



**LOS ANGELES COUNTY  
SANITATION DISTRICTS**  
*Converting Waste Into Resources*

# 2022

**Annual Comprehensive Financial Report**

# 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

Los Angeles County Sanitation Districts, California

# **Annual Comprehensive Financial Report**

Fiscal Year Ended June 30, 2022

Prepared by the Accounting Section

Mr. Jeremy Freelove  
Chief Accountant

Financial Management Department



# CARBON NEUTRALITY

**F**or decades, the Sanitation Districts and its partners have undertaken activities that reduce greenhouse gas (GHG) emissions to help protect the environment and provide a more sustainable world.

Most of these activities produce green power or reduce energy use. For example, recycling water reduces the need for imported water, which accounts for the largest single energy use in California. Five of our seven main initiatives are highlighted here.

- **Biogas to Electricity**
- **Water Recycling**
- **Food Waste Diversion**
- **Alternative Fuels**
- **Biosolids Management**

Our initiatives reduced GHG by 362,000 metric tons of carbon dioxide equivalents (MTCO<sub>2e</sub>) in 2021. This is equivalent to taking 78,000 cars off the road.

The Sanitation Districts are proud to announce that as of 2021, we have achieved carbon neutrality. We continue to look for more ways to reduce GHG emissions and help make Los Angeles County more sustainable.

FRONT & BACK COVERS: Bixby Marshlands uses stormwater runoff to sustain wetlands in an urban area.  
ABOVE: Cleaned water from Whittier Narrows Water Reclamation Plant (WRP) is reused nearby for groundwater replenishment.

Los Angeles County Sanitation Districts  
Annual Comprehensive Financial Report  
June 30, 2022

Table of Contents

**INTRODUCTORY SECTION** Page

Letter of Transmittal.....		1
Boards of Directors Membership of the Los Angeles County Sanitation Districts.....		11
Organization Chart.....		12
Operation Map of the Los Angeles County Sanitation Districts.....		13
Certificate of Achievement for Excellence in Financial Reporting.....		15

**FINANCIAL SECTION** Exhibit Page

Independent Auditor’s Report.....		16
Management’s Discussion and Analysis.....		19
<b>Basic Financial Statements:</b>		
Statement of Net Position.....	A.....	26
Statement of Revenues, Expenses and Changes in Net Position.....	B.....	28
Statement of Cash Flows.....	C.....	29
Notes to Basic Financial Statements.....		31
Required Supplemental Information.....		67
<b>Combining and Individual Supplemental Schedules:</b>		
Combining Schedule of Net Position.....	D-1.....	72
Combining Schedule of Revenues, Expenses and Changes in Net Position.....	D-2.....	74
Combining Schedule of Cash Flows.....	D-3.....	75
<b>Sewerage Operations:</b>		
Combining Schedule of Net Position.....	E-1.....	76
Combining Schedule of Revenues, Expenses and Changes in Net Position.....	E-2.....	82
Combining Schedule of Cash Flows.....	E-3.....	85
<b>Stormwater Operations:</b>		
Combining Schedule of Net Position.....	F-1.....	91
Combining Schedule of Revenues, Expenses and Changes in Net Position.....	F-2.....	92
Combining Schedule of Cash Flows.....	F-3.....	93

Los Angeles County Sanitation Districts  
Annual Comprehensive Financial Report  
June 30, 2022

Table of Contents, continued

Solid Waste Facilities Operations:

Combining Schedule of Net Position .....	G-1 .....	94
Combining Schedule of Revenues, Expenses and Changes in Net Position .....	G-2 .....	96
Combining Schedule of Cash Flows .....	G-3 .....	97

Trustee Solid Waste Facilities Operations:

Combining Schedule of Net Position .....	H-1 .....	99
Combining Schedule of Revenues, Expenses and Changes in Net Position .....	H-2 .....	101
Combining Schedule of Cash Flows .....	H-3 .....	102

Service Operations:

Combining Schedule of Net Position .....	I-1 .....	104
Combining Schedule of Revenues, Expenses and Changes in Net Position .....	I-2 .....	106
Combining Schedule of Cash Flows .....	I-3 .....	107

**STATISTICAL SECTION** (not covered by Auditor's Report)

Schedule Page

Net Position by Component .....	1 .....	109
Changes in Net Position .....	2 .....	110
Operating Revenues .....	3 .....	111
Operating Expenses .....	4 .....	112
Nonoperating Revenues and Expenses .....	5 .....	113
Changes in Cash and Cash Equivalents .....	6 .....	114
Annual Capital Contributions by Source .....	7 .....	115
Service Charge Rates .....	8 .....	116
Residential/Commercial (Service Charge) Sewage Units .....	9 .....	117
Industrial Wastewater Treatment Surcharge Rates .....	10 .....	118
Industrial Wastewater Sewage Units .....	11 .....	119
Municipal Solid Waste Rates .....	12 .....	120
Solid Waste Disposal Tonnages .....	13 .....	121
Ten Largest Customers .....	14 .....	122

Los Angeles County Sanitation Districts  
Annual Comprehensive Financial Report  
June 30, 2022

Table of Contents, continued

Ratios of Outstanding Debt by Type .....	15	123
Wastewater Pledged-Revenue Coverage .....	16	124
Demographic and Economic Statistics .....	17	125
Estimated Population of Cities and Unincorporated Areas Within the Sanitation Districts' Boundaries .....	18	126
Economic Indicators .....	19	127
Los Angeles County Employment Sectors .....	20	128
Numbers of Employees by Identifiable Activity .....	21	129
Operating and Capital Indicators .....	22	130

**BOND DISCLOSURE**

Reporting of Significant Events .....	131
Annual Report .....	131
Section 1 - Financing Authority's Audited Financial Statements .....	132
Section 2 - Districts' Audited Consolidated Financial Statements .....	133
Section 3 - Principal Amount of Bonds Outstanding .....	133
Section 4 - Outstanding Senior and Subordinate Obligations for each District .....	134
Section 5 - Updated Tables Contained in the Official Statements .....	134

**SINGLE AUDIT**

**159**

# BIOGAS RECYCLING

The Sanitation Districts' three gas-to-electricity facilities convert methane-rich biogas generated by the anaerobic decomposition of organic material in landfills and wastewater treatment plants into green electricity. This reduces the need for traditional electricity generation, such as natural gas and coal-fired power plants. **GHG avoided: 190,000 MTCO<sub>2</sub>e** (equivalent to the emissions produced by providing energy for 23,000 homes per year). Pictured here, Puente Hills Energy Recovery Facility converts biogas, recovered from the landfill where it is sited, into green energy.





# LOS ANGELES COUNTY SANITATION DISTRICTS

*Converting Waste Into Resources*

December 20, 2022

Boards of Directors  
Los Angeles County Sanitation Districts

Directors:

In accordance with Section 25253 of the California Government Code, we hereby submit the Annual Comprehensive Financial Report (ACFR) of the Los Angeles County Sanitation Districts (Districts) for the fiscal year ended June 30, 2022. The ACFR 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, 2022, 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

The Los Angeles County Sanitation Districts 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 5.4 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.

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

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, the Assistant Chief Engineer & Assistant General Manager, and the Deputy Assistant Chief Engineer. 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 assigned to the operation and maintenance of the Districts' wastewater and solid waste management facilities.

The wastewater management system consists of approximately 1,400 miles of trunk sewers, 49 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 serve the Joint Outfall System, which consists of 17 Districts in the Los Angeles basin. In total, the Districts' facilities convey and treat approximately 390 million gallons per day (MGD) of wastewater, producing 100 MGD of recycled water that is beneficially reused.

The solid waste management system, with 15 participating Districts, owns and/or operates two active sanitary landfills, three materials recovery/transfer facilities, two gas-to-energy facilities, one refuse-to-energy facility, 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-by-rail system remains in standby mode while more cost-effective landfill capacity is used in the region. The solid waste management facilities process an average of 5,000 tons per day of refuse and recyclable materials.

The Districts are party to nine Joint Powers Agreements that form the basis of the following authorities or agreements: (1) the Southern California Coastal Water Research Project Authority; (2) the Southeast Resource Recovery Facility Authority; (3) the Puente Hills Native Habitat Preservation Authority; (4) Puente Hills Landfill Joint Powers Agreement; (5) the Inland Empire Regional Composting Authority; (6) the Los Angeles County Sanitation Districts Financing Authority; (7) Joint Powers Agreement – Scholl Canyon; (8) Calabasas Landfill Joint Powers Agreement; and (9) Palos Verdes Landfill Joint Powers Agreement. The governing bodies of the 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.



Three of our 1,700 employees performing maintenance work at San Jose Creek WRP

### Los Angeles County Sanitation Districts Financing Authority

The Los Angeles County Sanitation Districts Financing Authority (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 Authority’s governing body is comprised of the chairs of the member Districts’ Boards of Directors and because the Authority provides services only to the Districts, the Authority’s financial activities have been consolidated with the Districts’ financial activities for financial reporting purposes and are included in this ACFR.

### Budgets

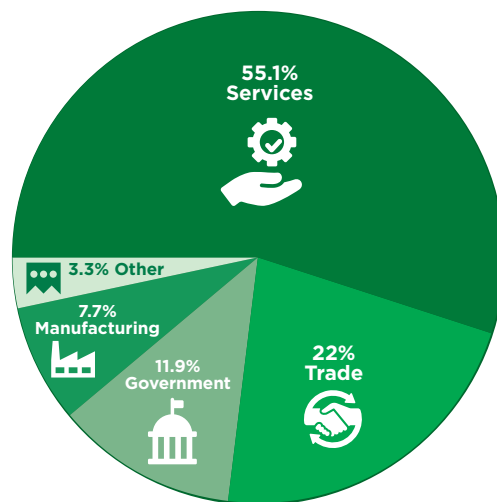
Each District annually adopts a wastewater budget that outlines the major elements of the forthcoming fiscal year’s operating and capital programs. From that, management allocates the funds necessary for the next year’s specific activities and projects. Additionally, an annual budget is prepared for 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 2021-22 were \$832 million and \$175 million, respectively. Actual expenses for wastewater and solid waste management were \$866 million and \$155 million, respectively.

## GENERAL FACTORS IMPACTING ECONOMIC CONDITION

### Overview of Los Angeles County

The COVID-19 pandemic and resulting business shutdowns and slowdowns, along with changes in behavior by residents, had significant impacts on the local economy starting in March 2020. According to Los Angeles County Economic Development Corporation, the economy in Los Angeles has significantly recovered from the depths of the pandemic-induced downturn in early 2020. The introduction of the COVID-19 vaccines in 2021 likely softened the severity of the pandemic compared to what would have otherwise occurred and accelerated the economic recovery. Nevertheless, a number of sectors remain below their pre-pandemic levels. Concerns about inflation remain, although most forecasters expect these conditions to moderate in 2023. The impacts resulting from the Russia-Ukraine conflict and continued COVID-19 outbreaks and lockdowns in China and elsewhere during 2022 have compounded global supply chain issues.

Population levels in Los Angeles County were relatively flat in recent years, with no change between 2016 and 2020 and only a 3.6% increase from 2010 to 2020. The California Department of Finance reports that the County’s population declined by 0.9% between January 2020 and 2021 and 0.7% between January 2021 and 2022; although, forecasts generally expect that population will continue to be relatively stable. A table showing more economic indicators is provided in Schedule 19 of the Statistical Section. Overall unemployment in Los Angeles County decreased from 10 percent in June 2021 to 5.2% in June 2022, driven in part by shortages in the labor market.



L.A. County Economic Employment Sectors. Source: U.S. Department of Labor, Bureau of Labor Statistics

## WASTEWATER SYSTEM

### Operational Undertakings and Capital Projects

Treated water 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 currently be taken out of service under any circumstances. A new tunnel is being constructed pursuant to the Clearwater Project Master Facilities Plan that will ensure the reliability of the effluent conveyance 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 it is anticipated to be completed by 2027, at a cost of approximately \$700 million.



Valencia WRP's Advanced Water Treatment Facility under construction

In December 2021, a large Districts sewer collapsed causing sewage to overflow onto a street and then to the Dominguez Channel and ocean. After the emergency was addressed and the sewer repaired, the Sanitation Districts turned their focus to learning as much as possible from this incident. An engineering consultant was hired to investigate why the sewer collapsed and audit our relevant programs and procedures. The consultant made a number of recommendations, which can be grouped into three categories: accelerating needed sewer rehabilitation, new equipment to assess sewer conditions, and new processes to prioritize the most critical work. As of early December 2022, the Districts had implemented 80 percent of the recommendations. The remaining work involves large efforts that will take multiple years to complete: managing a surge in sewer rehabilitation projects; creating a computerized hydraulic sewer model of our 1400-mile sewer system; and inspecting our 25,000 manholes and repairing them as needed.

The Santa Clarita Valley Sanitation District (SCVSD) owns and operates the Saugus and Valencia Water Reclamation Plants (WRPs), which discharge treated effluent to the Santa Clara River. In order to comply with local agency mandates, the SCVSD is implementing the Chloride Compliance Project, which will cost approximately \$151 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. Ongoing legal challenges to the project were resolved in early 2022. Construction is complete at the Saugus WRP and is expected to be completed in Fall 2023 at the Valencia WRP.

The Newhall Ranch Sanitation District (NRSD), serving the Newhall Ranch Specific Plan Area development in unincorporated north Los Angeles County, became active in July 2021 with the first flush in August 2021. Wastewater flows from the first 6,000 homes will be conveyed to the SCVSD's Valencia Water Reclamation Plant.

### Water Conservation, Wastewater Flows, and Water Reuse

California’s water supply continues to be a concern due to climate change impacts and extended periods of drought. Many residents and businesses have continued water conservation efforts that were put in place during previous and current drought conditions, reducing both landscape irrigation and indoor water usage. The reduction of indoor water usage results in less wastewater entering the sewer system and less recycled water available for beneficial reuse applications at a time when there is increased interest in new recycled water projects. Increases in ammonia concentrations have been observed with the decrease in flows, which has required Districts’ staff to modify operations at its WRPs in an effort to maintain compliance with effluent discharge requirements. The long-term trend of decreasing flows has significantly impacted all of the Districts’ WRPs, with an overall 26% decrease in recycled water production from a peak of 199 MGD in fiscal year 2000-01 to 147 MGD in 2021-22. 68% of the recycled water produced was beneficially reused, with over half of that going to recharge groundwater basins. In total, approximately 100 MGD of recycled water was used at 850 active sites.

The Sanitation Districts recycle water from ten of their eleven wastewater treatment plants. Efforts are underway to recycle water from the last untapped source of water: the JWPCP. The Districts and the Metropolitan Water District of Southern California (MWD) are partners on the Pure Water Southern California program, which could produce up to 150 MGD of purified water. Under the program, an advanced water purification facility would be located on JWPCP property and would purify the clean water produced by the JWPCP. The program also includes an extensive pipeline network to distribute purified water across the region for uses like groundwater replenishment. Construction of a 0.5 MGD demonstration plant was completed in September 2019 and testing at the demonstration plant continued through 2022. The Districts are evaluating potential changes to the JWPCP to produce water suitable for the program. The program is in the environmental planning phase. If the agencies approve the program, design and construction would occur from 2024 to 2031 and operations would start in 2032.



The Rio Hondo Coastal Spreading Grounds uses reclaimed water to replenish groundwater.

### User Charge Rates and Funding

All of the Districts that have implemented a service charge program have adopted rates pursuant to Section 5471 of the California Health and Safety Code and Article XIII D of the State Constitution (Proposition 218). Each rate increase follows an extensive public outreach program and a formal public hearing. As it becomes necessary to increase rates in the future, 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 2022, nearly all of the Joint Outfall System Districts adopted four-year rate ordinances covering fiscal years 2022-23 through 2025-26. Rate changes enacted by these ordinances were driven by the need to upgrade treatment facilities and infrastructure, continue a phased approach to returning reserves to targeted levels, and restructure finances in accordance with the Joint Outfall Agreement approved in early 2022. 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 provide sufficient debt coverage for repayment of the SRF loans used to finance the project. The average annual increase over the 6-year period was \$20.50 per single-family home. Beginning with fiscal year 2020-21 and continuing at least through the end of fiscal year 2022-23, no additional rate increase was implemented.

In 2019, District Nos. 14 and 20 adopted 4-year rate ordinances, covering fiscal years 2019-20 through 2022-23. During this period, rates were set to increase by \$11.88 per year per single-family home, or approximately 2% per year. In 2020 and 2021, the Boards updated the rate ordinances to keep rates flat through fiscal year 2021-22 to minimize impacts to rate payers due to the COVID-19 pandemic. Due to the refunding of four SRF loans (completed in September 2021) and the rescheduling of several large capital projects, the District No. 14 Board again updated the rate ordinance to keep rates flat for fiscal year 2022-23. The rate increases for District No. 20 are driven by several significant capital improvement projects, including a possible additional effluent storage reservoir for the Palmdale WRP, and increases in ongoing operations costs. The District No. 20 Board increased the fiscal year 2022-23 rate by \$23.76 per single-family home.

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 2021-22, the Districts received approximately \$104.6 million in SRF loans, including \$5.2 million in principal forgiveness. In addition, the Districts also received nearly \$4 million in Proposition 1 grant funding.

### Impact of COVID-19 on Districts’ Operations

In early March 2020, the Districts began taking action to respond to the COVID-19 pandemic including modifying operations to comply with County, State, Federal, and other health experts’ guidance and emergency orders. In responding to the pandemic, the Districts focused on the safety of employees, with an understanding that continued operation of Districts’ facilities was a critical, essential public service that could not be interrupted. The actions the Districts have taken have resulted in minimal impact on the Districts’ ability to carry out its mission.



A laboratory technician analyses samples from our treatment plant

## OUTREACH

- 13** Speakers Bureau Events
- 11** Group Tours
- 14** Public Tours
- 12** Bixby Marshland Open Houses
- 42** Household Hazardous Waste Roundups
- 1** Virtual Earth Day Celebration

Starting in early April 2020, the Districts also began investigating coronavirus in wastewater. One of the key achievements by the Districts technical staff was the development of a test method to measure the virus in incoming wastewater. It was determined that measured concentrations of the COVID-19 virus in wastewater samples generally correlate with, and precede, other community infection indicators such as new infections and hospitalizations. The Districts are collaborating and are participating in wastewater monitoring programs lead from the Centers of Disease Control and Prevention (CDC) and with California Department of Public Health and has expanded testing to include influenza and monkey pox.

Overall, the Districts' wastewater revenue streams have remained relatively stable since the beginning of the pandemic. Some of the Districts' solid waste facilities experienced more significant and sustained reductions in incoming tonnage and associated revenue as a result of COVID-19.

## SOLID WASTE SYSTEM

### Operational Undertakings and Capital Projects

The state passed several laws recently requiring the diversion of organic waste away from landfills. These laws include SB 1383, which requires a 75% 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 have developed and are operating facilities at both Solid Waste and Wastewater sites, which provide a unique opportunity to quickly and cost-effectively provide comprehensive food waste recycling services. In addition to receiving and processing raw food waste into slurry at the Puente Hills Materials Recovery Facility (PHMRF), food waste slurry stations have been constructed at JWPCP to allow slurry to be received from haulers and pumped directly into digesters. The additional digester gas from the food waste slurry is being processed in a biogas conditioning system (BCS). The BCS purifies the methane in the digester gas so that it can be used to fuel passenger and commercial vehicles. The purified gas is dispensed at the Districts' natural gas fueling station currently in operation at the JWPCP. The Districts have also begun the planning process for expanding the BCS capacity, the natural gas fuel dispensing capacity, and possibly producing utility pipeline quality renewable natural gas.



Food waste is collected at the Puente Hills Materials Recycling Facility

Due to competitive market conditions in the solid waste industry, the Districts recycling equipment at PHMRF and the Downey Area Recycling and Transfer Facility (DART) were operating below their design and permitted capacities. As these market conditions were anticipated to persist into the future, the Districts negotiated leases for both of these facilities with Athens Services, a regional waste collection and recycling company, in June 2022. Athens Services took over operations of the PHMRF processing equipment and the entire DART facility on August 1, 2022. The leases will result in an annual income of over \$4 million per year.

Due to competitive market conditions in the solid waste industry, the Districts recycling equipment at PHMRF and the Downey Area Recycling and Transfer Facility (DART) were operating below their design and permitted capacities. As these market conditions were anticipated to persist into the future, the Districts negotiated leases for both of these facilities with Athens Services, a regional waste collection and recycling company, in June 2022. Athens Services took over operations of the PHMRF processing equipment and the entire DART facility on August 1, 2022. The leases will result in an annual income of over \$4 million per year.

## Tipping Fee Rates

The Board of Directors of District No. 2 sets solid waste disposal tipping fees by ordinance for all Districts' operated facilities, except for the Calabasas Landfill. Tipping fees for the Calabasas Landfill are set by the Board of Supervisors of Los Angeles County. Rates were raised on July 1, 2022, at the South Gate Transfer Station (SGTS), PHMRF, DART, and Scholl Canyon Landfill. These rate increases accounted for higher operating expenses related to the pandemic and customary cost of living increases.

The ordinance prescribing fee and charge rates for solid waste management activities at PHMRF, DART, and SGTS authorizes the District to enter into waste disposal and processing agreements (WDPAs) for guaranteed quantities of waste at negotiated rates to increase the use of these facilities. The additional tonnage that the facilities receive through use of the WDPAs provides a consistent stream of waste and materials that enables more efficient use of resources at the facilities, such as equipment and labor. The agreements also help the Districts get a lower tipping fee at Orange County landfills, the location for disposal of residuals from PHMRF, DART, and SGTS. As described in the previous section, as of August 1, 2022, the Districts is no longer operating DART and the tipping fee ordinances and WDPAs are no longer in effect for DART.

## 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 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 provide these services to cities on a case-by-case, reimbursable basis.



Bixby Marshland is sustained by water from a nearby storm drain

The Districts have been assisting the cities of Carson, Lakewood, Long Beach, Los Angeles, and Torrance; the Port of Long Beach; the County of Los Angeles, and the San Gabriel Valley Council of Governments with the development of stormwater diversion projects. Incorporating a sewer diversion into a stormwater project can be a cost-effective method to reuse stormwater. Additionally, these projects may receive additional consideration for funding through the Safe Clean Water Program when other reuse opportunities are limited. Projects currently under development include three real-time diversions directly to a Districts' wastewater treatment facility and ten projects that divert stored stormwater to the sanitary sewer after the storm has passed.

## 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. 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. Additionally, District No. 2 has adopted a Joint Outfall Financial Reserve Policy governing reserves for the Joint Outfall System and a Solid Waste Financial Reserve Policy covering reserves for solid waste facilities owned by the Districts.

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.

The Wastewater and Solid Waste Financial Reserve Policies establish guidelines for accumulating and expending reserve funds and ensure that funds are available as needed so that the Districts can provide vital services to the public without interruption. Reserves are also used to smooth out rates as expenses vary from year to year. Lastly, the Policies reinforce 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 2021, the Districts received Platinum Awards for the JWPCP, and Whittier Narrows WRP; and Gold Awards for the Long Beach WRP, Palmdale WRP, Pomona WRP, and San Jose Creek WRP (West); and Silver Awards for the La Cañada WRP, Lancaster WRP, Los Coyotes WRP and San Jose Creek WRP (East).

In 2021, the Districts also received the following recognition:

- The **Sustainable Green Fleet** program received both the *Superior Achievement* and *Grand Prize Awards for Environmental Sustainability*. These awards were issued by American Academy of Environmental Engineers and Scientists (AAEES).
- Carson’s **Carriage Crest Stormwater Capture Project** first place in *Engineering Achievement* from the California Water Environment Association (CWEA).



**Platinum**  
JWPCP, Whittier Narrows

**Gold**  
Long Beach, Palmdale, Pomona, San Jose Creek West

**Silver**  
La Cañada, Lancaster, Los Coyotes, San Jose Creek East



**Community Engagement and Outreach Person of the Year**

Maria Rosales-Ramirez

**Outstanding Young Professional of the Year**

Sami Hunkler

**Operator of the Year Los Angeles Basin Section**

Alfonso Vasquez

**Engineering Achievement**

Carson’s Carriage Crest Stormwater Capture Project



**Grand Prize**

San Gabriel River Watershed Project to Reduce River Discharge in Support of Increased Recycled Water Reuse

**Superior Achievement**

Sustainable Green Fleet • Clean Fuel for L.A. Today

**Grand Prize – Environmental Communications Award**

Connecting with our Community During Covid-19

- A Districts' engineer was named *Community Engagement and Outreach Person of the Year* by the CWEA.
- A Districts' engineer was named *Outstanding Young Professional of the Year* by CWEA.
- The **San Gabriel River Watershed Project to Reduce River Discharge in Support of Increased Recycled Water Reuse** received the *Grand Prize in Planning* from AAEEs.
- The Districts received the 2021 *Environmental Communications Award Grand Prize* for **Connecting with Our Community During COVID-19**.

### Certificate of Achievement

The Districts' ACFR for the fiscal year ended June 30, 2022, has been completed by Districts' staff and audited by Moss, Levy & Hartzheim, LLP. The ACFR 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 38 consecutive years and have submitted this year's ACFR for consideration as well.

### Acknowledgments

In submitting this 2021-22 ACFR, appreciation is expressed to all Districts' departments and personnel that participated in preparing this report, and particularly to the Accounting Section staff.

Very truly yours,



Robert C. Ferrante  
Chief Engineer and General Manager



Matthew A. Eaton  
Department Head,  
Financial Management Department

## Boards of Directors

(as of June 30, 2022)

<b>Alhambra</b> DIST. 2, 16	Jeffrey K. Maloney <i>Adele Andrade-Stadler</i>
<b>Arcadia</b> DIST. 15, 22	Thomas Beck; <i>Paul P. Cheng</i>
<b>Artesia</b> DIST. 2, 18, 19	Ali Sajjad Taj; <i>Rene J. Trevino</i>
<b>Azusa</b> DIST. 22	Robert Gonzales; <i>Edward J. Alvarez</i>
<b>Baldwin Park</b> DIST. 15, 22	Emmanuel J. Estrada <i>Monica Garcia</i>
<b>Bell</b> DIST. 1, 2	Ali Saleh
<b>Bell Gardens</b> DIST. 2	Maria Pulido; <i>Lisbeth Flores</i>
<b>Bellflower</b> DIST. 2, 3, 18	Ray Dunton; <i>Sonny Santa Ines</i>
<b>Beverly Hills</b> DIST. 4	Robert Wunderlich; <i>John Mirisch</i>
<b>Bradbury</b> DIST. 15, 22	Bruce Lathrop; <i>Richard Barakat</i>
<b>Carson</b> DIST. 8	Lula Davis-Holmes; <i>Jim Dear</i>
<b>Cerritos</b> DIST. 2, 3, 18, 19	Chuong Vo; <i>Bruce Barrows</i>
<b>Claremont</b> DIST. 21	Jed Leano; <i>Ed Reece</i>
<b>City of Commerce</b> DIST. 2	Oralia Rebollo; <i>Ivan Altamirano</i>
<b>Compton</b> DIST. 1, 2, 8	Emma Sharif
<b>Covina</b> DIST. 22	Patricia Cortez; <i>Walter Allen III</i>
<b>Cudahy</b> DIST. 1	Elizabeth Alcantar; <i>Daisy Lomeli</i>
<b>Culver City</b> DIST. 5	Daniel Lee; <i>Albert Vera</i>
<b>Diamond Bar</b> DIST. 21	Ruth Low; <i>Andrew Chou</i>
<b>Downey</b> DIST. 2, 18	Blanca Pacheco; <i>Claudia Frometa</i>
<b>Duarte</b> DIST. 15, 22	Margaret Finlay; <i>Tzeitel Paras-Caracci</i>
<b>El Monte</b> DIST. 15	Jessica Ancona; <i>Victoria Martinez</i>
<b>El Segundo</b> DIST. 5, SBC	Drew Boyles; <i>Chris Pimentel</i>
<b>Gardena</b> DIST. 5	Tasha Cerda; <i>Paulette C. Francis</i>
<b>Glendora</b> DIST. 22	Karen Davis; <i>Michael Allowos</i>
<b>Hawaiian Gardens</b> DIST. 19	Luis Roa; <i>Maria Teresa Del Rio</i>
<b>Hawthorne</b> DIST. 5	Alex Vargas; <i>Alex Monteiro</i>
<b>Hermosa Beach</b> SBC	Michael Detoy; <i>Raymond Jackson</i>
<b>Huntington Park</b> DIST. 1	Graciela Ortiz; <i>Karina Macias</i>
<b>City of Industry</b> DIST. 15, 18, 21	Cory Moss
<b>Inglewood</b> DIST. 5	James T. Butts
<b>Irwindale</b> DIST. 15, 22	Larry G. Burrola; <i>Albert F. Ambriz</i>
<b>La Cañada Flintridge</b> DIST. 28, 34	Michael A. Davitt Jonathan C. Curtis; <i>Teresa Walker</i> Keith Eich; <i>Richard B. Gunter III</i>
<b>La Habra Heights</b> DIST. 18	Roy Francis; <i>Norm Zezula</i>
<b>La Mirada</b> DIST. 18	Ed Eng; <i>Steve De Ruse</i>
<b>La Puente</b> DIST. 15, 21	Charlie Klinakis; <i>Valerie Munoz</i>
<b>La Verne</b> DIST. 21, 22	Tim Hepburn; <i>Muir Davis</i>
<b>Lakewood</b> DIST. 3, 19	Steve Croft
<b>Lancaster</b> DIST. 14	R. Rex Parris; <i>Marvin Crist</i>
<b>Lawndale</b> DIST. 5	Robert Pullen-Miles; <i>Pat Kearney</i>
<b>Lomita</b> DIST. 5	Cindy Segawa; <i>James Gazeley</i>
<b>Long Beach</b> DIST. 1, 2, 3, 8, 19	Robert Garcia
<b>Los Angeles City</b> DIST. 1, 2, 3, 4, 5, 8, 9, 16	Nury Martinez <i>Joe Buscaino</i>
<b>Los Angeles County (unincorporated)</b>	
DIST. 1, 3, 5, 8, 18, 19	Holly Mitchell; <i>Janice Hahn</i>
DIST. 2, 9, 15, 21, 22, 27, NR	Holly Mitchell; <i>Hilda Solis</i>
DIST. 14, 16, 20, SCV	Holly Mitchell; <i>Kathryn Barger</i>
DIST. 17	Holly Mitchell; <i>Sheila Kuehl</i>
DIST. 17 (2nd DIR)	Kathryn Barger; <i>Sheila Kuehl</i>
DIST. 9 (2nd DIR)	Janice Hahn; <i>Hilda Solis</i>
<b>Lynwood</b> DIST. 1	Marisela Santana; <i>Jose Luis Solache</i>
<b>Manhattan Beach</b> DIST. 5, SBC	Steve Napolitano <i>Richard Montgomery</i>
<b>Maywood</b> DIST. 1	Heber Marquez ; <i>Jessica Torres</i>
<b>Monrovia</b> DIST. 15, 22	Tom Adams; <i>Becky A. Shevlin</i>
<b>Montebello</b> DIST. 2, 15	Kimberly Ann Cobos-Cawthorne <i>Scarlet Peralta</i>
<b>Monterey Park</b> DIST. 2, 15	Henry Lo; <i>Fred Sornoso</i>
<b>Norwalk</b> DIST. 2, 18	Rick Ramirez; <i>Jennifer Perez</i>
<b>Palmdale</b> DIST. 14, 20	Steven Hofbauer; <i>Austin Bishop</i>
DIST. 20 (2nd DIR)	Richard J. Loa; <i>Austin Bishop</i>
<b>Palos Verdes Estates</b> DIST. 5, SBC	Victoria A. Lozzi <i>David McGowan</i>
<b>Paramount</b> DIST. 1, 2	Vilma Cuellar Stallings
<b>Pasadena</b> DIST. 15, 16, 17	Victor Gordo
<b>Pico Rivera</b> DIST. 2, 18	Monica Sanchez; <i>Gustavo Camacho</i>
<b>Pomona</b> DIST. 21	Tim Sandoval; <i>Steve Lustro</i>
<b>Rancho Palos Verdes</b> DIST. 5, SBC	David Bradley <i>Barbara Ferraro</i>
<b>Redondo Beach</b> DIST. 5, SBC	Bill Brand; <i>Zein Obagi, Jr.</i>
<b>Rolling Hills</b> DIST. 5	Jeff Pieper; <i>Patrick Wilson</i>
<b>Rolling Hills Estates</b> DIST. 5, SBC	Frank Zerunyan; <i>Britt Huff</i>
<b>Rosemead</b> DIST. 15	Polly Low; <i>Sean Dang</i>
<b>San Dimas</b> DIST. 21, 22	Emmett Badar; <i>Denis Bertone</i>
<b>San Gabriel</b> DIST. 2, 15	Tony Ding; <i>Denise Menchaca</i>
<b>San Marino</b> DIST. 15, 16	Susan Jakubowski; <i>Ken Ude</i>
<b>Santa Clarita</b> SCV	Jason Gibbs; <i>Marsha McLean</i>
SCV (2nd DIR)	Laurene Weste; <i>Marsha McLean</i>
<b>Santa Fe Springs</b> DIST. 18	Annette Rodriguez <i>Joe Angel Zamora</i>
<b>Sierra Madre</b> DIST. 15	Gene Goss; <i>Edward Garcia</i>
<b>Signal Hill</b> DIST. 3, 29	Keir Jones; <i>Tina Hansen</i>
DIST. 29	Lori Y. Woods; <i>Robert Copeland</i> Edward H. J. Wilson; <i>Tina Hansen</i>
<b>South El Monte</b> DIST. 15	Gloria Olmos; <i>Richard Angel</i>
<b>South Gate</b> DIST. 1, 2	Al Rios; <i>Maria Davila</i>
<b>South Pasadena</b> DIST. 16	Michael A. Cacciotti; <i>Jack Donovan</i>
<b>Temple City</b> DIST. 15	Cynthia Sternquist; <i>Vincent Yu</i>
<b>Torrance</b> DIST. 5, SBC	Patrick J. Furey; <i>Heidi Ann Ashcraft</i>
<b>Vernon</b> DIST. 1, 2, 23	Leticia Lopez; <i>William J Davis</i>
DIST. 23	Judith Merlo; <i>Melissa Ybarra</i> William J. Davis; <i>Crystal Larios</i>
<b>Walnut</b> DIST. 21, 22	Robert Pacheco; <i>Nancy Tragarz</i>
<b>West Covina</b> DIST. 15, 21, 22	Dario Castellanos; <i>Rosario Diaz</i>
<b>West Hollywood</b> DIST. 4	Lauren Meister; <i>Sepi Shyne</i>
<b>Whittier</b> DIST. 2, 15, 18	Joe Vinatieri; <i>Cathy Warner</i>

*Alternate Directors in italics*

# AGENCY ORGANIZATION CHART

## CHIEF ENGINEER & GENERAL MANAGER

Robert C. Ferrante

## ASSISTANT CHIEF ENGINEER & ASSISTANT GENERAL MANAGER

Martha Tremblay

## DEPUTY ASSISTANT CHIEF ENGINEER

Matt Eaton

### DEPARTMENTS & SECTIONS

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

### 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

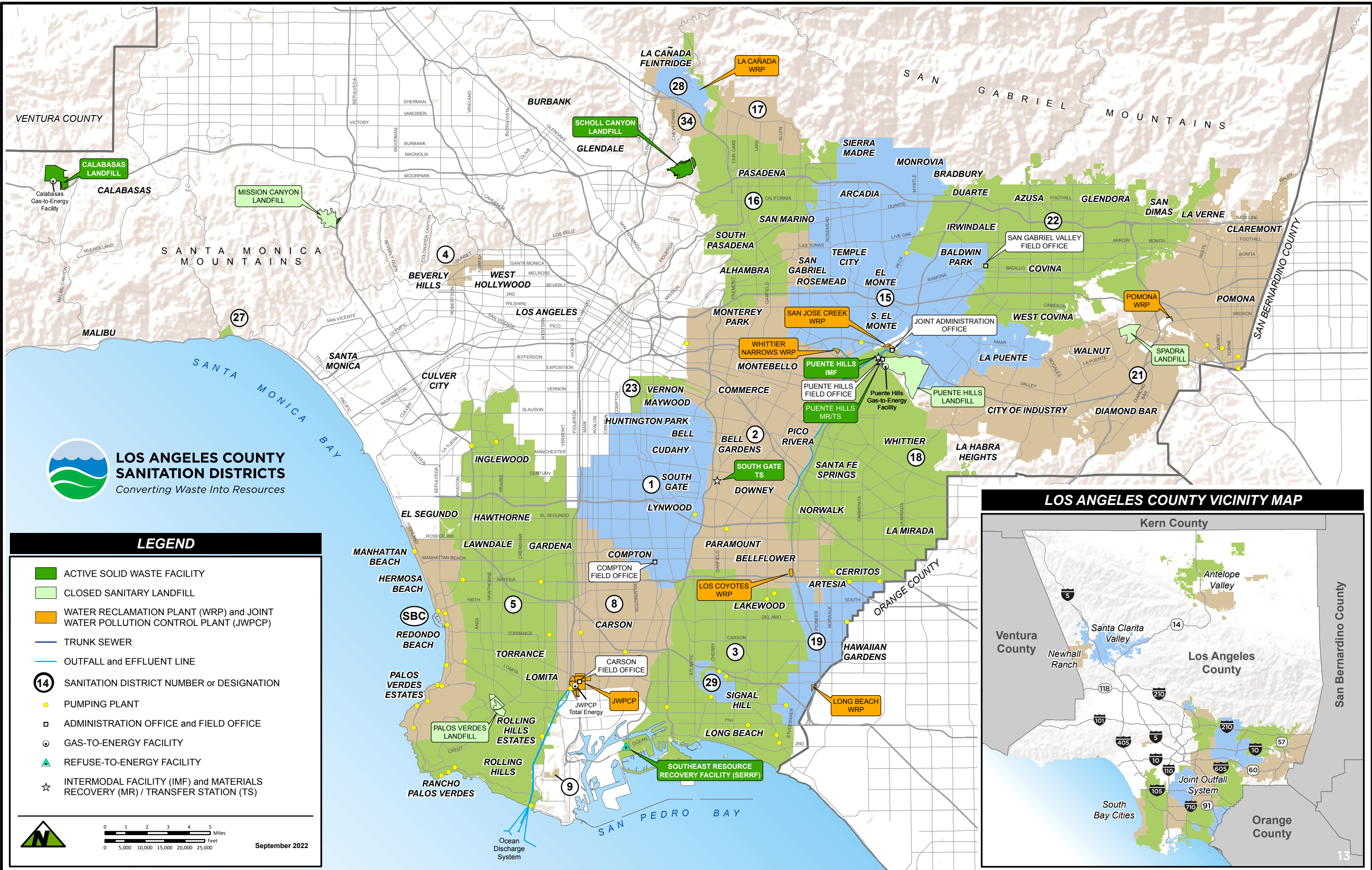
Operation and maintenance of the solid waste management facilities and energy recovery facilities

### TECHNICAL SERVICES

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

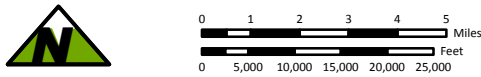
### WASTEWATER MANAGEMENT

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

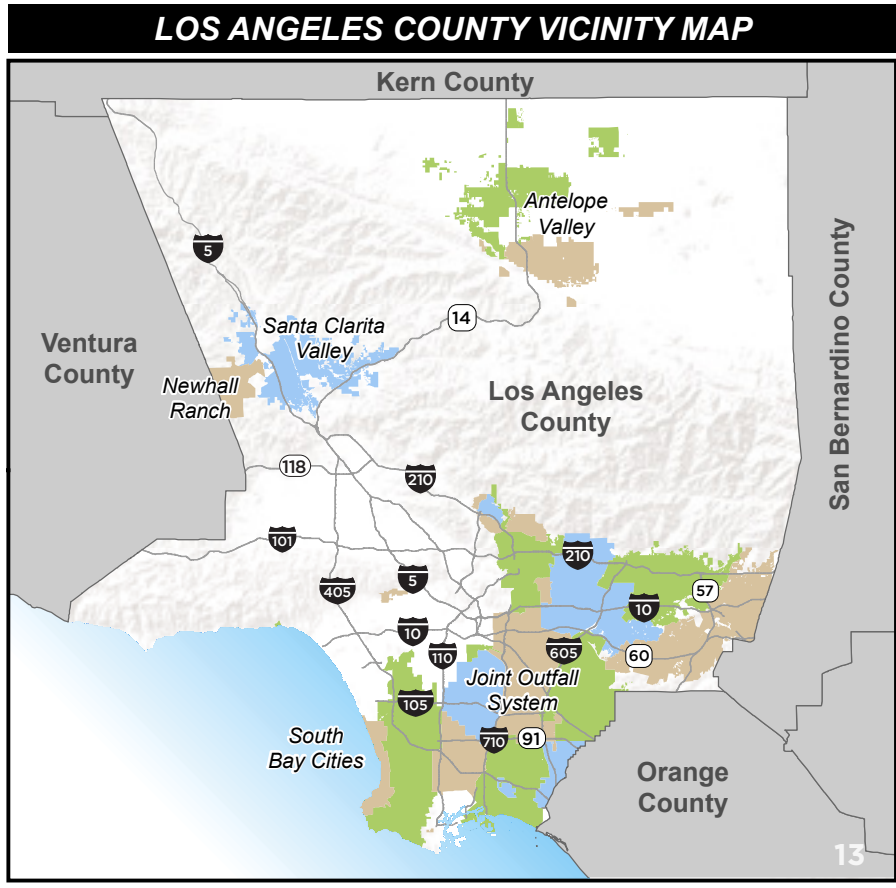


**LEGEND**

- ACTIVE SOLID WASTE FACILITY
- CLOSED SANITARY LANDFILL
- WATER RECLAMATION PLANT (WRP) and JOINT WATER POLLUTION CONTROL PLANT (JWPCP)
- TRUNK SEWER
- OUTFALL and EFFLUENT LINE
- SANITATION DISTRICT NUMBER or DESIGNATION
- PUMPING PLANT
- ADMINISTRATION OFFICE and FIELD OFFICE
- GAS-TO-ENERGY FACILITY
- REFUSE-TO-ENERGY FACILITY
- INTERMODAL FACILITY (IMF) and MATERIALS RECOVERY (MR) / TRANSFER STATION (TS)



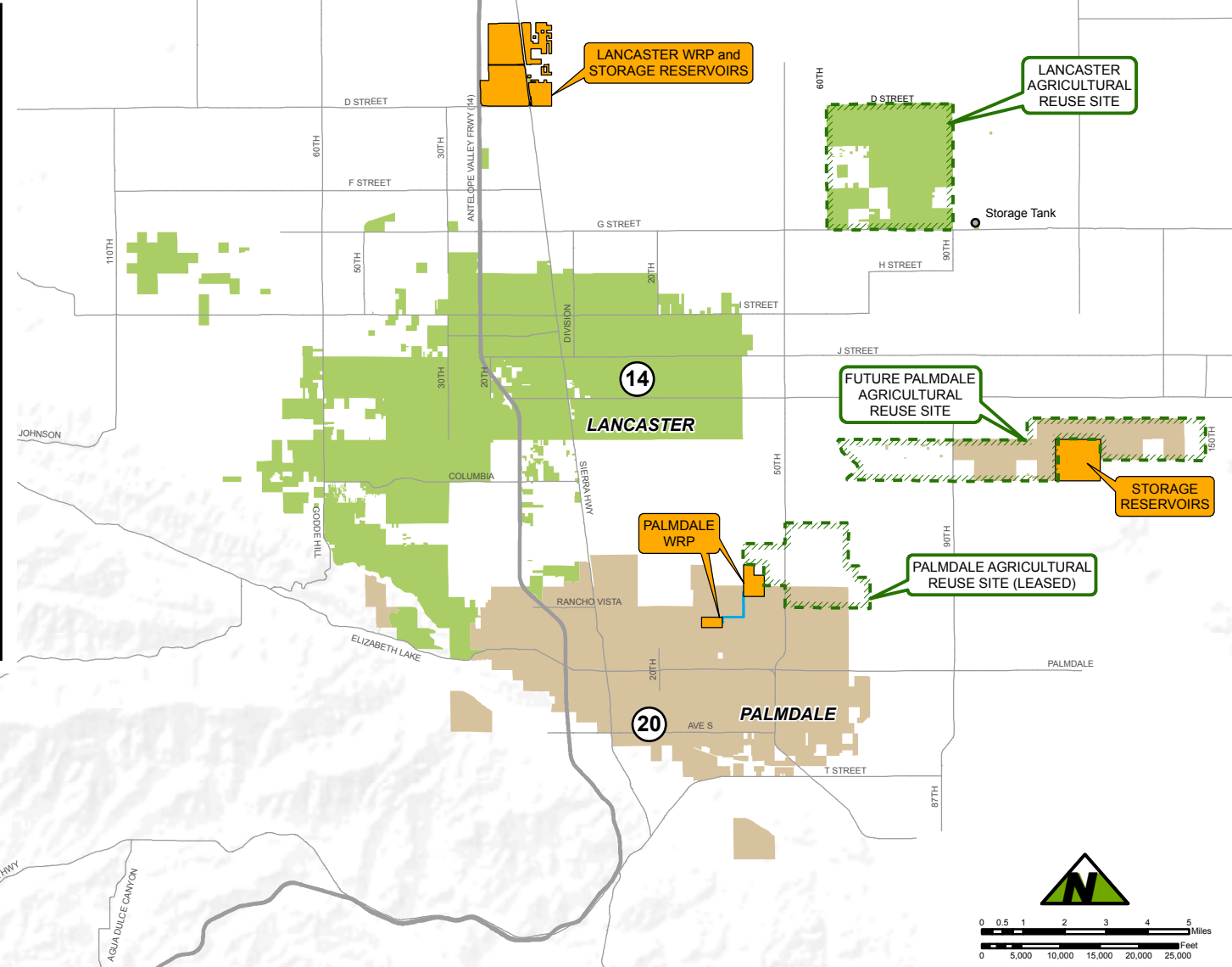
September 2022



## REGIONAL FACILITIES



## KERN COUNTY LOS ANGELES COUNTY



## SOLID WASTE FACILITIES

Sanitary Landfill	Operational	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 1/9/1982
Scholl Canyon	3/22/1961	431	Operational
Calabasas	2/14/1961	500	Operational
Mesquite	Operational 2009	2,290	Operational

