KPMG

Independent Auditors' Report

The Honorable Board of Supervisors
County of Los Angeles, California:

We have audited the accompanying general purpose financial statements of the County of Los Angeles, California (County) as of and for the year ended June 30, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of the County of Los Angeles, California. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the general purpose financial statements of the Los Angeles County Employees' Retirement Association (LACERA), which statements are shown as the Pension Trust Fund included in the fiduciary fund types, and the Children and Family First Commission (CFFC), shown as a discretely presented component unit. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for LACERA and CFFC, is based solely on the report 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the report of the other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the County of Los Angeles, California as of June 30, 2001 and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The pension supplementary information on page 53 is not a required part of the general purpose financial statements of the County of Los Angeles, California, but is supplementary information required by the Governmental Accounting Standards Board. We did not audit and do not express an opinion on such information. We have applied certain limited procedures prescribed by professional standards, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the pension supplementary information. However, we did not audit this information and express no opinion on it.

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In accordance with *Government Auditing Standards*, we have also issued a report dated December 7, 2001 on our consideration of the County of Los Angeles' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund and account group financial statements and schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the County of Los Angeles, California. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, based on our audit and with respect to the information included for LACERA and CFFC, the report of the other auditors, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

KPMG LLP

December 7, 2001

COUNTY OF LOS ANGELES
COMBINED BALANCE SHEET-ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNIT
JUNE 30, 2001 (In Thousands)

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE	INTERNAL SERVICE
ASSETS						
Pooled cash and investments (Note 3)	$ 769,856	1,180,681	96,724	62,551	34,666	39,966
Other investments (Note 3)	8,330	39,249	629,879	155,668	29,296	5,679
Taxes receivable	151,006	65,481	1,962		1,145	
Accounts receivable-net					368,819	
Interest receivable	21,524	10,172	2,029	1,460	374	340
Other receivables	930,139	176,693	10,942	607	41,497	180
Due from other funds (Note 11)	795,423	102,089	2,395	4,085	460,560	58,005
Advances to other funds (Note 11)	82,174	17,705			747	
Inventories	33,606	44,582			32,447	5,736
Restricted assets (Notes 3 and 4)					59,085	11,148
Net pension obligation (Note 6)					227,613	43,723
Fixed assets-net (Notes 5, 7 and 20)					758,464	107,939
Amount available in Debt Service Funds						
Amount to be provided for long-term obligations						
TOTAL ASSETS	$ 2,792,058	1,636,652	743,931	224,371	2,014,713	272,716
LIABILITIES						
Accounts payable	$ 274,050	54,370		2,430	53,866	6,278
Accrued payroll	283,457	32,916			80,703	15,912
Other payables	56,343	6,346	3,169		14,204	776
Accrued vacation and sick leave (Note 8)	33,193	5,018			102,861	32,012
Due to other funds (Note 11)	616,742	143,402	11,708	2,826	157,365	24,060
Due to other governments						
Advances from other funds (Note 11)					78,626	22,000
Deferred revenue (Note 6)	121,077	125,405	13,425		15,393	2,742
Bonds and notes payable (Note 8)					456,674	67,075
Pension bonds payable (Notes 6 and 8)					578,586	111,142
Capital lease obligations (Notes 7 and 8)					2,137	376
Workers' compensation liability (Notes 8 and 17)	175,559	33,496			290,268	53,205
Estimated liability for litigation and self-insurance claims (Notes 8 and 17)	63,944	7,564			222,961	14,656
Estimated liability to third-party payors (Note 10)	41,609				334,964	
TOTAL LIABILITIES	1,665,974	408,517	28,302	5,256	2,388,608	350,234
FUND EQUITY (DEFICIT) AND OTHER CREDITS						
Contributed capital (Note 14)					124,616	20,520
Investment in general fixed assets						
Fund balance:						
Reserved (Note 12)	329,926	537,621	715,629	90,417		
Unreserved:						
Designated (Note 12)	529,748	122,256				
Undesignated	266,410	568,258		128,698		
Accumulated deficit (Note 2)					(498,511)	(98,038)
TOTAL FUND EQUITY (DEFICIT) AND OTHER CREDITS	1,126,084	1,228,135	715,629	219,115	(373,895)	(77,518)
TOTAL LIABILITIES, FUND EQUITY (DEFICIT) AND OTHER CREDITS	$ 2,792,058	1,636,652	743,931	224,371	2,014,713	272,716

See accompanying notes to financial statements.

FIDUCIARY FUND TYPES TRUST AND AGENCY	ACCOUNT GROUPS GENERAL FIXED ASSETS	ACCOUNT GROUPS GENERAL LONG-TERM DEBT	TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)	CHILDREN AND FAMILIES FIRST COMMISSION COMPONENT UNIT	TOTAL REPORTING ENTITY (MEMORANDUM ONLY)	
						ASSETS
$ 9,671,645			11,856,089	386,152	12,242,241	Pooled cash and investments (Note 3)
31,388,463			32,256,564		32,256,564	Other investments (Note 3)
246,656			466,250		466,250	Taxes receivable
			368,819		368,819	Accounts receivable-net
244,653			280,552	5,332	285,884	Interest receivable
376,417			1,536,475	26,479	1,562,954	Other receivables
280,848			1,703,405		1,703,405	Due from other funds (Note 11)
			100,626		100,626	Advances to other funds (Note 11)
			116,371		116,371	Inventories
			70,233		70,233	Restricted assets (Notes 3 and 4)
			271,336		271,336	Net pension obligation (Note 6)
330	4,185,099		5,051,832		5,051,832	Fixed assets-net (Notes 5, 7 and 20)
		715,629	715,629		715,629	Amount available in Debt Service Funds
		5,185,755	5,185,755		5,185,755	Amount to be provided for long-term obligations
$ 42,209,012	4,185,099	5,901,384	59,979,936	417,963	60,397,899	TOTAL ASSETS
						LIABILITIES
$ 1,013,021			1,404,015	1,366	1,405,381	Accounts payable
			412,988	304	413,292	Accrued payroll
1,460,781			1,541,619		1,541,619	Other payables
		485,846	658,930		658,930	Accrued vacation and sick leave (Note 8)
747,302			1,703,405		1,703,405	Due to other funds (Note 11)
1,829,066			1,829,066		1,829,066	Due to other governments
			100,626		100,626	Advances from other funds (Note 11)
			278,042		278,042	Deferred revenue (Note 6)
		2,516,146	3,039,895		3,039,895	Bonds and notes payable (Note 8)
		1,544,392	2,234,120		2,234,120	Pension bonds payable (Notes 6 and 8)
		54,217	56,730		56,730	Capital lease obligations (Notes 7 and 8)
		1,107,308	1,659,836		1,659,836	Workers' compensation liability (Notes 8 and 17)
		193,475	502,600		502,600	Estimated liability for litigation and self-insurance claims (Notes 8 and 17)
			376,573		376,573	Estimated liability to third-party payors (Note 10)
5,050,170		5,901,384	15,798,445	1,670	15,800,115	TOTAL LIABILITIES
						FUND EQUITY (DEFICIT) AND OTHER CREDITS
			145,136		145,136	Contributed capital (Note 14)
	4,185,099		4,185,099		4,185,099	Investment in general fixed assets
						Fund balance:
37,154,445			38,828,038		38,828,038	Reserved (Note 12)
						Unreserved:
			652,004	416,293	1,068,297	Designated (Note 12)
4,397			967,763		967,763	Undesignated
			(596,549)		(596,549)	Accumulated deficit (Note 2)
37,158,842	4,185,099		44,181,491	416,293	44,597,784	TOTAL FUND EQUITY (DEFICIT) AND OTHER CREDITS
$ 42,209,012	4,185,099	5,901,384	59,979,936	417,963	60,397,899	TOTAL LIABILITIES, FUND EQUITY (DEFICIT) AND OTHER CREDITS

COUNTY OF LOS ANGELES
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES, EXPENDABLE TRUST FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
REVENUES:				
Taxes	$ 1,597,329	525,773	17,744	
Licenses, permits and franchises	44,901	14,066	19	
Fines, forfeitures and penalties	179,879	74,908	132	
Revenue from use of money and property:				
Investment income (Note 3)	147,851	81,382	38,872	11,390
Rents and concessions (Note 7)	15,028	11,376	30,962	
Royalties	327	262		
Intergovernmental revenues:				
Federal	2,906,711	99,763		
State	3,692,738	193,262	104	832
Other	76,625	27,530	14	
Charges for services	1,056,990	384,995	845	2,352
Proceeds from property owners (Note 9)				22,521
Miscellaneous	197,491	72,234	8	2,004
TOTAL REVENUES	9,915,870	1,485,551	88,700	39,099
EXPENDITURES:				
Current:				
General government	618,536	20,284		
Public protection	2,870,654	766,248		
Public ways and facilities		279,703		
Health and sanitation	2,408,584	69,886		
Public assistance	3,945,986	95,558		
Education		71,998		
Recreation and cultural services	146,340	91,731		
Debt service:				
Principal		1,345	161,698	
Interest	32,654	556	134,533	
Capital leases	6,231			
Capital outlay				67,049
TOTAL EXPENDITURES	10,028,985	1,397,309	296,231	67,049
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(113,115)	88,242	(207,531)	(27,950)
OTHER FINANCING SOURCES (USES):				
Sales of fixed assets	2,206	7,260		14
Operating transfers from other funds	998,040	56,892	194,320	19,578
Operating transfers to other funds	(667,636)	(149,301)	(12,329)	(4,273)
Long-term debt proceeds (Note 8)			27,604	87,786
OTHER FINANCING SOURCES (USES) - NET	332,610	(85,149)	209,595	103,105
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	219,495	3,093	2,064	75,155
FUND BALANCE AS RESTATED, JULY 1, 2000 (Note 19)	906,821	1,227,013	713,565	143,960
RESIDUAL EQUITY TRANSFERS FROM OTHER FUNDS				
RESIDUAL EQUITY TRANSFERS TO OTHER FUNDS	(232)	(1,971)		
FUND BALANCE, JUNE 30, 2001	$ 1,126,084	1,228,135	715,629	219,115

See accompanying notes to financial statements.

