County of Los Angeles, California
Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2011

Wendy L. Watanabe • Auditor-Controller

County of Los Angeles, California
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2011

Prepared by the Office of Auditor-Controller
Wendy L. Watanabe • Auditor-Controller

COUNTY OF LOS ANGELES, CALIFORNIA
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COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

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WENDY L. WATANABE
AUDITOR-CONTROLLER

ASST. AUDITOR-CONTROLLERS

ROBERT A. DAVIS
JOHN NAIMO
JAMES L. SCHNEIDERMAN
JUDI E. THOMAS

December 15, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

In accordance with Section 25253 of the Government Code of California, I hereby submit the Comprehensive Annual Financial Report (CAFR) of the County of Los Angeles for the year ended June 30, 2011. The report contains financial statements that have been prepared in accordance with generally accepted accounting principles (GAAP) prescribed for governmental entities, and provides a comprehensive overview of the County's financial operations and financial position. The accuracy, completeness and fairness of the presentation of all information in this report are the responsibility of the County.

The Independent Auditor's Report is presented at the front of the financial section of this report. Management's Discussion and Analysis (MD&A), immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

The report includes financial data for all County funds. Additionally, the following entities are considered part of the County for purposes of meeting the reporting entity requirements prescribed by the Governmental Accounting Standards Board:

- Fire Protection District
- Flood Control District
- Street Lighting Districts
- Improvement Districts
- Community Development Commission (including the Housing Authority of the County of Los Angeles)
- First 5 LA
- Regional Park and Open Space District
- Garbage Disposal Districts
- Sewer Maintenance Districts
- Waterworks Districts
- Various Joint Powers Authorities
- Los Angeles County Employees Retirement Association
- Los Angeles County Capital Asset Leasing Corporation
- Los Angeles County Securitization Corporation

These entities are component units of the County and are included in the County's basic financial statements because the County Board of Supervisors is financially accountable for them. All component units are blended into the basic financial statements except for First 5 LA, which is discretely presented. Note 1 to the basic financial statements contains additional information regarding the relationship between the County and these entities.

Other local governmental entities provide public or specialized services to the residents of the County, including over eighty cities, one hundred school districts and numerous special districts. The operations of these entities are not included in the County's reporting entity since each entity is responsible for conducting its own day-to-day operations and is compelled to answer to its own separately elected governing board. Significant entities that do not meet the criteria for inclusion in this report include the City of Los Angeles, Los Angeles Unified School District, and Los Angeles County Sanitation Districts. Also, the Los Angeles County Superior Court is not included due to legislation (AB233) which transferred oversight responsibilities for Court operations to the State in 1997-98. However, AB233 requires the County to continue to fund certain Court-related expenditures, and the County continues to receive certain Court collections. Accordingly, the County's financial statements include various Court-related financial transactions.

LOS ANGELES COUNTY AND ITS SERVICES

Los Angeles County was established by an act of the State Legislature on February 18, 1850 as one of California's original 27 counties. Located in the southern portion of the State, the County covers 4,083 square miles. With a population of over 10.5 million, its population is the largest of any county in the nation.

Los Angeles County was a general law county until 1913 when it became a charter county, as a result of local election. The County is governed by a five-member Board of Supervisors who are elected by district to serve alternating four-year terms. The Assessor, District Attorney and Sheriff are also elected officials while all other departments are headed by appointed officials. On March 5, 2002, County voters approved two charter amendments providing for term limits for members of the Board of Supervisors. The affected officials are limited to three consecutive terms commencing December 2002.

On March 27, 2007, the Board of Supervisors (Board) amended the County Code by adopting the Interim Governance Structure Ordinance. This governance structure provides delegated authority to the Chief Executive Office (CEO) to oversee, evaluate, and recommend for appointment and removal certain Department Heads and County Officers. The departments that report directly to the Board (rather than to the CEO) are the Fire Department, Auditor-Controller, County Counsel, Children and Family Services, Probation, the Executive Officer of the Board, and the CEO. The change in administrative structure was designed to improve the operational efficiency of County governance. The Board has retained the exclusive responsibility for establishing County policy, regulations, and organizational direction.

There are over one million residents in the unincorporated areas of the County. These residents receive all municipal services from the County, including law enforcement, fire protection, land use and zoning, building and business permits, local road building and maintenance, animal care and control, and public libraries. In addition, the County provides a wide range of services to all County residents.

The County also provides municipal services to many incorporated cities within its boundaries under the Contract Services Plan (Plan). Established in 1954, the Plan allows cities to provide municipal services without incurring the cost of creating numerous city departments and facilities by having the County provide, at cost, any or all municipal services within a city at the same level as provided in unincorporated areas, or at any higher level the city may choose. Although the Plan was developed to assist new cities, the great majority of the cities in the County now contract for one or more services.

The County's principal functions include seven major areas as required under the County's charter, County ordinances, or by State or federal mandate: general government, public protection, public ways and facilities, health and sanitation, public assistance, education and recreation and cultural services. The State and federal governments mandate certain minimum levels of services in the public assistance and health areas.

ECONOMIC OVERVIEW

With a 2010 Gross Domestic Product (GDP) of $508.9 billion, Los Angeles County's economy is larger than that of 45 states and all but 19 countries. The County serves as the central trade district for the western United States and the gateway to the Asian economies, as it has evolved into a leader in international commerce and investments. The County's economy experienced mild improvement in 2010, with a slight increase of 1.8% in GDP, a 2.4% increase in personal income, and 7.0% increase in taxable retail sales. The economic recovery is expected to continue, especially in the information, health services, leisure and hospitality, and educational service sectors of the local economy.

The County's unemployment rate averaged 12.6% in 2010, but the labor market is showing a gradual improvement in 2011, with the jobless rate edging down to 12.2%. With subtle signs of stabilization in the local economy, the unemployment rate is projected to decline further in 2012 to 11.5%. The significant unemployment in recent years was partially offset by the positive impact of major public and private construction projects. With over $16 billion in voter approved general obligation bond measures, historically low interest rates and subsidies provided through the American Recovery and Reinvestment Act (ARRA), local school districts have undertaken major capital construction projects. In addition, hospitals throughout the County are engaged in building programs to meet stricter earthquake standards and other regulatory requirements, while the new Civic Park and the Broad Art Museum projects are also increasing downtown construction activity. These major construction projects, combined with the terminal expansions underway at the two primary sea ports (Los Angeles and Long Beach) and the expansion of the international terminal at the Los Angeles International Airport have provided continued support to a struggling job market in the County.

INTERNAL AND BUDGETARY CONTROLS

The County has developed a system of internal accounting controls designed to provide reasonable, but not absolute, assurance to safeguard assets against loss from unauthorized use. It also provides reliable records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the costs of a system of internal accounting controls should not outweigh related benefits. Also, the evaluation of costs and benefits requires estimates and judgments by management. All internal accounting control evaluations occur within the above framework. We believe that the County's system of internal accounting controls adequately safeguards assets and also provides reasonable assurance of proper recording of financial transactions.

In accordance with the provisions of Section 29000-29144 of the Government Code, commonly known as the County Budget Act, the County prepares and adopts a budget on or before August 30 of each fiscal year. Except for capital assets, expenditures are controlled at the following object levels for all budget units: salaries and employee benefits, services and supplies, other charges, and other financing uses. Amounts are budgeted and controlled for capital assets at the following sub-object levels: land, buildings and improvements, infrastructure and equipment.

The County uses encumbrance accounting to ensure effective budgetary control and accountability. Unencumbered appropriations lapse at year-end and encumbrances outstanding at the time are reported as restricted, committed, or assigned fund balance for subsequent year expenditures.

After the original budget is adopted, the Board of Supervisors must approve all transfers of appropriations between budget units and transfers exceeding $250,000 within budget units. The Board must also approve necessary supplemental appropriations, normally financed by unanticipated revenues earned during the year.

In addition to these procedural controls, the Auditor-Controller's (A-C) Audit Division performs periodic internal control, operational and management audits of various County departments. On an annual basis, an audit plan is recommended by the A-C and approved by the County’s Audit Committee, an oversight group appointed by the Board of Supervisors. These audits help to ensure that prescribed procedures are followed and that operations are conducted in an efficient manner. The Countywide Contract Monitoring Division reviews various social service contract providers to enhance accountability and performance effectiveness. In addition, the A-C operates the County’s federal Health Insurance Portability and Accountability Act (HIPAA) Privacy Program, providing supervision and oversight of the County’s HIPAA-covered departments. A fraud hotline provides County employees and citizens with a way to anonymously report perceived fraudulent activities by County employees, vendors, contractors, inspectors, etc. Allegations reported over the hotline are evaluated and investigated, as appropriate, by the Office of County Investigations within the A-C.

BUDGET OUTLOOK AND MAJOR CAPITAL ASSET INITIATIVES

The Fiscal Year (FY) 2011-12 Budget is again shaped by the lingering effects of the recession. The real estate and financial sectors continue to recover very slowly, along with employment and consumer spending. After two consecutive years of declining assessed property values, the County Assessor has announced a 1.36% increase for 2011-12 and the County will see growth from property tax revenues, a critical source of discretionary revenues. The budget also assumes slight year-to-year growth for revenues that are derived from the County's share of State sales taxes and vehicle license fees. The County's previous budgets were augmented by the American Recovery and Reinvestment Act of 2009 (ARRA), especially with federal matching funds for health and social services. ARRA funding expired for these programs at the end of 2010-11.

The County faces retirement contribution increases of 15% in 2011-12, primarily due to pension fund investment losses from 2008-09, which are smoothed over a five-year period. However, this cost increase is largely offset as pension bonds were fully redeemed in 2010-11 and this debt service cost is avoided in 2011-12. In planning for the FY 2011-12 Budget, the County faced a deficit of approximately $221 million. The proposal to address the deficit consisted of departmental spending reductions of $36 million and use of one-time solutions of $185 million.

DEPARTMENTAL SPENDING REDUCTIONS

All County departments were required to submit 7% spending reduction proposals. This information was evaluated along with the history of curtailments endured by each department to arrive at the targeted spending reductions of $36 million. Significant budget savings were identified in the following areas:

- Reductions of $15.0 million to the Sheriff's budget for services and supplies.

- The Department of Public Social Services' administrative budget reflects a $5.1 million reduction, which is equivalent to a 7% curtailment of the County's net cost of operations. The reduction is primarily targeted in the area of services and supplies.

- Elimination of 39 vacant budgeted positions in the Department of Parks and Recreation to achieve net County savings of $2.6 million.

- The elimination of 19 vacant budgeted positions in the District Attorney's budget to achieve net County savings of $2.0 million.

- Reductions of $2.0 million to the Department of Children and Family Services' administrative budget, primarily affecting services and supplies.

- The elimination of 10 budgeted positions for temporary employees in the Assessor's budget, along with reductions in budgeted supplies and equipment, for total net County savings of $1.9 million.

USE OF ONE-TIME BUDGETARY SOLUTIONS

Prior to the recession, the County was able to set aside excess funds to protect against reducing service levels due to temporary revenue shortfalls. On a GAAP basis of accounting, the General Fund's total fund balance as of June 30, 2011 was $2.722 billion. County management believes that it is appropriate to use a portion ($117 million) of fund balance, which was previously designated for capital improvements and other one-time budgetary solutions. The intent is to protect against reducing service levels, especially in view of signs that the worst portion of the economic crisis is over and the economy is recovering slowly. On a long-term basis (and near-term basis if revenues improve beyond estimates) the County intends to replenish its reserves as budget conditions improve.

CONSOLIDATIONS AND EFFICIENCIES

Although the County's budget gap is too large to be balanced exclusively with consolidations and efficiencies, there are opportunities where consolidation can be achieved to optimize organizational efficiencies. For 2011-12, the Office of Affirmative Action Compliance (OAAC) was consolidated within the Department of Human Resources. This consolidation also included portions of OAAC merging with the Internal Services Department and Chief Executive Office. This merger, which will result in savings of $0.5 million, is an example of the County's ongoing strategy to deliver services more efficiently.

CAPITAL ASSET INITIATIVES

The County has been able to continue to fund high priority capital asset projects that address health, public safety, recreation, and infrastructure needs. The capital asset projects funded in the FY 2011-12 Budget are highlighted as follows:

- Public protection facilities, such as the construction of new housing for female inmates at Pitchess Detention Center, new construction at the Biscailuz Center Training Academy, new fire stations in the Santa Clarita Valley, implementation of fire station privacy and access improvements, security improvements at juvenile halls and camps, and a new animal shelter in the east Antelope Valley.

- Recreational facilities including construction of swimming pool facilities, athletic fields, and gymnasiums at County parks, along with beach facility improvements.

- General government facilities, the most significant of which is a new countywide data center.

- Health, public health, and mental health facilities, including build-out of a community hospital and construction of a new multi-service ambulatory care center at the Martin Luther King, Jr., medical campus, construction of a mental health outpatient clinic at Harbor-UCLA Medical Center, construction of a new public health center in South Los Angeles, and construction of new surgery and emergency suites at Harbor-UCLA Medical Center.

- New or replacement library facilities in the unincorporated area of Stevenson Ranch, the San Gabriel Valley, Diamond Bar, and East Rancho Dominguez, and refurbishment of the historic Patriotic Hall.

- Infrastructure improvements in the County's roads, flood control, and aviation facilities, soil and groundwater investigation and remediation activities, beautification of the County's Eastern Hill complex, and watershed testing efforts.

LONG-TERM FINANCIAL PLANNING

The Board has adopted policies, which guide the County's Chief Executive Officer in financial planning and recommending budget proposals. Key policy elements include:

- Ongoing costs should be funded with ongoing revenues. Aligning continuing expenditures with continuing revenues, on a level that can be reasonably sustained, will foster stability, predictability, and long-range planning, while avoiding volatility in service levels. Before expanding services, use new, ongoing revenues to meet current obligations and reduce reliance on one-time funding. New programs should not be proposed without identifying specific and continuous funding sources.

- Budget decisions should be considered within the context of revenues and expenditures projected beyond a single fiscal year. A long-range forecast should be developed and maintained to reflect continuing programs, anticipated new initiatives, revenue changes, cost increases, potential problem issues and other factors that may impact strategies for maintaining a balanced budget over several years.

Board policy also established a "Reserve for Rainy Day" (Reserve) account within the County's General Fund. It is intended to protect essential County programs against unforeseen emergencies and economic downturns. The Reserve cap should be 10% of on-going locally generated revenue. Transfers of three percent (3%) should be made into the Reserve each year, if feasible, until the 10% cap is met. When the reserve cap of 10% is exceeded, the excess may be available for specified one-time purposes such as capital projects, unfunded retiree health obligations, efficiency measures and information technology initiatives. The objective is to avoid ongoing commitments with funding that may not be sustainable in an economic downturn.

For the year ended June 30, 2011, the County implemented Governmental Accounting Standards Board Statement No. 54 (GASB 54), "Fund Balance Reporting and Governmental Fund Type Definitions." The County's policies for use of the Reserve are not within the GASB 54 definition of a stabilization arrangement. Therefore, the Reserve is classified as General Fund unassigned fund balance in the GAAP financial statements. As of June 30, 2011, the Reserve balance was $93 million and it was not used as a financing source for purposes of balancing the FY 2011-12 County Budget.

OTHER INFORMATION

INDEPENDENT AUDIT

The basic financial statements have been audited by Macias Gini & O'Connell LLP (MGO). In accordance with the requirements of the Office of Management and Budget Circular A-133, as revised, MGO is also in the process of completing an annual financial and compliance audit of federal funds received by the County in FY 2010-11. The County's single audit for FY 2009-10 has been completed.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Los Angeles for its Comprehensive Annual Financial Report for the past twenty-nine fiscal years.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. The report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

I would like to express my appreciation to my Accounting Division, the various County departments who assisted in the preparation of this report, and also acknowledge the efforts of our independent auditor.

Sincerely,

Wendy L. Watanabe
Auditor-Controller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Los Angeles California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

COUNTY OF LOS ANGELES
BOARD OF SUPERVISORS AND PRINCIPAL COUNTY OFFICIALS
AS OF JUNE 30, 2011

BOARD OF SUPERVISORS

Michael D. Antonovich, Mayor
Fifth District

Gloria Molina
First District

Zev Yaroslavsky
Third District

Mark Ridley-Thomas
Second District

Don Knabe
Fourth District

Sachi A. Hamai
Executive Officer
Board of Supervisors

PRINCIPAL COUNTY OFFICIALS

John R. Noguez
Assessor

Steve Cooley
District Attorney

Leroy D. Baca
Sheriff

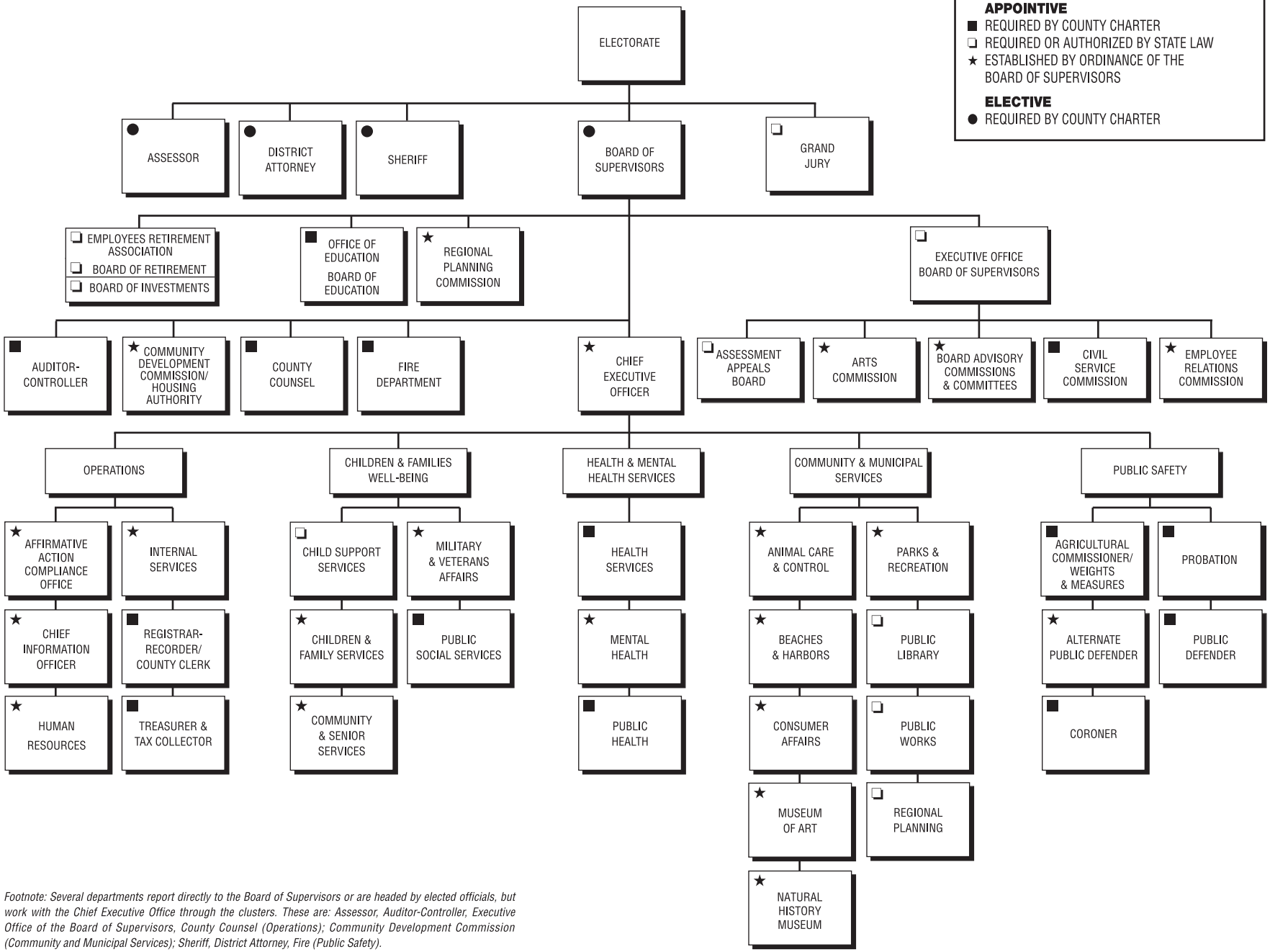
William T Fujioka
Chief Executive Officer

Mark J. Saladino
Treasurer and Tax Collector

Wendy L. Watanabe
Auditor-Controller

Andrea S. Ordin
County Counsel

COUNTY OF LOS ANGELES
FY 2010-2011



Footnote: Several departments report directly to the Board of Supervisors or are headed by elected officials, but work with the Chief Executive Office through the clusters. These are: Assessor, Auditor-Controller, Executive Office of the Board of Supervisors, County Counsel (Operations); Community Development Commission (Community and Municipal Services); Sheriff, District Attorney, Fire (Public Safety).

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Supervisors
County of Los Angeles, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Los Angeles, California (County), as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Community Development Commission (CDC), Los Angeles County Children and Families First – Proposition 10 Commission (First 5 LA), and the Los Angeles County Employees Retirement Association (LACERA), which represent the following percentages of the assets, net assets/ fund balances, and revenues/additions of the following opinion units:

Opinion Unit	Assets	Net Assets/ Fund Balances	Revenues/ Additions
Governmental Activities	2%	2%	1%
Business-type Activities	4%	10%	10%
Discretely Presented Component Unit	100%	100%	100%
Aggregate Remaining Fund Information	66%	68%	17%

Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for CDC, First 5 LA and LACERA, are based solely on the reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the Fire Protection District, the Flood Control District, the Public Library, and the

Regional Park and Open Space District, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Notes 2 to the basic financial statements, the County implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and GASB Statement No. 59, *Financial Instruments Omnibus,* effective July 1, 2010.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 21 and the schedules of funding progress on pages 113 and 114 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors 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 and the other auditors 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the reports of other auditors, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we and the other auditors express no opinion or provide any assurance on them.

Macias Gini & O'Connell LLP

Los Angeles, California
December 15, 2011

COUNTY OF LOS ANGELES
MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the County's Comprehensive Annual Financial Report (CAFR) presents a narrative overview and analysis of financial activities for the fiscal year ended June 30, 2011. We recommend that this information be used in conjunction with additional information contained in the letter of transmittal.

Financial Highlights

At the end of the current year, the net assets (total assets less total liabilities) of the County were positive $14.191 billion. However, net assets are classified into three categories and the unrestricted component is negative $5.584 billion. See further discussion on page 7.

During the current year, the County's net assets decreased by a total of $892 million. Net assets related to governmental activities decreased by $837 million, while net assets related to business-type activities decreased by $55 million. Growth in liabilities associated with postemployment health insurance benefits was $1.550 billion during the current year and continued to have a very significant effect on the County's financial condition and overall decrease in net assets. See further discussion on page 7.

At the end of the current year, the County's General Fund reported a total fund balance of $2.722 billion. During the current year, the County implemented Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" (GASB 54). New fund balance categories and terminology were introduced by GASB 54 and for the current year, the General Fund reported nonspendable fund balance of $259 million, restricted fund balance of $35 million, assigned fund balance of $763 million, and $1.665 billion of unassigned fund balance.

The County's capital asset balances were $18.214 billion at year-end and increased by $187 million during the year.

During the current year, the County's total long-term debt increased by $330 million. Newly issued and accreted long-term debt of $1.093 billion exceeded bond maturities of $763 million. Pension bonds, which were issued in 1994-1995, reached their final maturity during the current year and were fully redeemed as of June 30, 2011.

Overview of the Basic Financial Statements

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements, which are comprised of the following three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

This report also includes other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all County assets and liabilities, with the difference representing net assets. Over time, increases and decreases in net assets may serve as an indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information that indicates how the County's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying events giving rise to the change occur, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in these statements for some items that affect cash flows in future periods. For example, property tax revenues have been recorded that have been earned but not yet collected and workers' compensation expenses have been accrued but not yet paid.

The government-wide financial statements report the following different types of programs or activities:

- Governmental Activities - The majority of County services are reported under this category. Taxes and intergovernmental revenues are the major revenue sources that fund these activities which include general government, public protection, public ways and facilities, health and sanitation, public assistance, education, recreation, and cultural services.

- Business-type Activities - County services that are intended to recover costs through user charges and fees are reported under this category. The County Hospitals, the Waterworks Districts, the Aviation Fund, and housing programs operated by the Community Development Commission, a blended component unit, are regarded as business-type activities.

- Discretely Presented Component Unit - Component units are separate entities for which the County is financially accountable. First 5 LA is the only component unit that is discretely presented. As discussed in Note 20 to the basic financial statements, First 5 LA recognized an "extraordinary item" of $424 million in the current year which reduced net assets of this component unit.

FUND FINANCIAL STATEMENTS

The fund financial statements contain information regarding major individual funds. A fund is a fiscal and accounting entity with a balanced set of accounts. The County uses separate funds to ensure compliance with fiscal and legal requirements.

COUNTY OF LOS ANGELES
MANAGEMENT'S DISCUSSION AND ANALYSIS-Continued

FUND FINANCIAL STATEMENTS-Continued

The County's funds are classified into the following three categories:

- Governmental Funds - These funds are used to account for essentially the same services that were previously described as governmental activities above. However, the fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. Governmental funds include the General Fund, as well as Special Revenue Funds, Debt Service Funds, Capital Project Funds, and Permanent Funds.

- Proprietary Funds - These funds are used to account for functions that were classified as "business-type activities" in the government-wide financial statements. The County's Internal Service Funds are also reported within the proprietary fund section. The County's five Hospital Funds and Waterworks Funds are all considered major funds for presentation purposes. The remaining proprietary funds are combined in a single column, with individual fund details presented elsewhere in this report.

- Fiduciary Funds - These funds are used to report assets held in a trustee or agency capacity for others and cannot be used to support the County's programs. The Pension Trust Fund, the Investment Trust Funds, and Agency Funds are reported in this fund category, using the accrual basis of accounting.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits and other postemployment benefits to employees.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by $14.191 billion at the close of the most recent fiscal year.

Summary of Net Assets
As of June 30, 2011 and 2010 (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	$ 9,065,797	$ 8,075,688	$ 892,800	$ 461,077	$ 9,958,597	$ 8,536,765
Capital assets	15,563,696	15,452,736	2,650,760	2,574,305	18,214,456	18,027,041
Total assets	24,629,493	23,528,424	3,543,560	3,035,382	28,173,053	26,563,806
Current and other liabilities	2,218,534	1,592,918	179,700	152,393	2,398,234	1,745,311
Long-term liabilities	9,248,193	7,935,891	2,336,010	1,799,682	11,584,203	9,735,573
Total liabilities	11,466,727	9,528,809	2,515,710	1,952,075	13,982,437	11,480,884
Net assets:						
Invested in capital assets, net of related debt	14,484,468	14,271,861	2,242,340	2,293,147	16,726,808	16,565,008
Restricted net assets	2,925,662	1,861,498	122,216	163,820	3,047,878	2,025,318
Unrestricted net assets (deficit)	(4,247,364)	(2,133,744)	(1,336,706)	(1,373,660)	(5,584,070)	(3,507,404)
Total net assets	13,162,766	13,999,615	1,027,850	1,083,307	14,190,616	15,082,922
Total liabilities and net assets	$ 24,629,493	$ 23,528,424	$ 3,543,560	$ 3,035,382	$ 28,173,053	$ 26,563,806

Significant changes in assets and liabilities included the following:

Current and Other Assets

Current and other assets increased by $990 million for governmental activities and by $432 million for business-type activities. For governmental activities, pooled cash and investment balances were higher by $625 million due to investment purchase transactions which took place at the end of the current year and settled in early July 2011. This increase was offset by corresponding liabilities (Other Payables) of like amount. For business-type activities, accounts receivable grew by $220 million and was associated with the County's hospitals. For both governmental and business-type activities, long-term debt was issued in the current year and unspent bond proceeds accounted for $307 million and $235 million of the asset increases, respectively.

Liabilities

Current and other liabilities increased by $626 million for governmental activities, largely due to increases in other payables associated with investment purchase transactions pending settlement at year-end. Long-term liabilities increased by $1.312 billion for governmental activities and by $536 million for business-type activities. This is the fourth year for which the County has reported its other postemployment benefits (OPEB) in accordance with Governmental Accounting Standards Board Statement No. 45. OPEB continued to be funded on a pay-as-you-go basis in the current year and OPEB-related liabilities increased for both governmental and business-type activities by $1.303 billion and $247 million, respectively. An additional factor for the business-type activities was a net increase in long-term debt of $261 million, as new debt was issued for various hospital-related capital facilities and improvements. Specific disclosures related to OPEB and other changes in long-term liabilities are discussed and referenced in Notes 8 and 10 to the basic financial statements.

The County's total net assets consist of the following three components:

Capital Assets, Net of Related Debt

The largest portion of the County's net assets ($16.727 billion) represents its investment in capital assets (i.e., land, structures and improvements, infrastructure, software and equipment, net of related depreciation), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted Net Assets

The County's restricted net assets at year-end were $3.048 billion. Asset restrictions are primarily due to external restrictions imposed by State legislation and bond covenants. Net assets that pertain to the various separate legal entities included in the basic financial statements are also generally restricted because their funding sources require that funds be used for specific purposes.

Unrestricted Net Assets (Deficit)

The County's total unrestricted net assets are negative $5.584 billion. Both governmental and business-type activities reported deficits in this category of $4.247 billion and $1.337 billion, respectively. The deficits closely parallel the OPEB related liabilities of $4.466 billion for governmental activities and $882 million for business-type activities. Other unfunded liabilities are also factors, such as workers' compensation, accrued vacation and sick leave, and litigation and self-insurance claims. The ongoing economic downturn and overall difficult budgetary environment has impaired the County's ability to implement a funding plan for OPEB liabilities.

COUNTY OF LOS ANGELES
MANAGEMENT'S DISCUSSION AND ANALYSIS-Continued

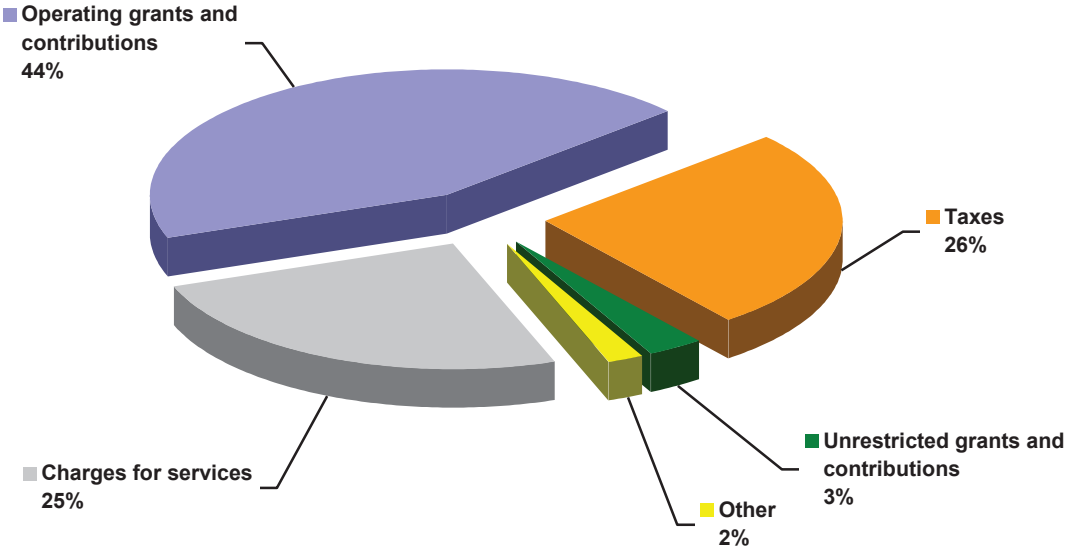
The following table indicates the changes in net assets for governmental and business-type activities:

Summary of Changes in Net Assets
For the Years Ended June 30, 2011 and 2010
(in thousands)

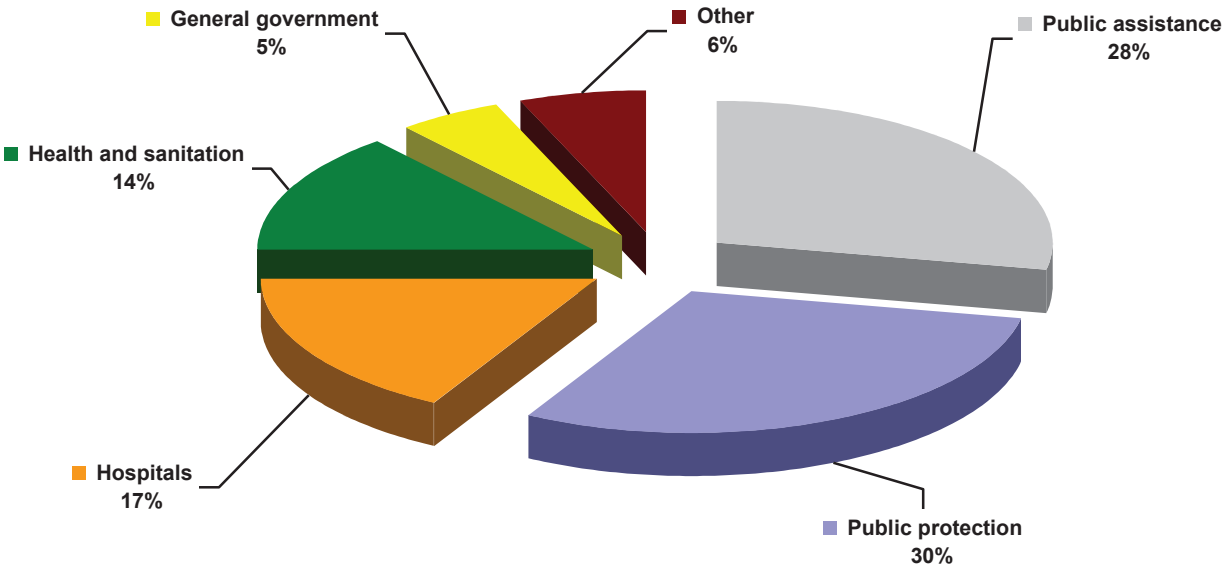
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	$ 2,657,587	$ 2,685,817	$ 2,283,048	$ 2,169,862	$ 4,940,635	$ 4,855,679
Operating grants and contributions	7,939,142	7,636,509	681,471	317,163	8,620,613	7,953,672
Capital grants and contributions	149,569	115,640	437	2,018	150,006	117,658
General revenues:						
Taxes	5,046,783	5,061,595	4,265	4,415	5,051,048	5,066,010
Unrestricted grants and contributions	677,767	701,521	41	143	677,808	701,664
Investment earnings	80,746	105,878	2,142	2,693	82,888	108,571
Miscellaneous	129,963	132,856	28,232	35,463	158,195	168,319
Total revenues	16,681,557	16,439,816	2,999,636	2,531,757	19,681,193	18,971,573
Expenses:						
General government	1,100,781	1,236,226			1,100,781	1,236,226
Public protection	6,081,466	6,163,910			6,081,466	6,163,910
Public ways and facilities	417,250	352,549			417,250	352,549
Health and sanitation	2,781,183	2,718,876			2,781,183	2,718,876
Public assistance	5,728,637	5,518,036			5,728,637	5,518,036
Education	104,159	101,397			104,159	101,397
Recreation and cultural services	311,422	319,000			311,422	319,000
Interest on long-term debt	134,429	139,824			134,429	139,824
Hospitals			3,541,874	3,394,724	3,541,874	3,394,724
Aviation			4,658	4,742	4,658	4,742
Waterworks			83,592	76,818	83,592	76,818
Community Development Commission			284,048	294,785	284,048	294,785
Total expenses	16,659,327	16,549,818	3,914,172	3,771,069	20,573,499	20,320,887
Excess (deficiency) before transfers	22,230	(110,002)	(914,536)	(1,239,312)	(892,306)	(1,349,314)
Transfers	(859,079)	(895,250)	859,079	895,250		
Changes in net assets	(836,849)	(1,005,252)	(55,457)	(344,062)	(892,306)	(1,349,314)
Net assets – beginning	13,999,615	15,004,867	1,083,307	1,427,369	15,082,922	16,432,236
Net assets – ending	$ 13,162,766	$ 13,999,615	$ 1,027,850	$ 1,083,307	$ 14,190,616	$ 15,082,922

COUNTY OF LOS ANGELES
MANAGEMENT'S DISCUSSION AND ANALYSIS-Continued

REVENUES BY SOURCE – ALL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011



EXPENSES BY TYPE – ALL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011



Governmental Activities

Revenues from governmental activities grew by $242 million (1.5%) over the prior year. The most significant changes in specific revenue sources were experienced in the following areas:

- Program revenues recognized from operating grants and contributions increased by $303 million. The largest program contributing to this increase was in the area of public assistance, where program revenues grew by $157 million. The programs experiencing the most growth in this area were the California Work Opportunities and Responsibilities to Kids (CalWORKs) program and the In-Home Supportive Services (IHSS) program, where revenues increased by $84 million and $30 million, respectively. For IHSS, the additional revenues had the effect of lowering the County's share of costs by $10 million. Health and sanitation program revenues were also higher by $118 million, largely due to State mental health revenues derived from the Mental Health Services Act (Proposition 63). Program revenues for Proposition 63 experienced strong growth for the second consecutive year and the current year amount was $127 million higher than the previous year. Proposition 63 program revenues were again facilitated by the County's submission of qualifying program plans which were approved by the State, enabling the County to qualify for, and receive these revenues. This increase was offset by a $9 million reduction in other federal and State reimbursement grants.

- Capital grants and contributions were $34 million higher than the previous year. State Proposition 1B provides transportation infrastructure funding to local governments, including the County. The County's share of such revenues grew from $29 million in the previous year to $85 million in the current year, a $56 million increase. These State funds are available for street and highway pavement maintenance, drainage facilities, traffic control devices, facilities that expand ridership on transit systems, and capital improvements to address local traffic congestion. The increase from Proposition B was offset by reduced capital contributions of $22 million from various other sources.

- All other categories of revenue were lower in the current year by $95 million. Year-over-year reductions were experienced in charges for services ($28 million), investment earnings ($25 million), unrestricted grants and contributions ($24 million), taxes ($15 million) and miscellaneous revenues ($3 million). Many of these revenue sources are economically sensitive and are also highly representative of the County's core discretionary revenues.

Governmental Activities-Continued

Expenses related to governmental activities increased by $110 million during the current year. The largest portion of the net increase was attributable to the public assistance category, which grew by $211 million. As mentioned previously, the County experienced growth in the CalWORKs and IHSS programs. CalWORKs provides temporary assistance to children and families to meet basic needs and expenses were higher by $82 million. The IHSS program provides home assistance services to aged, blind, or disabled persons and expenses were higher by $20 million. In addition, the County's General Relief (GR) program provides financial assistance to indigent persons who are not eligible for federal or State assistance programs, and to provide emergency assistance to individuals and families in temporary need. The GR program is especially sensitive to overall economic conditions and unemployment and spending increased by $40 million. Offsetting a portion of the increased costs in public assistance, the general government category reported lower expenses of $135 million. This variance was almost entirely due to the inclusion in the previous year of one-time expenses of $117 million on the disposal of 16 courthouse facilities. There were $18 million of other cost savings within general government during the current year.

Business-type Activities

Revenues from business-type activities increased in comparison to the prior year by $468 million (18.5%). The most significant change was in the area of operating grants and contributions, which increased by $364 million, of which $353 million was related to the County's Hospitals. As discussed in Note 13 to the basic financial statements, a new federal funding program known as the Delivery System Reform Incentive Pool (DSRIP) provided nearly $343 million of revenues to the Hospitals. Revenues from charges for services were also higher by $113 million in the current year and this was also associated with the Hospitals, as patient service revenues increased.

Expenses related to business-type activities increased from the previous year by $143 million. The increased expenses were principally related to the Hospitals, where expenses were higher by $147 million. Intergovernmental transfer expenses were $107 million higher and the increase was attributable to the DSRIP program, which incurred $141 million of such costs. Salaries and employee benefits associated with the Hospitals were also higher by $34 million. For all facilities, the average patient census during the current year was slightly higher, at 1,321 patients per day in comparison with 1,313 for the prior year.

Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the County's financing requirements. Types of governmental funds reported by the County include the General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, and the Permanent Funds.

As of the end of the current fiscal year, the County's governmental funds reported combined total fund balances of $6.205 billion, an increase of $291 million in comparison with the prior year. Of the total fund balances, $313 million is nonspendable to indicate the extent that funds are not in spendable form or are required to remain intact. An additional $3.209 billion is classified as restricted, $111 million as committed, and $907 million as assigned. The remaining balance of $1.665 billion is classified as unassigned and is entirely associated with the General Fund.

Revenues from all governmental funds for the current year were $16.550 billion, an increase of $224 million (1.4%) from the previous year. Expenditures for all governmental funds in the current year were $15.776 billion, an increase of $319 million (2.1%) from the previous year. In addition, other financing uses exceeded other financing sources by $483 million as compared to $848 million in the prior year.

The General Fund is the County's principal operating fund. During the current year, the fund balance in the General Fund decreased by $273 million (9.1%). At the end of the current fiscal year, the General Fund's total fund balance was $2.722 billion. Of this amount, $259 million is classified as nonspendable, $35 million as restricted, $763 million as assigned and the remaining $1.665 billion is classified as unassigned.

General Fund revenues during the current year were $13.568 billion, an increase of $83 million (0.6%) from the previous year. General Fund expenditures during the current year were $13.554 billion, an increase of $314 million (2.4%) from the previous year. Other financing sources/uses-net was negative $288 million in the current year as compared to negative $417 million in the prior year.

Following are significant changes in General Fund revenues and expenditures:

- Intergovernmental revenues increased overall by $169 million. Within this category, State revenues increased by $256 million, federal revenues declined by $89 million and revenues from other governmental agencies grew by $2 million. State revenue growth of $173 million was largely associated with public assistance programs, which experienced increases in reimbursable costs and where there was a moderate shift in funding from federal to State sources. There was also growth in State revenues for mental health services as well as programs serving children and families. The decrease in federal revenues was principally due to the funding shift previously noted for public assistance programs.

COUNTY OF LOS ANGELES
MANAGEMENT'S DISCUSSION AND ANALYSIS-Continued

Governmental Funds-Continued

- Miscellaneous revenues were lower by $46 million. The largest factor in this category was tobacco settlement revenues, as the General Fund's share of such revenues went down by $31 million (from $96 million in the previous year to $65 million in the current year). The County partially securitized its tobacco settlement revenues in 2006. Debt service commenced in the current year and $22 million of tobacco settlement revenues were recognized in the debt service fund which was established for this purpose. Overall tobacco settlement revenues recognized by the County were lower in the current year by $9 million.

- Current expenditures increased by $277 million (2.1%) and there were increases in all functional areas except public protection. The most significant increase was in the area of public assistance, where expenditures were higher by $192 million. Costs were notably higher for programs such as "temporary assistance for needy families" and "general relief" and expenditures were higher by $70 million and $40 million, respectively. Program and administrative expenditures grew by $64 million for child welfare services. Expenditures for the category of health and sanitation increased by $55 million as costs for mental health services rose by $45 million, primarily for contracted programs.

The Fire Protection District reported a year-end fund balance of $218 million, which represented an increase of $9 million from the previous year. Revenues decreased by $17 million, as revenues were lower in nearly every categorical area. Expenditures were also lower by $16 million as costs were aligned with the revenue reductions. Transfers out were also reduced by $9 million in the current year.

The Flood Control District reported a year-end fund balance of $157 million, which was $4 million lower than the previous year. Revenues were $11 million lower in the current year and the federal revenue category accounted for $7 million of the reduction. Expenditures decreased by $39 million, or 15%, as there were one-time expenditures incurred in the previous year for special projects and heavy winter rainstorms.

The Public Library Fund reported a year-end fund balance of $43 million, which was $10 million higher than the previous year. Revenues were nearly unchanged from the previous year while expenditures were slightly higher in the current year, increasing by approximately $2 million. There was a net increase of over $7 million for "other financing sources and uses," and was attributable to sales of fixed assets. In the current year, library facilities were sold to a city which was previously served by the County. The city intends to directly provide library services with the facilities acquired from the County.

The Regional Park and Open Space District reported a year-end fund balance of $310 million, which was $15 million higher than the previous year. Current year revenues of $84 million were slightly lower than the previous year amount of $85 million. Expenditures declined by $10 million in the current year, as there were net reductions in grants to eligible agencies.

Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The County's principal proprietary funds consist of four hospital enterprise funds and an additional fund (Martin L. King Jr. Ambulatory Care Center) which was converted from a full-service hospital in 2007-2008 to a multi-service ambulatory care center. As discussed in Note 13 to the basic financial statements, the County merged the Martin L. King Jr. Ambulatory Care Center with the Harbor UCLA Medical Center at the end of the current fiscal year. All of the aforementioned funds incurred a net loss prior to contributions and transfers.

The County is legally required to provide local matching funds to the health care system in order to remain eligible for federal and State assistance. Such funds were provided to the hospitals as operating subsidies from the County General Fund during the year. The amount of subsidy, per facility, ranged from $53 million for Rancho Los Amigos National Rehabilitation Center to $303 million for the LAC+USC Medical Center. The total subsidy amount was $672 million and is reflected in the Statement of Revenues, Expenses and Changes in Fund Net Assets as "transfers in." By comparison, the total General Fund subsidy in the prior year was $687 million.

An additional source of local funding for the Hospitals is the Health Services Measure B Special Revenue Fund ("Measure B Fund"). The Measure B Fund receives voter approved property taxes for trauma and emergency services. In the current year, the Measure B Fund provided transfers to the LAC+USC Medical Center ($107 million), Harbor UCLA Medical Center ($53 million), and Olive View UCLA Medical Center ($42 million). The total amount of current year Measure B transfers ($202 million) were higher than the prior year amount of $193 million.

Waterworks Funds reported year-end net assets of $850 million, a $21 million reduction from the previous year. Current year operating revenues of $58 million were slightly higher than the previous year amount of $56 million. Current year operating expenses of $84 million grew in comparison to the previous year's amount of $77 million.

General Fund Budgetary Highlights

The accompanying basic financial statements include a Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual on Budgetary Basis for the County's General Fund. The County's budgetary basis of accounting has not yet incorporated GASB 54 fund balance terminology and is discussed in Notes 1 and 15 to the basic financial statements. There are approximately 100 separate budget units within the General Fund, excluding capital improvement projects, which are individually budgeted. The data presented below represents the net budgetary changes for the General Fund in a highly summarized format. Accordingly, in certain instances, budgets have been increased for programs within a category even though actual amounts have not been realized for the category in its entirety. Under the budgetary basis, there was a net decrease of $27 million in the General Fund's available (unreserved and undesignated) fund balance from the previous year.