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

Energy Facility	Operational	Net Electricity Production
Puente Hills Gas-to-Energy	1/1/1987	46 MW
SERRF Refuse-to-Energy	12/1/1988	30 MW
Calabasas Gas-to-Energy	7/12/2010	5.6 MW

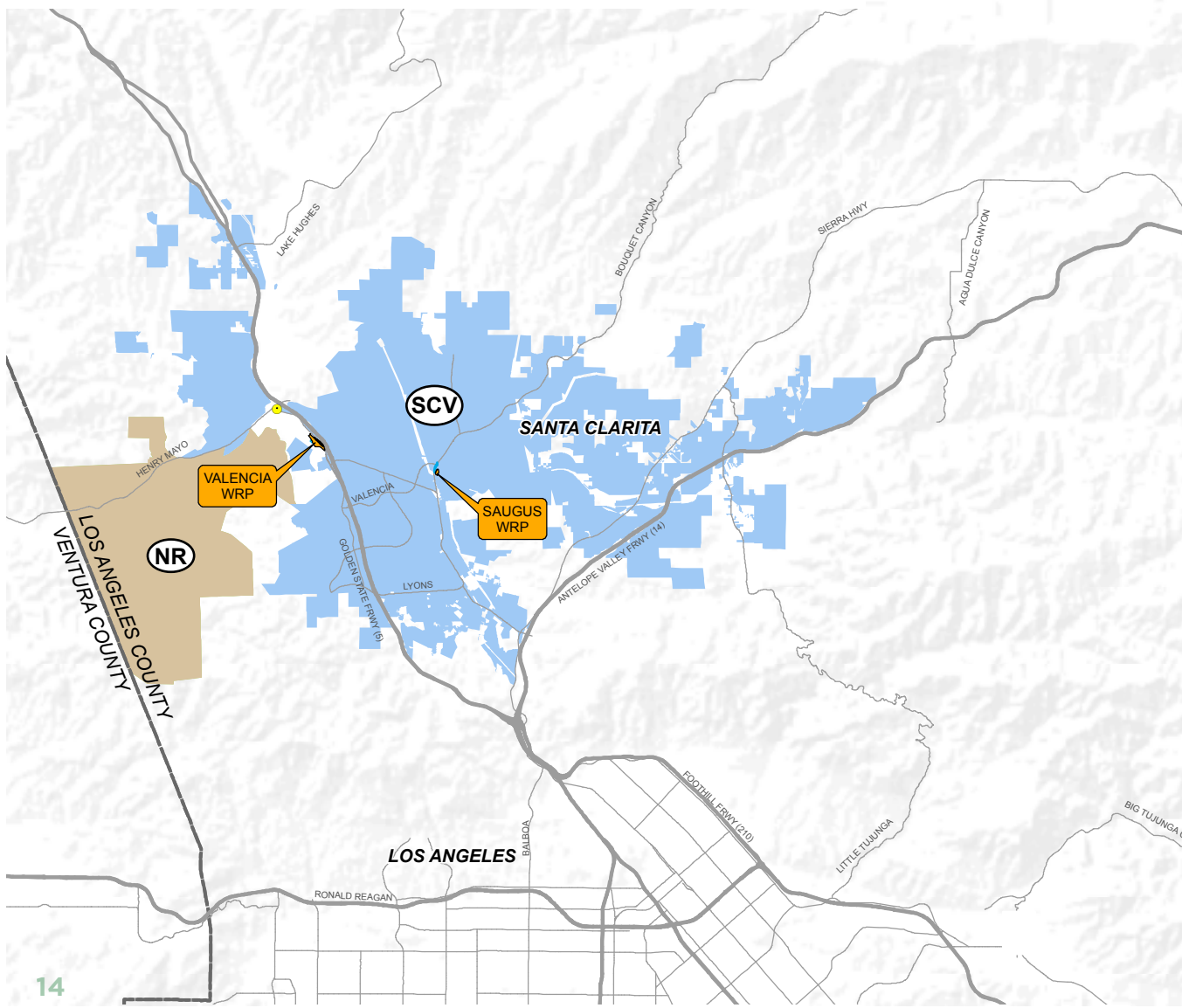
## WASTEWATER FACILITIES

Facility	Operational	Permitted Capacity (MGD)	Area in Acres
JWPCP	2/4/1928	400.0	381
Long Beach	5/22/1973	25.0	17
Los Coyotes	10/14/1970	37.5	36
Whittier Narrows	7/27/1962	15.0	27
San Jose Creek	6/29/1971	100.0	51
Pomona	4/15/1954	15.0	12
La Cañada	11/2/1962	0.2	0
Valencia	3/25/1966	21.6	26
Saugus	7/1/1962	6.5	4
Palmdale	11/28/1952	12.0	278
Lancaster	10/11/1959	18.0	1,392

Energy Facility	Operational	Net Electricity Production
JWPCP Total Energy	12/20/1985	22 MW

## COMPOSTING FACILITIES

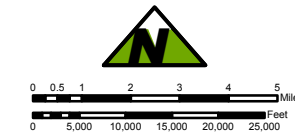
Facility	Operational
Inland Empire	4/16/2007
Tulare Lake	Operational 2015



**LOS ANGELES COUNTY  
SANITATION DISTRICTS**  
Converting Waste Into Resources

## LEGEND

- SOLID WASTE FACILITY
- WATER RECLAMATION FACILITY
- AGRICULTURAL REUSE SITE
- COMPOSTING FACILITY
- 14 SANITATION DISTRICT NUMBER or DESIGNATION
- PUMPING PLANT
- TRUNK SEWER



## SANITATION DISTRICTS DATA

District	Date of Formation	Placed in Operation	Area (Sq.Miles)	Population 2020	Cities/ Partial Cities	Miles of District Sewers 2020	Pump Stations	Wastewater Management
1	11/17/1924	2/13/1928	41.3	578,445	11	105.4	1	Joint Outfall System
2	2/25/1924	2/13/1928	76.1	691,806	19	219.1	2	Joint Outfall System
3	5/19/1924	5/20/1948	52.3	510,478	4	77.1	6	Joint Outfall System
4	3/17/1924	12/9/1926	1.9	36,940	2	6.3	0	L.A. City Sewerage System
5	3/31/1924	2/13/1928	87.8	742,800	15	181.0	10	Joint Outfall System
8	9/21/1925	2/13/1928	31.3	142,014	4	88.5	3	Joint Outfall System
9	8/16/1926	5/10/1927	0.2	2,331	1	0.0	0	L.A. City Sewerage System
14	8/31/1938	12/2/1941	59.0	199,321	2	75.4	0	Lancaster Sewerage System
15	1/2/1945	2/27/1948	77.6	587,113	20	145.5	2	Joint Outfall System
16	1/2/1946	2/27/1948	37.4	273,311	5	42.4	0	Joint Outfall System
17	1/2/1946	11/23/1949	7.7	56,214	1	5.2	0	Joint Outfall System
18	11/23/1948	7/1/1950	60.1	340,094	11	83.6	3	Joint Outfall System
19	3/28/1950	5/19/1951	14.2	91,845	5	34.4	2	Joint Outfall System
20	8/7/1951	9/8/1952	41.3	129,733	1	44.9	0	Palmdale Sewerage System
21	11/13/1951	8/21/1954	84.7	415,018	9	86.9	4	Joint Outfall System
22	9/22/1953	12/6/1954	64.1	335,153	12	101.8	0	Joint Outfall System
23	7/10/1956	7/14/1959	2.5	50	1	2.1	0	Joint Outfall System
27	4/20/1961	4/2/1962	0.2	2,259	0	0.4	0	L.A. City Sewerage System
28	9/14/1961	11/2/1962	4.1	11,399	1	4.1	0	Joint Outfall System
29	9/20/1962	11/12/1964	2.2	11,712	1	36.8	3	Joint Outfall System
34	10/31/1967	Inactive	4.0	7,674	1	0.0	0	Inactive
NR	6/14/2006	Inactive	18.7	4	0	0.0	0	Inactive
SBC	12/24/1923	9/12/1926	14.6	115,745	8	25.0	11	Joint Outfall System
SCV	1/2/1961	5/10/1962	63.3	269,170	1	43.1	1	Santa Clarita Valley Sewerage System
<b>TOTAL</b>			<b>846.6</b>	<b>5,550,629</b>	<b>135</b>	<b>1,409.0</b>	<b>48</b>	



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Sanitation Districts of Los Angeles County  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO

An aerial photograph of the Rio Hondo Coastal Spreading Grounds. The image shows a large, rectangular water treatment facility with multiple basins and canals. The water is a deep blue color. In the background, there are snow-capped mountains under a clear blue sky. The foreground shows some residential and commercial buildings, a power line tower, and a road.

# WATER RECYCLING

Importing water to Southern California requires significant electricity. The State Water Project conveys water throughout the state and is the state's largest electricity consumer. By recycling water, the Sanitation Districts reduce the need for imported water and the associated electricity and GHG emissions. **GHG avoided: 52,000 MTCO<sub>2</sub>e** (equivalent to 130 million less miles driven by cars). Shown here is Rio Hondo Coastal Spreading Grounds, which uses cleaned water from our water reclamation plants to replenish groundwater.





**PARTNERS**

CRAIG A HARTZHEIM, CPA  
HADLEY Y HUI, CPA  
ALEXANDER C HOM, CPA  
ADAM V GUISE, CPA  
TRAVIS J HOLE, CPA  
WILSON LAM, CPA

**COMMERCIAL ACCOUNTING & TAX SERVICES**

9465 WILSHIRE BLVD., 3<sup>RD</sup> FLOOR  
BEVERLY HILLS, CA 90212  
TEL: 310.670.2745  
FAX: 310.670.1689  
www.mlhcpas.com

**GOVERNMENTAL AUDIT SERVICES**

5800 HANNUM AVE., 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  
Los Angeles County Sanitation Districts:

### Opinions

We have audited the accompanying financial statements of the Los Angeles County Sanitation Districts (Districts) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which comprise the Districts' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Los Angeles County Sanitation Districts as of June 30, 2022, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Districts and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Districts' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

**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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Districts' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Districts' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **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 is the responsibility of management and, 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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Districts' basic financial statements. The combining and individual supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements as a whole.

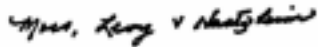
### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, statistical section, and bond disclosure information but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2022 on our consideration of the Districts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and do not provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Moss, Levy & Hartzheim, LLP  
Culver City, California  
December 9, 2022

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Management's Discussion and Analysis

June 30, 2022

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 Annual Comprehensive Financial Report (ACFR) 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*

- The impact of COVID-19 on businesses, restaurants, schools, and consumer habits contributed to a 30% decline in solid waste revenues compared to pre-pandemic levels (2019). Wastewater receivables for both service charge and tax assessments increased by over 20% from the prior fiscal year. The full impact of COVID-19 on wastewater revenue may not be known until future years due to the nature of the Districts' revenue streams. Connection fees increased by 23% compared to last year, which can be a sign of recovery and a return to normal building trends.
- In August 2021, Fitch Ratings and Standard & Poor's upgraded the rating of the 2015 Capital Projects Revenue Bonds Series A (District No. 14) from AA- to AA.
- In September 2021, the Districts' Financing Authority issued \$41,645,000 (face value) in Capital Projects Revenue Bonds Series A to refinance loan debt at significantly lower rates. The proceeds from the bond sale have been used to prepay four District No. 14 California State Water Resources Control Board loans and costs of issuance, resulting in a net present value savings of \$4.8 million.
- In February 2022, the Districts prepaid an additional 35 California State Water Resources Control Board loans for a total of \$46 million. This action will allow the Districts to take advantage of more favorable financing sources for the Clearwater Tunnel Project and save up to \$6 million per year.
- In April 2022, the Districts' Financing Authority issued \$89,900,000 (face value) in Capital Projects Revenue Bonds Series A. The proceeds from the bond sale have been used to prepay eight Joint Outfall District California State Water Resources Control Board loans and costs of issuance. This action will allow the Districts to proceed with new United States Environmental Protection Agency's Water Infrastructure Finance and Innovation Act loans for the Clearwater Tunnel Project.
- To finance the Clearwater Tunnel Project and other capital improvements, the Districts have applied for and been approved for \$157.5 million in California State Water Resources Control Board Loans and have executed loan documents for another \$441.1 million from the United States Environmental Protection Agency.
- In June 2022, the Districts' executed lease agreements for the Downey Area Recycling and Transfer Facility (DART) and the recyclable material sorting line at the Puente Hills Material Recovery Facility (MRF). The initial lease terms are 10 years and 5 years, respectively, with options for extensions, and provide \$325,000 in monthly revenue.

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Management's Discussion and Analysis, Continued

- The Puente Hills and Spadra landfills changed their financial assurance mechanisms for closure and postclosure care with State of California Department of Recycling (CalRecycle) from dedicated reserve funds to a pledge of revenue model. The unburdened postclosure reserves were then used to pay \$320 million towards the Districts' unfunded accrued liability (UAL) for the California Public Employees' Retirement System (CalPERS). The UAL represents the net outstanding pension obligation for already accrued pension benefits. CalPERS requires annual minimum payments toward the UAL and manages an investment portfolio comprised of these contributions. Because CalPERS has less restrictive investment constraints and a longer-term investment horizon, they are able to earn a higher rate of return than funds managed directly by the Districts. As a result, the use of reserves (typically earning between 1-2% interest) to pay down the UAL (with pension assets assumed to be earning 6.8% returns over time) will result in anticipated \$250 million in savings. In order to fund future postclosure care costs and in exchange for the use of postclosure reserves toward paying down the UAL, all Districts will contribute to a “Fee-in-Lieu” fund on a monthly basis.

### *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 ACFR consists of: a letter of transmittal; management's discussion and analysis; the basic financial statements; supplementary 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 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, 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 wastewater, stormwater, and solid waste operations. The operations-level financial statements can be found immediately following the Required Supplementary Information, which are found immediately following the Notes to Basic Financial Statements.

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Management's Discussion and Analysis, Continued

### *Financial Analysis of the Districts*

#### **Net Position**

#### Condensed Statement of Net Position (In millions of dollars)

	FY 2022	FY 2021	Dollar Change	Total Percent Change
Current and Other Assets	\$ 2,136	\$ 2,448	\$ (312)	(12.7) %
Capital Assets, net	3,843	3,686	157	4.3
Total Assets	<u>5,979</u>	<u>6,134</u>	<u>(155)</u>	<u>(2.5)</u>
Deferred Outflow of Resources	414	94	320	340.4
Current Liabilities	214	197	17	8.6
Other Liabilities	869	1,164	(295)	(25.3)
Long-Term Debt	547	498	49	9.8
Total Liabilities	<u>1,630</u>	<u>1,859</u>	<u>(229)</u>	<u>(12.3)</u>
Deferred Inflow of Resources	354	41	313	763.4
Net Investment in Capital Assets	3,229	3,149	80	2.5
Restricted	368	191	177	92.7
Unrestricted	812	988	(176)	(17.8)
Total Net Position	<u>\$ 4,409</u>	<u>\$ 4,328</u>	<u>\$ 81</u>	<u>1.9 %</u>

The net investment in capital assets consists of net capital assets and deferred loss on refunding of debt, reduced by outstanding capital-related liabilities and 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.

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Management's Discussion and Analysis, Continued

### 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 2022	FY 2021	Dollar Change	Total Percent Change
<b>Operating Revenues:</b>				
Industrial Waste Surcharge	\$ 73	\$ 70	\$ 3	4.3 %
Solid/Food Waste Tipping Fees	106	102	4	3.9
Sale of Energy	18	19	(1)	(5.3)
Service Charges	398	392	6	1.5
Other	40	34	6	17.6
<b>Total Operating Revenues</b>	<b>635</b>	<b>617</b>	<b>18</b>	<b>2.9</b>
<b>Operating Expenses:</b>				
Depreciation	107	114	(7)	(6.1)
Operations & Maintenance	241	216	25	11.6
Salaries & Benefits	180	265	(85)	(32.1)
Other	44	25	19	76.0
<b>Total Operating Expenses</b>	<b>572</b>	<b>620</b>	<b>(48)</b>	<b>(7.7)</b>
<b>Nonoperating Revenues/(Expenses):</b>				
Interest Revenue	18	21	(3)	(14.3)
Taxes	97	95	2	2.1
Other	(90)	(6)	(84)	1,400.0
Interest Expense	(26)	(21)	(5)	23.8
Tax & Assessment Expense	(10)	(10)	-	-
<b>Total Net Nonoperating Revenues (Expenses)</b>	<b>(11)</b>	<b>79</b>	<b>(90)</b>	<b>(113.9)</b>
<b>Income Before Capital</b>				
Contribution Revenue	52	76	(24)	(31.6)
Capital Contribution Revenue	31	25	6	24.0
<b>Change in Net Position</b>	<b>83</b>	<b>101</b>	<b>(18)</b>	<b>(17.8)</b>
Beginning Net Position	4,328	4,266	62	1.5
Prior-Period Adjustment	(2)	(39)	37	(94.9)
<b>Ending Net Position</b>	<b>\$ 4,409</b>	<b>\$ 4,328</b>	<b>\$ 81</b>	<b>1.9 %</b>

**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 paid by users of the Districts' wastewater and solid waste facilities and collectively account for 91% of the Districts' operating revenue. Service charge rates were not changed in fiscal year 2021-2022 for nearly all Districts. Operating revenue, post-COVID, has remained stable with a 2.9% increase over the prior year. Solid waste disposal fees for municipal waste increased for all sites except the Calabasas Landfill. The average increase, effective January 1, 2022, was \$5.40 per ton.

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Management's Discussion and Analysis, Continued

Although solid waste tipping fee revenue remained stable compared to last year, that stability is more a product of the rate increase than tonnage disposed. As compared to fiscal year 2020-2021, there was a 3% decrease in disposal, and a 38% decrease since pre-COVID 19 levels.

Operating Expenses: Inflation and employment shortages drove up the prices for nearly all goods and services during the fiscal year. Utilities, such as electricity and natural gas, experienced multiple rate increases over last year, resulting in a 20% increase in expense over the prior year. Ongoing supply chain and employment issues necessitated the use of alternative vendors for transportation and disposal of biosolids and other materials at higher prices, increasing services expense by \$6 million over last year. Other operating expenses increased due to changes in landfill closure/postclosure care estimates.

Salaries and benefits expense decreased by 32% due to changes in pension and other post-employment benefit liabilities. The majority of the decrease was due to the difference between projected and actual earnings on both pension plan investments and other post-employment benefits.

Nonoperating Revenues/Expenses: Increases in interest rates resulted in a \$54 million unrealized loss on specific investments, a 315% increase over last year. Nonoperating expenses also increased due to litigation losses on two cases totaling nearly \$40 million.

### ***Capital Analysis of the Districts***

As of June 30, 2022, the Districts had \$6.3 billion invested in a broad range of assets, as shown below:

#### Capital Assets (In millions of dollars)

	FY 2022	FY 2021	Dollar Change	Total Percent Change	
Buildings and Equipment	\$ 96	\$ 89	\$ 7	7.9	%
Capital Improvements	550	546	4	0.7	
Composting Facility	124	124	-	-	
Construction in Progress	760	599	161	26.9	
Disposal Rights	99	97	2	2.1	
Equipment Pool	77	73	4	5.5	
Gas-to-Energy Facilities	226	222	4	1.8	
Land	221	221	-	-	
Lease Assets	5	-	5	100.0	
Other	59	54	5	9.3	
Rail Facilities	224	224	-	-	
Recycling and Transfer Stations	83	77	6	7.8	
Treatment Plants	2,232	2,203	29	1.3	
Trunk Lines	1,518	1,485	33	2.2	
Use Rights	70	70	-	-	
Subtotal	<u>6,344</u>	<u>6,084</u>	<u>260</u>	4.3	
Less Accumulated Depreciation/Amortization	<u>2,501</u>	<u>2,398</u>	<u>103</u>	4.3	
Net Capital Assets	<u>\$ 3,843</u>	<u>\$ 3,686</u>	<u>\$ 157</u>	<u>4.3</u>	%



# LOS ANGELES COUNTY SANITATION DISTRICTS

## Management's Discussion and Analysis, Continued

Major capital asset projects that were completed and placed in operation during fiscal year 2021-2022 included the following:

- \$30 million – various trunk sewer rehabilitations
- \$29 million – various treatment plant modifications
- \$10 million – Puente Hills MRF building modifications
- \$4 million – Joint Water Pollution Control Plan Biogas Pipeline
- \$3 million – Recycling and transfer station facility upgrades at DART and MRF
- \$3 million – Scholl Canyon Gas Collection System

Expenses to date of ongoing construction in progress of \$760 million as of June 30, 2022, included, in part, the following projects:

- \$339 million – various water reclamation and pumping plant modifications
- \$273 million – Clearwater Project plan, design, and construction
- \$37 million – various Districts' trunk sewer relief/rehabilitation projects
- \$26 million – Puente Hills Intermodal Facility railroad improvements
- \$25 million – Puente Hills Material Recovery Facility recycling modifications and additions
- \$16 million – various solid waste system projects
- \$10 million – Waste-by-Rail Disposal System development

Additional information regarding the Districts' capital assets can be found in Note No. 6 to the Basic Financial Statements.

### 2022-2023 Capital Spending Plan (In millions of dollars)

Capital Project	Amount Planned
Clearwater Tunnel	\$ 160
Pumping Plant and Treatment Plant Improvements and Expansions	145
Sewer Relief and Rehabilitation	96
Chloride Compliance	19
Administration and Miscellaneous Improvements	11
Landfill General Improvements, Drainage, and Landscaping	11
Gas Control Measures	5
Food Waste Disposal Improvements	3
Wastewater Disposal Contracts	3
Total	\$ 453

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Management's Discussion and Analysis, Continued

### Outstanding Debt

During the fiscal year, the Districts' revenue bond and state loan obligations increased by 4.8%.

#### Outstanding Debt (In millions of dollars)

	FY 2022	FY 2021	Dollar Change	Total Percent Change
Revenue Bonds	\$ 456	\$ 312	\$ 144	46.2 %
Clean Renewable Energy Bonds	-	1	(1)	(100.0)
State Water Resources Control Board Loans	109	226	(117)	(51.8)
Total Long-Term Debt	\$ 565	\$ 539	\$ 26	4.8 %

Revenue bond obligations increased due to the issuance of the 2021 Series A Bonds and the 2022 Series A Bonds, net of scheduled bond principal payments on outstanding issues. State Water Resources Control Board obligations had a net decrease due to scheduled principal payments and the prepayment of 41 loans, net of new obligations.

#### Bond Debt Ratings As of June 30, 2022

	Standard & Poor's	Fitch Ratings
2015 Series A Revenue Bonds	AA	AA
2016 Series A Revenue Bonds	A+	AA-
2021 Series A Revenue Bonds	AA	AA
2022 Series A Revenue Bonds	AAA	N/A

### *Currently Known Significant Facts*

There are no significant facts to disclose at this time.

### *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. Jeremy Freelove, Chief Accountant, Los Angeles County Sanitation Districts, P.O. Box 4998, Whittier, California, 90607-4998.

**Exhibit A**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Statement of Net Position**  
**June 30, 2022**

**Assets**

Current assets:

Unrestricted cash and cash equivalents (note 3):	
Cash in bank	\$ 37,381,395
Cash on hand	51,256
Cash and cash equivalents	<u>743,567,302</u>
Total unrestricted cash and cash equivalents	<u>780,999,953</u>

Receivables:

Accounts, net (note 5)	37,353,329
Interest	5,460,669
Leases (note 7)	4,448,673
Service charges (note 4)	25,522,578
Taxes (note 4)	<u>8,782,416</u>
Total receivables	<u>81,567,665</u>

Inventory	<u>20,233,031</u>
-----------	-------------------

Restricted/designated cash and investments (note 3):

Cash and cash equivalents	482,221,280
Specific investments	624,163,063
Bond proceeds with Trustee:	
Cash and cash equivalents	<u>30,559</u>

Total restricted/designated cash and investments	<u>1,106,414,902</u>
--	----------------------

Other specific investments (note 3)	<u>24,421,180</u>
-------------------------------------	-------------------

Total current assets	<u>2,013,636,731</u>
----------------------	----------------------

Long-term assets:

Investment in joint ventures (note 17)	40,180,332
Leases receivable, net (note 7)	82,474,252
Other assets	<u>92,028</u>

Capital assets (note 6):

Buildings & equipment	96,175,922
Improvements	549,923,859
Disposal rights	99,304,444
Equipment pool	77,263,571
Gas-to-energy facilities	225,659,717
Lease assets	5,105,350
Rail facilities	223,843,590
Recycling and transfer facilities	82,714,698
Treatment plants	2,232,336,687
Trunk lines	1,518,360,025
Use rights	69,779,636
Composting facilities	124,084,412
Other capital assets	58,790,813
Construction in progress	760,032,070
Land	221,106,918
Less accumulated depreciation/amortization	<u>(2,501,277,285)</u>

Net capital assets	<u>3,843,204,427</u>
--------------------	----------------------

Total long-term assets	<u>3,965,951,039</u>
------------------------	----------------------

Total assets	<u>\$ 5,979,587,770</u>
--------------	-------------------------

**Deferred Outflow of Resources**

Deferred loss on refunding (note 1L)	\$ 1,219,756
Deferred pension contribution (note 11)	388,998,125
Other postemployment benefit deferral (note 12)	<u>23,598,510</u>
Total deferred outflow of resources	<u>\$ 413,816,391</u>

(Continued on following page)

**Exhibit A-2**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Statement of Net Position**  
**June 30, 2022**

**Liabilities**

Current liabilities:	
Accounts payable	\$ 80,346,987
Accrued employee absences (notes 1J and 14)	30,000,000
Amounts held for others	10,613,705
Bonds payable (note 8)	16,150,000
Claims liabilities (notes 9 and 10)	41,749,098
Contractual obligations to other governments	7,333,333
Estimated liability for closure and postclosure care (note 18)	16,162,000
Estimated liability for pollution remediation (note 19)	3,500,000
Interest payable	4,886,520
Leases payable (note 7)	174,846
Loans payable to State of California (note 8)	2,700,276
Other	<u>562,414</u>
Total current liabilities	<u>214,179,179</u>
Long-term liabilities:	
Accrued employee absences (notes 1J and 14)	16,447,960
Bonds payable, net (note 8)	440,015,608
Claims liabilities (notes 9 and 10)	5,815,684
Contractual obligations to other governments	27,696,746
Estimated liability for closure and postclosure care (note 18)	471,521,893
Estimated liability for pollution remediation (note 19)	16,500,000
Leases payable (note 7)	4,759,886
Loans payable to State of California (note 8)	106,795,293
Other postemployment benefits liability (note 12)	85,389,457
Pension liability (note 11)	<u>241,892,212</u>
Total long-term liabilities	<u>1,416,834,739</u>
Total liabilities	<u>\$ 1,631,013,918</u>
<b>Deferred Inflow of Resources</b>	
Lease deferrals (note 7)	\$ 86,520,755
Other postemployment benefits deferrals (note 12)	104,550,323
Pension deferrals (note 11)	<u>162,738,049</u>
Total deferred inflow of resources	<u>\$ 353,809,127</u>
<b>Net Position</b>	
Net position:	
Net investment in capital assets	\$ 3,228,859,874
Restricted for capital projects	321,964,397
Restricted for closure/postclosure maintenance	30,535,286
Restricted for site development	14,800,805
Unrestricted	<u>812,420,754</u>
Total net position	<u>\$ 4,408,581,116</u>

See accompanying notes to basic financial statements.

**Exhibit B**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Statement of Revenues, Expenses,**  
**and Changes in Net Position**  
**Fiscal year ended June 30, 2022**

Operating revenues:	
Commodities	\$ 3,587,431
Contract revenue	35,789,620
Industrial waste surcharge	72,741,484
Solid/food waste tipping fees	105,974,656
Sale of energy	17,700,293
Service charges (note 4)	398,414,062
Other	<u>1,461,607</u>
Total operating revenues	<u>635,669,153</u>
Operating expenses:	
Chemicals	43,357,984
Collection charges	1,404,936
Depreciation/amortization (note 6)	107,432,389
Insurance and claims	4,305,940
Landfill closure and postclosure costs (note 18)	33,388,826
Materials and supplies	30,074,560
Operations, repairs, and maintenance	31,042,272
Pollution remediation costs (note 19)	32,167
Salaries and benefits (notes 11 and 12)	179,847,543
Services	103,056,387
Tonnage	5,068,144
Utilities	<u>33,184,822</u>
Total operating expenses	<u>572,195,970</u>
Operating income	<u>63,473,183</u>
Nonoperating revenues (expenses):	
Interest revenue	17,837,449
Investment in joint ventures	(1,302,593)
Property taxes (note 4)	97,492,668
Amortization of bond premium	4,671,968
Amortization of deferred loss on refunding	(388,008)
Bond issuance costs	(848,939)
Interest expense	(25,998,255)
Gain on sale of equipment/assets	469,195
Other nonoperating expense	(38,022,992)
Tax and assessment expense	(10,449,637)
Unrealized loss on investments	<u>(54,540,527)</u>
Net nonoperating expenses	<u>(11,079,671)</u>
Income before capital contribution revenue	52,393,512
Capital contribution revenue:	
Connection fees	26,793,849
Grants	<u>4,369,049</u>
Change in net position	<u>83,556,410</u>
Total net position, July 1, 2021, as previously stated	4,327,311,372
Prior-period adjustments (note 20)	<u>(2,286,666)</u>
Total net position, July 1, 2021 as restated	<u>4,325,024,706</u>
Total net position, June 30, 2022	<u>\$ 4,408,581,116</u>

See accompanying notes to basic financial statements.

**Exhibit C**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Statement of Cash Flows**  
**Fiscal year ended June 30, 2022**

Cash flows from operating activities:	
Receipts from customers and users	\$ 624,592,340
Payments to suppliers	(300,046,601)
Payments for salaries/benefits	<u>(579,170,971)</u>
Net cash used by operating activities	<u>(254,625,232)</u>
Cash flows from noncapital financing activities:	
Receipts from other activities	33,607
Receipts from property taxes	95,444,640
Payments for tax and assessment	<u>(10,449,637)</u>
Net cash provided by noncapital financing activities	<u>85,028,610</u>
Cash flows from capital and related financing activities:	
Borrowings on loans	104,644,481
Proceeds from bond sale	158,068,827
Bond issuance costs	(848,939)
Purchases of capital assets	(245,659,759)
Connection fees proceeds	26,793,849
Grant proceeds	4,317,892
Interest paid on capital-related debt	(19,120,570)
Principal payments on bonds	(9,049,399)
Principal payments on loans	(229,041,270)
Proceeds from sale of assets/equipment	<u>2,050,549</u>
Net cash used by capital and related financing activities	<u>(207,844,339)</u>
Cash flows from investing activities:	
Interest received	17,518,064
Purchases of investments	(568,552,838)
Proceeds from maturities of investments	<u>518,076,838</u>
Net cash used by investing activities	<u>(32,957,936)</u>
Net decrease in cash and cash equivalents	(410,398,897)
Cash and cash equivalents at beginning of fiscal year	<u>1,673,650,689</u>
Cash and cash equivalents at end of fiscal year	<u>\$ 1,263,251,792</u>
Reconciliation of cash and cash equivalents at end of fiscal year:	
Unrestricted cash and cash equivalents:	
Cash in bank	\$ 37,381,395
Cash on hand	51,256
Cash and cash equivalents	743,567,302
Restricted/designated cash and investments:	
Cash and cash equivalents	482,221,280
Bond proceeds with Trustee:	
Cash and cash equivalents	<u>30,559</u>
	<u>\$ 1,263,251,792</u>

(Continued on following page)

**Exhibit C-2**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Statement of Cash Flows**  
**Fiscal year ended June 30, 2022**

Reconciliation of operating income to net cash	
used by operating activities:	
Operating income	\$ <u>63,473,183</u>
Adjustments to reconcile operating income to net	
cash used by operating activities:	
Depreciation and amortization	107,432,389
Landfill closure/postclosure costs	33,388,826
Increase in accounts receivable	(4,421,392)
Increase in service charge receivable	(7,326,078)
Increase in inventory	(1,040,644)
Decrease in leases receivable	4,259,683
Increase in deferred outflow of resources	(319,989,904)
Increase in accounts payable	8,358,447
Decrease in accrued employee absences	(1,633,212)
Decrease in estimated liability for	
closure and postclosure costs	(10,841,309)
Decrease in claims liabilities	(1,447,770)
Decrease in contractual obligations	(46,403,526)
Decrease in estimated pollution remediation	(2,000)
Decrease in other postemployment benefits liability	(425,491,118)
Increase in pension liability	123,552,992
Increase in amounts held for others	1,651,452
Decrease in leases payable	(205,009)
Increase in other liabilities	293,271
Increase in deferred inflow of resources	<u>221,766,487</u>
Net cash used by operating activities	<u>\$ (254,625,232)</u>
Schedule of noncash investing activities:	
Unrealized loss on fair value of investments	\$ (54,540,527)
Amortization of investment discount	(328,246)
Investment in joint ventures	(177,652)

See accompanying notes to basic financial statements.

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Notes to Basic Financial Statements

June 30, 2022

### (1) Organization and Summary of Significant Accounting Policies

#### (A) Description of the Reporting Entity

The Los Angeles County Sanitation Districts 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 Authority). The 22 active Districts (Participating Districts) created the Authority, pursuant to a Joint Exercise of Powers Agreement (see Note 2). The 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 Authority has no daily operations and does not conduct business on its own behalf. Since the Authority's governing body is entirely comprised of members of the Participating Districts' Boards and the Authority provides services entirely for the Participating Districts, the Authority's financial activities have been consolidated with the Districts' financial activities for financial reporting purposes. Complete separate financial statements for the Authority may be obtained by writing to the Accounting Section, 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.



# LOS ANGELES COUNTY SANITATION DISTRICTS

## 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.

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 operate various sub-funds:

<u>Classification</u>	<u>Purpose</u>
Wastewater 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 the solid waste systems. These annual budgets serve as a basis for monitoring financial progress and determining 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 applicable financial reserve policies 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.

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Notes to Basic Financial Statements, Continued

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 acquisition 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. All assets, other than those described in further detail below, are depreciated using the straight-line method over each asset's estimated useful life.

#### 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.

#### Disposal Rights - Wastewater 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 wastewater 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 change in net position.

#### Amortization of Use Rights

Use rights, as they apply to Wastewater 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.

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Notes to Basic Financial Statements, Continued

### (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 costs 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).

### (J) Accrued Employee Absences - Service Operations

Vacation and sick leave pay is recorded as an expense when earned by Districts' employees (see Note 14 for balance details) and is based upon the following criteria:

Monthly employees earn a maximum of 88 hours of vacation leave during each of the first 5 years of service. After 5 years of service, a maximum of 128 hours are earned each year, and after 10 years of service, 8 additional hours of vacation are earned per year up to 168 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 one year and may be used on or after January 1 of the next year 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 can result 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

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Notes to Basic Financial Statements, Continued

deferred gain/loss on refunding (net), is amortized by the straight-line method (which approximates the effective-interest method) over the life of the old or new bonds, whichever is shorter.

### (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 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 fiduciary net position have been determined on the same basis as they are reported by CalPERS. Investments are reported at fair value. 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 net capital assets and deferred loss on refunding of debt, reduced by the outstanding capital-related liabilities and 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.

### (Q) New Accounting Pronouncements

For the fiscal year ended June 30, 2022, the Districts implemented Governmental Accounting Standards Board (GASB) Statement 87, "Leases." This Statement is effective for periods beginning after June 15, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. Implementation of GASB Statement No. 87 did have an impact on the Districts' financial statements. See Note 7 for more information.

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Notes to Basic Financial Statements, Continued

### (2) Organization - Joint Agreements

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

#### Joint Administration Agreement

Each 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 the ratio of each District's sewage units to the sewage units within all Joint Outfall Districts.

#### Joint Powers Agreements with Los Angeles County

The Districts maintain closed landfills (Mission Canyon and Palos Verdes) and operate open landfills (Calabasas and Scholl Canyon) 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). The County of Los Angeles provides funding for the closed sites.

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 expenses 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 JPAs 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. The Scholl Canyon 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

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Notes to Basic Financial Statements, Continued

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 (the Authority) (see Note 1A).

### (3) Cash and Investments

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 (level 1 fair value hierarchy) for those securities.

As of June 30, 2022, 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	\$ 228,747,451 (1)	-	36,707,139	192,040,312
AA-Rated Medium-Term Corporate Notes	321,634,197 (1)	9,548,888	86,113,638	225,971,671
A-Rated Medium-Term Corporate Notes	98,202,595 (1)	24,466,809	33,667,945	40,067,841
Los Angeles County Pooled Surplus Investment Fund	1,199,163,497	1,199,163,497	-	-
First American Government Obligation Mutual Fund	26,563,689	26,563,689	-	-
	<u>\$ 1,874,311,429</u>	<u>1,259,742,883</u>	<u>156,488,722</u>	<u>458,079,824</u>

## LOS ANGELES COUNTY SANITATION DISTRICTS

### Notes to Basic Financial Statements, Continued

(1) A portion of these securities are callable beginning:

	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
Quarterly	\$ 181,829,183	61,708,629	-	-	-
Semi-annually	124,325,429	24,635,428	-	-	-
Annually	42,354,485	236,587,621	-	-	-
Continuously	45,206,846	31,968,378	3,444,374	10,968,710	-
One Time	23,801,067	-	-	2,874,200	-
	<u>\$ 417,517,010</u>	<u>354,900,056</u>	<u>3,444,374</u>	<u>13,842,910</u>	<u>-</u>

*Interest Rate Risk.* As a means of limiting the Districts' exposure to fair value losses from rising interest rates, the Districts' investment policies prohibit investments in securities with an original term greater than five years.

*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, 2022, 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 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 30% of a District's funds.

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Notes to Basic Financial Statements, Continued

The Districts' cash, cash equivalents, and specific investments at June 30, 2022, are classified on the accompanying statement of net position as follows:

Unrestricted cash and cash equivalents	\$ 743,567,302
Restricted/designated cash equivalents and specific investments	1,106,414,902
Other specific investments	<u>24,421,180</u>
	1,874,403,384
Unrestricted cash in bank	37,381,395
Unrestricted cash on hand	<u>51,256</u>
	<u>\$ 1,911,836,035</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 or been satisfied.

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.



## LOS ANGELES COUNTY SANITATION DISTRICTS

### Notes to Basic Financial Statements, Continued

Cash, cash equivalents, and specific investments that do not meet the definition of restricted or designated are classified as unrestricted. The total restricted and designated cash, cash equivalents, and specific investments are comprised of the following at June 30, 2022:

	Fund Type	Cash and Cash Equivalents	Specific Investments	Total
Bond Proceeds with Trustee	Restricted	\$ 30,559	-	30,559
Capital Improvement	Restricted	163,836,113	65,827,931	229,664,044
Capital Projects Financial Stability	Designated	66,215,805	143,151,954	209,367,759
Closure/Postclosure Reserves	Restricted	21,927,913	54,172,409	76,100,322
Corrective Action	Restricted	719,684	2,723,903	3,443,587
Emergency	Designated	13,953,582	-	13,953,582
Natural Disaster/Self-Insured Retention	Designated	12,774,367	5,581,842	18,356,209
O&M Financial Stability	Designated	118,746,240	192,589,299	311,335,539
Other	Both	10,712,634	866,464	11,579,098
Post Closure Contingency	Designated	-	15,651,733	15,651,733
Rate Stabilization	Restricted	-	24,366,168	24,366,168
Site Development	Restricted	-	14,800,805	14,800,805
UAL Payment	Restricted	41,859,228	104,430,555	146,289,783
Vacation/Sick Leave	Designated	31,475,714	-	31,475,714
		<u>\$ 482,251,839</u>	<u>624,163,063</u>	<u>1,106,414,902</u>

#### Cash in Bank

At June 30, 2022, the Districts' cash in bank deposits was \$37,473,353. 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, 2022, the Districts had imprest cash funds in the amount of \$51,256.

#### Cash and Cash Equivalents

Cash consists of deposits in the interest-bearing Los Angeles County Pooled Surplus Investment Fund and the Bank of America Public Funds Interest Checking 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.

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Notes to Basic Financial Statements, Continued

Cash equivalents consist of investments in 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 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 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 hold bond funds in restricted-use accounts (see Note 8). As of June 30, 2022, bond funds are invested in First American Government Obligation Mutual Fund, as permitted by the bond indentures.

## (4) Property Taxes and Service Charges

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.

Additionally, the Districts assess service charges against property owners for use of the Districts' wastewater system as a means of offsetting the cost of providing sanitation facilities. These service charges are also collected through the County of Los Angeles property tax billing system pursuant to Section 5473 of the California Health and Safety Code. Service charge rates are adopted annually as part of the budget for individual districts. At the end of each year, the County of Los Angeles provides the outstanding service charge assessments, which are recorded as receivables. For the fiscal year ended June 30, 2022, the Districts assessed \$406,220,712 with a 4.89% delinquency rate.

### Taxes Become a Lien

All tax liens attach annually on the first day in January preceding the fiscal year for which the taxes are levied. Taxes are levied on both real and personal property as they exist on that date. The lien against real estate or the tax on personal property is not relieved by subsequent removal or change of ownership, and the Tax Collector cannot accept payment for taxes on real property unless the personal property tax indicated on the tax bill has been paid or is tendered. Secured property taxes are a lien against real property. Tax levies cover the fiscal year period July 1 to June 30; for instance, the 2021 tax levy is for the fiscal year 2021-2022.

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Notes to Basic Financial Statements, Continued

### 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.

### (5) Accounts Receivable

Accounts receivable is composed of the following:

	<u>2022</u>	<u>2021</u>
Sale of commodities	\$ 633,377	716,371
Sale of energy	4,493,624	4,424,370
Industrial waste surcharge	19,074,305	18,685,766
Tipping fees, net of allowance	6,402,387	4,957,032
Other	6,749,636	3,494,896
Total accounts receivable	<u>\$ 37,353,329</u>	<u>32,278,435</u>

## LOS ANGELES COUNTY SANITATION DISTRICTS

### Notes to Basic Financial Statements, Continued

#### (6) Capital Assets

Capital asset activity for the fiscal year ended June 30, 2022 was as follows (in thousands):

	June 30, 2021	Increases	Decreases	June 30, 2022
Capital assets, not being depreciated:				
Construction in progress (see note 16)	\$ 598,606	263,290	(101,864)	760,032
Land	221,017	89	-	221,106
Total capital assets, not being depreciated	<u>819,623</u>	<u>263,379</u>	<u>(101,864)</u>	<u>981,138</u>
Capital assets, being depreciated or amortized:				
Buildings and equipment	89,045	7,131	-	96,176
Capital improvements	546,336	3,587	-	549,923
Composting facility	124,065	20	-	124,085
Disposal rights	96,649	2,656	-	99,305
Equipment pool	73,336	9,666	(5,738)	77,264
Gas-to-energy facilities	221,693	3,966	-	225,659
Lease assets	-	5,105	-	5,105
Rail facilities	223,844	-	-	223,844
Recycling and transfer facility	77,345	5,369	-	82,714
Treatment plants	2,202,660	29,677	-	2,232,337
Trunk lines	1,485,393	32,967	-	1,518,360
Use rights	69,780	-	-	69,780
Other	54,535	4,255	-	58,790
Total capital assets, being depreciated/amortized	<u>5,264,681</u>	<u>104,399</u>	<u>(5,738)</u>	<u>5,363,342</u>
Accumulated depreciation and amortization:				
Buildings and equipment	(57,171)	(2,204)	-	(59,375)
Capital improvements	(451,290)	(647)	-	(451,937)
Disposal rights	(45,441)	(2,315)	-	(47,756)
Equipment pool	(36,223)	(6,334)	4,185	(38,372)
Gas-to-energy facilities	(149,965)	(5,381)	-	(155,346)
Lease assets	-	(215)	-	(215)
Rail facilities	(18,747)	(4,245)	-	(22,992)
Recycling and transfer facility	(28,453)	(2,308)	-	(30,761)
Treatment plants	(906,467)	(55,200)	-	(961,667)
Trunk lines	(632,037)	(22,727)	-	(654,764)
Use rights	(26,816)	(41)	-	(26,857)
Composting facility	(19,112)	(3,101)	-	(22,213)
Other	(26,307)	(2,714)	-	(29,021)
Total accumulated depreciation/amortization	<u>(2,398,029)</u>	<u>(107,432)</u>	<u>4,185</u>	<u>(2,501,276)</u>
Total capital assets, being depreciated, net	<u>2,866,652</u>	<u>(3,033)</u>	<u>(1,553)</u>	<u>2,862,066</u>
Total capital assets, net	<u>\$ 3,686,275</u>	<u>260,346</u>	<u>(103,417)</u>	<u>3,843,204</u>

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

Wastewater Operations	\$ 83,878
Solid Waste Facilities Operations	12,508
Trustee Solid Waste Facilities Operations	3,568
Service Operations	7,478
Total depreciation and amortization expense	<u>\$ 107,432</u>

## LOS ANGELES COUNTY SANITATION DISTRICTS

### Notes to Basic Financial Statements, Continued

#### (7) Leases

The Districts have adopted Government Accounting Standards Board Statement No. 87, *Leases* (GASB 87). Under this statement, qualified leases are required to be recognized as a lease liability or as a lease receivable and an intangible right-to-use asset (lessee) and a deferred inflow of resources (lessor).

#### Leases Receivable

The Districts have entered into 60 lease agreements as the lessor for land, buildings, parking spaces, and telecommunications; 20 of which qualified under GASB 87. The receivable related to these leases was initially recognized on July 1, 2021. Nine of the leases are related to land, two for buildings, five for parking spaces, and four for telecommunications.

