County of Los Angeles, California
Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2012

Wendy L. Watanabe • Auditor-Controller

County of Los Angeles, California
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2012

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

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FOR THE YEAR ENDED JUNE 30, 2012
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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

December 14, 2012

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, 2012. 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 and Los Angeles County Redevelopment Successor Agency)
- 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
- First 5 LA

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 nearly 10 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, a total of 12 years, 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 2011 Gross Domestic Product (GDP) of $557.5 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 continued growth in 2011, with an increase of 3.0% in economic output (as measured by GDP), a 4.6% increase in personal income, and 5.7% increase in taxable retail sales. The economic recovery is expected to continue, with several sectors of the local economy experiencing growth.

The County's unemployment rate averaged 12.2% in 2011, which represents a modest improvement from its 2010 rate of 12.3%. In 2012 and 2013, the job market is expected to show continued improvement, with a projected decline in the unemployment rate to 11.5% during 2013. 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 cost-effective financing programs and incentives provided by the federal government, local governments and school districts have undertaken major capital construction projects.

The County enjoys a diverse industrial base, as private sector employment is well-represented in wholesale and retail trade, health care, manufacturing, and leisure and hospitality. The two major seaports in the County, located in the cities of Los Angeles and Long Beach, encompass the largest port complex in the nation as measured by cargo tonnage and the number of containers handled, and on a combined basis rank sixth largest among the world's port facilities.

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 INITIATIVES

The Fiscal Year (FY) 2012-13 Budget outlook was improved in comparison with the four previous years' budgets as departmental and program curtailments were avoided while achieving a balanced budget. As a major employer in the region with nearly 100,000 full-time equivalent employees, the County has managed to avoid employee layoffs and furloughs throughout the economic downturn. Demands for certain County services, especially in the public assistance area, are beginning to ease as the County emerges from the lengthy recession. The County Budget is also benefitting from the back-to-back annual increases in assessed property values, as there is a 1.14% increase for FY 2012-13. The budget also assumes slight year-to-year growth for revenues that are derived from the County's share of State sales taxes and documentary transfer taxes.

Although the County continues its long-term trend of zero salary increases, employee benefits for retirement and health care premiums continue to trend upward. The County faces retirement contribution increases of 5% in FY 2012-13, and this represents an ongoing increase until pension fund investment losses from 2008-09 are fully smoothed over a five-year period. In planning for the FY 2012-13 Budget, the County faced a deficit of approximately $76 million, which was substantially less than the three previous budget years. This gap was ultimately resolved by improvements in the County's financial outlook subsequent to the initial forecast.

COUNTYWIDE EFFICIENCY INITIATIVES

The County continues to aggressively explore efficiencies as a means to generate ongoing and one-time savings while improving operations. With the support of the Board, the County's Chief Executive Office has placed a high emphasis on both countywide and departmental efficiencies over the last three years, working with departments to cut operating costs through diligent efforts and innovative reengineering of existing processes. The County's ability to avoid the serious cutbacks and layoffs that many other jurisdictions have suffered in this economic crisis is in part due to these cost-saving efforts. Major examples of the County's efficiency initiative projects include:

- Dramatically lower pharmaceutical drug costs through streamlined/volume purchasing and inventory management ($100.3 million per year);

- Conversion of General Relief recipients to collect Supplemental Security Income ($18.6 million one-time savings);

- Negotiation of enterprise software licenses ($10.8 million one-time savings)

- Improved Medi-Cal claims processing and reduction of denied days ($8.0 million per year);

- Increased clinic participation and expansion of industry-sponsored assistance to reduce indigent client medication costs ($6.1 million per year);

- Systematic monitoring and termination of all unused phone/data lines ($5.5 million per year);

- Increased collections through offering payment plans at hospitals ($2.5 million per year); and

Countywide, these initiative projects have resulted in estimated savings of $255.0 million through June 30, 2012.

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 2012-13 Budget are highlighted as follows:

- Public protection facilities, such as new construction at the Biscailuz Center Training Academy, new fire stations in the Santa Clarita Valley, implementation of fire station privacy and access improvements, potable water system upgrades at fire stations, 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, community buildings 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, and Manhattan Beach.

- 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, 2012, the Reserve balance was $93 million and it was not used as a financing source for purposes of balancing the FY 2012-13 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 2011-12. The County's single audit for FY 2010-11 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 thirty fiscal years.

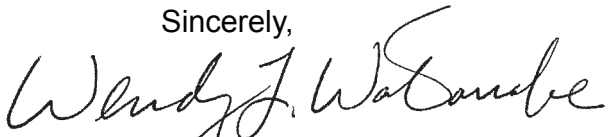
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. The report must satisfy both GAAP and applicable legal requirements.

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, 2011

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.

Linda C. Davidson

President

Jeffrey R. Esser

Executive Director

COUNTY OF LOS ANGELES
BOARD OF SUPERVISORS AND PRINCIPAL COUNTY OFFICIALS
AS OF JUNE 30, 2012

BOARD OF SUPERVISORS

Zev Yaroslavsky, Chairman
Third District

Gloria Molina
First District

Don Knabe
Fourth District

Mark Ridley-Thomas
Second District

Michael D. Antonovich
Fifth District

Sachi A. Hamai
Executive Officer
Board of Supervisors

PRINCIPAL COUNTY OFFICIALS

John R. Noguez
Assessor

Steve Cooley
District Attorney

Leroy D. Baca
Sheriff

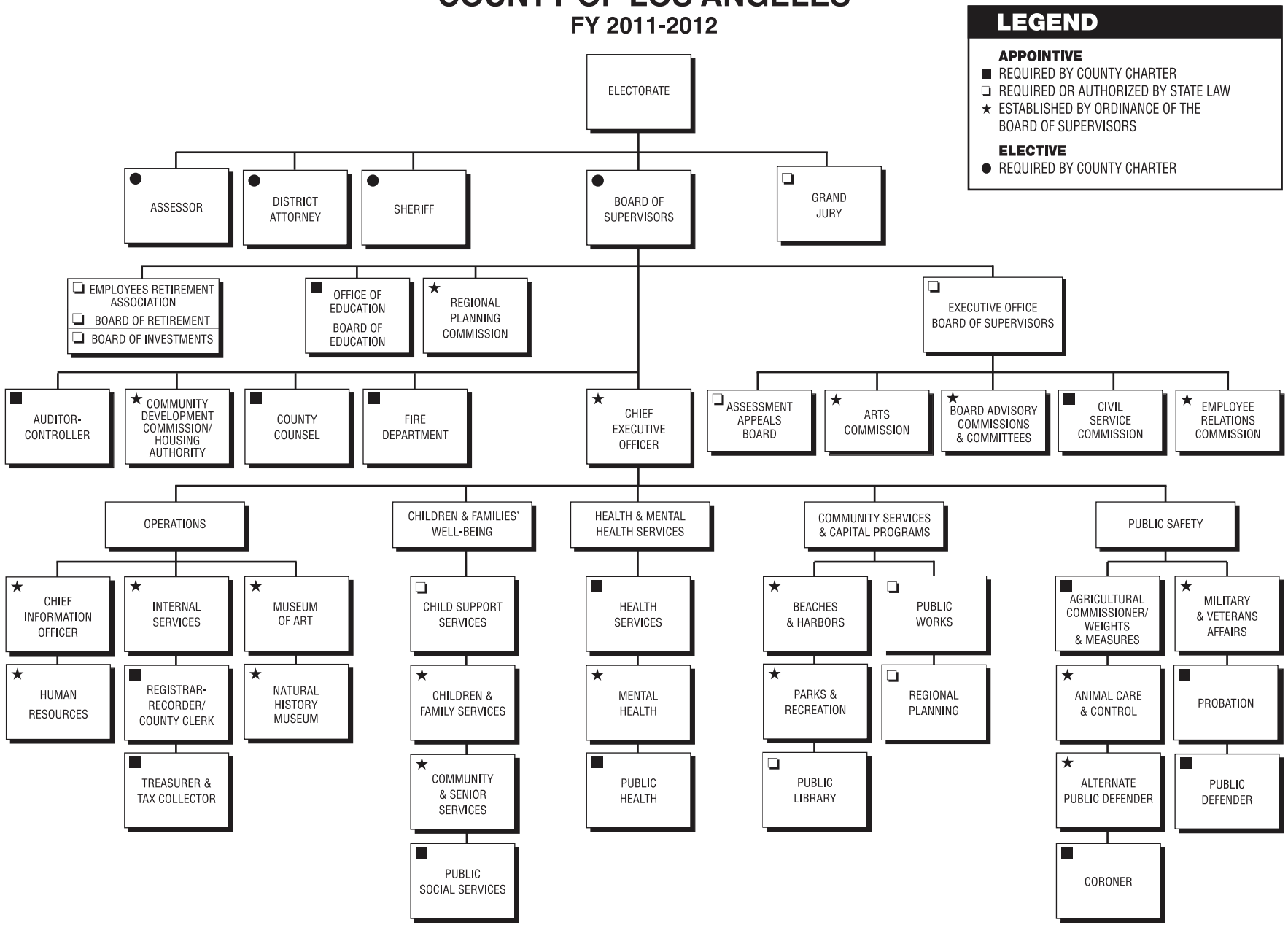
William T Fujioka
Chief Executive Officer

Mark J. Saladino
Treasurer and Tax Collector

Wendy L. Watanabe
Auditor-Controller

John Krattli
County Counsel

COUNTY OF LOS ANGELES
FY 2011-2012



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 Services and Capital Programs); Sheriff, District Attorney, Fire (Public Safety).

COUNTY OF LOS ANGELES
CALIFORNIA

FINANCIAL SECTION

MGO Certified Public Accountants.

LA/Century City
2029 Century Park East, Suite 500
Los Angeles, CA 90067
310.277.3373

Sacramento

Walnut Creek

Oakland

Newport Beach

San Diego

Seattle

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, 2012, 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%	3%	1%
Business-type Activities	4%	15%	10%
Discretely Presented Component Unit	100%	100%	100%
Aggregate Remaining Fund Information	68%	70%	4%

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 on the reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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 the 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 previously 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, 2012, and the respective changes in financial position and cash flows, where applicable, 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.

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 112 and 113 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 and the other auditors 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 basic financial statements. 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 basic financial statements. The information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the reports of other auditors, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Macias Gini & O'Connell LLP

Los Angeles, California
December 14, 2012

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, 2012. 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 $12.131 billion. However, net assets are classified into three categories and the unrestricted component is negative $7.717 billion. See further discussion on page 7.

During the current year, the County's net assets decreased by a total of $2.060 billion. Net assets related to governmental activities decreased by $1.789 billion, while net assets related to business-type activities decreased by $271 million. Growth in liabilities associated with postemployment health insurance benefits was $1.572 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 $2.642 billion. The fund balance categories and amounts consisted of nonspendable fund balance of $260 million, restricted fund balance of $55 million, committed fund balance of $332 million, assigned fund balance of $405 million, and $1.590 billion of unassigned fund balance.

The County's capital asset balances were $18.490 billion at year-end and increased by $275 million during the year.

During the current year, the County's total long-term debt increased by $38 million. Newly issued and accreted long-term debt of $508 million exceeded bond maturities of $470 million.

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 restored this amount to the net assets of this component unit due to a Superior Court decision that invalidated State Assembly Bill (AB) 99. In the prior year, an "extraordinary item" of like amount ($424 million) was recognized as a reduction of net assets to reflect First 5 LA's obligation to the State under AB 99.

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.

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 four 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, the Private-Purpose Trust Fund, 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 $12.131 billion at the close of the most recent fiscal year.

Summary of Net Assets
As of June 30, 2012 and 2011 (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	$ 8,411,714	$ 9,065,797	$ 1,073,713	$ 892,800	$ 9,485,427	$ 9,958,597
Capital assets	15,701,869	15,563,696	2,787,966	2,650,760	18,489,835	18,214,456
Total assets	$ 24,113,583	$ 24,629,493	$ 3,861,679	$ 3,543,560	$ 27,975,262	$ 28,173,053
Current and other liabilities	$ 1,761,689	$ 2,218,534	$ 268,362	$ 179,700	$ 2,030,051	$ 2,398,234
Long-term liabilities	10,977,896	9,248,193	2,836,246	2,336,010	13,814,142	11,584,203
Total liabilities	$ 12,739,585	$ 11,466,727	$ 3,104,608	$ 2,515,710	$ 15,844,193	$ 13,982,437
Net assets:						
Invested in capital assets, net of related debt	14,593,171	14,484,468	2,241,059	2,242,340	16,834,230	16,726,808
Restricted net assets	2,908,564	2,925,662	104,997	122,216	3,013,561	3,047,878
Unrestricted net assets (deficit)	(6,127,737)	(4,247,364)	(1,588,985)	(1,336,706)	(7,716,722)	(5,584,070)
Total net assets	11,373,998	13,162,766	757,071	1,027,850	12,131,069	14,190,616
Total liabilities and net assets	$ 24,113,583	$ 24,629,493	$ 3,861,679	$ 3,543,560	$ 27,975,262	$ 28,173,053

Significant changes in assets and liabilities included the following:

Current and Other Assets

Current and other assets decreased by $654 million for governmental activities and increased by $181 million for business-type activities. For governmental activities, pooled cash and investment balances were lower by $231 million in the current year. However, there was a reduction of $515 million in investment purchase transactions which took place at the end of the current year and settled subsequent to the statement of net assets date. This decrease was offset by corresponding reductions in liabilities (Other Payables) of like amount. Changes in "internal balances" of $225 million had the effect of reducing assets for governmental activities and increasing assets for business-type activities by like amount. This change was primarily associated with a $359 million reduction in cash flow advances from governmental activities (the County's General Fund) to the business activities (the County's Hospitals).

Liabilities

Current and other liabilities decreased by $457 million for governmental activities, largely due to the previously mentioned $515 million reduction of liabilities associated with investment purchase transactions pending settlement at year-end. For business-type activities, a net increase of $89 million in current and other liabilities was primarily due to a $76 million increase in accounts payable for intergovernmental transfer expenses associated with the Hospitals. Long-term liabilities increased by $1.730 billion for governmental activities and by $500 million for business-type activities. Other postemployment benefits (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 $1.311 billion and $261 million, respectively. Additional significant factors increasing liabilities were higher compensated absences for the governmental activities and third party payor liabilities for the business-type activities. 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 ($16.834 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 $3.014 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 $7.717 billion. Both governmental and business-type activities reported deficits in this category of $6.128 billion and $1.589 billion, respectively. The deficits closely parallel the OPEB related liabilities of $5.777 billion for governmental activities and $1.142 billion for business-type activities. Other unfunded liabilities are also factors, such as workers' compensation, compensated absences, and litigation and self-insurance claims. As discussed in Note 8 to the basic financial statements, the County established an OPEB trust fund during the current year.

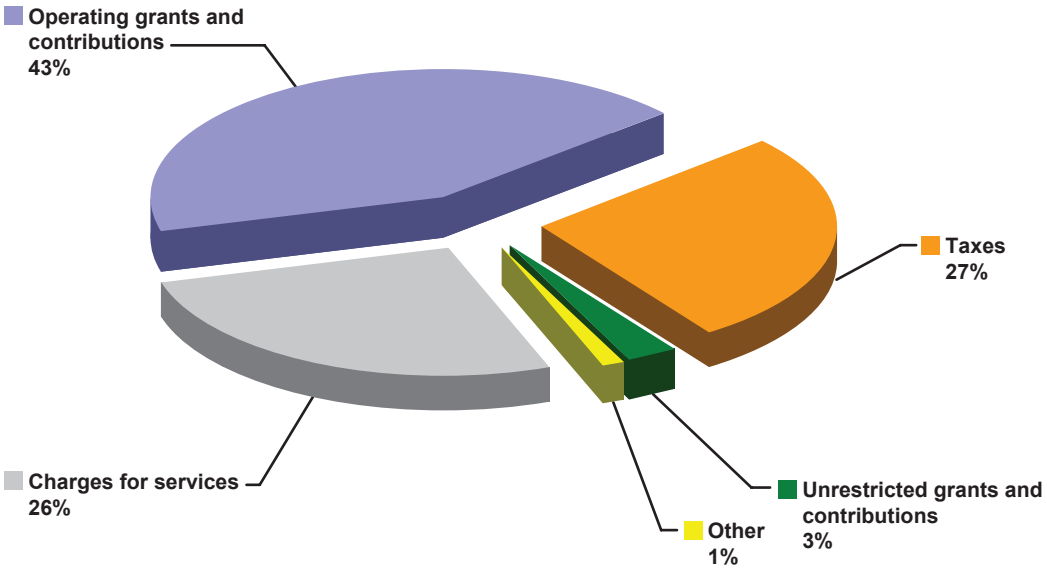
The following table indicates the changes in net assets for governmental and business-type activities:

Summary of Changes in Net Assets
For the Years Ended June 30, 2012 and 2011
(in thousands)

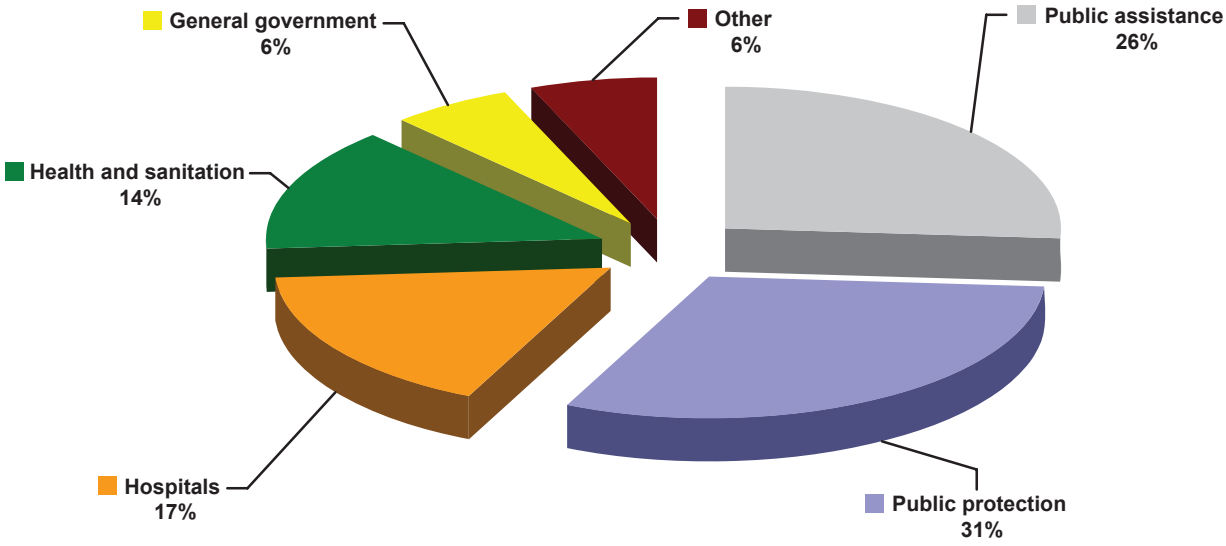
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	$ 2,712,525	$ 2,657,587	$ 2,262,644	$ 2,283,048	$ 4,975,169	$ 4,940,635
Operating grants and contributions	7,715,282	7,939,142	776,779	681,471	8,492,061	8,620,613
Capital grants and contributions	38,352	149,569	1,311	437	39,663	150,006
General revenues:						
Taxes	5,192,668	5,046,783	4,382	4,265	5,197,050	5,051,048
Unrestricted grants and contributions	608,967	677,767	51	41	609,018	677,808
Investment earnings	82,271	80,746	1,770	2,142	84,041	82,888
Miscellaneous	134,827	129,963	21,657	28,232	156,484	158,195
Total revenues	16,484,892	16,681,557	3,068,594	2,999,636	19,553,486	19,681,193
Expenses:						
General government	1,315,662	1,100,781			1,315,662	1,100,781
Public protection	6,608,319	6,081,466			6,608,319	6,081,466
Public ways and facilities	355,527	417,250			355,527	417,250
Health and sanitation	3,036,296	2,781,183			3,036,296	2,781,183
Public assistance	5,599,244	5,728,637			5,599,244	5,728,637
Education	112,497	104,159			112,497	104,159
Recreation and cultural services	310,369	311,422			310,369	311,422
Interest on long-term debt	110,541	134,429			110,541	134,429
Hospitals			3,768,699	3,541,874	3,768,699	3,541,874
Waterworks			94,651	83,592	94,651	83,592
Aviation			5,022	4,658	5,022	4,658
Community Development Commission			289,924	284,048	289,924	284,048
Total expenses	17,448,455	16,659,327	4,158,296	3,914,172	21,606,751	20,573,499
Excess (deficiency) before transfers and extraordinary item	(963,563)	22,230	(1,089,702)	(914,536)	(2,053,265)	(892,306)
Transfers	(818,923)	(859,079)	818,923	859,079		
Extraordinary item	(6,282)				(6,282)	
Changes in net assets	(1,788,768)	(836,849)	(270,779)	(55,457)	(2,059,547)	(892,306)
Net assets – beginning	13,162,766	13,999,615	1,027,850	1,083,307	14,190,616	15,082,922
Net assets – ending	$ 11,373,998	$ 13,162,766	$ 757,071	$ 1,027,850	$ 12,131,069	$ 14,190,616

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

REVENUES BY SOURCE – ALL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012



EXPENSES BY TYPE – ALL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012



Governmental Activities

Revenues from governmental activities decreased by $197 million (1.2%) when compared with 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 decreased by $224 million. State mental health revenues associated with the Mental Health Services Act (Proposition 63) were lower by $301 million as program revenues for Proposition 63 declined in the current year. The previous year's revenues were exceptionally higher as there were a large number of significant one-time program plans approved by the State, enabling the County to qualify for, and recognize, these revenues in the prior year. For public assistance programs, there was an $85 million reduction in federal stimulus revenues as this funding source was phased out in the current year and there were reduced revenues of $71 million associated with lower claimable costs for the California Work Opportunities and Responsibilities to Kids (CalWORKs) program, particularly in the areas of child care, eligibility and employment services. The above program revenue decreases were partially offset by $151 million of increased State revenues for public safety programs, which included new current year revenues of $106 million to fund the State's public safety realignment initiatives.

- Taxes, the County's largest general revenue source, were $146 million higher than the previous year. The additional growth in tax revenues was concentrated in property taxes, which grew by $134 million. The County's assessed property tax roll was 1.36% higher in the current year and the increase followed assessed value reductions in the two previous years. Property tax revenues also increased due to State legislation which dissolved redevelopment agencies and shifted residual property taxes to local government agencies, including the County. The County's share of such revenues in the current year was $100 million.

- Capital grants and contributions were $111 million lower than the previous year. In the previous year, the County recognized $85 million of one-time revenues associated with State Proposition 1B. Revenues from Proposition 1B provided transportation infrastructure funding to local governments, including the County and funded 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. There were no current year revenues from Proposition 1B and there were a variety of other current year revenues which comprised the remaining reduction of $26 million for this revenue category.

Governmental Activities-Continued

Expenses related to governmental activities increased by $789 million during the current year. The largest portion of the net increase was attributable to the public protection category, which grew by $527 million. As discussed in Note 1 to the basic financial statements, the County reevaluated liabilities for compensated absences and this accounted for $281 million of the growth in the public protection costs. Additional factors were salaries and paid benefits, which grew by $119 million and an increase of $88 million in workers' compensation expenses. There were also expense increases of $255 million in the health and sanitation sector. Of this amount, contractual service costs were higher by $140 million and were concentrated in mental health services. Salaries and employee benefits, including compensated absences and workers' compensation expenses, also grew by $98 million in the current year.

Business-type Activities

Revenues from business-type activities increased in comparison to the prior year by $69 million (2.3%). The most significant change was in the area of operating grants and contributions, which increased by $95 million and was associated with the County's Hospitals. As discussed in Note 13 to the basic financial statements, a federal funding program known as the Delivery System Reform Incentive Pool (DSRIP) provided nearly $443 million of revenues to the Hospitals. The DSRIP program began in the prior year and the year-to-year revenue increase for this program was $100 million. There were reduced revenues from charges for services of $20 million and all other revenues were $6 million lower in the current year.

Expenses related to business-type activities increased from the previous year by $244 million. The increased expenses were principally related to the Hospitals, where expenses were higher by $227 million. Intergovernmental transfer expenses were $155 million higher and these increases were associated with managed care programs ($84 million) and the DSRIP program ($80 million). There were reductions of $9 million for the intergovernmental transfers related to the Medi-Cal demonstration projects. Salaries and employee benefits associated with the Hospitals were also higher by $89 million. For all facilities, the average patient census during the current year was 1,263 patients per day, which was lower in comparison with 1,321 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.

Governmental Funds-Continued

As of the end of the current fiscal year, the County's governmental funds reported combined total fund balances of $6.144 billion, a decrease of $61 million in comparison with the prior year. Of the total fund balances, $306 million is nonspendable to indicate the extent that funds are not in spendable form or are required to remain intact. An additional $3.237 billion is classified as restricted, $458 million as committed, and $553 million as assigned. The remaining balance of $1.590 billion is classified as unassigned and is entirely associated with the General Fund.

Revenues from all governmental funds for the current year were $16.455 billion, a decrease of $95 million (less than 1%) from the previous year. Expenditures for all governmental funds in the current year were $15.950 billion, an increase of $174 million (1.1%) from the previous year. In addition, other financing uses exceeded other financing sources by $560 million as compared to $483 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 $80 million (3.0%). At the end of the current fiscal year, the General Fund's total fund balance was $2.642 billion. Of this amount, $260 million is classified as nonspendable, $55 million as restricted, $332 million as committed, $405 million as assigned and the remaining $1.590 billion is classified as unassigned. In the prior year, the County implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" and amounts previously displayed as "designations" were classified as "assigned" fund balance. Based on clarification from GASB and as discussed in Note 1 to the basic financial statements, the County reclassified the former fund balance "designations" from assigned to committed in the current year.

General Fund revenues during the current year were $13.826 billion, an increase of $258 million (1.9%) from the previous year. General Fund expenditures during the current year were $13.619 billion, an increase of $65 million (less than 1%) from the previous year. Other financing sources/uses-net was negative $287 million in the current year as compared to negative $288 million in the prior year.

Following are significant changes in General Fund revenues and expenditures:

- Revenues from taxes increased by $137 million and property taxes comprised $127 million of this increase. As previously mentioned, assessed property values were higher in the current year and there were also new property tax revenues from redevelopment dissolution and revenue increases associated with these two factors were $39 million and $88 million, respectively.

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

Governmental Funds-Continued

- Intergovernmental revenues increased overall by $126 million. Within this category, State revenues increased by $356 million, federal revenues declined by $208 million and revenues from other governmental agencies were lower by $22 million. State revenue growth of $165 million was largely associated with public protection programs, as the Sheriff's and Probation Departments recognized $96 million of new revenues associated with the State's Assembly Bill 109 public safety realignment initiative and there was also growth of $50 million from State Proposition 172 public safety revenues. There was also growth of $110 million in State revenues for mental health services. The decrease in federal revenues was principally due to the expiration of federal economic stimulus revenues, which funded a number of social service initiatives and was previously noted for public assistance programs.
- General fund expenditures increased by a total of $65 million, or less than 1%. Within this total, there were increases of $332 million in current expenditures, decreases in debt service expenditures of $254 million, and capital outlay expenditures were lower by $13 million. The most significant increase in current expenditures was in the health and sanitation category, where expenditures were higher by $213 million as mental health expenditures increased by $130 million, primarily due to higher levels of contracted program services. Public protection expenditures also grew by $136 million, of which $97 million was related to the Sheriff's Department and the remainder was concentrated in the Probation Department, District Attorney and Public Defender. In the previous year, the final payment of $243 million was made on pension obligation bonds and this accounted for nearly all of the year-to-year change in debt service expenditures.

The Fire Protection District reported a year-end fund balance of $204 million, which represented a decrease of $14 million from the previous year. Revenues were nearly unchanged in comparison to the previous year while expenditures increased by $8 million. Transfers out increased by $16 million in the current year and such transfers were made to a capital projects fund for purposes of accumulating funding to address facility improvement needs.

The Flood Control District reported a year-end fund balance of $195 million, which was $38 million higher than the previous year. Revenues were $10 million higher in the current year and increases were spread among several categories. Expenditures decreased by $31 million, or 14%, and nearly all of these reductions were due to lower infrastructure improvement expenditures of $26 million and lower equipment rental expenditures of $4 million.

The Public Library Fund reported a year-end fund balance of $54 million, which was $11 million higher than the previous year. Revenues were lower by $5 million, with most of the decrease associated with property taxes, as certain property tax revenues were transferred to a city which assumed direct operation of former County library facilities. Expenditures were also lower in the current year, decreasing by approximately $4 million. There was a net increase of $12 million for "transfers in," which was attributable to increased contributions from the County's General Fund. In the current year, sales of capital assets decreased by nearly $8 million as there was a significant sale of library facilities to the aforementioned city near the end of the prior year.

Governmental Funds-Continued

The Regional Park and Open Space District reported a year-end fund balance of $322 million, which was $12 million higher than the previous year. Current year revenues and expenditures were each slightly higher, increasing by $2 million and $4 million, respectively.

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 each one is reported as a major fund. 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 $77 million for Rancho Los Amigos National Rehabilitation Center to $258 million for the LAC+USC Medical Center. The total subsidy amount was $643 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 $672 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 ($73 million), Harbor UCLA Medical Center ($63 million), and Olive View UCLA Medical Center ($58 million). The total amount of current year Measure B transfers ($194 million) was lower than the prior year amount of $202 million.

Waterworks Funds reported year-end net assets of $828 million, a $22 million reduction from the previous year. Current year operating revenues of $68 million were $10 million higher than the previous year amount of $58 million. Current year operating expenses of $95 million were also higher than the previous year's amount of $84 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 $36 million in the General Fund's available (unreserved and undesignated) fund balance from the previous year.

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-(Negative)
Taxes	$ 93,868	$ 4,014,045	$ 3,977,557	$ (36,488)
Intergovernmental revenues	197,915	8,310,809	7,595,430	(715,379)
Charges for services	(24,779)	1,783,188	1,704,354	(78,834)
All other revenues	77,617	606,005	525,357	(80,648)
Other sources and transfers in	54,269	704,886	456,322	(248,564)
Total	$ 398,890	$ 15,418,933	$ 14,259,020	$ (1,159,913)

Changes from Amounts Originally Budgeted

During the year, net increases in budgeted revenues and other financing sources approximated $399 million. The most significant changes occurred in the following areas:

- Estimated intergovernmental revenues increased by $198 million. Of this amount, $140 million was associated with State revenues for newly realigned programs operated by the County, primarily in the public safety sector. There was $45 million of State revenues added to the budget to reflect funding for the Seriously Emotionally Disturbed Children's program. There were other net additions to budgeted intergovernmental revenues of $13 million.

