CITY OF LOS ANGELES

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2013

RON | GALPERIN
Los Angeles City Controller

www.controller.lacity.org

City of Los Angeles California

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2013

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

CITY OF LOS ANGELES
CALIFORNIA

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INTRODUCTORY SECTION

RON GALPERIN
CONTROLLER

February 26, 2014

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, 2013, in accordance with Section 216 of the City Charter. The CAFR is prepared in conformity with generally accepted accounting principles (GAAP) for governmental units and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

Simpson & Simpson, a firm of independent certified public accountants, audited the City's financial statements. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements as of, and for, the fiscal year ended June 30, 2013 are fairly presented in conformity with GAAP. 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 Circular A-133, *"Audits of States, Local Governments, and Non-Profit Organizations."* Information related to this Single Audit is issued in a separate report.

Letter of Transmittal

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). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. 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, 2012. This was the eighteenth 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,

RON GALPERIN
Los Angeles City Controller

The Comprehensive Annual Financial Report (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 discussion and analysis, the basic financial statements, required supplementary information, the combining and individual fund statements, and the budgetary comparison schedule.
- Statistical - provides a history of selected financial, operational and demographic information.

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' (the City) fiscal health, keep the City's official financial records, and supervise expenditures of the City.

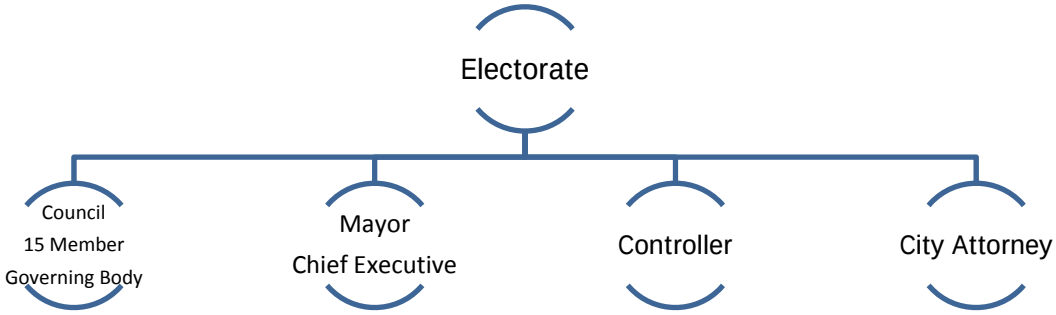
I. CITY PROFILE

A. 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, 2013 population of 3,863,839. 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's financial reporting entity consists of 39 departments, bureaus, commissions and offices, and three pension systems governed by the City Charter. 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 and other public works functions; enforcement of ordinances and statutes relating to building safety; public libraries; recreation and parks; economic and workforce 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.

B. Local Economy

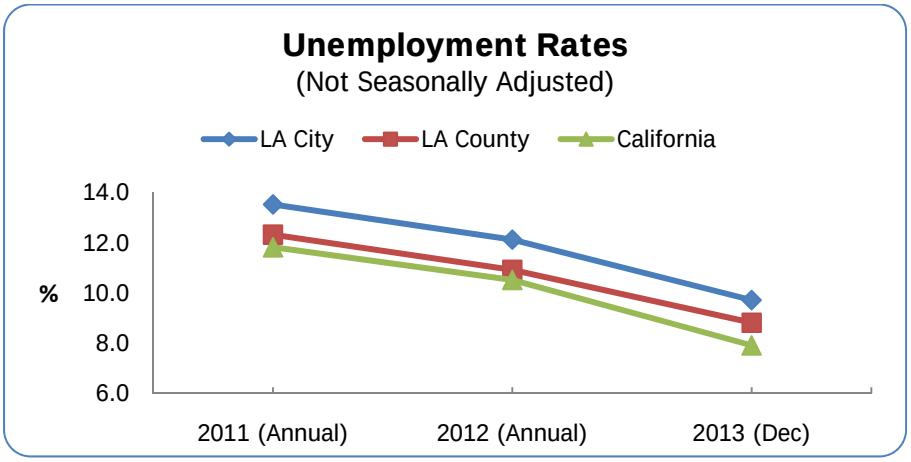
The City, together with the metropolitan region, have continued to experience growth in population and in economic diversity. Major industries that significantly contribute to local employment include international and wholesale trade, construction, real estate, logistics, tourism and hospitality, higher education, professional and business services. The entertainment industry, such as recording, gaming, television and motion picture, is also a major source of employment and a leading producer of content for various media outlets. 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 the Pacific Rim countries,

the Port of Los Angeles is one of the world's largest and busiest ports, handling the largest volume of containerized cargo of all U.S. ports and ranked number one in cargo value for U.S. waterborne foreign traffic. Los Angeles International Airport (LAX) is ranked third and sixth busiest in the country and the world, respectively. LAX ranked fifth in the U.S. for air cargo tonnage processed. With world class cultural facilities and a gateway to international trade, the City serves as a principal global commercial and cultural hub in the nation.

1. Recent Trends and Forecasts

a) Employment

As of December 2013, the California Employment Development Department's not seasonally adjusted City of Los Angeles preliminary unemployment rate was 9.7%, down from 12.1% in 2012, and 13.5% in 2011. Similarly, the not seasonally adjusted Los Angeles County preliminary unemployment rate was 8.8%, down from 10.9% in 2012, and 12.3% in 2011. The December 2013 State preliminary unemployment rate was 7.9%.



In its April 2013 Los Angeles Regional Outlook, Beacon Economics (Beacon) forecasted total nonfarm employment in Los Angeles County to grow by 1.6% throughout calendar year 2014, with total nonfarm employment to reach 4 million workers by the third quarter of calendar year 2014, and by the end of calendar year 2018, to increase 400,000 above current levels. Job growth is expected to remain solid in professional and business services with a 3.4% increase year-over-year in the first quarter of calendar year 2015, to grow from 578,000 to 650,000 by the second quarter of calendar year 2017. The pace of employment in the construction sector is projected to go up by 8.6% in the first quarter of calendar year 2014 and by 5.0% in the first quarter of calendar year 2015, before leveling off to

3.7% by the first quarter of calendar year 2018. Beacon forecasted that the unemployment rate would drop below 9.0% in late calendar year 2014.

Beacon's November and December 2013 Los Angeles Regional Outlook reported growth in the construction, manufacturing, leisure and hospitality, and administrative support sectors over calendar year 2012. The job gains reflected the strong housing market and continued demand for multi-family housing, as well as improvement in domestic and international tourism in the region.

The Los Angeles County Economic Development Corporation (LAEDC)'s 2013-14 Mid-Year Economic Forecast and Industry Outlook projected that the Los Angeles County unemployment rate would be 9.1% in calendar year 2014. The largest employment growth projected was in leisure and hospitality, health services, professional, scientific and technical, and construction, with losses in the wholesale trade and manufacturing sectors. Total nonfarm employment is anticipated to grow by 1.3% in 2014; it may be calendar year 2015 or 2016 before employment exceeds the 2007 pre-recession level peak of 4.12 million.

b) Income and Spending

Total personal income growth and taxable retail sales are projected to increase by 4.9% and 3.8%, respectively, in calendar year 2014, according to LAEDC.

In Beacon's November 2013 Los Angeles Regional Outlook, business and consumer spending increased as evidenced by a 1.3% taxable sales increase over the previous quarter, which was slightly lower than the State's 1.8% quarterly growth in taxable sales. Sales in the restaurant and hotel sector grew 6.6% from the previous quarter, driven largely by the increased tourism and recreation activity. Spending in consumer related categories such as general consumer goods as well as food and drugs posted growth of 4.9% and 4.2% year-over-year, respectively. Growth in these categories is significant as they make up 30% of the goods and services sales that are subject to sales and use tax. Beacon forecasted continued growth for taxable sales in the 4% to 5% range annually over the next five years.

c) Real Estate

With property tax and other property related receipts as the largest General Fund revenue source, a strong and stable housing market is critical to the City's financial health. The Los Angeles County

Assessor's estimated increase of 5.1% in the City's secured assessed valuation for property tax year 2013 reflects positive growth for the City's property tax receipts. Standard and Poor's (S&P)/Case-Shiller Home Price Indices, a leading measure of U.S. home prices, showed October 2013 year-over-year gains of 22.1% for the Los Angeles metropolitan area. However, a smaller monthly 0.9% increase from September to October indicates that double-digit increases may be flattening. The Federal Reserve taper is expected to result in higher mortgage interest rates. S&P reported that most forecasts for home prices point to single digit growth in the next year. An 11.3% downshift in year-over-year home sales volume for Los Angeles took place in November 2013. Dataquick attributed the decline in part to pullback by investors and cash buyers, inventory of homes for sales short of demand, and higher home purchases. It anticipates that a surge in inventory in the spring, as more homeowners cash in on higher values, would less likely result in large gains in home prices.

Meanwhile, commercial real estate analyst Daum Commercial Real Estate Services (Daum) Third Quarter Outlook sees continuing improvement in Los Angeles County office and industrial real estate markets. The investment and sale market for office buildings in Los Angeles County continue to strengthen as the total dollar sales volume in calendar year 2013 recorded its third highest total during the past ten years. Rents edged up 2.9% year-over-year, and vacancy rates decreased to 16.8%. Daum expects some improvement for the office market as job growth continues, vacancy levels trend lower, and rents increase 2.0% to 5.0% in calendar year 2014. Likewise, median prices for industrial real estate grew by 4.9% from calendar year 2012, as supply of sale inventory remains very low. Vacancy rates decreased to 4.7% and average asking rents increased 3.6% year-over-year. Daum projects industrial market activity levels, rents and sale prices to trend higher in calendar year 2014.

2. Major Projects

Various major projects in the construction stage, permitting pipeline or planning stage are anticipated to create multiplying effects of job creation, business investments, and consumer spending.

a) Mixed-Use

- The $95 million Blossom Plaza in Chinatown, featuring 240 apartments and 20,000 square feet of retail between Broadway and the Metro Gold Line, is slated to open in calendar year 2015.

- The City Market is a planned transformation of ten acres of mostly unused produce warehouses into a $1 billion hub of housing, office space and a college campus, including a 210 unit hotel to house the wholesale Fashion District's visitors.

- Related Cos. recently announced that architect Frank Gehry is back on the proposed Grand Avenue project. The preliminary design for the $650 million development, as approved by the Los Angeles County Board of Supervisors, will rise across Walt Disney Concert Hall, showcasing two towers, one residential and another hotel with a central plaza for commercial use.

- City leaders signed the development agreement for USC Village, a $1 billion complex that will include student housing, retail and commercial space, hotel, and park, is described as the largest economic development project in South Los Angeles' history. It will be built in phases over the next 16 years.

b) Residential

- Several large scale residential complexes, such as the $245 million G12 and $1 billion Mack Urban projects, which represent over 2,100 new residential units, are on the drawing board as downtown Los Angeles attracts new residents.

- Two housing projects in Skid Row, the Gateways and Star apartments, will provide affordable housing options, with the County Department of Health Services to provide medical services in the latter.

c) Public Projects

- A $400 million federal courthouse totaling approximately 600,000 square feet in downtown is expected to be completed in calendar year 2016.

- Los Angeles World Airports' five-year capital improvement project is anticipated to cost $4 billion from fiscal year 2014 through 2018. The major capital improvement projects include completion of the Bradley West International Terminal Project, LAX Terminal 4 Connector, various improvements to LAX, including existing terminals, Taxiway T Construction, Midfield Satellite Concourse, and LAX and Ontario runway safety area improvements.

- The Metro Regional Connector Project is a $1.4 billion, 1.9 mile alignment connecting the Metro Gold Line to the 7th Street/Metro Center Station in downtown Los Angeles, allowing passengers to transfer to Blue, Expo, Red and Purple lines, bypassing Union Station and is estimated to open in 2020.

- Los Angeles Harbor is undertaking multiple capital improvement projects including: $99.3 million for improvements at TraPac terminal; $41.5 million for the expansion of China Shipping Container Terminal; $95.8 million for Alternative Maritime Power at five container terminals; $60.2 million for the construction of the Berth 200 Rail Yard project; and $20.1 million for construction of a new waterfront promenade, plaza, and town square.

d) Trade and International Investments

As a gateway to the Pacific Rim, Los Angeles is a major draw for international investors and trade.

- The Shanghai Greenland Group Co. has purchased the Metropolis, a proposed 6.5 acre $1 billion mega-project hotel, residential and office complex located downtown, with the first phase to open in calendar year 2016.

- Oceanwide Real Estate Group announced its first foray into the U.S. property development business with Fig Central in downtown, a $200 million high-end, mixed use complex to house a five-star hotel, apartments and retail space which has been approved by the City.

- The Southern California International Gateway Project is a near-dock intermodal rail facility proposed by Burlington Northern Santa Fe Railway (BNSF) that would be located on Los Angeles Harbor property. This facility will increase intermodal capacity and overall rail usage.

3. Tourism

One of the bright spots in the Los Angeles economy has been the tourism and hospitality industry. Calendar year 2013 was another record breaking year for tourism in Los Angeles County, with 42.2 million visitors, a 2.0% increase over calendar year 2012. Hotel occupancy rose to 76.8% in calendar year 2013, up from 75.4% the year before. International visitors, a group that studies show tends to spend more, grew 2.6% to 6.2 million, continuing Los Angeles' status as a global tourist destination. The $172 million 174-room Marriott Tower hotel is anticipated to open and the $200 million 450-room Renaissance Hotel is

scheduled to break ground in calendar year 2014 in downtown Los Angeles. Future facilities and events will further Los Angeles' reputation as a major tourist attraction and continue to draw people.

- The $140 million, 120,000 square foot museum, The Broad, is scheduled to open in calendar year 2015 and will be home to the nearly 2,000 piece contemporary works of art in The Broad Art Foundation and Eli Broad's personal collections.

- The largest sporting event to be held in Los Angeles since the 1984 Summer Olympics, the 2015 Special Olympics World Summer Games, will bring an estimated 7,000 athletes from 170 countries, 30,000 volunteers, 500,000 spectators, and an estimated $415 million to the City's economy.

- Formula E, the world's first fully electric car race series to be held around the globe in 10 cities, includes a stop in Los Angeles in calendar year 2015.

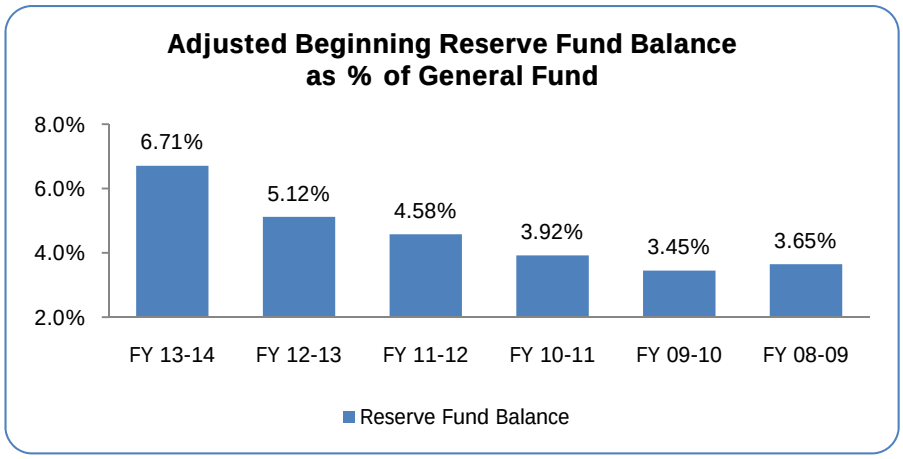
II. FINANCIAL PLANNING AND POLICIES

Financial planning and policies have been important tools in navigating the economic downturn and in ensuring financial sustainability moving forward.

A. Budgetary Actions

For the past several years, the City has implemented budgetary measures seeking to address a structural deficit that resulted from declining or weak revenue coupled with increased ongoing costs.

The fiscal year 2014 Budget Outlook prepared by the City Administrative Officer improved as the economy strengthened and overall General Fund revenue grew by 4.3% over the prior year. Fiscal conditions have allowed the City to strengthen its own financial position, and to renew its infrastructure investments, as well as to enhance certain services. When the Controller closed the City's fiscal year 2013 books, it reported a Reserve Fund cash balance that is 6.7% of the General Fund budget, a seven-year high, and $69.5 million in the Budget Stabilization Fund.



Contributing budgetary actions have included austerity measures, operational efficiencies, sustainable workforce measures and revenue enhancements. Below are some actions taken by the City in an effort to reduce expense and increase revenue.

1. Austerity Measures

- Suspended General Fund capital projects;
- Froze travel, equipment and furniture purchases;
- Reduced City fleet, cellular plan expenses, and water and electricity usage.

2. Operational Efficiencies

- Eliminated selected non-core functions and departments;
- Replaced and upgraded parking meters to improve parking congestion and revenue collection;
- Adopted a Management Agreement with a private operator for the operation of its Convention Center;
- Consolidated the Human Resources function for certain departments within the Personnel Department.

3. Sustainable Workforce Measures

- Required employees to contribute 2.0% to 4.0% (from zero) of their pay for retiree health benefits, and a subsidy freeze for non-participants, resulting in over $76 million in employee retirement health contributions in fiscal year 2013;
- Reduced salary for new sworn police by 20%;
- Increased medical benefit contributions for certain bargaining units;
- Instituted pension reforms such as a new Tier 2 for new civilian employees and a new Tier 6 for police and fire officers;

- Prioritized and controlled employee hiring through a Managed Hiring process;
- Reduced authorized positions in Council controlled departments by approximately 5,000 since fiscal year 2008;
- Imposed unpaid days off or furloughs.

4. Revenue Enhancements

- Transferred surpluses from various special funds;
- Reimbursed prior year General Fund costs incurred by special funds;
- Implemented a Business Tax Amnesty program to promote payment of uncollected taxes;
- Increased City fees such as zoo admissions, public right-of-way inspection fees, and the peak hours compliance fee;
- Instructed City departments to review revenue generating, cost saving, and/or cost recovery initiatives identified by the Commission of Revenue Efficiency (CORE), the Controller and the Inspector General for City-wide Collections.

B. Policy

During fiscal year 2013, the City adopted new provisions in the City's Financial Policies related to the Budget Stabilization Fund and General Fund encumbrances.

1. Budget Stabilization Fund Policy

During fiscal year 2013, the City adopted a policy and instructed the City Attorney to prepare an ordinance for its Budget Stabilization Fund (BSF) or "rainy day" fund. The policy completed implementation of the voter approved Charter Amendment P which codified the establishment of the Contingency Reserve Account and Emergency Account within the Reserve Fund, and also established the BSF in the City Treasury. The purpose of the BSF is to set aside revenues during periods of robust economic growth or when revenue projections are exceeded to help smooth out years when revenue is stagnant or is on decline.

2. General Fund Encumbrance Policy

The General Fund encumbrance policy states that as a general rule, encumbrances that remain unspent for a period longer than one fiscal year shall revert to their funding sources, following a specified phased-in schedule for those held prior to fiscal year 2013 and older. Funds may be reappropriated if one of the following conditions are met: goods or services have been delivered or provided but not paid; contingent liability exists such as unsettled disputed claims,

uncompleted contracts, or judgments under appeal; or, a legislative appropriation for a specific project which cannot be completed within the allowable time frame.

3. Other Policies

Beginning fiscal year 2014, the Los Angeles Civilian Employees Retirement System (LACERS) Board adopted a contribution true-up (true-up) mechanism based on actual covered payroll for both Tier 1 and Tier 2 benefits. The annual City contribution to LACERS is based on total budgeted payroll and the actuarially determined contribution rate. The true-up was adopted to account for Tier 2 which requires cost sharing of the Normal Cost and the Unfunded Actuarial Accrued Liability (UAAL) between the City and Tier 2 members. Unlike Tier 1 members, Tier 2 members will contribute an actuarially-determined rate to fund 75% of Normal Cost and 50% of UAAL. An adjustment, if necessary, would be made to the City's contribution the following fiscal year.

III. MAJOR INITIATIVES

A. Citywide Initiatives

The City has pursued various initiatives in the following focus areas: jobs and economic development, mobility and communities, public safety, and environment.

1. Jobs and Economic Development

a) The City consolidated the City's various economic development initiatives, such as business and industry services, small businesses service, and workforce development, in the new Economic and Workforce Development Department to improve business growth, job creation and expand the local tax base. The new department will also centralize the distribution of federal and state economic development resources, as well as oversee the creation of a new citywide economic development non-profit.

b) The City is considering new development reforms to streamline approval of real estate projects. City leaders have commissioned a consultant study to provide options that would improve the development process, including: best practices of other large municipalities; a cost benefit analysis; pros and cons of consolidation; other viable realignment options; and, an implementation timeline.

c) A priority of City leaders is to attract high technology companies and start-ups to Los Angeles with the City's Venice and Playa Vista neighborhood emerging as the City's Silicon Beach. Riot Games, one of the largest online video game publishers and developers, signed a long term lease to occupy space in a $150 million office campus in West Los Angeles currently under construction with an opening date of calendar year 2015, bringing with it 1,000 highly skilled jobs to the City. Microsoft opened its new technology center in the area, joining YouTube, Google, Netflix and Facebook, along with other start-ups.

d) To reduce run away productions, the City has waived all permit fees for television pilots filmed in the City. The Mayor has established an agenda to campaign for production incentives in Sacramento, make the City more film friendly, work across City departments to make Los Angeles the best location for production, and help rebrand the city as the entertainment capital of the world.

2. Mobility and Communities

a) The City formed a new Housing and Community Investment Department to focus on neighborhood development efforts through the consolidation of the Housing Department and Community Development Department's community services components. It will focus on: neighborhood development; integration of public and private resources for community services and improvement; housing; asset-building services; and, family and youth programs.

b) Los Angeles became the first city in the world in fiscal year 2013 to synchronize all of its traffic signals through its Automated Traffic Surveillance and Control system, using underground magnetic censors to gather data on traffic conditions transmitted to a central control where data is analyzed to predict future traffic patterns.

c) Along with DWP and the LA County Metropolitan Transit Authority, the City has formed a working group to identify 40 potential roadways for refurbishment and other upgrades, including street art, improved benches, to make them more pedestrian friendly and transform them into "Great Streets".

The Great Streets initiative is an expansion of the $20 million grant funded Figueroa Corridor Streetscape project which will transform the four-mile corridor into more pedestrian, cyclist and public transit friendly streets, including street repairs, increased lighting, more trees, and improved waiting areas for bus stops. It will also include the first "cycle tracks" in the City, where the bike lane would be placed next to

the curb, with parking spaces to the left in between the bike lane and the first lane of traffic.

d) A consultant will be hired to provide an independent review of the City work program and cost estimate for a possible $3 billion, “Save Our Street Los Angeles” initiative that may be included in a future ballot for voters to consider for repair of thousands of miles of city streets.

3. Public Safety

Crime rates in calendar year 2013 continued to drop to historic lows; violent crimes and gang crimes were down 12% and 17.6%, respectively.

a) Police hiring will be continued in an effort to maintain 10,000 police officers.

b) Phase Two of the Police Department Digital In-Car Video Operations – Central Bureau will be implemented. The department has noted the system’s positive impact on complaint and other administrative investigations, leading to quicker and more credible adjudications, and has proven to be invaluable as it pertains to improved credibility with the community.

c) A new Cyber Intrusion Command Center has been created to identify and investigate cyber threats to city assets and prevent unauthorized access that will disrupt water, power, transportation and public safety systems.

4. Environment

The City is committed to creating open spaces, reducing carbon emissions, and improving the environment.

a) By 2025, DWP, the largest municipal utility in the nation, will reduce its reliance on coal to zero. The City approved a contract amendment adopted by the DWP Board that modified the current Intermountain Power Project (IPP), power sales contract by providing for the construction and use of natural gas-fired power generation units at the IPP, which would shift energy production from coal to natural gas.

b) The Exclusive Commercial and Multifamily Solid Waste Franchise Hauling System has been created to maximize waste diversion and mandatory recycling, help meet Zero waste goal by 2025, improve health and safety for workers, create fair and equitable rates, require clean fuel vehicles, and minimize the impact of private waste collection trucks by maximizing routing efficiencies, in addition to reduced truck emissions and reduced impact of trucks on City streets.

c) The City's LA River got a boost with the US Department of the Interior and EPA support of their selection of the "Alternative 20" plan to restore LA River, a program that would remove concrete and restore several key ecological sites, redevelop the 125-acre Piggyback Yard site across from Union Station, widen the river to accommodate terracing on its eastern bank, and restore the river ecosystem near Verdugo Walsh and provide new connections with the LA State Historic Park at an estimated cost of $1 billion.

B. Mayor's Top Priority Outcomes

The Mayor, who took office in July 2013, is implementing Performance Budgeting (PB), consistent with the Controller's Road Map for Performance Based Budgeting. PB allocates resources to priority outcomes that the City wants to achieve in the future rather than focusing on what was spent in the past. The following Mayoral priority outcomes are intended to help maintain focus on the Mayor's back-to-basics priorities of economic recovery and a better-functioning City government.

The Mayor's top four Priority Outcomes seek to focus on results City residents expect from their city while those numbered five through nine, focus on how to improve performance citywide:

1. Promote good jobs for Angelenos all across Los Angeles;
2. Restore the City services that make our neighborhoods livable and attractive;
3. Make our communities the safest in the nation;
4. Create a more sustainable and livable city;
5. Live within our financial means;
6. Provide outstanding customer service to our residents and businesses;
7. Deploy innovation and technology to modernize city government;
8. Restore pride and excellence in public service;
9. Partner with citizens and civic groups to build a greater City.

Additional efforts being undertaken by the Controller, Mayor, and Council, to improve performance citywide include:

- Open Data Initiative – The Controller's Office spearheaded a citywide financial open data website displaying citywide revenue, expenditure, payroll, and vendor payment information. Additionally, the Mayor's Office established an Executive Directive for all City departments to participate in an open data platform.

- Special Funds Initiative – The Council has requested, and the Controller is establishing, a comprehensive report on all special funds in an effort to ensure the General Fund is being fully reimbursed and special fund usage is maximized.

- Procurement Improvement Initiative – The Council has funded, Mayor has directed, and Controller is assisting in developing a plan for a new procurement system, installing best practices.

- Citywide Broadband Network Initiative – The City Information Technology Agency is preparing a Request for Proposal for the Los Angeles Broadband Network including a citywide fiber and Wi-Fi network.

C. Controller's Guiding Principles for Fiscal Health

As the City moves forward with its attempts to achieve long-term fiscal sustainability and improvements in the areas of budgeting, strategic planning and municipal finance, the City Controller, in the Preliminary Financial Report for the Fiscal Year Ended June 30, 2013, established the following Ten Guiding Principles to maintain a healthy budget:

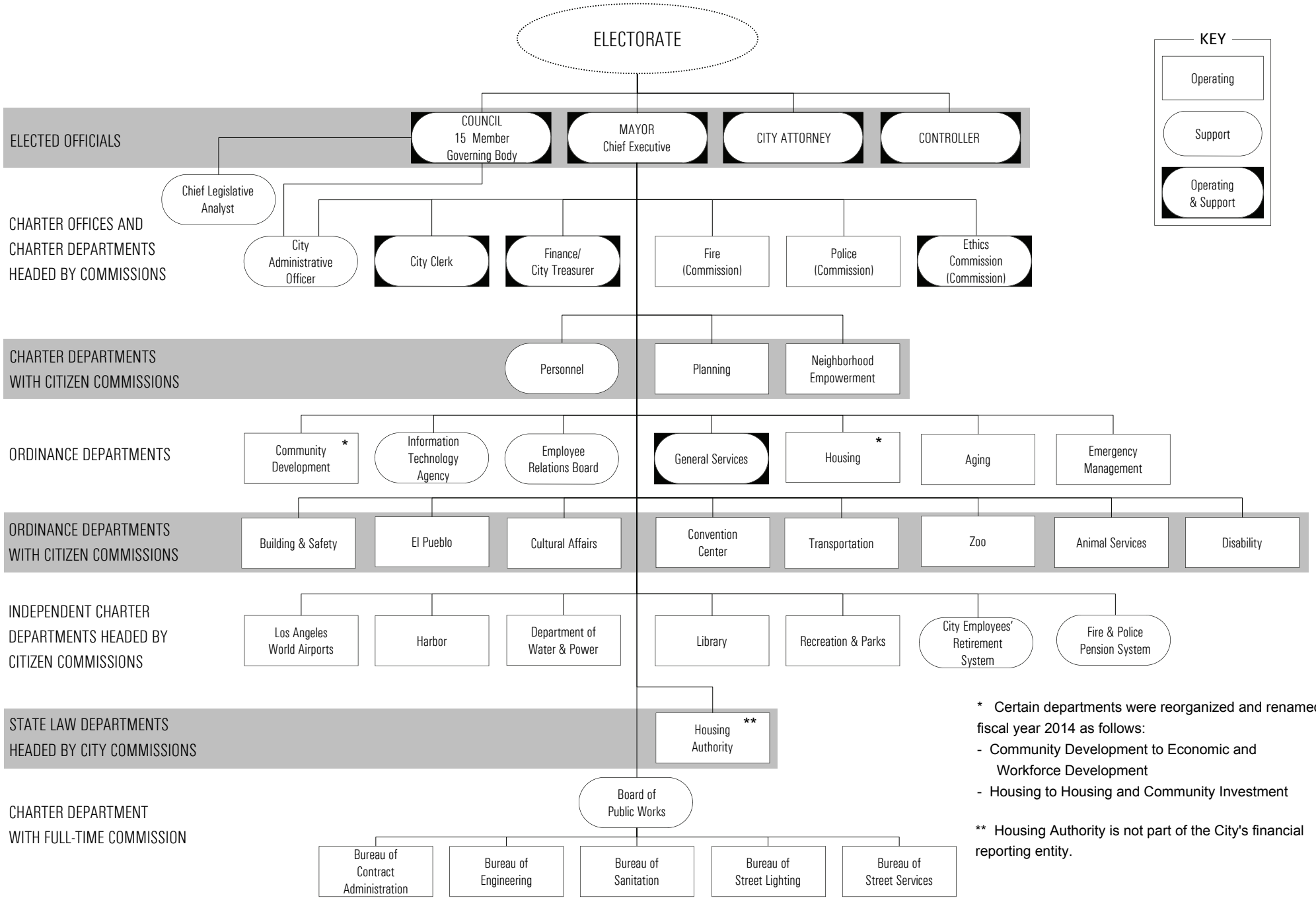
1. Implement a budget based on performance and measurable results;
2. Focus on Return on Investment (ROI);
3. Reform City procurement;
4. Reduce liabilities with a comprehensive risk mitigation strategy;
5. Invest in technology;
6. Put the City's vast assets and resources to work;
7. Improve accounting 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, and improving service delivery without incurring significant ongoing liabilities is a recipe for financial success and various principles are underway. As the City seeks to move beyond the economic downturn of prior years, opportunities as well as challenges form a path to examine the City's business practices and create efficiencies to maximize the use of limited resources. It is incumbent upon the City's leaders and stakeholders to work together and progress on these key strategies.

RON | GALPERIN
Los Angeles City Controller

ORGANIZATION OF THE CITY OF LOS ANGELES

FY 2012-13 *



* Certain departments were reorganized and renamed for fiscal year 2014 as follows:

- Community Development to Economic and Workforce Development
- Housing to Housing and Community Investment

** 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

Tom LaBonge
District 4
Asst. Pres. Pro Tempore

Gilbert A. Cedillo
District 1

Paul Krekorian
District 2

Bob Blumenfield
District 3

Paul Koretz
District 5

Nury Martinez
District 6

Felipe Fuentes
District 7

Bernard Parks
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

Antoinette D. Christovale
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

Suzy Jack
Deputy Controller

Daniel Tarica
Deputy Controller

Farid Saffar
Director of Auditing

Todd A. Bouey
Director of Financial Analysis & Reporting

Nam Huynh Director of Systems
Sally A. Rocio Financial Analysis and Reporting
Min Chen Financial Operations
Jovonne Lavender Management Services
Josephine Palomino Paymaster
Rosemary Go Payroll

Government Finance Officers Association

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Presented to

City of Los Angeles

California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

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FINANCIAL SECTION

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CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT

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, 2013, 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 following City departments/funds, which are reported as enterprise and pension trust funds: Departments of Airports, Water and Power, Los Angeles Fire and Police Pension System, and Los Angeles City Employees' Retirement System, which represent the following percentages of assets, net position/fund balances and revenues/additions as of and for the fiscal year ended June 30, 2013:

Opinion Unit	Assets	Revenues/ Additions	Net Position/ Fund Balances
Business-type Activities	76%	84%	71%
Each Major Enterprise Fund:			
Airports, Power, and Water	100%	100%	100%
Aggregate Remaining Fund Information:			
Los Angeles Fire and Police Pension System and Los Angeles City Employees' Retirement System	70%	16%	69%

Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the City funds described above, is 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 audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. These standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

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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 aggregated remaining fund information of the City as of June 30, 2013, and respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Community Development Fund, Proposition A Local Transit Assistance Fund, and Solid Waste Resources Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1 to the basic financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*, Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, and Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Our opinion is not modified with respect to this matter.

As discussed in Note 1 to the basic financial statements, the beginning net positions of governmental activities and Sewer Enterprise Fund were adjusted to reflect the impact of the implementation of GASB Statement No. 62 and the capital assets of Sewer Enterprise Fund not previously included. In addition, the beginning net position of Harbor Enterprise Fund was adjusted to reflect the impact of early implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A) and Required Supplementary Information on pages 5 through 36 and 207 through 208 to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and 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 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

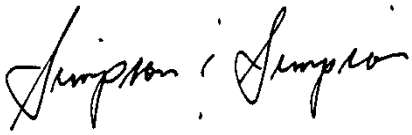
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introduction section, combining and individual fund financial statements and schedules, and statistical section are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual fund financial statements and schedules are fairly stated, in all material respect, in relation to the basic financial statements as a whole.

The introductory section on pages i through iv and statistical section on pages 328 through 380 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our reports dated January 10, 2014, 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 those reports 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 the 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.



Los Angeles, California
January 10, 2014

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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, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have presented in the letter of transmittal of this report. 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 at the close of fiscal year 2013 by $21.9 billion, an increase of $0.4 billion over the prior year's balance of $21.5 billion. The *net position* of $21.9 billion consisted of: $14.6 billion net investment in capital assets; $6.1 billion *(restricted net position)* represents resources that are subject to certain restrictions on how they may be used; $3.6 billion *(unrestricted net position)* may be used to meet the City's obligations for its business-type activities; and $2.4 billion deficit of governmental activities.

- The City's financial activities during the fiscal year resulted in an increase in total net position of $367.1 million from the prior fiscal year. Governmental activities decreased by $270.0 million while the business-type activities increased by $637.1 million.

- As of June 30, 2013, the aggregate ending fund balance of the City's governmental funds was $4.2 billion, an increase of $417.3 million from June 30, 2012. Of the combined fund balances of $4.2 billion, $2,921.6 million or 69.3% are restricted, $874.6 million or 20.7%, are assigned to specific purposes, $341.0 million or 8.1% are unassigned, and $79.4 million or 1.9% are nonspendable net positions.

- At the end of the fiscal year, the General Fund shows a fund balance of $722.6 million, of which $43.1 million are nonspendable, $69.7 million are restricted, $242.6 million are assigned for various purposes, and $367.2 million are unassigned.

- The City's bonded debt and long-term notes payable at June 30, 2013 totaled $22.8 billion, a net increase of $1.4 billion from the prior year's balance of $21.4 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 beginning on page 87 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, Community Development Fund, Municipal Improvement Corporation Special Revenue and Debt Service Funds, Proposition A Local Transit Assistance Fund, Recreation and Parks Fund, and Solid Waste Resources 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 three other budgeted major funds to demonstrate compliance with the annually appropriated budget. The other budgeted major funds are: Community Development, Proposition A Local Transit Assistance, and 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 employee and post-employment 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.

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 MD&A, is presented concerning the City's progress in funding its obligation to provide pension and other postemployment benefits to City employees. 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 positions may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by $21.9 billion at the close of fiscal year 2013.

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 Activities		Business-type Activities		Total	
	FY 2013	FY 2012	FY 2013	FY 2012 (Restated)	FY 2013	FY 2012 (Restated)
Assets:						
Current and other assets	$ 5,568,502	$ 5,786,187	$ 9,971,185	$ 9,885,823	$ 15,539,687	$ 15,672,010
Capital assets	7,182,742	7,245,108	28,322,640	26,311,065	35,505,382	33,556,173
Total assets	12,751,244	13,031,295	38,293,825	36,196,888	51,045,069	49,228,183
Deferred outlflows of resources:	--	--	97,668	--	97,668	--
Liabilities:						
Current and other liabilities	646,717	1,319,141	1,476,526	1,606,545	2,123,243	2,925,686
Long-term liabilities	7,644,127	6,991,627	19,497,487	17,810,016	27,141,614	24,801,643
Total liabilities	8,290,844	8,310,768	20,974,013	19,416,561	29,264,857	27,727,329
Net position:						
Net investment in capital assets	4,452,921	4,416,934	10,135,052	9,940,457	14,587,973	14,357,391
Restricted	2,436,809	2,086,056	3,662,540	3,625,705	6,099,349	5,711,761
Unrestricted	(2,429,330)	(1,782,463)	3,619,888	3,214,165	1,190,558	1,431,702
Total net position	$ 4,460,400	$ 4,720,527	$ 17,417,480	$ 16,780,327	$ 21,877,880	$ 21,500,854

Note: Rounding off difference may occur in the discussion.

At the end of fiscal year 2013, the City net position totaled $21.9 billion, of which $14.6 billion or 66.7% reflects its net investment in capital assets (e.g., land, infrastructure, buildings, facilities and equipment) less any related outstanding debt 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, 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, $6.1 billion or 27.9%, represents resources subject to various restrictions on how they may be used. The remaining balance of $1.2 billion or 5.4% is the net amount of the governmental activities deficit of $2.4 billion, and $3.6 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 2013, the City reported positive results in two categories of net position except for unrestricted net position which decreased by $241.1 million or 16.8%. The increase in the deficit balance for governmental activities of $646.8 million was offset by the increase in unrestricted net assets for business-type activities of $405.7 million. Airports and Harbor reported decreases in unrestricted net position while Power, Water and Sewer showed positive results. The deficit balance for the governmental activities unrestricted net position of $2.4 billion should not be considered, of itself, evidence of economic or financial difficulties. The deficit 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, pension and 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 $1.9 billion or 5.8%. The decrease for governmental activities of $62.4 million was offset by an increase in business-type activities of $2.0 billion. For governmental activities, the decrease was primarily due to the costs of land and building that were returned to the former Community Redevelopment Agency's (CRA) Successor Agency for $93.2 million in accordance with the State Controller order requiring the reversal of prior assets transferred that were not contractually committed. Offsetting this decrease were increases in various projects under construction for recreational, fire, zoo, bridges, stormwater, street lightings, streets, transportation, computer software, various other improvements to City facilities, and acquisition of vehicles for 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 decreased by $132.3 million or 0.8%. Governmental activities were $217.7 million lower, while business-type activities grew by $85.4 million. Governmental activities cash and pooled investments decline of $354.4 million or 8.5% was mainly attributable to payment of a fiscal year 2012 Tax and Revenue Anticipation Note (TRAN) of $601.5 million due in fiscal year 2013. The decline was offset by a $48.7 million increase in receivables primarily due to loans receivable transferred from the CRA after the City elected to become the Housing Successor Agency; a $38.2 million increase in prepaid items and other assets related to deposits equivalent to the judgment amount for litigation cases of $17.0 million and unencumbered bond proceeds for future housing projects related to the CRA housing assets transfer of $17.2 million; and properties held for redevelopment, also related to the CRA housing assets transfer, totaling $80.5 million.

The City's current and other liabilities saw a net decrease of $802.4 million or 27.4%. Governmental activities decreased by $672.4 million from the prior year primarily due to final payment of the 2012 TRAN during the fiscal year, decrease in allocation of unsettled investment at trade date, and lower accounts payable in transportation, American Recovery and Reinvestment Act (ARRA), and homeland security grants. Business-type activities decreased by $130.0 million mainly due to the decline in accounts payable and accrued expenses, and derivative instrument liabilities offset by reinstatement of obligations under Securities Lending Program (SLP).

Total net position rose $377.0 million or 1.8% with governmental activities down by $260.1 million and business-type activities up by $637.1 million. Net investment in capital assets grew by $36.0 million for governmental activities and $194.6 million for business-type activities. Significant changes in restricted net position for governmental activities were increases of $14.3 million for capital projects; $63.0 million for public safety; $71.0 million for public works and sanitation; and, $235.4 million for community development; and, decreases of $3.1 million for debt service; $21.2 million for transportation; and $10.0 million for other purposes. For business-type activities, key changes were increases of $80.8 million for capital projects; $19.3 million for pension and other postemployment benefits and $13.1 million for other purposes with decreases of $76.2 million for debt service. As explained in more detail in subsequent pages, governmental activities unrestricted net position deficit increased by $646.8 million, while the business-type activities unrestricted net position grew by $405.7 million.

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.

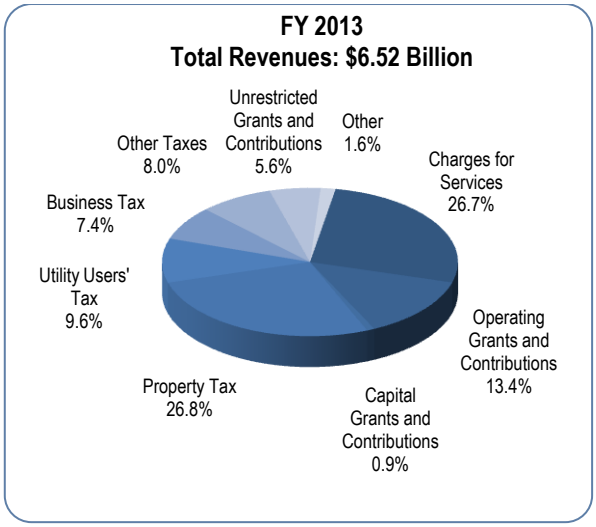
CITY OF LOS ANGELES
Condensed Statement of Activities
(amounts expressed in thousands)

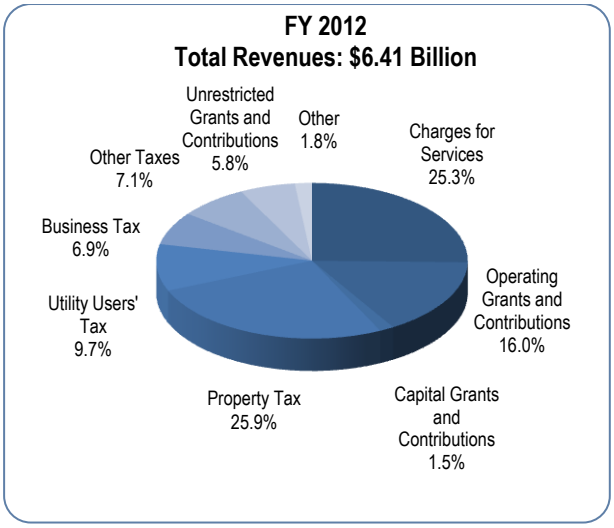
	Governmental Activities		Business-type Activities		Total	
	FY 2013	FY 2012	FY 2013	FY 2012 (Restated)	FY 2013	FY 2012 (Restated)
Revenues						
Program Revenues						
Charges for Services	$ 1,738,393	$ 1,622,959	$ 6,494,402	$ 6,170,366	$ 8,232,795	$ 7,793,325
Operating Grants and Contributions	871,459	1,023,001	--	--	871,459	1,023,001
Capital Grants and Contributions	55,138	96,156	109,407	158,114	164,545	254,270
General Revenues						
Property Taxes	1,746,372	1,662,316	--	--	1,746,372	1,662,316
Utility Users' Taxes	627,707	623,721	--	--	627,707	623,721
Business Taxes	482,857	440,327	--	--	482,857	440,327
Other Taxes	523,308	458,741	--	--	523,308	458,741
Unrestricted Grants and Contributions	364,453	370,288	--	--	364,453	370,288
Unrestricted Investment Earnings	(298)	21,879	--	--	(298)	21,879
Other Revenues	105,850	91,735	--	--	105,850	91,735
Total Revenues	6,515,239	6,411,123	6,603,809	6,328,480	13,119,048	12,739,603
Expenses						
General Government	2,089,053	1,335,180	--	--	2,089,053	1,335,180
Protection of Persons and Property	2,789,023	2,707,892	--	--	2,789,023	2,707,892
Public Works	387,649	413,348	--	--	387,649	413,348
Health and Sanitation	405,934	416,894	--	--	405,934	416,894
Transportation	423,595	365,841	--	--	423,595	365,841
Cultural and Recreational Services	482,692	445,815	--	--	482,692	445,815
Community Development	386,346	437,229	--	--	386,346	437,229
Interest on Long-term Debt	179,588	194,513	--	--	179,588	194,513
Airports	--	--	922,914	897,380	922,914	897,380
Harbor	--	--	331,626	333,355	331,626	333,355
Power	--	--	2,928,377	2,870,609	2,928,377	2,870,609
Water	--	--	939,094	799,575	939,094	799,575
Sewer	--	--	572,425	542,850	572,425	542,850
Convention Center	--	--	39,073	39,107	39,073	39,107
Total Expenses	7,143,880	6,316,712	5,733,509	5,482,876	12,877,389	11,799,588
Excess (Deficit) of Revenues Over Expenses	(628,641)	94,411	870,300	845,604	241,659	940,015
Transfers	246,534	250,077	(246,534)	(250,077)	--	--
Special Items						
Return of Properties to CRA	(93,191)	--	--	--	(93,191)	--
Transfer of Properties for Housing Development from CRA	80,484	--	--	--	80,484	--
Transfer of Housing Loans from CRA	124,781	--	--	--	124,781	--
Pollution Remediation Liabilities Adjustment	--	--	13,387	--	13,387	--
Increase (Decrease) in Net Position	(270,033)	344,488	637,153	595,527	367,120	940,015
Net Position Beginning of Year, Restated	4,730,433	4,376,039	16,780,327	16,184,800	21,510,760	20,560,839
Net Position End of Year	$ 4,460,400	$ 4,720,527	$ 17,417,480	$ 16,780,327	$ 21,877,880	$ 21,500,854

Governmental Activities

For the fiscal year ended June 30, 2013, total expenses for governmental activities of $7.1 billion were $827.2 million or 13.1% higher than the prior year. Total expenses exceeded revenues by $628.6 million. Of the $7.1 billion total expenses, 53.9% was funded by taxes and other general revenues, and the remaining 46.1% 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. 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, 2013 and 2012, for governmental revenues by source.





Revenues from property taxes, charges for services and operating grants and contributions are the three largest revenue sources for governmental activities. Together, these accounted for 66.9% of total revenues and posted an increase of $47.9 million over fiscal year 2012.

Charges for services went up by $115.4 million or 7.1% primarily due to increases in departmental receipts such as $42.0 million in prior year related costs reimbursement from the Transportation Grant Fund for various transportation projects; nearly $14.0 million for various building and safety permit, inspection and plan check fees; $7.4 million for engineering special services; and $6.3 million for services to the Sewer Construction and Maintenance Fund (SCM). In addition, revenue from fines and special assessments increased by $14.0 million and $5.4 million, respectively, primarily from parking citation revenue and assessments for a tourism and marketing business improvement district.

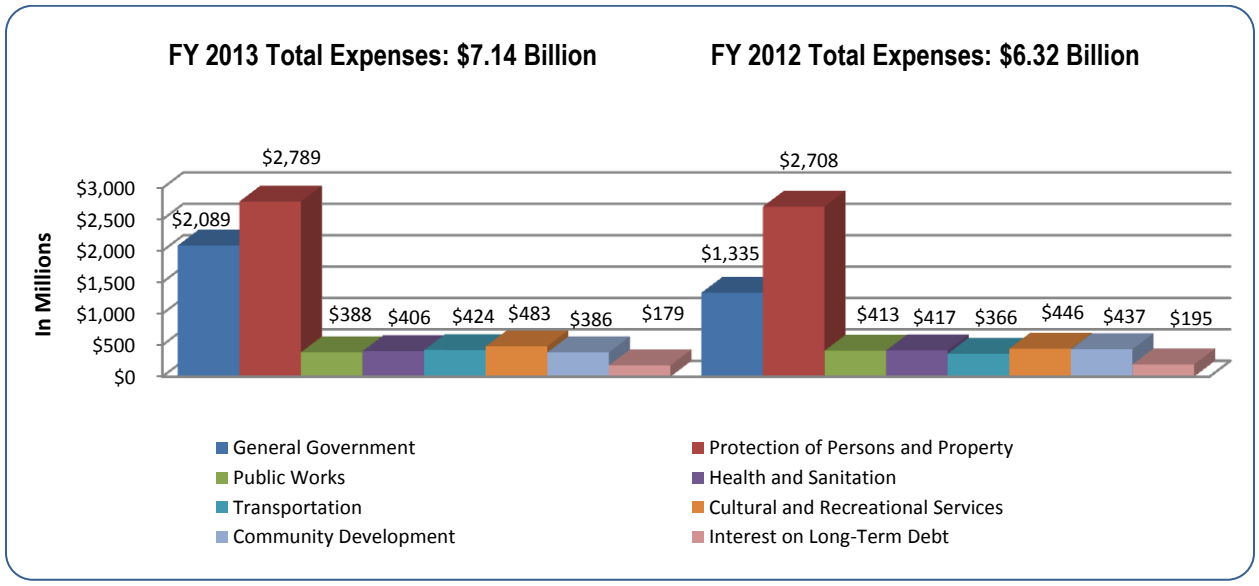
Operating grants revenue fell $151.5 million or 14.8% mainly due to the decline in various grants receipts such as homeland security, Proposition A transit assistance, various ARRA grants for neighborhood stabilization, transportation projects, homelessness prevention and energy efficiency programs, community development block grant, and gas tax street improvement; and the lower mark to market valuation of the City's pooled investments at fiscal year-end and decreased investment income.

Capital grants and contributions receipts declined by $41.0 million or 42.7% due to the lower mark to market valuation of the City's pooled investments at fiscal year-end, decreased investment income and the change in the amortization of premium/discount from straight-line to effective yield method.

Property tax receipts grew by $84.1 million or 5.1% as the overall housing market stabilized and home prices appreciated. Documentary transfer tax receipts climbed $45.7 million or 43.4% as sales price and volume reflected a rebounding housing market. Business and transient occupancy tax grew by $42.5 million or 9.7% and $11.6 million or 6.7%, respectively, in line with the positive uptick in economic activity and boost in the tourism sector. Other revenues grew by $14.1 million or 15.4% due to increased reimbursement of General Fund related costs.

Special items relate to the return of properties transferred from the former CRA to the City in fiscal year 2011 and housing assets, such as housing loans of $124.8 million and properties for housing development of $80.5 million, received after the City elected to be the Housing Successor Agency upon dissolution of the CRA. Please see related Note 5F on page 198.

The following charts are graphical comparisons between June 30, 2013 and 2012, of the City's governmental expenses by function.



Total expenditures increased by $827.2 million or 13.1% over fiscal year 2012. Expenses for general government, protection of persons and property, transportation, and cultural and recreational services grew a combined total of $929.6 million offset by a $102.5 million decline in total expenses for public works, health and sanitation, community development and interest of long-term debt.

General government expenses went up by $753.9 million or 56.5% mainly due to higher recorded liabilities based on actuarial estimates for workers' compensation of $489.4 million and tort liabilities of $84.9 million. In addition, non-tort liabilities increased by $230.9 million. The increase was partially offset by decreased General Fund expenses of $38.0 million and capital expenditures of $9.8 million. Protection of persons and property increased by $81.1 million or 3.0% primarily due to a $64.2 million increase in retirement contribution and a $36.2 million increase in overtime for sworn employees offset by a decline of $25.9 million for net other post-employment benefits (OPEB). Higher expenses related to Proposition C Anti-Gridlock transit projects largely accounted for the $57.8 million or 15.8% increase in transportation. Cultural and recreational services increased by $36.9 million or 8.3% as a result of increased library and recreation park funds costs of $18.9 million and capital expenditures of $14.7 million. Community development expenses decreased $50.9 million or 11.6% largely due to the decline in subsidies and grants by $25.4 million and ARRA neighborhood stabilization programs by $20.3 million.

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 $6.2 billion were $1.1 billion more than the $5.1 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 unreserved 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, 2013, the City's governmental funds reported combined fund balances of $4.2 billion. Of the $4.2 billion, $79.4 million are nonspendable associated with inventories, prepaid items and certain advances to other funds, $2,921.6 million are restricted due to constraints on the use of resources imposed by creditors, grantors and certain enabling legislation, $874.6 million are assigned to various specific purposes, and $341.0 million have not been restricted, committed, or assigned to specific purposes within the General Fund.

Governmental functions revenue totaled $6.7 billion, while expenditures were $6.9 billion. Although total receipts were $176.4 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 it includes transactions of the Reserve Fund and other accounts that have General Fund type activity for GAAP reporting purposes. At June 30, 2013, the General Fund reported a total fund balance of $722.6 million, composed of $43.2 million nonspendable consisting of inventories of $17.9 million, prepaid items and other assets of $17.1 million, and certain advances to other funds of $8.2 million; $69.7 million restricted; $242.6 million assigned for general government purposes; and $367.1 million for reserves, emergency and contingency purposes.

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 2013	FY 2012	% Change		FY 2013	FY 2012	% Change
Revenues				**Expenditures**			
Property Taxes	$ 1,565,457	$ 1,470,799	6.4 %	General Government	$ 1,219,179	$ 1,257,198	(3.0) %
Sales Taxes	343,628	328,059	4.7	Protection of Persons and Property	2,403,195	2,279,987	5.4
Utility Users' Taxes	623,794	634,629	(1.7)	Public Works	176,240	165,025	6.8
Business Taxes	447,983	438,969	2.1	Health and Sanitation	145,768	146,270	(0.3)
Other Taxes	451,304	392,686	14.9	Transportation	98,446	107,803	(8.7)
Licenses and Permits	23,909	26,241	(8.9)	Cultural and Recreational Services	51,991	46,592	11.6
Intergovernmental	11,939	7,182	66.2	Community Development	32,303	30,544	5.8
Charges for Services	532,512	510,401	4.3	Capital Outlay	25,395	17,751	43.1
Services to Enterprise Funds	252,178	245,853	2.6	Debt Service- Interest	2,062	1,152	79.0
Fines	162,930	147,780	10.3	Debt Service- Cost of Issuance	955	940	1.6
Special Assessments	1,732	1,922	(9.9)	**Total Expenditures**	4,155,534	4,053,262	2.5
Investment Earnings	16,710	21,456	(22.1)	**Other Financing Uses**			
Change in Fair Value of Investment	(18,002)	-	100.0	Transfers Out	520,098	486,336	6.9
Other	104,973	91,357	14.9	**Total Expenditures and Other Financing Uses**	$ 4,675,632	$ 4,539,598	3.0
Total Revenues	4,521,047	4,317,334	4.7				
Other Financing Sources							
Transfers In	307,458	270,660	13.6				
Total Revenues and Other Financing Sources	$ 4,828,505	$ 4,587,994	5.2				
Excess of Revenues Over Expenditures	$ 365,513	$ 264,072	38.4				
Net Change in Fund Balance	$ 152,873	$ 48,396	215.9				

Total taxes accounted for nearly $3.4 billion or 75.9% of General Fund revenue. Overall tax receipts grew $167.0 million or 5.1% from fiscal year 2012 as a result of a gradual uptick in the economy.

Property tax receipts, which represents one-third of General Fund revenue, rose $94.7 million or 6.4% from the prior fiscal year, mainly attributed to increasing property values due to the improving economy, increased ex-CRA tax increment allocated to the City from the dissolution of the City's redevelopment agency, and sales tax and vehicle license fee (VLF) property tax replacement.

Economy-sensitive revenue expanded as economic activity increased. Sales tax grew by $15.6 million or 4.7% reflecting the rise in taxable sales of 12.0% through 2012 winter quarter tapering to 2.6% in the 2013 spring quarter. Business tax revenue exceeded prior year receipts by $9.0 million or 2.1% in line with improved gross receipts, offset by refunds and business tax reform instituted to date.

Utility users' tax receipts, which consist of electric, gas and communications users' taxes, posted a net decline of $10.8 million or 1.7% primarily due to the $13.0 million decline in communications users' tax receipts as changes in landline and mobile market and increased competition from pre-paid plans have steadily eroded this receipt.

Other tax receipts were up $58.6 million or 14.9%. With the stability in the housing market, documentary tax revenue surged by $45.7 million as tight housing inventory and low interest rates through the early part of 2013 contributed to increased sales price and volume. Transient occupancy tax revenues went up $9.7 million as receipts continue to improve as the tourism industry rebounds. An increase of $4.7 million for television franchise fees contributed to the uptick for franchise income.

Charges for services ended the year $22.1 million higher than fiscal year 2012 primarily due to reimbursement of prior years' General Fund costs by the Transportation Grant Fund. This was offset by reduced related cost reimbursement by other special fund as a result of a lower cost allocation plan rates for state and federal programs and other prior years' adjustment.

Intergovernmental revenues gained $4.8 million or 66.2% mainly due to U.S. Treasury reimbursement of bond interest payment for economic recovery bonds.

Parking fines receipts increased by nearly $15.2 million compared to the prior fiscal year primarily due to increased collections and partly to higher parking fines receipts as a result of the expanded part-time traffic officers program and the impact of increased parking fines for certain citations which went into effect in August 2012.

Other significant changes include a decrease of $22.7 million for interest and investment income due to lower interest earnings on investments and the lower mark to market valuation of the City's pooled investments at fiscal year-end; increase of $4.7 million in tobacco settlement monies; and other miscellaneous revenues of $12.6 million for reimbursement of expenditures. The increase in Transfers to the General Fund is primarily due to transfer of surplus funds from Special Parking Revenue Fund of $49.1 million and from Attorney Conflicts Panel Special Fund of $5.5 million.

Fiscal year 2013 total General Fund expenditures were nearly $4.2 billion. Various budget balancing solutions were implemented to achieve General Fund savings. Employees who belonged to certain bargaining units started to contribute two percent to four percent of their pay (from zero percent) for post-employment health care beginning July 1, 2012, or benefits were frozen for non-participants. Employees who belonged to certain bargaining units were furloughed. In addition, other cost saving measures included elimination of vacant positions; one-time salary reductions; and various expense account reductions.

General Fund expenditure rose $102.3 million or 2.5% over fiscal year 2012. Protection of persons and property expenditures grew $123.2 million or 5.4% primarily due to a $64.2 million increase in retirement contribution for sworn employees; the transfer of $21.0 million in funding for Office of Public Safety (OPS) from General Services Department to the Police Department; increases of $19.4 million for constant and variable staffing overtime for firefighters in line with a reduced Deployment Plan pool of firefighters; $13.8 million for liability claims related to law enforcement cases; and $4.1 million for additional contractual services expenditures such as security services as part of the OPS transfer and installation of wireless camera surveillance systems in various Police Department stations.

A $38.0 million or 3.0% decline in general government expenditures was mainly due to transfer of OPS from General Services to the Police Department; decreases in various expense accounts such as petroleum products consumption; reduced bank service fees due to direct payment by proprietary departments effective fiscal year 2013; lease expenditures attributable to various lease contracts termination and adjustments; and unemployment insurance associated with part-time, temporary or

seasonal employees. In addition, certain payments for liability claims judgments were not made in fiscal year 2013 but deposited with the courts pending the appeals process. An approximately 3.5% reduction in the contribution rate resulted in lower contributions made to the Los Angeles City Employees' Retirement System (LACERS) for the civilian employees retirement.

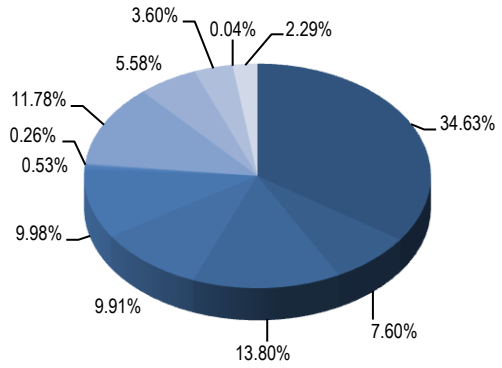
Operating transfers out increased by $33.8 million or 6.9% mainly due to a $13.1 million increase in the transfer to the Library Fund attributable to Charter mandated funding requirements set by voter approved Measure L; and $18.8 million for the City's Affordable Housing Trust Fund to build permanent supportive housing for the chronically homeless.

Overall, General Fund revenues exceeded expenditures by $365.5 million, in comparison to $264.1 million in fiscal year 2012. Transfers in from other funds amounted to $307.5 million, while transfers out were approximately $520.1 million. The Power Enterprise Fund transfer of $246.5 million accounted for 80.2% of total transfers in. The $520.1 million transfers out included: $144.2 million for parks, cultural, and recreational facilities and activities; $147.8 million for MICLA debt service; and $228.1 million for departmental operations.

The above items contributed to a year end fund balance of $722.6 million; an increase of nearly $150.9 million from the prior year's fund balance of $571.7 million.

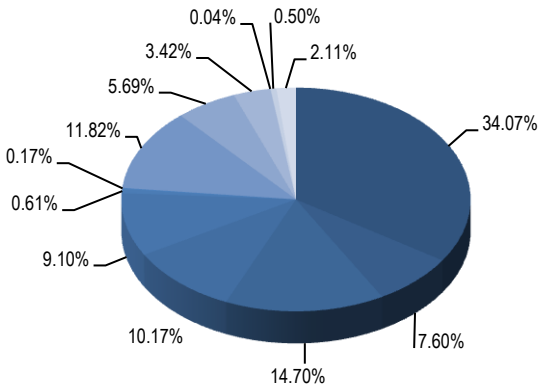
The following charts are graphical comparisons between June 30, 2013 and 2012, for General Fund revenues by source and expenditures by function.

General Fund Revenues by Source: $4.52 Billion
Fiscal Year Ended June 30, 2013



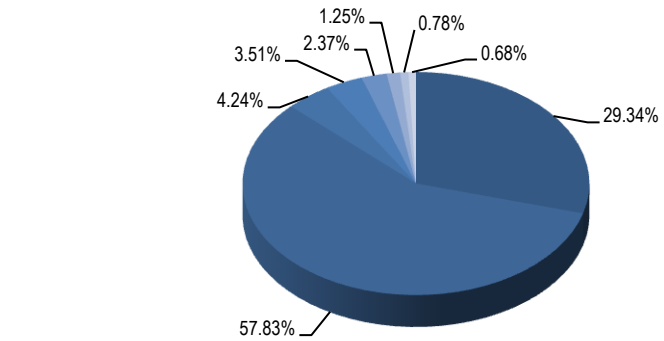
- Property Taxes (34.63%)
- Sales Taxes (7.60%)
- Utility Users' Taxes (13.80%)
- Business Taxes (9.91%)
- Other Taxes (9.98%)
- Licenses and Permits (0.53%)
- Intergovernmental (0.26%)
- Charges for Services (11.78%)
- Services to Enterprise Funds (5.58%)
- Fines (3.60%)
- Special Assessments (0.04%)
- Other (2.29%)

General Fund Revenues by Source: $4.32 Billion
Fiscal Year Ended June 30, 2012



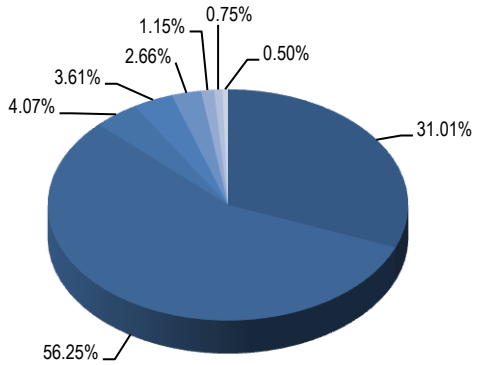
- Property Taxes (34.07%)
- Sales Taxes (7.60%)
- Utility Users' Taxes (14.70%)
- Business Taxes (10.17%)
- Other Taxes (9.10%)
- Licenses and Permits (0.61%)
- Intergovernmental (0.17%)
- Charges for Services (11.82%)
- Services to Enterprise Funds (5.69%)
- Fines (3.42%)
- Special Assessments (0.04%)
- Investment Earnings (0.50%)
- Other (2.11%)

General Fund Expenditures by Function: $4.16 Billion
Fiscal Year Ended June 30, 2013



- General Government (29.34%)
- Protection of Persons and Property (57.83%)
- Public Works (4.24%)
- Health and Sanitation (3.51%)
- Transportation (2.37%)
- Cultural and Recreational Services (1.25%)
- Community Development (0.78%)
- Capital Outlay / Others (0.68%)

General Fund Expenditures by Function: $4.05 Billion
Fiscal Year Ended June 30, 2012



- General Government (31.01%)
- Protection of Persons and Property (56.25%)
- Public Works (4.07%)
- Health and Sanitation (3.61%)
- Transportation (2.66%)
- Cultural and Recreational Services (1.15%)
- Community Development (0.75%)
- Capital Outlay / Others (0.50%)

The **Community Development Fund** accounts for federal grant funds for community and economic development within the City. At June 30, 2013, the total fund balance was $126.4 million. Revenues for fiscal year 2013 amounted to $58.9 million, while expenditures totaled $65.6 million.

The **Municipal Improvement Corporation 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 were $177.7 million, while lease payments from the General Fund and certain Special Revenue Funds were $155.8 million. Investment earnings, available fund balance of the MICLA Debt Service Fund and proceeds of lease revenue bonds issued to pay-off commercial paper notes funded the difference of $21.9 million.

The **Proposition A Local Transit Assistance Fund** accounts for the City's 25% share of the additional one-half cent sales tax within the County of Los Angeles for public transit programs. At June 30, 2013, the total fund balance was $179.9 million, which reflected an increase of $43.5 million from the previous fiscal year. Revenues and expenditures decreased by $23.5 million and $78.6 million, respectively. The decrease in both categories are attributable to lower receipts and decline in capital expenditures.

The **Recreation and Parks Fund** accounts for the City's recreation programs and park services. At June 30, 2013, the total fund balance was $253.8 million. The Fund's total expenditures exceeded its revenues by $160.3 million. Transfers from the General Fund and available fund balance financed the revenues deficiency.

The **Solid Waste Resources 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, 2013, total fund balance was $300.1 million, which reflected an increase of $110.5 million from the previous fiscal year. The increase was mainly due to issuance of long-term debt during fiscal year 2013.

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, 2013
(amounts expressed in thousands)

	Airports	Harbor	Power	Water	Sewer	Other-Convention Center	Total
Operating Revenues	$ 946,793	$ 397,368	$3,162,502	$1,042,228	$ 577,070	$ 27,213	$6,153,174
Operating Expenses	(824,752)	(313,206)	(2,684,734)	(785,139)	(445,748)	(38,962)	(5,092,541)
Operating Income (Loss)	122,041	84,162	477,768	257,089	131,322	(11,749)	1,060,633
Net Nonoperating Revenues (Expenses)	77,749	1,186	(141,611)	(122,235)	(114,760)	(69)	(299,740)
Capital Contributions	17,972	17,630	46,860	16,711	10,234	--	109,407
Special Item	--	13,387	--	--	--	--	13,387
Transfers Out	--	--	(246,534)	--	--	--	(246,534)
Change in Net Position	$ 217,762	$ 116,365	$ 136,483	$ 151,565	$ 26,796	$ (11,818)	$ 637,153

Business-type Activities
Change in Net Position
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	Airports	Harbor	Power	Water	Sewer (Restated)	Other-Convention Center	Total
Operating Revenues	$ 902,157	$ 409,787	$3,081,680	$ 811,897	$ 516,859	$ 27,329	$5,749,709
Operating Expenses	(809,370)	(300,291)	(2,629,541)	(650,984)	(410,197)	(39,002)	(4,839,385)
Operating Income (Loss)	92,787	109,496	452,139	160,913	106,662	(11,673)	910,324
Net Nonoperating Revenues (Expenses)	124,264	(7,560)	(110,607)	(111,366)	(117,486)	(79)	(222,834)
Capital Contributions	62,441	31,307	26,731	27,482	10,153	--	158,114
Transfers Out	--	--	(250,077)	--	--	--	(250,077)
Change in Net Position	$ 279,492	$ 133,243	$ 118,186	$ 77,029	$ (671)	$ (11,752)	$ 595,527

Airports

Airports Enterprise Fund (Airports) accounts for the operation, maintenance, and development of Los Angeles International Airport (LAX), LA/Ontario International Airport (ONT), and Van Nuys Airport (VNY). Under a lease agreement, Airports operated Palmdale Regional Airport (PMD) until February 2009. Subsequent to the discontinuance of operations of PMD, Airports returned its certification to operate the airport to the Federal Aviation Administration. In March 2013, the Board of Airport Commissioners terminated the joint use agreement with the United States Air Force (USAF) and reassigned the lease to the City of Palmdale. Airports retains the rights for future development of approximately 17,750 acres of land it owns located east of USAF Plant 42 in the City of Palmdale.

Airports operating revenues totaled $946.8 million, a $44.6 million or 4.9% increase from fiscal year 2012. Aviation and non-aviation revenue grew by $21.2 million and $23.4 million, respectively. Revenues from landing fees went up by $9.5 million, or 4.3%, as LAX landing fees rose by $8.4 million due to the increase in landed weight and landing rates resulting from gains in LAX passenger and cargo traffic of 3.3% and 1.4%, respectively; and an increase of $1.1 million due to the 16.2% increase in landing fee rates in ONT. Building rental revenue went up by $11.7 million or 4.3%, mainly due to the $9.3 million increase in new and renegotiated leases with tenants at LAX as a result of terminal improvements and refurbishments. Non-aviation revenue grew by $23.4 million or 7.6% primarily from concession revenue at LAX.

Fiscal year 2013 operating expenses were $824.8 million, a $15.4 million or 1.9% increase from the prior fiscal year. Various increases in expenses of $12.3 million were related to the airfield marking rehabilitation project to comply with FAA regulations, increased depreciation by $8.1 million due to completion of certain major projects at LAX terminals and airfield, offset by a net decrease of $5.0 million in other expense accounts. Salaries and overtime expenses rose by $10.5 million to reflect scheduled increases in accordance with bargaining agreements with employee unions, in addition to increases of $6.7 million for other employee benefits. Offsetting the increase in salaries and other benefits were capitalized charges of $6.1 million related to LAX improvements and a decrease in provision for workers' compensation liability of $15.3 million.

Airports' nonoperating activities decreased by $46.5 million. Lower annualized rates of return in the City's investment pool resulted in decreased interest income of $2.5 million and the downward year-end net adjustment of the fair value of investment securities by $30.5 million. Passenger facility charges (PFCs) slightly dipped as ONT PFCs decreased by $3.4 million caused by lower PFC rates, from $4.50 to $2.00 effective January 1, 2013, and a decline in passenger traffic, offset by the increase of $3.2 million attributable to LAX passenger growth. Other nonoperating revenue related to reimbursements for certain TSA programs was $4.9 million less in fiscal year 2013. The increase in interest expense of $10.4 million was corollary to the additional issuances of revenue bonds to finance capital improvement projects. Eligible expenditures for capital grant projects declined by $44.5 million because of decreasing activity related to airfield projects.

As a result of the above financial changes, the Airports Enterprise Fund's change in net position for fiscal year 2013 amounted to $217.8 million, a decline of $61.7 million from fiscal year 2012.

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 and surrounding communities.

Harbor operating revenues decreased by $12.4 million or 3.0%, from $409.8 million to $397.4 million. Shipping service revenue declined by $9.8 million. The departure of one shipping string contributed to the drop in container cargo volume and corresponding lower wharfage fees of $10.9 million. Other shipping revenues rose $1.1 million as space assignment revenues increased by $1.4 million but was offset by $0.3 million decreases in dockage, demurrage and pilotage revenues.

Rental income also decreased by $0.3 million or 0.6% due to the loss of revenues from the termination of permit with Del Monte Corp. and the absence of the Port of Los Angeles High School offset against scheduled increases in certain other permits. Revenue from royalties, fees, and other operating revenues were $2.3 million less than fiscal year 2012 primarily due to a decrease of $1.8 million from collection of fees from noncompliant trucks under Harbor's Clean Truck Program (CTP), as collection of those fees ended in December 2011.

Operating expenses totaled $205.2 million, an increase of $5.4 million or 2.7%, from $199.8 million in the prior fiscal year. Salaries and benefits rose by $4.6 million due to $2.3 million cost of living adjustments ranging from 2.50% to 3.75% for various MOUs, $0.5 million increase in medical and dental insurance costs, as well as $0.8 million increase in overtime pay related to Harbor construction and capital project. Outside services increased by $2.5 million for various professional, consulting, and maintenance services related to wharves maintenance, architectural and engineering design. Fluctuations in payments for various City services resulted in overall decrease of nearly $3.0 million due to higher charges of $4.6 million from Water and Power for the Alternative Maritime Power projects for certain berths, $3.2 million increase from Recreation and Parks caused by timing difference in payments for services to various facilities, offset by lower payments for other City departments of $1.1 million and allocation of $12.0 million to various capital projects.

Net nonoperating revenue for fiscal year 2013 increased by $8.7 million. Significant changes include decrease of $8.7 million in interest and investment income due to lower interest earnings on investments and substantial mark to market loss on investments, lower interest expense of $8.1 million primarily due to redemption of the Harbor's Series 2002A bonds and full payment of its $1.4 million Boating and Waterways loans, and higher interest capitalized to the construction in progress account; and decrease in other nonoperating expenses of $6.6 million due to the loss on sale of Port of Los Angeles High School in fiscal year 2012.

As a result of the above financial changes including capital contributions of $17.6 million, the Harbor Enterprise Fund's change in net position for fiscal year 2013 was $108.2 million after adjustment for write-off of prior period bond issue costs, a 3.9% increase over fiscal year 2012.

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

During fiscal year 2013, the Power Enterprise Fund's (Power) total operating revenues grew by $80.8 million or 2.6% from the prior fiscal year. Retail and wholesale revenue grew by $42.8 million and $22.1 million, respectively. The increase in retail revenue was mainly due to an increase in consumption of approximately 511 gigawatts year over year and an increase in the Incremental Energy Cost Adjustment Factors (ECAF) that became effective during November 2012. Frozen at $0.0569/kilowatt hours in fiscal year 2012, the ECAF rates were $0.0609/kWh by June 2013, an increase of $0.0040/kWh or 7.0%.

Operating expenses were $55.2 million higher as compared to fiscal year 2012, driven primarily by increases of $43.0 million for fuel for generation, $24.5 million for depreciation and amortization expense, and $5.6 million for other operating expenses, offset by lower purchased power, and maintenance expenses. Fuel and Purchased Power expenses increased $43.0 million due to higher consumption and higher natural gas prices. Depreciation and amortization expense rose by $24.5 million primarily due to capital improvements in distribution plant, as well as additional amortization expense from the regulatory assets. Higher administrative and general expenses resulted in the $5.6 million increase in other operating expenses.

The major nonoperating activities of Power for fiscal year 2013 included the transfer of $246.5 million to the City's General Fund, interest income earned on investments of $46.1 million, $34.0 million in federal bond subsidies, and $241.2 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 $3.1 billion. Investment income fell $32.0 million due to changes in market values of investments and decreases in funds held in the related restricted investments. The $4.8 million increase in other nonoperating income resulted from insurance reimbursements and a gain from the sale of land. Federal bond subsidies received from the U.S. Treasury for interest payment subsidies decreased by $1.5 million. Interest expenses on debt increased by $5.0 million mainly due to interest expense for new money bond issuances offset by amortization costs and interest savings from debt refinancing undertaken by Power during fiscal 2013.

As a result of the above financial changes, including capital contributions of $46.8 million, Power's change in net position for fiscal year 2013 amounted to $136.5 million, an increase of $18.3 million from fiscal year 2012.

Water

During fiscal year 2013, operating revenues increased by $230.3 million, or 28.4%, from fiscal year 2012 while sales of water increased by 10.6 million hundred cubic feet. Full-year impact of the $0.35 Water Quality Cap and Second Tier Base rate increase in February 2012 and implemented in the Customer Information System in March 2012 was realized in fiscal year 2013. In addition, the purchased water cost increased by $119.4 million, from $161.0 million to $280.4 million in fiscal year 2013 resulting in higher revenue recognition.

Operating expenses for fiscal year 2013 were $134.1 million higher primarily due to a $119.4 million increase in purchase water costs. Water supplied by the aqueduct was 57% lower from prior fiscal year due to a reduced snowpack and Owens Valley environmental uses. Maintenance expense increased by $7.4 million due to maintenance costs associated with distribution plant and source of water supply at $6.0 million and $1.4 million, respectively. The $6.5 million increase in depreciation expense was mainly attributed to additions to distribution plant of $3.3 million and regulatory assets of $1.1 million.

Nonoperating revenues were $5.5 million lower than the prior year mainly due to lower investment income attributed to timing differences and changes in the market values of investments. The $2.4 million other nonoperating revenues increase was mainly the result of insurance reimbursements. Debt expenses, excluding the allowance for funds used during construction, increased by $7.1 million in line with the new money issuance of $322.0 million Water System Revenue Bonds during the fiscal year. Capital contributions decrease of $10.8 million is primarily attributed to lower service installation and distribution mains installation fees.

As a result of the above financial changes, the Water Enterprise Fund's increase in net position for fiscal year 2013 was $151.6 million, an increase of $74.5 million from fiscal year 2012.