Fiscal year ending June 30:	Leases Receivable		
	Principal	Interest	Total
2023	\$ 4,448,673	634,480	5,083,153
2024	4,359,633	601,295	4,960,928
2025	4,229,388	569,347	4,798,735
2026	4,002,430	538,175	4,540,605
2027	3,826,022	509,231	4,335,253
2028-2032	17,985,489	2,130,463	20,115,952
2033-2037	12,193,573	1,524,328	13,717,901
2038-2042	6,052,361	1,227,557	7,279,918
2043-2047	6,000,515	1,005,066	7,005,581
2048-2052	6,201,896	776,848	6,978,744
2053 and thereafter	17,622,945	978,775	18,601,720
	<u>\$ 86,922,925</u>	<u>10,495,565</u>	<u>97,418,490</u>

#### Exclusions

Out of the 60 agreements in which the Districts act as the lessor, 20 are qualified leases under GASB 87. The 40 remaining agreements that are not qualified under GASB 87 are either short-term in nature or outside the scope of the standards. The \$1.7 million FY 2022 revenue from the non-qualified lease agreements have not been recognized and measured as part of the Districts' leases receivable. The receipts related to these agreements are recognized as revenue as appropriate under generally accepted accounting revenue recognition rules.

## LOS ANGELES COUNTY SANITATION DISTRICTS

### Notes to Basic Financial Statements, Continued

#### Leases Payable

The Districts have entered into 17 lease agreements as the lessee for land, buildings, and equipment, two of which qualified under GASB 87. The payable related to these leases was initially recognized on July 1, 2021. Both leases are related to land. These leases cover various period ranges and the payments for the current fiscal year range from \$70,734 to \$134,275.

Fiscal year ending June 30:	Leases Payable		
	Principal	Interest	Total
2023	\$ 174,846	36,288	211,134
2024	178,896	34,967	213,863
2025	183,030	33,616	216,646
2026	187,260	32,234	219,494
2027	191,591	30,819	222,410
2028-2032	1,012,101	131,936	1,144,037
2033-2037	1,115,525	92,241	1,207,766
2038-2042	1,228,236	48,513	1,276,749
2043-2047	467,440	14,413	481,853
2048-2050	195,807	2,019	197,826
	<u>\$ 4,934,732</u>	<u>457,046</u>	<u>5,391,778</u>

#### Exclusions

Out of the 17 agreements in which the Districts act as the lessee, two are qualified leases under GASB 87. The 15 remaining agreements that are not GASB 87 qualified are either short-term in nature or outside the scope of the standards. The \$7.3 million FY 2022 expense from non-qualified lease agreements have not been recognized and measured as part of the Districts' leases payable. The payments related to these agreements are recognized as expense as appropriate under generally accepted accounting expense recognition rules.

#### (8) Long-Term Debt

##### Revenue Bonds-Other Debt

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 wastewater system of District No. 20 by prepaying in full District No. 20's outstanding Clean Water State Revolving Fund Loans and pay costs of issuance. These bonds mature in varying amounts on October 1 in the years 2017 through 2042 at

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Notes to Basic Financial Statements, Continued

coupon rates ranging from 3.0% to 5.0%. The 2016A Bonds are rated A+ by Standard & Poor's and AA- by Fitch Ratings.

In September 2021, the Authority issued \$41,645,000 of 2021 Series A Capital Projects District No. 14 Revenue Bonds (2021 Series A Bonds). The proceeds of the 2021 Series A Bonds are used to prepay four District No. 14 loans from the California State Water Resources Control Board and pay costs of issuance. These serial bonds mature in varying amounts on October 1 in the years 2022 through 2031 at the coupon rate of 5.0%. The 2021A Bonds are rated AA by Standard & Poor and Fitch Ratings.

In April 2022, the Authority issued \$89,900,000 of 2022 Series A Revenue Bonds (2022 Series A Bonds). The proceeds of the 2022 Series A Bonds are used to prepay eight Joint Outfall loans with the California Water Resources Control Board and pay costs of issuance. These serial bonds mature in varying amounts on October 1 in the years 2022 through 2032 at the coupon rate of 5.0%. The 2022A Bonds are rated AAA by Standard & Poor.

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.

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.

### Total Bond Indebtedness

The Districts' bond indebtedness is summarized as follows:

	Balance at June 30, 2021	Additions	Redemptions	Balance at June 30, 2022	Due Within One Year
2008 Series A Direct Placement	\$ 1,404,399	-	(1,404,399)	-	-
2015 Series A Revenue Bonds	129,760,000	-	(3,600,000)	126,160,000	3,785,000
2016 Series A Revenue Bonds	156,865,000	-	(4,045,000)	152,820,000	4,290,000
2021 Series A Revenue Bonds	-	41,645,000	-	41,645,000	1,600,000
2022 Series A Revenue Bonds	-	89,900,000	-	89,900,000	6,475,000
	\$ 288,029,399	131,545,000	(9,049,399)	410,525,000	16,150,000
Plus unamortized premium	24,471,057	26,523,827	(5,354,276)	45,640,608	-
Bonds payable, net	\$ 312,500,456	158,068,827	(14,403,675)	456,165,608	16,150,000

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Notes to Basic Financial Statements, Continued

### Total Bond Debt Outstanding

The annual requirements to satisfy all bond debt outstanding as of June 30, 2022, are as follows:

Fiscal year ending June 30:	Revenue Bonds	
	Interest	Principal
2023	\$ 19,140,577	16,150,000
2024	18,321,494	19,610,000
2025	17,301,994	21,170,000
2026	16,216,744	22,240,000
2027	15,076,494	23,370,000
2028-2032	55,648,344	137,845,000
2033-2037	22,797,472	111,425,000
2038-2042	7,103,500	47,925,000
2043	215,800	10,790,000
	\$ 171,822,419	410,525,000
Unamortized premium	-	45,640,608
Bonds payable, net	\$ 171,822,419	456,165,608

### 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 1.4% to 2.4%. These loan funds are received on an installment basis as the Districts incur the related expenses 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 and operating 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, 2022, undrawn credit of \$28,085,629 was available for the Santa Clarita Valley Ultraviolet Disinfection and Advanced Water Treatment project loans.



# LOS ANGELES COUNTY SANITATION DISTRICTS

## Notes to Basic Financial Statements, Continued

Loan activity for the fiscal year is summarized as follows:

Description	Balance at July 1, 2021	Drawdowns/ Capitalized Interest	Redemptions	Balance at June 30, 2022	Due Within One Year
Alamitos Pumping Plant Force Main No. 2	\$ 616,370	-	616,370	-	-
Biological Reactors/Secondary Clarifiers	12,548,648	-	12,548,648	-	-
Central Odor Control System	2,296,398	-	2,296,398	-	-
Cryogenic Oxygen Generation	2,402,578	-	2,402,578	-	-
Digestion Tanks 17-23	7,975,849	-	7,975,849	-	-
Environmental Laboratory Building	1,445,602	-	1,445,602	-	-
Fuel Gas Compressor Upgrade	73,628	-	73,628	-	-
Heat Recovery Steam Generation Equipment	1,301,743	-	1,301,743	-	-
High-Speed Scroll Centrifuges Purch & Install	929,182	-	929,182	-	-
Install of Secondary Infl Pumping Equip Stg II	324,511	-	324,511	-	-
Installation of Secondary Influent Pumping Equip	475,870	-	475,870	-	-
JO "A" Unit 1A - Dist 5 Interceptor Trunk Sewer	9,718,120	-	9,718,120	-	-
JO "A" Unit 6 Rehabilitation	11,254,286	-	11,254,286	-	-
JO "B" Unit 1A Rehabilitation	9,485,907	-	9,485,907	-	-
JO "D" Units 7&8 Rehabilitation	8,129,307	-	8,129,307	-	-
Lancaster - Rosamond Outfall & TS, Phase 1	2,479,990	-	2,479,990	-	-
Lancaster - Rosamond Outfall & TS, Phase 2	4,308,871	-	4,308,871	-	-
Lancaster - Rosamond Outfall & TS, Phase 3	3,952,603	-	3,952,603	-	-
Lancaster WRP Stage V Expansion	46,533,288	-	46,533,288	-	-
Long Beach Main PP Facility Upgrades	37,568,480	-	37,568,480	-	-
Long Beach WRP Aeration System	46,064	-	46,064	-	-
Long Beach WRP Ammonia Addition Station	156,413	-	156,413	-	-
Long Beach WRP NDN Facilities	1,663,085	-	1,663,085	-	-
Long Beach WRP NDN Facilities Equip. Purch.	67,262	-	67,262	-	-
Los Coyotes WRP Ammonia Addition Station	226,613	-	226,613	-	-
Los Coyotes WRP Interceptor Sewer Rehab Phase	7,052,721	-	7,052,721	-	-
Los Coyotes WRP NDN Facilities	6,138,587	-	6,138,587	-	-
Modification of Biological Reactors	6,579,361	-	6,579,361	-	-
Modifications of Electrical Power	407,382	-	407,382	-	-
Pomona WRP NDN Facilities	924,663	-	924,663	-	-
Pomona WRP NDN Facilities Equip. Purch.	34,241	-	34,241	-	-
Power Generation Equipment Purchase	1,304,490	-	1,304,490	-	-
Power Generation Steam Turbine Generator	969,976	-	969,976	-	-
Primary Screenings and Grit Dewatering Fac.	1,172,345	-	1,172,345	-	-
Primary Tank Covers	228,989	-	228,989	-	-
Purch of Secondary Infl Pump Station Equip	2,190,957	-	2,190,957	-	-
Relocating and Installing High-Speed Centrifuge	210,905	-	210,905	-	-
San Jose Creek East Flow Equalization	23,172,914	2,844,224	26,017,138	-	-
San Jose Creek WRP NDN Fac. Equip Purch	307,272	-	307,272	-	-
San Jose Creek WRP NDN Facilities	2,089,184	-	2,089,184	-	-
Santa Clarita U. V. Disinfection	-	17,962,810	-	17,962,810	-
Santa Clarita Advanced Water Treatment Facility	-	84,563,938	-	84,563,938	-
Saugus WRP Equipment Purchases	356,519	-	89,130	267,389	89,130
Secondary Effluent Pumps	151,820	-	151,820	-	-
Silo Odor Control Facilities, Phase I	1,042,133	-	1,042,133	-	-
Silo Odor Control Facilities, Phase II	818,844	-	818,844	-	-

(continued on following page)

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Notes to Basic Financial Statements, Continued

Description	Balance at July 1, 2021	Drawdowns/ Capitalized Interest	Redemptions	Balance at June 30, 2022	Due Within One Year
Valencia WRP Stage V Expansion	\$ 141,026	-	70,514	70,512	70,512
Valencia WRP Stage V	6,983,208	-	2,327,736	4,655,472	2,327,736
Valencia WRP Steam Boiler Upgrade	3,017,032	-	209,338	2,807,694	212,898
Waste Activated Sludge Thickening Expansion	419,105	-	419,105	-	-
Whittier Narrows WRP NDN Facilities	1,944,226	-	1,944,226	-	-
Wright Road Trunk Sewer Repair	359,545	-	359,545	-	-
	<u>233,998,113</u>	<u>105,370,972</u>	<u>229,041,270</u>	<u>110,327,815</u>	<u>2,700,276</u>
Less unamortized discount	<u>(7,806,798)</u>	<u>-</u>	<u>6,974,552</u>	<u>(832,246)</u>	<u>-</u>
Loans payable to State, net	<u>\$ 226,191,315</u>	<u>105,370,972</u>	<u>236,015,822</u>	<u>109,495,569</u>	<u>2,700,276</u>

The annual debt service requirements as of June 30, 2022, for the Districts' indebtedness to the State are as follows:

Fiscal year ending June 30:	Interest	Principal	Total
2023	\$ 462,302	2,700,276	3,162,578
2024	1,882,994	5,412,073	7,295,067
2025	1,454,914	3,124,453	4,579,367
2026	1,393,748	3,081,633	4,475,381
2027	1,349,934	3,125,448	4,475,382
2028-2032	6,074,354	16,302,554	22,376,908
2033-2037	4,895,933	16,699,094	21,595,027
2038-2042	3,714,357	17,359,415	21,073,772
2043-2047	2,464,155	18,609,618	21,073,773
2048-2052	1,123,959	19,949,814	21,073,773
2053-2057	55,613	3,963,437	4,019,050
	<u>\$ 24,872,263</u>	<u>110,327,815</u>	<u>135,200,078</u>
Unamortized discount	<u>-</u>	<u>(832,246)</u>	<u>(832,246)</u>
Loans payable to State, net	<u>\$ 24,872,263</u>	<u>109,495,569</u>	<u>134,367,832</u>

### (9) Insurance

The Districts are exposed to various risks of loss that are managed through a combination of insurance with deductibles, self-insurance, and employee education and prevention programs. Expenses 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.

## LOS ANGELES COUNTY SANITATION DISTRICTS

### Notes to Basic Financial Statements, Continued

The Districts are self-insured for workers' compensation benefits. As of June 30, 2022, the liability for workers' compensation claims was estimated at \$7,754,782. Accordingly, this amount has been accrued in the accompanying basic financial statements. At June 30, 2022, there were no reportable claims other than workers' compensation benefits as follows:

	2022	2021
Unpaid claims, beginning of fiscal year	\$ 9,202,552	9,423,976
Incurred claims	440,330 *	1,779,229
Claim payments	(1,888,100)	(2,000,653)
Unpaid claims, end of fiscal year	\$ 7,754,782	9,202,552
Due within one year	\$ 1,939,098	2,300,593

\*Includes both new claims and change in estimated liability for existing claims.

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, 2022:

Type of Insurance	Limits
Property Policy - (Fire and Theft)	
Building and Business Personal - Blanket	\$532,369,582
Deluxe Business Income & Extra Expense	10,000,000
Property Policy - (Fire and Theft) CALF/Saugus	\$20,000,000
Building and Business Personal - Blanket	
Property Policy - (Fire and Theft) Valencia	
Building and Business Personal - Blanket	\$5,000,000
Valencia Excess Property 1st layer	\$5,000,000 excess of \$5,000,000
Valencia Excess Property 2nd layer	\$5,000,000 per occurrence) excess of \$10,000,000
Valencia Excess Property 3rd layer	\$5,888,664 in excess of \$15,000,000
Pollution Legal Liability	\$5,000,000
General Liability - IERCF	\$1,000,000
Gap Coverage	\$4,000,000 excess of \$1,000,000
Automobile Liability	\$1,000,000
	656 Units @ \$1,061.24

## LOS ANGELES COUNTY SANITATION DISTRICTS

### Notes to Basic Financial Statements, Continued

Type of Insurance	Limits
All Risk - (Boiler and Machinery)	
PERG, Total Energy	\$100,000,000
Property Damage & Business Interruption	\$100,000,000
Deductible - All Turbine Generators at PERG	
Sub Limits:	\$176,454,270
Business Interruption	14,173,270
Extra Expense	22,300,000
Extra Expense	5,000,000
Hull and Machinery - (Vessel Liability)	
66' Westport	\$500,000
25' Farallon	\$45,000
Boston Whaler	\$2,500
Protection and Indemnity	\$1,000,000
Excess Protection and Indemnity	\$9,000,000 excess of \$1,000,000
Fiduciary Liability - (Deferred Comp. Program)	\$1,000,000
Crime Policy - (Employee Theft)	\$5,000,000
Excess Liability - (General Liability)	\$10,000,000 \$5,000,000 excess of \$15,000,000
Property Insurance - <b>IERCF</b>	50% of \$50,000,000 50% of \$50,000,000 \$20,000,000 excess of \$50,000,000

#### (10) Litigation

The Districts are defendants in various litigation matters arising from the normal conduct of business. Among these matters, Westlake Farms vs County Sanitation District No. 2 of Los Angeles County (Westlake) was heard by a jury in San Luis Obispo Superior Court in September and October of 2021. A preliminary verdict was rendered and settlement proposals from all parties were heard by the court in December 2021. The plaintiffs in this case seek monetary damages up to \$88 million and were awarded \$36.7 million. In July 2022, the Districts filed an appeal of the decision and are seeking a new trial. In August 2022, Westlake filed a cross-appeal. The Districts has vigorously defended the Westlake matter and intends to continue. The Districts have accrued a claim liability for the amount awarded.

Another matter is Kaanaana vs Barrett Business Services, Inc. (BBSI), a class action suit, which BBSI claims the Districts should be responsible for some, if not all, of the settlement damages to Kaanaana. During mediation in December 2021, the Districts have agreed to be responsible for \$3.2 million of the \$4.9 million settlement, which is still awaiting the court's approval. The Districts have accrued a liability for the amount agreed upon.

It is the opinion of the Districts' legal counsel that the resolution of all other litigation matters, are not likely to have a material adverse effect on the Districts' overall financial condition.

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Notes to Basic Financial Statements, Continued

### (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 statements and required supplementary information. That report may be obtained from the CalPERS website at [www.calpers.ca.gov](http://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, 2022, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5-years service	5-years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.4% to 2.4%	1.0% to 2.5%
Required employee contribution rates	7.00% <sup>(1)</sup>	7.00%

The required employer blended contribution rate for fiscal year 2021-2022 was 8.90%

<sup>(1)</sup> Employees hired prior to January 1, 2013, are required to contribute 1/2% of their total CalPERS reportable compensation toward the unfunded accrued liability (UAL) if the District's employer CalPERS cost, as a percentage of payroll, is 25% or greater. If the cost is 30% or greater, the contribution rate will be 1%.

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Notes to Basic Financial Statements, Continued

### Employees Covered

The following employees were covered by the benefit terms for each Plan as of June 30, 2021, the date of the latest actuarial valuation:

Inactive employees or beneficiaries currently receiving benefits	1,779
Inactive employees or beneficiaries entitled to but not yet receiving benefits	509
Active employees not receiving benefits	<u>1,626</u>
	<u>3,914</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.

### 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, 2021, using an annual actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021, 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, 2020
Measurement date	June 30, 2021
Actuarial cost method	Entry-age Normal Cost Method
Actuarial assumptions	
Discount rate	7.15%
Inflation	2.50% per annum
Projected salary increases	Varies by entry age and service
Mortality	Derived by using CalPERS membership data for all funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2020, 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.

## LOS ANGELES COUNTY SANITATION DISTRICTS

### Notes to Basic Financial Statements, Continued

#### 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 considered 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.

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

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10 (a)</u>	<u>Real Return Years 11+ (b)</u>
Public Equity	50%	4.80%	5.98%
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

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Notes to Basic Financial Statements, Continued

### Changes in the Net Pension Liability

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

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability/(Asset)</u>
Balance at June 30, 2021 <sup>(1)</sup>	\$ 1,887,033,297	1,448,694,082	438,339,215
Changes in the year:			
Service cost	26,375,670	-	26,375,670
Administrative expenses	-	(1,447,157)	1,447,157
Interest on the total pension liability	134,132,057	-	134,132,057
Difference between expected and actual experience	24,053,668	-	24,053,668
Changes in assumptions	-	-	-
Contributions-employer	-	45,869,268	(45,869,268)
Contributions-employee (paid by employer)	-	12,226,456	(12,226,456)
Net investment income	-	324,359,831	(324,359,831)
Other miscellaneous income/(expense)	-	-	-
Benefit payments, including refunds	<u>(96,603,950)</u>	<u>(96,603,950)</u>	<u>-</u>
Net Changes	<u>87,957,445</u>	<u>284,404,448</u>	<u>(196,447,003)</u>
Balance at June 30, 2022 <sup>(2)</sup>	<u>\$ 1,974,990,742</u>	<u>1,733,098,530</u>	<u>241,892,212</u>

<sup>(1)</sup> Measurement date June 30, 2020

<sup>(2)</sup> Measurement date June 30, 2021

### 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 and using a discount rate 1% lower and 1% higher than the current rate.

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Discount Rate	6.15%	7.15%	8.15%
Net pension liability \$	492,252,073	241,892,212	33,351,622

### Pension Plan Fiduciary Net Position

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



# LOS ANGELES COUNTY SANITATION DISTRICTS

## Notes to Basic Financial Statements, Continued

### Pension Expenses and Deferred Outflow/Inflow of Resources

For the fiscal year ended June 30, 2022, the Districts recognized pension expense of \$1,567,875. At June 30, 2022, 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	\$ 369,673,561	-
Changes in assumptions	-	(719,822)
Difference between expected and actual experiences	19,324,564	(1,229,928)
Net difference between projected and actual pension plan investments	-	(160,788,299)
<b>Total</b>	<b>\$ 388,998,125</b>	<b>(162,738,049)</b>

Deferred outflow of resources of \$369,673,561 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, 2023. 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
2023	\$ (36,314,358)
2024	(31,363,845)
2025	(32,952,911)
2026	(42,782,371)
<b>Total</b>	<b>\$ (143,413,485)</b>

### 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, 2022.

## (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-

## LOS ANGELES COUNTY SANITATION DISTRICTS

### Notes to Basic Financial Statements, Continued

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 website at [www.calpers.ca.gov](http://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), who 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>
2021	\$ 669.84	\$ 1,649.00
2022	\$ 719.78	\$ 1,758.83

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 of 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>
2021	\$ 798.00	\$ 1,519.00	\$ 1,937.00
2022	\$ 816.00	\$ 1,548.00	\$ 1,983.00

The Districts pay dental premiums up to \$31.03 monthly.

#### Employees Covered

The following employees were covered by the benefit terms for each Plan as of June 30, 2021, the date of the latest actuarial valuation:

Inactive employees or beneficiaries currently receiving benefits	1,453
Inactive employees or beneficiaries entitled to but not yet receiving benefits	67
Active employees not receiving benefits	<u>1,626</u>
	<u><u>3,146</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, 2022, the Districts total employer contribution to the plan was \$23,598,510.

#### Net OPEB Liability

The Districts' net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. A

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Notes to Basic Financial Statements, Continued

summary of principal assumptions and methods used to determine the net OPEB liability is shown below.

### Actuarial assumptions

Discount rate	6.25%
Inflation	2.50% per annum
Aggregate payroll increases	2.75%
Expected long-term investment rate of return	6.75%, net of investment expenses
Mortality, termination, and disability	CalPERS 2000-2019 Experience Study
Mortality improvement scale	Mortality projected fully generational with Scale MP-2021
Healthcare trend rate	Non-Medicare-6.50% in 2023, decreasing to 3.75% in 2076 Medicare (non-Kaiser)-5.65% in 2023, decreasing to 3.75% in 2076 Medicare (Kaiser)-4.60% in 2023, decreasing to 3.75% in 2076

### Discount Rate and Rate of Return

The discount rate used to measure the total OPEB liability was 6.25%. 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 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	59%	4.56%
Fixed income	25%	0.78%
TIPS	5%	-0.08%
Commodities	3%	1.22%
REITs	8%	4.06%
Assumed long-term rate of inflation		2.50%
Expected long-term net rate of return, rounded		6.25%

## LOS ANGELES COUNTY SANITATION DISTRICTS

### Notes to Basic Financial Statements, Continued

#### Changes in the Net OPEB Liability

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

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability/(Asset)</u>
Balance at June 30, 2021 <sup>(1)</sup>	\$ 408,773,425	217,892,851	190,880,574
Changes in the year:			
Service cost	10,515,268	-	10,515,268
Administrative expenses	-	(117,360)	117,360
Interest on the total OPEB liability	27,729,993	-	27,729,993
Difference between expected and actual experience	(37,627,881)	-	(37,627,881)
Changes in assumptions	(21,866,183)	-	(21,866,183)
Contributions-employer	-	23,724,750	(23,724,750)
Net investment income	-	60,634,924	(60,634,924)
Benefit payments, including refunds	(16,947,960)	(16,947,960)	-
Net Changes	<u>(38,196,763)</u>	<u>67,294,354</u>	<u>(105,491,117)</u>
Balance at June 30, 2022 <sup>(2)</sup>	<u>\$ 370,576,662</u>	<u>285,187,205</u>	<u>85,389,457</u>

<sup>(1)</sup> Measurement date June 30, 2020

<sup>(2)</sup> Measurement date June 30, 2021

#### 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	5.25%	6.25%	7.25%
Net OPEB liability	\$ 134,708,619	85,389,457	44,556,525

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

The healthcare trend rates used to calculate the total OPEB liability were 5.65% for Medicare and 6.5% for non-Medicare in 2023, with both decreasing to an ultimate rate of 3.75% in 2076. The following presents the net OPEB liability of the Districts calculated using the current healthcare trend rates, 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	\$ 40,178,920	85,389,457	141,148,761

## LOS ANGELES COUNTY SANITATION DISTRICTS

### Notes to Basic Financial Statements, Continued

#### 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 Income/Expense and Deferred Outflow/Inflow of Resources

For the fiscal year ended June 30, 2022, the Districts recognized OPEB income of \$3,796,139. At June 30, 2022, the Districts reported deferred outflow of resources and deferred inflow of resources related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
OPEB contributions subsequent to measurement date	\$ 23,598,510	-
Changes in assumptions	-	22,617,396
Difference between expected and actual experiences	-	49,221,892
Net difference between projected and actual OPEB plan investments	-	32,711,035
<b>Total</b>	<b>\$ 23,598,510</b>	<b>104,550,323</b>

Deferred outflow of resources of \$23,598,510 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, 2023. 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
2023	\$ (26,145,893)
2024	(25,775,519)
2025	(24,326,598)
2026	(19,226,951)
2027	(9,075,362)
<b>Total</b>	<b>\$ (104,550,323)</b>

#### (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 plan contribution limit is determined annually by the IRS and is \$20,500 for calendar year 2022.

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Notes to Basic Financial Statements, Continued

At June 30, 2022, assets with a fair value of \$376,983,994 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, 2022, were as follows:

	Balance at July 1, 2021	Earned	Taken	Balance at June 30, 2022	Due Within One Year
\$	46,220,467	30,269,816	30,042,322	46,447,960	30,000,000

### (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, 2022:

	Payable/(Receivable) - Due From/(To) Service Operations for:						
	Advance Subsequent Month's Operations	Unsettled Earned Income	Unsettled Salaries and Benefits	Advance for Equipment Purchases	UAL Paydown	Unsettled Payment Corrections	Total Due From
Receivable/(Payable) - Due To (From):							
Wastewater Operations	\$ 24,508,098	388,617	405,545	7,077,480	-	477,763	32,857,503
Stormwater Operations	4,440	-	(4,975)	-	-	-	(535)
Solid Waste Facilities Operations	2,376,152	-	397,754	47,110	320,000,000	(3,098,854)	319,722,162
Trustee Solid Waste Facilities Operations	1,317,110	-	72,957	25,410	-	(204,179)	1,211,298
Total Payable/(Receivable) from Service Operations	\$ 28,205,800	388,617	871,281	7,150,000	320,000,000	(2,825,270)	353,790,428

#### (B) Fund Transfers

The interdistrict fund transfers have been eliminated in the accompanying basic financial statements. Fund transfers are made to facilitate operations and fund capital improvements for shared operations. The following summarized interdistrict fund transfers, which have been included in the Districts' combining financial statements, at June 30, 2022:

	Transfers In:				
	Wastewater Operations	Stormwater Operations	Solid Waste Facilities Operations	Trustee Solid Waste Facilities Operations	Net Transfers Out
Transfers Out:					
Service Operations	\$ 313,159,342	2,936	51,312,996	28,897,595	393,372,869
Net Transfer In	\$ 313,159,342	2,936	51,312,996	28,897,595	393,372,869

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Notes to Basic Financial Statements, Continued

### (16) Commitments and Contingencies

#### (A) Palos Verdes Landfill

The Palos Verdes Landfill discontinued accepting refuse material in December 1980 and is being maintained by the Districts under the terms of the long-term agreement with the County of Los Angeles.

#### (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

The Districts operate and maintain the Calabasas Landfill on behalf of the County of Los Angeles. Calabasas Landfill operations are funded from landfill revenues. 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. Both parties have agreed that the Districts will not incur any expense of its own in operating and maintaining the landfill. The County intends to construct, operate, and maintain park and recreational facilities upon the property when it is no longer needed for refuse disposal purposes.

#### (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. There are currently thirty-seven active contract awards totaling \$1,008,193,905. Construction project funds are loans from the State Water Resources Control Board, revenue bonds, and Districts' operating funds. The most two significant projects are JWPCP Effluent Outfall Tunnel and Valencia WRP Advanced Water Treatment Facility.

The JWPCP Effluent Outfall Tunnel contract amount is \$630,500,000 and is 35% completed. The Valencia WRP Advanced Water Treatment Facility contract amount is \$87,357,000 and is 90% completed.

### (17) Joint Ventures

The Districts have entered into three agreements that formed the basis of the following authorities: (1) the Southern California Coastal Water Research Project Authority (SCCWRPA); (2) the Southeast

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Notes to Basic Financial Statements, Continued

Resource Recovery Facility Authority (SERRF); and (3) 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, 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 sponsoring participants in this agreement are the Los Angeles County Sanitation Districts, the City of Los Angeles, the Orange County Sanitation District, and the City of San Diego. 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) 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 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 expenses (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. The SERRF financial activity is included in the non-major proprietary fund titled *Solid Waste Management* in the financial statements of the City of Long Beach.

### (C) 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.



## LOS ANGELES COUNTY SANITATION DISTRICTS

### Notes to Basic Financial Statements, Continued

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

	IERCA 6/30/2021 Audited	SCCWRPA 6/30/2021 Audited	City of Long Beach Solid Waste Management (including SERRF) 9/30/2021 Audited
Total assets	\$ 81,849	6,822	44,072
Total deferred outflows of resources	-	-	2,281
Other liabilities	1,488	1,648	17,584
Bonds payable	-	-	-
Total liabilities	\$ 1,488	1,648	17,584
Total deferred inflows of resources	-	-	7,559
Districts' investment	40,180	-	-
Other	40,181	5,174	21,210
Total net position	\$ 80,361	5,174	21,210
Operating revenues	\$ 9,217	10,092	82,722
Operating expenses	(12,020)	(9,797)	(77,342)
Nonoperating revenues (expenses)	(2)	5	(38)
Capital contribution revenue (expense)	500	-	-
Transfers in/(out)	-	-	(307)
Prior period adjustment	200	-	-
Change in net position	\$ (2,105)	300	5,035

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

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, 2022, contributions of approximately \$76 million are held in restricted funds by Scholl Canyon Landfill and Calabasas Landfill for these purposes. Postclosure costs for the Puente Hills Landfill and Spadra Landfill are funded by annual contributions from Districts that are participants in the Sanitation Districts Solid Waste Management System Agreement, pursuant to a Pledge of Revenue Agreement between the Districts and CalRecycle.

## LOS ANGELES COUNTY SANITATION DISTRICTS

### Notes to Basic Financial Statements, Continued

At June 30, 2022, the Districts reported a closure and postclosure care liability of \$487,683,893, which represents the cumulative amount reported to date based on the use of estimated capacity of the landfill sites as follows:

Landfills	Estimated Remaining Closure/ Postclosure Costs	Total Estimated Capacity (Tons in Millions)	Percentage of Capacity Used to Date	Closure/ Postclosure Liability Balance at July 1, 2021	Change in Estimated Closure/ Postclosure Cost	Closure/ Postclosure Costs Applied to Liability	Closure/ Postclosure Liability Balance at June 30, 2022
Trustee Landfills							
Calabasas	\$ 93,320,556	32.20	86.65%	77,018,179	3,840,315	-	80,858,494
Scholl Canyon	16,248,129	34.00	95.88%	11,928,513	3,650,575	-	15,579,088
Total Trustee Landfills	<u>109,568,685</u>			<u>88,946,692</u>	<u>7,490,890</u>	<u>-</u>	<u>96,437,582</u>
Districts' Landfills							
Puente Hills	334,852,545	142.05	100.00%	321,698,886	21,408,891	(8,255,232)	334,852,545
Spadra	56,393,766	17.19	100.00%	54,543,927	4,489,045	(2,639,206)	56,393,766
Total Districts' Landfills	<u>391,246,311</u>			<u>376,242,813</u>	<u>25,897,936</u>	<u>(10,894,438)</u>	<u>391,246,311</u>
Total all sites	<u>\$ 500,814,996</u>			<u>465,189,505</u>	<u>33,388,826</u>	<u>(10,894,438)</u>	<u>487,683,893</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, 2022. Actual costs may be higher due to inflation, changes in technology, or changes in regulation. The current postclosure maintenance cost liability due within one year is \$12,367,000 for Puente Hills, and \$3,795,000 for Spadra. The Palos Verdes Landfill has been closed since 1980. The County of Los Angeles is responsible for the site postclosure care and has contracted with the Districts to perform these services at no cost to the Districts.

#### (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:

	Balance at June 30, 2021	Additions or Adjustments	Payments Current Year	Balance at June 30, 2022	Due Within One Year
\$	20,000,000	32,167	(32,167)	20,000,000	3,500,000

During fiscal year 2021-2022, the Districts retained a technical consultant to evaluate remedial technologies and implement the Remedial Action Plan to address contamination in deeper soils and groundwater. The consultant oversaw additional soil and groundwater sampling, laboratory testing of remedial technologies, and developed a summary report of their findings for submittal to the Regional Water Quality Control Board (RWQCB). Additional work is required, pending approval of the report by the RWQCB, to implement the selected remedial technology, monitor the site, and return the land

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Notes to Basic Financial Statements, Continued

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.

### (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, 2021, from amounts previously reported as detailed below:

	Increase/ (Decrease) in Net Position	Prior-Period Adjustment
\$	1,480,245	Correction to previously recognized gain/loss from joint venture.
	339,877	Correction to previously recognized OPEB entries for program payments.
	(115,000)	Correction to amounts held for contract deposits.
	<u>(3,991,788)</u>	Correction to previously recognized operating expenses.
\$	<u><u>(2,286,666)</u></u>	

**LOS ANGELES COUNTY SANITATION DISTRICTS**

Required Supplementary Information

June 30, 2022

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

Measurement Period	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
<b>Total Pension Liability</b>								
Service Cost	\$ 26,375,670	25,258,197	24,608,396	24,400,248	24,204,172	21,537,967	22,319,935	23,304,566
Interest	134,132,057	128,130,878	123,796,546	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	24,053,668	(115,510)	2,860,402	(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	(96,603,950)	(91,533,867)	(84,454,739)	(78,714,273)	(73,905,142)	(68,412,261)	(63,161,978)	(55,255,873)
<b>Net Changes in Total Pension Liability</b>	<b>87,957,445</b>	<b>61,739,698</b>	<b>66,810,605</b>	<b>37,778,896</b>	<b>133,491,562</b>	<b>52,369,230</b>	<b>32,028,768</b>	<b>74,010,799</b>
<b>Total Pension Liability, Beginning</b>	<b>1,887,033,297</b>	<b>1,825,293,599</b>	<b>1,758,482,994</b>	<b>1,720,704,098</b>	<b>1,587,212,536</b>	<b>1,534,843,306</b>	<b>1,502,814,538</b>	<b>1,428,803,739</b>
<b>Total Pension Liability, Ending (a)</b>	<b>\$ 1,974,990,742</b>	<b>1,887,033,297</b>	<b>1,825,293,599</b>	<b>1,758,482,994</b>	<b>1,720,704,098</b>	<b>1,587,212,536</b>	<b>1,534,843,306</b>	<b>1,502,814,538</b>
<b>Plan Fiduciary Net Position</b>								
Contribution-Employer	\$ 45,869,268	41,493,975	34,883,099	29,347,050	26,848,459	24,285,923	21,082,283	20,091,038
Contribution-Employee	12,226,456	11,564,538	11,327,002	11,175,795	11,300,541	11,387,270	11,456,578	12,344,493
Net Investment Income	324,359,831	70,283,946	89,308,730	109,161,181	134,988,348	6,422,215	28,129,212	187,477,208
Administrative Expenses	(1,447,157)	(2,000,281)	(976,802)	(2,031,552)	(1,780,853)	(751,740)	(1,381,953)	-
Benefits Payments, Including Refunds of Employee Contributions	(96,603,950)	(91,533,867)	(84,454,739)	(78,714,273)	(73,905,142)	(68,412,261)	(63,161,978)	(55,255,873)
Other Changes in Fiduciary Net Position	-	-	3,185	(3,861,137)	-	-	-	-
<b>Net Changes in Fiduciary Net Position</b>	<b>284,404,448</b>	<b>29,808,311</b>	<b>50,090,475</b>	<b>65,077,064</b>	<b>97,451,353</b>	<b>(27,068,593)</b>	<b>(3,875,858)</b>	<b>164,656,866</b>
<b>Plan Fiduciary Net Position, Beginning</b>	<b>1,448,694,082</b>	<b>1,418,885,771</b>	<b>1,368,795,296</b>	<b>1,303,718,232</b>	<b>1,206,266,879</b>	<b>1,233,335,472</b>	<b>1,237,211,330</b>	<b>1,072,554,464</b>
<b>Plan Fiduciary Net Position, Ending (b)</b>	<b>\$ 1,733,098,530</b>	<b>1,448,694,082</b>	<b>1,418,885,771</b>	<b>1,368,795,296</b>	<b>1,303,718,232</b>	<b>1,206,266,879</b>	<b>1,233,335,472</b>	<b>1,237,211,330</b>
<b>Plan Net Pension Liability/(Asset)-Ending (a)-(b)</b>	<b>\$ 241,892,212</b>	<b>438,339,215</b>	<b>406,407,828</b>	<b>389,687,698</b>	<b>416,985,866</b>	<b>380,945,657</b>	<b>301,507,834</b>	<b>265,603,208</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability Covered Payroll</b>	<b>87.75%</b>	<b>76.77%</b>	<b>77.73%</b>	<b>77.84%</b>	<b>75.77%</b>	<b>76.00%</b>	<b>80.36%</b>	<b>82.33%</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	<b>138.57%</b>	<b>264.31%</b>	<b>253.18%</b>	<b>242.55%</b>	<b>259.49%</b>	<b>236.46%</b>	<b>181.20%</b>	<b>158.75%</b>

<sup>1)</sup> The intent is to display information for the previous ten years. Additional years' information will be displayed as it becomes available.

## LOS ANGELES COUNTY SANITATION DISTRICTS

### Required Supplementary Information, Continued

#### Notes to Schedule

**Benefit Changes:** The amounts do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2020, valuation date.

**Assumption Changes:** None in 2019-2021. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65% to 7.15%. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on a 7.5% discount rate.

#### Schedule of Plan Contributions<sup>(1)</sup>

	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Actuarially Determined Contribution	\$ 49,673,565	45,869,913	41,493,975	34,883,099	29,347,050	26,848,459	24,285,923	21,082,283	20,091,038
Contributions in Relation to the									
Actuarially Determined Contribution	(369,673,565)	(45,869,913)	(41,493,975)	(34,883,099)	(29,387,862)	(26,848,459)	(24,285,923)	(21,082,283)	(20,091,038)
Contributions Deficiency (Excess)	\$ <u>(320,000,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,812)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered Payroll	\$ 181,968,324	174,557,708	165,845,023	160,524,436	160,665,356	160,696,932	161,103,800	166,392,842	167,309,687
Actuarially Determined Contributions as a Percentage of Covered Payroll	27.30%	26.28%	25.02%	21.73%	18.27%	16.71%	15.07%	12.67%	12.01%

<sup>(1)</sup> The intent is to display information for the previous ten years. Additional years' information will be displayed as it becomes available.

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Required Supplementary Information, Continued

### Notes to Schedule

The actuarial methods and assumptions used to set the actuarially determined contribution for fiscal year 2021-2022 were from the June 30, 2020, funding valuation report.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2018, Funding Valuation Report
Asset Valuation Method	Fair value of assets. For details, see June 30, 2018, Funding Valuation Report.
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	2.75%
Investment Rate of Return	7.00% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997-2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997-2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

## LOS ANGELES COUNTY SANITATION DISTRICTS

### Required Supplementary Information, Continued

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

Measurement Period	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
<b>Total OPEB Liability</b>					
Service Cost	\$ 10,515,268	10,208,395	9,666,245	9,384,704	9,112,000
Interest	27,729,993	26,375,707	28,036,717	26,652,278	25,347,000
Difference Between Expected and Actual Experience	(37,627,881)	-	(37,226,926)	-	-
Changes in Assumptions	(21,866,183)	-	(9,233,081)	-	-
Benefits Payments, Including Refunds of Employee Contributions	(16,947,960)	(16,706,986)	(16,078,323)	(15,538,305)	(15,240,000)
<b>Net Changes in Total OPEB Liability</b>	<b>(38,196,763)</b>	<b>19,877,116</b>	<b>(24,835,368)</b>	<b>20,498,677</b>	<b>19,219,000</b>
<b>Total OPEB Liability, Beginning</b>	<b>408,773,425</b>	<b>388,896,309</b>	<b>413,731,677</b>	<b>393,233,000</b>	<b>374,014,000</b>
<b>Total OPEB Liability, Ending (a)</b>	<b>\$ 370,576,662</b>	<b>408,773,425</b>	<b>388,896,309</b>	<b>413,731,677</b>	<b>393,233,000</b>
<b>Plan Fiduciary Net Position</b>					
Contribution-Employer	\$ 23,724,750	25,308,182	25,681,125	21,766,305	22,344,000
Contribution-Employee	-	-	-	-	-
Net Investment Income	60,634,924	7,364,480	11,739,879	12,939,641	15,137,000
Administrative Expenses	(117,360)	(135,852)	(68,514)	(301,781)	(77,000)
Benefits Payments, Including Refunds of Employee Contributions	(16,947,960)	(16,706,986)	(16,078,323)	(15,538,305)	(15,240,000)
<b>Net Changes in Fiduciary Net Position</b>	<b>67,294,354</b>	<b>15,829,824</b>	<b>21,274,167</b>	<b>18,865,860</b>	<b>22,164,000</b>
<b>Plan Fiduciary Net Position, Beginning</b>	<b>217,892,851</b>	<b>202,063,027</b>	<b>180,788,860</b>	<b>161,923,000</b>	<b>139,759,000</b>
<b>Plan Fiduciary Net Position, Ending (b)</b>	<b>\$ 285,187,205</b>	<b>217,892,851</b>	<b>202,063,027</b>	<b>180,788,860</b>	<b>161,923,000</b>
<b>Plan Net OPEB Liability/(Asset)-Ending (a)-(b)</b>	<b>\$ 85,389,457</b>	<b>190,880,574</b>	<b>186,833,282</b>	<b>232,942,817</b>	<b>231,310,000</b>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	76.96%	53.30%	51.96%	43.70%	41.18%
Covered Payroll	\$ 174,557,708	165,845,023	160,524,436	160,665,356	160,696,932
Plan Net OPEB Liability/(Asset) as a Percentage of Covered Payroll	48.92%	115.10%	116.39%	144.99%	143.94%

<sup>(1)</sup> The intent is to display information for the previous ten years. Additional years' information will be displayed as it becomes available.

## LOS ANGELES COUNTY SANITATION DISTRICTS

Required Supplementary Information, Continued

### Schedule of Other Postemployment Benefits Contributions

	<u>2021-2022</u>	<u>2020-2021</u>	<u>2019-2020</u>	<u>2018-2019</u>	<u>2017-2018</u>
Actuarially Determined Contribution	\$ 25,501,000	24,665,000	27,380,000	25,681,125	21,766,000
Contributions in Relation to the Actuarially Determined Contribution	<u>(23,598,510)</u>	<u>(23,384,874)</u>	<u>(25,308,182)</u>	<u>(25,681,125)</u>	<u>(21,766,000)</u>
Contributions Deficiency (Excess)	<u>\$ 1,902,490</u>	<u>1,280,126</u>	<u>2,071,818</u>	<u>-</u>	<u>-</u>
Covered Payroll	181,968,324	174,557,708	165,845,023	160,524,436	160,665,356
Contributions as a Percentage of Covered Payroll	12.97%	13.40%	15.26%	16.00%	13.55%

<sup>(1)</sup> The intent is to display information for the previous ten years. Additional years' information will be displayed as it becomes available.

### Notes to Schedule

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	Level percentage of payroll over 18-year fixed period for 2021-2022.
Asset Valuation Method	Investment gains and losses spread over a 5-year rolling period.
Inflation	2.75%
Discount Rate	6.75%
Medical Trend	Non-Medicare-7.25% for 2021, decreasing to 4.00% in 2076 Medicare-6.30% for 2021, decreasing to 4.00% in 2076
Mortality	The probabilities of retirement are based on the CalPERS Experience Study for the period from 1997-2015, with mortality improvements based on MP-2019 scale.



