,601,583
Operations, repairs, and maintenance	768	2,621	-	2,777,944	421	246,343	23,749	4,084,599
Pollution remediation costs	-	-	-	11,305,584	-	-	-	11,305,584
Salaries and benefits	19,341	338,386	-	88,502,477	181,490	9,494,641	818,051	117,171,666
Services	121,597	29,397	-	34,025,889	172	1,697,852	42,843	43,500,471
Tonnage	-	-	-	-	-	-	-	-
Utilities	137	13,889	-	13,355,781	-	2,554,520	166,364	19,959,886
Total operating expenses	800,113	1,328,449	4,473	250,245,141	189,400	27,664,512	7,468,664	579,944,763
Operating income (loss)	(149,092)	702,325	1,127	(63,350,156)	277,338	7,540,406	(646,877)	44,830,724
Nonoperating revenues (expenses):								
Interest revenue	141,775	123,567	127	7,937,174	1,059	2,571,008	653,479	26,514,611
Investment in joint ventures	-	-	-	(937,788)	-	-	-	(937,788)
Taxes	717,303	153,818	-	-	-	7,431,892	5,937,169	82,675,846
Other nonoperating revenue	-	1,014	-	389,746	-	133,417	-	1,583,568
Amortization of bond premium	5,343	1,678	-	-	-	183,463	51,665	5,734,218
Amortization of deferred loss on refunding	(5,764)	(1,810)	-	-	-	(197,910)	(55,733)	(1,993,016)
Interest expense	(13,074)	(16,699)	-	(6,160,775)	-	(1,013,974)	(126,411)	(27,149,048)
Gain (loss) on sale of equipment/assets	2	19	-	(2,500)	-	-	178	77,859
Other nonoperating expense	-	(4,072)	-	(243,531)	-	(134,375)	(1,040)	(892,281)
Tax and assessment expense	(2,286)	(4,033)	-	(1,992,959)	(10,290)	(213,159)	(18,404)	(2,700,259)
Unrealized gain on investments	112,809	93,709	-	4,917,166	-	719,333	510,679	15,361,535
Net nonoperating revenues (expenses)	956,108	347,191	127	3,906,533	(9,231)	9,479,695	6,951,582	98,275,245
Income (loss) before capital contribution revenue and transfers	807,016	1,049,516	1,254	(59,443,623)	268,107	17,020,101	6,304,705	143,105,969
Capital contribution revenue:								
Connection fees	14,557	3,090	-	26,296,039	-	6,652,284	52,679	40,632,146
Capital grants	-	-	-	4,627,513	-	897,728	-	5,525,241
Transfers in	127,798	70,475	131	89,153,777	131	3,362,945	1,268,026	158,617,089
Transfers out	(320,386)	(316,980)	(132)	(12,474,455)	(130)	(3,414,841)	(3,325,326)	(159,110,095)
Change in net position	628,985	806,101	1,253	48,159,251	268,108	24,518,217	4,300,084	188,770,350
Total net position, July 1, 2018, as previously stated	12,193,129	14,206,871	3,888	1,610,990,269	342,433	233,697,525	39,709,850	3,070,535,664
Prior-period adjustments	-	-	-	(750,169)	-	-	-	(1,399,481)
Total net position, July 1, 2018, as restated	12,193,129	14,206,871	3,888	1,610,240,100	342,433	233,697,525	39,709,850	3,069,136,183
Total net position, June 30, 2019	\$ 12,822,114	15,012,972	5,141	1,658,399,351	610,541	258,215,742	44,009,934	3,257,906,533

Exhibit E-3
SANITATION DISTRICTS OF LOS ANGELES COUNTY
Sewerage Operations
Combining Schedule of Cash Flows
Fiscal year ended June 30, 2019

	Districts								
	No. 1	No. 2	No. 3	No. 4	No. 5	No. 8	No. 9	No. 14	No. 15
Cash flows from operating activities:									
Receipts from customers and users	\$ 32,352,592	46,283,917	34,473,665	3,883,432	46,917,626	19,231,479	81,902	36,906,609	34,496,029
Receipts for internal services	-	-	-	-	-	-	-	-	-
Payments to suppliers	(396,391)	(654,270)	(2,357,553)	(1,930,188)	(737,130)	(475,496)	(143,787)	(4,609,070)	(183,446)
Payments for salaries/benefits	(764,033)	(1,235,925)	(835,522)	(47,136)	(1,887,384)	(682,736)	(3,564)	(5,230,922)	(660,242)
Payment for equipment rental	(22,070)	(39,549)	(16,063)	(1,766)	(45,723)	(13,770)	-	(249,544)	(20,833)
Payment for internal administrative costs	(20,885,549)	(31,447,303)	(23,390,977)	(9,881)	(35,115,793)	(13,997,334)	(4,460)	(2,633,121)	(25,723,207)
Net cash provided (used) by operating activities	10,284,549	12,906,870	7,873,550	1,894,461	9,131,596	4,062,143	(69,909)	24,183,952	7,908,301
Cash flows from noncapital financing activities:									
Receipts from property taxes	3,925,303	7,723,503	6,307,886	708,517	12,901,962	2,219,536	107,244	1,778,613	8,443,460
Other nonoperating receipts	-	-	-	1,014	-	-	-	2,278	-
Transfers from other funds	2,168,881	3,348,552	2,543,542	323,586	5,473,607	1,322,681	45,473	10,444,071	3,425,329
Transfers to other funds	(9,621,511)	(14,619,824)	(11,147,641)	(327,306)	(18,410,535)	(5,866,617)	(46,073)	(10,857,028)	(12,723,943)
Payments for tax and assessment	(13,048)	(13,687)	(15,830)	(2,286)	(17,807)	(13,687)	-	(152,177)	(13,687)
Net cash provided (used) by noncapital financing activities	(3,540,375)	(3,561,456)	(2,312,043)	703,525	(52,773)	(2,338,087)	106,644	1,215,757	(868,841)
Cash flows from capital and related financing activities:									
Borrowings on loans	-	-	-	-	-	-	-	-	-
Purchases of capital assets	(107,536)	(5,827,658)	(1,500,471)	(1,706,581)	(1,536,016)	(894,433)	(69,682)	(4,636,301)	(15,548)
Connection fees proceeds	553,424	1,003,129	570,705	216,967	993,036	142,159	2,730	1,394,234	550,642
Grant proceeds	-	-	-	-	-	-	-	-	-
Interest paid on capital-related debt	(327,434)	(487,440)	(370,258)	(47,104)	(796,780)	(192,540)	(6,620)	(8,809,412)	(498,618)
Proceeds from sale of assets	-	73,800	1,041,630	-	-	-	-	-	-
Principal payments on bonds	(1,853,163)	(2,861,111)	(2,173,285)	(276,482)	(4,676,827)	(1,130,141)	(38,854)	(3,487,199)	(2,926,713)
Principal payments on loans	(29,578)	-	-	-	-	-	-	(5,012,289)	-
Net cash used by capital and related financing activities	(1,764,287)	(8,099,280)	(2,431,679)	(1,813,200)	(6,016,587)	(2,074,955)	(112,426)	(20,550,967)	(2,890,237)
Cash flows from investing activities:									
Interest received	836,112	1,430,678	935,713	709,269	1,311,576	581,737	80,819	1,018,656	1,412,312
Purchases of investments	(13,891,007)	(23,597,213)	(18,449,199)	(33,475,395)	(13,301,398)	-	(4,728,957)	(7,640,213)	(35,044,797)
Proceeds from maturities of investments	14,119,949	23,899,355	18,463,301	33,482,264	13,332,283	-	4,728,957	7,647,987	35,084,193
Net cash provided by investing activities	1,065,054	1,732,820	949,815	716,138	1,342,461	581,737	80,819	1,026,430	1,451,708
Net increase in cash and cash equivalents	6,044,941	2,978,954	4,079,643	1,500,924	4,404,697	230,838	5,128	5,875,172	5,600,931
Cash and cash equivalents at beginning of fiscal year	31,613,745	38,524,663	29,959,761	6,806,260	41,835,470	24,125,909	870,131	36,368,465	35,659,827
Cash and cash equivalents at end of fiscal year	\$ 37,658,686	41,503,617	34,039,404	8,307,184	46,240,167	24,356,747	875,259	42,243,637	41,260,758

Exhibit E-3 (continued)
SANITATION DISTRICTS OF LOS ANGELES COUNTY
Sewerage Operations
Combining Schedule of Cash Flows
Fiscal year ended June 30, 2019

	Districts								
	No. 1	No. 2	No. 3	No. 4	No. 5	No. 8	No. 9	No. 14	No. 15
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:									
Operating income (loss)	\$ 10,051,921	12,675,303	6,990,951	195,157	8,569,734	5,758,167	(119,846)	12,855,599	8,447,244
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:									
Depreciation and amortization	420,696	717,658	637,192	1,680,765	1,270,951	367,961	51,014	9,518,690	203,370
Decrease (increase) in accounts receivable	(303,219)	(646,677)	351,421	741	(1,097,081)	(2,240,496)	-	478,609	(939,184)
Decrease (increase) in service charge receivable	380,031	456,990	391,628	12,536	602,924	382,572	(176)	658,006	369,154
Decrease in deferred outflow of resources	83,373	174,227	126,855	5,836	222,040	145,551	296	597,842	54,305
Increase (decrease) in accounts payable	(189,422)	(205,360)	(430,380)	(1)	(4,168)	(129,482)	-	626,847	(18,787)
Increase (decrease) in claims liabilities	-	-	-	-	-	-	-	(900)	-
Increase in estimated pollution remediation	-	-	-	-	-	-	-	-	-
Increase in other postemployment benefits liability	5,221	10,911	7,945	366	13,907	9,116	19	37,441	3,401
Decrease in pension liability	(87,295)	(182,423)	(132,821)	(6,112)	(232,485)	(152,397)	(312)	(625,964)	(56,859)
Decrease in other liabilities	(1)	(1)	(15,674)	-	(1)	-	-	-	-
Increase (decrease) in due to/from other funds	(83,411)	(107,665)	(63,694)	4,707	(231,951)	(90,467)	(928)	(9,936)	(158,677)
Increase in deferred inflow of resources	6,655	13,907	10,127	466	17,726	11,618	24	47,718	4,334
Net cash provided (used) by operating activities	<u>\$ 10,284,549</u>	<u>12,906,870</u>	<u>7,873,550</u>	<u>1,894,461</u>	<u>9,131,596</u>	<u>4,062,143</u>	<u>(69,909)</u>	<u>24,183,952</u>	<u>7,908,301</u>
Schedule of noncash investing activities:									
Unrealized gain on fair value of investments	\$ 774,508	965,548	676,797	883,486	788,200	74,346	96,885	360,690	921,835
Amortization of investment premium (discount)	60,630	22,401	5,552	-	12,164	-	-	3,061	15,517
Investment in joint venture	-	-	-	-	-	-	-	-	-

Exhibit E-3-2
SANITATION DISTRICTS OF LOS ANGELES COUNTY
Sewerage Operations
Combining Schedule of Cash Flows
Fiscal year ended June 30, 2019

	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	\$ 18,143,999	2,319,731	24,796,163	6,802,734	25,629,476	31,244,720	23,343,765	4,070,787	550
Receipts for internal services	-	-	-	-	-	-	-	-	-
Payments to suppliers	(296,157)	(10,036)	(800,827)	(712,853)	(4,493,878)	(336,489)	(218,336)	(4,967)	(41,002)
Payments for salaries/benefits	(333,447)	(42,930)	(617,830)	(291,656)	(4,909,022)	(808,089)	(440,374)	(24,633)	(8,750)
Payment for equipment rental	(6,357)	(1,413)	(18,716)	(5,826)	(499,534)	(20,478)	(18,363)	-	-
Payment for internal administrative costs	(13,579,983)	(1,733,781)	(16,761,166)	(4,461,064)	(1,597,371)	(20,624,254)	(17,328,819)	(2,983,997)	(4,460)
Net cash provided (used) by operating activities	<u>3,928,055</u>	<u>531,571</u>	<u>6,597,624</u>	<u>1,331,335</u>	<u>14,129,671</u>	<u>9,455,410</u>	<u>5,337,873</u>	<u>1,057,190</u>	<u>(53,662)</u>
Cash flows from noncapital financing activities:									
Receipts from property taxes	6,132,567	642,153	4,531,109	1,605,827	1,507,823	4,901,001	4,724,549	500,917	388,604
Other nonoperating receipts	-	-	1,014	5,069	3,504	3,041	1,013	-	-
Transfers from other funds	2,134,611	273,170	1,872,316	603,675	11,004,366	2,019,280	1,747,429	369,059	63,597
Transfers to other funds	(7,238,040)	(928,866)	(7,937,194)	(2,285,457)	(11,315,921)	(9,554,101)	(8,007,888)	(1,198,282)	(64,197)
Payments for tax and assessment	(12,419)	(2,286)	(12,259)	(12,973)	(149,683)	(15,115)	(12,259)	-	-
Net cash provided (used) by noncapital financing activities	<u>1,016,719</u>	<u>(15,829)</u>	<u>(1,545,014)</u>	<u>(83,859)</u>	<u>1,050,089</u>	<u>(2,645,894)</u>	<u>(1,547,156)</u>	<u>(328,306)</u>	<u>388,004</u>
Cash flows from capital and related financing activities:									
Borrowings on loans	-	-	-	-	-	-	-	-	-
Purchases of capital assets	(270,474)	-	(607,048)	(114,930)	(800,342)	(1,848,139)	(32,301)	-	(25,294)
Connection fees proceeds	460,525	7,768	191,727	44,994	721,989	157,679	(207,080)	191	-
Grant proceeds	-	-	-	-	-	-	-	-	-
Interest paid on capital-related debt	(310,730)	(39,764)	(272,548)	(87,875)	(7,424,309)	(293,942)	(254,369)	(53,723)	(9,258)
Proceeds from sale of assets	-	-	-	-	-	-	-	-	-
Principal payments on bonds	(1,823,881)	(233,405)	(1,599,767)	(515,799)	(3,581,880)	(1,725,339)	(1,493,059)	(315,336)	(54,339)
Principal payments on loans	-	-	-	-	-	-	-	-	-
Net cash used by capital and related financing activities	<u>(1,944,560)</u>	<u>(265,401)</u>	<u>(2,287,636)</u>	<u>(673,610)</u>	<u>(11,084,542)</u>	<u>(3,709,741)</u>	<u>(1,986,809)</u>	<u>(368,868)</u>	<u>(88,891)</u>
Cash flows from investing activities:									
Interest received	929,099	144,028	707,259	304,382	511,123	1,275,616	1,123,331	243,225	23,012
Purchases of investments	(26,028,360)	(3,585,000)	(12,635,117)	(6,778,440)	(7,084,950)	(20,892,027)	(29,202,512)	(7,915,921)	(315,000)
Proceeds from maturities of investments	26,042,700	3,585,000	12,328,886	6,784,531	7,097,174	20,538,693	28,861,401	7,915,921	315,000
Net cash provided by investing activities	<u>943,439</u>	<u>144,028</u>	<u>401,028</u>	<u>310,473</u>	<u>523,347</u>	<u>922,282</u>	<u>782,220</u>	<u>243,225</u>	<u>23,012</u>
Net increase in cash and cash equivalents	3,943,653	394,369	3,166,002	884,339	4,618,565	4,022,057	2,586,128	603,241	268,463
Cash and cash equivalents at beginning of fiscal year	24,124,431	4,572,744	24,362,020	9,212,217	25,107,579	32,686,935	33,041,113	3,231,651	890,697
Cash and cash equivalents at end of fiscal year	<u>\$ 28,068,084</u>	<u>4,967,113</u>	<u>27,528,022</u>	<u>10,096,556</u>	<u>29,726,144</u>	<u>36,708,992</u>	<u>35,627,241</u>	<u>3,834,892</u>	<u>1,159,160</u>

Exhibit E-3-2 (continued)
SANITATION DISTRICTS OF LOS ANGELES COUNTY
Sewerage Operations
Combining Schedule of Cash Flows
Fiscal year ended June 30, 2019

	Districts								
	No. 16	No. 17	No. 18	No. 19	No. 20	No. 21	No. 22	No. 23	No. 27
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:									
Operating income (loss)	\$ 3,455,998	526,736	6,763,348	1,888,010	7,224,672	8,532,448	4,809,685	1,964,496	(133,970)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:									
Depreciation and amortization	373,839	4,586	249,640	30,789	6,925,286	423,962	210,195	146	80,132
Decrease (increase) in accounts receivable	(35,316)	-	(82,605)	75,422	130,343	(3,798)	181,710	(896,517)	-
Decrease (increase) in service charge receivable	212,944	6,807	166,314	12,585	158,824	398,730	197,702	4,748	-
Decrease in deferred outflow of resources	26,922	3,762	93,184	28,838	529,424	145,371	38,776	821	931
Increase (decrease) in accounts payable	3,918	-	(457,269)	(662,429)	(23,242)	(29,004)	4,593	-	-
Increase (decrease) in claims liabilities	-	-	-	-	37,321	-	-	-	-
Increase in estimated pollution remediation	-	-	-	-	-	-	-	-	-
Increase in other postemployment benefits liability	1,686	237	5,837	1,807	33,156	9,104	2,429	51	58
Decrease in pension liability	(28,186)	(3,939)	(97,567)	(30,194)	(554,327)	(152,308)	(40,602)	(860)	(974)
Decrease in other liabilities	-	-	-	-	-	-	-	-	-
Increase (decrease) in due to/from other funds	(85,899)	(6,918)	(50,696)	(15,795)	(374,044)	119,302	(69,707)	(15,759)	87
Increase in deferred inflow of resources	2,149	300	7,438	2,302	42,258	11,603	3,092	64	74
Net cash provided (used) by operating activities	<u>\$ 3,928,055</u>	<u>531,571</u>	<u>6,597,624</u>	<u>1,331,335</u>	<u>14,129,671</u>	<u>9,455,410</u>	<u>5,337,873</u>	<u>1,057,190</u>	<u>(53,662)</u>
Schedule of noncash investing activities:									
Unrealized gain on fair value of investments	\$ 699,313	107,705	509,243	191,517	192,177	861,882	680,113	215,750	7,844
Amortization of investment premium (discount)	-	60	29,778	-	-	11,224	15,989	-	-
Investment in joint venture	-	-	-	-	-	-	-	-	-

Exhibit E-3-3
SANITATION DISTRICTS OF LOS ANGELES COUNTY
Sewerage Operations
Combining Schedule of Cash Flows
Fiscal year ended June 30, 2019

	Districts							Total
	No. 28	No. 29	No. 34	Joint Outfall	Newhall Ranch	Santa Clarita Valley	South Bay Cities	
Cash flows from operating activities:								
Receipts from customers and users	\$ 653,580	2,065,651	5,600	26,414,029	440,067	35,213,223	6,796,869	462,568,195
Receipts for internal services	-	-	-	159,343,046	-	-	-	159,343,046
Payments to suppliers	(123,020)	(78,114)	-	(93,498,380)	(539)	(7,790,437)	(292,099)	(120,184,465)
Payments for salaries/benefits	(21,533)	(328,771)	-	(86,980,533)	(165,470)	(9,440,330)	(900,637)	(116,661,469)
Payment for equipment rental	(706)	(13,064)	-	(4,284,151)	-	(424,373)	(18,001)	(5,720,300)
Payment for internal administrative costs	(551,931)	(727,081)	(4,460)	-	(4,460)	(4,238,193)	(5,947,187)	(243,755,832)
Net cash provided (used) by operating activities	<u>(43,610)</u>	<u>918,621</u>	<u>1,140</u>	<u>994,011</u>	<u>269,598</u>	<u>13,319,890</u>	<u>(361,055)</u>	<u>135,589,175</u>
Cash flows from noncapital financing activities:								
Receipts from property taxes	723,948	155,397	-	-	-	7,671,365	6,008,597	83,609,881
Other nonoperating receipts	-	-	-	385,160	-	7,096	-	409,189
Transfers from other funds	96,548	30,316	-	76,009,109	-	3,314,940	933,522	129,567,660
Transfers to other funds	(308,590)	(313,917)	-	-	(6,960)	(4,085,156)	(3,222,733)	(140,087,780)
Payments for tax and assessment	(2,286)	(4,033)	-	(1,992,959)	(10,290)	(213,159)	(18,404)	(2,700,334)
Net cash provided (used) by noncapital financing activities	<u>509,620</u>	<u>(132,237)</u>	<u>-</u>	<u>74,401,310</u>	<u>(17,250)</u>	<u>6,695,086</u>	<u>3,700,982</u>	<u>70,798,616</u>
Cash flows from capital and related financing activities:								
Borrowings on loans	-	-	-	15,139,425	-	-	-	15,139,425
Purchases of capital assets	-	(97,666)	-	(66,092,020)	(238,921)	(6,438,965)	(805,783)	(93,666,109)
Connection fees proceeds	14,557	3,090	-	26,296,039	-	6,652,284	52,679	39,823,468
Grant proceeds	-	-	-	4,627,513	-	897,728	-	5,525,241
Interest paid on capital-related debt	(14,055)	(17,196)	-	(2,652,988)	-	(544,160)	(135,890)	(23,647,013)
Proceeds from sale of assets	-	-	-	-	-	-	-	1,115,430
Principal payments on bonds	(82,494)	(25,902)	-	-	-	(2,832,393)	(797,631)	(34,505,000)
Principal payments on loans	-	(44,432)	-	(22,630,897)	-	(3,223,985)	-	(30,941,181)
Net cash used by capital and related financing activities	<u>(81,992)</u>	<u>(182,106)</u>	<u>-</u>	<u>(45,312,928)</u>	<u>(238,921)</u>	<u>(5,489,491)</u>	<u>(1,686,625)</u>	<u>(121,155,739)</u>
Cash flows from investing activities:								
Interest received	134,993	108,540	121	7,129,555	1,135	2,352,823	624,996	23,930,110
Purchases of investments	(5,224,129)	(2,617,589)	-	(34,188,702)	-	(14,152,698)	(24,050,096)	(344,798,720)
Proceeds from maturities of investments	5,224,129	2,625,363	-	34,501,750	-	14,156,800	24,052,082	344,787,719
Net cash provided by investing activities	<u>134,993</u>	<u>116,314</u>	<u>121</u>	<u>7,442,603</u>	<u>1,135</u>	<u>2,356,925</u>	<u>626,982</u>	<u>23,919,109</u>
Net increase in cash and cash equivalents	519,011	720,592	1,261	37,524,996	14,562	16,882,410	2,280,284	109,151,161
Cash and cash equivalents at beginning of fiscal year	2,711,216	3,319,046	3,696	170,565,566	111,702	84,579,728	13,561,130	677,845,702
Cash and cash equivalents at end of fiscal year	<u>\$ 3,230,227</u>	<u>4,039,638</u>	<u>4,957</u>	<u>208,090,562</u>	<u>126,264</u>	<u>101,462,138</u>	<u>15,841,414</u>	<u>786,996,863</u>

Exhibit E-3-3 (continued)
SANITATION DISTRICTS OF LOS ANGELES COUNTY
Sewerage Operations
Combining Schedule of Cash Flows
Fiscal year ended June 30, 2019

	Districts							Total
	No. 28	No. 29	No. 34	Joint Outfall	Newhall Ranch	Santa Clarita Valley	South Bay Cities	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:								
Operating income (loss)	\$ (149,092)	702,325	1,127	(63,350,156)	277,338	7,540,406	(646,877)	44,830,724
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation and amortization	94,344	179,936	13	50,887,181	2,836	5,565,204	299,902	80,196,288
Decrease (increase) in accounts receivable	-	(2,403)	-	212,265	(26,669)	(3,168)	10,840	(4,835,782)
Decrease (increase) in service charge receivable	13,329	38,763	-	-	-	(18,537)	51,688	4,497,562
Decrease in deferred outflow of resources	2,003	46,600	-	10,321,853	38,652	1,279,487	86,087	14,053,036
Increase (decrease) in accounts payable	-	(13,605)	-	581,543	77	247,055	6,222	(692,894)
Increase (decrease) in claims liabilities	-	-	-	338,057	-	(76,207)	-	298,271
Increase in estimated pollution remediation	-	-	-	10,938,895	-	-	-	10,938,895
Increase in other postemployment benefits liability	125	2,918	-	646,434	2,421	80,132	5,391	880,113
Decrease in pension liability	(2,097)	(48,793)	-	(10,807,369)	(40,470)	(1,339,672)	(90,136)	(14,714,162)
Decrease in other liabilities	-	-	-	(1,620)	-	-	-	(17,297)
Increase (decrease) in due to/from other funds	(2,382)	9,161	-	403,070	12,327	(56,934)	(91,043)	(967,252)
Increase in deferred inflow of resources	160	3,719	-	823,858	3,086	102,124	6,871	1,121,673
Net cash provided (used) by operating activities	\$ (43,610)	918,621	1,140	994,011	269,598	13,319,890	(361,055)	135,589,175
Schedule of noncash investing activities:								
Unrealized gain on fair value of investments	\$ 112,809	93,709	-	4,917,166	-	719,333	510,679	15,361,535
Amortization of investment premium (discount)	-	3,061	-	106,207	-	(13,292)	-	272,352
Investment in joint venture	-	-	-	937,788	-	-	-	937,788

Exhibit F-1
SANITATION DISTRICTS OF LOS ANGELES COUNTY
Stormwater Operations
Combining Schedule of Net Position
June 30, 2019

Assets

Current assets:

Unrestricted cash and cash equivalents:
Cash and cash equivalents \$ 6,755,444

Receivables:
Accounts 123,449
Interest 65,506

Total receivables 188,955

Total current assets 6,944,399

Total assets \$ 6,944,399

Liabilities

Current liabilities:

Accounts payable \$ 26
Amounts held for others 35,000
Due to other funds 12,744

Total current liabilities 47,770

Total liabilities \$ 47,770

Net Position

Net position:

Unrestricted 6,896,629

Total net position \$ 6,896,629

Exhibit F-2
SANITATION DISTRICTS OF LOS ANGELES COUNTY
Stormwater Operations
Combining Schedule of Revenues, Expenses, and Changes in Net Position
Fiscal year ended June 30, 2019

Operating revenues:		
Contract revenue	\$	732,925
Other		1,500
		<u>734,425</u>
Total operating revenues		<u>734,425</u>
Operating expenses:		
Materials and supplies		3,240
Salaries and benefits		127,192
Services		601,732
Utilities		21
		<u>732,185</u>
Total operating expenses		<u>732,185</u>
Operating income		<u>2,240</u>
Nonoperating revenues:		
Interest revenue		<u>133,762</u>
Net nonoperating revenues		<u>133,762</u>
Change in net position		<u>136,002</u>
Total net position, July 1, 2018		<u>6,760,627</u>
Total net position, June 30, 2019	\$	<u><u>6,896,629</u></u>

Exhibit F-3
SANITATION DISTRICTS OF LOS ANGELES COUNTY
Stormwater Operations
Combining Schedule of Cash Flows
Fiscal year ended June 30, 2019

Cash flows from operating activities:	
Receipts from customers and users	\$ 672,469
Payments to suppliers	(604,992)
Payments for salaries/benefits	(119,098)
	<u>(51,621)</u>
Cash flows from noncapital financing activities:	
Transfers to other funds	(4,440)
	<u>(4,440)</u>
Cash flows from investing activities:	
Interest received	134,530
	<u>134,530</u>
Net cash provided by investing activities	<u>134,530</u>
Net increase in cash and cash equivalents	78,469
Cash and cash equivalents at beginning of fiscal year	<u>6,676,975</u>
Cash and cash equivalents at end of fiscal year	<u>\$ 6,755,444</u>
Reconciliation of operating income to net cash used by operating activities:	
Operating income	\$ <u>2,240</u>
Adjustments to reconcile operating income to net cash used by operating activities:	
Increase in accounts receivable	(96,957)
Increase in accounts payable	2
Increase in amounts held for others	35,000
Increase in due to other funds	8,094
	<u>8,094</u>
Net cash used by operating activities	<u>\$ (51,621)</u>

Exhibit G-1
SANITATION DISTRICTS OF LOS ANGELES COUNTY
Solid Waste Facilities Operations
Combining Schedule of Net Position
June 30, 2019

Assets	Spadra Landfill	South Gate Transfer Station	Puente Hills Landfill	Puente Hills Materials Recovery Facility	Downey Area Recycling and Transfer Station	Mesquite Regional Landfill	Total
Current assets:							
Unrestricted cash and cash equivalents:							
Cash in bank	\$ -	574,163	245,487	870,776	358,405	-	2,048,831
Cash on hand	-	3,700	4,329	9,900	5,540	-	23,469
Cash and cash equivalents	(317,674)	4,071,175	8,727,696	3,231,617	1,802,653	633,012	18,148,479
Total unrestricted cash and cash equivalents	(317,674)	4,649,038	8,977,512	4,112,293	2,166,598	633,012	20,220,779
Receivables:							
Accounts, net	-	249,403	7,023	4,580,204	2,589,069	52,220	7,477,919
Due from other funds	90,790	16,825	1,477,377	-	-	14,782	1,599,774
Interest	252,423	18,542	1,317,802	12,139	6,357	4,704	1,611,967
Total receivables	343,213	284,770	2,802,202	4,592,343	2,595,426	71,706	10,689,660
Restricted/designated cash and investments:							
Cash and cash equivalents	12,798,836	-	66,045,069	-	-	84,602	78,928,507
Specific investments	62,350,556	-	243,102,351	-	-	246,095	305,699,002
Total restricted/designated cash and investments	75,149,392	-	309,147,420	-	-	330,697	384,627,509
Total current assets	75,174,931	4,933,808	320,927,134	8,704,636	4,762,024	1,035,415	415,537,948
Other assets	-	1	273	9	12	-	295
Capital assets:							
Buildings & equipment	-	-	-	-	-	7,334,878	7,334,878
Improvements	41,216,844	2,260,241	246,784,379	-	-	76,801,413	367,062,877
Gas-to-energy facilities	26,041,170	-	-	-	-	-	26,041,170
Rail facilities	-	-	-	-	-	54,060,853	54,060,853
Recycling and transfer facilities	-	-	-	59,785,670	12,248,499	-	72,034,169
Use rights	635,000	-	9,001,642	-	12,006,393	42,360,490	64,003,525
Other capital assets	16,963	-	317,157	3,828	-	-	337,948
Construction in progress	155,911	555,666	1,097,253	19,535,901	80,643	15,483	21,440,857
Land	-	77,665	-	16,203,794	7,236,414	2,993,718	26,511,591
Accumulated depreciation & amortization	(60,084,055)	(2,260,241)	(255,844,579)	(18,892,763)	(17,926,501)	-	(355,008,139)
Net capital assets	7,981,833	633,331	1,355,852	76,636,430	13,645,448	183,566,835	283,819,729
Total assets	\$ 83,156,764	5,567,140	322,283,259	85,341,075	18,407,484	184,602,250	699,357,972
Deferred Outflow of Resources							
Deferred pension contribution	\$ 223,347	407,430	2,972,153	2,852,847	900,601	181,420	7,537,798
Other postemployment benefit deferral	117,749	147,711	775,571	885,476	304,464	51,919	2,282,890
Total deferred outflow of resources	\$ 341,096	555,141	3,747,724	3,738,323	1,205,065	233,339	9,820,688

(Continued on the following page)

Exhibit G-1-2
SANITATION DISTRICTS OF LOS ANGELES COUNTY
Solid Waste Facilities Operations
Combining Schedule of Net Position
June 30, 2019

Liabilities	Spadra Landfill	South Gate Transfer Station	Puente Hills Landfill	Puente Hills Materials Recovery Facility	Downey Area Recycling and Transfer Station	Mesquite Regional Landfill	Total
Current liabilities:							
Accounts payable	\$ 131,321	176,582	490,287	1,607,916	623,228	579	3,029,913
Claims liabilities	11,633	5,391	551,211	4,283	12,210	-	584,728
Due to other funds	-	-	-	256,145	51,868	-	308,013
Estimated liability for closure/postclosure care	2,919,000	-	9,147,000	-	-	-	12,066,000
Other	(596)	(11)	208	1	-	-	(398)
Total current liabilities	<u>3,061,358</u>	<u>181,962</u>	<u>10,188,706</u>	<u>1,868,345</u>	<u>687,306</u>	<u>579</u>	<u>15,988,256</u>
Long-term liabilities:							
Claims liabilities	34,900	16,173	1,662,952	12,852	36,631	-	1,763,508
Estimated liability for closure/postclosure care	39,149,074	-	176,739,726	-	-	-	215,888,800
Other postemployment benefits liability	675,837	1,188,548	6,631,333	7,327,105	2,442,761	457,085	18,722,669
Pension liability	518,102	1,845,636	10,915,906	12,108,335	3,958,392	691,582	30,037,953
Total long-term liabilities	<u>40,377,913</u>	<u>3,050,357</u>	<u>195,949,917</u>	<u>19,448,292</u>	<u>6,437,784</u>	<u>1,148,667</u>	<u>266,412,930</u>
Total liabilities	<u>\$ 43,439,271</u>	<u>3,232,319</u>	<u>206,138,623</u>	<u>21,316,637</u>	<u>7,125,090</u>	<u>1,149,246</u>	<u>282,401,186</u>
Deferred Inflow of Resources							
Other postemployment benefits deferrals	\$ 23,525	27,130	150,380	164,974	56,269	9,947	432,225
Pension deferrals	92,054	232,550	1,276,674	1,468,910	490,362	82,855	3,643,405
Total deferred inflow of resources	<u>\$ 115,579</u>	<u>259,680</u>	<u>1,427,054</u>	<u>1,633,884</u>	<u>546,631</u>	<u>92,802</u>	<u>4,075,630</u>
Net Position							
Net position:							
Net investment in capital assets	\$ 7,981,833	633,331	1,355,852	76,636,430	13,645,448	183,566,835	283,819,729
Restricted for capital projects	-	150,000	-	-	-	-	150,000
Restricted for closure/postclosure maintenance	31,961,177	-	80,233,949	-	-	-	112,195,126
Restricted for site development	-	-	36,875,505	-	-	-	36,875,505
Unrestricted	-	1,846,951	-	(10,507,553)	(1,704,620)	26,706	(10,338,516)
Total net position	<u>\$ 39,943,010</u>	<u>2,630,282</u>	<u>118,465,306</u>	<u>66,128,877</u>	<u>11,940,828</u>	<u>183,593,541</u>	<u>422,701,844</u>

Exhibit G-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, 2019

	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	\$ 813	33,723	104,998	1,048,587	230,920	-	1,419,041
Contract revenue	-	-	431,149	118,744	-	69,766	619,659
Refuse/food waste tipping fees	-	10,157,188	4,072	41,546,917	20,460,493	-	72,168,670
Sale of energy	-	-	7,974,459	-	-	-	7,974,459
Other	76	98	915	6,835	110	-	8,034
Total operating revenues	889	10,191,009	8,515,593	42,721,083	20,691,523	69,766	82,189,863
Operating expenses:							
Chemicals	-	-	40,363	-	538	-	40,901
Depreciation/amortization	652,726	-	1,151,595	1,491,444	1,130,345	-	4,426,110
Equipment and vehicle rentals	116,481	439,767	427,969	1,949,341	805,768	6,866	3,746,192
Insurance and claims	6,369	26,390	(245,906)	180,699	75,258	4,805	47,615
Internal administrative costs	481,084	-	1,552,910	4,680	3,510	-	2,042,184
Materials and supplies	19,051	40,528	702,008	593,728	180,645	10,597	1,546,557
Operations, repairs, and maintenance	20,124	78,681	297,583	375,302	89,140	28,005	888,835
Salaries and benefits	83,405	1,425,797	3,172,146	6,994,680	2,761,566	307,121	14,744,715
Services	8,371	5,484,814	273,475	24,598,631	12,802,207	75,845	43,243,343
Utilities	122,289	58,670	654,641	58,135	102,129	138,347	1,134,211
Total operating expenses	1,509,900	7,554,647	8,026,784	36,246,640	17,951,106	571,586	71,860,663
Operating income (loss)	(1,509,011)	2,636,362	488,809	6,474,443	2,740,417	(501,820)	10,329,200
Nonoperating revenues (expenses):							
Interest revenue	1,437,082	63,048	5,957,061	117,232	13,542	19,265	7,607,230
Other nonoperating revenue	-	-	3,315	148,828	11,895	-	164,038
Other nonoperating expense	(91,680)	-	(447,141)	-	-	-	(538,821)
Tax and assessment expense	-	(518,380)	(49,836)	(1,263,565)	(1,061,411)	(92,636)	(2,985,828)
Unrealized gain on investments	1,479,347	-	6,284,548	-	-	6,635	7,770,530
Net nonoperating revenues (expenses)	2,824,749	(455,332)	11,747,947	(997,505)	(1,035,974)	(66,736)	12,017,149
Income (loss) before capital contribution revenue and transfers	1,315,738	2,181,030	12,236,756	5,476,938	1,704,443	(568,556)	22,346,349
Transfers in	3,031,954	6,025,875	9,211,797	13,163,978	5,087,481	1,000,000	37,521,085
Transfers out	(1,169,785)	(6,025,875)	(58,367,609)	(9,664,138)	(3,087,601)	-	(78,315,008)
Change in net position	3,177,907	2,181,030	(36,919,056)	8,976,778	3,704,323	431,444	(18,447,574)
Total net position, July 1, 2018, as previously stated	36,765,103	449,252	157,540,790	57,147,898	8,236,505	183,162,097	443,301,645
Prior-period adjustments	-	-	(2,156,428)	4,201	-	-	(2,152,227)
Total net position, July 1, 2018, as restated	36,765,103	449,252	155,384,362	57,152,099	8,236,505	183,162,097	441,149,418
Total net position, June 30, 2019	\$ 39,943,010	2,630,282	118,465,306	66,128,877	11,940,828	183,593,541	422,701,844

Exhibit G-3
SANITATION DISTRICTS OF LOS ANGELES COUNTY
Solid Waste Facilities Operations
Combining Schedule of Cash Flows
Fiscal year ended June 30, 2019

	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	\$ 850	10,259,683	12,420,687	43,003,280	19,329,443	23,081	85,037,024
Payments to suppliers	(126,097)	(6,141,025)	(3,528,819)	(27,804,145)	(13,696,175)	(265,317)	(51,561,578)
Payments for salaries/benefits	(101,189)	(1,420,103)	(3,435,502)	(7,197,700)	(2,788,650)	(366,960)	(15,310,104)
Payments applied to closure/postclosure liability	(2,863,002)	-	(8,084,091)	-	-	-	(10,947,093)
Payment for equipment rental	(116,481)	(439,767)	(427,969)	(1,949,341)	(805,768)	(6,866)	(3,746,192)
Payment for internal administrative costs	(481,084)	-	(1,552,910)	(4,680)	(3,510)	-	(2,042,184)
Net cash provided (used) by operating activities	<u>(3,687,003)</u>	<u>2,258,788</u>	<u>(4,608,604)</u>	<u>6,047,414</u>	<u>2,035,340</u>	<u>(616,062)</u>	<u>1,429,873</u>
Cash flows from noncapital financing activities:							
Payments for tax and assessment	-	(499,681)	(49,836)	(1,190,910)	(1,015,990)	(92,636)	(2,849,053)
Other nonoperating receipts	-	-	-	153,029	-	-	153,029
Transfers from other funds	3,031,954	-	9,211,717	3,500,000	2,087,570	1,000,000	18,831,241
Transfers to other funds	(1,169,785)	-	(17,098,839)	-	(120)	-	(18,268,744)
Net cash provided (used) by noncapital financing activities	<u>1,862,169</u>	<u>(499,681)</u>	<u>(7,936,958)</u>	<u>2,462,119</u>	<u>1,071,460</u>	<u>907,364</u>	<u>(2,133,527)</u>
Cash flows from capital and related financing activities:							
Purchases of capital assets	(258,911)	(296,611)	(603,069)	(17,664,305)	(1,754,111)	(207)	(20,577,214)
Proceeds from sale of equipment	-	-	3,315	-	11,895	-	15,210
Net cash used by capital and related financing activities	<u>(258,911)</u>	<u>(296,611)</u>	<u>(599,754)</u>	<u>(17,664,305)</u>	<u>(1,742,216)</u>	<u>(207)</u>	<u>(20,562,004)</u>
Cash flows from investing activities:							
Interest received	1,411,604	58,382	4,790,691	147,734	10,980	18,163	6,437,554
Purchases of investments	(22,390,255)	-	(50,378,680)	-	-	-	(72,768,935)
Proceeds from maturities of investments	21,691,041	-	34,529,720	-	-	-	56,220,761
Net cash provided (used) by investing activities	<u>712,390</u>	<u>58,382</u>	<u>(11,058,269)</u>	<u>147,734</u>	<u>10,980</u>	<u>18,163</u>	<u>(10,110,620)</u>
Net increase (decrease) in cash and cash equivalents	(1,371,355)	1,520,878	(24,203,585)	(9,007,038)	1,375,564	309,258	(31,376,278)
Cash and cash equivalents at beginning of fiscal year	<u>13,852,517</u>	<u>3,128,160</u>	<u>99,226,166</u>	<u>13,119,331</u>	<u>791,034</u>	<u>408,356</u>	<u>130,525,564</u>
Cash and cash equivalents at end of fiscal year	<u>\$ 12,481,162</u>	<u>4,649,038</u>	<u>75,022,581</u>	<u>4,112,293</u>	<u>2,166,598</u>	<u>717,614</u>	<u>99,149,286</u>

Exhibit G-3 (continued)
SANITATION DISTRICTS OF LOS ANGELES COUNTY
Solid Waste Facilities Operations
Combining Schedule of Cash Flows
Fiscal year ended June 30, 2019

	Spadra Landfill	South Gate Transfer Station	Puente Hills Landfill	Puente Hills Materials Recovery Facility	Downey Area Recycling and Transfer Station	Mesquite Regional Landfill	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$ (1,509,011)	2,636,362	488,809	6,474,443	2,740,417	(501,820)	10,329,200
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation and amortization	652,726	-	1,151,595	1,491,444	1,130,345	-	4,426,110
Decrease (increase) in accounts receivable	-	66,431	3,984,937	223,637	(1,358,041)	(52,220)	2,864,744
Decrease in deferred outflow of resources	8,632	166,779	356,254	846,612	320,945	31,676	1,730,898
Increase (decrease) in accounts payable	(4,005)	(464,722)	182,407	(1,634,599)	(297,094)	(921)	(2,218,934)
Decrease in estimated liability for closure/postclosure costs	(2,863,002)	-	(8,084,091)	-	-	-	(10,947,093)
Increase (decrease) in claims liabilities	(2,170)	(400)	(229,092)	2,478	(13,644)	-	(242,828)
Increase in other postemployment benefits liability	542	10,444	22,310	53,021	20,100	1,984	108,401
Decrease in pension liability	(9,039)	(174,623)	(373,010)	(886,434)	(336,040)	(33,164)	(1,812,310)
Increase (decrease) in due to other funds	37,634	5,205	(2,137,158)	(590,763)	(197,265)	(64,126)	(2,946,473)
Increase in deferred inflow of resources	690	13,312	28,435	67,575	25,617	2,529	138,158
Net cash provided (used) by operating activities	\$ (3,687,003)	2,258,788	(4,608,604)	6,047,414	2,035,340	(616,062)	1,429,873
Schedule of noncash investing activities:							
Unrealized gain on fair value of investments	\$ 1,479,347	-	6,284,548	-	-	6,635	7,770,530
Amortization of investment premium	62,784	-	368,386	-	-	-	431,170

Exhibit H-1
SANITATION DISTRICTS OF LOS ANGELES COUNTY
Trustee Solid Waste Facilities Operations
Combining Schedule of Net Position
June 30, 2019

Assets	Palos Verdes Landfill	Scholl Canyon Landfill	Calabasas Landfill	Los Angeles County Equipment Pool	Los Angeles County Refuse Disposal Fund	Total
Current assets:						
Unrestricted cash and cash equivalents:						
Cash in bank	\$ -	911,160	513,527	-	-	1,424,687
Cash on hand	-	5,870	5,106	-	-	10,976
Cash and cash equivalents	<u>4,291,975</u>	<u>12,616,523</u>	<u>20,272,364</u>	<u>6,185,861</u>	<u>1,347,881</u>	<u>44,714,604</u>
Total unrestricted cash and cash equivalents	<u>4,291,975</u>	<u>13,533,553</u>	<u>20,790,997</u>	<u>6,185,861</u>	<u>1,347,881</u>	<u>46,150,267</u>
Receivables:						
Accounts	-	3,146,971	2,208,930	-	-	5,355,901
Due from other funds	291,545	467,403	308,429	-	45,990	1,113,367
Interest	<u>46,589</u>	<u>166,365</u>	<u>291,907</u>	<u>27,153</u>	<u>7,682</u>	<u>539,696</u>
Total receivables	<u>338,134</u>	<u>3,780,739</u>	<u>2,809,266</u>	<u>27,153</u>	<u>53,672</u>	<u>7,008,964</u>
Restricted/designated cash and investments:						
Cash and cash equivalents	746,531	3,625,513	7,002,813	-	-	11,374,857
Specific investments	<u>-</u>	<u>11,497,852</u>	<u>50,096,085</u>	<u>-</u>	<u>-</u>	<u>61,593,937</u>
Total restricted/designated cash and investments	<u>746,531</u>	<u>15,123,365</u>	<u>57,098,898</u>	<u>-</u>	<u>-</u>	<u>72,968,794</u>
Other specific investments	<u>4,926,528</u>	<u>17,037,217</u>	<u>2,997,000</u>	<u>-</u>	<u>-</u>	<u>24,960,745</u>
Total current assets	<u>10,303,168</u>	<u>49,474,874</u>	<u>83,696,161</u>	<u>6,213,014</u>	<u>1,401,553</u>	<u>151,088,770</u>
Other assets	-	-	-	13	-	13
Capital assets:						
Improvements	23,710,778	27,084,146	124,856,642	-	-	175,651,566
Equipment pool	-	-	-	17,213,772	-	17,213,772
Gas-to-energy facilities	16,557,233	-	-	-	-	16,557,233
Use rights	3,758,185	300,131	947,215	-	-	5,005,531
Construction in progress	1,031	2,757	173,389	-	285,059	462,236
Land	-	-	-	-	5,482,200	5,482,200
Accumulated depreciation & amortization	<u>(44,026,196)</u>	<u>(25,251,131)</u>	<u>(106,730,666)</u>	<u>(7,896,999)</u>	<u>-</u>	<u>(183,904,992)</u>
Net capital assets	<u>1,031</u>	<u>2,135,903</u>	<u>19,246,580</u>	<u>9,316,773</u>	<u>5,767,259</u>	<u>36,467,546</u>
Total assets	<u>\$ 10,304,199</u>	<u>\$ 51,610,777</u>	<u>\$ 102,942,741</u>	<u>\$ 15,529,800</u>	<u>\$ 7,168,812</u>	<u>\$ 187,556,329</u>
Deferred Outflow of Resources						
Deferred pension contribution	\$ 935,330	1,539,873	1,303,068	251,847	251,701	4,281,819
Other postemployment benefit deferral	<u>243,978</u>	<u>479,763</u>	<u>529,984</u>	<u>80,220</u>	<u>65,101</u>	<u>1,399,046</u>
Total deferred outflow of resources	<u>\$ 1,179,308</u>	<u>\$ 2,019,636</u>	<u>\$ 1,833,052</u>	<u>\$ 332,067</u>	<u>\$ 316,802</u>	<u>\$ 5,680,865</u>

(Continued on the following page)

Exhibit H-1-2
SANITATION DISTRICTS OF LOS ANGELES COUNTY
Trustee Solid Waste Facilities Operations
Combining Schedule of Net Position
June 30, 2019

Liabilities	Palos Verdes Landfill	Scholl Canyon Landfill	Calabasas Landfill	Los Angeles County Equipment Pool	Los Angeles County Refuse Disposal Fund	Total
Current liabilities:						
Accounts payable	\$ 27,855	3,526,345	2,313,152	15,676	603	5,883,631
Claims liabilities	34,012	36,958	91,978	-	-	162,948
Due to other funds	-	-	-	8,867	-	8,867
Other	(6)	7	-	-	696	697
Total current liabilities	<u>61,861</u>	<u>3,563,310</u>	<u>2,405,130</u>	<u>24,543</u>	<u>1,299</u>	<u>6,056,143</u>
Long-term liabilities:						
Claims liabilities	102,036	110,875	275,935	-	-	488,846
Estimated liability for closure/postclosure care	-	11,139,191	74,174,417	-	-	85,313,608
Other postemployment benefits liability	2,301,546	4,157,077	4,216,173	681,977	607,530	11,964,303
Pension liability	3,873,495	6,664,957	6,477,959	1,074,848	1,052,292	19,143,551
Total long-term liabilities	<u>6,277,077</u>	<u>22,072,100</u>	<u>85,144,484</u>	<u>1,756,825</u>	<u>1,659,822</u>	<u>116,910,308</u>
Total liabilities	<u>\$ 6,338,938</u>	<u>25,635,410</u>	<u>87,549,614</u>	<u>1,781,368</u>	<u>1,661,121</u>	<u>122,966,451</u>
Deferred Inflow of Resources						
Other postemployment benefits deferrals	\$ 45,746	88,926	95,511	14,927	12,171	257,281
Pension deferrals	448,905	807,659	833,400	131,301	121,603	2,342,868
Total deferred inflow of resources	<u>\$ 494,651</u>	<u>896,585</u>	<u>928,911</u>	<u>146,228</u>	<u>133,774</u>	<u>2,600,149</u>
Net Position						
Net position:						
Net investment in capital assets	\$ 1,031	2,135,903	19,246,580	9,316,773	5,767,259	36,467,546
Restricted for capital projects	-	350,000	-	-	-	350,000
Restricted for closure/postclosure maintenance	-	15,123,366	-	-	-	15,123,366
Unrestricted	4,648,887	9,489,149	(2,949,312)	4,617,498	(76,540)	15,729,682
Total net position	<u>\$ 4,649,918</u>	<u>27,098,418</u>	<u>16,297,268</u>	<u>13,934,271</u>	<u>5,690,719</u>	<u>67,670,594</u>