Changes from Amounts Originally Budgeted-Continued

- The budget for tax revenues was increased by $94 million. Of this increase, $86 million was associated with year-end budgetary changes that are designed to demonstrate compliance with legal provisions related to the appropriation of revenues from property taxes and certain other tax related revenues. The remaining $8 million of increased tax revenues was appropriated for a variety of programs.

- There was a net increase of $78 million related to "all other revenues" and $65 million of this amount was attributable to tobacco settlement revenues. The County's policy is to budget tobacco settlement revenues after they have been received. Miscellaneous revenue increases accounted for the remaining $13 million.

Actual Revenues/Financing Sources Compared with Final Budget Amounts

Actual revenues and other financing sources recognized by the General Fund were approximately $1.160 billion, or 7.5%, lower than budget. As discussed below, most of this variance was concentrated in the areas of intergovernmental revenues and "other sources and transfers in."

- Actual intergovernmental revenues were $715 million lower than the amount budgeted. Budgeted intergovernmental revenues of $200 million were not realized for various capital improvements, disaster recovery programs and homeland security projects, as these initiatives were not completed prior to year-end. Mental health programs accounted for approximately $187 million of this variance, which experienced lower than anticipated reimbursable costs and correspondingly lower than expected revenues. Approximately $155 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. Public health related programs experienced budgeted revenue shortfalls of $54 million, most of which was associated with federal grants and offset by a comparable amount of cost savings. The Registrar-Recorder did not realize $43 million of federal and state revenues associated with an anticipated election that was canceled during the fiscal year. The remaining variance of $76 million was related to a variety of other programs.

- The actual amount of "other sources and transfers in" was $249 million lower than the amount budgeted. Of this amount, mental health programs funded by the Mental Health Services Act Special Revenue Fund (Proposition 63) did not fully materialize at the budgeted level and "transfers in" were $112 million lower than budgeted. In addition, "transfers in" totaling $107 million were assumed in the budget for capital improvements and extraordinary building maintenance projects which did not incur expected costs. The budget for the Sheriff's Department under-realized the budgeted amount of "transfers in" by $25 million as such funds were not required as anticipated. There were various other sources and transfers that comprised the remaining variance of $5 million.

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

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	$ (3,285)	$ 1,659,144	$ 907,092	$ 752,052
Public protection	130,805	4,799,296	4,584,081	215,215
Health and sanitation	(23,254)	3,189,050	2,822,989	366,061
Public assistance	62,389	5,558,176	5,139,887	418,289
All other expenditures	42,741	1,115,615	366,497	749,118
Transfers out	17,947	644,949	628,344	16,605
Contingencies	74,612	74,612		74,612
Reserves/designations-net	96,935	(20,338)	(153,801)	133,463
Total	$ 398,890	$ 17,020,504	$14,295,089	$ 2,725,415

Changes from Amounts Originally Budgeted

During the year, net increases in General Fund appropriations, reserves and designations were approximately $399 million. As discussed below, the most significant increases occurred in the following areas:

- Appropriations were increased for the public protection category by $131 million. Of this amount, $108 million was appropriated for newly realigned State programs associated with public safety. An additional $10 million was allocated for various Sheriff's and Probation Departments' programs, and the remaining $13 million augmented various other programs.
- Provisions for net reserves and designations were increased during the year by $97 million. At the end of the fiscal year, the designation for health services, which is predominately funded by tobacco settlement revenues, was increased by $73 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 ($8 million). There were net increases of $26 million to reserve amounts funded by local utility tax revenues, pending their required allocation for services to unincorporated County areas. Miscellaneous decreases of $2 million were made to other reserves and designations.
- After the original budget was established, appropriations for contingencies were increased by $75 million. As previously mentioned, there was an $86 million increase at the end of the fiscal year to budgeted tax revenues, which was accompanied by an increase in the appropriations for contingencies for purposes of complying with statutory requirements. There were also various reductions in the appropriations for contingencies totaling $11 million.

Actual Expenditures/Other Financing Uses Compared with Final Budget Amount

Actual expenditures/other financing uses for the current year were $2.725 billion lower (16.0%) than the final total budget of $17.021 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, prioritization of purchases of services and supplies and capital assets, and continued reliance on efficiency initiatives. Following are the functional areas that recognized the largest variations from the final budget:

- The general government function reported actual expenditures that were $752 million less than the amount budgeted. Of this amount, $580 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 $172 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.

- The category referred to as "all other expenditures" reflected actual spending of $749 million less than the budgeted amount. Nearly all ($739 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.

- Actual public assistance expenditures were $418 million lower than the final budget. Of this amount, $355 million was concentrated in social service, children, and family programs. Administrative costs in these areas were lower than anticipated due to overall cost containment efforts, vacant positions, and delays in implementing new technology initiatives. There were also direct program savings associated with lower than anticipated caseloads. There were $39 million of savings related to homeless and housing programs due to delays in carrying out multi-year projects. The remaining variance amount of $24 million was related to other public assistance programs.

- Overall expenditures for the health and sanitation category were $366 million less than the budgeted amount. Appropriations related to mental health services exceeded actual expenditures by $256 million, primarily due to less than anticipated costs for contracted services and to a lesser extent, salary savings. Public Health Services recognized budgetary savings of $89 million, primarily due to lower than expected contract service costs. The remaining variance of $21 million was associated with programs administered by the Department of Health Services.

Capital Assets

The County's capital assets for its governmental and business-type activities as of June 30, 2012 were $18.490 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. Specific capital asset changes during the current year are presented in Note 6 to the basic financial statements.

The total increase in the County's capital assets (net of depreciation) for the current fiscal year was $275 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	$ 7,533,637	$ 7,520,029	$ 13,608
Buildings and improvements	3,907,035	3,917,585	(10,550)
Infrastructure	5,106,802	5,044,706	62,096
Equipment	501,887	496,315	5,572
Software	337,633	294,865	42,768
Capital assets, in progress	1,102,841	940,956	161,885
Total	$ 18,489,835	$ 18,214,456	$ 275,379

The County's major capital asset initiatives during the current year continued to focus on new medical facilities and major improvements for the Hospitals. There was significant construction-in-progress at Harbor/UCLA Medical Center, as $88 million was capitalized for surgical facilities and seismic retrofit projects. There were an additional $88 million of capitalized construction costs for the Martin Luther King, Jr. inpatient tower project, and $44 million for the Martin Luther King, Jr. Multi-Service Ambulatory Care Center project. As of the end of the current year, there were $475 million of capital construction commitments outstanding and as discussed in the subsequent events note to the basic financial statements (Note 21), the Board approved $720 million of new capital asset commitments in November 2012.

Debt Administration

During the current year, the County's liabilities for long-term debt increased by $38 million, as newly issued debt and accretions of $508 million exceeded debt maturities of $470 million. 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:

- Commercial paper proceeds of $370 million were issued for governmental and business-type activities in the amounts of $189 million and $181 million, respectively. For governmental activities, debt was issued to finance a new hospital facility that will be operated by a non-profit organization (see Note 13 to the basic financial statements) and fire department facilities. For business-type activities, debt was issued to finance hospital and ambulatory care improvements.

- New debt of $79 million was issued to finance the acquisition of equipment. Equipment debt totaling $95 million was redeemed during the year in accordance with maturity schedules.

- Current refunding debt of $51 million, along with bond reserve funds, was issued to refund $58 million of outstanding bond principal.

In addition to the above borrowing, the County continued to finance General Fund cash flow shortages occurring periodically during the fiscal year by selling $1.3 billion in tax and revenue anticipation notes, with maturities of $300 million on February 29, 2012, $500 million on March 30, 2012, and $500 million on June 29, 2012. The General Fund also relied upon periodic borrowing from available agency 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-
Facilities	A1	AA-	A+
Equipment/Non-Essential Leases	A2	AA-	A+
Operating/Non-Essential Leases	A2	AA-	A
Short-Term	MIG1	SP-1+	F1+
Flood Control District Revenue Bonds	Aaa	AA	AAA
Regional Park and Open Space District Bonds	Aa1	AA	AAA

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

- Standard and Poor's upgraded the following ratings: General Obligation Bonds from AA- to AA, Facilities from A+ to AA-, Equipment/Non-Essential Leases from A+ to AA-, and Operating/Non-Essential Leases from A+ to AA-.

- Moody's upgraded the rating for the Flood Control District Revenue Bonds from Aa1 to Aaa and upgraded the rating for Regional Park and Open Space District Bonds from Aa2 to Aa1.

Economic Conditions and Outlook

The Board of Supervisors adopted the County's 2012-2013 Budget on June 25, 2012. The Budget was adopted based on estimated fund balances that would be available at the end of 2011-2012. The Board updated the Budget on October 2, 2012 to reflect final 2011-2012 fund balances and other pertinent financial information. For the County's General Fund, the 2012-2013 Budget, as updated in October 2012, utilized $1.566 billion of fund balance, which exceeded the previously estimated fund balance of $1.270 billion. Of the additional fund balance of $296 million, $104 million was used to carryover lapsed appropriations and the remaining $192 million was used to fund one-time projects and programs.

After four consecutive years of budget reductions and fiscal challenges, the County's 2012-2013 budget outlook was improved and did not require program reductions or departmental curtailments. The County Assessor has released the Net Local Property Tax Roll for 2012-13 and it is 1.14% higher than the previous year. This marks the second consecutive year of increased assessed property values. Despite the relative stability of the 2012-2013 County Budget, there was a cautionary spending approach as the Board reaffirmed a hard hiring freeze, except for critical health and safety positions. Non-essential purchases of services, supplies, and capital assets also remain under close scrutiny.

The County's budgetary process continues to closely monitor the State of California's economic recovery and there are signs of an improved budget outlook at the State level. The State Legislative Analyst's Office (LAO) reports that the State budget situation has improved sharply. The improved economy, State budget reductions and voter approval of temporary taxes (State Proposition 30) have combined to significantly reduce the prospects of a State budget deficit for 2013-2014.

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.

COUNTY OF LOS ANGELES
CALIFORNIA

BASIC FINANCIAL STATEMENTS

COUNTY OF LOS ANGELES
STATEMENT OF NET ASSETS
JUNE 30, 2012 (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)	$ 3,641,157	56,369	$ 3,697,526	$ 809,663
Other (Note 1)	1,334,755	44,210	1,378,965	
Total pooled cash and investments	4,975,912	100,579	5,076,491	809,663
Other investments (Note 5)	550,763	42,636	593,399	
Taxes receivable	272,361	991	273,352	
Accounts receivable - net (Note 13)		1,135,385	1,135,385	
Interest receivable	9,775	328	10,103	385
Other receivables	1,754,702	280,096	2,034,798	45,613
Internal balances (Note 14)	735,278	(735,278)		
Inventories	102,264	17,537	119,801	
Restricted assets (Note 5)	10,659	231,439	242,098	
Capital assets: (Notes 6 and 9)				
Capital assets, not being depreciated	7,920,623	715,855	8,636,478	2,039
Capital assets, net of accumulated depreciation	7,781,246	2,072,111	9,853,357	10,739
Total capital assets	15,701,869	2,787,966	18,489,835	12,778
TOTAL ASSETS	24,113,583	3,861,679	27,975,262	868,439
LIABILITIES				
Accounts payable	415,535	166,694	582,229	22,593
Accrued payroll	350,103	73,189	423,292	
Other payables (Note 5)	547,994	12,278	560,272	3,644
Accrued interest payable	20,902	14,215	35,117	
Unearned revenue	39,604	1,696	41,300	
Advances payable	387,551	290	387,841	
Long-term liabilities: (Note 10)				
Due within one year	857,543	289,498	1,147,041	81
Due in more than one year	10,120,353	2,546,748	12,667,101	313
TOTAL LIABILITIES	12,739,585	3,104,608	15,844,193	26,631
NET ASSETS				
Invested in capital assets, net of related debt (Notes 6 and 10)	14,593,171	2,241,059	16,834,230	12,778
Restricted for:				
Capital projects	82,520		82,520	
Debt service	58,399	38,829	97,228	
Permanent funds - nonspendable	2,240		2,240	
Permanent funds - spendable	404		404	
General government	551,124		551,124	
Public protection	520,161		520,161	
Public ways and facilities	461,502	53,997	515,499	
Health and sanitation	624,337		624,337	
Recreation	329,385		329,385	
Community development	269,128	12,171	281,299	
Other	9,364		9,364	829,030
Unrestricted (deficit)	(6,127,737)	(1,588,985)	(7,716,722)	
TOTAL NET ASSETS	$ 11,373,998	757,071	$ 12,131,069	$ 841,808

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, 2012 (in thousands)

FUNCTIONS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT:				
Governmental activities:				
General government	$ 1,315,662	455,062	83,141	3,057
Public protection	6,608,319	1,304,650	1,241,768	31,367
Public ways and facilities	355,527	36,828	213,883	3,812
Health and sanitation	3,036,296	665,863	1,725,711	116
Public assistance	5,599,244	63,981	4,447,838	
Education	112,497	2,990	1,417	
Recreation and cultural services	310,369	183,151	1,524	
Interest on long-term debt	110,541			
Total governmental activities	17,448,455	2,712,525	7,715,282	38,352
Business-type activities:				
Hospitals	3,768,699	2,181,405	491,093	
Waterworks	94,651	66,504	204	
Aviation	5,022	3,806	979	1,311
Community Development Commission	289,924	10,929	284,503	
Total business-type activities	4,158,296	2,262,644	776,779	1,311
Total primary government	$ 21,606,751	4,975,169	8,492,061	39,663
COMPONENT UNIT -				
First 5 LA	$ 139,596	$	108,770	$

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 income
- Miscellaneous

EXTRAORDINARY ITEMS (Note 20):
- Reversal of State of California - AB 99 liability
- Net assets transferred to private-purpose trust fund

TRANSFERS - NET

Total general revenues, extraordinary items and transfers

CHANGE IN NET ASSETS

NET ASSETS, JULY 1, 2011

NET ASSETS, JUNE 30, 2012

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:
$ (774,402)		$ (774,402)		General government
(4,030,534)		(4,030,534)		Public protection
(101,004)		(101,004)		Public ways and facilities
(644,606)		(644,606)		Health and sanitation
(1,087,425)		(1,087,425)		Public assistance
(108,090)		(108,090)		Education
(125,694)		(125,694)		Recreation and cultural services
(110,541)		(110,541)		Interest on long-term debt
(6,982,296)		(6,982,296)		Total governmental activities
				Business-type activities:
	(1,096,201)	(1,096,201)		Hospitals
	(27,943)	(27,943)		Waterworks
	1,074	1,074		Aviation
	5,508	5,508		Community Development Commission
	(1,117,562)	(1,117,562)		Total business-type activities
(6,982,296)	(1,117,562)	(8,099,858)		Total primary government
				COMPONENT UNIT -
			$ (30,826)	Total - First 5 LA
				GENERAL REVENUES:
				Taxes:
4,615,965	4,382	4,620,347		Property taxes
57,985		57,985		Utility users taxes
338,134		338,134		Voter approved taxes
48,266		48,266		Documentary transfer taxes
49,371		49,371		Other taxes
82,947		82,947		Sales and use taxes, levied by the State
				Grants and contributions not restricted
608,967	51	609,018		to special programs
82,271	1,770	84,041	916	Investment income
134,827	21,657	156,484	9	Miscellaneous
				EXTRAORDINARY ITEMS (Note 20):
			424,389	Reversal of State of California - AB 99 liability
(6,282)		(6,282)		Net assets transferred to private-purpose trust fund
(818,923)	818,923			TRANSFERS - NET
5,193,528	846,783	6,040,311	425,314	Total general revenues, extraordinary items and transfers
(1,788,768)	(270,779)	(2,059,547)	394,488	CHANGE IN NET ASSETS
13,162,766	1,027,850	14,190,616	447,320	NET ASSETS, JULY 1, 2011
$ 11,373,998	757,071	$ 12,131,069	$ 841,808	NET ASSETS, JUNE 30, 2012

COUNTY OF LOS ANGELES
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012 (in thousands)

	GENERAL FUND	FIRE PROTECTION DISTRICT	FLOOD CONTROL DISTRICT	PUBLIC LIBRARY
ASSETS:				
Pooled cash and investments: (Notes 1 and 5)				
Operating (Note 1)	$ 820,310	129,190	173,402	47,033
Other (Note 1)	1,190,548	53,381	14,483	4,066
Total pooled cash and investments	2,010,858	182,571	187,885	51,099
Other investments (Notes 4 and 5)	11,109			119
Taxes receivable	186,830	45,367	14,223	6,531
Interest receivable	2,965	332	422	117
Other receivables	1,583,132	38,102	9,167	1,644
Due from other funds (Note 14)	407,604	3,471	8,699	6,405
Advances to other funds (Note 14)	703,512		6,534	
Inventories	51,616	14,862		1,565
TOTAL ASSETS	$ 4,957,626	284,705	226,930	67,480
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable	$ 354,119	4,727	4,091	1,257
Accrued payroll	303,615	28,553		3,263
Other payables (Note 5)	525,438	2,278		426
Due to other funds (Note 14)	390,153	12,806	14,092	3,433
Deferred revenue	346,488	32,776	14,076	4,748
Advances payable	379,847			
Third party payor (Notes 10 and 13)	16,015			
TOTAL LIABILITIES	2,315,675	81,140	32,259	13,127
FUND BALANCES (Note 19):				
Nonspendable	259,597	14,862		1,565
Restricted	55,115	188,703	194,572	9,661
Committed	332,255			
Assigned	405,285		99	43,127
Unassigned	1,589,699			
TOTAL FUND BALANCES	2,641,951	203,565	194,671	54,353
TOTAL LIABILITIES AND FUND BALANCES	$ 4,957,626	284,705	226,930	67,480

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)
$ 321,988	2,114,971		$ 3,606,894	Operating (Note 1)
4,828	62,473		1,329,779	Other (Note 1)
326,816	2,177,444		4,936,673	Total pooled cash and investments
	702,865	(170,725)	543,368	Other investments (Notes 4 and 5)
2,766	16,644		272,361	Taxes receivable
788	5,043		9,667	Interest receivable
5,169	75,258		1,712,472	Other receivables
95	344,079		770,353	Due from other funds (Note 14)
	16,117		726,163	Advances to other funds (Note 14)
	23,508		91,551	Inventories
$ 335,634	3,360,958	(170,725)	$ 9,062,608	TOTAL ASSETS
				LIABILITIES AND FUND BALANCES
				LIABILITIES:
$ 959	43,586		$ 408,739	Accounts payable
	94		335,525	Accrued payroll
	17,780		545,922	Other payables (Note 5)
6,552	357,977		785,013	Due to other funds (Note 14)
5,959	36,435		440,482	Deferred revenue
	6,833		386,680	Advances payable
	654		16,669	Third party payor (Notes 10 and 13)
13,470	463,359		2,919,030	TOTAL LIABILITIES
				FUND BALANCES (Note 19):
	29,944		305,968	Nonspendable
322,164	2,637,268	(170,725)	3,236,758	Restricted
	125,838		458,093	Committed
	104,549		553,060	Assigned
			1,589,699	Unassigned
322,164	2,897,599	(170,725)	6,143,578	TOTAL FUND BALANCES
$ 335,634	3,360,958	(170,725)	$ 9,062,608	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, 2012 (in thousands)

Fund balances - total governmental funds (page 27)			$ 6,143,578
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	$	7,278,235	
Construction-in-progress		642,388	
Buildings and improvements - net		2,687,634	
Equipment - net		281,300	
Intangible software - net		296,794	
Infrastructure - net		4,381,908	15,568,259
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	$	199,232	
Long-term receivables		234,199	433,431
Accrued interest payable is not recognized in governmental funds.			(20,734)
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 (including accreted interest)	$	(1,717,093)	
Capital lease obligations		(190,613)	
Accrued compensated absences		(1,130,688)	
Workers' compensation		(1,811,663)	
Litigation and self-insurance		(156,733)	
Pollution remediation obligations		(25,294)	
OPEB obligation		(5,529,309)	(10,561,393)
Assets and liabilities of certain internal service funds are included in governmental activities in the accompanying statement of net assets.			(189,143)
Net assets of governmental activities (page 23)			$ 11,373,998

COUNTY OF LOS ANGELES
CALIFORNIA

COUNTY OF LOS ANGELES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012 (in thousands)

	GENERAL FUND	FIRE PROTECTION DISTRICT	FLOOD CONTROL DISTRICT	PUBLIC LIBRARY
REVENUES:				
Taxes	$ 3,980,409	628,948	101,735	67,829
Licenses, permits and franchises	57,144	12,954	705	
Fines, forfeitures and penalties	217,972	4,092	1,500	540
Revenue from use of money and property:				
Investment income (Note 5)	39,258	1,342	1,911	510
Rents and concessions (Note 9)	61,752	113	7,565	15
Royalties	2,019		1,154	
Intergovernmental revenues:				
Federal	3,081,893	14,989	769	90
State	4,464,100	11,826	4,502	1,847
Other	86,821	22,493	5,529	1,470
Charges for services	1,700,540	163,127	116,758	2,298
Miscellaneous	134,071	874	4,733	1,739
TOTAL REVENUES	13,825,979	860,758	246,861	76,338
EXPENDITURES:				
Current:				
General government	983,077			
Public protection	4,538,075	855,987	189,656	
Public ways and facilities				
Health and sanitation	2,689,192			
Public assistance	5,108,516			
Education				109,089
Recreation and cultural services	255,818			
Debt service:				
Principal	5,295	745		270
Interest and other charges	19,307	129		20
Capital outlay	20,106			
TOTAL EXPENDITURES	13,619,386	856,861	189,656	109,379
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	206,593	3,897	57,205	(33,041)
OTHER FINANCING SOURCES (USES):				
Transfers in (Note 14)	466,078		226	50,464
Transfers out (Note 14)	(772,080)	(18,325)	(19,885)	(6,065)
Issuance of debt (Note 10)				
Refunding bonds issued (Note 10)				
Proceeds for capital leases (Note 9)	15,128			
Sales of capital assets	3,789	235	21	2
TOTAL OTHER FINANCING SOURCES (USES)	(287,085)	(18,090)	(19,638)	44,401
EXTRAORDINARY ITEM (Note 20) - Net assets transferred to private-purpose trust fund				
NET CHANGE IN FUND BALANCES	(80,492)	(14,193)	37,567	11,360
FUND BALANCES, JULY 1, 2011	2,722,443	217,758	157,104	42,993
FUND BALANCES, JUNE 30, 2012	$ 2,641,951	203,565	194,671	54,353

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:
$	325,577		$ 5,104,498	Taxes
	12,449		83,252	Licenses, permits and franchises
713	75,493		300,310	Fines, forfeitures and penalties
				Revenue from use of money and property:
5,526	42,670	(9,270)	81,947	Investment income (Note 5)
	44,733		114,178	Rents and concessions (Note 9)
	273		3,446	Royalties
				Intergovernmental revenues:
	136,268		3,234,009	Federal
	488,596		4,970,871	State
	14,904		131,217	Other
79,484	145,351		2,207,558	Charges for services
	82,583		224,000	Miscellaneous
85,723	1,368,897	(9,270)	16,455,286	TOTAL REVENUES
				EXPENDITURES:
				Current:
	16,885		999,962	General government
	65,379		5,649,097	Public protection
	324,449		324,449	Public ways and facilities
	151,340		2,840,532	Health and sanitation
	144,410		5,252,926	Public assistance
	70		109,159	Education
37,063	6,782		299,663	Recreation and cultural services
				Debt service:
	207,201	(26,560)	186,951	Principal
	100,812	(9,270)	110,998	Interest and other charges
	156,091		176,197	Capital outlay
37,063	1,173,419	(35,830)	15,949,934	TOTAL EXPENDITURES
48,660	195,478	26,560	505,352	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
				OTHER FINANCING SOURCES (USES):
	202,797		719,565	Transfers in (Note 14)
(36,577)	(689,646)		(1,542,578)	Transfers out (Note 14)
	192,281		192,281	Issuance of debt (Note 10)
	50,675		50,675	Refunding bonds issued (Note 10)
			15,128	Proceeds for capital leases (Note 9)
	686		4,733	Sales of capital assets
(36,577)	(243,207)		(560,196)	TOTAL OTHER FINANCING SOURCES (USES)
	(6,282)		(6,282)	EXTRAORDINARY ITEM (Note 20) - Net assets transferred to private-purpose trust fund
12,083	(54,011)	26,560	(61,126)	NET CHANGE IN FUND BALANCES
310,081	2,951,610	(197,285)	6,204,704	FUND BALANCES, JULY 1, 2011
$ 322,164	2,897,599	(170,725)	$ 6,143,578	FUND BALANCES, JUNE 30, 2012

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, 2012 (in thousands)

Net change in fund balances - total governmental funds (page 31)		$ (61,126)
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	$ 457,331	
Less - current year depreciation expense	(348,944)	108,387
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.		(4,306)
Contribution of capital assets is not recognized in the governmental funds.		35,295
Revenue timing differences result in more revenue in government-wide statements.		(58,601)
Issuance of long-term debt provides resources in the governmental funds, but increases long-term liabilities in the statement of net assets.		(258,084)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:		
Certificates of participation	$ 139,817	
Assessment bonds	26,560	
Other long-term notes, loans and capital leases	22,470	188,847
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	$ (61,781)	
Change in litigation and self-insurance	(39,366)	
Change in pollution remediation obligations	2,801	
Change in accrued compensated absences	(334,045)	
Change in OPEB obligation	(1,255,782)	
Change in accrued interest payable	5,906	
Change in accretion of tobacco settlement bonds	(2,321)	
Transfer of capital assets from governmental fund to enterprise fund	(1,478)	(1,686,066)
The portion of internal service funds that is reported with governmental activities.		(53,114)
Change in net assets of governmental activities (page 25)		$ (1,788,768)

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, 2012 (in thousands)

	GENERAL FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Taxes	$ 3,920,177	4,014,045	3,977,557	(36,488)
Licenses, permits and franchises	46,494	47,169	57,144	9,975
Fines, forfeitures and penalties	224,114	224,114	217,972	(6,142)
Revenue from use of money and property:				
Investment income	56,387	57,087	36,989	(20,098)
Rents and concessions	96,696	96,696	61,752	(34,944)
Royalties	225	225	2,019	1,794
Intergovernmental revenues:				
Federal	3,643,401	3,669,259	3,066,041	(603,218)
State	4,313,050	4,484,566	4,440,333	(44,233)
Other	156,443	156,984	89,056	(67,928)
Charges for services	1,807,967	1,783,188	1,704,354	(78,834)
Miscellaneous	104,472	180,714	149,481	(31,233)
TOTAL REVENUES	14,369,426	14,714,047	13,802,698	(911,349)
EXPENDITURES:				
Current:				
General government	1,662,429	1,659,144	907,092	(752,052)
Public protection	4,668,491	4,799,296	4,584,081	(215,215)
Health and sanitation	3,212,304	3,189,050	2,822,989	(366,061)
Public assistance	5,495,787	5,558,176	5,139,887	(418,289)
Recreation and cultural services	269,125	270,751	260,647	(10,104)
Debt service-				
Interest	5,456	5,456	5,456	
Capital outlay	798,293	839,408	100,394	(739,014)
TOTAL EXPENDITURES	16,111,885	16,321,281	13,820,546	(2,500,735)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(1,742,459)	(1,607,234)	(17,848)	1,589,386
OTHER FINANCING SOURCES (USES):				
Sales of capital assets	8,471	8,471	3,789	(4,682)
Transfers in	642,146	696,415	452,533	(243,882)
Transfers out	(627,002)	(644,949)	(628,344)	16,605
Appropriation for contingencies		(74,612)		74,612
Changes in reserves and designations	117,273	20,338	153,801	133,463
OTHER FINANCING SOURCES (USES) - NET	140,888	5,663	(18,221)	(23,884)
NET CHANGE IN FUND BALANCE	(1,601,571)	(1,601,571)	(36,069)	1,565,502
FUND BALANCE, JULY 1, 2011 (Note 15)	1,601,571	1,601,571	1,601,571	
FUND BALANCE, JUNE 30, 2012 (Note 15)	$		1,565,502	1,565,502

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, 2012 (in thousands)

	FIRE PROTECTION DISTRICT			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Taxes	$ 619,509	628,031	628,563	532
Licenses, permits and franchises	13,007	13,007	12,954	(53)
Fines, forfeitures and penalties	5,821	5,821	4,092	(1,729)
Revenue from use of money and property:				
Investment income	1,500	1,500	1,030	(470)
Rents and concessions	85	85	113	28
Intergovernmental revenues:				
Federal	20,602	24,316	14,989	(9,327)
State	12,012	12,265	11,826	(439)
Other	29,540	29,540	22,493	(7,047)
Charges for services	171,102	171,102	163,127	(7,975)
Miscellaneous	377	377	874	497
TOTAL REVENUES	873,555	886,044	860,061	(25,983)
EXPENDITURES:				
Current-Public protection:				
Salaries and employee benefits	755,592	756,235	740,841	(15,394)
Services and supplies	149,144	146,009	108,124	(37,885)
Other charges	4,842	4,850	1,690	(3,160)
Capital assets	19,103	27,120	20,974	(6,146)
TOTAL EXPENDITURES	928,681	934,214	871,629	(62,585)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(55,126)	(48,170)	(11,568)	36,602
OTHER FINANCING SOURCES (USES):				
Sales of capital assets	117	117	235	118
Transfers out	(13,123)	(17,686)	(17,686)	
Appropriation for contingencies		(8,522)		8,522
Changes in reserves and designations	(13,208)	(7,079)	(5,510)	1,569
OTHER FINANCING SOURCES (USES) - NET	(26,214)	(33,170)	(22,961)	10,209
NET CHANGE IN FUND BALANCE	(81,340)	(81,340)	(34,529)	46,811
FUND BALANCE, JULY 1, 2011 (Note 15)	81,340	81,340	81,340	
FUND BALANCE, JUNE 30, 2012 (Note 15)	$		46,811	46,811

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, 2012 (in thousands)

	FLOOD CONTROL DISTRICT			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Taxes	$ 97,311	101,264	101,684	420
Licenses, permits and franchises	695	695	705	10
Fines, forfeitures and penalties	2,178	2,178	1,500	(678)
Revenue from use of money and property:				
Investment income	2,360	2,360	1,452	(908)
Rents and concessions	7,879	7,879	7,565	(314)
Royalties	634	634	1,154	520
Intergovernmental revenues:				
Federal			769	769
State	852	852	4,502	3,650
Other	5,726	5,726	5,529	(197)
Charges for services	113,349	113,349	116,949	3,600
Miscellaneous	1,219	1,219	4,733	3,514
TOTAL REVENUES	232,203	236,156	246,542	10,386
EXPENDITURES:				
Current-Public protection:				
Services and supplies	194,999	194,699	168,808	(25,891)
Other charges	20,945	21,245	19,828	(1,417)
Capital assets	245	245	177	(68)
Capital outlay	21,479	21,479	12,703	(8,776)
TOTAL EXPENDITURES	237,668	237,668	201,516	(36,152)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,465)	(1,512)	45,026	46,538
OTHER FINANCING SOURCES (USES):				
Sales of capital assets	300	300	21	(279)
Transfers in			99	99
Transfers out	(2,835)	(2,835)	(1,018)	1,817
Appropriation for contingencies		8,047		(8,047)
Changes in reserves and designations	(13,956)	(25,956)	(12,435)	13,521
OTHER FINANCING SOURCES (USES) - NET	(16,491)	(20,444)	(13,333)	7,111
NET CHANGE IN FUND BALANCE	(21,956)	(21,956)	31,693	53,649
FUND BALANCE, JULY 1, 2011 (Note 15)	21,956	21,956	21,956	
FUND BALANCE, JUNE 30, 2012 (Note 15)	$		53,649	53,649