**Exhibit D-1**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Combining Schedule of Net Position**  
**June 30, 2022**

<b>Assets</b>	<u>Wastewater Operations</u>	<u>Stormwater Operations</u>	<u>Solid Waste Facilities Operations</u>	<u>Trustee Solid Waste Facilities Operations</u>	<u>Service Operations</u>	<u>Total</u>
<b>Current assets:</b>						
Unrestricted cash and cash equivalents:						
Cash in bank	\$ -	-	1,444,899	1,093,565	34,842,931	37,381,395
Cash on hand	-	-	27,963	10,976	12,317	51,256
Cash and cash equivalents	<u>587,531,986</u>	<u>1,575,138</u>	<u>63,763,079</u>	<u>61,607,923</u>	<u>29,089,176</u>	<u>743,567,302</u>
Total unrestricted cash and cash equivalents	<u>587,531,986</u>	<u>1,575,138</u>	<u>65,235,941</u>	<u>62,712,464</u>	<u>63,944,424</u>	<u>780,999,953</u>
Receivables:						
Accounts, net	23,137,948	50,000	9,572,815	3,694,013	898,553	37,353,329
Due from other funds (1)	56,552,050	-	320,313,761	1,229,252	148,702	378,243,765
Interest	3,664,126	34,130	1,239,120	235,933	287,360	5,460,669
Leases	2,257,559	-	2,191,114	-	-	4,448,673
Service charges	25,522,578	-	-	-	-	25,522,578
Taxes	8,782,416	-	-	-	-	8,782,416
Total receivables	<u>119,916,677</u>	<u>84,130</u>	<u>333,316,810</u>	<u>5,159,198</u>	<u>1,334,615</u>	<u>459,811,430</u>
Inventory	-	-	-	-	20,233,031	20,233,031
Restricted/designated cash and investments:						
Cash and cash equivalents	365,339,097	-	42,578,912	22,632,960	51,670,311	482,221,280
Specific investments	393,333,738	-	171,075,073	54,172,410	5,581,842	624,163,063
Bond proceeds with Trustee:						
Cash and cash equivalents	<u>30,559</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,559</u>
Total restricted/designated cash and investments	<u>758,703,394</u>	<u>-</u>	<u>213,653,985</u>	<u>76,805,370</u>	<u>57,252,153</u>	<u>1,106,414,902</u>
Other specific investments	<u>17,375,937</u>	<u>-</u>	<u>-</u>	<u>1,499,036</u>	<u>5,546,207</u>	<u>24,421,180</u>
Total current assets	<u>1,483,527,994</u>	<u>1,659,268</u>	<u>612,206,736</u>	<u>146,176,068</u>	<u>148,310,430</u>	<u>2,391,880,496</u>
Investment in joint ventures	40,180,332	-	-	-	-	40,180,332
Leases receivable	57,497,619	-	24,976,633	-	-	82,474,252
Other assets	99	-	75,000	-	16,929	92,028
<b>Capital assets:</b>						
Buildings & equipment	-	-	28,340,019	-	67,835,903	96,175,922
Improvements	-	-	369,176,074	180,747,785	-	549,923,859
Disposal rights	99,304,444	-	-	-	-	99,304,444
Equipment pool	-	-	-	22,725,106	54,538,465	77,263,571
Gas-to-energy facilities	-	-	209,102,484	16,557,233	-	225,659,717
Lease assets	5,105,350	-	-	-	-	5,105,350
Rail facilities	-	-	223,843,590	-	-	223,843,590
Recycling and transfer facilities	-	-	82,714,698	-	-	82,714,698
Treatment plants	2,232,336,687	-	-	-	-	2,232,336,687
Trunk lines	1,518,360,025	-	-	-	-	1,518,360,025
Use rights	770,580	-	64,003,525	5,005,531	-	69,779,636
Composting facilities	124,084,412	-	-	-	-	124,084,412
Other capital assets	16,949,199	-	729,821	61,907	41,049,886	58,790,813
Construction in progress	673,305,938	-	65,698,294	10,355,964	10,671,874	760,032,070
Land	160,146,835	-	54,884,982	5,482,200	592,901	221,106,918
Accumulated depreciation & amortization	<u>(1,702,109,441)</u>	<u>-</u>	<u>(517,712,676)</u>	<u>(190,854,722)</u>	<u>(90,600,446)</u>	<u>(2,501,277,285)</u>
Net capital assets	<u>3,128,254,029</u>	<u>-</u>	<u>580,780,811</u>	<u>50,081,004</u>	<u>84,088,583</u>	<u>3,843,204,427</u>
Total assets	<u>\$ 4,709,460,073</u>	<u>1,659,268</u>	<u>1,218,039,180</u>	<u>196,257,072</u>	<u>232,415,942</u>	<u>6,357,831,535</u>
<b>Deferred Outflow of Resources</b>						
Deferred loss on refunding	\$ 1,219,756	-	-	-	-	1,219,756
Deferred pension contribution	-	-	-	-	388,998,125	388,998,125
Other postemployment benefit deferral	-	-	-	-	23,598,510	23,598,510
Total deferred outflow of resources	<u>\$ 1,219,756</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>412,596,635</u>	<u>413,816,391</u>

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

(Continued on following page)

**Exhibit D-1-2**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Combining Schedule of Net Position**  
**June 30, 2022**

<b>Liabilities</b>	<b>Wastewater Operations</b>	<b>Stormwater Operations</b>	<b>Solid Waste Facilities Operations</b>	<b>Trustee Solid Waste Facilities Operations</b>	<b>Service Operations</b>	<b>Total</b>
<b>Current liabilities:</b>						
Accounts payable	\$ 47,446,223	-	5,880,827	8,899,322	18,120,615	80,346,987
Accrued employee absences	-	-	-	-	30,000,000	30,000,000
Amounts held for others	2,008,028	588,666	-	-	8,017,011	10,613,705
Bonds payable	16,150,000	-	-	-	-	16,150,000
Claims liabilities	36,660,000	-	3,150,000	-	1,939,098	41,749,098
Contractual obligations to other governments	-	-	7,333,333	-	-	7,333,333
Due to other funds (1)	23,694,547	535	591,599	17,954	353,939,130	378,243,765
Estimated liability for closure/postclosure care	-	-	16,162,000	-	-	16,162,000
Estimated liability for pollution remediation	3,500,000	-	-	-	-	3,500,000
Interest payable	4,886,520	-	-	-	-	4,886,520
Leases payable	174,846	-	-	-	-	174,846
Loans payable to State of California	2,700,276	-	-	-	-	2,700,276
Other	21,296	-	55,405	-	485,713	562,414
<b>Total current liabilities</b>	<b>137,241,736</b>	<b>589,201</b>	<b>33,173,164</b>	<b>8,917,276</b>	<b>412,501,567</b>	<b>592,422,944</b>
<b>Long-term liabilities:</b>						
Accrued employee absences	-	-	-	-	16,447,960	16,447,960
Bonds payable, net	440,015,608	-	-	-	-	440,015,608
Claims liabilities	-	-	-	-	5,815,684	5,815,684
Contractual obligations to other governments	-	-	27,333,333	363,413	-	27,696,746
Estimated liability for closure and postclosure care	-	-	375,084,311	96,437,582	-	471,521,893
Estimated liability for pollution remediation	16,500,000	-	-	-	-	16,500,000
Leases payable	4,759,886	-	-	-	-	4,759,886
Loans payable to State of California	106,795,293	-	-	-	-	106,795,293
Other postemployment benefits liability	-	-	-	-	85,389,457	85,389,457
Pension liability	-	-	-	-	241,892,212	241,892,212
<b>Total long-term liabilities</b>	<b>568,070,787</b>	<b>-</b>	<b>402,417,644</b>	<b>96,800,995</b>	<b>349,545,313</b>	<b>1,416,834,739</b>
<b>Total liabilities</b>	<b>\$ 705,312,523</b>	<b>589,201</b>	<b>435,590,808</b>	<b>105,718,271</b>	<b>762,046,880</b>	<b>2,009,257,683</b>
<b>Deferred Inflow of Resources</b>						
Lease deferrals	\$ 59,518,518	-	27,002,237	-	-	86,520,755
Other postemployment benefits deferrals	-	-	-	-	104,550,323	104,550,323
Pension deferrals	-	-	-	-	162,738,049	162,738,049
<b>Total deferred inflow of resources</b>	<b>\$ 59,518,518</b>	<b>-</b>	<b>27,002,237</b>	<b>-</b>	<b>267,288,372</b>	<b>353,809,127</b>
<b>Net Position</b>						
<b>Net position:</b>						
Net investment in capital assets	\$ 2,519,442,294	-	580,023,178	46,741,035	82,653,367	3,228,859,874
Restricted for capital projects	313,405,462	-	7,255,000	1,303,935	-	321,964,397
Restricted for closure/postclosure maintenance	-	-	-	30,535,286	-	30,535,286
Restricted for site development	-	-	14,800,805	-	-	14,800,805
Unrestricted	1,113,001,032	1,070,067	153,367,152	11,958,545	(466,976,042)	812,420,754
<b>Total net position</b>	<b>\$ 3,945,848,788</b>	<b>1,070,067</b>	<b>755,446,135</b>	<b>90,538,801</b>	<b>(384,322,675)</b>	<b>4,408,581,116</b>

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

**Exhibit D-2**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Combining Schedule of Revenues, Expenses,**  
**and Changes in Net Position**  
**Fiscal year ended June 30, 2022**

	Wastewater Operations	Stormwater Operations	Solid Waste Facilities Operations	Trustee Solid Waste Facilities Operations	Service Operations	Total
<b>Operating revenues:</b>						
Commodities	\$ 42,878	-	3,533,358	11,038	157	3,587,431
Contract revenue	24,531,496	49,696	5,863,775	5,325,028	19,625	35,789,620
Equipment pool (1)	-	-	-	5,745,076	13,460,914	19,205,990
Industrial waste surcharge	72,741,484	-	-	-	-	72,741,484
Internal services revenue (1)	197,585,407	-	-	-	106,339,146	303,924,553
Solid/food waste tipping fees	464,541	-	52,153,723	53,356,392	-	105,974,656
Sale of energy	667,762	-	17,023,861	-	8,670	17,700,293
Service charges	398,414,062	-	-	-	-	398,414,062
Other	1,058,168	-	78,653	5,487	319,299	1,461,607
<b>Total operating revenues</b>	<b>695,505,798</b>	<b>49,696</b>	<b>78,653,370</b>	<b>64,443,021</b>	<b>120,147,811</b>	<b>958,799,696</b>
<b>Operating expenses:</b>						
Chemicals	43,130,551	-	141,395	76,928	9,110	43,357,984
Collection charges	1,404,936	-	-	-	-	1,404,936
Depreciation/amortization	83,878,080	-	12,507,226	3,568,683	7,478,400	107,432,389
Equipment and vehicle rentals (1)	8,962,082	-	2,916,852	6,419,528	907,528	19,205,990
Insurance and claims	1,104,260	-	550,617	72,531	2,578,532	4,305,940
Internal administrative costs (1)	291,873,096	-	7,468,538	4,582,919	-	303,924,553
Landfill closure and postclosure costs	-	-	25,897,936	7,490,890	-	33,388,826
Materials and supplies	15,963,714	-	2,429,196	1,746,450	9,935,200	30,074,560
Operations, repairs, and maintenance	13,298,221	-	2,151,715	8,840,486	6,751,850	31,042,272
Pollution remediation costs	32,167	-	-	-	-	32,167
Salaries and benefits	139,193,656	152,398	22,211,830	16,768,990	1,520,669	179,847,543
Services	54,039,889	53,703	32,207,924	10,335,027	6,419,844	103,056,387
Tonnage	-	-	-	5,068,144	-	5,068,144
Utilities	29,034,044	-	1,268,088	1,287,844	1,594,846	33,184,822
<b>Total operating expenses</b>	<b>681,914,696</b>	<b>206,101</b>	<b>109,751,317</b>	<b>66,258,420</b>	<b>37,195,979</b>	<b>895,326,513</b>
<b>Operating income (loss)</b>	<b>13,591,102</b>	<b>(156,405)</b>	<b>(31,097,947)</b>	<b>(1,815,399)</b>	<b>82,951,832</b>	<b>63,473,183</b>
<b>Nonoperating revenues (expenses):</b>						
Interest revenue	11,306,686	8,888	4,744,528	1,002,078	775,269	17,837,449
Investment in joint ventures	(1,302,593)	-	-	-	-	(1,302,593)
Property taxes	97,492,668	-	-	-	-	97,492,668
Amortization of bond premium	4,671,968	-	-	-	-	4,671,968
Amortization of deferred loss on refunding	(388,008)	-	-	-	-	(388,008)
Bond issuance costs	(848,939)	-	-	-	-	(848,939)
Interest expense	(25,990,306)	-	(7,949)	-	-	(25,998,255)
Gain on sale of equipment/assets	-	-	-	344,883	124,312	469,195
Other nonoperating revenue (expense)	(35,159,978)	-	(3,116,393)	-	253,379	(38,022,992)
Tax and assessment expense	(3,677,819)	-	(1,862,969)	(4,642,677)	(266,172)	(10,449,637)
Unrealized loss on investments	(39,166,846)	-	(10,242,728)	(4,237,715)	(893,238)	(54,540,527)
<b>Net nonoperating revenues (expenses)</b>	<b>6,936,833</b>	<b>8,888</b>	<b>(10,485,511)</b>	<b>(7,533,431)</b>	<b>(6,450)</b>	<b>(11,079,671)</b>
<b>Income (loss) before capital contribution revenue and transfers</b>	<b>20,527,935</b>	<b>(147,517)</b>	<b>(41,583,458)</b>	<b>(9,348,830)</b>	<b>82,945,382</b>	<b>52,393,512</b>
<b>Capital contribution revenue:</b>						
Connection fees	26,793,849	-	-	-	-	26,793,849
Grants	4,119,049	-	250,000	-	-	4,369,049
<b>Transfers in</b>	<b>816,161,501</b>	<b>2,936</b>	<b>848,284,855</b>	<b>44,596,873</b>	<b>113,717,619</b>	<b>1,822,763,784</b>
<b>Transfers out</b>	<b>(503,002,159)</b>	<b>-</b>	<b>(796,971,859)</b>	<b>(15,699,278)</b>	<b>(507,090,488)</b>	<b>(1,822,763,784)</b>
<b>Change in net position</b>	<b>364,600,175</b>	<b>(144,581)</b>	<b>9,979,538</b>	<b>19,548,765</b>	<b>(310,427,487)</b>	<b>83,556,410</b>
<b>Total net position, July 1, 2021, as previously stated</b>	<b>3,585,769,631</b>	<b>1,329,648</b>	<b>743,293,829</b>	<b>71,031,231</b>	<b>(74,112,967)</b>	<b>4,327,311,372</b>
<b>Prior-period adjustments</b>	<b>(4,521,018)</b>	<b>(115,000)</b>	<b>2,172,768</b>	<b>(41,195)</b>	<b>217,779</b>	<b>(2,286,666)</b>
<b>Total net position, July 1, 2021, as restated</b>	<b>3,581,248,613</b>	<b>1,214,648</b>	<b>745,466,597</b>	<b>70,990,036</b>	<b>(73,895,188)</b>	<b>4,325,024,706</b>
<b>Total net position, June 30, 2022</b>	<b>\$ 3,945,848,788</b>	<b>1,070,067</b>	<b>755,446,135</b>	<b>90,538,801</b>	<b>(384,322,675)</b>	<b>4,408,581,116</b>

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

**Exhibit D-3**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Combining Schedule of Cash Flows**  
**Fiscal year ended June 30, 2022**

	Wastewater Operations	Stormwater Operations	Solid Waste Facilities Operations	Trustee Solid Waste Facilities Operations	Service Operations	Total
<b>Cash flows from operating activities:</b>						
Receipts from customers and users	\$ 486,071,887	300,569	80,393,944	57,628,341	197,599	624,592,340
Receipts for internal services (1)	197,585,407	-	-	-	106,339,150	303,924,557
Receipts for equipment rental (1)	-	-	-	5,745,076	13,455,609	19,200,685
Payments to suppliers	(156,858,723)	(104,271)	(88,587,741)	(28,044,579)	(26,451,287)	(300,046,601)
Payments for salaries/benefits	(138,364,097)	(139,958)	(349,118,888)	(16,659,114)	(74,888,914)	(579,170,971)
Payment for equipment rental (1)	(8,956,777)	-	(2,916,852)	(6,419,528)	(907,528)	(19,200,685)
Payment for internal administrative costs (1)	(291,873,100)	-	(7,468,538)	(4,582,919)	-	(303,924,557)
Net cash provided (used) by operating activities	87,604,597	56,340	(367,698,075)	7,667,277	17,744,629	(254,625,232)
<b>Cash flows from noncapital financing activities:</b>						
Receipts from other activities	-	-	33,607	-	-	33,607
Receipts from property taxes	95,444,640	-	-	-	-	95,444,640
Payments for tax and assessment	(3,677,819)	-	(1,862,969)	(4,642,677)	(266,172)	(10,449,637)
Transfers from other funds	90,699,215	4,000	555,904,482	583,000	7,807,760	654,998,457
Transfers to other funds	(90,470,176)	-	(555,313,099)	(398,182)	(8,817,000)	(654,998,457)
Net cash provided (used) by noncapital financing activities	91,995,860	4,000	(1,237,979)	(4,457,859)	(1,275,412)	85,028,610
<b>Cash flows from capital and related financing activities:</b>						
Borrowings on loans	104,644,481	-	-	-	-	104,644,481
Proceeds from bond sale	158,068,827	-	-	-	-	158,068,827
Bond issuance costs	(848,939)	-	-	-	-	(848,939)
Purchases of capital assets	(212,489,097)	-	(10,932,092)	(11,638,394)	(10,600,176)	(245,659,759)
Connection fees proceeds	26,793,849	-	-	-	-	26,793,849
Grant proceeds	4,067,892	-	250,000	-	-	4,317,892
Interest paid on capital-related debt	(19,112,426)	-	(8,144)	-	-	(19,120,570)
Principal payments on bonds	(7,645,000)	-	(1,404,399)	-	-	(9,049,399)
Principal payments on loans	(229,041,270)	-	-	-	-	(229,041,270)
Proceeds from sale of assets/equipment	-	-	-	1,116,007	934,542	2,050,549
Net cash used by capital and related financing activities	(175,561,683)	-	(12,094,635)	(10,522,387)	(9,665,634)	(207,844,339)
<b>Cash flows from investing activities:</b>						
Interest received	10,235,204	6,956	5,573,005	1,031,230	671,669	17,518,064
Purchases of investments	(368,078,905)	-	(194,219,005)	-	(6,254,928)	(568,552,838)
Proceeds from maturities of investments	231,583,206	-	275,976,427	4,261,595	6,255,610	518,076,838
Net cash provided (used) by investing activities	(126,260,495)	6,956	87,330,427	5,292,825	672,351	(32,957,936)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(122,221,721)</b>	<b>67,296</b>	<b>(293,700,262)</b>	<b>(2,020,144)</b>	<b>7,475,934</b>	<b>(410,398,897)</b>
Cash and cash equivalents at beginning of fiscal year	1,075,123,363	1,507,842	401,515,115	87,365,568	108,138,801	1,673,650,689
Cash and cash equivalents at end of fiscal year	\$ 952,901,642	1,575,138	107,814,853	85,345,424	115,614,735	1,263,251,792
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>						
Operating income (loss)	\$ 13,591,102	(156,405)	(31,097,947)	(1,815,399)	82,951,832	63,473,183
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	83,878,080	-	12,507,226	3,568,683	7,478,400	107,432,389
Landfill closure and postclosure costs	-	-	25,897,936	7,490,890	-	33,388,826
Prior period adjustment	(2,308,051)	-	2,308,051	-	-	-
Increase in accounts receivable	(1,729,903)	(49,128)	(921,088)	(1,064,160)	(657,113)	(4,421,392)
Increase in service charge receivable	(7,326,078)	-	-	-	-	(7,326,078)
Increase in inventory	-	-	-	-	(1,040,644)	(1,040,644)
Decrease in leases receivable	1,828,001	-	2,431,682	-	-	4,259,683
Increase in deferred outflow of resources	-	-	-	-	(319,989,904)	(319,989,904)
Increase (decrease) in accounts payable	1,216,181	-	(288,573)	452,341	6,978,498	8,358,447
Decrease in accrued employee absences	-	-	-	-	(1,633,212)	(1,633,212)
Decrease in estimated liability for closure and postclosure costs	-	-	(10,841,309)	-	-	(10,841,309)
Decrease in claims liabilities	-	-	-	-	(1,447,770)	(1,447,770)
Decrease in contractual obligations	-	-	(45,333,334)	(1,070,192)	-	(46,403,526)
Decrease in estimated pollution remediation	(2,000)	-	-	-	-	(2,000)
Decrease in other postemployment benefits liability	-	-	-	-	(425,491,118)	(425,491,118)
Increase in pension liability	-	-	-	-	123,552,992	123,552,992
Increase in amounts held for others	1	249,431	-	-	1,402,020	1,651,452
Decrease in leases payable	(205,009)	-	-	-	-	(205,009)
Increase (decrease) in other liabilities	(43,552)	-	22,835	7,016	306,972	293,271
Increase (decrease) in due to/from other funds	770,486	12,442	(319,786,362)	98,098	318,905,336	8,358,447
Increase (decrease) in deferred inflow of resources	(2,064,661)	-	(2,597,192)	-	226,428,340	221,766,487
Net cash provided (used) by operating activities	\$ 87,604,597	56,340	(367,698,075)	7,667,277	17,744,629	(254,625,232)
<b>Schedule of noncash investing activities:</b>						
Unrealized loss on fair value of investments	\$ (39,166,846)	-	(10,242,728)	(4,237,715)	(893,238)	(54,540,527)
Amortization of investment premium (discount)	(937,222)	-	564,957	80,190	(36,171)	(328,246)
Investment in joint ventures	(177,652)	-	-	-	-	(177,652)

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

**Exhibit E-1**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Wastewater Operations**  
**Combining Schedule of Net Position**  
**June 30, 2022**

Assets	Districts								
	No. 1	No. 2	No. 3	No. 4	No. 5	No. 8	No. 9	No. 14	No. 15
<b>Current assets:</b>									
Unrestricted cash and cash equivalents:									
Cash and cash equivalents	\$ 37,429,135	52,493,757	35,873,647	3,201,211	51,865,481	14,517,431	139,193	35,513,763	39,802,277
Total unrestricted cash and cash equivalents	37,429,135	52,493,757	35,873,647	3,201,211	51,865,481	14,517,431	139,193	35,513,763	39,802,277
Receivables:									
Accounts	-	-	-	11,650	-	-	-	687,515	-
Due from other funds	4,843,961	7,020,504	5,310,711	9,119	8,051,148	3,364,096	176	1,185,545	5,847,949
Interest	202,042	264,850	175,322	110,082	228,464	52,768	10,964	176,607	227,772
Leases	-	-	-	-	-	-	-	430,061	-
Service charges	2,685,941	2,654,549	2,010,359	322,584	3,015,024	927,862	1,430	2,238,558	1,808,639
Taxes	411,257	828,956	623,088	63,116	1,263,690	210,216	12,330	206,602	895,682
Total receivables	8,143,201	10,768,859	8,119,480	516,551	12,558,326	4,554,942	24,900	4,924,888	8,780,042
Restricted/designated cash and investments:									
Cash and cash equivalents	18,398,222	30,442,034	21,949,261	12,650,787	25,817,154	4,270,172	1,249,101	11,193,335	28,046,000
Specific investments	22,196,563	19,131,654	12,577,740	28,857,976	9,903,265	-	3,295,023	31,877,534	29,469,933
Bond proceeds with Trustee Cash and cash equivalents	-	-	-	-	-	-	-	16,808	-
Total restricted/designated cash and investments	40,594,785	49,573,688	34,527,001	41,508,763	35,720,419	4,270,172	4,544,124	43,087,677	57,515,933
Other specific investments	505,973	4,227,039	1,256,986	-	6,828,194	406,711	-	-	2,274,043
Total current assets	86,673,094	117,063,343	79,777,114	45,226,525	106,972,420	23,749,256	4,708,217	83,526,328	108,372,295
Investment in joint ventures	-	-	-	-	-	-	-	-	-
Leases receivable	-	-	-	-	-	-	-	2,423,648	-
Other assets	99	-	-	-	-	-	-	-	-
<b>Capital assets:</b>									
Disposal rights	-	60,119	-	76,917,522	9,006,027	-	2,335,534	-	-
Lease assets	-	-	-	-	-	-	-	-	-
Treatment plants	62,978	6,668,306	11,791,925	-	14,591,429	6,053,187	-	338,128,554	1,882,099
Trunk lines	26,663,838	43,196,844	26,381,363	1,284,217	62,798,059	28,007,865	-	58,744,871	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	209,922	5,571
Construction in progress	6,023,403	10,700,996	1,169,601	39,706	6,015,202	8,412,302	-	1,375,658	2,659,070
Land	-	235,159	2,520	-	28,125	2,508	-	65,751,695	-
Accumulated depreciation & amortization	(10,473,144)	(14,971,332)	(13,164,042)	(38,512,046)	(33,325,980)	(9,940,617)	(1,152,684)	(116,171,152)	(4,819,173)
Net capital assets	22,284,160	45,900,371	26,184,339	39,732,747	59,119,734	32,542,936	1,183,131	348,451,338	11,895,282
Total assets	\$ 108,957,353	162,963,714	105,961,453	84,959,272	166,092,154	56,292,192	5,891,348	434,401,314	120,267,577
<b>Deferred Outflow of Resources</b>									
Deferred loss/(gain) on refunding	\$ -	-	-	-	-	-	-	(2,762,419)	-
Total deferred outflow of resources	\$ -	-	-	-	-	-	-	(2,762,419)	-

(Continued on the following page)

**Exhibit E-1-2**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Wastewater Operations**  
**Combining Schedule of Net Position**  
**June 30, 2022**

Assets	Districts								
	No. 16	No. 17	No. 18	No. 19	No. 20	No. 21	No. 22	No. 23	No. 27
<b>Current assets:</b>									
Unrestricted cash and cash equivalents:									
Cash and cash equivalents	\$ 25,240,432	2,570,240	33,190,408	7,875,244	27,227,597	34,164,178	28,706,017	5,449,910	312,963
Total unrestricted cash and cash equivalents	25,240,432	2,570,240	33,190,408	7,875,244	27,227,597	34,164,178	28,706,017	5,449,910	312,963
Receivables:									
Accounts	-	-	-	-	113,873	-	-	-	-
Due from other funds	2,972,441	385,811	3,786,351	1,036,198	511,703	4,693,039	3,711,059	649,799	621
Interest	161,416	23,980	145,432	53,014	120,351	219,839	196,254	38,381	5,331
Leases	-	-	-	-	180,105	-	-	-	-
Service charges	1,048,640	154,351	1,305,553	264,182	1,656,220	1,695,584	1,124,911	46,008	-
Taxes	675,362	72,910	437,854	184,663	84,452	535,172	521,261	35,925	44,338
Total receivables	4,857,859	637,052	5,675,190	1,538,057	2,666,704	7,143,634	5,553,485	770,113	50,290
Restricted/designated cash and investments:									
Cash and cash equivalents	13,803,307	7,213,752	15,815,056	7,119,990	11,548,528	19,476,570	29,047,614	2,019,513	1,636,012
Specific investments	26,149,812	-	8,714,602	5,980,301	7,735,471	31,081,999	21,457,197	10,114,040	-
Bond proceeds with Trustee									
Cash and cash equivalents	-	-	-	-	2,171	-	-	-	-
Total restricted/designated cash and investments	39,953,119	7,213,752	24,529,658	13,100,291	19,286,170	50,558,569	50,504,811	12,133,553	1,636,012
Other specific investments	-	-	505,133	-	-	914,332	-	457,526	-
Total current assets	70,051,410	10,421,044	63,900,389	22,513,592	49,180,471	92,780,713	84,764,313	18,811,102	1,999,265
Investment in joint ventures	-	-	-	-	-	-	-	-	-
Leases receivable	-	-	-	-	1,263,066	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
<b>Capital assets:</b>									
Disposal rights	8,532,810	-	17,002	180,737	-	-	-	-	2,254,693
Lease assets	-	-	-	-	3,193,910	-	-	-	-
Treatment plants	-	-	-	379,443	248,467,358	12,802,949	-	-	2,569,204
Trunk lines	13,604,022	672,358	19,857,249	2,521,906	16,620,287	15,630,126	16,082,809	-	134,497
Use rights	-	-	-	-	358,790	-	-	-	-
Composting facilities	-	-	-	-	-	-	-	-	-
Other capital assets	537	1,418	128,012	1,750	107,278	9,667	978	-	41
Construction in progress	1,071,289	-	4,265,785	31,352	2,754,057	5,254,721	325,058	-	-
Land	-	-	-	5,600	16,697,758	79,240	-	-	-
Accumulated depreciation & amortization	(8,353,952)	(355,855)	(6,641,715)	(2,372,716)	(85,729,217)	(14,124,863)	(7,107,306)	-	(2,456,103)
Net capital assets	14,854,706	317,921	17,626,333	748,072	202,470,221	19,651,840	9,301,539	-	2,502,332
Total assets	\$ 84,906,116	10,738,965	81,526,722	23,261,664	252,913,758	112,432,553	94,065,852	18,811,102	4,501,597
<b>Deferred Outflow of Resources</b>									
Deferred loss/(gain) on refunding	\$ -	-	-	-	3,982,175	-	-	-	-
Total deferred outflow of resources	\$ -	-	-	-	3,982,175	-	-	-	-

(Continued on the following page)

**Exhibit E-1-3**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Wastewater Operations**  
**Combining Schedule of Net Position**  
**June 30, 2022**

Assets	Districts							Total
	No. 28	No. 29	No. 34	Joint Outfall	Newhall Ranch	Santa Clarita Valley	South Bay Cities	
<b>Current assets:</b>								
Unrestricted cash and cash equivalents:								
Cash and cash equivalents	\$ 1,431,665	1,467,496	(614)	31,608,635	1,778,345	103,079,504	12,594,071	587,531,986
Total unrestricted cash and cash equivalents	1,431,665	1,467,496	(614)	31,608,635	1,778,345	103,079,504	12,594,071	587,531,986
Receivables:								
Accounts	-	-	-	21,868,929	-	455,981	-	23,137,948
Due from other funds	118,086	179,033	135	-	20,379	1,451,889	1,402,297	56,552,050
Interest	19,445	23,454	(4)	786,859	8,471	309,347	103,685	3,664,126
Leases	-	-	-	1,647,393	-	-	-	2,257,559
Service charges	32,902	167,886	-	-	1,116	1,992,236	368,043	25,522,578
Taxes	82,391	6,588	-	-	-	873,194	713,369	8,782,416
Total receivables	252,824	376,961	131	24,303,181	29,966	5,082,647	2,587,394	119,916,677
Restricted/designated cash and investments:								
Cash and cash equivalents	1,235,354	3,795,661	-	71,148,807	2,062,154	15,204,063	10,196,650	365,339,097
Specific investments	6,619,185	3,116,545	-	56,033,625	1,663,322	35,822,942	21,535,009	393,333,738
Bond proceeds with Trustee Cash and cash equivalents	-	-	-	11,580	-	-	-	30,559
Total restricted/designated cash and investments	7,854,539	6,912,206	-	127,194,012	3,725,476	51,027,005	31,731,659	758,703,394
Other specific investments	-	-	-	-	-	-	-	17,375,937
Total current assets	9,539,028	8,756,663	(483)	183,105,828	5,533,787	159,189,156	46,913,124	1,483,527,994
Investment in joint ventures	-	-	-	40,180,332	-	-	-	40,180,332
Leases receivable	-	-	-	53,810,905	-	-	-	57,497,619
Other assets	-	-	-	-	-	-	-	99
<b>Capital assets:</b>								
Disposal rights	-	-	-	-	-	-	-	99,304,444
Lease assets	-	-	-	1,911,440	-	-	-	5,105,350
Treatment plants	377,363	2,417,404	525	1,344,733,242	1,248,396	227,244,602	12,917,723	2,232,336,687
Trunk lines	6,886,922	9,008,311	-	1,124,566,417	38,833	29,152,226	4,339,290	1,518,360,025
Use rights	-	-	-	-	-	-	-	770,580
Composting facilities	-	-	-	124,084,412	-	-	-	124,084,412
Other capital assets	-	65	-	16,101,783	-	342,405	1,244	16,949,199
Construction in progress	-	353,929	-	458,394,930	(775)	164,392,591	67,063	673,305,938
Land	20,000	25,000	-	76,700,427	-	598,803	-	160,146,835
Accumulated depreciation & amortization	(2,729,618)	(2,947,775)	(407)	(1,194,020,698)	(222,094)	(122,936,644)	(9,580,308)	(1,702,109,441)
Net capital assets	4,554,667	8,856,934	118	1,952,471,953	1,064,360	298,793,983	7,745,012	3,128,254,029
Total assets	\$ 14,093,695	17,613,597	(365)	2,229,569,018	6,598,147	457,983,139	54,658,136	4,709,460,073
<b>Deferred Outflow of Resources</b>								
Deferred loss/(gain) on refunding	\$ -	-	-	-	-	-	-	1,219,756
Total deferred outflow of resources	\$ -	-	-	-	-	-	-	1,219,756

(Continued on the following page)

**Exhibit E-1-4**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Wastewater Operations**  
**Combining Schedule of Net Position**  
**June 30, 2022**

	Districts								
	No. 1	No. 2	No. 3	No. 4	No. 5	No. 8	No. 9	No. 14	No. 15
<b>Liabilities</b>									
Current liabilities:									
Accounts payable	\$ 8,905	970,697	28,336	52,669	17,689	1,550,920	4,641	736,038	12,757
Amounts held for others	-	-	-	-	-	-	-	-	-
Bonds payable	-	-	-	-	-	-	-	5,385,000	-
Claims liabilities	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-
Estimated liability for pollution remediation	-	-	-	-	-	-	-	-	-
Interest payable	-	-	-	-	-	-	-	2,120,869	-
Leases payable	-	-	-	-	-	-	-	-	-
Loans payable to State of California	-	-	-	-	-	-	-	-	-
Other	-	-	21,502	-	-	-	-	-	-
Total current liabilities	<u>8,905</u>	<u>970,697</u>	<u>49,838</u>	<u>52,669</u>	<u>17,689</u>	<u>1,550,920</u>	<u>4,641</u>	<u>8,241,907</u>	<u>12,757</u>
Long-term liabilities:									
Bonds payable	-	-	-	-	-	-	-	181,283,677	-
Estimated liability for pollution remediation	-	-	-	-	-	-	-	-	-
Leases payable	-	-	-	-	-	-	-	-	-
Loans payable to State of California	-	-	-	-	-	-	-	-	-
Total long-term liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>181,283,677</u>	<u>-</u>
Total liabilities	<u>\$ 8,905</u>	<u>970,697</u>	<u>49,838</u>	<u>52,669</u>	<u>17,689</u>	<u>1,550,920</u>	<u>4,641</u>	<u>189,525,584</u>	<u>12,757</u>
<b>Deferred Inflow of Resources</b>									
Lease deferrals	\$ -	-	-	-	-	-	-	2,844,931	-
Total deferred inflow of resources	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,844,931</u>	<u>-</u>
<b>Net Position</b>									
Net position:									
Net investment in capital assets	\$ 22,284,160	44,953,544	26,169,547	39,693,041	59,113,245	31,056,121	1,183,131	158,867,668	11,895,282
Restricted for capital projects	9,911,000	14,890,000	12,217,000	2,296,000	17,746,000	4,107,000	93,000	6,378,000	12,894,000
Unrestricted	76,753,288	102,149,473	67,525,068	42,917,562	89,215,220	19,578,151	4,610,576	74,022,712	95,465,538
Total net position	<u>\$ 108,948,448</u>	<u>161,993,017</u>	<u>105,911,615</u>	<u>84,906,603</u>	<u>166,074,465</u>	<u>54,741,272</u>	<u>5,886,707</u>	<u>239,268,380</u>	<u>120,254,820</u>



**Exhibit E-1-5**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Wastewater Operations**  
**Combining Schedule of Net Position**  
**June 30, 2022**

	Districts								
	No. 16	No. 17	No. 18	No. 19	No. 20	No. 21	No. 22	No. 23	No. 27
<b>Liabilities</b>									
Current liabilities:									
Accounts payable	\$ 11,954	10,878	10,530	10,165	482,114	12,902	14,800	16,605	-
Amounts held for others	-	-	-	-	-	-	-	-	-
Bonds payable	-	-	-	-	4,290,000	-	-	-	-
Claims liabilities	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-
Estimated liability for pollution remediation	-	-	-	-	-	-	-	-	-
Interest payable	-	-	-	-	1,702,204	-	-	-	-
Leases payable	-	-	-	-	114,309	-	-	-	-
Loans payable to State of California	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total current liabilities	<u>11,954</u>	<u>10,878</u>	<u>10,530</u>	<u>10,165</u>	<u>6,588,627</u>	<u>12,902</u>	<u>14,800</u>	<u>16,605</u>	<u>-</u>
Long-term liabilities:									
Bonds payable	-	-	-	-	159,867,977	-	-	-	-
Estimated liability for pollution remediation	-	-	-	-	-	-	-	-	-
Leases payable	-	-	-	-	2,966,819	-	-	-	-
Loans payable to State of California	-	-	-	-	-	-	-	-	-
Total long-term liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>162,834,796</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ 11,954</u>	<u>10,878</u>	<u>10,530</u>	<u>10,165</u>	<u>169,423,423</u>	<u>12,902</u>	<u>14,800</u>	<u>16,605</u>	<u>-</u>
<b>Deferred Inflow of Resources</b>									
Lease deferrals	\$ -	-	-	-	1,422,245	-	-	-	-
Total deferred inflow of resources	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,422,245</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Position</b>									
Net position:									
Net investment in capital assets	\$ 14,854,706	317,921	17,626,303	748,072	39,141,285	19,651,840	9,301,539	-	2,502,332
Restricted for capital projects	7,800,000	998,000	8,282,000	2,604,000	6,060,000	10,324,000	8,500,000	229,000	59,000
Unrestricted	<u>62,239,456</u>	<u>9,412,166</u>	<u>55,607,889</u>	<u>19,899,427</u>	<u>40,848,980</u>	<u>82,443,811</u>	<u>76,249,513</u>	<u>18,565,497</u>	<u>1,940,265</u>
Total net position	<u>\$ 84,894,162</u>	<u>10,728,087</u>	<u>81,516,192</u>	<u>23,251,499</u>	<u>86,050,265</u>	<u>112,419,651</u>	<u>94,051,052</u>	<u>18,794,497</u>	<u>4,501,597</u>

**Exhibit E-1-6**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Wastewater Operations**  
**Combining Schedule of Net Position**  
**June 30, 2022**

Liabilities	Districts							Total
	No. 28	No. 29	No. 34	Joint Outfall	Newhall Ranch	Santa Clarita Valley	South Bay Cities	
<b>Current liabilities:</b>								
Accounts payable	\$ 10,304	9,232	-	34,811,279	273,123	8,376,909	12,776	47,446,223
Amounts held for others	-	-	-	-	2,008,028	-	-	2,008,028
Bonds payable	-	-	-	6,475,000	-	-	-	16,150,000
Claims liabilities	-	-	-	36,660,000	-	-	-	36,660,000
Due to other funds	-	-	-	23,694,547	-	-	-	23,694,547
Estimated liability for pollution remediation	-	-	-	3,500,000	-	-	-	3,500,000
Interest payable	-	-	-	1,048,833	-	14,614	-	4,886,520
Leases payable	-	-	-	60,537	-	-	-	174,846
Loans payable to State of California	-	-	-	-	-	2,700,276	-	2,700,276
Other	-	-	-	(103)	-	(103)	-	21,296
<b>Total current liabilities</b>	<b>10,304</b>	<b>9,232</b>	<b>-</b>	<b>106,250,093</b>	<b>2,281,151</b>	<b>11,091,696</b>	<b>12,776</b>	<b>137,241,736</b>
<b>Long-term liabilities:</b>								
Bonds payable	-	-	-	98,863,954	-	-	-	440,015,608
Estimated liability for pollution remediation	-	-	-	16,500,000	-	-	-	16,500,000
Leases payable	-	-	-	1,793,067	-	-	-	4,759,886
Loans payable to State of California	-	-	-	-	-	106,795,293	-	106,795,293
<b>Total long-term liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>117,157,021</b>	<b>-</b>	<b>106,795,293</b>	<b>-</b>	<b>568,070,787</b>
<b>Total liabilities</b>	<b>\$ 10,304</b>	<b>9,232</b>	<b>-</b>	<b>223,407,114</b>	<b>2,281,151</b>	<b>117,886,989</b>	<b>12,776</b>	<b>705,312,523</b>
<b>Deferred Inflow of Resources</b>								
Lease deferrals	\$ -	-	-	55,251,342	-	-	-	59,518,518
<b>Total deferred inflow of resources</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>55,251,342</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59,518,518</b>
<b>Net Position</b>								
<b>Net position:</b>								
Net investment in capital assets	\$ 4,554,667	8,856,934	118	1,821,011,100	1,063,523	176,851,203	7,745,012	2,519,442,294
Restricted for capital projects	321,000	1,369,000	-	129,899,462	36,000	52,882,000	3,510,000	313,405,462
Unrestricted	9,207,724	7,378,431	(483)	-	3,217,473	110,362,947	43,390,348	1,113,001,032
<b>Total net position</b>	<b>\$ 14,083,391</b>	<b>17,604,365</b>	<b>(365)</b>	<b>1,950,910,562</b>	<b>4,316,996</b>	<b>340,096,150</b>	<b>54,645,360</b>	<b>3,945,848,788</b>

**Exhibit E-2**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Wastewater Operations**  
**Combining Schedule of Revenues, Expenses, and Changes in Net Position**  
**Fiscal year ended June 30, 2022**

	Districts								
	No. 1	No. 2	No. 3	No. 4	No. 5	No. 8	No. 9	No. 14	No. 15
<b>Operating revenues:</b>									
Commodities	\$ -	-	-	-	-	-	-	5,098	-
Contract revenue	-	-	-	-	2,751	-	-	1,999,155	-
Industrial waste surcharge	6,042,732	5,733,365	1,893,255	22,028	3,894,000	7,263,768	-	2,474,254	4,342,733
Internal services revenue	-	-	-	-	-	-	-	-	-
Solid/food waste tipping fees	-	-	-	-	-	-	-	-	-
Sale of energy	-	-	-	-	-	-	-	-	-
Service charges	28,213,777	39,899,626	31,999,245	3,600,156	44,974,577	11,956,685	112,706	34,240,634	30,860,699
Other	293	455	3,073	314	3,130	-	-	(20,020)	1,070
<b>Total operating revenues</b>	<b>34,256,802</b>	<b>45,633,446</b>	<b>33,895,573</b>	<b>3,622,498</b>	<b>48,874,458</b>	<b>19,220,453</b>	<b>112,706</b>	<b>38,699,121</b>	<b>35,204,502</b>
<b>Operating expenses:</b>									
Chemicals	28,936	74,646	32,564	-	18,810	16,846	-	1,640,660	10,015
Collection charges	72,202	130,951	96,263	12,521	221,470	37,516	1,704	27,787	147,773
Depreciation/amortization	414,492	818,388	699,460	1,792,093	1,406,344	609,425	55,148	9,592,957	208,329
Equipment and vehicle rentals	353	710	1,774	-	3,583	74,684	-	419,772	710
Insurance and claims	-	-	-	-	-	4,842	-	28,292	-
Internal administrative costs	26,315,724	39,242,445	27,927,360	20,086	42,005,453	13,832,844	5,376	3,212,424	31,987,626
Materials and supplies	12,880	23,616	33,395	220	74,914	82,066	58	836,559	31,464
Operations, repairs, and maintenance	29,379	61,213	18,867	41,391	158,743	3,489,978	11,549	225,755	72,638
Pollution remediation costs	-	-	-	-	-	-	-	-	-
Salaries and benefits	683,884	1,117,072	859,858	48,169	1,883,414	1,512,584	3,845	6,009,404	681,573
Services	73,749	217,410	13,543	2,172,066	758,388	476,552	182,862	1,397,629	89,647
Utilities	10,285	25,131	96,894	328	207,845	151,184	-	2,398,242	18,692
<b>Total operating expenses</b>	<b>27,641,884</b>	<b>41,711,582</b>	<b>29,779,978</b>	<b>4,086,874</b>	<b>46,738,964</b>	<b>20,288,521</b>	<b>260,542</b>	<b>25,789,481</b>	<b>33,248,467</b>
<b>Operating income (loss)</b>	<b>6,614,918</b>	<b>3,921,864</b>	<b>4,115,595</b>	<b>(464,376)</b>	<b>2,135,494</b>	<b>(1,068,068)</b>	<b>(147,836)</b>	<b>12,909,640</b>	<b>1,956,035</b>
<b>Nonoperating revenues (expenses):</b>									
Interest revenue	646,209	817,349	574,270	481,266	666,034	137,516	52,134	585,439	813,712
Investment in joint ventures	-	-	-	-	-	-	-	-	-
Property taxes	4,621,037	8,849,281	7,030,233	868,290	15,137,297	2,504,863	121,480	2,274,135	9,898,851
Amortization of bond premium	-	-	-	-	-	-	-	2,957,105	-
Amortization of deferred loss on refunding	-	-	-	-	-	-	-	(181,142)	-
Bond issuance costs	-	-	-	-	-	-	-	(424,804)	-
Interest expense	(6,249)	-	-	-	-	-	-	(8,287,417)	-
Other nonoperating revenue (expense)	123	80,930	77,922	57,167	-	-	6,018	-	123
Tax and assessment expense	(18,603)	(19,373)	(23,922)	(3,326)	(25,553)	(20,345)	-	(235,090)	(19,373)
Unrealized loss on investments	(2,186,952)	(2,242,464)	(1,374,616)	(2,504,681)	(1,683,649)	(44,490)	(287,496)	(3,096,371)	(3,151,038)
<b>Net nonoperating revenues (expenses)</b>	<b>3,055,565</b>	<b>7,485,723</b>	<b>6,283,887</b>	<b>(1,101,284)</b>	<b>14,094,129</b>	<b>2,577,544</b>	<b>(107,864)</b>	<b>(6,408,145)</b>	<b>7,542,275</b>
<b>Income (loss) before capital contribution revenue and transfers</b>	<b>9,670,483</b>	<b>11,407,587</b>	<b>10,399,482</b>	<b>(1,565,660)</b>	<b>16,229,623</b>	<b>1,509,476</b>	<b>(255,700)</b>	<b>6,501,495</b>	<b>9,498,310</b>
<b>Capital contribution revenue:</b>									
Connection fees	695,865	4,755,192	190,717	120,330	388,638	255,783	-	1,220,906	284,871
Grants	-	-	-	-	-	-	-	-	-
Transfers in	11,522,944	24,244,020	16,775,828	124,526	24,552,183	10,196,782	9,777	78,616,726	16,220,655
Transfers out	(15,628,023)	(27,499,930)	(19,780,497)	(591)	(28,189,866)	(10,994,176)	(446)	(64,417,614)	(21,934,515)
<b>Change in net position</b>	<b>6,261,269</b>	<b>12,906,869</b>	<b>7,585,530</b>	<b>(1,321,395)</b>	<b>12,980,578</b>	<b>967,865</b>	<b>(246,369)</b>	<b>21,921,513</b>	<b>4,069,321</b>
<b>Total net position, July 1, 2021, as previously stated</b>	<b>102,687,179</b>	<b>149,086,148</b>	<b>98,326,085</b>	<b>86,227,998</b>	<b>153,093,887</b>	<b>53,773,407</b>	<b>6,133,076</b>	<b>217,804,789</b>	<b>116,185,499</b>
<b>Prior-period adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(457,922)</b>	<b>-</b>
<b>Total net position, July 1, 2021, as restated</b>	<b>102,687,179</b>	<b>149,086,148</b>	<b>98,326,085</b>	<b>86,227,998</b>	<b>153,093,887</b>	<b>53,773,407</b>	<b>6,133,076</b>	<b>217,346,867</b>	<b>116,185,499</b>
<b>Total net position, June 30, 2022</b>	<b>\$ 108,948,448</b>	<b>161,993,017</b>	<b>105,911,615</b>	<b>84,906,603</b>	<b>166,074,465</b>	<b>54,741,272</b>	<b>5,886,707</b>	<b>239,268,380</b>	<b>120,254,820</b>

**Exhibit E-2-2**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Wastewater Operations**  
**Combining Schedule of Revenues, Expenses, and Changes in Net Position**  
**Fiscal year ended June 30, 2022**