FIDUCIARY FUND TYPE EXPENDABLE TRUST	TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)	CHILDREN AND FAMILIES FIRST COMMISSION COMPONENT UNIT	TOTAL REPORTING ENTITY (MEMORANDUM ONLY)	
				REVENUES:
$	2,140,846		2,140,846	Taxes
	58,986		58,986	Licenses, permits and franchises
	254,919		254,919	Fines, forfeitures and penalties
				Revenue from use of money and property:
321	279,816	19,861	299,677	Investment income (Note 3)
	57,366		57,366	Rents and concessions (Note 7)
	589		589	Royalties
				Intergovernmental revenues:
	3,006,474		3,006,474	Federal
	3,886,936	152,951	4,039,887	State
	104,169		104,169	Other
	1,445,182		1,445,182	Charges for services
	22,521		22,521	Proceeds from property owners (Note 9)
	271,737		271,737	Miscellaneous
321	11,529,541	172,812	11,702,353	TOTAL REVENUES
				EXPENDITURES:
				Current:
707	639,527		639,527	General government
	3,636,902		3,636,902	Public protection
	279,703		279,703	Public ways and facilities
	2,478,470	14,604	2,493,074	Health and sanitation
	4,041,544		4,041,544	Public assistance
	71,998		71,998	Education
	238,071		238,071	Recreation and cultural services
				Debt service:
	163,043		163,043	Principal
	167,743		167,743	Interest
	6,231		6,231	Capital leases
	67,049	571	67,620	Capital outlay
707	11,790,281	15,175	11,805,456	TOTAL EXPENDITURES
(386)	(260,740)	157,637	(103,103)	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
				OTHER FINANCING SOURCES (USES):
	9,480		9,480	Sales of fixed assets
	1,268,830		1,268,830	Operating transfers from other funds
	(833,539)		(833,539)	Operating transfers to other funds
	115,390		115,390	Long-term debt proceeds (Note 8)
	560,161		560,161	OTHER FINANCING SOURCES (USES) - NET
(386)	299,421	157,637	457,058	EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES
2,287	2,993,646	258,656	3,252,302	FUND BALANCE AS RESTATED, JULY 1, 2000 (Note 19)
2,496	2,496		2,496	RESIDUAL EQUITY TRANSFERS FROM OTHER FUNDS
	(2,203)		(2,203)	RESIDUAL EQUITY TRANSFERS TO OTHER FUNDS
$ 4,397	3,293,360	416,293	3,709,653	FUND BALANCE, JUNE 30, 2001

COUNTY OF LOS ANGELES
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL ON BUDGETARY BASIS
GENERAL FUND, CERTAIN SPECIAL REVENUE FUNDS AND CERTAIN DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

	GENERAL FUND		
	BUDGET	ACTUAL ON BUDGETARY BASIS	OVER (UNDER)
REVENUES:			
Taxes	$ 1,603,637	1,597,330	(6,307)
Licenses, permits and franchises	45,808	44,901	(907)
Fines, forfeitures and penalties	173,381	179,879	6,498
Revenue from use of money and property:			
Investment income	115,206	142,080	26,874
Rents and concessions	15,515	15,028	(487)
Royalties	206	327	121
Intergovernmental revenues:			
Federal	3,073,762	2,913,466	(160,296)
State	4,500,045	3,684,888	(815,157)
Other	170,584	76,625	(93,959)
Charges for services	1,105,467	1,056,990	(48,477)
Miscellaneous	213,887	200,128	(13,759)
TOTAL REVENUES	11,017,498	9,911,642	(1,105,856)
EXPENDITURES:			
Current:			
General government	1,366,759	716,417	(650,342)
Public protection	3,081,494	2,985,429	(96,065)
Public ways and facilities			
Health and sanitation	2,045,120	1,934,802	(110,318)
Public assistance	4,736,534	4,030,971	(705,563)
Education			
Recreation and cultural services	162,367	151,782	(10,585)
Debt service:			
Principal			
Interest	25,141	25,141	
TOTAL EXPENDITURES	11,417,415	9,844,542	(1,572,873)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(399,917)	67,100	467,017
OTHER FINANCING SOURCES (USES):			
Sales of fixed assets	1,803	2,206	403
Operating transfers from other funds	509,038	456,041	(52,997)
Operating transfers to other funds	(561,075)	(559,583)	1,492
Long-term debt proceeds	1,522		(1,522)
Encumbrances, beginning of year	267,203	267,203	
OTHER FINANCING SOURCES (USES) - NET	218,491	165,867	(52,624)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(181,426)	232,967	414,393
FUND BALANCE, JULY 1, 2000	874,470	874,470	
RESIDUAL EQUITY TRANSFERS TO OTHER FUNDS	(558)	(232)	326
FUND BALANCE, JUNE 30, 2001 (Note 15)	$ 692,486	1,107,205	414,719

See accompanying notes to financial statements.

	CERTAIN SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL ON BUDGETARY BASIS	OVER (UNDER)
REVENUES:			
Taxes	$ 513,949	513,344	(605)
Licenses, permits and franchises	13,276	14,066	790
Fines, forfeitures and penalties	75,474	74,908	(566)
Revenue from use of money and property:			
Investment income	43,745	64,203	20,458
Rents and concessions	9,078	10,667	1,589
Royalties	459	262	(197)
Intergovernmental revenues:			
Federal	64,988	38,841	(26,147)
State	162,944	193,262	30,318
Other	35,068	27,530	(7,538)
Charges for services	405,116	384,521	(20,595)
Miscellaneous	77,458	58,632	(18,826)
TOTAL REVENUES	1,401,555	1,380,236	(21,319)
EXPENDITURES:			
Current:			
General government	62,536	28,123	(34,413)
Public protection	1,113,330	904,844	(208,486)
Public ways and facilities	497,810	373,876	(123,934)
Health and sanitation	98,519	84,335	(14,184)
Public assistance	10,232	8,928	(1,304)
Education	82,657	75,041	(7,616)
Recreation and cultural services	515,985	253,599	(262,386)
Debt service:			
Principal			
Interest			
TOTAL EXPENDITURES	2,381,069	1,728,746	(652,323)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(979,514)	(348,510)	631,004
OTHER FINANCING SOURCES (USES):			
Sales of fixed assets	665	7,260	6,595
Operating transfers from other funds	105,727	46,272	(59,455)
Operating transfers to other funds	(220,092)	(109,974)	110,118
Long-term debt proceeds	167,071		(167,071)
Encumbrances, beginning of year	439,016	439,016	
OTHER FINANCING SOURCES (USES) - NET	492,387	382,574	(109,813)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(487,127)	34,064	521,191
FUND BALANCE, JULY 1, 2000	673,947	673,947	
RESIDUAL EQUITY TRANSFERS TO OTHER FUNDS	(2,908)	(1,971)	937
FUND BALANCE, JUNE 30, 2001 (Note 15)	$ 183,912	706,040	522,128

Continued...

COUNTY OF LOS ANGELES
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL ON BUDGETARY BASIS-Continued
GENERAL FUND, CERTAIN SPECIAL REVENUE FUNDS AND CERTAIN DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

	CERTAIN DEBT SERVICE FUNDS		
	BUDGET	ACTUAL ON BUDGETARY BASIS	OVER (UNDER)
REVENUES:			
Taxes	$ 14,537	17,742	3,205
Licenses, permits and franchises	10	19	9
Fines, forfeitures and penalties	125	131	6
Revenue from use of money and property:			
Investment income	3,125	4,049	924
Rents and concessions	29,552	29,589	37
Royalties			
Intergovernmental revenues:			
Federal			
State	103	105	2
Other		14	14
Charges for services	947	846	(101)
Miscellaneous	10	8	(2)
TOTAL REVENUES	48,409	52,503	4,094
EXPENDITURES:			
Current:			
General government			
Public protection			
Public ways and facilities			
Health and sanitation			
Public assistance			
Education			
Recreation and cultural services			
Debt service:			
Principal	49,701	49,701	
Interest	74,618	37,148	(37,470)
TOTAL EXPENDITURES	124,319	86,849	(37,470)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(75,910)	(34,346)	41,564
OTHER FINANCING SOURCES (USES):			
Sales of fixed assets			
Operating transfers from other funds	47,865	47,809	(56)
Operating transfers to other funds	(12,086)	(12,086)	
Long-term debt proceeds			
Encumbrances, beginning of year			
OTHER FINANCING SOURCES (USES) - NET	35,779	35,723	(56)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(40,131)	1,377	41,508
FUND BALANCE, JULY 1, 2000	109,827	109,827	
RESIDUAL EQUITY TRANSFERS TO OTHER FUNDS			
FUND BALANCE, JUNE 30, 2001 (Note 15)	$ 69,696	111,204	41,508

See accompanying notes to financial statements.

COUNTY OF LOS ANGELES
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY (DEFICIT)
PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTAL
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	(MEMORANDUM ONLY)
OPERATING REVENUES:				
Net patient service revenues (Note 10)	$ 2,474,924			2,474,924
Rentals	10,313	29,625		39,938
Investment income			239	239
Charges for services	35,061	279,592		314,653
Other	125,650			125,650
TOTAL OPERATING REVENUES	2,645,948	309,217	239	2,955,404
OPERATING EXPENSES:				
Salaries and employee benefits (Note 6)	1,191,135	227,534		1,418,669
Services and supplies	531,791	43,250		575,041
Other professional services	404,501	7,578		412,079
Depreciation and amortization	25,331	32,373		57,704
Medical malpractice	18,164			18,164
Rent	28,783			28,783
Interest	21,968			21,968
Provision for bad debts	65,315			65,315
Other			78	78
TOTAL OPERATING EXPENSES	2,286,988	310,735	78	2,597,801
OPERATING INCOME (LOSS)	358,960	(1,518)	161	357,603
NONOPERATING REVENUES (EXPENSES):				
Taxes	2,411			2,411
Interest income	8,212	597		8,809
Interest expense	(12,286)	(3,067)		(15,353)
Intergovernmental revenues:				
State	413			413
Federal	162,717			162,717
Impairment write-off (Note 20)	(42,877)			(42,877)
NONOPERATING REVENUES (EXPENSES) - NET	118,590	(2,470)		116,120
INCOME (LOSS) BEFORE OPERATING TRANSFERS	477,550	(3,988)	161	473,723
OPERATING TRANSFERS:				
From other funds	529,439	496		529,935
To other funds (Note 10)	(964,958)	(268)		(965,226)
OPERATING TRANSFERS - NET	(435,519)	228		(435,291)
NET INCOME (LOSS)	42,031	(3,760)	161	38,432
FUND EQUITY (DEFICIT) AS RESTATED, JULY 1, 2000 (Note 19)	(415,857)	(76,030)	5,722	(486,165)
RESIDUAL EQUITY TRANSFERS FROM OTHER FUNDS		2,272		2,272
RESIDUAL EQUITY TRANSFERS TO OTHER FUNDS	(69)		(2,496)	(2,565)
FUND EQUITY (DEFICIT), JUNE 30, 2001 (Note 2)	$ (373,895)	(77,518)	3,387	(448,026)

See accompanying notes to financial statements.

COUNTY OF LOS ANGELES
COMBINED STATEMENT OF CASH FLOWS -
PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTAL
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	(MEMORANDUM ONLY)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
Cash flows from operating activities:				
Cash received from patient services	$ 2,427,421			2,427,421
Rentals received	2,702	29,590		32,292
Cash received from charges for services	34,992	288,760		323,752
Other operating revenues	125,650			125,650
Cash paid for salaries and employee benefits	(1,138,311)	(219,459)		(1,357,770)
Cash paid for services and supplies	(578,467)	(50,506)		(628,973)
Other operating expenses	(448,542)	(7,578)	(121)	(456,241)
Net cash provided by (required for) operating activities	425,445	40,807	(121)	466,131
Cash flows from noncapital financing activities:				
Cash advances received from other funds	1,160,691			1,160,691
Cash advances paid/returned to other funds	(1,184,463)			(1,184,463)
Interest paid on advances	(11,682)			(11,682)
Operating transfers from other funds	529,439	496		529,935
Operating transfers to other funds	(984,294)	(268)		(984,562)
Residual equity transfers to other funds	(69)		(2,496)	(2,565)
Net cash provided by (required for) noncapital financing activities	(490,378)	228	(2,496)	(492,646)
Cash flows from capital and related financing activities:				
Proceeds from taxes	2,355			2,355
Intergovernmental receipts	163,130			163,130
Proceeds from bonds and notes	15,000	55,180		70,180
Interest paid on capital borrowing	(22,904)	(2,904)		(25,808)
Principal payments on bonds and notes	(65,265)	(45,480)		(110,745)
Principal payments on capital leases	(296)	(799)		(1,095)
Acquisition and construction of capital assets	(41,613)	(47,388)		(89,001)
Residual equity transfers from other funds		2,272		2,272
Net cash provided by (required for) capital and related financing activities	50,407	(39,119)		11,288
Cash flows from investing activities - Interest income received	7,064	574	297	7,935
Net increase (decrease) in cash and cash equivalents	(7,462)	2,490	(2,320)	(7,292)
Cash and cash equivalents as restated, July 1, 2000 (Note 19)	130,509	54,303	5,660	190,472
Cash and cash equivalents, June 30, 2001	$ 123,047	56,793	3,340	183,180

See accompanying notes to financial statements.