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 $577.1 million increased by $60.2 million or 11.6% from the previous fiscal year. Of the total operating revenues, $529.8 million or 91.8% were from sewer service charges, which increased by $59.7 million or 12.7% compared to fiscal year 2012. The increase in sewer service charges was due to the sewer service charge rate increase per Ordinance No. 182076 dated March 1, 2012. The rates were increased by 4.5% on April 6, 2012 and again on

July 1, 2012. A series of increases will be in effect as follows: 4.5% on July 1, 2013 and 6.5% every July 1 thereafter, through fiscal year 2021.

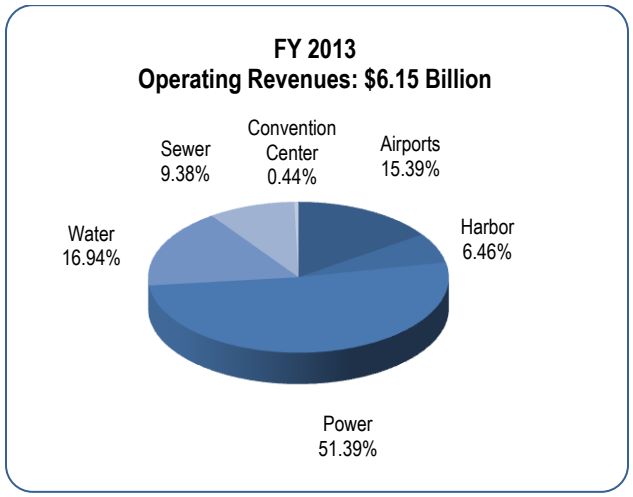
Operating expenses increased by $35.6 million or 8.7%. The increase was mainly due to the significant operations and maintenance expenses incurred during 2013 which is 9.7% or $24.6 million over fiscal year 2012. The increases include $1.3 million in utilities expense, $7.3 million in related costs, $8.0 million in construction related non-capitalizable costs and $3.6 million in vehicle and equipment non-capitalizable costs, as well as $1.0 million for write-off of certain bad debt accounts.

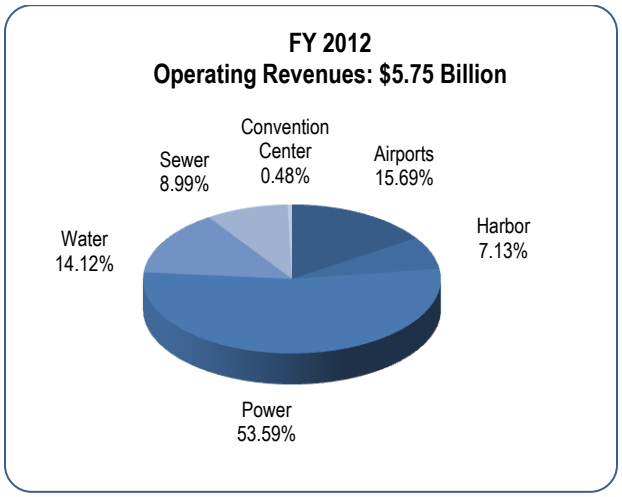
Nonoperating revenues decreased by $3.3 million primarily due to a $4.3 million decline in investment income as a result of changes in market values of investments offset by other nonoperating revenues increase of $1.1 million or 9.4% due primarily to a $3.0 million Federal grant received in fiscal year 2013.

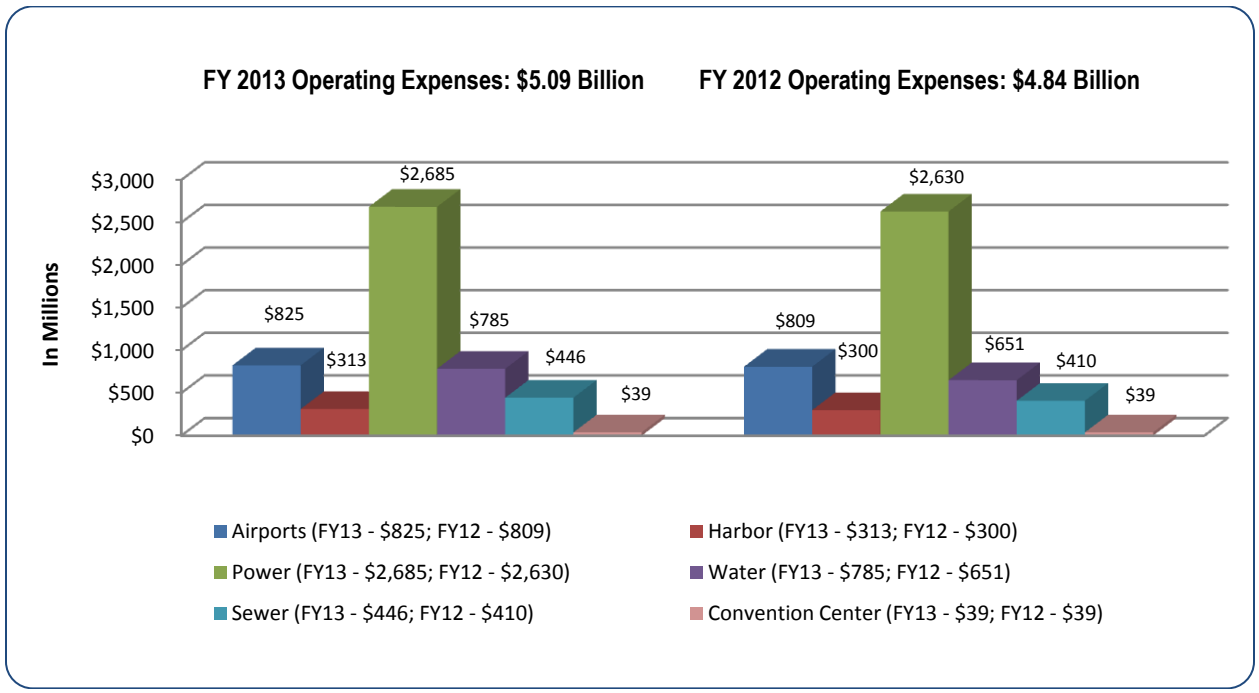
Nonoperating expenses declined by nearly $6.0 million or 4.5%. Interest expense decreased by $8.5 million or 7.3% mainly due to the refunding of certain outstanding bonds and settlement payment for partial termination of the interest rate swap agreements in fiscal year 2012. Other nonoperating expenses increased by $2.6 million or 16.9% due primarily to an $11.0 million increase in loss on abandonment offset by decrease in litigation settlement expenses and bond and note fees of $3.9 million and $4.1 million, respectively.

As a result of the above financial changes, including capital contributions of $10.2 million, Sewer's change in net position for fiscal year 2013 was $26.8 million compared to fiscal year 2012 amount of negative $0.7 million.

The following charts are graphical comparisons between June 30, 2013 and 2012, for enterprise funds/business-type activities operating revenues and operating expenses.







GENERAL FUND BUDGETARY HIGHLIGHTS

For fiscal year 2013, 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 unreserved and undesignated fund balance of the General Fund Operating Account is transferred to the Reserve Fund and reported as *"Reversion to Reserve Fund."*

At year end, General Fund actual revenues exceeded the original budget but were less than estimated 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 consolidated accounts as described above.

City of Los Angeles
Budgetary Operating Results- General Fund
Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final	Amounts	Above(Below)
Revenues and Other Financing Sources				
Taxes	$ 3,317,750	$ 3,335,750	$ 3,467,349	$ 131,599
Licenses, Permits, Fees and Fines	923,355	939,652	874,220	(65,432)
Intergovernmental	8,500	8,500	9,331	831
Interest	10,510	10,510	15,990	5,480
Other	8,700	8,700	13,872	5,172
Total Revenues	4,268,815	4,303,112	4,380,762	77,650
Power Transfers	249,100	249,100	246,534	(2,566)
Transfers from Other Funds	902,371	1,104,714	971,046	(133,668)
Loans from Other Funds	--	1,126	3,911	2,785
Total Revenues and Other Financing Sources	5,420,286	5,658,052	5,602,253	(55,799)
Expenditures and Other Financing Uses				
General Government	1,406,570	1,501,433	1,430,227	(71,206)
Protection of Persons and Property	1,863,797	1,890,504	1,866,361	(24,143)
Public Works	311,831	342,669	304,940	(37,729)
Health and Sanitation	222,233	223,874	200,798	(23,076)
Transportation	131,154	139,659	136,606	(3,053)
Cultural and Recreational Services	53,799	55,067	53,609	(1,458)
Community Development	111,693	118,479	105,754	(12,725)
Pension and Retirement Contributions	1,630	1,768	1,763	(5)
Capital Outlay	6,826	32,081	8,570	(23,511)
Total Expenditures	4,109,533	4,305,534	4,108,628	(196,906)
Payment of Loans	--	--	12,589	12,589
Transfers to Other Funds	1,310,753	1,352,518	1,339,453	(13,065)
Total Expenditures and Other Financing Uses	5,420,286	5,658,052	5,460,670	(197,382)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	--	--	141,583	141,583
Fund Balance, July 1	--	--	--	--
Encumbrances Lapsed	--	--	24,917	24,917
Reversion to Reserve Fund	--	--	(166,500)	(166,500)
Fund Balance, June 30	$ --	$ --	$ --	$ --

In fiscal year 2013, total actual revenues and other financing sources were lower than the final budget by $55.8 million or 1.0%.

Interfund transfers fell below expectations by $133.7 million or 12.1% mainly due to delayed reimbursements for grants and capital projects. In addition, license, permits, fees and fines ended the year $65.4 million down primarily due to lower charges for services. These include delayed receipt of prior year reimbursement of fire emergency medical services pursuant to Assembly Bill (AB) 678, reduced reimbursement from other funds for services provided by the General Fund resulting from lower cost allocation plan rates for state and federal programs, and, adjustments from prior year overpayments of related costs from sewer and solid waste resources funds. While departmental receipts were lower than expected, increases were realized for parking fines and services to enterprise of $3.4 million and $5.4 million, respectively.

The shortfall in the above categories was offset by increased tax receipts of $131.6 million. Tax receipts were above budget largely due to the continuing recovery in the housing market and an improving economy. Buoyed by the multiplying effects of stability in the housing market, home price appreciation and sales volume, property tax receipts and documentary transfer tax receipts increased $85.6 million or 6.9% and $39.8 million or 37.0%, respectively. Some of the variances in property tax receipts are also attributed to the higher ex-CRA tax increment receipt. Sales tax growth of $6.0 million or 1.8% reflected improved consumer confidence. Transient occupancy tax receipts, a factor of room rates and occupancy, went up by $10.0 million or 6.3% as the tourism sector showed gains in business and leisure travel. Actual revenues also reflected unexpected revenue of $2.0 million from the State for motor vehicle license fees and $7.0 million from tobacco settlement monies.

Other receipts came in slightly lower than budget. The decrease in utility users' tax receipts of $2.2 million reflected declining natural gas price and changes in telephone usage. Franchise income came in $4.4 million lower than expected mainly due to reduced natural gas franchise fee, as gas prices remained low. Power revenue transfer fell short by $2.6 million. Business tax receipts were $1.2 million lower. The positive impact of the economic recovery on business tax receipts were dampened by the continuing effects of business tax reform. Parking users' tax receipts were $2.3 million below budget.

The City's General Fund expenditures were $196.9 million below budget during fiscal year 2013. The City adopted a fiscally disciplined and strategic approach to manage the City's finances. Savings were realized through actions of the Mayor and City Council to implement various austerity measures. Efforts to address its pension liability and reduce its payroll included employee contribution of two percent to four percent, from zero, of their pay for retiree health benefits; freeze of retiree medical subsidies for non-contributing employees; workforce attrition of civilian employees; consolidation and/or elimination of functions and departments; establishment of a new tier (Tier 6) and 20% lower salaries for new sworn hires; and reduction in payroll spending through continuation of the Managed Hiring Process.

As a result of below budget expenditures and other financing uses totaling $197.4 million, and lapsed encumbrances of $24.9 million, offset by below budget revenues and other financing sources of $55.8 million, a total of $166.5 million reverted from the General Fund to the Reserve Fund at year-end.

LONG-TERM DEBT

At June 30, 2013 the City's bonded indebtedness and long-term notes payable totaled $22.8 billion as follows:

City of Los Angeles

Summary of Bonded Debts and Long-Term Notes Payable
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	FY 2013	FY 2012 (Restated)	FY 2013	FY 2012 (Restated)	FY 2013	FY 2012 (Restated)
Debt backed by the City						
General Obligation Bonds	$ 1,165,924	$ 1,288,674	$ --	$ --	$ 1,165,924	$ 1,288,674
Judgment Obligation Bonds	53,079	60,379	--	--	53,079	60,379
Special Assessment Debt	20,240	22,210	--	--	20,240	22,210
Debt Secured by Specified Revenue Sources						
Certificates of Participation and Lease Revenue Bonds	1,456,723	1,571,911	--	--	1,456,723	1,571,911
Revenue Bonds and Notes Payable	977,663	929,928	18,947,316	17,286,712	19,924,979	18,216,640
Loans Payable to U.S. Department of Housing and Urban Development	198,600	204,395	--	--	198,600	204,395
Total	$ 3,872,229	$ 4,077,497	$18,947,316	$17,286,712	$22,819,545	$21,364,209

Significant new issuances during the year are the following:

- $43.0 million MICLA commercial paper notes 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.

- $73.7 million solid waste resources bonds to finance the acquisition of solid waste containers, equipment and vehicles and $78.8 million to refund outstanding $91.3 million series 2003-A, 2003-B, 2004-B bonds.

- Airports issued senior lien LAX revenue bonds in the aggregate par amount of $279.1 million broken down as follows: Series 2012A for $105.6 million, Series 2012B for $145.6 million, and Series 2012C for $27.9 million for certain capital projects at LAX and to refund outstanding subordinate commercial paper notes.

- Power issued a total of $1.7 billion in Power System Revenue bonds as follows: $104.0 million and $527.3 million of Power System Revenue Bonds 2012 Series A and 2013 Series A, respectively, to refund a portion of certain outstanding revenue bonds; $350.0 million, $300.0 million, and $452.2 million of Power System Revenue Bonds, 2012 Series B, 2012 Series C, and 2013 Series B, respectively, for capital improvements; and $27.9 million of Power System Revenue Bonds, 2013 Series C, for renewable energy projects and designated as direct payment Qualified Energy Conservation Bonds to receive certain subsidy payments from the U.S. Treasury.

- Water issued a total of $527.9 million in Water System Revenue Bonds as follows: $322.0 million of Water System Revenue Bonds, 2012 Series B for capital improvements; $92.7 million and $113.2 million of Water System Revenue Bonds, 2012 Series C and 2013 Series A, respectively, to refund certain outstanding revenue bonds.

- Sewer Fund issued Wastewater System Subordinate Revenue Bonds Series 2013-A and 2012-D in the amount of $349.5 million and $280.9 million, respectively, and Wastewater System Revenue Bonds Senior Series 2013-A and 2013-B in the amount of $150.0 million and $143.9 million, respectively, to refund all or a portion of certain outstanding bonds.

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 beginning on page 123.

As of January 13, 2014, the ratings of the City's debts by rating agencies are as follows:

	Moody's Investors Service (Moody's)	Standard & Poors (S&P)	Fitch Ratings (Fitch)
General Obligation Bonds	Aa2	AA-	AA-
Convention and Exhibition Center Lease Revenue Bonds	A2	A+	A+
Judgment Obligation Bonds	A1	A+	A+
MICLA Lease Revenue Obligations (Real Property)	A2	A+	A+
MICLA Lease Revenue Obligations (Equipment)	A3	A+	A+
Tax and Revenue Anticipation Notes	M1G 1	SP-1+	F1+
Landscape and Lighting District 96-1 Assessment Bonds	Aa2	AA	AA
Solid Waste Resources Revenue Bonds	Aa3	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 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, 2013, the City is in compliance with the aforementioned policies.

Information related to the City's legal debt margin is found on pages 354 and 355. Pledged revenue bond coverage for the City's enterprise funds is found on pages 356 and 357.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2013, amounted to $35.5 billion (net of accumulated depreciation). This investment in capital assets, which accounts for 69.6% of the City's total assets, includes land, buildings, facilities, equipment, infrastructure, and construction in progress. 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 2013	FY 2012	FY 2013	FY 2012 (Restated)	FY 2013	FY 2012 (Restated)
Not Depreciated						
Land	$ 739,443	$ 816,958	$ 2,597,779	$ 2,405,465	$ 3,337,222	$ 3,222,423
Infrastructure	171,379	171,155	--	--	171,379	171,155
Construction in Progress	915,405	857,254	5,397,119	4,789,807	6,312,524	5,647,061
Intangible Assets	8,441	8,636	65,793	69,846	74,234	78,482
Subtotal	1,834,668	1,854,003	8,060,691	7,265,118	9,895,359	9,119,121
Depreciated, Net						
Buildings, Facilities and Equipment	3,497,829	3,572,168	19,934,394	18,703,254	23,432,223	22,275,422
Infrastructure	1,781,881	1,747,886	--	--	1,781,881	1,747,886
Intangible Assets	68,364	71,051	10,711	--	79,075	71,051
Subtotal	5,348,074	5,391,105	19,945,105	18,703,254	25,293,179	24,094,359
Natural Gas Field, Net	--	--	272,158	293,006	272,158	293,006
Nuclear Fuel at Amortized Cost	--	--	44,686	49,687	44,686	49,687
Total	$ 7,182,742	$ 7,245,108	$ 28,322,640	$ 26,311,065	$ 35,505,382	$ 33,556,173

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 $59.7 million. These various projects include $17.9 million for animal shelters, $1.6 million for public works projects, $22.0 million for recreational, cultural and community centers, and $18.3 million for various municipal facilities.

- Capitalized charges for various projects under construction totaled $183.6 million. These projects include $59.8 million for recreational, cultural and community centers, $77.5 million for various public work projects, $25.6 million for transportation projects, $7.9 million for fire and police facilities, and $12.8 million for municipal facilities projects.

- Capitalized infrastructure assets totaled $90.2 million.

- Acquisition of machinery and equipment that were capitalized totaled $78.1 million, while those retired, salvaged, deleted or sold amounted to $47.7 million.

- Costs of land and building that were transferred from the former CRA to the City in fiscal year 2011, of $93.2 million were returned to the former CRA's Successor Agency in fiscal year 2013,

in accordance with the State Controller order requiring the reversal of prior asset transfers that are not contractually committed. Please see Note 5F on page 198 for related discussion.

The modified approach is used in reporting the City's bridges infrastructure system. As of June 30, 2013, 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 $44.3 million, but $36.6 million was actually spent. See additional information on Note 1E of the Notes To Basic Financial Statements on pages 72-74. The required supplementary information for bridges is presented on page 208.

Business-type Activities

- Airport's net capital assets increased by $1,054.1 million, or 19.8%. Major capital assets activities include $539.2 million improvements and security upgrades at the Tom Bradley International Terminal (TBIT); $195.0 million renovations at Terminals 2, 3, 5, 6, and 7; $125.6 million replacement of the Central Utility Plant and cogeneration facilities; $111.5 million purchase of Skyview Center land (including parking lots) and buildings; $29.9 million central terminal area development; $26.9 million repairs and improvements of elevators and escalators; $20.2 million various IT network and systems projects; $11.3 million satellite concourse, runway and taxilane construction; $5.9 million residential acquisition, soundproofing and noise mitigation; $5.7 million security program; and $8.9 million VNY taxilane and runway rehabilitation.

- Harbor's net capital assets rose by $193.2 million or 5.8% compared to the prior fiscal year. Major capital assets activities include $19.0 million for Southwest Marine dry dock demolition; $2.0 million for Acre backland development; $39.6 million for Harry Bridges Boulevard improvement; $16.8 million for various wharves and terminal construction and improvement including the San Pedro Waterfront-Downtown water cut; $94.3 million for various warehouses, buildings and facilities such as $33.2 million for alternative marine power improvement; $21.7 million for the Inner Cabrillo Beach water quality improvement; $12.0 million for the Southern Pacific slip improvement in the San Pedro Waterfront and $8.6 million for So. California International Gateway Project.

- Power capitalized $1,284.0 million of additions, including transfers from construction work in progress, to depreciable utility plant in service. Of the $1,284.0 million, $811.0 million, or 63%, is mostly related to generation plant assets including $648.0 million for six simple-cycle gas turbines related to repowering of Haynes Generating Station; $322.0 million related to distribution plant assets mostly attributable to the Power Reliability Program to improve distribution system reliability; and $63.0 million for general plant assets including purchases of fleet equipment and installation of fiber optics. Construction in progress decreased by $327.0 million mainly due to capitalization of generation system assets including repowering of Haynes generating stations units 5 and 6, construction of Pine Tree Photovoltaic System, and Haynes Unit 8 overhaul.

- Water capitalized $390.0 million of additions to depreciable utility plant in service. Of the $390.0 million, $231.0 million, or 59% is related to distribution plant assets, mostly attributable to the Water Quality Program including installation or replacement of trunk line, mains, meters and services including mains, meters and services. Other additions included construction of first street trunk line, replacement of City Trunk Line South Unit 1. Purification stations and pumping stations assets increased by $53.0 million, or 14%, mostly attributable to construction of the Van Norman Chloramination Station No. 2 and upgrades or expansions to water treatment facilities. The value of assets in source of water supply increased by $80.0 million, or 21%, which comprised of construction at River Supply Conduit Lower Reach 3 and efficiency improvements at Owens Lake facilities. Lastly, general plant increased by $25.0 million, or 6%, which includes additions to fleet, communication systems, and demand side management.

- Sewer capitalized $153.1 million, including transfers from construction in progress. Of this amount, $90.9 million, or 59.4% was for treatment plants and equipment, while $56.3 million or 36.8% was for wastewater collection system. Charges to the construction in progress totaled $82.8 million. Sewer has restated the construction in progress operating balance in fiscal year 2013, increasing it by $84.1 million to reflect capital assets not previously included.

Significant commitments that include construction contracts are discussed in Note 5C of the Notes to the Basic Financial Statements on page 170.

The City's policy affecting capital assets can be found in Note 1E of the Notes to the Basic Financial Statements on pages 72-74. Additional information can be found in Note 4E on pages 117-119.

ECONOMIC FACTORS AFFECTING NEXT YEAR'S BUDGET

The City's fiscal year 2014 total adopted budget is $7.7 billion. Of this amount, $3.7 billion, or 47.3%, is appropriated for departmental expenditures. The remainder of $4.0 billion is appropriated for non-departmental expenditures. Estimated general receipts of $4.9 billion, special receipts of $2.1 billion, bond redemption and interest funds of $0.2 billion, and special fund available balances of $0.5 billion are sources of funds for the budget. The adopted budget provided enhancements to ongoing services such as Fire recruit training and upgrade of fire companies, systems and equipment investments, as well as long deferred capital improvements.

The City addressed a projected $216.0 million General Fund deficit for fiscal year 2014 through increased ongoing, as well as one-time revenue, transfers and receipts, various efficiencies and expenditure reductions. Efficiencies and expenditure reductions programmed in the budget include elimination of vacancies; reorganization of departmental functions; expense account reductions; and funding realignment from the General Fund to special funds. The budget also assumed that savings would be realized from employee concessions that would require a 10.0% employee contribution towards healthcare premiums; elimination of 5.5% salary adjustments scheduled for January 1, 2014, for certain employee bargaining units representing over 60.0% of the civilian workforce; and pension contribution associated with such salary adjustments. The fiscal year 2014 budget set aside funding in the Unappropriated Balance in the event employee concessions fail to materialize.

Major tax categories are projected to expand for sales, business, utility users, documentary transfer, transient occupancy, and parking users' tax receipts. The increase in property tax is based on estimated countywide growth of 2.9% and also includes continuation of ex-CRA tax increment receipts. Other one-time revenue include reimbursement of prior year related costs from the Transportation Grant Special Fund; surplus transfer from the Special Parking Revenue Fund; tax amnesty receipts; prior year reimbursement of fire emergency medical services pursuant to Assembly Bill (AB) 678; and surplus transfer from the Budget Stabilization Fund (BSF).

The fiscal year 2014 General Fund budgeted receipts of $4.9 billion increased by $191.7 million or 4.1% from fiscal year 2013 actual receipts, as follows (amounts in millions):

	FY 2014 Budget	FY 2013 Receipts	Increase (Decrease) Amount	Increase (Decrease) Percentage
Taxes	$ 3,544.3	$ 3,467.3	$ 77.0	2.2 %
Licenses, permits, fees and fines	989.3	882.4	106.9	12.1
Intergovernmental	8.3	8.5	(0.2)	-2.4
Interest	14.6	16.0	(1.4)	-8.8
Other	9.0	13.9	(4.9)	-35.3
Transfers from other funds	301.3	287.0	14.3	5.0
Total	$ 4,866.8	$ 4,675.1	$ 191.7	4.1

Note: Transfers from other funds include Reserve Fund, Budget Stabilization, Power Fund, Special Parking Revenue Fund and Transportation Grant Special Fund.

The City uses independent revenue forecasts from local economists and other taxing jurisdictions such as the University of California Los Angeles (UCLA) Anderson Forecast, Beacon Economics, Los Angeles County Economic Development Corporation (LAEDC), County of Los Angeles, and the State of California Governor's Budget to inform its revenue assumptions. The estimates are based on assumptions consistent with recent economic trends. The economic recovery, while muted in comparison to recoveries from past recessions, is assumed to be on the upswing.

Year-over-year tax receipts rose by $77.0 million or 2.2% from actual fiscal year 2013 revenue. This follows on the heels of a 5.1% growth in fiscal year 2013 tax receipts over the prior year. The gains in fiscal year 2014 tax receipts are mainly attributable to a $55.1 million increase in economy-sensitive revenues as follows: $13.8 million in sales tax; $21.9 million in business tax; $6.6 million in transient occupancy tax; $12.8 million in documentary transfer tax and $5.5 million in parking users' tax. In addition, utility users' tax receipts are anticipated to grow $21.1 million or 3.3%. Individually, the rates of increase in these categories range from 3.8% for sales tax to 8.0% for documentary transfer tax.

Property tax is the City's largest General Fund revenue source, representing 31.8% of General Fund revenues in the fiscal year 2014 adopted budget. The amount of property tax received is determined by complex State Proposition 13 related factors, and other propositions approved by the electorate, inflation, the real estate market, new construction activity, assessment appeals, and restorations to the tax rolls, and in recent years, includes ex-CRA tax increment allocation. Estimated property tax receipts compared to the prior fiscal year are expected to decline by $4.2 million.

Documentary transfer tax receipts are estimated to increase by $12.8 million or 8.0%. Fiscal year 2013 revenue from the tax jumped 40.0% above the previous year, in comparison to the 7.5% increase assumed in the adopted budget. Documentary tax receipts, based on sales volume and prices, are estimated at $160.1 million for fiscal year 2014, below the $217.0 million peak in fiscal year 2006 but above the $84.0 million low in fiscal year 2009.

Utility users' tax receipts are projected to increase by $21.2 million or 3.3% above the prior fiscal year. The tax is composed of electric, gas, and communications users' taxes. The electric users' tax reflects an increase in electric rates. The gas users' tax is anticipated to slightly rise in direct correlation to natural gas prices. Communications users' tax, which represents more than a third of utility users' tax receipts, continues to be negatively impacted by changes in traditional land line usage and less expensive wireless plan options.

The estimated other transfers reflect a $14.5 million or 5.0% increase from the prior year primarily due to a $6.5 million increase for power revenue transfer as a result of electric rates increase; and an $8.0 million one-time transfer from the Budget Stabilization Fund.

Business tax revenues are typically based on gross receipts of sales inside the City with the applicable tax rate varying depending on which classifications are applicable to each business. The projection for this tax is 4.7% above fiscal year 2013 receipts, which includes revenue growth, one-time revenue associated with a tax amnesty program, less decreased revenue from the final phase out of business taxes on mutual funds and other business tax reform measures.

The City's assumed 4.0% growth in taxable sales is similar to LA County's 4.0% projection. Sales tax receipts are expected to grow by $13.8 million over the prior fiscal year.

Transient occupancy tax receipts are expected to grow $6.6 million or 3.8% above the prior year. The estimated growth is largely based on increasing room rates as hotels reach peak occupancy. Parking users' tax receipts is anticipated to increase by $5.5 million based on the improved economy and increased collection based in part on the Office of Finance's continued discovery efforts, enforcement, and compliance programs.

Other revenue is estimated to go up by $4.9 million mainly due to an increase in tobacco settlement monies. This revenue is a part of a settlement between California and seven tobacco companies during a 25-year period ending 2025 and distributed by the State to local governments based on population.

The U.S. gross domestic product (GDP) seasonally adjusted annual growth rates for the third and fourth quarter were 4.1% and 3.2%, respectively, fueled by strong consumer and business spending, and also exports during the fourth quarter. This has spurred economists' expectations that the economic recovery is gaining traction after years of tepid growth. Economists surveyed by the Wall Street Journal in December 2013, forecast an average of between 2.5% to 3.0% growth in 2014 with some expecting a sustained economic upswing in the coming quarters. The Federal Reserve has forecasted economic growth between 2.8% and 3.2% in 2014. However, recent weakness in economic indicators and emerging economies may impact American exports and businesses and economic activity.

The fear of another federal government shutdown has been allayed following adoption of a two-year bipartisan budget deal. The agreement relaxed federal spending restraints and restored some of the scheduled reductions in federal government spending. On February 12, 2014, legislation to suspend a cap on government borrowing until March 2015 was approved.

Following the spate of positive economic data, the Federal Reserve has further tapered the central bank's bond buying program, also known as quantitative easing, by $10.0 billion a month in January 2014, and an additional $10.0 billion a month starting February 2014. The bond buying was instituted in September 2012 for the purpose of lowering long-term interest rates and encouraging spending, hiring and investing. The Federal Reserve restated its commitment to keep the benchmark federal funds rate from near zero well past the time that the jobless rate falls below the 6.5% threshold, and as long as inflation remains in check.

Despite the positive outlook, the Federal Reserve expressed concern that the rate of inflation continues to run below the central bank's 2.0% target. It raises the risk of deflation, or generally falling prices, which may cause consumers to delay major purchases and further worsen an economic slowdown. Weak inflation may also be an indicator of weak demand that holds down wages, corporate profits and growth.

The outlook for certain economic indicators has been mixed but in general, analysts have indicated that the economy appears to be headed in a positive direction. Recent data point to a modestly improving national labor market. However, initial claims for jobless benefits, a measure of layoffs, have fluctuated in recent weeks. While it rose to its highest level since March 2013 during the second week in December, the U.S. Labor Department reported a decline at the end of the third week of December. Analysts caution that volatility during the holiday season may skew seasonal adjustments.

Housing data have been subject to fluctuations during the last part of 2013. Existing U.S. home sales slipped to its lowest level in almost a year which may be attributed to higher mortgage rates, coupled with tight inventory and rising home prices. This may possibly slow down the momentum for home sales and concurrent rate of growth in the construction sector. New home construction spiked to its highest level in six years. Likewise, a National Association of Home Builders survey indicates a surge in demand from buyers. The U.S. Commerce Department reported that calendar year-over-year new home sales were up by 16.4% while existing home sales rose 9.0%.

Consumer spending increased 3.3% for the fourth quarter of calendar year 2013. However, personal income only increased by 0.2% in November, following a dip of 0.1% in October 2013. Economists opine that the pace of consumer spending may not be sustainable without stronger wage increases.

In November 2013, the California State Legislative Analyst Office (LAO) issued its 2014-15 Budget Fiscal Outlook report. It projected a State operating surplus each year from fiscal year 2014 through 2018. Its projections are based on the assumption of a steady, moderate economic growth. For 2014, it forecasts an increase of 5.4% for California personal income; a 2.2% increase for wage and salary employment rate; and a decline of the unemployment rate from 8.9% in 2013 to 7.8%. The assumptions also include a significant increase in personal income tax due to higher capital gains attributable largely to higher-income tax filers, a result of a strong stock market and real estate market; and, excluding the impact of Proposition 30, the State's temporary one-quarter cent sales tax measure, a 6.9% increase projected for underlying taxable sales in fiscal year 2014. The LAO's Fiscal Outlook reflects positively for the City's economy sensitive revenues.

The State Employment Development Department (EDD) reported a net 44,300 jobs created for the month of November, led by strong retail hiring, and 13,600 jobs for December 2013, mostly in the administrative support sector. In contrast, the State experienced an average monthly job growth of just below 20,000 over the last year. State employment has improved across several sectors, led by trade, transportation, utilities, retail and wholesale trade. Construction and manufacturing industries expanded in November but contracted the following month. Los Angeles County has steadily experienced job gains, reducing its seasonally adjusted unemployment rate from 9.7% in October to 9.2% in December.

In January 2014, the Governor released the 2014-15 State of California budget. The proposed budget's economic outlook expects slow and steady growth over the next few years. Job growth will continue in the range of 2.0% or about 340,000 jobs through 2016. Yet, risks remain, such as slow income growth and wage pressures resulting from persistent unemployment that may negatively impact consumer spending; the likelihood of another recession; and potential impact of the Federal Reserve taper on the stock market and broader economy.

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

The City Administrative Officer (CAO) reports to the Mayor and City Council on the status of the budget. Based on the CAO's First and Second Financial Status Reports released in October and December 2013, respectively, estimated overall receipts through November 2013 were slightly above planned revenue primarily due to the receipt of Transportation Grant Special Fund monies ahead of schedule. The early receipt of secured property tax in fiscal year 2013 may result in a possible shortfall in fiscal year 2014. Below plan estimates such as $10.5 million lower utility tax receipts were offset by higher receipts such as $18.3 million higher documentary transfer tax largely attributed to increasing sale prices.

As reported by the Controller in its Preliminary Financial Report for fiscal year ended June 30, 2013, the July 1, 2013, Reserve Fund balance was $326.6 million or 6.7% of the General Fund budget, above the 5.0% City Financial Policy. BSF was substantially built up to $69.5 million in accordance with the adopted budget. A transfer of $8.0 million to the General Fund as budgeted lowered its balance to $61.5 million.

The CAO reported certain issues of concerns that may negatively impact planned revenue growth such as fluctuating City unemployment and possible slowdown of home sales in light of higher home prices and higher interest rates; proposed decrease in Community Development Block and HOME Investment Partnerships Program grants below 2013 post-sequestration levels; "true up" calculation of City contribution for LACERS based on adjusted rather than budgeted salaries; and potential liability from labor-related and class action litigation.

Approximately $24.0 million in expenditure shortfalls and unbudgeted expenses were projected primarily due to $13.2 million in unfunded Fire Ambulance Augmentation Plan and delayed implementation of the 40 hour work week for sworn personnel at the Fire Dispatch Center; $4.6 million cost of placing an initiative ordinance for the creation of a new City public health department; and $6.2 million in unfunded compensation adjustments and other shortfalls. While the shortfall may

be potentially offset by revenue received in the prior fiscal year, the CAO recommended other budget balancing solutions rather than a transfer from the Reserve Fund. These included the transfer from the set aside monies in the Unappropriated Balance and discontinuation of the unfunded Fire Ambulance Augmentation Plan for the remaining six months of the fiscal year.

As instructed by the City Council, the CAO reported on the status of Police Department banked sworn overtime. The existing three-year MOU for police officers provided that the 800-hour compensated time-off limit would sunset when the MOU expires June 30, 2014. The CAO is working with the Police Department on options to address the liability, prior to, or as part of, negotiations for a successor agreement to the existing MOU, which expires at the end of fiscal year 2014.

The Four-Year Budget Outlook (Outlook) based on the 2013-14 adopted budget presented ongoing structural deficits but declining each year thereafter, with a small surplus estimated for fiscal year 2018. However, it assumed that employee concessions would be realized as budgeted. The CAO subsequently revised its Four Year Budget Outlook to assume that the 5.5% COLA would be paid as scheduled and other assumed employee concessions would not be realized. The estimated deficit for fiscal year 2015 would total $242.0 million and would further climb by $14.0 million, to $256.0 million, without elimination of the unfunded Fire Ambulance Augmentation Plan.

In March 2013, City Council President appointed former U.S. Commerce Secretary Mickey Kantor to head an independent commission to study and report on fiscal stability and job growth in the City. The Los Angeles 2020 Commission (2020 Commission) has 13 members providing a broad range of viewpoints from private, education, labor and governmental sectors. On January 8, 2014, the 2020 Commission released the first of two planned reports: the first report ("A Time for Truth") discusses the current issues facing the City and the second, to be released in 2014, will contain its recommendations for addressing these challenges. A Time for Truth offers, on balance, a negative assessment of the City's economic and financial condition. The report is critical of the City's budget process and warns of critical issues such as rising pension expenditures that have grown 25.0% annually over the past ten years, at a rate significantly higher than the City's other major budgetary expenditures. The report also notes significant resources of the City, including its leading entertainment and tourism industries, its diversity and its history of attracting entrepreneurs. The City awaits the recommendations expected in the 2020 Commission's second report.

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, 2013
(amounts expressed in thousands)

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Pooled Investments	$ 3,821,889	$ 2,211,441	$ 6,033,330
Other Investments	67,074	55	67,129
Receivables, Net	1,508,981	1,922,506	3,431,487
Inventories	17,875	201,244	219,119
Prepaid Items and Other Assets	72,199	919,242	991,441
Restricted Assets	--	3,740,274	3,740,274
Investment in Joint Ventures	--	5,086	5,086
Properties Held for Housing Development	80,484	--	80,484
Net Pension Assets	--	16,647	16,647
Net Other Postemployment Benefits Assets	--	954,690	954,690
Capital Assets			
Not Depreciated	1,834,668	8,060,691	9,895,359
Depreciated, Net	5,348,074	19,945,105	25,293,179
Natural Gas Field, Net	--	272,158	272,158
Nuclear Fuel, at Amortized Cost	--	44,686	44,686
TOTAL ASSETS	12,751,244	38,293,825	51,045,069
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charges on Debt Refunding	--	5,660	5,660
Deferred Outflow on Derivative Instruments	--	92,008	92,008
TOTAL DEFERRED OUTFLOWS OF RESOURCES	--	97,668	97,668
LIABILITIES			
Accounts Payable and Accrued Expenses	320,924	863,751	1,184,675
Obligations Under Securities Lending Transactions	17,658	13,842	31,500
Accrued Interest Payable	55,508	275,121	330,629
Internal Balances	55,011	(55,011)	--
Deposits and Advances	48,451	91,637	140,088
Other Liabilities	118,594	195,178	313,772
Advances from Fiduciary Funds	30,571	--	30,571
Derivative Instrument Liabilities	--	92,008	92,008
Non-current Liabilities			
Due Within One Year	643,605	651,215	1,294,820
Due In More Than One Year	7,000,522	18,846,272	25,846,794
TOTAL LIABILITIES	8,290,844	20,974,013	29,264,857
NET POSITION			
Net Investment in Capital Assets	4,452,921	10,135,052	14,587,973
Restricted for:			
Capital Projects	89,055	249,773	338,828
Debt Service	154,321	1,147,819	1,302,140
Public Safety	255,176	--	255,176
Public Works and Sanitation	500,360	--	500,360
Transportation Programs	528,871	--	528,871
Culture and Recreation Activities	317,510	--	317,510
Community Development and Housing	591,516	--	591,516
Passenger/Customer Facility Charges	--	894,282	894,282
Pension and Other Postemployment Benefits	--	971,337	971,337
Other Purposes	--	399,329	399,329
Unrestricted (Deficit)	(2,429,330)	3,619,888	1,190,558
TOTAL NET POSITION	$ 4,460,400	$ 17,417,480	$ 21,877,880

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, 2013
(amounts expressed in thousands)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business- type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental Activities:							
General Government	$ 2,089,053	$ 305,545	$ 32,949	$ --	$ (1,750,559)	$ --	$ (1,750,559)
Protection of Persons and Property	2,789,023	385,961	143,677	153	(2,259,232)	--	(2,259,232)
Public Works	387,649	169,473	136,688	13,499	(67,989)	--	(67,989)
Health and Sanitation	405,934	495,544	22,063	3,102	114,775	--	114,775
Transportation	423,595	121,374	276,896	2,072	(23,253)	--	(23,253)
Cultural and Recreational Services	482,692	149,237	1,261	36,312	(295,882)	--	(295,882)
Community Development	386,346	111,259	257,925	--	(17,162)	--	(17,162)
Interest on Long-Term Debt	179,588	--	--	--	(179,588)	--	(179,588)
Total Governmental Activities	7,143,880	1,738,393	871,459	55,138	(4,478,890)	--	(4,478,890)
Business-type Activities:							
Airports	922,914	1,122,704	--	17,972	--	217,762	217,762
Harbor	331,626	416,974	--	17,630	--	102,978	102,978
Power	2,928,377	3,264,534	--	46,860	--	383,017	383,017
Water	939,094	1,073,948	--	16,711	--	151,565	151,565
Sewer	572,425	588,987	--	10,234	--	26,796	26,796
Other- Convention Center	39,073	27,255	--	--	--	(11,818)	(11,818)
Total Business-type Activities	5,733,509	6,494,402	--	109,407	--	870,300	870,300
Total	$ 12,877,389	$ 8,232,795	$ 871,459	$ 164,545	(4,478,890)	870,300	(3,608,590)
General Revenues:							
Property Taxes					1,746,372	--	1,746,372
Utility Users Taxes					627,707	--	627,707
Business Taxes					482,857	--	482,857
Other Taxes							
Documentary Transfer					151,032	--	151,032
Transient Occupancy					182,960	--	182,960
Parking Occupancy					86,943	--	86,943
Franchise Income					98,430	--	98,430
Miscellaneous					3,943	--	3,943
Grants and Contributions Not Restricted to Specific Programs							
Sales Taxes					343,628	--	343,628
Other					20,825	--	20,825
Unrestricted Investment Earnings					(298)	--	(298)
Other					105,850	--	105,850
Transfers					246,534	(246,534)	--
Special Items:							
Return of Properties to CRA					(93,191)	--	(93,191)
Transfer of Properties for Housing Development from CRA					80,484	--	80,484
Transfer of Housing Loans from CRA					124,781	--	124,781
Pollution Remediation Liabilities Adjustment					--	13,387	13,387
Total General Revenues and Other Items					4,208,857	(233,147)	3,975,710
Changes In Net Position					(270,033)	637,153	367,120
Net Position - July 1, Restated					4,730,433	16,780,327	21,510,760
Net Position - June 30					$ 4,460,400	$ 17,417,480	$ 21,877,880

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

CITY OF LOS ANGELES

Balance Sheet
Governmental Funds
June 30, 2013
(amounts expressed in thousands)

	General	Community Development	Municipal Improvement Corporation: Special Revenue	Municipal Improvement Corporation: Debt Service
ASSETS				
Cash and Pooled Investments	$ 791,293	$ 9,728	$ 78,120	$ 68,108
Other Investments	--	--	--	53,844
Taxes Receivable				
(Net of Allowance for Uncollectibles of $45,946)	533,711	--	--	--
Accounts Receivable				
(Net of Allowance for Uncollectibles of $405,831)	187,230	--	--	--
Special Assessments Receivable	4,816	--	--	--
Investment Income Receivable	5,401	20	191	225
Intergovernmental Receivable	54,548	3,689	--	525
Loans Receivable				
(Net of Allowance for Uncollectibles of $1,549,021)	--	106,629	--	--
Due from Other Funds	86,632	1,729	--	--
Inventories	17,875	--	--	--
Prepaid Items and Other Assets	17,051	10,718	1,931	--
Advances to Other Funds	8,189	--	10,784	--
Properties Held for Housing Development	--	--	--	--
TOTAL ASSETS	$ 1,706,746	$ 132,513	$ 91,026	$ 122,702
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts, Contracts and Retainage Payable	$ 54,078	$ 3,697	$ 3,851	$ --
Obligations Under Securities Lending				
Transactions	6,879	40	295	--
Accrued Salaries and Overtime Payable	130,168	--	--	--
Accrued Compensated Absences Payable	15,433	--	--	--
Estimated Claims and Judgments Payable	30,269	--	--	--
Intergovernmental Payable	12	--	--	--
Due to Other Funds	71,740	1,410	4,655	--
Deferred Revenue and Other Credits	576,749	815	--	--
Deposits and Advances	23,316	39	--	--
Matured Bonds and Interest Payable	--	--	--	--
Advances from Other Funds	29,852	--	--	--
Other Liabilities	45,634	117	785	--
TOTAL LIABILITIES FORWARDED	984,130	6,118	9,586	--

Continued…

CITY OF LOS ANGELES

Balance Sheet
Governmental Funds
June 30, 2013
(amounts expressed in thousands)

	General	Community Development	Municipal Improvement Corporation: Special Revenue	Municipal Improvement Corporation: Debt Service
TOTAL LIABILITIES FORWARDED	$ 984,130	$ 6,118	$ 9,586	$ --
FUND BALANCE				
Nonspendable:				
Inventories	17,875	--	--	--
Prepaid Items and Other Assets	17,051	10,718	1,931	--
Advances to Other Funds	8,189	--	--	--
Restricted for:				
Animal Shelter Facilities	--	--	--	--
Community Development	--	115,677	--	--
Construction and Engineering Regulation Enforcement	--	--	--	--
Cultural Activities	--	--	--	--
Debt Service	--	--	--	122,702
Fire Prevention and Emergency Preparedness	--	--	--	--
General Government	69,712	--	--	--
Health, Environment and Sanitation Programs	--	--	--	--
Landfill Closure and Postclosure Maintenance	--	--	--	--
Law Enforcement	--	--	--	--
Library	--	--	--	--
MICLA Capital Projects	--	--	79,509	--
Other Capital Projects	--	--	--	--
Other Purposes	--	--	--	--
Police, Fire and 911 Facilities	--	--	--	--
Recreation and Parks	--	--	--	--
Seismic Improvement	--	--	--	--
Solid Waste	--	--	--	--
Stormwater Cleanup Capital Projects	--	--	--	--
Street Services	--	--	--	--
Transportation	--	--	--	--
Assigned to:				
Community Development	--	--	--	--
Construction and Engineering Regulation Enforcement	--	--	--	--
Cultural Activities	--	--	--	--
Fire Prevention and Emergency Preparedness	--	--	--	--
General Government	242,643	--	--	--
Health, Environment and Sanitation Programs	--	--	--	--
Landfill Closure and Postclosure Maintenance	--	--	--	--
Law Enforcement	--	--	--	--
Library	--	--	--	--
Other Capital Projects	--	--	--	--
Other Purposes	--	--	--	--
Recreation and Parks	--	--	--	--
Solid Waste	--	--	--	--
Street Services	--	--	--	--
Transportation	--	--	--	--
Unassigned:				
Reserve, Emergency and Contingency	367,146	--	--	--
Unassigned	--	--	--	--
TOTAL FUND BALANCES	722,616	126,395	81,440	122,702
TOTAL LIABILITIES AND FUND BALANCES	$ 1,706,746	$ 132,513	$ 91,026	$ 122,702

Continued...

CITY OF LOS ANGELES

Balance Sheet
Governmental Funds
June 30, 2013
(amounts expressed in thousands)

	Proposition A Local Transit Assistance	Recreation and Parks	Solid Waste Resources	Other Governmental Funds	Total
ASSETS					
Cash and Pooled Investments	$ 180,311	$ 275,792	$ 299,998	$ 2,118,539	$ 3,821,889
Other Investments	--	--	--	13,230	67,074
Taxes Receivable					
(Net of Allowance for Uncollectibles of $45,946)	--	--	--	31,863	565,574
Accounts Receivable					
(Net of Allowance for Uncollectibles of $405,831)	212	1,951	39	36,387	225,819
Special Assessments Receivable	--	--	--	10,226	15,042
Investment Income Receivable	540	877	646	5,840	13,740
Intergovernmental Receivable	14,011	--	--	112,661	185,434
Loans Receivable					
(Net of Allowance for Uncollectibles of $1,549,021)	--	--	--	396,743	503,372
Due from Other Funds	5	1,184	14,376	61,436	165,362
Inventories	--	--	--	--	17,875
Prepaid Items and Other Assets	--	--	--	23,627	53,327
Advances to Other Funds	--	--	--	28,143	47,116
Properties Held for Housing Development	--	--	--	80,484	80,484
TOTAL ASSETS	$ 195,079	$ 279,804	$ 315,059	$ 2,919,179	$ 5,762,108
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts, Contracts and Retainage Payable	$ 10,721	$ 11,055	$ 6,817	$ 88,902	$ 179,121
Obligations Under Securities Lending					
Transactions	749	1,145	920	7,630	17,658
Accrued Salaries and Overtime Payable	--	6,796	--	2,213	139,177
Accrued Compensated Absences Payable	--	112	--	5	15,550
Estimated Claims and Judgments Payable	--	--	--	--	30,269
Intergovernmental Payable	--	5	--	2,609	2,626
Due to Other Funds	1,023	325	7	109,034	188,194
Deferred Revenue and Other Credits	664	336	4,729	112,408	695,701
Deposits and Advances	--	2,375	3	22,718	48,451
Matured Bonds and Interest Payable	--	--	--	278	278
Advances from Other Funds	--	841	--	79,173	109,866
Other Liabilities	1,994	3,049	2,451	64,564	118,594
TOTAL LIABILITIES FORWARDED	15,151	26,039	14,927	489,534	1,545,485

Continued…

CITY OF LOS ANGELES

Balance Sheet
Governmental Funds
June 30, 2013
(amounts expressed in thousands)

	Proposition A Local Transit Assistance	Recreation and Parks	Solid Waste Resources	Other Governmental Funds	Total
TOTAL LIABILITIES FORWARDED	$ 15,151	$ 26,039	$ 14,927	$ 489,534	$ 1,545,485
FUND BALANCE					
Nonspendable:					
Inventories	--	--	--	--	17,875
Prepaid Items and Other Assets	--	--	--	23,627	53,327
Advances to Other Funds	--	--	--	--	8,189
Restricted for:					
Animal Shelter Facilities	--	--	--	22,816	22,816
Community Development	--	--	--	517,553	633,230
Construction and Engineering Regulation Enforcement	--	--	--	1,198	1,198
Cultural Activities	--	--	--	16,922	16,922
Debt Service	--	--	--	237,433	360,135
Fire Prevention and Emergency Preparedness	--	--	--	9,813	9,813
General Government	--	--	--	879	70,591
Health, Environment and Sanitation Programs	--	--	--	94,572	94,572
Landfill Closure and Postclosure Maintenance	--	--	--	14	14
Law Enforcement	--	--	--	56,770	56,770
Library	--	--	--	7,125	7,125
MICLA Capital Projects	--	--	--	--	79,509
Other Capital Projects	--	--	--	11,917	11,917
Other Purposes	--	--	--	4,605	4,605
Police, Fire and 911 Facilities	--	--	--	196,658	196,658
Recreation and Parks	--	--	--	217,507	217,507
Seismic Improvement	--	--	--	32,878	32,878
Solid Waste	--	--	297,131	23,860	320,991
Stormwater Cleanup Capital Projects	--	--	--	239,268	239,268
Street Services	--	--	--	76,651	76,651
Transportation	179,928	--	--	288,526	468,454
Assigned to:					
Community Development	--	--	--	126,984	126,984
Construction and Engineering Regulation Enforcement	--	--	--	84,718	84,718
Cultural Activities	--	--	--	4,680	4,680
Fire Prevention and Emergency Preparedness	--	--	--	11,528	11,528
General Government	--	--	--	46,065	288,708
Health, Environment and Sanitation Programs	--	--	2,287	8,217	10,504
Landfill Closure and Postclosure Maintenance	--	--	--	9,051	9,051
Law Enforcement	--	--	--	3,555	3,555
Library	--	--	--	7,641	7,641
Other Capital Projects	--	--	--	2,443	2,443
Other Purposes	--	--	--	25,640	25,640
Recreation and Parks	--	253,765	--	4,471	258,236
Solid Waste	--	--	714	--	714
Street Services	--	--	--	7,038	7,038
Transportation	--	--	--	33,134	33,134
Unassigned:					
Reserve, Emergency and Contingency	--	--	--	--	367,146
Unassigned	--	--	--	(26,112)	(26,112)
TOTAL FUND BALANCES	179,928	253,765	300,132	2,429,645	4,216,623
TOTAL LIABILITIES AND FUND BALANCES	$ 195,079	$ 279,804	$ 315,059	$ 2,919,179	$ 5,762,108

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, 2013
(amounts expressed in thousands)

Total Fund Balances - Governmental Funds	$ 4,216,623
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.	7,182,742
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	695,701
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(7,634,666)
Net Position of Governmental Activities	$ 4,460,400

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, 2013
(amounts expressed in thousands)

	General	Community Development	Municipal Improvement Corporation: Special Revenue	Municipal Improvement Corporation: Debt Service
REVENUES				
Property Taxes	$ 1,565,457	$ --	$ --	$ --
Sales Taxes	343,628	--	--	--
Utility Users Taxes	623,794	--	--	--
Business Taxes	447,983	--	--	--
Other Taxes	451,304	--	--	--
Licenses and Permits	23,909	--	--	--
Intergovernmental	11,939	52,038	--	5,136
Charges for Services	532,512	18	--	--
Services to Enterprise Funds	252,178	--	--	--
Fines	162,930	--	--	--
Special Assessments	1,732	--	--	--
Investment Earnings	16,710	21	790	1,949
Change in Fair Value of Investments	(18,002)	(72)	(843)	--
Program Income	--	6,506	--	--
Other	104,973	361	--	4
TOTAL REVENUES	4,521,047	58,872	(53)	7,089
EXPENDITURES				
Current:				
General Government	1,219,179	--	153	3,864
Protection of Persons and Property	2,403,195	--	--	--
Public Works	176,240	--	--	--
Health and Sanitation	145,768	--	--	--
Transportation	98,446	--	--	--
Cultural and Recreational Services	51,991	--	--	--
Community Development	32,303	65,590	--	--
Capital Outlay	25,395	12	21,871	--
Debt Service:				
Principal	--	--	--	106,475
Interest	2,062	--	--	71,274
Cost of Issuance	955	--	45	39
TOTAL EXPENDITURES	4,155,534	65,602	22,069	181,652
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	365,513	(6,730)	(22,122)	(174,563)
OTHER FINANCING SOURCES (USES)				
Transfers In	307,458	13,127	--	158,501
Transfers Out	(520,098)	(4,439)	(11,118)	--
Issuance of Long-Term Debt	--	--	43,000	--
Premium on Issuance of Long-Term Debt	--	--	--	--
Loans from HUD	--	--	--	--
Issuance of Refunding Bonds	--	--	--	--
Premium on Issuance of Refunding Bonds	--	--	--	--
Advance Refunding Bond Escrow	--	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	(212,640)	8,688	31,882	158,501
SPECIAL ITEMS				
Transfer of Properties for Housing Development from CRA	--	--	--	--
Transfer of Housing Loans from CRA	--	--	--	--
NET CHANGE IN FUND BALANCES	152,873	1,958	9,760	(16,062)
FUND BALANCES, JULY 1	571,683	124,437	71,680	138,764
DECREASE IN RESERVE FOR INVENTORIES	(1,940)	--	--	--
FUND BALANCES, JUNE 30	$ 722,616	$ 126,395	$ 81,440	$ 122,702

Continued…

CITY OF LOS ANGELES

Statement of Revenues, Expenditures and Changes in Fund Balances - (Continued) Governmental Funds For the Fiscal Year Ended June 30, 2013 (amounts expressed in thousands)

	Proposition A Local Transit Assistance	Recreation and Parks	Solid Waste Resources	Other Governmental Funds	Total
REVENUES					
Property Taxes	$ --	$ --	$ --	$ 190,356	$ 1,755,813
Sales Taxes	--	--	--	--	343,628
Utility Users Taxes	--	--	--	--	623,794
Business Taxes	--	--	--	--	447,983
Other Taxes	--	--	--	65,154	516,458
Licenses and Permits	--	1,364	--	36,332	61,605
Intergovernmental	116,199	--	589	680,848	866,749
Charges for Services	14,103	91,472	305,074	377,101	1,320,280
Services to Enterprise Funds	--	--	3,917	1,248	257,343
Fines	--	--	--	9,507	172,437
Special Assessments	--	--	--	127,030	128,762
Investment Earnings	1,943	3,755	2,681	31,493	59,342
Change in Fair Value of Investments	(1,868)	(4,036)	(2,654)	(26,429)	(53,904)
Program Income	--	--	--	24,268	30,774
Other	475	4,714	2,934	44,565	158,026
TOTAL REVENUES	130,852	97,269	312,541	1,561,473	6,689,090
EXPENDITURES					
Current:					
General Government	--	--	--	38,575	1,261,771
Protection of Persons and Property	--	--	--	264,041	2,667,236
Public Works	--	--	--	223,777	400,017
Health and Sanitation	--	--	220,675	71,777	438,220
Transportation	78,417	--	--	223,184	400,047
Cultural and Recreational Services	--	230,856	--	148,215	431,062
Community Development	--	--	--	319,392	417,285
Capital Outlay	5,577	26,738	19,895	253,197	352,685
Debt Service:					
Principal	--	--	--	220,438	326,913
Interest	--	--	--	95,161	168,497
Cost of Issuance	--	--	442	296	1,777
TOTAL EXPENDITURES	83,994	257,594	241,012	1,858,053	6,865,510
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	46,858	(160,325)	71,529	(296,580)	(176,420)
OTHER FINANCING SOURCES (USES)					
Transfers In	28	145,148	27	326,773	951,062
Transfers Out	(3,430)	(275)	(39,853)	(125,315)	(704,528)
Issuance of Long-Term Debt	--	--	73,665	--	116,665
Premium on Issuance of Long-Term Debt	--	--	5,096	--	5,096
Loans from HUD	--	--	--	29,003	29,003
Issuance of Refunding Bonds	--	--	--	78,780	78,780
Premium on Issuance of Refunding Bonds	--	--	--	9,096	9,096
Advance Refunding Bond Escrow	--	--	--	(94,781)	(94,781)
TOTAL OTHER FINANCING SOURCES (USES)	(3,402)	144,873	38,935	223,556	390,393
SPECIAL ITEMS					
Transfer of Properties for Housing Development from CRA	--	--	--	80,484	80,484
Transfer of Housing Loans from CRA	--	--	--	124,781	124,781
NET CHANGE IN FUND BALANCES	43,456	(15,452)	110,464	132,241	419,238
FUND BALANCES, JULY 1	136,472	269,217	189,668	2,297,404	3,799,325
DECREASE IN RESERVE FOR INVENTORIES	--	--	--	--	(1,940)
FUND BALANCES, JUNE 30	$ 179,928	$ 253,765	$ 300,132	$ 2,429,645	$ 4,216,623

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, 2013
(amounts expressed in thousands)**

Net Change in Fund Balances - Total Governmental Funds	$	419,238
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.		(62,366)
Revenues and transfers in the statement of activities that do not provide current financial resources are not reported as revenues and other financing sources in the funds.		55,160
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 assets. 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. This amount is the net effect of these differences in the treatment of long-term debt and related items.		178,129
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.		(858,254)
Decrease in reserve for inventory		(1,940)
Change in Net Position of Governmental Activities	$	(270,033)

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

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CITY OF LOS ANGELES

Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	$ 3,317,750	$ 3,335,750	$ 3,467,349	$ 131,599
Licenses, Permits, Fees and Fines	923,355	939,652	874,220	(65,432)
Intergovernmental	8,500	8,500	9,331	831
Interest	10,510	10,510	15,990	5,480
Other	8,700	8,700	13,872	5,172
TOTAL REVENUES	4,268,815	4,303,112	4,380,762	77,650
EXPENDITURES				
Current				
General Government	1,406,570	1,501,433	1,430,227	71,206
Protection of Persons and Property	1,863,797	1,890,504	1,866,361	24,143
Public Works	311,831	342,669	304,940	37,729
Health and Sanitation	222,233	223,874	200,798	23,076
Transportation	131,154	139,659	136,606	3,053
Cultural and Recreational Services	53,799	55,067	53,609	1,458
Community Development	111,693	118,479	105,754	12,725
Pension and Retirement Contributions	1,630	1,768	1,763	5
Capital Outlay	6,826	32,081	8,570	23,511
TOTAL EXPENDITURES	4,109,533	4,305,534	4,108,628	196,906
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	159,282	(2,422)	272,134	274,556
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	1,151,471	1,353,814	1,217,580	(136,234)
Loans from Other Funds	--	1,126	3,911	2,785
Payment of Loans to Other Funds	--	--	(12,589)	(12,589)
Transfers to Other Funds	(1,310,753)	(1,352,518)	(1,339,453)	13,065
TOTAL OTHER FINANCING SOURCES (USES)	(159,282)	2,422	(130,551)	(132,973)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	--	--	141,583	141,583
FUND BALANCES, JULY 1	--	--	--	--
Encumbrances Lapsed	--	--	24,917	24,917
Reversion to Reserve Fund	--	--	(166,500)	(166,500)
FUND BALANCES, JUNE 30	$ --	$ --	$ --	$ --

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 (Deficit)
Budget and Actual (Non-GAAP Budgetary Basis)
Community Development Fund
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	$ 27,363	$ 76,076	$ 51,760	$ (24,316)
Charges for Services	--	--	18	18
Interest	--	--	4	4
Program Income	--	6,000	32,941	26,941
Other	--	--	360	360
TOTAL REVENUES	27,363	82,076	85,083	3,007
EXPENDITURES				
Current				
Community Development	7,965	142,516	68,545	73,971
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	19,398	(60,440)	16,538	76,978
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	--	--	351	351
Transfers to Other Funds	(19,398)	(32,503)	(24,796)	7,707
TOTAL OTHER FINANCING SOURCES (USES)	(19,398)	(32,503)	(24,445)	8,058
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	--	(92,943)	(7,907)	85,036
FUND BALANCES (DEFICIT), JULY 1	--	--	(11,850)	(11,850)
Appropriation of Fund Balance and Carryforward Appropriations	--	92,943	--	(92,943)
Encumbrances Lapsed	--	--	1,365	1,365
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ (18,392)	$ (18,392)

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
Budget and Actual (Non-GAAP Budgetary Basis)
Proposition A Local Transit Assistance Fund
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	$ 105,925	$ 105,925	$ 116,358	$ 10,433
Charges for Services	13,923	13,923	13,872	(51)
Interest	347	347	2,012	1,665
Other	1,242	1,241	475	(766)
TOTAL REVENUES	121,437	121,436	132,717	11,281
EXPENDITURES				
Current				
Transportation	185,720	260,607	92,169	168,438
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(64,283)	(139,171)	40,548	179,719
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	--	28	28	--
Transfers to Other Funds	(7,264)	(8,017)	(5,667)	2,350
TOTAL OTHER FINANCING SOURCES (USES)	(7,264)	(7,989)	(5,639)	2,350
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(71,547)	(147,160)	34,909	182,069
FUND BALANCES, JULY 1	71,547	71,547	133,425	61,878
Appropriation of Fund Balance and Carryforward Appropriations	--	75,613	--	(75,613)
Encumbrances Lapsed	--	--	118	118
FUND BALANCES, JUNE 30	$ --	$ --	$ 168,452	$ 168,452

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
Budget and Actual (Non-GAAP Budgetary Basis)
Solid Waste Resources Fund
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	$ --	$ --	$ 557	$ 557
Charges for Services	290,154	290,154	305,111	14,957
Interest	1,389	1,389	3,168	1,779
Services to Enterprise Funds	3,777	3,777	3,924	147
Other	1,401	1,401	3,160	1,759
TOTAL REVENUES	296,721	296,721	315,920	19,199
EXPENDITURES				
Current				
Health and Sanitation	184,470	197,667	128,843	68,824
Capital Outlay	44,258	46,184	4,096	42,088
Debt Service				
Principal	27,010	27,090	27,090	--
Interest	13,033	12,953	12,953	--
TOTAL EXPENDITURES	268,771	283,894	172,982	110,912
EXCESS OF REVENUES OVER EXPENDITURES	27,950	12,827	142,938	130,111
OTHER FINANCING USES				
Transfers from Other Funds	--	--	113	113
Transfers to Other Funds	(109,680)	(110,788)	(105,192)	5,596
TOTAL OTHER FINANCING SOURCES (USES)	(109,680)	(110,788)	(105,079)	5,709
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	(81,730)	(97,961)	37,859	135,820
FUND BALANCES, JULY 1	81,730	81,730	126,767	45,037
Appropriation of Fund Balance and Carryforward Appropriations	--	16,231	--	(16,231)
Encumbrances Lapsed	--	--	3,107	3,107
FUND BALANCES, JUNE 30	$ --	$ --	$ 167,733	$ 167,733

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

CITY OF LOS ANGELES

Statement of Net Position
Proprietary Funds
June 30, 2013
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds			
	Airports	**Harbor**	**Power**	**Water**
ASSETS				
CURRENT ASSETS				
Cash, Pooled and Other Investments				
Unrestricted	$ 691,321	$ 351,793	$ 600,689	$ 417,715
Restricted	1,074,656	38,066	414,369	136,148
Investments Held by Escrow and Fiscal Agents				
Unrestricted	55	--	--	--
Restricted	561,035	--	--	--
Loans and Notes Receivable	152	62	73,759	--
Accounts Receivable				
Accounts Receivable (Net of Allowance for Uncollectibles of $49,922)	35,186	36,200	370,531	100,260
Accrued Unbilled Revenue	33,032	--	175,635	78,560
Investment Income Receivable	6,209	934	1,922	293
Intergovernmental Receivable	19,872	19,161	26,005	5,121
Passenger/Customer Facility Charge Receivable	26,038	--	--	--
Due from Other Funds	816	4,741	24,059	--
Inventories	1,806	2,054	163,088	20,118
Prepaid Items and Other Assets	117	671	141,538	35,338
TOTAL CURRENT ASSETS	2,450,295	453,682	1,991,595	793,553
NONCURRENT ASSETS				
Restricted Assets				
Pooled and Other Investments	--	9,366	448,184	42,932
Investments Held by Escrow and Fiscal Agents	6,843	58,334	633,903	33,159
Investment Income Receivable	--	3	--	--
Total Restricted Assets	6,843	67,703	1,082,087	76,091
Long-term Investment				
Investment in Joint Ventures	--	5,086	--	--
Capital Assets				
Land	970,990	1,133,902	197,405	115,798
Buildings, Facilities and Equipment	4,402,676	3,317,579	14,075,752	6,673,544
Leased Property and Improvements	--	--	--	--
Intangible Assets	55,359	21,145	--	--
Accumulated Depreciation	(1,897,516)	(1,496,429)	(6,853,589)	(2,232,065)
Construction in Progress	2,854,349	575,308	884,378	854,655
Natural Gas Field, Net	--	--	272,158	--
Nuclear Fuel, at Amortized Cost	--	--	44,686	--
Total Capital Assets	6,385,858	3,551,505	8,620,790	5,411,932
Other Noncurrent Assets				
Loans and Notes Receivable	1,018	233	770,495	--
Intergovernmental Receivable	--	--	--	--
Advances to Other Funds	13,841	9,917	--	--
Net Pension Assets	--	--	--	16,647
Net Other Postemployment Benefits Assets	--	--	652,439	302,251
Other Assets	23,172	--	652,591	53,350
Total Other Noncurrent Assets	38,031	10,150	2,075,525	372,248
TOTAL NONCURRENT ASSETS	6,430,732	3,634,444	11,778,402	5,860,271
TOTAL ASSETS	8,881,027	4,088,126	13,769,997	6,653,824
DEFERRED OUTLFOWS OF RESOURCES				
Deferred Charges on Debt Refunding	--	5,660	--	--
Deferred Outflows on Derivative Instruments	--	--	67,275	--
TOTAL DEFERRED OUTFLOWS OF RESOURCES	--	5,660	67,275	--

Continued...

CITY OF LOS ANGELES

Statement of Net Position - (Continued)
Proprietary Funds
June 30, 2013
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds		
	Sewer	Other-Convention Center	Total
ASSETS			
CURRENT ASSETS			
Cash, Pooled and Other Investments			
Unrestricted	$ 144,264	$ 5,659	$ 2,211,441
Restricted	180,834	--	1,844,073
Investments Held by Escrow and Fiscal Agents			
Unrestricted	--	--	55
Restricted	--	--	561,035
Loans and Notes Receivable	--	--	73,973
Accounts Receivable			
Accounts Receivable			
(Net of Allowance for Uncollectibles of $49,922)	64,069	624	606,870
Accrued Unbilled Revenue	35,957	--	323,184
Investment Income Receivable	824	42	10,224
Intergovernmental Receivable	5,302	--	75,461
Passenger/Customer Facility Charge Receivable	--	--	26,038
Due from Other Funds	17,491	--	47,107
Inventories	14,178	--	201,244
Prepaid Items and Other Assets	--	887	178,551
TOTAL CURRENT ASSETS	462,919	7,212	6,159,256
NONCURRENT ASSETS			
Restricted Assets			
Pooled and Other Investments	98,236	--	598,718
Investments Held by Escrow and Fiscal Agents	4,206	--	736,445
Investment Income Receivable	--	--	3
Total Restricted Assets	102,442	--	1,335,166
Long-term Investment			
Investment in Joint Ventures	--	--	5,086
Capital Assets			
Land	40,092	139,592	2,597,779
Buildings, Facilities and Equipment	6,731,813	596,530	35,797,894
Leased Property and Improvements	--	9,500	9,500
Intangible Assets	--	--	76,504
Accumulated Depreciation	(3,136,588)	(256,813)	(15,873,000)
Construction in Progress	228,429	--	5,397,119
Natural Gas Field, Net	--	--	272,158
Nuclear Fuel, at Amortized Cost	--	--	44,686
Total Capital Assets	3,863,746	488,809	28,322,640
Other Noncurrent Assets			
Loans and Notes Receivable	--	--	771,746
Intergovernmental Receivable	35,010	--	35,010
Advances to Other Funds	8,430	--	32,188
Net Pension Assets	--	--	16,647
Net Other Postemployment Benefits Assets	--	--	954,690
Other Assets	11,578	--	740,691
Total Other Noncurrent Assets	55,018	--	2,550,972
TOTAL NONCURRENT ASSETS	4,021,206	488,809	32,213,864
TOTAL ASSETS	4,484,125	496,021	38,373,120
DEFERRED OUTLFOWS OF RESOURCES			
Deferred Charges on Debt Refunding	--	--	5,660
Deferred Outflows on Derivative Instruments	24,733	--	92,008
TOTAL DEFERRED OUTFLOWS OF RESOURCES	24,733	--	97,668

Continued...

CITY OF LOS ANGELES

Statement of Net Position - (Continued)
Proprietary Funds
June 30, 2013
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds			
	Airports	**Harbor**	**Power**	**Water**
LIABILITIES				
CURRENT LIABILITIES				
Accounts, Contracts and Retainage Payable	$ 165,107	$ 71,624	$ 333,422	$ 122,333
Obligations Under Securities Lending Transactions	7,302	1,447	3,164	1,929
Accrued Salaries and Overtime Payable	10,958	4,274	43,946	17,918
Accrued Compensated Absences Payable	4,812	9,386	60,531	30,011
Due to Other Funds	--	--	--	24,059
Deferred Revenue and Other Credits	9,536	--	18,069	--
Deposits and Advances	--	--	--	91,637
Interest Payable	24,213	16,564	145,338	77,431
Bonds and Notes Payable - Current Portion	56,890	26,235	249,245	65,646
Advances from Other Funds	--	--	--	--
Other Current Liabilities	30,080	58,689	--	28,443
TOTAL CURRENT LIABILITIES	308,898	188,219	853,715	459,407
LONG-TERM LIABILITIES				
Bonds and Notes Payable - Noncurrent Portion (Net of Unamortized Debt Related Costs of $745,705)	3,866,805	894,895	7,494,766	3,564,877
Net Pension Liability	9,462	2,891	50,773	--
Derivative Instrument Liabilities	--	--	67,275	--
Other Long-term Liabilities	122,218	123,430	179,522	24,342
TOTAL LONG-TERM LIABILITIES	3,998,485	1,021,216	7,792,336	3,589,219
TOTAL LIABILITIES	4,307,383	1,209,435	8,646,051	4,048,626
NET POSITION				
Net Investment in Capital Assets	2,714,732	2,634,840	1,324,962	1,824,341
Restricted for:				
Capital Projects	8,876	--	122,584	--
Debt Service	316,249	57,913	624,468	33,485
Passenger/Customer Facility Charges	894,282	--	--	--
Pension and Other Postemployment Benefits	--	--	652,439	318,898
Other Purposes	174,218	--	154,891	25,167
Unrestricted	465,287	191,598	2,311,877	403,307
TOTAL NET POSITION	$ 4,573,644	$ 2,884,351	$ 5,191,221	$ 2,605,198

Continued...

CITY OF LOS ANGELES

Statement of Net Position - (Continued)
Proprietary Funds
June 30, 2013
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds		
	Sewer	Other-Convention Center	Total
LIABILITIES			
CURRENT LIABILITIES			
Accounts, Contracts and Retainage Payable	$ 22,125	$ 1,555	$ 716,166
Obligations Under Securities Lending Transactions	--	--	13,842
Accrued Salaries and Overtime Payable	--	138	77,234
Accrued Compensated Absences Payable	21,490	1,398	127,628
Due to Other Funds	149	67	24,275
Deferred Revenue and Other Credits	--	2,692	30,297
Deposits and Advances	--	--	91,637
Interest Payable	11,575	--	275,121
Bonds and Notes Payable - Current Portion	71,977	--	469,993
Advances from Other Funds	--	9	9
Other Current Liabilities	6,733	--	123,945
TOTAL CURRENT LIABILITIES	134,049	5,859	1,950,147
LONG-TERM LIABILITIES			
Bonds and Notes Payable - Noncurrent Portion (Net of Unamortized Debt Related Costs of $745,705)	2,655,980	--	18,477,323
Net Pension Liability	--	--	63,126
Derivative Instrument Liabilities	24,733	--	92,008
Other Long-term Liabilities	19,540	1,652	470,704
TOTAL LONG-TERM LIABILITIES	2,700,253	1,652	19,103,161
TOTAL LIABILITIES	2,834,302	7,511	21,053,308
NET POSITION			
Net Investment in Capital Assets	1,147,368	488,809	10,135,052
Restricted for:			
Capital Projects	118,313	--	249,773
Debt Service	115,704	--	1,147,819
Passenger/Customer Facility Charges	--	--	894,282
Pension and Other Postemployment Benefits	--	--	971,337
Special Purposes	45,053	--	399,329
Unrestricted	248,118	(299)	3,619,888
TOTAL NET POSITION	$ 1,674,556	$ 488,510	$ 17,417,480

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

CITY OF LOS ANGELES

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds			
	Airports	**Harbor**	**Power**	**Water**
OPERATING REVENUES				
Charges for Services	$ 227,683	$ 347,876	$ 3,162,502	$ 1,042,228
Rent, Concessions and Royalties	709,203	42,890	--	--
Other Operating Revenues	9,907	6,602	--	--
TOTAL OPERATING REVENUES	946,793	397,368	3,162,502	1,042,228
OPERATING EXPENSES				
Fuel for Generation	--	--	446,450	--
Purchased Power/Water	--	--	895,092	280,438
Maintenance and Repairs	--	--	301,674	119,046
Operating and Administrative	665,033	205,169	623,033	272,978
Depreciation and Amortization	159,719	108,037	418,485	112,677
TOTAL OPERATING EXPENSES	824,752	313,206	2,684,734	785,139
OPERATING INCOME (LOSS)	122,041	84,162	477,768	257,089
NONOPERATING REVENUES (EXPENSES)				
Investment Income	2,985	2,875	46,076	2,529
Interest Expense	(97,089)	(2,473)	(241,163)	(150,011)
Other Income (Expenses), Net	171,853	784	53,476	25,247
TOTAL NONOPERATING REVENUES (EXPENSES)	77,749	1,186	(141,611)	(122,235)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	199,790	85,348	336,157	134,854
Capital Contributions	17,972	17,630	46,860	16,711
Special Item - Pollution Remediation Liabilities	--	13,387	--	--
Transfers Out	--	--	(246,534)	--
CHANGES IN NET POSITION	217,762	116,365	136,483	151,565
NET POSITION, July 1	4,355,882	2,776,128	5,054,738	2,453,633
Adjustment for Write-Off of Prior Period Bond Issue Costs	--	(8,142)	--	--
Prior Period Adjustment of Capital Assets	--	--	--	--
Adjustment of Prior Period Premium/Discount Amortization	--	--	--	--
Net Position July 1, restated	4,355,882	2,767,986	5,054,738	2,453,633
NET POSITION, JUNE 30	$ 4,573,644	$ 2,884,351	$ 5,191,221	$ 2,605,198

Continued...