COUNTY OF LOS ANGELES
MANAGEMENT'S DISCUSSION AND ANALYSIS-Continued

Budgetary Summary - Revenues/Financing Sources

Following is a summary of current year budgetary changes and actual results (on the County's budgetary basis) for General Fund revenues and other financing sources (in thousands):

Category	Increase (Decrease) From Original Budget	Final Budget Amount	Actual Amount	Variance-Positive (Negative)
Taxes	$ (2,252)	$ 3,841,125	$ 3,834,433	$ (6,692)
Intergovernmental revenues	32,571	8,277,478	7,611,594	(665,884)
Charges for services	(13,930)	1,743,401	1,655,633	(87,768)
All other revenues	68,895	561,135	586,750	25,615
Other sources and transfers in	14,749	630,491	396,081	(234,410)
Total	$ 100,033	$ 15,053,630	$ 14,084,491	$ (969,139)

Changes from Amounts Originally Budgeted

During the year, net increases in budgeted revenues and other financing sources approximated $100 million. The most significant changes occurred in the following areas:

- The increase of $69 million related to "all other revenues" was mostly attributable to tobacco settlement revenues of $65 million. The County's policy is to budget tobacco settlement revenues after they have been received. Miscellaneous revenue increases accounted for the remaining $4 million.

- Estimated intergovernmental revenues increased by $33 million. The additional revenues were primarily associated with new federal grants in the areas of emergency preparedness ($15 million) and law enforcement ($10 million). The remaining $8 million consisted of new federal and State grants for a variety of programs.

Actual Revenues/Financing Sources Compared with Final Budget Amounts

Actual revenues and other financing sources recognized by the General Fund were approximately $969 million, or 6.4%, lower than budget. As discussed below, most of this variance was concentrated in the areas of intergovernmental revenues, "other sources and transfers in," and charges for services.

COUNTY OF LOS ANGELES
MANAGEMENT'S DISCUSSION AND ANALYSIS-Continued

Actual Revenues/Financing Sources Compared with Final Budget Amounts-Continued

- Actual intergovernmental revenues were $666 million lower than the amount budgeted. Mental health programs accounted for approximately $230 million of this variance, which experienced lower than anticipated reimbursable costs (particularly for contracted services) and correspondingly lower than expected revenues. Approximately $154 million was associated with social service programs, where reimbursable costs were lower than anticipated due to hiring and promotion delays, reduced spending for services and supplies, and delays in implementing new systems. An additional $145 million pertained to anticipated reimbursement of capital improvement, disaster recovery and homeland security projects and programs that were not completed prior to year-end. Public health related programs experienced shortfalls of $74 million, most of which was associated with federal grants and offset by a comparable amount of cost savings. The remaining variance of $63 million was related to a variety of other programs.

- The actual amount of "other sources and transfers in" was $234 million lower than the amount budgeted. Of this amount, "transfers in" totaling $116 million were assumed in the budget for capital improvements and extraordinary building maintenance projects which did not incur expected costs. In addition, mental health programs funded by the Mental Health Services Act Fund (Proposition 63) did not fully materialize at the budgeted level and "transfers in" were $101 million lower than budgeted. There were various other sources and transfers that comprised the remaining variance of $17 million.

- The amount of actual revenues from charges for services was $88 million lower than the amount budgeted and was associated with a wide variety of services. Anticipated service levels did not materialize as assumed by the budget.

Budgetary Summary - Expenditures/Other Financing Uses

Following is a summary of current year budgetary changes and actual results (on the County's budgetary basis) for General Fund expenditures, transfers out, reserves, and designations (in thousands):

Category	Increase (Decrease) From Original Budget	Final Budget Amount	Actual Amount	Variance-Positive
General government	$ 22,994	$ 1,582,697	$ 869,544	$ 713,153
Public protection	32,325	4,746,198	4,560,322	185,876
Health and sanitation	(40,412)	2,991,015	2,593,999	397,016
Public assistance	(1,118)	5,647,734	5,324,011	323,723
All other expenditures	3,333	1,250,435	374,643	875,792
Transfers out	25,870	726,316	708,000	18,316
Contingencies	14,179	14,179		14,179
Reserves/designations-net	42,862	(276,300)	(318,955)	42,655
Total	$ 100,033	$ 16,682,274	$14,111,564	$ 2,570,710

Changes from Amounts Originally Budgeted

During the year, net increases in General Fund appropriations, reserves and designations were approximately $100 million. As discussed below, the most significant increases and reductions occurred in the following areas:

- Provisions for net reserves and designations were increased during the year by $43 million. At the end of the fiscal year, the designation for health services, which is predominately funded by tobacco settlement revenues, was increased by $96 million. This amount was comprised of tobacco settlement revenues recognized in the current year ($65 million) plus prior year funds that were appropriated, but unexpended ($31 million). The designation for extraordinary maintenance was reduced by $44 million to establish a comprehensive and preventative deferred maintenance program. Miscellaneous decreases of $9 million were made to reserves and other designations.

- Appropriations were reduced for the health and sanitation category by $40 million. Budgeted expenditures for the Managed Care Rate Supplement were reduced by $44 million. This reduction was due to lower than anticipated intergovernmental transfer expenditures associated with the County's Managed Care program.

- Appropriations were increased for the public protection category by $32 million. Of this amount, new grant funds of $15 million were appropriated for emergency preparedness programs. There was $9 million allocated for the closeout of the Office of Public Safety, which merged with the Sheriff's Department. The remaining $8 million was used to supplement the budget of the Probation Department, primarily for systems to handle medical records and case management.

- Appropriations for "transfers out" were increased by $26 million to supplement the amount of fund transfers from the General Fund to various Hospital Funds.

- General government appropriations were increased by $23 million. As previously mentioned, $44 million was added to appropriations for deferred maintenance. This amount was offset by appropriation reductions of $21 million, largely due to funding which shifted from the general government category to capital outlay.

Actual Expenditures/Other Financing Uses Compared with Final Budget Amount

Actual expenditures/other financing uses for the current year were $2.571 billion lower (approximately 15.4%) than the final total budget of $16.682 billion. There were budgetary savings in all functional expenditure categories. Due to ongoing economic uncertainties, the County remained fiscally prudent in managing appropriations throughout the fiscal year. Savings were achieved through a variety of measures including departmental hiring freezes, reduction in purchases of services and supplies and capital assets, and development of efficiency initiatives. Following are the functional areas that recognized the largest variations from the final budget:

Actual Expenditures/Other Financing Uses Compared with Final Budget Amount-Continued

- The category referred to as "all other expenditures" reflected actual spending of $876 million less than the budgeted amount. Nearly all ($862 million) of this variance was related to the capital outlay category. There were many capital improvements anticipated in the budget that remained in the planning stages and did not incur expenditures during the year. Most of the unused balance has been reestablished in the following year's budget to ensure the continuity of the projects, many of which are multi-year in nature.

- The general government function reported actual expenditures that were $713 million less than the amount budgeted. Of this amount, $542 million represented budgetary savings for items that are not associated with specific County departments, such as provisional appropriations and central non-departmental appropriations. The remaining $171 million was spread across virtually every department comprising general government and was mostly related to savings in the areas of salaries and services and supplies.

- Overall expenditures for the health and sanitation category were $397 million less than the budgeted amount. Appropriations related to mental health services exceeded actual expenditures by $285 million, primarily due to less than anticipated costs for contracted services and to a lesser extent, salary savings. The remaining variance was associated with a variety of health care programs administered by the Departments of Public Health Services ($89 million) and Health Services ($23 million).

- Actual public assistance expenditures were $324 million lower than the final budget. Of this amount, $277 million was concentrated in social service, children, and family programs. Administrative costs were lower than anticipated due to overall cost containment efforts, vacant positions, and delays in hiring. There were $33 million of savings related to homeless and housing programs due to delays in carrying out multi-year projects. The remaining variance amount of $14 million was related to other public assistance programs.

Capital Assets

The County's capital assets for its governmental and business-type activities as of June 30, 2011 were $18.214 billion (net of depreciation). Capital assets include land, easements, buildings and improvements, equipment, software, and infrastructure. The major infrastructure network elements are roads, sewers, water, flood control, and aviation.

The total increase in the County's capital assets (net of depreciation) for the current fiscal year was $187 million, as shown in the following table.

Changes in Capital Assets, Net of Depreciation
Primary Government - All Activities
(in thousands)

	Current Year	Prior Year	Increase (Decrease)
Land and easements	$ 7,520,029	$ 7,477,362	$ 42,667
Buildings and improvements	3,917,585	3,945,086	(27,501)
Infrastructure	5,044,706	5,059,561	(14,855)
Equipment	496,315	440,147	56,168
Software	294,865	305,035	(10,170)
Capital assets, in progress	940,956	799,850	141,106
Total	$ 18,214,456	$ 18,027,041	$ 187,415

The County's major capital asset initiatives during the current year continued to focus on new facilities and major improvements for the Hospitals. There was significant construction-in-progress at Harbor/UCLA Medical Center, as $65 million was capitalized for surgical facilities and seismic retrofit projects. The net increase in equipment was especially influenced by the public protection category, as helicopters and fire engines were among the items acquired. As of the end of the current year, there were $364 million of capital construction commitments outstanding.

Debt Administration

The following table indicates the changes in the County's long-term debt during the year:

Changes in Long-Term Debt
Primary Government - All activities
(in thousands)

	Current Year	Prior Year	Increase (Decrease)
Bonds and Notes Payable	$ 2,508,668	$1,832,774	$ 675,894
Pension Bonds Payable		345,913	(345,913)
Total	$ 2,508,668	$ 2,178,687	$ 329,981

During the current year, the County's liabilities for long-term debt increased by $330 million, or 15.1%. Specific changes related to governmental and business-type activities are presented in Note 10 (Long-Term Obligations) to the basic financial statements. During the current year, significant long-term debt transactions were as follows:

- New debt of $62 million was issued to finance the acquisition of equipment. Equipment debt totaling $15 million was redeemed during the year in accordance with maturity schedules.

- New debt of $791 million was issued to redeem $169 million of commercial paper debt. The remaining $622 million provided funding for various Hospital facility improvements, facilities which support governmental activities, required debt service reserves and bond issuance costs.

- The remaining pension bonds outstanding ($346 million) were redeemed during the current year and there were no pension bond liabilities at the end of the current year.

In addition to the above borrowing, the County continued to finance General Fund cash flow shortages occurring periodically during the fiscal year by selling $1.5 billion in tax and revenue anticipation notes which reached maturity on June 30, 2011, and by periodic borrowing from available trust funds.

Bond Ratings

The County's debt is rated by Moody's, Standard and Poor's, and Fitch. The following is a schedule of ratings:

	Moody's	Standard and Poor's	Fitch
General Obligation Bonds	Aa2	AA-	AA-
Pension Bonds	Aa3	A+	
Facilities	A1	A+	A+
Equipment/Non-Essential Leases	A2	A+	A+
Operating/Non-Essential Leases	A2	A+	A
Short-Term	MIG1	SP-1+	F1+
Commercial Paper	P-1	A-1+	
Flood Control District Revenue Bonds	Aa1	AA	AAA
Regional Park and Open Space District Bonds	Aa2	AA	AAA

Since the previous year, the County's bond ratings remained the same except for the following changes:

- Moody's upgraded the Facilities rating from A2 to A1 and lowered the rating for Equipment/Non-Essential leases from A1 to A2.

- Fitch assigned an AA- rating for the General Obligation Bonds, upgraded the Facilities rating from A to A+, and upgraded the Flood Control District Revenue Bonds from AA+ to AAA.

Economic Conditions and Outlook

The Board of Supervisors adopted the County's 2011-2012 Budget on June 20, 2011. The Budget was adopted based on estimated fund balances that would be available at the end of 2010-2011. The Board updated the Budget on October 4, 2011 to reflect final 2010-2011 fund balances and other pertinent financial information. For the County's General Fund, the 2011-2012 Budget, as updated in October 2011, utilized $1.602 billion of fund balance, which exceeded the previously estimated fund balance of $1.340 billion. Of the additional fund balance of $262 million, $165 million was used to carryover lapsed appropriations and the remaining $97 million was used to fund one-time projects and programs.

The lingering effects of the recession continued to have a noticeable impact on the County's budget. For the 2011-2012 Budget, other factors included the reduction of federal stimulus funding, unavoidable pension and employee health insurance cost increases, and public assistance caseload increases. These factors are offset, in part, by signs of stability with certain key revenue sources. After experiencing a decline for two years in a row, the County's assessed property values are reversing this trend. The County Assessor has released the Net Local Property Tax Roll for 2011-12 and it is 1.36% higher than the previous year. Property tax revenues are the County's single most important source of funding and are vital to programs which rely on discretionary funding sources.

The County's financial outlook continues to be affected by the overall slow economic recovery and ongoing budget problems at the State level. The State Legislative Analyst's Office (LAO) estimates a State budget deficit of approximately $12.8 billion by the time the State Legislature enacts a 2012-2013 State budget plan. Although the anticipated deficit is lower than recent years, it is still significant and requires ongoing monitoring by the County, which remains highly dependent on State funding. One of the State's key 2011-12 budget strategies relies upon the "realignment" of programs by shifting funding, workload and responsibilities from State agencies to counties and especially targets the public protection area. This change potentially impacts the County if the cost of the new responsibilities does not approximate the new revenue streams.

Obtaining Additional Information

This financial report is designed to provide a general overview of the County's finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Los Angeles County Auditor-Controller, 500 West Temple Street, Room 525, Los Angeles, CA 90012-2766.

BASIC FINANCIAL STATEMENTS

COUNTY OF LOS ANGELES
STATEMENT OF NET ASSETS
JUNE 30, 2011 (in thousands)

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	FIRST 5 LA
ASSETS				
Pooled cash and investments: (Notes 1 and 5)				
Operating (Note 1)	$ 3,518,618	$ 61,464	$ 3,580,082	$ 848,723
Other (Note 1)	1,688,358	36,339	1,724,697	
Total pooled cash and investments	5,206,976	97,803	5,304,779	848,723
Other investments (Note 5)	517,022	61,794	578,816	
Taxes receivable	304,233	965	305,198	
Accounts receivable - net (Note 13)		1,119,894	1,119,894	
Interest receivable	11,589	526	12,115	1,573
Other receivables	1,935,716	248,333	2,184,049	36,744
Internal balances (Note 14)	960,704	(960,704)		
Inventories	112,502	16,610	129,112	
Restricted assets (Note 5)	17,055	307,579	324,634	
Capital assets: (Notes 6 and 9)				
Capital assets, not being depreciated	7,922,641	538,344	8,460,985	2,039
Capital assets, net of accumulated depreciation	7,641,055	2,112,416	9,753,471	11,075
Total capital assets	15,563,696	2,650,760	18,214,456	13,114
TOTAL ASSETS	24,629,493	3,543,560	28,173,053	900,154
LIABILITIES				
Accounts payable	352,641	74,912	427,553	25,553
Accrued payroll	334,904	70,413	405,317	
Other payables	1,043,955	12,773	1,056,728	426,895
Accrued interest payable	26,845	20,577	47,422	
Unearned revenue	37,935	803	38,738	
Advances payable	422,254	222	422,476	
Noncurrent liabilities: (Note 10)				
Due within one year	713,030	200,731	913,761	48
Due in more than one year	8,535,163	2,135,279	10,670,442	338
TOTAL LIABILITIES	11,466,727	2,515,710	13,982,437	452,834
NET ASSETS				
Invested in capital assets, net of related debt (Notes 6 and 10)	14,484,468	2,242,340	16,726,808	13,114
Restricted for:				
Capital projects	103,479		103,479	
Debt service	56,910	59,026	115,936	
Permanent trust	2,733		2,733	
General government	555,342		555,342	
Public protection	461,749		461,749	
Public ways and facilities	455,070	49,305	504,375	
Health and sanitation	670,628		670,628	
Recreation	315,713		315,713	
Community development	284,000	13,885	297,885	
Other	20,038		20,038	434,206
Unrestricted (deficit)	(4,247,364)	(1,336,706)	(5,584,070)	
TOTAL NET ASSETS	$ 13,162,766	$ 1,027,850	$ 14,190,616	$ 447,320

The notes to the basic financial statements are an integral part of this statement.

COUNTY OF LOS ANGELES
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

		PROGRAM REVENUES		
FUNCTIONS PRIMARY GOVERNMENT:	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Governmental activities:				
General government	$ 1,100,781	$ 451,082	$ 53,514	$ 16,406
Public protection	6,081,466	1,308,388	1,090,638	34,759
Public ways and facilities	417,250	28,568	211,376	98,183
Health and sanitation	2,781,183	635,950	1,926,693	221
Public assistance	5,728,637	48,892	4,653,590	
Education	104,159	5,002	1,730	
Recreation and cultural services	311,422	179,705	1,601	
Interest on long-term debt	134,429			
Total governmental activities	16,659,327	2,657,587	7,939,142	149,569
Business-type activities:				
Hospitals	3,541,874	2,210,619	394,840	
Aviation	4,658	3,586	1,398	437
Waterworks	83,592	57,747	177	
Community Development Commission	284,048	11,096	285,056	
Total business-type activities	3,914,172	2,283,048	681,471	437
Total primary government	$ 20,573,499	$ 4,940,635	$ 8,620,613	$ 150,006
COMPONENT UNIT -				
First 5 LA	$ 150,402	$	$ 137,175	$

GENERAL REVENUES:
- Taxes:
  - Property taxes
  - Utility users taxes
  - Voter approved taxes
  - Documentary transfer taxes
  - Other taxes
- Sales and use taxes, levied by the State
- Grants and contributions not restricted to special programs
- Investment earnings
- Miscellaneous

EXTRAORDINARY ITEM -
- State of California - AB 99 liability (Note 20)

TRANSFERS - NET

Total general revenues, extraordinary item and transfers

CHANGE IN NET ASSETS

NET ASSETS, JULY 1, 2010

NET ASSETS, JUNE 30, 2011

The notes to the basic financial statements are an integral part of this statement.

NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS				
PRIMARY GOVERNMENT			COMPONENT UNIT	
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	FIRST 5 LA	FUNCTIONS
				PRIMARY GOVERNMENT:
				Governmental activities:
$ (579,779)	$	$ (579,779)		General government
(3,647,681)		(3,647,681)		Public protection
(79,123)		(79,123)		Public ways and facilities
(218,319)		(218,319)		Health and sanitation
(1,026,155)		(1,026,155)		Public assistance
(97,427)		(97,427)		Education
(130,116)		(130,116)		Recreation and cultural services
(134,429)		(134,429)		Interest on long-term debt
(5,913,029)		(5,913,029)		Total governmental activities
				Business-type activities:
	(936,415)	(936,415)		Hospitals
	763	763		Aviation
	(25,668)	(25,668)		Waterworks
	12,104	12,104		Community Development Commission
	(949,216)	(949,216)		Total business-type activities
(5,913,029)	(949,216)	(6,862,245)		Total primary government
				COMPONENT UNIT -
			$ (13,227)	Total - First 5 LA
				GENERAL REVENUES:
				Taxes:
4,482,394	4,265	4,486,659		Property taxes
58,361		58,361		Utility users taxes
332,777		332,777		Voter approved taxes
45,117		45,117		Documentary transfer taxes
53,427		53,427		Other taxes
74,707		74,707		Sales and use taxes, levied by the State
677,767	41	677,808		Grants and contributions not restricted to special programs
80,746	2,142	82,888	12,005	Investment earnings
129,963	28,232	158,195	290	Miscellaneous
				EXTRAORDINARY ITEM -
			(424,389)	State of California - AB 99 liability (Note 20)
(859,079)	859,079			TRANSFERS - NET
5,076,180	893,759	5,969,939	(412,094)	Total general revenues, extraordinary item and transfers
(836,849)	(55,457)	(892,306)	(425,321)	CHANGE IN NET ASSETS
13,999,615	1,083,307	15,082,922	872,641	NET ASSETS, JULY 1, 2010
$ 13,162,766	$ 1,027,850	$ 14,190,616	$ 447,320	NET ASSETS, JUNE 30, 2011

COUNTY OF LOS ANGELES
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011 (in thousands)

	GENERAL FUND	FIRE PROTECTION DISTRICT	FLOOD CONTROL DISTRICT	PUBLIC LIBRARY
ASSETS:				
Pooled cash and investments: (Notes 1 and 5)				
Operating (Note 1)	$ 568,691	180,870	145,784	41,740
Other (Note 1)	1,582,576	24,970	10,696	2,209
Total pooled cash and investments	2,151,267	205,840	156,480	43,949
Other investments (Notes 4 and 5)	16,589			120
Taxes receivable	210,914	50,483	14,767	7,016
Interest receivable	2,238	580	466	133
Other receivables	1,761,411	27,164	5,146	1,489
Due from other funds (Note 14)	356,860	6,050	8,254	3,420
Advances to other funds (Note 14)	1,063,061		6,601	
Inventories	54,145	14,121		1,285
TOTAL ASSETS	$ 5,616,485	304,238	191,714	57,412
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable	$ 286,597	6,228	1,951	1,507
Accrued payroll	289,546	27,878		3,147
Other payables	1,039,126	2,235		415
Due to other funds (Note 14)	464,170	13,740	15,879	4,317
Deferred revenue	382,897	36,399	16,780	5,033
Advances payable	411,508			
Notes payable				
Third party payor liability (Notes 10 and 13)	20,198			
TOTAL LIABILITIES	2,894,042	86,480	34,610	14,419
FUND BALANCES (Notes 2 and 19):				
Nonspendable	259,127	14,121		1,285
Restricted	35,377	203,637	157,104	7,049
Committed				
Assigned	763,038			34,659
Unassigned	1,664,901			
TOTAL FUND BALANCES	2,722,443	217,758	157,104	42,993
TOTAL LIABILITIES AND FUND BALANCES	$ 5,616,485	304,238	191,714	57,412

The notes to the basic financial statements are an integral part of this statement.

REGIONAL PARK AND OPEN SPACE DISTRICT	NONMAJOR GOVERNMENTAL FUNDS	ELIMINATIONS (NOTE 4)	TOTAL GOVERNMENTAL FUNDS	
				ASSETS:
				Pooled cash and investments: (Notes 1 and 5)
$ 305,671	2,248,974		$ 3,491,730	Operating (Note 1)
3,505	59,796		1,683,752	Other (Note 1)
309,176	2,308,770		5,175,482	Total pooled cash and investments
	688,943	(197,285)	508,367	Other investments (Notes 4 and 5)
2,948	18,105		304,233	Taxes receivable
976	7,048		11,441	Interest receivable
4,931	77,920		1,878,061	Other receivables
451	316,520		691,555	Due from other funds (Note 14)
	15,056		1,084,718	Advances to other funds (Note 14)
	32,926		102,477	Inventories
$ 318,482	3,465,288	(197,285)	$ 9,756,334	TOTAL ASSETS
				LIABILITIES AND FUND BALANCES
				LIABILITIES:
$ 745	44,949		$ 341,977	Accounts payable
	92		320,663	Accrued payroll
	231		1,042,007	Other payables
2,006	350,722		850,834	Due to other funds (Note 14)
5,650	35,850		482,609	Deferred revenue
	9,746		421,254	Advances payable
	71,264		71,264	Notes payable
	824		21,022	Third party payor liability (Notes 10 and 13)
8,401	513,678		3,551,630	TOTAL LIABILITIES
				FUND BALANCES (Notes 2 and 19):
	38,676		313,209	Nonspendable
310,081	2,692,526	(197,285)	3,208,489	Restricted
	111,363		111,363	Committed
	109,045		906,742	Assigned
			1,664,901	Unassigned
310,081	2,951,610	(197,285)	6,204,704	TOTAL FUND BALANCES
$ 318,482	3,465,288	(197,285)	$ 9,756,334	TOTAL LIABILITIES AND FUND BALANCES

COUNTY OF LOS ANGELES
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2011 (in thousands)

Fund balances - total governmental funds (page 27)		$ 6,204,704
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not reported in governmental funds:		
Land and easements	$ 7,265,882	
Construction-in-progress	656,759	
Buildings and improvements - net	2,672,612	
Equipment - net	265,616	
Intangible software - net	250,357	
Infrastructure - net	4,319,929	15,431,155
Other long-term assets are not available to pay for current-period expenditures and are unearned, or not recognized, in governmental funds:		
Deferred revenue - taxes	$ 220,041	
Long-term receivables	272,185	492,226
Accrued interest payable is not recognized in governmental funds.		(26,640)
Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds and notes payable (including accreted interest)	$ (1,656,115)	
Capital lease obligations	(181,095)	
Accrued vacation/sick leave	(796,644)	
Workers' compensation	(1,749,882)	
Litigation/self-insurance	(117,292)	
Pollution remediation obligations	(28,095)	
OPEB obligation	(4,273,527)	(8,802,650)
Assets and liabilities of certain internal service funds are included in governmental activities in the accompanying statement of net assets.		(136,029)
Net assets of governmental activities (page 23)		$ 13,162,766

The notes to the basic financial statements are an integral part of this statement.

COUNTY OF LOS ANGELES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	GENERAL FUND	FIRE PROTECTION DISTRICT	FLOOD CONTROL DISTRICT	PUBLIC LIBRARY
REVENUES:				
Taxes	$ 3,843,366	618,519	97,233	71,683
Licenses, permits and franchises	56,656	12,705	595	
Fines, forfeitures and penalties	244,787	5,807	1,824	752
Revenue from use of money and property:				
Investment income (Note 5)	54,665	645	1,003	196
Rents and concessions (Note 9)	74,993	112	6,377	12
Royalties	482		798	
Intergovernmental revenues:				
Federal	3,289,984	11,574	3,642	170
State	4,108,280	12,146	2,126	2,084
Other	108,228	30,029	6,366	1,532
Charges for services	1,641,399	168,000	113,998	3,310
Miscellaneous	145,414	648	2,594	1,219
TOTAL REVENUES	13,568,254	860,185	236,556	80,958
EXPENDITURES:				
Current:				
General government	883,854			
Public protection	4,401,985	834,238	220,811	
Public ways and facilities				
Health and sanitation	2,476,524			
Public assistance	5,217,560			
Education				109,952
Recreation and cultural services	263,046			
Debt service:				
Principal	78,046	3,815		847
Interest and other charges	194,445	8,239		1,849
Capital leases	5,986	2,796		288
Capital outlay	32,598			
TOTAL EXPENDITURES	13,554,044	849,088	220,811	112,936
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	14,210	11,097	15,745	(31,978)
OTHER FINANCING SOURCES (USES):				
Transfers in (Note 14)	422,680		41	38,552
Transfers out (Note 14)	(762,808)	(2,438)	(20,227)	(4,303)
Issuance of debt (Note 10)				
Proceeds for capital leases (Note 9)	43,523			
Sales of capital assets	9,027	297	70	7,587
TOTAL OTHER FINANCING SOURCES (USES)	(287,578)	(2,141)	(20,116)	41,836
NET CHANGE IN FUND BALANCES	(273,368)	8,956	(4,371)	9,858
FUND BALANCES, JULY 1, 2010	2,995,811	208,802	161,475	33,135
FUND BALANCES, JUNE 30, 2011	$ 2,722,443	217,758	157,104	42,993

The notes to the basic financial statements are an integral part of this statement.

REGIONAL PARK AND OPEN SPACE DISTRICT	NONMAJOR GOVERNMENTAL FUNDS	ELIMINATIONS (NOTE 4)	TOTAL GOVERNMENTAL FUNDS	
				REVENUES:
$	324,453		$ 4,955,254	Taxes
	10,322		80,278	Licenses, permits and franchises
884	87,089		341,143	Fines, forfeitures and penalties
				Revenue from use of money and property:
2,553	32,037	(10,515)	80,584	Investment income (Note 5)
	30,165		111,659	Rents and concessions (Note 9)
	5		1,285	Royalties
				Intergovernmental revenues:
	175,335		3,480,705	Federal
	856,407		4,981,043	State
	16,230		162,385	Other
80,152	130,038		2,136,897	Charges for services
	68,732		218,607	Miscellaneous
83,589	1,730,813	(10,515)	16,549,840	TOTAL REVENUES
				EXPENDITURES:
				Current:
	14,245		898,099	General government
	59,803		5,516,837	Public protection
	340,886		340,886	Public ways and facilities
	152,292		2,628,816	Health and sanitation
	169,645		5,387,205	Public assistance
	598		110,550	Education
32,614	7,264		302,924	Recreation and cultural services
				Debt service:
	152,453	(25,375)	209,786	Principal
	75,877	(10,515)	269,895	Interest and other charges
			9,070	Capital leases
	68,994		101,592	Capital outlay
32,614	1,042,057	(35,890)	15,775,660	TOTAL EXPENDITURES
50,975	688,756	25,375	774,180	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
				OTHER FINANCING SOURCES (USES):
	178,199		639,472	Transfers in (Note 14)
(36,168)	(684,366)		(1,510,310)	Transfers out (Note 14)
	326,363		326,363	Issuance of debt (Note 10)
			43,523	Proceeds for capital leases (Note 9)
	751		17,732	Sales of capital assets
(36,168)	(179,053)		(483,220)	TOTAL OTHER FINANCING SOURCES (USES)
14,807	509,703	25,375	290,960	NET CHANGE IN FUND BALANCES
295,274	2,441,907	(222,660)	5,913,744	FUND BALANCES, JULY 1, 2010
$ 310,081	2,951,610	(197,285)	$ 6,204,704	FUND BALANCES, JUNE 30, 2011

COUNTY OF LOS ANGELES
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

Net change in fund balances - total governmental funds (page 31)		$ 290,960
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:		
Expenditures for general capital assets, infrastructure and other related capital asset adjustments	$ 366,201	
Less - current year depreciation expense	(338,926)	27,275
In the statement of activities, only the gain or loss on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the sale are reported as an increase in financial resources. Thus, the change in net assets differs from the change in fund balance.		(1,898)
Contribution of capital assets is not recognized in the governmental funds.		46,937
Revenue timing differences result in more revenue in government-wide statements.		27,033
Issuance of long-term debt provides revenue in the governmental funds, but increases long-term liabilities in the statement of net assets.		(369,886)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:		
Pension bonds	$ 82,039	
Certificates of participation	99,040	
Assessment bonds	25,375	
Other long-term notes, loans and capital leases	13,302	219,756
Some expenses reported in the accompanying statement of activities do not require (or provide) the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Change in workers' compensation	$ 70,544	
Change in litigation/self-insurance	38,112	
Change in pollution remediation obligations	(3,340)	
Change in accrued vacation/sick leave	(8,885)	
Change in OPEB liability	(1,246,891)	
Change in accrued interest payable	(12,579)	
Change in accretion of tobacco settlement bonds	(12,495)	
Change in accretion of pension bonds	157,468	
Transfer of capital assets from governmental fund to enterprise fund	(2,564)	(1,020,630)
The change in the net pension obligation (an asset) is not recognized in governmental funds.		(35,832)
The portion of internal service funds that is reported with governmental activities.		(20,564)
Change in net assets of governmental activities (page 25)		$ (836,849)

The notes to the basic financial statements are an integral part of this statement.

COUNTY OF LOS ANGELES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	GENERAL FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Taxes	$ 3,843,377	3,841,125	3,834,433	(6,692)
Licenses, permits and franchises	45,938	45,938	56,656	10,718
Fines, forfeitures and penalties	224,625	227,005	244,787	17,782
Revenue from use of money and property:				
Investment income	57,578	58,696	58,815	119
Rents and concessions	59,453	59,633	59,206	(427)
Royalties	236	236	482	246
Intergovernmental revenues:				
Federal	3,966,011	4,006,440	3,337,489	(668,951)
State	4,137,895	4,129,949	4,164,899	34,950
Other	141,001	141,089	109,206	(31,883)
Charges for services	1,757,331	1,743,401	1,655,633	(87,768)
Miscellaneous	104,410	169,627	166,804	(2,823)
TOTAL REVENUES	14,337,855	14,423,139	13,688,410	(734,729)
EXPENDITURES:				
Current:				
General government	1,559,703	1,582,697	869,544	(713,153)
Public protection	4,713,873	4,746,198	4,560,322	(185,876)
Health and sanitation	3,031,427	2,991,015	2,593,999	(397,016)
Public assistance	5,648,852	5,647,734	5,324,011	(323,723)
Recreation and cultural services	267,383	283,613	269,419	(14,194)
Debt service-				
Interest	14,542	14,542	14,542	
Capital outlay	965,177	952,280	90,682	(861,598)
TOTAL EXPENDITURES	16,200,957	16,218,079	13,722,519	(2,495,560)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(1,863,102)	(1,794,940)	(34,109)	1,760,831
OTHER FINANCING SOURCES (USES):				
Sales of capital assets	8,508	8,508	9,027	519
Transfers in	607,234	621,983	387,054	(234,929)
Transfers out	(700,446)	(726,316)	(708,000)	18,316
Appropriation for contingencies		(14,179)		14,179
Changes in reserves and designations	319,162	276,300	318,955	42,655
OTHER FINANCING SOURCES (USES) - NET	234,458	166,296	7,036	(159,260)
NET CHANGE IN FUND BALANCE	(1,628,644)	(1,628,644)	(27,073)	1,601,571
FUND BALANCE, JULY 1, 2010 (Note 15)	1,628,644	1,628,644	1,628,644	
FUND BALANCE, JUNE 30, 2011 (Note 15)	$		1,601,571	1,601,571

The notes to the basic financial statements are an integral part of this statement.

COUNTY OF LOS ANGELES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
FIRE PROTECTION DISTRICT
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	FIRE PROTECTION DISTRICT			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Taxes	$ 607,303	616,856	616,606	(250)
Licenses, permits and franchises	7,765	7,765	12,705	4,940
Fines, forfeitures and penalties	5,849	5,849	5,807	(42)
Revenue from use of money and property:				
Investment income	900	900	1,483	583
Rents and concessions	81	81	112	31
Intergovernmental revenues:				
Federal	15,086	18,153	11,574	(6,579)
State	11,795	11,795	12,146	351
Other	32,716	32,716	30,029	(2,687)
Charges for services	177,834	177,834	168,000	(9,834)
Miscellaneous	414	424	648	224
TOTAL REVENUES	859,743	872,373	859,110	(13,263)
EXPENDITURES:				
Current-Public protection:				
Salaries and employee benefits	766,933	767,415	738,165	(29,250)
Services and supplies	131,159	141,786	96,629	(45,157)
Other charges	6,798	6,898	4,738	(2,160)
Capital assets	16,013	17,881	11,567	(6,314)
TOTAL EXPENDITURES	920,903	933,980	851,099	(82,881)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(61,160)	(61,607)	8,011	69,618
OTHER FINANCING SOURCES (USES):				
Sales of capital assets	104	104	297	193
Transfers out	(2,438)	(2,438)	(2,438)	
Appropriation for contingencies		(9,553)		9,553
Changes in reserves and designations	(30,325)	(20,325)	(18,349)	1,976
OTHER FINANCING SOURCES (USES) - NET	(32,659)	(32,212)	(20,490)	11,722
NET CHANGE IN FUND BALANCE	(93,819)	(93,819)	(12,479)	81,340
FUND BALANCE, JULY 1, 2010 (Note 15)	93,819	93,819	93,819	
FUND BALANCE, JUNE 30, 2011 (Note 15)	$		81,340	81,340

The notes to the basic financial statements are an integral part of this statement.

COUNTY OF LOS ANGELES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
FLOOD CONTROL DISTRICT
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	FLOOD CONTROL DISTRICT			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Taxes	$ 98,200	98,200	96,828	(1,372)
Licenses, permits and franchises	630	630	595	(35)
Fines, forfeitures and penalties	1,500	1,500	1,824	324
Revenue from use of money and property:				
Investment income	3,001	3,001	1,824	(1,177)
Rents and concessions	7,275	7,275	6,377	(898)
Royalties	400	400	798	398
Intergovernmental revenues:				
Federal			3,642	3,642
State	841	841	2,126	1,285
Other	5,648	5,648	6,366	718
Charges for services	111,384	111,384	113,943	2,559
Miscellaneous	1,435	1,435	2,594	1,159
TOTAL REVENUES	230,314	230,314	236,917	6,603
EXPENDITURES:				
Current-Public protection:				
Services and supplies	173,739	179,406	175,553	(3,853)
Other charges	19,942	19,942	19,639	(303)
Capital assets	52,865	26,422	21,259	(5,163)
Capital outlay	5	781	779	(2)
TOTAL EXPENDITURES	246,551	226,551	217,230	(9,321)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(16,237)	3,763	19,687	15,924
OTHER FINANCING SOURCES (USES):				
Sales of capital assets	300	300	70	(230)
Transfers in	40	40	40	
Transfers out	(2,583)	(2,583)	(1,159)	1,424
Appropriation for contingencies	(618)	(618)		618
Changes in reserves and designations	4,475	(15,525)	(11,305)	4,220
OTHER FINANCING SOURCES (USES) - NET	1,614	(18,386)	(12,354)	6,032
NET CHANGE IN FUND BALANCE	(14,623)	(14,623)	7,333	21,956
FUND BALANCE, JULY 1, 2010 (Note 15)	14,623	14,623	14,623	
FUND BALANCE, JUNE 30, 2011 (Note 15)	$		21,956	21,956

The notes to the basic financial statements are an integral part of this statement.

COUNTY OF LOS ANGELES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
PUBLIC LIBRARY
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	PUBLIC LIBRARY			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Taxes	$ 70,101	71,491	71,541	50
Fines, forfeitures and penalties			752	752
Revenue from use of money and property:				
Investment income	400	400	349	(51)
Rents and concessions	20	20	12	(8)
Intergovernmental revenues:				
Federal	350	350	170	(180)
State	1,879	1,879	2,084	205
Other	1,351	1,351	1,532	181
Charges for services	2,898	2,898	3,310	412
Miscellaneous	1,491	1,491	1,219	(272)
TOTAL REVENUES	78,490	79,880	80,969	1,089
EXPENDITURES:				
Current-Education:				
Salaries and employee benefits	79,769	79,769	73,284	(6,485)
Services and supplies	60,002	55,724	37,047	(18,677)
Other charges	373	3,071	3,047	(24)
Capital assets	726	951	622	(329)
TOTAL EXPENDITURES	140,870	139,515	114,000	(25,515)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(62,380)	(59,635)	(33,031)	26,604
OTHER FINANCING SOURCES (USES):				
Sales of capital assets	1	1	7,587	7,586
Transfers in	50,110	49,440	38,552	(10,888)
Transfers out	(3,433)	(4,533)	(4,303)	230
Appropriation for contingencies	(22)	(1,412)		1,412
Changes in reserves and designations	800	1,215	2,058	843
OTHER FINANCING SOURCES (USES) - NET	47,456	44,711	43,894	(817)
NET CHANGE IN FUND BALANCE	(14,924)	(14,924)	10,863	25,787
FUND BALANCE, JULY 1, 2010 (Note 15)	14,924	14,924	14,924	
FUND BALANCE, JUNE 30, 2011 (Note 15)	$		25,787	25,787

The notes to the basic financial statements are an integral part of this statement.

COUNTY OF LOS ANGELES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
REGIONAL PARK AND OPEN SPACE DISTRICT
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	REGIONAL PARK AND OPEN SPACE DISTRICT			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Fines, forfeitures and penalties	$ 818	818	884	66
Revenue from use of money and property-				
Investment income	5,738	5,738	4,072	(1,666)
Charges for services	81,908	81,908	79,799	(2,109)
TOTAL REVENUES	88,464	88,464	84,755	(3,709)
EXPENDITURES:				
Current-Recreation and cultural services:				
Services and supplies	5,282	5,282	5,118	(164)
Other charges	192,149	192,149	26,156	(165,993)
TOTAL EXPENDITURES	197,431	197,431	31,274	(166,157)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(108,967)	(108,967)	53,481	162,448
OTHER FINANCING SOURCES (USES):				
Transfers in	82,324	82,324	73,768	(8,556)
Transfers out	(117,821)	(117,821)	(109,936)	7,885
Appropriation for contingencies	(14,780)	(14,780)		14,780
Changes in reserves and designations	(5,504)	(5,404)	(3,527)	1,877
OTHER FINANCING SOURCES (USES) - NET	(55,781)	(55,681)	(39,695)	15,986
NET CHANGE IN FUND BALANCE	(164,748)	(164,648)	13,786	178,434
FUND BALANCE, JULY 1, 2010 (Note 15)	165,189	165,189	165,189	
FUND BALANCE, JUNE 30, 2011 (Note 15)	$ 441	541	178,975	178,434

The notes to the basic financial statements are an integral part of this statement.

COUNTY OF LOS ANGELES
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011 (in thousands)

	BUSINESS-TYPE ACTIVITIES -				
	Harbor UCLA Medical Center	Olive View UCLA Medical Center	LAC+USC Medical Center	Martin Luther King Jr. Ambulatory Care Center	Rancho Los Amigos National Rehab Center
ASSETS					
Current assets:					
Pooled cash and investments: (Notes 1 and 5)					
Operating (Note 1)	$ 959	566	7,156		239
Other (Note 1)	10,728	9,078	14,199		1,906
Total pooled cash and investments	11,687	9,644	21,355		2,145
Other investments (Note 5)					
Taxes receivable					
Accounts receivable - net (Note 13)	347,319	200,477	441,951		111,523
Interest receivable	184	13	162		3
Other receivables	14,001	13,207	22,273		3,978
Due from other funds (Note 14)	81,554	37,741	119,589		21,317
Advances to other funds (Note 14)					
Inventories	4,230	3,905	7,213		1,259
Total current assets	458,975	264,987	612,543		140,225
Noncurrent assets:					
Restricted assets (Note 5)	249,047	11,126	43,786		844
Other receivables (Note 13 and 14)	51,744	58,616	60,680		23,487
Capital assets: (Notes 6 and 9)					
Land and easements	3,276	15,171	18,183		217
Buildings and improvements	272,319	152,939	1,078,864		187,179
Equipment	101,169	39,674	153,574		15,195
Intangible - software	15,352	13,878	18,158		5,085
Infrastructure					
Construction in progress	143,583	76,015	782		8,609
Less accumulated depreciation	(236,561)	(115,214)	(277,281)		(108,642)
Total capital assets - net	299,138	182,463	992,280		107,643
Total noncurrent assets	599,929	252,205	1,096,746		131,974
TOTAL ASSETS	1,058,904	517,192	1,709,289		272,199
LIABILITIES					
Current liabilities:					
Accounts payable	20,958	11,070	30,120		3,851
Accrued payroll	21,467	12,911	30,249		5,786
Other payables	4,277	1,985	3,600		1,082
Accrued interest payable	17,031	3,280	65		168
Due to other funds (Note 14)	51,061	26,804	58,980		14,919
Advances from other funds (Note 14)	338,853	228,934	388,680		104,059
Advances payable			222		
Unearned revenue			39		
Current portion of long-term liabilities (Note 10)	39,334	16,714	125,507		15,792
Total current liabilities	492,981	301,698	637,462		145,657
Noncurrent liabilities:					
Accrued vacation and sick leave (Note 10)	43,171	22,579	52,725		10,184
Bonds and notes payable (Note 10)	422,137	76,855	8,483		20,825
Capital lease obligations (Notes 9 and 10)					
Workers' compensation (Notes 10 and 17)	76,634	22,830	114,228		21,049
Litigation and self-insurance (Notes 10 and 17)	25,808	1,063	45,581		566
OPEB obligation (Notes 8 and 10)	250,302	168,136	383,794		79,366
Third party payor liability (Notes 10 and 13)	52,229	28,668	126,521		25,418
Total noncurrent liabilities	870,281	320,131	731,332		157,408
TOTAL LIABILITIES	1,363,262	621,829	1,368,794		303,065
NET ASSETS					
Invested in capital assets, net of related debt (Notes 6 and 10)	114,198	109,898	893,453		81,318
Restricted:					
Debt service		1,323	43,721		
Public ways and facilities					
Community development commission					
Unrestricted (deficit)	(418,556)	(215,858)	(596,679)		(112,184)
TOTAL NET ASSETS (DEFICIT) (Note 3)	$ (304,358)	(104,637)	340,495		(30,866)

The notes to the basic financial statements are an integral part of this statement.

ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES	
Waterworks Funds	Nonmajor Enterprise Funds	Total	Internal Service Funds	
				ASSETS
				Current assets:
				Pooled cash and investments: (Notes 1 and 5)
$ 44,195	7,394	$ 60,509	$ 27,843	Operating (Note 1)
419	4	36,334	4,611	Other (Note 1)
44,614	7,398	96,843	32,454	Total pooled cash and investments
	61,794	61,794	8,655	Other investments (Note 5)
965		965		Taxes receivable
10,405	8,219	1,119,894		Accounts receivable - net (Note 13)
141	23	526	148	Interest receivable
347		53,806	9,157	Other receivables
718	1	260,920	77,655	Due from other funds (Note 14)
1,308		1,308		Advances to other funds (Note 14)
3		16,610	10,025	Inventories
58,501	77,435	1,612,666	138,094	Total current assets
				Noncurrent assets:
		304,803	19,831	Restricted assets (Note 5)
		194,527		Other receivables (Note 13 and 14)
				Capital assets: (Notes 6 and 9)
11,273	206,027	254,147		Land and easements
119,091	172,670	1,983,062	1,734	Buildings and improvements
675	3,431	313,718	269,828	Equipment
1,345		53,818		Intangible - software
1,152,300	43,495	1,195,795		Infrastructure
40,655	14,553	284,197		Construction in progress
(524,196)	(183,151)	(1,445,045)	(127,953)	Less accumulated depreciation
801,143	257,025	2,639,692	143,609	Total capital assets - net
801,143	257,025	3,139,022	163,440	Total noncurrent assets
859,644	334,460	4,751,688	301,534	TOTAL ASSETS
				LIABILITIES
				Current liabilities:
3,256	4,689	73,944	11,632	Accounts payable
		70,413	14,241	Accrued payroll
	1,829	12,773	1,948	Other payables
		20,544	238	Accrued interest payable
5,433	1,749	158,946	20,350	Due to other funds (Note 14)
	3,500	1,064,026	22,000	Advances from other funds (Note 14)
		222		Advances payable
507	257	803	54	Unearned revenue
22	399	197,768	30,308	Current portion of long-term liabilities (Note 10)
9,218	12,423	1,599,439	100,771	Total current liabilities
				Noncurrent liabilities:
	133	128,792	38,957	Accrued vacation and sick leave (Note 10)
24	46,696	575,020	66,240	Bonds and notes payable (Note 10)
			124	Capital lease obligations (Notes 9 and 10)
		234,741	35,108	Workers' compensation (Notes 10 and 17)
		73,018	2,291	Litigation and self-insurance (Notes 10 and 17)
		881,598	192,466	OPEB obligation (Notes 8 and 10)
		232,836		Third party payor liability (Notes 10 and 13)
24	46,829	2,126,005	335,186	Total noncurrent liabilities
9,242	59,252	3,725,444	435,957	TOTAL LIABILITIES
				NET ASSETS
801,097	240,873	2,240,837	75,129	Invested in capital assets, net of related debt (Notes 6 and 10)
				Restricted:
	13,911	58,955	503	Debt service
49,305		49,305		Public ways and facilities
	13,885	13,885	2,837	Community development commission
	6,539	(1,336,738)	(212,892)	Unrestricted (deficit)
$ 850,402	275,208	1,026,244	$ (134,423)	TOTAL NET ASSETS (DEFICIT) (Note 3)
		1,606		Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds
		$ 1,027,850		NET ASSETS OF BUSINESS-TYPE ACTIVITIES (PAGE 23)

COUNTY OF LOS ANGELES
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	BUSINESS-TYPE ACTIVITIES -				
	Harbor UCLA Medical Center	Olive View UCLA Medical Center	LAC+USC Medical Center	Martin Luther King Jr. Ambulatory Care Center	Rancho Los Amigos National Rehab Center
OPERATING REVENUES:					
Net patient service revenues (Note 13)	$ 549,342	409,671	971,546	96,945	182,434
Rentals					
Charges for services					
Other (Note 13)	76,007	41,641	199,757	75,351	30,851
TOTAL OPERATING REVENUES	625,349	451,312	1,171,303	172,296	213,285
OPERATING EXPENSES:					
Salaries and employee benefits	461,958	346,778	806,525	115,447	159,751
Services and supplies	116,712	57,730	220,068	29,740	26,732
Other professional services	132,796	122,448	322,479	65,098	37,086
Depreciation and amortization (Note 6)	4,170	5,683	26,852	4,176	3,119
Medical malpractice	4,219	1,917		210	2,926
Rent	5,629	3,932	6,318	996	1,802
TOTAL OPERATING EXPENSES	725,484	538,488	1,382,242	215,667	231,416
OPERATING LOSS	(100,135)	(87,176)	(210,939)	(43,371)	(18,131)
NONOPERATING REVENUES (EXPENSES):					
Taxes					
Interest income	376	190	936	116	36
Interest expense	(22,757)	(6,991)	(7,765)	(3,469)	(3,494)
Intergovernmental transfers expense (Note 13)	(102,398)	(62,237)	(210,911)		(27,219)
Intergovernmental revenues:					
State					
Federal					
Other					
TOTAL NONOPERATING REVENUES (EXPENSES)	(124,779)	(69,038)	(217,740)	(3,353)	(30,677)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(224,914)	(156,214)	(428,679)	(46,724)	(48,808)
Capital contributions	1,723	781			60
Transfers in (Note 14)	221,348	157,933	411,815	109,353	55,661
Transfers out (Note 14)	(62,255)	(31,726)			(6,220)
CHANGE IN NET ASSETS	(64,098)	(29,226)	(16,864)	62,629	693
TOTAL NET ASSETS (DEFICIT), JULY 1, 2010	(240,260)	(75,411)	357,359	(62,629)	(31,559)
TOTAL NET ASSETS (DEFICIT), JUNE 30, 2011	$ (304,358)	(104,637)	340,495		(30,866)

The notes to the basic financial statements are an integral part of this statement.

ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES	
Waterworks Funds	Nonmajor Enterprise Funds	Total	Internal Service Funds	
				OPERATING REVENUES:
$		$ 2,209,938	$	Net patient service revenues (Note 13)
	14,302	14,302	27,933	Rentals
57,747	380	58,127	443,077	Charges for services
118	822	424,547		Other (Note 13)
57,865	15,504	2,706,914	471,010	TOTAL OPERATING REVENUES
				OPERATING EXPENSES:
		1,890,459	387,208	Salaries and employee benefits
58,450	285,494	794,926	53,068	Services and supplies
2,693	620	683,220	32,709	Other professional services
22,443	2,536	68,979	33,315	Depreciation and amortization (Note 6)
		9,272		Medical malpractice
		18,677		Rent
83,586	288,650	3,465,533	506,300	TOTAL OPERATING EXPENSES
(25,721)	(273,146)	(758,619)	(35,290)	OPERATING LOSS
				NONOPERATING REVENUES (EXPENSES):
4,265		4,265		Taxes
411	77	2,142	193	Interest income
(6)	(56)	(44,538)	(2,498)	Interest expense
		(402,765)		Intergovernmental transfers expense (Note 13)
				Intergovernmental revenues:
21	4	25		State
192	285,628	285,820	1,400	Federal
5		5		Other
4,888	285,653	(155,046)	(905)	TOTAL NONOPERATING REVENUES (EXPENSES)
(20,833)	12,507	(913,665)	(36,195)	INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS
	437	3,001		Capital contributions
	132	956,242	18,397	Transfers in (Note 14)
(144)		(100,345)	(3,456)	Transfers out (Note 14)
(20,977)	13,076	(54,767)	(21,254)	CHANGE IN NET ASSETS
871,379	262,132		(113,169)	TOTAL NET ASSETS (DEFICIT), JULY 1, 2010
$ 850,402	275,208		$ (134,423)	TOTAL NET ASSETS (DEFICIT), JUNE 30, 2011
		(690)		Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds
		$ (55,457)		CHANGE IN NET ASSETS OF BUSINESS-TYPE ACTIVITIES (PAGE 25)

COUNTY OF LOS ANGELES
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	BUSINESS-TYPE ACTIVITIES -				
	Harbor UCLA Medical Center	Olive View UCLA Medical Center	LAC+USC Medical Center	Martin Luther King Jr. Ambulatory Care Center	Rancho Los Amigos National Rehab Center
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from patient services	$ 520,873	363,087	970,513	62,641	179,643
Rentals received					
Cash received from charges for services					
Other operating revenues	76,019	41,643	199,763	75,353	30,856
Cash received for services provided to other funds	7,544	10,052	22,990	7,475	788
Cash paid for salaries and employee benefits	(419,593)	(309,391)	(743,934)	(114,130)	(145,549)
Cash paid for services and supplies	(86,635)	(76,241)	(229,755)	(12,038)	(22,431)
Other operating expenses	(147,654)	(127,786)	(331,880)	(66,712)	(41,253)
Cash paid for services from other funds	(31,154)	(25,586)	(69,499)	(19,238)	(11,518)
Net cash provided by (required for) operating activities	(80,600)	(124,222)	(181,802)	(66,649)	(9,464)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Cash advances received from other funds	383,044	291,204	772,144	146,868	143,219
Cash advances paid/returned to other funds	(380,252)	(255,500)	(777,385)	(128,762)	(149,899)
Interest paid on pension bonds	(1,069)	(927)	(2,804)	(1,191)	(769)
Interest paid on advances	(1,495)	(1,376)	(3,172)	(596)	(695)
Intergovernmental transfers	(102,398)	(62,237)	(210,911)		(27,219)
Intergovernmental receipts					
Transfers in	221,348	157,933	411,815	58,100	55,661
Transfers out	(11,002)	(31,726)			(6,220)
Net cash provided by noncapital financing activities	108,176	97,371	189,687	74,419	14,078
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from taxes					
Capital contributions					
Proceeds from bonds and notes	393,689	82,368	89,048	7,256	2,919
Interest paid on capital borrowing	(3,530)	(1,408)	(1,923)	(2,010)	(2,377)
Principal payments on bonds and notes	(140,757)	(44,865)	(58,994)	(18,484)	(6,508)
Principal payments on capital leases					
Acquisition and construction of capital assets	(57,370)	(10,128)	(1,851)	(5,472)	(1,558)
Net cash provided by (required for) capital and related financing activities	192,032	25,967	26,280	(18,710)	(7,524)
CASH FLOWS FROM INVESTING ACTIVITIES - Interest income received	201	188	860	116	35
Net increase (decrease) in cash and cash equivalents	219,809	(696)	35,025	(10,824)	(2,875)
Cash and cash equivalents, July 1, 2010	40,925	21,466	30,116	10,824	5,864
Cash and cash equivalents, June 30, 2011	$ 260,734	20,770	65,141		2,989

The notes to the basic financial statements are an integral part of this statement.

ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES	
Waterworks Funds	Nonmajor Enterprise Funds	Total	Internal Service Funds	
				CASH FLOWS FROM OPERATING ACTIVITIES:
$		$ 2,096,757	$	Cash received from patient services
	13,555	13,555	27,679	Rentals received
58,382	4,397	62,779	33,960	Cash received from charges for services
118	822	424,574		Other operating revenues
		48,849	393,983	Cash received for services provided to other funds
	(22,119)	(1,754,716)	(355,956)	Cash paid for salaries and employee benefits
(58,104)	(263,998)	(749,202)	(54,464)	Cash paid for services and supplies
(2,693)	(620)	(718,598)	(32,709)	Other operating expenses
		(156,995)		Cash paid for services from other funds
(2,297)	(267,963)	(732,997)	12,493	Net cash provided by (required for) operating activities
				CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:
	3,500	1,739,979		Cash advances received from other funds
		(1,691,798)		Cash advances paid/returned to other funds
		(6,760)	(1,304)	Interest paid on pension bonds
		(7,334)		Interest paid on advances
		(402,765)		Intergovernmental transfers
218	286,941	287,159	1,400	Intergovernmental receipts
	132	904,989	18,397	Transfers in
(144)		(49,092)	(3,456)	Transfers out
74	290,573	774,378	15,037	Net cash provided by noncapital financing activities
				CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:
4,250		4,250		Proceeds from taxes
	437	437		Capital contributions
	43,716	618,996	62,000	Proceeds from bonds and notes
(6)	(56)	(11,310)	(1,072)	Interest paid on capital borrowing
(21)	(350)	(269,979)	(14,680)	Principal payments on bonds and notes
			(32)	Principal payments on capital leases
(21,873)	(25,577)	(123,829)	(68,924)	Acquisition and construction of capital assets
(17,650)	18,170	218,565	(22,708)	Net cash provided by (required for) capital and related financing activities
467	66	1,933	175	CASH FLOWS FROM INVESTING ACTIVITIES - Interest income received
(19,406)	40,846	261,879	4,997	Net increase (decrease) in cash and cash equivalents
64,020	28,346	201,561	55,943	Cash and cash equivalents, July 1, 2010
$ 44,614	69,192	$ 463,440	$ 60,940	Cash and cash equivalents, June 30, 2011

Continued…

COUNTY OF LOS ANGELES
STATEMENT OF CASH FLOWS - Continued
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	BUSINESS-TYPE ACTIVITIES -				
	Harbor UCLA Medical Center	Olive View UCLA Medical Center	LAC+USC Medical Center	Martin Luther King Jr. Ambulatory Care Center	Rancho Los Amigos National Rehab Center
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (REQUIRED FOR) OPERATING ACTIVITIES:					
Operating loss	$ (100,135)	(87,176)	(210,939)	(43,371)	(18,131)
Adjustments to reconcile operating loss to net cash provided by (required for) operating activities:					
Depreciation and amortization	4,170	5,683	26,852	4,176	3,119
Other revenues (expenses) - net	16,607	(24,665)	(297)	(8,691)	(90)
(Increase) decrease in:					
Accounts receivable - net	(49,842)	(67,879)	(71,608)	(14,194)	(20,172)
Other receivables	243	(1,225)	1,259	77	(58)
Due from other funds	17,925	32,696	40,873	9,084	6,965
Inventories	(1)	(83)	(190)	(217)	(60)
Net pension obligation	2,109	1,829	5,537	2,350	1,518
Increase (decrease) in:					
Accounts payable	(955)	1,663	6,894	(658)	166
Accrued payroll	410	483	377	(23)	87
Other payables	32	84	160	(71)	(10)
Accrued vacation and sick leave	774	342	(647)	(225)	(68)
Due to other funds	(16,716)	(21,010)	(85,587)	8,032	(7,228)
Unearned revenue			(153)		
Pension bonds payable	(14,096)	(12,229)	(37,015)	(15,709)	(10,147)
Workers' compensation liability	(1,353)	(1,190)	(8,905)	(3,279)	(737)
Litigation and self-insurance liability	(5,010)	511	(3,083)	(408)	561
OPEB obligation	56,021	48,068	103,084	16,296	23,559
Third party payor liability	9,217	(124)	51,586	(19,818)	11,262
TOTAL ADJUSTMENTS	19,535	(37,046)	29,137	(23,278)	8,667
NET CASH PROVIDED BY (REQUIRED FOR) OPERATING ACTIVITIES	$ (80,600)	(124,222)	(181,802)	(66,649)	(9,464)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES-					
Assets acquired from capital leases	$				
Capital contributions	1,723	781			60
TOTAL	$ 1,723	781			60
NONCASH NON-CAPITAL FINANCING ACTIVITIES-					
Transfers between MLK Ambulatory Care Center and Harbor-UCLA Medical Center	$ (51,253)			51,253	
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS:					
Pooled cash and investments	$ 11,687	9,644	21,355		2,145
Other investments					
Restricted assets	249,047	11,126	43,786		844
TOTAL	$ 260,734	20,770	65,141		2,989

The notes to the basic financial statements are an integral part of this statement.

ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES	
Waterworks Funds	Nonmajor Enterprise Funds	Total	Internal Service Funds	
				RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (REQUIRED FOR) OPERATING ACTIVITIES:
$ (25,721)	(273,146)	$ (758,619)	$ (35,290)	Operating loss
				Adjustments to reconcile operating loss to net cash provided by (required for) operating activities:
22,443	2,536	68,979	33,315	Depreciation and amortization
30	(50)	(17,156)	(1,222)	Other revenues (expenses) - net
				(Increase) decrease in:
(10,405)	(8,219)	(242,319)		Accounts receivable - net
8,933	11,764	20,993	(1,867)	Other receivables
2,105	4	109,652	(12,766)	Due from other funds
(3)		(554)	61	Inventories
		13,343	2,576	Net pension obligation
				Increase (decrease) in:
(502)	(923)	5,685	(1,208)	Accounts payable
		1,334	336	Accrued payroll
	(260)	(65)	19	Other payables
	(76)	100	120	Accrued vacation and sick leave
821	1,452	(120,236)	(7,423)	Due to other funds
2	(279)	(430)	(415)	Unearned revenue
		(89,196)	(17,210)	Pension bonds payable
		(15,464)	(2,809)	Workers' compensation liability
	(766)	(8,195)	605	Litigation and self-insurance liability
		247,028	55,671	OPEB obligation
		52,123		Third party payor liability
23,424	5,183	25,622	47,783	TOTAL ADJUSTMENTS
$ (2,297)	(267,963)	$ (732,997)	$ 12,493	NET CASH PROVIDED BY (REQUIRED FOR) OPERATING ACTIVITIES
				NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES-
$		$	$ 154	Assets acquired from capital leases
		2,564		Capital contributions
$		$ 2,564	$ 154	TOTAL
				NONCASH NON-CAPITAL FINANCING ACTIVITIES-
$		$	$	Transfers between MLK Ambulatory Care Center and Harbor-UCLA Medical Center
				RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS:
$ 44,614	7,398	$ 96,843	$ 32,454	Pooled cash and investments
	61,794	61,794	8,655	Other investments
		304,803	19,831	Restricted assets
$ 44,614	69,192	$ 463,440	$ 60,940	TOTAL

COUNTY OF LOS ANGELES
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011 (in thousands)

	PENSION TRUST FUND	INVESTMENT TRUST FUNDS	AGENCY FUNDS
ASSETS			
Pooled cash and investments (Note 5)	$ 57,088	$ 16,103,099	$ 1,304,177
Other investments: (Note 5)		67,391	302
Stocks	20,454,549		
Bonds	9,648,959		
Short-term investments	1,355,772		
Commodities	1,004,662		
Real estate	3,316,258		
Mortgages	174,476		
Alternative assets	3,975,579		
Cash collateral on loaned securities	1,693,349		
Taxes receivable			668,952
Interest receivable	134,088	48,507	13,069
Other receivables	914,250		
TOTAL ASSETS	42,729,030	16,218,997	$ 1,986,500
LIABILITIES			
Accounts payable	1,523,681		
Other payables (Note 5)	1,753,338	577,833	
Due to other governments			1,986,500
TOTAL LIABILITIES	3,277,019	577,833	$ 1,986,500
NET ASSETS			
Held in trust for pension benefits and investment trust participants	$ 39,452,011	$ 15,641,164	

The notes to the basic financial statements are an integral part of this statement.

COUNTY OF LOS ANGELES
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	PENSION TRUST FUND	INVESTMENT TRUST FUNDS
ADDITIONS:		
Contributions:		
Pension trust contributions:		
Employer	$ 944,174	$
Member	463,743	
Contributions to investment trust funds		39,728,870
Total contributions	1,407,917	39,728,870
Investment earnings:		
Investment income	1,579,009	107,485
Net increase in the fair value of investments	5,426,883	
Securities lending income (Note 5)	6,468	
Total investment earnings	7,012,360	107,485
Less - Investment expenses:		
Expense from investing activities	79,642	
Expense from securities lending activities (Note 5)	2,360	
Total net investment expense	82,002	
Net investment earnings	6,930,358	107,485
Miscellaneous	591	
TOTAL ADDITIONS	8,338,866	39,836,355
DEDUCTIONS:		
Salaries and employee benefits	37,173	
Services and supplies	13,432	
Benefit payments	2,247,073	
Distributions from investment trust funds		40,422,311
Miscellaneous	23,065	
TOTAL DEDUCTIONS	2,320,743	40,422,311
CHANGE IN NET ASSETS	6,018,123	(585,956)
NET ASSETS HELD IN TRUST, JULY 1, 2010	33,433,888	16,227,120
NET ASSETS HELD IN TRUST, JUNE 30, 2011	$ 39,452,011	$ 15,641,164

The notes to the basic financial statements are an integral part of this statement.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The County of Los Angeles (County), which was established in 1852, is a legal subdivision of the State of California (State) charged with general governmental powers. The County's powers are exercised through an elected five member Board of Supervisors (Board) which, as the governing body of the County, is responsible for the legislative and executive control of the County. As required by the Governmental Accounting Standards Board (GASB), these basic financial statements include both those of the County and its component units. The component units discussed below are included primarily because the Board is financially accountable for them.

Blended Component Units

County management has determined that the following related entities should be included in the basic financial statements as blended component units:

- Fire Protection District
- Flood Control District
- Street Lighting Districts
- Improvement Districts
- Community Development Commission (including the Housing Authority of the County of Los Angeles) (CDC)
- Regional Park and Open Space District
- Garbage Disposal Districts
- Sewer Maintenance Districts
- Waterworks Districts
- Los Angeles County Capital Asset Leasing Corporation (a Non Profit Corporation) (NPC)
- Various Joint Powers Authorities (JPAs)
- Los Angeles County Employees Retirement Association (LACERA)
- Los Angeles County Securitization Corporation (LACSC)

Although they are separate legal entities, the various districts and the CDC are included primarily because the Board is also their governing board. As such, the Board establishes policy, appoints management and exercises budgetary control. The NPC and JPAs have been included because their sole purpose is to finance and construct County capital assets and because they are dependent upon the County for funding. Blended component units are those that, because of the closeness of the relationship with the primary government, should be blended in the basic financial statements as though they are part of the primary government. LACERA is reported in the Pension Trust Fund of the basic financial statements and has been included because its operations are dependent upon County funding and because its operations, almost exclusively, benefit the County.

The LACSC is a California public benefit corporation created by the County Board of Supervisors in January 2006. Three directors, the County’s Auditor-Controller, Treasurer and Tax Collector, and an independent party designated by at least one of the County directors, govern the LACSC. The LACSC purpose is to acquire the County’s rights in relation to future tobacco settlement payments and to facilitate the issuance of long-term bonds secured by the County Tobacco Assets. The LACSC provides service solely to the County and is reported as a blended component unit of the County.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Discretely Presented Component Unit

First 5 LA (First 5), was established by the County as a separate legal entity to administer the County's share of tobacco taxes levied by the State pursuant to Proposition 10. The County's Board established First 5 with nine voting members and four non-voting representatives. Of the nine voting members, one is a member of the Board of Supervisors, two are heads of County Departments (Public Health Services and Mental Health), one is an early childhood education expert, and five are public members appointed by the Board. The non-voting representatives are from other County commissions and planning groups.

First 5 services are focused on the development and well-being of all children, from the prenatal stage until age five. First 5 is a component unit of the County because the County's Board appoints the voting Commissioners and the County has the ability to impose its will by removing those Commissioners at will. It is discretely presented because its governing body is not substantially the same as the County's governing body and it does not provide services entirely or exclusively to the County.

Component Unit Financial Statements

Separate financial statements or additional financial information for each of the component units may be obtained from the Auditor-Controller at 500 West Temple Street, Room 525, Los Angeles, California 90012.

Government-wide Financial Statements

The statement of net assets and statement of activities display information about the primary government, the County, and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities, except for services provided among funds (other than internal service funds). These statements distinguish between the governmental and business-type activities of the County and between the County and its discretely presented component unit. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs. Grants and contributions that are restricted to meeting the operational or capital requirements of a particular program are also recognized as program revenues. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Government-wide Financial Statements-Continued

Net assets are classified into the following three categories: 1) invested in capital assets, net of related debt; 2) restricted and 3) unrestricted. Net assets are reported as restricted when they have external restrictions imposed by creditors, grantors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. At June 30, 2011, the restricted net assets balances were $2.93 billion and $122.22 million for governmental activities and business-type activities, respectively. For governmental activities, $683.25 million was restricted by enabling legislation.

When both restricted and unrestricted net assets are available, restricted resources are used first and then unrestricted resources are used to the extent necessary.

Fund Financial Statements

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

General Fund

The General Fund is available for any authorized purpose and is used to account for and report all financial resources not accounted for and reported in another fund.

Fire Protection District Fund

The Fire Protection District Fund is used to account for fire prevention and suppression, rescue service, management of hazardous materials incidents, ocean lifeguard services, and acquisition and maintenance of District property and equipment. Funding comes primarily from the District's statutory share of the Countywide tax levy, voter-approved taxes and charges for services.

Flood Control District Fund

The Flood Control District Fund is used to account for the control and conservation of flood, storm and other waste waters, to conserve such waters for beneficial and useful purposes, and to protect the harbors, waterways, public highways and property located within the District from damage from such flood and storm waters. Funding comes primarily from the District's statutory share of the Countywide tax levy and benefit assessments (charges for services).

Public Library Fund

The Public Library Fund is used to account for free library services to the unincorporated areas of the County and to cities that contract for these services. Funding comes primarily from the District's statutory share of the Countywide tax levy and voter-approved taxes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Fund Financial Statements-Continued

Regional Park and Open Space District Fund

The Regional Park and Open Space District Fund is used to account for the grant programs designed to preserve beaches, parks, and wild lands, to acquire and renovate new and existing recreational facilities, and to restore rivers, streams, and trails in the County. Funding comes primarily from voter-approved assessments, charges for services and long-term debt proceeds.

The County's major enterprise funds consist of five Hospital Funds and a Waterworks Enterprise Fund. The Hospital Enterprise funds provide health services to County residents. Revenues are principally patient service fees. Subsidies are also received from the General Fund. The Waterworks Enterprise Fund provides water services to County residents. Revenues are derived primarily from the sale of water and water service standby charges. A description of each Enterprise Fund is provided below:

Harbor-UCLA Medical Center

The Harbor-UCLA Medical Center (H/UCLA) provides acute and intensive care unit medical/surgical inpatient and outpatient services, trauma and emergency room services, acute psychiatric services, pediatric and obstetric services, and transplants.

Olive View-UCLA Medical Center

The Olive View-UCLA Medical Center (OV/UCLA) provides acute and intensive care, emergency services, medical/surgical inpatient and outpatient health care services, obstetric and gynecological services, and psychiatric services.

LAC+USC Medical Center

The LAC+USC Medical Center (LAC+USC) provides acute and intensive care unit medical/surgical inpatient and outpatient services, trauma and emergency room services, a burn center, psychiatric services, renal dialysis, AIDS services, pediatric and obstetric services, and communicable disease services.

Martin Luther King, Jr. Ambulatory Care Center

The Martin Luther King, Jr. Multi-Service Ambulatory Care Center (MLK-MACC), formerly known as Martin Luther King, Jr.-Harbor Hospital, provides urgent care services, comprehensive outpatient services, including, primary, specialty and subspecialty services in surgery, medicine, pediatrics, obstetrics, HIV/AIDS, and dental services. At the end of the current fiscal year, the MLK Ambulatory Care Center Enterprise Fund was merged with the Harbor-UCLA Medical Center Enterprise Fund.

Rancho Los Amigos National Rehabilitation Center

The Rancho Los Amigos National Rehabilitation Center (Rancho) specializes in the rehabilitation for victims of spinal cord injuries and strokes, pathokinesiology and polio services, services for liver diseases, pediatrics, ortho diabetes, dentistry, and neuro-science.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Fund Financial Statements-Continued

Waterworks Funds

The Waterworks Enterprise funds are used to account for the administration, maintenance, operation and improvement of district water systems.

The following fund types have also been reported:

Internal Service Funds

The Internal Service Funds are used to account for the financing of services provided by a department or agency to other departments or agencies on a cost-reimbursement basis. The County's principal Internal Service Fund is used to account for the cost of services provided by the Department of Public Works to various other County funds and agencies.

Fiduciary Fund Types

Pension Trust Fund

The Pension Trust Fund is used to account for financial activities of LACERA.

Investment Trust Funds

The Pooled Investment Trust Fund is used to account for net assets of the County's external investment pool.

The Specific Investment Trust Fund is used to account for the net assets of individual investment accounts, in aggregate. The related investment activity occurs separately from the County's investment pool and is provided as a service to external investors.

Agency Funds

The Agency Funds are used primarily to account for assets held by the County in an agency capacity pending transfer or distribution to individuals, private organizations, other governmental entities, and other funds. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. These funds (including Clearing and Revolving Funds, Deposit Funds, Other Agency Funds, State and City Revenue Funds, and Tax Collection Funds) account for assets held by the County in an agency capacity for individuals or other government units.

Basis of Accounting

The government-wide, proprietary, pension and investment trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants and similar items are recognized in the fiscal year in which all eligibility requirements have been satisfied.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Basis of Accounting-Continued

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers revenues to be available if collectible within one year after year-end, except for property taxes, which are considered available to the extent that they are collectible within 60 days after year-end. When property taxes are measurable but not available, the collectible portion (taxes levied less estimated uncollectibles) are recorded as deferred revenue in the period when an enforceable legal claim to the assets arises or when the resources are received, whichever occurs first. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims (including workers' compensation) and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and capital leases are reported as other financing sources.

For the governmental funds financial statements, revenues are recorded when they are susceptible to accrual. Specifically, property and sales taxes, investment income, and charges for services and other miscellaneous revenue are all considered to be susceptible to accrual and have been recognized as revenue in the current fiscal period. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met and are recorded at the time of receipt or earlier, if the susceptible to accrual criteria are met. All other revenues are not considered susceptible to accrual and are recognized when received.

Proprietary 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 a proprietary fund's principal ongoing operations. The principal operating revenues of the County's five Hospital Enterprise Funds (Hospitals) are from patient services. The principal operating revenues for the Waterworks Enterprise Funds are from charges for services. The principal operating revenues for the County's Nonmajor Enterprise Funds and Internal Service Funds are charges for services and rental revenues. Operating expenses for all Enterprise Funds and the Internal Service Funds include the cost of sales and services, administrative expenses and depreciation on capital assets. Medical malpractice expenses, which are self-insured, are classified as operating expenses of the Hospitals. All other revenues and expenses not meeting this definition are reported as nonoperating items. As discussed in Note 13, intergovernmental transfer payments are recorded in the Hospitals and this item is classified as a nonoperating expense.

Agency funds do not have a measurement focus because they report only assets and liabilities. They do however, use the accrual basis of accounting to recognize receivables and payables.

The County applies all applicable Financial Accounting Standards Board (FASB) statements and pronouncements of all predecessor entities issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in accounting and reporting for government-wide and proprietary fund financial statements. FASB statements issued after November 30, 1989, have not been applied unless specifically adopted in a GASB statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Budgetary Data

In accordance with the provisions of Sections 29000-29144 of the Government Code of the State of California (Government Code), commonly known as the County Budget Act, the County prepares and adopts a budget on or before October 2 for each fiscal year. Budgets are adopted for the major governmental funds and certain nonmajor governmental funds on a basis of accounting which is different from generally accepted accounting principles (GAAP). Annual budgets were not adopted for the JPAs, Public Buildings and the LACSC debt service funds, the capital project funds and the permanent funds.

The County budget is organized by budget unit and by expenditure object. Budget units are established at the discretion of the Board of Supervisors. Within the General Fund (with certain exceptions), budget units are generally defined as individual departments. For other funds, each individual fund constitutes a budget unit. Expenditures are controlled on the object level for all budget units within the County, except for capital asset expenditures, which are controlled on the sub-object level. The total budget exceeds $25 billion and is currently controlled through the use of approximately 400 separate budget units. There were no excesses of expenditures over the related appropriations within any fund for the year ended June 30, 2011. The County prepares a separate budgetary document, the County Budget, which demonstrates legal compliance with budgetary control.

Transfers of appropriations between budget units must be approved by the Board. Supplemental appropriations financed by unanticipated revenue during the year must also be approved by the Board. Transfers of appropriations between objects of expenditure within the same budget unit must be approved by the Board or the Chief Executive Office, depending upon the amount transferred. The original and final budget amounts are reported in the accompanying basic financial statements. Any excess of budgetary expenditures and other financing uses over revenues and other financing sources is financed by beginning available fund balances as provided for in the County Budget Act.

Note 15 describes the differences between the budgetary basis of accounting and GAAP. A reconciling schedule is also presented for the major governmental funds.

Property Taxes

All jurisdictions within California derive their taxing authority from the State Constitution and various legislative provisions contained in the Government Code and Revenue and Taxation Code. Property is assessed at 100% of full cash or market value (with some exceptions) pursuant to Article XIIIA of the California State Constitution and statutory provisions by the County Assessor and State Board of Equalization. The total 2010-2011 assessed valuation of the County of Los Angeles approximated $1.055 trillion.

The property tax levy to support general operations of the various jurisdictions is limited to one percent (1%) of full cash value and is distributed in accordance with statutory formulae. Amounts needed to finance the annual requirements of voter-approved debt are excluded from this limitation and are separately calculated and levied each fiscal year. The rates are formally adopted by either the Board or the city councils and, in some instances, the governing board of a special district.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Property Taxes-Continued

The County is divided into 11,769 tax rate areas, which are unique combinations of various jurisdictions servicing a specific geographic area. The rates levied within each tax rate area vary only in relation to levies assessed as a result of voter-approved taxes or indebtedness.

Property taxes are levied on both real and personal property. Secured property taxes are levied during September of each year. They become a lien on real property on January 1 preceding the fiscal year for which taxes are levied. These tax payments can be made in two equal installments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Secured property taxes, which are delinquent and unpaid as of June 30, are declared to be tax defaulted and are subject to redemption penalties, costs, and interest when paid. If the delinquent taxes are not paid at the end of five (5) years, the property may be sold at public auction. The proceeds are used to pay the delinquent amounts due, and any excess is remitted, if claimed, to the taxpayer. Additional tax liens are created when there is a change in ownership of property or upon completion of new construction. Tax bills for these new tax liens are issued throughout the fiscal year and contain various payment and delinquent dates but are generally due within one year. If the new tax liens are lower, the taxpayer receives a tax refund rather than a tax bill. Unsecured personal property taxes are not a lien against real property. These taxes are due on August 1 and become delinquent, if unpaid, on August 31.

Deposits and Investments

In accordance with GASB Statements No. 25, “Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans” and No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the accompanying basic financial statements reflect the fair value of investments. Specific disclosures related to GASB 31 appear in Note 5.

Deposits and investments are reflected in the following asset accounts:

Pooled Cash and Investments

As provided for by the Government Code, the cash balances of substantially all funds are pooled and invested by the County Treasurer for the purpose of increasing interest earnings through investment activities. Interest earned on pooled investments is deposited to participating funds based upon each fund's average daily deposit balance during the allocation period. Each respective fund's share of the total pooled cash and investments is included among asset balances under the caption "Pooled Cash and Investments."

Pooled Cash and Investments are identified within the following categories for all County operating funds:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Deposits and Investments-Continued

Operating Pooled Cash and Investments

This account represents amounts reflected in the County's day-to-day financial records. Such amounts are utilized to determine the availability of cash for purposes of disbursing and borrowing funds.

Other Pooled Cash and Investments

This account represents amounts identified in various agency funds as of June 30, 2011 that were owed to or were more appropriately classified in County operating funds. Accordingly, certain cash balances have been reclassified from the agency funds as required by GASB Statement No. 34.

Other Investments

"Other Investments" represent Pension Trust Fund investments, investments of the CDC, various JPAs, NPCs and Public Buildings (bond financed capital assets), and amounts on deposit with the County Treasurer, which are invested separately as provided by the Government Code or by specific instructions from the depositing entity.

Restricted Assets

Enterprise Funds' restricted assets represent cash and investments of certain JPAs and Public Buildings projects restricted in accordance with the provisions of the certificates of participation issued. The Internal Service Funds' restricted assets represent cash and investments restricted for debt service in accordance with the provisions of the LAC-CAL bond indenture. All of the above noted assets are included in the various disclosures in Note 5. These restricted assets are presented as noncurrent assets and are generally associated with long-term bonds payable.

Inventories

Inventories, which consist of materials and supplies held for consumption, are valued at cost using the average cost basis. The inventory costs of the governmental funds are accounted for as expenditures when the inventory items are consumed. Reported inventories are categorized as nonspendable fund balance as required by GASB 54 because these amounts are not available for appropriation and expenditure.

Of the amounts reported as inventories in the governmental activities, $32,926,000 represents land held for resale by the CDC. The CDC records land held for resale at the lower of cost or estimated net realizable value.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Capital Assets

Capital assets, which include land and easements, buildings and improvements, equipment, intangible and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure assets are divided into the five following networks: road; water; sewer; flood control and aviation. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair value at the date of donation. Certain buildings and equipment are being leased under capital leases as defined in FASB Statement No. 13. The present value of the minimum lease obligation has been capitalized in the statement of net assets and is also reflected as a liability in that statement.

Capital outlay is recorded as expenditures in the fund financial statements and as assets in the government-wide financial statements to the extent the County's capitalization threshold is met. Interest incurred during the construction phase of the capital assets of business-type activities is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

The County's capitalization thresholds are $5,000 for equipment, $100,000 for buildings and improvements, $1 million for software intangible assets, $100,000 for non-software intangible assets, and $25,000 for infrastructure assets. Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities, or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and the related accumulated depreciation or amortization, as applicable, are removed from the respective accounts and any resulting gain or loss is included in the results of operations. Specific disclosures related to capital assets appear in Note 6. Amortization for software and other intangible assets is included in the reporting of depreciation.

Capital assets are depreciated or amortized using the straight-line method over the following estimated useful lives:

Buildings and Improvements	10 to 50 years
Equipment	2 to 35 years
Software	5 to 25 years
Infrastructure	15 to 100 years

Works of art and historical treasures held for public exhibition, education, or research in furtherance of public service, rather than financial gain, are not capitalized. These items are protected, encumbered, conserved, and preserved by the County. It is the County's policy to utilize proceeds from the sale of these items for the acquisition of other items for collection and display.

Advances Payable

The County uses certain agency funds as clearing accounts for the distribution of financial resources to other County funds. Pursuant to GASB 34, for external financial reporting purposes, the portions of the clearing account balances that pertain to other County funds should be reported as cash of the appropriate funds. The corresponding liability is included in "Advances Payable."

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Vacation and Sick Leave Benefits

Vacation pay benefits accrue to employees ranging from 10 to 20 days per year depending on years of service and the benefit plan. Sick leave benefits accrue at the rate of 10 to 12 days per year for union represented employees depending on years of service. Non-represented employees accrue at a rate of up to 8 days per year depending on the benefit plan. All benefits are payable upon termination, if unused, within limits and rates as specified in the County Salary Ordinance.

Liabilities for accrued vacation and sick leave benefits are accrued in the government-wide financial statements and in the proprietary funds. For the governmental funds, expenditures are recorded when amounts become due and payable (i.e., when employees terminate from service).

Long-term Debt

In the government-wide and proprietary funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the governmental funds financial statements, bond premiums, discounts, and issuance costs, are recognized in the period issued. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. Interest is reported as an expenditure in the period in which the related payment is made. The matured portion of long-term debt (i.e. portion that has come due for payment) is reported as a liability in the fund financial statements of the related fund.

Fund Balances

In the fund financial statements, the governmental funds report the classification of fund balance in accordance with GASB Statement No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions.” The reported fund balances are categorized as nonspendable, restricted, committed, assigned, or unassigned based on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Specific details related to Fund Balances appear in Note 19.

Nonspendable Fund Balance – amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and long-term notes receivable.

Restricted Fund Balance – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted only by changing the condition of the constraint.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Fund Balances-Continued

Committed Fund Balance – amounts that can only be used for the specific purposes determined by a formal action of the County's highest level of decision-making authority, the County's Board. Commitments may be changed or lifted only by the County taking the same formal action that imposed the constraint originally. The underlying action that imposed the limitation needs to occur no later than the close of the fiscal year.

Assigned Fund Balance – amounts intended to be used by the County for specific purposes that are neither restricted nor committed. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose.

Unassigned Fund Balance – the residual classification for the County's General Fund that includes amounts not contained in other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The Board of Supervisors establishes, modifies, or rescinds fund balance commitments and assignments by passage of ordinance or resolution, respectively. This is done through the adoption of the budget and subsequent amendments that occur throughout the fiscal year.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

Cash Flows

For purposes of reporting cash flows, all amounts reported as "Pooled Cash and Investments," "Other Investments", and "Restricted Assets" are considered cash equivalents. Pooled cash and investment amounts represent funds held in the County Treasurer's cash management pool. Other investments and restricted assets are invested in money market mutual funds held by outside trustees. Such amounts are similar in nature to demand deposits (i.e., funds may be deposited and withdrawn at any time without prior notice or penalty).

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Reclassification

Certain prior year balances may have been reclassified in order to conform to current year presentation. These reclassifications have no effect upon reported net assets or fund balances.

2. NEW PRONOUNCEMENTS

As discussed below, the County implemented the following Governmental Accounting Standards Board (GASB) Statements in the 2010-2011 fiscal year:

Government Accounting Standards Board Statement No. 54

For the fiscal year ended June 30, 2011, the County implemented GASB Statement No. 54 (GASB 54), "Fund Balance Reporting and Governmental Fund Type Definitions."

GASB 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied, and it clarifies the existing governmental fund type definitions. It establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. These classifications are described in Notes 1 and 19.

GASB 54 also provides guidance for classifying stabilization amounts on the face of the balance sheet and requires disclosure of certain information about stabilization arrangements in the notes to the financial statements. The definitions of the General Fund, special revenue fund type, capital projects fund type, debt service fund type, and permanent fund type are also clarified by the provisions in this statement. There were no changes in fund types as a result of GASB 54.

Governmental Accounting Standards Board Statement No. 59

GASB Statement No. 59 (GASB 59), "Financial Instruments Omnibus", was implemented by the County for the year ended June 30, 2011. This statement updates and improves existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools. Except for LACERA, GASB 59 did not have an impact to the County's pooled and other investments. The County will apply GASB 59 as appropriate in the future.

LACERA implemented the provisions and disclosure requirements of GASB 59. The Pension Trust Fund excludes allocated insurance contracts and annuities from fair value as they have named beneficiaries. Also, the current practice on deposit and investment risk disclosures was amended to indicate that interest rate risk information should be disclosed only for debt investment pools. GASB 59 did not have an impact to LACERA's Financial Statements. The overall effect on the implementation of GASB 59 for LACERA was to provide additional information in the disclosure of allocated insurance contracts and annuities.

3. NET ASSET DEFICITS

The following funds had net asset deficits at June 30, 2011 (in thousands):

	Accumulated Deficit
Enterprise Funds:	
Harbor-UCLA Medical Center	$ 304,358
Olive View-UCLA Medical Center	104,637
Rancho Los Amigos National Rehab Center	30,866
Internal Service Fund-	
Public Works	147,083

3. NET ASSET DEFICITS-Continued

The Enterprise and Internal Service Funds' deficits result primarily from the recognition of certain liabilities including accrued vacation and sick leave, Other Postemployment Benefits (OPEB) obligation, workers' compensation, self-insurance and, for the enterprise funds, medical malpractice and third party payor liabilities, as required by GAAP. Deficits are expected to continue until such liabilities are retired through user charges or otherwise funded.

4. ELIMINATIONS

The Regional Park and Open Space District (RPOSD), a blended component unit, is authorized to issue assessment bonds to acquire and improve recreational land and facilities. These bonds are secured by voter-approved property tax assessments. The RPOSD executed a financing agreement with the Public Works Financing Authority, another blended component unit referred to in the basic financial statements as "Joint Powers Authorities" (JPAs). Under the terms of the agreement, the RPOSD sold $510,185,000 of bonds in 1997 that were acquired as an investment by the JPAs. The JPAs financed this investment from proceeds of a simultaneous issuance of an equivalent amount of bonds as a public offering. The structure of the publicly offered JPA bonds was designed to match the RPOSD's bonds relative to principal and interest maturities and interest rates. This series of transactions was conducted to facilitate the issuance of RPOSD related bonds and to minimize the County's overall interest cost. Pursuant to the financing agreement with the JPAs, the RPOSD has pledged all available tax assessments necessary to ensure the timely payment of principal and interest on the bonds issued by the JPAs. The 1997 bonds were partially refunded in 2004-2005 and the remaining 1997 bonds were fully refunded in 2007-2008. The transactions between the two component units have been accounted for as follows:

Fund Financial Statements

At June 30, 2011, the governmental fund financial statements reflect an investment asset (referred to as "Other Investments") held by the JPAs of $197,285,000 that has been recorded in the Nonmajor Governmental Funds. The governmental fund financial statements do not reflect a liability for the related bonds payable ($197,285,000), as this obligation is not currently due. Accordingly, the value of the asset represents additional fund balance in the Nonmajor Governmental Funds.

In order to reflect the economic substance of the transaction described above, an eliminations column has been established in the governmental fund financial statements. The purpose of the column is to remove the duplication of assets, fund balances, revenues and expenditures that resulted from the consolidation of the two component units into the County's overall financial reporting structure.

Government-wide Financial Statements

The government-wide financial statements are designed to minimize the duplicative effects of transactions between funds. Accordingly, the effects of the transaction described above have been eliminated from the amounts presented within governmental activities (as appropriate under the accrual basis of accounting). The specific items eliminated were other investments and bonds payable ($197,285,000) and investment earnings and interest expense ($10,515,000 for each). Accordingly, there are no reconciling differences between the two sets of financial statements (after the effects of eliminations) for this matter.

The bonds payable of $197,285,000, that were publicly issued, are included among the liabilities presented in the Government-wide Financial Statements. Disclosures related to those outstanding bonds appear in Note 10 and are captioned "Assessment Bonds."

5. CASH AND INVESTMENTS

Investments in the County's cash and investment pool, other cash and investments, and Pension Trust Fund investments, are stated at fair value. Aggregate pooled cash and investments and other cash and investments are as follows at June 30, 2011 (in thousands):

			Restricted Assets		
	Pooled Cash and Investments	Other Investments	Pooled Cash and Investments	Other Investments	Total
Governmental Funds	$ 5,175,482	$ 508,367	$	$	$ 5,683,849
Proprietary Funds	129,297	70,449	67,246	257,388	524,380
Fiduciary Funds (excluding Pension Trust Fund)	17,407,276	67,693			17,474,969
Pension Trust Fund	57,088	41,623,604			41,680,692
Component Unit	848,723				848,723
Total	$ 23,617,866	$42,270,113	$ 67,246	$ 257,388	$ 66,212,613

Deposits-Custodial Credit Risk

The custodial credit risk for deposits is the risk that the County will not be able to recover deposits that are in the possession of an outside party. Deposits are exposed to custodial credit risk if they are not insured or not collateralized.

At June 30, 2011, the carrying amount of the County's deposits was $121,622,000 and the balance per various financial institutions was $119,539,000. The County's deposits are not exposed to custodial credit risk since all of its deposits are either covered by federal depository insurance or collateralized with securities held by the County or its agent in the County's name, in accordance with California Government Code Section 53652.

At June 30, 2011, the carrying amount of Pension Trust Fund deposits was $160,223,000. Pension Trust Fund deposits are held in the Fund's custodial bank and, therefore, are not exposed to custodial credit risk since its deposits are eligible for and covered by "pass through insurance" in accordance with applicable law and FDIC rules and regulations.

Investments

State statutes authorize the County to invest pooled funds in certain types of investments including obligations of the United States Treasury, federal, State and local agencies, municipalities, asset-backed securities, mortgaged-backed securities, bankers' acceptances, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, negotiable certificates of deposits, medium-term notes, corporate notes, repurchase agreements, reverse repurchase agreements, floating rate notes, time deposits, shares of beneficial interest of a Joint Powers Authority that invests in authorized securities, shares of beneficial interest issued by diversified management companies known as money market mutual funds (MMF) registered with the Securities and Exchange Commission, State and local agency investment funds, mortgage pass-through securities, and guaranteed investment contracts. The investments are managed by the County Treasurer who reports on a monthly basis to the Board of Supervisors. In addition, Treasury investment activity is subject to an annual investment policy review, compliance oversight, quarterly financial reviews, and annual financial reporting.

5. CASH AND INVESTMENTS-Continued

Investments-Continued

As permitted by the Government Code, the County Treasurer developed, and the Board adopted, an Investment Policy that further defines and restricts the limits within which the County Treasurer may invest. The table below identifies the investment types that are authorized by the County, along with the related concentration of credit limits:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U.S. Treasury Notes, Bills and Bonds	None	None	None
U.S. Agency Securities	None	None	None
Local Agency Obligations	5 years	10%*	10%*
Bankers' Acceptances	180 days	40%	$500 million*
Commercial Paper	270 days	40%	$750 million*
Certificates of Deposit	3 years*	30%	$500 million*
Corporate Medium-Term Notes	3 years*	30%	$500 million*
Repurchase Agreements	30 days*	$1 billion*	$500 million*
Reverse Repurchase Agreements	92 days	$500 million*	$250 million*
Securities Lending Agreements	92 days	20%*	None
Money Market Mutual Funds	NA	15%*	10%
State of California's Local Agency Fund (LAIF)	N/A	$50 million**	None
Asset-Backed Securities	5 years	20%	$500 million*

*Represents restriction in which the County's Investment Policy is more restrictive than the California Government Code.