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, 2012 (in thousands)

	PUBLIC LIBRARY			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Taxes	$ 65,432	67,900	67,901	1
Fines, forfeitures and penalties			540	540
Revenue from use of money and property:				
Investment income	400	400	386	(14)
Rents and concessions	15	15	15	
Intergovernmental revenues:				
Federal	61	61	90	29
State	857	857	1,847	990
Other	1,415	1,415	1,470	55
Charges for services	3,379	3,379	2,298	(1,081)
Miscellaneous	1,270	1,270	1,739	469
TOTAL REVENUES	72,829	75,297	76,286	989
EXPENDITURES:				
Current-Education:				
Salaries and employee benefits	79,669	79,669	70,791	(8,878)
Services and supplies	61,399	67,802	42,363	(25,439)
Other charges	426	426	319	(107)
Capital assets	695	695	325	(370)
TOTAL EXPENDITURES	142,189	148,592	113,798	(34,794)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(69,360)	(73,295)	(37,512)	35,783
OTHER FINANCING SOURCES (USES):				
Sales of capital assets	13	13	2	(11)
Transfers in	53,761	60,164	50,464	(9,700)
Transfers out	(924)	(6,065)	(6,065)	
Appropriation for contingencies		(2,468)		2,468
Changes in reserves and designations	(9,277)	(4,136)	(2,498)	1,638
OTHER FINANCING SOURCES (USES) - NET	43,573	47,508	41,903	(5,605)
NET CHANGE IN FUND BALANCE	(25,787)	(25,787)	4,391	30,178
FUND BALANCE, JULY 1, 2011 (Note 15)	25,787	25,787	25,787	
FUND BALANCE, JUNE 30, 2012 (Note 15)	$		30,178	30,178

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, 2012 (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	$ 950	950	713	(237)
Revenue from use of money and property-				
Investment income	4,217	4,217	4,688	471
Charges for services	81,129	81,129	79,555	(1,574)
TOTAL REVENUES	86,296	86,296	84,956	(1,340)
EXPENDITURES:				
Current-Recreation and cultural services:				
Services and supplies	5,914	5,914	5,069	(845)
Other charges	198,401	198,401	29,974	(168,427)
TOTAL EXPENDITURES	204,315	204,315	35,043	(169,272)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(118,019)	(118,019)	49,913	167,932
OTHER FINANCING SOURCES (USES):				
Transfers in	84,287	84,287	74,571	(9,716)
Transfers out	(120,765)	(120,765)	(111,148)	9,617
Appropriation for contingencies	(31,148)	(31,148)		31,148
Changes in reserves and designations	6,997	6,997	8,205	1,208
OTHER FINANCING SOURCES (USES) - NET	(60,629)	(60,629)	(28,372)	32,257
NET CHANGE IN FUND BALANCE	(178,648)	(178,648)	21,541	200,189
FUND BALANCE, JULY 1, 2011 (Note 15)	178,975	178,975	178,975	
FUND BALANCE, JUNE 30, 2012 (Note 15)	$ 327	327	200,516	200,189

COUNTY OF LOS ANGELES
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012 (in thousands)

	BUSINESS-TYPE ACTIVITIES -			
	Harbor UCLA Medical Center	Olive View UCLA Medical Center	LAC+USC Medical Center	Rancho Los Amigos National Rehab Center
ASSETS				
Current assets:				
Pooled cash and investments: (Notes 1 and 5)				
Operating (Note 1)	$ 1,677	594	1,448	251
Other (Note 1)	13,453	10,312	17,183	2,283
Total pooled cash and investments	15,130	10,906	18,631	2,534
Other investments (Note 5)				
Taxes receivable				
Accounts receivable - net (Note 13)	376,298	218,875	414,242	106,453
Interest receivable	114	22	64	3
Other receivables	15,261	14,961	24,842	4,912
Due from other funds (Note 14)	56,372	51,134	55,963	5,618
Advances to other funds (Note 14)				
Inventories	6,432	4,220	5,779	1,102
Total current assets	469,607	300,118	519,521	120,622
Noncurrent assets:				
Restricted assets (Note 5)	190,684	15,259	22,605	1,438
Other receivables (Note 13 and 14)	72,859	47,503	68,424	30,986
Capital assets: (Notes 6 and 9)				
Land and easements	3,276	16,426	18,183	217
Buildings and improvements	272,319	152,939	1,079,042	187,179
Equipment	73,228	43,362	146,095	15,607
Intangible - software	15,352	13,878	18,158	5,085
Infrastructure				
Construction in progress	300,326	83,673	2,095	9,143
Less accumulated depreciation	(214,900)	(120,775)	(294,580)	(111,746)
Total capital assets - net	449,601	189,503	968,993	105,485
Total noncurrent assets	713,144	252,265	1,060,022	137,909
TOTAL ASSETS	1,182,751	552,383	1,579,543	258,531
LIABILITIES				
Current liabilities:				
Accounts payable	53,086	27,224	66,666	12,064
Accrued payroll	22,399	13,788	30,902	6,100
Other payables	4,333	2,022	3,666	1,105
Accrued interest payable	11,709	2,250	60	156
Due to other funds (Note 14)	66,776	43,032	73,428	13,330
Advances from other funds (Note 14)	251,887	204,430	188,095	57,000
Advances payable			290	
Unearned revenue			1,423	
Current portion of long-term liabilities (Note 10)	84,256	41,906	139,499	14,429
Total current liabilities	494,446	334,652	504,029	104,184
Noncurrent liabilities:				
Accrued compensated absences (Note 10)	54,607	30,185	69,804	12,816
Bonds and notes (Note 10)	415,974	76,855	6,436	15,525
Capital lease obligations (Notes 9 and 10)				
Workers' compensation (Notes 10 and 17)	70,173	21,790	110,347	20,155
Litigation and self-insurance (Notes 10 and 17)	24,773	1,539	51,114	
OPEB obligation (Notes 8 and 10)	321,321	222,975	492,955	104,895
Third party payor (Notes 10 and 13)	109,947	32,978	178,083	49,260
Total noncurrent liabilities	996,795	386,322	908,739	202,651
TOTAL LIABILITIES	1,491,241	720,974	1,412,768	306,835
NET ASSETS				
Invested in capital assets, net of related debt (Notes 6 and 10)	164,703	94,231	872,325	83,486
Restricted:				
Debt service		1,336	22,041	
Public ways and facilities				
Community development commission				
Unrestricted (deficit)	(473,193)	(264,158)	(727,591)	(131,790)
TOTAL NET ASSETS (DEFICIT) (Note 3)	$ (308,490)	(168,591)	166,775	(48,304)

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)
$ 44,649	7,274	$ 55,893		$ 34,739	Operating (Note 1)
975	3	44,209		4,977	Other (Note 1)
45,624	7,277	100,102		39,716	Total pooled cash and investments
	42,636	42,636		7,395	Other investments (Note 5)
991		991			Taxes receivable
12,352	7,165	1,135,385			Accounts receivable - net (Note 13)
107	17	327		109	Interest receivable
348		60,324		8,929	Other receivables
759	2	169,848		64,016	Due from other funds (Note 14)
1,445		1,445			Advances to other funds (Note 14)
3	1	17,537		10,713	Inventories
61,629	57,098	1,528,595		130,878	Total current assets
					Noncurrent assets:
		229,986		12,112	Restricted assets (Note 5)
		219,772			Other receivables (Note 13 and 14)
					Capital assets: (Notes 6 and 9)
11,273	206,027	255,402			Land and easements
119,091	173,759	1,984,329		1,734	Buildings and improvements
889	3,410	282,591		275,581	Equipment
1,222		53,695			Intangible - software
1,165,291	51,615	1,216,906			Infrastructure
27,353	37,863	460,453			Construction in progress
(545,883)	(185,920)	(1,473,804)		(135,311)	Less accumulated depreciation
779,236	286,754	2,779,572		142,004	Total capital assets - net
779,236	286,754	3,229,330		154,116	Total noncurrent assets
840,865	343,852	4,757,925		284,994	TOTAL ASSETS
					LIABILITIES
					Current liabilities:
3,483	4,095	166,618		6,872	Accounts payable
		73,189		14,578	Accrued payroll
	1,152	12,278		2,072	Other payables
17		14,192		191	Accrued interest payable
4,067	332	200,965		18,239	Due to other funds (Note 14)
	4,196	705,608		22,000	Advances from other funds (Note 14)
		290			Advances payable
65	208	1,696		123	Unearned revenue
24	7,055	287,169		29,216	Current portion of long-term liabilities (Note 10)
7,656	17,038	1,462,005		93,291	Total current liabilities
					Noncurrent liabilities:
	62	167,474		44,700	Accrued compensated absences (Note 10)
5,032	40,202	560,024		49,060	Bonds and notes (Note 10)
				87	Capital lease obligations (Notes 9 and 10)
		222,465		37,039	Workers' compensation (Notes 10 and 17)
		77,426		1,341	Litigation and self-insurance (Notes 10 and 17)
		1,142,146		247,665	OPEB obligation (Notes 8 and 10)
		370,268			Third party payor (Notes 10 and 13)
5,032	40,264	2,539,803		379,892	Total noncurrent liabilities
12,688	57,302	4,001,808		473,183	TOTAL LIABILITIES
					NET ASSETS
774,180	251,242	2,240,167		88,168	Invested in capital assets, net of related debt (Notes 6 and 10)
	15,452	38,829			Restricted: Debt service
53,997		53,997			Public ways and facilities
	12,171	12,171		2,593	Community development commission
	7,685	(1,589,047)		(278,950)	Unrestricted (deficit)
$ 828,177	286,550	756,117		$ (188,189)	TOTAL NET ASSETS (DEFICIT) (Note 3)
		954			Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds
		$ 757,071			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, 2012 (in thousands)

	BUSINESS-TYPE ACTIVITIES -			
	Harbor UCLA Medical Center	Olive View UCLA Medical Center	LAC+USC Medical Center	Rancho Los Amigos National Rehab Center
OPERATING REVENUES:				
Net patient service revenues (Note 13)	$ 647,879	365,062	1,043,827	123,703
Rentals				
Charges for services				
Other (Note 13)	159,995	94,833	203,161	54,674
TOTAL OPERATING REVENUES	807,874	459,895	1,246,988	178,377
OPERATING EXPENSES:				
Salaries and employee benefits	595,476	375,046	841,045	167,570
Services and supplies	106,749	93,200	238,937	25,371
Other professional services	173,971	113,999	330,049	38,111
Depreciation and amortization (Note 6)	7,460	5,648	25,987	3,048
Medical malpractice	3,176	319	15,627	
Rent		1,718	5,602	1,867
TOTAL OPERATING EXPENSES	886,832	589,930	1,457,247	235,967
OPERATING LOSS	(78,958)	(130,035)	(210,259)	(57,590)
NONOPERATING REVENUES (EXPENSES):				
Taxes				
Investment income	12	64	508	16
Interest expense	(28,699)	(6,481)	(2,827)	(2,001)
Intergovernmental transfers expense (Note 13)	(173,424)	(79,921)	(268,286)	(36,411)
Intergovernmental revenues:				
State				
Federal				
Other				
TOTAL NONOPERATING REVENUES (EXPENSES)	(202,111)	(86,338)	(270,605)	(38,396)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(281,069)	(216,373)	(480,864)	(95,986)
Capital contributions	551	497	430	
Transfers in (Note 14)	277,719	152,066	330,445	78,548
Transfers out (Note 14)	(1,333)	(144)	(23,731)	
CHANGE IN NET ASSETS	(4,132)	(63,954)	(173,720)	(17,438)
TOTAL NET ASSETS (DEFICIT), JULY 1, 2011	(304,358)	(104,637)	340,495	(30,866)
TOTAL NET ASSETS (DEFICIT), JUNE 30, 2012	$ (308,490)	(168,591)	166,775	(48,304)

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:
$		$ 2,180,471	$	Net patient service revenues (Note 13)
	14,364	14,364	29,308	Rentals
66,504	368	66,872	433,808	Charges for services
1,003	625	514,291		Other (Note 13)
67,507	15,357	2,775,998	463,116	TOTAL OPERATING REVENUES
				OPERATING EXPENSES:
		1,979,137	400,778	Salaries and employee benefits
69,318	291,251	824,826	53,244	Services and supplies
3,386	761	660,277	35,832	Other professional services
21,927	2,796	66,866	31,871	Depreciation and amortization (Note 6)
		19,122		Medical malpractice
		9,187		Rent
94,631	294,808	3,559,415	521,725	TOTAL OPERATING EXPENSES
(27,124)	(279,451)	(783,417)	(58,609)	OPERATING LOSS
				NONOPERATING REVENUES (EXPENSES):
4,382		4,382		Taxes
536	634	1,770	380	Investment income
(20)	(138)	(40,166)	(1,814)	Interest expense
		(558,042)		Intergovernmental transfers expense (Note 13)
				Intergovernmental revenues:
121		121		State
119	284,860	284,979	706	Federal
15		15		Other
5,153	285,356	(306,941)	(728)	TOTAL NONOPERATING REVENUES (EXPENSES)
(21,971)	5,905	(1,090,358)	(59,337)	INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS
	1,311	2,789		Capital contributions
	4,126	842,904	5,683	Transfers in (Note 14)
(254)		(25,462)	(112)	Transfers out (Note 14)
(22,225)	11,342	(270,127)	(53,766)	CHANGE IN NET ASSETS
850,402	275,208		(134,423)	TOTAL NET ASSETS (DEFICIT), JULY 1, 2011
$ 828,177	286,550		$ (188,189)	TOTAL NET ASSETS (DEFICIT), JUNE 30, 2012
		(652)		Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds
		$ (270,779)		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, 2012 (in thousands)

	BUSINESS-TYPE ACTIVITIES -			
	Harbor UCLA Medical Center	Olive View UCLA Medical Center	LAC+USC Medical Center	Rancho Los Amigos National Rehab Center
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from patient services	$ 659,374	333,686	1,153,315	159,426
Rentals received				
Cash received from (returned for) charges for services				
Other operating revenues	160,012	94,835	203,163	54,678
Cash received for services provided to other funds	18,750	12,937	23,213	929
Cash paid for salaries and employee benefits	(515,671)	(311,573)	(709,926)	(140,228)
Cash paid for services and supplies	(35,496)	(9,321)	(111,796)	(6,397)
Other operating expenses	(182,076)	(118,032)	(338,786)	(43,343)
Cash paid for services from other funds	(72,603)	(40,691)	(75,833)	(12,198)
Net cash provided by (required for) operating activities	32,290	(38,159)	143,350	12,867
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash advances received from other funds	538,765	313,155	795,385	109,178
Cash advances paid/returned to other funds	(625,731)	(337,659)	(995,902)	(156,237)
Interest paid on advances	(842)	(773)	(1,014)	(185)
Intergovernmental transfers	(173,424)	(79,921)	(268,286)	(36,411)
Intergovernmental receipts				
Transfers in	277,719	152,066	330,445	78,548
Transfers out	(1,333)	(144)	(23,731)	
Net cash provided by noncapital financing activities	15,154	46,724	(163,103)	(5,107)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from taxes				
Capital contributions				
Proceeds from bonds and notes	55,341	32,340	89,254	4,000
Interest paid on capital borrowing	(33,643)	(6,738)	(1,951)	(2,172)
Principal payments on bonds and notes	(13,746)	(5,513)	(90,909)	(7,732)
Principal payments on capital leases				
Acquisition and construction of capital assets	(110,411)	(23,323)	(1,164)	(890)
Net cash provided by (required for) capital and related financing activities	(102,459)	(3,234)	(4,770)	(6,794)
CASH FLOWS FROM INVESTING ACTIVITIES -				
Investment income received	95	64	618	17
Net increase (decrease) in cash and cash equivalents	(54,920)	5,395	(23,905)	983
Cash and cash equivalents, July 1, 2011	260,734	20,770	65,141	2,989
Cash and cash equivalents, June 30, 2012	$ 205,814	26,165	41,236	3,972

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:
$		$ 2,305,801	$	Cash received from patient services
	16,543	16,543	29,579	Rentals received
64,073	(807)	63,266	64,623	Cash received from (returned for) charges for services
1,003	625	514,316		Other operating revenues
		55,829	381,783	Cash received for services provided to other funds
	(20,169)	(1,697,567)	(344,646)	Cash paid for salaries and employee benefits
(70,454)	(273,970)	(507,434)	(47,352)	Cash paid for services and supplies
(3,386)	(761)	(686,384)	(35,832)	Other operating expenses
		(201,325)		Cash paid for services from other funds
(8,764)	(278,539)	(136,955)	48,155	Net cash provided by (required for) operating activities
				CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:
	696	1,757,179		Cash advances received from other funds
(137)		(2,115,666)		Cash advances paid/returned to other funds
		(2,814)		Interest paid on advances
		(558,042)		Intergovernmental transfers
255	284,860	285,115	706	Intergovernmental receipts
	4,126	842,904	5,683	Transfers in
(254)		(25,462)	(112)	Transfers out
(136)	289,682	183,214	6,277	Net cash provided by noncapital financing activities
				CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:
4,356		4,356		Proceeds from taxes
	1,311	1,311		Capital contributions
5,032	6	185,973	79,404	Proceeds from bonds and notes
(3)	(138)	(44,645)	(1,861)	Interest paid on capital borrowing
(22)		(117,922)	(94,910)	Principal payments on bonds and notes
			(43)	Principal payments on capital leases
(23)	(32,241)	(168,052)	(39,158)	Acquisition and construction of capital assets
9,340	(31,062)	(138,979)	(56,568)	Net cash provided by (required for) capital and related financing activities
570	640	2,004	419	CASH FLOWS FROM INVESTING ACTIVITIES - Investment income received
1,010	(19,279)	(90,716)	(1,717)	Net increase (decrease) in cash and cash equivalents
44,614	69,192	463,440	60,940	Cash and cash equivalents, July 1, 2011
$ 45,624	49,913	$ 372,724	$ 59,223	Cash and cash equivalents, June 30, 2012

Continued…

COUNTY OF LOS ANGELES
STATEMENT OF CASH FLOWS - Continued
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012 (in thousands)

	BUSINESS-TYPE ACTIVITIES -			
	Harbor UCLA Medical Center	Olive View UCLA Medical Center	LAC+USC Medical Center	Rancho Los Amigos National Rehab Center
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (REQUIRED FOR) OPERATING ACTIVITIES:				
Operating loss	$ (78,958)	(130,035)	(210,259)	(57,590)
Adjustments to reconcile operating loss to net cash provided by (required for) operating activities:				
Depreciation and amortization	7,460	5,648	25,987	3,048
Other revenues (expenses) - net	(46,974)	11,123	(1,118)	(1)
(Increase) decrease in:				
Accounts receivable - net	(28,979)	(18,398)	27,709	5,070
Other receivables	(22,375)	9,359	(10,313)	(8,433)
Due from other funds	25,182	(13,393)	63,626	15,699
Inventories	(2,202)	(315)	1,434	157
Increase (decrease) in:				
Accounts payable	32,128	16,154	36,546	8,213
Accrued payroll	932	877	653	314
Other payables	56	37	66	23
Accrued compensated absences	11,885	6,995	16,345	2,427
Due to other funds	15,715	16,228	14,448	(1,589)
Unearned revenue			1,384	
Workers' compensation	(6,569)	(755)	(3,947)	(1,061)
Litigation and self-insurance	(3,852)	(842)	20,255	(3,365)
OPEB obligation	71,019	54,839	109,161	25,529
Third party payor	57,822	4,319	51,373	24,426
TOTAL ADJUSTMENTS	111,248	91,876	353,609	70,457
NET CASH PROVIDED BY (REQUIRED FOR) OPERATING ACTIVITIES	$ 32,290	(38,159)	143,350	12,867
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:				
Assets acquired from capital leases	$			
Capital contributions	551	497	430	
TOTAL	$ 551	497	430	
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS:				
Pooled cash and investments	$ 15,130	10,906	18,631	2,534
Other investments				
Restricted assets	190,684	15,259	22,605	1,438
TOTAL	$ 205,814	26,165	41,236	3,972

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:
$ (27,124)	(279,451)	$ (783,417)		$ (58,609)	Operating loss
					Adjustments to reconcile operating loss to net cash provided by (required for) operating activities:
21,927	2,796	66,866		31,871	Depreciation and amortization
3	(284)	(37,251)		(807)	Other revenues (expenses) - net
					(Increase) decrease in:
(1,947)	1,054	(15,491)			Accounts receivable - net
(1)		(31,763)		228	Other receivables
(41)	(1)	91,072		13,639	Due from other funds
	(1)	(927)		(688)	Inventories
					Increase (decrease) in:
227	(594)	92,674		1,521	Accounts payable
		2,776		337	Accrued payroll
	(677)	(495)		124	Other payables
	85	37,737		5,863	Accrued compensated absences
(1,366)	(1,417)	42,019		(2,111)	Due to other funds
(442)	(49)	893		69	Unearned revenue
		(12,332)		2,469	Workers' compensation
		12,196		(950)	Litigation and self-insurance
		260,548		55,199	OPEB obligation
		137,940			Third party payor
18,360	912	646,462		106,764	TOTAL ADJUSTMENTS
$ (8,764)	(278,539)	$ (136,955)		$ 48,155	NET CASH PROVIDED BY (REQUIRED FOR) OPERATING ACTIVITIES
					NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:
$		$		$ 11	Assets acquired from capital leases
		1,478			Capital contributions
$		$ 1,478		$ 11	TOTAL
					RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS:
$ 45,624	7,277	$ 100,102		$ 39,716	Pooled cash and investments
	42,636	42,636		7,395	Other investments
		229,986		12,112	Restricted assets
$ 45,624	49,913	$ 372,724		$ 59,223	TOTAL

COUNTY OF LOS ANGELES
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2012 (in thousands)

	PENSION TRUST FUND	INVESTMENT TRUST FUNDS	CDC PRIVATE-PURPOSE TRUST FUND	AGENCY FUNDS
ASSETS				
Pooled cash and investments (Note 5)	$ 63,046	$ 14,250,254	$	$ 1,468,892
Other investments: (Note 5)		97,933	2,346	302
Stocks	19,139,191			
Bonds	9,470,150			
Short-term investments	1,133,643			
Commodities	929,259			
Real estate	3,899,087			
Mortgages	144,185			
Alternative assets	4,041,846			
Cash collateral on loaned securities	1,469,510			
Taxes receivable				330,905
Interest receivable	110,360	33,815		17,667
Other receivables	806,278	237,000	22	
Inventories (Note 1)			5,368	
TOTAL ASSETS	41,206,555	14,619,002	7,736	$ 1,817,766
LIABILITIES				
Accounts payable	1,367,869		75	
Other payables (Note 5)	1,531,930	602,118	179	
Due to other governments			1,511	1,817,766
TOTAL LIABILITIES	2,899,799	602,118	1,765	$ 1,817,766
NET ASSETS HELD IN TRUST	$ 38,306,756	$ 14,016,884	$ 5,971	

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, 2012 (in thousands)

	PENSION TRUST FUND	INVESTMENT TRUST FUNDS	CDC PRIVATE-PURPOSE TRUST FUND
ADDITIONS:			
Contributions:			
Pension trust contributions:			
Employer	$ 1,078,929	$	$
Member	506,758		
Contributions to investment trust funds		37,262,271	
Total contributions	1,585,687	37,262,271	
Investment earnings:			
Investment income	1,213,169	176,200	16
Net decrease in the fair value of investments	(1,432,805)		
Securities lending income (Note 5)	4,234		
Total investment earnings (losses)	(215,402)	176,200	16
Less - Investment expenses:			
Expense from investing activities	75,216		
Expense from securities lending activities (Note 5)	391		
Total net investment expense	75,607		
Net investment earnings (losses)	(291,009)	176,200	16
Miscellaneous	1,004		39
TOTAL ADDITIONS	1,295,682	37,438,471	55
DEDUCTIONS:			
Salaries and employee benefits	38,069		
Services and supplies	12,149		366
Benefit payments	2,372,977		
Distributions from investment trust funds		39,062,751	
Miscellaneous	17,742		
TOTAL DEDUCTIONS	2,440,937	39,062,751	366
EXTRAORDINARY ITEM (Note 20) -			
Net assets transferred from CDC special revenue fund			6,282
CHANGE IN NET ASSETS	(1,145,255)	(1,624,280)	5,971
NET ASSETS HELD IN TRUST, JULY 1, 2011	39,452,011	15,641,164	
NET ASSETS HELD IN TRUST, JUNE 30, 2012	$ 38,306,756	$ 14,016,884	$ 5,971

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

COUNTY OF LOS ANGELES
CALIFORNIA

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The County of Los Angeles (County), which was established in 1850, 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 and Los Angeles County Redevelopment Successor Agency) (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, 2012, the restricted net assets balances were $2.91 billion and $105.00 million for governmental activities and business-type activities, respectively. For governmental activities, $707.30 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 four 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.

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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Fund Financial Statements-Continued

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.

CDC Private-Purpose Trust Fund

The CDC Private-Purpose Trust Fund (PPTF) is a fiduciary fund used by the County to report trust arrangements under which principal and income benefit other governments. Unlike the limited reporting typically utilized for agency fund, a private-purpose trust fund reports a statement of fiduciary net assets and changes in fiduciary net assets. This fund reports the assets, liabilities and activities of the Los Angeles County Redevelopment Successor Agency. On February 21, 2012, the Board of Supervisors assigned CDC to become the Successor Agency for the former redevelopment agency in accordance with Assembly Bill x1 26. Specific details related to Assembly Bill x1 26 appear in Note 20.

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 property taxes and departmental 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, investment and private-purpose 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 lease obligations 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 four 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 Flood Control District, 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, 2012. 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 2011-2012 assessed valuation of the County of Los Angeles approximated $1.071 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 11,969 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.

Legislation Dissolving Redevelopment Agencies and Affect on Property Taxes

State Assembly Bill x1 26 (AB x1 26), also referred to as the "Redevelopment Dissolution Act," was upheld by the State Supreme Court in December 2011 and redevelopment agencies were dissolved on February 1, 2012. AB x1 26 requires successor agencies to take over from the former redevelopment agencies and perform the following functions:

- Continue making payments on existing legal obligations and not incur any additional debt.
- Wind down the affairs of the former redevelopment agencies and return the funds of liquidated assets to the County's Auditor-Controller, who will in turn distribute these funds to the appropriate local government agencies.

Under AB x1 26, property tax revenues are allocated to pay enforceable legal obligations, pass-through payments and eligible administrative costs. Any remaining property tax revenues, otherwise known as "residual taxes," are distributed as property tax revenue to the appropriate local government agencies, including the County. Oversight Boards have been established for each of the 71 successor agencies within the County. The Oversight Boards are required to evaluate and approve the successor agencies' remaining enforceable legal obligations. The Auditor-Controller is responsible for disbursing property tax increment revenues in accordance with provisions of AB x1 26 and applicable amendments. For the year ended June 30, 2012, the County's share of residual property tax revenues was $100 million, of which $88 million was recognized in the County's General Fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Legislation Dissolving Redevelopment Agencies and Affect on Property Taxes-Continued

The County's direct involvement in redevelopment activities was limited to unincorporated areas of the County and a small number of projects. The successor agency for these activities is the County's Community Development Commission (a blended component unit) and the dissolution of County related projects is expected to have minimal impact, if any, to the County's overall financial condition. As discussed earlier in this Note 1, a newly established fiduciary fund, the Community Development Commission Private-Purpose Trust Fund, was established to account for the County's dissolution of redevelopment activities.

Deposits and Investments

In accordance with GASB 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:

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, 2012 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 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Deposits and Investments-Continued

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 and fiduciary funds, $23,508,000 and $5,368,000, respectively, 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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Capital Assets-Continued

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."

Compensated Absences

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. Employees can also accumulate unused holiday and compensatory time off benefits throughout the year. All benefits are payable upon termination, if unused, within limits and rates as specified in the County Salary Ordinance.

Liabilities for accrued compensated absences 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).

In FY 2011-2012, and in conjunction with its various collective bargaining agreements, the County re-evaluated the accumulation of compensatory time earned on holidays and compensatory overtime. As a result of this review, approximately $474 million of current year additions were made to the liabilities for compensated absences. The increase was concentrated in the public protection functional area due to the heavy reliance on those departments to provide continuous service to the public.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

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, discounts and deferred losses on refunding, 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, discount or deferred losses on refundings. 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 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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Fund Balance-Continued

The Board of Supervisors establishes, modifies, or rescinds fund balance commitments by passage of an ordinance or resolution. In FY 2011-2012, the County reviewed the GASB 54 criteria and determined that an ordinance or resolution is equally binding, and either action can establish a fund balance commitment. 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/expenses 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

For the fiscal year ended June 30, 2012, the County implemented GASB 64, “Derivative Instruments: Application of Hedge Accounting Termination Provisions.” GASB 64 is an amendment to GASB 53, “Accounting for Financial Reporting for Derivative Instruments.”

GASB 64 sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. GASB 64 did not have an impact to the County or LACERA financial statements.

2. NEW PRONOUNCEMENTS-Continued

Future Governmental Accounting Standards Board (GASB) Statements that the County is evaluating but the impact have not been determine:

GASB 60	Accounting and Financial Reporting for Service Concession Arrangements	The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011.
GASB 61	The Financial Reporting Entity: Omnibus-An Amendment of GASB Statements No. 14 and No. 34	The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2012.
GASB 62	Codification of Accounting and Financial Reporting Guidance Continued in Pre-November 30, 1989 FASB and AICPA Pronouncements	The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011.
GASB 63	Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position	The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011.
GASB 65	Items Previously Reported as Assets and Liabilities	The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012.
GASB 66	Technical Corrections-2012-An Amendment of GASB Statements No. 10 and No. 62	The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012.
GASB 67	Financial Reporting for Pension Plans-An Amendment of GASB Statement No. 25	The provisions of this Statement are effective for financial statements for fiscal years beginning after June 15, 2013.
GASB 68	Accounting and Financial Reporting for Pensions-An Amendment of GASB Statement No. 27	The provisions of this Statement are effective for financial statements for fiscal years beginning after June 15, 2014.