COUNTY OF LOS ANGELES
COMBINED STATEMENT OF CASH FLOWS -
PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUNDS - Continued
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTAL
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	(MEMORANDUM ONLY)
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (REQUIRED FOR) OPERATING ACTIVITIES				
Operating income (loss)	$ 358,960	(1,518)	161	357,603
Adjustments to reconcile operating income (loss) to net cash provided by (required for) operating activities:				
Depreciation and amortization	25,331	32,373		57,704
Other charges-net	2,160	(461)		1,699
Interest (revenue) expense included as part of operating income (loss)	21,968		(239)	21,729
(Increase) decrease in:				
Accounts receivable-net	16,711			16,711
Interest receivable		49		49
Other receivables	(941)	133		(808)
Due from other funds	4,166	9,746		13,912
Inventories	(8,269)	36		(8,233)
Net pension obligation	27,503	5,283		32,786
Increase (decrease) in:				
Accounts payable	15,736	(440)		15,296
Accrued payroll	5,000	676		5,676
Other payables	12,679	(1)		12,678
Accrued vacation and sick leave	2,421	904		3,325
Due to other funds	(69,243)	(6,013)	(43)	(75,299)
Deferred revenue	120	(681)		(561)
Pension bonds payable	(20,767)	(3,988)		(24,755)
Workers' compensation liability	28,540	4,731		33,271
Estimated liability for litigation and self-insurance claims	11,202	(22)		11,180
Estimated liability to third party payors	(7,832)			(7,832)
NET CASH PROVIDED BY (REQUIRED FOR) OPERATING ACTIVITIES	$ 425,445	40,807	(121)	466,131
FINANCING ACTIVITIES NOT AFFECTING CASH AND CASH EQUIVALENTS				
Other property transfers	$ 102,009	884		102,893
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO BALANCE SHEET ACCOUNTS				
Pooled cash and investments	$ 34,666	39,966	2,491	77,123
Other investments	29,296	5,679	849	35,824
Restricted assets	59,085	11,148		70,233
Cash and cash equivalents of fiduciary fund types not subject to cash flow reporting			41,056,768	41,056,768
TOTAL	$ 123,047	56,793	41,060,108	41,239,948

COUNTY OF LOS ANGELES
COMBINED STATEMENT OF CHANGES IN NET ASSETS
PENSION AND INVESTMENT TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

	PENSION TRUST FUND	INVESTMENT TRUST FUNDS	TOTAL (MEMORANDUM ONLY)
ADDITIONS:			
Pension trust contributions:			
Employer	$ 193,650		193,650
Member	216,297		216,297
Contributions to investment trust funds		27,782,426	27,782,426
Total contributions	409,947	27,782,426	28,192,373
Interest and investment income (loss)	(2,215,685)	473,199	(1,742,486)
Less - Investment expenses	(166,863)		(166,863)
Total net investment income (loss)	(2,382,548)	473,199	(1,909,349)
Other	2,972		2,972
TOTAL ADDITIONS	(1,969,629)	28,255,625	26,285,996
DEDUCTIONS:			
Salaries and employee benefits	17,620		17,620
Services and supplies	15,377		15,377
Depreciation and amortization	420		420
Benefit payments	1,190,747		1,190,747
Distribution from investment trust funds		26,206,887	26,206,887
Other	18,293		18,293
TOTAL DEDUCTIONS	1,242,457	26,206,887	27,449,344
NET INCREASE (DECREASE)	(3,212,086)	2,048,738	(1,163,348)
NET ASSETS HELD IN TRUST, JULY 1, 2000	31,565,348	6,749,058	38,314,406
NET ASSETS HELD IN TRUST, JUNE 30, 2001	$ 28,353,262	8,797,796	37,151,058

See accompanying notes to financial statements.

COUNTY OF LOS ANGELES
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The County of Los Angeles (the "County") is a legal subdivision of the State of California (the "State") charged with general governmental powers. The County's powers are exercised through a Board of Supervisors (the "Board") which, as the governing body of the County, is responsible for the legislative and executive control of the County. As required by Governmental Accounting Standards Board ("GASB") Statement No. 14, these financial statements include both those of the County and its component units. The component units discussed below are included primarily because the Board is financially accountable for them.

Blended Component Units

In accordance with the requirements of GASB Statement No. 14, County management has determined that the following related entities should be included in the financial statements as blended component units:

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

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

Discretely Presented Component Unit

The Children and Families First Commission ("Commission") was established by the County as a separate legal entity to administer the County's share of tobacco taxes levied by the State pursuant to Proposition 10. In the previous fiscal year (1999-2000), the Commission was reported as a blended component and was included as a Special Revenue Fund. However, for the year ended June 30, 2001, the County reevaluated the presentation basis of the Commission and determined that it should be discretely presented. The Commission is discretely presented because its governing body is not substantially the same as the County's governing body and it does not provide services entirely or exclusively to the County. This reporting change is discussed further in Note 19.

Component Unit Financial Statements

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

COUNTY OF LOS ANGELES
NOTES TO FINANCIAL STATEMENTS-Continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Basis of Presentation

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts which is segregated for the purposes of carrying on specific activities.

Account groups are used to establish accounting control and accountability for the County's general fixed assets and general long-term obligations. Account groups are not funds as they do not reflect available financial resources and related liabilities.

The accompanying financial statements of the County include the following fund types and account groups:

Governmental Fund Types

General Fund

The General Fund is available for any authorized purpose and is used to account for all financial resources except for those accounted for in other funds.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than those for Capital Projects Funds and Expendable Trust Funds) that are restricted to expenditures for specified purposes. Special Revenue Funds also include the general funds of governmental units or agencies included in the County reporting entity.

Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary fund types and the Pension Trust Fund.

Proprietary Fund Types

Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Internal Service Funds

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

Fiduciary Fund Types

Expendable Trust Funds

Expendable Trust Funds are used to account for assets held by the County as trustee where such trust resources and income may be expended for designated operations.

Nonexpendable Trust Funds

Nonexpendable Trust Funds are used to account for assets held by the County as trustee where such trust resources must be preserved intact.

COUNTY OF LOS ANGELES
NOTES TO FINANCIAL STATEMENTS-Continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Basis of Presentation-Continued

Pension Trust Fund

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

Pooled Investment Trust Fund

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

Specific Investment Trust Fund

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

Agency Funds

Agency Funds are used primarily to account for assets held by the County in an agency capacity pending transfer or distribution to individuals, private organizations, other governmental entities, and other funds.

Account Groups

General Fixed Assets Account Group

The General Fixed Assets Account Group is used to account for all general fixed assets of the County other than those accounted for in proprietary fund types and the Pension Trust Fund.

General Long-Term Debt Account Group

The General Long-Term Debt Account Group is used to account for the unmatured principal of general obligation bonds and other general long-term obligations that are not specific liabilities of the Nonexpendable Trust Funds and the proprietary fund types.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities (those expected to be collected or paid within one year) are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary fund types, Nonexpendable Trust Funds, the Pension Trust Fund, and Investment Trust Funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the combined balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

The County applies all applicable Financial Accounting Standards Board ("FASB") pronouncements issued on or before November 30, 1989, in accounting and reporting for operations of proprietary fund types. FASB pronouncements issued after November 30, 1989, have not been applied unless specifically adopted in a GASB pronouncement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Basis of Accounting-Continued

The County uses the modified accrual basis of accounting for the General, Special Revenue, Debt Service, Capital Projects, Expendable Trust and Agency Funds. Revenues are recognized when they become measurable and available to finance operations during the year. Secured and unsecured property taxes estimated to be collectible in future years are recorded as receivables and deferred revenue. Investment income, sales taxes and charges for services are accrued when earned and determined to be available. Changes in the fair value of investments are recognized as revenue adjustments at the end of each year. Federal and State grants and subventions are recorded as revenue when determined to be available and entitlement occurs or related eligible expenditures are incurred. Revenues which are not considered susceptible to accrual include fines and forfeitures and licenses, permits and franchises. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except for interest on long-term debt, which is recognized when payment is due.

The County records the long-term portion of the following governmental fund type liabilities in the General Long-Term Debt Account Group: accrued vacation and sick leave, workers' compensation liabilities, and estimated liabilities for litigation and self-insurance claims.

The accrual basis of accounting is used for Enterprise Funds, Internal Service Funds, Nonexpendable Trust Funds, the Pension Trust Fund, and Investment Trust Funds. Under this method of accounting, revenues are recognized when they are earned and become measurable, and expenses are recorded when they are incurred. The Internal Service Funds record revenue based upon billing rates, which include depreciation, and recover costs when they become due and payable. This method is utilized to properly record corresponding expenditures in the governmental fund types which receive its goods or services. Pension Trust Fund unsettled investment trades as of year-end are reported on an accrual basis. Pension Trust Fund and Investment Trust Funds' investments are reported at fair value at year-end.

Budgetary Data

In accordance with the provisions of Sections 29000-29144 of the Government Code of the State of California (the "Government Code"), commonly known as the County Budget Act, the County prepares and adopts a budget on or before August 30 for each fiscal year. Budgets are adopted for the General Fund, certain Special Revenue Funds and certain Debt Service Funds on a basis of accounting which is different from generally accepted accounting principles ("GAAP").

The major areas of difference are as follows:

- For budgetary purposes, outstanding commitments related to construction contracts and other purchases of goods and services are recorded as expenditures at the time contracts or purchase agreements are entered into. Under the GAAP basis, these obligations are only recognized when goods are actually received or services are actually rendered.

- Under the GAAP basis, obligations for workers' compensation, litigation and self-insurance, and accumulated vacation and sick leave are recognized as expenditures if they will become due and payable within one year of the balance sheet date. Under the budgetary basis, except for the General Fund, these obligations are recognized when they become due and payable. The budgetary basis for the General Fund is intended to more closely coincide with the GAAP basis for recognizing litigation and self-insurance, and accumulated vacation and sick leave obligations. Differences for these items between the budgetary statements and the GAAP statements of the General Fund are due to the availability of information between the time the County must legally prepare the budgetary statements and the time the GAAP statements are prepared.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Budgetary Data-Continued

- Federal and State grants for fixed asset construction are recognized as revenue under the budgetary basis when construction contracts are awarded to contractors and encumbered. Under the GAAP basis, revenue is recognized over the life of the contract as the contractor performs services. Other revenue recognition differences are primarily due to changes in estimates arising between the time the budgetary statements must be prepared and the time the GAAP statements are prepared.

- Under the GAAP basis, investment income includes the effect of changes in the fair values of investments. For budgetary purposes, investment income is recognized prior to the effect of such fair value changes.

- Certain transactions are recorded as revenues and expenditures under the budgetary basis. Under the GAAP basis, these items are reclassified and recognized as other financing sources, other financing uses and residual equity transfers.

