

REVENUE EXPENSES
GROWTH SERVICES DEPARTMENTS FINANCES OFFICES
BUSINESS
LA CONTROLLER
FINANCIAL
METRICS TAXES
BUDGET CASH PERFORMANCE
GROWTH PUBLIC
EXPENDITURES OPERATIONS FISCAL BONDS
COMPREHENSIVE

City of Los Angeles

Comprehensive Annual Financial Report

Fiscal Year ended June 30, 2015



RON | GALPERIN

Los Angeles City Controller

LAController.org



City of Los Angeles California



Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2015

Prepared by the Office of the Controller
Ron Galperin, City Controller

CITY OF LOS ANGELES CALIFORNIA

Comprehensive Annual Financial Report

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CITY OF LOS ANGELES
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2015

TABLE OF CONTENTS

INTRODUCTORY SECTION

LETTER OF TRANSMITTAL L-1
ORGANIZATIONAL CHART i
CITY OFFICIALS..... ii
CITY CONTROLLER iii
GFOA CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING iv

FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT..... 1
MANAGEMENT’S DISCUSSION AND ANALYSIS (REQUIRED SUPPLEMENTARY INFORMATION)..... 5

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

STATEMENT OF NET POSITION 35
STATEMENT OF ACTIVITIES 36

FUND FINANCIAL STATEMENTS

BALANCE SHEET- GOVERNMENTAL FUNDS 37
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION 39
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS 40
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES 42
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) – GENERAL FUND..... 43
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) –
SOLID WASTE RESOURCES SPECIAL REVENUE FUND..... 44
STATEMENT OF NET POSITION – PROPRIETARY FUNDS..... 46
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION – PROPRIETARY FUNDS..... 50
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS..... 52
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS..... 56

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS 57

NOTES TO THE BASIC FINANCIAL STATEMENTS (INDEX PAGE 58)..... 59

REQUIRED SUPPLEMENTARY INFORMATION

BENEFIT PENSION PLANS, SCHEDULE OF EMPLOYER CONTRIBUTIONS..... 223

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS.....224

ACTUARIAL METHODS AND ASSUMPTIONS USED TO DETERMINE EMPLOYER CONTRIBUTION RATES.....227

OTHER POSTEMPLOYMENT BENEFITS HEALTHCARE PLANS – SCHEDULE OF FUNDING PROGRESS..... 228

CONDITION RATING FOR CITY BRIDGES..... 229

COMPARISON OF NEEDED-TO-ACTUAL MAINTENANCE/PRESERVATION COSTS 230

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

COMBINING BALANCE SHEET- OTHER GOVERNMENTAL FUNDS 232

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – OTHER GOVERNMENTAL FUNDS 233

GENERAL FUND

SUPPLEMENTAL SCHEDULE OF BUDGET APPROPRIATIONS, EXPENDITURES AND OTHER FINANCING USES BY FUNCTION – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)..... 235

SUPPLEMENTAL SCHEDULE OF BUDGET APPROPRIATIONS, EXPENDITURES AND OTHER FINANCING USES BY FUNCTION AND OBJECT – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) 237

SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET- NONMAJOR SPECIAL REVENUE FUNDS 246

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS 251

COMBINING BUDGETARY COMPARISON SCHEDULE (NON-GAAP BUDGETARY BASIS) ANNUALLY BUDGETED NONMAJOR SPECIAL REVENUE FUNDS 256

RECONCILIATION OF OPERATIONS ON BUDGETARY BASIS TO THE GAAP BASIS NONMAJOR SPECIAL REVENUE FUNDS 298

SUPPLEMENTAL SCHEDULE OF BUDGET APPROPRIATIONS, EXPENDITURES AND OTHER FINANCING USES BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) – ALL BUDGETED SPECIAL REVENUE FUNDS..... 299

DEBT SERVICE FUNDS

COMBINING BALANCE SHEET- NONMAJOR DEBT SERVICE FUNDS 306

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR DEBT SERVICE FUNDS 308

COMBINING BUDGETARY COMPARISON SCHEDULE (NON-GAAP BUDGETARY BASIS) ANNUALLY BUDGETED NONMAJOR DEBT SERVICE FUNDS 310

RECONCILIATION OF OPERATIONS ON BUDGETARY BASIS TO THE GAAP BASIS NONMAJOR DEBT SERVICE FUNDS 324

CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET- NONMAJOR CAPITAL PROJECTS FUNDS.....	326
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR CAPITAL PROJECTS FUNDS.....	328
COMBINING BUDGETARY COMPARISON SCHEDULE (NON-GAAP BUDGETARY BASIS) ANNUALLY BUDGETED NONMAJOR CAPITAL PROJECTS FUNDS.....	330
RECONCILIATION OF OPERATIONS ON BUDGETARY BASIS TO THE GAAP BASIS NONMAJOR CAPITAL PROJECTS FUNDS.....	333
SUPPLEMENTAL SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND OTHER FINANCING USES BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) – ALL BUDGETED CAPITAL PROJECTS FUNDS.....	334

FIDUCIARY FUNDS

COMBINING STATEMENT OF FIDUCIARY NET POSITION – PENSION AND OTHER POSTEMPLOYMENT BENEFITS TRUST FUNDS.....	336
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – PENSION AND OTHER POSTEMPLOYMENT BENEFITS TRUST FUNDS.....	337
COMBINING STATEMENT OF FIDUCIARY NET POSITION – PENSION TRUST FUNDS	338
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – PENSION TRUST FUNDS.....	339
COMBINING STATEMENT OF FIDUCIARY NET POSITION – OTHER POSTEMPLOYMENT BENEFITS TRUST FUNDS	340
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – OTHER POSTEMPLOYMENT BENEFITS TRUST FUNDS	341
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES – AGENCY FUNDS	342
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES – AGENCY FUNDS.....	343

STATISTICAL SECTION**FINANCIAL TRENDS**

NET POSITION BY CATEGORY, ACCRUAL BASIS OF ACCOUNTING, LAST TEN FISCAL YEARS	346
CHANGES IN NET POSITION, ACCRUAL BASIS OF ACCOUNTING, LAST TEN FISCAL YEARS.....	348
FUND BALANCES – GOVERNMENTAL FUNDS MODIFIED ACCRUAL BASIS OF ACCOUNTING, LAST TEN FISCAL YEARS.....	352
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS MODIFIED ACCRUAL BASIS OF ACCOUNTING, LAST TEN FISCAL YEARS.....	354
TAX REVENUES BY SOURCE – GOVERNMENTAL FUNDS MODIFIED ACCRUAL BASIS OF ACCOUNTING, LAST TEN FISCAL YEARS.....	356

REVENUE CAPACITY

ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY, LAST TEN FISCAL YEARS	359
DIRECT AND OVERLAPPING PROPERTY TAX RATES, TAX RATE AREA NO. 4, LAST TEN FISCAL YEARS.....	360

**TEN LARGEST PROPERTY TAXPAYERS, SECURED ASSESSED VALUATION,
CURRENT AND NINE YEARS AGO 361**

PROPERTY TAX LEVIES AND COLLECTIONS, LAST TEN FISCAL YEARS 362

ENERGY SOLD BY TYPE OF CUSTOMER, POWER ENTERPRISE FUND, LAST TEN FISCAL YEARS 363

**AVERAGE NUMBER OF CUSTOMERS FOR ENERGY SALES,
POWER ENTERPRISE FUND, LAST TEN FISCAL YEARS..... 363**

DEBT CAPACITY

RATIOS OF OUTSTANDING DEBT BY TYPE, LAST TEN FISCAL YEARS 366

**RATIOS OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND PER CAPITA,
LAST TEN FISCAL YEARS 368**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT..... 369

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT MARGIN,
LAST TEN FISCAL YEARS 370**

PLEGGED REVENUE COVERAGE, LAST TEN FISCAL YEARS 372

DEMOGRAPHIC AND ECONOMIC INFORMATION

DEMOGRAPHIC AND ECONOMIC STATISTICS, LAST TEN FISCAL YEARS 375

PRINCIPAL EMPLOYERS (NON-GOVERNMENT), CURRENT YEAR AND NINE YEARS AGO 376

OPERATING INFORMATION

**NUMBER OF CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
FULL-TIME EQUIVALENT, LAST TEN FISCAL YEARS 378**

OPERATING INDICATORS BY FUNCTION/PROGRAM, LAST TEN FISCAL YEARS..... 382

CAPITAL ASSETS INFORMATION, GOVERNMENTAL ACTIVITIES, LAST TEN FISCAL YEARS..... 394

INTRODUCTORY SECTION



A word cloud graphic centered on the page. The most prominent words are 'LA', 'FINANCIAL', and 'CONTROLLER'. Other visible words include 'REVENUE', 'EXPENSES', 'GROWTH', 'SERVICES', 'BUSINESS', 'DEPARTMENTS', 'FINANCES', 'OFFICES', 'METRICS', 'TAXES', 'BUDGET', 'CASH', 'PERFORMANCE', 'PUBLIC', 'OPERATIONS', 'FISCAL', 'BONDS', 'EXPENDITURES', and 'COMPREHENSIVE'. The words are arranged in various orientations and sizes, creating a dense, professional-looking composition.



RON GALPERIN
CONTROLLER

February 5, 2016

Honorable Eric Garcetti, Mayor
Honorable Members of the Council of the City of Los Angeles
Citizens and Stakeholders of the City of Los Angeles

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Los Angeles (the City) for the fiscal year, which ended on June 30, 2015, in accordance with Section 216 of the City Charter. The CAFR is prepared in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

Macias Gini & O'Connell LLP, a firm of independent certified public accountants, audited the City's financial statements. The independent auditor expressed an opinion that the City's financial statements for the fiscal year 2015 are fairly stated in conformity with GAAP. This is the most favorable conclusion and is commonly known as an "unmodified" or "clean" opinion. The independent auditor's report is presented on pages 1 through 3.

Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. The management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse, and to ensure that adequate financial information is compiled to allow for the preparation of financial statements in conformity with GAAP. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from any material misstatements. I believe that the data presented is complete and reliable in all material respects.

The City is required to undergo an additional audit designed to meet the requirements of the Federal Single Audit Act of 1984 and the Single Audit Act Amendments of 1996, and related U.S. Office of Management and Budget (OMB) audit and grant guidance under Circular A-133, "Audits of States, Local Governments, Non-Profit Organizations" for grants received prior to December 26, 2014 and grant guidance under "Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards", which supersedes various OMB circulars, for all federal awards or funding increments to nonfederal entities on or after December 26, 2014.

Honorable Eric Garcetti, Mayor
Honorable Members of the Los Angeles City Council
Citizens and Stakeholders of the City of Los Angeles

The City implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27" for the first year. The statement's accounting and financial reporting standards apply to the City's defined benefit pensions. For the first time, the City recorded total and net pension liability.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The MD&A is designed to complement the basic financial statements and should be read in conjunction with the financial statements and the notes to the financial statements. The MD&A can be found immediately following the report of the independent auditor.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. This was the twentieth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. I believe our current report continues to conform to the Certificate of Achievement program requirements, and I am submitting it to GFOA to determine its eligibility for another certificate.

The professionalism, dedication, and efficiency of the entire staff of the Financial Analysis and Reporting Division of the Controller's Office made the preparation of this report possible. I would like to express my appreciation to other staff of the Office for their assistance and contribution. Credit also must be given to other professional contributors citywide.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ron Galperin". The signature is fluid and cursive, with a long horizontal stroke at the end.

RON GALPERIN
Los Angeles City Controller

LETTER OF TRANSMITTAL

The Comprehensive Annual Financial Report (CAFR) is published annually by the City Controller (Controller) on the City's financial condition and results of operations at the conclusion of the fiscal year. The CAFR is issued as part of the Controller's City Charter mandate to monitor and report on all matters relating to the City of Los Angeles' (City) fiscal health, keep the City's official financial records, and supervise expenditures of the City.

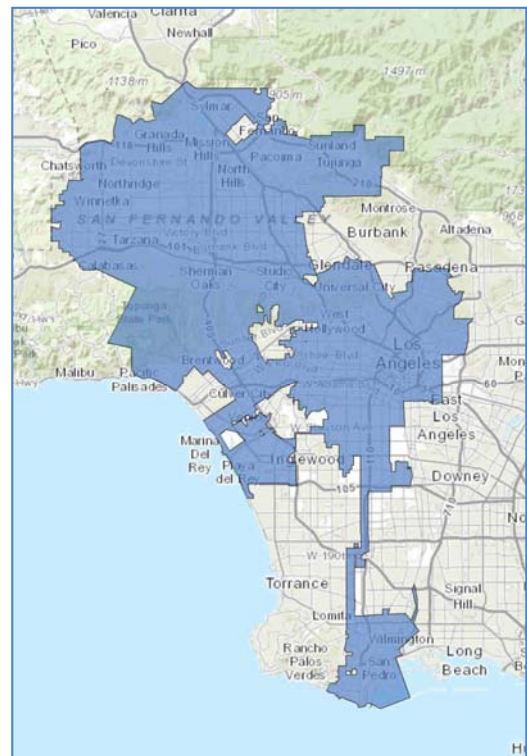
The CAFR contains three sections:

- Introductory - provides background and context to the information presented in the Financial section.
- Financial - contains the independent auditor's report, management's discussion and analysis, the basic financial statements, required supplementary information, the combining and individual fund statements, and the combining budgetary comparison schedule.
- Statistical - provides a history of selected financial trends, revenue capacity, debt capacity, demographic and economic, and operating information.

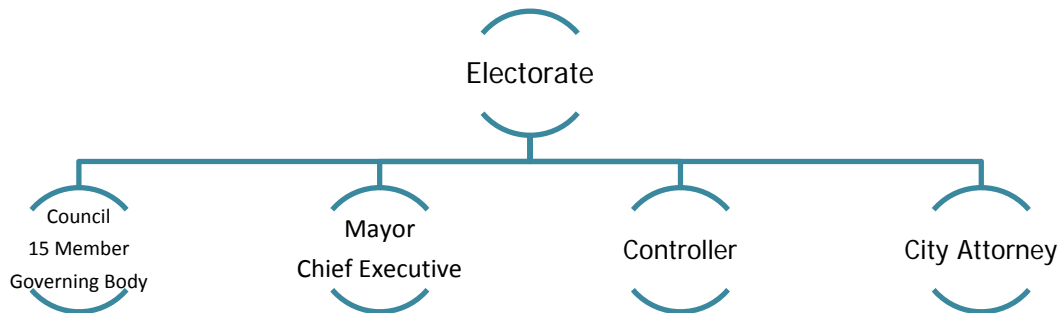
The Letter of Transmittal complements the CAFR as it provides context for the City's financial statements in presenting basic information on the profile of the government, local economy, financial management policies, and major initiatives of the City government.

I. Profile of the Government

The City of Los Angeles is the second most populous city in the nation, according to the California Department of Finance, with an estimated January 1, 2015 population of 3,957,022. It is home to 39% of the population of the County of Los Angeles (County) and 11.5% of the area of the County. With an area of 470 square miles, Los Angeles is located in the southern part of the State of California and is the principal city of a metropolitan region that stretches from the City of Ventura to the north, to the City of San Clemente to the south, and to the City of San Bernardino to the east. Founded in 1781, Los Angeles was for its first century a provincial outpost under a succession of Spanish, Mexican, and American rule. The City was incorporated in 1850 under the provisions of a city charter. The current Charter was approved by the electorate on June 8, 1999 and became operative on July 1, 2000.



The City operates under a mayor-council form of government. As Executive Officer, the Mayor supervises the administrative process of the City and works with the Council in matters relating to legislation, budget and finance. As governing body of the City, the 15-member full-time Council enacts ordinances, levies taxes, authorizes contracts and public improvements, adopts zoning and other land use contracts, and provides necessary resources for the budgetary departments and offices of the City. Council action is subject to the approval or veto of the Mayor, and Council may override a Mayoral veto by a two-thirds vote. The Charter provides for an independently elected City Attorney and independently elected City Controller.



The City has 36 departments, bureaus, commissions and offices for which operating funds are annually budgeted by the Council. In addition, four departments consisting of the Department of Water and Power, Harbor Department, Department of Airports, and the Housing Authority of the City (not included in the City's financial statements) are under the control of boards appointed by the Mayor and confirmed by Council. Two departments, the Los Angeles City Employees' Retirement System and the Fire and Police Pension System, are under the control of boards whose membership is comprised of Mayoral appointees and representatives elected by system members. The City's reporting entity also includes, as blended component units, the Los Angeles Convention and Exhibition Center Authority, the Los Angeles Harbor Improvement Corporation, and the Municipal Improvement Corporation of Los Angeles (MICLA).

Public services provided by the City include police; fire and paramedics; residential refuse collection and disposal; wastewater collection and treatment; street maintenance, traffic management, and other public works functions; enforcement of ordinances and statutes relating to building safety; public libraries; recreation and parks; economic and workforce development; community development; housing and aging services; community planning; airports; harbor; power and water services; and, convention center.

The annual budget serves as the foundation for the City's financial planning and control. The City maintains budgetary controls to ensure compliance with legal provisions represented in the budget and that expenditures do not exceed appropriated amounts. Expenditures are controlled by appropriations at the line item level within each department, consistent with the level set forth in the resolution adopting the annual operating budget. The City also maintains an encumbrance accounting system that controls spending based on the expenditure budget; composed of appropriations, allotments, or a combination of both.



II. Local Economy

The City and its surrounding metropolitan region have continued to experience growth in population and in economic diversity. Tourism and hospitality, professional and business services, direct international trade, entertainment including motion picture and television production, and wholesale trade and logistics all contribute significantly to local employment. Emerging industries are largely technology driven, and include biomedical, digital information technology, and environmental technology. Important components of local industry include apparel, computer and electronic components, transportation equipment, fabricated metal and food. Fueled by trade with Pacific Rim countries, the Port of Los Angeles handles the largest volume of containerized cargo of all U.S. ports and additionally ranks as number one by container volume in North America. Los Angeles International Airports (LAX) is the fifth busiest airport in the world and second in the United States. LAX ranks 14th in the world and fifth in the nation in air cargo tonnage with over two million tons of air cargo valued at nearly \$96.3 billion.

The Los Angeles County Economic Development Corporation (LAEDC) prepares key economic indicators for the County of Los Angeles which reflect overall period-to-period improvement for the region.

Selected Economic Indicators Los Angeles County

<u>Indicator</u>	<u>Period</u>	<u>Period Reading</u>	<u>Prior Year Reading</u>	<u>Year-to-Year Change</u>
Unemployment Rate (seasonally adjusted)	Dec-15	5.8%	7.5%	-1.7%
Nonfarm Employment (# of jobs)	Dec-15	4,414,900	4,321,200	2.2%
Port Container Traffic (TEUs)	Dec-15	1,222,725	1,225,804	-0.3%
Airport Passenger Traffic (# of passengers)	Nov-15	6,550,937	5,908,575	10.9%
Tourism (Revenue per available room)	Nov-15	\$137.07	\$131.48	4.3%
Industrial Vacancy Rates	Q3-15	2.5%	3.8%	-1.3%

Source: Los Angeles Economic Development Corporation – January 2016

According to the LAEDC 2016-2020 Fall Economic and Industry Outlook Forecast dated September 30, 2015, Los Angeles County has consistently outpaced the nation in job growth with most major industries adding jobs in the first part of 2015. Modest gain is expected in total personal income in 2016 with concurrent rise in local consumption as measured by total taxable sales. Median home sales price rose by 4.7% in July 2015 compared with a year earlier. Sales of homes increased 9.6% year-to-date through the first seven months of 2015, putting the market on track to surpass the 2014 total and match or surpass the 2013 sales total, which was the strongest year of the last eight years. New home construction acceleration is expected to continue in 2016.



III. Financial Policies

The City has adopted “Financial Policies for the City of Los Angeles” promoting good fiscal stewardship across a number of financial areas. Following are summaries of select financial policies and measures of the City’s recent compliance.

Reserve Fund Policy

The Reserve Fund Policy provides guidelines to ensure sufficient reserves are maintained for revenue shortfalls or unanticipated expenditures. The Reserve Fund policy established a goal of a Reserve Fund balance of five percent of General Fund revenues, of which a minimum of 2.75 percent is in the Emergency Reserve Account, and any additional funds allocated to the Contingency Reserve Account. In March 2011, voters approved Charter Amendment P, a measure that establishes the Reserve Fund’s Emergency and Contingency Reserve as Charter accounts.

The fiscal year-start adjusted Reserve Fund balance at July 1, 2015 was \$442.5 million or 8.18 percent of General Fund receipts anticipated in the 2015-16 Adopted Budget. This is 3.18 percent higher than the five percent set under the Reserve Fund policy, despite a \$60.3 million transfer from the Reserve Fund to the General Fund budget.

Budget Stabilization Fund Policy

The Budget Stabilization Fund (BSF), also established by Charter Amendment P, is designed to prevent overspending during prosperous years and provide resources to help maintain service levels during years of slow revenue growth or declining revenue. The BSF Policy sets aside an appropriation when the combined revenue growth of seven General Fund tax revenues (property tax, utility users’ tax, business tax, sales tax, transient occupancy tax, parking users’ tax, and documentary tax) is anticipated to exceed 3.4 percent. Conversely, withdrawal from the BSF may be used to offset shortfalls due to revenues lower than the 3.4 percent growth.

Based on the 2015-16 Adopted Budget, a straight calculation of the seven General Fund tax revenues in excess of 3.4 percent over the 2014-15 Adopted Budget results in \$119.4 million. However, \$26.9 million was transferred in the 2015-16 Adopted Budget based on adjustments for one-time revenues and the use of “excess” revenues to meet the Capital Assets Infrastructure policy in lieu of the BSF. The BSF fund balance is \$91.9 million or 1.7 percent of General Fund receipts anticipated in the 2015-16 Adopted Budget.

Capital Assets and Infrastructure Funding Policy

The Capital Assets and Infrastructure Funding (Capital Funding) Policy acknowledges the importance of maintaining the City’s capital assets on an ongoing basis to avoid major deferred maintenance and to extend the useful life of assets. The Capital Funding Policy requires that the City annually budget one percent of General Fund revenue to fund capital assets or infrastructure improvements. The 2015-2016 Adopted Budget includes \$74.7 million or 1.38 percent of the General Fund receipts to fund capital assets and infrastructure improvements including sidewalk repair, street resurfacing and reconstruction, and improvements to facilities.



One-Time Revenue Policy

The One-Time Revenue Policy requires that current operations are to be funded by current revenues. One-time revenues will only be used for one-time expenditures. The City will avoid using temporary revenues to fund ongoing programs or expenditures.

The 2015-16 Adopted Budget exceeds this one-to-one ratio by allocating all \$138 million in one-time revenues towards \$169 million in one-time expenditures in 2015-16. The largest component of one-time revenues is \$60 million in transfer from the Reserve Fund.

Debt Management Policy

The Debt Management Policy was developed to provide guidelines for the issuance of bonds and other forms of indebtedness to finance capital improvements, equipment acquisition and other items. These guidelines include a ceiling level for non-voter debt service of six percent of General Fund revenue and a total debt service cap of 15.0 percent of General Fund revenue.

The 2015-16 Budget ratio of non-voter debt service and total debt service as a percent of General Fund revenue are 4.46 percent and 6.98 percent respectively; both of which fall under the Debt Management Policy cap.

IV. Major Infrastructure Initiatives

A number of new major infrastructure initiatives are being undertaken by the City, including a selected few listed below.

- Slated for completion by the end of 2016, a biogas-fueled cogeneration plant is anticipated to supply 100 percent of the steam and electricity produced to power the City's Hyperion Water Reclamation Plant. The cogeneration plant will generate a cost-efficient, sustainable and resilient energy source that will reduce methane and carbon dioxide emissions. The methane captured from Hyperion's sewage treatment process will serve as the fuel source to produce electricity and supply steam for the plant.
- Airports is in the midst of a multi-billion dollar capital improvement program at LAX projected to last through 2019. Chief among the LAX modernization program are the Tom Bradley International Terminal modernization, replacement of the 50-year old Central Utility Plant with the first sustainable plant at a U.S. airport, refurbishment of escalators, elevators and moving walkways, terminal renovations and connectors, and construction of new in-line baggage handling and screening systems.
- The Port of Los Angeles has adopted a capital budget of \$263.2 million in fiscal year 2016 which includes \$198.8 million of direct costs of capital improvement, \$4.3 million for capital equipment and \$60.1 million in capitalized overhead and interest costs. Projects include terminal development, transportation and infrastructure public access/environmental enhancements, security improvements and maritime services.



- The City has prioritized key investments in infrastructure. Funding has been provided across multiple departments to meet the goal of maintaining 2,400 of the City's 28,000 lane miles; fixing 350,000 potholes and implementing software that will automate dispatch of field crews and enable digital tracking of pothole service requests, enabling real-time monitoring of pothole repair activities. The second year of a four-year conversion of inefficient lamp lights with 7,500 LED fixtures and installation of 15,000 remote monitoring units that will alert outage and monitor energy usage is to be the largest effort in the world. In addition, the City has committed to spending \$31 million a year on sidewalk repairs, totaling \$1.4 billion over 30 years pursuant to a legal settlement.
- The City has authorized a total project budget of \$470 million for the Los Angeles Convention Center expansion and modernization project after selection of a firm to engineer and design the project. The assigned City Council Committees are expected to take up the City Administrative Officer (CAO) report dated December 23, 2015 on various financing options and delivery methods, including Public-Private Partnership scenario, for the project.
- The City will install 100 Philips SmartPole streetlights equipped with energy-efficient LED lighting and 4G LTE wireless technology in the first year with 500 more installations over the next four years. Further, introduction of high-speed internet by Google Fiber and AT&T may lead to cheaper and faster Internet service. Google Fiber, a subsidiary of Google parent company Alphabet Inc., is in talks with the City on the feasibility of bringing its high-speed Internet service to Los Angeles. This follows on the heels of AT&T's planned expansion of ultra-fast fiber-optic network through AT&T GigaPowerSM. These partnerships would be complementary to CityLinkLA, a project to provide citywide Wi-Fi service.

V. Citywide Initiatives

The City has pursued the following selected initiatives to promote a prosperous, safer, livable and sustainable, and well-run city.

- As part of the City's efforts to address homelessness, the City has created the Homelessness and Poverty Committee. A Homelessness Coordinator position would be responsible for development of Comprehensive Homeless Strategy, a multi-year spending plan to reduce homelessness by using a number of funding sources with the goal of committing up to \$100 million of city accessible funds. To start, the City has allocated \$10 million to leverage Federal and State funds to build affordable housing and transferred \$13 million to the Los Angeles Homeless Services Authority for temporary housing and other critical services. A joint CAO and Chief Legislative Analyst report on Comprehensive Homeless Strategy dated January 7, 2016, will be considered by the Council Committee in the near future.



- The City plans expansion of the successful Police Department body camera pilot program to all 7,000 officers on field duty pending the procurement process and analysis of the infrastructure costs.
- Business tax reform continues with the reduction of the top tax rate in early 2015, to be phased in over three years beginning in the 2016 tax period, with an estimated total reduction of \$15 million in receipts each year for a cumulative \$45 million in the final year of the phase-in.
- The City is transitioning to a new franchise waste system for businesses and multi-family properties. *Zero Waste LA* established 11 collection zones consisting of 63,000 commercial accounts. The program aims to increase recycling, reduce street impacts, improve air quality, establish fair customer rates and offer better customer service.
- *Sustainable City pLAN* for Los Angeles sets a vision for transforming Los Angeles' environment, economy and equity for the next 20 years. Key investments include installation of solar power panels at the Convention Center, appointment of Chief Sustainability Officers in various departments, development of climate change strategies such as reducing energy use and utility bills and investment in energy and water efficiency upgrades that reduce energy usage for every department.
- The Controller's *MyPayLA* app, which allows City employees to access their paychecks on their smartphones, was cited by GovTech magazine as an example of how "Los Angeles is developing a new model for funding innovative ideas, leveraging private sector platforms to improve services, streamlining internal processes and closing the broadband gap." As part of ongoing efforts to providing open and transparent government, the Controller will soon launch Payroll Explorer, an online app that provides easy access to all City salaries.
- Through the Expanded Counter Plan Check program, the City's Department of Building and Safety (LADBS) engineers are now available for same-day, walk-in plan check services for small building projects that will enhance convenience and improve turnaround time for customers. This follows the launch of LADBS Go mobile app, which offers customers easy access to the most requested services from their smartphones.
- The City adopted an ordinance establishing a citywide minimum wage requiring employers to pay most employees working within the City a minimum wage of \$10.50 per hour starting on July 1, 2016 and increasing each year until July 1, 2020, when the minimum wage would reach \$15.00, with automatic increases in future years.



VI. Mayor's Top Priority Outcomes

The Mayor has committed to the development of a long-term financial plan as a roadmap to achieving priority outcomes that will weather the cyclical nature of the economy. Fiscal sustainability, maintenance of healthy reserves to guard against future crises, and improvement of services are key elements of the Mayor's plan consistent with the Controller's guiding principles delineated below. The plan will align with the priority items in departmental strategic plans and the 2016-2017 budget proposals are to reflect such alignment. The final step of Performance Budgeting, introduced in fiscal year 2014, will entail a feedback loop that includes evidence and evaluation.

The four over-arching Mayoral "Back to Basics" priority outcomes are as follows:

1. Make Los Angeles the best run big city in America;
2. Promote creation of good jobs for Angelenos all across Los Angeles;
3. Create a more livable and sustainable city;
4. Ensure our communities are the safest in the nation.

VII. Controller's Guiding Principles for Fiscal Health

As the City moves forward with its effort to achieve long-term fiscal sustainability and improvements in the areas of budgeting, strategic planning and municipal finance, the City Controller established the following Ten Guiding Principles to maintain a healthy budget:

1. Implement a budget based on performance and measurable results;
2. Focus on Return on Investment (ROI);
3. Reform City procurement;
4. Reduce liabilities with a comprehensive risk mitigation strategy;
5. Invest in technology;
6. Invest in much needed City infrastructure and put the City's vast assets and resources to work;
7. Improve accounting and accountability in Special Funds;
8. Explore savings in healthcare and pension costs;
9. Maximize current City revenues and collections;
10. Continue to build the City's Reserves.

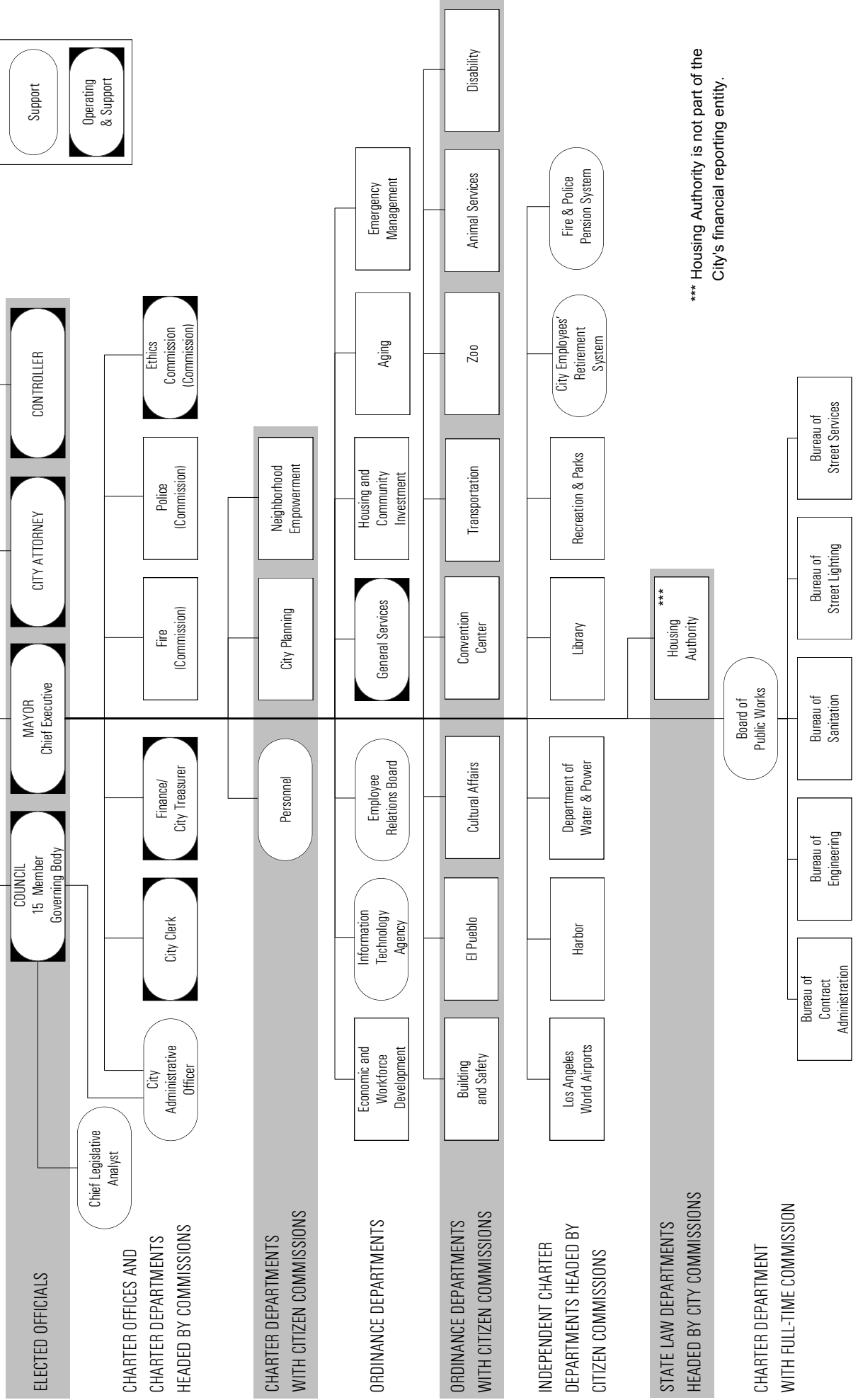
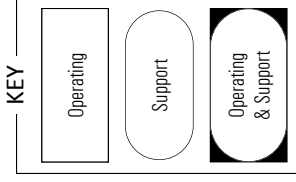
Focusing on maintaining a healthy reserve, reducing liabilities, investing limited resources wisely, upgrading City infrastructure, and improving service delivery without incurring significant ongoing obligations is a recipe for financial success. Critical to balancing the City's numerous priorities is the development of a long-term financial plan considered a best practice for municipal governments. Working together, the City's leaders and stakeholders can advance these key strategies.



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ORGANIZATION OF THE CITY OF LOS ANGELES

FY 2014-15



*** Housing Authority is not part of the City's financial reporting entity.

City Officials

City of Los Angeles, California



Eric Garcetti
Mayor



Ron Galperin
City Controller



Mike Feuer
City Attorney

City Council



Herb J. Wesson, Jr.
District 10
Council President



Mitchell Englander
District 12
President Pro Tempore



Nury Martinez
District 6
Asst. Pres. Pro Tempore



Gilbert A. Cedillo
District 1



Paul Krekorian
District 2



Bob Blumenfield
District 3



David E. Ryu
District 4



Paul Koretz
District 5



Felipe Fuentes
District 7



Marqueece Harris-Dawson
District 8



Curren Price, Jr.
District 9



Mike Bonin
District 11



Mitch O'Farrell
District 13



José Huizar
District 14



Joe Buscaino
District 15

Non-Elected Fiscal Officers

(vacant)
Director of Finance
City Treasurer

Miguel A. Santana
City Administrative
Officer

Tony M. Royster
General Manager &
City Purchasing Agent
Dept. of General Services



Ron Galperin
Los Angeles City Controller

The City Charter establishes the Controller as an elected official and gives the Controller the responsibility for serving as the auditor and chief accounting officer of the City. The Charter guarantees the independence of the Office, and provides for better accountability to the public and a more direct form of public control over the fiscal affairs of the City, in keeping with the established principle of checks and balances exercised for both the executive and legislative branches of municipal government. The Controller is required to exercise general supervision over the accounts of all offices and departments of the City, including the independent departments of Airports, Water and Power, and Harbor (Port of Los Angeles).

Ron Galperin was sworn in as City Controller on July 1, 2013 for a four year term.

The City Controller is also the Controller for the following governmental agencies:

- Los Angeles Convention and Exhibition Center Authority
- Municipal Improvement Corporation of Los Angeles (MICLA)
- El Pueblo de Los Angeles State Historical Park (Plaza)

CONTROLLER'S EXECUTIVE STAFF

Claire Bartels
Chief Deputy Controller

Monique Earl
Administrative Deputy Controller

Lowell Goodman
Administrative Deputy Controller

Ted Rohrlich
Administrative Deputy Controller

Vijay Singhal
Principal Deputy Controller

Farid Saffar
Director of Auditing

Todd Bouey
Director of Financial Analysis & Reporting

Linh Vo Director of Systems **Rashad Mfume** Financial Management System
Anita Gregorio Financial Analysis and Reporting **Min Chen** Financial Operations **Jovonne Lavender** Management Services



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Los Angeles
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

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FINANCIAL SECTION

A word cloud graphic featuring various financial and operational terms. The most prominent words are 'FINANCIAL' and 'LA CONTROLLER'. Other visible words include 'REVENUE', 'EXPENSES', 'GROWTH', 'SERVICES', 'BUSINESS', 'DEPARTMENTS', 'FINANCES', 'OFFICES', 'METRICS', 'TAXES', 'BUDGET', 'CASH', 'PERFORMANCE', 'PUBLIC', 'OPERATIONS', 'FISCAL', 'BONDS', 'EXPENDITURES', and 'COMPREHENSIVE'. The words are arranged in a dense, overlapping cluster.



Independent Auditor’s Report

Honorable Members of the City Council
City of Los Angeles, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Los Angeles, California (City), as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Department of Harbor (Harbor), Department of Water and Power (DWP), Fire and Police Pension System (Pensions), Los Angeles City Employees’ Retirement System (LACERS), and Water and Power Employees’ Retirement, Disability and Death Benefit Insurance Plans (DWP Plans), which collectively represent the following percentages of assets, net position/fund balances, and revenues/additions of the following opinion units:

Opinion Unit	Assets	Net Position/ Fund Balances	Revenues/ Additions
Business-type Activities	66%	62%	72%
Each Major Enterprise Fund:			
Harbor, Power, and Water	100%	100%	100%
Aggregate Remaining Fund Information:			
Pensions, LACERS, and DWP Plans	91%	93%	66%

Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the Harbor, DWP, Pensions, LACERS, and DWP Plans, are based solely on the reports of the 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 statement 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 from material misstatement. The financial statements of LACERS and the DWP Plans were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Los Angeles, California, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Solid Waste Resources Special Revenue Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, effective July 1, 2014, the City implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 34, the schedules of employer contributions on page 223, the schedules of changes in net pension liability and related ratios on pages 224 through 227, other postemployment benefits healthcare plans schedules of funding progress on page 228, and the schedules of condition ratings for City bridges and comparison of needed-to-actual maintenance/preservation costs on pages 229 through 230 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB 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 other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund 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 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Macias Gini & O'Connell LLP

Los Angeles, California
February 5, 2016

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Management's Discussion and Analysis

This section of the Comprehensive Annual Financial Report of the City of Los Angeles (the City) presents a narrative overview and discussion of the City's financial activities for the fiscal year ended June 30, 2015. This discussion and analysis should be read in conjunction with the basic financial statements and accompanying notes, which follow this section. We hope that the information and the discussions will provide readers with a clear picture of the City's overall financial condition.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded liabilities and deferred inflows of resources at the close of fiscal year 2015 by \$17.6 billion, a decrease of \$5.8 billion of which \$1.6 billion was the change in net position for the current year and \$(7.4) billion was to adjust beginning net position for the effects of the implementation of GASB Statement No. 68 on pension liabilities. The *net position* of \$17.6 billion consisted of: \$16.2 billion net investment in capital assets; \$5.6 billion (*restricted net position*) represents resources that are subject to certain restrictions on how they may be used; \$3.2 billion (*unrestricted net position*) may be used to meet the City's obligations for its business-type activities; and \$(7.4) billion deficit of governmental activities.
- The City's financial activities during the fiscal year resulted in positive change in net position of \$1.6 billion from the prior fiscal year of which governmental activities increased by \$929.9 million and the business-type activities increased by \$719.0 million.
- As of June 30, 2015, the aggregate ending fund balances of the City's governmental funds was \$4.6 billion, an increase of \$167.3 million from June 30, 2014. Of the combined fund balances of \$4.6 billion, \$52.6 million or 1.2% are nonspendable, \$2,806.9 million or 61.4% are restricted, \$864.9 million or 18.9% are committed, \$253.4 million or 5.5% are assigned to specific purposes, and \$597.3 million or 13.0% are unassigned.
- At the end of the fiscal year, the General Fund shows a fund balance of \$945.5 million, of which \$42.1 million are nonspendable, \$253.4 million are assigned for various purposes, \$2.4 million are committed and \$647.6 million are unassigned.
- The City's bonded debt and long-term notes payable at June 30, 2015 totaled \$25.1 billion, a net increase of \$1.3 billion from the prior year's balance of \$23.8 billion.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of management's discussion and analysis (MD&A), basic financial statements, including the accompanying notes to the basic financial statements, required supplementary information, and combining statements and schedules for the nonmajor governmental and fiduciary funds. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements.

Government-wide Financial Statements are designed to provide readers with a broad overview of the City's finances and are made up of the following two statements: the Statement of Net Position and the Statement of Activities. Both of these statements were prepared using accounting methods similar to those used by private-sector businesses, which are the economic resources measurement focus and the accrual basis of accounting.

The *statement of net position* presents information on all of the City's assets and liabilities, and deferred outflows/inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to earned but unused compensated absences, and incurred but unpaid workers' compensation claims.

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or in part a portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, protection of persons and property, public works, health and sanitation (other than sewer services), transportation, cultural and recreational services, and community development. The business-type activities of the City include airports, harbor, power, water, sewer and convention center services.

The government-wide financial statements reflect not only the activities of the City itself (known as the primary government), but also include the Los Angeles Convention and Exhibition Center Authority, the Los Angeles Harbor Improvement Corporation, and the Municipal Improvement Corporation of Los Angeles. Although legally separate, these entities have been included as an integral part of the primary government because the City Council is their governing body and their sole purpose is to provide services entirely to or exclusively for the City.

Fund Financial Statements are designed to report information about groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds 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 determining what financial resources are available in the near future to finance the City's programs.

The governmental funds financial statements are made up of the following: the balance sheet and the statement of revenues, expenditures and changes in fund balances. Both of these statements were prepared using the current financial resources measurement focus and the modified accrual basis of accounting.

The budgetary basis statement of revenues, expenditures and changes in fund balances is prepared on a modified cash basis of accounting that is different from generally accepted accounting principles. Please see Note 3B of the Notes to the Basic Financial Statements for additional information on the basis difference.

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 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*.

The City maintains several individual governmental funds organized according to their type (general, special revenue, debt service, and capital projects funds). Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Municipal Improvement Corporation Special Revenue and Debt Service Funds, and Solid Waste Resources Special Revenue Fund, which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements and schedules* elsewhere in this report.

Non-GAAP budgetary basis statements of revenues, expenditures and changes in fund balances have been provided for the General Fund and one other budgeted major special revenue fund to demonstrate compliance with the annually appropriated budget. The other budgeted major special revenue fund is Solid Waste Resources.

Proprietary funds are generally used to account for services for which the City charges customers – either outside customers, or other departments/funds of the City. The proprietary funds financial statements provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains the following type of proprietary funds:

- *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for the airports, harbor, power, water, sewer, and convention center operations. All of the City's enterprise funds, except the convention center, are considered major funds.

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. The City's pension trust, other postemployment benefits trust, and agency funds are reported under the fiduciary funds. Since the resources of these funds are not available to support the City's own programs, they are not reflected in the government-wide financial statements. The accounting used for fiduciary funds is much like that used for proprietary funds. Both are prepared using the economic resources measurement focus and the accrual basis of accounting.

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 fund financial statements.

Required Supplementary Information, other than Management's Discussion and Analysis (MD&A), is presented concerning the City's progress in funding its obligation to provide other postemployment benefits to City employees and the net pension liability and contributions related to the City's pension plans. Also included in this section is the condition assessment for City bridges.

The **combining and individual fund statements and schedules** referred to earlier provide information for nonmajor governmental funds and fiduciary funds and are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Position: As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$17.6 billion at the close of fiscal year 2015.

The following table is a condensed summary of the City's government-wide net position:

CITY OF LOS ANGELES						
Condensed Statement of Net Position						
(amounts expressed in thousands)						
	Governmental		Business-type		Total	
	Activities		Activities			
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
Assets						
Current and other assets.....	\$ 6,162,270	\$ 5,778,775	\$ 11,837,885	\$ 10,116,656	\$ 18,000,155	\$ 15,895,431
Capital assets.....	7,278,274	7,194,269	32,262,130	30,234,617	39,540,404	37,428,886
Total assets.....	13,440,544	12,973,044	44,100,015	40,351,273	57,540,559	53,324,317
Deferred outflows of resources.....	1,372,548	36,523	1,276,387	245,738	2,648,935	282,261
Liabilities						
Current and other liabilities.....	822,196	694,442	1,573,503	1,568,862	2,395,699	2,263,304
Long-term liabilities.....	12,334,500	7,143,755	24,295,446	20,717,509	36,629,946	27,861,264
Total liabilities.....	13,156,696	7,838,197	25,868,949	22,286,371	39,025,645	30,124,568
Deferred inflows of resources.....	2,193,188	--	1,387,658	176,783	3,580,846	176,783
Net position						
Net investment in capital assets...	4,760,372	4,646,514	11,489,529	11,113,795	16,249,901	15,760,309
Restricted.....	2,086,394	1,801,534	3,460,558	3,513,647	5,546,952	5,315,181
Unrestricted.....	(7,383,558)	(1,276,678)	3,169,708	3,506,415	(4,213,850)	2,229,737
Total net position.....	\$ (536,792)	\$ 5,171,370	\$ 18,119,795	\$ 18,133,857	\$ 17,583,003	\$ 23,305,227

Note: Fiscal year 2014 has not been restated to reflect the changes related to the implementation of GASB Statement No. 68 because certain information was not available.

At the end of fiscal year 2015, the City's net position totaled \$17.6 billion, of which \$16.2 billion or 92.4% reflects its investment in capital assets (e.g., land, infrastructure, buildings, facilities and equipment) less any related outstanding debt and deferred outflows of resources used to acquire those assets. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt and deferred outflows of resources, it should be noted that the resources to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate the debt.

An additional portion of the City's net position, \$5.6 billion or 31.6%, represents resources subject to various restrictions on how they may be used. The remaining balance of \$(4.2) billion or (24.0%) is the net amount of the governmental activities deficit of \$(7.4) billion, and \$3.2 billion unrestricted net position that may be used to meet the City's obligations for its business-type activities.

At the end of fiscal year 2015, net investment in capital assets increased by \$489.6 million or 3.1%. Restricted net position increased by \$231.8 million or 4.4% and unrestricted net position decreased by \$6.4 billion or 289.0% primarily due to the net effect of the restatement of the beginning balance of net position as a result of adjustments related with the implementation of GASB Statement No. 68 on recognition of net pension liability and other related accounts.

The deficit balance for the governmental activities unrestricted net position of \$(7.4) billion should not be considered, of itself, evidence of economic or financial difficulties. Of the \$(7.4) billion deficit, \$6.6 billion was due to the recognition of a net pension liability and other adjustments related with the implementation of GASB Statement No. 68. The remaining deficit balance of \$0.8 billion reflects the extent to which the City has deferred to future periods the financing of certain liabilities (i.e. claims and judgments, workers' compensation, compensated absences, other postemployment benefits). While accounting is primarily concerned with when a liability is incurred, financing focuses on when a liability will be paid. The City, like many other governments, raises and budgets resources needed to liquidate a liability during the year in which the liability is to be liquidated rather than during the year in which the liability is incurred.

Key changes in the statement of net position are as follows:

Capital assets increased by \$2.1 billion or 5.6%. The increase for governmental activities was \$84.0 million and increase in business-type activities was \$2,027.5 million. For governmental activities, the increase was primarily due to various projects under construction for recreational, police, fire, zoo, bridges, stormwater, street lights, streets, traffic, transportation, cultural and community centers, and various other improvements to City facilities; and acquisition of vehicles for firefighting, police patrol, transit buses, and refuse collection and street services. Business-type increases reflect additions and ongoing construction and improvements to modernize airport and harbor terminals, sewer facilities and power and water utility plants.

Current and other assets increased by \$2.1 billion or 13.2%. Governmental activities were \$383.5 million higher, while business-type activities grew by \$1,721.2 million. Governmental activities cash and pooled investments increased by \$1,219.4 million offset by a decrease in restricted assets of \$1,051.2 million due to the reversal of a prior year reclassification of restricted assets back to cash and pooled investments. The net effect of this reversal was a modest increase of \$168.2 million in cash and pooled investments mainly due to slight increase in receipts from revenues and proceeds from the issuance of new bonds during the fiscal year. Properties held for housing development decreased by \$3.1 million or 2.8% due to the sale of certain properties transferred from the former Community Redevelopment Agency (CRA). Receivables rose by \$227.3 million or 14.6% primarily due to \$25.9 million in various grant reimbursement claims, and \$76.6 million from increased taxes receivables. In addition, loans receivable increased by \$144.2 million attributable to the net effect of a change in estimating the uncollectibility of certain housing loans that resulted in net decrease in the allowance for doubtful accounts. These increases were offset mainly by a reduction in intergovernmental receivables of \$20.0 million and lower special assessment receivables of \$1.3 million. Deferred outflows of resources increased by \$1,336.0 million reflecting the net effect of the implementation of GASB Statement No. 68 that resulted in the reclassification of the City's pension contributions made after the actuarial measurement date of \$788.7 million and adjustments of the effects of various actuarial assumptions of \$549.4 million. A decrease of \$2.1 million in deferred outflows on debt refunding offsets the total of \$1,338.1 million recognized as deferred outflows on pensions. Fiscal year 2014 was not restated for comparative purposes.

The City's current and other liabilities increased by \$132.4 million or 5.8%. Governmental activities increased by \$127.8 million or 18.4% from the prior year primarily due to increases in obligations for securities lending transactions of \$25.0 million, liability for excess CRA bond proceeds of \$84.1 million, \$6.6 million higher deposits and advances, and increased accounts payable, accrued expenses and other current liabilities from operations of \$12.1 million.

Total net position was lower by \$5,722.2 million or 24.6% with governmental activities down by \$5,708.2 million or 110.4% and business-type activities also down by \$14.1 million or 0.1%. The significant decreases in net position were due to the net effect of the restatement of beginning net position balances to reflect the cumulative effect of the implementation of the new GASB Statement No. 68 on pension liabilities. Net investment in capital assets increased by \$113.9 million for governmental activities and went up by \$375.7 million for business-type activities. For governmental activities, restricted net position went up \$284.9 million and unrestricted net position decreased by \$6,106.9 million primarily due to adjustments to the beginning balance of net position and recognition of the effects of other actuarial assumptions related to the implementation of GASB Statement No. 68. For business-type activities, key changes in restricted net position were increases of \$3.1 million for capital projects, \$72.4 million for debt service and \$16.4 million for other purposes. These increases were offset by decreases of \$143.2 million for passenger and customer facility charges and \$1.8 million for pension and other postemployment benefits. Unrestricted net position for business-type activities decreased by \$336.7 million.

Comprehensive Annual Financial Report

Management's Discussion and Analysis (unaudited)

Analysis of Activities: The following table presents condensed information showing how the City's net position changed during the most recent fiscal year. As previously stated, all changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

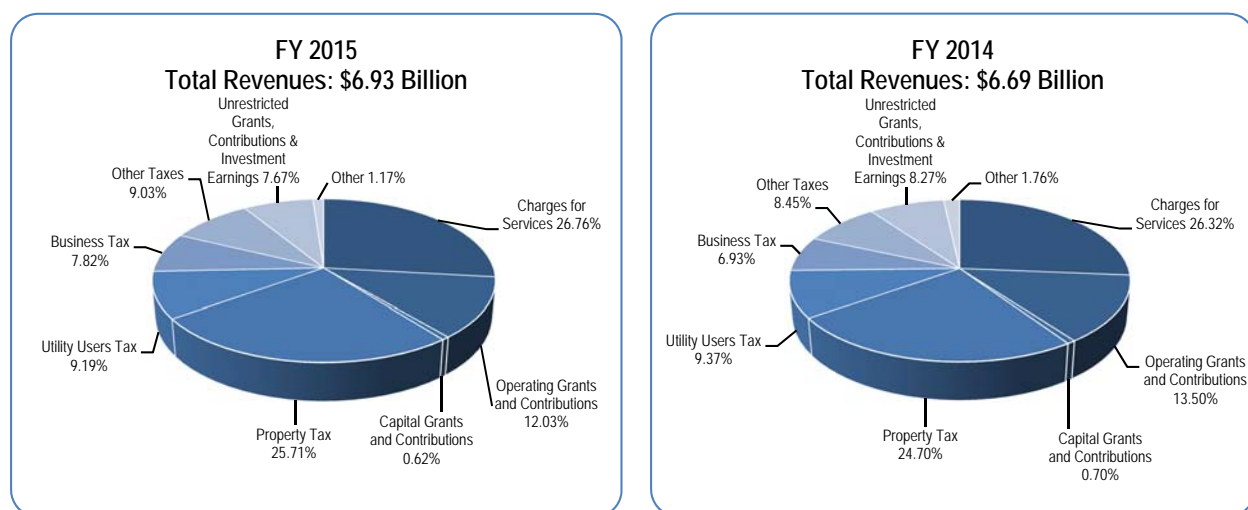
CITY OF LOS ANGELES						
Condensed Statement of Activities						
(amounts expressed in thousands)						
	Governmental		Business-type		Total	
	Activities		Activities			
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
Revenues						
Program Revenues						
Charges for Services.....	\$ 1,855,110	\$ 1,761,204	\$ 6,618,205	\$ 6,522,607	\$ 8,473,315	\$ 8,283,811
Operating Grants and Contributions.....	834,075	903,146	--	--	834,075	903,146
Capital Grants and Contributions.....	42,705	46,878	270,637	367,841	313,342	414,719
General Revenues						
Property Taxes	1,782,124	1,653,067	--	--	1,782,124	1,653,067
Utility Users' Taxes.....	637,248	626,919	--	--	637,248	626,919
Business Taxes.....	541,844	463,602	--	--	541,844	463,602
Other Taxes.....	625,889	565,567	--	--	625,889	565,567
Unrestricted Grants and Contributions.....	511,106	533,440	--	--	511,106	533,440
Unrestricted Investment Earnings.....	20,724	19,935	86,367	98,264	107,091	118,199
Other Revenues.....	81,303	117,579	275,885	122,160	357,188	239,739
Total Revenues	6,932,128	6,691,337	7,251,094	7,110,872	14,183,222	13,802,209
Expenses						
General Government.....	1,240,898	1,481,977	--	--	1,240,898	1,481,977
Protection of Persons and Property.....	2,872,296	2,963,882	--	--	2,872,296	2,963,882
Public Works.....	422,558	383,433	--	--	422,558	383,433
Health and Sanitation.....	467,548	519,519	--	--	467,548	519,519
Transportation.....	406,573	425,967	--	--	406,573	425,967
Cultural and Recreational Services.....	541,758	524,282	--	--	541,758	524,282
Community Development	169,121	321,263	--	--	169,121	321,263
Interest on Long-term Debt.....	146,896	159,991	--	--	146,896	159,991
Airports.....	--	--	1,092,463	984,754	1,092,463	984,754
Harbor	--	--	379,809	372,645	379,809	372,645
Power	--	--	3,204,535	3,092,108	3,204,535	3,092,108
Water.....	--	--	1,037,652	1,053,150	1,037,652	1,053,150
Sewer.....	--	--	513,226	542,007	513,226	542,007
Convention Center.....	--	--	43,871	38,450	43,871	38,450
Total Expenses.....	6,267,648	6,780,314	6,271,556	6,083,114	12,539,204	12,863,428
Excess (Deficit) of Revenues Over Expenses.....	664,480	(88,977)	979,538	1,027,758	1,644,018	938,781
Transfers.....	260,586	253,000	(260,586)	(253,000)	--	--
Special Item						
Pollution Remediation Liabilities Adjustment	--	--	--	15,002	--	15,002
Extraordinary Item						
Transfer of Assets from CRA	4,855	44,155	--	--	4,855	44,155
Increase in Net Position.....	929,921	208,178	718,952	789,760	1,648,873	997,938
Net Position - June 30, As Previously Reported...	5,171,370	4,963,192	18,133,857	17,344,097	23,305,227	22,307,289
Change in Accounting Principles, GASB 68						
Implementation	(6,638,083)	--	(733,014)	--	(7,371,097)	--
Net Position - July 1, Restated.....	(1,466,713)	4,963,192	17,400,843	17,344,097	15,934,130	22,307,289
Net Position - June 30.....	\$ (536,792)	\$ 5,171,370	\$ 18,119,795	\$ 18,133,857	\$ 17,583,003	\$ 23,305,227

Note: Fiscal year 2014 has not been restated to reflect the changes related to the implementation of GASB Statement No. 68 because certain information was not available.

Governmental Activities

For the fiscal year ended June 30, 2015, total expenses for governmental activities of \$6.3 billion were \$512.7 million or 7.6% lower than the prior year. Total revenues exceeded expenses by \$664.5 million. Of the \$6.3 billion total expenses, 67.0% was funded by taxes and other general revenues, and the remaining 33.0% was funded by program revenues, transfers from business-type funds and available net position. Program revenues are resources obtained from parties outside of the City, and charges for services between the governmental and business-type activities. They include: (a) amounts received from those who purchase, use or directly benefit from a program; (b) grants and contributions that are restricted to specific programs; and (c) investment earnings that are legally restricted for a specific program.

The following charts are graphical comparisons between June 30, 2015 and 2014, for governmental revenues by source.



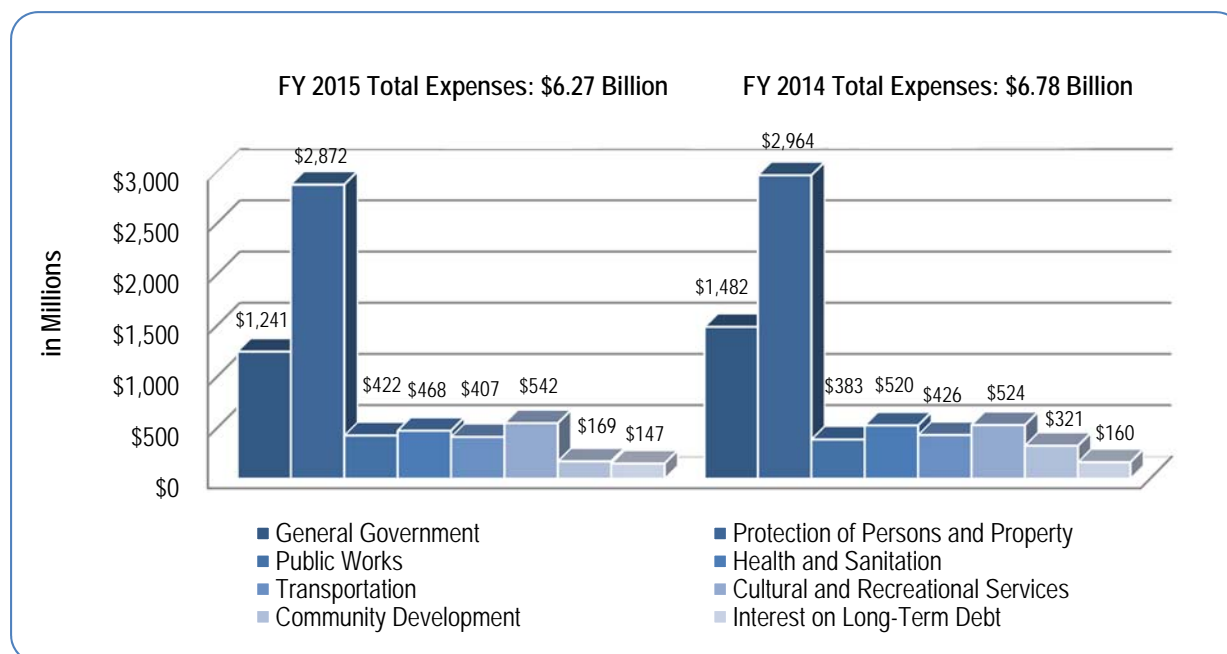
Revenues from charges for services, property taxes, and operating grants and contributions are the three largest revenue sources for governmental activities. Together, these accounted for 64.5% of total revenues.

Charges for services rose by \$93.9 million or 5.3% primarily due to increases in departmental receipts such as library, recreation and parks service fees, building and safety fees and fire emergency medical transportation and ambulances services. Operating grants and contributions decreased by \$69.1 million or 7.6%, while capital grants and contributions declined by \$4.2 million or 8.9% due mainly to lower grant receipts from Homeland Security and the State of California for various State-funded grants and programs.

Property tax revenue and documentary transfer tax revenue grew by \$129.1 million or 7.8% and \$19.4 million or 10.7%, respectively, primarily due to the sustained improvement in home sales and housing prices in fiscal year 2015. Business tax revenue increased by \$78.2 million or 16.9% mainly due to modest improvement in the economy. Slight boost in tourism contributed to additional \$35.0 million revenues from transient occupancy tax. Utility users’ tax increased by \$10.3 million or 1.6%, while parking users’ tax rose by \$1.0 million consistent with the growing economy and compliance efforts undertaken by the City. Unrestricted grants and contributions decreased by \$22.3 million or 4.2% primarily due to lower grant receipts.

Extraordinary items of \$4.9 million relate to the transfer of assets after the City elected to be the Housing Successor Agency upon dissolution of the former CRA.

The following charts are graphical comparisons between June 30, 2015 and 2014, of the City’s governmental expenses by function.



Total expenses decreased by \$512.7 million or 7.6% over fiscal year 2014. Expenses for general government, protection of persons and property, health and sanitation, transportation, community development and interest on long-term debt decreased by a combined \$569.3 million offset by an increase of \$56.6 million in public works and cultural and recreational services.

General government declined by \$241.1 million or 16.3% primarily due to a net decrease in tort liabilities offset by increases in non-tort liabilities and actuarial estimated liabilities for workers’ compensation. Protection of persons and property decreased by \$91.6 million or 3.1% primarily due to the reclassification of the City’s contribution to the Pensions retirement plan from expenses to deferred outflows of resources in accordance with the provisions of GASB Statement No. 68, offset by wage increases for sworn and civilian employees. In the prior fiscal year, there were expenses incurred for the Proposition O Clean Water pollution remediation projects but none was recognized in the current fiscal year, thereby resulting in a lower Health and Sanitation expense of \$52.0 million. Community development decreased by \$152.1 million or 47.4% from a significant decline in the estimated provision for uncollectible accounts of certain housing loans resulting from a revised allowance percentage used in the current fiscal year compared to prior years. Interest on long-term debt decreased by \$13.1 million or 8.2% due to defeasance and redemption of certain outstanding bonds.

Business-type Activities

The City has six business-type activities: airports, harbor, power, water, sewer, and convention center services. The combined operating revenues from their customers and ratepayers of \$6.6 billion were \$1.0 billion more than the \$5.6 billion combined operating costs. Since the proprietary funds provide the same type of information found in the government-wide statements, a more detailed discussion of the activities of the City’s business-type activities is found in the financial analysis of the City’s funds.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

The focus of the City'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 City's financial requirements. In particular, the unassigned fund balances may serve as a useful measure for the City's net resources available for spending at the end of the fiscal year.

At June 30, 2015, the City's governmental funds reported combined fund balances of \$4.6 billion, an increase of \$167.3 million in comparison with the previous year. Of the total fund balance, \$52.6 million is nonspendable associated with inventories, prepaid items and certain advances to other funds, \$2,806.9 million is classified as restricted, \$864.9 million as committed and \$253.4 million as assigned. The remaining balance of \$597.3 million is classified as unassigned and is mainly associated with the General Fund.

Governmental functions revenue totaled \$7.1 billion, while expenditures were \$7.5 billion. Although total revenues were \$306.6 million less than total expenditures, other financing sources bridged the gap. Other financing sources include proceeds from issuance of debt and transfers from enterprise funds.

The **General Fund** is the general operating fund of the City and includes transactions of the Reserve Fund and other accounts that have General Fund type activity for generally accepted accounting principles (GAAP) reporting purposes. At June 30, 2015, the General Fund reported a total fund balance of \$945.5 million, composed of \$42.1 million nonspendable consisting of inventories of \$20.7 million, prepaid items and other assets of \$13.2 million, and certain advances to other funds of \$8.2 million; \$2.4 million committed; \$253.4 million assigned for general government purposes; and \$647.6 million unassigned.

The following table presents the summary of revenues and expenditures of the General Fund:

CITY OF LOS ANGELES Summary of Revenues, Expenditures and Other Financing Sources and Uses - General Fund (amounts expressed in thousands)							
Revenues and Other Financing Sources				Expenditures and Other Financing Uses			
	FY 2015	FY 2014	% Change		FY 2015	FY 2014	% Change
Revenues				Expenditures			
Property Taxes	\$ 1,611,605	\$ 1,541,328	4.6 %	General Government.....	\$ 1,333,453	\$ 1,263,431	5.5 %
Property Taxes in-lieu of Sales Tax.....	121,903	121,036	0.7	Protection of Persons and Property.....	2,771,591	2,562,058	8.2
Sales Taxes	372,782	357,255	4.3	Public Works.....	170,510	180,714	(5.6)
Utility Users' Taxes.....	637,318	631,492	0.9	Health and Sanitation.....	174,136	146,422	18.9
Business Taxes.....	500,774	476,908	5.0	Transportation.....	110,336	106,494	3.6
Other Taxes.....	552,549	522,341	5.8	Cultural and Recreational Services.....	54,992	50,943	7.9
Licenses and Permits.....	22,604	22,417	0.8	Community Development	43,966	36,758	19.6
Intergovernmental.....	39,284	11,640	237.5	Capital Outlay	29,540	27,025	9.3
Charges for Services.....	617,481	543,882	13.5	Debt Service- Interest.....	1,472	1,939	(24.1)
Services to Enterprise Funds	273,171	253,414	7.8	Debt Service- Cost of Issuance	927	907	2.2
Fines	156,006	167,474	(6.8)	Total Expenditures.....	4,690,923	4,376,691	7.2
Special Assessments.....	1,259	2,441	(48.4)	Other Financing Uses Transfers Out.....	573,493	534,263	7.3
Investment Earnings.....	20,736	19,059	8.8	Total Expenditures and Other Financing Uses.....	<u>\$ 5,264,416</u>	<u>\$ 4,910,954</u>	7.2
Other.....	79,816	118,571	(32.7)				
Total Revenues.....	5,007,288	4,789,258	4.6				
Other Financing Sources Transfers In	302,147	294,383	2.6				
Total Revenues and Other Financing Sources.....	<u>\$ 5,309,435</u>	<u>\$ 5,083,641</u>	4.4				
Excess of Revenues Over Expenditures	<u>\$ 316,365</u>	<u>\$ 412,567</u>	(23.3)				
Net Change in Fund Balance.....	<u>\$ 45,019</u>	<u>\$ 172,687</u>	(73.9)				

Total taxes accounted for nearly \$3.8 billion or 75.8% of General Fund revenue. Overall tax revenues grew \$146.6 million or 4.0% from fiscal year 2014 as a result of the modest growth in the economy.

Total property tax, which represents 34.6% of the General Fund revenue, increased by \$71.1 million or 4.3% from fiscal year 2014, mainly attributed to a steady housing market recovery, rising property values consistent with the continued improvement of the housing market. The increase of \$70.3 million in property taxes was primarily due to the \$64.0 million from total secured property tax receipts, \$20.0 million from VLF replacement, offset by \$17.0 million decrease in ex-CRA tax increment allocation from prior fiscal year.

Economy-sensitive revenues reflect the steady improvement in the economy. Sales tax revenues grew \$15.5 million or 4.3% while business tax revenues went up by \$23.9 million or 5.0%.

Utility users' tax revenues, which consist of electric, gas and communications users' taxes, posted an increase of \$5.8 million or 0.9% primarily due to the increased remittances from electricity users' tax resultant from the roll over effect of the increased power rate hike in fiscal year 2013.

Other tax revenues were up \$30.2 million or 5.8% mainly due to \$18.0 million increase in transient occupancy tax revenues corollary to the growth in tourism; and \$7.0 million increase in the documentary transfer tax in line with the improvement in housing sales and prices.

Charges for services grew by \$73.6 million or 13.5% primarily due to increased reimbursement of General Fund costs such as service fees received from Recreation and Parks, Library, Building and Safety special funds and various other departments.

Intergovernmental increased by \$27.6 million or 237.5% from an unanticipated one-time receipt of mandated reimbursements from the State.

Fiscal year 2015 total General Fund expenditures were \$4.7 billion, an increase of \$314.2 million or 7.2% from the prior fiscal year. General government expenditures went up by \$70.0 million or 5.5% primarily due to cost of living adjustments for most civilian employees; higher retirement contributions made to the Los Angeles City Employees' Retirement System (LACERS) for civilian employees; increased health care premiums and workers' compensation and liability claims payouts.

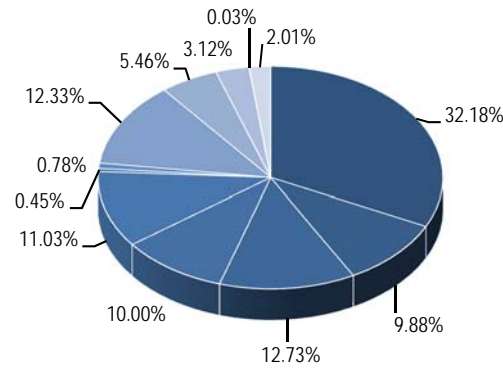
Protection of persons and property expenditures grew by \$209.5 million or 8.2% mainly due to cost of living adjustments for civilian and sworn employees, increased firefighter recruit training, increased staffing of police officers, and costs of technological improvements such as the installation of video equipment in police vehicles and replacement of the outmoded equipment that keeps track of criminals and those used in analyzing evidence for crimes. Health and sanitation, transportation, cultural and recreation expenditures increased by \$27.7 million, \$3.8 million and \$4.0 million, respectively, primarily due to employee cost of living adjustments and higher share in pension and health care costs.

Overall, General Fund revenues exceeded expenditures by \$316.4 million, in comparison to \$412.6 million in fiscal year 2014. Transfers in from other funds amounted to \$302.1 million, while transfers out were \$573.5 million. The Power Enterprise Fund transfer of \$265.6 million largely accounted for total transfers in. The \$573.5 million transfers out included: \$215.0 million for debt service obligations; \$161.5 million for parks and recreational facilities; \$139.4 million for Library Department and \$57.6 million for other departmental operations.

The above items contributed to a year end fund balance of \$945.5 million; an increase of \$47.1 million from the prior year's fund balance of \$898.5 million.

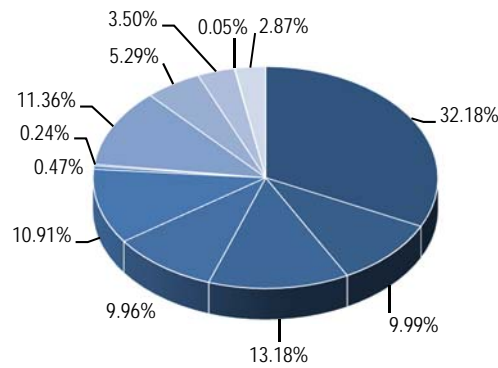
The following charts are graphical comparisons between June 30, 2015 and 2014, for General Fund revenues by source and expenditures by function.

General Fund Revenues by Source: \$5.01 Billion
Fiscal Year Ended June 30, 2015



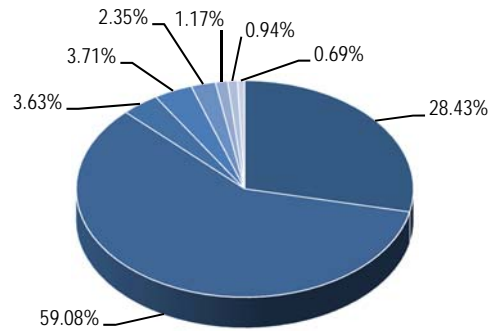
- Property Taxes (32.18%)
- Sales Taxes (9.88%)
- Utility Users' Taxes (12.73%)
- Business Taxes (10.00%)
- Other Taxes (11.03%)
- Licenses and Permits (0.45%)
- Intergovernmental (0.78%)
- Charges for Services (12.33%)
- Services to Enterprise Funds (5.46%)
- Fines (3.12%)
- Special Assessments (0.03%)
- Investment Earnings / Other (2.01%)

General Fund Revenues by Source: \$4.79 Billion
Fiscal Year Ended June 30, 2014



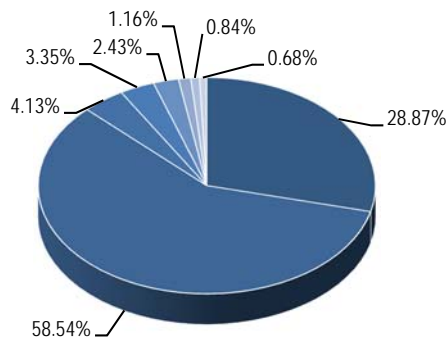
- Property Taxes (32.18%)
- Sales Taxes (9.99%)
- Utility Users' Taxes (13.18%)
- Business Taxes (9.96%)
- Other Taxes (10.91%)
- Licenses and Permits (0.47)
- Intergovernmental (0.24%)
- Charges for Services (11.36%)
- Services to Enterprise Funds (5.29%)
- Fines (3.50%)
- Special Assessments (0.05%)
- Investment Earnings / Other (2.87%)

**General Fund Expenditures by Function: \$4.69 Billion
Fiscal Year Ended June 30, 2015**



- General Government (28.43%)
- Protection of Persons and Property (59.08%)
- Public Works (3.63%)
- Health and Sanitation (3.71%)
- Transportation (2.35%)
- Cultural and Recreational Services (1.17%)
- Community Development (0.94%)
- Capital Outlay / Others (0.69%)

**General Fund Expenditures by Function: \$4.38 Billion
Fiscal Year Ended June 30, 2014**



- General Government (28.87%)
- Protection of Persons and Property (58.54%)
- Public Works (4.13%)
- Health and Sanitation (3.35%)
- Transportation (2.43%)
- Cultural and Recreational Services (1.16%)
- Community Development (0.84%)
- Capital Outlay / Others (0.68%)

The **Municipal Improvement Corporation Special Revenue and Debt Service Funds** account for the activities of the City's public financing entity, Municipal Improvement Corporation of Los Angeles (MICLA). Acquisition of certain real property and equipment, and construction of buildings and other improvements are financed through the issuance of MICLA certificates of participation and lease revenue bonds. The Debt Service Fund's aggregate principal and interest expenditures for the year was \$276.3 million, while lease payments from the General Fund and certain Special Revenue Funds was \$283.8 million. The difference of \$7.5 million was used to finance costs of issuance of MICLA Series 2014 A and B Refunding bonds.

The **Solid Waste Resources Special Revenue Fund** accounts for the solid waste collection, transfer, recycling, recovery of waste resources, and disposal fees imposed on all single dwellings in the City and on multiple unit dwellings for which the City provides refuse collection services. The Fund was formerly known as Sanitation Equipment Charge Fund. At June 30, 2015, total fund balance was \$258.8 million, which reflected a decrease of \$2.2 million from the previous fiscal year. Revenues decreased by \$2.9 million or 0.9%. Expenditures decreased by \$37.7 million or 13.0%. Expenditures in the prior fiscal year 2014 were higher mainly due to the payment of litigation costs related to Federal Labor Standards Act and replacement of trash containers and technology improvements for the container asset management system.

Comprehensive Annual Financial Report

Management's Discussion and Analysis (unaudited)

Proprietary Funds

The City's proprietary funds provide the same type of information in the business-type activities column of the government-wide financial statements.

The following table summarizes the operating results of the City's six enterprise funds:

Business-type Activities Change in Net Position For the Fiscal Year Ended June 30, 2015 (amounts expressed in thousands)							
	Airports	Harbor	Power	Water	Sewer	Other- Convention Center	Total
Operating Revenues.....	\$ 1,121,584	\$ 446,895	\$ 3,336,963	\$ 1,082,581	\$ 594,024	\$ 36,158	\$ 6,618,205
Operating Expenses.....	(913,274)	(371,633)	(2,941,247)	(869,842)	(432,959)	(43,869)	(5,572,824)
Operating Income (Loss)	208,310	75,262	395,716	212,739	161,065	(7,711)	1,045,381
Net Nonoperating Revenues (Expenses).....	24,803	5,293	(160,517)	(139,166)	(66,938)	45	(336,480)
Capital Contributions.....	34,761	111,852	66,988	34,390	22,646	--	270,637
Transfers In	--	--	--	--	--	5,000	5,000
Transfers Out	--	--	(265,586)	--	--	--	(265,586)
Change in Net Position.....	<u>\$ 267,874</u>	<u>\$ 192,407</u>	<u>\$ 36,601</u>	<u>\$ 107,963</u>	<u>\$ 116,773</u>	<u>\$ (2,666)</u>	<u>\$ 718,952</u>

Business-type Activities Change in Net Position For the Fiscal Year Ended June 30, 2014 (amounts expressed in thousands)							
	Airports	Harbor	Power	Water	Sewer	Other- Convention Center	Total
Operating Revenues.....	\$ 1,038,506	\$ 425,951	\$ 3,319,820	\$ 1,141,823	\$ 571,570	\$ 24,937	\$ 6,522,607
Operating Expenses.....	(845,821)	(329,575)	(2,830,383)	(893,705)	(409,534)	(38,400)	(5,347,418)
Operating Income (Loss)	192,685	96,376	489,437	248,118	162,036	(13,463)	1,175,189
Net Nonoperating Revenues (Expenses).....	66,015	(22,111)	(147,176)	(123,938)	(119,472)	35	(346,647)
Capital Contributions.....	32,677	80,374	45,239	28,252	12,674	--	199,216
Special Item.....	--	15,002	--	--	--	--	15,002
Transfers Out	--	--	(253,000)	--	--	--	(253,000)
Change in Net Position.....	<u>\$ 291,377</u>	<u>\$ 169,641</u>	<u>\$ 134,500</u>	<u>\$ 152,432</u>	<u>\$ 55,238</u>	<u>\$ (13,428)</u>	<u>\$ 789,760</u>

Airports

Airports Enterprise Fund (Airports) accounts for the operation of the Los Angeles International Airport (LAX), LA/Ontario International Airport (ONT), and Van Nuys Airport (VNY). Airports owns approximately 17,750 acres of land located east of the United States Air Force (USAF) Plant 42 in the City of Palmdale. Airports retains the rights for future development of the Palmdale property.

Airports operating revenues totaled \$1,121.6 million, a \$83.1 million or 8.0% increase from fiscal year 2014. Aviation and non-aviation revenue grew by \$58.2 million and \$24.8 million, respectively. Landing fees increased by \$5.3 million or 2.2% while land rental revenue contributed a net addition of \$1.3 million from increased leased areas. Building rental revenues grew \$49.5 million or 15.7% mainly attributable to the improvements and refurbishments in the LAX terminals, the adoption of the new rates and charges, new and renegotiated leases signed with the airlines and other tenants. Non-aviation revenue grew by \$24.8 million mostly from concession revenues. Total revenue from concession was higher by \$22.8 million or 6.4% mainly due to increased passenger traffic and improvements brought about by a new terminal commercial management concession agreement.

Airports total operating expenses were \$913.3 million, a \$67.5 million or 8.0% increase from the prior fiscal year. The \$17.2 million or 4.4% increase in salaries and benefits reflect pay increases in accordance with employee bargaining agreements, pension expenses, healthcare subsidy, and accrued sick and vacation pay. Contractual services increased by \$10.5 million or 5.8% due to legal fees incurred related to the LA/ONT Airports litigation. Depreciation was \$35.3 million or 21.2% higher due to the completion of major terminal improvement projects. Utilities were down by \$0.8 million due to the replacement of the Central Utility Plant with an energy efficient facility thereby saving electrical and natural gas usage. Adjustments to allowance for bad debts mainly accounted for the \$5.1 million or 28.9% higher other operating expenses.

Airports nonoperating revenue declined by \$1.0 million or 0.5% from combined \$7.0 million lower reimbursements for certain TSA programs and decreased interest income from investments due to a lower average balance of cash and pooled investments held in the City Treasury. This was offset by \$6.0 million higher passenger and customer facility charges from increased passenger traffic.

As a result of the above financial changes, including capital contributions of \$34.8 million, the Airports Enterprise Fund's change in net position for fiscal year 2015 amounted to \$267.9 million, a decrease of \$23.5 million from fiscal year 2014.

Harbor

The Harbor Enterprise Fund (Harbor) accounts for the operations of the Port of Los Angeles. It provides for shipping, fishing, recreational, and other benefits for the citizens of California.

Harbor operating revenues increased by \$20.9 million or 4.9%, from \$426.0 million to \$446.9 million primarily due to \$33.3 million higher license fees related to the Burlington National and Santa Fe Railway / Southern California International Gateway (BNSF/SCIG) facility, utility reimbursements from customers for the Alternative Marine Power (AMP) usage, and increased rentals resulting from rental and container charges adjustments. The \$33.3 million increase was offset by a \$12.3 million decrease in shipping services revenues mainly due to lower wharfage fees.

Operating expenses, excluding depreciation, totaled \$234.2 million, an increase of \$28.9 million or 14.1%. Salaries and benefits net of pension expense adjustment decreased by \$0.3 million mainly due to lower average full-time filled positions. City services increased by \$1.1 million as a result of higher salaries costs of City employees providing services to Harbor. Utilities grew by \$7.1 million mainly as a result of the additional electricity consumption due to the full operation of the AMP program. Other operating expenses increased by \$18.9 million due to additional provision for possible non-collection of BNSF/SCIG license fees. Outside services increased by \$2.7 million mainly from lower direct cost allocations to capital charges. Materials and supplies decreased by \$0.6 million due to higher costs capitalized in the current fiscal year.

Nonoperating revenues and nonoperating expenses for fiscal year 2015 totaled \$13.5 million and \$8.2 million, respectively, thereby resulting in net nonoperating revenue of \$5.3 million. Nonoperating revenues of \$13.5 million include \$7.8 million from investment in the Intermodal Container Transfer Facility Joint Powers Authority and investment of Harbor's cash in the City's pooled investments, \$4.6 million from noncapital and pass through grants and \$1.1 million from various rebates, reimbursements and miscellaneous other receipts. Nonoperating expenses of \$8.2 million include \$0.3 million interest on indebtedness, \$0.6 million pass through grant expenditures, \$3.5 million expenses resulting from discontinued capitalized projects, \$1.4 million loss on sale of assets and \$2.4 million commercial paper notes issuance costs.

As a result of the above financial changes including capital contributions of \$111.9 million, the Harbor Enterprise Fund's change in net position for fiscal year 2015 was \$192.4 million or 13.4% increase over fiscal year 2014.

Power and Water

The Power and Water Enterprise Funds account for the operations of the Department of Water and Power (DWP) in supplying the City and its inhabitants with water and electric power by constructing, operating, and maintaining facilities located throughout the City and in Inyo and Mono counties.

Power

The Power Enterprise Fund's (Power) total operating revenues grew by \$17.1 million or 0.5% from the prior fiscal year. Commercial and industrial revenues increased by \$51.1 million but were offset by decreases in residential, sales for resale and other revenues of \$8.5 million, \$31.8 million and \$26.7 million, respectively. While commercial and industrial customers consume the most electricity that accounted for the \$51.1 million higher revenues, residential customers represent the largest customer class. The decline in residential and retail revenues is mostly attributed to lower consumption during the fiscal year. Consumption of electricity decreased approximately 587 kwhs year over year.

Power operating expenses were \$110.9 million higher as compared to fiscal year 2014, driven primarily by the following: \$45.1 million increase in purchased power costs attributed to a full year of energy from Apex Power and Copper Mountain Solar 3 Projects, a \$29.7 million increase in depreciation and amortization expense from capital asset additions, a \$95.4 million increase in other operating expenses due to higher transmission and distribution costs, increase in safety and training costs, increase in charges related to the customer billing system, higher maintenance costs of various production, distribution and transmission plants and other miscellaneous general expenses. These increases were offset by a \$59.3 million decrease in fuel for generation costs.

The major nonoperating activities of Power for fiscal year 2015 included the transfer of \$265.6 million to the City's General Fund, interest income earned on investments of \$50.3 million, \$33.3 million in federal bond subsidies, and \$260.7 million in debt expenses. The transfer to the City's General Fund is based on 8.0% of the previous year's operating revenues of nearly \$3.3 billion. The \$7.8 million decrease in investment income is mainly due to changes in fair values of investments. Interest on debt rose by \$20.9 million due to the interest expense for new money bonds issued during the fiscal year offset by higher capitalized interest (AFUDC) year over year due to major construction work in progress projects.

As a result of the above financial changes, including capital contributions of \$67.0 million, Power's change in net position for fiscal year 2015 amounted to \$36.6 million, a decrease of \$97.9 million from fiscal year 2014.

Water

During fiscal year 2015, operating revenues decreased by \$59.2 million, or 5.2%, from fiscal year 2014. Primarily due to successful customer conservation, sales of water decreased by 20.1 million hundred cubic feet.

Operating expenses for fiscal year 2015 were \$23.9 million or 2.7% less compared to fiscal year 2014 mainly due to a \$66.2 million or 6.8% decrease in purchased water cost. Water supplied by the aqueduct was 12.4% lower year over year due to a reduced snowpack and Owens Valley environmental uses. Other operating expenses grew by \$20.6 million primarily due to \$18.1 million more administrative and general expenses compared to the prior fiscal year, \$7.8 million increase in pumping and distribution expenses, \$1.7 million higher customer accounting and collection expenses, offset by \$7.6 million lower water supply costs. Maintenance expense increased by \$8.6 million mainly due to maintenance costs associated with distribution, pumping and purification plants. Depreciation expense rose \$13.2 million or 10.7% mainly attributed to additions of \$3.4 million in distribution plant, \$2.8 million purification plant, \$2.4 million intangible plant, \$2.0 million general plant and \$1.9 million source of supply plant.

Nonoperating revenues were \$6.9 million lower while nonoperating expenses were \$0.4 million higher than the prior year. The \$1.1 million decrease in investment income can be attributed to changes in the fair values of investments. Debt expenses, excluding the allowance for funds used during construction, increased by \$13.1 million impacted by the issuance of \$270.0 million Water System Revenue Bonds during the fiscal year.

As a result of the above financial changes including capital contributions of \$34.4 million, the Water Enterprise Fund's change in net position for fiscal year 2015 was \$108.0 million, a decrease of \$44.5 million from fiscal year 2014.

Sewer

The Sewer Enterprise Fund (Sewer) accounts for the construction, operation, and maintenance of the City's wastewater collection and treatment system.

Sewer's total operating revenues of \$594.0 million increased by \$22.5 million or 3.9% from the previous fiscal year. The increase of \$22.5 million was attributed to increases in sewer service charges of \$11.7 million or 2.3%, industrial waste surcharges of \$1.2 million or 7.4%, sewerage facilities charges of \$5.1 million or 42.6% and other operating revenues of \$4.9 million or 69.0%. Ordinance No. 182076 dated March 1, 2012 authorized an increase of 4.5% in sewer service charge from users of water on July 1, 2013. The Ordinance also authorized a series of increases of 6.5% every July 1st from July 1, 2014 through fiscal year 2021.

Operating expenses increased by \$23.4 million or 5.7% mainly due to higher labor and non-labor costs of \$18.6 million as well as the net effect of the adjustments in the uncollectible expenses for sewer service charges provided by DWP of \$8.3 million in the prior fiscal year.

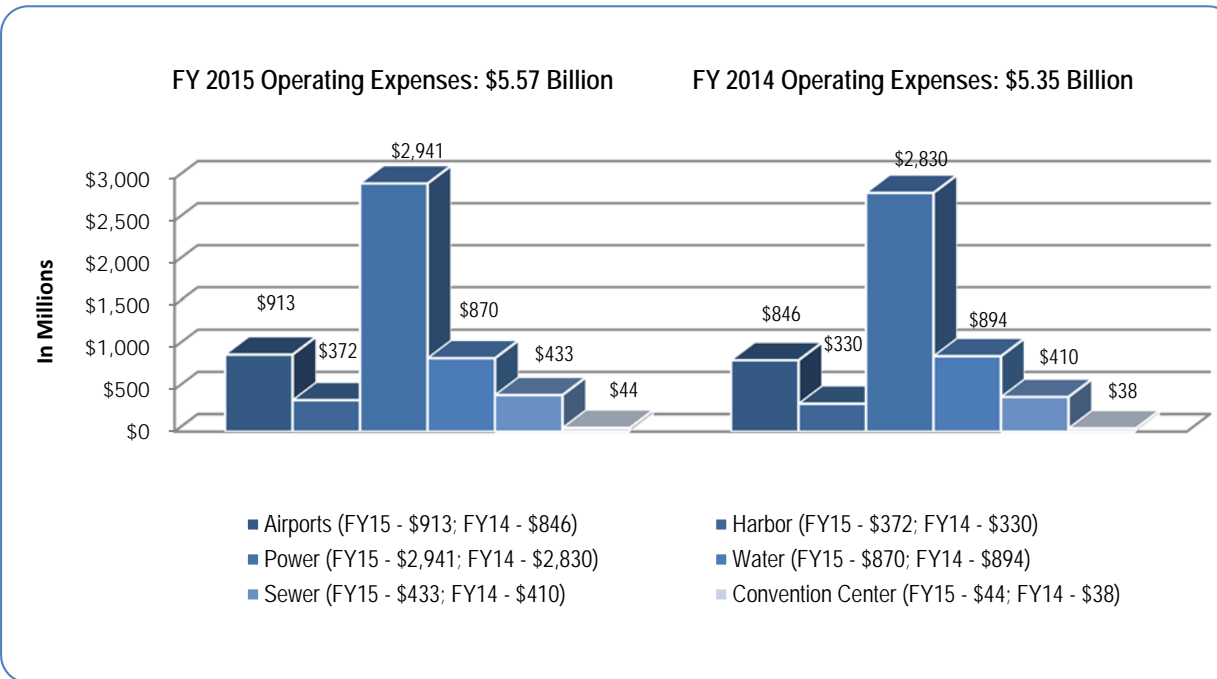
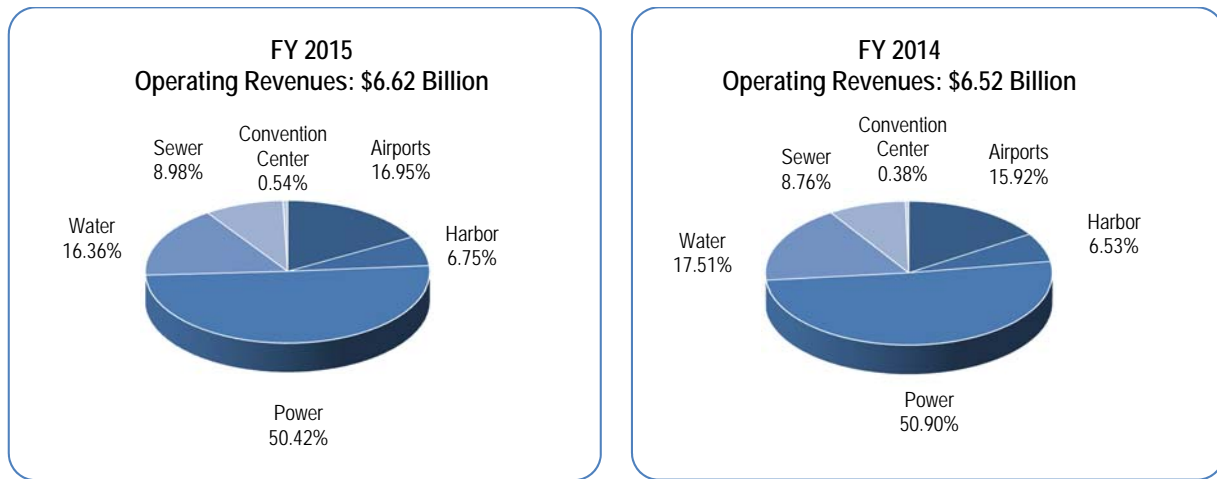
Nonoperating revenues increased by \$0.3 million as investment income went up by \$0.2 million or 10.2% over prior year. Other nonoperating revenues were also slightly higher by \$0.1 million or 1.0%. Nonoperating expenses decreased by \$52.2 million or 39.4%. Refunding certain revenue bonds resulted in lower interest expense of \$3.3 million or 3.3%. Other nonoperating expenses decreased by \$48.9 million or 150.3% due to the change in litigation expenditure estimates.

As a result of the above financial changes, including capital contributions of \$22.6 million, Sewer's change in net position for fiscal year 2015 was \$116.8 million, an increase of \$61.5 million from fiscal year 2014.

Comprehensive Annual Financial Report

Management's Discussion and Analysis (unaudited)

The following charts are graphical comparisons between June 30, 2015 and 2014, for enterprise funds/business-type activities operating revenues and operating expenses.



GENERAL FUND BUDGETARY HIGHLIGHTS

For fiscal year 2015, the City budgeted the General Fund Operating Account. For purposes of the budget, General Fund Operating Account is separate and distinct from the non-budgeted Reserve Fund and other accounts that are classified by the City as having General Fund type activity for GAAP reporting purposes. At fiscal year-end, the unassigned fund balance of the General Fund Operating Account is transferred to the Reserve Fund and reported as "Reversion to Reserve Fund."

Comprehensive Annual Financial Report

Management's Discussion and Analysis (unaudited)

At year-end, General Fund actual revenues exceeded the original budget while expenditures were lower than the final adjusted budget. The following table summarizes the operating results on a budgetary basis of the City's General Fund Operating Account as described above.

CITY OF LOS ANGELES
Budgetary Operating Results – General Fund
Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Above (Below)
	Original	Final		
Revenues and Other Financing Sources				
Taxes.....	\$ 3,694,017	\$ 3,694,017	\$ 3,784,427	\$ 90,410
Licenses, Permits, Fees and Fines.....	995,477	1,021,256	1,009,004	(12,252)
Intergovernmental.....	11,940	11,940	15,928	3,988
Interest	13,491	13,491	17,217	3,726
Other	9,106	9,106	9,021	(85)
Total Revenues	4,724,031	4,749,810	4,835,597	85,787
Power Transfers.....	261,000	261,000	265,586	4,586
Transfers from Other Funds.....	1,061,365	1,325,592	1,149,179	(176,413)
Loans from Other Funds	--	25	(98)	(123)
Total Revenues and Other Financing Sources.....	6,046,396	6,336,427	6,250,264	(86,163)
Expenditures and Other Financing Uses				
General Government.....	1,591,495	1,602,364	1,492,480	(109,884)
Protection of Persons and Property	2,015,508	2,151,453	2,114,800	(36,653)
Public Works.....	314,962	359,628	317,641	(41,987)
Health and Sanitation.....	229,697	232,339	220,173	(12,166)
Transportation	139,828	148,078	138,567	(9,511)
Cultural and Recreational Services	37,544	37,928	34,971	(2,957)
Community Development	123,388	132,857	113,133	(19,724)
Pension and Retirement Contributions	2,075	2,077	2,077	--
Capital Outlay.....	42,803	69,952	18,457	(51,495)
Total Expenditures	4,497,300	4,736,676	4,452,299	(284,377)
Transfers to Other Funds.....	1,582,287	1,599,751	1,589,203	(10,548)
Total Expenditures and Other Financing Uses.....	6,079,587	6,336,427	6,041,502	(294,925)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses				
	(33,191)	--	208,762	208,762
Fund Balance, July 1.....	33,191	33,191	--	(33,191)
Appropriation of Fund Balances and Carryforward				
Appropriations.....	--	(33,191)	--	33,191
Encumbrances Lapsed	--	--	24,761	24,761
Reversion to Reserve Fund	--	--	(233,523)	(233,523)
Fund Balance, June 30	\$ --	\$ --	\$ --	\$ --

In fiscal year 2015, total actual revenues and other financing sources were \$86.2 million or 1.4% below final budget. The continued positive growth in the economy accounted for tax receipts being higher than projections by \$90.4 million or 2.4%. Property tax receipts were higher than anticipated by \$34.0 million or 2.0%, largely due to continued higher property sales volume and price appreciation in fiscal year 2015. Business tax was higher than estimated by \$37.8 million mainly due to tax receipts from the City's AB63 Tax Enforcement Program and improvements in the local economy. Transient occupancy tax receipts were \$8.8 million or 4.5% above budget as the number of visitors to Los Angeles continued to rise from the prior year. Other tax receipts, including utility users' tax, parking users' tax and residential development tax were also higher than projections by \$7.5 million or 1.2%, \$2.0 million or 2.0% and \$1.1 million or 33.1%, respectively. These increases were offset by \$3.1 million or 0.8% below budget in sales tax receipts. Significant increases in receipts for licenses, permits, fees and fines were from a one-time receipt of \$28.9 million for the State Mandated Programs, insurance proceeds for the Figueroa Plaza/Da Vinci fire of \$19.0 million and damage claims and settlement receipts of \$12.9 million from the settlement of the City's claim against the County for excessive property tax administration fees for fiscal years 2006 to 2012. Offsetting the increases in licenses, permits, fees and fines receipts were decreases in B Permit fees of \$5.5 million, decline in parking fines of \$12.9 million as a result of lower ticket issuances and collections partially attributed to declines in full time and part time traffic officers staffing, decreased reimbursements from other funds of \$34.9 million, and decrease in miscellaneous other revenues of \$14.3 million.

The City's General Fund expenditures were \$284.4 million or 6.0% below projections during fiscal year 2015. All categories of expenditures showed decline in costs compared to estimates. The City continued to exercise fiscal restraint and adopted a strategic approach to manage the City's finances. Savings were realized through actions of the Mayor and City Council to implement various efficiencies and reductions such as attrition, strict managed hiring process of position vacancies thereby resulting in significant salary savings; expense account reductions particularly those related with contractual and outside services; funding realignment from the General Fund to special funds; continued partnership between the City and Anschutz Entertainment Group to operate the convention center; delays in various capital projects that resulted in \$51.5 million lower capital outlay expenditures compared to budget as well as reductions in equipment expenses; and use of one-time revenue, transfers and surplus resulting from lower filled positions than plan and decreased workers' compensation and rehabilitation costs attributed to better resolution of claims and use of alternative dispute resolution program.

As a result of below budget expenditures and other financing uses totaling \$294.9 million, and lapsed encumbrances of \$24.8 million, offset by below budget revenues and other financing sources of \$86.2 million, a total of \$233.5 million was reverted from the General Fund to the Reserve Fund at year-end.

LONG-TERM DEBT

At June 30, 2015 the City's bonded indebtedness and long-term notes payable totaled \$25.1 billion as follows:

CITY OF LOS ANGELES						
Summary of Bonded Debt and Long-Term Notes Payable						
(amounts expressed in thousands)						
	Governmental Activities		Business-type Activities		Total	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
Debt backed by the City						
General Obligation Bonds.....	\$ 952,278	\$ 1,069,709	\$ --	\$ --	\$ 952,278	\$ 1,069,709
Judgment Obligation Bonds.....	38,476	45,889	--	--	38,476	45,889
Special Assessment Debt.....	--	18,180	--	--	--	18,180
Debt Secured by Specified Revenue Sources						
Certificates of Participation and Lease						
Revenue Bonds.....	1,393,867	1,385,151	--	--	1,393,867	1,385,151
Revenue Bonds and Notes Payable.....	818,699	908,421	21,762,411	20,149,419	22,581,110	21,057,840
Loans Payable to U.S. Department						
of Housing and Urban Development.....	144,075	184,985	--	--	144,075	184,985
Total	\$ 3,347,395	\$ 3,612,335	\$ 21,762,411	\$ 20,149,419	\$ 25,109,806	\$ 23,761,754

Significant new issuances during the year are the following:

- \$93.5 million lease revenue bonds, \$67.3 million equipment lease purchase (private placement), and \$100.0 million commercial paper notes were issued by MICLA to finance and refinance costs associated with the acquisition of certain capital equipment and improvement of certain real properties, and to repay a portion of certain outstanding lease revenue bonds.
- \$76.7 million Solid Waste Resources Refunding Revenue Bonds Series 2015A were issued to refund the Series 2005A, 2006A and a portion of the Series 2009A bonds.
- Airport issued senior lien LAX revenue bonds Series 2015A and Series 2015B of \$267.5 million and \$47.9 million, respectively, as well as LAX subordinate revenue bonds Series 2015C of \$181.8 million to provide ongoing funding for certain capital projects and to advance refund and defease a portion of the Series 2008C subordinate bonds of \$190.6 million.
- Harbor issued \$337.3 million Refunding Revenue Bonds Series 2014A, 2014B and 2014C to finance various capital construction projects and to refund the \$73.6 million 2006 Series D Refunding Bonds. Harbor also issued \$25.0 million in commercial paper notes to provide additional funding for capital projects.
- Power issued a total of \$1,398.0 million in Power System Revenue bonds in fiscal year 2015 as follows: \$198.8 million 2014 Series C bonds to refund a portion of the 2005 Series A, Subseries A1 and A2 bonds; \$450.0 million 2014 Series D bonds and \$229.0 million 2014 Series E bonds for capital projects; and \$520.3 million 2015 Series A bonds to refund a portion of the 2005 Series A, Subseries A1 and all of the outstanding 2005 Series A Subseries A2 bonds.

- Water issued \$271.0 million of Water System Revenue Bonds, 2014 Series A for capital improvement projects. In June 2014, Water entered into four loan agreements, at 2.085% interest rate to be used for water quality capital improvements, with the State of California's State Water Resources Control Board (SWRCB) that allow for a total maximum loan of \$154.7 million. As of June 30, 2015, \$75.5 million was under the agreements.
- Sewer issued the following Wastewater System Bonds in fiscal year 2015 to finance various construction and capital improvement projects, and to refund certain commercial paper notes and bonds outstanding: \$188.8 million and \$41.2 million Series 2015-A and 2015-B, respectively, \$100.8 million Series 2015-C, \$108.9 million Refunding Series 2015-D, and \$21.7 million Subordinate Revenue Bonds Refunding Series 2015-A.

More detailed information on the City's bonds and other long-term debt can be found in Note 4H of the Notes to the Basic Financial Statements.

Governmental Activities

As of June 30, 2015, the ratings of the City's debts by rating agencies are as follows:

	Standard			Kroll Bond Rating Agency
	Moody's Investors Service	& Poor's Ratings Services	Fitch Ratings	
General Obligation Bonds	Aa2	AA-	AA-	AA
Judgment Obligation Bonds	A1	A+	A+	n/a
MICLA Lease Revenue Obligations (Real Property)	A1	A+	A+	AA-
MICLA Lease Revenue Obligations (Equipment)	A2	A+	A+	AA-
Tax and Revenue Anticipation Notes	M1G 1	SP-1+	F1+	n/a
Solid Waste Resources Revenue Bonds	Aa2	AA	AA-	AA
Wastewater System Revenue Bonds	Aa2	AA+	AA+	AA+
Wastewater System Subordinate Revenue Bonds	Aa3	AA	AA	AA

As of December 31, 2015, Standard & Poor's changed the rating of Solid Waste Resources Revenue Bonds from AA on June 30, 2015 to A+. The Tax and Revenue Anticipation Notes were not rated on December 31, 2015 but were rated F1+ on June 30, 2015 by Fitch. All obligations remained on stable outlook.

As of December 31, 2015, the ratings of the City's debts are summarized as follows:

	Standard			Kroll Bond Rating Agency
	Moody's Investors Service	& Poor's Ratings Services	Fitch Ratings	
General Obligation Bonds	Aa2	AA-	AA-	AA
Judgment Obligation Bonds	A1	A+	A+	n/a
MICLA Lease Revenue Obligations (Real Property)	A1	A+	A+	AA-
MICLA Lease Revenue Obligations (Equipment)	A2	A+	A+	AA-
Tax and Revenue Anticipation Notes	M1G 1	SP-1+	n/a	n/a
Solid Waste Resources Revenue Bonds	Aa2	A+	AA-	AA
Wastewater System Revenue Bonds	Aa2	AA+	AA+	AA+
Wastewater System Subordinate Revenue Bonds	Aa3	AA	AA	AA

The City's Debt Management Policies establish guidelines for the structure and management of the City's debt. These guidelines include target and ceiling levels for certain debt ratios to be used for financial planning purposes. The policy places certain restrictions on the types of items that can be financed, limiting financing only to those items with a useful life of six years or more. In accordance with this policy, the ratio of annual debt payments cannot exceed 15% of General Fund revenues for voter-approved and non-voter approved debt overall, and cannot exceed 6.0% of General Fund revenues for non-voter approved debt alone. The 6.0% ceiling for non-voter approved debt may be exceeded, only if there is a guaranteed new revenue stream for the debt payments and the additional debt will not cause the ratio to exceed 7.5%, or there is no guaranteed revenue stream but the 6.0% ceiling shall not be exceeded for more than one year. The total assessed value of taxable property on the City's fiscal year tax roll was \$467.0 billion, which results in a net total debt capacity of \$69.1 billion. As of June 30, 2015, the City had \$952.3 million of General Obligation bonds outstanding.

The City's Variable Rate Debt Policy sets forth the purposes and the criteria for using variable rate debt, and the factors to be considered in determining the appropriate amount of the variable rate debt. It also requires diversification of remarketing agents and counterparties. Budgeting, monitoring and reporting requirements are also included in the policy.

The City's Interest Rate Risk Mitigation Policy provides guidelines for the use of interest rate mitigation products such as swaps, caps, floors, collars and options in connection with the incurrence of debt. While the use of these financing products can reduce the City's exposures to risks inherent to certain types of debts, careful monitoring is required to preserve the City's credit strength and budget flexibility.

As of June 30, 2015, the City is in compliance with the aforementioned policies.

Information related to the City's legal debt margin and pledged revenue bond coverage for the City's enterprise funds is found in the Statistical Section – Debt Capacity.

Business-type Activities

Airports

As of June 30, 2015 and 2014, the ratings of LAX's outstanding bonds by S&P, Moody's, and Fitch were as follows: AA, Aa3, and AA, respectively for LAX Senior Bonds; AA-, A1, and AA-, respectively for LAX Subordinate Bonds. As of June 30, 2015 and 2014, the ratings of S&P, Moody's, and Fitch for ONT's outstanding bonds were A-, Baa1 and A-, respectively.

Harbor

As of June 30, 2014 and 2015, for all outstanding bonds, Harbor continues to maintain Aa2, AA, and AA credit ratings from Moody's, S&P's, and Fitch, respectively. For Harbor's commercial paper, the ratings as of June 30, 2014 are P-1, A-1+, and F-1+, respectively. No commercial paper notes were outstanding as of June 30, 2015.

Water

In October 2014, S&P, Moody's, and Fitch affirmed the Water System's bond rating of AA, Aa2, and AA, respectively.

Power

In August 2015 and as of June 2014, S&P, Moody's, and Fitch affirmed the Power System's bond rating of AA-, Aa3, and AA-, respectively.

Sewer

Sewer's most recent ratings of the senior debt were AA+ by S&P, Fitch and Kroll.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2015, amounted to \$39.5 billion (net of accumulated depreciation and amortization). This investment in capital assets, which accounts for 68.7% of the City's total assets, includes land, buildings, facilities, equipment, infrastructure, intangibles, construction in progress, nuclear fuel and natural gas field. The following table presents the City's capital assets (in thousands):

CITY OF LOS ANGELES						
Summary of Capital Assets Used in Operations						
(amounts expressed in thousands)						
	Governmental Activities		Business-type Activities		Total	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
Not Depreciated / Amortized						
Land.....	\$ 741,443	\$ 742,805	\$ 2,609,537	\$ 2,581,539	\$ 3,350,980	\$ 3,324,344
Infrastructure.....	193,444	193,167	--	--	193,444	193,167
Construction in Progress.....	873,382	878,420	6,131,552	5,251,989	7,004,934	6,130,409
Intangible Assets.....	16,332	10,345	65,793	65,793	82,125	76,138
Nuclear Fuel.....	--	--	39,469	42,931	39,469	42,931
Subtotal.....	<u>1,824,601</u>	<u>1,824,737</u>	<u>8,846,351</u>	<u>7,942,252</u>	<u>10,670,952</u>	<u>9,766,989</u>
Depreciated / Amortized, Net						
Buildings, Facilities and Equipment.....	3,461,190	3,451,138	23,172,237	22,028,074	26,633,427	25,479,212
Infrastructure.....	1,937,191	1,857,732	--	--	1,937,191	1,857,732
Intangible Assets.....	55,292	60,662	14,745	15,368	70,037	76,030
Natural Gas Field.....	--	--	228,797	248,923	228,797	248,923
Subtotal.....	<u>5,453,673</u>	<u>5,369,532</u>	<u>23,415,779</u>	<u>22,292,365</u>	<u>28,869,452</u>	<u>27,661,897</u>
Total.....	<u>\$ 7,278,274</u>	<u>\$ 7,194,269</u>	<u>\$ 32,262,130</u>	<u>\$ 30,234,617</u>	<u>\$ 39,540,404</u>	<u>\$ 37,428,886</u>

Major capital assets activities during the year are as follows:

Governmental Activities

- Completed building construction and various improvements, including transfers from construction in progress, amounted to \$111.5 million. These various projects include \$20.7 million for fire facilities, \$3.0 million for animal shelters, \$86.9 million for recreational, cultural and community centers, and \$0.9 million for various municipal facilities.
- Capitalized charges for various projects under construction totaled \$217.4 million. These projects include \$65.3 million for recreational, cultural and community centers, \$79.4 million for various public work projects, \$15.1 million for transportation projects, \$38.9 million for fire and police facilities, \$18.2 million for municipal facilities projects, and \$0.4 million for animal shelters.
- Capitalized infrastructure assets totaled \$146.4 million.
- Acquisition of machinery and equipment that were capitalized totaled \$112.6 million, while those retired, salvaged, deleted or sold amounted to \$135.5 million.

The modified approach is used in reporting the City's bridges infrastructure system. As of June 30, 2015, the condition of City bridges is compliant with the City's policy. Seventy one percent of all City bridges are rated B or better. The planned costs for preservation and maintenance were \$144.6 million, but \$71.9 million was actually spent. See additional information in Note 1E of the Notes to the Basic Financial Statements. The required supplementary information for bridges is presented in the Required Supplementary Information.

Business-type Activities

- Airports' net capital assets increased by \$518.9 million, or 7.5%. Major capital assets activities include \$228.3 million improvements and security upgrades at the Tom Bradley International Terminal (TBIT); \$118.2 million renovations at Terminals 1 to 8; \$63.5 million replacement of the Central Utility Plant and cogeneration facilities; \$31.7 million repairs and improvements of elevators and escalators; \$55.0 million residential acquisition, soundproofing and noise mitigation; \$49.2 million Central Terminal Area curbside development and Second Level Roadway Joint and Deck replacement; \$23.5 million in costs related to various information technology network and systems projects; and \$68.4 million for construction of runways, taxiways, safety area improvements and design and preconstruction of the Midfield Satellite Concourse.
- Harbor's net capital assets rose by \$147.4 million or 3.9% compared to the prior fiscal year. Major capital assets activities include \$114.3 million cost of automatic stacking crane infrastructure; \$9.2 million design, construction and improvements of various yard sites; \$19.5 million design and construction of a grade separation to carry vehicular traffic over railroad tracks to Port terminals and \$43.8 million various transportation and street improvement projects.
- Power capitalized \$720.0 million of additions, including transfers from construction work in progress, to depreciable utility plant in service. Of the \$720.0 million, \$382.0 million, or 53.0%, is mostly attributable to the Power Reliability Program to improve distribution system reliability, including construction of new business line facilities and customized customer station designs; \$183.0 million or 25.0% is related to general plant assets upgrade and overhaul of generator turbines. In addition, \$151.0 million or 22.0% is mostly related to general plant and transmission plant assets, fleet purchase of transportation and construction equipment, additions to Customer Information System replacement project, upgrade of oil depot and replacement of circuit breakers at Castaic Power Plant. Increase in construction work in progress of \$485.0 million is primarily due to capitalization of generation and transmission system assets and switching stations.
- Water capitalized \$428.0 million of additions to depreciable utility plant in service. Of the \$428.0 million, \$204.0 million, or 48.0% is related to distribution plant assets, mostly attributable to the installation or replacement of trunk line, mains, meters and services. Other additions included construction of the Trunkline Headquarters, Meters Shop and the Sycamore Trunk Line, improvements to the Santa Ynez Reservoir and replacement of existing meters with lead-free meters and fittings. \$132.0 million or 31.0% increase in asset values of water supply source was due to the River Supply Conduit Lower Reach 4, improvements to the Van Norman Reservoir and the Los Angeles (LA) Aqueduct. Purification and pumping stations increased by \$47.0 million or 11.0% from improvements made to the LA Aqueduct Filtration Plant, the conversion of the Manhattan Wells Ammoniation Station to chloramine disinfection and upgrades to treatment facilities. General plant increased by \$46.0 million mainly due to additions to fleet and office equipment.
- Sewer capitalized \$114.7 million, including transfers from construction in progress. Of this amount, \$68.9 million, or 60.1% was for project data collection systems and \$31.8 million or 27.7% was for treatment plants and equipment. Other equipment and maintenance yards were acquired in fiscal year 2015 for \$13.4 million. Charges to Construction in Progress amounted to \$124.5 million.