3. NET ASSET DEFICITS

The following funds had net asset deficits at June 30, 2012 (in thousands):

	Accumulated Deficit
Enterprise Funds:	
Harbor-UCLA Medical Center	$ 308,490
Olive View-UCLA Medical Center	168,591
Rancho Los Amigos National Rehab Center	48,304
Internal Service Fund-	
Public Works	205,802

3. NET ASSET DEFICITS-Continued

The Enterprise and Internal Service Funds' deficits result primarily from the recognition of certain liabilities including accrued compensated absences, Other Postemployment Benefits (OPEB) obligation, workers' compensation, self-insurance and, for the enterprise funds, medical malpractice, and third party payors, 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, 2012, the governmental fund financial statements reflect an investment asset (referred to as "Other Investments") held by the JPAs of $170,725,000 that has been recorded in the Nonmajor Governmental Funds. The governmental fund financial statements do not reflect a liability for the related bonds payable ($170,725,000), 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 ($170,725,000) and investment income and interest expense ($9,270,000 for each). Accordingly, there are no reconciling differences between the two sets of financial statements (after the effects of eliminations) for this matter.

4. ELIMINATIONS-Continued

Government-wide Financial Statements-Continued

The bonds payable of $170,725,000, 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, 2012 (in thousands):

			Restricted Assets		
	Pooled Cash and Investments	Other Investments	Pooled Cash and Investments	Other Investments	Total
Governmental Funds	$ 4,936,673	$ 543,368	$	$	$ 5,480,041
Proprietary Funds	139,818	50,031	45,901	196,197	431,947
Fiduciary Funds (excluding Pension Trust Fund)	15,719,146	100,581			15,819,727
Pension Trust Fund	63,046	40,226,871			40,289,917
Component Unit	809,663				809,663
Total	$ 21,668,346	$40,920,851	$ 45,901	$ 196,197	$ 62,831,295

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, 2012, the carrying amount of the County's deposits was $144,251,000 and the balance per various financial institutions was $141,999,000. 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, 2012, the carrying amount of Pension Trust Fund deposits was $130,198,000. 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.

5. CASH AND INVESTMENTS-Continued

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.

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	N/A	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, mortgage trust deeds, Los Angeles County securities and guaranteed investment contracts. 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.

5. CASH AND INVESTMENTS-Continued

Investments-Continued

At June 30, 2012, the County had open trade commitments with various brokers to purchase investments totaling $1,123,745,000 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.

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, 2012.

The School Districts and the Superior Court are required by legal provisions to participate in the County's investment pool. Eighty percent (80%) 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 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 in the amount of $98,785,000. 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, 2012 (in thousands) are as follows:

	Fair Value
U.S. Agency securities	$ 9,688,622
U.S. Treasury securities	680,835
Negotiable certificates of deposit	4,019,435
Commercial paper	7,190,209
Corporate and deposit notes	705,639
Municipal bonds	76,380
Los Angeles County securities	17,000
Money market mutual funds	9,087
Local Agency Investment Fund	63,523
Mortgage trust deeds	97
Other	9,346
Total	$ 22,460,173

5. CASH AND INVESTMENTS-Continued

Investments-Continued

Pension Trust Fund investments are reported in the basic financial statements at fair value at June 30, 2012 (in thousands) and are as follows:

	Fair Value
Domestic and international equity	$ 20,478,503
Fixed income	10,747,978
Real estate	3,899,087
Private equity	3,789,891
Commodities	929,259
Hedge Funds	251,955
Total	$ 40,096,673

The Pension Trust Fund also had deposits with the Los Angeles County Treasury Pool at June 30, 2012 totaling $63,046,000. 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, 2012 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 Treasury Pool is as follows (in thousands):

	Fair Value	Principal	Interest Rate % Range	Maturity Range	Weighted Average Maturity (Years)
U.S. Agency securities	$ 9,618,411	$ 9,562,358	0.19% - 5.25%	08/13/12 - 12/18/17	3.87
U.S. Treasury bills	499,211	499,245	0.16% - 0.20%	03/07/13 - 06/27/13	0.84
U.S. Treasury notes	181,215	173,970	1.38% - 2.38%	08/31/14 - 11/30/15	2.88
Negotiable certificates of deposit	4,019,435	4,019,708	0.18% - 0.44%	07/02/12 - 06/25/15	0.30
Commercial paper	7,190,209	7,190,060	0.16% - 0.49%	07/02/12 - 08/28/12	0.05
Corporate and deposit notes	633,255	632,106	0.32% - 5.45%	07/20/12 - 01/30/15	0.83
Los Angeles County securities	17,000	17,000	0.55% - 0.56%	06/30/14	2.00
Deposits	114,791	114,791			
	$ 22,273,527	$22,209,238			

5. CASH AND INVESTMENTS-Continued

Investments-Continued

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	$ 63,523	$ 63,447	0.00% -15.00%	07/02/12 - 08/25/37	0.74
Corporate and deposit notes	72,384	72,364	1.72% - 6.50%	08/15/12 - 10/19/16	2.92
Mortgage trust deeds	97	97	5.50%	01/01/14 - 04/01/17	4.00
Municipal bonds	76,380	76,380	3.13% - 7.26%	08/01/12 - 09/02/21	2.62
U.S. Agency securities	70,211	70,259	0.04% - 3.70%	11/26/12 - 01/17/30	6.40
U.S. Treasury bonds	107	86	7.25%	05/15/16	3.88
U.S. Treasury bills	302	302	0.13%	12/06/12	0.43
Money market mutual funds	9,087	9,087	0.01% - 0.04%	07/01/12	0.00
Other	9,346	9,346			
Deposits	29,460	29,460			
	$ 330,897	$ 330,828			

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 less than 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, 2012, 50.96% have a maturity of six months or less, 6.02% have a maturity of between six and twelve months, and 43.02% have a maturity of more than one year.

As of June 30, 2012, variable-rate notes comprised 3.81% 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, 2012, 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.

5. CASH AND INVESTMENTS-Continued

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, 2012, 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.

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 2.12% of the investment pool's daily investment balance. For commercial paper, the highest issuer limit was $750 million, or 3.18% 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, 2012 (in thousands):

Issuer	Pool	SPI
Federal Farm Credit Bank	$ 2,355,659	$ 8,050
Federal Home Loan Bank	2,198,723	9,642
Federal Home Loan Mortgage Corp	2,297,278	5,240
Federal National Mortgage Association	2,769,422	8,647

5. CASH AND INVESTMENTS-Continued

Credit Risk and Concentration of Credit Risk-Continued

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, 2012:

	S & P	Moody's	% of Portfolio
Pooled Cash and Investments:			
Commercial paper	Not Rated	Not Rated	32.45%
Corporate and deposit notes			
	AA-	Aa3	0.79%
	AA+	A1	1.00%
	A+	A2	0.05%
	AA-	Not Rated	0.68%
	Not Rated	Not Rated	0.34%
Los Angeles County securities	Not Rated	Not Rated	0.08%
Negotiable certificates of deposit	AA-	Aa2	0.22%
	AA-	Aa3	0.22%
	AA-	Not Rated	0.45%
	Not Rated	Aa2	0.23%
	Not Rated	P-1	0.79%
	Not Rated	Not Rated	16.22%
U.S. Treasury securities	AA+	Aaa	42.31%
	AA+	Not Rated	1.10%
U.S. Agency securities	Not Rated	Aaa	0.82%
	Not Rated	Not Rated	2.25%
			100.00%
Other Investments:			
Local Agency Investment Fund	Not Rated	Not Rated	21.07%
Corporate and deposit notes	AA+	A1	1.03%
	Not Rated	Not Rated	22.98%
Mortgage trust deeds	Not Rated	Not Rated	0.03%
Municipal bonds	Not Rated	Not Rated	25.34%
U.S. Agency securities	AA+	Aaa	10.48%
	Not Rated	Aaa	12.82%
	Not Rated	Not Rated	< 0.00%
U.S. Treasury securities	Not Rated	Aaa	0.03%
	Not Rated	Not Rated	0.10%
Money market mutual funds	Not Rated	Not Rated	3.02%
Other	Not Rated	Not Rated	3.10%
			100.00%

The earned yield, which includes net gains on investments sold, on all investments held by the Treasury Pool for the fiscal year ended June 30, 2012 was 0.98%.

5. CASH AND INVESTMENTS-Continued

Credit Risk and Concentration of Credit Risk-Continued

A separate financial report is issued for the Treasury Pool. The most current report, as of June 30, 2011, is available on the Treasurer's website, and the report as of June 30, 2012, is in progress. The following represents a condensed statement of net assets and changes in net assets for the Treasury Pool as of and for the year ended June 30, 2012 (in thousands):

Statement of Net Assets	
Net assets held in trust for all pool participants	$ 22,273,527
Equity of internal pool participants	$ 8,355,428
Equity of external pool participants	13,918,099
Total equity	$ 22,273,527
Statement of Changes in Net Assets	
Net assets at July 1, 2011	$ 24,248,618
Net change in investments by pool participants	(1,975,091)
Net assets at June 30, 2012	$ 22,273,527

The unrealized gain on investments held in the Treasury Pool was $64,289,000 as of June 30, 2012. 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.

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.

5. CASH AND INVESTMENTS-Continued

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, 2012, there were approximately $844,101,000 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, 2012, forward currency contracts receivable and payable totaled $7,543,962,000 and $7,501,703,000, respectively. All investment derivative positions are included as part of investments at fair value on LACERA's statement of plan net assets. All changes in fair value are reported as part of net appreciation/(depreciation) in fair value of investments in the statement of changes in plan net assets.

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, 2012.

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, 2012, 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, 2012.

As of June 30, 2012, the fair value of securities on loan was $2.01 billion. The value of the cash collateral received for those securities was $1.47 billion and the non-cash collateral was $587 million. Securities lending assets (Other Investments) and liabilities (Other Payables) of $1.5 billion are recorded in the Pension Trust Fund. Pension Trust Fund income, net of expenses, from securities lending was $3.8 million for the year ended June 30, 2012.

For the year ended June 30, 2012, 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, 2012 (in thousands):

	County	Pension Trust Fund	Total
Deposits	$ 144,251	$ 130,198	$ 274,449
Investments	22,460,173	40,096,673	62,556,846
	$ 22,604,424	$ 40,226,871	$ 62,831,295

6. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2012 is as follows (in thousands):

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Governmental Activities				
Capital assets, not being depreciated:				
Land	$ 2,403,087	4,005	(10)	$ 2,407,082
Easements	4,862,795	9,175	(817)	4,871,153
Software in progress	24,524	28,717	(38,858)	14,383
Construction in progress-buildings and improvements	210,947	188,831	(85,143)	314,635
Construction in progress-infrastructure	421,288	128,564	(236,482)	313,370
Subtotal	$ 7,922,641	359,292	(361,310)	$ 7,920,623

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

6. CAPITAL ASSETS-Continued

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Capital assets, being depreciated:				
Buildings and improvements	$ 4,115,164	100,033	(38,422)	$ 4,176,775
Equipment	1,317,700	125,259	(33,881)	1,409,078
Software	405,899	90,825		496,724
Infrastructure	7,359,624	217,803	(567)	7,576,860
Subtotal	13,198,387	533,920	(72,870)	13,659,437
Less accumulated depreciation for:				
Buildings and improvements	(1,441,579)	(76,276)	29,656	(1,488,199)
Equipment	(920,516)	(100,903)	26,309	(995,110)
Software	(155,542)	(44,388)		(199,930)
Infrastructure	(3,039,695)	(155,293)	36	(3,194,952)
Subtotal	(5,557,332)	(376,860)	56,001	(5,878,191)
Total capital assets, being depreciated, net	7,641,055	157,060	(16,869)	7,781,246
Governmental activities capital assets, net	$15,563,696	516,352	(378,179)	$15,701,869
Business-type Activities				
Capital assets, not being depreciated:				
Land	$ 223,138	1,255		$ 224,393
Easements	31,009			31,009
Software in progress	2,154	2,144		4,298
Construction in progress-buildings and improvements	232,815	194,920	(1,106)	426,629
Construction in progress-infrastructure	49,228	14,972	(34,674)	29,526
Subtotal	538,344	213,291	(35,780)	715,855
Capital assets, being depreciated:				
Buildings and improvements	1,983,062	1,451	(184)	1,984,329
Equipment	337,507	9,620	(44,178)	302,949
Software	53,818		(123)	53,695
Infrastructure	1,195,795	21,344	(233)	1,216,906
Subtotal	3,570,182	32,415	(44,718)	3,557,879
Less accumulated depreciation for:				
Buildings and improvements	(739,062)	(26,992)	184	(765,870)
Equipment	(238,376)	(19,056)	42,402	(215,030)
Software	(9,310)	(3,546)		(12,856)
Infrastructure	(471,018)	(21,227)	233	(492,012)
Subtotal	(1,457,766)	(70,821)	42,819	(1,485,768)
Total capital assets, being depreciated, net	2,112,416	(38,406)	(1,899)	2,072,111
Business-type activities capital assets, net	$ 2,650,760	174,885	(37,679)	$ 2,787,966
Total Capital Assets, net	$18,214,456	691,237	(415,858)	$18,489,835

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	$ 21,644
Public protection	159,315
Public ways and facilities	87,031
Health and sanitation	17,196
Public assistance	41,964
Education	2,905
Recreation and cultural services	18,889
Capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets	27,916
Total depreciation expense, governmental activities	$ 376,860
Business-type activities:	
Hospitals	$ 42,143
Waterworks	21,927
Aviation	1,729
Community Development Commission	1,067
Capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets	3,955
Total depreciation expense, business-type activities	$ 70,821

The business-type activities included equipment transfers from the County's General Fund to each Hospital Fund. Capital contributions totaling $1.5 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 2011-2012, the County recorded two courthouse transfers of buildings and improvements to the State, which resulted in a loss on the transfer of capital assets used in governmental activities. The loss of $13.6 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, 2012 was as follows (in thousands):

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Capital assets, not being depreciated-				
Land	$ 2,039			$ 2,039
Capital assets, being depreciated:,				
Buildings and improvements	12,021	55		12,076
Equipment	2,399	80		2,479
Subtotal	14,420	135		14,555
Less accumulated depreciation for:				
Buildings and improvements	(1,466)	(241)		(1,707)
Equipment	(1,879)	(230)		(2,109)
Subtotal	(3,345)	(471)		(3,816)
Total capital assets being depreciated, net	11,075	(336)		10,739
Component unit capital assets, net	$ 13,114	(336)		$ 12,778

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 2011-2012:

July 1, 2011 - September 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%			

October 1, 2011 - June 30, 2012	A	B	C	D	E
General Members	21.59%	15.00%	14.51%	14.80%	15.30%
Safety Members	30.38%	21.10%			

The rates were determined by the actuarial valuation performed as of June 30, 2010 and June 30, 2011, respectively. The June 30, 2010 and June 30, 2011 actuarial valuations were 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 2011-2012, 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 2011-2012, computed in accordance with GASB 27, were as follows (in thousands):

Annual required contribution (ARC):	
County	$ 1,078,783
Non-County entities	146
Total ARC/Annual pension cost	1,078,929
Contributions made:	
County	1,078,783
Non-County entities	146
Total contributions	1,078,929
Change in net pension obligation (asset)	0
Net pension obligation (asset), July 1, 2011	0
Net pension obligation (asset), June 30, 2012	$ 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, 2010	$ 895,453	94.2%	$(51,751)
June 30, 2011	995,925	94.8%	0
June 30, 2012	1,078,929	100.00%	0

Funded Status and Funding Progress

As of June 30, 2011, the most recent actuarial valuation date, the funded ratio was determined to be 80.6%. The actuarial value of assets was $39.2 billion, and the actuarial accrued liability (AAL) was $48.6 billion, resulting in an unfunded AAL of $9.4 billion. The covered payroll was $6.7 billion and the ratio of the unfunded AAL to the covered payroll was 141.4%.

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 7.70%, and projected salary increases ranging from 4.21% to 10.19%, with both assumptions including a 3.45% 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 2010.

The County contribution rate to finance the unfunded AAL is 16.31% and 17.54% of payroll, which is a weighted average for all LACERA plans, as determined by the June 30, 2010 and 2011 actuarial valuations, respectively.

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.

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.

The County's contribution during 2011-2012 is on a pay-as-you-go basis. During the 2011-2012 fiscal year, the County made payments to LACERA totaling $379.7 million for retiree health care benefits. Included in this amount was $38.0 million for Medicare Part B reimbursements and $6.9 million in death benefits. Additionally, $36.0 million was paid by member participants. The County also made payments of $36.7 million for long-term disability benefits.

Establishment of OPEB Trust

Pursuant to the California Government Code, the County established an irrevocable Other Post-Employment Benefit (OPEB) Trust for the purpose of holding and investing assets to pre-fund the Retiree Health Program, which LACERA administers. On May 15, 2012, the Los Angeles County Board of Supervisors entered into a trust and investment services agreement with the LACERA Board of Investments to act as trustee and investment manager. The County established an OPEB trust fund and there were no financing activities during the current year.

8. OTHER POSTEMPLOYMENT BENEFITS-Continued

Establishment of OPEB Trust-Continued

The OPEB Trust is the County's first step to reduce its OPEB unfunded liability. It will provide a framework where the Board of Supervisors can begin making contributions to the trust and transition, over time, from "pay-as-you-go" to "pre-funding." The OPEB Trust does not modify the County' s benefit programs.

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, 2011. 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	$ 70,509	$1,924,109
Interest on Net OPEB obligation	261,488	5,892	267,380
Adjustment to ARC	(199,587)	(3,928)	(203,515)
Annual OPEB cost (expense)	1,915,501	72,473	1,987,974
Less: Contributions made (pay-as-you-go)	379,744	36,701	416,445
Increase in Net OPEB obligation	1,535,757	35,772	1,571,529
Net OPEB obligation, July 1, 2011	5,229,762	117,829	5,347,591
Net OPEB obligation, June 30, 2012	$ 6,765,519	$ 153,601	$6,919,120

Annual OPEB Cost and Net OPEB Obligation

Retiree Health Care Trend Information (in thousands)

Fiscal Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
June 30, 2010	$ 1,687,657	22.8%	$ 3,707,862
June 30, 2011	1,897,487	19.8%	5,229,762
June 30, 2012	1,915,501	19.8%	6,765,519

LTD Trend Information (in thousands)

Fiscal Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
June 30, 2010	$ 62,479	53.6%	$ 90,139
June 30, 2011	62,962	56.0%	117,829
June 30, 2012	72,473	50.6%	153,601

8. OTHER POSTEMPLOYMENT BENEFITS-Continued

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%.

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 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 increases 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.

8. OTHER POSTEMPLOYMENT BENEFITS-Continued

Actuarial Methods and Assumptions-Continued

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, 2012 (in thousands):

Year Ending June 30	Governmental Activities
2013	$ 86,056
2014	65,740
2015	55,118
2016	30,725
2017	20,390
2018-2022	42,533
2023-2027	17,884
2028-2032	12,210
Total	$ 330,656

Rent expenses related to operating leases were $97,144,000 for the year ended June 30, 2012.

Capital Lease Obligations

The following is a schedule of future minimum lease payments under capital lease obligations together with the present value of future minimum lease payments as of June 30, 2012 (in thousands):

Year Ending June 30	Governmental Activities
2013	$ 26,914
2014	24,474
2015	21,827
2016	21,340
2017	19,990
2018-2022	101,098
2023-2027	79,108
2028-2032	67,622
2033-2037	40,984
2038-2042	1,360
Total	404,717
Less: Amount representing interest	213,971
Present value of future minimum lease payments	$ 190,746

9. LEASES-Continued

Capital Lease Obligations-Continued

The following is a schedule of property under capital leases by major classes at June 30, 2012 (in thousands):

	Governmental Activities
Land	$ 17,279
Buildings and improvements	153,513
Equipment	63,036
Accumulated depreciation	(37,477)
Total	$ 196,351

Future rent revenues to be received from noncancelable subleases are $1,160,000 as of June 30, 2012.

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 85 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 27 years and are also accounted for in the General Fund. The Marina del Rey leases cover remaining periods ranging from 1 to 55 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 $435,086,000. 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, 2012 (in thousands):

Year Ending June 30	Governmental Activities
2013	$ 43,748
2014	42,996
2015	42,186
2016	41,976
2017	41,703
Thereafter	1,427,760
Total	$ 1,640,369

9. LEASES-Continued

Leases of County-Owned Property-Continued

The following is a schedule of rental income for these operating leases for the year ended June 30, 2012 (in thousands):

	Governmental Activities
Minimum rentals	$ 43,387
Contingent rentals	17,364
Total	$ 60,751

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, 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 recorded within governmental activities follows (in thousands):

	Original Par Amount of Debt	Balance June 30, 2012
Los Angeles County Flood Control District Refunding Bonds 2.5% to 5.0%	$ 143,195	$ 22,275
Los Angeles County Flood Control District Revenue Bonds 4.0% to 4.12%	20,540	14,920
Regional Park and Open Space District Bonds (issued by Public Works Financing Authority), 3.0% to 5.25%	275,535	182,868
Community Development Commission (CDC) Notes, 0.45% to 6.41%	78,512	30,789
NPC Bond Anticipation Notes, 0.536% to 0.561%	13,902	13,902
NPC Bonds 1.5% to 5.0%	66,597	45,294
Marina del Rey Loans, 4.5% to 4.7%	23,500	18,083
Public Buildings Certificates of Participation, 2.0% to 6.841%	1,130,933	846,576
Commercial Paper, 0.16% to 0.33%	189,065	189,065
Los Angeles County Securitization Corporation Tobacco Settlement Asset-Backed Bonds, 5.25% to 6.65%	319,827	412,517
Total	$ 2,261,606	$ 1,776,289

10. LONG-TERM OBLIGATIONS-Continued

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

	Original Par Amount of Debt	Balance June 30, 2012
NPC Bond Anticipation Notes, 0.536% to 0.561 %	$ 3,098	$ 3,098
NPC Bonds, 1.5% to 5.0%	12,903	6,176
Public Buildings Certificates of Participation, 2.0% to 6.841%	610,607	528,301
Commercial Paper, 0.16% to 0.33 %	180,935	180,935
Waterworks District Bonds, 3.3% to 8.0%	280	24
Waterworks District Loans, 2.28%	5,032	5,032
Community Development Commission Mortgage Notes, 2.0% to 5.5%	55,128	46,702
Total	$ 867,983	$ 770,268

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	Interest
2013	$ 24	$ 1
Total	$ 24	$ 1

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 $198,963,000, not including unamortized bond premiums. Principal and interest for the current year and assessment revenues were $35,830,000 and $79,484,000, respectively.

10. LONG-TERM OBLIGATIONS-Continued

Assessment Bonds-Continued

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

Year Ending June 30	Governmental Activities Principal	Interest
2013	$ 27,855	$ 7,925
2014	29,255	6,497
2015	30,735	4,998
2016	32,270	3,422
2017	11,715	2,313
2018-2022	38,895	3,083
Subtotal	170,725	$ 28,238
Add: Unamortized Bond Premiums	12,143	
Total Assessment Bonds	$ 182,868	

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 2011-2012 fiscal year, the County issued COPs of $50,675,000 to refund the 1998 Disney Concert Hall Parking Garage Refunding COPs and $55,475,000 to finance equipment purchases. The allocation of debt between Governmental Activities and Business-type Activities was $101,816,000 and $4,334,000, 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 $679,000, 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 $2,540,000 of the current fiscal year debt payment of $3,219,000. Total principal and interest remaining on the bonds is $35,959,000.

10. LONG-TERM OBLIGATIONS-Continued

Certificates of Participation-Continued

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
2013	$ 88,196	$ 52,926	$ 14,939	$ 37,771
2014	61,542	50,111	14,618	37,117
2015	64,099	47,920	22,743	36,495
2016	48,486	46,184	21,901	35,488
2017	33,759	46,186	14,305	33,632
2018-2022	146,847	209,453	57,127	151,705
2023-2027	133,097	116,783	70,409	132,256
2028-2032	120,620	79,794	89,280	102,901
2033-2037	90,572	44,890	113,688	64,954
2038-2042	75,993	11,879	111,617	17,448
Subtotal	863,211	$ 706,126	530,627	$ 649,767
Accretions	71,687			
Unamortized Bond Premiums	20,116		3,850	
Unamortized Loss	(25,949)			
Total Certificates of Participation	$ 929,065		$ 534,477	

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 2012 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.

10. LONG-TERM OBLIGATIONS-Continued

Tobacco Settlement Asset-Backed Bonds-Continued

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

Year Ending June 30	Governmental Activities Principal	Interest
2013	$	$ 20,762
2014		20,763
2015		20,762
2016		20,763
2017		20,762
2018-2022	51,995	100,186
2023-2027		85,680
2028-2032	46,370	72,585
2033-2037	62,196	64,767
2038-2042	53,157	42,665
2043-2047	97,824	21,564
Subtotal	311,542	$ 491,259
Accretions	100,975	
Total Tobacco Settlement Asset-Backed Bonds	$ 412,517	

Notes, Loans, and Commercial Paper

Notes and Loans

Bond Anticipation Notes (BANS) are issued by the Los Angeles County Capital Assets Leasing Corporation (LACCAL) 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 lease obligations with a three-year term secured by County real property. During the 2011-2012 fiscal year, LACCAL issued additional BANS in the amount of $18,040,000, as reflected in Governmental Activities and $2,460,000 as reflected in Business-type Activities.

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 2011-2012 fiscal year, CDC issued additional notes payable in the amount of $3,216,000 as reflected in Governmental Activities and $6,000 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.

During the 2011-2012 fiscal year, the Waterworks District obtained loans in the amount of $5,032,000 from the California Department of Public Health for the replacement of aging water pipelines. The loans are secured by revenue from surcharges collected for capital improvements.

10. LONG-TERM OBLIGATIONS-Continued

Notes, Loans, and Commercial Paper-Continued

Commercial Paper

Tax-exempt commercial paper (TECP) notes provide the County with a flexible and cost-effective source of financing to provide interim funding during the initial construction phase of a capital project, which may be refinanced with the issuance of long-term bonds upon completion. Repayment of the TECP is secured by irrevocable direct-pay letters of credit (LOC) from four separate banks, with twenty-four County-owned properties pledged as collateral in a lease-revenue financing structure with the Los Angeles County Capital Asset Leasing Corporation. The LOCs were issued for a three-year period and have a termination date of April 26, 2013. The County has the option to extend the LOCs for an additional one-year period, or to some other term mutually agreed to with the participating banks.

The aggregate principal amount of the four LOCs is $400 million, which consists of $175 million of Series A (JP Morgan), $75 million of Series B (Bank of America), $75 million of Series C (Wells Fargo) and $75 million of Series D (Union Bank). For Series A, B and C, the County is required to pay an annual fee equal to 1.25% of the stated amounts of the LOCs. For Series D, the County is required to pay an annual fee equal to 0.95% of the stated amount on the utilized portion of the LOC and 0.50% of the stated amount on the unutilized portion of the LOC. The stated amount for each LOC series is equal to the sum of the principal amount and the 12% maximum interest rate permitted on the LOCs. As of June 30, 2012, $370 million of TECP notes were outstanding, including $175 million of Series A, $75 million of Series B, $75 million of Series C and $45 million of Series D.

The TECP notes are issued as variable rate instruments with a maximum term not to exceed 270 days. On the maturity date of the TECP notes, the notes are re-issued at prevailing interest rates in the short term note market, which reflects the term of the note and the perceived credit quality of the supporting letter of credit bank. During fiscal year 2011-2012, County issued TECP notes are reflected as notes payable in the amount of $189,065,000 for Governmental Activities and $180,935,000 for Business-type Activities. The average interest rate on TECP notes in fiscal year 2011-2012 was 0.152%.

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

Year Ending	Governmental Activities		Business-type Activities	
June 30	Principal	Interest	Principal	Interest
2013	$ 193,307	$ 1,966	$ 187,435	$ 1,946
2014	17,405	1,846	3,668	1,873
2015	3,617	1,717	592	2,196
2016	3,611	1,583	839	1,948
2017	3,742	1,443	1,855	1,918
2018-2022	15,941	5,186	4,944	9,000
2023-2027	11,324	2,042	6,084	7,857
2028-2032	2,892	197	7,578	6,359
2033-2037			8,181	4,388
2038-2042			10,205	2,020
2043-2047			2,380	62
Indeterminate maturity			2,006	
Total	$ 251,839	$ 15,980	$ 235,767	$ 39,567

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	$	$	$ 24	$ 1
Assessment Bonds	170,725	28,238		
Certificates of Participation	863,211	706,126	530,627	649,767
Tobacco Settlement Asset-Backed Bonds	311,542	491,259		
Notes, Loans, and Commercial Paper	251,839	15,980	235,767	39,567
Subtotal	1,597,317	$1,241,603	766,418	$ 689,335
Add: Accretions	172,662			
Unamortized Bond Premiums	32,259		3,850	
Less: Unamortized Loss on Advanced Refunding of Debt	(25,949)			
Total Bonds and Notes	$1,776,289		$ 770,268	

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 refunding.

Current Refunding of Debt

On March 6, 2012, the County issued $50,675,000 of 2012 Refunding Certificate of Participation for Disney Concert Hall Parking Garage, maturing on various dates between 2020 and 2023. These bonds, with an average rate of 3.12%, were issued to refund the outstanding principal amount of $57,975,000 of bonds issued in 1995, with an average interest rate of 4.75%.

Proceeds from the sale of the Certificates were deposited in an irrevocable trust with an escrow agent to provide for the prepayment of debt service payments on the refunded bonds. Accordingly, the refunded bonds were considered to be defeased and the liabilities for those bonds were removed from the Government-Wide Statement of Net Asset – Governmental Activities. Specific disclosures related to the refunding issue are as follows (in thousands):

Proceeds of refunding bonds issued	$ 50,675
Prior years' bond reserves and/or premiums	7,675
Deposit to escrow	$ 58,350
Future years' aggregate debt service Payment reduction	$ 8,789
Present value savings (economic gain)	7,150

10. LONG-TERM OBLIGATIONS-Continued

Current Refunding of Debt-Continued

For the refunding transaction, the carrying amount of the refunded debt was less than the reacquisition price. This difference was $375,000. This amount has been reported as a reduction of the amount of outstanding debt in the basic financial statements.

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, 2012, the amount of outstanding bonds and certificates of participation considered defeased was $18,410,000. All of this amount was related to governmental activities.