Exhibit H-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, 2019

	Palos Verdes Landfill	Scholl Canyon Landfill	Calabasas Landfill	Los Angeles County Equipment Pool	Los Angeles County Refuse Disposal Fund	Total
Operating revenues:						
Commodities	\$ -	4,087	5,556	-	-	9,643
Contract revenue	-	37,439	500	-	968,786	1,006,725
Equipment pool	-	-	-	4,738,614	-	4,738,614
Refuse/food waste tipping fees	-	31,256,881	33,720,078	-	-	64,976,959
Other	5	70	3,158	7,694	360	11,287
Total operating revenues	5	31,298,477	33,729,292	4,746,308	969,146	70,743,228
Operating expenses:						
Chemicals	2,167	2,080	6,562	-	2,341	13,150
Depreciation/amortization	-	388,491	3,028,116	1,473,463	-	4,890,070
Equipment and vehicle rentals	105,696	2,176,280	2,651,343	9,495	21,267	4,964,081
Insurance and claims	12,748	144,702	163,509	18,835	2,578	342,372
Internal administrative costs	931,517	1,526,932	1,495,681	-	107,750	4,061,880
Landfill closure/postclosure costs	-	387,565	4,048,557	-	-	4,436,122
Materials and supplies	90,968	230,940	1,848,923	265,543	15,678	2,452,052
Operations, repairs, and maintenance	49,285	7,144,082	443,955	1,282,174	129,657	9,049,153
Salaries and benefits	2,075,355	4,719,721	6,901,758	753,075	576,155	15,026,064
Services	358,686	819,585	2,819,969	33,913	248,048	4,280,201
Tonnage	-	4,365,422	-	-	-	4,365,422
Utilities	269,418	399,863	344,064	1,927	70,761	1,086,033
Total operating expenses	3,895,840	22,305,663	23,752,437	3,838,425	1,174,235	54,966,600
Operating income (loss)	(3,895,835)	8,992,814	9,976,855	907,883	(205,089)	15,776,628
Nonoperating revenues (expenses):						
Interest revenue	216,102	743,949	1,244,907	6,769	121,393	2,333,120
Other nonoperating revenue	-	-	211,865	109	-	211,974
Gain on sale of equipment/assets	-	-	-	966,323	-	966,323
Other nonoperating expense	(15,972)	(5,641)	-	-	-	(21,613)
Tax and assessment expense	(52,895)	(1,446,872)	(4,735,787)	(72)	(19,056)	(6,254,682)
Unrealized gain on investments	151,277	437,415	1,403,552	-	-	1,992,244
Net nonoperating revenues (expenses)	298,512	(271,149)	(1,875,463)	973,129	102,337	(772,634)
Income (loss) before capital contribution revenue and transfers	(3,597,323)	8,721,665	8,101,392	1,881,012	(102,752)	15,003,994
Capital contribution revenue:						
Capital grants	-	-	-	119,271	-	119,271
Transfers in	20,013	10,674,763	8,290,085	8,081,397	2,878	27,069,136
Transfers out	(76,174)	(10,864,534)	(8,457,302)	(7,619,953)	(11,401)	(27,029,364)
Change in net position	(3,653,484)	8,531,894	7,934,175	2,461,727	(111,275)	15,163,037
Total net position, July 1, 2018, as previously stated	8,303,402	18,582,032	8,465,035	11,472,544	5,801,994	52,625,007
Prior-period adjustments	-	(15,508)	(101,942)	-	-	(117,450)
Total net position, July 1, 2018, as restated	8,303,402	18,566,524	8,363,093	11,472,544	5,801,994	52,507,557
Total net position, June 30, 2019	\$ 4,649,918	27,098,418	16,297,268	13,934,271	5,690,719	67,670,594

Exhibit H-3
SANITATION DISTRICTS OF LOS ANGELES COUNTY
Trustee Solid Waste Facilities Operations
Combining Schedule of Cash Flows
Fiscal year ended June 30, 2019

	Palos Verdes Landfill	Scholl Canyon Landfill	Calabasas Landfill	Los Angeles County Equipment Pool	Los Angeles County Refuse Disposal Fund	Total
Cash flows from operating activities:						
Receipts from customers and users	\$ -	30,842,472	33,096,228	7,687	1,163,995	65,110,382
Receipts for equipment rental	-	-	-	4,738,614	-	4,738,614
Payments to suppliers	(854,597)	(12,849,393)	(4,406,880)	(2,048,821)	(546,401)	(20,706,092)
Payments for salaries/benefits	(2,106,961)	(4,749,047)	(6,725,425)	(761,915)	(579,915)	(14,923,263)
Payment for equipment rental	(105,696)	(2,176,280)	(2,651,343)	(9,495)	(21,267)	(4,964,081)
Payment for internal administrative costs	(931,517)	(1,526,932)	(1,495,681)	-	(107,750)	(4,061,880)
Net cash provided (used) by operating activities	<u>(3,998,771)</u>	<u>9,540,820</u>	<u>17,816,899</u>	<u>1,926,070</u>	<u>(91,338)</u>	<u>25,193,680</u>
Cash flows from noncapital financing activities:						
Payments for tax and assessment	(52,895)	(1,446,872)	(2,604,229)	(72)	(19,056)	(4,123,124)
Other nonoperating receipts	-	-	211,864	517,497	-	729,361
Transfers from other funds	12,170	-	-	461,444	-	473,614
Transfers to other funds	(172,603)	(534,997)	(487,774)	-	(33,172)	(1,228,546)
Net cash provided (used) by noncapital financing activities	<u>(213,328)</u>	<u>(1,981,869)</u>	<u>(2,880,139)</u>	<u>978,869</u>	<u>(52,228)</u>	<u>(4,148,695)</u>
Cash flows from capital and related financing activities:						
Purchases of capital assets	-	(45,846)	(926,544)	(2,031,307)	(71,475)	(3,075,172)
Grant proceeds	-	-	-	119,271	-	119,271
Proceeds from sale of equipment	-	-	-	857,731	-	857,731
Net cash used by capital and related financing activities	<u>-</u>	<u>(45,846)</u>	<u>(926,544)</u>	<u>(1,054,305)</u>	<u>(71,475)</u>	<u>(2,098,170)</u>
Cash flows from investing activities:						
Interest received	195,364	740,061	(788,566)	-	121,302	268,161
Purchases of investments	(919,665)	(26,128,704)	(16,446,815)	-	-	(43,495,184)
Proceeds from maturities of investments	1,216,887	20,225,651	12,446,854	-	-	33,889,392
Net cash provided (used) by investing activities	<u>492,586</u>	<u>(5,162,992)</u>	<u>(4,788,527)</u>	<u>-</u>	<u>121,302</u>	<u>(9,337,631)</u>
Net increase (decrease) in cash and cash equivalents	(3,719,513)	2,350,113	9,221,689	1,850,634	(93,739)	9,609,184
Cash and cash equivalents at beginning of fiscal year	<u>8,758,019</u>	<u>14,808,953</u>	<u>18,572,121</u>	<u>4,335,227</u>	<u>1,441,620</u>	<u>47,915,940</u>
Cash and cash equivalents at end of fiscal year	<u>\$ 5,038,506</u>	<u>17,159,066</u>	<u>27,793,810</u>	<u>6,185,861</u>	<u>1,347,881</u>	<u>57,525,124</u>

Exhibit H-3 (continued)
SANITATION DISTRICTS OF LOS ANGELES COUNTY
Trustee Solid Waste Facilities Operations
Combining Schedule of Cash Flows
Fiscal year ended June 30, 2019

	Palos Verdes Landfill	Scholl Canyon Landfill	Calabasas Landfill	Los Angeles County Equipment Pool	Los Angeles County Refuse Disposal Fund	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ (3,895,835)	8,992,814	9,976,855	907,883	(205,089)	15,776,628
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	-	388,491	3,028,116	1,473,463	-	4,890,070
Landfill closure and postclosure costs	-	387,565	4,048,557	-	-	4,436,122
Decrease (increase) in accounts receivable	-	(466,687)	(632,318)	-	194,850	(904,155)
Decrease in deferred outflow of resources	214,291	488,731	718,286	77,927	59,493	1,558,728
Increase (decrease) in accounts payable	(429)	334,548	1,372,987	15,028	(76,729)	1,645,405
Increase (decrease) in claims liabilities	(789)	(45,872)	61,176	-	-	14,515
Increase in other postemployment benefits liability	13,421	30,608	44,984	4,881	3,724	97,618
Decrease in pension liability	(224,372)	(511,720)	(752,073)	(81,594)	(62,292)	(1,632,051)
Decrease in due to other funds	(122,164)	(96,666)	(107,002)	(477,738)	(10,044)	(813,614)
Increase in deferred inflow of resources	17,106	39,008	57,331	6,220	4,749	124,414
Net cash provided (used) by operating activities	\$ (3,998,771)	9,540,820	17,816,899	1,926,070	(91,338)	25,193,680
Schedule of noncash investing activities:						
Unrealized gain on fair value of investments	\$ 151,277	437,415	1,403,552	-	-	1,992,244
Amortization of investment premium (discount)	3,546	(5,641)	(1,688)	-	-	(3,783)

Exhibit I-1
SANITATION DISTRICTS OF LOS ANGELES COUNTY
Service Operations
Combining Schedule of Net Position
June 30, 2019

Assets	<u>Joint Administration</u>	<u>Technical Support</u>	<u>Joint Refuse Disposal</u>	<u>Joint Refuse Equipment Pool</u>	<u>Joint Administration Equipment Pool</u>	<u>Wastewater Equipment Pool</u>	<u>Total</u>
Current assets:							
Unrestricted cash and cash equivalents:							
Cash in bank	\$ 13,978,273	-	-	-	-	-	13,978,273
Cash on hand	14,600	-	1	-	-	-	14,601
Cash and cash equivalents	<u>5,844,129</u>	<u>6,661,458</u>	<u>22,688,749</u>	<u>9,586,928</u>	<u>222,439</u>	<u>1,169,486</u>	<u>46,173,189</u>
Total unrestricted cash and cash equivalents	<u>19,837,002</u>	<u>6,661,458</u>	<u>22,688,750</u>	<u>9,586,928</u>	<u>222,439</u>	<u>1,169,486</u>	<u>60,166,063</u>
Receivables:							
Accounts	322,940	-	3,544,421	-	-	-	3,867,361
Due from other funds	-	-	1,811,443	171,840	-	80,078	2,063,361
Interest	<u>264,226</u>	<u>43,023</u>	<u>983,501</u>	<u>86,635</u>	<u>2,127</u>	<u>5,033</u>	<u>1,384,545</u>
Total receivables	<u>587,166</u>	<u>43,023</u>	<u>6,339,365</u>	<u>258,475</u>	<u>2,127</u>	<u>85,111</u>	<u>7,315,267</u>
Inventory	<u>20,843,398</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,843,398</u>
Restricted/designated cash and investments:							
Cash and cash equivalents	33,221,711	-	10,770,762	-	-	-	43,992,473
Specific investments	16,427,854	-	234,462,946	-	-	-	250,890,800
Bond proceeds with Trustee	-	-	334	-	-	-	334
Cash and cash equivalents	<u>-</u>	<u>-</u>	<u>334</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>334</u>
Total restricted/designated cash and investments	<u>49,649,565</u>	<u>-</u>	<u>245,234,042</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>294,883,607</u>
Other specific investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,366,614</u>	<u>-</u>	<u>-</u>	<u>10,366,614</u>
Total current assets	<u>90,917,131</u>	<u>6,704,481</u>	<u>274,262,157</u>	<u>20,212,017</u>	<u>224,566</u>	<u>1,254,597</u>	<u>393,574,949</u>
Investment in joint ventures	-	-	9,592,806	-	-	-	9,592,806
Other assets	12,491	-	-	-	2	-	12,493
Capital assets:							
Buildings & equipment	65,887,741	-	11,410,230	-	-	-	77,297,971
Improvements	-	-	2,107,936	-	-	-	2,107,936
Equipment pool	-	-	-	17,315,714	1,844,772	30,202,972	49,363,458
Gas-to-energy facilities	-	-	174,802,531	-	-	-	174,802,531
Rail facilities	-	-	56,311,059	-	-	-	56,311,059
Other capital assets	18,175,167	17,570,803	156,941	-	-	-	35,902,911
Construction in progress	3,326,746	465,028	145,678,807	-	-	-	149,470,581
Land	592,901	-	28,373,391	-	-	-	28,966,292
Accumulated depreciation & amortization	<u>(44,998,230)</u>	<u>(4,859,887)</u>	<u>(121,090,685)</u>	<u>(8,261,951)</u>	<u>(722,447)</u>	<u>(16,126,117)</u>	<u>(196,059,317)</u>
Net capital assets	<u>42,984,325</u>	<u>13,175,944</u>	<u>297,750,210</u>	<u>9,053,763</u>	<u>1,122,325</u>	<u>14,076,855</u>	<u>378,163,422</u>
Total assets	<u>\$ 133,913,947</u>	<u>19,880,425</u>	<u>581,605,173</u>	<u>29,265,780</u>	<u>1,346,893</u>	<u>15,331,452</u>	<u>781,343,670</u>
Deferred Outflow of Resources							
Deferred pension contribution	\$ 10,886,426	15,917,416	508,958	583,104	12,062	503,911	28,411,877
Other postemployment benefit deferral	<u>3,127,409</u>	<u>4,264,923</u>	<u>437,604</u>	<u>196,585</u>	<u>5,132</u>	<u>177,456</u>	<u>8,209,109</u>
Total deferred outflow of resources	<u>\$ 14,013,835</u>	<u>20,182,339</u>	<u>946,562</u>	<u>779,689</u>	<u>17,194</u>	<u>681,367</u>	<u>36,620,986</u>

(Continued on the following page)

Exhibit I-1-2
SANITATION DISTRICTS OF LOS ANGELES COUNTY
Service Operations
Combining Schedule of Net Position
June 30, 2019

Liabilities	Joint Administration	Technical Support	Joint Refuse Disposal	Joint Refuse Equipment Pool	Joint Administration Equipment Pool	Wastewater Equipment Pool	Total
Current liabilities:							
Accounts payable	\$ 12,541,315	141,405	7,108,244	28,244	38,539	18,818	19,876,565
Accrued employee absences	27,000,000	-	-	-	-	-	27,000,000
Amounts held for others	7,130,517	-	-	-	-	-	7,130,517
Bonds payable	-	-	1,404,400	-	-	-	1,404,400
Claims liabilities	71,759	220,216	32,745	-	-	-	324,720
Due to other funds	20,970,034	6,459,494	-	-	82,722	-	27,512,250
Interest payable	-	-	2,487	-	-	-	2,487
Other	241,132	241,784	(48,616)	10,000	(10,000)	-	434,300
Total current liabilities	67,954,757	7,062,899	8,499,260	38,244	111,261	18,818	83,685,239
Long-term liabilities:							
Accrued employee absences	11,075,381	-	-	-	-	-	11,075,381
Bonds payable	-	-	2,808,796	-	-	-	2,808,796
Claims liabilities	215,276	660,649	98,236	-	-	-	974,161
Other postemployment benefits liability	28,589,547	39,986,511	3,130,662	1,639,930	34,792	1,444,141	74,825,583
Pension liability	46,755,076	68,381,110	4,174,468	2,572,054	48,616	2,233,240	124,164,564
Total long-term liabilities	86,635,280	109,028,270	10,212,162	4,211,984	83,408	3,677,381	213,848,485
Total liabilities	\$ 154,590,037	116,091,169	18,711,422	4,250,228	194,669	3,696,199	297,533,724
Deferred Inflow of Resources							
Other postemployment benefits deferrals	580,421	790,892	74,677	36,297	967	32,750	1,516,004
Pension deferrals	5,543,347	7,958,874	613,615	318,214	6,602	279,773	14,720,425
Total deferred inflow of resources	\$ 6,123,768	8,749,766	688,292	354,511	7,569	312,523	16,236,429
Net Position							
Net position:							
Net investment in capital assets	\$ 42,984,325	13,175,944	293,537,014	9,053,763	1,122,325	14,076,855	373,950,226
Restricted for capital projects	-	-	9,100,000	-	-	-	9,100,000
Unrestricted	(55,770,348)	(97,954,115)	260,515,007	16,386,967	39,524	(2,072,758)	121,144,277
Total net position	\$ (12,786,023)	(84,778,171)	563,152,021	25,440,730	1,161,849	12,004,097	504,194,503

Exhibit I-2
SANITATION DISTRICTS OF LOS ANGELES COUNTY
Service Operations
Combining Schedule of Revenues, Expenses, and Changes in Net Position
Fiscal year ended June 30, 2019

	Joint Administration	Technical Support	Joint Refuse Disposal	Joint Refuse Equipment Pool	Joint Administration Equipment Pool	Wastewater Equipment Pool	Total
Operating revenues:							
Commodities	\$ 13	-	-	-	-	-	13
Contract revenue	485	17,398	1,809,784	-	-	-	1,827,667
Equipment pool	-	-	-	4,275,907	362,000	5,984,483	10,622,390
Internal services revenue	45,145,620	50,584,901	-	-	-	-	95,730,521
Sale of energy	-	-	10,238,287	-	3,728	-	10,242,015
Other	309,700	45,859	1,275	60,908	114,872	46,014	578,628
Total operating revenues	45,455,818	50,648,158	12,049,346	4,336,815	480,600	6,030,497	119,001,234
Operating expenses:							
Chemicals	-	8,163	77,124	-	-	-	85,287
Depreciation/amortization	3,248,606	544,275	6,740,300	1,457,585	150,861	1,902,734	14,044,361
Equipment and vehicle rentals	263,422	406,588	161,697	79,572	9,808	9,344	930,431
Insurance and claims	354,888	78,896	375,217	85,999	39,291	239,507	1,173,798
Internal administrative costs	-	-	5,213,671	-	-	-	5,213,671
Materials and supplies	4,779,355	3,704,080	2,869,111	539,055	34,880	569,162	12,495,643
Operations, repairs, and maintenance	1,424,951	2,240,163	4,479,231	1,194,560	129,204	1,397,173	10,865,282
Salaries and benefits	35,200,797	42,162,874	6,352,564	2,055,306	39,576	1,836,406	87,647,523
Services	7,149,326	1,999,926	4,304,271	181,856	22,196	166,546	13,824,121
Utilities	963,214	222,842	772,571	81,931	10,277	108	2,050,943
Total operating expenses	53,384,559	51,367,807	31,345,757	5,675,864	436,093	6,120,980	148,331,060
Operating income (loss)	(7,928,741)	(719,649)	(19,296,411)	(1,339,049)	44,507	(90,483)	(29,329,826)
Nonoperating revenues (expenses):							
Interest revenue	1,398,994	161,102	5,259,193	361,937	10,093	15,839	7,207,158
Investment in joint ventures	-	-	(28,823)	-	-	-	(28,823)
Other nonoperating revenue	24,490	5,922	138,618	17,701	16,765	16,612	220,108
Interest expense	-	-	(60,613)	-	-	-	(60,613)
Gain (loss) on sale of equipment/assets	-	-	-	(189,895)	23,197	6,439	(160,259)
Other nonoperating expense	105,890	(110,500)	(464,143)	(44,175)	-	-	(512,928)
Tax and assessment expense	(11,821)	(226,764)	(88,203)	(23,584)	(502)	(18,491)	(369,365)
Unrealized gain on investments	423,254	-	6,613,932	312,801	-	-	7,349,987
Net nonoperating revenues (expenses)	1,940,807	(170,240)	11,369,961	434,785	49,553	20,399	13,645,265
Income (loss) before capital contribution revenue and transfers	(5,987,934)	(889,889)	(7,926,450)	(904,264)	94,060	(70,084)	(15,684,561)
Capital contribution revenue:							
Capital grants	-	-	731,613	-	-	-	731,613
Transfers in	2,880,950	566,294	50,719,961	2,425,745	-	3,812,390	60,405,340
Transfers out	(1,487,940)	(37,623)	(10,933,040)	(2,984,775)	-	(3,714,805)	(19,158,183)
Change in net position	(4,594,924)	(361,218)	32,592,084	(1,463,294)	94,060	27,501	26,294,209
Total net position, July 1, 2018, as previously stated	(8,187,572)	(84,416,953)	530,559,937	26,786,587	1,067,789	11,976,596	477,786,384
Prior-period adjustments	(3,527)	-	-	117,437	-	-	113,910
Total net position, July 1, 2018, as restated	(8,191,099)	(84,416,953)	530,559,937	26,904,024	1,067,789	11,976,596	477,900,294
Total net position, June 30, 2019	\$(12,786,023)	(84,778,171)	563,152,021	25,440,730	1,161,849	12,004,097	504,194,503

Exhibit I-3
SANITATION DISTRICTS OF LOS ANGELES COUNTY
Service Operations
Schedule of Cash Flows
Fiscal year ended June 30, 2019

	Joint Administration	Technical Support	Joint Refuse Disposal	Joint Refuse Equipment Pool	Joint Administration Equipment Pool	Wastewater Equipment Pool	Total
Cash flows from operating activities:							
Receipts from customers and users	\$ 51,989	62,327	9,762,475	60,893	4,432	45,162	9,987,278
Receipts for internal services	45,145,620	50,584,901	-	-	-	-	95,730,521
Receipts for equipment rental	-	-	-	4,275,907	362,000	5,984,483	10,622,390
Payments to suppliers	(20,755,836)	(8,835,560)	(6,295,120)	(1,993,678)	(240,430)	(2,359,442)	(40,480,066)
Payments for salaries/benefits	(24,979,695)	(41,966,600)	(5,919,874)	(2,026,987)	73,514	(1,869,537)	(76,689,179)
Payment for equipment rental	(263,422)	(406,588)	(161,697)	(79,572)	(9,808)	(9,344)	(930,431)
Payment for internal administrative costs	-	-	(5,213,671)	-	-	-	(5,213,671)
Net cash provided (used) by operating activities	<u>(801,344)</u>	<u>(561,520)</u>	<u>(7,827,887)</u>	<u>236,563</u>	<u>189,708</u>	<u>1,791,322</u>	<u>(6,973,158)</u>
Cash flows from noncapital financing activities:							
Payments for tax and assessment	(11,820)	(226,764)	(88,203)	(23,584)	(502)	(18,491)	(369,364)
Other nonoperating receipts	8,869	5,922	238,618	17,700	16,764	14,642	302,515
Transfers from other funds	12,292,190	788,147	9,985,056	-	-	-	23,065,393
Transfers to other funds	-	-	(12,176,198)	(89,280)	(2,520)	(80,400)	(12,348,398)
Net cash provided (used) by noncapital financing activities	<u>12,289,239</u>	<u>567,305</u>	<u>(2,040,727)</u>	<u>(95,164)</u>	<u>13,742</u>	<u>(84,249)</u>	<u>10,650,146</u>
Cash flows from capital and related financing activities:							
Purchases of capital assets	(327,109)	(522,608)	(4,487,743)	(1,484,334)	(377,009)	(2,050,704)	(9,249,507)
Grant proceeds	-	-	731,613	-	-	-	731,613
Interest paid on capital related debt	-	-	(61,442)	-	-	-	(61,442)
Principal payments on bonds	-	-	(1,404,400)	-	-	-	(1,404,400)
Proceeds from sale of equipment/assets	2,964	-	-	355,446	158,810	279,200	796,420
Net cash used by capital and related financing activities	<u>(324,145)</u>	<u>(522,608)</u>	<u>(5,221,972)</u>	<u>(1,128,888)</u>	<u>(218,199)</u>	<u>(1,771,504)</u>	<u>(9,187,316)</u>
Cash flows from investing activities:							
Interest received	1,425,545	160,378	4,142,906	259,778	10,122	17,432	6,016,161
Purchases of investments	-	-	(111,278,973)	(3,281,813)	-	-	(114,560,786)
Proceeds from maturities/sale of investments	-	-	136,909,565	3,366,188	-	-	140,275,753
Net cash provided by investing activities	<u>1,425,545</u>	<u>160,378</u>	<u>29,773,498</u>	<u>344,153</u>	<u>10,122</u>	<u>17,432</u>	<u>31,731,128</u>
Net increase (decrease) in cash and cash equivalents	12,589,295	(356,445)	14,682,912	(643,336)	(4,627)	(46,999)	26,220,800
Cash and cash equivalents at beginning of fiscal year	40,469,418	7,017,903	18,776,934	10,230,264	227,066	1,216,485	77,938,070
Cash and cash equivalents at end of fiscal year	<u>\$ 53,058,713</u>	<u>6,661,458</u>	<u>33,459,846</u>	<u>9,586,928</u>	<u>222,439</u>	<u>1,169,486</u>	<u>104,158,870</u>

Exhibit I-3 (continued)
SANITATION DISTRICTS OF LOS ANGELES COUNTY
Service Operations
Schedule of Cash Flows
Fiscal year ended June 30, 2019

	Joint Administration	Technical Support	Joint Refuse Disposal	Joint Refuse Equipment Pool	Joint Administration Equipment Pool	Wastewater Equipment Pool	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$ (7,928,741)	(719,649)	(19,296,411)	(1,339,049)	44,507	(90,483)	(29,329,826)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation	3,248,606	544,275	6,740,300	1,457,585	150,861	1,902,734	14,044,361
Increase in accounts receivable	(119,684)	-	(2,495,294)	-	-	-	(2,614,978)
Increase in inventory	(509,208)	-	-	-	-	-	(509,208)
Decrease in deferred outflow of resources	3,137,409	4,320,672	867,275	209,456	4,200	190,131	8,729,143
Increase in accounts payable	360,454	36,946	6,586,333	20,540	830	12,986	7,018,089
Decrease in accrued employee absences	(1,498,134)	-	-	-	-	-	(1,498,134)
Decrease in claims liabilities	(46,630)	(77,367)	(10,247)	-	-	-	(134,244)
Increase in other postemployment benefits liability	196,488	270,593	54,316	13,117	264	11,907	546,685
Decrease in pension liability	(3,284,995)	(4,523,907)	(908,068)	(219,308)	(4,398)	(199,069)	(9,139,745)
Increase in other liabilities	212,255	-	-	-	-	-	212,255
Increase in amounts held for others	286,473	-	-	-	-	-	286,473
Increase (decrease) in due to other funds	4,893,953	(757,945)	564,685	77,504	(6,892)	(52,060)	4,719,245
Increase in deferred inflow of resources	250,410	344,862	69,224	16,718	336	15,176	696,726
Net cash provided (used) by operating activities	\$ (801,344)	(561,520)	(7,827,887)	236,563	189,708	1,791,322	(6,973,158)
Schedule of noncash investing activities:							
Unrealized gain on fair value of investments	\$ 423,254	-	6,613,932	312,801	-	-	7,349,987
Investment from joint ventures	-	-	311,762	33,232	-	-	344,994

Protecting Local Waterways

The new tunnel being built as part of the Clearwater Project will protect local waterways by addressing aging infrastructure. The tunnel will be built to current seismic standards and will be large enough to manage the higher flow experienced during severe storms.