Significant commitments that include construction contracts are discussed in Note 5C of the Notes to the Basic Financial Statements. As of June 30, 2015, the City's contractual commitments for various capital projects amounted to \$247.9 million for governmental activities and \$313.1 million for business-type activities. The City's policy affecting capital assets can be found in Note 1E of the Notes to the Basic Financial Statements. Additional information can be found in Note 4E.

ECONOMIC FACTORS AFFECTING NEXT YEAR’S BUDGET

The City’s fiscal year 2016 total adopted budget is \$8.6 billion. Of this amount, \$4.1 billion, or 48.2%, is appropriated for departmental expenditures. The remainder of \$4.5 billion or 51.8% is appropriated for non-departmental expenditures. Estimated general receipts of \$5.4 billion, special receipts of \$2.3 billion, bond redemption and interest funds of \$0.1 billion, and special fund available balances of \$0.8 billion are sources of funds for the budget. The adopted budget included a Reserve Fund of \$287.4 million or 5.3% of the General Fund receipts, \$91.9 million for the Budget Stabilization Fund and met the goal of appropriating at least 1% of its General Fund to capital improvements.

The City addressed a projected \$468.0 million General Fund deficit for fiscal year 2016 primarily through \$320.0 million increased ongoing revenue due to improved economic conditions and growth in a number of economically-sensitive revenues; \$138.0 million in one-time revenues primarily from a transfer of \$60.3 million from the City’s Reserve Fund, \$33.0 million surplus transfer from the Special Parking Revenue Fund and \$37.0 million infusion of sales tax tied to the elimination of the State’s “triple flip” methodology for allocating sales and property taxes; and \$10.0 million in various ongoing reductions and efficiencies.

The fiscal year 2016 General Fund budgeted receipts of \$5.4 billion increased by \$166.1 million or 3.2% from fiscal year 2015 actual receipts, as follows (in millions):

	FY 2016	FY 2015	Increase (Decrease)	
	Budget	Receipts	Amount	Percentage
Taxes.....	\$ 3,944.3	\$ 3,784.4	\$ 159.9	4.2 %
Licenses, permits, fees and fines..	1,030.3	1,003.8	26.5	2.6
Intergovernmental.....	11.7	15.9	(4.2)	-26.4
Interest.....	17.6	17.2	0.4	2.3
Other.....	9.1	9.2	(0.1)	-1.1
Transfers from other funds.....	397.3	413.7	(16.4)	-4.0
Total.....	<u>\$ 5,410.3</u>	<u>\$ 5,244.2</u>	<u>\$ 166.1</u>	<u>3.2</u>

Note: Transfers from other funds include Reserve Fund, Power Fund, Special Parking Revenue Fund and Telecommunications Development Account.

The City uses independent revenue forecasts from local economists and other taxing jurisdictions to develop its revenue assumptions. The assumptions reflect continuation of moderate economic growth and improvement in the City’s ongoing revenue generation.

Fiscal year 2016 overall tax receipts are anticipated to increase by \$159.9 million or 4.2% from actual fiscal year 2015 revenue. Major tax categories projected to increase include property, sales, documentary transfer, transient occupancy, and parking users’ taxes. Property tax receipts are projected to increase by nearly \$91.0 million or 5.0% mainly attributable to a 5.9% estimated increase in the City’s total assessed valuation. Documentary transfer tax receipts are estimated to be modestly higher by \$7.4 million or 3.6% based on anticipated improved sales and price growth compared to the previous year.

Sales tax receipts are higher by \$55.1 million or 12.9% primarily due to projected \$37.1 million in additional one-time revenue when the full one percent rate on taxable sales is restored with the ending of the “triple flip”. Transient occupancy tax projected increase of \$18.1 million or 8.2% includes \$5.0 million for negotiated collection agreements with short-term rental websites and is consistent with hotel industry forecast. Business tax receipts are projected to decline by \$6.3 million or 1.3% mainly due to the impact of first-year implementation of lowered top tax rate from \$5.07 per \$1,000 to \$4.75 per \$1,000 of gross receipts.

Economic forecasts project continued steady gains in employment and personal income growth in 2016. California unemployment rate in November 2015 dropped to 5.7% compared to 7.2% a year ago. As U.S. job growth remains positive, housing prices and sales are expected to improve and grow steadily. Consumer spending, as evidenced by strong internet retail and automobile sales, is anticipated to be a major driver in the economy. However, recent slowdown in overall economic output, impact of the anticipated continued process of raising short-term interest rates by the Federal Reserve Bank, falling oil and commodity prices, slowing momentum in the Chinese and other emerging economies may pose risks and negatively affect the City's economic growth in the next fiscal year.

Other matters that are affecting and will affect the City's future operations are as follows:

There are some known risks that may need to be addressed during fiscal year 2016. Significant police overtime liability has been accumulated in prior years as a result of underfunding this account and increasing the amount that could be banked by police officers for future pay-out of compensated time off. The specific timing of paying down this liability is undetermined with \$5.0 million provided in the fiscal year 2016 Adopted Budget for this purpose. Funding for police overtime has been provided for estimated future fiscal year expenditures.

A number of legal challenges may also adversely impact the City's financial condition over the next several years. Only partial funding has been provided for a case involving utility users' taxes. Litigation has also been filed challenging the long-standing practice of transferring a portion of surplus power revenues to the City's General Fund as a violation of new restrictions on taxation imposed by Proposition 26 in 2010. This revenue constitutes about 5.0% of General Fund revenues.

The City Administrative Officer (CAO) reports to the Mayor and City Council on the status of the budget. Based on the CAO's Second Financial Status Report issued on December 4, 2015, a deficit of \$97.2 million is projected through the fiscal year-end primarily due to \$80.0 million in liability claims settlements, \$9.7 million in firefighter overtime to maintain compliance with Federal Fair Labor Standards Act and \$3.3 million in sworn salaries shortfall due to acceleration of police hiring. An initial \$31.0 million was transferred from the Reserve Fund to offset the liability claims and attorney conflicts panel account deficit. These and other actions taken and anticipated in the Second Financial Status Report reduced the \$97.2 million deficit reported to \$59.1 million. Analysis conducted subsequent to the release of the Second Financial Status Report has determined that the deficit in the Liability Claims Account is lower than initially reported by approximately \$20.0 million. This will further reduce the 2015-16 deficit. Total revenue through October is \$39.2 million below planned receipts primarily due to the potential shortfall of \$26.8 million in property tax, \$5.3 million in documentary transfer tax, \$20.3 million in utility users' tax and \$2.6 million in parking fines receipts. A subsequently identified revenue shortfall of \$90.0 million in property tax in-lieu of sales tax receipts in fiscal year 2016 is mainly attributed to the unwinding of the State's property tax triple flip funding process; wherein, the City expects to receive approximately \$63.0 million of the property tax receipts due in early fiscal year 2017. The remaining balance represents an over-estimation of receipts that the City will address along with the other revenue shortfalls mentioned as part of its mid-year and year-end budget adjustments. Updated year-end estimates will be reported based on six months of expenditure and revenue data in the City's Mid-Year Financial Status Report.

The Four-Year Budget Outlook (Outlook) is based on the adopted budget, known major expenditure commitments and projections of revenues and expenditures. The Outlook reflects a budget gap of \$89.8 million in fiscal year 2017 and \$51.0 million in fiscal year 2018 without corrective actions. Based on the assumptions in the Outlook, the structural deficit will be eliminated by fiscal year 2019. Since the adoption of the fiscal year 2016 budget, the City concluded negotiations with the Coalition of City Unions (Coalition). The new Memoranda of Understanding (MOU) with the Coalition include salary adjustments and a health and wellness bonus that is offset by an equivalent contribution to the City sponsored health plan. It also establishes a new civilian retirement tier (Tier 3) and transfers Tier 2 employees to Tier 1. These expenditures are not reflected in the Outlook. Additionally, recent policy discussions to commit \$100.0 million for homelessness may impact the Outlook.

As reported by the Controller in its Preliminary Financial Report for fiscal year ended June 30, 2015, the July 1, 2015 adjusted Reserve Fund balance was \$442.5 million or nearly 8.2% of the General Fund budget, 3.2% above the 5.0% City Financial Policy. The Budget Stabilization Fund was \$91.9 million after a transfer of \$26.9 million from the Reserve Fund.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, creditors, and other users with a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the City Controller, 200 North Main Street, City Hall East Room 300, Los Angeles, CA 90012.

Basic Financial Statements

CITY OF LOS ANGELES
Statement of Net Position
June 30, 2015
(amounts expressed in thousands)

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Pooled Investments	\$ 4,165,013	\$ 2,692,941	\$ 6,857,954
Other Investments	46,964	104,263	151,227
Receivables, Net	1,782,011	1,700,722	3,482,733
Inventories	20,694	204,327	225,021
Prepaid Items and Other Assets	23,770	1,082,979	1,106,749
Restricted Assets	12,827	3,674,995	3,687,822
Investment in Joint Ventures	--	6,026	6,026
Properties Held for Housing Development	110,991	--	110,991
Pension Regulatory Assets	--	1,388,208	1,388,208
Net Other Postemployment Benefits Assets	--	983,424	983,424
Capital Assets			
Not Depreciated / Amortized	1,824,601	8,846,351	10,670,952
Depreciated / Amortized, Net	5,453,673	23,415,779	28,869,452
TOTAL ASSETS	13,440,544	44,100,015	57,540,559
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows on Debt Refunding	34,380	206,345	240,725
Deferred Outflows on Derivative Instruments	--	70,003	70,003
Deferred Outflows on Pensions	1,338,168	1,000,039	2,338,207
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,372,548	1,276,387	2,648,935
LIABILITIES			
Accounts Payable and Accrued Expenses	394,486	988,135	1,382,621
Obligations Under Securities Lending Transactions	31,367	28,835	60,202
Accrued Interest Payable	47,394	324,001	371,395
Internal Balances	59,912	(59,912)	--
Unearned Revenue	19,324	--	19,324
Deposits and Advances	53,138	137,862	191,000
Other Liabilities	185,784	84,579	270,363
Advances from Fiduciary Funds	30,791	--	30,791
Derivative Instrument Liabilities	--	70,003	70,003
Non-current Liabilities			
Due Within One Year	822,735	651,976	1,474,711
Due In More Than One Year	11,511,765	23,643,470	35,155,235
TOTAL LIABILITIES	13,156,696	25,868,949	39,025,645
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows from Business Activities	--	176,557	176,557
Deferred Inflows from Debt Refunding	--	7,989	7,989
Deferred Inflows from Pensions	2,193,188	1,203,112	3,396,300
TOTAL DEFERRED INFLOWS OF RESOURCES	2,193,188	1,387,658	3,580,846
NET POSITION			
Net Investment in Capital Assets	4,760,372	11,489,529	16,249,901
Restricted for:			
Capital Projects	100,835	138,759	239,594
Debt Service	322,336	1,118,078	1,440,414
Public Safety	141,658	--	141,658
Public Works and Sanitation	102,677	--	102,677
Transportation Programs	377,502	--	377,502
Culture and Recreation Activities	308,649	--	308,649
Community Development and Housing	732,737	--	732,737
Passenger/Customer Facility Charges	--	791,864	791,864
Other Postemployment Benefits	--	983,424	983,424
Other Purposes	--	428,433	428,433
Unrestricted (Deficit)	(7,383,558)	3,169,708	(4,213,850)
TOTAL NET POSITION	\$ (536,792)	\$ 18,119,795	\$ 17,583,003

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

CITY OF LOS ANGELES
Statement of Activities
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General Government	\$ 1,240,898	\$ 285,973	\$ 31,164	\$ --	\$ (923,761)	\$ --	\$ (923,761)
Protection of Persons and Property	2,872,296	439,901	146,131	1,607	(2,284,657)	--	(2,284,657)
Public Works	422,558	182,758	175,420	13	(64,367)	--	(64,367)
Health and Sanitation	467,548	494,420	23,909	3,824	54,605	--	54,605
Transportation	406,573	151,813	269,173	2,553	16,966	--	16,966
Cultural and Recreational Services	541,758	160,736	3,377	34,708	(342,937)	--	(342,937)
Community Development	169,121	139,509	184,901	--	155,289	--	155,289
Interest on Long-Term Debt	146,896	--	--	--	(146,896)	--	(146,896)
Total Governmental Activities	6,267,648	1,855,110	834,075	42,705	(3,535,758)	--	(3,535,758)
Business-type Activities:							
Airports	1,092,463	1,121,584	--	34,761	--	63,882	63,882
Harbor	379,809	446,895	--	111,852	--	178,938	178,938
Power	3,204,535	3,336,963	--	66,988	--	199,416	199,416
Water	1,037,652	1,082,581	--	34,390	--	79,319	79,319
Sewer	513,226	594,024	--	22,646	--	103,444	103,444
Convention Center	43,871	36,158	--	--	--	(7,713)	(7,713)
Total Business-type Activities	6,271,556	6,618,205	--	270,637	--	617,286	617,286
Total	\$ 12,539,204	\$ 8,473,315	\$ 834,075	\$ 313,342	(3,535,758)	617,286	(2,918,472)
General Revenues:							
Property Taxes					1,782,124	--	1,782,124
Utility Users' Taxes					637,248	--	637,248
Business Taxes					541,844	--	541,844
Other Taxes							
Documentary Transfer					199,895	--	199,895
Transient Occupancy					222,551	--	222,551
Parking Occupancy					101,442	--	101,442
Franchise Income					88,643	--	88,643
Miscellaneous					13,358	--	13,358
Grants and Contributions Not Restricted to Specific Programs							
Sales Taxes					494,685	--	494,685
Other					16,421	--	16,421
Unrestricted Investment Earnings					20,724	86,367	107,091
Other					81,303	275,885	357,188
Transfers					260,586	(260,586)	--
Extraordinary Item							
Transfer of Assets from CRA					4,855	--	4,855
Total General Revenues and Other Items					4,465,679	101,666	4,567,345
Change In Net Position					929,921	718,952	1,648,873
Net Position - July 30, As Previously Reported					5,171,370	18,133,857	23,305,227
Change in Accounting Principle, GASB 68 Implementation					(6,638,083)	(733,014)	(7,371,097)
Net Position July 1, Restated					(1,466,713)	17,400,843	15,934,130
Net Position - June 30					\$ (536,792)	\$ 18,119,795	\$ 17,583,003

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

CITY OF LOS ANGELES
Balance Sheet
Governmental Funds
June 30, 2015
(amounts expressed in thousands)

	Municipal Improvement Corporation		
	General	Special Revenue	Debt Service
ASSETS			
Cash and Pooled Investments	\$ 1,084,125	\$ 90,711	\$ 53,767
Other Investments	--	--	34,113
Taxes Receivable			
(Net of Allowance for Uncollectibles of \$26,787)	554,084	--	--
Accounts Receivable			
(Net of Allowance for Uncollectibles of \$371,048)	131,040	--	--
Special Assessments Receivable	4,417	--	--
Investment Income Receivable	7,123	162	1
Intergovernmental Receivable	135,042	--	1,111
Loans Receivable			
(Net of Allowance for Uncollectibles of \$1,405,613)	1	--	--
Due from Other Funds	50,870	--	--
Inventories	20,694	--	--
Prepaid Items and Other Assets	13,297	1,671	--
Advances to Other Funds	8,155	--	102,377
Restricted Assets	--	--	--
Properties Held for Housing Development	--	--	--
TOTAL ASSETS	\$ 2,008,848	\$ 92,544	\$ 191,369
LIABILITIES			
Accounts, Contracts and Retainage Payable	\$ 69,758	\$ 8,690	\$ --
Obligations Under Securities Lending Transactions	12,703	560	--
Accrued Salaries and Overtime Payable	154,873	--	--
Accrued Compensated Absences Payable	15,654	--	--
Claims and Judgments Payable	39,922	--	--
Intergovernmental Payable	876	--	--
Due to Other Funds	47,891	1,810	--
Unearned Revenue	19	--	--
Deposits and Advances	28,349	--	--
Interest Payable	--	--	--
Advances from Other Funds	47,304	--	--
Other Liabilities	53,246	958	--
Liability for Excess CRA Bond Proceeds	--	--	--
TOTAL LIABILITIES	470,595	12,018	--
DEFERRED INFLOWS OF RESOURCES			
Unavailable Real Estate Tax	53,497	--	--
Taxes Other than Real Estate	314,960	--	--
Receivables from Other Government Agencies	132,692	--	--
Other Deferred Inflows of Resources	91,555	--	--
TOTAL DEFERRED INFLOWS OF RESOURCES	592,704	--	--
FUND BALANCES			
Nonspendable	42,146	1,671	--
Restricted	--	78,855	191,369
Committed	2,457	--	--
Assigned	253,388	--	--
Unassigned	647,558	--	--
TOTAL FUND BALANCES	945,549	80,526	191,369
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 2,008,848	\$ 92,544	\$ 191,369

Continued...

CITY OF LOS ANGELES
Balance Sheet - (Continued)
Governmental Funds
June 30, 2015
(amounts expressed in thousands)

	Solid Waste Resources	Nonmajor Governmental Funds	Total
ASSETS			
Cash and Pooled Investments	\$ 256,905	\$ 2,679,505	\$ 4,165,013
Other Investments	--	12,851	46,964
Taxes Receivable (Net of Allowance for Uncollectibles of \$26,787)	--	20,973	575,057
Accounts Receivable (Net of Allowance for Uncollectibles of \$371,048)	6,378	85,033	222,451
Special Assessments Receivable	--	7,390	11,807
Investment Income Receivable	533	5,149	12,968
Intergovernmental Receivable	--	132,412	268,565
Loans Receivable (Net of Allowance for Uncollectibles of \$1,405,613)	--	691,162	691,163
Due from Other Funds	8,602	61,707	121,179
Inventories	--	--	20,694
Prepaid Items and Other Assets	--	8,802	23,770
Advances to Other Funds	--	1,009	111,541
Restricted Assets	--	12,827	12,827
Properties Held for Housing Development	--	110,991	110,991
TOTAL ASSETS	\$ 272,418	\$ 3,829,811	\$ 6,394,990
LIABILITIES			
Accounts, Contracts and Retainage Payable	\$ 7,837	\$ 128,481	\$ 214,766
Obligations Under Securities Lending Transactions	1,745	16,359	31,367
Accrued Salaries and Overtime Payable	12	20,595	175,480
Accrued Compensated Absences Payable	--	174	15,828
Claims and Judgments Payable	--	--	39,922
Intergovernmental Payable	--	3,364	4,240
Due to Other Funds	196	81,624	131,521
Unearned Revenue	--	19,305	19,324
Deposits and Advances	3	24,786	53,138
Interest Payable	--	278	278
Advances from Other Funds	--	144,598	191,902
Other Liabilities	2,987	44,521	101,712
Liability for Excess CRA Bond Proceeds	--	84,072	84,072
TOTAL LIABILITIES	12,780	568,157	1,063,550
DEFERRED INFLOWS OF RESOURCES			
Unavailable Real Estate Tax	--	14,776	68,273
Taxes Other than Real Estate	--	956	315,916
Receivables from Other Government Agencies	49	91,449	224,190
Other Deferred Inflows of Resources	789	55,616	147,960
TOTAL DEFERRED INFLOWS OF RESOURCES	838	162,797	756,339
FUND BALANCES			
Nonspendable	--	8,802	52,619
Restricted	--	2,536,640	2,806,864
Committed	258,800	603,671	864,928
Assigned	--	14	253,402
Unassigned	--	(50,270)	597,288
TOTAL FUND BALANCES	258,800	3,098,857	4,575,101
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 272,418	\$ 3,829,811	\$ 6,394,990

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

CITY OF LOS ANGELES

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2015
(amounts expressed in thousands)

Total Fund Balances - Governmental Funds	\$ 4,575,101
Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	7,278,274
Deferred outflows of resources reported in the statement of net position, but not recognized in the governmental funds.	1,372,548
Unavailable revenues are reported as deferred inflows of resources in the governmental funds, but are recognized as revenues when earned in governmental activities.	756,339
Deferred inflows of resources reported in the statement of net position, but not recognized in the governmental funds.	(2,193,188)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(12,325,866)</u>
Net Position of Governmental Activities	<u><u>\$ (536,792)</u></u>

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

CITY OF LOS ANGELES

**Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)**

	Municipal Improvement Corporation		
	General	Special Revenue	Debt Service
REVENUES			
Property Taxes	\$ 1,611,605	\$ --	\$ --
Property Tax In-Lieu of Sales Tax	121,903	--	--
Sales Taxes	372,782	--	--
Utility Users' Taxes	637,318	--	--
Business Taxes	500,774	--	--
Other Taxes	552,549	--	--
Licenses and Permits	22,604	--	--
Intergovernmental	39,284	--	2,193
Charges for Services	617,481	--	--
Services to Enterprise Funds	273,171	--	--
Fines	156,006	--	--
Special Assessments	1,259	--	--
Investment Earnings	20,736	716	606
Program Income	--	--	--
Other	79,816	17,367	--
TOTAL REVENUES	5,007,288	18,083	2,799
EXPENDITURES			
Current			
General Government	1,333,453	106	1,943
Protection of Persons and Property	2,771,591	--	--
Public Works	170,510	--	--
Health and Sanitation	174,136	--	--
Transportation	110,336	--	--
Cultural and Recreational Services	54,992	--	--
Community Development	43,966	--	--
Capital Outlay	29,540	82,119	--
Debt Service			
Principal	--	--	211,138
Interest	1,472	--	65,177
Cost of Issuance	927	419	373
TOTAL EXPENDITURES	4,690,923	82,644	278,631
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	316,365	(64,561)	(275,832)
OTHER FINANCING SOURCES (USES)			
Transfers In	302,147	--	283,784
Transfers Out	(573,493)	(129,437)	(606)
Issuance of Long-Term Debt	--	209,058	--
Issuance of Long-Term Debt - Premium	--	4,629	--
Proceeds of Loan Refunding / Refinancing	--	--	51,730
Proceeds of Refunding Bonds	--	--	--
Proceeds of Refunding Bonds - Premium	--	--	5,577
Payment to Refunding Bond Escrow Agent	--	--	(61,851)
Loans from HUD	--	--	--
Early Bond Retirement Expense	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	(271,346)	84,250	278,634
EXTRAORDINARY ITEM			
Transfer of Assets from CRA	--	--	--
NET CHANGE IN FUND BALANCES	45,019	19,689	2,802
FUND BALANCES, JULY 1	898,479	60,837	188,567
INCREASE IN RESERVE FOR INVENTORIES	2,051	--	--
FUND BALANCES, JUNE 30	\$ 945,549	\$ 80,526	\$ 191,369

Continued...

CITY OF LOS ANGELES
Statement of Revenues, Expenditures
and Changes in Fund Balances - (Continued)
Governmental Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Solid Waste Resources	Nonmajor Governmental Funds	Total
REVENUES			
Property Taxes	\$ --	\$ 150,355	\$ 1,761,960
Property Tax In-Lieu of Sales Tax	--	--	121,903
Sales Taxes	--	--	372,782
Utility Users' Taxes	--	--	637,318
Business Taxes	--	--	500,774
Other Taxes	--	68,719	621,268
Licenses and Permits	--	51,824	74,428
Intergovernmental	960	740,975	783,412
Charges for Services	288,617	549,909	1,456,007
Services to Enterprise Funds	4,269	1,435	278,875
Fines	--	8,131	164,137
Special Assessments	--	130,980	132,239
Investment Earnings	2,658	24,019	48,735
Program Income	--	23,580	23,580
Other	3,473	70,172	170,828
TOTAL REVENUES	299,977	1,820,099	7,148,246
EXPENDITURES			
Current			
General Government	--	18,331	1,353,833
Protection of Persons and Property	--	326,269	3,097,860
Public Works	--	228,855	399,365
Health and Sanitation	246,459	72,126	492,721
Transportation	--	279,819	390,155
Cultural and Recreational Services	--	441,180	496,172
Community Development	--	155,454	199,420
Capital Outlay	5,582	308,026	425,267
Debt Service			
Principal	--	241,167	452,305
Interest	--	79,014	145,663
Cost of Issuance	--	388	2,107
TOTAL EXPENDITURES	252,041	2,150,629	7,454,868
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	47,936	(330,530)	(306,622)
OTHER FINANCING SOURCES (USES)			
Transfers In	50	514,505	1,100,486
Transfers Out	(50,179)	(86,185)	(839,900)
Issuance of Long-Term Debt	--	--	209,058
Issuance of Long-Term Debt - Premium	--	--	4,629
Proceeds of Loan Refunding / Refinancing	--	--	51,730
Proceeds of Refunding Bonds	--	76,670	76,670
Proceeds of Refunding Bonds - Premium	--	12,105	17,682
Payment to Refunding Bond Escrow Agent	--	(93,345)	(155,196)
Loans from HUD	--	2,102	2,102
Early Bond Retirement Expense	--	(281)	(281)
TOTAL OTHER FINANCING SOURCES (USES)	(50,129)	425,571	466,980
EXTRAORDINARY ITEM			
Transfer of Assets from CRA	--	4,855	4,855
NET CHANGE IN FUND BALANCES	(2,193)	99,896	165,213
FUND BALANCES, JULY 1	260,993	2,998,961	4,407,837
INCREASE IN RESERVE FOR INVENTORIES	--	--	2,051
FUND BALANCES, JUNE 30	\$ 258,800	\$ 3,098,857	\$ 4,575,101

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

CITY 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 Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

Net Change in Fund Balances - Total Governmental Funds \$ 165,213

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report capital outlays 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. This is the amount by which capital outlays exceeded depreciation in the current period. 84,005

Amortization of losses on refunding of debt are reported as changes to deferred outflows of resources in governmental activities, but not reported for governmental funds. (2,142)

Change in unavailable revenues are reported as changes in deferred inflows of resources for governmental funds, but were recognized as revenues for governmental activities. 80,880

Accrued interest expense on long-term debt is reported in the government-wide statement of activities, but does not require the use of current financial resources. Amortization of bond premiums and discounts should be expensed as a component of interest expense on the statement of activities. This amount represents the net accrued interest expense and the amortization of bond premiums and discounts not reported in governmental funds.

Decrease in accrued interest expense	\$ 4,125	
Amortization of premiums and discounts on bonds issued	3,870	
Total net interest expense and amortization of discount/premium	<u>7,995</u>	7,995

The issuance of long-term debt (e.g. bonds) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. 261,069

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. 63,739

Changes in net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions that do not require the use of current economic financial resources, and hence, are not reported in the governmental funds. 267,111

Increase in reserve for inventory 2,051

Change in Net Position of Governmental Activities \$ 929,921

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

CITY OF LOS ANGELES

**Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts (Budgetary Basis)</u>	<u>Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 3,694,017	\$ 3,694,017	\$ 3,784,427	\$ 90,410
Licenses, Permits, Fees and Fines	995,477	1,021,256	1,009,004	(12,252)
Intergovernmental	11,940	11,940	15,928	3,988
Interest	13,491	13,491	17,217	3,726
Other	9,106	9,106	9,021	(85)
TOTAL REVENUES	<u>4,724,031</u>	<u>4,749,810</u>	<u>4,835,597</u>	<u>85,787</u>
EXPENDITURES				
Current				
General Government	1,591,495	1,602,364	1,492,480	109,884
Protection of Persons and Property	2,015,508	2,151,453	2,114,800	36,653
Public Works	314,962	359,628	317,641	41,987
Health and Sanitation	229,697	232,339	220,173	12,166
Transportation	139,828	148,078	138,567	9,511
Cultural and Recreational Services	37,544	37,928	34,971	2,957
Community Development	123,388	132,857	113,133	19,724
Pension and Retirement Contributions	2,075	2,077	2,077	--
Capital Outlay	42,803	69,952	18,457	51,495
TOTAL EXPENDITURES	<u>4,497,300</u>	<u>4,736,676</u>	<u>4,452,299</u>	<u>284,377</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>226,731</u>	<u>13,134</u>	<u>383,298</u>	<u>370,164</u>
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	1,322,365	1,586,592	1,414,765	(171,827)
Loans from (to) Other Funds	--	25	(98)	(123)
Transfers to Other Funds	(1,582,287)	(1,599,751)	(1,589,203)	10,548
TOTAL OTHER FINANCING SOURCES (USES)	<u>(259,922)</u>	<u>(13,134)</u>	<u>(174,536)</u>	<u>(161,402)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(33,191)</u>	<u>--</u>	<u>208,762</u>	<u>208,762</u>
FUND BALANCE, JULY 1	33,191	33,191	--	(33,191)
Appropriation of Fund Balances and Carryforward				
Appropriations	--	(33,191)	--	33,191
Encumbrances Lapsed	--	--	24,761	24,761
Reversion to Reserve Fund	--	--	(233,523)	(233,523)
FUND BALANCE, JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

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

CITY OF LOS ANGELES

**Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Solid Waste Resources Special Revenue Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 150	\$ 150	\$ 1,005	\$ 855
Charges for Services	323,011	323,011	290,912	(32,099)
Interest	2,168	2,168	3,643	1,475
Services to Enterprise Funds	3,500	3,500	3,696	196
Other	1,188	1,188	3,474	2,286
TOTAL REVENUES	330,017	330,017	302,730	(27,287)
EXPENDITURES				
Current				
Health and Sanitation	219,236	203,936	151,236	52,700
Capital Outlay	204,676	114,162	4,914	109,248
Debt Service				
Principal	33,055	33,055	33,055	--
Interest	11,877	11,877	11,877	--
TOTAL EXPENDITURES	468,844	363,030	201,082	161,948
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(138,827)	(33,013)	101,648	134,661
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	--	--	50	50
Transfers to Other Funds	(140,953)	(141,365)	(135,595)	5,770
TOTAL OTHER FINANCING SOURCES (USES)	(140,953)	(141,365)	(135,545)	5,820
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(279,780)	(174,378)	(33,897)	140,481
FUND BALANCE, JULY 1	121,361	121,361	181,333	59,972
Appropriation of Fund Balance and Carryforward				
Appropriations	158,419	52,195	--	(52,195)
Encumbrances Lapsed	--	822	822	--
FUND BALANCE, JUNE 30	\$ --	\$ --	\$ 148,258	\$ 148,258

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

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CITY OF LOS ANGELES

Statement of Net Position

Proprietary Funds

June 30, 2015

(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds			
	Airports	Harbor	Power	Water
ASSETS				
CURRENT ASSETS				
Cash, Pooled and Other Investments				
Unrestricted	\$ 644,352	\$ 441,834	\$ 1,117,331	\$ 346,922
Restricted	987,687	25,035	441,682	158,817
Investments Held by Escrow and Fiscal Agents				
Unrestricted	104,263	--	--	--
Restricted	650,554	--	--	--
Loans and Notes Receivable	177	62	87,242	--
Accounts Receivable				
Accounts Receivable				
(Net of Allowance for Uncollectibles of \$174,521)	1,596	43,763	341,403	84,435
Accrued Unbilled Revenue	28,868	--	171,242	69,042
Investment Income Receivable	4,373	824	1,452	337
Intergovernmental Receivable	14,065	5,025	9,122	904
Restricted Passenger/Customer Facility Charge Receivable	23,803	--	--	--
Due from Other Funds	2,684	5,033	3,899	--
Inventories	1,768	2,641	165,564	19,343
Prepaid Items and Other Assets	4,552	393	107,263	98,935
TOTAL CURRENT ASSETS	2,468,742	524,610	2,446,200	778,735
NONCURRENT ASSETS				
Restricted Assets				
Pooled and Other Investments	--	9,339	85,272	110,255
Investments Held by Escrow and Fiscal Agents	6,843	97,849	641,521	33,511
Total Restricted Assets	6,843	107,188	726,793	143,766
Long-term Investment				
Investment in Joint Ventures	--	6,026	--	--
Capital Assets				
Land	970,990	1,107,506	196,985	154,371
Construction in Progress	2,473,804	343,309	1,720,822	1,182,001
Buildings, Facilities and Equipment	6,194,820	4,179,770	15,500,184	7,659,423
Natural Gas Field	--	--	384,509	--
Nuclear Fuel	--	--	39,469	--
Intangible Assets	56,504	25,360	--	--
Accumulated Depreciation	(2,238,647)	(1,743,809)	(7,916,069)	(2,482,031)
Total Capital Assets	7,457,471	3,912,136	9,925,900	6,513,764
Other Noncurrent Assets				
Loans and Notes Receivable	677	--	620,125	--
Intergovernmental Receivable	--	--	--	--
Advances to Other Funds	8,550	--	--	--
Pension Regulatory Assets	--	--	938,205	450,003
Net Other Postemployment Benefits Assets	--	--	669,892	313,532
Other Assets	--	--	764,690	106,911
Total Other Noncurrent Assets	9,227	--	2,992,912	870,446
TOTAL NONCURRENT ASSETS	7,473,541	4,025,350	13,645,605	7,527,976
TOTAL ASSETS	9,942,283	4,549,960	16,091,805	8,306,711
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows on Debt Refunding	27,051	4,027	30,199	30,505
Deferred Outflows on Derivative Instruments	--	--	43,244	--
Deferred Outflows on Pensions	142,391	46,687	546,202	264,759
TOTAL DEFERRED OUTFLOWS OF RESOURCES	169,442	50,714	619,645	295,264

Continued...

CITY OF LOS ANGELES
Statement of Net Position - (Continued)
Proprietary Funds
June 30, 2015
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds		
	Sewer	Convention Center	Total
ASSETS			
CURRENT ASSETS			
Cash, Pooled and Other Investments			
Unrestricted	\$ 130,251	\$ 12,251	\$ 2,692,941
Restricted	315,548	--	1,928,769
Investments Held by Escrow and Fiscal Agents			
Unrestricted	--	--	104,263
Restricted	--	--	650,554
Loans and Notes Receivable	--	--	87,481
Accounts Receivable			
Accounts Receivable			
(Net of Allowance for Uncollectibles of \$174,521)	111,409	2,900	585,506
Accrued Unbilled Revenue	43,274	--	312,426
Investment Income Receivable	575	174	7,735
Intergovernmental Receivable	147	--	29,263
Restricted Passenger/Customer Facility Charge Receivable	--	--	23,803
Due from Other Funds	2,650	--	14,266
Inventories	15,011	--	204,327
Prepaid Items and Other Assets	--	235	211,378
TOTAL CURRENT ASSETS	618,865	15,560	6,852,712
NONCURRENT ASSETS			
Restricted Assets			
Pooled and Other Investments	107,703	--	312,569
Investments Held by Escrow and Fiscal Agents	3,379	--	783,103
Total Restricted Assets	111,082	--	1,095,672
Long-term Investment			
Investment in Joint Ventures	--	--	6,026
Capital Assets			
Land	40,093	139,592	2,609,537
Construction in Progress	411,616	--	6,131,552
Buildings, Facilities and Equipment	6,963,364	585,234	41,082,795
Natural Gas Field	--	--	384,509
Nuclear Fuel	--	--	39,469
Intangible Assets	--	--	81,864
Accumulated Depreciation	(3,424,210)	(262,830)	(18,067,596)
Total Capital Assets	3,990,863	461,996	32,262,130
Other Noncurrent Assets			
Loans and Notes Receivable	--	--	620,802
Intergovernmental Receivable	33,706	--	33,706
Advances to Other Funds	41,020	--	49,570
Pension Regulatory Assets	--	--	1,388,208
Net Other Postemployment Benefits Assets	--	--	983,424
Other Assets	--	--	871,601
Total Other Noncurrent Assets	74,726	--	3,947,311
TOTAL NONCURRENT ASSETS	4,176,671	461,996	37,311,139
TOTAL ASSETS	4,795,536	477,556	44,163,851
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows on Debt Refunding	114,563	--	206,345
Deferred Outflows on Derivative Instruments	26,759	--	70,003
Deferred Outflows on Pensions	--	--	1,000,039
TOTAL DEFERRED OUTFLOWS OF RESOURCES	141,322	--	1,276,387

Continued...

CITY OF LOS ANGELES
Statement of Net Position - (Continued)
Proprietary Funds
June 30, 2015
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds			
	Airports	Harbor	Power	Water
LIABILITIES				
CURRENT LIABILITIES				
Accounts, Contracts and Retainage Payable	\$ 217,809	\$ 51,888	\$ 339,997	\$ 133,973
Obligations Under Securities Lending Transactions	11,110	2,865	10,680	4,180
Accrued Salaries and Overtime Payable	13,828	6,199	52,917	20,004
Accrued Compensated Absences Payable	5,082	9,619	62,243	34,581
Due to Other Funds	--	--	--	3,899
Unearned Revenue and Other Credits	--	--	--	--
Deposits and Advances	--	--	--	137,862
Accrued Interest Payable	26,810	20,833	170,896	94,666
Bonds and Notes Payable - Current Portion	85,770	42,910	230,165	71,535
Other Current Liabilities	92,199	42,184	31,343	--
TOTAL CURRENT LIABILITIES	452,608	176,498	898,241	500,700
LONG-TERM LIABILITIES				
Bonds and Notes Payable - Noncurrent Portion (Net of Unamortized Premiums and Discounts of \$1,264,897)	4,274,819	1,016,693	8,568,281	4,496,962
Net Pension Liability	615,349	198,762	860,748	411,485
Derivative Instrument Liabilities	--	--	43,244	--
Other Long-term Liabilities	126,726	101,572	58,114	25,468
TOTAL LONG-TERM LIABILITIES	5,016,894	1,317,027	9,530,387	4,933,915
TOTAL LIABILITIES	5,469,502	1,493,525	10,428,628	5,434,615
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows from Business Activities	--	--	176,557	--
Deferred Inflows from Debt Refunding	--	--	7,495	--
Deferred Inflows from Pensions	150,019	44,250	682,995	325,848
TOTAL DEFERRED INFLOWS OF RESOURCES	150,019	44,250	867,047	325,848
NET POSITION				
Net Investment in Capital Assets	3,359,104	2,856,561	1,235,431	2,086,028
Restricted for:				
Capital Projects	9,412	--	129,347	--
Debt Service	350,101	97,461	616,042	36,919
Passenger/Customer Facility Charges	791,864	--	--	--
Other Postemployment Benefits	--	--	669,892	313,532
Other Purposes	189,892	--	165,937	27,167
Unrestricted	(208,169)	108,877	2,599,126	377,866
TOTAL NET POSITION	\$ 4,492,204	\$ 3,062,899	\$ 5,415,775	\$ 2,841,512

Continued...

CITY OF LOS ANGELES
Statement of Net Position - (Continued)
Proprietary Funds
June 30, 2015
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds		
	Sewer	Convention Center	Total
LIABILITIES			
CURRENT LIABILITIES			
Accounts, Contracts and Retainage Payable	\$ 51,616	\$ 1,618	\$ 796,901
Obligations Under Securities Lending Transactions	--	--	28,835
Accrued Salaries and Overtime Payable	--	238	93,186
Accrued Compensated Absences Payable	--	512	112,037
Due to Other Funds	25	--	3,924
Unearned Revenue and Other Credits	--	2,772	2,772
Deposits and Advances	--	--	137,862
Accrued Interest Payable	10,796	--	324,001
Bonds and Notes Payable - Current Portion	88,228	--	518,608
Other Current Liabilities	3,776	--	169,502
TOTAL CURRENT LIABILITIES	154,441	5,140	2,187,628
LONG-TERM LIABILITIES			
Bonds and Notes Payable - Noncurrent Portion (Net of Unamortized Premiums and Discounts of \$1,264,897)	2,887,048	--	21,243,803
Net Pension Liability	--	--	2,086,344
Derivative Instrument Liabilities	26,759	--	70,003
Other Long-term Liabilities	33,127	--	345,007
TOTAL LONG-TERM LIABILITIES	2,946,934	--	23,745,157
TOTAL LIABILITIES	3,101,375	5,140	25,932,785
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows from Business Activities	--	--	176,557
Deferred Inflows from Debt Refunding	494	--	7,989
Deferred Inflows from Pensions	--	--	1,203,112
TOTAL DEFERRED INFLOWS OF RESOURCES	494	--	1,387,658
NET POSITION			
Net Investment in Capital Assets	1,490,409	461,996	11,489,529
Restricted for:	--	--	--
Capital Projects	--	--	138,759
Debt Service	17,555	--	1,118,078
Passenger/Customer Facility Charges	--	--	791,864
Other Postemployment Benefits	--	--	983,424
Other Purposes	45,437	--	428,433
Unrestricted	281,588	10,420	3,169,708
TOTAL NET POSITION	\$ 1,834,989	\$ 472,416	\$ 18,119,795

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

CITY OF LOS ANGELES

**Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)**

	Business-type Activities - Enterprise Funds			
	Airports	Harbor	Power	Water
OPERATING REVENUES				
Charges for Services	\$ 239,659	\$ 364,899	\$ 3,336,963	\$ 1,082,581
Rent, Concessions and Royalties	870,159	46,233	--	--
Other Operating Revenues	11,766	35,763	--	--
TOTAL OPERATING REVENUES	1,121,584	446,895	3,336,963	1,082,581
OPERATING EXPENSES				
Fuel for Generation	--	--	377,344	--
Purchased Power/Water	--	--	1,022,271	273,132
Maintenance and Repairs	--	--	325,378	136,496
Operating and Administrative	712,060	234,249	720,066	323,655
Depreciation and Amortization	201,214	137,384	496,188	136,559
TOTAL OPERATING EXPENSES	913,274	371,633	2,941,247	869,842
OPERATING INCOME (LOSS)	208,310	75,262	395,716	212,739
NONOPERATING REVENUES (EXPENSES)				
Investment Income	20,166	7,850	50,348	5,530
Interest Expense	(169,630)	(331)	(260,684)	(163,985)
Other Income (Expenses), Net	174,267	(2,226)	49,819	19,289
TOTAL NONOPERATING REVENUES (EXPENSES)	24,803	5,293	(160,517)	(139,166)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	233,113	80,555	235,199	73,573
Capital Contributions	34,761	111,852	66,988	34,390
Transfers In	--	--	--	--
Transfers Out	--	--	(265,586)	--
CHANGE IN NET POSITION	267,874	192,407	36,601	107,963
NET POSITION, July 1	4,841,849	3,064,554	5,293,640	2,740,516
Change in Accounting Principle, GASB 68 Implementation	(617,519)	(194,062)	85,534	(6,967)
NET POSITION, July 1, Restated	4,224,330	2,870,492	5,379,174	2,733,549
NET POSITION, June 30	\$ 4,492,204	\$ 3,062,899	\$ 5,415,775	\$ 2,841,512

Continued...

CITY OF LOS ANGELES

Statement of Revenues, Expenses, and Changes in Fund Net Position (Continued)
Proprietary Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds		
	Sewer	Convention Center	Total
OPERATING REVENUES			
Charges for Services	\$ 581,958	\$ 4,041	\$ 5,610,101
Rent, Concessions and Royalties	--	21,970	938,362
Other Operating Revenues	12,066	10,147	69,742
TOTAL OPERATING REVENUES	594,024	36,158	6,618,205
OPERATING EXPENSES			
Fuel for Generation	--	--	377,344
Purchased Power/Water	--	--	1,295,403
Maintenance and Repairs	--	497	462,371
Operating and Administrative	289,498	31,551	2,311,079
Depreciation and Amortization	143,461	11,821	1,126,627
TOTAL OPERATING EXPENSES	432,959	43,869	5,572,824
OPERATING INCOME (LOSS)	161,065	(7,711)	1,045,381
NONOPERATING REVENUES (EXPENSES)			
Investment Income	2,426	47	86,367
Interest Expense	(96,616)	(2)	(691,248)
Other Income (Expenses), Net	27,252	--	268,401
TOTAL NONOPERATING REVENUES (EXPENSES)	(66,938)	45	(336,480)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	94,127	(7,666)	708,901
Capital Contributions	22,646	--	270,637
Transfers In	--	5,000	5,000
Transfers Out	--	--	(265,586)
CHANGE IN NET POSITION	116,773	(2,666)	718,952
NET POSITION, July 1	1,718,216	475,082	18,133,857
Change in Accounting Principle, GASB 68 Implementation	--	--	(733,014)
NET POSITION, July 1, Restated	1,718,216	475,082	17,400,843
NET POSITION, June 30	\$ 1,834,989	\$ 472,416	\$ 18,119,795

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

CITY OF LOS ANGELES
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds			
	Airports	Harbor	Power	Water
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users	\$ 1,137,750	\$ 446,415	\$ 3,617,647	\$ 1,163,276
Receipts for Interfund Services	--	--	644,338	492,144
Payments to Suppliers	(200,779)	(86,348)	(1,721,316)	(423,518)
Payments to Employees	(401,155)	(111,728)	(605,291)	(243,931)
Payments for Interfund Services	(90,216)	(35,155)	(773,758)	(663,180)
NET CASH PROVIDED BY OPERATING ACTIVITIES	445,600	213,184	1,161,620	324,791
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers In	--	--	--	--
Transfers Out	--	--	(265,586)	--
Amounts Received on Advances to Other Funds	--	4,885	--	--
Interest Paid on Noncapital Revenue Bonds	--	--	(167)	--
Noncapital Grants Received	11,359	4,035	--	--
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	11,359	8,920	(265,753)	--
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets	(806,881)	(244,519)	(1,207,813)	(687,360)
Proceeds from Sale of Capital Assets	--	163	--	--
Receipts from Passenger/Customer Facility Charges	176,897	--	--	--
Proceeds from Sale of Bonds and Notes	784,228	411,278	793,661	438,358
Payments on Bonds and Notes - Interest	(207,930)	(43,454)	(332,314)	(179,770)
Payments on Bonds and Notes - Principal	(468,897)	(250,870)	(110,943)	(30,122)
Payments of Bonds and Notes Expenses	(26,385)	--	--	--
Deposits to Refunds Debt Escrow Account	--	--	--	--
Payments to Bond Sinking Fund	--	(39,407)	--	--
Capital Contributions/Grants Received	35,917	107,256	63,624	33,685
Federal Bond Subsidies	--	--	33,328	17,178
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(513,051)	(59,553)	(760,457)	(408,031)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Income (Loss)	19,917	6,915	32,057	5,580
Cash Collateral Received Under Securities Lending Transactions	8,504	2,506	9,261	3,604
(Purchase) Sale of Investment Securities	3,637	2,785	(950,597)	(62,313)
Proceeds from Maturities of Investment Securities	--	--	949,621	62,140
Proceeds from Notes Receivable	--	149	83,451	--
NET CASH PROVIDED BY INVESTING ACTIVITIES	32,058	12,355	123,793	9,011

Continued...

CITY OF LOS ANGELES
Statement of Cash Flows - (Continued)
Proprietary Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds		
	Sewer	Convention Center	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 580,499	\$ 36,607	\$ 6,982,194
Receipts for Interfund Services	3,555	--	1,140,037
Payments to Suppliers	(24,537)	(18,872)	(2,475,370)
Payments to Employees	--	(11,327)	(1,373,432)
Payments for Interfund Services	(238,500)	(4,808)	(1,805,617)
NET CASH PROVIDED BY OPERATING ACTIVITIES	321,017	1,600	2,467,812
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers In	--	5,000	5,000
Transfers Out	--	--	(265,586)
Amounts Received on Advances to Other Funds	--	--	4,885
Interest Paid on Noncapital Revenue Bonds	--	--	(167)
Noncapital Grants Received	2,466	--	17,860
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	2,466	5,000	(238,008)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and Construction of Capital Assets	(237,378)	(473)	(3,184,424)
Proceeds from Sale of Capital Assets	--	--	163
Receipts from Passenger/Customer Facility Charges	--	--	176,897
Proceeds from Sale of Bonds and Notes	524,276	--	2,951,801
Payments on Bonds and Notes - Interest	(111,850)	(2)	(875,320)
Payments on Bonds and Notes - Principal	(375,125)	--	(1,235,957)
Payments of Bonds and Notes Expenses	(5,067)	--	(31,452)
Deposits to Refunds Debt Escrow Account	(24,200)	--	(24,200)
Payments to Bond Sinking Fund	--	--	(39,407)
Capital Contributions/Grants Received	18,294	--	258,776
Federal Bond Subsidies	--	--	50,506
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(211,050)	(475)	(1,952,617)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment Income (Loss)	2,310	(1)	66,778
Cash Collateral Received Under Securities Lending Transactions	--	--	23,875
(Purchase) Sale of Investment Securities	--	--	(1,006,488)
Proceeds from Maturities of Investment Securities	--	--	1,011,761
Proceeds from Notes Receivable	--	--	83,600
NET CASH PROVIDED BY INVESTING ACTIVITIES	2,310	(1)	179,526

Continued...

CITY OF LOS ANGELES
Statement of Cash Flows - (Continued)
Proprietary Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds			
	Airports	Harbor	Power	Water
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (24,034)	\$ 174,906	\$ 259,203	\$ (74,229)
CASH AND CASH EQUIVALENTS, JULY 1	2,410,890	291,963	1,385,082	690,223
CASH AND CASH EQUIVALENTS, JUNE 30	\$ 2,386,856	\$ 466,869	\$ 1,644,285	\$ 615,994
CASH AND CASH EQUIVALENTS COMPONENTS:				
Unrestricted Cash, Pooled and Other Investments	\$ 644,352	\$ 441,834	\$ 1,117,331	\$ 346,922
Restricted Cash, Pooled and Other Investments	987,687	25,035	526,954	269,072
Unrestricted Investments Held by Escrow and Fiscal Agents	104,263	--	--	--
Restricted Investments Held by Escrow and Fiscal Agents	650,554	--	--	--
TOTAL CASH AND CASH EQUIVALENTS, JUNE 30	\$ 2,386,856	\$ 466,869	\$ 1,644,285	\$ 615,994
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 208,310	\$ 75,262	\$ 395,716	\$ 212,739
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation and Amortization	201,214	137,384	496,188	136,559
Depletion	--	--	20,035	--
Amortization of Nuclear Fuel	--	--	13,621	--
Bad Debts Provision (Recovery)	(890)	10,842	24,851	10,437
Cash Provided by Other Nonoperating Revenues	--	--	16,490	5,936
Cash Used in Other Nonoperating Expenses	(6,218)	--	--	(3,825)
Decrease (Increase) in Assets				
Loans Receivable	164	--	--	--
Accounts Receivable	20,497	(11,322)	29,466	9,822
Accrued Unbilled Revenue	(1,350)	--	3,920	18,956
Due from Other Funds	--	--	36,415	--
Inventories	--	(35)	(2,080)	221
Prepaid Items and Other Current Assets	706	28	(413)	(1,612)
Other Assets	--	--	347,455	(74,005)
Increase (Decrease) in Liabilities and Deferred Amounts				
Accounts, Contracts and Retainage Payable	8,323	21,159	(51,378)	973
Accrued Salaries and Overtime Payable	1,378	--	6,397	2,094
Accrued Compensated Absences Payable	852	2,496	825	639
Due to Other Funds	--	--	--	(36,415)
Deferred Inflows, Credits and Other Liabilities	--	(20,193)	26,070	--
Deposits and Advances	--	--	--	--
Advances from Other Funds	--	--	--	--
Net pension liability and related changes in deferred outflows and inflows of resources	5,458	(2,437)	(196,656)	22,571
Other Liabilities	7,156	--	(5,302)	19,701
TOTAL ADJUSTMENTS	237,290	137,922	765,904	112,052
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 445,600	\$ 213,184	\$ 1,161,620	\$ 324,791
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Net proceeds of refunding bonds deposited with an irrevocable trust account	\$ --	\$ --	\$ --	\$ --
Acquisition of capital assets included in accounts and contracts payable	80,815	6,941	--	--
Write-off of discontinued construction project	--	3,466	--	--
Amortization of deferred charges on refunding	--	--	--	--
Sewage disposal contracts capital contributions	--	--	--	--

Continued...

CITY OF LOS ANGELES
Statement of Cash Flows - (Continued)
Proprietary Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds		
	Sewer	Convention Center	Total
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 114,743	\$ 6,124	\$ 456,713
CASH AND CASH EQUIVALENTS, JULY 1	438,759	6,127	5,223,044
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 553,502</u>	<u>\$ 12,251</u>	<u>\$ 5,679,757</u>
CASH AND CASH EQUIVALENTS COMPONENTS:			
Unrestricted Cash, Pooled and Other Investments	\$ 130,251	\$ 12,251	\$ 2,692,941
Restricted Cash, Pooled and Other Investments	423,251	--	2,231,999
Unrestricted Investments Held by Escrow and Fiscal Agents	--	--	104,263
Restricted Investments Held by Escrow and Fiscal Agents	--	--	650,554
TOTAL CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 553,502</u>	<u>\$ 12,251</u>	<u>\$ 5,679,757</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 161,065	\$ (7,711)	\$ 1,045,381
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	143,461	11,821	1,126,627
Depletion	--	--	20,035
Amortization of Nuclear Fuel	--	--	13,621
Bad Debts Provision (Recovery)	263	538	46,041
Cash Provided by Other Nonoperating Revenues	5,458	--	27,884
Cash Used in Other Nonoperating Expenses	--	--	(10,043)
Decrease (Increase) in Assets			
Loans Receivable	--	--	164
Accounts Receivable	(19,758)	(326)	28,379
Accrued Unbilled Revenue	--	--	21,526
Due from Other Funds	--	--	36,415
Inventories	(715)	--	(2,609)
Prepaid Items and Other Current Assets	--	(78)	(1,369)
Other Assets	--	--	273,450
Increase (Decrease) in Liabilities and Deferred Amounts			
Accounts, Contracts and Retainage Payable	27,176	(957)	5,296
Accrued Salaries and Overtime Payable	--	(155)	9,714
Accrued Compensated Absences Payable	--	114	4,926
Due to Other Funds	3,555	--	(32,860)
Deferred Inflows, Credits and Other Liabilities	--	--	5,877
Deposits and Advances	--	237	237
Advances from Other Funds	--	(1,779)	(1,779)
Net pension liability and related changes in deferred outflows and inflows of resources	--	--	(171,064)
Other Liabilities	512	(104)	21,963
TOTAL ADJUSTMENTS	<u>159,952</u>	<u>9,311</u>	<u>1,422,431</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 321,017</u>	<u>\$ 1,600</u>	<u>\$ 2,467,812</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Net proceeds of refunding bonds deposited with an irrevocable trust account	\$ 157,473	\$ --	\$ 157,473
Acquisition of capital assets included in accounts and contracts payable	40,872	--	128,628
Write-off of discontinued construction project	2,764	--	6,230
Amortization of deferred charges on refunding	9,345	--	9,345
Sewage disposal contracts capital contributions	586	--	586

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

CITY OF LOS ANGELES

**Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015
(amounts expressed in thousands)**

	Pension and Other Postemployment Benefits Trust Funds	Agency Funds
ASSETS		
Cash and Pooled Investments	\$ 16,822	\$ 316,083
Accounts Receivable	78,108	--
Special Assessments Receivable	--	215
Investment Income Receivable	123,707	132
Due from Brokers	535,469	--
Investments		
Short-Term Investments	1,621,308	380
U.S. Government Obligations	3,478,559	--
U.S. Agency Notes	802,998	--
Municipal Bonds	6,300	--
Domestic Corporate Bonds	3,271,935	--
International Bonds	601,178	--
Other Fixed Income	915,523	--
Bank Loan	2,251	--
Opportunistic Debt	13,058	--
Domestic Stocks	16,497,260	56
International Stocks	10,477,594	--
Mortgage-Backed Securities	693,043	--
Government Agencies	24,906	--
Derivative Instruments	1,714	--
Real Estate	2,665,811	--
Venture Capital and Alternative Investments	3,972,507	--
Security Lending Collateral	3,013,201	--
Advances to Other Funds	--	30,836
Prepaid Expense	4	--
Prepaid Health Subsidy	8,932	--
Capital Assets (Net of Accumulated Depreciation of \$1,329)	17,667	--
	<hr/>	<hr/>
TOTAL ASSETS	48,839,855	\$ 347,702
	<hr/>	<hr/>
LIABILITIES		
Accounts Payable and Accrued Expenses	76,005	\$ --
Benefits in Process of Payment	23,912	--
Due to Brokers	834,699	--
Fiduciary Liabilities	--	193,789
Obligations Under Securities Lending Transactions	3,013,201	600
Advances from Other Funds	--	45
Mortgage Loan Payable - Current Portion	11,965	--
Mortgage Loan Payable - Noncurrent Portion	194,237	--
Deposits and Advances	33	153,268
	<hr/>	<hr/>
TOTAL LIABILITIES	4,154,052	\$ 347,702
	<hr/>	<hr/>
NET POSITION		
Net Position Held in Trust for Pension and Other Postemployment Benefits		
Benefit Pension Plans	39,401,908	
Disability Plan	44,747	
Death Benefit Plan	26,574	
Postemployment Healthcare Plans	5,212,574	
	<hr/>	
TOTAL NET POSITION	\$ 44,685,803	
	<hr/>	

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

CITY OF LOS ANGELES
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Pension and Other Postemployment Benefits Trust Funds
ADDITIONS	
Contributions	
Employer	\$ 1,595,882
Plan Member	403,648
Other	5,220
Total Contributions	2,004,750
Investment Income	
Net Appreciation in Fair Value of Investments	627,315
Interest Income	287,764
Income from Alternative Investments	33,830
Dividend Income	484,882
Securities Lending Income	17,894
Other Investment Income	197,406
Real Estate Operating Income, Net	94,851
Investment Income	1,743,942
Investment Expense	(174,297)
Securities Lending Expense	(2,487)
Net Investment Income	1,567,158
TOTAL ADDITIONS	3,571,908
DEDUCTIONS	
Benefit Payments	2,446,934
Refunds of Member Contributions	19,369
Administrative Expenses	46,028
TOTAL DEDUCTIONS	2,512,331
CHANGE IN NET POSITION	
Benefit Pension Plans	852,497
Disability Plan	(330)
Death Benefit Plan	503
Postemployment Healthcare Plans	206,907
TOTAL CHANGE IN NET POSITION	1,059,577
Net Position Held in Trust for Pension and Postemployment Benefits, July 1	
Benefit Pension Plans	38,549,411
Disability Plan	45,077
Death Benefit Plan	26,071
Postemployment Healthcare Plans	5,005,667
NET POSITION HELD IN TRUST FOR PENSION AND OTHER POSTEMPLOYMENT BENEFITS, JUNE 30	\$ 44,685,803

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

The Notes to the Basic Financial Statements (Notes) include disclosures considered necessary for a better understanding of the accompanying basic financial statements. An index to the Notes follows:

	Page
Note 1 - Summary of Significant Accounting Policies	
A. General.....	59
B. Reporting Entity.....	59
C. Government-wide and Fund Financial Statements.....	62
D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation.....	63
E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position.....	65
Note 2 - Reconciliation of Government-wide and Fund Financial Statements	
A. Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Position.....	78
B. Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities.....	78
Note 3 - Stewardship, Compliance, and Accountability	
A. Budgets and Budgetary Basis of Accounting.....	80
B. Reconciliation of Operations on Budgetary Basis to the GAAP Basis.....	82
C. Deficit Fund Balances.....	84
Note 4 - Detailed Notes on All Funds	
A. Cash, Deposits and Investments.....	85
B. Receivables.....	114
C. Restricted Assets.....	115
D. Joint Ventures.....	115
E. Capital Assets.....	117
F. Interfund Receivables, Payables and Transfers.....	120
G. Accounts Payable and Accrued Expenses.....	122
H. Long-term Liabilities.....	123
I. Current and Advance Refunding of Debt.....	143
J. Prior Years Defeasance of Debt.....	145
K. Tax and Revenue Anticipation Notes.....	145
L. Interest Rate Swaps.....	146
M. Electricity Swap and Forward Contracts.....	148
N. Leases.....	149
O. Risk Management - Estimated Claims and Judgments Payable.....	154
P. Accrued Landfill Liability.....	156
Q. Pollution Remediation Obligations.....	157
Note 5 - Other Information	
A. Pension and Other Postemployment Benefit Plans.....	160
B. Early Retirement Incentive Program.....	182
C. Commitments and Contingencies.....	183
D. Third-Party Obligations.....	205
E. Other Matters.....	206
F. CRA/LA, a Designated Local Authority and Successor Agency for the former Community Redevelopment Agency (Former Agency) and Related Contingencies.....	218
G. Subsequent Events.....	220

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

The City of Los Angeles (City) was incorporated in 1850 under the provisions of a city charter. The current Charter was approved by the electorate on June 8, 1999 and became operative on July 1, 2000.

The City operates under a mayor-council form of government. As Executive Officer, the Mayor supervises the administrative process of the City and works with the Council in matters relating to legislation, budget, and finance. As governing body of the City, the 15-member full-time Council enacts ordinances, levies taxes, approves utility rates, authorizes contracts and public improvements, adopts zoning and other land use controls, and provides the necessary resources for the budgetary departments and offices of the City. Council action is subject to the approval or veto of the Mayor and Council may override a mayoral veto by a two-thirds vote. The Charter provides for an independently elected City Attorney and independently elected City Controller.

Public services provided by the City include: police; fire and paramedics; residential refuse collection and disposal, wastewater collection and treatment, street maintenance, and other public works functions; enforcement of ordinances and statutes relating to building safety; public libraries; recreation and parks; community development; housing and aging services; planning; airports; harbor; power and water services; and the convention center.

B. Reporting Entity

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The primary criteria for including a potential component unit within the reporting entity are the governing body's financial accountability and a financial benefit or burden relationship and whether it is misleading to exclude. A primary government is financially accountable and shares a financial benefit or burden relationship, if it appoints a voting majority of an organization's governing body and it is able to impose its will on the organization, or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government. A primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government.

Blended Component Units

Although the following are legally separate from the City, they have been "blended" as though they are part of the City because the component unit's governing body is substantially the same as the City's and there is a financial benefit or burden relationship between the City and the component unit; management of the City has operational responsibilities for the component unit; and/or the component units provide services entirely, or almost entirely, to the City or otherwise exclusively, or almost exclusively, benefits the City, even though it does not provide services directly to it.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Los Angeles Convention and Exhibition Center Authority (Authority)

The Authority was formed under a joint exercise of powers agreement between the City and the County of Los Angeles (County) for the purpose of providing financial assistance with respect to the financing, acquisition and construction of convention and exhibition hall and related facilities within the boundaries of the City. The Authority is composed of 15 members, 10 are appointed by the City's Mayor and five are appointed by the County Board of Supervisors. Capital financing activities are included in the nonmajor governmental funds. Completed capital assets are contributed to the Convention Center Enterprise Fund.

Los Angeles Harbor Improvement Corporation (LAHIC)

LAHIC is a nonprofit public benefit corporation organized under the laws of the state of California for public purposes. LAHIC was formed to assist the Port of Los Angeles (Harbor) in undertaking financing third party capital expenditures at potentially advantageous terms that the Board of Harbor Commissioners (Harbor Board) deems necessary for the promotion and accommodation of commerce. LAHIC board of directors consists of five members. Election of the LAHIC board of directors occurs by vote of the Harbor Board. The Harbor Board is financially responsible for LAHIC's activities. Further, although LAHIC is legally separate from the Harbor, it is reported as it were part of the Harbor, because its sole purpose is to help finance and construct facilities and improvements related to Harbor activities. LAHIC is included in the reporting entity of Harbor, and accordingly, the operations of LAHIC are blended in the Harbor Enterprise Fund.

Municipal Improvement Corporation of Los Angeles

The Municipal Improvement Corporation of Los Angeles (MICLA) is a non-profit corporation formed in 1984 for the sole purpose of providing financial assistance to the City for the acquisition of property and equipment, and the construction of buildings and other improvements, for the benefit of the public, through the issuance of revenue bonds, certificates of participation and commercial paper notes. MICLA's Board of Directors (MICLA Board) consists of five members initially appointed by the Mayor in 1984. Appointments to fill subsequent vacancies are made by the MICLA Board, subject to City Council approval. The Board members do not receive compensation. The City indemnifies the Board members for any liabilities occurring in connection with the performance of their duties. MICLA is reported as a major special revenue and debt service fund.

Investment in Joint Ventures

The following entities are joint ventures of the Department of Harbor:

Intermodal Container Transfer Facility Joint Powers Authority (ICTF)
Alameda Corridor Transportation Authority (ACTA)

Excluded Organizations

Jointly Governed Organizations

The Los Angeles Memorial Coliseum Commission (Commission) was created by a joint powers agreement between the City, County, and the California Museum of Science and Industry. Its purpose is to provide for the operation and maintenance of the Coliseum and Sports Arena. The Commission is not a City function and operates independent of City oversight and financial accountability. The City appointees comprise 33% of the Commission.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Los Angeles Homeless Services Authority (LAHSA) was created by a joint exercise of powers agreement with the County to provide homeless services to residents. It is governed by a ten-member commission. Five members are appointed by the City and five by the County Board of Supervisors. LAHSA operates independently of City oversight and financial accountability.

Related Organization

The Housing Authority of the City of Los Angeles (Housing Authority) is an organization for which the City has appointed the voting majority of the members of the governing body but for which the City is not financially accountable.

The City retains and exercises its authority over the entity only as provided by the municipal code and Federal laws. The entity is fiscally independent from the City. The City is unable to impose its will on the daily operations of the entity. The City's accountability to this entity is limited to removal of a commissioner by the Mayor or the entire board by the City Council for cause and under due process.

Separately Audited Financial Statements

City Departments and Component Unit

Separately audited financial statements may be obtained through the Office of the City Controller, 200 North Main Street, Room 300, Los Angeles, California 90012, for the following:

- Department of Airports (Airports)
- Department of Harbor (Harbor)
- Department of Water and Power (DWP)
- Sewer Construction and Maintenance Fund (Sewer)
- Los Angeles City Employees' Retirement System (LACERS)
- Fire and Police Pension System (Pensions)
- Water and Power Employees' Retirement, Disability and Death Benefit Insurance Plans (DWP Plans)
- Municipal Improvement Corporation of Los Angeles (MICLA)

Jointly Governed and Related Organizations

- Commission: 3911 South Figueroa Street, Los Angeles, CA 90037
- LAHSA: 811 Wilshire Blvd., 6th Floor, Los Angeles, CA 90017
- Housing Authority: 2600 Wilshire Blvd., Los Angeles, CA 90057

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's business-type activities and certain other governmental functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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 and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or program is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Included in the direct expenses are indirect costs, such as fringe benefits, administrative overhead, and liability claims, which were automatically allocated to the specific function or program. Charges for workers' compensation, information technology services, telephone, postage, and fleet services are not allocated and are included as part of the general government functional activity. Amounts reported as program revenues include charges to customers or applicants for goods, services, or privileges provided; operating and capital grants and contributions, including special assessments, that are restricted to meeting operational or capital requirements of a particular function or segment. Revenues that do not meet the criteria to be reported as program revenues are reported as general revenues. All taxes, even those levied for a specific purpose, are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first and then unrestricted resources as they are needed.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the Proprietary Funds and Pension and Other Postemployment Benefits Trust Funds financial statements. Agency funds do not have a measurement focus but are reported using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due, while expenditures related to compensated absences, claims and judgments, and landfill closure and postclosure care costs are recognized to the extent that they are normally expected to be liquidated with expendable available resources and are due and payable at year-end.

Revenues susceptible to accrual are property taxes, business taxes, sales taxes, utility users' taxes, transient occupancy tax, charges for services, special assessments, franchise income, licenses and permits, interest income, Federal and State grants and subventions. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from Federal and State grants and subventions are recognized when applicable eligibility requirements, including time requirements, are met and the resources are available.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services while operating expenses include cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City reports the following major governmental funds:

The *General Fund* is the primary operating fund of the City. It is used to account for all financial resources of the general government, except those required to be accounted for in other funds.

The *MICLA Special Revenue and Debt Service Funds* account for the activity of the City's public financing entity component unit, which finances the acquisition of real property and equipment, the construction of buildings, and other improvements for the benefit of the public. The assets acquired or constructed by MICLA are leased to the City under long-term capital lease agreements and become property of the City at the termination of the lease. MICLA derives its operating revenues primarily from rental income (interest portion) paid by the City. The effects of the capital lease arrangements have been eliminated from the basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The *Solid Waste Resources Special Revenue Fund* accounts for the solid waste collection, transfer, recycling, recovery of waste resources, and disposal fee imposed on all single dwellings in the City and on multiple (up to four) unit dwellings for which the City provides refuse collection services. The fees collected are to cover costs associated with the City's solid waste collection, recycling and disposal activities.

The City reports the following major enterprise funds:

The *Airports Fund* accounts for the operation, maintenance and development of City airports, namely: Los Angeles International Airport, LA/Ontario International Airport, and Van Nuys Airport.

The *Harbor Fund* accounts for the operations of Harbor formed for the purpose of providing shipping, fishing, recreational, and other resources and benefits for the enjoyment of the citizens of California.

The *Power and Water Funds* account for the operations of DWP in supplying the City and its inhabitants with water and electric power by constructing, operating, and maintaining facilities located throughout the City, and Inyo and Mono Counties.

The *Sewer Fund* accounts for the construction, operations, and maintenance of the City's wastewater collection and treatment system.

Additionally, the City reports the following fund types:

The *Pension Trust and Other Postemployment Benefits Trust Funds* account for the activities of the City's three single-employer defined benefit pension plans namely: Fire and Police Pension Plan; Los Angeles City Employees' Retirement Plan; and Water and Power Employees' Retirement, Disability, and Death Benefit Insurance Plan; and, defined benefit postemployment healthcare plans provided through the defined benefit pension plans namely: Fire and Police Health Subsidy Plan, Los Angeles City Employees' Postemployment Healthcare Plan, and Water and Power Employees' Retiree Health Benefits Plan, respectively.

The *Agency Funds* account for assets held by the City as an agent for others, for example: Federal and State income taxes withheld from employees; and assessments for payments of certain conduit debt.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position

Cash and Cash Equivalents

For purposes of the statement of cash flows, all proprietary fund cash and pooled investments with the City Treasurer, cash deposits and other short-term investments that are both readily convertible to known amounts of cash and have maturities of three months or less at the time of purchase, are considered to be cash and cash equivalents. At June 30, 2015, the proprietary funds' investments held by escrow and fiscal agents of \$783.1 million and other investments of \$9.3 million have maturities beyond three months; and therefore, are not considered cash and cash equivalents. These were reported in the proprietary funds statement of net position as restricted noncurrent assets.

Inventories

Inventories for materials and supplies, valued at average cost for the governmental activities and governmental funds, consist of expendable supplies held for consumption and are recorded as expenditures when purchased in the fund financial statements, but are recorded as expenses when consumed in the government-wide statement of activities.

For the business-type activities and proprietary funds, inventories for materials and supplies are stated at lower of average cost or market except for Airports, which uses cost on a first-in, first-out basis. Fuel is recorded at lower of cost or market on average cost basis.

Restricted Assets

For governmental activities and governmental funds, assets that are restricted for specific uses are classified as restricted because their use is limited by applicable bond covenants or agreements for capital and redevelopment projects.

Business-type activities' and proprietary funds' restricted assets include amounts restricted for accumulated resources for debt service payments, nuclear decommissioning trust, natural gas trust, hazardous waste treatment trust, Southern California Public Power Authority (SCPPA) Palo Verde Investment Fund, self-insurance, bond security, and construction funds.

Capital Assets

Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g. streets and bridges) are reported in the applicable governmental or business-type activities columns in the government-wide statement of net position. Generally, assets with an individual cost of at least \$5,000 and an estimated useful life of more than one year are capitalized. Purchased or constructed capital assets, and intangible assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Assets acquired by donation are recorded at estimated fair value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The business-type activities and proprietary funds capitalize interest costs as well as preliminary development costs of capital projects incurred prior to the finalization of formal construction contracts. The Power and Water Enterprise funds provide an "allowance for funds used during construction (AFUDC)", which represents the cost of borrowed funds used for the construction of utility plant. Capitalized interest and AFUDC capitalized during the fiscal year ended June 30, 2015 were \$81.2 million and \$47.7 million, respectively.

Depreciation, which includes amortization of assets under capital leases, is computed using the straight-line method over the estimated useful or service lives of the related assets, except as noted below.

Depreciation for the Power Enterprise Fund (Power) facilities completed prior to July 1, 1973 is computed using the 5% sinking fund method based on estimated service lives. Decommissioning of a nuclear power plant, in which the City has an ownership interest, is expected to commence subsequent to the year 2044. The total cost to decommission the City's interest in the nuclear plant is estimated to be \$137.0 million in 2013 dollars. During fiscal year 2000, Power suspended contributing additional amounts to the decommissioning trust funds, as management believes that contribution to date combined with reinvested earnings, will be sufficient to fully fund Power's share of decommissioning costs. As of June 30, 2015, Power has recorded \$148.9 million to accumulated depreciation to provide for the decommissioning liability.

Power's nuclear fuel is amortized and charged to fuel for generation on the basis of actual thermal energy produced relative to total thermal energy expected to be produced over the life of the fuel.

In July 2005, Power acquired approximately a 74.5% ownership interest in gas properties located in Pinedale, Wyoming. Power uses the successful efforts method of accounting for its investment in gas producing properties. Costs to acquire the mineral interest in gas producing properties, to drill and equip exploratory wells that find proven reserves, and to drill and equip development wells are capitalized. Costs to drill exploratory wells that do not find proven reserves are expensed. Capitalized costs of gas producing properties are depleted by the unit-of-production method based on the estimated future production of the proven wells. Depletion expense related to the gas field is recorded as a component of fuel for generation expense. During fiscal year 2015, Power recorded \$20.0 million of depletion expense.

The estimated useful lives of the primary government's capital assets are as follows:

Category	Governmental Activities	Business-type Activities
Infrastructure	10 - 138 years	--
Buildings and facilities	20 - 40 years	10 - 75 years
Equipment and vehicles	3 - 20 years	3 - 20 years
Wastewater collection system	--	80 years
Landplane ports	--	10 - 35 years
Power distribution, hydraulic and steam production, transmission plants	--	4 - 75 years
Treatment and pumping plants	--	5 - 50 years
Wharves and sheds	--	15 - 30 years
Intangible assets	5 - 22 years	20 years

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City’s collection of artwork, certain scientific equipment, and zoo animals are not capitalized or depreciated. These capital assets are maintained for public exhibition, education or research, and are being preserved for future generations. The proceeds from sales of any pieces of the collection are used to purchase other items for collection.

The City’s infrastructure assets and the reporting methods the City has elected are as follows:

Infrastructure	Reporting Method
Bridges	Modified
Stormwater system	Depreciation
Streets	Depreciation
Traffic signals	Depreciation
Automated traffic signal and control	Depreciation
Bikepaths	Depreciation
Fiber optic telecommunication system	Depreciation
Street lighting system	Depreciation
Street pavement markings	Depreciation
Traffic signs	Depreciation

The modified approach is used in reporting the City’s bridges infrastructure system. A comprehensive bridge database system, the Bridges and Tunnel System, enables the City to track the entire bridge inventory, the structural condition of various bridge elements, and bridge sufficiency ratings. Condition assessments of these structures are completed in a three-year cycle. The latest assessment report was as of July 1, 2013. A system of letter grades identifies the condition of each structure. Letter grades “A” through “D” represent the condition of the structure as Very Good, Good to Fair, Fair to Poor, and Very Poor. “F” rating symbolizes a failed condition where replacement of the structure is necessary. These letter grades are based on sufficiency ratings, or the overall condition of the structure based on the last inspection. It is the City’s policy that at least 70% of the bridges are rated “B” or better and that no bridge shall be rated less than “D”. It is also the intent of the City that at least 80% of bridges be rated “B” or better by 2017.

The City performs regular inspection and maintenance of the various structural elements for any defects. Funds for annual estimated inspection, maintenance and repair costs are provided in the City’s budget. Bridges infrastructure system is excluded in the determination of depreciation provisions for capital assets, while preservation and maintenance costs are charged to expense. Additional information for the condition ratings of City bridges, sufficiency ratings, estimated and actual maintenance, and preservation costs are found in the Required Supplementary Information.

Pension and Other Postemployment Benefits Trust Funds’ capital assets represent Pensions’ land and building, which were acquired in July 2013 for \$12.7 million, and a capital improvement program of \$0.9 million, which will serve as its headquarters. Capital improvements to the building are in process as of June 30, 2015. It also includes LACERS’ office furniture and equipment and the costs for developing the LACERS’ new Pension Administration System (PAS). Office furniture and equipment acquisitions of at least \$5,000 are capitalized and depreciated over five years. Certain PAS costs were capitalized as intangible assets and amortized over its estimated useful life of 15 years, using the straight-line method.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

Accrued Vacation and Sick Leave

Eligible employees accumulate vacation leave up to a maximum of 400 hours depending on the length of service. Fire and Police sworn employees accumulate vacation from 256 hours to 600 hours and 360 hours to 600 hours, respectively. All employees are paid their accumulated leave upon termination or retirement.

All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary funds financial statements. For the governmental funds, earned vacation is recorded as expenditures to the extent that they are normally expected to be liquidated with expendable available resources and are due and payable at year-end. Also, for governmental activities, earned vacation is generally liquidated by the General Fund.

City employees (except those of the DWP) are entitled to 96 hours of sick leave at full pay and 40 hours at 75% of full pay for each calendar year of employment. Sworn employees are entitled also to 40 hours at 50% of full pay. Employees may accumulate sick leave up to 800 hours at full pay and 800 hours at 75% of full pay. The City pays 50% of the excess over the maximum accumulated 800 hours at full pay in the subsequent calendar year. Upon retirement, the City pays 50% of the accumulated sick time at full pay. There is no provision for the payment of the accumulated sick time at 75% of full pay. Firefighters under Memorandums of Understandings (MOU) 22 and 23 may accumulate up to 1,632 hours at full pay.

DWP employees accumulate 40 hours of sick leave per year to a maximum of 80 hours. Any excess over the maximum is paid to the employee at 100% of their current salary rate. The employee goes on disability after taking ten consecutive days of sick leave.

Vacation and sick leave are accrued as determined by the agreement between the City and the respective employees' collective bargaining group. For governmental funds, compensated absence obligations are recorded in the appropriate governmental funds when due. The portion not currently due is recorded in the government-wide financial statements. For proprietary funds, compensated absences are expensed when earned by employees. At year-end, the accrued but unpaid compensated absence obligations are recorded as current and non-current liabilities in the appropriate proprietary funds.

Accumulated Compensated Time-Off

The MOUs with the unions representing police officers at the rank of Lieutenant and below, and certain civilian employees, provide that these employees may accrue compensated time-off for accumulated overtime to certain limits. Whenever an employee resigns, retires or is discharged from the Police Department, the employee shall be paid in cash for all compensated time-off due. In case of death, payment will be made to the estate.

Accrued compensated time-off is reported in the government-wide financial statements. For governmental funds, expenditures are recognized to the extent that they are normally expected to be liquidated with expendable available resources and are due and payable at year-end. Also, for governmental activities, accrued compensated time-off is generally liquidated by the General Fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pension Regulatory Assets

In connection with the recognition of the net pension liability under GASB 68, Power and Water established regulatory assets in the amounts of \$1.6 billion and \$745.4 million, respectively, equal to the net pension liability reported at July 1, 2013. The pension regulatory assets are expected to be amortized over a period not to exceed 15 years. As of June 30, 2015, amortization of the regulatory assets totaled \$624.8 million and \$292.3 million for Power and Water, respectively.

Other Assets

Other assets of Power and Water of \$871.6 million as of June 30, 2015 include assets related to energy efficiency program payments that are amortized over 5 to 15 years depending on the life of the energy efficiency measure installed.

Risk Management

The City is self-administered and self-funded for workers' compensation, most property damage, and the majority of tort liability exposures. Commercial insurance is used where it is legally required, contractually required, or judged to be the most effective way to finance risk. Indemnity and insurance protection is also required from all City contractors, vendors, lessees and permit holders.

Claims and judgments are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. The recorded estimated liability for claims and judgments includes a provision for incurred but not reported (IBNR) liabilities for workers' compensation, tort cases and liabilities for allocated expenses. For the governmental funds, only that portion of the liability is recognized to the extent that it is normally expected to be liquidated with expendable available resources and is due and payable at year-end. Also, for governmental activities, liability for claims and judgments is generally liquidated by the General Fund.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Gains or losses from refunding of debt are reported as deferred inflows or outflows of resources and amortized over the shorter of the life of the refunded debt or refunding debt. Amortization of these balances is recorded as a component of interest expense.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes

Secured property taxes are levied on or before the first business day of 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 that 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 years, the property can 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 payments and delinquent dates but are generally due within one year. Unsecured personal property taxes are not a lien against real property. These taxes are due on January 1 and become delinquent, if unpaid, on August 31. The County assesses, bills, and collects property taxes for all jurisdictions within its borders and remits the applicable portion less an administrative fee to the City throughout the year. Payments are normally remitted on the 20th day of the month.

Interfund Transactions

Interfund transactions are reflected as loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate and are subject to elimination in the government-wide financial statements. Services provided are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide columnar presentation.

Fund Equity

In the fund financial statements, governmental funds report fund balances based on the extent to which the City is bound to observe constraints on the use of the governmental funds' resources. Fund balances are classified as follows:

- Nonspendable - includes amounts that are either 1) not in spendable form, or 2) legally or contractually required to be maintained intact. Inventories, prepaid items and certain advances to other funds are classified as nonspendable fund balances.
- Restricted - includes amounts that can only be used for specific purposes due to constraints imposed by external resource providers or by enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Committed - includes amounts that can be used for specific purposes pursuant to an ordinance passed by the Council and approved by the Mayor. Commitments may be changed or lifted only by the City taking the same formal action that imposed the constraint originally.
- Assigned - includes amounts that are not classified as nonspendable, restricted or committed, but are intended to be used by the City for specific purposes. Intent is expressed by action of the Council to assign amounts to be used for specific purposes. The Council may authorize executive officers to assign fund balances for specific purposes through Council files.
- Unassigned - includes amounts that are not assigned to other funds and do not meet the criteria for being classified as restricted, committed, or assigned in the General Fund. Fund balances that can be utilized for economic stabilization, emergencies and contingencies that do not qualify as restricted or committed are reported as unassigned. 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.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund balances for all the major and nonmajor governmental funds as of June 30, 2015, were distributed as follows:

	General	MICLA		Special Revenue		Totals
		Special Revenue	Debt Service	Solid Waste Resources	Nonmajor Governmental	
Nonspendable						
Inventories	\$ 20,694	\$ --	\$ --	\$ --	\$ --	\$ 20,694
Prepaid Items and Other Assets	13,297	1,671	--	--	8,802	23,770
Advances	8,155	--	--	--	--	8,155
	<u>42,146</u>	<u>1,671</u>	<u>--</u>	<u>--</u>	<u>8,802</u>	<u>52,619</u>
Restricted						
Affordable Housing, Community Development and Services	--	--	--	--	840,165	840,165
Debt Service	--	--	191,369	--	204,385	395,754
Fee Supported Programs	--	--	--	--	15,263	15,263
Fire and Crime Prevention and Emergency Services	--	--	--	--	171,242	171,242
Governmental Services	--	--	--	--	9,832	9,832
Library and Cultural Activities	--	--	--	--	35,660	35,660
Other Capital Projects and Improvements	--	78,855	--	--	51,813	130,668
Recreation and Parks	--	--	--	--	465,426	465,426
Stormwater and Sanitation Projects and Services	--	--	--	--	235,046	235,046
Street Projects and Maintenance	--	--	--	--	57,695	57,695
Transit Projects and Services	--	--	--	--	450,113	450,113
	<u>--</u>	<u>78,855</u>	<u>191,369</u>	<u>--</u>	<u>2,536,640</u>	<u>2,806,864</u>
Committed						
Affordable Housing, Community Development and Services	1,602	--	--	--	140,606	142,208
Fee Supported Programs	--	--	--	--	285,627	285,627
Fire and Crime Prevention and Emergency Services	--	--	--	--	8,727	8,727
Governmental Services	855	--	--	--	61,573	62,428
Library and Cultural Activities	--	--	--	--	10,397	10,397
Other Capital Projects and Improvements	--	--	--	--	2,470	2,470
Recreation and Parks	--	--	--	--	17,413	17,413
Stormwater and Sanitation Projects and Services	--	--	--	258,800	55,711	314,511
Transit Projects and Services	--	--	--	--	21,147	21,147
	<u>2,457</u>	<u>--</u>	<u>--</u>	<u>258,800</u>	<u>603,671</u>	<u>864,928</u>
Assigned						
Affordable Housing, Community Development and Services	--	--	--	--	14	14
Fire and Crime Prevention and Emergency Services	4,168	--	--	--	--	4,168
Governmental Services	189,625	--	--	--	--	189,625
Library and Cultural Activities	2,061	--	--	--	--	2,061
Other Capital Projects and Improvements	8,802	--	--	--	--	8,802
Community and Economic Development	5,181	--	--	--	--	5,181
Health and Sanitation	2,121	--	--	--	--	2,121
Public Safety	26,675	--	--	--	--	26,675
Public Works and Transportation	14,755	--	--	--	--	14,755
	<u>253,388</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>14</u>	<u>253,402</u>
Unassigned						
Economic Stabilization	65,055	--	--	--	--	65,055
Reserve, Emergency and Contingency	582,503	--	--	--	--	582,503
Unassigned	--	--	--	--	(50,270)	(50,270)
	<u>647,558</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(50,270)</u>	<u>597,288</u>
TOTALS	<u>\$ 945,549</u>	<u>\$ 80,526</u>	<u>\$ 191,369</u>	<u>\$ 258,800</u>	<u>\$ 3,098,857</u>	<u>\$ 4,575,101</u>

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Mayor and Council adopted a reserve fund policy per Council File (C.F.) 98-0459. Funds for urgent economic necessity based on a significant economic downturn after the budget is completed or an earthquake or other natural disaster were provided in the Emergency Reserve Account. To utilize funds from this account, a finding by the Mayor, with confirmation by the Council will be required, as well as a determination that no other viable sources of funds are available. In the event that there are unanticipated expenses or revenue shortfalls impacting programs approved in the current year budget, a Contingency Reserve Account was established to provide additional funding for those programs. Funds must be appropriated by a vote of at least a majority of the Council with mayoral concurrence, or by a super-majority of the Council in the event of a mayoral veto.

The reserve fund policy established a goal of increasing the Reserve Fund to 5% of the budgeted general receipts, with a minimum of 2.75% in the Emergency Account, and any additional funds allocated to the Contingency Reserve Account. In March 2011, voters approved Charter Amendment P, a measure that established the Reserve Fund's Emergency and Contingency Reserve as Charter accounts. The Reserve Fund is where unrestricted cash is set aside outside the budget for unforeseen expenditures and emergencies.

As of June 30, 2015, the City's Emergency and Contingency Reserve accounts were \$582.5 million.

Charter Amendment P also provided for the establishment of a budget stabilization fund (BSF) by ordinance. The intent of the BSF is to moderate fluctuations in revenue, prevent overspending during prosperous years, and provide resources to help maintain service levels during lean years.

On June 7, 2013, the Mayor and Council adopted a BSF Policy (C.F. 13-0455). The policy provides that the amount over 3.4% would be deposited into the BSF should grow in the City's seven general fund tax revenue sources exceeds 3.4% over the revenue in the prior year's adopted budget. The policy allows for that deposit not to be made when certain criteria are met, as follows: 1) to maintain the Reserve Fund level at 5% of the General Fund; 2) to meet the 1% infrastructure investment requirement (Capital Improvement Expenditure Program Policy); 3) in the event a fiscal emergency is declared by the Mayor and Council; and 4) if this policy is suspended or by a two-thirds vote by the Council after veto by the Mayor, based on findings that the best interest of the City require such suspension.

The BSF policy restricts expenditures from BSF to no more than 25% of the BSF in any one fiscal year during which there is no declared fiscal emergency, and would allow the City to use the BSF and Reserve funds which are in excess of 15% of the General Fund budget for certain one-time uses such as capital projects, infrastructure repairs, debt repayment, payment of litigation settlements, and equipment purchases. The amount transferred or appropriated may exceed 25% of the balance in the BSF if a fiscal emergency is declared by the Mayor and Council or if the policy is suspended based on same conditions in the preceding paragraph.

The City's BSF does not meet the criteria for a stabilization arrangement for reporting the funds as either restricted or committed. As such, the BSF is reported as unassigned fund balance in the General Fund. As of June 30, 2015, the BSF's fund balance was \$65.1 million.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Deferred Outflows/Inflows of Resources**

A deferred outflow of resources is defined as a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditure) until then. A deferred inflow of resources is defined as an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time.

Unamortized portions of the gain and loss on refunding debt are reported as deferred inflows and deferred outflows of resources, respectively. Deferred outflows of resources are reported for the changes in the fair value of hedging derivative instruments and changes related to pensions from the implementation of GASB Statement No. 68. Deferred inflows of resources are reported for changes related to pensions from the implementation of GASB Statement No. 68 and regulated business activities. In addition to this, when an asset is recorded in governmental fund financial statements but the revenue is not available, a deferred inflow of resources is reported until such time as the revenue becomes available.

For purposes of measuring the net position liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by Pensions, LACERS, and DWP Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Reported results pertain to liability and asset information as of the measurement date of June 30, 2014.

Power reported deferred inflows of resources from business activities of \$176.6 million, which pertain to precollected purchased power costs and deferral of energy cost adjustment account as part of the balance of Power's Rate Stabilization Fund as of June 30, 2015.

Net Position

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as follows:

- Net investment in capital assets - This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt are also included in this component of net position.
- Restricted net position - This category represents either external restrictions imposed by creditors (such as bond covenants), grantors, contributors, or laws and regulations of other governments, or restrictions imposed by law through constitutional provisions or enabling legislation. At June 30, 2015, the governmental activities restricted net position totaled \$2,086.4 million, of which, \$626.5 million is restricted by enabling legislation. Business-type activities restricted net position totaled \$3,460.6 million, of which \$791.9 million is restricted by enabling legislation.
- Unrestricted net position - This category represents net position of the City that is not "restricted" or "net investment in capital assets."

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts in the financial statements and accompanying notes. Actual results could differ from the estimates.

Reclassifications

Certain reclassifications have been made to amounts reported in the governmental funds and separately audited financial statements of certain proprietary funds, Pension and Other Postemployment Benefits Trust funds, and other component units to conform to the City reporting entity's report format and to account for transactions between the City's reporting entity and such entities in accordance with Generally Accepted Accounting Principles (GAAP).

Adoption of New GASB Pronouncements

The primary government adopted the following in fiscal year 2015:

GASB Statement No. 68, "Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27." Issued in June 2012, the statement establishes standards of accounting and financial reporting for defined benefit pensions and defined contribution pensions provided to employees of state and local governments through pension plans that are administered through trusts or equivalent arrangements. It aims to provide information about the effects of pension-related transactions; assist users in assessing the relationship between a government's inflows of resources and its total cost, including pension expense, of providing government services each period; and provide users with information about the government's pension obligations and the resources available to satisfy those obligations.

The City adjusted for the cumulative effect of applying the provision of this statement. As a result, adjustments to beginning net position of \$6.6 billion and \$733.0 million were recognized for governmental activities and business-type activities, respectively. Likewise, deferred outflows of resources including contributions made after the measurement date and deferred inflows of resources of \$2.3 billion and \$3.4 billion, respectively, were recognized. Pension expense of \$632.0 million was reported in fiscal year 2015. The City also recorded a total net pension liability of \$7.6 billion.

GASB Statement No. 69, "Government Combinations and Disposals of Government Operations." Issued in January 2013, this statement establishes accounting and financial reporting standards for government combinations and disposals of government operations. Government combinations are arrangements that meet the definition of mergers, acquisitions, or transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. This statement did not have an impact on the City's financial statements in fiscal year 2015.

GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68." Issued in November 2013, this statement amends Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Recent GASB Pronouncements**

The City is currently analyzing its accounting practice to determine the potential impact on the financial statements for the following recent GASB Statements:

GASB Statement No. 72, "Fair Value Measurement and Application." Issued in February 2015, this statement provides guidance for financial reporting standards for determining a fair value measurement and for applying fair value to certain investments and disclosures related to all fair value measurements. This statement requires a government to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value consistent with one or more of the following approaches: the market approach, the cost approach, or the income approach. It also establishes a hierarchy of inputs to valuation techniques used to measure fair value. The statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques and organized by type of asset or liability reported at fair value. This statement is effective for the City beginning fiscal year 2016.

GASB Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets that are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68." Issued in June 2015, this statement establishes accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement No. 68, as well as reporting for assets accumulated for purposes of providing those pensions. This statement is effective for the City beginning fiscal year 2016.

GASB Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans." Issued in June 2015, this statement establishes financial reporting standards for governments that provide postemployment benefits other than pensions (OPEB) that are administered through trusts or equivalent arrangements. This statement is effective for the City beginning fiscal year 2017.

GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans." Issued in June 2015, this statement establishes new accounting and financial reporting standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures for OPEB. This statement provides guidance on the methods and assumptions required to be used for projecting OPEB benefit payments, discounting projected benefits to actuarial present values, and note disclosures on OPEB and OPEB related transactions. This statement is effective for the City beginning fiscal year 2018.

GASB Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments." Issued in June 2015, this statement supersedes Statement No. 55. The statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This statement is effective for the City beginning fiscal year 2016.

GASB Statement No. 77, "Tax Abatement Disclosures." Issued in August 2015, this statement requires disclosure of tax abatement information about reporting a government's own tax abatement agreement and those that are entered into by other governments and that reduce the reporting government's tax revenues. This statement is effective for the City beginning fiscal year 2017.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Statement No. 78, "Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans." Issued in December 2015, the objective of this statement is to address a practice issue regarding the scope and applicability of Statement No. 68 associated with pensions provided through certain cost-sharing multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. Such plans are not considered a state or local government pension plan and are used to provide benefits to both employees of state and local governments and employees of employers that are not state or local governments. The requirements of this statement are effective for the City beginning fiscal year 2017.

GASB Statement No. 79, "Certain External Investment Pools and Pool Participants." Issued in December 2015, this statement establishes criteria for an external investment pool to qualify for making the election to measure all investments at amortized cost for financial reporting purposes. Pool participants should also measure their investments at amortized cost if the external pool meets these criteria. If an external investment pool does not meet the criteria, then the pool should apply the provisions in paragraph 16 of Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Pool participants should measure their investments in that pool at fair value in accordance with paragraph 11 of Statement No. 31. This statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost and for governments that participate in those pools. This statement is effective for the City beginning fiscal year 2016, except for the provisions on portfolio quality, custodial credit risk, and shadow pricing, which are effective beginning fiscal year 2017.

Restatements and Effects of New Pronouncements

During fiscal year 2015, the City adjusted for the cumulative effect of applying the provisions of GASB Statement Nos. 68 and 71 as restatement of beginning net position by \$6,638.1 million for governmental activities and \$733.0 million for business-type activities. These adjustments reflected the net cumulative effect of recognizing net pension liabilities, deferred outflows of resources and deferred inflows of resources.

As of July 1, 2014, the restatements in the City's net position are as follows (in thousands):

	Net Position, at Beginning of Year		
	June 30, 2014 As Previously Reported	Change in Accounting Principle	July 1, 2014 As Restated
Governmental Activities	\$ 5,171,370	\$ (6,638,083)	\$ (1,466,713)
Business-type Activities			
Airports	4,841,849	(617,519)	4,224,330
Harbor	3,064,554	(194,062)	2,870,492
Power	5,293,640	85,534	5,379,174
Water	2,740,516	(6,967)	2,733,549
Total Business-type Activities	15,940,559	(733,014)	15,207,545
Total City	\$ 21,111,929	\$ (7,371,097)	\$ 13,740,832

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Position

The governmental funds balance sheet includes reconciliation between *total fund balances-governmental funds* and *net position of governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. The details of this \$12,325,866 difference are as follows (in thousands):

Bonds, Certificates of Participation, and Notes	\$ 3,078,314
Add: Issuance Premium/Discount (to be amortized as interest income)	125,006
HUD Loans	144,075
Accrued Interest Payable	47,116
Accrued Compensated Absences	638,696
Estimated Claims and Judgments Payable	2,564,654
Accrued Landfill Liability	44,306
Estimated Pollution Remediation Liability	36,049
Net Pension Liability	5,515,952
Net OPEB Obligation	<u>131,698</u>
Net adjustments to reduce governmental fund balance to arrive at governmental activities net position	<u>\$ 12,325,866</u>

B. Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental funds statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net change in fund balances-total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that governmental funds report capital outlays 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. The details of this \$84,005 difference are as follows (in thousands):

Capital Outlay	\$ 425,267
Less: Not capitalized	(51,268)
Depreciation expense	<u>(289,994)</u>
Net adjustments to increase net change in fund balances of governmental funds to arrive at changes in net position of governmental activities	<u>\$ 84,005</u>

**NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
(Continued)**

Another element of that reconciliation states that the issuance of long-term debt provides current financial resources to the governmental funds while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities. The details of this \$261,069 difference are as follows (in thousands):

Debt issued or incurred	
Certificates of Participation, Revenue Bonds, and Notes	\$ 237,458
MICLA Commercial Paper Notes	100,000
HUD Loans	2,102
Principal repayments and bond refunding	
General and Judgment Obligation Bonds	(111,260)
Certificates of Participation, Revenue Bonds, and Notes	(330,982)
MICLA Commercial Paper Notes	(115,375)
HUD Loans	<u>(43,012)</u>
Net adjustments to decrease net change in fund balances of governmental funds to arrive at changes in net position of governmental activities	<u>\$ (261,069)</u>

Another element of that reconciliation states that some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The details of this \$63,739 difference are as follows (in thousands):

Increase in Accrued Compensated Absences	\$ 52,379
Decrease in Estimated Claims and Judgments	(66,064)
Decrease in Accrued Landfill Liability	(894)
Increase in Pollution Remediation Liability	1,046
Decrease in Net Pension Obligation	(51,585)
Increase in Net OPEB Obligation	<u>1,379</u>
Net adjustments to decrease net change in fund balances of governmental funds to arrive at changes in net position of governmental activities	<u>\$ (63,739)</u>

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgets and Budgetary Basis of Accounting

Under the City Charter, the Mayor is required each year to submit to the Council a proposed budget by April 20th for the forthcoming fiscal year commencing July 1st. The proposed budget is based on the Mayor's budget priorities, the responses of the City Administrative Officer and City departments to the Mayor's Budget Policy Letter, which is distributed early in the fiscal year, and estimates of receipts from the City's various revenue sources. The Council's Budget and Finance Committee reviews the Mayor's Proposed Budget and reports its recommendations to the full Council. The Council must legally adopt the Mayor's Proposed Budget, as modified by the Council, by June 1st. The Mayor has five working days after adoption to approve or veto any items modified by the Council. The Council then has five working days to override by a two-thirds vote any items changed by the Mayor.

The City Council adopts an annual operating budget for 36 City departments, bureaus, and offices. The annual budget is essentially prepared on a departmental basis, with budgeted receipts and appropriations provided for the General Fund and certain Special Revenue, Debt Service, and Capital Projects Funds. Budgets are generally limited to funds, which in addition to the General Fund finance the operations of the City departments.

Furthermore, the budgeted receipts and appropriations for the Allocations from Other Governmental Agencies nonmajor special revenue fund (which includes ARRA Neighborhood Stabilization, Animal Sterilization, Audit Repayment, Bus Bench Advertising, Business Improvement Trust, City Attorney Consumer Protection, City Planning Systems Development, Coastal Transportation Corridor Trust, Enterprise Zone Tax Credit Vouchers, Federal Emergency Shelter Grant, Fire Hydrant Installation and Main Replacement, General Services Trust, Housing Production Revolving Fund, Industrial Development Authority, Integrated Solid Waste Management, Los Angeles Regional Agency Trust, Low and Moderate Income Housing, Neighborhood Stabilization, Off-Site Sign Periodic Fee Trust, Permit Parking Program Revenue, Pershing Square Trust, Planning Long-Range Plan, Repair and Demolition, Section 108 Loan Guarantee Program, Street Banners, State AB1290, Traffic Safety Education, Used Oil Collection, Ventura/Cahuenga Boulevard Corridor Specific Plan, Warner Center Transportation Trust, West LA Transportation Improvement and Mitigation, and Workforce Innovation Fund Special Revenue Funds) is not all-inclusive because the budget provides for only the portion of fund receipts that are expended to finance City department operations.

The City does not budget for the financial activities of all its Governmental Funds. The following Governmental Funds are not included in the City's legally adopted annual operating budget:

General Fund

Reserve and certain other account components

Special Revenue

Major Funds:

Municipal Improvement Corporation

Nonmajor Funds:

Low and Moderate Income Housing

Section 108 Loan Guarantee Program

Recreation and Parks

Seismic Bond Reimbursement

Certain Other Transportation Grants

Certain Other Nonmajor Grant Funds

Certain Other Nonmajor Special Revenue Funds

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

Debt Service

Major Fund:

Municipal Improvement Corporation

Nonmajor Funds:

Certain Convention Center Funds

Solid Waste Resources

Certain Other Nonmajor Debt Service Funds

Capital Projects

Nonmajor Funds:

General Obligation Bonds Series 2003-A

General Obligation Bonds Series 2004-A

General Obligation Bonds Series 2005-A

General Obligation Bonds Series 2006-A

General Obligation Bonds Series 2008-A

General Obligation Bonds Series 2009-A

General Obligation Bonds Series 2011-A

Recreation and Parks Grant

Parks Assessment

Certain Other Nonmajor Capital Project Funds

For the majority of the funds listed above, expenditure authority is approved by Council action during the fiscal year.

The City's original adopted budget is subject to revision to reflect the changes in revenue projections and to make necessary adjustments to appropriations. Transfers of appropriations are approved by the Mayor subject to the following limitations and conditions. Funds appropriated in the general City budget or thereafter by the Council may be transferred to the Reserve Fund or Unappropriated Balance of the General Fund, or appropriated for the same or other purposes amending the budget and other spending authority, upon approval of the Mayor provided the amounts do not exceed \$50,000 and required notices are made by the City Clerk to the President of the Council, Controller and City Administrative Officer. Intra-Department transfers from one appropriated item to another may be approved by the Mayor provided the amount does not exceed the greater of \$35,000 or 1% of the budget for the account receiving the transfer but not exceeding \$100,000. The \$35,000 limit is subject to adjustment based on the consumer price index. For fiscal year ended June 30, 2015, the adjusted amount was \$49,682. Transfers that exceed the amount limits require the approval of the City Council.

During the fiscal year, capital related appropriations of \$82.8 million that were reappropriated from prior budget years were included in the current annual operating budget.

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

Unused and unencumbered appropriations lapsed at year-end with the exception of non-capital related continuing appropriations for certain Special Revenue and Capital Projects Funds that are carried forward to the next budget year. Capital related appropriations that are unused and unencumbered at year-end are reappropriated in the subsequent budget year.

The legal level of budgetary control (the level at which expenditures may not legally exceed appropriations) is as follows: The General Fund is by line item within each object by department, except for capital improvement program expenditures, which are controlled by projects. Object levels of expenditures are salaries, expense, equipment, special, capital outlay, and transfers. For the Special Revenue Funds, Debt Service Funds and Capital Projects Funds, the line items consist of departments, projects, debt service, equipment and programs. Because of the large volume of detail, the budget and actual schedules on a budgetary basis have been aggregated by fund and function in the combining and individual fund budgetary schedules in this CAFR. A separate budget and actual report by line item has been prepared. The budgetary documents are available to the general public in the Office of the City Controller.

The City's annual budget is prepared on a modified cash basis of accounting, which is different from GAAP. Revenues are recognized when cash is received, and expenditures include both cash disbursements and current year encumbered appropriations that have not been paid at the end of the budget year. Where no appropriation is adopted, payments of interfund borrowings (or payment of loans to other funds), though recorded as a component of other financing uses, are not treated as budgetary transactions and are excluded in the separate budget and actual statements.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is used in the Governmental Funds, except for certain Special Revenue and Capital Projects Funds whose assets are managed by a third-party trustee. Encumbrances outstanding at year-end for specific purposes for which resources have been restricted, committed, or assigned will be included within those classifications. Encumbrances outstanding for which resources have not been previously restricted, committed, or assigned will be included within restricted, committed or assigned fund balance based on the source of the constraints as described in Note 1E. These commitments will be honored in the subsequent year carryforward appropriations.

B. Reconciliation of Operations on Budgetary Basis to the GAAP Basis

The actual results of operations on a budgetary basis compared to the appropriations adopted by the City Council for budgeted major governmental funds are included in the fund financial statements. The comparisons of actual results with the budget for nonmajor funds are presented as supplemental information in the combining schedules.

Because accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial information in accordance with GAAP, a reconciliation of the resultant basis and perspective differences on operations for the fiscal year ended June 30, 2015 is presented in the following pages for the City's budgeted major funds. The dollar amounts are expressed in thousands.

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

	General Fund
	<u> </u>
Excess of Revenues and Other Financing	
Sources Over Expenditures and Other Financing	
Uses - Budgetary Basis	\$ 208,762
 Basis Differences	
Adjustment for net changes to accrued assets and liabilities. The budgetary basis operating statement reflects revenues when received and expenditures when paid (except for encumbrances as described below); whereas, the GAAP basis operating statement recognizes revenues as soon as they are both measurable and available, and expenditures generally are recorded when liability incurred and is due and payable (GAAP).	(9,291)
Interfund borrowings are recorded in the debtor fund as an other financing source "Loans from Other Funds" and in the creditor fund as an other financing use "Loans to Other Funds" (budgetary) as opposed to "Due to Other Funds" in the debtor fund and "Due from Other Funds" in the creditor fund (GAAP).	98
Encumbrances, which represent commitments to acquire goods and services, are recorded as the equivalent of expenditures in the budget year incurred (budgetary), but not considered as expenditures in the GAAP basis operating statements (GAAP).	
Encumbrances reported as budgetary expenditures	331,041
Prior year encumbrances expended in current year	(283,678)
 Perspective Difference	
For purposes of the budget, the General Fund is a legal entity that is separate and distinct from the Reserve Fund and other accounts that are classified to have General Fund activity for GAAP purposes. This amount represents the change in fund balance of the Reserve Fund and other accounts.	(201,961)
Additional Budgeted Funds included as General category:	
Department of Neighborhood Empowerment	(285)
City Ethics Commission	<u>333</u>
Change in Fund Balance - GAAP Basis	<u><u>\$ 45,019</u></u>

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

	Solid Waste Resources Fund
Deficiency of Revenues and Other Financing Sources	
Under Expenditures and Other Financing	
Uses - Budgetary Basis	\$ (33,897)
Basis Differences	
Adjustment for net changes to accrued assets and liabilities.	
The budgetary basis operating statement reflects revenues when received and expenditures when paid (except for encumbrances as described below); whereas, the GAAP basis operating statement recognizes revenues as soon as they are both measurable and available, and expenditures generally are recorded when liability is incurred and is due and payable (GAAP).	34,574
Encumbrances, which represent commitments to acquire goods and services, are recorded as the equivalent of expenditures in the budget year incurred (budgetary), but not considered as expenditures in the GAAP basis operating statements (GAAP).	
Encumbrances reported as budgetary expenditures	18,174
Prior year encumbrances expended in current year	(9,061)
Perspective Difference	
Change in fund balances of unbudgeted accounts	<u>(11,983)</u>
Change in Fund Balances - GAAP Basis	<u><u>\$ (2,193)</u></u>

C. Deficit Fund Balances

At June 30, 2015, the Special Parking Revenue Fund (SPRF) and Workforce Investment Act Fund (WIA) Fund had deficit fund balances of \$18.1 million, \$1.7 million, respectively. In fiscal year 2014, the SPRF and WIA had deficit fund balances of \$38.5 million and \$1.6 million, respectively. SPRF fund balance deficit decreased by \$20.4 million due primarily to the partial payment of advances received from MICLA, which were used to redeem its parking revenue bonds in fiscal year 2014. SPRF deficit fund balance will be repaid by SPRF's future revenue. WIA deficit fund balance will be repaid by collection of receivables and recognition of related deferred inflows of resources for eligible government expenditures that have been incurred.

NOTE 4 – DETAILED NOTES ON ALL FUNDS**A. Cash, Deposits and Investments****Summary of Cash and Investments**

At June 30, 2015, the summary of cash, pooled and other investments for governmental and business-type activities, and fiduciary funds is as follows (in thousands):

	Governmental Activities	Business- Type Activities	Fiduciary Funds		Total
			Pension and Other		
			Postemployment Benefits Trust	Agency	
Cash and pooled investments	\$ 4,165,013	\$ 2,692,941	\$ 16,822	\$ 316,083	\$ 7,190,859
Other cash and investments	46,964	104,263	--	436	151,663
Restricted assets					
Cash and pooled investments	12,827	2,241,338	--	--	2,254,165
Cash and investments with fiscal agents	--	1,433,657	--	--	1,433,657
Investments of retirement systems	--	--	48,059,146	--	48,059,146
Total deposits and investments	<u>\$ 4,224,804</u>	<u>\$ 6,472,199</u>	<u>\$ 48,075,968</u>	<u>\$ 316,519</u>	<u>\$ 59,089,490</u>
Cash on hand					\$ 139
Deposits					259,592
Investments					
Pooled					9,172,944
Other					49,656,815
Total deposits and investments					<u>\$ 59,089,490</u>

Cash and Pooled Investments Held by the City Treasurer. The City maintains a cash and investment pool governed by the City's investment policy (the Policy) and established pursuant to the California Government Code. Each fund's portion of this pool is displayed on the accompanying governmental fund balance sheets, proprietary fund and fiduciary fund statements of net position as "Cash and Pooled Investments" and "Restricted Assets".

Other Cash and Investments. The City has other investments outside the City Treasurer that are invested pursuant to various governing bond covenants and California Government Code provisions.

Other cash and investments consist primarily of deposits and investments with trustees related to the issuance of bonds, contractor agreements and to certain loan programs operated by the City. These investments are pledged for the payment or security of the bonds, and in lieu of retention upon pending satisfactory completion of a contract.

Investments of Retirement Systems. LACERS, Pensions and DWP Plans (Retirement Systems') funds are invested pursuant to the Los Angeles City Charter and the Retirement Systems' investment policies established by the Retirement Systems' Boards as required by Article XI Section 1106(d) of the City Charter. The Retirement Systems' Boards adopted asset allocation policies on the types of investments to ensure a diversified portfolio. The objective of each investment policy is to maximize the expected return of the funds at an agreed upon level of risk.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Investment Risk. The investments are subject to certain types of risk, including interest rate risk, credit risk, concentration of credit risk, custodial credit risk and foreign currency risk. These risks are addressed separately for the investments related to governmental and business-type activities and those related to the Retirement Systems.

Deposits

At June 30, 2015, the book balance of the City's deposits was \$259.6 million and the balance per various financial institutions was \$259.5 million. The difference of \$0.1 million represents primarily deposits in transit and other reconciling items. Of the bank balance, \$16.2 million was covered by Federal Deposit Insurance Corporation (FDIC) and \$243.3 million was uninsured. The uninsured deposits of \$243.3 million are held by financial institutions that are legally required by the California Government Code Section 53630 to collateralize the City's deposits by pledging certain eligible securities with a market value of at least 110% of the City's deposits. The collateral is held by a third-party agent of the bank separate from the depository institution.

The City has a daylight overdraft facility with a bank that maintains the City's operating account, which may be used to facilitate intra-day transfers between City accounts. Any overdraft in the City's account, including any charges, must be repaid immediately without demand, except when the City and the bank agree otherwise or when the bank advises otherwise in writing.

Pooled Investments

The cash balances of substantially all funds on deposit in the City Treasury are pooled and invested by the City Treasurer for the purpose of maximizing interest earnings through pooled investment activities but safety and liquidity still take precedence over return. Special pool participants include the City, Airports, DWP, Harbor, Sewer, and MICLA. Interest earned on pooled investments is allocated to and recorded in certain participating funds, as authorized by the Council and permitted by the City Charter and the California Government Code, based on each fund's average daily deposit balance. Unless allocation provisions are specifically stipulated in City ordinance, Council action, or funding source, interest earned on certain funds are allocated to and recorded in the General Fund. Investments in the City Treasury are stated at fair value based on quoted market prices except for money market investments that have remaining maturities of one year or less at time of purchase, which are reported at amortized cost.