Changes in Long-term Liabilities

The following is a summary of long-term liabilities and corresponding activity for the year ended June 30, 2012 (in thousands):

	Balance July 1, 2011	Additions/ Accretions	Transfers/ Maturities	Balance June 30, 2012	Due Within One Year
Governmental activities:					
Bonds and notes	$ 1,802,547	315,555	341,813	$ 1,776,289	$ 319,613
Capital lease obligations (Note 9)	181,260	15,139	5,653	190,746	10,162
Accrued compensated absences	838,104	425,425	85,518	1,178,011	63,499
Workers' compensation (Note 17)	1,791,511	377,993	313,743	1,855,761	322,851
Litigation and self-insurance (Note 17)	119,661	85,136	46,645	158,152	123,337
Pollution remediation obligation (Note 18)	28,095	1,865	4,666	25,294	1,412
OPEB obligation (Note 8)	4,465,993	1,310,981		5,776,974	
Third party payor	21,022	23,741	28,094	16,669	16,669
Total governmental activities	$ 9,248,193	2,555,835	826,132	$ 10,977,896	$ 857,543
Business-type activities:					
Bonds and notes	$ 706,121	192,767	128,620	$ 770,268	$ 203,299
Accrued compensated absences	139,489	48,408	10,671	177,226	9,752
Workers' compensation (Note 17)	279,087	29,214	41,546	266,755	44,290
Litigation and self-insurance (Note 17)	92,589	30,204	18,008	104,785	27,359
OPEB obligation (Note 8)	881,598	260,548		1,142,146	
Third party payor (Note 13)	237,126	180,718	42,778	375,066	4,798
Total business-type activities	$ 2,336,010	741,859	241,623	$ 2,836,246	$ 289,498

10. LONG-TERM OBLIGATIONS-Continued

Changes in Long-term Liabilities-Continued

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 compensated absences and litigation and self-insurance.

Bond interest accretions for deep discount bonds have been included in the amounts reported for Bonds and Notes. Accretions increased during 2011-2012, thereby increasing liabilities for Bonds and Notes by $425,000 for governmental activities. Note 17 contains information about changes in the combined current and long-term liabilities for workers' compensation and litigation and self-insurance.

11. SHORT-TERM DEBT

On July 1, 2011, the County issued $ 1,300,000,000 of short-term Tax and Revenue Anticipation Notes Series A, B and C at an effective interest rate of 0.32%, 0.34%, and 0.40%, respectively. 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 2011. The Series A notes, $300,000,000, matured and were redeemed on February 29, 2012, the Series B notes, $500,000,000, on March 30, 2012 and the Series C notes, $500,000,000, on June 29, 2012.

12. CONDUIT DEBT OBLIGATIONS

Community Facilities and Improvement District Bonds

As of June 30, 2012, various community facilities and improvement districts established by the County had outstanding special tax bonds payable totaling $59,614,000 and limited obligation improvement bonds totaling $8,357,000. 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, 2012, was $336,087,000.

12. CONDUIT DEBT OBLIGATIONS-Continued

Residential Mortgage Revenue Bonds-Continued

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.

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, 2012, the amount of industrial development and other conduit bonds outstanding was $24,255,000.

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 Project

In November, 2010, the Centers for Medicare and Medicaid Services (CMS) approved, pursuant to Section 1115(a) of the Social Security Act, the new Medi-Cal demonstration project, called the California Bridge to Reform, which effects many aspects of Medi-Cal revenue for the County hospitals and clinics including the financing methods by which the State draws down federal matching funds. It incorporates many of the features of the prior demonstration projects, particularly as they relate to inpatient hospital services paid on a fee-for-service basis (FFS), and disproportionate share hospital (DSH) payments.

Under the Demonstration Project, revenues for the public hospitals are comprised of: 1) cost-based reimbursement for inpatient hospital services for Medi-Cal patients who are not enrolled in managed care; 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 $436.0 million in FY 2011-2012. 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). In addition to CPE, for DSH, Intergovernmental Transfers (IGT) are also made 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 Project-Continued

The federal medical assistance percentage (FMAP), which establishes the matching amount for the FFS cost-based reimbursement, was 50% for FY 2011-2012.

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 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 Project restricts 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 Project by each hospital as net patient services revenue, unless mentioned otherwise, as reflected in the statement of revenues, expenses, and changes in fund net assets. The IGTs are reflected as nonoperating expenses by each hospital in the statement of revenues, expenses, and changes in fund net assets.

The IGTs paid during FY 2011-2012 include payments for services provided in FYs 2010-2011 and 2011-2012. The estimated Medi-Cal Demonstration Project net revenues for inpatient services, DSH and SNCP include amounts collected and accrued for FY 2011-2012 as adjusted for over/under-realization of revenues for FY 2005-2006 through FY 2010-2011. The amounts below are in thousands:

	Program Revenues			
	Medi-Cal FFS	DSH	SNCP	Intergovernmental Transfers Expense
Harbor-UCLA	$ 88,413	$ 50,762	$ 59,051	$ 61,493
Olive View-UCLA	36,889	66,969	28,126	32,175
LAC+USC	151,351	241,945	64,144	137,661
Rancho	31,675	1,437	7,338	16,154
Total	$ 308.328	$ 361,113	$ 158,659	$ 247,483

13. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

Medi-Cal Demonstration Project-Continued

Besides these revenues, the Demonstration Project provides support for public hospital systems in the following areas:

Coverage Expansion – Low Income Health Program or Healthy Way LA

Under the Demonstration Project, 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 for a particular group of services, 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 the County, the LIHP program is called Healthy Way LA (HWLA) – Matched. In FY 2011-2012, supplemental federal revenues estimated at $142.5 million for patient care services and $10.3 million for HWLA administration were recognized.

CMS is currently considering a proposal retroactively to allow the County to change the basis for HWLA payments to capitation. Once CMS makes a decision on a capitation rate, the County will decide whether to actually make the change.

Delivery System Reform Incentive Pool

The Demonstration Project establishes the Delivery System Reform Incentive Pool (DSRIP), which will tie federal funding to the achievement of milestones in care delivery improvements. To obtain funding under the DSRIP, public hospital systems submitted a five-year plan showing how they will accomplish desired results, and will be required to achieve significant milestones that were approved by the State and CMS. The amounts below, in thousands, were recorded as “other operating revenues” in FY 2011-2012:

	DSRIP Gross Revenues	Intergovernmental Transfers Expense
Harbor-UCLA	$ 143,528	$ 85,383
Olive View-UCLA	86,430	32,523
LAC+USC	163,550	89,364
Rancho	48,992	13,980
Total	$ 442,500	$ 221,250

13. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

Medi-Cal Demonstration Project-Continued

Managed Care for Seniors and Persons with Disabilities (SPDs)

Under the Demonstration Project, the State of California requires 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. In FY 2011-2012, an estimated $93.6 million of SPD gross revenues were recorded, which included $92.5 million for FY 2011-2012 and $1.1 million for FY 2010-2011.

SPD also requires that the County make IGTs to the State to fund the non-federal share of Medi-Cal inpatient payments for this population and expenses associated with such IGTs were $22.0 million in FY 2011-2012.

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 (as well as non-physician practitioner services) provided by the 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 a Demonstration Project. The Demonstration Project payment for inpatient and other facility services 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 $21.7 million were recognized during FY 2011-2012 and included adjustments for the over/under-realization of revenues associated with FY 2005-2006 through FY 2010-2011.

Other Medi-Cal Programs

Cost Based Reimbursement Clinics (CBRC)

CBRC reimburses 100% 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 2011-2012 were $203.5 million. As of June 30, 2012, the County estimated that approximately $219.8 million of CBRC accounts receivable would not be collectable within 12 months and this amount is classified as a noncurrent asset in the proprietary fund statements of net assets for each hospital.

13. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

Other Medi-Cal Programs-Continued

Medi-Cal Cost Report Settlements

All of the FY 2007-2008 CBRC audit reports were issued and total audit settlements of $68.5 million were paid to the County. The Department issued appeal letters to the State Office of Administrative Appeals regarding unresolved audit adjustment issues. The informal level appeal hearing between DHS and the Medi-Cal Auditors to discuss disputed adjustments before the Administrative Hearing Officer was held during August 2012. The hearing results are anticipated to be issued sometime next year.

The State auditors are in the process of finalizing the FY 2008-09 CBRC audit findings and the anticipated issuance of the audit report is late December 2012.

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, 2010 through September 30, 2011. 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.

For L.A. Care and Health Net, the total estimated revenues and related estimated IGTs recorded in FY 2011-2012, including prior year over/under realization, are as follows (in thousands):

	Program Revenues	Intergovernmental Transfers Expense
L.A. Care	$ 100,080	$ 46,783
Health Net	44,196	20,556
Totals	$ 144,276	$ 67,339

Revenues from the various Medi-Cal programs (i.e., FFS, DSH, SNCP, CBRC, AB 915, SB 1732, etc.) represent approximately 61% of the hospitals' patient care revenue for the year ended June 30, 2012.

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.

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 required 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 Supplemental Security Income (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 2005-2006.

13. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

Medicare Program-Continued

For FY 2002-2003 and FY 2003-2004, the audits have been completed for all hospitals and NPRs have been issued for the former Martin Luther King Jr./Drew Medical Center (MLK/D), Harbor-UCLA Medical Center (H-UCLA MC), Rancho Los Amigos National Rehabilitation Center (RLANRC), and Olive View-UCLA Medical Center (OV-UCLA MC) only. LAC+USC Medical Center (LAC+USC MC) has not received their NPR due to the Medicare SSI fraction issue.

For FY 2004-2005, the audits have been completed and the NPRs issued for MLK/D and OV-UCLA MC only. Except for the Medicare SSI fraction issue, the FY 2004-2005 audits have been completed for LAC+USC MC, H-UCLA MC and RLANRC.

For FY 2005-2006, the audits have been completed and NPRs issued for MLK/D and OV-UCLA MC only. Except for the Medicare SSI fraction issue, the FY 2005-2006 audits have been completed for LAC+USC MC, H-UCLA MC, and RLANRC.

For FY 2006-2007, the audits for MLK/D, RLANRC and OV-UCLA MC have been completed and the NPRs have been issued. The audits are in progress for H-UCLA MC and LAC+USC MC.

For FY 2007-2008, the audits for RLANRC and OV-UCLA MC have been completed except for the Medicare SSI fraction issue. The audits are in progress for LAC+USC MC and H-UCLA MC. Effective August 16, 2007, MLK/D ceased to be certified as a participant in the Medicare program and will not undergo a hospital Medicare audit for FY 2007-2008 due to low Medicare utilization.

For FY 2008-2009, the Medicare audit has been completed, except for the Medicare SSI fraction issue for RLANRC. The audit is in progress for OV-UCLA MC. Audits for LAC+USC MC and H-UCLA MC have not been scheduled.

For FY 2009-2010, the audits are in progress for RLANRC and OV-UCLA MC. Audits for LAC+USC MC and H-UCLA MC have not been scheduled.

For FY 2010-2011, audits have not been scheduled for LAC+USC MC, H-UCLA MC, RLANRC, and OV-UCLA MC.

Revenues from the Medicare program represent approximately 8% of patient care revenue for the year ended June 30, 2012.

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-net. 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, 2012 (in thousands):

	H-UCLA	OV-UCLA	LAC+USC	Rancho	Total
Accounts receivable	$1,783,472	$ 901,138	$ 2,346,958	$ 420,022	$ 5,451,590
Less: Allowance for uncollectible amounts	1,407,174	682,263	1,932,716	313,569	4,335,722
Accounts receivable - net	$ 376,298	$ 218,875	$ 414,242	$ 106,453	$ 1,115,868

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 programs, 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 year ended June 30, 2012, based on established rates, is as follows (in thousands):

Charges forgone	$2,033,597
Less: Federal and State subventions	-
Net charges forgone	$2,033,597

Martin Luther King, Jr.

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 mid-year 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, 2012.

14. INTERFUND TRANSACTIONS

Interfund Receivables/Payables-Continued

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, 2012 are as follows (in thousands):

Receivable Fund	Payable Fund	Amount
General Fund	Fire Protection District	$ 10,597
	Flood Control District	1,953
	Public Library	3,433
	Regional Park and Open Space District	5,925
	Nonmajor Governmental Funds	204,509
	Harbor-UCLA Medical Center	56,056
	Olive View-UCLA Medical Center	38,040
	LAC+USC Medical Center	70,534
	Rancho Los Amigos Nat'l Rehab Center	11,730
	Waterworks Enterprise Funds	566
	Nonmajor Enterprise Funds	11
	Internal Service Funds	4,250
		407,604
Fire Protection District	General Fund	2,944
	Nonmajor Governmental Funds	524
	Harbor-UCLA Medical Center	2
	Olive View-UCLA Medical Center	1
		3,471
Flood Control District	General Fund	1,471
	Nonmajor Governmental Funds	3,227
	Waterworks Enterprise Funds	343
	Nonmajor Enterprise Funds	72
	Internal Service Funds	3,586
		8,699
Public Library	General Fund	4,465
	Nonmajor Governmental Funds	1,940
		6,405
Regional Park and Open Space District	Nonmajor Governmental Funds	95
Nonmajor Governmental Funds	General Fund	309,628
	Fire Protection District	1,906
	Flood Control District	393
	Regional Park and Open Space District	627
	Nonmajor Governmental Funds	21,741
	Internal Service Funds	9,784
		344,079

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

14. INTERFUND TRANSACTIONS-Continued

Interfund Receivables/Payables-Continued

Receivable Fund	Payable Fund	Amount
Harbor-UCLA Medical Center	General Fund	$ 15,759
	Fire Protection District	12
	Nonmajor Governmental Funds	38,001
	Olive View-UCLA Medical Center	609
	LAC+USC Medical Center	1,463
	Rancho Los Amigos Nat'l Rehab Center	528
		56,372
Olive View-UCLA Medical Center	General Fund	11,043
	Fire Protection District	144
	Nonmajor Governmental Funds	38,000
	Harbor-UCLA Medical Center	1,802
	LAC+USC Medical Center	29
	Rancho Los Amigos Nat'l Rehab Center	116
		51,134
LAC+USC Medical Center	General Fund	22,304
	Fire Protection District	44
	Nonmajor Governmental Funds	21,234
	Harbor-UCLA Medical Center	7,814
	Olive View-UCLA Medical Center	3,909
	Rancho Los Amigos Nat'l Rehab Center	658
		55,963
Rancho Los Amigos Nat'l Rehab Center	General Fund	4,122
	Fire Protection District	56
	Nonmajor Governmental Funds	35
	Olive View-UCLA Medical Center	4
	LAC+USC Medical Center	1,401
		5,618
Waterworks Enterprise Funds	General Fund	142
	Internal Service Funds	617
		759
Nonmajor Enterprise Funds	Internal Service Funds	2
Internal Service Funds	General Fund	18,275
	Fire Protection District	47
	Flood Control District	11,746
	Nonmajor Governmental Funds	28,671
	Harbor-UCLA Medical Center	1,102
	Olive View-UCLA Medical Center	469
	LAC+USC Medical Center	1
	Rancho Los Amigos Nat'l Rehab Center	298
	Waterworks Enterprise Funds	3,158
	Nonmajor Enterprise Funds	249
		64,016
Total Interfund Receivables/Payables		$ 1,004,217

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 four 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, 2012 are as follows (in thousands):

Transfer From	Transfer To	Amount
General Fund	Public Library	$ 48,594
	Nonmajor Governmental Funds	80,134
	Harbor-UCLA Medical Center	214,322
	Olive View-UCLA Medical Center	93,976
	LAC+USC Medical Center	257,749
	Rancho Los Amigos Nat'l Rehab Center	77,230
	Internal Service Funds	75
		772,080
Fire Protection District	Nonmajor Governmental Funds	18,325
Flood Control District	Nonmajor Governmental Funds	18,910
	Internal Service Funds	975
		19,885
Public Library	General Fund	5,141
	Nonmajor Governmental Funds	924
		6,065
Regional Park and Open Space District	Nonmajor Governmental Funds	36,577
Nonmajor Governmental Funds	General Fund	438,678
	Flood Control District	226
	Public Library	1,870
	Nonmajor Governmental Funds	46,200
	Harbor-UCLA Medical Center	63,364
	Olive View-UCLA Medical Center	58,072
	LAC+USC Medical Center	72,696
	Rancho Los Amigos Nat'l Rehab Center	35
	Nonmajor Enterprise Funds	4,126
	Internal Service Funds	4,379
		689,646

14. INTERFUND TRANSACTIONS-Continued

Interfund Transfers-Continued

Transfer From	Transfer To	Amount
Harbor-UCLA Medical Center	Nonmajor Governmental Funds	$ 1,333
Olive View-UCLA Medical Center	Nonmajor Governmental Funds	144
LAC+USC Medical Center	General Fund	22,259
	Nonmajor Governmental Funds	138
	Harbor-UCLA Medical Center	33
	Olive View-UCLA Medical Center	18
	Rancho Los Amigos Nat'l Rehab Center	1,283
		23,731
Waterworks Enterprise Funds	Internal Service Funds	254
Internal Service Funds	Nonmajor Governmental Funds	112
Total Interfund Transfers		$1,568,152

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 $162.7 million long-term advance and classified a corresponding amount of fund balance as nonspendable balance.

Advances from/to other funds at June 30, 2012 are as follows (in thousands):

Receivable Fund	Payable Fund	Short-Term	Long-Term	Total
General Fund	Harbor-UCLA Medical Center	$ 219,521	$ 32,366	$ 251,887
	Olive View-UCLA Medical Center	161,188	43,242	204,430
	LAC+USC Medical Center	127,698	60,397	188,095
	Rancho Los Amigos Nat'l Rehab Center	30,339	26,661	57,000
	Internal Service Funds	2,100		2,100
		540,846	162,666	703,512

14. INTERFUND TRANSACTIONS-Continued

Interfund Transactions-Continued

Receivable Fund	Payable Fund	Short-Term	Long-Term	Total
Flood Control District	Internal Service Funds	$ 6,534		$ 6,534
Nonmajor Governmental Funds	Nonmajor Enterprise Funds	4,196		4,196
	Internal Service Funds	11,921		11,921
		16,117		16,117
Waterworks Enterprise Funds	Internal Service Funds	1,445		1,445
Total Interfund Advances		$ 564,942	$ 162,666	$ 727,608

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 2011-2012 uses fund balance terminology that was in effect prior to GASB 54. As such, the Statement of Revenue, Expenditures, and Changes in Fund Balances-Budget and Actual on Budgetary Basis continues to make reference to 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 compensated absences 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 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, 2012.

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	$ 1,565,502	$ 46,811	$ 53,649	$ 30,178	$ 200,516
Reserves and designations	1,145,523	168,437	145,863	25,556	121,470
Subtotal	2,711,025	215,248	199,512	55,734	321,986
Adjustments:					
Accrual of estimated liability for litigation and self-insurance claims	121,297	(478)		94	
Accrual of compensated absences	53,701				
Deferral of sale of tobacco settlement revenue	(252,815)				
Change in revenue accruals	(105,862)	(18,062)	(4,841)	(2,566)	178
Change in OPEB	114,605	6,857		1,091	
Subtotal	(69,074)	(11,683)	(4,841)	(1,381)	178
Fund balance - GAAP basis	$ 2,641,951	$ 203,565	$ 194,671	$ 54,353	$ 322,164

16. COMMITMENTS AND CONTINGENCIES

Construction Commitments

At June 30, 2012, there were contractual commitments of approximately $252.3 million for various general government construction projects and approximately $223.0 million for various hospital construction projects that were financed by bonds and commercial paper.

LACERA Capital Commitments

At June 30, 2012, LACERA had outstanding capital commitments to various investment managers, approximating $2,210,000,000. Subsequent to June 30, 2012, LACERA funded $220,000,000 of these capital commitments.

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 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, 2012, the encumbrance balances for the governmental funds (in thousands) are reported as follows:

	Restricted	Committed	Assigned	Total
General Fund	$	$	$ 397,192	$ 397,192
Fire Protection District	27,697			27,697
Flood Control District	51,582			51,582
Public Library			12,792	12,792
Regional Park and Open Space District	56,667			56,667
Nonmajor Governmental Funds	120,101	14,428	4,848	139,377
Total Encumbrances	$ 256,047	$ 14,428	$ 414,832	$ 685,307

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 2009-2010, 2010-2011 or 2011-2012.

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 balance as of June 30, 2012 were approximately $2.123 billion. This amount is undiscounted and is based on an actuarial study of the County's self-insured program as of June 30, 2012. Approximately $101,715,000 of the total liabilities pertain to salary continuation payments and other related costs mandated by the State Labor Code.

As of June 30, 2012, the County's best estimate of these liabilities is $2.385 billion. Changes in the reported liability since July 1, 2010 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
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
2011-2012				
Workers' Compensation	$ 2,070,598	$ 407,207	$(355,289)	$ 2,122,516
Other	212,250	115,340	(64,653)	262,937
Total 2011-2012	$ 2,282,848	$ 522,547	$(419,942)	$ 2,385,453

In addition to the above estimated liabilities, the County has determined that claims seeking damages of approximately $148.7 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 obligation (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 obligation 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, 2012, the County's estimated pollution remediation obligation totaled $25,294,000. 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, 2012 (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	$ 51,616	14,862		1,565		23,508
Long-term receivables	207,981					4,196
Permanent fund principal						2,240
Total nonspendable	259,597	14,862		1,565		29,944
Restricted for:						
General government	38,458					
Public protection	3,206	188,703	194,572			310,973
Public ways and facilities						468,850
Health and sanitation						612,972
Public assistance	13,451					245,402
Education				9,661		442
Recreation and cultural services					322,164	5,694
Capital projects						373,551
Debt service						618,980
Endowments and annuities						404
Total restricted	55,115	188,703	194,572	9,661	322,164	2,637,268
Committed to:						
General government	202,989					150
Public protection	12,237					25,642
Health and sanitation	108,189					
Public assistance	8,840					
Education						14,402
Capital projects						85,644
Total committed	332,255					125,838

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	$ 160,234					72,736
Public protection	101,151		99			4,593
Health and sanitation	94,643					3,746
Public assistance	36,871					
Education				43,127		
Recreation and cultural services	10,298					22,306
Capital projects						1,168
Imprest cash	2,088					
Total assigned	405,285		99	43,127		104,549
Unassigned	1,589,699					
Total Fund Balances	$2,641,951	203,565	194,671	54,353	322,164	2,897,599

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 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 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 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 ITEMS

First 5 LA (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. First 5 LA accrued the AB 99 amount of $424,389,000 as a liability with a corresponding expense at June 30, 2011 as an extraordinary item.

20. EXTRAORDINARY ITEMS-Continued

First 5 LA (Discretely Presented Component Unit)-Continued

A lawsuit was filed by First 5 LA against the State challenging that the AB 99 violates the intent of Proposition 10. Several Counties joined the suit against the State and in November 2011, a Fresno Superior Court judge found AB 99 invalid. As a result, the AB 99 liability reflected in the First 5 LA statement of net assets as of June 30, 2011 in the amount of $424,389,000 was reversed, a corresponding extraordinary item was recognized in FY 2011-2012, and net assets for this matter were restored in the government-wide financial statements.

Community Development Commission

On December 29, 2011, the California Supreme Court upheld Assembly Bill x1 26 (AB x1 26) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the County's Community Development Commission (CDC) that previously had reported a redevelopment agency.

AB x1 26 provides that upon the dissolution of the redevelopment agency, either CDC or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On February 21, 2012, the Board of Supervisors assigned CDC to become the Successor Agency for the County's former redevelopment agency.

All redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012. Prior to that date, the final seven months of activity of the redevelopment agency continued to be reported in the governmental funds of the CDC Nonmajor Special Revenue fund. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in the financial statements in the CDC Private-Purpose Trust Fund.

The transfer of assets and liabilities of the former redevelopment agency as of February 1, 2012 from governmental funds of CDC to fiduciary funds was reported in the governmental funds as an extraordinary loss in the governmental fund financial statements. The receipt of these assets and liabilities as of February 1, 2012 was reported in the CDC Private-Purpose Trust Fund as an extraordinary gain. Total extraordinary loss reported in the governmental funds and government-wide financial statements amounted to $6.3 million.

21. SUBSEQUENT EVENTS

Tax and Revenue Anticipation Notes ("TRANS")

On July 2, 2012, the County issued $300,000,000; $400,000,000; and $400,000,000 in 2012-2013 TRANS Series A, B, and C, respectively, which will mature on the following dates: February 28, 2013, March 29, 2013, and June 28, 2013, respectively. The TRANS are collateralized by taxes and other revenues attributable to the 2012-2013 fiscal year and were issued in the form of Fixed Rate Notes at effective interest rates of 0.18%, 0.19%, and 0.20%, respectively.

21. SUBSEQUENT EVENTS-Continued

Tax-Exempt Commercial Paper

On September 6, 2012, the Los Angeles County Capital Asset Leasing Corporation issued an additional $30,000,000 in tax-exempt commercial paper with an initial average rate of 0.180%. Also, on November 26, 2012, the Corporation issued an additional $25,000,000 in tax-exempt commercial paper with an initial average rate of 0.244%. The proceeds are being used to fund capital requirements of various capital projects. The commercial paper notes are secured by a long-term lease of County real estate and a letter of credit.

California Public Employees' Pension Reform Act of 2013

On September 12, 2012, AB 340, known as the California Public Employees' Pension Reform Act of 2013 (PEPRA), was signed into law by Governor Brown. PEPRA takes effect January 1, 2013. LACERA and the County of Los Angeles are working together to thoroughly analyze the complex legislation's impact on the County of Los Angeles and its employees.

Public Works Financing Authority - Lease Revenue Bonds Series 2012

On October 10, 2012, the authority issued $339,410,000 in lease revenue bonds, maturing from 2013 to 2033, with yields ranging from 0.40% to 3.5%. Proceeds from the sale of the bonds will be used to finance and/or refinance various capital improvements projects.

County Assessor

On October 17, 2012, certain members of the Office of the Assessor, including the elected Assessor, were arrested by the Los Angeles County District Attorney in connection with assessed property value reductions allegedly extended to the Assessor's campaign contributors and would-be contributors. The investigations are not focused on the day-to-day operations of the Office of the Assessor and are not expected to have a material financial impact on the County's financial statements.

Significant Contractual Commitments

In November 2012, the Board of Supervisors approved and authorized approximately $720 million in various contractual commitments to be financed by bonds and commercial paper. The committed projects approved by the Board included the $367 million for an Electronic Health Record System, $176 million for the San Fernando Valley Family Support Center Project and $177 million for the Rancho Seismic Retrofit Compliance and Inpatient Consolidation Project.

Capital Asset Leasing Corporation Lease Revenue Bond Anticipation Notes

On December 5, 2012, the Corporation issued a $10,000,000 Bond Anticipation Note with an initial interest rate of 0.632%. 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, 2015. Proceeds of the notes are being used to purchase equipment. The notes are to be paid from the proceeds of lease revenue bonds.

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)
June 30, 2009	$39,541,865	$ 44,468,636	$ 4,926,771	88.9%	$ 6,547,616	75.2%
June 30, 2010	38,839,392	46,646,838	7,807,446	83.3%	6,695,439	116.6%
June 30, 2011	39,193,627	48,598,166	9,404,539	80.6%	6,650,674	141.4%

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
CALIFORNIA

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, 2012 (in thousands)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
GENERAL GOVERNMENT:				
Salaries and employee benefits	$ 798,204	798,436	745,574	(52,862)
Services and supplies	1,251,680	1,238,325	556,128	(682,197)
Other charges	183,251	190,033	102,368	(87,665)
Capital assets	3,427	9,386	7,933	(1,453)
Intrafund transfers	(574,133)	(577,036)	(504,911)	72,125
TOTAL GENERAL GOVERNMENT	1,662,429	1,659,144	907,092	(752,052)
PUBLIC PROTECTION:				
Salaries and employee benefits	3,451,840	3,562,750	3,519,277	(43,473)
Services and supplies	876,257	900,491	742,874	(157,617)
Other charges	413,200	411,578	366,949	(44,629)
Capital assets	59,293	58,175	33,189	(24,986)
Intrafund transfers	(132,099)	(133,698)	(78,208)	55,490
TOTAL PUBLIC PROTECTION	4,668,491	4,799,296	4,584,081	(215,215)
HEALTH AND SANITATION:				
Salaries and employee benefits	1,043,942	1,038,068	979,569	(58,499)
Services and supplies	2,208,364	2,188,993	1,892,761	(296,232)
Other charges	129,361	134,788	124,799	(9,989)
Capital assets	13,096	10,661	6,205	(4,456)
Intrafund transfers	(182,459)	(183,460)	(180,345)	3,115
TOTAL HEALTH AND SANITATION	3,212,304	3,189,050	2,822,989	(366,061)
PUBLIC ASSISTANCE:				
Salaries and employee benefits	1,718,730	1,727,145	1,679,294	(47,851)
Services and supplies	1,068,560	1,072,573	883,255	(189,318)
Other charges	2,790,341	2,793,383	2,613,940	(179,443)
Capital assets	3,597	4,507	3,344	(1,163)
Intrafund transfers	(85,441)	(39,432)	(39,946)	(514)
TOTAL PUBLIC ASSISTANCE	5,495,787	5,558,176	5,139,887	(418,289)
RECREATION AND CULTURAL SERVICES:				
Salaries and employee benefits	133,160	132,474	128,924	(3,550)
Services and supplies	121,654	122,980	118,251	(4,729)
Other charges	13,104	12,883	12,232	(651)
Capital assets	2,311	3,679	2,301	(1,378)
Intrafund transfers	(1,104)	(1,265)	(1,061)	204
TOTAL RECREATION AND CULTURAL SERVICES	269,125	270,751	260,647	(10,104)
DEBT SERVICE-				
Interest	5,456	5,456	5,456	
CAPITAL OUTLAY	798,293	839,408	100,394	(739,014)
TOTAL GENERAL FUND	$ 16,111,885	16,321,281	13,820,546	(2,500,735)

COUNTY OF LOS ANGELES
CALIFORNIA

NONMAJOR GOVERNMENTAL FUNDS

COUNTY OF LOS ANGELES
NONMAJOR GOVERNMENTAL FUNDS
NONMAJOR SPECIAL REVENUE 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, Proposition C Local Return Capital Reserve, 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.

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.

Continued…

COUNTY OF LOS ANGELES
NONMAJOR GOVERNMENTAL FUNDS
NONMAJOR SPECIAL REVENUE FUNDS

The Mental Health Services Act Fund 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 as of January 31, 2012 and other County housing related functions. Revenues are derived principally from Federal grants.

Continued…

COUNTY OF LOS ANGELES
NONMAJOR GOVERNMENTAL FUNDS
NONMAJOR SPECIAL REVENUE FUNDS

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.