Machado Lake

Schedule 1

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Net Position by Component

Last Ten Fiscal Years

(\$ thousands)

	Fiscal Year									
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Net Investment in Capital Assets	\$ 1,846,438	\$ 2,043,959	\$ 2,176,888	\$ 2,163,967	\$ 2,324,683	\$ 2,425,697	\$ 2,510,653	\$ 2,569,596	\$ 2,625,877	\$ 2,713,887
Restricted	1,431,817	1,487,066	1,406,583	1,489,800	882,206	830,382	614,964	632,009	511,794	465,904
Unrestricted	418,262	311,704	334,042	371,308	883,243	590,578	849,383	926,728	913,338	1,079,579
Total Net Position	<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>	<u>\$ 4,128,333</u>	<u>\$ 4,051,009</u>	<u>\$ 4,259,370</u>

Schedule 2

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Changes in Net Position
Last Ten Fiscal Years
(\$ thousands)

	Fiscal Year									
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Operating Revenues	\$ 525,810	\$ 560,563	\$ 534,890	\$ 554,282	\$ 530,264	\$ 541,086	\$ 545,758	\$ 574,894	\$ 590,185	\$ 627,010
Operating Expenses	439,072	485,580	489,657	477,068	538,751	539,460	496,260	498,319	552,610	585,401
Operating Income/(Loss)	86,738	74,983	45,233	77,214	(8,487)	1,626	49,498	76,575	37,575	41,609
Total Net Nonoperating Revenues	35,863	21,967	10,098	4,236	39,501	58,091	58,789	58,613	50,455	123,299
Income Before Capital Contributions	122,601	96,950	55,331	81,450	31,014	59,717	108,287	135,188	88,030	164,908
Capital Contributions	25,163	18,144	19,453	26,113	38,842	32,966	35,800	36,286	41,524	47,008
Prior-Period Adjustments	-	-	-	-	(4,799,699)	(336,158)	(15,745)	(18,141)	5,033	(3,555)
Change in Accounting Methods	-	-	-	-	-	-	-	-	(211,911)	-
Change in Net Position	<u>\$ 147,764</u>	<u>\$ 115,094</u>	<u>\$ 74,784</u>	<u>\$ 107,563</u>	<u>\$ (4,729,843)</u>	<u>\$ (243,475)</u>	<u>\$ 128,342</u>	<u>\$ 153,333</u>	<u>\$ (77,324)</u>	<u>\$ 208,361</u>

Schedule 3

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Operating Revenues Last Ten Fiscal Years (\$ thousands)

	Fiscal Year									
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Commodities	\$ 2,898	\$ 4,025	\$ 5,343	\$ 7,276	\$ 7,894	\$ 8,779	\$ 8,459	\$ 5,864	\$ 3,150	\$ 1,506
Contract Revenue	17,951	43,613	24,056	25,542	23,808	22,172	17,394	18,363	19,565	20,919
Industrial Waste Surcharge	54,305	59,508	57,861	56,999	58,092	63,505	64,477	64,356	67,060	71,312
Refuse Tipping Fees	134,835	108,808	102,539	112,160	87,798	80,316	95,119	106,169	107,034	137,886
Sale of Energy	43,061	43,241	45,511	30,429	35,285	30,356	23,173	23,354	24,881	19,151
Service Charges	268,269	297,474	295,831	318,035	312,890	331,261	335,526	353,963	365,437	375,531
Other	4,491	3,894	3,749	3,841	4,497	4,697	1,610	2,825	3,058	705
Total Operating Revenue	<u>\$ 525,810</u>	<u>\$ 560,563</u>	<u>\$ 534,890</u>	<u>\$ 554,282</u>	<u>\$ 530,264</u>	<u>\$ 541,086</u>	<u>\$ 545,758</u>	<u>\$ 574,894</u>	<u>\$ 590,185</u>	<u>\$ 627,010</u>

Schedule 4

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Operating Expenses
Last Ten Fiscal Years
(\$ thousands)

	Fiscal Year									
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Chemicals	\$ 33,314	\$ 31,790	\$ 33,394	\$ 34,778	\$ 33,912	\$ 33,675	\$ 32,300	\$ 30,072	\$ 31,166	\$ 34,986
Insurance and Claims	4,054	5,577	3,403	4,154	1,657	5,105	4,284	4,309	3,424	4,041
Landfill Closure and Postclosure Costs	(10,217)	4,193	23,894	8,842	22,764	34,395	10,419	1,554	1,662	4,436
Materials and Supplies	15,383	21,398	21,537	22,164	24,264	27,171	27,677	27,403	28,689	32,099
Operations, Repairs, and Maintenance	28,915	55,217	37,516	31,271	34,951	30,960	21,719	19,500	22,503	24,888
Salaries and Benefits	190,500	189,543	197,449	195,752	198,288	192,500	185,252	208,361	231,563	234,717
Services	64,990	65,110	58,499	62,468	81,166	91,973	96,658	90,029	102,061	105,450
Utilities	24,289	24,998	23,805	24,237	26,525	25,053	22,247	19,834	22,550	24,231
Miscellaneous ⁽¹⁾	6,547	5,409	6,494	8,668	4,429	5,039	5,345	5,034	13,075	16,996
Subtotal, Expenses before Depreciation	357,775	403,235	405,991	392,334	427,956	445,871	405,901	406,096	456,693	481,844
Depreciation & Amortization of Use Rights	81,297	82,345	83,666	84,734	110,795	93,589	90,359	92,223	95,917	103,557
Total Operating Expenses	<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>	<u>\$ 498,319</u>	<u>\$ 552,610</u>	<u>\$ 585,401</u>

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

Schedule 5

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Nonoperating Revenues and Expenses
Last Ten Fiscal Years
(\$ thousands)

	Fiscal Year									
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Interest Revenue	\$ 45,632	\$ 35,269	\$ 23,940	\$ 16,139	\$ 15,727	\$ 17,646	\$ 22,561	\$ 25,995	\$ 32,459	\$ 43,796
Tax Revenue	60,493	53,197	54,770	68,435	55,211	67,962	70,121	73,029	77,371	82,676
Other Nonoperating Revenue	7,848	6,982	4,599	6,907	11,235	9,136	6,788	12,793	12,164	8,798
Interest Expense	(41,089)	(38,493)	(40,054)	(42,543)	(32,194)	(32,817)	(33,203)	(28,021)	(26,765)	(27,210)
Unrealized Gain/(Loss) on Investments	(4,139)	(4,098)	(6,546)	(19,491)	8,647	5,188	2,942	(10,176)	(26,002)	32,474
Tax and Assessment Expense	(24,538)	(20,731)	(21,274)	(20,899)	(14,014)	(7,050)	(7,702)	(10,956)	(10,289)	(12,310)
Other Nonoperating Expense	(8,344)	(10,159)	(5,337)	(4,312)	(5,111)	(1,974)	(2,718)	(4,051)	(8,483)	(4,925)
Total Nonoperating Revenue	<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>	<u>\$ 58,613</u>	<u>\$ 50,455</u>	<u>\$ 123,299</u>

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

	Fiscal Year									
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Cash Flows from Operating Activities										
Receipts from customers and users	\$ 516,600	\$ 562,483	\$ 529,296	\$ 565,158	\$ 534,475	\$ 544,623	\$ 547,724	\$ 569,134	\$ 587,160	\$ 623,375
Receipts for equipment rental	16,074	15,396	16,094	16,792	15,359	14,645	13,955	14,934	14,610	15,361
Payments to suppliers	(188,534)	(209,396)	(187,623)	(191,064)	(205,140)	(222,019)	(204,480)	(218,109)	(203,140)	(233,537)
Payments to employees	(191,919)	(188,357)	(196,690)	(195,775)	(198,736)	(200,429)	(182,087)	(203,597)	(221,399)	(223,703)
Payments applied to closure/postclosure liability	(6,254)	(6,357)	(6,567)	(5,722)	(6,960)	(6,844)	(14,964)	(12,337)	(14,358)	(10,947)
Payment for equipment rental within the Districts	(15,733)	(14,973)	(16,912)	(16,412)	(15,075)	(14,991)	(13,955)	(14,934)	(14,610)	(15,361)
Other payments	(38)	(34)	(19)	(19)	(19)	(19)	-	-	-	-
Net cash provided by operating activities	130,196	158,762	137,579	172,958	123,904	114,966	146,193	135,091	148,263	155,188
Cash Flows from Noncapital Financing Activities										
Receipts from nonproperty taxes	61,672	54,337	53,784	71,082	57,527	67,042	69,817	72,378	76,790	83,610
Other nonoperating receipts	-	-	-	-	-	-	-	-	5,016	1,594
Payments for tax and assessment	(25,298)	(21,491)	(21,649)	(20,898)	(14,827)	(7,050)	(8,442)	(10,956)	(10,289)	(10,042)
Net cash provided by noncapital financing activities	36,374	32,846	32,135	50,184	42,700	59,992	61,375	61,422	71,517	75,162
Cash Flows from Capital and Related Financing Activities										
Borrowings on loans	64,662	37,094	10,664	2,351	9,664	18,879	8,967	14,746	34,945	15,139
Proceeds on bond sales	-	-	151,280	-	117,460	-	172,408	192,968	-	-
Contract proceeds from County of Los Angeles	2,709	361	-	-	2,700	1,500	-	-	-	-
Bond issuance costs	-	-	(717)	-	(457)	-	(654)	(713)	-	-
Purchases of capital assets	(305,465)	(261,729)	(168,072)	(134,346)	(129,324)	(135,584)	(141,401)	(104,258)	(125,035)	(126,568)
Principal payments on contracts/note	(1,643)	(743)	(713)	(316)	(39)	(41)	(44)	(1,328)	-	-
Connection fees proceeds	21,908	18,105	19,453	25,918	33,291	32,713	34,354	33,803	38,382	39,823
Grant proceeds	2,872	39	-	195	-	-	1,458	1,492	3,671	6,376
Interest paid on capital-related debt	(39,179)	(36,456)	(34,710)	(35,059)	(30,904)	(30,942)	(26,346)	(22,534)	(24,482)	(23,708)
Payment to joint venture	(1,363)	-	-	-	-	-	-	-	-	-
Principal payments on bonds	(19,364)	(22,559)	(174,229)	(24,744)	(184,152)	(29,264)	(203,934)	(188,553)	(34,449)	(35,909)
Principal payments on loans	(26,933)	(27,459)	(28,270)	(31,689)	(30,580)	(31,173)	(30,100)	(79,459)	(28,255)	(30,941)
Payment per joint powers agreement	(6,250)	-	-	-	-	-	-	(1,100)	-	-
Proceeds from sale of assets/equipment	758	329	4,080	3,823	2,630	2,385	1,001	7,174	2,143	2,785
Receipts from joint venture	3,229	2,170	165	2,306	2,930	131	150	150	150	-
Receipts from settlement	-	1,508	-	-	-	-	-	-	-	-
Net cash used by capital and related financing activities	(304,059)	(289,340)	(221,069)	(191,561)	(206,781)	(171,396)	(184,141)	(147,612)	(132,930)	(153,003)
Cash Flows from Investing Activities										
Interest received	53,846	36,161	31,520	16,468	14,567	15,940	24,734	24,415	34,538	36,787
Purchases of investments	(1,630,212)	(990,755)	(1,363,978)	(1,490,217)	(466,367)	(610,933)	(1,273,001)	(782,636)	(316,412)	(575,624)
Proceeds from maturities of investments	1,471,080	918,392	1,160,068	1,298,975	397,566	863,262	1,353,519	555,543	325,076	575,174
Net cash provided (used) by investing activities	(105,286)	(36,202)	(172,390)	(174,774)	(54,234)	268,269	105,252	(202,678)	43,202	36,337
Net increase (decrease) in cash and cash equivalents	(242,775)	(133,934)	(223,745)	(143,193)	(94,411)	271,831	128,679	(153,777)	130,052	113,684
Cash and cash equivalents at beginning of fiscal year	1,402,175	1,159,400	1,025,466	801,721	658,528	564,117	835,948	964,627	810,850	940,902
Cash and cash equivalents at end of fiscal year	\$ 1,159,400	\$ 1,025,466	\$ 801,721	\$ 658,528	\$ 564,117	\$ 835,948	\$ 964,627	\$ 810,850	\$ 940,902	\$ 1,054,586

Schedule 7

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Annual Capital Contributions by Source
Last Ten Fiscal Years
(\$ thousands)

<u>Fiscal Year</u>	<u>Connection Fees</u>	<u>Grants</u>	<u>Donated Property</u>	<u>Total</u>
2009-10	\$ 21,908	\$ 2,872	\$ -	\$ 24,780
2010-11	18,105	39	-	18,144
2011-12	19,453	-	-	19,453
2012-13	25,918	195	-	26,113
2013-14	33,290	-	5,552	38,842
2014-15	30,942	-	-	30,942
2015-16	34,354	1,446	-	35,800
2016-17	34,804	1,481	-	36,285
2017-18	37,852	3,672	-	41,524
2018-19	40,632	6,376	-	47,008

Schedule 8

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Service Charge Rates (\$ per Single-Family Home per Year)
Last Ten Fiscal Years

District ¹	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
1	\$ 138.00	\$ 152.00	\$ 154.00	\$ 156.00	\$ 158.00	\$ 163.00	\$ 168.00	\$ 173.00	\$ 178.00	\$ 183.00
2	133.00	147.00	148.00	149.00	150.00	155.00	160.00	165.00	169.00	173.00
3	134.00	148.00	150.00	152.00	154.00	157.00	160.00	163.00	166.00	169.00
4	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00
5	118.00	130.00	132.00	134.00	136.00	141.00	146.00	151.00	155.00	159.00
8	121.00	135.00	139.00	143.00	147.00	154.00	163.00	174.00	180.00	186.00
9	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00
14	310.00	360.00	360.00	448.00	472.00	496.00	476.00	476.00	476.00	476.00
15	119.00	130.00	132.00	134.00	136.00	141.00	146.00	151.00	154.00	157.00
16	122.00	133.00	135.00	137.00	139.00	142.00	145.00	148.00	151.00	154.00
17	123.00	134.00	136.00	138.00	140.00	143.00	146.00	149.00	152.00	155.00
18	134.00	148.00	149.00	150.00	151.00	156.00	161.00	166.00	170.00	174.00
19	132.00	146.00	148.00	150.00	152.00	155.00	158.00	161.00	164.00	167.00
20	326.00	381.00	429.00	477.00	525.00	535.00	550.00	565.00	565.00	575.00
21	131.00	145.00	146.00	147.00	148.00	153.00	158.00	163.00	167.00	171.00
22	131.00	143.00	145.00	147.00	149.00	152.00	155.00	158.00	162.00	166.00
23	101.00	112.00	114.00	116.00	118.00	120.00	122.00	124.00	126.00	128.00
28 ²	324.00	335.00	336.00	337.00	338.00	340.00	342.00	242.00	-	-
28 ²	116.00	127.00	128.00	129.00	130.00	132.00	134.00	136.00	138.00	140.00
29	321.75	327.75	333.75	339.75	339.75	339.75	339.75	339.75	339.75	339.75
SBC	108.00	119.00	120.00	121.00	122.00	124.00	126.00	128.00	130.00	132.00
SCV	199.00	199.00	215.00	231.00	247.00	267.00	287.00	307.00	328.00	349.00
Average	142.31	156.76	160.28	166.70	170.90	176.93	181.55	186.49	190.67	195.86

- District No. 27 has not levied a service charge as its other revenues have been sufficient to meet its expenses.
- District No. 28 has historically had two service charge rates, one for those directly connected to the La Cañada WRP Outfall Trunk sewer or the Foothill Main Trunk Sewer or directly tributary to the La Cañada WRP, and the other for those within a La Cañada Flintridge Assessment District. Because the two SRF Loans associated with the Trunk Sewers have been retired, two rates are no longer necessary (beginning in fiscal year 2017-2018).

Schedule 9

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Residential/Commercial (Service Charge) Sewage Units

Last Ten Fiscal Years

District	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
1	143,577	142,747	142,853	143,258	143,429	144,702	144,833	144,635	145,348	148,562
2	215,348	214,597	214,923	215,551	215,730	217,082	217,943	219,329	218,035	223,900
3	179,295	178,736	180,446	179,597	176,037	177,585	180,568	181,192	180,611	185,315
4	22,643	22,675	22,767	23,778	23,830	24,556	24,844	25,619	26,097	26,806
5	266,577	267,358	267,878	268,676	262,048	266,716	267,707	272,623	271,544	276,194
8	61,652	60,059	60,029	59,831	58,296	59,108	59,017	60,103	59,629	61,010
9	909	911	1,254	1,273	1,216	1,015	1,017	1,101	1,071	1,288
14	66,803	67,362	67,880	66,680	65,615	67,130	67,793	67,176	67,491	70,488
15	187,478	186,848	187,229	186,714	183,592	187,253	187,112	190,227	189,227	193,123
16	113,124	113,225	114,751	113,741	109,897	112,893	112,929	115,410	116,067	117,452
17	15,485	14,958	14,926	15,064	14,511	14,629	14,656	15,012	15,104	15,309
18	123,601	123,578	123,789	121,399	121,021	121,371	121,923	122,694	122,251	124,409
19	37,140	37,103	37,335	37,761	37,247	37,269	38,159	37,976	40,643	41,673
20	42,079	42,082	42,658	42,854	42,094	43,010	43,297	42,997	42,336	44,518
21	150,530	150,858	151,244	149,715	148,776	149,972	150,812	154,451	151,998	154,106
22	124,263	124,500	125,206	125,193	123,768	124,183	125,283	126,972	124,223	127,505
23	3,298	3,220	3,308	3,270	3,271	3,198	3,285	3,264	3,100	3,286
27	558	558	558	558	558	558	558	558	551	497
28	4,816	4,842	4,414	4,492	4,462	4,703	4,670	4,779	4,750	4,794
29	5,411	5,349	5,430	5,515	5,144	5,380	5,408	5,797	5,756	5,889
SBC	50,584	50,314	50,631	50,864	50,504	50,920	51,616	50,441	51,483	52,644
SCV	89,207	91,265	93,234	93,494	92,432	91,749	92,849	95,256	94,964	98,945
	<u>1,904,378</u>	<u>1,903,145</u>	<u>1,912,743</u>	<u>1,909,278</u>	<u>1,883,478</u>	<u>1,904,982</u>	<u>1,916,279</u>	<u>1,937,612</u>	<u>1,932,279</u>	<u>1,977,713</u>

Schedule 10

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Industrial Wastewater Treatment Surcharge Rates

Last Ten Fiscal Years

District	Unit Rate	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
JO	(a) \$/MGD	\$ 677.00	\$ 746.00	\$ 755.00	\$ 764.00	\$ 773.00	\$ 796.00	\$ 819.00	\$ 843.00	\$ 863.00	\$ 883.00
	(b) \$/1,000 lbs. COD	119.70	131.90	133.50	135.10	136.70	140.80	144.90	149.00	152.50	156.00
	(c) \$/1,000 lbs. SS	338.30	372.70	377.40	382.10	386.70	398.30	409.90	421.50	431.40	441.30
	(d) \$/GPM (Peak)	89.80	98.90	100.10	101.30	102.50	105.60	108.70	111.70	114.30	116.90
	Flat Rate (\$/MG)	2,871.00	3,163.00	3,203.00	3,243.00	3,282.00	3,380.00	3,479.00	3,577.00	3,661.00	3,745.00
4	(a) \$/MGD	528.00	528.00	528.00	528.00	528.00	528.00	528.00	528.00	528.00	528.00
	(b) \$/1,000 lbs. COD	111.20	111.20	111.20	111.20	111.20	111.20	111.20	111.20	111.20	111.20
	(c) \$/1,000 lbs. SS	335.30	335.30	335.30	335.30	335.30	335.30	335.30	335.30	335.30	335.30
	(d) \$/GPM (Peak)	45.60	45.60	45.60	45.60	45.60	45.60	45.60	45.60	45.60	45.60
	Flat Rate (\$/MG)	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
14	(a) \$/MGD	2,053.00	2,384.00	2,384.00	2,967.00	3,126.00	3,285.00	3,153.00	3,153.00	3,153.00	3,153.00
	(b) \$/1,000 lbs. COD	231.10	268.40	268.40	334.00	351.90	369.80	354.90	354.90	354.90	354.90
	(c) \$/1,000 lbs. SS	558.00	648.00	648.00	806.40	849.60	892.80	856.60	856.60	856.80	856.80
	(d) \$/GPM (Peak)	394.90	458.60	458.60	570.70	601.30	631.80	606.50	606.50	606.50	606.50
	Flat Rate (\$/MG)	4,568.00	5,305.00	5,305.00	6,602.00	6,955.00	7,309.00	7,015.00	7,015.00	7,015.00	7,015.00
20	(a) \$/MGD	1,488.00	1,739.00	1,958.00	2,177.00	2,396.00	2,442.00	2,511.00	2,579.00	2,579.00	2,625.00
	(b) \$/1,000 lbs. COD	331.90	387.90	436.80	485.60	534.50	544.70	559.90	575.20	575.20	585.40
	(c) \$/1,000 lbs. SS	666.80	779.30	877.50	975.70	1,073.80	1,094.30	1,125.00	1,155.00	1,155.60	1,176.10
	(d) \$/GPM (Peak)	317.20	370.70	417.40	464.10	510.80	520.50	535.00	549.70	549.70	559.40
	Flat Rate (\$/MG)	4,735.00	5,534.00	6,231.00	6,928.00	7,626.00	7,771.00	7,989.00	8,206.00	8,206.00	8,351.00
SCV	(a) \$/MGD	765.00	765.00	861.00	903.00	946.00	1,023.00	1,099.00	1,176.00	1,256.00	1,337.00
	(b) \$/1,000 lbs. COD	174.20	174.20	196.10	205.70	215.30	233.10	250.50	268.00	286.30	304.60
	(c) \$/1,000 lbs. SS	438.60	428.60	482.40	506.10	529.80	572.70	615.60	658.50	703.50	748.60
	(d) \$/GPM (Peak)	108.20	108.20	121.80	127.80	133.80	144.60	155.50	166.30	177.70	189.10
	Flat Rate (\$/MG)	2,591.00	2,591.00	2,917.00	3,060.00	3,203.00	3,462.00	3,722.00	3,981.00	4,253.00	4,526.00

Notes: JO = Joint Outfall Districts, consisting of District Nos. 1, 2, 3, 5, 8, 15, 16, 17, 18, 19, 21, 22, 23, 28, 29, 34, and South Bay Cities.

SCV = Santa Clarita Valley District.

The flat rate charge is only applicable to industrial discharges whose yearly flow does not exceed 6 million gallons

Abbreviations: MGD (million gallons per day), COD (chemical oxygen demand), SS (suspended solids), GPM (gallons per minute of peak flow), MG (million gallons)

Schedule 11

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Industrial Wastewater Sewage Units
Last Ten Fiscal Years

District ¹	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
1	23,747	20,903	20,462	22,183	25,787	23,900	25,022	23,441	23,067	24,623
2	36,960	37,294	34,556	33,744	32,381	32,927	34,572	35,338	35,359	36,077
3	14,786	14,399	16,102	17,189	17,752	17,894	15,267	13,360	14,553	13,771
4	183	102	167	129	138	169	133	98	183	135
5	27,006	32,201	32,654	27,601	26,983	23,739	19,660	21,055	20,905	21,542
8	47,818	45,235	41,933	43,378	47,720	45,181	41,467	39,842	37,337	38,574
14	2,400	2,305	2,358	2,507	2,605	2,485	2,066	2,357	2,308	2,268
15	23,958	23,806	21,522	22,381	24,572	22,428	19,395	22,193	20,902	23,444
16	1,379	1,296	1,336	1,476	1,576	1,594	1,706	1,612	1,663	1,441
18	16,122	15,190	14,904	16,452	15,029	13,950	13,173	14,428	14,260	13,256
19	920	914	918	975	745	334	468	565	214	133
20	206	348	281	289	292	232	267	253	255	343
21	18,498	17,445	15,585	14,703	15,664	17,152	14,901	15,933	18,144	17,214
22	14,899	16,980	15,649	13,871	10,928	12,466	15,361	15,120	12,643	13,276
23	17,516	17,053	16,515	15,743	14,260	14,846	15,462	15,090	15,696	18,123
29	238	238	281	247	224	250	257	248	306	328
SBC	542	592	589	528	452	384	165	150	96	89
SCV	1,179	1,077	1,253	1,121	1,074	1,169	1,071	1,018	1,110	979
Contract ²	21,578	19,034	17,303	18,533	20,798	23,471	19,612	20,988	24,951	39,463
Total	269,935	266,412	254,368	253,050	258,980	254,571	240,025	243,089	243,952	265,079

1. District Nos. 9, 17, 27, and 28 do not have any industrial dischargers.
2. Industrial dischargers located outside of the Districts' jurisdictional boundaries but for which the Districts provide service.

Schedule 12

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Municipal Solid Waste Rates¹
Last Ten Fiscal Years

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
Puente Hills Landfill	\$38.26 ²	\$38.26	\$38.41 ⁵	\$38.41	N/A	N/A	N/A	N/A	N/A	N/A
Puente Hills MRF	38.26 ²	42.14 ⁴	42.44 ⁵	42.44	45.75 ⁷	49.25 ⁸	55.50 ⁹	58.40 ¹⁰	61.40 ¹¹	61.45 ¹²
South Gate Transfer Station	50.38 ²	50.38	50.68 ⁵	51.91 ⁶	51.91	53.91 ⁸	58.66 ⁹	63.16 ¹⁰	66.16 ¹¹	66.27 ¹²
DART Facility	54.15 ²	54.15	54.45 ⁵	54.45	47.14 ⁷	53.64 ⁸	58.39 ⁹	62.49 ¹⁰	65.49 ¹¹	65.60 ¹²
Scholl Canyon Landfill	48.09 ³	48.99	49.18 ⁵	49.18	49.18	49.18	49.18	53.83 ¹⁰	53.83	53.88 ¹²
Calabasas Landfill	40.82 ²	40.82	40.82	40.82	40.82	43.32 ⁸	47.32 ⁹	52.32 ¹⁰	52.32	52.32

1. \$ per Ton
2. Effective January 1, 2010.
3. Effective February 12, 2010.
4. Effective January 1, 2011.
5. Effective January 1, 2012.
6. Effective February 1, 2013.
7. Effective November 1, 2013.
8. Effective January 1, 2015.
9. Effective January 1, 2016.
10. Effective August 1, 2017.
11. Effective July 1, 2018.
12. Effective December 1, 2018.