Pursuant to California Government Code Section 53607 (State Code) and the Council File No. 94-2160, the City Treasurer shall render to the Council a statement of investment policy (the Policy) annually. Council File No. 11-1740 was adopted on February 12, 2014, as the City's investment policy. This Policy shall remain in effect until the Council and the Mayor approve a subsequent revision. The Policy governs the City's pooled investment practices. The Policy addresses soundness of financial institutions in which the City Treasurer will deposit funds and types of investment instruments permitted by California Government Code Sections 53600-53638, 16340 and 16429.1. The City Treasurer further reports that the current policy allows for the purchase of investments with maturities up to thirty (30) years.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

At June 30, 2015, the investments held in the City Treasury's General and Special Investment Pool Programs and their maturities are as follows (in thousands):

Type of Investments	Amount	Investment Maturities				
		1 to 30 Days	31 to 60 Days	61 to 365 Days	366 Days To 5 Years	Over 5 Years
U.S. Treasury Notes	\$ 4,713,955	\$ --	\$ --	\$ --	\$ 4,682,761	\$ 31,195
U.S. Agencies Securities	1,334,695	171,585	75,705	345,657	724,212	17,535
Medium-Term Notes	1,645,006	40,001	--	202,001	1,403,004	--
Commercial Paper	1,302,850	939,479	261,856	101,515	--	--
Municipal Bonds	42,496	--	--	--	42,496	--
Supranational Coupons	73,074	7,844	--	--	65,230	--
Short-Term Investment Funds	1,678	1,678	--	--	--	--
Securities Lending Short-Term Repurchase Agreement	59,190	59,190	--	--	--	--
Total General and Special Pools	\$ 9,172,944	\$ 1,219,777	\$ 337,561	\$ 649,173	\$ 6,917,703	\$ 48,730

Interest Rate Risk. The Policy limits the maturity of its investments to five years for the U.S. Treasury and government agency securities, medium-term notes, CD placement service, negotiable certificates of deposit, collateralized bank deposits, mortgage pass-through securities, supranational obligations, and bank/time deposits; one year for repurchase agreements; 270 days for commercial paper; 180 days for bankers' acceptances; and 92 days for reverse repurchase agreements. The Policy also allows City funds with longer-term investments horizons, to be invested in securities that at the time of the investment have a term remaining to maturity in excess of five years, but with a maximum final maturity of thirty years.

Credit Risk. The Policy establishes minimum credit rating requirements for investments. There are no credit quality requirements for local agency bonds, U.S. Treasury Obligations, State of California Obligations, California Local Agency Obligations, and U.S. Agencies (U.S. government sponsored enterprises) securities. The City's \$1.3 billion investments in U.S. government sponsored enterprises consist of securities issued by the Federal Home Loan Bank - \$316.2 million, Federal National Mortgage Association (Fannie Mae) - \$582.5 million, Federal Home Loan Mortgage Corporation (Freddie Mac) - \$317.6 million, Federal Farm Credit Bank - \$42.1 million, Federal Agriculture Mortgage Corporation - \$56.1 million and Tennessee Valley Authority - \$20.2 million. Of the City's \$1.3 billion investments in U.S. Agencies securities, \$799.5 million were rated AA+ by S&P and Aaa by Moody's; \$535.2 million were not rated individually by S&P nor Moody's (issuers of these securities are rated AA+/A-1+ by S&P and Aaa/P-1 by Moody's).

Medium-term notes must be issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Medium-term notes must have at least an A rating at the time of purchase. The City's \$1.6 billion investments in medium-term notes consist of securities issued by banks and corporations that comply with these requirements and were rated A or better by S&P and A3 or better by Moody's. Subsequent to purchase, one issuer of \$25.1 million medium-term notes was downgraded to BBB+ by S&P and Baa1 by Moody's, one issuer of \$8.1 million medium-term notes was downgraded to BBB+ by S&P and Baa2 by Moody's, one issuer of \$8.1 million medium-term notes was downgraded to A- by S&P and Baa1 by Moody's, one issuer of \$5.0 million medium-term notes was downgraded to A-1 by S&P and Baa2 by Moody's, and one issuer of \$7.0 million medium-term notes was downgraded to BBB+ by S&P and A3 by Moody's. Of the City's \$1.6 billion investments in medium-term notes, one issuer of \$25.0 million was not rated by S&P but rated A3 by Moody's.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Commercial paper issues must have a minimum of A-1 or equivalent rating. If the issuer has issued long-term debt, it must be rated A without regards to modifiers. The issuing corporation must be organized and operating within the United States and have assets in excess of \$500.0 million. The City's \$1.3 billion investments in commercial paper were rated A-1+/A-1 by S&P and P-1/P-2 by Moody's.

Municipal bonds have no minimum rating requirement. The City's \$42.5 million investments in municipal bonds were rated AA/A+ by S&P and Aa2/Aa3 by Moody's.

Investments in supranational coupons must have a minimum of AA rating. This investment was not included in the Policy effective February 2014, but was authorized for purchase by state municipalities upon revisions made to California Code Section 53601 effective January 2015. The City's investments in supranational coupons of \$65.2 million were rated AAA by S&P and Aaa by Moody's. Investments of \$7.8 million were rated A1+ by S&P and P1 by Moody's. These short-term securities are backed by the full faith of the issuing entities, which are rated AAA/Aaa.

Concentration of Credit Risk. The Policy does not allow more than 40% of its investment portfolio be invested in commercial paper or bankers' acceptances, 30% in certificates of deposit or medium-term notes, 20% in mutual funds, money market mutual funds or mortgage pass-through securities. The Policy further provides for a maximum concentration limit of 10% in any one issuer including its related entities. There is no percentage limitation on the amounts that can be invested in U.S. Treasury and government agencies. The City's pooled investments comply with these requirements. GAAP requires disclosure of certain investments in any one issuer that represent 5% or more of total investments. Of the City's total pooled investments as of June 30, 2015, \$582.5 million (6%) was invested in securities issued by Fannie Mae.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

The following table identifies the investment types that are authorized by the Policy as of June 30, 2015:

Authorized Investment Type	Maximum Maturity ^A	Maximum Specified Percentage of Portfolio ^B	Minimum Credit Quality Requirements
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years *	None	None
State Obligations - CA and Others	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S. Agency Obligations	5 years *	None	None
Bankers' Acceptances	180 days	40% * ^C	None
Commercial Paper - Selected Agencies * ^D	270 days	25% of the agency's money ^E	A-1 if long-term A without regard to modifiers ^F
Commercial Paper - Others Agencies * ^G	270 days	40% of the agency's money ^H	A-1 if long-term A without regard to modifiers ^F
Negotiable Certificates of Deposits	5 years	30% ^I	None
CD Placement Service	5 years	30% ^I	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements and Securities Lending	92 days ^J	20%	None ^K
Medium-Term Notes * ^L	5 years	30%	A Rating
Mutual Funds and Money Market Mutual Funds	N/A	20% ^M	Multiple ^{O P}
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass-Through Securities	5 years	20%	AA Rating ^Q
Bank/Time Deposits	5 years	None	None
County Pooled Investments Funds	N/A	None	None
Joint Powers Authority Pool	N/A	None	Multiple ^R
Local Agency Investment Fund (LAIF)	N/A	None	None
Voluntary Investment Program Fund ^S	N/A	None	None

* Represents where the City's investment policy is more restrictive than the California Government Code. The sources used are Sections 16340, 16429.1, 53601, 53601.8, 53635, 53635.2, and 53638. Municipal Utilities Districts have the authority under the Public Utilities Code Section 12871 to invest in certain securities not addressed here.

Other restrictions on investments are summarized as follows:

- ^A Section 53601 provides that the maximum term or any investment authorized under this section, unless otherwise stated, is five years. However, the legislative body may grant express authority to make investments either specifically or as a part of an investment program approved by the legislative body that exceeds this five year maturity limit. Such approval must be issued no less than three months prior to the purchase of any security exceeding the five-year maturity limit.
- ^B Percentages apply to all portfolio investments regardless of source of funds. For instance, cash from a reverse repurchase agreement would be subject to the restrictions.
- ^C No more than 30 percent of the agency's money may be in bankers' acceptances of any one commercial bank.
- ^D "Select Agencies" are defined as a "city, a district or other local agency that does not pool money in deposits or investment with other local agencies, other than local agencies that have the same governing body."
- ^E No more than 10 percent of agency's money may be invested in any one issuer's commercial paper.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

- F Issuing corporation must be organized and operating within the U.S. and have assets in excess of \$500,000,000.
- G "Other Agencies" are counties, a city and county, or other local agency "that pools money in deposits or investments with other local agencies, including local agencies that have the same governing body." Local agencies that pool exclusively with other local agencies that have the same governing body must adhere to the limits set for "Select Agencies" above.
- H No more than 10 percent of the agency's money may be invested in the commercial paper of any one corporate issuer.
- I No more than 30 percent of the agency's total funds may be invested in CDs authorized under Sections 53601.8, 53635.8 and 53601(i) combined.
- J Reverse repurchase agreements or securities lending agreements may exceed the 92-day term if the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity dates of the same security.
- K Reverse repurchase agreements must be made with primary dealers of the Federal Reserve Bank of New York or with a nationally or state chartered bank that has a significant relationship with the local agency. The local agency must have held the securities used for the agreements for at least 30 days.
- L "Medium-term notes" are defined in Section 53601 as "all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state and operating within the U.S."
- M No more than 10 percent invested in any one mutual fund.
- N A mutual fund must receive the highest ranking by not less than two nationally recognized rating agencies or the fund must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Sections 53601 and 53635.
- O A money market mutual fund must receive the highest ranking by not less than two nationally recognized statistical rating organizations or retain an investment advisor registered with the SEC or exempt from registration and who has not less than five years' experience investing in money market instruments with assets under management in excess of \$500 million.
- P Issuer must have an "A" rating or better for the issuer's debt as provided by a nationally recognized rating agency.
- Q A joint powers authority pool must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Section 53601, subdivisions (a) to (o).
- R Local entities can deposit between \$200 million and \$10 billion into the Voluntary Investment Program Fund, upon approval by their governing bodies. Deposits in the fund will be invested in the Pooled Money Investment Account (PMIA).

General Investment Pool Securities Lending Program. Securities lending is permitted and limited under provisions of California Government Code Section 53601. The Council approved the Securities Lending Program (the SLP) on October 22, 1991 under Council File No. 91-1860, which complies with the California Government Code. The objectives of the SLP in priority order are: safety of loaned securities; and prudent investment of cash collateral to enhance revenue from the investment program. The SLP is governed by a separate policy and guidelines.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

The City's custodial bank acts as the securities lending agent. In the event a counterparty defaults by reason of an act of insolvency, the bank shall take all actions, which it deems necessary or appropriate to liquidate permitted investment and collateral in connection with such transaction, and shall make a reasonable effort for two business days (Replacement Period) to apply the proceeds thereof to the purchase of securities identical to the loaned securities not returned. If during the Replacement Period the collateral liquidation proceeds are insufficient to replace any of the loaned securities not returned, the bank shall, subject to payment by the City of the amount of any losses on any permitted investments, pay such additional amounts as necessary to make such replacement.

Under the provisions of the SLP, and in accordance with the California Government Code, no more than 20% of the market value of the General Investment Pool (the Pool) is available for lending. The City loans out U.S. Treasury and U.S. Agencies securities, e.g., Fannie Mae, Freddie Mac, Federal Home Loan Bank, Federal Agricultural Mortgage Corporation (Farmer Mac), Federal Farm Credit Bank and Tennessee Valley Authority. The City receives cash as collateral on the loaned securities, which is reinvested in securities permitted under the Policy. In addition, the City receives securities as collateral on loaned securities, which the City has no ability to pledge or sell without borrower default. In accordance with the California Government Code, the securities lending agent marks to market the value of both the collateral and the reinvestments daily. Except for open loans where either party can terminate a lending contract on demand, term loans have a maximum life of 60 days. Earnings from securities lending accrue to the Pool and are allocated on a pro-rata basis to all Pool participants.

During the fiscal year 2015, collateralizations on all loaned securities were compliant with the required 102% of the market value. The City can sell collateral securities only in the event of borrower default. The lending agent provides indemnification for borrower default. There were no violations of legal or contractual provisions and no borrower or lending agent default losses during the fiscal year. There was no credit risk exposure to the City because the amounts owed to the borrowers exceeded the amounts borrowed. Loaned securities are held by the City's agents in the City's name and are not subject to custodial credit risk.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

The following table provides information on securities lent and collateral received as of June 30, 2015 (in thousands):

Type of Investment Lent		
For Cash Collateral:		
U.S. Agencies Securities	\$	51,695
Medium-Term Notes		6,242
Total Lent for Cash Collateral		<u>57,937</u>
For Non-Cash Collateral:		
U.S. Treasury Notes		693,859
U.S. Agencies Securities		1,027
Medium-Term Notes		32,064
Total Securities Lent	\$	<u><u>784,887</u></u>
Type of Collateral Received		
Cash Collateral *	\$	59,190
Non-Cash Collateral **		
For lent U.S. Treasury Notes and U.S. Agencies Securities		<u>746,080</u>
Total Collateral Received	\$	<u><u>805,270</u></u>

* Amount represents cash collateral received and reinvested in repurchase agreements that have the mark-to-market value of the cash collateral pool at 102% for the liquidity of the portfolio and 100% for the duration portfolio for the fiscal year 2015.

** The City has no ability to pledge or sell collateral securities without borrower default.

Other Investments

Other deposits and investments maintained outside the City Treasury are invested pursuant to policies adopted by the boards of commissioners of the City's pension systems and Water and Power, governing bond covenants or California Government Code provisions. Investments made under these provisions are reported as follows. Investments are stated at fair value. Pensions and other postemployment benefits investments are reported in accordance with GASB Statement Nos. 25 and 43, respectively. Real estate investments are recorded in the financial statements under the equity method, and are carried at fair value as determined by real estate fund managers based on a periodic appraisal. Investments denominated in foreign currencies are translated to the U.S. dollar at the rate of exchange in effect at the statement of net position date, with resulting gains and losses recorded in the statement of changes in fiduciary net position.

The stated fair value of securities investments is generally based on published market prices or quotations from major investment dealers. Real estate values are taken from recent appraisals, and purchase prices and reports of investment advisors. The fair values of venture capital and alternative investments are estimated based on audited financial statements provided by the individual fund managers.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

The City's other investments as of June 30, 2015 are as follows (in thousands):

DWP	\$ 675,032
Pensions	20,422,625
LACERS	15,048,751
DWP Plans	12,587,770
Others	922,637
Total	<u>\$ 49,656,815</u>

Department of Water and Power (DWP)

The City Charter grants the Board of Water and Power Commissioners control over the investments of all financial assets of DWP.

At June 30, 2015, the investments of DWP outside of the City's investment pool programs and their maturities are as follows (in thousands):

Type of Investments	Amount	Investment Maturities				
		1 to 30 Days	31 to 60 Days	61 to 365 Days	366 Days To 5 Years	Over 5 Years
U.S. Government Securities	\$ 21,604	\$ --	\$ --	\$ 18,601	\$ 3,003	\$ --
U.S. Agencies Securities	289,155	4,447	--	120,320	123,706	40,682
Medium-Term Notes	129,646	7,130	3,840	37,404	81,272	--
Commercial Paper	80,224	34,249	24,996	20,979	--	--
Certificates of Deposit	22,001	7,000	10,001	5,000	--	--
Municipal Bonds	6,176	1,000	2,676	2,500	--	--
California Local Agency Bonds	27,100	3,375	5,740	5,727	12,258	--
California State Bonds	21,857	435	--	14,907	6,515	--
Other State Bonds	50,173	5,000	4,552	14,907	25,714	--
Bankers' Acceptances	300	--	300	--	--	--
Money Market Funds	17,072	17,072	--	--	--	--
SCPPA Palo Verde Investment	9,724	--	--	--	9,724	--
Total	<u>\$ 675,032</u>	<u>\$ 79,708</u>	<u>\$ 52,105</u>	<u>\$ 240,345</u>	<u>\$ 262,192</u>	<u>\$ 40,682</u>

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Interest Rate Risk. DWP's investment policy limits the maturity of its investments to a maximum of 30 years for U.S. Government and U.S. Agencies securities; 5 years for medium-term notes, California local agency obligations, California State obligations, and other state obligations; 270 days for commercial paper; 397 days for certificates of deposit; and 180 days for bankers' acceptances.

Credit Risk. Under its investment policy and the California Government Code, DWP is subject to the prudent investor standard of care in managing all aspects of its portfolios. The prudent investor standard requires that DWP "shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and in familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency."

The U.S. Agencies securities in the portfolio consist of securities issued by government-sponsored enterprises, which are not explicitly guaranteed by the U.S. government. Of the U.S. Agencies securities in the portfolio as of June 30, 2015, \$281.9 million (97%) was rated with either the highest or second highest possible credit ratings by the Nationally Recognized Statistical Rating Organizations (NRSROs) that rated them and \$7.3 million (3%) was not rated.

DWP's investment policy specifies that medium-term notes must be rated in a rating category of A or its equivalent or better by a NRSRO. Of DWP's investments in corporate notes as of June 30, 2015, \$5.1 million (4%) was rated in the category of AAA, \$65.9 million (51%) was rated in the category of AA, and \$58.5 million (45%) was rated in the category of A by at least one NRSRO. The remaining \$0.1 million (less than 1%) of investments in corporate notes was not rated.

DWP's investment policy specifies that commercial paper must be of the highest ranking or of the highest letter and number rating as provided for by at least two NRSROs. As of June 30, 2015, all of the DWP's investments in commercial paper were rated with at least the highest letter and number rating as provided by at least two NRSROs.

DWP's investment policy provides that negotiable certificates of deposit must be of the highest ranking or letter and number rating as provided for by at least two NRSROs and that for non-negotiable certificates of deposit, the full amount of principal and interest is insured by the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Administration. As of June 30, 2015, DWP's investments in certificates of deposits included \$21.0 million of negotiable certificates of deposit with at least the highest letter and number rating as provided by at least two NRSROs and \$1.0 million of non-negotiable certificates of deposit fully insured by the FDIC.

DWP's investment policy specifies that California Local Agency bonds, which include municipal commercial paper, must be rated in a rating category of A or its equivalent or better by a NRSRO. Of DWP's investments in California Local Agency bonds as of June 30, 2015, \$1.4 million (5%) was rated in the category of AAA; \$23.7 million (87%) was rated in the category of AA; \$2.0 million (8%) was rated in the category of A.

DWP's investment policy specifies that California State bonds must be rated in a rating category of A or its equivalent or better by a NRSRO. Of DWP's investments in California State bonds as of June 30, 2015, \$3.6 million (17%) was rated in the category of AAA and \$18.2 million (83%) was rated in the category of AA by at least one NRSRO.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

DWP's investment policy specifies that obligations of other states in addition to California must be rated in a rating category of A or its equivalent or better by a NRSRO. Of DWP's investments in other state obligations as of June 30, 2015, \$17.8 million (36%) was rated in the category of AAA, \$31.8 million (63%) was rated in the category of AA, and \$0.5 million (1%) was rated in the category of A by at least one NRSRO.

DWP's investment policy specifies that bankers' acceptances must be of the highest ranking or letter and number rating as provided for by at least two NRSROs. As of June 30, 2015, all of DWP's investments in banker's acceptances were rated with at least the highest letter and number rating as provided by three NRSROs.

DWP's investment policy specifies that money market funds may be purchased as allowed under the California Government Code, which requires that the fund must have either (1) attained the highest ranking or highest letter and numerical rating provided by not less than two NRSROs or (2) retained an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience in managing money market mutual funds with assets under management in excess of \$500.0 million. As of June 30, 2015, each of the money market funds in the portfolio had the highest possible ratings by at least two NRSROs.

Concentration of Credit Risk: DWP's investment policy specifies that there is no percentage limitation on the amount that can be invested in U.S. Agencies securities, except that a maximum of 30% of the cost value of the portfolio may be invested in the securities of any single U.S. government agency issuer. DWP's total investments as of June 30, 2015, \$131.7 million (20%) was invested in securities issued by the Federal Home Loan Bank, \$77.8 million (12%) was invested in securities issued by the Freddie Mac, and \$71.8 million (11%) was invested in securities issued by Fannie Mae.

Derivative Instruments. DWP enters into natural gas hedging contracts in order to stabilize the cost of gas needed to produce electricity to serve its customers. It is designed to cap gas prices over a portion of the forecasted gas requirements. DWP does not speculate when entering into financial transactions. Financial hedges are variable to fixed-rate swaps and are layered by volumetric averaging. DWP is exposed to financial settlement risk if the counterparties default and/or the agreements are terminated. DWP did not receive any payments at the inception of any swap transaction.

As of June 30, 2015, DWP'S financial natural gas hedges by fiscal year are the following (fair value in thousands):

Derivative Description	Notional Amount (Total Contract Quantities*)	Contract Price Range Dollar per Unit	First Effective Date	Last Termination Date	Fair Value
Financial natural gas:					
FY 2015-16	4,488,000	\$ 6.42–9.85	07/01/15	06/30/16	\$ (21,020)
FY 2016-17	3,197,500	6.61–9.83	07/01/16	06/30/17	(14,210)
FY 2017-18	2,190,000	6.76–7.14	07/01/17	06/30/18	(8,014)
Total	9,875,500	6.37–9.85	07/01/13	06/30/18	\$ (43,244)

* Contract quantities in MMBtu - Million British Thermal Units

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

The fair value of the natural gas hedges decreased by \$5.1 million during the year ended June 30, 2015, which was reported as a liability and was offset by a deferred outflow on the statement of net position. All fair values were estimated using forward market prices available from broker quotes and exchanges.

Credit Risk. DWP is exposed to credit risk related to nonperformance by its wholesale counterparties under the terms of contractual agreements. In order to limit the risk of counterparty default, DWP has implemented a Wholesale Marketing Counterparty Evaluation Policy, which was amended and renamed as Counterparty Evaluation Credit Policy (the Counterparty Policy), and was approved by the Board on May 6, 2008. Under the new policy, the scope has been expanded beyond physical power to include transmission, physical natural gas, and financial natural gas. Also, the credit limit structure has been categorized into short-term and long-term structures where the short-term structure is applicable to transactions with terms of up to 18 months and the long-term structure to cover transactions beyond 18 months.

The Policy includes provisions to limit risk including the assignment of internal credit ratings to all DWP's counterparties based on counterparty and/or debt ratings; the use of expected default frequency equivalent credit rating for short-term transactions; the requirement for credit enhancements (including advance payments, irrevocable letters of credit, escrow trust accounts, and parent company guarantees) for counterparties that do not meet an acceptable level of risk; and the use of standardized agreements, which allow for the netting of positive and negative exposures associated with a single counterparty.

As of June 30, 2015, the 10 financial natural gas hedge counterparties were rated by Moody's as follows: two at Aa3, one at Aa2, two at A3, two at A2, two at A1, and one WR. The counterparties were rated by S&P as follows: two at AA-, one at A+, four at A, and three at A-.

Based on the International Swap Dealers Association agreements, DWP or the counterparty may be required to post collateral to support the financial natural gas hedges subject to credit risk in the form of cash, negotiable debt instruments (other than interest-only and principal-only securities), or eligible letters of credit. Collateral posted is held by a custodian. As of June 30, 2015, the fair values of the financial natural gas hedges are within the credit limits and collateral posting was not required.

Basis Risk. DWP is exposed to basis risk between the financial natural gas hedges, which are settled monthly at NW Rocky Mountains Index, and the hedged gas deliveries, which are daily spot purchases at Kern River, Opal prices. However, these pricing points are in the same region and are highly correlated.

Termination Risk. DWP's Power System or its counterparties may terminate the contractual agreements if the other party fails to perform under the terms of the contract. No termination events have occurred and there are no out-of-the-ordinary termination events contained in contractual documents.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)Fire and Police Pension and Health Subsidy Plans (Pensions)

At June 30, 2015, the Pensions' investments are as follows (in thousands):

Investment Type	Pension Plan	Health Subsidy Plan	Total
Short-Term Investments	\$ 650,293	\$ 51,770	\$ 702,063
U.S. Government Obligations	1,949,302	155,185	2,104,487
Domestic Corporate Bonds	1,610,723	128,230	1,738,953
Foreign Bonds	18	1	19
Domestic Stocks	6,790,805	540,618	7,331,423
Foreign Stocks	3,484,205	277,378	3,761,583
Real Estate	1,451,892	115,585	1,567,477
Alternative Investments	1,609,930	128,167	1,738,097
Security Lending Collateral	1,369,497	109,026	1,478,523
Total	\$ 18,916,665	\$ 1,505,960	\$ 20,422,625

Interest Rate Risk. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. One of the ways Pensions manages its exposure to interest rate risk is by requiring a fixed income investment manager to maintain the effective duration of their portfolio within a specified range of (1) the Barclays US Aggregate Bond Index for core fixed income investments, (2) the Barclays US Government/Credit Long-Term Bond Index for long duration investments, and (3) the B of A ML High Yield Master II Index for high yield investments. The longer the duration, the greater the sensitivity to interest rate changes. Information about the sensitivity of the Pensions' investments to interest rate fluctuations is provided in the following table that shows the weighted average effective duration of the Pensions' fixed income investments by investment type:

Investment Type	Amount (in thousands)	Weighted Average Maturity (in years)
Asset-Backed Securities	\$ 48,313	16.06
Commercial Mortgages	31,303	29.31
Corporate Bonds	1,568,965	24.93
Government Agencies Bonds	68,252	10.11
Government Bonds	812,775	10.82
Government Mortgage-Backed Securities	360,553	25.20
Index Linked Government Bonds	864,570	9.64
Non-Government Backed Collateralized Mortgage Obligations	50,384	18.76
Bond Index Fund	38,344	N/A
Total	\$ 3,843,459	

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Investments that are highly sensitive to interest rate risk at June 30, 2015 are as follows (in thousands):

Investment Type	Amount
Asset-Backed Securities	\$ 48,313
Commercial Mortgages	31,303
Government Agencies Bonds	68,252
Government Mortgage-Backed Securities	360,553
Index Linked Government Bonds	864,570
Non-Government Backed Collateralized Mortgage Obligations	50,384
Total	<u>\$ 1,423,375</u>

Credit Risk. Pensions seeks to maintain a diversified portfolio of fixed income securities in order to obtain the highest total return at an acceptable level of risk within this asset class. As of June 30, 2015, the quality ratings of Pensions' fixed income investments are as follows:

Credit Rating	Amount (in thousands)	Percentage
AAA	\$ 1,662,216	48.86 %
AA	92,570	2.72
A	396,504	11.65
BBB	551,207	16.20
BB	234,969	6.90
B	234,765	6.90
CCC	68,039	2.00
CC	10,097	0.30
C	1,617	0.05
Not Rated	150,325	4.42
Subtotal	<u>3,402,309</u>	<u>100.00 %</u>
U.S. Government Issued or Guaranteed Securities	<u>441,150</u>	
Total Fixed Income Investments	<u>\$ 3,843,459</u>	

Concentration of Credit Risk. As of June 30, 2015, Pensions' investment portfolio has no concentration of investments of 5% or more of the total investment portfolio in any one entity except those issued or guaranteed by the U.S. Government.

Custodial Credit Risk. For deposits, custodial credit risk is the risk that, in the event of a bank failure, Pensions' deposits and collateral securities in the possession of an outside party would not be recoverable. Deposits are exposed if they are not insured or are not collateralized. As of June 30, 2015, Pensions' exposure to custodial credit risk comprised of foreign currencies held outside the custodial bank amounted to \$16.4 million.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

For investment securities, custodial credit risk is the risk that, in the event of the failure of the counterparty, Pensions will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if they are not insured, or are not registered in Pensions' name, and held by the counterparty. As of June 30, 2015, Pensions' investments in publicly traded stocks and bonds were not exposed to custodial risk since they are all held by the custodian and are registered in Pensions' name. As of June 30, 2015, Pensions' investments in hedge funds of \$94.4 million, private equity of \$1,643.7 million, and commingled real estate funds of \$844.3 million, were exposed to custodial credit risk, respectively.

Foreign Currency Risk. The Pensions' asset allocation policy sets a target of 18% of the total portfolio for non-U.S. equity investments. The majority of Pensions' currency exposure comes from its holdings of foreign stocks. Pensions' foreign investment holdings, including foreign currencies in temporary investments at June 30, 2015, are as follows (in thousands):

<u>Foreign Currency</u>	<u>Fair Value</u>
Australian Dollar	\$ 134,417
Brazilian Real	61,246
British Pound Sterling	752,674
Canadian Dollar	74,717
Chilean Peso	4,557
Colombian Peso	1,903
Czech Koruna	4,908
Danish Krone	57,220
Egyptian Pound	265
Euro	807,506
Hong Kong Dollar	267,133
Hungarian Forint	3,560
Indian Rupee	86,544
Indonesian Rupiah	26,691
Japanese Yen	627,167
Malaysian Ringgit	15,933
Mexican Peso	25,271
New Israeli Shekel	10,117
New Taiwan Dollar	120,116
New Zealand Dollar	4,135
Nigerian Naira	2,357
Norwegian Krone	21,234
Philippine Peso	7,530
Polish Zloty	12,563
Qatari Rial	106
Singapore Dollar	39,815
South African Rand	86,924
South Korean Won	156,145
Swedish Krona	74,340
Swiss Franc	234,347
Thai Baht	16,909
Turkish Lira	23,253
Total	<u>\$ 3,761,603</u>

The foreign currency total comprises of foreign stock, foreign bonds, and currency holdings.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Money-Weighted Rate of Return. The money-weighted rate of return expresses investment performance, gross of investment expense, adjusted for the changing amounts actually invested. The annual money-weighted rate of return on Pensions' investments, gross of investment expense, for the year ended June 30, 2015, was 4.14%. The source for the rate of return was the June 30, 2015 Investment Hierarchy provided by the custodian bank, Northern Trust.

Securities Lending Transactions. Pensions has entered into various short-term arrangements with its custodian, whereby investments are loaned to various brokers, as selected by the custodian. The lending arrangements are collateralized by cash, letters of credit, and marketable securities held on Pensions' behalf by the custodian. These agreements provide for the return of the investments and for a payment of: a) a fee when the collateral is marketable securities or letters of credit, or b) interest earned when the collateral is cash on deposit.

Upon direction of the Pensions' Board, the custodian may loan securities to brokers or dealers or other borrowers upon such terms and conditions, as it deems advisable. Collateral for the securities on loan will be maintained at a level of at least 102% of their fair value plus any accrued interest for U.S. securities lending and 105% of the fair value plus any accrued interest for non-U.S. securities lending. At year-end, Pensions has no credit risk exposure to borrowers because the amounts the Pensions owes the borrowers exceed the amounts the borrowers owe Pensions.

Borrowers of Pensions' securities have all incidents of ownership with respect to the borrowed securities and collateral including the right to vote and transfer or loan borrowed securities to others. Pensions is entitled to receive all distributions, which are made by the issuer of the borrowed securities, directly from the borrower. Under the agreement, the custodian will indemnify Pensions as a result of the custodian's failure to: (1) make a reasonable determination of the creditworthiness of a potential borrower before lending and, during the term of the loan or loans, the borrower files a petition of bankruptcy or similar action, (2) demand adequate collateral, or (3) otherwise maintain the securities lending program in compliance with the Federal Financial Institutions Examinations Council Supervisory Policy on Securities Lending.

As of June 30, 2015, the fair value of securities lent was \$1,629.9 million and the fair value of collateral received was \$1,673.9 million. Of the \$1,673.9 million collateral received, \$1,478.5 million was cash collateral and \$195.4 million represented the fair value of non-cash collateral. Non-cash collateral, which Pensions does not have the ability to pledge or sell unless the borrower defaults, is not reported in the Statement of Fiduciary Net Position.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

The following represents the balances relating to the security lending transactions as of June 30, 2015 (in thousands):

Fair value of collateral received for loaned securities as of June 30, 2015:

Loaned Securities	Cash	Non-Cash	Total Collateral Securities
U.S. Government and Agency Securities	\$ 69,480	\$ 115,570	\$ 185,050
Domestic Corporate Fixed Income Securities	138,926	5,118	144,044
International Stocks	1,270,117	74,707	1,344,824
	<u>\$ 1,478,523</u>	<u>\$ 195,395</u>	<u>\$ 1,673,918</u>

Fair value of loaned securities as of June 30, 2015:

Loaned Securities	Cash	Non-Cash	Total Fair Value of Underlying Securities
U.S. Government and Agency Securities	\$ 64,650	\$ 107,455	\$ 172,105
Domestic Corporate Fixed Income Securities	136,005	5,013	141,018
International Stocks	1,243,616	73,173	1,316,789
	<u>\$ 1,444,271</u>	<u>\$ 185,641</u>	<u>\$ 1,629,912</u>

Derivative Instruments. The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2015, classified by type, and the changes in fair value of such derivative instruments are as follows (in thousands):

Type	Changes in Fair Value		Fair Value at June 30, 2015		Notional Amount
	Classification	Amount	Classification	Amount	
Futures - Shorts		\$ --	Investment	\$ --	\$ (25,131)
Futures - Longs	Investment Loss	2,862	Investment	--	16,258
Forwards	Investment Loss	688	Investment	680	--
Options	Investment Loss	206	Investment	65	--
Rights/Warrants	Investment Revenue	(741)	Investment	195	--
Swaps	Investment Revenue	(344)	Investment	55	--

At June 30, 2015, Pensions held futures - shorts and futures - longs with a notional value of \$(25.1) million and \$16.3 million, respectively, with a realized loss of \$2.9 million for the fiscal year. Pensions held forwards with a fair value of \$0.7 million, options with a fair value of \$0.06 million, rights and warrants with a fair value of \$0.2 million, and swaps with the fair value of \$0.05 million. Losses of \$0.7 million for forwards and \$0.2 million for swaps, and earnings of \$0.7 million for rights and warrants and \$0.3 million for swaps, were reported.

The fair values of the futures that are traded on various exchanges are determined by the price on that exchange. Fair values for the currency forward contracts are determined by the exchange rate of the reference currency on the last day of the reporting period.

Credit Risk. Pensions enters into futures and forward foreign currency contracts to manage portfolio risk or use them as substitutes for owning securities. Forward contracts are subject to credit risk if the counterparties to the contracts are unable to meet the terms of the contract. Futures contracts have little credit risk, as organized exchanges are the guarantors. Due to the level of risk associated with derivative investments, it is reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amount reported in the financial statements.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)Los Angeles City Employees' Retirement and Postemployment Health Care Plans (LACERS)

At June 30, 2015, LACERS' investments are as follows (in thousands):

Investment Type	Retirement Plan	Postemployment Health Care Plan	Total
Short-Term Investments (non-U.S. of \$228,189)	\$ 440,147	\$ 78,753	\$ 518,900
U.S. Government Obligations	639,148	114,359	753,507
Municipal Bonds	5,344	956	6,300
Domestic Corporate Bonds	788,797	141,135	929,932
International Bonds	432,118	77,317	509,435
Other Fixed Income	776,575	138,948	915,523
Bank Loan	1,909	342	2,251
Opportunistic Debt	11,076	1,982	13,058
Domestic Stocks	3,243,710	580,380	3,824,090
International Stocks	3,627,568	649,061	4,276,629
Mortgage-Backed Securities	381,414	68,244	449,658
Government Agencies	21,126	3,780	24,906
Derivative Instruments	1,454	260	1,714
Real Estate	556,385	99,551	655,936
Private Equity	1,133,226	202,762	1,335,988
Security Lending Collateral	704,815	126,109	830,924
Total	\$ 12,764,812	\$ 2,283,939	\$ 15,048,751

Interest Rate Risk. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. One of the ways LACERS manages its exposure to interest rate risk is by requiring the fixed income investment managers to maintain their portfolio effective duration within a specified range of the BC U.S. High Yield 2% Capped Index, the BC Intermediate Government Credit Index, the BC Aggregate Bond Index, or the J.P. Morgan EMBI Global Diversified Index, depending on the Board's mandates. The effective duration is a measure, in years, of interest-rate sensitivity in debt investments. The longer the effective duration, the greater the sensitivity to interest rate changes.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Information about the sensitivity of the fair values of LACERS' investments to market interest rate fluctuations is provided by the following table that shows the weighted average effective duration of LACERS' fixed income securities by investment type:

Investment Type	Fair Value (in thousands)	Weighted Average Duration (in years)
Asset-Backed Securities	\$ 32,690	1.69
Bank Loans	2,251	0.86
Commercial Mortgage-Backed Securities	80,488	2.04
Corporate Bonds	1,209,899	4.83
Government Agencies	32,900	6.88
Government Bonds	578,535	5.47
Government Mortgage-Backed Securities	370,472	4.08
Index Linked Government Bonds	356,871	8.16
Municipal/Provincial Bonds	7,716	5.26
Non-Government Backed Collateralized Mortgage Obligations (C.M.O.s)	4,167	1.17
Opportunistic Debts	13,058	0.10
Other Fixed Income (Funds)	915,523	5.61
Derivative Instruments	12	8.99
Total	\$ 3,604,582	

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. LACERS seeks to maintain a diversified portfolio of fixed income instruments in order to obtain the highest total return for the fund at an acceptable level of risk within this asset class. The credit quality ratings of investments in fixed income securities by a NRSRO as of June 30, 2015, are as follows:

Credit Rating	Fair Value (in thousands)	Percentage
AAA	\$ 50,040	1.78 %
AA	1,379,246	49.22
A	293,952	10.49
BBB	504,930	18.02
BB	265,946	9.49
B	183,429	6.55
CCC	39,438	1.41
D	4,651	0.17
Not Rated	80,416	2.87
Subtotal	2,802,048	100.00 %
U.S. Government Guaranteed Securities *	802,534	
Total Fixed Income Investments	\$ 3,604,582	

* Consists of U.S. Government Bonds and GNMA Mortgage-Backed Securities which had the AA+ rating.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Concentration of Credit Risk. LACERS' investment portfolio as of June 30, 2015, contained no concentration of investments in any one entity that represented 5% or more of the total investment portfolio.

Custodial Credit Risk. Custodial credit risk for deposits is the risk that, in the event of a financial institution's failure of depository financial institution, LACERS would not be able to recover its deposits or would not be able to recover collateral securities that are in the possession of an outside party. Deposits are exposed to custodial credit risk if they are not insured or not collateralized. As of June 30, 2015, LACERS has exposure to such risk in the amount of \$23.8 million, or 0.47% of the fair value of total international investments. The amount represents non-invested cash denominated in foreign currencies, managed by 20 different investment managers, and held outside of LACERS custodial bank. LACERS' policy requires each individual publicly traded equities investment managers to hold no more than 10% of their portfolios in the form of cash. LACERS is in compliance with the policy.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, LACERS would not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are not insured, or are not registered in LACERS' name, and held by the counterparty. LACERS' investments are not exposed to custodial credit risk if they are insured or registered in LACERS' name. LACERS' investments were not exposed to custodial credit risk because all securities were held by LACERS' custodial bank in LACERS' name.

Foreign Currency Risk. Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. LACERS' Asset Allocation policy sets a target of 29% of the total portfolio for non-U.S. investments in equities. In addition, fixed income, real estate, and private equity managers may hold non-U.S. investments depending on their individual mandates. Forward currency contracts are permitted primarily to reduce the foreign currency risk.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

LACERS' non-U.S. currency investment holdings as of June 30, 2015, which represent 28.8% of the fair value of total investments, are as follows (in thousands):

<u>Foreign Currency</u>	<u>Fair Value</u>
Argentine Peso	\$ 29
Australian Dollar	168,543
Brazilian Real	59,322
British Pound Sterling	703,677
Canadian Dollar	184,394
Chilean Peso	3,741
Colombian Peso	(381)
Czech Koruna	1,701
Danish Krone	86,863
Egyptian Pound	4,421
Euro	1,031,046
Hong Kong Dollar	244,030
Hungarian Forint	1,872
Indian Rupee	57,748
Indonesian Rupiah	17,683
Israeli New Shekel	10,056
Japanese Yen	707,366
Malaysian Ringgit	15,707
Mexican Peso	39,533
New Taiwan Dollar	85,643
New Zealand Dollar	4,179
Norwegian Krone	29,607
Peruvian Nuevo Sol	(1,827)
Philippine Peso	20,616
Polish Zloty	12,746
Qatari Rial	1,119
Russian Ruble	6,663
Singapore Dollar	49,309
South African Rand	60,168
South Korean Won	110,337
Swedish Krona	95,557
Swiss Franc	332,285
Thai Baht	27,379
Turkish Lira	16,961
United Arab Emirates Dirham	2,944
Total	<u>\$ 4,191,037</u>

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Highly Sensitive Investments. Highly sensitive investments are certain debt investments whose terms may cause their fair value to be highly sensitive to market interest rate changes. Terms include embedded options, coupon multipliers, benchmark indexes, and reset dates. LACERS' asset-backed investments have embedded prepayment options that will typically cause prepayments by the obligees of the underlying investments when interest rates fall. Prepayments eliminate the stream of future interest payments and, therefore, diminish the fair value of the asset-backed investment. The following table shows the fair value of LACERS' asset-backed investments by investment type (in thousands):

Investment Type	Fair Value
Asset-Backed Securities	\$ 32,690
Commercial Mortgage-Backed Securities	80,488
Government Agencies	32,900
Government Mortgage-Backed Securities	370,472
Non-Government Backed C.M.O.s	4,167
Total	<u>\$ 520,717</u>

Money-Weighted Rate of Return. For the fiscal year ended June 30, 2015, the annual money-weighted rate of return on LACERS investments, net of investment expenses was 2.6%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Derivative Instruments. LACERS enters into derivative contracts for investment purposes and to manage risks associated with its investment portfolio. For financial reporting purposes, all of LACERS derivatives are classified as investment derivatives.

The notional amount and the fair value of derivative instruments as of June 30, 2015, are as follows (in thousands):

Derivative Type	Notional Amount	Fair Value	Change in Fair Value
Future Contracts -			
Commodities	\$ 47,733	\$ 884	\$ 884
Equity Index	17,713	(30)	(37)
Foreign Exchange	(976)	87	87
Interest Rate	(49,249)	12	157
Currency Forward			
Contracts	99,305	341	349
Right / Warrants	N/A	420	240
Total Value		<u>\$ 1,714</u>	<u>\$ 1,680</u>

Credit Risk. Derivatives are subject to credit risk that the counterparty to a contract will default. LACERS is exposed to credit risk on reported assets of the investment derivatives that are traded over the counter. The credit risk of exchange traded derivatives for future contracts is considered minimal because the exchange clearing house is the counterparty and guarantees the performance.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

LACERS permits investment managers, under the terms of individual guidelines, to use derivative instruments as set forth in each manager's investment guidelines to control portfolio risk. It is the responsibility of these investment managers to actively monitor counterparties on their financial safety and ensure compliance with the investment restrictions. LACERS has no general investment policy with respect to netting arrangements or collateral requirements. However, these individual investment managers have set up the arrangements with the counterparties to net off the positive and negative contracts with the same counterparty in case of the counterparty's default.

As of June 30, 2015, without respect to netting arrangements, LACERS maximum loss on derivative instruments subject to credit risk, namely currency forward contracts, is as follows (in thousands):

<u>S & P Ratings</u>	<u>Fair Value</u>
AA	\$ 56
A	719
BBB	139
Total	<u>\$ 914</u>

Securities Lending Transactions. LACERS has entered into various short-term arrangements with its custodian to lend securities to various brokers. The custodian determines which lenders' accounts to lend securities from by using an impartial sequential system that matches loan requests with various lenders' accounts. All lenders are deemed to have relatively equal opportunity to profit from the lending of securities. Therefore, should a collateral deficiency occur beyond the custodian's responsibilities, the deficiency is allocated pro rata among all lenders.

Minimum collateralization is 102% of the fair value of the borrowed U.S. securities and 105% for international securities. Collateral consists of cash, government and corporate securities, and commercial bank obligations. Cash collateral is invested in a separate account comprised of money market or high quality short and intermediate term investments.

LACERS cannot pledge or sell non-cash collateral unless the borrower defaults. The cash collateral values of securities on loan to brokers are shown at their fair values on the Statement of Fiduciary Net Position. As of June 30, 2015, LACERS had no losses on securities lending transactions resulting from default of a borrower or lending agent. All securities loans can be terminated on demand by either LACERS or the borrower. Because of this nature, their duration did not generally match the duration of the investment made with the cash collateral.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

The following table represents the fair value of securities on loan and cash/non-cash collateral received as of June 30, 2015 (in thousands):

Securities on Loan	Fair Value of Securities on Loan	Cash/Non-Cash Collateral Received
U.S. Government and Agency Securities	\$ 236,192	\$ 241,151
Domestic Corporate Fixed Income Securities	166,835	170,334
International Fixed Income Securities	44,701	47,360
Domestic Stocks	443,176	452,637
International Stocks	534,503	574,504
	<u>\$ 1,425,407</u>	<u>\$ 1,485,986</u>

As of June 30, 2015, the fair value of the securities on loan was \$1,425.4 million. The fair value of associated collateral was \$1,486.0 million. Of this amount, \$830.9 million represents the fair value of cash collateral and \$655.1 million represents the fair value of the non-cash collateral. Non-cash collateral, which LACERS does not have the ability to sell unless the borrower defaults, is not reported in the Statement of Fiduciary Net Position.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)Water and Power Employees' Retirement, Disability, and Death Benefit Insurance; and Retiree Health Benefits Plans

At June 30, 2015, DWP Plans' investments are as follows (in thousands):

Investment Type	Retirement, Disability, and Death Benefit Insurance Plan	Retiree Health Benefits Plan	Total
Domestic Stocks	\$ 4,570,500	\$ 771,247	\$ 5,341,747
International Stocks	2,083,762	355,620	2,439,382
Mortgage and Asset-Backed Securities	208,820	34,565	243,385
Domestic Corporate Bonds	503,093	99,957	603,050
International Bonds	89,050	2,674	91,724
Alternative Investments	772,766	125,656	898,422
Real Estate	392,706	49,692	442,398
U.S. Treasuries	523,281	97,284	620,565
U.S. Agency Notes	688,521	114,477	802,998
Short-Term Investments	353,756	46,589	400,345
Security Lending Collateral	551,763	151,991	703,754
Total	\$ 10,738,018	\$ 1,849,752	\$ 12,587,770

Credit Risk. DWP Plans' investment policy is to apply the "prudent-person" standards. Investments are made with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. DWP Plans' investment policy has been designed to produce the most favorable long-term total portfolio return consistent with reasonable levels of risks. Prudent risk-taking is warranted within the context of overall portfolio diversification.

DWP Plans can invest in both investment grade and high yield fixed income securities. Investment grade fixed income securities that are rated by Moody's, Standard & Poor's, and Fitch, should have a minimum rating of BBB- or Baa3 by two or more rating agencies. Investment managers for investment grade fixed income securities will notify DWP Plans' management of subsequent declines in ratings and will develop an investment strategy for investments rated below Baa3 or BBB-. Active high yield fixed income investment is composed primarily of non-investment grade securities as rated by Moody's, Standard & Poor's or Fitch.

The credit ratings of DWP Plans' fixed income investments at June 30, 2015 are as follows:

Credit Rating	Amount (in thousands)	Percentage
AAA	\$ 219,895	16.43 %
A or better	208,553	15.58
B or better	439,492	32.83
C or better	29,741	2.22
Not Rated	440,822	32.94
Subtotal	1,338,503	100.00 %
U.S. Government Issued or Guaranteed Securities	1,423,564	
Total Fixed Income Investments	\$ 2,762,067	

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Custodial Credit Risk. For deposits, custodial credit risk is the risk that in the event of a bank failure, DWP Plans' deposits may not be returned. As of June 30, 2015, DWP Plans' cash balances consist primarily of cash deposits in the City Treasury.

Concentration of Credit Risk. According to DWP Plans' investment policy, no more than 5% of investments shall be invested in any one issue, except for investment in the fixed income asset class where no more than 10% of investments shall be invested in any one issue. United States Treasury or United States Agency issues are exempted from this limitation. As of June 30, 2015, there were no investment holdings of more than 5% in any one issue in each of the Plans' net position or in DWP Plans' aggregate net position, except investments issued or guaranteed by the U.S. Government and investments in commingled funds.

Interest Rate Risk. As of June 30, 2015, DWP Plans' exposure to interest rate risk is as follows:

Investment Type	Amount (in thousands)	Weighted Average Maturity (Years)
U.S. Treasuries	\$ 620,565	6.49
U.S. Agency Notes	802,998	16.62
Preferred securities/convertible bonds	29,862	0.00
Mortgage and asset backed securities	243,385	12.94
Corporate debt - domestic	573,188	9.98
Corporate debt - international	91,724	12.98
Mutual funds	400,345	0.00
Total	\$ 2,762,067	9.93

DWP Plans has a long-term investment horizon and it utilizes an asset allocation that encompasses a long-run perspective of capital markets. DWP Plans maintains an interest rate risk consistent with its long-term investment horizon.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Foreign Currency Risk. DWP Plans' investment policy permits the investment in foreign currency of up to 21% of total investments in non-U.S. investments. As of June 30, 2015, DWP Plans' exposure to foreign currency risk is 12.8% of the fair value of total investments, as follows (in thousands):

Foreign Currency	Amount
Australian Dollar	\$ 61,088
Brazilian Real	23,750
Canadian Dollar	70,553
Chilean Peso	433
Danish Krone	19,421
Euro	456,225
Hong Kong Dollar	53,275
Indonesian Rupiah	13,702
Indian Rupee	472
Japanese Yen	310,656
Malaysian Ringgit	7,710
Mexican Peso	12,119
New Taiwan Dollar	5,693
New Zealand Dollar	8,677
Norwegian Krone	11,481
Pound Sterling	330,888
Singapore Dollar	14,807
South Korean Won	6,817
Swedish Krona	39,684
Swiss Franc	146,753
Thailand Baht	13,052
Total	\$ 1,607,256

Money-Weighted Rate of Return. For the fiscal year ended June 30, 2015, the annual money-weighted rate of return on DWP Plans' investments, net of investment expense, was 4.27%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

Derivative Instruments. The fair value balances and notional amounts of derivatives instruments outstanding at June 30, 2015, classified by type, and the changes in fair values of such derivative instruments are as follows (in thousands):

Type	Changes in Fair Value		Fair Value		Notional Amount
	Classification	Amount	Classification	Amount	
Forward Contracts	Investment Income	\$ 491	Investment	\$ 599	\$ 268,433
Call Options	Investment Income	7,857	Investment	4,426	811,215

At June 30, 2015, DWP Plans had direct commitments to purchase and/or sell foreign currency in the forms of forward contracts as part of the strategy of hedging its currency risk. The fair values of forward contracts were based on the market price. At June 30, 2015, DWP Plans also had written S&P 500 call options as part of its asset allocation strategy. The fair value of the call options is based on market prices.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Securities Lending Transactions. DWP Plans is authorized by the City Charter and the DWP Plans Board's investment policy to lend its investment securities to various brokers, without limit. The lending is managed by a custodial bank. DWP Plans or the borrowers can terminate the contract with advance notice. Prior to August 2013, the lending arrangements are collateralized by cash and marketable securities (guaranteed by the full faith and credit of the U.S. Government) at (i) 102% with respect to U.S. Securities; (ii) 105% with respect to foreign securities; or (iii) a percentage mutually agreed of the underlying securities' market value. In August 2013, DWP Plans Board adopted an amendment to the securities lending program to expand the acceptance of equities as non-cash collateral. Equities received are required to be collateralized at 110% with respect to loaned securities' value. The custodial bank will assume the equity risk and indemnify the Plan 100% for any shortfall if a loan position is not returned, and proceeds from the sale of equity collateral were insufficient to replace the loan position.

These arrangements provide for the return of the investments and a share of the interest earned on the collateral. The securities on loan to brokers remain the property of DWP Plans and continue to be included in their respective accounts on the Statement of Fiduciary Net Position. DWP Plan does not have the ability to pledge or sell collateral assets unless the borrower is in default of its obligation. As of June 30, 2015, DWP Plans has no credit risk exposure because the value of the collateral received exceeded the value of the securities on loan.

DWP Plans' custodian is the authorized agent to handle DWP Plans' securities lending activity. DWP Plans' custodian may invest the cash collateral received in connection with securities on loan in investments permitted by DWP Plans. DWP Plans bears sole risk of all losses of the invested collateral, including losses incurred in the event of liquidation of the permitted investments. The custodian bank is responsible for the return of loaned securities from borrowers. In lending domestic securities, cash collateral is invested in the lending agent's short-term investment pool, which has an average maturity of 62 days as of June 30, 2015.

The fair values of the underlying securities on loan, collateralized by cash and securities as of June 30, 2015 are (in thousands):

Securities on Loan	Amount
Global Equities	\$ 45,351
Global Government Fixed	60,163
U.S. Agency Notes	1,348
U.S. Corporate Fixed	84,887
U.S. Equities	414,852
U.S. Government Fixed	243,332
Total	<u>\$ 849,933</u>

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)Others

Other investments are generally those required to be deposited in accounts established under various bond indentures and will be held, invested and reinvested by the trustees/fiscal agents in permitted investments as defined in the indentures. Investment maturities are scheduled to coincide with bond retirement and interest payments. At June 30, 2015, other investments are as follows (in thousands):

Investment Type	Amount	Investment Maturities			
		1 to 30 Days	31 to 60 Days	61 to 365 Days	366 Days To 5 Years
Short-Term Investment Funds	\$ 330	\$ 330	\$ --	\$ --	\$ --
U.S. Agencies Securities	56,809	--	--	26,309	30,500
Mutual Funds	78,625	78,625	--	--	--
Money Market Funds	352,748	352,748	--	--	--
Common Stock	55	55	--	--	--
State of California LAIF	423,614	--	--	423,614	--
Guaranteed Investment Contracts	10,456	--	--	--	10,456
Total	<u>\$ 922,637</u>	<u>\$ 431,758</u>	<u>\$ --</u>	<u>\$ 449,923</u>	<u>\$ 40,956</u>

Credit Risk. At June 30, 2015, the investments in U.S. Agencies Securities have attained the highest possible ratings as follows: AA+ by S&P and Aaa by Moody's. The mutual funds and money market funds were rated AAAM by S&P, and AAa by Moody's. Short-term investment funds and guaranteed investment contracts were not rated.

As of June 30, 2015, investments in the Local Agency Investment Fund (LAIF) held by fiscal agents totaled \$423.6 million. The total amount invested by all public agencies in LAIF at that date was \$21.5 billion. The LAIF is part of the State's Pooled Money Investment Account (PMIA). As of June 30, 2015, the investments in the PMIA totaled \$69.7 billion, of which 97.9% is invested in non-derivative financial products and 2.1% in structured notes and asset-backed securities. The weighted average maturity of LAIF investments was 239 days as of June 30, 2015. LAIF is not rated.

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are not insured, or at not registered in the City's name, and held by the counterparty. City's investments with fiscal agents are not exposed to custodial risk since they are held by custodial banks and registered in the City's name.

Concentration of Credit Risk. According to the City's Investment Policy, no more than 10% of the portfolio, except U.S. Treasuries and Agencies, may be invested in securities of a single issuer including its related entities. There is no specific requirement in the agreements with fiscal agents that limits the amount fiscal agents may invest in any one issuer. At June 30, 2015, the City had no investment holdings of more than 10% in any one issuer except for the investments issued or guaranteed by the U.S. government.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**B. Receivables****Primary Government**

The primary government's net receivables at June 30, 2015 are as follows (in thousands):

	Governmental Activities	Business-type Activities
Gross Receivables		
Taxes	\$ 601,844	\$ --
Accounts	593,499	1,096,256
Special Assessments	11,807	--
Investment Income	12,968	7,735
Intergovernmental	268,565	62,969
Loans and Notes	2,096,776	708,283
Total	<u>3,585,459</u>	<u>1,875,243</u>
Allowance for Uncollectibles		
Taxes	(26,787)	--
Accounts	(371,048)	(174,521)
Loans and Notes	(1,405,613)	--
Total	<u>(1,803,448)</u>	<u>(174,521)</u>
Net Receivables	<u>\$ 1,782,011</u>	<u>\$ 1,700,722</u>
Net Receivables not scheduled for collection during the subsequent year:		
Loans, Notes and Intergovernmental	\$ 616,639	\$ 654,508

The majority of the governmental activities loans consist of grant funded loans provided as follows: 1) to property owners for the upgrading and rehabilitation of residential or rental properties to eliminate the spread of slums and blight and repair earthquake damage; 2) to businesses to carry out economic development projects; and 3) to community based organizations to acquire, construct or improve existing public facilities. Interest rates ranged from 0.03% to 14.0% for outstanding interest bearing loans. The principal and interest are paid either monthly, quarterly, annually (amortizing loans), or when residual receipts are generated in accordance with the loan agreements (residual receipts loans), or deferred until maturity, transfer of title or sale of property occurs (deferred loans).

The majority of business-type activities loans includes Power's long-term notes of \$620.1 million from Intermountain Power Agency (refer to Note 5C).

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)Loans Receivable

The City uses funds generated from the former CRA, state and federal funding sources to offer financial assistance and below-market interest rates to qualified developers, individuals and families primarily for housing development, rehabilitation, and economic development. Repayment terms on these loans can be classified in the following categories: 1) Deferred loans are due and payable only upon sale or transfer of title to the property; 2) Amortizing loans have a set monthly payment, which may be interest bearing or principal only; 3) Service payback are loans, which by their terms result in no money being paid to the City; 4) Forgivable loans may convert to grants depending on the terms of the loan agreements; 5) Residual receipts loans require repayments only when the properties have positive cash flows pursuant to a formula set forth in the loan agreement; 6) Renewal deferred loans have no scheduled debt service other than renewable maturity dates and may be routinely extended; 7) Terms loans are essentially balloon payment loans; and 8) Equity share loans have a 30-year term with the original principal amount plus a percentage share of the home appreciation paid upon sale, transfer or other repayment event.

In the financial statements, loans receivable are reported net of the allowance for uncollectibles. In estimating the allowance, the following were considered: a) composition of the loan portfolio; b) past write-off experience, c) past market valuation; and d) average year-end allowance balance as a percentage of the total portfolio. The allowance estimate is continually evaluated and adjusted to reflect what management believes to be the net realizable value of the total loan portfolio.

C. Restricted Assets

The primary government's restricted assets are composed of the following at June 30, 2015 (in thousands):

	Governmental Activities	Business-type Activities
Cash and Investments		
Cash and Pooled Investments	\$ 12,827	\$ 2,241,338
Cash and Investments with Fiscal Agents	--	1,433,657
Total (Refer to Note 1E)	<u>\$ 12,827</u>	<u>\$ 3,674,995</u>

D. Joint Ventures**Intermodal Container Transfer Facility Joint Powers Authority**

Harbor and the City of Long Beach, California (Port of Long Beach) entered into a joint powers agreement to form the Intermodal Container Transfer Facility Joint Powers Authority (ICTF) for the purpose of financing and constructing a facility to transfer cargo containers between trucks and railroad cars. Harbor contributed \$2.5 million to the ICTF as part of the agreement. The facility, which began operations in December 1986, was developed by Southern Pacific Transportation Company (SPTC, subsequently a wholly owned subsidiary of Union Pacific Corporation), which operates the facility under a long-term lease agreement. Harbor appoints two members of the ICTF's five-member governing board and accounts for its investment using the equity method. Both Harbor and Port of Long Beach share income and equity distributions equally.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Pursuant to an indenture of trust dated November 1, 1984, the ICTF issued \$53.9 million in bonds (1984 Bonds) on behalf of the SPTC to construct the facility. In 1989, the ICTF issued \$52.3 million in refunding bonds (1989 Bonds) on behalf of the SPTC to advance refund all of the 1984 Bonds. In 1999, the ICTF, on behalf of the SPTC, again issued \$42.9 million of refunding bonds (1999 Bonds) to advance refund all of the 1989 Bonds. The 1999 Bonds are payable solely from payments by the SPTC under the lease agreement for use of the facility. The nature of the bonds is such that the indebtedness is that of the SPTC and not of the ICTF, Harbor, or Port of Long Beach.

The ICTF's operations are financed from lease revenues by ICTF activities. The ICTF is empowered to perform those actions necessary for the development of the facility, including acquiring, constructing, leasing, and selling any of its property. Harbor's share of the ICTF's net position at June 30, 2015 totaled \$6.0 million. Separate financial statements for ICTF may be obtained from the Executive Director, Port of Long Beach, 4801 Airport Plaza Drive, Long Beach, California 90815.

Alameda Corridor Transportation Authority

In August 1989, Harbor and the Port of Long Beach entered into a joint powers agreement and formed the Alameda Corridor Transportation Authority (ACTA) for the purpose of establishing a comprehensive transportation corridor and related facilities consisting of street and railroad rights-of-way and an improved highway and railroad network along Alameda Street between the Harbor and Long Beach Freeways and the Harbor and Port of Long Beach in San Pedro Bay linking the two ports to the central Los Angeles area.

Harbor has no share of the ACTA's net position and income at June 30, 2015, and accordingly, they have not been recorded in the accompanying financial statements. If in the future, ACTA become entitled to distribute income or make equity distributions, Harbor and the Port of Long Beach shall share such income and equity distributions equally. If ACTA revenues are insufficient to pay ACTA debt obligations, Harbor will severally but not jointly with the Port of Long Beach pay up to 20% of any shortfall of that obligation on an annual basis.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**E. Capital Assets****Governmental Activities**

Capital asset activity for governmental activities for the fiscal year ended June 30, 2015 is as follows (in thousands):

	Balance June 30, 2014	Additions / Transfers	Deductions / Transfers	Balance June 30, 2015
Capital Assets Not Depreciated / Amortized				
Land	\$ 742,805	\$ 13	\$ (1,375)	\$ 741,443
Infrastructure	193,167	277	--	193,444
Construction in Progress	878,420	217,378	(222,416)	873,382
Intangible Assets	10,345	5,987	--	16,332
Total Capital Assets Not Depreciated / Amortized	1,824,737	223,655	(223,791)	1,824,601
Capital Assets Depreciated / Amortized				
Buildings and Improvements	4,519,940	111,532	--	4,631,472
Machinery, Furniture and Equipment	1,448,860	112,570	(135,520)	1,425,910
Infrastructure	3,088,804	146,376	(1,373)	3,233,807
Intangible Assets	107,851	3,657	--	111,508
Total Capital Assets Depreciated / Amortized	9,165,455	374,135	(136,893)	9,402,697
Less: Accumulated Depreciation / Amortization				
Buildings and Improvements	(1,417,431)	(139,075)	--	(1,556,506)
Machinery, Furniture and Equipment	(1,100,231)	(74,975)	135,520	(1,039,686)
Infrastructure	(1,231,072)	(66,917)	1,373	(1,296,616)
Intangible Assets	(47,189)	(9,027)	--	(56,216)
Total Accumulated Depreciation / Amortization	(3,795,923)	(289,994)	136,893	(3,949,024)
Total Capital Assets Depreciated / Amortized, Net	5,369,532	84,141	--	5,453,673
Governmental Activities Capital Assets, Net	\$ 7,194,269	\$ 307,796	\$ (223,791)	\$ 7,278,274

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Depreciation/amortization expense was charged to functions/programs of the governmental activities as follows (in thousands):

Function/Program	Amount
General Government	\$ 33,346
Protection of Persons and Property	88,866
Public Works	49,860
Health and Sanitation	25,424
Transportation	42,758
Cultural and Recreational Services	48,029
Community Development	1,711
Total Depreciation Expense - Governmental Activities	<u>\$ 289,994</u>

Business-type Activities

Capital asset activity for business-type activities for the fiscal year ended June 30, 2015 is as follows (in thousands):

	Balance June 30, 2014	Additions/ Transfers	Deductions/ Transfers	Balance June 30, 2015
Capital Assets Not Depreciated / Amortized				
Land	\$ 2,581,539	\$ 28,790	\$ (792)	\$ 2,609,537
Construction in Progress	5,251,989	2,251,902	(1,372,339)	6,131,552
Intangible Assets	65,793	--	--	65,793
Nuclear Fuel	42,931	10,159	(13,621)	39,469
Total Capital Assets Not Depreciated / Amortized	<u>7,942,252</u>	<u>2,290,851</u>	<u>(1,386,752)</u>	<u>8,846,351</u>
Capital Assets Depreciated / Amortized				
Buildings, Facilities and Equipment	38,873,353	2,247,655	(38,213)	41,082,795
Intangible Assets	16,071	--	--	16,071
Natural Gas Field	384,599	(90)		384,509
Total Capital Assets Depreciated / Amortized	<u>39,274,023</u>	<u>2,247,565</u>	<u>(38,213)</u>	<u>41,483,375</u>
Less: Accumulated Depreciation / Amortization				
Buildings, Facilities and Equipment	(16,845,279)	(1,099,292)	34,013	(17,910,558)
Intangible Assets	(703)	(623)	--	(1,326)
Natural Gas Field	(135,676)	--	(20,036)	(155,712)
Total Accumulated Depreciation / Amortization	<u>(16,981,658)</u>	<u>(1,099,915)</u>	<u>13,977</u>	<u>(18,067,596)</u>
Capital Assets Depreciated / Amortized, Net	<u>22,292,365</u>	<u>1,147,650</u>	<u>(24,236)</u>	<u>23,415,779</u>
Business Type Activities Capital Assets Net	<u>\$ 30,234,617</u>	<u>\$ 3,438,501</u>	<u>\$ (1,410,988)</u>	<u>\$ 32,262,130</u>

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Additions to accumulated depreciation are accounted for as follows (in thousands):

Depreciation expense charged to functions	
of business-type activities:	
Airports	\$ 201,214
Harbor	137,384
Power	496,188
Water	136,559
Sewer	143,461
Convention Center	11,821
Total	<u>\$ 1,126,627</u>

Power has direct interests in several electric generating stations and transmission systems, which are jointly owned with other utilities. Power will incur certain minimal operating costs related to the jointly owned facilities regardless of the amount or its ability to take delivery of its share of energy generated. Power's proportionate share of the operating costs of the joint plants is included in the corresponding categories of operating expenses. The following schedule shows the ownership interest in each jointly owned utility plant as included in capital assets in the statement of net position at June 30, 2015:

	Ownership Interest	Share of Capacity (megawatts)	Utility Plant in Service (in thousands)	
			Cost	Accumulated Depreciation
Palo Verde Nuclear Generating Station	5.7 %	224	\$ 592,420	\$ 383,107
Navajo Generating Station	21.2	477	352,163	322,561
Mohave Generating Station	10.0	--	65,564	57,852
Pacific Intertie DC Transmission Line	40.0	1,240	185,796	67,623
Other Transmission Systems	--	various	101,520	60,619
Total			<u>\$ 1,297,463</u>	<u>\$ 891,762</u>

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**F. Interfund Receivables, Payables, and Transfers**

The following tables are summaries of the City's interfund balances at June 30, 2015 (in thousands):

Due From/To Other Funds

Receivable Fund	Payable Fund	Amount
General	MICLA Special Revenue	\$ 1,769
	Solid Waste Resources	196
	Nonmajor Governmental Funds	48,880
	Sewer	25
		<u>50,870</u>
Solid Waste Resources	General	7,745
	Nonmajor Governmental Funds	857
		<u>8,602</u>
Nonmajor Governmental Funds	General	29,917
	MICLA Special Revenue	41
	Nonmajor Governmental Funds	31,749
		<u>61,707</u>
Airports	General	<u>2,684</u>
Harbor	General	<u>5,033</u>
Power	Water	<u>3,899</u>
Sewer	General	2,512
	Nonmajor Governmental Funds	138
		<u>2,650</u>
Total		<u>\$ 135,445</u>

The receivable balances of the General Fund are mainly from the various governmental funds, which represent short-term loans to cover tardy receipts of revenues, while the payable balance is composed primarily of encumbered and unexpended budgetary transfers for certain costs allocated to the various funds. Power's receivable from the Water is related to outstanding costs of certain services provided by the fund. The receivable balance of Sewer pertains to reconciliation of related cost reimbursements as of June 30, 2015.

The receivable balance of Airports from the General Fund pertains to the current portion of two cases that were settled related with the Federal Aviation Administration (FAA) audit findings of improper payments made by Airports to the General Fund discussed in Note 5C, while the receivable balance of Harbor from the General Fund is related to the current portion of a litigation settlement also discussed in Note 5C.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**Advances To/From Other Funds**

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental Funds	\$ 8,155
MICLA Debt Service	Nonmajor Governmental Funds	102,377
Nonmajor Governmental Funds	General	2
	Nonmajor Governmental Funds	962
	Agency Funds	45
		<u>1,009</u>
Airports	General	8,550
Sewer	General	38,752
	Nonmajor Governmental Funds	2,268
		<u>41,020</u>
Agency Funds	Nonmajor Governmental Funds	30,836
Total		<u>\$ 191,947</u>

The above balances represent interfund borrowings payable beyond one year. Advances from the General Fund represent borrowings to cover temporary revenue shortfalls. The \$102.4 million MICLA Debt Service advances to other funds represent loan for redeeming SPRF bonds, repayment of SLAF liabilities to DWP and the State of California Energy Resources and Development Commission (California Energy); and Sixth Street Viaduct Improvement Fund. The payable balance of the General Fund to Airports pertains to the noncurrent portion of two cases that were settled related with the FAA audit findings of improper payments made by Airports to the General Fund discussed in Note 5C.

Interfund Transfers

Transfers In	Transfers Out	Amount
General	MICLA Special Revenue Fund	\$ 3,350
	MICLA Debt Service Fund	606
	Nonmajor Governmental Funds	32,605
	Power	265,586
		<u>302,147</u>
MICLA Debt Service	General	157,697
	MICLA Special Revenue Fund	126,087
		<u>283,784</u>
Solid Waste	General	50
Nonmajor Governmental Funds	General	410,746
	Solid Waste Resources	50,179
	Nonmajor Governmental Funds	53,580
		<u>514,505</u>
Convention Center	General	5,000
Total		<u>\$ 1,105,486</u>

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Transfers are used to 1) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; 2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; and 3) move unrestricted revenues collected in certain enterprise funds to partially finance various programs in the General Fund in accordance with budgetary authorizations.

In fiscal year 2015, significant transfers include the following: 1) \$265.6 million from Power to the General Fund; 2) \$283.8 million from General and Special Revenue Fund for the purpose of debt requirement obligations; 3) \$410.7 million budget allocation from the General Fund to finance various departmental programs including \$161.5 million to the Recreation and Parks, \$139.4 million for Library Department and \$57.3 million for payments of debt service obligations.

G. Accounts Payable and Accrued Expenses

The primary government's accounts payable and accrued expenses at June 30, 2015 are broken down as follows (in thousands):

	Governmental Activities	Business-type Activities
Accounts, Contracts and Retainage Payable	\$ 214,766	\$ 796,901
Accrued Salaries and Overtime Payable	175,480	93,186
Intergovernmental Payable	4,240	--
Other Current Liabilities (excluding workers' compensation, claims, and pollution remediation liability)	--	98,048
Total	<u>\$ 394,486</u>	<u>\$ 988,135</u>

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**H. Long-term Liabilities****Governmental Activities**Changes in Long-term Liabilities

The changes in the governmental activities long-term liabilities for the fiscal year ended June 30, 2015 are as follows (in thousands):

	Balance June 30, 2014 Restated	Additions	Deductions	Balance June 30, 2015	Due Within One Year
General Obligation Bonds	\$ 991,940	\$ --	\$ (104,205)	\$ 887,735	\$ 97,350
Judgment Obligation Bonds	44,575	--	(7,055)	37,520	7,340
Certificates of Participation and Lease Revenue Bonds	1,704,252	160,788	(191,887)	1,673,153	118,050
Commercial Paper Notes	255,881	100,000	(115,375)	240,506	--
Special Assessment and Revenue Bonds	301,825	76,670	(139,095)	239,400	30,140
Subtotal Bonds and Notes	<u>3,298,473</u>	<u>337,458</u>	<u>(557,617)</u>	<u>3,078,314</u>	<u>252,880</u>
Add: Unamortized Premium and Discount	128,877	22,311	(26,182)	125,006	--
Total Bonds and Notes	3,427,350	359,769	(583,799)	3,203,320	252,880
Claims and Judgments	2,665,733	693,654	(754,811)	2,604,576	396,003
Loans Payable to HUD	184,985	2,102	(43,012)	144,075	10,358
Compensated Absences	603,580	362,318	(311,374)	654,524	156,486
Landfill Liability	45,200	--	(894)	44,306	--
Estimated Pollution Remediation Liability	35,003	8,873	(7,827)	36,049	7,008
Net Pension Liability	7,420,261	--	(1,904,309)	5,515,952	--
Net OPEB Obligation	130,319	1,379	--	131,698	--
Governmental Activities Long-term Liabilities	<u>\$ 14,512,431</u>	<u>\$ 1,428,095</u>	<u>\$ (3,606,026)</u>	<u>\$ 12,334,500</u>	<u>\$ 822,735</u>

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)General Obligation Bonds (GO Bonds)

The voter authorizations for GO Bonds are summarized as follows (in thousands):

Election Date	Project	Amount Authorized	Amount Issued as of June 30, 2015	Amount Authorized But Unissued
April 1989	Branch Library Facilities	\$ 53,400	\$ 53,400	\$ --
April 1989	Police Facilities	176,000	176,000	--
April 1989	Fire Safety Facilities	60,000	60,000	--
June 1990	Seismic Safety Projects	376,000	376,000	--
November 1998	Library Facilities	178,300	178,300	--
November 1998	Zoo Facilities	47,600	47,600	--
November 2000	Fire, Paramedic, Helicopter and Animal Shelter Projects	532,648	532,648	--
March 2002	Emergency Operations, Fire, Dispatch and Police Facilities	600,000	600,000	--
November 2004	Stormwater Projects	500,000	439,500	60,500
Total		<u>\$ 2,523,948</u>	<u>\$ 2,463,448</u>	<u>\$ 60,500</u>

The bonds are general obligations of the City payable as to principal and interest from proceeds of ad valorem taxes that may be levied, without limitation as to rate or amount, upon property subject to taxation by the City. The GO Bonds outstanding as of June 30, 2015 and the original amounts issued are as follows (in thousands):

	Final Maturity	Interest Rates (Percentage)	Original Amount	Outstanding Balance
Series 1998-A, Refunding	9/1/15	4.00% - 5.25%	\$ 119,990	\$ 10,625
Series 2005-A	9/1/25	3.00 - 5.00	126,800	6,340
Series 2005-B, Refunding	9/1/20	3.00 - 5.00	73,080	62,115
Series 2006-A	9/1/26	4.00 - 5.00	71,023	42,120
Series 2008-A	9/1/28	3.75 - 5.00	101,000	70,700
Series 2009-A	9/1/23	1.50 - 4.00	123,550	79,425
Series 2009-B	9/1/29	5.50 - 5.65	52,950	52,950
Series 2011-A	9/1/31	1.50 - 5.00	117,000	99,450
Series 2011-B, Refunding	9/1/23	2.00 - 5.00	259,660	238,160
Series 2012-A, Refunding	9/1/25	5.00	225,850	225,850
Total			<u>\$ 1,270,903</u>	<u>\$ 887,735</u>

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Annual debt service requirements to maturity for the GO bonds are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2016	\$ 97,350	\$ 40,176	\$ 137,526
2017	86,565	35,930	122,495
2018	86,540	31,842	118,382
2019	86,420	27,757	114,177
2020	86,275	23,676	109,951
2021-2025	327,935	64,351	392,286
2026-2030	104,950	15,022	119,972
2031-2032	11,700	585	12,285
Subtotal	887,735	239,339	1,127,074
Unamortized Premium and Discount	64,543	--	64,543
Total	\$ 952,278	\$ 239,339	\$ 1,191,617

Judgment Obligation Bonds (JOBs)

The City issued JOBs in June 2009 and June 2010 to pay for judgments related to civil rights violations and claims under the Fair Labor Standards Act. The JOBs outstanding at June 30, 2015, and the original amounts issued are as follows (in thousands):

	Final Maturity	Interest Rates (Percentage)	Original Amount	Outstanding Balance
Series 2009-A	6/1/19	2.00% - 5.00%	\$ 20,600	\$ 9,185
Series 2010-A	6/1/20	4.00 - 5.00	50,875	28,335
Total			\$ 71,475	\$ 37,520

Annual debt service requirements to maturity for the JOBs are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2016	\$ 7,340	\$ 1,691	\$ 9,031
2017	7,635	1,397	9,032
2018	7,990	1,038	9,028
2019	8,365	662	9,027
2020	6,190	305	6,495
Subtotal	37,520	5,093	42,613
Unamortized Premium and Discount	956	--	956
Total	\$ 38,476	\$ 5,093	\$ 43,569

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Certificates of Participation and Lease Revenue Bonds

In 1984, the Mayor and the City Council directed that a lease-purchase program for the acquisition and improvement of real property and capital equipment be established. This program was subsequently expanded to include real property projects. A 501(c)(4) nonprofit corporation, MICLA, was created to serve as the lessor. The City and MICLA have entered into a number of lease-purchase agreements funded through the sale of certificates of participation and lease revenue bonds.

The aggregate outstanding balance at June 30, 2015 and the aggregate original amount issued for MICLA's certificates of participation and lease revenue bonds are as follows (in thousands):

	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Outstanding Balance</u>
MICLA Various Projects	Various dates through 2042	1.500% - 7.842%	<u>\$ 1,662,918</u>	<u>\$ 1,357,813</u>

The City has pledged, as security for bonds issued by MICLA, revenues consisting of basic lease payments pursuant to the equipment lease and real property agreements and earnings from investment of money held. The City includes all necessary MICLA lease payments in its annual budget appropriations. Principal and interest paid by MICLA for the current year totaled \$276.3 million, while revenue from leases received and investment earnings totaled \$172.4 million.

Annual debt service requirements to maturity for MICLA certificates of participation and lease revenue bonds are as follows (in thousands):

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 81,085	\$ 63,822	\$ 144,907
2017	82,006	60,529	142,535
2018	84,996	57,025	142,021
2019	86,977	53,120	140,097
2020	79,812	48,947	128,759
2021-2025	305,041	195,958	500,999
2026-2030	242,746	128,587	371,333
2031-2035	238,625	70,916	309,541
2036-2040	151,160	16,733	167,893
2041-2042	5,365	352	5,717
Subtotal	<u>1,357,813</u>	<u>695,989</u>	<u>2,053,802</u>
Unamortized Premium and Discount	36,054	--	36,054
Total	<u>\$ 1,393,867</u>	<u>\$ 695,989</u>	<u>\$ 2,089,856</u>

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

On September 24, 2014, the City issued MICLA Lease Revenue Bonds Series 2014A and 2014B for \$41.8 million and \$51.7 million, respectively. These bonds have interest rates of 2.000% to 5.000% and will mature on May 1, 2034 and May 1, 2033, respectively. These bonds were issued with premiums of \$4.6 million and \$5.6 million, respectively. On November 19, 2014, the City issued MICLA Equipment Lease Purchase (Private Placement) bonds of \$67.3 million at an interest rate of 2.065% with a maturity date of November 1, 2024. In fiscal year 2015, commercial paper notes of \$100.0 million were also issued. MICLA bonds were issued to fund capital projects and refund certain outstanding bonds.

The City entered into a lease-purchase agreement with the Authority for the construction and expansion of the Los Angeles Convention Center. Certificates of participation debt were issued to provide funding for the expansion of the Los Angeles Convention Center, which is owned and operated by the City. The Authority also issued lease revenue bonds to partially finance the City’s share for the development of the Staples Center.

Bond payments are secured primarily by revenues from base rental payments, revenues earned by the facility when available, and revenues collected pursuant to the Gap Funding Agreement relative to the Staples Development. Principal and interest paid for the current year and revenues were \$52.1 million and \$88.3 million, respectively. The Convention Center certificates of participation and lease revenue bonds outstanding at June 30, 2015, and the original amounts issued are as follows (in thousands):

	Final Maturity	Interest Rates (Percentage)	Original Amount	Outstanding Balance
1998 Series A Staples	8/15/24	6.500% - 7.125%	\$ 45,580	\$ 27,285
2003 Series A, Refunding	8/15/15	2.000 - 5.000	226,045	34,995
2008 Series A, Refunding	8/15/22	4.250 - 5.125	253,060	253,060
Total			<u>\$ 524,685</u>	<u>\$ 315,340</u>

Annual debt service requirements to maturity for the Convention Center lease revenue bonds are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2016	\$ 36,965	\$ 15,082	\$ 52,047
2017	37,555	13,413	50,968
2018	39,425	11,479	50,904
2019	41,350	9,479	50,829
2020	43,470	7,354	50,824
2021-2025	116,575	9,151	125,726
Subtotal	315,340	65,958	381,298
Unamortized Premium and Discount	90	--	90
Total	<u>\$ 315,430</u>	<u>\$ 65,958</u>	<u>\$ 381,388</u>

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)Commercial Paper Notes

In April 2004, the Mayor and City Council approved a \$200.0 million MICLA Commercial Paper Lease Financing Program (Program). The Mayor and City Council increased the Program to \$300.0 million in December 2009 and to \$335.0 million in June 2013. This program supplements the MICLA equipment and real property lease program, and allows MICLA to access financial markets quickly; to obtain flexible, short-term maturities; to borrow only those amounts needed as invoices are received; and to borrow at more favorable rates. The notes issued mature at a specific time between one and 270 days of issuance. Upon maturity, they are either re-sold in the open market or refinanced with longer-term bonds. As a security to the notes, the City and MICLA entered into an asset-transfer lease agreement on certain capital assets with a carrying net book value as of June 30, 2015 of \$124.8 million and estimated fair value of \$387.1 million.

The notes are further secured by direct-pay letters of credit (LOCs) from four commercial banks. Should the City draw on the letters of credit and not repay the advance within ninety days, the advance is converted to a term loan with quarterly payments due for five years at interest rates ranging from 0.08% to 0.19% in addition to the highest rate per annum borne by any outstanding note in the continuing event of default. These commercial paper notes were classified as long term liability as the liquidity facilities give the City the ability to refinance on a long-term basis and the City intends to renew the facility or exercise its right to tender the debt as a long-term financing. MICLA pays a quarterly non-refundable facility fee corresponding to a specified level associated with the applicable lowest long-term rating assigned by Moody's and S&P to the City's unenhanced lease obligation debt. The primary terms of the letters of credit are as follows (in thousands):

Series	Authorized Amount	Outstanding Amount	LOC Fee Rate	Expiration Date
Series A-1/B-1	\$ 130,000	\$ 105,878	0.57%	6/21/2016
Series A-2/B-2*	107,500	77,750	0.56%	6/13/2016
Series A-3/B-3	47,500	25,000	0.50% (utilized) 0.20%(unutilized)	6/13/2016
Series A-4/B-4	50,000	31,878	0.58%	6/13/2016

* includes callable and non-callable rates

At June 30, 2015, outstanding commercial paper notes amounted to \$240.5 million with interest rates ranging from 0.07% to 0.12%.

Build America and Qualified Energy Conservation Bonds

The City has designated the GO Bonds 2009-B as a "Build America Bond" under the provisions of the American Recovery and Reinvestment Act of 2009. The City expects to receive a direct subsidy of 35% of the interest due to bondholders from the United States Treasury. As of June 30, 2015, the City recorded \$1.0 million of the interest subsidy as revenues on the Statement of Activities.

The City has designated MICLA Series 2009-D, Series 2010-B, and Series 2010-C as "Recovery Zone Economic Development Bonds" and MICLA Series 2011-A as a "Qualified Energy Conservation Bond" under the provisions of the American Recovery and Reinvestment Act of 2009. The City expects to receive a direct subsidy of 45% and 70% of the interest due to bondholders from the United States Treasury for "Recovery Zone Economic Development Bonds" and "Qualified Energy Conservation Bond", respectively. As of June 30, 2015, the City recorded \$2.2 million of the interest subsidy as revenues on the Statement of Activities.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Due to the actions by Congress relative to the automatic cuts in spending or sequestration on March 1, 2013, the subsidy amount of the interest due to bondholders was reduced by 7.3%. It is uncertain when the City will start receiving the full subsidy from the United States Treasury.

Special Assessment and Revenue Bonds

The special assessment and revenue bonds outstanding at June 30, 2015, and the original amounts issued are as follows (in thousands):

	<u>Final Maturity</u>	<u>Interest Rates (Percentage)</u>	<u>Original Amount</u>	<u>Outstanding Balance</u>
Solid Waste Resources				
Revenue Bonds				
2009-A Series	2/01/19	2.00% - 5.00%	\$ 65,020	\$ 21,960
2009-B Series, Refunding	2/01/20	2.00 - 5.00	49,485	24,495
2013-A Series	2/01/27	2.00 - 5.00	73,665	61,665
2013-B Series, Refunding	2/01/29	2.00 - 5.00	78,780	54,610
2015 Series, Refunding	2/01/24	2.00 - 5.50	76,670	76,670
Total			<u>\$ 343,620</u>	<u>\$ 239,400</u>

The Solid Waste Resources (formerly Sanitation Equipment Charge) revenue bonds were issued to finance the acquisition of certain equipment and construction of certain facilities for the refuse collection and disposal system of the City. The bonds are payable from and secured by a pledge of revenues, which include the solid waste collection, transfer, recycling, recovery of waste resources and disposal fees, received by the Solid Waste Resources Revenue Fund. Principal and interest paid for the current year and total solid waste resources revenue were \$44.9 million and \$299.0 million, respectively.

Annual debt service requirements to maturity for the Solid Waste Resources revenue bonds are as follows (in thousands):

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 30,140	\$ 9,817	\$ 39,957
2017	30,540	9,068	39,608
2018	31,355	7,549	38,904
2019	31,560	6,021	37,581
2020	32,470	4,441	36,911
2021-2025	61,460	7,797	69,257
2026-2030	21,875	905	22,780
Subtotal	239,400	45,598	284,998
Unamortized Premium	23,363	--	23,363
Total	<u>\$ 262,763</u>	<u>\$ 45,598</u>	<u>\$ 308,361</u>

On June 26, 2015, the City redeemed all outstanding Landscaping and Lighting District 96-1 Assessment Bonds, Series 2000, Series 2001 and Series 2002 totaling \$16.0 million with assessments collected under the Referendum Ordinance K for the City-wide Parks, Recreation and Community Facilities Assessment (Council File No. 14-1194-S1).

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)Loans Payable to HUD

The Loans Payable to HUD consists of \$50.1 million fixed-rate loans and \$94.0 million interim financing loans. The loans will be repaid from program income generated by Home Partnership Act Grant (HOME), Community Development Block Grant entitlements and the Section 108 Loan Program Funds. The debt service requirements to maturity are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2016	\$ 10,358	\$ 1,921	\$ 12,279
2017	10,393	1,782	12,175
2018	6,497	1,598	8,095
2019	6,697	1,496	8,193
2020	8,549	1,374	9,923
2021 - 2025	50,203	4,510	54,713
2026 - 2030	36,932	1,583	38,515
2031 - 2034	14,446	141	14,587
Total	\$ 144,075	\$ 14,405	\$ 158,480

The interest rates on the fixed-rate loans of \$50.1 million range from 0.56% to 7.21% and have maturity dates through 2033. The interim financing loans of \$94.0 million bear interest payable quarterly at 20 basis points above the applicable London Interbank Offered Rate (LIBOR). The loans mature on various dates through 2034. The interest rate in effect (LIBOR + 0.20%) as of June 30, 2015 of 0.483% was used in the debt service requirement schedule.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**Business-type Activities**Changes in Long-term Liabilities

The changes in the business-type activities long-term liabilities for the fiscal year ended June 30, 2015 are as follows (in thousands):

	Balance June 30, 2014			Balance June 30, 2015	
	Restated	Additions	Deductions		Due Within One Year
Airports Revenue Bonds	\$ 3,936,075	\$ 497,255	\$ (266,795)	\$ 4,166,535	\$ 85,770
Harbor Revenue Bonds and Loans	889,505	362,275	(250,870)	1,000,910	42,910
Power System Revenue Bonds and Revenue Certificates	7,780,397	1,398,030	(918,423)	8,260,004	230,165
Water System Revenue Bonds and Loans	3,963,154	399,187	(30,123)	4,332,218	71,535
Wastewater System Revenue Bonds, Notes, and Loans	2,651,697	461,275	(375,125)	2,737,847	88,228
Subtotal Revenue Bonds, Notes, and Loans	19,220,828	3,118,022	(1,841,336)	20,497,514	518,608
Add (Less): Net Unamortized Premiums and Discounts	928,591	465,271	(128,965)	1,264,897	--
Net Revenue Bonds, Notes, and Loans	20,149,419	3,583,293	(1,970,301)	21,762,411	518,608
Compensated Absences	171,184	31,477	(27,388)	175,273	112,037
Claims and Judgments	206,022	(6,345)	(14,445)	185,232	13,104
Estimated Pollution Remediation Liability	93,615	11,730	(19,159)	86,186	8,227
Net Pension Liability	2,681,929	--	(595,585)	2,086,344	--
Business-type Activities Long-term Liabilities	<u>\$ 23,302,169</u>	<u>\$ 3,620,155</u>	<u>\$ (2,626,878)</u>	<u>\$ 24,295,446</u>	<u>\$ 651,976</u>

Airports Revenue Bonds and Notes

Revenue bonds, revenue refunding bonds, and commercial paper notes outstanding at June 30, 2015, and the original amounts issued are as follows (in thousands):

	Final Maturity	Interest Rates	Original Amount	Outstanding Balance
Fixed rate revenue bonds	2045	2.00% - 7.053%	\$ 4,611,315	\$ 4,166,535
Commercial paper notes*	--	variable	50,123	50,123
Subtotal			<u>\$ 4,661,438</u>	4,216,658
Net unamortized bond premiums and discounts				194,054
Net revenue bonds and notes				<u>\$ 4,410,712</u>

* Commercial paper notes were reported as other current liabilities in the proprietary fund financial statements.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

On February 24, 2015, Airports issued senior lien LAX revenue bonds Series 2015A of \$267.5 million, Series 2015B of \$47.9 million, and LAX subordinate revenue bonds Series 2015C of \$181.8 million. The premium for these issuances totaled \$86.9 million. The bonds were issued to pay for certain capital projects at LAX and to advance refund and defease a portion of the Series 2008C subordinate revenue bonds in the amount of \$190.6 million. These transactions resulted in a cash flow savings of \$25.7 million and economic gain of \$16.9 million.

Airport bonds are subject to optional and mandatory sinking fund redemption prior to maturity. Airports has agreed to certain covenants with respect to bonded indebtedness. Significant covenants include the requirement that Airports' pledged revenues, as defined in the master senior and subordinate indentures, shall be the security and source of payment for the bonds. Airports has received approval from the FAA to collect and use passenger facility charges (PFCs) to pay for debt service on bonds issued to finance the Tom Bradley International Terminal (TBIT) Renovations and Bradley West Projects. Board of Airport Commissioners authorized amount of \$91.0 million was used for debt service in fiscal year 2015.

The total principal and interest remaining to be paid on the bonds is \$7.5 billion. Principal and interest paid during fiscal year 2015 and the net pledged revenues, together with the \$91.0 million PFCs funds, were \$282.5 million and \$522.0 million, respectively. Airports' net pledged revenue is the difference between operating revenue and adjustments such as federally taxable Build America Bonds subsidy; interest income net of PFCs, customer facility charges and construction funds; rental credits; and maintenance and operating expenses net of PFCs funded. Airports' pledged revenue coverage is found in the Statistical Section-Debt Capacity.

Scheduled annual principal maturities and interest are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2016	\$ 85,770	\$ 214,470	\$ 300,240
2017	92,360	210,585	302,945
2018	96,505	206,319	302,824
2019	101,700	201,661	303,361
2020	106,525	196,674	303,199
2021 - 2025	610,335	898,166	1,508,501
2026 - 2030	775,190	721,102	1,496,292
2031 - 2035	990,365	498,562	1,488,927
2036 - 2040	1,200,660	216,148	1,416,808
2041 - 2045	107,125	15,659	122,784
Subtotal	4,166,535	3,379,346	7,545,881
Net unamortized bond premiums and discounts	194,054	--	194,054
Total	<u>\$ 4,360,589</u>	<u>\$ 3,379,346</u>	<u>\$ 7,739,935</u>

As of June 30, 2015, Airports had outstanding commercial paper (CP) notes of \$50.1 million, which was reported as other current liabilities in the proprietary fund financial statements. The average interest rates in effect as of June 30, 2015 was 0.2%. The CP notes mature no more than 270 days from the date of issuance. The CP notes were issued as a means of interim financing for certain capital expenditures and redemption of certain bond issues.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Airports entered into letters of credit (LOC) and reimbursement agreements with the following institutions to provide liquidity and credit support for the CP program: Bank of the West for \$54.5 million to expire on October 2, 2017; Sumitomo Mitsui Bank for \$109.0 million to expire on October 2, 2017; Wells Fargo Bank for \$218.0 million to expire on October 2, 2017; and Barclays Bank PLC for \$163.5 million to expire on January 16, 2018. Airports had the following CP activities during fiscal year 2015 (in thousands):

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
Series B	\$ --	\$ 200,000	\$ (200,000)	\$ --
Series C	52,160	65	(2,102)	50,123
	<u>\$ 52,160</u>	<u>\$ 200,065</u>	<u>\$ (202,102)</u>	<u>\$ 50,123</u>

Build America Bonds

Airports Subordinate Revenue Bonds 2009 Series C and 2010 Series C with par amounts of \$307.4 million and \$59.4 million, respectively, were issued as federally taxable Build America Bonds (BABs) under the American Recovery and Reinvestment Act of 2009. Airports receives a direct federal subsidy payment in the amount equal to 35% of the interest expense on the BABs. The automatic cuts in spending (referred to as “sequestration”) for the federal fiscal year ended September 30, 2015 reduced the subsidy. The interest subsidy on the BABs was \$7.7 million for fiscal year 2015. The subsidy is recorded as a noncapital grant, a component of other nonoperating revenue.

Harbor Revenue Bonds and Loans

Revenue bonds, revenue refunding bonds, and notes outstanding at June 30, 2015, and the original amounts issued are as follows (in thousands):

	Final Maturity	Interest Rates	Original Amount	Outstanding Balance
Fixed rate revenue bonds	2045	2.00% - 5.25%	<u>\$ 1,390,025</u>	\$ 1,000,910
Net unamortized bond premiums and discounts				<u>58,693</u>
Net revenue bonds and notes				<u>\$ 1,059,603</u>

Revenue bonds and refunding bonds are collateralized by the future revenues of the Harbor Enterprise Fund. Principal and interest paid for the current year and net pledged revenue were \$69.9 million and \$226.1 million, respectively. Harbor’s net pledged revenue is the difference between operating revenue, pledged pooled investment or interest income and non-capital grant revenues, and operating expenses excluding depreciation and amortization, interest and other nonoperating expenses. Information on Harbor’s pledged revenue coverage is found in the Statistical Section-Debt Capacity.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Harbor has established a commercial paper program (Program) supported by bank credit lines to issue commercial paper notes (Notes) to provide interim financing primarily for the construction, maintenance, and replacement of Harbor's structures, facilities, and equipment needs. The total credit available under the credit facilities that support the Program stands at \$250.0 million. The term of the Program will expire at the end of July 2015. There was no outstanding commercial paper as of June 30, 2015.

Scheduled annual principal maturities and interest are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2016	\$ 42,910	\$ 48,871	\$ 91,781
2017	42,095	47,028	89,123
2018	37,155	45,167	82,322
2019	46,830	43,161	89,991
2020	48,690	40,811	89,501
2021-2025	282,925	163,830	446,755
2026-2030	178,665	97,429	276,094
2031-2035	116,425	67,301	183,726
2036-2040	128,615	35,203	163,818
2041-2045	76,600	9,957	86,557
Subtotal	1,000,910	598,758	1,599,668
Net unamortized bond premiums and discounts	58,693	--	58,693
Total	\$ 1,059,603	\$ 598,758	\$ 1,658,361

Harbor issued the following bonds in fiscal year 2015:

2014 Series A Revenue Bonds and Refunding Revenue Bonds were issued on September 18, 2014 in the aggregate principal amount of \$203.3 million to cover the construction costs of private activity projects, primarily the Trapac Container Terminal, China Shipping Container Terminal and Alternative Maritime Power (AMP) installation at several berths, as well as to refund all of the outstanding principal of \$73.6 million of the 2006 Series D Refunding Bonds, make deposit to the Reserve Fund and pay the cost of issuance of the Series 2014A bonds. The refunding transaction resulted in present value savings of \$9.0 million or cash flow savings of \$7.3 million over the remaining life of these bonds.

Interest on the 2014 Series A Bonds is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2015. The Bonds bear coupon interest at rates ranging from 2.00% to 5.00% with maturity dates from August 1, 2015 to August 1, 2044. The Bonds with stated maturities on or after August 1, 2025 shall be subject to optional redemption prior to their maturities on or after August 1, 2024 without early redemption premium.

Included in the 2014 transaction was the issuance of the 2014 Series B Bonds in the aggregate principal amount of \$89.1 million, to refund \$100.0 million of exempt facility Commercial Paper Notes that were originally issued during the ARRA period (2009-2010) to finance private activity projects such as China Shipping, Trapac, and AMP projects, to make a deposit to the Reserve Fund, and to pay for cost of issuance of the 2014 Series B bonds.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Interest on the 2014 Series B Bonds is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2015. The Bonds bear coupon interest rates ranging from 3.00% to 5.00% with maturity dates from August 1, 2015 to August 1, 2044. The Bonds with stated maturities on or after August 1, 2025 bear interest of 5.00%, and shall be subject to optional redemption prior to their maturities on or after August 1, 2024 without early redemption premium.

Contemporaneous with the issuance of the 2014 Series A Revenue Bonds and Refunding Revenue Bonds and the Series B Refunding Revenue Bonds, the Port issued the 2014 Series C Revenue Bonds in the aggregate principal amount of \$44.9 million, to reimburse the construction cost of government projects, mainly the San Pedro Waterfront Landside Improvements project and the in-kind match of transportation projects primarily financed by State and Federal grants, to make deposit into the Reserve Fund, and pay the costs of issuance of the 2014 Series C bonds.

Interest on the 2014 Series C Revenue Bonds is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2015. The Bonds bear coupon interest rates ranging from 2.00% to 5.00% with maturity dates from August 1, 2015 to August 1, 2044. The Bonds with stated maturities on or after August 1, 2025 shall be subject to optional redemption prior to their maturities on or after August 1, 2024 without early redemption premium.

DWP Power Bonds and Revenue Certificates

Revenue bonds and revenue refunding bonds due serially in varying annual amounts are as follows (in thousands):

	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Outstanding Balance</u>
Fixed rate revenue bonds	2046	0.958% - 5.583%	\$ 7,769,726	\$ 6,890,704
Variable rate revenue bonds	2039	variable	1,169,300	1,169,300
Revenue certificates	--	variable	200,000	200,000
Subtotal			<u>\$ 9,139,026</u>	<u>8,260,004</u>
Net unamortized premiums and discounts				<u>538,442</u>
Net revenue bonds and notes				<u>\$ 8,798,446</u>

Revenue bonds generally are callable 10 years after issuance. DWP has agreed to certain covenants with respect to bonded indebtedness. Significant covenants include the requirement that the Power's net income, as defined, will be sufficient to pay certain amounts of future annual bond interest and of future annual aggregate bond interest and principal maturities. Revenue bonds and refunding bonds are collateralized by the future revenues of Power.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

In May 2014, Power entered into a Continuing Covenant Agreement (CCA) with Wells Fargo Bank whereby the former will sell to the latter \$200.0 million of Power System Revenue Bonds, 2014 Series A, in an index-floating rate mode under a Direct Purchase structure. The bonds will pay interest at a fixed spread of 20 basis points (0.20%) above the Securities Industry and Financial Markets Association (SIFMA) Index for the initial three-year term. At the end of the three-year term, Power would have the option to either renegotiate and renew a new index floating rate term with Wells Fargo or another bank or convert the bonds to another mode, such as a fixed-rate mode or a traditional variable rate mode that utilizes a standby agreement. Under the terms of the CCA, Power has the option to call the bonds at par any time after one year with a 30-day notice.

In fiscal year 2015, Power issued \$1.4 billion 2014 Series C, D and E, and 2015 Series A Power System bonds to fund various construction projects and to refund certain outstanding bonds.

As of June 30, 2015, Power had \$1,169.3 million in variable rate bonds. The variable rate bonds currently bear interest at weekly and daily rates ranging from 0.01% to 0.28% as of June 30, 2015. Power can elect to change the interest rate period of the bonds with certain limitations. The bondholders have the right to tender the bonds to the tender agent on any business day with seven days' prior notice. Power has entered into standby and line-of-credit agreements with a syndicate of commercial banks in an initial amount of \$580.8 million and \$388.5 million to provide liquidity for the variable rate bonds. The extended standby agreements expire in February 2016 for the \$206.0 million, February 2017 for the \$106.0 million, and February 2018 for the \$268.8 million for a total of \$580.8 million; and in June 2017 for the \$388.5 million.

Under the agreements, the \$580.8 million variable rate bonds will bear interest that is payable quarterly at the greatest of (a) the Prime Rate plus 1.00%; (b) the Federal Funds Rate plus 2.00%; and (c) 7.50%, while the \$388.5 million variable rate bonds will bear interest that is payable quarterly at the greatest of (a) the Prime Rate plus 2.00%; (b) the Federal Funds Rate plus 2.00%; (c) the Daily One-Month LIBOR plus 0.50%; and (d) 7.50%. The unpaid principal of each liquidity advance made by the liquidity provider is payable in 10 equal semiannual installments 90 days immediately following the related liquidity advance. At its discretion, Power has the ability to convert the outstanding bonds to fixed-rate obligations, which cannot be tendered by the bondholders.

The variable rate bonds have been classified as long-term liabilities in the statement of net position as the liquidity facilities give Power the ability to refinance on a long-term basis and Power intends to either renew the facility or exercise its right to tender the debt as a long-term financing. The portion that would be due in the next fiscal year in the event that the outstanding variable rate bonds were tendered and purchased by the commercial banks under the standby agreements has been included in the current portion of long-term debt and was \$96.3 million at June 30, 2015.

Principal and interest paid for the current year and net pledged revenue were \$461.2 million and \$1,097.2 million, respectively. Power's net pledged revenue is the difference between operating revenue, net nonoperating revenue, AFUDC and capital contributions and operating expenses excluding depreciation and amortization expense. Information on Power's pledged revenue coverage is found in the Statistical Section-Debt Capacity.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Scheduled annual principal maturities and interest are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2016	\$ 113,235	\$ 357,001	\$ 470,236
2017	104,210	356,730	460,940
2018	141,924	359,493	501,417
2019	164,682	357,247	521,929
2020	195,359	348,881	544,240
2021–2025	1,169,911	1,601,063	2,770,974
2026–2030	1,461,493	1,304,018	2,765,511
2031–2035	1,587,730	965,300	2,553,030
2036–2040	1,423,220	648,053	2,071,273
2041–2045	1,532,640	227,966	1,760,606
2046–2050	165,600	--	165,600
Subtotal	8,060,004	6,525,752	14,585,756
Net Unamortized Premiums and Discounts	538,442	--	538,442
Total	\$ 8,598,446	\$ 6,525,752	\$ 15,124,198

The maturity schedule presented above reflects the scheduled debt service requirements for all of Power's long-term debt. The schedule is presented assuming that the tender options on the variable rate bonds will not be exercised and that the full amount of the revenue certificates will be renewed. Should the bondholders exercise the tender options and Power convert all of the revenue certificates under the line of credit, Power would be required to redeem the \$1,369.3 million in variable rate bonds and revenue certificates outstanding over the next six years, as follows: \$116.9 million in fiscal year 2016, \$433.9 million in fiscal year 2017, \$233.9 million in fiscal year 2018, \$233.9 million in each of the fiscal years 2019 through 2020, and \$116.9 million in fiscal year 2021. Accordingly, the statement of net position recognizes the possibility of the exercise of the tender options and reflect the \$116.9 million that could be due in fiscal year 2016 as a current portion of long-term debt payable. Interest and amortization include interest requirements for variable rate bonds. Variable debt interest rate in effect at June 30, 2015 averages 0.11%.

DWP Water Bonds and Loans

Revenue bonds, revenue refunding bonds due serially in varying annual amounts, and other long-term debt are as follows (in thousands):

	Final Maturity	Interest Rates	Original Amount	Outstanding Balance
Fixed rate revenue bonds	2051	2.483% - 5.118%	\$ 3,876,800	\$ 3,585,542
Variable rate revenue bonds	2036	variable	325,000	325,000
Loans payable to CDWR	2045	2.085% - 2.600%	787,510	421,676
Subtotal			\$ 4,989,310	4,332,218
Net unamortized premiums and discounts				236,279
Net revenue bonds, notes and loans				\$ 4,568,497

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Revenue bonds generally are callable 10 years after issuance. DWP has agreed to certain covenants with respect to bonded indebtedness. Significant covenants include the requirement that Water's net income, as defined, will be sufficient to pay certain amounts of future annual bond interest and of future annual aggregate bond interest and principal maturities. Revenue bonds and refunding bonds are collateralized by the future revenues of Water.

The Safe Drinking Water State Revolving Fund (SDWSRF), administered by State of California's State Water Resources Control Board, provides low-interest loans and other assistance to public water systems for infrastructure needs and other drinking-water-related activities. The SDWSRF utilizes a prioritized project ranking system to ensure that program resources are applied to projects addressing public health risk problems; projects needed to comply with the Safe Drinking Water Act; and projects assisting public water systems most in need on a per household affordability basis. DWP has applied for and received funding from the SDWSRF for critical Water System capital projects required for compliance with federal drinking water regulations, specifically the Long-Term 2 Enhanced Surface Water Treatment Rule and the Stage 2 Disinfection By-Products Rule. This funding has been made available to DWP in the form of low or zero percent interest loans with a repayment period of up to 30 years.

In November 2014, Water issued \$271.0 million of Water System Revenue Bonds, 2014 Series A. The net proceeds of \$311.0 million, including a \$40.0 million issue premium net of underwriter's discount, were deposited into the construction fund to be used for capital improvements.

In June 2014, the Department entered into four (4) loan agreements with the State of California's State Water Resources Control Board (SWRCB). The loan agreements, SRF14CX102, SRF14CX103, SRF14CX104, and SRF14CX105 allow for a total maximum loan of \$11.4 million, \$73.8 million, \$25.6 million, and \$43.9 million, respectively, at 2.09% interest rate. As of June 30, 2015, the Department received \$8.0 million, \$44.4 million, \$16.7 million, and \$6.3 million, respectively, under the agreements. The proceeds are being used to fund water quality capital improvements.

The variable rate bonds currently bear interest at daily and weekly rates ranging from 0.01% to 0.06% as of June 30, 2015. DWP can elect to change the interest rate period of the bonds, with certain limitations. The bondholders have the right to tender the bonds to the tender agent on any business day with seven days' prior notice. DWP has entered into standby agreements with a syndicate of commercial banks in an initial amounts of \$225 million (2001B, Subseries B-1 to B-3) and \$100.0 million (2001B, Subseries B-4) to provide liquidity for these bonds. The extended standby agreements expire in January 2018 and July 2016, respectively.

Under the agreements, the \$225 million variable rate bonds will bear interest that is payable quarterly at the greatest of (i) Prime Rate plus 1.00%; (ii) the Federal Funds Rate plus 2.00%; and (iii) 7.50%, while the \$100.0 million variable rate bonds will bear interest that is payable quarterly at the greater of (i) the Prime Rate; or (ii) the Federal Funds Rate plus 1.00%. The unpaid principal of each liquidity advance made by the liquidity provider is payable in ten equal semiannual installments ninety days immediately following the related liquidity advance. At its discretion, DWP has the ability to convert the outstanding bonds to fixed-rate obligations, which cannot be tendered by the bondholders.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

The variable rate bonds have been classified as long-term liabilities on the statement of net position as the liquidity facilities give DWP the ability to refinance on a long-term basis and DWP intends to either renew the facilities or exercise its right to tender the debt as a long-term financing. That portion, which would be due in the next fiscal year in the event that the outstanding variable rate bonds were tendered and purchased by the commercial banks under the standby agreements, has been included in the current portion of long-term debt and remains unchanged at \$32.5 million as of June 30, 2015.

Principal and interest paid for the current year and net pledged revenue were \$226.4 million and \$418.1 million, respectively. Water's net pledged revenue is the difference between operating revenue, net nonoperating revenue, AFUDC and capital contributions and operating expenses excluding depreciation and amortization expense. Information on Water's pledged revenue coverage is found in the Statistical Section-Debt Capacity.

Scheduled annual principal maturities and interest are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2016	\$ 39,035	\$ 194,420	\$ 233,455
2017	58,107	196,106	254,213
2018	73,675	195,690	269,365
2019	76,470	194,144	270,614
2020	82,465	191,065	273,530
2021-2025	469,222	898,420	1,367,642
2026-2030	581,915	785,749	1,367,664
2031-2035	721,640	647,993	1,369,633
2036-2040	909,506	455,573	1,365,079
2041-2045	914,762	206,462	1,121,224
2046-2050	332,587	68,159	400,746
2051-2055	72,834	--	72,834
Subtotal	4,332,218	4,033,781	8,365,999
Net Unamortized Premiums and Discounts	236,279	--	236,279
Total	\$ 4,568,497	\$ 4,033,781	\$ 8,602,278

The maturity schedule presented above reflects the scheduled debt service requirements for all of Water's long-term debt. The schedule is presented assuming that the tender options on the variable rate bonds will not be exercised. Should the bondholders exercise the tender options, Water could be required to redeem the \$325.0 million in variable rate bonds outstanding over the next six fiscal years as follows: \$32.5 million in fiscal year 2016, \$65.0 million in each of the fiscal years 2017 through 2020, and \$32.5 million in fiscal year 2021. Accordingly, the statements of net position recognize the possibility of the exercise of the tender options and reflect the \$32.5 million that could be due in fiscal year 2016 as a current portion of long-term debt payable.

Interest and amortization presented in the above schedule include interest requirements for the variable rate debt over the regularly scheduled maturity period. Variable debt interest rate in effect at June 30, 2015 averages 0.05%. Should the tender options be exercised, the interest would be payable at the rate in effect at the time the standby agreements are activated.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)Wastewater System Revenue Bonds, Notes, and Loans

Revenue bonds, revenue refunding bonds, commercial paper notes, and loans outstanding at June 30, 2015, and the original amounts issued are as follows (in thousands):

	Final Maturity	Interest Rates	Original Amount	Outstanding Balance
Fixed rate revenue bonds	2043	1.00% - 6.00%	\$ 3,024,040	\$ 2,333,920
Variable rate revenue bonds	2032	variable	280,860	280,860
Loans payable to SWRCB	2024	1.80%	219,081	123,067
Subtotal			<u>\$ 3,523,981</u>	2,737,847
Net unamortized premiums and discounts				237,429
Net revenue bonds and notes				<u>\$ 2,975,276</u>

Wastewater revenue bonds and commercial paper notes are issued under Senior Lien and Subordinate Lien General Resolutions dated November 10, 1987 and March 26, 1991, respectively, with a total authorization of \$3.5 billion. Proceeds of Wastewater revenue bonds and notes are restricted for the funding of the costs of construction, replacement and improvement of the sewerage system of the City. Under the terms of the General Resolution, the City has pledged the Sewer's revenues to secure the payment of all bonds issued under the General Resolution. Certain bond agreements provide for the early redemption of the revenue bonds at the City's option at various dates with redemption prices ranging from 100% to 102% of the principal amount of the bonds called for redemption.

On June 4, 2015, Sewer issued Wastewater System Revenue Bonds Series 2015-A and 2015-B in the amount of \$188.8 million with interest rates ranging from 4.00% to 5.00% and \$41.2 million with an interest rate of 5.00%, respectively. The proceeds of the Senior Series 2015-A were used to finance the construction and improvement of the System, fund a deposit to the Reserve Fund, and pay certain costs of issuing the Series 2015-A Senior Lien Bonds. The Senior Series 2015-B proceeds together with certain available monies of the City were used to current refund certain of the Senior Series 2005-A of \$47.0 million, fund a deposit to the Reserve Fund and pay certain cost of issuing the Series 2015-B Senior Lien Bonds. As a result of the refunding, the principal balance of \$52.5 million of Senior Series 2005-B is considered defeased and the liability for this bond has been removed from the statements of net position.