CITY OF LOS ANGELES

Statement of Revenues, Expenses, and Changes in Net Position (Continued)
Proprietary Funds
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds		
	Sewer	Other-Convention Center	Total
OPERATING REVENUES			
Charges for Services	$ 573,723	$ 9,543	$ 5,363,555
Rent, Concessions and Royalties	--	9,477	761,570
Other Operating Revenues	3,347	8,193	28,049
TOTAL OPERATING REVENUES	577,070	27,213	6,153,174
OPERATING EXPENSES			
Fuel for Generation	--	--	446,450
Purchased Power/Water	--	--	1,175,530
Maintenance and Repairs	--	536	421,256
Operating and Administrative	279,587	26,287	2,072,087
Depreciation and Amortization	166,161	12,139	977,218
TOTAL OPERATING EXPENSES	445,748	38,962	5,092,541
OPERATING INCOME (LOSS)	131,322	(11,749)	1,060,633
NONOPERATING REVENUES (EXPENSES)			
Investment Income	(518)	42	53,989
Interest Expense	(108,905)	(111)	(599,752)
Other Income (Expenses), Net	(5,337)	--	246,023
TOTAL NONOPERATING REVENUES (EXPENSES)	(114,760)	(69)	(299,740)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	16,562	(11,818)	760,893
Capital Contributions	10,234	--	109,407
Special Item - Pollution Remediation Liabilities	--	--	13,387
Transfers Out	--	--	(246,534)
CHANGES IN NET POSITION	26,796	(11,818)	637,153
NET POSITION, July 1	1,554,634	500,328	16,695,343
Adjustment for Write-Off of Prior Period Bond Issue Costs	--	--	(8,142)
Prior Period Adjustment of Capital Assets	84,122	--	84,122
Adjustment of Prior Period Premium/Discount Amortization	9,004	--	9,004
Net Position July 1, restated	1,647,760	500,328	16,780,327
NET POSITION, JUNE 30	$ 1,674,556	$ 488,510	$ 17,417,480

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, 2013
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds			
	Airports	**Harbor**	**Power**	**Water**
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users	$ 934,562	$ 394,815	$ 3,134,055	$ 981,206
Receipts for Interfund Services	--	--	484,169	432,592
Payments to Suppliers	(242,248)	(5,274)	(1,581,590)	(322,929)
Payments to Employees	(362,216)	(105,470)	(565,396)	(244,838)
Payments for Interfund Services	(78,544)	(49,837)	(710,161)	(498,767)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	251,554	234,234	761,077	347,264
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers Out	--	--	(246,534)	--
Principal and Interest Received on Loans Receivable	141	--	--	--
Amounts Received on Advances to Other Funds	--	--	--	--
Interest Paid on Noncapital Revenue Bonds	--	--	(589)	--
Noncapital Grants Received	13,027	1,029	--	--
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	13,168	1,029	(247,123)	--
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets	(1,100,085)	(268,540)	(953,376)	(429,269)
Proceeds from Sale of Capital Assets	--	87	--	--
Receipts from Passenger/Customer Facility Charges	160,379	--	--	--
Proceeds from Sale of Bonds and Notes	199,406	--	1,294,185	401,961
Payments on Bonds and Notes - Interest	(189,743)	(41,186)	(291,439)	(149,459)
Payments on Bonds and Notes - Principal	(69,180)	(50,751)	(129,250)	(31,890)
Payments of Bonds and Notes Expenses	(2,003)	--	--	--
Payments on Construction Litigation Settlement	--	--	--	--
Payments to/Receipts from Bond Sinking Fund	(5,980)	8,661	--	--
Deposits to Refunded Debt Escrow Account	--	--	--	--
Capital Contributions/Grants Received	18,539	17,930	47,728	16,711
Federal Bond Subsidies	--	--	33,614	17,724
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(988,667)	(333,799)	1,462	(174,222)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Income	3,881	2,753	45,018	2,618
Cash Collateral Received (Paid) Under Securities Lending Transactions	7,302	1,447	3,164	1,929
Purchase of Investment Securities	(29,088)	(8,081)	(872,717)	(75,663)
Proceeds from Maturities of Investment Securities	54,737	--	870,251	75,496
Proceeds from Notes Receivable	--	4,685	68,260	--
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	36,832	804	113,976	4,380

Continued…

CITY OF LOS ANGELES

Statement of Cash Flows - (Continued)
Proprietary Funds
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds		
	Sewer	Other-Convention Center	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	$ 570,889	$ 27,037	$ 6,042,564
Receipts for Interfund Services	632	--	917,393
Payments to Suppliers	(96,155)	(2,987)	(2,251,183)
Payments to Employees	--	(14,485)	(1,292,405)
Payments for Interfund Services	(190,583)	(9,178)	(1,537,070)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	284,783	387	1,879,299
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers Out	--	--	(246,534)
Principal and Interest Received on Loans Receivable	--	--	141
Amounts Received on Advances to Other Funds	150	--	150
Interest Paid on Noncapital Revenue Bonds	--	--	(589)
Noncapital Grants Received	1,726	--	15,782
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	1,876	--	(231,050)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and Construction of Capital Assets	(121,075)	(364)	(2,872,709)
Proceeds from Sale of Capital Assets	--	--	87
Receipts from Passenger/Customer Facility Charges	--	--	160,379
Proceeds from Sale of Bonds and Notes	171,626	--	2,067,178
Payments on Bonds and Notes - Interest	(134,553)	--	(806,380)
Payments on Bonds and Notes - Principal	(72,412)	--	(353,483)
Payments of Bonds and Notes Expenses	(4,570)	--	(6,573)
Payments on Construction Litigation Settlement	(27,000)	--	(27,000)
Payments to/Receipts from Bond Sinking Fund	--	--	2,681
Deposits to Refunded Debt Escrow Account	(1,524)	--	(1,524)
Capital Contributions/Grants Received	8,729	--	109,637
Federal Bond Subsidies	8,845	--	60,183
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(171,934)	(364)	(1,667,524)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment Income	(293)	19	53,996
Cash Collateral Received (Paid) Under Securities Lending Transactions	--	--	13,842
Purchase of Investment Securities	--	--	(985,549)
Proceeds from Maturities of Investment Securities	--	--	1,000,484
Proceeds from Notes Receivable	--	--	72,945
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	(293)	19	155,718

Continued…

CITY OF LOS ANGELES

Statement of Cash Flows - (Continued)
Proprietary Funds
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds			
	Airports	**Harbor**	**Power**	**Water**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	$ (687,113)	$ (97,732)	$ 629,392	$ 177,422
CASH AND CASH EQUIVALENTS, JULY 1	3,014,180	487,591	833,850	419,373
CASH AND CASH EQUIVALENTS, JUNE 30	$ 2,327,067	$ 389,859	$ 1,463,242	$ 596,795
CASH AND CASH EQUIVALENTS COMPONENTS:				
Unrestricted Cash, Pooled and Other Investments	$ 691,321	$ 351,793	$ 600,689	$ 417,715
Restricted Cash, Pooled and Other Investments	1,074,656	38,066	862,553	179,080
Unrestricted Investments Held by Escrow and Fiscal Agents	55	--	--	--
Restricted Investments Held by Escrow and Fiscal Agents	561,035	--	--	--
TOTAL CASH AND CASH EQUIVALENTS, JUNE 30	$ 2,327,067	$ 389,859	$ 1,463,242	$ 596,795
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES				
Operating Income (Loss)	$ 122,041	$ 84,162	$ 477,768	$ 257,089
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Acitvities:				
Depreciation and Amortization	159,719	108,037	418,485	112,677
Depletion	--	--	26,176	--
Amortization of Nuclear Fuel	--	--	13,859	--
Bad Debts Provision (Recovery)	(1,882)	(137)	22,884	8,142
Cash Provided By Other Nonoperating Income	1,628	--	22,342	11,467
Cash Used in Other Nonoperating Expenses	--	--	(2,480)	(3,944)
Decrease (Increase) in Assets:				
Accounts Receivable	(5,619)	(2,417)	(68,780)	(17,090)
Accrued Unbilled Revenue	(2,959)	--	(2,402)	(9,406)
Due from Other Funds	--	--	(24,059)	64,978
Inventories	--	49	6,751	2,925
Prepaid Items and Other Current Assets	3,164	331	(4,340)	(3,288)
Other Assets	--	--	(71,213)	(27,243)
Increase (Decrease) in Liabilities:				
Accounts, Contracts and Retainage Payable	(23,282)	31,374	12,883	13,335
Accrued Salaries and Overtime Payable	714	2,344	2,210	(23)
Accrued Compensated Absences Payable	2,716	1,649	(4)	(490)
Due to Other Funds	--	--	(64,978)	24,059
Deferred Revenue and Other Credits	--	8,842	(22,655)	--
Other Liabilities	(4,686)	--	18,630	(85,924)
TOTAL ADJUSTMENTS	129,513	150,072	283,309	90,175
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	$ 251,554	$ 234,234	$ 761,077	$ 347,264
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Net proceeds of commercial papers notes, revenue and refunding bonds with escrow agent to refund or redeem outstanding revenue bonds	$ 304,637	$ --	$ 755,760	$ 250,651
Acquisition of capital assets included in accounts and contracts payable	80,429	2,390	--	--
Write-off of discontinued construction project	--	2,332	--	--
Amortization of deferred charges on refunding	--	--	--	--

Continued...

CITY OF LOS ANGELES

Statement of Cash Flows - (Continued)
Proprietary Funds
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds		
	Sewer	Other-Convention Center	Total
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	$ 114,432	$ 42	$ 136,443
CASH AND CASH EQUIVALENTS, JULY 1	308,902	5,617	5,069,513
CASH AND CASH EQUIVALENTS, JUNE 30	$ 423,334	$ 5,659	$ 5,205,956
CASH AND CASH EQUIVALENTS COMPONENTS:			
Unrestricted Cash, Pooled and Other Investments	$ 144,264	$ 5,659	$ 2,211,441
Restricted Cash, Pooled and Other Investments	279,070	--	2,433,425
Unrestricted Investments Held by Escrow and Fiscal Agents	--	--	55
Restricted Investments Held by Escrow and Fiscal Agents	--	--	561,035
TOTAL CASH AND CASH EQUIVALENTS, JUNE 30	$ 423,334	$ 5,659	$ 5,205,956
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating Income (Loss)	$ 131,322	$ (11,749)	$ 1,060,633
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Acitvities:			
Depreciation and Amortization	166,161	12,139	977,218
Depletion	--	--	26,176
Amortization of Nuclear Fuel	--	--	13,859
Bad Debts Provision (Recovery)	228	35	29,270
Cash Provided By Other Nonoperating Income	3,841	--	39,278
Cash Used in Other Nonoperating Expenses	--	--	(6,424)
Decrease (Increase) in Assets:			
Accounts Receivable	(9,543)	(308)	(103,757)
Accrued Unbilled Revenue	--	--	(14,767)
Due from Other Funds	--	--	40,919
Inventories	(594)	--	9,131
Prepaid Items and Other Current Assets	--	229	(3,904)
Other Assets	--	--	(98,456)
Increase (Decrease) in Liabilities:			
Accounts, Contracts and Retainage Payable	2,933	207	37,450
Accrued Salaries and Overtime Payable	--	(21)	5,224
Accrued Compensated Absences Payable	--	(157)	3,714
Due to Other Funds	(10,088)	67	(50,940)
Deferred Revenue and Other Credits	--	97	(13,716)
Other Liabilities	523	(152)	(71,609)
TOTAL ADJUSTMENTS	153,461	12,136	818,666
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	$ 284,783	$ 387	$ 1,879,299
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Net proceeds of commercial papers notes, revenue and refunding bonds with escrow agent to refund or redeem outstanding revenue bonds	$ 926,408	$ --	$ 2,237,456
Acquisition of capital assets included in accounts and contracts payable	15,460	--	98,279
Write-off of discontinued construction project	12,342	--	14,674
Amortization of deferred charges on refunding	10,286	--	10,286

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, 2013
(amounts expressed in thousands)

	Pension and Other Postemployment Benefits Trust Funds	Agency Funds
ASSETS		
Cash and Pooled Investments	$ 21,376	$ 277,333
Prepaid Expense	3	--
Investments:		
Temporary	1,596,538	62
U.S. Government Agencies Securities	3,623,004	--
Domestic Corporate Bonds	3,210,399	--
International Bonds	352,298	--
Opportunistic Debt	1,217	--
Domestic Stocks	14,972,925	229
International Stocks	7,301,384	--
Mortgage-backed Securities	1,011,652	--
Real Estate	2,175,244	--
Venture Capital and Alternative Investments	3,762,969	--
Security Lending Collateral	2,859,721	--
Accounts Receivable	77,052	--
Special Assessments Receivable	--	798
Investment Income Receivable	110,939	147
Due from Brokers	2,414,960	--
Advances to Other Funds	--	30,571
Prepaid Health Subsidy	7,746	--
Capital Assets (Net of Accumulated Depreciation of $949)	1,318	--
TOTAL ASSETS	43,500,745	$ 309,140
LIABILITIES		
Accounts Payable and Accrued Expenses	82,868	$ --
Benefits in Process of Payment	27,255	--
Derivative Instruments	19	--
Fiduciary Liabilities	--	191,120
Obligations Under Securities Lending Transactions	2,859,721	155
Deposits and Advances	--	117,865
Mortgage Loan Payable - Current Portion	43,805	--
Mortgage Loan Payable - Noncurrent Portion	148,620	--
Due to Brokers	2,905,590	--
TOTAL LIABILITIES	6,067,878	$ 309,140
NET POSITION		
Net Assets Held in Trust for Pension and Other Employee Benefits		
Benefit Pension Plans	33,183,977	
Disability Plan	46,455	
Death Benefit Plan	25,020	
Postemployment Healthcare Plans	4,177,415	
TOTAL NET POSITION	$ 37,432,867	

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

CITY OF LOS ANGELES

Statement of Changes in Fiduciary Net Positiion
Fiduciary Funds
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Pension and Other Postemployment Benefits Trust Funds
ADDITIONS	
Contributions	
Employer	$ 1,391,149
Plan Member	390,058
Other	2,701
Total Contributions	1,783,908
Investment Income	
Net Depreciation in Fair Value of Investments	3,569,753
Interest Income	335,860
Dividend Income	408,704
Securities Lending Income	17,660
Other Investment Income	86,573
Real Estate Operating Income, Net	111,897
Investment Income	4,530,447
Investment Expense	(103,728)
Securities Lending Expense	(2,244)
Net Investment Income	4,424,475
TOTAL ADDITIONS	6,208,383
DEDUCTIONS	
Benefit Payments	2,262,878
Refunds of Member Contributions	26,783
Administrative Expenses	35,509
TOTAL DEDUCTIONS	2,325,170
CHANGES IN NET POSITION	
Benefit Pension Plans	3,354,598
Disability Plan	(1,179)
Death Benefit Plan	263
Postemployment Healthcare Plans	529,531
TOTAL CHANGES IN NET POSITION	3,883,213
Net Position Held in Trust for Pension and Other Employee Benefits, July 1	
Benefit Pension Plans	29,829,379
Disability Plan	47,634
Death Benefit Plan	24,757
Postemployment Healthcare Plans	3,647,884
NET POSITION HELD IN TRUST FOR PENSION AND OTHER EMPLOYEE BENEFITS, JUNE 30	$ 37,432,867

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 include disclosures considered necessary for a better understanding of the accompanying financial statements. An index to the Notes follows:

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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

For financial reporting purposes, the City (the primary government) consists of the funds, departments, agencies, boards, and commissions for which the City is financially accountable.

Criteria indicating financial accountability include, but are not limited to, the following:

- Appointment by the City of a majority of voting members of the governing body of an organization and ability of the City to impose its will on the daily operations of an organization, such as power to remove appointed members at will; to modify or approve budgets, rates or fees; or to make other substantive decisions; or provision by the organization of specific financial benefits to the City; or imposition by an organization of specific financial burdens on the City, such as assumption of deficits or provision of support, or

- Fiscal dependency by the organization on the City such as lack of authority to determine a budget, approve rates, or issue its own bonded debt without City approval.

Blended Component Units

Although the following are legally separate from the City, they are reported as if they are part of the City because their sole purpose is to provide services entirely to or exclusively for the City or the City Council is the governing body.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Los Angeles Convention and Exhibition Center Authority

The Authority was formed under a joint exercise of powers agreement between the City and the County of Los Angeles 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 Mayor and five are appointed by the County Board of Supervisors. Capital financing activities are included in the Other Governmental Funds. Completed capital assets are contributed to the Convention Center Enterprise Fund.

Los Angeles Harbor Improvement Corporation

The Corporation is a nonprofit, public benefit corporation organized for the sole purpose of assisting the City, acting through the Board of Harbor Commissioners (Harbor Board), in providing financing for the acquisition, construction, replacement, or expansion of improvements to the facilities that the Board deems necessary for the promotion and accommodation of commerce within the area controlled by the Port of Los Angeles (Harbor). The Corporation is a component unit of the Harbor and is included in the Harbor Enterprise Fund.

Municipal Improvement Corporation of Los Angeles

The Municipal Improvement Corporation of Los Angeles (MICLA) was formed for the purpose of providing financial assistance to the City for the acquisition of certain real property and equipment, and the construction of buildings and other improvements, for the benefit of the public, through the issuance of certificates of participation and lease revenue bonds. 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

Joint Venture

The Los Angeles Memorial Coliseum Commission (Commission) was created by a joint powers agreement between the City, Los Angeles County, and the California Museum of Science and Industry, an institution of the State of California. 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)

Related Organization

The Housing Authority of the City of Los Angeles 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

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 City departments and component units:

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)

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. For the most part, the effect of interfund activity has been removed from these statements. 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. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead 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.

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 Fund and Pension Trust Fund financial statements. 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 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, and interest income. In applying the susceptible to accrual concept to Federal and State grants and subventions, revenues are recognized when applicable eligibility requirements, including time requirements, are met and the resources are available.

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 *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.

The *Municipal Improvement Corporation 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 the Corporation are leased to the City under long-term capital lease agreements and become property of the City at the termination of the lease. The effects of the capital lease arrangements have been eliminated from the basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The *Proposition A Local Transit Assistance Fund* accounts for the City's 25% share of the additional one-half cent sales tax within the County of Los Angeles 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 *Recreation and Parks Fund* accounts for the revenues and expenditures of the Department of Recreation and Parks in operating and maintaining parks, playgrounds, swimming pools, public golf courses, recreation centers, recreation camps and educational facilities, and structures of historical significance.

The *Solid Waste Resources 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 all costs associated with the City's solid waste collection, recycling and disposal activities.

The City reports the following major proprietary 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 the Port of Los Angeles formed for the purpose of providing shipping, fishing, recreational and other resources for the enjoyment of the citizens of California and surrounding communities.

The *Power and Water 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 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 Funds* account for the activities of the City's three single-employer defined benefit pension plans namely: Fire and Police Pensions System (Pensions); Los Angeles City Employees' Retirement System (LACERS); and Water and Power Employees' Retirement, Disability and Death Benefit Insurance Plans (DWP Plans).

The *Other Postemployment Benefits Trust Funds* account for the activities of the City's three single-employer 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. 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.

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.

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)

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

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, 2013, the Proprietary Funds' investments held by escrow and fiscal agents of $736.4 million and other investments of $9.4 million have maturities beyond three months; and therefore, are not considered cash and cash equivalents.

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 average cost 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 the business-type activities and proprietary funds, amounts are reserved for accumulated resources for debt service payments, nuclear decommissioning trust funds, natural gas trust fund, hazardous waste treatment trust fund, SCPPA Palo Verde investment fund, self-insurance fund, bond security funds, 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. Interest and AFUDC capitalized during the year ended June 30, 2013 were $126.8 million and $38.7 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 by 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 $146.0 million in 2012 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, 2013, Power has recorded $142.1 million to accumulated depreciation to provide for the decommissioning liability.

Power's nuclear fuel is amortized and charged to operating expenses - 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 2013, Power recorded $26.2 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 on page 208.

The Pension Trust Funds capital assets pertain to the City Employees' Retirement System (LACERS) office furniture and equipment, in addition to the costs for developing a new Pension Administration System (PAS) in fiscal year 2013. Office and equipment acquisitions of at least $5,000 are capitalized and depreciated over five years. Certain PAS costs were classified as intangible assets, and accordingly, capitalized and amortized over 15 years, its estimated useful life, using the straight-line method.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

Vacation Pay

Eligible employees accumulate vacation leave up to a maximum of 400 hours depending on the length of service. Sworn employees of the Police and Fire Departments accumulate from 256 hours to 400 hours. 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 fund 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.

Sick Pay

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 Understanding (MOU) 22 and 23 may accumulate 1,088 hours at full pay. In fiscal year 2013, excess sick leave hour payments for MOUs representing police officers and certain civilian employees were converted to banked time to be used similar to vacation, or to be cashed out at the time of retirement. Accrued and accumulated sick leave at 50% of full pay was frozen for any credits or withdrawals. However, the City will pay 25% of the balance upon retirement.

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 2 consecutive days of sick leave.

Governmental activities accrue the estimated value of sick leave (vested and probable of being vested), which may be used in subsequent years, or paid upon retirement up to a set maximum accumulated balance. The Proprietary and Pension Trust Funds accrue sick leave in the fiscal year earned. For the governmental funds, earned sick leave 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, accrued sick leave is generally liquidated by the General Fund.

Accumulated Compensated Time-Off

The MOU with the unions representing police officers at the rank of Lieutenant and below, and certain civilian employees, provide that these employees will 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued compensated time-off is reported in the government-wide financial statements. For the 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.

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 the portion of the liability is 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, liability for claims and judgments is generally liquidated by the General Fund.

Deferred Revenue

Deferred revenue in the governmental funds arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition. Deferred revenue also arises when the City receives resources before it has a legal claim to them. In subsequent periods, when both the revenue criteria are met, or when the City has a legal claim to the resources, the deferred revenue is removed from the balance sheet/statement of net position and revenue is recognized.

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, discounts and deferred losses on refundings as well as issuance costs are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount and deferred losses on refundings. Bond issuance costs are reported as prepaid items and other assets and amortized over the term of the related debt. 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 of Los Angeles 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 upon consolidation. 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 which are constrained for specific purposes that are 1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through enabling legislation.

  The City established a Budget Stabilization Fund (BSF) to set aside savings during periods of robust economic growth which can then be drawn upon to stabilize revenues during economic downturns. As of June 30, 2013, the BSF was $69.7 million.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Committed - includes amounts that can be used for specific purposes with constraints imposed by formal action of the highest level of decision-making authority. The authorization specifying the purposes for which committed funds can be used should have the consent of both the legislative and executive branches of government. 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 City Council. The City Council enacts ordinances and resolutions that may impose, modify or rescind fund balance commitments. City Council action is subject to the approval or veto of the Mayor, and the City Council may override a Mayoral veto by two-thirds vote. The City does not have any committed fund balances.

- Assigned - includes amounts that are intended to be used for specific purposes, but are neither restricted nor committed. The authority for assignment of funds is not required to be the government's highest level of decision making authority. Furthermore, the constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on committed fund balances. The City Council may authorize executive officers to assign fund balances for specific purposes through Council files, ordinances and resolutions.

- Unassigned - includes amounts that are not assigned to other funds and do not meet the criteria for being classified as restricted, committed, or assigned. Fund balances that can be utilized for economic stabilization, emergencies and contingencies that do not qualify as restricted or committed are reported as unassigned.

  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 an Emergency Reserve Account. To utilize funds from this account, a finding by the Mayor, with confirmation by the City 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, of by a super-majority of the Council in the event of a Mayoral veto.

  As of June 30, 2013, the City's Emergency and Contingency Reserve Accounts was $367.1 million.

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. Additionally, unless required by law or agreement, the City would use the restricted and assigned fund balances first, before using unassigned amounts of unrestricted fund balances.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Mayor and City Council adopted a Reserve Fund Policy per Council File (C.F.) 98-0459 that established a goal of increasing the Reserve Fund to 5 percent of the budgeted general receipts, with a minimum of 2.75 percent 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.

Charter Amendment P also provided for the establishment of a BSF by ordinance. On June 7, 2013, the Mayor and City Council adopted a BSF Policy (C.F. 13-0455). The policy defined the legal basis of the fund, the amount of annual deposits to and withdrawals from, and priority use of the BSF.

As of June 30, 2013, the Street Lighting Maintenance Assessment Fund (Street Lighting Fund) has a negative fund balance of $14.1 million. Expenditures in excess of revenues were funded from loans ($40.9 million at the end of fiscal year 2013) from the DWP and the California Energy Commission (State) obtained by the City to finance its lighting retrofit project. In September 2013, the City entered into a loan agreement with MICLA to refinance the DWP and State loans. Repayment of the resulting MICLA loan will be funded from street lighting and maintenance assessment fees. The Sixth Street Viaduct Fund negative net position of $11.4 million will be repaid by intergovernmental receivable. Other negative fund balance will be repaid by receivables for eligible government expenditures that have been incurred.

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. The City's Harbor Enterprise Fund recognized deferred charges on refunding resulting from the difference in the carrying value of refunded debt and its reacquisition price amortized over the shorter of the life of the refunded or refunding debt as deferred outflows of resources. The City's Power Enterprise Fund and Sewer Enterprise Fund recognized the change in fair value of derivative instruments as deferred outflows of resources as further discussed on page 97 and page 145, respectively.

Net Position

The government-wide financial statements utilize a net position presentation. Net position are categorized as follows:

- Net investment in capital assets - This category groups all capital assets into one component of net assets. 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Restricted net position –This category presents either external or internal 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.

- Unrestricted net position – This category represents net assets of the City that are not restricted for any project or other purposes.

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 separately audited financial statements of certain Enterprise Funds, Pension Trust Funds, 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 GAAP.

Adoption of New GASB Pronouncements

The primary government adopted the following:

GASB Statement No. 60, *"Accounting and Financial Reporting for Service Concession Arrangements."* Issued in November 2010, this statement addresses financial reporting issues related to service concession arrangements (SCAs). SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. The City has no activities that qualify as SCAs, hence, the statement has no impact on the City's financial statements.

GASB Statement No. 61, *"The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No.34."* Issued in November 2010, this statement modifies certain requirements for inclusion of component units in the financial reporting entity. It also amends the criteria for reporting component units as if they were part of the primary government in certain circumstances. It also clarifies the reporting of equity interest in legally separate organizations. This statement has no impact on the City's financial statements.

GASB Statement No. 62, *"Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements."* Issued in December 2010, this statement aims to improve financial reporting by contributing to the GASB's efforts to codify all generally accepted accounting principles for state and local governments so that they may derive from a single source. The City implemented this statement in fiscal year 2013. The beginning net position and unamortized premiums/discounts were restated to reflect the change. Please refer to Restatements on page 82 for related discussion on this matter.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Statement No. 63, *"Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position."* Issued in June 2011, this statement provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and their effects on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed. The City implemented this statement in fiscal year 2013 and the primary change to the financial statements was changing references from net assets to net position.

Recent GASB Pronouncements

GASB Statement No. 65, "*Items Previously Reported as Assets and Liabilities.*" Issued in March 2012, the statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. It will improve financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. The provisions of this statement are effective for financial statements for periods beginning after December 15, 2012. Only Harbor has elected early implementation of this statement. Please refer to Restatements on page 82 for related discussion on this matter.

GASB Statement No. 66, *"Technical Corrections – 2012 - an amendment of GASB Statements No. 10 and No. 62."* Issued in March 2012, this statement improves accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The provisions of this statement are effective for financial statements for periods beginning after December 15, 2012.

GASB Statement No. 67, *"Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25."* Issued in June 2012, this statement replaces previously issued statements related to pension plans administered through trusts or similar arrangement that meet certain criteria. It builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position and a statement of changes in fiduciary net position. It also enhances note disclosures and required supplementary information (RSI), including the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules. The provisions of this statement are effective for financial statements for periods beginning after June 15, 2013.

GASB Statement No. 68, *"Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27."* Issued in June 2012, this statement replaces previously issued statements related to governments that provide pensions through pensions plans administered as trusts or similar arrangements that meet certain criteria. It requires governments providing defined benefit pensions to report a net pension liability, the difference between the total pension liability and the assets set aside in a trust; to recognize their long-term obligation for pension benefits as a liability for the first time; and to more comprehensively and comparably measure the annual costs of pension benefits. It also enhances accountability and transparency through revised and new note disclosures and RSI, including types of benefits provided, how contributions to the pension plan are determined, and assumptions and methods used to calculate the pension liability. The provisions of this statement are effective for financial statements for periods beginning after June 15, 2014.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. The provisions of this statement are effective for government combination and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013.

GASB Statement No. 70, *"Accounting and Financial Reporting for Nonexchange Financial Guarantees."* Issued in April 2013, this statement establishes accounting and financial reporting standards for financial guarantees that are nonexchange transactions (nonexchange financial guarantees) extended or received by a state or local government. The provisions of this statement are effective for financial statements for periods beginning after June 15, 2013.

Restatements

In the implementation of GASB Statement No. 62, the City's governmental activities and Sewer changed the amortization of the bond premiums/discounts from straight-line to the effective yield method and adjusted their beginning net position by $9.9 million and $9.0 million, respectively. Sewer also adjusted its beginning net position by an additional $84.1 million to reflect capital related costs incurred in previous years that were not properly recorded in capital assets.

In the early implementation of GASB Statement No. 65, Harbor adjusted its beginning net position to reflect an adjustment for the unamortized debt issuance costs of $8.1 million.

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

A. Explanation of Certain Difference 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 $7,634,666 difference are as follows (in thousands):

Bonds, Certificates of Participation, and Notes	$	3,563,602
Add: Issuance Premium/Discount (to be amortized as interest income)		152,266
Less: Deferred Charge on Refunding (to be amortized as interest expense)		(42,239)
Less: Deferred Charge for Cost of Issuance (to be amortized over the life of the debt)		(18,872)
HUD Loans		198,600
Accrued Interest Payable		55,230
Accrued Compensated Absences		570,911
Estimated Claims and Judgments Payable		2,925,469
Accrued Landfill Liability		46,058
Estimated Pollution Remediation Liability		3,895
Net Pension Liability		50,966
Net OPEB Liability		128,780
Net adjustments to reduce governmental fund balance to arrive at governmental activities net position	$	7,634,666

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 $62,366 difference are as follows (in thousands):

Capital Outlay	$	214,546
Less: Depreciation expense		(276,912)
Net adjustments to increase net change in fund balances of governmental funds to arrive at changes in net position of governmental activities	$	(62,366)

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 $178,129 difference are as follows (in thousands):

Debt issued or incurred:	
Special Assessments and Revenue Bonds	$ 152,445
Add: Issuance Premium	14,192
Add: Issuance Premium on Refunding	2,253
Less: Deferred Charge for Cost of Issuance	(739)
MICLA Commercial Papers	43,000
Less: Deferred Charge for Cost of Issuance	(85)
HUD Loans	29,003
Principal repayments and bond refunding:	
General and Judgment Obligation Bonds	(118,790)
Certificates of Participation, Revenue Bonds, and Notes	(264,610)
HUD Loans	(34,798)
Net adjustments to decrease net change in fund balances of governmental funds to arrive at changes in net position of governmental activities	$ (178,129)

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 $858,254 difference are as follows (in thousands):

Decrease in Accrued Interest	$ (877)
Increase in Accrued Compensated Absences	32,921
Increase in Estimated Claims and Judgments	822,934
Increase in Accrued Landfill Liability	152
Decrease in Pollution Remediation Liability	(2,873)
Decrease in Net Pension Liability	(4,510)
Increase in Net OPEB Liability	1,756
Amortization of Deferred Charge on Refunding	6,162
Amortization of Deferred Charge for Cost of Issuance	2,589
Net adjustments to decrease net change in fund balances of governmental funds to arrive at changes in net position of governmental activities	$ 858,254

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 20 for the forthcoming fiscal year commencing July 1. 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 1. 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 34 City departments, bureaus, commissions 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 Special Revenue Fund* (which includes ARRA Community Development Block Grant, ARRA Energy Efficiency Conservation, ARRA Neighborhood Stabilization, Bus Bench Advertising, Business Improvement District 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, Industrial Development Authority, Integrated Solid Waste Management, Los Angeles Regional Agency Trust, Lopez Canyon Amenities, Neighborhood Stabilization, Off-Site Sign Periodic Inspection, Permit Parking Program Revenue, Pershing Square Trust, Planning Long-Range Plan, Proposition 1B Infrastructure, Repair and Demolition, Section 108 Loan Guarantee, Street Banners, State AB1290, Sunshine Canyon Community Amenities, Used Oil Collection, Ventura/Cahuenga Boulevard Corridor Specific Plan, Warner Center Transportation Trust, and West LA Transportation Improvement and Mitigation 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:

<u>General Fund</u>
Reserve and certain other account components

<u>Special Revenue</u>
Major Funds:
- Municipal Improvement Corporation
- Recreation and Parks

Nonmajor Funds:
- Low and Moderate Income Housing
- Economic Development Section 108 Loan Program Grant
- Seismic Bond Reimbursement
- Transportation Grant
- 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 Accounts
- Solid Waste Resources
- Certain Other 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 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, 2013, the adjusted amount was $48,062. Transfers that exceed the amount limits require the approval of the City Council.

During the fiscal year, capital related appropriations of $64.7 million that were reappropriated from prior budget years were included in the current annual operating budget. Transfers from the Reserve Fund (a nonbudgeted General Fund component), unanticipated receipts, and available fund balances that carried forward from the prior budget year financed these additional appropriations. In addition, non-capital related appropriations of $1,053.1 million were automatically carried forward from the prior budget year.

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

Unused and unencumbered appropriations lapse at year-end except for 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 re-appropriated 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, function and object level. 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 had 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 report.

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. Encumbrance outstanding at year-end for specific purposes for which resources have been restricted, committed, or assigned will be included within those classifications. Encumbrance outstanding for which resources have not been previously restricted, committed, or assigned will be included within committed or assigned fund balance based on the source of the constraint. These commitments will be honored in 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 non-major 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 year ended June 30, 2013 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	Community Development Fund
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses - Budgetary Basis	$ 141,583	$ (7,907)
Basis Differences		
Adjustment 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 and is due and payable; whereas, the budgetary basis operating statement reflects revenues when received and expenditures when paid.	(29,069)	5,677
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).	8,678	--
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	270,843	22,809
Prior year encumbrances expended in current year	(235,917)	(8,883)
Grant funded loans are recorded as expenditures when disbursed and as program income when repaid (budgetary), as opposed to adjustments to the Loans Receivable account balance (GAAP).	--	(9,738)
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.	(3,245)	--
Change in Fund Balances - GAAP Basis	$ 152,873	$ 1,958

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

	Proposition A Local Transit Assistance Fund	Solid Waste Resources Fund
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses - Budgetary Basis	$ 34,909	$ 37,859
Basis Differences		
Adjustment 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 and is due and payable; whereas, the budgetary basis operating statement reflects revenues when received and expenditures when paid.	3,963	3,695
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	7,822	25,086
Prior year encumbrances expended in current year	(3,238)	(11,916)
Perspective Difference		
Unbudgeted accounts	--	55,740
Change in Fund Balances - GAAP Basis	$ 43,456	$ 110,464

NOTE 4 – DETAILED NOTES ON ALL FUNDS

A. Cash, Deposits and Investments

Summary of Cash and Investments

At June 30, 2013, the summary of cash, pooled and other investments for governmental and business-type activities, and fiduciary funds is as follows (in thousands):

	All City Funds			
	Governmental Activities	Business-type Activities	Fiduciary Funds	Total
Cash and Pooled Investments	$ 3,821,889	$ 2,211,441	$ 298,709	$ 6,332,039
Other Investments	67,074	55	40,867,642	40,934,771
Restricted Assets (Note 4C page 114)	--	3,740,271	--	3,740,271
Total	$ 3,888,963	$ 5,951,767	$ 41,166,351	$ 51,007,081

		Other Cash and Investments		
	Cash and Investments With City Treasurer	Pension Trust and Other Postemployment Benefits Trust	Other	Total
Cash and Pooled Investments	$ 6,181,409	$ --	$ 150,630	$ 6,332,039
Other Investments	--	40,867,351	67,420	40,934,771
Restricted Assets	2,442,791	--	1,297,480	3,740,271
Total	$ 8,624,200	$ 40,867,351	$ 1,515,530	$ 51,007,081

Summary of Deposits and Investments

The carrying amount of cash on hand, deposits and investments at June 30, 2013, is as follows (in thousands):

Cash on Hand	$ 324
Deposits	154,683
Investments	
Pooled	8,479,475
Other	42,372,599
Total	$ 51,007,081

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Deposits

At June 30, 2013, the book balance of the City's deposits was $154.7 million and the balance per various financial institutions was $151.3 million. The difference of $3.4 million represents primarily deposits in transit and other reconciling items. Of the bank balance, $3.4 million was covered by Federal depository insurance and $147.9 million was uninsured. The uninsured deposits of $147.9 million are held by financial institutions that are legally required by the California Government Code 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 agrees otherwise or when the bank advised 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. Interest earned on pooled investments is allocated to the participating funds based on each fund's average daily deposit balance during the allocation period with all remaining interest allocated to 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 and the Los Angeles City Council (City Council) File No. 94-2160, the City Treasury shall render to the City Council a statement of investment policy (the Policy) annually. City Council File No. 11-1740 was adopted on October 23, 2012, as the City's investment policy. This Policy shall remain in effect until the City 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 Treasurer will deposit funds and types of investment instruments permitted by California Government Code Sections 53600-53635 and 16429.1.

Examples of investments permitted by the Policy are obligations of the U.S. Treasury and government agencies, local agency bonds, commercial paper notes, certificates of deposit (CD) placement service, bankers' acceptances, medium term notes, repurchase agreements, mutual funds, money market mutual funds, and the State of California Local Agency Investment Fund.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

At June 30, 2013, the investments held in the City Treasury's General and Special Investment Pool Programs and their maturities are as follows (in thousands):

		Investment Maturities				
Type of Investments	Amount	1 to 30 Days	31 to 60 Days	61 to 365 Days	366 Days To 5 Years	Over 5 Years
U.S. Treasury Bills	$ 184,540	$ 20,999	$ --	$ 163,541	$ --	$ --
U.S. Treasury Notes	3,705,030	--	--	--	3,687,736	17,294
U.S. Sponsored Agency Issues	1,980,334	153,076	240,942	512,318	1,060,252	13,746
Medium Term Notes	1,467,556	8,913	32,361	201,292	1,224,990	--
Commercial Paper	1,071,321	962,231	33,999	75,091	--	--
Municipal Bonds	9,774	--	--	--	9,774	--
Certificates of Deposit	7,000	--	--	7,000	--	--
Short Term Investment Funds	22,261	22,261	--	--	--	--
Securities Lending Short-Term Collateral Investment Pool	31,659	31,659	--	--	--	--
Total General and Special Pools	$ 8,479,475	$ 1,199,139	$ 307,302	$ 959,242	$ 5,982,752	$ 31,040

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 certificate of deposits, collateralized bank deposits, mortgage pass-through securities, 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 ratings requirement for investments. There is no credit quality requirement for local agency bonds, U.S. Treasury Obligations, State of California Obligations, California Local Agency Obligations, and U.S. Sponsored Agencies (U.S. government sponsored enterprises) securities. The City's $2.0 billion investments in U.S. government sponsored enterprises consist of securities issued by the Federal Home Loan Bank - $292.5 million, Federal National Mortgage Association - $880.9 million, Federal Home Loan Mortgage Corporation - $617.1 million, Federal Farm Credit Bank - $121.7 million, Tennessee Valley Authority - $62.0 million and Farmer Mac Discount Note - $6.1 million. Of the City's $2.0 billion investments in U.S. Sponsored Agencies securities, $1,281.6 million were rated "AA+" by S&P and "Aaa" by Moody's; $698.7 million were not rated individually by S&P nor Moody's (issuers of these securities are rated "A-1+" by S&P and "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. The City's $1.5 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 $12.0 million medium term notes was downgraded to "BBB" by S&P and Baa1 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 regard to modifiers. Issuing corporation must be organized and operating within the United States and have assets in excess of $500.0 million. Of the City's $1.1 billion investments in commercial paper, $971.0 million were rated A-1+/A-1 by S&P and P-1 by Moody's; $33.0 million were rated P-1 by Moody's and not rated by S&P; $67.3 million were not rated individually by S&P nor Moody's. The issuers of the certificates of deposit and municipal bonds were not rated.

Concentration of Credit Risk. The Policy does not allow more than 40% of its investment portfolio be invested in commercial paper and bankers' acceptances, 30% in certificates of deposit and medium term notes, 20% in mutual funds, money market mutual funds and mortgage pass-through securities. The Policy further provides for a maximum concentration limit of 10% in any one issuer of commercial paper as well as in any one mutual fund, and 30% in bankers' acceptances of any one commercial bank. There is no percentage limitation on the amount that can be invested in the U.S. 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, 2013, $617.1 million (7%) was invested in securities issued by Federal Home Loan Mortgage Corporation, and $880.9 million (10%) was invested in securities issued by Federal National Mortgage Association.

General Investment Pool Securities Lending Program. Securities lending is permitted and limited under provisions of California Government Code Section 53601. The City 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.

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 receives cash as collateral on 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.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

During the fiscal year 2013, 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.

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. 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 are generally based on published market prices or quotations from major investment dealers. Real estate values are taken from recent appraisals, 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.

The City's other investments as of June 30, 2013 are as follows (in thousands):

Department of Water and Power	$ 667,062
Fire and Police Pension and Health Subsidy Plans	17,326,744
Los Angeles City Employees' Retirement and Postemployment Health Care Plans	13,386,813
Water and Power Employees' Retirement, Disability, and Death Benefit Insurance; and Retiree Health Benefits Plans	10,153,794
Others	838,186
Total	$ 42,372,599

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Department of Water and Power

The City Charter grants the Board of Water and Power Commissioners control over the investments of all financial assets of the Department of Water and Power (DWP). The $667.1 million investments not included in the City's investment pool program are as follows (in thousands):

	Power	Water	Total
Debt Reduction Trust Funds	$ 490,325	$ --	$ 490,325
Nuclear Decommissioning Trust Fund	122,584	--	122,584
Natural Gas Trust Fund	287	--	287
Hazardous Waste Treatment Trust Fund	2,182	--	2,182
SCPPA Palo Verde Investment	18,525	--	18,525
Water Expense Stabilization Fund	--	33,159	33,159
Total	$ 633,903	$ 33,159	$ 667,062

At June 30, 2013, the investments of the Power and Water Enterprise Funds outside of the City's investment pool programs and their maturities are as follows (in thousands):

		Investment Maturities				
Type of Investments	Amount	1 to 30 Days	31 to 60 Days	61 to 365 Days	366 Days To 5 Years	Over 5 Years
U.S. Agencies	$ 281,108	$ -	$ -	$ 27,190	$ 193,600	$ 60,318
Medium-term Corporate Notes	157,662	377	1,000	51,811	104,474	-
Commercial Paper	70,237	38,248	21,998	9,991	-	-
Certificate of Deposit	19,000	7,000	6,000	6,000	-	-
Municipal Bonds	4,996	-	-	3,003	1,993	-
California Local Agency Bonds	45,331	-	-	24,807	20,524	-
California State Bonds	19,250	-	-	6,210	13,040	-
Other State Bonds	40,639	1,000	-	1,440	38,199	-
Bankers' Acceptances	250	-	-	250	-	-
Money Market Funds	10,064	10,064	-	-	-	-
SCPPA Palo Verde Investment	18,525	-	-	-	18,525	-
Total	$ 667,062	$ 56,689	$ 28,998	$ 130,702	$ 390,355	$ 60,318

Interest Rate Risk. DWP's investment policy limits the maturity of its investments to a maximum of 30 years for U.S. government agency securities; 5 years for medium-term corporate notes, California local agency obligations, California state obligations, and other state obligations; 270 days for commercial paper; 397 days for certificates of deposits; 180 days for bankers' acceptances; and 45 days for repurchase agreements purchased with cash collateral from securities lending agreements.

Credit Risk. Under its investment policy and the State of California Government Code ("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."

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

The U.S. government agency 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. government agency securities in the portfolio as of June 30, 2013, $273.9 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 $7.2 million (3%) was not rated.

DWP's investment policy specifies that medium-term corporate notes must be rated in a rating category of "A" or its equivalent or better by a NRSRO. As of June 30, 2013, DWP's investments in corporate notes were rated as follows: $8.1 million (5%) was rated in the category of "AAA", $76.5 million (49%) was rated in the category of "AA", and $72.7 million (46%) was rated in the category of "A" by at least one NRSRO, and $0.4 million were 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, 2013, all of 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 specifies that municipal obligations, which may include bonds or commercial paper, issued by California local agencies must be rated in a rating category of "A" or its equivalent or better by a NRSRO. As of June 30, 2013, DWP's investments in municipal bonds were rated as follows: $3.0 million (60%) was rated in the category of "AA"; and $2.0 million (40%) was rated with at least the highest short-term letter and number rating by at least one NRSRO.

DWP's investment policy specifies 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 nonnegotiable 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, 2013, DWP's investments in certificates of deposits included $18.0 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 nonnegotiable certificates of deposit fully insured by the FDIC.

DWP's investment policy specifies that California local agency obligations, 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, 2013, $26.0 million (57%) was rated in the category of AA; $4.0 million (9%) was rated in the category of A; and $15.3 million (34%) was rated with the highest short-term letter and number rating as provided by at least one NRSRO.

DWP's investment policy specifies that State of California obligations must be rated in a rating category of A or its equivalent or better by a NRSRO. As of June 30, 2013, all of DWP's investments in State of California obligations were rated in the rating category of A by at least one NRSRO.

DWP's investment policy was amended effective August 22, 2012 to permit the purchase of obligations of other states in addition to California, 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, 2013, $15.9 million (39%) was rated in the category of AAA and $24.7 million (61%) was rated AA by at least one NRSRO.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

DWP's investment policy specifies that banker's acceptances must be of the highest ranking or letter and number rating as provided for by at least two NRSROs. As of June 30, 2013, 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 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, 2013, 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. government agency securities, except that a maximum of 30 percent of the cost value of the portfolio may be invested in the securities of any single U.S. government agency issuer. Of DWP's total investments as of June 30, 2013, $40.1 million (6%) was invested in securities issued by the Federal Home Loan Bank; $137.5 million (21%) was invested in securities issued by the Federal National Mortgage Association; and $90.1 million (14%) was invested in securities issued by the Federal Home Loan Mortgage Corporation.

Securities Lending Transactions. DWP participates in the City's securities lending program (SLP), through the pooled investment fund. DWP recognizes its proportionate share of the cash collateral received for securities loaned and the related obligation for the general investment pool.

Derivative Instruments. In accordance with GASB No.53, DWP records the fair value of its hedging derivative instruments, financial natural gas hedges, on the statement of net position. As of June 30, 2013, the fair values of the financial natural gas hedges were approximately $(67.3) million. 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.

As of June 30, 2013, DWP's financial natural gas hedges by fiscal year are the following (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 2013-14	5,027,000	$ 6.37–8.31	07/01/13	06/30/14	$ (17,750)
FY 2014-15	5,384,500	6.37–9.38	07/01/14	06/30/15	(18,834)
FY 2015-16	4,488,000	6.42–9.85	07/01/15	06/30/16	(15,447)
FY 2016-17	3,197,500	6.61–9.83	07/01/16	06/30/17	(10,203)
FY 2017-18	2,190,000	6.76–7.14	07/01/17	06/30/18	(5,041)
Total	20,287,000	6.37 - 9.85	07/01/13	06/30/18	$ (67,275)

* Contract quantities in MMBtu - Million British Thermal Units

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

The fair value of the natural gas hedges increased by $24.0 million and is reported as 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 DWP 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, 2013, the 10 financial natural gas hedge counterparties were rated by Moody's as follows: three at Aa3, three at A2, three at A3, and one at Baa1. The counterparties were rated by S&P as follows: two at AA-, two at A+, four at A, and two 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, 2013, 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 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

At June 30, 2013, the Fire and Police Pension and Health Subsidy Plans' (Pensions) investments are as follows (in thousands):

Investment Type	Pension Plan	Health Subsidy Plan	Total
Short-term Investments	$ 547,839	$ 39,851	$ 587,690
U.S. Government Obligations	1,597,255	116,187	1,713,442
Domestic Corporate Bonds	1,320,387	96,047	1,416,434
International Bonds	1,713	125	1,838
Domestic Stocks	5,958,718	433,449	6,392,167
International Stocks	2,563,867	186,501	2,750,368
Real Estate	1,148,402	83,537	1,231,939
Alternative Investments	1,767,344	128,560	1,895,904
Security Lending	1,246,303	90,659	1,336,962
Total	$ 16,151,828	$ 1,174,916	$ 17,326,744

Interest Rate Risk. Pensions manages its exposure to interest rate risk by requiring fixed income investment managers 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	$ 49,496	49.49
Commercial Mortgages	54,594	29.13
Corporate Bonds	1,285,295	16.41
Government Agencies Bonds	57,374	4.29
Government Bonds	562,829	12.85
Government Mortgage Backed Securities	366,923	21.64
Index Linked Government Bonds	731,670	9.42
Non-Government Backed Collateralized Mortgage Obligations	2,694	22.81
Bond Index Fund *	20,839	N/A
Total	$ 3,131,714	

* Shares are in commingled fixed income funds.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Investments that are highly sensitive to interest rate risk at June 30, 2013 are as follows (in thousands):

Investment Type	Amount
Asset Backed Securities	$ 49,496
Commercial Mortgages	54,594
Government Agencies Bonds	57,374
Government Mortgage Backed Securities	366,923
Index Linked Government Bonds	731,669
Non-Government Backed Collateralized Mortgage Obligations	2,694
Total	$ 1,262,750

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, 2013, the quality ratings of Pensions' fixed income investments are as follows:

Credit Rating	Amount (in thousands)	Percentage
AAA	$ 1,300,329	48.55 %
AA	77,736	2.90
A	287,312	10.73
BBB	432,594	16.15
BB	201,379	7.52
B	217,383	8.11
CCC	50,944	1.90
CC	7,195	0.27
C	511	0.02
Not Rated	103,076	3.85
Subtotal	2,678,459	100.00 %
U.S. Government Issued or Guaranteed Securities	453,255	
Total Fixed Income Investments	$ 3,131,714	

Concentration of Credit Risk. As of June 30, 2013, 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.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Custodial Credit Risk. Custodial credit risk for deposits is the risk that, in the event of a financial failure of a depository financial institution, 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, 2013, Pensions' exposure to such risk was $10.6 million, comprised of foreign currencies held outside the custodial bank. 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 investments 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 not registered in Pensions' name, and held by the counterparty. Pensions' investments in publicly traded stocks and bonds were not exposed to custodial credit risk since they are held by the custodian and registered in the Pensions' name. As of June 30, 2013, Pensions' other investments are exposed to custodial credit risk including hedge fund of $549.1 million, private equity of $1.3 billion, and commingled real estate funds of $589.8 million.

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, 2013 are as follows (in thousands):

Foreign Currency	Amount
Australian Dollar	$ 91,492
Brazilian Real	57,847
British Pound Sterling	490,119
Canadian Dollar	21,767
Chilean Peso	4,985
Columbian Peso	974
Czech Koruna	860
Danish Krone	27,930
Euro	674,756
Hong Kong Dollar	171,343
Hungarian Forint	1,052
Indian Rupee	39,826
Indonesian Rupiah	25,799
Japanese Yen	468,849
Malaysian Ringgit	27,148
Mexican Peso	32,425
New Israeli Shekel	3,998
New Taiwan Dollar	106,045
New Zealand Dollar	1,630
Norwegian Krone	15,820
Philippine Peso	6,068
Polish Zloty	9,455
Singapore Dollar	22,736
South African Rand	56,683
South Korean Won	138,098
Swedish Krona	65,112
Swiss Franc	144,694
Thai Baht	20,121
Turkish Lira	24,573
Total	$ 2,752,205

The foreign currency total is comprised of foreign stocks and foreign bonds.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

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 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 Pensions owes the borrowers exceed the amounts the borrowers owe Pensions.

Borrowers of Pensions securities have all incidents of ownership with respect to 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 lending agreements, 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 for 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.

Derivative Instruments. The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2013, classified by type, and the changes in fair value of such derivative instruments are as follows (in thousands):

	Changes in Fair Value		Fair Value at June 30, 2013		Notional
Type	Classification	Amount	Classification	Amount	Amount
Futures - Shorts		$ --	Investment	$ --	$ --
Futures - Longs	Investment Revenue	(1,798)	Investment	--	(2,194)
Forwards	Investment Revenue	(754)	Investment	167	--
Rights/Warrants	Investment Revenue	(960)	Investment	36	--

At June 30, 2013, Pensions held futures-longs with a notional value of $(2.2) million with a realized gain of $1.8 million for the fiscal year. Pensions held forwards with a fair value of $0.2 million and rights and warrants with a fair value of $0.04 million. Earnings of $0.8 million for forwards and $1.0 million rights and warrants 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.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

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.

Los Angeles City Employees' Retirement and Postemployment Health Care Plans

At June 30, 2013, the Los Angeles City Employees' Retirement and Postemployment Healthcare Plans' (LACERS) investments are as follows (in thousands):

Investment Type	Retirement Plan	Postemployment Health Care Plan	Total
Short-term Investments (non-U.S. of $368,292)	$ 518,341	$ 87,357	$ 605,698
U.S. Government/Agencies Securities	537,505	90,798	628,303
Municipal Bonds	6,357	1,073	7,430
Domestic Corporate Bonds	910,581	153,818	1,064,399
International Bonds	289,313	48,872	338,185
Opportunistic Debt	1,041	176	1,217
Domestic Stocks	3,907,978	660,147	4,568,125
International Stocks	2,147,785	362,810	2,510,595
Mortgages	528,384	89,256	617,640
Real Estate	583,737	98,607	682,344
Venture Capital and Alternative Investments	1,032,484	174,411	1,206,895
Security Lending Collateral	988,930	167,052	1,155,982
Total	$ 11,452,436	$ 1,934,377	$ 13,386,813

Interest Rate Risk. LACERS manages its exposure to interest rate risk by requiring the fixed income investment managers to maintain their portfolio effective duration within a specified range of the BC U.S. Universal Bond Index, the BC Intermediate Government Credit Index, or the BC Aggregate Bond Index, depending on the LACERS Board's mandates. The effective duration is a measure, in years, of interest rate sensitivity in debt investments.

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 fixed income investments:

Investment Type	Amount (in thousands)	Weighted Average Duration (in years)
Asset Backed Securities	$ 14,406	3.48
Commercial Mortgage Backed Securities	97,441	3.48
Corporate Bonds	1,334,609	5.86
Government Agencies	45,545	4.97
Government Bonds	538,193	3.70
Government Mortgage Backed Securities	520,199	4.99
Index Linked Government Bonds	75,107	6.01
Municipal/Provincial Bonds	7,430	6.18
Nongovernment Backed Collateralized Mortgage Obligations	23,027	2.56
Opportunistic Debt	1,217	N/A
Total	$ 2,657,174	

Credit Risk. LACERS seeks to maintain a diversified portfolio of fixed income investments 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 in fixed income securities by a nationally recognized statistical rating organization as of June 30, 2013 are as follows:

Credit Rating	Fair Value (in thousands)	Percentage
AAA	$ 45,607	2.20 %
AA	644,554	31.15
A	413,146	19.96
BBB	617,842	29.85
BB	146,928	7.10
B	116,188	5.61
CCC	16,465	0.80
CC	3,735	0.18
D	4,488	0.22
Not Rated	60,546	2.93
Subtotal	2,069,499	100.00 %
U.S. Government Guaranteed Securities *	587,675	
Total Fixed Income Investments	$ 2,657,174	

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

Concentration of Credit Risk. LACERS' investment portfolio as of June 30, 2013 contained no concentration of investments in any one entity that represented 5% or more of the total investment portfolio.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

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, 2013, LACERS has exposure to such risk in the amount of $42.0 million, or 1.36% of the fair value of total international investments. The amount represents non-invested cash denominated in foreign currencies, managed by 11 different investment managers, and held outside of the System's custodial bank. LACERS's 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 LACER's name, and held by the counterparty. LACERS's investments are not exposed to custodial credit risk if they are insured or registered in LACERS's name. LACERS's investments were not exposed to custodial credit risk because all securities were held by LACERS's custodial bank in LACERS's name.

Foreign Currency Risk. LACERS's 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. Non-U.S. currency investment holdings as of June 30, 2013, which represent 20.3% of the fair value of total investments, are as follows (in thousands):

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Foreign Currency	Fair Value
Argentine peso	$ 49
Australian dollar	143,184
Brazilian real	16,599
British pound sterling	395,627
Canadian dollar	129,201
Chilean peso	315
Czech koruna	1,020
Danish krone	22,450
Euro	671,482
Hong Kong dollar	163,783
Hungarian forint	1,861
Indian rupee	32,731
Indonesian rupiah	13,351
Japanese yen	488,423
Malaysian ringgit	4,056
Mexican peso	21,784
New Israeli shekel	6,812
New Taiwan dollar	36,873
New Zealand dollar	2,164
Norwegian krone	18,010
Philippine peso	17,452
Polish zloty	3,125
Singapore dollar	54,421
South African rand	14,753
South Korean won	72,671
Swedish krona	49,427
Swiss franc	179,511
Thai baht	33,609
Turkish lira	3,989
United Arab Emirates Dirham	2,065
Total	$ 2,600,798

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. LACER's 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. As of June 30, 2013, the fair value of LACERS's asset-backed investments by investment type are as follows (in thousands):

Investment Type	Amount
Asset Backed Securities	$ 14,406
Commercial Mortgage Backed Securities	97,441
Government Agencies	45,545
Government Mortgage Backed Securities	520,199
Nongovernment Backed Collateralized Mortgage Obligations	23,027
Total	$ 700,618

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Derivative Instruments. LACERS enters into derivative contracts for investment purposes and to manage risks associated with its investment portfolio. All of LACERS's derivatives for the current and previous fiscal years are classified as investment derivatives.

The notional amount and the fair value of derivative instruments as of June 30, 2013, are as follows (in thousands):

Derivative Type	Notional Amount	Fair Value	Change in Fair Value
Future Contracts -			
Equity Index	$ 15,852	$ 79	$ (131)
Interest Rate	(83,080)	(160)	(349)
Currency Forward			
Contracts	93,527	(22)	(2)
Right / Warrants	N/A	84	39
Total Value		$ (19)	$ (443)

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.

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, 2013, without respect to netting arrangements, LACERS's maximum loss on derivative instruments subject to credit risk, namely currency forward contracts, is as follows (in thousands):

S & P Ratings	Fair Value
AA-	$ 141
A+	145
A-	196
Total Credit Risk	$ 482

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Securities Lending Transactions. LACERS has entered into various short-term arrangements with its custodian whereby securities are loaned 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 may be invested separately or pooled in a separate fund for investing in 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 fair values in the Statement of Plan Net Position. During fiscal year 2013, LACERS had no losses due to borrower default. There was no credit risk exposure at year-end because the amounts LACERS owed the borrowers exceed the amounts the borrowers owed LACERS.

Water and Power Employees' Retirement, Disability, and Death Benefit Insurance; and Retiree Health Benefits Plans

At June 30, 2013, the Water and Power Employees' Retirement, Disability, and Death Benefit Insurance; and Retiree Health Benefits Plans' (DWP Plans) investments are as follows (in thousands):

Investment Type	Retirement, Disability, and Death Benefit Insurance Plan	Retiree Health Benefits Plan	Total
Domestic Stocks	$ 3,412,946	$ 599,686	$ 4,012,632
International Stocks	1,759,735	280,685	2,040,420
Mortgage and Asset Backed Securities	333,904	60,109	394,013
Domestic Corporate Debts	571,660	110,096	681,756
International Corporate Debts	12,275	--	12,275
Preferred Securities/Convertible Bonds	45,142	2,669	47,811
Hedge Funds	580,296	79,875	660,171
Real Estate	241,802	19,159	260,961
U.S. Agencies and Notes	657,895	122,924	780,819
U.S. Treasuries	411,473	81,536	493,009
Mutual Funds	362,154	40,996	403,150
Securities Lending Short-term Collateral Investment Pool	313,092	53,685	366,777
Total	$ 8,702,374	$ 1,451,420	$ 10,153,794

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Interest Rate Risk. As of June 30, 2013, DWP Plans' exposure to interest rate risk is as follows:

Investment Type	Amount (in thousands)	Weighted Average Maturity (Years)
Mortgage and Asset Backed Securities	$ 394,013	12.69
Domestic Corporate Debts	681,756	9.45
U.S. Treasuries	493,009	5.72
Mutual Funds	403,150	0.00
U.S. Agency Notes	780,819	22.18
Preferred Securities/Convertible Bonds	47,811	5.41
International Corporate Debts	12,275	11.97
Total	$ 2,812,833	11.37

DWP Plans has a long-term investment horizon and 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.

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' investment policy for fixed income allows investment grade and high yield fixed income securities with minimum credit ratings of BBB- or Baa3 by two or more rating agencies. Investment managers shall notify DWP Plans' management of subsequent declines in ratings and shall 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, S&P or Fitch.

The credit ratings of DWP Plans' investments at June 30, 2013 are as follows:

Credit Rating	Amount (in thousands)	Percentage
AAA	$ 321,688	20.90 %
A or better	208,176	13.53
B or better	518,979	33.72
C or better	50,462	3.28
D or better	364	0.02
Not Rated	439,335	28.55
Subtotal	1,539,004	100.00 %
U.S. Government Guaranteed Securities	1,273,829	
Total Fixed Income Investments	$ 2,812,833	

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Custodial Credit Risk. Custodial credit risk for deposits is the risk that in the event of a bank failure, DWP Plans' deposits may not be returned. As of June 30, 2013, DWP Plans' cash balances consist primarily of deposits with the City Treasurer. Collateral received in securities lending transactions are cash collateral and marketable securities.

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, 2013, 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, except investments issued or guaranteed by the U.S. Government and investments in commingled funds.

Foreign Currency Risk. DWP Plans' investment policy permits a maximum of 21% of the total investments in foreign currency denominated securities. As of June 30, 2013, DWP Plans' position is 14.75% as follows (in thousands):

Foreign Currency	Amount
Australian Dollar	$ 49,012
Brazilian Real	17,062
Canadian Dollar	61,268
Chilean Peso	198
Danish Krone	15,865
Euro	389,141
Hong Kong Dollar	42,371
Indonesian Rupiah	6,874
Japanese Yen	303,285
Malaysian Ringgit	14,508
Mexican Peso	14,676
New Turkish Lira	1,084
New Zealand Dollar	507
Norwegian Krone	9,467
Philippines Peso	3,630
Pound Sterling	352,938
S. African Comm Rand	29,713
Singapore Dollar	11,931
South Korean Won	7,281
Swedish Krona	40,519
Swiss Franc	116,481
Thailand Baht	9,248
Uruguayan Peso	474
Total	$ 1,497,533

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Securities Lending Transactions. DWP Plans' custodial bank manages its securities lending. The DWP Plans or the borrowers can terminate the contract with advance notice. 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. 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 the DWP Plans and continue to be included in their respective accounts on the Statement of Plan Net Position. At year-end, DWP Plans had no credit risk exposure to borrowers because the value of the collateral received exceeded the value of the securities on loan. Related borrower or lending agent default losses were recognized in the financial statements.

DWP Plans' custodian is the authorized agent to handle DWP Plans' securities lending activity. The custodian may invest the cash collateral received in connection with loaned securities 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 the borrowers. DWP Plans does not have the ability to pledge or sell collateral assets unless the borrower is in default of its obligation. In lending domestic securities, cash collateral is invested in the lending agent's short-term investment pool, which at June 30, 2013, has an average maturity of 28 days.

Derivative Instruments. The fair value balances and notional amounts of derivatives instruments outstanding at June 30, 2013, classified by type, and the changes in fair values of such derivative instruments are as follows (in thousands):

	Changes in Fair Value		Fair Value at June 30, 2013		Notional
Type	Classification	Amount	Classification	Amount	Amount
Forward Contracts	Investment Income / (Loss)	$ (1,253)	Investment	$ 5,272	$ 418,163
Call Options	Investment Income / (Loss)	(661)	Investment	9,207	494,734

At June 30, 2013, 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 the forward contracts were based on the market price. At June 30, 2013, 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)

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, 2013, other investments are as follows (in thousands):

		Investment Maturities			
Investment Type	Amount	1 to 30 Days	31 to 60 Days	61 to 365 Days	366 Days To 5 Years
U.S. Sponsored Agency Issues	$ 116,358	$ --	$ 5,856	$ 37,953	$ 72,549
U.S. Treasury Bills	5,397	--	--	5,397	--
Mutual Funds	51,895	51,895	--	--	--
Money Market Funds	338,032	338,032	--	--	--
State of California LAIF	310,575	--	--	310,575	--
Short-term Investment Funds	241	241	--	--	--
Guaranteed Investment Contracts	15,688	--	5,232	--	10,456
Total	$ 838,186	$ 390,168	$ 11,088	$ 353,925	$ 83,005

Credit Risk. At June 30, 2013, the investments in U.S. Sponsored Agency Issues and U.S. Treasury Bills 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. The State of California LAIF, short-term investment funds and guaranteed investment contracts were not rated.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Primary Government

The primary government's net receivables at June 30, 2013 are as follows (in thousands):

	Governmental Activities	Business-type Activities
Gross Receivables		
Taxes	$ 611,520	$ --
Accounts	631,650	1,006,014
Special Assessments	15,042	--
Investment Income	13,740	10,227
Intergovernmental	185,434	110,471
Loans and Notes	2,052,393	845,719
Total	3,509,779	1,972,431
Allowance for Uncollectibles		
Taxes	(45,946)	--
Accounts	(405,831)	(49,922)
Loans and Notes	(1,549,021)	--
Total	(2,000,798)	(49,922)
Net Receivables	$ 1,508,981	$ 1,922,509
Net Receivables not scheduled for collection during the subsequent year:		
Loans, Notes and Intergovernmental	$ 423,545	$ 806,756

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 0.5% 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 Airports' long-term notes of $1.0 million, Power's long-term notes of $770.5 million from Intermountain Power Agency (see Note 5C on page 178), and $0.2 million long-term Harbor notes receivable.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Deferred Receivables

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At June 30, 2013, the various components of deferred revenue reported in the governmental funds were as follows (in thousands):

Taxes	$	392,102
Accounts		129,883
Intergovernmental		164,849
Special Assessments		1,483
Investment Income		5,364
Services to Enterprise		2,020
Total Deferred Revenue for Governmental Funds	$	695,701

C. Restricted Assets

The primary government's restricted assets are composed of the following at June 30, 2013 (in thousands):

	Business-type Activities
Cash and Investments	
Cash and Pooled Investments With City Treasurer	$ 2,442,791
Other Investments	1,297,480
Subtotal	3,740,271
Other Restricted Assets	
Investment Income Receivable	3
Total	$ 3,740,274

The business-type activities' restricted amounts consists of accumulated resources for debt service payments, nuclear decommissioning trust funds, natural gas trust fund, hazardous waste treatment storage and disposal trust fund, SCCPA Palo Verde investment fund, water expense stabilization fund, operations and maintenance reserve, and capital construction projects.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

D. Joint Ventures

Intermodal Container Transfer Facility Joint Powers Authority

The Harbor departments of the City of Los Angeles (Harbor) and the City of Long Beach, California (Port of Long Beach) entered into a joint exercise of 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.

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, nor the Harbor, nor 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, 2013 totaled $5.1 million. Separate financial statements for ICTF may be obtained from the Executive Director, Port of Long Beach, 925 Harbor Plaza, Long Beach, California 90802.

Alameda Corridor Transportation Authority

In August 1989, Harbor and the Port of Long Beach entered into a joint exercise of 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 assets and income at June 30, 2013, 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)

Any payments made to ACTA are in the form of an advance and subordinated to other obligations of the Harbor. Harbor paid $3.0 million in shortfall payment in fiscal year 2013. Shortfall payments beyond fiscal year 2013 are not expected to occur until fiscal year 2020, at which time, payments are projected to be made each year over a four-year period. Harbor does not expect that the projected future shortfall payments will have a material effect on its financial statements. Separate financial statements for ACTA may be obtained from the Chief Financial Officer, Alameda Corridor Transportation Authority, One Civic Plaza Drive, Suite 350, Carson, California 90745.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

E. Capital Assets

Governmental Activities

Capital asset activity for Governmental Activities for the year ended June 30, 2013 is as follows (in thousands):

Governmental Activities	Balance June 30, 2012	Additions / Transfers	Deductions / Transfers	Balance June 30, 2013
Capital Assets Not Depreciated				
Land	$ 816,958	$ 16,798	$ (94,313)	$ 739,443
Infrastructure	171,155	224	--	171,379
Construction in Progress	857,254	183,609	(125,458)	915,405
Intangible Assets	8,636	530	(725)	8,441
Total Capital Assets Not Depreciated	1,854,003	201,161	(220,496)	1,834,668
Capital Assets Depreciated				
Buildings and Improvements	4,411,100	59,688	(11,326)	4,459,462
Machinery, Furniture and Equipment	1,354,970	78,098	(47,714)	1,385,354
Infrastructure	2,866,811	90,198	(1,767)	2,955,242
Intangible Assets	101,099	5,897	--	106,996
Total Capital Assets Depreciated	8,733,980	233,881	(60,807)	8,907,054
Less: Accumulated Depreciation/Amortization				
Buildings and Improvements	(1,214,707)	(126,320)	11,326	(1,329,701)
Machinery, Furniture and Equipment	(979,195)	(85,805)	47,714	(1,017,286)
Infrastructure	(1,118,925)	(56,203)	1,767	(1,173,361)
Intangible Assets	(30,048)	(8,584)	--	(38,632)
Total Accumulated Depreciation/Amortization	(3,342,875)	(276,912)	60,807	(3,558,980)
Total Capital Assets Depreciated/Amortized, Net	5,391,105	(43,031)	--	5,348,074
Governmental Activities Capital Assets, Net	$ 7,245,108	$ 158,130	$ (220,496)	$ 7,182,742

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	$ 33,072
Protection of Persons and Property	81,765
Public Works	48,671
Health and Sanitation	22,073
Transportation	37,809
Cultural and Recreational Services	48,077
Community Development	5,445
Total Depreciation Expense - Governmental Activities	$ 276,912

Business-type Activities

Capital asset activity for business-type Activities for the year ended June 30, 2013 is as follows (in thousands):

Business-type Activities	Balance June 30, 2012 (Restated)	Additions/ Transfers	Deductions/ Transfers	Balance June 30, 2013
Capital Assets Not Depreciated				
Land	$ 2,405,465	$ 192,436	$ (122)	$ 2,597,779
Construction in Progress	4,789,807	2,245,816	(1,638,504)	5,397,119
Intangible Assets	69,846	--	(4,053)	65,793
Total Capital Assets Not Depreciated	7,265,118	2,438,252	(1,642,679)	8,060,691
Capital Assets Depreciated				
Buildings, Facilities and Equipment	33,631,723	2,252,578	(86,407)	35,797,894
Leased Property and Improvements	9,500	--	--	9,500
Intangible Assets	--	10,711	--	10,711
Total Capital Assets Depreciated	33,641,223	2,263,289	(86,407)	35,818,105
Less: Accumulated Depreciation				
Buildings, Facilities and Equipment	(14,937,969)	(1,022,012)	86,981	(15,873,000)
Capital Assets Depreciated, Net	18,703,254	1,241,277	574	19,945,105
Natural Gas Field, Net	293,006	5,328	(26,176)	272,158
Nuclear Fuel at Amortized Cost	49,687	8,858	(13,859)	44,686
Business-type Activities Capital Assets, Net	$ 26,311,065	$ 3,693,715	$ (1,682,140)	$ 28,322,640

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	$ 159,719
Harbor	108,037
Power	418,485
Water	112,677
Sewer	166,161
Other Enterprise Fund	12,139
Capitalized depreciation expense:	
Power	28,844
Water	15,950
Total	$ 1,022,012

Power has direct interests in several electrical generating stations and transmission systems that are jointly owned with other utilities. Power will incur 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 as part 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, 2013:

	Ownership Interest	Share of Capacity (megawatts)	Plant in Service (in thousands) Cost	Plant in Service (in thousands) Accumulated Depreciation
Palo Verde Nuclear Generating Station	5.7 %	224	$ 615,703	$ 389,158
Navajo Generating Station	21.2	477	348,099	317,782
Mohave Generating Station	10.0	--	65,317	57,852
Pacific Intertie DC Transmission Line	40.0	1,240	182,091	58,636
Other Transmission Systems	--	various	90,384	54,774
Total			$ 1,301,594	$ 878,202

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, 2013 (in thousands):

Due From/To Other Funds

Receivable Fund	Payable Fund	Amount
General	Community Development	$ 1,410
	MICLA Special Revenue	4,614
	Proposition A Local Transit Assistance	1,023
	Recreation and Parks	299
	Solid Waste Resources	6
	Other Governmental Funds	79,064
	Other Enterprise Fund	67
	Sewer	149
		86,632
Community Development	General	18
	Other Governmental Funds	1,711
		1,729
Prop A Local Transit Assistance	General	4
	Other Governmental Funds	1
		5
Recreation and Parks	General	53
	Other Governmental Funds	1,131
		1,184
Solid Waste Resources	General	14,357
	Recreation and Parks	13
	Other Governmental Funds	6
		14,376
Other Governmental Funds	General	34,260
	MICLA Special Revenue	41
	Recreation and Parks	13
	Solid Waste Resources	1
	Other Governmental Funds	27,121
		61,436
Airports	General	816
Harbor	General	4,741
Power	Water	24,059
Sewer	General	17,491
Total		$212,469

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

The receivable balance of the General Fund from the various governmental funds resulted from transfers from the Reserve Fund as short-term loan 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. The Power Enterprise Fund's receivable from the Water Enterprise Fund is related to outstanding costs of certain services provided by the fund. The receivable balance of Sewer Enterprise Fund pertains to reconciliation of related cost reimbursements as of June 30, 2013.

The receivable balance of the Airports Enterprise Fund from the General Fund pertains to the current portion of two cases that were settled related with the FAA audit findings of improper payments made by Airports to the City's General Fund discussed in Note 5C on page 170, while the receivable balance of the Harbor Enterprise Fund from the General Fund is related to the current portion of a litigation settlement discussed in Note 5C on page 175.

Advances To/From Other Funds

Receivable Fund	Payable Fund	Amount
General	Other Governmental Funds	$ 8,180
	Other Enterprise Fund	9
		8,189
MICLA Special Revenue	Other Governmental Funds	10,784
Other Governmental Funds	General	2
	Recreation and Parks	841
	Other Governmental Funds	27,300
		28,143
Airports	General	13,841
Harbor	General	9,917
Sewer	General	6,092
	Other Governmental Funds	2,338
		8,430
Agency Funds	Other Governmental Funds	30,571
Total		$ 109,875

The above balances represent interfund borrowings payable beyond one year. Advances from General Fund represents Reserve Fund borrowings to cover temporary revenue shortfall. The $27.3 million advances from other governmental funds are mainly for funding of transportation activities and projects. The payable balance of the General Fund to the Airports Enterprise Fund 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 City's General Fund discussed in Note 5C on page 170, while the payable balance of the General Fund to the Harbor Enterprise Fund is related to the noncurrent portion of a litigation settlement discussed in Note 5C on page 175.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Interfund Transfers

Transfers In	Transfers Out	Amount
General	MICLA Special Revenue	$ 3,774
	Other Governmental Funds	57,150
	Power	246,534
		307,458
Community Development	Other Governmental Funds	13,127
MICLA Debt Service	General	147,759
	MICLA Special Revenue	7,344
	Other Governmental Funds	3,398
		158,501
Proposition A Local Transit Assistance Improvement	General	28
Recreation and Parks	General	144,224
	Other Governmental Funds	924
		145,148
Solid Waste	General	27
Other Governmental Funds	General	228,060
	Community Development	4,439
	Proposition A Local Transit Assistance Improvement	3,430
	Recreation and Parks	275
	Solid Waste Resources	39,853
	Other Governmental Funds	50,716
		326,773
Total		$ 951,062

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; 2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; 3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; and 4) 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 2013, significant transfers include the following: 1) $246.5 million from the Power Enterprise Fund to the General Fund; 2) $147.8 million provide funding for MICLA debt service requirements; 3) $144.2 million from the General Fund to fund the operation and maintenance of parks and various recreation facilities or activities; 4) $228.1 million budget allocation from the General Fund to finance various departmental programs including $102.3 million to the Library Department, $48.0 million to partially finance debt service payments, and $28.4 million for affordable housing projects; and 5) $50.7 million to fund various projects related to transportation, water cleanup projects and for payments of debt service obligations.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

G. Accounts Payable and Accrued Expenses

The primary government's accounts payable and accrued expenses at June 30, 2013 are broken down as follows (in thousands):

	Governmental Activities	Business-type Activities
Accounts, Contracts and Retainage Payable *	$ 179,121	$ 687,286
Accrued Salaries and Overtime Payable	139,177	77,234
Intergovernmental Payable	2,626	--
Other Current Liabilities (excluding workers compensation, claims, and pollution remediation liability)	--	99,231
Total	$ 320,924	$ 863,751

* Excludes Pollution Remediaion liability

H. Long-term Liabilities

Governmental Activities

Changes in Long-term Liabilities

The changes in the governmental activities long-term liabilities for the year ended June 30, 2013 are as follows (in thousands):

	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013	Due Within One Year
General Obligation Bonds	$ 1,215,615	$ --	$ (112,330)	$ 1,103,285	$ 111,345
Judgment Obligation Bonds	57,820	--	(6,460)	51,360	6,785
Certificates of Participation and Lease Revenue Bonds	1,947,225	--	(139,910)	1,807,315	137,735
Commercial Paper Notes	141,197	43,000	--	184,197	--
Special Assessment and Revenue Bonds	389,700	152,445	(124,700)	417,445	39,230
Subtotal Bonds and Notes	3,751,557	195,445	(383,400)	3,563,602	295,095
Add: Unamortized Net Premium and Deferred Charges	121,545	16,446	(27,964)	110,027	--
Total Bonds and Notes	3,873,102	211,891	(411,364)	3,673,629	295,095
Loans Payable to HUD	204,395	29,003	(34,798)	198,600	9,098
Compensated Absences	548,232	43,647	(5,418)	586,461	35,825
Claims and Judgments	2,130,724	1,048,012	(222,998)	2,955,738	301,682
Landfill Liability	45,906	152	--	46,058	--
Estimated Pollution Remediation Liability	6,768	8,132	(11,005)	3,895	1,905
Net Pension Obligation	55,476	--	(4,510)	50,966	--
Net OPEB Obligation	127,024	1,756	--	128,780	--
Governmental Activities Long-term Liabilities	$ 6,991,627	$ 1,342,593	$ (690,093)	$ 7,644,127	$ 643,605

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

General Obligation Bonds (GO Bonds)

The voter authorizations for general obligation bonds are summarized as follows (in thousands):

Election Date	Project	Amount Authorized	Amount Issued as of June 30, 2013	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		$ 2,523,948	$ 2,463,448	$ 60,500

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, 2013 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	$ 32,390
Series 2002-A	9/1/22	2.50 - 5.25	262,200	26,220
Series 2002-B, Refunding	9/1/14	2.00 - 5.00	79,055	25,030
Series 2003-A	9/1/23	3.00 - 6.00	233,365	11,670
Series 2003-B, Refunding	9/1/13	3.625 - 6.00	77,345	6,655
Series 2004-A	9/1/24	3.00 - 5.00	360,540	36,050
Series 2005-A	9/1/25	3.00 - 5.00	126,800	19,020
Series 2005-B, Refunding	9/1/20	3.00 - 5.00	73,080	72,390
Series 2006-A	9/1/26	4.00 - 5.00	71,023	49,140
Series 2008-A	9/1/28	3.75 - 5.00	101,000	80,800
Series 2009-A	9/1/23	1.50 - 4.00	123,550	97,075
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	111,150
Series 2011-B, Refunding	9/1/23	2.00 - 5.00	259,660	256,895
Series 2012-A, Refunding	9/1/25	5.00	225,850	225,850
Total			$ 2,283,408	$ 1,103,285

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

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

Fiscal Year	Principal	Interest	Total
2014	$ 111,345	$ 49,350	$ 160,695
2015	104,205	44,685	148,890
2016	97,350	40,176	137,526
2017	86,565	35,930	122,495
2018	86,540	31,842	118,382
2019-2023	400,155	99,241	499,396
2024-2028	171,025	28,698	199,723
2029-2032	46,100	3,451	49,551
Subtotal	1,103,285	333,373	1,436,658
Net Unamortized Premium and Deferred Charges	62,639	--	62,639
Total	$ 1,165,924	$ 333,373	$ 1,499,297

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 judgment obligation bonds outstanding at June 30, 2013, 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	$ 13,265
Series 2010-A	6/1/20	4.00 - 5.00	50,875	38,095
Total			$ 71,475	$ 51,360

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

Fiscal Year	Principal	Interest	Total
2014	$ 6,785	$ 2,247	$ 9,032
2015	7,055	1,973	9,028
2016	7,340	1,691	9,031
2017	7,635	1,397	9,032
2018	7,990	1,038	9,028
2019-2020	14,555	967	15,522
Subtotal	51,360	9,313	60,673
Net Unamortized Premium and Deferred Charges	1,719	--	1,719
Total	$ 53,079	$ 9,313	$ 62,392

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, the Municipal Improvement Corporation of Los Angeles (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, 2013 and the aggregate original amount issued for MICLA's certificates of participation and lease revenue bonds are as follows (in thousands):

	Final Maturity	Interest Rates	Original Amount	Outstanding Balance
MICLA Various Projects	Various dates through 2042	1.500% - 7.842%	$ 1,923,340	$ 1,421,825

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 $177.7 million, while revenue from leases received and investment earnings totaled $166.2 million.