	Districts								
	No. 16	No. 17	No. 18	No. 19	No. 20	No. 21	No. 22	No. 23	No. 27
<b>Operating revenues:</b>									
Commodities	\$ -	-	-	-	1,064	-	-	-	-
Contract revenue	-	-	-	-	630,078	129,402	-	-	-
Industrial waste surcharge	172,680	-	2,154,463	281,461	512,300	2,276,828	857,309	3,309,033	-
Internal services revenue	-	-	-	-	-	-	-	-	-
Solid/food waste tipping fees	-	-	-	-	-	-	-	-	-
Sale of energy	-	-	-	-	-	-	-	-	-
Service charges	18,219,121	2,450,826	21,843,975	7,036,466	25,880,219	27,891,349	22,569,880	438,612	-
Other	943	-	-	-	9,498	3,772	6,690	-	-
<b>Total operating revenues</b>	<b>18,392,744</b>	<b>2,450,826</b>	<b>23,998,438</b>	<b>7,317,927</b>	<b>27,033,159</b>	<b>30,301,351</b>	<b>23,433,879</b>	<b>3,747,645</b>	<b>-</b>
<b>Operating expenses:</b>									
Chemicals	4,189	1,923	31,392	17,998	1,058,631	-	-	-	-
Collection charges	96,395	12,615	78,665	26,646	20,620	91,375	79,220	5,442	5,632
Depreciation/amortization	394,108	6,027	302,121	24,022	7,119,528	390,367	216,797	-	87,079
Equipment and vehicle rentals	-	-	-	355	782,262	1,419	-	-	-
Insurance and claims	-	-	-	-	35,595	-	-	-	-
Internal administrative costs	16,737,368	2,144,993	19,801,063	5,756,862	2,018,131	24,210,344	18,071,140	3,805,170	5,376
Materials and supplies	216	-	7,028	11,284	754,532	11,178	186	-	-
Operations, repairs, and maintenance	84,279	15,467	61,880	15,355	346,270	60,549	117,272	16,524	1,375
Pollution remediation costs	-	-	-	-	-	-	-	-	-
Salaries and benefits	269,945	87,955	603,373	358,816	5,215,767	818,159	393,191	12,912	7,241
Services	355,067	4,934	681,548	677,704	867,452	(24,890)	142,520	727	100,060
Utilities	164	-	289	21,004	2,278,990	86,398	75	-	-
<b>Total operating expenses</b>	<b>17,941,731</b>	<b>2,273,914</b>	<b>21,567,359</b>	<b>6,910,046</b>	<b>20,497,778</b>	<b>25,644,899</b>	<b>19,020,401</b>	<b>3,840,775</b>	<b>206,763</b>
<b>Operating income (loss)</b>	<b>451,013</b>	<b>176,912</b>	<b>2,431,079</b>	<b>407,881</b>	<b>6,535,381</b>	<b>4,656,452</b>	<b>4,413,478</b>	<b>(93,130)</b>	<b>(206,763)</b>
<b>Nonoperating revenues (expenses):</b>									
Interest revenue	568,802	65,188	427,310	168,071	316,943	685,986	647,614	161,715	13,348
Investment in joint ventures	-	-	-	-	-	-	-	-	-
Property taxes	7,130,174	737,803	5,477,492	1,918,501	1,723,748	5,887,683	5,690,601	595,457	445,174
Amortization of bond premium	-	-	-	-	1,714,863	-	-	-	-
Amortization of deferred loss on refunding	-	-	-	-	(206,866)	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	(6,805,487)	-	-	-	-
Other nonoperating revenue (expense)	51,702	-	-	9,579	-	96,036	23,088	-	-
Tax and assessment expense	(17,994)	(3,326)	(17,834)	(18,603)	(212,915)	(20,911)	(17,834)	-	-
Unrealized loss on investments	(2,431,898)	-	(880,184)	(579,910)	(816,320)	(2,959,951)	(2,147,074)	(959,636)	-
<b>Net nonoperating revenues (expenses)</b>	<b>5,300,786</b>	<b>799,665</b>	<b>5,006,784</b>	<b>1,497,638</b>	<b>(4,286,034)</b>	<b>3,688,843</b>	<b>4,196,395</b>	<b>(202,464)</b>	<b>458,522</b>
<b>Income (loss) before capital contribution revenue and transfers</b>	<b>5,751,799</b>	<b>976,577</b>	<b>7,437,863</b>	<b>1,905,519</b>	<b>2,249,347</b>	<b>8,345,295</b>	<b>8,609,873</b>	<b>(295,594)</b>	<b>251,759</b>
<b>Capital contribution revenue:</b>									
Connection fees	253,302	2,583	115,077	155,140	435,455	535,896	560,406	26,289	-
Grants	-	-	-	-	-	-	-	-	-
Transfers in	8,870,735	1,053,902	10,352,619	3,239,821	24,009,468	13,082,031	9,308,333	280,682	10,410
Transfers out	(12,275,867)	(1,459,455)	(13,002,269)	(3,837,402)	(12,443,697)	(15,895,429)	(12,741,244)	(885,408)	(446)
<b>Change in net position</b>	<b>2,599,969</b>	<b>573,607</b>	<b>4,903,290</b>	<b>1,463,078</b>	<b>14,250,573</b>	<b>6,067,793</b>	<b>5,737,368</b>	<b>(874,031)</b>	<b>261,723</b>
<b>Total net position, July 1, 2021, as previously stated</b>	<b>82,294,193</b>	<b>10,154,480</b>	<b>76,613,892</b>	<b>21,788,421</b>	<b>72,036,169</b>	<b>106,351,858</b>	<b>88,313,684</b>	<b>19,668,528</b>	<b>4,239,874</b>
Prior-period adjustments	-	-	(990)	-	(236,477)	-	-	-	-
<b>Total net position, July 1, 2021, as restated</b>	<b>82,294,193</b>	<b>10,154,480</b>	<b>76,612,902</b>	<b>21,788,421</b>	<b>71,799,692</b>	<b>106,351,858</b>	<b>88,313,684</b>	<b>19,668,528</b>	<b>4,239,874</b>
<b>Total net position, June 30, 2022</b>	<b>\$ 84,894,162</b>	<b>10,728,087</b>	<b>81,516,192</b>	<b>23,251,499</b>	<b>86,050,265</b>	<b>112,419,651</b>	<b>94,051,052</b>	<b>18,794,497</b>	<b>4,501,597</b>

**Exhibit E-2-3**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Wastewater Operations**  
**Combining Schedule of Revenues, Expenses, and Changes in Net Position**  
**Fiscal year ended June 30, 2022**

	Districts							Total
	No. 28	No. 29	No. 34	Joint Outfall	Newhall Ranch	Santa Clarita Valley	South Bay Cities	
<b>Operating revenues:</b>								
Commodities	\$ -	-	-	28,993	-	7,723	-	42,878
Contract revenue	-	-	-	21,032,377	21,286	716,447	-	24,531,496
Industrial waste surcharge	-	45,850	-	29,547,721	-	1,909,318	8,386	72,741,484
Internal services revenue	-	-	-	197,585,407	-	-	-	197,585,407
Solid/food waste tipping fees	-	-	-	464,541	-	-	-	464,541
Sale of energy	-	-	-	667,762	-	-	-	667,762
Service charges	686,622	1,951,905	-	105	602,937	35,947,772	7,036,168	398,414,062
Other	-	-	6,899	165,182	815,000	61,866	3	1,058,168
<b>Total operating revenues</b>	<b>686,622</b>	<b>1,997,755</b>	<b>6,899</b>	<b>249,492,088</b>	<b>1,439,223</b>	<b>38,643,126</b>	<b>7,044,557</b>	<b>695,505,798</b>
<b>Operating expenses:</b>								
Chemicals	-	3,850	-	37,511,672	-	2,661,251	17,168	43,130,551
Collection charges	11,489	2,528	-	-	305	127,658	98,159	1,404,936
Depreciation/amortization	94,342	180,850	13	53,175,896	46,372	5,935,128	308,794	83,878,080
Equipment and vehicle rentals	-	710	-	7,092,286	2,163	578,462	2,839	8,962,082
Insurance and claims	-	-	-	770,342	-	265,189	-	1,104,260
Internal administrative costs	672,030	870,163	5,376	-	8,197	5,544,973	7,672,572	291,873,096
Materials and supplies	-	9,267	-	12,274,974	4,384	1,765,049	30,444	15,963,714
Operations, repairs, and maintenance	10,252	4,975	-	8,077,657	11,668	351,836	13,349	13,298,221
Pollution remediation costs	-	-	-	32,167	-	-	-	32,167
Salaries and benefits	19,409	478,037	1,403	105,036,574	153,193	11,888,065	1,049,813	139,193,656
Services	512	53,567	-	43,210,681	274,891	2,264,625	48,645	54,039,889
Utilities	114	18,427	-	19,649,103	6,327	3,870,305	194,247	29,034,044
<b>Total operating expenses</b>	<b>808,148</b>	<b>1,622,374</b>	<b>6,792</b>	<b>286,831,352</b>	<b>507,500</b>	<b>35,252,541</b>	<b>9,436,030</b>	<b>681,914,696</b>
<b>Operating income (loss)</b>	<b>(121,526)</b>	<b>375,381</b>	<b>107</b>	<b>(37,339,264)</b>	<b>931,723</b>	<b>3,390,585</b>	<b>(2,391,473)</b>	<b>13,591,102</b>
<b>Nonoperating revenues (expenses):</b>								
Interest revenue	90,149	77,664	7	2,100,713	25,546	770,176	413,525	11,306,686
Investment in joint ventures	-	-	-	(1,302,593)	-	-	-	(1,302,593)
Property taxes	827,782	162,981	-	-	-	8,611,611	6,978,194	97,492,668
Amortization of bond premium	-	-	-	-	-	-	-	4,671,968
Amortization of deferred loss on refunding	-	-	-	-	-	-	-	(388,008)
Bond issuance costs	-	-	-	(424,135)	-	-	-	(848,939)
Interest expense	-	(6,986)	-	(10,419,383)	-	(464,784)	-	(25,990,306)
Other nonoperating revenue (expense)	-	-	-	(35,613,815)	-	-	51,149	(35,159,978)
Tax and assessment expense	(3,326)	(5,532)	-	(2,681,747)	(14,272)	(271,898)	(26,042)	(3,677,819)
Unrealized loss on investments	(594,610)	(286,400)	-	(5,532,927)	(178,025)	(3,329,640)	(1,898,514)	(39,166,846)
<b>Net nonoperating revenues (expenses)</b>	<b>319,995</b>	<b>(58,273)</b>	<b>7</b>	<b>(53,873,887)</b>	<b>(166,751)</b>	<b>5,315,465</b>	<b>5,518,312</b>	<b>6,936,833</b>
<b>Income (loss) before capital contribution revenue and transfers</b>	<b>198,469</b>	<b>317,108</b>	<b>114</b>	<b>(91,213,151)</b>	<b>764,972</b>	<b>8,706,050</b>	<b>3,126,839</b>	<b>20,527,935</b>
<b>Capital contribution revenue:</b>								
Connection fees	2,931	20,961	-	15,127,509	-	1,642,308	3,690	26,793,849
Grants	-	-	-	1,419,049	-	2,700,000	-	4,119,049
Transfers in	365,870	1,342,201	194	523,571,644	207,820	32,479,916	5,722,414	816,161,501
Transfers out	(464,744)	(575,623)	(446)	(229,204,392)	(730)	(6,369,556)	(5,399,793)	(503,002,159)
<b>Change in net position</b>	<b>102,526</b>	<b>1,104,647</b>	<b>(138)</b>	<b>219,700,659</b>	<b>972,062</b>	<b>39,158,718</b>	<b>3,453,150</b>	<b>364,600,175</b>
Total net position, July 1, 2021, as previously stated	13,980,865	16,501,462	(227)	1,734,302,776	3,344,934	301,668,444	51,192,210	3,585,769,631
Prior-period adjustments	-	(1,744)	-	(3,092,873)	-	(731,012)	-	(4,521,018)
Total net position, July 1, 2021, as restated	13,980,865	16,499,718	(227)	1,731,209,903	3,344,934	300,937,432	51,192,210	3,581,248,613
Total net position, June 30, 2022	\$ 14,083,391	\$ 17,604,365	\$ (365)	\$ 1,950,910,562	\$ 4,316,996	\$ 340,096,150	\$ 54,645,360	\$ 3,945,848,788

**Exhibit E-3**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Wastewater Operations**  
**Combining Schedule of Cash Flows**  
**Fiscal year ended June 30, 2022**

	Districts								
	No. 1	No. 2	No. 3	No. 4	No. 5	No. 8	No. 9	No. 14	No. 15
<b>Cash flows from operating activities:</b>									
Receipts from customers and users	\$ 37,166,166	46,883,674	34,240,437	3,505,806	49,796,006	20,545,678	119,782	37,857,143	36,612,524
Receipts for internal services	-	-	-	-	-	-	-	-	-
Payments to suppliers	(252,658)	(548,011)	(307,848)	(2,213,591)	(1,474,348)	(4,210,865)	(191,567)	(6,600,655)	(426,368)
Payments for salaries/benefits	(694,489)	(1,159,488)	(843,714)	(49,540)	(1,961,877)	(1,511,876)	(5,662)	(5,981,292)	(721,084)
Payment for equipment rental	(355)	(710)	(1,774)	-	(3,583)	(74,684)	-	(419,772)	(710)
Payment for internal administrative costs	(26,315,724)	(39,242,445)	(27,927,360)	(20,086)	(42,005,453)	(13,832,844)	(5,376)	(3,212,424)	(31,987,626)
Net cash provided (used) by operating activities	<u>9,902,940</u>	<u>5,933,020</u>	<u>5,159,741</u>	<u>1,222,589</u>	<u>4,350,745</u>	<u>915,409</u>	<u>(82,823)</u>	<u>21,643,000</u>	<u>3,476,736</u>
<b>Cash flows from noncapital financing activities:</b>									
Receipts from property taxes	4,479,233	8,655,525	6,858,272	863,098	14,902,459	2,478,501	118,003	2,185,009	9,717,085
Transfers from other funds	29,000	66,000	47,000	2,000	85,000	51,000	-	11,352,669	20,000
Transfers to other funds	(6,202,999)	(9,246,654)	(6,881,269)	(591)	(10,280,683)	(3,046,360)	(446)	(11,334,489)	(7,681,263)
Payments for tax and assessment	(18,603)	(19,373)	(23,922)	(3,326)	(25,553)	(20,345)	-	(235,090)	(19,373)
Net cash provided (used) by noncapital financing activities	<u>(1,713,369)</u>	<u>(544,502)</u>	<u>81</u>	<u>861,181</u>	<u>4,681,223</u>	<u>(537,204)</u>	<u>117,557</u>	<u>1,968,099</u>	<u>2,036,449</u>
<b>Cash flows from capital and related financing activities:</b>									
Borrowings on loans	-	-	-	-	-	-	-	-	-
Proceeds from bond sale	-	-	-	-	-	-	-	52,047,564	-
Bond issuance costs	-	-	-	-	-	-	-	(424,804)	-
Purchases of capital assets	(721,762)	(3,387,967)	(1,716,884)	(1,970,535)	(1,378,925)	(7,085,531)	(61,409)	(1,390,291)	(2,388,442)
Connection fees proceeds	695,865	4,755,192	190,717	120,330	388,638	255,783	-	1,220,906	284,871
Grant proceeds	-	-	-	-	-	-	-	-	-
Interest paid on capital-related debt	(9,490)	-	-	-	-	-	-	(9,096,887)	-
Principal payments on bonds	-	-	-	-	-	-	-	(3,600,000)	-
Principal payments on loans	(359,544)	-	-	-	-	-	-	(57,274,752)	-
Net cash provided (used) by capital and related financing activities	<u>(394,931)</u>	<u>1,367,225</u>	<u>(1,526,167)</u>	<u>(1,850,205)</u>	<u>(990,287)</u>	<u>(6,829,748)</u>	<u>(61,409)</u>	<u>(18,518,264)</u>	<u>(2,103,571)</u>
<b>Cash flows from investing activities:</b>									
Interest received	587,762	664,411	436,446	406,070	591,714	132,755	41,255	569,022	757,853
Purchases of investments	(19,450,936)	(14,515,725)	(13,935,378)	(26,890,371)	(13,200,279)	-	(3,124,189)	(33,405,400)	(25,572,194)
Proceeds from maturities of investments	12,178,410	16,266,167	18,995,458	13,255,036	12,204,830	1,183,325	1,685,067	8,608,771	13,823,888
Net cash provided (used) by investing activities	<u>(6,684,764)</u>	<u>2,414,853</u>	<u>5,496,526</u>	<u>(13,229,265)</u>	<u>(403,735)</u>	<u>1,316,080</u>	<u>(1,397,867)</u>	<u>(24,227,607)</u>	<u>(10,990,453)</u>
Net increase (decrease) in cash and cash equivalents	1,109,876	9,170,596	9,130,181	(12,995,700)	7,637,946	(5,135,463)	(1,424,542)	(19,134,772)	(7,580,839)
Cash and cash equivalents at beginning of fiscal year	54,717,481	73,765,195	48,692,727	28,847,698	70,044,689	23,923,066	2,812,836	65,858,678	75,429,116
Cash and cash equivalents at end of fiscal year	\$ <u>55,827,357</u>	<u>82,935,791</u>	<u>57,822,908</u>	<u>15,851,998</u>	<u>77,682,635</u>	<u>18,787,603</u>	<u>1,388,294</u>	<u>46,723,906</u>	<u>67,848,277</u>

**Exhibit E-3 (continued)**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Wastewater Operations**  
**Combining Schedule of Cash Flows**  
**Fiscal year ended June 30, 2022**

	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)	\$ 6,614,918	3,921,864	4,115,595	(464,376)	2,135,494	(1,068,068)	(147,836)	12,909,640	1,956,035
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:									
Depreciation and amortization	414,492	818,388	699,460	1,792,093	1,406,344	609,425	55,148	9,592,957	208,329
Prior period adjustment	-	-	-	-	-	-	-	-	-
Decrease (increase) in accounts receivable	3,268,445	1,990,603	922,758	6,670	1,835,643	1,724,254	-	(354,489)	2,029,096
Decrease (increase) in service charge receivable	(359,080)	(740,376)	(513,386)	(123,363)	(914,096)	(399,029)	7,077	(498,501)	(621,072)
Decrease in leases receivable	-	-	-	-	-	-	-	428,904	-
Increase (decrease) in accounts payable	(25,185)	(14,962)	(16,114)	12,935	(33,750)	48,641	4,606	(110,350)	(56,022)
Increase in amounts held for others	-	-	1	-	-	-	-	-	-
Decrease in estimated pollution remediation	-	-	-	-	-	-	-	-	-
Decrease in leases payable	-	-	-	-	-	-	-	-	-
Increase (decrease) in other liabilities	-	-	(64,508)	-	-	-	-	66,429	(36)
Increase (decrease) in due to/from other funds	(10,650)	(42,497)	15,935	(1,370)	(78,890)	186	(1,818)	46,092	(39,594)
Decrease in deferred lease revenue	-	-	-	-	-	-	-	(437,682)	-
Net cash provided (used) by operating activities	\$ 9,902,940	5,933,020	5,159,741	1,222,589	4,350,745	915,409	(82,823)	21,643,000	3,476,736
Schedule of noncash investing activities:									
Unrealized loss on fair value of investments	\$ (2,186,952)	(2,242,464)	(1,374,616)	(2,504,681)	(1,683,649)	(44,490)	(287,496)	(3,096,371)	(3,151,038)
Amortization of investment premium (discount)	670	(152,984)	(152,003)	(110,746)	7,786	-	(15,288)	868	6,750
Investment in joint venture	-	-	-	-	-	-	-	-	-

**Exhibit E-3-2**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Wastewater Operations**  
**Combining Schedule of Cash Flows**  
**Fiscal year ended June 30, 2022**

	Districts								
	No. 16	No. 17	No. 18	No. 19	No. 20	No. 21	No. 22	No. 23	No. 27
<b>Cash flows from operating activities:</b>									
Receipts from customers and users	\$ 18,213,279	2,426,048	24,461,131	7,410,560	26,630,594	30,692,500	23,487,082	5,859,667	-
Receipts for internal services	-	-	-	-	-	-	-	-	-
Payments to suppliers	(544,064)	(26,125)	(929,794)	(766,053)	(5,742,785)	(373,571)	(355,224)	(8,667)	(107,096)
Payments for salaries/benefits	(281,538)	(89,441)	(632,741)	(365,061)	(5,158,838)	(831,728)	(402,528)	(16,391)	(8,285)
Payment for equipment rental	-	-	-	(355)	(782,262)	(1,419)	-	-	-
Payment for internal administrative costs	(16,737,368)	(2,144,993)	(19,801,063)	(5,756,862)	(2,018,131)	(24,210,344)	(18,071,140)	(3,805,170)	(5,376)
Net cash provided (used) by operating activities	<u>650,309</u>	<u>165,489</u>	<u>3,097,533</u>	<u>522,229</u>	<u>12,928,578</u>	<u>5,275,438</u>	<u>4,658,190</u>	<u>2,029,439</u>	<u>(120,757)</u>
<b>Cash flows from noncapital financing activities:</b>									
Receipts from property taxes	6,976,334	719,993	5,434,991	1,869,686	1,719,224	5,733,328	5,584,023	575,855	434,055
Transfers from other funds	11,000	1,000	36,000	11,000	11,077,119	55,000	15,000	-	-
Transfers to other funds	(4,205,005)	(540,860)	(4,780,970)	(1,440,610)	(11,018,213)	(5,902,750)	(4,523,691)	(674,236)	(446)
Payments for tax and assessment	(17,994)	(3,326)	(17,834)	(18,603)	(212,915)	(20,911)	(17,834)	-	-
Net cash provided (used) by noncapital financing activities	<u>2,764,335</u>	<u>176,807</u>	<u>672,187</u>	<u>421,473</u>	<u>1,565,215</u>	<u>(135,333)</u>	<u>1,057,498</u>	<u>(98,381)</u>	<u>433,609</u>
<b>Cash flows from capital and related financing activities:</b>									
Borrowings on loans	-	-	-	-	-	-	-	-	-
Proceeds from bond sale	-	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-
Purchases of capital assets	(877,113)	(74,839)	(695,823)	(28,409)	(1,903,330)	(717,495)	(325,573)	-	(176,833)
Connection fees proceeds	253,302	2,583	115,077	155,140	435,455	535,896	560,406	26,289	-
Grant proceeds	-	-	-	-	-	-	-	-	-
Interest paid on capital-related debt	-	-	-	-	(6,835,119)	-	-	-	-
Principal payments on bonds	-	-	-	-	(4,045,000)	-	-	-	-
Principal payments on loans	-	-	-	-	-	-	-	-	-
Net cash provided (used) by capital and related financing activities	<u>(623,811)</u>	<u>(72,256)</u>	<u>(580,746)</u>	<u>126,731</u>	<u>(12,347,994)</u>	<u>(181,599)</u>	<u>234,833</u>	<u>26,289</u>	<u>(176,833)</u>
<b>Cash flows from investing activities:</b>									
Interest received	471,119	54,927	400,680	132,686	315,272	474,629	577,125	145,010	10,024
Purchases of investments	(24,384,825)	-	(6,427,550)	(5,511,656)	(6,736,140)	(31,558,037)	(16,798,183)	(9,221,053)	-
Proceeds from maturities of investments	12,029,481	-	7,785,678	3,792,931	5,326,419	17,799,450	12,467,148	1,249,407	-
Net cash provided (used) by investing activities	<u>(11,884,225)</u>	<u>54,927</u>	<u>1,758,808</u>	<u>(1,586,039)</u>	<u>(1,094,449)</u>	<u>(13,283,958)</u>	<u>(3,753,910)</u>	<u>(7,826,636)</u>	<u>10,024</u>
Net increase (decrease) in cash and cash equivalents	(9,093,392)	324,967	4,947,782	(515,606)	1,051,350	(8,325,452)	2,196,611	(5,869,289)	146,043
Cash and cash equivalents at beginning of fiscal year	<u>48,137,131</u>	<u>9,459,025</u>	<u>44,057,682</u>	<u>15,510,840</u>	<u>37,726,946</u>	<u>61,966,200</u>	<u>55,557,020</u>	<u>13,338,712</u>	<u>1,802,932</u>
Cash and cash equivalents at end of fiscal year	<u>\$ 39,043,739</u>	<u>9,783,992</u>	<u>49,005,464</u>	<u>14,995,234</u>	<u>38,778,296</u>	<u>53,640,748</u>	<u>57,753,631</u>	<u>7,469,423</u>	<u>1,948,975</u>



**Exhibit E-3-2 (continued)**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Wastewater Operations**  
**Combining Schedule of Cash Flows**  
**Fiscal year ended June 30, 2022**

	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)	\$ 451,013	176,912	2,431,079	407,881	6,535,381	4,656,452	4,413,478	(93,130)	(206,763)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:									
Depreciation and amortization	394,108	6,027	302,121	24,022	7,119,528	390,367	216,797	-	87,079
Prior period adjustment	-	-	-	-	-	-	-	-	-
Decrease (increase) in accounts receivable	176,170	-	821,031	129,254	(48,974)	1,036,603	407,895	2,124,137	-
Decrease (increase) in service charge receivable	(355,634)	(24,779)	(358,339)	(36,619)	(332,724)	(645,453)	(354,692)	(12,117)	-
Decrease in leases receivable	-	-	-	-	178,273	-	-	-	-
Increase (decrease) in accounts payable	(3,545)	8,814	(68,950)	4,009	(177,983)	(148,706)	(15,952)	14,027	(29)
Increase in amounts held for others	-	-	-	-	-	-	-	-	-
Decrease in estimated pollution remediation	-	-	-	-	-	-	-	-	-
Decrease in leases payable	-	-	-	-	(134,275)	-	-	-	-
Increase (decrease) in other liabilities	-	-	(11)	-	(64,655)	-	-	-	-
Increase (decrease) in due to/from other funds	(11,803)	(1,485)	(29,398)	(6,318)	53,206	(13,825)	(9,336)	(3,478)	(1,044)
Decrease in deferred lease revenue	-	-	-	-	(199,199)	-	-	-	-
Net cash provided (used) by operating activities	\$ 650,309	165,489	3,097,533	522,229	12,928,578	5,275,438	4,658,190	2,029,439	(120,757)
Schedule of noncash investing activities:									
Unrealized loss on fair value of investments	\$ (2,431,898)	-	(880,184)	(579,910)	(816,320)	(2,959,951)	(2,147,074)	(959,636)	-
Amortization of investment premium (discount)	(103,015)	-	6,704	(32,906)	-	(251,846)	(38,571)	(1,268)	-
Investment in joint venture	-	-	-	-	-	-	-	-	-

**Exhibit E-3-3**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Wastewater Operations**  
**Combining Schedule of Cash Flows**  
**Fiscal year ended June 30, 2022**

	Districts							Total
	No. 28	No. 29	No. 34	Joint Outfall	Newhall Ranch	Santa Clarita Valley	South Bay Cities	
<b>Cash flows from operating activities:</b>								
Receipts from customers and users	\$ 673,847	1,957,677	6,899	31,369,790	1,438,107	37,735,302	6,982,188	486,071,887
Receipts for internal services	-	-	-	197,585,407	-	-	-	197,585,407
Payments to suppliers	(12,697)	(92,512)	-	(119,635,279)	(26,433)	(11,609,433)	(403,079)	(156,858,723)
Payments for salaries/benefits	(19,048)	(467,362)	(1,503)	(104,196,834)	(136,040)	(11,791,308)	(1,036,429)	(138,364,097)
Payment for equipment rental	-	(710)	-	(7,086,979)	(2,163)	(578,462)	(2,839)	(8,956,777)
Payment for internal administrative costs	(672,030)	(870,163)	(5,376)	-	(8,197)	(5,544,973)	(7,672,576)	(291,873,100)
Net cash provided (used) by operating activities	<u>(29,928)</u>	<u>526,930</u>	<u>20</u>	<u>(1,963,895)</u>	<u>1,265,274</u>	<u>8,211,126</u>	<u>(2,132,735)</u>	<u>87,604,597</u>
<b>Cash flows from noncapital financing activities:</b>								
Receipts from property taxes	807,515	168,776	-	-	-	8,385,568	6,778,107	95,444,640
Transfers from other funds	-	17,000	-	67,303,427	14,000	474,000	32,000	90,699,215
Transfers to other funds	(169,105)	(216,169)	(446)	-	(730)	(388,852)	(1,933,339)	(90,470,176)
Payments for tax and assessment	(3,326)	(5,532)	-	(2,681,747)	(14,272)	(271,898)	(26,042)	(3,677,819)
Net cash provided (used) by noncapital financing activities	<u>635,084</u>	<u>(35,925)</u>	<u>(446)</u>	<u>64,621,680</u>	<u>(1,002)</u>	<u>8,198,818</u>	<u>4,850,726</u>	<u>91,995,860</u>
<b>Cash flows from capital and related financing activities:</b>								
Borrowings on loans	-	-	-	2,117,737	-	102,526,744	-	104,644,481
Proceeds from bond sale	-	-	-	106,021,263	-	-	-	158,068,827
Bond issuance costs	-	-	-	(424,135)	-	-	-	(848,939)
Purchases of capital assets	-	(11,818)	-	(145,285,407)	(95,035)	(41,961,372)	(234,304)	(212,489,097)
Connection fees proceeds	2,931	20,961	-	15,127,509	-	1,642,308	3,690	26,793,849
Grant proceeds	-	-	-	1,367,892	-	2,700,000	-	4,067,892
Interest paid on capital-related debt	-	(9,605)	-	(3,110,035)	-	(51,290)	-	(19,112,426)
Principal payments on bonds	-	-	-	-	-	-	-	(7,645,000)
Principal payments on loans	-	(616,371)	-	(168,093,886)	-	(2,696,717)	-	(229,041,270)
Net cash provided (used) by capital and related financing activities	<u>2,931</u>	<u>(616,833)</u>	<u>-</u>	<u>(192,279,062)</u>	<u>(95,035)</u>	<u>62,159,673</u>	<u>(230,614)</u>	<u>(175,561,683)</u>
<b>Cash flows from investing activities:</b>								
Interest received	90,099	64,300	8	2,284,682	28,716	664,325	334,314	10,235,204
Purchases of investments	(6,694,339)	(3,061,953)	-	(43,893,856)	(883,930)	(41,935,781)	(20,877,130)	(368,078,905)
Proceeds from maturities of investments	1,664,348	1,351,214	-	42,991,857	-	15,792,621	11,131,700	231,583,206
Net cash provided (used) by investing activities	<u>(4,939,892)</u>	<u>(1,646,439)</u>	<u>8</u>	<u>1,382,683</u>	<u>(855,214)</u>	<u>(25,478,835)</u>	<u>(9,411,116)</u>	<u>(126,260,495)</u>
Net increase (decrease) in cash and cash equivalents	<u>(4,331,805)</u>	<u>(1,772,267)</u>	<u>(418)</u>	<u>(128,238,594)</u>	<u>314,023</u>	<u>53,090,782</u>	<u>(6,923,739)</u>	<u>(122,221,721)</u>
Cash and cash equivalents at beginning of fiscal year	6,998,824	7,035,424	(196)	231,007,616	3,526,476	65,192,785	29,714,460	1,075,123,363
Cash and cash equivalents at end of fiscal year	<u>\$ 2,667,019</u>	<u>5,263,157</u>	<u>(614)</u>	<u>102,769,022</u>	<u>3,840,499</u>	<u>118,283,567</u>	<u>22,790,721</u>	<u>952,901,642</u>

**Exhibit E-3-3 (continued)**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Wastewater Operations**  
**Combining Schedule of Cash Flows**  
**Fiscal year ended June 30, 2022**

	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)	\$ (121,526)	375,381	107	(37,339,264)	931,723	3,390,585	(2,391,473)	13,591,102
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation and amortization	94,342	180,850	13	53,175,896	46,372	5,935,128	308,794	83,878,080
Prior period adjustment	-	-	-	(2,308,051)	-	-	-	(2,308,051)
Decrease (increase) in accounts receivable	-	31,869	-	(17,811,562)	-	(26,052)	6,746	(1,729,903)
Decrease (increase) in service charge receivable	(12,776)	(71,947)	-	-	(1,116)	(888,941)	(69,115)	(7,326,078)
Decrease in leases receivable	-	-	-	1,220,824	-	-	-	1,828,001
Increase (decrease) in accounts payable	9,670	272	-	1,812,319	271,142	(298,080)	(626)	1,216,181
Increase in amounts held for others	-	-	-	-	-	-	-	1
Decrease in estimated pollution remediation	-	-	-	(2,000)	-	-	-	(2,000)
Decrease in leases payable	-	-	-	(70,734)	-	-	-	(205,009)
Increase (decrease) in other liabilities	-	-	-	19,332	-	(103)	-	(43,552)
Increase (decrease) in due to/from other funds	362	10,505	(100)	767,125	17,153	98,589	12,939	770,486
Decrease in deferred lease revenue	-	-	-	(1,427,780)	-	-	-	(2,064,661)
Net cash provided (used) by operating activities	\$ (29,928)	526,930	20	(1,963,895)	1,265,274	8,211,126	(2,132,735)	87,604,597
Schedule of noncash investing activities:								
Unrealized loss on fair value of investments	\$ (594,610)	(286,400)	-	(5,532,927)	(178,025)	(3,329,640)	(1,898,514)	(39,166,846)
Amortization of investment premium (discount)	(166)	(8,763)	-	58,665	-	(49,895)	(101,214)	(937,222)
Investment in joint venture	-	-	-	(177,652)	-	-	-	(177,652)

**Exhibit F-1**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Stormwater Operations**  
**Combining Schedule of Net Position**  
**June 30, 2022**

**Assets**

Current assets:

Unrestricted cash and cash equivalents:

Cash and cash equivalents	\$ <u>1,575,138</u>
---------------------------	---------------------

Total unrestricted cash and cash equivalents	<u>1,575,138</u>
--	------------------

Receivables:

Accounts	50,000
Interest	<u>34,130</u>

Total receivables	<u>84,130</u>
-------------------	---------------

Total current assets	<u>1,659,268</u>
----------------------	------------------

Total assets	<u>\$ 1,659,268</u>
--------------	---------------------

**Liabilities**

Current liabilities:

Amounts held for others	\$ 588,666
Due to other funds	<u>535</u>

Total current liabilities	<u>589,201</u>
---------------------------	----------------

Total liabilities	<u>\$ 589,201</u>
-------------------	-------------------

**Net Position**

Net position:

Unrestricted	\$ <u>1,070,067</u>
--------------	---------------------

Total net position	<u><u>\$ 1,070,067</u></u>
--------------------	----------------------------

**Exhibit F-2**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Stormwater Operations**  
**Combining Schedule of Revenues, Expenses, and Changes in Net Position**  
**Fiscal year ended June 30, 2022**

Operating revenues:		
Contract revenue	\$	<u>49,696</u>
Total operating revenues		<u>49,696</u>
Operating expenses:		
Salaries and benefits		152,398
Services		<u>53,703</u>
Total operating expenses		<u>206,101</u>
Operating loss		<u>(156,405)</u>
Nonoperating revenues:		
Interest revenue		<u>8,888</u>
Net nonoperating revenues		<u>8,888</u>
Loss before transfers		(147,517)
Transfers in		<u>2,936</u>
Change in net position		(144,581)
Total net position, July 1, 2021, as previously stated		<u>1,329,648</u>
Prior-period adjustments		<u>(115,000)</u>
Total net position, July 1, 2021, as restated		<u>1,214,648</u>
Total net position, June 30, 2022	\$	<u><u>1,070,067</u></u>

**Exhibit F-3**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Stormwater Operations**  
**Combining Schedule of Cash Flows**  
**Fiscal year ended June 30, 2022**

Cash flows from operating activities:	
Receipts from customers and users	\$ 300,569
Payments to suppliers	(104,271)
Payments for salaries/benefits	(139,958)
	<u>56,340</u>
Cash flows from noncapital financing activities:	
Transfers from other funds	4,000
	<u>4,000</u>
Cash flows from investing activities:	
Interest received	6,956
	<u>6,956</u>
Net cash provided by investing activities	<u>6,956</u>
Net increase in cash and cash equivalents	67,296
Cash and cash equivalents at beginning of fiscal year	<u>1,507,842</u>
Cash and cash equivalents at end of fiscal year	<u>\$ 1,575,138</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (156,405)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Increase in accounts receivable	(49,128)
Increase in amounts held for others	249,431
Increase in due to/from other funds	12,442
	<u>187,745</u>
Net cash provided by operating activities	<u>\$ 56,340</u>

**Exhibit G-1**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Solid Waste Facilities Operations**  
**Combining Schedule of Net Position**  
**June 30, 2022**

<b>Assets</b>	Spadra Landfill	Puente Hills Landfill	Joint Refuse Disposal System	Total
<b>Current assets:</b>				
Unrestricted cash and cash equivalents:				
Cash in bank	\$ -	255,888	1,189,011	1,444,899
Cash on hand	-	2,000	25,963	27,963
Cash and cash equivalents	<u>4,523,512</u>	<u>14,357,190</u>	<u>44,882,377</u>	<u>63,763,079</u>
Total unrestricted cash and cash equivalents	<u>4,523,512</u>	<u>14,615,078</u>	<u>46,097,351</u>	<u>65,235,941</u>
Receivables:				
Accounts	-	17,438	9,555,377	9,572,815
Due from other funds	-	213,195	320,100,566	320,313,761
Interest	114,934	132,953	991,233	1,239,120
Leases	-	83,708	2,107,406	2,191,114
Total receivables	<u>114,934</u>	<u>447,294</u>	<u>332,754,582</u>	<u>333,316,810</u>
Restricted/designated cash and investments:				
Cash and cash equivalents	202,027	425,850	41,951,035	42,578,912
Specific investments	<u>485,356</u>	<u>2,007,076</u>	<u>168,582,641</u>	<u>171,075,073</u>
Total restricted/designated cash and investments	<u>687,383</u>	<u>2,432,926</u>	<u>210,533,676</u>	<u>213,653,985</u>
Total current assets	<u>5,325,829</u>	<u>17,495,298</u>	<u>589,385,609</u>	<u>612,206,736</u>
Leases receivable	-	1,751,595	23,225,038	24,976,633
Other assets	-	-	75,000	75,000
Capital assets:				
Buildings & equipment	-	-	28,340,019	28,340,019
Improvements	41,219,115	246,787,369	81,169,590	369,176,074
Gas-to-energy facilities	26,041,170	-	183,061,314	209,102,484
Rail facilities	-	-	223,843,590	223,843,590
Recycling and transfer facilities	-	-	82,714,698	82,714,698
Use rights	635,000	9,001,642	54,366,883	64,003,525
Other capital assets	21,396	323,987	384,438	729,821
Construction in progress	96,439	1,245,383	64,356,472	65,698,294
Land	-	-	54,884,982	54,884,982
Accumulated depreciation & amortization	<u>(62,044,575)</u>	<u>(255,941,638)</u>	<u>(199,726,463)</u>	<u>(517,712,676)</u>
Net capital assets	<u>5,968,545</u>	<u>1,416,743</u>	<u>573,395,523</u>	<u>580,780,811</u>
Total assets	<u>\$ 11,294,374</u>	<u>20,663,636</u>	<u>1,186,081,170</u>	<u>1,218,039,180</u>

(Continued on the following page)

**Exhibit G-1-2**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Solid Waste Facilities Operations**  
**Combining Schedule of Net Position**  
**June 30, 2022**

<b>Liabilities</b>	Spadra Landfill	Puente Hills Landfill	Joint Refuse Disposal System	Total
<b>Current liabilities:</b>				
Accounts payable	\$ 37,863	552,144	5,290,820	5,880,827
Claims liabilities	-	-	3,150,000	3,150,000
Contractual obligations to other governments	-	-	7,333,333	7,333,333
Due to other funds	591,599	-	-	591,599
Estimated liability for closure/postclosure care	3,795,000	12,367,000	-	16,162,000
Other	-	-	55,405	55,405
Total current liabilities	<u>4,424,462</u>	<u>12,919,144</u>	<u>15,829,558</u>	<u>33,173,164</u>
<b>Long-term liabilities:</b>				
Contractual obligations to other governments	-	-	27,333,333	27,333,333
Estimated liability for closure/postclosure care	52,598,766	322,485,545	-	375,084,311
Total long-term liabilities	<u>52,598,766</u>	<u>322,485,545</u>	<u>27,333,333</u>	<u>402,417,644</u>
Total liabilities	<u>\$ 57,023,228</u>	<u>335,404,689</u>	<u>43,162,891</u>	<u>435,590,808</u>
<b>Deferred Inflow of Resources</b>				
Lease deferrals	\$ -	1,798,746	25,203,491	27,002,237
Total deferred inflow of resources	<u>\$ -</u>	<u>1,798,746</u>	<u>25,203,491</u>	<u>27,002,237</u>
<b>Net Position</b>				
<b>Net position:</b>				
Net investment in capital assets	\$ 5,968,545	1,063,251	572,991,382	580,023,178
Restricted for capital projects	-	-	7,255,000	7,255,000
Restricted for site development	-	-	14,800,805	14,800,805
Unrestricted	<u>(51,697,399)</u>	<u>(317,603,050)</u>	<u>522,667,601</u>	<u>153,367,152</u>
Total net position	<u>\$ (45,728,854)</u>	<u>(316,539,799)</u>	<u>1,117,714,788</u>	<u>755,446,135</u>



**Exhibit G-2**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Solid Waste Facilities Operations**  
**Combining Schedule of Revenues, Expenses, and Changes in Net Position**  
**Fiscal year ended June 30, 2022**

	Spadra Landfill	Puente Hills Landfill	Joint Refuse Disposal System	Total
<b>Operating revenues:</b>				
Commodities	\$ -	9,831	3,523,527	3,533,358
Contract revenue	-	131,757	5,732,018	5,863,775
Solid/food waste tipping fees	-	-	52,153,723	52,153,723
Sale of energy	-	(116)	17,023,977	17,023,861
Other	65	3,236	75,352	78,653
<b>Total operating revenues</b>	<b>65</b>	<b>144,708</b>	<b>78,508,597</b>	<b>78,653,370</b>
<b>Operating expenses:</b>				
Chemicals	-	(8,599)	149,994	141,395
Depreciation/amortization	653,217	32,542	11,821,467	12,507,226
Equipment and vehicle rentals	114,043	377,594	2,425,215	2,916,852
Insurance and claims	(10,856)	(36,109)	597,582	550,617
Internal administrative costs	561,938	1,551,762	5,354,838	7,468,538
Landfill closure and postclosure costs	4,489,045	21,408,891	-	25,897,936
Materials and supplies	1,575	-	2,427,621	2,429,196
Operations, repairs, and maintenance	60	10,424	2,141,231	2,151,715
Salaries and benefits	1,566	670	22,209,594	22,211,830
Services	(19,211)	17,444	32,209,691	32,207,924
Utilities	41,310	(3,877)	1,230,655	1,268,088
<b>Total operating expenses</b>	<b>5,832,687</b>	<b>23,350,742</b>	<b>80,567,888</b>	<b>109,751,317</b>
<b>Operating loss</b>	<b>(5,832,622)</b>	<b>(23,206,034)</b>	<b>(2,059,291)</b>	<b>(31,097,947)</b>
<b>Nonoperating revenues (expenses):</b>				
Interest revenue	583,749	2,166,359	1,994,420	4,744,528
Interest expense	-	-	(7,949)	(7,949)
Other nonoperating revenue (expense)	-	24,000	(3,140,393)	(3,116,393)
Tax and assessment expense	-	-	(1,862,969)	(1,862,969)
Unrealized loss on investments	(172,976)	(815,746)	(9,254,006)	(10,242,728)
<b>Net nonoperating revenues (expenses)</b>	<b>410,773</b>	<b>1,374,613</b>	<b>(12,270,897)</b>	<b>(10,485,511)</b>
<b>Loss before capital contribution revenue and transfers</b>	<b>(5,421,849)</b>	<b>(21,831,421)</b>	<b>(14,330,188)</b>	<b>(41,583,458)</b>
<b>Capital contribution revenue:</b>				
Grants	-	-	250,000	250,000
Transfers in	8,375,699	83,636,320	756,272,836	848,284,855
Transfers out	(73,276,622)	(275,046,629)	(448,648,608)	(796,971,859)
<b>Change in net position</b>	<b>(70,322,772)</b>	<b>(213,241,730)</b>	<b>293,544,040</b>	<b>9,979,538</b>
<b>Total net position, July 1, 2021, as previously stated</b>	<b>24,619,423</b>	<b>(103,289,525)</b>	<b>821,963,931</b>	<b>743,293,829</b>
<b>Prior-period adjustments</b>	<b>(25,505)</b>	<b>(8,544)</b>	<b>2,206,817</b>	<b>2,172,768</b>
<b>Total net position, July 1, 2021, as restated</b>	<b>24,593,918</b>	<b>(103,298,069)</b>	<b>824,170,748</b>	<b>745,466,597</b>
<b>Total net position, June 30, 2022</b>	<b>\$ (45,728,854)</b>	<b>(316,539,799)</b>	<b>1,117,714,788</b>	<b>755,446,135</b>

**Exhibit G-3**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Solid Waste Facilities Operations**  
**Combining Schedule of Cash Flows**  
**Fiscal year ended June 30, 2022**