Schedule 13

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Solid Waste Disposal Tonnages¹
Last Ten Fiscal Years

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
Puente Hills Landfill	2.34	1.66	1.80	2.19	0.74	0.00	0.00	0.00	0.00	0.00
Puente Hills MRF	0.12	0.07	0.02	0.04	0.55	0.73	0.73	0.63	0.70	0.64
South Gate Transfer Station	0.12	0.11	0.10	0.11	0.11	0.11	0.14	0.15	0.14	0.15
DART Facility	0.16	0.16	0.13	0.08	0.13	0.14	0.16	0.20	0.27	0.27
Scholl Canyon Landfill	0.25	0.23	0.23	0.21	0.23	0.24	0.33	0.38	0.40	0.43
Calabasas Landfill	<u>0.27</u>	<u>0.26</u>	<u>0.21</u>	<u>0.19</u>	<u>0.24</u>	<u>0.23</u>	<u>0.31</u>	<u>0.35</u>	<u>0.29</u>	<u>0.59</u>
Total	3.26	2.49	2.49	2.82	2.00	1.45	1.67	1.71	1.80	2.08

1. Million Tons per Year

Schedule 14

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Ten Largest Customers
Fiscal Years 2009-10 and 2018-19

Fiscal Year 2009-10

Solid Waste Management Facilities Revenue			Wastewater Treatment Facilities Revenue		
Customer	Amount	%	Customer	Amount	%
County Sanitation Districts	\$ 19,773,303	14.66%	Exxon Mobil Oil Corp.	\$ 3,568,912	1.11%
Athens Disposal	14,917,513	11.06%	BP West Coast Products	2,722,303	0.84%
Metro Waste/Calmet Services	6,012,343	4.46%	Tesoro Refining	1,737,076	0.54%
Valley Vista Services	5,749,017	4.26%	Conoco Phillips Co.	1,614,447	0.50%
Waste Management	3,924,105	2.91%	Miller Coors LLC	1,567,397	0.49%
United Pacific Waste	3,823,432	2.84%	Clougherty Packing	1,414,752	0.44%
City of Glendale	3,716,444	2.76%	Demeno Kerdoon	1,234,356	0.38%
Universal Waste Systems	3,661,886	2.72%	Alta Dena Certified Dairy	1,008,578	0.31%
Santa Monica Solid Waste	3,182,218	2.36%	Vons-Safeway	953,348	0.30%
County of Los Angeles	2,995,254	2.22%	California State Prison	869,934	0.27%
Subtotal (10 largest)	67,755,515	50.25%	Subtotal (10 largest)	16,691,103	5.17%
Balance from Other Customers	67,079,039	49.75%	Balance from Other Customers	305,882,458	94.83%
Grand Total	\$ 134,834,554	100.00%	Grand Total	\$ 322,573,561	100.00%

Fiscal Year 2018-19

Solid Waste Management Facilities Revenue			Wastewater Treatment Facilities Revenue		
Customer	Amount	%	Customer	Amount	%
Los Angeles County DWP/Public Works	\$ 13,389,873	9.71%	Inland Empire Utilities Agency	\$ 5,388,462	1.21%
NASA Disposal	8,583,033	6.22%	Torrance Refining Co., LLC	4,021,331	0.90%
Calmet/Calsan	5,872,074	4.26%	Tesoro Refining - Carson	3,379,262	0.76%
CR&R/United Pacific Waste	5,347,277	3.88%	Tesoro Refining - Wilmington	2,353,849	0.53%
City of Glendale	4,810,735	3.49%	Smithfield Packaged Meats Corp.	2,239,869	0.50%
Ware Disposal	4,434,794	3.22%	Miller Coors USA LLC	2,078,707	0.47%
ECC Constructors	3,599,590	2.61%	Demeno/Kerdoon	2,032,588	0.45%
Commercial Waste Services	3,079,430	2.23%	Phillips 66 Company	1,789,696	0.40%
City of Pasadena	2,980,650	2.16%	Alta Dena Certified Dairy	1,294,771	0.29%
Waste Resources Recovery	2,289,708	1.66%	California State Prison	1,198,935	0.27%
Subtotal (10 largest)	54,387,164	39.44%	Subtotal (10 largest)	25,777,470	5.77%
Balance from Other Customers	83,498,578	60.56%	Balance from Other Customers	421,065,035	94.23%
Grand Total	\$ 137,885,742	100.00%	Grand Total	\$ 446,842,505	100.00%

Schedule 15

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(\$ thousands, except Per Capita)

Fiscal Year	Revenue Bonds	Notes/ Contracts	State Revolving Fund Loans	Total		
				Amount	Per Capita ¹	As a Share of Per Capita Income
2009-10	\$ 705,686	\$ 32,670	\$ 411,581	\$ 1,149,937	\$ 200.58	0.52%
2010-11	681,028	1,522	423,604	1,106,154	203.15	0.48%
2011-12	654,476	1,978	411,971	1,068,425	195.97	0.45%
2012-13	627,099	1,663	388,237	1,016,999	185.25	0.41%
2013-14	556,668	1,414	369,712	927,794	167.71	0.35%
2014-15	539,029	1,373	359,810	900,212	161.59	0.32%
2015-16	501,426	1,328	341,068	843,822	150.52	0.28%
2016-17	506,655	-	278,746	785,401	140.33	0.25%
2017-18	465,551	-	289,500	755,051	134.52	0.23%
2018-19	423,908	-	276,062	699,970	N/A	N/A

1. Using populations provided by the California Department of Finance.

Schedule 16

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Wastewater Pledged-Revenue Coverage
Last Ten Fiscal Years
(\$ thousands)

	Fiscal Year									
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Revenue Sources⁽¹⁾										
Ad Valorem Tax	\$ 60,493	\$ 53,197	\$ 54,770	\$ 68,435	\$ 55,210	\$ 67,963	\$ 70,121	\$ 73,029	\$ 77,370	\$ 82,675
CIF ⁽²⁾	14,889	15,734	15,667	14,996	12,664	12,627	10,489	9,987	7,318	5,162
Service Charge	268,268	297,494	295,831	318,034	312,889	331,260	335,524	353,962	365,437	375,531
Industrial Waste	54,305	59,508	57,861	56,998	58,091	63,505	64,477	64,356	67,060	58,491
Contract	17,925	43,569	23,982	24,615	23,367	21,759	14,063	15,224	16,895	29,087
Interest	21,170	17,608	11,512	7,679	7,513	9,343	13,078	14,265	18,478	26,516
Rate Stabilization Fund ⁽³⁾	8,822	-	-	1,488	14,161	-	7,923	3,946	-	18,220
Miscellaneous	3,906	3,642	3,390	3,486	4,345	4,616	1,075	518	2,194	1,852
Total	449,778	490,752	463,013	495,731	488,240	511,073	516,750	535,287	554,752	597,534
Expenses⁽⁴⁾										
Total O&M	270,723	275,663	284,926	287,411	303,506	298,081	307,980	304,998	314,989	335,687
Rate Stabilization Fund ⁽⁵⁾	36,735	68,630	31,839	56,593	12,921	41,328	14,701	27,057	75,407	69,711
Total	307,458	344,293	316,765	344,004	316,427	339,409	322,681	332,055	390,396	405,398
Net Revenues	142,320	146,459	146,248	151,727	171,813	171,664	194,069	203,232	164,356	192,136
Debt Service										
State Loans	30,669	30,843	31,660	36,633	36,535	36,747	35,416	32,162	32,060	36,109
Installment Payments	51,212	53,557	53,075	52,826	52,793	52,530	51,390	49,757	53,643	53,568
Total Debt Service	81,881	84,400	84,735	89,459	89,328	89,277	86,806	81,919	85,703	89,677
Coverage	1.7	1.7	1.7	1.7	1.9	1.9	2.2	2.5	1.9	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.
- 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.
- Rate Stabilization Funds are monies previously set aside (revenue) or monies being set aside (expenses) to mitigate the impact on Districts' ratepayers. It may appear contradictory that, in some years, monies are both being set aside and used; this is because some Districts are utilizing their Rate Stabilization Fund while other Districts are putting monies into their Rate Stabilization Fund.
- Does not include depreciation.

Schedule 17

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Demographic and Economic Statistics Last Ten Fiscal Years Available

	Districts' Population ¹ (millions)	L.A. County Population ² (millions)	Personal Income ² (\$ millions)	Per Capita Personal Income (\$ thousands)	Unemployment Rate ³	
					County	State
2008-09	5.716	10.393	\$ 392,000	\$ 37.72	11.7%	11.3%
2009-10	5.733	10.441	405,000	38.79	12.3%	12.0%
2010-11	5.445	9.858	420,900	42.70	12.4%	12.0%
2011-12	5.452	9.912	435,300	43.92	11.1%	10.6%
2012-13	5.490	10.019	451,100	45.02	10.2%	9.2%
2013-14	5.532	10.069	487,900	48.46	8.3%	7.5%
2014-15	5.571	10.192	521,900	51.21	6.8%	6.3%
2015-16	5.606	10.240	557,382	54.43	5.4%	5.6%
2016-17	5.597	10.278	585,515	56.97	4.8%	4.8%
2017-18	5.613	10.328	602,632	58.35	4.8%	4.5%

1. State of California, Department of Finance, E-1 Population Estimates for Cities, Counties, and the State, with Annual Percentage Change-January 1, 201, and 2018. See Schedule 18 of this CAFR for details.
2. Los Angeles Economic Development Corporation Economic Forecast and Industry Outlook 2018-19. All numbers are as of the year they were initially reported and do not necessarily reflect subsequent revisions.
3. U.S. Bureau of Labor Statistics

Schedule 18

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Estimated Populations of Cities and Unincorporated Areas
 Within the Sanitation Districts' Boundaries
 January 1, 2019

CITY	POPULATION	CITY	POPULATION
Alhambra	86,931	Lomita	20,763
Arcadia	58,825	Long Beach	474,581
Artesia	16,912	Los Angeles	155,277
Azusa	51,252	Lynwood	71,343
Baldwin Park	77,286	Manhattan Beach	35,922
Bell	36,556	Maywood	27,971
Bell Gardens	42,972	Monrovia	38,521
Bellflower	78,308	Montebello	64,247
Beverly Hills	780	Monterey Park	61,828
Bradbury	477	Norwalk	106,612
Carson	93,604	Palmdale	155,548
Cerritos	50,711	Palos Verdes Estates	13,544
Claremont	36,227	Paramount	55,497
Commerce	13,021	Pasadena	146,295
Compton	98,711	Pico Rivera	64,033
Covina	48,631	Pomona	152,638
Cudahy	24,264	Rancho Palos Verdes	42,560
Culver City	0	Redondo Beach	68,473
Diamond Bar	57,051	Rolling Hills	1,892
Downey	114,212	Rolling Hills Estates	8,247
Duarte	21,611	Rosemead	55,097
El Monte	117,204	San Dimas	34,365
Gardena	61,042	San Gabriel	41,178
Glendora	51,330	San Marino	13,352
Hawaiian Gardens	14,690	Santa Clarita	213,522
Hawthorne	87,854	Santa Fe Springs	18,261
Hermosa Beach	19,847	Sierra Madre	11,129
Huntington Park	59,350	Signal Hill	11,795
Industry	432	South El Monte	21,293
Inglewood	112,549	South Gate	96,777
Irwindale	1,506	South Pasadena	26,245
La Canada-Flintridge	19,111	Temple City	36,583
La Habra Heights	371	Torrance	148,054
La Mirada	49,558	Vernon	301
La Puente	40,411	Walnut	30,548
La Verne	33,133	West Covina	107,877
Lakewood	81,349	West Hollywood	36,660
Lancaster	158,801	Whittier	87,526
Lawndale	33,436		
		77 Cities Subtotal	4,706,671
		Unincorporated	902,095
		TOTAL	5,608,766

Source: State of California, Department of Finance, E-1 Population Estimates for Cities, Counties, and the State, with Annual Percent Change -- January 1, 2018, and 2019. Sacramento, California, May 2019, and GIS analysis using L.A. County Assessor GIS parcel data (2018), L.A. County Department of Public Works City.

Schedule 19

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	Median Home Price
2009	3,982.0	\$ 112.7	\$ 282.9	34.4	7,284	\$ 333,700
2010	3,925.0	116.9	346.8	38.5	10,394	334,300
2011	3,947.1	126.4	386.7	40.4	14,247	309,100
2012	4,037.5	135.3	403.5	41.4	17,447	362,900
2013	4,115.8	140.1	414.5	42.2	25,198	425,000
2014	4,192.6	147.1	416.6	44.2	26,950	441,200
2015	4,285.8	151.4	393.4	45.5	34,034	473,100
2016	4,394.6	159.8	393.7	46.6	32,114	493,400
2017	4,448.3	159.3	431.4	48.3	31,084	551,100
2018	4,510.1	N/A	456.3	50.0	29,524	596,400

Sources: State of California, Employment Development Department, Labor Market Information Division; California Department of Tax & Fee Administration; Los Angeles World Airports; Port of Los Angeles Trade Connect; Los Angeles Tourism & Convention Board; United States Census Bureau; Zillow

*Value of imports and exports combined.

Schedule 20

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Los Angeles County Employment Sectors
Current Year and Nine Years Ago

Industry	June 2010			June 2019		
	Number of Employees	Percentage of Total	Rank	Number of Employees	Percentage of Total	Rank
Trade, Transportation, and Utilities	743,900	18.82%	1	844,200	18.45%	1
Educational and Health Services	666,000	16.85%	2	840,300	18.37%	2
Professional and Business Services	516,200	13.06%	4	627,300	13.71%	3
Government	599,200	15.16%	3	603,900	13.20%	4
Leisure and Hospitality	389,800	9.86%	5	555,400	12.14%	5
Manufacturing	382,600	9.68%	6	344,400	7.53%	6
Financial Activities	211,600	5.35%	7	219,900	4.81%	7
Information Services	190,800	4.83%	8	210,100	4.59%	8
Other Services	138,500	3.50%	9	164,600	3.60%	9
Construction	104,500	2.64%	10	157,900	3.45%	10
Agriculture	6,500	0.16%	11	5,400	0.12%	11
Mining & Logging	3,000	0.08%	12	1,900	0.04%	12
Total	<u>3,952,600</u>	<u>100.00%</u>		<u>4,575,300</u>	<u>100.00%</u>	

Source: State of California, Employment Development Department, Labor Market Information Division

Schedule 21

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Number of Employees by Identifiable Activity
Last Ten Fiscal Years

Full-Time-Equivalent Employees as of June 30,

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Solid Waste Management:										
Solid Waste Management	2	2	2	3	2	2	2	2	3	3
Solid Waste Operations	286	249	222	211	209	183	190	199	207	204
Energy Recovery Operations	153	150	137	114	116	112	102	101	94	66
Wastewater Management:										
Wastewater Management	8	7	7	3	3	3	3	2	2	2
Industrial Waste	70	71	70	67	66	66	63	64	62	62
Joint Water Pollution Control Plant	321	307	310	302	297	296	293	285	293	297
Wastewater Collection System	132	130	125	124	130	129	129	126	126	129
Water Reclamation Plants	205	220	219	219	224	223	234	240	246	245
E/I Engineering Support	-	-	-	4	6	8	8	8	8	9
Engineering:										
Engineering	5	6	6	6	6	7	7	7	5	7
Field Engineering	78	78	73	66	61	56	53	53	51	56
Wastewater & Solid Waste Design	35	32	61	34	29	27	22	21	36	29
Structural & Architectural Design	19	19	17	17	16	17	16	17	17	16
Electrical & Instrumentation Design	22	21	22	20	20	21	23	23	22	23
Mechanical & Civil Design	54	46	15	14	12	12	14	13	-	-
Sewer Design	-	-	-	23	24	23	22	25	25	26
Technical Services:										
Technical Services	5	5	5	5	14	14	15	13	23	15
Air Quality Engineering	12	12	12	9	9	11	9	9	9	8
Laboratories	175	173	175	167	163	157	170	159	160	157
Monitoring	45	29	28	25	26	29	33	39	44	45
Wastewater Research	26	25	24	11	11	11	11	18	12	18
Water Quality Research	19	34	31	26	27	29	15	16	13	12
Research	-	-	-	11	11	10	9	-	-	-
Administration:										
Administration	9	9	9	9	9	9	9	9	9	9
Financial Mgmt. & Facilities Plan.	218	220	215	200	193	187	183	185	184	199
Human Resources	38	33	31	31	22	21	21	22	23	23
Total Employees:	1,937	1,878	1,816	1,721	1,706	1,663	1,656	1,656	1,674	1,660

Schedule 22

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Operating and Capital Indicators
Last Ten Fiscal Years

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Sewerage Operations										
Miles of Trunk Lines	1,395	1,407	1,408	1,410	1,410	1,411	1,412	1,410	1,409	1,412
Number of Active Pump Stations	52	52	52	49	49	48	48	48	48	48
Number of Treatment Facilities	11	11	11	11	11	11	11	11	11	11
Reclaimed Water Used (MGD ¹)	87	75	85	93	91	79	90	96	93	78
Number of Reuse Sites	624	650	703	720	757	790	855	863	892	916
WW Discharge Inspections	10,107	9,255	9,836	10,633	11,070	10,769	11,516	11,162	11,661	11,673
Solid Waste Operations										
Number of Active Landfills	3	3	3	3	2	2	2	2	2	2
Solid Waste Disposal Tonnages²										
Puente Hills Landfill	2.34	1.66	1.80	2.19	0.74	0.00	0.00	0.00	0.00	0.00
Puente Hills MRF	0.12	0.07	0.02	0.04	0.55	0.73	0.73	0.63	0.70	0.64
South Gate Transfer Station	0.12	0.11	0.10	0.11	0.11	0.11	0.14	0.15	0.14	0.15
DART Facility	0.16	0.16	0.13	0.08	0.13	0.14	0.16	0.20	0.27	0.27
Scholl Canyon Landfill	0.25	0.23	0.23	0.21	0.23	0.24	0.33	0.38	0.40	0.43
Calabasas Landfill	0.27	0.26	0.21	0.19	0.24	0.23	0.31	0.35	0.29	0.59
Total	3.26	2.49	2.49	2.82	2.00	1.45	1.67	1.71	1.80	2.08
Cumulative Tonnages²										
Puente Hills Landfill	117.65	119.31	121.11	123.30	124.04	124.04	124.04	124.04	124.04	124.04
Puente Hills MRF	0.49	0.56	0.58	0.62	1.17	1.90	2.63	3.26	3.96	4.60
South Gate Transfer Station	5.54	5.65	5.75	5.86	5.97	6.08	6.22	6.37	6.51	6.66
DART Facility	2.99	3.15	3.28	3.36	3.49	3.63	3.79	3.99	4.26	4.53
Scholl Canyon Landfill	27.99	28.22	28.45	28.66	28.89	29.13	29.46	29.84	30.24	30.67
Calabasas Landfill	23.40	23.66	23.87	24.06	24.30	24.53	24.84	25.19	25.48	26.07
Percentage of County Total	31%	31%	33%	37%	24%	7%	11%	12%	11%	20%
Household Hazardous Waste/Electronic Waste (HHW/EW)										
Households	60,726	57,677	57,891	52,850	50,056	51,054	43,705	49,516	56,809	56,895
Cost (\$ millions)	\$4.0	\$3.8	\$3.9	\$3.6	\$3.7	\$3.5	\$3.2	\$3.5	\$4.0	\$4.1

1. Million Gallons per Day
2. Million Tons per Year



How It's Done Now

A modern tunnel boring machine (TBM) will be used to build the new tunnel in a safe and controlled manner.

A closeup of the TBM cutting head.
Photo courtesy of Herrenknecht.

BOND DISCLOSURE

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure
June 30, 2019

This Bond Disclosure Section serves as the annual report required by the Continuing Disclosure Agreements (Disclosure Agreements) for the following Los Angeles County Sanitation Districts Financing Authority Capital Projects 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), the 2015 Series A District 14 Subordinate Revenue Bonds (2015A Revenue Bonds), and the 2016 Series A District 20 Subordinate Revenue Bonds (2016A Revenue Bonds). The material provided under the Disclosure Agreement is intended to comply with the requirements of the Securities and Exchange Commission Rule 15c2-12(b)(5) (the Rule). Because the Districts' Comprehensive Annual Financial Report (CAFR) includes all the information required by the Disclosure Agreements, the CAFR will be filed with each National Repository specified in the Rule and with any other repository identified in the future in lieu of filing a separate report.

REPORTING OF SIGNIFICANT EVENTS

As of time of this disclosure, there are no significant events to report.

ANNUAL REPORT

The annual report contains the following sections as required by the Disclosure Agreements:

- 1) The audited financial statements for the Financing Authority, 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 principal amount of bonds outstanding as of December 31, 2019 (projected), and as of December 31, 2018.
- 4) A schedule of the changes in debt obligation for the calendar year ending on December 31, 2019 (projected).
- 5) The amount of each senior obligation and subordinate obligation for each district outstanding as of December 31, 2019 (projected).
- 6) An update, for the most recently ended fiscal year, of the following information contained in the Official Statements:
 - a. Connection fee revenue for District 14 and District 20;
 - b. Estimated sewage units by customer type;
 - c. User fees and ad valorem taxes;
 - d. Districts' service charge rates;
 - e. Fund balances on June 30, 2019;

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

- f. Average yearly sewage flow;
- g. Ten largest wastewater customers for Districts 14 and 20; ten largest wastewater customers for all Districts is fulfilled by Schedule 14 in the Statistical Section of this financial statement;
- h. Outstanding obligations as of December 31, 2018 and December 31, 2019 (projected);
- i. Districts' historical operating data.

SECTION 1 - The Financing Authority's Audited Financial Statements

Statement of Net Position June 30, 2019

Assets	
Cash and cash equivalents with Trustee, restricted as to use	\$ 5,390
Payments receivable from Participating Districts	414,794,994
Total assets	414,800,384
Deferred Outflow of Resources	
Deferred loss on refunding, net of accumulated amortization of \$14,019,955	9,107,335
Liabilities	
Current liabilities, payable from restricted assets:	
Interest payable	4,614,187
Current portion of bonds payable	37,564,400
Total current liabilities, payable from restricted assets	42,178,587
Long-term liabilities:	
Premium on issue, net of accumulated amortization of \$41,381,042	34,294,525
Revenue bonds payable	352,048,794
Total long-term liabilities	386,343,319
Total liabilities	428,521,906
Net Position	
Unrestricted	(4,614,187)
Total net position	\$ (4,614,187)

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

Statement of Revenues, Expenses, and Changes in Net Position Fiscal year ended June 30, 2019

Operating revenues-payments from Participating Districts	\$ <u>19,126,106</u>
Nonoperating revenues (expenses):	
Interest revenue	29
Interest expense	(18,710,434)
Drawdown expense	(3,741,206)
Amortization of deferred loss on refunding	(1,993,015)
Amortization of bond premium	5,734,221
Net nonoperating expenses	<u>(18,710,405)</u>
Change in net position	415,701
Total net position, beginning of fiscal year	(5,029,888)
Net position, end of year	<u>\$ (4,614,187)</u>

Statement of Cash Flows Fiscal year ended June 30, 2019

Cash flows from operating activities:	
Receipts from Participating Districts	\$ <u>19,126,106</u>
Cash flows from capital and related financing activities:	
Receipts from Participating Districts	35,909,400
Principal payments on bonds	(35,909,400)
Interest paid on bonds	(19,126,136)
Net cash used by capital and related financing activities	<u>(19,126,136)</u>
Cash flows from investing activities:	
Interest received on investments	1,564
Net cash provided by investing activities	<u>1,564</u>
Net increase in cash and cash equivalents, restricted as to use	1,534
Cash and cash equivalents, beginning of fiscal year, restricted as to use	<u>3,856</u>
Cash and cash equivalents, end of fiscal year, restricted as to use	<u>\$ 5,390</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 19,126,106
Net cash provided by operating activities	<u>\$ 19,126,106</u>

Supplemental disclosure of noncash items:

Amortization of premium on revenue bonds payable and deferred loss on refunding of \$5,734,221 and (\$1,993,015), respectively.

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 in the Financial Section of this CAFR.

SECTION 3 - Principal Amount of Bonds Outstanding

At December 31, 2019, the total principal amount of bonds outstanding will be \$352,048,790 (projected), an overall decrease of \$37,564,400 from December 31, 2018, when the total principal amount of bonds outstanding was \$389,613,190.

SECTION 4 - Changes in Debt Obligations

CHANGES IN DEBT OBLIGATIONS Calendar Year 2019 (projected)

System	<u>New Debt</u>	<u>Principal Payments</u>	<u>Retirements</u>	<u>Net Change in Debt Obligations</u>
JO System ⁽¹⁾	\$ 7,243,896	(48,559,580)	-	(41,315,684)
4	-	(289,543)	-	(289,543)
9	-	(40,689)	-	(40,689)
14	-	(8,818,784)	-	(8,818,784)
20	-	(3,762,321)	-	(3,762,321)
27	-	(56,906)	-	(56,906)
SCV	-	(6,190,176)	-	(6,190,176)
Total	<u>\$ 7,243,896</u>	<u>(67,717,999)</u>	<u>-</u>	<u>(60,474,103)</u>

(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.