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
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 Projects I – Series A
2010 Multiple Capital Projects I - Series B
2012 Disney Concert Hall Parking Garage Project Refunding
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, 2012 (in thousands)

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	PERMANENT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS					
Pooled cash and investments:					
Operating	$ 1,856,885	59,874	195,646	2,566	$ 2,114,971
Other	62,259	16	196	2	62,473
Total pooled cash and investments	1,919,144	59,890	195,842	2,568	2,177,444
Other investments	114,331	305,380	283,047	107	702,865
Taxes receivable	16,644				16,644
Interest receivable	4,014	363	647	19	5,043
Other receivables	71,634		3,624		75,258
Due from other funds	78,823	253,442	11,770	44	344,079
Advances to other funds	16,117				16,117
Inventories	23,508				23,508
TOTAL ASSETS	$ 2,244,215	619,075	494,930	2,738	$ 3,360,958
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts payable	$ 42,785		799	2	$ 43,586
Accrued payroll	94				94
Other payables	17,780				17,780
Due to other funds	324,108	95	33,682	92	357,977
Deferred revenue	36,385		50		36,435
Advances payable	6,797		36		6,833
Third party payor liability	654				654
TOTAL LIABILITIES	428,603	95	34,567	94	463,359
FUND BALANCES:					
Nonspendable	27,704			2,240	29,944
Restricted	1,644,333	618,980	373,551	404	2,637,268
Committed	40,194		85,644		125,838
Assigned	103,381		1,168		104,549
TOTAL FUND BALANCES	1,815,612	618,980	460,363	2,644	2,897,599
TOTAL LIABILITIES AND FUND BALANCES	$ 2,244,215	619,075	494,930	2,738	$ 3,360,958

COUNTY OF LOS ANGELES
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SUMMARY
FOR THE YEAR ENDED JUNE 30, 2012 (in thousands)

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	PERMANENT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES:					
Taxes	$ 325,577				$ 325,577
Licenses, permits and franchises	12,449				12,449
Fines, forfeitures and penalties	75,493				75,493
Revenue from use of money and property:					
Investment income	26,546	10,673	5,404	47	42,670
Rents and concessions	44,733				44,733
Royalties	273				273
Intergovernmental revenues:					
Federal	133,475		2,793		136,268
State	488,596				488,596
Other	14,904				14,904
Charges for services	139,210		6,141		145,351
Miscellaneous	50,635	31,370	578		82,583
TOTAL REVENUES	1,311,891	42,043	14,916	47	1,368,897
EXPENDITURES:					
Current:					
General government	16,749			136	16,885
Public protection	65,379				65,379
Public ways and facilities	324,449				324,449
Health and sanitation	151,340				151,340
Public assistance	144,410				144,410
Education	70				70
Recreation and cultural services	6,782				6,782
Debt service:					
Principal	16,160	191,041			207,201
Interest and other charges	2,082	98,730			100,812
Capital outlay			156,091		156,091
TOTAL EXPENDITURES	727,421	289,771	156,091	136	1,173,419
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	584,470	(247,728)	(141,175)	(89)	195,478
OTHER FINANCING SOURCES (USES):					
Transfers in	5,611	161,665	35,521		202,797
Transfers out	(644,299)	(5,149)	(40,198)		(689,646)
Issuance of debt	3,216		189,065		192,281
Refunding bonds issued		50,675			50,675
Sales of capital assets	686				686
TOTAL OTHER FINANCING SOURCES (USES)	(634,786)	207,191	184,388		(243,207)
EXTRAORDINARY ITEM - Net assets transferred to private-purpose trust fund	(6,282)				(6,282)
NET CHANGE IN FUND BALANCES	(56,598)	(40,537)	43,213	(89)	(54,011)
FUND BALANCES, JULY 1, 2011	1,872,210	659,517	417,150	2,733	2,951,610
FUND BALANCES, JUNE 30, 2012	$ 1,815,612	618,980	460,363	2,644	$ 2,897,599

COUNTY OF LOS ANGELES
CALIFORNIA

COUNTY OF LOS ANGELES
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
JUNE 30, 2012 (in thousands)

	Streets, Highways, Roads and Bridges		Street Lighting Districts	Garbage Disposal Districts	Sewer Maintenance Districts	Health Services Measure B
	Road	Other				
ASSETS						
Pooled cash and investments:						
Operating	$ 217,391	162,785	64,354	28,583	15,423	106,019
Other	12,468	436	1,220	995	1,603	16,159
Total pooled cash and investments	229,859	163,221	65,574	29,578	17,026	122,178
Other investments						
Taxes receivable		412	1,573	1,390	921	12,305
Interest receivable	526	391	155	70	38	256
Other receivables	37,164	11,548	1,708	2,521	1,504	
Due from other funds	18,449	1,287	4,790		793	946
Advances to other funds	8,825	882	188		1,372	
Inventories						
TOTAL ASSETS	$ 294,823	177,741	73,988	33,559	21,654	135,685
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Accounts payable	$ 6,188	4,441	1,619	1,755	259	3,017
Accrued payroll						
Other payables		1			128	
Due to other funds	25,619	5,736	5,112	678	6,981	104,998
Deferred revenue	15,876	4,564	1,095	2,509	1,489	8,346
Advances payable	6,797					
Third party payor liability	654					
TOTAL LIABILITIES	55,134	14,742	7,826	4,942	8,857	116,361
FUND BALANCES:						
Nonspendable						
Restricted	239,689	162,999	66,162	28,617	12,797	19,324
Committed						
Assigned						
TOTAL FUND BALANCES	239,689	162,999	66,162	28,617	12,797	19,324
TOTAL LIABILITIES AND FUND BALANCES	$ 294,823	177,741	73,988	33,559	21,654	135,685

Health and Sanitation	Mental Health Services Act	Other Public Protection	Public Assistance	Recreation	
					ASSETS
					Pooled cash and investments:
$ 25,679	619,699	232,729	7,843	11,447	Operating
3,530	259	3,081	509	17,823	Other
29,209	619,958	235,810	8,352	29,270	Total pooled cash and investments
					Other investments
43					Taxes receivable
61	1,456	557	16	24	Interest receivable
4,783		244	496	155	Other receivables
939	48,523	1,035	127	143	Due from other funds
654					Advances to other funds
					Inventories
$ 35,689	669,937	237,646	8,991	29,592	TOTAL ASSETS
					LIABILITIES AND FUND BALANCES
					LIABILITIES:
$ 7,162	387	1,558	841	259	Accounts payable
					Accrued payroll
				1	Other payables
4,254	135,581	11,037	792	1,332	Due to other funds
2,262					Deferred revenue
					Advances payable
					Third party payor liability
13,678	135,968	12,595	1,633	1,592	TOTAL LIABILITIES
					FUND BALANCES:
					Nonspendable
18,265	533,969	194,816	7,358	5,694	Restricted
		25,642			Committed
3,746		4,593		22,306	Assigned
22,011	533,969	225,051	7,358	28,000	TOTAL FUND BALANCES
$ 35,689	669,937	237,646	8,991	29,592	TOTAL LIABILITIES AND FUND BALANCES

Continued…

COUNTY OF LOS ANGELES
COMBINING BALANCE SHEET - Continued
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
JUNE 30, 2012 (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	$ 144,999	52,973	56,191	20,379	90,391	$ 1,856,885
Other		1,301	1,500	1,064	311	62,259
Total pooled cash and investments	144,999	54,274	57,691	21,443	90,702	1,919,144
Other investments	114,331					114,331
Taxes receivable						16,644
Interest receivable		129	135		200	4,014
Other receivables	11,343			166	2	71,634
Due from other funds	145	192		3	1,451	78,823
Advances to other funds	4,196					16,117
Inventories	23,508					23,508
TOTAL ASSETS	$ 298,522	54,595	57,826	21,612	92,355	$ 2,244,215
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Accounts payable	$ 14,880		213		206	$ 42,785
Accrued payroll					94	94
Other payables	17,650					17,780
Due to other funds			11,414	6,249	4,325	324,108
Deferred revenue	244					36,385
Advances payable						6,797
Third party payor liability						654
TOTAL LIABILITIES	32,774		11,627	6,249	4,625	428,603
FUND BALANCES:						
Nonspendable	27,704					27,704
Restricted	238,044	54,595	46,199	15,363	442	1,644,333
Committed					14,552	40,194
Assigned					72,736	103,381
TOTAL FUND BALANCES	265,748	54,595	46,199	15,363	87,730	1,815,612
TOTAL LIABILITIES AND FUND BALANCES	$ 298,522	54,595	57,826	21,612	92,355	$ 2,244,215

COUNTY OF LOS ANGELES
CALIFORNIA

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, 2012 (in thousands)

	Streets, Highways, Roads and Bridges		Street Lighting	Garbage Disposal	Sewer Maintenance	Health Services
	Road	Other	Districts	Districts	Districts	Measure B
REVENUES:						
Taxes	$ 3,872	45,742	18,071	4,924		252,726
Licenses, permits and franchises	4,688					
Fines, forfeitures and penalties		39	164	383	263	1,675
Revenue from use of money and property:						
Investment income	2,765	1,912	735	312	186	932
Rents and concessions	65	173				
Royalties	267					
Intergovernmental revenues:						
Federal	22,835	779				
State	189,415	901	152	39		
Other	1,572	10,921	608		58	
Charges for services	24,598	2,148	4,817	19,943	29,550	703
Miscellaneous	1,080	3			1	
TOTAL REVENUES	251,157	62,618	24,547	25,601	30,058	256,036
EXPENDITURES:						
Current:						
General government						
Public protection						
Public ways and facilities	241,868	60,627	21,954			
Health and sanitation				24,243	30,566	48,350
Public assistance						
Education						
Recreation and cultural services						
Debt service:						
Principal						
Interest and other charges						
TOTAL EXPENDITURES	241,868	60,627	21,954	24,243	30,566	48,350
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	9,289	1,991	2,593	1,358	(508)	207,686
OTHER FINANCING SOURCES (USES):						
Transfers in						
Transfers out	(3,921)	(43)			(521)	(205,095)
Issuance of debt						
Sales of capital assets	1	24				
TOTAL OTHER FINANCING SOURCES (USES)	(3,920)	(19)			(521)	(205,095)
EXTRAORDINARY ITEM - Net assets transferred to private-purpose trust fund						
NET CHANGE IN FUND BALANCES	5,369	1,972	2,593	1,358	(1,029)	2,591
FUND BALANCES, JULY 1, 2011	234,320	161,027	63,569	27,259	13,826	16,733
FUND BALANCES, JUNE 30, 2012	$ 239,689	162,999	66,162	28,617	12,797	19,324

Health and Sanitation	Mental Health Services Act	Other Public Protection	Public Assistance	Recreation	
					REVENUES:
$					Taxes
3,385			1,269	13	Licenses, permits and franchises
23,205		10,260	2,442		Fines, forfeitures and penalties
					Revenue from use of money and property:
316	7,600	2,501	33	58	Investment income
135		38,253		483	Rents and concessions
					Royalties
					Intergovernmental revenues:
		294			Federal
843	282,054	15,044		148	State
1,745					Other
17,773		14,240	3,075	5,202	Charges for services
		9,999	2,632	2,283	Miscellaneous
47,402	289,654	90,591	9,451	8,187	TOTAL REVENUES
					EXPENDITURES:
					Current:
					General government
		61,704			Public protection
					Public ways and facilities
44,177	4,004				Health and sanitation
			8,096		Public assistance
					Education
				6,782	Recreation and cultural services
					Debt service:
					Principal
					Interest and other charges
44,177	4,004	61,704	8,096	6,782	TOTAL EXPENDITURES
3,225	285,650	28,887	1,355	1,405	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
					OTHER FINANCING SOURCES (USES):
		1,522		970	Transfers in
(4,330)	(346,046)	(7,773)	(2,427)	(1,124)	Transfers out
					Issuance of debt
		40		430	Sales of capital assets
(4,330)	(346,046)	(6,211)	(2,427)	276	TOTAL OTHER FINANCING SOURCES (USES)
					EXTRAORDINARY ITEM - Net assets transferred to private-purpose trust fund
(1,105)	(60,396)	22,676	(1,072)	1,681	NET CHANGE IN FUND BALANCES
23,116	594,365	202,375	8,430	26,319	FUND BALANCES, JULY 1, 2011
$ 22,011	533,969	225,051	7,358	28,000	FUND BALANCES, JUNE 30, 2012

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, 2012 (in thousands)

	Community Development Commission	Courthouse Temporary Construction	Criminal Justice Temporary Construction	Registrar Recorder Improvement	Other Special Revenue	Total
REVENUES:						
Taxes	$ 242					$ 325,577
Licenses, permits and franchises					3,094	12,449
Fines, forfeitures and penalties		17,202	19,860			75,493
Revenue from use of money and property:						
Investment income	7,198	704	600		694	26,546
Rents and concessions	679				4,945	44,733
Royalties					6	273
Intergovernmental revenues:						
Federal	109,567					133,475
State						488,596
Other						14,904
Charges for services				14,468	2,693	139,210
Miscellaneous	33,835		213		589	50,635
TOTAL REVENUES	151,521	17,906	20,673	14,468	12,021	1,311,891
EXPENDITURES:						
Current:						
General government					16,749	16,749
Public protection		1,208	2,467			65,379
Public ways and facilities						324,449
Health and sanitation						151,340
Public assistance	136,314					144,410
Education					70	70
Recreation and cultural services						6,782
Debt service:						
Principal	16,160					16,160
Interest and other charges	2,082					2,082
TOTAL EXPENDITURES	154,556	1,208	2,467		16,819	727,421
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,035)	16,698	18,206	14,468	(4,798)	584,470
OTHER FINANCING SOURCES (USES):						
Transfers in	112				3,007	5,611
Transfers out	(8,964)	(26,143)	(14,090)	(19,706)	(4,116)	(644,299)
Issuance of debt	3,216					3,216
Sales of capital assets					191	686
TOTAL OTHER FINANCING SOURCES (USES)	(5,636)	(26,143)	(14,090)	(19,706)	(918)	(634,786)
EXTRAORDINARY ITEM - Net assets transferred to private-purpose trust fund	(6,282)					(6,282)
NET CHANGE IN FUND BALANCES	(14,953)	(9,445)	4,116	(5,238)	(5,716)	(56,598)
FUND BALANCES, JULY 1, 2011	280,701	64,040	42,083	20,601	93,446	1,872,210
FUND BALANCES, JUNE 30, 2012	$ 265,748	54,595	46,199	15,363	87,730	$ 1,815,612

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, 2012 (in thousands)

	TOTALS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Taxes	$ 320,893	321,520	325,617	4,097
Licenses, permits and franchises	11,151	11,151	12,449	1,298
Fines, forfeitures and penalties	77,616	77,616	75,493	(2,123)
Revenue from use of money and property:				
Investment income	15,458	15,458	14,999	(459)
Rents and concessions	20,584	20,584	44,054	23,470
Royalties	10	10	273	263
Intergovernmental revenues:				
Federal	24,552	24,552	23,908	(644)
State	507,869	507,869	488,596	(19,273)
Other	16,644	16,669	14,904	(1,765)
Charges for services	176,521	181,021	139,204	(41,817)
Miscellaneous	28,271	28,271	16,727	(11,544)
TOTAL REVENUES	1,199,569	1,204,721	1,156,224	(48,497)
EXPENDITURES:				
Current:				
General government	29,153	30,953	14,000	(16,953)
Public protection	339,577	339,602	93,236	(246,366)
Public ways and facilities	590,310	539,796	335,109	(204,687)
Health and sanitation	210,584	210,461	149,542	(60,919)
Public assistance	9,737	9,737	8,441	(1,296)
Education	15,686	13,734	70	(13,664)
Recreation and cultural services	12,711	12,926	6,759	(6,167)
TOTAL EXPENDITURES	1,207,758	1,157,209	607,157	(550,052)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,189)	47,512	549,067	501,555
OTHER FINANCING SOURCES (USES):				
Sales of capital assets	823	823	686	(137)
Transfers in	35,514	62,375	35,049	(27,326)
Transfers out	(808,901)	(861,298)	(634,761)	226,537
Appropriation for contingencies	(251,368)	(251,947)		251,947
Changes in reserves and designations	76,841	47,255	65,163	17,908
OTHER FINANCING SOURCES (USES) - NET	(947,091)	(1,002,792)	(533,863)	468,929
NET CHANGE IN FUND BALANCE	(955,280)	(955,280)	15,204	970,484
FUND BALANCE, JULY 1, 2011	955,280	955,280	955,280	
FUND BALANCE, JUNE 30, 2012	$		970,484	970,484

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, 2012 (in thousands)

	ROAD			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Taxes	$ 3,236	3,863	3,872	9
Licenses, permits and franchises	3,412	3,412	4,688	1,276
Revenue from use of money and property:				
Investment income	3,263	3,263	2,205	(1,058)
Rents and concessions	14	14	65	51
Royalties			267	267
Intergovernmental revenues:				
Federal	23,196	23,196	22,835	(361)
State	168,297	168,297	189,415	21,118
Other			1,572	1,572
Charges for services	46,261	47,261	24,598	(22,663)
Miscellaneous	148	148	1,080	932
TOTAL REVENUES	247,827	249,454	250,597	1,143
EXPENDITURES:				
Current-Public ways and facilities:				
Services and supplies	224,202	216,138	197,713	(18,425)
Other charges	13,733	13,733	7,431	(6,302)
Capital assets	1,044	1,244	919	(325)
Capital Outlay	118,684	72,534	39,150	(33,384)
TOTAL EXPENDITURES	357,663	303,649	245,213	(58,436)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(109,836)	(54,195)	5,384	59,579
OTHER FINANCING SOURCES (USES):				
Sales of capital assets			1	1
Transfers out	(6,465)	(6,579)	(3,921)	2,658
Appropriation for contingencies	(25,773)	(26,400)		26,400
Changes in reserves and designations	101,137	46,237	52,697	6,460
OTHER FINANCING SOURCES (USES) - NET	68,899	13,258	48,777	35,519
NET CHANGE IN FUND BALANCE	(40,937)	(40,937)	54,161	95,098
FUND BALANCE, JULY 1, 2011	40,937	40,937	40,937	
FUND BALANCE, JUNE 30, 2012	$		95,098	95,098

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, 2012 (in thousands)

	OTHER STREETS, HIGHWAYS, ROADS, AND BRIDGES			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Taxes	$ 42,204	42,204	45,735	3,531
Fines, forfeitures and penalties	61	61	39	(22)
Revenue from use of money and property:				
Investment income	2,102	2,102	1,490	(612)
Rents and concessions	176	176	173	(3)
Intergovernmental revenues:				
Federal	1,356	1,356	779	(577)
State	49	49	901	852
Other	14,166	14,166	10,921	(3,245)
Charges for services	17,190	17,190	2,148	(15,042)
Miscellaneous			3	3
TOTAL REVENUES	77,304	77,304	62,189	(15,115)
EXPENDITURES:				
Current-Public ways and facilities:				
Services and supplies	112,520	118,520	51,069	(67,451)
Other charges	3,603	3,603	3,600	(3)
Capital assets	3,350	3,350	921	(2,429)
Capital Outlay	68,029	62,029	12,075	(49,954)
TOTAL EXPENDITURES	187,502	187,502	67,665	(119,837)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(110,198)	(110,198)	(5,476)	104,722
OTHER FINANCING SOURCES (USES):				
Sales of capital assets			24	24
Transfers in	21,100	45,739	24,739	(21,000)
Transfers out	(21,250)	(45,889)	(24,782)	21,107
Appropriation for contingencies	(1,796)	(1,796)		1,796
Changes in reserves and designations	27,763	27,763	31,114	3,351
OTHER FINANCING SOURCES (USES) - NET	25,817	25,817	31,095	5,278
NET CHANGE IN FUND BALANCE	(84,381)	(84,381)	25,619	110,000
FUND BALANCE, JULY 1, 2011	84,381	84,381	84,381	
FUND BALANCE, JUNE 30, 2012	$		110,000	110,000

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, 2012 (in thousands)

	STREET LIGHTING DISTRICTS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Taxes	$ 17,963	17,963	18,027	64
Fines, forfeitures and penalties	279	279	164	(115)
Revenue from use of money and property-				
Investment income	820	820	567	(253)
Intergovernmental revenues:				
Federal				
State	157	157	152	(5)
Other	639	639	608	(31)
Charges for services	4,825	8,325	4,817	(3,508)
TOTAL REVENUES	24,683	28,183	24,335	(3,848)
EXPENDITURES:				
Current-Public ways and facilities:				
Services and supplies	45,145	48,619	22,213	(26,406)
Other charges		15	8	(7)
Capital assets		11	10	(1)
TOTAL EXPENDITURES	45,145	48,645	22,231	(26,414)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(20,462)	(20,462)	2,104	22,566
OTHER FINANCING SOURCES (USES):				
Transfers in	5,575	5,575	4,738	(837)
Transfers out	(5,575)	(5,575)	(4,738)	837
Appropriation for contingencies	(3,202)	(3,202)		3,202
Changes in reserves and designations	10,631	10,631	10,729	98
OTHER FINANCING SOURCES (USES) - NET	7,429	7,429	10,729	3,300
NET CHANGE IN FUND BALANCE	(13,033)	(13,033)	12,833	25,866
FUND BALANCE, JULY 1, 2011	13,033	13,033	13,033	
FUND BALANCE, JUNE 30, 2012	$		25,866	25,866

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, 2012 (in thousands)

	GARBAGE DISPOSAL DISTRICTS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Taxes	$ 4,917	4,917	4,922	5
Fines, forfeitures and penalties	420	420	383	(37)
Revenue from use of money and property-				
Investment income	289	289	237	(52)
Intergovernmental revenues-				
State	43	43	39	(4)
Charges for services	19,555	19,555	19,932	377
TOTAL REVENUES	25,224	25,224	25,513	289
EXPENDITURES:				
Current-Health and sanitation:				
Services and supplies	27,184	27,169	22,834	(4,335)
Other charges		15	11	(4)
TOTAL EXPENDITURES	27,184	27,184	22,845	(4,339)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,960)	(1,960)	2,668	4,628
OTHER FINANCING USES:				
Appropriation for contingencies	(3,132)	(3,132)		3,132
Changes in reserves and designations	(1,919)	(1,919)	(1,893)	26
TOTAL OTHER FINANCING USES	(5,051)	(5,051)	(1,893)	3,158
NET CHANGE IN FUND BALANCE	(7,011)	(7,011)	775	7,786
FUND BALANCE, JULY 1, 2011	7,011	7,011	7,011	
FUND BALANCE, JUNE 30, 2012	$		7,786	7,786

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, 2012 (in thousands)

	SEWER MAINTENANCE DISTRICTS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Fines, forfeitures and penalties	$ 353	353	263	(90)
Revenue from use of money and property-				
Investment income	196	196	146	(50)
Intergovernmental revenues-				
Other	28	28	58	30
Charges for services	29,894	29,894	29,554	(340)
Miscellaneous			1	1
TOTAL REVENUES	30,471	30,471	30,022	(449)
EXPENDITURES:				
Current-Health and sanitation:				
Services and supplies	38,138	36,710	29,185	(7,525)
Other charges	35	1,463	1,461	(2)
Capital assets	150	150	43	(107)
Capital Outlay	976	976	21	(955)
TOTAL EXPENDITURES	39,299	39,299	30,710	(8,589)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(8,828)	(8,828)	(688)	8,140
OTHER FINANCING USES:				
Transfers out	(1,021)	(1,021)	(521)	500
Appropriation for contingencies	(631)	(631)		631
Changes in reserves and designations	(760)	(760)	(227)	533
TOTAL OTHER FINANCING USES	(2,412)	(2,412)	(748)	1,664
NET CHANGE IN FUND BALANCE	(11,240)	(11,240)	(1,436)	9,804
FUND BALANCE, JULY 1, 2011	11,240	11,240	11,240	
FUND BALANCE, JUNE 30, 2012	$		9,804	9,804

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, 2012 (in thousands)

	HEALTH SERVICES MEASURE B			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Taxes	$ 252,573	252,573	253,061	488
Fines, forfeitures and penalties			1,675	1,675
Revenue from use of money and property-				
Investment income	1,229	1,229	659	(570)
Charges for services			703	703
TOTAL REVENUES	253,802	253,802	256,098	2,296
EXPENDITURES:				
Current-Health and sanitation:				
Services and supplies	22,844	22,843	20,807	(2,036)
Other charges	27,133	27,133	27,133	
TOTAL EXPENDITURES	49,977	49,976	47,940	(2,036)
EXCESS OF REVENUES OVER EXPENDITURES	203,825	203,826	208,158	4,332
OTHER FINANCING SOURCES (USES):				
Transfers out	(205,095)	(205,096)	(205,095)	1
Appropriation for contingencies	(4,665)	(4,665)		4,665
Changes in reserves and designations			1,998	1,998
OTHER FINANCING SOURCES (USES) - NET	(209,760)	(209,761)	(203,097)	6,664
NET CHANGE IN FUND BALANCE	(5,935)	(5,935)	5,061	10,996
FUND BALANCE, JULY 1, 2011	5,935	5,935	5,935	
FUND BALANCE, JUNE 30, 2012	$		10,996	10,996

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, 2012 (in thousands)

	HEALTH AND SANITATION			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Licenses, permits and franchises	$ 3,427	3,427	3,385	(42)
Fines, forfeitures and penalties	25,651	25,651	23,205	(2,446)
Revenue from use of money and property:				
Investment income	476	476	250	(226)
Rents and concessions	133	133	135	2
Intergovernmental revenues:				
State	1,147	1,147	843	(304)
Other	1,811	1,836	1,745	(91)
Charges for services	19,673	19,673	17,774	(1,899)
TOTAL REVENUES	52,318	52,343	47,337	(5,006)
EXPENDITURES:				
Current-Health and sanitation:				
Services and supplies	60,632	60,410	44,068	(16,342)
Capital assets	560	660	365	(295)
TOTAL EXPENDITURES	61,192	61,070	44,433	(16,637)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,874)	(8,727)	2,904	11,631
OTHER FINANCING USES:				
Transfers out	(4,360)	(4,507)	(4,330)	177
Appropriation for contingencies	(726)	(726)		726
Changes in reserves and designations	(2,150)	(2,150)	(354)	1,796
TOTAL OTHER FINANCING USES	(7,236)	(7,383)	(4,684)	2,699
NET CHANGE IN FUND BALANCE	(16,110)	(16,110)	(1,780)	14,330
FUND BALANCE, JULY 1, 2011	16,110	16,110	16,110	
FUND BALANCE, JUNE 30, 2012	$		14,330	14,330

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, 2012 (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	$ 2,956	2,956	6,031	3,075
Intergovernmental revenues-				
State	324,937	324,937	282,054	(42,883)
TOTAL REVENUES	327,893	327,893	288,085	(39,808)
EXPENDITURES:				
Current-Health and sanitation-				
Services and supplies	32,932	32,932	3,614	(29,318)
EXCESS OF REVENUES OVER EXPENDITURES	294,961	294,961	284,471	(10,490)
OTHER FINANCING USES:				
Transfers out	(444,452)	(469,549)	(346,047)	123,502
Appropriation for contingencies	(170,729)	(170,729)		170,729
Changes in reserves and designations	(64,873)	(39,776)	(39,762)	14
TOTAL OTHER FINANCING USES	(680,054)	(680,054)	(385,809)	294,245
NET CHANGE IN FUND BALANCE	(385,093)	(385,093)	(101,338)	283,755
FUND BALANCE, JULY 1, 2011	385,093	385,093	385,093	
FUND BALANCE, JUNE 30, 2012	$		283,755	283,755

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, 2012 (in thousands)

	OTHER PUBLIC PROTECTION			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Licenses, permits and franchises	$ 50	50		(50)
Fines, forfeitures and penalties	10,538	10,538	10,260	(278)
Revenue from use of money and property:				
Investment income	1,986	1,986	1,892	(94)
Rents and concessions	15,000	15,000	38,253	23,253
Intergovernmental revenues:				
Federal			294	294
State	13,050	13,050	15,044	1,994
Charges for services	12,140	12,140	14,240	2,100
Miscellaneous	22,565	22,565	9,999	(12,566)
TOTAL REVENUES	75,329	75,329	89,982	14,653
EXPENDITURES:				
Current-Public protection:				
Services and supplies	177,188	177,213	53,815	(123,398)
Other charges	4,698	4,698	1,630	(3,068)
Capital assets	28,650	28,650	2,849	(25,801)
TOTAL EXPENDITURES	210,536	210,561	58,294	(152,267)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(135,207)	(135,232)	31,688	166,920
OTHER FINANCING SOURCES (USES):				
Sales of capital assets	26	26	40	14
Transfers in	4,506	4,506	1,522	(2,984)
Transfers out	(30,622)	(30,774)	(7,047)	23,727
Appropriation for contingencies	(14,566)	(14,566)		14,566
Changes in reserves and designations	261	438	1,889	1,451
OTHER FINANCING SOURCES (USES) - NET	(40,395)	(40,370)	(3,596)	36,774
NET CHANGE IN FUND BALANCE	(175,602)	(175,602)	28,092	203,694
FUND BALANCE, JULY 1, 2011	175,602	175,602	175,602	
FUND BALANCE, JUNE 30, 2012	$		203,694	203,694

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, 2012 (in thousands)

	PUBLIC ASSISTANCE			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Licenses, permits and franchises	$ 1,332	1,332	1,269	(63)
Fines, forfeitures and penalties	2,314	2,314	2,442	128
Revenue from use of money and property-				
Investment income	22	22	13	(9)
Charges for services	3,332	3,332	3,075	(257)
Miscellaneous	2,840	2,840	2,632	(208)
TOTAL REVENUES	9,840	9,840	9,431	(409)
EXPENDITURES:				
Current-Public assistance-				
Services and supplies	9,737	9,737	8,441	(1,296)
EXCESS OF REVENUES OVER EXPENDITURES	103	103	990	887
OTHER FINANCING SOURCES (USES):				
Transfers out	(2,955)	(2,955)	(2,427)	528
Appropriation for contingencies	(2,662)	(2,662)		2,662
Changes in reserves and designations	(325)	(325)	829	1,154
OTHER FINANCING SOURCES (USES) - NET	(5,942)	(5,942)	(1,598)	4,344
NET CHANGE IN FUND BALANCE	(5,839)	(5,839)	(608)	5,231
FUND BALANCE, JULY 1, 2011	5,839	5,839	5,839	
FUND BALANCE, JUNE 30, 2012	$		5,231	5,231

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, 2012 (in thousands)

	RECREATION			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Licenses, permits and franchises	$ 30	30	13	(17)
Revenue from use of money and property:				
Investment income	53	53	29	(24)
Rents and concessions	611	611	483	(128)
Intergovernmental revenues:				
Federal				
State	189	189	148	(41)
Charges for services	5,580	5,580	5,202	(378)
Miscellaneous	2,718	2,718	2,283	(435)
TOTAL REVENUES	9,181	9,181	8,158	(1,023)
EXPENDITURES:				
Current-Recreation and cultural services:				
Services and supplies	12,711	12,841	6,759	(6,082)
Other Charges		85		(85)
TOTAL EXPENDITURES	12,711	12,926	6,759	(6,167)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,530)	(3,745)	1,399	5,144
OTHER FINANCING SOURCES (USES):				
Sales of capital assets			430	430
Transfers in	730	1,152	970	(182)
Transfers out	(1,459)	(1,751)	(1,124)	627
Appropriation for contingencies	(930)	(930)		930
Changes in reserves and designations	(9,627)	(9,542)	(9,327)	215
OTHER FINANCING SOURCES (USES) - NET	(11,286)	(11,071)	(9,051)	2,020
NET CHANGE IN FUND BALANCE	(14,816)	(14,816)	(7,652)	7,164
FUND BALANCE, JULY 1, 2011	14,816	14,816	14,816	
FUND BALANCE, JUNE 30, 2012	$		7,164	7,164