	Spadra Landfill	Puente Hills Landfill	Joint Refuse Disposal	Total
<b>Cash flows from operating activities:</b>				
Receipts from customers and users	\$ 65	108,378	80,285,501	80,393,944
Payments to suppliers	(829,280)	(49,105,076)	(38,653,385)	(88,587,741)
Payments for salaries/benefits	(1,825,539)	(5,209,200)	(342,084,149)	(349,118,888)
Payment for equipment rental	(114,043)	(377,594)	(2,425,215)	(2,916,852)
Payment for internal administrative costs	(561,938)	(1,551,762)	(5,354,838)	(7,468,538)
Net cash used by operating activities	<u>(3,330,735)</u>	<u>(56,135,254)</u>	<u>(308,232,086)</u>	<u>(367,698,075)</u>
<b>Cash flows from noncapital financing activities:</b>				
Receipts from other activities	-	24,000	9,607	33,607
Transfers from other funds	58,284,730	34,244,420	463,375,332	555,904,482
Transfers to other funds	(124,130,217)	(275,362,809)	(155,820,073)	(555,313,099)
Payments for tax and assessment	-	-	(1,862,969)	(1,862,969)
Net cash provided (used) by noncapital financing activities	<u>(65,845,487)</u>	<u>(241,094,389)</u>	<u>305,701,897</u>	<u>(1,237,979)</u>
<b>Cash flows from capital and related financing activities:</b>				
Purchases of capital assets	(3,594)	(47,628)	(10,880,870)	(10,932,092)
Grant proceeds	-	-	250,000	250,000
Interest paid on capital-related debt	-	-	(8,144)	(8,144)
Principal payments on bonds	-	-	(1,404,399)	(1,404,399)
Net cash used by capital and related financing activities	<u>(3,594)</u>	<u>(47,628)</u>	<u>(12,043,413)</u>	<u>(12,094,635)</u>
<b>Cash flows from investing activities:</b>				
Interest received	692,974	2,953,553	1,926,478	5,573,005
Purchases of investments	(2,027,940)	(8,039,110)	(184,151,955)	(194,219,005)
Proceeds from maturities of investments	25,332,923	144,417,568	106,225,936	275,976,427
Net cash provided (used) by investing activities	<u>23,997,957</u>	<u>139,332,011</u>	<u>(75,999,541)</u>	<u>87,330,427</u>
Net decrease in cash and cash equivalents	(45,181,859)	(157,945,260)	(90,573,143)	(293,700,262)
Cash and cash equivalents at beginning of fiscal year	49,907,398	172,986,188	178,621,529	401,515,115
Cash and cash equivalents at end of fiscal year	<u>\$ 4,725,539</u>	<u>15,040,928</u>	<u>88,048,386</u>	<u>107,814,853</u>

**Exhibit G-3 (continued)**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Solid Waste Facilities Operations**  
**Combining Schedule of Cash Flows**  
**Fiscal year ended June 30, 2022**

	Spadra Landfill	Puente Hills Landfill	Joint Refuse Disposal	Total
Reconciliation of operating loss to net cash used by operating activities:				
Operating loss	\$ (5,832,622)	(23,206,034)	(2,059,291)	(31,097,947)
Adjustments to reconcile operating loss to net cash used by operating activities:				
Depreciation and amortization	653,217	32,542	11,821,467	12,507,226
Landfill closure and postclosure costs	4,489,045	21,408,891	-	25,897,936
Prior period adjustment	-	-	2,308,051	2,308,051
Decrease (increase) in accounts receivable	-	25	(921,113)	(921,088)
Decrease in leases receivable	-	80,859	2,350,823	2,431,682
Increase (decrease) in accounts payable	(38,757)	(872,271)	622,455	(288,573)
Decrease in estimated closure/postclosure liability	(2,635,611)	(8,205,698)	-	(10,841,309)
Decrease in contractual obligations to other governments	-	(45,333,334)	-	(45,333,334)
Increase (decrease) in other liabilities	-	(8)	22,843	22,835
Increase (decrease) in due to/from other funds	33,993	77,190	(319,897,545)	(319,786,362)
Decrease in deferred lease revenue	-	(117,416)	(2,479,776)	(2,597,192)
Net cash used by operating activities	\$ (3,330,735)	(56,135,254)	(308,232,086)	(367,698,075)
Schedule of noncash investing activities:				
Unrealized loss on fair value of investments	\$ (172,976)	(815,746)	(9,254,006)	(10,242,728)
Amortization of investment premium	54,022	211,866	299,069	564,957

**Exhibit H-1**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Trustee Solid Waste Facilities Operations**  
**Combining Schedule of Net Position**  
**June 30, 2022**

<b>Assets</b>	<b>Palos Verdes Landfill</b>	<b>Scholl Canyon Landfill</b>	<b>Calabasas Landfill</b>	<b>Los Angeles County Equipment Pool</b>	<b>Los Angeles County Refuse Disposal Fund</b>	<b>Total</b>
<b>Current assets:</b>						
Unrestricted cash and cash equivalents:						
Cash in bank	\$ -	736,630	356,935	-	-	1,093,565
Cash on hand	-	5,870	5,106	-	-	10,976
Cash and cash equivalents	<u>3,151,063</u>	<u>30,512,831</u>	<u>19,828,732</u>	<u>6,785,789</u>	<u>1,329,508</u>	<u>61,607,923</u>
Total unrestricted cash and cash equivalents	<u>3,151,063</u>	<u>31,255,331</u>	<u>20,190,773</u>	<u>6,785,789</u>	<u>1,329,508</u>	<u>62,712,464</u>
Receivables:						
Accounts	-	1,682,152	2,011,861	-	-	3,694,013
Due from other funds	162,043	410,801	621,286	-	35,122	1,229,252
Interest	<u>10,541</u>	<u>105,424</u>	<u>99,222</u>	<u>-</u>	<u>20,746</u>	<u>235,933</u>
Total receivables	<u>172,584</u>	<u>2,198,377</u>	<u>2,732,369</u>	<u>-</u>	<u>55,868</u>	<u>5,159,198</u>
Restricted/designated cash and investments:						
Cash and cash equivalents	769,885	4,038,048	17,825,027	-	-	22,632,960
Specific investments	<u>-</u>	<u>10,747,919</u>	<u>43,424,491</u>	<u>-</u>	<u>-</u>	<u>54,172,410</u>
Total restricted/designated cash and investments	<u>769,885</u>	<u>14,785,967</u>	<u>61,249,518</u>	<u>-</u>	<u>-</u>	<u>76,805,370</u>
Other specific investments	<u>-</u>	<u>1,499,036</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,499,036</u>
Total current assets	<u>4,093,532</u>	<u>49,738,711</u>	<u>84,172,660</u>	<u>6,785,789</u>	<u>1,385,376</u>	<u>146,176,068</u>
<b>Capital assets:</b>						
Improvements	23,711,809	31,933,149	125,101,873	-	954	180,747,785
Equipment pool	-	-	-	22,725,106	-	22,725,106
Gas-to-energy facilities	16,557,233	-	-	-	-	16,557,233
Use rights	3,758,185	300,131	947,215	-	-	5,005,531
Other capital assets	5,860	32,792	10,070	10,255	2,930	61,907
Construction in progress	342,067	9,012,104	(136,164)	782,359	355,598	10,355,964
Land	-	-	-	-	5,482,200	5,482,200
Accumulated depreciation & amortization	<u>(44,027,518)</u>	<u>(27,879,135)</u>	<u>(109,093,134)</u>	<u>(9,854,210)</u>	<u>(725)</u>	<u>(190,854,722)</u>
Net capital assets	<u>347,636</u>	<u>13,399,041</u>	<u>16,829,860</u>	<u>13,663,510</u>	<u>5,840,957</u>	<u>50,081,004</u>
Total assets	<u>\$ 4,441,168</u>	<u>63,137,752</u>	<u>101,002,520</u>	<u>20,449,299</u>	<u>7,226,333</u>	<u>196,257,072</u>

(Continued on the following page)

**Exhibit H-1-2**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Trustee Solid Waste Facilities Operations**  
**Combining Schedule of Net Position**  
**June 30, 2022**

<b>Liabilities</b>	<u>Palos Verdes Landfill</u>	<u>Scholl Canyon Landfill</u>	<u>Calabasas Landfill</u>	<u>Los Angeles County Equipment Pool</u>	<u>Los Angeles County Refuse Disposal Fund</u>	<u>Total</u>
Current liabilities:						
Accounts payable	\$ 75,557	6,187,761	1,825,109	803,197	7,698	8,899,322
Due to other funds	-	-	-	17,954	-	17,954
Total current liabilities	<u>75,557</u>	<u>6,187,761</u>	<u>1,825,109</u>	<u>821,151</u>	<u>7,698</u>	<u>8,917,276</u>
Long-term liabilities:						
Contractual obligations to other governments	-	-	363,413	-	-	363,413
Estimated liability for closure/postclosure care	-	15,579,088	80,858,494	-	-	96,437,582
Total long-term liabilities	<u>-</u>	<u>15,579,088</u>	<u>81,221,907</u>	<u>-</u>	<u>-</u>	<u>96,800,995</u>
Total liabilities	<u>\$ 75,557</u>	<u>21,766,849</u>	<u>83,047,016</u>	<u>821,151</u>	<u>7,698</u>	<u>105,718,271</u>
<b>Net Position</b>						
Net position:						
Net investment in capital assets	\$ 347,636	10,835,617	16,828,685	12,888,140	5,840,957	46,741,035
Restricted for capital projects	183,000	-	1,046,935	-	74,000	1,303,935
Restricted for closure/postclosure maintenance	-	30,535,286	-	-	-	30,535,286
Unrestricted	<u>3,834,975</u>	<u>-</u>	<u>79,884</u>	<u>6,740,008</u>	<u>1,303,678</u>	<u>11,958,545</u>
Total net position	<u>\$ 4,365,611</u>	<u>41,370,903</u>	<u>17,955,504</u>	<u>19,628,148</u>	<u>7,218,635</u>	<u>90,538,801</u>

**Exhibit H-2**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Trustee Solid Waste Facilities Operations**  
**Combining Schedule of Revenues, Expenses, and Changes in Net Position**  
**Fiscal year ended June 30, 2022**

	Palos Verdes Landfill	Scholl Canyon Landfill	Calabasas Landfill	Los Angeles County Equipment Pool	Los Angeles County Refuse Disposal Fund	Total
Operating revenues:						
Commodities	\$ -	6,966	4,072	-	-	11,038
Contract revenue	4,191,000	35,916	-	-	1,098,112	5,325,028
Equipment pool	-	-	-	5,745,076	-	5,745,076
Solid/food waste tipping fees	-	31,391,786	21,964,606	-	-	53,356,392
Other	17	17	6	5,446	1	5,487
<b>Total operating revenues</b>	<b>4,191,017</b>	<b>31,434,685</b>	<b>21,968,684</b>	<b>5,750,522</b>	<b>1,098,113</b>	<b>64,443,021</b>
Operating expenses:						
Chemicals	-	6,892	70,036	-	-	76,928
Depreciation/amortization	638	698,665	(44,813)	2,913,852	341	3,568,683
Equipment and vehicle rentals	135,642	3,618,390	2,517,947	-	147,549	6,419,528
Insurance and claims	5,464	6,952	38,088	21,714	313	72,531
Internal administrative costs	955,846	1,695,597	1,811,244	-	120,232	4,582,919
Landfill closure and postclosure costs	-	3,650,575	3,840,315	-	-	7,490,890
Materials and supplies	156,553	545,957	759,934	253,680	30,326	1,746,450
Operations, repairs, and maintenance	14,622	7,267,133	158,077	1,369,029	31,625	8,840,486
Salaries and benefits	2,404,917	6,311,210	6,227,606	1,168,983	656,274	16,768,990
Services	329,127	3,299,676	6,489,142	53,209	163,873	10,335,027
Tonnage	-	4,710,336	357,808	-	-	5,068,144
Utilities	370,921	459,454	402,477	1,635	53,357	1,287,844
<b>Total operating expenses</b>	<b>4,373,730</b>	<b>32,270,837</b>	<b>22,627,861</b>	<b>5,782,102</b>	<b>1,203,890</b>	<b>66,258,420</b>
<b>Operating loss</b>	<b>(182,713)</b>	<b>(836,152)</b>	<b>(659,177)</b>	<b>(31,580)</b>	<b>(105,777)</b>	<b>(1,815,399)</b>
Nonoperating revenues (expenses):						
Interest revenue	23,036	305,576	626,826	-	46,640	1,002,078
Gain on sale of equipment/assets	-	-	-	344,883	-	344,883
Tax and assessment expense	(34,536)	(1,413,311)	(3,098,495)	(119)	(96,216)	(4,642,677)
Unrealized loss on investments	-	(843,628)	(3,394,087)	-	-	(4,237,715)
<b>Net nonoperating revenues (expenses)</b>	<b>(11,500)</b>	<b>(1,951,363)</b>	<b>(5,865,756)</b>	<b>344,764</b>	<b>(49,576)</b>	<b>(7,533,431)</b>
<b>Income (loss) before transfers</b>	<b>(194,213)</b>	<b>(2,787,515)</b>	<b>(6,524,933)</b>	<b>313,184</b>	<b>(155,353)</b>	<b>(9,348,830)</b>
Transfers in	5,679,672	18,194,397	17,562,169	1,636,295	1,524,340	44,596,873
Transfers out	(86,548)	(8,155,726)	(7,446,644)	-	(10,360)	(15,699,278)
<b>Change in net position</b>	<b>5,398,911</b>	<b>7,251,156</b>	<b>3,590,592</b>	<b>1,949,479</b>	<b>1,358,627</b>	<b>19,548,765</b>
<b>Total net position, July 1, 2021, as previously stated</b>	<b>(995,228)</b>	<b>34,119,749</b>	<b>14,368,033</b>	<b>17,678,669</b>	<b>5,860,008</b>	<b>71,031,231</b>
<b>Prior-period adjustments</b>	<b>(38,072)</b>	<b>(2)</b>	<b>(3,121)</b>	<b>-</b>	<b>-</b>	<b>(41,195)</b>
<b>Total net position, July 1, 2021, as restated</b>	<b>(1,033,300)</b>	<b>34,119,747</b>	<b>14,364,912</b>	<b>17,678,669</b>	<b>5,860,008</b>	<b>70,990,036</b>
<b>Total net position, June 30, 2022</b>	<b>\$ 4,365,611</b>	<b>41,370,903</b>	<b>17,955,504</b>	<b>19,628,148</b>	<b>7,218,635</b>	<b>90,538,801</b>

**Exhibit H-3**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Trustee Solid Waste Facilities Operations**  
**Combining Schedule of Cash Flows**  
**Fiscal year ended June 30, 2022**

	Palos Verdes Landfill	Scholl Canyon Landfill	Calabasas Landfill	Los Angeles County Equipment Pool	Los Angeles County Refuse Disposal Fund	Total
<b>Cash flows from operating activities:</b>						
Receipts from customers and users	\$ 4,191,017	31,398,088	20,732,037	1	1,307,198	57,628,341
Receipts for equipment rental	-	-	-	5,745,076	-	5,745,076
Payments to suppliers	(901,952)	(16,124,275)	(9,063,976)	(1,678,026)	(276,350)	(28,044,579)
Payments for salaries/benefits	(2,398,444)	(6,339,295)	(6,112,978)	(1,158,383)	(650,014)	(16,659,114)
Payment for equipment rental	(135,642)	(3,618,390)	(2,517,947)	-	(147,549)	(6,419,528)
Payment for internal administrative costs	(955,846)	(1,695,597)	(1,811,244)	-	(120,232)	(4,582,919)
Net cash provided (used) by operating activities	<u>(200,867)</u>	<u>3,620,531</u>	<u>1,225,892</u>	<u>2,908,668</u>	<u>113,053</u>	<u>7,667,277</u>
<b>Cash flows from noncapital financing activities:</b>						
Transfers from other funds	81,000	183,000	268,000	29,000	22,000	583,000
Transfers to other funds	(86,548)	(144,803)	(156,471)	-	(10,360)	(398,182)
Payments for tax and assessment	<u>(34,536)</u>	<u>(1,413,311)</u>	<u>(3,098,495)</u>	<u>(119)</u>	<u>(96,216)</u>	<u>(4,642,677)</u>
Net cash provided (used) by noncapital financing activities	<u>(40,084)</u>	<u>(1,375,114)</u>	<u>(2,986,966)</u>	<u>28,881</u>	<u>(84,576)</u>	<u>(4,457,859)</u>
<b>Cash flows from capital and related financing activities:</b>						
Purchases of capital assets	(436)	(7,573,479)	290,940	(4,355,419)	-	(11,638,394)
Proceeds from sale of assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,116,007</u>	<u>-</u>	<u>1,116,007</u>
Net cash provided (used) by capital and related financing activities	<u>(436)</u>	<u>(7,573,479)</u>	<u>290,940</u>	<u>(3,239,412)</u>	<u>-</u>	<u>(10,522,387)</u>
<b>Cash flows from investing activities:</b>						
Interest received	18,932	301,575	672,570	-	38,153	1,031,230
Proceeds from maturities of investments	<u>-</u>	<u>1,261,595</u>	<u>3,000,000</u>	<u>-</u>	<u>-</u>	<u>4,261,595</u>
Net cash provided by investing activities	<u>18,932</u>	<u>1,563,170</u>	<u>3,672,570</u>	<u>-</u>	<u>38,153</u>	<u>5,292,825</u>
Net increase (decrease) in cash and cash equivalents	(222,455)	(3,764,892)	2,202,436	(301,863)	66,630	(2,020,144)
Cash and cash equivalents at beginning of fiscal year	<u>4,143,403</u>	<u>39,058,271</u>	<u>35,813,364</u>	<u>7,087,652</u>	<u>1,262,878</u>	<u>87,365,568</u>
Cash and cash equivalents at end of fiscal year	<u>\$ 3,920,948</u>	<u>35,293,379</u>	<u>38,015,800</u>	<u>6,785,789</u>	<u>1,329,508</u>	<u>85,345,424</u>

**Exhibit H-3 (continued)**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Trustee Solid Waste Facilities Operations**  
**Combining Schedule of Cash Flows**  
**Fiscal year ended June 30, 2022**

	Palos Verdes Landfill	Scholl Canyon Landfill	Calabasas Landfill	Los Angeles County Equipment Pool	Los Angeles County Refuse Disposal Fund	Total
Reconciliation of operating loss to net cash provided (used) by operating activities:						
Operating loss	\$ (182,713)	(836,152)	(659,177)	(31,580)	(105,777)	(1,815,399)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:						
Depreciation and amortization	638	698,665	(44,813)	2,913,852	341	3,568,683
Landfill closure and postclosure costs	-	3,650,575	3,840,315	-	-	7,490,890
Decrease (increase) in accounts receivable	-	(36,597)	(1,236,648)	-	209,085	(1,064,160)
Increase (decrease) in accounts payable	(24,141)	177,597	286,433	8,834	3,618	452,341
Decrease in contractual obligations to other governments	-	-	(1,070,192)	-	-	(1,070,192)
Increase (decrease) in other liabilities	2	(7)	-	7,013	8	7,016
Increase (decrease) in due to/from other funds	5,347	(33,550)	109,974	10,549	5,778	98,098
Net cash provided (used) by operating activities	\$ (200,867)	3,620,531	1,225,892	2,908,668	113,053	7,667,277
Schedule of noncash investing activities:						
Unrealized loss on fair value of investments	\$ -	(843,628)	(3,394,087)	-	-	(4,237,715)
Amortization of investment premium (discount)	-	26,890	53,300	-	-	80,190



**Exhibit I-1**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Service Operations**  
**Combining Schedule of Net Position**  
**June 30, 2022**

<b>Assets</b>	Joint Administration	Technical Support	Joint Refuse Equipment Pool	Joint Administration Equipment Pool	Joint Outfall Equipment Pool	Total
<b>Current assets:</b>						
Unrestricted cash and cash equivalents:						
Cash in bank	\$ 34,842,931	-	-	-	-	34,842,931
Cash on hand	12,317	-	-	-	-	12,317
Cash and cash equivalents	<u>2,860,328</u>	<u>4,739,100</u>	<u>13,909,387</u>	<u>215,201</u>	<u>7,365,160</u>	<u>29,089,176</u>
Total unrestricted cash and cash equivalents	<u>37,715,576</u>	<u>4,739,100</u>	<u>13,909,387</u>	<u>215,201</u>	<u>7,365,160</u>	<u>63,944,424</u>
Receivables:						
Accounts	898,283	270	-	-	-	898,553
Due from other funds	-	-	148,702	-	-	148,702
Interest	<u>191,466</u>	<u>18,011</u>	<u>61,748</u>	<u>718</u>	<u>15,417</u>	<u>287,360</u>
Total receivables	<u>1,089,749</u>	<u>18,281</u>	<u>210,450</u>	<u>718</u>	<u>15,417</u>	<u>1,334,615</u>
Inventory	<u>20,233,031</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,233,031</u>
Restricted/designated cash and investments:						
Cash and cash equivalents	51,670,311	-	-	-	-	51,670,311
Specific investments	<u>5,581,842</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,581,842</u>
Total restricted/designated cash and investments	<u>57,252,153</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,252,153</u>
Other specific investments	<u>-</u>	<u>-</u>	<u>5,546,207</u>	<u>-</u>	<u>-</u>	<u>5,546,207</u>
Total current assets	<u>116,290,509</u>	<u>4,757,381</u>	<u>19,666,044</u>	<u>215,919</u>	<u>7,380,577</u>	<u>148,310,430</u>
Other assets	<u>-</u>	<u>16,929</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,929</u>
Capital assets:						
Buildings & equipment	67,835,903	-	-	-	-	67,835,903
Equipment pool	-	-	16,282,447	2,173,705	36,082,313	54,538,465
Other capital assets	20,976,494	20,051,417	21,975	-	-	41,049,886
Construction in progress	8,913,156	1,057,540	9,586	-	691,592	10,671,874
Land	592,901	-	-	-	-	592,901
Accumulated depreciation & amortization	<u>(55,268,427)</u>	<u>(6,805,881)</u>	<u>(8,792,218)</u>	<u>(884,660)</u>	<u>(18,849,260)</u>	<u>(90,600,446)</u>
Net capital assets	<u>43,050,027</u>	<u>14,303,076</u>	<u>7,521,790</u>	<u>1,289,045</u>	<u>17,924,645</u>	<u>84,088,583</u>
Total assets	<u>\$ 159,340,536</u>	<u>19,077,386</u>	<u>27,187,834</u>	<u>1,504,964</u>	<u>25,305,222</u>	<u>232,415,942</u>
<b>Deferred Outflow of Resources</b>						
Deferred pension contribution	\$ 388,998,125	-	-	-	-	388,998,125
Other postemployment benefit deferral	<u>23,598,510</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,598,510</u>
Total deferred outflow of resources	<u>\$ 412,596,635</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>412,596,635</u>

(Continued on the following page)

**Exhibit I-1-2**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Service Operations**  
**Combining Schedule of Net Position**  
**June 30, 2022**

<b>Liabilities</b>	Joint Administration	Technical Support	Joint Refuse Equipment Pool	Joint Administration Equipment Pool	Joint Outfall Equipment Pool	Total
<b>Current liabilities:</b>						
Accounts payable	\$ 16,678,069	496,384	150,006	42,594	753,562	18,120,615
Accrued employee absences	30,000,000	-	-	-	-	30,000,000
Amounts held for others	8,017,011	-	-	-	-	8,017,011
Claims liabilities	1,939,098	-	-	-	-	1,939,098
Due to other funds	340,672,742	6,157,519	-	419,811	6,689,058	353,939,130
Other	485,713	-	-	-	-	485,713
Total current liabilities	<u>397,792,633</u>	<u>6,653,903</u>	<u>150,006</u>	<u>462,405</u>	<u>7,442,620</u>	<u>412,501,567</u>
<b>Long-term liabilities:</b>						
Accrued employee absences	16,447,960	-	-	-	-	16,447,960
Claims liabilities	5,815,684	-	-	-	-	5,815,684
Other postemployment benefits liability	85,389,457	-	-	-	-	85,389,457
Pension liability	241,892,212	-	-	-	-	241,892,212
Total long-term liabilities	<u>349,545,313</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>349,545,313</u>
Total liabilities	<u>\$ 747,337,946</u>	<u>6,653,903</u>	<u>150,006</u>	<u>462,405</u>	<u>7,442,620</u>	<u>762,046,880</u>
<b>Deferred Inflow of Resources</b>						
Other postemployment benefits deferrals	\$ 104,550,323	-	-	-	-	104,550,323
Pension deferrals	162,738,049	-	-	-	-	162,738,049
Total deferred inflow of resources	<u>\$ 267,288,372</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>267,288,372</u>
<b>Net Position</b>						
<b>Net position:</b>						
Net investment in capital assets	\$ 42,404,810	14,211,725	7,512,197	1,289,045	17,235,590	82,653,367
Unrestricted	(485,093,957)	(1,788,242)	19,525,631	(246,486)	627,012	(466,976,042)
Total net position	<u>\$ (442,689,147)</u>	<u>12,423,483</u>	<u>27,037,828</u>	<u>1,042,559</u>	<u>17,862,602</u>	<u>(384,322,675)</u>

**Exhibit I-2**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Service Operations**  
**Combining Schedule of Revenues, Expenses, and Changes in Net Position**  
**Fiscal year ended June 30, 2022**

	Joint Administration	Technical Support	Joint Refuse Equipment Pool	Joint Administration Equipment Pool	Joint Outfall Equipment Pool	Total
Operating revenues:						
Commodities	\$ 157	-	-	-	-	157
Contract revenue	15,166	539	-	-	3,920	19,625
Equipment pool	-	-	3,711,086	394,383	9,355,445	13,460,914
Internal services revenue	53,758,695	52,580,451	-	-	-	106,339,146
Sale of energy	-	-	-	8,670	-	8,670
Other	121,579	437	9,188	35,118	152,977	319,299
Total operating revenues	<u>53,895,597</u>	<u>52,581,427</u>	<u>3,720,274</u>	<u>438,171</u>	<u>9,512,342</u>	<u>120,147,811</u>
Operating expenses:						
Chemicals	263	8,847	-	-	-	9,110
Depreciation/amortization	3,288,826	766,102	1,044,410	198,794	2,180,268	7,478,400
Equipment and vehicle rentals	305,349	527,562	-	-	74,617	907,528
Insurance and claims	1,702,050	-	182,253	76,605	617,624	2,578,532
Materials and supplies	5,719,414	3,113,567	405,174	12,761	684,284	9,935,200
Operations, repairs, and maintenance	1,490,201	2,403,432	1,048,694	82,225	1,727,298	6,751,850
Salaries and benefits	(47,937,319)	45,723,769	1,630,122	101,088	2,003,009	1,520,669
Services	4,075,296	1,757,527	218,457	46,057	322,507	6,419,844
Utilities	1,288,785	268,341	4,288	33,364	68	1,594,846
Total operating expenses	<u>(30,067,135)</u>	<u>54,569,147</u>	<u>4,533,398</u>	<u>550,894</u>	<u>7,609,675</u>	<u>37,195,979</u>
Operating income (loss)	<u>83,962,732</u>	<u>(1,987,720)</u>	<u>(813,124)</u>	<u>(112,723)</u>	<u>1,902,667</u>	<u>82,951,832</u>
Nonoperating revenues (expenses):						
Interest revenue	520,674	40,438	179,559	1,378	33,220	775,269
Gain on sale of equipment/assets	136	-	61,657	20,437	42,082	124,312
Other nonoperating revenue/(expense)	259,879	(6,500)	-	-	-	253,379
Tax and assessment expense	(139,514)	(103,503)	(11,969)	(22)	(11,164)	(266,172)
Unrealized loss on investments	(487,719)	-	(405,519)	-	-	(893,238)
Net nonoperating revenues (expenses)	<u>153,456</u>	<u>(69,565)</u>	<u>(176,272)</u>	<u>21,793</u>	<u>64,138</u>	<u>(6,450)</u>
Income (loss) before transfers	84,116,188	(2,057,285)	(989,396)	(90,930)	1,966,805	82,945,382
Transfers in	4,500,821	101,752,690	3,921,973	89,130	3,453,005	113,717,619
Transfers out	(507,090,488)	-	-	-	-	(507,090,488)
Change in net position	<u>(418,473,479)</u>	<u>99,695,405</u>	<u>2,932,577</u>	<u>(1,800)</u>	<u>5,419,810</u>	<u>(310,427,487)</u>
Total net position, July 1, 2021, as previously stated	<u>(24,436,327)</u>	<u>(87,271,786)</u>	<u>24,105,251</u>	<u>1,047,103</u>	<u>12,442,792</u>	<u>(74,112,967)</u>
Prior-period adjustments	<u>220,659</u>	<u>(136)</u>	<u>-</u>	<u>(2,744)</u>	<u>-</u>	<u>217,779</u>
Total net position, July 1, 2021, as restated	<u>(24,215,668)</u>	<u>(87,271,922)</u>	<u>24,105,251</u>	<u>1,044,359</u>	<u>12,442,792</u>	<u>(73,895,188)</u>
Total net position, June 30, 2022	<u>\$ (442,689,147)</u>	<u>12,423,483</u>	<u>27,037,828</u>	<u>1,042,559</u>	<u>17,862,602</u>	<u>(384,322,675)</u>

**Exhibit I-3**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Service Operations**  
**Combining Schedule of Cash Flows**  
**Fiscal year ended June 30, 2022**

	Joint Administration	Technical Support	Joint Refuse Equipment Pool	Joint Administration Equipment Pool	Wastewater Equipment Pool	Total
<b>Cash flows from operating activities:</b>						
Receipts from customers and users	\$ 184,192	708	14	8,670	4,015	197,599
Receipts for equipment rental	-	-	3,711,085	389,079	9,355,445	13,455,609
Receipts for internal services	53,758,699	52,580,451	-	-	-	106,339,150
Payments to suppliers	(13,539,304)	(7,803,173)	(1,719,205)	(237,746)	(3,151,859)	(26,451,287)
Payments for salaries/benefits	(25,802,373)	(45,361,326)	(1,623,264)	(85,020)	(2,016,931)	(74,888,914)
Payment for equipment rental	(305,349)	(527,562)	-	-	(74,617)	(907,528)
Net cash provided (used) by operating activities	<u>14,295,865</u>	<u>(1,110,902)</u>	<u>368,630</u>	<u>74,983</u>	<u>4,116,053</u>	<u>17,744,629</u>
<b>Cash flows from noncapital financing activities:</b>						
Transfers from other funds	4,459,018	3,196,742	78,000	2,000	72,000	7,807,760
Transfers to other funds	(8,817,000)	-	-	-	-	(8,817,000)
Payments for tax and assessment	(139,514)	(103,503)	(11,969)	(22)	(11,164)	(266,172)
Net cash provided (used) by noncapital financing activities	<u>(4,497,496)</u>	<u>3,093,239</u>	<u>66,031</u>	<u>1,978</u>	<u>60,836</u>	<u>(1,275,412)</u>
<b>Cash flows from capital and related financing activities:</b>						
Purchases of capital assets	(4,383,733)	(1,730,437)	(750,091)	(112,205)	(3,623,710)	(10,600,176)
Proceeds from sale of assets	136	-	287,202	69,891	577,313	934,542
Net cash used by capital and related financing activities	<u>(4,383,597)</u>	<u>(1,730,437)</u>	<u>(462,889)</u>	<u>(42,314)</u>	<u>(3,046,397)</u>	<u>(9,665,634)</u>
<b>Cash flows from investing activities:</b>						
Interest received	436,004	32,773	176,331	1,175	25,386	671,669
Purchases of investments	(5,516,828)	-	(738,100)	-	-	(6,254,928)
Proceeds from maturities of investments	5,517,430	-	738,180	-	-	6,255,610
Net cash provided by investing activities	<u>436,606</u>	<u>32,773</u>	<u>176,411</u>	<u>1,175</u>	<u>25,386</u>	<u>672,351</u>
Net increase in cash and cash equivalents	5,851,378	284,673	148,183	35,822	1,155,878	7,475,934
Cash and cash equivalents at beginning of fiscal year	<u>83,534,509</u>	<u>4,454,427</u>	<u>13,761,204</u>	<u>179,379</u>	<u>6,209,282</u>	<u>108,138,801</u>
Cash and cash equivalents at end of fiscal year	<u>\$ 89,385,887</u>	<u>4,739,100</u>	<u>13,909,387</u>	<u>215,201</u>	<u>7,365,160</u>	<u>115,614,735</u>

**Exhibit I-3 (continued)**  
**LOS ANGELES COUNTY SANITATION DISTRICTS**  
**Service Operations**  
**Combining Schedule of Cash Flows**  
**Fiscal year ended June 30, 2022**

	Joint Administration	Technical Support	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)	\$ 83,962,732	(1,987,720)	(813,124)	(112,723)	1,902,667	82,951,832
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	3,288,826	766,102	1,044,410	198,794	2,180,268	7,478,400
Increase in accounts receivable	(656,843)	(270)	-	-	-	(657,113)
Increase in inventory	(1,040,644)	-	-	-	-	(1,040,644)
Increase in deferred outflow of resources	(319,989,904)	-	-	-	-	(319,989,904)
Increase (decrease) in accounts payable	6,879,908	(83,131)	135,067	(492)	47,146	6,978,498
Decrease in accrued employee absences	(1,633,212)	-	-	-	-	(1,633,212)
Increase in amounts held for others	1,402,020	-	-	-	-	1,402,020
Decrease in claims liabilities	(1,447,770)	-	-	-	-	(1,447,770)
Decrease in other postemployment benefits liability	(425,491,118)	-	-	-	-	(425,491,118)
Increase in pension liability	123,552,992	-	-	-	-	123,552,992
Increase (decrease) in other liabilities	315,270	(1,285)	(7,013)	-	-	306,972
Increase (decrease) in due to/from other funds	318,725,268	195,402	9,290	(10,596)	(14,028)	318,905,336
Increase in deferred inflow of resources	226,428,340	-	-	-	-	226,428,340
Net cash provided (used) by operating activities	\$ 14,295,865	(1,110,902)	368,630	74,983	4,116,053	17,744,629
Schedule of noncash investing activities:						
Unrealized loss on fair value of investments	\$ (487,719)	-	(405,519)	-	-	(893,238)
Amortization of investment premium (discount)	(43,771)	-	7,600	-	-	(36,171)

# FOOD WASTE DIVERSION

The Sanitation Districts' food waste recycling program diverts organic waste from landfills, which reduces methane emissions from organic waste decomposition. The Sanitation Districts recycle this food waste into green power, which further reduces GHG emissions. **GHG avoided: 42,000 MTCO<sub>2e</sub>** (equivalent to use of 5 million gallons of gasoline). The Puente Hills Materials Recycling Facility accepts and initially processes food waste, as shown below.



Schedule 1

LOS ANGELES COUNTY SANITATION DISTRICTS

Net Position by Component  
Last Ten Fiscal Years  
(\$ thousands)

	Fiscal Year									
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Net Investment in Capital Assets	\$ 2,163,967	\$ 2,324,683	\$ 2,425,697	\$ 2,510,653	\$ 2,569,596	\$ 2,625,877	\$ 2,713,887	\$ 2,894,684	\$ 3,149,191	\$ 3,228,860
Restricted	1,489,800	882,206	830,382	614,964	632,009	511,794	465,904	341,485	190,401	367,300
Unrestricted	<u>371,308</u>	<u>883,243</u>	<u>590,578</u>	<u>849,383</u>	<u>926,728</u>	<u>913,338</u>	<u>1,079,579</u>	<u>1,030,155</u>	<u>987,719</u>	<u>812,421</u>
Total Net Position	<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>	<u>\$ 4,266,324</u>	<u>\$ 4,327,311</u>	<u>\$ 4,408,581</u>

Schedule 2

LOS ANGELES COUNTY SANITATION DISTRICTS

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

	Fiscal Year									
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Operating Revenues	\$ 554,282	\$ 530,264	\$ 541,086	\$ 545,758	\$ 574,894	\$ 590,185	\$ 627,010	\$ 633,772	\$ 616,978	\$ 635,669
Operating Expenses	477,068	538,751	539,460	496,260	498,319	552,610	585,401	750,938	619,709	572,196
Operating Income/(Loss)	77,214	(8,487)	1,626	49,498	76,575	37,575	41,609	(117,166)	(2,731)	63,473
Total Net Nonoperating Revenues/(Expenses)	4,236	39,501	58,091	58,789	58,613	50,455	123,299	118,076	78,886	(11,080)
Income Before Capital Contributions	81,450	31,014	59,717	108,287	135,188	88,030	164,908	910	76,155	52,393
Capital Contributions	26,113	38,842	32,966	35,800	36,286	41,524	47,008	43,893	24,417	31,163
Prior-Period Adjustments	-	(4,799,699)	(336,158)	(15,745)	(18,141)	5,033	(3,555)	(37,850)	(39,584)	(2,287)
Change in Accounting Methods	-	-	-	-	-	(211,911)	-	-	-	-
Change in Net Position	\$ 107,563	\$ (4,729,843)	\$ (243,475)	\$ 128,342	\$ 153,333	\$ (77,324)	\$ 208,361	\$ 6,953	\$ 60,988	\$ 81,269



Schedule 3

LOS ANGELES COUNTY SANITATION DISTRICTS

Operating Revenues  
Last Ten Fiscal Years  
(\$ thousands)

	Fiscal Year									
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Commodities	\$ 7,276	\$ 7,894	\$ 8,779	\$ 8,459	\$ 5,864	\$ 3,150	\$ 1,506	\$ 1,119	\$ 3,022	\$ 3,587
Contract Revenue	25,542	23,808	22,172	17,394	18,363	19,565	20,919	22,761	29,974	35,790
Industrial Waste Surcharge	56,999	58,092	63,505	64,477	64,356	67,060	71,312	72,938	69,529	72,741
Refuse Tipping Fees	112,160	87,798	80,316	95,119	106,169	107,034	137,886	125,589	102,434	105,975
Sale of Energy	30,429	35,285	30,356	23,173	23,354	24,881	19,151	20,715	18,976	17,700
Service Charges	318,035	312,890	331,261	335,526	353,963	365,437	375,531	389,833	392,291	398,414
Other	3,841	4,497	4,697	1,610	2,825	3,058	705	817	752	1,462
Total Operating Revenue	<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>	<u>\$ 633,772</u>	<u>\$ 616,978</u>	<u>\$ 635,669</u>

Schedule 4

LOS ANGELES COUNTY SANITATION DISTRICTS

Operating Expenses  
Last Ten Fiscal Years  
(\$ thousands)

	Fiscal Year									
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Chemicals	\$ 34,778	\$ 33,912	\$ 33,675	\$ 32,300	\$ 30,072	\$ 31,166	\$ 34,986	\$ 38,756	\$ 39,211	\$ 43,358
Insurance and Claims	4,154	1,657	5,105	4,284	4,309	3,424	4,041	1,721	5,896	4,306
Landfill Closure and Postclosure Costs	8,842	22,764	34,395	10,419	1,554	1,662	4,436	159,828	12,939	33,389
Materials and Supplies	22,164	24,264	27,171	27,677	27,403	28,689	32,099	29,067	31,348	30,075
Operations, Repairs, and Maintenance	31,271	34,951	30,960	21,719	19,500	22,503	24,888	23,103	23,973	31,042
Salaries and Benefits	195,752	198,288	192,500	185,252	208,361	231,563	234,717	263,744	265,358	179,848
Services	62,468	81,166	91,973	96,658	90,029	102,061	105,450	104,058	97,015	103,056
Utilities	24,237	26,525	25,053	22,247	19,834	22,550	24,231	21,360	23,642	33,185
Miscellaneous <sup>(1)</sup>	8,668	4,429	5,039	5,345	5,034	13,075	16,996	6,612	6,170	6,505
Expenses before Depreciation	392,334	427,956	445,871	405,901	406,096	456,693	481,844	648,249	505,552	464,764
Depreciation & Amortization of Use Rights	84,734	110,795	93,589	90,359	92,223	95,917	103,557	102,689	114,157	107,432
Total Operating Expenses	<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>	<u>\$ 750,938</u>	<u>\$ 619,709</u>	<u>\$ 572,196</u>

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

Schedule 5

LOS ANGELES COUNTY SANITATION DISTRICTS

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

	Fiscal Year									
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Interest Revenue	\$ 16,139	\$ 15,727	\$ 17,646	\$ 22,561	\$ 25,995	\$ 32,459	\$ 43,796	\$ 43,568	\$ 20,575	\$ 17,837
Tax Revenue	68,435	55,211	67,962	70,121	73,029	77,371	82,676	88,365	95,193	97,493
Other Nonoperating Revenue	6,907	11,235	9,136	6,788	12,793	12,164	8,798	9,019	14,027	5,141
Interest Expense	(42,543)	(32,194)	(32,817)	(33,203)	(28,021)	(26,765)	(27,210)	(23,688)	(21,419)	(25,998)
Unrealized Gain/(Loss) on Investments	(19,491)	8,647	5,188	2,942	(10,176)	(26,002)	32,474	20,618	(13,117)	(54,540)
Tax and Assessment Expense	(20,899)	(14,014)	(7,050)	(7,702)	(10,956)	(10,289)	(12,310)	(10,753)	(10,274)	(10,450)
Other Nonoperating Expense	(4,312)	(5,111)	(1,974)	(2,718)	(4,051)	(8,483)	(4,925)	(9,053)	(6,099)	(40,563)
Total Nonoperating Revenues/(Expenses)	<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>	<u>\$ 118,076</u>	<u>\$ 78,886</u>	<u>\$ (11,080)</u>

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

	Fiscal Year									
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Cash Flows from Operating Activities</b>										
Receipts from customers and users	\$ 565,158	\$ 534,475	\$ 544,623	\$ 547,724	\$ 569,134	\$ 587,160	\$ 623,375	\$ 642,281	\$ 620,937	\$ 624,592
Receipts for equipment rental	16,792	15,359	14,645	13,955	14,934	14,610	15,361	16,674	17,348	19,201
Payments to suppliers	(191,064)	(205,140)	(222,019)	(204,480)	(218,109)	(203,140)	(233,537)	(222,397)	(224,723)	(300,046)
Payments for salaries and benefits	(195,775)	(198,736)	(200,429)	(182,087)	(203,597)	(221,399)	(223,703)	(250,607)	(260,851)	(579,171)
Payments applied to closure/postclosure liability	(5,722)	(6,960)	(6,844)	(14,964)	(12,337)	(14,358)	(10,947)	(10,378)	-	-
Payment for equipment rental within the Districts	(16,412)	(15,075)	(14,991)	(13,955)	(14,934)	(14,610)	(15,361)	(16,674)	(17,348)	(19,201)
Other payments	(19)	(19)	(19)	-	-	-	-	-	-	-
Net cash provided (used) by operating activities	172,958	123,904	114,966	146,193	135,091	148,263	155,188	158,899	135,363	(254,625)
<b>Cash Flows from Noncapital Financing Activities</b>										
Receipts from property taxes	71,082	57,527	67,042	69,817	72,378	76,790	83,610	86,945	94,743	95,445
Other nonoperating receipts	-	-	-	-	-	5,016	1,594	-	-	33
Payments for tax and assessment	(20,898)	(14,827)	(7,050)	(8,442)	(10,956)	(10,289)	(10,042)	(11,873)	(10,275)	(10,450)
Net cash provided by noncapital financing activities	50,184	42,700	59,992	61,375	61,422	71,517	75,162	75,072	84,468	85,028
<b>Cash Flows from Capital and Related Financing Activities</b>										
Borrowings on loans	2,351	9,664	18,879	8,967	14,746	34,945	15,139	4,972	3,571	104,644
Proceeds on bond sales	-	117,460	-	172,408	192,968	-	-	-	-	158,068
Contract proceeds from County of Los Angeles	-	2,700	1,500	-	-	-	-	-	-	-
Bond issuance costs	-	(457)	-	(654)	(713)	-	-	-	-	(849)
Purchases of capital assets	(134,346)	(129,324)	(135,584)	(141,401)	(104,258)	(125,035)	(126,568)	(211,060)	(286,697)	(245,660)
Principal payments on contracts/note	(316)	(39)	(41)	(44)	(1,328)	-	-	-	-	-
Connection fees proceeds	25,918	33,291	32,713	34,354	33,803	38,382	39,823	33,466	20,477	26,794
Grant proceeds	195	-	-	1,458	1,492	3,671	6,376	10,427	7,701	4,319
Interest paid on capital-related debt	(35,059)	(30,904)	(30,942)	(26,346)	(22,534)	(24,482)	(23,708)	(21,810)	(18,972)	(19,120)
Principal payments on bonds	(24,744)	(184,152)	(29,264)	(203,934)	(188,553)	(34,449)	(35,909)	(37,564)	(57,296)	(9,049)
Principal payments on loans	(31,689)	(30,580)	(31,173)	(30,100)	(79,459)	(28,255)	(30,941)	(31,598)	(39,334)	(229,041)
Payment per joint powers agreement	-	-	-	-	(1,100)	-	-	-	(250)	-
Proceeds from sale of assets/equipment	3,823	2,630	2,385	1,001	7,174	2,143	2,785	1,223	394	2,050
Receipts from joint venture	2,306	2,930	131	150	150	150	-	11,680	-	-
Net cash used by capital and related financing activities	(191,561)	(206,781)	(171,396)	(184,141)	(147,612)	(132,930)	(153,003)	(240,264)	(370,406)	(207,844)
<b>Cash Flows from Investing Activities</b>										
Interest received	16,468	14,567	15,940	24,734	24,415	34,538	36,787	44,182	27,118	17,518
Purchases of investments	(1,490,217)	(466,367)	(610,933)	(1,273,001)	(782,636)	(316,412)	(575,624)	(867,761)	(201,718)	(568,553)
Proceeds from maturities of investments	1,298,975	397,566	863,262	1,353,519	555,543	325,076	575,174	1,246,719	527,393	518,077
Net cash provided (used) by investing activities	(174,774)	(54,234)	268,269	105,252	(202,678)	43,202	36,337	423,140	352,793	(32,958)
Net increase (decrease) in cash and cash equivalents	(143,193)	(94,411)	271,831	128,679	(153,777)	130,052	113,684	416,847	202,218	(410,399)
Cash and cash equivalents at beginning of fiscal year	801,721	658,528	564,117	835,948	964,627	810,850	940,902	1,054,586	1,471,433	1,673,651
Cash and cash equivalents at end of fiscal year	\$ 658,528	\$ 564,117	\$ 835,948	\$ 964,627	\$ 810,850	\$ 940,902	\$ 1,054,586	\$ 1,471,433	\$ 1,673,651	\$ 1,263,252

Schedule 7

LOS ANGELES COUNTY SANITATION DISTRICTS

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>
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
2019-20	33,466	10,427	-	43,893
2020-21	20,477	3,940	-	24,417
2021-22	26,794	4,369	-	31,163

Schedule 8

LOS ANGELES COUNTY SANITATION DISTRICTS  
 Service Charge Rates (\$ per Single-Family Home per Year)  
 Last Ten Fiscal Years