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

Fiscal Year	Principal	Interest	Total
2014	$ 103,245	$ 68,228	$ 171,473
2015	83,305	64,067	147,372
2016	67,600	60,732	128,332
2017	68,265	57,697	125,962
2018	71,465	54,447	125,912
2019 - 2023	311,515	219,056	530,571
2024 - 2028	246,050	150,019	396,069
2028 - 2033	219,845	91,174	311,019
2034 - 2038	223,220	36,113	259,333
2039 - 2042	27,315	2,337	29,652
Subtotal	1,421,825	803,870	2,225,695
Net Unamortized Premium and Deferred Charges	34,898	--	34,898
Total	$ 1,456,723	$ 803,870	$ 2,260,593

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

The City entered into a lease-purchase agreement with the Los Angeles Convention and Exhibition Center Authority, a joint powers authority between the City and the County, 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 $52.3 million and $79.5 million, respectively. The Convention Center certificates of participation and lease revenue bonds outstanding at June 30, 2013, 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	$ 30,850
2003 Series A, Refunding	8/15/15	2.000 - 5.000	226,045	101,580
2008 Series A, Refunding	8/15/22	4.250 - 5.125	253,060	253,060
Total			$ 524,685	$ 385,490

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

Fiscal Year	Principal	Interest	Total
2014	$ 34,490	$ 17,710	$ 52,200
2015	35,660	16,463	52,123
2016	36,965	15,082	52,047
2017	37,555	13,413	50,968
2018	39,425	11,480	50,905
2019 - 2023	194,350	25,473	219,823
2024 - 2027	7,045	511	7,556
Subtotal	385,490	100,132	485,622
Net Unamortized Premium and Deferred Charges	(11,036)	--	(11,036)
Total	$ 374,454	$ 100,132	$ 474,586

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 by $100.0 million in December 2009 and by an additional $35.0 million in June 2013 for a total of $335.0 million. 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, 2013 of $133.6 million and estimated fair value of $365.8 million. The payment of principal and interest on the notes is further supported by irrevocable direct letters of credit issued by four commercial banks pursuant to the terms of a reimbursement agreement among MICLA, the City, and the commercial banks. At June 30, 2013, outstanding commercial paper notes amounted to $184.2 million with interest rates ranging from 0.12% to 0.15%.

Build America Bonds

The City has designated the GOB 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, 2013, the City recorded $0.8 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, 2013, the City recorded $3.0 million of the interest subsidy as revenues on the Statement of Activities.

Due to the actions by Congress relative to sequestration on March 1, 2013, the subsidy amount of the interest due to bondholders was reduced by 8.7%. It is uncertain when the City will start receiving the full subsidy from the United States Treasury.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Special Assessment and Revenue Bonds

The special assessment and revenue bonds outstanding at June 30, 2013, and the original amounts issued are as follows (in thousands):

	Final Maturity	Interest Rates (Percentage)	Original Amount	Outstanding Balance
Special Assessment Bonds				
2000 Series	3/01/20	4.70% - 5.65%	$ 14,355	$ 4,200
2001 Series	3/01/21	4.00 - 7.00	10,305	5,215
2002 Series	3/01/22	3.75 - 5.00	19,630	10,825
Subtotal			44,290	20,240
Parking System Revenue Bonds				
1999-A Series	5/01/29	4.00 - 5.25	80,975	58,355
2003-A Series	5/01/32	2.00 - 5.25	39,630	22,580
Subtotal			120,605	80,935
Solid Waste Resources Revenue Bonds				
2005-A Series	2/01/19	5.00	45,750	28,725
2006-A Series	2/01/24	3.75 - 5.00	58,370	48,320
2009-A Series	2/01/22	2.00 - 5.00	65,020	53,895
2009-B Series, Refunding	2/01/20	2.00 - 5.00	49,485	32,885
2013-A Series	2/01/27	2.00 - 5.00	73,665	73,665
2013-B Series, Refunding	2/01/29	2.00 - 5.00	78,780	78,780
Subtotal			371,070	316,270
Total			$ 535,965	$ 417,445

The special assessment bonds were issued to finance the acquisition and construction of, and improvements to certain park, recreation and community facilities owned by the City. The City levies annual assessments on the parcels located within the City in an amount sufficient to provide for the debt service of the bonds. The assessments, which constitute fixed liens on the parcels, are pledged to the payment of the bonds. The City has covenanted to take all steps necessary to assure the timely collection of the assessments, including without limitation, the enforcement of delinquent assessments.

Principal and interest paid for the current year and revenue from assessments excluding interest earnings were $3.0 million and $26.3 million, respectively.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

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

Fiscal Year	Principal	Interest	Total
2014	$ 2,060	$ 995	$ 3,055
2015	2,155	902	3,057
2016	2,255	802	3,057
2017	2,360	695	3,055
2018	2,480	580	3,060
2019 - 2022	8,930	1,026	9,956
Total	$ 20,240	$ 5,000	$ 25,240

The parking revenue bonds were issued to finance the acquisition and construction of, and improvements to certain City parking facilities. The bonds are payable from and secured by a pledge of the parking revenues generated from parking facilities owned by the City.

Principal and interest paid for the current year and parking revenues were $8.6 million and $71.0 million, respectively.

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

Fiscal Year	Principal	Interest	Total
2014	$ 4,545	$ 4,061	$ 8,606
2015	4,760	3,842	8,602
2016	4,995	3,608	8,603
2017	5,240	3,362	8,602
2018	5,505	3,101	8,606
2019 - 2023	28,700	11,115	39,815
2024 - 2028	22,065	4,917	26,982
2029 - 2032	5,125	269	5,394
Total	$ 80,935	$ 34,275	$ 115,210

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 $40.0 million and $312.0 million, respectively.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

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

Fiscal Year	Principal	Interest	Total
2014	$ 32,625	$ 12,582	$ 45,207
2015	33,055	11,878	44,933
2016	30,980	10,622	41,602
2017	31,875	9,155	41,030
2018	33,320	7,642	40,962
2019 - 2023	109,445	17,074	126,519
2024 - 2028	43,970	2,772	46,742
2029	1,000	28	1,028
Subtotal	316,270	71,753	388,023
Unamortized Premium	21,807	--	21,807
Total	$ 338,077	$ 71,753	$ 409,830

Loans Payable to HUD

The Loans Payable to HUD consists of $54.7 million fixed-rate loans and $143.9 million interim financing loans. The loans will be repaid from program income generated by HOME and 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
2014	$ 9,098	$ 2,579	$ 11,677
2015	14,128	2,254	16,382
2016	12,467	1,920	14,387
2017	12,417	1,616	14,033
2018	9,340	1,397	10,737
2019 - 2023	56,855	4,746	61,601
2024 - 2028	53,924	922	54,846
2029 - 2033	30,371	36	30,407
Total	$ 198,600	$ 15,470	$ 214,070

The interest rates on the fixed-rate loans of $54.7 million range from 0.56% to 7.21% and have maturity dates through 2029. The interim financing loans of $143.9 million bear interest payable quarterly at 20 basis points above the applicable London Interbank Offered Rate (LIBOR). The loans mature on various dates through 2033. The interest rate in effect (LIBOR + 0.20%) as of June 30, 2013 of 0.47465% 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 year ended June 30, 2013 are as follows (in thousands):

	Balance June 30, 2012 (Restated)	Additions	Deductions	Balance June 30, 2013	Due Within One Year
Airports Revenue Bonds and Notes	$ 3,740,144	$ 457,163	$ (378,116)	$ 3,819,191	$ 56,890
Harbor Revenue Bonds and Loans	941,491	--	(50,751)	890,740	26,235
Power System Revenue Bonds and Revenue Certificates	6,502,880	1,761,385	(873,486)	7,390,779	249,245
Water System Revenue Bonds and Loans	3,199,076	557,436	(269,285)	3,487,227	65,646
Wastewater System Revenue Bonds, Notes, and Loans	2,609,806	1,004,225	(1,000,357)	2,613,674	71,977
Subtotal Revenue Bonds and Notes	16,993,397	3,780,209	(2,571,995)	18,201,611	469,993
Add (Less): Unamortized Net Discount and Deferred Charges	293,315	503,264	(50,874)	745,705	--
Net Revenue Bonds and Notes	17,286,712	4,283,473	(2,622,869)	18,947,316	469,993
Compensated Absences	163,195	28,357	(24,991)	166,561	127,628
Claims and Judgments	188,455	27,224	(36,219)	179,460	12,194
Estimated Pollution Remediation Liability	140,932	13,695	(13,603)	141,024	41,400
Net Pension Obligation	30,722	32,404	--	63,126	--
Business-type Activities Long-term Liabilities	$ 17,810,016	$4,385,153	$(2,697,682)	$ 19,497,487	$ 651,215

Airports Revenue Bonds and Notes

Revenue bonds, revenue refunding bonds, and commercial paper notes outstanding at June 30, 2013, and the original amounts issued are as follows (in thousands):

	Final Maturity	Interest Rates	Original Amount	Outstanding Balance
Fixed rate revenue bonds	2040	2.00% - 7.053%	$ 4,047,965	$ 3,751,105
Commercial paper notes	--	variable	68,086	68,086
Subtotal			$ 4,116,051	3,819,191
Net unamortized premiums, discounts, and debt related costs				104,504
Net revenue bonds and notes				$ 3,923,695

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

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, shall be the security and source of payment for the bonds. Airports has received approval from the Federal Aviation Administration to collect and use passenger facility charges (PFCs) to pay for debt service on bonds issued to finance the Tom Bradley International Terminal Renovations and Bradley West Project. For fiscal year 2013, Airports Board authorized the use of PFCs funds not to exceed $35.0 million for this purpose. Of the authorized amounts, $34.4 million was used for debt service in fiscal year 2013.

The total principal and interest remaining to be paid on the bonds is $7.0 billion. Principal and interest paid during fiscal year 2013 and the net pledged revenues (including the $34.4 million PFCs funds), were $231.2 million and $332.6 million, respectively. Airports' pledged revenue coverage is found in the Statistical Section-Debt Capacity on page 356.

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

Fiscal Year	Principal	Interest	Total
2014	$ 56,890	$ 193,640	$ 250,530
2015	76,240	191,137	267,377
2016	81,495	187,742	269,237
2017	85,125	183,994	269,119
2018	88,960	180,027	268,987
2019 - 2023	504,055	829,836	1,333,891
2024 - 2028	626,955	686,210	1,313,165
2029 - 2033	784,895	506,291	1,291,186
2034 - 2038	996,500	278,753	1,275,253
2039 - 2040	449,990	35,158	485,148
Subtotal	3,751,105	3,272,788	7,023,893
Net Unamortized Premium, Discount, and Deferred Charges	104,504	--	104,504
Total	$ 3,855,609	$ 3,272,788	$ 7,128,397

The above schedule does not include the commercial paper notes that are assumed to be renewed or refinanced on a long-term basis.

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 ending September 30, 2013 reduced the subsidy. The interest subsidy on the BABs was $8.0 million for fiscal year 2013. The subsidy is recorded as a noncapital grant, a component of other nonoperating revenue.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Harbor Revenue Bonds and Loans

Revenue bonds, revenue refunding bonds, notes and loans outstanding at June 30, 2013, and the original amounts issued are as follows (in thousands):

	Final Maturity	Interest Rates	Original Amount	Outstanding Balance
Fixed rate revenue bonds	2040	2.00% - 5.50%	$ 1,227,570	$ 790,740
Commercial paper notes	--	variable	100,000	100,000
Subtotal			$ 1,327,570	890,740
Unamortized bond (discount) premium				30,390
Net revenue bonds, notes and loans				$ 921,130

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 $72.4 million and $211.8 million, respectively. Information on Harbor's pledged revenue coverage is found in the Statistical Section-Debt Capacity on page 356.

In June 2009, Harbor established a Commercial Paper program (Program) 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 Program was initiated at an aggregate amount of $100.0 million. The Program was amended in June 2010 to increase the credit limit to $200.0 million and extended the term to July 29, 2012. In June 2012, Harbor increased the credit limit to $250.0 million, and extended the term to July 2015. As of June 30, 2013, the total amount outstanding was $100.0 million. Funds were used to finance the China Shipping and TraPac Container Terminal Projects. The Notes issued are being remarketed upon maturity and will be refunded through the issuance of long term bonds, and are thus classified as long-term liabilities.

Harbor obtained two thirty year loans in the mid-1980s aggregating $8.0 million from the California Department of Boating and Waterways. The notes bear a fixed rate of interest of 4.5%. Harbor's obligation with respect to the payment of such notes is subordinate to the lien of Harbor's parity obligations on the Harbor Revenue Funds. Harbor paid both loans in full on October 31, 2012.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

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

Fiscal Year	Principal	Interest	Total
2014	$ 26,235	$ 39,089	$ 65,324
2015	27,270	37,812	65,082
2016	31,505	36,387	67,892
2017	37,970	34,713	72,683
2018	40,300	32,808	73,108
2019-2023	232,470	131,232	363,702
2024-2028	228,820	66,845	295,665
2029-2033	65,180	34,722	99,902
2034-2038	76,700	15,897	92,597
2039-2040	24,290	1,292	25,582
Subtotal	790,740	430,797	1,221,537
Unamortized Bond (Discount) Premium	30,390	--	30,390
Total	$ 821,130	$ 430,797	$ 1,251,927

DWP Power System (Power) Bonds and Revenue Certificates

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

	Final Maturity	Interest Rates	Original Amount	Outstanding Balance
Fixed rate revenue bonds	2046	2.188% - 5.583%	$ 7,429,116	$ 6,221,479
Variable rate revenue bonds	2036	variable	969,300	969,300
Revenue certificates	--	variable	200,000	200,000
Subtotal			$ 8,598,416	7,390,779
Net unamortized premiums, discounts, and debt related costs				353,232
Net revenue bonds and notes				$ 7,744,011

Revenue bonds are generally callable 10 years after issuance. DWP has agreed to certain covenants with respect to bonded indebtedness. Significant covenants include the requirement that the Power Enterprise Fund'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 the Power Enterprise Fund.

The variable rate bonds totaling $969.3 million currently bear interest at weekly and daily rates ranging from 0.04% to 0.06% as of June 30, 2013. 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, respectively. The extended standby agreements expire in January 2015 for the $580.8 million and in June 2014 for the $388.5 million.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

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 0.5%; and (d) 7.50%. The unpaid principal of each liquidity advance made by the liquidity provider is payable in 10 equal semiannual installments ninety 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 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 $96.9 million at June 30, 2013.

DWP entered into a letter of credit and reimbursement agreement with a commercial bank in the amount of $200.0 million to provide liquidity and credit support for the commercial paper program.

Principal and interest paid for the current year and net pledged revenue were $426.8 million and $1,076.3 million, respectively. Information on Power's pledged revenue coverage is found in the Statistical Section-Debt Capacity on page 356.

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

Fiscal Year	Principal	Interest	Total
2014	$ 132,315	$ 349,940	$ 482,255
2015	110,645	343,283	453,928
2016	413,235	331,263	744,498
2017	114,381	319,893	434,274
2018	157,313	313,593	470,906
2019-2023	905,782	1,449,201	2,354,983
2024-2028	1,141,573	1,205,202	2,346,775
2029-2033	1,386,805	894,579	2,281,384
2034-2038	1,076,780	625,830	1,702,610
2039-2043	1,200,670	314,276	1,514,946
2044-2048	551,280	32,195	583,475
Subtotal	7,190,779	6,179,255	13,370,034
Net Unamortized Premium, Discount, and Deferred Charges	353,232	--	353,232
Total	$ 7,544,011	$ 6,179,255	$ 13,723,266

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

The maturity schedule 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 $1,169.3 million in variable rate bonds and revenue certificates outstanding over the next six years, as follows: $116.93 million in fiscal year 2014, $233.86 million in each of the fiscal years 2015 through 2018, and $116.93 million in fiscal year 2019. Accordingly, the statements of net position recognize the possibility of the exercise of the tender options and reflect the $116.93 million that could be due in fiscal year 2014 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, 2013 averages 0.054%.

DWP Water System (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%	$ 4,451,298	$ 2,980,254
Variable rate revenue bonds	2036	variable	325,000	325,000
Loans payable to CDWR	2044	2.292 - 2.600	181,973	181,973
Subtotal			$ 4,958,271	3,487,227
Net unamortized premiums, discounts, and debt related costs				143,296
Net revenue bonds, notes and loans				$ 3,630,523

Revenue bonds generally are callable ten years after issuance. DWP has agreed to certain covenants with respect to bonded indebtedness. Significant covenants include the requirement that Water 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 the Water Enterprise Fund.

In August 2012, Water issued $322.0 million of Water System Revenue Bonds, 2012 Series B. The net proceeds of $372.4 million, including a $50.4 million issue premium net of underwriter's discount, were deposited into the construction fund to be used for capital improvements.

Also, in August 2012, Water issued $92.7 million of Water System Revenue Bonds, 2012 Series C. The net proceeds of $116.5 million, including a $23.8 million issue premium net of underwriter's discount, were used to refund a portion of the Water System Revenue Bonds, 2004 Series C amounting to $106.3 million. The transaction resulted in a net present value savings of $18.2 million and a net loss for accounting purposes of $9.3 million, which was capitalized and is being amortized over the life of the new bonds.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

In May 2013, Water System issued $113.2 million of Water System Revenue Bonds, 2013 Series A. The net proceeds of $134.1 million, including a $20.9 million issue premium net of underwriter's discount, were used to refund a portion of the Water System Revenue Bonds, 2003 Series B amounting to $78.0 million and all of the $53.1 million outstanding Water System Revenue Bonds, 2004 Series C. The transaction resulted in a net present value savings of $17.4 million and a net loss for accounting purposes of $4.9 million, which was capitalized and is being amortized over the life of the old bonds.

In June 2012, DWP entered into two loan agreements with the California Department of Water Resources (CDWR). The loan agreements allow for a total maximum loan of $127.2 million and $64.8 million, respectively, at zero percent interest rate. As of June 30, 2013, DWP received $2.2 million and $0.9 million, respectively, under the agreements. The proceeds are being used to fund water quality capital improvements. The remaining $126.7 million and $63.9 million under the agreements are expected to be received during fiscal year 2014. Water expects to begin making principal payments under these agreements beginning in fiscal year 2015.

The variable rate bonds currently bear interest at daily and weekly rates ranging from 0.03% to 0.05% as of June 30, 2013. 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 initial amounts of $225.0 million and $100.0 million to provide liquidity for these bonds. The extended standby agreements expire in February 2015 and October 2013, respectively.

Under the agreements, the $225.0 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.

These bonds have been classified as long-term 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 amounting to $32.5 million as of June 30, 2013.

Principal and interest paid for the current year and net pledged revenue were $192.9 million and $419.2 million, respectively. Information on Water's pledged revenue coverage is found in the Statistical Section-Debt Capacity on page 357.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

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

Fiscal Year	Principal	Interest	Total
2014	$ 33,146	$ 170,459	$ 203,605
2015	29,081	169,444	198,525
2016	38,603	167,972	206,575
2017	53,043	165,942	218,985
2018	51,147	164,008	215,155
2019-2023	309,197	782,154	1,091,351
2024-2028	370,661	705,566	1,076,227
2029-2033	467,519	615,573	1,083,092
2034-2038	650,162	489,189	1,139,351
2039-2043	879,480	277,068	1,156,548
2044-2048	395,928	108,856	504,784
2049-2053	209,260	14,222	223,482
Subtotal	3,487,227	3,830,453	7,317,680
Net Unamortized Premium, Discount, and Deferred Charges	143,296	--	143,296
Total	$ 3,630,523	$ 3,830,453	$ 7,460,976

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, as previously discussed, 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 2014, $65.0 million in each of the fiscal years 2015 through 2018, and $32.5 million in fiscal year 2019. Accordingly, the statement 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 2014 as a current portion of long-term debt payable.

The above schedule includes interest requirements for the variable rate debt over the regularly scheduled maturity period. Variable debt interest rate in effect at June 30, 2013 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, 2013, 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%	$ 2,562,765	$ 2,187,750
Variable rate revenue bonds	2032	variable	280,860	280,860
Loans payable to SWRCB	2024	1.80	219,081	145,064
Subtotal			$ 3,062,706	2,613,674
Net unamortized premiums, discounts, and debt related costs				114,283
Net revenue bonds and notes				$ 2,727,957

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 Enterprise Fund (Sewer) 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 December 11, 2012, the City Council adopted the Fourteenth Supplemental Resolution to supplement the Wastewater System Subordinate Revenue Bonds Resolution adopted on March 26, 1991. The Resolution provides that additional Subordinate Bonds, designated as Variable Rate Refunding Bonds Series 2012-D in the amount of $280.9 million be issued to current refund all of the outstanding Subordinate Refunding Series 2008A-H. As a result, variable rate Subordinate Series 2008A-H totaling $280.9 million are considered defeased and the liability for those bonds has been removed from the statement of net position.

On May 14, 2013, Sewer issued Wastewater System Subordinate Revenue Bonds Refunding Series 2013-A in the amount of $349.5 million with interest rates ranging from 2.0% to 5.0%. The bond proceeds were used to current refund a portion of the Subordinate Series 2003-A of $232.5 million and Subordinate Series 2003-B of $33.4 million, and advance refund a portion of the Senior Series 2005-A of $142.6 million. As a result, the Subordinate Series 2003-A of $232.5 million, Subordinate Series 2003-B of $33.4 million and Senior Series 2005-A of $142.6 million are considered defeased and the liability for those bonds has been removed from the statement of net position.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

On June 4, 2013, Sewer issued Wastewater System Revenue Bonds Series 2013-A and 2013-B in the amount of $150.0 million with interest rate of 5.0% and $143.9 million with interest rates ranging from 2.0% to 5.0%, respectively. The proceeds of the Senior Series 2013-A were used to finance the construction and improvement of the wastewater system, refund all outstanding Commercial Paper notes, fund a deposit to the Reserve Fund and pay a portion of issuance costs. The Senior Series 2013-B proceeds were used to current refund all of the Senior Series 2003-B of $100.5 million, advance refund a portion of the Senior Series 2005-A of $58.0 million, fund a deposit to the Reserve Fund and pay its share of issuance costs. As a result of the refunding, the principal balances of $100.5 million of Senior Series 2003-B and $58.0 million of Senior Series 2005-A are considered defeased and the liability for those bonds has been removed from the statement of net position.

The total cash flow saving and economic gain for the refunding transactions Subordinate Series 2013-A and Senior Series 2013-A and 2013-B were $124.2 million and $76.2 million, respectively. The 2012-D refunding variable rate bonds was not intended to change the overall economics of the refunded 2008A-H variable rate bonds. Rather, the transaction was performed to enable the City to realize the lowest costing of a bank credit product, upon the expiration of the outstanding letter of credit associated with the refunded 2008A-H Bonds. Thus, there is no resulting cash flow saving and economic gain or loss that are being calculated for the 2012-D refunding bonds.

The differences between the net carrying amount of the old debts and the amount required to retire the debts in the amount of $34.1 million are deferred and amortized over the original remaining life of the old debt or the life of the new debt, whichever is shorter. Bonds payable are reported net of these deferred charges.

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, 2013, the Loan balance amounted to $145.1 million. The Loan matures in 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 the Fund'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.

Build America 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 35.0% and 45.0% of the interest due to bondholders from the United States Treasury for the Series 2010-A and 2010-B, respectively. As of June 30, 2013, the Sewer recorded $2.7 million of the interest subsidies as current other receivables and $5.6 million other nonoperating revenues.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Principal and interest paid for the current year and net pledged revenue were $207.0 million and $297.0 million, respectively. Information on Wastewater's pledged revenue coverage is found in the Statistical Section-Debt Capacity on page 357.

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

Fiscal Year	Principal	Interest	Total
2014	$ 71,977	$ 129,582	$ 201,559
2015	84,675	127,118	211,793
2016	87,633	123,857	211,490
2017	90,779	120,104	210,883
2018	94,889	116,272	211,161
2019 - 2023	537,608	513,646	1,051,254
2024 - 2028	563,768	381,824	945,592
2029 - 2033	430,145	237,695	667,840
2034 - 2038	369,340	133,760	503,100
2039 - 2043	282,860	38,247	321,107
Subtotal	2,613,674	1,922,105	4,535,779
Net Unamortized Premium, Discount, and Deferred Charges	114,283	--	114,283
Total	$ 2,727,957	$ 1,922,105	$ 4,650,062

Interest presented in the above schedule includes requirements for the variable rate bond using the weighted average rate of 0.13% in effect as of June 30, 2013.

Fiduciary Funds

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
2014	$ 43,805	$ 7,562	$ 51,367
2015	8,116	7,013	15,129
2016	36,653	6,502	43,155
2017	39,176	4,182	43,358
2018	1,478	3,803	5,281
2019- 2023	55,271	10,004	65,275
2024 - 2028	3,883	1,803	5,686
2029 - 2031	4,043	506	4,549
Total	$ 192,425	$ 41,375	$ 233,800

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
Governmental Activities			
Solid Waste Resources Revenue Bonds Series 2013-B, $78,780 2.000% - 5.000%	Solid Waste Resources Revenue Bonds Series 2003-A, 2003-B, and 2004-A $91,285 4.000% - 5.000%	$ 18,553	$ 10,263
Business-type Activities			
Airports Revenue Bonds 2012 Series C, Subordinate $27,870 3.000% - 5.000%	Airports Revenue Bonds 2002 Series A $32,450 4.100% - 5.250%	$ 6,592	$ 6,028
Power System Revenue Bonds 2012 Series A $104,075 3.000% - 5.000%	Power System Revenue Bonds Certain 2003 Series B $119,905 4.200% - 5.000%	$ 36,423	$ 24,287
Power System Revenue Bonds 2013 Series A, $527,310 1.000% - 5.000%	Power System Revenue Bonds Certain 2003 Series B 2003 Series A1: $108,500 2003 Series A2: $515,830 2003 Series A1: 5.000% 2003 Series A2: 4.500% - 5.000%	$ 111,742	$ 106,380
Water System Revenue Bonds Refunding 2012 Series C $92,715 5.000%	Water System Revenue Bonds Certain 2004 Series C $106,350 5.000%	$ 22,172	$ 17,767
Water System Revenue Bonds Refunding 2013 Series A $113,215 3.000% - 5.000%	Water System Revenue Bonds certain 2003 Series B & all 2004 Series C 2003 Series B: $77,975 2004 Series C: $53,115 2003 Series B: 4.000% - 4.625% 2004 Series C: 4.000% - 5.000%	$ 18,023	$ 17,272
Wastewater System Revenue Bonds Refunding Series 2013-A, Subordinate $349,505 2.000% - 5.000%	Wastewater System Revenue Bonds Series 2003-A, Subordinate; 2003-B, Subordinate; and Series 2005-A Senior $408,520 1.250% - 5.000%	$ 99,264	$ 57,225
Wastewater System Revenue Bonds Refunding Series 2012-D, Subordinate $280,860 Variable	Wastewater System Revenue Bonds Series 2008-A-H, Subordinate $280,860 Variable	$ --	$ --
Wastewater System Revenue Bonds Refunding Series 2013-A, Senior $149,980; and Refunding Series 2013-B, Senior $143,880 2.000% - 5.000%	Wastewater System Revenue Bonds Series 2003-B Senior, and Series 2005-A, Senior $158,565 2.500% - 5.000%	$ 24,983	$ 18,987

The above refunding transactions for business-type activities resulted in a total net loss for accounting purposes of $30.5 million, which is deferred and amortized through 2036.

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, 2013, the following bonds are considered defeased (in thousands):

	Outstanding Balance June 30, 2013
Governmental Activities	
General Obligation Bonds	$ 360,390
Solid Waste Resources Bonds	73,860
MICLA Certificates of Participation and Lease Revenue Bonds	11,525
Total	$ 445,775
Business-type Activities	
Harbor Revenue Bonds	$ 54,325
Power Revenue Bonds	770,870
Water Revenue Bonds	350,665
Sewer Revenue Bonds	301,205
Total	$ 1,477,065

K. Tax and Revenue Anticipation Notes

In July 2012, in anticipation of receiving taxes and other revenues, the City issued tax and revenue anticipation notes (TRAN) with an overall true interest cost of 0.21% and total premium of $20.1 million, depositing the proceeds in a General Fund account. The notes were issued to pay the City's annual contributions to the Fire and Police Pension System and the Los Angeles City Employees' Retirement System 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, 2013 was as follows (in thousands):

	Beginning Balance	Issued	Redeemed	Ending Balance
Tax and Revenue Anticipation Notes	$ --	$ 1,256,290	$ (1,256,290)	$ --

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

L. Interest Rate Swaps

Wastewater System Subordinate Variable Rate Revenue Refunding Bonds

Objective of the swaps. On April 6, 2006, 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 Bonds Refunding 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 Variable Rate Revenue Refunding Bonds Series 2008 A-H (Series 2008 A-H).The proceeds of this issue, as previously discussed, were used to current refund certain outstanding debts that included the outstanding balance of the Series 2006 A-D referred to in the preceding paragraph. The Series 2008 A-H issuance for $444.6 million exceeded the Swap Agreement's notional amount; therefore, the Swap Agreements are only in connection with Series 2008 A-F1. On April 17, 2012, Sewer refunded 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 all of the outstanding Series 2008A-H with the issuance of $280.9 million Wastewater System Subordinate Variable Rate Refunding Bonds Series 2012-D. As of June 30, 2013, the aggregate notional amount of the swap agreement of $151.1 million became associated with a portion of the Series 2012-D.

The fair value and notional amounts of the interest rate swaps outstanding at June 30, 2013, classified by type, and changes in fair value for the years then ended as reported in the financial statements are as follows (dollar amounts in thousands):

	Changes in Fair Value		Fair Value at June 30, 2013		
	Classification	Amount	Classification	Amount	Notional
Cash flow hedges:					
Interest rate swaps	Deferred outflow of resources	$ 14,012	Liabilities	$ (24,733)	$ 151,085

Terms, fair values, and credit risks. Under the 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, 2013, are as follows (dollar amounts in thousands):

Notional Amount (in thousands)	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Value (in thousands)	Swap Termination Date	Counterparty Credit Rating [1]
$ 75,543	April 6, 2006	3.34%	64.1% of LIBOR [2]	$ (12,366)	6/1/2028	Aa1/AA-/AA-
75,543	April 6, 2006	3.34	64.1% of LIBOR [2]	(12,366)	6/1/2028	Baa2/BBB/A+

[1] Moody's Investors Service, Standard & Poor's and Fitch Ratings, respectively as of June 30, 2013

[2] One-month LIBOR reset monthly. Applicable one-month LIBOR as of June 30, 2013 was 0.19%.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Fair Values. Because swap interest rates were lower on June 30, 2013 than at the date the Swap Agreements were entered into, the swaps have a negative fair value as of June 30, 2013. 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 swaps. Risks and description of risks that the swap agreements are exposed to that could give rise to financial loss and are extant as of June 30, 2013.

Credit Risk. The fair values of the swaps represented Sewer's credit exposure to the swap counterparties as of June 30, 2013. 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, 2013; however, no collateralization was necessary because 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, 2013, the weighted average rate on the variable bonds was 0.130% whereas 64.1% of the LIBOR was equal to 0.125%.

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.

Swap payments and associated debt. Using rates as of June 30, 2013, 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 Principal	Variable-Rate Bonds Interest (1)	Interest Rate Swaps, Net (2)	Total
2014	$ --	$ 196	$ 4,858	$ 5,054
2015	--	196	4,858	5,054
2016	--	196	4,858	5,054
2017	--	196	4,858	5,054
2018	--	196	4,858	5,054
2019 - 2023	--	981	24,289	25,270
2024 - 2028	151,085	694	17,201	168,980
Total	$ 151,085	$ 2,655	$ 65,780	$ 219,520

(1) Assumes rate of 0.12983% (the weighted average rate for period beginning June 30, 2013), thereafter
(2) Assumes swap rate of 3.34000% less 0.12477% (64.1% of LIBOR as of June 30, 2013), thereafter

As rates vary, variable-rate bond interest payments and net swap payments will vary.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

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 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.

As of June 30, 2013, DWP had the following Electricity Swap and Forward Contracts, which are not recorded in DWP's financial statements based on the criteria in GASB No. 53:

Description	Notional Amount (total contract quantities)	Contract price range dollar per unit	First effective date	Last Termination Date	Fair Value (in thousands)	Cash paid at inception (in thousands)
Electricity swaps:						
Purchases	353,280 MW	$ 35.82 - 38.83	07/01/13	12/31/13	$ (12,991)	$ --
Sales	353,280 MW	38.32 - 41.33	07/01/13	12/31/13	13,874	--
Forward contracts:						
Electricity	555,980 MW	26.50 - 53.65	07/01/13	06/30/14	(3,940)	--
Natural gas	37,655,600 MMBtu	5.49 - 10.85	07/01/13	10/31/21	(218,672)	--

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

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, 2013 were approximately $28.4 million.

The future lease payments under non-cancellable operating lease agreements are as follows (in thousands):

Fiscal Year Ending June 30	
2014	$ 7,984
2015	7,252
2016	6,833
2017	6,223
2018	6,261
2019 - 2023	21,672
2024 - 2028	23,124
2029 - 2033	12,179
2034 - 2038	6,798
2039 - 2043	7,881
2044 - 2048	9,136
2049 - 2053	10,591
2054 - 2056	4,415
Total	$ 130,349

The City also leases certain property and equipment under capital leases with the following component units/funds.

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.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Los Angeles Convention and Exhibition Center Authority

Pursuant to a Facility Lease between the City and the Los Angeles Convention and Exhibition Center Authority (Authority), the Authority issued certificates of participation 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, 2013. 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 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, 2013, revenues from such agreements were $232.3 million, which is $62.4 million over MAG. Minimum future rents under these agreements over the next five years, assuming that current agreements are carried to contractual termination, are as follows (amounts in thousands):

Fiscal Year Ending June 30	
2014	$ 152,316
2015	80,390
2016	19,512
2017	16,984
2018	15,022
Total	$ 284,224

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), Terminal 2, and Theme Building at LAX for a term of 17 years consisting of two-year development period and fifteen-year operational period. Westfield will select concessionaires subject to LAWA 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.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Under the 3-1-12 Agreement, Westfield shall pay Airports the MAG of $17.7 million ($210 per square foot of concession area) in the first year of full operations. Beginning January 1, 2014, 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% 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 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 two-year development period and 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, Westfield shall pay Airports the MAG of over $17.0 million ($240 per square foot of concession area) in the first year of full operations. Beginning January 1, 2014, 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% 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.

Minimum future rents under these two agreements with Westfield over the next five years are estimated as follows (amounts in thousands):

Fiscal Year Ending June 30	
2014	$ 9,024
2015	26,794
2016	35,894
2017	36,612
2018	37,344
Total	$ 145,668

Airports also leases land and terminal facilities to certain airlines and others. The terms of these long-term leases range from 35 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.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

The land and terminal lease agreements are accounted for as operating leases. For the fiscal year ended June 30, 2013, revenues from these leases were $380.6 million.

Future rents under these land and terminal lease agreements over the next five years were based on the following assumptions: (a) current agreements are carried to contractual termination, (b) airline agreements with no definitive expiry dates are carried over for the next five years, and (c) non-airline agreements with no definitive expiry dates are carried over for the next three years.

The future rents are as follows (in thousands):

Fiscal Year Ending June 30	
2014	$ 397,498
2015	390,163
2016	383,227
2017	370,967
2018	354,328
Total	$ 1,896,183

The carrying cost and the related accumulated depreciation of property held for operating leases as of June 30, 2013 are as follows (in thousands):

Buildings and facilities	$ 1,845,187
Less: Accumulated Depreciation	(562,696)
Net	1,282,491
Land	686,363
Total	$ 1,968,854

Airports leases office spaces under operating lease agreements that expire through 2032. Lease payments for the fiscal years ended June 30, 2013 were $4.8 million. Future minimum lease payments under the agreements are as follows (in thousands):

Fiscal Year Ending June 30	
2014	$ 1,972
2015	1,964
2016	1,909
2017	1,797
2018	1,797
2019 - 2023	8,984
2024 - 2028	8,984
2029 - 2032	7,187
Total minimum lease payments	$ 34,594

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 includes 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.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Harbor

A substantial portion of 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 the Harbor or restoration of the property at the expiration of the agreement; accordingly, no leases are considered capital leases for purposes of financial reporting.

Minimum Annual Guarantee Agreements (MAG) relate to shipping services and 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 fiscal year ended June 30, 2013, the minimum rental income from such lease agreements was approximately $42.9 million, while MAG payments were approximately $236.1 million.

The carrying cost and related accumulated depreciation of property held for operating leases as of June 30, 2013 are as follows (in thousands):

Wharves and sheds	$ 873,719
Cranes/bulk facilities	52,441
Municipal warehouses	13,431
Port pilot facilities and equipment	7,820
Buildings and other facilities	772,172
Cabrillo Marina	221,557
Total	1,941,140
Less - Accumulated depreciation	(939,462)
Net	$ 1,001,678

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):

Fiscal Year Ending June 30	Rental Income	MAG Income
2014	$ 43,319	$ 238,586
2015	43,752	255,679
2016	44,190	255,679
2017	44,631	255,679
2018	45,078	255,679
Totals	$ 220,970	$ 1,261,302

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Fiduciary Funds

Pensions leases an office space under an operating lease agreement that expires on April 14, 2017. Lease payments for the fiscal year ended June 30, 2013 were $0.9 million. The minimum annual lease commitment for fiscal year ending June 30, 2014 through 2017 is $0.9 million.

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 Incurred But Not Reported (IBNR) liabilities, and provision for allocated expenses.

As of June 30, 2013, 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, 2013 at approximately $771.5 million. Of this amount, approximately $143.8 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 General Fund liability totaling $944.0 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, 2013.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

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, 2013, the City estimates its workers' compensation liability at $2,184.2 million. Of this amount, $157.9 million is estimated to be payable in the next fiscal year.

Business-type Activities

Airports' risk and claims management program implements a comprehensive risk identification, assessment, and treatment process, and 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 $2.0 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. Airports also maintains a separate owner controlled insurance program (OCIP) to cover risks associated with the Bradley West Improvement Project. The OCIP covers associated workers' compensation, general liability, and builder's risks exposures for the project and its contracted participants. The aggregate coverage level is $300.0 million with a $250,000 deductible per occurrence. The OCIP is in effect for the five-year construction period ending in 2014.

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.

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 System. For other significant business risks, however, DWP System has elected to self-insure. DWP believes that exposure to loss arising out of self-insured business risks will not materially impact DWP's net position, changes in net position, or cash flows as of June 30, 2013.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

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 $179.5 million consists of $25.8 million litigation-type claims and $153.7 million workers' compensation liability. The amount estimated to be payable in the next fiscal year is approximately $12.2 million.

Claim Changes

The changes in the City's total estimated claims and judgments liability are as follows (in thousands):

	2013	2012
Unpaid Claims, July 1	$ 2,319,179	$ 2,255,175
Provisions for current year's events and changes in provision for prior years' events	1,075,236	302,897
Claims payments	(259,217)	(238,893)
Unpaid Claims, June 30	$ 3,135,198	$ 2,319,179

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 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, 2013, the City's liability of $46.1 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 Closure and Post-closure Maintenance Special Revenue Fund was 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 year ended June 30, 2013 are as follows (in thousands):

	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013
Obligating Event				
Violation of pollution prevention-related permit or license	$ 3,873	$ 4,815	$ (4,793)	$ 3,895
Voluntary commencement	2,895	3,317	(6,212)	--
Total	$ 6,768	$ 8,132	$ (11,005)	$ 3,895
Pollution Type				
Soil and/or groundwater remediation	$ 6,723	$ 6,825	$ (9,698)	$ 3,850
Lead paint removal	--	523	(523)	--
Methane protection	45	--	--	45
Asbestos removal	--	784	(784)	--
	$ 6,768	$ 8,132	$ (11,005)	$ 3,895

The $3.9 million liabilities for governmental activities, net of $0.5 million recoveries, are 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 2013, no remediation outlays were capitalized. Estimated expenditures for fiscal year 2013 and beyond are $1.9 million and $2.0 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 year ended June 30, 2013 are as follows (in thousands):

	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013
Obligating Event				
Named by a regulator as a potential party to remediation	$ 87,217	$ 8,147	$ -	$ 95,364
Voluntary commencement	53,715	5,548	(13,603)	45,660
Total	$ 140,932	$ 13,695	$ (13,603)	$ 141,024
Pollution Type				
Soil and/or groundwater remediation	$ 134,069	$ 13,695	$ (13,603)	$ 134,161
Asbestos removal	6,863	--	--	6,863
Total	$ 140,932	$ 13,695	$ (13,603)	$ 141,024

Airports bears full responsibility for the cleanup of environmental contamination on property it owns. Airports accrues pollution remediation liabilities when costs are incurred or amounts can be reasonably estimated based on expected outlays. Airports has accrued estimated pollution remediation liabilities of $12.8 million at June 30, 2013. 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 are for soil and/or groundwater contamination. There are no undeterminable pollution remediation obligations, capitalized costs and recoveries realized in fiscal year 2013.

Harbor's estimated pollution remediation liability as of June 30, 2013, totaled $99.4 million relating mostly to soil and ground water contamination within Harbor's premises. Harbor along with BAE Systems (successor to Southwest Marine) were named by the Department of Toxic Substances Control (DTSC) as parties responsible for remediation of soil and subsea sediment in a contaminated site. Estimated remediation costs as of June 30, 2013 for excavation and off-site disposal of contaminated soil is $5.0 million.

A Notice of Violation was issued to the former San Pedro Boat Works and Harbor by the Los Angeles County Fire Department to remove, dredge and properly dispose of hazardous chemicals found at the location where the company operated. Harbor entered into a Voluntary Cleanup Agreement (VCA) with the DTSC to oversee this cleanup. Harbor has provided the DTSC with testing results as well as maps of the dredging footprints. A majority of the dredging was conducted in conjunction with Harbor's main channel deepening, but one area remains to be dredged to comply with the VCA requirements. Harbor is currently developing dredging plans for this remaining area. The cleanup work is expected to be completed in fiscal year 2014 at an estimated total cost of $0.8 million.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

The Harbor Toxics Total Maximum Daily Load (Toxics TMDL) integrates all of the Clean Water Act-listed impairments in the Los Angeles Harbor. There are approximately 80 pollutant-water body combinations including but not limited to sediment chemistry and toxicity to fish tissue impairments. The Toxics TMDL establishes load allocations for existing sediments and waste load allocations for inputs such as stormwater runoff. The Toxics TMDL has a 20-year compliance timeline, with several intermediate milestones. Harbor estimated cost of $2.3 million to be incurred for complying with one of these milestones which involves assessment of sediments, water, fish, and pollutant inputs, as well as establishing an implementation plan for remediation action.

Harbor was also named by the Los Angeles Regional Water Quality Control Board as one of the parties responsible for the remediation of a former marine oil terminal at Berths 171-173. There was an ongoing litigation in fiscal year 2012 between Harbor and Kinder Morgan Terminals LLC (Kinder Morgan), the current tenant of the site over its cleanup. At the City Council meeting held on April 9, 2013, the City Council approved the Settlement and Release Agreement (Agreement) with Kinder Morgan. Under this Agreement, Kinder Morgan will undertake a dig-and-haul remediation of the polluted site that meets the City's and Los Angeles Regional Water Quality Board standards. Related settlements were also concluded with Texaco and ConocoPhillips which should reimburse 25% and 15%, respectively, of Harbor's costs to investigate, monitor, and remediate the terminal. The remediation plan calls for excavation and disposal of roughly 0.3 million tons of soil at a cost of approximately $17.4 million. On June 30, 2013, the estimated remediation cost of $17.4 million was offset by the 100% recoverable cost of the same amount resulting from these litigation settlements.

In fiscal year 2013, Harbor adjusted the outstanding pollution remediation liabilities of $13.4 million for the Cabrillo Way Marina and the former Kaiser Bulk Loading and Storage. Remediation of these sites was previously identified as necessary in order to excavate and dispose metal impacted soil and remove contamination caused by pipeline leaks. Upon completion of soil excavation, infiltration galleries and nutrient delivery to perform enhanced in-site bioremediation for TPH-impacted groundwater would have been installed. However, the obligating event to perform cleanup at the sites no longer exists and there is no requirement, directive or order from any regulatory agency to perform site cleanup. Currently, Harbor has no plan to remediate these sites. This was reflected as Special Item in Harbor's financial statements.

Power has identified sites that require remediation work and is working with DTSC and the Los Angeles Regional Water Quality Control Board who have jurisdiction over these sites. The estimated liability for these sites for fiscal year 2013 is approximately $26.0 million. This liability includes remediation and ongoing operation and maintenance costs where estimable.

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.

The City was named as a potentially responsible party for a case for 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, 2013, the City has not been served with a complaint.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

The County of Los Angeles (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 record, Sewer used the site for disposal of grit waste from the Hyperion Treatment Plan. The City entered into 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 DTSC 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: Fire and Police Pension Plan (Pensions), Los Angeles City Employees' Retirement Plan (LACERS), and Water and Power Employees' Retirement, Disability and Death Benefit Insurance Plans (DWP Plans). Pensions and LACERS provide retirement benefits to sworn and civilian (other than DWP) employees, respectively. The DWP Plans provides retirement, disability, and death benefits to Department of Water and Power (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 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

Los Angeles City Employees' Retirement System
202 W. First Street, Suite 500
Los Angeles, CA 90012-4401
(800) 779-8328

Department of Water and Power Retirement Office
111 N. Hope Street, Room 357
Los Angeles, CA 90012
(213) 367-1689

Funding Policy

The City's annual cost for each plan is calculated based on the *annual required contribution* (ARC) of the employer, an amount actuarially determined in accordance with the parameters of the applicable GASB Statements. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize unfunded actuarial liabilities over a period not to exceed thirty years. The City Administrative Code and related ordinances define member contributions. The City's ARC and net pension obligation for Pensions and LACERS are generally liquidated by the General Fund.

NOTE 5 – OTHER INFORMATION (Continued)

Benefit Pension Plans

Annual Pension Cost and Net Pension Asset (Obligation)

The City's annual pension cost for the current year, net pension asset (obligation) at the end of the year, and related information for each plan are as follows (in thousands):

	Pensions	LACERS	DWP Plans
Contribution rates:			
City	27.5% of covered payroll	19.94% of covered payroll	46.08% of covered payroll
Plan members	6% - Tier 1 7% - Tier 2 8% - Tiers 3 & 4 9% - Tier 5 11% - Tier 6	Prior to the City's Early Retirement Incentive Program (ERIP) - 8.22% to 13.33% of salaries at entry age with City subsidy for members prior to February 1983. Starting November 8, 2009, as the ERIP Ordinance became effective, 6% of payroll for all members. Effective July 1, 2011, 7% (increase from 6%) for 15 years or until ERIP cost obligation is fully paid, whichever comes first; 7%, 9% or 11% depending on bargaining unit.	6% of salaries upon becoming a member on or after June 1, 1984; prior to June 1, 1984, amount is based on entry age percentage rate
Annual required contribution	$ 375,448	$ 346,181	$ 408,475
Interest on net pension asset (obligation)	--	5,269	(7,278)
Adjustment to annual required contribution	--	(9,939)	11,028
Annual pension cost	375,448	341,511	412,225
Contributions made	375,448	346,181	368,174
Change in net pension asset (obligation)	--	4,670	(44,051)
Net pension asset (obligation) - beginning of year	--	(67,990)	9,924
Net pension asset (obligation) - end of year	$ --	$ (63,320)	$ (34,127)

NOTE 5 – OTHER INFORMATION (Continued)

In 2011, the City Council adopted new ordinances that require members of LACERS represented by certain bargaining groups to contribute an additional 2% or 4% of pay beginning April 24, 2011. As a result, member contribution rates were increased to 7%, 9% or 11% of pay. The majority of members who were contributing 7% or 9% were required to contribute 11% effective July 1, 2012, and January 1, 2013, pursuant to the terms and conditions of the specific Memorandum of Understanding to which they are subject. The remaining members, who belong to three bargaining groups, still contribute 7% of pay.

For fiscal year 2013, LACERS received total contributions of $617.1 million. The City contributed $346.3 million for Retirement Plan and $72.9 million for Health Care Plan, and members contributed $197.9 million for Retirement Plan.

Pensions is composed of six tiers. Effective July 1, 2011, a new pension tier, Tier 6, was added for all firefighters, police officers, and Harbor port police officers hired on or after July 1, 2011. Tier 6 members are required to contribute 9% of salary for regular pension contributions. They are also required to make an additional pension contribution of 2% of salary to support the City's ability to fund retiree health benefits.

For fiscal year 2013, Pensions received total contributions of $630.2 million, with respect to the Pension Plan and Health Subsidy Plan, in accordance with the ARC determined through the June 30, 2010 actuarial valuation. The City and member contributions were $508.4 million and $121.8 million, respectively.

The City's annual pension cost, the percentage of annual pension cost contributed to the plans, and the net pension asset (obligation) for fiscal year 2013 and the two preceding years for each of the plans are as follows (in thousands):

	Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset (Obligation)
Pensions	6/30/11	$ 277,092	100 %	$ --
	6/30/12	321,593	100	--
	6/30/13	375,448	100	--
LACERS	6/30/11	300,329	101	(71,873)
	6/30/12	304,657	101	(67,990)
	6/30/13	341,511	101	(63,320)
DWP Plans	6/30/11	334,541	84	52,102
	6/30/12	368,378	89	9,924
	6/30/13	412,225	89	(34,127)

NOTE 5 – OTHER INFORMATION (Continued)

Funded Status and Funding Progress

The following is funded status information for each plan as of June 30, 2013 (in thousands):

	Pensions	LACERS	DWP Plans
Actuarial Accrued Liability (AAL)	$ 17,632,425	$ 14,881,663	$ 10,094,868
Actuarial Value of Assets	14,657,713	10,223,961	7,958,488
Underfunded AAL	$ 2,974,712	$ 4,657,702	$ 2,136,380
Funded Ratio	83.1%	68.7%	78.8%
Covered Payroll	$ 1,367,237	$ 1,846,970	$ 900,254
Underfunded AAL as a percentage of covered payroll	217.6%	252.2%	237.3%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in 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 for 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 is updated for the actuarial valuation date of June 30, 2013 and presented as RSI following the notes to financial statements.

In October 2012, LACERS Board modified the LACERS funding policy to 1) change the actuarial cost method for the existing retirement benefits and health benefits from the Projected Unit Credit method to the Entry Age Normal (EAN) method beginning with the June 30, 2012 valuation, and 2) amortize all UAAL layers as of June 30, 2012, over 30 years, except the layers created in 2004 and 2005 for GASB compliance and the layers created in 2009 as a result of the Early Retirement Incentive Program (ERIP), which will maintain their original amortization schedules.

NOTE 5 – OTHER INFORMATION (Continued)

Actuarial Methods and Assumptions

The following is information as of the most recent actuarial valuation:

	Pensions	LACERS	DWP Plans
Actuarial valuation date	June 30, 2013	June 30, 2013	July 1, 2013
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level dollar - Tier 1 Level percent of payroll - Tiers 2, 3, 4, 5 & 6	Level percent of payroll	Level dollar
Remaining amortization period	Multiple layers not exceeding 25 years, closed. Initial years range from 1 to 24 years. Years remaining range from 1 to to 28 years.	Multiple layers not exceeding 30 years, closed. Initial years range from 15 to 30 years. Years remaining range from 6 to 29 years.	Multiple layers not exceeding 15 years, closed. Years remaining range from 6 to 15 years.
Asset valuation method	Before July 1, 2008, 5-year market related After July 1, 2008, 7-year market related	7-year market related	5-year market related
Actuarial assumptions:			
Investment rate of return	7.75%	7.75%	7.75%
Projected salary increases	5.25% - 12.25%	4.65% - 11.25%	5.35% - 10.50%
Inflation rate	3.50%	3.50%	3.50%
Cost-of-living adjustments	3.50% - Tiers 1 & 2 3.00% - Tiers 3, 4, 5 & 6	3.00%	Based upon CPI increases with a 3.00% maximum

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 Pensions and LACERS are generally liquidated by the General Fund.

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 year, and related information for each plan are as follows (in thousands):

	Pensions OPEB	LACERS OPEB	DWP OPEB
City contribution rates	9.20% of covered payroll	4.20% of covered payroll	5.38% of covered payroll
Annual required contribution	$ 142,813	$ 72,916	$ 49,496
Interest on net OPEB asset (liability)	9,844	--	(73,943)
Adjustment to annual required contribution	(8,088)	--	62,758
Annual OPEB cost	144,569	72,916	38,311
Contributions made	142,813	72,916	69,127
Change in net OPEB asset (liability)	(1,756)	--	30,816
Net OPEB asset (liability)- beginning of year	(127,024)	--	923,874
Net OPEB asset (liability) - end of year	$ (128,780)	$ --	$ 954,690

During the 2011 fiscal year, the City adopted an Ordinance to freeze the maximum medical subsidy at $1,190 for 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 freeze 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, 2013, approximately 97% of non-retired members were making the additional contributions, and therefore not subject to the medical subsidy freeze.

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 2013 and the two preceding years for each of the plans are as follows (in thousands):

	Year Ended	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Asset (Liability)
Pensions OPEB	6/30/11	$ 173,646	69 %	$ (99,352)
	6/30/12	159,777	83	(127,024)
	6/30/13	144,569	99	(128,780)
LACERS OPEB	6/30/11	107,396	100	--
	6/30/12	115,209	100	--
	6/30/13	72,916	100	--
DWP OPEB	6/30/11	56,464	249	863,884
	6/30/12	41,620	244	923,874
	6/30/13	38,311	180	954,690

Funded Status and Funding Progress

The following is funded status information for each plan as of June 30, 2013 (in thousands):

	Pensions OPEB	LACERS OPEB	DWP OPEB
Actuarial Accrued Liability (AAL)	$ 2,633,793	$ 2,412,484	$ 1,743,727
Actuarial Value of Assets	1,013,400	1,734,733	1,332,136
Underfunded AAL	$ 1,620,393	$ 677,751	$ 411,591
Funded Ratio	38.5%	71.9%	76.4%
Covered Payroll	$ 1,367,237	$ 1,846,970	$ 900,254
Underfunded AAL as a percentage of covered payroll	118.5%	36.7%	45.7%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in 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 is updated for the actuarial valuation date of June 30, 2013 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 the DWP OPEB Plan, DWP has made significant contributions into the Retiree Health Benefits Fund (DWP Retiree Fund), created to fund its postemployment benefits, during previous years. In fiscal year 2013, the DWP transferred $0 into the DWP Retiree Fund and paid $69.1 million in retiree medical premiums. The Power and Water Enterprise Funds' portions of these amounts were $47.0 million and $22.1 million, respectively.

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan and include the types of benefits in force at the valuation date. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions are as follows:

	Pensions OPEB	LACERS OPEB	DWP OPEB
Actuarial valuation date	June 30, 2013	June 30, 2013	June 30, 2013
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Closed amortization periods	Level percent of payroll	Level percent of payroll
Remaining amortization period	Multiple layers, closed Prior to June 30, 2012, 23 years On June 30, 2012, 19 years On June 30, 2013, 20 years	Multiple layers, closed not exceeding 30 years Initial years range from 15 to 30 years. Years remaining range from 11 to 29 years	22 years, closed
Asset valuation method	Before June 30, 2008, 5-year market related After June 30, 2008, 7-year market related	7-year fair value of assets less unrecognized return in each of the last 7 years	Before June 30, 2008, market value of asset After June 30, 2008, 5-year market related
Actuarial assumptions:			
Investment rate of return	7.75%	7.75%	7.75%
Projected salary increases	4.25%	4.25%	4.25%
Inflation rate	3.50%	3.50%	3.50%
Healthcare cost trend rates			
Medical	8.00% in 2013-14, decreasing by 0.50% for each year for six years until it reaches an ultimate rate of 5.00%	7.75%, decreasing by 0.50% for each year for six years until it reaches an ultimate rate of 5.00%	8.00%, graded down to an ultimate rate of 5.00% over 6 years
Dental	5.00%	5.00%	5.00%

NOTE 5 – OTHER INFORMATION (Continued)

Deferred Retirement Option Plan

Effective May 1, 2002, members of Pensions have the option to enroll in a Deferred Retirement Option Plan (DROP). 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 50 years old are eligible for DROP. Participation in DROP by Tier 6 members is subject to amendment of the Administrative Code. Members who enroll continue to work and receive their active salary up to five years. Enrolled members continue to make contributions to Pensions until they have completed the maximum number of years required for their Tier but cease to earn additional retirement service and pay credits. Monthly pension benefits that would have been paid to enrolled members are credited to their DROP accounts which will earn 5.00% annual interest.

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 cost of living adjustments. At June 30, 2013, there were 1,190 pensioners enrolled in the DROP program and the total estimated value of the DROP accounts at that date was approximately $250.7 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 the members of Pensions who retired or entered DROP on or after July 15, 2011. This ordinance froze 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 Memorandum of Understanding. 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 forty percent 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, 2013 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.

The impact of this potential excise tax is reflected in the DWP Plans' actuarial valuation as of June 30, 2013. For the purpose of the actuarial valuation, the threshold in 2019 are indexed and assumed to increase by 4.5% over those in 2018. After 2019, the thresholds are assumed to increase by 3.5% (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.

NOTE 5 – OTHER INFORMATION (Continued)

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 beginning on page 123.

Pending Lawsuits and Claims

As mentioned in Note 4O on page 153, certain pending lawsuits and claims have a reasonable possibility of resulting in additional General Fund liability totaling approximately $944.0 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, 2013.

City Repayments to Airports Enterprise Fund

In December 2009, the City settled two unrelated cases with the Federal Aviation Administration (FAA) relative to FAA's audit findings of improper payments by Airports to the City. The cases involved compliance review by FAA of the transfer of Airports revenue funds to the City 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 to Airports totaling $17.7 million plus a 3.00% interest for a total of $21.3 million. To effect payment, the City will reduce the charges to Airports for future services rendered. As of June 30, 2013, $0.8 million installment payment has been offset against billings by the City for actual costs of services provided to Airports, which was verified by the City's independent auditor. The City reported the outstanding principal balance of $13.8 million as payable beyond one year and $0.8 million as payable within one year.

Federal Consent Decree

The City has entered into a five-year consent decree agreement with the Federal government to avoid litigation. The Federal court extended the agreement by three years to June 2009. Under the agreement, the City was required to build a Training, Evaluation, and Management System (TEAMS II) database to track officer performance as well as undertake additional risk management and integrity assurance measures. On May 15, 2013, the Federal court released the City from all Federal oversight, signing the Consent Decree's Final Order of Dismissal and ending the Transition Agreement with the U.S. Department of Justice.

NOTE 5 – OTHER INFORMATION (Continued)

TEAMS II has become a permanent part of the City's public safety informational systems and integral to the City's constitutional and community policing. The system includes the Risk Management Information System, Use of Force System, Deployment Period System, and Complaint Management System. In fiscal year 2013, the Claims and Lawsuit Information System was integrated into the TEAMS II environment to leverage existing hardware and to realize cost savings for systems maintenance. In addition, the City continues its efforts to barcode and scan homicide books. Finally, the City began replacement of the nearly ten-year old TEAMS II hardware and equipment.

At June 30, 2013, the City incurred total costs of approximately $1.4 million for the enhancement and integration testing, as well as software maintenance and technical support. It is anticipated that a total of $1.4 million will be spent in fiscal year 2014 for ongoing systems and maintenance costs.

Telephone Users' Tax

The City's telephone users' tax (TUT) ordinance was amended with the approval by the electorate of Proposition S, "*Reduction of Tax Rate and Modernization of Communications Users Tax,"* on the February 5, 2008 election ballot. This measure replaced the prior telephone users' tax ordinance and reduced the rate of the City tax on users of communication services from 10% to 9%. The ordinance, which was effective on March 15, 2008, provides for taxation of a broader tax base than the prior ordinance, and includes private communication services, voice mail, paging services, text messaging, and pay-phone usage. Federal law currently prohibits the taxing of internet access (such as charges from internet service providers for access to the internet) and accordingly, internet access is not taxed.

The City's telephone users' tax ordinance has been the subject of litigation challenging application of the tax to certain telecommunications services as a result of outdated ordinance definitions or references to outdated federal laws. On issues related to a certain class action challenging the validity of the City's telephone users' tax based on a federal government interpretation of the federal excise tax, the California State Supreme Court (Court), on July 25, 2011, held that class actions against municipalities for refunds of local taxes are permitted under State law, and remanded the matter back to the trial court for consideration on the merits. If the plaintiffs obtain certification and prevail on the merits of the underlying complaint, the City's liability could be up to $750 million, which represents the amount of telephone users' tax collected between the time federal law changed in 2006 and the electorate approved a measure in 2008 that modernized the City's ordinance. However, the City has procedural and substantive defenses that make it likely that even if plaintiffs prevail, the City's ultimate liability may be less.

In a certain case, a plaintiff, a provider of prepaid wireless services, seeks refund of $6.3 million for alleged overpayment for the period February 2007 through February 2008 in connection with the TUT. Other plaintiffs seek refunds of $13.8 million for various reasons, including, the City's amendment to the Municipal Code was improper prior to voter approval in 2008; and plaintiff was not subject to the federal excise tax during a certain period. These lawsuits are in the pretrial stage. A claim has been submitted but no lawsuit has been filed. A certain plaintiff seeks return of allegedly overpaid telephone users taxes for the period January 2006 through December 2009.

NOTE 5 – OTHER INFORMATION (Continued)

A plaintiff filed a complaint against 138 public agencies including the City, seeking a refund of TUT of $22.9 million paid to the City between November 1, 2005 and September 30, 2010. Plaintiff contends that TUT was erroneously collected on internet access charges, and that such charges were exempt under federal law. The trial court sustained the City's demurrer to the complaint on the grounds that the plaintiff lacked standing to assert a claim on behalf of all City taxpayers and the plaintiff had failed to comply with the City's claiming ordinance.

Business-Type Activities

Airports Enterprise Fund

Los Angeles International Airport (LAX) Master Plan

The LAX Master Plan was adopted by Airports 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 requires Airports to initiate 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). On May 30, 2013, the Alliance for a Regional Solution to Airport Congestion filed a petition for writ of mandate in the California Superior Court (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. Lawsuits on similar grounds have been filed by the City of Inglewood, Culver City, City of Ontario, County of San Bernardino, and the SEIU United Service Workers West. No hearing date has been set. The parties are currently engaged in settlement discussions.

Terminal Leases

In January 2007, American Airlines, Continental Airlines, and United Airlines (the Plaintiffs) filed a complaint in Federal District Court alleging that Airports has imposed new M&O charges in violation of their leases at LAX.

NOTE 5 – OTHER INFORMATION (Continued)

In January 2008, Airports Board approved interim settlement agreements with the Plaintiffs. Thereafter, a joint stipulation for dismissal of the entire action filed by the parties was granted by the Court without prejudice to renew. United Airlines and Continental Airlines have since settled their claims with Airports relating to this matter. The interim settlement with American Airlines (AA) was subsequently extended until December 31, 2010 and the action has not been reinitiated. AA continued to pay M&O charges, based on the already expired interim settlement agreement, that is lower than Airports' interpretation of the lease.

In November 2011, AMR Corporation, AA's parent company filed for Chapter 11 bankruptcy protection. Pursuant to bankruptcy laws, AA has a certain period of time to assume or reject the lease and must cure any defaults if it assumes the lease. AA has assumed the lease, but has put aside the "cure" issue for future court hearing. Airports views the underpayment as a default under the lease. At this time AA and Airports are negotiating the cure amount. AA is the top airline, by number of passengers, operating at LAX and ONT. Although AA's operations at the airports remain as usual, Airports cannot predict the outcome of the bankruptcy filing.

Power and Water (DWP) 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.

Capital 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. They claimed that rates which include a capital facilities' charge 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 generally accepted accounting principles, DWP Board approved to defer all potential costs associated with the resolution of this litigation and establish a corresponding long-term deferred debit to be recovered through future revenues over a period of up to ten years, if necessary.

Harbor Enterprise Fund

Alameda 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 any such income or equity distributions equally.

NOTE 5 – OTHER INFORMATION (Continued)

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 (trans load 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 "Trans loading Dispute." 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 Trans loading 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 Harbor, 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%. As a result of ACTA's 2012 and 2013 refunding transactions, it is projected that no shortfall advances will be required by the two ports until the year 2019.

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 fund.

NOTE 5 – OTHER INFORMATION (Continued)

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.

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.

As of June 30, 2013, Harbor has disbursed a total of $51.3 million from the restricted litigation funds, of which $4.2 million was made in fiscal year 2013, as provided 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, 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 Harbor $53.4 million in principal plus 3.00% 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 3.00% simple interest. The agreement also states that at any time after five years from January 19, 2001, the City, Harbor, and the California State Lands 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, 2013, long-term notes receivable amounted to $9.9 million and current portion of notes receivable amounted to $4.7 million.

NOTE 5 – OTHER INFORMATION (Continued)

Trapac Project and Environmental Impact Report

On December 6, 2007, the Harbor Board certified the TraPac project, which involves the development and improvements to Berths 136-147, currently occupied by TraPac. Certain entities (Appellants) appealed the project approval under the provisions of the California Environmental Quality Act (CEQA). On April 3, 2008, the City and Harbor Board approved a Memorandum of Understanding (MOU) for the revocation of the appeals and the establishment of a Port Community Mitigation Trust Fund (PCMTF) to be operated by the Harbor Community Benefit Foundation (HCBF), a nonprofit entity

Harbor had provided the first two years funding of $12.04 million and $4.02 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 was necessary. On November 3, 2011, Harbor Board approved an agreement with the California Community Foundation (CCF) to provide management services for HCBF, to transfer funds from its existing PCMTF to the new PCMTF held by the CCF.

As of June 30, 2013, a total of $16.8 million has been disbursed from the PCMTF including the $13.8 million funds transferred to the CCF CIF. Total fund balance, including interest earned of the PCMTF at the end of the fiscal year was $0.1 million.

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 2013, $13.6 million was accrued as claims payable.

Commitments

Governmental Activities

As of June 30, 2013, the City's encumbrances are as follows: $132.7 million for General Fund, $23.4 million for Community Development Fund, $19.0 million for MICLA Special Revenue Fund, $1.7 million for Proposition A Local Transit Assistance Fund, $23.9 million for Recreation and Parks Fund, $27.5 million for Solid Waste Resources Fund, and $289.1 million for Other Governmental Funds.

Business-Type Activities

As of June 30, 2013, the following Enterprise Funds have commitments for construction contracts and open purchase orders in the following approximate amounts (in thousands):

Airports	$	144,600
Harbor		183,900
Sewer		107,822

NOTE 5 – OTHER INFORMATION (Continued)

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 payments were made in fiscal year 2013.

Power Enterprise Fund

Purchase Power Commitments

DWP entered into a number of energy and transmission service contracts that involve substantial commitments as follows (in thousands):

			DWP's Interest in Agency Share		
	Agency	Agency Share (Percentage)	Interest (Percentage)	Capacity (Megawatts)	Outstanding Principal
Intermountain Power Project	IPA	100.0 %	68.6 %	1,234	$ 866,807
Palo Verde Nuclear Generating Station	SCPPA	5.9	67.0	151	39,155
Mead-Adelanto Project	SCPPA	68.0	35.7	313	51,412
Mead-Phoenix Project	SCPPA	17.8 - 22.4	24.8	148	11,134
Southern Transmission System	SCPPA	100.0	59.5	1,429	451,056
Milford I Wind	SCPPA	100.0	92.5	188	205,147
Windy Point	SCPPA	100.0	92.4	242	446,295
Linden Wind Energy	SCPPA	100.0	90.0	45 *	119,210
Milford II Wind	SCPPA	100.0	95.1	97	145,719

* For the first three years, DWP will receive 100% (50 MWs), unless City of Glendale exercises its option to take 10%.

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.

The above agreements require DWP to make certain minimum payments, which are based primarily upon debt service requirements. In addition to average annual fixed charges of approximately $291.0 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 $471.0 million annually during each of the next five years). Power made total payments under these agreements of approximately $782.0 million in fiscal year 2013. These agreements are scheduled to expire from 2027 to 2035.

DWP earned fees under the IPP project manager and operating agent agreements totaling $23.8 million in fiscal year 2013.

NOTE 5 – OTHER INFORMATION (Continued)

Long-term Notes Receivable

Under the terms of its purchase power agreement with Intermountain Power Agency (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 trust 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. DWP'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 $844.0 million as of June 30, 2013. The IPA notes pay interest and principal monthly and mature on July 1, 2023. The interest rates range from 0.6% to 5.4%, 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 purchased under this contract, including the Lower Colorado River Basin Development Fund Contribution Charge, was approximately $21.0 million as of June 30, 2013.

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% power for new entrants.

DWP has a contract through 2026 with SCPPA for the purchase of available energy generated at the Pebble Springs Wind Project located in Gilliam County, Oregon. DWP's share of capacity at Pebble Springs is approximately 69 MWs (maximum capacity). The cost of power purchased under this contract was $16.5 million as of June 30, 2013.

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.

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.

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 5.70% 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.

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.

NOTE 5 – OTHER INFORMATION (Continued)

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. Additional NRC-mandated requirements are anticipated, but the costs associated with these future projects are unknown at this time.

Environmental Matters

Numerous environmental laws and regulations affect DWP'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 DWP:

Air Quality – Nitrogen Oxide Emissions. DWP'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 NOx RECLAIM 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.

NOTE 5 – OTHER INFORMATION (Continued)

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, 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 a Climate Change Scoping Plan, which identifies nearly 70 potential strategies and measures to achieve the state's GHG emissions reduction goal. Subsequently, the ARB adopted regulations to implement a number of the emission reduction measures identified in the Scoping Plan.

The 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.

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. As such, a federal cap-and-trade program is unlikely to be established in the same time frame (2012) as a state cap-and-trade program, but may be considered in future years. 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. The DWP's in-basin repowering projects requiring PSD permits after January 2, 2011 would be impacted as they would be required to submit a GHG Best Available Control Technology (BACT) analysis. EPA is expected to issue its GHG BACT guidance for public review in the future. Also, any new GHG requirements will be incorporated in DWP's generating stations' Title V operating permits when the permits are renewed.

NOTE 5 – OTHER INFORMATION (Continued)

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.

The worst-case scenario impact at the Intermountain Power Plant would be $483.0 million in capital cost plus $110.0 million in annual operating cost for the hazardous option if the existing landfill has to be removed and coal ash has to be disposed of at an off-site facility. For the nonhazardous option, the impact would be $62.0 million in capital cost plus $2.0 million in annual operating cost.

For Mohave Power Plant, the worst-case scenario impact would be $230.0 million in capital cost for the hazardous option if the existing landfill has to be removed and disposed of at an off-site facility. For the nonhazardous option, the impact would be $6.0 million in capital cost plus $0.25 million in annual operating cost. For the above facilities, the costs translate into electric rate impacts of about 1.4% for the hazardous option and 0.18% for the nonhazardous option.

At this time, the EPA is still analyzing over half a million comments received following the rule proposal. The EPA is also gathering additional data prior to finalizing the rules and the time frame is still unknown at the present time.

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 Environmental Protection Agency (EPA's) 316(b) Rule finalized in July 2004, EPA suspended this Rule and is in the process of drafting a new rule. EPA's proposed new rule for existing facilities was released in the federal register for comments on April 20, 2011 for a 120-day comments period, The newly proposed 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 proposed rule, an owner or operator of an existing facility would be able to choose one of two compliance options for impingement mortality (IM): (1) monitoring to demonstrate that specified performance standards for impingement mortality of fish and shellfish have been met or (2) demonstrate that intake velocity meets specified design criteria. IM compliance must be met 8 years after the effective date of the Rule. For entrainment mortality, the proposed rule requires entrainment studies and allows for compliance on a site-specific basis. As part of a settlement agreement, a final rule had to be issued by July 2012; however, on July 17, 2012, the parties to the underlying litigation signed a modified settlement agreement, which extends the deadline for the Final Rule to June 27, 2013. The language for the Final Rule is still subject to change.

NOTE 5 – OTHER INFORMATION (Continued)

On June 11, 2012, the EPA published a Notice of Data Availability (NODA), for a 30-day comment period that would allow relief to the IM compliance. DWP will need an exemption or some relief from the eight-year IM compliance date. In addition, on June 12, 2012, the EPA published a second NODA regarding the willingness to pay for quantifying the nonuse benefits of reducing impingement and entrainment. DWP is evaluating the potential impacts of the proposed rule on its facilities.

In the absence of EPA's 316(b) Rule, the California State Water Resources Control Board (State Board) decided to move forward and adopted its own Statewide 316 b Policy (Policy) on May 4, 2010. The Policy became effective on October 1, 2010. This policy requires 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 impingement mortality and entrainment (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 Policy and completely eliminate the use of OTC. Recently, DWP was successful in having the 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 four OTC units are on schedule, due to an SCAQMD settlement, to be repowered with eliminating OTC by 2013 and 2015, respectively. The Amendment to the Policy was adopted on July 19, 2011. The Amendment requires DWP to submit additional information responsive to the Statewide Advisory Committee on Cooling Water Intake Structures (SACCWIS) resolution by December 31, 2012. Depending upon the information submitted by DWP and no later than December 31, 2013, the State Board will consider modifications to the 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 impingement and entrainment. 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.

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 reviewing the regulations and conducting studies. Once the studies are reviewed, DWP will determine an appropriate course of action.

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 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 is proposing the construction of an ultraviolet filtration plant, several chloramination stations, ammoniation stations, and the installation of mixers in tanks and reservoirs. The cost of Stage 2 DBP compliance related engineering studies and construction activities is expected to be approximately $423.0 million at completion. The actual expenditures to date are $186.0 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. 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 $1.3 billion at completion in 2020. The actual cost spent to date has been $380.0 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 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, the 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 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 the Department 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 Game, 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 with an estimated construction cost of $160.0 million, 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.

An agreement was reached between the District and DWP in June 2013 extending the deadline for the Phase 7a project to December 2015, and removing 328 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. 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 Olancha 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. The hearing will likely occur in February 2014 in the event that a settlement is not reached.

In August 2013, the District issued its preliminary 2013 Supplemental Control Requirements Determination (preliminary 2013 SCRD). Based on the information contained in the preliminary 2013 SCRD, it does not appear that additional dust control measures will be ordered in 2013.