**The maximum percentage of portfolio is based on the investment limit established by LAIF for each account, not by Pool Policy.

Investments held by the County Treasurer are stated at fair value, except for certain non-negotiable securities that are reported at cost because they are not transferable and have terms that are not affected by changes in market interest rates such as repurchase agreements, money market mutual funds, mortgage trust deeds, Los Angeles County securities, guaranteed investment contracts and investments in the Local Agency Investment Fund. The fair value of pooled investments is determined and provided by the custodian bank based on quoted market prices at month-end. The method used to determine the value of participants' equity withdrawn is based on the book value, which is amortized cost, of the participants' percentage participation at the date of such withdrawals.

At June 30, 2011, the County had open trade commitments with various brokers to purchase investments totaling $1,527,852,000 with settlement dates subsequent to year-end. These investments have been included in Pooled Cash and Investments-Other and corresponding liabilities have been recorded as Other Payables.

The Pension Trust Fund is managed by LACERA. Pension Trust Fund investments are authorized by State Statutes which are referred to as the "County Employees' Retirement Law of 1937." Statutes authorize a "Prudent Expert" guideline as to form and types of investments which may be purchased. Examples of the Fund's investments are obligations of the various agencies of the federal government, corporate and private placement bonds, global bonds, domestic and global stocks, domestic and global convertible debentures and real estate. LACERA's investment policy also allows the limited use of derivatives by certain investment managers. The classes of derivatives that are permitted are futures contracts, currency forward contracts, options, and swaps.

5. CASH AND INVESTMENTS-Continued

Investments-Continued

The interest rate risk, foreign currency risk, credit risk, concentration of credit risk, and custodial credit risk related to Pension Trust Fund investments are different than the corresponding risk on investments held by the County Treasurer. Detailed deposit and investment risk disclosures are included in Note G and Note I of LACERA's Report on Audited Financial Statements for the year ended June 30, 2011.

The School Districts and the Superior Court are required by legal provisions to participate in the County's investment pool. Eighty-four percent (84%) of the Treasurer's external investment pool consists of these involuntary participants. Voluntary participants in the County's external investment pool include the Sanitation Districts, Metropolitan Transportation Authority, the South Coast Air Quality Management District and other special districts with independent governing boards. The deposits held for both involuntary and voluntary entities are included in the External Pooled Investment Trust Fund. Certain Specific Purpose Investments (SPI) have been made by the County, as directed by external depositors. This investment activity occurs separately from the County's investment pool and is reported in the Specific Investment Trust Fund. The pool is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it an SEC Rule 2a7-like pool. California Government Code statutes and the County Board of Supervisors set forth the various investment policies that the County Treasurer must follow.

County pooled and other investments (excluding Pension Trust Fund other investments) at June 30, 2011 (in thousands) are as follows:

	Fair Value
U.S. Agency securities	$ 11,833,261
U.S. Treasury securities	1,738,746
Negotiable certificates of deposit	3,125,165
Commercial paper	6,767,119
Corporate and deposit notes	657,622
Bankers' acceptances	24,997
Municipal bonds	5,165
Los Angeles County securities	77,000
Money market mutual funds	107,492
Local Agency Investment Fund	63,610
Mortgage trust deeds	499
Other	55,786
Cash with Trustee	10,925
Total	$ 24,467,387

Pension Trust Fund investments are reported in the basic financial statements at fair value at June 30, 2011 (in thousands) and are as follows:

	Fair Value
Domestic and international equity	$ 21,987,675
Fixed income	11,179,207
Real estate	3,316,258
Private equity	3,975,579
Commodities	1,004,662
Total	$ 41,463,381

5. CASH AND INVESTMENTS-Continued

Investments-Continued

The Pension Trust Fund also had deposits with the Los Angeles County Treasury Pool at June 30, 2011 totaling $57,088,000. The Pension Trust Fund portfolio contained no concentration of investments in any one organization (other than those issued or guaranteed by the U.S. Government) that represents 5% or more of total investments.

The County has not provided nor obtained any legally binding guarantees during the year ended June 30, 2011 to support the value of shares in the Treasurer's investment pool.

Fair value fluctuates with interest rates, and increasing rates could cause fair value to decline below original cost. County management believes the liquidity in the portfolio is more than adequate to meet cash flow requirements and to preclude the County from having to sell investments below original cost for that purpose.

A summary of deposits and investments held by the Treasurer's Pool is as follows (in thousands):

	Fair Value	Principal	Interest Rate % Range	Maturity Range	Weighted Average Maturity (Years)
U. S. Agency securities	$ 11,788,428	$ 11,787,368	0.25%-7.88%	07/01/11-07/22/16	3.16
U.S. Treasury securities	1,738,336	1,733,068	0.24%-4.75%	09/22/11-06/30/16	0.95
Negotiable certificates of deposit	3,125,165	3,125,110	0.12%-0.80%	07/01/11-04/20/12	0.15
Commercial paper	6,767,119	6,767,414	0.12%-0.25%	07/01/11-08/22/11	0.06
Corporate and deposit notes	647,368	643,881	0.14%-6.38%	07/20/11-01/08/13	0.60
Los Angeles County securities	77,000	77,000	0.51%-0.68%	06/30/12-06/30/13	1.81
Bankers' acceptances	24,997	24,996	0.24%	07/25/11	0.07
Deposits	80,205	80,205			
	$ 24,248,618	$ 24,239,042			

A summary of other (non-pooled) deposits and investments, excluding the Pension Trust Fund, is as follows (in thousands):

	Fair Value	Principal	Interest Rate % Range	Maturity Range	Weighted Average Maturity (Years)
Local Agency Investment Fund	$ 63,610	$ 63,510	0.00% - 12.50%	07/01/11-08/25/37	0.65
Corporate and deposit notes	10,254	10,254		09/21/15-11/09/15	4.29
Mortgage trust deeds	499	499	2.25% - 5.50%	08/01/12-04/01/17	3.44
Municipal bonds	5,165	5,165	5.00%	09/02/21	10.18
U.S. Agency securities	44,833	44,806	0.04% - 2.77%	07/01/11-03/22/16	3.36
U.S. Treasury bonds	107	86	7.25%	05/15/16	4.88
U.S. Treasury notes	1	1	4.88%	07/31/11	0.08
U.S. Treasury bills	302	302	0.10%	12/08/11	0.44
Money market mutual funds	107,492	107,492	0.01% - 0.21%	07/01/11-05/16/12	0.23
Other	55,786	55,786			
Cash with Trustee	10,925	10,925			
Deposits	41,417	41,417			
	$ 340,391	$ 340,243			

5. CASH AND INVESTMENTS-Continued

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County's Investment policy limits most investment maturities to three years, with the exception of commercial paper and bankers' acceptances which are limited to 270 days and 180 days, respectively. In addition, U.S. Treasury Notes, Bills, and Bonds may have maturities beyond five years. The County Treasurer manages equity and mitigates exposure to declines in fair value by generally investing in short-term investments with maturities of six months or less and by holding all investments to maturity. The County's investment guidelines limit the weighted average maturity of its portfolios to a target of less than 1.5 years. Of the Pooled Cash and Investments and Other Investments at June 30, 2011, 52.61% have a maturity of six months or less, 9.39% have a maturity of between six and twelve months, and 38% have a maturity of more than one year.

As of June 30, 2011, variable-rate notes comprised 1.23% of the Treasury Pool and Other Investment portfolios. The notes are tied to one-month and three-month London Interbank Offered Rate (LIBOR) with monthly and quarterly coupon resets. The fair value of variable-rate coupon resets back to the market rate on a periodic basis. Effectively, at each reset date, a variable-rate investment reprices back to par value, eliminating interest rate risk at each periodic reset.

Custodial Credit Risk

Custodial credit risk for investments is the risk that the County will not be able to recover the value of investment securities that are in the possession of an outside party. All securities owned by the County are deposited in trust for safekeeping with a custodial bank different from the County's primary bank, except for Bond Anticipation Notes, certain long-term debt proceeds issued by Los Angeles County entities, investment in the State's Local Agency Investment Fund, and mortgage trust deeds which are held in the County Treasurer's vault. Securities are not held in broker accounts. At June 30, 2011, the County's external investment pools and specific investments did not have any securities exposed to custodial credit risk and there was no securities lending.

Credit Risk and Concentration of Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The County Treasurer mitigates these risks by holding a diversified portfolio of high quality investments.

The County's investment policy establishes minimum acceptable credit ratings for investments from any two Nationally Recognized Statistical Rating Organizations (NRSROs). For an issuer of short-term debt, the rating must be no less than A-1 (S&P) or P-1 (Moody's) while an issuer of long-term debt shall be rated no less than an "A." All investments purchased in the fiscal year met the credit rating criteria in the Investment Policy, at the issuer level. While the NRSROs rated the issuer of the investments purchased, it did not in all instances rate the investment itself (e.g. commercial paper, corporate and deposit notes, and negotiable certificates of deposit). For purposes of reporting credit quality distribution of investments in the following table, some investments are reported as not rated. At June 30, 2011, a portion of the County's other investments was invested in the State of California's Local Agency Investment Fund which is unrated as to credit quality.

5. CASH AND INVESTMENTS-Continued

Credit Risk and Concentration of Credit Risk-Continued

The County's Investment Policy, approved annually by the Board of Supervisors, limits the maximum total par value for each permissible security type (e.g., commercial paper and certificates of deposit) to a certain percentage of the investment pool. Exceptions to this are obligations of the United States government and United States government agencies or government-sponsored enterprises, which do not have limits. Further, the County restricts investments in any one issuer based on the issuer's Nationally Recognized Statistical Rating Organization (NRSRO) ratings. For bankers' acceptances, certificates of deposit, corporate notes and floating rate notes, the highest issuer limit was $500 million, approximately 2.21% of the investment pool's daily investment balance. For commercial paper, the highest issuer limit was $750 million, or 3.32% of the investment pool's daily investment balance.

The Pool and SPI had the following U.S. Agency securities in a single issuer that represent 5 percent or more of total investments at June 30, 2011 (in thousands):

Issuer	Pool
Federal Farm Credit Bank	$ 2,003,437
Federal Home Loan Bank	3,511,507
Federal Home Loan Mortgage Corp	3,006,301
Federal National Mortgage Association	3,259,337

The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of each portfolio's fair value at June 30, 2011:

	S & P	Moody's	% of Portfolio
Pooled Cash and Investments:			
Commercial paper	Not Rated	Not Rated	28.00%
Corporate and deposit notes			
	AA	Aa1	0.35%
	A+	Aa3	0.04%
	AA+	Aa2	0.73%
	AA+	Aa3	0.22%
	AA-	Aa3	0.27%
	Not Rated	Not Rated	1.07%
Bankers' Acceptances	Not Rated	Not Rated	0.10%
Los Angeles County securities	A+	A1	0.32%
Negotiable certificates of deposit	Not Rated	Not Rated	12.93%
U.S. Agency securities	AAA	Aaa	47.33%
	Not Rated	Not Rated	1.45%
U.S. Treasury securities	Not Rated	Aaa	5.25%
	Not Rated	Not Rated	1.94%
			100.00%

5. CASH AND INVESTMENTS-Continued

Credit Risk and Concentration of Credit Risk-Continued

Other Investments:			
Local Agency Investment Fund	Not Rated	Not Rated	21.28%
Corporate and deposit notes	Not Rated	Not Rated	3.43%
Mortgage trust deeds	AA-	Aa2	0.17%
Municipal bonds	AA-	Aa2	1.73%
U.S. Agency securities	AAA	Aaa	4.91%
	AAA	Not Rated	10.07%
	Not Rated	Not Rated	0.01%
U.S. Treasury securities	Not Rated	Aaa	0.01%
	Not Rated	Not Rated	0.13%
Money market mutual funds	AAA	Aaa	9.42%
	Not Rated	Aaa-mf	1.72%
	Not Rated	Not Rated	24.81%
Other	Not Rated	Not Rated	22.31%
			100.00%

The earned yield, which includes net gains on investments sold, on all investments held by the Treasurer's Pool for the fiscal year ended June 30, 2011 was 1.34%.

A separate financial report is issued for the Treasurer's Pool. The most current report, as of June 30, 2010, is available on the Treasurer's website, and the report as of June 30, 2011, is in progress. The following represents a condensed statement of net assets and changes in net assets for the Treasurer's Pool as of June 30, 2011 (in thousands):

Statement of Net Assets	
Net assets held in trust for all pool participants	$ 24,248,618
Equity of internal pool participants	$ 8,675,120
Equity of external pool participants	15,573,498
Total equity	$ 24,248,618
Statement of Changes in Net Assets	
Net assets at July 1, 2010	$ 23,588,130
Net change in investments by pool participants	660,488
Net assets at June 30, 2011	$ 24,248,618

The unrealized gain on investments held in the Treasurer's Pool was $9,576,000 as of June 30, 2011. This amount takes into account all changes in fair value (including purchases, sales and redemptions) that occurred during the year.

Reverse Repurchase Agreements

The California Government Code permits the County Treasurer to enter into reverse repurchase agreements, that is, a sale of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contract rate of interest. The fair value of the securities underlying reverse repurchase agreements normally exceeds the cash received, providing the broker-dealer a margin against a decline in the fair value of the securities. If the broker-dealer defaults on the obligation to resell these securities to the County or provide securities or cash of equal value, the County would suffer an economic loss equal to the difference between the fair value plus accrued interest of the underlying securities and the agreement obligation, including accrued interest.

5. CASH AND INVESTMENTS-Continued

Reverse Repurchase Agreements-Continued

The County's investment guidelines limit the maximum par value of reverse repurchase agreements to $500,000,000 and proceeds from reverse repurchase agreements may only be reinvested in instruments with maturities at or before the maturity of the reverse repurchase agreement. During the fiscal year, the County did not enter into any reverse repurchase agreements.

Floating Rate Notes

The California Government Code permits the County Treasurer to purchase floating rate notes, that is, any instruments that have a coupon interest rate that is adjusted periodically due to changes in a base or benchmark rate. The County's investment guidelines limit the amount of floating rate notes to 10% of the Los Angeles County Treasury Pool portfolio and prohibit the purchase of inverse floating rate notes and hybrid or complex structured investments. As of June 30, 2011, there were approximately $297,000,000 in floating rate notes.

Derivatives

LACERA utilizes forward currency contracts to control currency exposure and facilitate the settlement of international security purchase and sale transactions. Included in net investment income are gains and losses from foreign currency transactions. At June 30, 2011, forward currency contracts receivable and payable totaled $8,858,281,000 and $8,910,819,000, respectively.

LACERA's Investment Policy Statement and Investment Manager Guidelines allow the limited use of other investment derivatives by certain investment managers. Detailed derivative disclosures are included in Note I of LACERA's Report on Audited Financial Statements for the year ended June 30, 2011.

Securities Lending Transactions

LACERA, as the administering agency for the Pension Trust Fund, is authorized to participate in a securities lending program under policies adopted by the LACERA Board of Investments. This program is an investment management activity that mirrors the fundamentals of a loan transaction in which a security is used as collateral. Securities are lent to brokers and dealers (borrowers) and LACERA receives cash as collateral. LACERA pays the borrower interest on the collateral received and invests the collateral with the goal of earning a higher yield than the interest rate paid to the borrower.

LACERA's program is managed by one principal borrower and two agent lenders. Under exclusive borrowing and lending arrangements, securities on loan must be collateralized with a fair value of 102% for U.S. securities, and 105% for international securities, of the borrowed securities. Collateral is marked to market daily. Cash collateral is invested by the agent lenders in short-term, liquid instruments.

Under the terms of the lending agreements, the two agent lenders have agreed to hold LACERA harmless for borrower default from the loss of securities or income, or from any litigation arising from these loans. The principal borrower's agreement entitles LACERA to terminate all loans upon the occurrence of default and purchase a like amount of "replacement securities." Either LACERA or the borrower can terminate all loans on securities on demand.

5. CASH AND INVESTMENTS-Continued

Securities Lending Transactions-Continued

At year-end, LACERA had no credit risk exposure to borrowers because the collateral exceeded the amount borrowed. As of June 30, 2011, there were no violations of legal or contractual provisions. LACERA had no losses on securities lending transactions resulting from the default of a borrower for the year ended June 30, 2011.

As of June 30, 2011, the fair value of securities on loan was $1.66 billion. The value of the cash collateral received for those securities was $1.69 billion and the non-cash collateral was $3.27 million. Securities lending assets (Other Investments) and liabilities (Other Payables) of $1.6 billion are recorded in the Pension Trust Fund. Pension Trust Fund income, net of expenses, from securities lending was $4.1 million for the year ended June 30, 2011.

For the year ended June 30, 2011, the Los Angeles County Treasury Pool did not enter into any securities lending transactions.

Summary of Deposits and Investments

Following is a summary of the carrying amount of deposits and investments at June 30, 2011 (in thousands):

	County	Pension Trust Fund	Total
Deposits	$ 121,622	$ 160,223	$ 281,845
Investments	24,467,387	41,463,381	65,930,768
	$ 24,589,009	$ 41,623,604	$ 66,212,613

6. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2011 is as follows (in thousands):

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
Governmental Activities				
Capital assets, not being depreciated:				
Land	$ 2,402,387	3,334	(2,634)	$ 2,403,087
Easements	4,832,583	30,287	(75)	4,862,795
Software in progress	3,913	21,300	(689)	24,524
Construction in progress-buildings and improvements	140,129	130,808	(59,990)	210,947
Construction in progress-infrastructure	452,620	185,807	(217,139)	421,288
Subtotal	$ 7,831,632	371,536	(280,527)	$ 7,922,641

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

6. CAPITAL ASSETS-Continued

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
Capital assets, being depreciated:				
Buildings and improvements	$ 4,063,464	77,752	(26,052)	$ 4,115,164
Equipment	1,203,138	175,874	(61,312)	1,317,700
Software	381,398	24,501		405,899
Infrastructure	7,234,438	125,213	(27)	7,359,624
Subtotal	12,882,438	403,340	(87,391)	13,198,387
Less accumulated depreciation for:				
Buildings and improvements	(1,382,640)	(73,214)	14,275	(1,441,579)
Equipment	(868,618)	(108,763)	56,865	(920,516)
Software	(123,044)	(32,498)		(155,542)
Infrastructure	(2,887,032)	(152,689)	26	(3,039,695)
Subtotal	(5,261,334)	(367,164)	71,166	(5,557,332)
Total capital assets, being depreciated, net	7,621,104	36,176	(16,225)	7,641,055
Governmental activities capital assets, net	$15,452,736	407,712	(296,752)	$15,563,696
Business-type Activities				
Capital assets, not being depreciated:				
Land	$ 211,383	11,755		$ 223,138
Easements	31,009			31,009
Software in progress	723	2,776	(1,345)	2,154
Construction in progress-buildings and improvements	145,176	91,072	(3,433)	232,815
Construction in progress-infrastructure	57,289	29,456	(37,517)	49,228
Subtotal	445,580	135,059	(42,295)	538,344
Capital assets, being depreciated:				
Buildings and improvements	1,976,338	6,937	(213)	1,983,062
Equipment	328,166	13,084	(3,743)	337,507
Software	52,473	1,345		53,818
Infrastructure	1,162,156	34,278	(639)	1,195,795
Subtotal	3,519,133	55,644	(4,595)	3,570,182
Less accumulated depreciation for:				
Buildings and improvements	(712,076)	(27,178)	192	(739,062)
Equipment	(222,539)	(21,958)	6,121	(238,376)
Software	(5,792)	(3,518)		(9,310)
Infrastructure	(450,001)	(21,402)	385	(471,018)
Subtotal	(1,390,408)	(74,056)	6,698	(1,457,766)
Total capital assets, being depreciated, net	2,128,725	(18,412)	2,103	2,112,416
Business-type activities capital assets, net	$ 2,574,305	116,647	(40,192)	$ 2,650,760
Total Capital Assets, net	$18,027,041	524,359	(336,944)	$18,214,456

6. CAPITAL ASSETS-Continued

Depreciation Expense

Depreciation expense was charged to functions/programs of the primary government as follows (in thousands):

Governmental activities:	
General government	$ 21,615
Public protection	160,421
Public ways and facilities	86,286
Health and sanitation	15,490
Public assistance	32,259
Education	2,732
Recreation and cultural services	20,123
Capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets	28,238
Total depreciation expense, governmental activities	$ 367,164
Business-type activities:	
Hospitals	$ 44,000
Aviation	1,633
Waterworks	22,443
Community Development Commission	903
Capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets	5,077
Total depreciation expense, business-type activities	$ 74,056

The business-type activities included equipment transfers from the County's General Fund to each Hospital Fund. For hospitals, the amount of the transfers exceeded the amount of deletions by $2.9 million which lowered the business-type equipment deletions amount. Capital contributions totaling $2.6 million are shown in the statement of revenues, expenses and changes in fund net assets for each of the Hospital Funds.

The State Trial Court Facilities Act (SB 1732, Chapter 1082 of 2002), as amended by later statutes, authorized the County to enter into agreements with the State of California for the transfer of responsibility for and title to court facilities, as well as for the joint occupancy of those court facilities. Administrative oversight of court operations was transferred from the County to the State in 1998, pursuant to State legislative action at that time. The Trial Court Facilities Act is a continuation of this process. Although the County is required to make ongoing "maintenance of effort" payments to the State for the transferred facilities, the amount is fixed and the County will no longer be responsible for costs which exceed the fixed amount due to inflation and other factors.

In fiscal year 2010-11, the County recorded two courthouse transfers of land, buildings, and improvements to the State, which resulted in a loss on the sale of capital assets used in governmental activities. The loss of $9.3 million is reported as a general government expense in the government-wide statement of activities.

6. CAPITAL ASSETS-Continued

Discretely Presented Component Unit

Capital assets activity for the First 5 LA component unit for the year ended June 30, 2011 was as follows (in thousands):

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
Capital assets, not being depreciated-				
Land	$ 2,039			$ 2,039
Capital assets, being depreciated:				
Buildings and improvements	11,922	99		12,021
Equipment	2,251	195	(47)	2,399
Subtotal	14,173	294	(47)	14,420
Less accumulated depreciation for:				
Buildings and improvements	(1,226)	(240)		(1,466)
Equipment	(1,580)	(346)	47	(1,879)
Subtotal	(2,806)	(586)	47	(3,345)
Total capital assets being depreciated, net	11,367	(292)		11,075
Component unit capital assets, net	$ 13,406	(292)		$ 13,114

7. PENSION PLAN

Plan Description

The County pension plan is administered by the Los Angeles County Employees Retirement Association (LACERA) which was established under the County Employees' Retirement Law of 1937. It provides benefits to employees of the County and the following additional entities that are not part of the County's reporting entity:

Little Lake Cemetery District
Local Agency Formation Commission
Los Angeles County Office of Education
South Coast Air Quality Management District

New employees of the latter two agencies are not eligible for LACERA benefits.

LACERA is technically a cost-sharing, multi-employer defined benefit plan. However, because the non-County entities are immaterial to its operations the disclosures herein are made as if LACERA was a single employer defined benefit plan. LACERA provides retirement, disability, death benefits and cost of living adjustments to eligible members. Benefits are authorized in accordance with the California Constitution, the County Employees' Retirement Law, the bylaws, procedures and policies adopted by LACERA's Boards of Retirement and Investments and Board of Supervisors' resolutions.

7. PENSION PLAN-Continued

Plan Description-Continued

LACERA issues a stand-alone financial report which is available at its offices located at Gateway Plaza, 300 N. Lake Avenue, Pasadena, California 91101-4199.

Funding Policy

LACERA has seven benefit tiers known as A, B, C, D and E, and Safety A and B. All tiers except E are employee contributory. Tier E is employee non-contributory. New general employees are eligible for tiers D or E at their discretion. New safety members are eligible for only Safety B. Rates for the tiers are established in accordance with State law by LACERA's Boards of Retirement and Investments and the County Board of Supervisors.

The following employer rates were in effect for 2010-2011:

July 1, 2010 - September 30, 2010	A	B	C	D	E
General Members	17.28%	10.62%	9.88%	10.48%	10.45%
Safety Members	27.83%	20.35%			

October 1, 2010 - June 30, 2011	A	B	C	D	E
General Members	19.40%	12.74%	12.23%	12.65%	12.67%
Safety Members	29.46%	22.69%			

The rates were determined by the actuarial valuation performed as of June 30, 2009 and June 30, 2010, respectively. The June 30, 2010 actuarial valuation was used to calculate the annual required contribution (ARC).

Employee rates vary by the option and employee entry age from 5% to 15% of their annual covered salary.

During 2010-2011, the County contributed the full amount of the ARC.

Annual Pension Cost and Net Pension Obligation

The County's annual pension cost and net pension obligation for 2010-2011, computed in accordance with GASB 27, were as follows (in thousands):

Annual required contribution (ARC):	
County	$ 944,062
Non-County entities	112
Total ARC	944,174
Interest on net pension obligation (asset)	(4,011)
Adjustment to ARC	55,762
Annual pension cost	995,925
Contributions made:	
County	944,062
Non-County entities	112
Total contributions	944,174
Cost in excess of contributions	51,751
Net pension obligation (asset), July 1, 2010	(51,751)
Net pension obligation (asset), June 30, 2011	$ 0

7. PENSION PLAN-Continued

Annual Pension Cost and Net Pension Obligation-Continued

Trend Information (in thousands)

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
June 30, 2009	$ 890,393	95.1%	$ (103,501)
June 30, 2010	895,453	94.2%	(51,751)
June 30, 2011	995,925	94.8%	0

Funded Status and Funding Progress

As of June 30, 2010, the most recent actuarial valuation date, the funded ratio was determined to be 83.3%. The actuarial value of assets was $38.8 billion, and the actuarial accrued liability (AAL) was $46.6 billion, resulting in an unfunded AAL of $7.8 billion. The covered payroll was $6.7 billion and the ratio of the unfunded AAL to the covered payroll was 116.6%.

The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

The annual required contribution was calculated using the entry age normal method. The most recent actuarial valuation also assumed an annual investment rate of return of 7.75%, and projected salary increases ranging from 4.26% to 10.24%, with both assumptions including a 3.5% inflation factor. Additionally, the valuation assumed post-retirement benefit increases of between 2% and 3%, in accordance with the provisions of the specific benefit options. The actuarial value of assets was determined utilizing a five-year smoothed method based on the difference between the expected market value and the actual market value of assets as of the valuation date. The assumptions remained the same from the last actuarial valuation completed in 2009.

The County contribution rate to finance the unfunded AAL (effective for the 2010-2011 fiscal year, as determined by the June 30, 2010, actuarial valuation) was equal to 6.47% of payroll (using the level percentage of payroll amortization method, over a 30-year closed period) plus the normal cost rate of 9.84%, for a total rate of 16.31% of payroll.

LACERA uses the accrual basis of accounting. Member and employer contributions are recognized in the period in which the contributions are due, and benefits and refunds are recognized when payable in accordance with the terms of each plan.

Pension Obligation Bonds

During 1994-95 the County sold approximately $1,965,230,000 in par value pension bonds and utilized the proceeds to fund LACERA. A portion of the bonds ($1,365,230,000) were fixed rate. The remaining $600,000,000 were variable rate bonds, which were restructured into fixed rate bonds during 1995-96.

7. PENSION PLAN-Continued

Pension Obligation Bonds-Continued

For the year ended June 30, 2011, the combined principal and interest payments for the bonds were $372,130,000. For governmental activities, the total debt service was $276,174,000. For business-type activities, the total debt service was $95,956,000. The Pension Obligation Bonds were fully redeemed on July 30, 2010.

8. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

LACERA administers a cost-sharing, multi-employer defined benefit Other Postemployment Benefit (OPEB) plan on behalf of the County. As indicated in Note 7-Pension Plan, because the non-County entities are immaterial to its operations, the disclosures herein are made as if LACERA was a single employer defined benefit plan.

In April 1982, the County of Los Angeles adopted an ordinance pursuant to Government Code Section 31691 which provided for a health insurance program and death benefits for retired employees and their dependents. In 1994, the County amended the agreements to continue to support LACERA's retiree insurance benefits program regardless of the status of active member insurance.

LACERA issues a stand-alone financial report that includes the required information for the OPEB plan. The report is available at its offices located at Gateway Plaza, 300 North Lake Avenue, Pasadena, California 91101-4199.

Funding Policy

Health care benefits earned by County employees are dependent on the number of completed years of retirement service credited to the retiree by LACERA upon retirement; it does not include reciprocal service in another retirement system. The benefits earned by County employees range from 40% of the benchmark plan cost with ten completed years of service to 100% of the benchmark plan cost with 25 or more completed years of service. In general, each completed year of service after ten years reduces the member's cost by 4%. Service includes all service on which the member's retirement allowance was based.

Health care benefits include medical, dental, vision, Medicare Part B reimbursement and death benefits. In addition to these retiree health care benefits, the County provides long-term disability benefits to employees, and these benefits have been determined to fall within the definition of OPEB, per GASB 45. These long-term disability benefits provide for income replacement if an employee is unable to work because of illness or injury. Specific coverage depends on the employee's employment classification, chosen plan and, in some instances years of service.

A trust fund has not been established for the retiree health benefits or the long-term disability benefits. The County's contribution is on a pay-as-you-go basis. During the 2010-2011 fiscal year, the County made payments to LACERA totaling $375.6 million for retiree health care benefits. Included in this amount was, $35.5 million for Medicare Part B reimbursements and $7.0 million in death benefits. Additionally, $34.9 million was paid by member participants. The County also made payments of $35.3 million for long-term disability benefits.

8. OTHER POSTEMPLOYMENT BENEFITS-Continued

Annual OPEB Cost and Net OPEB Obligation

The County's Annual OPEB cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The OPEB cost and OPEB obligation were determined by the OPEB health care actuarial valuation as of July 1, 2010, and the OPEB long-term disability actuarial valuation as of July 1, 2009. The following table shows the ARC, the amount actually contributed and the net OPEB obligation (in thousands):

	Retiree Health Care	LTD	Total
Annual OPEB required contribution (ARC)	$ 1,853,600	$ 61,460	$1,915,060
Interest on Net OPEB obligation	185,393	4,507	189,900
Adjustment to ARC	(141,506)	(3,005)	(144,511)
Annual OPEB cost (expense)	1,897,487	62,962	1,960,449
Less: Contributions made (pay-as-you-go)	375,587	35,272	410,859
Increase in Net OPEB obligation	1,521,900	27,690	1,549,590
Net OPEB obligation, July 1, 2010	3,707,862	90,139	3,798,001
Net OPEB obligation, June 30, 2011	$ 5,229,762	$ 117,829	$5,347,591

Retiree Health Care Trend Information (in thousands)

Fiscal Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
June 30, 2009	$ 1,567,194	23.3%	$ 2,404,239
June 30, 2010	1,687,657	22.8%	3,707,862
June 30, 2011	1,897,487	19.8%	5,229,762

LTD Trend Information (in thousands)

Fiscal Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
June 30, 2009	$ 61,300	51.9%	$ 61,144
June 30, 2010	62,479	53.6%	90,139
June 30, 2011	62,962	56.0%	117,829

Funded Status and Funding Progress

As of July 1, 2010, the most recent actuarial valuation date for OPEB health care benefits, the funded ratio was 0%. The actuarial value of assets was zero. The actuarial accrued liability (AAL) was $22.9 billion, resulting in an unfunded AAL of $22.9 billion. The covered payroll was $6.7 billion and the ratio of the unfunded AAL to the covered payroll was 342.62%.

8. OTHER POSTEMPLOYMENT BENEFITS-Continued

Funded Status and Funding Progress-Continued

As of July 1, 2011, the most recent actuarial valuation date for OPEB long-term disability benefits, the funded ratio was 0%. The assumptions remained the same from the last actuarial valuation completed in 2009. The actuarial value of assets was zero. The actuarial accrued liability (AAL) was $1.019 billion, resulting in an unfunded AAL of $1.019 billion. The covered payroll was $6.7 billion and the ratio of the unfunded AAL to the covered payroll was 15.22%.

The schedules of funding progress are presented as RSI following the notes to the financial statements. These RSI schedules present multi-year trend information.

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continued revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point.

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future.

Actuarial calculations reflect a long-term perspective. Actuarial methods and assumptions used include techniques designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

While the actuarial valuations for OPEB health care and OPEB long-term disability benefits were prepared by two different firms, they both used the same methods and assumptions, with one exception noted below. The projected unit credit cost method was used. Both valuations assumed an annual investment rate of return of 5%, an inflation rate of 3.5% per annum and projected general wage increase~~s~~ of 4%. The increases in salary due to promotions and longevity do not affect the amount of the OPEB program benefits. An actuarial asset valuation was not performed. Finally, the OPEB valuation report used the level percentage of projected payroll over a rolling (open) 30-year amortization period. The OPEB Long-Term Disability valuation report used the level dollar of projected payroll over a rolling (open) 30-year amortization period.

The healthcare cost trend initial and ultimate rates, based on the July 1, 2010 actuarial valuation, are as follows:

	Initial Year	Ultimate
LACERA Medical Under 65	8.09%	5.05%
LACERA Medical Over 65	6.81%	5.05%
Firefighters Local 1014 (all)	6.55%	5.05%
Part B Premiums	8.25%	4.95%
Dental (all)	2.43%	4.50%

9. LEASES

Operating Leases

The following is a schedule of future minimum rental payments required under operating leases entered into by the County that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2011 (in thousands):

Year Ending June 30	Governmental Activities
2012	$ 75,868
2013	62,060
2014	44,711
2015	35,441
2016	15,540
2017-2021	42,571
2022-2026	17,895
2027-2031	15,783
Total	$ 309,869

Rent expenses related to operating leases were $88,204,000 for the year ended June 30, 2011.

Capital Leases

The following is a schedule of future minimum lease payments under capital leases together with the present value of future minimum lease payments as of June 30, 2011 (in thousands):

Year Ending June 30	Governmental Activities
2012	$ 20,781
2013	24,792
2014	23,438
2015	20,052
2016	19,479
2017-2021	89,797
2022-2026	84,296
2027-2031	71,466
2032-2036	45,915
2037-2041	9,519
Total	409,535
Less: Amount representing interest	228,275
Present value of future minimum lease payments	$ 181,260

The following is a schedule of property under capital leases by major classes at June 30, 2011 (in thousands):

	Governmental Activities
Land	$ 17,279
Buildings and improvements	153,513
Equipment	43,800
Accumulated depreciation	(33,237)
Total	$ 181,355

9. LEASES-Continued

Capital Leases-Continued

Future rent revenues to be received from noncancelable subleases are $1,206,000 as of June 30, 2011.

Leases of County-Owned Property

The County has entered into operating leases relative to the Marina del Rey Project area, various County golf courses and regional parks, and Asset Development Projects. Substantially all of the Marina's land and harbor facilities are leased to others under agreements classified as operating leases. Certain golf courses and regional parks are leased under agreements which provide for activities such as golf course management and clubhouse operations, food and beverage concessions, and recreational vehicle camping. The Asset Development Projects are ground leases and development agreements entered into by the County for private sector development of commercial, industrial, residential, and cultural uses on vacant or underutilized County owned property. The Asset Development leases cover remaining periods ranging generally from 1 to 86 years and are accounted for in the General Fund. The lease terms for the golf courses and regional parks cover remaining periods ranging from 1 to 24 years and are also accounted for in the General Fund. The Marina del Rey leases cover remaining periods ranging from 1 to 56 years and are accounted for in the General Fund.

The land carrying value of the Asset Development Project ground leases and the Marina del Rey Project area leases is $403,790,000. The carrying value of the capital assets associated with the golf course and regional park operating leases is not determinable.

The following is a schedule of future minimum rental receipts on noncancelable leases as of June 30, 2011 (in thousands):

Year Ending June 30	Governmental Activities
2012	$ 42,990
2013	40,158
2014	38,281
2015	37,381
2016	36,856
Thereafter	1,305,656
Total	$ 1,501,322

The following is a schedule of rental income for these operating leases for the year ended June 30, 2011 (in thousands):

	Governmental Activities
Minimum rentals	$ 41,810
Contingent rentals	18,559
Total	$ 60,369

The minimum rental income is a fixed amount based on the lease agreements. The contingent rental income is a percentage of revenue above a certain base for the Asset Development leases or a calculated percentage of the gross revenue less the minimum rent payment for the other leases.

10. LONG-TERM OBLIGATIONS

Long-term obligations of the County consist of bonds, notes and loans payable, pension bonds payable (see Note 7), OPEB (see Note 8), capital lease obligations (see Note 9) and other liabilities which are payable from the General, Special Revenue, Debt Service, Enterprise and Internal Service Funds.

A summary of bonds, notes and loans payable recorded within governmental activities follows (in thousands):

	Original Par Amount of Debt	Balance June 30, 2011
Los Angeles County Flood Control District Refunding Bonds 2.5% to 5.0%	$ 143,195	$ 38,010
Los Angeles County Flood Control District Revenue Bonds 4.0% to 4.12%	20,540	15,785
Regional Park and Open Space District Bonds (issued by Public Works Financing Authority), 3.0% to 5.25%	275,535	211,302
Community Development Commission (CDC) Notes Payable, .45% to 6.67%	75,296	43,733
NPC Bond Anticipation Notes, 0.510% to 0.676%	67,468	67,468
NPC Bonds 2.0% to 5.0%	17,778	7,700
Marina del Rey Loans Payable, 4.5% to 4.7%	23,500	18,783
Public Buildings Certificates of Participation, 2.0% to 6.841%	1,278,468	916,386
Commercial paper, 0.11% to 0.27%	71,264	71,264
Los Angeles County Securitization Corporation Tobacco Settlement Asset-Backed Bonds, 5.25% to 6.65%	319,827	412,116
Total	$ 2,292,871	$ 1,802,547

A summary of bonds and notes payable recorded within business-type activities follows (in thousands):

	Original Par Amount of Debt	Balance June 30, 2011
NPC Bond Anticipation Notes, 0.510% to 0.676%	$ 9,532	$ 9,532
NPC Bonds, 2.0% to 5.0%	6,247	2,705
Public Buildings Certificates of Participation, 2.0% to 6.841%	610,607	542,406
Commercial Paper, 0.11% to 0.27%	104,736	104,736
Waterworks District Bonds, 3.3% to 8.0%	280	46
Community Development Commission Mortgage Notes, 0.00% to 7.3%	55,122	46,696
Total	$ 786,524	$ 706,121

10. LONG-TERM OBLIGATIONS-Continued

General Obligation Bonds

Waterworks Districts issued general obligation bonds to finance water system projects. Revenue for retirement of such bonds is provided from ad valorem taxes on property within the jurisdiction of the governmental unit issuing the bonds. Principal and interest requirements on general obligation long-term debt for Waterworks District bonds are as follows (in thousands):

Year Ending June 30	Business-type Activities Principal	Business-type Activities Interest
2012	$ 22	$ 3
2013	24	1
Total	$ 46	$ 4

Assessment Bonds

The Regional Park and Open Space District issued voter approved assessment bonds in 1997, some of which were advance refunded in 2004-2005 and the remainder in 2007-2008, to fund the acquisition, restoration, improvement and preservation of beach, park, wildlife and open space resources within the District. As discussed in Note 4, the bonds were purchased by the Public Works Financing Authority (Authority) and similar bonds were issued as a public offering. The bonds issued by the Authority are payable from the pledged proceeds of annual assessments levied on parcels within the District's boundaries.

The bonds mature in fiscal year 2019-2020. Annual principal and interest payments of the bonds are expected to require less than 50% of annual assessment revenues. Total principal and interest remaining on the bonds is $234,793,000, not including unamortized bond premiums. Principal and interest for the current year and assessment revenues were $35,890,000 and $80,152,000, respectively.

Principal and interest requirements on assessment bonds are as follows (in thousands):

Year Ending June 30	Governmental Activities Principal	Governmental Activities Interest
2012	$ 26,560	$ 9,270
2013	27,855	7,925
2014	29,255	6,497
2015	30,735	4,998
2016	32,270	3,422
2017-2021	50,610	5,396
Subtotal	197,285	$ 37,508
Add: Unamortized Bond Premiums	14,017	
Total Assessment Bonds	$ 211,302	

10. LONG-TERM OBLIGATIONS-Continued

Certificates of Participation

The County has issued certificates of participation (COPs) through various financing entities that have been established by, and are component units of, the County. The debt proceeds have been used to finance the acquisition of County facilities and equipment. The County makes annual payments to the financing entities for the use of the property and the debt is secured by the underlying capital assets that have been financed. During the 2010-2011 fiscal year, the County issued COPs of $790,905,000 to finance $578,750,000 of various capital improvements, to redeem $168,705,000 of outstanding commercial paper debt, and to fund debt service reserves of $43,450,000. The allocation of debt between Governmental Activities and Business-type Activities was $320,362,000 and $470,543,000, respectively.

The County has pledged net revenues from the Calabasas Landfill for the payment of the Calabasas Landfill Project Revenue bonds, included here in the Public Buildings COPS, issued in 2005 and maturing in 2022. To the extent that the net available revenues, in the amount of $713,000, are insufficient to cover the debt payments in any fiscal year, the County has pledged to make the debt payments from any source of legally available funds. The County paid $2,446,000 of the current fiscal year debt payment of $3,159,000. Total principal and interest remaining on the bonds is $39,178,000.

Principal and interest requirements on COPs (Flood Control District Refunding bonds and Revenue bonds, NPC bonds, and Public Buildings COPs for Governmental Activities and NPC bonds and Public Buildings COPs for Business-type Activities) are as follows (in thousands):

Year Ending	Governmental Activities		Business-type Activities	
June 30	Principal	Interest	Principal	Interest
2012	$ 76,328	$ 58,890	$ 14,028	$ 44,610
2013	82,087	52,133	13,203	37,576
2014	51,489	49,193	13,201	36,965
2015	56,288	47,336	21,629	36,390
2016	41,794	45,961	20,938	35,435
2017-2021	137,504	227,289	58,689	156,241
2022-2026	156,005	125,152	67,380	136,971
2027-2031	122,212	87,276	85,083	109,429
2032-2036	95,463	51,467	108,292	73,342
2037-2041	93,021	18,317	136,629	26,904
Subtotal	912,191	$ 763,014	539,072	$ 693,863
Accretions	73,583			
Unamortized Bond Premiums	22,297		4,791	
Unamortized Loss	(28,942)			
Total Certificates of Participation	$ 979,129		$ 543,863	

10. LONG-TERM OBLIGATIONS-Continued

Tobacco Settlement Asset-Backed Bonds

In 2006, the County entered into a Sale Agreement with the Los Angeles County Securitization Corporation (LACSC) under which the County relinquishes to the LACSC a portion of its future tobacco settlement revenues (TSRs) for the next 40 years. The County received from the sold TSRs a lump sum payment of $319,827,000 and a residual certificate in exchange for the rights to receive and retain 25.9% of the County's TSRs through 2046. The residual certificate represented the County's ownership interest in excess TSRs to be received by the LACSC during the term of the Sale Agreement. Residuals through 2011 were $131,514,000. The total TSRs sold, based on the projected payment schedule in the Master Settlement Agreement and adjusted for historical trends, was estimated to be $1,438,000,000. The estimated present value of the TSRs sold, net of the expected residuals and assuming a 5.7% interest rate at the time of the sale, was $309,230,000. In the event of a decline in the tobacco settlement revenues for any reason, including the default or bankruptcy of a participating cigarette manufacturer, resulting in a decline in the tobacco settlement revenues and possible default on the Tobacco Bonds, neither the California County Tobacco Securitization Agency, the County, nor the LACSC has any liability to make up any such shortfall.

Principal and interest requirements (in thousands) for the Tobacco Settlement Asset-Backed bonds are as follows:

Year Ending	Governmental Activities	
June 30	Principal	Interest
2012	$	$ 20,863
2013		20,863
2014		20,863
2015		20,863
2016		20,863
2017-2021	53,915	104,317
2022-2026		85,680
2027-2031	46,370	75,859
2032-2036	62,196	69,311
2037-2041	53,157	46,592
2042-2046	97,824	26,956
Subtotal	313,462	$ 513,030
Accretions	98,654	
Total Tobacco Settlement Asset-Backed Bonds	$ 412,116	

Notes, Loans, and Commercial Paper

Bond Anticipation Notes (BANS) are issued by the Los Angeles County Capital Assets Leasing Corporation (LACCAL Equipment Acquisition Internal Service Fund) to provide interim financing for equipment purchases. BANS are purchased by the County Treasury Pool and are payable within five years. In addition, the BANS are issued with a formal agreement that, in the event they are not liquidated within the five-year period, they convert to capital leases with a three-year term secured by County real property. During the 2010-2011 fiscal year, LACCAL issued additional BANS in the amount of $56,368,000, as reflected in Governmental Activities and $5,632,000 as reflected in Business-type Activities.

10. LONG-TERM OBLIGATIONS-Continued

Notes, Loans, and Commercial Paper-Continued

CDC notes are secured by annual contributions from the United States Department of Housing and Urban Development (HUD) and housing units constructed with the note proceeds. Commission mortgage notes are secured by revenues from the operation of housing projects and from housing assistance payments from HUD. During the 2010-2011 fiscal year, CDC issued additional notes payable in the amount of $6,001,000 as reflected in Governmental Activities and $43,716,000 as reflected in Business-type Activities.

Marina del Rey loans were obtained from the California Department of Boating and Waterways for the restoration and renovation of the marina seawall. The loans are secured by Marina del Rey lease revenue and by Los Angeles County Music Center parking revenues.

Tax-exempt commercial paper notes (TECP) are issued by the County to pay for the construction costs of various County construction projects. Repayment of the TECP is secured by four irrevocable direct-pay letters of credit and a sublease of twenty-four County-owned properties. The letters of credit were issued for a three-year period and have a termination date of April 26, 2013. The combined total of the four letters of credit is $411,835,000, which consists of a $400,000,000 principal component and a $11,835,000 interest component. The respective letters of credit were issued by the following banks: JP Morgan ($180,178,000), Bank of America ($77,219,000), Wells Fargo ($77,219,000), and Union Bank ($77,219,000). The County is required to pay an annual fee equal to 1.25% of the above amounts for the letters of credit issued by JPMorgan, Bank of America, and Wells Fargo. For Union Bank, the County pays a fee equal to 0.95% of the utilized amount the letter of credit and 0.50% of the unutilized amount of the letter of credit. Pursuant to the underlying lease, the County is able to amortize the remaining TECP over the useful life of the underlying assets. The term of individual commercial paper notes may not exceed 270 days. During the 2010-2011 fiscal year, the County issued TECP which are reflected as notes payable in the amount of $71,264,000 for Governmental Activities and $104,736,000 for Business-type Activities. The average interest rate on TECP in the 2010-2011 fiscal year was 0.327%.