- Under the budgetary basis, the General Fund's contribution to the State for the Medicaid Demonstration Project and for Senate Bill ("SB") 1255 is netted against the reimbursement from the Hospital Enterprise Funds and no expenditure is recognized. Under the GAAP basis, the contribution is recorded as an expenditure and the reimbursement as an operating transfer from other funds. See Note 10.

- In conjunction with the sale of pension obligation bonds in 1994-95, the County sold the right to future investment income on debt service deposits. Under the budgetary basis the proceeds were included in 1994-95 revenues. Under the GAAP basis, the proceeds were recorded as deferred revenue and are being amortized over the life of the bonds. Note 6 contains additional information regarding this matter.

Note 15 indicates specific differences between the two bases of accounting as of June 30, 2001.

Annual budgets are not required to be adopted for the following Special Revenue and Debt Service Funds and, accordingly, are not included in the accompanying Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual on Budgetary Basis - General Fund, Certain Special Revenue Funds and Certain Debt Service Funds:

Community Development Commission Special Revenue
Public Financing Special Revenue
Joint Powers Authorities Debt Service
Public Buildings Debt Service
Public Financing Debt Service

The County controls expenditures from nonbudgeted funds primarily by monitoring cash balances through its integrated accounting and warrant writing system. Nonbudgeted Debt Service Funds' expenditures are determined by the terms of bond indentures.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Budgetary Data-Continued

The County budget is organized by budget unit and by expenditure object. Budget units are established at the discretion of the Board of Supervisors. Within the General Fund (with certain exceptions) budget units are generally defined as individual departments. For other funds, each individual fund constitutes a budget unit. Expenditures are controlled on the object level for all budget units within the County, except for fixed asset expenditures, which are controlled on the sub-object level. The total budget exceeds $17 billion and is currently controlled through the use of approximately 400 separate budget units. Because of this large volume of detail, the budget and actual schedules for individual funds/fund groups have been aggregated by function and object to agree with the combined statements. There were no excesses of expenditures over the related appropriations within any fund at June 30, 2001. The County prepares a separate budgetary document, the County Budget, which demonstrates legal compliance with budgetary control.

Encumbrances, which are commitments related to executory contracts for goods or services, are recorded for budgetary control purposes in the General Fund, Special Revenue and Capital Projects Funds. Encumbrance accounting is utilized to assure effective budgetary control and accountability. Encumbrances outstanding at year-end represent the estimated amount of expenditures ultimately to result if the contracts in process at year-end are completed. Unencumbered appropriations lapse at year-end and encumbrances outstanding at that time are reported as reservations of fund balance for subsequent year expenditures (see Note 12).

Transfers of appropriations between budget units must be approved by the Board. Supplemental appropriations financed by unanticipated revenue during the year must also be approved by the Board. Approximately $264 million was added to the General Fund budget for such appropriations during the fiscal year. Transfers of appropriations between objects of expenditure within the same budget unit must be approved by the Board or the Chief Administrative Office, depending upon the amount transferred. Budget amounts reported in the accompanying financial statements are as amended. Any excess of budgetary expenditures and other financing uses over revenues and other financing sources is financed by beginning available fund balances as provided for in the County Budget Act.

Property Taxes

All jurisdictions within California derive their taxing authority from the State Constitution and various legislative provisions contained in the Government Code and Revenue and Taxation Code. Property is assessed at 100% of full cash or market value (with some exceptions) pursuant to Article XIIIA of the California State Constitution and statutory provisions by the County Assessor and State Board of Equalization. The total 2000-2001 gross assessed valuation of the County of Los Angeles was $590,511,618,000.

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

The County is divided into approximately 11,750 tax rate areas, which are unique combinations of various jurisdictions servicing a specific geographic area. The rates levied within each tax rate area vary only in relation to levies assessed as a result of voter-approved taxes or indebtedness.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Property Taxes-Continued

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

Deposits and Investments

In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," the accompanying financial statements reflect the fair value of investments. Specific disclosures related to GASB 31 appear in Note 3.

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

"Other Investments" in the accompanying combined balance sheet represent Pension Trust Fund investments, investments of the Community Development Commission, various JPAs, NPC, Public Buildings, and Public Financings, and amounts on deposit with the County Treasurer which are invested separately as provided by the Government Code or by specific instructions from the depositing entity.

Inventories

Inventories, which consist of materials and supplies held for consumption, are valued at cost using the average cost basis. The inventory costs of the General Fund and Special Revenue Funds are accounted for as expenditures when the inventory items are consumed. Reported inventories are offset with a corresponding reservation of fund balance because these amounts are not available for appropriation and expenditure (see Note 12).

Of the amounts reported as inventories in the Special Revenue Funds and Enterprise Funds, $38,329,000 and $2,836,000, respectively, represent land held for resale by the Community Development Commission (CDC). CDC records land held for resale at the lower of cost or estimated net realizable value.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Fixed Assets

Expenditures for general fixed assets are recorded in the General Fund, Special Revenue Funds and Capital Projects Funds. The historical cost of these assets is recorded in the General Fixed Assets Account Group. Fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs, gutters, streets and sidewalks are not capitalized. Such infrastructure assets are of value only to the County; therefore, the purposes of stewardship and cumulative accountability for capital expenditures are satisfied without recording these assets in the General Fixed Assets Account Group. Depreciation is not provided on general fixed assets.

Fixed assets of the proprietary fund types and the Pension Trust Fund are recorded at historical cost, less accumulated depreciation. Depreciation expense is provided using the straight line method over the estimated useful lives of the assets as follows:

Buildings and improvements	10 to 40 years
Equipment	2 to 35 years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of fixed assets, the cost and related accumulated depreciation, as applicable, are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Fixed assets acquired through gift or contribution are recorded at the estimated market value on the date of receipt.

Leases

The County leases various assets under both operating and capital lease agreements. For governmental fund types, assets under capital leases and the related lease obligations are reported in the General Fixed Assets and General Long-Term Debt Account Groups, respectively. For proprietary fund types, the assets and related lease obligations are recorded in the appropriate proprietary fund (see Note 7).

Self-Insurance

The County records estimated liabilities for self-insured claims filed or estimated to be filed for incidents which have occurred. Except for claims against the County's Enterprise and Internal Service Funds, the long-term portion of the estimated liabilities for self-insurance claims is recorded in the General Long-Term Debt Account Group. Both current and long-term liabilities are recorded in the Enterprise and Internal Service Funds. Disclosures related to the County's risk management programs appear in Note 17.

Vacation and Sick Leave Benefits

For governmental fund types, the current portion of accumulated unpaid vacation and sick leave benefits is accrued in the funds, and the long-term portion is recorded in the General Long-Term Debt Account Group. For proprietary fund types, both the current and long-term portions of the liabilities are recorded in the funds. Vacation pay benefits accrue to employees ranging from 10 to 20 days per year depending on years of service. Sick leave benefits accrue at the rate of 10 to 12 days per year for union represented employees depending on years of service. Non-represented employees accrue at a rate of 8 days per year. All benefits are payable upon termination, if unused, within limits and rates as specified in the County Salary Ordinance.

COUNTY OF LOS ANGELES
NOTES TO FINANCIAL STATEMENTS-Continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Cash Flows

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

GASB Statement 33 Implementation

For the fiscal year ended June 30, 2001, the County implemented Governmental Accounting Standards Board Statement No. 33, "Accounting and Reporting for Nonexchange Transactions" (GASB 33). This statement establishes accounting and financial reporting standards related to revenue recognition for nonexchange transactions of state and local governments. In a nonexchange transaction, a government gives (or receives) value without directly receiving (or giving) equal value in return. Nonexchange transactions are typically described as taxes, fines, and certain grants. GASB 33 applies the criteria for revenue recognition under the modified-accrual basis of accounting to non-exchange transactions. After reviewing its major sources of revenue covered by GASB 33, the implementation of GASB 33 did not have a significant impact on the County's financial statements for the year ended June 30, 2001.

Total Columns on Financial Statements

Total columns on the accompanying financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not purport to present financial position, results of operations, or cash flows of the County in conformity with GAAP reporting. Such data is not comparable to a consolidation.

2. ACCUMULATED DEFICITS

The following funds had accumulated deficits at June 30, 2001 (in thousands):

	Accumulated Deficit
Enterprise Funds:	
Harbor/UCLA Medical Center	$ 125,853
Olive View/UCLA Medical Center	142,296
LAC+USC Medical Center	262,925
M. L. King/Drew Medical Center	129,209
High Desert Hospital	25,241
Rancho Los Amigos Medical Center	66,785
Internal Service Fund-	
Public Works	107,935

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

COUNTY OF LOS ANGELES
NOTES TO FINANCIAL STATEMENTS-Continued

3. CASH AND INVESTMENTS

Investments in the County's cash and investment pool, other cash and investments, and Pension Trust Fund investments, are stated at fair value. Aggregate pooled cash and investments and other cash and investments are as follows at June 30, 2001 (in thousands):

	Pooled Cash and Investments	Other Cash and Investments			Total
		Pension Trust Fund	Other	Total	
Pooled cash and investments	$12,242,241				$ 12,242,241
Other investments		$30,306,329	$ 1,950,235	$32,256,564	32,256,564
Restricted assets (Note 4)	14,419		55,814	55,814	70,233
Total	$12,256,660	$30,306,329	$ 2,006,049	$32,312,378	$ 44,569,038

Deposits

At June 30, 2001, the carrying amount of the County's deposits was $79,711,000 and the balance per various financial institutions was $82,790,000. Of the balance in financial institutions, $9,513,000 was covered by either Federal depository insurance or collateralized with securities held by the County or its agent in the County's name. The remaining balance of $73,277,000 was uninsured and uncollateralized.

At June 30, 2001, the carrying amount of Pension Trust Fund deposits was $49,589,000 and the balance per various financial institutions was $49,589,000. Of the balance in financial institutions, $44,489,000 was either covered by Federal depository insurance or collateralized with securities held by the entity or its agent in the entity's name. The remaining balance of $5,100,000 was uninsured and uncollateralized.

Investments

Statutes authorize the County to invest pooled investments in obligations of the United States Treasury, Federal agencies, municipalities, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, bankers' acceptances, negotiable certificates of deposit, floating rate notes, repurchase agreements and reverse repurchase agreements.

The investments are managed by the County Treasurer who reports on a monthly basis to the Board of Supervisors. In addition, the function of the County Treasury Oversight Committee is to review and monitor the County's investment policy. The committee membership includes the Treasurer and Tax Collector, the Auditor-Controller, Superintendent of Schools, Chief Administrative Officer, and a non-County representative.

Investments held by the County Treasurer are stated at fair value, except for certain non-negotiable securities that are reported at cost because they are not transferable and have terms that are not affected by changes in market interest rates. The fair value of pooled investments is determined annually and is based on current market prices. The fair value of each participant's position in the pool is the same as the value of the pool shares. The method used to determine the value of participants' equity withdrawn is based on the book value of the participants' percentage participation at the date of such withdrawals.

COUNTY OF LOS ANGELES
NOTES TO FINANCIAL STATEMENTS-Continued

3. CASH AND INVESTMENTS-Continued

Investments-Continued

The Pension Trust Fund is managed by LACERA. Pension Trust Fund investments are authorized by the County Employees' Retirement Law of 1937. Statutes authorize a "Prudent Expert" guideline as to form and types of investments which may be purchased. Examples of the Fund's investments are obligations of the various agencies of the Federal government, corporate and private placement bonds, global bonds, domestic and global stocks, domestic and global convertible debentures and real estate.