Fire and Police Pension System

Pensions has commitments to contribute capital for real estate and alternative investments in the aggregate amount of approximately $1,050.6 million at June 30, 2013. As of June 30, 2013, Pensions settled with the State of Arizona over the value received in a taking of property that was owned by Pensions.

All members of Pensions, except Tier 4 members, 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. At June 30, 2013, the total amount subject to this right was $1,587.0 million.

Los Angeles City Employees' Retirement System

At June 30, 2013, LACERS was committed to future purchases of real estate and private equity investments at an aggregate cost of approximately $713.7 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	Outstanding June 30, 2013
Multifamily Housing Bonds - 105 Issues	$ 779,976
Multifamily Housing Bonds transferred from CRA - 35 Issues	577,494
Home Mortgage Revenue Bonds - 6 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.	6,363
Industrial Development Bonds - 19 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 credit.	153,785
Limited Obligation Medium-Term Improvement Notes - 1 Issue The proceeds were used to provide financing for the fire safety improvements in privately owned buildings in the City. The notes are supported solely through annual assessments on the properties and the value of the underlying properties themselves.	1,325
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.	4,660
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.	121,865
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.	5,910
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 payment.	714
	$ 1,652,092

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

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 the Airports.

Rates and Charges

On September 17, 2012, Airports 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: (i) terminal building rate, (ii) federal inspection services area (FIS) rate, (iii) common use holdroom rate, (iv) common use baggage claim rate, (v) common use outbound baggage system rate, (vi) common use ticket counter rate, and (vii) terminal special charges for custodial services, outbound baggage system maintenance, terminal airline support systems, and loading bridge capital and maintenance. The new rates apply beginning January 1, 2013 to airlines and airline consortia agreeing to the new methodology and executing a rate agreement with Airports (signatory airlines) by December 15, 2012. Agreements executed after December 15, 2012 commence on the first day of the next month beginning no less than sixty days after the execution of the agreement. 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 will have the effect of reducing the calculated terminal building rate (beginning calendar year 2014) and FIS rate (beginning calendar year 2016). Tier Two Revenue Sharing will be 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 (non-signatory 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) will be charged with the new rates effective January 1, 2013. Non-signatory airlines are not eligible to participate in the STP and revenue sharing programs.

NOTE 5 – OTHER INFORMATION (Continued)

Passenger Facility Charges

Passenger Facility Chargers (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 Federal Aviation Administration (FAA). Airlines operating at LAX and ONT have been collecting PFCs on behalf of Airports. PFCs are recorded as nonoperating 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. 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 Tom Bradley International Terminal Renovations and Bradley West Projects. For fiscal year 2013, Airports Board authorized the use of PFCs funds not to exceed $35.0 million. Of the authorized amount, $34.4 million were used for debt service in fiscal year 2013. Through June 30, 2013, the cumulative PFC collections and the related interest earned as reported to the FAA were $1,839.6 million and $221.2 million, respectively, while cumulative expenditures to date on approved PFC projects totaled $1.3 billion.

Customer Facility Charges

In November 2001, Airports Board approved the collection of a state-authorized Customer Facility Charge (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 nonoperating revenue and presented as restricted assets in the financial statements. At June 30, 2013, CFCs collected and the related interest earnings were $190.7 million and $8.5 million, respectively, while cumulative expenditures were $47.6 million.

LA/ONT International Airport Local Control

State lawmakers have introduced a bill in the California legislature that would transfer control of LA/Ontario International Airport (ONT) from the City of Los Angeles to a regional airport authority. While Airports management has indicated its opposition, it cannot predict the outcome of the legislation.

In December 2011, the City of Ontario proposed to Airports that the operations of ONT be transferred from the City of Los Angeles to the City of Ontario under certain terms. The terms include, among others, paying the City of Los Angeles $50.0 million and assumption by the City of Ontario of the existing bonded debt of ONT. In August 2012, the San Bernardino County Board of Supervisors approved the creation of the Ontario International Airport Authority (OIAA) to oversee ONT should the City of Los Angeles relinquish control. The OIAA is a joint powers arrangement between the County of San Bernardino and the City of Ontario. In September 2012, as directed by the Trade, Commerce and Tourism Committee of the Los Angeles City Council, the City Administrative Officer (CAO) issued a report related to ONT. The report recommended that the Mayor and Council decline the December 2011 proposal of the City of Ontario.

NOTE 5 – OTHER INFORMATION (Continued)

The CAO further recommended that Airports and the City shall negotiate with the City of Ontario, County of San Bernardino, OIAA, and other primary stakeholders to determine the most effective and appropriate ownership and management alternative, and the assigned value of such alternative for ONT.

On June 3, 2013, after rejecting Airports' offer to sell ONT at a certain price, the City of Ontario filed a complaint against the City alleging, among other things, breach of contract, breach of implied covenant of good faith and fair dealing, and breach of fiduciary duty, in connection with the operation and management of ONT. The complaint seeks, among other things, unspecified damages and rescission or reformation of the agreements governing the City's acquisition, operation, and management of ONT. Airports has responded to the complaint with a motion to strike and demurrer. Airports is contesting the case vigorously but cannot predict the outcome of the lawsuit and at this time, the range of the potential loss is uncertain.

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 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 complies with the mandatory NERC/WECC Reliability Standards.

NOTE 5 – OTHER INFORMATION (Continued)

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. In 2013, the congress has no intention of moving cybersecurity legislation.

On February 12, 2013, the President of the United States issued an Executive Order to encourage voluntary information sharing. The order sets up a process run by the National Institute of Standards and Technology (NIST) to establish a national Cybersecurity Framework. Currently the NIST is implementing this executive directive. Public power entities support the Administration's effort through the Executive Order and for the existing mandatory and enforceable NERC-FERC standards for the electric sector to remain in place.

On April 18, 2013, the House passed H.R.624, the Cyber Intelligence Sharing and Protection Act (CISPA) by a bipartisan vote of 288-127. This bill was authorized by chairman of the House Intel Committee Rogers (R-MI) and the Ranking Member Ruppersberger (D-MD). Public power entities (such as DWP) view CISPA as an important first step in creating an information-sharing and liability protection framework for the nation's infrastructure. On the other hand, many Democrats and Republicans are concerned about the privacy protections in an information sharing approach. DWP currently complies with current cybersecurity NERC Reliability Standards.

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 LADWP) 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 No. 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.

NOTE 5 – OTHER INFORMATION (Continued)

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.
- 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 CFTC has recently 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. Unfortunately, the swap dealer definition also includes a $25.0 million subthreshold over a 12-month period for entities doing business with "special entities" (e.g., governmental entities such as DWP) that will cause counterparties that do not want to be swap dealers (e.g., natural gas producers, independent generators, and utility companies) to severely limit their swap activities with government-owned utilities to avoid reaching the $25.0 million threshold.

Various organizations representing the "special entities" have 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 rather be subjected to the overall $3.0 billion threshold. 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 swaps with an entity that is not a special entity. The overall impact of these CFTC rulings on DWP cannot be predicted at this time.

NOTE 5 – OTHER INFORMATION (Continued)

Harbor Enterprise Fund

Cash Funding of Reserve Fund

As of June 30, 2013, Harbor had $790.7 million of outstanding parity bonds. Harbor holds cash reserves for each Indenture of the outstanding bonds. On September 18, 2008, Harbor Board approved the one-time cash funding of the entire reserve requirement of $61.5 million and transferred from the Harbor Emergency Fund to Harbor's bond trustee in December 2008. To be consistent with the bond covenants in the Indenture, the required amount for the individual reserve fund will be reevaluated on a yearly basis. Any excess amounts in the Common Reserve will be transferred to the interest fund and/or redemption fund to be used to pay interest and redeem bonds.

Special Item

In fiscal year 2013, Harbor adjusted the outstanding pollution remediation liabilities for the Cabrillo Way Marina and the former Kaiser Bulk Loading and Storage of $7.0 million and $6.4 million, respectively. The adjustment of $13.4 million was presented as Special Item in Harbor's financial statements. Remediation of these sites was previously identified as necessary in order to excavate and dispose metal impacted soil and remove contamination caused by pipeline leaks. Upon completion of soil excavation, infiltration galleries and nutrient delivery system to perform enhanced in-situ bioremediation for TPH-impacted groundwater would have been installed. However, the obligating event to perform cleanup at the sites no longer exists and there is no requirement, directive or order from any regulatory agency to perform site cleanup. Currently, Harbor has no plan to remediate these sites in the future.

Sewer Enterprise Fund

Contract Agencies

Sewer entered into universal terms agreements with 20 contract agencies for which Sewer provides wastewater treatment services. The contract agencies are billed based on the City's budgeted costs and agencies' projected wastewater flow and strength. According to the agreement, the annual billings are reconciled to the City's actual costs and agencies' actual flow and strength after the close of the fiscal year. In general, only one fiscal year is being reconciled. The reconciliation process for fiscal year 2013 is still in progress. However, the adjustments to the amounts billed (excluding cities of Burbank and Santa Monica) will not have a significant financial impact to Sewer.

The cities of Burbank and Los Angeles disagreed with the wastewater flow and strength used in Sewer's billings. As a result, the City of Burbank rejected the billings totaling $13.0 million at June 30, 2013. The two cities have agreed to hire a consultant to mediate the differences. The adjustments if any to the amounts billed are not determinable at this time. A discrepancy was discovered between two gauging devices that monitor its wastewater flow into the City of Santa Monica. The City is working with its flow-monitoring vendor and with City of Santa Monica to identify the source of the discrepancy. Correction of the discrepancy could potentially reduce revenues from the City of Santa Monica by $1.1 million for wastewater service provided to Santa Monica in fiscal years 2010 to 2014.

NOTE 5 – OTHER INFORMATION (Continued)

The Las Virgenes Municipal Water District (District) incorrectly calculated the strength of it wastewater resulting in a credit owed by Sewer. The credit is being applied to the District's ongoing service charges, with a remaining credit of $0.03 million to be adjusted in fiscal year 2014.

Air Treatment Facilities (ATFs)

The Collection System Settlement Agreement (CSSA) requires the construction of seven ATFs as a means of controlling odors that were expected to develop due to high pressures in the North Outfall Relief Sewer, North Outfall Sewer and East Central Interceptor. Two of the facilities have been constructed and the City has installed and is operating temporary odor scrubbers that are currently providing adequate treatment in the remaining five locations. Sewer conducted a study to determine the necessity of constructing the remaining five ATFs. The study indicates that four of the ATFs are not required for odor treatment. The US Environmental Protection Agency (EPA) accepted the City's study and now requires completion of only the ATF at Mission and Jesse, as well as other odor measures identified in the study.

National Pollutant Discharge Elimination System (NPDES) Permits

On December 8, 2011, the Los Angeles Regional Water Quality Control Board (LARWQCB) adopted new NPDES permits for the DC Tillman Water Reclamation Plant (DCTWRP) and the Los Angeles-Glendale Water Reclamation Plant (LAGWRP). In March 2010, all parties to the lawsuit filed during the previous permit agreed to a negotiated settlement agreement. As a result of the settlement agreement, most of the Groundwater Monitoring Requirements in the DCTWRP and LAGWRP permits have been removed. 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 limits. In anticipation of the expiration of the copper interim 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 State Water Resources Control Board (SWRCB), US EPA and the Office of Administrative Law. The study has been incorporated into the Los Angeles River heavy metal Total Maximum Daily Loads (TMDLs). Based upon the new copper effluent limit in the new permits, it is anticipated that there will be no potential financial impact to the City.

If the plants cannot meet future permit requirements, it is possible that the City may be required to install new treatment processes at a substantial cost to the City. The City cannot currently estimate the cost of such permit requirements, and such permit requirements are not included in the current Capital Improvement Program.

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 and both plants are operating in full NDN mode since September 2007 and have met their final ammonia effluent limits. An Ammonia Site-Specific Objective Study was approved by the LARWQCB and adopted by the SWRCB, Office of Administrative Law and US EPA. The adoption of this study will allow the adjustment of ammonia limits that will allow operators flexibility in the disinfection process. The LARWQCB re-opened the Nitrogen TMDL and revised the Waste Load Allocations for Ammonia. The consideration to include the new limits in the permits is ongoing.

NOTE 5 – OTHER INFORMATION (Continued)

The inclusion of the ammonia effluent limit in the NPDES permit is expected to take additional time; meanwhile, the City received a Time Schedule Order from the LARWQCB for the ammonia effluent limit for the DCTWRP until the adoption of the new NPDES permit, when the new limits are expected to be included in the permit. The City is also pursuing the possibility of de-listing the Los Angeles River which would also provide relief from the Ammonia Wasteload Allocations. If the results of the 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.

The SWRCB has initiated a process to develop a nutrient policy for inland surface waters in California. The proposed policy will establish methods to develop numeric or narrative water quality objectives for nutrients. Potential impacts of the policy for DCTWRP and LAGWRP may include significant upgrades to the facilities and increased energy demand. Potential cost impacts are unknown at this time.

On May 6, 2010, the LARWQCB adopted TIWRP's new NPDES permit, which will expire on June 25, 2015. The NPDES permit is based upon Resolution 94-009 adopted by LARWQCB in 1994 and as required by the 1974 Bay and Estuary policy calls for the City to eliminate TIWRP tertiary discharge to the Los Angeles Harbor by 2020. Resolution 94-009 sets the goal of eliminating the effluent discharge by expanding the Advance Water Purification Facility (AWPF) and increasing water reuse. The City currently is in the process of submitting new NPDES and Water Recycling Requirements permit renewal applications to the LARWQCB for expansion of the AWPF facility, including the discharge of the AWPF recycled water to Machado Lake. Previous water recycling facilities constructed and operated at TIWRP received DWP funding. However, the City and DWP have agreed that the City will finance and own the AWPF expansion and will recover costs by selling the recycled water from the facility to DWP.

Total Maximum Daily Loads (TMDLs)

The US EPA 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 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 financed by Sewer may be required to comply with the TMDLs and its resulting impact on the City's NPDES permits.

Judicial Interpretation of Articles XIIIC and XIIID 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 XIIID, whether the fees and charges are calculated based on consumption or are imposed as a fixed monthly fee.

NOTE 5 – OTHER INFORMATION (Continued)

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 XIIID, 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 XIIIC 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 XIIIC 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.

Fire and Police Pension System Donations

Pensions has been a recipient of donations in the form of non-voting common stocks of certain non-public corporations (donors). Under the terms of the agreements, Pensions acknowledged that: (a) 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, (b) no public market exists for the non-voting common shares, and (c) 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 donors. Pensions recorded the donated shares at zero cost and zero market value. Donated income is recorded when cash dividends and sales proceeds are received. The last donation of private equity was accepted by Pensions in 2002. Pensions has sold or returned the majority of donation of private equity since August 2005. Through June 30, 2009, the Pensions received $28.8 million of such donated income. No dividend from these donations was received in fiscal year 2013.

NOTE 5 – OTHER INFORMATION (Continued)

F. Dissolution of Community Redevelopment Agency (CRA) and Related Contingencies

The enactment in June 2011 of the Dissolution Act, upheld by the California Supreme Court to be largely constitutional on December 29, 2011, resulted in the dissolution of all redevelopment agencies as of February 1, 2012. The Dissolution Act also called for the establishment of successor agencies and other designated entities to initiate the process to unwind the affairs of the former agencies. On June 27, 2012, the Governor signed AB 1484 which makes technical and substantive amendments to the Dissolution Act.

On January 11, 2012, the City Council, the legislative body that created the CRA, adopted a resolution wherein it formally elected not to serve as the successor agency. On January 25, 2012, Council adopted a resolution to assume only the housing functions and activities of the CRA, excluding any amount on deposit in the Low and Moderate Income Housing Fund (C.F. 12-0049). On February 3, 2012, as authorized by State Law, Governor Brown appointed three residents of Los Angeles County as the governing board of CRA - Designated Local Authority (DLA) to serve as the Successor Agency. The Dissolution Act provides that all authority, rights, powers, duties, and obligations previously vested with the CRA, under the Community Redevelopment Law, are vested in the successor agency [H&SC Section 34173(a)]. At its inaugural meeting of the same date, the Governing Board of the DLA adopted Bylaws and other organizational rules and procedures relating to meetings, appointment of officers and delegated authority to management for certain day-to-day functions. On February 1, 2012, net assets in the amount of $97.4 million were transferred from the CRA to the newly formed DLA.

Transfer of Properties

On March 8, 2011, the City Council approved the transfer of certain revenue-generating commercial properties with historical cost of $3.7 million from CRA to the City in repayment of CDBG no-terms obligations of $50.7 million (C.F. 11-0354). The transfer included the fee interests in the California Plaza Towers One and Two, Omni Hotel and Martin Luther King, Jr. Shopping Center. The ground lease revenue generated from these properties is approximately $3.3 million annually. Accordingly, the City recognized a loss on loan settlement of $47.0 million as Special Item in fiscal year 2011.

On March 22, 2011, Council authorized the transfer of an additional 74 properties from CRA, in connection with the implementation of a Cooperation Agreement (C.F. 11-0086-S1). Since the 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. At the close of fiscal year 2011, 52 grant deeds, including 106 parcels, with historical cost of $93.4 million were transferred to the City. The City capitalized these assets in fiscal year 2011.

The enactment of AB 1X26, among other things, directed the State Controller to review the propriety of transfers of assets between redevelopment agencies and other public bodies after January 1, 2011. As a result, the State Controller issued a written notice on April 20, 2012, requiring the reversal of prior asset transfers that are not contractually committed. In December 2012, the City returned the properties transferred in March 2011 and removed these properties from its Capital Assets in fiscal year 2013. Following the return of the properties, the City submitted a claim to DLA for the repayment of the $50.7 million. DLA reviewed the City's claim and based on the specific requirements of AB 1X26 and AB 1484, it determined that the claim is not an enforceable obligation.

NOTE 5 – OTHER INFORMATION (Continued)

The City believes that the obligations of CRA due to the City are valid enforceable obligations under the requirements of the Dissolution Act. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City. As a result, the CDBG no-term obligations was not included as receivable on the City's financial statements.

Housing Assets Transfer

As previously discussed, the City elected to retain the housing assets and functions previously performed by CRA. Pursuant to HSC Section 34176 (a) (2), the Housing Asset Transfer Form (Form) prepared by DLA staff was submitted by the City's Housing Department (LAHD) to State Department of Finance (DOF) on August 1, 2012. DOF issued its final determination letter on March 27, 2013, granting approval of most of housing assets listed on the Form. Effective May 1, 2013, CRA's housing assets and functions were transferred and assumed by LAHD, the Housing Successor Agency. CRA has retained the disputed housing assets pending resolution of the disputed items. As required by HSC Section 34176 (d), the City created the Low and Moderate Income Housing Fund to maintain housing assets transferred from CRA. Housing Assets primarily consists of loan receivable and land for redevelopment. An adjustment of $205.3 million for the transfer of housing assets was reflected as Special Items in the City's financial statements.

Other Loans from the City

At June 30, 2013, the federally funded loans from the City to CRA amounted to $15.8 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 and therefore remain in effect. The subject agreements fully document the terms under which the federally funded loans were made to CRA, including interest rates and maturity dates. DOF concurred with this interpretation in its approval of DLA's Recognized Obligation Payment Schedules (ROPS) for scheduled payment of principal and interest for four loans currently due. Future ROPS will include interest payments for the remaining outstanding loan, with a final payment of principal and interest due upon maturity in 2021.

Other Cooperation Agreements

Pursuant to AB 1X26, all other cooperation agreements between various City department and the CRA, such as street and sidewalk construction, design and construction services, design and construction of street lighting, and general construction services in support of redevelopment activities, were invalidated.

Preservation of External Grant Funding for Local Communities

In its previous capacity, CRA successfully secured a variety of federal, state, local and private grant resources to support redevelopment activities throughout the City. At the time of dissolution, CRA had an active grant portfolio that included 86 awarded grants totaling approximately $164.9 million in external resources. These grant resources supported vital investments in public infrastructure and open space, commercial and residential development, environmental remediation, planning efforts and other critical activities and projects.

NOTE 5 – OTHER INFORMATION (Continued)

In order to serve the dual purpose of winding down the CRA's redevelopment activities and reducing administrative costs in an expeditious manner, while also preserving the external grant resources within the City, DLA identified City departments capable of assuming the responsibility to implement these grants if transferred. After reviewing various grant documents, three categories of grants were identified: 1) those with an executed grant agreement; 2) those with an executed grant agreement and which included a CRA matching fund commitment; and 3) grants which were awarded to CRA but did not have an executed agreement in place. For those grant awards that had executed agreements in place (both match and non-match), DLA's Counsel determined that it is prudent to execute assignment agreements between the City and DLA to formalize the actual transfer of these grant awards, including administrative and implementation responsibilities, to the City.

Following a discussion with representatives from CRA and the City, DOF issued a letter on January 20, 2013, confirming that external grant proceeds (not withstanding any CRA matching funds) were restricted assets, and not available for distribution to the affected taxing entities. Per DOF, the transfer of these grant proceeds, along with the grant administration responsibilities, to another entity would be consistent with the wind down of the former redevelopment agency. If supporting documentation existed showing the provision of matching funds was in the agreement between the former redevelopment agency and the awarding entity, and thus, a valid obligation, they should be listed on a future ROPS for consideration. DLA determined that eight projects awarded external grant funding qualified as enforceable obligations. DOF approved these items (and their identified matching funds) in its April 14, 2013 Determination Letter for ROPS 13-14A. Assignment Agreements were subsequently prepared for execution. DLA identified eight other projects that had valid, executed agreements in place, but did not have a matching fund commitment. Assignment Agreements were also prepared for these. Ultimately, DLA was successful in resolving the assignment of these 16 projects that had executed agreements in place prior to dissolution.

Transfer of Properties for Government Use

The Dissolution Act requires CRA to dispose of its real properties, with sales proceeds to be distributed proportionally to affected taxing entities. AB1484 established the Long Range property Management Plan (Plan) as the mechanism for planning and seeking approval for the disposition of CRA assets. Per statute, the Plan must contain property, and a proposal for how to use or dispose of each property in one of four categories. Properties that were constructed and used for a government purpose, such as roads, school buildings, parks, and fire stations, may be categorized in the Plan as Government Use properties and transferred to the appropriate public jurisdiction. Other property categories include Retention for Future Development, Retention to Fulfill an Enforceable Obligation, and Property for Sale.

A City interdepartmental working group has been working with DLA to identify properties appropriate for transfer to the City for government use, evaluate the condition of the properties, and the need for continued government use, and estimate the costs to the City associated with assuming ownership. The City Council has authorized the City Administrative Officer (CAO) and the Chief Legislative Analyst (CLA) with the assistance of certain departments to negotiate with DLA and DOF relative to transfer of 34 DLA properties and real property interests to the City; and upon DOF's approval of the Plan, authorize the receipt of approximately 5.6 million square feet of Transferable Floor Area Ratio development rights for administration by the City Planning Department (C.F. 13-1482).

NOTE 5 – OTHER INFORMATION (Continued)

G. Subsequent Events

Indebtedness

Subsequent to June 30, 2013, the City issued the following indebtedness:

Issue Date	Description	Amount (in millions)	Interest Rate (Percentage)
July 11, 2013	2013 Tax and Revenue Anticipation Notes	$ 1,324.6	2.000 %
November 19, 2013	Airports Senior Revenue Bonds Series 2013-A	170.7	5.000
November 19, 2013	Airports Subordinate Bonds 2013-B	71.2	4.625 - 5.000
July 24, 2013	Harbor Commercial Paper	25.0	0.130
December 5, 2013	Water System Revenue Bonds Series 2013-B	380.0	3.860

Airports Enterprise Fund

On October 15, 2013, Airports Board authorized the issuance of the Series 2013 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 the Terminal 4 Connector, Bradley West Core Renovations, and various capital projects.

Terminal Media Operator Concession Agreement

On December 2, 2013, Airports Board awarded terminal media operator concession agreement to JCDecaux/Airport Sponsorships/Time Warner for the development of indoor advertising, sponsorship, and emerging media opportunities at LAX for a term through December 31, 2020, with guaranteed revenue to exceed $180.0 million.

Exercise Option to Purchase Terminal Renovations from United Airlines

On December 2, 2013, Airports Board exercised the purchase option under terminal facilities lease and license agreement with United Airlines covering renovations in Terminals 6, 7 and 8 at LAX for costs not to exceed $143.8 million.

Central Terminal Area (CTA) Improvements

On January 13, 2014, Airports Board awarded a $118.0 million contract for the New Face of the CTA project and $86.9 million for the further remodeling of Terminal 2 and begin planning the Midfield Satellite Concourse North project.

NOTE 5 – OTHER INFORMATION (Continued)

American Airlines/US Airways Merger

AMR Corporation, the parent company of American Airlines (AA), officially emerged from bankruptcy on December 9, 2013 through a merger with U.S. Airways. The combined entity adopted the name American Airlines Group, Inc.

On January 13, 2014, Airports Board approved a settlement agreement with AA, which settled, among other things, the dispute regarding maintenance and operation expenses from calendar year 2011 to the end of the Terminal 4 lease term, which also settles the "cure amount" that has been a subject of AA's bankruptcy court proceedings with respect to AA's assumption of the Terminal 4 lease. This settlement agreement is subject to Los Angeles City Charter Section 245 as well as bankruptcy court approval.

LA/Ontario International Airport Disposition

On December 5, 2013, Airports, the City of Ontario, the County of San Bernardino and Ontario International Airport Authority, and other primary stakeholders agreed to stay litigation activity until January 31, 2014 in order to attempt to resolve the dispute relating to the transfer of LA/Ontario International Airport through an informal mediation process. Airports cannot predict the outcome of this lawsuit and no assurance can be given that the outcome of this litigation will not have a material adverse effect on Airport's operations or financial condition.

Water Enterprise Fund

In August 2013, the 3-yr Standby Bond Purchase Agreement (SBPA) with Wells Fargo Bank which provides liquidity support to the $100 million Water System Variable Rate Demand Revenue Bonds, 2001 Series B, Subseries B-4 scheduled to expire on October 4, 2013 was successfully amended to extend the term for three years, from August 1, 2013 to July 31, 2016. The amendment also reduced the liquidity facility fee from 55 basis points to 20 basis points per annum, providing savings to Water of approximately $1.0 million over three years or $350,000 per year. Finally, Wells Fargo Bank agreed to terminate the current SBPA 65 days earlier (August 1, 2013 instead of October 4, 2013) thus allowing Water to immediately benefit from the new lower commitment fee, thus generating additional savings of approximately $63,000.

Power Enterprise Fund

In July 2013, the three-year Revolving Credit Agreement (RCA) with Wells Fargo Bank, which provides liquidity support to the $200.0 million Power System Revenue Commercial Paper Notes, scheduled to expire on August 26, 2013 was successfully amended to extend the term for three years, from July 1, 2013 to July 1, 2016. The amendment also reduced the liquidity facility fee from 70 basis points to 27.5 basis points per annum, providing savings to Power of approximately $2.5 million over three years or $850,000 per year. Finally, Wells Fargo Bank agreed to terminate the current RCA 57 days earlier (July 1, 2013 instead of August 26, 2013) thus allowing Power to immediately benefit from the new lower commitment fee, thus generating additional savings of approximately $135,000.

NOTE 5 – OTHER INFORMATION (Continued)

Convention Center

On October 9, 2013, the City Council approved a Management Agreement (Agreement) between the City and Anchutz Entertainment Group (AEG) to provide management and operations services for the Convention Center (C.F. 12-0692). The five-year term Agreement includes an unfettered ability to terminate by year three, with a base management fee amount of $175,000 and an incentive fee amount not-to-exceed $175,000 for a total amount of $350,000. To maintain the tax-exempt status of Convention Center bonds, the Agreement is intended to satisfy certain requirements such that it constitutes a Qualified Management Contract for purposes of the Internal Revenue Service (IRS) Code. On December 3, 2013, the City Council approved Ordinance Nos. 182814 and 182815 to amend specific Los Angeles Administrative Code sections regarding the governance structure of the Convention Center that the Mayor approved on December 6, 2013 (C.F. 12-0692-S2). AEG will immediately begin its assessment period, and fully implement the duties outlined in the Agreement by January 2014.

Los Angeles City Employees' Retirement System

California State Superior Court Ruling on Health Subsidy Freeze

Two bargaining units took legal action against the City regarding the City's ordinance to freeze the maximum medical subsidy at $1,190 for those members who retire on or after July 1, 2011 without making additional contributions at 2% or 4% of pay at any time prior to retirement. On October 8, 2013, a California Superior Court judge ruled in favor of the labor organizations, and directed the City to provide a retiree health care insurance premium subsidy without regard to the freeze. Therefore, Tier 1 retired members of two bargaining units represented by the labor organizations will not be subject to the freeze.

Establishment of New Tier (Tier 2) of Members

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 tier (Tier 2) with different retirement and postemployment health care benefits, and conditions of entitlement for new hires who become members of LACERS on or after July 1, 2013. The ordinance for Tier 2 members became effective on November 12, 2012.

Tier 2 members' initial contribution rate for the first four years will be 10% of their pensionable salary. The LACERS Board shall establish the Tier 2 member contribution rate every three years thereafter, with the first such determination to be effective July 1, 2017, for the following three years. 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. The Tier 2 member contribution is paid solely for the purpose of providing benefits for the member only and does not include a survivor contribution, unlike Tier 1.

NOTE 5 – OTHER INFORMATION (Continued)

H. Other Matters Affecting the City's Future Operations

The City's fiscal year 2014 total adopted budget is $7.7 billion. Of this amount, $3.7 billion, or 47.3%, is appropriated for departmental expenditures. The remainder of $4.0 billion is appropriated for non-departmental expenditures. Estimated general receipts of $4.9 billion, special receipts of $2.1 billion, bond redemption and interest funds of $0.2 billion, and special fund available balances of $0.5 billion are sources of funds for the budget. The adopted budget provided enhancements to ongoing services such as Fire recruit training and upgrade of fire companies, systems and equipment investments, as well as long deferred capital improvements.

The City addressed a projected $216.0 million General Fund deficit for fiscal year 2014 through increased ongoing, as well as one-time, revenue, transfers and receipts, various efficiencies and expenditure reductions. Efficiencies and expenditure reductions programmed in the budget include elimination of vacancies; reorganization of departmental functions; expense account reductions; and funding realignment from the General Fund to special funds. The budget also assumed that savings would be realized from employee concessions that would require a 10.0% employee contribution towards healthcare premiums; elimination of 5.5% salary adjustments scheduled for January 1, 2014, for certain employee bargaining units representing over 60.0% of the civilian workforce; and, pension contribution associated with such salary adjustments. The fiscal year 2014 budget set aside funding in the Unappropriated Balance in the event employee concessions fail to materialize.

Major tax categories are projected to expand for sales, business, utility users, documentary transfer, transient occupancy, and parking users' tax receipts. The increase in property tax is based on estimated countywide growth of 2.9% and also includes continuation of ex-CRA tax increment receipts. Other one-time revenue include reimbursement of prior year related costs from the Transportation Grant Special Fund; surplus transfer from the Special Parking Revenue Fund; tax amnesty receipts; prior year reimbursement of fire emergency medical services pursuant to Assembly Bill (AB) 678; and surplus transfer from the Budget Stabilization Fund.

The City Administrative Officer (CAO) reports to the Mayor and City Council on the status of the budget. Based on the CAO's First and Second Financial Status Reports released in October and December 2013, respectively, estimated overall receipts through November 2013 were slightly above planned revenue primarily due to the receipt of Transportation Grant Special Fund monies ahead of schedule. Below plan estimates such as $10.5 million lower utility tax receipts were offset by higher receipts such as $18.3 million higher documentary transfer tax largely attributed to increasing home sale prices and volume.

As reported by the Controller in its Preliminary Financial Report for fiscal year ended June 30, 2013, the July 1, 2013, Reserve Fund balance was $326.6 million or 6.7% of the General Fund budget, above the 5.0% City Financial Policy. Budget Stabilization Fund was substantially built up to $69.5 million in accordance with the adopted budget. A transfer of $8.0 million to the General Fund as budgeted lowered its balance to $61.5 million.

The CAO reported certain issues of concerns that may negatively impact planned revenue growth such as fluctuating City unemployment and possible slowdown of home sales in light of higher home prices and higher interest rates; proposed decrease in Community Development Block and HOME Investment Partnerships Program grants below 2013 post-sequestration levels; "true up" calculation of City contribution for LACERS based on adjusted rather than budgeted salaries; and potential liability from labor-related and class action litigation.

NOTE 5 – OTHER INFORMATION (Continued)

Approximately $24.0 million in expenditure shortfalls and unbudgeted expenses were projected primarily due to $13.2 million in unfunded Fire Ambulance Augmentation Plan and delayed implementation of the 40 hour work week for sworn personnel at the Fire Dispatch Center; $4.6 million cost of placing an initiative ordinance for the creation of a new City public health department; and, $6.2 million in unfunded compensation adjustments and other shortfalls. While the shortfall may be potentially offset by revenue received in the prior fiscal year, the CAO recommended other budget balancing solutions rather than a transfer from the Reserve Fund. These included the transfer from the set aside monies in the Unappropriated Balance and discontinuation of the unfunded Fire Ambulance Augmentation Plan for the remaining six months of the fiscal year.

As instructed by the City Council, the CAO reported on the status of Police Department banked sworn overtime. The existing three-year MOU for police officers provided that the 800-hour compensated time-off limit would sunset when the MOU expires on June 30, 2014. The CAO is working with the Police Department on options to address the liability, prior to, or as part of, negotiations for a successor agreement to the existing MOU.

The Four-Year Budget Outlook (Outlook) based on the 2013-14 adopted budget presented ongoing structural deficits but declining each year thereafter, with a small surplus estimated for fiscal year 2018. However, it assumed that employee concessions would be realized as budgeted. The CAO subsequently revised its Four Year Budget Outlook to assume that the 5.5% COLA would be paid as scheduled and other assumed employee concessions would not be realized. The estimated deficit for fiscal year 2015 would total $242.0 million and would further climb by $14.0 million, to $256.0 million, without elimination of the unfunded Fire Ambulance Augmentation Plan.

Initiative Ordinance Regarding Creation of a City Public Health Department

On June 26, 2013, the City Council adopted Ordinance No. 182613 to place an initiative ordinance for the creation of a new City public health department at a Special Election to be consolidated with the State Primary Election on June 3, 2014. The City Council also directed the City Attorney to pursue a court determination regarding the validity of the initiative ordinance prior to the election. The CAO estimated ongoing costs of $333.0 million annually, excluding significant but unknown obligation for planning and one-time start-up costs.

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Required Supplementary Information

CITY OF LOS ANGELES

REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2013
(Unaudited)

Benefit Pension Plans
Schedule of Funding Progress
(amounts expressd in thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Underfunded AAL	Funded Ratio	Covered Payroll	Underfunded AAL as a Percentage of Covered Payroll
Fire and Police Pension Plan						
6/30/11	$ 14,337,669	$ 16,616,476	$ 2,278,807	86.3 %	$ 1,343,963	169.6 %
6/30/12	14,251,914	17,030,833	2,778,919	83.7	1,341,914	207.1
6/30/13	14,657,713	17,632,425	2,974,712	83.1	1,367,237	217.6
Los Angeles City Employees' Retirement Plan						
6/30/11	9,691,011	13,391,704	3,700,693	72.4	1,833,392	201.9
6/30/12	9,934,959	14,393,959	4,459,000	69.0	1,819,270	245.1
6/30/13	10,223,961	14,881,663	4,657,702	68.7	1,846,970	252.2
Water and Power Employees' Retirement and Death Benefit Insurance Plan						
7/1/11	7,465,184	9,297,204	1,832,020	80.3	870,203	210.5
7/1/12	7,573,886	9,692,603	2,118,717	78.1	886,539	239.0
7/1/13	7,958,488	10,094,868	2,136,380	78.8	900,254	237.3

Other Postemployment Benefits Healthcare Plans
Schedule of Funding Progress
(amounts expressed in thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Underfunded AAL	Funded Ratio	Covered Payroll	Underfunded AAL as a Percentage of Covered Payroll
Fire and Police Health Subsidy Plan						
6/30/11	$ 882,890	$ 2,557,607	$ 1,674,717	34.5 %	$ 1,343,963	124.6 %
6/30/12	927,362	2,499,289	1,571,927	37.1	1,341,914	117.1
6/30/13	1,013,400	2,633,793	1,620,393	38.5	1,367,237	118.5
Los Angeles City Employees' Postemployment Healthcare Plan						
6/30/11	1,546,884	1,968,708	421,824	78.6	1,833,392	23.0
6/30/12	1,642,374	2,292,400	650,026	71.6	1,819,270	35.7
6/30/13	1,734,733	2,412,484	677,751	71.9	1,846,970	36.7
Water and Power Employees' Retiree Health Benefits Plan						
6/30/11	1,132,929	1,550,896	417,967	73.0	870,203	48.0
6/30/12	1,244,039	1,566,059	322,020	79.4	886,539	36.3
6/30/13	1,332,136	1,743,727	411,591	76.4	900,254	45.7

CITY OF LOS ANGELES

REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2013
(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%	42%	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%	42%	25%	24%	4%	0%

CITY OF LOS ANGELES

REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2013
(Unaudited)

Comparison of Needed-to-Actual Maintenance/Preservation Costs
(amounts expressed in thousands)

	Fiscal Year Ended June 30				
	2009	2010	2011	2012	2013
Needed	$ 29,434	$ 73,772	$ 98,794	$ 92,769	$ 44,328
Actual	51,101	39,818	41,003	37,726	36,646

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 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 (S_1=55%), Serviceability and Functional Obsolescence (S_2=30%), Essentiality for Public Use (S_3=15%), and Special Reductions (S_4=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 = S_1+ S_2+ S_3 –S_4). 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." 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.

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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 basic financial statements (pages 39-42 and pages 44-45, respectively). 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, 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 Employee Benefits Trust Funds, and Agency Funds to provide the detail for the combined amounts presented in the basic financial statements (pages 62 and 63).

CITY OF LOS ANGELES

Combining Balance Sheet
Other Governmental Funds
June 30, 2013
(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	$ 1,207,734	$ 219,529	$ 691,276	$ 2,118,539
Other Investments	--	13,230	--	13,230
Taxes Receivable				
(Net of Allowance for Uncollectibles of $6,806)	12,033	19,830	--	31,863
Accounts Receivable				
(Net of Allowance for Uncollectibles of $11,500)	34,332	--	2,055	36,387
Special Assessments Receivable	8,632	--	1,594	10,226
Investment Income Receivable	3,234	417	2,189	5,840
Intergovernmental Receivable	109,953	278	2,430	112,661
Loans Receivable				
(Net of Allowance for Uncollectibles of $1,364,212)	396,743	--	--	396,743
Due from Other Funds	60,649	--	787	61,436
Prepaid Items and Other Assets	23,627	--	--	23,627
Advances to Other Funds	28,143	--	--	28,143
Properties Held for Housing Development	80,484	--	--	80,484
TOTAL ASSETS	$ 1,965,564	$ 253,284	$ 700,331	$ 2,919,179
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts, Contracts and Retainage Payable	$ 81,410	$ --	$ 7,492	$ 88,902
Obligations Under Securities Lending Transactions	4,154	646	2,830	7,630
Accrued Salaries and Overtime Payable	2,213	--	--	2,213
Accrued Compensated Absences Payable	5	--	--	5
Intergovernmental Payable	2,605	--	4	2,609
Due to Other Funds	101,520	--	7,514	109,034
Deferred Revenue and Other Credits	93,852	16,372	2,184	112,408
Deposits and Advances	22,714	--	4	22,718
Matured Bonds and Interest Payable	--	278	--	278
Advances from Other Funds	70,325	--	8,848	79,173
Other Liabilities	55,305	1,721	7,538	64,564
TOTAL LIABILITIES FORWARDED	434,103	19,017	36,414	489,534

Continued….

CITY OF LOS ANGELES

Combining Balance Sheet
Other Governmental Funds
June 30, 2013
(amounts expressed in thousands)

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Other Governmental Funds
TOTAL LIABILITIES FORWARDED	$ 434,103	$ 19,017	$ 36,414	$ 489,534
FUND BALANCES				
Nonspendable:				
Prepaid Items and Other Assets	23,627	--	--	23,627
Restricted for:				
Animal Shelter Facilities	--	--	22,816	22,816
Community Development	517,553	--	--	517,553
Construction and Engineering Regulation Enforcement	1,198	--	--	1,198
Cultural Activities	15,286	--	1,636	16,922
Debt Service	2,624	234,267	542	237,433
Fire Prevention and Emergency Preparedness	8,321	--	1,492	9,813
General Government	879	--	--	879
Health, Environment and Sanitation Programs	94,572	--	--	94,572
Landfill Closure and Postclosure Maintenance	14	--	--	14
Law Enforcement	56,770	--	--	56,770
Library	4,653	--	2,472	7,125
Other Capital Projects	11,917	--	--	11,917
Other Purposes	4,605	--	--	4,605
Police, Fire and 911 Facilities	--	--	196,658	196,658
Recreation and Parks	15,617	--	201,890	217,507
Seismic Improvement	30,725	--	2,153	32,878
Solid Waste	23,860	--	--	23,860
Stormwater Cleanup Capital Projects	8,607	--	230,661	239,268
Street Services	76,651	--	--	76,651
Transportation	284,929	--	3,597	288,526
Assigned to:				
Community Development	126,984	--	--	126,984
Construction and Engineering Regulation Enforcement	84,718	--	--	84,718
Cultural Activities	4,680	--	--	4,680
Fire Prevention and Emergency Preparedness	11,528	--	--	11,528
General Government	46,065	--	--	46,065
Health, Environment and Sanitation Programs	8,217	--	--	8,217
Landfill Closure and Postclosure Maintenance	9,051	--	--	9,051
Law Enforcement	3,555	--	--	3,555
Library	7,641	--	--	7,641
Other Capital Projects	2,443	--	--	2,443
Other Purposes	25,640	--	--	25,640
Recreation and Parks	4,471	--	--	4,471
Street Services	7,038	--	--	7,038
Transportation	33,134	--	--	33,134
Unassigned	(26,112)	--	--	(26,112)
TOTAL FUND BALANCES	1,531,461	234,267	663,917	2,429,645
TOTAL LIABILITIES AND FUND BALANCES	$ 1,965,564	$ 253,284	$ 700,331	$ 2,919,179

CITY OF LOS ANGELES

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Other Governmental Funds
REVENUES				
Property Taxes	$ 28,194	$ 162,162	$ --	$ 190,356
Other Taxes	63,590	--	1,564	65,154
Licenses and Permits	36,305	--	27	36,332
Intergovernmental	663,462	1,828	15,558	680,848
Charges for Services	360,549	7,682	8,870	377,101
Services to Enterprise Funds	1,248	--	--	1,248
Fines	9,507	--	--	9,507
Special Assessments	101,853	--	25,177	127,030
Investment Earnings	19,670	2,460	9,363	31,493
Change in Fair Value of Investments	(13,776)	(2,367)	(10,286)	(26,429)
Program Income	24,268	--	--	24,268
Other	43,901	34	630	44,565
TOTAL REVENUES	1,338,771	171,799	50,903	1,561,473
EXPENDITURES				
Current:				
General Government	38,575	--	--	38,575
Protection of Persons and Property	264,041	--	--	264,041
Public Works	223,777	--	--	223,777
Health and Sanitation	71,777	--	--	71,777
Transportation	223,184	--	--	223,184
Cultural and Recreational Services	148,215	--	--	148,215
Community Development	319,392	--	--	319,392
Capital Outlay	157,903	--	95,294	253,197
Debt Service:				
Principal	34,798	185,640	--	220,438
Interest	3,328	91,833	--	95,161
Cost of Issuance	--	296	--	296
TOTAL EXPENDITURES	1,484,990	277,769	95,294	1,858,053
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(146,219)	(105,970)	(44,391)	(296,580)
OTHER FINANCING SOURCES (USES)				
Transfers In	192,808	107,451	26,514	326,773
Transfers Out	(97,082)	(48)	(28,185)	(125,315)
Loans from HUD	29,003	--	--	29,003
Issuance of Refunding Bonds	--	78,780	--	78,780
Premium on Issuance of Refunding Bonds	--	9,096	--	9,096
Advance Refunding Escrow	--	(94,781)	--	(94,781)
TOTAL OTHER FINANCING SOURCES (USES)	124,729	100,498	(1,671)	223,556
SPECIAL ITEMS				
Transfer of Properties for Housing Development from CRA	80,484	--	--	80,484
Transfer of Housing Loans from CRA	124,781	--	--	124,781
NET CHANGE IN FUND BALANCES	183,775	(5,472)	(46,062)	132,241
FUND BALANCES, JULY 1	1,347,686	239,739	709,979	2,297,404
FUND BALANCES, JUNE 30	$ 1,531,461	$ 234,267	$ 663,917	$ 2,429,645

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, 2013 (amounts expressed in thousands)

	Original Adopted Budget	Additional Appropriations and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2013	Total Actual	Variance With Final Budget Positive (Negative)
GENERAL GOVERNMENT							
City Administrative Officer	$ 13,331	$ 1,470	$ 14,801	$ 11,735	$ 1,216	$ 12,951	$ 1,850
City Attorney	98,524	10,714	109,238	98,857	9,795	108,652	586
City Clerk	25,536	(372)	25,164	20,478	3,023	23,501	1,663
Controller	16,369	799	17,168	14,363	1,592	15,955	1,213
Council	17,981	17,779	35,760	26,543	1,597	28,140	7,620
Employee Relations Board	401	--	401	262	68	330	71
Ethics Commission	2,269	--	2,269	1,944	94	2,038	231
Finance	36,376	(151)	36,225	33,167	2,545	35,712	513
General Services	215,223	81,305	296,528	240,309	23,491	263,800	32,728
Information Technology Agency	81,475	7,384	88,859	66,313	20,551	86,864	1,995
Mayor	6,151	31,693	37,844	26,511	9,757	36,268	1,576
Neighborhood Empowerment	2,296	108	2,404	2,162	124	2,286	118
Personnel	50,055	(176)	49,879	42,900	3,435	46,335	3,544
Non-Departmental							
Capital Finance Administration	52,573	218	52,791	52,368	184	52,552	239
General City Purposes	93,123	(33,160)	59,963	40,876	13,468	54,344	5,619
Human Resources Benefits	592,508	(11,973)	580,535	552,543	22,758	575,301	5,234
Liability Claims	47,910	9,034	56,944	56,942	--	56,942	2
Unappropriated Balance	27,482	(21,078)	6,404	--	--	--	6,404
Water and Electricity	26,987	1,269	28,256	17,923	10,333	28,256	--
TOTAL GENERAL GOVERNMENT	1,406,570	94,863	1,501,433	1,306,196	124,031	1,430,227	71,206
PROTECTION OF PERSONS AND PROPERTY							
Animal Services	20,171	104	20,275	18,989	1,000	19,989	286
Building and Safety	71,746	4,412	76,158	67,984	2,970	70,954	5,204
Emergency Management	1,790	1,083	2,873	2,506	113	2,619	254
Fire	513,445	13,229	526,674	497,729	25,457	523,186	3,488
Police	1,256,645	7,879	1,264,524	1,188,928	60,685	1,249,613	14,911
TOTAL PROTECTION OF PERSONS AND PROPERTY	1,863,797	26,707	1,890,504	1,776,136	90,225	1,866,361	24,143
PUBLIC WORKS							
Public Works Bureaus							
Board of Public Works	13,332	3,614	16,946	14,824	1,432	16,256	690
Contract Administration	29,850	1,880	31,730	26,315	1,208	27,523	4,207
Engineering	71,801	8,145	79,946	64,992	3,609	68,601	11,345
Street Lighting	25,018	2,239	27,257	23,016	1,206	24,222	3,035
Street Services	166,840	14,870	181,710	148,960	14,298	163,258	18,452
Non-Departmental							
Water and Electricity	4,990	90	5,080	3,239	1,841	5,080	--
TOTAL PUBLIC WORKS	311,831	30,838	342,669	281,346	23,594	304,940	37,729
HEALTH AND SANITATION							
Public Works- Bureau of Sanitation	221,247	1,597	222,844	189,109	10,659	199,768	23,076
Non-Departmental							
Water and Electricity	986	44	1,030	690	340	1,030	--
TOTAL HEALTH AND SANITATION	222,233	1,641	223,874	189,799	10,999	200,798	23,076

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, 2013
(amounts expressed in thousands)**

	Original Adopted Budget	Additional Appropriations and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2013	Total Actual	Variance With Final Budget Positive (Negative)
TRANSPORTATION	$ 131,154	$ 8,505	$ 139,659	$ 129,686	$ 6,920	$ 136,606	$ 3,053
CULTURAL AND RECREATIONAL SERVICES							
Convention Center	22,961	(55)	22,906	21,409	855	22,264	642
Cultural Affairs	8,065	976	9,041	6,820	1,799	8,619	422
El Pueblo De Los Angeles Historical Monument Authority	1,697	(64)	1,633	1,512	100	1,612	21
Zoo	17,561	242	17,803	16,241	1,189	17,430	373
Non-Departmental							
Water and Electricity	3,515	169	3,684	2,371	1,313	3,684	--
TOTAL CULTURAL AND RECREATIONAL SERVICES	53,799	1,268	55,067	48,353	5,256	53,609	1,458
COMMUNITY DEVELOPMENT							
Aging	4,003	326	4,329	3,233	172	3,405	924
Community Development	26,139	1,976	28,115	24,909	1,297	26,206	1,909
Disability	2,022	--	2,022	1,427	159	1,586	436
Los Angeles Housing	50,479	3,596	54,075	46,600	1,976	48,576	5,499
Planning	29,050	888	29,938	23,202	2,779	25,981	3,957
TOTAL COMMUNITY DEVELOPMENT	111,693	6,786	118,479	99,371	6,383	105,754	12,725
PENSION AND RETIREMENT CONTRIBUTIONS							
Non-Departmental							
General City Purposes	1,630	138	1,768	1,674	89	1,763	5
CAPITAL OUTLAY							
Non-Departmental							
Capital Improvement Projects	6,826	25,255	32,081	5,223	3,347	8,570	23,511
TRANSFERS TO OTHER FUNDS							
Non-Departmental							
Capital Finance Administration	158,482	3,988	162,470	158,668	--	158,668	3,802
General	1,152,271	37,777	1,190,048	1,180,785	--	1,180,785	9,263
TOTAL TRANSFERS TO OTHER FUNDS	1,310,753	41,765	1,352,518	1,339,453	--	1,339,453	13,065
GRAND TOTAL	$ 5,420,286	$ 237,766	$ 5,658,052	$ 5,177,237	$ 270,844	$ 5,448,081	$ 209,971

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, 2013
(amounts expressed in thousands)

	Original Adopted Budget	Additional Appropriations and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2013	Total Actual	Variance With Final Budget Positive (Negative)
GENERAL GOVERNMENT							
CITY ADMINISTRATIVE OFFICER							
Salaries	$ 12,089	$ 376	$ 12,465	$ 11,108	$ 439	$ 11,547	$ 918
Expenses	1,242	1,094	2,336	627	777	1,404	932
Subtotal	13,331	1,470	14,801	11,735	1,216	12,951	1,850
CITY ATTORNEY							
Salaries	91,381	1,844	93,225	89,081	3,573	92,654	571
Expenses	7,143	1,762	8,905	5,444	3,446	8,890	15
Special	--	7,108	7,108	4,332	2,776	7,108	--
Subtotal	98,524	10,714	109,238	98,857	9,795	108,652	586
CITY CLERK							
Salaries	16,676	(414)	16,262	14,956	399	15,355	907
Expenses	8,860	42	8,902	5,522	2,624	8,146	756
Subtotal	25,536	(372)	25,164	20,478	3,023	23,501	1,663
CONTROLLER							
Salaries	14,825	448	15,273	13,721	562	14,283	990
Expenses	1,468	270	1,738	599	920	1,519	219
Equipment	76	81	157	43	110	153	4
Subtotal	16,369	799	17,168	14,363	1,592	15,955	1,213
COUNCIL							
Salaries	16,973	16,029	33,002	24,889	1,015	25,904	7,098
Expenses	1,008	1,750	2,758	1,654	582	2,236	522
Subtotal	17,981	17,779	35,760	26,543	1,597	28,140	7,620
EMPLOYEE RELATIONS BOARD							
Salaries	310	--	310	233	12	245	65
Expenses	91	--	91	29	56	85	6
Subtotal	401	--	401	262	68	330	71
ETHICS COMMISSION							
Salaries	1,932	80	2,012	1,891	76	1,967	45
Expenses	337	(80)	257	53	18	71	186
Subtotal	2,269	--	2,269	1,944	94	2,038	231
FINANCE							
Salaries	27,667	(721)	26,946	25,623	1,067	26,690	256
Expenses	8,709	570	9,279	7,544	1,478	9,022	257
Subtotal	36,376	(151)	36,225	33,167	2,545	35,712	513
GENERAL SERVICES							
Salaries	101,636	41,946	143,582	118,415	4,313	122,728	20,854
Expenses	109,872	38,862	148,734	118,865	18,129	136,994	11,740
Equipment	120	460	580	--	446	446	134
Special	3,595	37	3,632	3,029	603	3,632	--
Subtotal	215,223	81,305	296,528	240,309	23,491	263,800	32,728

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, 2013
(amounts expressed in thousands)

	Original Adopted Budget	Additional Appropriations and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2013	Total Actual	Variance With Final Budget Positive (Negative)
INFORMATION TECHNOLOGY AGENCY							
Salaries	$ 45,674	$ 3,180	$ 48,854	$ 46,348	$ 2,050	$ 48,398	$ 456
Expenses	19,364	4,549	23,913	14,027	8,600	22,627	1,286
Equipment	308	--	308	170	138	308	--
Special	16,129	(345)	15,784	5,768	9,763	15,531	253
Subtotal	81,475	7,384	88,859	66,313	20,551	86,864	1,995
MAYOR							
Salaries	5,647	8,759	14,406	13,365	503	13,868	538
Expenses	504	22,934	23,438	13,146	9,254	22,400	1,038
Subtotal	6,151	31,693	37,844	26,511	9,757	36,268	1,576
NEIGHBORHOOD EMPOWERMENT							
Salaries	1,965	(107)	1,858	1,692	67	1,759	99
Expenses	325	221	546	470	57	527	19
Special	6	(6)	--	--	--	--	--
Subtotal	2,296	108	2,404	2,162	124	2,286	118
PERSONNEL							
Salaries	41,524	(32)	41,492	37,923	1,720	39,643	1,849
Expenses	6,266	18	6,284	3,573	1,569	5,142	1,142
Special	2,265	(162)	2,103	1,404	146	1,550	553
Subtotal	50,055	(176)	49,879	42,900	3,435	46,335	3,544
NON-DEPARTMENTAL							
Capital Finance Administration	52,573	218	52,791	52,368	184	52,552	239
General City Purposes	93,123	(33,160)	59,963	40,876	13,468	54,344	5,619
Human Resources Benefits	592,508	(11,973)	580,535	552,543	22,758	575,301	5,234
Liability Claims	47,910	9,034	56,944	56,942	--	56,942	2
Unappropriated Balance	27,482	(21,078)	6,404	--	--	--	6,404
Water and Electricity	26,987	1,269	28,256	17,923	10,333	28,256	--
Subtotal	840,583	(55,690)	784,893	720,652	46,743	767,395	17,498
TOTAL GENERAL GOVERNMENT	1,406,570	94,863	1,501,433	1,306,196	124,031	1,430,227	71,206
PROTECTION OF PERSONS AND PROPERTY							
ANIMAL SERVICES							
Salaries	18,548	49	18,597	17,730	766	18,496	101
Expenses	1,623	55	1,678	1,259	234	1,493	185
Subtotal	20,171	104	20,275	18,989	1,000	19,989	286
BUILDING AND SAFETY							
Salaries	69,528	4,357	73,885	66,323	2,801	69,124	4,761
Expenses	2,218	55	2,273	1,661	169	1,830	443
Subtotal	71,746	4,412	76,158	67,984	2,970	70,954	5,204

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, 2013
(amounts expressed in thousands)

	Original Adopted Budget	Additional Appropriations and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2013	Total Actual	Variance With Final Budget Positive (Negative)
EMERGENCY MANAGEMENT							
Salaries	$ 1,603	$ 1,199	$ 2,802	$ 2,451	$ 101	$ 2,552	$ 250
Expenses	187	(116)	71	55	12	67	4
Subtotal	1,790	1,083	2,873	2,506	113	2,619	254
FIRE							
Salaries	489,863	12,806	502,669	477,513	22,166	499,679	2,990
Expenses	23,582	413	23,995	20,216	3,291	23,507	488
Equipment	--	10	10	--	--	--	10
Subtotal	513,445	13,229	526,674	497,729	25,457	523,186	3,488
POLICE							
Salaries	1,208,403	3,377	1,211,780	1,153,363	46,721	1,200,084	11,696
Expenses	47,191	4,385	51,576	35,436	12,961	48,397	3,179
Equipment	1,051	117	1,168	129	1,003	1,132	36
Subtotal	1,256,645	7,879	1,264,524	1,188,928	60,685	1,249,613	14,911
TOTAL PROTECTION OF PERSONS AND PROPERTY	1,863,797	26,707	1,890,504	1,776,136	90,225	1,866,361	24,143
PUBLIC WORKS							
BOARD OF PUBLIC WORKS							
Salaries	6,180	817	6,997	6,213	273	6,486	511
Expenses	7,152	2,775	9,927	8,611	1,137	9,748	179
Equipment	--	22	22	--	22	22	--
Subtotal	13,332	3,614	16,946	14,824	1,432	16,256	690
BUREAU OF CONTRACT ADMINISTRATION							
Salaries	28,219	1,780	29,999	25,001	991	25,992	4,007
Expenses	1,631	100	1,731	1,314	217	1,531	200
Subtotal	29,850	1,880	31,730	26,315	1,208	27,523	4,207
BUREAU OF ENGINEERING							
Salaries	68,598	8,073	76,671	63,700	2,512	66,212	10,459
Expenses	3,203	49	3,252	1,292	1,074	2,366	886
Equipment	--	23	23	--	23	23	--
Subtotal	71,801	8,145	79,946	64,992	3,609	68,601	11,345
BUREAU OF STREET LIGHTING							
Salaries	20,361	683	21,044	18,583	697	19,280	1,764
Expenses	1,489	583	2,072	871	210	1,081	991
Equipment	1	35	36	5	25	30	6
Special	3,167	938	4,105	3,557	274	3,831	274
Subtotal	25,018	2,239	27,257	23,016	1,206	24,222	3,035
BUREAU OF STREET SERVICES							
Salaries	77,808	3,379	81,187	72,507	2,882	75,389	5,798
Expenses	89,032	11,491	100,523	76,453	11,416	87,869	12,654
Subtotal	166,840	14,870	181,710	148,960	14,298	163,258	18,452

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, 2013
(amounts expressed in thousands)

	Original Adopted Budget	Additional Appropriations and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2013	Total Actual	Variance With Final Budget Positive (Negative)
NON-DEPARTMENTAL							
Water and Electricity	$ 4,990	$ 90	$ 5,080	$ 3,239	$ 1,841	$ 5,080	$ -
TOTAL PUBLIC WORKS	311,831	30,838	342,669	281,346	23,594	304,940	37,729
HEALTH AND SANITATION							
PUBLIC WORKS - BUREAU OF SANITATION							
Salaries	212,274	2,067	214,341	186,210	7,492	193,702	20,639
Expenses	8,973	(470)	8,503	2,899	3,167	6,066	2,437
Subtotal	221,247	1,597	222,844	189,109	10,659	199,768	23,076
NON-DEPARTMENTAL							
Water and Electricity	986	44	1,030	690	340	1,030	--
TOTAL HEALTH AND SANITATION	222,233	1,641	223,874	189,799	10,999	200,798	23,076
TRANSPORTATION							
Salaries	107,274	10,015	117,289	111,082	4,424	115,506	1,783
Expenses	23,880	(1,510)	22,370	18,604	2,496	21,100	1,270
TOTAL TRANSPORTATION	131,154	8,505	139,659	129,686	6,920	136,606	3,053
CULTURAL AND RECREATIONAL SERVICES							
CONVENTION CENTER							
Salaries	14,206	257	14,463	13,805	519	14,324	139
Expenses	8,017	(102)	7,915	7,253	290	7,543	372
Special	738	(210)	528	351	46	397	131
Subtotal	22,961	(55)	22,906	21,409	855	22,264	642
CULTURAL AFFAIRS							
Salaries	3,972	375	4,347	4,059	153	4,212	135
Expenses	463	91	554	461	48	509	45
Special	3,630	510	4,140	2,300	1,598	3,898	242
Subtotal	8,065	976	9,041	6,820	1,799	8,619	422
EL PUEBLO DE LOS ANGELES HISTORICAL MONUMENT AUTHORITY							
Salaries	1,290	(84)	1,206	1,149	49	1,198	8
Expenses	407	20	427	363	51	414	13
Subtotal	1,697	(64)	1,633	1,512	100	1,612	21
ZOO							
Salaries	14,367	246	14,613	13,797	604	14,401	212
Expenses	3,194	(4)	3,190	2,444	585	3,029	161
Subtotal	17,561	242	17,803	16,241	1,189	17,430	373
NON-DEPARTMENTAL							
Water and Electricity	3,515	169	3,684	2,371	1,313	3,684	-
TOTAL CULTURAL AND RECREATIONAL SERVICES	53,799	1,268	55,067	48,353	5,256	53,609	1,458

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, 2013
(amounts expressed in thousands)**

	Original Adopted Budget	Additional Appropriations and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2013	Total Actual	Variance With Final Budget Positive (Negative)
COMMUNITY DEVELOPMENT							
AGING							
Salaries	$ 3,870	$ 189	$ 4,059	$ 3,127	$ 116	$ 3,243	$ 816
Expenses	133	121	254	106	41	147	107
Equipment	--	16	16	--	15	15	1
Subtotal	4,003	326	4,329	3,233	172	3,405	924
COMMUNITY DEVELOPMENT							
Salaries	24,242	(709)	23,533	21,635	826	22,461	1,072
Expenses	1,897	2,685	4,582	3,274	471	3,745	837
Subtotal	26,139	1,976	28,115	24,909	1,297	26,206	1,909
DISABILITY							
Salaries	1,630	(86)	1,544	1,095	46	1,141	403
Expenses	287	86	373	314	43	357	16
Special	105	--	105	18	70	88	17
Subtotal	2,022	--	2,022	1,427	159	1,586	436
LOS ANGELES HOUSING							
Salaries	44,493	2,882	47,375	40,779	1,606	42,385	4,990
Expenses	5,486	696	6,182	5,388	370	5,758	424
Equipment	--	18	18	11	--	11	7
Special	500	--	500	422	--	422	78
Subtotal	50,479	3,596	54,075	46,600	1,976	48,576	5,499
PLANNING							
Salaries	23,691	631	24,322	20,692	854	21,546	2,776
Expenses	5,267	257	5,524	2,421	1,924	4,345	1,179
Equipment	92	--	92	89	1	90	2
Subtotal	29,050	888	29,938	23,202	2,779	25,981	3,957
TOTAL COMMUNITY DEVELOPMENT	111,693	6,786	118,479	99,371	6,383	105,754	12,725
PENSION AND RETIREMENT CONTRIBUTION							
Non-Departmental	1,630	138	1,768	1,674	89	1,763	5
CAPITAL OUTLAY							
Non-Departmental	6,826	25,255	32,081	5,223	3,347	8,570	23,511
TRANSFERS TO OTHER FUNDS							
Non-Departmental	1,310,753	41,765	1,352,518	1,339,453	--	1,339,453	13,065
GRAND TOTAL	$ 5,420,286	$ 237,766	$ 5,658,052	$ 5,177,237	$ 270,844	$ 5,448,081	$ 209,971

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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.

CITY OF LOS ANGELES

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. Five funds are reported as major funds and are presented in the basic financial statements. Fourteen funds are separately identified in the Nonmajor Special Revenue Funds combining schedules and they account for 45.4% 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 & 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% 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.

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.

SPECIAL REVENUE FUNDS – (Continued)

Measure R Local Return and Bus Operation 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.

Economic Development Section 108 Loan Guarantee Program Fund – Accounts for loan guarantee funds from 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.

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.

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 16.5% 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 23.7% of the combined revenues of the Nonmajor Special Revenue Funds. Included in this group are 22 annually budgeted funds: Arts and Cultural Facilities and Services, Arts Development Fee, City Employees Ridesharing, City Ethics Commission, City of Los Angeles Affordable Housing, Department of Neighborhood Empowerment, El Pueblo de Los Angeles Historical Monument, Landfill Closure and Postclosure Maintenance, Landfill Maintenance Trust, Local Public Safety, Los Angeles Convention and Visitors Bureau, Measure R Traffic Relief and Rail Expansion Funds, Multi-Family Bulky Item Fee, Municipal Housing Finance, Planning Case Processing Special Fund, Rent Stabilization, Special Police Communications/911 System Tax, Street Damage Restoration Fee, Systematic Code Enforcement Fee, Telecommunications Liquidated Damages and Lost Franchise Fees, Traffic Safety, and Zoo.

SPECIAL REVENUE FUNDS – (Continued)

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 8.5% of the combined revenues of the Nonmajor Special Revenue Funds. Included in this group are 30 partially budgeted funds: ARRA Community Development Block Grant, ARRA Energy Efficiency Conservation, ARRA Neighborhood Stabilization Program, Bus Bench Advertising, Business Improvement Trust, City Attorney Consumer Protection Prosecution, Planning Long Range Plan, City Planning Systems Development, Coastal Transportation Corridor Trust, Enterprise Zone Tax Credit Vouchers, Federal Emergency Shelter Grant, Fire Hydrant Installation and Main Replacement, Industrial Development Authority, Integrated Solid Waste Management, Lopez Canyon Community Amenities, Los Angeles Regional Agency Trust, Neighborhood Stabilization, Off-Site Sign Periodic Inspection, Permit Parking Program Revenue, Pershing Square Trust, Proposition 1B Infrastructure, Repair and Demolition, Section 108 Loan Guarantee Program, State AB1290 City Fund, Street Banners, Sunshine Canyon Community Amenities, Used Oil Collection, Ventura/Cahuenga Boulevard Corridor Specific Plan Revenue, Warner Center Transportation Trust, and West LA Transportation Improvement and Mitigation Special Revenue Funds.

CITY OF LOS ANGELES

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2013
(amounts expressed in thousands)

	Building and Safety Permit	Citywide Recycling	Proposition C Anti-Gridlock Transit Improvement	Special Parking Revenue
ASSETS				
Cash and Pooled Investments	$ 62,015	$ 34,838	$ 18,531	$ 29,109
Taxes Receivable	--	6,405	--	--
Accounts Receivable				
(Net of Allowance for Uncollectibles of $11,500)	3,266	--	--	471
Special Assessments Receivable	1,117	--	--	--
Investment Income Receivable	178	109	50	175
Intergovernmental Receivable	--	--	16,398	--
Loans Receivable				
(Net of Allowance for Uncollectibles of $1,364,212)	--	--	--	695
Due from Other Funds	2,645	923	18,554	17
Prepaid Items and Other Assets	--	--	--	--
Advances to Other Funds	--	--	26,500	--
Properties Held for Housing Development	--	--	--	--
TOTAL ASSETS	$ 69,221	$ 42,275	$ 80,033	$ 30,467
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts, Contracts and Retainage Payable	$ 2,188	$ 934	$ 245	$ 2,607
Obligations Under Securities				
Lending Transactions	257	145	77	121
Accrued Salaries and Overtime Payable	--	--	--	--
Accrued Compensated Absences Payable	--	--	--	--
Intergovernmental Payable	5	--	--	--
Due to Other Funds	369	--	5,792	707
Deferred Revenue and Other Credits	2,759	1,022	6,472	66
Deposits and Advances	532	--	--	270
Advances from Other Funds	--	--	--	--
Other Liabilities	686	385	205	322
TOTAL LIABILITIES FORWARDED	6,796	2,486	12,791	4,093

Continued…

CITY OF LOS ANGELES

Combining Balance Sheet - (Continued)
Nonmajor Special Revenue Funds
June 30, 2013
(amounts expressed in thousands)

	Building and Safety Permit	Citywide Recycling	Proposition C Anti-Gridlock Transit Improvement	Special Parking Revenue
TOTAL LIABILITIES FORWARDED	$ 6,796	$ 2,486	$ 12,791	$ 4,093
FUND BALANCES				
Nonspendable:				
Prepaid Items and Other Assets	--	--	--	--
Restricted for:				
Community Development	--	--	--	--
Construction and Engineering Regulation Enforcement	--	--	--	--
Cultural Activities	--	--	--	--
Debt Service	--	--	--	--
Fire Prevention and Emergency Preparedness	--	--	--	--
General Government	--	--	--	--
Health, Environment and Sanitation Programs	--	39,789	--	--
Landfill Closure and Postclosure Maintenance	--	--	--	--
Law Enforcement	--	--	--	--
Library	--	--	--	--
Other Capital Projects	--	--	--	--
Other Purposes	--	--	--	--
Recreation and Parks	--	--	--	--
Seismic Improvement	--	--	--	--
Solid Waste	--	--	--	--
Stormwater Cleanup Capital Projects	--	--	--	--
Street Services	--	--	--	--
Transportation	--	--	67,242	--
Assigned to:				
Community Development	--	--	--	--
Construction and Engineering Regulation Enforcement	62,425	--	--	--
Cultural Activities	--	--	--	--
Fire Prevention and Emergency Preparedness	--	--	--	--
General Government	--	--	--	--
Health, Environment and Sanitation Programs	--	--	--	--
Landfill Closure and Postclosure Maintenance	--	--	--	--
Law Enforcement	--	--	--	--
Library	--	--	--	--
Other Capital Projects	--	--	--	--
Other Purposes	--	--	--	--
Recreation and Parks	--	--	--	--
Street Services	--	--	--	--
Transportation	--	--	--	26,374
Unassigned	--	--	--	--
TOTAL FUND BALANCES	62,425	39,789	67,242	26,374
TOTAL LIABILITIES AND FUND BALANCES	$ 69,221	$ 42,275	$ 80,033	$ 30,467

Continued...

CITY OF LOS ANGELES

Combining Balance Sheet - (Continued)
Nonmajor Special Revenue Funds
June 30, 2013
(amounts expressed in thousands)

	Stormwater Pollution Abatement	Street Lighting Maintenance Assessment	Low and Moderate Income Housing	Measure R Local Return
ASSETS				
Cash and Pooled Investments	$ 7,958	$ 22,603	$ 4,564	$ 79,867
Taxes Receivable	--	--	--	--
Accounts Receivable				
(Net of Allowance for Uncollectibles of $11,500)	--	1,774	--	--
Special Assessments Receivable	1,894	3,281	--	--
Investment Income Receivable	28	--	7	225
Intergovernmental Receivable	--	--	--	6,574
Loans Receivable				
(Net of Allowance for Uncollectibles of $1,364,212)	--	--	107,574	--
Due from Other Funds	451	1,455	--	13,296
Prepaid Items and Other Assets	--	--	17,208	--
Advances to Other Funds	--	--	--	--
Properties Held for Housing Development	--	--	80,484	--
TOTAL ASSETS	$ 10,331	$ 29,113	$ 209,837	$ 99,962
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts, Contracts and Retainage Payable	$ 303	$ 502	$ --	$ 2,271
Obligations Under Securities				
Lending Transactions	33	--	19	332
Accrued Salaries and Overtime Payable	--	--	--	--
Accrued Compensated Absences Payable	--	--	--	--
Intergovernmental Payable	--	--	--	--
Due to Other Funds	--	--	1,734	1,489
Deferred Revenue and Other Credits	1,300	4,071	4	90
Deposits and Advances	--	32	--	--
Advances from Other Funds	--	78	--	--
Other Liabilities	88	38,566	1,733	883
TOTAL LIABILITIES FORWARDED	1,724	43,249	3,490	5,065

Continued…

CITY OF LOS ANGELES

Combining Balance Sheet - (Continued)
Nonmajor Special Revenue Funds
June 30, 2013
(amounts expressed in thousands)

	Stormwater Pollution Abatement	Street Lighting Maintenance Assessment	Low and Moderate Income Housing	Measure R Local Return
TOTAL LIABILITIES FORWARDED	$ 1,724	$ 43,249	$ 3,490	$ 5,065
FUND BALANCES				
Nonspendable:				
Prepaid Items and Other Assets	--	--	17,208	--
Restricted for:				
Community Development	--	--	189,139	--
Construction and Engineering Regulation Enforcement	--	--	--	--
Cultural Activities	--	--	--	--
Debt Service	--	--	--	--
Fire Prevention and Emergency Preparedness	--	--	--	--
General Government	--	--	--	--
Health, Environment and Sanitation Programs	--	--	--	--
Landfill Closure and Postclosure Maintenance	--	--	--	--
Law Enforcement	--	--	--	--
Library	--	--	--	--
Other Capital Projects	--	--	--	--
Other Purposes	--	--	--	--
Recreation and Parks	--	--	--	--
Seismic Improvement	--	--	--	--
Solid Waste	--	--	--	--
Stormwater Cleanup Capital Projects	8,607	--	--	--
Street Services	--	--	--	--
Transportation	--	--	--	94,897
Assigned to:				
Community Development	--	--	--	--
Construction and Engineering Regulation Enforcement	--	--	--	--
Cultural Activities	--	--	--	--
Fire Prevention and Emergency Preparedness	--	--	--	--
General Government	--	--	--	--
Health, Environment and Sanitation Programs	--	--	--	--
Landfill Closure and Postclosure Maintenance	--	--	--	--
Law Enforcement	--	--	--	--
Library	--	--	--	--
Other Capital Projects	--	--	--	--
Other Purposes	--	--	--	--
Recreation and Parks	--	--	--	--
Street Services	--	--	--	--
Transportation	--	--	--	--
Unassigned	--	(14,136)	--	--
TOTAL FUND BALANCES	8,607	(14,136)	206,347	94,897
TOTAL LIABILITIES AND FUND BALANCES	$ 10,331	$ 29,113	$ 209,837	$ 99,962

Continued...

CITY OF LOS ANGELES

Combining Balance Sheet - (Continued)
Nonmajor Special Revenue Funds
June 30, 2013
(amounts expressed in thousands)

	Grant Funds				
	Economic Development Section 108 Loan Guarantee Program	Home Investment Partnership Program	Seismic Bond Reimbursement	Special Gas Tax Street Improvement	Transportation
ASSETS					
Cash and Pooled Investments	$ 29,078	$ 2,102	$ 31,444	$ 57,860	$ 150,905
Taxes Receivable	--	--	--	--	--
Accounts Receivable					
(Net of Allowance for Uncollectibles of $11,500)	--	--	--	--	--
Special Assessments Receivable	--	--	--	--	--
Investment Income Receivable	1	16	105	214	497
Intergovernmental Receivable	--	--	6,827	7,512	14,982
Loans Receivable					
(Net of Allowance for Uncollectibles of $1,364,212)	158,917	61,732	--	--	--
Due from Other Funds	23	3	2	6,596	52
Prepaid Items and Other Assets	--	6,055	--	--	--
Advances to Other Funds	--	--	--	--	--
Properties Held for Housing Development	--	--	--	--	--
TOTAL ASSETS	$ 188,019	$ 69,908	$ 38,378	$ 72,182	$ 166,436
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts, Contracts and Retainage Payable	$ 5,757	$ 2,979	$ 244	$ 1,740	$ 4,359
Obligations Under Securities					
Lending Transactions	1	9	131	240	626
Accrued Salaries and Overtime Payable	--	--	--	--	--
Accrued Compensated Absences Payable	--	--	--	--	--
Intergovernmental Payable	--	--	--	--	--
Due to Other Funds	74	17	505	38	69,751
Deferred Revenue and Other Credits	--	6	6,425	86	12,347
Deposits and Advances	1,192	277	--	--	4,024
Advances from Other Funds	--	--	--	1,181	26,501
Other Liabilities	446	23	348	640	1,669
TOTAL LIABILITIES FORWARDED	7,470	3,311	7,653	3,925	119,277

Continued…

CITY OF LOS ANGELES

Combining Balance Sheet - (Continued)
Nonmajor Special Revenue Funds
June 30, 2013
(amounts expressed in thousands)

	Grant Funds				
	Economic Development Section 108 Loan Guarantee Program	Home Investment Partnership Program	Seismic Bond Reimbursement	Special Gas Tax Street Improvement	Transportation
TOTAL LIABILITIES FORWARDED	$ 7,470	$ 3,311	$ 7,653	$ 3,925	$ 119,277
FUND BALANCES					
Nonspendable:					
Prepaid Items and Other Assets	--	6,055	--	--	--
Restricted for:					
Community Development	180,794	60,542	--	--	--
Construction and Engineering Regulation Enforcement	--	--	--	--	--
Cultural Activities	--	--	--	--	--
Debt Service	--	--	--	--	--
Fire Prevention and Emergency Preparedness	--	--	--	--	--
General Government	--	--	--	--	--
Health, Environment and Sanitation Programs	--	--	--	--	--
Landfill Closure and Postclosure Maintenance	--	--	--	--	--
Law Enforcement	--	--	--	--	--
Library	--	--	--	--	--
Other Capital Projects	--	--	--	--	--
Other Purposes	--	--	--	--	--
Recreation and Parks	--	--	--	--	--
Seismic Improvement	--	--	30,725	--	--
Solid Waste	--	--	--	--	--
Stormwater Cleanup Capital Projects	--	--	--	--	--
Street Services	--	--	--	68,257	--
Transportation	--	--	--	--	47,159
Assigned to:					
Community Development	--	--	--	--	--
Construction and Engineering Regulation Enforcement	--	--	--	--	--
Cultural Activities	--	--	--	--	--
Fire Prevention and Emergency Preparedness	--	--	--	--	--
General Government	--	--	--	--	--
Health, Environment and Sanitation Programs	--	--	--	--	--
Landfill Closure and Postclosure Maintenance	--	--	--	--	--
Law Enforcement	--	--	--	--	--
Library	--	--	--	--	--
Other Capital Projects	--	--	--	--	--
Other Purposes	--	--	--	--	--
Recreation and Parks	--	--	--	--	--
Street Services	--	--	--	--	--
Transportation	--	--	--	--	--
Unassigned	(245)	--	--	--	--
TOTAL FUND BALANCES	180,549	66,597	30,725	68,257	47,159
TOTAL LIABILITIES AND FUND BALANCES	$ 188,019	$ 69,908	$ 38,378	$ 72,182	$ 166,436

Continued...