Principal and interest requirements on CDC Notes payable, NPC BANS, Commercial Paper and Marina del Rey Loans payable for Governmental Activities and NPC BANS, Commercial Paper, and CDC Mortgage notes for Business-type Activities are as follows (in thousands):

Year Ending	Governmental Activities		Business-type Activities	
June 30	Principal	Interest	Principal	Interest
2012	$ 93,561	$ 2,965	$ 106,836	$ 1,536
2013	56,829	2,758	15,180	1,946
2014	3,691	2,556	570	1,873
2015	3,880	2,356	590	1,856
2016	3,957	711	610	1,834
2017-2021	19,795	8,320	4,493	8,718
2022-2026	14,041	3,222	4,470	7,761
2027-2031	4,246	387	5,700	6,527
2032-2036			7,435	4,790
2037-2041			9,685	2,542
Indeterminate maturity			6,643	247
Total	$ 200,000	$ 23,275	$ 162,212	$ 39,630

10. LONG-TERM OBLIGATIONS-Continued

Summary-All Future Principal, Interest and Accretions

The following summarizes total future principal and interest requirements for the various debt issues referenced above (in thousands):

	Governmental Activities		Business-type Activities	
Debt Type	Principal	Interest	Principal	Interest
General Obligation Bonds	$	$	$ 46	$ 4
Assessment Bonds	197,285	37,508		
Certificates of Participation	912,191	763,014	539,072	693,863
Tobacco Settlement Asset-Backed Bonds	313,462	513,030		
Notes, Loans, and Commercial Paper	200,000	23,275	162,212	39,630
Subtotal	1,622,938	$1,336,827	701,330	$ 733,497
Add: Accretions	172,237			
Unamortized Bond Premiums	36,314		4,791	
Less: Unamortized Loss on Advance Refunding of Debt	(28,942)			
Total Bonds and Notes Payable	$1,802,547		$ 706,121	

Long-term liabilities recorded in the Government-wide Statement of Net Assets include accreted interest on zero coupon bonds, unamortized bond premiums, and unamortized losses on advance debt refundings.

Bonds Defeased in Prior Years

In prior years, various debt obligations, consisting of bonds and certificates of participation, were defeased by placing the proceeds of refunding bonds in an irrevocable trust to provide for all future debt service payments on the old obligations. Accordingly, the trust account assets and the related liabilities for the defeased bonds are not reflected in the County's financial position. At June 30, 2011, the amount of outstanding bonds and certificates of participation considered defeased was $26,740,000. All of this amount was related to governmental activities.

10. LONG-TERM OBLIGATIONS-Continued

Changes in Long-term Liabilities

The following is a summary of long-term liabilities and corresponding activity for the year ended June 30, 2011 (in thousands):

	Balance July 1, 2010	Additions/ Accretions	Transfers/ Maturities	Balance June 30, 2011	Due Within One Year
Governmental activities:					
Bonds and notes payable	$ 1,476,585	468,453	142,491	$ 1,802,547	$ 205,874
Pension bonds payable (Note 7)	256,717		256,717		
Capital lease obligations (Note 9)	148,073	43,677	10,490	181,260	5,479
Accrued vacation and sick leave	829,099	84,168	75,163	838,104	62,028
Workers' compensation liability (Note 17)	1,864,864	221,688	295,041	1,791,511	314,917
Litigation and self-insurance liability (Note 17)	156,924	11,743	49,006	119,661	99,216
Pollution remediation obligation (Note 18)	24,755	6,133	2,793	28,095	4,494
OPEB obligation (Note 8)	3,163,431	1,302,562		4,465,993	
Third party payor liability	15,443	7,909	2,330	21,022	21,022
Total governmental activities	$ 7,935,891	2,146,333	834,031	$ 9,248,193	$ 713,030
Business-type activities:					
Bonds and notes payable	$ 356,189	624,628	274,696	$ 706,121	$ 121,827
Pension bonds payable (Note 7)	89,196		89,196		
Accrued vacation and sick leave	139,389	12,700	12,600	139,489	10,697
Workers' compensation liability (Note 17)	294,551	23,890	39,354	279,087	44,346
Litigation and self-insurance liability (Note 17)	100,784	10,559	18,754	92,589	19,571
OPEB obligation (Note 8)	634,570	247,028		881,598	
Third party payor liability (Note 13)	185,003	92,867	40,744	237,126	4,290
Total business-type activities	$ 1,799,682	1,011,672	475,344	$ 2,336,010	$ 200,731

For governmental activities, the General Fund, the Fire Protection District Special Revenue Fund and the Public Library Special Revenue Fund have typically been used to liquidate workers' compensation, accrued vacation and sick leave and litigation and self-insurance liabilities.

Bond interest accretions for deep discount bonds have been included in the amounts reported for Bonds and Notes Payable and Pension Bonds Payable. For Bonds and Notes Payable, accretions increased during 2010-2011, thereby increasing liabilities for Bonds and Notes Payable by $11,595,000 for governmental activities. Amounts accreted for Pension Bonds in previous years were paid during 2010-2011 thereby decreasing liabilities for Pension Bonds Payable for governmental and business-type activities by $168,783,000 and $58,644,000, respectively, for interest accretions. Note 17 contains information about changes in the combined current and long-term liabilities for workers' compensation and litigation and self-insurance liabilities.

11. SHORT-TERM DEBT

On July 1, 2010, the County issued $1,500,000,000 of short-term Tax and Revenue Anticipation Notes Series A and B at an effective interest rate of .85%. The proceeds of the notes were used to assist with County General Fund cash flow needs prior to the first major apportionment of property taxes, which occurred in December 2010. The notes matured and were redeemed on June 30, 2011.

12. CONDUIT DEBT OBLIGATIONS

Community Facilities and Improvement District Bonds

As of June 30, 2011, various community facilities and improvement districts established by the County had outstanding special tax bonds payable totaling $68,114,000 and limited obligation improvement bonds totaling $9,199,000. The bonds were issued to finance the cost of various construction activities and infrastructure improvements which have a regional or direct benefit to the related property owners.

The bonds do not constitute an indebtedness of the County and are payable solely from special taxes and benefit assessments collected from property owners within the districts. In the opinion of County officials, these bonds are not payable from any revenues or assets of the County and neither the full faith and credit of the County, the State or any political subdivision thereof is obligated to the payment of the principal or interest on the bonds. Accordingly, no liability has been recorded in the accompanying basic financial statements.

The County functions as an agent for the districts and bondholders. Debt service transactions related to the various bond issues are reported in the agency funds. Construction activities are reported in the Improvement Districts' Capital Projects Fund.

Residential Mortgage Revenue Bonds

Residential Mortgage Revenue Bonds have been issued to provide funds to purchase mortgage loans secured by first trust deeds on newly constructed and existing single family residences in the County. The purpose of this program is to provide low interest rate home mortgage loans to persons who are unable to qualify for conventional mortgages at market rates. Multi-Family Mortgage Revenue Bonds have been issued to provide permanent financing for apartment projects located in the County to be partially occupied by persons of low or moderate income. The amount of Mortgage Revenue Bonds outstanding as of June 30, 2011, was $334,109,000.

The bonds do not constitute an indebtedness of the County. The bonds are payable solely from payments made on and secured by a pledge of the acquired mortgage loans and certain funds and other monies held for the benefit of the bondholders pursuant to the bond indentures. In the opinion of County officials, these bonds are not payable from any revenues or assets of the County, and neither the full faith and credit nor the taxing authority of the County, the State or any political subdivision thereof is obligated to the payment of the principal or interest on the bonds. Accordingly, no liability has been recorded in the accompanying basic financial statements.

12. CONDUIT DEBT OBLIGATIONS-Continued

Industrial Development and Other Conduit Bonds

Industrial development bonds, and other conduit bonds, have been issued to provide financial assistance to private sector entities and nonprofit corporations for the acquisition of industrial and health care facilities which provide a public benefit. The bonds are secured by the facilities acquired and/or bank letter of credit and are payable solely from project revenue or other pledged funds. The County is not obligated in any manner for the repayment of the bonds. Accordingly, no liability has been recorded in the accompanying basic financial statements.

As of June 30, 2011, the amount of industrial development and other conduit bonds outstanding was $29,275,000.

13. HOSPITAL AND OTHER PROGRAM REVENUES

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined.

Medi-Cal Demonstration Projects

During FY 2010-11, there were three distinctive funding periods under the Medi-Cal Demonstration Projects:

1. The original five year Demonstration Project effective for the period September 1, 2005 through August 31, 2010 (Demonstration Year (DY) 1 – DY 5);
2. The Extension Period effective for the period September 1, 2010 through October 31, 2010; and
3. The new five year Demonstration Project (Bridge to Reform) effective for the period November 1, 2010 through October 31, 2015 (DY 6 – DY 10).

The Demonstration Projects apply to funding Statewide (which currently includes 21 county and University of California hospitals, identified as Designated Public Hospitals, and private and non-designated public safety net hospitals that serve large numbers of Medi-Cal patients).

The Demonstration Projects restructure inpatient hospital fee-for-service (FFS) revenues and Disproportionate Share Hospital (DSH) revenues, as well as the financing method by which the State draws down federal matching funds.

Under the Demonstration Projects, revenues for the public hospitals are comprised of: 1) FFS cost-based reimbursement for inpatient hospital services; 2) DSH payments and 3) distribution from a pool of federal funding for uninsured care, known as the Safety Net Care Pool (SNCP), which was capped Statewide at $565.5 million ($97.7 million for the first four months plus $467.8 million for the second eight months) in FY 2010-11. The non-federal share of these three types of payments is provided by the public hospitals rather than the State, through certified public expenditures (CPE), and for DSH, intergovernmental transfers whereby the hospital would utilize its local funding for services to draw down the federal financial participation (FFP).

13. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

Medi-Cal Demonstration Projects -Continued

The federal medical assistance percentage (FMAP) which establishes the matching amount for the FFS cost-based reimbursement was as follows for FY 2010-11:

July 1, 2010 through December 31, 2010 at 61.59%
January 1, 2011 through March 31, 2011 at 58.77%
April 1, 2011 through June 30, 2011 at 56.88%

The FMAP for DSH remains at 50%. For the inpatient hospital cost-based reimbursement, each hospital receives all of the federal match associated with its CPE.

For the DSH and SNCP distributions, the CPEs of all the public hospitals are used in the aggregate to draw down the federal match. It is therefore possible for one hospital to receive the federal match that results from another hospital's CPE. In this situation, the first hospital is referred to as a "recipient" hospital, while the second is referred to as a "donor" hospital. A recipient hospital is required to "retain" the FFP amounts resulting from donated CPEs.

The County also provides funding for the State's share of the DSH program by transferring funds to the State. These transferred funds, referred to as Intergovernmental Transfers (IGTs) are used by the State to draw down federal matching funds. The combined IGTs sent to the State by each Hospital Enterprise Fund, plus the matching federal funds, are utilized by the State to provide supplemental funding for the Demonstration Project.

The Demonstration Projects restrict the amount of IGTs that may be used for DSH payments. A hospital's IGT may be used to draw federal DSH funding, but only with respect to DSH payments made to that hospital, and the gross amount of such IGT funded payments (non-federal plus federal match) may not exceed 75% of the hospital's uncompensated care costs. The gross IGT funded DSH payment must be "retained" by the recipient hospital fund.

The County recognizes the funding received under the Demonstration Projects by each hospital as net patient services revenue as reflected in the Statement of Revenues, Expenses, and Changes in Net Assets. The IGTs are reflected as non-operating expenses by each Hospital in the Statement of Revenues, Expenses, and Changes in Fund Net Assets.

The IGTs paid during FY 2010-11 include payments for services provided in FYs 2009-10 and 2010-11. The estimated Medi-Cal Demonstration Project net revenues include amounts collected and accrued for FY 2010-11 and over/under-realization of revenues for FY 2005-06 through FY 2009-10. The amounts below are in thousands:

	Program			Intergovernmental
	Medi-Cal FFS	DSH	SNCP	Transfers Expense
Harbor-UCLA	$ 72,894	$ 104,509	$ 74,719	$ 62,907
Olive View-UCLA	67,727	71,628	38,659	38,488
LAC+USC	135,797	180,852	127,544	138,707
M. L. King	471	1,478	223	0
Rancho	46,177	32,566	32,384	16,296
Total	$ 323,066	$ 391,033	$ 273,529	$ 256,398

13. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

DY 1 – DY 5 Baseline Funding

A public hospital's baseline level is determined and satisfied on a hospital-specific basis. The baseline for the first four months of 2010-11 program year is established by comparing each hospital's Medi-Cal inpatient costs, uninsured inpatient costs, and uninsured outpatient costs from FY 2004-05 to those from FY 2009-10, and applying the resulting growth as an adjustment to the FY 2004-05 baseline. The State estimates the aggregate baseline funding for the Statewide designated public hospitals to be $866.5 million for the four month period.

The estimated FY 2010-11's four month baseline for the County hospitals is as follows (in thousands):

	July - Oct. 2010 Baseline Amount *
Harbor-UCLA Medical Center	$ 67,380
Olive View-UCLA Medical Center	43,623
LAC+USC Medical Center	137,991
Rancho Los Amigos National Rehabilitation Center	33,842
Total	$ 282,836

* Baseline funding does not apply to the remaining eight months of FY 2010-11.

The three funding components utilized to meet each hospital's baseline level are as follows:

1) Medi-Cal inpatient FFS cost-based reimbursement: The FFP which is paid to the hospital is based on the applicable FMAP rate which is applied to the facility-specific costs or CPE. The hospital's amounts will fluctuate based on the number of facility-specific Medi-Cal patients served and the facility-specific cost computations that are adjusted on an interim and final basis.

2) DSH funds: These payments are made to hospitals to take into account the uncompensated costs of care delivered to the uninsured and shortfalls between Medi-Cal psychiatric and Medi-Cal managed care payments and costs. The Demonstration Projects allocate almost all of these funds to public hospitals. The State estimates the aggregate value of federal DSH funds for the Statewide designated public hospitals to be $1.097 billion as of June 30, 2011.

3) SNCP Distributions: These federal payments are made to public hospitals and clinics for uncompensated care delivered to uninsured patients.

DY 6 – DY 10 Bridge to Reform Funding

On November 2, 2010, Centers for Medicare & Medicaid Services (CMS) approved for California a new Medi-Cal Demonstration Project, entitled California's Bridge to Healthcare Reform (Waiver 11-W-00193/9) under the authority of section 1115(a) of the Social Security Act for the period November 1, 2010 through October 31, 2015. The agreement "waives" certain Medicaid requirements in order to test new strategies and demonstration projects that can improve care and care delivery.

13. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

DY 6 – DY 10 Bridge to Reform Funding-Continued

Public hospital systems will provide the financing through their counties and lead the implementation of expanding Medicaid and other health coverage to low income people and transforming care so that it is more coordinated, efficient and patient-centered. Support for public hospital systems from the waiver falls into the following areas:

Coverage Expansion – Low Income Health Program or Healthy Way LA

Under the Waiver, counties have the option to expand coverage by operating a Low Income Health Program (LIHP). Under this plan the County may cover individuals up to 133% of the federal poverty level (FPL), known as the Medicaid Coverage Expansion (MCE) population, and receive federal matching funds for the amount they expend. If counties meet certain federal requirements and have the resources available to do so, they can also cover individuals between 133% and 200% FPL, known as the Health Care Coverage Initiative (HCCI) population. The LIHP will run through the end of 2013, at which time coverage under federal health care reform will take effect.

For Los Angeles County, this program is called Healthy Way LA (HWLA) - Matched and in FY 2010-11 (8 month period), an estimated $63.3 million of HWLA and $5.8 million of HWLA administrative revenues were recognized.

Delivery System Reform Incentive Pool

The new Waiver establishes the Delivery System Reform Incentive Pool (DSRIP) which will tie federal funding to milestones in care delivery improvements. To obtain funding under the DSRIP, public hospital systems must submit a five-year plan showing how they will accomplish desired results, and will be required to achieve significant milestones that will be approved by the State and CMS. The amounts below, in thousands, were recorded as “other operating revenues” in FY 2010-11:

	DSRIP Revenues	Intergovernmental Transfers Expense
Harbor-UCLA	$ 51,057	$ 36,057
Olive View-UCLA	28,999	21,999
LAC+USC	162,579	72,674
M. L. King	74,000	0
Rancho	26,065	10,565
Total	$ 342,700	$ 141,295

13. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

DY 6 – DY 10 Bridge to Reform Funding-Continued

Support Costs for Uncompensated Care

The Safety Net Care Pool funding will continue to provide partial reimbursement for the costs of care to the uninsured, helping public hospitals to continue to provide essential services to those in need.

Managed Care for Seniors and Persons with Disabilities (SPDs)

Under the Waiver, the State of California will require Medi-Cal beneficiaries who are Seniors and Persons with Disabilities (SPDs) to enroll in managed care plans, rather than using a fee for service system, in an effort to provide more coordinated care and contain costs.

Reported CPEs Subject to Audit

All CPEs reported by each hospital will be subject to State and federal audit and final reconciliation. If at the end of the final reconciliation process, it is determined that a hospital's claimed CPEs resulted in an overpayment of federal funds to the State, the hospital may be required to return the overpayment whether or not the County's hospital received the federal matching funds.

Medi-Cal Physician State Plan Amendment (Physician SPA)

Prior to July 1, 2005, Medi-Cal inpatient physician professional services (including non-physician practitioners) provided by Los Angeles County were reimbursed as part of an all-inclusive fixed contract rate per-diem. Effective July 1, 2005, public hospitals were no longer paid a fixed rate but were reimbursed under the Demonstration Project. The Demonstration Project payment for inpatient and other facility services is under State Plan Amendment 05-21, and excluded professional services. California State Plan Amendment 05-23 allows professional services to be paid similarly to the inpatient hospital services under the Demonstration Project. Hospitals are allowed to claim federal reimbursement for unreimbursed costs of Medi-Cal professional services (Hospital Inpatient, Emergency Room, and Psychiatric services) which is matched at the applicable FMAP rate for the year.

Net revenues of $37.2 million were recognized during FY 2010-11 and included over/under-realization of revenues associated with FY 2005-06 through FY 2009-10.

State Senate Bill 474 (SB 474)

South Los Angeles Medical Services Preservation Fund

On October 12, 2007, SB 474 established an annual fund to stabilize health services for low-income, underserved populations of South Los Angeles. The "South Los Angeles Medical Services Preservation Fund" is intended to address the regional impact of the closure of the MLK-Harbor Hospital (currently MLK-MACC). Funding for this program ended on October 31, 2010 and for the year ended June 30, 2011, the County's hospitals recognized revenues of $36.4 million from this program.

13. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

State Senate Bill 474 (SB 474)-Continued

Intergovernmental Transfers for Private Hospital Supplemental Fund

SB 474 also requires the County to make IGTs to the State to fund the non-federal share of increased Medi-Cal payments to those private hospitals that serve the South Los Angeles population formerly served by MLK-Harbor Hospital. An IGT expense of $5.0 million was recorded as health care expenditures in the County's General Fund for the year ended June 30, 2011.

Other Medi-Cal Programs

Cost Based Reimbursement Clinics (CBRC)

CBRC reimburses at 100 percent of allowable costs for outpatient services provided to Medi-Cal beneficiaries at the County's hospital-based clinics, Multi-Service Ambulatory Care Centers (MACC) and health centers (excluding clinics that provide predominately public health services). The Department-wide CBRC revenues in FY 2010-11 were $158.6 million. As of June 30, 2011, the County estimated that approximately $194.5 million of CBRC accounts receivable would not be collectable within 12 months and this amount is classified as a non-current asset in the Proprietary Fund statements for each Hospital.

Medi-Cal Cost Report Settlements

All of the FY 2006-07 CBRC audit reports were issued and total audit settlements of $62.8 million were paid to the County. The informal level appeal hearing between DHS and the State Office of Administrative Hearing Appeals for FY 2006-07 is scheduled for October 25, 2011.

The State auditors are in the process of auditing the FY 2007-08 CBRC cost reports and anticipate the issuance of the finalized audit reports beginning December 2011.

Medi-Cal Managed Care Rate Supplement

The State received permission from CMS to continue the Medi-Cal Managed Care rate supplements paid to L.A. Care and Health Net for the period October 1, 2009 through September 30, 2010. The supplement is funded by an IGT made by the County. The County does not receive managed care payments directly from the State; rather, the State contracts with L.A. Care and Health Net, which then subcontract for services with various provider networks, including DHS' Community Health Plan and providers. We expect the State to make another proposal, to CMS, to extend this program for the period October 1, 2010 through September 30, 2011 and DHS has submitted a non-binding letter to continue participating in this program.

13. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

Other Medi-Cal Programs-Continued

Medi-Cal Managed Care Rate Supplement-Continued

For L.A. Care and Health Net, the total estimated revenues and related estimated IGTs recorded in FY 2010-11, less prior year accruals, are follows (in thousands):

	Program Revenues	Intergovernmental Transfers Expense
L.A. Care		
Current Year	$ 17,281	$ 6,797
Prior Year over/(under)	(8,573)	(3,372)
Total L.A. Care	8,708	3,425
Health Net		
Current Year	8,307	3,287
Prior Year over/(under)	(3,798)	(1,640)
Total Health Net	4,509	1,647
Totals	$ 13,217	$ 5,072

Coverage Initiative

On April 10, 2007, the State awarded the County an allocation of federal funding to implement its Healthy Way LA Program under the Health Care Coverage Initiative (CI). In addition to patient care services, the County may claim administrative and case management costs associated with the CI program. In FY 2010-11, for the four month period (July 1, 2010 through October 31, 2010), an estimated $12.1 million of CI revenues and $10.4 million of CI administrative revenues were recognized. The program will be replaced with the LIHP program effective July 1, 2011.

Revenues from the various Medi-Cal programs (i.e., FFS, DSH, SNCP, CBRC, AB 915, SB 1732, etc.) represent approximately 80% of the hospitals' patient care revenue for the year ended June 30, 2011.

American Recovery and Reinvestment Act of 2009

On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act (ARRA), a major economic stimulus and fiscal relief package. The ARRA's biggest financial impact to the County comes from the temporary increase in the FMAP, which results in additional federal revenue provided for non-administrative Medicaid costs. California's FMAP was increased from 50% to 61.59% effective from October 1, 2008 through December 31, 2010. In addition, the FMAP rates were increased to 58.77% for January 1, 2011 through March 31, 2011 and 56.88% for the period April 1, 2011 through June 30, 2011. For fiscal year ended June 30, 2011, the County recognized revenues of $53.7 million from the FMAP increases.

Medicare Program

Services to inpatient Medicare program beneficiaries are primarily paid under prospectively determined rates-per-discharge based upon diagnostic related groups (DRGs). Certain other services to Medicare beneficiaries are reimbursed based on a fee schedule or other rates.

13. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

Medicare Program-Continued

Medicare audits have been ongoing at all hospitals. The initial notices of program reimbursement (NPR) have not been issued for all hospitals for recent fiscal years due to CMS Ruling No. CMS-1498-R, which related to a revision to the methodology used to determine Medicare DSH payments. Before the initial NPR can be issued, CMS will revise the data matching process in recalculating the hospital's Medicare SSI fraction that determines a portion of the Disproportionate Share payment adjustment for each hospital. The remaining issues, other than the Medicare DSH SSI fraction issue, have been reviewed and completed for all hospitals through FY 2002-03.

For FY 2003-04, the Medicare audits for the former Martin Luther King Jr./Drew Medical Center (MLK), Harbor-UCLA Medical Center (H-UCLA MC), Rancho Los Amigos National Rehabilitation Center (RLANRC), and Olive View-UCLA Medical Center (OV-UCLA MC) have been completed. The audit for LAC+USC Medical Center (LAC+USC MC) has been completed except for the Medicare SSI fraction issue.

For FY 2004-05, the audits have been completed and the NPRs issued for MLK and OV-UCLA MC only. Except for the Medicare SSI fraction issue, the FY 2004-05 audits have been completed for H-UCLA MC and RLANRC. The Medicare audit is in progress for LAC+USC MC.

For FY 2005-06, the audits have been completed and NPRs issued for MLK and OV-UCLA MC only. Except for the Medicare SSI fraction issue, the FY 2005-06 audit has been completed for RLANRC. Audits are in progress for LAC+USC MC and H-UCLA MC.

For FY 2006-07, the audits for MLK, RLANRC and OV-UCLA MC have been completed and the NPRs have been issued. The audit is in progress for H-UCLA MC. The audit for LAC+USC MC has not been scheduled.

For FY 2007-08, the audits for RLANRC and OV-UCLA MC have been completed except for the Medicare SSI fraction issue. The audits for LAC+USC MC and H-UCLA MC have not been scheduled. Effective August 16, 2007, MLK ceased to be certified as a participant in the Medicare program and will not undergo a hospital Medicare audit for FY 2007-08 due to low Medicare utilization.

For FY 2008-09, the Medicare audit has been completed, except for the Medicare SSI fraction issue for RLANRC. The OV-UCLA MC audit is in progress. Audits for LAC+USC MC and H-UCLA MC have not been scheduled.

For FY 2009-10, the audits are in progress for RLANRC and OV-UCLA MC. Audits for LAC+USC MC and H-UCLA MC have not been scheduled.

Revenues from the Medicare program represent approximately 6% of patient care revenue for the year ended June 30, 2011.

Revenues related to the aforementioned programs are included in the accompanying basic financial statements as hospital operating revenues. Uncollected amounts are reported as Accounts Receivable. Claims for these programs are subject to audit by State and/or federal agencies.

13. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

Accounts Receivable-net

The following is a summary, by hospital, of accounts receivable and allowances for uncollectible amounts as of June 30, 2011 (in thousands):

	H-UCLA	OV-UCLA	LAC+USC	Rancho	Total
Accounts receivable	$1,463,794	$ 789,659	$ 2,009,053	$ 463,408	$ 4,725,914
Less: Allowance for Uncollectible amounts	1,116,475	589,182	1,567,102	351,885	3,624,644
Accounts Receivable - Net	$ 347,319	$ 200,477	$ 441,951	$ 111,523	$ 1,101,270

Charity Care

Charity care includes those uncollectible amounts, for which the patient is unable to pay. Generally, charity care adjustment accounts are those accounts for which an indigence standard has been established and under which the patient qualifies. Inability to pay may be determined through one of the Department's Reduced Cost Health Care plans, through other collection efforts by the Department, by the Treasurer-Tax Collector, or by an outside collection agency. Determinations of charity care may be made prior to, at the time of service, or any time thereafter.

The total amount of such charity care provided by the hospitals for the fiscal year ended June 30, 2011, based on established rates, is as follows (in thousands):

Charges forgone	$1,961,961
Less: Federal and State subventions	0
Net charges forgone	$1,961,961

Hospital Fee Program (HFP)

The California Hospital Fee Program (AB 1383) and its amending legislation (AB 1653) were signed into law by the Governor of California and became effective on January 1, 2010 and September 8, 2010, respectively. HFP covers the period beginning April 1, 2009 and expired on December 31, 2010. The legislation contains two components:

- The Quality Assurance Fee Act which governs the hospital fee paid by participating hospitals (public hospitals, certain small and rural hospitals, most specialty hospitals, and long term care hospitals are exempt), and
- The Medi-Cal Hospital Provider Stabilization Act which governs the supplemental Medi-Cal payments to providers from the fund established to accumulate assessed hospital fees and matching federal funds. The legislation allows for fee-for-service and managed health care supplemental payments to private hospitals, designated public hospitals, and non-designated public hospitals. The designated public hospitals will also receive direct grants under the Program.

13. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

Hospital Fee Program (HFP)-Continued

The legislation also allows the State to retain and use a portion of the direct grants allocated to the designated public hospitals with a provision that the State allocates an equal amount of federal funds available under the Medi-Cal Hospital/Uninsured Care Demonstration Project to the designated public hospitals. The designated public hospital must have incurred sufficient expenditures so that the full amount allocated can be received as federal matching funds.

During the 7 quarters approved under this program, the non-federal funds for the managed care capitation rate increases were obtained from the provider fee.

On October 7, 2010 and December 20, 2010, CMS approved the implementation of the Program and the request to amend contacts with our local managed health care plans to receive managed health care supplemental payment plan, respectively.

During FY 2010-11, the Hospitals recognized the following revenues (in thousands):

Direct Grant	$ 28,442
SNCP	126,998
Managed Care	35,959
Total	$ 191,399

Hospital Provider Fee - Medi-Cal Hospital Rate Stabilization Act of 2011 (SB 90)

On April 13, 2011, the Governor signed SB 90 (Steinberg), which continued the hospital provider fee (January 1, 2011 - June 30, 2011). The only available participation for the "designated public hospitals" during the 6 month period is in the managed care component and will be financed by Intergovernmental Transfers (IGTs). On May 18, 2011 CMS approved the State plan amendment 11-006 effective January 1, 2011.

Four agreements will be required: two between DHS and DHCS, one between DHS and L.A. Care, and one between DHS and Health Net. For the year ended June 30, 2011, revenues of $10.7 million and IGT of $4.6 million were recognized for this program.

Martin Luther King, Jr.

Martin Luther King, Jr. Multi-Services Ambulatory Care Center

At the end of the current fiscal year, the Martin Luther King, Jr. Multi-Services Ambulatory Care Center (MLK-MACC) Enterprise Fund was merged with the Harbor-UCLA Medical Center Enterprise Fund (H/UCLA) as indicated in Note 1. During FY 2010-11, MLK-MACC completed a full year operating cycle. Net assets deficit of $46.7 million was transferred to H/UCLA on June 30, 2011.

13. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

Martin Luther King, Jr-Continued

Martin Luther King, Jr. Hospital

The County and the University of California ("UC"), with the State, have created a wholly independent, non-profit 501(c)(3), the Martin Luther King, Jr. – Los Angeles Healthcare Corporation, to operate a new hospital at the MLK-MACC site. The new hospital would: i) serve as a safety-net provider treating a high volume of Medi-Cal and uninsured patients and ii) be integrated with the County's existing network of specialty and primary care ambulatory clinics. The seven-member MLK Hospital Board of Directors was appointed by the County and UC effective on August 10, 2010 and is proceeding with efforts to open the new MLK Hospital. Construction of the new hospital facility at the MLK-MACC site is expected to be completed by early 2013.

14. INTERFUND TRANSACTIONS

Interfund Receivables/Payables

Interfund receivables and payables have been eliminated in the government-wide financial statements, except for “internal balances” that are reflected between the governmental and business-type activities. Interfund receivables and payables have been recorded in the fund financial statements. Such amounts arise due to the exchange of goods or services (or subsidy transfers) between funds that were pending the transfer of cash as of June 30, 2011.

Cash transfers related to interfund receivables/payables are generally made within 30 days after year-end. Amounts due to/from other funds at June 30, 2011 are as follows (in thousands):

Receivable Fund	Payable Fund	Amount
General Fund	Fire Protection District	$ 13,324
	Flood Control District	6,065
	Public Library	4,306
	Regional Park and Open Space District	2,006
	Internal Service Funds	6,321
	Waterworks Enterprise Funds	1,881
	Harbor-UCLA Medical Center	44,690
	Olive View-UCLA Medical Center	22,270
	LAC+USC Medical Center	56,619
	Rancho Los Amigos Nat’l Rehab Center	13,613
	Nonmajor Enterprise Funds	51
	Nonmajor Governmental Funds	185,714
		356,860
Fire Protection District	General Fund	5,589
	Flood Control District	1
	Internal Service Funds	1
	Nonmajor Governmental Funds	459
		6,050

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

14. INTERFUND TRANSACTIONS-Continued

Interfund Receivables/Payables-Continued

Receivable Fund	Payable Fund	Amount
Flood Control District	General Fund	$ 1,629
	Internal Service Funds	3,678
	Waterworks Enterprise Funds	307
	Nonmajor Enterprise Funds	68
	Nonmajor Governmental Funds	2,572
		8,254
Public Library	General Fund	2,821
	Nonmajor Governmental Funds	599
		3,420
Regional Park and Open Space District	General Fund	3
	Nonmajor Governmental Funds	448
		451
Internal Service Funds	General Fund	19,204
	Fire Protection District	102
	Flood Control District	9,495
	Waterworks Enterprise Funds	3,245
	Harbor-UCLA Medical Center	1,328
	Olive View-UCLA Medical Center	732
	LAC+USC Medical Center	111
	Rancho Los Amigos Nat'l Rehab Center	571
	Nonmajor Enterprise Funds	165
	Nonmajor Governmental Funds	42,702
		77,655
Waterworks Enterprise Funds	General Fund	190
	Internal Service Funds	521
	Nonmajor Governmental Funds	7
		718
Harbor-UCLA Medical Center	General Fund	52,427
	Fire Protection District	40
	Internal Service Funds	36
	Olive View-UCLA Medical Center	545
	LAC+USC Medical Center	2,118
	Rancho Los Amigos Nat'l Rehab Center	41
	Nonmajor Governmental Funds	26,347
		81,554

14. INTERFUND TRANSACTIONS-Continued

Interfund Receivables/Payables-Continued

Receivable Fund	Payable Fund	Amount
Olive View-UCLA Medical Center	General Fund	$ 16,611
	Fire Protection District	208
	Harbor-UCLA Medical Center	37
	LAC+USC Medical Center	31
	Rancho Los Amigos Nat'l Rehab Center	7
	Nonmajor Governmental Funds	20,847
		37,741
LAC+USC Medical Center	General Fund	57,199
	Fire Protection District	19
	Harbor-UCLA Medical Center	4,750
	Olive View-UCLA Medical Center	3,231
	Rancho Los Amigos Nat'l Rehab Center	687
	Nonmajor Governmental Funds	53,703
		119,589
Rancho Los Amigos Nat'l Rehab Center	General Fund	21,124
	Fire Protection District	47
	Olive View-UCLA Medical Center	26
	LAC+USC Medical Center	99
	Nonmajor Governmental Funds	21
		21,317
Nonmajor Enterprise Funds	Internal Service Funds	1
Nonmajor Governmental Funds	General Fund	287,373
	Flood Control District	318
	Public Library	11
	Internal Service Funds	9,792
	Harbor-UCLA Medical Center	256
	LAC+USC Medical Center	2
	Nonmajor Enterprise Funds	1,465
	Nonmajor Governmental Funds	17,303
		316,520
Total Interfund Receivables/Payables		$ 1,030,130

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

14. INTERFUND TRANSACTIONS-Continued

Interfund Transfers

Transfers were made during the year from the General Fund to subsidize the operations of the Public Library and the five hospitals. Other transfers primarily consisted of payments from the various operating funds (principally the General Fund) to debt service funds in accordance with long-term debt covenants. In addition, special revenue funds that are statutorily restricted made transfers to other funds to reimburse eligible costs incurred.

Interfund transfers to/from other funds for the year ended June 30, 2011 are as follows (in thousands):

Transfer From	Transfer To	Amount
General Fund	Public Library	$ 38,552
	Internal Service Funds	104
	Harbor-UCLA Medical Center	143,327
	Olive View-UCLA Medical Center	116,201
	LAC+USC Medical Center	303,172
	M.L. King Ambulatory Care Center	56,893
	Rancho Los Amigos Nat'l Rehab Center	52,524
	Nonmajor Governmental Funds	52,035
		762,808
Fire Protection District	Nonmajor Governmental Funds	2,438
Flood Control District	Internal Service Funds	1,117
	Nonmajor Governmental Funds	19,110
		20,227
Public Library	General Fund	3,157
	Nonmajor Governmental Funds	1,146
		4,303
Regional Park and Open Space District	Nonmajor Governmental Funds	36,168
Internal Service Funds	General Fund	3,363
	Nonmajor Governmental Funds	93
		3,456
Waterworks Enterprise Funds	Internal Service Funds	144
Harbor-UCLA Medical Center	General Fund	12,493
	M. L. King Ambulatory Care Center	46,724
	Rancho Los Amigos Nat'l Rehab Center	3,009
	Nonmajor Governmental Funds	29
		62,255

14. INTERFUND TRANSACTIONS-Continued

Interfund Transfers-Continued

Transfer From	Transfer To	Amount
Olive View-UCLA Medical Center	General Fund	$ 6,033
	Harbor-UCLA Medical Center	19,066
	LAC+USC Medical Center	1,355
	M.L. King Ambulatory Care Center	4,292
	Nonmajor Governmental Funds	980
		31,726
Rancho Los Amigos Nat'l Rehab Center	Harbor-UCLA Medical Center	6,220
Nonmajor Governmental Funds	General Fund	397,634
	Flood Control District	41
	Internal Service Funds	17,032
	Harbor-UCLA Medical Center	52,735
	Olive View-UCLA Medical Center	41,732
	LAC+USC Medical Center	107,288
	M.L. King Ambulatory Care Center	1,444
	Rancho Los Amigos Nat'l Rehab Center	128
	Nonmajor Enterprise Funds	132
	Nonmajor Governmental Funds	66,200
		684,366
Total Interfund Transfers		$1,614,111

Interfund Transactions

The General Fund, along with other funds that receive services from the Public Works Internal Service Fund, makes short-term advances to ensure sufficient cash is available to fund operations. In addition, the General Fund makes short-term and long-term advances to assist the Hospital Funds in meeting their cash flow requirements. The County estimates that a portion of Hospital revenue is not collectible within one year and has identified long-term receivables in each Hospital Enterprise Fund. To assist the Hospital Funds in meeting their cash flow requirements, the General Fund provided a $194.5 million long-term advance and classified a corresponding amount of fund balance as nonspendable balance.

Advances from/to other funds at June 30, 2011 are as follows (in thousands):

Receivable Fund	Payable Fund	Short-Term	Long-Term	Total
General Fund	Internal Service Funds	$ 2,535	$	$ 2,535
	Harbor-UCLA Medical Center	287,109	51,744	338,853
	Olive View-UCLA Medical Center	170,318	58,616	228,934
	LAC+USC Medical Center	328,000	60,680	388,680
	Rancho Los Amigos Nat'l Rehab Center	80,572	23,487	104,059
		868,534	194,527	1,063,061

14. INTERFUND TRANSACTIONS-Continued

Interfund Transactions-Continued

Receivable Fund	Payable Fund	Short-Term	Long-Term	Total
Flood Control District	Internal Service Funds	6,601		6,601
Waterworks Enterprise Funds	Internal Service Funds	1,308		1,308
Nonmajor Governmental Funds	Internal Service Funds	11,556		11,556
	Nonmajor Enterprise Funds	3,500		3,500
		15,056		15,056
Total Interfund Advances		$ 891,499	$ 194,527	$1,086,026

15. BUDGETARY ACCOUNTING DIFFERENCES/RECONCILIATIONS BETWEEN THE BUDGETARY BASIS AND GAAP

The County's Statement of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual on Budgetary Basis for the major governmental funds has been prepared on the budgetary basis of accounting, which is different from GAAP.

The Budget adopted by the County for FY 2010-2011 uses the fund balance language of the County Budget Act, which has not yet been updated to reflect GASB Statement 54. As such, the County has not presented the Statement of Revenue, Expenditures, and Changes in Fund Balances-Budget and Actual in using GASB Statement 54 terminology for changes in reserves and designations.

The amounts presented for the governmental fund statements are based on the modified accrual basis of accounting and differ from the amounts presented on a budgetary basis of accounting. The major areas of difference are as follows:

- For budgetary purposes, reserves and designations are recorded as other financing uses at the time they are established. Although designations are not legal commitments, the County recognizes them as uses of budgetary fund balance. Designations that are subsequently cancelled or otherwise made available for appropriation are recorded as other financing sources.

- Under the budgetary basis, revenues (primarily intergovernmental) are recognized at the time encumbrances are established for certain programs and capital improvements. The intent of the budgetary policy is to match the use of budgetary resources (for amounts encumbered, but not yet expended) with funding sources that will materialize as revenues when actual expenditures are incurred. Under the modified accrual basis, revenues are not recognized until the qualifying expenditures are incurred.

- For the General Fund, obligations for accrued vacation and sick leave and estimated liabilities for litigation and self-insurance are recorded as budgetary expenditures to the extent that they are estimated to be payable within one year after year-end. Under the modified accrual basis of accounting, such expenditures are not recognized until they become due and payable in accordance with GASB Interpretation No. 6.

15. BUDGETARY ACCOUNTING DIFFERENCES/RECONCILIATIONS BETWEEN THE BUDGETARY BASIS AND GAAP-Continued

- In conjunction with the sale of Tobacco Settlement Asset-Backed bonds in 2005-06, the County sold 25.9% of its future tobacco settlement revenues. Under the budgetary basis, the proceeds were recognized as revenues. Under the modified accrual basis, the proceeds were recorded as a sale of future revenues and were being recognized over the duration of the sale agreement, in accordance with GASB Statement No. 48. This matter is also discussed in Note 10, under the caption, "Tobacco Settlement Asset-Backed Bonds."

- Under the budgetary basis, property tax revenues are recognized to the extent that they are collectible within one year after year-end. Under the modified accrual basis, property tax revenues are recognized only to the extent that they are collectible within 60 days.

- For budgetary purposes, investment income is recognized prior to the effect of changes in the fair value of investments. Under the modified accrual basis, the effects of such fair value changes have been recognized.

- In conjunction with implementing GASB 45, the County determined that certain assets were held by LACERA (the OPEB administrator) in an OPEB Agency Fund. For budgetary purposes, any excess payments (beyond the pay-as-you-go amount) are recognized as expenditures. Under the modified accrual basis, the expenditures are adjusted to recognize the OPEB Agency assets at June 30, 2011.

The following schedule is a reconciliation of the budgetary and GAAP fund balances for the major governmental funds (in thousands):

	General Fund	Fire Protection District	Flood Control District	Public Library	Regional Park and Open Space District
Fund balance - budgetary basis	$ 1,601,571	$ 81,340	$ 21,956	$ 25,787	$ 178,975
Reserves and designations	1,150,813	147,592	140,436	18,493	131,695
Subtotal	2,752,384	228,932	162,392	44,280	310,670
Adjustments:					
Accrual of estimated liability for litigation and self-insurance claims	153,766	(544)		25	
Accrual of vacation and sick leave benefits	47,379				
Deferral of sale of tobacco settlement revenue	(257,345)				
Change in revenue accruals	(109,883)	(18,759)	(5,288)	(2,620)	(589)
Change in OPEB	136,142	8,129		1,308	
Subtotal	(29,941)	(11,174)	(5,288)	(1,287)	(589)
Fund balance - GAAP basis	$ 2,722,443	$ 217,758	$ 157,104	$ 42,993	$ 310,081

16. COMMITMENTS AND CONTINGENCIES

Construction Commitments

At June 30, 2011, there were contractual commitments of approximately $195.6 million for various general government construction projects and approximately $168.6 million for various hospital construction projects that were financed by bonds and commercial paper.

LACERA Capital Commitments

At June 30, 2011, LACERA had outstanding capital commitments to various investment managers, approximating $2,670,000,000. Subsequent to June 30, 2011, LACERA funded $432,000,000 of these capital commitments.

Community Development Commission-Redevelopment Agency

On June 29, 2011, the State Legislature and the Governor approved two Redevelopment Agency bills, ABX1 26 and ABX1 27, into law. As calculated by the State, under the ABX1 26 and ABX1 27 legislation, the County has an outstanding commitment to pay the State $1.8 million in 2012 and $430,000 in 2013. There is pending lawsuit challenging the constitutionality of ABX1 26 and ABX1 27 and seeking a stay.

Encumbrances

The County uses “encumbrances” to control expenditure commitments for the year. Encumbrances represent commitments related to executory contracts not yet performed and purchase orders not yet filled. Commitments for such expenditure of monies are encumbered to reserve portion of applicable appropriations. Depending on the source(s) of funding, encumbrances are reported as part of restricted, committed or assigned fund balance on the governmental funds balance sheet. As of June 30, 2011, the encumbrance balances for the governmental funds (in thousands) are reported as follows:

	Restricted	Committed	Assigned	Total
General Fund	$	$	$ 381,624	$ 381,624
Fire Protection District	14,673			14,673
Flood Control District	72,111			72,111
Public Library			10,143	10,143
Regional Park and Open Space District	59,889			59,889
Nonmajor Governmental Funds	130,148	13,077		143,225
Total Encumbrances	$ 276,821	$ 13,077	$ 391,767	$ 681,665

17. RISK MANAGEMENT

The County purchases insurance for certain risk exposures such as aviation, employee fidelity, boiler and machinery in certain structures, art objects, catastrophic hospital general liability, volunteer, special events, public official bond, crime, safety reserve employee death and disability, and fiduciary liability for the deferred compensation plans. There have been no settlements related to these programs that exceeded insurance coverage in the last three years. The County also has insurance on most major structures. Losses did not exceed coverage in 2008-2009, 2009-2010 or 2010-2011.

17. RISK MANAGEMENT-Continued

The County retains the risk for all other loss exposures. Major areas of risk include workers' compensation, medical malpractice, law enforcement, theft and damage to property including natural disasters, errors and omissions, and torts. Expenditures are accounted for in the fund whose operations resulted in the loss. Claims expenditures and liabilities are reported when it is probable that a loss has been incurred and the amount of that loss, including those incurred but not reported, can be reasonably estimated. The County utilizes actuarial studies, historical data, and individual claims reviews to estimate these liabilities. The liabilities include estimable incremental claim adjustment expenses, net of salvage, and subrogation of approximately 10% of the total liabilities. They do not include other claim adjustment costs because the County does not believe it is practical or cost effective to estimate them.

As indicated in the following table, the County's workers' compensation liabilities as of June 30, 2011 were approximately $2.071 billion. This amount is undiscounted and is based on an actuarial study of the County's self-insured program as of June 30, 2011. Approximately $117,376,000 of the total liabilities pertain to salary continuation payments and other related costs mandated by the State Labor Code.

As of June 30, 2011, the County's best estimate of these liabilities is $2.3 billion. Changes in the reported liability since July 1, 2009 resulted from the following (in thousands):

	Beginning of Fiscal Year Liability	Current Year Claims and Changes In Estimates	Claim Payments	Balance At Fiscal Year-End
2009-2010				
Workers' Compensation	$ 2,115,981	$ 367,362	$(323,928)	$ 2,159,415
Other	218,824	106,006	(67,122)	257,708
Total 2009-2010	$ 2,334,805	$ 473,368	$(391,050)	$ 2,417,123
2010-2011				
Workers' Compensation	$ 2,159,415	$ 245,578	$(334,395)	$ 2,070,598
Other	257,708	22,302	(67,760)	212,250
Total 2010-2011	$ 2,417,123	$ 267,880	$(402,155)	$ 2,282,848

In addition to the above estimated liabilities, the County has determined that claims seeking damages of approximately $150 million are reasonably possible of creating adverse judgments against the County. Because of the uncertainty of their outcome, no loss has been accrued for these claims.