On June 30, 2015, Sewer issued Wastewater System Revenue Bonds Series 2015-C in the amount of \$100.8 million with an interest rate of 5.00%, Wastewater System Revenue Bonds Refunding Series 2015-D in the amount of \$108.9 million with interest rates ranging from 2.00% to 5.00%, and Wastewater System Subordinate Revenue Bonds Refunding Series 2015-A in the amount of \$21.7 million with an interest rate of 5.00%. The proceeds of the Senior Series 2015-C were used to current refund all of the currently outstanding CP Notes in the aggregate principal amount of \$110.0 million, fund a deposit to the Reserve Fund, and pay certain costs of issuing the Series 2015-C Senior Lien Bonds. The Senior Series 2015-D proceeds were used to advance refund certain of the City's Wastewater System Revenue Bonds, Refunding Series 2009-A of \$70.5 million and certain of the City's Wastewater System Subordinate Bonds, Refunding Series 2010-A of \$16.3 million, fund a deposit to the Reserve Fund for the Senior Lien bonds and pay certain costs of issuing the Series 2015-D Senior Lien Bonds.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

The Subordinate Series 2015-A proceeds were used to defease to maturity certain of the City's Series 2002-A Senior Lien Bonds of \$13.1 million, advance refund certain of the Series 2009-A Senior Lien Bonds of \$5.0 million, and advance refund certain of the City's Series 2010-A Subordinate Bonds of \$4.4 million and pay certain costs of issuing the Series 2015-A Subordinate Bonds. As a result of the refunding, the principal balance of \$37.1 million of Senior Series 2002-A is considered defeased and the liability for this bond has been removed from the statements of net position.

The total cash flow saving and economic gain for the refunding transactions Senior Series 2015-B, Senior Series 2015-D and Subordinate Series 2015-A were \$6.1 million, \$7.0 million and \$676.0 thousand, respectively. The Senior Series 2015-C was used to refund the outstanding Commercial Paper notes, thus there is no resulting cash flow saving and economic gain or loss that are being calculated for the Senior Series 2015-C refunding bonds.

The differences between the net carrying amount of the old debt and the amount required to retire the debt in the amount of \$518.0 thousand is deferred and amortized over the original remaining life of the old debt or the life of the new debt, whichever is shorter.

In 2003, the City Council adopted a resolution, approved by the Mayor, authorizing a State Revolving Fund Loan (Loan) from the State Water Resources Control Board (SWRCB) in the amount of \$262.9 million to assist in financing the construction of the North Outfall Sewer-East Central Interceptor Project (Project). The Project fulfills certain requirements of the Cease and Desist Order issued by the Regional Water Quality Control Board. The Project is shared by other contract agencies.

As of June 30, 2015, the Loan balance amounted to \$123.1 million. The Loan matures in fiscal year 2025 and annual repayment commenced in August 2005 based on a standard fully amortized loan calculation at an effective interest rate of 1.8%. The Loan is paid from Sewer's revenues subordinate to the Wastewater System revenue bonds and commercial paper notes. The contract agencies were billed beginning August 2005 for their proportionate share of the debt service costs. Payments received from the contract agencies are recorded as capital contribution, which represents their proportionate share of the costs of the Project.

Commercial Paper Notes

The City issues commercial paper notes at prevailing interest rates for periods of maturity not to exceed 270 days under the commercial paper program on behalf of Sewer. The commercial paper notes are secured by LOCs from the Bank of New York and the Sumitomo Mitsui Banking Corporation that expire on December 18, 2015 and December 17, 2017, respectively. The aggregate maximum principal amount of the two LOCs is \$218.0 million, which consists of \$100.0 million in principal plus interest for each bank. Sewer is responsible for the payment of a non-refundable letter of credit fee for each LOCs. Should the City draw on the LOCs and not repay the advance within six months, the advance is converted to a term loan with semiannual payments due for three years at interest rates not to exceed 12.0% or the maximum rate as permitted by law. Since these commercial paper notes are secured by LOCs with expiration dates in excess of one year after June 30, 2014, Sewer reported these commercial paper notes as long-term liabilities. There were no outstanding commercial paper notes as of June 30, 2015.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**Build America and Recovery Zone Economic Development Bonds**

The City has designated the Senior Lien Bonds Series 2010-A and 2010-B as “Build America Bonds” and “Recovery Zone Economic Development Bonds”, respectively, under the provisions of the American Recovery and Reinvestment Act of 2009. The City expects to receive a direct subsidy of 35% and 45% of the interest due to bondholders from the United States Treasury for the Series 2010-A and 2010-B, respectively. As of June 30, 2015, Sewer recorded interest subsidies of \$5.5 million, as other non-operating revenues.

Principal and interest paid for the current year and net pledged revenue were \$487.0 million and \$307.0 million, respectively. Sewer’s net pledged revenue is the difference between operating revenues and investment income and operating expenses. Information on Sewer’s pledged revenue coverage is found in the Statistical Section-Debt Capacity.

Scheduled annual principal maturities and interest are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2016	\$ 88,228	\$ 125,142	\$ 213,370
2017	90,779	122,399	213,178
2018	94,889	118,568	213,457
2019	96,983	114,363	211,346
2020	104,606	109,922	214,528
2021 - 2025	580,667	476,113	1,056,780
2026 - 2030	553,975	352,726	906,701
2031 - 2035	480,990	236,067	717,057
2036 - 2040	370,865	131,062	501,927
2041 - 2045	275,865	40,379	316,244
Subtotal	2,737,847	1,826,741	4,564,588
Net Unamortized Premiums and Discounts	237,429	--	237,429
Total	<u>\$ 2,975,276</u>	<u>\$ 1,826,741</u>	<u>\$ 4,802,017</u>

The above schedule includes interest requirements for the variable rate Refunding Series 2012-D Subordinated Revenue Bonds using the weighted average rate of 0.123% in effect as of June 30, 2015.

Tax Exemption and Federal Subsidy

The Internal Revenue Service (IRS) has a program of random audits of issuers of tax-exempt and federally subsidized securities. Occasionally, bonds issued by the City or its agencies are the subject of IRS audits. The City is unable to predict whether other bonds issued by the City or its agencies might be subjected to audit. Were the IRS to determine as the result of an audit that a City bond issue is not in compliance with IRS regulations, the consequences could be material to the financial statements.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**Fiduciary Funds**

Following is a summary of notes payable activity of Pensions for the fiscal year ended June 30, 2015:

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015	Due Within One Year
Notes Payable	\$ 168,520	\$ 63,050	\$ 25,368	\$ 206,202	\$ 11,965

The notes payable of the Pensions are secured by real estate. Interest rates range from 2.94% to 7.50% per annum. The debt service payments to maturity for these notes are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2016	\$ 11,965	\$ 8,986	\$ 20,951
2017	27,952	7,361	35,313
2018	15,958	6,841	22,799
2019	34,791	6,887	41,678
2020	1,932	4,877	6,809
2021 - 2025	108,418	11,492	119,910
2026 - 2030	4,427	1,259	5,686
2031 - 2034	759	36	795
Total	\$ 206,202	\$ 47,739	\$ 253,941

I. Current and Advance Refunding of Debt

Debt refunding activities occurred during the fiscal year that resulted in the defeasance of certain outstanding obligations. The proceeds from the advance refunding issues and amounts available from the debt service funds of the refunded bonds were deposited into irrevocable trusts with escrow agents. Following are the refunding activities that represent in-substance defeasance such that the refunded debts were removed from the accompanying financial statements (in thousands):

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Refunding Debt	Refunded Debt	Cash Flow Savings	Economic Gain
<u>Governmental Activities</u>			
Solid Waste Resources Revenue Bonds Series 2013-B, \$76,670 3.875% - 5.500%	Solid Waste Resources Revenue Bonds Series 2005-A, 2006-A, and certain Series 2009A \$87,860 2.000% - 5.000%	\$ 12,228	\$ 7,270
MICLA Lease Revenue Bonds Series 2014-B, \$51,730 3.875% - 5.500%	MICLA Lease Revenue Bonds Series AT, Series AV and Series AW \$60,465 2.000% - 5.500%	8,819	8,820
<u>Business-type Activities</u>			
Airports Revenue Bonds 2015 Series C \$181,805 3.000% - 5.000%	Airports Revenue Bonds 2008 Series C \$190,555 3.000% - 5.250%	25,736	16,894
Harbor Revenue Bonds 2014 Series A \$203,280 2.000% - 5.000%	Harbor Revenue Bonds 2006 Series D \$73,600 4.500% - 5.000%	7,326	9,027
Power System Revenue Bonds 2014 Series C \$198,750 4.000% - 5.000%	Power System Revenue Bonds Certain 2005 Series A 2005 Series A1: \$27,000 2005 Series A2: \$197,595 2005 Series A1: 4.000% - 5.000% 2005 Series A2: 4.500% - 5.000%	29,896	27,931
Power System Revenue Bonds 2015 Series A \$520,280 3.250% - 5.000%	Power System Revenue Bonds Certain 2005 Series A 2005 Series A1: \$465,285 2005 Series A2: \$117,600 2005 Series A1: 4.000% - 5.000% 2005 Series A2: 4.500% - 5.000%	153,497	94,048
Wastewater System Revenue Bonds Refunding Series 2015-B, Senior \$41,175 5.000%	Wastewater System Revenue Bonds Series 2005-A, Senior \$47,045 4.000% - 5.000%	10,122	6,133
Wastewater System Revenue Bonds Refunding Series 2015-D, Senior \$108,860 2.000% - 5.000%	Wastewater System Revenue Bonds Series 2002-A, Senior: \$23,960 Series 2009-A, Senior: \$70,505 Series 2010-A, Subordinate: \$16,345 Series 2002-A, Senior: 4.000% - 6.000% Series 2009-A, Senior: 1.600% - 5.750% Series 2010-A, Subordinate: 2.000% - 5.000%	12,738	6,964
Wastewater System Revenue Bonds Refunding Series 2015 A, Subordinate	Wastewater System Revenue Bonds Series 2002-A, Senior: \$13,150 Series 2009-A, Senior: \$5,010 Series 2010-A, Subordinate: \$4,435 Series 2002-A, Senior: 4.000% - 6.000% Series 2009-A, Senior: 1.600% - 5.750% Series 2010-A, Subordinate: 2.000% - 5.000%	2,689	676

The above refunding transactions for business-type activities resulted in a total net gain for accounting purposes of \$25.6 million, which is deferred and amortized through 2041.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**J. Prior Years Defeasance of Debt**

In prior years, the City defeased certain bonds by placing the proceeds of the new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements.

At June 30, 2015, the following bonds are considered defeased (in thousands):

	Outstanding Balance June 30, 2015
Governmental Activities	
General Obligation Bonds	\$ 129,105
Business-type Activities	
Harbor Revenue Bonds	\$ 38,760
Power Revenue Bonds	682,015
Water Revenue Bonds	72,690
Sewer Revenue Bonds	157,473
Total	\$ 950,938

K. Tax and Revenue Anticipation Notes

In July 2014, in anticipation of receiving taxes and other revenues, the City issued tax and revenue anticipation notes (TRAN) with an overall true interest cost of 0.146% and total premium of \$18.2 million, depositing the proceeds in a General Fund account. The notes were issued to pay the City's annual contributions to Pensions and the LACERS at the beginning of the fiscal year and to provide effective cash flow management of the General Fund. The additional interest earned by the pension funds from these early payments was used to discount the required City contribution without reducing the pension funds' annual receipts.

Short-term debt activity for the fiscal year ended June 30, 2015 was as follows (in thousands):

	Beginning Balance	Issued	Redeemed	Ending Balance
Tax and Revenue Anticipation Notes	\$ --	\$ 1,369,200	\$ (1,369,200)	\$ --

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

L. Interest Rate Swaps

Wastewater System Subordinate Variable Rate Revenue Refunding Bonds

Objective of the swaps. In March 2006, in order to protect against the potential of rising interest rates, Sewer entered into two separate pay-fixed, receive-variable interest rate swap agreements (Swap Agreements) on the \$316.8 million Wastewater System Subordinate Variable Rate Revenue Refunding Bonds Series 2006 A-D (Series 2006 A-D). The expected costs associated with the swaps are less than what Sewer would have paid if it had issued fixed-rate debt.

On May 1, 2008, Sewer refunded Series 2006 A-D with the issuance of \$314.8 million Wastewater System Subordinate Revenue Bonds Variable Rate Revenue Refunding Series 2008 A-H (Series 2008 A-H). On April 17, 2012, Sewer refunded a portion of the Series 2008 A-F1 and partially terminated the Swap Agreements by issuing the Series 2012-A Subordinate Bonds. On December 18, 2012, Sewer refunded the remaining outstanding Series 2008 A-H with the issuance of \$280.9 million Wastewater System Subordinate Revenue bonds, Variable Rate Refunding Series 2012-D. Of this amount, the swaps serve as a hedge for \$151.1 million of the Series 2012-D Bonds as of June 30, 2015.

The fair value and notional amounts of the interest rate swaps outstanding at June 30, 2015, classified by type, and changes in fair value for the fiscal year then ended as reported in the financial statements are as follows (in thousands):

Changes in Fair Value		Fair Value at June 30, 2015		Notional
Classification	Amount	Classification	Amount	

Cash flow hedges:

Interest rate swaps	Deferred outflow of resources	\$ (1,302)	Liabilities	\$ (26,759)	\$ 151,085
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Terms, fair values and credit risk. Under the interest Swap Agreements, Sewer owes interest to the counterparties calculated on a notional amount at a fixed rate and the counterparties owe Sewer interest on the same notional amount at a variable rate. Specific terms, including the fair values and counterparty credit ratings of the outstanding swaps as of June 30, 2015, are as follows (in thousands):

Notional Amount (in thousands)	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Value	Swap Termination Date	Counterparty Credit Ratings ⁽¹⁾
\$ 75,543	4/6/2006	3.34 %	64.1% of LIBOR ⁽²⁾	\$ (13,380)	6/1/2028	Aa2/AA-/AA
75,542	4/6/2006	3.34	64.1% of LIBOR ⁽²⁾	(13,379)	6/1/2028	Baa3/BBB/BBB+

⁽¹⁾ Moody's Investors Service, Standard & Poor's and Fitch Ratings, respectively as of June 30, 2015

⁽²⁾ One-month LIBOR reset monthly. Applicable one-month LIBOR as of June 30, 2015 was 0.185%.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

The notional amounts of the swaps match the principal amount of the associated debt. The Swap Agreements contain scheduled reductions to outstanding notional amounts that follow scheduled reductions in the associated debt.

Method of calculating fair value. Because swap interest rates were lower on June 30, 2015, than at the date the Swap Agreements were entered into, the swaps have a negative fair value as of June 30, 2015. The fair values were estimated using the zero-coupon method and include accrued interest. This method calculates the future net settlement payments required by the swap agreements, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap. Risks and description of risks that the swap agreements are exposed to that could give rise to financial loss are extant as of June 30, 2015.

Credit risk. The fair values of the swaps represented Sewer's credit exposure to the swap counterparties as of June 30, 2015. If a counterparty to a swap transaction failed to perform according to the terms of the swap contract, and Sewer chose to terminate the swap, Sewer would be owed a termination payment by the counterparty. If the swaps had a negative fair value at the time the counterparty failed to perform, Sewer would be required to make a payment to the counterparty. To mitigate credit risk, a counterparty must fully collateralize the fair value of the swap with U.S. government securities if two of its credit ratings fall below Moody's Investors Service Aa3, or AA- of Fitch Ratings or Standard & Poor's. Collateral would be posted with a third-party custodian. Dexia Credit Locale, New York Branch was rated below the specified requirements as of June 30, 2015; however, no collateralization was necessary because the fair value of the swap indicated that Dexia Credit Locale would not be required to make a payment to Sewer in the event of a termination at that time.

Basis risk. Sewer is exposed to basis risk when the relationship between 64.1% of LIBOR and the actual rates on the associated variable rate bonds diverge. In this situation, the expected savings may not be realized. As of June 30, 2015, the weighted average rate on the variable rate bonds were 0.12328% whereas 64.1% of applicable LIBOR was equal to 0.11955%.

Termination risk. Sewer or the counterparties may terminate the Swap Agreements if the other party fails to perform under the terms of the contract or if various other events occur. If at the time of the termination the swap has a negative fair value, Sewer would be liable to the counterparty for a payment equal to the swap's fair value. If any of the swaps were terminated and not replaced, Sewer would not receive a payment from the counterparty to offset its variable interest expense on the associated variable rate bonds. Annual net interest paid and or received started July 1, 2015 through termination date.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Swap Payments and Associated Debt. Using rates as of June 30, 2015, net swap payments and debt service requirements of the associated variable-rate debt are as follows (in thousands):

Fiscal Year Ending June 30	Variable-Rate Bonds		Interest Rate		Total
	Principal	Interest ⁽¹⁾	Swaps, Net ⁽²⁾		
2016	\$ --	\$ 186	\$ 4,866	\$ 5,052	
2017	--	186	4,866	5,052	
2018	--	186	4,866	5,052	
2019	--	186	4,866	5,052	
2020	--	186	4,866	5,052	
2021 - 2025	35,935	932	24,327	61,194	
2026 - 2028	115,150	287	7,497	122,934	
Total	\$ 151,085	\$ 2,149	\$ 56,154	\$ 209,388	

⁽¹⁾ Assumes rate of 0.12328% (the applicable rate on June 30, 2015), excluding fixed rate component

⁽²⁾ Assumes swap rate of 3.34% less 0.11995% (64.1% of applicable LIBOR on June 30, 2015)

As rates vary, variable-rate bond interest payments and net swap payments will vary.

M. Electricity Swap and Forward Contracts

In order to obtain the highest market value on energy that is sold into the wholesale market, DWP monitors the sales price of energy, which varies based on which hub the energy is to be delivered. There are three primary hubs within the DWP's transmission region: Palo Verde, California Oregon Border, and Mead. DWP enters into various locational swap transactions with other electric utilities in order to effectively utilize its transmission capacity and to achieve the most economical exchange of energy purchased and sold.

DWP procures renewable energy resources located remotely. These resources provide intermittent and limited source of energy and these resources are not directly connected to DWP's transmission system. In order to receive firm renewable energy, DWP entered into a green-for-green energy exchange with the same or different Renewable Energy Credit source.

DWP enters into power and natural gas forward contracts in order to meet the electricity requirements to serve its customers. To assist DWP in achieving its Renewable Portfolio Standards (RPS) goal of 20%, some of the forward purchases made are renewable energy and biomethane gas.

DWP does not enter into swap and forward transactions for trading purposes. All of these transactions are intended to be used in DWP's normal course of operations. DWP is exposed to risk of nonperformance if the counterparties default or if the swap agreements are terminated.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

As of June 30, 2015, Power had the following Electricity Swap and Forward Contracts, which are not recorded in the Power's financial statements based on the criteria in GASB Statement No. 53 (amounts in thousands):

Description	Notional Amount (total contract quantities)	Contract price range dollar per unit	First effective date	Last termination date	Fair value	Cash paid at inception
Electricity swaps:						
Purchases	176,640 mWh	\$ 30.58 - 40.72	07/01/15	12/31/15	\$ (1,157)	\$ --
Sales	176,640 mWh	33.58 - 43.72	07/01/15	12/31/15	1,819	--
Call options						
Sales	92,400 mWh	\$ Ht Rate x SoCal	07/01/15	09/30/15	408	190
Forward contracts:						
Electricity	776,560 mWh	\$ 31.00 - 80.00	07/01/15	10/31/16	(26,313)	--
Natural gas	27,857,500 MMBtu	2.89 - 10.85	07/01/15	10/31/21	(114,073)	--

N. Leases**Governmental Activities**

The City leases a significant amount of property and equipment under operating leases. Total rental expenditures, incurred primarily in the General Fund, on the operating leases for the fiscal year ended June 30, 2015 were approximately \$29.5 million.

The future lease payments under non-cancellable operating lease agreements are as follows (in thousands):

Fiscal Year	Amount
2016	\$ 9,441
2017	8,028
2018	7,014
2019	6,067
2020	4,508
2021 - 2025	24,240
2026 - 2030	24,982
2031 - 2035	7,543
2036 - 2040	8,744
2041 - 2045	10,137
2046 - 2050	11,752
2051 - 2056	13,270
Total	<u>\$ 135,726</u>

The City also leases certain property and equipment under capital leases with the following component units/funds.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Municipal Improvement Corporation of Los Angeles (MICLA)

The MICLA was formed to finance certain capital improvement projects of the City and enter into long-term capital lease agreements with the City. Under the lease agreements, title transfers to the City at the end of the lease term. If the City defaults under the Lease and Trust Agreements, the Trustee may terminate the lease and re-let the properties, except for the Streetlights Refinancing Series. Since MICLA is included in the City's reporting entity, the lease payments by the City are accounted for in the fund financial statements as transfers from the General Fund and certain special revenue funds to the MICLA Debt Service Fund. The leases have been eliminated in the government-wide financial statements.

Los Angeles Convention and Exhibition Center Authority

Pursuant to a Facility Lease between the City and the Authority, the Authority issued tax exempt certificates of participation and lease revenue bonds to provide financing for the acquisition and construction of certain improvements for the Los Angeles Convention Center, and taxable lease revenue bonds to finance the City's share of the development of the Staples Center. Under the lease, the City is obligated to make rental payments sufficient to pay the debt service requirements on the certificates and bonds. The City's General Fund made rental payments during fiscal year ended June 30, 2015. Since the Authority is included within the City's reporting entity, the lease payments by the City are accounted for in the fund financial statements as transfers from the General Fund to the Convention Center nonmajor debt service fund. The leases were eliminated in the government-wide financial statements.

Business-type Activities

Airports

Airports has entered into numerous rental agreements with concessionaires for food and beverage, gift and news, duty-free, rental car facilities, and advertisements. In general, the agreements provide for cancellation on a 30-day notice by either party; however, they are intended to be long-term in nature with renewal options. Accordingly, these agreements are considered operating leases for purposes of financial reporting.

The agreements provide for a concession fee equal to the greater of a minimum annual guarantee (MAG) or a percentage of gross revenues. Certain agreements are subject to escalation of the MAG. For the fiscal year ended June 30, 2015, revenue from such agreements was \$267.1 million, which was \$58.5 million over the MAG. Minimum future rents or payments under these agreements over the next five years, assuming that current agreements are carried to contractual termination, are as follows (in thousands):

Fiscal Year	Amount
2016	\$ 196,787
2017	194,083
2018	162,511
2019	40,099
2020	36,039
Total	<u>\$ 629,519</u>

The increase in minimum future rents was mainly due to the higher MAG and extension of the term of agreement for most concessionaires in fiscal year 2015. This includes MAG of \$83.1 million for Duty Free Service Group, \$42.5 million for JC Decaux and \$36.7 million for Hertz Corporation from fiscal years 2016 to 2020.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

On March 1, 2012, Airports and Westfield Concession Management, LLC (Westfield) entered into a Terminal Commercial Management Concession Agreement (3-1-12 Agreement) for Westfield to develop, lease, and manage retail, food and beverage and certain passenger services in specified locations at the Tom Bradley International Terminal (TBIT) and Terminal 2 at LAX for a term of 17 years consisting of a two-year development period and a fifteen-year operational period. Since then, the Terminal 2 portion has been amended with an expiration date no later than July 31, 2029, and the TBIT portion has been amended with an expiration date no later than January 31, 2032. Westfield will select concessionaires subject to Airports' approval. Concession agreements awarded by Westfield shall have a term no longer than ten years. The agreement requires Westfield and its concessionaires to invest no less than \$81.9 million in initial improvements and \$16.4 million in mid-term refurbishments. Such improvements are subject to Airports' approval. The initial non-premises improvements, as defined, shall be acquired by and become the property of Airports by cash payment to Westfield or the issuance of rent credit.

Under the 3-1-12 Agreement, the MAG will be adjusted each year by the greater of (a) \$210 per square foot escalated by the Consumer Price Index, but not greater than 2.5% for any year, or (b) 85% of the prior year's Percentage Rent (as defined) paid to Airports beginning January 1, 2014. For any year in which the number of enplaned passengers in TBIT and Terminal 2 is (a) less than the 2011 passenger enplanements, or (b) less than 90% of the prior year's passenger enplanements in these terminals, an additional adjustment to the MAG is calculated on a retroactive basis.

On June 22, 2012, Airports and Westfield entered into another Terminal Commercial Management Concession Agreement (6-22-12 Agreement) for Westfield to develop, lease, and manage retail, food and beverage and certain passenger services in specified locations at the Terminals 1, 3, and 6 at LAX. The term of this agreement is 17 years consisting of a two-year development period and a fifteen-year operational period. Westfield will select concessionaires subject to Airports' approval. Concession agreements awarded by Westfield shall have a term no longer than ten years. The agreement requires Westfield and its concessionaires to invest no less than \$78.6 million in initial improvements and \$15.7 million in mid-term refurbishments. Such improvements are subject to Airports' approval. The initial non-premises improvements, as defined, shall be acquired by and become the property of Airports by cash payment to Westfield or the issuance of rent credit.

Under the 6-22-12 Agreement, the MAG will be adjusted each year by the greater of (a) \$240 per square foot escalated by the Consumer Price Index, but not greater than 2.5% for any year, or (b) 85% of the prior year's Percentage Rent (as defined) paid to Airports. For any year in which the number of enplaned passengers in Terminals 1, 3, and 6 is (a) less than the 2011 passenger enplanements, or (b) less than 90% of the prior year's passenger enplanements in these terminals, an additional adjustment to the MAG is calculated on a retroactive basis beginning January 1, 2014.

Minimum future rents under these two agreements with Westfield over the next five years are estimated as follows (in thousands):

Fiscal Year	Amount
2016	\$ 35,314
2017	36,197
2018	37,102
2019	38,030
2020	38,980
Total	<u>\$ 185,623</u>

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Airports also leases land and terminal facilities to certain airlines and others. The terms of these long-term leases range from less than 10 years to 40 years and generally expire between 2017 and 2025. Certain airlines and consortium of airlines at LAX also pay maintenance and operating charges (M&O Charges) that include direct and indirect costs allocated to all passenger terminal buildings, other related and appurtenant facilities, and associated land. Rates for M&O Charges are set each calendar year based on the actual audited M&O Charges for the prior fiscal year ending June 30. The land and terminal lease agreements are accounted for as operating leases. For the fiscal years ended June 30, 2015, revenues from these leases were \$492.5 million.

Future rents under these land and terminal lease agreements over the next five years were based on the assumption that current agreements are carried to contractual termination. The future rents are as follows (in thousands):

Fiscal Year	Amount
2016	\$ 496,877
2017	491,592
2018	476,095
2019	451,433
2020	427,694
Total	<u>\$ 2,343,691</u>

The carrying cost and the related accumulated depreciation of property held for operating leases as of June 30, 2015 are as follows (in thousands):

Buildings and facilities	\$ 3,487,044
Less: Accumulated Depreciation	<u>(607,779)</u>
Net	2,879,265
Land	<u>686,363</u>
Total	<u>\$ 3,565,628</u>

Airports leases office spaces under operating lease agreements that expire through 2032. Lease payments for the fiscal year ended June 30, 2015 amounted to \$6.5 million. Future minimum lease payments under the agreements are as follows (in thousands):

Fiscal Year	Amount
2016	\$ 6,229
2017	6,038
2018	6,038
2019	6,038
2020	4,907
2021 - 2025	16,625
2026 - 2030	10,915
2031 - 2032	<u>3,586</u>
Total minimum lease payments	<u>\$ 60,376</u>

On June 25, 2013, Airports purchased a 17.6 acres commercial real estate property (known as Skyview Center) located adjacent to LAX. The \$111.5 million acquisition included the land, two 12 and 11 story office buildings, a parking structure, and a 14.4 acres parking lot. Prior to the purchase of the property, Airports leased certain areas of one of the buildings for office space and Airports continues to use them.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)Harbor

A substantial portion of the Harbor lands and facilities are leased to others. The majority of these leases provide for cancellation on a 30-day notice by either party and for retention of ownership by Harbor or restoration of the property at the expiration of the agreement; accordingly, no leases are considered capital leases for purposes of financial reporting.

MAG agreements relate to shipping services and certain concessions provide for the additional payment beyond the fixed portion, based upon tenant usage, revenues, or volumes.

Agreements relating to terminal operations tend to be long-term in nature (as long as 30 years) and are made to provide Harbor with a firm tenant commitment. These agreements are subject to periodic review and reset of base amounts. For the year ended June 30, 2015, the minimum rental income from such lease agreements was approximately \$46.2 million, and MAG payments of approximately \$248.7 million were reported under shipping services revenue.

The carrying cost and related accumulated depreciation of property held for operating leases as of June 30, 2015 are as follows (in thousands):

Wharves and sheds	\$ 1,163,741
Cranes/bulk facilities	52,441
Municipal warehouses	13,578
Port pilot facilities and equipment	7,363
Buildings and other facilities	839,816
Cabrillo Marina	200,804
Total	<u>2,277,743</u>
Less: Accumulated depreciation	<u>(1,065,032)</u>
Net	<u>\$ 1,212,711</u>

Assuming that current agreements are carried to contractual termination, minimum tenant commitments due to the Harbor over the next five years are as follows (in thousands):

<u>Fiscal Year</u>	<u>Rental Income</u>	<u>MAG Income</u>
2016	\$ 46,696	\$ 248,712
2017	47,163	248,720
2018	47,635	248,727
2019	48,111	248,360
2020	48,592	248,360
Total	<u>\$ 238,197</u>	<u>\$ 1,242,879</u>

Fiduciary Funds

Pensions leases an office space under an operating lease agreement that can be discontinued with appropriate notice to the building management. Lease payment for the fiscal year ended June 30, 2015 was \$0.9 million.

Pensions expected to move to its new headquarters in late March 2016. It has budgeted \$0.4 million to cover lease expenses for the move.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

O. Risk Management - Estimated Claims and Judgments Payable

Governmental Activities

Because of its size and financial capacity, the City has long followed the practice of directly assuming virtually all insurable risks without procuring commercial insurance policies, except for specific exposures where legally required, contractually required or when judged to be the most cost effective method of risk financing. The extent and variety of City exposure is such that the cost of the premiums would outweigh the benefits of such coverage. The City administers, adjusts, settles, defends and pays claims from budgeted resources. Funds are budgeted annually to provide for claims and other liabilities based both on the City's historical record of payments and an evaluation of known or anticipated claims.

As discussed in the summary of significant accounting policies (Note 1E), the City recognizes a liability for claims and judgments when it is probable that an asset has been impaired or a liability has been incurred and the amount of the loss can be reasonably estimated. Included in the account are amounts for tort liability and workers' compensation, which include IBNR liabilities, and provision for allocated expenses.

As of June 30, 2015, a number of lawsuits and claims were pending against the City that arose in the normal course of the City's general governmental operations. The City estimates the amount of tort and non-tort liabilities to be probable of occurring as of June 30, 2015 at approximately \$599.2 million. Of this amount, approximately \$230.5 million is estimated to be payable in the next fiscal year. The City Attorney also estimates that certain pending lawsuits and claims have a reasonable possibility of resulting in additional liability totaling \$121.0 million. However, no amount has been accrued in the accompanying financial statements because it is not probable that a loss has been incurred as of June 30, 2015.

The City's liability for tort cases was actuarially estimated. The total of the present value of the estimated outstanding losses and loss adjustment expenses was used to record the City's liability for tort cases. The present value of the estimated outstanding losses and loss adjustment expenses was calculated based on a 3.0% yield on investments.

The liability for workers' compensation was recorded using the present value of the actuarially estimated outstanding losses, which were based on an analysis of the City's historical loss and allocated loss adjustment expenses (ALAE). The present value of the estimated outstanding losses was calculated based on a 3.0% yield on investments. At June 30, 2015, the City estimates its workers' compensation liability at \$2,005.4 million. Of this amount, \$165.5 million is estimated to be payable in the next fiscal year.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**Business-type Activities**

Airport's Risk Management Division (RMD) administers its risk and claims management program. By implementing a comprehensive risk identification, assessment, and treatment process, the program addresses key risks that may adversely affect Airports' ability to meet its business goals and objectives. Airports maintains insurance coverage of \$1.3 billion for general aviation liability and \$1.0 billion for war and allied perils. Additional insurance coverage is carried for general all risk property insurance for \$2.3 billion, that includes \$250.0 million for boiler and machinery, and \$25.0 million for earthquake. Deductibles for these policies are \$10,000 per claim with a \$400,000 annual aggregate for general liability, and \$100,000 per occurrence and annual aggregate for general property. Historically, no liability or property claims have reached or exceeded the stated policy limits. Additionally, Airports maintains catastrophic loss fund for claims or losses that may exceed insurance policy limits or where insurance is not available or viable. Commercial insurance is used where it is legally required, contractually required, or judged to be the most effective way to finance risk. For fiscal year 2015, no claims were in excess of Airports' insurance coverage.

Harbor purchases insurance for a variety of exposures associated with property, automobiles, vessels, railroad, employment practices, travel, police, pilotage, and terrorism. The City is self-insured for workers' compensation, and Harbor participates in the City's self-insurance program. Third party general liability exposures are self-insured by Harbor for \$1.0 million and the excess liability is maintained over the self-insured retention. There have been no settlements in the past three years that have exceeded Harbor's insurance coverage. The actuarially determined accrued liability for workers' compensation includes provision for incurred but not reported claims and loss adjustment expenses. The Port's accrued workers' compensation liability at June 30, 2015 was \$15.3 million. A number of lawsuits were pending against the Harbor that arose in the normal course of operations. Harbor recognizes a liability for claims 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 City Attorney provides estimates for the amount of liabilities to be probable of occurring from lawsuits. Harbor's liability for litigation and other claims at June 30, 2015 was \$1.6 million.

DWP is subject to certain business risks common to the utility industry. The majority of these risks are mitigated by external insurance coverage obtained by DWP. For other significant business risks, however, DWP has elected to self-insure. DWP believes that exposure to loss arising out of self-insured business risks will not materially impact the Power's and Water's financial position, results of operations, or cash flows as of June 30, 2015.

Sewer has commercial insurance for risks of physical damage to real and personal properties and for business interruption expenses. Claims settlements have not exceeded commercial insurance coverage during the last three fiscal years.

The Enterprise Funds estimated claims and judgments payable of \$185.2 million consists of \$20.6 million litigation-type claims and \$164.6 million workers' compensation liability. The amount estimated to be payable in the next fiscal year is approximately \$13.1 million.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**Claim Changes**

The changes in the City's total governmental and business-type estimated claims and judgments liability are as follows (in thousands):

	<u>2015</u>	<u>2014</u>
Unpaid Claims, July 1	\$ 2,871,755	\$ 2,613,534
Provisions for current year's events and changes in provision for prior years' events	687,309	706,021
Claims payments	<u>(769,256)</u>	<u>(447,800)</u>
Unpaid Claims, June 30	<u>\$ 2,789,808</u>	<u>\$ 2,871,755</u>

P. Accrued Landfill Liability

Until July 1996, the City operated the Lopez Canyon Sanitary Landfill under a Conditional Use Permit (CUP), which expired on July 1, 1996. State and Federal laws required the City to close the landfill upon cessation of disposal activities and expiration of the CUP, and to monitor and maintain the site for thirty years after closure. The City recognized a portion of the estimated closure and postclosure care costs in each fiscal year based on landfill capacity used.

The City completed the final closure of the landfill as of March 30, 2012. In fiscal year 2013, all three regulatory agencies, the State of California Department of Resources Recycling and Recovery (CalRecycle), Regional Water Quality Control Board, and the City of Los Angeles Local Enforcement Agency, approved the final Closure Certification. As of June 30, 2015, the City's liability of \$44.3 million represents 100% of the estimated postclosure care costs of the landfill. The estimated costs of postclosure care are subject to changes due to inflation, changes in laws and regulations, or changes in technology.

As required by the California Integrated Waste Management Board (CIWMB), the City had established and contributed to a trust fund to finance closure construction. Based on the acceptance of certification of closure, CalRecycle authorized disbursement of the remaining balance of \$3.5 million in the trust fund to the City. The City is not currently required to advance fund postclosure care costs.

The City owns or operated other landfills that were already closed before the State and Federal requirements became enforceable. Therefore, no liability was included in the financial statements for these landfills (Toyon Canyon, Gaffey, Branford, Bishops Canyon and Sheldon-Arleta). The Landfill Maintenance Special Trust Fund and Landfill Closure and Postclosure Maintenance Trust Fund, reported as nonmajor other special revenue funds, were set up to defray the closure and postclosure maintenance costs of City landfills.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**Q. Pollution Remediation Obligations****Governmental Activities**

The pollution remediation obligations for governmental activities for the fiscal year ended June 30, 2015 are as follows (in thousands):

	<u>June 30, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2015</u>
Obligating Event				
Violation of pollution prevention-related permit or license	\$ 3,895	\$ 6,292	\$ (5,483)	\$ 4,704
Voluntary commencement	31,108	2,581	(2,344)	31,345
Total	<u>\$ 35,003</u>	<u>\$ 8,873</u>	<u>\$ (7,827)</u>	<u>\$ 36,049</u>
Pollution Type				
Soil and/or groundwater remediation	\$ 34,958	\$ 5,231	\$ (5,101)	\$ 35,088
Lead paint removal	--	857	(572)	285
Methane protection	45	169	(74)	140
Asbestos removal	--	1,990	(1,720)	270
Mold	--	626	(360)	266
	<u>\$ 35,003</u>	<u>\$ 8,873</u>	<u>\$ (7,827)</u>	<u>\$ 36,049</u>

The \$36.0 million liabilities for governmental activities, net of \$0.5 million recoveries, include \$31.3 million for voluntary commencement and \$4.7 million for violation of pollution prevention-related permits or licenses. These obligations were determined based on construction contract amount, contract change orders, related direct costs and allocated indirect project costs. For fiscal year 2015, no remediation outlays were capitalized. Estimated expenditures for fiscal year 2016 and beyond are \$7.0 million and \$29.0 million, respectively. These estimates recognized potential changes due to additional work that may be required to remediate existing pollution projects, unanticipated site conditions that may necessitate modifications in project work plans, possible adoption or application of improved technologies that may require changes in estimates, and provision for additional unexpected pollution projects. Consequently, changes in estimates will be processed through change orders.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**Business-type Activities**

The pollution remediation obligations for business-type activities for the fiscal year ended June 30, 2015 are as follows (in thousands):

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
Obligating Event				
Named by a regulator as a potential party to remediation	\$ 80,234	\$ 11,730	\$ (17,794)	\$ 74,170
Voluntary commencement	13,381	--	(1,365)	12,016
Total	<u>\$ 93,615</u>	<u>\$ 11,730</u>	<u>\$ (19,159)</u>	<u>\$ 86,186</u>
Pollution Type				
Soil and/or groundwater remediation	\$ 86,752	\$ 11,730	\$ (19,159)	\$ 79,323
Asbestos removal	6,863	--	--	6,863
Total	<u>\$ 93,615</u>	<u>\$ 11,730</u>	<u>\$ (19,159)</u>	<u>\$ 86,186</u>

Airports bears full responsibility for the cleanup of environmental contamination on property it owns. However, if the contamination originated based on contractual arrangements, the tenants are held responsible even if they declare bankruptcy. As property owner, Airports assumes the ultimate responsibility for cleanup in the event the tenant is unable to make restitution. Under certain applicable laws, Airports may become liable for cleaning up soil and groundwater contamination on a property in the event that the previous owner does not perform its remediation obligations. Airports accrues pollution remediation liabilities when costs are incurred or amounts can be reasonably estimated based on expected outlays. The liability accrued at June 30, 2015 was \$12.8 million. Airports does not expect any recoveries reducing this obligation. Of the \$12.8 million liability, \$6.9 million was incurred for cleanup of asbestos in various sites, and \$5.9 million was for soil and/or groundwater contamination. Certain regulatory agencies issued Notices of Violation to Airports for alleged Non-Compliance with environmental regulations. Please refer to Note 5C for additional information.

Harbor's estimated pollution remediation liability as of June 30, 2015 totaled \$73.4 million. These costs relate mostly to soil and ground water contamination on sites within Harbor's premises. As certain sites were formerly used for a variety of industrial purposes, legacy contamination or environmental impairments exist. As environmental risks may be managed, the Port has adopted the "Managed Environmental Risk" approach in estimating the remediation liability. The Port uses a combination of in-house specialists as well as outside consultants to perform estimates of potential liability. Certain remediation contracts are included in site development plans as final uses for the sites have been identified.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Power has identified sites that require remediation work and the estimated liability for these sites for fiscal year 2015 is approximately \$25.1 million. This liability is recorded as part of accounts payable.

Water has identified underground storage tanks that require remediation work and is working with the Los Angeles Regional Water Quality Control Board, and the Lahontan Regional Quality Control Board, which have jurisdiction over these sites. Water's estimated liability for these sites is approximately \$2.8 million and includes remediation and ongoing operation and maintenance costs where estimable. There are no estimated recoveries. This liability is recorded as part of accounts payable.

The City was named as a potentially responsible party in a case of contamination, which migrated in the soil and ground onto the adjacent property. Cross-claimants assert that their records show that hazardous material was transported to the site from the Hyperion Treatment Plant. There are more than 1,500 potentially responsible parties. The parties are still working on the investigation and extent of contamination. As of June 30, 2015, the City has not been served with a complaint. The City is unable to estimate the amount of the potential liability as of June 30, 2015.

The County has notified the City and other entities of potential liabilities for cleanup and maintenance of a public golf course, which was created over an old landfill due to environmental issues including leachate and gas migration. According to the County's review of prior customer records, Sewer used the site for disposal of grit waste from the Hyperion Treatment Plan. Prior to 2014, the City entered into and paid a settlement with the County for \$0.2 million and remained an active participant in the site investigation. The next phase for site cleanup and maintenance is under review by the California Department of Toxic Substance Control (SDTSC) and, hence, additional remediation costs, if any, are not known at this time.

NOTE 5 – OTHER INFORMATION**A. Pension and Other Postemployment Benefit Plans****Plan Descriptions**

The City of Los Angeles contributes to three single-employer defined benefit pension plans: Los Angeles Fire and Police Pension System (Pensions), Los Angeles City Employees' Retirement System (LACERS), and Water and Power Employees' Retirement Plan (DWP Plans). Pensions and LACERS provide retirement benefits to sworn and civilian (other than DWP) employees, respectively. The DWP Plans provide retirement, disability, and death benefits to DWP employees. The City also provides three single-employer substantive other postemployment benefits (OPEB) healthcare plans through the aforementioned defined benefit plans: Fire and Police Health Subsidy Plan (Pensions OPEB), Los Angeles City Employees' Postemployment Health Care Plan (LACERS OPEB), and Water and Power Employees' Retiree Health Benefits Plan (DWP OPEB). Each plan issues a publicly available financial report that includes financial statements and required supplementary information for that plan. Those reports may be obtained online or by writing or calling the plans.

Department of Fire and Police Pensions
360 E. Second Street, Suite 400
Los Angeles, CA 90012
(213) 978-4545
<https://www.lafpp.com/reports/financial/2015-financial-statements>

Los Angeles City Employees' Retirement System
202 W. First Street, Suite 500
Los Angeles, CA 90012-4401
(800) 779-8328
<http://www.lacers.org/aboutlacers/reports/index.html>

Department of Water and Power Retirement Office
111 N. Hope Street, Room 357
Los Angeles, CA 90012
(213) 367-1689
<http://retirement.ladwp.com/image/FY15%20WPERP-FINAL-Published.pdf>

Description of the Plans, Membership and Benefits**General Information About the Plans**Pensions

Pensions operates under the City of Los Angeles (City) Charter (Volume II, Article XI) and Administrative Code provisions (Division 4). It operates in accordance with the State Constitution Article XVI, Section 17(a). Pension benefits are administered by the Pensions Board that has exclusive responsibility to administer the system, providing benefits to Pensions participants and their beneficiaries and to ensure prompt delivery of those benefits. The City Charter and Administrative Code provide that the funding requirements of Pensions will be satisfied by the City. The funding requirements of Pensions are determined by the result of annual actuarial valuations.

Pensions is a defined benefit single-employer pension plan covering all full-time active sworn firefighters, police officers, and certain Harbor Port Police officers of the City. It also covers those certified paramedics and civilian ambulance employees who transferred from LACERS during the year ended June 30, 1983, or have since been hired. Pensions is composed of six tiers. Benefits are based on the member's pension tier, pension salary base, and years of service. In addition, it provides for disability benefits under certain conditions and benefits to eligible survivors.

NOTE 5 – OTHER INFORMATION (Continued)

LACERS

The LACERS is under the exclusive management and control of its Board of Administration (the Board), whose authority is granted by statute in Article XVI, Section 17 of the California State Constitution, and Article XI of the Los Angeles City Charter. LACERS operates a single-employer defined benefit plan (the Retirement Plan) and a Postemployment Health Care Plan. Benefits and benefit changes are established by ordinance and approved by City Council and the Mayor.

LACERS administers a single-employer defined benefit pension plan that provides for service and disability retirement benefits, as well as death benefits. LACERS covers all full-time personnel and department-certified part-time employees of the City, except for sworn employees of the Fire and Police departments, DWP employees, elected officials who elected to participate in an alternative Defined Contribution Plan, and certain Port Police officers of the Harbor Department including those who elected to opt out of LACERS. On October 26, 2012, the City Council approved amending Chapter 10 and 11 of Division 4 of the Los Angeles Administrative Code to establish a second benefit tier (Tier 2) for new hires who become members of LACERS on or after July 1, 2013, except as provided otherwise in Section 4.1052(a) of the Administrative Code. Membership to Tier 1 is now closed to new entrants. Eligible employees hired on or after July 1, 2013, except as provided otherwise in Section 4.1052(a) of the Los Angeles Administrative Code become members of Tier 2.

DWP Plans

The DWP Plans is a single-employer public employee retirement system whose main function is to provide pension, death and disability benefits, to eligible employees of DWP. The authority for providing benefits is granted by the City Charter. Authority for changing DWP Plans benefits is adopted through resolution by the DWP Plan Board of Administration and the DWP Board Commissioners. The DWP Plans has four separate funds – Retirement Fund, Disability Fund, Death Benefit Fund, and Retiree Health Benefits Fund (RHBF). Each fund is considered a separate plan and an independent trust fund of DWP. The Retirement Fund is a single employer defined benefit pension plan. The Death Benefit Fund and Retiree Health Benefit Fund are single-employer defined benefit other postemployment benefits (OPEB) plans. The Disability Fund is for the payment of temporary disability and permanent total disability of DWP employees, and is not considered a pension plan nor an OPEB plan. On December 11, 2013, the DWP Retirement Board adopted an amendment to create a new tier for DWP's new hires on or after January 1, 2014.

NOTE 5 – OTHER INFORMATION (Continued)**Membership**Pensions

The components of the Pensions' membership at June 30, 2015 were as follows:

Active Nonvested	
Tier 3	1
Tier 4	183
Tier 5	7,207
Tier 6	1,215
Subtotal	<u>8,606</u>
Active Vested	
Tier 2	22
Tier 3	835
Tier 4	140
Tier 5	3,465
Subtotal	<u>4,462</u>
Pensioners and Beneficiaries	
Tier 1	444
Tier 2	7,975
Tier 3	559
Tier 4	251
Tier 5	3,364
Subtotal	<u>12,593</u>
Total	<u><u>25,661</u></u>

Pensions' Tier 1 includes members hired on or before January 28, 1967. Tier 2 includes members hired from January 29, 1967 through December 7, 1980, and those Tier 1 members who transferred to Tier 2 during the enrollment period of January 29, 1967 to January 29, 1968. Tier 3 includes members hired from December 8, 1980 through June 30, 1997, and those Tier 4 members hired during the period of July 1, 1997 through December 31, 1997 who elected to transfer to Tier 3 by the enrollment deadline of June 30, 1998. Tier 4 includes members hired from July 1, 1997 through December 31, 2001, and those Tier 3 members who elected to transfer to Tier 4 by the enrollment deadline of June 30, 1998. Tier 5 includes members hired from January 1, 2002 through June 30, 2012, and those Active members of Tiers 2, 3, and 4 who elected to transfer to Tier 5 during the enrollment period of January 2, 2002 through December 31, 2002. Tier 6 was established for all firefighters and police officers hired on or after July 1, 2011.

Pensions' Tier 6 is also the current tier for all Harbor Port Police officers hired on or after July 1, 2011. Tier 5 was the tier for all Harbor Port Police officers hired on or after January 8, 2006 through June 30, 2012. Harbor Port Police officers hired before January 8, 2006, who were members of LACERS were allowed to transfer to Tier 5 during the enrollment period of January 8, 2006 to January 5, 2007.

NOTE 5 – OTHER INFORMATION (Continued)LACERS

As of June 30, 2015, LACERS had 20,906 and 2,989 active vested and nonvested members, respectively; 4,408 and 17,932 inactive nonvested and inactive retired members, respectively; and 2,099 inactive terminated members entitled to but not yet receiving benefits.

DWP Plans

DWP Plans' membership consisted of 8,843 retirees and beneficiaries; 1,528 terminated vested members and 9,205 active members.

BenefitsBenefits Provided by Pensions

Tier 1 members of Pensions hired prior to January 17, 1927, with 20 years of service are entitled to annual pension benefits equal to 50%, increasing for each year of service over 20 years, to a maximum of 66-2/3% of the average monthly rate of salary assigned to the ranks or positions held by the member during the three years immediately preceding the date of retirement. Tier 1 members hired on or after January 17, 1927, with 20 or more years of service are entitled to annual pension benefits equal to 40%, increasing for each year of service over 20 years, to a maximum of 66-2/3% of the average monthly rate of salary assigned to the ranks or positions held by the member during the three years immediately preceding the date of retirement. Tier 1 has no minimum age requirement and provides for unlimited post-employment cost-of-living adjustments (COLA) based on the Consumer Price Index (CPI). Tier 1 members who were active as of July 1, 1982, and who terminated their employment after July 1, 1982, were entitled to a refund of contributions plus Board of Fire and Police Pension Commissioners (Pensions Board) approved interest if they did not qualify for a pension or if they waived their pension entitlements.

Tier 2 members of Pensions with 20 or more years of service are entitled to annual pension benefits equal to 40% of their final compensation, increasing for each year of service over 20 years, to a maximum of 70% for 30 years. Tier 2 has no minimum age requirement and provides for unlimited post-employment COLAs based on the CPI. Tier 2 members who were active as of July 1, 1982, and who terminate their employment after July 1, 1982, are entitled to a refund of contributions plus Pensions Board-approved interest if they do not qualify for a pension or if they waive their pension entitlements.

Tier 3 members of Pensions must be at least age 50 with 10 or more years of service to be entitled to a service pension. Annual pension benefits are equal to 20% of the monthly average of a member's salary during any 12 consecutive months of service as a Plan member (one-year average compensation), increasing for each year of service over 10 years, to a maximum of 70% for 30 years. Tier 3 provides for post-employment COLAs based on the CPI to a maximum of 3% per year. The City Council may grant an ad-hoc COLA no more than every three years, subject to certain conditions. Members who terminate their employment are entitled to a refund of contributions plus Board-approved interest if they do not qualify for a pension or if they waive their pension entitlements.

Tier 4 members of Pensions must have at least 20 years of service to be entitled to a service pension. There is no minimum age requirement. Annual pension benefits are equal to 40% of their one-year average compensation, increasing for each year of service over 20 years, to a maximum of 70% for 30 years. Tier 4 provides for post-employment COLAs based on the CPI to a maximum of 3% per year.

NOTE 5 – OTHER INFORMATION (Continued)

The City Council may grant an ad-hoc COLA no more than every three years, subject to certain conditions. Members who terminate their employment before they are eligible for pension benefits do not receive a refund of contributions.

Tier 5 members of Pensions must be at least age 50, with 20 or more years of service, to be entitled to a service pension. Annual pension benefits are equal to 50% of their one-year average compensation, increasing for each year of service over 20 years, to a maximum of 90% for 33 years. Tier 5 provides for post-employment COLAs based on the CPI to a maximum of 3% per year. However, any increase in the CPI greater than 3% per year is placed into a COLA bank for use in years in which the increase in CPI is less than 3%. The City Council may also grant a discretionary ad-hoc COLA no more than every three years, subject to certain conditions. Members who terminate their employment are entitled to a refund of their contributions plus Board-approved interest if they do not qualify for a pension or if they waive their pension entitlements.

Tier 6 members of Pensions must be at least age 50, with 20 or more years of service, to be entitled to a service pension. Annual pension benefits are equal to 40% of their two-year average compensation, increasing for each year of service over 20 years, to a maximum of 90% for 33 years. Tier 6 provides for post-employment COLAs based on the CPI to a maximum of 3% per year. However, any increase in the CPI greater than 3% per year is placed into a COLA bank for use in years in which the increase in CPI is less than 3%. The City Council may also grant a discretionary ad-hoc COLA no more than every three years, subject to certain conditions. Members who terminate their employment are entitled to a refund of their contributions plus Board-approved interest if they do not qualify for a pension or if they waive their pension entitlements.

Benefits Provided by LACERS

Members of LACERS have a vested right to their own contributions and accumulated interest posted to their accounts. Generally, after five years of employment, members are eligible for future retirement benefits, which increase with length of service. If a member who has five or more years of continuous City service terminates employment, the member has the option of receiving retirement benefits when eligible or having his or her contributions and accumulated interest refunded. Benefits are based upon age, length of service, and compensation.

LACERS' Tier 1 members are eligible to retire with unreduced benefits if they have 10 or more years of continuous City service at age 60, or at least 30 years of City service at age 55, or with any years of City service at age 70 or older. members also are eligible to retire with age-based reduced benefits after reaching age 55 with 10 or more years of continuous City service, or at any age with 30 or more years of City service. Full (unreduced) retirement benefits are determined as 2.16% of the member's average monthly salary during the member's last 12 months of service, or during any other 12 consecutive months of service designated by the member, multiplied by the member's years of service credit. Members with five years of continuous service are eligible for disability retirement, and the benefits are determined as 1/70 of the member's final average monthly salary for each year of service or 1/3 of the member's final average monthly salary, if greater. Upon an active member's death, refund of the member's contributions plus a limited pension benefit equal to 50% of monthly salary will be paid up to 12 months, or survivor benefits will be paid to an eligible spouse or qualified domestic partner if such member was eligible to retire. Upon a retired member's death, modified or unmodified allowance is continued to an eligible spouse or qualified domestic partner in addition to payment of a funeral allowance.

NOTE 5 – OTHER INFORMATION (Continued)

LACERS' Tier 2 members are eligible to retire with 10 or more years of continuous City service at age 65, or at age 70 or older regardless of length of City service. Members also are eligible to retire with an age-based reduced benefits after reaching age 55 with 10 or more years of continuous City service. Full (unreduced) retirement benefits are determined as 2.00% of the member's average monthly salary during the member's last 36 months of service, or during any other 36 consecutive months of service designated by the member, multiplied by the member's years of service credit. Members with 10 years of continuous service are eligible for disability retirement, and the benefits are determined as 1/90 of the member's final average monthly salary for each year of service. Upon an active member's death, refund of the member's contributions plus a limited pension benefit equal to 50% of monthly salary up to 12 months will be paid; optional survivor benefits will be paid if such member was eligible to retire. For retired members, the only death benefits will be the funeral allowance unless the retiree elected at the time of retirement to take a reduced allowance in order to provide for a continuance. There were no Tier 2 members who retired during this reporting period.

Retirement allowances are indexed annually for inflation. The Board has authority to determine, no later than May 1st of each year, the average annual percentage change in the CPI for the purpose of providing a COLA to the benefits of eligible members and beneficiaries in July. The adjustment is based on the prior year's change of Los Angeles area CPI subject to a maximum of 3.0% for Tier 1 members or 2.0% for Tier 2 members. The excess over the maximum will be banked for Tier 1 members only.

Benefits Provided by DWP Plans

The DWP Plans' Retirement Fund consists of both defined contribution and defined benefit elements. Certain members vest in the defined contribution element (annuity) after one year of service. Members vest in the defined benefit element (pension) only after qualifying for retirement and meeting the criteria for the formula pension. Generally, new and returning employees of DWP become eligible for membership on the first day of the payroll period following entry into DWP service. New eligible employees must complete 26 weeks of continuous service before becoming entitled to disability and/or death benefits. In fiscal year 2014, the City and DWP agreed to a new tier of retirement benefits for new hires.

Tier 1 members of DWP Plans are eligible for normal retirement at age 60. Early retirement at age 55 is generally available if the member has been with the DWP for 10 or more years of the last 12 years before retirement. Members with 30 or more years may retire at any age and receive unreduced benefits within a certain limited period (this option expired on October 31, 2005). Upon qualifying for retirement, Tier 1 members will also qualify for a formula pension if they have been employed by the DWP for at least five years before retirement and have been a contributing member for at least four of five years immediately preceding retirement or while eligible to retire (or during any of those four years if they were receiving either disability benefits under the Disability Benefit Plan or payments under any Workers' Compensation Law). Eligible Tier 1 members are entitled to an annual retirement benefit, payable monthly for life currently in an amount equal to a retirement factor of 2.1% of their highest average salary, for each year of credited service. Members who have at least 30 years of service credit and are at least 55 years of age (and represented by a bargaining unit that has negotiated this benefit) are entitled to a retirement factor of 2.3% in the calculation of their retirement allowance. "Highest average salary" is defined as the employee's average salary, excluding overtime, over the highest 26 consecutive contributing payroll periods.

NOTE 5 – OTHER INFORMATION (Continued)

Retirees who are receiving a formula pension are entitled to annual COLA. Adjustments are applied each July 1 based on the CPI (Los Angeles-Riverside-Orange County, CA – All Items) as published by the Bureau of Labor Statistics of the United States Department of Labor CPI for each of the two immediately preceding calendar years. The maximum adjustment, positive or negative, is 3% in any one year.

Tier 2 members of DWP Plans are eligible for normal retirement at age 60 with at least ten years of service (5 years must be as a contributing member and/or receiving either disability benefits under the Disability Benefit Plan or payments under any Workers' Compensation Law). A reduced benefit for early retirement at any age is generally available if the member has at least thirty years of service. Members with 30 or more years of credited service may retire at age 55 and receive unreduced benefits.

Eligible Tier 2 members are entitled to an annual retirement benefit, payable monthly for life currently in an amount equal to a retirement factor multiplying each year of credited service, and then multiplying their highest average salary. The specific retirement factor is based on the combination of member's age and credited service as follows:

- 1.5% at age 60 with 10 years
- 2.0% at age 55 with 30 years
- 2.0% at age 63 with 10 years
- 2.1% at age 63 with 30 years

"Final average salary" is defined as the employee's average salary, excluding overtime, over the highest 78 consecutive payroll periods. A member's monthly pension amount is capped at 80% of one's highest average salary. Retirees who are receiving a formula pension are entitled to annual COLA. Adjustments are applied each July 1 based on the CPI for each of the two immediately preceding calendar years. The maximum adjustment, positive or negative, is 2% in any one year. Members may purchase additional post-retirement COLA coverage, not to exceed an additional 1% per year, at full actuarial cost to DWP Plan.

Most employees of the DWP become members of the Plan effective on the first day of biweekly payroll following employment or immediately following transfer from another city department. Members employed prior to January 1, 2014 are designated as Tier 1 and those hired on or after January 1, 2014 are designated as Tier 2 (unless a specific exemption applies to employee providing a right to Tier 1 status).

For both tiers, combined years of service between the DWP Plan and LACERS is used to determine retirement eligibility and at least 5 years must be actual employment at the Department or City (not purchased). For both tiers, members receiving Permanent Total Disability benefits may retire regardless of age. For Tier 1, to be eligible for a Formula Pension, the employee must have worked or been paid disability four of the last five years immediately preceding eligibility to retire or while eligible to retire.

NOTE 5 – OTHER INFORMATION (Continued)**Contribution Information****Member Contributions**Pensions

As a condition of participation, members are required to contribute a percentage of their salaries to the Pensions. Tier 1 members were required by the City Charter to contribute 6% of salary. The Pensions' actuary recommended that Tier 2 members contribute 1% in addition to the 6% rate provided in the City Charter, for a total of 7% of salary. Tiers 3 and 4 members are required to contribute 8% of salary. Tier 5 members are required to contribute 9% of salary. However, the City shall pay 1% of the Tier 5 required contribution rate contingent on the Pensions remaining at least 100% actuarially funded for pension benefits. Since July 1, 2006, Tier 5 members have been required to contribute 9% of salary because the Pensions has remained less than 100% actuarially funded for pension benefits as determined by the actuary. Tier 6 members are required to contribute 9% of salary for regular pension contributions. Tier 6 members are also required to make an additional pension contribution of 2% of salary to support the City's ability to fund retiree health benefits.

LACERS

As a result of the 2009 Early Retirement Incentive Program (ERIP) ordinance, which stipulates a 1% increase in the member contribution rate for all employees for a period of 15 years (or until the ERIP Cost obligation is fully recovered, whichever comes first), and the new ordinances adopted by the City Council in 2011 requiring additional contributions in exchange for a vested right to future increases in the maximum retiree medical subsidy, most of the members contribute 11% of pay as of June 30, 2015.

The initial contribution rate for Tier 2 members is 10% of their pensionable salary for the first four years. The Board of LACERS will establish the Tier 2 members' contribution rate every three years thereafter, with the first such determination to be effective July 1, 2017. The contribution rate shall be an actuarially determined rate sufficient to fund 75% of normal cost and 50% of any unfunded liability for Tier 2. Unlike Tier 1, Tier 2 member contribution is paid solely for the purpose of providing benefits for the member only and does not include a survivor contribution.

DWP Plans

Retirement contributions are determined by a member's Tier designation. Covered Tier 1 employees continue to contribute 6% of their annual covered payroll upon becoming a member on or after June 1, 1984. Employees entering the DWP Plans before June 1, 1984 contribute an amount based upon an entry-age percentage rate. If an employee leaves or dies while employed, employee contribution plus credited interest is refundable. After one year of membership, the employee may leave his or her contribution on account with the DWP Plans along with DWP's matching contributions and receive a money purchase allowance at retirement age. A surviving spouse of an employee who dies while eligible to retire or with at least 25 years of service may elect to receive a monthly allowance from the DWP Plans' Retirement Fund for life rather than a refund of the employee's contributions and interest.

NOTE 5 – OTHER INFORMATION (Continued)

Covered Tier 2 employees are required to contribute 10% of their annual covered payroll upon becoming a member. A Tier 2 member has the same benefits as a Tier 1 member upon termination or death while employed with a single exception. A Tier 2 member will not receive a money purchase allowance with vesting after one year. Instead a Tier 2 member will only receive a formula pension if one is at age 60 and has at least 15 years of credited service.

Employer ContributionsPensions

The City Charter specifies that the City will make contributions of an amount equal to the City's share of defined entry age normal costs each year and also the following:

For members of Tiers 1 and 2, a dollar amount or percentage necessary to amortize the "unfunded liability" of Pensions over a 70-year period, beginning with the fiscal year commencing July 1, 1967. Under Tiers 3, 4, and 5, any "unfunded liability" resulting from Pensions amendments shall be amortized over a 25-year period, and actuarial experience gains and losses shall be amortized over a 20-year period. For Tier 6, the unfunded liabilities shall be funded in accordance with the actuarial funding method adopted by the Board upon the advice of the consulting actuary. Charter Amendment G, effective April 8, 2011, now provides that with the advice of the consulting actuary, the Pensions Board shall establish amortization policies for unfunded actuarial accrued liabilities and surpluses for all Tiers.

Accordingly, the City's contributions as determined by the Pensions' actuary, net of early payment discount, for the fiscal year ended June 30, 2015, were as follows (in millions):

	Fire and Police						Harbor Port Police	
	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6	Tier 5	Tier 6
Entry age normal cost	\$ --	\$ 1.98	\$ 16.22	\$ 6.34	\$ 224.44	\$ 4.72	\$ 2.46	\$ 0.02
Unfunded supplemental present value amount	16.42	43.62	18.10	10.03	131.90	3.48	1.15	0.01

During fiscal year 2015, total employer contributions of \$480.3 million were made in accordance with actuarially determined contribution requirements through an actuarial valuation performed at June 30, 2013. The contributions of \$480.3 million included \$256.2 million for entry age normal cost and \$224.7 million for the unfunded supplemental present value annual amount.

LACERS

The Los Angeles City Charter Sections 1158 and 1160 provide for periodic actuarially determined employer contribution rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate the required assets to pay benefits when due. For the fiscal year ended June 30, 2015, the actuarially determined contribution of the employer to the Retirement Plan by the City was 21.5% of covered payroll, based on the June 30, 2013 actuarial valuation. Upon closing the fiscal year 2015, LACERS re-calculated employer contributions using actual payroll incurred during the fiscal year, which was smaller than projected covered payroll used by the City to make the advance payment at the beginning of the fiscal year. As a result, employer contributions received for LACERS was \$14.2 million more, and it was returned to the employer as a credit toward employer contribution for fiscal year 2016. Based on actual payroll, the effective rate of employer contribution for LACERS was 20.8%.

NOTE 5 – OTHER INFORMATION (Continued)

The total contributions to LACERS of \$588.9 million for the year ended June 30, 2015, consisted of the following (in thousands):

Required Contributions	\$	381,141
Family Death Benefit Plan		158
Total City Contributions		381,299
Member Contributions		207,564
Total Contributions	\$	588,863

The required City contribution of \$381.1 million was equal to 100% of the actuarially determined employer contribution. Member contributions of \$207.6 million were made toward the retirement and voluntary family death benefits.

DWP Plans

DWP contributes \$1.10 for each \$1.00 contributed by participants plus an actuarially determined annual required contribution (ARC) as determined by the Plan's independent actuary. The required contributions are allocated between the Power System and the Water System based on the current year labor costs.

Employer contribution rates are adopted annually based upon recommendations received from the Plan's actuary after the completion of the annual actuarial valuation. The average employer contribution rate as of June 30, 2014 (based on the July 1, 2013 valuation) was 47.3% of compensation. The average member contribution rate as of June 30, 2014 (based on the July 1, 2013 valuation) was 6.7% of compensation. Most Tier 1 members contribute at 6.0% of compensation and all Tier 2 members contribute at 10.0% of compensation.

Net Pension Liability

The Net Pension Liability (NPL) of Pensions was measured as of June 30, 2014 based upon the Fiduciary Net Position (FNP) valued on the measurement date while the Total Pension Liability (TPL) was determined based upon rolling forward the TPL from actuarial valuation as of June 30, 2013. The TPL was remeasured as of June 30, 2014 to reflect actuarial assumptions that the Pensions Board approved for use in the pension funding as of June 30, 2014.

LACERS' NPL was measured as of June 30, 2014 and determined based upon the FNP and TPL from actuarial valuation as of June 30, 2014.

The NPL of DWP Plans was measured as of June 30, 2014 and determined based upon the results of the actuarial valuation as of July 1, 2014. The FNP and TPL were valued as of the measurement date of June 30, 2014.

The City's total pension liability, fiduciary net position and net pension liability as of June 30, 2015 were as follows (in thousands):

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability	Fiduciary Net Position as % of Total Pension Liability
Pensions	\$ 18,861,993	\$ 16,989,705	\$ 1,872,288	90.07%
LACERS	16,248,853	11,791,079	4,457,774	72.57%
DWP Plans	10,975,551	9,703,317	1,272,234	88.41%
Totals	\$ 46,086,397	\$ 38,484,101	\$ 7,602,296	

NOTE 5 – OTHER INFORMATION (Continued)**Changes in Net Pension Liability**

The components of the net pension liabilities of Pensions, LACERS and DWP Plans determined in accordance with GASB Statement No. 68 as of the measurement date of June 30, 2014 were as follows (in thousands):

	Pensions	LACERS	DWP Plans	Totals
Total Pension Liability				
Beginning balance	\$ 18,264,528	\$ 14,881,663	\$ 10,094,868	\$ 43,241,059
Service cost	368,018	317,185	193,661	878,864
Interest	1,392,553	1,149,966	779,397	3,321,916
Benefit payments	(858,986)	(721,153)	(463,597)	(2,043,736)
Experience gains	(234,638)	(164,247)	(154,222)	(553,107)
Assumption changes	(69,482)	785,439	525,444	1,241,401
Net Change	597,465	1,367,190	880,683	2,845,338
Ending balance	18,861,993	16,248,853	10,975,551	46,086,397
Fiduciary Net Position				
Beginning balance	14,680,373	10,154,486	8,304,011	33,138,870
Employer contributions	440,698	357,649	389,138	1,187,485
Member contributions	124,395	203,975	72,300	400,670
Net investment income	2,617,090	1,810,782	1,405,686	5,833,558
Benefit payments	(858,986)	(721,153)	(463,597)	(2,043,736)
Administrative expenses	(13,865)	(12,372)	(4,221)	(30,458)
Other-Transfer to larger				
Annuity reserve	--	(2,288)	--	(2,288)
Net change	2,309,332	1,636,593	1,399,306	5,345,231
Ending balance	16,989,705	11,791,079	9,703,317	38,484,101
Net Pension Liability	\$ 1,872,288	\$ 4,457,774	\$ 1,272,234	\$ 7,602,296

NOTE 5 – OTHER INFORMATION (Continued)**Sensitivity of the Net Pension Liabilities to Changes in Discount Rates**

The pension plans used a discount rate of 7.50 percent to measure the total pension liability for the measurement date of June 30, 2014. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rates for each tier and that employer contributions will be made at rates equal to the actuarially determined contribution rates for each tier. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2015 based on the measurement date of June 30, 2014.

The net pension liability changes when there are changes in the discount rate. The following presents the net pension liabilities calculated using the discount rate of 7.50 percent, as well as what the net pension liabilities would be if they were calculated using a discount rate that is 1-percentage point lower (6.50 percent) or 1-percentage point higher (8.50 percent) than the current rate (7.50 percent) (in thousands):

	Pensions	LACERS	DWP Plans
1% Decrease (6.50%)	\$ 4,386,029	\$ 6,655,035	\$ 2,683,223
Current discount rate (7.50%)	1,872,288	4,457,774	1,272,234
1% Increase (8.50%)	(192,812)	2,631,738	87,350

NOTE 5 – OTHER INFORMATION (Continued)**Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources**

The City recognized the following pension expenses, deferred outflows of resources and deferred inflows of resources as of June 30, 2015 (in thousands):

	Pension Expense			
	Pensions	LACERS	DWP Plans	Totals
Service cost	\$ 368,018	\$ 317,185	\$ 193,661	\$ 878,864
Interest on the total pension liability	1,392,553	1,149,877	779,397	3,321,827
Expensed portion of current-period difference between expected and actual experience in the total pension liability	(41,020)	(28,803)	(30,063)	(99,886)
Expensed portion of current-period changes of assumptions or other inputs	(12,147)	139,758	102,426	230,037
Member contributions	(124,395)	(203,975)	(72,300)	(400,670)
Projected earnings on plan investments	(1,155,860)	(792,927)	(643,314)	(2,592,101)
Expensed portion of current-period differences between actual and projected earnings on plan investments	(292,246)	(203,571)	(152,474)	(648,291)
Administrative expense	13,865	12,372	4,221	30,458
Recognition of beginning of year deferred inflows of resources as pension expense	--	--	(88,194)	(88,194)
	<u>\$ 148,768</u>	<u>\$ 389,916</u>	<u>\$ 93,360</u>	<u>\$ 632,044</u>

	Deferred Outflows of Resources			
	Pensions	LACERS	DWP Plans	Totals
Changes in proportion and differences between employer's contributions and proportionate share of contributions	\$ --	\$ 20,170	\$ 5,711	\$ 25,881
Changes of assumptions or other inputs	--	645,681	423,018	1,068,699
	<u>\$ --</u>	<u>\$ 665,851</u>	<u>\$ 428,729</u>	<u>\$ 1,094,580</u>

Pension contributions made after the measurement date of June 30, 2014 by the governmental activities and business-type activities of \$788.7 million and \$454.9 million, respectively, were recognized as deferred outflow of resources in FY2015. The total of \$1,234.6 million will be recognized as a reduction of the net pension liability in the year ending June 30, 2016.

NOTE 5 – OTHER INFORMATION (Continued)

	Deferred Inflows of Resources			
	Pensions	LACERS	DWP Plans	Totals
Changes in proportion and differences between employer's contributions and proportionate share of contributions	\$ --	\$ 20,170	\$ 5,710	\$ 25,880
Changes of assumptions or other inputs	57,335	--	--	57,335
Net difference between projected and actual earnings on investments	1,168,984	814,284	818,338	2,801,606
Difference between expected and actual experience in total pension liability	193,617	133,069	184,793	511,479
	<u>\$1,419,936</u>	<u>\$ 967,523</u>	<u>\$1,008,841</u>	<u>\$3,396,300</u>

The other net amount of deferred outflows of resources and deferred inflows of resources related to pensions that will be recognized in pension expense during the next five years are as follows (in thousands):

Reporting Date Under GASB 68 Year Ending June 30	Pensions	LACERS	DWP Plans
2016	\$ (345,414)	\$ (92,616)	\$ (168,306)
2017	(345,414)	(92,616)	(168,306)
2018	(345,414)	(92,616)	(168,306)
2019	(345,414)	(92,616)	(84,603)
2020	(38,280)	68,792	9,409

NOTE 5 – OTHER INFORMATION (Continued)**Long-term Expected Rate of Return on Plan Investments**

The discount rate used to measure the total pension liability is 7.50%. The Investment Return (discount rate) was defined by the actuary as the rate of earnings of pensions from its investments, including interest, dividends, and capital gain and loss of adjustments, computed as a percentage of the average value of the fund. For actuarial purposes, the investment return often reflects a smoothing of the capital gains and losses to avoid significant swings in the value of assets from one year to the next.

The long-term expected rate of return on pension investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and deducting expected investment expenses. The target allocation and projected arithmetic real rates of return for each measurement class, after deducting inflation, but before reduction for investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized as follows:

Asset Class	Pensions		LACERS		DWP Plans	
	Long-term Expected Rate of Return As of Measurement		Long-term Expected Rate of Return As of Measurement		Long-term Expected Rate of Return As of Measurement	
	Target Allocation	Date of June 30, 2014	Target Allocation	Date of June 30, 2014	Target Allocation	Date of June 30, 2014
Large cap U.S. equity	23.00%	6.03%	20.40%	5.90%	--	--
Small cap U.S. equity	6.00%	6.71%	3.60%	6.60%	--	--
Developed international equity	16.00%	6.71%	21.70%	7.00%	21.00%	7.00%
Emerging markets equity	5.00%	8.02%	7.30%	8.50%	--	--
Domestic equity	--	--	--	--	33.00%	6.13%
U.S. core fixed income	14.00%	0.52%	--	--	24.00%	0.77%
Core bonds	--	--	16.50%	0.70%	--	--
High yield bonds	3.00%	2.81%	2.50%	2.90%	--	--
Real estate	10.00%	4.73%	--	--	5.00%	4.90%
Real return	--	--	--	--	6.00%	2.85%
Private real estate	--	--	5.00%	4.70%	--	--
Private equity	--	--	12.00%	10.50%	5.00%	9.00%
Covered calls	--	--	--	--	5.00%	4.88%
Public real estate	--	--	5.00%	3.40%	--	--
Credit opportunities	--	--	5.00%	3.10%	--	--
Treasury inflation protected securities	5.00%	0.43%	--	--	--	--
Commodities	5.00%	4.67%	--	--	--	--
Cash	1.00%	--	1.00%	-0.50%	1.00%	--
Unconstrained fixed income	2.00%	2.50%	--	--	--	--
Private equity	10.00%	9.25%	--	--	--	--
	<u>100.00%</u>		<u>100.00%</u>		<u>100.00%</u>	

NOTE 5 – OTHER INFORMATION (Continued)**Actuarial Methods and Assumptions**

Significant actuarial methods and assumptions used to determine the total pension liabilities for the reporting period of June 30, 2015 are as follows:

	Pensions	LACERS	DWP Plans
Measurement date	June 30, 2014	June 30, 2014	June 30, 2014
Valuation date	June 30, 2013 but remeasured as of June 30, 2014	June 30, 2014	July 1, 2014
Inflation rate	3.25%	3.25%	3.25%
Actuarial cost method	Entry age normal actuarial cost method	Entry age cost method	Entry age normal actuarial cost method
Actuarial assumptions:			
Salary increases	4.75% to 11.50%	4.40% to 10.50%	4.75% to 10.00%
Investment rate of return	7.50%	7.50%	7.50%
Mortality rates:			
Healthy	RP-2000 Combined Healthy Mortality Table (separate for males and females), projected to 2022, with scale BB set back one year for members and set forward one year for beneficiaries.	RP-2000 Combined Healthy Mortality Table (separate for males and females), projected to 2020, with scale BB set back one year for males with no set back for females.	RP-2000 Combined Healthy Mortality Table with ages set back one year, projected to 2030 with scale AA.
Disabled	RP-2000 Combined Healthy Mortality Table (separate for males and females), projected to 2022, with scale BB set forward one year.	RP-2000 Combined Healthy Mortality Table projected with scale BB to 2020, set forward seven years for males and set forward eight years for females.	RP-2000 Combined Healthy Mortality Table with ages set one year, projected to 2030 with scale AA.
Actuarial Experience Study	July 1, 2010 to June 30, 2013	July 1, 2011 to June 30, 2014	July 1, 2009 to June 30, 2012

NOTE 5 – OTHER INFORMATION (Continued)**Other Postemployment Benefits (OPEB)**

The City Charter, the Administrative Code and related ordinance define the postemployment healthcare benefits. There are no member contributions for healthcare benefits. The City's OPEB and net OPEB obligations for LACERS and Pensions are generally liquidated by the General Fund, Airports and Harbor Enterprise funds; and the General Fund and Harbor Enterprise funds, respectively.

Annual OPEB Cost and Net OPEB Asset (Liability)

The City's annual OPEB cost for the current year, net OPEB asset (liability) at the end of the fiscal year, and related information for each plan are as follows (in thousands):

	<u>Pensions OPEB</u>	<u>LACERS OPEB</u>	<u>DWP OPEB</u>
Annual required contribution rates	11.3% of covered payroll	5.3% of covered payroll	8.0% of covered payroll
Annual required contribution	\$ 159,487	\$ 100,467	\$ 73,354
Interest on net OPEB asset (liability)	10,100	--	(75,980)
Adjustment to annual required contribution	(8,721)	--	70,776
Annual OPEB cost	<u>160,866</u>	<u>100,467</u>	<u>68,150</u>
Contributions made	<u>159,487</u>	<u>100,467</u>	<u>73,343</u>
Change in net OPEB asset (liability)	(1,379)	--	5,193
Net OPEB asset (liability) - beginning of year	<u>(130,319)</u>	<u>--</u>	<u>978,231</u>
Net OPEB asset (liability) - end of year	<u>\$ (131,698)</u>	<u>\$ --</u>	<u>\$ 983,424</u>

During the 2011 fiscal year, the City adopted an ordinance to limit the maximum medical subsidy at \$1,190 for those LACERS' members who retire on or after July 1, 2011. However, LACERS' members, who at any time prior to retirement, contribute the additional 2% or 4% of pay are exempted from the subsidy cap and obtain a vested right to future increases in the maximum medical subsidy at an amount not less than the dollar increase in the Kaiser two-party non-Medicare Part A and Part B premium. As of June 30, 2015, approximately 99% of non-retired members were making the additional contributions, and therefore were not subject to the medical subsidy cap. Postemployment healthcare benefits for the Tier 2 members differ from those for the Tier 1 members in their annual subsidy accrual after 10 years of service; Tier 1 earns 4% per year while Tier 2 earns 3% per year. Spouses/domestic partners of Tier 2 members are not entitled to LACERS's postemployment healthcare benefits.

For fiscal year 2015, the employer contributions for Pensions, LACERS, and DWP OPEB were \$159.5 million, \$100.5 million and \$73.3 million, respectively.

NOTE 5 – OTHER INFORMATION (Continued)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plans, and the net OPEB asset (liability) for fiscal year 2015 and the two preceding years for each of the plans are as follows (amounts in thousands):

	Year Ended	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Asset (Liability)
Pensions OPEB	6/30/13	\$ 144,569	99 %	\$ (128,780)
	6/30/14	149,887	99	(130,319)
	6/30/15	160,866	99	(131,698)
LACERS OPEB	6/30/13	72,916	100	--
	6/30/14	97,841	100	--
	6/30/15	100,467	100	--
DWP OPEB	6/30/13	38,311	180	954,690
	6/30/14	51,084	146	978,231
	6/30/15	68,150	108	983,424

Funded Status and Funding Progress

The following is funded status information for each plan as of June 30, 2015 (amounts in thousands):

	Pensions OPEB	LACERS OPEB	DWP OPEB
Actuarial Accrued Liability (AAL)	\$ 2,962,703	\$ 2,646,989	\$ 1,956,230
Actuarial Value of Assets	1,344,333	2,108,925	1,637,578
Unfunded AAL	\$ 1,618,370	\$ 538,064	\$ 318,652
Funded Ratio	45.4%	79.7%	83.7%
Covered Payroll	\$ 1,405,171	\$ 1,907,665	\$ 920,781
Unfunded AAL as a percentage of covered payroll	115.2%	28.2%	34.6%

Actuarial valuations of ongoing plans involve estimates of the value of reported amounts and assumptions about the probability of occurring events far into the future. Amounts determined regarding the funded status of the plans and the annual required contributions of the City are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits. It was updated for the actuarial valuation date of June 30, 2015 for Pensions and LACERS and July 1, 2015 for DWP Plans and presented as RSI following the notes to financial statements.

NOTE 5 – OTHER INFORMATION (Continued)

Although no formal funding policy has been established for the future benefits to be provided under this plan, DWP has made significant contributions into the Retiree Health Benefits Fund (DWP Retiree Fund) during previous years. In fiscal year 2015, DWP paid \$73.3 million in retiree medical premiums. No additional transfer to the DWP Retiree Fund was made in fiscal year 2015. The Power and Water Enterprise Funds' portion of retiree medical premium payments was \$47.8 million and \$25.5 million, respectively.

The contribution rates for the LACERS and Pensions OPEB for the City for the fiscal year ended June 30, 2015 were established in accordance with actuarially determined requirements computed based on June 30, 2013 actuarial valuations, except for the DWP Plans OPEB, which was based on the July 1, 2015 valuation.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and historical pattern of sharing of benefit costs between the City and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in AAL and the actuarial value of assets, consistent with the long-term perspective of the calculations.

NOTE 5 – OTHER INFORMATION (Continued)

The significant actuarial methods and assumptions used to compute the actuarially determined Pensions' OPEB funded status and annual required contributions, are as follows:

	Pensions OPEB	
	June 30, 2015	June 30, 2013
Actuarial valuation date	June 30, 2015	June 30, 2013
Actuarial cost method	Entry age normal, level percent of pay	Entry age normal, level percent of pay
Amortization method	Closed amortization periods	Closed amortization periods
Remaining amortization period	19 years for bases established on June 30, 2014; 24 years for assumption change base established on June 30, 2014; 20 years for bases established on June 30, 2015	23 years for bases established prior to June 30, 2012; 19 years for assumption change base established on June 30, 2012; 20 years for bases established on June 30, 2013
Asset valuation method	Market value of assets less unrecognized return in each of the last 7 years.	Market value of assets less unrecognized return in each of the last 5 years.
Actuarial assumptions:		
Investment rate of return	7.50%	7.75%
Projected salary increases	4.00%	4.25%
Inflation rate	3.25%	3.50%
Across-the-board pay increase	0.75%	0.75%
Healthcare cost trend rates		
Medical	6.75% in 2015-16, then decreasing by 0.25% for each year for 7 years until it reaches an ultimate rate of 5.00%	8.00% in 2013-14, then decreasing by 0.50% for each year for 6 years until it reaches an ultimate rate of 5.00%
Dental	5.00%	5.00%

NOTE 5 – OTHER INFORMATION (Continued)

The significant actuarial methods and assumptions used to compute the actuarially determined LACERS' OPEB funded status and annual required contributions, are as follows:

	LACERS OPEB	
	June 30, 2015	June 30, 2013
Actuarial valuation date	June 30, 2015	June 30, 2013
Actuarial cost method	Entry age cost method	Entry age, cost method, level percent of salary
Amortization method	Level percent of payroll	Level percent of payroll
Remaining amortization period	Multiple layers, closed amortization periods. Actuarial gains/losses are amortized over 15 years. Assumption or method changes are amortized over 15 to 20 years	Multiple layers. Actuarial gains/losses are amortized over 15 years. Assumption changes resulting from the triennial experience the study are amortized over 30 years.
Asset valuation method	Market value of assets less unrecognized returns in each of the last 7 years.	Market value of assets less unrecognized returns.
Actuarial assumptions:		
Investment rate of return	7.50%	7.75%
Projected salary increases	Ranges from 10.50% to 4.40%	N/A
Real across-the-board salary increase	0.75%	0.75%
Inflation rate	3.25%	3.50%
Healthcare cost trend rates		
Medical	6.75% decreasing by 0.25% for each year for 8 years until it reaches an ultimate rate of 5.00%	Actual increase for 2013-14, 7.75% started in the fiscal year 2015 graded down by 0.50% per year over 6 years to an ultimate rate of 5.00%
Dental	5.00%	5.00%

NOTE 5 – OTHER INFORMATION (Continued)

The significant actuarial methods and assumptions used to compute the actuarially determined DWP Plan's OPEB funded status and annual required contributions, are as follows:

	DWP Plans OPEB	
	June 30, 2015	June 30, 2014
Actuarial valuation date	June 30, 2015	June 30, 2014
Actuarial cost method	Entry age normal, level percent of pay	Entry age normal, level percent of pay
Amortization method	30-year amortization closed, level percent of pay	30-year amortization closed, level percent of pay
Remaining amortization period	20 years remaining as of June 30, 2015	21 years remaining as of June 30, 2014
Asset valuation method	Market value of assets less unrecognized returns in each of the last 5 years.	Market value of assets less unrecognized returns in each of the last 5 years.
Actuarial assumptions:		
Investment rate of return	7.50%	7.50%
Projected salary increases	4.00%	4.00%
Inflation rate	3.25%	3.25%
Healthcare cost trend rates		
Medical	6.75%, graded down to an ultimate rate of 5.00% over 7 years	7.00%, graded down to an ultimate rate of 5.00% over 8 years
Dental	5.00%	5.00%

Deferred Retirement Option Plan

Effective May 1, 2002, members of Pensions have the option to enroll in the Deferred Retirement Option Plan (DROP) under Section 4.2100 of the Administrative Code. Members of Tiers 2 and 4 who have at least 25 years of service, and members of Tiers 3 and 5 who have at least 25 years of service and who are at least age 50 are eligible for DROP. The Administrative Code was amended August 8, 2014 to add Tier 6 members. Members who enroll continue to work and receive their active salary for up to five years. Enrolled members continue to contribute to Pensions until they have completed the maximum number of years required for their tier, but cease to earn additional retirement service and salary credits. Monthly pension benefits that would have been paid to enrolled members are credited to their DROP accounts. DROP account balances earn interest at an annual rate of 5.0%.

NOTE 5 – OTHER INFORMATION (Continued)

Once the DROP participation period ends, enrolled members must terminate active employment. They then receive proceeds from their DROP account and a monthly benefit based on their service and salary at the beginning date of their DROP participation, plus applicable COLAs. At June 30, 2015, 1,277 pensioners were enrolled in the DROP program, with total estimated values of the DROP accounts of approximately \$280.8 million.

Two Percent Opt-In

On July 15, 2011, the City Council adopted an ordinance to permanently freeze the retiree health subsidies and reimbursements for members of Pensions who retired or entered DROP on or after July 15, 2011. This ordinance added language to the Los Angeles Administrative Code to freeze the maximum monthly non-Medicare subsidy at the July 1, 2011, rate of \$1,097.41 per month, and freeze the maximum monthly Medicare subsidy as of the January 1, 2011, rate of \$480.41 per month. However, the ordinance also provided that members may make an irrevocable election to contribute towards vesting increases in the maximum medical subsidy, as allowed by an applicable MOU. Members who opted-in to make additional pension contributions are entitled to the current maximum medical subsidy benefit and all future subsidy increases once they retire and become eligible to receive a subsidy. The opt-in period for the majority of the members began August 15, 2011 and closed September 29, 2011.

Patient Protection and Affordable Care Act

The Patient Protection and Affordable Care Act (PPACA) of 2010 contains a provision that would impose a 40% excise tax on the annual value of health plan costs that exceed certain dollar thresholds beginning in 2018.

LACERS and Pensions did not include the projected excise tax in the June 30, 2015 actuarial valuation. Both LACERS and Pensions estimate that if there is no change in the law or plan provisions between now and 2018, and if the current medical cost trend stays substantially the same during the same period, some of their postemployment health care benefits will be subject to the excise tax in 2018 and thereafter.

The impact of this potential excise tax was reflected in the DWP Plans' actuarial valuation as of June 30, 2015. For the purpose of the actuarial valuation, the thresholds in 2019 are indexed and assumed to increase by 4.25% over those in 2018. After 2019, the thresholds are assumed to increase by 3.25% (assumed CPI inflation) per year. Also, in this valuation, the allocation of the excise tax between the DWP Plans and retirees was based on the proportion of the health care cost expected to be paid by each party. The allocation is subject to future change based on composition of participant data. The estimated impact of any potential excise tax imposed by PPACA is continually reflected in the actuarial valuation.

B. Early Retirement Incentive Program

The City's Early Retirement Incentive Program (ERIP) in 2009 provided incentives for 2,400 members of LACERS to retire in the form of retirement benefit enhancement and/or separation pay incentives. Total severance and separation payment costs of \$89.4 million were paid out in two installments in fiscal years 2011 and 2012. ERIP cost obligation shall be an obligation of the LACERS' members and shall be cost-neutral to the City. To this end, the retirement benefits of employees retiring under ERIP shall be reduced by 1.0%. The ERIP ordinance stipulated a 1.0% increase in member contribution rate for all employees effective July 1, 2011, for a period of 15 years, or until the ERIP cost obligation is fully paid, whichever comes first.

NOTE 5 – OTHER INFORMATION (Continued)**C. Commitments and Contingencies****Contingencies****Governmental Activities**Pledges of Future Revenues

The City has pledged certain future revenues for the payment of certain outstanding long-term obligations. Discussions about pledged revenues are included in Note 4H on Long-Term Liabilities.

Pending Lawsuits and Claims

As mentioned in Note 4O, certain pending lawsuits and claims have a reasonable possibility of resulting in additional liability totaling approximately \$121.0 million as described below. However, no amount has been accrued in the accompanying financial statements because it is not probable that a loss has been incurred as of June 30, 2015.

Jack Fry, Gary Cline, Sandra Carlsen, Yvette Moreno, and Los Angeles Retired Fire & Police Association, Inc. v. City of Los Angeles, is a lawsuit filed by individual sworn employees regarding the City's action to freeze retiree health benefits for sworn employees who elect not to contribute to these benefits. On July 28, 2014, a Superior Court issued an interim order ruling that the petitioners have a vested right to a "non-frozen" health subsidy in retirement. The City appealed the Superior Court's decision. On November 12, 2014, the Court of Appeal granted the City's application for a Writ of Supersedeas, which stays the Superior Court's order pending the City's appeals and required the LAFPP Board to continue applying the retiree health care freeze ordinance.

Because the City receives federal funds from the U.S. Department of Housing and Urban Development (HUD), which it uses to fund housing developments, HUD's Office of Fair Housing and Equal Opportunity (FHEO) separately monitors City compliance with federal law. During three visits in late 2011, FHEO purportedly reviewed compliance with such laws, including the Americans with Disabilities Act (ADA). FHEO has conducted additional site inspections, and City staff and its outside attorney have been communicating with HUD officials. As of June 30, 2015, certain class action litigation filed against the City and courses of action under the ADA and Section 504 of the Rehabilitation Act are pending. Thereafter, a tentative settlement of the outstanding disputes was reached, which requires the City to prioritize its public works projects as related to public rights of ways (i.e., curb ramps and sidewalks) while maintaining minimum funding levels for the construction projects over a 30-year settlement period. On January 8, 2016, the Plaintiffs and City filed a motion with the U.S. District Court to approve the settlement terms reached by the parties. The Court is scheduled to hear the motion on February 9, 2016. Under the terms of the settlement, the City will incur approximately \$1.4 billion to generally cover the following: (1) the cost of sidewalk remediation, which is to be incurred over 30 years, (2) attorney's fees, and (3) service awards to the Plaintiffs. The settlement, however, is subject to the approval of the Court and subject to a fairness hearing, before becoming final. The date of the fairness hearing will be set by the Court.

The City Attorney was advised by letter dated November 30, 2011, that the Civil Fraud Section of the U.S. Department of Justice is investigating whether the City violated the False Claims Act in connection with certifications to HUD regarding compliance with federal accessibility laws and regulations for the disabled. The City has been cooperating with the investigation and continues to identify and locate documents requested by the U.S. Attorney. It is not possible to quantify the City's liability at this time.

NOTE 5 – OTHER INFORMATION (Continued)

City Repayments to Airports Enterprise Fund

In December 2009, two cases were settled that related to FAA's audit findings of improper payments by Airports' to the City General Fund. The cases involved compliance review by FAA of the transfer of Airports revenue funds to the City General Fund for the implementation of a joint strategic international marketing alliance, and the legality of the transfer of \$43.0 million out of approximately \$58.0 million representing condemnation proceeds received for certain City-owned property taken by the State for use in the construction of the Century Freeway. The settlement calls for a series of semi-annual payments over ten years through June 30, 2019 by the City General Fund to Airports totaling \$17.7 million plus 3.0% interest for a total of \$21.3 million. The installment payments will be offset against billings for actual cost of services provided by the City General Fund to Airports. At June 30, 2015, the outstanding principal amount of \$8.5 million payable beyond one year was reported under other noncurrent assets while the balance of \$2.7 million payable within one year was reported under unrestricted current assets.

Business-Type Activities

Airports Enterprise Fund

Los Angeles International Airport (LAX) Master Plan

The LAX Master Plan was adopted by the Board and approved by the City Council in 2004. It is a broad policy statement regarding the conceptual strategic framework for future improvements at LAX and describes how LAX can accommodate its appropriate share of the region's aviation demand, while balancing those needs with environmental concerns, safety and security, and the concerns of LAX's neighbors.

Settlement agreements were entered into by the City and several entities that filed lawsuits in connection with the LAX Master Plan. Among other things, the agreements require Airports to limit the number of terminal gates; involve the surrounding communities in project planning; provide funding for traffic and noise mitigation and abatement, job training and opportunities, street and street lighting improvements, and air quality and environmental programs; and develop a regional initiative to encourage passenger and cargo activity at other airports. Airports is continuing to perform its obligations pursuant to these agreements conditioned upon FAA's approval of expenditures and use of airport revenues for the specified purposes.

In connection with the approval of the LAX Master Plan, the City Council amended the City's general plan to include a component specific to LAX, the LAX Plan. Along with the approval of the LAX Master Plan in 2004, the City Council also adopted the LAX Specific Plan, an ordinance that establishes zoning and development regulations consistent with the LAX Plan. The LAX Specific Plan required Airports to prepare a Specific Plan Amendment Study (SPAS) to address, among other things, security, traffic, aviation activity, and corresponding environmental analysis consistent with the California Environmental Quality Act (CEQA).

NOTE 5 – OTHER INFORMATION (Continued)

On February 5, 2013, the board certified the Environmental Impact Report (EIR) prepared for the LAX SPAS under CEQA and determined that the LAX SPAS was complete. It also selected the Staff-Recommended Alternative, including the proposed amendments to Section 7.H of the LAX Specific Plan and all amendments to the City's general plan, including the LAX Plan, and the LAX Specific Plan, as the best alternative to the problems that the so-called "Yellow Lights Projects" were designed to address, subject to future detailed planning, engineering, and project-level environmental review, such as project-level review of individual improvements under CEQA and the evaluation and approval processes of FAA. Approval of the SPAS Staff-Recommended Alternative would provide the platform from which the specific details of the proposed improvements would be further defined and evaluated in connection with current and future FAA standards.

On April 30, 2013, the City Council certified the LAX SPAS EIR and selected the Staff-Recommend Alternative, subject to the same provisions set forth above. On May 30, 2013, the Alliance for a Regional Solution to Airport Congestion, the City of Inglewood, the City of Culver City, the City of Ontario, the County of San Bernardino, and SEIU United Service Workers West (Petitioners) filed three separate petitions for writ of mandate in the Los Angeles Superior Court against the City alleging that the SPAS final environmental impact report (SPAS Final EIR) was not completed in compliance with CEQA and requested, among other things, the Court to set aside all approvals based upon the SPAS Final EIR. The three cases were deemed related on June 24, 2013, and consolidated on September 18, 2013. On February 28, 2014, they were transferred to the Ventura County Superior Court. Certification of the administrative record was completed on June 12, 2015. Petitioners' opening briefs were filed on July 31, 2015. Respondents' opposition briefs were filed on September 30, 2015. On December 28, 2015, Petitioners City of Ontario and County of San Bernardino dismissed their lawsuit without prejudice. A decision is expected to be issued by April 25, 2016.

Terminal Leases

In January 2007, American Airlines, Inc. ("American") filed a complaint in Federal District Court alleging that Airports had imposed new maintenance and operation charges in violation of its lease at LAX. In 2008, Airports and American entered into an interim settlement agreement (the "ISA") and pursuant to the ISA, the parties filed a joint stipulation for dismissal of the litigation without prejudice to renew litigation. In January 2014, American and Airports entered into a settlement agreement ("Final Settlement") which settled, among other things, the maintenance and operation charges in the lease. Under the Final Settlement, Airports and American agreed that the dismissal filed in 2008 was deemed to be a dismissal with prejudice; American paid \$14.0 million in compromise and settlement of all disputes regarding the maintenance and operation charges for the period from January 2011 through December 2013; and Airports paid for the purchase of certain pavement and terminal improvements, busing credit related to the employee parking lot, and Terminal 4 connector design plans.

Aviation Security

Concerns about the safety and security of airline travel and the effectiveness of security precautions may influence passenger travel behavior and air travel demand, particularly in the light of existing international hostilities, potential terrorist attacks, and world health concerns. Intensified security precautions have been instituted by government agencies, airlines, and airport operators since the September 11, 2001 terrorist attacks. Intelligence reports have indicated that LAX was a target of a terrorist bombing plot as well as a potential terrorist target. Airports is unable to predict: (a) the likelihood of future incidents of terrorism and other airline travel disruptions; (b) the impact of the aforementioned security issues on its operations and revenues; and (c) financial impact to the airlines operating at Airports.

NOTE 5 – OTHER INFORMATION (Continued)LA/ONT International Airport Local Control

On June 3, 2013, the City of Ontario, California filed a complaint (the “Ontario Litigation”) against the City, Airports and the Board, seeking, among other things, (i) damages for the alleged breach of contract, breach of implied covenant of good faith and fair dealing and breach of fiduciary duty in connection with Airports’ operation and management of LA/Ontario International Airport (“LA/ONT”); and (ii) to rescind or reform the agreements under which Airports obtained ownership and control of LA/ONT from the City of Ontario. Recently, the City of Ontario, the City, Airports, the Board and Ontario International Airport Authority (“OIAA”), a joint powers authority of the County of San Bernardino and the City of Ontario, have entered into a settlement agreement (the “ONT Settlement Agreement”) which, among other things, provides for, subject to the terms of the ONT Settlement Agreement:

The City will transfer, assign and deliver to OIAA the City’s right, title and interest in and to certain of the assets, properties, rights and interests solely used or held solely for use in connection with Airports’ operation of LA/ONT, including certain real property, improvements and equipment comprising LA/ONT and certain surrounding parcels; certain contractual or entitlement rights, comprised of leases, contracts, grant agreements and entitlements; and certain accounts receivable and cash remaining in the accounts of LA/ONT after the (i) transfer of certain passenger facility charges, (ii) transfer of \$40.0 million from LA/ONT accounts to other Airports non-LA/ONT accounts, and (iii) use of the funds in the reserve fund established for the \$90.2 million aggregate principal amount of Ontario International Airport Refunding Revenue Bonds Series 2006A and Series 2006B (the “LA/ONT Bonds”) to discharge the outstanding LA/ONT Bonds, all as provided in the ONT Settlement Agreement.

Moreover, the ONT Settlement Agreement will provide for the following: the development of a Staff Augmentation Agreement and a Department Employee Protection and Transition Plan; termination and rescission of the joint powers agreement of the City and the City of Ontario; dismissal with prejudice of the Ontario Litigation; dismissal with prejudice by the City of Ontario of its claims in *City of Inglewood, et al. v. City of Los Angeles, et al.*, and *Alliance for a Regional Solution to Airport Congestion, et al. v. City of Los Angeles, et al.* (the “ARSAC Litigation”); dismissal with prejudice by the County of San Bernardino of its claims in the ARSAC Litigation; and certain reimbursement payments and transfers of funds to Airports, including \$30.0 million from the City of Ontario to the City for the benefit of Airports to be used for the capital and operating expenses of the airport system owned and operated by Airports (other than LA/ONT); \$40.0 million from the unrestricted cash LA/ONT accounts to other Department non-LA/ONT accounts (as described above) to be used for the capital and operating expenses of the airport system owned and operated by Airports (other than LA/ONT); \$120.0 million from OIAA to Airports, over a period of approximately 10 years and subject to certain conditions and limitations, including that a portion thereof may be paid by the transfer of certain previously collected passenger facility charges; and funds from OIAA sufficient, together with amounts available in the applicable bond reserve fund, to cause the discharge of the LA/ONT Bonds (as described above).

The transfer of sponsorship, ownership and control of LA/ONT is subject to the approval by the Federal Aviation Administration. The foregoing description of the ONT Settlement Agreement is qualified in its entirety by reference to the ONT Settlement Agreement. Copies of the ONT Settlement Agreement may be obtained upon request from Airports.

NOTE 5 – OTHER INFORMATION (Continued)Environmental Matters

The State Water Resources Control Board (SWRCB) issued a Notice of Violation (NOV) to Airports generally alleging violations of underground storage tank (UST) construction, monitoring, and testing laws at facilities where Airports owns and operates USTs. Airports owns and/or operates 13 USTs (6 at LAX, 4 at VNY and 3 at ONT). The NOV did not specify any particular violations, but the SWRCB subsequently identified a number of alleged violations that are under review along with continued improvement of Airports' overall UST compliance program. The Board approved a consent judgment settlement with the SWRCB in October 2015 with a total civil penalty amount of \$2.3 million to be paid or suspended on condition that Airports complies with the terms of the consent judgment.

The California Regional Water Quality Control Board, Lahontan Region (Water Board) issued a Notice of Revised Proposed Cleanup and Abatement Order (Order) to Los Angeles County Sanitation District No. 20 (District) and the City of Los Angeles (City), as Dischargers, with respect to discharges to underground water from the Palmdale Reclamation Plant (Reclamation Plant) owned by the District. The Order states that the discharges have resulted in violations of waste discharge requirements for the Reclamation Plant and prohibitions contained in the Water Quality Control Plan for the Lahontan Region, and that discharges from the Reclamation Plant to unlined ponds and to the Effluent Management Site (owned by the City and now known as the Agricultural Site) have adversely affected and polluted groundwater in the area of the discharges. The Water Board issued an order to the District and Airports to submit technical reports that include feasibility and costs to remove nitrate from groundwater to certain acceptable levels. The costs and timeframe to perform the Order, along with the apportionment of liability, are uncertain at this time.

Harbor Enterprise FundAlameda Corridor Transportation Authority (ACTA) Agreement

In August 1989, Harbor and the Port of Long Beach (the Ports) entered into a joint exercise of powers agreement and formed ACTA for the purpose of establishing a comprehensive transportation corridor and related facilities consisting of street and railroad rights-of-way and an improved highway and railroad network along Alameda Street between the Santa Monica Freeway and the Ports in San Pedro Bay, linking the Ports to the central Los Angeles area. The Alameda Corridor began operating on April 15, 2002. ACTA is governed by a seven-member board, which comprises of two members from each Port, one each from the Cities of Los Angeles and Long Beach and one from the Metropolitan Transportation Authority. In 2003, ACTA agreed to an expanded mission to develop and support projects that more effectively move cargo to points around Southern California, ease truck congestion, improve air quality, and make roads safer. If in the future, ACTA becomes entitled to distribute income or make equity distributions, the Ports shall share such income and equity distributions equally.

In October 1998, the Ports, ACTA, and the railroad companies, which operate on the corridor, entered into a Corridor Use and Operating Agreement (Corridor Agreement). The Corridor Agreement obligates the privilege of using the corridor to transport cargo into and out of the Ports. ACTA negotiated with BNSF Railway Company (BNSF) and Union Pacific (UP) regarding certain types of cargo movements (transload movements) for which BNSF and UP are not paying use fees. In the Settlement and Release Agreement (the Agreement), dated July 5, 2006, ACTA, BNSF, and UP agreed to resolve the "Transloading Dispute."

NOTE 5 – OTHER INFORMATION (Continued)

ACTA, the Ports, the City of Los Angeles, and the City of Long Beach (the ACTA Releasing Parties) each release, acquit, and discharge BNSF and UP of all liability and costs, as stated in the Agreement, arising from or relating to the Transloading Dispute. BNSF and UP (the Railroad Releasing Parties) each release, acquit, and discharge the ACTA Releasing Parties from any and all liability and costs, as stated in the Agreement, arising from or relating to any claim by the Railroad Releasing Parties. These use fees are used to pay (a) the debt service that ACTA incurs on approximately \$1.2 billion of bonds, which ACTA issued in early 1999 and approximately \$686.0 million of bonds issued in 2004, and (b) for the cost of funding required reserves and costs associated with the financing, including credit enhancement and rebate requirements, if any (collectively, ACTA Obligations). Use fees end after 35 years or sooner if the ACTA Obligations are paid off earlier.

If ACTA revenues are insufficient to pay ACTA Obligations, the Corridor Agreement obligates each Port to pay up to twenty percent (20%) of the shortfall (Shortfall) on an annual basis. If this event occurs, the Ports' payments to ACTA are intended to provide cash for debt service payments and to assure that the Alameda Corridor is available to maintain continued cargo movement through the Ports. The Ports are required to include expected Shortfall payments in their budgets, but Shortfall payments are subordinate to other obligations of the Port, including the bonds and commercial paper currently outstanding. Harbor does not and is not required to take Shortfall payments into account when determining whether it may incur additional indebtedness or when calculating compliance with rate covenants under their respective bond indentures and resolutions.

In 2012, ACTA obtained a Federal Railroad Administration loan for \$83.7 million under Railroad Rehabilitation and Improvement Financing (RRIF) Program. The purpose of the loan which was in the form of 2012 Taxable Senior Lien Revenue Refunding Bonds, was to refinance a portion of ACTA's outstanding bonds. Furthermore, in 2013, ACTA refunded \$288.0 million of its 1999 Series A Bonds in the form of Tax-Exempt Senior Lien Revenue Refunding Bonds of Series 2013A, generating a present value savings of \$35.0 million or 12%.

Natural Resources Defense Council Settlement Judgment

In March 2003, Harbor settled a lawsuit entitled: *Natural Resources Defense Council, Inc., et al. v. City of Los Angeles, et al.*, regarding the environmental review of a Harbor project at the China Shipping Terminal. The settlement called for a total of \$50.0 million in mitigation measures to be undertaken by Harbor. This \$50.0 million charge was recorded as expense in fiscal year 2003.

The terms of the agreement require that Harbor fund various mitigation activities in the amount of \$10.0 million per year over a five-year term ending in fiscal year 2007. As of June 30, 2009, a total of \$50.0 million were transferred from Harbor Revenue Fund to the restricted mitigation funds.

In June 2004, Harbor agreed to amend the original settlement to include, and transferred to the restricted mitigation fund, an additional \$3.5 million for the creation of parks and open space in San Pedro.

Pursuant to the settlement agreement, Harbor is also obligated to expend up to \$5.0 million to retrofit customer vessels to receive shore-side power as an alternative to using on-board diesel fueled generators. Through the end of fiscal year 2009, Harbor has spent \$5.0 million for this program.

NOTE 5 – OTHER INFORMATION (Continued)

The settlement agreement also established a throughput restriction at China Shipping Terminal per calendar year. Actual throughput at the terminal exceeded the cap for calendar years 2008, 2007, 2006, and 2005, and payments of \$1.8 million, \$6.9 million, \$5.8 million, and \$3.9 million, respectively, were made for having exceeded the caps. Harbor charged to nonoperating expense and deposited in the restricted mitigation fund the said amounts in June 2009, June 2008, May 2007, and April 2006, respectively. Total deposits for the four years were \$18.3 million, with the June 2009 deposit for calendar year 2008 being the last payment for excess throughput required under the settlement agreement.

In April 2011, Harbor contributed \$3.2 million to the restricted mitigation funds as payment for four low profile cranes installed on Berth 102 designed to reduce visual impact by the use of a horizontal boom that does not need to be raised up when the crane is not in use. As of June 30, 2015, Harbor has contributed a total of \$75.0 million to the restricted mitigation funds in accordance with the provisions of the settlement.

Settlement on Dispute on Nexus Study

On January 19, 2001, the City, along with Harbor and the California State Lands Commission (the Commission), entered into a settlement and mutual release agreement to resolve their disputes concerning the City's entitlement to historic and future reimbursements for costs the City incurred or would incur providing services to Harbor. The settlement agreement provides that the City, as reimbursement for payments made by Harbor to the City for retroactive billings for City services provided during the period July 1, 1977 through June 30, 1994, inclusive, pay the Port \$53.4 million in principal plus 3% simple interest over a 15-year period.

The settlement agreement also provides that the City reimburse Harbor for the payment differential, that amount representing the difference between the actual payments and the amount to which the City would have been entitled to reimbursement during fiscal year 1994–1995 through fiscal year 2000–2001, inclusive, had the reimbursement been computed during each of those fiscal years using the settlement formula. This amount is estimated at \$8.4 million. Payment for this period is to be reimbursed to Harbor over 15 years, including 3% simple interest. The agreement also states that at any time after five years from January 19, 2001, the City, Harbor, and the Commission may negotiate to amend this agreement to account for new or changed circumstances.

The State of California (the State), the City, and Harbor agreed to mutually release and discharge the other from any and all claims, demands, obligations, and causes of action, of whatever kind or nature pertaining in any way to the use, payment, transfer, or expenditure for any of the services or facilities identified in the Nexus Study or the 1997 MOU and provided for during the period July 1, 1977 through June 30, 2002.

Accordingly, Harbor had recorded the notes receivable due from the City. At June 30, 2015, the current portion of notes receivable amounted to \$5.0 million. There was no long-term portion at June 30, 2015.

NOTE 5 – OTHER INFORMATION (Continued)Trapac Project and Environmental Impact Report

On December 6, 2007, the Board of Harbor Commissioners (BHC) certified the Final Environmental Impact Report for TraPac, Inc. (TraPac), a terminal operator, and approved the TraPac project. The TraPac project involves the development and improvements to Berths 136-147, currently occupied by TraPac. Subsequent to the project approval, certain entities (Appellants) appealed to the City Council the certification/project approval under the provisions of the California Environmental Quality Act (CEQA).

On April 3, 2008, the BHC approved a Memorandum of Understanding (MOU) between the City and the Appellants to resolve the appeal of the TraPac Environmental Impact Report (EIR). The MOU provides for the revocation of the appeals and the establishment of a Port Community Mitigation Trust Fund (PCMTF) to be operated by a nonprofit entity to pay for off-Port environmental impacts from Port-related operations. The nonprofit created to provide administrative services for this fund is the Harbor Community Benefit Foundation (HCBF).

Harbor had provided the first two years funding of \$12.0 million and \$4.0 million to the PCMTF for the identified TraPac projects in the MOU. Based on the volume of cargo processed in the third year, no additional funding has been necessary.

On October 26, 2010, the BHC approved the Operating Agreement of the TraPac MOU (Operating Agreement) which provided for more detailed procedures for the implementation of the MOU. The Operating Agreement also provided for the management of the PCMTF by California Community Foundation (CCF) or other appropriate independent financial manager. CCF managed the PCMTF funds pursuant to the Operating Agreement from 2011 to 2013.

In fiscal year 2013, Harbor and HCBF agreed that a change in financial manager was in the best interest of the PCMTF, and hence, terminated the financial management agreement with CCF. On October 18, 2013, the Board approved the selection of J.P. Morgan Private Bank (JPMorgan) as the new independent financial manager to receive, manage, and disburse funds from the PCMTF. Approximately \$7.8 million in PCMTF funds being managed by CCF were transferred to a JPMorgan account in November 2013. Due to disbursements made in accordance with the MOU and Operating Agreement, the balance in the PCMTF account managed by JPMorgan as of July 2014 totaled \$6.3 million.