CITY OF LOS ANGELES

Combining Balance Sheet - (Continued)
Nonmajor Special Revenue Funds
June 30, 2013
(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	$ 659	$ 201,560	$ 337,042	$ 137,599	$ 1,207,734
Taxes Receivable	--	--	5,628	--	12,033
Accounts Receivable					
(Net of Allowance for Uncollectibles of $11,500)	--	--	28,645	176	34,332
Special Assessments Receivable	--	--	2,340	--	8,632
Investment Income Receivable	4	465	697	463	3,234
Intergovernmental Receivable	6,185	40,827	10,648	--	109,953
Loans Receivable					
(Net of Allowance for Uncollectibles of $1,364,212)	--	35,724	26,230	5,871	396,743
Due from Other Funds	498	3,048	6,463	6,623	60,649
Prepaid Items and Other Assets	252	--	112	--	23,627
Advances to Other Funds	--	1,241	402	--	28,143
Properties Held for Housing Development	--	--	--	--	80,484
TOTAL ASSETS	$ 7,598	$ 282,865	$ 418,207	$ 150,732	$ 1,965,564
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts, Contracts and Retainage Payable	$ 6,462	$ 31,474	$ 15,606	$ 3,739	$ 81,410
Obligations Under Securities					
Lending Transactions	3	578	1,035	547	4,154
Accrued Salaries and Overtime Payable	--	45	2,168	--	2,213
Accrued Compensated Absences Payable	--	--	5	--	5
Intergovernmental Payable	252	1,619	671	58	2,605
Due to Other Funds	606	16,918	3,124	396	101,520
Deferred Revenue and Other Credits	62	27,574	31,281	287	93,852
Deposits and Advances	--	3,774	12,136	477	22,714
Advances from Other Funds	--	31,048	11,517	--	70,325
Other Liabilities	7	1,844	6,002	1,458	55,305
TOTAL LIABILITIES FORWARDED	7,392	114,874	83,545	6,962	434,103

Continued…

CITY OF LOS ANGELES

Combining Balance Sheet - (Continued)
Nonmajor Special Revenue Funds
June 30, 2013
(amounts expressed in thousands)

	Grant Funds		Nonmajor Other Special Revenue Funds	Allocations from Other Governmental Agencies	Total
	Workforce Investment Act	Nonmajor Other Grant Funds			
TOTAL LIABILITIES FORWARDED	$ 7,392	$ 114,874	$ 83,545	$ 6,962	$ 434,103
FUND BALANCES					
Nonspendable:					
Prepaid Items and Other Assets	252	--	112	--	23,627
Restricted for:					
Community Development	--	51,641	16,705	18,732	517,553
Construction and Engineering Regulation Enforcement	--	11	--	1,187	1,198
Cultural Activities	--	548	14,738	--	15,286
Debt Service	--	--	1,976	648	2,624
Fire Prevention and Emergency Preparedness	--	8,254	67	--	8,321
General Government	--	879	--	--	879
Health, Environment and Sanitation Programs	--	21,181	33,602	--	94,572
Landfill Closure and Postclosure Maintenance	--	14	--	--	14
Law Enforcement	--	47,376	7,931	1,463	56,770
Library	--	4,451	202	--	4,653
Other Capital Projects	--	11,917	--	--	11,917
Other Purposes	--	112	4,493	--	4,605
Recreation and Parks	--	97	15,520	--	15,617
Seismic Improvement	--	--	--	--	30,725
Solid Waste	--	--	7,180	16,680	23,860
Stormwater Cleanup Capital Projects	--	--	--	--	8,607
Street Services	--	--	2,397	5,997	76,651
Transportation	--	31,243	13,701	30,687	284,929
Assigned to:					
Community Development	--	--	76,144	50,840	126,984
Construction and Engineering Regulation Enforcement	--	--	22,293	--	84,718
Cultural Activities	--	--	4,680	--	4,680
Fire Prevention and Emergency Preparedness	--	--	4,917	6,611	11,528
General Government	--	1,703	44,362	--	46,065
Health, Environment and Sanitation Programs	--	--	3,867	4,350	8,217
Landfill Closure and Postclosure Maintenance	--	--	9,051	--	9,051
Law Enforcement	--	--	3,555	--	3,555
Library	--	--	7,641	--	7,641
Other Capital Projects	--	--	2,443	--	2,443
Other Purposes	--	--	23,307	2,333	25,640
Recreation and Parks	--	--	4,471	--	4,471
Street Services	--	--	7,038	--	7,038
Transportation	--	--	2,481	4,279	33,134
Unassigned	(46)	(11,436)	(212)	(37)	(26,112)
TOTAL FUND BALANCES	206	167,991	334,662	143,770	1,531,461
TOTAL LIABILITIES AND FUND BALANCES	$ 7,598	$ 282,865	$ 418,207	$ 150,732	$ 1,965,564

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, 2013
(amounts expressed in thousands)

	Building and Safety Permit	Citywide Recycling	Proposition C Anti-Gridlock Transit Improvement	Special Parking Revenue
REVENUES				
Property Taxes	$ --	$ --	$ --	$ --
Other Taxes	--	22,201	--	--
Licenses and Permits	32,406	--	--	--
Intergovernmental	--	--	63,768	--
Charges for Services	90,260	25	8,852	68,556
Services to Enterprise Funds	1,011	--	--	--
Fines	--	--	--	--
Special Assessments	--	--	--	--
Investment Earnings	609	504	6,839	758
Change in Fair Value of Investments	(440)	(554)	(304)	(824)
Program Income	--	--	--	--
Other	12	--	--	1,008
TOTAL REVENUES	123,858	22,176	79,155	69,498
EXPENDITURES				
Current:				
General Government	--	--	--	--
Protection of Persons and Property	99,247	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	22,448	--	--
Transportation	--	--	120,441	31,247
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	160	822	6,361
Debt Service:				
Principal	--	--	--	--
Interest	--	--	--	--
TOTAL EXPENDITURES	99,247	22,608	121,263	37,608
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	24,611	(432)	(42,108)	31,890
OTHER FINANCING SOURCES (USES)				
Transfers In	13	--	293	712
Transfers Out	(11)	(1,800)	(4,475)	(57,571)
Loans from HUD	--	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	2	(1,800)	(4,182)	(56,859)
SPECIAL ITEMS				
Transfer of Properties for Housing Development from CRA	--	--	--	--
Transfer of Housing Loans from CRA	--	--	--	--
NET CHANGE IN FUND BALANCES	24,613	(2,232)	(46,290)	(24,969)
FUND BALANCES, JULY 1	37,812	42,021	113,532	51,343
FUND BALANCES, JUNE 30	$ 62,425	$ 39,789	$ 67,242	$ 26,374

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, 2013 (amounts expressed in thousands)

	Stormwater Pollution Abatement	Street Lighting Maintenance Assessment	Low and Moderate Income Housing	Measure R Local Return
REVENUES				
Property Taxes	$ --	$ --	$ --	$ --
Other Taxes	--	--	--	--
Licenses and Permits	--	732	--	--
Intergovernmental	2,459	1,814	--	58,048
Charges for Services	29,463	416	--	--
Services to Enterprise Funds	--	--	--	--
Fines	9	--	--	--
Special Assessments	--	44,183	--	--
Investment Earnings	115	--	4	796
Change in Fair Value of Investments	(86)	--	12	(778)
Program Income	--	--	357	--
Other	--	3,339	--	--
TOTAL REVENUES	31,960	50,484	373	58,066
EXPENDITURES				
Current:				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	43,328	--	--
Health and Sanitation	30,813	--	--	--
Transportation	--	--	--	25,694
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	41	--
Capital Outlay	1,278	18,580	--	10,164
Debt Service:				
Principal	--	--	--	--
Interest	--	--	--	--
TOTAL EXPENDITURES	32,091	61,908	41	35,858
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(131)	(11,424)	332	22,208
OTHER FINANCING SOURCES (USES)				
Transfers In	386	--	750	--
Transfers Out	--	--	--	(914)
Loans from HUD	--	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	386	--	750	(914)
SPECIAL ITEMS				
Transfer of Properties for Housing Development from CRA	--	--	80,484	--
Transfer of Housing Loans from CRA	--	--	124,781	--
NET CHANGE IN FUND BALANCES	255	(11,424)	206,347	21,294
FUND BALANCES, JULY 1	8,352	(2,712)	--	73,603
FUND BALANCES, JUNE 30	$ 8,607	$ (14,136)	$ 206,347	$ 94,897

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, 2013 (amounts expressed in thousands)

	Grant Funds				
	Economic Development Section 108 Loan Guarantee Program	Home Investment Partnership Program	Seismic Bond Reimbursement	Special Gas Tax Street Improvement	Transportation
REVENUES					
Property Taxes	$ --	$ --	$ --	$ --	$ --
Other Taxes	--	--	--	--	--
Licenses and Permits	--	--	--	--	--
Intergovernmental	398	31,108	3,745	107,120	47,785
Charges for Services	--	3	--	--	645
Services to Enterprise Funds	--	--	--	--	--
Fines	--	--	--	--	--
Special Assessments	--	--	--	--	--
Investment Earnings	13	16	448	874	2,068
Change in Fair Value of Investments	(8)	(35)	(456)	(865)	(2,280)
Program Income	4,178	6,557	--	--	--
Other	--	14	1,748	34	54
TOTAL REVENUES	4,581	37,663	5,485	107,163	48,272
EXPENDITURES					
Current:					
General Government	--	--	--	--	--
Protection of Persons and Property	--	--	--	--	--
Public Works	--	--	5,296	100,589	--
Health and Sanitation	--	--	--	--	--
Transportation	--	--	--	--	19,256
Cultural and Recreational Services	--	--	--	--	--
Community Development	839	42,864	--	--	--
Capital Outlay	--	--	2,969	10,334	22,321
Debt Service:					
Principal	33,220	--	--	--	--
Interest	2,933	--	--	--	--
TOTAL EXPENDITURES	36,992	42,864	8,265	110,923	41,577
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(32,411)	(5,201)	(2,780)	(3,760)	6,695
OTHER FINANCING SOURCES (USES)					
Transfers In	2,552	160	--	1,414	5,471
Transfers Out	(85)	--	--	(133)	--
Loans from HUD	29,003	--	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	31,470	160	--	1,281	5,471
SPECIAL ITEMS					
Transfer of Properties for Housing Development from CRA	--	--	--	--	--
Transfer of Housing Loans from CRA	--	--	--	--	--
NET CHANGE IN FUND BALANCES	(941)	(5,041)	(2,780)	(2,479)	12,166
FUND BALANCES, JULY 1	181,490	71,638	33,505	70,736	34,993
FUND BALANCES, JUNE 30	$ 180,549	$ 66,597	$ 30,725	$ 68,257	$ 47,159

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, 2013 (amounts expressed in thousands)

	Grant Funds		Nonmajor Other Special Revenue Funds	Allocations from Other Governmental Agencies	Total
	Workforce Investment Act	Nonmajor Other Grant Funds			
REVENUES					
Property Taxes	$ --	$ --	$ 4,562	$ 23,632	$ 28,194
Other Taxes	--	--	37,951	3,438	63,590
Licenses and Permits	--	--	66	3,101	36,305
Intergovernmental	47,983	205,447	44,171	49,616	663,462
Charges for Services	--	9,632	138,616	14,081	360,549
Services to Enterprise Funds	--	200	9	28	1,248
Fines	--	--	9,498	--	9,507
Special Assessments	--	--	54,598	3,072	101,853
Investment Earnings	16	1,899	2,688	2,023	19,670
Change in Fair Value of Investments	(32)	(2,176)	(2,682)	(2,268)	(13,776)
Program Income	--	194	631	12,351	24,268
Other	136	5,775	27,712	4,069	43,901
TOTAL REVENUES	48,103	220,971	317,820	113,143	1,338,771
EXPENDITURES					
Current:					
General Government	--	4,992	28,889	4,694	38,575
Protection of Persons and Property	--	61,148	97,104	6,542	264,041
Public Works	--	14,792	14,606	45,166	223,777
Health and Sanitation	--	7,635	8,100	2,781	71,777
Transportation	--	11,025	12,512	3,009	223,184
Cultural and Recreational Services	--	2,684	145,378	153	148,215
Community Development	46,650	54,125	108,606	66,267	319,392
Capital Outlay	--	74,778	8,510	1,626	157,903
Debt Service:					
Principal	--	1,578	--	--	34,798
Interest	--	308	87	--	3,328
TOTAL EXPENDITURES	46,650	233,065	423,792	130,238	1,484,990
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,453	(12,094)	(105,972)	(17,095)	(146,219)
OTHER FINANCING SOURCES (USES)					
Transfers In	--	11,085	168,941	1,031	192,808
Transfers Out	--	(14,607)	(10,370)	(7,116)	(97,082)
Loans from HUD	--	--	--	--	29,003
TOTAL OTHER FINANCING SOURCES (USES)	--	(3,522)	158,571	(6,085)	124,729
SPECIAL ITEMS					
Transfer of Properties for Housing Development from CRA	--	--	--	--	80,484
Transfer of Housing Loans from CRA	--	--	--	--	124,781
NET CHANGE IN FUND BALANCES	1,453	(15,616)	52,599	(23,180)	183,775
FUND BALANCES, JULY 1	(1,247)	183,607	282,063	166,950	1,347,686
FUND BALANCES, JUNE 30	$ 206	$ 167,991	$ 334,662	$ 143,770	$ 1,531,461

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2013
(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	--	--	32,387	32,387
Intergovernmental	--	--	--	--
Charges for Services	108,467	108,467	90,129	(18,338)
Services to Enterprise Funds	--	--	1,011	1,011
Special Assessments	--	--	--	--
Interest	350	350	599	249
Program Income	--	--	--	--
Other	--	--	11	11
Total Revenues	108,817	108,817	124,137	15,320
Other Financing Sources				
Transfers from Other Funds	--	--	13	13
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	--	13	13
TOTAL REVENUES AND OTHER FINANCING SOURCES	108,817	108,817	124,150	15,333
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	62,214	171,846	29,548	142,298
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	62,214	171,846	29,548	142,298
Other Financing Uses				
Transfers to Other Funds	70,856	79,128	68,203	10,925
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	70,856	79,128	68,203	10,925
TOTAL EXPENDITURES AND OTHER FINANCING USES	133,070	250,974	97,751	153,223
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(24,253)	(142,157)	26,399	168,556
FUND BALANCES (DEFICIT), JULY 1, RESTATED	24,253	24,253	28,146	3,893
Appropriation of Fund Balances and Carryforward Appropriations	--	117,904	--	(117,904)
Encumbrances Lapsed	--	--	295	295
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ 54,840	$ 54,840

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Citywide Recycling			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	$ 21,500	$ 21,500	$ 21,209	$ (291)
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	25	25
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	273	273	555	282
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	21,773	21,773	21,789	16
Other Financing Sources				
Transfers from Other Funds	--	1,800	--	(1,800)
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	1,800	--	(1,800)
TOTAL REVENUES AND OTHER FINANCING SOURCES	21,773	23,573	21,789	(1,784)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	45,347	35,590	22,727	12,863
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	45,347	35,590	22,727	12,863
Other Financing Uses				
Transfers to Other Funds	6,970	6,981	5,398	1,583
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	6,970	6,981	5,398	1,583
TOTAL EXPENDITURES AND OTHER FINANCING USES	52,317	42,571	28,125	14,446
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(30,544)	(18,998)	(6,336)	12,662
FUND BALANCES (DEFICIT), JULY 1, RESTATED	30,544	30,544	29,285	(1,259)
Appropriation of Fund Balances and Carryforward Appropriations	--	(11,546)	--	11,546
Encumbrances Lapsed	--	--	6	6
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ 22,955	$ 22,955

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Proposition C Anti-Gridlock Transit Improvement			
	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	46,614	52,357	54,565	2,208
Charges for Services	8,468	8,468	6,840	(1,628)
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	16,538	16,538	8,993	(7,545)
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	71,620	77,363	70,398	(6,965)
Other Financing Sources				
Transfers from Other Funds	--	293	293	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	293	293	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	71,620	77,656	70,691	(6,965)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	26,312	58,865	37,326	21,539
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	26,312	58,865	37,326	21,539
Other Financing Uses				
Transfers to Other Funds	79,375	91,522	73,443	18,079
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	79,375	91,522	73,443	18,079
TOTAL EXPENDITURES AND OTHER FINANCING USES	105,687	150,387	110,769	39,618
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(34,067)	(72,731)	(40,078)	32,653
FUND BALANCES (DEFICIT), JULY 1, RESTATED	34,067	34,067	83,476	49,409
Appropriation of Fund Balances and Carryforward Appropriations	--	38,664	--	(38,664)
Encumbrances Lapsed	--	--	21	21
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ 43,419	$ 43,419

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(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	67,317	67,317	68,467	1,150
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	338	338	792	454
Program Income	--	--	--	--
Other	--	--	1,008	1,008
Total Revenues	67,655	67,655	70,267	2,612
Other Financing Sources				
Transfers from Other Funds	--	850	712	(138)
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	850	712	(138)
TOTAL REVENUES AND OTHER FINANCING SOURCES	67,655	68,505	70,979	2,474
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	38,910	41,132	33,189	7,943
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	1,000	7,098	2,648	4,450
Debt Service				
Principal	4,356	4,625	4,355	270
Interest	4,249	4,251	3,980	271
Total Expenditures	48,515	57,106	44,172	12,934
Other Financing Uses				
Transfers to Other Funds	34,195	56,095	52,316	3,779
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	34,195	56,095	52,316	3,779
TOTAL EXPENDITURES AND OTHER FINANCING USES	82,710	113,201	96,488	16,713
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(15,055)	(44,696)	(25,509)	19,187
FUND BALANCES (DEFICIT), JULY 1, RESTATED	15,055	15,055	48,535	33,480
Appropriation of Fund Balances and Carryforward Appropriations	--	29,641	--	(29,641)
Encumbrances Lapsed	--	--	524	524
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ 23,550	$ 23,550

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Stormwater Pollution Abatement			
	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	1,571	1,571	2,458	887
Charges for Services	28,650	29,036	30,770	1,734
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	9	9
Interest	22	22	135	113
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	30,243	30,629	33,372	2,743
Other Financing Sources				
Transfers from Other Funds	--	400	386	(14)
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	400	386	(14)
TOTAL REVENUES AND OTHER FINANCING SOURCES	30,243	31,029	33,758	2,729
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	12,568	17,953	12,410	5,543
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	1,150	1,763	286	1,477
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	13,718	19,716	12,696	7,020
Other Financing Uses				
Transfers to Other Funds	18,767	21,940	19,396	2,544
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	18,767	21,940	19,396	2,544
TOTAL EXPENDITURES AND OTHER FINANCING USES	32,485	41,656	32,092	9,564
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(2,242)	(10,627)	1,666	12,293
FUND BALANCES (DEFICIT), JULY 1, RESTATED	2,242	2,242	5,350	3,108
Appropriation of Fund Balances and Carryforward Appropriations	--	8,385	--	(8,385)
Encumbrances Lapsed	--	--	17	17
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ 7,033	$ 7,033

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Street Lighting Maintenance Assessment			
	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	930	930	732	(198)
Intergovernmental	599	653	1,813	1,160
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	416	416
Special Assessments	42,714	42,714	45,813	3,099
Interest	--	--	--	--
Program Income	--	--	--	--
Other	3,947	3,947	839	(3,108)
Total Revenues	48,190	48,244	49,613	1,369
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	13,424	13,424	16,255	2,831
Total Other Financing Sources	13,424	13,424	16,255	2,831
TOTAL REVENUES AND OTHER FINANCING SOURCES	61,614	61,668	65,868	4,200
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	37,457	46,676	38,050	8,626
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	2,500	2,565	408	2,157
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	39,957	49,241	38,458	10,783
Other Financing Uses				
Transfers to Other Funds	23,618	29,405	22,052	7,353
Payment of Loans to Other Funds	5,484	8,000	6,730	1,270
Total Other Financing Uses	29,102	37,405	28,782	8,623
TOTAL EXPENDITURES AND OTHER FINANCING USES	69,059	86,646	67,240	19,406
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(7,445)	(24,978)	(1,372)	23,606
FUND BALANCES (DEFICIT), JULY 1, RESTATED	7,445	7,445	11,558	4,113
Appropriation of Fund Balances and Carryforward Appropriations	--	17,533	--	(17,533)
Encumbrances Lapsed	--	--	259	259
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ 10,445	$ 10,445

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Measure R Traffic Relief and Rail Expansion Funds			
	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	65,970	65,970	61,084	(4,886)
Charges for Services	--	--	--	--
Services to Enterprise	--	--	--	--
Special Assessments	--	--	--	--
Interest	220	220	828	608
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	66,190	66,190	61,912	(4,278)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	66,190	66,190	61,912	(4,278)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current	--	--	--	--
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	49,955	122,313	28,720	93,593
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	49,955	122,313	28,720	93,593
Other Financing Uses				
Transfers to Other Funds	18,071	22,707	15,739	6,968
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	18,071	22,707	15,739	6,968
TOTAL EXPENDITURES AND OTHER FINANCING USES	68,026	145,020	44,459	100,561
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(1,836)	(78,830)	17,453	96,283
FUND BALANCES (DEFICIT), JULY 1, RESTATED	1,836	1,836	55,220	53,384
Appropriation of Fund Balances and Carryforward Appropriations	--	76,994	--	(76,994)
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ 72,673	$ 72,673

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Home Investment Partnership Program			
	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	4,966	54,602	31,108	(23,494)
Charges for Services	--	--	3	3
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	3	3
Program Income	1,062	1,062	10,241	9,179
Other	--	--	14	14
Total Revenues	6,028	55,664	41,369	(14,295)
Other Financing Sources				
Transfers from Other Funds	--	--	160	160
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	--	160	160
TOTAL REVENUES AND OTHER FINANCING SOURCES	6,028	55,664	41,529	(14,135)
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	1,993	99,021	45,567	53,454
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	1,993	99,021	45,567	53,454
Other Financing Uses				
Transfers to Other Funds	4,035	6,082	4,154	1,928
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	4,035	6,082	4,154	1,928
TOTAL EXPENDITURES AND OTHER FINANCING USES	6,028	105,103	49,721	55,382
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	--	(49,439)	(8,192)	41,247
FUND BALANCES (DEFICIT), JULY 1, RESTATED	--	--	(23,896)	(23,896)
Appropriation of Fund Balances and Carryforward Appropriations	--	49,439	--	(49,439)
Encumbrances Lapsed	--	--	8,524	8,524
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ (23,564)	$ (23,564)

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Special Gas Tax Street Improvement			
	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	111,505	109,705	110,566	861
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	250	250	941	691
Program Income	--	--	--	--
Other	30	30	34	4
Total Revenues	111,785	109,985	111,541	1,556
Other Financing Sources				
Transfers from Other Funds	--	1,414	1,414	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	1,414	1,414	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	111,785	111,399	112,955	1,556
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	31,859	30,059	30,059	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	4,016	41,156	12,641	28,515
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	35,875	71,215	42,700	28,515
Other Financing Uses				
Transfers to Other Funds	77,163	88,473	75,250	13,223
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	77,163	88,473	75,250	13,223
TOTAL EXPENDITURES AND OTHER FINANCING USES	113,038	159,688	117,950	41,738
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(1,253)	(48,289)	(4,995)	43,294
FUND BALANCES (DEFICIT), JULY 1, RESTATED	1,253	1,253	53,111	51,858
Appropriation of Fund Balances and Carryforward Appropriations	--	47,036	--	(47,036)
Encumbrances Lapsed	--	--	808	808
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ 48,924	$ 48,924

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(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	19,287	52,573	45,071	(7,502)
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	18	18
Program Income	--	50	--	(50)
Other	--	--	136	136
Total Revenues	19,287	52,623	45,225	(7,398)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	19,287	52,623	45,225	(7,398)
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	5,806	94,821	38,691	56,130
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	5,806	94,821	38,691	56,130
Other Financing Uses				
Transfers to Other Funds	13,481	37,880	11,240	26,640
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	13,481	37,880	11,240	26,640
TOTAL EXPENDITURES AND OTHER FINANCING USES	19,287	132,701	49,931	82,770
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	--	(80,078)	(4,706)	75,372
FUND BALANCES (DEFICIT), JULY 1, RESTATED	--	--	(9,229)	(9,229)
Appropriation of Fund Balances and Carryforward Appropriations	--	80,078	--	(80,078)
Encumbrances Lapsed	--	--	1,494	1,494
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ (12,441)	$ (12,441)

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(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	21,350	21,350	12,807	(8,543)
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	125	125	182	57
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	21,475	21,475	12,989	(8,486)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	21,475	21,475	12,989	(8,486)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	28,224	39,044	10,820	28,224
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	28,224	39,044	10,820	28,224
Other Financing Uses				
Transfers to Other Funds	275	886	675	211
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	275	886	675	211
TOTAL EXPENDITURES AND OTHER FINANCING USES	28,499	39,930	11,495	28,435
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(7,024)	(18,455)	1,494	19,949
FUND BALANCES (DEFICIT), JULY 1, RESTATED	7,024	7,024	11,251	4,227
Appropriation of Fund Balances and Carryforward Appropriations	--	11,431	--	(11,431)
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ 12,745	$ 12,745

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(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	2,259	6,535	6,328	(207)
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	14	14
Program Income	--	--	--	--
Other	--	--	4	4
Total Revenues	2,259	6,535	6,346	(189)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	2,259	6,535	6,346	(189)
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	710	7,082	4,213	2,869
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	710	7,082	4,213	2,869
Other Financing Uses				
Transfers to Other Funds	1,549	2,937	1,717	1,220
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	1,549	2,937	1,717	1,220
TOTAL EXPENDITURES AND OTHER FINANCING USES	2,259	10,019	5,930	4,089
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	--	(3,484)	416	3,900
FUND BALANCES (DEFICIT), JULY 1, RESTATED	--	--	(1,713)	(1,713)
Appropriation of Fund Balances and Carryforward Appropriations	--	3,484	--	(3,484)
Encumbrances Lapsed	--	--	12	12
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ (1,285)	$ (1,285)

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(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	--	--	5,718	5,718
Charges for Services	--	--	564	564
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	315	315
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	--	--	6,597	6,597
Other Financing Sources				
Transfers from Other Funds	--	165	164	(1)
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	165	164	(1)
TOTAL REVENUES AND OTHER FINANCING SOURCES	--	165	6,761	6,596
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	10,398	19,744	13,378	6,366
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	10,398	19,744	13,378	6,366
Other Financing Uses				
Transfers to Other Funds	199	787	567	220
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	199	787	567	220
TOTAL EXPENDITURES AND OTHER FINANCING USES	10,597	20,531	13,945	6,586
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(10,597)	(20,366)	(7,184)	13,182
FUND BALANCES (DEFICIT), JULY 1, RESTATED	10,597	10,597	19,391	8,794
Appropriation of Fund Balances and Carryforward Appropriations	--	9,769	--	(9,769)
Encumbrances Lapsed	--	--	121	121
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ 12,328	$ 12,328

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(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	3,190	3,190	3,393	203
Charges for Services	--	--	79	79
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	37	37	32	(5)
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	3,227	3,227	3,504	277
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	3,227	3,227	3,504	277
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	3,313	913	913	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	3,313	913	913	--
Other Financing Uses				
Transfers to Other Funds	2,866	2,866	2,493	373
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	2,866	2,866	2,493	373
TOTAL EXPENDITURES AND OTHER FINANCING USES	6,179	3,779	3,406	373
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(2,952)	(552)	98	650
FUND BALANCES (DEFICIT), JULY 1, RESTATED	2,952	2,952	1,901	(1,051)
Appropriation of Fund Balances and Carryforward Appropriations	--	(2,400)	--	2,400
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ 1,999	$ 1,999

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(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	459	12,605	11,668	(937)
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	136	136
Other	--	--	--	--
Total Revenues	459	12,605	11,804	(801)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	459	12,605	11,804	(801)
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	191	34,333	13,305	21,028
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	191	34,333	13,305	21,028
Other Financing Uses				
Transfers to Other Funds	268	332	278	54
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	268	332	278	54
TOTAL EXPENDITURES AND OTHER FINANCING USES	459	34,665	13,583	21,082
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	--	(22,060)	(1,779)	20,281
FUND BALANCES (DEFICIT), JULY 1, RESTATED	--	--	(3,282)	(3,282)
Appropriation of Fund Balances and Carryforward Appropriations	--	22,060	--	(22,060)
Encumbrances Lapsed	--	--	1,714	1,714
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ (3,347)	$ (3,347)

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(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	4,667	4,667	4,586	(81)
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	47	47	48	1
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	4,714	4,714	4,634	(80)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	4,714	4,714	4,634	(80)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	3,435	5,456	3,002	2,454
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	3,435	5,456	3,002	2,454
Other Financing Uses				
Transfers to Other Funds	2,039	1,894	1,690	204
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	2,039	1,894	1,690	204
TOTAL EXPENDITURES AND OTHER FINANCING USES	5,474	7,350	4,692	2,658
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(760)	(2,636)	(58)	2,578
FUND BALANCES (DEFICIT), JULY 1, RESTATED	760	760	2,829	2,069
Appropriation of Fund Balances and Carryforward Appropriations	--	1,876	--	(1,876)
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ 2,771	$ 2,771

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(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	2,623	16,411	15,160	(1,251)
Charges for Services	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	2,623	16,411	15,160	(1,251)
Other Financing Sources				
Transfers from Other Funds	--	1,905	1,905	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	1,905	1,905	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	2,623	18,316	17,065	(1,251)
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	--	21,915	15,457	6,458
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	--	21,915	15,457	6,458
Other Financing Uses				
Transfers to Other Funds	2,623	6,034	2,115	3,919
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	2,623	6,034	2,115	3,919
TOTAL EXPENDITURES AND OTHER FINANCING USES	2,623	27,949	17,572	10,377
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	--	(9,633)	(507)	9,126
FUND BALANCES (DEFICIT), JULY 1, RESTATED	--	--	788	788
Appropriation of Fund Balances and Carryforward Appropriations	--	9,633	--	(9,633)
Encumbrances Lapsed	--	--	60	60
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ 341	$ 341

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(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	1,500	1,500	5,140	3,640
Charges for Services	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	79	79
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	1,500	1,500	5,219	3,719
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	1,500	1,500	5,219	3,719
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	1,500	5,535	(352)	5,887
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	1,500	5,535	(352)	5,887
TOTAL EXPENDITURES AND OTHER FINANCING USES	1,500	5,535	(352)	5,887
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	--	(4,035)	5,571	9,606
FUND BALANCES (DEFICIT), JULY 1, RESTATED	--	--	(1,988)	(1,988)
Appropriation of Fund Balances and Carryforward				
Appropriations	--	4,035	--	(4,035)
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ 3,583	$ 3,583

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(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	$ 2,726	$ 2,726	$ 4,560	$ 1,834
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Special Assessments	--	--	--	--
Interest	1	1	75	74
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	2,727	2,727	4,635	1,908
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	2,727	2,727	4,635	1,908
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	3,374	4,214	2,903	1,311
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	3,374	4,214	2,903	1,311
Other Financing Uses				
Transfers to Other Funds	346	346	346	--
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	346	346	346	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	3,720	4,560	3,249	1,311
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(993)	(1,833)	1,386	3,219
FUND BALANCES (DEFICIT), JULY 1, RESTATED	993	993	426	(567)
Appropriation of Fund Balances and Carryforward Appropriations	--	840	--	(840)
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ 1,812	$ 1,812

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(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	119	173	135	(38)
Special Assessments	--	--	--	--
Interest	9	9	23	14
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	128	182	158	(24)
Other Financing Sources				
Transfers from Other Funds	12,139	12,203	12,203	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	12,139	12,203	12,203	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	12,267	12,385	12,361	(24)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	3,174	3,845	3,233	612
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	3,174	3,845	3,233	612
Other Financing Uses				
Transfers to Other Funds	9,094	10,140	9,685	455
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	9,094	10,140	9,685	455
TOTAL EXPENDITURES AND OTHER FINANCING USES	12,268	13,985	12,918	1,067
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(1)	(1,600)	(557)	1,043
FUND BALANCES (DEFICIT), JULY 1, RESTATED	1	1	1,673	1,672
Appropriation of Fund Balances and Carryforward Appropriations	--	1,599	--	(1,599)
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ 1,116	$ 1,116

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(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	900	1,581	1,522	(59)
Special Assessments	--	--	--	--
Interest	90	90	151	61
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	990	1,671	1,673	2
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	990	1,671	1,673	2
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	1,215	8,758	653	8,105
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	1,215	8,758	653	8,105
Other Financing Uses				
Transfers to Other Funds	--	80	79	1
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	--	80	79	1
TOTAL EXPENDITURES AND OTHER FINANCING USES	1,215	8,838	732	8,106
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(225)	(7,167)	941	8,108
FUND BALANCES (DEFICIT), JULY 1, RESTATED	225	225	7,976	7,751
Appropriation of Fund Balances and Carryforward Appropriations	--	6,942	--	(6,942)
Encumbrances Lapsed	--	--	20	20
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ 8,937	$ 8,937

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(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	12	5	6	1
Program Income	--	--	--	--
Other	3,335	3,146	3,145	(1)
Total Revenues	3,347	3,151	3,151	--
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	3,347	3,151	3,151	--
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	3,347	3,151	3,151	--
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	3,347	3,151	3,151	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	3,347	3,151	3,151	--
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	--	--	--	--
FUND BALANCES (DEFICIT), JULY 1, RESTATED	--	--	--	--
Appropriation of Fund Balances and Carryforward Appropriations	--	--	--	--
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ --	$ --

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Nonmajor Other Special Revenue 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	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	--	--	--	--
Other Financing Sources				
Transfers from Other Funds	1,849	1,849	1,849	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	1,849	1,849	1,849	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	1,849	1,849	1,849	--
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	173	1,708	--	1,708
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	173	1,708	--	1,708
Other Financing Uses				
Transfers to Other Funds	2,270	4,884	2,035	2,849
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	2,270	4,884	2,035	2,849
TOTAL EXPENDITURES AND OTHER FINANCING USES	2,443	6,592	2,035	4,557
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(594)	(4,743)	(186)	4,557
FUND BALANCES (DEFICIT), JULY 1, RESTATED	594	594	367	(227)
Appropriation of Fund Balances and Carryforward				
Appropriations	--	4,149	--	(4,149)
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ 181	$ 181

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(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	728	728	843	115
Charges for Services	--	--	--	--
Special Assessments	--	--	--	--
Interest	120	120	264	144
Program Income	--	--	930	930
Other	--	563	1,838	1,275
Total Revenues	848	1,411	3,875	2,464
Other Financing Sources				
Transfers from Other Funds	--	28,883	29,031	148
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	28,883	29,031	148
TOTAL REVENUES AND OTHER FINANCING SOURCES	848	30,294	32,906	2,612
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	482	46,489	12,645	33,844
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	482	46,489	12,645	33,844
Other Financing Uses				
Transfers to Other Funds	862	862	419	443
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	862	862	419	443
TOTAL EXPENDITURES AND OTHER FINANCING USES	1,344	47,351	13,064	34,287
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(496)	(17,057)	19,842	36,899
FUND BALANCES (DEFICIT), JULY 1, RESTATED	496	496	(1,830)	(2,326)
Appropriation of Fund Balances and Carryforward Appropriations	--	16,561	--	(16,561)
Encumbrances Lapsed	--	--	2,989	2,989
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ 21,001	$ 21,001

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Nonmajor Other Special Revenue 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	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	--	--	--	--
Other Financing Sources				
Transfers from Other Funds	5,950	6,115	6,115	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	5,950	6,115	6,115	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	5,950	6,115	6,115	--
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	3,655	3,773	2,873	900
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	3,655	3,773	2,873	900
Other Financing Uses				
Transfers to Other Funds	2,296	2,545	2,300	245
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	2,296	2,545	2,300	245
TOTAL EXPENDITURES AND OTHER FINANCING USES	5,951	6,318	5,173	1,145
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(1)	(203)	942	1,145
FUND BALANCES (DEFICIT), JULY 1, RESTATED	1	1	(508)	(509)
Appropriation of Fund Balances and Carryforward Appropriations	--	202	--	(202)
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ 434	$ 434

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(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	4,832	4,832	2,577	(2,255)
Special Assessments	--	--	--	--
Interest	--	--	18	18
Program Income	--	--	--	--
Other	--	--	1,907	1,907
Total Revenues	4,832	4,832	4,502	(330)
Other Financing Sources				
Transfers from Other Funds	--	101	101	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	101	101	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	4,832	4,933	4,603	(330)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	1,076	839	777	62
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	1,076	839	777	62
Other Financing Uses				
Transfers to Other Funds	3,757	3,827	3,649	178
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	3,757	3,827	3,649	178
TOTAL EXPENDITURES AND OTHER FINANCING USES	4,833	4,666	4,426	240
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(1)	267	177	(90)
FUND BALANCES (DEFICIT), JULY 1, RESTATED	1	1	161	160
Appropriation of Fund Balances and Carryforward Appropriations	--	(268)	--	268
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ 338	$ 338

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Nonmajor Other Special Revenue Fund - Landfill Maintenance			
	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	56
Charges for Services	5,200	5,200	4,550	(650)
Special Assessments	--	--	--	--
Interest	40	40	36	(4)
Program Income	--	--	--	--
Other	--	--	3	3
Total Revenues	5,240	5,240	4,645	(595)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	5,240	5,240	4,645	(595)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	2,771	2,991	2,812	179
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	2,771	2,991	2,812	179
Other Financing Uses				
Transfers to Other Funds	4,769	4,769	4,258	511
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	4,769	4,769	4,258	511
TOTAL EXPENDITURES AND OTHER FINANCING USES	7,540	7,760	7,070	690
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(2,300)	(2,520)	(2,425)	95
FUND BALANCES (DEFICIT), JULY 1, RESTATED	2,300	2,300	2,900	600
Appropriation of Fund Balances and Carryforward Appropriations	--	220	--	(220)
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ 475	$ 475

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(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				
Taxes	$ --	$ --	$ --	$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	35,500	35,500	37,169	1,669
Charges for Services	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	35,500	35,500	37,169	1,669
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	35,500	35,500	37,169	1,669
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	37,160	56,397	37,160	19,237
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	37,160	56,397	37,160	19,237
TOTAL EXPENDITURES AND OTHER FINANCING USES	37,160	56,397	37,160	19,237
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(1,660)	(20,897)	9	20,906
FUND BALANCES (DEFICIT), JULY 1, RESTATED	1,660	1,660	2,093	433
Appropriation of Fund Balances and Carryforward				
Appropriations	--	19,237	--	(19,237)
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ 2,102	$ 2,102

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(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	$ 12,139	$ 12,139	$ 12,910	$ 771
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	12,139	12,139	12,910	771
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	12,139	12,139	12,910	771
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	15,041	21,992	13,159	8,833
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	15,041	21,992	13,159	8,833
Other Financing Uses				
Transfers to Other Funds	91	91	91	--
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	91	91	91	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	15,132	22,083	13,250	8,833
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(2,993)	(9,944)	(340)	9,604
FUND BALANCES (DEFICIT), JULY 1, RESTATED	2,993	2,993	3,113	120
Appropriation of Fund Balances and Carryforward Appropriations	--	6,951	--	(6,951)
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ 2,773	$ 2,773

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(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	6,500	6,500	6,683	183
Services to Enterprise	--	--	--	--
Special Assessments	--	--	--	--
Interest	21	21	76	55
Program Income	--	--	--	--
Other	--	--	451	451
Total Revenues	6,521	6,521	7,210	689
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	6,521	6,521	7,210	689
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	3,667	3,582	1,806	1,776
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	3,667	3,582	1,806	1,776
Other Financing Uses				
Transfers to Other Funds	3,506	3,527	3,027	500
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	3,506	3,527	3,027	500
TOTAL EXPENDITURES AND OTHER FINANCING USES	7,173	7,109	4,833	2,276
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(652)	(588)	2,377	2,965
FUND BALANCES (DEFICIT), JULY 1, RESTATED	652	652	4,299	3,647
Appropriation of Fund Balances and Carryforward Appropriations	--	(64)	--	64
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ 6,676	$ 6,676

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(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	1,273	1,273	1,881	608
Services to Enterprise	--	--	--	--
Special Assessments	--	--	--	--
Interest	4	4	55	51
Program Income	--	--	90	90
Other	--	--	18	18
Total Revenues	1,277	1,277	2,044	767
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	1,277	1,277	2,044	767
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	1,021	1,809	1,067	742
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	1,021	1,809	1,067	742
Other Financing Uses				
Transfers to Other Funds	1,618	2,638	1,697	941
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	1,618	2,638	1,697	941
TOTAL EXPENDITURES AND OTHER FINANCING USES	2,639	4,447	2,764	1,683
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(1,362)	(3,170)	(720)	2,450
FUND BALANCES (DEFICIT), JULY 1, RESTATED	1,362	1,362	2,635	1,273
Appropriation of Fund Balances and Carryforward Appropriations	--	1,808	--	(1,808)
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ 1,915	$ 1,915

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(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	15,300	16,602	18,294	1,692
Services to Enterprise	--	--	--	--
Special Assessments	--	--	--	--
Interest	100	--	139	139
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	15,400	16,602	18,433	1,831
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	15,400	16,602	18,433	1,831
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	5,441	7,161	2,200	4,961
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	5,441	7,161	2,200	4,961
Other Financing Uses				
Transfers to Other Funds	14,488	14,488	13,027	1,461
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	14,488	14,488	13,027	1,461
TOTAL EXPENDITURES AND OTHER FINANCING USES	19,929	21,649	15,227	6,422
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(4,529)	(5,047)	3,206	8,253
FUND BALANCES (DEFICIT), JULY 1, RESTATED	4,529	4,529	5,047	518
Appropriation of Fund Balances and Carryforward Appropriations	--	518	--	(518)
Encumbrances Lapsed	--	--	41	41
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ 8,294	$ 8,294

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(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	14,300	14,457	14,230	(227)
Services to Enterprise	--	--	--	--
Special Assessments	--	--	--	--
Interest	100	100	--	(100)
Program Income	--	--	--	--
Other	--	--	26	26
Total Revenues	14,400	14,557	14,256	(301)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	14,400	14,557	14,256	(301)
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	11,852	30,403	4,282	26,121
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	11,852	30,403	4,282	26,121
Other Financing Uses				
Transfers to Other Funds	9,565	12,064	8,347	3,717
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	9,565	12,064	8,347	3,717
TOTAL EXPENDITURES AND OTHER FINANCING USES	21,417	42,467	12,629	29,838
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(7,017)	(27,910)	1,627	29,537
FUND BALANCES (DEFICIT), JULY 1, RESTATED	7,017	7,017	7,607	590
Appropriation of Fund Balances and Carryforward Appropriations	--	20,893	--	(20,893)
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ 9,234	$ 9,234

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(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	5,300	5,300	6,101	801
Services to Enterprise	--	--	--	--
Special Assessments	--	--	--	--
Interest	36	36	18	(18)
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	5,336	5,336	6,119	783
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	5,336	5,336	6,119	783
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	75	2,733	75	2,658
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	75	2,733	75	2,658
Other Financing Uses				
Transfers to Other Funds	6,546	6,598	6,546	52
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	6,546	6,598	6,546	52
TOTAL EXPENDITURES AND OTHER FINANCING USES	6,621	9,331	6,621	2,710
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(1,285)	(3,995)	(502)	3,493
FUND BALANCES (DEFICIT), JULY 1, RESTATED	1,285	1,285	1,388	103
Appropriation of Fund Balances and Carryforward Appropriations	--	2,710	--	(2,710)
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ 886	$ 886

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(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	--	--	114	114
Intergovernmental	--	--	--	--
Charges for Services	41,200	41,200	42,272	1,072
Services to Enterprise	--	--	--	--
Special Assessments	--	--	--	--
Interest	350	350	442	92
Program Income	--	--	--	--
Other	--	--	132	132
Total Revenues	41,550	41,550	42,960	1,410
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	41,550	41,550	42,960	1,410
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	37,146	76,289	11,018	65,271
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	37,146	76,289	11,018	65,271
Other Financing Uses				
Transfers to Other Funds	26,833	32,219	24,259	7,960
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	26,833	32,219	24,259	7,960
TOTAL EXPENDITURES AND OTHER FINANCING USES	63,979	108,508	35,277	73,231
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(22,429)	(66,958)	7,683	74,641
FUND BALANCES (DEFICIT), JULY 1, RESTATED	22,429	22,429	22,996	567
Appropriation of Fund Balances and Carryforward Appropriations	--	44,529	--	(44,529)
Encumbrances Lapsed	--	--	120	120
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ 30,799	$ 30,799

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(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	$ 18,189	$ 27,498	$ 18,636	$ (8,862)
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	13	159	146
Services to Enterprise	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	150	254	216	(38)
Total Revenues	18,339	27,765	19,011	(8,754)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	18,339	27,765	19,011	(8,754)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	33,632	34,606	7,028	27,578
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	33,632	34,606	7,028	27,578
Other Financing Uses				
Transfers to Other Funds	6,939	7,706	6,913	793
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	6,939	7,706	6,913	793
TOTAL EXPENDITURES AND OTHER FINANCING USES	40,571	42,312	13,941	28,371
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(22,232)	(14,547)	5,070	19,617
FUND BALANCES (DEFICIT), JULY 1, RESTATED	22,232	22,232	23,132	900
Appropriation of Fund Balances and Carryforward Appropriations	--	(7,685)	--	7,685
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ 28,202	$ 28,202

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(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	11,000	11,000	8,836	(2,164)
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	11,000	11,000	8,836	(2,164)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	11,000	11,000	8,836	(2,164)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	12	--	12
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	--	12	--	12
Other Financing Uses				
Transfers to Other Funds	11,000	8,851	8,851	--
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	11,000	8,851	8,851	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	11,000	8,863	8,851	12
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	--	2,137	(15)	(2,152)
FUND BALANCES (DEFICIT), JULY 1, RESTATED	--	--	300	300
Appropriation of Fund Balances and Carryforward Appropriations	--	(2,137)	--	2,137
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ 285	$ 285

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(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	--	--	32	32
Intergovernmental	--	--	1,200	1,200
Charges for Services	14,434	14,564	14,475	(89)
Services to Enterprise	--	--	--	--
Special Assessments	--	--	--	--
Interest	96	96	66	(30)
Program Income	--	--	--	--
Other	--	91	1	(90)
Total Revenues	14,530	14,751	15,774	1,023
Other Financing Sources				
Transfers from Other Funds	1,315	1,315	1,315	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	1,315	1,315	1,315	--
EXPENDITURES AND OTHER FINANCING USES	15,845	16,066	17,089	1,023
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	407	95	312
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	--	407	95	312
Other Financing Uses				
Transfers to Other Funds	17,561	22,266	17,296	4,970
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	17,561	22,266	17,296	4,970
TOTAL EXPENDITURES AND OTHER FINANCING USES	17,561	22,673	17,391	5,282
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(1,716)	(6,607)	(302)	6,305
FUND BALANCES (DEFICIT), JULY 1, RESTATED	1,716	1,716	4,996	3,280
Appropriation of Fund Balances and Carryforward Appropriations	--	4,891	--	(4,891)
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ 4,694	$ 4,694

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Allocations from Other Governmental Agencies			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	$ 895	$ 895	$ 1,058	$ 163
Licenses, Permits and Fines	1,276	1,276	3,101	1,825
Intergovernmental	3,232	12,504	21,486	8,982
Charges for Services	13,119	13,273	14,079	806
Services to Enterprise	--	--	28	28
Special Assessments	1,547	2,269	1,982	(287)
Interest	1,113	1,113	1,282	169
Program Income	36	36	18	(18)
Other	554	805	1,018	213
Total Revenues	21,772	32,171	44,052	11,881
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
Loans from Other Funds	--	--	--	--
Total Other Financing Sources	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	21,772	32,171	44,052	11,881
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	1,657	2,200	1,067	1,133
Public Works	9,061	8,496	8,496	--
Health and Sanitation	--	82	69	13
Transportation	746	697	409	288
Cultural and Recreational Services	--	--	--	--
Community Development	3,248	22,133	19,356	2,777
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	14,712	33,608	29,397	4,211
Other Financing Uses				
Transfers to Other Funds	49,499	52,232	50,201	2,031
Payment of Loans to Other Funds	--	--	--	--
Total Other Financing Uses	49,499	52,232	50,201	2,031
TOTAL EXPENDITURES AND OTHER FINANCING USES	64,211	85,840	79,598	6,242
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(42,439)	(53,669)	(35,546)	18,123
FUND BALANCES (DEFICIT), JULY 1, RESTATED	42,439	42,439	49,677	7,238
Appropriation of Fund Balances and Carryforward Appropriations	--	11,230	--	(11,230)
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ 14,131	$ 14,131

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Total Annually Budgeted Nonmajor Special Revenue Funds			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	$ 55,449	$ 64,758	$ 58,373	$ (6,385)
Licenses, Permits and Fines	13,206	13,206	45,202	31,996
Intergovernmental	326,020	452,421	432,219	(20,202)
Charges for Services	335,379	338,256	323,835	(14,421)
Services to Enterprise	--	--	1,455	1,455
Special Assessments	44,261	44,983	47,804	2,821
Interest	20,292	20,185	16,185	(4,000)
Program Income	1,098	1,148	11,415	10,267
Other	8,016	8,836	10,801	1,965
Total Revenues	803,721	943,793	947,289	3,496
Other Financing Sources				
Transfers from Other Funds	21,253	57,293	55,661	(1,632)
Loans from Other Funds	13,424	13,424	16,255	2,831
Total Other Financing Sources	34,677	70,717	71,916	1,199
TOTAL REVENUES AND OTHER FINANCING SOURCES	838,398	1,014,510	1,019,205	4,695
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	3,828	5,481	2,873	2,608
Protection of Persons and Property	173,271	343,729	72,859	270,870
Public Works	81,826	92,178	79,583	12,595
Health and Sanitation	71,101	66,567	43,739	22,828
Transportation	115,923	223,019	99,644	123,375
Cultural and Recreational Services	20,506	35,841	17,917	17,924
Community Development	30,744	365,167	156,783	208,384
Capital Outlay	8,666	52,582	15,983	36,599
Debt Service				
Principal	4,356	4,625	4,355	270
Interest	4,249	4,251	3,980	271
Total Expenditures	514,470	1,193,440	497,716	695,724
Other Financing Uses				
Transfers to Other Funds	569,397	711,165	559,711	151,454
Payment of Loans to Other Funds	5,484	8,000	6,730	1,270
Total Other Financing Uses	574,881	719,165	566,441	152,724
TOTAL EXPENDITURES AND OTHER FINANCING USES	1,089,351	1,912,605	1,064,157	848,448
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(250,953)	(898,095)	(44,952)	853,143
FUND BALANCES (DEFICIT), JULY 1, RESTATED	250,953	250,953	449,181	198,228
Appropriation of Fund Balances and Carryforward Appropriations	--	647,142	--	(647,142)
Encumbrances Lapsed	--	--	17,025	17,025
FUND BALANCES (DEFICIT), JUNE 30	$ --	$ --	$ 421,254	$ 421,254

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, 2013
(amounts expressed in thousands)

Deficiency of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses - Budgetary	$ (44,952)
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.	(2,771)
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).	(8,595)
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	87,473
Prior year encumbrances expended in current year	(69,402)
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.	222,022
Net Change in Fund Balances - Nonmajor Special Revenue Funds	$ 183,775

DETAILS OF RESTATEMENT OF JULY 1 FUND BALANCES

Fund Balances, July 1, as previously reported	$ 453,680
Adjustment for fund not budgeted in current year included in the Allocations from other Governmental Agencies:	
ARRA COPS Hiring Recovery Program	(945)
ARRA Workforce Investment	(3,402)
Section 108 Loan Guarantee Program	(152)
Fund Balances, July 1, as restated	$ 449,181

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, 2013 (amounts expressed in thousands)

	Original Adopted Budget	Additional Appropriations, Carryforward and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2013	Total Actual	Variance With Final Budget Positive (Negative)
MAJOR FUNDS							
COMMUNITY DEVELOPMENT							
Current - Special Purpose	$ 7,965	$ 134,551	$ 142,516	$ 45,736	$ 22,809	$ 68,545	$ 73,971
Transfers to Other Funds	19,398	13,105	32,503	24,796	--	24,796	7,707
TOTAL	27,363	147,656	175,019	70,532	22,809	93,341	81,678
PROPOSITION A LOCAL TRANSIT ASSISTANCE							
Current - Special Purpose	185,720	74,887	260,607	84,347	7,822	92,169	168,438
Transfers to Other Funds	7,264	753	8,017	5,667	--	5,667	2,350
TOTAL	192,984	75,640	268,624	90,014	7,822	97,836	170,788
SOLID WASTE RESOURCES							
Current - Special Purpose	184,470	13,197	197,667	106,525	22,318	128,843	68,824
Debt Service							
Principal	27,010	80	27,090	27,090	--	27,090	--
Interest	13,033	(80)	12,953	12,953	--	12,953	--
Capital Outlay	44,258	1,926	46,184	1,328	2,768	4,096	42,088
Transfers to Other Funds	109,680	1,108	110,788	105,192	--	105,192	5,596
TOTAL	378,451	16,231	394,682	253,088	25,086	278,174	116,508
NONMAJOR FUNDS							
BUILDING AND SAFETY PERMIT							
Current - Special Purpose	62,214	109,632	171,846	24,208	5,340	29,548	142,298
Transfers to Other Funds	70,856	8,272	79,128	68,203	--	68,203	10,925
TOTAL	133,070	117,904	250,974	92,411	5,340	97,751	153,223
CITYWIDE RECYCLING							
Current - Special Purpose	45,347	(9,757)	35,590	14,417	8,310	22,727	12,863
Transfers to Other Funds	6,970	11	6,981	5,398	--	5,398	1,583
TOTAL	52,317	(9,746)	42,571	19,815	8,310	28,125	14,446
PROPOSITION C ANTI-GRIDLOCK TRANSIT IMPROVEMENT							
Current - Special Purpose	26,312	32,553	58,865	36,727	599	37,326	21,539
Transfers to Other Funds	79,375	12,147	91,522	73,443	--	73,443	18,079
TOTAL	105,687	44,700	150,387	110,170	599	110,769	39,618
SPECIAL PARKING REVENUE							
Current - Special Purpose	38,910	2,222	41,132	28,834	4,355	33,189	7,943
Capital Outlay	1,000	6,098	7,098	2,647	1	2,648	4,450
Debt Service							
Principal	4,356	269	4,625	4,355	--	4,355	270
Interest	4,249	2	4,251	3,980	--	3,980	271
Transfers to Other Funds	34,195	21,900	56,095	52,316	--	52,316	3,779
TOTAL	82,710	30,491	113,201	92,132	4,356	96,488	16,713

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, 2013 (amounts expressed in thousands)

	Original Adopted Budget	Additional Appropriations, Carryforward and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2013	Total Actual	Variance With Final Budget Positive (Negative)
STORMWATER POLLUTION ABATEMENT							
Current - Special Purpose	$ 12,568	$ 5,385	$ 17,953	$ 11,995	$ 415	$ 12,410	$ 5,543
Capital Outlay	1,150	613	1,763	286	--	286	1,477
Transfers to Other Funds	18,767	3,173	21,940	19,396	--	19,396	2,544
TOTAL	32,485	9,171	41,656	31,677	415	32,092	9,564
STREET LIGHTING MAINTENANCE ASSESSMENT							
Current - Special Purpose	37,457	9,219	46,676	26,652	11,398	38,050	8,626
Capital Outlay	2,500	65	2,565	216	192	408	2,157
Payment of Loans	5,484	2,516	8,000	6,698	32	6,730	1,270
Transfers to Other Funds	23,618	5,787	29,405	22,052	--	22,052	7,353
TOTAL	69,059	17,587	86,646	55,618	11,622	67,240	19,406
MEASURE R TRAFFIC RELIEF AND RAIL EXPANSION							
Current - Special Purpose	49,955	72,358	122,313	23,005	5,715	28,720	93,593
Transfers to Other Funds	18,071	4,636	22,707	15,739	--	15,739	6,968
TOTAL	68,026	76,994	145,020	38,744	5,715	44,459	100,561
HOME INVESTMENT PARTNERSHIP PROGRAM							
Current - Special Purpose	1,993	97,028	99,021	28,244	17,323	45,567	53,454
Transfers to Other Funds	4,035	2,047	6,082	4,154	--	4,154	1,928
TOTAL	6,028	99,075	105,103	32,398	17,323	49,721	55,382
SPECIAL GAS TAX STREET IMPROVEMENT							
Current - Special Purpose	31,859	(1,800)	30,059	30,059	--	30,059	--
Capital Outlay	4,016	37,140	41,156	7,079	5,562	12,641	28,515
Transfers to Other Funds	77,163	11,310	88,473	75,250	--	75,250	13,223
TOTAL	113,038	46,650	159,688	112,388	5,562	117,950	41,738
WORKFORCE INVESTMENT ACT							
Current - Special Purpose	5,806	89,015	94,821	30,102	8,589	38,691	56,130
Transfers to Other Funds	13,481	24,399	37,880	11,240	--	11,240	26,640
TOTAL	19,287	113,414	132,701	41,342	8,589	49,931	82,770
DISASTER ASSISTANCE							
Current - Special Purpose	28,224	10,820	39,044	10,820	--	10,820	28,224
Transfers to Other Funds	275	611	886	675	--	675	211
TOTAL	28,499	11,431	39,930	11,495	--	11,495	28,435
COMMUNITY SERVICES BLOCK GRANT							
Current - Special Purpose	710	6,372	7,082	3,174	1,039	4,213	2,869
Transfers to Other Funds	1,549	1,388	2,937	1,717	--	1,717	1,220
TOTAL	2,259	7,760	10,019	4,891	1,039	5,930	4,089

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, 2013
(amounts expressed in thousands)**

	Original Adopted Budget	Additional Appropriations, Carryforward and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2013	Total Actual	Variance With Final Budget Positive (Negative)
FORFEITED ASSETS TRUST OF POLICE DEPARTMENT							
Current - Special Purpose	$ 10,398	$ 9,346	$ 19,744	$ 4,075	$ 9,303	$ 13,378	$ 6,366
Transfers to Other Funds	199	588	787	567	--	567	220
TOTAL	10,597	9,934	20,531	4,642	9,303	13,945	6,586
HOUSEHOLD HAZARDOUS WASTE							
Current - Special Purpose	3,313	(2,400)	913	476	437	913	--
Transfers to Other Funds	2,866	--	2,866	2,493	--	2,493	373
TOTAL	6,179	(2,400)	3,779	2,969	437	3,406	373
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS							
Current - Special Purpose	191	34,142	34,333	10,935	2,370	13,305	21,028
Transfers to Other Funds	268	64	332	278	--	278	54
TOTAL	459	34,206	34,665	11,213	2,370	13,583	21,082
MOBILE SOURCE AIR POLLUTION REDUCTION							
Current - Special Purpose	3,435	2,021	5,456	3,002	--	3,002	2,454
Transfers to Other Funds	2,039	(145)	1,894	1,690	--	1,690	204
TOTAL	5,474	1,876	7,350	4,692	--	4,692	2,658
OLDER AMERICANS ACT							
Current - Special Purpose	--	21,915	21,915	12,277	3,180	15,457	6,458
Transfers to Other Funds	2,623	3,411	6,034	2,115	--	2,115	3,919
TOTAL	2,623	25,326	27,949	14,392	3,180	17,572	10,377
SUPPLEMENTAL LAW ENFORCEMENT SERVICES							
Transfers to Other Funds	1,500	4,035	5,535	(352)	--	(352)	5,887
SPECIAL POLICE COMMUNICATIONS/ 911 SYSTEM TAX							
Current - Special Purpose	3,374	840	4,214	2,903	--	2,903	1,311
Transfers to Other Funds	346	--	346	346	--	346	--
TOTAL	3,720	840	4,560	3,249	--	3,249	1,311
ARTS AND CULTURAL FACILITIES AND SERVICES							
Current - Special Purpose	3,174	671	3,845	3,104	129	3,233	612
Transfers to Other Funds	9,094	1,046	10,140	9,685	--	9,685	455
TOTAL	12,268	1,717	13,985	12,789	129	12,918	1,067
ARTS DEVELOPMENT FEE							
Current - Special Purpose	1,215	7,543	8,758	130	523	653	8,105
Transfers to Other Funds	--	80	80	79	--	79	1
TOTAL	1,215	7,623	8,838	209	523	732	8,106
CITY EMPLOYEES RIDESHARING							
Transfers to Other Funds	3,347	(196)	3,151	3,151	--	3,151	--

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, 2013 (amounts expressed in thousands)

	Original Adopted Budget	Additional Appropriations, Carryforward and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2013	Total Actual	Variance With Final Budget Positive (Negative)
CITY ETHICS COMMISSION							
Current - Special Purpose	$ 173	$ 1,535	$ 1,708	$ --	$ --	$ --	$ 1,708
Transfers to Other Funds	2,270	2,614	4,884	2,035	--	2,035	2,849
TOTAL	2,443	4,149	6,592	2,035	--	2,035	4,557
CITY OF LOS ANGELES AFFORDABLE HOUSING							
Current - Special Purpose	482	46,007	46,489	10,955	1,690	12,645	33,844
Transfers to Other Funds	862	--	862	419	--	419	443
TOTAL	1,344	46,007	47,351	11,374	1,690	13,064	34,287
DEPARTMENT OF NEIGHBORHOOD EMPOWERMENT							
Current - Special Purpose	3,655	118	3,773	3,637	(764)	2,873	900
Transfers to Other Funds	2,296	249	2,545	2,300	--	2,300	245
TOTAL	5,951	367	6,318	5,937	(764)	5,173	1,145
EL PUEBLO DE LOS ANGELES HISTORICAL MONUMENT							
Current - Special Purpose	1,076	(237)	839	777	--	777	62
Transfers to Other Funds	3,757	70	3,827	3,649	--	3,649	178
TOTAL	4,833	(167)	4,666	4,426	--	4,426	240
LANDFILL MAINTENANCE							
Current - Special Purpose	2,771	220	2,991	2,716	96	2,812	179
Transfers to Other Funds	4,769	--	4,769	4,258	--	4,258	511
TOTAL	7,540	220	7,760	6,974	96	7,070	690
LOCAL PUBLIC SAFETY							
Transfers to Other Funds	37,160	19,237	56,397	37,160	--	37,160	19,237
LOS ANGELES CONVENTION AND VISITORS BUREAU							
Current - Special Purpose	15,041	6,951	21,992	13,159	--	13,159	8,833
Transfers to Other Funds	91	--	91	91	--	91	--
TOTAL	15,132	6,951	22,083	13,250	--	13,250	8,833
MULTI-FAMILY BULKY ITEM FEE							
Current - Special Purpose	3,667	(85)	3,582	1,785	21	1,806	1,776
Transfers to Other Funds	3,506	21	3,527	3,027	--	3,027	500
TOTAL	7,173	(64)	7,109	4,812	21	4,833	2,276
MUNICIPAL HOUSING FINANCE							
Current - Special Purpose	1,021	788	1,809	627	440	1,067	742
Transfers to Other Funds	1,618	1,020	2,638	1,697	--	1,697	941
TOTAL	2,639	1,808	4,447	2,324	440	2,764	1,683
PLANNING CASE PROCESSING SPECIAL FUND							
Current - Special Purpose	5,441	1,720	7,161	2,200	--	2,200	4,961
Transfers to Other Funds	14,488	--	14,488	13,027	--	13,027	1,461
TOTAL	19,929	1,720	21,649	15,227	--	15,227	6,422

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, 2013
(amounts expressed in thousands)**

	Original Adopted Budget	Additional Appropriations, Carryforward and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2013	Total Actual	Variance With Final Budget Positive (Negative)
RENT STABILIZATION							
Current - Special Purpose	$ 11,852	$ 18,551	$ 30,403	$ 3,891	$ 391	$ 4,282	$ 26,121
Transfers to Other Funds	9,565	2,499	12,064	8,347	--	8,347	3,717
TOTAL	21,417	21,050	42,467	12,238	391	12,629	29,838
STREET DAMAGE RESTORATION							
Current - Special Purpose	75	2,658	2,733	75	--	75	2,658
Transfers to Other Funds	6,546	52	6,598	6,546	--	6,546	52
TOTAL	6,621	2,710	9,331	6,621	--	6,621	2,710
SYSTEMATIC CODE ENFORCEMENT FEE							
Current - Special Purpose	37,146	39,143	76,289	10,551	467	11,018	65,271
Transfers to Other Funds	26,833	5,386	32,219	24,259	--	24,259	7,960
TOTAL	63,979	44,529	108,508	34,810	467	35,277	73,231
TELECOMMUNICATIONS LIQUIDATED DAMAGES AND LOST FRANCHISE FEES							
Current - Special Purpose	33,632	974	34,606	6,741	287	7,028	27,578
Transfers to Other Funds	6,939	767	7,706	6,913	--	6,913	793
TOTAL	40,571	1,741	42,312	13,654	287	13,941	28,371
TRAFFIC SAFETY							
Current - Special Purpose	--	12	12	--	--	--	12
Transfers to Other Funds	11,000	(2,149)	8,851	8,851	--	8,851	--
TOTAL	11,000	(2,137)	8,863	8,851	--	8,851	12
ZOO							
Current - Special Purpose	--	407	407	60	35	95	312
Transfers to Other Funds	17,561	4,705	22,266	17,296	--	17,296	4,970
TOTAL	17,561	5,112	22,673	17,356	35	17,391	5,282
ALLOCATIONS FROM OTHER GOVERNMENTAL AGENCIES							
Current - Special Purpose	14,712	18,896	33,608	27,450	1,947	29,397	4,211
Transfers to Other Funds	49,499	2,733	52,232	50,201	--	50,201	2,031
TOTAL	64,211	21,629	85,840	77,651	1,947	79,598	6,242
TOTAL BUDGETED SPECIAL REVENUE FUNDS	$ 1,688,149	$ 1,062,781	$ 2,750,930	$ 1,388,369	$ 145,139	$ 1,533,508	$ 1,217,422
ALL ANNUALLY BUDGETED SPECIAL REVENUE FUNDS							
Current - Special Purpose	$ 875,354	$ 857,418	$ 1,732,772	$ 626,371	$ 136,584	$ 762,955	$ 969,817
Capital Outlay	52,924	45,842	98,766	11,556	8,523	20,079	78,687
Payment of Loans	5,484	2,516	8,000	6,698	32	6,730	1,270
Debt Service							
Principal	31,366	349	31,715	31,445	--	31,445	270
Interest	17,282	(78)	17,204	16,933	--	16,933	271
Transfers to Other Funds	705,739	156,734	862,473	695,366	--	695,366	167,107
TOTAL	$ 1,688,149	$ 1,062,781	$ 2,750,930	$ 1,388,369	$ 145,139	$ 1,533,508	$ 1,217,422

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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.

CITY OF LOS ANGELES

Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2013
(amounts expressed in thousands)

	General Obligation Bonds				
			Refunding		
	Series 2002-A	Series 2003-A	Series 2003-B	Series 2004-A	Series 2008-A
ASSETS					
Cash and Pooled Investments	$ 17,030	$ 14,437	$ 8,175	$ 22,793	$ 8,732
Other Investments	--	--	--	--	--
Taxes Receivable					
(Net of Allowance for Uncollectibles of $6,806)	1,820	--	--	2,576	1,115
Investment Income Receivable	46	--	--	63	23
Intergovernmental Receivable	--	--	--	--	--
TOTAL ASSETS	$ 18,896	$ 14,437	$ 8,175	$ 25,432	$ 9,870
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Obligations Under Securities Lending Transactions	$ 71	$ --	$ --	$ 95	$ 36
Deferred Revenue and Other Credits	1,506	--	--	2,130	920
Matured Bonds and Interest Payable	--	--	--	--	--
Other Liabilities	188	--	--	252	97
TOTAL LIABILITIES	1,765	--	--	2,477	1,053
FUND BALANCES					
Restricted for:					
Debt Service	17,131	14,437	8,175	22,955	8,817
TOTAL LIABILITIES AND FUND BALANCES	$ 18,896	$ 14,437	$ 8,175	$ 25,432	$ 9,870

Continued...

CITY OF LOS ANGELES

Combining Balance Sheet - (Continued)
Nonmajor Debt Service Funds
June 30, 2013
(amounts expressed in thousands)

	General Obligation Bonds			
	Series 2009-A	Series 2011-A	Refunding Series 2011-B	Refunding Series 2012-A
ASSETS				
Cash and Pooled Investments	$ 16,856	$ 9,561	$ 13,455	$ 8,151
Other Investments	--	--	--	--
Taxes Receivable				
(Net of Allowance for Uncollectibles of $6,806)	1,759	1,588	3,431	1,473
Investment Income Receivable	46	28	34	19
Intergovernmental Receivable	278	--	--	--
TOTAL ASSETS	$ 18,939	$ 11,177	$ 16,920	$ 9,643
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Obligations Under Securities Lending Transactions	$ 70	$ 40	$ 56	$ 34
Deferred Revenue and Other Credits	1,456	1,308	2,816	1,212
Matured Bonds and Interest Payable	--	--	--	--
Other Liabilities	186	106	149	90
TOTAL LIABILITIES	1,712	1,454	3,021	1,336
FUND BALANCES				
Restricted for:				
Debt Service	17,227	9,723	13,899	8,307
TOTAL LIABILITIES AND FUND BALANCES	$ 18,939	$ 11,177	$ 16,920	$ 9,643

Continued...

CITY OF LOS ANGELES

Combining Balance Sheet - (Continued)
Nonmajor Debt Service Funds
June 30, 2013
(amounts expressed in thousands)

	Convention Center	Solid Waste Resources	Other Nonmajor Debt Service Funds	Total
ASSETS				
Cash and Pooled Investments	$ 5,556	$ 29,510	$ 65,273	$ 219,529
Other Investments	13,230	--	--	13,230
Taxes Receivable				
(Net of Allowance for Uncollectibles of $6,806)	--	--	6,068	19,830
Investment Income Receivable	13	--	145	417
Intergovernmental Receivable	--	--	--	278
TOTAL ASSETS	$ 18,799	$ 29,510	$ 71,486	$ 253,284
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Obligations Under Securities Lending Transactions	$ 23	$ --	$ 221	$ 646
Deferred Revenue and Other Credits	6	--	5,018	16,372
Matured Bonds and Interest Payable	--	--	278	278
Other Liabilities	61	--	592	1,721
TOTAL LIABILITIES	90	--	6,109	19,017
FUND BALANCES				
Restricted for:				
Debt Service	18,709	29,510	65,377	234,267
TOTAL LIABILITIES AND FUND BALANCES	$ 18,799	$ 29,510	$ 71,486	$ 253,284

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, 2013
(amounts expressed in thousands)

	General Obligation Bonds				
			Refunding		
	Series 2002-A	Series 2003-A	Series 2003-B	Series 2004-A	Series 2008-A
REVENUES					
Property Taxes	$ 15,213	$ 12,603	$ 7,056	$ 18,265	$ 9,070
Charges for Services	--	--	--	--	--
Intergovernmental	--	--	--	--	--
Investment Earnings	134	85	50	202	72
Change in Fair Value of Investments	(219)	(227)	(131)	(334)	(109)
Other	--	--	--	--	--
TOTAL REVENUES	15,128	12,461	6,975	18,133	9,033
EXPENDITURES					
Debt Service:					
Principal	13,110	11,670	6,770	18,025	5,050
Interest	1,721	875	402	1,983	3,687
Cost of Issuance	--	--	--	--	--
TOTAL EXPENDITURES	14,831	12,545	7,172	20,008	8,737
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	297	(84)	(197)	(1,875)	296
OTHER FINANCING SOURCES (USES)					
Transfers In	--	--	--	--	--
Transfers Out	--	--	--	--	--
Issuance of Refunding Bonds	--	--	--	--	--
Premium on Issuance of Refunding Bonds	--	--	--	--	--
Advance Refunding Escrow	--	--	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	--	--	--	--	--
NET CHANGE IN FUND BALANCES	297	(84)	(197)	(1,875)	296
FUND BALANCES, JULY 1	16,834	14,521	8,372	24,830	8,521
FUND BALANCES, JUNE 30	$ 17,131	$ 14,437	$ 8,175	$ 22,955	$ 8,817

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, 2013
(amounts expressed in thousands)

	General Obligation Bonds			
	Series 2009-A	Series 2011-A	Refunding Series 2011-B	Refunding Series 2012-A
REVENUES				
Property Taxes	$ 15,440	$ 5,157	$ 17,505	$ 12,888
Charges for Services	--	--	--	--
Intergovernmental	1,828	--	--	--
Investment Earnings	139	134	107	52
Change in Fair Value of Investments	(194)	(227)	(142)	(42)
Other	--	31	3	--
TOTAL REVENUES	17,213	5,095	17,473	12,898
EXPENDITURES				
Debt Service:				
Principal	8,825	5,850	2,765	--
Interest	6,526	4,929	12,649	9,307
Cost of Issuance	--	--	--	--
TOTAL EXPENDITURES	15,351	10,779	15,414	9,307
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,862	(5,684)	2,059	3,591
OTHER FINANCING SOURCES (USES)				
Transfers In	--	--	--	--
Transfers Out	--	--	--	--
Issuance of Refunding Bonds	--	--	--	--
Premium on Issuance of Refunding Bonds	--	--	--	--
Advance Refunding Escrow	--	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	--	--	--	--
NET CHANGE IN FUND BALANCES	1,862	(5,684)	2,059	3,591
FUND BALANCES, JULY 1	15,365	15,407	11,840	4,716
FUND BALANCES, JUNE 30	$ 17,227	$ 9,723	$ 13,899	$ 8,307

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, 2013
(amounts expressed in thousands)

	Convention Center	Solid Waste Resources	Other Nonmajor Debt Service Funds	Total
REVENUES				
Property Taxes	$ --	$ --	$ 48,965	$ 162,162
Charges for Services	7,682	--	--	7,682
Intergovernmental	--	--	--	1,828
Investment Earnings	76	698	711	2,460
Change in Fair Value of Investments	(13)	--	(729)	(2,367)
Other	--	--	--	34
TOTAL REVENUES	7,745	698	48,947	171,799
EXPENDITURES				
Debt Service:				
Principal	33,435	27,090	53,050	185,640
Interest	18,833	12,953	17,968	91,833
Cost of Issuance	--	296	--	296
TOTAL EXPENDITURES	52,268	40,339	71,018	277,769
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(44,523)	(39,641)	(22,071)	(105,970)
OTHER FINANCING SOURCES (USES)				
Transfers In	47,903	39,174	20,374	107,451
Transfers Out	--	--	(48)	(48)
Issuance of Refunding Bonds	--	78,780	--	78,780
Premium on Issuance of Refunding Bonds	--	9,096	--	9,096
Advance Refunding Escrow	--	(94,781)	--	(94,781)
TOTAL OTHER FINANCING SOURCES (USES)	47,903	32,269	20,326	100,498
NET CHANGE IN FUND BALANCES	3,380	(7,372)	(1,745)	(5,472)
FUND BALANCES, JULY 1	15,329	36,882	67,122	239,739
FUND BALANCES, JUNE 30	$ 18,709	$ 29,510	$ 65,377	$ 234,267

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	General Obligation Bonds Series 2002-A			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenues				
Taxes	$ 14,831	$ 14,831	$ 15,980	$ 1,149
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Interest	--	--	148	148
Other	--	--	--	--
TOTAL REVENUES	14,831	14,831	16,128	1,297
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	13,110	13,110	13,110	--
Interest	1,721	1,721	1,721	--
Total Expenditures	14,831	14,831	14,831	--
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	14,831	14,831	14,831	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	--	--	1,297	1,297
FUND BALANCES, JULY 1, RESTATED	--	--	15,429	15,429
Appropriation of Fund Balance and Carryforward Appropriations	--	--	--	--
FUND BALANCES, JUNE 30	$ --	$ --	$ 16,726	$ 16,726

Continued..

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	General Obligation Bonds Series 2003-A			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenues				
Taxes	$ 12,545	$ 12,545	$ 13,536	$ 991
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Interest	--	--	120	120
Other	--	--	--	--
TOTAL REVENUES	12,545	12,545	13,656	1,111
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	11,670	11,670	11,670	--
Interest	875	875	875	--
Total Expenditures	12,545	12,545	12,545	--
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	12,545	12,545	12,545	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	--	--	1,111	1,111
FUND BALANCES, JULY 1, RESTATED	--	--	13,326	13,326
Appropriation of Fund Balance and Carryforward Appropriations	--	--	--	--
FUND BALANCES, JUNE 30	$ --	$ --	$ 14,437	$ 14,437

Continued..