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, 2012 (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	17,202	(798)
Revenue from use of money and property-				
Investment income	700	700	573	(127)
TOTAL REVENUES	18,700	18,700	17,775	(925)
EXPENDITURES:				
Current-Public protection:				
Services and supplies	56,490	56,490	1,399	(55,091)
Other charges	26,222	26,222	25,952	(270)
TOTAL EXPENDITURES	82,712	82,712	27,351	(55,361)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(64,012)	(64,012)	(9,576)	54,436
NET CHANGE IN FUND BALANCE	(64,012)	(64,012)	(9,576)	54,436
FUND BALANCE, JULY 1, 2011	64,012	64,012	64,012	
FUND BALANCE, JUNE 30, 2012	$		54,436	54,436

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, 2012 (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	19,860	(140)
Revenue from use of money and property-				
Investment income	800	800	452	(348)
Miscellaneous			213	213
TOTAL REVENUES	20,800	20,800	20,525	(275)
EXPENDITURES:				
Current-Public protection:				
Services and supplies	38,690	38,690	4,260	(34,430)
Other charges	7,219	7,219	3,331	(3,888)
Capital Outlay	420	420		(420)
TOTAL EXPENDITURES	46,329	46,329	7,591	(38,738)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(25,529)	(25,529)	12,934	38,463
OTHER FINANCING USES:				
Transfers out	(16,532)	(16,532)	(10,907)	5,625
Changes in reserves and designations	(1)	(1)		1
TOTAL OTHER FINANCING USES	(16,533)	(16,533)	(10,907)	5,626
NET CHANGE IN FUND BALANCE	(42,062)	(42,062)	2,027	44,089
FUND BALANCE, JULY 1, 2011	42,062	42,062	42,062	
FUND BALANCE, JUNE 30, 2012	$		44,089	44,089

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, 2012 (in thousands)

	REGISTRAR RECORDER IMPROVEMENT			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES-				
Charges for services	$ 14,664	14,664	14,468	(196)
OTHER FINANCING SOURCES (USES):				
Transfers out	(21,038)	(21,041)	(19,706)	1,335
Appropriation for contingencies	(14,269)	(14,221)		14,221
Changes in reserves and designations	16,147	16,102	16,104	2
OTHER FINANCING SOURCES (USES) - NET	(19,160)	(19,160)	(3,602)	15,558
NET CHANGE IN FUND BALANCE	(4,496)	(4,496)	10,866	15,362
FUND BALANCE, JULY 1, 2011	4,496	4,496	4,496	
FUND BALANCE, JUNE 30, 2012	$		15,362	15,362

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, 2012 (in thousands)

	OTHER SPECIAL REVENUE			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Licenses, permits and franchises	$ 2,900	2,900	3,094	194
Revenue from use of money and property:				
Investment income	566	566	455	(111)
Rents and concessions	4,650	4,650	4,945	295
Royalties	10	10	6	(4)
Charges for services	3,407	3,407	2,693	(714)
Miscellaneous			516	516
TOTAL REVENUES	11,533	11,533	11,709	176
EXPENDITURES:				
Current:				
General government:				
Salaries and employee benefits	5,809	5,809	5,527	(282)
Services and supplies	22,431	24,176	8,158	(16,018)
Capital assets	913	968	315	(653)
Total general government	29,153	30,953	14,000	(16,953)
Education-				
Services and supplies	15,686	13,734	70	(13,664)
TOTAL EXPENDITURES	44,839	44,687	14,070	(30,617)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(33,306)	(33,154)	(2,361)	30,793
OTHER FINANCING SOURCES (USES):				
Sales of capital assets	797	797	191	(606)
Transfers in	3,603	5,403	3,080	(2,323)
Transfers out	(48,077)	(50,029)	(4,116)	45,913
Appropriation for contingencies	(8,287)	(8,287)		8,287
Changes in reserves and designations	557	557	1,366	809
OTHER FINANCING SOURCES (USES) - NET	(51,407)	(51,559)	521	52,080
NET CHANGE IN FUND BALANCE	(84,713)	(84,713)	(1,840)	82,873
FUND BALANCE, JULY 1, 2011	84,713	84,713	84,713	
FUND BALANCE, JUNE 30, 2012	$		82,873	82,873

COUNTY OF LOS ANGELES
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE
JUNE 30, 2012 (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	$	59,874				$ 59,874
Other		16				16
Total pooled cash and investments		59,890				59,890
Other investments			170,725	95,943	38,712	305,380
Interest receivable		133		230		363
Due from other funds		627			252,815	253,442
TOTAL ASSETS	$	60,650	170,725	96,173	291,527	$ 619,075
LIABILITIES AND FUND BALANCES						
LIABILITIES-						
Due to other funds	$	95				$ 95
FUND BALANCES - RESTRICTED		60,555	170,725	96,173	291,527	618,980
TOTAL LIABILITIES AND FUND BALANCES	$	60,650	170,725	96,173	291,527	$ 619,075

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, 2012 (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	$	646	9,270	698	59	$ 10,673
Miscellaneous				8,770	22,600	31,370
TOTAL REVENUE		646	9,270	9,468	22,659	42,043
EXPENDITURES - Debt service:						
Principal	16,600	26,560	26,560	119,401	1,920	191,041
Interest and other charges	2,484	9,270	9,270	56,808	20,898	98,730
TOTAL EXPENDITURES	19,084	35,830	35,830	176,209	22,818	289,771
DEFICIENCY OF REVENUES OVER EXPENDITURES	(19,084)	(35,184)	(26,560)	(166,741)	(159)	(247,728)
OTHER FINANCING SOURCES (USES):						
Transfers in	18,867	36,577		106,221		161,665
Transfers out	(127)			(492)	(4,530)	(5,149)
Refunding bonds issued				50,675		50,675
TOTAL OTHER FINANCING SOURCES (USES)	18,740	36,577		156,404	(4,530)	207,191
NET CHANGE IN FUND BALANCES	(344)	1,393	(26,560)	(10,337)	(4,689)	(40,537)
FUND BALANCES, JULY 1, 2011	344	59,162	197,285	106,510	296,216	659,517
FUND BALANCES, JUNE 30, 2012	$	60,555	170,725	96,173	291,527	$ 618,980

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, 2012 (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	$ 579	579	491	(88)
EXPENDITURES:				
Debt service:				
Principal	26,560	26,560	26,560	
Interest	36,824	36,824	9,270	(27,554)
TOTAL EXPENDITURES	63,384	63,384	35,830	(27,554)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(62,805)	(62,805)	(35,339)	27,466
OTHER FINANCING SOURCES:				
Transfers in	36,478	36,478	36,577	99
Changes in reserves and designations	16,141	16,141	16,143	2
TOTAL OTHER FINANCING SOURCES	52,619	52,619	52,720	101
NET CHANGE IN FUND BALANCE	(10,186)	(10,186)	17,381	27,567
FUND BALANCE, JULY 1, 2011	10,186	10,186	10,186	
FUND BALANCE, JUNE 30, 2012	$		27,567	27,567

COUNTY OF LOS ANGELES
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS
JUNE 30, 2012 (in thousands)

	Accumulative Capital Outlay	Flood Control District	Improvement Districts	Public Buildings	Gap Loan	Total
ASSETS						
Pooled cash and investments:						
Operating	$ 74,499		12	16,717	104,418	$ 195,646
Other	139			7	50	196
Total pooled cash and investments	74,638		12	16,724	104,468	195,842
Other investments				283,047		283,047
Interest receivable	180			215	252	647
Other receivables	3,624					3,624
Due from other funds	11,770					11,770
TOTAL ASSETS	$ 90,212		12	299,986	104,720	$ 494,930
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Accounts payable	$ 224			575		$ 799
Due to other funds	3,102			8,380	22,200	33,682
Deferred revenue	50					50
Advances payable	36					36
TOTAL LIABILITIES	3,412			8,955	22,200	34,567
FUND BALANCES:						
Restricted				291,031	82,520	373,551
Committed	85,644					85,644
Assigned	1,156		12			1,168
TOTAL FUND BALANCES	86,800		12	291,031	82,520	460,363
TOTAL LIABILITIES AND FUND BALANCES	$ 90,212		12	299,986	104,720	$ 494,930

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, 2012 (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	$ 913			3,249	1,242	$ 5,404
Intergovernmental revenues-						
Federal	2,793					2,793
Charges for services	6,141					6,141
Miscellaneous	578					578
TOTAL REVENUES	10,425			3,249	1,242	14,916
EXPENDITURES - Capital outlay	30,383			125,708		156,091
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(19,958)			(122,459)	1,242	(141,175)
OTHER FINANCING SOURCES (USES) :						
Transfers in	33,159			2,362		35,521
Transfers out	(57)	(99)		(17,841)	(22,201)	(40,198)
Issuance of debt				189,065		189,065
OTHER FINANCING SOURCES (USES) - NET	33,102	(99)		173,586	(22,201)	184,388
NET CHANGE IN FUND BALANCES	13,144	(99)		51,127	(20,959)	43,213
FUND BALANCES, JULY 1, 2011	73,656	99	12	239,904	103,479	417,150
FUND BALANCES, JUNE 30, 2012	$ 86,800		12	291,031	82,520	$ 460,363

COUNTY OF LOS ANGELES
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - PERMANENT FUNDS
JUNE 30, 2012 (in thousands)

	Annuities	Endowments	Total
ASSETS			
Pooled cash and investments:			
Operating	$ 512	2,054	$ 2,566
Other	1	1	2
Total pooled cash and investments	513	2,055	2,568
Other investments	107		107
Interest receivable	14	5	19
Due from other funds		44	44
TOTAL ASSETS	$ 634	2,104	$ 2,738
LIABILITIES			
Accounts payable	$	2	$ 2
Due to other funds		92	92
TOTAL LIABILITIES		94	94
FUND BALANCES:			
Nonspendable	410	1,830	2,240
Restricted for annuities and endowments	224	180	404
TOTAL FUND BALANCES	634	2,010	2,644
TOTAL LIABILITIES AND FUND BALANCES	$ 634	2,104	$ 2,738

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, 2012 (in thousands)

	Annuities	Endowments	Total
REVENUES:			
Revenue from use of money and property - Investment income	$ 25	22	$ 47
EXPENDITURES - General government	40	96	136
DEFICIENCY OF REVENUES OVER EXPENDITURES	(15)	(74)	(89)
NET CHANGE IN FUND BALANCES	(15)	(74)	(89)
FUND BALANCES, JULY 1, 2011	649	2,084	2,733
FUND BALANCES, JUNE 30, 2012	$ 634	2,010	$ 2,644

COUNTY OF LOS ANGELES
CALIFORNIA

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, 2012 (in thousands)

	Aviation	Community Development Commission	Total Nonmajor Enterprise Funds
ASSETS			
Current assets:			
Pooled cash and investments:			
Operating	$ 7,274		$ 7,274
Other	3		3
Total pooled cash and investments	7,277		7,277
Other investments		42,636	42,636
Accounts receivable - net	1,647	5,518	7,165
Interest receivable	17		17
Due from other funds	2		2
Inventories		1	1
Total current assets	8,943	48,155	57,098
Noncurrent assets:			
Capital assets:			
Land and easements	134,066	71,961	206,027
Buildings and improvements	34,437	139,322	173,759
Equipment	1,705	1,705	3,410
Infrastructure	51,615		51,615
Construction in progress	2,173	35,690	37,863
Less accumulated depreciation	(57,564)	(128,356)	(185,920)
Total capital assets - net	166,432	120,322	286,754
Total noncurrent assets	166,432	120,322	286,754
TOTAL ASSETS	175,375	168,477	343,852
LIABILITIES			
Current liabilities:			
Accounts payable	603	3,492	4,095
Other payables	323	829	1,152
Due to other funds	332		332
Advances from other funds		4,196	4,196
Unearned revenue		208	208
Current portion of long-term liabilities		7,055	7,055
Total current liabilities	1,258	15,780	17,038
Noncurrent liabilities:			
Accrued compensated absences		62	62
Bonds and notes		40,202	40,202
Total noncurrent liabilities		40,264	40,264
TOTAL LIABILITIES	1,258	56,044	57,302
NET ASSETS			
Invested in capital assets, net of related debt	166,432	84,810	251,242
Restricted:			
Debt service		15,452	15,452
Community development commission		12,171	12,171
Unrestricted	7,685		7,685
TOTAL NET ASSETS	$ 174,117	112,433	$ 286,550

COUNTY OF LOS ANGELES
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012 (in thousands)

	Aviation	Community Development Commission	Total Nonmajor Enterprise Funds
OPERATING REVENUES:			
Rentals	$ 3,435	10,929	$ 14,364
Charges for services	368		368
Other	3	622	625
TOTAL OPERATING REVENUES	3,806	11,551	15,357
OPERATING EXPENSES:			
Services and supplies	2,532	288,719	291,251
Other professional services	761		761
Depreciation and amortization	1,729	1,067	2,796
TOTAL OPERATING EXPENSES	5,022	289,786	294,808
OPERATING LOSS	(1,216)	(278,235)	(279,451)
NONOPERATING REVENUES (EXPENSES):			
Investment income	63	571	634
Interest expense		(138)	(138)
Intergovernmental revenues-			
Federal	979	283,881	284,860
TOTAL NONOPERATING REVENUES	1,042	284,314	285,356
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(174)	6,079	5,905
Capital contributions	1,311		1,311
Transfers in		4,126	4,126
CHANGE IN NET ASSETS	1,137	10,205	11,342
TOTAL NET ASSETS, JULY 1, 2011	172,980	102,228	275,208
TOTAL NET ASSETS, JUNE 30, 2012	$ 174,117	112,433	$ 286,550

COUNTY OF LOS ANGELES
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012 (in thousands)

	Aviation	Community Development Commission	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Rentals received	$ 3,435	13,108	$ 16,543
Cash received from (returned for) charges for services	(807)		(807)
Other operating revenues	3	622	625
Cash paid for salaries and employee benefits		(20,169)	(20,169)
Cash paid for services and supplies	(2,914)	(271,056)	(273,970)
Other operating expenses	(761)		(761)
Net cash required for operating activities	(1,044)	(277,495)	(278,539)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Cash advances received from other funds		696	696
Intergovernmental receipts	979	283,881	284,860
Transfers in		4,126	4,126
Net cash provided by noncapital financing activities	979	288,703	289,682
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Capital contributions	1,311		1,311
Proceeds from bonds and notes		6	6
Interest paid on capital borrowing		(138)	(138)
Acquisition and construction of capital assets	(1,436)	(30,805)	(32,241)
Net cash required for capital and related financing activities	(125)	(30,937)	(31,062)
CASH FLOWS FROM INVESTING ACTIVITIES -			
Investment income received	69	571	640
Net decrease in cash and cash equivalents	(121)	(19,158)	(19,279)
Cash and cash equivalents, July 1, 2011	7,398	61,794	69,192
Cash and cash equivalents, June 30, 2012	$ 7,277	42,636	$ 49,913

Continued…

COUNTY OF LOS ANGELES
COMBINING STATEMENT OF CASH FLOWS - Continued
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012 (in thousands)

	Aviation	Community Development Commission	Total Nonmajor Enterprise Funds
RECONCILIATION OF OPERATING LOSS TO NET CASH REQUIRED FOR OPERATING ACTIVITIES:			
Operating loss	$ (1,216)	(278,235)	$ (279,451)
Adjustments to reconcile operating loss to net cash required for operating activities:			
Depreciation and amortization	1,729	1,067	2,796
Other charges - net	(284)		(284)
(Increase) decrease in:			
Accounts receivable - net	(1,174)	2,228	1,054
Due from other funds	(1)		(1)
Inventories		(1)	(1)
Increase (decrease) in:			
Accounts payable	562	(1,156)	(594)
Other payables	(708)	31	(677)
Accrued compensated absences		85	85
Due to other funds	48	(1,465)	(1,417)
Unearned revenue		(49)	(49)
TOTAL ADJUSTMENTS	172	740	912
NET CASH REQUIRED FOR OPERATING ACTIVITIES	$ (1,044)	(277,495)	$ (278,539)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS:			
Pooled cash and investments	$ 7,277		$ 7,277
Other investments		42,636	42,636
TOTAL	$ 7,277	42,636	$ 49,913

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, 2012 (in thousands)

	Public Works	Equipment Acquisition	Community Development Commission	Total
ASSETS				
Current assets:				
Pooled cash and investments:				
Operating	$ 30,770	3,969		$ 34,739
Other	4,972	5		4,977
Total pooled cash and investments	35,742	3,974		39,716
Other investments			7,395	7,395
Interest receivable	78	31		109
Other receivables	8,596		333	8,929
Due from other funds	64,000	16		64,016
Inventories	10,653		60	10,713
Total current assets	119,069	4,021	7,788	130,878
Noncurrent assets:				
Restricted assets		12,112		12,112
Capital assets:				
Buildings and improvements	1,734			1,734
Equipment	151,331	119,474	4,776	275,581
Less accumulated depreciation	(79,375)	(51,906)	(4,030)	(135,311)
Total capital assets - net	73,690	67,568	746	142,004
Total noncurrent assets	73,690	79,680	746	154,116
TOTAL ASSETS	192,759	83,701	8,534	284,994
LIABILITIES				
Current liabilities:				
Accounts payable	5,798	633	441	6,872
Accrued payroll	14,578			14,578
Other payables	2,072			2,072
Accrued interest payable		191		191
Due to other funds	18,094		145	18,239
Advances from other funds	22,000			22,000
Unearned revenue	123			123
Current portion of long-term liabilities	9,311	19,410	495	29,216
Total current liabilities	71,976	20,234	1,081	93,291
Noncurrent liabilities:				
Accrued compensated absences	44,676		24	44,700
Bonds and notes		49,060		49,060
Capital lease obligations			87	87
Workers' compensation	34,244		2,795	37,039
Litigation and self-insurance			1,341	1,341
OPEB obligation	247,665			247,665
Total noncurrent liabilities	326,585	49,060	4,247	379,892
TOTAL LIABILITIES	398,561	69,294	5,328	473,183
NET ASSETS				
Invested in capital assets, net of related debt	73,690	13,865	613	88,168
Restricted-				
Community development commission			2,593	2,593
Unrestricted (deficit)	(279,492)	542		(278,950)
TOTAL NET ASSETS (DEFICIT)	$ (205,802)	14,407	3,206	$ (188,189)

COUNTY OF LOS ANGELES
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012 (in thousands)

	Public Works	Equipment Acquisition	Community Development Commission	Total
OPERATING REVENUES:				
Rentals	$ 7	29,301		$ 29,308
Charges for services	421,581		12,227	433,808
TOTAL OPERATING REVENUES	421,588	29,301	12,227	463,116
OPERATING EXPENSES:				
Salaries and employee benefits	400,778			400,778
Services and supplies	39,954	162	13,128	53,244
Other professional services	35,832			35,832
Depreciation and amortization	9,405	22,159	307	31,871
TOTAL OPERATING EXPENSES	485,969	22,321	13,435	521,725
OPERATING INCOME (LOSS)	(64,381)	6,980	(1,208)	(58,609)
NONOPERATING REVENUES (EXPENSES) :				
Investment income	84	179	117	380
Interest expense		(1,807)	(7)	(1,814)
Intergovernmental revenues - Federal			706	706
TOTAL NONOPERATING REVENUES (EXPENSES)	84	(1,628)	816	(728)
INCOME (LOSS) BEFORE TRANSFERS	(64,297)	5,352	(392)	(59,337)
Transfers in	5,578		105	5,683
Transfers out			(112)	(112)
CHANGE IN NET ASSETS	(58,719)	5,352	(399)	(53,766)
TOTAL NET ASSETS (DEFICIT), JULY 1, 2011	(147,083)	9,055	3,605	(134,423)
TOTAL NET ASSETS (DEFICIT), JUNE 30, 2012	$ (205,802)	14,407	3,206	$ (188,189)

COUNTY OF LOS ANGELES
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012 (in thousands)

	Public Works	Equipment Acquisition	Community Development Commission	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Rentals received	$ 7	29,572		$ 29,579
Cash received from charges for services	64,623			64,623
Cash received from charges for services to other funds	369,846		11,937	381,783
Cash paid for salaries and employee benefits	(336,667)		(7,979)	(344,646)
Cash paid for services and supplies	(41,315)	(162)	(5,875)	(47,352)
Other operating expenses	(35,832)			(35,832)
Net cash provided by (required for) operating activities	20,662	29,410	(1,917)	48,155
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Intergovernmental receipts			706	706
Transfers in	5,578		105	5,683
Transfers out			(112)	(112)
Net cash provided by noncapital financing activities	5,578		699	6,277
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from bonds and notes		79,404		79,404
Interest paid on capital borrowing		(1,854)	(7)	(1,861)
Principal payments on bonds and notes		(94,910)		(94,910)
Principal payments on capital leases			(43)	(43)
Acquisition and construction of capital assets	(16,240)	(22,809)	(109)	(39,158)
Net cash required for capital and related financing activities	(16,240)	(40,169)	(159)	(56,568)
CASH FLOWS FROM INVESTING ACTIVITIES -				
Investment income received	74	228	117	419
Net increase (decrease) in cash and cash equivalents	10,074	(10,531)	(1,260)	(1,717)
Cash and cash equivalents July 1, 2011	25,668	26,617	8,655	60,940
Cash and cash equivalents June 30, 2012	$ 35,742	16,086	7,395	$ 59,223

Continued…

COUNTY OF LOS ANGELES
COMBINING STATEMENT OF CASH FLOWS - Continued
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012 (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)	$ (64,381)	6,980	(1,208)	$ (58,609)
Adjustments to reconcile operating income (loss) to net cash provided by (required for) operating activities:				
Depreciation and amortization	9,405	22,159	307	31,871
Other charges - net	(807)			(807)
(Increase) decrease in:				
Other receivables	518		(290)	228
Due from other funds	13,368	271		13,639
Inventories	(648)		(40)	(688)
Increase (decrease) in:				
Accounts payable	1,622		(101)	1,521
Accrued payroll	337			337
Other payables	124			124
Accrued compensated absences	5,865		(2)	5,863
Due to other funds	(1,528)		(583)	(2,111)
Unearned revenue	69			69
Workers' compensation	2,469			2,469
Litigation and self-insurance	(950)			(950)
OPEB obligation	55,199			55,199
TOTAL ADJUSTMENTS	85,043	22,430	(709)	106,764
NET CASH PROVIDED BY (REQUIRED FOR) OPERATING ACTIVITIES	$ 20,662	29,410	(1,917)	$ 48,155
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES -				
Assets acquired from capital leases	$		11	$ 11
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS:				
Pooled cash and investments	$ 35,742	3,974		$ 39,716
Other investments			7,395	7,395
Restricted assets		12,112		12,112
TOTAL	$ 35,742	16,086	7,395	$ 59,223

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

Property Tax Funds

This group of funds is used to account for the monies received from property and other taxes, which must be held pending authority for distribution to the appropriate recipients.

Departmental Funds

This group of funds is used to account for cash and other assets and related liabilities where the County holds money either in a custodial capacity for other entities, or as a clearing account to accumulate and hold certain monies until disbursement to the ultimate recipient.

COUNTY OF LOS ANGELES
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS - INVESTMENT TRUST FUNDS
JUNE 30, 2012 (in thousands)

	Pooled Investment Trust Fund	Specific Investment Trust Fund	Total
ASSETS			
Pooled cash and investments	$ 14,250,254		$ 14,250,254
Other investments		97,933	97,933
Interest receivable	32,963	852	33,815
Other receivalbe	237,000		237,000
TOTAL ASSETS	14,520,217	98,785	14,619,002
LIABILITIES			
Other payables	602,118		602,118
NET ASSETS			
Held in trust for investment trust fund participants	$ 13,918,099	98,785	$ 14,016,884

COUNTY OF LOS ANGELES
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS - INVESTMENT TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2012 (in thousands)

	Pooled Investment Trust Fund	Specific Investment Trust Fund	Total
ADDITIONS:			
Contributions to investment trust funds	$ 36,198,548	1,063,723	$ 37,262,271
Investment income	175,839	361	176,200
TOTAL ADDITIONS	36,374,387	1,064,084	37,438,471
DEDUCTIONS -			
Distributions from investment trust funds	38,029,786	1,032,965	39,062,751
CHANGE IN NET ASSETS	(1,655,399)	31,119	(1,624,280)
NET ASSETS HELD IN TRUST, JULY 1, 2011	15,573,498	67,666	15,641,164
NET ASSETS HELD IN TRUST, JUNE 30, 2012	$ 13,918,099	98,785	$ 14,016,884

COUNTY OF LOS ANGELES
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS - AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012 (in thousands)

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
PROPERTY TAX FUNDS				
ASSETS				
Pooled cash and investments	$ 299,237	49,089,336	49,080,172	$ 308,401
Interest receivable	2,455	2,295	2,455	2,295
TOTAL ASSETS	$ 301,692	49,091,631	49,082,627	$ 310,696
LIABILITIES				
Due to other governments	301,692	49,091,631	49,082,627	310,696
TOTAL LIABILITIES	$ 301,692	49,091,631	49,082,627	$ 310,696
DEPARTMENTAL FUNDS				
ASSETS				
Pooled cash and investments	$ 1,004,940	89,189,977	89,034,426	$ 1,160,491
Other investments	302	604	604	302
Taxes receivable	668,952	761,727	1,099,774	330,905
Interest receivable	10,614	15,372	10,614	15,372
TOTAL ASSETS	$ 1,684,808	89,967,680	90,145,418	$ 1,507,070
LIABILITIES				
Due to other governments	1,684,808	89,967,680	90,145,418	1,507,070
TOTAL LIABILITIES	$ 1,684,808	89,967,680	90,145,418	$ 1,507,070
TOTAL AGENCY FUNDS				
ASSETS				
Pooled cash and investments	$ 1,304,177	138,279,313	138,114,598	$ 1,468,892
Other investments	302	604	604	302
Taxes receivable	668,952	761,727	1,099,774	330,905
Interest receivable	13,069	17,667	13,069	17,667
TOTAL ASSETS	$ 1,986,500	139,059,311	139,228,045	$ 1,817,766
LIABILITIES				
Due to other governments	1,986,500	139,059,311	139,228,045	1,817,766
TOTAL LIABILITIES	$ 1,986,500	139,059,311	139,228,045	$ 1,817,766

COUNTY OF LOS ANGELES
CALIFORNIA

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
CALIFORNIA

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

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Governmental activities										
Invested in capital assets, net of related debt	$ 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	14,593,171
Restricted	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	2,908,564
Unrestricted (deficit)	(2,391,517)	(2,203,518)	(1,572,611)	(840,389)	(194,953)	51,582	(972,862)	(2,133,744)	(4,247,364)	(6,127,737)
Subtotal governmental activities net assets	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	11,373,998
Business-type activities										
Invested in capital assets, net of related debt	495,549	622,282	793,517	1,827,225	2,190,999	2,259,617	2,217,449	2,293,147	2,242,340	2,241,059
Restricted	127,192	105,557	74,173	165,427	186,266	307,985	192,427	163,820	122,216	104,997
Unrestricted (deficit)	(734,942)	(590,882)	(624,577)	(444,450)	(640,691)	(824,889)	(1,032,677)	(1,373,660)	(1,336,706)	(1,588,985)
Subtotal business-type activites net assets	(112,201)	136,957	243,113	1,548,202	1,736,574	1,742,713	1,377,199	1,083,307	1,027,850	757,071
Primary government										
Invested in capital assets, net of related debt	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	16,834,230
Restricted	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	3,013,561
Unrestricted (deficit)	(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)	(7,716,722)
Total primary government net assets	$ 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	12,131,069

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

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Expenses										
Government activities:										
General government	$ 764,588	650,096	666,778	795,290	807,155	1,171,448	1,103,361	1,236,226	1,100,781	1,315,662
Public protection	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	6,608,319
Public ways and facilities	227,776	222,416	249,065	360,980	282,827	299,304	327,403	352,549	417,250	355,527
Health and sanitation	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	3,036,296
Public assistance	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	5,599,244
Education	75,079	77,207	86,707	92,867	99,136	112,035	109,910	101,397	104,159	112,497
Recreation and cultural services	228,008	229,541	236,421	240,274	266,967	290,669	331,726	319,000	311,422	310,369
Interest on long-term debt	270,336	240,494	223,696	221,838	239,608	191,551	165,782	139,824	134,429	110,541
Subtotal governmental activities expenses	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	17,448,455
Business-type activities:										
Hospitals	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	3,768,699
Waterworks	42,448	45,473	43,444	67,563	97,504	74,810	76,904	76,817	83,592	94,651
Aviation	4,617	5,155	5,747	5,236	5,761	4,182	5,073	4,743	4,658	5,022
Community Development Commission	223,808	222,207	217,560	202,298	211,077	246,195	268,201	294,785	284,048	289,924
Subtotal business-type activities expense	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	4,158,296
Total primary government expenses	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	21,606,751
Program Revenues										
Governmental activities:										
Charges for services										
General government	354,291	371,723	371,338	500,233	451,050	445,948	634,153	432,084	451,082	455,062
Public protection	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	1,304,650
Health and sanitation	385,490	357,229	378,324	469,450	518,893	708,097	484,240	639,602	635,950	665,863
Recreation and cultural services	152,908	157,486	159,999	165,980	173,531	206,364	172,899	178,935	179,705	183,151
Other charges for services	81,388	55,947	65,629	83,694	63,664	104,433	79,844	92,226	82,462	103,799
Subtotal governmental activities charges for services	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	2,712,525
Operating grants and contributions	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	7,715,282
Capital grants and contributions	38,471	59,650	44,072	64,258	25,135	184,502	206,137	115,640	149,569	38,352
Total governmental activities program revenue	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	10,466,159
Business-type activities:										
Charges for services										
Hospitals	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	2,181,405
Other charges for services	50,187	57,150	68,151	90,604	93,770	76,516	73,311	70,853	72,429	81,239
Subtotal business-type activities charges for services	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	2,262,644
Operating grants and contributions	295,296	277,427	262,636	309,526	304,720	263,471	279,195	317,162	681,471	776,779
Capital grants and contributions	26,851	83,537	138,723	74,821	12,992	2,897	837	2,018	437	1,311
Total business-type activities program revenue	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	3,040,734
Total primary government revenues	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	13,506,893

Continued. . .