While the five-year MOU expired in April 2013, the Operating Agreement provided that Harbor shall continue to fund the PCMTF with contributions on account of certain expansion projects that have environmental impact reports certified within five years after the first HCBF Board of Directors meeting, which time expires in May 2016. The Operating Agreement provides that if the identified MOU expansion projects have EIRs certified and will proceed with construction; Harbor will make a one-time additional contribution at a rate of \$3.50 per TEU (or \$1.50 per cruise passenger, and 0.15 per ton of bulk cargo) per project for growth associated with such expansion projects. Funds will be transferred to the PCMTF within 21 days following award of a construction contract or commencement of construction of each project that had an EIR certified prior to May 19, 2016. There were no contributions made during fiscal year 2015.

As of June 30, 2015, a total of \$16.8 million has been disbursed from the PCMTF fund held by the Harbor. The remaining fund balance including interest earned as of June 30, 2015 is \$0.1 million.

NOTE 5 – OTHER INFORMATION (Continued)**Power and Water Enterprise Funds**

A number of claims and suits are also pending against DWP for alleged damages to persons and property and for other alleged liabilities arising out of DWP's operations. In the opinion of DWP management, any ultimate liability, which may arise from these actions, is not expected to materially impact the Power and Water Enterprise Funds' financial statements.

Power Enterprise FundCapital Facilities Fee Claims

In June 2007, DWP received a tentative decision in favor of the state and a number of local government agencies that are electric customers of DWP that claimed that DWP has rates that include a capital facilities' charge that violates the state's statute. However, in October 2008, DWP settled the case and recorded the \$160.0 million settlement amount. Additionally, as permitted by the regulatory accounting criteria set forth per the GASB Codification (GASB Statement No. 62), the Board approved to defer all potential costs associated with the resolution of this litigation and establish a corresponding long-term deferred asset to be recovered through future revenues over a period of up to 10 years, if necessary.

Environmental Matters

Numerous environmental laws and regulations affect the Power's facilities and operations. DWP monitors its compliance with laws and regulations and reviews its remediation obligations on an ongoing basis. The following topics highlight some of the major environmental compliance issues affecting the Power:

Air Quality – Nitrogen Oxide (NOx) Emissions. Power's generating station facilities are subject to the Regional Clean Air Incentives Market (RECLAIM) NOx emission reduction program adopted by the South Coast Air Quality Management District (SCAQMD). In accordance with this program, SCAQMD established annual NOx allocations for RECLAIM NOx facilities based on historical emissions and type of emission sources operated. These allocations are in the form of RECLAIM trading emission credits (RTCs). Facilities that exceed their allocations may buy RTCs from other companies that have emissions below their allocations. DWP has a program of installing emission controls and purchasing RTCs, as necessary, to meet its emission requirements.

As a result of the installation of NOx control equipment and the repowering of existing units, DWP has sufficient RTCs to meet its native load requirements for normal operations.

Air Quality – Greenhouse Gas Emissions. In September 2006, the state of California adopted two new laws designed to reduce greenhouse gas (GHG) emissions in California. The first, Assembly Bill 32 (AB 32), the California Global Warming Solutions Act of 2006, requires the California Air Resources Board (ARB) to develop regulations to reduce statewide GHG emissions back to 1990 levels by 2020. In 2007, the ARB established California's 1990 GHG emissions baseline and developed a mandatory reporting regulation to require California sources to report their GHG emissions annually starting with 2008 data. In December 2008, the ARB adopted its Initial AB 32 Climate Change Scoping Plan, which serves as California's blueprint for reducing GHG emissions.

NOTE 5 – OTHER INFORMATION (Continued)

The Initial Scoping Plan includes the following emission reduction measures applicable to the electricity sector: (1) increase renewable energy to 33%, (2) expand energy efficiency programs, (3) reduce SF6 emissions from gas insulated electrical switchgear, and (4) establish a GHG cap-and-trade program. The cap-and-trade program sets a statewide cap on GHG emissions beginning in January 2013, with the cap declining two to three percent per year from 2013 to 2020. The cap-and-trade program covers GHG emissions from all electricity generated in California or imported from other states, in-state industrial, and manufacturing facilities, as well as natural gas and transportation fuels consumed in California.

In May 2014, ARB adopted the First Update to the AB 32 Scoping Plan, which describes process made to meet the near-term objectives of AB 32 and establishes California's climate change priorities and activities over the next several years. It also states activities and issues facing California as it develops an integrated framework for achieving climate goals and federal clean air standards in California beyond 2020.

The second bill adopted by the state of California is designed to reduce greenhouse gas emissions from the generation of electricity consumed in California. Senate Bill 1368 requires the California Public Utilities Commission (CPUC) and the California Energy Commission (CEC) to establish a greenhouse gas emissions performance standard and implement regulations governing long-term financial commitments in base load generation made by load serving entities (LSEs) including publicly owned electric utilities (POUs). These regulations are intended to prohibit any California LSE from entering into or renewing a long-term financial commitment with a base load generating resource that exceeds the greenhouse gas emissions performance standard, currently set at 1,100 pounds carbon dioxide per megawatt hour of electricity generated. This means that when existing contracts with high-emitting generating resources expire, those resources will be replaced by lower emitting generating resources that comply with the greenhouse gas emissions performance standard.

At the federal level, several legislative bills have been proposed or introduced, but none have passed Congress. However, the United States Environmental Protection Agency (EPA) adopted its Prevention of Significant Deterioration (PSD) and Title V Greenhouse Gas Tailoring Rule in June 2010, which established a phased timetable for implementing Clean Air Act permitting requirements for GHG emissions from new and modified major stationary sources. In June 2014, the U.S. Supreme Court held that the Clean Air Act does not permit EPA to adopt an interpretation of the Act requiring a source to obtain a PSD or Title V operating permit on the sole basis of its potential GHG emissions. The court also held that EPA reasonably interpreted the Clean Air Act to require sources that would need permits based on their emission of conventional pollutants to comply with Best Available Control Technology GHG requirements. Power's in-basin repowering projects would be subject to the permitting requirements under EPA's Tailoring Rule. Also, any new GHG requirements will be incorporated in Power's generating stations' Title V operating permits when the permits are renewed.

In addition to the PSD permit program, EPA is also in the process of developing a GHG regulatory program under the New Source Performance Standards (NSPS) provisions of the Clean Air Act. On December 23, 2010, the EPA entered a settlement agreement and agreed to issue NSPS and emissions guidelines for GHG emissions from new and modified fossil-fuel-fired electric generating units (EGUs). On April 13, 2012, the EPA published in the Federal Register its proposed rule for GHG NSPS for new EGUs. EPA received over 2.5 million comments, the most ever for a proposed EPA rule.

NOTE 5 – OTHER INFORMATION (Continued)

On June 25, 2013, President Obama announced initiatives addressing climate change. In his announcement, he directed EPA to repropose GHG emission standards for new EGUs by September 20, 2013. He also directed EPA to propose guidelines for existing EGUs by June 2014 and finalize them a year later.

EPA released the reproposed standards on September 20, 2013 and proposed to set an emission's limit of 1,100 pounds of CO₂ per megawatt-hour (MWh) of electricity generated by new coal-fired EGUs and an emission limit of either 1,000 or 1,100 lb/MWh (depending on size) for new natural gas-fired EGUs. Written comments were due to EPA on May 9, 2014. DWP cannot predict the outcome of this rulemaking.

On June 18, 2014, EPA's proposed Clean Power Plan for reducing CO₂ from existing power plants was published in the Federal Register. The proposal requires each state with fossil-fuel-fired generation to meet state-specific rate-based (lb/MWh) CO₂ emission goals by 2030 as well as an interim reduction target, which is an average emission rate required to be met over the period 2020 to 2029. The proposal also allows states to convert their emission rate goals to a mass-based limit (tons CO₂/year) and provides guidelines for states to follow in developing plans to achieve the state-specific goals. Clean Air Act Section 111(d) provides states with the primary responsibility and authority to establish and implement performance standards for existing sources and states will have broad discretion to develop their plans. DWP cannot predict how the guidelines will impact its operations at this time.

EPA Coal Combustion Residuals Proposed Rules. On June 21, 2010, the U.S. Environmental Protection Agency (EPA) proposed to establish federal standards to regulate coal combustion residuals (coal ash). The two options being considered are to designate coal ash as either hazardous or nonhazardous. The hazardous waste proposal would phase out the disposal of ash in wet storage ponds. The nonhazardous designation would set federal guidelines for state disposal that require the installation of additional liners on new wet storage pond. Both options set new requirements for storing and monitoring the waste in dry landfills.

On April 17, 2015, the EPA promulgated the final coal combustion residuals (CCR) rule. The rule regulates CCR as a nonhazardous waste under Subtitle D of RCRA and became effective on October 19, 2015. The rule is self-implementing; it does not require regulated facilities to obtain permits and therefore cannot be enforced by EPA. The rule's only compliance mechanism is for a state or citizen group to bring a RCRA citizen suit in federal district court.

The rule is applicable to all coal fired power plants operating as of the effective date. Upon analysis of the new CCR rule requirements, the Intermountain Power Project (IPP) may not meet the design criteria required for surface impoundments and identified four options to meet the compliance requirements. The IPP is considering two of those options to meet operational needs. One option would require the IPP to close surface impoundments by 2023 and to construct a system to manage bottom ash. The other option would be to cease operations of the coal-fired boilers no later than 2028 and switch to another fuel source for generation. The IPP has until 2018 to make a final decision on which option they will choose. The cost of compliance for the two options is estimated to range from \$48.0 million to \$85.0 million.

The IPP is on schedule to meet all interim compliance requirements for the new CCR including those that went into effect October 19, 2015 which include: set up public website and posting CCR operating records; develop new groundwater monitoring wells, sampling plans and begin quarterly sampling; and develop and implement fugitive dust monitoring plan.

NOTE 5 – OTHER INFORMATION (Continued)

Power Plant Once-through Cooling Water Systems. Once-through cooling (OTC) is the process where water is drawn from a source, pumped through equipment to provide cooling, and then discharged. Some type of cooling process is necessary for nearly every type of traditional electrical generating station, and the OTC process is utilized by many electrical generating stations located next to large bodies of water. Typically, the water used for cooling is not chemically changed in the process although its temperature is increased.

Due to the Second Circuit Court's decision to remand most of the EPA's 316(b) Rule finalized in July 2004, EPA suspended this rule and drafted a new rule that was signed by EPA on May 16, 2014, a prepublished version was released on May 19, 2014. The final rule was published in the Federal Register on August 15, 2014, and became effective on October 14, 2014. The new rule requirements applies to cooling water intake structures for all existing power generating facilities that withdraw more than 2 million gallons per day of water from waters of the United States and use at least 25% of the water they withdraw exclusively for cooling purposes. Under this rule, an owner or operator of an existing facility will be able to choose from seven different compliance options for impingement mortality (IM): Option 1 – operate a closed-cycle recirculating system; Option 2 – reduce the maximum design through screen velocity not to exceed 0.5 feet per second (fps) during minimum source water levels; Option 3 – demonstrate actual through screen velocity is less than or equal to 0.5 fps under all ambient conditions; Option 4 – Have an existing (minimum 800 feet offshore) velocity cap; Option 5 – install modified traveling water screens and optimize performance in a two-year study; Option 6 – integrated technologies, practices, and operational measures that are optimized in a two-year study; Option 7 – demonstrate that impingement mortality is reduced to no more than 24% annually based on monthly monitoring. In addition to these options, compliance requirements can be waived by the permitting director if it can be demonstrated that (1) impingement is de minimis, (2) if the capacity utilization rate is less than 8% averaged over a 24-month contiguous period, and (3) if the intake is located on a manmade lake or reservoir and the fishery is managed (but does not include any federal threatened and endangered species or critical habitat). For entrainment mortality, the rule requires entrainment studies and evaluation of entrainment technologies (including closed-cycle cooling, fine mesh/narrow slot screens, grey and reused water) as well as environmental impacts and benefits. Determination of compliance is by the permitting authority and could result in retrofitting to closed-cycle cooling. The compliance schedule for both IM and Entrainment is on a case-by-case, site-specific basis, determined by the permitting authority. DWP's compliance for IM and E and schedule has already been determined by its permitting authority, the State Water Resource Control Board, which is to eliminate the use of OTC by 2029 with closed-cycle cooling. DWP is evaluating if there are any other potential impacts of the rule on its facilities.

During the absence of the EPA's 316(b) Rule, the California State Water Resources Control Board (State Board) decided to move forward and adopt its own statewide 316(b) Policy on May 4, 2010. The 316(b) Policy became effective on October 1, 2010. This policy requires the DWP's coastal power plants to reduce OTC by 93%—equivalent to wet cooling towers using seawater. This is referred to as the Track 1 compliance path. If the Track 1 compliance path is found to be infeasible, with concurrence from the State Board, a Track 2 compliance path can be pursued, which requires that the cooling water intake structure (CWIS) achieve an IM/E reduction level of 90% of the Track 1 compliance standard or 83.7% on a unit-by-unit basis. DWP has made a decision to pursue the Track 1 compliance path, in order to comply with the 316(b) Policy and completely eliminate the use of OTC.

NOTE 5 – OTHER INFORMATION (Continued)

DWP was successful in having the 316(b) Policy amended to extend the compliance dates, for six out of the nine remaining OTC units, to 2024 for Scattergood and 2029 for Haynes and Harbor. The other three OTC units have already or are still on schedule to be repowered with eliminating OTC by December 31, 2015. The Amendment to the 316(b) Policy was adopted on July 19, 2011. The Amendment required DWP to submit additional information responsive to the Statewide Advisory Committee on Cooling Water Intake Structures (SACCWIS) resolution by December 31, 2012 in order for the State Board to decide whether or not modifications to the 2029 compliance dates were warranted. The additional information required by SACCWIS was submitted by DWP and the State Board did not make any modifications to DWP's 2029 compliance dates.

Furthermore, the amendment requires implementation of interim measures; these measures include a proposal to study new and/or viable existing technologies to reduce IM and E. The proposal must be submitted to the State Board no later than December 31, 2015. Upon approval of the proposal, the interim measures must be in place no later than December 31, 2020. These interim measures will include the funding of a mitigation project or the use of screens or an equivalent alternative measure at each OTC unit or intake until the facility is in full compliance. On November 4, 2014, DWP submitted proposals for each Haynes and Harbor generating stations and is awaiting a response back from the State Board. The Scattergood generating station proposal will be submitted by December 31, 2015 as required.

In addition, other regulatory changes have been made that could significantly impact operations at the Haynes and Harbor generating stations. The Regional Water Quality Control Board reclassified the body of water that the OTC water is discharged to an enclosed bay for the Harbor generating station, and sent a letter of intent to reclassify the receiving water body of water as an estuary for the Haynes generating station discharge. Even though the Haynes generating station will be repowering existing units, should there be a reclassification for the water body discharges at the Haynes generating station, there will be requirements that cannot be met with its existing cooling or future repowered configuration. DWP is in the process of working with the Regional Board on a resolution to this issue.

Power Revenue Fund Surplus Transfer to City

In 2015, the City was subject to three class action lawsuits related to DWP revenue fund transfer. The claimants alleged that the City violates the California Constitution by charging customer fees in excess of the cost of providing electric utility service, as allegedly evidenced by DWP's practice of transferring surplus revenue to the City's general fund. The three cases have been consolidated into a single, consolidated complaint and related before a single judge. This Consolidated Complaint names the City, DWP, and the DWP Board of Water and Power Commissioners as defendants. The plaintiffs, on behalf of a class of DWP electricity ratepayers, seek a refund of alleged excess fees collected from January 30, 2012, through the end of the lawsuit. They also seek a declaration that DWP's electric rates are invalid and an order enjoining the City from continuing to collect the allegedly excessive rates. The City plans to defend against the suit vigorously. All three defendants have answered the Consolidated Complaint. The lawsuit is currently in the discovery stage.

NOTE 5 – OTHER INFORMATION (Continued)**Water Enterprise Fund**Surface Water Treatment Rule

The State of California Surface Water Treatment Rule (SWTR) imposed increased filtration requirements at any open distribution reservoir exposed to surface water runoff. DWP had four major reservoirs in its system subject to SWTR: Upper and Lower Hollywood, Lower Stone Canyon, and Encino. To comply with SWTR, DWP designed projects to remove these reservoirs from regular service through construction of larger pipelines and alternate covered storage facilities.

The Hollywood Water Quality Improvement Project was completed in July 2002. Upper and Lower Hollywood Reservoirs were removed from service and functionally replaced by two 30 million gallon tanks and additional pipelines. Construction of the Encino project was completed in December 2007. Construction of the Lower Stone Canyon Water Quality Improvement Project was completed in November 2008. DWP believes it is now in compliance with the SWTR.

Stage 2 Disinfectants and Disinfection Byproduct Rule

In January 2006, the Environmental Protection Agency (EPA) published the Stage 2 Disinfectants and Disinfection Byproduct Rule (Stage 2 DBP Rule) in the federal register. The Stage 2 DBP Rule strengthens public health protection for customers by tightening compliance-monitoring requirements for two groups of disinfection byproducts (DBPs): trihalomethanes (TTHM), and haloacetic acids (HAA5). DBPs form when naturally occurring materials in water (e.g., decomposing plant material) combine with chemicals added to disinfect the water. DBPs are associated with cancer.

In order to comply with the requirements of the Stage 2 DBP Rule, DWP must change its primary disinfectant from chlorine to chloramines, a less reactive disinfectant, by April 1, 2014. In order to convert to chloramines, DWP constructed an ultraviolet filtration plant, three chloramination stations, four ammoniation stations, two chlorination stations and has and will continue to install mixers in tanks and reservoirs. Additional treatment facilities will be constructed as groundwater sources are improved and/or expanded. The cost of Stage 2 DBP compliance-related engineering studies and construction activities is expected to be approximately \$376.0 million at completion. The actual expenditures to date are \$315.0 million.

Long-Term 2 Enhanced Surface Water Treatment Rule

In January 2006, the EPA published the Long-Term 2 Enhanced Surface Water Treatment Rule (LT2) in the federal register. The LT2 builds upon the Safe Drinking Water Act and other earlier water quality rules to strengthen protection against microbial contaminants, especially Cryptosporidium. Cryptosporidium is a significant concern in drinking water because it contaminates most watersheds used for the collection of drinking water and can cause gastrointestinal illness. DWP has six reservoirs in its system subject to LT2: Ivanhoe, Silver Lake, Elysian, Upper Stone Canyon, Santa Ynez, and Los Angeles. In order to comply with the requirements of the LT2, DWP is proposing to cover, bypass, or build alternate covered storage for the aforementioned reservoirs and to install additional pipelines and related facilities. Santa Ynez Reservoir has now been covered and Silver Lake Reservoir has been removed from service. The remainder of these projects are in different stages of planning, design, and construction. The cost of LT2 compliance-related engineering studies and construction activities is expected to reach \$1.4 billion at completion in 2020. The actual cost spent to date has been \$699.0 million.

NOTE 5 – OTHER INFORMATION (Continued)Owens Lake

During 1997, the Great Basin Unified Air Pollution Control District (the District) adopted an initial State Implementation Plan, as amended, and an implementing order requiring the DWP to initiate pollution control measures to control particulate matter emitting from the Owens Dry Lake bed. DWP disputed the remediation measures imposed by the original order; however, in July 1998, DWP and the District entered into a Memorandum of Agreement (MOA) to mitigate the dust problem. The MOA delineated the dust producing areas on the lakebed that needed to be controlled, specified what measures must be used to control the dust, and specified a timetable for implementation of the control measures. The MOA called for phased implementation to permit the effectiveness of the control measures to be evaluated and modifications to be made as the control measures were being installed.

The MOA was incorporated into a formal air quality State Implementation Plan (SIP) by the District. This SIP was approved by the EPA on October 4, 1999. The District revised and adopted the SIP in November 2003. The revised SIP defines the additional boundaries and areas required to be controlled on the lakebed. DWP was allowed to examine the District's methodology to determine the additional areas to be controlled. As a result of those efforts, the District ordered in the revised SIP that 29.8 square miles required control including the areas DWP agreed to and completed. The revised SIP demonstrated that upon completion of the DWP's work, emissions from Owens Lake bed should be reduced so that the Owens Valley Planning Area would attain and maintain the Federal Clean Air Act ambient air quality standards for particulate matter. The Federal Clean Air Act requires that Owens Lake meet ambient air quality standards by the end of 2006.

The MOA specified that DWP must choose from among three control measures the District has certified as Best Available Control Measures for Owens Lake (BACM). The three measures are Shallow Flooding, Managed Vegetation, and Gravel. The first phase of dust control implementation, completed in December 2001, consists of 13.5 square miles of Shallow Flooding. Shallow Flooding involves flooding the area to be controlled until either it is inundated with a few inches of water or the soil becomes thoroughly saturated to the surface with water. The second phase of dust control implementation, completed in July 2002, consists of about four square miles of Managed Vegetation. Managed Vegetation involves growing native vegetative cover that will hold the shifting and emissive lakebed in place, locking up the dust. The third and fourth phases of dust control implementation, completed in March 2003 and September 2005, respectively, consist of a total of 5.6 square miles of additional Shallow Flooding. The fifth phase completed the remainder of the required 29.8 square miles of dust control in December 2006 with Shallow Flooding.

The total capital-related costs of implementing the 29.8 square miles of dust control measures through 2008 are approximately \$413.0 million.

In November 2006, DWP and the District entered into an agreement to settle their disputes arising from supplemental dust control measures proposed to be ordered upon DWP by the District (Settlement Agreement). The Settlement Agreement largely defines DWP's activities moving forward in terms of new dust control measure development and air quality regulatory and research activities. The essence of the agreement calls for the City to construct 12.7 square miles of dust control measures by April 2010, 9.2 square miles must be Shallow Flooding and the remaining 3.5 square miles can be of the City's own choosing, including a new low to zero water using method called moat and row. Following a successful demonstration project, DWP moved forward with plans to implement moat and row on 3.5 square miles. In turn, the agreement allows for new opportunities for water savings and a marked improvement as to how DWP will be regulated in the future.

NOTE 5 – OTHER INFORMATION (Continued)

The District issued a new revised SIP in February 2008 that included an order to control the additional dust control areas agreed to in the Settlement Agreement. DWP completed construction of 9.2 square miles of shallow flooding at a cost of \$120.0 million in April 2010. DWP is now diverting up to 95,000 acre-feet per year of water from the Los Angeles Aqueduct for dust mitigation activities on Owens Lake. Due to concerns expressed by the California State Lands Commission and the California Department of Fish and Wildlife, construction of moat and row on 3.5 square miles was delayed with a new required completion date of October 1, 2010 in order to conduct additional environmental analysis. This additional environmental analysis was completed in August 2009.

However, the California State Lands Commission would only issue a lease for 0.4 square miles leaving 3.1 square miles unmitigated. In March 2011, DWP entered into a Stipulated Order of Abatement with the District requiring construction of BACM on the remaining 3.1 square miles with provisions for converting three square miles of existing shallow flooding dust control measures to a hybrid of shallow flooding, managed vegetation, and gravel in order to free up sufficient water for operation of the new areas without increasing water diversions from the Los Angeles Aqueduct. This project is known as Phase 7a, and was required to be completed by December 2013. However, due to unanticipated discovery of significant cultural resources, progress on the Phase 7a Project was deterred and DWP requested more time to complete the project.

Additionally, DWP certified the Environmental Impact Report in June 2013 approving an avoidance alternative, which avoids construction of dust control on approximately 350 acres containing significant cultural resources contingent upon the District removing these areas from the Stipulated Order of Abatement. In January 2014, the Board awarded a \$230.0 million contract for the construction of Phase 7a Project. An agreement was reached between the District and DWP in August 2013 extending the deadline for the Phase 7a Project to December 2015, and removing 277 acres of significant cultural resources from the Stipulated Order of Abatement to be evaluated with stakeholders to determine the best course of action for these areas after which the District may issue orders for what would be the Phase 7b Project. In May 2014, an additional 63 acres were removed from Phase 7a Project and placed into Phase 7b Project by the District due to cultural sensitivity of the area. DWP also agreed to provide \$10.0 million to the District to construct dust control measures on the Keeler Dunes as a public benefit project, (the District had been preparing to order DWP to control dust at the Keeler Dunes). In exchange, the District agreed that it would take full responsibility for the Keeler Dunes mitigation, and would not issue future dust control orders to DWP for the Swansea or Olancho sand dunes.

DWP was also required to construct Phase 8 of the Owens Lake Dust Mitigation Program consisting of 2 square miles of Gravel Cover, a District-approved waterless dust control measure. DWP obtained a lease from the California State Lands Commission for Phase 8 in December 2010, and completed construction prior to the November 2012 deadline at a cost of \$60.0 million.

In August 2011, the District issued a Final 2011 Supplemental Control Requirements Determination ordering dust control measures on 2.86 square miles and 30% design of 1.87 square miles (the 2011 Final SCRD), which was challenged by DWP. After mediation between DWP and the District failed to result in an agreement between the parties, GBUAPCD issued a final order for the Phase 9 Project in November 2011. DWP appealed GBUAPCD's final order with respect to the Phase 9 Project with the California Air Resources Board (CARB). A hearing with respect to DWP's appeal with CARB was heard in June 2012. CARB upheld the 2011 SCRD, and DWP filed a lawsuit challenging the 2011 Final SCRD. DWP cannot predict the ultimate outcome of the dispute with respect to the 2011 Final SCRD.

NOTE 5 – OTHER INFORMATION (Continued)

In November 2012, the District issued a Final 2012 Supplemental Control Requirements Determination (the 2012 Final SCRD) ordering dust control measures on an additional 0.76 square miles of Owens Lake and 30% design of 0.05 square miles (the Phase 10 Project). DWP has filed an appeal to the Phase 10 Project with CARB.

In August 2013, the District issued its preliminary 2013 Supplemental Control Requirements Determination (preliminary 2013 SCRD). In April 2014, the District issued its Final 2013 Supplemental Control Requirements Determination (the 2013 Final SCRD). No additional Lone or Watch areas beyond the 2011 Final SCRD and 2012 SCRD were identified for control. DWP is in the process of conducting the environmental analysis for implementation of the 2011 Final SCRD and the 2012 Final SCRD.

In November 2014, DWP reached an agreement with the District. The agreement was memorialized in a Stipulated Judgment that was filed with the California Superior Court of Sacramento County on December 30, 2014. The Stipulated Judgment provides several benefits to DWP, including provisions: (1) permitting the use of less water-intensive and completely waterless measures to control dust at the lakebed, resulting in more water available for customer use; (2) limiting the City's liability for dust mitigation to no more than 53.4 square miles; (3) forming an Owens Lake Scientific Advisory Panel that will be staffed by the National Academy of Sciences to study the effectiveness of using waterless- and low-water methods to control dust at the dry lake; (4) addressing the discovery of Native American artifacts on or around the lakebed, and (5) allowing dust control measures to be delayed without a penalty if more are discovered.

The Stipulated Judgment requires DWP to install additional dust mitigation measures on 3.62 square miles of Owens Lake playa by December 31, 2017 as identified in the District's 2011 and 2012 SCRDs (the Phases 9 and 10 Projects). By completion of the Phases 9 and 10 Projects, DWP would have mitigated dust emissions from 48.6 square miles of Owens Lake playa. Hence, DWP's future dust mitigation obligations that can be ordered by the District would be limited to no more than an additional 4.8 square miles of yet to be determined emissive surfaces of Owens Lake playa.

DWP has prepared the necessary plans and specifications for construction of the Phases 9 and 10 Projects, and the construction activities are anticipated to commence by January 2016. The Phases 9 and 10 Projects include water saving measures through transitioning 1.82 square miles of existing water intensive dust mitigation measure to 1.02 square miles of habitat ponds and 0.8 square miles of gravel cover dust mitigation measures to ensure no additional water is used at Owens Lake. The costs associated with construction of the Phases 9 and 10 Projects along with transitioning area may range from \$210.0 million to \$240.0 million. The District is currently revising the 2008 SIP in accordance with terms and conditions of the Stipulated Judgment.

Sewer Enterprise Fund

Certain claims and lawsuits are pending against Sewer for construction claims and other alleged liabilities arising during the ordinary course of operations. Sewer recognizes liabilities for claims and lawsuits when it is probable that an asset has been impaired or a liability has been incurred and the amount of the loss can be reasonably estimated. The City Attorney estimates the amount of liabilities that are probable of occurring from these claims and lawsuits. For fiscal year 2015, \$7.3 million was accrued as claims payable.

NOTE 5 – OTHER INFORMATION (Continued)**Commitments****Governmental Activities**

The City uses encumbrance accounting under which contracts and other ` for expenditures are recorded to reserve applicable appropriations. Encumbrances are reported as part of restricted, committed or assigned fund balance on the governmental funds balance sheet. As of June 30, 2015, the City's encumbrances totaled \$653.6 million of which \$247.9 million were contractual commitments for various capital projects. Below are details of encumbrances by fund categories (in thousands):

	Restricted	Committed	Assigned	Totals
General Fund	\$ --	\$ 86	\$ 147,566	\$ 147,652
MICLA Special Revenue Fund	16,640	--	--	16,640
Solid Waste Resources Fund	--	40,389	--	40,389
Nonmajor Governmental Funds	407,463	41,430	--	448,893
	<u>\$ 424,103</u>	<u>\$ 81,905</u>	<u>\$ 147,566</u>	<u>\$ 653,574</u>

Business-Type Activities

As of June 30, 2015, the following Enterprise Funds have commitments for construction contracts and open purchase orders in the following approximate amounts (in thousands):

Airports	\$ 129,300
Harbor	43,100
Sewer	140,749
Power	87,941
Water	29,894

Harbor Enterprise Fund

In 1985, Harbor received a parcel of land, with an estimated value of \$14.0 million from the federal government, for the purpose of constructing a marina. Harbor has agreed to reimburse the federal government up to \$14.0 million from excess revenues, if any, generated from marina operations after Harbor has recovered all costs of construction. No such payment was made in fiscal year 2015.

NOTE 5 – OTHER INFORMATION (Continued)

Power Enterprise Fund

Purchase Power Commitments

As of June 30, 2015, the Power System has entered into a number of energy and transmission service contracts, which involve substantial commitments as follows (amounts in thousands):

	Agency	Agency Share (Percentage)	DWP's Interest in Agency Share		
			Interest (Percentage)	Capacity (Megawatts)	Outstanding Principal **
Intermountain Power Project	IPA	100.0 %	70.6 %	1,271	\$ 816,787
Palo Verde Nuclear Generating Station	SCPPA	5.9	67.0	151	24,207
Mead-Adelanto Project	SCPPA	68.0	35.7	313	38,836
Mead-Phoenix Project	SCPPA	17.8 - 22.4	24.8	148	8,227
Southern Transmission System	SCPPA	100.0	59.5	1,429	393,131
Milford I Wind	SCPPA	100.0	92.5	188	189,805
Windy Point	SCPPA	100.0	92.4	262 *	412,820
Linden Wind Energy	SCPPA	100.0	90.0	50 *	112,820
Milford II Wind	SCPPA	100.0	95.1	102 *	135,893
Apex Power Project	SCPPA	100.0	100.0	531	318,860

* Power will receive 100%, unless City of Glendale exercises its option to repurchase any of its contract output entitlement share.

** Portion of purchased power commitment based upon related agency's bond principal not including interest requirements.

IPA: The Intermountain Power Agency is an agency of the State of Utah established to own, acquire, construct, operate, maintain, and repair the Intermountain Power Project (IPP). Power serves as the Project Manager and Operating Agent of IPP.

SCPPA: The Southern California Public Power Authority, a California joint powers agency, finances the construction or acquisition of generation transmission, and renewable energy projects.

The above agreements require Power to make certain minimum payments, which are based primarily upon debt service requirements. In addition to average annual fixed charges of approximately \$302.0 million during each of the next five years, Power is required to pay for operating and maintenance costs related to actual deliveries of energy under these agreements (averaging approximately \$607.0 million annually during each of the next five years). Power made total payments under these agreements of approximately \$892.0 million in fiscal years 2015. These agreements are scheduled to expire from 2027 to 2040.

Power earned fees under the IPP project manager and operating agent agreements totaling \$27.9 million in fiscal year 2015.

NOTE 5 – OTHER INFORMATION (Continued)Long-term Notes Receivable

Under the terms of its purchase power agreement with IPA, DWP is charged for its output entitlements based on its share of IPA's costs, including debt service. During fiscal year 2000, DWP restructured a portion of this obligation by transferring \$1.1 billion to IPA in exchange for long-term notes receivable. The funds transferred were obtained from the debt reduction funds and through the issuance of new variable rate debentures. IPA used the proceeds from these transactions to defease and to tender bonds with par values of approximately \$618.0 million and \$611.0 million, respectively.

On September 7, 2000, DWP paid \$187.0 million to IPA in exchange for additional long-term notes receivable. IPA used the proceeds to defease bonds with a face value of \$198.0 million. On July 20, 2005, DWP paid \$97.0 million to IPA in exchange for additional long-term notes receivable. IPA used the proceeds to defease bonds with a face value of \$92.0 million.

The IPA notes are subordinate to all of IPA's publicly held debt obligations. Power's future payments to IPA will be partially offset by interest payments and principal maturities from the subordinated notes receivable. The net IPA notes receivable balance totaled \$707.0 million as of June 30, 2015. The IPA notes pay interest and principal monthly and mature on July 1, 2023. The interest rates range from 4.1% to 5.9%, subject to adjustments related to IPA bond refundings.

Energy Entitlement

DWP has a contract through 2017 with the U.S. Department of Energy for the purchase of available energy generated at the Hoover Power Plant. DWP's contractual share of contingent capacity at Hoover is 491 MW (maximum rated capability). The cost of power (approximately 455 MW of capacity and 599,000 MWH of energy) purchased under this contract, including the Lower Colorado River Basin Development Fund Contribution Charge, was approximately \$14.5 million as of June 30, 2015.

On December 20, 2011, the President signed H.R. 470, the Hoover Power Allocation Act of 2011, into law. The legislation reallocates, for 50 more years, power from the Hoover Dam Power Plant to existing contractors while creating an additional pool of 5.0% power for new entrants.

DWP has a contract through 2026 with SCPA for the purchase of available energy generated at the Pebble Springs Wind Project located in Gilliam County, Oregon. Power's share of capacity at Pebble Springs is approximately 69 MWs (maximum capacity). The cost of power purchased under this contract was \$12.4 million as of June 30, 2015.

Transfers to the Reserve Fund of the City of Los Angeles

Under the provisions of the City Charter, Power transfers funds at its discretion to the reserve fund of the City. Pursuant to covenants contained in the bond indentures, the transfers may not be in excess of the increase in net position before transfers to the reserve fund of the City of the prior fiscal year. Such payments are not in lieu of taxes and are recorded as a transfer in the statements of revenues, expenses, and changes in net position.

DWP authorized total transfers of \$266.0 million in fiscal year 2015 from Power to the reserve fund of the City.

NOTE 5 – OTHER INFORMATION (Continued)Palo Verde Nuclear Generating Station Matters

As a joint project participant in Palo Verde Nuclear Generating Station (PVNGS), DWP has certain commitments with respect to nuclear spent fuel and waste disposal. Under the Nuclear Policy Act, the Department of Energy (DOE) is to develop facilities necessary for the storage and disposal of spent fuel and to have the first such facility in operation by 1998; however, the development of the repository designated at Yucca Mountain in the state of Nevada was postponed indefinitely for political reasons after DOE spent billions of dollars conducting feasibility studies. A Blue Ribbon Committee was formed by the Federal Government to look into other alternatives for nuclear waste disposal. In 2012, the Committee submitted a final list of recommendations which include prompt efforts to develop a new geological disposal facility and one or more consolidated storage facilities, and early preparation for eventual large-scale transport of spent fuel to storage and disposal facilities.

Capacity in existing fuel storage pools at PVNGS was exhausted in 2003. A Dry Cask Storage Facility (also called the Independent Spent Fuel Storage Installation, ISFSI) was built and completed in 2003 at a total cost of \$33.9 million (about \$1.9 million for DWP). The facility has the capacity to store all the spent fuel generated by the plant until the end of its life in 2027. With the current operating license extension granted by the Nuclear Regulatory Commission, PVNGS is allowed to operate until 2047. The Dry Cask Storage Facility will be expanded as needed to accommodate additional spent fuel until it is removed by DOE. As of June 30, 2015, 129 dry casks, each containing 24 spent assemblies, have been stored. In addition, beginning in 2016, PVNGS is expected to use the newly designed “Magnastor” casks that contain 36 spent fuel assemblies, allowing the dry cask storage facility to accept more spent fuel.

DWP accrues for current nuclear fuel storage costs as a component of fuel expense as the fuel is used. DWP’s share of spent nuclear fuel costs related to its indirect interest in PVNGS is included in purchased power expense.

Because of DOE’s inability to provide a disposal site, the PVNGS operating agent filed damages actions against the DOE to recover costs incurred by the PVNGS participants. A settlement was reached in August 2010 in the amount of \$30.2 million from DOE of which \$1.7 million is DWP’s share of the settlement, which covers costs incurred up to 2006. Additional cost recovery is being pursued for the period post-2006. In June 2015, a payment in the amount of \$2.4 million was received for the share of settlement with DOE. Additional cost recovery is being pursued for the period post-2006.

The Price Anderson Act (the Act) requires that all utilities with nuclear generating facilities share in payment for claims resulting from a nuclear incident. Participants in PVNGS currently insure potential claims and liability through commercial insurance with a \$375.0 million limit; the remainder of the potential liability is covered by the industry-wide retrospective assessment program provided under the Act. This program limits assessments to a maximum of \$118.0 million per reactor for each licensee for each nuclear incident occurring at any nuclear reactor in the United States; payments under the program are limited to \$18.0 million per reactor, per incident, per year. Based on DWP’s 5.7% direct interest, DWP would be responsible for a maximum assessment of \$20.0 million per incident for all 3 units, limited to payments of \$3.0 million per incident annually.

NOTE 5 – OTHER INFORMATION (Continued)

The NRC guidelines require improved security in immediate areas surrounding the reactor buildings. PVNGS has enlarged the protected area with the inclusion of an outage support facility, a new warehouse, a minor vehicle maintenance facility, and a fuel depot to reduce vehicular traffic in and out of the protected area. While some of these facilities have already been constructed and are currently in service, the estimated cost for the remaining facilities is approximately \$1.1 million to DWP.

Other major capital projects that are currently in progress include the digital upgrade of the Generrex generator excitation system, the life extension of the Water Reclamation Facility's clarifiers, the spray pond concrete replacement, the Nuclear Administrative and Technical Manual replacement, and the construction of the Learning Center-In Processing facility. These, along with other regulatory plant modifications, are currently estimated at \$235.0 million in 2014, which translates to approximately \$13.4 million for DWP. Also anticipated in the long range plan are \$224.0 million (\$12.7 million for DWP) worth of capital projects, which include the cooling tower life extension long range plan, upgrades to the high-pressure turbines and electro-hydraulic controls, and the replacement of the reactor coolant pumps, Control Element Drive Mechanism Control System (CEDMCS), plant cooling water pipelines, and the Site Work Management System (SWMS).

In response to the nuclear event in Fukushima, Japan, the NRC has required PVNGS to increase the redundancy in its power supply to emergency cooling systems, reinforce its spent fuel pool, accelerate the transfer of spent fuel from the pool to the dry cask storage, and add pipelines and associated equipment necessary for supplying additional cooling water to the reactors. To date, the station has purchased additional diesel generators, pumps, and fire trucks, and has also accelerated the movement of its spent fuel casks to the ISFSI. In addition to these, Palo Verde has allotted approximately \$82.0 million (approximately \$4.7 million for DWP) for Fukushima initiatives, which include fuel building modifications, an emergency equipment storage facility, temporary power connections, seismic and flood hazards validation, and corresponding mitigating strategies, among several others. All Fukushima-upgrade-related activities are expected to be completed by the end of 2016. Additional NRC-mandated requirements are anticipated, but the costs associated with these future projects are unknown at this time.

Fire and Police Pension System

Pensions has commitments to contribute capital for real estate and alternative investments in the aggregate amount of approximately \$1,208.2 million at June 30, 2015.

All members of Pensions who were active on or after July 1, 1982, have vested rights to their past contributions and accrued interest in the event of termination prior to retirement, except Tier 4 members. At June 30, 2015, the total amount subject to this right was \$1,742.4 million.

Los Angeles City Employees' Retirement System

At June 30, 2015, LACERS was committed to future purchases of real estate and private equity investments at an aggregate cost of approximately \$936.0 million.

NOTE 5 – OTHER INFORMATION (Continued)**D. Third-Party Obligations**

The City participated in the issuance of the following indebtedness to provide financing to private-sector entities for the acquisition, construction and improvements of housing, commercial, educational, medical, and other facilities deemed to be in the public interest (in thousands):

Issue	Amount Outstanding June 30, 2015
Multifamily Housing Bonds - 97 Issues	\$ 643,016
Multifamily Housing Bonds transferred from CRA - 22 Issues	501,640
Home Mortgage Revenue Bonds - 5 Issues Bond proceeds were used to provide mortgage loans for the construction and financing of multi-family rental and single-family residences in the City. The indebtedness is secured solely by the property financed by the respective bond issues and by credit guarantees by reinvestment-grade financial institutions.	3,190
Industrial Development Bonds - 14 Issues The proceeds were used to provide manufacturers low cost financing to expand industrial capacity and stimulate job creation in the City. The City has no financial obligation as each bond is secured through a letter of agreement between the borrower and the bank.	123,910
Community Facilities District No. 3 Special Tax Bonds The proceeds were used to fund acquisition and construction of certain public improvements for the Cascade Business Park and Golf Course. The City's obligation is limited to collecting the special taxes annually levied and collected from the District for debt service payments.	3,945
Community Facilities District No. 4 Special Tax Bonds The proceeds were used to fund acquisition and construction of public improvements for the Playa Vista Development project. The City's obligation is limited to collecting the special taxes annually levied and collected from the District for debt service payments.	81,200
Community Facilities District No. 8 Special Tax Bonds The proceeds were used to fund acquisition and construction of public improvements for the Legends at Cascades Development. The City's obligation is limited to collecting the special taxes annually levied and collected from the District for debt service payments.	5,860
Street Improvement Assessment 1911/1913 Act Bonds The proceeds were used to finance certain public improvements for the Westwood Village Streetscape Assessment District. The City's obligation is limited to collecting the assessments annually levied for debt service payments.	1,110
	<u>\$ 1,363,871</u>

The City is not obligated in any manner for repayment of the indebtedness. Accordingly, the liabilities are not reported in the accompanying financial statements.

NOTE 5 – OTHER INFORMATION (Continued)**E. Other Matters****Airports Enterprise Fund**Terminal Rates and Charges

On September 17, 2012, the Board approved a new methodology of calculating rates and charges for airlines and airline consortia using passenger terminals at LAX. The new rates, which will recover the costs of acquiring, constructing, operating and maintaining terminal facilities, are as follows: terminal building rate, federal inspection services area (FIS) rate, common use holdroom rate, common use baggage claim rate, common use outbound baggage system rate, common use ticket counter rate, and terminal special charges for custodial services, outbound baggage system maintenance, terminal airline support systems, and loading bridge capital and maintenance.

The new rates were effective January 1, 2013 to airlines and airline consortia agreeing to the new methodology and executing a rate agreement with Airports (signatory airlines). Agreements with signatory airlines terminate on December 31, 2022.

The new rate agreement provides a Signatory Transitional Phase-in (STP) program that allows for reduced rates during the first five years of the implementation period. In addition, signatory airlines will share in the concession revenue derived from the terminals based on prescribed two-tiered formulae. Tier One Revenue Sharing had the effect of reducing the calculated terminal building rate (beginning calendar year 2014) and FIS rate (beginning calendar year 2016). Tier Two Revenue Sharing was distributed to signatory airlines in the form of a credit at the end of each calendar year beginning in 2014, subject to certain conditions.

Airlines with existing leases that opt not to sign an agreement under the new methodology (nonsignatory tenant airlines) will continue to pay rates and charges based on their current leases until they sign the new rate agreement. Airlines with no existing leases that opt not to sign the new rate agreement (non-signatory tariff airlines) are charged the tariff rates effective January 1, 2013. Nonsignatory airlines are not eligible to participate in the STP and revenue sharing programs.

ONT uses a “*residual method*” to determine terminal rates and fees. Under this method, ONT sets the airlines’ terminal rental rates and charges so that those fees provide the revenue needed to offset the difference between ONT’s total expenses allocable to the terminal area and the revenues collected from other sources such as concession, parking and other rental revenue.

NOTE 5 – OTHER INFORMATION (Continued)Passenger Facility Charges (PFCs)

PFCs are fees imposed on enplaning passengers by airports to finance eligible airport related projects that preserve or enhance safety, capacity, or security of the national air transportation system; reduce noise or mitigate noise impacts resulting from an airport; or furnish opportunities for enhanced competition between or among carriers. Both the fee and the intended projects are reviewed and approved by the FAA. Airlines operating at LAX and ONT have been collecting PFCs on behalf of Airports. PFCs are recorded as non-operating revenue and presented as restricted assets in the financial statements. Airports has received approvals from FAA to impose PFCs at LAX and ONT for various projects. The current PFCs at LAX is \$4.50 per enplaned passenger. On October 19, 2012, the FAA approved Airports' application to reduce the PFCs at ONT from \$4.50 to \$2.00 effective January 1, 2013. The application did not change ONT's collection authority of \$242.4 million but extended the collection period through October 2021. Airports has received approval from the FAA to collect and use PFCs to pay for debt service on bonds issued to finance the TBIT Renovations and Bradley West Projects. Airports Board authorized \$91.0 million for debt service in fiscal year 2015. PFCs collected and the related interest earnings through June 30, 2015 were \$2,138.2 million and \$242.2 million, respectively. As of June 30, 2015, cumulative expenditures to date on approved PFCs projects totaled \$1.8 billion.

Customer Facility Charges (CFCs)

In November 2001, Airports Board approved the collection of a state-authorized CFCs from car rental agencies serving LAX and ONT. State law allows airports to collect a fee of \$10 per on-airport rental car agency transaction to fund the development of consolidated car rental facility and common-use transportation system. CFCs are recorded as non-operating revenue and presented as restricted assets in the financial statements. CFCs collected and the related interest earnings through June 30, 2015 were \$256.2 million and \$12.3 million, respectively. As of June 30, 2015, cumulative expenditures to date on approved CFCs projects totaled \$54.2 million.

NOTE 5 – OTHER INFORMATION (Continued)**Power Enterprise Fund**Regulatory Matters Affecting the Power System

Federal Energy Legislation of 2005

On August 8, 2005, the Energy Policy Act of 2005 (EP Act) was enacted, the first comprehensive energy legislation in over a decade. One of the most significant provisions of the EP Act empowers the Federal Energy Regulatory Commission (FERC) to certify an Electric Reliability Organization (ERO) to improve the reliability of the nation's "bulk power system" through mandatory and enforceable electric reliability standards (in contrast to the long-standing voluntary system). The definition of "bulk power system" does not include facilities used in the local distribution of electric energy. The ERO is to file any proposed reliability standard or modification with FERC. "Reliability standards" are a set of criteria and requirements relating to the reliable operation of the bulk power system. Such a standard includes requirements for the operation of existing transmission facilities or the design of planned additions or modifications (to the extent necessary) to provide for reliable operation. It does not include, and the ERO may not impose, any requirement to enlarge existing or to construct new transmission or generation facilities. All users, owners, and operators of the bulk-power system are required to comply with the electric reliability standards. The ERO may impose a penalty on a user, owner, or operator for violating a reliability standard, and FERC may order compliance with such a standard and impose a penalty if it finds that a user, owner, or operator is about to engage in an act that would violate a reliability standard.

Based on the EP Act authority vested upon the FERC, the FERC approved the North American Electric Reliability Corporation (NERC) as the ERO. Currently, there are more than 100 mandatory NERC and Western Electricity Coordinating Council (WECC) reliability standards, all of which are subject to penalties ranging from \$1,000 to \$1,000,000, depending on the impact of the violation to reliability and other factors. DWP has implemented a NERC/WECC Reliability Standards Compliance Program to proactively prevent, monitor, and stop potential violations to these standards. DWP currently believes it complies with the mandatory NERC/WECC Reliability Standards.

Cybersecurity

Congress and the White House have been working to address the nation's cybersecurity concerns for a number of years. The last few years, the White House and the Senate Democrats have supported a comprehensive regulatory approach that defines critical infrastructure and regulates cybersecurity through the Department of Homeland Security. Senate Republicans have sought to address concerns through voluntary actions. Senate did not get the necessary support of 60 Senators to consider a comprehensive legislative approach twice in 2012.

On November 22, 2013, the FERC issued Order 791, approving Version 5 of Critical Infrastructure Protection (CIP) NERC Reliability Standards. CIP Version 5 classifies the Bulk Electric System (BES) Cyber Systems into Low, Medium, and High categories, unlike its Version 3 predecessor, which only required Critical Assets to comply with standards. The tiered classification and new "bright line" approach of Version 5 brings all BES facilities and most operational systems within its scope and ensures coverage under at least some requirements. Despite significant expansion of systems that are in scope for NERC CIP version 5, there is still room for improvement. Before official enforcement date for Version 5 in 2016, NERC has already begun revisions of its standard development for CIP Version 6 and Version 7. DWP currently believes it complies with current cybersecurity NERC Reliability Standards.

NOTE 5 – OTHER INFORMATION (Continued)

Final Rule on Transmission and Cost Allocation – FERC Order No. 1000 (RM10-23-000)

On July 21, 2011, the FERC issued its order on transmission planning and cost allocation (Order 1000). On May 17, 2012, FERC issued Order 1000-A, stating that nonjurisdictional entities (such as DWP) must formally enroll in a transmission planning region before it can be assessed costs under the regional cost allocation methodology. FERC also stated that nonjurisdictional entities must have a right to withdraw and avoiding cost allocations from the region.

However, Order 1000 and 1000A contain language that would significantly broaden FERC's authority to allocate transmission costs. FERC takes the unprecedented position that transmission costs may be allocated to entities in the absence of a contract or service relationship.

Most jurisdictional transmission providers filed their compliance filings to amend their tariffs to include a regional planning process in October 2012. FERC has recently issued orders with findings that many of the compliance filings in planning regions did not meet the requirements of Order 1000 with respect to cost allocation. DWP as a nonjurisdictional entity was not required to make a filing.

The Final Rule urges, but does not require, government-owned utilities such as DWP and cooperative utilities to participate in regional transmission planning and cost allocation. FERC indicates that if "nonjurisdictional" transmission owners do not comply with Order No. 1000, they may not meet reciprocity requirements and, thus, may have access to third-party transmission services limited.

Even though Order 1000 does not require nonpublic Transmission operators to enroll in a region, DWP decided to enroll in WestConnect as a Coordinated Transmission Owner (CTO) because it may benefit from the regional planning process that can identify transmission regional needs. A board package for the enrollment of WestConnect was put together and was presented in the November board meeting.

Dodd-Frank Wall Street Reform and Consumer Protection Act

On July 21, 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) was signed into law. Dodd-Frank was enacted to minimize systemic risk to the U.S. financial system, in part by establishing new rules related to swaps and other derivatives.

First, Dodd-Frank generally requires that parties to swap transactions provide collateral for their swaps. This "margining" requirement means that a party to a swap must set aside cash or other collateral to secure its obligations under the swap.

Second, Dodd-Frank generally requires that swap transactions be conducted or "cleared" through financial intermediaries. This clearing requirement means that parties generally cannot enter into a swap that is customized to the needs of the parties, as is typically the case for public power and other electric utilities. Dodd-Frank did, however, provide exceptions to both the margining and clearing requirements for "end users" that are using swaps to hedge commercial risks.

Third, Dodd-Frank is to impose reporting requirements on swap transactions, including additional reporting for end-user transactions.

NOTE 5 – OTHER INFORMATION (Continued)

Finally, Dodd-Frank imposed additional limitations on swaps with “special entities,” including public power and other governmental entities, to ensure that these special entities are being properly advised and dealt with fairly in consummating swap transactions. These rules require that swap counterparty ensure that a special entity has an independent swap advisor and impose on the advisor a duty to act in the best interests of the special entity.

The Commodity Futures Trading Commission (CFTC) finalized a swap dealer definition exempting entities doing less than \$3.0 billion (\$8.0 billion during a transition period) in swaps from being regulated as a “swap dealer” and has further exempted transactions done between not-for-profit utilities from being considered swaps. The initial swap dealer definition also included a \$25.0 million subthreshold over a 12-month period for entities doing business with “special entities.”

Various organizations representing the “special entities” requested the CFTC to exclude government-owned utilities’ swap transactions related to utility operations from counting toward the \$25.0 million de minimis threshold and be subjected to the overall \$3.0 billion threshold. The CFTC considered the request for special entities and amended the rules to now be consistent with threshold definitions similar to investor-owned utilities. There is a proposed legislation (H.R.1038: Public Power Risk Management Act of 2013) that provides that the CFTC, in making a determination to exempt swap dealing activities below a de minimis threshold, cannot treat a utility operations-related swap with a utility special entity any differently than a utility operations-related swap with an entity that is not a special entity. The overall impact of these CFTC rulings on DWP cannot be predicted at this time.

Harbor Enterprise Fund

Cash Funding of Reserve Fund

As of June 30, 2015, Harbor had \$1.0 billion of outstanding parity bonds. Harbor holds cash reserves for each Indenture of the outstanding bonds as the Harbor Board, on September 18, 2008, approved the full cash funding of the entire reserve requirement of \$61.5 million and transferred it to the Harbor’s bond trustee in December 2008. The cash funding of the reserve took place to reassure bond holders of the strong commitment of Harbor to its financial wherewithal as rating agencies had reduced the AAA ratings of the surety companies that had provided insurance for the bonds that Harbor had issued.

As of June 30, 2015, the balance in the Common Reserve fund totaled \$68.4 million. Subsequent to the issuance of 2015 Series A Refunding Revenue Bonds in September 2015, the reserve requirement was reduced to \$66.0 million. Any excess amounts in the Common Reserve resulting from principal repayments will be transferred to the interest fund and/or redemption fund to be used to pay interest and redeem bonds. The required amount for the reserve fund will be reevaluated on a yearly basis. The funds in the reserve are fully invested in the U.S. Treasury securities.

NOTE 5 – OTHER INFORMATION (Continued)

Sewer Enterprise Fund

Judicial Interpretation of Articles XIIC and XIID of Proposition 218

In *Bighorn-Desert View Water Agency v. Beringson* (Bighorn), the California Supreme Court held that fees and charges for ongoing water service through an existing connection were property related fees and charges imposed on a person as an incident of property ownership for purposes of Article XIID, whether the fees and charges are calculated based on consumption or are imposed as a fixed monthly fee.

The City believes that the Bighorn decision, which applied to water fees and charges, would apply equally to sewer service charges. As a result, if the sewer service charges are a “fee” or “charge” under Article XIID, any increase would require a public hearing, preceded by mailed notices, and would be subject to a majority written protest. The City currently provides written notices to all property owners and rate-payers receiving service in connection with proposed increases in sewer service charges and holds public hearings with respect to such increases.

Article XIIC provides that the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge and that the power of initiative to affect local taxes, assessments, fees and charges shall be applicable to all local governments. Article XIIC does not define the terms “local tax,” “assessment,” “fee” or “charge.”

No assurance can be given that the voters of the City will not, in the future, approve an initiative, which reduces or repeals local taxes, assessments, fees or charges, including a reduction of all or any portion of the sewer service charge. The use of the initiative power is arguably limited in the case of levies directly pledged to bonded indebtedness, such as the sewer service charge. However, there is no assurance that the voters of the City will not approve an initiative that attempts to reduce the sewer service charge. The interpretation and application of Proposition 218 will likely be subject to further judicial determinations, and it is not possible at this time to predict with certainty the outcome of such determinations.

Revenue and Financial Issues

Sewer Service Charge Revenues

DWP acts as the billing agent for the Sewer Service Charges (SSCs) assessed to customers who use the wastewater system. DWP transfers revenues to Sewer on a weekly basis, based on anticipated revenues. After the end of the month, a reconciliation between the transfers and the actual SSC revenues is made. The final SSC revenue transferred by DWP to Sewer for fiscal year 2015 was \$88.1 million, or 14.6 percent, below the budgeted revenue. The fiscal year 2015 revenue was 1.0 percent less than the actual revenue in fiscal year 2013, even though two rate adjustments occurred on July 1, 2013 (4.5%) and July 1, 2014 (6.5%). Approximately \$14.0 million of the \$88.1 million revenue shortfall was related to overestimated revenue from certain customers who only pay for wastewater conveyance because their wastewater treatment is provided by another agency. The budgeted amount had included an assumption that \$25.0 million in uncollected revenues from fiscal year 2014 would be recovered in fiscal year 2015. Only part of the \$25.0 million may have been collected in late fiscal year 2015. The remaining part of the revenue shortfall was due to a combination of water conservation during the City’s ongoing drought and delays in collections of amounts for fiscal year 2015, arising from implementation of DWP’s new billing system, discussed below.

NOTE 5 – OTHER INFORMATION (Continued)

The fiscal year 2015 budgeted revenue was not based on the reduced water consumption in fiscal year 2014 due to the timing of the budget cycle and the unavailability of reports immediately after the billing conversion. There is insufficient information to know how much of the revenue reduction was due to water conservation or to the delays in collections because revenue reports from DWP do not indicate the ages of the accounts receivable that are collected in the SSC payments from the customers. However, it is known that the actual billable sewage volume in fiscal year 2015 was 8.6 percent less than the volume that was used to calculate the budgeted amount, so at least 75 percent of the revenue shortfall is an actual loss, not a deferral. Sewer is working with DWP to obtain the accounting reports needed to resolve this issue.

DWP transitioned to its new billing system in September 2013. As part of that transition, DWP encountered some problems with billings; for instance, the parameters for the system identifying if a water read was "too high" or "too low" were set too narrowly, resulting in some meter reads that were correct being replaced with an estimated read. While these billing issues were being resolved, DWP suspended the normal collections protocols. Certain customers who were not experiencing billing issues appear to have taken advantage of this suspension and have fallen in arrears with their payments. During the past few months, DWP has been returning to their collections protocols, which involve notifying customers of past due amounts, sending a final notice, and turning off power or water service.

Budgeted SSC revenues for fiscal year 2016 were \$541.0 million. However, in issuing bonds in June, 2015, Sewer revised the projected SSC revenue downward to \$504.0 million, reflecting further water conservation and assuming that the fiscal year 2015 collection rate would continue through fiscal year 2016. SSC collections in the first two months of fiscal year 2016 were 1.0 percent less than expected in the budget, but 6.4 percent higher than the amount projected for the bond issuance. However, the estimate of the impacts in the remainder of fiscal year 2016 is highly uncertain because it is unknown how many customers might leave the service area, resulting in the need to write off their past due amounts, and how soon all residential past due customers will receive service shut-off notices. A positive feature of the new billing system is that past due amounts will follow customers even if they move within the service area.

The City Council approved a ten-year series of SSC rate adjustments on February 29, 2012 and the Mayor concurred on March 1, 2012. The rates were increased by 4.5 percent on April 6, 2012, July 1, 2012 and July 1, 2013 and by 6.5 percent on July 1, 2014. The last rate adjustment increased billings by \$29.0 million in fiscal year 2015. An additional 6.5 percent rate increase occurred on July 1, 2015. The rates will be further increased by 6.5 percent on July 1 in each of the following five years.

SSC rates will increase by 6.5 percent on July 1, 2016. For its 2015 bond issuance, Sewer projected SSC revenues of \$537.0 million in fiscal year 2017, 6.6 percent more than is estimated for fiscal year 2016. This assumed a continuance of the water conservation reflected in the estimated fiscal year 2016 revenues. Because of lower projected SSC revenues, Sewer reduced its capital program in fiscal year 2016 and fiscal year 2017 by thirty percent and reduced its fiscal year 2018 capital program by ten percent to preserve its high debt service coverage ratios. Projects are deferred using risk-based criteria to ensure that the most critical projects are still constructed.

NOTE 5 – OTHER INFORMATION (Continued)

Sewerage Facilities Charge Credit

Effective April 6, 2012, the City Council and Mayor authorized credits of past Sewerage Facilities Charges (SFCs) paid by Significant Industrial Users (SIUs) to offset Quality Surcharge Fees (QSFs) paid by the customers. It is anticipated that a small number of SIUs are eligible for this program. Granting of a credit will reduce the amount of wastewater an SIU is allowed to discharge, allowing that capacity to be used by other customers who will be required to pay the SFCs, \$0.9 million in credits were given in FY 2015. Until all of the SIUs have been evaluated, the extent that QSF revenue after FY 2015 will be reduced due to future credits is unknown, but \$0.06 million is projected to be credited in FY 2016.

Receipt of Disaster Grant Reimbursements from the 1994 Northridge Earthquake

On January 17, 1994, a 6.8 magnitude earthquake centered in Northridge, California, caused widespread damage to commercial and residential structures. Since the Northridge earthquake, Sewer has systemically made repairs to its wastewater facilities that were damaged. Much of this work is eligible for reimbursement from the Federal Emergency Management Agency (FEMA) and the California Emergency Management Agency (CalEMA), now the California Office of Emergency Services (CalOES). As of June 30, 2015, Sewer expended \$225.5 million in earthquake related repair costs, of which \$211.2 million is eligible for reimbursement from FEMA and CalOES. Grants receivable from FEMA and CalOES amounted to \$33.7 million at June 30, 2015.

During fiscal year 2009, Sewer was informed of a de-obligation of the City's FEMA Northridge earthquake grant in the amount of \$35.7 million to offset a portion of the \$75.0 million advance from FEMA received by the City immediately after the Northridge earthquake. The advance was used for earthquake related costs incurred by various City Council controlled departments. The de-obligation may result in FEMA and CalOES withholding Sewer's outstanding grant receivables. Sewer continues to pursue this outstanding receivable and was informed by the Office of the City Administrative Officer that the City's Inspector General will focus on the final closeout and payment in fiscal year 2016.

Also, as a result of the de-obligation, \$10.3 million of Sewer's grants receivable was reclassified from grants receivable to advances to other City funds in fiscal year 2010. In October 2011, the City Council adopted Council File 10-1947 that provides for the offsetting of receivables between Sewer and the City's General Fund in the amount of \$4.2 million. Consequently, Sewer's advances to other City funds that arose from the de-obligation of the City's FEMA Northridge earthquake grant decreased from \$10.3 million to \$6.1 million. The same Council File instructed the elimination of the remaining \$6.1 million General Fund obligation through write-offs or other similar means. The feasibility of the Council instruction for write-off is continually being determined by the City.

Contract Agencies

The City has entered into universal terms agreements with twenty contract agencies for which the City provides wastewater treatment services. Billings for a fiscal year are estimated based on the City's budgeted costs and the agencies' projected wastewater flow and strength. After the close of the fiscal year, these bills are then reconciled based on actual costs, flows and strengths. Revenues from the estimated and reconciliation bills were \$6.8 million more than projected in fiscal year 2015.

NOTE 5 – OTHER INFORMATION (Continued)

The projections had not included receipts from the City of Glendale for its share of costs at the Los Angeles-Glendale Water Reclamation Plant (LAGWRP) or payments made by two agencies in fiscal year 2015 for bills that were due in fiscal year 2014. Reconciliation bills for service in fiscal year 2015 have not been completed at this time, so the City does not have sufficient data to determine if there is a likelihood of reconciliation amounts that would have a material impact to the Sewer in fiscal year 2016. The reconciliation bills will include interest for late payment by agencies.

Disagreements over flow and strength measurements of the City of Burbank's wastewater will soon be addressed with the joint hiring of a consultant to investigate the differences. The City has sent reconciliation invoices to Burbank for fiscal year 2010 to fiscal year 2015 and an estimated invoice for fiscal year 2016, totaling approximately \$23.0 million, though Burbank rejected the invoices until the disagreements can be resolved. Potential reasons for the flow and strength differences include errors in the measuring devices, inaccurate calibration of the devices, and a net flow equation that does not reflect a representative flow calculation. At this time, the City does not have sufficient data to determine the longer-term impact to Sewer.

The contract agencies' share in Sewer's capital expenditures, billed to and paid by said contract agencies are recorded as capital contributions in the equity fund. A portion of the amount in the capital contributions may not be capitalized at the end of the year as projects are later determined as either abandoned or maintenance costs. The capital contribution, as of this fiscal year, is stated at gross amount, without any adjustments for abandonment and maintenance costs.

The City's service agreements with twenty of the twenty-nine contract agencies require the City to reimburse an agency the depreciated value of its capital contributions to the City's wastewater system in the event that the agency removes its wastewater from the system. This would require a refund of some of the capital contributions made by the contract agencies to Sewer. None of the contract agencies has informed the City of its intent to cease utilizing the City's wastewater system and it is Management's opinion that such an event is very unlikely in the future.

Front-funded Grants

Sewer has provided grant front-funding of \$2.0 million for the Integrated Regional Water Management Plan (IRWMP) – North Atwater Creek Restoration and Water Quality Enhancement Project. Sewer is reimbursed the funded amounts when the City receives the grants covering the amounts. The grants are reduced by a 2.5% administrative fee, in accordance with the memorandum of understanding between City and the Los Angeles County Flood Control District. The expected grant receipts of \$1.7 million, or 91%, have already been received. The remaining amount, which is retention, is expected to be received when the project is closed out in 2016.

On August 11, 2014, the Mayor and City Council authorized a loan from Sewer to the Stormwater Pollution Abatement Fund (CF 14-0914) in the amount of \$6.9 million for construction of the Ballona Creek Water Quality Improvement and Beneficial Use Project. The project will use the existing North Outfall Wastewater Treatment Facility to treat dry weather flow in the creek. Sewer currently projects making the loan in fiscal year 2017. The loan is to be repaid by grant proceeds and the Stormwater Pollution Abatement Fund, with interest, and is contingent upon the City receiving a 2012 Clean Beaches Initiative Grant Program award of at least \$2.5 million from the State Water Resources Control Board (SWRCB). At this time, it is unknown how long it may take for Sewer to fully recover these costs.

NOTE 5 – OTHER INFORMATION (Continued)

Front-funded Programs

In 2005, City entered into a memorandum of understanding with the Los Angeles Regional Water Quality Control Board (LARWQCB) to regulate Onsite Wastewater Treatment Systems. During the time that the City has been developing this program, it has been front-funded by the Fund. The costs incurred as of June 30, 2015 were \$2.7 million. When the ordinance governing this program is adopted, a schedule of fees will be included. These fees will be required to recover the past program costs as well as the ongoing operational costs of the program in order to remain in compliance with Proposition 218. At this time it is unknown how long it may take for the Fund to fully recover these costs.

Capital Projects

Collection System Settlement Agreement (CSSA)

The CSSA has required the construction of several projects including, but not limited to, the Figueroa Meridian York Relief Sewer project, Mission and Jesse Air Treatment Facility (ATF) project, Central Outfall Sewer - 59th Street and Fourth Avenue project, Supplemental Environmental Projects (SEPs) and numerous projects in the Secondary Sewer Renewal Program. All of these projects were successfully completed on or before the end of the term of the agreement on June 30, 2014. The CSSA was officially terminated by the Court on May 26, 2015 and the City's CSSA obligations are complete, including all ATF requirements.

Pending Construction Issues with Collection System Projects

Certain construction projects have pending construction issues that could exceed the project budgets. Ongoing efforts are taken to resolve these issues as the construction progresses. However, since significant scope of work has yet to be completed, it is estimated that aggregate amounts of \$1.0 million may be requested by the contractors. The City believes it has sufficient defense to allow the resolution of the issues at a lower price. The City was successful in settling with the ATF – ECIS Mission and Jesse contractor over delays attributable to not receiving DWP power in a timely manner, so there is no pending issue with the contract.

Regulatory and Legal Issues

Total Maximum Daily Loads (TMDLs)

The USEPA and the LARWQCB are required to develop TMDLs for impaired water bodies. Various watersheds in the Los Angeles area have water body segments that are listed as impaired due to a variety of pollutants. Although some TMDLs have already been released, additional TMDLs will be under development and compliance with both existing and new TMDLs will continue into the next decade. At this time, it is difficult to predict the full impact of TMDLs on the National Pollutant Discharge Elimination System (NPDES) effluent limits at the City's four water reclamation and wastewater treatment plants. In addition, the proposed Greater Los Angeles County Municipal Separate Stormwater Sewer Systems (MS4) permit, adopted by the LARWQCB in November 2012, contains provisions that require compliance with all the adopted TMDLs. It is expected that significant capital improvements funded by the Fund may be required to comply with the TMDLs and their resulting impact on the City's NPDES permits.

NOTE 5 – OTHER INFORMATION (Continued)

NPDES Permits

The LARWQCB adopted new NPDES permits for the DC Tillman Water Reclamation Plant (DCTWRP) and LAGWRP on December 8, 2011. Currently, both DCTWRP and LAGWRP are complying with their final permit limits for copper, and neither plant is expected to experience difficulty meeting these final copper effluent limits. The Cities of Burbank and Los Angeles completed a Copper Site-Specific Objective Study for the Los Angeles River. The study was adopted by the LARWQCB on May 6, 2010. The study has been approved by the SWRCB, USEPA and the Office of Administrative Law. The study has been incorporated into the Los Angeles River heavy metal TMDL. Based upon the new copper effluent limit in the permits and the current level of copper removal achieved, it is anticipated that there will be no potential financial impact to the City.

The previous permits also required compliance with the Nitrogen TMDL and construction of Nitrification-Denitrification (NDN) facilities. NDN facilities have been constructed at DCTWRP and LAGWRP. DCTWRP and LAGWRP have been operating in full NDN mode since September 2007 and have met their final ammonia effluent limits. An Ammonia Site Specific Objective (SSO) Study was approved by the LARWQCB and recently was adopted by the SWRCB, Office of Administrative Law and USEPA. The final adoption of the SSO study into the DCTWRP and LAGWRP NPDES's permits will allow adjustment of the final ammonia limits, allowing operators flexibility in the disinfection process. The LARWQCB reopened the Nitrogen TMDL and revised the Waste Load Allocations for Ammonia. Consideration to include the new limits in the permits is ongoing. The inclusion of the ammonia effluent limit in the NPDES permit is expected to take place in the next permit cycle; meanwhile, Sewer has received a Time Schedule Order from the LARWQCB for the ammonia effluent limit for DCTWRP until the adoption of the new NPDES permit, when the new limits are expected to be included in the permit. If the results of the SSO study are not incorporated into the permits, then operator flexibility may be limited and additional modifications to the treatment process may be required. Potential costs for compliance are unknown at this time.

On June 11, 2015, the LARWQCB adopted the Terminal Island Water Reclamation Plant's (TIWRP's) new NPDES permit, which will expire on July 31, 2020. The prohibition language in the new permit was modified to allow for the discharge of the brine and the occasional discharge of the tertiary treated wastewater into the Los Angeles Harbor. The new NPDES permit is based upon Resolution 94-009 adopted by LARWQCB in 1994 and, as required by the 1974 Bay and Estuary policy that called for the City to eliminate TIWRP tertiary discharge to the Harbor. Resolution 94-009 sets the goal of eliminating the effluent discharge by 2020 through expansion of the Advance Water Purification Facility (AWPF) and increasing water reuse. Sewer has submitted new Water Recycling Requirements permit renewal applications to the RWQCB for expansion of the AWPF facility, including the future discharge of the AWPF recycled water to Machado Lake. Previous water recycling facilities constructed and operated at TIWRP received direct funding from the DWP. However, Sewer and DWP have agreed that Sewer will pay for and own the AWPF expansion and will recover the costs of the facility by selling the recycled water from the facility to DWP.

NOTE 5 – OTHER INFORMATION (Continued)

Employment Claims

There are four outstanding lawsuits involving City employees. These lawsuits do not state amounts. Two of the lawsuits are class actions which could in the aggregate exceed the \$1.0 million reporting threshold. One of these class-action lawsuits alleges Sewer's improper reporting of the times that wastewater treatment operators began their shifts. If successful, damages may result in the payment of retroactive overtime pay to the workers. The other class action lawsuit alleges Sewer's improper control of the sewer maintenance workers at lunch time, which, if successful, could also result in the payment of retroactive overtime pay to workers. All lawsuits are currently in discovery, wherein settlement negotiations are attempted during court mandated meditations.

Fire and Police Pension System Donations

From 1999 to 2002, Pensions received donations of non-voting common stock of non-public corporations, pursuant to repurchase agreements between Pensions and the donors, structured entirely by the donors' tax advisers. Under the terms of the agreements, Pensions, although the owner of the donated common stock, acknowledged that: the non-voting common shares have not been registered under the Federal Securities Act of 1933 or qualified under the California Corporate Securities Law of 1968; that no public market exists with respect to the non-voting common shares; and that the common shares are subject to a right of first refusal prohibiting Pensions from selling or otherwise disposing of any common shares without first offering to sell them to the donor. The shares are recorded at carry and fair values of zero for the following reasons: (1) there is no public market for the shares, (2) Pensions does not have the right to sell or otherwise dispose of the shares until the agreed upon future date, and (3) the shares were received as a donation for no consideration. Donation income is only recorded if cash dividends are received from the stock while in the possession of Pensions or when the stock is sold.

In fiscal year ended June 30, 2005, Pensions has been informed that the Internal Revenue Service is disputing the tax treatment claimed by the donors in connection with these donations of stock. There have been no allegations of inappropriate activity by Pensions. The last donation of private equity accepted by Pensions was in 2002. Pensions has sold or returned the majority of donation of private equity since August 2005. Pensions has not received any income from these donations in 2015.

NOTE 5 – OTHER INFORMATION (Continued)**F. CRA/LA, a Designated Local Authority and Successor Agency for the former Community Redevelopment Agency (Former Agency) and Related Contingencies**

The enactment in June 2011 of the Assembly Bill 1X26 (Dissolution Act) resulted in the dissolution of all redevelopment agencies as of February 1, 2012. To help facilitate the winding down process, Successor Agencies have been established to manage redevelopment projects currently underway, make payments on enforceable obligations, and dispose of redevelopment assets and properties. On February 3, 2012, Governor Brown appointed three Los Angeles County residents as the governing board of CRA/LA-Designated Local Authority (CRA/LA), successor agency of the former agency.

On January 25, 2012, the City Council adopted a resolution wherein the City elected to opt-in as the Housing Successor Agency and designated the Housing and Community Investment Department (HCIDLA) as the City's representative in carrying out the housing functions and responsibilities of the Former Agency.

Housing Assets Transfer

On March 22, 2011, Council authorized the transfer of 74 properties from the Former Agency to the City, in connection with the implementation of a Cooperation Agreement (C.F. 11-0086-S1). Since some properties have more than one assessor parcel number (APN), the City Attorney reviewed the Council Motion and identified 130 parcels based on their discrete APN. As of February 1, 2012, 52 grant deeds, including 106 parcels, with historical cost of \$93.4 million were transferred from the Former Agency to the City.

The City elected to retain the housing functions and responsibilities previously performed by the Former Agency. Pursuant to H&SC Section 34176 (a) (2), the Housing Asset Transfer Schedule (HATS) prepared by CRA/LA staff was submitted by the City's HCIDLA to State Department of Finance (DOF) on August 1, 2012. DOF issued its final determination letters on March 27, 2013 and July 12, 2013, granting approval of most of the housing assets listed on HATS. Effective May 1, 2013, CRA/LA's housing assets including loans receivable, land held for redevelopment and land inventory unspent housing bond proceeds and functions were assumed by HCIDLA.

In accordance with H&SC section 34176 (g)(1)(A), the Housing Successor is allowed to use or commit unspent housing bond proceeds for the purpose of affordable housing. DOF has advised the Housing Successor that, if it agrees to assume the obligations of the CRA/LA with respect to ensuring compliance with bond covenants and redevelopment objectives, it may drawdown the unspent bond proceeds in lump sum. A total of \$13.4 million was transferred to the Housing Successor in fiscal year 2015, while \$3.1 million remained available at June 30, 2015. The unspent housing bond proceeds in its entirety was listed on the Recognized Obligation Payment Schedule (ROPS) for distribution.

As required by H&SC Section 34176 (d), the City created the Low and Moderate Income Housing Fund to maintain housing assets transferred from the Former Agency. Housing assets primarily consist of loans receivable, due from other governmental agencies and land for redevelopment. In fiscal year 2014, the transfer of housing assets reflected as an Extraordinary Item in the City's financial statements was \$35.4 million. Additional \$4.9 million was recognized as Extraordinary Item in fiscal year 2015.

NOTE 5 – OTHER INFORMATION (Continued)

Transfer of Commercial and Industrial Earthquake Recovery Loan Program

On June 16, 1995, the Former Agency and the City executed a Memorandum of Agreement through which the City provided \$28.6 million in CDBG funds to the Former Agency to implement the Commercial and Industrial Earthquake Loan Program (CIERLP), designed to enable businesses to quickly repair and reconstruct earthquake damaged commercial buildings. On June 13, 2013, the CRA/LA Oversight Board approved the transfer of the CIERLP loan portfolio and program responsibilities to the City. On December 4, 2013, the City Council and Mayor authorized the execution of the CIERLP Assignment Agreement and transfer of funds. CIERLP loans receivable amounting \$8.8 million was reflected as Extraordinary Item in the City's financial statements in fiscal year 2014.

Other Loans from the City

At June 30, 2015, the federally funded loans from the City to the Former Agency amounted to \$5.8 million. These loans will be repaid from available sources including tax increment. AB 1X26 acknowledges that payments to the federal government are enforceable obligations and such contracts were not invalidated. In its determination letter dated December 26, 2012 DOF approved the affected ROPS line items and authorized the repayment of the obligation through the Redevelopment Property Tax Trust Fund (RPTTF). Future ROPS will include interest payments for the remaining outstanding loan, with a final payment of principal and interest due upon maturity in 2021.

Transfer of Properties for Government Use

Pursuant to H&SC Section 34191, the Successor Agency must prepare a "Long-Range Property Management Plan" (LRPMP) that addresses the disposition and use of the real properties of the former redevelopment agencies. The report must be submitted to the Oversight Board and DOF for approval. The LRPMP must include an inventory of all properties in the Community Redevelopment Property Trust Fund, the repository of all real properties of the former redevelopment agency, and a proposal for how to use or dispose of each property. The LRPMP shall separately identify and list properties dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation.

On February 27, 2014, DOF approved the transfer from CRA/LA to the City of 31 real property interests, including 7 public parks, 14 public rights of way and parcel remnants, 2 government facilities and 8 access and use easements. In addition, the transfer of 4 real property interest representing approximately 5.6 million square feet of Transferable Floor Area Ratio development rights may become available for transfer to the City upon DOF approval. All received properties will be encumbered with restrictions that require that the properties continue to be used for government purposes in perpetuity, and will be conveyed by grant deed, quitclaim or easement transfer (Transfer Documents) at no cost to the City. On May 6, 2014, the City Council and Mayor approved actions to assume ownership of the 35 real property interests for Government Use (C.F. 13-1482). As of June 30, 2015, properties transferred to the City net of certain real properties sold totaled \$111.0 million.

NOTE 5 – OTHER INFORMATION (Continued)Transfer of Excess CRA/LA Non-Housing Bond Proceeds

In accordance with H&SC section 34191.4, remaining bond proceeds that cannot be spent in a manner consistent with the bond covenants will be used to defease the bonds or purchase those same bonds on the open market. CRA/LA has identified excess non-housing bond proceeds available in the amount of \$86.4 million, net of enforceable obligations and administrative fees. The City has requested to utilize CRA/LA's excess non-housing bond proceeds for redevelopment activities. CRA/LA's Governing Board and the Oversight Board approved a Bond Expenditure Agreement (BEA) with the City on November 6, 2014 and November 13, 2014, respectively. The BEA authorizes the listing of the agreement as an enforceable obligation on ROPS 14-15B and the transfer of the excess non-housing bond proceeds. On November 4, 2014, DOF partially approved the BEA and authorized the transfer of \$84.1 million after identifying \$2.3 million from bonds no longer outstanding and the bond covenants no longer exist. The City recognized a liability for Excess Bond Proceeds for the \$84.1 million at June 30, 2015.

G. Subsequent Events**Indebtedness**

Subsequent to June 30, 2015, the City issued the following indebtedness:

Issue Date	Description	Amount (in millions)	Interest Rate (Percentage)
July 9, 2015	2015 Tax and Revenue Anticipation Notes	\$ 1,386.2	2.000 %
November 19, 2015	MICLA Lease Revenue Bonds Series 2015 A (LA Convention Center)	292.4	1.260 - 3.592
November 24, 2015	Airports Revenue Bonds Series 2015 D and 2015 E	324.3	2.000 - 5.000
October 14, 2015	Harbor Revenue Bonds Series 2015 A	37.1	2.000 - 5.000
October 1, 2015	Power System Revenue Bonds, Series 2015 B	268.6	3.000 - 5.000

Airports Enterprise Fund

On October 15, 2015, the Airports Board authorized the issuance of the Series 2015D and 2015E LAX revenue bonds in an aggregate par amount not to exceed \$350.0 million. The proceeds of the issuance will be used to provide ongoing funding for various capital projects at LAX. On November 5, 2015, Airports issued LAX senior revenue bonds Series 2015D and Series 2015E in the amount of \$296.4 million and \$27.9 million, respectively, to fund capital projects at LAX.

Runway Safety Area Improvement Project

On July 16, 2015, the Airports Board awarded a \$45.5 million contract to Griffith/Coffman JV for the Runway 6R-24L Safety Area Improvement Project at LAX in order to bring the runway into compliance with the FAA mandated passenger safety standards. The Runway 6R-24L Safety Area Improvement and Taxiway portions of the project are eligible for 75% reimbursement from the FAA under an Airport Improvement Program (AIP) grant. All non-federally funded project costs will be recovered from airfield users through terminal rates and charges. Airports approved a construction contract in the amount of \$122.1 million to Griffith/Coffman JV for the Runway 7L-25R Safety Area Improvements and Pavement Rehabilitation Project at LAX on January 14, 2016.

NOTE 5 – OTHER INFORMATION (Continued)**Central Terminal Area Parking Garage System**

Airports approved a five-year agreement plus five one-year extension options to ABM Onsite Services – West, Inc. dba ABM Parking Services for the operation and management of the Central Terminal Area parking garage system at LAX for a total contract cost of \$140.6 million over the initial five-year term on December 10, 2015.

Harbor Enterprise Fund

On August 25, 2015, Harbor renewed its Commercial Paper Program through an extension of the existing Line of Credit (LOC) Agreement with Mizuho Bank, that was previously established in July 2012 for a period of three years. The extension of the LOC provides for \$200.0 million of liquidity support through August 24, 2018 at the rate of 0.29%.

On September 25, 2015, Harbor redeemed all of the outstanding 2005 Series C-1 Refunding Bonds. On September 30, 2015, Harbor issued \$37.1 million Refunding Revenue Bonds 2015 Series A to refund the 2005 Series A and B Bonds. The 2015 Series A Bonds have maturities from August 2016 through August 2027 with interest rates range from 2.0% to 5.0%.

Power and Water Enterprise Funds

On October 20, 2015, the Board of Water and Power Commissioners approved Resolution No. 4900 which authorized DWP to establish and maintain up to a combined \$500.0 million Revolving Line of Credit for both the Water and Power Systems. On November 17, 2015, the Board authorized the execution of a Revolving Credit Agreement (RCA) with Wells Fargo Bank, National Association (Wells Fargo) of up to \$300.0 million. On December 17, 2015, DWP entered into a RCA with Wells Fargo in the principal amount not-to-exceed \$300.0 million. Under the RCA, which expires on December 14, 2018, amounts due may be paid by DWP at any time at its option. DWP expects to pay principal amounts due under the RCA from proceeds of subsequent borrowings. On December 21, 2015, Water made its first draw under the RCA in the amount of \$250.0 million, which was deposited into the Water Short Term Revenue Notes, Issue of 2015, Construction Fund.

In October 2015, Power issued \$268.6 million of fixed-rate, tax-exempt Power System Revenue Bonds, 2015 Series B. The net proceeds of \$300.0 million, including a \$31.4 million issue premium net of underwriter's discount, were used to refund all of the \$300.0 million outstanding Power System Revenue Bonds, 2012 Series C (the "Refunded Bonds"). The transaction resulted in a net gain for accounting purposes of \$2.8 million, which was deferred and is being amortized over the life of the Refunded Bonds.

On December 1, 2015, the Board of Water and Power Commissioners approved a resolution authorizing the adoption of an ordinance by the Los Angeles City Council to transfer money from the Power Revenue Fund to the Reserve Fund of the City of Los Angeles during fiscal year 2016 in the amount of \$267.0 million. City Council approval by ordinance is required.

On January 19, 2016 the Board of Water and Power Commissioners approved a resolution approving a proposed incremental electric rate ordinance (Ordinance) which adopts proposed rates and rate structures as well as enhanced performance and accountability measures. The proposed Ordinance, along with remaining existing rates will result in a system average annual rate increase of 3.86 percent, which will provide average annual revenue increases of \$144.0 million over the next five years for a total of approximately \$720.0 million. The City Council approval of the proposed electric rate ordinance is required.

NOTE 5 – OTHER INFORMATION (Continued)

In January 2016, Power reissued the reoffering memorandum for \$206.0 million for 2001 Series B, Subseries B1 & B3 Variable Rate Demand Revenue Bonds and \$388.5 million for 2002 Series A, Subseries A1-A8- Variable Rate Demand Revenue Bonds.

On December 15, 2015 the Board of Water and Power Commissions approved a proposed water rates ordinance (the Ordinance) which includes conservation enhanced rates. The Ordinance will provide average annual revenue increases of \$66.0 million over the next five years for a total of approximately \$330.0 million. City Council approval of the proposed water rate ordinance is required.

Los Angeles City Employees' Retirement System

Rescinding of Tier 2 and Establishment of New Tier (Tier 3) of Members

New hires on or after July 1, 2013 became members of LACERS Tier 2, pursuant to an ordinance adopted in October 2012. However, on July 28, 2014, the City Employee Relations Board ordered that the City rescind the implementation of Tier 2. As announced by the City in August 2015, the City and the Coalition of Los Angeles City Unions representing more than half City's civilian workforce had reached a tentative contract agreement, which, in effect, will rescind the Tier 2 and create a new tier of benefits, among other things. As of February 2016, members in Tier 2 had been converted to Tier 1 and a new Tier 3 was established following the adoption of Ordinance No. 184.134 on December 4, 2015.

Required Supplementary Information

City of Los Angeles

**REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2015
(Unaudited)**

Los Angeles Fire and Police Pension System

Benefit Pension Plan

Schedule of Employer Contributions
(in thousands)

Fiscal Year Ended	Actuarially Determined Contribution	Actual Contributions	Contribution Deficiency / (Excess)	Covered - Employee Payroll	Contribution as Percentage of Covered Payroll ⁽²⁾
2015	\$ 480,332	\$ 480,332	\$ --	\$ 1,316,969	36.5%
2014	440,698	440,698	--	1,308,149	33.7%
2013	375,448	375,448	--	1,277,031	29.4%
2012	321,593	321,593	--	1,213,396	26.5%
2011	277,092	277,092	--	1,289,857	21.5%
2010	250,517	250,517	--	1,266,312	19.8%
2009	238,698	238,698	--	1,253,659	19.0%
2008 ⁽¹⁾	261,635	261,635	--	1,188,972	22.0%
2007	224,946	224,946	--	1,130,297	19.9%
2006	143,946	143,946	--	not available	not available

⁽¹⁾ Figures include amounts transferred and contributed during the fiscal year that were related to the transfer of certain Harbor Port Police members from Los Angeles City Employees' Retirement System.

⁽²⁾ Contribution rate as a percentage of covered payroll reflects discount applied when the employer prepays its contribution. This rate has been "backed" into by dividing the actual contributions by the budgeted covered payroll.

Los Angeles City Employees' Retirement System

Benefit Pension Plan

Schedule of Employer Contributions
(in thousands)

Fiscal Year Ended	Actuarially Determined Contribution	Actual Contributions	Contribution Deficiency / (Excess)	Covered - Employee Payroll	Contribution as Percentage of Covered Payroll
2015	\$ 381,141	\$ 381,141	\$ --	\$ 1,835,637	20.8%
2014	357,649	357,649	--	1,802,931	19.8%
2013	346,181	346,181	--	1,736,113	19.9%
2012	308,540	308,540	--	1,715,197	18.0%
2011	303,561	303,561	--	1,678,059	18.1%
2010	258,643	258,643	--	1,827,864	14.2%
2009	274,555	274,555	--	1,832,796	15.0%
2008	288,119	288,119	--	1,741,850	16.5%
2007	277,516	277,516	--	1,646,056	16.9%
2006	227,741	227,741	--	1,602,620	14.2%

Water and Power Employees' Retirement Plan

Benefit Pension Plan

Schedule of Employer Contributions
(in thousands)

Fiscal Year Ended	Actuarially Determined Contribution	Actual Contributions	Contribution Deficiency / (Excess)	Covered - Employee Payroll	Contribution as Percentage of Covered Payroll
2015	\$ 387,465	\$ 376,902	\$ 10,563	\$ 839,213	44.9%
2014	387,824	384,266	3,558	819,924	46.9%
2013	376,668	368,426	8,241	817,421	45.1%
2012	336,875	321,689	15,186	805,607	39.9%
2011	304,432	286,699	17,733	791,760	36.2%
2010	200,578	201,035	(457)	767,912	26.2%
2009	141,292	145,941	(4,650)	696,704	20.9%
2008	134,651	141,862	(7,211)	623,675	22.7%
2007	134,504	129,155	5,350	604,515	21.4%
2006	110,269	101,556	8,712	574,316	17.7%

City of Los Angeles

REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2015
(Unaudited)

Los Angeles Fire and Police Pension System
Schedule of Changes in Net Pension Liability and Related Ratios
(amounts in thousands)

	June 30, 2014
Total Pension Liability	
Service cost	\$ 368,018
Interest	1,392,553
Benefit payments, including refunds of member contributions	(858,986)
Experience losses (gains)	(234,638)
Assumption changes	(69,482)
Net change in total pension liability	597,465
Total pension liability at beginning of year	18,264,528
Total pension liability at end of year (a)	\$ 18,861,993
 Fiduciary net position	
Employer contributions	\$ 440,698
Member contributions	124,395
Net investment income	2,617,090
Benefit payments, including refunds of member contributions	(858,986)
Administrative expenses	(13,865)
Net change (gain)	2,309,332
Fiduciary net position at beginning of year	14,680,373
Fiduciary net position at end of year (b) ¹	\$ 16,989,705
Net pension liability (a) - (b)	\$ 1,872,288
 Fiduciary net position as a percentage of the total pension liability	90.07%
Covered payroll	\$ 1,308,149
Net pension liability as a percentage of covered payroll	143.13%

Source: June 30, 2013 actuarial valuation prepared by the System actuary, Segal Consulting. Segal Consulting's GASB 67 report is available online at www.lafpp.com.

¹ Fiduciary Net Position – The fiduciary net position is calculated based on financial information available to the actuary for the presentation of the actuarial valuation and does not include subsequent adjustments. Subsequent adjustments resulted in a net increase of \$11,952,832, which represents 0.07% of Pension's fiduciary net position as of June 30, 2014.

This schedule is presented for those years for which information is available.

City of Los Angeles

REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2015
(Unaudited)

Los Angeles City Employees' Retirement System
Schedule of Changes in Net Pension Liability and Related Ratios ⁽¹⁾
(amounts in thousands)

	June 30, 2014
Total Pension Liability	
Service cost	\$ 317,185
Interest	1,149,966
Benefit payments, including refunds of Member contributions	(721,153)
Experience losses (gains)	(164,247)
Assumption Changes	785,439
	1,367,190
Net change in total pension liability	1,367,190
Total pension liability at beginning of year	14,881,663
	\$ 16,248,853
 Fiduciary net position	
Employer contributions	\$ 357,649
Member contributions	203,975
Net investment income	1,810,782
Benefit payments, including refunds of Member contributions	(721,153)
Administrative expenses	(12,372)
Other (Transfer to Larger Annuity Reserve)	(2,288)
	1,636,593
Net change	1,636,593
Fiduciary net position at beginning of year	10,154,486
	\$ 11,791,079
Net pension liability (a) - (b)	\$ 4,457,774
 Fiduciary net position as a percentage of the total pension liability (b) / (a)	72.6%
Covered-employee payroll	\$ 1,802,931
Net pension liability as a percentage of covered-employee payroll	247.3%

⁽¹⁾ In calculating the Plan's net pension liability, the total pension liability and the Plan fiduciary net position exclude amounts associated with Postemployment Health Care, Family Death, and Larger Annuity Benefits.

Changes of Assumptions: The June 30, 2014 calculations reflected various assumption changes based on the triennial experience study for the period from July 1, 2011 through June 30, 2014. The increase of total pension liability for fiscal year ended on June 30, 2014 primarily is due to the lowered assumed investment rate of return from 7.75% to 7.50%, and longer assumed life expectancies for members and beneficiaries.

City of Los Angeles

REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2015
(Unaudited)

Water and Power Employees' Retirement Plan
Schedule of Changes in Net Pension Liability and Related Ratios
(amounts in thousands)

	June 30, 2014	June 30, 2013
Total Pension Liability		
Service cost	\$ 193,661	\$ 189,950
Interest	779,397	748,905
Benefit payments, including refunds of member contributions	(463,597)	(438,527)
Experience losses (gains)	(154,222)	(98,063)
Assumption changes	525,444	--
Benefit changes	--	--
Net change in total pension liability	880,683	402,265
Total pension liability at beginning of year	10,094,868	9,692,603
Total pension liability at end of year (a)	\$ 10,975,551	\$ 10,094,868
 Fiduciary net position		
Employer contributions	\$ 389,138	\$ 372,819
Member contributions	72,300	69,634
Net investment income	1,405,686	919,679
Benefit payments, including refunds of member contributions	(463,597)	(438,527)
Administrative expenses	(4,221)	(3,737)
Net change (gain)	1,399,306	919,868
Fiduciary net position at beginning of year	8,304,011	7,384,144
Fiduciary net position at end of year (b)	\$ 9,703,317	\$ 8,304,012
Net pension liability (a) - (b)	\$ 1,272,234	\$ 1,790,856
 Fiduciary net position as a percentage of the total pension liability	88.41%	82.26%
Covered-payroll	\$ 819,923	\$ 817,421
Net pension liability as a percentage of covered-payroll	155.16%	219.09%

This schedule is presented for those years for which information is available.

Actuarial Methods and Assumptions Used to Determine Employer Contribution Rates

	Los Angeles Fire and Police Pension System	Los Angeles City Employees' Retirement System	Water and Power Employees' Retirement Plan
Valuation Date	June 30, 2013	June 30, 2013	June 30, 2014
Actuarial Cost Method	Entry Age Cost Method	Entry Age Actuarial Cost Method - assuming a closed group.	Entry age actuarial cost method
Amortization Method	For Tier 1, level dollar amortization is used ending on June 30, 2037. For Tiers 2, 3, and 4, level percent of payroll amortization with multiple layers is used as a percent of TOTAL valuation payroll from the respective employer (i.e., City or Harbor Port Police). For Tiers 5 and 6, level percent of payroll with multiple layers is used as a percent of combined payroll for these tiers from the respective employer (i.e., City or Harbor Port Police).	Level Percent of Payroll – assuming a 4.25% increase in total covered payroll.	Level dollar amortization.
Remaining Amortization Period	Actuarial gains/losses are amortized over 20 years. Assumption changes are amortized over 25 years. Plan changes are amortized over 15 years.	Multiple layers. Actuarial gains/losses are amortized over 15 years. Assumption or method changes are amortized over 30 years. The existing layers on June 30, 2005, except those arising from the 2009 ERIP and the two GASB25/27 layers, were combined and amortized over 30 years. Plan changes, including the liability change due to the 2009 ERIP, are amortized over 15 years. Future ERIP liability will be amortized over 5 years. Actuarial surplus is amortized over 30 years.	The July 1, 2004 Unfunded Actuarial Accrued Liability is amortized over a 15-year period commencing July 1, 2004. Any subsequent changes in Unfunded Actuarial Accrued Liability are amortized over separate 15-year periods effective with that valuation.
Asset Valuation Method	The market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a seven-year period. Unrecognized return established before July 1, 2008 was recognized over a five-year period. The actuarial value of assets is further adjusted, if necessary, to be within 40% of the market value of assets.	Fair value of assets less unrecognized returns in each of the last seven years. Unrecognized return is equal to the difference between the actual market return and the expected return on the fair value, and is recognized over a seven-year period. The result of such smoothing process shall fall between 60% - 140% of fair value.	The market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market returns and the expected returns on a market value basis, and is recognized over a five-year period. As directed by the Retirement Office, the actuarial valuation of assets may be reduced by an amount classified as a non-valuation reserve.
Actuarial Assumptions:			
Investment Rate of Return	7.75	7.75%	7.50%
Inflation Rate	3.50%	3.50%	3.25%
Real Across-the-Board Salary Increase	0.75%	0.75%	0.75%
Projected Salary Increase	Ranges from 5.25% to 12.25% based on service.	Ranges from 6.50% to 11.25% for Members with less than five years of service. Ranges from 4.65% to 6.50% for Members with five or more years of service.	4.75% to 10.00%.
Cost of Living Adjustment	3.50% of Tiers 1 and 2 retirement income and 3.00% of Tiers 3, 4, 5, and 6 retirement income.	3.00%	3.00% (actual increases are contingent upon CPI increases with a 3.00% maximum for Tier 1, 2.00% maximum for Tier 2).
Mortality Rates:			
Healthy	RP-2000 Combined Healthy Mortality Table (separate for males and females) set back four years for members. RP-2000 Combined Healthy Mortality Table (separate for males and females) set back two years for beneficiaries.	RP-2000 Combined Healthy Mortality Table, set back two years for males and set back one year for females.	RP-2000 Combined Healthy Mortality Table with ages set back one year, projected to 2030 with Scale AA.
Disabled	RP-2000 Combined Healthy Mortality Table (separate for males and females) set back two years.	RP-2000 Combined Healthy Mortality Table, set forward five years for males and set forward six year for females.	RP-2000 Combined Healthy Mortality Table with ages set one year, projected to 2030 with Scale AA.

City of Los Angeles

REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2015
(Unaudited)

Other Postemployment Benefits Healthcare Plans
Schedule of Funding Progress
(amounts expressed in thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL	Funded Ratio	Covered Payroll	Unfunded AAL as a Percentage of Covered Payroll
Fire and Police Health Subsidy Plan						
6/30/13	\$ 1,013,400	\$ 2,633,793	\$ 1,620,393	38.5 %	\$ 1,367,237	118.5 %
6/30/14	1,200,874	2,783,283	1,582,409	43.1	1,402,715	112.8
6/30/15	1,344,333	2,962,703	1,618,370	45.4	1,405,171	115.2
Los Angeles City Employees' Postemployment Healthcare Plan						
6/30/13	\$ 1,734,733	\$ 2,412,484	\$ 677,751	71.9 %	\$ 1,846,970	36.7 %
6/30/14	1,941,225	2,662,853	721,628	72.9	1,898,064	38.0
6/30/15	2,108,925	2,646,989	538,064	79.7	1,907,665	28.2
Water and Power Employees' Retiree Health Benefits Plan						
6/30/13	\$ 1,332,136	\$ 1,743,727	\$ 411,591	76.4 %	\$ 900,254	45.7 %
6/30/14	1,485,140	1,947,912	462,772	76.2	900,126	51.4
6/30/15	1,637,578	1,956,230	318,652	83.7	920,781	34.6

City of Los Angeles

REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2015
(Unaudited)

Condition Rating for City Bridges
As of July 1, 2013

Bridge Type	No. of Bridges	Rating				
		A = 90% - 100% (very good)	B = 80% - 89% (good to fair)	C = 70% - 79% (fair to poor)	D = 50% - 69% (very poor)	F = below 50% (failure)
Vehicular	428	202	83	111	31	1
Pedestrian	67	7	57	3	--	--
Tunnel	17	6	8	3	--	--
Bikeway	2	1	1	--	--	--
Total	514	216	149	117	31	1
Percentage	100%	42%	29%	23%	6%	0%

Condition Rating for City Bridges
As of July 1, 2010

Bridge Type	No. of Bridges	Rating				
		A = 90% - 100% (very good)	B = 80% - 89% (good to fair)	C = 70% - 79% (fair to poor)	D = 50% - 69% (very poor)	F = below 50% (failure)
Vehicular	425	207	83	104	31	--
Pedestrian	66	8	56	2	--	--
Tunnel	15	10	3	2	--	--
Bikeway	2	1	1	--	--	--
Total	508	226	143	108	31	--
Percentage	100%	45%	28%	21%	6%	0%

Condition Rating for City Bridges
As of July 1, 2007

Bridge Type	No. of Bridges	Rating				
		A = 90% - 100% (very good)	B = 80% - 89% (good to fair)	C = 70% - 79% (fair to poor)	D = 50% - 69% (very poor)	F = below 50% (failure)
Vehicular	425	214	73	117	21	--
Pedestrian	66	16	48	2	--	--
Tunnel	14	7	5	2	--	--
Bikeway	2	1	1	--	--	--
Total	507	238	127	121	21	--
Percentage	100%	47%	25%	24%	4%	0%

City of Los Angeles

REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2015
(Unaudited)

Comparison of Needed-to-Actual Maintenance/Preservation Costs
(amounts expressed in thousands)

	Fiscal Year Ended June 30				
	2011	2012	2013	2014	2015
Needed	\$ 98,794	\$ 92,769	\$ 44,328	\$ 150,988	\$ 144,579
Actual	41,003	37,726	36,646	56,313	71,855

The Bridges and Tunnel System is a comprehensive bridge database system that enables the City to track the entire bridge inventory, inspection data, repair records, structural condition of various bridge elements, bridge sufficiency rating, cost data, traffic data, and geometric data. The Sufficiency Rating given to each bridge is in accordance with national standards developed by the Federal Highway Administration. The Sufficiency Rating ranges from 0% to 100% and is composed of the following elements: Structural Safety and Adequacy (S₁=55%), Serviceability and Functional Obsolescence (S₂=30%), Essentiality for Public Use (S₃=15%), and Special Reductions (S₄=up to a maximum of 13%). The Special Reductions is provided for long detour distance, traffic safety features, and structure type. The Sufficiency Rating is computed by summing the four elements (SR = S₁+ S₂+ S₃ -S₄). It is the City's policy that bridges shall be maintained so that at least 70% of the bridges are rated "B" or better, and no bridge shall be rated less than "D." It is also the intent of the City that at least 80% of the City bridges are rated B or better by 2020. As of June 30, 2013, the overall ratings of the City's bridges meet these standards. The latest condition assessments, that are determined every three years, were completed in March 2013. Although one bridge, the Sixth Street Viaduct, received a rating of "F", its replacement is currently in the design phase. The next condition assessment will be completed in fiscal year 2016.

Combining and Individual Fund Financial Statements and Schedules

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

The other governmental funds combining balance sheet and other governmental funds combining statement of revenues, expenditures and changes in fund balances provide the detail for the combined amounts presented in the financial statements. Subcombining statements are presented to provide the detail for the Nonmajor Special Revenue Funds, Nonmajor Debt Service Funds, and Nonmajor Capital Projects Funds. In addition, combining budgetary comparison schedules are presented for each of the Nonmajor Budgeted Funds.

The combining statements for the fiduciary funds are also presented for the Pension and Other Postemployment Benefits Trust Funds, and Agency Funds to provide the detail for the combined amounts presented in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position of the basic financial statements.

CITY OF LOS ANGELES

**Combining Balance Sheet
Other Governmental Funds**

June 30, 2015

(amounts expressed in thousands)

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Other Governmental Funds
ASSETS				
Cash and Pooled Investments	\$ 1,938,946	\$ 188,061	\$ 552,498	\$ 2,679,505
Other Investments	--	12,851	--	12,851
Taxes Receivable (Net of Allowance for Uncollectibles of \$3,616)	8,544	12,429	--	20,973
Accounts Receivable (Net of Allowance for Uncollectibles of \$27,448)	82,608	--	2,425	85,033
Special Assessments Receivable	6,169	--	1,221	7,390
Investment Income Receivable	3,656	286	1,207	5,149
Intergovernmental Receivable	129,598	--	2,814	132,412
Loans Receivable (Net of Allowance for Uncollectibles of \$1,405,608)	691,162	--	--	691,162
Due from Other Funds	61,553	--	154	61,707
Prepaid Items and Other Assets	8,802	--	--	8,802
Advances to Other Funds	1,009	--	--	1,009
Restricted Assets	12,827	--	--	12,827
Properties Held for Housing Development	110,991	--	--	110,991
TOTAL ASSETS	\$ 3,055,865	\$ 213,627	\$ 560,319	\$ 3,829,811
LIABILITIES				
Accounts, Contracts and Retainage Payable	\$ 119,348	\$ --	\$ 9,133	\$ 128,481
Obligations Under Securities Lending Transactions	11,669	1,030	3,660	16,359
Accrued Salaries and Overtime Payable	20,577	--	18	20,595
Accrued Compensated Absences Payable	174	--	--	174
Intergovernmental Payable	3,364	--	--	3,364
Due to Other Funds	74,217	--	7,407	81,624
Unearned Revenue	19,305	--	--	19,305
Deposits and Advances	22,784	--	2,002	24,786
Interest Payable	--	278	--	278
Advances from Other Funds	135,749	--	8,849	144,598
Other Liabilities	36,494	1,762	6,265	44,521
Liability for Excess CRA Bond Proceeds	84,072	--	--	84,072
TOTAL LIABILITIES	527,753	3,070	37,334	568,157
DEFERRED INFLOWS OF RESOURCES				
Unavailable Real Estate Tax	4,415	9,540	821	14,776
Taxes Other than Real Estate	956	--	--	956
Receivables from Other Government Agencies	88,206	--	3,243	91,449
Other Deferred Inflows of Resources	55,192	91	333	55,616
TOTAL DEFERRED INFLOWS OF RESOURCES	148,769	9,631	4,397	162,797
FUND BALANCES				
Nonspendable	8,802	--	--	8,802
Restricted	1,817,126	200,926	518,588	2,536,640
Committed	603,671	--	--	603,671
Assigned	14	--	--	14
Unassigned	(50,270)	--	--	(50,270)
TOTAL FUND BALANCES	2,379,343	200,926	518,588	3,098,857
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 3,055,865	\$ 213,627	\$ 560,319	\$ 3,829,811

CITY OF LOS ANGELES
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Other Governmental Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Other Governmental Funds
REVENUES				
Property Taxes	\$ 13,559	\$ 136,796	\$ --	\$ 150,355
Other Taxes	65,856	--	2,863	68,719
Licenses and Permits	51,803	--	21	51,824
Intergovernmental	730,457	958	9,560	740,975
Charges for Services	541,093	3,731	5,085	549,909
Services to Enterprise Funds	1,435	--	--	1,435
Fines	8,131	--	--	8,131
Special Assessments	105,896	--	25,084	130,980
Investment Earnings	16,471	1,696	5,852	24,019
Program Income	23,580	--	--	23,580
Other	65,888	1,285	2,999	70,172
TOTAL REVENUES	1,624,169	144,466	51,464	1,820,099
EXPENDITURES				
Current:				
General Government	18,331	--	--	18,331
Protection of Persons and Property	326,269	--	--	326,269
Public Works	228,855	--	--	228,855
Health and Sanitation	72,126	--	--	72,126
Transportation	279,819	--	--	279,819
Cultural and Recreational Services	441,180	--	--	441,180
Community Development	155,454	--	--	155,454
Capital Outlay	163,037	--	144,989	308,026
Debt Service:				
Principal	43,012	198,155	--	241,167
Interest	2,712	76,302	--	79,014
Cost of Issuance	--	388	--	388
TOTAL EXPENDITURES	1,730,795	274,845	144,989	2,150,629
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(106,626)	(130,379)	(93,525)	(330,530)
OTHER FINANCING SOURCES (USES)				
Transfers In	377,894	130,686	5,925	514,505
Transfers Out	(60,573)	(5,497)	(20,115)	(86,185)
Proceeds of Refunding Bonds	--	76,670	--	76,670
Proceeds of Refunding Bonds - Premium	--	12,105	--	12,105
Payment to Refunding Bond Escrow Agent	--	(93,345)	--	(93,345)
Loans from HUD	2,102	--	--	2,102
Early Bond Retirement Expense	--	(281)	--	(281)
TOTAL OTHER FINANCING SOURCES (USES)	319,423	120,338	(14,190)	425,571
EXTRAORDINARY ITEM				
Transfer of Assets from CRA	4,855	--	--	4,855
NET CHANGE IN FUND BALANCES	217,652	(10,041)	(107,715)	99,896
FUND BALANCES, JULY 1	2,161,691	210,967	626,303	2,998,961
FUND BALANCES, JUNE 30	\$ 2,379,343	\$ 200,926	\$ 518,588	\$ 3,098,857

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General Fund

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in other funds. General Fund revenues are derived from such sources as Taxes, Licenses and Permits, Intergovernmental Revenues, Charges for Services, Fines, Special Assessments, Interest and Others. Expenditures are expended for function of General Government, Protection of Persons and Property, Public Works, Health and Sanitation, Transportation, Cultural and Recreational Services, Community Development, Capital Outlay, and Debt Service.

CITY OF LOS ANGELES
Supplemental Schedule of Budget Appropriations,
Expenditures and Other Financing Uses by Function
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Original Adopted Budget	Additional Appropriations and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2015	Total Actual	Variance With Final Budget Positive (Negative)
GENERAL GOVERNMENT							
City Administrative Officer	\$ 15,961	\$ 1,464	\$ 17,425	\$ 13,250	\$ 1,033	\$ 14,283	\$ 3,142
City Attorney	117,306	6,122	123,428	111,488	8,961	120,449	2,979
City Clerk	26,240	22	26,262	19,129	1,675	20,804	5,458
Controller	17,248	1,247	18,495	15,040	2,250	17,290	1,205
Council	21,882	17,047	38,929	27,566	2,438	30,004	8,925
Employee Relations Board	402	--	402	298	38	336	66
Ethics Commission	2,805	--	2,805	2,272	138	2,410	395
Finance	38,731	294	39,025	34,214	3,277	37,491	1,534
General Services	235,805	65,089	300,894	248,114	19,493	267,607	33,287
Information Technology Agency	85,637	10,840	96,477	72,044	21,789	93,833	2,644
Mayor	6,126	35,399	41,525	27,689	8,440	36,129	5,396
Neighborhood Empowerment	2,097	221	2,318	2,098	117	2,215	103
Personnel	54,929	875	55,804	48,424	4,795	53,219	2,585
Non-Departmental							
Capital Finance Administration	52,478	(20)	52,458	52,325	133	52,458	--
General City Purposes	102,798	(28,178)	74,620	49,989	18,014	68,003	6,617
Human Resources Benefits	615,139	(13,623)	601,516	569,000	10,371	579,371	22,145
Liability Claims	47,910	18,095	66,005	65,846	--	65,846	159
Unappropriated Balance	117,269	(104,025)	13,244	--	--	--	13,244
Water and Electricity	30,732	--	30,732	19,546	11,186	30,732	--
TOTAL GENERAL GOVERNMENT	1,591,495	10,869	1,602,364	1,378,332	114,148	1,492,480	109,884
PROTECTION OF PERSONS AND PROPERTY							
Animal Services	23,193	(1)	23,192	20,120	1,239	21,359	1,833
Building and Safety	87,161	5,572	92,733	77,472	3,955	81,427	11,306
Emergency Management	1,845	1,299	3,144	2,581	139	2,720	424
Fire	565,124	36,528	601,652	554,798	36,989	591,787	9,865
Police	1,338,185	92,547	1,430,732	1,330,001	87,506	1,417,507	13,225
TOTAL PROTECTION OF PERSONS AND PROPERTY	2,015,508	135,945	2,151,453	1,984,972	129,828	2,114,800	36,653
PUBLIC WORKS							
Public Works Bureaus							
Board of Public Works	14,658	4,834	19,492	15,589	3,027	18,616	876
Contract Administration	30,486	1,591	32,077	27,633	1,503	29,136	2,941
Engineering	73,821	8,093	81,914	70,606	4,268	74,874	7,040
Street Lighting	26,509	5,370	31,879	24,350	1,244	25,594	6,285
Street Services	164,930	24,857	189,787	139,755	25,187	164,942	24,845
Non-Departmental							
Water and Electricity	4,558	(79)	4,479	1,230	3,249	4,479	--
TOTAL PUBLIC WORKS	314,962	44,666	359,628	279,163	38,478	317,641	41,987
HEALTH AND SANITATION							
Public Works- Bureau of Sanitation							
Non-Departmental	228,591	2,642	231,233	207,072	11,995	219,067	12,166
Water and Electricity	1,106	--	1,106	655	451	1,106	--
TOTAL HEALTH AND SANITATION	229,697	2,642	232,339	207,727	12,446	220,173	12,166

Continued...