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	General Obligation Bonds Refunding Series 2003-B			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenues				
Taxes	$ 7,172	$ 7,172	$ 7,579	$ 407
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Interest	--	--	69	69
Other	--	--	--	--
TOTAL REVENUES	7,172	7,172	7,648	476
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	6,770	6,770	6,770	--
Interest	402	402	402	--
Total Expenditures	7,172	7,172	7,172	--
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	7,172	7,172	7,172	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	--	--	476	476
FUND BALANCES, JULY 1, RESTATED	--	--	7,699	7,699
Appropriation of Fund Balance and Carryforward Appropriations	--	--	--	--
FUND BALANCES, JUNE 30	$ --	$ --	$ 8,175	$ 8,175

Continued..

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	General Obligation Bonds Series 2004-A			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenues				
Taxes	$ 20,008	$ 20,008	$ 19,109	$ (899)
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Interest	--	--	226	226
Other	--	--	--	--
TOTAL REVENUES	20,008	20,008	19,335	(673)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	18,025	18,025	18,025	--
Interest	1,983	1,983	1,983	--
Total Expenditures	20,008	20,008	20,008	--
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	20,008	20,008	20,008	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	--	--	(673)	(673)
FUND BALANCES, JULY 1, RESTATED	--	--	23,059	23,059
Appropriation of Fund Balance and Carryforward Appropriations	--	--	--	--
FUND BALANCES, JUNE 30	$ --	$ --	$ 22,386	$ 22,386

Continued..

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	General Obligation Bonds Series 2008-A			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenues				
Taxes	$ 8,737	$ 8,737	$ 9,521	$ 784
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Interest	--	--	77	77
Other	--	--	--	--
TOTAL REVENUES	8,737	8,737	9,598	861
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	5,050	5,050	5,050	--
Interest	3,687	3,687	3,687	--
Total Expenditures	8,737	8,737	8,737	--
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	8,737	8,737	8,737	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	--	--	861	861
FUND BALANCES, JULY 1, RESTATED	--	--	7,714	7,714
Appropriation of Fund Balance and Carryforward Appropriations	--	--	--	--
FUND BALANCES, JUNE 30	$ --	$ --	$ 8,575	$ 8,575

Continued..

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	General Obligation Bonds Series 2009-A and B			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenues				
Taxes	$ 15,351	$ 15,351	$ 16,235	$ 884
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	1,550	1,550
Charges for Services	--	--	--	--
Interest	--	--	148	148
Other	--	--	--	--
TOTAL REVENUES	15,351	15,351	17,933	2,582
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	8,825	8,825	8,825	--
Interest	6,526	6,526	6,526	--
Total Expenditures	15,351	15,351	15,351	--
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	15,351	15,351	15,351	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	--	--	2,582	2,582
FUND BALANCES, JULY 1, RESTATED	--	--	13,973	13,973
Appropriation of Fund Balance and Carryforward Appropriations	--	--	--	--
FUND BALANCES, JUNE 30	$ --	$ --	$ 16,555	$ 16,555

Continued..

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	General Obligation Bonds Series 2011-A			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenues				
Taxes	$ 10,779	$ 10,779	$ 5,226	$ (5,553)
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Interest	--	--	158	158
Other	--	--	31	--
TOTAL REVENUES	10,779	10,779	5,415	(5,395)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	5,850	5,850	5,850	--
Interest	4,929	4,929	4,929	--
Total Expenditures	10,779	10,779	10,779	--
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	10,779	10,779	10,779	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	--	--	(5,364)	(5,364)
FUND BALANCES, JULY 1, RESTATED	--	--	14,755	14,755
Appropriation of Fund Balance and Carryforward Appropriations	--	--	--	--
FUND BALANCES, JUNE 30	$ --	$ --	$ 9,391	$ 9,391

Continued..

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	General Obligation Bonds Series 2011-B			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenues				
Taxes	$ 15,414	$ 15,414	$ 18,125	$ 2,711
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Interest	--	--	103	103
Other	--	--	3	--
TOTAL REVENUES	15,414	15,414	18,231	2,814
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	2,765	2,765	2,765	--
Interest	12,649	12,649	12,649	--
Total Expenditures	15,414	15,414	15,414	--
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	15,414	15,414	15,414	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	--	--	2,817	2,817
FUND BALANCES, JULY 1, RESTATED	--	--	10,398	10,398
Appropriation of Fund Balance and Carryforward Appropriations	--	--	--	--
FUND BALANCES, JUNE 30	$ --	$ --	$ 13,215	$ 13,215

Continued..

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	General Obligation Bonds Series 2012-A			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenues				
Taxes	$ 9,307	$ 9,307	$ 13,551	$ 4,244
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Interest	--	--	46	46
Other	--	--	--	--
TOTAL REVENUES	9,307	9,307	13,597	4,290
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	9,307	9,307	9,307	--
Total Expenditures	9,307	9,307	9,307	--
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	9,307	9,307	9,307	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	--	--	4,290	4,290
FUND BALANCES, JULY 1, RESTATED	--	--	3,716	3,716
Appropriation of Fund Balance and Carryforward Appropriations	--	--	--	--
FUND BALANCES, JUNE 30	$ --	$ --	$ 8,006	$ 8,006

Continued..

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Convention Center - Staples Arena Account			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenues				
Taxes	$ --	$ --	$ --	$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	4,000	4,000	7,682	3,682
Interest	35	35	28	(7)
Other	--	--	--	--
TOTAL REVENUES	4,035	4,035	7,710	3,675
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	1,165	3,258	--	3,258
Debt Service				
Principal	1,615	1,615	1,615	--
Interest	2,233	2,233	2,233	--
Total Expenditures	5,013	7,106	3,848	3,258
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	5,013	7,106	3,848	3,258
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	(978)	(3,071)	3,862	6,933
FUND BALANCES, JULY 1, RESTATED	978	978	1,595	617
Appropriation of Fund Balance and Carryforward Appropriations	--	2,093	--	(2,093)
FUND BALANCES, JUNE 30	$ --	$ --	$ 5,457	$ 5,457

Continued..

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Other Nonmajor Debt Service Fund - General Obligation Bonds Series Refunding Series 1998-A			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenues				
Taxes	$ 14,549	$ 14,549	$ 13,720	$ (829)
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Interest	--	--	139	139
Other	--	--	--	--
TOTAL REVENUES	14,549	14,549	13,859	(690)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	12,520	12,520	12,520	--
Interest	2,029	2,029	2,029	--
Total Expenditures	14,549	14,549	14,549	--
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	14,549	14,549	14,549	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	--	--	(690)	(690)
FUND BALANCES, JULY 1, RESTATED	--	--	15,017	15,017
Appropriation of Fund Balance and Carryforward Appropriations	--	--	--	--
FUND BALANCES, JUNE 30	$ --	$ --	$ 14,327	$ 14,327

Continued..

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Other Nonmajor Debt Service Fund - General Obligation Bonds Refunding Series 2002-B			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenues				
Taxes	$ 19,216	$ 19,216	$ 20,494	$ 1,278
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Interest	--	--	194	194
Other	--	--	--	--
TOTAL REVENUES	19,216	19,216	20,688	1,472
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	17,785	17,785	17,785	--
Interest	1,431	1,431	1,431	--
Total Expenditures	19,216	19,216	19,216	--
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	19,216	19,216	19,216	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	--	--	1,472	1,472
FUND BALANCES, JULY 1, RESTATED	--	--	20,425	20,425
Appropriation of Fund Balance and Carryforward Appropriations	--	--	--	--
FUND BALANCES, JUNE 30	$ --	$ --	$ 21,897	$ 21,897

Continued..

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Other Nonmajor Debt Service Fund - General Obligation Bonds Series 2005-A			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenues				
Taxes	$ 7,323	$ 7,323	$ 7,046	$ (277)
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Interest	--	--	81	81
Other	--	--	--	--
TOTAL REVENUES	7,323	7,323	7,127	(196)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	6,340	6,340	6,340	--
Interest	983	983	983	--
Total Expenditures	7,323	7,323	7,323	--
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	7,323	7,323	7,323	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	--	--	(196)	(196)
FUND BALANCES, JULY 1, RESTATED	--	--	8,255	8,255
Appropriation of Fund Balance and Carryforward Appropriations	--	--	--	--
FUND BALANCES, JUNE 30	$ --	$ --	$ 8,059	$ 8,059

Continued..

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Other Nonmajor Debt Service Fund - General Obligation Bonds Refunding Series 2005-B			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenues				
Taxes	$ 3,503	$ 3,503	$ 3,884	$ 381
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Interest	--	--	23	23
Other	--	--	--	--
TOTAL REVENUES	3,503	3,503	3,907	404
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	110	110	110	--
Interest	3,393	3,393	3,393	--
Total Expenditures	3,503	3,503	3,503	--
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	3,503	3,503	3,503	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	--	--	404	404
FUND BALANCES, JULY 1, RESTATED	--	--	2,105	2,105
Appropriation of Fund Balance and Carryforward Appropriations	--	--	--	--
FUND BALANCES, JUNE 30	$ --	$ --	$ 2,509	$ 2,509

Continued..

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Other Nonmajor Debt Service Fund - General Obligation Bonds Series 2006-A			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenues				
Taxes	$ 5,743	$ 5,743	$ 6,252	$ 509
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Interest	--	--	51	51
Other	--	--	--	--
TOTAL REVENUES	5,743	5,743	6,303	560
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	3,510	3,510	3,510	--
Interest	2,233	2,233	2,233	--
Total Expenditures	5,743	5,743	5,743	--
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	5,743	5,743	5,743	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	--	--	560	560
FUND BALANCES, JULY 1, RESTATED	--	--	5,170	5,170
Appropriation of Fund Balance and Carryforward Appropriations	--	--	--	--
FUND BALANCES, JUNE 30	$ --	$ --	$ 5,730	$ 5,730

Continued..

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Total Annually Budgeted Nonmajor Debt Service Funds			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenues				
Taxes	$ 164,478	$ 164,478	$ 170,258	$ 5,780
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	1,550	1,550
Charges for Services	4,000	4,000	7,682	3,682
Interest	35	35	1,611	1,576
Other	--	--	34	34
TOTAL REVENUES	168,513	168,513	181,135	12,588
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	1,165	3,258	--	3,258
Debt Service				
Principal	113,945	113,945	113,945	--
Interest	54,381	54,381	54,381	--
Total Expenditures	169,491	171,584	168,326	3,258
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	169,491	171,584	168,326	3,258
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	(978)	(3,071)	12,809	15,880
FUND BALANCES, JULY 1, RESTATED	978	978	162,636	161,658
Appropriation of Fund Balance and Carryforward Appropriations	--	2,093	--	(2,093)
FUND BALANCES, JUNE 30	$ --	$ --	$ 175,445	$ 175,445

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, 2013
(amounts expressed in thousands)

Excess of Revenues Over Expenditures and Other Financing Uses - Budgetary	$	12,809
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.		(10,345)
Perspective Difference		
Certain Nonmajor Debt Service Funds are not included in the legally adopted budget.		(7,936)
Net Change in Fund Balances - Nonmajor Debt Service Funds	$	(5,472)

DETAILS OF RESTATEMENT OF JULY 1 FUND BALANCES

Fund Balances, July 1, as previously reported	$	133,767
Adjustment for funds not budgeted in prior year:		
General Obligation Bonds Series 2012-A		3,716
General Obligation Bonds Series 2011-B		10,398
General Obligation Bonds Series 2011-A		14,755
Fund Balances, July 1, as restated	$	162,636

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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.

CITY OF LOS ANGELES

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 91.9% 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 8.1% 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, 2013
(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	$ 41,604	$ 78,476	$ 25,409	$ 53,565	$ 17,291
Accounts Receivable	--	--	--	--	--
Special Assessments Receivable	--	--	--	--	--
Investment Income Receivable	132	249	86	170	81
Intergovernmental Receivable	--	--	--	--	--
Due from Other Funds	3	--	--	--	--
TOTAL ASSETS	$ 41,739	$ 78,725	$ 25,495	$ 53,735	$ 17,372
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts, Contracts and Retainage Payable	$ 86	$ 686	$ 292	$ 9	$ 345
Obligations Under Securities Lending Transactions	173	326	105	222	72
Intergovernmental Payable	--	--	--	--	--
Due to Other Funds	91	576	1,129	34	3,081
Deferred Revenue and Other Credits	51	97	31	66	31
Deposits and Advances	--	--	--	--	--
Advances from Other Funds	--	--	--	--	--
Other Liabilities	460	868	281	592	191
TOTAL LIABILITIES	861	2,553	1,838	923	3,720
FUND BALANCES					
Restricted for:					
Animal Shelter Facilities	8,183	--	--	13,571	--
Cultural Activities	--	--	--	--	--
Debt Service	40	--	--	20	49
Fire Prevention and Emergency Preparedness	--	--	--	--	--
Library	--	--	--	--	--
Police, Fire and 911 Facilities	32,655	76,172	23,549	38,288	--
Recreation and Parks	--	--	--	--	--
Seismic Improvement	--	--	--	--	--
Stormwater Cleanup Capital Projects	--	--	108	933	13,603
Transportation	--	--	--	--	--
TOTAL FUND BALANCES	40,878	76,172	23,657	52,812	13,652
TOTAL LIABILITIES AND FUND BALANCES	$ 41,739	$ 78,725	$ 25,495	$ 53,735	$ 17,372

Continued...

CITY OF LOS ANGELES

Combining Balance Sheet - (Continued)
Nonmajor Capital Projects Funds
June 30, 2013
(amounts expressed in thousands)

	General Obligation Bonds		Recreation and	Parks	Other Nonmajor Capital Projects	
	Series 2009-A	Series 2011-A	Parks Grant	Assessment	Funds	Total
ASSETS						
Cash and Pooled Investments	$ 84,365	$ 137,757	$ 77,825	$ 116,962	$ 58,022	$ 691,276
Accounts Receivable	--	--	2,055	--	--	2,055
Special Assessments Receivable	--	--	--	1,594	--	1,594
Investment Income Receivable	316	370	241	367	177	2,189
Intergovernmental Receivable	--	--	2,351	--	79	2,430
Due from Other Funds	--	--	--	784	--	787
TOTAL ASSETS	$ 84,681	$ 138,127	$ 82,472	$ 119,707	$ 58,278	$ 700,331
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts, Contracts and Retainage Payable	$ 1,945	$ 559	$ 847	$ 1,150	$ 1,573	$ 7,492
Obligations Under Securities Lending Transactio	350	572	323	486	201	2,830
Intergovernmental Payable	--	--	4	--	--	4
Due to Other Funds	268	376	4	1,159	796	7,514
Deferred Revenue and Other Credits	120	145	337	1,239	67	2,184
Deposits and Advances	--	--	--	--	4	4
Advances from Other Funds	--	--	8,848	--	--	8,848
Other Liabilities	933	1,523	861	1,293	536	7,538
TOTAL LIABILITIES	3,616	3,175	11,224	5,327	3,177	36,414
FUND BALANCES						
Restricted for:						
Animal Shelter Facilities	--	--	--	--	1,062	22,816
Cultural Activities	--	--	--	--	1,636	1,636
Debt Service	--	--	--	--	433	542
Fire Prevention and Emergency Preparednes	--	--	--	--	1,492	1,492
Library	--	--	--	--	2,472	2,472
Police, Fire and 911 Facilities	--	--	--	--	25,994	196,658
Recreation and Parks	--	--	71,248	114,380	16,262	201,890
Seismic Improvement	--	--	--	--	2,153	2,153
Stormwater Cleanup Capital Projects	81,065	134,952	--	--	--	230,661
Transportation	--	--	--	--	3,597	3,597
TOTAL FUND BALANCES	81,065	134,952	71,248	114,380	55,101	663,917
TOTAL LIABILITIES AND FUND BALANCES	$ 84,681	$ 138,127	$ 82,472	$ 119,707	$ 58,278	$ 700,331

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, 2013
(amounts expressed in thousands)

	General Obligation Bonds				
	Series 2003-A	**Series 2004-A**	**Series 2005-A**	**Series 2006-A**	**Series 2008-A**
REVENUES					
Other Taxes	$ --	$ --	$ --	$ --	$ --
Licenses and Permits	--	--	--	--	--
Intergovernmental	--	--	--	--	178
Charges for Services	--	--	--	--	--
Special Assessments	--	--	--	--	--
Investment Earnings	563	1,071	392	720	352
Change in Fair Value of Investments	(611)	(1,170)	(444)	(782)	(431)
Other	--	--	--	--	19
TOTAL REVENUES	(48)	(99)	(52)	(62)	118
EXPENDITURES					
Capital Outlay	1,713	4,812	6,303	1,734	4,839
TOTAL EXPENDITURES	1,713	4,812	6,303	1,734	4,839
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,761)	(4,911)	(6,355)	(1,796)	(4,721)
OTHER FINANCING SOURCES (USES)					
Transfers In	--	--	--	--	--
Transfers Out	--	--	(4)	(4)	(8,426)
TOTAL OTHER FINANCING SOURCES (USES)	--	--	(4)	(4)	(8,426)
NET CHANGE IN FUND BALANCES	(1,761)	(4,911)	(6,359)	(1,800)	(13,147)
FUND BALANCES, JULY 1	42,639	81,083	30,016	54,612	26,799
FUND BALANCES, JUNE 30	$ 40,878	$ 76,172	$ 23,657	$ 52,812	$ 13,652

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, 2013
(amounts expressed in thousands)

	General Obligation Bonds		Recreation and	Parks	Other Nonmajor Capital Projects	
	Series 2009-A	Series 2011-A	Parks Grant	Assessment	Funds	Total
REVENUES						
Other Taxes	$ --	$ --	$ --	$ --	$ 1,564	$ 1,564
Licenses and Permits	--	--	--	--	27	27
Intergovernmental	1,776	--	11,509	--	2,095	15,558
Charges for Services	--	--	6,950	1,920	--	8,870
Special Assessments	--	--	--	25,177	--	25,177
Investment Earnings	1,485	1,551	960	1,444	825	9,363
Change in Fair Value of Investments	(1,818)	(1,595)	(982)	(1,489)	(964)	(10,286)
Other	11	--	--	--	600	630
TOTAL REVENUES	1,454	(44)	18,437	27,052	4,147	50,903
EXPENDITURES						
Capital Outlay	27,486	2,378	10,162	16,646	19,221	95,294
TOTAL EXPENDITURES	27,486	2,378	10,162	16,646	19,221	95,294
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(26,032)	(2,422)	8,275	10,406	(15,074)	(44,391)
OTHER FINANCING SOURCES (USES)						
Transfers In	--	22,606	2,108	1,800	--	26,514
Transfers Out	(14,172)	--	--	(4,979)	(600)	(28,185)
TOTAL OTHER FINANCING SOURCES (USES)	(14,172)	22,606	2,108	(3,179)	(600)	(1,671)
NET CHANGE IN FUND BALANCES	(40,204)	20,184	10,383	7,227	(15,674)	(46,062)
FUND BALANCES, JULY 1	121,269	114,768	60,865	107,153	70,775	709,979
FUND BALANCES, JUNE 30	$ 81,065	$ 134,952	$ 71,248	$ 114,380	$ 55,101	$ 663,917

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Local Transportation			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	$ --	$ --	$ --	$ --
Intergovernmental	2,635	4,251	2,016	(2,235)
Interest	89	89	101	12
Other	--	--	600	600
Total Revenues	2,724	4,340	2,717	(1,623)
Other Financing Sources				
Loans from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	2,724	4,340	2,717	(1,623)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Capital Outlay	6,634	13,734	4,911	8,823
Other Financing Uses				
Transfers to Other Funds	--	2,643	2,286	357
TOTAL EXPENDITURES AND OTHER FINANCING USES	6,634	16,377	7,197	9,180
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(3,910)	(12,037)	(4,480)	7,557
FUND BALANCES, JULY 1	3,910	3,910	6,426	2,516
Appropriation of Fund Balances and Carryforward Appropriations	--	8,127	--	(8,127)
Encumbrances Lapsed	--	--	1	1
FUND BALANCES, JUNE 30	$ --	$ --	$ 1,947	$ 1,947

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Capital Projects Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Park and Recreational Sites and Facilities			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	$ 1,200	$ 1,200	$ 1,564	$ 364
Intergovernmental	--	--	--	--
Interest	--	--	--	--
Other	--	--	--	--
Total Revenues	1,200	1,200	1,564	364
Other Financing Sources				
Loans from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	1,200	1,200	1,564	364
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Capital Outlay	1,200	7,842	527	7,315
Other Financing Uses				
Transfers to Other Funds	--	454	46	408
TOTAL EXPENDITURES AND OTHER FINANCING USES	1,200	8,296	573	7,723
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	--	(7,096)	991	8,087
FUND BALANCES, JULY 1	--	--	7,349	7,349
Appropriation of Fund Balances and Carryforward Appropriations	--	7,096	--	(7,096)
Encumbrances Lapsed	--	--	3	3
FUND BALANCES, JUNE 30	$ --	$ --	$ 8,343	$ 8,343

Continued...

CITY OF LOS ANGELES

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Capital Projects Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Total Annually Budgeted Nonmajor Capital Projects Funds			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	$ 1,200	$ 1,200	$ 1,564	$ 364
Intergovernmental	2,635	4,251	2,016	(2,235)
Interest	89	89	101	12
Other	--	--	600	600
Total Revenues	3,924	5,540	4,281	(1,259)
Other Financing Sources				
Loans from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	3,924	5,540	4,281	(1,259)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Capital Outlay	7,834	21,576	5,438	16,138
Other Financing Uses				
Transfers to Other Funds	--	3,097	2,332	765
TOTAL EXPENDITURES AND OTHER FINANCING USES	7,834	24,673	7,770	16,903
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(3,910)	(19,133)	(3,489)	15,644
FUND BALANCES, JULY 1	3,910	3,910	13,775	9,865
Appropriation of Fund Balances and Carryforward Appropriations	--	15,223	--	(15,223)
Encumbrances Lapsed	--	--	4	4
FUND BALANCES, JUNE 30	$ --	$ --	$ 10,290	$ 10,290

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, 2013
(amounts expressed in thousands)

Deficiency of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses - Budgetary	$	(3,489)
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.		(94)
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		1,665
Prior year encumbrances expended in current year		(212)
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.		(43,932)
Net Change in Fund Balances - Nonmajor Capital Projects Funds	$	(46,062)

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, 2013
(amounts expressed in thousands)

	Original Adopted Budget	Additional Appropriations, Carryforward and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2013	Total Actual	Variance With Final Budget Positive (Negative)
LOCAL TRANSPORTATION							
Capital Outlay	$ 6,634	$ 7,100	$ 13,734	$ 3,396	$ 1,515	$ 4,911	$ 8,823
Transfers to Other Funds	--	2,643	2,643	2,286	--	2,286	357
TOTAL	6,634	9,743	16,377	5,682	1,515	7,197	9,180
PARK AND RECREATION SITES AND FACILITIES							
Capital Outlay	1,200	6,642	7,842	377	150	527	7,315
Transfers to Other Funds	--	454	454	46	--	46	408
TOTAL	1,200	7,096	8,296	423	150	573	7,723
TOTAL BUDGETED CAPITAL PROJECTS FUNDS	$ 7,834	$ 16,839	$ 24,673	$ 6,105	$ 1,665	$ 7,770	$ 16,903
ALL ANNUALLY BUDGETED CAPITAL PROJECTS FUNDS							
Capital Outlay	$ 7,834	$ 13,742	$ 21,576	$ 3,773	$ 1,665	$ 5,438	$ 16,138
Transfers to Other Funds	--	3,097	3,097	2,332	--	2,332	765
TOTAL	$ 7,834	$ 16,839	$ 24,673	$ 6,105	$ 1,665	$ 7,770	$ 16,903

Fiduciary Funds

Pensions and Other Employee Benefits Trust Funds are used to account for the activities of the City's defined contribution pension plans and other postemployment benefit plans. Agency Funds are used to account for assets held by the City as an agent for others.

CITY OF LOS ANGELES

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 Employee 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 defined benefit and 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 Healthcare 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, 2013
(amounts expressed in thousands)

	Pension Trust Funds	Other Postemployment Benefits Trust Funds	Total
ASSETS			
Cash and Pooled Investments	$ 19,820	$ 1,556	$ 21,376
Prepaid Expense	3	-	3
Receivables:			
Contributions	60,085	1	60,086
Accrued Investment Income	98,746	12,193	110,939
Contingent Disability Benefit Advance	3,310	--	3,310
Other Receivables	12,453	1,203	13,656
Due from Brokers	2,090,893	324,067	2,414,960
Prepaid Health Subsidy	5	7,741	7,746
Other Investments:			
Temporary	1,428,334	168,204	1,596,538
U. S. Government Agencies Securities	3,210,485	412,519	3,623,004
Domestic Corporate Bonds	2,847,770	362,629	3,210,399
International Bonds	303,301	48,997	352,298
Opportunistic Debt	1,041	176	1,217
Domestic Stocks	13,279,643	1,693,282	14,972,925
International Stocks	6,471,388	829,996	7,301,384
Mortgage-backed Securities	862,288	149,364	1,011,652
Real Estate	1,973,941	201,303	2,175,244
Venture Capital and Alternative Investments	3,380,123	382,846	3,762,969
Security Lending Collateral	2,548,325	311,396	2,859,721
Capital Assets			
Furniture, Fixtures and Equipment (Net of Accumulated Depreciation of $949)	1,128	190	1,318
TOTAL ASSETS	38,593,082	4,907,663	43,500,745
LIABILITIES			
Accounts Payable and Accrued Expenses	69,829	13,039	82,868
Benefits in Process of Payment	26,884	371	27,255
Derivative Instruments	16	3	19
Due to Brokers	2,513,199	392,391	2,905,590
Obligations Under Securities Lending Transactions	2,548,325	311,396	2,859,721
Mortgage Loan Payable - Current	40,835	2,970	43,805
Mortgage Loan Payable - Noncurrent	138,542	10,078	148,620
TOTAL LIABILITIES	5,337,630	730,248	6,067,878
NET POSITION			
Held in Trust for Pension and Other Postemployment Benefits			
Benefit Pension Plans	33,183,977	--	33,183,977
Disability Plan	46,455	--	46,455
Death Benefit Plan	25,020	--	25,020
Postemployment Healthcare Plans	--	4,177,415	4,177,415
TOTAL NET POSITION	$ 33,255,452	$ 4,177,415	$ 37,432,867

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, 2013
(amounts expressed in thousands)

	Pension Trust Funds	Other Postemployment Benefits Trust Funds	Total
ADDITIONS			
Contributions			
Employer	$ 1,117,114	$ 274,035	$ 1,391,149
Plan Member	390,058	--	390,058
Other	2,526	175	2,701
Total Contributions	1,509,698	274,210	1,783,908
Investment Income			
Net Depreciation in Fair Value of Investments	3,142,327	427,426	3,569,753
Interest Income	281,514	54,346	335,860
Dividend Income	376,815	31,889	408,704
Securities Lending Income	15,763	1,897	17,660
Other Investment Income	76,511	10,062	86,573
Real Estate Operating Income, Net	102,909	8,988	111,897
Investment Income	3,995,839	534,608	4,530,447
Investment Expense	(93,084)	(10,644)	(103,728)
Securities Lending Expense	(1,976)	(268)	(2,244)
Net Investment Income	3,900,779	523,696	4,424,475
TOTAL ADDITIONS	5,410,477	797,906	6,208,383
DEDUCTIONS			
Benefit Payments	1,999,063	263,815	2,262,878
Refunds of Member Contributions	26,783	--	26,783
Administrative Expenses	30,949	4,560	35,509
TOTAL DEDUCTIONS	2,056,795	268,375	2,325,170
CHANGE IN NET POSITION			
Benefit Pension Plans	3,354,598	--	3,354,598
Disability Plan	(1,179)	--	(1,179)
Death Benefit Plan	263	--	263
Postemployment Healthcare Plans	--	529,531	529,531
TOTAL CHANGE IN NET POSITION	3,353,682	529,531	3,883,213
Net Position Held in Trust for Pension and Other Postemployment Benefits, July 1			
Benefit Pension Plans	29,829,379	--	29,829,379
Disability Plan	47,634	--	47,634
Death Benefit Plan	24,757	--	24,757
Post-employment Healthcare Plans	--	3,647,884	3,647,884
NET POSITION HELD IN TRUST FOR PENSION AND OTHER POSTEMPLOYMENT BENEFITS, JUNE 30	$ 33,255,452	$ 4,177,415	$ 37,432,867

CITY OF LOS ANGELES

Combining Statement of Fiduciary Net Position
Pension Trust Funds
June 30, 2013
(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	$ 6,244	$ 602	$ 12,974	$ 19,820
Prepaid Expense	--	--	3	3
Receivables:				
Contributions	5,490	--	54,595	60,085
Accrued Investment Income	47,015	32,530	19,201	98,746
Contingent Disability Benefit Advance	--	--	3,310	3,310
Other Receivables	--	7,119	5,334	12,453
Due from Brokers	361,314	1,444,407	285,172	2,090,893
Prepaid Health Subsidy	5	--	--	5
Other Investments:				
Temporary	547,839	518,341	362,154	1,428,334
U. S. Government Agencies Securities	1,597,255	543,862	1,069,368	3,210,485
Domestic Corporate Bonds	1,320,387	910,581	616,802	2,847,770
International Bonds	1,713	289,313	12,275	303,301
Opportunistic Debt	--	1,041	--	1,041
Domestic Stocks	5,958,718	3,907,978	3,412,947	13,279,643
International Stocks	2,563,867	2,147,785	1,759,736	6,471,388
Mortgage-backed Securities	--	528,384	333,904	862,288
Real Estate	1,148,402	583,737	241,802	1,973,941
Venture Capital and Alternative Investments	1,767,344	1,032,484	580,295	3,380,123
Security Lending Collateral	1,246,303	988,930	313,092	2,548,325
Capital Assets				
Furniture, Fixtures and Equipment (Net of Accumulated Depreciation of $812)	--	1,128	--	1,128
TOTAL ASSETS	16,571,896	12,938,222	9,082,964	38,593,082
LIABILITIES				
Accounts Payable and Accrued Expenses	7,948	48,083	13,798	69,829
Benefits in Process of Payment	23,975	--	2,909	26,884
Derivative Instruments	--	16	--	16
Due to Brokers	433,920	1,701,600	377,679	2,513,199
Obligations Under Securities Lending Transactions	1,246,303	988,930	313,092	2,548,325
Mortgage Loan Payable - Current	40,835	--	--	40,835
Mortgage Loan Payable - Noncurrent	138,542	--	--	138,542
TOTAL LIABILITIES	1,891,523	2,738,629	707,478	5,337,630
NET POSITION				
Held in Trust for Pension and Other Employee Benefits				
Benefit Pension Plans	14,680,373	10,199,593	8,304,011	33,183,977
Disability Plan	--	--	46,455	46,455
Death Benefit Plan	--	--	25,020	25,020
TOTAL NET POSITION	$ 14,680,373	$ 10,199,593	$ 8,375,486	$ 33,255,452

CITY OF LOS ANGELES

Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Fiscal Year Ended June 30, 2013
(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
ADDITIONS				
Contributions				
Employer	$ 375,448	$ 346,350	$ 395,316	$ 1,117,114
Plan Member	121,778	197,881	70,399	390,058
Other	2,526	--	--	2,526
Total Contributions	499,752	544,231	465,715	1,509,698
Investment Income				
Net Depreciation in Fair Value of Investments	1,345,526	1,048,344	748,457	3,142,327
Interest Income	105,000	86,432	90,082	281,514
Dividend Income	193,583	96,471	86,761	376,815
Securities Lending Income	8,445	5,720	1,598	15,763
Other Investment Income	40,623	33,199	2,689	76,511
Real Estate Operating Income, Net	64,904	23,815	14,190	102,909
Investment Income	1,758,081	1,293,981	943,777	3,995,839
Investment Expense	(51,987)	(17,519)	(23,578)	(93,084)
Securities Lending Expense	(843)	(850)	(283)	(1,976)
Net Investment Income	1,705,251	1,275,612	919,916	3,900,779
TOTAL ADDITIONS	2,205,003	1,819,843	1,385,631	5,410,477
DEDUCTIONS				
Benefit Payments	856,237	687,362	455,464	1,999,063
Refunds of Member Contributions	3,267	17,697	5,819	26,783
Administrative Expenses	12,200	13,352	5,397	30,949
TOTAL DEDUCTIONS	871,704	718,411	466,680	2,056,795
CHANGE IN NET POSITION				
Benefit Pension Plans	1,333,299	1,101,432	919,867	3,354,598
Disability Plan	--	--	(1,179)	(1,179)
Death Benefit Plan	--	--	263	263
TOTAL CHANGE IN NET POSITION	1,333,299	1,101,432	918,951	3,353,682
Net Position Held in Trust for Pension and Other Employee Benefits, July 1				
Benefit Pension Plans	13,347,074	9,098,161	7,384,144	29,829,379
Disability Plan	--	--	47,634	47,634
Death Benefit Plan	--	--	24,757	24,757
NET POSITION HELD IN TRUST FOR PENSION AND OTHER BENEFITS, JUNE 30	$ 14,680,373	$ 10,199,593	$ 8,375,486	$ 33,255,452

CITY OF LOS ANGELES

Combining Statement of Fiduciary Net Position
Other Postemployment Benefits Trust Funds
June 30, 2013
(amounts expressed in thousands)

	Fire and Police Health Subsidy Plan	Los Angeles City Employees' Postemployment Healthcare Plan	Water and Power Employees' Retiree Health Benefits Plan	Total
ASSETS				
Cash and Pooled Investments	$ 454	$ 304	$ 798	$ 1,556
Receivables:				
Contributions	--	--	1	1
Accrued Investment Income	3,420	5,495	3,278	12,193
Other Receivables	--	1,203	--	1,203
Due from Brokers	26,283	243,993	53,791	324,067
Prepaid Health Subsidy	7,741	--	--	7,741
Other Investments:				
Temporary	39,851	87,357	40,996	168,204
U. S. Government Agencies Securities	116,187	91,871	204,461	412,519
Domestic Corporate Bonds	96,047	153,818	112,764	362,629
International Bonds	125	48,872	--	48,997
Opportunistic Debt	--	176	--	176
Domestic Stocks	433,449	660,147	599,686	1,693,282
International Stocks	186,501	362,810	280,685	829,996
Mortgage-backed Securities	--	89,256	60,108	149,364
Real Estate	83,537	98,607	19,159	201,303
Venture Capital and Alternative Investments	128,560	174,411	79,875	382,846
Security Lending Collateral	90,659	167,052	53,685	311,396
Capital Assets				
Furniture, Fixtures and Equipment (Net of Accumulated Depreciation of $137)	--	190	--	190
TOTAL ASSETS	1,212,814	2,185,562	1,509,287	4,907,663
LIABILITIES				
Accounts Payable and Accrued Expenses	521	8,122	4,396	13,039
Benefits in Process of Payment	371	--	--	371
Derivative Instruments	--	3	--	3
Due to Brokers	31,564	287,440	73,387	392,391
Obligations Under Securities Lending Transactions	90,659	167,052	53,685	311,396
Mortgage Loan Payable - Current	2,970	--	--	2,970
Mortgage Loan Payable - Noncurrent	10,078	--	--	10,078
TOTAL LIABILITIES	136,163	462,617	131,468	730,248
NET POSITION				
Held in Trust for Postemployment Healthcare Benefits	$ 1,076,651	$ 1,722,945	$ 1,377,819	$ 4,177,415

CITY OF LOS ANGELES

Combining Statement of Changes in Fiduciary Net Position
Other Postemployment Benefits Trust Funds
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Fire and Police Health Subsidy Plan	Los Angeles City Employees' Postemployment Healthcare Plan	Water and Power Employees' Retiree Health Benefits Plan	Total
ADDITIONS				
Contributions				
Employer	$ 132,939	$ 72,916	$ 68,180	$ 274,035
Other	175	--	--	175
Total Contributions	133,114	72,916	68,180	274,210
Investment Income				
Net Depreciation in Fair Value of Investments	93,206	210,475	123,745	427,426
Interest Income	7,273	16,557	30,516	54,346
Dividend Income	13,410	18,479	--	31,889
Securities Lending Income	584	1,096	217	1,897
Other Investment Income	2,814	6,221	1,027	10,062
Real Estate Operating Income, Net	4,496	4,492	--	8,988
Investment Income	121,783	257,320	155,505	534,608
Investment Expense	(3,601)	(3,517)	(3,526)	(10,644)
Securities Lending Expense	(58)	(171)	(39)	(268)
Net Investment Income	118,124	253,632	151,940	523,696
TOTAL ADDITIONS	251,238	326,548	220,120	797,906
DEDUCTIONS				
Benefit Payments	98,306	97,946	67,563	263,815
Administrative Expenses	845	3,197	518	4,560
TOTAL DEDUCTIONS	99,151	101,143	68,081	268,375
CHANGE IN NET POSITION	152,087	225,405	152,039	529,531
Net Position Held in Trust for Postemployment Healthcare Benefits, July 1	924,564	1,497,540	1,225,780	3,647,884
NET POSITION HELD IN TRUST FOR POSTEMPLOYMENT HEALTHCARE BENEFITS, JUNE 30	$ 1,076,651	$ 1,722,945	$ 1,377,819	$ 4,177,415

CITY OF LOS ANGELES

Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2013
(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	$ 23,005	$ 27,323	$ 42,090	$ 184,915	$ 277,333
Other Investments	--	--	--	291	291
Special Assessments Receivable	--	--	--	798	798
Investment Income Receivable	--	119	--	28	147
Advances to Other Funds	--	--	30,571	--	30,571
TOTAL ASSETS	$ 23,005	$ 27,442	$ 72,661	$ 186,032	$ 309,140
LIABILITIES					
Fiduciary Liabilities	$ --	$ 27,329	$ --	$ 163,791	$ 191,120
Obligations Under Securities Lending Transactions	--	113	--	42	155
Deposits and Advances	23,005	--	72,661	22,199	117,865
TOTAL LIABILITIES	$ 23,005	$ 27,442	$ 72,661	$ 186,032	$ 309,140

CITY OF LOS ANGELES

Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
BUILDING AND SAFETY				
ASSETS				
Cash and Pooled Investments	$ 15,847	$ 51,215	$ 44,057	$ 23,005
LIABILITIES				
Deposits and Advances	$ 15,847	$ 51,215	$ 44,057	$ 23,005
INTERNAL REVENUE CODE SECTION 501(c)				
EMPLOYEE BENEFITS				
ASSETS				
Cash and Pooled Investments	$ 22,311	$ 88,696	$ 83,684	$ 27,323
Investment Income Receivable	240	--	121	119
TOTAL ASSETS	$ 22,551	$ 88,696	$ 83,805	$ 27,442
LIABILITIES				
Fiduciary Liabilities	$ 22,551	$ 88,583	$ 83,805	$ 27,329
Obligations Under Securities Lending Transactions	--	113	--	113
TOTAL LIABILITIES	$ 22,551	$ 88,696	$ 83,805	$ 27,442
PUBLIC WORKS				
ASSETS				
Cash and Pooled Investments	$ 41,390	$ 15,136	$ 14,436	$ 42,090
Advances to Other Funds	31,163	--	592	30,571
TOTAL ASSETS	$ 72,553	$ 15,136	$ 15,028	$ 72,661
LIABILITIES				
Deposits and Advances	$ 72,553	$ 15,136	$ 15,028	$ 72,661
OTHER AGENCY FUNDS				
ASSETS				
Cash and Pooled Investments	$ 159,599	$ 21,248,462	$ 21,223,146	$ 184,915
Other Investments	275	16	--	291
Special Assessments Receivable	1,084	797	1,083	798
Investment Income Receivable	71	27	70	28
TOTAL ASSETS	$ 161,029	$ 21,249,302	$ 21,224,299	$ 186,032
LIABILITIES				
Fiduciary Liabilities	$ 140,066	$ 21,247,514	$ 21,223,789	$ 163,791
Obligations Under Securities Lending Transactions	--	42	--	42
Deposits and Advances	20,963	1,746	510	22,199
TOTAL LIABILITIES	$ 161,029	$ 21,249,302	$ 21,224,299	$ 186,032

Continued…

CITY OF LOS ANGELES

Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds - (Continued)
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
TOTAL AGENCY FUNDS				
ASSETS				
Cash and Pooled Investments	$ 239,147	$ 21,403,509	$ 21,365,323	$ 277,333
Other Investments	275	16	--	291
Special Assessments Receivable	1,084	797	1,083	798
Investment Income Receivable	311	27	191	147
Advances to Other Funds	31,163	--	592	30,571
TOTAL ASSETS	$ 271,980	$ 21,404,349	$ 21,367,189	$ 309,140
LIABILITIES				
Fiduciary Liabilities	$ 162,617	$ 21,336,097	$ 21,307,594	$ 191,120
Obligations Under Securities Lending Transactions	--	155	--	155
Deposits and Advances	109,363	68,097	59,595	117,865
TOTAL LIABILITIES	$ 271,980	$ 21,404,349	$ 21,367,189	$ 309,140

STATISTICAL SECTION

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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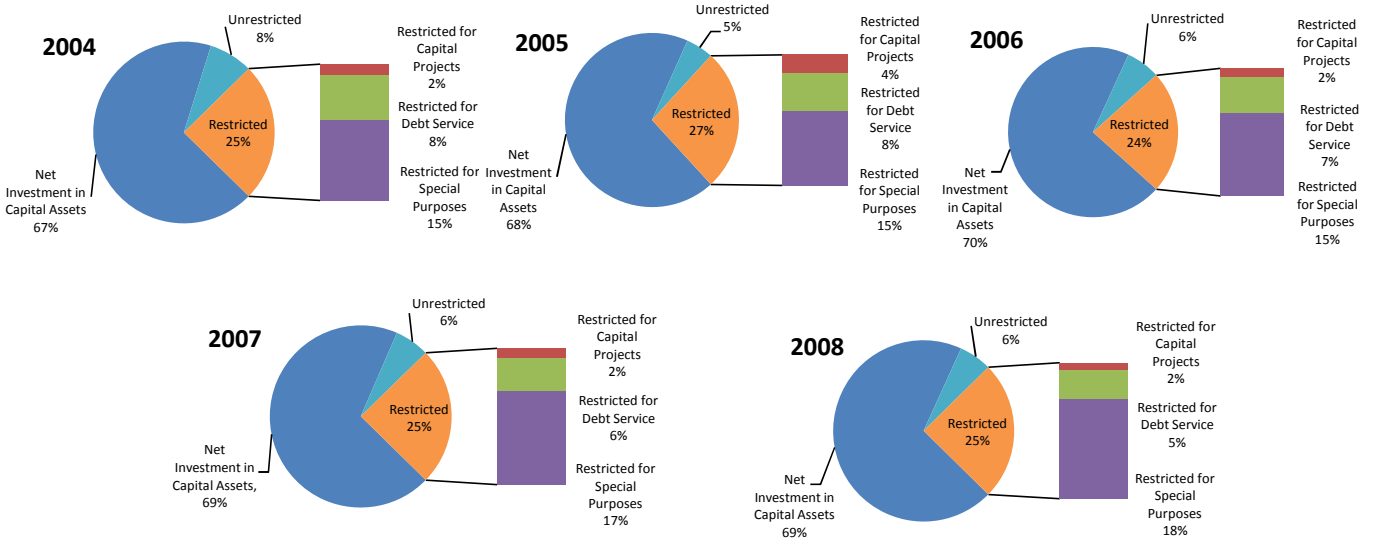
CITY OF LOS ANGELES

Net Position by Category
Accrual Basis of Accounting
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year				
	2004	2005	2006	2007	2008
Governmental Activities					
Net Investment in Capital Assets	$ 1,111,107	$ 1,562,198	$ 2,946,666	$ 3,189,365	$ 3,415,049
Restricted for:					
Capital Projects	152,433	94,725	104,715	123,082	132,583
Debt Service	176,584	195,334	231,421	237,597	209,072
Special Purposes	1,229,977	1,270,095	1,419,754	1,582,551	1,736,490
Unrestricted (Deficit)	(1,061,469)	(1,192,219)	(1,019,029)	(1,223,123)	(1,455,537)
Subtotal Governmental Activities Net Position	1,608,632	1,930,133	3,683,527	3,909,472	4,037,657
Business-type Activities					
Net Investment in Capital Assets	8,317,620	8,405,535	8,777,029	8,974,991	9,372,493
Restricted for:					
Capital Projects	135,418	449,970	163,951	178,955	115,428
Debt Service	952,828	917,973	875,761	837,414	758,318
Special Purposes	815,979	915,466	1,102,949	1,375,876	1,606,749
Unrestricted	2,153,319	1,936,039	2,103,362	2,311,450	2,527,916
Subtotal Business-type Activities Net Position	12,375,164	12,624,983	13,023,052	13,678,686	14,380,904
Primary Government					
Net Investment in Capital Assets	9,428,727	9,967,733	11,723,695	12,164,356	12,787,542
Restricted for:					
Capital Projects	287,851	544,695	268,666	302,037	248,011
Debt Service	1,129,412	1,113,307	1,107,182	1,075,011	967,390
Special Purposes	2,045,956	2,185,561	2,522,703	2,958,427	3,343,239
Unrestricted	1,091,850	743,820	1,084,333	1,088,327	1,072,379
Total Primary Government Net Position	$13,983,796	$14,555,116	$16,706,579	$17,588,158	$18,418,561

Continued…

Primary Government- Net Position by Category

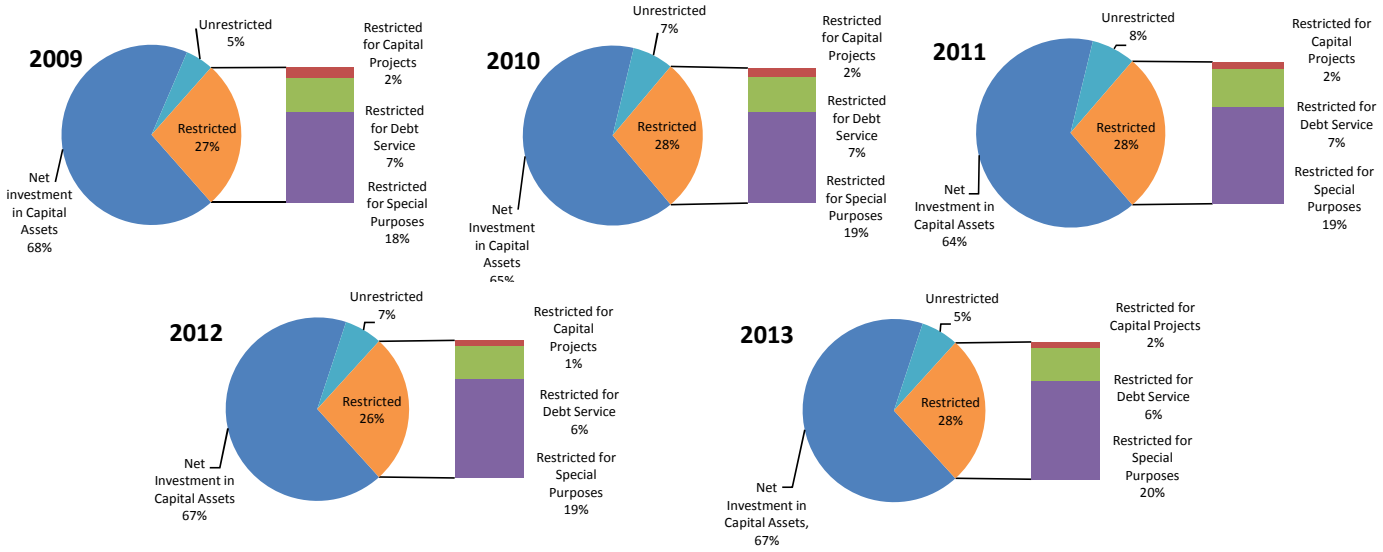


CITY OF LOS ANGELES

Net Position by Category
Accrual Basis of Accounting (Continued)
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year				
	2009	2010	2011	2012	2013
Governmental Activities					
Net Investment in Capital Assets	$ 3,633,548	$ 3,798,442	$ 4,140,258	$ 4,416,934	$ 4,452,921
Restricted for:					
Capital Projects	138,237	158,878	61,090	74,721	89,055
Debt Service	216,751	228,515	215,496	157,402	154,321
Special Purposes	1,639,594	1,679,989	1,753,510	1,853,933	2,193,433
Unrestricted (Deficit)	(1,707,447)	(1,564,473)	(1,794,315)	(1,782,463)	(2,429,330)
Subtotal Governmental Activities Net Position	3,920,683	4,301,351	4,376,039	4,720,527	4,460,400
Business-type Activities					
Net Investment in Capital Assets	9,148,381	9,135,266	9,186,620	9,940,457	10,135,052
Restricted for:					
Capital Projects	274,711	238,467	237,019	168,924	249,773
Debt Service	1,044,956	1,214,521	1,262,623	1,223,993	1,147,819
Special Purposes	1,750,093	2,026,244	2,086,775	2,232,788	2,264,948
Unrestricted	2,657,431	3,038,407	3,336,976	3,214,165	3,619,888
Subtotal Business-type Activities Net Position	14,875,572	15,652,905	16,110,013	16,780,327	17,417,480
Primary Government					
Net Investment in Capital Assets	12,781,929	12,933,708	13,326,878	14,357,391	14,587,973
Restricted for:					
Capital Projects	412,948	397,345	298,109	243,645	338,828
Debt Service	1,261,707	1,443,036	1,478,119	1,381,395	1,302,140
Special Purposes	3,389,687	3,706,233	3,840,285	4,086,721	4,458,381
Unrestricted	949,984	1,473,934	1,542,661	1,431,702	1,190,558
Total Primary Government Net Position	$18,796,255	$19,954,256	$20,486,052	$21,500,854	$21,877,880

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				
	2004	**2005**	**2006**	**2007**	**2008**
Expenses					
Governmental Activities					
General Government	$ 1,362,157	$ 1,220,826	$ 921,672	$ 1,429,922	$ 1,570,377
Protection of Persons and Property	1,965,205	2,156,914	2,117,147	2,414,058	2,741,492
Public Works	224,080	337,627	374,293	300,817	261,917
Health and Sanitation	334,229	298,777	357,574	402,730	381,406
Transportation	253,560	202,952	286,741	367,198	392,748
Cultural and Recreational Services	338,860	413,344	336,264	382,523	446,051
Community Development	404,800	318,119	297,308	308,700	405,859
Interest on Long-term Debt	142,758	181,113	173,930	195,925	217,073
Subtotal Governmental Activities Expenses	5,025,649	5,129,672	4,864,929	5,801,873	6,416,923
Business-type Activities					
Airports	564,131	599,483	657,358	684,853	755,983
Harbor	272,273	284,567	340,656	326,368	342,148
Power	2,178,837	2,233,084	2,458,667	2,462,202	2,658,634
Water	575,941	525,152	543,574	605,181	704,529
Sewer	444,973	480,392	497,699	513,377	554,447
Other- Convention Center	36,031	34,371	34,939	35,741	38,753
Subtotal Business-type Activities Expenses	4,072,186	4,157,049	4,532,893	4,627,722	5,054,494
Total Primary Government Expenses	9,097,835	9,286,721	9,397,822	10,429,595	11,471,417
Program Revenues					
Governmental Activities					
Charges for Services					
General Government	244,329	254,101	250,111	256,524	260,540
Protection of Persons and Property	226,009	281,451	260,457	323,736	357,038
Public Works	146,771	144,037	138,345	160,213	173,774
Health and Sanitation	211,981	242,681	250,527	285,705	379,300
Transportation	71,028	65,729	76,785	79,961	90,588
Cultural and Recreational Services	93,965	98,808	133,073	130,399	116,853
Community Development	74,237	64,435	71,884	86,800	91,347
Operating Grants and Contributions	677,536	710,146	644,539	820,809	979,238
Capital Grants and Contributions	56,657	81,402	65,850	94,607	100,994
Subtotal Governmental Activities Program Revenues	1,802,513	1,942,790	1,891,571	2,238,754	2,549,672
Business-type Activities					
Charges for Services					
Airports	679,063	736,535	767,660	846,309	983,787
Harbor	354,754	379,637	433,223	458,785	467,161
Power	2,401,011	2,378,108	2,636,517	2,773,547	2,962,693
Water	601,504	579,134	614,620	698,773	777,110
Sewer	430,263	437,996	492,403	521,393	543,417
Other- Convention Center	19,885	20,409	24,261	26,449	26,162
Operating Grants and Contributions	18,931	11,971	17,281	11,776	10,490
Capital Grants and Contributions	92,640	53,276	130,885	150,991	201,299
Subtotal Business-type Activities Program Revenues	4,598,051	4,597,066	5,116,850	5,488,023	5,972,119
Total Primary Government Program Revenues	6,400,564	6,539,856	7,008,421	7,726,777	8,521,791

Continued…

CITY OF LOS ANGELES

Changes in Net Position
Accrual Basis of Accounting - (Continued)
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year				
	2009	**2010**	**2011**	**2012**	**2013**
Expenses					
Governmental Activities					
General Government	$ 1,507,318	$ 1,279,697	$ 1,462,581	$ 1,335,180	$ 2,089,053
Protection of Persons and Property	2,552,413	2,618,138	2,641,343	2,707,892	2,789,023
Public Works	451,141	392,874	342,722	413,348	387,649
Health and Sanitation	416,247	382,127	393,827	416,894	405,934
Transportation	406,464	368,000	338,755	365,841	423,595
Cultural and Recreational Services	413,119	415,344	446,805	445,815	482,692
Community Development	373,244	349,203	429,695	437,229	386,346
Interest on Long-term Debt	189,966	186,711	190,424	194,513	179,588
Subtotal Governmental Activities Expenses	6,309,912	5,992,094	6,246,152	6,316,712	7,143,880
Business-type Activities					
Airports	782,036	765,513	834,071	897,380	922,914
Harbor	382,168	336,104	310,534	333,355	331,626
Power	2,544,032	2,843,642	2,964,399	2,870,609	2,928,377
Water	762,802	787,836	791,049	799,575	939,094
Sewer	553,251	552,006	557,269	542,850	572,425
Other- Convention Center	38,718	32,842	40,400	39,107	39,073
Subtotal Business-type Activities Expenses	5,063,007	5,317,943	5,497,722	5,482,876	5,733,509
Total Primary Government Expenses	11,372,919	11,310,037	11,743,874	11,799,588	12,877,389
Program Revenues					
Governmental Activities					
Charges for Services					
General Government	278,800	204,372	241,681	246,357	305,545
Protection of Persons and Property	281,388	333,778	317,283	326,396	385,961
Public Works	166,387	170,997	162,551	166,061	169,473
Health and Sanitation	445,108	454,586	467,614	493,422	495,544
Transportation	94,832	92,390	99,797	125,392	121,374
Cultural and Recreational Services	119,180	108,822	128,170	152,434	149,237
Community Development	74,988	73,344	63,903	112,897	111,259
Operating Grants and Contributions	854,128	900,569	924,031	1,023,001	871,459
Capital Grants and Contributions	79,981	86,275	75,744	96,156	55,138
Subtotal Governmental Activities Program Revenues	2,394,792	2,425,133	2,480,774	2,742,116	2,664,990
Business-type Activities					
Charges for Services					
Airports	960,461	968,022	1,052,790	1,114,431	1,122,704
Harbor	424,036	424,321	406,606	435,291	416,974
Power	2,899,485	3,372,648	3,252,872	3,212,141	3,264,534
Water	798,664	831,039	783,056	849,122	1,073,948
Sewer	547,666	545,874	517,212	532,026	588,987
Other- Convention Center	26,798	22,501	26,535	27,355	27,255
Operating Grants and Contributions	--	--	--	--	--
Capital Grants and Contributions	153,142	151,346	174,574	158,114	109,407
Subtotal Business-type Activities Program Revenues	5,810,252	6,315,751	6,213,645	6,328,480	6,603,809
Total Primary Government Program Revenues	8,205,044	8,740,884	8,694,419	9,070,596	9,268,799

Continued…

CITY OF LOS ANGELES

Changes in Net Position
Accrual Basis of Accounting - (Continued)
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year				
	2004	2005 [a]	2006	2007	2008
Net (Expense)/Revenue					
Governmental Activities	$ (3,223,136)	$ (3,186,882)	$ (2,973,358)	$ (3,563,119)	$ (3,867,251)
Business-type Activities	525,865	440,017	583,957	860,301	917,625
Total Primary Government Net Expense	(2,697,271)	(2,746,865)	(2,389,401)	(2,702,818)	(2,949,626)
General Revenues and Other Changes in Net Position					
Governmental Activities					
Taxes					
Property Taxes	884,665	1,236,559	1,377,063	1,501,605	1,602,386
Utility Users' Taxes	572,018	578,542	606,617	606,624	631,716
Business Taxes	372,376	396,316	436,621	465,353	534,272
Other Taxes	417,714	447,397	521,451	512,410	497,455
Unrestricted Grants and Contributions					
Sales Taxes	381,090	303,954	329,169	333,386	337,313
Motor Vehicle In-lieu Taxes	176,853	90,944	24,120	24,568	--
Other Grants and Contributions	--	16,059	14,297	33,525	32,064
Unrestricted Investment Earnings	667	29,828	21,555	72,559	80,538
Other General Revenues	34,790	30,687	38,795	34,367	64,285
Transfers	238,237	190,198	185,888	204,667	215,407
Special Items					
Gain (Loss) on Loan Settlement	--	--	--	--	--
Transfer of Properties from CRA	--	--	--	--	--
Return of Properties to CRA	--	--	--	--	--
Transfer of Properties for Housing Development from CRA	--	--	--	--	--
Transfer of Housing Loans from CRA	--	--	--	--	--
Subtotal Governmental Activities	3,078,410	3,320,484	3,555,576	3,789,064	3,995,436
Business-type Activities					
Pollution Remediation Liabilities Adjustment	--	--	--	--	--
Transfers	(238,237)	(190,198)	(185,888)	(204,667)	(215,407)
Subtotal Business-type Activities	(238,237)	(190,198)	(185,888)	(204,667)	(215,407)
Total Primary Government General Revenues and Other Changes in Net Position	2,840,173	3,130,286	3,369,688	3,584,397	3,780,029
Changes in Net Position					
Governmental Activities	(144,726)	133,602	582,218	225,945	128,185
Business-type Activities	287,628	249,819	398,069	655,634	702,218
Total Primary Government Changes in Net Position	$ 142,902	$ 383,421	$ 980,287	$ 881,579	$ 830,403

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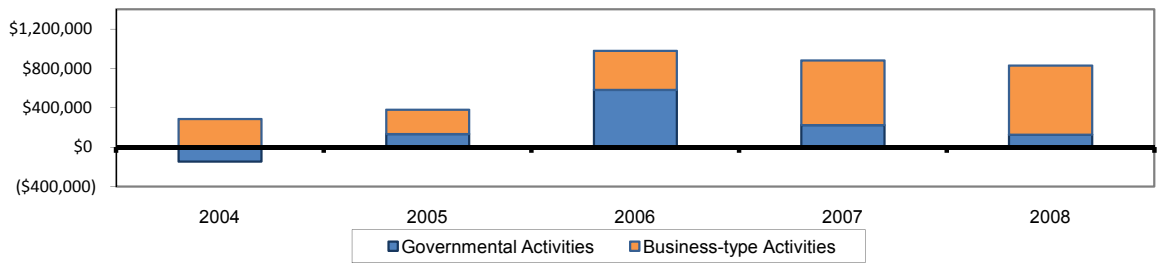
Changes in Net Position



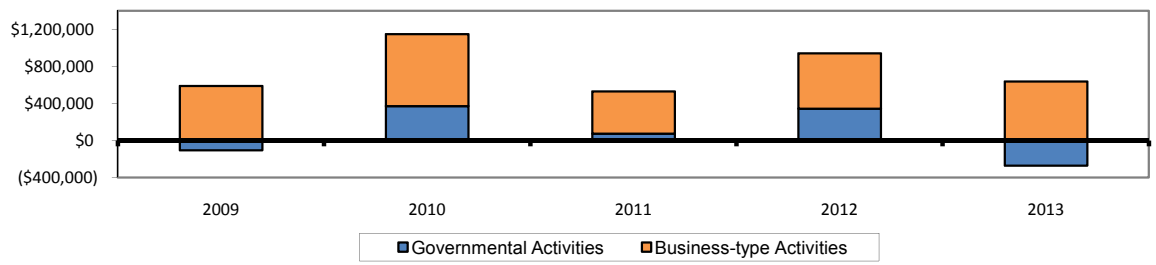
CITY OF LOS ANGELES

Changes in Net Position
Accrual Basis of Accounting - (Continued)
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year				
	2009	**2010**	**2011**	**2012**	**2013**
Net (Expense)/Revenue					
Governmental Activities	$ (3,915,120)	$ (3,566,961)	$ (3,765,378)	$ (3,574,596)	$ (4,478,890)
Business-type Activities	747,245	997,808	715,923	845,604	870,300
Total Primary Government Net Expense	(3,167,875)	(2,569,153)	(3,049,455)	(2,728,992)	(3,608,590)
General Revenues and Other Changes in Net Position					
Governmental Activities					
Taxes					
Property Taxes	1,714,892	1,641,155	1,618,444	1,662,316	1,746,372
Utility Users' Taxes	646,165	658,110	628,028	623,721	627,707
Business Taxes	450,848	510,269	410,888	440,327	482,857
Other Taxes	399,851	457,473	392,405	458,741	523,308
Unrestricted Grants and Contributions					
Sales Taxes	300,585	314,354	337,727	324,859	343,628
Motor Vehicle In-lieu Taxes	13,764	11,496	7,631	2,026	2,099
Other Grants and Contributions	19,703	44,552	45,073	43,403	18,726
Unrestricted Investment Earnings	46,772	27,372	18,814	21,879	(298)
Other General Revenues	60,879	54,005	75,838	91,735	105,850
Transfers	159,150	220,475	258,815	250,077	246,534
Special Items					
Gain (Loss) on Loan Settlement	--	--	(47,007)	--	
Transfer of Properties from CRA	--	--	93,410	--	
Return of Properties to CRA	--	--	--	--	(93,191)
Transfer of Properties for Housing Development from CRA	--	--	--	--	80,484
Transfer of Housing Loans from CRA	--	--	--	--	124,781
Subtotal Governmental Activities	3,812,609	3,939,261	3,840,066	3,919,084	4,208,857
Business-type Activities					
Pollution Remediation Liabilities Adjustment	--	--	--	--	13,387
Transfers	(159,150)	(220,475)	(258,815)	(250,077)	(246,534)
Subtotal Business-type Activities	(159,150)	(220,475)	(258,815)	(250,077)	(233,147)
Total Primary Government General Revenues and Other Changes in Net Position	3,653,459	3,718,786	3,581,251	3,669,007	3,975,710
Changes in Net Position					
Governmental Activities	(102,511)	372,300	74,688	344,488	(270,033)
Business-type Activities	588,095	777,333	457,108	595,527	637,153
Total Primary Government Changes in Net Position	$ 485,584	$ 1,149,633	$ 531,796	$ 940,015	$ 367,120

(a) Certain actions by the State affected the Governmental Activities revenues from property, sales and motor vehicle in-lieu taxes. In March 2004, California voters approved the State's Economic Recovery Bond measure. Repayment of the bonds is from increasing the State's share of the sales tax by 0.25% and reducing the local government's share by the same rate. The sales tax reduction is offset by increased property tax allocation. The property tax for sales tax swap will remain in effect until the Economic Recovery Bonds are fully redeemed. In addition, the State effected changes in the vehicle license fee (VLF) distribution to to local governments such that the State general fund component of the VLF is shifted to the State and is replaced by equivalent property tax.

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				
	2004	**2005**	**2006**	**2007**	**2008**
General Fund					
Nonspendable	$ 36,410	$ 43,665	$ 41,449	$ 59,638	$ 30,304
Assigned	301,587	284,058	296,999	391,023	352,416
Unassigned	291,608	481,868	446,942	257,249	215,227
Subtotal General Fund	629,605	809,591	785,390	707,910	597,947
All Other Governmental Funds					
Nonspendable	10,675	10,772	18,073	98,568	97,966
Restricted	1,994,829	2,258,928	2,190,243	2,138,184	1,912,230
Assigned	643,707	584,112	711,750	1,011,697	948,735
Unassigned	(11,145)	(9,763)	(8,874)	(1,990)	(2,473)
Subtotal All Other Governmental Funds	2,638,066	2,844,049	2,911,192	3,246,459	2,956,458
All Governmental Funds					
Nonspendable	47,085	54,437	59,522	158,206	128,270
Restricted	1,994,829	2,258,928	2,190,243	2,138,184	1,912,230
Assigned	945,294	868,170	1,008,749	1,402,720	1,301,151
Unassigned	280,463	472,105	438,068	255,259	212,754
Total All Governmental Funds	$3,267,671	$3,653,640	$3,696,582	$3,954,369	$3,554,405

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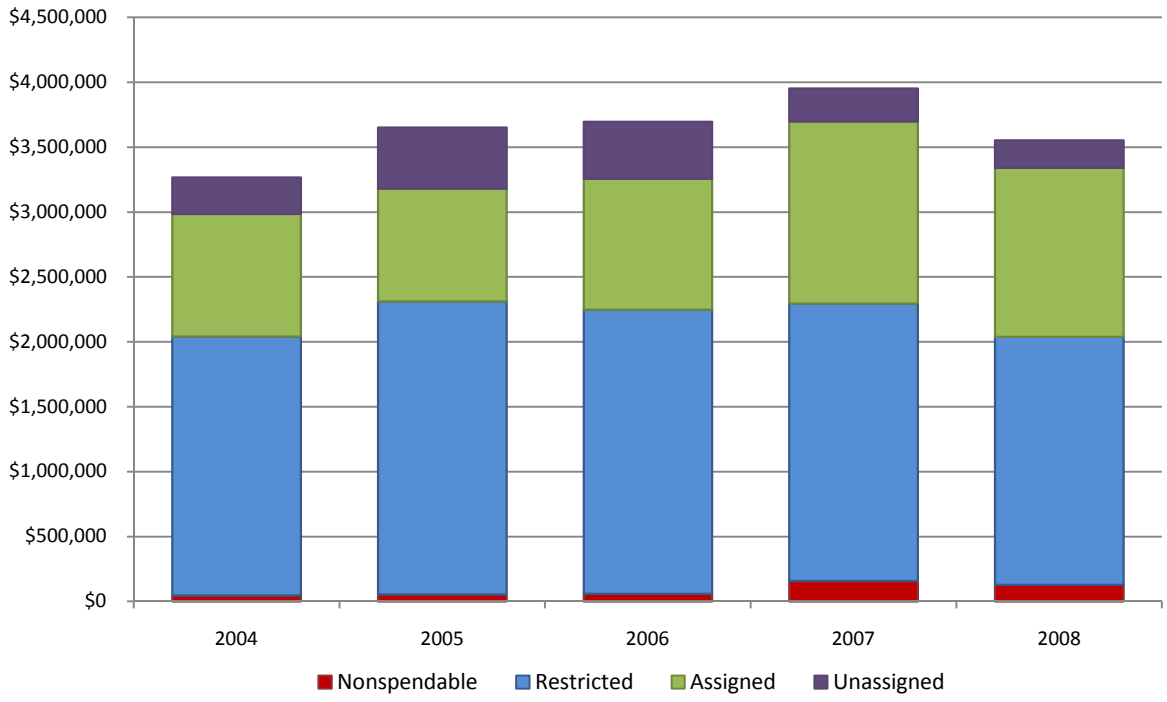
Fund Balances - Governmental Funds



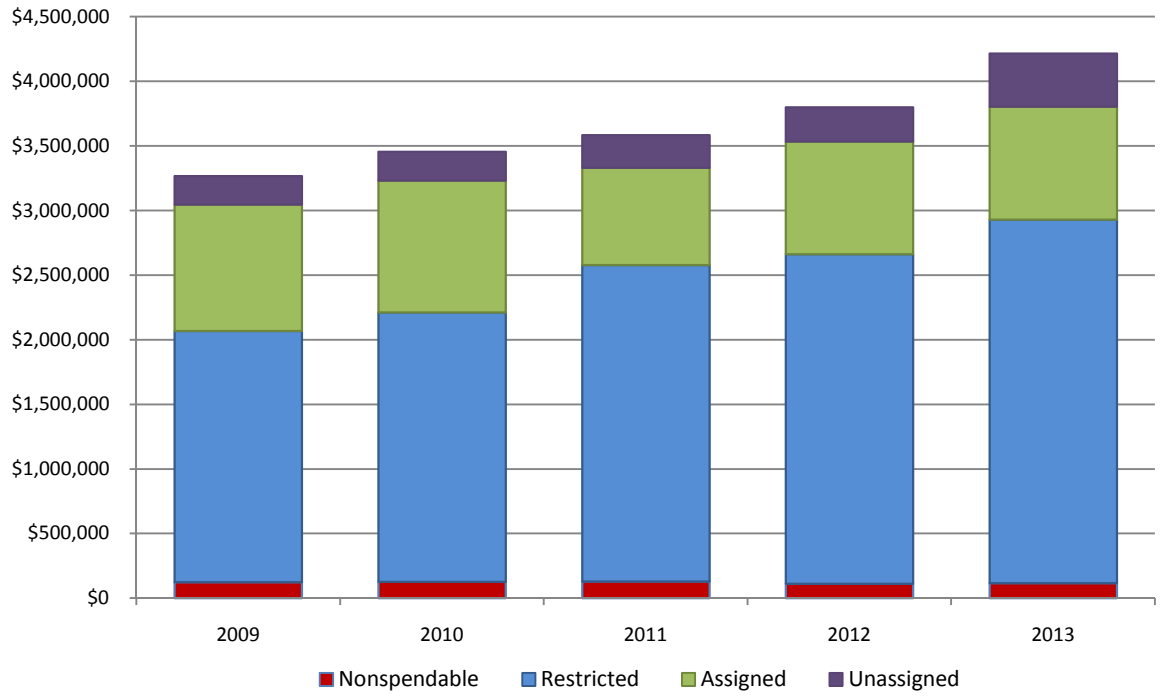
CITY OF LOS ANGELES

Fund Balances - Governmental Funds
Modified Accrual Basis of Accounting - (Continued)
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year				
	2009	**2010**	**2011**	**2012**	**2013**
General Fund					
Nonspendable	$ 27,879	$ 29,771	$ 26,299	$ 31,134	$ 43,115
Assigned	233,761	182,835	239,877	267,645	242,643
Unassigned	221,811	224,574	253,882	272,905	436,858
Subtotal General Fund	483,451	437,180	520,058	571,684	722,616
All Other Governmental Funds					
Nonspendable	98,048	97,785	104,175	82,397	75,204
Restricted	1,942,596	2,084,310	2,447,798	2,548,980	2,813,386
Assigned	743,720	838,014	512,650	603,657	631,529
Unassigned	712	(789)	(1,299)	(7,393)	(26,112)
Subtotal All Other Governmental Funds	2,785,076	3,019,320	3,063,324	3,227,641	3,494,007
All Governmental Funds					
Nonspendable	125,927	127,556	130,474	113,531	118,319
Restricted	1,942,596	2,084,310	2,447,798	2,548,980	2,813,386
Assigned	977,481	1,020,849	752,527	871,302	874,172
Unassigned	222,523	223,785	252,583	265,512	410,746
Total All Governmental Funds	$3,268,527	$3,456,500	$ 3,583,382	$3,799,325	$4,216,623

Note: In fiscal year 2011, the City implemented GASB Statement No. 54. Fund Balances were restated to conform to the requirements of this Statement.

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				
	2004	**2005**	**2006**	**2007**	**2008**
Revenues					
Taxes	$ 2,625,489	$ 2,960,621	$ 3,259,718	$ 3,407,996	$ 3,480,296
Licenses and Permits	39,627	46,979	55,260	59,443	61,047
Intergovernmental	884,704	773,137	649,969	775,771	852,376
Charges for Services	892,501	966,187	1,031,895	1,134,205	1,254,704
Fines	123,226	136,761	132,574	150,059	154,600
Special Assessments	97,429	95,293	97,193	100,872	103,782
Investment Earnings	13,504	102,198	71,714	231,677	255,254
Other	91,689	73,136	81,227	101,009	134,564
Total Revenues	4,768,169	5,154,312	5,379,550	5,961,032	6,296,623
Expenditures					
General Government	985,796	1,033,826	1,102,270	1,243,090	1,268,572
Protection of Persons and Property	1,851,489	1,944,897	2,089,451	2,366,956	2,573,006
Public Works	308,973	334,381	357,695	373,107	379,026
Health and Sanitation	328,407	321,322	348,258	373,644	398,152
Transportation	259,665	268,801	276,616	306,853	357,301
Cultural and Recreational Services	294,594	294,423	334,671	351,536	387,727
Community Development	430,768	345,368	322,683	347,319	435,768
Capital Outlay	522,256	472,648	547,787	730,117	934,999
Debt Service:					
Principal	186,024	219,144	241,142	340,091	391,585
Interest	136,651	166,367	177,756	181,677	206,675
Cost of Issuance	5,057	2,744	2,053	5,745	2,604
Advance Refunding Loan Escrow	3,253	--	1,878	--	41,311
Total Expenditures	5,312,933	5,403,921	5,802,260	6,620,135	7,376,726
Excess (Deficit) of Revenues over Expenditures	(544,764)	(249,609)	(422,710)	(659,103)	(1,080,103)
Other Financing Sources (Uses)					
Issuance of Long-term Debt	468,135	377,140	268,750	695,488	461,035
Discount on Issuance of Long-term Debt	--	--	--	--	--
Premium on Issuance of Long-term Debt	25,522	15,944	9,740	15,138	3,596
Issuance of Refunding Bonds	77,345	49,395	73,080	--	--
Premium on Issuance of Refunding Bonds	4,736	1,497	4,786	--	--
Payment to Refunded Bond Escrow Agent	--	--	--	--	--
Proceeds of Refunding Loan	--	--	--	--	24,110
Payment for Current Refunding of Loan	--	--	--	--	(24,110)
Loans from HUD	23,895	14,400	1	--	--
Transfers In	745,533	775,697	828,604	1,058,449	1,021,078
Transfers Out	(547,296)	(545,499)	(642,716)	(853,782)	(805,671)
Total Other Financing Sources (Uses)	797,870	688,574	542,245	915,293	680,038
Special Items					
Loss on Loan Settlement	--	--	--	--	--
Transfer of Properties for Development from CRA	--	--	--	--	--
Transfer of Housing Loans from CRA	--	--	--	--	--
Total Special Items	--	--	--	--	--
Net Change in Fund Balances	$ 253,106	$ 438,965	$ 119,535	$ 256,190	$ (400,065)
Debt Service as a Percentage of Noncapital Expenditures	7.0%	7.8%	8.1%	8.9%	9.9%

Continued…

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				
	2009	**2010**	**2011**	**2012**	**2013**
Revenues					
Taxes	$ 3,506,089	$ 3,397,650	$ 3,435,063	$ 3,518,357	$ 3,687,676
Licenses and Permits	51,084	48,186	51,691	60,474	61,605
Intergovernmental	838,722	876,470	920,809	937,817	866,749
Charges for Services	1,375,875	1,419,145	1,436,977	1,533,626	1,577,623
Fines	156,211	153,707	158,612	158,417	172,437
Special Assessments	104,149	105,998	106,514	123,383	128,762
Investment Earnings	134,830	104,365	65,978	72,411	5,438
Other	114,336	96,255	142,968	172,269	188,800
Total Revenues	6,281,296	6,201,776	6,318,612	6,576,754	6,689,090
Expenditures					
General Government	1,339,379	1,357,239	1,269,321	1,296,788	1,261,771
Protection of Persons and Property	2,599,294	2,551,225	2,477,648	2,532,262	2,667,236
Public Works	422,994	354,567	347,485	389,139	400,017
Health and Sanitation	467,392	449,083	459,785	453,681	438,220
Transportation	361,371	327,328	321,797	345,671	400,047
Cultural and Recreational Services	376,869	389,371	389,165	406,338	431,062
Community Development	402,152	383,256	463,920	465,984	417,285
Capital Outlay	641,363	491,187	362,867	523,931	352,685
Debt Service:					
Principal	495,258	366,663	367,206	410,333	326,913
Interest	188,552	181,495	189,902	182,171	168,497
Cost of Issuance	6,285	4,954	2,439	5,342	1,777
Advance Refunding Loan Escrow	--	--	--	--	--
Total Expenditures	7,300,909	6,856,368	6,651,535	7,011,640	6,865,510
Excess (Deficit) of Revenues over Expenditures	(1,019,613)	(654,592)	(332,923)	(434,886)	(176,420)
Other Financing Sources (Uses)					
Issuance of Long-term Debt	530,225	545,155	219,186	318,530	116,665
Discount on Issuance of Long-term Debt	(1,168)	(370)	--	--	--
Premium on Issuance of Long-term Debt	6,517	15,479	2,216	24,672	5,096
Issuance of Refunding Bonds	253,060	49,485	18,705	595,240	78,780
Premium on Issuance of Refunding Bonds	221	3,824	1,198	100,885	9,096
Payment to Refunded Bond Escrow Agent	(239,201)	(54,463)	--	(694,326)	(94,781)
Proceeds of Refunding Loan	--	--	1,983	--	--
Payment for Current Refunding of Loan	--	--	(1,983)	--	--
Loans from HUD	25,408	63,904	7,388	52,521	29,003
Transfers In	1,088,358	1,041,071	1,086,218	1,004,650	951,062
Transfers Out	(929,208)	(820,596)	(827,403)	(754,573)	(704,528)
Total Other Financing Sources (Uses)	734,212	843,489	507,508	647,599	390,393
Special Items					
Loss on Loan Settlement	--	--	(47,007)	--	--
Transfer of Properties for Development from CRA	--	--	--	--	80,484
Transfer of Housing Loans from CRA	--	--	--	--	124,781
Total Special Items	--	--	(47,007)	--	205,265
Net Change in Fund Balances	$ (285,401)	$ 188,897	$ 127,578	$ 212,713	$ 419,238
Debt Service as a Percentage of Noncapital Expenditures	10.3%	8.6%	9.0%	9.0%	7.5%

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				
	2004	2005[(a)]	2006	2007	2008
Property Taxes	$ 882,531	$1,229,381	$1,365,860	$1,490,223	$1,585,229
Sales Taxes	381,090	303,954	329,169	333,386	337,313
Utility Users' Taxes	572,018	578,542	606,617	606,624	617,199
Business Taxes	372,376	396,316	436,621	465,353	465,124
Other Taxes	417,474	452,428	521,451	512,410	475,431
Total Revenues	$2,625,489	$2,960,621	$3,259,718	$3,407,996	$3,480,296

Continued…

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 2004 - 2013
	2009	2010	2011	2012	2013	
Property Taxes	$1,702,884	$1,648,490	$1,643,696	$1,664,819	$1,755,813	99 %
Sales Taxes	300,585	311,520	337,360	328,059	343,628	-10
Utility Users' Taxes	646,256	628,484	618,307	634,629	623,794	9
Business Taxes	461,374	412,287	424,762	438,969	447,983	20
Other Taxes	394,990	396,869	410,938	451,881	516,458	24
Total Revenues	$3,506,089	$3,397,650	$3,435,063	$3,518,357	$3,687,676	40

(a) Certain actions by the State affected the City's General Fund revenues from property taxes and sales taxes. In March 2004, California voters approved the State's Economic Recovery Bond measure. Repayment of the bonds is from increasing the State's share of the sales tax by 0.25% and reducing the local government's share by the same rate. The sales tax reduction is offset by increased property tax allocation. The property tax for sales tax swap will remain in effect until the Economic Recovery Bonds are fully redeemed.