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

SECTION 5 - Outstanding Senior and Subordinate Obligations as of December 31, 2019 (projected)

	District No. 1	District No. 2	District No. 3	District No. 5	District No. 8	District No. 15
Senior A.V. Obligations						
2011 Series A Revenue Bonds	\$ 3,209,380	4,954,992	3,763,784	8,099,524	1,957,227	5,068,603
2013 Series A Revenue Bonds	449,550	694,072	527,207	1,134,522	274,157	709,979
Total Senior A.V. Obligation	<u>3,658,930</u>	<u>5,649,064</u>	<u>4,290,991</u>	<u>9,234,046</u>	<u>2,231,384</u>	<u>5,778,582</u>
Senior Revenue Obligations						
Primary Sedimentation Tank Covers	58,846	88,638	68,173	102,125	35,093	73,675
Secondary Effluent Pump Station	19,720	29,704	22,845	34,223	11,760	24,689
Biological Reactors/Secondary Clarifiers	1,631,506	2,457,491	1,890,092	2,831,417	972,951	2,042,638
Cryogenic Oxygen Generation	316,059	476,071	366,153	548,509	188,482	395,705
Power Generation Equipment Purchase	171,606	258,485	198,804	297,815	102,337	214,849
Waste Activated Sludge Thickening Expansion	73,511	110,727	85,162	127,575	43,838	92,035
Relocating and Installing High-Speed Centrifuge	36,993	55,721	42,856	64,200	22,061	46,315
Installation of Secondary Influent Pumping Equip	83,468	125,725	96,697	144,855	49,776	104,501
Fuel Gas Compressor Upgrade	12,914	19,452	14,961	22,412	7,701	16,168
Modifications of Electrical Power	71,455	107,630	82,780	124,007	42,612	89,461
Primary Screenings and Grit Dewatering Fac.	205,629	309,733	238,220	356,862	122,627	257,447
Environmental Laboratory Building	169,039	254,619	195,831	293,361	100,807	211,636
JWPCP Digestion Tanks 17-23	932,643	1,404,813	1,080,462	1,618,566	556,183	1,167,664
Modification of Biological Reactors	939,496	1,415,136	1,088,401	1,630,459	560,270	1,176,245
High-Speed Scroll Centrifuges Purch & Install	101,862	153,431	118,006	176,777	60,745	127,530
Secondary Infl Pump Station Equipment	240,184	361,782	278,252	416,830	143,234	300,709
Silo Odor Control Facilities, Phase I	121,860	183,555	141,174	211,484	72,671	152,568
Silo Odor Control Facilities, Phase II	100,538	151,437	116,472	174,479	59,956	125,873
Total Senior Revenue Obligations	<u>5,287,329</u>	<u>7,964,150</u>	<u>6,125,341</u>	<u>9,175,956</u>	<u>3,153,104</u>	<u>6,619,708</u>
Subordinate Revenue Obligations						
Install of Secondary Infl Pumping Equip Stg II	42,690	64,302	49,456	74,086	25,458	53,447
Central Odor Control System	302,091	455,031	349,971	524,268	180,152	378,217
Heat Recovery Steam Generation Equipment	133,190	200,620	154,300	231,146	79,428	166,753
Power Generation Steam Turbine Generator	99,245	149,489	114,974	172,235	59,185	124,254
Pomona WRP NDN Facilities	135,155	203,580	156,576	234,556	80,600	169,214
Pomona WRP NDN Facilities Equip. Purch.	5,005	7,539	5,798	8,686	2,985	6,266
Los Coyotes WRP NDN Facilities	692,170	1,042,595	801,875	1,201,234	412,776	866,593
Los Coyotes WRP Ammonia Addition Station	26,499	39,914	30,699	45,987	15,802	33,176
Long Beach WRP NDN Facilities	166,689	251,078	193,108	289,282	99,405	208,693
Long Beach WRP Ammonia Addition Station	18,290	27,549	21,189	31,741	10,907	22,899
Long Beach WRP NDN Facilities Equipment	11,798	17,771	13,668	20,475	7,036	14,771
Long Beach WRP Aeration System	8,080	12,170	9,360	14,022	4,818	10,116
Long Beach Pumping Plant Upgrades*	3,457,671	5,208,191	4,005,694	6,000,656	2,061,986	4,328,989
Whittier Narrows WRP NDN Facilities	189,454	285,369	219,482	328,790	112,981	237,196
San Jose Creek WRP NDN Facilities	274,832	413,972	318,392	476,961	163,896	344,089
San Jose Creek WRP NDN Fac. Equipment	40,422	60,886	46,828	70,150	24,105	50,608
Los Coyotes WRP Interceptor Sewer Rehab Phase II	723,655	1,090,021	838,350	1,255,875	431,552	906,013
Wright Road Truck Sewer Repair	421,027	-	-	-	-	-
District 5 Interceptor Section 2A Rehab	900,201	1,355,947	1,042,878	1,562,265	536,836	1,127,048
Joint Outfall "A" Unit 6 Rehabilitation	1,014,353	1,527,891	1,175,123	1,760,371	604,911	1,269,965
Joint Outfall "D" Units 7&8 Rehabilitation	753,946	1,135,647	873,442	1,308,444	449,617	943,937
Joint Outfall "B" Unit 1A Rehabilitation	879,763	1,325,161	1,019,201	1,526,794	524,648	1,101,459
San Jose Creek East Flow Equalization*	1,288,846	1,941,351	1,493,121	2,236,742	768,605	1,613,629
Alamitos PP Force Main No. 2	-	-	-	-	-	-
Total Subordinate Revenue Obligations	<u>11,585,072</u>	<u>16,816,074</u>	<u>12,933,485</u>	<u>19,374,766</u>	<u>6,657,689</u>	<u>13,977,332</u>
Total Obligations	<u>\$ 20,531,331</u>	<u>30,429,288</u>	<u>23,349,817</u>	<u>37,784,768</u>	<u>12,042,177</u>	<u>26,375,622</u>

*Funds have been received as of December 31, 2019, however, this obligation is not yet in repayment.

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
Senior A.V. Obligations						
2011 Series A Revenue Bonds	\$ 3,158,673	404,220	2,770,543	893,283	2,988,013	2,585,742
2013 Series A Revenue Bonds	442,448	56,621	388,080	125,126	418,543	362,196
Total Senior A.V. Obligation	<u>3,601,121</u>	<u>460,841</u>	<u>3,158,623</u>	<u>1,018,409</u>	<u>3,406,556</u>	<u>2,947,938</u>
Senior Revenue Obligations						
Primary Sedimentation Tank Covers	40,729	5,234	47,976	13,353	59,450	49,653
Secondary Effluent Pump Station	13,649	1,754	16,077	4,475	19,922	16,639
Biological Reactors/Secondary Clarifiers	1,129,218	145,105	1,330,133	370,205	1,648,249	1,376,641
Cryogenic Oxygen Generation	218,755	28,110	257,676	71,717	319,303	266,686
Power Generation Equipment Purchase	118,774	15,263	139,906	38,939	173,367	144,798
Waste Activated Sludge Thickening Expansion	50,879	6,538	59,932	16,680	74,265	62,027
Relocating and Installing High-Speed Centrifuge	25,604	3,290	30,159	8,394	37,372	31,214
Installation of Secondary Influent Pumping Equip	57,771	7,424	68,049	18,940	84,324	70,429
Fuel Gas Compressor Upgrade	8,938	1,149	10,529	2,930	13,047	10,897
Modifications of Electrical Power	49,456	6,355	58,255	16,214	72,188	60,292
Primary Screenings and Grit Dewatering Fac.	142,323	18,289	167,645	46,659	207,739	173,507
Environmental Laboratory Building	116,997	15,034	137,814	38,357	170,774	142,633
JWPCP Digestion Tanks 17-23	645,512	82,949	760,364	211,626	942,214	786,950
Modification of Biological Reactors	650,255	83,558	765,952	213,181	949,137	792,733
High-Speed Scroll Centrifuges Purch & Install	70,502	9,060	83,046	23,113	102,907	85,949
Secondary Infl Pump Station Equipment	166,239	21,362	195,817	54,500	242,648	202,664
Silo Odor Control Facilities, Phase I	84,343	10,838	99,350	27,651	123,111	102,824
Silo Odor Control Facilities, Phase II	69,585	8,942	81,966	22,813	101,569	84,832
Total Senior Revenue Obligations	<u>3,659,529</u>	<u>470,254</u>	<u>4,310,646</u>	<u>1,199,747</u>	<u>5,341,586</u>	<u>4,461,368</u>
Subordinate Revenue Obligations						
Install of Secondary Infl Pumping Equip Stg II	29,547	3,797	34,804	9,687	43,128	36,021
Central Odor Control System	209,087	26,868	246,289	68,547	305,191	254,900
Heat Recovery Steam Generation Equipment	92,185	11,846	108,587	30,222	134,557	112,384
Power Generation Steam Turbine Generator	68,690	8,827	80,912	22,520	100,263	83,741
Pomona WRP NDN Facilities	93,545	12,021	110,189	30,668	136,542	114,042
Pomona WRP NDN Facilities Equip. Purch.	3,464	445	4,080	1,136	5,056	4,223
Los Coyotes WRP NDN Facilities	479,073	61,561	564,312	157,060	699,273	584,043
Los Coyotes WRP Ammonia Addition Station	18,341	2,357	21,604	6,013	26,771	22,359
Long Beach WRP NDN Facilities	115,371	14,825	135,898	37,823	168,399	140,649
Long Beach WRP Ammonia Addition Station	12,659	1,627	14,911	4,150	18,478	15,433
Long Beach WRP NDN Facilities Equipment	8,166	1,049	9,619	2,677	11,919	9,955
Long Beach WRP Aeration System	5,592	719	6,587	1,833	8,162	6,817
Long Beach Pumping Plant Upgrades*	2,393,166	307,524	2,818,968	784,580	3,493,155	2,917,533
Whittier Narrows WRP NDN Facilities	131,127	16,850	154,458	42,989	191,398	159,859
San Jose Creek WRP NDN Facilities	190,220	24,443	224,065	62,362	277,653	231,899
San Jose Creek WRP NDN Fac. Equipment	27,977	3,595	32,955	9,172	40,836	34,107
Los Coyotes WRP Interceptor Sewer Rehab Phase II	500,865	64,362	589,981	164,204	731,081	610,610
Wright Road Truck Sewer Repair	-	-	-	-	-	-
District 5 Interceptor Section 2A Rehab	623,058	80,064	733,915	204,265	909,439	759,577
Joint Outfall "A" Unit 6 Rehabilitation	702,066	90,216	826,981	230,167	1,024,762	855,896
Joint Outfall "D" Units 7&8 Rehabilitation	521,830	67,056	614,676	171,078	761,683	636,169
Joint Outfall "B" Unit 1A Rehabilitation	608,912	78,246	717,252	199,627	888,791	742,331
San Jose Creek East Flow Equalization*	892,052	114,629	1,050,769	292,452	1,302,072	1,087,509
Alamitos PP Force Main No. 2	-	-	-	-	-	-
Total Subordinate Revenue Obligations	<u>7,726,993</u>	<u>992,927</u>	<u>9,101,812</u>	<u>2,533,232</u>	<u>11,278,609</u>	<u>9,420,057</u>
Total Obligations	<u>\$ 14,987,643</u>	<u>1,924,022</u>	<u>16,571,081</u>	<u>4,751,388</u>	<u>20,026,751</u>	<u>16,829,363</u>

*Funds have been received as of December 31, 2019, however, this obligation is not yet in repayment.

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

	District No. 23	District No. 28	District No. 29	South Bay Cities
Senior A.V. Obligations				
2011 Series A Revenue Bonds	\$ 546,112	142,867	44,859	1,381,374
2013 Series A Revenue Bonds	76,496	20,012	6,284	193,493
Total Senior A.V. Obligation	<u>622,608</u>	<u>162,879</u>	<u>51,143</u>	<u>1,574,867</u>
Senior Revenue Obligations				
Primary Sedimentation Tank Covers	6,307	1,677	2,147	17,915
Secondary Effluent Pump Station	2,114	562	720	6,004
Biological Reactors/Secondary Clarifiers	174,871	46,508	59,530	496,707
Cryogenic Oxygen Generation	33,876	9,010	11,532	96,223
Power Generation Equipment Purchase	18,393	4,892	6,262	52,245
Waste Activated Sludge Thickening Expansion	7,879	2,096	2,682	22,380
Relocating and Installing High-Speed Centrifuge	3,965	1,055	1,350	11,262
Installation of Secondary Influent Pumping Equip	8,946	2,379	3,046	25,411
Fuel Gas Compressor Upgrade	1,384	368	471	3,932
Modifications of Electrical Power	7,659	2,037	2,607	21,754
Primary Screenings and Grit Dewatering Fac.	22,040	5,862	7,503	62,603
Environmental Laboratory Building	18,118	4,819	6,168	51,463
JWPCP Digestion Tanks 17-23	99,964	26,586	34,030	283,940
Modification of Biological Reactors	100,699	26,782	34,280	286,027
High-Speed Scroll Centrifuges Purch & Install	10,918	2,904	3,717	31,011
Secondary Infl Pump Station Equipment	25,744	6,847	8,764	73,123
Silo Odor Control Facilities, Phase I	13,061	3,474	4,446	37,100
Silo Odor Control Facilities, Phase II	10,776	2,866	3,668	30,608
Total Senior Revenue Obligations	<u>566,714</u>	<u>150,724</u>	<u>192,923</u>	<u>1,609,708</u>
Subordinate Revenue Obligations				
Install of Secondary Infl Pumping Equip Stg II	4,576	1,217	1,558	12,997
Central Odor Control System	32,379	8,611	11,023	91,971
Heat Recovery Steam Generation Equipment	14,276	3,797	4,860	40,549
Power Generation Steam Turbine Generator	10,637	2,829	3,621	30,215
Pomona WRP NDN Facilities	14,486	3,853	4,932	41,148
Pomona WRP NDN Facilities Equip. Purch.	536	143	183	1,524
Los Coyotes WRP NDN Facilities	74,189	19,731	25,256	210,729
Los Coyotes WRP Ammonia Addition Station	2,840	755	967	8,067
Long Beach WRP NDN Facilities	17,866	4,752	6,082	50,748
Long Beach WRP Ammonia Addition Station	1,960	521	667	5,568
Long Beach WRP NDN Facilities Equipment	1,265	336	430	3,592
Long Beach WRP Aeration System	866	230	295	2,460
Long Beach Pumping Plant Upgrades*	370,606	98,565	126,164	1,052,678
Whittier Narrows WRP NDN Facilities	20,306	5,401	6,913	57,679
San Jose Creek WRP NDN Facilities	29,457	7,834	10,028	83,672
San Jose Creek WRP NDN Fac. Equipment	4,333	1,152	1,475	12,306
Los Coyotes WRP Interceptor Sewer Rehab Phase II	77,564	20,629	26,405	220,315
Wright Road Truck Sewer Repair	-	-	-	-
District 5 Interceptor Section 2A Rehab	96,487	25,661	32,847	274,064
Joint Outfall "A" Unit 6 Rehabilitation	108,722	28,915	37,012	308,817
Joint Outfall "D" Units 7&8 Rehabilitation	80,811	21,492	27,510	229,537
Joint Outfall "B" Unit 1A Rehabilitation	94,296	25,079	32,101	267,841
San Jose Creek East Flow Equalization*	138,143	36,740	47,027	392,385
Alamitos PP Force Main No. 2	-	-	707,514	-
Total Subordinate Revenue Obligations	<u>1,196,601</u>	<u>318,243</u>	<u>1,114,870</u>	<u>3,398,862</u>
Total Obligations	<u>\$ 2,385,923</u>	<u>631,846</u>	<u>1,358,936</u>	<u>6,583,437</u>

*Funds have been received as of December 31, 2019, however, this obligation is not yet in repayment.

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
Senior A.V. Obligations						
2011 Series A Revenue Bonds	\$ 478,824	67,289	679,226	566,103	94,106	4,905,256
2013 Series A Revenue Bonds	67,070	9,426	95,143	79,296	13,182	687,097
Total Senior A.V. Obligation	<u>545,894</u>	<u>76,715</u>	<u>774,369</u>	<u>645,399</u>	<u>107,288</u>	<u>5,592,353</u>
Senior Revenue Obligations						
Valencia WRP Solids Processing Expansion	-	-	-	-	-	537,592
Valencia WRP Stage V Expansion-Equipment	-	-	-	-	-	211,541
Total Senior Revenue Obligations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>749,133</u>
Subordinate Revenue Obligations						
2015 Series A Revenue Bonds	-	-	133,169,814	-	-	-
2016 Series A Revenue Bonds	-	-	-	160,465,000	-	-
Lancaster - Rosamond Outfall & TS, Phase 1	-	-	2,861,412	-	-	-
Lancaster - Rosamond Outfall & TS, Phase 2	-	-	4,971,575	-	-	-
Lancaster - Rosamond Outfall & TS, Phase 3	-	-	4,560,513	-	-	-
Valencia WRP Stage V Expansion	-	-	-	-	-	9,310,944
Saugus WRP Equipment Purchases	-	-	-	-	-	445,649
Lancaster WRP Stage V Expansion, Phase 1	-	-	50,147,863	-	-	-
Valencia WRP Steam Boiler Upgrade	-	-	-	-	-	3,425,267
Total Subordinate Revenue Obligations	<u>-</u>	<u>-</u>	<u>195,711,177</u>	<u>160,465,000</u>	<u>-</u>	<u>13,181,860</u>
Total Obligations	<u>\$ 545,894</u>	<u>76,715</u>	<u>196,485,546</u>	<u>161,110,399</u>	<u>107,288</u>	<u>19,523,346</u>

SECTION 6-Updated Tables Contained in the Official Statements.

Districts Nos. 14 & 20 Connection Fee Revenue

Fiscal Year	District 14				District 20			
	Rates ⁽¹⁾	Collected	Refunds ⁽²⁾	Net Revenue	Rates ⁽¹⁾	Collected	Refunds ⁽²⁾	Net Revenue
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
2016-17	6,190	1,645,057	-	1,645,057	6,190	1,134,699	(6,959)	1,127,740
2017-18	6,190	1,432,576	-	1,432,576	6,190	1,042,743	-	1,042,743
2018-19	6,190	1,394,234	-	1,394,234	6,190	721,989	-	721,989

(1) Per single-family home.

(2) 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.

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

Sewage Units by Customer Type Fiscal Year 2018-19 ⁽¹⁾

District	Sewage Units ⁽²⁾					Total
	Residential ⁽³⁾	Commercial ⁽³⁾	Industrial	Contract	Total	Parcels
JO System ⁽⁴⁾	1,250,149	485,022	221,891	22,268	1,979,330	1,123,721
14	57,415	13,073	2,268	432	73,188	55,971
20	35,617	8,901	343	25	44,886	35,774
SCV	75,981	22,965	980	2,818	102,744	78,928
4	18,148	8,658	135	-	26,941	10,062
9	496	792	-	-	1,288	502
27	496	1	-	-	497	499
Total	1,438,302	539,412	225,617	25,543	2,228,874	1,305,457

- (1) Sewage units are not static during the course of a fiscal year as new connections are made, parcels undergo changes in use, and low-water rebates become effective. These numbers represent sewage units that were present at the end of the fiscal year.
- (2) A sewage unit is the average daily quantity of sewage flow and strength from a single-family home.
- (3) Residential and commercial sewage units are adjusted each year to reflect reductions in sewage units for parcels that applied for and received a low-water rebate in the preceding year.
- (4) 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.

User Fees and Ad Valorem Taxes Fiscal Year 2018-19

District	Service Charge Collected	Service Charge Rebates ⁽²⁾	Net Service Charge Revenue	IW Surcharge Revenue	Total User Fees	A.V. Taxes ⁽³⁾
JO System ⁽¹⁾	288,864,825	(7,693,127)	281,171,698	67,709,615	348,881,313	70,817,007
14	33,024,643	(996,965)	32,027,678	2,585,457	34,613,135	1,754,383
20	25,186,230	(504,686)	24,681,544	415,174	25,096,718	1,475,927
SCV	35,437,952	(1,694,763)	33,743,189	572,080	34,315,269	7,431,892
4	3,984,253	(161,467)	3,822,786	29,603	3,852,389	705,469
9	83,681	-	83,681	-	83,681	105,996
27	-	-	-	-	-	385,172
Total	386,581,584	(11,051,008)	375,530,576	71,311,929	446,842,505	82,675,846

- (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.
- (2) Rebates issued pursuant to the low-water rebate program. Rebates are recorded in the year in which claims are processed, not in the years for which they are being made.
- (3) Actual amounts collected.

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

Districts' Service Charge Rates (Dollars Per Single Family Home Per Year)

District (JO) ⁽¹⁾	Fiscal Year <u>2014-15</u>	Fiscal Year <u>2015-16</u>	Fiscal Year <u>2016-17</u>	Fiscal Year <u>2017-18</u>	Fiscal Year <u>2018-19</u>
1	\$ 163	\$ 168	\$ 173	\$ 178	\$ 183
2	155	160	165	169	173
3	157	160	163	166	169
5	141	146	151	155	159
8	154	163	174	180	186
15	141	146	151	154	157
16	142	145	148	151	154
17	143	146	149	152	155
18	156	161	166	170	174
19	155	158	161	164	167
21	153	158	163	167	171
22	152	155	158	162	166
23	120	122	124	126	128
28 ⁽³⁾	340	342	242	-	-
28 ⁽³⁾	132	134	136	138	140
29	340	340	340	340	340
SBC	124	126	128	130	132
 (Non-JO) ^{(1),(2)}					
4	150	150	150	150	150
9	78	78	78	78	78
14	496	476	476	476	476
20	535	550	565	565	575
SCV	267	287	307	328	349

- (1) JO indicates a District within the Joint Outfall System. Non-JO indicates a District outside of the Joint Outfall System.
- (2) District No. 27 does not have any service charge rate in effect as its other revenues have been sufficient to meet expenses. District No. 27 does have a Master Service Charge Ordinance in place should the need for a service charge arise.
- (3) Beginning in fiscal year 1999-2000, District No. 28 had two service charge rates. The first rate was for those users directly connected to the La Canada WRP Outfall Trunk Sewer or the Foothill Main Trunk sewer or tributary to the La Canada WRP; the second rate was for those users within the city of La Canada Flintridge Sewer Assessment Districts. As of fiscal year 2017-18, the loans associated with the two trunk sewers were paid off, making two rates unnecessary.

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

Fund Balances on June 30, 2019

Districts	Capital Improvement Fund	Rate Stabilization Fund	All Other Funds
1	\$ 50,267,791	16,167,000	32,669,751
2	69,949,738	23,692,000	46,539,107
3	44,392,760	23,580,000	33,885,322
4	6,657,408	34,131,000	3,204,248
5	66,782,943	22,609,000	54,012,093
8	36,440,203	202,000	13,605,434
9	462,223	3,362,000	1,044,165
14	885,395	32,526,000	25,818,187
15	52,612,090	41,077,000	35,982,146
16	27,015,796	34,678,000	20,381,907
17	3,634,112	5,892,000	2,608,208
18	38,221,330	14,930,000	24,209,585
19	10,985,703	8,630,000	7,208,727
20	615,546	22,126,000	14,297,053
21	51,256,454	29,876,000	30,513,375
22	35,629,407	35,516,000	24,946,080
23	3,669,072	10,732,000	3,467,932
27	21,006	610,000	838,179
28	990,869	6,571,000	1,486,185
29	1,879,264	5,306,000	1,389,151
SBC	13,074,949	25,877,000	9,636,727
SCV	76,749,770	38,666,000	22,853,597
	<u>\$ 592,193,829</u>	<u>436,756,000</u>	<u>410,597,159</u>

Average Yearly Flow From The Participating Districts⁽¹⁾⁽²⁾ (In Millions Of Gallons Per Day)

District	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19
JO System ⁽³⁾	365.68	351.05	356.48	350.65	352.20
14	13.56	12.88	12.70	13.01	13.46
20	8.27	8.08	8.12	7.98	8.07
SCV	18.89	18.09	18.19	18.43	18.27
Total	<u>406.40</u>	<u>390.10</u>	<u>395.49</u>	<u>390.07</u>	<u>392.00</u>

- (1) The flow from Districts No. 4, 9, and 27 is disposed of through the City of Los Angeles sewerage system.
- (2) All flow values are effluent plant flows.
- (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.