District <sup>1</sup>	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
1	\$ 156.00	\$ 158.00	\$ 163.00	\$ 168.00	\$ 173.00	\$ 178.00	\$ 183.00	\$ 188.00	\$ 193.00	\$ 193.00
2	149.00	150.00	155.00	160.00	165.00	169.00	173.00	177.00	181.00	181.00
3	152.00	154.00	157.00	160.00	163.00	166.00	169.00	172.00	175.00	175.00
4	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00
5	134.00	136.00	141.00	146.00	151.00	155.00	159.00	163.00	167.00	167.00
8	143.00	147.00	154.00	163.00	174.00	180.00	186.00	192.00	198.00	198.00
9	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00
14	448.00	472.00	496.00	476.00	476.00	476.00	476.00	487.88	487.88	487.88
15	134.00	136.00	141.00	146.00	151.00	154.00	157.00	160.00	163.00	163.00
16	137.00	139.00	142.00	145.00	148.00	151.00	154.00	157.00	160.00	160.00
17	138.00	140.00	143.00	146.00	149.00	152.00	155.00	158.00	161.00	161.00
18	150.00	151.00	156.00	161.00	166.00	170.00	174.00	178.00	182.00	182.00
19	150.00	152.00	155.00	158.00	161.00	164.00	167.00	170.00	173.00	173.00
20	477.00	525.00	535.00	550.00	565.00	565.00	575.00	586.88	586.88	586.88
21	147.00	148.00	153.00	158.00	163.00	167.00	171.00	175.00	179.00	179.00
22	147.00	149.00	152.00	155.00	158.00	162.00	166.00	170.00	174.00	174.00
23	116.00	118.00	120.00	122.00	124.00	126.00	128.00	130.00	132.00	132.00
28 <sup>2</sup>	337.00	338.00	340.00	342.00	242.00	-	-	-	-	-
28 <sup>2</sup>	129.00	130.00	132.00	134.00	136.00	138.00	140.00	142.00	144.00	144.00
29	339.75	339.75	339.75	339.75	339.75	339.75	339.75	339.75	339.75	339.75
South Bay Cities	121.00	122.00	124.00	126.00	128.00	130.00	132.00	134.00	136.00	136.00
Santa Clarita Valley	231.00	247.00	267.00	287.00	307.00	328.00	349.00	370.00	370.00	370.00
Newhall Ranch	-	-	-	-	-	-	-	-	656.60	676.30
Average	166.70	170.90	176.93	181.55	186.49	190.67	195.86	201.13	204.53	204.60

1. District No. 27 has not levied a service charge as its other revenues have been sufficient to meet its expenses.
2. 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

LOS ANGELES COUNTY SANITATION DISTRICTS

Residential/Commercial (Service Charge) Sewage Units  
Last Ten Fiscal Years

District	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
1	143,258	143,429	144,702	144,833	144,635	145,348	148,562	149,590	149,393	150,345
2	215,551	215,730	217,082	217,943	219,329	218,035	223,900	225,374	226,849	227,930
3	179,597	176,037	177,585	180,568	181,192	180,611	185,315	186,828	187,943	189,661
4	23,778	23,830	24,556	24,844	25,619	26,097	26,806	27,790	27,425	27,254
5	268,676	262,048	266,716	267,707	272,623	271,544	276,194	279,988	281,159	282,877
8	59,831	58,296	59,108	59,017	60,103	59,629	61,010	62,354	64,117	63,407
9	1,273	1,216	1,015	1,017	1,101	1,071	1,288	1,436	1,442	1,442
14	66,680	65,615	67,130	67,793	67,176	67,491	70,488	71,452	71,716	72,849
15	186,714	183,592	187,253	187,112	190,227	189,227	193,123	195,361	195,805	197,447
16	113,741	109,897	112,893	112,929	115,410	116,067	117,452	119,078	120,538	120,605
17	15,064	14,511	14,629	14,656	15,012	15,104	15,309	15,225	15,124	15,180
18	121,399	121,021	121,371	121,923	122,694	122,251	124,409	126,036	127,362	126,450
19	37,761	37,247	37,269	38,159	37,976	40,643	41,673	41,715	41,957	43,186
20	42,854	42,094	43,010	43,297	42,997	42,336	44,518	45,385	45,583	45,748
21	149,715	148,776	149,972	150,812	154,451	151,998	154,106	155,848	156,670	159,526
22	125,193	123,768	124,183	125,283	126,972	124,223	127,505	129,396	129,927	132,958
23	3,270	3,271	3,198	3,285	3,264	3,100	3,286	3,480	3,451	3,445
27	558	558	558	558	558	551	497	555	555	556
28	4,492	4,462	4,703	4,670	4,779	4,750	4,794	4,786	4,777	4,900
29	5,515	5,144	5,380	5,408	5,797	5,756	5,889	5,950	5,826	5,865
South Bay Cities	50,864	50,504	50,920	51,616	50,441	51,483	52,644	52,896	54,761	53,377
Santa Clarita Valley	93,494	92,432	91,749	92,849	95,256	94,964	98,945	101,943	103,616	103,985
Newhall Ranch	-	-	-	-	-	-	-	-	417	513
	1,909,278	1,883,478	1,904,982	1,916,279	1,937,612	1,932,279	1,977,713	2,002,466	2,016,413	2,029,506

Schedule 10

LOS ANGELES COUNTY SANITATION DISTRICTS

Industrial Wastewater Treatment Surcharge Rates

Last Ten Fiscal Years

District	Unit Rate	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Joint Outfall	(a) \$/MGD	\$ 764.00	\$ 773.00	\$ 796.00	\$ 819.00	\$ 843.00	\$ 863.00	\$ 883.00	\$ 903.00	\$ 923.00	\$ 923.00
	(b) \$/1,000 lbs. COD	135.10	136.70	140.80	144.90	149.00	152.50	156.00	159.50	163.00	163.00
	(c) \$/1,000 lbs. SS	382.10	386.70	398.30	409.90	421.50	431.40	441.30	451.20	461.10	461.10
	(d) \$/GPM (Peak)	101.30	102.50	105.60	108.70	111.70	114.30	116.90	119.50	122.10	122.10
	Flat Rate (\$/MG)	3,243.00	3,282.00	3,380.00	3,479.00	3,577.00	3,661.00	3,745.00	3,829.00	3,913.00	3,913.00
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	2,192.00
14	(a) \$/MGD	2,967.00	3,126.00	3,285.00	3,153.00	3,153.00	3,153.00	3,153.00	3,232.00	3,232.00	3,232.00
	(b) \$/1,000 lbs. COD	334.00	351.90	369.80	354.90	354.90	354.90	354.90	363.80	363.80	363.80
	(c) \$/1,000 lbs. SS	806.40	849.60	892.80	856.60	856.60	856.80	856.80	878.20	878.20	878.20
	(d) \$/GPM (Peak)	570.70	601.30	631.80	606.50	606.50	606.50	606.50	621.60	621.60	621.60
	Flat Rate (\$/MG)	6,602.00	6,955.00	7,309.00	7,015.00	7,015.00	7,015.00	7,015.00	7,190.00	7,190.00	7,190.00
20	(a) \$/MGD	2,177.00	2,396.00	2,442.00	2,511.00	2,579.00	2,579.00	2,625.00	2,679.00	2,679.00	2,679.00
	(b) \$/1,000 lbs. COD	485.60	534.50	544.70	559.90	575.20	575.20	585.40	597.50	597.50	597.50
	(c) \$/1,000 lbs. SS	975.70	1,073.80	1,094.30	1,125.00	1,155.00	1,155.60	1,176.10	1,200.40	1,200.40	1,200.40
	(d) \$/GPM (Peak)	464.10	510.80	520.50	535.00	549.70	549.70	559.40	571.00	571.00	571.00
	Flat Rate (\$/MG)	6,928.00	7,626.00	7,771.00	7,989.00	8,206.00	8,206.00	8,351.00	8,524.00	8,524.00	8,524.00
Santa Clarita Valley	(a) \$/MGD	903.00	946.00	1,023.00	1,099.00	1,176.00	1,256.00	1,337.00	1,417.00	1,417.00	1,417.00
	(b) \$/1,000 lbs. COD	205.70	215.30	233.10	250.50	268.00	286.30	304.60	323.00	323.00	323.00
	(c) \$/1,000 lbs. SS	506.10	529.80	572.70	615.60	658.50	703.50	748.60	793.60	793.60	793.60
	(d) \$/GPM (Peak)	127.80	133.80	144.60	155.50	166.30	177.70	189.10	200.40	200.40	200.40
	Flat Rate (\$/MG)	3,060.00	3,203.00	3,462.00	3,722.00	3,981.00	4,253.00	4,526.00	4,798.00	4,798.00	4,798.00

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

LOS ANGELES COUNTY SANITATION DISTRICTS

Industrial Wastewater Sewage Units  
Last Ten Fiscal Years

District <sup>1</sup>	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
1	22,183	25,787	23,900	25,022	23,441	23,067	24,623	24,964	32,132	29,701
2	33,744	32,381	32,927	34,572	35,338	35,359	36,077	36,617	33,663	36,330
3	17,189	17,752	17,894	15,267	13,360	14,553	13,771	11,590	10,144	11,827
4	129	138	169	133	98	183	135	170	65	79
5	27,601	26,983	23,739	19,660	21,055	20,905	21,542	20,056	20,606	21,507
8	43,378	47,720	45,181	41,467	39,842	37,337	38,574	34,592	33,421	36,844
14	2,507	2,605	2,485	2,066	2,357	2,308	2,268	2,200	2,404	2,501
15	22,381	24,572	22,428	19,395	22,193	20,902	23,444	23,149	23,781	25,337
16	1,476	1,576	1,594	1,706	1,612	1,663	1,441	1,005	1,279	1,348
18	16,452	15,029	13,950	13,173	14,428	14,260	13,256	12,967	11,030	11,573
19	975	745	334	468	565	214	133	296	709	835
20	289	292	232	267	253	255	343	280	330	256
21	14,703	15,664	17,152	14,901	15,933	18,144	17,214	17,842	14,416	14,989
22	13,871	10,928	12,466	15,361	15,120	12,643	13,276	10,595	5,410	5,666
23	15,743	14,260	14,846	15,462	15,090	15,696	18,123	17,460	25,976	17,471
29	247	224	250	257	248	306	328	288	271	296
South Bay Cities	528	452	384	165	150	96	89	103	75	82
Santa Clarita Valley	1,121	1,074	1,169	1,071	1,018	1,110	979	760	921	1,505
Contract <sup>2</sup>	18,533	20,798	23,471	19,612	20,988	24,951	39,463	20,858	19,116	24,153
Total	253,050	258,980	254,571	240,025	243,089	243,952	265,079	235,792	235,749	242,300

1. District Nos. 9, 17, 27, 28, and Newhall Ranch 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

LOS ANGELES COUNTY SANITATION DISTRICTS

Municipal Solid Waste Rates<sup>1</sup>

Last Ten Fiscal Years

	<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>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
Puente Hills Landfill	\$ 38.41	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Puente Hills MRF	42.44	45.75 <sup>3</sup>	49.25 <sup>4</sup>	55.55 <sup>5</sup>	58.40 <sup>6</sup>	61.40 <sup>7</sup>	61.45 <sup>8</sup>	70.60 <sup>9</sup>	70.60	77.84 <sup>11</sup>
South Gate Transfer Station	51.91 <sup>2</sup>	51.91	53.91 <sup>4</sup>	58.66 <sup>5</sup>	63.16 <sup>6</sup>	66.16 <sup>7</sup>	66.27 <sup>8</sup>	75.90 <sup>9</sup>	79.70 <sup>10</sup>	83.68 <sup>11</sup>
DART Facility	54.45	47.14 <sup>3</sup>	53.64 <sup>4</sup>	58.39 <sup>5</sup>	62.49 <sup>6</sup>	65.49 <sup>7</sup>	65.60 <sup>8</sup>	75.16 <sup>9</sup>	75.16	82.86 <sup>11</sup>
Scholl Canyon Landfill	49.18	49.18	49.18	49.18	53.83 <sup>6</sup>	53.83	53.88 <sup>8</sup>	53.88	53.88	56.57 <sup>11</sup>
Calabasas Landfill	40.82	40.82	43.32 <sup>4</sup>	47.32 <sup>5</sup>	52.32 <sup>6</sup>	52.32	52.32	52.32	52.32	52.32

1. \$ per Ton
2. Effective February 1, 2013.
3. Effective November 1, 2013.
4. Effective January 1, 2015.
5. Effective January 1, 2016.
6. Effective August 1, 2017.
7. Effective July 1, 2018.
8. Effective December 1, 2018.
9. Effective January 1, 2020.
10. Effective April 1, 2021.
11. Effective January 1, 2022.

Schedule 13

LOS ANGELES COUNTY SANITATION DISTRICTS

Solid Waste Disposal Tonnages<sup>1</sup>  
Last Ten Fiscal Years

	<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>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
Puente Hills Landfill	2.19	0.74	-	-	-	-	-	-	-	-
Puente Hills MRF	0.04	0.55	0.73	0.73	0.63	0.70	0.64	0.48	0.32	0.30
South Gate Transfer Station	0.11	0.11	0.11	0.14	0.15	0.14	0.15	0.13	0.11	0.11
DART Facility	0.08	0.13	0.14	0.16	0.20	0.27	0.27	0.28	0.19	0.17
Scholl Canyon Landfill	0.21	0.23	0.24	0.33	0.38	0.40	0.43	0.47	0.44	0.40
Calabasas Landfill	<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>	<u>0.32</u>	<u>0.28</u>	<u>0.32</u>
Total	2.82	2.00	1.45	1.67	1.71	1.80	2.08	1.68	1.34	1.30

1. Million Tons per Year

Schedule 14

LOS ANGELES COUNTY SANITATION DISTRICTS

Ten Largest Customers  
Fiscal Years 2012-13 and 2021-22

Fiscal Year 2012-13

Solid Waste Management Facilities Revenue			Wastewater Treatment Facilities Revenue		
Customer	Amount	%	Customer	Amount	%
Athens Disposal	\$ 20,633,118	18.40%	Exxon Mobil Oil Corp.	\$ 3,897,303	1.04%
County Sanitation Districts	9,130,574	8.14%	BP West Coast Products	2,917,334	0.78%
NASA Disposal Service, Inc.	2,477,408	2.21%	MillerCoors LLC	1,735,205	0.46%
City of Glendale	2,270,684	2.02%	Tesoro Refining & Mktg.	1,648,191	0.44%
Metro Waste/Calmet Services	1,697,830	1.51%	Demunno Kerdoon	1,582,337	0.42%
Key Disposal	1,631,796	1.45%	California State Prison	1,360,173	0.36%
United Pacific Waste	1,563,646	1.39%	Phillips 66 Company	1,345,601	0.36%
Universal Waste Systems	1,409,903	1.26%	Clougherty Packing	1,241,470	0.33%
City of Pasadena	1,381,372	1.23%	Cacique, Inc.	1,206,989	0.32%
Burrtec Waste Services	1,316,265	1.17%	Alta-Dena Certified Dairy	1,137,335	0.30%
Subtotal (10 largest)	43,512,596	38.80%	Subtotal (10 largest)	18,071,938	4.82%
Balance from Other Customers	68,647,437	61.20%	Balance from Other Customers	356,962,240	95.18%
Grand Total	\$ 112,160,033	100.00%	Grand Total	\$ 375,034,178	100.00%

Fiscal Year 2021-22

Solid Waste Management Facilities Revenue			Wastewater Treatment Facilities Revenue		
Customer	Amount	%	Customer	Amount	%
Glendale Sanitation Department	\$ 4,107,437	3.89%	Inland Empire Utilities Agency - East End Outfall	\$ 6,147,043	1.30%
City of Pasadena / Refuse div Sanitation	3,914,941	3.71%	Tesoro Refining & Marketing Company LLC - Carson	4,074,249	0.86%
LA County Public Works	3,890,823	3.69%	Torrance Refining Company LLC	4,006,430	0.85%
NASA Disposal Service, Inc.	3,244,248	3.07%	Tesoro Refining & Marketing Company LLC - Wilmington	2,526,749	0.54%
CR&R, Inc.	2,522,692	2.39%	Smithfield Packaged Meats Corp.	2,213,347	0.47%
Ware Disposal Co.	2,270,832	2.15%	Coast Packing Company	2,142,878	0.45%
GI Rubbish Company	2,158,904	2.05%	DeMenno/Kerdoon/ World Oil Recycling	2,033,656	0.43%
CalMet	2,066,142	1.96%	Phillips 66 Company - Refinery	1,891,605	0.40%
CR&R, Inc./ United Pacific Waste	2,030,347	1.92%	Heritage Distributing Co. Inc dba Ninth Street Dairy	1,481,141	0.31%
LA County DPW	1,923,708	1.82%	Saputo Cheese USA Inc.	1,366,851	0.29%
Subtotal (10 largest)	28,130,074	26.66%	Subtotal (10 largest)	27,883,949	5.92%
Balance from Other Customers	77,380,041	73.34%	Balance from Other Customers	443,271,597	94.08%
Grand Total	\$ 105,510,115	100.00%	Grand Total	\$ 471,155,546	100.00%

Schedule 15

LOS ANGELES COUNTY SANITATION DISTRICTS

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 <sup>1</sup>	As a Share of Per Capita Income
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	124.79	0.19%
2019-20	381,513	-	251,796	633,309	114.09	0.16%
2020-21	312,500	-	226,192	538,692	97.73	0.13%
2021-22	456,166	-	109,496	565,662	103.91	0.14%

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

## Schedule 16

## LOS ANGELES COUNTY SANITATION DISTRICTS

## Wastewater Pledged-Revenue Coverage

## Last Ten Fiscal Years

(\$ thousands)

	Fiscal Year									
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Revenue Sources <sup>1</sup>										
Ad Valorem Tax	\$ 68,435	\$ 55,210	\$ 67,963	\$ 70,121	\$ 73,029	\$ 77,370	\$ 82,675	\$ 88,363	\$ 95,191	\$ 97,492
CIF <sup>2</sup>	14,996	12,664	12,627	10,489	9,987	7,318	5,162	5,162	-	-
User Fees	375,032	370,980	394,765	400,001	418,318	432,497	434,022	449,355	448,374	470,780
Other Revenues	28,101	27,712	26,375	15,138	15,742	19,089	30,939	31,387	32,958	25,503
Interest	7,679	7,513	9,343	13,078	14,265	18,478	26,516	26,900	11,336	11,695
Rate Stabilization Fund <sup>3</sup>	1,488	14,161	-	7,923	3,946	-	18,220	18	-	3,267
Total	495,731	488,240	511,073	516,750	535,287	554,752	597,534	601,185	587,859	608,737
Expenses <sup>4</sup>										
Total O&M	287,411	303,506	298,081	307,980	304,998	314,989	335,687	354,590	369,224	399,987
Rate Stabilization Fund <sup>3</sup>	56,593	12,921	41,328	14,701	27,057	75,407	69,711	62,609	78,148	-
Total	344,004	316,427	339,409	322,681	332,055	390,396	405,398	417,199	447,372	399,987
Net Revenues	151,727	171,813	171,664	194,069	203,232	164,356	192,136	183,986	140,487	208,750
Debt Service										
State Loans	36,633	36,535	36,747	35,416	32,162	32,060	36,109	35,998	35,446	27,831
Installment Payments	52,826	52,793	52,530	51,390	49,757	53,643	53,568	53,529	53,698	22,012
Total Debt Service	89,459	89,328	89,277	86,806	81,919	85,703	89,677	89,527	89,144	49,843
Coverage	1.7	1.9	1.9	2.2	2.5	1.9	2.1	2.1	1.6	4.2

- 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 Wastewater 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

LOS ANGELES COUNTY SANITATION DISTRICTS

Demographic and Economic Statistics  
Last Ten Fiscal Years Available

Fiscal Year	Districts' Population <sup>1</sup> (millions)	L.A. County Population <sup>2</sup> (millions)	Personal Income <sup>2</sup> (\$ millions)	Per Capita Personal Income (\$ thousands)	Unemployment Rate <sup>3</sup>	
					County	State
2012-13	5.490	10.019	451,100	45.02	10.2%	9.4%
2013-14	5.532	10.069	487,900	48.46	8.3%	7.6%
2014-15	5.571	10.192	521,900	51.21	6.9%	6.4%
2015-16	5.606	10.240	557,382	54.43	5.4%	5.7%
2016-17	5.597	10.278	585,515	56.97	4.9%	4.9%
2017-18	5.613	10.328	602,632	58.35	4.9%	4.4%
2018-19	5.609	10.184	658,900	64.70	4.6%	4.2%
2019-20	5.551	10.136	708,700	69.92	17.9%	14.1%
2020-21	5.512	10.044	769,100	76.57	10.3%	8.0%
2021-22	5.444	9.861	749,700	76.03	5.2%	4.0%

1. State of California, Department of Finance, E-1 Population Estimates for Cities, Counties, and the State, with Annual Percentage Change-January 1, 2021, and 2022. See Schedule 18 of this ACFR for details.
2. Los Angeles Economic Development Corporation Economic Forecast; Los Angeles Almanac; UCLA Anderson Los Angeles County Long Term Forecast. 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

LOS ANGELES COUNTY SANITATION DISTRICTS

Estimated Populations of Cities and Unincorporated Areas  
Within the Sanitation Districts' Boundaries  
January 1, 2022

CITY	POPULATION	CITY	POPULATION
Alhambra	81,834	Lawndale	31,301
Arcadia	55,934	Lomita	20,633
Artesia	16,226	Long Beach	460,272
Azusa	49,704	Los Angeles	136,420
Baldwin Park	70,855	Lynwood	66,723
Bell	33,624	Manhattan Beach	34,902
Bell Gardens	38,861	Maywood	24,814
Bellflower	77,359	Monrovia	37,556
Beverly Hills	703	Montebello	61,622
Bradbury	399	Monterey Park	60,207
Carson	92,362	Norwalk	101,451
Cerritos	48,634	Palmdale	165,024
Claremont	36,801	Palos Verdes Estates	12,980
Commerce	12,140	Paramount	52,477
Compton	94,233	Pasadena	138,295
Covina	50,218	Pico Rivera	61,442
Cudahy	22,318	Pomona	148,201
Culver City	0	Rancho Palos Verdes	41,468
Diamond Bar	53,788	Redondo Beach	68,972
Downey	112,584	Rolling Hills	1,684
Duarte	20,937	Rolling Hills Estates	8,289
El Monte	107,706	Rosemead	50,511
El Segundo	0	San Dimas	34,145
Gardena	59,947	San Gabriel	38,845
Glendora	51,075	San Marino	12,257
Hawaiian Gardens	13,619	Santa Clarita	224,285
Hawthorne	86,841	Santa Fe Springs	18,763
Hermosa Beach	19,171	Sierra Madre	10,859
Huntington Park	53,942	Signal Hill	11,597
Industry	438	South El Monte	19,668
Inglewood	106,481	South Gate	93,259
Irwindale	1,490	South Pasadena	26,580
La Canada-Flintridge	18,530	Temple City	36,262
La Habra Heights	378	Torrance	144,433
La Mirada	48,696	Vernon	208
La Puente	37,177	Walnut	28,091
La Verne	32,245	West Covina	108,021
Lakewood	80,873	West Hollywood	35,399
Lancaster	172,243	Whittier	87,931
		78 Cities Subtotal	4,576,213
		Unincorporated	868,156
		TOTAL	5,444,369

Source: State of California, Department of Finance, E-1 Population Estimates for Cities, Counties, and the State, with Annual Percent Change -- January 1, 2021, and 2022. Sacramento, California, May 2022, and GIS analysis using L.A. County Assessor GIS parcel data (2020), L.A. County Department of Public Works City Boundaries GIS layer, and Sanitation District Boundaries Annexation GIS layer.



## Schedule 19

### LOS ANGELES COUNTY SANITATION DISTRICTS

#### 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
2012	4,037.5	\$ 135.3	\$ 403.5	41.4	17,447	367,400
2013	4,115.8	140.1	414.5	42.2	25,198	439,830
2014	4,192.6	147.1	416.6	44.2	26,950	464,650
2015	4,285.8	151.4	393.4	45.5	34,034	502,750
2016	4,394.6	159.8	393.7	46.6	32,114	522,520
2017	4,448.3	159.3	431.4	48.3	31,084	577,690
2018	4,510.1	166.0	456.3	50.0	29,524	588,140
2019	4,553.6	172.3	428.2	50.9	30,554	641,340
2020	4,000.2	157.7	404.9	27.0	26,930	709,500
2021	4,277.2	192.5	436.3	40.0	31,151	826,500

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; California Association of Realtors

\*Value of imports and exports combined.

Schedule 20

LOS ANGELES COUNTY SANITATION DISTRICTS

Los Angeles County Employment Sectors  
Current Year and Nine Years Ago

Industry	June 2013			June 2022		
	Number of Employees	Percentage of Total	Rank	Number of Employees	Percentage of Total	Rank
Educational & Health Services	695,900	16.89%	2	867,600	19.19%	1
Trade, Transportation & Utilities	780,900	18.95%	1	846,800	18.73%	2
Professional & Business Services	579,100	14.06%	3	657,000	14.53%	3
Government	561,300	13.62%	4	572,100	12.66%	4
Leisure & Hospitality	445,700	10.82%	5	499,900	11.06%	5
Manufacturing	377,400	9.16%	6	321,800	7.12%	6
Information	195,900	4.75%	8	228,200	5.05%	7
Financial Activities	213,300	5.18%	7	214,200	4.74%	8
Construction	115,100	2.79%	10	156,600	3.46%	9
Other Services	146,300	3.55%	9	150,200	3.32%	10
Agriculture	5,600	0.14%	11	4,700	0.10%	11
Mining and Logging	3,400	0.08%	12	1,600	0.04%	12
<b>Total</b>	<b>4,119,900</b>	<b>100.00%</b>		<b>4,520,700</b>	<b>100.00%</b>	

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

Schedule 21

LOS ANGELES COUNTY SANITATION DISTRICTS

Number of Employees by Identifiable Activity

Full-Time-Equivalent Employees as of June 30,

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Solid Waste Management:</b>										
Solid Waste Management	3	2	2	2	2	3	3	3	3	3
Solid Waste Operations	211	209	183	190	199	207	204	204	198	192
Energy Recovery Operations	114	116	112	102	101	94	66	67	66	70
<b>Wastewater Management:</b>										
Wastewater Management	3	3	3	3	2	2	2	3	3	3
Industrial Waste	67	66	66	63	64	62	62	62	61	56
Joint Water Pollution Control Plant	302	297	296	293	285	293	297	286	295	286
Wastewater Collection System	124	130	129	129	126	126	129	137	133	136
Water Reclamation Plants	219	224	223	234	240	246	245	236	234	237
E/I Engineering Support	4	6	8	8	8	8	9	9	9	9
<b>Engineering:</b>										
Engineering	6	6	7	7	7	5	7	9	8	5
Field Engineering	66	61	56	53	53	51	56	51	56	60
Wastewater & Solid Waste Design	34	29	27	22	21	36	29	31	32	35
Structural & Architectural Design	17	16	17	16	17	17	16	16	18	17
Electrical & Instrumentation Design	20	20	21	23	23	22	23	21	22	22
Mechanical & Civil Design	14	12	12	14	13	-	-	-	-	4
Sewer Design	23	24	23	22	25	25	26	25	25	26
<b>Technical Services:</b>										
Technical Services	5	14	14	15	13	23	15	14	15	15
Air Quality Engineering	9	9	11	9	9	9	8	8	9	9
Laboratories	167	163	157	170	159	160	157	169	162	174
Monitoring	25	26	29	33	39	44	45	44	29	28
Wastewater Research	11	11	11	11	18	12	18	18	20	17
Water Quality	26	27	29	15	16	13	12	14	13	14
Research	11	11	10	9	-	-	-	-	-	-
<b>Administration:</b>										
Administration	9	9	9	9	9	9	9	9	9	9
Financial Mgmt. & Facilities Plan.	200	193	187	183	185	184	199	206	204	207
Human Resources	31	22	21	21	22	23	23	23	23	24
<b>Total Employees:</b>	<b>1,721</b>	<b>1,706</b>	<b>1,663</b>	<b>1,656</b>	<b>1,656</b>	<b>1,674</b>	<b>1,660</b>	<b>1,665</b>	<b>1,647</b>	<b>1,658</b>

Schedule 22

LOS ANGELES COUNTY SANITATION DISTRICTS

Operating and Capital Indicators  
Last Ten Fiscal Years

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Sewerage Operations</b>										
Miles of Trunk Lines	1,410	1,410	1,411	1,412	1,410	1,409	1,412	1,430	1,430	1,433
Number of Active Pump Stations	49	49	48	48	48	48	48	48	48	49
Number of Treatment Facilities	11	11	11	11	11	11	11	11	11	11
Reclaimed Water Used (MGD <sup>1</sup> )	93	91	79	90	96	93	78	87	93	103
Number of Reuse Sites <sup>2</sup>	710	738	763	829	810	810	822	845	854	886
WW Discharge Inspections	10,633	11,070	10,769	11,516	11,162	11,661	11,673	10,115	9,218	11,117
<b>Solid Waste Operations</b>										
Number of Active Landfills	3	2	2	2	2	2	2	2	2	2
Solid Waste Disposal Tonnages <sup>3</sup>										
Puente Hills Landfill	2.19	0.74	-	-	-	-	-	-	-	-
Puente Hills MRF	0.04	0.55	0.73	0.73	0.63	0.70	0.64	0.48	0.32	0.30
South Gate Transfer Station	0.11	0.11	0.11	0.14	0.15	0.14	0.15	0.13	0.11	0.11
DART Facility	0.08	0.13	0.14	0.16	0.20	0.27	0.27	0.28	0.19	0.17
Scholl Canyon Landfill	0.21	0.23	0.24	0.33	0.38	0.40	0.43	0.47	0.44	0.40
Calabasas Landfill	0.19	0.24	0.23	0.31	0.35	0.29	0.59	0.32	0.28	0.32
<b>Total</b>	<b>2.82</b>	<b>2.00</b>	<b>1.45</b>	<b>1.67</b>	<b>1.71</b>	<b>1.80</b>	<b>2.08</b>	<b>1.68</b>	<b>1.34</b>	<b>1.30</b>
Cumulative Tonnages <sup>3</sup>										
Puente Hills Landfill	123.30	124.04	124.04	124.04	124.04	124.04	124.04	124.04	124.04	124.04
Puente Hills MRF	0.62	1.17	1.90	2.63	3.26	3.96	4.60	5.08	5.40	5.70
South Gate Transfer Station	5.86	5.97	6.08	6.22	6.37	6.51	6.66	6.79	6.90	7.01
DART Facility	3.36	3.49	3.63	3.79	3.99	4.26	4.53	4.81	5.00	5.17
Scholl Canyon Landfill	28.66	28.89	29.13	29.46	29.84	30.24	30.67	31.14	31.58	31.98
Calabasas Landfill	24.06	24.30	24.53	24.84	25.19	25.48	26.07	26.39	26.67	26.99
Percentage of County Total	37%	24%	7%	11%	12%	11%	20%	13%	11%	9%
<b>Household Hazardous Waste/Electronic Waste (HHW/EW)</b>										
Households	52,850	50,056	51,054	43,705	49,516	56,809	56,895	36,336	61,630	55,103
Cost (\$ millions)	\$3.6	\$3.7	\$3.5	\$3.2	\$3.5	\$4.0	\$4.1	\$2.9	\$4.6	\$5.6

1. Million Gallons per Day

2. Previously reported values included “inactive” sites that were no longer using recycled water. Currently indicated values include total number of sites actively using recycled water produced by Los Angeles County Sanitation Districts within the noted fiscal year

3. Million Tons per Year

# ALTERNATIVE FUEL VEHICLES

Transportation is the biggest contributor to GHG emissions in the U.S. In addition, vehicle exhaust contains pollutants that affect human health. The Districts have built EV charging stations and CNG filling stations and have transitioned to electric fleet vehicles and trucks that use alternative fuels. **GHG avoided: 3,400 MTCO<sub>2e</sub>** (equivalent to removing 730 passenger vehicles from the road per year). Pictured below is one of the electric vehicles in our fleet charging at our main office.



# LOS ANGELES COUNTY SANITATION DISTRICTS

Bond Disclosure  
June 30, 2022

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 (the Authority) Capital Projects Revenue Bonds: the 2015 Series A District 14 Subordinate Revenue Bonds (2015A Revenue Bonds), the 2016 Series A District 20 Subordinate Revenue Bonds (2016A Revenue Bonds), the 2021 Series A District 14 Revenue Bonds (2021A Bonds), and the 2022 Series A Capital Projects Revenue Bonds (2022A 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' Annual Comprehensive Financial Report (ACFR) includes all the information required by the Disclosure Agreements, the ACFR 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

In September 2021, the Districts' Financing Authority issued \$41,645,000 (face value) in Capital Projects Revenue Bonds Series A to refinance loan debt at significantly lower rates. The proceeds from the bond sale have been used to prepay four District No. 14 California State Water Resources Control Board loans and costs of issuance.

In February 2022, the outstanding balances of 35 California State Water Resources Control Board loans totaling \$46 million were prepaid.

In April 2022, the Districts' Financing Authority issued \$89,900,000 (face value) in Capital Projects Revenue Bonds Series A. The proceeds from the bond sale have been used to prepay eight California State Water Resources Control Board loans and costs of issuance.

## ANNUAL REPORT

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

- 1) The audited financial statements for the 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 June 30, 2022, and December 31, 2022 (projected).
- 4) The amount of each senior obligation and subordinate obligation outstanding as of June 30, 2022, and December 31, 2022 (projected).
- 5) An update, for the most recently ended fiscal year, of the following information contained in the Official Statements for outstanding bond issues:
  - a. Sewage units by customer type;
  - b. User fees and ad valorem taxes;
  - c. Districts' service charge rates;
  - d. Fund balances on June 30, 2022;

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Bond Disclosure, Continued

- e. Average yearly sewage flow;
- f. Ten largest wastewater customers;
- g. Cash and investment balances as of June 30, 2022;
- h. Joint Outfall Participating Districts' shared project percentage;
- i. Districts' historical operating data (Districts with outstanding debt only).

### ***SECTION 1 - The Authority's Audited Financial Statements***

#### Statement of Net Position June 30, 2022

<b>Assets</b>	
Cash and cash equivalents with Trustee, restricted as to use	\$ 30,559
Payments receivable from Participating Districts	454,915,293
Total assets	454,945,852
<b>Deferred Outflow of Resources</b>	
Deferred loss on refunding, net	1,219,756
<b>Liabilities</b>	
Current liabilities, payable from restricted assets:	
Interest payable	4,871,906
Current portion of bonds payable	16,150,000
Total current liabilities	21,021,906
Long-term liabilities:	
Premium on issue, net	45,640,608
Revenue bonds payable	394,375,000
Total long-term liabilities	440,015,608
Total liabilities	461,037,514
<b>Net Position</b>	
Unrestricted	(4,871,906)
Total net position	\$ (4,871,906)

#### Statement of Revenues, Expenses, and Changes in Net Position Fiscal year ended June 30, 2022

Operating revenues-payments from Participating Districts	\$ 14,375,564
Nonoperating revenues (expenses):	
Interest revenue	336
Interest expense	(4,966,610)
Drawdown expense	(15,853,285)
Amortization of deferred loss on refunding	(388,008)
Amortization of bond premium	5,354,276
Net nonoperating expenses	(15,853,291)
Change in net position	(1,477,727)
Net position, beginning of fiscal year	(3,394,179)
Net position, fiscal end of year	\$ (4,871,906)

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Bond Disclosure, Continued

### Statement of Cash Flows Fiscal year ended June 30, 2022

Cash flows from operating activities:	
Receipts from Participating Districts	\$ <u>14,375,564</u>
Cash flows from capital and related financing activities:	
Receipts from Participating Districts	9,049,400
Bond defeasement	(157,197,350)
Bond proceeds	158,068,827
Principal payments	(9,049,400)
Costs of issuance	(848,939)
Interest paid on bonds	(14,375,564)
Net cash used by capital and related financing activities	<u>(14,353,026)</u>
Cash flows from investing activities:	
Interest received on investments	<u>345</u>
Net cash provided by investing activities	<u>345</u>
Net increase in cash and cash equivalents, restricted as to use	22,883
Cash and cash equivalents, beginning of fiscal year, restricted as to use	<u>7,676</u>
Cash and cash equivalents, end of fiscal year, restricted as to use	\$ <u><u>30,559</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ <u>14,375,564</u>
Net cash provided by operating activities	\$ <u><u>14,375,564</u></u>
Supplemental disclosure of noncash items:	
Amortization of premium on revenue bonds payable and deferred loss on refunding of \$5,354,276 and (\$388,008), respectively.	

#### ***SECTION 2 - Districts' Audited Consolidated Financial Statements***

The audited consolidated financial statements for the Districts are provided in the Financial Section of this ACFR.

#### ***SECTION 3 - Principal Amount of Bonds Outstanding***

The principal amount of bonds outstanding for the 2022A Bonds as of June 30, 2022, is provided in the Financial Section of this ACFR, Notes to Basic Financial Statements, long-term debt. At December 31, 2022, the total principal amount of bonds outstanding for the 2015A Revenue Bonds, the 2016A Revenue Bonds, and the 2021A Revenue Bonds will be \$310,950,000 (projected), a decrease of \$9,675,000 due to scheduled principal payments.



# LOS ANGELES COUNTY SANITATION DISTRICTS

## Bond Disclosure, Continued

### SECTION 4 - Outstanding Senior and Subordinate Obligations

	June 30, 2022			December 31, 2022 (projected)		
	District No. 14	District No. 20	Joint Outfall System	District No. 14	District No. 20	Joint Outfall System
<b>Senior Obligations</b>						
2022 Series A Revenue Bonds	\$ -	-	89,900,000	-	-	83,425,000
Total Senior Obligations	-	-	89,900,000	-	-	83,425,000
<b>Subordinate Obligations</b>						
2015 Series A Revenue Bonds	126,160,000	-	-	122,375,000	-	-
2016 Series A Revenue Bonds	-	152,820,000	-	-	148,530,000	-
2021 Series A Revenue Bonds	41,645,000	-	-	40,045,000	-	-
Total Subordinate Obligations	167,805,000	152,820,000	-	162,420,000	148,530,000	-
<b>Total Obligations</b>	<b>\$ 167,805,000</b>	<b>152,820,000</b>	<b>89,900,000</b>	<b>162,420,000</b>	<b>148,530,000</b>	<b>83,425,000</b>

### SECTION 5 - Updated Tables Contained in the Official Statements

#### Sewage Units by Customer Type Fiscal Year 2021-22 <sup>(1)</sup>

District	Sewage Units <sup>(2)</sup>				Total	Parcels
	Residential <sup>(3)</sup>	Commercial <sup>(3)</sup>	Industrial	Contract <sup>(4)</sup>		
14	58,691	14,158	2,570	85	75,504	56,108
20	36,730	9,018	256	24	46,028	36,088
Joint Outfall	1,253,784	523,375	235,677	1,815	2,014,651	1,129,797

- (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) Contract sewage units includes contracted in sewage units only.

#### User Fees and Ad Valorem Taxes Fiscal Year 2021-22

District	Service Charge Collected	Service Charge Rebates <sup>(1)</sup>	Net Service Charge Revenue	IW Surcharge Revenue	Total User Fees	A.V. Taxes <sup>(2)</sup>
	14	\$ 34,821,131	\$ (580,497)	\$ 34,240,634	\$ 2,474,254	\$ 36,714,888
20	26,494,662	(614,443)	25,880,219	512,300	26,392,519	1,723,748
Joint Outfall	307,216,626	(9,186,988)	298,029,638	67,823,584	365,853,222	83,448,230

- (1) 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.
- (2) Actual amounts collected.

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Bond Disclosure, Continued

### Service Charge Rates (Dollars Per Single Family Home Per Year)

District	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21	Fiscal Year 2021-22
1	\$ 178	\$ 183	\$ 188	\$ 193	\$ 193
2	169	173	177	181	181
3	166	169	172	175	175
5	155	159	163	167	167
8	180	186	192	198	198
14	476	476	488	488	488
15	154	157	160	163	163
16	151	154	157	160	160
17	152	155	158	161	161
18	170	174	178	182	182
19	164	167	170	173	173
20	565	575	587	587	587
21	167	171	175	179	179
22	162	166	170	174	174
23	126	128	130	132	132
28	138	140	142	144	144
29	340	340	340	340	340
South Bay Cities	130	132	134	136	136

### Fund Balances on June 30, 2022

District	Capital Improvement Fund	Rate Stabilization Account <sup>(1)</sup>	All Other Funds
14	\$ 2,434,564	\$ 40,184,229	\$ 35,965,839
16	2,500,596	10,000,000	52,692,955
17	619,727	1,900,000	7,264,265
20	40,372	18,974,887	27,496,337
23	96,285	14,500,000	3,444,705
28	20,914	7,000,000	2,265,290
29	651,674	2,500,000	5,228,028
South Bay Cities	2,495,749	13,000,000	28,829,980

(1) Held as a portion of the Operating fund and designated reserves, O&M Financial Stability and Capital Projects Stability

## LOS ANGELES COUNTY SANITATION DISTRICTS

### Bond Disclosure, Continued

Average Yearly Flow <sup>(1)</sup>  
(In Millions Of Gallons Per Day)

District	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21	Fiscal Year 2021-22
14	13.01	13.46	13.56	13.80	13.79
20	7.98	8.07	8.15	8.32	8.83
Joint Outfall	354.30	360.19	365.18	362.89	365.00

(1) All flow values are effluent plant flows.

### Ten Largest Disposal Customers Fiscal Year 2021-2022

District 14 Customer	Fiscal Year 2021-22 Billing	Percentage of Total User Charges
California State Prison - Los Angeles County	\$ 1,001,716	2.73 %
Northrop Grumman Systems Corporation (Site 4)	775,584	2.11
Northrop Grumman Systems Corporation (Site 3)	273,955	0.75
Mission Linen Supply	200,880	0.55
Antelope Valley Hospital	174,686	0.48
MGP IX Properties LLC	143,073	0.39
Caritas Affordable Housing Inc.	135,826	0.37
TRU 2005 RE I LLC	115,702	0.32
Darhalli	92,864	0.25
Caritas	89,868	0.24
	<u>3,004,154</u>	<u>8.18</u>
Balance from Other Dischargers	<u>33,710,734</u>	<u>91.82</u>
Total User Charges	<u>\$ 36,714,888</u>	<u>100.00 %</u>

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Bond Disclosure, Continued

<u>District 20 Customer</u>	<u>Fiscal Year 2021-22 Billing</u>	<u>Percentage of Total User Charges</u>
Lockheed Martin	\$ 377,538	1.43 %
Antelope Valley Mall LLC	316,351	1.20
Walmart Real Estate Business	244,363	0.93
Golden Spectrum Property LLC	119,562	0.45
MGP X Properties LLC	113,408	0.43
2200 Town Square East LLC	105,945	0.40
Palm Chaparral Apartments LLC	104,230	0.39
Design Create Explore LLC	102,219	0.39
Canyon Creek Apartments	84,511	0.32
Caritas Acquisitions I LLC	79,581	0.30
	<u>1,647,708</u>	<u>6.24</u>
Balance from Other Dischargers	<u>24,744,811</u>	<u>93.76</u>
Total User Charges	<u>\$ 26,392,519</u>	<u>100.00 %</u>

<u>Joint Outfall System Customer</u>	<u>Fiscal Year 2021-22 Billing</u>	<u>Percentage of Total User Charges</u>
Inland Empire Utilities Agency - East End Outfall	\$ 6,147,042	1.68 %
Tesoro Refining & Marketing Company LLC, Carson	4,074,249	1.11
Torrance Refining Company LLC	4,006,430	1.10
Tesoro Refining & Marketing Company LLC, Wilmington	2,526,749	0.69
Smithfield Packaged Meats Corp.	2,213,347	0.60
Coast Packing Company	2,142,878	0.59
DeMenno/Kerdoon, dba World Oil Recycling	2,033,656	0.56
Phillips 66 Company - Refinery	1,891,605	0.52
Heritage Distributing Co. Inc dba Ninth Street Dairy	1,481,141	0.40
Saputo Cheese USA Inc.	1,366,851	0.37
	<u>27,883,948</u>	<u>7.62</u>
Balance from Other Dischargers	<u>337,969,274</u>	<u>92.38</u>
Total User Charges	<u>\$ 365,853,222</u>	<u>100.00 %</u>

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Bond Disclosure, Continued

### Cash and Investments <sup>(1)</sup> As of June 30, 2022

District	Unrestricted <sup>(2)</sup>	Designated <sup>(3)</sup>	Restricted <sup>(4)</sup>	Total
1	\$ 40,666,094	27,615,885	23,967,461	92,249,440
2	60,823,597	31,673,379	34,408,590	126,905,565
3	40,496,953	30,391,205	17,402,709	88,290,867
5	63,583,531	32,200,106	23,195,435	118,979,072
8	16,055,731	834,945	7,988,358	24,879,034
15	45,629,131	47,783,592	24,027,647	117,440,370
16	27,389,819	37,452,524	11,149,001	75,991,345
17	2,845,235	6,594,025	1,726,214	11,165,474
18	35,977,684	15,820,343	17,891,887	69,689,914
19	8,592,760	9,535,812	6,451,519	24,580,091
21	37,923,287	35,467,366	26,537,621	99,928,274
22	31,048,217	43,052,683	16,876,346	90,977,246
22	5,970,654	12,037,268	350,650	18,358,572
28	1,520,169	7,833,625	377,025	9,730,819
29	1,571,804	6,260,532	1,071,376	8,903,713
34	(614)	-	-	(614)
South Bay Cities	13,561,295	29,235,909	6,387,531	49,184,736
	\$ 433,655,348	373,789,199	219,809,371	1,027,253,918

(1) Joint Outfall System cash and investments have been distributed to each Participating District based on the District's participating percentage of the Joint Outfall System.

(2) Unrestricted funds include all monies collected or generated by or on behalf of the Participating Districts or Joint Outfall System, without regard to the source, except those that have been deemed to be Designated or Restricted.

(3) Designated funds are those that have imposed restrictions on the use of the funds for specific purposes, such as capital facilities, land acquisition, and repair and replacement of existing assets. These funds are not otherwise legally restricted and the Participating Districts have the discretion to redesignate the actual or intended usage of the funds.