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] Real Property [2] ($ 000's)	Personal Property ($ 000's)	Total ($ 000's)	Percent of Average Annual Growth	Total Direct Tax Rate [3] (per $1,000 of assessed value)	Assessed Value Per Capita
2004	$ 246,906,688	$ 16,640,805	$ 263,547,493	7.83 %	1.050574	70
2005	268,163,573	16,304,721	284,468,294	7.94	1.055733	75
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	108

Source: Taxpayer's Guide - Auditor Controller, County of Los Angeles.

[1] Net of Homeowners' Exemption.
[2] Assessed at 100% of estimated actual value.
[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

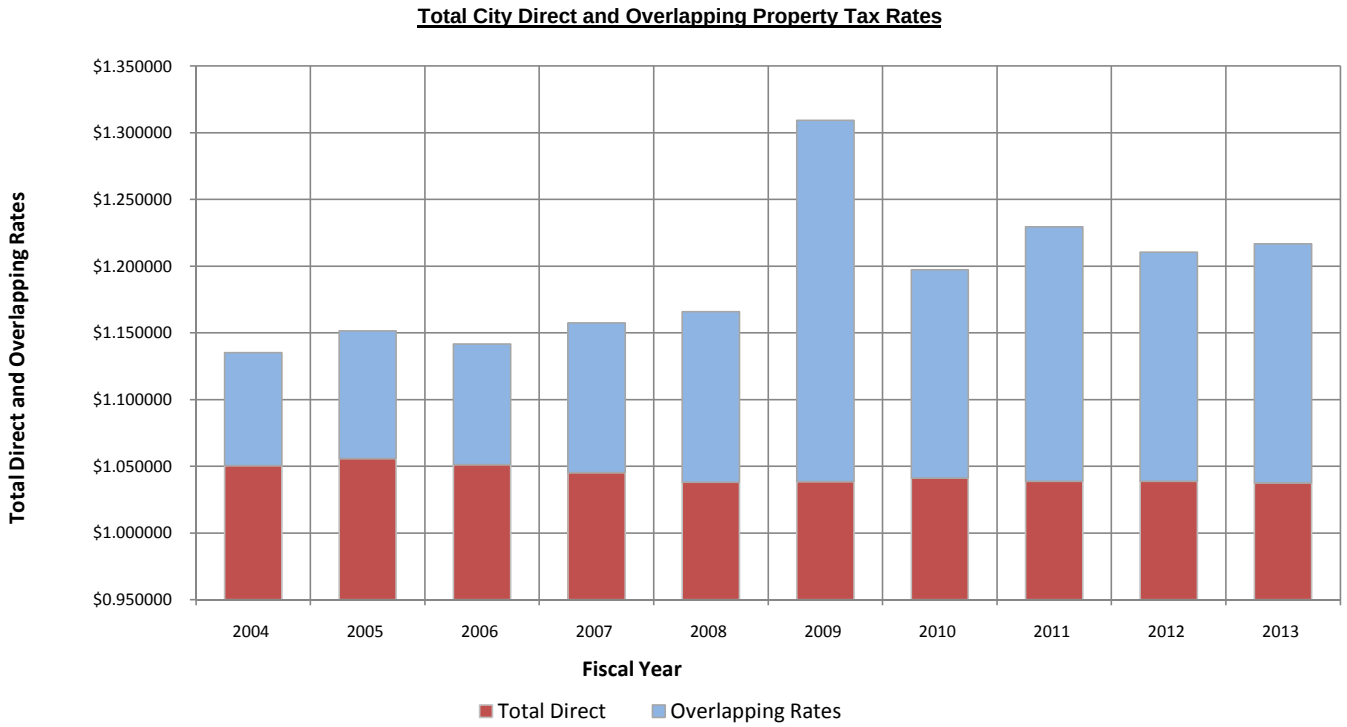
CITY OF LOS ANGELES

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	
2004	$ 1.000000	$ 0.050574	$ 1.050574	$ 0.000992	$ 0.077145	$ 0.000462	$ 0.006100	$ 1.135273
2005	1.000000	0.055733	1.055733	0.000923	0.088839	0.000245	0.005800	1.151540
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

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.



CITY OF LOS ANGELES

Ten Largest Property Taxpayers
Secured Assessed Valuation
Current and Nine Years Ago

	2013			2004		
Taxpayer	**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	$ 2,324,435,947	1	0.58 %	$ 796,607,999	2	0.32 %
Anheuser Busch Inc.	864,021,914	2	0.22	722,041,340	4	0.29
Valero Energy Corporation	832,970,864	3	0.21	--		--
ConocoPhillips Co.	690,754,174	4	0.17	--		--
Tesoro Corporation	660,862,118	5	0.17	--		--
One Hundred Towers, LLC	594,497,578	6	0.15	511,890,334	6	0.21
Donald T. Sterling	559,682,048	7	0.14	--		--
APM Terminals Pacific Ltd.	539,679,428	8	0.14	--		--
L.A. Live Properties LLC	533,894,761	9	0.13	--		--
Paramount Pictures Corp.	513,058,461	10	0.13	347,769,229	9	0.14
Tosco Corporation	--		--	798,205,186	1	0.32
Ultramar Inc.	--		--	786,783,561	3	0.32
Equilon Enterprises LLC	--		--	647,798,597	5	0.26
Maguire Partners 355 S. Grand LLC	--		--	446,436,322	7	0.18
2121 Avenue of the Stars LLC	--		--	352,695,600	8	0.14
Duesenberg Investment Company	--		--	323,930,616	10	0.13
Total	$ 8,113,857,293		2.03 %	$ 5,734,158,784		2.32 %
Total City Secured Assessed Valuation	$ 399,598,102,112			$ 246,737,474,932		

Source: California Municipal Statistics Inc
Taxpayers' Guides, 2012-2013 and 2003-2004

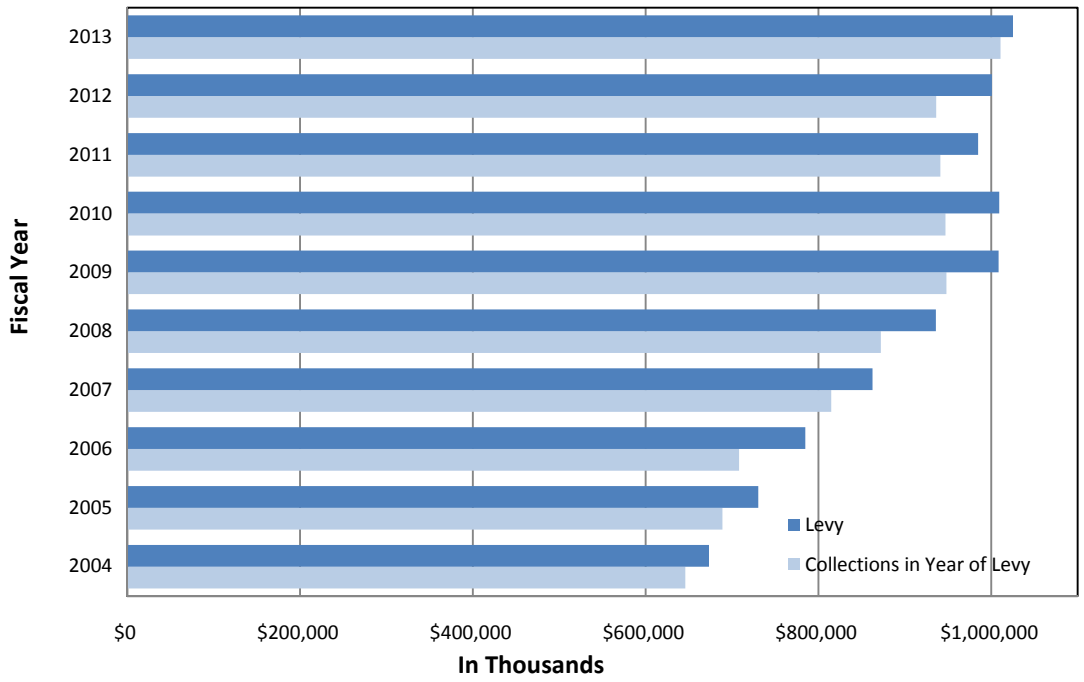
CITY OF LOS ANGELES

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
2004	$ 673,417	$ 645,697	95.88 %	$ 27,328	$ 673,025	99.94 %
2005	730,495	688,993	94.32	30,932	719,925	98.55
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

[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).

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

	Sales of Energy (in thousands of megawatt hours)				Direct Rate per Kilowatt Hour	
Fiscal Year	Residential	Commercial and Industrial	All Other	Total	Residential	Commercial and Industrial
2004	7,266	15,895	473	23,634	0.10	0.09
2005	7,063	15,705	2,675	25,443	0.10	0.09
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

CITY OF LOS ANGELES

Average Number of Customers for Energy Sales
Power Enterprise Fund
Last Ten Fiscal Years

	Average Number of Customers (in thousands)			
Fiscal Year	Residential	Commercial and Industrial	All Other	Total
2004	1,230	196	2	1,428
2005	1,237	197	3	1,437
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

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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 [3]						
	General Obligation Bonds	Judgment Obligation Bonds	Certificates of Participation and Lease Revenue Bonds	Special Assessment Bonds	Revenue Bonds	Notes Payable	HUD Loan
2004	$ 1,158,863	$ 34,795	$ 981,485	$ 35,650	$ 929,266	$ 36,373	$ 126,079
2005	1,451,359	28,140	865,712	34,160	918,523	52,973	135,903
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

Continued…

CITY OF LOS ANGELES

Ratios of Outstanding Debt By Type - (Continued)
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita)

Fiscal Year Ended June 30	Business-Type Activities [3]					Total Primary Government	Percentage of Personal Income [1]	Per Capita [2]
	Revenue Bonds	Commercial Paper	Notes Payable	Loans Payable	Capital Leases			
2004	$ 7,967,082	$ 266,095	$ 9,715	$ 146,215	$ 54,648	$ 11,746,266	3.47 %	$ 3,113
2005	8,242,961	366,561	4,495	166,684	53,793	12,321,264	3.45	3,269
2006	9,542,085	313,561	4,105	159,659	52,881	13,592,388	3.54	3,607
2007	9,617,666	498,745	3,697	242,122	51,855	14,301,772	3.59	3,800
2008	9,930,796	810,328	3,271	266,441	50,715	14,979,033	3.65	3,968
2009	11,563,845	446,989	2,826	255,723	49,518	16,307,529	4.13	4,312
2010	14,186,991	647,116	2,361	288,273	--	19,365,106	4.79	5,106
2011	16,762,101	415,012	1,874	274,869	--	21,569,921	5.08	5,667
2012	16,517,924	462,199	1,366	314,227	--	21,373,213	4.82	5,585
2013	18,252,193	368,086	--	327,037	--	22,819,545	N/A	5,906

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements beginning on page 123.

[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.

[3] Amounts were restated to agree with the amounts reported in the basic financial statements.

N/A - Data not available

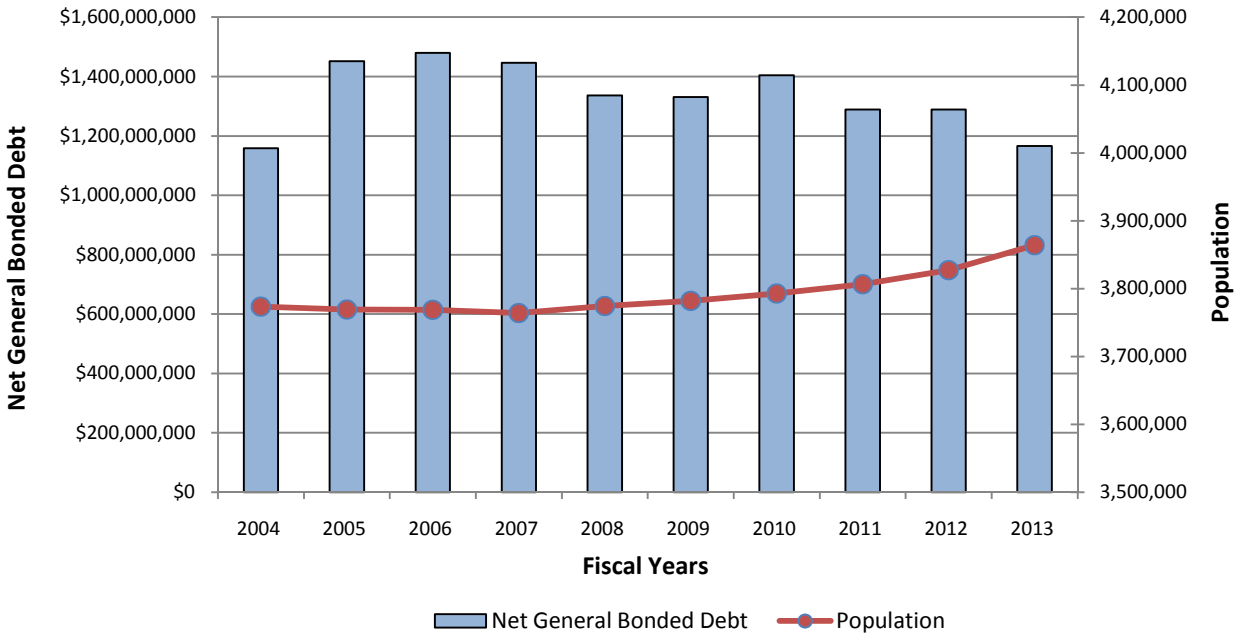
CITY OF LOS ANGELES

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 [3]	Assessed Value[1]	Net General Bonded Debt Ratio to Assessed Value	Population[2]	Net General Bonded Debt Per Capita[2]
2004	$ 1,158,863,000	$ 263,547,493,340	0.44 %	3,773,549	$ 307
2005	1,451,359,000	284,468,294,432	0.51	3,769,130	385
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	3,806,411	339
2012	1,288,674,000	406,456,672,926	0.32	3,827,172	337
2013	1,165,924,000	416,539,450,297	0.28	3,863,839	302

(1) Net of homeowners exemptions.
(2) Population data updated based on current estimates.
(3) Amounts were restated to agree with the amounts reported in the basic financial statements.

Net General Bonded Debt and Population



CITY OF LOS ANGELES

Direct and Overlapping Governmental Activities Debt
June 30, 2013

	Debt Outstanding June 30, 2013	Estimated Percentage Applicable [1]	Estimated Share of Overlapping Debt June 30, 2013
Debt repaid with property taxes			
Los Angeles Flood Control District	$ 19,770,000	39.741 %	$ 7,856,796
Metropolitan Water District of Southern California	165,085,000	19.971	32,969,125
Los Angeles Community College District	3,712,555,000	70.302	2,612,000,416
Beverly Hills Unified School District	173,083,674	0.175	302,896
Inglewood Unified School District	104,820,000	1.035	1,084,887
Las Virgenes Joint Unified School District	164,058,238	0.937	1,537,226
Los Angeles Unified School District	10,945,695,000	87.252	9,550,337,801
Other School Districts	444,044,857	Various	352,086
City of Los Angeles Community Facilities District No. 3 (Estimate)	4,660,000	100.000	4,660,000
City of Los Angeles Community Facilities District No. 4	121,865,000	100.000	121,865,000
City of Los Angeles Community Facilities District No. 8	5,910,000	100.000	5,910,000
City of Los Angeles Landscaping and Lighting Benefit Assessment District	20,240,000	100.000	20,240,000
Mountains Recreation and Conservation Authority Assessment Districts	21,950,000	99.990-100.000	21,948,839
Los Angeles County Regional Park and Open Space Assessment District	142,870,000	38.505	55,012,094
Other overlapping debt			
Los Angeles County General Fund Obligations	1,729,437,327	38.505	665,919,843
Los Angeles County Superintendent of Schools Certificates of Participation	10,377,239	38.505	3,995,756
Los Angeles County Sanitation District Nos. 1, 4, 5, 8 and 16 Authorities	97,459,909	0.002-11.452	6,136,836
Pasadena Area Community College District Certificates of Participation	625,000	0.001	6
Inglewood Unified School District Certificates of Participation	1,660,000	1.035	17,181
Las Virgenes Joint Unified School District Certificates of Participation	11,720,000	0.937	109,816
Los Angeles Unified School District Certificates of Participation	395,161,434	87.252	344,786,254
Less: Los Angeles County General Fund Obligations (supported by landfill revenues)			(2,114,631)
Less: Los Angeles Unified School District QZAB Bonds (supported by periodic payments to investment accounts)			(4,407,971)
Overlapping Tax Increment Debt:	621,005,000	100.000	621,005,000
Subtotal- overlapping debt			14,071,525,256
City of Los Angeles direct debt			
General Obligation Bonds			1,165,924,000
Judgment Obligation Bonds			53,079,000
Certificates of Participation and Lease Revenue Bonds			1,456,723,000
Special Assessment Bonds			20,240,000
Revenue Bonds			793,466,000
Notes Payable			184,197,000
HUD Loans			198,600,000
Subtotal- City of Los Angeles direct debt [2]			3,872,229,000
Total direct and overlapping debt			$ 17,943,754,256

(1) Percentage of overlapping agency's assessed valuation located within boundaries of the City.

(2) Includes all long-term debt intruments of the governmental activities, including bonds, notes, certificates of participation and loans.

Source: KNN Public Finance, a division of Zions First National Bank, 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				
	2004	**2005**	**2006**	**2007**	**2008**
Assessed Valuation Net of Homeowners' Exemptions	$ 263,547,493	$ 284,468,294	$ 312,668,295	$ 346,982,793	$ 381,153,232
Add: Homeowners' Exemptions	2,598,874	2,641,639	2,642,161	2,637,783	2,664,276
Gross Assessed Valuation	$ 266,146,367	$ 287,109,933	$ 315,310,456	$ 349,620,576	$ 383,817,508
Legal Debt Limit [a] (15% of assessed value)	$ 39,921,955	$ 43,066,490	$ 47,296,568	$ 52,443,086	$ 57,572,626
Less: General Obligation Bonds Outstanding [c]	1,158,863	1,451,359	1,480,010	1,446,530	1,336,040
Legal Debt Margin	$ 38,763,092	$ 41,615,131	$ 45,816,558	$ 50,996,556	$ 56,236,586
Legal Debt Margin as a Percentage of the Debt Limit	97.10%	96.63%	96.87%	97.24%	97.68%
General Obligation Bonds Outstanding as a Percentage of Assessed Value	0.44%	0.51%	0.47%	0.41%	0.35%
Population [b]	3,773,549	3,769,130	3,768,645	3,764,062	3,774,497
General Obligation Bonds Outstanding Per Capita	$307	$385	$393	$384	$354

Continued…

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				
	2009	**2010**	**2011**	**2012**	**2013**
Assessed Valuation Net of Homeowners' Exemptions	$ 411,135,224	$ 410,756,330	$ 401,273,954	$ 406,456,673	$ 416,539,450
Add: Homeowners' Exemptions	2,688,218	2,707,745	2,696,221	2,674,226	2,629,357
Gross Assessed Valuation	$ 413,823,442	$ 413,464,075	$ 403,970,175	$ 409,130,899	$ 419,168,807
Legal Debt Limit [(a)] (15% of assessed value)	$ 62,073,516	$ 62,019,611	$ 60,595,526	$ 61,369,634	$ 62,875,321
Less: General Obligation Bonds Outstanding [(c)]	1,331,103	1,404,320	1,288,707	1,288,674	1,165,924
Legal Debt Margin	$ 60,742,413	$ 60,615,291	$ 59,306,819	$ 60,080,960	$ 61,709,397
Legal Debt Margin as a Percentage of the Debt Limit	97.86%	97.74%	97.87%	97.90%	98.15%
General Obligation Bonds Outstanding as a Percentage of Assessed Value	0.32%	0.34%	0.32%	0.31%	0.28%
Population [(b)]	3,781,951	3,792,621	3,806,411	3,827,172	3,863,839
General Obligation Bonds Outstanding Per Capita	$352	$370	$339	$337	$302

(a) Debt limit provided in Section 43605 of the State of California Government Code.

(b) Population data updated based on current estimates.

(c) Amounts were restated to agree with the amounts reported in the basic financial statements.

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]
Airports Enterprise Fund Revenue Bonds and Notes							
2004	$ 558,602	$ 437,127	$ 121,475	$ 44,826	2.7	$ 33,285	0.7
2005	585,065	476,349	108,716	43,027	2.5	119,760	2.8
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
Harbor Enterprise Fund Revenue Bonds and Notes							
2004	$ 337,347	$ 130,174	$ 207,173	$ 59,023	3.5	$ 208,762	3.5
2005	366,438	170,891	195,547	60,536	3.2	226,037	3.7
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
Power Enterprise Fund Revenue Bonds and Notes							
2004	$ 2,437,461	$ 1,771,230	$ 666,231	$ 170,466	3.9	$ 505,187	3.0
2005	2,401,458	1,835,594	565,864	189,105	3.0	611,579	3.2
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

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]
Water Enterprise Fund Revenue Bonds and Notes							
2004	$ 618,589	$ 421,634	$ 196,955	$ 64,135	3.1	$ 282,914	4.4
2005	590,751	387,264	203,487	71,851	2.8	210,129	2.9
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
Sewer Enterprise Fund Revenue Bonds and Notes							
2004	$ 428,271	$ 202,279	$ 225,992	$ 118,588	1.9	$ 218,364	1.8
2005	437,411	212,051	225,360	125,309	1.8	200,550	1.6
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

(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]
2003-04	3,773,549	$ 338,694,234	$ 34,584	33.4	900,436	7.2 %
2004-05	3,769,130	357,332,951	36,513	34.0	891,252	5.9
2005-06	3,768,645	384,365,031	39,471	33.4	836,301	5.3
2006-07	3,764,062	397,871,070	41,016	33.9	819,268	5.6
2007-08	3,774,497	409,986,688	42,114	33.9	801,838	8.3
2008-09	3,781,951	394,935,230	40,351	33.9	784,457	12.8
2009-10	3,792,621	403,962,065	41,113	34.3	748,273	13.9
2010-11	3,806,411	424,763,231	42,953	34.3	738,113	13.5
2011-12	3,827,172	443,088,010	44,474	34.3	701,208	12.1
2012-13	3,863,839	N/A	N/A	N/A	625,935	11.3

(1) Data based on California Department of Finance revised population estimates from 2004 to 2013, except for 2010 which is an actual decennial census count.

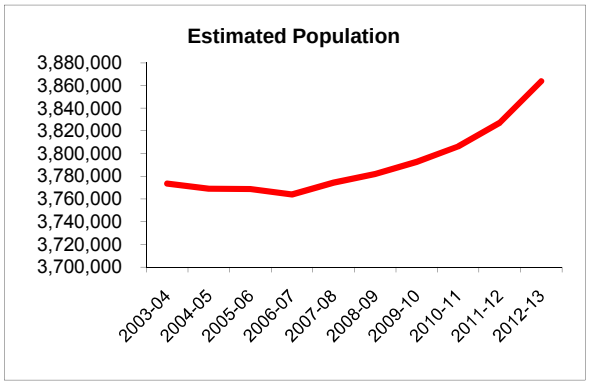
(2) U.S. Department of Commerce, Bureau of Economic Analysis - revised estimates of personal income for Los Angeles County updated on November 21,2013, with revised estimates for 2004 to 2012.
The U.S. Census Bureau defines personal income as the income received by all persons from all sources, and is 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 are not available.

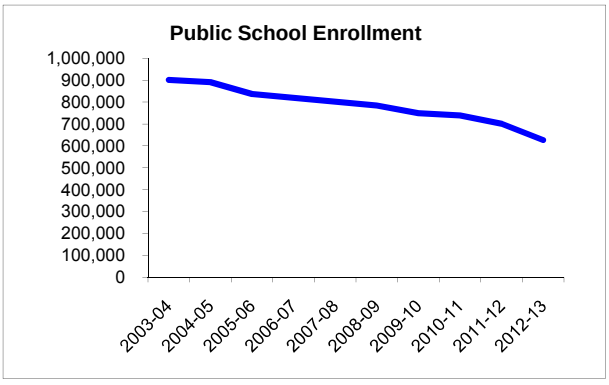
(3) US Census Bureau 2010-12 American Community Survey 5-year estimate for the City. Source: http://factfinder.census.gov

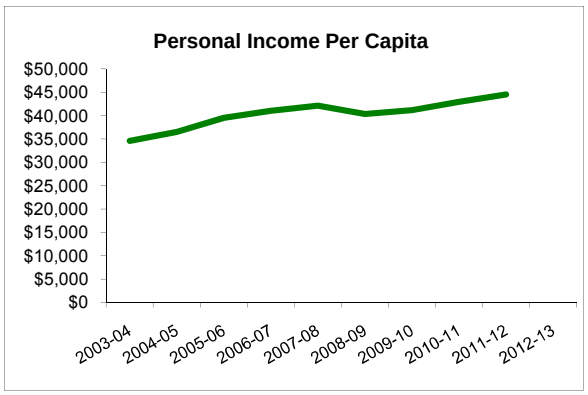
(4) Enrollment data determined at the beginning of each school year (October). Data include the City and all or significant portions of a number of smaller cities and unincorporated territories. Beginning of Fiscal Year 2003-04 enrollment data do not include fiscally independent charter schools.

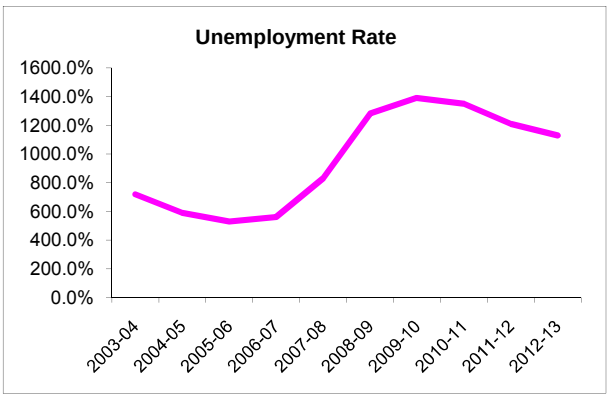
(5) Data based on California Employment Development Department for City of Los Angeles, not seasonally adjusted.

N/A Not Available









CITY OF LOS ANGELES

Principal Employers
Current Year and Nine Years Ago

	2013			2004		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment [1]**	**Employees**	**Rank**	**Percentage of Total City Employment [2]**
City of Los Angeles	44,880	1	2.60 %	48,092	1	2.79 %
County of Los Angeles	40,349	2	2.34	39,900	3	2.32
University of California Los Angeles	31,457	3	1.82	9,113	8	0.53
Los Angeles Unified School District	30,895	4	1.79	40,639	2	2.36
Securitas Holdings Inc	13,607	5	0.79	--	--	--
Kaiser Foundation Hospitals	13,148	6	0.76	16,296	5	0.95
Cedars-Sinai Medical Center	13,000	7	0.75	17,500	4	1.02
University of Southern California	12,144	8	0.70	14,509	6	0.84
Veterans Health Administration	10,802	9	0.63	--	--	--
Farmers Insurance Group	9,038	10	0.52	9,167	7	0.53
Sony Pictures	--	--	--	6,500	9	0.38
The Walt-Disney	--	--	--	6,000	10	0.35
	219,320		12.70 %	207,716		12.06 %

Notes:

[1] Percentage based on total city employment of 1,726,500 per California EDD labor force report.

[2] Percentage based on total city employment of 1,722,000 per California EDD labor force report.

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.

Sources: City of Los Angeles Detail of Department Programs and various City Departments
D&B Regional Business Directories Los Angeles County Area, 2004
Los Angeles Unified School District Human Resources Department (Certificated Employees)
County of Los Angeles Human Resources Department (2013)
University of Southern California, Office of Budget and Planning
Cedar-Sinai Human Resource Department (2013)

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				
	2004	2005	2006	2007	2008
GOVERNMENTAL ACTIVITIES					
General Government					
City Administrative Officer	129	125	126	122	128
City Attorney	820	808	963	984	978
City Clerk [1]	139	137	130	135	146
City Ethics Commission	31	30	26	28	26
Commission on the Status of Women [6]	15	12	12	12	9
Controller	183	180	167	173	185
Council	108	108	336	367	355
Employee Relations Board	8	8	3	3	3
General Services	1,871	1,923	2,236	2,337	2,302
Human Relations Commission [6]	24	21	16	16	15
Information Technology Agency	764	748	739	734	728
Mayor	74	66	132	154	163
Neighborhood Empowerment [2]	68	62	40	47	42
Office of Finance [3]	343	350	351	358	353
Personnel	394	440	478	492	495
Treasurer [3]	39	39	34	38	38
Protection of Persons and Property					
Animal Services	304	296	311	352	379
Building & Safety	858	835	864	944	992
Emergency Preparedness/Management [4]	14	14	17	17	23
Fire-Civilian	321	322	333	365	366
Fire-Sworn	3,530	3,423	3,572	3,673	3,730
Police- Civilian	3,595	3,592	3,166	3,337	3,278
Police- Sworn	10,212	10,213	9,310	9,509	9,704
Public Works					
Public Works- Accounting [5]	--	--	--	--	--
Public Works- Board of Commissioners [5]	59	153	160	161	155
Public Works- Contract Administration	347	335	328	363	371
Public Works- Engineering	969	950	1,000	998	971
Public Works- Management-Employee Services [5]	109	--	--	--	--
Public Works- Street Lighting	224	231	227	223	210
Public Works- Street Services	1,318	1,285	1,363	1,390	1,350
Health and Sanitation					
Environmental Affairs [1]	43	43	34	31	31
Public Works- Sanitation	2,695	2,762	2,632	2,691	2,684
Transportation	1,524	1,521	1,559	1,637	1,572

Continued…

CITY OF LOS ANGELES

Number of City Government Employees by Function/Program
Full-Time Equivalent - (Continued)
Last Ten Fiscal Years

	Fiscal Year				
	2009	2010	2011	2012	2013
GOVERNMENTAL ACTIVITIES					
General Government					
City Administrative Officer	128	107	103	102	103
City Attorney	986	885	870	825	813
City Clerk [1]	140	99	96	98	97
City Ethics Commission	26	22	18	17	18
Commission on the Status of Women [6]	2	--	--	--	--
Controller	184	156	157	152	146
Council	350	338	321	334	364
Employee Relations Board	4	3	3	3	3
General Services	2,273	1,881	1,707	1,630	1,430
Human Relations Commission [6]	10	--	--	--	--
Information Technology Agency	714	582	522	488	463
Mayor	189	195	171	175	173
Neighborhood Empowerment [2]	42	19	18	18	23
Office of Finance [3]	372	324	326	345	336
Personnel	477	384	371	380	460
Treasurer [3]	39	34	30	--	--
Protection of Persons and Property					
Animal Services	366	343	319	311	318
Building & Safety	958	782	719	723	760
Emergency Preparedness/Management [4]	27	21	24	22	31
Fire-Civilian	362	298	296	298	297
Fire-Sworn	3,708	3,562	3,459	3,317	3,206
Police- Civilian	3,256	2,877	2,824	2,783	2,888
Police- Sworn	9,973	9,878	9,810	9,875	9,875
Public Works					
Public Works- Accounting [5]	--	--	--	--	--
Public Works- Board of Commissioners [5]	131	94	93	92	81
Public Works- Contract Administration	358	306	293	287	294
Public Works- Engineering	932	738	737	718	701
Public Works- Management-Employee Services [5]	--	--	--	--	--
Public Works- Street Lighting	215	198	200	192	209
Public Works- Street Services	1,327	1,073	1,011	982	931
Health and Sanitation					
Environmental Affairs [1]	28	19	--	--	--
Public Works- Sanitation	2,701	2,427	2,430	2,333	2,317
Transportation	1,597	1,414	1,355	1,307	1,287

Continued…

CITY OF LOS ANGELES

Number of City Government Employees by Function/Program
Full-Time Equivalent - (Continued)
Last Ten Fiscal Years

	Fiscal Year				
	2004	**2005**	**2006**	**2007**	**2008**
GOVERNMENTAL ACTIVITIES (Continued)					
Cultural and Recreational Services					
Cultural Affairs	94	74	60	66	67
El Pueblo de los Angeles Historical Monument	58	25	20	17	19
Library	1,194	1,138	781	819	828
Recreation and Parks	2,053	1,905	1,929	2,070	1,980
Zoo	272	256	223	237	220
Community Development					
Aging	48	42	51	50	49
Commission for Children, Youth and Their Families [6]	37	24	60	53	53
Community Development Department	274	273	291	265	254
Disability	26	23	22	22	20
Los Angeles Housing	408	403	464	528	528
Planning	323	304	280	283	300
TOTAL GOVERNMENTAL ACTIVITIES	35,919	35,499	34,846	36,101	36,100
BUSINESS-TYPE ACTIVITIES					
Airports [7]	3,048	3,300	3,454	3,630	3,804
Harbor [7]	634	659	717	806	935
Los Angeles Convention Center	197	163	154	155	156
Water and Power	8,101	8,029	8,119	8,241	8,592
TOTAL BUSINESS-TYPE ACTIVITIES	11,980	12,151	12,444	12,832	13,487
PENSION SYSTEMS					
City Employees Retirement System	109	110	113	125	131
Fire and Police Pension System	84	86	88	97	103
TOTAL PENSION FUNDS	193	196	201	222	234
GRAND TOTAL	48,092	47,846	47,491	49,155	49,821

Continued…

CITY OF LOS ANGELES

Number of City Government Employees by Function/Program
Full-Time Equivalent - (Continued)
Last Ten Fiscal Years

	Fiscal Year				
	2009	2010	2011	2012	2013
GOVERNMENTAL ACTIVITIES (Continued)					
Cultural and Recreational Services					
Cultural Affairs	57	45	39	34	34
El Pueblo de los Angeles Historical	18	15	11	10	10
Library	833	699	664	655	999
Recreation and Parks	1,904	1,587	1,478	1,429	1,388
Zoo	211	186	201	205	213
Community Development					
Aging	45	42	41	41	34
Commission for Children, Youth and Their Families [6]	53	--	--	--	--
Community Development Department	236	270	266	268	255
Disability	19	16	14	11	15
Los Angeles Housing	526	528	544	531	511
Planning	297	242	237	234	261
TOTAL GOVERNMENTAL ACTIVITIES	36,074	32,689	31,778	31,225	31,344
BUSINESS-TYPE ACTIVITIES					
Airports [7]	3,747	3,535	3,535	3,552	3,535
Harbor [7]	971	948	959	963	947
Los Angeles Convention Center	150	111	112	109	92
Water and Power	9,210	9,200	9,065	8,867	8,776
TOTAL BUSINESS-TYPE ACTIVITIES	14,078	13,794	13,671	13,491	13,350
PENSION SYSTEMS					
City Employees Retirement System	134	126	124	124	127
Fire and Police Pension System	105	98	105	107	109
TOTAL PENSION FUNDS	239	224	229	231	236
GRAND TOTAL	50,391	46,707	45,678	44,947	44,930

[1] 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.

[2] The Department of Neighborhood Empowerment was created by Ordinance in fiscal year 2000.

[3] The Treasurer was transferred out of Finance and restored as its own department in fiscal year 2004. Both departments were consolidated in fiscal year 2012.

[4] Emergency Preparedness was created as a separate department in fiscal year 2001. In November 2007, name changed to Emergency Management Department.

[5] In fiscal year 2002, Public Works- Accounting and Management Employee Services were consolidated. In fiscal year 2005, their resources and functions were transferred to the Board of Public Works Commissioners.

[6] In fiscal year 2010, Commission on the Status of Women, Commission for Children, Youth and Familiess and Human Relations Commission were consolidated.

[7] Certain changes were made to conform to the fiscal year 2013 presentation.

Sources: Prior to FY 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.
FY 2006 through 2010: Data restated to conform with Office fo 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/Program	Fiscal Year 2004	2005	2006	2007	2008
General Government					
City Attorney					
Criminal Prosecution Program					
Combined criminal jury and court trials	584	549	575	699	769
Consumer cases concluded [3]	707	--	--	--	--
Consumer protection-cases reviewed [3]	--	194	200	230	265
Consumer protection-consumer complaints [3]	--	302	500	500	550
Environmental cases concluded	30	250	375	450	542
Housing/rent control cases concluded	221	320	400	176	300
City Ethics Commission					
Whistle-blower complaints and investigations processed	410	490	400	723	450
Investigations resolved within 2 years (%)	--	--	--	--	85
Information Technology Agency					
3-1-1 Call Center Operations [4]					
Number of calls received	403,386	611,982	890,233	998,218	1,257,629
Number of wireless calls	39,424	60,191	178,964	286,772	335,979
Average wait time per caller (in sec)	--	--	--	--	53
Office of Finance					
Total tax accounts audited	4,322	4,187	5,545	5,880	6,677
Revenue enhancement unit investigations [5]	19,840	24,463	27,738	52,441	71,234
Refund claims processed	13,804	13,555	14,240	19,374	26,125
Collections from Citywide Collection Unit ($ in 000's)	--	--	--	--	25,700
Annual Business Tax renewal e-filings	--	--	--	--	70,000
General Services					
Building Services Program					
Recycling Operations					
Tonnage Collected	1,650	1,637	1,600	1,700	1,700
Special Events					
Filmings coordinated	75	75	101	82	103
Filmings and Special Events coordinated	--	--	--	--	--
Building Maintenance and Repair					
Square feet of buildings	15,626,000	16,228,700	16,370,578	16,867,229	17,775,611
Preventative maintenance orders completed (%)	--	--	--	--	--
Neighborhood Empowerment					
Neighborhood councils certified [6]	15	1	2	2	4
Protection of Persons and Property					
Animal Services					
Animal Shelter Operations Program					
Animals impounded [7]	59,065	57,923	55,652	55,183	57,804
Animals adopted	18,741	18,879	19,592	21,017	23,608
Animals euthanized	29,554	25,029	22,333	20,085	19,942
Animals which die while in City's care (%)	--	--	--	--	--
Animal Licensing and Permitting Operations					
Dog licenses issued	133,202	131,022	126,337	121,277	114,531
Building and Safety					
Building Permits Issued	144,000	141,000	141,403	139,220	127,700
Response to inspection requests within 24 hrs (%)	--	--	--	--	100
Fire					
Fire Suppression Program					
Actual Fires					
Structure fires	2,431	3,222	3,406	3,327	3,800
Non structure fires	8,362	6,303	9,358	10,060	7,400
Response within 5 mins of notification (%)	85	87	86	94	94

Continued…

Operating Indicators by Function/Program - (Continued)
Last Ten Fiscal Years

Function/Program	Fiscal Year 2009 [1]	2010 [2]	2011 [1]	2012	2013
General Government					
City Attorney					
Criminal Prosecution Program					
Combined criminal jury and court trials	845	632	477	315	342
Consumer cases concluded [3]	--	--	--	--	
Consumer protection-cases reviewed [3]	300	170	160	159	160
Consumer protection-consumer complaints [3]	575	400	400	400	400
Environmental cases concluded	600	350	312	488	329
Housing/rent control cases concluded	250	395	402	435	603
City Ethics Commission					
Whistle-blower complaints and investigations processed	500	--	--	--	--
Investigations resolved within 2 years (%)	92	63	93	46	94
Information Technology Agency					
3-1-1 Call Center Operations [4]					
Number of calls received	1,402,658	1,417,801	1,341,000	1,211,000	1,062,894
Number of wireless calls	393,626	525,000	561,000	535,000	515,468
Average wait time per caller (in sec)	40	140	180	170	224
Office of Finance					
Total tax accounts audited	7,771	6,297	5,567	5,146	4,839
Revenue enhancement unit investigations [5]	83,611	93,072	133,009	107,696	124,389
Refund claims processed	27,934	15,591	16,969	10,010	10,667
Collections from Citywide Collection Unit ($ in 000's)	30,184	28,332	27,281	31,019	27,385
Annual Business Tax renewal e-filings	80,000	146,713	182,801	200,000	216,358
General Services					
Building Services Program					
Recycling Operations					
Tonnage Collected	1,700	--	--	--	--
Special Events					
Filmings coordinated	70	65	75	52	65
Filmings and Special Events coordinated	3,318	2,579	1,887	1,592	1,641
Building Maintenance and Repair					
Square feet of buildings	19,067,108	19,606,408	19,691,358	19,756,358	19,851,002
Preventative maintenance orders completed (%)	73	78	77	74	67
Neighborhood Empowerment					
Neighborhood councils certified [6]	1	--	4	2	--
Protection of Persons and Property					
Animal Services					
Animal Shelter Operations Program					
Animals impounded [7]	65,445	64,333	64,417	64,952	61,632
Animals adopted	28,154	26,952	29,525	30,414	32,440
Animals euthanized	24,742	25,298	24,632	23,955	17,063
Animals which die while in City's care (%)	1.50	1.40	1.40	--	--
Animal Licensing and Permitting Operations					
Dog licenses issued	121,138	116,500	121,817	123,080	126,234
Building and Safety					
Building Permits Issued	110,992	115,213	115,694	121,140	126,426
Response to inspection requests within 24 hrs (%)	99	100	98	98	97
Fire					
Fire Suppression Program					
Actual Fires					
Structure fires	4,026	3,734	4,172	4,871	4,624
Non structure fires	12,173	11,640	10,686	10,991	10,836
Response within 5 mins of notification (%)	95	93	94	--	--

Continued…

Operating Indicators by Function/Program - (Continued)
Last Ten Fiscal Years

Function/Program	Fiscal Year 2004	2005	2006	2007	2008
Protection of Persons and Property - (Continued)					
Fire - (Continued)					
Emergency responses					
Fires (includes automatic alarms)	118,394	131,293	137,687	137,309	137,687
Hazardous conditions	4,932	5,464	5,730	5,567	5,730
Rescues and others	25,934	28,808	30,211	35,773	30,211
Helicopter flight hours for brush and structure fires	560	490	652	575	660
Arson Investigation and Counter-Terrorism					
Closure rate in criminal fires investigation (%)	--	--	--	--	65
Emergency Ambulance Services					
Emergency medical responses by					
Paramedic ambulances	180,927	175,423	249,666	252,426	260,000
EMT ambulances	93,856	91,001	100,995	116,823	125,000
Paramedic fire resources	57,671	55,916	77,088	77,467	78,000
EMT fire resources	232,944	225,857	259,582	266,438	235,000
Response to emergencies within 5 mins (%)	70	71	66	86	87
Police					
Patrol Program					
Part I crimes reported	177,681	151,552	144,100	132,664	124,000
Selected Part II crimes reported	72,513	67,977	67,400	108,246	95,000
Total arrests	168,153	175,666	185,000	171,390	167,000
Response to emergency calls (in minutes)	--	--	--	--	--
Traffic Control Program					
Traffic collisions investigated	47,798	51,643	54,225	52,190	55,000
Fatal and injury traffic accidents	23,270	24,776	26,014	23,755	25,000
Traffic citations issued	421,582	443,990	466,190	501,964	527,000
Technical Support Program					
Complaint board calls received (911)	1,817,331	1,752,555	1,726,179	2,104,658	2,303,000
Specialized Crime Suppression & Investigation					
Number of backlogged fingerprint cases reduced	--	--	--	--	3,811
Number of backlogged rape kits reduced	--	--	--	--	7,240
Public Works					
Board of Commissioners					
Graffiti eradicated/square footage (per 1,000 sq. ft.) [8]	22,907	21,441	22,000	30,503	30,500
Street Services					
Weed Abatement, Brush and Debris Clearance					
Land cleared/cleaned-private (million sq ft)	10	4	7	7	9.0
Land cleared/cleaned-public (million sq ft)	19	18	12	14	14.5
Debris removed (cubic yards)	276,696	180,000	237,474	206,051	201,305
Response time to clear illegal dumping (days)	--	--	--	--	--
Street Cleaning Program					
Completion frequency-posted routes	100%	97%	98%	97%	97%
Goal-posted routes	97%	97%	98%	97%	97%
Completion frequency-nonposted routes (weeks)	4	4	4	4	3.9
Goal-nonposted routes (weeks)	4	4	4	4	4.0
Street Tree and Parkway Maintenance Program					
Trees planted - City forces & Non-profits (MTLA)	4,068	4,200	3,889	5,578	8,431
Trees trimmed - City forces (broadhead)	41,000	40,000	44,514	48,555	45,637
Trees trimmed in City's urban forest	--	--	--	--	51,704
Street Resurfacing and Reconstruction Program					
Streets resurfaced (miles)	123	135	234	213	179
Bus pads constructed	97	100	46	51	40
Access ramps constructed	1,017	1,200	893	570	1,094
Sidewalks repaired (miles)	63	52	59	51	59

Continued…

Operating Indicators by Function/Program - (Continued)
Last Ten Fiscal Years

Function/Program	Fiscal Year 2009 [1]	2010 [2]	2011 [1]	2012	2013
Protection of Persons and Property - (Continued)					
Fire - (Continued)					
Emergency responses					
Fires (includes automatic alarms)	138,200	114,121	118,986	122,492	121,381
Hazardous conditions	5,700	4,636	5,209	4,852	4,734
Rescues and others	35,500	38,247	37,834	39,324	40,822
Helicopter flight hours for brush and structure fires	726	645	609	745	312
Arson Investigation and Counter-Terrorism					
Closure rate in criminal fires investigation (%)	71	69	70	40	39
Emergency Ambulance Services					
Emergency medical responses by					
Paramedic ambulances	262,000	249,408	252,587	250,362	261,238
EMT ambulances	120,000	127,859	124,439	134,195	146,002
Paramedic fire resources	84,000	117,449	126,506	125,196	129,152
EMT fire resources	260,000	153,478	145,559	166,684	178,740
Response to emergencies within 5 mins (%)	90	88	86	--	--
Police					
Patrol Program					
Part I crimes reported	115,000	110,827	106,827	104,604	103,856
Selected Part II crimes reported	84,000	77,325	74,251	85,938	84,174
Total arrests	168,000	151,174	160,480	162,698	150,552
Response to emergency calls (in minutes)	7	7	6	6	6
Traffic Control Program					
Traffic collisions investigated	58,000	45,105	44,725	45,446	44,588
Fatal and injury traffic accidents	26,000	20,408	18,448	21,216	20,996
Traffic citations issued	553,000	594,193	564,432	504,312	428,178
Technical Support Program					
Complaint board calls received (911)	2,520,000	3,557,626	2,140,387	2,269,872	2,276,363
Specialized Crime Suppression & Investigation					
Number of backlogged fingerprint cases reduced	6,778	9,669	5,492	4,342	5,070
Number of backlogged rape kits reduced	2,740	1,332	1,097	--	1,188
Public Works					
Board of Commissioners					
Graffiti eradicated/square footage (per 1,000 sq. ft.) [8]	28,300	32,000	35,700	30,100	30,094
Street Services					
Weed Abatement, Brush and Debris Clearance					
Land cleared/cleaned-private (million sq ft)	9.8	7.1	6.5	6.5	5.6
Land cleared/cleaned-public (million sq ft)	15.2	11.0	10.0	7.2	5.3
Debris removed (cubic yards)	183,379	157,886	125,000	95,505	77,704
Response time to clear illegal dumping (days)	5	5	--	--	--
Street Cleaning Program					
Completion frequency-posted routes	97%	95%	93%	97%	97%
Goal-posted routes	97%	97%	97%	97%	97%
Completion frequency-nonposted routes (weeks)	4.0	5.8	13.0	14.5	24.0
Goal-nonposted routes (weeks)	4.0	4.0	4.0	4.0 - 8.0	--
Street Tree and Parkway Maintenance Program					
Trees planted - City forces & Non-profits (MTLA)	8,943	4,677	527	3,239	3,238
Trees trimmed - City forces (broadhead)	41,804	21,068	2,251	2,046	2,980
Trees trimmed in City's urban forest	75,504	32,211	13,351	22,226	50,000
Street Resurfacing and Reconstruction Program					
Streets resurfaced (miles)	200	149	174	236	245
Bus pads constructed	76	36	144	144	97
Curb ramps constructed	1,044	1,556	1,829	1,724	1,560
Sidewalks repaired (miles)	59	--	--	--	--

Continued…

Operating Indicators by Function/Program - (Continued)
Last Ten Fiscal Years

Function/Program	Fiscal Year 2004	2005	2006	2007	2008
Health and Sanitation					
Sanitation					
Maintenance and Operation of Flood Control Facilities					
Catch Basin Cleaning	83,184	87,239	123,521	113,068	112,300
Watershed Protection					
Clean 90,000 catch basins annually (%)	--	--	--	--	119
Maintenance and Operation of Wastewater Facilities					
HTP Wastewater Treatment (MGD)	339	358	337	342	350
HTP Wastewater Reclaimed (MGD)	23	24	23	32	35
TITP Wastewater Treatment (MGD)	15	16	16	16	16
TITP Wastewater Reclaimed (MGD)	1	1	1	3	4
LAG Wastewater Treatment (MGD)	16	16	13	21	20
LAG Water Reclaimed (MGD)	4	3	4	4	6
DCT Wastewater Treatment (MGD)	60	57	49	54	62
DCT Water Reclaimed (MGD)	25	26	25	25	30
WCSD Sewer Cleaning - miles of sewers cleaned [10]	2,832	3,627	4,797	4,930	4,981
Maintain 3-yr rolling avrg of 60 miles of sewers (%)	--	--	--	--	--
Clean Water					
Clean 60,000 pipe reaches as mandated (%)	--	--	--	--	200
Solid Resources					
Implement LAUSD Blue Bin Recycling Program (%)	--	--	--	--	54
Convert refuse collection fleet to clean fuels (%)	--	--	--	--	44
Increase truck fleet conversion to clean fuel (no. of trucks)	--	--	--	--	--
Maintain a baseline 99.5% of refuse collected on schedule (%)	--	--	--	99.92	99.96
Household Refuse Collection Program					
Tons Collected:					
Refuse and Yard Trimmings					
Refuse	914,139	1,009,618	955,092	932,196	1,034,429
Yard Trimmings	491,422	495,387	503,646	507,100	545,467
Recyclables	186,992	193,941	191,024	181,215	206,369
Bulky Items	29,740	31,150	33,038	33,047	33,146
Recycling Contamination	76,754	85,044	81,868	85,614	87,014
Transportation					
Transportation					
Franchise and Taxicab Regulation					
Bandit drivers arrested	339	400	211	1,116	1,427
Bandit vehicles impounded	297	390	193	388	446
Transit Capital Programming					
Increase in bicycle lane miles	--	--	--	--	4
Increase in bicycle sharrow miles	--	--	--	--	
Active traffic congestion relief projects	--	--	--	--	43
Transportation System Engineering Program					
Speed humps/tables constructed	550	282	356	481	382
Transportation System Operations					
Red curb miles reinstalled/installed	460	500	526	729	523
Thermoplastic longline striping installed/ reinstalled (previously lane miles)	760	850	883	820	717
Signs Replaced [9]	20,000	21,000	30,000	--	--
Signs Maintained/Replaced	--	--	--	116,414	96,885
Temporary Signs installed/removed	--	--	--	360,573	383,005
Number miles of lane markings installed	--	--	--	--	--
Parking Management and Intersection Control					
Citations written	3,152,691	3,101,079	3,205,565	3,102,611	2,806,712
Citations written per officer per eight-hour shift	36	36	37	35	31
Peak hour tows and other tows	10,000	10,000	18,359	8,813	54,231
Crossing guard assignments	518	525	501	486	486
Number of hours of intersection control	28,960	84,262	56,837	79,415	90,478
Abandoned vehicles abated	133,219	131,768	122,731	142,041	139,325
Abandoned vehicles impounded	12,036	9,516	5,577	8,813	8,602

Continued…

Operating Indicators by Function/Program - (Continued)
Last Ten Fiscal Years

Function/Program	Fiscal Year 2009 [1]	2010 [2]	2011 [1]	2012	2013
Health and Sanitation					
Sanitation					
Maintenance and Operation of Flood Control Facilities					
Catch Basin Cleaning	115,000	87,051	63,070	68,750	65,000
Watershed Protection					
Clean 90,000 catch basins annually (%)	113	70	76	--	72
Maintenance and Operation of Wastewater Facilities					
HTP Wastewater Treatment (MGD)	350	305	297	305	305
HTP Wastewater Reclaimed (MGD)	35	35	26	28	35
TITP Wastewater Treatment (MGD)	16	16	15	16	16
TITP Wastewater Reclaimed (MGD)	5	4	2	1	4
LAG Wastewater Treatment (MGD)	20	20	20	20	20
LAG Water Reclaimed (MGD)	6	8	8	5	5
DCT Wastewater Treatment (MGD)	65	52	52	57	57
DCT Water Reclaimed (MGD)	32	34	32	28	28
WCSD Sewer Cleaning - miles of sewers cleaned [10]	5,000	5,903	6,093	6,750	6,750
Maintain 3-yr rolling avrg of 60 miles of sewers (%)	129	100	100	--	100
Clean Water					
Clean 60,000 pipe reaches as mandated (%)	194	216	233	--	215
Solid Resources					
Implement LAUSD Blue Bin Recycling Program (%)	69	75	85	--	90
Convert refuse collection fleet to clean fuels (%)	61	66	66	--	78
Increase truck fleet conversion to clean fuel (no. of trucks)	--	--	--	544	554
Maintain a baseline 99.5% of refuse collected on schedule (%)	99.95	99.95	99.95	99.95	100
Household Refuse Collection Program					
Tons Collected:					
Refuse and Yard Trimmings					
Refuse	1,034,429	867,113	882,005	851,434	954,477
Yard Trimmings	555,049	474,657	492,341	470,527	522,737
Recyclables	170,000	141,314	148,194	143,338	150,380
Bulky Items	33,146	33,330	32,479	27,640	34,000
Recycling Contamination	85,000	69,976	58,806	54,064	55,620
Transportation					
Transportation					
Franchise and Taxicab Regulation					
Bandit drivers arrested	1,144	1,036	1,045	991	900
Bandit vehicles impounded	1,061	812	908	916	611
Transit Capital Programming					
Increase in bicycle lane miles	7	10	17	51	101
Increase in bicycle sharrow miles				21	22
Active traffic congestion relief projects	58	45	59	78	84
Transportation System Engineering Program					
Speed humps/tables constructed	374	--	--	38	--
Transportation System Operations					
Red curb miles reinstalled/installed	611	540	466	470	392
Thermoplastic longline striping installed/ reinstalled (previously lane miles)	617	632	540	925	151
Signs Replaced [9]	--	--	--	--	--
Signs Maintained/Replaced	108,032	89,415	63,019	66,556	43,728
Temporary Signs installed/removed	365,389	347,990	414,268	423,759	471,376
Number miles of lane markings installed	--	--	--	255	122
Parking Management and Intersection Control					
Citations written	2,784,351	2,587,925	2,461,529	2,522,302	2,654,910
Citations written per officer per eight-hour shift	30	31	32	33	27
Peak hour tows and other tows	55,057	44,334	41,244	48,648	45,921
Crossing guard assignments	486	486	486	492	492
Number of hours of intersection control	72,618	42,842	27,622	30,370	23,730
Abandoned vehicles abated	116,967	100,589	102,911	74,270	61,062
Abandoned vehicles impounded	6,972	3,546	2,924	2,776	2,966

Continued…

Operating Indicators by Function/Program - (Continued)
Last Ten Fiscal Years

Function/Program	Fiscal Year 2004	2005	2006	2007	2008
Transportation - (Continued)					
Transit Operations					
Fixed transit routes in service	57	57	55	55	54
Fixed transit route passenger trips	29,175,688	30,711,799	30,630,303	29,808,908	30,533,399
Total transit vehicle passenger trips	29,368,124	30,851,486	30,765,034	29,990,787	30,724,278
Parking Operations Support and Adjudication					
Citation reviews completed within 21 days (%)	--	--	--	--	58
Collection rate of citations issued in the year (%)	--	--	--	--	--
Traffic Control Devices					
Traffic control signals maintained (%)	--	--	--	--	87
Number Traffic Signals Repaired	--	--	--	--	--
Number New Signals (Traffic and Pedestrian) Installed	--	--	--	--	--
Mass Transit Information Services					
Shuttle bus transit ridership per hour	49	48	48	46	46
Cultural and Recreational Services					
Cultural Affairs					
Community Arts					
Art exhibitions presented	66	70	70	70	70
Special events/festivals	104	104	104	104	104
Performing Arts					
Music/theatre programs presented	375	292	400	390	--
City Arts					
Art class enrollment	--	--	--	--	--
Theater attendance	--	--	--	--	--
El Pueblo					
Art exhibitions presented	8	10	10	12	9
Special events/festivals held	35	40	40	52	55
Children's art workshops held	100	110	110	110	130
Cultural and historical tours given	1,200	1,400	1,400	1,450	1,450
Historic sites maintained	5	7	7	7	--
History and Museums					
Tours provided to the public	--	--	--	--	962
Visitors to educational and cultural programs	--	--	--	--	396,210
Library					
Public Library Services Program					
Items circulated	15,333,869	15,744,303	15,639,485	15,800,000	15,900,000
Books received:					
Volumes	275,000	200,000	175,000	560,332	225,389
Books cataloged	56,294	50,915	50,000	50,000	--
Registered Borrowers	1,496,250	1,424,922	1,429,345	1,440,000	1,445,000
Number of people visiting library facilities	13,533,822	14,011,932	14,032,869	16,003,909	16,100,000
Number of library cardholders	--	--	--	--	1,331,240
Number of volunteers for special programs	--	--	--	--	2,373
Attendance level for cultural programming	--	--	--	--	279,560
Number of library materials checked out	--	--	--	--	17,234,888
Convention Center					
Scheduled exhibit hall events	83	126	130	175	180
Client Revenue Services					
Repeat events hosted (#)	--	--	--	279	339
Zoo					
Educational Exhibits					
Attendance	1,389,639	1,396,538	1,523,469	1,564,674	1,602,171
Admissions					
Number of group reservations processed	--	--	--	--	2,585
Recreation and Parks					
Educational Exhibits					
Observatory					
Attendance	--	--	--	415,000	641,000

Continued…

Operating Indicators by Function/Program - (Continued)
Last Ten Fiscal Years

Function/Program	Fiscal Year 2009 [1]	2010 [2]	2011 [1]	2012	2013
Transportation - (Continued)					
Transit Operations					
Fixed transit routes in service	56	55	45	45	45
Fixed transit route passenger trips	31,675,393	30,368,887	27,356,994	23,736,486	26,154,372
Total transit vehicle passenger trips	31,860,898	30,535,921	27,466,279	23,824,821	26,467,594
Parking Operations Support and Adjudication					
Citation reviews completed within 21 days (%)	80	80	80	81	73
Collection rate of citations issued in the year (%)	68.03	67.50	71	72	75
Traffic Control Devices					
Traffic control signals maintained (%)	90	94	24	24	18
Number Traffic Signals Repaired	--	--	--	8,832	8,769
Number New Signals (Traffic and Pedestrian) Installed	--	--	--	105	32
Mass Transit Information Services					
Shuttle bus transit ridership per hour	47	46	48	39	43
Cultural and Recreational Services					
Cultural Affairs					
Community Arts					
Art exhibitions presented	52	46	27	52	60
Special events/festivals	33	30	18	15	17
Performing Arts					
Music/theatre programs presented	--	--	--	--	--
City Arts					
Art class enrollment	16,850	15,000	13,000	13,500	14,000
Theater attendance	120,000	121,014	115,000	128,625	140,000
El Pueblo					
Art exhibitions presented	10	8	6	8	8
Special events/festivals held	55	67	89	85	85
Children's art workshops held	130	104	109	105	105
Cultural and historical tours given	1,500	1,260	1,116	1,098	1,240
Historic sites maintained	--	--	--	--	--
History and Museums					
Tours provided to the public	1,000	967	1,042	936	859
Visitors to educational and cultural programs	425,000	453,576	485,340	502,268	476,239
Library					
Public Library Services Program					
Items circulated	15,925,000	16,524,292	15,144,804	15,337,032	14,983,679
Books received:					
Volumes	--	271,499	186,988	229,719	264,094
Books cataloged	--	38,495	48,304	49,495	48,452
Registered Borrowers	1,475,000	1,368,354	1,231,764	1,076,578	1,099,165
Number of people visiting library facilities	16,400,000	16,041,407	12,673,629	13,821,289	14,096,741
Number of library cardholders	1,350,000	1,375,000	1,300,000	1,076,578	1,099,165
Number of volunteers for special programs	2,600	2,800	2,964	4,524	5,617
Attendance level for cultural programming	282,380	283,000	301,387	332,937	531,498
Number of library materials checked out	17,250,000	17,300,000	16,000,000	15,337,032	14,983,679
Convention Center					
Scheduled exhibit hall events	161	161	149	137	140
Client Revenue Services					
Repeat events hosted (#)	274	297	304	281	284
Zoo					
Educational Exhibits					
Attendance	1,556,162	1,459,080	1,538,516	1,706,113	1,506,274
Admissions					
Number of group reservations processed	2,521	2,239	1,989	2,955	2,542
Recreation and Parks					
Educational Exhibits					
Observatory					
Attendance	840,151	902,489	909,668	969,479	1,033,429

Continued…

Operating Indicators by Function/Program - (Continued)
Last Ten Fiscal Years

Function/Program	Fiscal Year 2004	2005	2006	2007	2008
Cultural and Recreational Services - (Continued)					
Recreational Opportunities					
Aquatics					
Pool Attendance	2,300,000	1,389,678	1,298,123	1,292,655	1,500,000
Attendance for recreational swim	--	--	--	--	2,849,338
Camps					
Camper days	48,000	52,652	48,454	50,000	52,000
Municipal Sports					
Team sports participants	72,000	73,307	76,498	74,000	76,000
Number of teams	5,200	4,864	5,099	5,200	5,000
Senior Citizens Services					
Sr. Citizens Clubs	180	155	165	170	175
Number of senior club members	--	--	--	--	13,317
Youth Services and Intervention Programming					
Youth (ages 5-15) in organized sports programs	--	--	--	--	76,000
Other Recreation					
Occupancy at child care facilities (%)	--	--	--	--	68
Community Development					
Aging					
Senior Social Services Program					
Prop A - One-way transportation trips	133,779	145,000	130,200	133,807	142,152
Congregate meals served	891,128	964,196	906,858	859,169	835,229
Homebound meals served	845,287	839,460	845,904	816,581	817,630
Meals served vs. Meals contracted (%)	--	--	--	--	94
Housing					
Housing Preservation and Production Programs					
Residential units preserved under the Housing Rehabilitation Program	350	356	310	55	29
Units financed by GAP under the Homeownership Program - Low Income	250	90	125	120	133
Units financed by MRB under the Homeownership Program	90	90	120	95	--
Homeownership and Preservation					
Number of housing units made lead safe	--	--	--	--	135
Compliance Monitoring					
Affordable units monitored	15,000	15,000	17,000	17,476	18,000
Code Enforcement Program					
Periodic inspections (units)	150,000	153,000	180,000	180,000	180,000
Multi-family unit inspected every 4 years	--	--	--	--	--
Urgent repair referrals	500	600	650	497	564
Rent Program					
Rent adjustments processed	563	510	550	575	525
Rental units registered	565,000	600,000	600,000	518,658	518,000
Tenant complaints processed	8,000	8,000	8,000	7,404	8,100
Disability					
Constituents served	702	659	720	1,001	1,000
Counseling sessions	202	107	100	103	100
Crisis intervention	90	55	80	80	80
ADA Compliance					
Days to respond for interpreter services	--	--	--	--	2
AIDS Coordination					
HIV Testing and counseling	--	--	--	--	2,400
Business-Type Activities					
Airports					
Aircraft movements (thousands)	1,280	1,270	1,220	1,225	1,249
Passengers (millions)	65	68	69	69	69
Air cargo (thousand tons)	2,661	2,718	2,677	2,631	2,519

Continued…

Operating Indicators by Function/Program - (Continued)
Last Ten Fiscal Years

Function/Program	Fiscal Year 2009 [1]	2010 [2]	2011 [1]	2012	2013
Cultural and Recreational Services - (Continued)					
Recreational Opportunities					
Aquatics					
Pool Attendance	1,208,758	1,287,602	1,230,362	1,327,220	1,330,653
Attendance for recreational swim	2,811,807	3,296,327	2,635,207	2,696,366	3,255,404
Camps					
Camper days	39,513	34,060	18,900	56,204	55,624
Municipal Sports					
Team sports participants	76,543	75,500	72,502	94,141	101,916
Number of teams	5,248	5,210	5,110	6,330	6,484
Senior Citizens Services					
Sr. Citizens Clubs	125	123	132	109	109
Number of senior club members	14,125	15,800	10,770	12,393	12,252
Youth Services and Intervention Programming					
Youth (ages 5-15) in organized sports programs	64,328	53,422	55,752	61,947	61,876
Other Recreation					
Occupancy at child care facilities (%)	69	59	95	97	94
Community Development					
Aging					
Senior Social Services Program					
Prop A - One-way transportation trips	134,849	135,057	134,412	128,300	129,354
Congregate meals served	840,605	845,797	844,074	834,063	767,377
Homebound meals served	791,422	809,649	781,553	756,462	768,536
Meals served vs. Meals contracted (%)	100	98	98	99	93
Housing					
Housing Preservation and Production Programs					
Residential units preserved under the Housing Rehabilitation Program	29	--	--	--	--
Units financed by GAP under the Homeownership Program - Low Income	57	--	--	--	--
Units financed by MRB under the Homeownership Program	--	--	--	--	--
Homeownership and Preservation					
Number of housing units made lead safe	138	80	41	195	121
Compliance Monitoring					
Affordable units monitored	18,000	15,121	20,684	20,226	21,578
Code Enforcement Program					
Periodic inspections (units)	--	--	--	--	--
Multi-family unit inspected every 4 years	183,741	183,741	180,000	189,771	179,728
Urgent repair referrals	564	--	--	--	--
Rent Program					
Rent adjustments processed	550	--	--	--	--
Rental units registered	518,000	--	--	--	--
Tenant complaints processed	8,900	5,632	6,408	5,426	5,780
Disability					
Constituents served	1,000	800	800	800	800
Counseling sessions	100	80	80	80	80
Crisis intervention	80	--	--	--	--
ADA Compliance					
Days to respond for interpreter services	2	2	--	2	2
AIDS Coordination					
HIV Testing and counseling	2,500	3,000	--	10,840	10,000
Business-Type Activities					
Airports					
Aircraft movements (thousands)	1,049	1,025	989	976	939
Passengers (millions)	62	63	65	67	69
Air cargo (thousand tons)	2,018	2,242	2,296	2,366	2,400

Continued…

Operating Indicators by Function/Program - (Continued)
Last Ten Fiscal Years

Function/Program	Fiscal Year 2004	2005	2006	2007	2008
Business-Type Activities - (Continued)					
Harbor					
Miles of waterfront	43	43	43	43	43
Inbound tonnage (million tons)	104	102	113	118	105
Outbound tonnage (million tons)	58	60	69	72	65
Containerized cargo volume (in million of TEUs)	7	7	8	9	8
Vessel arrivals	2,812	2,646	2,771	2,920	2,467
Cruise passengers	803,308	1,097,204	1,205,947	1,194,984	1,191,449
Power					
Kilowatt hours sold (billions)	25	25	26	26	26
Customers-average number (thousands)	1,428	1,437	1,445	1,448	1,446
Energy production (billion kwh)	29	29	30	28	29
Net system capability (megawatts)	7	7	7	7	7
Water					
Gallons sold (billions)	203	191	194	207	199
Customers-average number (thousands)	662	664	670	667	666
Net water supply (billions of gallons)	225	266	203	216	210

Continued…

Operating Indicators by Function/Program - (Continued)
Last Ten Fiscal Years

Function/Program	Fiscal Year 2009 [1]	2010 [2]	2011 [1]	2012	2013
Business-Type Activities - (Continued)					
Harbor					
Miles of waterfront	43	43	43	43	43
Inbound tonnage (million tons)	94	88	94	98	93
Outbound tonnage (million tons)	66	67	68	75	72
Containerized cargo volume (in million of TEUs)	7	7	8	8	8
Vessel arrivals	2,322	2,124	2,236	2,100	2,089
Cruise passengers	990,965	802,899	667,434	515,827	355,875
Power					
Kilowatt hours sold (billions)	25	26	25	25	26
Customers-average number (thousands)	1,452	1,447	1,461	1,471	1,479
Energy production (billion kwh)	29	28	27	28	27
Net system capability (megawatts)	7	7	7	7	8
Water					
Gallons sold (billions)	189	166	169	170	178
Customers-average number (thousands)	666	659	667	674	676
Net water supply (billions of gallons)	197	173	169	177	183

[1] FY 2009 figures are based on actual and estimates; FY2011 figures are based on departmental reports.

[2] FY 2010 figures are based on estimates. Data are performance metrics narrowed down to the City's core functions, namely, Public Safety, Community Environment, Transportation, Culture, Education and Recreation, Socio-Economic Development and Support Services.

[3] Beginning in FY 2005, this category was broken into: "Consumer Protection-cases reviewed" and "Consumer Protection-consumer complaints".

[4] The 3-1-1 Call Center Operations, which provides assistance on routine and non-emergency City services, began operations in November 2002.

[5] The revenue enhancement unit investigations data include the number of tax discovery cases resulting from the implementation of the new LATAX program.

[6] The Citywide system of neighborhood councils was adopted on May 25, 2001.

[7] This category was formerly "Animals Rescued".

[8] The City offers free graffiti removal services through its Operation Clean Sweep Program.

[9] In FY 2006, the Dept of Transportation changed "Signs Replaced" to "Signs Maintained/Replaced" for better description of reporting.

[10] Figures were updated and restated in miles.

-- Data not available or no longer reported

Sources: Except for the business-type activities data, of which were provided by the departments, all departmental workload indicators and performance metrics are from the Detail of Department Programs which is a supplemental budget document.

CITY OF LOS ANGELES

Capital Assets Information
Last Ten Fiscal Years

Function/Program	Fiscal Year 2004	2005	2006	2007	2008
General Government					
Fiber optic cabling (fiber miles)[1]	9,843	9,855	9,870	9,870	9,876
Public office buildings	16	17	17	17	18
Protection of Persons and Property					
Animal shelters	6	6	6	6	6
Fire stations	103	103	103	104	105
Fire trucks	360	360	360	360	360
Patrol units	1,276	1,276	1,276	1,374	1,374
Police stations	20	21	21	21	25
Police training centers	3	3	3	3	3
Public Works					
Bridges	533	533	533	507	507
Street lights	242,000	218,248	221,113	231,402	206,000
Streets (miles)	7,221	6,493	6,489	6,500	6,500
Health and Sanitation					
Refuse collection trucks	734	751	705	725	744
Refuse yards	7	7	7	7	7
Transportation					
Automated traffic signal and control systems	42	43	46	41	46
Bike paths	14	14	14	12	12
Commuter buses	513	516	535	488	440
Traffic signals	3,403	4,251	4,555	4,506	4,515
Cultural and Recreational Services					
Acres of beach land	232	232	232	232	232
Acres park land (incl. beaches)	15,553	15,704	15,822	15,944	15,710
Archery ranges	3	3	3	3	3
Baseball/softball diamonds	251	253	253	255	256
Children's play areas	372	374	377	377	368
Dog parks	8	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	9	9	9	9	11
Libraries	71	72	72	72	72
Licensed child-care centers	23	24	25	26	26
Museums	7	7	7	7	12
Park sites	394	396	397	398	404
Pools	59	59	60	60	60
Recreational centers	176	179	180	181	183
Regional parks	5	5	5	5	5
Residential camps	7	7	7	7	7
Senior citizen centers	27	30	30	30	31
Skate parks	7	7	7	7	9
Tennis courts	287	287	287	287	321
Therapeutic centers	3	3	3	3	3
Wedding sites	12	12	12	12	12

Continued…

Capital Assets Information - (Continued)
Last Ten Fiscal Years

Function/Program	Fiscal Year 2009	2010	2011	2012	2013
General Government					
Fiber optic cabling (fiber miles) [1]	3,426	150	150	150	150
Public office buildings	18	18	18	18	18
Protection of Persons and Property					
Animal shelters	6	6	6	6	6
Fire stations	106	106	106	106	106
Fire trucks	362	362	336	337	367
Patrol units	1,374	1,374	1,374	1,374	1,374
Police stations	26	28	29	29	29
Police training centers	3	3	3	3	3
Public Works					
Bridges	509	508	508	508	514
Street lights	207,000	204,000	204,750	206,757	207,384
Streets (miles)	6,500	6,500	6,500	6,500	6,500
Health and Sanitation					
Refuse collection trucks	744	742	732	750	750
Refuse yards	7	7	7	7	7
Transportation					
Automated traffic signal and control systems	48	48	48	48	48
Bike paths	12	13	13	13	14
Commuter buses	468	450	407	361	371
Traffic signals	4,530	4,589	4,607	4,625	4,657
Cultural and Recreational Services					
Acres of beach land	232	232	232	232	232
Acres park land (incl. beaches)	15,786	15,717	15,717	15,865	16,001
Archery ranges	3	3	3	3	3
Baseball/softball diamonds	256	256	256	256	256
Children's play areas	368	368	368	368	383
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	11	13
Libraries	72	73	73	73	73
Licensed child-care centers	26	2	2	2	2
Museums	12	12	12	12	12
Park sites	417	427	427	427	435
Pools	60	61	61	61	62
Recreational centers	183	184	184	184	184
Regional parks	5	5	5	5	5
Residential camps	7	7	7	7	9
Senior citizen centers	31	31	31	31	31
Skate parks	9	9	9	18	21
Tennis courts	321	321	321	321	321
Therapeutic centers	3	3	--	--	--
Wedding sites	12	12	12	19	19

Continued…

Capital Assets Information - (Continued)
Last Ten Fiscal Years

Function/Program	Fiscal Year 2004	2005	2006	2007	2008
Airports					
Number of airports	4	4	4	4	4
Harbor					
Number of major container terminals	8	8	8	8	8
Number of cargo terminals	26	26	27	25	25
Power					
Number of generating units[(2)]	60	60	67	50	51
Transmission lines (miles)	3,631	3,631	3,643	3,643	3,643
Overhead distribution lines (miles)	6,949	7,268	7,268	6,954	6,947
Underground distribution lines (miles)	6,257	6,115	6,115	6,061	6,095
Water					
Aqueduct (miles)	571	571	571	340	367
Number of storage reservoirs and tanks	109	107	107	108	104
Distribution pipe (miles)	7,108	7,119	7,137	7,229	7,227
Service connections	706,789	708,167	709,988	712,184	715,430
Wastewater					
Sanitary sewers (miles)	6,500	6,500	6,500	6,500	6,550
Stormdrain pipe mainline (miles)	1,500	1,200	1,000	1,000	1,200

Continued…

Capital Assets Information - (Continued)
Last Ten Fiscal Years

Function/Program	Fiscal Year 2009	2010	2011	2012	2013
Airports					
Number of airports [3]	4	4	4	4	3
Harbor					
Number of major container terminals	8	8	8	8	8
Number of cargo terminals	25	24	24	24	24
Power					
Number of generating units [2]	50	51	235	235	242
Transmission lines (miles)	3,631	3,631	3,626	3,626	3,632
Overhead distribution lines (miles)	8,782	10,140	10,186	10,220	10,220
Underground distribution lines (miles)	3,235	3,505	3,547	3,594	3,561
Water					
Aqueduct (miles)	367	390	472	472	472
Number of storage reservoirs and tanks	114	106	114	114	114
Distribution pipe (miles)	7,248	7,273	7,221	7,225	7,246
Service connections	716,919	718,511	719,154	701,644	702,485
Wastewater					
Sanitary sewers (miles)	6,500	6,500	6,700	6,700	6,700
Stormdrain pipe mainline (miles)	1,200	1,200	1,200	1,200	1,200

[1] In fiscal year 2010, DWP took over possession, management and control over majority of the assets.

[2] Data changed to Department-owned generating units beginning fiscal year 2007. The increase in generating units is due to renewables.

[3] Airports operates LAX, ONT and VNY.

Source: Various City departments

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