The School Districts and the Courts are required by legal provisions to participate in the County's investment pool. 52% of the Treasurer's pool consists of these involuntary participants. Voluntary participants in the County's investment pool include the Sanitation Districts, the South Coast Air Quality Management District and other special districts with independent governing boards. The deposits held for both involuntary and voluntary entities are included in the Pooled Investment Trust Fund. Certain specific investments have been made by the County, as directed by external depositors. This investment activity occurs separately from the County's investment pool and is reported in the Specific Investment Trust Fund.

In accordance with the Governmental Accounting Standards Board Statement No. 3 "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements," the County's investments and investments of the Pension Trust Fund are categorized separately below to give an indication of the level of credit risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the County or its agent in the agent's nominee name, with subsidiary records listing the County as the legal owner. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by the counterparty's trust department or agent but not in the County's name.

County pooled and other investments (excluding Pension Trust Fund investments) are categorized as follows at June 30, 2001 (in thousands):

	Category			Fair
	1	2	3	Value
U.S. Government securities	$ 6,770,396			$ 6,770,396
Negotiable certificates of deposit	2,222,952		$25,002	2,247,954
Commercial paper	2,810,172			2,810,172
Bankers' acceptances	9,985			9,985
Corporate and deposit notes	596,881			596,881
Municipal/school bonds	9,730			9,730
Repurchase agreements	707,865			707,865
Los Angeles County securities	497,999			497,999
	$13,625,980		$25,002	13,650,982
Investments not considered securities for purposes of custodial risk classification:				
Investment in money market funds				117,012
Guaranteed investment contracts				314,773
Investment in State and local agency investment funds				97,471
1st and 2nd Mortgages				2,760
Total				$14,182,998

COUNTY OF LOS ANGELES
NOTES TO FINANCIAL STATEMENTS-Continued

3. CASH AND INVESTMENTS-Continued

Investments-Continued

Pension Trust Fund investments are reported in the financial statements at fair value and are categorized as follows at June 30, 2001 (in thousands):

	Category			Fair
	1	2	3	Value
U.S. Government and agency instruments	$ 2,093,754			$ 2,093,754
Domestic stocks	9,242,763			9,242,763
Global stocks and convertibles	4,758,423			4,758,423
Domestic corporate bonds	4,035,659			4,035,659
Short term corporate and government bonds and notes	1,638,688			1,638,688
Private placement bonds	539,981			539,981
	$22,309,268			22,309,268
Investments not considered securities for purposes of custodial risk classification:				
Real estate				3,494,232
Business investments				1,485,588
Mortgages				201,826
Investments held by broker-dealer under securities loans with cash collateral:				
Stocks				264,900
Government bonds				732,028
Corporate bonds				365,352
Securities lending cash collateral - Invested in short-term fixed income fund				1,403,546
Total				$30,256,740

The Pension Trust Fund portfolio contained no concentration of investments in any one organization (other than those issued or guaranteed by the US Government) that represents 5% or more of the total investment portfolio.

The County has not provided nor obtained any legally binding guarantees during the fiscal year ended June 30, 2001 to support the value of shares in the Treasurer's investment pool.

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

COUNTY OF LOS ANGELES
NOTES TO FINANCIAL STATEMENTS-Continued

3. CASH AND INVESTMENTS-Continued

Investments-Continued

A summary of investments held by the County Treasurer is as follows (in thousands):

	Fair Value	Principal	Interest Rate % Range	Maturity Range
US Governmental securities	$ 6,457,933	$ 6,439,807	3.75% - 9.25%	07/02/01 - 12/01/08
Negotiable certificates of deposit	2,247,954	2,244,191	3.81% - 6.87%	07/02/01 - 07/29/02
Commercial paper	2,810,172	2,810,604	3.64% - 5.22%	07/02/01 - 10/12/01
Bankers' acceptances	9,985	9,987	3.86%	7/13/01
Corporate notes	596,881	596,182	3.83% - 7.13%	07/11/01 - 01/22/03
Los Angeles County securities	59,979	59,979	4.23% - 7.22%	06/30/05 - 08/01/07
Deposits	73,756	73,756		
	$12,256,660	$ 12,234,506		

The earned yield, which includes net gains on investments sold, on all investments held by the County Treasurer for the fiscal year ended June 30, 2001 was 6.07%.

A separate financial report is not issued for the external investment pool. The following represents a condensed statement of net assets and changes in net assets for the Treasurer's Pool as of June 30, 2001 (in thousands):

Statement of Net Assets	
Net assets held in trust for all pool participants	$ 12,256,660
Equity of internal pool participants	$ 4,542,739
Equity of external pool participants	7,713,921
Total equity	$ 12,256,660
Statement of Changes in Net Assets	
Net assets at July 1, 2000	$ 10,221,278
Net change in investments by pool participants	2,035,382
Net assets at June 30, 2001	$ 12,256,660

The unrealized gain on investments held in the Treasurer's Pool was $22,154,000 as of June 30, 2001. This amount takes into account all changes in fair value (including purchases, sales and redemptions) that occurred during the year.

Reverse Repurchase Agreements

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

3. CASH AND INVESTMENTS-Continued

Reverse Repurchase Agreements-Continued

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

Derivatives

The California Government Code permits the County Treasurer to purchase floating rate notes, that is, any instruments that have a coupon interest rate that is adjusted periodically due to changes in a base or benchmark rate.

The County's investment guidelines limit the amount of floating rate notes to 10% of the Los Angeles County Treasury Pool portfolio and prohibit the purchase of inverse floating rate notes and hybrid or complex structured investments. As of June 30, 2001, there were approximately $463,279,000 in floating rate notes.

LACERA utilizes forward currency contracts to control currency exposure and facilitate the settlement of international security purchase and sale transactions. Included in net investment income are gains and losses from foreign currency transactions. The net foreign currency loss in fiscal year 2001 was $215,000,000. At June 30, 2001, forward currency contracts receivable and payable totaled $ 891,000,000 and $ 890,000,000, respectively.

Securities Lending Transactions

LACERA, as the administering agency for the Pension Trust Fund, is authorized to participate in a securities lending program by policies adopted by the LACERA Board of Investments, whereby securities are transferred to an independent broker or dealer for collateral, with a simultaneous agreement to return the collateral for the same securities in the future. LACERA's custodial bank is the agent for its securities lending program.

Securities on loan must be collateralized with a value of 102%, for U.S. securities, and 105%, for non-U.S. securities, of the fair value of any security loaned, plus any accrued interest. Collateral received may include cash and U.S. government securities. Collateral is marked to market daily. Securities on loan at year-end, which include stocks and government and corporate bonds, are maintained in LACERA's financial records and are presented as unclassified in the preceding schedule of custodial credit risk. A corresponding liability is recorded for the fair value of the collateral received.

At year end, LACERA had no credit risk exposure to borrowers because the collateral exceeded the amount borrowed. LACERA cannot pledge or sell collateral securities received unless the borrower defaults. As of June 30, 2001, there were no significant violations of legal or contractual provisions. LACERA had no losses on securities lending transactions resulting from the default of a borrower for the year ended June 30, 2001.

Under the terms of the lending agreement, the custodial bank has agreed to hold LACERA harmless for borrower default from the loss of securities or income, or from any litigation arising from these loans. All loans on securities can be terminated on demand by either LACERA or the borrower.

Cash collateral is reinvested by an investment manager in short-term, highly liquid fixed income instruments. This separately managed portfolio is also subject to the policies and guidelines adopted by LACERA's Board of Investments. The primary objectives of these guidelines are to preserve capital and to provide sufficient liquidity for the management of the securities lending program. Maturities of investments made with cash collateral are not required to match the maturities of securities on loan.

COUNTY OF LOS ANGELES
NOTES TO FINANCIAL STATEMENTS-Continued

3. CASH AND INVESTMENTS-Continued

Securities Lending Transactions-Continued

As of June 30, 2001, the fair value of securities on loan was $1,404,000,000. The values of the cash collateral and of the non-cash collateral received for those securities were $1,404,000,000 and $43,000,000, respectively. Securities lending assets (Other Investments) and liabilities (Other Payables) of $1,403,546,000 are recorded in the Pension Trust Fund. Pension Trust Fund income, net of expenses, from securities lending was $6,979,000 for the year ended June 30, 2001.

For the year ended June 30, 2001, the Los Angeles County Treasury Pool did not enter into any securities lending transactions.

Summary of Deposits and Investments

Following is a summary of the carrying amount of deposits and investments at June 30, 2001 (in thousands):

	County	Pension Trust Fund	Total
Deposits	$ 79,711	$ 49,589	$ 129,300
Investments	14,182,998	30,256,740	44,439,738
	$14,262,709	$ 30,306,329	$ 44,569,038

4. RESTRICTED ASSETS

Enterprise Funds' restricted assets represent cash and investments of certain JPAs and Public Buildings projects restricted in accordance with the provisions of the certificates of participation issued. The Internal Service Funds' restricted assets represent cash and investments restricted for debt service in accordance with the provisions of the LAC-CAL bond indenture. All of the above noted assets are included in the various disclosures in Note 3.

5. CHANGES IN FIXED ASSETS

A summary of changes in general fixed assets follows (in thousands):

	Balance July 1, 2000	Transfers/ Additions	Transfers/ Retirements	Balance June 30, 2001
Land	$ 263,496	$ 23,247	$ 19,810	$ 266,933
Buildings and improvements	2,548,951	298,838	357,658	2,490,131
Equipment	454,383	39,439	13,952	479,870
Construction in progress	1,015,713	188,799	256,347	948,165
Total	$ 4,282,543	$ 550,323	$ 647,767	$ 4,185,099

A summary of changes in Enterprise Funds' fixed assets follows (in thousands):

	Balance July 1, 2000	Transfers/ Additions	Transfers/ Retirements	Balance June 30, 2001
Land	$ 49,393	$ 300	$ 841	$ 48,852
Buildings and improvements	881,056	159,125	4,609	1,035,572
Equipment	171,500	5,213	2,122	174,591
Construction in progress	188,502	118,250	87,075	219,677
Accumulated depreciation and amortization	(604,869)	(121,187)	(5,828)	(720,228)
Total	$ 685,582	$ 161,701	$ 88,819	$ 758,464

COUNTY OF LOS ANGELES
NOTES TO FINANCIAL STATEMENTS-Continued

5. CHANGES IN FIXED ASSETS-Continued

A summary of changes in Internal Service Funds' fixed assets follows (in thousands):

	Balance July 1, 2000	Transfers/ Additions	Transfers/ Retirements	Balance June 30, 2001
Buildings and improvements	$ 1,734	$	$	$ 1,734
Equipment	193,509	48,272	26,806	214,975
Accumulated depreciation and amortization	(103,883)	(32,373)	(27,486)	(108,770)
Total	$ 91,360	$ 15,899	(680)	$ 107,939

A summary of changes in Pension Trust Fund fixed assets follows (in thousands):

	Balance July 1, 2000	Transfers/ Additions	Transfers/ Retirements	Balance June 30, 2001
Buildings and improvements	$ 2,829	$	$	$ 2,829
Equipment	4,278			4,278
Accumulated depreciation and amortization	(6,357)	(420)		(6,777)
Total	$ 750	$ (420)	$	$ 330

6 PENSION PLAN

Plan Description

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

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

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

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

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

COUNTY OF LOS ANGELES
NOTES TO FINANCIAL STATEMENTS-Continued

6. PENSION PLAN-Continued

Funding Policy

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

The following employer rates were in effect for 2000-2001:

	A	B	C	D	E
General Members	11.69%	7.01%	6.47%	6.95%	6.00%
Safety Members	22.27%	14.38%			

The rates were determined by the most recent actuarial valuation performed as of June 30, 2000 and are the same as those used to calculate the annual required contribution (ARC).