(4) Restricted funds have external imposed restrictions through law (federal, state, or local governments), administrative action (adopted ordinances), or contractual arrangements (bond indentures, loan agreements). The Restricted Reserve Funds can only be used for the purpose for which they were established or dedicated until the restrictions are removed by the party that imposed them or the contractual arrangement that created them has expired.

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Bond Disclosure, Continued

### Joint Outfall Participation Percentage 2022A Bonds Fiscal Year 2021-2022

<u>District</u>	<u>Shared Project Percentage</u>
1	8.64 %
2	12.98
3	10.65
5	15.47
8	3.58
15	11.24
16	6.80
17	0.87
18	7.22
19	2.27
21	9.00
22	7.41
23	0.20
28	0.28
29	0.33
34	0.00
South Bay Cities	3.06
Total	<u>100.00 %</u>

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Bond Disclosure, Continued

<b>District No. 1</b>	<b>Fiscal Year 2021-22</b>	<b>Fiscal Year 2020-21</b>	<b>Fiscal Year 2019-20</b>	<b>Fiscal Year 2018-19</b>
<b>REVENUE SOURCES</b>				
User Fees	\$ 36,971	\$ 36,157	\$ 34,272	\$ 32,344
Other Revenues	2,011	2,677	2,498	2,416
A.V. Tax	4,621	4,547	4,193	3,855
Interest	873	846	1,865	1,770
Rate Stabilization Fund <sup>(1)</sup>	-	-	-	-
Subtotal	<u>44,476</u>	<u>44,227</u>	<u>42,828</u>	<u>40,385</u>
CIF Pledged for Debt <sup>(2)</sup>	-	-	-	-
Total Revenue for Senior Calculation	44,476	44,227	42,828	40,385
CIF Connection Fee Revenue <sup>(2)</sup>	2,080	1,252	2,764	2,860
Total Revenue for Subordinate Calculation	46,556	45,479	45,592	43,245
<b>EXPENSES<sup>(3)</sup></b>				
Total O&M	30,528	27,817	26,668	24,984
Rate Stabilization Fund <sup>(4)</sup>	-	11,120	5,236	1,818
Total	<u>30,528</u>	<u>38,937</u>	<u>31,904</u>	<u>26,802</u>
<b>DEBT SERVICE PAYMENTS</b>				
<b>Senior</b>				
State Loans	1,176	1,503	1,498	1,523
Revenue Bonds	-	2,200	2,167	2,169
Total Senior Debt Payments	<u>1,176</u>	<u>3,703</u>	<u>3,665</u>	<u>3,692</u>
<b>Subordinate</b>				
State Loans	704	856	853	750
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>704</u>	<u>856</u>	<u>853</u>	<u>750</u>
Total Debt Service	1,880	4,559	4,518	4,442
<b>DEBT SERVICE COVERAGE<sup>(5)</sup>:</b>				
SENIOR	11.26	1.20	2.75	3.48
<u>SUBORDINATE</u>	<u>8.53</u>	<u>1.43</u>	<u>3.03</u>	<u>3.70</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.

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Bond Disclosure, Continued

<b>District No. 2</b>	<b>Fiscal Year 2021-22</b>	<b>Fiscal Year 2020-21</b>	<b>Fiscal Year 2019-20</b>	<b>Fiscal Year 2018-19</b>
<b>REVENUE SOURCES</b>				
User Fees	\$ 49,682	\$ 47,542	\$ 48,243	\$ 46,573
Other Revenues	2,997	3,969	3,723	3,664
A. V. Tax	8,849	8,887	8,044	7,654
Interest	1,156	1,070	2,661	2,615
Rate Stabilization Fund <sup>(1)</sup>	-	-	-	4,254
Subtotal	<u>62,684</u>	<u>61,468</u>	<u>62,671</u>	<u>64,760</u>
CIF Pledged for Debt <sup>(2)</sup>	-	-	-	-
Total Revenue for Senior Calculation	62,684	61,468	62,671	64,760
CIF Connection Fee Revenue <sup>(2)</sup>	6,818	2,422	3,431	4,477
Total Revenue for Subordinate Calculation	<u>69,502</u>	<u>63,890</u>	<u>66,102</u>	<u>69,237</u>
<b>EXPENSES<sup>(3)</sup></b>				
Total O&M	45,814	41,727	40,118	37,893
Rate Stabilization Fund <sup>(4)</sup>	-	6,575	1,504	-
Total	<u>45,814</u>	<u>48,302</u>	<u>41,622</u>	<u>37,893</u>
<b>DEBT SERVICE PAYMENTS</b>				
Senior				
State Loans	1,754	2,226	2,233	2,294
Revenue Bonds	-	3,396	3,344	3,349
Total Senior Debt Payments	<u>1,754</u>	<u>5,622</u>	<u>5,577</u>	<u>5,643</u>
Subordinate				
State Loans	989	1,207	1,211	1,129
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>989</u>	<u>1,207</u>	<u>1,211</u>	<u>1,129</u>
Total Debt Service	2,743	6,829	6,788	6,772
<b>DEBT SERVICE COVERAGE<sup>(5)</sup>:</b>				
SENIOR	9.05	2.13	3.56	4.56
<u>SUBORDINATE</u>	<u>8.64</u>	<u>2.28</u>	<u>3.61</u>	<u>4.63</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.



# LOS ANGELES COUNTY SANITATION DISTRICTS

## Bond Disclosure, Continued

<b>District No. 3</b>	<b>Fiscal Year 2021-22</b>	<b>Fiscal Year 2020-21</b>	<b>Fiscal Year 2019-20</b>	<b>Fiscal Year 2018-19</b>
<b>REVENUE SOURCES</b>				
User Fees	\$ 36,917	\$ 33,606	\$ 34,807	\$ 33,823
Other Revenues	2,238	3,016	2,878	2,800
A.V. Tax	7,030	6,957	6,391	6,316
Interest	827	805	1,806	1,804
Rate Stabilization Fund <sup>(1)</sup>	-	-	-	3,757
Subtotal	<u>47,012</u>	<u>44,384</u>	<u>45,882</u>	<u>48,500</u>
CIF Pledged for Debt <sup>(2)</sup>	-	-	-	-
Total Revenue for Senior Calculation	47,012	44,384	45,882	48,500
CIF Connection Fee Revenue <sup>(2)</sup>	1,730	1,311	2,692	3,257
Total Revenue for Subordinate Calculation	<u>48,742</u>	<u>45,695</u>	<u>48,574</u>	<u>51,757</u>
<b>EXPENSES<sup>(3)</sup></b>				
Total O&M	32,750	30,907	29,647	29,801
Rate Stabilization Fund <sup>(4)</sup>	-	5,508	3,555	-
Total	<u>32,750</u>	<u>36,415</u>	<u>33,202</u>	<u>29,801</u>
<b>DEBT SERVICE PAYMENTS</b>				
<b>Senior</b>				
State Loans	1,308	1,693	1,710	1,764
Revenue Bonds	-	2,580	2,540	2,543
Total Senior Debt Payments	<u>1,308</u>	<u>4,273</u>	<u>4,250</u>	<u>4,307</u>
<b>Subordinate</b>				
State Loans	737	918	927	869
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>737</u>	<u>918</u>	<u>927</u>	<u>869</u>
Total Debt Service	2,045	5,191	5,177	5,176
<b>DEBT SERVICE COVERAGE<sup>(5)</sup>:</b>				
SENIOR	10.34	1.65	2.77	4.14
SUBORDINATE	7.82	1.79	2.97	4.24

- (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.

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Bond Disclosure, Continued

<b>District No. 5</b>	<b>Fiscal Year 2021-22</b>	<b>Fiscal Year 2020-21</b>	<b>Fiscal Year 2019-20</b>	<b>Fiscal Year 2018-19</b>
<b>REVENUE SOURCES</b>				
User Fees	\$ 53,399	\$ 48,927	\$ 49,191	\$ 47,615
Other Revenues	3,344	4,485	4,202	4,196
A.V. Tax	15,137	14,786	13,573	12,792
Interest	1,043	995	2,614	2,620
Rate Stabilization Fund <sup>(1)</sup>	-	-	-	8,085
Subtotal	<u>72,923</u>	<u>69,193</u>	<u>69,580</u>	<u>75,308</u>
CIF Pledged for Debt <sup>(2)</sup>	-	-	-	-
Total Revenue for Senior Calculation	72,923	69,193	69,580	75,308
CIF Connection Fee Revenue <sup>(2)</sup>	2,687	2,116	4,429	4,997
Total Revenue for Subordinate Calculation	<u>75,610</u>	<u>71,309</u>	<u>74,009</u>	<u>80,305</u>
<b>EXPENSES<sup>(3)</sup></b>				
Total O&M	50,811	47,501	45,212	43,178
Rate Stabilization Fund <sup>(4)</sup>	-	7,546	3,374	-
Total	<u>50,811</u>	<u>55,047</u>	<u>48,586</u>	<u>43,178</u>
<b>DEBT SERVICE PAYMENTS</b>				
<b>Senior</b>				
State Loans	1,953	2,517	2,518	2,643
Revenue Bonds	-	5,552	5,467	5,474
Total Senior Debt Payments	<u>1,953</u>	<u>8,069</u>	<u>7,985</u>	<u>8,117</u>
<b>Subordinate</b>				
State Loans	1,101	1,365	1,366	1,301
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>1,101</u>	<u>1,365</u>	<u>1,366</u>	<u>1,301</u>
Total Debt Service	3,054	9,434	9,351	9,418
<b>DEBT SERVICE COVERAGE<sup>(5)</sup>:</b>				
SENIOR	10.76	1.58	2.46	3.80
<u>SUBORDINATE</u>	<u>8.12</u>	<u>1.72</u>	<u>2.72</u>	<u>3.94</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.

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Bond Disclosure, Continued

<b>District No. 8</b>	<b>Fiscal Year 2021-22</b>	<b>Fiscal Year 2020-21</b>	<b>Fiscal Year 2019-20</b>	<b>Fiscal Year 2018-19</b>
<b>REVENUE SOURCES</b>				
User Fees	\$ 20,558	\$ 19,389	\$ 20,215	\$ 21,126
Other Revenues	984	1,491	1,401	1,441
A.V. Tax	2,505	2,447	2,304	2,220
Interest	249	326	892	1,010
Rate Stabilization Fund <sup>(1)</sup>	-	-	-	1,006
Subtotal	<u>24,296</u>	<u>23,653</u>	<u>24,812</u>	<u>26,803</u>
CIF Pledged for Debt <sup>(2)</sup>	-	-	-	-
Total Revenue for Senior Calculation	24,296	23,653	24,812	26,803
CIF Connection Fee Revenue <sup>(2)</sup>	934	644	1,272	1,766
Total Revenue for Subordinate Calculation	<u>25,230</u>	<u>24,297</u>	<u>26,084</u>	<u>28,569</u>
<b>EXPENSES<sup>(3)</sup></b>				
Total O&M	21,297	17,088	16,861	16,856
Rate Stabilization Fund <sup>(4)</sup>	-	3	71	-
Total	<u>21,297</u>	<u>17,091</u>	<u>16,932</u>	<u>16,856</u>
<b>DEBT SERVICE PAYMENTS</b>				
<b>Senior</b>				
State Loans	576	835	840	908
Revenue Bonds	-	1,342	1,321	1,323
Total Senior Debt Payments	<u>576</u>	<u>2,177</u>	<u>2,161</u>	<u>2,231</u>
<b>Subordinate</b>				
State Loans	325	453	456	447
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>325</u>	<u>453</u>	<u>456</u>	<u>447</u>
Total Debt Service	901	2,630	2,617	2,678
<b>DEBT SERVICE COVERAGE<sup>(5)</sup>:</b>				
SENIOR	4.64	2.81	3.44	4.26
<u>SUBORDINATE</u>	<u>4.37</u>	<u>2.74</u>	<u>3.50</u>	<u>4.37</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.

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Bond Disclosure, Continued

<b>District No. 15</b>	<b>Fiscal Year 2021-22</b>	<b>Fiscal Year 2020-21</b>	<b>Fiscal Year 2019-20</b>	<b>Fiscal Year 2018-19</b>
<b>REVENUE SOURCES</b>				
User Fees	\$ 38,580	\$ 36,755	\$ 36,671	\$ 35,207
Other Revenues	2,493	3,352	3,095	3,030
A.V. Tax	9,899	9,562	8,924	8,469
Interest	1,096	947	2,448	2,406
Rate Stabilization Fund <sup>(1)</sup>	-	-	-	-
Subtotal	<u>52,068</u>	<u>50,616</u>	<u>51,138</u>	<u>49,112</u>
CIF Pledged for Debt <sup>(2)</sup>	-	-	-	-
Total Revenue for Senior Calculation	52,068	50,616	51,138	49,112
CIF Connection Fee Revenue <sup>(2)</sup>	2,001	2,522	2,884	3,438
Total Revenue for Subordinate Calculation	<u>54,069</u>	<u>53,138</u>	<u>54,022</u>	<u>52,550</u>
<b>EXPENSES<sup>(3)</sup></b>				
Total O&M	37,132	34,546	32,261	30,458
Rate Stabilization Fund <sup>(4)</sup>	-	6,259	4,833	11,320
Total	<u>37,132</u>	<u>40,805</u>	<u>37,094</u>	<u>41,778</u>
<b>DEBT SERVICE PAYMENTS</b>				
Senior				
State Loans	1,458	1,882	1,855	1,906
Revenue Bonds	-	3,474	3,422	3,425
Total Senior Debt Payments	<u>1,458</u>	<u>5,356</u>	<u>5,277</u>	<u>5,331</u>
Subordinate				
State Loans	822	1,021	1,006	939
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>822</u>	<u>1,021</u>	<u>1,006</u>	<u>939</u>
Total Debt Service	2,280	6,377	6,283	6,270
<b>DEBT SERVICE COVERAGE<sup>(5)</sup>:</b>				
SENIOR	9.68	1.64	2.47	1.20
SUBORDINATE	7.43	1.93	2.69	1.72

- (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.

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Bond Disclosure, Continued

<b>District No. 16</b>	<b>Fiscal Year 2021-22</b>	<b>Fiscal Year 2020-21</b>	<b>Fiscal Year 2019-20</b>	<b>Fiscal Year 2018-19</b>
<b>REVENUE SOURCES</b>				
User Fees	\$ 20,255	\$ 18,868	\$ 18,445	\$ 18,049
Other Revenues	1,368	1,797	1,679	1,674
A.V. Tax	7,130	6,810	6,419	6,062
Interest	724	584	1,494	1,471
Rate Stabilization Fund <sup>(1)</sup>	-	-	-	-
Subtotal	<u>29,477</u>	<u>28,059</u>	<u>28,037</u>	<u>27,256</u>
CIF Pledged for Debt <sup>(2)</sup>	-	-	-	-
Total Revenue for Senior Calculation	<u>29,477</u>	<u>28,059</u>	<u>28,037</u>	<u>27,256</u>
CIF Connection Fee Revenue <sup>(2)</sup>	1,194	790	1,515	2,057
Total Revenue for Subordinate Calculation	<u>30,671</u>	<u>28,849</u>	<u>29,552</u>	<u>29,313</u>
<b>EXPENSES<sup>(3)</sup></b>				
Total O&M	19,790	18,046	17,079	16,375
Rate Stabilization Fund <sup>(4)</sup>	-	2,799	3,502	6,550
Total	<u>19,790</u>	<u>20,845</u>	<u>20,581</u>	<u>22,925</u>
<b>DEBT SERVICE PAYMENTS</b>				
<b>Senior</b>				
State Loans	800	1,009	1,007	1,054
Revenue Bonds	-	2,166	2,131	2,135
Total Senior Debt Payments	<u>800</u>	<u>3,175</u>	<u>3,138</u>	<u>3,189</u>
<b>Subordinate</b>				
State Loans	451	547	546	519
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>451</u>	<u>547</u>	<u>546</u>	<u>519</u>
Total Debt Service	1,251	3,722	3,684	3,708
<b>DEBT SERVICE COVERAGE<sup>(5)</sup>:</b>				
SENIOR	11.55	2.10	2.20	1.20
<u>SUBORDINATE</u>	<u>8.70</u>	<u>2.15</u>	<u>2.44</u>	<u>1.72</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.

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Bond Disclosure, Continued

<b>District No. 17</b>	<b>Fiscal Year 2021-22</b>	<b>Fiscal Year 2020-21</b>	<b>Fiscal Year 2019-20</b>	<b>Fiscal Year 2018-19</b>
<b>REVENUE SOURCES</b>				
User Fees	\$ 2,687	\$ 2,374	\$ 2,404	\$ 2,339
Other Revenues	176	241	220	215
A.V. Tax	738	714	674	636
Interest	85	67	198	210
Rate Stabilization Fund <sup>(1)</sup>	-	-	-	-
Subtotal	<u>3,686</u>	<u>3,396</u>	<u>3,496</u>	<u>3,400</u>
CIF Pledged for Debt <sup>(2)</sup>	-	-	-	-
Total Revenue for Senior Calculation	<u>3,686</u>	<u>3,396</u>	<u>3,496</u>	<u>3,400</u>
CIF Connection Fee Revenue <sup>(2)</sup>	124	77	191	213
Total Revenue for Subordinate Calculation	<u>3,810</u>	<u>3,473</u>	<u>3,687</u>	<u>3,613</u>
<b>EXPENSES<sup>(3)</sup></b>				
Total O&M	2,556	2,409	2,255	2,084
Rate Stabilization Fund <sup>(4)</sup>	-	391	317	760
Total	<u>2,556</u>	<u>2,800</u>	<u>2,572</u>	<u>2,844</u>
<b>DEBT SERVICE PAYMENTS</b>				
<b>Senior</b>				
State Loans	103	135	132	135
Revenue Bonds	-	277	273	273
Total Senior Debt Payments	<u>103</u>	<u>412</u>	<u>405</u>	<u>408</u>
<b>Subordinate</b>				
State Loans	58	73	72	67
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>58</u>	<u>73</u>	<u>72</u>	<u>67</u>
Total Debt Service	161	485	477	475
<b>DEBT SERVICE COVERAGE<sup>(5)</sup>:</b>				
SENIOR	10.41	1.27	2.10	1.20
<u>SUBORDINATE</u>	<u>7.79</u>	<u>1.39</u>	<u>2.34</u>	<u>1.62</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.

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Bond Disclosure, Continued

<b>District No. 18</b>	<b>Fiscal Year 2021-22</b>	<b>Fiscal Year 2020-21</b>	<b>Fiscal Year 2019-20</b>	<b>Fiscal Year 2018-19</b>
<b>REVENUE SOURCES</b>				
User Fees	\$ 26,095	\$ 25,319	\$ 24,511	\$ 24,780
Other Revenues	1,551	2,480	1,944	1,970
A.V. Tax	5,477	5,479	5,046	4,464
Interest	602	614	1,385	1,394
Rate Stabilization Fund <sup>(1)</sup>	-	-	-	1,118
Subtotal	<u>33,725</u>	<u>33,892</u>	<u>32,886</u>	<u>33,726</u>
CIF Pledged for Debt <sup>(2)</sup>	-	-	-	-
Total Revenue for Senior Calculation	33,725	33,892	32,886	33,726
CIF Connection Fee Revenue <sup>(2)</sup>	1,183	1,161	2,103	2,072
Total Revenue for Subordinate Calculation	<u>34,908</u>	<u>35,053</u>	<u>34,989</u>	<u>35,798</u>
<b>EXPENSES<sup>(3)</sup></b>				
Total O&M	23,812	21,226	21,081	20,304
Rate Stabilization Fund <sup>(4)</sup>	-	166	3,175	-
Total	<u>23,812</u>	<u>21,392</u>	<u>24,256</u>	<u>20,304</u>
<b>DEBT SERVICE PAYMENTS</b>				
Senior				
State Loans	908	1,142	1,166	1,241
Revenue Bonds	-	1,899	1,870	1,872
Total Senior Debt Payments	<u>908</u>	<u>3,041</u>	<u>3,036</u>	<u>3,113</u>
Subordinate				
State Loans	512	619	632	611
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>512</u>	<u>619</u>	<u>632</u>	<u>611</u>
Total Debt Service	1,420	3,660	3,668	3,724
<b>DEBT SERVICE COVERAGE<sup>(5)</sup>:</b>				
SENIOR	10.35	3.91	2.63	4.12
SUBORDINATE	7.81	3.73	2.93	4.16

- (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.

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Bond Disclosure, Continued

<b>District No. 19</b>	<b>Fiscal Year 2021-22</b>	<b>Fiscal Year 2020-21</b>	<b>Fiscal Year 2019-20</b>	<b>Fiscal Year 2018-19</b>
<b>REVENUE SOURCES</b>				
User Fees	\$ 7,959	\$ 6,889	\$ 7,103	\$ 6,777
Other Revenues	468	631	590	548
A.V. Tax	1,919	1,763	1,695	1,582
Interest	221	195	504	482
Rate Stabilization Fund <sup>(1)</sup>	-	-	-	-
Subtotal	<u>10,567</u>	<u>9,478</u>	<u>9,892</u>	<u>9,389</u>
CIF Pledged for Debt <sup>(2)</sup>	-	-	-	-
Total Revenue for Senior Calculation	10,567	9,478	9,892	9,389
CIF Connection Fee Revenue <sup>(2)</sup>	477	206	557	571
Total Revenue for Subordinate Calculation	<u>11,044</u>	<u>9,684</u>	<u>10,449</u>	<u>9,960</u>
<b>EXPENSES<sup>(3)</sup></b>				
Total O&M	7,654	6,579	6,618	5,565
Rate Stabilization Fund <sup>(4)</sup>	-	809	879	2,510
Total	<u>7,654</u>	<u>7,388</u>	<u>7,497</u>	<u>8,075</u>
<b>DEBT SERVICE PAYMENTS</b>				
<b>Senior</b>				
State Loans	274	354	354	346
Revenue Bonds	-	613	603	604
Total Senior Debt Payments	<u>274</u>	<u>967</u>	<u>957</u>	<u>950</u>
<b>Subordinate</b>				
State Loans	154	192	192	170
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>154</u>	<u>192</u>	<u>192</u>	<u>170</u>
Total Debt Service	428	1,159	1,149	1,120
<b>DEBT SERVICE COVERAGE<sup>(5)</sup>:</b>				
SENIOR	10.07	1.96	2.30	1.20
SUBORDINATE	7.92	1.98	2.57	1.68

- (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.



# LOS ANGELES COUNTY SANITATION DISTRICTS

## Bond Disclosure, Continued

<b>District No. 21</b>	<b>Fiscal Year</b>	<b>Fiscal Year</b>	<b>Fiscal Year</b>	<b>Fiscal Year</b>
<b>REVENUE SOURCES</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>	<b>2018-19</b>
User Fees	\$ 32,749	\$ 30,269	\$ 30,890	\$ 29,927
Other Revenues	2,049	2,611	3,498	3,218
A.V. Tax	5,888	5,708	5,368	4,862
Interest	903	798	2,069	2,057
Rate Stabilization Fund <sup>(1)</sup>	-	-	-	-
Subtotal	<u>41,589</u>	<u>39,386</u>	<u>41,825</u>	<u>40,064</u>
CIF Pledged for Debt <sup>(2)</sup>	-	-	-	-
Total Revenue for Senior Calculation	41,589	39,386	41,825	40,064
CIF Connection Fee Revenue <sup>(2)</sup>	1,855	1,134	2,370	2,488
Total Revenue for Subordinate Calculation	<u>43,444</u>	<u>40,520</u>	<u>44,195</u>	<u>42,552</u>
<b>EXPENSES<sup>(3)</sup></b>				
Total O&M	28,399	27,250	26,221	24,892
Rate Stabilization Fund <sup>(4)</sup>	-	5,782	3,846	7,777
Total	<u>28,399</u>	<u>33,032</u>	<u>30,067</u>	<u>32,669</u>
<b>DEBT SERVICE PAYMENTS</b>				
Senior				
State Loans	1,121	1,463	1,483	1,538
Revenue Bonds	-	2,048	2,017	2,019
Total Senior Debt Payments	<u>1,121</u>	<u>3,511</u>	<u>3,500</u>	<u>3,557</u>
Subordinate				
State Loans	632	793	804	757
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>632</u>	<u>793</u>	<u>804</u>	<u>757</u>
Total Debt Service	1,753	4,304	4,304	4,314
<b>DEBT SERVICE COVERAGE<sup>(5)</sup>:</b>				
SENIOR	11.20	1.58	3.13	1.87
SUBORDINATE	<u>8.58</u>	<u>1.74</u>	<u>3.28</u>	<u>2.29</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.

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Bond Disclosure, Continued

<u>District No. 22</u>	<u>Fiscal Year</u> <u>2021-22</u>	<u>Fiscal Year</u> <u>2020-21</u>	<u>Fiscal Year</u> <u>2019-20</u>	<u>Fiscal Year</u> <u>2018-19</u>
<b>REVENUE SOURCES</b>				
User Fees	\$ 25,410	\$ 23,076	\$ 24,646	\$ 23,031
Other Revenues	1,477	2,158	2,024	2,047
A.V. Tax	5,691	5,485	5,013	4,591
Interest	814	729	1,787	1,788
Rate Stabilization Fund <sup>(1)</sup>	-	-	-	-
Subtotal	<u>33,392</u>	<u>31,448</u>	<u>33,470</u>	<u>31,457</u>
CIF Pledged for Debt <sup>(2)</sup>	-	-	-	-
Total Revenue for Senior Calculation	<u>33,392</u>	<u>31,448</u>	<u>33,470</u>	<u>31,457</u>
CIF Connection Fee Revenue <sup>(2)</sup>	<u>1,572</u>	<u>937</u>	<u>1,790</u>	<u>2,282</u>
Total Revenue for Subordinate Calculation	<u>34,964</u>	<u>32,385</u>	<u>35,260</u>	<u>33,739</u>
<b>EXPENSES<sup>(3)</sup></b>				
Total O&M	21,217	21,844	20,688	20,646
Rate Stabilization Fund <sup>(4)</sup>	-	5,350	3,043	6,550
Total	<u>21,217</u>	<u>27,194</u>	<u>23,731</u>	<u>27,196</u>
<b>DEBT SERVICE PAYMENTS</b>				
<b>Senior</b>				
State Loans	860	1,188	1,194	1,285
Revenue Bonds	-	1,772	1,744	1,747
Total Senior Debt Payments	<u>860</u>	<u>2,960</u>	<u>2,938</u>	<u>3,032</u>
<b>Subordinate</b>				
State Loans	485	650	648	633
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>485</u>	<u>650</u>	<u>648</u>	<u>633</u>
Total Debt Service	<u>1,345</u>	<u>3,610</u>	<u>3,586</u>	<u>3,665</u>
<b>DEBT SERVICE COVERAGE<sup>(5)</sup>:</b>				
SENIOR	13.59	1.22	3.09	1.20
<u>SUBORDINATE</u>	<u>10.22</u>	<u>1.44</u>	<u>3.22</u>	<u>1.79</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.

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Bond Disclosure, Continued

<b>District No. 23</b>	<b>Fiscal Year 2021-22</b>	<b>Fiscal Year 2020-21</b>	<b>Fiscal Year 2019-20</b>	<b>Fiscal Year 2018-19</b>
<b>REVENUE SOURCES</b>				
User Fees	\$ 4,038	\$ 6,287	\$ 4,664	\$ 4,966
Other Revenues	215	351	278	259
A.V. Tax	595	625	562	506
Interest	186	163	371	332
Rate Stabilization Fund <sup>(1)</sup>	-	-	-	-
Subtotal	<u>5,034</u>	<u>7,426</u>	<u>5,875</u>	<u>6,063</u>
CIF Pledged for Debt <sup>(2)</sup>	-	-	-	-
Total Revenue for Senior Calculation	<u>5,034</u>	<u>7,426</u>	<u>5,875</u>	<u>6,063</u>
CIF Connection Fee Revenue <sup>(2)</sup>	174	178	235	247
Total Revenue for Subordinate Calculation	<u>5,208</u>	<u>7,604</u>	<u>6,110</u>	<u>6,310</u>
<b>EXPENSES<sup>(3)</sup></b>				
Total O&M	4,195	4,313	3,643	3,335
Rate Stabilization Fund <sup>(4)</sup>	-	1,658	553	2,010
Total	<u>4,195</u>	<u>5,971</u>	<u>4,196</u>	<u>5,345</u>
<b>DEBT SERVICE PAYMENTS</b>				
Senior				
State Loans	126	197	167	163
Revenue Bonds	-	374	370	369
Total Senior Debt Payments	<u>126</u>	<u>571</u>	<u>537</u>	<u>532</u>
Subordinate				
State Loans	71	107	91	80
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>71</u>	<u>107</u>	<u>91</u>	<u>80</u>
Total Debt Service	<u>197</u>	<u>678</u>	<u>628</u>	<u>612</u>
<b>DEBT SERVICE COVERAGE<sup>(5)</sup>:</b>				
SENIOR	6.10	2.36	2.96	1.20
<u>SUBORDINATE</u>	<u>5.14</u>	<u>2.41</u>	<u>3.05</u>	<u>1.58</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.

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Bond Disclosure, Continued

<b>District No. 28</b>	<b>Fiscal Year 2021-22</b>	<b>Fiscal Year 2020-21</b>	<b>Fiscal Year 2019-20</b>	<b>Fiscal Year 2018-19</b>
<b>REVENUE SOURCES</b>				
User Fees	\$ 761	\$ 689	\$ 683	\$ 651
Other Revenues	55	71	67	69
A.V. Tax	828	800	755	717
Interest	96	70	169	162
Rate Stabilization Fund <sup>(1)</sup>	-	-	-	-
Subtotal	1,740	1,630	1,674	1,599
CIF Pledged for Debt <sup>(2)</sup>	-	-	-	-
Total Revenue for Senior Calculation	1,740	1,630	1,674	1,599
CIF Connection Fee Revenue <sup>(2)</sup>	41	25	56	80
Total Revenue for Subordinate Calculation	1,781	1,655	1,730	1,679
<b>EXPENSES<sup>(3)</sup></b>				
Total O&M	803	723	913	794
Rate Stabilization Fund <sup>(4)</sup>	-	715	497	615
Total	803	1,438	1,410	1,409
<b>DEBT SERVICE PAYMENTS</b>				
Senior				
State Loans	32	40	40	43
Revenue Bonds	-	97	96	97
Total Senior Debt Payments	32	137	136	140
Subordinate				
State Loans	18	22	22	21
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	18	22	22	21
Total Debt Service	50	159	158	161
<b>DEBT SERVICE COVERAGE<sup>(5)</sup>:</b>				
SENIOR	28.72	1.24	1.78	1.21
SUBORDINATE	19.56	1.36	2.03	1.68

- (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.

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Bond Disclosure, Continued

<b>District No. 29</b>	<b>Fiscal Year 2021-22</b>	<b>Fiscal Year 2020-21</b>	<b>Fiscal Year 2019-20</b>	<b>Fiscal Year 2018-19</b>
<b>REVENUE SOURCES</b>				
User Fees	\$ 2,093	\$ 2,048	\$ 2,053	\$ 2,031
Other Revenues	70	92	86	88
A.V. Tax	163	192	173	154
Interest	86	76	158	149
Rate Stabilization Fund <sup>(1)</sup>	-	-	-	-
Subtotal	<u>2,412</u>	<u>2,408</u>	<u>2,470</u>	<u>2,422</u>
CIF Pledged for Debt <sup>(2)</sup>	-	-	-	-
Total Revenue for Senior Calculation	2,412	2,408	2,470	2,422
CIF Connection Fee Revenue <sup>(2)</sup>	69	118	75	87
Total Revenue for Subordinate Calculation	<u>2,481</u>	<u>2,526</u>	<u>2,545</u>	<u>2,509</u>
<b>EXPENSES<sup>(3)</sup></b>				
Total O&M	1,558	1,333	1,325	1,262
Rate Stabilization Fund <sup>(4)</sup>	-	890	696	974
Total	<u>1,558</u>	<u>2,223</u>	<u>2,021</u>	<u>2,236</u>
<b>DEBT SERVICE PAYMENTS</b>				
Senior				
State Loans	41	52	52	55
Revenue Bonds	-	31	30	30
Total Senior Debt Payments	<u>41</u>	<u>83</u>	<u>82</u>	<u>85</u>
Subordinate				
State Loans	23	85	85	84
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>23</u>	<u>85</u>	<u>85</u>	<u>84</u>
Total Debt Service	64	168	167	169
<b>DEBT SERVICE COVERAGE<sup>(5)</sup>:</b>				
SENIOR	20.27	1.20	4.44	1.20
SUBORDINATE	14.42	1.80	3.14	1.62

- (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.

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Bond Disclosure, Continued

<b>South Bay Cities</b>	<b>Fiscal Year 2021-22</b>	<b>Fiscal Year 2020-21</b>	<b>Fiscal Year 2019-20</b>	<b>Fiscal Year 2018-19</b>
<b>REVENUE SOURCES</b>				
User Fees	\$ 7,891	\$ 7,028	\$ 7,036	\$ 6,822
Other Revenues	628	806	752	736
A.V. Tax	6,978	6,672	6,298	5,937
Interest	485	460	892	865
Rate Stabilization Fund <sup>(1)</sup>	-	-	-	-
Subtotal	<u>15,982</u>	<u>14,966</u>	<u>14,978</u>	<u>14,360</u>
CIF Pledged for Debt <sup>(2)</sup>	-	-	-	-
Total Revenue for Senior Calculation	15,982	14,966	14,978	14,360
CIF Connection Fee Revenue <sup>(2)</sup>	437	338	642	755
Total Revenue for Subordinate Calculation	<u>16,419</u>	<u>15,304</u>	<u>15,620</u>	<u>15,115</u>
<b>EXPENSES<sup>(3)</sup></b>				
Total O&M	10,159	9,243	8,893	8,116
Rate Stabilization Fund <sup>(4)</sup>	-	3,761	2,107	4,330
Total	<u>10,159</u>	<u>13,004</u>	<u>11,000</u>	<u>12,446</u>
<b>DEBT SERVICE PAYMENTS</b>				
Senior				
State Loans	368	453	451	464
Revenue Bonds	-	947	933	934
Total Senior Debt Payments	<u>368</u>	<u>1,400</u>	<u>1,384</u>	<u>1,398</u>
Subordinate				
State Loans	207	245	245	228
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>207</u>	<u>245</u>	<u>245</u>	<u>228</u>
Total Debt Service	575	1,645	1,629	1,626
<b>DEBT SERVICE COVERAGE<sup>(5)</sup>:</b>				
SENIOR	15.26	1.23	2.70	1.21
SUBORDINATE	<u>10.89</u>	<u>1.40</u>	<u>2.84</u>	<u>1.64</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.

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Bond Disclosure, Continued

<b>District No. 14</b>	<b>Fiscal Year 2021-22</b>	<b>Fiscal Year 2020-21</b>	<b>Fiscal Year 2019-20</b>	<b>Fiscal Year 2018-19</b>
<b>REVENUE SOURCES</b>				
User Fees	\$ 36,718	\$ 35,632	\$ 36,680	\$ 34,613
Other Revenues	1,963	1,575	1,228	1,183
A.V. Tax	2,274	2,282	1,952	1,754
Interest	606	603	1,172	1,168
Rate Stabilization Fund <sup>(1)</sup>	2,667	-	-	-
Subtotal	<u>44,228</u>	<u>40,092</u>	<u>41,032</u>	<u>38,718</u>
CIF Pledged for Debt <sup>(2)</sup>	-	-	2,377	2,377
Total Revenue for Senior Calculation	44,228	40,092	43,409	41,095
CIF Connection Fee Revenue <sup>(2)</sup>	1,221	2,067	2,290	1,394
Total Revenue for Subordinate Calculation	<u>45,449</u>	<u>42,159</u>	<u>43,322</u>	<u>40,112</u>
<b>EXPENSES<sup>(3)</sup></b>				
Total O&M	16,197	14,240	15,110	13,422
Rate Stabilization Fund <sup>(4)</sup>	-	4,300	5,609	1,375
Total	<u>16,197</u>	<u>18,540</u>	<u>20,719</u>	<u>14,797</u>
<b>DEBT SERVICE PAYMENTS</b>				
Senior				
State Loans	-	-	-	-
Revenue Bonds	-	465	459	460
Total Senior Debt Payments	-	465	459	460
Subordinate				
State Loans	4,918	6,856	6,854	6,856
Revenue Bonds	11,132	9,829	9,996	9,993
Total Subordinate Debt Payments	<u>16,050</u>	<u>16,685</u>	<u>16,850</u>	<u>16,849</u>
Total Debt Service	16,050	17,150	17,309	17,309
<b>DEBT SERVICE COVERAGE<sup>(5)</sup>:</b>				
SENIOR	-	10.47	12.72	20.54
<u>SUBORDINATE</u>	<u>1.82</u>	<u>1.38</u>	<u>1.31</u>	<u>1.46</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.

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Bond Disclosure, Continued

<b>District No. 20</b>	<b>Fiscal Year 2021-22</b>	<b>Fiscal Year 2020-21</b>	<b>Fiscal Year 2019-20</b>	<b>Fiscal Year 2018-19</b>
<b>REVENUE SOURCES</b>				
User Fees	\$ 26,403	\$ 25,504	\$ 25,460	\$ 25,097
Other Revenues	630	493	525	494
A.V. Tax	1,724	1,706	1,614	1,476
Interest	327	606	878	784
Rate Stabilization Fund <sup>(1)</sup>	600	-	-	-
Subtotal	<u>29,684</u>	<u>28,309</u>	<u>28,477</u>	<u>27,851</u>
CIF Pledged for Debt <sup>(2)</sup>	-	-	-	-
Total Revenue for Senior Calculation	29,684	28,309	28,477	27,851
CIF Connection Fee Revenue <sup>(2)</sup>	435	311	1,116	722
Total Revenue for Subordinate Calculation	<u>30,119</u>	<u>28,620</u>	<u>29,593</u>	<u>28,573</u>
<b>EXPENSES<sup>(3)</sup></b>				
Total O&M	13,379	13,445	12,180	11,440
Rate Stabilization Fund <sup>(4)</sup>	-	-	5,200	5,030
Total	<u>13,379</u>	<u>13,445</u>	<u>17,380</u>	<u>16,470</u>
<b>DEBT SERVICE PAYMENTS</b>				
Senior				
State Loans	-	-	-	-
Revenue Bonds	-	389	382	383
Total Senior Debt Payments	-	389	382	383
Subordinate				
State Loans	-	-	-	-
Revenue Bonds	10,880	10,446	10,622	10,622
Total Subordinate Debt Payments	<u>10,880</u>	<u>10,446</u>	<u>10,622</u>	<u>10,622</u>
Total Debt Service	10,880	10,835	11,004	11,005
<b>DEBT SERVICE COVERAGE<sup>(5)</sup>:</b>				
SENIOR	-	11.36	1.24	1.98
<u>SUBORDINATE</u>	<u>1.54</u>	<u>1.40</u>	<u>1.11</u>	<u>1.10</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.



# LOS ANGELES COUNTY SANITATION DISTRICTS

## Bond Disclosure, Continued

<b>Santa Clarita Valley</b>	<b>Fiscal Year 2021-22</b>	<b>Fiscal Year 2020-21</b>	<b>Fiscal Year 2019-20</b>	<b>Fiscal Year 2018-19</b>
<b>REVENUE SOURCES</b>				
User Fees	\$ 37,873	\$ 37,929	\$ 37,291	\$ 34,315
Other Revenues	786	662	699	890
A.V. Tax	8,612	8,361	8,090	7,432
Interest	770	988	2,614	2,571
Rate Stabilization Fund <sup>(1)</sup>	-	-	-	-
Subtotal	<u>48,041</u>	<u>47,940</u>	<u>48,694</u>	<u>45,208</u>
CIF Pledged for Debt <sup>(2)</sup>	-	-	2,785	2,785
Total Revenue for Senior Calculation	48,041	47,940	51,479	47,993
CIF Connection Fee Revenue <sup>(2)</sup>	1,642	2,805	3,004	6,652
Total Revenue for Subordinate Calculation	<u>49,683</u>	<u>50,745</u>	<u>51,698</u>	<u>51,860</u>
<b>EXPENSES<sup>(3)</sup></b>				
Total O&M	29,317	26,656	25,286	22,099
Rate Stabilization Fund <sup>(4)</sup>	-	12,965	13,112	14,815
Total	<u>29,317</u>	<u>39,621</u>	<u>38,398</u>	<u>36,914</u>
<b>DEBT SERVICE PAYMENTS</b>				
Senior				
State Loans	89	89	627	627
Revenue Bonds	-	3,363	3,310	3,314
Total Senior Debt Payments	<u>89</u>	<u>3,452</u>	<u>3,937</u>	<u>3,941</u>
Subordinate				
State Loans	2,677	2,659	2,661	2,659
Revenue Bonds	-	-	-	-
Total Subordinate Debt Payments	<u>2,677</u>	<u>2,659</u>	<u>2,661</u>	<u>2,659</u>
Total Debt Service	2,766	6,111	6,598	6,600
<b>DEBT SERVICE COVERAGE<sup>(5)</sup>:</b>				
SENIOR	180.30	1.64	2.65	2.14
SUBORDINATE	7.36	1.82	2.02	2.26

- (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.



# BIOSOLIDS MANAGEMENT

Biosolids are a nutrient-rich byproduct of the wastewater treatment process. Most of our biosolids are reused as fertilizer, which reduces GHG emissions and helps soil retain moisture that reduces water usage. **GHG avoided: 2,500 MTCO<sub>2</sub>e** (equivalent to avoiding the conversion of 17 acres of forest to cropland). Shown here is compost created from biosolids at the Inland Empire Regional Composting Facility.



**PARTNERS**

CRAIG A HARTZHEIM, CPA  
HADLEY Y HUI, CPA  
ALEXANDER C HOM, CPA  
ADAM V GUISE, CPA  
TRAVIS J HOLE, CPA  
WILSON LAM, CPA

COMMERCIAL ACCOUNTING & TAX SERVICES  
9465 WILSHIRE BLVD., 3<sup>RD</sup> FLOOR  
BEVERLY HILLS, CA 90212  
TEL: 310.670.2745  
FAX: 310.670.1689  
www.mlhcpas.com

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Los Angeles County Sanitation Districts (Districts) as of and for the fiscal year ended June 30, 2022 and have issued our report thereon dated December 9, 2022

**Report on Internal Control over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

## Purpose of this Report

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

*Moss, Levy & Hartzheim*

Moss, Levy & Hartzheim, LLP  
Culver City, California  
January 13, 2023



**PARTNERS**

CRAIG A HARTZHEIM, CPA  
HADLEY Y HUI, CPA  
ALEXANDER C HOM, CPA  
ADAM V GUISE, CPA  
TRAVIS J HOLE, CPA  
WILSON LAM, CPA

COMMERCIAL ACCOUNTING & TAX SERVICES  
9465 WILSHIRE BLVD., 3<sup>RD</sup> FLOOR  
BEVERLY HILLS, CA 90212  
TEL: 310.670.2745  
FAX: 310.670.1689  
www.mlhcpas.com

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

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Los Angeles County Sanitation Districts' (Districts) compliance with the types of compliance requirements identified as subject to audit in *the OMB Compliance Supplement* that could have a direct and material effect on each of Districts' major federal programs for the fiscal year ended June 30, 2022. The Districts' major federal program is identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Districts' complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each major federal program for the fiscal year ended June 30, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Districts and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Districts' compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Districts' federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Districts' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal

control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Districts' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Districts' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Districts' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Districts' internal control over compliance. Accordingly, no such opinion is expressed.

### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Moss, Levy & Hartzheim, LLP  
Culver City, California  
January 13, 2023

**LOS ANGELES COUNTY  
SANITATION DISTRICTS**

Schedule of Expenditures of Federal Awards

For The Fiscal Year Ended June 30, 2022

<b>Federal Grantor/ Pass-Through Grantor Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-through Entity Identifying Number</b>	<b>Federal Expenditure(s)</b>
<b>United States Environmental Protection Agency</b>			
Pass-through Programs			
Passed-through California State Water Resources Control Board State Water Resources Control Board Capitalization Grants for Clean Water State Revolving Funds	66.458	C-06-8156-110	\$ 24,351,711
State Water Resources Control Board Capitalization Grants for Clean Water State Revolving Funds	66.458	C-06-8035-110	<u>4,000,000</u>
Total United States Environmental Protection Agency Pass- through Programs			<u>28,351,711</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 28,351,711</u>

See accompanying notes to schedule of expenditures of federal awards

# LOS ANGELES COUNTY SANITATION DISTRICTS

Notes to the Schedule of Expenditures of Federal Awards

For the Fiscal Year Ended June 30, 2022

## 1. REPORTING ENTITY

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

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

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### **Basis of Accounting**

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

### **Schedule of Expenditures of Federal Awards**

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

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

For the fiscal year ended June 30, 2022, the Districts did not have payments passed through to other agencies.

### **Indirect Cost Rate**

The Districts did not elect to use the 10% de minimis indirect cost rate.



**LOS ANGELES COUNTY  
SANITATION DISTRICTS**

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2022

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

Financial Statements

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

Federal Awards

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

Type of auditor’s report issued on compliance for major programs:	<b><u>Unmodified</u></b>
---	--------------------------

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, 2 CFR 200.516 (a)	_____	Yes	___X___ No
--	-------	-----	------------

Identification of major programs:

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

Dollar threshold used to distinguish between Type A and Type B programs:	<b><u>\$ 850,551</u></b>
--	--------------------------

Auditee qualified as low-risk auditee:	___X___	Yes	_____	No
--	---------	-----	-------	----

**SECTION II – FINDINGS – FINANCIAL STATEMENT AUDIT**

**None**

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

**None**

**LOS ANGELES COUNTY  
SANITATION DISTRICTS**

Summary Schedule of Prior Year Findings

For the Fiscal Year Ended June 30, 2022

**SECTION IV – FINDINGS AND QUESTIONED COSTS – PRIOR YEAR MAJOR FEDERAL AWARD**

There were no federal award findings in fiscal year 2020-2021.



**LOS ANGELES COUNTY  
SANITATION DISTRICTS**

*Converting Waste Into Resources*



SanDistricts



SanitationDistrictsLACounty



SanDistricts

1955 Workman Mill Rd • P.O. Box 4998 • Whittier, CA 90607  
www.lacsd.org • (562) 908-4288 ext. 2301 • info@lacsd.org