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

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Net (expense) / revenue:										
Governmental activities	(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)	(6,982,296)
Business-type activities	(462,235)	(521,406)	(641,647)	(664,582)	(933,144)	(1,344,754)	(1,417,468)	(1,282,026)	(949,216)	(1,117,562)
Total primary government net expenses	(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)	(8,099,858)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Taxes	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	5,192,668
Intergovernmental-motor vehicle in-lieu taxes, not restricted	690,854	573,859								
Unrestricted grants and contributions	703,520	711,961	731,767	730,516	761,705	778,936	756,417	701,521	677,767	608,967
Investment earnings	102,573	57,807	137,382	244,005	335,851	324,132	197,705	105,878	80,746	82,271
Miscellaneous	136,702	186,406	130,904	171,049	259,357	229,810	142,075	132,856	129,963	134,827
Special Item - Contribution of Disney Hall			188,493		267,473					
Extraordinary Items - Net assets transferred to private-purpose trust fund										(6,282)
Transfers (Net)	(538,115)	(712,834)	(686,549)	(989,117)	(1,049,213)	(1,152,946)	(1,011,862)	(895,250)	(859,079)	(818,923)
Subtotal governmental activities	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	5,193,528
Business-type activities:										
Taxes	2,772	2,845	701	743	3,782	4,405	4,453	4,415	4,265	4,382
Unrestricted grants and contributions	32	32	34	34	35	37	37	143	41	51
Investment earnings	4,373	1,452	6,416	9,703	18,043	14,073	9,844	2,693	2,142	1,770
Miscellaneous	58,403	53,401	54,103	58,804	50,443	24,950	25,758	35,463	28,232	21,657
Transfers (Net)	538,115	712,834	686,549	989,117	1,049,213	1,152,946	1,011,862	895,250	859,079	818,923
Subtotal business-type activities	603,695	770,564	747,803	1,058,401	1,121,516	1,196,411	1,051,954	937,964	893,759	846,783
Total primary government	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	6,040,311
Changes in Net Assets										
Government activities	(239,787)	382,829	1,027,683	880,804	1,335,061	(313,582)	(786,842)	(1,005,252)	(836,849)	(1,788,768)
Business-type activities	141,460	249,158	106,156	393,819	188,372	(148,343)	(365,514)	(344,062)	(55,457)	(270,779)
Total primary government	$ (98,327)	631,987	1,133,839	1,274,623	1,523,433	(461,925)	(1,152,356)	(1,349,314)	(892,306)	(2,059,547)

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

	(1) 2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11 (3)	2011-12
General Fund										
Reserved for:										
Encumbrances	$ 316,118	289,174	333,499	352,523	415,001	532,752	368,798	373,511		
Inventories	33,230	29,843	39,713	42,562	42,561	43,906	46,486	44,279		
Assets unavailable for appropriation	33,410	31,548	27,415	26,970	20,718	20,808	124,567	366,638		
Total Reserved Balance	382,758	350,565	400,627	422,055	478,280	597,466	539,851	784,428		
Unreserved, designated for:										
Budget uncertainties	414,054	359,649	496,672	375,511	338,192	292,113				
Program expansion	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	646,165	878,156	909,076	793,812	1,366,839	1,624,335	1,655,388	1,592,484		
Total Unreserved Balance	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	259,597
Restricted									35,377	55,115
Committed										332,255
Assigned									763,038	405,285
Unassigned									1,664,901	1,589,699
Total General Fund	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	2,641,951
All Other Governmental Funds (2)										
Reserved for:										
Encumbrances	339,018	297,961	372,272	414,475	379,556	384,475	391,728	383,683		
Inventories	40,854	55,180	46,740	49,424	44,936	45,426	42,965	44,039		
Housing programs	2,260	2,260	2,079	2,117	1,662	1,167	1,618	2,026		
Debt service	236,921	231,438	259,493	508,379	467,444	447,088	447,866	448,391		
Endowments & annuities	3,541	3,315	3,339	3,332	3,380	3,455	3,019	2,826		
Assets unavailable for appropriation	31,606	34,244	34,017	46,872	32,638	53,218	16,152	15,484		
Total Reserved Balance	654,200	624,398	717,940	1,024,599	929,616	934,829	903,348	896,449		
Unreserved, designated for:										
Special revenue funds	186,612	190,899	242,539	309,291	441,196	572,711	641,311	731,996		
Unreserved, undesignated, reported in:										
Special revenue funds	556,258	622,391	610,336	792,856	835,998	931,013	991,162	1,096,078		
Capital projects funds	94,799	87,039	264,882	328,896	268,535	190,098	188,992	193,410		
Total Unreserved Balance	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	46,371
Restricted									3,173,112	3,181,643
Committed									111,363	125,838
Assigned									143,704	147,775
Total All Other Governmental Funds	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	3,501,627
Total Governmental Fund Balance	$ 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	6,143,578

Notes:

(1) 2002-03 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
CALIFORNIA

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

Revenues (by source)	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Taxes	$ 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	5,104,498
Licenses, permits and franchises	67,478	71,176	73,450	77,004	77,690	79,511	80,823	69,440	80,278	83,252
Fines, forfeitures and penalties	262,604	275,744	294,714	309,962	316,174	341,135	364,047	353,432	341,143	300,310
Revenue from use of money and property:										
Investment income	102,109	57,654	136,833	243,197	334,865	323,071	196,575	105,618	80,584	81,947
Rents and concessions	57,992	71,029	69,253	69,388	80,874	78,370	90,881	94,101	111,659	114,178
Royalties	300	299	408	615	594	978	1,073	1,006	1,285	3,446
Intergovernmental revenues:										
Federal	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	3,234,009
State	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	4,970,871
Other	107,337	113,576	122,674	121,532	154,116	170,405	183,787	169,268	162,385	131,217
Charges for services	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	2,207,558
Proceeds from property owners	8,123	73								
Miscellaneous	294,278	328,914	277,000	324,060	291,293	442,645	327,762	273,309	218,607	224,000
Total Revenues	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	16,455,286
Expenditures (by function)										
Current:										
General government	652,393	673,950	664,670	778,406	871,304	934,641	963,275	877,098	898,099	999,962
Public protection	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	5,649,097
Public ways and facilities	287,853	229,546	247,314	287,544	271,904	318,468	309,264	332,036	340,886	324,449
Health and sanitation	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	2,840,532
Public assistance	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	5,252,926
Education	74,013	79,285	85,066	92,105	99,115	105,684	115,315	107,963	110,550	109,159
Recreation and cultural services	225,329	231,210	226,768	247,845	265,029	272,028	302,988	300,199	302,924	299,663
Debt services:										
Principal **(2)**	283,694	294,104	357,405	420,369	330,824	239,916	200,175	196,941	218,856	186,951
Interest and other charges	206,119	182,385	181,948	126,030	211,386	259,254	220,467	246,461	269,895	110,998
Capital outlay	99,710	48,536	31,384	67,717	48,897	188,090	75,494	32,799	101,592	176,197
Total Expenditures	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	15,949,934
Excess of Revenues over Expenditures	592,971	903,653	1,189,410	1,594,546	1,389,383	1,392,627	894,917	869,689	774,180	505,352
Other Financing Sources (Uses)										
Transfers in	295,168	303,956	416,981	516,492	540,377	602,352	527,231	565,138	639,472	719,565
Transfers out	(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)	(1,542,578)
Issuance of debt			7,700	389,423	326,245	3,000		36,977	326,363	192,281
Refunding bonds issued	160,325		434,471			94,315				50,675
Payment to refunded bonds escrow agent	(160,325)		(434,471)		(320,995)	(94,315)				
Bond premium proceeds	8,513		37,629		14,566					
Proceeds for capital leases	21,480	28,312	7,329	22,533	818	98,168	880	2,333	43,523	15,128
Sales of capital assets	2,023	7,765	6,828	12,636	3,816	4,099	6,145	2,235	17,732	4,733
Total other financing sources (uses)	(504,678)	(680,798)	(627,931)	(563,052)	(1,027,514)	(1,045,066)	(1,006,377)	(847,576)	(483,220)	(560,196)
Special Item-Proceeds from sale of receivables			188,493							
Extraordinary Item - Net assets transferred to private-purpose trust fund										(6,282)
Net change in fund balance	$ 88,293	222,855	749,972	1,031,494	361,869	347,561	(111,460)	22,113	290,960	(61,126)
Debt service as a percentage of noncapital expenditures **(1)**	4.23%	4.07%	4.48%	4.29%	4.03%	3.44%	2.81%	2.91%	3.17%	1.92%

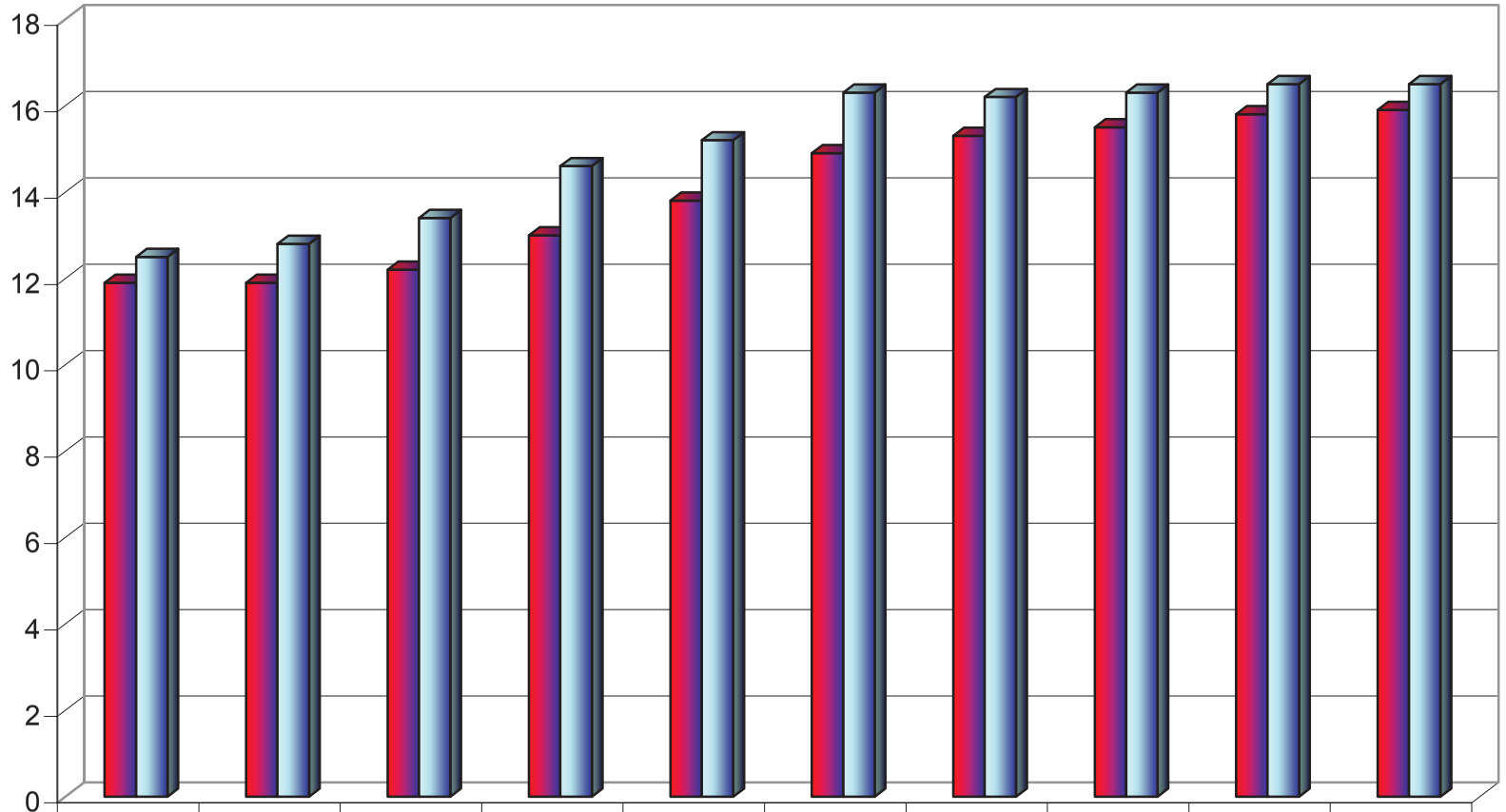
Note:

(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.

(2) Includes principal amounts for capital leases, previously reported as a separate line item. Capital lease interest is included in Interest and other charges.

Amount from GW to FB reconciliation for Capital Outlay	$ 296,788	184,681	197,261	272,525	400,933	356,061	349,363	234,040	366,201	457,331

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



	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12
Expenditures	11.9	11.9	12.2	13.0	13.8	14.9	15.3	15.5	15.8	15.9
Revenues	12.5	12.8	13.4	14.6	15.2	16.3	16.2	16.3	16.5	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
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%
2011 - 2012	1,058,615,951	48,214,334	12,950,932	(49,248,993)	1,070,532,224	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
PROPERTY TAX RATES
DIRECT AND OVERLAPPING RATES FOR TAX AREA #4 (UNAUDITED)
LAST TEN FISCAL YEARS

Fiscal Year	County of Los Angeles County Wide Ad Valorem Tax	Overlapping Rates: Los Angeles County Detention Facilities (1)	Overlapping Rates: Flood Control Districts (1)	Overlapping Rates: Los Angeles City Tax District No. 1	Overlapping Rates: School Districts	Overlapping Rates: Metropolitan Water District	Total Direct and Overlapping Rates
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
2011 - 2012	1.00000	.000000	.000000	.038666	.203483	.003700	1.245849

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 11,969 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 TAXPAYERS (UNAUDITED)
CURRENT YEAR AND NINE YEARS AGO
JUNE 30, 2012 AND JUNE 30, 2003 (in thousands)

	2012		(1)	2003		(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.	$ 5,176,229	1	0.51%	$ 2,835,845	2	0.46%
Douglas Emmett Residential	3,195,861	2	0.31%	1,682,473	5	0.27%
BP West CoBP West Coast/ARCO/Shell Oil Co.	2,378,646	3	0.23%			
Maguire Properties	2,284,242	4	0.22%			
Verizon/MCI Communications Services, Inc.	1,930,750	5	0.19%	1,679,106	6	0.27%
Chevron USA Inc/Texaco	1,908,995	6	0.19%	2,137,087	3	0.35%
AT&T/Pacific Bell/SBC	1,765,521	7	0.17%			
Trizec Wilshire Center LLC	1,707,153	8	0.17%			
Exxon/Mobil Corporation	1,636,074	9	0.16%	1,621,765	7	0.26%
Southern California Gas Co.	1,614,617	10	0.16%	1,549,124	8	0.25%
Pacific Bell				2,868,959	1	0.47%
Atlantic Richfield Co.				1,861,727	4	0.30%
Arden Realty LTD Partnership				1,291,472	9	0.21%
Tosco Corporation				1,136,429	10	0.18%
Total	**$ 23,598,088**		**2.31%**	**$ 18,663,987**		**3.02%**

Note:
(1) See schedule "Assessed Value & Actual Value of Taxable Property." Total assessed value, $1,022,317,890 as of June 30, 2012 is based on Secured $1,058,615,951 plus Unitary $12,950,932 less exemptions of $49,248,993. Total assessed value, $616,469,518 as of June 30, 2003 is based on Secured $632,815,105 plus Unitary $12,357,025 less exemptions of $28,702,612 (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
2002 - 2003	$ 7,415,691	$ 7,182,974	96.9%	$ 196,198	$ 7,379,172	99.5%
2003 - 2004	8,241,631	8,031,587	97.5%	181,349	8,212,936	99.7%
2004 - 2005	8,895,871	8,655,953	97.3%	212,690	8,868,643	99.7%
2005 - 2006	9,582,359	9,322,047	97.3%	248,594	9,570,641	99.9%
2006 - 2007	10,632,956	10,213,017	96.1%	408,250	10,621,267	99.9%
2007 - 2008	11,475,303	10,905,099	95.0%	564,749	11,469,848	100.0%
2008 - 2009	12,317,105	11,751,840	95.4%	523,635	12,275,475	99.7%
2009 - 2010	12,457,417	12,047,862	96.7%	337,971	12,385,833	99.4%
2010 - 2011	12,651,611	12,344,040	97.6%	173,144	12,517,184	98.9%
2011 - 2012	12,822,884	12,556,003	97.9%	(2)	12,556,003	97.9%

Note:
(1) Reflects property taxes levied in prior years but collected in the current year.
(2) No amounts are shown in FY 2011-12 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
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
2011-12		170,725	863,211	563,381	172,662	32,259	(25,949)		190,746

	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)
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	0.62%	271
2011-12	24	530,627	235,767	3,850			2,737,303	0.62%	275

Notes:
(1) Details regarding the County's outstanding debt can be found in the notes to the financial statements.
(2) See the "Demographic and Economic 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
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
2011-12	9,960	1,070,532,224		.000000	0.0000

Notes:
(1) See "Demographic & Economic Statistics" table for population and "Assessed Value and Actual Value of Taxable Property" 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, 2012

2011-12 Net Assessed Valuation		$	1,070,532,224,196	
Redevelopment Incremental Valuation			137,535,643,001	
Full Cash Value (2011-12)			932,996,581,195	**(1)**
Population - (2012)			9,959,800	**(2)**
	Percent Applicable		Debt June 30, 2012	
DIRECT TAX AND ASSESSMENT DEBT:				
Los Angeles County Flood Control District	100	$	37,195,000	
Subtotal Direct Tax and Assessment Debt		$	37,195,000	
OVERLAPPING TAX AND ASSESSMENT DEBT:				
Metropolitan Water District	47.874	$	94,093,953	
Los Angeles Community College District	100		3,504,910,000	
Other Community College Districts	Various **(3)**		2,010,225,880	
Arcadia Unified School District	100		169,484,793	
Beverly Hills Unified School District	100		180,084,540	
Glendale Unified School District	100		170,984,986	
Long Beach Unified School District	100		536,652,292	
Los Angeles Unified School District	100		11,279,905,000	
Pasadena Unified School District	100		271,585,000	
Pomona Unified School District	100		206,818,331	
Santa Monica-Malibu Unified School District	100		221,815,034	
Torrance Unified School District	100		194,008,533	
Other Unified School Districts	Various **(3)**		2,827,877,151	
High School and School Districts	Various **(3)**		1,478,182,151	
City of Los Angeles	100		1,215,615,000	
City of Los Angeles Special Tax Lease Revenue Bonds	100		39,340,000	
City of Industry	100		146,695,000	
Other Cities	100		84,065,000	
Palos Verdes Library District	100		5,575,000	
Community Facilities Districts	100		813,597,204	
Los Angeles County Regional Park & Open Space Assessment District	100		170,725,000	**(4)**
1915 Act and Benefit Assessment Bonds - Estimate	100		136,299,858	
Subtotal Overlapping Tax and Assessment Debt		$	25,758,539,706	
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$	25,795,734,706	
DIRECT GENERAL FUND OBLIGATION DEBT:				
Los Angeles County General Fund Obligations	100	$	1,474,122,758	**(5)**
Subtotal Direct General Fund Obligation Debt		$	1,474,122,758	
OVERLAPPING GENERAL FUND OBLIGATION DEBT:				
Los Angeles County Office of Education Certificates of Participation	100	$	11,269,678	
Community College District Certificate of Participation	Various **(6)**		56,403,701	
Baldwin Park Unified School District Certificates of Participation	100		52,950,000	
Compton Unified School District Certificates of Participation	100		28,625,000	
Los Angeles Unified School District Certificates of Participation	100		419,851,037	
Pomona Unified School District Certificates of Participation	100		28,960,000	
Other Unified School District Certificates of Participation	Various **(6)**		150,030,511	

Continued . . . .

COUNTY OF LOS ANGELES
ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT (UNAUDITED) - Continued
JUNE 30, 2012

High School and School District General Fund Obligations	Various **(6)**		155,841,390
City of Beverly Hills General Fund Obligations	100		205,410,000
City of Los Angeles General Fund & Judgment Obligations	100		1,954,450,000
City of Long Beach General Fund Obligations	100		203,590,000
City of Long Beach Pension Obligations	100		54,520,000
City of Pasadena General Fund Obligations	100		487,496,705
City of Pasadena Pension Obligations	100		144,687,765
Other Cities' General Fund Obligations	100		1,338,582,613
Los Angeles County Sanitation Districts General Fund Obligations	100		292,005,646
Subtotal Overlapping General Fund Obligation Debt		$	5,584,674,046
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT		$	7,058,796,804
Less: Los Angeles County Lease Revenue Bonds supported by landfill revenues			(16,698,164)
Los Angeles Unified School District Qualified Zone Academy Bonds supported by investments funds			(4,409,000)
Cities' self-supporting bonds			(180,098,544)
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT		$	6,857,591,096
GROSS COMBINED TOTAL DEBT		$	32,854,531,510 **(7)**
NET COMBINED TOTAL DEBT		$	32,653,325,802
TOTAL GROSS DIRECT DEBT		$	1,511,317,758
TOTAL NET DIRECT DEBT		$	1,494,619,594
TOTAL GROSS OVERLAPPING DEBT		$	31,343,213,752
TOTAL NET OVERLAPPING DEBT		$	31,158,706,208
RATIOS TO 2011-12 NET ASSESSED VALUATION			
Total Overlapping Tax and Assessment Debt			2.41%
RATIOS TO FULL CASH VALUE			
Gross Combined Direct Debt ($1,511,317,758)			0.16%
Net Combined Direct Debt ($1,494,619,594)			0.16%
Gross Combined Total Debt			3.52%
Net Combined Total Debt			3.50%
STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/12:			0

Notes:

(1) This balance Is reduced by homowners exemptions of $8,116,759,497.

(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 and tax allocation bonds and non-bonded capital lease 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)

	(1)	(2)		(3)	
Fiscal Year	Assessed Value	Legal Debt Limit	Total net applicable debt	Legal Debt Margin	Legal Debt Margin/ Debt Limit
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%
2011 - 2012	1,070,532,224	13,381,653		13,381,653	100.00%

COMPUTATION OF LEGAL DEBT MARGIN

June 30, 2012

Assessed valuation (net taxable)	$ 1,070,532,224
Applicable percentage in computing capacity	1.25%
Total debt limit	$ 13,381,653
Less: Total net applicable debt	
Legal debt margin, June 30, 2012	$ 13,381,653

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				
	Revenue	Debt Service		Total	
Fiscal Year	Collected	Principal	Interest	Debt Service	Coverage
2002-03	$ 30,750,213	$ 9,575,000	$ 4,936,231	$ 14,511,231	2.12
2003-04	33,509,651	10,175,000	4,319,043	14,494,043	2.31
2004-05	34,615,641	10,810,000	3,649,750	14,459,750	2.39
2005-06	**(1)**	50,745,000	1,649,212	52,394,212	0.00
2006-07	**(1)**				
2007-08	**(1)**				
2008-09	**(1)**				
2009-10	**(1)**				
2010-11	**(1)**				
2011-12	**(1)**				

	Regional Park and Open Space Special Assessment Bond				
	Special Assessment	Debt Service		Total	
Fiscal Year	Collection	Principal	Interest	Debt Service	Coverage
2002-03	$ 78,433,000	$ 17,560,000	$ 21,184,476	$ 38,744,476	2.02
2003-04	78,875,000	18,525,000	20,183,154	38,708,154	2.04
2004-05	79,907,000	19,565,000	15,385,183	34,950,183	2.29
2005-06	78,580,000	23,980,000	17,150,338	41,130,338	1.91
2006-07	78,930,000	21,475,000	16,020,653	37,495,653	2.11
2007-08	78,613,000	34,240,000 **(3)**	16,867,000	51,107,000	1.54
2008-09	79,140,000	23,120,000	12,821,950	35,941,950	2.20
2009-10	80,130,000	24,215,000	11,691,825	35,906,825	2.23
2010-11	80,152,000	25,375,000	10,514,544	35,889,544	2.23
2011-12	79,484,000	26,560,000	9,270,388	35,830,388	2.22

	Calabasas Landfill Bond Fees				
	Revenue	Debt Service		Total	
	Collected	Principal	Interest	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	713,746	1,735,000	1,424,409	3,159,409	0.23
2011-12 **(2)**	679,673	1,860,000	1,359,346	3,219,346	0.21

Notes:
(1) Optional Redemption occurred on 7/1/05 using Reserve and remaining Sinking Funds.
(2) Gross operating revenues were $10,373,397 less operating expenses $9,693,724 to arrive at net available revenue of $679,673.
(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 *
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	9,920 (3)	431,100,000 (3)	43,458	1,590	12.2% (3)
2012	9,960 (3)	444,200,000 (3)	44,598	1,575	11.5% (3)

Notes:
(1) Amounts shown are in actual dollars (not thousands).
(2) Public school enrollment.
(3) Amount is a projection as of February 2012.

Sources:
* Los Angeles Economic Development Corporation Economic Forecast: website address: www.laedc.com
** California Department of Education website address: www.cde.ca.gov.

COUNTY OF LOS ANGELES
TEN LARGEST INDUSTRIES **(1)**
CURRENT YEAR AND NINE YEARS AGO

Industry	June 30, 2012 Number of Employees	Rank	Percentage of Total	June 30, 2003 Number of Employees	Rank	Percentage of Total
Trade, Transportation and Utilities	750,300	1	17.51%	771,800	1	17.53%
Government	573,100	2	13.37%	610,400	2	13.87%
Professional & Business Services	558,600	3	13.03%	560,500	3	12.73%
Educational & Health Services	538,300	4	12.56%	457,300	5	10.39%
Leisure & Hospitality	412,200	5	9.62%	368,000	6	8.36%
Manufacturing	361,200	6	8.43%	503,800	4	11.45%
Financial Activities	214,800	7	5.01%	239,000	7	5.43%
Information	200,200	8	4.67%	193,700	8	4.40%
Other Services	136,400	9	3.18%	147,200	9	3.35%
Construction	111,200	10	2.59%	135,300	10	3.07%
Ten largest industries	3,856,300		89.97%	3,987,000		90.58%
All other industries	430,100		10.03%	414,600		9.42%
Total industries	4,286,400		100.00%	4,401,600		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)**	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
General Government	11,063	11,201	10,915	11,018	11,185	11,692	11,605	11,100	10,831	10,680
Public Protection **(3)**	38,175	37,688	37,065	38,049	39,528	41,560	42,583	36,378	35,428	35,433
Health and Sanitation	27,056	26,079	26,322	26,717	27,072	27,395	27,345	26,826	26,133	26,029
Public Assistance	19,310	19,048	19,132	19,540	20,329	20,867	20,940	20,665	20,280	20,043
Education	1,706	1,722	1,722	1,828	1,871	1,878	1,829	1,622	1,481	1,431
Recreation and Cultural Services	2,406	2,388	2,324	2,393	2,649	2,977	3,075	2,861	2,761	2,812
Total	99,716	98,126	97,480	99,545	102,634	106,369	107,377	99,452	96,914	96,428

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.
(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)**	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12 Estimated
General Government										
Assessor - Number of re-appraisable transfers processed	239,501	243,472	242,036	221,858	168,592	148,999	153,807	164,464	158,643	149,864
Auditor Controller - Number of warrants issued monthly **(1)**	415,317	400,928	389,807	360,394	235,336	239,750	254,316	221,097	220,649	206,058
Registrar Recorder - Number of registered voters	3,808,679	3,682,950	4,075,352	3,748,128	5,323,698	5,663,074	5,880,094	7,963,267	5,877,366	6,026,350
Public Protection										
Sheriff - Inmate population **(10)**	17,400	17,400	17,900	19,000	19,300	19,600	19,300	18,000	15,300	16,600
Sheriff - Crime rate total **(2)**	315.98	315.68	304.50	297.89	299.51	302.20	290.65	249.44	246.84	252.13
Probation - Juvenile halls/camps population **(11)**	3,700	3,600	3,600	3,500	4,000	4,000	2,800	2,600	2,385	2,354
Health and Sanitation										
Health Services - Average daily inpatient census **(12)**	1,719	1,568	1,506	1,493	1,415	1,317	1,293	1,313	1,321	1,278
Health Services - Outpatient visits **(13)**	2,731,000	2,587,000	2,606,000	2,656,000	2,665,000	2,631,000	2,710,000	2,817,000	2,951,000	2,921,000
Mental Health - Number of outpatient services to children and youth **(3)**	67,530	42,820	51,086	55,725	51,016	53,115	57,518	61,835	62,732	69,708
Public Assistance										
Children and Family Services - Child protective services caseloads **(14)**	592,600	532,300	521,700	527,100	531,500	518,700	479,900	498,100	521,600	528,100
Children and Family Services - Adoption caseloads	38,700	32,200	32,600	21,200	22,300	23,500	24,300	24,800	24,500	24,000
Public Social Services - Average persons aided monthly thru CalWorks **(4)**	466,200	432,900	415,300	388,700	358,200	351,300	369,700	409,100	442,200	449,900
Public Social Services - Average number of indigents aided monthly	64,800	64,700	66,000	63,400	59,000	62,900	74,900	91,700	106,600	109,100
Community and Senior Services - Number of vulnerable adults served	23,355	24,513	25,766	25,518	26,450	27,671	27,828	28,779	30,654	33,187
Education										
Public Library - Number of items which circulate to the public **(8)**	15,912,865	15,020,945	14,211,255	14,566,536	15,000,000	15,000,000	10,926,000	6,817,165	6,795,552	6,788,216
Recreation and Culture										
Museum of Art - Total education program participants **(5)**	207,975	258,171	225,386	250,866	200,103	305,645	326,922	307,121	423,560	487,297
Museum of Natural History - Annual attendance **(6)**	923,834	934,636	914,426	867,138	859,569	874,725	873,230	858,297	933,588	1,162,231
Parks and Recreation - Total passive and active park users **(7)**	9,611,000	8,099,699	9,246,000	9,468,000	10,713,000	11,058,046	10,309,706	11,405,713	11,020,797	11,290,652

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.

(14) Fiscal Year 2008-09 and 2009-10 figures have been revised from previous publications.

Sources:

2009-2010, 2010-2011, 2011-2012 Proposed Budget Books and Departments

COUNTY OF LOS ANGELES
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM (UNAUDITED)
LAST TEN FISCAL YEARS

Function/Program (1)	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Public Protection										
Animal Shelters	7	7	7	7	6	6	6	6	6	6
Public ways and facilities										
Mileage of maintained County roads	3,131	3,164	3,170	3,179	3,198	3,213	3,217	3,219	3,219	3,218
Miles of unincorporated County bikeways	134	134	135	139	141	141	145	145	148	148
Airports	5	5	5	5	5	5	5	5	5	5
Dams	15	15	15	15	15	15	14	14	14	14
Storm drains, in miles	2,732	2,754	2,777	2,782	2,865	2,800	2,972	3,010	3,070	3,100
Pump stations	40	45	45	45	45	45	45	45	45	48
Health and Sanitation										
Hospitals	6	5	5	5	5	4	4	4	4	4
Health centers	22	18	18	18	18	18	18	18	18	17
Education										
Libraries	84	84	84	84	84	84	85	85	85	84
Bookmobiles	5	5	5	5	4	4	4	5	5	4
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	20	20	20	20	17	17	14	14
Boat Slips	6,000	5,246	5,246	5,246	5,246	4,796	4,832	4,800	4,700	4,700

Note:
(1) No capital asset indicators are available for the General Government or Public Assistance functions.

Source:
2011-12 County of Los Angeles Annual Report, 2012-13 Recommended Budget book, Department of Public Works website, Sheriff's Department website and Department of Health Services website.