18. POLLUTION REMEDIATION

GASB 49 establishes accounting and reporting guidelines for the recognition and measurement of pollution remediation obligations (liabilities).

The County is involved in several remediation actions to clean up pollution sites within its boundaries. These matters generally coincide with the County's ownership of land, buildings and infrastructure assets. In some cases, regulatory agencies (e.g., Regional Water Quality Board, State Department of Toxic Control, California Coastal Commission) notified the County of the need for remedial action. In addition, the County conducts its own environmental monitoring and this activity identifies pollution sites and matters requiring further investigation and possible remediation. Once the County is aware of these conditions, it commences monitoring, assessment, testing and/or clean up activities, and recognizes pollution remediation obligations when estimates can reasonably be determined.

18. POLLUTION REMEDIATION-Continued

The types of pollution that have been identified include leaking underground storage tanks, water, groundwater and soil contamination, asbestos and lead paint contamination, methane gas detection and excessive levels of other contaminants. Remediation efforts include developing remediation and feasibility studies, source identification studies, site testing, sampling and analysis, ground water clean up, and removal of storage tanks, asbestos tiles and other hazardous materials.

As of June 30, 2011, the County's estimated pollution remediation obligations totaled $28.095 million. These obligations were all associated with the County's government-wide governmental activities. Obligations of enterprise and internal service funds were immaterial. The estimated liabilities were determined by project managers, based on historical cost information for projects of the same type, size and complexity and measured at their current value. In subsequent periods, the County will adjust estimated obligations when new information indicates that such changes are required. At this time, the County has determined there are no estimated recoveries reducing the obligations.

19. FUND BALANCES

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned as described in Note 1. A detailed schedule of fund balances for all the major and nonmajor governmental funds at June 30, 2011 (in thousands) are as follows:

	General Fund	Fire Protection District	Flood Control District	Public Library	Regional Park and Open Space District	Nonmajor Governmental Funds
Fund Balances:						
Nonspendable:						
Inventories	$ 54,145	14,121		1,285		32,926
Long-term receivables	204,982					3,500
Permanent fund principal						2,250
Total nonspendable	259,127	14,121		1,285		38,676
Restricted for:						
General government	32,171					
Public protection	3,206	203,637	157,104			300,825
Public ways and facilities						458,916
Health and sanitation						670,628
Public assistance						252,705
Education						437
Recreation and cultural services				7,049	310,081	5,632
Capital projects						343,383
Debt service						659,517
Endowments and annuities						483
Total restricted	35,377	203,637	157,104	7,049	310,081	2,692,526
Committed to:						
General government						23
Public protection						22,106
Education						15,578
Capital projects						73,656
Total committed						111,363

19. FUND BALANCES-Continued

	General Fund	Fire Protection District	Flood Control District	Public Library	Regional Park and Open Space District	Nonmajor Governmental Funds
Assigned to:						
General government	336,386					77,408
Public protection	132,225					6,168
Health and sanitation	234,838					4,671
Public assistance	50,018					
Education				34,659		
Recreation and cultural services	7,322					20,687
Capital projects						111
Imprest cash	2,249					
Total assigned	763,038			34,659		109,045
Unassigned	1,664,902					
Total Fund Balances	$ 2,722,443	217,758	157,104	42,993	310,081	2,951,610

Reserve for "Rainy Day" Fund

On June 22, 2009, the Board established a Reserve for "Rainy Day" fund. The Reserve for "Rainy Day" fund was established and be maintained to protect essential County programs against unforeseen emergencies and economic downturns. The Reserve cap should be 10% of on-going locally generated revenue. Transfers of three percent (3%) should be made into Reserve each year, if feasible, until the 10% cap is met.

When the reserve cap of 10% is exceeded, the excess may be available for specified one-time purposes such as capital projects, unfunded retiree health obligations, efficiency measures and information technology initiatives. The objective is to avoid on-going commitments with funding that may not be sustainable in an economic downturn.

The County's "rainy-day" fund does not meet the criteria for a stabilization arrangement for reporting the funds as either restricted or committed. As such, the Reserve for "Rainy Day" funds in the amount of $93,271,000 is reported as unassigned fund balance in the General Fund.

20. EXTRAORDINARY ITEM – DISCRETELY PRESENTED COMPONENT UNIT

On March 24, 2011, the Governor signed Assembly Bill 99 ("AB 99") into law. AB 99 established the Children and Families Health and Human Services Fund (the "CFHHSF"). As specified in the legislation, the CFHHSF will be used, upon appropriation, by the California State Legislature for health and human services. The bill requires $1.0 billion of the combined state and local children and families funds to be deposited in the CFHHSF for the 2011-12 fiscal year. The amount required from each First 5 Commission represents 50% of the fund balance as of June 30, 2010. For First 5 LA, the AB 99 liability amount is $424,389,000 and is due by June 30, 2012. In accordance with the legislation, no 2012-13 Commission revenues will be paid until the full AB 99 payment is made. Accordingly, the Commission has accrued the AB 99 obligation as a liability at June 30, 2011. The expense has been recorded as an extraordinary item. A lawsuit has been filed by the Commission against the State challenging that the AB 99 violates the intent of Proposition 10.

21. SUBSEQUENT EVENTS

Tax and Revenue Anticipation Notes ("TRANS")

On July 1, 2011, the County issued $300,000,000; $500,000,000; and $500,000,000 in 2011-2012 TRANS Series A, B, and C, which will mature on the following, dates: February 29, 2012, March 30, 2012, and June 29, 2012. The TRANS are collateralized by taxes and other revenues attributable to the 2011-2012 fiscal year and were issued in the form of Fixed Rate Notes at effective interest rates of 0.32%, 0.34%, and 0.40%, respectively.

Tax-Exempt Commerical Paper

On August 18, 2011, the Los Angeles County Capital Asset Leasing Corporation issued an additional $30,000,000 in tax-exempt commercial paper. The proceeds are being used to fund capital requirements of various capital projects. The commercial paper, which was initially issued at an average rate of 0.18%, is secured by a long-term lease of County real estate and a letter of credit.

Taxable Qualified Energy Conservation Bond

On August 31, 2011, the County entered into a $14,000,000 Taxable Qualified Energy Conservation Bond (QECB) Equipment Lease/Purchase Agreement via a private placement with Bank of America Leasing & Capital, LLC. The rental payments are due on February 28th and August 31st of each year. Proceeds of the bond are being used to lease, acquire, and install Energy Conservation Equipment on County-owned land. The QECB bonds have a maturity date of August 31, 2028 and has a yield of 1.02% (after the 3.10% federal tax credit rate).

Capital Asset Leasing Corporation Lease Revenue Bond Anticipation Notes

On September 27, 2011 and November 1, 2011, the Corporation issued a $3,500,000 and a $7,000,000 Bond Anticipation Note with an initial interest rate of 0.525% and 0.536% respectively. The rates are adjustable on January 2 and July 1, of each year. The notes were purchased by the Los Angeles County Treasury Pool and are due on June 30, 2014. Proceeds of the notes are being used to purchase equipment. The notes are to be paid from the proceeds of lease revenue bonds.

LACERA Investment Rate of Return

On October 12, 2011, LACERA's Board of Investments voted to lower the rate of return assumption used in the actuarial valuation from the current 7.75%. Beginning July 1, 2012, the rate of return will move from 7.75% to 7.70%. On July 1, 2013, the rate will move to 7.60%, and on July 1, 2014, the rate will move to 7.50%. The estimated effect to the County is to increase the contribution to LACERA by $15.6 million in FY 2012-13.

First 5 LA AB 99 Lawsuit

On November 21, 2011, the State of California Superior Court ("Court") ruled that AB 99 is invalid and that transferring the decision-making from the local communities to the State legislature is inconsistent with Proposition 10. Under the Court ruling, First 5 LA, would no longer be obligated to transfer $424,389,000 to the State by June 30, 2012. Although the Court ruling is favorable to First 5 LA, the Court ruling is subject to appeal by the State of California. As such, there is no change to the extraordinary item and corresponding AB99 Liability as reported on the financial statements.

21. SUBSEQUENT EVENTS-Continued

Capital Asset Leasing Corporation Lease Revenue Bonds

On December 21, 2011, the Corporation is expected to issue Lease Revenue Bonds in the aggregate principal amount of $55,475,000 with a true interest cost of 1.28%. The proceeds of the bonds will be used to redeem certain bond anticipation notes, whose proceeds were originally used to finance the acquisition of equipment. The bonds mature serially December 1st and June 1st of each year, and interest is payable on December 1st and June 1st.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Los Angeles County Employees Retirement Association
Schedule of Funding Progress-Pension Plan
(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((b-a)/c)
06/30/08	$ 39,662,361	$ 41,975,631	$ 2,313,270	94.5%	$ 6,123,888	37.8%
06/30/09	39,541,865	44,468,636	4,926,771	88.9%	6,547,616	75.2%
06/30/10	38,839,392	46,646,838	7,807,446	83.3%	6,695,439	116.6%

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)
Schedule of Funding Progress-Other Postemployment Benefits
(Dollar amounts in thousands)

Retiree Health Care

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2006	$ 0	$ 20,301,800	$ 20,301,800	0%	$ 5,205,804	389.98%
July 1, 2008	0	20,901,600	20,901,600	0%	6,123,888	341.31%
July 1, 2010	0	22,939,800	22,939,800	0%	6,695,439	342.62%

Long-Term Disability

July 1, 2007	$ 0	$ 929,265	$ 929,265	0%	$ 5,615,736	16.55%
July 1, 2009	0	951,797	951,797	0%	6,547,616	14.54%
July 1, 2011	0	1,018,898	1,018,898	0%	6,695,439	15.22%

COUNTY OF LOS ANGELES
MAJOR GOVERNMENTAL FUND
GENERAL FUND

The General Fund is the general operating fund of the County. It is used to account for and report all financial resources not accounted for and reported in another fund. Revenues are derived from Taxes; Licenses, permits and franchises; Fines, forfeitures and penalties; Revenue from use of money and property; Intergovernmental revenues; Charges for services and Miscellaneous. Expenditures are expended for functions of General government; Public protection; Public ways and facilities; Health and sanitation; Public assistance; Education; Recreation and cultural services; Debt service and Capital outlay.

COUNTY OF LOS ANGELES
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL ON BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
GENERAL GOVERNMENT:				
Salaries and employee benefits	$ 818,448	819,793	770,350	(49,443)
Services and supplies	1,241,887	1,199,901	531,950	(667,951)
Other charges	67,437	128,513	50,200	(78,313)
Capital assets	9,933	10,215	3,823	(6,392)
Intrafund transfers	(578,002)	(575,725)	(486,779)	88,946
TOTAL GENERAL GOVERNMENT	1,559,703	1,582,697	869,544	(713,153)
PUBLIC PROTECTION:				
Salaries and employee benefits	3,505,386	3,548,446	3,512,195	(36,251)
Services and supplies	892,980	874,491	727,894	(146,597)
Other charges	387,129	398,712	377,348	(21,364)
Capital assets	77,917	70,414	32,638	(37,776)
Intrafund transfers	(149,539)	(145,865)	(89,753)	56,112
TOTAL PUBLIC PROTECTION	4,713,873	4,746,198	4,560,322	(185,876)
HEALTH AND SANITATION:				
Salaries and employee benefits	1,019,443	1,017,583	955,184	(62,399)
Services and supplies	2,054,237	2,062,965	1,725,957	(337,008)
Other charges	116,076	72,138	67,909	(4,229)
Capital assets	12,219	11,628	9,863	(1,765)
Intrafund transfers	(170,548)	(173,299)	(164,914)	8,385
TOTAL HEALTH AND SANITATION	3,031,427	2,991,015	2,593,999	(397,016)
PUBLIC ASSISTANCE:				
Salaries and employee benefits	1,739,084	1,745,717	1,704,150	(41,567)
Services and supplies	1,110,250	1,100,720	942,797	(157,923)
Other charges	2,842,037	2,844,007	2,707,551	(136,456)
Capital assets	5,025	4,847	2,921	(1,926)
Intrafund transfers	(47,544)	(47,557)	(33,408)	14,149
TOTAL PUBLIC ASSISTANCE	5,648,852	5,647,734	5,324,011	(323,723)
RECREATION AND CULTURAL SERVICES:				
Salaries and employee benefits	135,837	134,736	131,001	(3,735)
Services and supplies	119,109	135,109	126,155	(8,954)
Other charges	12,528	13,859	13,188	(671)
Capital assets	773	773	272	(501)
Intrafund transfers	(864)	(864)	(1,197)	(333)
TOTAL RECREATION AND CULTURAL SERVICES	267,383	283,613	269,419	(14,194)
DEBT SERVICE-				
Interest	14,542	14,542	14,542	
CAPITAL OUTLAY	965,177	952,280	90,682	(861,598)
TOTAL GENERAL FUND	$ 16,200,957	16,218,079	13,722,519	(2,495,560)

NONMAJOR GOVERNMENTAL FUNDS

The Road Fund is used to account for the maintenance and construction of streets, roads, highways, and bridges. Revenue consists primarily of the County's share of State highway users taxes as supplemented by federal funds, State Proposition 1B funds, vehicle code fines and charges for services provided to cities.

The Other Streets, Highways, Roads and Bridges Funds: Article 3-Bikeway, Off-Street Parking, Proposition C Local Return, Special Road Districts, Construction Fee Districts, Transit Operations, Paratransit Operations, and Measure R Local Return are used to account for transportation and road related services or functions. Revenues are derived from local sales tax revenue, parking meter receipts, Districts' share of the countywide tax levy, State revenues and service charges to parking lots. Effective FY 2010-2011, the Off Highway Vehicle was reclassified to the Recreation Funds to more appropriately reflect the fund's function.

The Street Lighting Districts Funds are used to account for the installation and maintenance of street lighting systems. Revenues are derived primarily from the countywide tax levy and benefit assessments.

The Garbage Disposal Districts Funds are used to account for the provisions of the Health and Safety Code to provide garbage and refuse collection and disposal services within the boundaries of each District. Revenues are mostly from charges for services and property taxes.

The Sewer Maintenance Districts Funds are used to account for the Health and Safety Code for the administration, maintenance, operation and repair of sanitary sewers, appurtenances, pumping plants, sewer treatment plants and related services. These Districts are financed through sewer service charges.

The Health Services Measure B Fund is used to account for a countywide system of Trauma Centers and Emergency Medical Services, for bioterrorism preparedness and response, and for related administrative costs. Revenues are derived primarily from a voter approved special tax.

The Health & Sanitation Funds: Hospital Services, Physician Services, Statham Alcohol, Alcohol and Drug Problem, Proposition 36, Driving Under the Influence, AIDS Education, Air Quality Improvement, Bicycle Safety Helmet, Hazardous Waste Enforcement, Mission Canyon Closure, Solid Waste Management Funds, and Cancer Patient Welfare, and EMS Vehicle Replacement are used to account for the cost of emergency services for the indigent, County alcoholism programs and services, AIDS education, air quality improvements, bicycle safety, hazardous waste enforcement, solid waste management, cancer patient services, and replacement of vehicles. Revenues are from State tobacco taxes, patient collections, court fines, State-assessed vehicle fees, State income tax, penalties assessed for hazardous waste violations, and sanitation services. Effective FY 2010-2011, the Mental Health Services Act (MHSA) - Proposition 63 was reclassified from the Health & Sanitation funds to the newly established Mental Health Services Act Fund. The MHSA Fund was established due to the continued growth of the program.

Continued…

The Mental Health Services Act Fund established in FY 2010-11 is used to account for the Mental Health Services Act (MHSA) to support the County's mental health delivery system for children, transition age youth, adults, older adults, and families. Revenues are derived primarily by the passage of Proposition 63 in November 2004. Proposition 63 generates mental health revenue through a one percent income surcharge on individuals with state taxable incomes over $1.0 million.

The Other Public Protection Funds: Jail Store, Inmate Welfare, Narcotic Enforcement, Vehicle Theft Prevention, Countywide Warrant System, Sheriff's Processing Fees, Training and Automation, Automated Fingerprint Identification System, DNA Identification Fund, District Attorney Asset Forfeiture, Fire Department Developer Fees, Forest Mitigation, Information Systems Advisory Body, Drug Abuse Gang Diversion, Jury Operations Improvement, Dependency Court Facilities, Small Claims Advisor Program, and Fire Department Helicopter Accumulative Capital Outlay are used to account for certain services and supplies to inmates, to supplement the cost of various law enforcement, prosecutorial investigation, fire protection activities, and to finance vehicle and helicopter replacement, facilities improvement, equipment maintenance and automated systems. Child Seat Restraint Loaner is used to account for the operation of a child restraint low-cost purchase and loan program. Fish and Game is used to account for the preservation and propagation of fish and wildlife. Revenues are derived from sale of minor supplies, fines related to controlled substance convictions, benefit assessments, forfeiture of assets used in connection with transportation or possession of a controlled substance, court fines and revenues and local fish and game fines.

The Public Assistance Funds: Child Abuse/Neglect Prevention Program, Alternate Dispute Resolution Program, Alcohol and Drug Abuse Education Program, Domestic Violence Program, and Linkages Support Program are used to account for a variety of public assistance services. The programs are financed from special fees collected for birth certificates, marriage licenses, confidential marriage certificates, and court fines for driving under the influence of alcohol or drugs, and disabled parking violation assessments.

The Recreation Funds: Golf Course, Park Improvement, Recreation and Development, Tesoro Adobe Park, San Gabriel Canyon, and Ford Theater are used to account for the maintenance and improvements to County parks and golf courses, public recreation areas, and Ford Theater. Civic Art Special fund is used to account for civic art projects. Cable TV Franchise is used to account for fund cable-related activities. The Off-Highway Vehicle is used to account for the development, construction, operation, and maintenance of off-highway vehicle recreation facilities. Revenues are derived from a percentage of golf course green fees, vehicle entrance fees collected from the regional parks, percentage of the design and construction costs, cable franchise fees, and licenses and user fees.

The Community Development Commission: The Housing Authority and Community Development Commission is used to account for affordable housing, effect community improvements under grant programs and to administer the County's Community Development Block Grant Funds, the County Redevelopment Agency and other County housing related functions. Revenues are derived principally from Federal grants.

Continued…

The Courthouse Temporary Construction Fund is used to temporarily account for monies ultimately to be used for various courthouse construction projects. Revenues are derived principally from surcharges included in fines for criminal convictions.

The Criminal Justice Temporary Construction Fund is used to temporarily account for monies ultimately to be used for the improvement of criminal justice facilities and automated information systems. Revenues are derived principally from surcharges on criminal fines.

The Registrar-Recorder Improvement Funds: Modernization and Improvement, Micrographics, Social Security Truncation, Vitals and Health Statistics, and Multi-County e-Recording Project funds are used to account for the improvement of Registrar-Recorder automated information systems. Revenues are derived principally from recording and filing fees.

The Other Special Revenue Funds: Information Technology Infrastructure and the Accumulative Capital Outlay (ACO) are used to account for the replacement of motor vehicles, printing, information technology, and communications equipment. Asset Development Implementation fund is used to account for short to intermediate financing for County asset development activities. Productivity Investment is used to account for the start-up and incidental costs associated with productivity improvement projects. Civic Center Employee parking is used to account for providing parking services and alternative means of transportation for County employees. Public Library Developer Fees are used to account for the acquisition of land, construct library facilities, and purchase equipment and library materials. Various funds are used to account for resources that are legally restricted and the principal and earnings may be used for purposes that support general government and education. Effective FY 2010-11, we classified certain funds to more appropriately reflect the each fund's function. Civic Art Special fund was reclassified to the Recreation Funds, the EMS Vehicle Replacement Fund was reclassified to the Health and Sanitation Funds, the Fire Department Helicopter Accumulative Capital Outlay Fund was reclassified to the Other Public Protection Funds, and the Cancer Patient Welfare Fund was reclassified to the Health and Sanitation Funds.

Continued…

COUNTY OF LOS ANGELES
NONMAJOR GOVERNMENTAL FUNDS
NONMAJOR DEBT SERVICE FUNDS

The Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Flood Control District Debt Service Funds receive their funds from a voted indebtedness tax levy. The Flood Control District additionally receives operating transfers from the Flood Control District Special Revenue Fund. The Regional Park and Open Space District receives long-term debt proceeds and also receives voter-approved benefit assessments. Joint Powers Authorities-Public Works Financing Authority and Public Buildings receive their funds primarily from the General Fund in the form of operating transfers. The Los Angeles County Securitization Corporation receives funding primarily from the collection of the County's future tobacco settlement payments and from long-term debt proceeds secured by the County's Tobacco Assets.

Joint Powers Authorities

Public Works Financing Authority

Public Buildings

Disney Parking Project
1998 Disney Parking Refunding Project
2002 Master Refunding Project - Series A
2002 Master Refunding Project - Series B
2005 Master Refunding Project - Series A
2006 Master Refunding Project - Series A
2006 Master Refunding Project - Series B
Calabasas Landfill Project - Series 2005
Lease Revenue Bonds, Series 2009 (LA Opera)
2010 Multiple Capital Project I – Series A and B
Tax Exempt Commercial Paper

Los Angeles County Securitization Corporation

Continued…

COUNTY OF LOS ANGELES
NONMAJOR GOVERNMENTAL FUNDS
NONMAJOR CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets.

Accumulative Capital Outlay Funds are used to account for specific capital project in accordance with Government Code Section 53731.

Flood Control District projects are used to account for the capital projects financed by general obligation bonds and certificates of participation.

Improvement Districts are used to account for the projects financed by contributions from property owners.

Public Building projects are used to account for capital projects financed by bonds, commercial paper and operating transfers.

Gap Loan Fund is used to account for the County's proceeds from sale of "Gap Loan" receivables that are restricted for capital spending purposes.

Continued…

COUNTY OF LOS ANGELES
NONMAJOR GOVERNMENTAL FUNDS
NONMAJOR PERMANENT FUNDS

Permanent Funds are used to account for and report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support various County programs.

COUNTY OF LOS ANGELES
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SUMMARY
JUNE 30, 2011 (in thousands)

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	PERMANENT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS					
Pooled cash and investments:					
Operating	$ 1,976,213	59,364	210,727	2,670	$ 2,248,974
Other	59,334	60	397	5	59,796
Total pooled cash and investments	2,035,547	59,424	211,124	2,675	2,308,770
Other investments	53,440	342,514	292,882	107	688,943
Taxes receivable	17,438	667			18,105
Interest receivable	5,584	555	899	10	7,048
Other receivables	76,607		1,313		77,920
Due from other funds	52,039	257,345	7,136		316,520
Advances to other funds	15,056				15,056
Inventories	32,926				32,926
TOTAL ASSETS	$ 2,288,637	660,505	513,354	2,792	$ 3,465,288
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts payable	$ 44,145		804		$ 44,949
Accrued payroll	92				92
Other payables	231				231
Due to other funds	326,115	448	24,100	59	350,722
Deferred revenue	35,310	540			35,850
Advances payable	9,710		36		9,746
Notes payable			71,264		71,264
Third party payor liability	824				824
TOTAL LIABILITIES	416,427	988	96,204	59	513,678
FUND BALANCES:					
Nonspendable	36,426			2,250	38,676
Restricted	1,689,143	659,517	343,383	483	2,692,526
Committed	37,707		73,656		111,363
Assigned	108,934		111		109,045
TOTAL FUND BALANCES	1,872,210	659,517	417,150	2,733	2,951,610
TOTAL LIABILITIES AND FUND BALANCES	$ 2,288,637	660,505	513,354	2,792	$ 3,465,288

COUNTY OF LOS ANGELES
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SUMMARY
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	PERMANENT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES:					
Taxes	$ 324,453				$ 324,453
Licenses, permits and franchises	10,322				10,322
Fines, forfeitures and penalties	87,089				87,089
Revenue from use of money and property:					
Investment income	17,479	11,765	2,773	20	32,037
Rents and concessions	30,165				30,165
Royalties	5				5
Intergovernmental revenues:					
Federal	174,229		1,106		175,335
State	856,407				856,407
Other	16,230				16,230
Charges for services	123,946		6,092		130,038
Miscellaneous	37,793	22,875	8,064		68,732
TOTAL REVENUES	1,678,118	34,640	18,035	20	1,730,813
EXPENDITURES:					
Current:					
General government	14,132			113	14,245
Public protection	59,803				59,803
Public ways and facilities	340,886				340,886
Health and sanitation	152,292				152,292
Public assistance	169,645				169,645
Education	598				598
Recreation and cultural services	7,264				7,264
Debt service:					
Principal	3,563	148,890			152,453
Interest and other charges	2,251	73,626			75,877
Capital outlay			68,994		68,994
TOTAL EXPENDITURES	750,434	222,516	68,994	113	1,042,057
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	927,684	(187,876)	(50,959)	(93)	688,756
OTHER FINANCING SOURCES (USES):					
Transfers in	8,659	157,339	12,201		178,199
Transfers out	(633,687)	(4,735)	(45,944)		(684,366)
Issuance of debt	6,001	23,738	296,624		326,363
Sales of capital assets	751				751
TOTAL OTHER FINANCING SOURCES (USES)	(618,276)	176,342	262,881		(179,053)
NET CHANGE IN FUND BALANCES	309,408	(11,534)	211,922	(93)	509,703
FUND BALANCES, JULY 1, 2010	1,562,802	671,051	205,228	2,826	2,441,907
FUND BALANCES, JUNE 30, 2011	$ 1,872,210	659,517	417,150	2,733	$ 2,951,610

COUNTY OF LOS ANGELES
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
JUNE 30, 2011 (in thousands)

	Streets, Highways, Roads and Bridges		Street Lighting	Garbage Disposal	Sewer Maintenance	Health Services
	Road	Other	Districts	Districts	Districts	Measure B
ASSETS						
Pooled cash and investments:						
Operating	$ 222,781	160,664	62,085	26,037	15,937	108,502
Other	13,911	511	845	807	1,137	10,331
Total pooled cash and investments	236,692	161,175	62,930	26,844	17,074	118,833
Other investments						
Taxes receivable		460	1,772	1,530	945	12,686
Interest receivable	709	511	197	83	51	346
Other receivables	38,916	9,448	1,547	2,225	1,371	
Due from other funds	15,412	830	4,851		1,068	
Advances to other funds	8,468	1,020	209		1,301	
Inventories						
TOTAL ASSETS	$ 300,197	173,444	71,506	30,682	21,810	131,865
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Accounts payable	$ 5,731	2,864	1,524	321	272	2,706
Accrued payroll						
Other payables		1			158	
Due to other funds	33,701	5,558	5,179	735	6,088	104,045
Deferred revenue	15,911	3,994	1,234	2,367	1,466	8,381
Advances payable	9,710					
Third party payor liability	824					
TOTAL LIABILITIES	65,877	12,417	7,937	3,423	7,984	115,132
FUND BALANCES:						
Nonspendable						
Restricted	234,320	161,027	63,569	27,259	13,826	16,733
Committed						
Assigned						
TOTAL FUND BALANCES	234,320	161,027	63,569	27,259	13,826	16,733
TOTAL LIABILITIES AND FUND BALANCES	$ 300,197	173,444	71,506	30,682	21,810	131,865

Health and Sanitation	Mental Health Services Act	Other Public Protection	Public Assistance	Recreation	
					ASSETS
					Pooled cash and investments:
$ 26,947	699,181	211,266	8,656	11,415	Operating
4,034	1,102	4,403	559	16,602	Other
30,981	700,283	215,669	9,215	28,017	Total pooled cash and investments
					Other investments
45					Taxes receivable
86	2,212	669	27	35	Interest receivable
5,531		91	507	180	Other receivables
381	25,789	143		124	Due from other funds
558					Advances to other funds
					Inventories
$ 37,582	728,284	216,572	9,749	28,356	TOTAL ASSETS
					LIABILITIES AND FUND BALANCES
					LIABILITIES:
$ 8,666	71	2,063	872	241	Accounts payable
					Accrued payroll
					Other payables
3,843	133,848	12,134	447	1,796	Due to other funds
1,957					Deferred revenue
					Advances payable
					Third party payor liability
14,466	133,919	14,197	1,319	2,037	TOTAL LIABILITIES
					FUND BALANCES:
					Nonspendable
18,445	594,365	174,101	8,430	5,632	Restricted
		22,106			Committed
4,671		6,168		20,687	Assigned
23,116	594,365	202,375	8,430	26,319	TOTAL FUND BALANCES
$ 37,582	728,284	216,572	9,749	28,356	TOTAL LIABILITIES AND FUND BALANCES

Continued…

COUNTY OF LOS ANGELES
COMBINING BALANCE SHEET - Continued
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
JUNE 30, 2011 (in thousands)

	Community Development Commission	Courthouse Temporary Construction	Criminal Justice Temporary Construction	Registrar Recorder Improvement	Other Special Revenue	Total
ASSETS						
Pooled cash and investments:						
Operating	$ 191,353	65,557	48,978	23,271	93,583	$ 1,976,213
Other		1,875	2,071	613	533	59,334
Total pooled cash and investments	191,353	67,432	51,049	23,884	94,116	2,035,547
Other investments	53,440					53,440
Taxes receivable						17,438
Interest receivable		209	156		293	5,584
Other receivables	16,039			123	629	76,607
Due from other funds	2,193			3	1,245	52,039
Advances to other funds	3,500					15,056
Inventories	32,926					32,926
TOTAL ASSETS	$ 299,451	67,641	51,205	24,010	96,283	$ 2,288,637
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Accounts payable	$ 18,678				136	$ 44,145
Accrued payroll					92	92
Other payables	72					231
Due to other funds		3,601	9,122	3,409	2,609	326,115
Deferred revenue						35,310
Advances payable						9,710
Third party payor liability						824
TOTAL LIABILITIES	18,750	3,601	9,122	3,409	2,837	416,427
FUND BALANCES:						
Nonspendable	36,426					36,426
Restricted	244,275	64,040	42,083	20,601	437	1,689,143
Committed					15,601	37,707
Assigned					77,408	108,934
TOTAL FUND BALANCES	280,701	64,040	42,083	20,601	93,446	1,872,210
TOTAL LIABILITIES AND FUND BALANCES	$ 299,451	67,641	51,205	24,010	96,283	$ 2,288,637

COUNTY OF LOS ANGELES
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	Streets, Highways, Roads and Bridges		Street Lighting Districts	Garbage Disposal Districts	Sewer Maintenance Districts	Health Services Measure B
	Road	Other				
REVENUES:						
Taxes	$ 3,236	42,714	17,603	4,698		252,305
Licenses, permits and franchises	3,670					
Fines, forfeitures and penalties		54	234	432	337	1,834
Revenue from use of money and property:						
Investment income	1,836	1,179	450	174	88	285
Rents and concessions	74	132				
Royalties						
Intergovernmental revenues:						
Federal	39,465	542				
State	255,929	465	153	39		
Other	1,330	11,328	716		28	
Charges for services	18,068	1,780	4,843	19,469	29,598	
Miscellaneous	305	40	2		16	
TOTAL REVENUES	323,913	58,234	24,001	24,812	30,067	254,424
EXPENDITURES:						
Current:						
General government						
Public protection						
Public ways and facilities	269,605	48,167	23,114			
Health and sanitation				21,284	31,052	46,096
Public assistance						
Education						
Recreation and cultural services						
Debt service:						
Principal						
Interest and other charges						
TOTAL EXPENDITURES	269,605	48,167	23,114	21,284	31,052	46,096
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	54,308	10,067	887	3,528	(985)	208,328
OTHER FINANCING SOURCES (USES):						
Transfers in						
Transfers out	(15,892)	(38)			(1,032)	(207,095)
Issuance of debt						
Sales of capital assets	81					
TOTAL OTHER FINANCING SOURCES (USES)	(15,811)	(38)			(1,032)	(207,095)
NET CHANGE IN FUND BALANCES	38,497	10,029	887	3,528	(2,017)	1,233
FUND BALANCES, JULY 1, 2010, as restated	195,823	150,998	62,682	23,731	15,843	15,500
FUND BALANCES, JUNE 30, 2011	$ 234,320	161,027	63,569	27,259	13,826	16,733

Health and Sanitation	Mental Health Services Act	Other Public Protection	Public Assistance	Recreation	
					REVENUES:
$					Taxes
2,857		1	1,231	22	Licenses, permits and franchises
29,786		10,988	2,457		Fines, forfeitures and penalties
					Revenue from use of money and property:
251	4,312	1,358			Investment income
133		21,051		3,041	Rents and concessions
					Royalties
					Intergovernmental revenues:
		42		200	Federal
898	583,496	15,276		151	State
1,842		986			Other
16,607		11,822	3,280	1,566	Charges for services
5		7,639	2,746	2,403	Miscellaneous
52,379	587,808	69,163	9,714	7,383	TOTAL REVENUES
					EXPENDITURES:
					Current:
					General government
		56,200			Public protection
					Public ways and facilities
51,455	2,405				Health and sanitation
			8,380		Public assistance
					Education
				7,264	Recreation and cultural services
					Debt service:
					Principal
					Interest and other charges
51,455	2,405	56,200	8,380	7,264	TOTAL EXPENDITURES
924	585,403	12,963	1,334	119	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
					OTHER FINANCING SOURCES (USES):
		6,070		230	Transfers in
(6,389)	(309,688)	(21,138)	(2,730)	(1,167)	Transfers out
					Issuance of debt
		34			Sales of capital assets
(6,389)	(309,688)	(15,034)	(2,730)	(937)	TOTAL OTHER FINANCING SOURCES (USES)
(5,465)	275,715	(2,071)	(1,396)	(818)	NET CHANGE IN FUND BALANCES
28,581	318,650	204,446	9,826	27,137	FUND BALANCES, JULY 1, 2010, as restated
$ 23,116	594,365	202,375	8,430	26,319	FUND BALANCES, JUNE 30, 2011

Continued…

COUNTY OF LOS ANGELES
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - Continued
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	Community Development Commission	Courthouse Temporary Construction	Criminal Justice Temporary Construction	Registrar Recorder Improvement	Other Special Revenue	Total
REVENUES:						
Taxes	$ 3,897					$ 324,453
Licenses, permits and franchises					2,541	10,322
Fines, forfeitures and penalties		19,000	21,967			87,089
Revenue from use of money and property:						
Investment income	6,704	513	174		155	17,479
Rents and concessions	921				4,813	30,165
Royalties					5	5
Intergovernmental revenues:						
Federal	133,980					174,229
State						856,407
Other						16,230
Charges for services				13,701	3,212	123,946
Miscellaneous	24,535				102	37,793
TOTAL REVENUES	170,037	19,513	22,141	13,701	10,828	1,678,118
EXPENDITURES:						
Current:						
General government					14,132	14,132
Public protection		1,420	2,183			59,803
Public ways and facilities						340,886
Health and sanitation						152,292
Public assistance	161,265					169,645
Education					598	598
Recreation and cultural services						7,264
Debt service:						
Principal	3,563					3,563
Interest and other charges	2,251					2,251
TOTAL EXPENDITURES	167,079	1,420	2,183		14,730	750,434
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,958	18,093	19,958	13,701	(3,902)	927,684
OTHER FINANCING SOURCES (USES):						
Transfers in	93				2,266	8,659
Transfers out	(12,261)	(23,348)	(14,148)	(16,751)	(2,010)	(633,687)
Issuance of debt	6,001					6,001
Sales of capital assets					636	751
TOTAL OTHER FINANCING SOURCES (USES)	(6,167)	(23,348)	(14,148)	(16,751)	892	(618,276)
NET CHANGE IN FUND BALANCES	(3,209)	(5,255)	5,810	(3,050)	(3,010)	309,408
FUND BALANCES, JULY 1, 2010, as restated	283,910	69,295	36,273	23,651	96,456	1,562,802
FUND BALANCES, JUNE 30, 2011	$ 280,701	64,040	42,083	20,601	93,446	$ 1,872,210

COUNTY OF LOS ANGELES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	TOTALS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Taxes	$ 322,873	322,873	320,290	(2,583)
Licenses, permits and franchises	10,103	10,103	10,322	219
Fines, forfeitures and penalties	77,633	81,450	87,089	5,639
Revenue from use of money and property:				
Investment income	21,694	21,694	18,395	(3,299)
Rents and concessions	22,659	22,659	26,895	4,236
Royalties	10	10	5	(5)
Intergovernmental revenues:				
Federal	51,618	51,618	40,249	(11,369)
State	697,691	709,643	856,407	146,764
Other	26,567	26,592	16,230	(10,362)
Charges for services	178,295	180,664	125,964	(54,700)
Miscellaneous	34,355	34,355	13,236	(21,119)
TOTAL REVENUES	1,443,498	1,461,661	1,515,082	53,421
EXPENDITURES:				
Current:				
General government	31,200	31,200	13,217	(17,983)
Public protection	344,666	344,666	92,482	(252,184)
Public ways and facilities	523,354	482,436	314,308	(168,128)
Health and sanitation	210,163	214,745	162,456	(52,289)
Public assistance	11,335	11,335	9,878	(1,457)
Education	15,673	15,673	598	(15,075)
Recreation and cultural services	16,286	16,343	7,769	(8,574)
TOTAL EXPENDITURES	1,152,677	1,116,398	600,708	(515,690)
EXCESS OF REVENUES OVER EXPENDITURES	290,821	345,263	914,374	569,111
OTHER FINANCING SOURCES (USES):				
Sales of capital assets	2,546	2,546	751	(1,795)
Transfers in	35,430	35,487	13,578	(21,909)
Transfers out	(783,349)	(795,650)	(596,973)	198,677
Appropriation for contingencies	(190,843)	(173,354)		173,354
Changes in reserves and designations	(176,516)	(236,203)	(198,361)	37,842
OTHER FINANCING SOURCES (USES) - NET	(1,112,732)	(1,167,174)	(781,005)	386,169
NET CHANGE IN FUND BALANCE	(821,911)	(821,911)	133,369	955,280
FUND BALANCE, JULY 1, 2010	821,911	821,911	821,911	
FUND BALANCE, JUNE 30, 2011	$		955,280	955,280

Continued…

COUNTY OF LOS ANGELES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS-Continued
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	ROAD			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Taxes	$ 3,800	3,800	3,236	(564)
Licenses, permits and franchises	3,539	3,539	3,670	131
Revenue from use of money and property:				
Investment income	4,164	4,164	2,649	(1,515)
Rents and concessions	25	25	74	49
Intergovernmental revenues:				
Federal	51,256	51,256	39,465	(11,791)
State	246,141	246,141	255,929	9,788
Other	1,205	1,205	1,330	125
Charges for services	52,048	53,978	18,068	(35,910)
Miscellaneous	378	378	305	(73)
TOTAL REVENUES	362,556	364,486	324,726	(39,760)
EXPENDITURES:				
Current-Public ways and facilities:				
Services and supplies	209,427	210,652	202,929	(7,723)
Other charges	6,143	6,143	506	(5,637)
Capital assets	125,953	87,317	32,336	(54,981)
Capital Outlay		3,204	1,631	(1,573)
TOTAL EXPENDITURES	341,523	307,316	237,402	(69,914)
EXCESS OF REVENUES OVER EXPENDITURES	21,033	57,170	87,324	30,154
OTHER FINANCING SOURCES (USES):				
Sales of capital assets	49	49	81	32
Transfers out	(20,078)	(20,078)	(15,892)	4,186
Changes in reserves and designations	(62,992)	(99,129)	(92,564)	6,565
OTHER FINANCING SOURCES (USES) - NET	(83,021)	(119,158)	(108,375)	10,783
NET CHANGE IN FUND BALANCE	(61,988)	(61,988)	(21,051)	40,937
FUND BALANCE, JULY 1, 2010	61,988	61,988	61,988	
FUND BALANCE, JUNE 30, 2011	$		40,937	40,937

Continued…

COUNTY OF LOS ANGELES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS-Continued
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	OTHER STREETS, HIGHWAYS, ROADS, AND BRIDGES			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Taxes	$ 42,512	42,512	42,685	173
Fines, forfeitures and penalties	61	61	54	(7)
Revenue from use of money and property:				
Investment income	3,722	3,722	1,958	(1,764)
Rents and concessions	172	172	132	(40)
Intergovernmental revenues:				
Federal	352	352	542	190
State	50	50	465	415
Other	23,050	23,050	11,328	(11,722)
Charges for services	16,585	17,024	1,780	(15,244)
Miscellaneous			40	40
TOTAL REVENUES	86,504	86,943	58,984	(27,959)
EXPENDITURES:				
Current-Public ways and facilities:				
Services and supplies	101,730	111,769	47,609	(64,160)
Other charges	3,503	3,503		(3,503)
Capital assets	41,847	25,097	6,013	(19,084)
TOTAL EXPENDITURES	147,080	140,369	53,622	(86,747)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(60,576)	(53,426)	5,362	58,788
OTHER FINANCING SOURCES (USES):				
Transfers in	21,110	21,110	110	(21,000)
Transfers out	(21,284)	(21,284)	(148)	21,136
Appropriation for contingencies	(23,306)	(5,817)		5,817
Changes in reserves and designations	3,794	(20,845)	(1,205)	19,640
OTHER FINANCING SOURCES (USES) - NET	(19,686)	(26,836)	(1,243)	25,593
NET CHANGE IN FUND BALANCE	(80,262)	(80,262)	4,119	84,381
FUND BALANCE, JULY 1, 2010, as restated	80,262	80,262	80,262	
FUND BALANCE, JUNE 30, 2011	$		84,381	84,381

Continued…

COUNTY OF LOS ANGELES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS-Continued
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	STREET LIGHTING DISTRICTS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Taxes	$ 19,218	19,218	17,472	(1,746)
Fines, forfeitures and penalties	282	282	234	(48)
Revenue from use of money and property-				
Investment income	1,323	1,323	773	(550)
Intergovernmental revenues:				
Federal				
State	168	168	153	(15)
Other	692	692	716	24
Charges for services	4,793	4,793	4,843	50
Miscellaneous			2	2
TOTAL REVENUES	26,476	26,476	24,193	(2,283)
EXPENDITURES:				
Current-Public ways and facilities-				
Services and supplies	34,751	34,751	23,284	(11,467)
TOTAL EXPENDITURES	34,751	34,751	23,284	(11,467)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,275)	(8,275)	909	9,184
OTHER FINANCING SOURCES (USES):				
Transfers in	5,199	5,199	4,829	(370)
Transfers out	(5,199)	(5,199)	(4,829)	370
Appropriation for contingencies	(3,829)	(3,829)		3,829
Changes in reserves and designations	(33,201)	(33,201)	(33,181)	20
OTHER FINANCING SOURCES (USES) - NET	(37,030)	(37,030)	(33,181)	3,849
NET CHANGE IN FUND BALANCE	(45,305)	(45,305)	(32,272)	13,033
FUND BALANCE, JULY 1, 2010	45,305	45,305	45,305	
FUND BALANCE, JUNE 30, 2011	$		13,033	13,033

Continued…

COUNTY OF LOS ANGELES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS-Continued
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	GARBAGE DISPOSAL DISTRICTS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Taxes	$ 5,175	5,175	4,664	(511)
Fines, forfeitures and penalties	386	386	432	46
Revenue from use of money and property-				
Investment income	421	421	299	(122)
Intergovernmental revenues-				
State	41	41	39	(2)
Charges for services	19,669	19,669	19,275	(394)
TOTAL REVENUES	25,692	25,692	24,709	(983)
EXPENDITURES:				
Current-Health and sanitation-				
Services and supplies	25,669	26,758	22,726	(4,032)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	23	(1,066)	1,983	3,049
OTHER FINANCING SOURCES (USES):				
Appropriation for contingencies	(3,945)	(3,945)		3,945
Changes in reserves and designations	(1,337)	(248)	(231)	17
OTHER FINANCING SOURCES (USES) - NET	(5,282)	(4,193)	(231)	3,962
NET CHANGE IN FUND BALANCE	(5,259)	(5,259)	1,752	7,011
FUND BALANCE, JULY 1, 2010	5,259	5,259	5,259	
FUND BALANCE, JUNE 30, 2011	$		7,011	7,011

Continued…

COUNTY OF LOS ANGELES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS-Continued
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	SEWER MAINTENANCE DISTRICTS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Fines, forfeitures and penalties	$ 289	289	337	48
Revenue from use of money and property-				
Investment income	277	277	177	(100)
Intergovernmental revenues-				
Other	20	20	28	8
Charges for services	29,257	29,257	29,468	211
Miscellaneous	7	7	16	9
TOTAL REVENUES	29,850	29,850	30,026	176
EXPENDITURES:				
Current-Health and sanitation:				
Services and supplies	37,911	37,911	31,108	(6,803)
Other charges	1,239	1,239	238	(1,001)
Capital assets	875	875	229	(646)
TOTAL EXPENDITURES	40,025	40,025	31,575	(8,450)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(10,175)	(10,175)	(1,549)	8,626
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,389)	(1,389)	(1,032)	357
Appropriation for contingencies	(1,839)	(1,839)		1,839
Changes in reserves and designations	(414)	(414)	4	418
OTHER FINANCING SOURCES (USES) - NET	(3,642)	(3,642)	(1,028)	2,614
NET CHANGE IN FUND BALANCE	(13,817)	(13,817)	(2,577)	11,240
FUND BALANCE, JULY 1, 2010	13,817	13,817	13,817	
FUND BALANCE, JUNE 30, 2011	$		11,240	11,240

Continued…

COUNTY OF LOS ANGELES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS-Continued
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	HEALTH SERVICES MEASURE B			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Taxes	$ 252,168	252,168	252,233	65
Fines, forfeitures and penalties			1,834	1,834
Revenue from use of money and property-				
Investment income	2,400	2,400	875	(1,525)
TOTAL REVENUES	254,568	254,568	254,942	374
EXPENDITURES:				
Current-Health and sanitation:				
Services and supplies	22,988	22,988	21,932	(1,056)
Other charges	28,414	28,414	27,150	(1,264)
TOTAL EXPENDITURES	51,402	51,402	49,082	(2,320)
EXCESS OF REVENUES OVER EXPENDITURES	203,166	203,166	205,860	2,694
OTHER FINANCING SOURCES (USES):				
Transfers out	(207,095)	(207,095)	(207,095)	
Appropriation for contingencies	(2,089)	(2,089)		2,089
Changes in reserves and designations			1,152	1,152
OTHER FINANCING SOURCES (USES) - NET	(209,184)	(209,184)	(205,943)	3,241
NET CHANGE IN FUND BALANCE	(6,018)	(6,018)	(83)	5,935
FUND BALANCE, JULY 1, 2010	6,018	6,018	6,018	
FUND BALANCE, JUNE 30, 2011	$		5,935	5,935