Employee rates vary by the option and employee entry age from 4% to 15% of their annual covered salary.

During 2000-2001, the County did not pay LACERA the full amount of the ARC. LACERA applied $185,006,000 in excess earnings reserves towards the County's required contribution.

Annual Pension Cost and Net Pension Obligation

The County's annual pension cost and net pension obligation, computed in accordance with GASB 27, for 2000-2001 were as follows (in thousands):

Annual required contribution (ARC):	
County	$ 378,572
Non County entities	84
Total ARC	378,656
Interest on net pension obligation	(78,807)
Annual pension cost	299,849
Contributions made:	
County	193,566
Non County entities	84
Total contributions	193,650
Cost in excess of contributions	106,199
Net pension obligation (asset), July 1, 2000	(985,090)
Net pension obligation (asset), June 30, 2001	$ (878,891)

Trend Information (in thousands)

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
June 30, 1999	$ 216,798	31.8%	$ (1,108,177)
June 30, 2000	253,406	51.4%	(985,090)
June 30, 2001	299,849	64.6%	(878,891)

6. PENSION PLAN-Continued

Annual Pension Cost and Net Pension Obligation-Continued

The annual required contribution was calculated based upon an actuarial valuation performed as of June 30, 2000 using the entry age normal method. The valuation assumed an annual investment rate of return of 8% which includes a 4% inflation factor. Projected salary increases were 5.5% including a 4% inflation factor. The valuation also assumed post-retirement benefit increases of between 0% and 3%, in accordance with the provisions of the specific benefit options. The actuarial value of assets was determined utilizing a three-year smoothed method based on the difference between the expected market value and the actual market value of assets as of the valuation date. Since the valuation determined the funded ratio to be 102.9%, there is no positive unfunded actuarial accrued liability, and no County contribution for an unfunded positive liability is required. Amortization of the unfunded actuarial liability would use the level percentage of projected payroll amortization method, with a five-year open amortization period.

Because it is negative, the net pension obligation represents an asset. In accordance with the provisions of GASB 27, the asset pertaining to governmental fund types ($607,555,000) has not been recorded in the accompanying financial statements. However, a pension asset, "Net Pension Obligation," has been recognized for the amount pertaining to proprietary fund types ($271,336,000).

Pension Obligation Bonds and Certificates

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

In conjunction with the 1994-95 issuance of the pension bonds, the County entered into debt service advance agreements. Under the agreements, the County received $79,022,000 in exchange for future interest that the County would have earned on deposits with the trustee between the time the County is required to pay debt service payments to the trustee and the time the trustee pays the bondholders. These proceeds have been recorded as deferred revenue in all fund types and are being amortized over the life of the bonds on the basis of annual debt service requirements. As of June 30, 2001, the unamortized balance was $53,435,000.

The outstanding principal balance of the bonds (including accreted interest on deep discount bonds) as of June 30, 2001 was $1,852,680,000. The bonds have interest rates varying from 6.02% to 9.19%.

In 1986, the County issued fixed rate pension obligation certificates to purchase annuity contracts to provide pension benefits to a specified group of LACERA members. In accordance with a 1993-94 interest rate swap agreement, variable rate bonds totaling $327,400,000 were issued in May 1996 to advance refund $327,405,000 of the certificates. Interest rates on the bonds are reset weekly and varied during 2000-2001 from 1.05% to 4.45%. The swap agreement obligates the County to a fixed rate of 6.48% for the life of the bonds. The actual rates were less than the fixed rate, resulting in the County paying the difference to the counterparty. In addition, the County is paying .35% in liquidity and remarketing fees. As of June 30, 2001, the total outstanding principal balance of the bonds was $300,700,000.

The remaining $80,740,000 in fixed rate certificates (including accreted interest on deep discount bonds) have rates varying from 6.2% to 6.9%. At June 30, 2001, the total outstanding principal (including accreted interest) for the refunding bonds and remaining fixed rate certificates was $381,440,000 has been included in the financial statements as pension bonds payable.

6. PENSION PLAN-Continued

Pension Obligation Bonds and Certificates-Continued

For the year ended June 30, 2001, the combined principal and interest payments for both the bonds and certificates were $210,302,000 and $54,682,000, respectively. For governmental fund types (principally the General Fund) the total debt service was $183,177,000. For proprietary fund types the total debt service was $81,807,000. Because of their relationship to pension cost, debt service payments for governmental fund types have been included in the functional expenditure categories. Interest payments for proprietary funds are included as a component of salary and employee benefit expenses. At June 30, 2001, the total outstanding principal, including accreted interest of $352,040,000 on both bonds and certificates, was $2,234,120,000. The amount pertaining to governmental fund types, $1,544,392,000 has been recorded in the General Long-Term Debt Account Group, and the amount pertaining to proprietary fund types, $689,728,000, has been recorded as a fund liability.

The following is a summary of future funding requirements for all outstanding pension bonds and certificates (in thousands):

Year Ending June 30	Amount
2002	$ 281,325
2003	298,704
2004	316,115
2005	336,329
2006	356,883
2007-2011	1,813,472
Total	3,402,828
Less: amount representing interest	1,520,748
Total	$ 1,882,080

Post-Retirement Benefits

In addition to providing pension benefits, the County provides funding for certain health care benefits for all retired employees and their eligible dependents or survivors. There are approximately 45,000 retirees presently eligible to receive such benefits. LACERA is responsible for administering the benefits to the retirees.

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

Prior to 1996-97, the County fully subsidized the funding requirements for these benefits. In 1996-97, the County entered into an agreement with LACERA to establish an Internal Revenue Code Section 401(h) Account for use in connection with the County's payment of retiree health care costs. This agreement, which remains effective until terminated by either party or in the event excess earnings cease to be available, permits the use of LACERA excess earnings reserves to reduce the County's funding requirement for these benefits.

6. PENSION PLAN-Continued

Post-Retirement Benefits-Continued

The cost of retiree health care is recognized when the County makes payments to LACERA. For the year ended June 30, 2001, the amounts of such payments were approximately $85,267,000 for governmental fund types and $24,172,000 for proprietary fund types. These amounts exclude $52,713,000 of LACERA excess earnings reserves, which were utilized to offset a portion of the total funding requirements.

7. LEASES

Operating Leases

The following is a schedule of future minimum rental payments (principally for the General Fund) required under operating leases entered into by the County that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2001 (in thousands):

Year Ending June 30	
2002	$ 49,513
2003	42,458
2004	37,050
2005	29,187
2006	21,607
Thereafter	56,784
Total	$ 236,599

Rent expenditures related to operating leases were $54,136,000 (principally for the General Fund) for the year ended June 30, 2001.

Capital Leases

The following is a schedule of future minimum lease payments under capital leases together with the present value of future minimum lease payments as of June 30, 2001 (in thousands):

Year Ending June 30	General Long-Term Debt Account Group	Proprietary Funds
2002	$ 13,456	$ 585
2003	11,265	515
2004	10,058	475
2005	9,115	458
2006	8,878	402
Thereafter	34,884	679
Total	87,656	3,114
Less: Amount representing interest	33,439	601
Present value of future minimum lease payments	$ 54,217	$ 2,513

COUNTY OF LOS ANGELES
NOTES TO FINANCIAL STATEMENTS-Continued

7. LEASES-Continued

Capital Leases-Continued

The following is a schedule of property under capital leases by major classes at June 30, 2001 (in thousands):

	General Fixed Assets Account Group	Proprietary Funds
Buildings and improvements	$ 79,190	$ 1,200
Equipment	5,351	31,287
Accumulated amortization		(30,142)
Total	$ 84,541	$ 2,345

Leases of County-Owned Property

The County has entered into operating leases relative to the Marina del Rey Project area, various County golf courses and regional parks, and Asset Development Projects. Substantially all of the Marina's land and harbor facilities are leased to others under agreements classified as operating leases. Certain golf courses and regional parks are leased under agreements which provide for activities such as golf course management and clubhouse operations, food and beverage concessions, and recreational vehicle camping. The Asset Development Projects are ground leases and development agreements entered into by the County for private sector development of commercial, industrial, residential and cultural uses on vacant or underutilized County owned property. The Asset Development leases cover remaining periods ranging generally from 1 to 93 years and are accounted for in the General Fund. The lease terms for the golf courses and regional parks cover remaining periods ranging from 1 to 34 years and are also accounted for in the General Fund. The Marina del Rey leases cover remaining periods ranging from 1 to 66 years and are accounted for in the Debt Service Funds as a result of the issuance of certificates of participation related to the Marina del Rey Project area (see Note 8).

The following is a schedule of future minimum rental receipts on noncancelable leases as of June 30, 2001 (in thousands):

Year Ending June 30	General Fund	Debt Service Funds
2002	$ 12,598	$ 18,346
2003	12,610	18,049
2004	12,721	17,963
2005	12,913	17,963
2006	12,913	17,963
Thereafter	1,881,184	538,379
Total	$ 1,944,939	$ 628,663

The following is a schedule of rental income for these operating leases for the year ended June 30, 2001 (in thousands):

	General Fund	Debt Service Funds
Minimum rentals	$ 12,004	$ 18,368
Contingent rentals	7,641	10,917
Total	$ 19,645	$ 29,285

8. LONG-TERM OBLIGATIONS

Long-term obligations of the County consist of bonds, notes and loans payable, pension bonds payable (see Note 6), capital lease obligations (see Note 7) and other liabilities which are payable from the General, Special Revenue, Debt Service, Enterprise and Internal Service Funds.

A summary of bonds, notes and loans payable recorded in the General Long-Term Debt Account Group follows (in thousands):

	Balance June 30, 2001
Los Angeles County General Obligation Detention Facilities Bonds, 6.5 % to 7.875%	$ 42,375
Los Angeles County Flood Control District Storm Drain General Obligation Bonds, 2.5% to 8.5%	23,640
Los Angeles County Flood Control District Certificates of Participation, 4.5% to 7.875%	168,245
Regional Park and Open Space District Bonds, 4.2% to 6%	438,020
Community Development Commission Notes Payable, 3.82% to 7.91%	14,092
JPA Bonds, 4.5% to 7.8%	438,020
Marina del Rey Certificates of Participation, 4.75% to 6.5%	123,953
Marina del Rey Loans Payable, 4.5% to 4.70%	22,924
Public Buildings Certificates of Participation, 2.8% to 7.75%	1,241,252
Public Financing Certificates of Participation, 4.8% to 6.7%	3,625
Total	$ 2,516,146

A summary of bonds and notes recorded in the proprietary fund types follows (in thousands):

	Balance June 30, 2001
NPC Bonds and Bond Anticipation Notes, 4.6% to 8.9%	$ 67,075
Public Buildings Certificates of Participation and Commercial Paper, 2.8% to 7.0%	447,439
Waterworks District Bonds, 3.3% to 8.0%	466
Community Development Commission Mortgage Notes, 0.00% to 7.3%	8,769
Total	$ 523,749

8. LONG-TERM OBLIGATIONS-Continued

Following is a general description of outstanding bonds:

- General obligation bonds are not collateralized. Revenue for retirement of such bonds is provided from ad valorem taxes on property within the jurisdiction of the governmental unit issuing the bonds.