CITY OF LOS ANGELES
Supplemental Schedule of Budget Appropriations,
Expenditures and Other Financing Uses by Function
Budget and Actual (Non-GAAP Budgetary Basis) - (Continued)
General Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Original Adopted Budget	Additional Appropriations and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2015	Total Actual	Variance With Final Budget Positive (Negative)
TRANSPORTATION	\$ 139,828	\$ 8,250	\$ 148,078	\$ 130,232	\$ 8,335	\$ 138,567	\$ 9,511
CULTURAL AND RECREATIONAL SERVICES							
Convention Center	1,721	(79)	1,642	1,260	129	1,389	253
Cultural Affairs	9,829	598	10,427	7,067	2,189	9,256	1,171
El Pueblo De Los Angeles Historical Monument Authority	1,738	--	1,738	1,453	115	1,568	170
Zoo	19,809	(135)	19,674	17,083	1,228	18,311	1,363
Non-Departmental Water and Electricity	4,447	--	4,447	2,732	1,715	4,447	--
TOTAL CULTURAL AND RECREATIONAL SERVICES	37,544	384	37,928	29,595	5,376	34,971	2,957
COMMUNITY DEVELOPMENT							
Aging	4,437	307	4,744	3,272	315	3,587	1,157
Economic and Workforce	18,234	1,755	19,989	14,827	1,289	16,116	3,873
Disability	1,961	(7)	1,954	1,576	216	1,792	162
Housing and Community Investment Planning	63,080	6,469	69,549	57,386	3,767	61,153	8,396
	35,676	945	36,621	26,184	4,301	30,485	6,136
TOTAL COMMUNITY DEVELOPMENT	123,388	9,469	132,857	103,245	9,888	113,133	19,724
PENSION AND RETIREMENT CONTRIBUTIONS							
Non-Departmental General City Purposes	2,075	2	2,077	1,925	152	2,077	--
CAPITAL OUTLAY							
Non-Departmental Capital Improvement Projects	42,803	27,149	69,952	8,643	9,814	18,457	51,495
TRANSFERS TO OTHER FUNDS							
Non-Departmental Capital Finance Administration	187,618	1,942	189,560	176,436	2,576	179,012	10,548
General	1,394,669	15,522	1,410,191	1,410,191	--	1,410,191	--
TOTAL TRANSFERS TO OTHER FUNDS	1,582,287	17,464	1,599,751	1,586,627	2,576	1,589,203	10,548
GRAND TOTAL	\$ 6,079,587	\$ 256,840	\$ 6,336,427	\$ 5,710,461	\$ 331,041	\$ 6,041,502	\$ 294,925

CITY OF LOS ANGELES

Supplemental Schedule of Budget Appropriations,
Expenditures and Other Financing Uses by Function and Object
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Original Adopted Budget	Additional Appropriations and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2015	Total Actual	Variance With Final Budget Positive (Negative)
GENERAL GOVERNMENT							
CITY ADMINISTRATIVE							
OFFICER							
Salaries	\$ 13,795	\$ 416	\$ 14,211	\$ 12,559	\$ 598	\$ 13,157	\$ 1,054
Expenses	2,166	1,048	3,214	691	435	1,126	2,088
Subtotal	15,961	1,464	17,425	13,250	1,033	14,283	3,142
CITY ATTORNEY							
Salaries	109,200	2,961	112,161	103,708	5,635	109,343	2,818
Expenses	8,106	441	8,547	6,773	1,613	8,386	161
Special	--	2,720	2,720	1,007	1,713	2,720	--
Subtotal	117,306	6,122	123,428	111,488	8,961	120,449	2,979
CITY CLERK							
Salaries	17,934	(1,936)	15,998	12,771	464	13,235	2,763
Expenses	8,306	1,958	10,264	6,358	1,211	7,569	2,695
Subtotal	26,240	22	26,262	19,129	1,675	20,804	5,458
CONTROLLER							
Salaries	16,220	217	16,437	14,503	787	15,290	1,147
Expenses	1,028	1,004	2,032	537	1,456	1,993	39
Equipment	--	26	26	--	7	7	19
Subtotal	17,248	1,247	18,495	15,040	2,250	17,290	1,205
COUNCIL							
Salaries	20,974	13,958	34,932	25,507	1,267	26,774	8,158
Expenses	908	3,089	3,997	2,059	1,171	3,230	767
Subtotal	21,882	17,047	38,929	27,566	2,438	30,004	8,925
EMPLOYEE RELATIONS							
BOARD							
Salaries	324	--	324	277	12	289	35
Expenses	78	--	78	21	26	47	31
Subtotal	402	--	402	298	38	336	66
ETHICS COMMISSION							
Salaries	2,239	80	2,319	2,157	113	2,270	49
Expenses	566	(80)	486	115	25	140	346
Subtotal	2,805	--	2,805	2,272	138	2,410	395
FINANCE							
Salaries	29,586	(1,922)	27,664	25,920	1,251	27,171	493
Expenses	9,145	2,216	11,361	8,294	2,026	10,320	1,041
Subtotal	38,731	294	39,025	34,214	3,277	37,491	1,534
GENERAL SERVICES							
Salaries	108,758	26,411	135,169	114,690	5,251	119,941	15,228
Expenses	123,332	38,679	162,011	129,906	14,053	143,959	18,052
Equipment	120	--	120	--	113	113	7
Special	3,595	(1)	3,594	3,518	76	3,594	--
Subtotal	235,805	65,089	300,894	248,114	19,493	267,607	33,287

Continued...

CITY OF LOS ANGELES
Supplemental Schedule of Budget Appropriations,
Expenditures and Other Financing Uses by Function and Object
Budget and Actual (Non-GAAP Budgetary Basis) - (Continued)
General Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Original Adopted Budget	Additional Appropriations and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2015	Total Actual	Variance With Final Budget Positive (Negative)
INFORMATION							
TECHNOLOGY AGENCY							
Salaries	\$ 46,946	\$ 4,142	\$ 51,088	\$ 47,391	\$ 2,339	\$ 49,730	\$ 1,358
Expenses	21,102	4,637	25,739	15,976	8,626	24,602	1,137
Equipment	153	90	243	33	198	231	12
Special	17,436	1,971	19,407	8,644	10,626	19,270	137
Subtotal	85,637	10,840	96,477	72,044	21,789	93,833	2,644
MAYOR							
Salaries	5,737	8,850	14,587	12,186	618	12,804	1,783
Expenses	389	26,549	26,938	15,503	7,822	23,325	3,613
Subtotal	6,126	35,399	41,525	27,689	8,440	36,129	5,396
NEIGHBORHOOD EMPOWERMENT							
Salaries	1,921	127	2,048	1,870	81	1,951	97
Expenses	170	98	268	227	36	263	5
Special	6	(4)	2	1	--	1	1
Subtotal	2,097	221	2,318	2,098	117	2,215	103
PERSONNEL							
Salaries	46,540	360	46,900	42,995	2,166	45,161	1,739
Expenses	6,515	515	7,030	4,028	2,480	6,508	522
Special	1,874	--	1,874	1,401	149	1,550	324
Subtotal	54,929	875	55,804	48,424	4,795	53,219	2,585
NON-DEPARTMENTAL							
Capital Finance							
Administration	52,478	(20)	52,458	52,325	133	52,458	--
General City Purposes	102,798	(28,178)	74,620	49,989	18,014	68,003	6,617
Human Resources Benefits	615,139	(13,623)	601,516	569,000	10,371	579,371	22,145
Liability Claims	47,910	18,095	66,005	65,846	--	65,846	159
Unappropriated Balance	117,269	(104,025)	13,244	--	--	--	13,244
Water and Electricity	30,732	--	30,732	19,546	11,186	30,732	--
Subtotal	966,326	(127,751)	838,575	756,706	39,704	796,410	42,165
TOTAL GENERAL GOVERNMENT							
	1,591,495	10,869	1,602,364	1,378,332	114,148	1,492,480	109,884
PROTECTION OF PERSONS AND PROPERTY							
ANIMAL SERVICES							
Salaries	21,466	(187)	21,279	18,810	984	19,794	1,485
Expenses	1,727	186	1,913	1,310	255	1,565	348
Subtotal	23,193	(1)	23,192	20,120	1,239	21,359	1,833
BUILDING AND SAFETY							
Salaries	84,697	5,572	90,269	75,852	3,793	79,645	10,624
Equipment	2	--	2	--	--	--	2
Expenses	2,462	--	2,462	1,620	162	1,782	680
Subtotal	87,161	5,572	92,733	77,472	3,955	81,427	11,306

Continued...

CITY OF LOS ANGELES
Supplemental Schedule of Budget Appropriations,
Expenditures and Other Financing Uses by Function and Object
Budget and Actual (Non-GAAP Budgetary Basis) - (Continued)
General Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Original Adopted Budget	Additional Appropriations and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2015	Total Actual	Variance With Final Budget Positive (Negative)
EMERGENCY MANAGEMENT							
Salaries	\$ 1,774	\$ 1,299	\$ 3,073	\$ 2,524	\$ 125	\$ 2,649	\$ 424
Expenses	71	--	71	57	14	71	--
Subtotal	1,845	1,299	3,144	2,581	139	2,720	424
FIRE							
Salaries	531,090	31,215	562,305	525,277	29,570	554,847	7,458
Expenses	34,034	5,181	39,215	29,521	7,291	36,812	2,403
Equipment	--	132	132	--	128	128	4
Subtotal	565,124	36,528	601,652	554,798	36,989	591,787	9,865
POLICE							
Salaries	1,263,191	90,933	1,354,124	1,285,433	60,025	1,345,458	8,666
Expenses	61,824	1,146	62,970	43,902	14,654	58,556	4,414
Equipment	13,170	468	13,638	666	12,827	13,493	145
Subtotal	1,338,185	92,547	1,430,732	1,330,001	87,506	1,417,507	13,225
TOTAL PROTECTION OF PERSONS AND PROPERTY							
	2,015,508	135,945	2,151,453	1,984,972	129,828	2,114,800	36,653
PUBLIC WORKS							
BOARD OF PUBLIC WORKS							
Salaries	7,231	918	8,149	7,286	346	7,632	517
Expenses	7,427	3,916	11,343	8,303	2,681	10,984	359
Subtotal	14,658	4,834	19,492	15,589	3,027	18,616	876
BUREAU OF CONTRACT ADMINISTRATION							
Salaries	28,769	1,544	30,313	26,402	1,221	27,623	2,690
Expenses	1,717	47	1,764	1,231	282	1,513	251
Subtotal	30,486	1,591	32,077	27,633	1,503	29,136	2,941
BUREAU OF ENGINEERING							
Salaries	70,172	8,579	78,751	69,064	3,315	72,379	6,372
Expenses	3,263	(486)	2,777	1,463	646	2,109	668
Equipment	386	--	386	79	307	386	--
Subtotal	73,821	8,093	81,914	70,606	4,268	74,874	7,040
BUREAU OF STREET LIGHTING							
Salaries	20,828	3,833	24,661	19,667	934	20,601	4,060
Expenses	1,498	736	2,234	959	190	1,149	1,085
Equipment	1	25	26	--	--	--	26
Special	4,182	776	4,958	3,724	120	3,844	1,114
Subtotal	26,509	5,370	31,879	24,350	1,244	25,594	6,285
BUREAU OF STREET SERVICES							
Salaries	78,538	12,293	90,831	73,104	3,513	76,617	14,214
Expenses	86,392	12,564	98,956	66,651	21,674	88,325	10,631
Subtotal	164,930	24,857	189,787	139,755	25,187	164,942	24,845

Continued...

CITY OF LOS ANGELES

Supplemental Schedule of Budget Appropriations,
Expenditures and Other Financing Uses by Function and Object
Budget and Actual (Non-GAAP Budgetary Basis) - (Continued)
General Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Original Adopted Budget	Additional Appropriations and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2015	Total Actual	Variance With Final Budget Positive (Negative)
NON-DEPARTMENTAL							
Water and Electricity	\$ 4,558	\$ (79)	\$ 4,479	\$ 1,230	\$ 3,249	\$ 4,479	\$ --
TOTAL PUBLIC WORKS	314,962	44,666	359,628	279,163	38,478	317,641	41,987
HEALTH AND SANITATION							
PUBLIC WORKS -							
BUREAU OF SANITATION							
Salaries	220,878	2,410	223,288	202,798	9,735	212,533	10,755
Expenses	7,686	232	7,918	4,248	2,260	6,508	1,410
Equipment	27	--	27	26	--	26	1
Subtotal	228,591	2,642	231,233	207,072	11,995	219,067	12,166
NON-DEPARTMENTAL							
Water and Electricity	1,106	--	1,106	655	451	1,106	--
TOTAL HEALTH AND SANITATION	229,697	2,642	232,339	207,727	12,446	220,173	12,166
TRANSPORTATION							
Salaries	119,042	8,772	127,814	114,767	5,374	120,141	7,673
Expenses	20,722	(481)	20,241	15,465	2,941	18,406	1,835
Equipment	64	(41)	23	--	20	20	3
TOTAL TRANSPORTATION	139,828	8,250	148,078	130,232	8,335	138,567	9,511
CULTURAL AND RECREATIONAL SERVICES							
CONVENTION CENTER							
Salaries	1,676	(163)	1,513	1,208	60	1,268	245
Expenses	40	84	124	52	69	121	3
Special	5	--	5	--	--	--	5
Subtotal	1,721	(79)	1,642	1,260	129	1,389	253
CULTURAL AFFAIRS							
Salaries	4,809	95	4,904	4,495	220	4,715	189
Expenses	553	371	924	473	222	695	229
Equipment	--	7	7	--	--	--	7
Special	4,467	125	4,592	2,099	1,747	3,846	746
Subtotal	9,829	598	10,427	7,067	2,189	9,256	1,171
EL PUEBLO DE LOS ANGELES HISTORICAL MONUMENT AUTHORITY							
Salaries	1,331	--	1,331	1,120	54	1,174	157
Expenses	381	--	381	319	53	372	9
Special	26	--	26	14	8	22	4
Subtotal	1,738	--	1,738	1,453	115	1,568	170
ZOO							
Salaries	16,667	(453)	16,214	14,742	744	15,486	728
Expenses	3,142	318	3,460	2,341	484	2,825	635
Subtotal	19,809	(135)	19,674	17,083	1,228	18,311	1,363
NON-DEPARTMENTAL							
Water and Electricity	4,447	--	4,447	2,732	1,715	4,447	--
TOTAL CULTURAL AND RECREATIONAL SERVICES	37,544	384	37,928	29,595	5,376	34,971	2,957

Continued...

CITY OF LOS ANGELES
Supplemental Schedule of Budget Appropriations,
Expenditures and Other Financing Uses by Function and Object
Budget and Actual (Non-GAAP Budgetary Basis) - (Continued)
General Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Original Adopted Budget	Additional Appropriations and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2015	Total Actual	Variance With Final Budget Positive (Negative)
COMMUNITY DEVELOPMENT							
AGING							
Salaries	\$ 4,030	\$ 170	\$ 4,200	\$ 3,023	\$ 153	\$ 3,176	\$ 1,024
Expenses	407	137	544	249	162	411	133
Subtotal	4,437	307	4,744	3,272	315	3,587	1,157
ECONOMIC AND WORKFORCE DEVELOPMENT							
Salaries	16,835	(730)	16,105	12,568	568	13,136	2,969
Expenses	1,399	2,485	3,884	2,259	721	2,980	904
Subtotal	18,234	1,755	19,989	14,827	1,289	16,116	3,873
DISABILITY							
Salaries	1,491	(37)	1,454	1,320	62	1,382	72
Expenses	316	30	346	236	101	337	9
Special	154	--	154	20	53	73	81
Subtotal	1,961	(7)	1,954	1,576	216	1,792	162
HOUSING AND COMMUNITY INVESTMENT							
Salaries	56,047	1,954	58,001	48,137	2,294	50,431	7,570
Expenses	6,533	4,480	11,013	8,849	1,473	10,322	691
Equipment	--	35	35	30	--	30	5
Special	500	--	500	370	--	370	130
Subtotal	63,080	6,469	69,549	57,386	3,767	61,153	8,396
PLANNING							
Salaries	30,592	(889)	29,703	23,269	1,165	24,434	5,269
Expenses	4,984	1,834	6,818	2,823	3,136	5,959	859
Equipment	100	--	100	92	--	92	8
Subtotal	35,676	945	36,621	26,184	4,301	30,485	6,136
TOTAL COMMUNITY DEVELOPMENT	123,388	9,469	132,857	103,245	9,888	113,133	19,724
PENSION AND RETIREMENT CONTRIBUTION							
Non-Departmental	2,075	2	2,077	1,925	152	2,077	--
CAPITAL OUTLAY							
Non-Departmental	42,803	27,149	69,952	8,643	9,814	18,457	51,495
TRANSFERS TO OTHER FUNDS							
Non-Departmental	1,582,287	17,464	1,599,751	1,586,627	2,576	1,589,203	10,548
GRAND TOTAL	\$ 6,079,587	\$ 256,840	\$ 6,336,427	\$ 5,710,461	\$ 331,041	\$ 6,041,502	\$ 294,925

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Special Revenue Funds

Special Revenue Funds are used to account for revenues derived from specific taxes, governmental grants, or other revenue sources that are designated to finance particular functions and activities of the City.

SPECIAL REVENUE FUNDS

Special Revenue funds are used to account for revenues derived from specific taxes, governmental grants, or other revenue sources that are designated to finance particular functions and activities of the City. Two funds are reported as major funds and are presented in the basic financial statements. Seventeen funds are separately identified in the Nonmajor Special Revenue funds combining schedules and they account for 61.58% of the combined revenues of the Nonmajor Special Revenue funds. Three groupings of numerous smaller funds are reported for other grants, other special revenue, and allocations from other governmental agencies funds.

Building and Safety Permit Fund - Accounts for the fees collected for plan check, permitting, and inspection of new construction in the City; testing of construction materials and methods; and examining the licensing of welders, equipment operators, and registered deputy building inspector.

Citywide Recycling Fund – Accounts for compliance fees collected from private solid waste haulers. Monies deposited in the fund are used to pay for industrial, commercial, and multi-family recycling programs that include program administration, public education, technical assistance to private businesses, research, market development, development of material recovery/diversion facilities, and other programs designed to increase solid waste diversion rates.

Proposition C Anti-Gridlock Transit Improvement Fund – Accounts for the City's 20.0% share of the additional one-half cent sales tax within the County of Los Angeles to improve transit service and operations, reduce traffic congestion, improve air quality and the condition of streets and freeways utilized by public transit, and reduce foreign fuel dependence.

Special Parking Revenue Fund – Accounts for all monies collected from parking meters in the City, except those monies from meters located in established vehicle parking districts. Monies in this fund may be used for the purchase, installation and maintenance of parking meters; the policing of parking meters and parking meter spaces; the collection of monies deposited in parking meters; the purchase, improvement, and operation of off-street parking facilities; the painting and marking of streets and curbs for the direction of traffic and parking of vehicles; and the installation of traffic signs, signals and other traffic control devices.

Stormwater Pollution Abatement Fund – Accounts for the charge on all properties in the City in order to treat and abate stormwater. The charge is based on stormwater runoff and pollutant loading associated with property size and land use.

Street Lighting Maintenance Assessment Fund – Accounts for revenues received for maintenance and operation of the majority of the streetlights in the City. Revenues are derived from benefit assessments to properties that comprise the Los Angeles City Lighting District. Expenditures include payments of electricity bills, replacement and modernization of older lighting systems, all repairs, engineering and administrative costs, purchase of supplies and equipment, and other items associated with the operation and maintenance of the street lighting system.

Proposition A Local Transit Assistances Fund - Provides for the utilization of the one-half cent sales tax revenues for the planning, administration, and operation of Citywide public transportation programs. Funds are used to (a) improve and expand existing public transit Countywide, including reduction of transit fares, (b) construct and operate a rail rapid transit system, and (c) more effectively use State and Federal funds, benefit assessments, and fares. The City receives an allocation from a 25 percent share of the revenue collected, based on the City's percentage share of the population of Los Angeles County. Thirty-five percent of the proceeds are allocated to the Los Angeles County Transportation Commission for construction and operation of a rail system and 40 percent is allocated to the Commission for public transit purposes.

Low and Moderate Income Housing Fund – Accounts for housing assets and functions transferred from the former Community Redevelopment Agency when the City elected to be the successor agency for the low and moderate income housing functions.

Measure R Local Return Funds – Accounts for an additional one-half cent sales tax for a period of 30 years. Monies in this fund shall be used to: expand the Metro rail system; make street improvements; enhance safety and improve the flow of traffic; and, make public transportation more convenient and affordable.

Recreation and Parks Fund - Maintains parks, playgrounds, swimming pools, public golf courses, recreation centers, recreation camps and educational facilities, and structures of historic significance; supervises all recreation activities at such facilities; and controls its own funds.

Special Gas Tax Street Improvement Fund – Accounts for the revenues received from the State for the City's share of the gasoline tax and Traffic Congestion Relief Fund to be used for preservation, maintenance, and rehabilitation of local streets and road system. The fund also accounts for federal grants from the Surface Transportation Program to finance the upgrade of the most heavily traveled highways.

Community Development Fund – Accounts for the Block Grant funds allocated by the United States Department of Housing and Urban Development (HUD) for the development of viable urban communities, including: decent housing and suitable living environment; expanding economic opportunities, principally for persons of low and moderate income; and physical improvements to communities accompanied by supportive social services.

Section 108 Loan Guarantee Program Fund – Accounts for loan guarantee funds from United States Department of Housing and Urban Development (HUD) for housing, commercial and industrial development projects.

Home Investment Partnership Program Fund – Accounts for the grants received from HUD to expand the supply of decent, safe, sanitary and affordable housing with the primary focus on rental housing, and to strengthen the abilities of state and local governments to provide housing to persons principally of low and very low income.

Seismic Bond Reimbursement Fund – Accounts for the funds received from the Federal government and other sources to reimburse the City for its seismic bond program.

Transportation Fund – Accounts for grant funds from the Metropolitan Transit Authority (MTA) to implement the Transportation Improvement Program Call for Projects (TIP).

Workforce Investment Act Fund – Accounts for the grants received from the United States Department of Labor for the purpose of providing employment and training opportunities for the disadvantaged residents and dislocated workers of the City.

Nonmajor Other Grant Funds – Account for various grants received from the Federal and State governments used for a specific purpose, activity or facility. This group represents 14.14% of the combined revenues of the Nonmajor Special Revenue funds. Included in this group are eight annually budgeted funds: Community Services Block Grant, Disaster Assistance, Forfeited Assets Trust of Police Department, Household Hazardous Waste, Housing Opportunities for Persons with AIDS, Mobile Source Air Pollution Reduction, Older Americans Act, and Supplemental Law Enforcement Services.

Nonmajor Other Special Revenue Funds – Account for the activities of non-grant Special Revenue funds that represent 20.25% of the combined revenues of the Nonmajor Special Revenue funds. Included in this group are 18 annually budgeted funds: Arts and Cultural Facilities and Services, Arts Development Fee, City Employees Ridesharing, City of Los Angeles Affordable Housing, El Pueblo de Los Angeles Historical Monument, Landfill Maintenance Trust, Local Public Safety, Los Angeles Convention and Visitors Bureau, Multi-Family Bulky Item Fee, Municipal Housing Finance, Planning Case Processing Special Fund, Rent Stabilization, Street Damage Restoration Fee, Systematic Code Enforcement Fee, Telecommunications Liquidated Damages and Lost Franchise Fees, Traffic Safety, Special Police Communications/911 System Tax, and Zoo.

Allocations From Other Governmental Agencies – Account for funds received by the City from various sources used for engineering design, fire protection, acquiring rights if any, construction and for various other programs. This group represents 4.03% of the combined revenues of the Nonmajor Special Revenue funds. Included in this group are 32 partially budgeted funds: ARRA Neighborhood Stabilization, Animal Sterilization, Audit Repayment, Bus Bench Advertising, Business Improvement Trust, City Attorney Consumer Protection, City Planning Systems Development, Coastal Transportation Corridor Trust, Enterprise Zone Tax Credit Vouchers, Federal Emergency Shelter Grant, Fire Hydrant Installation and Main Replacement, General Services Trust, Housing Production Revolving Fund, Industrial Development Authority, Integrated Solid Waste Management, Los Angeles Regional Agency Trust, Low and Moderate Income Housing, Neighborhood Stabilization, Off-Site Sign Periodic Fee Trust, Permit Parking Program Revenue, Pershing Square Trust, Planning Long-Range Plan, Repair and Demolition, Section 108 Loan Guarantee, Street Banners, State AB1290, Traffic Safety Education, Used Oil Collection, Ventura/Cahuenga Boulevard Corridor Specific Plan, Warner Center Transportation Trust, West LA Transportation Improvement and Mitigation, and Workforce Innovation Fund Special Revenue Funds.

CITY OF LOS ANGELES
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2015
(amounts expressed in thousands)

	Building and Safety Permit	Citywide Recycling	Proposition C Anti-Gridlock Transit Improvement	Special Parking Revenue
ASSETS				
Cash and Pooled Investments	\$ 154,720	\$ 39,267	\$ 23,164	\$ 42,498
Taxes Receivable	--	7,052	--	--
Accounts Receivable (Net of Allowance for Uncollectibles of \$27,448)	3,193	--	2,451	240
Special Assessments Receivable	958	--	--	--
Investment Income Receivable	298	79	39	138
Intergovernmental Receivable	--	--	16,216	--
Loans Receivable (Net of Allowance for Uncollectibles of \$1,405,608)	--	--	--	493
Due from Other Funds	3,746	81	20,251	--
Prepaid Items and Other Assets	--	--	--	--
Advances to Other Funds	--	--	--	--
Restricted Assets	--	--	--	--
Properties Held for Housing Development	--	--	--	--
TOTAL ASSETS	\$ 162,915	\$ 46,479	\$ 62,121	\$ 43,369
LIABILITIES				
Accounts, Contracts and Retainage Payable	\$ 2,676	\$ 869	\$ 439	\$ 2,530
Obligations Under Securities Lending Transactions	1,051	267	157	289
Accrued Salaries and Overtime Payable	3,436	5	1,451	23
Accrued Compensated Absences Payable	--	--	--	--
Intergovernmental Payable	--	--	--	--
Due to Other Funds	442	--	305	1,312
Unearned Revenue	--	--	--	15,517
Deposits and Advances	472	--	--	220
Advances from Other Funds	--	--	--	40,999
Other Liabilities	1,799	457	269	494
Liability for Excess CRA Bond Proceeds	--	--	--	--
TOTAL LIABILITIES	9,876	1,598	2,621	61,384
DEFERRED INFLOWS OF RESOURCES				
Unavailable Real Estate Tax	936	--	--	--
Taxes Other than Real Estate	--	945	--	--
Receivables from Other Government Agencies	--	--	9,031	--
Other Deferred Inflows of Resources	1,660	23	1,243	39
TOTAL DEFERRED INFLOWS OF RESOURCES	2,596	968	10,274	39
FUND BALANCES				
Nonspendable	--	--	--	--
Restricted	--	43,913	49,226	--
Committed	150,443	--	--	--
Assigned	--	--	--	--
Unassigned	--	--	--	(18,054)
TOTAL FUND BALANCES	150,443	43,913	49,226	(18,054)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 162,915	\$ 46,479	\$ 62,121	\$ 43,369

Continued...

CITY OF LOS ANGELES
Combining Balance Sheet - (Continued)
Nonmajor Special Revenue Funds
June 30, 2015
(amounts expressed in thousands)

	Stormwater Pollution Abatement	Street Lighting Maintenance Assessment	Proposition A Local Transit Assistance	Low and Moderate Income Housing
ASSETS				
Cash and Pooled Investments	\$ 14,763	\$ 35,603	\$ 240,123	\$ 16,953
Taxes Receivable	--	--	--	--
Accounts Receivable (Net of Allowance for Uncollectibles of \$27,448)	11	3,093	629	--
Special Assessments Receivable	1,456	2,561	--	--
Investment Income Receivable	31	--	525	43
Intergovernmental Receivable	--	--	31,043	3,048
Loans Receivable (Net of Allowance for Uncollectibles of \$1,405,608)	--	--	--	214,541
Due from Other Funds	651	1,373	20	--
Prepaid Items and Other Assets	--	--	--	--
Advances to Other Funds	--	--	--	--
Restricted Assets	--	--	--	12,827
Properties Held for Housing Development	--	--	--	110,991
TOTAL ASSETS	\$ 16,912	\$ 42,630	\$ 272,340	\$ 358,403
LIABILITIES				
Accounts, Contracts and Retainage Payable	\$ 1,725	\$ 1,849	\$ 11,207	\$ 858
Obligations Under Securities Lending Transactions	100	--	1,631	202
Accrued Salaries and Overtime Payable	6	12	190	88
Accrued Compensated Absences Payable	--	--	--	--
Intergovernmental Payable	--	--	--	1,197
Due to Other Funds	--	119	2,076	40
Unearned Revenue	--	--	--	--
Deposits and Advances	--	32	--	--
Advances from Other Funds	--	28,460	--	--
Other Liabilities	172	4,888	2,791	8,420
Liability for Excess CRA Bond Proceeds	--	--	--	--
TOTAL LIABILITIES	2,003	35,360	17,895	10,805
DEFERRED INFLOWS OF RESOURCES				
Unavailable Real Estate Tax	942	1,731	--	--
Taxes Other than Real Estate	--	--	--	--
Receivables from Other Government Agencies	5	--	10,537	--
Other Deferred Inflows of Resources	9	3,000	561	15
TOTAL DEFERRED INFLOWS OF RESOURCES	956	4,731	11,098	15
FUND BALANCES				
Nonspendable	--	--	--	--
Restricted	13,953	2,539	243,347	347,583
Committed	--	--	--	--
Assigned	--	--	--	--
Unassigned	--	--	--	--
TOTAL FUND BALANCES	13,953	2,539	243,347	347,583
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 16,912	\$ 42,630	\$ 272,340	\$ 358,403

Continued...

CITY OF LOS ANGELES
Combining Balance Sheet - (Continued)
Nonmajor Special Revenue Funds
June 30, 2015
(amounts expressed in thousands)

	<u>Grant Funds</u>			
	<u>Measure R Local Return</u>	<u>Recreation and Parks</u>	<u>Special Gas Tax Street Improvement</u>	<u>Community Development</u>
ASSETS				
Cash and Pooled Investments	\$ 63,449	\$ 285,866	\$ 44,319	\$ 1,237
Taxes Receivable	--	--	--	--
Accounts Receivable (Net of Allowance for Uncollectibles of \$27,448)	156	--	59	--
Special Assessments Receivable	--	--	--	--
Investment Income Receivable	121	608	105	3
Intergovernmental Receivable	10,981	--	--	501
Loans Receivable (Net of Allowance for Uncollectibles of \$1,405,608)	--	--	--	132,681
Due from Other Funds	12,035	1,175	10,809	17
Prepaid Items and Other Assets	--	--	--	2,600
Advances to Other Funds	--	--	--	--
Restricted Assets	--	--	--	--
Properties Held for Housing Development	--	--	--	--
TOTAL ASSETS	<u>\$ 86,742</u>	<u>\$ 287,649</u>	<u>\$ 55,292</u>	<u>\$ 137,039</u>
LIABILITIES				
Accounts, Contracts and Retainage Payable	\$ 1,303	\$ 11,770	\$ 902	\$ 2,069
Obligations Under Securities Lending Transactions	431	1,942	301	8
Accrued Salaries and Overtime Payable	63	8,924	--	--
Accrued Compensated Absences Payable	--	103	--	--
Intergovernmental Payable	--	5	--	266
Due to Other Funds	8,209	1,073	332	2,946
Unearned Revenue	--	73	--	--
Deposits and Advances	--	2,408	--	39
Advances from Other Funds	--	162	1,147	--
Other Liabilities	738	3,323	516	24
Liability for Excess CRA Bond Proceeds	--	--	--	--
TOTAL LIABILITIES	<u>10,744</u>	<u>29,783</u>	<u>3,198</u>	<u>5,352</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Real Estate Tax	--	--	--	--
Taxes Other than Real Estate	--	--	--	--
Receivables from Other Government Agencies	4,146	--	16	--
Other Deferred Inflows of Resources	32	173	28	1
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>4,178</u>	<u>173</u>	<u>44</u>	<u>1</u>
FUND BALANCES				
Nonspendable	--	--	--	2,600
Restricted	71,820	257,693	52,050	129,086
Committed	--	--	--	--
Assigned	--	--	--	--
Unassigned	--	--	--	--
TOTAL FUND BALANCES	<u>71,820</u>	<u>257,693</u>	<u>52,050</u>	<u>131,686</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 86,742</u>	<u>\$ 287,649</u>	<u>\$ 55,292</u>	<u>\$ 137,039</u>

Continued...

CITY OF LOS ANGELES
Combining Balance Sheet - (Continued)
Nonmajor Special Revenue Funds
June 30, 2015
(amounts expressed in thousands)

	Grant Funds			
	Section 108 Loan Guarantee Program	Home Investment Partnership Program	Seismic Bond Reimbursement	Transportation
ASSETS				
Cash and Pooled Investments	\$ 21,884	\$ 3,641	\$ 29,073	\$ 53,931
Taxes Receivable	--	--	--	--
Accounts Receivable (Net of Allowance for Uncollectibles of \$27,448)	--	--	663	16,224
Special Assessments Receivable	--	--	--	--
Investment Income Receivable	--	5	66	139
Intergovernmental Receivable	--	759	4,934	5,325
Loans Receivable (Net of Allowance for Uncollectibles of \$1,405,608)	118,169	147,081	--	--
Due from Other Funds	12	2	203	106
Prepaid Items and Other Assets	--	5,880	--	--
Advances to Other Funds	--	--	--	--
Restricted Assets	--	--	--	--
Properties Held for Housing Development	--	--	--	--
TOTAL ASSETS	\$ 140,065	\$ 157,368	\$ 34,939	\$ 75,725
LIABILITIES				
Accounts, Contracts and Retainage Payable	\$ 3,826	\$ 3,770	\$ 762	\$ 9,819
Obligations Under Securities Lending Transactions	--	25	197	366
Accrued Salaries and Overtime Payable	--	--	--	--
Accrued Compensated Absences Payable	--	--	--	--
Intergovernmental Payable	--	--	--	--
Due to Other Funds	5	739	2,053	33,319
Unearned Revenue	--	--	--	1,207
Deposits and Advances	1,192	277	--	740
Advances from Other Funds	--	--	--	--
Other Liabilities	2	42	338	627
Liability for Excess CRA Bond Proceeds	--	--	--	--
TOTAL LIABILITIES	5,025	4,853	3,350	46,078
DEFERRED INFLOWS OF RESOURCES				
Unavailable Real Estate Tax	--	--	--	--
Taxes Other than Real Estate	--	--	--	--
Receivables from Other Government Agencies	--	433	4,936	12,169
Other Deferred Inflows of Resources	--	2	235	1,152
TOTAL DEFERRED INFLOWS OF RESOURCES	--	435	5,171	13,321
FUND BALANCES				
Nonspendable	--	5,880	--	--
Restricted	135,040	146,200	26,418	16,326
Committed	--	--	--	--
Assigned	--	--	--	--
Unassigned	--	--	--	--
TOTAL FUND BALANCES	135,040	152,080	26,418	16,326
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 140,065	\$ 157,368	\$ 34,939	\$ 75,725

Continued...

CITY OF LOS ANGELES
Combining Balance Sheet - (Continued)
Nonmajor Special Revenue Funds
June 30, 2015
(amounts expressed in thousands)

	Grant Funds		Nonmajor Other Special Revenue Funds	Allocations from Other Governmental Agencies	Total
	Workforce Investment Act	Nonmajor Other Grant Funds			
ASSETS					
Cash and Pooled Investments	\$ 679	\$ 283,027	\$ 416,887	\$ 167,862	\$ 1,938,946
Taxes Receivable	--	--	1,492	--	8,544
Accounts Receivable (Net of Allowance for Uncollectibles of \$27,448)	--	983	54,670	236	82,608
Special Assessments Receivable	--	--	1,187	7	6,169
Investment Income Receivable	3	499	635	319	3,656
Intergovernmental Receivable	5,739	40,321	10,144	587	129,598
Loans Receivable (Net of Allowance for Uncollectibles of \$1,405,608)	--	12,865	50,486	14,846	691,162
Due from Other Funds	362	1,818	7,689	1,203	61,553
Prepaid Items and Other Assets	252	--	70	--	8,802
Advances to Other Funds	--	562	447	--	1,009
Restricted Assets	--	--	--	--	12,827
Properties Held for Housing Development	--	--	--	--	110,991
TOTAL ASSETS	\$ 7,035	\$ 340,075	\$ 543,707	\$ 185,060	\$ 3,055,865
LIABILITIES					
Accounts, Contracts and Retainage Payable	\$ 6,096	\$ 36,558	\$ 17,425	\$ 2,895	\$ 119,348
Obligations Under Securities Lending Transactions	4	1,511	2,134	1,053	11,669
Accrued Salaries and Overtime Payable	--	--	6,022	357	20,577
Accrued Compensated Absences Payable	--	--	71	--	174
Intergovernmental Payable	252	1,068	574	2	3,364
Due to Other Funds	502	17,480	2,104	1,161	74,217
Unearned Revenue	--	--	2,508	--	19,305
Deposits and Advances	--	5,061	10,017	2,326	22,784
Advances from Other Funds	--	52,783	12,198	--	135,749
Other Liabilities	8	2,866	3,652	5,068	36,494
Liability for Excess CRA Bond Proceeds	--	84,072	--	--	84,072
TOTAL LIABILITIES	6,862	201,399	56,705	12,862	527,753
DEFERRED INFLOWS OF RESOURCES					
Unavailable Real Estate Tax	--	--	806	--	4,415
Taxes Other than Real Estate	--	--	11	--	956
Receivables from Other Government Agencies	1,884	40,062	4,400	587	88,206
Other Deferred Inflows of Resources	1	630	46,111	277	55,192
TOTAL DEFERRED INFLOWS OF RESOURCES	1,885	40,692	51,328	864	148,769
FUND BALANCES					
Nonspendable	252	--	70	--	8,802
Restricted	--	121,167	92,688	68,077	1,817,126
Committed	--	7,069	342,902	103,257	603,671
Assigned	--	--	14	--	14
Unassigned	(1,964)	(30,252)	--	--	(50,270)
TOTAL FUND BALANCES	(1,712)	97,984	435,674	171,334	2,379,343
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 7,035	\$ 340,075	\$ 543,707	\$ 185,060	\$ 3,055,865

CITY OF LOS ANGELES
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	<u>Building and Safety Permit</u>	<u>Citywide Recycling</u>	<u>Proposition C Anti-Gridlock Transit Improvement</u>	<u>Special Parking Revenue</u>
REVENUES				
Property Taxes	\$ --	\$ --	\$ --	\$ --
Other Taxes	--	24,995	--	--
Licenses and Permits	46,465	--	--	--
Intergovernmental	--	--	57,491	--
Charges for Services	116,498	--	14,390	76,397
Services to Enterprise Funds	89	--	--	--
Fines	--	--	--	--
Special Assessments	12	--	--	--
Investment Earnings	1,407	378	1,011	600
Program Income	--	--	--	--
Other	4	--	--	8,080
TOTAL REVENUES	<u>164,475</u>	<u>25,373</u>	<u>72,892</u>	<u>85,077</u>
EXPENDITURES				
Current:				
General Government	--	--	--	--
Protection of Persons and Property	127,855	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	22,002	--	--
Transportation	--	--	78,133	32,945
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	540	383
Debt Service:				
Principal	--	--	--	--
Interest	--	--	--	--
TOTAL EXPENDITURES	<u>127,855</u>	<u>22,002</u>	<u>78,673</u>	<u>33,328</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>36,620</u>	<u>3,371</u>	<u>(5,781)</u>	<u>51,749</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	380	--	--	60
Transfers Out	(45)	--	(45)	(31,408)
Loans from HUD	--	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	<u>335</u>	<u>--</u>	<u>(45)</u>	<u>(31,348)</u>
EXTRAORDINARY ITEM				
Transfer of Assets from CRA	--	--	--	--
NET CHANGE IN FUND BALANCES	<u>36,955</u>	<u>3,371</u>	<u>(5,826)</u>	<u>20,401</u>
FUND BALANCES, JULY 1	<u>113,488</u>	<u>40,542</u>	<u>55,052</u>	<u>(38,455)</u>
FUND BALANCES, JUNE 30	<u>\$ 150,443</u>	<u>\$ 43,913</u>	<u>\$ 49,226</u>	<u>\$ (18,054)</u>

Continued...

CITY OF LOS ANGELES
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - (Continued)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Stormwater Pollution Abatement	Street Lighting Maintenance Assessment	Proposition A Local Transit Assistance	Low and Moderate Income Housing
REVENUES				
Property Taxes	\$ --	\$ --	\$ --	\$ --
Other Taxes	--	--	--	--
Licenses and Permits	--	11	--	--
Intergovernmental	2,094	845	115,484	--
Charges for Services	31,148	567	14,273	68
Services to Enterprise Funds	140	--	--	--
Fines	--	--	--	--
Special Assessments	23	43,276	--	--
Investment Earnings	139	--	2,349	220
Program Income	--	--	--	5,729
Other	--	3,159	351	146
TOTAL REVENUES	33,544	47,858	132,457	6,163
EXPENDITURES				
Current:				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	32,487	--	--
Health and Sanitation	31,449	--	--	--
Transportation	--	--	86,548	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	(39,251)
Capital Outlay	2,051	3,376	15,992	--
Debt Service:				
Principal	--	--	--	--
Interest	--	--	--	--
TOTAL EXPENDITURES	33,500	35,863	102,540	(39,251)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	44	11,995	29,917	45,414
OTHER FINANCING SOURCES (USES)				
Transfers In	1,665	--	26	--
Transfers Out	--	(18)	(3,383)	--
Loans from HUD	--	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	1,665	(18)	(3,357)	--
EXTRAORDINARY ITEM				
Transfer of Assets from CRA	--	--	--	4,855
NET CHANGE IN FUND BALANCES	1,709	11,977	26,560	50,269
FUND BALANCES, JULY 1	12,244	(9,438)	216,787	297,314
FUND BALANCES, JUNE 30	\$ 13,953	\$ 2,539	\$ 243,347	\$ 347,583

Continued...

* The negative expenditures reported in Low and Moderate Income Housing Fund is due to the reduction in allowance for uncollectible loans receivable.

CITY OF LOS ANGELES
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - (Continued)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	<u>Grant Funds</u>			
	<u>Measure R Local Return</u>	<u>Recreation and Parks</u>	<u>Special Gas Tax Street Improvement</u>	<u>Community Development</u>
REVENUES				
Property Taxes	\$ --	\$ --	\$ --	\$ --
Other Taxes	--	--	--	--
Licenses and Permits	--	1,700	--	--
Intergovernmental	43,640	--	115,779	37,919
Charges for Services	--	111,667	--	--
Services to Enterprise Funds	--	--	--	--
Fines	--	--	--	--
Special Assessments	--	--	--	--
Investment Earnings	581	2,751	531	2
Program Income	--	--	--	3,253
Other	--	5,154	193	343
TOTAL REVENUES	<u>44,221</u>	<u>121,272</u>	<u>116,503</u>	<u>41,517</u>
EXPENDITURES				
Current:				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	143,229	--
Health and Sanitation	--	--	--	--
Transportation	43,684	--	--	--
Cultural and Recreational Services	--	258,400	--	--
Community Development	--	--	--	33,250
Capital Outlay	4,357	19,334	6,636	--
Debt Service:				
Principal	--	--	--	--
Interest	--	--	--	--
TOTAL EXPENDITURES	<u>48,041</u>	<u>277,734</u>	<u>149,865</u>	<u>33,250</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER)				
EXPENDITURES	<u>(3,820)</u>	<u>(156,462)</u>	<u>(33,362)</u>	<u>8,267</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	145	162,122	--	6,340
Transfers Out	--	(5,000)	(100)	(4,525)
Loans from HUD	--	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	<u>145</u>	<u>157,122</u>	<u>(100)</u>	<u>1,815</u>
EXTRAORDINARY ITEM				
Transfer of Assets from CRA	--	--	--	--
NET CHANGE IN FUND BALANCES	<u>(3,675)</u>	<u>660</u>	<u>(33,462)</u>	<u>10,082</u>
FUND BALANCES, JULY 1	<u>75,495</u>	<u>257,033</u>	<u>85,512</u>	<u>121,604</u>
FUND BALANCES, JUNE 30	<u>\$ 71,820</u>	<u>\$ 257,693</u>	<u>\$ 52,050</u>	<u>\$ 131,686</u>

Continued...

CITY OF LOS ANGELES
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - (Continued)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Grant Funds			
	Section 108 Loan Guarantee Program	Home Investment Partnership Program	Seismic Bond Reimbursement	Transportation
REVENUES				
Property Taxes	\$ --	\$ --	\$ --	\$ --
Other Taxes	--	--	--	--
Licenses and Permits	--	--	--	--
Intergovernmental	414	16,869	2,340	32,044
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Fines	--	--	--	--
Special Assessments	--	--	--	--
Investment Earnings	4	16	310	--
Program Income	4,718	4,174	--	--
Other	142	18	1,910	7,333
TOTAL REVENUES	5,278	21,077	4,560	39,377
EXPENDITURES				
Current:				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	4,478	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	19,804
Cultural and Recreational Services	--	--	--	--
Community Development	2,006	(54,562)	--	--
Capital Outlay	--	--	2,057	33,624
Debt Service:				
Principal	41,274	--	--	--
Interest	2,464	--	--	--
TOTAL EXPENDITURES	45,744	(54,562)	6,535	53,428
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(40,466)	75,639	(1,975)	(14,051)
OTHER FINANCING SOURCES (USES)				
Transfers In	2,575	1,499	--	837
Transfers Out	(412)	--	--	--
Loans from HUD	2,102	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	4,265	1,499	--	837
EXTRAORDINARY ITEM				
Transfer of Assets from CRA	--	--	--	--
NET CHANGE IN FUND BALANCES	(36,201)	77,138	(1,975)	(13,214)
FUND BALANCES, JULY 1	171,241	74,942	28,393	29,540
FUND BALANCES, JUNE 30	\$ 135,040	\$ 152,080	\$ 26,418	\$ 16,326

Continued...

* The negative expenditures reported in Home Investment Partnership Program Fund is due to the reduction in allowance for uncollectible loans receivable.

CITY OF LOS ANGELES
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - (Continued)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	<u>Grant Funds</u>		Nonmajor Other Special Revenue Funds	Allocations from Other Governmental Agencies	Total
	Workforce Investment Act	Nonmajor Other Grant Funds			
REVENUES					
Property Taxes	\$ --	\$ --	\$ 237	\$ 13,322	\$ 13,559
Other Taxes	--	--	37,051	3,810	65,856
Licenses and Permits	--	--	32	3,595	51,803
Intergovernmental	38,393	212,516	43,022	11,607	730,457
Charges for Services	--	5,820	146,517	23,748	541,093
Services to Enterprise Funds	--	1,094	--	112	1,435
Fines	--	--	7,334	797	8,131
Special Assessments	--	--	59,728	2,857	105,896
Investment Earnings	16	1,789	2,926	1,441	16,471
Program Income	--	81	3,052	2,573	23,580
Other	132	8,384	28,946	1,593	65,888
TOTAL REVENUES	<u>38,541</u>	<u>229,684</u>	<u>328,845</u>	<u>65,455</u>	<u>1,624,169</u>
EXPENDITURES					
Current:					
General Government	--	4,033	14,134	164	18,331
Protection of Persons and Property	--	86,749	101,138	10,527	326,269
Public Works	--	27,201	21,307	153	228,855
Health and Sanitation	--	9,706	6,589	2,380	72,126
Transportation	--	4,028	9,782	4,895	279,819
Cultural and Recreational Services	--	804	181,976	--	441,180
Community Development	38,655	55,768	93,472	26,116	155,454
Capital Outlay	--	60,800	12,120	1,767	163,037
Debt Service:					
Principal	--	1,738	--	--	43,012
Interest	--	188	--	60	2,712
TOTAL EXPENDITURES	<u>38,655</u>	<u>251,015</u>	<u>440,518</u>	<u>46,062</u>	<u>1,730,795</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER)					
EXPENDITURES	<u>(114)</u>	<u>(21,331)</u>	<u>(111,673)</u>	<u>19,393</u>	<u>(106,626)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	--	13,129	186,295	2,821	377,894
Transfers Out	(1)	(7,907)	(5,664)	(2,065)	(60,573)
Loans from HUD	--	--	--	--	2,102
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1)</u>	<u>5,222</u>	<u>180,631</u>	<u>756</u>	<u>319,423</u>
EXTRAORDINARY ITEM					
Transfer of Assets from CRA	--	--	--	--	4,855
NET CHANGE IN FUND BALANCES	<u>(115)</u>	<u>(16,109)</u>	<u>68,958</u>	<u>20,149</u>	<u>217,652</u>
FUND BALANCES, JULY 1	<u>(1,597)</u>	<u>114,093</u>	<u>366,716</u>	<u>151,185</u>	<u>2,161,691</u>
FUND BALANCES, JUNE 30	<u>\$ (1,712)</u>	<u>\$ 97,984</u>	<u>\$ 435,674</u>	<u>\$ 171,334</u>	<u>\$ 2,379,343</u>

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Building and Safety Permit			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	46,644	46,644
Intergovernmental	--	--	--	--
Charges for Services	135,291	135,291	116,243	(19,048)
Services to Enterprise Funds	--	--	89	89
Special Assessments	--	--	--	--
Interest	400	400	1,339	939
Program Income	--	--	--	--
Other	--	--	4	4
Total Revenues	<u>135,691</u>	<u>135,691</u>	<u>164,319</u>	<u>28,628</u>
Other Financing Sources				
Transfers from Other Funds	--	380	380	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	<u>--</u>	<u>380</u>	<u>380</u>	<u>--</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>135,691</u>	<u>136,071</u>	<u>164,699</u>	<u>28,628</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	305,656	302,653	56,509	246,144
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>305,656</u>	<u>302,653</u>	<u>56,509</u>	<u>246,144</u>
Other Financing Uses				
Transfers to Other Funds	101,439	105,639	79,057	26,582
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	<u>101,439</u>	<u>105,639</u>	<u>79,057</u>	<u>26,582</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>407,095</u>	<u>408,292</u>	<u>135,566</u>	<u>272,726</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(271,404)	(272,221)	29,133	301,354
FUND BALANCES (DEFICIT), JULY 1, RESTATED	70,313	70,313	107,259	36,946
Appropriation of Fund Balances and Carryforward				
Appropriations	201,091	201,141	--	(201,141)
Encumbrances Lapsed	--	767	767	--
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 137,159</u>	<u>\$ 137,159</u>

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Citywide Recycling			
	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ 21,106	\$ 21,106	\$ 24,125	\$ 3,019
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	400	400	390	(10)
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>21,506</u>	<u>21,506</u>	<u>24,515</u>	<u>3,009</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>21,506</u>	<u>21,506</u>	<u>24,515</u>	<u>3,009</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	76,758	77,044	18,433	58,611
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>76,758</u>	<u>77,044</u>	<u>18,433</u>	<u>58,611</u>
Other Financing Uses				
Transfers to Other Funds	9,888	9,852	5,875	3,977
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	<u>9,888</u>	<u>9,852</u>	<u>5,875</u>	<u>3,977</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>86,646</u>	<u>86,896</u>	<u>24,308</u>	<u>62,588</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(65,140)	(65,390)	207	65,597
FUND BALANCES (DEFICIT), JULY 1, RESTATED	30,294	30,294	26,526	(3,768)
Appropriation of Fund Balances and Carryforward				
Appropriations	34,846	32,174	--	(32,174)
Encumbrances Lapsed	--	2,922	2,922	--
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 29,655</u>	<u>\$ 29,655</u>

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Proposition C Anti-Gridlock Transit Improvement			
	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	55,156	55,156	57,328	2,172
Charges for Services	14,536	14,536	13,101	(1,435)
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	1,446	1,446	1,059	(387)
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>71,138</u>	<u>71,138</u>	<u>71,488</u>	<u>350</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>71,138</u>	<u>71,138</u>	<u>71,488</u>	<u>350</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	47,603	49,101	24,806	24,295
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	2,770	2,938	351	2,587
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>50,373</u>	<u>52,039</u>	<u>25,157</u>	<u>26,882</u>
Other Financing Uses				
Transfers to Other Funds	78,790	78,012	52,658	25,354
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	<u>78,790</u>	<u>78,012</u>	<u>52,658</u>	<u>25,354</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>129,163</u>	<u>130,051</u>	<u>77,815</u>	<u>52,236</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(58,025)</u>	<u>(58,913)</u>	<u>(6,327)</u>	<u>52,586</u>
FUND BALANCES (DEFICIT), JULY 1, RESTATED	4,591	4,591	24,073	19,482
Appropriation of Fund Balances and Carryforward				
Appropriations	53,434	53,602	--	(53,602)
Encumbrances Lapsed	--	720	720	--
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 18,466</u>	<u>\$ 18,466</u>

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Special Parking Revenue			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	74,126	74,126	76,421	2,295
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	461	461	564	103
Program Income	--	--	--	--
Other	--	--	1,110	1,110
Total Revenues	74,587	74,587	78,095	3,508
Other Financing Sources				
Transfers from Other Funds	--	60	60	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	60	60	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	74,587	74,647	78,155	3,508
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	62,333	54,157	31,127	23,030
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	700	4,882	100	4,782
Debt Service				
Principal	581	581	--	581
Interest	593	52	--	52
Total Expenditures	64,207	59,672	31,227	28,445
Other Financing Uses				
Transfers to Other Funds	40,414	41,814	38,893	2,921
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	40,414	41,814	38,893	2,921
TOTAL EXPENDITURES AND OTHER FINANCING USES	104,621	101,486	70,120	31,366
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(30,034)	(26,839)	8,035	34,874
FUND BALANCES (DEFICIT), JULY 1, RESTATED	5,068	5,068	25,753	20,685
Appropriation of Fund Balances and Carryforward				
Appropriations	24,966	21,185	--	(21,185)
Encumbrances Lapsed	--	586	586	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 34,374	\$ 34,374

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Stormwater Pollution Abatement			
	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	4	4
Intergovernmental	1,846	1,846	2,162	316
Charges for Services	28,750	29,546	31,168	1,622
Services to Enterprise Funds	--	140	140	--
Special Assessments	--	--	--	--
Interest	120	120	140	20
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	30,716	31,652	33,614	1,962
Other Financing Sources				
Transfers from Other Funds	--	1,015	1,665	650
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	1,015	1,665	650
TOTAL REVENUES AND OTHER FINANCING SOURCES	30,716	32,667	35,279	2,612
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	20,915	19,173	14,413	4,760
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	5,408	550	4,858
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	20,915	24,581	14,963	9,618
Other Financing Uses				
Transfers to Other Funds	19,777	19,353	18,250	1,103
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	19,777	19,353	18,250	1,103
TOTAL EXPENDITURES AND OTHER FINANCING USES	40,692	43,934	33,213	10,721
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(9,976)	(11,267)	2,066	13,333
FUND BALANCES (DEFICIT), JULY 1, RESTATED	--	--	9,906	9,906
Appropriation of Fund Balances and Carryforward				
Appropriations	9,976	11,087	--	(11,087)
Encumbrances Lapsed	--	180	180	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 12,152	\$ 12,152

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Street Lighting Maintenance Assessment			
	Budgeted Amounts		Actual	Variance With
	Original	Final	(Budgetary	Final Budget
			Basis)	Positive
				(Negative)
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	1,137	1,137	12	(1,125)
Intergovernmental	266	266	799	533
Charges for Services	--	--	568	568
Services to Enterprise Funds	--	--	--	--
Special Assessments	44,548	44,548	43,259	(1,289)
Interest	--	--	--	--
Program Income	--	--	--	--
Other	2,902	2,902	593	(2,309)
Total Revenues	48,853	48,853	45,231	(3,622)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	5,250	5,250	8,459	3,209
Total Other Financing Sources	5,250	5,250	8,459	3,209
TOTAL REVENUES AND OTHER FINANCING SOURCES	54,103	54,103	53,690	(413)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	41,216	41,238	24,173	17,065
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	3,481	508	2,973
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	41,216	44,719	24,681	20,038
Other Financing Uses				
Transfers to Other Funds	40,739	41,164	29,075	12,089
Payment of Loans to Other Funds	1,461	797	797	--
Total Other Financing Uses	42,200	41,961	29,872	12,089
TOTAL EXPENDITURES AND OTHER FINANCING USES	83,416	86,680	54,553	32,127
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES				
	(29,313)	(32,577)	(863)	31,714
FUND BALANCES (DEFICIT), JULY 1, RESTATED	6,919	6,919	8,635	1,716
Appropriation of Fund Balances and Carryforward				
Appropriations	22,394	25,262	--	(25,262)
Encumbrances Lapsed	--	396	396	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 8,168	\$ 8,168

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Proposition A Local Transit Assistance Fund			
	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	130,193	130,193	110,621	(19,572)
Charges for Services	15,782	15,782	14,557	(1,225)
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	1,583	1,583	2,364	781
Program Income	--	--	--	--
Other	1,303	1,303	351	(952)
Total Revenues	<u>148,861</u>	<u>148,861</u>	<u>127,893</u>	<u>(20,968)</u>
Other Financing Sources				
Transfers from Other Funds	--	26	26	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	<u>--</u>	<u>26</u>	<u>26</u>	<u>--</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>148,861</u>	<u>148,887</u>	<u>127,919</u>	<u>(20,968)</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	417,897	416,352	116,200	300,152
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>417,897</u>	<u>416,352</u>	<u>116,200</u>	<u>300,152</u>
Other Financing Uses				
Transfers to Other Funds	17,256	19,018	11,411	7,607
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	<u>17,256</u>	<u>19,018</u>	<u>11,411</u>	<u>7,607</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>435,153</u>	<u>435,370</u>	<u>127,611</u>	<u>307,759</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(286,292)	(286,483)	308	286,791
FUND BALANCES (DEFICIT), JULY 1, RESTATED	116,231	116,231	193,068	76,837
Appropriation of Fund Balances and Carryforward				
Appropriations	170,061	170,061	--	(170,061)
Encumbrances Lapsed	--	191	191	--
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 193,567</u>	<u>\$ 193,567</u>

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Measure R Local Return			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	44,474	44,474	43,652	(822)
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	500	500	566	66
Program Income	--	--	--	--
Other	--	292	--	(292)
Total Revenues	44,974	45,266	44,218	(1,048)
Other Financing Sources				
Transfers from Other Funds	--	145	145	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	145	145	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	44,974	45,411	44,363	(1,048)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current	--	--	--	--
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	37,675	35,124	9,796	25,328
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	14,002	20,203	1,323	18,880
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	51,677	55,327	11,119	44,208
Other Financing Uses				
Transfers to Other Funds	32,205	31,390	21,256	10,134
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	32,205	31,390	21,256	10,134
TOTAL EXPENDITURES AND OTHER FINANCING USES	83,882	86,717	32,375	54,342
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(38,908)	(41,306)	11,988	53,294
FUND BALANCES (DEFICIT), JULY 1, RESTATED	2,766	2,766	46,862	44,096
Appropriation of Fund Balances and Carryforward				
Appropriations	36,142	37,874	--	(37,874)
Encumbrances Lapsed	--	666	666	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 59,516	\$ 59,516

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Special Gas Tax Street Improvement			
	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	115,000	118,661	127,336	8,675
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	200	200	648	448
Program Income	--	--	--	--
Other	--	--	193	193
Total Revenues	<u>115,200</u>	<u>118,861</u>	<u>128,177</u>	<u>9,316</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>115,200</u>	<u>118,861</u>	<u>128,177</u>	<u>9,316</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	36,336	36,336	36,136	200
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	12,445	31,427	13,482	17,945
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>48,781</u>	<u>67,763</u>	<u>49,618</u>	<u>18,145</u>
Other Financing Uses				
Transfers to Other Funds	117,172	117,164	102,029	15,135
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	<u>117,172</u>	<u>117,164</u>	<u>102,029</u>	<u>15,135</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>165,953</u>	<u>184,927</u>	<u>151,647</u>	<u>33,280</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(50,753)	(66,066)	(23,470)	42,596
FUND BALANCES (DEFICIT), JULY 1, RESTATED	35,089	35,089	56,376	21,287
Appropriation of Fund Balances and Carryforward				
Appropriations	15,664	30,696	--	(30,696)
Encumbrances Lapsed	--	281	281	--
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 33,187</u>	<u>\$ 33,187</u>

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Community Development			
	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	22,496	58,646	38,639	(20,007)
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	10,999	10,999
Other	--	--	293	293
Total Revenues	22,496	58,646	49,931	(8,715)
Other Financing Sources				
Transfers from Other Funds	--	--	1,169	1,169
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	--	1,169	1,169
TOTAL REVENUES AND OTHER FINANCING SOURCES	22,496	58,646	51,100	(7,546)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	95,852	123,533	25,298	98,235
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	95,852	123,533	25,298	98,235
Other Financing Uses				
Transfers to Other Funds	29,202	31,572	22,342	9,230
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	29,202	31,572	22,342	9,230
TOTAL EXPENDITURES AND OTHER FINANCING USES	125,054	155,105	47,640	107,465
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(102,558)	(96,459)	3,460	99,919
FUND BALANCES (DEFICIT), JULY 1, RESTATED	--	--	(15,734)	(15,734)
Appropriation of Fund Balances and Carryforward				
Appropriations	102,558	95,145	--	(95,145)
Encumbrances Lapsed	--	1,314	1,314	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ (10,960)	\$ (10,960)

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Home Investment Partnership Program			
	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	5,018	27,954	18,922	(9,032)
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	6,064	10,781	4,717
Other	--	--	--	--
Total Revenues	<u>5,018</u>	<u>34,018</u>	<u>29,703</u>	<u>(4,315)</u>
Other Financing Sources				
Transfers from Other Funds	--	--	35	35
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	<u>--</u>	<u>--</u>	<u>35</u>	<u>35</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>5,018</u>	<u>34,018</u>	<u>29,738</u>	<u>(4,280)</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	69,864	100,436	49,519	50,917
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>69,864</u>	<u>100,436</u>	<u>49,519</u>	<u>50,917</u>
Other Financing Uses				
Transfers to Other Funds	5,889	5,381	3,205	2,176
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	<u>5,889</u>	<u>5,381</u>	<u>3,205</u>	<u>2,176</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>75,753</u>	<u>105,817</u>	<u>52,724</u>	<u>53,093</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(70,735)</u>	<u>(71,799)</u>	<u>(22,986)</u>	<u>48,813</u>
FUND BALANCES (DEFICIT), JULY 1, RESTATED	--	--	(13,109)	(13,109)
Appropriation of Fund Balances and Carryforward				
Appropriations	70,735	70,735	--	(70,735)
Encumbrances Lapsed	--	1,064	1,064	--
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (35,031)</u>	<u>\$ (35,031)</u>

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Workforce Investment Act			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	16,823	45,762	38,381	(7,381)
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	40	18	(22)
Program Income	--	--	--	--
Other	--	--	132	132
Total Revenues	<u>16,823</u>	<u>45,802</u>	<u>38,531</u>	<u>(7,271)</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>16,823</u>	<u>45,802</u>	<u>38,531</u>	<u>(7,271)</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	64,503	97,115	32,545	64,570
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>64,503</u>	<u>97,115</u>	<u>32,545</u>	<u>64,570</u>
Other Financing Uses				
Transfers to Other Funds	40,211	38,659	9,749	28,910
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	<u>40,211</u>	<u>38,659</u>	<u>9,749</u>	<u>28,910</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>104,714</u>	<u>135,774</u>	<u>42,294</u>	<u>93,480</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(87,891)	(89,972)	(3,763)	86,209
FUND BALANCES (DEFICIT), JULY 1, RESTATED	--	--	(12,767)	(12,767)
Appropriation of Fund Balances and Carryforward				
Appropriations	87,891	88,346	--	(88,346)
Encumbrances Lapsed	--	1,626	1,626	--
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (14,904)</u>	<u>\$ (14,904)</u>

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Nonmajor Other Grant Fund - Disaster Assistance			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	56,700	66,327	11,977	(54,350)
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	150	150	186	36
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>56,850</u>	<u>66,477</u>	<u>12,163</u>	<u>(54,314)</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>56,850</u>	<u>66,477</u>	<u>12,163</u>	<u>(54,314)</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	116,148	125,775	9,628	116,147
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>116,148</u>	<u>125,775</u>	<u>9,628</u>	<u>116,147</u>
Other Financing Uses				
Transfers to Other Funds	651	651	440	211
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	<u>651</u>	<u>651</u>	<u>440</u>	<u>211</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>116,799</u>	<u>126,426</u>	<u>10,068</u>	<u>116,358</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(59,949)	(59,949)	2,095	62,044
FUND BALANCES (DEFICIT), JULY 1, RESTATED	5,770	5,770	13,563	7,793
Appropriation of Fund Balances and Carryforward				
Appropriations	54,179	54,179	--	(54,179)
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 15,658</u>	<u>\$ 15,658</u>

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Nonmajor Other Grant Fund - Community Services Block Grant			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	1,597	7,021	6,414	(607)
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	10	10
Program Income	--	--	--	--
Other	--	--	2	2
Total Revenues	<u>1,597</u>	<u>7,021</u>	<u>6,426</u>	<u>(595)</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>1,597</u>	<u>7,021</u>	<u>6,426</u>	<u>(595)</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	2,124	7,847	3,140	4,707
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>2,124</u>	<u>7,847</u>	<u>3,140</u>	<u>4,707</u>
Other Financing Uses				
Transfers to Other Funds	2,672	2,672	1,003	1,669
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	<u>2,672</u>	<u>2,672</u>	<u>1,003</u>	<u>1,669</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>4,796</u>	<u>10,519</u>	<u>4,143</u>	<u>6,376</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(3,199)	(3,498)	2,283	5,781
FUND BALANCES (DEFICIT), JULY 1, RESTATED	--	--	(1,589)	(1,589)
Appropriation of Fund Balances and Carryforward				
Appropriations	3,199	3,378	--	(3,378)
Encumbrances Lapsed	--	120	120	--
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 814</u>	<u>\$ 814</u>

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Nonmajor Other Grant Fund - Forfeited Assets Trust of Police Department			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	4,805	4,805
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	152	152
Program Income	--	--	--	--
Other	--	--	103	103
Total Revenues	--	--	5,060	5,060
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	--	--	5,060	5,060
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	8,787	9,818	7,192	2,626
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	8,787	9,818	7,192	2,626
Other Financing Uses				
Transfers to Other Funds	798	1,833	1,620	213
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	798	1,833	1,620	213
TOTAL EXPENDITURES AND OTHER FINANCING USES	9,585	11,651	8,812	2,839
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(9,585)	(11,651)	(3,752)	7,899
FUND BALANCES (DEFICIT), JULY 1, RESTATED	6,517	6,517	10,821	4,304
Appropriation of Fund Balances and Carryforward				
Appropriations	3,068	4,485	--	(4,485)
Encumbrances Lapsed	--	649	649	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 7,718	\$ 7,718

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Nonmajor Other Grant Fund - Household Hazardous Waste			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	3,365	3,365	3,300	(65)
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	28	28	16	(12)
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>3,393</u>	<u>3,393</u>	<u>3,316</u>	<u>(77)</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>3,393</u>	<u>3,393</u>	<u>3,316</u>	<u>(77)</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	5,493	3,259	520	2,739
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>5,493</u>	<u>3,259</u>	<u>520</u>	<u>2,739</u>
Other Financing Uses				
Transfers to Other Funds	3,977	2,868	2,252	616
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	<u>3,977</u>	<u>2,868</u>	<u>2,252</u>	<u>616</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>9,470</u>	<u>6,127</u>	<u>2,772</u>	<u>3,355</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(6,077)	(2,734)	544	3,278
FUND BALANCES (DEFICIT), JULY 1, RESTATED	2,734	2,734	1,723	(1,011)
Appropriation of Fund Balances and Carryforward				
Appropriations	3,343	--	--	--
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 2,267</u>	<u>\$ 2,267</u>

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Nonmajor Other Grant Fund - Housing Opportunities for Persons with AIDS			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	783	14,373	10,991	(3,382)
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	91	91
Other	--	--	--	--
Total Revenues	<u>783</u>	<u>14,373</u>	<u>11,082</u>	<u>(3,291)</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>783</u>	<u>14,373</u>	<u>11,082</u>	<u>(3,291)</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	22,198	40,386	14,111	26,275
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>22,198</u>	<u>40,386</u>	<u>14,111</u>	<u>26,275</u>
Other Financing Uses				
Transfers to Other Funds	643	337	336	1
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	<u>643</u>	<u>337</u>	<u>336</u>	<u>1</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>22,841</u>	<u>40,723</u>	<u>14,447</u>	<u>26,276</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(22,058)	(26,350)	(3,365)	22,985
FUND BALANCES (DEFICIT), JULY 1, RESTATED	--	--	(4,409)	(4,409)
Appropriation of Fund Balances and Carryforward				
Appropriations	22,058	22,058	--	(22,058)
Encumbrances Lapsed	--	4,292	4,292	--
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (3,482)</u>	<u>\$ (3,482)</u>

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Nonmajor Other Grant Fund - Mobile Source Air Pollution Reduction			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	4,650	5,222	4,818	(404)
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	48	--	39	39
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	4,698	5,222	4,857	(365)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	4,698	5,222	4,857	(365)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	4,260	4,014	1,974	2,040
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	4,260	4,014	1,974	2,040
Other Financing Uses				
Transfers to Other Funds	2,622	2,294	2,034	260
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	2,622	2,294	2,034	260
TOTAL EXPENDITURES AND OTHER FINANCING USES	6,882	6,308	4,008	2,300
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(2,184)	(1,086)	849	1,935
FUND BALANCES (DEFICIT), JULY 1, RESTATED	554	--	1,655	1,655
Appropriation of Fund Balances and Carryforward				
Appropriations	1,630	1,086	--	(1,086)
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 2,504	\$ 2,504

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Nonmajor Other Grant Fund - Older Americans Act			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	2,746	15,304	15,187	(117)
Charges for Services	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>2,746</u>	<u>15,304</u>	<u>15,187</u>	<u>(117)</u>
Other Financing Sources				
Transfers from Other Funds	--	3,718	3,718	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	<u>--</u>	<u>3,718</u>	<u>3,718</u>	<u>--</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>2,746</u>	<u>19,022</u>	<u>18,905</u>	<u>(117)</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	8,121	25,001	16,042	8,959
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>8,121</u>	<u>25,001</u>	<u>16,042</u>	<u>8,959</u>
Other Financing Uses				
Transfers to Other Funds	7,011	6,665	1,639	5,026
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	<u>7,011</u>	<u>6,665</u>	<u>1,639</u>	<u>5,026</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>15,132</u>	<u>31,666</u>	<u>17,681</u>	<u>13,985</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(12,386)	(12,644)	1,224	13,868
FUND BALANCES (DEFICIT), JULY 1, RESTATED	--	--	927	927
Appropriation of Fund Balances and Carryforward				
Appropriations	12,386	12,386	--	(12,386)
Encumbrances Lapsed	--	258	258	--
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 2,409</u>	<u>\$ 2,409</u>

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Nonmajor Other Grant Fund - Supplemental Law Enforcement Services			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	5,000	5,000	6,654	1,654
Charges for Services	--	--	--	--
Special Assessments	--	--	--	--
Interest	52	52	115	63
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>5,052</u>	<u>5,052</u>	<u>6,769</u>	<u>1,717</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>5,052</u>	<u>5,052</u>	<u>6,769</u>	<u>1,717</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	66	66	--	66
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>66</u>	<u>66</u>	<u>--</u>	<u>66</u>
Other Financing Uses				
Transfers to Other Funds	15,541	15,541	5,120	10,421
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	<u>15,541</u>	<u>15,541</u>	<u>5,120</u>	<u>10,421</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>15,607</u>	<u>15,607</u>	<u>5,120</u>	<u>10,487</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(10,555)	(10,555)	1,649	12,204
FUND BALANCES (DEFICIT), JULY 1, RESTATED	1,259	1,259	8,053	6,794
Appropriation of Fund Balances and Carryforward				
Appropriations	9,296	9,296	--	(9,296)
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 9,702</u>	<u>\$ 9,702</u>

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Nonmajor Other Special Revenue Fund - Arts and Cultural Facilities and Services			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	328	810	564	(246)
Special Assessments	--	--	--	--
Interest	15	15	30	15
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>343</u>	<u>825</u>	<u>594</u>	<u>(231)</u>
Other Financing Sources				
Transfers from Other Funds	14,931	14,931	14,931	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	<u>14,931</u>	<u>14,931</u>	<u>14,931</u>	<u>--</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>15,274</u>	<u>15,756</u>	<u>15,525</u>	<u>(231)</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	5,269	5,651	4,293	1,358
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>5,269</u>	<u>5,651</u>	<u>4,293</u>	<u>1,358</u>
Other Financing Uses				
Transfers to Other Funds	13,190	13,485	10,539	2,946
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	<u>13,190</u>	<u>13,485</u>	<u>10,539</u>	<u>2,946</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>18,459</u>	<u>19,136</u>	<u>14,832</u>	<u>4,304</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(3,185)	(3,380)	693	4,073
FUND BALANCES (DEFICIT), JULY 1, RESTATED	84	84	2,891	2,807
Appropriation of Fund Balances and Carryforward				
Appropriations	3,101	3,296	--	(3,296)
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 3,584</u>	<u>\$ 3,584</u>

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Nonmajor Other Special Revenue Fund - Arts Development Fee			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	1,100	1,323	2,488	1,165
Special Assessments	--	--	--	--
Interest	123	123	136	13
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	1,223	1,446	2,624	1,178
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	1,223	1,446	2,624	1,178
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	12,237	12,382	465	11,917
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	12,237	12,382	465	11,917
Other Financing Uses				
Transfers to Other Funds	1	79	78	1
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	1	79	78	1
TOTAL EXPENDITURES AND OTHER FINANCING USES	12,238	12,461	543	11,918
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(11,015)	(11,015)	2,081	13,096
FUND BALANCES (DEFICIT), JULY 1, RESTATED	1,145	1,145	11,275	10,130
Appropriation of Fund Balances and Carryforward				
Appropriations	9,870	9,870	--	(9,870)
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 13,356	\$ 13,356

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Nonmajor Other Special Revenue Fund - City Employees Ridesharing			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Special Assessments	--	--	--	--
Interest	2	4	4	--
Program Income	--	--	--	--
Other	3,525	3,202	3,202	--
Total Revenues	3,527	3,206	3,206	--
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	3,527	3,206	3,206	--
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	--	--	--	--
Other Financing Uses				
Transfers to Other Funds	3,633	3,206	2,500	706
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	3,633	3,206	2,500	706
TOTAL EXPENDITURES AND OTHER FINANCING USES	3,633	3,206	2,500	706
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(106)	--	706	706
FUND BALANCES (DEFICIT), JULY 1, RESTATED	91	--	15	15
Appropriation of Fund Balances and Carryforward				
Appropriations	15	--	--	--
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 721	\$ 721

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Nonmajor Other Special Revenue Fund - City of Los Angeles Affordable Housing			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	71	71
Charges for Services	--	--	--	--
Special Assessments	--	--	--	--
Interest	200	200	321	121
Program Income	--	--	3,868	3,868
Other	800	13,300	12,502	(798)
Total Revenues	<u>1,000</u>	<u>13,500</u>	<u>16,762</u>	<u>3,262</u>
Other Financing Sources				
Transfers from Other Funds	--	10,378	10,378	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	<u>--</u>	<u>10,378</u>	<u>10,378</u>	<u>--</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>1,000</u>	<u>23,878</u>	<u>27,140</u>	<u>3,262</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	30,828	54,433	19,626	34,807
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>30,828</u>	<u>54,433</u>	<u>19,626</u>	<u>34,807</u>
Other Financing Uses				
Transfers to Other Funds	460	826	668	158
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	<u>460</u>	<u>826</u>	<u>668</u>	<u>158</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>31,288</u>	<u>55,259</u>	<u>20,294</u>	<u>34,965</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(30,288)	(31,381)	6,846	38,227
FUND BALANCES (DEFICIT), JULY 1, RESTATED	2,096	2,096	12,087	9,991
Appropriation of Fund Balances and Carryforward				
Appropriations	28,192	28,588	--	(28,588)
Encumbrances Lapsed	--	697	697	--
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 19,630</u>	<u>\$ 19,630</u>

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Nonmajor Other Special Revenue Fund - El Pueblo de Los Angeles Historical Monument			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	2,665	2,654	2,578	(76)
Special Assessments	--	--	--	--
Interest	13	26	12	(14)
Program Income	--	--	--	--
Other	2,076	1,798	2,009	211
Total Revenues	<u>4,754</u>	<u>4,478</u>	<u>4,599</u>	<u>121</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>4,754</u>	<u>4,478</u>	<u>4,599</u>	<u>121</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	1,103	951	918	33
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>1,103</u>	<u>951</u>	<u>918</u>	<u>33</u>
Other Financing Uses				
Transfers to Other Funds	3,999	3,850	3,701	149
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	<u>3,999</u>	<u>3,850</u>	<u>3,701</u>	<u>149</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>5,102</u>	<u>4,801</u>	<u>4,619</u>	<u>182</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES				
	(348)	(323)	(20)	303
FUND BALANCES (DEFICIT), JULY 1, RESTATED	176	--	325	325
Appropriation of Fund Balances and Carryforward				
Appropriations	172	323	--	(323)
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 305</u>	<u>\$ 305</u>

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Nonmajor Other Special Revenue Fund - Landfill Maintenance Trust			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	3,800	3,800	3,917	117
Special Assessments	--	--	--	--
Interest	2	2	10	8
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	3,802	3,802	3,927	125
Other Financing Sources				
Transfers from Other Funds	798	798	798	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	798	798	798	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	4,600	4,600	4,725	125
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	548	319	250	69
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	548	319	250	69
Other Financing Uses				
Transfers to Other Funds	4,853	4,840	4,030	810
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	4,853	4,840	4,030	810
TOTAL EXPENDITURES AND OTHER FINANCING USES	5,401	5,159	4,280	879
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(801)	(559)	445	1,004
FUND BALANCES (DEFICIT), JULY 1, RESTATED	490	490	728	238
Appropriation of Fund Balances and Carryforward				
Appropriations	311	69	--	(69)
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 1,173	\$ 1,173

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Nonmajor Other Special Revenue Fund - Local Public Safety			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	40,750	40,750	40,897	147
Charges for Services	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>40,750</u>	<u>40,750</u>	<u>40,897</u>	<u>147</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>40,750</u>	<u>40,750</u>	<u>40,897</u>	<u>147</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Other Financing Uses				
Transfers to Other Funds	61,351	61,351	42,043	19,308
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	<u>61,351</u>	<u>61,351</u>	<u>42,043</u>	<u>19,308</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>61,351</u>	<u>61,351</u>	<u>42,043</u>	<u>19,308</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(20,601)	(20,601)	(1,146)	19,455
FUND BALANCES (DEFICIT), JULY 1, RESTATED	1,364	1,364	1,146	(218)
Appropriation of Fund Balances and Carryforward				
Appropriations	19,237	19,237	--	(19,237)
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Nonmajor Other Special Revenue Fund - Los Angeles Convention and Visitors Bureau			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive Negative
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ 14,931	\$ 14,931	\$ 15,612	\$ 681
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>14,931</u>	<u>14,931</u>	<u>15,612</u>	<u>681</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>14,931</u>	<u>14,931</u>	<u>15,612</u>	<u>681</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	25,733	25,733	15,393	10,340
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>25,733</u>	<u>25,733</u>	<u>15,393</u>	<u>10,340</u>
Other Financing Uses				
Transfers to Other Funds	235	235	235	--
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	<u>235</u>	<u>235</u>	<u>235</u>	<u>--</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>25,968</u>	<u>25,968</u>	<u>15,628</u>	<u>10,340</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER				
FINANCING SOURCES OVER EXPENDITURES AND				
OTHER FINANCING USES				
	(11,037)	(11,037)	(16)	11,021
FUND BALANCE (DEFICIT), JULY 1, RESTATED	1,397	1,397	2,838	1,441
Appropriation of Fund Balances and Carryforward				
Appropriations	9,640	9,640	--	(9,640)
Encumbrances Lapsed	--	--	--	--
FUND BALANCE (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 2,822</u>	<u>\$ 2,822</u>

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Nonmajor Other Special Revenue Fund - Multi-Family Bulky Item Fee			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	6,390	6,390	6,694	304
Services to Enterprise	--	--	--	--
Special Assessments	--	--	--	--
Interest	60	60	101	41
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>6,450</u>	<u>6,450</u>	<u>6,795</u>	<u>345</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>6,450</u>	<u>6,450</u>	<u>6,795</u>	<u>345</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	15,461	10,801	1,620	9,181
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>15,461</u>	<u>10,801</u>	<u>1,620</u>	<u>9,181</u>
Other Financing Uses				
Transfers to Other Funds	4,630	4,815	3,769	1,046
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	<u>4,630</u>	<u>4,815</u>	<u>3,769</u>	<u>1,046</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>20,091</u>	<u>15,616</u>	<u>5,389</u>	<u>10,227</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER				
FINANCING SOURCES OVER EXPENDITURES AND				
OTHER FINANCING USES				
	(13,641)	(9,166)	1,406	10,572
FUND BALANCE (DEFICIT), JULY 1, RESTATED	7,329	7,329	7,954	625
Appropriation of Fund Balances and Carryforward				
Appropriations	6,312	1,837	--	(1,837)
Encumbrances Lapsed	--	--	--	--
FUND BALANCE (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 9,360</u>	<u>\$ 9,360</u>

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Nonmajor Other Special Revenue Fund - Municipal Housing Finance			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	2,920	2,920	2,393	(527)
Services to Enterprise	--	--	--	--
Special Assessments	--	--	--	--
Interest	30	30	29	(1)
Program Income	300	300	1,482	1,182
Other	24	72	75	3
Total Revenues	<u>3,274</u>	<u>3,322</u>	<u>3,979</u>	<u>657</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>3,274</u>	<u>3,322</u>	<u>3,979</u>	<u>657</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	3,049	1,551	1,270	281
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>3,049</u>	<u>1,551</u>	<u>1,270</u>	<u>281</u>
Other Financing Uses				
Transfers to Other Funds	3,018	2,465	2,422	43
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	<u>3,018</u>	<u>2,465</u>	<u>2,422</u>	<u>43</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>6,067</u>	<u>4,016</u>	<u>3,692</u>	<u>324</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER				
FINANCING SOURCES OVER EXPENDITURES AND				
OTHER FINANCING USES				
	(2,793)	(694)	287	981
FUND BALANCE (DEFICIT), JULY 1, RESTATED	285	285	253	(32)
Appropriation of Fund Balances and Carryforward				
Appropriations	2,508	43	--	(43)
Encumbrances Lapsed	--	366	366	--
FUND BALANCE (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 906</u>	<u>\$ 906</u>

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Nonmajor Other Special Revenue Fund - Planning Case Processing Special Fund			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	19,817	22,210	23,889	1,679
Services to Enterprise	--	--	--	--
Special Assessments	--	--	--	--
Interest	103	--	179	179
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>19,920</u>	<u>22,210</u>	<u>24,068</u>	<u>1,858</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>19,920</u>	<u>22,210</u>	<u>24,068</u>	<u>1,858</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	18,810	15,611	5,026	10,585
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>18,810</u>	<u>15,611</u>	<u>5,026</u>	<u>10,585</u>
Other Financing Uses				
Transfers to Other Funds	19,426	17,647	15,498	2,149
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	<u>19,426</u>	<u>17,647</u>	<u>15,498</u>	<u>2,149</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>38,236</u>	<u>33,258</u>	<u>20,524</u>	<u>12,734</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER				
FINANCING SOURCES OVER EXPENDITURES AND				
OTHER FINANCING USES				
	(18,316)	(11,048)	3,544	14,592
FUND BALANCE (DEFICIT), JULY 1, RESTATED	9,711	--	11,048	11,048
Appropriation of Fund Balances and Carryforward				
Appropriations	8,605	11,048	--	(11,048)
Encumbrances Lapsed	--	--	--	--
FUND BALANCE (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 14,592</u>	<u>\$ 14,592</u>

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Nonmajor Other Special Revenue Fund - Rent Stabilization			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	14,571	14,571	14,304	(267)
Services to Enterprise	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	--	--	19	19
Total Revenues	<u>14,571</u>	<u>14,571</u>	<u>14,323</u>	<u>(248)</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>14,571</u>	<u>14,571</u>	<u>14,323</u>	<u>(248)</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	32,785	32,869	3,867	29,002
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>32,785</u>	<u>32,869</u>	<u>3,867</u>	<u>29,002</u>
Other Financing Uses				
Transfers to Other Funds	15,688	15,695	8,665	7,030
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	<u>15,688</u>	<u>15,695</u>	<u>8,665</u>	<u>7,030</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>48,473</u>	<u>48,564</u>	<u>12,532</u>	<u>36,032</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES				
	(33,902)	(33,993)	1,791	35,784
FUND BALANCE (DEFICIT), JULY 1, RESTATED	8,236	8,236	10,313	2,077
Appropriation of Fund Balances and Carryforward				
Appropriations	25,666	25,673	--	(25,673)
Encumbrances Lapsed	--	84	84	--
FUND BALANCE (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 12,188</u>	<u>\$ 12,188</u>

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Nonmajor Other Special Revenue Fund - Street Damage Restoration Fee			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	8,000	8,000	6,936	(1,064)
Services to Enterprise	--	--	--	--
Special Assessments	--	--	--	--
Interest	14	14	28	14
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>8,014</u>	<u>8,014</u>	<u>6,964</u>	<u>(1,050)</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>8,014</u>	<u>8,014</u>	<u>6,964</u>	<u>(1,050)</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	2,686	2,686	--	2,686
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>2,686</u>	<u>2,686</u>	<u>--</u>	<u>2,686</u>
Other Financing Uses				
Transfers to Other Funds	10,892	10,892	10,213	679
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	<u>10,892</u>	<u>10,892</u>	<u>10,213</u>	<u>679</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>13,578</u>	<u>13,578</u>	<u>10,213</u>	<u>3,365</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER				
FINANCING SOURCES OVER EXPENDITURES AND				
OTHER FINANCING USES				
	(5,564)	(5,564)	(3,249)	2,315
FUND BALANCE (DEFICIT), JULY 1, RESTATED	2,826	2,826	3,935	1,109
Appropriation of Fund Balances and Carryforward				
Appropriations	2,738	2,738	--	(2,738)
Encumbrances Lapsed	--	--	--	--
FUND BALANCE (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 686</u>	<u>\$ 686</u>

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Nonmajor Other Special Revenue Fund - Systematic Code Enforcement Fee			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	35	35
Intergovernmental	--	--	--	--
Charges for Services	39,254	39,254	38,704	(550)
Services to Enterprise	--	--	--	--
Special Assessments	--	--	--	--
Interest	500	500	509	9
Program Income	--	--	--	--
Other	--	--	121	121
Total Revenues	<u>39,754</u>	<u>39,754</u>	<u>39,369</u>	<u>(385)</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>39,754</u>	<u>39,754</u>	<u>39,369</u>	<u>(385)</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	111,550	111,170	10,253	100,917
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>111,550</u>	<u>111,170</u>	<u>10,253</u>	<u>100,917</u>
Other Financing Uses				
Transfers to Other Funds	39,271	39,658	26,408	13,250
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	<u>39,271</u>	<u>39,658</u>	<u>26,408</u>	<u>13,250</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>150,821</u>	<u>150,828</u>	<u>36,661</u>	<u>114,167</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER				
FINANCING SOURCES OVER EXPENDITURES AND				
OTHER FINANCING USES				
	(111,067)	(111,074)	2,708	113,782
FUND BALANCE (DEFICIT), JULY 1, RESTATED	31,897	31,897	37,522	5,625
Appropriation of Fund Balances and Carryforward				
Appropriations	79,170	79,177	--	(79,177)
Encumbrances Lapsed	--	--	--	--
FUND BALANCE (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 40,230</u>	<u>\$ 40,230</u>

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Nonmajor Other Special Revenue Fund - Telecommunications Liquidated Damages and Lost Franchise Fees			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ 26,968	\$ 21,363	\$ 19,077	\$ (2,286)
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	230	230
Services to Enterprise	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	150	--	278	278
Total Revenues	<u>27,118</u>	<u>21,363</u>	<u>19,585</u>	<u>(1,778)</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>27,118</u>	<u>21,363</u>	<u>19,585</u>	<u>(1,778)</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	61,864	40,298	5,898	34,400
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>61,864</u>	<u>40,298</u>	<u>5,898</u>	<u>34,400</u>
Other Financing Uses				
Transfers to Other Funds	17,762	9,867	8,635	1,232
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	<u>17,762</u>	<u>9,867</u>	<u>8,635</u>	<u>1,232</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>79,626</u>	<u>50,165</u>	<u>14,533</u>	<u>35,632</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER				
FINANCING SOURCES OVER EXPENDITURES AND				
OTHER FINANCING USES				
	(52,508)	(28,802)	5,052	33,854
FUND BALANCE (DEFICIT), JULY 1, RESTATED	23,759	--	33,130	33,130
Appropriation of Fund Balances and Carryforward				
Appropriations	28,749	28,749	--	(28,749)
Encumbrances Lapsed	--	53	53	--
FUND BALANCE (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 38,235</u>	<u>\$ 38,235</u>

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Nonmajor Other Special Revenue Fund - Traffic Safety			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	7,260	7,260	6,846	(414)
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>7,260</u>	<u>7,260</u>	<u>6,846</u>	<u>(414)</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>7,260</u>	<u>7,260</u>	<u>6,846</u>	<u>(414)</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Other Financing Uses				
Transfers to Other Funds	7,261	7,261	6,241	1,020
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	<u>7,261</u>	<u>7,261</u>	<u>6,241</u>	<u>1,020</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>7,261</u>	<u>7,261</u>	<u>6,241</u>	<u>1,020</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES				
	(1)	(1)	605	606
FUND BALANCE (DEFICIT), JULY 1, RESTATED	1	1	--	(1)
Appropriation of Fund Balances and Carryforward				
Appropriations	--	--	--	--
Encumbrances Lapsed	--	--	--	--
FUND BALANCE (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 605</u>	<u>\$ 605</u>

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Nonmajor Other Special Revenue Fund - Special Police Communications/911 System Tax			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ 228	\$ 228
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise	--	--	--	--
Special Assessments	--	--	--	--
Interest	10	90	25	(65)
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>10</u>	<u>90</u>	<u>253</u>	<u>163</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>10</u>	<u>90</u>	<u>253</u>	<u>163</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	2,197	2,277	72	2,205
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>2,197</u>	<u>2,277</u>	<u>72</u>	<u>2,205</u>
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>2,197</u>	<u>2,277</u>	<u>72</u>	<u>2,205</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER				
FINANCING SOURCES OVER EXPENDITURES AND				
OTHER FINANCING USES				
	(2,187)	(2,187)	181	2,368
FUND BALANCE (DEFICIT), JULY 1, RESTATED	2,187	2,187	2,280	93
Appropriation of Fund Balances and Carryforward				
Appropriations	--	--	--	--
Encumbrances Lapsed	--	--	--	--
FUND BALANCE (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 2,461</u>	<u>\$ 2,461</u>

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Nonmajor Other Special Revenue Fund - Zoo			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	11	11
Intergovernmental	--	--	--	--
Charges for Services	19,258	19,265	19,418	153
Services to Enterprise	--	--	--	--
Special Assessments	--	--	--	--
Interest	47	47	35	(12)
Program Income	--	--	--	--
Other	--	2	1	(1)
Total Revenues	19,305	19,314	19,465	151
Other Financing Sources				
Transfers from Other Funds	20	20	20	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	20	20	20	--
EXPENDITURES AND OTHER FINANCING USES	19,325	19,334	19,485	151
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	2,202	2,441	309	2,132
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	2,202	2,441	309	2,132
Other Financing Uses				
Transfers to Other Funds	25,711	25,711	18,356	7,355
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	25,711	25,711	18,356	7,355
TOTAL EXPENDITURES AND OTHER FINANCING USES	27,913	28,152	18,665	9,487
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(8,588)	(8,818)	820	9,638
FUND BALANCE (DEFICIT), JULY 1, RESTATED	2,278	2,278	4,117	1,839
Appropriation of Fund Balances and Carryforward				
Appropriations	6,310	6,535	--	(6,535)
Encumbrances Lapsed	--	5	5	--
FUND BALANCE (DEFICIT), JUNE 30	\$ --	\$ --	\$ 4,942	\$ 4,942

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Allocations from Other Governmental Agencies			
	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ 1,420	\$ 1,420	\$ 1,420	\$ --
Licenses, Permits and Fines	2,294	2,294	1,330	(964)
Intergovernmental	3,003	3,683	2,763	(920)
Charges for Services	19,821	18,718	16,261	(2,457)
Services to Enterprise	269	269	112	(157)
Special Assessments	1,891	1,845	1,141	(704)
Interest	1,018	1,021	383	(638)
Program Income	5,367	5,379	3,191	(2,188)
Other	1,581	1,581	690	(891)
Total Revenues	<u>36,664</u>	<u>36,210</u>	<u>27,291</u>	<u>(8,919)</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>36,664</u>	<u>36,210</u>	<u>27,291</u>	<u>(8,919)</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	2,323	2,450	2,094	356
Public Works	--	--	--	--
Health and Sanitation	196	196	--	196
Transportation	1,021	1,021	892	129
Cultural and Recreational Services	--	--	--	--
Community Development	6,430	5,409	4,383	1,026
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>9,970</u>	<u>9,076</u>	<u>7,369</u>	<u>1,707</u>
Other Financing Uses				
Transfers to Other Funds	26,694	25,908	20,935	4,973
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	<u>26,694</u>	<u>25,908</u>	<u>20,935</u>	<u>4,973</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>36,664</u>	<u>34,984</u>	<u>28,304</u>	<u>6,680</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER				
FINANCING SOURCES OVER EXPENDITURES AND				
OTHER FINANCING USES				
	--	1,226	(1,013)	(2,239)
FUND BALANCE (DEFICIT), JULY 1, RESTATED	--	--	16,566	16,566
Appropriation of Fund Balances and Carryforward				
Appropriations	--	(1,226)	--	1,226
Encumbrances Lapsed	--	--	--	--
FUND BALANCE (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 15,553</u>	<u>\$ 15,553</u>

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Nonmajor Other General Fund - Department of Neighborhood Empowerment			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	--	--	89	89
Total Revenues	--	--	89	89
Other Financing Sources				
Transfers from Other Funds	5,568	5,594	5,694	100
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	5,568	5,594	5,694	100
TOTAL REVENUES AND OTHER FINANCING SOURCES	5,568	5,594	5,783	189
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	4,754	4,736	3,594	1,142
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	4,754	4,736	3,594	1,142
Other Financing Uses				
Transfers to Other Funds	2,629	2,498	2,243	255
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	2,629	2,498	2,243	255
TOTAL EXPENDITURES AND OTHER FINANCING USES	7,383	7,234	5,837	1,397
EXCESS (DEFICIENCY) OF REVENUES AND OTHER				
FINANCING SOURCES OVER EXPENDITURES AND				
OTHER FINANCING USES				
	(1,815)	(1,640)	(54)	1,586
FUND BALANCE (DEFICIT), JULY 1, RESTATED	203	203	1,645	1,442
Appropriation of Fund Balances and Carryforward				
Appropriations	1,612	1,549	--	(1,549)
Encumbrances Lapsed	--	(112)	(112)	--
FUND BALANCE (DEFICIT), JUNE 30	\$ --	\$ --	\$ 1,479	\$ 1,479

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Nonmajor Other General Fund - City Ethics Commission			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	--	--	--	--
Other Financing Sources				
Transfers from Other Funds	2,731	2,731	2,731	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	2,731	2,731	2,731	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	2,731	2,731	2,731	--
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	2,073	2,073	--	2,073
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	2,073	2,073	--	2,073
Other Financing Uses				
Transfers to Other Funds	5,695	5,695	2,399	3,296
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	5,695	5,695	2,399	3,296
TOTAL EXPENDITURES AND OTHER FINANCING USES	7,768	7,768	2,399	5,369
EXCESS (DEFICIENCY) OF REVENUES AND OTHER				
FINANCING SOURCES OVER EXPENDITURES AND				
OTHER FINANCING USES				
	(5,037)	(5,037)	332	5,369
FUND BALANCE (DEFICIT), JULY 1, RESTATED	257	257	383	126
Appropriation of Fund Balances and Carryforward				
Appropriations	4,780	4,780	--	(4,780)
Encumbrances Lapsed	--	--	--	--
FUND BALANCE (DEFICIT), JUNE 30	\$ --	\$ --	\$ 715	\$ 715

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Total Annually Budgeted Nonmajor Special Revenue Funds			
	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ 64,425	\$ 58,820	\$ 60,462	\$ 1,642
Licenses, Permits and Fines	10,691	10,691	54,882	44,191
Intergovernmental	509,866	644,003	545,717	(98,286)
Charges for Services	406,409	409,196	390,434	(18,762)
Services to Enterprise	269	409	341	(68)
Special Assessments	46,439	46,393	44,400	(1,993)
Interest	7,525	7,512	9,408	1,896
Program Income	5,667	11,743	30,412	18,669
Other	12,361	24,452	21,767	(2,685)
Total Revenues	<u>1,063,652</u>	<u>1,213,219</u>	<u>1,157,823</u>	<u>(55,396)</u>
Other Financing Sources				
Transfers from Other Funds	24,048	39,796	41,750	1,954
Loans from Other Funds	5,250	5,250	8,459	3,209
Total Other Financing Sources	<u>29,298</u>	<u>45,046</u>	<u>50,209</u>	<u>5,163</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>1,092,950</u>	<u>1,258,265</u>	<u>1,208,032</u>	<u>(50,233)</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	6,827	6,809	3,594	3,215
Protection of Persons and Property	608,591	594,507	91,646	502,861
Public Works	80,238	80,260	60,309	19,951
Health and Sanitation	123,631	114,806	37,210	77,596
Transportation	566,529	555,755	182,821	372,934
Cultural and Recreational Services	46,544	47,158	21,378	25,780
Community Development	354,564	504,191	174,827	329,364
Capital Outlay	29,917	68,339	16,314	52,025
Debt Service				
Principal	581	581	--	581
Interest	593	52	--	52
Total Expenditures	<u>1,818,015</u>	<u>1,972,458</u>	<u>588,099</u>	<u>1,384,359</u>
Other Financing Uses				
Transfers to Other Funds	833,296	827,863	597,822	230,041
Payment of Loans to Other Funds	1,461	797	797	--
Total Other Financing Uses	<u>834,757</u>	<u>828,660</u>	<u>598,619</u>	<u>230,041</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>2,652,772</u>	<u>2,801,118</u>	<u>1,186,718</u>	<u>1,614,400</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER				
FINANCING SOURCES OVER EXPENDITURES AND				
OTHER FINANCING USES				
	(1,559,822)	(1,542,853)	21,314	1,564,167
FUND BALANCE (DEFICIT), JULY 1, RESTATED	383,917	349,626	648,043	298,417
Appropriation of Fund Balances and Carryforward				
Appropriations	1,175,905	1,176,102	--	(1,176,102)
Encumbrances Lapsed	--	17,125	17,125	--
FUND BALANCE (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 686,482</u>	<u>\$ 686,482</u>

CITY OF LOS ANGELES

Reconciliation of Operations on Budgetary Basis to the GAAP Basis
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

Excess of Revenues and Other Financing Sources Over
Expenditures and Other Financing Uses - Budgetary \$ 21,314

Basis Difference

Adjustments for net changes to accrued assets and liabilities. The GAAP basis operating statement recognizes revenues as soon as they are both measurable and available, and expenditures generally are recorded when liability is incurred; whereas, the budget basis operating statement reflects revenues when received and expenditures when paid. 71,965

Grant funded loans are recorded as expenditures when disbursed and as program income when repaid (budget), as opposed to adjustments to the loans receivable account balance (GAAP). 39,117

Encumbrances, which represent commitments to acquire goods and services, are recorded as the equivalent of expenditures in the budget year incurred (budget), as opposed to a reservation of net position (GAAP).

Encumbrances reported as budgetary expenditures 157,717
Prior year encumbrances expended in current year (101,831)

Perspective Difference

Certain Nonmajor Special Revenue Funds are not included in the legally adopted budget; while for some, the budget provides for only the portion of fund receipts that are expended for City department operations. 29,418

Certain Budgeted Funds reclassified as General category:

Department of Neighborhood Empowerment 285
City Ethics Commission (333)

Net Change in Fund Balances - Nonmajor Special Revenue Funds \$ 217,652

DETAILS OF RESTATEMENT OF JULY 1 FUND BALANCES

Fund Balances, July 1, as previously reported \$ 452,695
Adjustment for fund budgeted in current year
Special Police Communications/911 System Tax 2,280
Adjustment for fund budgeted as major fund in prior year
Proposition A Local Transit Assistance Fund 193,068
Fund Balances, July 1, as restated \$ 648,043

CITY OF LOS ANGELES
Supplemental Schedule of Appropriations,
Expenditures and Other Financing Uses
Budget and Actual (Non-GAAP Budgetary Basis)
All Budgeted Special Revenue Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Original Adopted Budget	Additional Appropriations, Carryforward and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2015	Total Actual	Variance With Final Budget Positive (Negative)
MAJOR FUND							
SOLID WASTE RESOURCES							
Current - Special Purpose	\$ 219,236	\$ (15,300)	\$ 203,936	\$ 137,044	\$ 14,192	\$ 151,236	\$ 52,700
Debt Service							
Principal	33,055	--	33,055	33,055	--	33,055	--
Interest	11,877	--	11,877	11,877	--	11,877	--
Capital Outlay	204,676	(90,514)	114,162	931	3,983	4,914	109,248
Transfers to Other Funds	140,953	412	141,365	135,595	--	135,595	5,770
TOTAL	609,797	(105,402)	504,395	318,502	18,175	336,677	167,718
NONMAJOR FUNDS							
BUILDING AND SAFETY PERMIT							
Current - Special Purpose	305,656	(3,003)	302,653	43,691	12,818	56,509	246,144
Transfers to Other Funds	101,439	4,200	105,639	79,057	--	79,057	26,582
TOTAL	407,095	1,197	408,292	122,748	12,818	135,566	272,726
CITYWIDE RECYCLING							
Current - Special Purpose	76,758	286	77,044	12,027	6,406	18,433	58,611
Transfers to Other Funds	9,888	(36)	9,852	5,875	--	5,875	3,977
TOTAL	86,646	250	86,896	17,902	6,406	24,308	62,588
PROPOSITION C							
ANTI-GRIDLOCK TRANSIT IMPROVEMENT							
Current - Special Purpose	47,603	1,498	49,101	22,254	2,552	24,806	24,295
Capital Outlay	2,770	168	2,938	334	17	351	2,587
Transfers to Other Funds	78,790	(778)	78,012	52,658	--	52,658	25,354
TOTAL	129,163	888	130,051	75,246	2,569	77,815	52,236
SPECIAL PARKING REVENUE							
Current - Special Purpose	62,333	(8,176)	54,157	25,670	5,457	31,127	23,030
Capital Outlay	700	4,182	4,882	100	--	100	4,782
Debt Service							
Principal	581	--	581	--	--	--	581
Interest	593	(541)	52	--	--	--	52
Transfers to Other Funds	40,414	1,400	41,814	38,893	--	38,893	2,921
TOTAL	104,621	(3,135)	101,486	64,663	5,457	70,120	31,366
STORMWATER POLLUTION ABATEMENT							
Current - Special Purpose	20,915	(1,742)	19,173	12,638	1,775	14,413	4,760
Capital Outlay	--	5,408	5,408	377	173	550	4,858
Transfers to Other Funds	19,777	(424)	19,353	18,250	--	18,250	1,103
TOTAL	40,692	3,242	43,934	31,265	1,948	33,213	10,721
STREET LIGHTING MAINTENANCE ASSESSMENT							
Current - Special Purpose	41,216	22	41,238	7,701	16,472	24,173	17,065
Capital Outlay	--	3,481	3,481	--	508	508	2,973
Payment of Loans	1,461	(664)	797	531	266	797	--
Transfers to Other Funds	40,739	425	41,164	29,075	--	29,075	12,089
TOTAL	83,416	3,264	86,680	37,307	17,246	54,553	32,127

Continued...

CITY OF LOS ANGELES
Supplemental Schedule of Appropriations,
Expenditures and Other Financing Uses
Budget and Actual (Non-GAAP Budgetary Basis)
All Budgeted Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Original Adopted Budget	Additional Appropriations, Carryforward and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2015	Total Actual	Variance With Final Budget Positive (Negative)
PROPOSITION A LOCAL TRANSIT ASSISTANCE							
Current - Special Purpose	\$ 417,897	\$ (1,545)	\$ 416,352	\$ 80,640	\$ 35,560	\$ 116,200	\$ 300,152
Transfers to Other Funds	17,256	1,762	19,018	11,411	--	11,411	7,607
TOTAL	435,153	217	435,370	92,051	35,560	127,611	307,759
MEASURE R LOCAL RETURN							
Current - Special Purpose	37,675	(2,551)	35,124	7,756	2,040	9,796	25,328
Capital Outlay	14,002	6,201	20,203	1,117	206	1,323	18,880
Transfers to Other Funds	32,205	(815)	31,390	21,256	--	21,256	10,134
TOTAL	83,882	2,835	86,717	30,129	2,246	32,375	54,342
SPECIAL GAS TAX STREET IMPROVEMENT							
Current - Special Purpose	36,336	--	36,336	36,136	--	36,136	200
Capital Outlay	12,445	18,982	31,427	5,493	7,989	13,482	17,945
Transfers to Other Funds	117,172	(8)	117,164	102,029	--	102,029	15,135
TOTAL	165,953	18,974	184,927	143,658	7,989	151,647	33,280
COMMUNITY DEVELOPMENT							
Current - Special Purpose	95,852	27,681	123,533	22,668	2,630	25,298	98,235
Transfers to Other Funds	29,202	2,370	31,572	22,342	--	22,342	9,230
TOTAL	125,054	30,051	155,105	45,010	2,630	47,640	107,465
HOME INVESTMENT PARTNERSHIP PROGRAM							
Current - Special Purpose	69,864	30,572	100,436	13,616	35,903	49,519	50,917
Transfers to Other Funds	5,889	(508)	5,381	3,205	--	3,205	2,176
TOTAL	75,753	30,064	105,817	16,821	35,903	52,724	53,093
WORKFORCE INVESTMENT ACT							
Current - Special Purpose	64,503	32,612	97,115	23,413	9,132	32,545	64,570
Transfers to Other Funds	40,211	(1,552)	38,659	9,749	--	9,749	28,910
TOTAL	104,714	31,060	135,774	33,162	9,132	42,294	93,480
DISASTER ASSISTANCE							
Current - Special Purpose	116,148	9,627	125,775	9,628	--	9,628	116,147
Transfers to Other Funds	651	--	651	440	--	440	211
TOTAL	116,799	9,627	126,426	10,068	--	10,068	116,358
COMMUNITY SERVICES BLOCK GRANT							
Current - Special Purpose	2,124	5,723	7,847	2,653	487	3,140	4,707
Transfers to Other Funds	2,672	--	2,672	1,003	--	1,003	1,669
TOTAL	4,796	5,723	10,519	3,656	487	4,143	6,376
FORFEITED ASSETS TRUST OF POLICE DEPARTMENT							
Current - Special Purpose	8,787	1,031	9,818	2,922	4,270	7,192	2,626
Transfers to Other Funds	798	1,035	1,833	1,620	--	1,620	213
TOTAL	9,585	2,066	11,651	4,542	4,270	8,812	2,839
HOUSEHOLD HAZARDOUS WASTE							
Current - Special Purpose	5,493	(2,234)	3,259	270	250	520	2,739
Transfers to Other Funds	3,977	(1,109)	2,868	2,252	--	2,252	616
TOTAL	9,470	(3,343)	6,127	2,522	250	2,772	3,355

Continued...

CITY OF LOS ANGELES
Supplemental Schedule of Appropriations,
Expenditures and Other Financing Uses
Budget and Actual (Non-GAAP Budgetary Basis)
All Budgeted Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Original Adopted Budget	Additional Appropriations, Carryforward and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2015	Total Actual	Variance With Final Budget Positive (Negative)
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS							
Current - Special Purpose	\$ 22,198	\$ 18,188	\$ 40,386	\$ 11,363	\$ 2,748	\$ 14,111	\$ 26,275
Transfers to Other Funds	643	(306)	337	336	--	336	1
TOTAL	22,841	17,882	40,723	11,699	2,748	14,447	26,276
MOBILE SOURCE AIR POLLUTION REDUCTION							
Current - Special Purpose	4,260	(246)	4,014	1,904	70	1,974	2,040
Transfers to Other Funds	2,622	(328)	2,294	2,034	--	2,034	260
TOTAL	6,882	(574)	6,308	3,938	70	4,008	2,300
OLDER AMERICANS ACT							
Current - Special Purpose	8,121	16,880	25,001	12,694	3,348	16,042	8,959
Transfers to Other Funds	7,011	(346)	6,665	1,639	--	1,639	5,026
TOTAL	15,132	16,534	31,666	14,333	3,348	17,681	13,985
SUPPLEMENTAL LAW ENFORCEMENT SERVICES							
Current - Special Purpose	66	--	66	--	--	--	66
Transfers to Other Funds	15,541	--	15,541	5,120	--	5,120	10,421
TOTAL	15,607	--	15,607	5,120	--	5,120	10,487
ARTS AND CULTURAL FACILITIES AND SERVICES							
Current - Special Purpose	5,269	382	5,651	3,927	366	4,293	1,358
Transfers to Other Funds	13,190	295	13,485	10,539	--	10,539	2,946
TOTAL	18,459	677	19,136	14,466	366	14,832	4,304
ARTS DEVELOPMENT FEE							
Current - Special Purpose	12,237	145	12,382	292	173	465	11,917
Transfers to Other Funds	1	78	79	78	--	78	1
TOTAL	12,238	223	12,461	370	173	543	11,918
CITY EMPLOYEES RIDESHARING							
Transfers to Other Funds	3,633	(427)	3,206	2,500	--	2,500	706
CITY OF LOS ANGELES AFFORDABLE HOUSING							
Current - Special Purpose	30,828	23,605	54,433	15,739	3,887	19,626	34,807
Transfers to Other Funds	460	366	826	668	--	668	158
TOTAL	31,288	23,971	55,259	16,407	3,887	20,294	34,965
EL PUEBLO DE LOS ANGELES HISTORICAL MONUMENT							
Current - Special Purpose	1,103	(152)	951	918	--	918	33
Transfers to Other Funds	3,999	(149)	3,850	3,701	--	3,701	149
TOTAL	5,102	(301)	4,801	4,619	--	4,619	182
LANDFILL MAINTENANCE TRUST							
Current - Special Purpose	548	(229)	319	177	73	250	69
Transfers to Other Funds	4,853	(13)	4,840	4,030	--	4,030	810
TOTAL	5,401	(242)	5,159	4,207	73	4,280	879

Continued...