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

Ten Largest Disposal Customers Fiscal Year 2018-2019

<u>District 14 Customer</u>	<u>Fiscal Year 2018-19 Billing</u>	<u>Percentage of Total User Charges</u>
California State Prison - Los Angeles County	\$ 1,198,935	3.16 %
Northrop Grumman Systems Corporation (Site 4)	708,538	1.87
Mission Linen Supply	232,954	0.61
Provident Housing Resources Inc. (Apartments)	230,362	0.61
Northrop Grumman Systems Corporation (Site 3)	189,594	0.50
Walmart Real Estate - 10th Street West (Shopping Center)	181,282	0.48
Walmart Real Estate - Valley Central Way (Shopping Center)	179,483	0.47
Antelope Valley Hospital	170,411	0.45
Mayflower RHF Housing Inc. (Mobile Home Park)	143,371	0.38
Caritas Affordable Housing Inc. (Mobile Home Park)	132,518	0.35
	<u>3,367,448</u>	<u>8.87</u>
Balance from Other Dischargers	<u>34,613,135</u>	<u>91.13</u>
Total User Chargers	<u>\$ 37,980,583</u>	<u>100.00 %</u>

<u>District 20 Customer</u>	<u>Fiscal Year 2018-19 Billing</u>	<u>Percentage of Total User Charges</u>
Antelope Valley Mall LLC (Shopping Center)	\$ 309,947	1.16 %
Lockheed Martin (Aerospace Manufacturing)	289,999	1.09
Walmart Real Estate - 47th Street East (Shopping Center)	239,416	0.90
38300 30th Street Multi LLC (Apartments)	120,060	0.45
Golden Spectrum Property LLC (Shopping Center)	117,142	0.44
Sagetree Village LLC (Mobile Home Park)	113,850	0.43
Universal Healthcare (Acute Care Hospital)	112,815	0.42
Mountain Shadows Apartments LLC	106,260	0.40
Figjam LP (Apartments)	104,880	0.39
Caritas Acquisitions LLC (Mobile Home Park)	102,810	0.38
	<u>\$ 1,617,179</u>	<u>6.05</u>
Balance from Other Dischargers	<u>25,096,718</u>	<u>93.95</u>
Total User Chargers	<u>\$ 26,713,897</u>	<u>100.00 %</u>

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

Outstanding Senior and Subordinate Obligations

	<u>Outstanding Balance December 31, 2018</u>	<u>Outstanding Balance December 31, 2019*</u>	<u>Net Change</u>
Obligations Constituting Senior A.V. Obligations and Senior Revenue Obligations:			
2011 Series A Revenue Bonds	\$ 75,150,000	48,760,000	(26,390,000)
2013 Series A Revenue Bonds	9,925,000	6,830,000	(3,095,000)
Total Senior A.V. Obligation	<u>85,075,000</u>	<u>55,590,000</u>	<u>(29,485,000)</u>
Senior Revenue Obligations			
Primary Sedimentation Tank Covers	884,252	670,990	(213,262)
Secondary Effluent Pump Station	296,043	224,857	(71,186)
Biological Reactors/Secondary Clarifiers	24,515,972	18,603,263	(5,912,709)
Cryogenic Oxygen Generation	4,805,156	3,603,867	(1,201,289)
Power Generation Equipment Purchase	2,608,978	1,956,734	(652,244)
Waste Activated Sludge Thickening Expansion	1,047,761	838,209	(209,552)
Relocating and Installing High-Speed Centrifuge	527,264	421,811	(105,453)
Installation of Secondary Influent Pumping Equip	1,189,675	951,740	(237,935)
Fuel Gas Compressor Upgrade	184,067	147,254	(36,813)
Modifications of Electrical Power	1,018,452	814,762	(203,690)
Primary Screenings and Grit Dewatering Fac.	2,930,861	2,344,689	(586,172)
Environmental Laboratory Building	2,409,336	1,927,469	(481,867)
JWPCP Digestion Tanks 17-23	13,293,081	10,634,465	(2,658,616)
Modification of Biological Reactors	12,706,868	10,712,611	(1,994,257)
High-Speed Scroll Centrifuges Purch & Install	1,393,772	1,161,477	(232,295)
Secondary Infl Pump Station Equipment	3,286,435	2,738,696	(547,739)
Valencia WRP Solids Processing Expansion	1,075,183	537,592	(537,591)
Valencia WRP Stage V Expansion-Equipment	282,055	211,541	(70,514)
Silo Odor Control Facilities, Phase I	1,736,890	1,389,512	(347,378)
Silo Odor Control Facilities, Phase II	1,310,151	1,146,382	(163,769)
Total Senior Revenue Obligations	<u>77,502,252</u>	<u>61,037,921</u>	<u>(16,464,331)</u>
Subordinate Revenue Obligations:			
2015 Series A Revenue Bonds	136,440,000	133,169,814	(3,270,186)
2016 Series A Revenue Bonds	163,885,000	160,465,000	(3,420,000)
Install of Secondary Infl Pumping Equip Stg II	567,895	486,768	(81,127)
Central Odor Control System	4,018,695	3,444,596	(574,099)
Heat Recovery Steam Generation Equipment	1,735,657	1,518,700	(216,957)
Power Generation Steam Turbine Generator	1,293,300	1,131,638	(161,662)
Pomona WRP NDN Facilities	1,849,329	1,541,107	(308,222)
Pomona WRP NDN Facilities Equip. Purch.	68,481	57,068	(11,413)
Los Coyotes WRP NDN Facilities	8,769,410	7,892,469	(876,941)
Los Coyotes WRP Ammonia Addition Station	377,688	302,151	(75,537)
Long Beach WRP NDN Facilities	2,138,252	1,900,668	(237,584)
Long Beach WRP Ammonia Addition Station	260,687	208,550	(52,137)
Long Beach WRP NDN Facilities Equipment	168,158	134,526	(33,632)
Long Beach WRP Aeration System	115,159	92,127	(23,032)
Long Beach Pumping Plant Upgrades*	41,249,132	39,426,125	(1,823,007)
Whittier Narrows WRP NDN Facilities	2,376,276	2,160,251	(216,025)

*Projected

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

	Outstanding Balance December 31, 2018	Outstanding Balance December 31, 2019*	Net Change
Subordinate Revenue Obligations (Continued):			
San Jose Creek WRP NDN Facilities	3,656,072	3,133,776	(522,296)
San Jose Creek WRP NDN Fac. Equipment	537,726	460,908	(76,818)
Lancaster - Rosamond Outfall & TS, Phase 1	3,234,259	2,861,412	(372,847)
Lancaster - Rosamond Outfall & TS, Phase 2	5,619,380	4,971,575	(647,805)
Lancaster - Rosamond Outfall & TS, Phase 3	5,154,756	4,560,513	(594,243)
Valencia WRP Stage V Expansion	11,638,680	9,310,944	(2,327,736)
Saugus WRP Equipment Purchases	534,779	445,649	(89,130)
Lancaster WRP Stage V Expansion, Phase I	53,670,840	50,147,863	(3,522,977)
Valencia WRP Steam Boiler Upgrade	3,624,281	3,425,267	(199,014)
Los Coyotes WRP Interceptor Sewer Rehab Phase II	8,827,328	8,251,480	(575,848)
Wright Road Truck Sewer Repair	450,605	421,027	(29,578)
District 5 Interceptor Section 2A Rehab	10,799,745	10,264,552	(535,193)
Joint Outfall "A" Unit 6 Rehabilitation	9,872,596	11,566,167	1,693,571
Joint Outfall "D" Units 7&8 Rehabilitation	8,844,763	8,596,874	(247,889)
Joint Outfall "B" Unit 1A Rehabilitation	9,556,071	10,031,501	475,430
San Jose Creek East Flow Equalization**	10,222,478	14,696,072	4,473,594
Alamitos PP Force Main No. 2	751,946	707,514	(44,432)
Total Subordinate Revenue Obligations	<u>512,309,424</u>	<u>497,784,652</u>	<u>(14,524,772)</u>
Total Obligations	<u>\$ 674,886,676</u>	<u>614,412,573</u>	<u>(60,474,103)</u>

*Projected

**Funds have been received as of December 31, 2019, however, this obligation is not yet in repayment.

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

District's Historical Operating Data (\$000)

<u>District No. 1</u>	<u>Fiscal Year</u> <u>2018-19</u>	<u>Fiscal Year</u> <u>2017-18</u>	<u>Fiscal Year</u> <u>2016-17</u>	<u>Fiscal Year</u> <u>2015-16</u>
REVENUE SOURCES				
User Fees	\$ 32,344	\$ 31,238	\$ 30,233	\$ 29,357
Other Revenues	2,416	2,547	2,153	2,115
A.V. Tax	3,855	3,514	3,253	3,160
Interest	1,770	1,259	940	804
Rate Stabilization Fund ⁽¹⁾⁽⁶⁾	-	-	-	-
Subtotal	<u>40,385</u>	<u>38,558</u>	<u>36,579</u>	<u>35,436</u>
CIF Pledged for Debt ⁽²⁾	-	-	-	-
Total Revenue for Senior Calculation	40,385	38,558	36,579	35,436
CIF Connection Fee Revenue ⁽²⁾	2,860	2,554	2,626	2,116
Total Revenue for Subordinate Calculation	<u>43,245</u>	<u>41,112</u>	<u>39,205</u>	<u>37,552</u>
EXPENSES⁽³⁾				
Total O&M	24,984	23,692	23,155	23,136
Rate Stabilization Fund ⁽⁴⁾	1,818	5,474	2,243	839
Total	<u>26,802</u>	<u>29,166</u>	<u>25,398</u>	<u>23,975</u>
DEBT SERVICE PAYMENTS				
Senior				
State Loans	1,523	1,508	1,503	1,503
Revenue Bonds	2,169	2,174	2,171	2,173
Total Senior Debt Payments	<u>3,692</u>	<u>3,682</u>	<u>3,674</u>	<u>3,676</u>
Subordinate				
State Loans	750	504	494	433
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>750</u>	<u>504</u>	<u>494</u>	<u>433</u>
Total Debt Service	4,442	4,186	4,168	4,109
DEBT SERVICE COVERAGE⁽⁵⁾:				
SENIOR	3.48	2.41	2.91	3.00
<u>SUBORDINATE</u>	<u>3.70</u>	<u>2.85</u>	<u>3.31</u>	<u>3.30</u>

- (1) Previously expensed funds used to pay unexpected operating costs to minimize the impact on rates.
- (2) All connection fees pledged for repayment of debt is considered in calculating senior debt service coverage, while all connection fees collected were considered in calculating subordinate debt service coverage.
- (3) Does not include depreciation.
- (4) Funds being set aside to minimize the impact on rates in the event of future unexpected operating costs.
- (5) 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.
- (6) During fiscal year 2017-2018, funds available for Rate Stabilization were reduced pursuant to a newly adopted reserve policy. These funds were not needed to meet required debt coverage for the fiscal year and therefore, were not included as a revenue source on this statement.

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

District's Historical Operating Data (\$000)

District No. 2	Fiscal Year 2018-19	Fiscal Year 2017-18	Fiscal Year 2016-17	Fiscal Year 2015-16
REVENUE SOURCES				
User Fees	\$ 46,573	\$ 44,717	\$ 43,183	\$ 41,098
Other Revenues	3,664	3,712	3,127	2,899
A.V. Tax	7,654	7,286	6,786	6,466
Interest	2,615	1,876	1,420	1,335
Rate Stabilization Fund ⁽¹⁾⁽⁶⁾	4,254	-	-	940
Subtotal	<u>64,760</u>	<u>57,591</u>	<u>54,516</u>	<u>52,738</u>
CIF Pledged for Debt ⁽²⁾	-	-	-	-
Total Revenue for Senior Calculation	64,760	57,591	54,516	52,738
CIF Connection Fee Revenue ⁽²⁾	4,477	4,348	3,687	3,097
Total Revenue for Subordinate Calculation	<u>69,237</u>	<u>61,939</u>	<u>58,203</u>	<u>55,835</u>
EXPENSES⁽³⁾				
Total O&M	37,893	34,703	34,110	33,699
Rate Stabilization Fund ⁽⁴⁾	-	5,036	326	-
Total	<u>37,893</u>	<u>39,739</u>	<u>34,436</u>	<u>33,699</u>
DEBT SERVICE PAYMENTS				
Senior				
State Loans	2,294	2,197	2,183	2,183
Revenue Bonds	<u>3,349</u>	<u>3,356</u>	<u>3,352</u>	<u>3,356</u>
Total Senior Debt Payments	5,643	5,553	5,535	5,539
Subordinate				
State Loans	1,129	674	658	570
Revenue Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Subordinate Debt Payments	1,129	674	658	570
Total Debt Service	6,772	6,227	6,193	6,109
DEBT SERVICE COVERAGE⁽⁵⁾:				
SENIOR	4.56	3.09	3.51	3.33
<u>SUBORDINATE</u>	<u>4.63</u>	<u>3.57</u>	<u>3.84</u>	<u>3.62</u>

(1) Previously expensed funds used to pay unexpected operating costs to minimize the impact on rates.

(2) All connection fees pledged for repayment of debt is considered in calculating senior debt service coverage, while all connection fees collected were considered in calculating subordinate debt service coverage.

(3) Does not include depreciation.

(4) Funds being set aside to minimize the impact on rates in the event of future unexpected operating costs.

(5) 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.

(6) During fiscal year 2017-2018, funds available for Rate Stabilization were reduced pursuant to a newly adopted reserve policy. These funds were not needed to meet required debt coverage for the fiscal year and therefore, were not included as a revenue source on this statement.

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

District's Historical Operating Data (\$000)

District No. 3	Fiscal Year 2018-19	Fiscal Year 2017-18	Fiscal Year 2016-17	Fiscal Year 2015-16
REVENUE SOURCES				
User Fees	\$ 33,823	\$ 32,599	\$ 32,010	\$ 31,134
Other Revenues	2,800	2,886	2,473	2,294
A.V. Tax	6,316	5,603	5,298	5,273
Interest	1,804	1,289	956	901
Rate Stabilization Fund ⁽¹⁾⁽⁶⁾	3,757	-	-	-
Subtotal	<u>48,500</u>	<u>42,377</u>	<u>40,737</u>	<u>39,602</u>
CIF Pledged for Debt ⁽²⁾	-	-	-	-
Total Revenue for Senior Calculation	48,500	42,377	40,737	39,602
CIF Connection Fee Revenue ⁽²⁾	3,257	2,778	2,743	1,919
Total Revenue for Subordinate Calculation	<u>51,757</u>	<u>45,155</u>	<u>43,480</u>	<u>41,521</u>
EXPENSES⁽³⁾				
Total O&M	29,801	26,490	25,841	26,408
Rate Stabilization Fund ⁽⁴⁾	-	2,981	136	548
Total	<u>29,801</u>	<u>29,471</u>	<u>25,977</u>	<u>26,956</u>
DEBT SERVICE PAYMENTS				
Senior				
State Loans	1,764	1,708	1,727	1,727
Revenue Bonds	<u>2,543</u>	<u>2,549</u>	<u>2,546</u>	<u>2,549</u>
Total Senior Debt Payments	4,307	4,257	4,273	4,276
Subordinate				
State Loans	869	524	520	451
Revenue Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Subordinate Debt Payments	869	524	520	451
Total Debt Service	5,176	4,781	4,793	4,727
DEBT SERVICE COVERAGE⁽⁵⁾:				
SENIOR	4.14	2.91	3.33	2.85
<u>SUBORDINATE</u>	<u>4.24</u>	<u>3.28</u>	<u>3.65</u>	<u>3.08</u>

(1) Previously expensed funds used to pay unexpected operating costs to minimize the impact on rates.

(2) All connection fees pledged for repayment of debt is considered in calculating senior debt service coverage, while all connection fees collected were considered in calculating subordinate debt service coverage.

(3) Does not include depreciation.

(4) Funds being set aside to minimize the impact on rates in the event of future unexpected operating costs.

(5) 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.

(6) During fiscal year 2017-2018, funds available for Rate Stabilization were reduced pursuant to a newly adopted reserve policy. These funds were not needed to meet required debt coverage for the fiscal year and therefore, were not included

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

District's Historical Operating Data (\$000)

District No. 5	Fiscal Year 2018-19	Fiscal Year 2017-18	Fiscal Year 2016-17	Fiscal Year 2015-16
REVENUE SOURCES				
User Fees	\$ 47,615	\$ 46,378	\$ 44,447	\$ 41,925
Other Revenues	4,196	4,338	3,641	3,419
A.V. Tax	12,792	12,002	11,197	10,719
Interest	2,620	1,896	1,380	1,343
Rate Stabilization Fund ⁽¹⁾⁽⁶⁾	8,085	-	2,763	2,743
Subtotal	75,308	64,614	63,428	60,149
CIF Pledged for Debt ⁽²⁾	-	-	-	-
Total Revenue for Senior Calculation	75,308	64,614	63,428	60,149
CIF Connection Fee Revenue ⁽²⁾	4,997	5,474	3,968	3,299
Total Revenue for Subordinate Calculation	80,305	70,088	67,396	63,448
EXPENSES⁽³⁾				
Total O&M	43,178	40,803	39,798	39,428
Rate Stabilization Fund ⁽⁴⁾	-	6,113	-	-
Total	43,178	46,916	39,798	39,428
DEBT SERVICE PAYMENTS				
Senior				
State Loans	2,643	2,558	2,542	2,542
Revenue Bonds	5,474	5,486	5,479	5,486
Total Senior Debt Payments	8,117	8,044	8,021	8,028
Subordinate				
State Loans	1,301	785	766	663
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	1,301	785	766	663
Total Debt Service	9,418	8,829	8,787	8,691
DEBT SERVICE COVERAGE⁽⁵⁾:				
SENIOR	3.80	2.10	2.85	2.50
SUBORDINATE	3.94	2.62	3.14	2.76

- (1) Previously expensed funds used to pay unexpected operating costs to minimize the impact on rates.
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- (3) Does not include depreciation.
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SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

District's Historical Operating Data (\$000)

District No. 8	Fiscal Year 2018-19	Fiscal Year 2017-18	Fiscal Year 2016-17	Fiscal Year 2015-16
REVENUE SOURCES				
User Fees	\$ 21,126	\$ 20,029	\$ 19,541	\$ 20,156
Other Revenues	1,441	1,486	1,335	1,235
A.V. Tax	2,220	2,032	1,907	1,932
Interest	1,010	713	541	480
Rate Stabilization Fund ⁽¹⁾⁽⁶⁾	1,006	-	794	1,629
Subtotal	26,803	24,260	24,118	25,432
CIF Pledged for Debt ⁽²⁾	-	-	-	-
Total Revenue for Senior Calculation	26,803	24,260	24,118	25,432
CIF Connection Fee Revenue ⁽²⁾	1,766	1,481	1,646	1,898
Total Revenue for Subordinate Calculation	28,569	25,741	25,764	27,330
EXPENSES⁽³⁾				
Total O&M	16,856	16,216	17,100	16,679
Rate Stabilization Fund ⁽⁴⁾	-	2,057	-	-
Total	16,856	18,273	17,100	16,679
DEBT SERVICE PAYMENTS				
Senior				
State Loans	908	880	930	930
Revenue Bonds	1,323	1,326	1,324	1,325
Total Senior Debt Payments	2,231	2,206	2,254	2,255
Subordinate				
State Loans	447	270	280	243
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	447	270	280	243
Total Debt Service	2,678	2,476	2,534	2,498
DEBT SERVICE COVERAGE⁽⁵⁾:				
SENIOR	4.26	2.59	2.99	3.77
SUBORDINATE	4.37	3.02	3.42	4.26

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SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

District's Historical Operating Data (\$000)

District No. 15	Fiscal Year 2018-19	Fiscal Year 2017-18	Fiscal Year 2016-17	Fiscal Year 2015-16
REVENUE SOURCES				
User Fees	\$ 35,207	\$ 34,546	\$ 32,719	\$ 30,875
Other Revenues	3,030	3,072	2,650	2,451
A. V. Tax	8,469	7,881	7,246	7,194
Interest	2,406	1,681	1,257	1,184
Rate Stabilization Fund ⁽¹⁾⁽⁶⁾	-	-	-	-
Subtotal	49,112	47,180	43,872	41,704
CIF Pledged for Debt ⁽²⁾	-	-	-	-
Total Revenue for Senior Calculation	49,112	47,180	43,872	41,704
CIF Connection Fee Revenue ⁽²⁾	3,438	3,372	2,908	3,466
Total Revenue for Subordinate Calculation	52,550	50,552	46,780	45,170
EXPENSES⁽³⁾				
Total O&M	30,458	27,533	27,642	27,616
Rate Stabilization Fund ⁽⁴⁾	11,320	7,979	187	623
Total	41,778	35,512	27,829	28,239
DEBT SERVICE PAYMENTS				
Senior				
State Loans	1,906	1,819	1,844	1,844
Revenue Bonds	3,425	3,433	3,429	3,434
Total Senior Debt Payments	5,331	5,252	5,273	5,278
Subordinate				
State Loans	939	558	556	481
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	939	558	556	481
Total Debt Service	6,270	5,810	5,829	5,759
DEBT SERVICE COVERAGE⁽⁵⁾:				
SENIOR	1.20	2.12	2.94	2.46
SUBORDINATE	1.72	2.59	3.25	2.94

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(3) Does not include depreciation.

(4) Funds being set aside to minimize the impact on rates in the event of future unexpected operating costs.

(5) 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.

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SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

District's Historical Operating Data (\$000)

District No. 16	Fiscal Year 2018-19	Fiscal Year 2017-18	Fiscal Year 2016-17	Fiscal Year 2015-16
REVENUE SOURCES				
User Fees	\$ 18,049	\$ 17,771	\$ 17,029	\$ 16,341
Other Revenues	1,674	1,723	1,407	1,304
A.V. Tax	6,062	5,648	5,783	5,393
Interest	1,471	1,051	773	733
Rate Stabilization Fund ⁽¹⁾⁽⁶⁾	-	-	-	-
Subtotal	27,256	26,193	24,992	23,771
CIF Pledged for Debt ⁽²⁾	-	-	-	-
Total Revenue for Senior Calculation	27,256	26,193	24,992	23,771
CIF Connection Fee Revenue ⁽²⁾	2,057	1,679	1,489	1,186
Total Revenue for Subordinate Calculation	29,313	27,872	26,481	24,957
EXPENSES⁽³⁾				
Total O&M	16,375	14,957	14,212	14,416
Rate Stabilization Fund ⁽⁴⁾	6,550	3,860	2,118	1,544
Total	22,925	18,817	16,330	15,960
DEBT SERVICE PAYMENTS				
Senior				
State Loans	1,054	1,020	982	982
Revenue Bonds	2,135	2,139	2,137	2,140
Total Senior Debt Payments	3,189	3,159	3,119	3,122
Subordinate				
State Loans	519	313	296	256
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	519	313	296	256
Total Debt Service	3,708	3,472	3,415	3,378
DEBT SERVICE COVERAGE⁽⁵⁾:				
SENIOR	1.20	2.24	2.68	2.42
SUBORDINATE	1.72	2.61	2.97	2.66

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SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

District's Historical Operating Data (\$000)

District No. 17	Fiscal Year 2018-19	Fiscal Year 2017-18	Fiscal Year 2016-17	Fiscal Year 2015-16
REVENUE SOURCES				
User Fees	\$ 2,339	\$ 2,271	\$ 2,217	\$ 2,175
Other Revenues	215	223	181	211
A.V. Tax	636	602	559	533
Interest	210	163	124	88
Rate Stabilization Fund ⁽¹⁾⁽⁶⁾	-	-	-	-
Subtotal	<u>3,400</u>	<u>3,259</u>	<u>3,081</u>	<u>3,007</u>
CIF Pledged for Debt ⁽²⁾	-	-	-	-
Total Revenue for Senior Calculation	3,400	3,259	3,081	3,007
CIF Connection Fee Revenue ⁽²⁾	213	212	176	150
Total Revenue for Subordinate Calculation	<u>3,613</u>	<u>3,471</u>	<u>3,257</u>	<u>3,157</u>
EXPENSES⁽³⁾				
Total O&M	2,084	1,905	1,815	1,851
Rate Stabilization Fund ⁽⁴⁾	760	389	469	640
Total	<u>2,844</u>	<u>2,294</u>	<u>2,284</u>	<u>2,491</u>
DEBT SERVICE PAYMENTS				
Senior				
State Loans	135	132	127	127
Revenue Bonds	273	274	273	274
Total Senior Debt Payments	<u>408</u>	<u>406</u>	<u>400</u>	<u>401</u>
Subordinate				
State Loans	67	40	38	33
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>67</u>	<u>40</u>	<u>38</u>	<u>33</u>
Total Debt Service	475	446	438	434
DEBT SERVICE COVERAGE⁽⁵⁾:				
SENIOR	1.20	2.28	1.90	1.20
SUBORDINATE	1.62	2.64	2.22	1.53

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SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

District's Historical Operating Data (\$000)

District No. 18	Fiscal Year 2018-19	Fiscal Year 2017-18	Fiscal Year 2016-17	Fiscal Year 2015-16
REVENUE SOURCES				
User Fees	\$ 24,780	\$ 24,006	\$ 22,732	\$ 21,853
Other Revenues	1,970	1,986	1,707	1,584
A.V. Tax	4,464	4,286	4,007	3,771
Interest	1,394	949	706	652
Rate Stabilization Fund ⁽¹⁾⁽⁶⁾	1,118	-	-	-
Subtotal	33,726	31,227	29,152	27,860
CIF Pledged for Debt ⁽²⁾	-	-	-	-
Total Revenue for Senior Calculation	33,726	31,227	29,152	27,860
CIF Connection Fee Revenue ⁽²⁾	2,072	1,963	1,964	2,009
Total Revenue for Subordinate Calculation	35,798	33,190	31,116	29,869
EXPENSES⁽³⁾				
Total O&M	20,304	18,656	18,247	18,545
Rate Stabilization Fund ⁽⁴⁾	-	5,801	492	378
Total	20,304	24,457	18,739	18,923
DEBT SERVICE PAYMENTS				
Senior				
State Loans	1,241	1,176	1,192	1,192
Revenue Bonds	1,872	1,876	1,874	1,877
Total Senior Debt Payments	3,113	3,052	3,066	3,069
Subordinate				
State Loans	611	361	359	311
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	611	361	359	311
Total Debt Service	3,724	3,413	3,425	3,380
DEBT SERVICE COVERAGE⁽⁵⁾:				
SENIOR	4.12	2.10	3.28	2.81
SUBORDINATE	4.16	2.56	3.61	3.24

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SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

District's Historical Operating Data (\$000)

District No. 19	Fiscal Year 2018-19	Fiscal Year 2017-18	Fiscal Year 2016-17	Fiscal Year 2015-16
REVENUE SOURCES				
User Fees	\$ 6,777	\$ 6,634	\$ 6,830	\$ 5,827
Other Revenues	548	565	486	450
A.V. Tax	1,582	1,513	1,476	1,404
Interest	482	345	256	236
Rate Stabilization Fund ⁽¹⁾⁽⁶⁾	-	-	-	156
Subtotal	9,389	9,057	9,048	8,073
CIF Pledged for Debt ⁽²⁾	-	-	-	-
Total Revenue for Senior Calculation	9,389	9,057	9,048	8,073
CIF Connection Fee Revenue ⁽²⁾	571	537	496	506
Total Revenue for Subordinate Calculation	9,960	9,594	9,544	8,579
EXPENSES⁽³⁾				
Total O&M	5,565	5,710	5,188	5,574
Rate Stabilization Fund ⁽⁴⁾	2,510	2,019	923	-
Total	8,075	7,729	6,111	5,574
DEBT SERVICE PAYMENTS				
Senior				
State Loans	346	334	339	339
Revenue Bonds	604	605	604	605
Total Senior Debt Payments	950	939	943	944
Subordinate				
State Loans	170	102	102	88
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	170	102	102	88
Total Debt Service	1,120	1,041	1,045	1,032
DEBT SERVICE COVERAGE⁽⁵⁾:				
SENIOR	1.20	1.31	3.01	2.55
SUBORDINATE	1.68	1.79	3.29	2.91