Continued…

COUNTY OF LOS ANGELES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS-Continued
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	HEALTH AND SANITATION			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Licenses, permits and franchises	$ 2,608	2,608	2,857	249
Fines, forfeitures and penalties	26,196	30,013	29,786	(227)
Revenue from use of money and property:				
Investment income	538	538	422	(116)
Rents and concessions	13	13	133	120
Intergovernmental revenues:				
State	527	527	898	371
Other	1,600	1,625	1,842	217
Charges for services	19,214	19,214	16,600	(2,614)
Miscellaneous			5	5
TOTAL REVENUES	50,696	54,538	52,543	(1,995)
EXPENDITURES:				
Current-Health and sanitation:				
Services and supplies	59,075	62,437	50,752	(11,685)
Capital assets	659	790	463	(327)
TOTAL EXPENDITURES	59,734	63,227	51,215	(12,012)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(9,038)	(8,689)	1,328	10,017
OTHER FINANCING SOURCES (USES):				
Transfers out	(6,191)	(6,540)	(6,389)	151
Appropriation for contingencies	(5,128)	(5,128)		5,128
Changes in reserves and designations	189	189	1,003	814
OTHER FINANCING SOURCES (USES) - NET	(11,130)	(11,479)	(5,386)	6,093
NET CHANGE IN FUND BALANCE	(20,168)	(20,168)	(4,058)	16,110
FUND BALANCE, JULY 1, 2010, as restated	20,168	20,168	20,168	
FUND BALANCE, JUNE 30, 2011	$		16,110	16,110

Continued…

COUNTY OF LOS ANGELES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS-Continued
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	MENTAL HEALTH SERVICES ACT			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Revenue from use of money and property-				
Investment income	$ 4,070	4,070	6,498	2,428
Intergovernmental revenues-				
State	438,859	450,811	583,496	132,685
TOTAL REVENUES	442,929	454,881	589,994	135,113
EXPENDITURES:				
Current-Health and sanitation-				
Services and supplies	33,333	33,333	7,858	(25,475)
EXCESS OF REVENUES OVER EXPENDITURES	409,596	421,548	582,136	160,588
OTHER FINANCING USES:				
Transfers out	(398,218)	(410,170)	(309,688)	100,482
Appropriation for contingencies	(122,115)	(122,115)		122,115
Changes in reserves and designations	(111,228)	(111,228)	(109,320)	1,908
TOTAL OTHER FINANCING USES	(631,561)	(643,513)	(419,008)	224,505
NET CHANGE IN FUND BALANCE	(221,965)	(221,965)	163,128	385,093
FUND BALANCE, JULY 1, 2010, as restated	221,965	221,965	221,965	
FUND BALANCE, JUNE 30, 2011	$		385,093	385,093

Continued…

COUNTY OF LOS ANGELES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS-Continued
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	OTHER PUBLIC PROTECTION			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Licenses, permits and franchises	$ 113	113	1	(112)
Fines, forfeitures and penalties	10,354	10,354	10,988	634
Revenue from use of money and property:				
Investment income	1,895	1,895	2,564	669
Rents and concessions	17,110	17,110	21,051	3,941
Intergovernmental revenues:				
Federal	10	10	42	32
State	11,750	11,750	15,276	3,526
Other			986	986
Charges for services	15,393	15,393	11,822	(3,571)
Miscellaneous	27,974	27,974	7,639	(20,335)
TOTAL REVENUES	84,599	84,599	70,369	(14,230)
EXPENDITURES:				
Current-Public protection:				
Services and supplies	180,634	178,393	50,174	(128,219)
Other charges	6,262	6,253	6,070	(183)
Capital assets	30,024	32,274	6,872	(25,402)
TOTAL EXPENDITURES	216,920	216,920	63,116	(153,804)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(132,321)	(132,321)	7,253	139,574
OTHER FINANCING SOURCES (USES):				
Sales of capital assets	35	35	34	(1)
Transfers in	6,070	6,070	6,070	
Transfers out	(34,100)	(34,100)	(17,510)	16,590
Appropriation for contingencies	(13,981)	(13,981)		13,981
Changes in reserves and designations	16,744	16,744	22,202	5,458
OTHER FINANCING SOURCES (USES) - NET	(25,232)	(25,232)	10,796	36,028
NET CHANGE IN FUND BALANCE	(157,553)	(157,553)	18,049	175,602
FUND BALANCE, JULY 1, 2010, as restated	157,553	157,553	157,553	
FUND BALANCE, JUNE 30, 2011	$		175,602	175,602

Continued…

COUNTY OF LOS ANGELES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS-Continued
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	PUBLIC ASSISTANCE			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Licenses, permits and franchises	$ 1,223	1,223	1,231	8
Fines, forfeitures and penalties	2,065	2,065	2,457	392
Revenue from use of money and property-				
Investment income	22	22	23	1
Charges for services	3,095	3,095	3,280	185
Miscellaneous	3,013	3,013	2,775	(238)
TOTAL REVENUES	9,418	9,418	9,766	348
EXPENDITURES:				
Current-Public assistance-				
Services and supplies	11,335	11,335	9,878	(1,457)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(1,917)	(1,917)	(112)	1,805
OTHER FINANCING SOURCES (USES):				
Transfers out	(3,020)	(3,020)	(2,730)	290
Appropriation for contingencies	(2,851)	(2,851)		2,851
Changes in reserves and designations	1,024	1,024	1,917	893
OTHER FINANCING SOURCES (USES) - NET	(4,847)	(4,847)	(813)	4,034
NET CHANGE IN FUND BALANCE	(6,764)	(6,764)	(925)	5,839
FUND BALANCE, JULY 1, 2010	6,764	6,764	6,764	
FUND BALANCE, JUNE 30, 2011	$		5,839	5,839

Continued…

COUNTY OF LOS ANGELES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS-Continued
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	RECREATION			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Licenses, permits and franchises	$ 20	20	22	2
Revenue from use of money and property:				
Investment income	83	83	41	(42)
Rents and concessions	411	411	692	281
Intergovernmental revenues:				
Federal			200	200
State	155	155	151	(4)
Charges for services	3,653	3,653	3,915	262
Miscellaneous	2,972	2,972	2,425	(547)
TOTAL REVENUES	7,294	7,294	7,446	152
EXPENDITURES:				
Current-Recreation and cultural services:				
Services and supplies	16,286	16,315	7,769	(8,546)
Capital assets		28		(28)
TOTAL EXPENDITURES	16,286	16,343	7,769	(8,574)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(8,992)	(9,049)	(323)	8,726
OTHER FINANCING SOURCES (USES):				
Transfers in	219	276	230	(46)
Transfers out	(2,731)	(2,731)	(1,167)	1,564
Appropriation for contingencies	(4,506)	(4,506)		4,506
Changes in reserves and designations	6,972	6,972	7,038	66
OTHER FINANCING SOURCES (USES) - NET	(46)	11	6,101	6,090
NET CHANGE IN FUND BALANCE	(9,038)	(9,038)	5,778	14,816
FUND BALANCE, JULY 1, 2010, as restated	9,038	9,038	9,038	
FUND BALANCE, JUNE 30, 2011	$		14,816	14,816

Continued…

COUNTY OF LOS ANGELES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS-Continued
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	COURTHOUSE TEMPORARY CONSTRUCTION			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Fines, forfeitures and penalties	$ 18,000	18,000	19,000	1,000
Revenue from use of money and property:				
Investment income	700	700	870	170
Rents and concessions	20	20		(20)
TOTAL REVENUES	18,720	18,720	19,870	1,150
EXPENDITURES:				
Current-Public protection:				
Services and supplies	61,815	61,815	1,420	(60,395)
Other charges	25,815	25,815	23,348	(2,467)
TOTAL EXPENDITURES	87,630	87,630	24,768	(62,862)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(68,910)	(68,910)	(4,898)	64,012
NET CHANGE IN FUND BALANCE	(68,910)	(68,910)	(4,898)	64,012
FUND BALANCE, JULY 1, 2010	68,910	68,910	68,910	
FUND BALANCE, JUNE 30, 2011	$		64,012	64,012

Continued…

COUNTY OF LOS ANGELES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS-Continued
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	CRIMINAL JUSTICE TEMPORARY CONSTRUCTION			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Fines, forfeitures and penalties	$ 20,000	20,000	21,967	1,967
Revenue from use of money and property-				
Investment income	800	800	577	(223)
TOTAL REVENUES	20,800	20,800	22,544	1,744
EXPENDITURES:				
Current-Public protection:				
Services and supplies	33,719	31,676	1,432	(30,244)
Other charges	5,977	8,020	3,166	(4,854)
Capital Outlay	420	420		(420)
TOTAL EXPENDITURES	40,116	40,116	4,598	(35,518)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(19,316)	(19,316)	17,946	37,262
OTHER FINANCING USES-				
Transfers out	(16,532)	(16,532)	(11,732)	4,800
TOTAL OTHER FINANCING USES	(16,532)	(16,532)	(11,732)	4,800
NET CHANGE IN FUND BALANCE	(35,848)	(35,848)	6,214	42,062
FUND BALANCE, JULY 1, 2010	35,848	35,848	35,848	
FUND BALANCE, JUNE 30, 2011	$		42,062	42,062

Continued…

COUNTY OF LOS ANGELES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS-Continued
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	REGISTRAR RECORDER IMPROVEMENT			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES-				
Charges for services	$ 13,332	13,332	13,701	369
OTHER FINANCING SOURCES (USES):				
Transfers out	(18,795)	(18,795)	(16,751)	2,044
Appropriation for contingencies	(2,080)	(2,080)		2,080
Changes in reserves and designations	2,619	2,619	2,622	3
OTHER FINANCING SOURCES (USES) - NET	(18,256)	(18,256)	(14,129)	4,127
NET CHANGE IN FUND BALANCE	(4,924)	(4,924)	(428)	4,496
FUND BALANCE, JULY 1, 2010	4,924	4,924	4,924	
FUND BALANCE, JUNE 30, 2011	$		4,496	4,496

Continued…

COUNTY OF LOS ANGELES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS-Continued
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	OTHER SPECIAL REVENUE			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Licenses, permits and franchises	$ 2,600	2,600	2,541	(59)
Revenue from use of money and property:				
Investment income	1,279	1,279	669	(610)
Rents and concessions	4,908	4,908	4,813	(95)
Royalties	10	10	5	(5)
Charges for services	1,256	1,256	3,212	1,956
Miscellaneous	11	11	29	18
TOTAL REVENUES	10,064	10,064	11,269	1,205
EXPENDITURES:				
Current:				
General government:				
Salaries and employee benefits	6,000	6,000	5,546	(454)
Services and supplies	22,983	22,933	7,486	(15,447)
Capital assets	2,217	2,267	185	(2,082)
Total general government	31,200	31,200	13,217	(17,983)
Education-				
Services and supplies	15,673	15,673	598	(15,075)
TOTAL EXPENDITURES	46,873	46,873	13,815	(33,058)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(36,809)	(36,809)	(2,546)	34,263
OTHER FINANCING SOURCES (USES):				
Sales of capital assets	2,462	2,462	636	(1,826)
Transfers in	2,832	2,832	2,339	(493)
Transfers out	(48,717)	(48,717)	(2,010)	46,707
Appropriation for contingencies	(5,174)	(5,174)		5,174
Changes in reserves and designations	1,314	1,314	2,202	888
OTHER FINANCING SOURCES (USES) - NET	(47,283)	(47,283)	3,167	50,450
NET CHANGE IN FUND BALANCE	(84,092)	(84,092)	621	84,713
FUND BALANCE, JULY 1, 2010, as restated	84,092	84,092	84,092	
FUND BALANCE, JUNE 30, 2011	$		84,713	84,713

COUNTY OF LOS ANGELES
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE
JUNE 30, 2011 (in thousands)

	Flood Control District	Regional Park and Open Space District	Joint Powers Authorities	Public Buildings	LA County Securitization Corporation	Total
ASSETS						
Pooled cash and investments:						
Operating	$	59,364				$ 59,364
Other		60				60
Total pooled cash and investments		59,424				59,424
Other investments	217		197,285	106,141	38,871	342,514
Taxes receivable	667					667
Interest receivable		186		369		555
Due from other funds					257,345	257,345
TOTAL ASSETS	$ 884	59,610	197,285	106,510	296,216	$ 660,505
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Due to other funds	$	448				$ 448
Deferred revenue	540					540
TOTAL LIABILITIES	540	448				988
FUND BALANCES - RESTRICTED	344	59,162	197,285	106,510	296,216	659,517
TOTAL LIABILITIES AND FUND BALANCES	$ 884	59,610	197,285	106,510	296,216	$ 660,505

COUNTY OF LOS ANGELES
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	Flood Control District	Regional Park and Open Space District	Joint Powers Authorities	Public Buildings	LA County Securitization Corporation	Total
REVENUES:						
Revenue from use of money and property-						
Investment income	$ 5	28	10,515	768	449	$ 11,765
Miscellaneous				712	22,163	22,875
TOTAL REVENUE	5	28	10,515	1,480	22,612	34,640
EXPENDITURES - Debt service:						
Principal	15,815	25,375	25,375	75,960	6,365	148,890
Interest and other charges	3,267	10,514	10,515	38,699	10,631	73,626
TOTAL EXPENDITURES	19,082	35,889	35,890	114,659	16,996	222,516
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(19,077)	(35,861)	(25,375)	(113,179)	5,616	(187,876)
OTHER FINANCING SOURCES (USES):						
Transfers in	19,068	36,168		102,103		157,339
Transfers out				(292)	(4,443)	(4,735)
Issuance of debt				23,738		23,738
TOTAL OTHER FINANCING SOURCES (USES)	19,068	36,168		125,549	(4,443)	176,342
NET CHANGE IN FUND BALANCES	(9)	307	(25,375)	12,370	1,173	(11,534)
FUND BALANCES, JULY 1, 2010	353	58,855	222,660	94,140	295,043	671,051
FUND BALANCES, JUNE 30, 2011	$ 344	59,162	197,285	106,510	296,216	$ 659,517

COUNTY OF LOS ANGELES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	REGIONAL PARK AND OPEN SPACE DISTRICT			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Revenue from use of money and property-				
Investment income	$ 814	814	340	(474)
EXPENDITURES:				
Debt service:				
Principal	25,375	25,375	25,375	
Interest	20,503	20,503	10,514	(9,989)
TOTAL EXPENDITURES	45,878	45,878	35,889	(9,989)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(45,064)	(45,064)	(35,549)	9,515
OTHER FINANCING SOURCES (USES):				
Transfers in	35,497	35,497	36,168	671
Changes in reserves and designations	(391)	(391)	(391)	
OTHER FINANCING SOURCES (USES) - NET	35,106	35,106	35,777	671
NET CHANGE IN FUND BALANCE	(9,958)	(9,958)	228	10,186
FUND BALANCE, JULY 1, 2010	9,958	9,958	9,958	
FUND BALANCE, JUNE 30, 2011	$		10,186	10,186

COUNTY OF LOS ANGELES
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS
JUNE 30, 2011 (in thousands)

	Accumulative Capital Outlay	Flood Control District	Improvement Districts	Public Buildings	Gap Loan	Total
ASSETS						
Pooled cash and investments:						
Operating	$ 70,880	99	12	25,843	113,893	$ 210,727
Other	166			16	215	397
Total pooled cash and investments	71,046	99	12	25,859	114,108	211,124
Other investments				292,882		292,882
Interest receivable	225			312	362	899
Other receivables	1,313					1,313
Due from other funds	6,880			256		7,136
TOTAL ASSETS	$ 79,464	99	12	319,309	114,470	$ 513,354
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Accounts payable	$ 478			326		$ 804
Due to other funds	5,294			7,815	10,991	24,100
Advances payable	36					36
Notes payable				71,264		71,264
TOTAL LIABILITIES	5,808			79,405	10,991	96,204
FUND BALANCES:						
Restricted				239,904	103,479	343,383
Committed	73,656					73,656
Assigned		99	12			111
TOTAL FUND BALANCES	73,656	99	12	239,904	103,479	417,150
TOTAL LIABILITIES AND FUND BALANCES	$ 79,464	99	12	319,309	114,470	$ 513,354

COUNTY OF LOS ANGELES
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	Accumulative Capital Outlay	Flood Control District	Improvement Districts	Public Buildings	Gap Loan	Total
REVENUES:						
Revenue from use of money and property -						
Investment income	$ 471		1	1,449	852	$ 2,773
Intergovernmental revenues-						
Federal	1,106					1,106
Charges for services	6,092					6,092
Miscellaneous	1,259			6,805		8,064
TOTAL REVENUES	8,928		1	8,254	852	18,035
EXPENDITURES - Capital outlay	25,503			43,491		68,994
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(16,575)		1	(35,237)	852	(50,959)
OTHER FINANCING SOURCES (USES) :						
Transfers in	12,201					12,201
Transfers out	(1,399)	(1)		(32,253)	(12,291)	(45,944)
Issuance of debt				296,624		296,624
OTHER FINANCING SOURCES (USES) - NET	10,802	(1)		264,371	(12,291)	262,881
NET CHANGE IN FUND BALANCES	(5,773)	(1)	1	229,134	(11,439)	211,922
FUND BALANCES, JULY 1, 2010	79,429	100	11	10,770	114,918	205,228
FUND BALANCES, JUNE 30, 2011	$ 73,656	99	12	239,904	103,479	$ 417,150

COUNTY OF LOS ANGELES
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - PERMANENT FUNDS
JUNE 30, 2011 (in thousands)

	Annuities	Endowments	Total
ASSETS			
Pooled cash and investments:			
Operating	$ 538	2,132	$ 2,670
Other	1	4	5
Total pooled cash and investments	539	2,136	2,675
Other investments	107		107
Interest receivable	3	7	10
TOTAL ASSETS	$ 649	2,143	$ 2,792
LIABILITIES - Due to other funds	$	59	$ 59
FUND BALANCES:			
Nonspendable	410	1,840	2,250
Restricted for annuities and endowments	239	244	483
TOTAL FUND BALANCES	649	2,084	2,733
TOTAL LIABILITIES AND FUND BALANCES	$ 649	2,143	$ 2,792

COUNTY OF LOS ANGELES
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	Annuities	Endowments	Total
REVENUES:			
Revenue from use of money and property -			
Investment income	$ 8	12	$ 20
EXPENDITURES - General government	44	69	113
DEFICIENCY OF REVENUES OVER EXPENDITURES	(36)	(57)	(93)
NET CHANGE IN FUND BALANCES	(36)	(57)	(93)
FUND BALANCES, JULY 1, 2010	685	2,141	2,826
FUND BALANCES, JUNE 30, 2011	$ 649	2,084	$ 2,733

NONMAJOR ENTERPRISE FUNDS

COUNTY OF LOS ANGELES
NONMAJOR ENTERPRISE FUNDS

The Aviation Enterprise Fund is used to account for the maintenance and operations of the five airports which are owned by the County. Operating revenues are derived primarily from charges for services and rentals associated with airport operations.

The Community Development Commission Enterprise Fund is used to account for the operation, maintenance and management of certain housing developments. Revenues are derived primarily from tenant rentals and federal grants.

COUNTY OF LOS ANGELES
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2011 (in thousands)

	Aviation	Community Development Commission	Total Nonmajor Enterprise Funds
ASSETS			
Current assets:			
Pooled cash and investments:			
Operating	$ 7,394		$ 7,394
Other	4		4
Total pooled cash and investments	7,398		7,398
Other investments		61,794	61,794
Accounts receivable - net	473	7,746	8,219
Interest receivable	23		23
Due from other funds	1		1
Total current assets	7,895	69,540	77,435
Noncurrent assets:			
Capital assets:			
Land and easements	134,066	71,961	206,027
Buildings and improvements	34,437	138,233	172,670
Equipment	1,705	1,726	3,431
Infrastructure	43,495		43,495
Construction in progress	8,573	5,980	14,553
Less accumulated depreciation	(55,835)	(127,316)	(183,151)
Total capital assets - net	166,441	90,584	257,025
Total noncurrent assets	166,441	90,584	257,025
TOTAL ASSETS	174,336	160,124	334,460
LIABILITIES			
Current liabilities:			
Accounts payable	41	4,648	4,689
Other payables	1,031	798	1,829
Due to other funds	284	1,465	1,749
Advances from other funds		3,500	3,500
Unearned revenue		257	257
Current portion of long-term liabilities		399	399
Total current liabilities	1,356	11,067	12,423
Noncurrent liabilities:			
Accrued vacation and sick leave		133	133
Bonds and notes payable		46,696	46,696
Total noncurrent liabilities		46,829	46,829
TOTAL LIABILITIES	1,356	57,896	59,252
NET ASSETS			
Invested in capital assets, net of related debt	166,441	74,432	240,873
Restricted:			
Debt service		13,911	13,911
Community development commission		13,885	13,885
Unrestricted	6,539		6,539
TOTAL NET ASSETS	$ 172,980	102,228	$ 275,208

COUNTY OF LOS ANGELES
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	Aviation	Community Development Commission	Total Nonmajor Enterprise Funds
OPERATING REVENUES:			
Rentals	$ 3,206	11,096	$ 14,302
Charges for services	380		380
Other		822	822
TOTAL OPERATING REVENUES	3,586	11,918	15,504
OPERATING EXPENSES:			
Services and supplies	2,405	283,089	285,494
Other professional services	620		620
Depreciation and amortization	1,633	903	2,536
TOTAL OPERATING EXPENSES	4,658	283,992	288,650
OPERATING LOSS	(1,072)	(272,074)	(273,146)
NONOPERATING REVENUES (EXPENSES):			
Interest income	7	70	77
Interest expense		(56)	(56)
Intergovernmental revenues:			
State	4		4
Federal	1,394	284,234	285,628
TOTAL NONOPERATING REVENUES	1,405	284,248	285,653
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	333	12,174	12,507
Capital contributions	437		437
Transfers in		132	132
CHANGE IN NET ASSETS	770	12,306	13,076
TOTAL NET ASSETS, JULY 1, 2010	172,210	89,922	262,132
TOTAL NET ASSETS, JUNE 30, 2011	$ 172,980	102,228	$ 275,208

COUNTY OF LOS ANGELES
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	Aviation	Community Development Commission	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Rentals received	$ 3,206	10,349	$ 13,555
Cash received from charges for services	4,397		4,397
Other operating revenues		822	822
Cash paid for salaries and employee benefits		(22,119)	(22,119)
Cash paid for services and supplies	(2,900)	(261,098)	(263,998)
Other operating expenses	(620)		(620)
Net cash provided by (required for) operating activities	4,083	(272,046)	(267,963)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Cash advances received from other funds		3,500	3,500
Intergovernmental receipts	2,707	284,234	286,941
Transfers in		132	132
Net cash provided by noncapital financing activities	2,707	287,866	290,573
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Capital contributions	437		437
Proceeds from bonds and notes		43,716	43,716
Interest paid on capital borrowing		(56)	(56)
Principal payments on bonds		(350)	(350)
Acquisition and construction of capital assets	(4,807)	(20,770)	(25,577)
Net cash provided by (required for) capital and related financing activities	(4,370)	22,540	18,170
CASH FLOWS FROM INVESTING ACTIVITIES -			
Interest income (returned) received	(4)	70	66
Net increase in cash and cash equivalents	2,416	38,430	40,846
Cash and cash equivalents, July 1, 2010	4,982	23,364	28,346
Cash and cash equivalents, June 30, 2011	$ 7,398	61,794	$ 69,192

Continued…

COUNTY OF LOS ANGELES
COMBINING STATEMENT OF CASH FLOWS - Continued
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	Aviation	Community Development Commission	Total Nonmajor Enterprise Funds
RECONCILIATION OF OPERATING LOSS TO NET CASH REQUIRED FOR OPERATING ACTIVITIES:			
Operating loss	$ (1,072)	(272,074)	$ (273,146)
Adjustments to reconcile operating loss to net cash required for operating activities:			
Depreciation and amortization	1,633	903	2,536
Other charges - net	(50)		(50)
(Increase) decrease in:			
Accounts receivable - net	(473)	(7,746)	(8,219)
Other receivables	4,486	7,278	11,764
Due from other funds	4		4
Increase (decrease) in:			
Accounts payable	(130)	(793)	(923)
Other payables	(302)	42	(260)
Accrued vacation and sick leave		(76)	(76)
Due to other funds	(13)	1,465	1,452
Unearned revenue		(279)	(279)
Litigation and self-insurance liability		(766)	(766)
TOTAL ADJUSTMENTS	5,155	28	5,183
NET CASH REQUIRED FOR OPERATING ACTIVITIES	$ 4,083	(272,046)	$ (267,963)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS:			
Pooled cash and investments	$ 7,398		$ 7,398
Other investments		61,794	61,794
TOTAL	$ 7,398	61,794	$ 69,192

INTERNAL SERVICE FUNDS

COUNTY OF LOS ANGELES
INTERNAL SERVICE FUNDS

The Public Works Fund is used to account for the cost of services provided by the Department of Public Works to the Road Fund, Flood Control District, County Engineer and various other special districts and agencies. Costs are recovered through billings for services.

The Equipment Acquisition Fund is used to account for the operations of the Los Angeles County Capital Asset Leasing Corporation. County departments are charged for equipment items acquired on their behalf. The charges represent recovery of equipment depreciation expense and bond interest expense.

The Community Development Commission Internal Service Fund is used to account for the accumulation of resources for, and the payment of, services provided to various departments within the Commission. The charges for services are on a cost-reimbursement basis.

COUNTY OF LOS ANGELES
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2011 (in thousands)

	Public Works	Equipment Acquisition	Community Development Commission	Total
ASSETS				
Current assets:				
Pooled cash and investments:				
Operating	$ 21,093	6,750		$ 27,843
Other	4,575	36		4,611
Total pooled cash and investments	25,668	6,786		32,454
Other investments			8,655	8,655
Interest receivable	68	80		148
Other receivables	9,114		43	9,157
Due from other funds	77,368	287		77,655
Inventories	10,005		20	10,025
Total current assets	122,223	7,153	8,718	138,094
Noncurrent assets:				
Restricted assets		19,831		19,831
Capital assets:				
Buildings and improvements	1,734			1,734
Equipment	140,918	123,856	5,054	269,828
Less accumulated depreciation	(76,604)	(47,228)	(4,121)	(127,953)
Total capital assets - net	66,048	76,628	933	143,609
Total noncurrent assets	66,048	96,459	933	163,440
TOTAL ASSETS	188,271	103,612	9,651	301,534
LIABILITIES				
Current liabilities:				
Accounts payable	4,176	6,914	542	11,632
Accrued payroll	14,241			14,241
Other payables	1,948			1,948
Accrued interest payable		238		238
Due to other funds	19,622		728	20,350
Advances from other funds	22,000			22,000
Unearned revenue	54			54
Current portion of long-term liabilities	8,688	21,165	455	30,308
Total current liabilities	70,729	28,317	1,725	100,771
Noncurrent liabilities:				
Accrued vacation and sick leave	38,896		61	38,957
Bonds and notes payable		66,240		66,240
Capital lease obligations			124	124
Workers' compensation liability	32,313		2,795	35,108
Litigation and self-insurance liability	950		1,341	2,291
OPEB obligation	192,466			192,466
Total noncurrent liabilities	264,625	66,240	4,321	335,186
TOTAL LIABILITIES	335,354	94,557	6,046	435,957
NET ASSETS				
Invested in capital assets, net of related debt	66,048	8,313	768	75,129
Restricted:				
Debt service		503		503
Community development commission			2,837	2,837
Unrestricted (deficit)	(213,131)	239		(212,892)
TOTAL NET ASSETS (DEFICIT)	$ (147,083)	9,055	3,605	$ (134,423)

COUNTY OF LOS ANGELES
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	Public Works	Equipment Acquisition	Community Development Commission	Total
OPERATING REVENUES:				
Rentals	$ 2	27,931		$ 27,933
Charges for services	430,249		12,828	443,077
TOTAL OPERATING REVENUES	430,251	27,931	12,828	471,010
OPERATING EXPENSES:				
Salaries and employee benefits	387,208			387,208
Services and supplies	39,368	19	13,681	53,068
Other professional services	32,709			32,709
Depreciation and amortization	9,094	23,960	261	33,315
TOTAL OPERATING EXPENSES	468,379	23,979	13,942	506,300
OPERATING INCOME (LOSS)	(38,128)	3,952	(1,114)	(35,290)
NONOPERATING REVENUES (EXPENSES) :				
Interest income		145	48	193
Interest expense	(1,304)	(1,186)	(8)	(2,498)
Intergovernmental revenues - Federal			1,400	1,400
TOTAL NONOPERATING REVENUES (EXPENSES)	(1,304)	(1,041)	1,440	(905)
INCOME (LOSS) BEFORE TRANSFERS	(39,432)	2,911	326	(36,195)
Transfers in	18,269		128	18,397
Transfers out		(3,363)	(93)	(3,456)
CHANGE IN NET ASSETS	(21,163)	(452)	361	(21,254)
TOTAL NET ASSETS (DEFICIT), JULY 1, 2010	(125,920)	9,507	3,244	(113,169)
TOTAL NET ASSETS (DEFICIT), JUNE 30, 2011	$ (147,083)	9,055	3,605	$ (134,423)

COUNTY OF LOS ANGELES
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	Public Works	Equipment Acquisition	Community Development Commission	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Rentals received	$ 2	27,677		$ 27,679
Cash received from charges for services	33,960			33,960
Cash received from charges for services to other funds	381,126		12,857	393,983
Cash paid for salaries and employee benefits	(347,136)		(8,820)	(355,956)
Cash paid for services and supplies	(49,871)	(19)	(4,574)	(54,464)
Other operating expenses	(32,709)			(32,709)
Net cash provided by (required for) operating activities	(14,628)	27,658	(537)	12,493
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Interest paid on pension bonds	(1,304)			(1,304)
Intergovernmental receipts			1,400	1,400
Transfers in	18,269		128	18,397
Transfers out		(3,363)	(93)	(3,456)
Net cash provided by (required for) noncapital financing activities	16,965	(3,363)	1,435	15,037
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from bonds and notes		62,000		62,000
Interest paid on capital borrowing		(1,064)	(8)	(1,072)
Principal payments on bonds and notes		(14,680)		(14,680)
Principal payments on capital leases			(32)	(32)
Acquisition and construction of capital assets	(10,753)	(57,679)	(492)	(68,924)
Net cash required for capital and related financing activities	(10,753)	(11,423)	(532)	(22,708)
CASH FLOWS FROM INVESTING ACTIVITIES -				
Interest income received	28	99	48	175
Net increase (decrease) in cash and cash equivalents	(8,388)	12,971	414	4,997
Cash and cash equivalents July 1, 2010	34,056	13,646	8,241	55,943
Cash and cash equivalents June 30, 2011	$ 25,668	26,617	8,655	$ 60,940

Continued…

COUNTY OF LOS ANGELES
COMBINING STATEMENT OF CASH FLOWS - Continued
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	Public Works	Equipment Acquisition	Community Development Commission	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (REQUIRED FOR) OPERATING ACTIVITIES:				
Operating income (loss)	$ (38,128)	3,952	(1,114)	$ (35,290)
Adjustments to reconcile operating income (loss) to net cash provided by (required for) operating activities:				
Depreciation and amortization	9,094	23,960	261	33,315
Other charges - net	(1,222)			(1,222)
(Increase) decrease in:				
Other receivables	(1,896)		29	(1,867)
Due from other funds	(12,512)	(254)		(12,766)
Inventories	19		42	61
Net pension obligation	2,576			2,576
Increase (decrease) in:				
Accounts payable	(1,158)		(50)	(1,208)
Accrued payroll	336			336
Other payables	19			19
Accrued vacation and sick leave	199		(79)	120
Due to other funds	(8,142)		719	(7,423)
Unearned revenue	(415)			(415)
Pension bonds payable	(17,210)			(17,210)
Workers' compensation liability	(2,809)			(2,809)
Litigation and self-insurance liability	950		(345)	605
OPEB liability	55,671			55,671
TOTAL ADJUSTMENTS	23,500	23,706	577	47,783
NET CASH PROVIDED BY (REQUIRED FOR) OPERATING ACTIVITIES	$ (14,628)	27,658	(537)	$ 12,493
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES -				
Assets acquired from capital leases	$		154	$ 154
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS:				
Pooled cash and investments	$ 25,668	6,786		$ 32,454
Other investments			8,655	8,655
Restricted assets		19,831		19,831
TOTAL	$ 25,668	26,617	8,655	$ 60,940

FIDUCIARY FUNDS

COUNTY OF LOS ANGELES
FIDUCIARY FUNDS

POOLED INVESTMENT TRUST FUND

The Pooled Investment Trust Fund is used to account for net assets of the County's external investment pool. The fund primarily consists of deposits held on behalf of School Districts and Sanitation Districts.

SPECIFIC INVESTMENT TRUST FUND

The Specific Investment Trust Fund is used to account for the net assets of individual investment accounts, in aggregate. The related investment activity occurs separately from the County's investment pool and is provided as a service to external investors.

AGENCY

Agency funds are used to account for cash and other assets and related liabilities of such funds as temporary funds for deposits of unapportioned taxes, departmental funds, and clearing and revolving funds.

COUNTY OF LOS ANGELES
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS - INVESTMENT TRUST FUNDS
JUNE 30, 2011 (in thousands)

	Pooled Investment Trust Fund	Specific Investment Trust Fund	Total
ASSETS			
Pooled cash and investments	$ 16,103,099		$ 16,103,099
Other investments		67,391	67,391
Interest receivable	48,232	275	48,507
TOTAL ASSETS	$ 16,151,331	67,666	$ 16,218,997
LIABILITIES			
Other payables	$ 577,833		$ 577,833
NET ASSETS			
Held in trust for investment trust fund participants	$ 15,573,498	67,666	$ 15,641,164

COUNTY OF LOS ANGELES
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS - INVESTMENT TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	Pooled Investment Trust Fund	Specific Investment Trust Fund	Total
ADDITIONS:			
Contributions to investment trust funds	$ 38,990,235	738,635	$ 39,728,870
Interest income	107,485		107,485
TOTAL ADDITIONS	39,097,720	738,635	39,836,355
DEDUCTIONS -			
Distributions from investment trust funds	39,655,620	766,691	40,422,311
CHANGE IN NET ASSETS	(557,900)	(28,056)	(585,956)
NET ASSETS HELD IN TRUST, JULY 1, 2010	16,131,398	95,722	16,227,120
NET ASSETS HELD IN TRUST, JUNE 30, 2011	$ 15,573,498	67,666	$ 15,641,164

COUNTY OF LOS ANGELES
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS - AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2011 (in thousands)

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
ASSETS				
Pooled cash and investments	$ 1,261,934	127,701,900	127,659,657	$ 1,304,177
Other investments	302	604	604	302
Taxes receivable	567,779	897,414	796,241	668,952
Interest receivable	5,988	13,073	5,992	13,069
TOTAL ASSETS	$ 1,836,003	128,612,991	128,462,494	$ 1,986,500
LIABILITIES				
Due to other governments	$ 1,836,003	3,289,191	3,138,694	$ 1,986,500
TOTAL LIABILITIES	$ 1,836,003	3,289,191	3,138,694	$ 1,986,500

STATISTICAL SECTION

The information in this section is not covered by the Independent Auditor's Report, but is presented as supplemental data for the benefit of the readers of the comprehensive annual financial report. The objectives of statistical section information are to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to better understand and assess the County's overall financial health.

CONTENTS PAGE

FINANCIAL TRENDS 165
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

REVENUE CAPACITY 172
These schedules contain trend information to help the reader assess the County's most significant local revenue source, the property tax.

DEBT CAPACITY 176
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION 182
The schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

OPERATING INFORMATION 184
These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

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

COUNTY OF LOS ANGELES
NET ASSETS BY CATEGORY (UNAUDITED)
LAST TEN FISCAL YEARS (in thousands)
(accrual basis of accounting)

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Governmental activities										
Invested in capital assets, net of related debt	$ 1,944,507	2,210,640	2,384,009	2,556,556	13,567,513	14,192,494	13,913,070	14,081,048	14,271,861	14,484,468
Restricted	913,613	907,155	928,616	1,152,845	1,378,439	1,443,083	1,605,763	1,644,109	1,861,498	2,925,662
Unrestricted (deficit)	(1,892,055)	(2,391,517)	(2,203,518)	(1,572,611)	(840,389)	(194,953)	51,582	(972,862)	(2,133,744)	(4,247,364)
Subtotal governmental activities net assets	966,065	726,278	1,109,107	2,136,790	14,105,563	15,440,624	15,570,415	14,752,295	13,999,615	13,162,766
Business-type activities										
Invested in capital assets, net of related debt	402,528	495,549	622,282	793,517	1,827,225	2,190,999	2,259,617	2,217,449	2,293,147	2,242,340
Restricted	91,994	127,192	105,557	74,173	165,427	186,266	307,985	192,427	163,820	122,216
Unrestricted (deficit)	(748,183)	(734,942)	(590,882)	(624,577)	(444,450)	(640,691)	(824,889)	(1,032,677)	(1,373,660)	(1,336,706)
Subtotal business-type activites net assets	(253,661)	(112,201)	136,957	243,113	1,548,202	1,736,574	1,742,713	1,377,199	1,083,307	1,027,850
Primary government										
Invested in capital assets, net of related debt	2,347,035	2,706,189	3,006,291	3,350,073	15,394,738	16,383,493	16,172,687	16,298,497	16,565,008	16,726,808
Restricted	1,005,607	1,034,347	1,034,173	1,227,018	1,543,866	1,629,349	1,913,748	1,836,536	2,025,318	3,047,878
Unrestricted (deficit)	(2,640,238)	(3,126,459)	(2,794,400)	(2,197,188)	(1,284,839)	(835,644)	(773,307)	(2,005,539)	(3,507,404)	(5,584,070)
Total primary government net assets	$ 712,404	614,077	1,246,064	2,379,903	15,653,765	17,177,198	17,313,128	16,129,494	15,082,922	14,190,616

COUNTY OF LOS ANGELES
CHANGES IN NET ASSETS (UNAUDITED)
LAST TEN FISCAL YEARS (in thousands)
(accrual basis of accounting)

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Expenses										
Government activities:										
General government	$ 611,203	764,588	650,096	666,778	795,290	807,155	1,171,448	1,103,361	1,236,226	1,100,781
Public protection	3,937,519	4,177,049	4,044,824	4,159,675	4,443,432	4,872,413	5,799,593	6,125,158	6,163,910	6,081,466
Public ways and facilities	208,299	227,776	222,416	249,065	360,980	282,827	299,304	327,403	352,549	417,250
Health and sanitation	1,795,060	1,888,141	1,918,831	1,941,315	2,151,515	2,223,695	2,638,135	2,783,150	2,718,876	2,781,183
Public assistance	4,505,319	4,604,757	4,383,626	4,398,391	4,465,520	4,539,458	5,061,367	5,233,389	5,518,036	5,728,637
Education	73,455	75,079	77,207	86,707	92,867	99,136	112,035	109,910	101,397	104,159
Recreation and cultural services	231,605	228,008	229,541	236,421	240,274	266,967	290,669	331,726	319,000	311,422
Interest on long-term debt	249,586	270,336	240,494	223,696	221,838	239,608	191,551	165,782	139,824	134,429
Subtotal governmental activities expenses	11,612,046	12,235,734	11,767,035	11,962,048	12,771,716	13,331,259	15,564,102	16,179,879	16,549,818	16,659,327
Business-type activities:										
Hospitals **(1)**	3,086,454	3,158,458	3,063,732	3,235,176	2,778,251	2,894,493	3,092,682	3,443,266	3,394,724	3,541,874
Aviation	4,618	4,617	5,155	5,747	5,236	5,761	4,182	5,073	4,743	4,658
Waterworks	39,857	42,448	45,473	43,444	67,563	97,504	74,810	76,904	76,817	83,592
Community Development Commission	198,340	223,808	222,207	217,560	202,298	211,077	246,195	268,201	294,785	284,048
Subtotal business-type activities expense	3,329,269	3,429,331	3,336,567	3,501,927	3,053,348	3,208,835	3,417,869	3,793,444	3,771,069	3,914,172
Total primary government expenses	14,941,315	15,665,065	15,103,602	15,463,975	15,825,064	16,540,094	18,981,971	19,973,323	20,320,887	20,573,499
Program Revenues										
Governmental activities:										
Charges for services										
General government	332,282	354,291	371,723	371,338	500,233	451,050	445,948	634,153	432,084	451,082
Public protection	981,002	1,021,186	1,055,700	1,112,288	1,118,277	1,189,730	1,273,710	1,323,593	1,342,970	1,308,388
Health and sanitation	375,484	385,490	357,229	378,324	469,450	518,893	708,097	484,240	639,602	635,950
Recreation and cultural services	154,704	152,908	157,486	159,999	165,980	173,531	206,364	172,899	178,935	179,705
Other charges for services	54,548	81,388	55,947	65,629	83,694	63,664	104,433	79,844	92,226	82,462
Subtotal governmental activities charges for services	1,898,020	1,995,263	1,998,085	2,087,578	2,337,634	2,396,868	2,738,552	2,694,729	2,685,817	2,657,587
Operating grants and contributions	6,243,962	6,373,405	6,362,285	6,551,225	6,801,256	6,980,549	7,113,135	7,215,270	7,636,509	7,939,142
Capital grants and contributions	27,534	38,471	59,650	44,072	64,258	25,135	184,502	206,137	115,640	149,569
Total governmental activities program revenue	8,169,516	8,407,139	8,420,020	8,682,875	9,203,148	9,402,552	10,036,189	10,116,136	10,437,966	10,746,298
Business-type activities:										
Charges for services										
Hospitals **(1)**	2,516,003	2,594,762	2,397,047	2,390,770	1,913,815	1,864,209	1,730,231	2,022,633	2,099,010	2,210,619
Other charges for services	46,958	50,187	57,150	68,151	90,604	93,770	76,516	73,311	70,853	72,429
Subtotal business-type activities charges for services	2,562,961	2,644,949	2,454,197	2,458,921	2,004,419	1,957,979	1,806,747	2,095,944	2,169,863	2,283,048
Operating grants and contributions	267,329	295,296	277,427	262,636	309,526	304,720	263,471	279,195	317,162	681,471
Capital grants and contributions	13,765	26,851	83,537	138,723	74,821	12,992	2,897	837	2,018	437
Total business-type activities program revenue	2,844,055	2,967,096	2,815,161	2,860,280	2,388,766	2,275,691	2,073,115	2,375,976	2,489,043	2,964,956
Total primary government revenues	11,013,571	11,374,235	11,235,181	11,543,155	11,591,914	11,678,243	12,109,304	12,492,112	12,927,009	13,711,254

Continued. . .

COUNTY OF LOS ANGELES
CHANGES IN NET ASSETS (UNAUDITED) - Continued
LAST TEN FISCAL YEARS (in thousands)
(accrual basis of accounting)

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Net (expense) / revenue:										
Governmental activities	(3,442,530)	(3,828,595)	(3,347,015)	(3,279,173)	(3,568,568)	(3,928,707)	(5,527,913)	(6,063,743)	(6,111,852)	(5,913,029)
Business-type activities	(485,214)	(462,235)	(521,406)	(641,647)	(664,582)	(933,144)	(1,344,754)	(1,417,468)	(1,282,026)	(949,216)
Total primary government net expenses	(3,927,744)	(4,290,830)	(3,868,421)	(3,920,820)	(4,233,150)	(4,861,851)	(6,872,667)	(7,481,211)	(7,393,878)	(6,862,245)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Taxes	2,349,836	2,493,274	2,912,645	3,804,859	4,292,919	4,688,595	5,034,399	5,192,566	5,061,595	5,046,783
Intergovernmental-motor vehicle in-lieu taxes, not restricted	675,004	690,854	573,859							
Unrestricted grants and contributions	706,167	703,520	711,961	731,767	730,516	761,705	778,936	756,417	701,521	677,767
Investment earnings	154,439	102,573	57,807	137,382	244,005	335,851	324,132	197,705	105,878	80,746
Miscellaneous	148,622	136,702	186,406	130,904	171,049	259,357	229,810	142,075	132,856	129,963
Special Item - Contribution of Disney Hall				188,493		267,473				
Transfers (Net)	(550,302)	(538,115)	(712,834)	(686,549)	(989,117)	(1,049,213)	(1,152,946)	(1,011,862)	(895,250)	(859,079)
Subtotal governmental activities	3,483,766	3,588,808	3,729,844	4,306,856	4,449,372	5,263,768	5,214,331	5,276,901	5,106,600	5,076,180
Business-type activities:										
Taxes	2,550	2,772	2,845	701	743	3,782	4,405	4,453	4,415	4,265
Unrestricted grants and contributions	33	32	32	34	34	35	37	37	143	41
Investment earnings	4,415	4,373	1,452	6,416	9,703	18,043	14,073	9,844	2,693	2,142
Miscellaneous	50,860	58,403	53,401	54,103	58,804	50,443	24,950	25,758	35,463	28,232
Transfers (Net)	550,302	538,115	712,834	686,549	989,117	1,049,213	1,152,946	1,011,862	895,250	859,079
Subtotal business-type activities	608,160	603,695	770,564	747,803	1,058,401	1,121,516	1,196,411	1,051,954	937,964	893,759
Total primary government	4,091,926	4,192,503	4,500,408	5,054,659	5,507,773	6,385,284	6,410,742	6,328,855	6,044,564	5,969,939
Changes in Net Assets										
Government activities	41,236	(239,787)	382,829	1,027,683	880,804	1,335,061	(313,582)	(786,842)	(1,005,252)	(836,849)
Business-type activities	122,946	141,460	249,158	106,156	393,819	188,372	(148,343)	(365,514)	(344,062)	(55,457)
Total primary government	$ 164,182	(98,327)	631,987	1,133,839	1,274,623	1,523,433	(461,925)	(1,152,356)	(1,349,314)	(892,306)

Note:

(1) Amounts presented for 2002 Business-type activities have been reclassified and adjusted to conform to the current year's presentation format. Charges for services revenues and Hospital expenses have each been increased by $568.6 million to more appropriately display Hospital intergovernmental transfer expenses and related revenues.