CITY OF LOS ANGELES
Supplemental Schedule of Appropriations,
Expenditures and Other Financing Uses
Budget and Actual (Non-GAAP Budgetary Basis)
All Budgeted Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Original Adopted Budget	Additional Appropriations, Carryforward and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2015	Total Actual	Variance With Final Budget Positive (Negative)
LOCAL PUBLIC SAFETY							
Transfers to Other Funds	\$ 61,351	\$ --	\$ 61,351	\$ 42,043	\$ --	\$ 42,043	\$ 19,308
LOS ANGELES CONVENTION AND VISITORS BUREAU							
Current - Special Purpose	25,733	--	25,733	15,393	--	15,393	10,340
Transfers to Other Funds	235	--	235	235	--	235	--
TOTAL	25,968	--	25,968	15,628	--	15,628	10,340
MULTI-FAMILY BULKY ITEM FEE							
Current - Special Purpose	15,461	(4,660)	10,801	1,557	63	1,620	9,181
Transfers to Other Funds	4,630	185	4,815	3,769	--	3,769	1,046
TOTAL	20,091	(4,475)	15,616	5,326	63	5,389	10,227
MUNICIPAL HOUSING FINANCE							
Current - Special Purpose	3,049	(1,498)	1,551	868	402	1,270	281
Transfers to Other Funds	3,018	(553)	2,465	2,422	--	2,422	43
TOTAL	6,067	(2,051)	4,016	3,290	402	3,692	324
PLANNING CASE PROCESSING SPECIAL FUND							
Current - Special Purpose	18,810	(3,199)	15,611	5,026	--	5,026	10,585
Transfers to Other Funds	19,426	(1,779)	17,647	15,498	--	15,498	2,149
TOTAL	38,236	(4,978)	33,258	20,524	--	20,524	12,734
RENT STABILIZATION							
Current - Special Purpose	32,785	84	32,869	3,189	678	3,867	29,002
Transfers to Other Funds	15,688	7	15,695	8,602	63	8,665	7,030
TOTAL	48,473	91	48,564	11,791	741	12,532	36,032
STREET DAMAGE RESTORATION FEE							
Current - Special Purpose	2,686	--	2,686	--	--	--	2,686
Transfers to Other Funds	10,892	--	10,892	10,213	--	10,213	679
TOTAL	13,578	--	13,578	10,213	--	10,213	3,365
SYSTEMATIC CODE ENFORCEMENT FEE							
Current - Special Purpose	111,550	(380)	111,170	9,484	769	10,253	100,917
Transfers to Other Funds	39,271	387	39,658	26,408	--	26,408	13,250
TOTAL	150,821	7	150,828	35,892	769	36,661	114,167
TELECOMMUNICATIONS LIQUIDATED DAMAGES AND LOST FRANCHISE FEES							
Current - Special Purpose	61,864	(21,566)	40,298	5,614	284	5,898	34,400
Transfers to Other Funds	17,762	(7,895)	9,867	8,635	--	8,635	1,232
TOTAL	79,626	(29,461)	50,165	14,249	284	14,533	35,632
TRAFFIC SAFETY							
Transfers to Other Funds	7,261	--	7,261	6,241	--	6,241	1,020
SPECIAL POLICE COMMUNICATIONS 911 SYSTEM TAX							
Current - Special Purpose	2,197	80	2,277	61	11	72	2,205

Continued...

CITY OF LOS ANGELES
Supplemental Schedule of Appropriations,
Expenditures and Other Financing Uses
Budget and Actual (Non-GAAP Budgetary Basis)
All Budgeted Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Original Adopted Budget	Additional Appropriations, Carryforward and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2015	Total Actual	Variance With Final Budget Positive (Negative)
ZOO							
Current - Special Purpose	\$ 2,202	\$ 239	\$ 2,441	\$ 308	\$ 1	\$ 309	\$ 2,132
Transfers to Other Funds	25,711	--	25,711	18,356	--	18,356	7,355
TOTAL	27,913	239	28,152	18,664	1	18,665	9,487
ALLOCATIONS FROM OTHER GOVERNMENTAL AGENCIES							
Current - Special Purpose	9,970	(894)	9,076	7,369	--	7,369	1,707
Transfers to Other Funds	26,694	(786)	25,908	20,935	--	20,935	4,973
TOTAL	36,664	(1,680)	34,984	28,304	--	28,304	6,680
TOTAL BUDGETED SPECIAL REVENUE FUNDS	\$ 3,247,418	\$ 43,093	\$ 3,290,511	\$ 1,339,137	\$ 176,022	\$ 1,515,159	\$ 1,775,352
ALL ANNUALLY BUDGETED SPECIAL REVENUE FUNDS							
Current - Special Purpose	\$ 1,999,333	\$ 101,280	\$ 2,100,613	\$ 556,610	\$ 162,817	\$ 719,427	\$ 1,381,186
Capital Outlay	234,593	(52,092)	182,501	8,352	12,876	21,228	161,273
Debt Service							
Principal	33,636	--	33,636	33,055	--	33,055	581
Interest	12,470	(541)	11,929	11,877	--	11,877	52
Payment of Loans	1,461	(664)	797	531	266	797	--
Transfers to Other Funds	965,925	(4,890)	961,035	728,712	63	728,775	232,260
TOTAL	\$ 3,247,418	\$ 43,093	\$ 3,290,511	\$ 1,339,137	\$ 176,022	\$ 1,515,159	\$ 1,775,352
NONMAJOR GENERAL FUNDS							
DEPARTMENT OF NEIGHBORHOOD EMPOWERMENT							
Current - Special Purpose	\$ 4,754	\$ (18)	\$ 4,736	\$ 3,727	\$ (133)	\$ 3,594	\$ 1,142
Transfers to Other Funds	2,629	(131)	2,498	2,243	--	2,243	255
TOTAL	7,383	(149)	7,234	5,970	(133)	5,837	1,397
CITY ETHICS COMMISSION							
Current - Special Purpose	2,073	--	2,073	--	--	--	2,073
Transfers to Other Funds	5,695	--	5,695	2,399	--	2,399	3,296
TOTAL	7,768	--	7,768	2,399	--	2,399	5,369
TOTAL BUDGETED GENERAL FUND	\$ 15,151	\$ (149)	\$ 15,002	\$ 8,369	\$ (133)	\$ 8,236	\$ 6,766
ALL ANNUALLY BUDGETED GENERAL FUNDS							
Current - Special Purpose	\$ 6,827	\$ (18)	\$ 6,809	\$ 3,727	\$ (133)	\$ 3,594	\$ 3,215
Transfers to Other Funds	8,324	(131)	8,193	4,642	--	4,642	3,551
TOTAL	\$ 15,151	\$ (149)	\$ 15,002	\$ 8,369	\$ (133)	\$ 8,236	\$ 6,766

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Debt Service Funds

Debt Service Funds are used to account for the payment of maturing principal and interest on the City's general obligation and revenue bonds, and certificates of participation.

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CITY OF LOS ANGELES
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2015
(amounts expressed in thousands)

	General Obligation Bonds			
	Series 2008-A	Series 2009-A	Series 2011-A	Refunding Series 2011-B
ASSETS				
Cash and Pooled Investments	\$ 7,986	\$ 15,130	\$ 9,840	\$ 33,814
Other Investments	--	--	--	--
Taxes Receivable (Net of Allowance for Uncollectibles of \$3,616)	797	1,372	1,053	3,199
Investment Income Receivable	15	29	19	60
TOTAL ASSETS	\$ 8,798	\$ 16,531	\$ 10,912	\$ 37,073
LIABILITIES				
Obligations Under Securities Lending Transactions	\$ 55	\$ 103	\$ 67	\$ 230
Interest Payable	--	--	--	--
Other Liabilities	93	176	115	393
TOTAL LIABILITIES	148	279	182	623
DEFERRED INFLOWS OF RESOURCES				
Unavailable Real Estate Tax	611	1,053	808	2,456
Other Deferred Inflows of Resources	5	9	6	20
TOTAL DEFERRED INFLOWS OF RESOURCES	616	1,062	814	2,476
FUND BALANCES				
Restricted	8,034	15,190	9,916	33,974
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 8,798	\$ 16,531	\$ 10,912	\$ 37,073

Continued...

CITY OF LOS ANGELES
Combining Balance Sheet - (Continued)
Nonmajor Debt Service Funds
June 30, 2015
(amounts expressed in thousands)

	<u>General Obligation Bonds</u>	<u>Convention</u>	<u>Solid Waste</u>	<u>Other Nonmajor Debt Service</u>	<u>Total</u>
	<u>Refunding Series 2012-A</u>	<u>Center</u>	<u>Resources</u>	<u>Funds</u>	
ASSETS					
Cash and Pooled Investments	\$ 27,148	\$ 9,122	\$ 36,291	\$ 48,730	\$ 188,061
Other Investments	--	12,851	--	--	12,851
Taxes Receivable					
(Net of Allowance for Uncollectibles of \$3,616)	3,469	--	--	2,539	12,429
Investment Income Receivable	51	19	--	93	286
TOTAL ASSETS	<u>\$ 30,668</u>	<u>\$ 21,992</u>	<u>\$ 36,291</u>	<u>\$ 51,362</u>	<u>\$ 213,627</u>
LIABILITIES					
Obligations Under Securities Lending Transactions	\$ 184	\$ 62	\$ --	\$ 329	\$ 1,030
Interest Payable	--	--	--	278	278
Other Liabilities	316	106	--	563	1,762
TOTAL LIABILITIES	<u>500</u>	<u>168</u>	<u>--</u>	<u>1,170</u>	<u>3,070</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Real Estate Tax	2,663	--	--	1,949	9,540
Other Deferred Inflows of Resources	17	5	--	29	91
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>2,680</u>	<u>5</u>	<u>--</u>	<u>1,978</u>	<u>9,631</u>
FUND BALANCES					
Restricted	27,488	21,819	36,291	48,214	200,926
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 30,668</u>	<u>\$ 21,992</u>	<u>\$ 36,291</u>	<u>\$ 51,362</u>	<u>\$ 213,627</u>

CITY OF LOS ANGELES
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	General Obligation Bonds			
	Series 2008-A	Series 2009-A	Series 2011-A	Refunding Series 2011-B
REVENUES				
Property Taxes	\$ 8,088	\$ 13,915	\$ 10,224	\$ 29,953
Intergovernmental	--	958	--	--
Charges for Services	--	--	--	--
Investment Earnings	51	101	63	195
Other	--	--	--	--
TOTAL REVENUES	8,139	14,974	10,287	30,148
EXPENDITURES				
Debt Service:				
Principal	5,050	8,825	5,850	15,090
Interest	3,207	6,085	4,665	12,210
Cost of Issuance	--	--	--	--
TOTAL EXPENDITURES	8,257	14,910	10,515	27,300
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(118)	64	(228)	2,848
OTHER FINANCING SOURCES (USES)				
Transfer In	49	--	--	5,496
Transfer Out	--	--	--	--
Proceeds of Refunding Bonds	--	--	--	--
Proceeds of Refunding Bonds - Premium	--	--	--	--
Payment to Refunding Bond Escrow Agent	--	--	--	--
Early Bond Retirement Expense	--	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	49	--	--	5,496
NET CHANGES IN FUND BALANCES	(69)	64	(228)	8,344
FUND BALANCES, JULY 1	8,103	15,126	10,144	25,630
FUND BALANCES, JUNE 30	\$ 8,034	\$ 15,190	\$ 9,916	\$ 33,974

Continued...

CITY OF LOS ANGELES
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - (Continued)
Nonmajor Debt Service Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	General Obligation Bonds	Convention	Solid Waste	Other Nonmajor Debt Service	Total
	Refunding Series 2012-A	Center	Resources	Funds	
REVENUES					
Property Taxes	\$ 30,646	\$ --	\$ --	\$ 43,970	\$ 136,796
Intergovernmental	--	--	--	--	958
Charges for Services	--	3,731	--	--	3,731
Investment Earnings	168	81	739	298	1,696
Other	--	1,000	285	--	1,285
TOTAL REVENUES	<u>30,814</u>	<u>4,812</u>	<u>1,024</u>	<u>44,268</u>	<u>144,466</u>
EXPENDITURES					
Debt Service:					
Principal	--	35,660	33,055	94,625	198,155
Interest	11,205	16,463	11,878	10,589	76,302
Cost of Issuance	--	--	388	--	388
TOTAL EXPENDITURES	<u>11,205</u>	<u>52,123</u>	<u>45,321</u>	<u>105,214</u>	<u>274,845</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>19,609</u>	<u>(47,311)</u>	<u>(44,297)</u>	<u>(60,946)</u>	<u>(130,379)</u>
OTHER FINANCING SOURCES (USES)					
Transfer In	--	48,286	48,512	28,343	130,686
Transfer Out	--	--	--	(5,497)	(5,497)
Proceeds of Refunding Bonds	--	--	76,670	--	76,670
Proceeds of Refunding Bonds - Premium	--	--	12,105	--	12,105
Payment to Refunding Bond Escrow Agent	--	--	(93,345)	--	(93,345)
Early Bond Retirement Expense	--	--	--	(281)	(281)
TOTAL OTHER FINANCING SOURCES (USES)	<u>--</u>	<u>48,286</u>	<u>43,942</u>	<u>22,565</u>	<u>120,338</u>
NET CHANGES IN FUND BALANCES	19,609	975	(355)	(38,381)	(10,041)
FUND BALANCES, JULY 1	<u>7,879</u>	<u>20,844</u>	<u>36,646</u>	<u>86,595</u>	<u>210,967</u>
FUND BALANCES, JUNE 30	<u>\$ 27,488</u>	<u>\$ 21,819</u>	<u>\$ 36,291</u>	<u>\$ 48,214</u>	<u>\$ 200,926</u>

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)**

	General Obligation Bonds Series 2002-A			
	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
REVENUES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Interest	--	--	--	--
Other	--	--	--	--
Total Revenue	--	--	--	--
Other Financing Sources				
Transfer from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	--	--	--	--
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	13,110	13,110	13,110	--
Interest	344	344	344	--
Total Expenditures	13,454	13,454	13,454	--
Other Financing Uses				
Transfers to Other Funds	--	--	1,943	(1,943)
TOTAL EXPENDITURES AND OTHER FINANCING USES	13,454	13,454	15,397	(1,943)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(13,454)	(13,454)	(15,397)	(1,943)
FUND BALANCE, JULY 1	--	--	15,397	15,397
Appropriation of Fund Balance and Carryforward Appropriations	13,454	13,454	--	(13,454)
FUND BALANCE, JUNE 30	\$ --	\$ --	\$ --	\$ --

Continued..

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)**

	General Obligation Bonds Series 2004-A			
	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
REVENUES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Interest	--	--	--	--
Other	--	--	--	--
Total Revenue	--	--	--	--
Other Financing Sources				
Transfer from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	--	--	--	--
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	18,025	18,025	18,025	--
Interest	451	451	451	--
Total Expenditures	18,476	18,476	18,476	--
Other Financing Uses				
Transfers to Other Funds	--	--	2,741	(2,741)
TOTAL EXPENDITURES AND OTHER FINANCING USES	18,476	18,476	21,217	(2,741)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(18,476)	(18,476)	(21,217)	(2,741)
FUND BALANCE, JULY 1	--	--	21,217	21,217
Appropriation of Fund Balance and Carryforward Appropriations	18,476	18,476	--	(18,476)
FUND BALANCE, JUNE 30	\$ --	\$ --	\$ --	\$ --

Continued..

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)**

	General Obligation Bonds Series 2008-A			
	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
REVENUES				
Revenues				
Taxes	\$ 8,257	\$ 8,257	\$ 8,058	\$ (199)
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Interest	--	--	55	55
Other	--	--	--	--
Total Revenue	8,257	8,257	8,113	(144)
Other Financing Sources				
Transfer from Other Funds	--	--	49	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	8,257	8,257	8,162	(144)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	5,050	5,050	5,050	--
Interest	3,207	3,207	3,207	--
Total Expenditures	8,257	8,257	8,257	--
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	8,257	8,257	8,257	--
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	--	--	(95)	(95)
FUND BALANCE, JULY 1	--	--	7,911	7,911
Appropriation of Fund Balance and Carryforward Appropriations	--	--	--	--
FUND BALANCE, JUNE 30	\$ --	\$ --	\$ 7,816	\$ 7,816

Continued..

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)**

	General Obligation Bonds Series 2009-A and B			
	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
REVENUES				
Revenues				
Taxes	\$ 14,910	\$ 14,910	\$ 13,862	\$ (1,048)
Intergovernmental	--	--	958	958
Charges for Services	--	--	--	--
Interest	--	--	108	108
Other	--	--	--	--
Total Revenue	14,910	14,910	14,928	18
Other Financing Sources				
Transfer from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	14,910	14,910	14,928	18
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	8,825	8,825	8,825	--
Interest	6,085	6,085	6,085	--
Total Expenditures	14,910	14,910	14,910	--
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	14,910	14,910	14,910	--
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	--	--	18	18
FUND BALANCE, JULY 1	--	--	14,791	14,791
Appropriation of Fund Balance and Carryforward Appropriations	--	--	--	--
FUND BALANCE, JUNE 30	\$ --	\$ --	\$ 14,809	\$ 14,809

Continued..

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)**

	General Obligation Bonds Series 2011-A			
	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
REVENUES				
Revenues				
Taxes	\$ 10,515	\$ 10,515	\$ 10,175	\$ (340)
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Interest	--	--	69	69
Other	--	--	--	--
Total Revenue	10,515	10,515	10,244	(271)
Other Financing Sources				
Transfer from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	10,515	10,515	10,244	(271)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	5,850	5,850	5,850	--
Interest	4,665	4,665	4,665	--
Total Expenditures	10,515	10,515	10,515	--
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	10,515	10,515	10,515	--
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	--	--	(271)	(271)
FUND BALANCE, JULY 1	--	--	9,904	9,904
Appropriation of Fund Balance and Carryforward Appropriations	--	--	--	--
FUND BALANCE, JUNE 30	\$ --	\$ --	\$ 9,633	\$ 9,633

Continued..

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)**

	General Obligation Bonds Refunding Series 2011-B			
	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
REVENUES				
Revenues				
Taxes	\$ 27,300	\$ 27,300	\$ 29,783	\$ 2,483
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Interest	--	--	175	175
Other	--	--	--	--
Total Revenue	27,300	27,300	29,958	2,658
Other Financing Sources				
Transfer from Other Funds	--	--	5,496	5,496
TOTAL REVENUES AND OTHER FINANCING SOURCES	27,300	27,300	35,454	8,154
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	15,090	15,090	15,090	--
Interest	12,210	12,210	12,210	--
Total Expenditures	27,300	27,300	27,300	--
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	27,300	27,300	27,300	--
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	--	--	8,154	8,154
FUND BALANCE, JULY 1	--	--	24,945	24,945
Appropriation of Fund Balance and Carryforward Appropriations	--	--	--	--
FUND BALANCE, JUNE 30	\$ --	\$ --	\$ 33,099	\$ 33,099

Continued..

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)**

	General Obligation Bonds Refunding Series 2012-A			
	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Revenues				
Taxes	\$ 11,205	\$ 11,205	\$ 30,425	\$ 19,220
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Interest	--	--	93	93
Other	--	--	--	--
Total Revenue	11,205	11,205	30,518	19,313
Other Financing Sources				
Transfer from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	11,205	11,205	30,518	19,313
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	11,205	11,205	11,205	--
Total Expenditures	11,205	11,205	11,205	--
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	11,205	11,205	11,205	--
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	--	--	19,313	19,313
FUND BALANCE, JULY 1	--	--	7,262	7,262
Appropriation of Fund Balance and Carryforward Appropriations	--	--	--	--
FUND BALANCE, JUNE 30	\$ --	\$ --	\$ 26,575	\$ 26,575

Continued..

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)**

	Convention Center - Staples Arena Account			
	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
REVENUES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Intergovernmental	--	--	--	--
Charges for Services	6,000	6,000	3,731	(2,269)
Interest	30	30	79	49
Other	--	--	1,000	1,000
Total Revenue	6,030	6,030	4,810	(1,220)
Other Financing Sources				
Transfer from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	6,030	6,030	4,810	(1,220)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	17,188	17,188	--	17,188
Debt Service				
Principal	1,840	1,840	1,840	--
Interest	1,998	1,998	1,998	--
Total Expenditures	21,026	21,026	3,838	17,188
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	21,026	21,026	3,838	17,188
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(14,996)	(14,996)	972	15,968
FUND BALANCE, JULY 1	8,114	8,114	7,956	(158)
Appropriation of Fund Balance and Carryforward Appropriations	6,882	6,882	--	(6,882)
FUND BALANCE, JUNE 30	\$ --	\$ --	\$ 8,928	\$ 8,928

Continued..

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)**

	Other Nonmajor Debt Service Fund - General Obligation Bonds Series Refunding Series 1998-A			
	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
REVENUES				
Revenues				
Taxes	\$ 11,657	\$ 11,657	\$ 11,012	\$ (645)
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Interest	--	--	87	87
Other	--	--	--	--
Total Revenue	<u>11,657</u>	<u>11,657</u>	<u>11,099</u>	<u>(558)</u>
Other Financing Sources				
Transfer from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>11,657</u>	<u>11,657</u>	<u>11,099</u>	<u>(558)</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	10,815	10,815	10,815	--
Interest	842	842	842	--
Total Expenditures	<u>11,657</u>	<u>11,657</u>	<u>11,657</u>	<u>--</u>
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>11,657</u>	<u>11,657</u>	<u>11,657</u>	<u>--</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	--	--	(558)	(558)
FUND BALANCE, JULY 1	--	--	13,084	13,084
Appropriation of Fund Balance and Carryforward Appropriations	--	--	--	--
FUND BALANCE, JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 12,526</u>	<u>\$ 12,526</u>

Continued..

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)**

	Other Nonmajor Debt Service Fund - General Obligation Bonds Refunding Series 2002-B			
	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
REVENUES				
Revenues				
Taxes	\$ 7,616	\$ 7,616	\$ --	\$ (7,616)
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Interest	--	--	--	--
Other	--	--	--	--
Total Revenue	<u>7,616</u>	<u>7,616</u>	<u>--</u>	<u>(7,616)</u>
Other Financing Sources				
Transfer from Other Funds	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>7,616</u>	<u>7,616</u>	<u>--</u>	<u>(7,616)</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	7,430	7,430	7,430	--
Interest	186	186	186	--
Total Expenditures	<u>7,616</u>	<u>7,616</u>	<u>7,616</u>	<u>--</u>
Other Financing Uses				
Transfers to Other Funds	<u>--</u>	<u>--</u>	<u>810</u>	<u>(810)</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>7,616</u>	<u>7,616</u>	<u>8,426</u>	<u>(810)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	--	--	(8,426)	(8,426)
FUND BALANCE, JULY 1	--	--	8,426	8,426
Appropriation of Fund Balance and Carryforward Appropriations	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
FUND BALANCE, JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

Continued..

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)**

	Other Nonmajor Debt Service Fund - General Obligation Bonds Series 2005-A			
	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
REVENUES				
Revenues				
Taxes	\$ 6,720	\$ 6,720	\$ 6,498	\$ (222)
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Interest	--	--	50	50
Other	--	--	--	--
Total Revenue	<u>6,720</u>	<u>6,720</u>	<u>6,548</u>	<u>(172)</u>
Other Financing Sources				
Transfer from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>6,720</u>	<u>6,720</u>	<u>6,548</u>	<u>(172)</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	6,340	6,340	6,340	--
Interest	380	380	380	--
Total Expenditures	<u>6,720</u>	<u>6,720</u>	<u>6,720</u>	<u>--</u>
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>6,720</u>	<u>6,720</u>	<u>6,720</u>	<u>--</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	--	--	(172)	(172)
FUND BALANCE, JULY 1	--	--	7,595	7,595
Appropriation of Fund Balance and Carryforward Appropriations	--	--	--	--
FUND BALANCE, JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 7,423</u>	<u>\$ 7,423</u>

Continued..

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)**

	Other Nonmajor Debt Service Fund - General Obligation Bonds Refunding Series 2005-B			
	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
REVENUES				
Revenues				
Taxes	\$ 13,317	\$ 13,317	\$ 21,374	\$ 8,057
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Interest	--	--	112	112
Other	--	--	--	--
Total Revenue	<u>13,317</u>	<u>13,317</u>	<u>21,486</u>	<u>8,169</u>
Other Financing Sources				
Transfer from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>13,317</u>	<u>13,317</u>	<u>21,486</u>	<u>8,169</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	10,160	10,160	10,160	--
Interest	3,157	3,157	3,157	--
Total Expenditures	<u>13,317</u>	<u>13,317</u>	<u>13,317</u>	<u>--</u>
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>13,317</u>	<u>13,317</u>	<u>13,317</u>	<u>--</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	--	--	8,169	8,169
FUND BALANCE, JULY 1	--	--	14,075	14,075
Appropriation of Fund Balance and Carryforward Appropriations	--	--	--	--
FUND BALANCE, JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 22,244</u>	<u>\$ 22,244</u>

Continued..

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)**

	Other Nonmajor Debt Service Fund - General Obligation Bonds Series 2006-A			
	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
REVENUES				
Revenues				
Taxes	\$ 5,462	\$ 5,462	\$ 5,347	\$ (115)
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Interest	--	--	37	37
Other	--	--	--	--
Total Revenue	<u>5,462</u>	<u>5,462</u>	<u>5,384</u>	<u>(78)</u>
Other Financing Sources				
Transfer from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>5,462</u>	<u>5,462</u>	<u>5,384</u>	<u>(78)</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	3,510	3,510	3,510	--
Interest	1,952	1,952	1,952	--
Total Expenditures	<u>5,462</u>	<u>5,462</u>	<u>5,462</u>	<u>--</u>
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>5,462</u>	<u>5,462</u>	<u>5,462</u>	<u>--</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	--	--	(78)	(78)
FUND BALANCE, JULY 1	--	--	5,311	5,311
Appropriation of Fund Balance and Carryforward Appropriations	--	--	--	--
FUND BALANCE, JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 5,233</u>	<u>\$ 5,233</u>

Continued..

CITY OF LOS ANGELES

Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Total Annually Budgeted Nonmajor Debt Service Funds			
	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
REVENUES				
Revenues				
Taxes	\$ 116,959	\$ 116,959	\$ 136,534	\$ 19,575
Intergovernmental	--	--	958	958
Charges for Services	6,000	6,000	3,731	(2,269)
Interest	30	30	865	835
Other	--	--	1,000	1,000
Total Revenue	122,989	122,989	143,088	20,099
Other Financing Sources				
Transfer from Other Funds	--	--	5,545	5,545
TOTAL REVENUES AND OTHER FINANCING SOURCES	122,989	122,989	148,633	25,644
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	17,188	17,188	--	17,188
Debt Service				
Principal	106,045	106,045	106,045	--
Interest	46,682	46,682	46,682	--
Total Expenditures	169,915	169,915	152,727	17,188
Other Financing Uses				
Transfers to Other Funds	--	--	5,494	(5,494)
TOTAL EXPENDITURES AND OTHER FINANCING USES	169,915	169,915	158,221	11,694
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(46,926)	(46,926)	(9,588)	37,338
FUND BALANCE, JULY 1	8,114	8,114	157,874	149,760
Appropriation of Fund Balance and Carryforward Appropriations	38,812	38,812	--	(38,812)
FUND BALANCE, JUNE 30	\$ --	\$ --	\$ 148,286	\$ 148,286

CITY OF LOS ANGELES

Reconciliation of Operations on Budgetary Basis to the GAAP Basis
Nonmajor Debt Service Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

Deficiency of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses - Budgetary	\$ (9,588)
Basis Difference	
Adjustments for net changes to accrued assets and liabilities. The GAAP basis operating statement recognizes revenues as soon as they are both measurable and available, and expenditures generally are recorded when liability is incurred; whereas, the budget basis operating statement reflects revenues when received and expenditures when paid.	353
Perspective Difference	
Certain Nonmajor Debt Service funds are not included in the legally adopted budget	<u>(806)</u>
Net Change in Fund Balances - Nonmajor Debt Service Funds	<u>\$ (10,041)</u>

Capital Projects Funds

Capital Projects Funds are used to account for major capital improvements which are financed from the City's general obligation bonds and certificates of participation issues, special assessments, certain Federal grants, and specific receipts.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for capital improvements which are financed from the City's and component units' general obligation bond, certificates of participation issues, special assessments, certain Federal grants and other specific receipts. All of the City's Capital Projects Funds are considered nonmajor funds. Nine funds are separately identified. These funds represent 89.9% of the combined revenues of the Capital Project Funds. The other smaller funds are grouped as other nonmajor capital project funds.

General Obligation Bonds – Series 2003-A, Series 2004-A, Series 2005-A, Series 2006-A, Series 2008-A, Series 2009-A and Series 2011-A – These funds account for the proceeds from the sales of bonds authorized by the voters in November 1998, November 2000, March 2002, and November 2004 for the acquisition, improvement, and construction of certain police and fire safety facilities and equipment, animal shelter, zoo facilities, and stormwater infrastructure assets.

Recreation and Parks Grant Fund – Accounts for grants received for major capital improvements undertaken by the City's Department of Recreation and Parks.

Parks Assessment Fund – Accounts for assessments levied pursuant to Proposition K – Los Angeles Kids program approved by City voters on November 5, 1996. The assessments from the City of Los Angeles Landscaping and Lighting District 96-1 will be used for the acquisition of land, construction of capital improvements and maintenance of facilities, and the repayment of bonds. The fund also accounts for the proceeds from the sale of special assessment bonds.

Other Nonmajor Capital Projects Funds - Account for the activities of smaller capital project funds and represent 10.1% of the combined revenues. Included in this group are two annually budgeted funds: Local Transportation and Park and Recreational Sites and Facilities.

CITY OF LOS ANGELES
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2015
(amounts expressed in thousands)

	General Obligation Bonds				
	Series 2003-A	Series 2004-A	Series 2005-A	Series 2006-A	Series 2008-A
ASSETS					
Cash and Pooled Investments	\$ 35,426	\$ 39,138	\$ 22,310	\$ 44,025	\$ 8,609
Accounts Receivable	--	--	--	--	--
Special Assessments Receivable	--	--	--	--	--
Investment Income Receivable	77	94	49	99	21
Intergovernmental Receivable	--	--	--	--	--
Due from Other Funds	--	--	--	3	--
TOTAL ASSETS	\$ 35,503	\$ 39,232	\$ 22,359	\$ 44,127	\$ 8,630
LIABILITIES					
Accounts, Contracts and Retainage Payable	\$ 85	\$ 1,990	\$ 1	\$ 1,087	\$ 76
Obligations Under Securities Lending Transactions	240	266	151	299	58
Accrued Salaries and Overtime Payable	6	--	4	3	--
Due to Other Funds	501	170	90	60	164
Deposits and Advances	--	--	--	--	--
Advances from Other Funds	--	--	--	--	--
Other Liabilities	412	455	259	512	100
TOTAL LIABILITIES	1,244	2,881	505	1,961	398
DEFERRED INFLOWS OF RESOURCES					
Unavailable Real Estate Tax	--	--	--	--	--
Receivables from Other Government Agencies	--	--	--	--	--
Other Deferred Inflows of Resources	22	25	14	27	5
TOTAL DEFERRED INFLOWS OF RESOURCES	22	25	14	27	5
FUND BALANCES					
Restricted	34,237	36,326	21,840	42,139	8,227
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 35,503	\$ 39,232	\$ 22,359	\$ 44,127	\$ 8,630

Continued...

CITY OF LOS ANGELES
Combining Balance Sheet - (Continued)
Nonmajor Capital Projects Funds
June 30, 2015
(amounts expressed in thousands)

	<u>General Obligation Bonds</u>		<u>Recreation and Parks Grant</u>	<u>Parks Assessment</u>	<u>Other Nonmajor Capital Projects Funds</u>	<u>Total</u>
	<u>Series 2009-A</u>	<u>Series 2011-A</u>				
ASSETS						
Cash and Pooled Investments	\$ 52,041	\$ 107,892	\$ 93,353	\$ 109,323	\$ 40,381	\$ 552,498
Accounts Receivable	2,333	--	--	--	92	2,425
Special Assessments Receivable	--	--	--	1,221	--	1,221
Investment Income Receivable	114	238	187	270	58	1,207
Intergovernmental Receivable	--	--	296	--	2,518	2,814
Due from Other Funds	--	135	--	12	4	154
TOTAL ASSETS	\$ 54,488	\$ 108,265	\$ 93,836	\$ 110,826	\$ 43,053	\$ 560,319
LIABILITIES						
Accounts, Contracts and Retainage Payable	\$ 981	\$ 255	\$ 2,369	\$ 983	\$ 1,306	\$ 9,133
Obligations Under Securities Lending Transactions	353	733	634	743	183	3,660
Accrued Salaries and Overtime Payable	--	5	--	--	--	18
Due to Other Funds	574	4,203	1	34	1,610	7,407
Deposits and Advances	--	--	--	--	2,002	2,002
Advances from Other Funds	--	--	8,849	--	--	8,849
Other Liabilities	605	1,254	1,085	1,270	313	6,265
TOTAL LIABILITIES	2,513	6,450	12,938	3,030	5,414	37,334
DEFERRED INFLOWS OF RESOURCES						
Unavailable Real Estate Tax	--	--	--	821	--	821
Receivables from Other Government Agencies	2,334	--	296	--	613	3,243
Other Deferred Inflows of Resources	32	66	53	74	15	333
TOTAL DEFERRED INFLOWS OF RESOURCES	2,366	66	349	895	628	4,397
FUND BALANCES						
Restricted	49,609	101,749	80,549	106,901	37,011	518,588
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 54,488	\$ 108,265	\$ 93,836	\$ 110,826	\$ 43,053	\$ 560,319

CITY OF LOS ANGELES
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	General Obligation Bonds				
	<u>Series 2003-A</u>	<u>Series 2004-A</u>	<u>Series 2005-A</u>	<u>Series 2006-A</u>	<u>Series 2008-A</u>
REVENUES					
Other Taxes	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and Permits	--	--	--	--	--
Intergovernmental	--	--	--	--	--
Charges for Services	--	--	--	--	--
Special Assessments	--	--	--	--	--
Investment Earnings	379	500	233	480	106
Other	--	--	--	--	--
TOTAL REVENUES	<u>379</u>	<u>500</u>	<u>233</u>	<u>480</u>	<u>106</u>
EXPENDITURES					
Capital Outlay	<u>5,607</u>	<u>29,959</u>	<u>1,244</u>	<u>6,816</u>	<u>3,508</u>
TOTAL EXPENDITURES	<u>5,607</u>	<u>29,959</u>	<u>1,244</u>	<u>6,816</u>	<u>3,508</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(5,228)</u>	<u>(29,459)</u>	<u>(1,011)</u>	<u>(6,336)</u>	<u>(3,402)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	--	--	--	--	--
Transfers Out	--	--	--	--	(49)
TOTAL OTHER FINANCING SOURCES (USES)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(49)</u>
NET CHANGE IN FUND BALANCES	(5,228)	(29,459)	(1,011)	(6,336)	(3,451)
FUND BALANCES, JULY 1	<u>39,465</u>	<u>65,785</u>	<u>22,851</u>	<u>48,475</u>	<u>11,678</u>
FUND BALANCES, JUNE 30	<u>\$ 34,237</u>	<u>\$ 36,326</u>	<u>\$ 21,840</u>	<u>\$ 42,139</u>	<u>\$ 8,227</u>

Continued...

CITY OF LOS ANGELES
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - (Continued)
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	<u>General Obligation Bonds</u>		<u>Recreation and</u>	<u>Parks</u>	<u>Other</u>	<u>Total</u>
	<u>Series 2009-A</u>	<u>Series 2011-A</u>	<u>Parks Grant</u>	<u>Assessment</u>	<u>Nonmajor Capital Projects Funds</u>	
REVENUES						
Other Taxes	\$ --	\$ --	\$ --	\$ --	\$ 2,863	\$ 2,863
Licenses and Permits	--	--	--	--	21	21
Intergovernmental	--	--	7,562	--	1,998	9,560
Charges for Services	--	--	5,085	--	--	5,085
Special Assessments	--	--	--	25,084	--	25,084
Investment Earnings	573	1,195	891	1,195	300	5,852
Other	--	--	2,999	--	--	2,999
TOTAL REVENUES	<u>573</u>	<u>1,195</u>	<u>16,537</u>	<u>26,279</u>	<u>5,182</u>	<u>51,464</u>
EXPENDITURES						
Capital Outlay	14,450	31,460	18,433	20,691	12,821	144,989
TOTAL EXPENDITURES	<u>14,450</u>	<u>31,460</u>	<u>18,433</u>	<u>20,691</u>	<u>12,821</u>	<u>144,989</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(13,877)</u>	<u>(30,265)</u>	<u>(1,896)</u>	<u>5,588</u>	<u>(7,639)</u>	<u>(93,525)</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	--	--	5,925	--	--	5,925
Transfers Out	--	--	(750)	(19,316)	--	(20,115)
TOTAL OTHER FINANCING SOURCES (USES)	<u>--</u>	<u>--</u>	<u>5,175</u>	<u>(19,316)</u>	<u>--</u>	<u>(14,190)</u>
NET CHANGE IN FUND BALANCES	<u>(13,877)</u>	<u>(30,265)</u>	<u>3,279</u>	<u>(13,728)</u>	<u>(7,639)</u>	<u>(107,715)</u>
FUND BALANCES, JULY 1	<u>63,486</u>	<u>132,014</u>	<u>77,270</u>	<u>120,629</u>	<u>44,650</u>	<u>626,303</u>
FUND BALANCES, JUNE 30	<u>\$ 49,609</u>	<u>\$ 101,749</u>	<u>\$ 80,549</u>	<u>\$ 106,901</u>	<u>\$ 37,011</u>	<u>\$ 518,588</u>

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Local Transportation			
	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Intergovernmental	4,292	4,292	67	(4,225)
Interest	70	70	47	(23)
TOTAL REVENUES	4,362	4,362	114	(4,248)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Capital Outlay	7,090	5,604	2,292	3,312
Other Financing Uses				
Transfers to Other Funds	427	875	382	493
TOTAL EXPENDITURES AND OTHER FINANCING USES	7,517	6,479	2,674	3,805
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(3,155)	(2,117)	(2,560)	(443)
FUND BALANCE, JULY 1	650	650	2,016	1,366
Appropriation of Fund Balances and Carryforward				
Appropriations	2,505	1,445	--	(1,445)
Encumbrances Lapsed	--	22	22	--
FUND BALANCE, JUNE 30	\$ --	\$ --	\$ (522)	\$ (522)

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Capital Projects Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Park and Recreational Sites and Facilities			
	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Revenues				
Taxes	\$ 2,000	\$ 2,000	\$ 2,863	\$ 863
Intergovernmental	--	--	--	--
Interest	--	--	--	--
TOTAL REVENUES	2,000	2,000	2,863	863
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Capital Outlay	2,090	10,091	240	9,851
Other Financing Uses				
Transfers to Other Funds	850	1,607	446	1,161
TOTAL EXPENDITURES AND OTHER FINANCING USES	2,940	11,698	686	11,012
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	(940)	(9,698)	2,177	11,875
FUND BALANCE, JULY 1	--	--	10,513	10,513
Appropriation of Fund Balances and Carryforward				
Appropriations	940	9,643	--	(9,643)
Encumbrances Lapsed	--	55	55	--
FUND BALANCE, JUNE 30	\$ --	\$ --	\$ 12,745	\$ 12,745

Continued...

CITY OF LOS ANGELES
Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Capital Projects Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Total Annually Budgeted Nonmajor Capital Projects Funds			
	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Revenues				
Taxes	\$ 2,000	\$ 2,000	\$ 2,863	\$ 863
Intergovernmental	4,292	4,292	67	(4,225)
Interest	70	70	47	(23)
TOTAL REVENUES	6,362	6,362	2,977	(3,385)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Capital Outlay	9,180	15,695	2,532	13,163
Other Financing Uses				
Transfers to Other Funds	1,277	2,482	828	1,654
TOTAL EXPENDITURES AND OTHER FINANCING USES	10,457	18,177	3,360	14,817
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	(4,095)	(11,815)	(383)	11,432
FUND BALANCE, JULY 1	650	650	12,529	11,879
Appropriation of Fund Balances and Carryforward				
Appropriations	3,445	11,088	--	(11,088)
Encumbrances Lapsed	--	77	77	--
FUND BALANCE, JUNE 30	\$ --	\$ --	\$ 12,223	\$ 12,223

CITY OF LOS ANGELES

Reconciliation of Operations on Budgetary Basis to the GAAP Basis
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

Excess of Revenues Over Expenditures and Other Financing Uses - Budgetary	\$ (383)
Basis Difference	
Adjustments for net changes to accrued assets and liabilities. The GAAP basis operating statement recognizes revenues as soon as they are both measurable and available, and expenditures generally are recorded when liability is incurred; whereas, the budget basis operating statement reflects revenues when received and expenditures when paid.	1,546
Encumbrances, which represent commitments to acquire goods and services, are recorded as the equivalent of expenditures in the budget year incurred (budget), as opposed to a reservation of fund balance (GAAP).	
Encumbrances reported as budgetary expenditures	1,669
Prior year encumbrances expended in current year	(1,384)
Perspective Difference	
Certain Nonmajor Capital Projects Funds are not included in the legally adopted budget; while for some, the budget provides for only the portion of fund receipts that are expended for City department operations.	<u>(109,163)</u>
Net Change in Fund Balances - Nonmajor Capital Projects Funds	<u>\$ (107,715)</u>

CITY OF LOS ANGELES

**Supplemental Schedule of Appropriations,
Expenditures and Other Financing Uses
Budget and Actual (Non-GAAP Budgetary Basis)
All Budgeted Capital Projects Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)**

	Original Adopted Budget	Additional Appropriations, Carryforward and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2015	Total Actual	Variance With Final Budget Positive (Negative)
LOCAL TRANSPORTATION							
Capital Outlay	\$ 7,090	\$ (1,486)	\$ 5,604	\$ 974	\$ 1,318	\$ 2,292	\$ 3,312
Transfers to Other Funds	427	448	875	382	--	382	493
TOTAL	7,517	(1,038)	6,479	1,356	1,318	2,674	3,805
PARK AND RECREATION							
SITES AND FACILITIES							
Capital Outlay	2,090	8,001	10,091	(111)	351	240	9,851
Transfers to Other Funds	850	757	1,607	446	--	446	1,161
TOTAL	2,940	8,758	11,698	335	351	686	11,012
TOTAL BUDGETED CAPITAL PROJECTS FUNDS	\$ 10,457	\$ 7,720	\$ 18,177	\$ 1,691	\$ 1,669	\$ 3,360	\$ 14,817
ALL ANNUALLY BUDGETED CAPITAL PROJECTS FUNDS							
Capital Outlay	\$ 9,180	\$ 6,515	\$ 15,695	\$ 863	\$ 1,669	\$ 2,532	\$ 13,163
Transfers to Other Funds	1,277	1,205	2,482	828	--	828	1,654
TOTAL	\$ 10,457	\$ 7,720	\$ 18,177	\$ 1,691	\$ 1,669	\$ 3,360	\$ 14,817

Fiduciary Funds

Pensions and Other Employee Benefits Trust Funds are used to account for the activities of the City's single-employer defined benefit pension plans and other postemployment benefit plans. Agency Funds are used to account for assets held by the City as an agent for others.

FIDUCIARY FUNDS

Fiduciary Funds are used to report assets held by the City in a trustee or agency capacity for others and therefore cannot be used to support the City government's programs. These include Pension Trust Funds, Other Postemployment Benefits Trust Funds, and Agency Funds.

Pension Trust Funds – These funds are used to report resources that are held in trust for the members and beneficiaries of the City's single-employer defined benefit pension plans namely: Fire and Police Pension Plan, Los Angeles City Employees' Retirement Plan, and Water and Power Employees' Retirement, Disability and Death Benefit Insurance Plan.

Other Postemployment Benefits Trust Funds – These funds are used to report resources that are held in trust for the members of the City's postemployment healthcare plans namely: Fire and Police Health Subsidy Plan, Los Angeles City Employees' Postemployment Health Care Plan, and Water and Power Employees' Retiree Health Benefits Plan.

Agency Funds – These funds are used to account for assets held by the City as an agent for others, for example, federal and state income tax withheld from employees, and assessments for payments of certain conduit debt.

CITY OF LOS ANGELES

**Combining Statement of Fiduciary Net Position
Pension and Other Postemployment Benefits Trust Funds**

June 30, 2015

(amounts expressed in thousands)

	Pension Trust Funds	Other Postemployment Benefits Trust Funds	Total
ASSETS			
Cash and Pooled Investments	\$ 15,520	\$ 1,302	\$ 16,822
Receivables			
Contributions	60,780	--	60,780
Accrued Investment Income	109,516	14,191	123,707
Contingent Disability Benefit Advance	3,310	--	3,310
Other Receivables	12,533	1,485	14,018
Due from Brokers	471,090	64,379	535,469
Other Investments			
Short-Term Investments	1,444,196	177,112	1,621,308
U. S. Government Obligations	3,111,731	366,828	3,478,559
U. S. Agency Notes	688,521	114,477	802,998
Municipal Bonds	5,344	956	6,300
Domestic Corporate Bonds	2,902,613	369,322	3,271,935
International Bonds	521,186	79,992	601,178
Other Fixed Income	776,575	138,948	915,523
Bank Loan	1,909	342	2,251
Opportunistic Debt	11,076	1,982	13,058
Domestic Stocks	14,605,015	1,892,245	16,497,260
International Stocks	9,195,535	1,282,059	10,477,594
Mortgage-Backed Securities	590,234	102,809	693,043
Government Agencies	21,126	3,780	24,906
Derivative Instruments	1,454	260	1,714
Real Estate	2,400,983	264,828	2,665,811
Ventures Capital and Alternative Investments	3,515,922	456,585	3,972,507
Security Lending Collateral	2,626,075	387,126	3,013,201
Prepaid Expense	4	--	4
Prepaid Health Subsidy	4	8,928	8,932
Capital Assets			
Furniture, Fixtures and Equipment (Net of Accumulated Depreciation of \$1,329)	16,049	1,618	17,667
TOTAL ASSETS	43,108,301	5,731,554	48,839,855
LIABILITIES			
Accounts Payable and Accrued Expenses	57,232	9,440	66,672
Accrued Investment Expenses	7,917	1,416	9,333
Benefits in Process of Payment	23,385	527	23,912
Due to Brokers	729,436	105,263	834,699
Obligations Under Securities			
Lending Transactions	2,626,075	387,126	3,013,201
Mortgage Loan Payable - Current Portion	11,083	882	11,965
Mortgage Loan Payable - Noncurrent Portion	179,914	14,323	194,237
Deposits and Advances	30	3	33
TOTAL LIABILITIES	3,635,072	518,980	4,154,052
NET POSITION			
Held in Trust for Pension and Other Postemployment Benefits			
Benefit Pension Plans	39,401,908	--	39,401,908
Disability Plan	44,747	--	44,747
Death Benefit Plan	26,574	--	26,574
Postemployment Healthcare Plans	--	5,212,574	5,212,574
TOTAL NET POSITION	\$ 39,473,229	\$ 5,212,574	\$ 44,685,803

CITY OF LOS ANGELES

**Combining Statement of Changes in Fiduciary Net Position
Pension and Other Postemployment Benefits Trust Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)**

	Pension Trust Funds	Other Postemployment Benefits Trust Funds	Total
ADDITIONS			
Contributions			
Employer	\$ 1,267,778	\$ 328,104	\$ 1,595,882
Plan Member	403,648	--	403,648
Other	4,849	371	5,220
Total Contributions	<u>1,676,275</u>	<u>328,475</u>	<u>2,004,750</u>
Investment Income			
Net Appreciation in Fair Value of Investments	549,743	77,572	627,315
Interest Income	253,609	34,155	287,764
Income from Alternative Investments	31,492	2,338	33,830
Dividend Income	429,123	55,759	484,882
Securities Lending Income	15,790	2,104	17,894
Other Investment Income	177,825	19,581	197,406
Real Estate Operating Income, Net	87,809	7,042	94,851
Investment Income	<u>1,545,391</u>	<u>198,551</u>	<u>1,743,942</u>
Investment Expense	(152,865)	(21,432)	(174,297)
Securities Lending Expense	(2,146)	(341)	(2,487)
Net Investment Income	<u>1,390,380</u>	<u>176,778</u>	<u>1,567,158</u>
TOTAL ADDITIONS	<u>3,066,655</u>	<u>505,253</u>	<u>3,571,908</u>
DEDUCTIONS			
Benefit Payments	2,154,427	292,507	2,446,934
Refunds of Member Contributions	19,369	--	19,369
Administrative Expenses	40,189	5,839	46,028
TOTAL DEDUCTIONS	<u>2,213,985</u>	<u>298,346</u>	<u>2,512,331</u>
CHANGE IN NET POSITION			
Benefit Pension Plans	852,497	--	852,497
Disability Plan	(330)	--	(330)
Death Benefit Plan	503	--	503
Postemployment Healthcare Plans	--	206,907	206,907
TOTAL CHANGE IN NET POSITION	<u>852,670</u>	<u>206,907</u>	<u>1,059,577</u>
Net Position Held in Trust for Pension and Other Postemployment Benefits, July 1			
Benefit Pension Plans	38,549,411	--	38,549,411
Disability Plan	45,077	--	45,077
Death Benefit Plan	26,071	--	26,071
Post-employment Healthcare Plans	--	5,005,667	5,005,667
NET POSITION HELD IN TRUST FOR PENSION AND OTHER POSTEMPLOYMENT BENEFITS, JUNE 30	<u>\$ 39,473,229</u>	<u>\$ 5,212,574</u>	<u>\$ 44,685,803</u>

CITY OF LOS ANGELES

**Combining Statement of Fiduciary Net Position
Pension Trust Funds
June 30, 2015**

(amounts expressed in thousands)

	Fire and Police Pension Plan	Los Angeles City Employees' Retirement Plan	Water and Power Employees' Retirement, Disability, and Death Benefit Insurance Plan	Total
ASSETS				
Cash and Pooled Investments	\$ 955	\$ 1,640	\$ 12,925	\$ 15,520
Receivables				
Contributions	6,687	--	54,093	60,780
Accrued Investment Income	49,710	38,126	21,680	109,516
Contingent Disability Benefit Advance	--	--	3,310	3,310
Other Receivables	--	8,299	4,234	12,533
Due from Brokers	180,991	100,781	189,318	471,090
Other Investments				
Short-Term Investments	650,293	440,147	353,756	1,444,196
U. S. Government Obligations	1,949,302	639,148	523,281	3,111,731
U. S. Agency Notes	--	--	688,521	688,521
Municipal Bonds	--	5,344	--	5,344
Domestic Corporate Bonds	1,610,723	788,797	503,093	2,902,613
International Bonds	18	432,118	89,050	521,186
Other Fixed Income	--	776,575	--	776,575
Bank Loan	--	1,909	--	1,909
Opportunistic Debt	--	11,076	--	11,076
Domestic Stocks	6,790,805	3,243,710	4,570,500	14,605,015
International Stocks	3,484,205	3,627,568	2,083,762	9,195,535
Mortgage-Backed Securities	--	381,414	208,820	590,234
Government Agencies	--	21,126	--	21,126
Derivative Instruments	--	1,454	--	1,454
Real Estate	1,451,892	556,385	392,706	2,400,983
Venture Capital and Alternative Investments	1,609,930	1,133,226	772,766	3,515,922
Security Lending Collateral	1,369,497	704,815	551,763	2,626,075
Prepaid Expense	--	--	4	4
Prepaid Health Subsidy	4	--	--	4
Capital Assets				
Furniture, Fixtures and Equipment (Net of Accumulated Depreciation of \$1,127)	12,613	3,436	--	16,049
TOTAL ASSETS	19,167,625	12,917,094	11,023,582	43,108,301
LIABILITIES				
Accounts Payable and Accrued Expenses	12,157	29,646	15,429	57,232
Accrued Investment Expenses	--	7,917	--	7,917
Benefits in Process of Payment	20,739	--	2,646	23,385
Due to Brokers	227,651	193,662	308,123	729,436
Obligations Under Securities				
Lending Transactions	1,369,497	704,815	551,763	2,626,075
Mortgage Loan Payable - Current Portion	11,083	--	--	11,083
Mortgage Loan Payable - Noncurrent Portion	179,914	--	--	179,914
Deposits and Advances	30	--	--	30
TOTAL LIABILITIES	1,821,071	936,040	877,961	3,635,072
NET POSITION				
Held in Trust for Pension Benefits				
Benefit Pension Plans	17,346,554	11,981,054	10,074,300	39,401,908
Disability Plan	--	--	44,747	44,747
Death Benefit Plan	--	--	26,574	26,574
TOTAL NET POSITION	\$ 17,346,554	\$ 11,981,054	\$ 10,145,621	\$ 39,473,229

CITY OF LOS ANGELES
Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Fire and Police Pension Plan	Los Angeles City Employees' Retirement Plan	Water and Power Employees' Disability, and Death Benefit Insurance Plan	Total
ADDITIONS				
Contributions				
Employer	\$ 480,332	\$ 381,299	\$ 406,147	\$ 1,267,778
Plan Member	126,771	207,564	69,313	403,648
Other	4,849	--	--	4,849
Total Contributions	<u>611,952</u>	<u>588,863</u>	<u>475,460</u>	<u>1,676,275</u>
Investment Income				
Net Appreciation in Fair Value of Investments	189,380	95,676	264,687	549,743
Interest Income	105,684	79,280	68,645	253,609
Income from Alternative Investments	29,307	--	2,185	31,492
Dividend Income	214,598	129,661	84,864	429,123
Securities Lending Income	8,013	5,378	2,399	15,790
Other Investment Income	126,083	50,903	839	177,825
Real Estate Operating Income, Net	67,777	--	20,032	87,809
Investment Income	<u>740,842</u>	<u>360,898</u>	<u>443,651</u>	<u>1,545,391</u>
Investment Expense	(70,375)	(51,552)	(30,938)	(152,865)
Securities Lending Expense	(800)	(789)	(557)	(2,146)
Net Investment Income	<u>669,667</u>	<u>308,557</u>	<u>412,156</u>	<u>1,390,380</u>
TOTAL ADDITIONS	<u>1,281,619</u>	<u>897,420</u>	<u>887,616</u>	<u>3,066,655</u>
DEDUCTIONS				
Benefit Payments	915,163	734,736	504,528	2,154,427
Refunds of Member Contributions	3,746	10,121	5,502	19,369
Administrative Expenses	17,814	15,946	6,429	40,189
TOTAL DEDUCTIONS	<u>936,723</u>	<u>760,803</u>	<u>516,459</u>	<u>2,213,985</u>
CHANGE IN NET POSITION				
Benefit Pension Plans	344,896	136,617	370,984	852,497
Disability Plan	--	--	(330)	(330)
Death Benefit Plan	--	--	503	503
TOTAL CHANGE IN NET POSITION	<u>344,896</u>	<u>136,617</u>	<u>371,157</u>	<u>852,670</u>
Net Position Held in Trust for Pension, July 1				
Benefit Pension Plans	17,001,658	11,844,437	9,703,316	38,549,411
Disability Plan	--	--	45,077	45,077
Death Benefit Plan	--	--	26,071	26,071
NET POSITION HELD IN TRUST FOR PENSION, JUNE 30	<u>\$ 17,346,554</u>	<u>\$ 11,981,054</u>	<u>\$ 10,145,621</u>	<u>\$ 39,473,229</u>

CITY OF LOS ANGELES

**Combining Statement of Fiduciary Net Position
Other Postemployment Benefits Trust Funds
June 30, 2015**

(amounts expressed in thousands)

	Fire and Police Health Subsidy Plan	Los Angeles City Employees' Postemployment Health Care Plan	Water and Power Employees' Retiree Health Benefits Plan	Total
ASSETS				
Cash and Pooled Investments	\$ 76	\$ 294	\$ 932	\$ 1,302
Receivables				
Accrued Investment Income	3,958	6,822	3,411	14,191
Other Receivables	--	1,485	--	1,485
Due from Brokers	14,409	18,032	31,938	64,379
Other Investments				
Short-Term Investments	51,770	78,753	46,589	177,112
U. S. Government Obligations	155,185	114,359	97,284	366,828
U. S. Agency Notes	--	--	114,477	114,477
Municipal Bonds	--	956	--	956
Domestic Corporate Bonds	128,230	141,135	99,957	369,322
International Bonds	1	77,317	2,674	79,992
Other Fixed Income	--	138,948	--	138,948
Bank Loan	--	342	--	342
Opportunistic Debt	--	1,982	--	1,982
Domestic Stocks	540,618	580,380	771,247	1,892,245
International Stocks	277,378	649,061	355,620	1,282,059
Mortgage-Backed Securities	--	68,244	34,565	102,809
Government Agencies	--	3,780	--	3,780
Derivative Instruments	--	260	--	260
Real Estate	115,585	99,551	49,692	264,828
Venture Capital and Alternative Investments	128,167	202,762	125,656	456,585
Security Lending Collateral	109,026	126,109	151,991	387,126
Prepaid Health Subsidy	8,928	--	--	8,928
Capital Assets				
Furniture, Fixtures and Equipment (Net of Accumulated Depreciation of \$202)	1,004	614	--	1,618
TOTAL ASSETS	1,534,335	2,311,186	1,886,033	5,731,554
LIABILITIES				
Accounts Payable and Accrued Expenses	904	5,304	3,232	9,440
Accrued Investment Expenses	--	1,416	--	1,416
Benefits in Process of Payment	527	--	--	527
Due to Brokers	18,123	34,651	52,489	105,263
Obligations Under Securities				
Lending Transactions	109,026	126,109	151,991	387,126
Mortgage Loan Payable - Current Portion	882	--	--	882
Mortgage Loan Payable - Noncurrent Portion	14,323	--	--	14,323
Security Deposits	3	--	--	3
TOTAL LIABILITIES	143,788	167,480	207,712	518,980
NET POSITION				
Held in Trust for Postemployment Healthcare Benefits	\$ 1,390,547	\$ 2,143,706	\$ 1,678,321	\$ 5,212,574

CITY OF LOS ANGELES

**Combining Statement of Changes in Fiduciary Net Position
Other Postemployment Benefits Trust Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)**

	Fire and Police Health Subsidy Plan	Los Angeles City Employees' Postemployment Health Care Plan	Water and Power Employees' Retiree Health Benefits Plan	Total
ADDITIONS				
Contributions				
Employer	\$ 148,477	\$ 100,467	\$ 79,160	\$ 328,104
Other	371	--	--	371
Total Contributions	<u>148,848</u>	<u>100,467</u>	<u>79,160</u>	<u>328,475</u>
Investment Income				
Net Appreciation in Fair Value of				
Investments	14,505	20,495	42,572	77,572
Interest Income	8,094	14,992	11,069	34,155
Income from Alternative Investments	2,245	--	93	2,338
Dividend Income	16,436	24,518	14,805	55,759
Securities Lending Income	614	1,017	473	2,104
Other Investment Income	9,657	9,626	298	19,581
Real Estate Operating Income, Net	5,191	--	1,851	7,042
Investment Income	<u>56,742</u>	<u>70,648</u>	<u>71,161</u>	<u>198,551</u>
Investment Expense	(5,390)	(11,044)	(4,998)	(21,432)
Securities Lending Expense	(61)	(169)	(111)	(341)
Net Investment Income	<u>51,291</u>	<u>59,435</u>	<u>66,052</u>	<u>176,778</u>
TOTAL ADDITIONS	<u>200,139</u>	<u>159,902</u>	<u>145,212</u>	<u>505,253</u>
DEDUCTIONS				
Benefit Payments	110,411	103,599	78,497	292,507
Administrative Expenses	1,364	3,932	543	5,839
TOTAL DEDUCTIONS	<u>111,775</u>	<u>107,531</u>	<u>79,040</u>	<u>298,346</u>
CHANGE IN NET POSITION	<u>88,364</u>	<u>52,371</u>	<u>66,172</u>	<u>206,907</u>
Net Position Held in Trust for Postemployment				
Healthcare Benefits, July 1	<u>1,302,183</u>	<u>2,091,335</u>	<u>1,612,149</u>	<u>5,005,667</u>
NET POSITION HELD IN TRUST FOR POSTEMPLOYMENT HEALTHCARE BENEFITS,	<u>\$ 1,390,547</u>	<u>\$ 2,143,706</u>	<u>\$ 1,678,321</u>	<u>\$ 5,212,574</u>

CITY OF LOS ANGELES
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2015
(amounts expressed in thousands)

	Building and Safety	Internal Revenue Code Section 501 (c) Employee Benefits	Public Works	Other Agency Funds	Total
ASSETS					
Cash and Pooled Investments	\$ 30,225	\$ 34,236	\$ 70,048	\$ 181,574	\$ 316,083
Other Investments	--	--	--	436	436
Special Assessments Receivable	--	--	--	215	215
Investment Income Receivable	32	86	2	12	132
Advances to Other Funds	--	--	30,836	--	30,836
TOTAL ASSETS	\$ 30,257	\$ 34,322	\$ 100,886	\$ 182,237	\$ 347,702
LIABILITIES					
Fiduciary Liabilities	\$ --	\$ 33,935	\$ --	\$ 159,854	\$ 193,789
Obligations Under Securities					
Lending Transactions	107	387	6	100	600
Deposits and Advances	30,150	--	100,835	22,283	153,268
Advances from Other funds	--	--	45	--	45
TOTAL LIABILITIES	\$ 30,257	\$ 34,322	\$ 100,886	\$ 182,237	\$ 347,702

CITY OF LOS ANGELES

**Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)**

	Balance July 1, 2014	Additions	Deductions	Balance July 1, 2015
<u>BUILDING AND SAFETY</u>				
ASSETS				
Cash and Pooled Investments	\$ 22,134	\$ 83,079	\$ 74,988	\$ 30,225
Investment Income Receivable	32	--	--	32
TOTAL ASSETS	\$ 22,166	\$ 83,079	\$ 74,988	\$ 30,257
LIABILITIES				
Obligations Under Securities				
Lending Transactions	\$ 9	\$ 98	\$ --	\$ 107
Deposits and Advances	22,157	82,981	74,988	30,150
TOTAL LIABILITIES	\$ 22,166	\$ 83,079	\$ 74,988	\$ 30,257
<u>INTERNAL REVENUE CODE SECTION 501(c)</u>				
<u>EMPLOYEE BENEFITS</u>				
ASSETS				
Cash and Pooled Investments	\$ 28,077	\$ 90,498	\$ 84,339	\$ 34,236
Investment Income Receivable	95	86	95	86
TOTAL ASSETS	\$ 28,172	\$ 90,584	\$ 84,434	\$ 34,322
LIABILITIES				
Fiduciary Liabilities	\$ 28,018	\$ 90,351	\$ 84,434	\$ 33,935
Obligations Under Securities				
Lending Transactions	154	233	--	387
TOTAL LIABILITIES	\$ 28,172	\$ 90,584	\$ 84,434	\$ 34,322
<u>PUBLIC WORKS</u>				
ASSETS				
Cash and Pooled Investments	\$ 50,890	\$ 29,853	\$ 10,695	\$ 70,048
Investment Income Receivable	2	--	--	2
Advances to Other Funds	30,481	355	--	30,836
TOTAL ASSETS	\$ 81,373	\$ 30,208	\$ 10,695	\$ 100,886
LIABILITIES				
Obligations Under Securities				
Lending Transactions	\$ 1	\$ 5	\$ --	\$ 6
Deposits and Advances	81,372	30,158	10,695	100,835
Advances from Other Funds	--	45	--	45
TOTAL LIABILITIES	\$ 81,373	\$ 30,208	\$ 10,695	\$ 100,886
<u>OTHER AGENCY FUNDS</u>				
ASSETS				
Cash and Pooled Investments	\$ 164,425	\$ 35,848,164	\$ 35,831,015	\$ 181,574
Other Investments	434	2	--	436
Special Assessments Receivable	229	215	229	215
Investment Income Receivable	17	12	17	12
TOTAL ASSETS	\$ 165,105	\$ 35,848,393	\$ 35,831,261	\$ 182,237
LIABILITIES				
Fiduciary Liabilities	\$ 142,976	\$ 35,845,731	\$ 35,828,853	\$ 159,854
Obligations Under Securities				
Lending Transactions	54	46	--	100
Deposits and Advances	22,075	2,616	2,408	22,283
TOTAL LIABILITIES	\$ 165,105	\$ 35,848,393	\$ 35,831,261	\$ 182,237

Continued...

CITY OF LOS ANGELES
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds - (Continued)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Balance July 1, 2014	Additions	Deductions	Balance July 1, 2015
<u>TOTAL AGENCY FUNDS</u>				
ASSETS				
Cash and Pooled Investments	\$ 265,526	\$ 36,051,594	\$ 36,001,037	\$ 316,083
Other Investments	434	2	--	436
Special Assessments Receivable	229	215	229	215
Investment Income Receivable	146	98	112	132
Advances to Other Funds	30,481	355	--	30,836
TOTAL ASSETS	<u>\$ 296,816</u>	<u>\$ 36,052,264</u>	<u>\$ 36,001,378</u>	<u>\$ 347,702</u>
LIABILITIES				
Fiduciary Liabilities	\$ 170,994	\$ 35,936,082	\$ 35,913,287	\$ 193,789
Obligations Under Securities				
Lending Transactions	218	382	--	600
Deposits and Advances	125,604	115,755	88,091	153,268
Advances from Other Funds	--	45	--	45
TOTAL LIABILITIES	<u>\$ 296,816</u>	<u>\$ 36,052,264</u>	<u>\$ 36,001,378</u>	<u>\$ 347,702</u>

STATISTICAL SECTION



A word cloud graphic centered on the page. The most prominent words are 'LA', 'FINANCIAL', 'CONTROLLER', 'METRICS', 'TAXES', 'GROWTH', and 'PUBLIC'. Other words include 'DEPARTMENTS', 'SERVICES', 'FINANCES', 'OFFICES', 'BUSINESS', 'REVENUE', 'EXPENSES', 'BUDGET', 'CASH', 'PERFORMANCE', 'OPERATIONS', 'FISCAL', 'BONDS', 'EXPENDITURES', and 'COMPREHENSIVE'. The words are arranged in various orientations and sizes, with 'LA' and 'FINANCIAL' being the largest.

Financial Trends

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

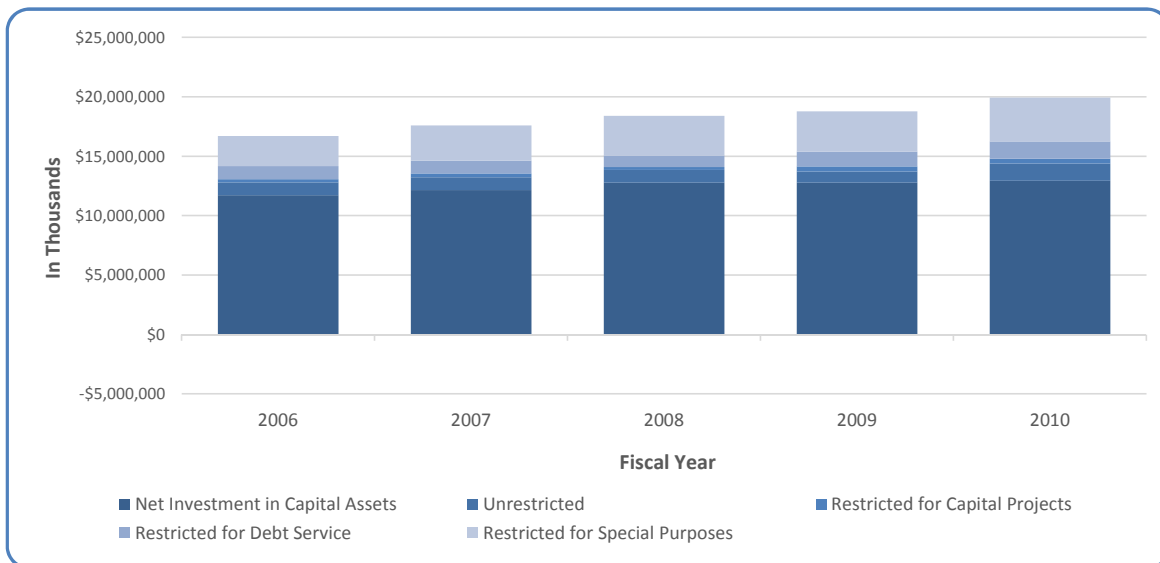
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CITY OF LOS ANGELES
Net Position by Category
Accrual Basis of Accounting
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year				
	2006	2007	2008	2009	2010
Governmental Activities					
Net Investment in Capital Assets	\$ 2,946,666	\$ 3,189,365	\$ 3,415,049	\$ 3,633,548	\$ 3,798,442
Restricted for:					
Capital Projects	104,715	123,082	132,583	138,237	158,878
Debt Service	231,421	237,597	209,072	216,751	228,515
Special Purposes	1,419,754	1,582,551	1,736,490	1,639,594	1,679,989
Unrestricted (Deficit)	<u>(1,019,029)</u>	<u>(1,223,123)</u>	<u>(1,455,537)</u>	<u>(1,707,447)</u>	<u>(1,564,473)</u>
Subtotal Governmental Activities Net Position	<u>3,683,527</u>	<u>3,909,472</u>	<u>4,037,657</u>	<u>3,920,683</u>	<u>4,301,351</u>
Business-type Activities					
Net Investment in Capital Assets	8,777,029	8,974,991	9,372,493	9,148,381	9,135,266
Restricted for:					
Capital Projects	163,951	178,955	115,428	274,711	238,467
Debt Service	875,761	837,414	758,318	1,044,956	1,214,521
Special Purposes	1,102,949	1,375,876	1,606,749	1,750,093	2,026,244
Unrestricted	<u>2,103,362</u>	<u>2,311,450</u>	<u>2,527,916</u>	<u>2,657,431</u>	<u>3,038,407</u>
Subtotal Business-type Activities Net Position	<u>13,023,052</u>	<u>13,678,686</u>	<u>14,380,904</u>	<u>14,875,572</u>	<u>15,652,905</u>
Primary Government					
Net Investment in Capital Assets	11,723,695	12,164,356	12,787,542	12,781,929	12,933,708
Restricted for:					
Capital Projects	268,666	302,037	248,011	412,948	397,345
Debt Service	1,107,182	1,075,011	967,390	1,261,707	1,443,036
Special Purposes	2,522,703	2,958,427	3,343,239	3,389,687	3,706,233
Unrestricted	<u>1,084,333</u>	<u>1,088,327</u>	<u>1,072,379</u>	<u>949,984</u>	<u>1,473,934</u>
Total Primary Government Net Position	<u>\$16,706,579</u>	<u>\$17,588,158</u>	<u>\$18,418,561</u>	<u>\$18,796,255</u>	<u>\$19,954,256</u>

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Primary Government- Net Position by Category

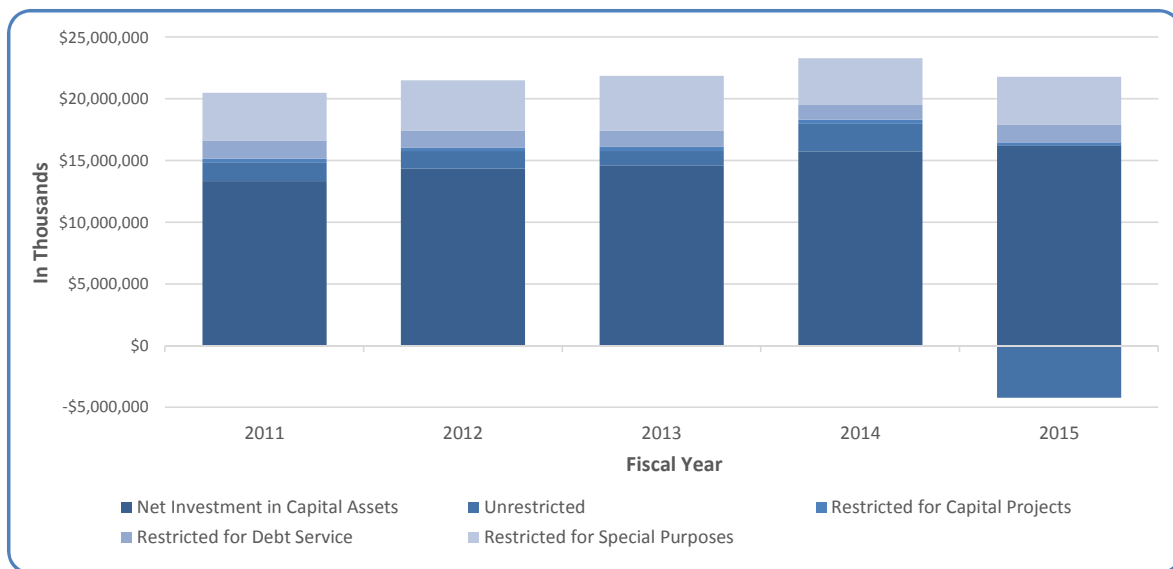


CITY OF LOS ANGELES
Net Position by Category
Accrual Basis of Accounting (Continued)
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year				
	2011	2012	2013	2014	2015
Governmental Activities					
Net Investment in Capital Assets	\$ 4,140,258	\$ 4,416,934	\$ 4,452,921	\$ 4,646,514	\$ 4,760,372
Restricted for:					
Capital Projects	61,090	74,721	89,055	204,181	100,835
Debt Service	215,496	157,402	154,321	130,104	322,336
Special Purposes	1,753,510	1,853,933	2,193,433	1,467,249	1,663,223
Unrestricted (Deficit)	<u>(1,794,315)</u>	<u>(1,782,463)</u>	<u>(2,429,330)</u>	<u>(1,276,678)</u>	<u>(7,383,558)</u>
Subtotal Governmental Activities Net Position	<u>4,376,039</u>	<u>4,720,527</u>	<u>4,460,400</u>	<u>5,171,370</u>	<u>(536,792)</u>
Business-type Activities					
Net Investment in Capital Assets	9,186,620	9,940,457	10,135,052	11,113,795	11,489,529
Restricted for:					
Capital Projects	237,019	168,924	249,773	135,700	138,759
Debt Service	1,262,623	1,223,993	1,147,819	1,045,688	1,118,078
Special Purposes	2,086,775	2,232,788	2,264,948	2,332,259	2,203,721
Unrestricted	<u>3,336,976</u>	<u>3,214,165</u>	<u>3,619,888</u>	<u>3,506,415</u>	<u>3,169,708</u>
Subtotal Business-type Activities Net Position	<u>16,110,013</u>	<u>16,780,327</u>	<u>17,417,480</u>	<u>18,133,857</u>	<u>18,119,795</u>
Primary Government					
Net Investment in Capital Assets	13,326,878	14,357,391	14,587,973	15,760,309	16,249,901
Restricted for:					
Capital Projects	298,109	243,645	338,828	339,881	239,594
Debt Service	1,478,119	1,381,395	1,302,140	1,175,792	1,440,414
Special Purposes	3,840,285	4,086,721	4,458,381	3,799,508	3,866,944
Unrestricted	<u>1,542,661</u>	<u>1,431,702</u>	<u>1,190,558</u>	<u>2,229,737</u>	<u>(4,213,850)</u>
Total Primary Government Net Position	<u>\$20,486,052</u>	<u>\$20,581,300</u>	<u>\$21,877,880</u>	<u>\$23,305,227</u>	<u>\$17,583,003</u>

Note: GASB Statement No. 68 was implemented in fiscal year 2015. Prior years' financial statements were not restated.

Primary Government- Net Position by Category



CITY OF LOS ANGELES
Changes in Net Position
Accrual Basis of Accounting
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year				
	2006	2007	2008	2009	2010
Expenses					
Governmental Activities					
General Government	\$ 921,672	\$ 1,429,922	\$ 1,570,377	\$ 1,507,318	\$ 1,279,697
Protection of Persons and Property	2,117,147	2,414,058	2,741,492	2,552,413	2,618,138
Public Works	374,293	300,817	261,917	451,141	392,874
Health and Sanitation	357,574	402,730	381,406	416,247	382,127
Transportation	286,741	367,198	392,748	406,464	368,000
Cultural and Recreational Services	336,264	382,523	446,051	413,119	415,344
Community Development	297,308	308,700	405,859	373,244	349,203
Interest on Long-term Debt	173,930	195,925	217,073	189,966	186,711
Subtotal Governmental Activities Expenses	<u>4,864,929</u>	<u>5,801,873</u>	<u>6,416,923</u>	<u>6,309,912</u>	<u>5,992,094</u>
Business-type Activities					
Airports	657,358	684,853	755,983	782,036	765,513
Harbor	340,656	326,368	342,148	382,168	336,104
Power	2,458,667	2,462,202	2,658,634	2,544,032	2,843,642
Water	543,574	605,181	704,529	762,802	787,836
Sewer	497,699	513,377	554,447	553,251	552,006
Other- Convention Center	34,939	35,741	38,753	38,718	32,842
Subtotal Business-type Activities Expenses	<u>4,532,893</u>	<u>4,627,722</u>	<u>5,054,494</u>	<u>5,063,007</u>	<u>5,317,943</u>
Total Primary Government Expenses	<u>9,397,822</u>	<u>10,429,595</u>	<u>11,471,417</u>	<u>11,372,919</u>	<u>11,310,037</u>
Program Revenues					
Governmental Activities					
Charges for Services					
General Government	250,111	256,524	260,540	278,800	204,372
Protection of Persons and Property	260,457	323,736	357,038	281,388	333,778
Public Works	138,345	160,213	173,774	166,387	170,997
Health and Sanitation	250,527	285,705	379,300	445,108	454,586
Transportation	76,785	79,961	90,588	94,832	92,390
Cultural and Recreational Services	133,073	130,399	116,853	119,180	108,822
Community Development	71,884	86,800	91,347	74,988	73,344
Operating Grants and Contributions	644,539	820,809	979,238	854,128	900,569
Capital Grants and Contributions	65,850	94,607	100,994	79,981	86,275
Subtotal Governmental Activities Program Revenues	<u>1,891,571</u>	<u>2,238,754</u>	<u>2,549,672</u>	<u>2,394,792</u>	<u>2,425,133</u>
Business-type Activities					
Charges for Services					
Airports	767,660	846,309	983,787	960,461	968,022
Harbor	433,223	458,785	467,161	424,036	424,321
Power	2,636,517	2,773,547	2,962,693	2,899,485	3,372,648
Water	614,620	698,773	777,110	798,664	831,039
Sewer	492,403	521,393	543,417	547,666	545,874
Other- Convention Center	24,261	26,449	26,162	26,798	22,501
Operating Grants and Contributions	17,281	11,776	10,490	--	--
Capital Grants and Contributions	130,885	150,991	201,299	153,142	151,346
Subtotal Business-type Activities Program Revenues	<u>5,116,850</u>	<u>5,488,023</u>	<u>5,972,119</u>	<u>5,810,252</u>	<u>6,315,751</u>
Total Primary Government Program Revenues	<u>7,008,421</u>	<u>7,726,777</u>	<u>8,521,791</u>	<u>8,205,044</u>	<u>8,740,884</u>

Continued...

CITY OF LOS ANGELES

Changes in Net Position
 Accrual Basis of Accounting - (Continued)
 Last Ten Fiscal Years
 (amounts expressed in thousands)

	Fiscal Year				
	2011	2012	2013	2014	2015
Expenses					
Governmental Activities					
General Government	\$ 1,462,581	\$ 1,335,180	\$ 2,089,053	\$ 1,481,977	\$ 1,240,898
Protection of Persons and Property	2,641,343	2,707,892	2,789,023	2,963,882	2,872,296
Public Works	342,722	413,348	387,649	383,433	422,558
Health and Sanitation	393,827	416,894	405,934	519,519	467,548
Transportation	338,755	365,841	423,595	425,967	406,573
Cultural and Recreational Services	446,805	445,815	482,692	524,282	541,758
Community Development	429,695	437,229	386,346	321,263	169,121
Interest on Long-term Debt	190,424	194,513	179,588	159,991	146,896
Subtotal Governmental Activities Expenses	6,246,152	6,316,712	7,143,880	6,780,314	6,267,648
Business-type Activities					
Airports	834,071	897,380	922,914	984,754	1,092,463
Harbor	310,534	333,355	331,626	372,645	379,809
Power	2,964,399	2,870,609	2,928,377	3,092,108	3,204,535
Water	791,049	799,575	939,094	1,053,150	1,037,652
Sewer	557,269	542,850	572,425	542,007	513,226
Other- Convention Center	40,400	39,107	39,073	38,450	43,871
Subtotal Business-type Activities Expenses	5,497,722	5,482,876	5,733,509	6,083,114	6,271,556
Total Primary Government Expenses	11,743,874	11,799,588	12,877,389	12,863,428	12,539,204
Program Revenues					
Governmental Activities					
Charges for Services					
General Government	241,681	246,357	305,545	246,641	285,973
Protection of Persons and Property	317,283	326,396	385,961	443,352	439,901
Public Works	162,551	166,061	169,473	165,229	182,758
Health and Sanitation	467,614	493,422	495,544	492,238	494,420
Transportation	99,797	125,392	121,374	143,103	151,813
Cultural and Recreational Services	128,170	152,434	149,237	153,544	160,736
Community Development	63,903	112,897	111,259	117,097	139,509
Operating Grants and Contributions	924,031	1,023,001	871,459	903,146	834,075
Capital Grants and Contributions	75,744	96,156	55,138	46,878	42,705
Subtotal Governmental Activities Program Revenues	2,480,774	2,742,116	2,664,990	2,711,228	2,731,890
Business-type Activities					
Charges for Services					
Airports	1,052,790	1,114,431	1,122,704	1,038,506	1,121,584
Harbor	406,606	435,291	416,974	425,951	446,895
Power	3,252,872	3,212,141	3,264,534	3,319,820	3,336,963
Water	783,056	849,122	1,073,948	1,141,823	1,082,581
Sewer	517,212	532,026	588,987	571,570	594,024
Other- Convention Center	26,535	27,355	27,255	24,937	36,158
Operating Grants and Contributions	--	--	--	--	--
Capital Grants and Contributions	174,574	158,114	109,407	367,841	270,637
Subtotal Business-type Activities Program Revenues	6,213,645	6,328,480	6,603,809	6,890,448	6,888,842
Total Primary Government Program Revenues	8,694,419	9,070,596	9,268,799	9,601,676	9,620,732

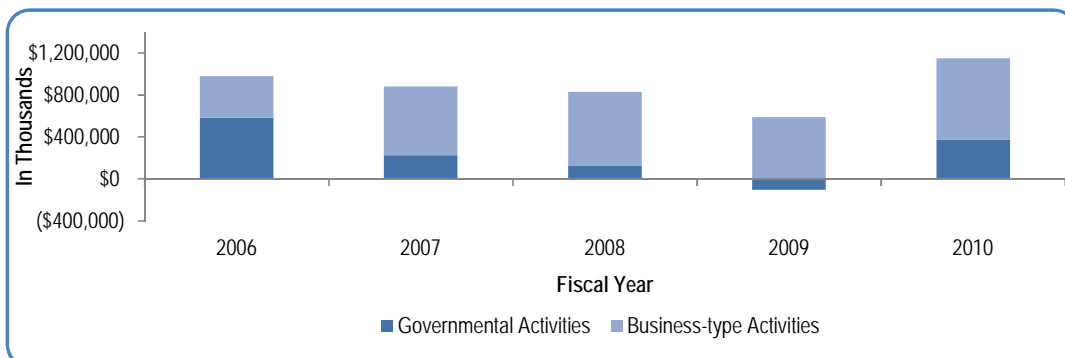
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CITY OF LOS ANGELES
Changes in Net Position
Accrual Basis of Accounting - (Continued)
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year				
	2006	2007	2008	2009	2010
Net (Expense)/Revenue					
Governmental Activities	\$ (2,973,358)	\$ (3,563,119)	\$ (3,867,251)	\$ (3,915,120)	\$ (3,566,961)
Business-type Activities	583,957	860,301	917,625	747,245	997,808
Total Primary Government Net Expense	(2,389,401)	(2,702,818)	(2,949,626)	(3,167,875)	(2,569,153)
General Revenues and Other Changes in Net Position					
Governmental Activities					
Taxes					
Property Taxes	1,288,126	1,389,511	1,483,049	1,603,209	1,556,179
Utility Users' Taxes	606,617	606,624	631,716	646,165	658,110
Business Taxes	436,621	465,353	534,272	450,848	510,269
Other Taxes	521,451	512,410	497,455	399,851	457,473
Unrestricted Grants and Contributions					
Sales Taxes	418,106	445,480	456,650	412,268	399,330
Other	38,417	58,093	32,064	33,467	56,048
Unrestricted Investment Earnings	21,555	72,559	80,538	46,772	27,372
Other General Revenues	38,795	34,367	64,285	60,879	54,005
Transfers	185,888	204,667	215,407	159,150	220,475
Extraordinary Items					
Gain (Loss) on Loan Settlement	--	--	--	--	--
Transfer of Properties from CRA	--	--	--	--	--
Return of Properties to CRA	--	--	--	--	--
Transfer of Assets from CRA	--	--	--	--	--
Subtotal Governmental Activities	<u>3,555,576</u>	<u>3,789,064</u>	<u>3,995,436</u>	<u>3,812,609</u>	<u>3,939,261</u>
Business-type Activities					
Unrestricted Investment Earnings	--	--	--	--	--
Other General Revenues	--	--	--	--	--
Transfers	(185,888)	(204,667)	(215,407)	(159,150)	(220,475)
Pollution Remediation Liabilities Adjustment	--	--	--	--	--
Subtotal Business-type Activities	<u>(185,888)</u>	<u>(204,667)</u>	<u>(215,407)</u>	<u>(159,150)</u>	<u>(220,475)</u>
Total Primary Government General Revenues and Other Changes in Net Position	3,369,688	3,584,397	3,780,029	3,653,459	3,718,786
Change in Net Position					
Governmental Activities	582,218	225,945	128,185	(102,511)	372,300
Business-type Activities	398,069	655,634	702,218	588,095	777,333
Total Primary Government Change in Net Position	\$ 980,287	\$ 881,579	\$ 830,403	\$ 485,584	\$ 1,149,633

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Changes in Net Position



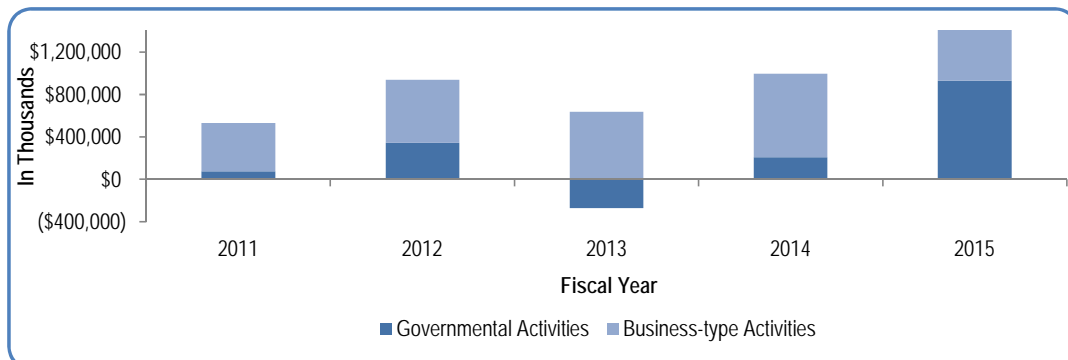
CITY OF LOS ANGELES

**Changes in Net Position
Accrual Basis of Accounting - (Continued)
Last Ten Fiscal Years
(amounts expressed in thousands)**

	Fiscal Year				
	2011	2012	2013	2014	2015
Net (Expense)/Revenue					
Governmental Activities	\$ (3,765,378)	\$ (3,574,596)	\$ (4,478,890)	\$ (4,069,086)	\$ (3,535,758)
Business-type Activities	715,923	845,604	870,300	807,334	617,286
Total Primary Government Net Expense	(3,049,455)	(2,728,992)	(3,608,590)	(3,261,752)	(2,918,472)
General Revenues and Other Changes in Net Position					
Governmental Activities					
Taxes					
Property Taxes	1,521,632	1,561,778	1,629,914	1,653,067	1,782,124
Utility Users' Taxes	628,028	623,721	627,707	626,919	637,248
Business Taxes	410,888	440,327	482,857	463,602	541,844
Other Taxes	392,405	458,741	523,308	565,567	625,889
Unrestricted Grants and Contributions					
Sales Taxes	434,539	425,397	460,086	478,291	494,685
Other	52,704	45,429	20,825	55,149	16,421
Unrestricted Investment Earnings	18,814	21,879	(298)	19,935	20,724
Other General Revenues	75,838	91,735	105,850	117,579	81,303
Transfers	258,815	250,077	246,534	253,000	260,586
Extraordinary Items					
Gain (Loss) on Loan Settlement	(47,007)	--	--	--	--
Transfer of Properties from CRA	93,410	--	--	--	--
Return of Properties to CRA	--	--	(93,191)	--	--
Transfer of Assets from CRA	--	--	205,265	44,155	4,855
Subtotal Governmental Activities	3,840,066	3,919,084	4,208,857	4,277,264	4,465,679
Business-type Activities					
Unrestricted Investment Earnings	--	--	--	98,264	86,367
Other General Revenues	--	--	--	122,160	275,885
Transfers	(258,815)	(250,077)	(246,534)	(253,000)	(260,586)
Pollution Remediation Liabilities Adjustment	--	--	13,387	15,002	--
Subtotal Business-type Activities	(258,815)	(250,077)	(233,147)	(17,574)	101,666
Total Primary Government General Revenues and Other Changes in Net Position	3,581,251	3,669,007	3,975,710	4,259,690	4,567,345
Change in Net Position					
Governmental Activities	74,688	344,488	(270,033)	208,178	929,921
Business-type Activities	457,108	595,527	637,153	789,760	718,952
Total Primary Government Change in Net Position	\$ 531,796	\$ 940,015	\$ 367,120	\$ 997,938	\$ 1,648,873

Note: GASB Statement No. 68 was implemented in fiscal year 2015. Prior years' financial statements were not restated.

Changes in Net Position



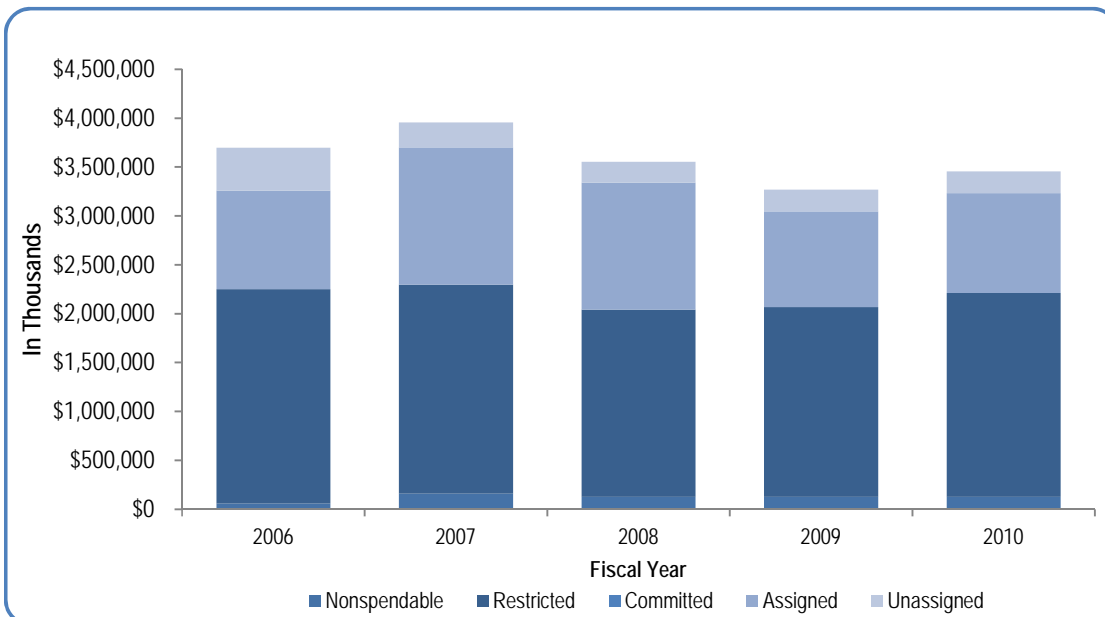
CITY OF LOS ANGELES

**Fund Balances - Governmental Funds
Modified Accrual Basis of Accounting
Last Ten Fiscal Years
(amounts expressed in thousands)**

	Fiscal Year				
	2006	2007	2008	2009	2010
General Fund					
Nonspendable	\$ 41,449	\$ 59,638	\$ 30,304	\$ 27,879	\$ 29,771
Committed	--	--	--	--	--
Assigned	296,999	391,023	352,416	233,761	182,835
Unassigned	446,942	257,249	215,227	221,811	224,574
Subtotal General Fund	785,390	707,910	597,947	483,451	437,180
All Other Governmental Funds					
Nonspendable	18,073	98,568	97,966	98,048	97,785
Restricted	2,190,243	2,138,184	1,912,230	1,942,596	2,084,310
Committed	--	--	--	--	--
Assigned	711,750	1,011,697	948,735	743,720	838,014
Unassigned	(8,874)	(1,990)	(2,473)	712	(789)
Subtotal All Other Governmental Funds	2,911,192	3,246,459	2,956,458	2,785,076	3,019,320
All Governmental Funds					
Nonspendable	59,522	158,206	128,270	125,927	127,556
Restricted	2,190,243	2,138,184	1,912,230	1,942,596	2,084,310
Committed	--	--	--	--	--
Assigned	1,008,749	1,402,720	1,301,151	977,481	1,020,849
Unassigned	438,068	255,259	212,754	222,523	223,785
Total All Governmental Funds	\$3,696,582	\$3,954,369	\$3,554,405	\$3,268,527	\$3,456,500

Continued...

Fund Balances - Governmental Funds

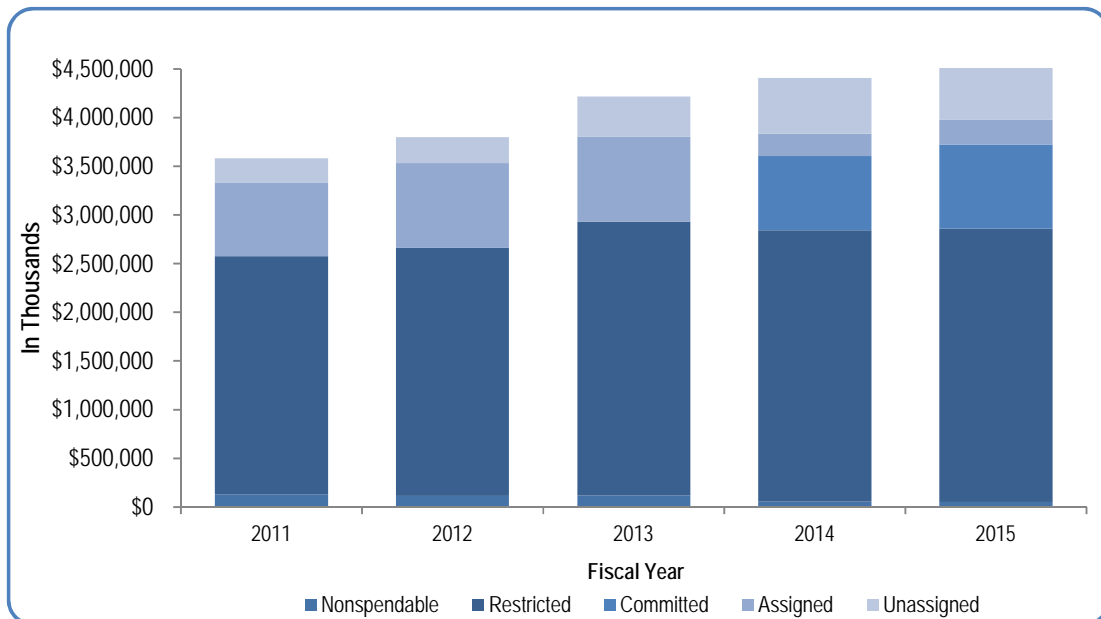


CITY OF LOS ANGELES

**Fund Balances - Governmental Funds
Modified Accrual Basis of Accounting - (Continued)
Last Ten Fiscal Years
(amounts expressed in thousands)**

	Fiscal Year				
	2011	2012	2013	2014	2015
General Fund					
Nonspendable	\$ 26,299	\$ 31,134	\$ 43,115	\$ 43,146	\$ 42,146
Committed	--	--	--	--	2,457
Assigned	239,877	267,645	242,643	230,717	253,388
Unassigned	253,882	272,905	436,858	622,208	647,558
Subtotal General Fund	520,058	571,684	722,616	896,071	945,549
All Other Governmental Funds					
Nonspendable	104,175	82,397	75,204	10,946	10,473
Restricted	2,447,798	2,548,980	2,813,386	2,788,734	2,806,864
Committed	--	--	--	761,828	862,471
Assigned	512,650	603,657	631,529	--	14
Unassigned	(1,299)	(7,393)	(26,112)	(49,742)	(50,270)
Subtotal All Other Governmental Funds	3,063,324	3,227,641	3,494,007	3,511,766	3,629,552
All Governmental Funds					
Nonspendable	130,474	113,531	118,319	54,092	52,619
Restricted	2,447,798	2,548,980	2,813,386	2,788,734	2,806,864
Committed	--	--	--	761,828	864,928
Assigned	752,527	871,302	874,172	230,717	253,402
Unassigned	252,583	265,512	410,746	572,466	597,288
Total All Governmental Funds	\$3,583,382	\$3,799,325	\$ 4,216,623	\$4,407,837	\$4,575,101

Fund Balances - Governmental Funds



CITY OF LOS ANGELES

**Changes in Fund Balances - Governmental Funds
Modified Accrual Basis of Accounting
Last Ten Fiscal Years
(amounts expressed in thousands)**

	Fiscal Year				
	2006	2007	2008	2009	2010
Revenues					
Taxes	\$ 3,259,718	\$ 3,407,996	\$ 3,480,296	\$ 3,506,089	\$ 3,397,650
Licenses and Permits	55,260	59,443	61,047	51,084	48,186
Intergovernmental	649,969	775,771	852,376	838,722	876,470
Charges for Services	1,031,895	1,134,205	1,254,704	1,375,875	1,419,145
Fines	132,574	150,059	154,600	156,211	153,707
Special Assessments	97,193	100,872	103,782	104,149	105,998
Investment Earnings	71,714	231,677	255,254	134,830	104,365
Other	81,227	101,009	134,564	114,336	96,255
Total Revenues	5,379,550	5,961,032	6,296,623	6,281,296	6,201,776
Expenditures					
General Government	1,102,270	1,243,090	1,268,572	1,339,379	1,357,239
Protection of Persons and Property	2,089,451	2,366,956	2,573,006	2,599,294	2,551,225
Public Works	357,695	373,107	379,026	422,994	354,567
Health and Sanitation	348,258	373,644	398,152	467,392	449,083
Transportation	276,616	306,853	357,301	361,371	327,328
Cultural and Recreational Services	334,671	351,536	387,727	376,869	389,371
Community Development	322,683	347,319	435,768	402,152	383,256
Capital Outlay	547,787	730,117	934,999	641,363	491,187
Debt Service:					
Principal	241,142	340,091	391,585	495,258	366,663
Interest	177,756	181,677	206,675	188,552	181,495
Cost of Issuance	2,053	5,745	2,604	6,285	4,954
Advance Refunding Loan Escrow	1,878	--	41,311	--	--
Total Expenditures	5,802,260	6,620,135	7,376,726	7,300,909	6,856,368
Excess (Deficiency) of Revenues over (under) Expenditures	(422,710)	(659,103)	(1,080,103)	(1,019,613)	(654,592)
Other Financing Sources (Uses)					
Transfers In	828,604	1,058,449	1,021,078	1,088,358	1,041,071
Transfers Out	(642,716)	(853,782)	(805,671)	(929,208)	(820,596)
Issuance of Long-term Debt	268,750	695,488	461,035	530,225	545,155
Loans from HUD	1	--	--	25,408	63,904
Discount on Issuance of Long-term Debt	--	--	--	(1,168)	(370)
Premium on Issuance of Long-term Debt	9,740	15,138	3,596	6,517	15,479
Issuance of Refunding Bonds	73,080	--	--	253,060	49,485
Premium on Issuance of Refunding Bonds	4,786	--	--	221	3,824
Payment to Refunded Bond Escrow Agent	--	--	--	(239,201)	(54,463)
Proceeds of Refunding Loan	--	--	24,110	--	--
Payment for Current Refunding of Loan	--	--	(24,110)	--	--
Total Other Financing Sources (Uses)	542,245	915,293	680,038	734,212	843,489
Extraordinary Items					
Loss on Loan Settlement	--	--	--	--	--
Transfer of Assets from CRA	--	--	--	--	--
Total Extraordinary Items	--	--	--	--	--
Net Change in Fund Balances	\$ 119,535	\$ 256,190	\$ (400,065)	\$ (285,401)	\$ 188,897
Debt Service as a Percentage of Noncapital Expenditures	8.1%	8.9%	9.9%	10.3%	8.6%

CITY OF LOS ANGELES

**Changes in Fund Balances - Governmental Funds
Modified Accrual Basis of Accounting - (Continued)
Last Ten Fiscal Years
(amounts expressed in thousands)**

	Fiscal Year				
	2011	2012	2013	2014	2015
Revenues					
Taxes	\$ 3,435,063	\$ 3,518,357	\$ 3,687,676	\$ 3,861,140	\$ 4,016,005
Licenses and Permits	51,691	60,474	61,605	66,915	74,428
Intergovernmental	920,809	937,817	866,749	842,540	783,412
Charges for Services	1,436,977	1,533,626	1,577,623	1,652,732	1,734,882
Fines	158,612	158,417	172,437	176,503	164,137
Special Assessments	106,514	123,383	128,762	130,459	132,239
Investment Earnings	65,978	72,411	5,438	53,628	48,735
Other	142,968	172,269	188,800	192,483	194,408
Total Revenues	6,318,612	6,576,754	6,689,090	6,976,400	7,148,246
Expenditures					
General Government	1,269,321	1,296,788	1,261,771	1,288,088	1,353,833
Protection of Persons and Property	2,477,648	2,532,262	2,667,236	2,919,246	3,097,860
Public Works	347,485	389,139	400,017	379,260	399,365
Health and Sanitation	459,785	453,681	438,220	500,921	492,721
Transportation	321,797	345,671	400,047	405,721	390,155
Cultural and Recreational Services	389,165	406,338	431,062	460,274	496,172
Community Development	463,920	465,984	417,285	345,905	199,420
Capital Outlay	362,867	523,931	352,685	345,432	425,267
Debt Service:					
Principal	367,206	410,333	326,913	436,801	452,305
Interest	189,902	182,171	168,497	158,206	145,663
Cost of Issuance	2,439	5,342	1,777	1,312	2,107
Advance Refunding Loan Escrow	--	--	--	--	--
Total Expenditures	6,651,535	7,011,640	6,865,510	7,241,166	7,454,868
Excess (Deficiency) of Revenues over (under) Expenditures	(332,923)	(434,886)	(176,420)	(264,766)	(306,622)
Other Financing Sources (Uses)					
Transfers In	1,086,218	1,004,650	951,062	1,092,258	1,100,486
Transfers Out	(827,403)	(754,573)	(704,528)	(839,258)	(839,900)
Issuance of Long-term Debt	219,186	318,530	116,665	149,479	209,058
Loans from HUD	7,388	52,521	29,003	8,578	4,629
Discount on Issuance of Long-term Debt	--	--	--	--	51,730
Premium on Issuance of Long-term Debt	2,216	24,672	5,096	--	76,670
Issuance of Refunding Bonds	18,705	595,240	78,780	--	17,682
Premium on Issuance of Refunding Bonds	1,198	100,885	9,096	--	(155,196)
Payment to Refunded Bond Escrow Agent	--	(694,326)	(94,781)	--	2,102
Proceeds of Refunding Loan	1,983	--	--	--	(281)
Payment for Current Refunding of Loan	(1,983)	--	--	--	--
Total Other Financing Sources (Uses)	507,508	647,599	390,393	411,057	466,980
Extraordinary Items					
Loss on Loan Settlement	(47,007)	--	--	--	--
Transfer of Assets from CRA	--	--	205,265	44,155	4,855
Total Extraordinary Items	(47,007)	--	205,265	44,155	4,855
Net Change in Fund Balances	\$ 127,578	\$ 212,713	\$ 419,238	\$ 190,446	\$ 165,213
Debt Service as a Percentage of Noncapital Expenditures	9.0%	9.0%	7.5%	8.6%	8.5%

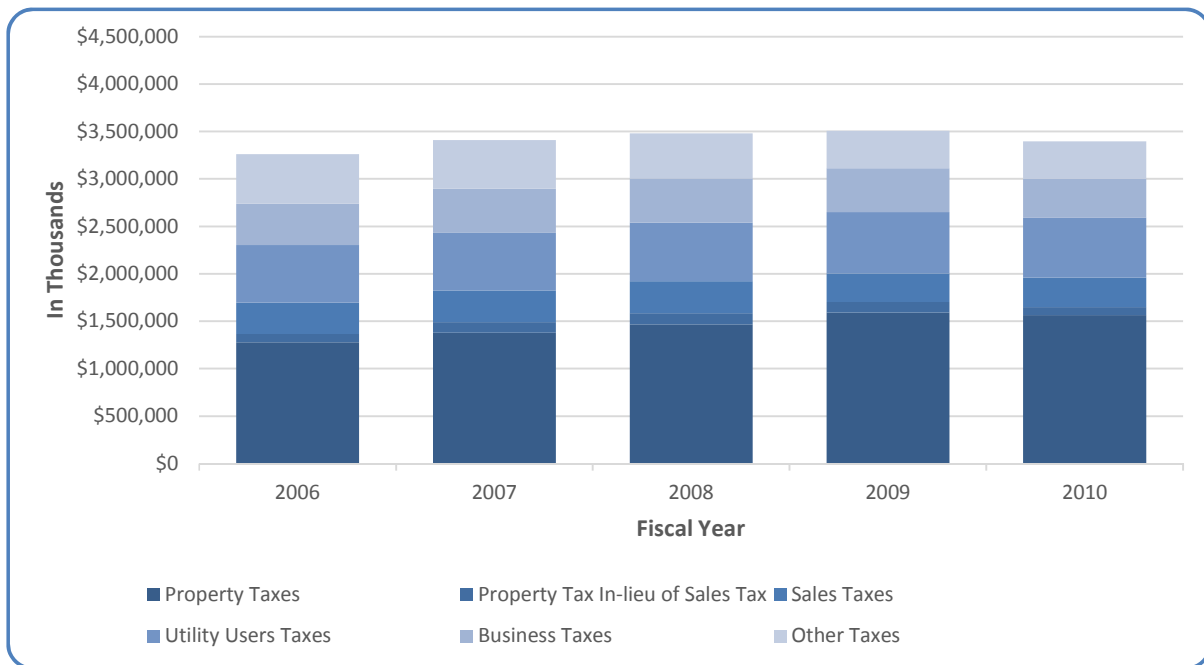
CITY OF LOS ANGELES

**Tax Revenues by Source - Governmental Funds
Modified Accrual Basis of Accounting
Last Ten Fiscal Years
(amounts expressed in thousands)**

	Fiscal Year				
	2006	2007	2008	2009	2010
Property Taxes	\$1,276,923	\$1,378,129	\$ 1,465,892	\$ 1,591,201	\$ 1,563,514
Property Tax In-lieu of Sales Tax	88,937	112,094	119,337	111,683	84,976
Sales Taxes	329,169	333,386	337,313	300,585	311,520
Utility Users' Taxes	606,617	606,624	617,199	646,256	628,484
Business Taxes	436,621	465,353	465,124	461,374	412,287
Other Taxes	521,451	512,410	475,431	394,990	396,869
Total Revenues	\$3,259,718	\$3,407,996	\$ 3,480,296	\$ 3,506,089	\$ 3,397,650

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Tax Revenue by Source - Governmental Funds

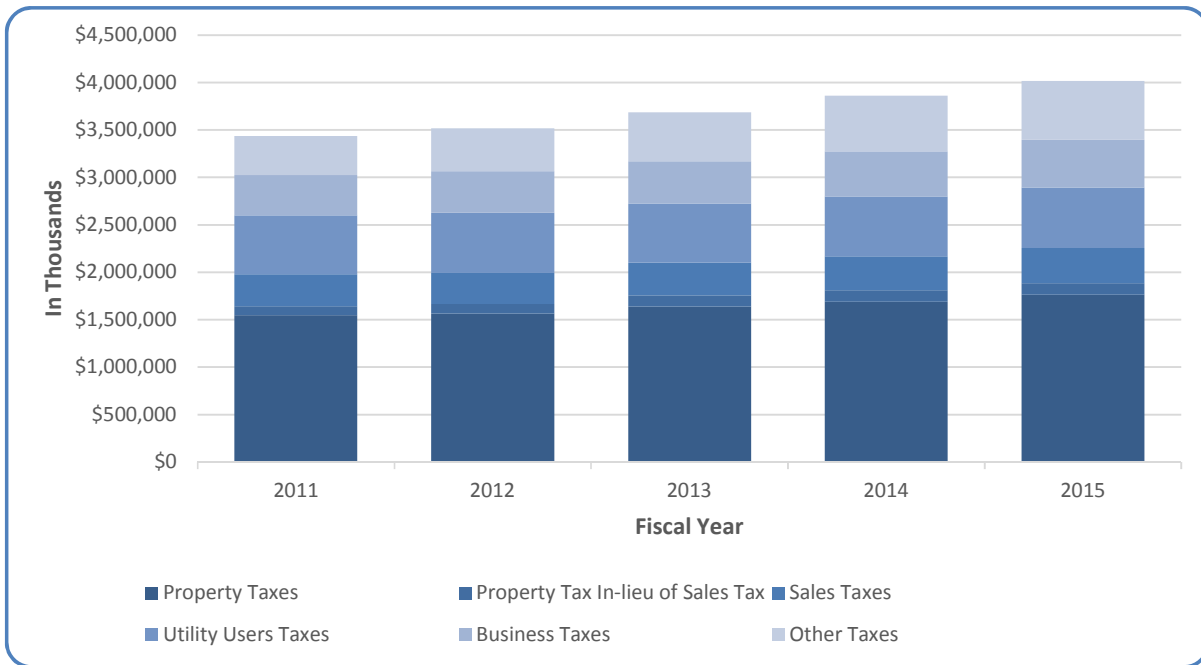


CITY OF LOS ANGELES

**Tax Revenues by Source - Governmental Funds
Modified Accrual Basis of Accounting - (Continued)
Last Ten Fiscal Years
(amounts expressed in thousands)**

	Fiscal Year					Percent of Change 2006 - 2015
	2011	2012	2013	2014	2015	
Property Taxes	\$1,546,884	\$1,564,281	\$ 1,639,355	\$ 1,688,992	\$ 1,761,960	38 %
Property Tax In-lieu of Sales Tax	96,812	100,538	116,458	121,036	121,903	37
Sales Taxes	337,360	328,059	343,628	357,255	372,782	13
Utility Users' Taxes	618,307	634,629	623,794	631,492	637,318	5
Business Taxes	424,762	438,969	447,983	476,908	500,774	15
Other Taxes	410,938	451,881	516,458	585,457	621,268	19
Total Revenues	\$3,435,063	\$3,518,357	\$ 3,687,676	\$ 3,861,140	\$ 4,016,005	23 %

Tax Revenue by Source - Governmental Funds



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Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

CITY OF LOS ANGELES
Assessed and Estimated Actual Value of Property
Last Ten Fiscal Years

Fiscal Year	Assessed and Estimated Actual Value ⁽¹⁾			Percent of Average Annual Growth	Total Direct Tax Rate ⁽³⁾ (per \$1,000 of assessed value)	Assessed Value Per Capita (\$ 000's)
	Real Property ⁽²⁾ (\$ 000's)	Personal Property (\$ 000's)	Total (\$ 000's)			
2006	\$ 296,325,286	\$ 16,343,009	\$ 312,668,295	9.91 %	1.051289	\$ 83
2007	331,032,179	15,950,614	346,982,793	10.97	1.045354	92
2008	363,755,025	17,398,206	381,153,231	9.85	1.038051	101
2009	392,197,205	18,938,019	411,135,224	7.87	1.038541	109
2010	391,747,407	19,008,923	410,756,330	-0.09	1.041220	108
2011	384,126,153	17,147,802	401,273,955	-2.31	1.038895	105
2012	389,768,424	16,688,249	406,456,673	1.29	1.038666	106
2013	399,640,203	16,899,247	416,539,450	2.48	1.037694	107
2014	420,939,047	17,041,404	437,980,451	5.15	1.037694	112
2015	446,417,768	18,002,725	464,420,493	6.04	1.028096	117

Source: Taxpayer's Guide - Auditor Controller, County of Los Angeles.

⁽¹⁾ Net of Homeowners' Exemption.

⁽²⁾ Assessed at 100% of estimated actual value. Include State assessed unsecured property valuation.

⁽³⁾ Total Direct Tax Rate for Tax Rate Area # 4 is used as it applies to most properties within the City of Los Angeles. Since each property is subject to taxation by a number of taxing entities, the County groups all properties subject to taxation by the same entities into Tax Rate Areas (TRAs). There are over 274 TRAs in the City.