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SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

District's Historical Operating Data (\$000)

District No. 21	Fiscal Year 2018-19	Fiscal Year 2017-18	Fiscal Year 2016-17	Fiscal Year 2015-16
REVENUE SOURCES				
User Fees	\$ 29,927	\$ 28,196	\$ 27,715	\$ 26,989
Other Revenues	3,218	3,442	2,829	2,668
A.V. Tax	4,862	4,417	4,149	4,282
Interest	2,057	1,445	1,074	1,051
Rate Stabilization Fund ⁽¹⁾⁽⁶⁾	-	-	-	-
Subtotal	40,064	37,500	35,767	34,990
CIF Pledged for Debt ⁽²⁾	-	-	-	-
Total Revenue for Senior Calculation	40,064	37,500	35,767	34,990
CIF Connection Fee Revenue ⁽²⁾	2,488	2,567	2,465	2,127
Total Revenue for Subordinate Calculation	42,552	40,067	38,232	37,117
EXPENSES⁽³⁾				
Total O&M	24,892	22,379	21,828	21,810
Rate Stabilization Fund ⁽⁴⁾	7,777	6,010	1,174	199
Total	32,669	28,389	23,002	22,009
DEBT SERVICE PAYMENTS				
Senior				
State Loans	1,538	1,450	1,450	1,450
Revenue Bonds	2,019	2,024	2,021	2,024
Total Senior Debt Payments	3,557	3,474	3,471	3,474
Subordinate				
State Loans	757	445	437	378
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	757	445	437	378
Total Debt Service	4,314	3,919	3,908	3,852
DEBT SERVICE COVERAGE⁽⁵⁾:				
SENIOR	1.87	2.49	3.55	3.63
SUBORDINATE	2.29	2.98	3.90	3.92

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SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

District's Historical Operating Data (\$000)

District No. 22	Fiscal Year 2018-19	Fiscal Year 2017-18	Fiscal Year 2016-17	Fiscal Year 2015-16
REVENUE SOURCES				
User Fees	\$ 23,031	\$ 22,566	\$ 23,187	\$ 22,476
Other Revenues	2,047	2,048	1,636	1,583
A.V. Tax	4,591	4,420	4,211	3,827
Interest	1,788	1,265	1,215	816
Rate Stabilization Fund ⁽¹⁾⁽⁶⁾	-	-	-	-
Subtotal	31,457	30,299	30,249	28,702
CIF Pledged for Debt ⁽²⁾	-	-	-	-
Total Revenue for Senior Calculation	31,457	30,299	30,249	28,702
CIF Connection Fee Revenue ⁽²⁾	2,282	2,059	2,475	2,796
Total Revenue for Subordinate Calculation	33,739	32,358	32,724	31,498
EXPENSES⁽³⁾				
Total O&M	20,646	18,333	17,608	17,618
Rate Stabilization Fund ⁽⁴⁾	6,550	5,071	3,818	2,721
Total	27,196	23,404	21,426	20,339
DEBT SERVICE PAYMENTS				
Senior				
State Loans	1,285	1,210	1,186	1,186
Revenue Bonds	1,747	1,751	1,749	1,751
Total Senior Debt Payments	3,032	2,961	2,935	2,937
Subordinate				
State Loans	633	371	357	309
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	633	371	357	309
Total Debt Service	3,665	3,332	3,292	3,246
DEBT SERVICE COVERAGE⁽⁵⁾:				
SENIOR	1.20	2.20	2.88	2.74
SUBORDINATE	1.79	2.69	3.43	3.44

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SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

District's Historical Operating Data (\$000)

District No. 23	Fiscal Year 2018-19	Fiscal Year 2017-18	Fiscal Year 2016-17	Fiscal Year 2015-16
REVENUE SOURCES				
User Fees	\$ 4,966	\$ 3,523	\$ 3,880	\$ 3,834
Other Revenues	259	276	220	205
A.V. Tax	506	426	424	398
Interest	332	248	194	203
Rate Stabilization Fund ⁽¹⁾⁽⁶⁾	-	-	-	-
Subtotal	<u>6,063</u>	<u>4,473</u>	<u>4,718</u>	<u>4,640</u>
CIF Pledged for Debt ⁽²⁾	-	-	-	-
Total Revenue for Senior Calculation	<u>6,063</u>	<u>4,473</u>	<u>4,718</u>	<u>4,640</u>
CIF Connection Fee Revenue ⁽²⁾	247	258	209	214
Total Revenue for Subordinate Calculation	<u>6,310</u>	<u>4,731</u>	<u>4,927</u>	<u>4,854</u>
EXPENSES⁽³⁾				
Total O&M	3,335	3,264	2,989	2,968
Rate Stabilization Fund ⁽⁴⁾	2,010	170	290	331
Total	<u>5,345</u>	<u>3,434</u>	<u>3,279</u>	<u>3,299</u>
DEBT SERVICE PAYMENTS				
Senior				
State Loans	163	164	154	154
Revenue Bonds	369	370	369	370
Total Senior Debt Payments	<u>532</u>	<u>534</u>	<u>523</u>	<u>524</u>
Subordinate				
State Loans	80	50	46	40
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>80</u>	<u>50</u>	<u>46</u>	<u>40</u>
Total Debt Service	612	584	569	564
DEBT SERVICE COVERAGE⁽⁵⁾:				
SENIOR	1.20	1.85	2.66	2.48
<u>SUBORDINATE</u>	<u>1.58</u>	<u>2.22</u>	<u>2.90</u>	<u>2.76</u>

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SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

District's Historical Operating Data (\$000)

District No. 28	Fiscal Year 2018-19	Fiscal Year 2017-18	Fiscal Year 2016-17	Fiscal Year 2015-16
REVENUE SOURCES				
User Fees	\$ 651	\$ 640	\$ 804	\$ 1,019
Other Revenues	69	71	59	53
A.V. Tax	717	679	635	609
Interest	162	117	88	87
Rate Stabilization Fund ⁽¹⁾⁽⁶⁾	-	-	-	-
Subtotal	1,599	1,507	1,586	1,768
CIF Pledged for Debt ⁽²⁾	-	-	-	-
Total Revenue for Senior Calculation	1,599	1,507	1,586	1,768
CIF Connection Fee Revenue ⁽²⁾	80	52	57	56
Total Revenue for Subordinate Calculation	1,679	1,559	1,643	1,824
EXPENSES⁽³⁾				
Total O&M	794	666	589	600
Rate Stabilization Fund ⁽⁴⁾	615	650	595	550
Total	1,409	1,316	1,184	1,150
DEBT SERVICE PAYMENTS				
Senior				
State Loans	43	41	229	407
Revenue Bonds	97	97	97	97
Total Senior Debt Payments	140	138	326	504
Subordinate				
State Loans	21	13	12	10
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	21	13	12	10
Total Debt Service	161	151	338	514
DEBT SERVICE COVERAGE⁽⁵⁾:				
SENIOR	1.21	1.29	1.20	1.21
SUBORDINATE	1.68	1.61	1.36	1.31

- (1) Previously expensed funds used to pay unexpected operating costs to minimize the impact on rates.
- (2) All connection fees pledged for repayment of debt is considered in calculating senior debt service coverage, while all connection fees collected were considered in calculating subordinate debt service coverage.
- (3) Does not include depreciation.
- (4) Funds being set aside to minimize the impact on rates in the event of future unexpected operating costs.
- (5) 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.
- (6) During fiscal year 2017-2018, funds available for Rate Stabilization were reduced pursuant to a newly adopted reserve policy. These funds were not needed to meet required debt coverage for the fiscal year and therefore, were not included as a revenue source on this statement.

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

District's Historical Operating Data (\$000)

District No. 29	Fiscal Year 2018-19	Fiscal Year 2017-18	Fiscal Year 2016-17	Fiscal Year 2015-16
REVENUE SOURCES				
User Fees	\$ 2,031	\$ 1,937	\$ 1,960	\$ 1,988
Other Revenues	88	90	109	64
A.V. Tax	154	154	124	118
Interest	149	107	79	62
Rate Stabilization Fund ⁽¹⁾⁽⁶⁾	-	-	-	-
Subtotal	<u>2,422</u>	<u>2,288</u>	<u>2,272</u>	<u>2,232</u>
CIF Pledged for Debt ⁽²⁾	-	-	-	-
Total Revenue for Senior Calculation	<u>2,422</u>	<u>2,288</u>	<u>2,272</u>	<u>2,232</u>
CIF Connection Fee Revenue ⁽²⁾	87	80	85	84
Total Revenue for Subordinate Calculation	<u>2,509</u>	<u>2,368</u>	<u>2,357</u>	<u>2,316</u>
EXPENSES⁽³⁾				
Total O&M	1,262	1,229	1,304	1,132
Rate Stabilization Fund ⁽⁴⁾	974	703	653	935
Total	<u>2,236</u>	<u>1,932</u>	<u>1,957</u>	<u>2,067</u>
DEBT SERVICE PAYMENTS				
Senior				
State Loans	55	53	48	48
Revenue Bonds	30	30	30	30
Total Senior Debt Payments	<u>85</u>	<u>83</u>	<u>78</u>	<u>78</u>
Subordinate				
State Loans	84	73	72	71
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>84</u>	<u>73</u>	<u>72</u>	<u>71</u>
Total Debt Service	169	156	150	149
DEBT SERVICE COVERAGE⁽⁵⁾:				
SENIOR	1.20	3.41	3.12	1.21
<u>SUBORDINATE</u>	<u>1.62</u>	<u>2.79</u>	<u>2.67</u>	<u>1.67</u>

- (1) Previously expensed funds used to pay unexpected operating costs to minimize the impact on rates.
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- (3) Does not include depreciation.
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- (5) 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.
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SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

District's Historical Operating Data (\$000)

South Bay Cities	Fiscal Year 2018-19	Fiscal Year 2017-18	Fiscal Year 2016-17	Fiscal Year 2015-16
REVENUE SOURCES				
User Fees	\$ 6,822	\$ 6,725	\$ 6,462	\$ 5,995
Other Revenues	736	756	650	603
A.V. Tax	5,937	5,615	5,229	4,953
Interest	865	633	460	439
Rate Stabilization Fund ⁽¹⁾⁽⁶⁾	-	-	-	-
Subtotal	14,360	13,729	12,801	11,990
CIF Pledged for Debt ⁽²⁾	-	-	-	-
Total Revenue for Senior Calculation	14,360	13,729	12,801	11,990
CIF Connection Fee Revenue ⁽²⁾	755	832	636	498
Total Revenue for Subordinate Calculation	15,115	14,561	13,437	12,488
EXPENSES⁽³⁾				
Total O&M	8,116	7,556	7,520	7,566
Rate Stabilization Fund ⁽⁴⁾	4,330	2,928	1,294	897
Total	12,446	10,484	8,814	8,463
DEBT SERVICE PAYMENTS				
Senior				
State Loans	464	448	454	454
Revenue Bonds	934	936	935	935
Total Senior Debt Payments	1,398	1,384	1,389	1,389
Subordinate				
State Loans	228	137	137	119
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	228	137	137	119
Total Debt Service	1,626	1,521	1,526	1,508
DEBT SERVICE COVERAGE⁽⁵⁾:				
SENIOR	1.21	2.25	2.77	2.45
SUBORDINATE	1.64	2.68	3.03	2.67

- (1) Previously expensed funds used to pay unexpected operating costs to minimize the impact on rates.
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- (3) Does not include depreciation.
- (4) Funds being set aside to minimize the impact on rates in the event of future unexpected operating costs.
- (5) 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.
- (6) During fiscal year 2017-2018, funds available for Rate Stabilization were reduced pursuant to a newly adopted reserve policy. These funds were not needed to meet required debt coverage for the fiscal year and therefore, were not included as a revenue source on this statement.

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

District's Historical Operating Data (\$000)

District No. 4	Fiscal Year 2018-19	Fiscal Year 2017-18	Fiscal Year 2016-17	Fiscal Year 2015-16
REVENUE SOURCES				
User Fees	\$ 3,852	\$ 3,925	\$ 3,798	\$ 3,773
Other Revenues	-	-	-	-
A.V. Tax	705	656	597	547
Interest	749	596	483	532
Rate Stabilization Fund ⁽¹⁾⁽⁶⁾	-	-	387	1,443
Subtotal	<u>5,306</u>	<u>5,177</u>	<u>5,265</u>	<u>6,295</u>
CIF Pledged for Debt ⁽²⁾	-	-	-	-
Total Revenue for Senior Calculation	5,306	5,177	5,265	6,295
CIF Connection Fee Revenue ⁽²⁾	217	480	191	408
Total Revenue for Subordinate Calculation	<u>5,523</u>	<u>5,657</u>	<u>5,456</u>	<u>6,703</u>
EXPENSES⁽³⁾				
Total O&M	1,976 ⁽⁴⁾	1,924	1,810	3,901
Rate Stabilization Fund ⁽⁵⁾	2,930	450	-	-
Total	<u>4,906</u>	<u>2,374</u>	<u>1,810</u>	<u>3,901</u>
DEBT SERVICE PAYMENTS				
Senior				
State Loans	-	-	-	-
Revenue Bonds	324	324	324	325
Total Senior Debt Payments	<u>324</u>	<u>324</u>	<u>324</u>	<u>325</u>
Subordinate				
State Loans	-	-	-	-
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Debt Service	324	324	324	325
DEBT SERVICE COVERAGE:				
SENIOR	1.23	8.65	10.66	7.37

(1) Previously expensed funds used to pay unexpected operating costs to minimize the impact on rates.

(2) All connection fees pledged for repayment of debt is considered in calculating senior debt service coverage, while all connection fees collected were considered in calculating subordinate debt service coverage.

(3) Does not include depreciation.

(4) In fiscal years 2011-12, 2012-13, and 2013-14, the City of Los Angeles undercharged District No. 4 for services provided. They later sent corrected invoices for all the undercharged years, which was paid during fiscal year 2015-16.

(5) Funds being set aside to minimize the impact on rates in the event of future unexpected operating costs.

(6) During fiscal year 2017-2018, funds available for Rate Stabilization were reduced pursuant to a newly adopted reserve policy. These funds were not needed to meet required debt coverage for the fiscal year and therefore, were not included as a revenue source on this statement.

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

District's Historical Operating Data (\$000)

District No. 9	Fiscal Year 2018-19	Fiscal Year 2017-18	Fiscal Year 2016-17	Fiscal Year 2015-16
REVENUE SOURCES				
User Fees	\$ 84	57	103	103
Other Revenues	-	-	-	-
A.V. Tax	106	100	94	90
Interest	84	68	56	59
Rate Stabilization Fund ⁽¹⁾⁽⁶⁾	-	-	-	-
Subtotal	274	225	253	252
CIF Pledged for Debt ⁽²⁾	-	-	-	-
Total Revenue for Senior Calculation	274	225	253	252
CIF Connection Fee Revenue ⁽²⁾	3	-	-	-
Total Revenue for Subordinate Calculation	277	225	253	252
EXPENSES⁽³⁾				
Total O&M	153	163 ⁽⁴⁾	159 ⁽⁴⁾	138
Rate Stabilization Fund ⁽⁵⁾	66	7	39	59
Total	219	170	198	197
DEBT SERVICE PAYMENTS				
Senior				
State Loans	-	-	-	-
Revenue Bonds	46	46	46	46
Total Senior Debt Payments	46	46	46	46
Subordinate				
State Loans	-	-	-	-
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	-	-	-	-
Total Debt Service	46	46	46	46
DEBT SERVICE COVERAGE:				
SENIOR	1.20	1.20	1.20	1.20

(1) Previously expensed funds used to pay unexpected operating costs to minimize the impact on rates.

(2) All connection fees pledged for repayment of debt is considered in calculating senior debt service coverage, while all connection fees collected were considered in calculating subordinate debt service coverage.

(3) Does not include depreciation.

(4) In fiscal year 2014-15, the City of Los Angeles undercharged District No. 9 for services provided. They later sent corrected invoices for all the undercharged years, which was paid during fiscal years 2016-17 and 2017-18.

(5) Funds being set aside to minimize the impact on rates in the event of future unexpected operating costs.

(6) During fiscal year 2017-2018, funds available for Rate Stabilization were reduced pursuant to a newly adopted reserve policy. These funds were not needed to meet required debt coverage for the fiscal year and therefore, were not included as a revenue source on this statement.

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

District's Historical Operating Data (\$000)

District No. 14	Fiscal Year 2018-19	Fiscal Year 2017-18	Fiscal Year 2016-17	Fiscal Year 2015-16
REVENUE SOURCES				
User Fees	\$ 34,613	\$ 34,731	\$ 34,132	\$ 33,639
Other Revenues	1,183	1,325	834	876
A.V. Tax	1,754	1,565	1,498	1,227
Interest	1,168	759	543	449
Rate Stabilization Fund ⁽¹⁾⁽⁶⁾	-	-	-	1,032
Subtotal	<u>38,718</u>	<u>38,380</u>	<u>37,007</u>	<u>37,223</u>
CIF Pledged for Debt ⁽²⁾	<u>2,377</u>	<u>2,597</u>	<u>2,788</u>	<u>3,372</u>
Total Revenue for Senior Calculation	41,095	40,977	39,795	40,595
CIF Connection Fee Revenue ⁽²⁾	<u>1,394</u>	<u>1,433</u>	<u>1,645</u>	<u>1,360</u>
Total Revenue for Subordinate Calculation	40,112	39,813	38,652	38,583
EXPENSES⁽³⁾				
Total O&M	13,422	14,078	12,832	12,311
Rate Stabilization Fund ⁽⁴⁾	<u>1,375</u>	<u>4,567</u>	<u>6,750</u>	<u>-</u>
Total	14,797	18,645	19,582	12,311
DEBT SERVICE PAYMENTS				
Senior				
State Loans	-	-	-	-
Revenue Bonds	<u>460</u>	<u>460</u>	<u>460</u>	<u>460</u>
Total Senior Debt Payments	460	460	460	460
Subordinate				
State Loans	6,856	6,856	6,856	6,856
Revenue Bonds	<u>9,993</u>	<u>9,995</u>	<u>9,994</u>	<u>9,988</u>
Total Subordinate Debt Payments	16,849	16,851	16,850	16,844
Total Debt Service	17,309	17,311	17,310	17,304
DEBT SERVICE COVERAGE⁽⁵⁾:				
SENIOR	20.54	11.92	7.31	24.87
<u>SUBORDINATE</u>	<u>1.46</u>	<u>1.22</u>	<u>1.10</u>	<u>1.52</u>

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- (3) Does not include depreciation.
- (4) Funds being set aside to minimize the impact on rates in the event of future unexpected operating costs.
- (5) 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.
- (6) During fiscal year 2017-2018, funds available for Rate Stabilization were reduced pursuant to a newly adopted reserve policy. These funds were not needed to meet required debt coverage for the fiscal year and therefore, were not included as a revenue source on this statement.

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

District's Historical Operating Data (\$000)

District No. 20	Fiscal Year 2018-19	Fiscal Year 2017-18	Fiscal Year 2016-17	Fiscal Year 2015-16
REVENUE SOURCES				
User Fees	\$ 25,097	\$ 23,761	\$ 23,531	\$ 21,734
Other Revenues	494	485	464	523
A.V. Tax	1,476	1,360	1,303	1,173
Interest	784	484	314	265
Rate Stabilization Fund ⁽¹⁾⁽⁶⁾	-	-	-	-
Subtotal	27,851	26,090	25,612	23,695
CIF Pledged for Debt ⁽²⁾	-	-	2,398	2,316
Total Revenue for Senior Calculation	27,851	26,090	28,010	26,011
CIF Connection Fee Revenue ⁽²⁾	722	1,043	1,128	2,316
Total Revenue for Subordinate Calculation	28,573	27,133	26,740	26,011
EXPENSES⁽³⁾				
Total O&M	11,440	12,107	10,712	10,282
Rate Stabilization Fund ⁽⁴⁾	5,030	2,550	1,721	2,000
Total	16,470	14,657	12,433	12,282
DEBT SERVICE PAYMENTS				
Senior				
State Loans	-	-	-	-
Revenue Bonds	383	384	383	383
Total Senior Debt Payments	383	384	383	383
Subordinate				
State Loans	-	-	-	3,749
Revenue Bonds	10,622	10,622	6,779	8,391
Total Subordinate Debt Payments	10,622	10,622	6,779	12,140
Total Debt Service	11,005	11,006	7,162	12,523
DEBT SERVICE COVERAGE⁽⁵⁾:				
SENIOR	1.98	2.11	22.97	4.15
SUBORDINATE	1.10	1.13	2.00	1.10

- (1) Previously expensed funds used to pay unexpected operating costs to minimize the impact on rates.
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- (3) Does not include depreciation.
- (4) Funds being set aside to minimize the impact on rates in the event of future unexpected operating costs.
- (5) 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.
- (6) During fiscal year 2017-2018, funds available for Rate Stabilization were reduced pursuant to a newly adopted reserve policy. These funds were not needed to meet required debt coverage for the fiscal year and therefore, were not included as a revenue source on this statement.

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

District's Historical Operating Data (\$000)

District No. 27	Fiscal Year 2018-19	Fiscal Year 2017-18	Fiscal Year 2016-17	Fiscal Year 2015-16
REVENUE SOURCES				
User Fees	\$ -	\$ -	\$ -	-
Other Revenues	1	-	-	1
A.V. Tax	385	355	343	319
Interest	25	16	10	4
Rate Stabilization Fund ⁽¹⁾⁽⁶⁾	-	-	-	-
Subtotal	411	371	353	324
CIF Pledged for Debt ⁽²⁾	-	-	-	-
Total Revenue for Senior Calculation	411	371	353	324
CIF Connection Fee Revenue ⁽²⁾	-	3	-	-
Total Revenue for Subordinate Calculation	411	374	353	324
EXPENSES⁽³⁾				
Total O&M	54 ⁽⁴⁾	52 ⁽⁴⁾	27	47
Rate Stabilization Fund ⁽⁵⁾	281	220	231	178
Total	335	272	258	225
DEBT SERVICE PAYMENTS				
Senior				
State Loans	-	-	-	-
Revenue Bonds	63	64	63	63
Total Senior Debt Payments	63	64	63	63
Subordinate				
State Loans	-	-	-	-
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	-	-	-	-
Total Debt Service	63	64	63	63
DEBT SERVICE COVERAGE⁽⁶⁾:				
SENIOR	1.21	1.55	1.51	1.57

(1) Previously expensed funds used to pay unexpected operating costs to minimize the impact on rates.

(2) All connection fees pledged for repayment of debt is considered in calculating senior debt service coverage, while all connection fees collected were considered in calculating subordinate debt service coverage.

(3) Does not include depreciation.

(4) In fiscal year 2014-15, the City of Los Angeles overcharged District No. 27 for services provided. A credit was issued to the District in fiscal year 2016-17.

(5) Funds being set aside to minimize the impact on rates in the event of future unexpected operating costs.

(6) During fiscal year 2017-2018, funds available for Rate Stabilization were reduced pursuant to a newly adopted reserve policy. These funds were not needed to meet required debt coverage for the fiscal year and therefore, were not included as a revenue source on this statement.

SANITATION DISTRICTS OF LOS ANGELES COUNTY

Bond Disclosure, Continued

District's Historical Operating Data (\$000)

Santa Clarita Valley	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
REVENUE SOURCES	2018-19	2017-18	2016-17	2015-16
User Fees	\$ 34,315	\$ 33,154	\$ 30,749	\$ 27,616
Other Revenues	890	837	625	754
A.V. Tax	7,432	7,256	6,912	6,733
Interest	2,571	1,859	1,393	1,281
Rate Stabilization Fund ⁽¹⁾⁽⁶⁾	-	-	-	-
Subtotal	<u>45,208</u>	<u>43,106</u>	<u>39,679</u>	<u>36,384</u>
CIF Pledged for Debt ⁽²⁾	<u>2,785</u>	<u>4,721</u>	<u>4,801</u>	<u>4,801</u>
Total Revenue for Senior Calculation	47,993	47,827	44,480	41,185
CIF Connection Fee Revenue ⁽²⁾	<u>6,652</u>	<u>4,648</u>	<u>4,206</u>	<u>4,848</u>
Total Revenue for Subordinate Calculation	51,860	47,754	43,885	41,232
EXPENSES⁽³⁾				
Total O&M	22,099	22,536	20,512	20,255
Rate Stabilization Fund ⁽⁴⁾	<u>14,815</u>	<u>10,372</u>	<u>3,598</u>	<u>2,249</u>
Total	36,914	32,908	24,110	22,504
DEBT SERVICE PAYMENTS				
Senior				
State Loans	627	627	627	627
Revenue Bonds	<u>3,314</u>	<u>3,322</u>	<u>3,318</u>	<u>3,321</u>
Total Senior Debt Payments	3,941	3,949	3,945	3,948
Subordinate				
State Loans	2,659	2,659	2,659	2,660
Revenue Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Subordinate Debt Payments	2,659	2,659	2,659	2,660
Total Debt Service	6,600	6,608	6,604	6,608
DEBT SERVICE COVERAGE⁽⁵⁾:				
SENIOR	2.14	3.10	4.49	4.06
<u>SUBORDINATE</u>	<u>2.26</u>	<u>2.25</u>	<u>2.99</u>	<u>2.83</u>

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(3) Does not include depreciation.

(4) Funds being set aside to minimize the impact on rates in the event of future unexpected operating costs.

(5) 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.

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*Sep 27 '36
Chief Warren leads tunnel inspectors
at White Point*

SANITATION DISTRICTS OF LOS ANGELES COUNTY