COUNTY OF LOS ANGELES
FUND BALANCES, GOVERNMENTAL FUNDS (UNAUDITED)
LAST TEN FISCAL YEARS (in thousands)
(modified accrual basis of accounting)

(1)	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11 (3)
General Fund										
Reserved for:										
Encumbrances	$ 277,146	316,118	289,174	333,499	352,523	415,001	532,752	368,798	373,511	
Inventories	36,740	33,230	29,843	39,713	42,562	42,561	43,906	46,486	44,279	
Assets unavailable for appropriation	44,879	33,410	31,548	27,415	26,970	20,718	20,808	124,567	366,638	
Total Reserved Balance	358,765	382,758	350,565	400,627	422,055	478,280	597,466	539,851	784,428	
Unreserved, designated for:										
Budget uncertainties	388,235	414,054	359,649	496,672	375,511	338,192	292,113			
Program expansion	206,805	254,753	299,357	190,548	497,370	328,795	302,763	464,395	305,831	
Health services				329,806	459,346	326,849	242,408	228,229	168,702	
Capital projects					190,184	241,489	315,355	278,955	144,366	
Unreserved, undesignated, reported in:										
General fund	558,549	646,165	878,156	909,076	793,812	1,366,839	1,624,335	1,655,388	1,592,484	
Total Unreserved Balance	1,153,589	1,314,972	1,537,162	1,926,102	2,316,223	2,602,164	2,776,974	2,626,967	2,211,383	
Nonspendable										259,127
Restricted										35,377
Assigned										763,038
Unassigned										1,664,901
Total General Fund	1,512,354	1,697,730	1,887,727	2,326,729	2,738,278	3,080,444	3,374,440	3,166,818	2,995,811	2,722,443
All Other Governmental Funds (2)										
Reserved for:										
Encumbrances	451,630	339,018	297,961	372,272	414,475	379,556	384,475	391,728	383,683	
Inventories	44,706	40,854	55,180	46,740	49,424	44,936	45,426	42,965	44,039	
Housing programs	2,568	2,260	2,260	2,079	2,117	1,662	1,167	1,618	2,026	
Debt service	253,065	236,921	231,438	259,493	508,379	467,444	447,088	447,866	448,391	
Endowments & annuities	3,454	3,541	3,315	3,339	3,332	3,380	3,455	3,019	2,826	
Assets unavailable for appropriation	25,221	31,606	34,244	34,017	46,872	32,638	53,218	16,152	15,484	
Total Reserved Balance	780,644	654,200	624,398	717,940	1,024,599	929,616	934,829	903,348	896,449	
Unreserved, designated for:										
Special revenue funds	188,128	186,612	190,899	242,539	309,291	441,196	572,711	641,311	731,996	
Unreserved, undesignated, reported in:										
Special revenue funds	509,943	556,258	622,391	610,336	792,856	835,998	931,013	991,162	1,096,078	
Capital projects funds	110,237	94,799	87,039	264,882	328,896	268,535	190,098	188,992	193,410	
Total Unreserved Balance	808,308	837,669	900,329	1,117,757	1,431,043	1,545,729	1,693,822	1,821,465	2,021,484	
Nonspendable										54,082
Restricted										3,173,112
Committed										111,363
Assigned										143,704
Total All Other Governmental Funds	1,588,952	1,491,869	1,524,727	1,835,697	2,455,642	2,475,345	2,628,651	2,724,813	2,917,933	3,482,261
Total Governmental Fund Balance	$ 3,101,306	3,189,599	3,412,454	4,162,426	5,193,920	5,555,789	6,003,091	5,891,631	5,913,744	6,204,704

Notes:

(1) 2001-02 thru 2009-10 have not been restated for the implementation of GASB Statement No. 54.

(2) "All Other Governmental Funds" consists of the following funds: Fire Protection District, Flood Control District, Public Library, Regional Park and Open Space District and Nonmajor Governmental Funds.

(3) The County implemented GASB 54 under which governmental fund balances are reported as nonspendable, restricted, committed, assigned and unassigned. The governmental funds are reported in the new required format beginning FY 2010 -11.

COUNTY OF LOS ANGELES
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (UNAUDITED)
LAST TEN FISCALYEARS (in thousands)
(modified accrual basis of accounting)

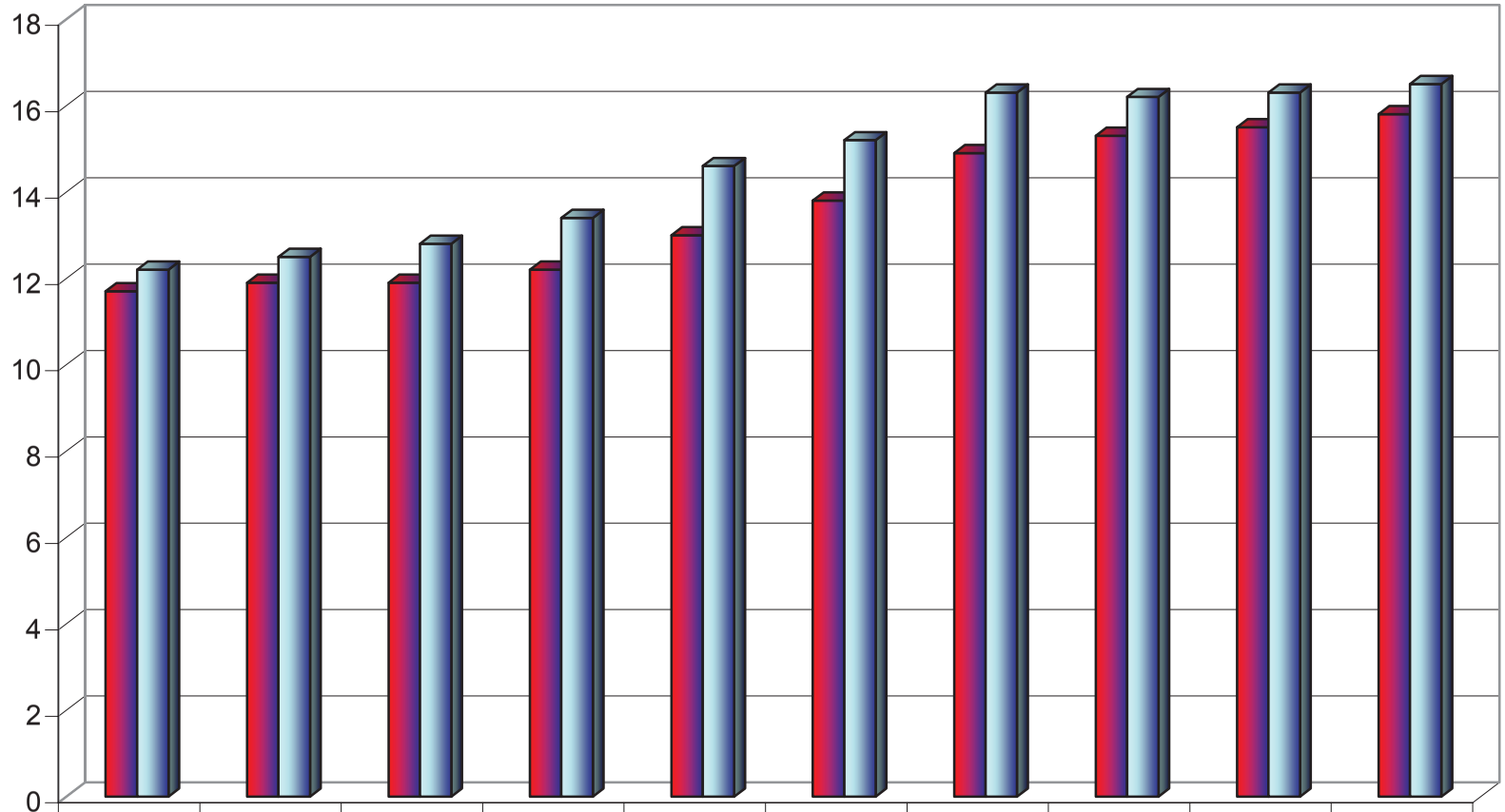
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Revenues (by source)										
Taxes	$ 2,282,620	2,422,005	2,830,843	3,704,985	4,145,704	4,567,655	4,823,493	5,081,939	4,960,714	4,955,254
Licenses, permits and franchises	59,712	67,478	71,176	73,450	77,004	77,690	79,511	80,823	69,440	80,278
Fines, forfeitures and penalties	264,713	262,604	275,744	294,714	309,962	316,174	341,135	364,047	353,432	341,143
Revenue from use of money and property:										
Investment income	153,830	102,109	57,654	136,833	243,197	334,865	323,071	196,575	105,618	80,584
Rents and concessions	60,181	57,992	71,029	69,253	69,388	80,874	78,370	90,881	94,101	111,659
Royalties	289	300	299	408	615	594	978	1,073	1,006	1,285
Intergovernmental revenues:										
Federal	3,252,597	3,198,572	3,148,842	2,763,670	2,745,903	2,835,932	3,149,752	3,272,856	3,582,396	3,480,705
State	4,170,053	4,331,478	4,292,677	4,275,176	4,650,492	4,613,192	4,621,964	4,446,417	4,544,074	4,981,043
Other	98,051	107,337	113,576	122,674	121,532	154,116	170,405	183,787	169,268	162,385
Charges for services	1,538,368	1,625,583	1,616,924	1,699,477	1,927,681	1,965,724	2,241,295	2,193,709	2,172,974	2,136,897
Proceeds from property owners	1,336	8,123	73							
Miscellaneous	295,902	294,278	328,914	277,000	324,060	291,293	442,645	327,762	273,309	218,607
Total Revenues	12,177,652	12,477,859	12,807,751	13,417,640	14,615,538	15,238,109	16,272,619	16,239,869	16,326,332	16,549,840
Expenditures (by function)										
Current:										
General government	589,281	652,393	673,950	664,670	778,406	871,304	934,641	963,275	877,098	898,099
Public protection	3,795,429	3,768,650	3,934,320	4,111,311	4,413,646	4,955,338	5,328,923	5,561,576	5,600,679	5,516,837
Public ways and facilities	261,679	287,853	229,546	247,314	287,544	271,904	318,468	309,264	332,036	340,886
Health and sanitation	1,765,432	1,826,083	1,905,521	1,935,207	2,129,508	2,255,737	2,462,395	2,645,030	2,567,715	2,628,816
Public assistance	4,360,342	4,461,044	4,325,241	4,387,157	4,457,822	4,539,192	4,770,593	4,951,368	5,194,752	5,387,205
Education	72,542	74,013	79,285	85,066	92,105	99,115	105,684	115,315	107,963	110,550
Recreation and cultural services	235,188	225,329	231,210	226,768	247,845	265,029	272,028	302,988	300,199	302,924
Debt services:										
Principal	241,737	269,349	280,274	345,956	390,745	304,888	220,287	187,574	184,844	209,786
Interest and other charges	220,801	206,119	182,385	181,948	126,030	211,386	259,254	220,467	246,461	269,895
Capital leases	8,220	14,345	13,830	11,449	29,624	25,936	19,629	12,601	12,097	9,070
Capital outlay	120,579	99,710	48,536	31,384	67,717	48,897	188,090	75,494	32,799	101,592
Total Expenditures	11,671,230	11,884,888	11,904,098	12,228,230	13,020,992	13,848,726	14,879,992	15,344,952	15,456,643	15,775,660
Excess of Revenues over Expenditures	506,422	592,971	903,653	1,189,410	1,594,546	1,389,383	1,392,627	894,917	869,689	774,180
Other Financing Sources (Uses)										
Transfers in	294,162	295,168	303,956	416,981	516,492	540,377	602,352	527,231	565,138	639,472
Transfers out	(838,520)	(831,862)	(1,020,831)	(1,104,398)	(1,504,136)	(1,592,341)	(1,752,685)	(1,540,633)	(1,454,259)	(1,510,310)
Issuance of debt				7,700	389,423	326,245	3,000		36,977	326,363
Refunding bonds issued	29,000	160,325		434,471			94,315			
Payment to refunded bonds escrow agent	(29,000)	(160,325)		(434,471)		(320,995)	(94,315)			
Bond premium proceeds		8,513		37,629		14,566				
Capital leases	47,568	21,480	28,312	7,329	22,533	818	98,168	880	2,333	43,523
Sales of capital assets	5,292	2,023	7,765	6,828	12,636	3,816	4,099	6,145	2,235	17,732
Total other financing sources (uses)	(491,498)	(504,678)	(680,798)	(627,931)	(563,052)	(1,027,514)	(1,045,066)	(1,006,377)	(847,576)	(483,220)
Special Item-Proceeds from sale of receivables				188,493						
Net change in fund balance	$ 14,924	88,293	222,855	749,972	1,031,494	361,869	347,561	(111,460)	22,113	290,960
Debt service as a percentage of noncapital expenditures **(1)**	4.10%	4.23%	4.07%	4.48%	4.29%	4.03%	3.44%	2.81%	2.91%	3.17%

Note:

(1) The debt service percentage calculations make use of the capital outlay expenditure balances as presented on the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.

Amount from GW to FB reconciliation for Capital Outlay	177,720	296,788	184,681	197,261	272,525	400,933	356,061	349,363	234,040	366,201

COUNTY of LOS ANGELES
Governmental Funds Expenditures and Revenues
Last Ten Fiscal Years



	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11
Expenditures	11.7	11.9	11.9	12.2	13.0	13.8	14.9	15.3	15.5	15.8
Revenues	12.2	12.5	12.8	13.4	14.6	15.2	16.3	16.2	16.3	16.5

In Billions of Dollars

Expenditures Revenues

COUNTY OF LOS ANGELES
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY (UNAUDITED) **(1)**
LAST TEN FISCAL YEARS (in thousands)

Fiscal Year	(2) Secured	(3) Unsecured	(4) Unitary	(5) Exempt	Total Taxable Assessed Value	Total Direct Tax Rate
2001 - 2002	$ 592,345,254	$ 44,394,254	$ 12,425,635	$ (26,803,046)	$ 622,362,097	1.00000%
2002 - 2003	632,815,105	43,785,523	12,357,025	(28,702,612)	660,255,041	1.00000%
2003 - 2004	683,216,372	44,745,197	11,587,736	(29,937,047)	709,612,258	1.00000%
2004 - 2005	738,658,957	43,898,983	10,648,846	(31,851,689)	761,355,097	1.00000%
2005 - 2006	813,276,803	43,964,997	10,718,105	(32,058,237)	835,901,668	1.00000%
2006 - 2007	905,276,182	45,783,429	10,638,106	(36,182,793)	925,514,924	1.00000%
2007 - 2008	990,301,135	48,543,926	11,158,201	(40,091,971)	1,009,911,291	1.00000%
2008 - 2009	1,057,718,427	52,279,248	12,298,465	(41,418,999)	1,080,877,141	1.00000%
2009 - 2010	1,055,807,331	53,193,853	11,891,981	(45,881,461)	1,075,011,704	1.00000%
2010 - 2011	1,040,789,623	49,744,044	12,120,596	(47,184,173)	1,055,470,090	1.00000%

Notes:

(1) Due to the 1978 passage of the property tax initiative Proposition 13 (Prop 13), the County does not track the estimated actual value of all County properties. Under Prop 13 property is assessed at the 1978 market value with an annual increase limited to the lesser of 2% or the CPI on property not involved in a change of ownership or properties that did not undergo new construction. Newly acquired property is assessed at its new market value (usually the purchase price) and the value of any new construction is added to the existing base value of a parcel. As a result, similar properties can have substantially different assessed values based on the date of purchase. Additionally, Prop 13 limits the property tax rate to 1% of assessed value plus the rate necessary to fund local voter-approved bonds and special assessments.

(2) Secured property is generally real property, as defined as land, mines, minerals, timber and improvements such as buildings, structures, crops, trees and vines.

(3) Unsecured property is generally personal property including machinery, equipment, office tools and supplies.

(4) Unitary properties are railroads and utilities crossing the County and are assessed by the State Board of Equalization.

(5) Exempt properties include numerous full and partial exclusions/exemptions provided by the State Constitution and the legislature that relieve certain taxpayers from the burden of paying property taxes.

Source:
Auditor-Controller, County of Los Angeles Taxpayers' Guide

COUNTY OF LOS ANGELES
DIRECT AND OVERLAPPING PROPERTY TAX RATES FOR
TAX RATE AREA #4 (UNAUDITED)
LAST TEN FISCAL YEARS

	County Direct Rates	Overlapping Rates					Total Rates
Fiscal Year	Los Angeles General	Los Angeles County Detentior Facilities (1)	Flood Control Districts (1)	Los Angeles City Tax District No. 1	School Districts	Metropolitan Water District	
2001 - 2002	1.00000	.001128	.001073	.040051	.064125	.007700	1.114077
2002 - 2003	1.00000	.001033	.000881	.042312	.051571	.006700	1.102497
2003 - 2004	1.00000	.000992	.000462	.050574	.097002	.006100	1.155130
2004 - 2005	1.00000	.000923	.000245	.055733	.106937	.005800	1.169638
2005 - 2006	1.00000	.000795	.000049	.051289	.098634	.005200	1.155967
2006 - 2007	1.00000	.000663	.000052	.045354	.128276	.004700	1.179045
2007 - 2008	1.00000	.000000	.000000	.038051	.132136	.004500	1.174687
2008 - 2009	1.00000	.000000	.000000	.038541	.146897	.004300	1.189738
2009 - 2010	1.00000	.000000	.000000	.041220	.174921	.004300	1.220441
2010 - 2011	1.00000	.000000	.000000	.038895	.227264	.003700	1.269859

Notes:

(1) The Secured Tax Rate and Ratios Report no longer includes the Detention Facilities & Flood Control Districts rates, as these bonds have matured.

(A) The tax rate for Tax Rate Area #4, which applies to most property within the City of Los Angeles, is used to illustrate the breakdown of a tax rate within the County.

(B) Article XIIIA (Proposition 13) limits the maximum ad valorem tax rate to 1% of "full cash value" except for indebtedness approved by the voters prior to July 1, 1978. All other rates are calculated per $100 of assessed value.

(C) An exception to the 1% limit was provided by Proposition 46 which was approved in June, 1986 re-establishing authority of local governments to issue general obligation bonds for certain purposes.

(D) The County is divided into 11,769 tax rate areas which are unique combinations of various jurisdictions servicing a specific geographic area.

Source:
Secured Tax Rate and Ratios Report from Auditor-Controller-Tax Division.

COUNTY OF LOS ANGELES
PRINCIPAL PROPERTY TAX PAYERS (UNAUDITED)
CURRENT YEAR AND NINE YEARS AGO
JUNE 30, 2011 AND JUNE 30, 2002 (in thousands)

	2011		(1)	2002		(1)
Taxpayer	Net Assessed Secured Property Value	Rank	Percentage of Total Net Assessed Value	Net Assessed Secured Property Value	Rank	Percentage of Total Net Assessed Value
Southern California Edison Co.	$ 4,573,638	1	0.46%	$ 3,004,140	1	0.52%
Douglas Emmett Residential	3,310,574	2	0.33%	1,375,100	7	0.24%
BP West Coast /Arco Terminal Svc	2,798,203	3	0.28%			
Maguire Properties	2,543,077	4	0.25%			
Chevron USA Inc./Texaco	2,127,436	5	0.21%	1,989,228	4	0.34%
Trizechahn Colony Square GP LLC	1,858,932	6	0.19%			
Exxon Mobil Corporation	1,722,277	7	0.17%	1,484,553	6	0.26%
AT&T/Pacific Bell Telephone Co.	1,718,650	8	0.17%	2,896,794	2	0.50%
Verizon/MCI Communication Svc	1,655,076	9	0.16%	1,564,987	5	0.27%
Southern California Gas Co.	1,558,240	10	0.15%	1,296,739	8	0.22%
Atlantic Richfield Co.				2,448,254	3	0.42%
Arden Realty LTD Partnership				1,175,572	9	0.20%
Tosco Corporation				1,012,633	10	0.18%
Total	**$ 23,866,103**		**2.37%**	**$ 18,248,000**		**3.15%**

Note:

(1) See schedule "Assessed Value & Actual Value of Taxable Property." Total assessed value, $1,005,726,046 as of June 30, 2011 is based on Secured $1,040,789,623 plus Unitary $12,120,596 less exemptions of $47,184,173. Total assessed value, $577,967,843 as of June 30, 2002 is based on Secured $592,345,254 plus Unitary $12,425,635 less exemptions of $26,803,046 (in thousands).

Source:

Los Angeles County Treasurer and Tax Collector

COUNTY OF LOS ANGELES
PROPERTY TAX LEVIES AND COLLECTIONS (UNAUDITED)
LAST TEN FISCAL YEARS (in thousands)

Fiscal Year	Taxes Levied	Collections within the fiscal year of the levy		Collections in Subsequent Years (1)	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2001 - 2002	$ 6,964,486	$ 6,760,147	97.1%	$ 201,526	$ 6,961,673	100.0%
2002 - 2003	7,415,691	7,182,974	96.9%	195,444	7,378,418	99.5%
2003 - 2004	8,241,631	8,031,587	97.5%	180,395	8,211,982	99.6%
2004 - 2005	8,895,871	8,655,953	97.3%	210,611	8,866,564	99.7%
2005 - 2006	9,582,359	9,322,047	97.3%	244,679	9,566,726	99.8%
2006 - 2007	10,632,956	10,213,017	96.1%	398,446	10,611,463	99.8%
2007 - 2008	11,475,303	10,905,099	95.0%	541,555	11,446,654	99.8%
2008 - 2009	12,317,105	11,751,840	95.4%	476,480	12,228,320	99.3%
2009 - 2010	12,457,417	12,047,862	96.7%	269,961	12,317,823	98.9%
2010 - 2011	12,651,611	12,344,040	97.6%	**(2)**	12,344,038	97.6%

Note:
(1) Reflects property taxes levied in prior years but collected in the current year.
(2) No amounts are shown in FY 2010-11 because the property taxes levied will be collected in the following fiscal year.

Source:
Auditor-Controller-Accounting Division-Property Tax Section

COUNTY OF LOS ANGELES
RATIO OF OUTSTANDING DEBT BY TYPE (UNAUDITED)
LAST TEN FISCAL YEARS (In thousands, except per capita)

Governmental Activities

Fiscal Year	General Obligation Bonds	Assessment Bonds	Certificates of Participation	Notes, Loans, and Other Debt	Accreted Interest	Unamortized Bond Premiums	Unamortized Loss on Advance Debt Refund.	Pension Bonds Payable	Capital Leases
2001-02	$ 53,480	$ 412,295	$ 1,369,528	$ 67,951	$ 93,781	$	$	$ 1,551,515	$ 113,180
2002-03	41,180	394,735	1,276,035	63,428	85,780			1,457,732	120,270
2003-04	29,625	376,210	1,177,981	65,539	75,379			1,344,056	135,258
2004-05	18,470	349,690	1,079,504	69,888	62,545	37,629	(25,133)	1,206,794	130,928
2005-06	9,475	325,710	1,007,134	387,764	73,191	36,346	(23,876)	1,045,264	123,676
2006-07	370	304,235	876,106	403,622	94,692	50,079	(40,818)	879,585	98,450
2007-08		269,995	812,318	395,838	116,475	48,036	(37,985)	668,539	173,369
2008-09		246,875	726,236	413,252	138,476	44,121	(34,848)	485,092	157,794
2009-10		222,660	670,242	414,651	160,642	40,195	(31,805)	256,717	148,073
2010-11		197,285	912,191	513,462	172,237	36,314	(28,942)		181,260

Business-Type Activities

Fiscal Year	General Obligation Bonds	Certificates of Participation	Notes, Loans, and Other Debt	Unamortized Bond Premiums	Pension Bonds Payable	Capital Leases	Total Primary Government (1)	Per Personal Income (2)	Per Capita (2)
2001-02	$ 382	$ 300,318	$ 126,684	$	$ 542,234	$ 2,086	$ 4,633,434	1.54%	$ 472
2002-03	297	273,447	146,804		509,459	1,761	4,370,928	1.41%	438
2003-04	239	240,831	170,319		469,756	1,499	4,086,692	1.24%	405
2004-05	181	177,944	203,121	10,005	421,781	1,097	3,744,444	1.07%	366
2005-06	136	160,648	12,662	8,909	363,177	675	3,530,891	0.95%	345
2006-07	121	132,062	20,008	8,153	305,612	398	3,132,675	0.82%	303
2007-08	104	114,750	215,554	7,368	232,285	273	3,016,919	0.73%	291
2008-09	86	95,715	219,580	6,549	168,542	143	2,667,613	0.68%	257
2009-10	67	86,178	264,253	5,691	89,196		2,326,760	0.57%	223
2010-11	46	539,072	162,212	4,791			2,689,928	0.63%	255

Notes:
(1) Details regarding the County's outstanding debt can be found in the notes to the financial statements.
(2) See the "Demographic Statistics" table for personal income and population.

Source:
Auditor-Controller, County of Los Angeles

COUNTY OF LOS ANGELES
RATIO OF NET GENERAL BONDED DEBT (UNAUDITED)
LAST TEN FISCAL YEARS (in thousands except ratio and per capita)

Fiscal Year	Population (1)	Assessed Value (1)	General Bonded Debt (2)	Ratio of General Bonded Debt to Assessed Value	General Bonded Debt per Capita
2001-02	9,825	$ 622,362,097	$ 53,480	.000086	5.4433
2002-03	9,979	660,255,041	41,180	.000062	4.1267
2003-04	10,103	709,612,258	29,625	.000042	2.9323
2004-05	10,226	761,355,097	18,470	.000024	1.8062
2005-06	10,246	835,901,668	9,475	.000011	0.9248
2006-07	10,332	925,514,924	370	.000000	0.0358
2007-08	10,364	1,009,911,291		.000000	0.0000
2008-09	10,393	1,080,877,141		.000000	0.0000
2009-10	10,441	1,075,011,704		.000000	0.0000
2010-11	10,557	1,055,470,090		.000000	0.0000

Notes:

(1) See "Demographics & Economic Statistics" table for population and "Revenue Capacity" table for assessed value.

(2) Long-term general bonded debt outstanding included Detention Facilities and Flood Control general obligation bonds. The Detention Facilities matured on June 1, 2007 and the Flood Control bonds matured on November 1, 2007.

Source:

Los Angeles Economic Development Corporation Economic Forecast: website:www.laedc.com

COUNTY OF LOS ANGELES
ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT (UNAUDITED)
JUNE 30, 2011

2010-11 Net Assessed Valuation		$ 1,055,470,089,596	
Redevelopment Incremental Valuation		137,261,121,657	
Full Cash Value (2010-11)		918,208,967,939	**(1)**
Population - (2011)		10,557,300	**(2)**
	Percent Applicable	Debt May 1, 2011	
DIRECT TAX AND ASSESSMENT DEBT:			
Los Angeles County Flood Control District	100	$ 53,795,000	
Subtotal Direct Tax and Assessment Debt		$ 53,795,000	
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Metropolitan Water District	47.648	$ 108,480,202	
Los Angeles Community College District	100	3,536,745,000	
Other Community College Districts	Various **(3)**	1,947,247,115	
Arcadia Unified School District	100	170,954,371	
Beverly Hills Unified School District	100	185,926,849	
Glendale Unified School District	100	123,225,000	
Long Beach Unified School District	100	491,060,606	
Los Angeles Unified School District	100	11,596,250,000	
Pasadena Unified School District	100	289,575,000	
Pomona Unified School District	100	165,103,658	
Santa Monica-Malibu Unified School District	100	229,595,034	
Torrance Unified School District	100	178,908,540	
Other Unified School Districts	Various **(3)**	2,684,966,299	
High School and School Districts	Various **(3)**	1,331,665,422	
City of Los Angeles	100	1,255,830,000	
City of Los Angeles Special Tax Lease Revenue Bonds	100	58,010,000	
City of Industry	100	156,770,000	
Other Cities	100	80,480,000	
Special Districts	100	6,520,000	
Community Facilities Districts	100	815,343,527	
Los Angeles County Regional Park & Open Space Assessment District	100	197,285,000	**(4)**
1915 Act and Benefit Assessment Bonds - Estimate	100	153,707,106	
Subtotal Overlapping Tax and Assessment Debt		$ 25,763,648,729	
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$ 25,817,443,729	
DIRECT GENERAL FUND OBLIGATION DEBT:			
Los Angeles County General Fund Obligations	100	$ 1,506,737,755	**(5)**
Los Angeles County Pension Obligations	100	118,486,192	
Subtotal Direct General Fund Obligation Debt		$ 1,625,223,947	
OVERLAPPING GENERAL FUND OBLIGATION DEBT:			
Los Angeles County Office of Education Certificates of Participation		$ 12,204,890	
Community College District Certificate of Participation		74,152,000	
Baldwin Park Unified School District Certificates of Participation		53,505,000	
Compton Unified School District Certificates of Participation		30,920,000	
Los Angeles Unified School District Certificates of Participation		492,042,567	
Pomona Unified School District Certificates of Participation	100	30,455,000	
Other Unified School District Certificates of Participation	Various **(6)**	161,313,063	

Continued . . . .

COUNTY OF LOS ANGELES

ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT (UNAUDITED) - Continued

JUNE 30, 2011

High School and School District General Fund Obligations	Various **(6)**		178,772,203
City of Beverly Hills General Fund Obligations	100		254,350,000
City of Los Angeles General Fund & Judgment Obligations	100		1,979,100,000
City of Long Beach General Fund Obligations	100		216,360,000
City of Long Beach Pension Obligations	100		62,775,000
City of Pasadena General Fund Obligations	100		504,139,935
City of Pasadena Pension Obligations	100		111,636,488
Other Cities' General Fund Obligations	100		1,350,754,209
Los Angeles County Sanitation Districts General Fund Obligations	100		325,140,000
Subtotal Overlapping General Fund Obligation Debt		$	5,837,620,355
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT			7,462,844,302
Less: Los Angeles County Lease Revenue Bonds supported by landfill revenues			(18,838,269)
Los Angeles Unified School District Qualified Zone Academy Bonds supported by investments funds			(34,702,048)
Cities' self-supporting bonds			(161,594,029)
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT		$	7,247,709,956
GROSS COMBINED TOTAL DEBT		$	33,280,288,031 **(7)**
NET COMBINED TOTAL DEBT		$	33,065,153,685
TOTAL GROSS DIRECT DEBT		$	1,679,018,947
TOTAL NET DIRECT DEBT		$	1,660,180,678
TOTAL GROSS OVERLAPPING DEBT		$	31,601,269,084
TOTAL NET OVERLAPPING DEBT		$	31,404,973,007
RATIOS TO 2010-11 NET ASSESSED VALUATION			
Total Overlapping Tax and Assessment Debt			2.45%
RATIOS TO FULL CASH VALUE			
Gross Combined Direct Debt ($1,679,018,947)			0.18%
Net Combined Direct Debt ($1,660,180,678)			0.18%
Gross Combined Total Debt			3.62%
Net Combined Total Debt			3.60%
STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/10:			0

Notes:

(1) This balance Is reduced by homowners exemptions of $8,195,486,240

(2) Yearly estimates from the California State Demographic Research Unit, California Department of Finance and the U.S. Census Bureau as of January 1 of each year

(3) All 100%, or almost 100%, except for Antelope Valley Joint UHSD and Community College District, Fullerton Union High School District, Las Virgenes Joint Unified School District, North Orange County Joint Community College District, and the schools and special districts included in them.

(4) Excludes refunding issue to be sold.

(5) Excludes tax and revenue anticipation notes to be sold

(6) All 100%, or almost 100%, except for Fullerton Union High School District, Las Virgenes Joint Unified School District, Snowline Joint Unified School District, Victor Valley Joint Community College District, and the schools and special districts included in them.

(7) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue abonds and non-bonded capital leasend tax allocation obligations. Except for Los Angeles Unified School District Qualified Zone Academy Bonds (QZABs) are included based on principal due at maturity.

Source:

California Municipal Statistics - for general information purposes only

COUNTY OF LOS ANGELES
COMPUTATION OF LEGAL DEBT MARGIN (UNAUDITED)
LAST TEN FISCAL YEARS (In thousands)

Fiscal Year	(1) Assessed Value	(2) Legal Debt Limit	Total net applicable debt	(3) Legal Debt Margin	Legal Debt Margin/ Debt Limit
2001 - 2002	$ 622,362,097	$ 7,779,526	$ 36,505	$ 7,743,021	99.53%
2002 - 2003	660,255,041	8,253,188	30,225	8,222,963	99.63%
2003 - 2004	709,612,258	8,870,153	23,470	8,846,683	99.74%
2004 - 2005	761,355,097	9,516,939	16,205	9,500,734	99.83%
2005 - 2006	835,901,668	10,448,771	8,395	10,440,376	99.92%
2006 - 2007	925,514,924	11,568,937	370	11,568,567	100.00%
2007 - 2008	1,009,911,291	12,623,891		12,623,891	100.00%
2008 - 2009	1,080,877,141	13,510,964		13,510,964	100.00%
2009 - 2010	1,075,011,704	13,437,646		13,437,646	100.00%
2010 - 2011	1,055,470,090	13,193,376		13,193,376	100.00%

COMPUTATION OF LEGAL DEBT MARGIN
June 30, 2011

Assessed valuation (net taxable)	$ 1,055,470,090
Applicable percentage in computing capacity	1.25%
Total debt limit	$ 13,193,376
Less: Total net applicable debt	
Legal debt margin, June 30, 2011	$ 13,193,376

Notes:
(1) Assessed Value does not include tax exempt property. Property value data can be found in the "Assessed Value and Actual Value of Taxable Property" schedule.
(2) The Legal Debt Limit is 1.25 % of assessed value.
(3) The Legal Debt Margin is the County's available borrowing authority under state finance statutes and is calculated by subtracting the debt applicable from the Legal Debt Limit.

COUNTY OF LOS ANGELES
PLEDGED-REVENUE COVERAGE (UNAUDITED)
LAST TEN FISCAL YEARS

	Marina del Rey Revenue Bonds					Regional Park and Open Space Special Assessment Bond				
		Debt Service					Debt Service			
Fiscal Year	Revenue Collected	Principal	Interest	Total Debt Service	Coverage	Special Assessment Collection	Principal	Interest	Total Debt Service	Coverage
2001-02	$ 33,352,291	$ 9,015,000	$ 5,517,169	$ 14,532,169	2.30	$ 77,588,000	$ 25,725,000	$ 22,309,851	$ 48,034,851	1.62
2002-03	30,750,213	9,575,000	4,936,231	14,511,231	2.12	78,433,000	17,560,000	21,184,476	38,744,476	2.02
2003-04	33,509,651	10,175,000	4,319,043	14,494,043	2.31	78,875,000	18,525,000	20,183,154	38,708,154	2.04
2004-05	34,615,641	10,810,000	3,649,750	14,459,750	2.39	79,907,000	19,565,000	15,385,183	34,950,183	2.29
2005-06	**(1)**	50,745,000	1,649,212	52,394,212	0.00	78,580,000	23,980,000	17,150,338	41,130,338	1.91
2006-07	**(1)**					78,930,000	21,475,000	16,020,653	37,495,653	2.11
2007-08	**(1)**					78,613,000	34,240,000 **(3)**	16,867,000	51,107,000	1.54
2008-09	**(1)**					79,140,000	23,120,000	12,821,950	35,941,950	2.20
2009-10	**(1)**					80,130,000	24,215,000	11,691,825	35,906,825	2.23
2010-11	**(1)**					80,152,000	25,375,000	10,514,544	35,889,544	2.23

	Calabasas Landfill Bond Fees				
		Debt Service			
	Revenue Collected	Principal	Interest	Total Debt Service	Coverage
2005-06	$ 4,092,212	$ 1,100,000	$ 685,849	$ 1,785,849	2.29
2006-07	3,034,497	1,265,000	1,652,634	2,917,634	1.04
2007-08	3,126,998	1,365,000	1,608,359	2,973,359	1.05
2008-09	(5,243,834)	1,490,000	1,546,934	3,036,934	(1.73)
2009-10	1,003,124	1,610,000	1,484,784	3,094,784	0.32
2010-11 **(2)**	713,746	1,735,000	1,424,409	3,159,409	0.23

Notes:

(1) Optional Redemption occurred on 7/1/05 using Reserve and remaining Sinking Funds.

(2) Gross operating revenues were $12,317,231 less operating expenses $11,603,485 to arrive at net available revenue of $713,746.

(3) Reflects additional redemptions related to the Regional Park and Open Space District Refunding Revenue Bonds Series 2007 A.

COUNTY OF LOS ANGELES
DEMOGRAPHIC AND ECONOMIC STATISTICS (UNAUDITED)
LAST TEN FISCAL YEARS (In thousands)

Year	Population County of Los Angeles *	Personal Income **	Per Capita Personal Income (1)	School Enrollment (2) ***	Unemployment Rate
2002	9,825	$ 301,003,000	$ 30,636	1,711	6.8%
2003	9,979	310,044,000	31,070	1,736	7.0%
2004	10,103	329,048,000	32,569	1,742	6.5%
2005	10,226	349,868,000	34,214	1,734	5.3%
2006	10,246	370,860,000	36,196	1,708	4.5%
2007	10,332	379,824,000	36,762	1,673	4.4%
2008	10,364	411,000,000	39,657	1,648	6.2%
2009	10,393	392,000,000	37,718	1,632	11.7%
2010	10,441	405,000,000	38,789	1,575	12.3%
2011	10,557	427,000,000	40,447	1,590	12.4% (3) ****

Notes:
(1) Amounts shown are in actual dollars (not thousands).
(2) Public school enrollment.
(3) Year 2011 is an estimate as of July 2011.

Sources:
* Los Angeles Economic Development Corporation Economic Forecast: website address: www.laedc.com
** Bureau of Economic Analysis website address: www.bea.gov. Year 2011 is an estimate forecast from Los Angeles Economic Development Corporation Economic Forecast: website address: www.laedc.com
*** California Department of Education website address: www.cde.ca.gov.
**** Los Angeles Economic Development Corporation-Economic Forecast : website address: www.laedc.com

COUNTY OF LOS ANGELES
TEN LARGEST INDUSTRIES **(1)**
CURRENT YEAR AND NINE YEARS AGO

	June 30, 2011			June 30, 2002		
Industry	Number of Employees	Rank	Percentage of Total	Number of Employees	Rank	Percentage of Total
Trade, Transportation and Utilities	729,800	1	17.22%	782,600	1	17.84%
Government	577,600	2	13.63%	615,000	2	14.02%
Professional & Business Services	527,200	3	12.44%	577,400	3	13.16%
Educational & Health Services	525,100	4	12.39%	447,700	5	10.20%
Leisure & Hospitality	395,300	5	9.33%	358,000	6	8.16%
Manufacturing	377,700	6	8.91%	541,900	4	12.35%
Financial Activities	206,100	7	4.86%	231,400	7	5.27%
Information	200,700	8	4.74%	207,900	8	4.74%
Other Services	136,800	9	3.23%	147,200	9	3.35%
Construction	100,300	10	2.37%	134,500	10	3.07%
Ten largest industries	3,776,600		89.12%	4,043,600		92.16%
All other industries	461,100		10.88%	343,900		7.84%
Total industries	4,237,700		100.00%	4,387,500		100.00%

Note:
(1) We are presenting employment by industry because we have been unable to obtain employment numbers for individual employers.

Source:
State of California Employment Development Department website address: www.edd.ca.gov.labormarketinfo.

COUNTY OF LOS ANGELES
FULL-TIME EQUIVALENT COUNTY EMPLOYEES BY FUNCTION/
PROGRAM (UNAUDITED)
LAST TEN FISCAL YEARS

Function/Program **(1) and (2)**	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
General Government	10,808	11,063	11,201	10,915	11,018	11,185	11,692	11,605	11,100	10,831
Public Protection **(3)**	38,428	38,175	37,688	37,065	38,049	39,528	41,560	42,583	36,378	35,428
Health and Sanitation	27,737	27,056	26,079	26,322	26,717	27,072	27,395	27,345	26,826	26,133
Public Assistance	19,536	19,310	19,048	19,132	19,540	20,329	20,867	20,940	20,665	20,280
Education	1,666	1,706	1,722	1,722	1,828	1,871	1,878	1,829	1,622	1,481
Recreation and Cultural Services	2,352	2,406	2,388	2,324	2,393	2,649	2,977	3,075	2,861	2,761
Total	100,527	99,716	98,126	97,480	99,545	102,634	106,369	107,377	99,452	96,914

Notes:

(1) Full time equivalent count is calculated by dividing the total number of man-months paid by 12. Full time equivalent employees include all employees on the County's payroll system. This accounts for the difference between the total employee number of County employees on this schedule and the number of County employees per the "Principal Employers" schedule.

(2) Specific data for Public Ways and Facilities is not available.

(3) Beginning with 2009-10, totals reflect the exclusion of Superior Court employees that are no longer on the County's payroll and are identified as State employees.

Source:

Employee Count study performed by the Auditor Controller- Accounting Division.

COUNTY OF LOS ANGELES
OPERATING INDICATORS BY FUNCTION/PROGRAM (UNAUDITED)
LAST TEN FISCAL YEARS

Function/Program **(9)**	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11 Estimated
General Government										
Assessor - Number of re-appraisable transfers processed	215,147	239,501	243,472	242,036	221,858	168,592	148,999	153,807	164,464	150,000
Auditor Controller - Number of warrants issued monthly **(1)**	431,730	415,317	400,928	389,807	360,394	235,336	239,750	254,316	221,097	220,367
Registrar Recorder - Number of registered voters	3,473,989	3,808,679	3,682,950	4,075,352	3,748,128	5,323,698	5,663,074	5,880,094	7,963,267	8,087,000
Public Protection										
Sheriff - Inmate population **(10)**	19,100	17,400	17,400	17,900	19,000	19,300	19,600	19,300	18,000	16,000
Sheriff - Crime rate total **(2)**	326.08	315.98	315.68	304.50	297.89	299.51	302.20	290.65	249.44	249.44
Probation - Juvenile halls/camps population **(11)**	3,700	3,700	3,600	3,600	3,500	4,000	4,000	2,800	2,600	2,400
Health and Sanitation										
Health Services - Average daily inpatient census **(12)**	1,785	1,719	1,568	1,506	1,493	1,415	1,317	1,293	1,313	1,342
Health Services - Outpatient visits **(13)**	3,088,000	2,731,000	2,587,000	2,606,000	2,656,000	2,665,000	2,631,000	2,710,000	2,817,000	2,931,000
Mental Health - Number of outpatient services to children and youth **(3)**	59,832	67,530	42,820	51,086	55,725	51,016	53,115	57,518	61,835	62,732
Public Assistance										
Children and Family Services - Child protective services caseloads	607,000	592,600	532,300	521,700	527,100	531,500	518,700	490,600	481,200	481,000
Children and Family Services - Adoption caseloads	58,700	38,700	32,200	32,600	21,200	22,300	23,500	24,300	24,800	24,600
Public Social Services - Average persons aided monthly thru CalWorks **(4)**	517,000	466,200	432,900	415,300	388,700	358,200	351,300	369,700	409,100	442,200
Public Social Services - Average number of indigents aided monthly	66,800	64,800	64,700	66,000	63,400	59,000	62,900	74,900	91,700	106,800
Community and Senior Services - Number of vulnerable adults served	21,200	23,355	24,513	25,766	25,518	26,450	27,671	27,828	28,779	32,000
Education										
Public Library - Number of items which circulate to the public **(8)**	15,808,870	15,912,865	15,020,945	14,211,255	14,566,536	15,000,000	15,000,000	10,926,000	6,817,165	6,817,165
Recreation and Culture										
Museum of Art - Total education program participants **(5)**	85,356	207,975	258,171	225,386	250,866	200,103	305,645	326,922	307,121	315,000
Museum of Natural History - Annual attendance **(6)**	411,298	923,834	934,636	914,426	867,138	859,569	874,725	873,230	858,297	900,000
Parks and Recreation - Total passive and active park users **(7)**	8,818,430	9,611,000	8,099,699	9,246,000	9,468,000	10,713,000	11,058,046	10,309,706	11,405,713	11,648,243

Notes:

(1) Conversion of participants and vendors to electronic benefit transfer (EBT) and direct deposit in January 2009.

(2) Represents number of offenses per 10,000 residents and refers to most serious crimes.

(3) Change methodology for 2005-06; data includes fee-for-service outpatient clients and costs which had not been included in previous year's data.

(4) CalWorks is California's program to administer the Federal Temporary Assistance for Needy Families blockgrant that provides temporary financial support and supportive services to eligible adults with children to enable them to transition from welfare to work and to achieve economic self-sufficiency.

(5) Reflects decrease in 2005-06 due to construction of the Broad building between the main campus and Los Angeles County Museum of Art West. Data previously submitted was revised. Also, in 2005-06 reflects spike for King Tut exhibition and in 2007-08 reflects BCAM activities.

(6) Reflects admission to Exposition Park, George C. Page Museum and William S. Hart Museum. Projected increase in attendace based on opening of renovated galleries and new exhibits.

(7) Information based on periodic/seasonal observation. Passive activities include walking, jogging,running, leisure and picnic activities.

(8) New system implemented in 2006-2007, along with the new methodology for accumulating data. Revised holdings based on substantial collection review and catalog updating.

(9) Indicators are not available for the Public Ways and Facilities function.

(10) The average length of stay that the inmates spend in jail in 2010 -11 has decreased to 48.7 days as compared to an average of 55.8 days in 2009 -10.

(11) The Estimated 2010-11 figures reflects two camps that are non-operational as of 2009 -10.

(12) Reflects a slight decrease in 2008-09 due to the transition of LAC+USC Medical Center to a smaller facility. A slight increase in inpatient census is anticipated for 2010 -11 after the move to the new hospital.

(13) Fiscal Year 2008-09, data change is due to maturation from previous fiscal year.

Sources:

2008-2009, 2009-2010, 2010-2011 and 2011-2012 Proposed Budget Books

COUNTY OF LOS ANGELES
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM (UNAUDITED)
LAST TEN FISCAL YEARS

Function/Program (1)	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Public Protection										
Animal Shelters	7	7	7	7	7	6	6	6	6	6
Public ways and facilities										
Mileage of maintained County roads	3,120	3,131	3,164	3,170	3,179	3,198	3,213	3,217	3,219	3,219
Miles of unincorporated County bikeways	n/a	134	134	135	139	141	141	145	145	148
Airports	5	5	5	5	5	5	5	5	5	5
Dams	15	15	15	15	15	15	15	14	14	14
Storm drains, in miles	2,708	2,732	2,754	2,777	2,782	2,865	2,800	2,972	3,010	3,070
Pump stations	40	40	45	45	45	45	45	45	45	45
Health and Sanitation										
Hospitals	6	6	5	5	5	5	4	4	4	4
Health centers	39	22	18	18	18	18	18	18	18	18
Education										
Libraries	84	84	84	84	84	84	84	85	85	85
Bookmobiles	8	5	5	5	5	4	4	4	5	5
Recreation and Cultural services										
Museums	4	4	4	4	4	4	4	4	4	4
Arboretums and Botanic Gardens	4	4	4	4	4	4	4	4	4	4
Golf courses	19	19	19	19	19	19	19	19	19	19
Beaches	21	21	21	20	20	20	20	17	17	14
Boat Slips	6,000	6,000	5,246	5,246	5,246	5,246	4,796	4,832	4,800	4,700

Note:
(1) No capital asset indicators are available for the General Government or Public Assistance functions.

Source:
2010-11 County of Los Angeles Annual Report, Department of Public Works website, Sheriff's Department website and Department of Health Services website.