Total Assessed and Estimated Actual Value of Property



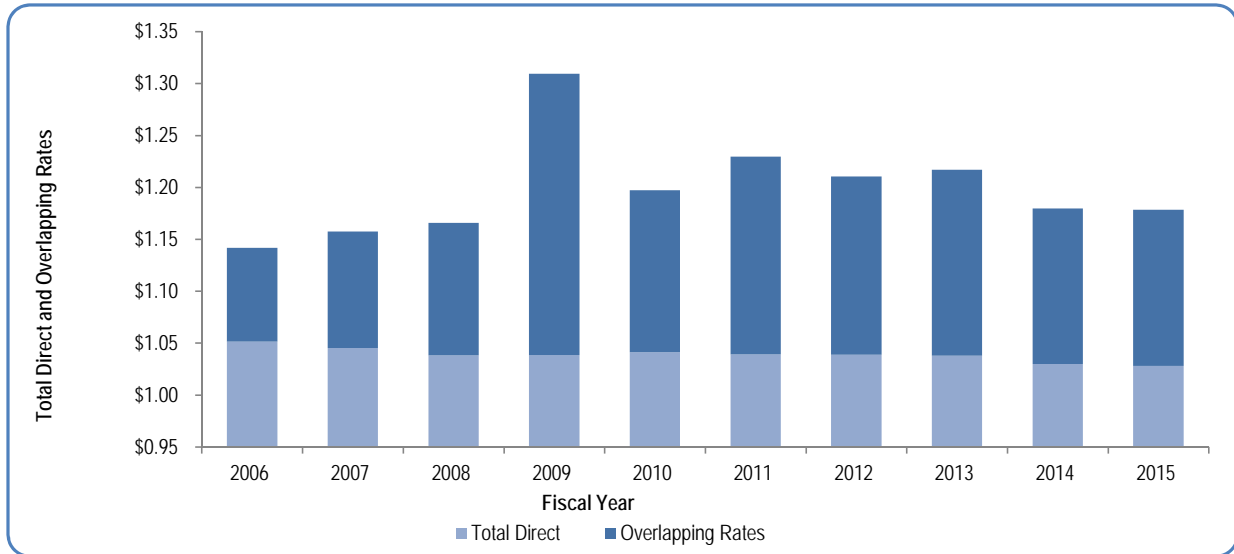
CITY OF LOS ANGELES
Direct and Overlapping Property Tax Rates
Tax Rate Area No. 4^(a)
Last Ten Fiscal Years

Fiscal Year	City Direct Rates			Overlapping Rates				Total Direct and Overlapping Rates
	Basic Rate	General Obligation Debt Service	Total Direct	Los Angeles County	L.A. Unified School District	L.A. Unified Flood Control District	Metropolitan Water District	
2006	1.000000	0.051289	1.051289	0.000795	0.084346	0.000049	0.005200	1.141679
2007	1.000000	0.045354	1.045354	0.000663	0.106735	0.000052	0.004700	1.157504
2008	1.000000	0.038051	1.038051	0.000000	0.123302	0.000000	0.004500	1.165853
2009	1.000000	0.038541	1.038541	0.141730	0.124724	0.000000	0.004300	1.309295
2010	1.000000	0.041220	1.041220	0.000000	0.151809	0.000000	0.004300	1.197329
2011	1.000000	0.038895	1.038895	0.000000	0.186954	0.000000	0.003700	1.229549
2012	1.000000	0.038666	1.038666	0.000000	0.168187	0.000000	0.003700	1.210553
2013	1.000000	0.037694	1.037694	0.000000	0.175606	0.000000	0.003500	1.216800
2014	1.000000	0.029754	1.029754	0.000000	0.146439	0.000000	0.003500	1.179693
2015	1.000000	0.028096	1.028096	0.000000	0.146881	0.000000	0.003500	1.178477

Source: Tax Rates, Los Angeles County Tax Collector.

^(a) Tax Rate Area # 4 is used to illustrate the breakdown of a tax rate within the City and applies to most properties within the City of Los Angeles. Since each property is subject to taxation by a number of taxing entities, the County groups all properties subject to taxation by the same entities into Tax Rate Areas (TRAs). There are over 274 TRAs in the City.

Total City Direct and Overlapping Property Tax Rates



CITY OF LOS ANGELES
Ten Largest Property Taxpayers
Secured Assessed Valuation
Current and Nine Years Ago

Taxpayer	2015			2006		
	Secured Assessed Valuation	Rank	Percentage of Total City Taxable Assessed Value	Secured Assessed Valuation	Rank	Percentage of Total City Taxable Assessed Value
Douglas Emmett LLC	\$ 2,480,013,871	1	0.56 %	\$ 896,521,458	1	0.30 %
Anheuser Busch Inc.	850,297,393	2	0.19	784,954,028	2	0.27
Valero Energy Corporation	828,316,149	3	0.19			
Phillips 66	774,119,463	4	0.17			
Donald T. Sterling	705,697,658	5	0.16			
BRE Properties	615,459,124	6	0.14			
One Hundred Towers, LLC	608,018,860	7	0.14	532,784,110	3	0.18
Tishman Speyer Archstone Smith	573,604,386	8	0.13			
Tesoro Corporation	571,942,203	9	0.13			
APM Terminals Pacific Ltd.	550,437,546	10	0.12			
Maguire Partners 355 S. Grand LLC				534,068,305	4	0.18
Trizec 333 LA LLC				413,989,000	5	0.14
Duesenberg Investment Company				384,179,582	6	0.13
Casden Park La Brea LLC				374,257,405	7	0.13
Paramount Pictures Corp.				361,558,317	8	0.12
Warner Center Condominiums LLC				325,330,400	9	0.11
1999 Stars LLC				321,981,403	10	0.11
Total	\$ 8,557,906,653		1.92 %	\$ 4,929,624,008		1.66 %
Total City Secured Assessed Valuation	\$ 446,383,146,552			\$ 296,151,266,085		

Source: California Municipal Statistics Inc
Taxpayers' Guides, 2014-2015 and 2005-2006

CITY OF LOS ANGELES

**Property Tax Levies and Collections
Last Ten Fiscal Years
(amounts expressed in thousands)**

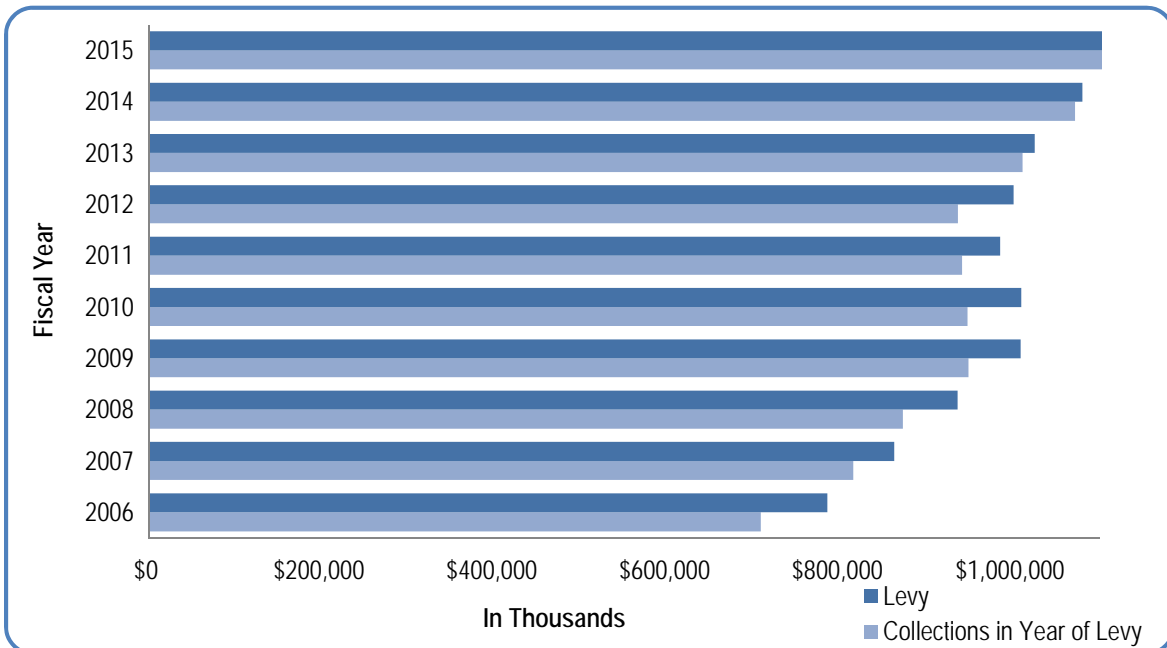
Fiscal Year	Total Tax Levy ^(a) for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years ^(b)	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy ^(c)
2006	\$ 784,864	\$ 708,009	90.21 %	\$ 45,693	\$ 753,702	96.03 %
2007	862,415	814,880	94.49	80,748	895,628	103.85
2008	935,881	872,254	93.20	64,845	937,099	100.13
2009	1,008,578	948,294	94.02	110,519	1,058,813	104.98
2010	1,009,256	947,165	93.85	86,089	1,033,254	102.38
2011	984,897	941,070	95.55	73,905	1,014,975	103.05
2012	1,000,689	936,265	93.56	30,763	967,028	96.64
2013	1,025,057	1,010,830	98.61	60,543	1,071,373	104.52
2014	1,080,159	1,071,795	99.23	12,558	1,084,353	100.39
2015	1,172,231	1,137,005	96.99	8,237	1,145,242	97.70

^(a) One percent basic levy only, which is a General Fund revenue; excludes City levy for debt service.

^(b) Includes collections on adjustments for undetermined prior fiscal year(s).

^(c) Based on available information by fiscal year. Details of delinquent taxes by levy year necessary to identify taxes remaining unpaid by taxpayers as applied to specific fiscal year are not available.

Property Tax Levies and Collections Within Fiscal Year of Levy



CITY OF LOS ANGELES

**Energy Sold by Type of Customer
Power Enterprise Fund
Last Ten Fiscal Years**

Fiscal Year	Sales of Energy (in thousands of megawatt hours)				Direct Rate per Kilowatt Hour	
	Commercial and			Total	Residential	Commercial and Industrial
	Residential	Industrial	All Other			
2006	7,252	16,085	2,726	26,063	0.10	0.09
2007	7,641	16,291	2,556	26,488	0.11	0.10
2008	7,664	16,482	2,206	26,352	0.11	0.10
2009	7,641	16,250	1,982	25,873	0.12	0.11
2010	7,434	15,485	3,396	26,315	0.14	0.13
2011	7,230	15,541	2,060	24,831	0.13	0.13
2012	7,316	15,456	1,843	24,615	0.13	0.13
2013	7,568	15,717	2,964	26,249	0.13	0.13
2014	7,819	15,778	2,593	26,190	0.13	0.14
2015	7,311	15,741	2,330	25,382	0.14	0.14

**CITY OF LOS ANGELES
Average Number of Customers for Energy Sales
Power Enterprise Fund
Last Ten Fiscal Years**

Fiscal Year	Average Number of Customers (in thousands)			
	Residential	Commercial and Industrial	All Other	Total
2006	1,242	200	3	1,445
2007	1,247	199	2	1,448
2008	1,252	192	2	1,446
2009	1,257	193	2	1,452
2010	1,252	193	2	1,447
2011	1,263	196	2	1,461
2012	1,274	195	2	1,471
2013	1,280	197	2	1,479
2014	1,368	127	8	1,503
2015	1,363	123	7	1,493

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Debt Capacity

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

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CITY OF LOS ANGELES

**Ratios of Outstanding Debt By Type
Last Ten Fiscal Years**

(amounts expressed in thousands, except per capita)

Fiscal Year Ended June 30	Governmental Activities						
	General Obligation Bonds	Judgment Obligation Bonds	Certificates of Participation and Lease Revenue Bonds	Special Assessment Bonds	Revenue Bonds	Notes Payable	HUD Loan
2006	\$ 1,480,010	\$ 21,485	\$ 750,353	\$ 32,595	\$ 954,701	\$ 148,000	\$ 132,953
2007	1,446,530	15,340	1,115,610	31,025	973,525	176,000	129,657
2008	1,336,040	9,195	1,336,353	29,390	930,449	200,000	76,055
2009	1,331,103	26,219	1,503,277	27,685	894,574	107,735	98,035
2010	1,404,320	74,279	1,516,417	25,910	910,533	152,630	156,276
2011	1,288,707	66,891	1,521,095	24,095	851,323	206,173	157,781
2012	1,288,674	60,379	1,571,911	22,210	788,731	141,197	204,395
2013	1,165,924	53,079	1,456,723	20,240	793,466	184,197	198,600
2014	1,069,709	45,889	1,385,151	18,180	652,540	255,881	184,985
2015	952,278	38,476	1,393,867	--	578,193	240,506	144,075

Continued...

CITY OF LOS ANGELES
Ratios of Outstanding Debt By Type - (Continued)
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita)

Business-Type Activities

Fiscal Year Ended June 30	Revenue Bonds	Commercial Paper	Notes Payable	Loans Payable	Capital Leases	Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽²⁾
2006	\$ 9,542,085	\$ 313,561	\$ 4,105	\$ 159,659	\$ 52,881	\$ 13,592,388	3.46 %	3,607
2007	9,617,666	498,745	3,697	242,122	51,855	14,301,772	3.49	3,800
2008	9,930,796	810,328	3,271	266,441	50,715	14,979,033	3.53	3,968
2009	11,563,845	446,989	2,826	255,723	49,518	16,307,529	3.99	4,312
2010	14,186,991	647,116	2,361	288,273	--	19,365,106	4.63	5,106
2011	16,762,101	415,012	1,874	274,869	--	21,569,921	4.88	5,666
2012	16,517,924	462,199	1,366	314,227	--	21,373,213	4.49	5,572
2013	18,252,193	368,086	--	327,037	--	22,819,545	4.77	5,889
2014	19,276,291	435,000	--	438,128	--	23,761,754	4.75	6,070
2015	21,017,668	200,000	--	544,743	--	25,109,806	N/A	6,346

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

⁽¹⁾ Personal income data can be found in the Statistical Section, Demographic and Economic Information.

⁽²⁾ Population data updated based on current estimates. See Statistical Section, Demographic and Economic Information.

N/A - Data not available

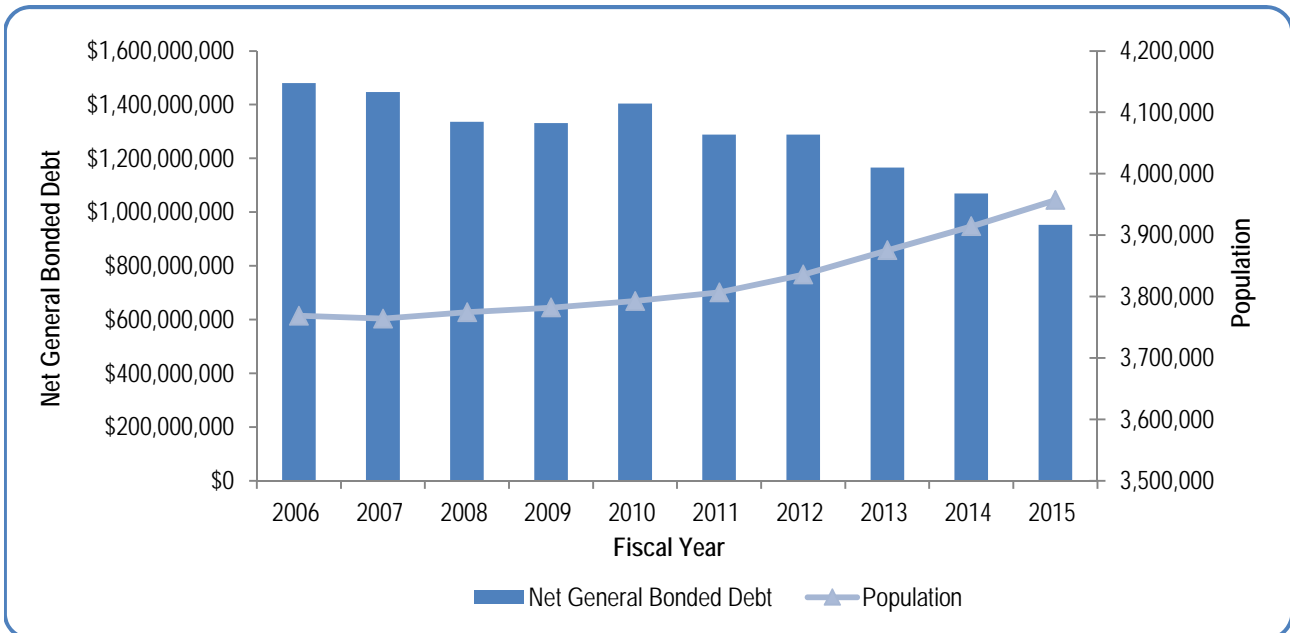
CITY OF LOS ANGELES
Ratios of Net General Bonded Debt
to Assessed Value and Per Capita
Last Ten Fiscal Years

Fiscal Year Ended June 30	Net General Bonded Debt	Assessed Value⁽¹⁾	Net General Bonded Debt Ratio to Assessed Value	Population⁽²⁾	Net General Bonded Debt Per Capita⁽²⁾
2006	\$ 1,480,010,000	\$ 312,668,294,401	0.47 %	3,768,645	\$ 393
2007	1,446,530,000	346,982,792,759	0.42	3,764,062	384
2008	1,336,040,000	381,153,231,570	0.35	3,774,497	354
2009	1,331,103,000	411,135,224,351	0.32	3,781,951	352
2010	1,404,320,000	410,756,330,048	0.34	3,792,621	370
2011	1,288,707,000	401,273,954,269	0.32	3,806,865	339
2012	1,288,674,000	406,456,672,926	0.32	3,835,724	336
2013	1,165,924,000	416,539,450,297	0.28	3,875,207	301
2014	1,069,709,000	437,980,451,025	0.24	3,914,359	273
2015	952,278,000	464,420,493,438	0.21	3,957,022	241

⁽¹⁾ Net of homeowners exemptions.

⁽²⁾ Population data updated based on current estimates.

Net General Bonded Debt and Population



CITY OF LOS ANGELES
Direct and Overlapping Governmental Activities Debt
June 30, 2015

	Debt Outstanding June 30, 2015	Estimated Percentage Applicable ⁽¹⁾	Estimated Share of Overlapping Debt June 30, 2015
Debt repaid with property taxes			
Los Angeles Flood Control District	\$ 15,105,000	40.034 %	\$ 6,047,136
Metropolitan Water District of Southern California	110,420,000	20.155	22,267,297
Los Angeles Community College District	3,929,135,000	70.722	2,778,762,855
Beverly Hills Unified School District	194,220,855	0.172	334,060
Inglewood Unified School District	123,515,000	1.077	1,330,257
Las Virgenes Joint Unified School District	148,708,122	0.935	1,390,421
Los Angeles Unified School District	10,348,740,000	87.561	9,061,460,231
Other School Districts	419,709,325	Various	348,691
City of Los Angeles Community Facilities District No. 3 (Estimate)	3,945,000	100.000	3,945,000
City of Los Angeles Community Facilities District No. 4	81,200,000	100.000	81,200,000
City of Los Angeles Community Facilities District No. 8	5,860,000	100.000	5,860,000
Mountains Recreation and Conservation Authority Assessment Districts	20,535,000	99.990-100.000	20,533,914
Los Angeles County Regional Park and Open Space Assessment District	82,880,000	38.873	32,217,942
Other overlapping debt			
Los Angeles County General Fund Obligations	1,885,330,518	38.873	732,884,532
Los Angeles County Superintendent of Schools Certificates of Participation	8,719,113	38.873	3,389,381
Los Angeles County Sanitation District Nos. 1, 4, 5, 8 and 16 Authorities	66,030,766	0.001-11.641	4,171,192
Inglewood Unified School District Certificates of Participation	1,570,000	1.077	16,909
Las Virgenes Joint Unified School District Certificates of Participation	11,165,000	0.935	104,393
Los Angeles Unified School District Certificates of Participation	307,180,000	87.561	268,969,880
Less: Los Angeles County General Fund Obligations (supported by landfill revenues)			(1,766,737)
Less: Los Angeles Unified School District QZAB Bonds (supported by periodic payments to investment accounts)			(14,964,882)
Subtotal- overlapping debt			<u>13,008,502,472</u>
City of Los Angeles direct debt			
General Obligation Bonds			952,278,000
Judgment Obligation Bonds			38,476,000
Certificates of Participation and Lease Revenue Bonds			1,393,867,000
Special Assessment Bonds			--
Revenue Bonds			578,193,000
Notes Payable			240,506,000
HUD Loans			144,075,000
Subtotal- City of Los Angeles direct debt ⁽²⁾			<u>3,347,395,000</u>
Total direct and overlapping debt			<u>\$ 16,355,897,472</u>

(1) Percentage of overlapping agency's assessed valuation located within boundaries of the City.

(2) Includes all long-term debt instruments of the governmental activities, including bonds, notes, certificates of participation and loans.

Source: City of Los Angeles, Office of the City Administrative Officer, for overlapping debt.

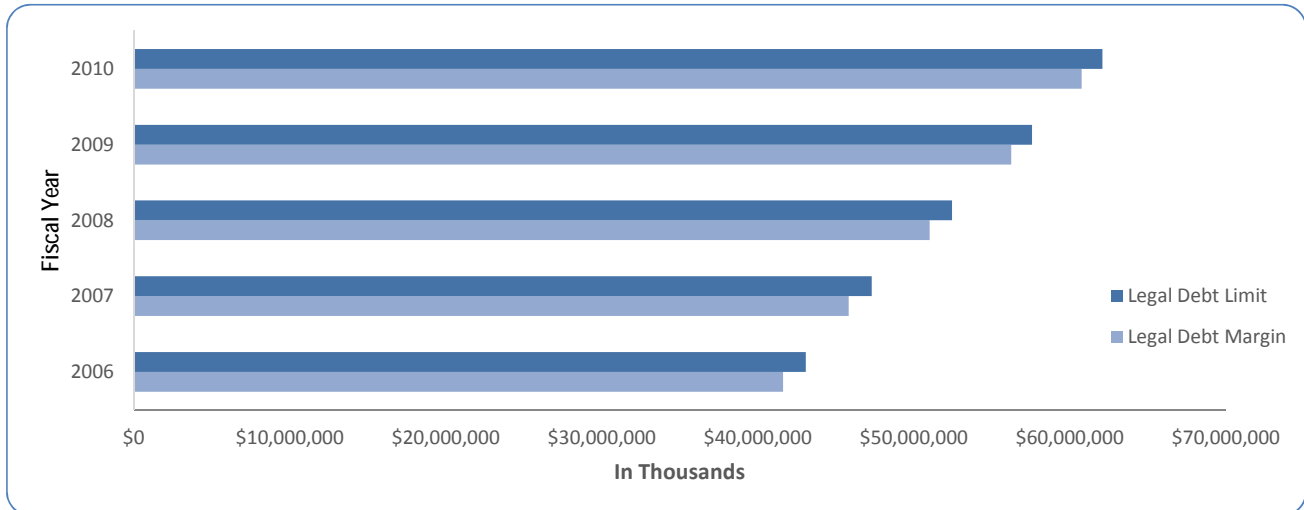
CITY OF LOS ANGELES

**Ratios of General Bonded Debt Outstanding and Legal Debt Margin
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita)**

	Fiscal Year				
	2006	2007	2008	2009	2010
Assessed Valuation Net of Homeowners' Exemptions	\$ 312,668,295	\$ 346,982,793	\$ 381,153,232	\$ 411,135,224	\$ 410,756,330
Add: Homeowners' Exemptions	2,642,161	2,637,783	2,664,276	2,688,218	2,707,745
Gross Assessed Valuation	<u>\$ 315,310,456</u>	<u>\$ 349,620,576</u>	<u>\$ 383,817,508</u>	<u>\$ 413,823,442</u>	<u>\$ 413,464,075</u>
Legal Debt Limit ^(a) (15% of assessed value)	\$ 47,296,568	\$ 52,443,086	\$ 57,572,626	\$ 62,073,516	\$ 62,019,611
Less: General Obligation Bonds Outstanding	<u>1,480,010</u>	<u>1,446,530</u>	<u>1,336,040</u>	<u>1,331,103</u>	<u>1,404,320</u>
Legal Debt Margin	<u>\$ 45,816,558</u>	<u>\$ 50,996,556</u>	<u>\$ 56,236,586</u>	<u>\$ 60,742,413</u>	<u>\$ 60,615,291</u>
Legal Debt Margin as a Percentage of the Debt Limit	96.87%	97.24%	97.68%	97.86%	97.74%
General Obligation Bonds Outstanding as a Percentage of Assessed Value	0.47%	0.41%	0.35%	0.32%	0.34%
Population ^(b)	3,768,645	3,764,062	3,774,497	3,781,951	3,792,621
General Obligation Bonds Outstanding Per Capita	\$393	\$384	\$354	\$352	\$370

Continued...

Legal Debt Limit (15% of assessed value) and Legal Debt Margin



CITY OF LOS ANGELES

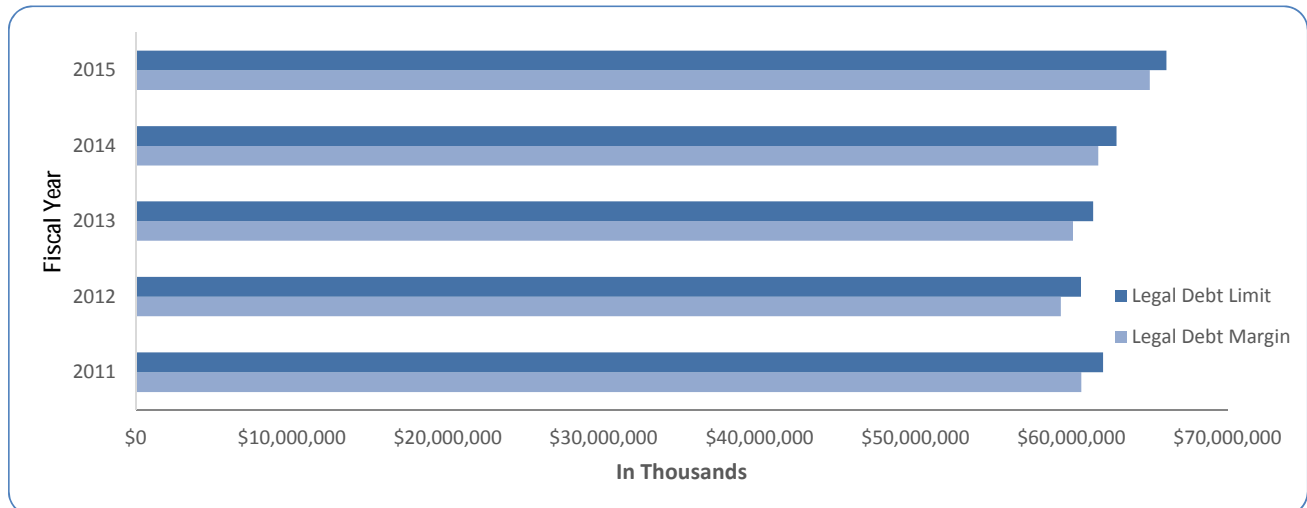
Ratios of General Bonded Debt Outstanding and Legal Debt Margin - (Continued)
Last Ten Fiscal Years
 (amounts expressed in thousands, except per capita)

	Fiscal Year				
	2011	2012	2013	2014	2015
Assessed Valuation Net of Homeowners' Exemptions	\$ 401,273,954	\$ 406,456,673	\$ 416,539,450	\$ 437,980,451	\$ 464,420,493
Add: Homeowners' Exemptions	2,696,221	2,674,226	2,629,357	2,588,592	2,545,253
Gross Assessed Valuation	<u>\$ 403,970,175</u>	<u>\$ 409,130,899</u>	<u>\$ 419,168,807</u>	<u>\$ 440,569,043</u>	<u>\$ 466,965,746</u>
Legal Debt Limit ^(a) (15% of assessed value)	\$ 60,595,526	\$ 61,369,634	\$ 62,875,321	\$ 66,085,357	\$ 70,044,862
Less: General Obligation Bonds Outstanding	<u>1,288,707</u>	<u>1,288,674</u>	<u>1,165,924</u>	<u>1,069,709</u>	<u>952,278</u>
Legal Debt Margin	<u>\$ 59,306,819</u>	<u>\$ 60,080,960</u>	<u>\$ 61,709,397</u>	<u>\$ 65,015,648</u>	<u>\$ 69,092,584</u>
Legal Debt Margin as a Percentage of the Debt Limit	97.87%	97.90%	98.15%	98.38%	98.64%
General Obligation Bonds Outstanding as a Percentage of Assessed Value	0.32%	0.31%	0.28%	0.24%	0.20%
Population ^(b)	3,806,865	3,835,724	3,875,207	3,914,359	3,957,022
General Obligation Bonds Outstanding Per Capita	\$339	\$336	\$301	\$273	\$241

(a) Debt limit provided in Section 43605 of the State of California Government Code.

(b) Population data updated based on current estimates.

Legal Debt Limit (15% of assessed value) and Legal Debt Margin



CITY OF LOS ANGELES

**Pledged Revenue Coverage
Last Ten Fiscal Years**

(amounts expressed in thousands)

Fiscal Year	Operating Revenues ⁽¹⁾	Less: Operating Expenses ⁽²⁾	Net Available Revenue	Debt Service ⁽³⁾	Net Available Revenue Coverage	Net Operating Cash Flow	Net Operating Cash Flow Coverage ⁽⁴⁾
<u>Airports Enterprise Fund Revenue Bonds and Notes</u>							
2006	\$ 630,036	\$ 520,170	\$ 109,866	\$ 41,452	2.7	\$ 72,531	1.7
2007	664,304	548,167	116,137	29,116	4.0	223,202	7.7
2008	757,015	595,408	161,607	28,621	5.6	196,534	6.9
2009	771,364	590,960	180,404	38,730	4.7	40,076	1.0
2010	758,594	596,802	161,792	54,948	2.9	122,946	2.2
2011	887,762	601,964	285,798	126,331	2.3	215,572	1.7
2012	952,129	639,355	312,774	138,010	2.3	313,774	2.3
2013	981,586	648,974	332,612	136,523	2.4	247,540	1.8
2014	1,145,668	663,104	482,564	218,021	2.2	411,985	1.9
2015	1,219,715	697,708	522,007	263,454	2.0	424,474	1.6
<u>Harbor Enterprise Fund Revenue Bonds and Notes</u>							
2006	\$ 406,043	\$ 184,132	\$ 221,911	\$ 61,574	3.6	\$ 201,575	3.3
2007	445,609	163,775	281,834	59,085	4.8	246,665	4.2
2008	465,648	221,752	243,896	61,318	4.0	252,898	4.1
2009	424,028	254,143	169,885	61,298	2.8	151,264	2.5
2010	424,306	210,235	214,071	66,851	3.2	185,416	2.8
2011	412,962	209,695	203,267	72,927	2.8	158,228	2.2
2012	435,291	199,806	235,485	71,609	3.3	217,113	3.0
2013	416,974	205,169	211,805	72,398	2.9	234,234	3.2
2014	446,910	205,354	241,556	65,488	3.7	131,284	2.0
2015	460,364	234,249	226,115	70,103	3.2	213,184	3.0
<u>Power Enterprise Fund Revenue Bonds and Notes</u>							
2006	\$ 2,665,535	\$ 2,016,080	\$ 649,455	\$ 223,678	2.9	\$ 559,157	2.5
2007	2,799,140	1,996,649	802,491	267,144	3.0	507,934	1.9
2008	2,989,725	2,176,056	813,669	250,484	3.2	469,188	1.9
2009	2,924,155	2,043,192	880,963	270,357	3.3	427,647	1.6
2010	3,387,361	2,287,434	1,099,927	309,349	3.6	741,881	2.4
2011	3,288,478	2,308,188	980,290	400,846	2.4	666,711	1.7
2012	3,267,679	2,235,522	1,032,157	343,093	3.0	851,613	2.5
2013	3,342,586	2,266,249	1,076,337	426,825	2.5	761,079	1.8
2014	3,495,731	2,363,857	1,131,874	451,253	2.5	942,757	2.1
2015	3,542,227	2,445,059	1,097,168	457,933	2.4	1,161,620	2.5

Continued...

CITY OF LOS ANGELES
Pledged Revenue Coverage - (Continued)
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	Operating Revenues ⁽¹⁾	Less: Operating Expenses ⁽²⁾	Net Available Revenue	Debt Service ⁽³⁾	Net Available Revenue Coverage	Net Operating Cash Flow	Net Operating Cash Flow Coverage ⁽⁴⁾
<u>Water Enterprise Fund Revenue Bonds and Notes</u>							
2006	\$ 625,995	\$ 394,543	\$ 231,452	\$ 95,681	2.4	\$ 251,198	2.6
2007	717,145	442,962	274,183	122,928	2.2	231,297	1.9
2008	799,706	523,657	276,049	133,354	2.1	132,714	1.0
2009	825,168	581,587	243,581	116,026	2.1	189,718	1.6
2010	858,201	584,382	273,819	134,106	2.0	152,044	1.1
2011	831,771	540,041	291,730	167,371	1.7	290,206	1.7
2012	875,909	544,824	331,085	178,468	1.9	238,099	1.3
2013	1,091,710	672,462	419,248	192,885	2.2	347,264	1.8
2014	1,206,561	770,368	436,193	204,392	2.1	317,305	1.6
2015	1,151,356	733,283	418,073	216,787	1.9	324,791	1.5
<u>Sewer Enterprise Fund Revenue Bonds and Notes</u>							
2006	\$ 492,711	\$ 232,971	\$ 259,740	\$ 143,974	1.8	\$ 206,380	1.4
2007	518,393	240,840	277,553	160,005	1.7	262,994	1.6
2008	543,417	276,508	266,909	170,140	1.6	248,030	1.5
2009	543,318	287,135	256,183	151,996	1.7	237,586	1.6
2010	543,258	264,072	279,186	170,413	1.6	265,541	1.6
2011	510,214	256,664	253,550	174,804	1.5	214,662	1.2
2012	520,664	254,980	265,684	177,195	1.5	236,768	1.3
2013	576,552	279,587	296,965	206,965	1.4	284,783	1.4
2014	573,772	265,284	308,488	190,988	1.6	266,081	1.4
2015	596,450	289,498	306,952	486,975	0.6	321,017	0.7

- (1) For Airports, operating revenues include pledged pooled investment interest income. For Power and Water, operating revenues include capital contributions, net nonoperating revenues and allowance for funds used during construction. For Sewer, operating revenues include interest income from pooled investments other than interest income from construction funds.
- (2) For Airports, Harbor and Sewer, operating expenses do not include interest, depreciation and amortization expenses. For Power and Water, operating expenses do not include depreciation and amortization expense.
- (3) Debt service includes principal and interest payments on bonds, and State loan for Sewer; excludes capitalized interest for Airports.
- (4) Net operating cash flow coverage is presented to show the Funds' ability to generate sufficient cash flow to cover debt service costs.

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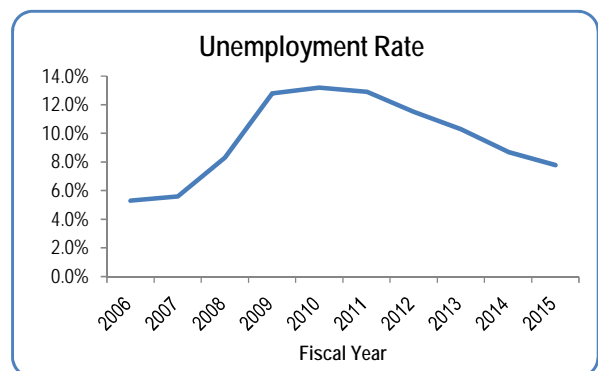
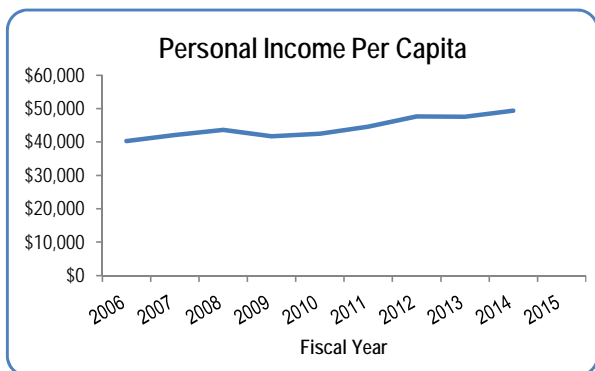
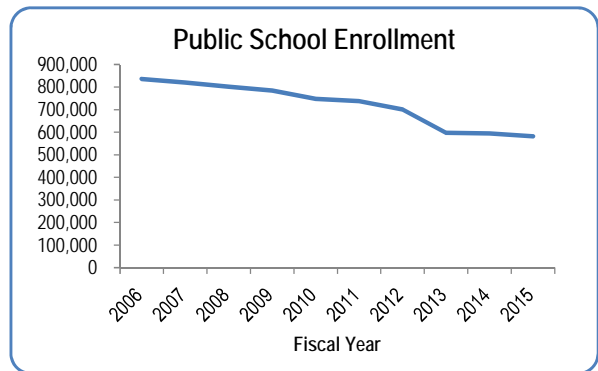
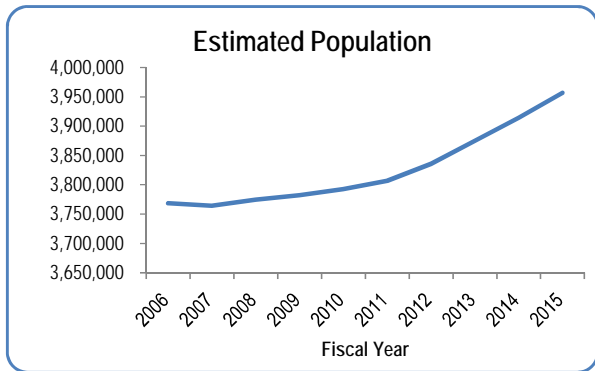
Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

CITY OF LOS ANGELES
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Estimated Population ⁽¹⁾	Personal Income (in thousands) ⁽²⁾	Personal Income Per Capita ⁽²⁾	Median Age ⁽³⁾	Public School Enrollment ⁽⁴⁾	Unemployment Rate ⁽⁵⁾
2006	3,768,645	\$ 392,696,751	\$ 40,326	36.4	836,301	5.3 %
2007	3,764,062	409,232,169	42,187	36.7	819,576	5.6
2008	3,774,497	424,773,112	43,633	36.9	801,838	8.3
2009	3,781,951	408,269,611	41,714	36.8	784,457	12.8
2010	3,792,621	418,046,367	42,540	37.2	748,273	13.2
2011	3,806,865	441,724,254	44,627	37.3	738,113	12.9
2012	3,835,724	475,931,985	47,713	37.4	701,208	11.5
2013	3,875,207	478,371,346	47,580	37.5	598,020	10.3
2014	3,914,359	499,767,889	49,400	37.7	594,891	8.7
2015	3,957,022	N/A	N/A	N/A	582,430	7.8

- (1) Data based on California Department of Finance report E-4, population estimates with 2010 Benchmark, released May 1, 2015.
 - (2) U.S. Department of Commerce, Bureau of Economic Analysis - revised estimates of personal income for Los Angeles County updated on November 19, 2015 with revised estimates for 2006 to 2014.
 The U.S. Census Bureau defines personal income as the income received by all persons from all sources, and is the sum of "net earnings", rental income, dividend income, interest income, and transfer receipts. "Net earnings" is defined as wage and salary, supplements to wages and salaries, and proprietors' income, less contributions for government social insurance, before deduction of personal income and other taxes.
 Separate information for the City of Los Angeles is not available.
 - (3) US Census Bureau American Community Survey for the City. Source: <http://factfinder.census.gov>
 - (4) Enrollment data determined at the beginning of each school year (October). Data include the City and all or significant portions of a number of smaller cities and unincorporated territories.
 - (5) Data based on California Employment Development Department for City of Los Angeles, not seasonally adjusted.
- N/A Not Available



CITY OF LOS ANGELES
Los Angeles County
Principal Employers (Non-Government)
Current Year and Nine Years Ago

Employer	2015			2006		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Kaiser Permanente	35,771	1	0.76 %	32,784	1	0.72 %
University of Southern California	18,629	2	0.40	12,379	5	0.27
Northrop Grumman Corp.	17,000	3	0.36	21,000	2	0.46
Target Corp.	15,000	4	0.32	12,066	8	0.26
Ralphs/Food 4 Less (Kroger Co. Division)	13,500	5	0.29	14,000	4	0.31
Bank of America Corp.	13,000	6	0.28	12,200	6	0.27
Providence Health & Services Southern California	13,000	7	0.28	--	--	--
AT&T Inc.	11,700	8	0.25	9,500	9	0.21
UPS	10,768	9	0.23	--	--	--
Home Depot	10,600	10	0.23	--	--	--
Boeing Co.	--	--	--	15,825	3	0.35
Vons	--	--	--	12,116	7	0.27
Cedars-Sinai Medical Center	--	--	--	8,817	10	0.19
All Others	4,548,332		96.60	4,411,213		96.69
Total ⁽¹⁾	<u>4,707,300</u>		<u>100.00 %</u>	<u>4,561,900</u>		<u>100.00 %</u>

Sources: Los Angeles Business Journal (LABJ) dated August 2015 and California EDD.

⁽¹⁾ Total County employment per California EDD labor force report (<http://www.labormarketinfo.edd.ca.gov>)

This report was completed based on information from various sources and is intended for use as a general guide only. The City does not warrant accuracy of this data. Inquiries should be directed to the individual employer.

Operating Information

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

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CITY OF LOS ANGELES

**Number of City Government Employees by Function/Program
Full-Time Equivalent
Last Ten Fiscal Years**

	Fiscal Year				
	2015	2014	2013	2012	2011
Governmental Activities	30,606	30,316	31,344	31,225	31,778
General Government					
City Administrative Officer	108	109	103	102	103
City Attorney	882	834	813	825	870
City Ethics Commission	23	20	18	17	18
Controller	146	143	146	152	157
Council	353	333	364	334	321
Employee Relations Board	3	3	3	3	3
General Services	1,321	1,309	1,430	1,630	1,707
Information Technology Agency	431	452	463	488	522
Mayor	161	146	173	175	171
Personnel	480	460	460	380	371
Neighborhood Empowerment	19	22	23	18	18
City Clerk	95	96	97	98	96
Commission on the Status of Women ⁽¹⁾	--	--	--	--	--
Human Relations Commission ⁽¹⁾	--	--	--	--	--
Office of Finance ⁽²⁾	311	326	336	345	326
Treasurer ⁽²⁾	--	--	--	--	30
Protection of Persons and Property					
Animal Services	309	312	318	311	319
Building & Safety	808	744	760	723	719
Fire-Civilian	293	293	297	298	296
Fire-Sworn	3,140	3,181	3,206	3,317	3,459
Police- Civilian	2,723	2,810	2,888	2,783	2,824
Police- Sworn	9,856	9,739	9,875	9,875	9,810
Emergency Management ⁽³⁾	23	21	31	22	24
Public Works					
Public Works- Contract Administration	270	278	294	287	293
Public Works- Engineering	733	710	701	718	737
Public Works- Street Lighting	205	194	209	192	200
Public Works- Street Services	838	869	931	982	1,011
Public Works- Board of Public Works	85	81	81	92	93
Health and Sanitation					
Public Works- Sanitation	2,425	2,318	2,317	2,333	2,430
Environmental Affairs ⁽⁴⁾	--	--	--	--	--
Transportation					
Transportation	1,276	1,268	1,287	1,307	1,355
Cultural and Recreational Services					
Cultural Affairs	36	34	34	34	39
El Pueblo de los Angeles Historical Monument	9	9	10	10	11
Library	707	653	999	655	664
Recreation and Parks	1,320	1,316	1,388	1,429	1,478
Zoo	195	198	213	205	201
Community Development					
Aging	32	34	34	41	41
Economic and Workforce Development ⁽⁵⁾	140	151	255	268	266
Disability	15	17	15	11	14
Housing and Community Investment ⁽⁶⁾	567	598	511	531	544
City Planning	268	235	261	234	237
Commission for Children, Youth and Their Families ⁽¹⁾	--	--	--	--	--

CITY OF LOS ANGELES

**Number of City Government Employees by Function/Program
Full-Time Equivalent
Last Ten Fiscal Years**

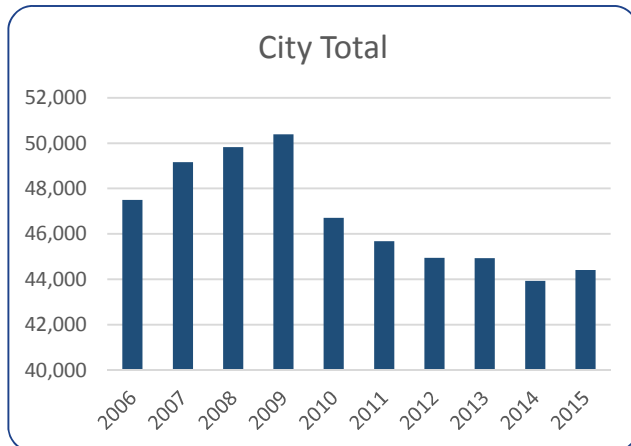
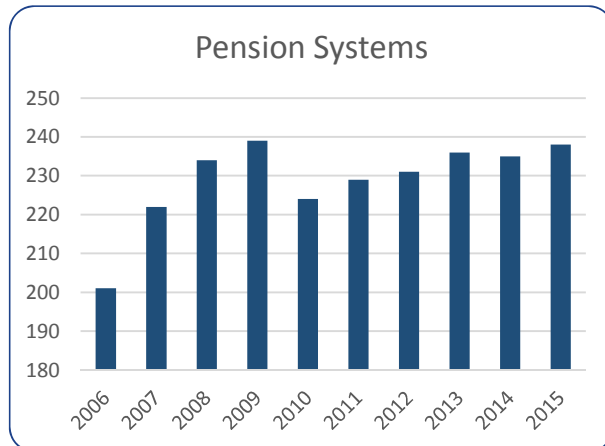
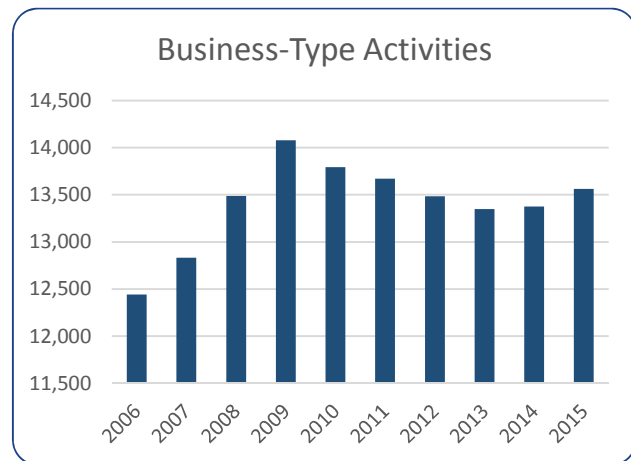
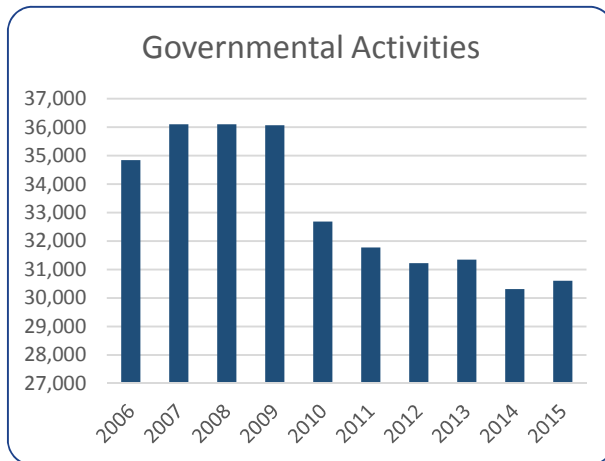
	Fiscal Year				
	2010	2009	2008	2007	2006
Governmental Activities	32,689	36,074	36,100	36,101	34,846
General Government					
City Administrative Officer	107	128	128	122	126
City Attorney	885	986	978	984	963
City Ethics Commission	22	26	26	28	26
Controller	156	184	185	173	167
Council	338	350	355	367	336
Employee Relations Board	3	4	3	3	3
General Services	1,881	2,273	2,302	2,337	2,236
Information Technology Agency	582	714	728	734	739
Mayor	195	189	163	154	132
Personnel	384	477	495	492	478
Neighborhood Empowerment	19	42	42	47	40
City Clerk	99	140	146	135	130
Commission on the Status of Women ⁽¹⁾	--	2	9	12	12
Human Relations Commission ⁽¹⁾	--	10	15	16	16
Office of Finance ⁽²⁾	324	372	353	358	351
Treasurer ⁽²⁾	34	39	38	38	34
Protection of Persons and Property					
Animal Services	343	366	379	352	311
Building & Safety	782	958	992	944	864
Fire-Civilian	298	362	366	365	333
Fire-Sworn	3,562	3,708	3,730	3,673	3,572
Police- Civilian	2,877	3,256	3,278	3,337	3,166
Police- Sworn	9,878	9,973	9,704	9,509	9,310
Emergency Management ⁽³⁾	21	27	23	17	17
Public Works					
Public Works- Contract Administration	306	358	371	363	328
Public Works- Engineering	738	932	971	998	1,000
Public Works- Street Lighting	198	215	210	223	227
Public Works- Street Services	1,073	1,327	1,350	1,390	1,363
Public Works- Board of Public Works	94	131	155	161	160
Health and Sanitation					
Public Works- Sanitation	2,427	2,701	2,684	2,691	2,632
Environmental Affairs ⁽⁴⁾	19	28	31	31	34
Transportation					
Transportation	1,414	1,597	1,572	1,637	1,559
Cultural and Recreational Services					
Cultural Affairs	45	57	67	66	60
El Pueblo de los Angeles Historical Monument	15	18	19	17	20
Library	699	833	828	819	781
Recreation and Parks	1,587	1,904	1,980	2,070	1,929
Zoo	186	211	220	237	223
Community Development					
Aging	42	45	49	50	51
Economic and Workforce Development ⁽⁵⁾	270	236	254	265	291
Disability	16	19	20	22	22
Housing and Community Investment ⁽⁶⁾	528	526	528	528	464
City Planning	242	297	300	283	280
Commission for Children, Youth and Their Families ⁽¹⁾	--	53	53	53	60

CITY OF LOS ANGELES

**Number of City Government Employees by Function/Program
Full-Time Equivalent
Last Ten Fiscal Years**

	Fiscal Year				
	2015	2014	2013	2012	2011
Business-Type Activities	13,564	13,375	13,350	13,486	13,671
Los Angeles Convention Center	12	11	92	109	112
Water and Power	9,228	8,924	8,776	8,867	9,065
Airports ⁽⁷⁾	3,439	3,491	3,535	3,552	3,535
Harbor ⁽⁷⁾	885	949	947	958	959
Pension Systems	238	235	236	231	229
City Employees Retirement System	128	125	127	124	124
Fire and Police Pension System	110	110	109	107	105
Grand Total	44,408	43,926	44,930	44,942	45,678

**Full-Time Equivalent Employees
Last Ten Fiscal Years**



CITY OF LOS ANGELES

**Number of City Government Employees by Function/Program
Full-Time Equivalent
Last Ten Fiscal Years**

	Fiscal Year				
	2010	2009	2008	2007	2006
Business-Type Activities	13,794	14,078	13,487	12,832	12,444
Los Angeles Convention Center	111	150	156	155	154
Water and Power	9,200	9,210	8,592	8,241	8,119
Airports ⁽⁷⁾	3,535	3,747	3,804	3,630	3,454
Harbor ⁽⁷⁾	948	971	935	806	717
Pension Systems	224	239	234	222	201
City Employees Retirement System	126	134	131	125	113
Fire and Police Pension System	98	105	103	97	88
Grand Total	46,707	50,391	49,821	49,155	47,491

⁽¹⁾ In fiscal year 2010, Commission on the Status of Women, Commission for Children, Youth and Families, and Human Relations Commission were consolidated.

⁽²⁾ The Treasurer and Finance were consolidated in fiscal year 2012.

⁽³⁾ In November 2007, the name of the Emergency Preparedness Department was changed to Emergency Management Department.

⁽⁴⁾ In fiscal year 2011, Environmental Affairs Department was eliminated. Its resources and functions were transferred to the Department of Public Works Bureau of Sanitation, Building and Safety, and Transportation.

⁽⁵⁾ Department name changed from Community Development in fiscal year 2014.

⁽⁶⁾ Department name changed from Housing in fiscal year 2014.

⁽⁷⁾ Certain changes were made to conform to the fiscal year 2013 presentation.

Sources:

Prior to fiscal year 2006: City of Los Angeles Detail of Department Programs and data from the Fire, Airports, Harbor, Water and Power, Fire and Police Pension, and City Employees Retirement System.

Fiscal year 2006 through 2010: Data restated to conform with Office of the Controller Full-Time Active Employee Count as of the last pay period of the fiscal year, except those of Harbor and Water and Power.

CITY OF LOS ANGELES

Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Department	Program/Indicator	Fiscal Year				
		2015	2014	2013	2012	2011 ⁽¹⁾
General Government						
City Attorney						
Criminal and Special Litigation						
	Percent of issues resolved within the neighborhood prosecutor program (%) ⁽³⁾	48	50	46	--	--
Criminal Prosecution						
	Combined criminal jury and court trials (#)	362	308	342	315	477
	Consumer protection-cases reviewed (#)	100	150	160	159	160
	Consumer protection-consumer complaints (#)	400	400	400	400	400
	Environmental cases concluded (#)	412	409	329	488	312
	Housing/rent control cases concluded (#)	842	608	603	435	402
City Clerk						
Council and Public Services						
	City contracts searched/accessed via website (# of searches)	92,087	75,877	63,839	--	--
	City records viewed via website (# of searches)	2,005,955	1,223,000	970,000	1,450,000	--
	Council votes searched/accessed via website (# of searches)	4,525	4,005	10,140	--	--
	Ordinances searched/accessed via website (# of searches)	48,691	51,842	50,306	--	--
Records Management						
	Archival records/documents digitized on demand (#)	531	790	500	520	641
City Ethics Commission						
Governmental Ethics						
	Investigations resolved within 2 years (%)	100	100	94	46	93
	Whistle-blower complaints and investigations processed (#)	--	--	--	--	--
General Services						
Building Maintenance						
	Maintenance work orders completed (%)	71	71	--	--	--
Building Services						
	Energy conservation audits completed (#)	8	12	--	--	--
	Filming and special events coordinated (#)	--	1,702	1,641	1,592	1,887
	Preventative maintenance orders completed (%)	64	69	67	74	77
	Recycling operations tonnage collected (#) ⁽⁴⁾	--	--	--	--	--
	Square feet of buildings maintained (# of square feet)	--	20,010,932	19,851,002	19,756,358	19,691,358
Custodial Services						
	Central Library facilities cleaned per day (% of square feet)	95	85	--	--	--
	LAPD facilities cleaned per day (% of square feet)	95	90	--	--	--
	Municipal facilities cleaned per day (% of square feet)	90	85	--	--	--
Emergency Management and Special Services						
	Filming coordinated (#)	--	66	65	52	75
Fleet Services						
	Vehicles available for Bureau of Street Services operations (%)	85.00	78.92	--	--	--
Information Technology Agency						
3-1-1 Call Center Operations						
	Average wait time per caller (# of seconds) ⁽⁵⁾	61	70	224	170	180
	Number of calls received (#) ⁽⁵⁾	1,166,105	1,083,097	1,062,894	1,211,000	1,341,000
	Number of wireless calls (#) ⁽⁵⁾	722,708	571,442	515,468	535,000	561,000
Neighborhood Empowerment						
	Neighborhood Councils certified (#)	1	--	--	2	4
Office of Finance						
Revenue Billings, Audit and Collections						
	Annual Business Tax renewal e-filings (#)	254,174	232,651	216,358	200,000	182,801
	Collections from Citywide Collection Unit (\$ in thousands)	24,457	27,551	27,385	31,019	27,281
	Refund claims processed (#)	6,188	8,411	10,667	10,010	16,969
	Revenue enhancement unit investigations (#)	143,328	157,949	124,389	107,696	133,009
	Stratified audit penetration rate (%)	7.31	6.98	6.50	--	--
	Total tax accounts audited (#)	4,472	4,819	4,839	5,146	5,567
Personnel						
Employee Benefits						
	Increase in Vanpool Participants (%)	5	5	--	--	--
Liaison Services						
	Supervisors trained (#)	329	60	--	--	--
Protection of Persons and Property						
Animal Services						
Animal Licensing and Permitting Operations						
	Dog licenses issued (#) ⁽⁶⁾	120,975	122,927	126,234	123,060	121,817
Animal Shelter Operations Program						
	Animals adopted (#) ⁽⁶⁾	32,826	32,926	32,440	30,414	29,525
	Animals euthanized (#) ⁽⁶⁾	14,083	15,032	17,063	23,955	24,632
	Animals impounded (#) ^{(6) (7)}	57,225	56,801	61,632	64,952	64,417
	Animals which die while in City's care (%)	6.31	5.46	5.45	3.12	1.40
Building and Safety						
Conservation of Existing Structures and Mechanical Devices						
	Complaints responded to within 10 days (%)	47	52	51	54	56
	Residential property reports completed within 15 days (%)	100	100	100	100	100
Engineering Plan Checking						
	Building Permits issued (#)	141,448	133,575	126,426	121,140	115,699
	Case management feasibility studies completed within 10 days after contact (%)	100	97	97	96	98
	Development services counter customers served within 30 minutes (%)	93	91	84	82	89
	Plan reviews completed within 15 days (%)	78	88	91	89	86
General Administration and Support						
	Call center calls answered within two minutes (%)	70	67	71	76	77
New Construction Inspection						

CITY OF LOS ANGELES

Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Department	Program/Indicator	Fiscal Year				
		2010 ⁽²⁾	2009 ⁽¹⁾	2008	2007	2006
General Government						
City Attorney						
Criminal and Special Litigation						
	Percent of issues resolved within the neighborhood prosecutor program (%) ⁽³⁾	62	--	--	--	--
Criminal Prosecution						
	Combined criminal jury and court trials (#)	632	845	769	699	575
	Consumer protection-cases reviewed (#)	170	300	265	230	200
	Consumer protection-consumer complaints (#)	400	575	550	500	500
	Environmental cases concluded (#)	350	600	542	450	375
	Housing/rent control cases concluded (#)	395	250	300	176	400
City Clerk						
Council and Public Services						
	City contracts searched/accessed via website (# of searches)	--	--	--	--	--
	City records viewed via website (# of searches)	--	--	--	--	--
	Council votes searched/accessed via website (# of searches)	--	--	--	--	--
	Ordinances searched/accessed via website (# of searches)	--	--	--	--	--
Records Management						
	Archival records/documents digitized on demand (#)	1,936	--	--	--	--
City Ethics Commission						
Governmental Ethics						
	Investigations resolved within 2 years (%)	63	92	85	--	--
	Whistle-blower complaints and investigations processed (#)	--	500	450	723	400
General Services						
Building Maintenance						
	Maintenance work orders completed (%)	--	--	--	--	--
Building Services						
	Energy conservation audits completed (#)	--	--	--	--	--
	Filming and special events coordinated (#)	2,579	3,318	--	--	--
	Preventative maintenance orders completed (%)	78	73	--	--	--
	Recycling operations tonnage collected (#) ⁽⁴⁾	--	1,700	1,700	1,700	1,600
	Square feet of buildings maintained (# of square feet)	19,606,408	19,067,108	17,775,611	16,867,229	16,370,578
Custodial Services						
	Central Library facilities cleaned per day (% of square feet)	--	--	--	--	--
	LAPD facilities cleaned per day (% of square feet)	--	--	--	--	--
	Municipal facilities cleaned per day (% of square feet)	--	--	--	--	--
Emergency Management and Special Services						
	Filming coordinated (#)	65	70	103	82	101
Fleet Services						
	Vehicles available for Bureau of Street Services operations (%)	--	--	--	--	--
Information Technology Agency						
3-1-1 Call Center Operations						
	Average wait time per caller (# of seconds) ⁽⁵⁾	140	40	53	--	--
	Number of calls received (#) ⁽⁵⁾	1,417,801	1,402,658	1,257,629	998,218	890,233
	Number of wireless calls (#) ⁽⁵⁾	525,000	393,626	335,979	286,772	178,964
Neighborhood Empowerment						
	Neighborhood Councils certified (#)	--	1	4	2	2
Office of Finance						
Revenue Billings, Audit and Collections						
	Annual Business Tax renewal e-filings (#)	146,713	80,000	70,000	--	--
	Collections from Citywide Collection Unit (\$ in thousands)	28,332	30,184	25,700	--	--
	Refund claims processed (#)	15,591	27,934	26,125	19,374	14,240
	Revenue enhancement unit investigations (#)	93,072	83,611	71,234	52,441	27,738
	Stratified audit penetration rate (%)	--	--	--	--	--
	Total tax accounts audited (#)	6,297	7,771	6,677	5,880	5,545
Personnel						
Employee Benefits						
	Increase in Vanpool Participants (%)	--	--	--	--	--
Liaison Services						
	Supervisors trained (#)	--	--	--	--	--
Protection of Persons and Property						
Animal Services						
Animal Licensing and Permitting Operations						
	Dog licenses issued (#) ⁽⁶⁾	116,500	121,138	114,531	126,538	124,802
Animal Shelter Operations Program						
	Animals adopted (#) ⁽⁶⁾	26,952	28,154	23,608	25,427	19,592
	Animals euthanized (#) ⁽⁶⁾	25,298	24,742	19,942	18,108	19,524
	Animals impounded (#) ^{(6) (7)}	64,333	65,445	57,804	55,570	57,063
	Animals which die while in City's care (%)	1.40	1.50	--	--	--
Building and Safety						
Conservation of Existing Structures and Mechanical Devices						
	Complaints responded to within 10 days (%)	63	--	--	--	--
	Residential property reports completed within 15 days (%)	100	--	--	--	--
Engineering Plan Checking						
	Building Permits issued (#)	115,225	110,992	127,700	139,220	141,403
	Case management feasibility studies completed within 10 days after contact (%)	97	--	--	--	--
	Development services counter customers served within 30 minutes (%)	96	--	--	--	--
	Plan reviews completed within 15 days (%)	87	--	--	--	--
General Administration and Support						
	Call center calls answered within two minutes (%)	82	--	--	--	--
New Construction Inspection						

CITY OF LOS ANGELES

Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Department	Program/Indicator	Fiscal Year				
		2015	2014	2013	2012	2011 ⁽¹⁾
Fire	Response to inspection requests within 24 hours (%) ⁽⁶⁾	99	99	98	98	98
	Restaurant and hospitality projects assisted within 5 days (%)	100	100	100	100	100
	Emergency Ambulance Services					
	Emergency medical responses by EMT ambulances (#)	133,406	166,580	146,002	134,195	124,439
	Emergency medical responses by EMT fire resources (#)	254,716	182,507	178,740	166,684	145,559
	Emergency medical responses by paramedic ambulances (#)	267,220	262,404	261,238	250,362	252,587
	Emergency medical responses by paramedic fire resources (#)	208,231	191,665	129,152	125,196	126,506
	Emergency medical responses by response to emergencies within 5 mins (%) ⁽⁸⁾	--	--	--	--	86
	Fire Suppression					
	Actual Fires - Non structure fires (#)	12,917	12,069	10,836	10,991	10,686
	Actual Fires - Response within 5 mins of notification (%) ⁽⁶⁾	--	--	--	--	94
	Actual Fires - Structure fires (#)	4,562	4,698	4,624	4,871	4,172
	Closure rate in criminal fires investigation (%)	50	40	39	40	70
	Emergency responses - Fires (includes automatic alarms) (#)	127,380	133,080	121,381	122,492	118,986
	Emergency responses - Hazardous conditions (#)	4,190	4,949	4,734	4,852	5,209
Emergency responses - Helicopter flight hours for brush and structure fires (#)	269	283	312	745	609	
Emergency responses - Rescues and others (#)	34,331	40,268	40,822	39,324	37,834	
Police						
Patrol						
Part I crimes reported (#)	111,690	101,228	103,856	104,604	106,827	
Part II crimes reported (#)	95,257	90,525	84,174	85,938	74,251	
Response to emergency calls (# in minutes)	5.60	6.50	6.00	6.00	6.00	
Total arrests (#)	125,567	130,262	150,552	162,698	160,480	
Specialized Crime Suppression and Investigation						
Number of backlogged fingerprint cases reduced (#)	3,923	3,397	5,070	4,342	5,492	
Number of backlogged rape kits reduced (#)	1,105	1,030	1,188	--	1,097	
Technical Support						
Complaint board calls received - 911 (#)	3,220,084	2,284,913	2,276,363	2,269,872	2,140,387	
Traffic Control						
Fatal and injury traffic accidents (#)	24,974	21,026	20,996	21,216	18,448	
Traffic citations issued (#)	336,683	447,062	428,178	504,312	564,432	
Traffic collisions investigated (#)	55,901	45,622	44,588	45,446	44,725	
Public Works						
Board of Public Works						
Office of Community Beautification						
Graffiti eradicated/square footage (# per 1,000 sq ft)	30,620	32,638	26,117	30,094	35,696	
Graffiti removal requests completed in 72 hrs (%)	78	84	77	80	80	
Locations graffiti removed from (#)	607,273	546,052	580,446	546,904	616,541	
Bureau of Contract Administration						
Construction Inspection						
Number of private development inspections (#)	224	147	157	169	144	
Bureau of Engineering						
Clean Water Infrastructure						
Completed capital projects (#)	83	77	58	51	65	
Development Services						
A Permits issued within 60 minutes (%)	97.66	98.00	98.00	97.00	97.00	
S-Permits issued within 60 minutes (%)	94.60	91.00	95.00	95.00	92.00	
Mobility						
Completed capital projects (#)	28	17	21	18	10	
Public Buildings and Open Spaces						
Completed capital projects (#)	36	30	37	23	43	
Bureau of Street Lighting						
Design and Construction						
Cumulative number of streetlights converted to LED (#)	162,560	154,000	140,000	95,000	50,000	
System Operation, Maintenance and Repair						
Percent of streetlights operating (%)	99.30	99.00	99.00	99.10	--	
Street Services						
Maintaining Streets						
Neighborhood Council Blitz (# of Neighborhood Council's served)	198	198	--	--	--	
Small asphalt repairs (# of square feet)	1,050,411	1,402,144	1,416,500	1,206,612	1,190,244	
Street Cleaning Program						
Completion frequency-nonposted routes (# in weeks) ⁽⁹⁾	--	--	24	15	13	
Completion frequency-posted routes (%)	93.40	95.50	97.00	97.00	93.00	
Street Improvement Program						
Access ramps constructed (#)	1,035	1,256	1,560	1,724	1,829	
Bus pads constructed (#)	101	76	97	144	144	
Concrete bus landings installed (#)	170	107	30	11	29	
Sidewalks repaired (# of miles)	--	--	--	--	--	
Street Resurfacing and Reconstruction Program						
Streets resurfaced (# of lane miles)	855	245	245	236	174	
Streets slurry sealed (# of lane miles)	1,545	455	455	401	401	
Street Tree and Parkway Maintenance Program						
Trees planted - City forces & non-profits (MTLA) (#) ⁽⁹⁾	--	--	3,238	3,239	527	
Trees trimmed - City forces (broadhead) (#) ⁽⁹⁾	--	--	2,980	2,046	2,251	
Trees trimmed by contracted forces (#)	23,142	14,847	19,607	12,720	11,240	
Trees trimmed in City's urban forest (#) ⁽⁹⁾	--	--	50,000	22,226	13,351	
Weed Abatement, Brush and Debris Clearance						
Debris removed (# of cubic yards) ⁽⁹⁾	--	--	77,704	95,505	125,000	
Land cleared/cleaned-private (# in millions of square feet) ⁽⁹⁾	--	--	5.60	6.50	6.50	
Land cleared/cleaned-public (# in millions of square feet) ⁽⁹⁾	--	--	5.30	7.20	10.00	
Response time to clear illegal dumping (# of days)	--	--	--	--	--	

CITY OF LOS ANGELES

Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Department	Program/Indicator	Fiscal Year				
		2010 ⁽²⁾	2009 ⁽¹⁾	2008	2007	2006
Fire	Response to inspection requests within 24 hours (%) ⁽⁶⁾	100	99	100	--	--
	Restaurant and hospitality projects assisted within 5 days (%)	100	--	--	--	--
	Emergency Ambulance Services					
	Emergency medical responses by EMT ambulances (#)	127,859	120,000	125,000	116,823	100,995
	Emergency medical responses by EMT fire resources (#)	153,478	260,000	235,000	266,438	259,582
	Emergency medical responses by paramedic ambulances (#)	249,408	262,000	260,000	252,426	249,666
	Emergency medical responses by paramedic fire resources (#)	117,449	84,000	78,000	77,467	77,088
	Emergency medical responses by response to emergencies within 5 mins (%) ⁽⁸⁾	88	90	87	86	66
	Fire Suppression					
	Actual Fires - Non structure fires (#)	11,640	12,173	7,400	10,060	9,358
	Actual Fires - Response within 5 mins of notification (%) ⁽⁶⁾	93	95	94	94	86
	Actual Fires - Structure fires (#)	3,734	4,026	3,800	3,327	3,406
	Closure rate in criminal fires investigation (%)	69	71	65	--	--
	Emergency responses - Fires (includes automatic alarms) (#)	114,121	138,200	137,687	137,309	137,687
	Emergency responses - Hazardous conditions (#)	4,636	5,700	5,730	5,567	5,730
Emergency responses - Helicopter flight hours for brush and structure fires (#)	645	726	660	575	652	
Emergency responses - Rescues and others (#)	38,247	35,500	30,211	35,773	30,211	
Police						
Patrol						
Part I crimes reported (#)	110,827	115,000	124,000	132,664	144,100	
Part II crimes reported (#)	77,325	84,000	95,000	108,246	67,400	
Response to emergency calls (# in minutes)	7.00	7.00	--	--	--	
Total arrests (#)	151,174	168,000	167,000	171,390	185,000	
Specialized Crime Suppression and Investigation						
Number of backlogged fingerprint cases reduced (#)	9,669	6,778	3,811	--	--	
Number of backlogged rape kits reduced (#)	1,332	2,740	7,240	--	--	
Technical Support						
Complaint board calls received - 911 (#)	3,557,626	2,520,000	2,303,000	2,104,658	1,726,179	
Traffic Control						
Fatal and injury traffic accidents (#)	20,408	26,000	25,000	23,755	26,014	
Traffic citations issued (#)	594,193	553,000	527,000	501,964	466,190	
Traffic collisions investigated (#)	45,105	58,000	55,000	52,190	54,225	
Public Works						
Board of Public Works						
Office of Community Beautification						
Graffiti eradicated/square footage (# per 1,000 sq ft)	32,771	28,294	31,749	30,504	25,975	
Graffiti removal requests completed in 72 hrs (%)	82	--	--	--	--	
Locations graffiti removed from (#)	621,954	641,156	653,520	612,073	489,656	
Bureau of Contract Administration						
Construction Inspection						
Number of private development inspections (#)	--	--	--	--	--	
Bureau of Engineering						
Clean Water Infrastructure						
Completed capital projects (#)	61	--	--	--	--	
Development Services						
A Permits issued within 60 minutes (%)	97.00	--	--	--	--	
S-Permits issued within 60 minutes (%)	95.00	--	--	--	--	
Mobility						
Completed capital projects (#)	16	--	--	--	--	
Public Buildings and Open Spaces						
Completed capital projects (#)	47	--	--	--	--	
Bureau of Street Lighting						
Design and Construction						
Cumulative number of streetlights converted to LED (#)	--	--	--	--	--	
System Operation, Maintenance and Repair						
Percent of streetlights operating (%)	--	--	--	--	--	
Street Services						
Maintaining Streets						
Neighborhood Council Blitz (# of Neighborhood Council's served)	--	--	--	--	--	
Small asphalt repairs (# of square feet)	1,448,820	--	--	--	--	
Street Cleaning Program						
Completion frequency-nonposted routes (# in weeks) ⁽⁹⁾	6	4	4	4	4	
Completion frequency-posted routes (%)	95.00	97.00	97.00	97.00	98.00	
Street Improvement Program						
Access ramps constructed (#)	1,556	1,044	1,094	570	893	
Bus pads constructed (#)	36	76	40	51	46	
Concrete bus landings installed (#)	15	--	--	--	--	
Sidewalks repaired (# of miles)	--	59	59	51	59	
Street Resurfacing and Reconstruction Program						
Streets resurfaced (# of lane miles)	149	200	179	213	234	
Streets slurry sealed (# of lane miles)	401	--	--	--	--	
Street Tree and Parkway Maintenance Program						
Trees planted - City forces & non-profits (MTLA) (#) ⁽⁹⁾	4,677	8,943	8,431	5,578	3,889	
Trees trimmed - City forces (broadhead) (#) ⁽⁹⁾	21,068	41,804	45,637	48,555	44,514	
Trees trimmed by contracted forces (#)	23,181	--	--	--	--	
Trees trimmed in City's urban forest (#) ⁽⁹⁾	32,211	75,504	51,704	--	--	
Weed Abatement, Brush and Debris Clearance						
Debris removed (# of cubic yards) ⁽⁹⁾	157,886	183,379	201,305	206,051	237,474	
Land cleared/cleaned-private (# in millions of square feet) ⁽⁹⁾	7	10	9	7	7	
Land cleared/cleaned-public (# in millions of square feet) ⁽⁹⁾	11	15	15	14	12	
Response time to clear illegal dumping (# of days)	5	5	--	--	--	

CITY OF LOS ANGELES

Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Department	Program/Indicator	Fiscal Year				
		2015	2014	2013	2012	2011 ⁽¹⁾
Health and Sanitation						
Sanitation						
Clean Water						
	Clean 60,000 pipe reaches as mandated (%)	253	237	215	231	233
Household Refuse Collection Program						
	Tons Collected - Bulky items (# of tons)	46,416	33,720	34,000	27,640	32,479
	Tons Collected - Recyclables (# of tons)	209,924	198,143	150,380	143,338	148,194
	Tons Collected - Recycling contamination (# of tons)	59,232	59,608	55,620	54,064	58,806
	Tons Collected - Refuse (# of tons)	873,104	852,635	848,890	851,434	882,005
	Tons Collected - Yard trimmings (# of tons)	425,070	428,237	522,737	470,527	492,341
Solid Resources						
	Convert refuse collection fleet to clean fuels (%)	78	76	78	74	71
	Implement LAUSD blue bin recycling program (%) ⁽¹⁰⁾	87	100	90	85	85
	Increase truck fleet conversion to clean fuel (# of trucks)	545	532	554	523	500
	Maintain a baseline 99.5% of all waste sources collected on schedule (%)	99.95	99.93	100.00	99.95	99.95
Watershed Protection						
	Catch basin cleaning (#)	73,772	65,492	65,000	69,772	63,070
	Clean 90,000 catch basins annually (%)	82	73	72	78	70
Transportation						
Transportation						
Franchise and Taxicab Regulation						
	Bandit drivers arrested (#)	627	825	900	991	1,045
	Bandit vehicles impounded (#)	626	630	611	916	908
Mass Transit Information Services						
	Shuttle bus transit ridership (# per hour)	38	41	43	39	48
Parking Management and Intersection Control						
	Abandoned vehicles abated (#)	113,588	103,982	61,062	74,270	102,911
	Abandoned vehicles impounded (#)	5,345	4,152	2,966	2,776	2,924
	Citations written (#)	2,489,390	2,659,718	2,654,910	2,522,302	2,461,529
	Citations written per officer per eight-hour shift (#)	20	21	27	33	32
	Crossing guard assignments (#)	524	507	492	492	486
	Hours of intersection control (#)	25,997	23,490	23,730	30,370	27,622
	Peak hour tows and other tows (#)	49,910	39,999	45,921	48,648	41,244
Parking Operations Support and Adjudication						
	Citation reviews completed within 21 days (%)	17	39	73	81	80
	Collection rate of citations issued in the year (%)	78	74	75	72	71
Traffic Control Devices						
	New signals (Traffic and Pedestrian) installed (#)	11	19	32	105	--
	Traffic control signals maintained (%)	35	24	18	24	24
	Traffic signals repaired (#)	10,797	8,832	8,769	8,832	--
Transit Capital Programming						
	Active traffic congestion relief projects (#)	81	79	84	78	59
	Increase in bicycle lane miles (# of miles)	23	41	101	51	17
	Increase in bicycle sharrow miles (# of miles)	8	21	22	21	--
Transit Operations						
	Fixed transit route passenger trips (#)	24,002,045	25,277,284	26,154,372	23,736,486	27,356,994
	Fixed transit routes in service (#)	45	45	45	45	45
	Total transit vehicle passenger trips (#)	24,306,283	25,453,959	26,467,594	23,824,821	27,466,279
Transportation System Engineering						
	Speed humps/tables constructed (#)	--	--	--	38	--
Transportation System Operations						
	Lane markings installed (# of miles)	158	92	122	255	--
	Red curb miles reinstated/installed (#)	334	372	392	470	466
	Signs maintained/replaced (#)	49,029	7,812	43,728	66,556	63,019
	Temporary signs installed/removed (#)	365,068	436,589	471,376	423,759	414,268
	Thermoplastic longline striping installed/reinstated (# of miles)	137	61	151	925	540
Cultural and Recreational Services						
Convention Center						
Convention and Tourism Development						
	Citywide conventions and center events (#)	25	23	24	23	22
	Delegates attending Citywide conventions (#)	320,900	299,274	215,800	291,700	363,000
	Exhibit hall events hosted (#)	156	126	140	137	149
	Repeat events hosted (#)	192	216	284	281	304
Cultural Affairs						
City Arts						
	Art class enrollment (#)	16,000	15,000	14,000	13,500	13,000
	Theater attendance (#)	150,000	150,000	140,000	128,625	115,000
Community Arts						
	Art exhibitions presented (#)	62	65	60	52	27
	Special events/festivals (#)	23	20	17	15	18
Grant						
	Number of participants and audience members at grant-supported programs (#)	3,102,000	3,100,000	3,036,723	2,899,459	--
Performing Arts						
	Music/theatre programs presented (#)	--	--	--	--	--
El Pueblo						
Events						
	Cultural and special events (#) ⁽⁶⁾	73	119	--	--	--
	Special events/festivals held (#) ⁽¹¹⁾	--	--	85	85	89
History and Museums						
	Art exhibitions presented (#) ⁽¹¹⁾	--	--	8	8	6
	Children's art workshops held (#) ⁽¹¹⁾	--	--	105	105	109
	Cultural and historical tours given (#) ⁽¹¹⁾	--	--	1,240	1,098	1,116
	Historic sites maintained (#) ⁽¹¹⁾	--	--	--	--	--
	Museum visitors (#) ⁽⁶⁾	627,301	588,517	--	--	--
	Tours provided to the public (#) ⁽⁶⁾	6,205	11,498	859	936	1,042
	Visitors to educational and cultural programs (#) ⁽¹¹⁾	--	--	476,239	502,268	485,340
Library						

CITY OF LOS ANGELES

Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Department	Program/Indicator	Fiscal Year				
		2010 ⁽²⁾	2009 ⁽¹⁾	2008	2007	2006
Health and Sanitation						
Sanitation						
Clean Water						
	Clean 60,000 pipe reaches as mandated (%)	216	194	200	--	--
Household Refuse Collection Program						
	Tons Collected - Bulky items (# of tons)	33,330	33,146	33,146	33,047	33,038
	Tons Collected - Recyclables (# of tons)	141,314	170,000	206,369	181,215	191,024
	Tons Collected - Recycling contamination (# of tons)	69,976	85,000	87,014	85,614	81,868
	Tons Collected - Refuse (# of tons)	867,113	1,034,429	1,034,429	932,196	955,092
	Tons Collected - Yard trimmings (# of tons)	474,657	555,049	545,467	507,100	503,646
Solid Resources						
	Convert refuse collection fleet to clean fuels (%)	66	61	44	--	--
	Implement LAUSD blue bin recycling program (%) ⁽¹⁰⁾	75	69	54	--	--
	Increase truck fleet conversion to clean fuel (# of trucks)	--	--	--	--	--
	Maintain a baseline 99.5% of all waste sources collected on schedule (%)	99.95	99.95	99.96	99.92	--
Watershed Protection						
	Catch basin cleaning (#)	87,051	115,000	112,300	113,068	123,521
	Clean 90,000 catch basins annually (%)	97	128	125	126	137
Transportation						
Transportation						
Franchise and Taxicab Regulation						
	Bandit drivers arrested (#)	1,036	1,144	1,427	1,116	211
	Bandit vehicles impounded (#)	812	1,061	446	388	193
Mass Transit Information Services						
	Shuttle bus transit ridership (# per hour)	46	47	46	46	48
Parking Management and Intersection Control						
	Abandoned vehicles abated (#)	100,589	116,967	139,325	142,041	122,731
	Abandoned vehicles impounded (#)	3,546	6,972	8,602	8,813	5,577
	Citations written (#)	2,587,925	2,784,351	2,806,712	3,102,611	3,205,565
	Citations written per officer per eight-hour shift (#)	31	30	31	35	37
	Crossing guard assignments (#)	486	486	486	486	501
	Hours of intersection control (#)	42,842	72,618	90,478	79,415	56,837
	Peak hour tows and other tows (#)	44,334	55,057	54,231	8,813	18,359
Parking Operations Support and Adjudication						
	Citation reviews completed within 21 days (%)	80	80	58	--	--
	Collection rate of citations issued in the year (%)	68	68	--	--	--
Traffic Control Devices						
	New signals (Traffic and Pedestrian) installed (#)	--	--	--	--	--
	Traffic control signals maintained (%)	94	90	87	--	--
	Traffic signals repaired (#)	--	--	--	--	--
Transit Capital Programming						
	Active traffic congestion relief projects (#)	45	58	43	--	--
	Increase in bicycle lane miles (# of miles)	10	7	4	--	--
	Increase in bicycle sharrows miles (# of miles)	--	--	--	--	--
Transit Operations						
	Fixed transit route passenger trips (#)	30,368,887	31,675,393	30,533,399	29,808,908	30,630,303
	Fixed transit routes in service (#)	55	56	54	55	55
	Total transit vehicle passenger trips (#)	30,535,921	31,860,898	30,724,278	29,990,787	30,765,034
Transportation System Engineering						
	Speed humps/tables constructed (#)	--	374	382	481	356
Transportation System Operations						
	Lane markings installed (# of miles)	--	--	--	--	--
	Red curb miles reinstated/installed (#)	540	611	523	729	526
	Signs maintained/replaced (#)	89,415	108,032	96,885	116,414	30,000
	Temporary signs installed/removed (#)	347,990	365,389	383,005	360,573	--
	Thermoplastic longline striping installed/reinstated (# of miles)	632	617	717	820	883
Cultural and Recreational Services						
Convention Center						
Convention and Tourism Development						
	Citywide conventions and center events (#)	13	19	--	--	--
	Delegates attending Citywide conventions (#)	167,160	--	--	--	--
	Exhibit hall events hosted (#)	161	161	180	175	130
	Repeat events hosted (#)	297	274	339	279	--
Cultural Affairs						
City Arts						
	Art class enrollment (#)	15,000	16,850	--	--	--
	Theater attendance (#)	121,014	120,000	--	--	--
Community Arts						
	Art exhibitions presented (#)	46	52	70	70	70
	Special events/festivals (#)	30	33	104	104	104
Grant						
	Number of participants and audience members at grant-supported programs (#)	--	--	--	--	--
Performing Arts						
	Music/theatre programs presented (#)	--	--	--	390	400
El Pueblo						
Events						
	Cultural and special events (#) ⁽⁶⁾	--	--	--	--	--
	Special events/festivals held (#) ⁽¹¹⁾	67	55	55	52	40
History and Museums						
	Art exhibitions presented (#) ⁽¹¹⁾	8	10	9	12	10
	Children's art workshops held (#) ⁽¹¹⁾	104	130	130	110	110
	Cultural and historical tours given (#) ⁽¹¹⁾	1,260	1,500	1,450	1,450	1,400
	Historic sites maintained (#) ⁽¹¹⁾	--	--	--	7	7
	Museum visitors (#) ⁽⁶⁾	--	--	--	--	--
	Tours provided to the public (#) ⁽⁶⁾	967	1,000	962	--	--
	Visitors to educational and cultural programs (#) ⁽¹¹⁾	453,576	425,000	396,210	--	--
Library						

CITY OF LOS ANGELES

Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Department	Program/Indicator	Fiscal Year				
		2015	2014	2013	2012	2011 ⁽¹⁾
Public Library Services	Attendance level for cultural programming (#)	371,810	355,211	531,498	332,937	301,387
	Books cataloged (#)	87,649	69,647	48,452	49,495	48,304
	Books received - Volumes (#)	327,908	310,651	264,094	229,719	186,988
	Items circulated (#)	15,800,499	15,086,605	14,983,679	15,337,032	15,144,804
	Number of people visiting library facilities (#)	14,093,505	14,584,162	14,096,741	13,821,289	12,673,629
	Number of volunteers for special programs (#)	7,932	7,091	5,617	4,524	2,964
	Registered borrowers (#)	1,236,890	1,148,250	1,099,165	1,076,578	1,231,764
Recreation and Parks	Advance Planning					
	New parks opened to the public (#)	7	10	8	16	--
Building and Facilities Maintenance	Maintenance job orders completed (#)	26,797	25,672	23,458	20,905	23,601
Educational Exhibits	Observatory attendance (#)	1,264,376	1,155,104	1,033,429	969,479	909,668
Expo Center	Number of visitors to the Expo Center (#)	489,257	448,860	889,000	819,000	--
Museums and Educational	Visitors to museums (excluding Griffith Observatory) (#)	489,257	429,085	310,000	325,000	--
Recreational Opportunities	Aquatics - Attendance for recreational swim (#)	2,648,817	2,951,899	3,255,404	2,696,366	2,635,207
	Aquatics - Pool attendance (#)	1,177,964	1,320,675	1,330,653	1,327,220	1,230,362
	Camps - Camper days (# of days)	70,618	62,427	55,624	56,204	18,900
	Municipal Sports - Number of teams (#)	5,664	6,365	6,484	6,330	5,110
	Municipal Sports - Team sports participants (#)	83,045	90,815	101,916	94,141	72,502
	Occupancy at child care facilities (#)	218	170	94	97	95
	Senior Citizens Services - Number of senior club members (#)	10,584	10,946	12,252	12,393	10,770
	Senior Citizens Services - Sr. Citizens Clubs (#)	99	105	109	109	132
	Youth Services and Intervention Programming - Youth (ages 5-15) in organized sports programs (#)	81,298	66,476	61,876	61,947	55,752
	Number of classes and cultural programs offered (#)	200,951	134,142	--	--	--
Zoo	Admissions					
	Group reservations processed (#)	2,390	2,360	2,542	2,955	1,989
Educational Exhibits	Attendance (#)	1,752,279	1,550,343	1,506,274	1,660,450	1,543,232
Community Development						
Aging	Family Caregiver Services					
	Community education participants (#)	3,327	8,490	7,682	14,820	13,026
	Outreach contacts made for Family Caregiver Services (#)	2,702	10,470	7,835	7,786	10,211
Older Workers	Participants in the Older Workers Program (#)	160	180	149	227	287
	Unsubsidized placements of participants in the Older Workers Program (#)	2	17	9	3	7
Senior Social Services	Congregate meals served (#)	726,865	711,895	768,560	834,063	844,074
	Homebound meals served (#)	740,713	755,480	768,536	756,462	781,553
	Meals served vs. meals contracted (%)	88	89	95	99	98
	Prop A - One-way transportation trips (#)	132,101	131,269	129,354	128,300	134,412
City Planning	Citywide Policy Planning					
	re:code LA citywide zoning codes completed (%) ⁽⁶⁾	25	3	3	--	--
Community Planning	Phase 1 Transit Neighborhood Plans completed (%)	--	65	85	--	--
Historic Resources	Certificate cases completed within 75 days (%)	58	43	71	43	--
	Parcels surveyed in the Historic Resources Survey (#)	--	588,186	145,000	160,000	--
Disability	Crisis intervention (#) ⁽¹¹⁾	--	--	--	--	--
ADA Compliance	Days to respond for interpreter services (#)	2	2	2	2	--
	Sign language and captioning requests processed (#)	397	245	342	294	--
AIDS Coordination	HIV testing and counseling (#)	18,222	37,176	10,000	10,840	--
	Individuals serviced by Prevention Program (#)	28,370	46,877	--	--	--
	Syringes removed (# in millions)	1.66	1.10	1.00	1.00	--
Community Affairs	Clientele (duplicated) served (#)	2,308	1,547	--	--	--
	Clientele (unduplicated) served (#)	571	702	751	685	--
	Constituents served (#)	571	702	800	800	800
	Counseling sessions (#) ⁽¹¹⁾	--	--	80	80	80
Economic and Workforce Development ⁽¹²⁾	Economic Development					
	Businesses established by Business Source (#)	205	221	231	64	182
	Number of new jobs created through business source and lending (#)	1,492	331	--	--	--
Workforce Development	Number of HireLA Youth placed in employment (#)	10,496	6,048	--	--	--
	Number of job training enrollments for adults/dislocated workers (#)	19,253	3,900	4,695	4,218	6,237
	Number of WIOA funded adults placed in jobs (#)	13,500	1,386	--	--	--
Housing and Community Investment ⁽¹³⁾	Code Enforcement					
	Multi-family unit inspected every 4 years (#)	720,000	180,000	179,728	189,771	180,000
	Percent of complaints responded to within 72 hours (%)	95	81	--	--	--
	Periodic unit inspections (#)	164,655	165,928	180,484	178,160	176,908
	Urgent repair referrals (#)	541	656	--	--	--
Compliance Monitoring	Affordable units monitored (#)	46,041	25,061	21,578	20,226	20,684

CITY OF LOS ANGELES

Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Department	Program/Indicator	Fiscal Year				
		2010 ⁽²⁾	2009 ⁽¹⁾	2008	2007	2006
Public Library Services	Attendance level for cultural programming (#)	283,000	282,380	279,560	--	--
	Books cataloged (#)	38,495	53,189	44,609	50,000	50,000
	Books received - Volumes (#)	271,499	320,537	225,389	560,332	175,000
	Items circulated (#)	16,524,292	15,925,000	15,900,000	15,800,000	15,639,485
	Number of people visiting library facilities (#)	16,041,407	16,400,000	16,100,000	16,003,909	14,032,869
	Number of volunteers for special programs (#)	2,800	2,600	2,373	--	--
	Registered borrowers (#)	1,368,354	1,475,000	1,445,000	1,440,000	1,429,345
Recreation and Parks	Advance Planning					
	New parks opened to the public (#)	--	--	--	--	--
Building and Facilities Maintenance	Maintenance job orders completed (#)	--	--	--	--	--
Educational Exhibits	Observatory attendance (#)	902,489	840,151	641,000	415,000	--
Expo Center	Number of visitors to the Expo Center (#)	--	--	--	--	--
Museums and Educational	Visitors to museums (excluding Griffith Observatory) (#)	--	--	--	--	--
Recreational Opportunities	Aquatics - Attendance for recreational swim (#)	3,296,327	2,811,807	2,849,338	--	--
	Aquatics - Pool attendance (#)	1,287,602	1,208,758	1,500,000	1,292,655	1,298,123
	Camps - Camper days (# of days)	34,060	39,513	52,000	50,000	48,454
	Municipal Sports - Number of teams (#)	5,210	5,248	5,000	5,200	5,099
	Municipal Sports - Team sports participants (#)	75,500	76,543	76,000	74,000	76,498
	Occupancy at child care facilities (#)	59	69	68	--	--
	Senior Citizens Services - Number of senior club members (#)	15,800	14,125	13,317	--	--
	Senior Citizens Services - Sr. Citizens Clubs (#)	123	125	175	170	165
	Youth Services and Intervention Programming - Youth (ages 5-15) in organized sports programs (#)	53,422	64,328	76,000	--	--
	Number of classes and cultural programs offered (#)	--	--	--	--	--
Zoo	Admissions					
	Group reservations processed (#)	2,239	2,521	2,585	--	--
Educational Exhibits	Attendance (#)	1,459,080	1,556,162	1,602,171	1,564,674	1,523,469
Community Development						
Aging	Family Caregiver Services					
	Community education participants (#)	13,412	12,012	2,668	3,032	3,537
	Outreach contacts made for Family Caregiver Services (#)	11,637	12,117	14,718	107,787	51,777
	Older Workers					
	Participants in the Older Workers Program (#)	283	196	299	297	174
	Unsubsidized placements of participants in the Older Workers Program (#)	3	16	55	56	44
	Senior Social Services					
	Congregate meals served (#)	845,797	840,605	835,229	859,169	906,858
	Homebound meals served (#)	809,649	791,422	817,630	816,581	845,904
	Meals served vs. meals contracted (%)	98	100	94	--	--
	Prop A - One-way transportation trips (#)	135,057	134,849	142,152	133,807	130,200
City Planning	Citywide Policy Planning					
	re:code LA citywide zoning codes completed (%) ⁽⁶⁾	--	--	--	--	--
	Community Planning					
	Phase 1 Transit Neighborhood Plans completed (%)	--	--	--	--	--
	Historic Resources					
	Certificate cases completed within 75 days (%)	--	--	--	--	--
	Parcels surveyed in the Historic Resources Survey (#)	--	--	--	--	--
Disability	Crisis intervention (#) ⁽¹¹⁾	--	80	80	80	80
ADA Compliance	Days to respond for interpreter services (#)	2	2	2	--	--
	Sign language and captioning requests processed (#)	--	--	--	--	--
AIDS Coordination	HIV testing and counseling (#)	3,000	2,500	2,400	--	--
	Individuals serviced by Prevention Program (#)	--	--	--	--	--
	Syringes removed (# in millions)	--	--	--	--	--
Community Affairs	Clientele (duplicated) served (#)	--	--	--	--	--
	Clientele (unduplicated) served (#)	--	--	--	--	--
	Constituents served (#)	800	1,000	1,000	1,001	720
	Counseling sessions (#) ⁽¹¹⁾	80	100	100	103	100
Economic and Workforce Development ⁽¹²⁾	Economic Development					
	Businesses established by Business Source (#)	--	--	--	--	--
	Number of new jobs created through business source and lending (#)	--	--	--	--	--
Workforce Development	Number of HireLA Youth placed in employment (#)	--	--	--	--	--
	Number of job training enrollments for adults/dislocated workers (#)	--	--	--	--	--
	Number of WIOA funded adults placed in jobs (#)	--	--	--	--	--
Housing and Community Investment ⁽¹³⁾	Code Enforcement					
	Multi-family unit inspected every 4 years (#)	183,741	183,741	--	--	--
	Percent of complaints responded to within 72 hours (%)	--	--	--	--	--
	Periodic unit inspections (#)	189,611	180,776	192,316	213,224	152,106
	Urgent repair referrals (#)	--	564	564	497	650
Compliance Monitoring	Affordable units monitored (#)	15,121	18,000	18,000	17,476	17,000

CITY OF LOS ANGELES

Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Department	Program/Indicator	Fiscal Year				
		2015	2014	2013	2012	2011 ⁽¹⁾
Finance & Development	Percent of REAP cases closed due to resolving habitability violations versus number of REAP cases opened (%)	167	162	--	--	--
	Number of new funded transit oriented development housing units (#)	526	828	--	--	--
Homeownership and Preservation	Number of health hazard housing units remediated (# housing units) ⁽⁶⁾	--	129	105	--	--
	Number of housing units made lead safe (# housing units)	84	114	121	195	41
Housing Preservation and Production	Low income units financed by GAP under the Homeownership Program (#)	88	91	--	--	--
	Residential units preserved under the Housing Rehabilitation Program (#)	--	--	--	--	--
Rent	Units financed by MRB under the Homeownership Program (#)	--	--	--	--	--
	Percent of complaints resolved within 120 days (%)	80	88	--	--	--
Strategic Planning & Policy Development	Rent adjustments processed (#)	476	381	--	--	--
	Rental units registered (#)	528,395	530,894	529,106	531,603	531,999
Strategic Planning & Policy Development	Tenant complaints processed (#)	6,248	5,874	5,780	5,426	6,408
	Number of housing units contacted that are at risk of losing their affordability restrictions (#)	842	344	--	--	--

CITY OF LOS ANGELES

**Operating Indicators by Function/Program
Last Ten Fiscal Years**

Function/Department	Program/Indicator	Fiscal Year				
		2010 ⁽²⁾	2009 ⁽¹⁾	2008	2007	2006
Finance & Development	Percent of REAP cases closed due to resolving habitability violations versus number of REAP cases opened (%)	--	--	--	--	--
	Number of new funded transit oriented development housing units (#)	--	--	--	--	--
Homeownership and Preservation	Number of health hazard housing units remediated (# housing units) ⁽⁶⁾	--	--	--	--	--
	Number of housing units made lead safe (# housing units)	80	138	135	--	--
Housing Preservation and Production	Low income units financed by GAP under the Homeownership Program (#)	--	57	133	120	125
	Residential units preserved under the Housing Rehabilitation Program (#)	--	29	29	55	310
Rent	Units financed by MRB under the Homeownership Program (#)	--	--	--	95	120
	Percent of complaints resolved within 120 days (%)	--	--	--	--	--
Strategic Planning & Policy Development	Rent adjustments processed (#)	--	550	525	575	550
	Rental units registered (#)	532,691	518,000	518,000	518,658	600,000
Strategic Planning & Policy Development	Tenant complaints processed (#)	5,632	8,900	8,100	7,404	8,000
	Number of housing units contacted that are at risk of losing their affordability restrictions (#)	--	--	--	--	--

CITY OF LOS ANGELES

Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Department	Program/Indicator	Fiscal Year				
		2015	2014	2013	2012	2011 ⁽¹⁾
Business-Type Activities						
Airports						
	Air cargo (# in thousand tons)	2,588	2,393	2,400	2,366	2,296
	Aircraft movements (# in thousands)	944	974	939	976	989
	Passengers (# in millions)	76.20	72.80	69.00	67.00	65.00
Harbor						
	Containerized cargo volume (# in millions of TEUs)	8	8	8	8	8
	Cruise passengers (#)	578,902	541,418	355,875	515,827	667,434
	Inbound tonnage (# in millions tons)	103	99	93	98	94
	Miles of waterfront (#)	43	43	43	43	43
	Outbound tonnage (# in millions tons)	75	74	72	75	68
	Vessel arrivals (#)	1,846	2,196	2,089	2,100	2,236
Power						
	Cumulative Feed in Tariff (FIT) installations (# of kilowatts)	7,532	800	--	--	--
	Customers- number (# in thousands)	1,493	1,503	1,479	1,471	1,461
	Energy production (# of kwh in billions)	27	27	27	28	27
	Kilowatt hours of power from energy efficiency (# of kilowatt hours)	1,481,336,413	1,453,801,907	--	--	--
	Kilowatt hours sold (# of hours in billions)	25	26	26	25	25
	Net system capability (# of megawatts)	8	8	8	7	7
	Power poles replaced, installed and reinforced (#)	2,393	1,599	1,135	1,813	2,211
	Solar Incentive Program (SIP) cumulative capacity (# of kilowatts)	135,620.00	108,465.50	79,604.89	55,099.47	36,180.88
	Solar Incentive Program (SIP) installed capacity (# of kilowatts)	27,250.00	28,860.61	24,505.42	18,918.59	13,517.51
	System Average Interruption Duration Index - SAIDI (# of minutes per customer)	85.34	61.69	71.85	189.51	114.60
	System Average Interruption Frequency Index - SAIFI (# of interruptions per customer)	0.70	0.48	0.48	0.90	0.80
Wastewater						
	DCT wastewater treatment (# in MGD)	34	35	57	57	52
	DCT water recycled (# in MGD) ⁽¹⁴⁾	34	29	28	28	32
	HTP wastewater recycled (# in MGD) ⁽¹⁴⁾	50	47	35	28	26
	HTP wastewater treatment (# in MGD)	263	279	305	305	297
	LAG wastewater treatment (# in MGD)	14	15	20	20	20
	LAG water recycled (# in MGD) ⁽¹⁴⁾	14	5	5	5	8
	Maintain 3-yr rolling average of 60 miles of renewing sewers (%)	33	105	100	100	100
	TITP wastewater recycled (# in MGD) ⁽¹⁴⁾	5	4	4	1	2
	TITP wastewater treatment (# in MGD)	16	15	16	16	15
	WCSD sewer cleaning - miles of sewers cleaned	6,928	6,614	6,750	6,750	6,093
Water						
	Percentage of DWP water sourced from local groundwater (% of DWP Water)	17.7	11.5	10.1	11.2	9.3
	Recycled water use (# of acre feet)	10,097	10,536	7,480	6,953	--
	Cumulative miles of water main replaced (# of miles)	174	154	131	102	85
	Customers - number (# in thousands)	676	679	676	674	667
	Gallons sold (# of gallons in billions)	162	177	178	170	169
	Net water supply (# of gallons in billions)	178	191	183	177	169
	Water main breaks (# of breaks)	1,241	1,146	1,148	1,319	1,237
	Water purchased from MWD (% of total water supply)	70.70	76.30	68.60	38.50	31.30

CITY OF LOS ANGELES

**Operating Indicators by Function/Program
Last Ten Fiscal Years**

Function/Department	Program/Indicator	Fiscal Year				
		2010 ⁽²⁾	2009 ⁽¹⁾	2008	2007	2006
Business-Type Activities						
Airports						
	Air cargo (# in thousand tons)	2,242	2,018	2,519	2,631	2,677
	Aircraft movements (# in thousands)	1,025	1,049	1,249	1,225	1,220
	Passengers (# in millions)	63	62	69	69	69
Harbor						
	Containerized cargo volume (# in millions of TEUs)	7	8	8	8	8
	Cruise passengers (#)	802,899	990,965	1,191,449	1,194,984	1,205,947
	Inbound tonnage (# in millions tons)	88	94	105	118	113
	Miles of waterfront (#)	43	43	43	43	43
	Outbound tonnage (# in millions tons)	67	66	65	72	69
	Vessel arrivals (#)	2,124	2,322	2,467	2,920	2,771
Power						
	Cumulative Feed in Tariff (FIT) installations (# of kilowatts)	--	--	--	--	--
	Customers- number (# in thousands)	1,447	1,452	1,446	1,448	1,445
	Energy production (# of kwh in billions)	28	29	29	28	30
	Kilowatt hours of power from energy efficiency (# of kilowatt hours)	--	--	--	--	--
	Kilowatt hours sold (# of hours in billions)	26	25	26	26	26
	Net system capability (# of megawatts)	7	7	7	7	7
	Power poles replaced, installed and reinforced (#)	3,113	2,745	--	--	--
	Solar Incentive Program (SIP) cumulative capacity (# of kilowatts)	22,663	17,248	12,549	10,471	--
	Solar Incentive Program (SIP) installed capacity (# of kilowatts)	4,650	4,699	2,078	--	--
	System Average Interruption Duration Index - SAIDI (# of minutes per customer)	121	78	122	--	--
	System Average Interruption Frequency Index - SAIFI (# of interruptions per customer)	0.84	0.69	0.79	--	--
Wastewater						
	DCT wastewater treatment (# in MGD)	52	65	62	54	49
	DCT water recycled (# in MGD) ⁽¹⁴⁾	34	32	30	25	25
	HTP wastewater recycled (# in MGD) ⁽¹⁴⁾	35	35	35	32	23
	HTP wastewater treatment (# in MGD)	305	350	350	342	337
	LAG wastewater treatment (# in MGD)	20	20	20	21	13
	LAG water recycled (# in MGD) ⁽¹⁴⁾	8	6	6	4	4
	Maintain 3-yr rolling average of 60 miles of renewing sewers (%)	100	129	--	--	--
	TITP wastewater recycled (# in MGD) ⁽¹⁴⁾	4	5	4	3	1
	TITP wastewater treatment (# in MGD)	16	16	16	16	16
	WCSD sewer cleaning - miles of sewers cleaned (# of miles)	5,903	5,000	4,981	4,930	4,797
Water						
	Percentage of DWP water sourced from local groundwater (% of DWP Water)	14.20	10.10	11.30	13.90	--
	Recycled water use (# of acre feet)	--	--	--	--	--
	Cumulative miles of water main replaced (# of miles)	63	47	29	14	--
	Customers - number (# in thousands)	659	666	666	667	670
	Gallons sold (# of gallons in billions)	166	189	199	207	194
	Net water supply (# of gallons in billions)	173	197	210	216	203
	Water main breaks (# of breaks)	1,453	1,422	1,363	2,031	--
	Water purchased from MWD (% of total water supply)	47.70	70.90	64.70	43.80	--

Notes:

- ⁽¹⁾ Fiscal year 2009 figures are based on actual and estimates; fiscal year 2011 figures are based on departmental reports.
- ⁽²⁾ Fiscal year 2010 figures are based on estimates.
- ⁽³⁾ Data for fiscal year 2011 and 2012 were not available.
- ⁽⁴⁾ Program was transferred to Bureau of Sanitation in fiscal year 2009.
- ⁽⁵⁾ The 3-1-1 Call Center Operations, which provides assistance on routine and non-emergency City services, began operations in November 2002.
- ⁽⁶⁾ Fiscal year 2014 figure adjusted to correct total based on updated data.
- ⁽⁷⁾ This indicator was formerly "Animals Rescued".
- ⁽⁸⁾ Department is developing a new indicator.
- ⁽⁹⁾ Function no longer performed by City forces.
- ⁽¹⁰⁾ Completed in 2014.
- ⁽¹¹⁾ Indicator no longer tracked.
- ⁽¹²⁾ Department name changed from Community Development in fiscal year 2014.
- ⁽¹³⁾ Department name changed from Housing in fiscal year 2014.
- Data not available or no longer reported.

Sources: Various departments.

CITY OF LOS ANGELES

**Capital Assets Information
Governmental Activities
Last Ten Fiscal Years**

Function/Asset	Fiscal Year				
	2015	2014	2013	2012	2011
General Government					
Fiber optic cabling (fiber miles) ⁽¹⁾	150	150	150	150	150
Protection of Persons and Property					
Animal shelters	6	6	6	6	6
Fire apparatus ⁽⁴⁾	377	367	367	337	336
Fire stations	106	106	106	106	106
Patrol units	1,374	1,374	1,374	1,374	1,374
Police stations	28	28	29	29	29
Police training centers	3	3	3	3	3
Public Works					
Bridges	517	517	514	508	508
Street lights	210,662	209,397	207,384	206,757	204,750
Streets (centerline miles)	6,500	6,500	6,500	6,500	6,500
Health and Sanitation					
Refuse collection trucks	698	701	750	750	732
Refuse yards	7	7	7	7	7
Transportation					
Automated traffic signal and control systems	57	50	48	48	48
Bike paths (miles)	14	14	14	13	13
Commuter buses	387	385	371	361	407
Traffic signals	4,683	4,677	4,657	4,625	4,607
Cultural and Recreational Services					
Acres of beach land	232	232	232	232	232
Acres park land including beaches	16,152	16,149	16,001	15,865	15,717
Archery ranges	3	3	3	3	3
Baseball/softball diamonds	256	256	256	256	256
Children's play areas	387	387	383	368	368
Dog parks	9	9	9	9	9
Golf courses	13	13	13	13	13
Hiking trails (miles)	92	92	92	92	92
Historical sites	11	11	11	11	11
Horticulture centers	6	6	6	6	6
Indoor gyms	95	95	95	95	95
Lakes	13	13	13	11	11
Libraries	73	73	73	73	73
Licensed child-care centers	3	2	2	2	2
Museums	12	12	12	12	12
Park sites	444	442	435	427	427
Pools	62	62	62	61	61
Recreational centers	184	184	184	184	184
Regional parks	5	5	5	5	5
Residential camps	9	9	9	7	7
Senior citizen centers	31	35	31	31	31
Skate parks	26	28	21	18	9
Tennis courts	321	321	321	321	321
Therapeutic centers	--	--	--	--	--
Wedding sites	19	19	19	19	12

CITY OF LOS ANGELES

**Capital Assets Information
Governmental Activities
Last Ten Fiscal Years**

Function/Asset	Fiscal Year				
	2010	2009	2008	2007	2006
General Government					
Fiber optic cabling (fiber miles) ⁽¹⁾	150	3,426	9,876	9,870	9,870
Protection of Persons and Property					
Animal shelters	6	6	6	6	6
Fire apparatus ⁽⁴⁾	362	362	360	360	360
Fire stations	106	106	105	104	103
Patrol units	1,374	1,374	1,374	1,374	1,276
Police stations	28	26	25	21	21
Police training centers	3	3	3	3	3
Public Works					
Bridges	508	509	507	507	533
Street lights	204,000	207,000	206,000	231,402	221,113
Streets (centerline miles)	6,500	6,500	6,500	6,500	6,489
Health and Sanitation					
Refuse collection trucks	742	744	744	725	705
Refuse yards	7	7	7	7	7
Transportation					
Automated traffic signal and control systems	48	48	46	41	46
Bike paths (miles)	13	12	12	12	14
Commuter buses	450	468	440	488	535
Traffic signals	4,589	4,530	4,515	4,506	4,555
Cultural and Recreational Services					
Acres of beach land	232	232	232	232	232
Acres park land including beaches	15,717	15,786	15,710	15,944	15,822
Archery ranges	3	3	3	3	3
Baseball/softball diamonds	256	256	256	255	253
Children's play areas	368	368	368	377	377
Dog parks	9	9	9	9	9
Golf courses	13	13	13	13	13
Hiking trails (miles)	92	92	92	92	92
Historical sites	11	11	11	11	11
Horticulture centers	6	6	6	6	6
Indoor gyms	95	95	95	95	95
Lakes	11	11	11	9	9
Libraries	73	72	72	72	72
Licensed child-care centers	2	26	26	26	25
Museums	12	12	12	7	7
Park sites	427	417	404	398	397
Pools	61	60	60	60	60
Recreational centers	184	183	183	181	180
Regional parks	5	5	5	5	5
Residential camps	7	7	7	7	7
Senior citizen centers	31	31	31	30	30
Skate parks	9	9	9	7	7
Tennis courts	321	321	321	287	287
Therapeutic centers	3	3	3	3	3
Wedding sites	12	12	12	12	12

CITY OF LOS ANGELES

**Capital Assets Information
Business-Type Activities
Last Ten Fiscal Years**

Function/Asset	Fiscal Year				
	2015	2014	2013	2012	2011
Airports					
Number of airports ⁽²⁾	3	3	3	4	4
Harbor					
Number of cargo terminals	23	23	24	24	24
Number of major container terminals	8	8	8	8	8
Power					
Generating units ⁽³⁾	241	242	242	235	235
Overhead distribution lines (miles)	10,288	10,213	10,220	10,220	10,186
Transmission lines (miles)	3,632	3,632	3,632	3,626	3,626
Underground distribution lines (miles)	3,677	3,608	3,561	3,594	3,547
Wastewater					
Sanitary sewers (miles)	6,700	6,700	6,700	6,700	6,700
Storm drain pipe mainline (miles)	1,272	1,260	1,244	1,200	1,200
Water					
Aqueduct (miles)	472	472	472	472	472
Distribution pipe (miles)	7,270	7,263	7,246	7,225	7,221
Number of storage reservoirs and tanks	120	114	114	114	114
Service connections	704,176	696,989	702,485	701,644	719,154

CITY OF LOS ANGELES

**Capital Assets Information
Business-Type Activities
Last Ten Fiscal Years**

Function/Asset	Fiscal Year				
	2010	2009	2008	2007	2006
Airports					
Number of airports ⁽²⁾	4	4	4	4	4
Harbor					
Number of cargo terminals	24	25	25	25	27
Number of major container terminals	8	8	8	8	8
Power					
Generating units ⁽³⁾	51	50	51	50	67
Overhead distribution lines (miles)	10,140	8,782	6,947	6,954	7,268
Transmission lines (miles)	3,631	3,631	3,643	3,643	3,643
Underground distribution lines (miles)	3,505	3,235	6,095	6,061	6,115
Wastewater					
Sanitary sewers (miles)	6,500	6,500	6,550	6,500	6,500
Storm drain pipe mainline (miles)	1,200	1,200	1,200	1,000	1,000
Water					
Aqueduct (miles)	390	367	367	340	571
Distribution pipe (miles)	7,273	7,248	7,227	7,229	7,137
Number of storage reservoirs and tanks	106	114	104	108	107
Service connections	718,511	716,919	715,430	712,184	709,988

⁽¹⁾ By fiscal year 2010, DWP took over possession, management and control over majority of the assets.

⁽²⁾ Airports operates LAX, ONT, and VNY.

⁽³⁾ Data changed to Department-owned generating units beginning fiscal year 2007. The increase in generating units is due to renewables.

⁽⁴⁾ "Fire trucks" renamed to "fire apparatus."

Source: City departments

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