- Flood Control District certificates of participation are secured by installment purchase payments, which are unconditional obligations of the Flood Control District.

- Regional Park and Open Space District bonds were issued to assist in financing the acquisition, restoration, improvement and preservation of beach, park, wildlife and open space resources within the District. The bonds are payable from the proceeds of annual assessments levied on parcels within the District's boundaries.

- Community Development Commission notes are secured by annual contributions from the United States Department of Housing and Urban Development (HUD) and housing units constructed with the note proceeds. Commission mortgage notes are secured by revenues from the operation of housing projects and from housing assistance payments from HUD.

- JPA, NPC bonds, Public Buildings, and Public Financing certificates of participation are secured by annual base rental lease payments payable by the County for use of the facilities or equipment constructed or purchased from the bond proceeds. During 2000-01, the County issued $115,390,000 of certificates of participation to finance the construction of the Antelope Valley Courthouse.

- Marina del Rey certificates of participation were issued by the County to finance 1992-93 General Fund operations, issuance costs, and required reserves. The certificates are payable only from Marina del Rey operating lease revenues and other Marina del Rey associated revenues.

Bond Anticipation Notes (BANS) are issued by the Los Angeles County Capital Assets Leasing Corporation (Equipment Acquisition Internal Service Fund) to provide interim financing for equipment purchases. BANS are purchased by the County Treasury Pool and are payable within five years. In addition, the BANS are issued with a formal agreement that, in the event they are not liquidated by the end of the five-year period, they convert to capital leases with a three-year term secured by County real property.

Tax-exempt commercial paper (TECP) was initially issued by the County in July 1997 to redeem outstanding BANS which were issued to fund various Hospital Enterprise Funds' construction projects and to provide a future source of interim funding for capital projects pending long-term financing. Repayment of the TECP is secured by a letter of credit and a sublease of twenty-one County-owned properties. Pursuant to the underlying leases, the County is able to amortize the remaining TECP over the useful life of the underlying assets, but plans to retire the remaining TECP over an eight year period. The term of individual commercial paper notes may not exceed 270 days.

The portion of outstanding bonds, TECP, and BANS related to proprietary fund type operations is included in the accounts of the proprietary fund types. Included in bonds and notes payable in the financial statements is $107,939,000 in accreted interest on zero coupon bonds for Public Buildings and Public Financing.

COUNTY OF LOS ANGELES
NOTES TO FINANCIAL STATEMENTS-Continued

8. LONG-TERM OBLIGATIONS-Continued

A summary of debt service requirements, including interest, to maturity as of June 30, 2001 follows (in thousands):

Year Ending June 30	Detention Facilities	Flood Control District	Regional Park and Open Space District	CDC	NPC and JPAs	Marina del Rey	Public Financing/ Public Buildings	Water-Works
2002	$ 9,191	$ 26,142	$ 48,035	$ 3,280	$ 101,315	$ 21,114	$ 310,011	$ 117
2003	9,155	25,200	38,744	3,321	49,112	21,874	169,921	113
2004	9,135	23,712	38,708	3,163	42,876	21,853	168,781	81
2005	9,113	22,580	38,773	2,621	39,942	21,813	170,875	78
2006	9,086	19,705	38,727	2,543	38,727	21,788	142,640	60
2007-2011	9,056	93,269	192,874	10,524	192,874	62,364	629,173	135
2012-2016		44,149	192,033	2,815	192,033	7,534	477,350	50
2017-2021		2,426	66,735	1,440	66,735	7,534	223,008	
2022-2026						7,534	153,353	
2027-2031						4,520	98,312	
2032-2036							29,054	
Indeterminate maturity				2,186				
Totals	$ 54,736	$ 257,183	$ 654,629	$ 31,893	$ 723,614	$ 197,928	$ 2,572,478	$ 634
Less: Amount representing interest	12,361	65,298	216,609	9,032	218,519	51,051	988,101	168
Totals	$ 42,375	$ 191,885	$ 438,020	$ 22,861	$ 505,095	$ 146,877	$ 1,584,377	$ 466

Bonds Defeased in Prior Years

In prior years, various debt obligations, consisting of bonds and certificates of participation, were defeased by placing the proceeds of refunding bonds in an irrevocable trust to provide for all future debt service payments on the old obligations. Accordingly, the trust account assets and the related liabilities for the defeased bonds are not reflected in the County's financial position. At June 30, 2001, the amount of outstanding bonds and certificates of participation considered defeased was $322,947,000. Of this amount, $322,215,000 was related to governmental fund types and $732,000 to proprietary fund types.

Other Liabilities

Because of their nature, the probable date of payment for accrued vacation and sick leave, workers' compensation claims, and liabilities for litigation and other self-insurance claims included in the General Long-Term-Term Debt Account Group cannot be determined with certainty.

COUNTY OF LOS ANGELES
NOTES TO FINANCIAL STATEMENTS-Continued

8. LONG-TERM OBLIGATIONS-Continued

Other Liabilities-Continued

The following is a summary of general long-term obligations at June 30, 2001 and corresponding changes (in thousands):

	Balance July 1, 2000	Additions/ Accretions	Transfers/ Maturities	Balance June 30, 2001
Bonds and notes payable	$ 2,554,485	$ 128,810	$ 167,149	$ 2,516,146
Pension bonds payable (Note 6)	1,599,821	42,480	97,909	1,544,392
Capital lease obligations (Note 7)	60,115		5,898	54,217
Accrued vacation and sick leave	458,205	27,641		485,846
Workers' compensation liability (Note 17)	1,058,946	48,362		1,107,308
Litigation and self-insurance claims (Note 17)	179,612	13,863		193,475
Total general long-term obligations	$ 5,911,184	$ 261,156	$ 270,956	$ 5,901,384

Bond interest accretions for deep discount bonds have been included in the amounts reported for Bonds and Notes Payable and Pension Bonds Payable. For the year ended June 30, 2001, liabilities were increased by $13,420,000 and $42,480,000, respectively, for interest accretions. Note 17 contains information about changes in the combined current and long-term liabilities for workers' compensation and litigation and self-insurance liabilities. It is not practicable to determine specific additions and maturities for accrued vacation and sick leave.

9. CONDUIT DEBT OBLIGATIONS

Improvement District Bonds

As of June 30, 2001, various improvement districts established by the County had outstanding special tax bonds payable totalling $148,944,000 and limited obligation improvement bonds totalling $16,549,000. The bonds were issued to finance the cost of various construction activities and infrastructure improvements which have a special and direct benefit to the related property owners.

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

The County functions as an agent for the assessed property owners and bondholders. Debt service transactions related to the various bond issues are reported in the agency funds. Construction activities are reported in the Improvement Districts' Capital Projects Fund. Revenues have been recorded (proceeds from property owners) to reflect the bond proceeds issued for capital improvements.

9. CONDUIT DEBT OBLIGATIONS-Continued

Residential Mortgage Revenue Bonds

Residential Mortgage Revenue Bonds have been issued to provide funds to purchase mortgage loans secured by first trust deeds on newly constructed and existing single family residences in the County. The purpose of this program is to provide low interest rate home mortgage loans to persons who are unable to qualify for conventional mortgages at market rates. Multi-Family Mortgage Revenue Bonds have been issued to provide permanent financing for apartment projects located in the County to be partially occupied by persons of low or moderate income. The amount of Mortgage Revenue Bonds issued since inception of the programs approximates $1,606,958,000. The amount of bonds outstanding as of June 30, 2001 was not determinable.

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

Industrial Development and Other Conduit Bonds

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

As of June 30, 2001, the amount of industrial development and other conduit bonds outstanding was $199,961,000.

10. HOSPITAL AND OTHER PROGRAM REVENUES

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

Medicaid Demonstration Project

In June 1996, Federal, State, and County officials approved a Medicaid Demonstration Project ("Project") to enable the County to stabilize and restructure its health care system. The basis for the Project required a shift in emphasis from conventional inpatient care to preventive, primary, and outpatient care. The Project was initially approved for a five-year period that was scheduled to end on June 30, 2000. The status of the Project's extension for an additional five-year period is discussed in the next segment of this Note. The plan provided $366.5 million in financial assistance in 1995-96 which provided impetus and support to the restructuring of health care delivery in the County. Included in this amount was an estimated $131 million in cash flow assistance which is an obligation that is expected to be repaid in the future, and has been recorded as a liability ("Estimated Liability to Third-Party Payors") of the Hospital Enterprise Funds in the accompanying financial statements. Additional potential obligations totalling $89.5 million have also been recognized as liabilities in the financial statements as of June 30, 2001. This amount includes $61 million and $28.5 million related to 1996-97 and 1997-98, respectively.

10. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

Medicaid Demonstration Project-Continued

For the year ended June 30, 2001, participation in the Project required the County to make intergovernmental transfers to the State. The transfers totalled $170 million and were recorded as health expenditures of the General Fund. Revenues from the Project are recorded in the Hospital Enterprise Funds as patient services revenue. Reimbursement to the General Fund for the payments made to the State is recorded as an operating transfer from the Hospitals to the General Fund. The Project revenues recognized in the Hospital Enterprise Funds totalled $207.6 million and consisted of the following:

- $28.9 million in additional Medi-Cal matching funds for indigent care at health centers and outpatient facilities.
- $178.7 million in increased Medi-Cal funding for providing at least 450,000 outpatient visits.

Medicaid Demonstration Project Extension

The Federal Health Care Financing Administration, now known as the Center for Medicare & Medicaid Services (CMS), granted an extension and phase-out of the Project over a term of five years (July 1, 2000 through June 30, 2005), to continue to assist the County in restructuring its health care delivery system to ensure its long-term viability and reduce the County's reliance on Project revenue.

As part of this extension agreement, the County commits to use $300 million of tobacco litigation settlement revenues and an additional $100 million of General Fund contributions for Project-related services during the extension period. Also, as part of this extension agreement, a minimum of $40 million in State and County funds at a 2 to 1 ratio, respectively, will be made available over the course of the extension period to fund the system's workforce training needs, as identified in the CMS/Department of Labor approved work plan.

For the period July 1, 2000 through June 30, 2005, CMS will provide Federal Financial Participation (FFP) at the applicable Federal matching rate for the Federally Reimbursable Ambulatory Care Service Costs and the Supplemental Project Pool. Payments for these components will not exceed the annual and total budget limits as follows (in thousands):

Fiscal Year	Percent Limit on Demonstration FFP	Dollar Limit on Demonstration FFP
2000-01	100%	$ 246,600
2001-02	100%	246,600
2002-03	75%	185,000
2003-04	55%	135,500
2004-05	35%	86,300
2005-06 post-extension	0%	
Total		$ 900,000

To provide increased funding to the County for outpatient services, the State submitted an amendment to the State Medi-Cal Plan to CMS, effective July 1, 2002, to provide cost-based reimbursement for County-operated facilities for covered outpatient services rendered to Medi-Cal beneficiaries.

If the County does not meet specified milestones in the "Terms and Conditions" provisions of the extension agreement, the State may impose sanctions on the County of up to 18 percent of the Supplemental Project Pool and 10 percent of the Federally Reimbursable Ambulatory Care Service Cost claim, depending on the program.

10. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

Medi-Cal and Medicare Programs

A substantial portion of the Hospitals' revenue is derived from services provided to patients eligible for benefits under the Medi-Cal and Medicare programs. Medi-Cal inpatient services are reimbursed at a contractually agreed upon per-diem rate. Services to inpatient Medicare program beneficiaries are primarily paid under prospectively determined rates-per-discharge based upon diagnostic related groups (DRGs). Certain other services to Medicare beneficiaries are reimbursed based on cost, subject to certain limitations. Revenues from Medi-Cal and Medicare programs represent approximately 84.4% and 3.6%, respectively, of net patient care revenue for the year ended June 30, 2001.

Medi-Cal audit reports have been issued for all hospitals through Fiscal Year 1997-98. Audits for Fiscal Year 1998-99 have been issued for LAC+USC Medical Center, Olive View/UCLA Medical Center, and High Desert Hospital, with the other facilities' audits currently in progress. The Medicare audits have been completed for Fiscal Year 1997-98 at all hospitals. For Fiscal Year 1998-99, the audits are currently in progress and the notices of program reimbursement are expected soon.

The Hospitals, excluding health centers, have various outstanding appeals pertaining to Medi-Cal and Medicare audit settlements. These amounts have not been recorded, as the outcome is not certain. The County believes the final resolution of the appeals will not have a material effect on its financial condition.

Other Program Revenues

The Hospitals, excluding health centers, also received revenues from the following programs:

During FY 1991-92, SB 855 and SB 146 were enacted to provide higher Medi-Cal reimbursement rates to Disproportionate Share Hospitals ("DSH"). These are hospitals which provide a disproportionate share of services to Medi-Cal and indigent patients. The law requires certain public entities to contribute matching funds to the State. These funds, along with additional Federal revenues, are utilized by the State to fund the supplemental payment amounts. The County contribution to the State is recorded as a health expenditure of the General Fund. The revenue is recorded in the Hospital Enterprise Funds as patient services revenue. Reimbursement to the General Fund for the contribution is recorded as an operating transfer from the Hospitals to the General Fund. For the year ended June 30, 2001, the County's contribution was $410.4 million and corresponding revenues totaled $617.2 million.

SB 1255, which became effective in 1990, established the State Disproportionate Share and Emergency Services Fund to receive contributions from public agencies. The State utilizes these funds to obtain additional Federal matching funds. The total is then distributed to the participants through a negotiation process with the California Medical Assistance Commission. To be eligible to negotiate for funds, among other requirements, a hospital must be a disproportionate share provider. For Fiscal Year 2000-2001, the County contributed $372 million, and corresponding revenues were $716 million. The County contribution to the State is recorded as a health expenditure of the General Fund. The revenue is recorded in the Hospital Enterprise Funds as patient services revenue. Reimbursement to the General Fund for the contribution is recorded as an operating transfer from the Hospitals to the General Fund.

Proposition 99 imposes an additional State excise tax on cigarettes and other tobacco products. The increased taxes on tobacco products generate additional revenues for health care, research, health education, and public resources. State Assembly Bill 75 allocates these revenues to health care providers based upon their share of the financial burden for providing care to persons who are uninsured or otherwise unable to pay for care. The County's share of these revenues for the year ended June 30, 2001 was $35.2 million for the AB 75 California Healthcare for the Indigent Program (CHIP).

10. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

Other Program Revenues-Continued

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

Since the inception of the Medi-Cal Program in 1965, the administrative cost for processing the eligibility applications for Medi-Cal beneficiaries has been reimbursed by Federal and State funds. In 1972, the Department of Health Services hired Patient Financial Services Workers ("PFSW's") to process the applications for patients seen in County facilities. An estimated $9.4 million Federal pass-through portion of the PFSW payments for 2000-2001 has been accrued as of June 30, 2001. The final PFSW payment will be made when the PFSW Administrative Cost Report is submitted.

Charity Care

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

The total amount of such charity care provided by the hospitals for the year ended June 30, 2001, based on established rates, is as follows (in thousands):

Charges forgone	$1,609,452
Less: Federal and State subventions	35,202
Net charges forgone	$1,574,250

Health and Welfare Realignment Act

In FY 1991-92, the State implemented the Health and Welfare Realignment Act ("Realignment"), which transferred a significant portion of the financial and administrative responsibilities for local health and welfare programs from the State to counties. The State utilizes a one-half cent sales tax increase and an increase in vehicle license fees as the sources for funding allocations to the counties in lieu of previous State General Fund financing. The amount to be received by counties is dependent upon the actual increased sales tax and vehicle license fees. During FY 2000-2001, Los Angeles County Realignment revenues totalled $1,129,408,000 and are recorded as State revenues in the General Fund.

11. INTERFUND RECEIVABLES AND PAYABLES

The following is a summary of individual interfund receivables and payables at June 30, 2001 (in thousands):

	Due From Other Funds	Due To Other Funds
General Fund	$ 795,423	$ 616,742
Special Revenue Funds:		
Fire Protection	39,330	12,661
Other Public Protection	2,495	30,864
Road	15,158	25,009
Other Streets, Highways, Roads and Bridges	1,592	2,287

COUNTY OF LOS ANGELES
NOTES TO FINANCIAL STATEMENTS-Continued

11. INTERFUND RECEIVABLES AND PAYABLES-Continued

	Due From Other Funds	Due To Other Funds
Special Revenue Funds-Continued:		
Flood Control District	20,354	18,729
Street Lighting Districts	880	468
Garbage Disposal Districts	2,713	2,273
Sewer Maintenance Districts	1,076	2,435
Health and Sanitation	2,192	9,709
Public Assistance	893	2,233
Public Library	3,220	1,978
Regional Park and Open Space District	4,101	8,714
Recreation	278	107
Community Development Commission	1,010	1,260
Courthouse Temporary Construction	2,513	55
Criminal Justice Temporary Construction	2,379	8,306
Other Special Revenue	1,905	16,314
Total Special Revenue Funds	102,089	143,402
Debt Service Funds:		
Detention Facilities	207	
Flood Control District	238	
Regional Park and Open Space District	183	
Marina del Rey	1,767	11,708
Total Debt Service Funds	2,395	11,708
Capital Projects Funds:		
Accumulative Capital Outlay	4,074	2,719
Improvement Districts	11	107
Total Capital Projects Funds	4,085	2,826
Enterprise Funds:		
Harbor/UCLA Medical Center	89,745	12,973
Olive View/UCLA Medical Center	51,552	30,673
LAC+USC Medical Center	181,369	56,508
M. L. King/Drew Medical Center	88,715	19,401
High Desert Hospital	15,173	16,546
Rancho Los Amigos Medical Center	29,311	13,624
Aviation	1,237	1,773
Waterworks Funds	3,458	5,764
Community Development Commission		103
Total Enterprise Funds	460,560	157,365

COUNTY OF LOS ANGELES
NOTES TO FINANCIAL STATEMENTS-Continued

11. INTERFUND RECEIVABLES AND PAYABLES-Continued

	Due From Other Funds	Due To Other Funds
Internal Service Funds:		
Public Works	57,799	23,907
Equipment Acquisition	206	
Community Development Commission		153
Total Internal Service Funds	58,005	24,060
Expendable Trust Funds	30	504
Nonexpendable Trust Funds:		
Annuities	1	
Endowments	12	
Total Nonexpendable Trust Funds	13	
Pension Trust Fund	18,187	35
Agency Funds	262,618	746,763
Total	$ 1,703,405	$1,703,405

The General Fund makes short-term advances to assist the Hospital Enterprise Funds in meeting their cash flow requirements. Advances at June 30, 2001 consist of the following (in thousands):

Harbor/UCLA Medical Center	$ 17,566
Olive View/UCLA Medical Center	3,079
LAC+USC Medical Center	10,052
M. L. King/Drew Medical Center	39,939
High Desert Hospital	837
Rancho Los Amigos Medical Center	7,153
Total	$ 78,626

Various funds make short-term advances to the Public Works Internal Service Fund. Advances at June 30, 2001 consist of the following (in thousands):

General Fund	$ 3,548
Road Fund-Special Revenue	8,849
Other Streets, Highways, Roads and Bridges Funds-Special Revenue	374
Flood Control District-Special Revenue	6,842
Street Lighting Districts-Special Revenue	179
Sewer Maintenance Districts-Special Revenue	1,165
Health and Sanitation Funds-Special Revenue	296
Waterworks Fund-Enterprise	747
Total	$ 22,000

COUNTY OF LOS ANGELES
NOTES TO FINANCIAL STATEMENTS-Continued

12. FUND BALANCES

The following is a summary of reserved and designated fund balances which are not available for appropriation and expenditure at June 30, 2001 (in thousands):

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Pension Trust Fund	Other Trust Funds
Reserved:						
Encumbrances	$ 284,501	$ 393,114		$ 90,279		
Inventories	33,606	44,582				
LACERA					$28,353,262	
Reserved for investment trust participants						$8,797,796
Reserved for housing program		69,835				
Principal and interest payments			$ 715,629			
Endowments and annuities						3,387
Other	11,819	30,090		138		
Total reserved fund balances	$ 329,926	$ 537,621	$ 715,629	$ 90,417	$28,353,262	$8,801,183

	General Fund	Special Revenue Funds	Children and Families First Commission Component Unit
Designated:			
Budget uncertainties	$ 350,815		
Health services	172,296		
Program expansion	6,637	$ 25,133	
Subsequent years' expenditures		57,506	$ 416,293
Capital projects		39,617	
Total designated fund balances	$ 529,748	$122,256	$ 416,293

See Note 1 for information regarding the reserves for encumbrances and inventories. Included in amounts reserved for encumbrances are various commitments established in non-budgeted Capital Projects Funds. Other reserves are for a variety of amounts including miscellaneous receivables, loans to special districts, imprest cash and deposits with others. Designations represent funds earmarked for the specific purposes indicated.

13. SEGMENT INFORMATION

The County has four Enterprise Fund segments which provide hospital, aviation, and water services and operate the Community Development Commission Projects. Segment information as of and for the year ended June 30, 2001 is as follows (in thousands):

	Hospitals	Aviation	Waterworks	Community Development Commission	Total
Operating revenues-net	$ 2,599,010	$ 2,028	$ 35,113	$ 9,797	$ 2,645,948
Depreciation and amortization expense	18,960	1,327	2,617	2,427	25,331
Operating income (loss)	527,231	(2,090)	(3,164)	(163,017)	358,960
Operating transfers (to) from other funds-net	(430,700)			(4,819)	(435,519)
Tax revenues			2,411		2,411
Intergovernmental revenues		1,873	(13)	161,270	163,130
Net income (loss)	46,711	(217)	1,305	(5,768)	42,031
Property:					
Additions/Transfers	31,959	9,003	44,553	197,373	282,888
Retirements/Transfers	49,608	7,907	37,132		94,647
Net working capital	412,294	3,427	30,446	20,366	466,533
Total assets	1,719,769	38,640	110,040	146,264	2,014,713
Long-term liabilities	1,876,355		466	8,769	1,885,590
Total fund equity (deficit)	(628,551)	35,419	101,246	117,991	(373,895)

14. CONTRIBUTED CAPITAL

During the year ended June 30, 2001, the amount of contributed capital for the Internal Service Funds was increased by $2,272,000. The change resulted from residual equity transfers to the Public Works Internal Service Fund from the various funds which receive services from the Department of Public Works.

For all other proprietary funds, there were no changes in the amount of contributed capital during the year.

15. RECONCILIATION OF OPERATIONS ON MODIFIED ACCRUAL BASIS TO BUDGETARY BASIS

The County's Combined Statement of Revenues, Expenditures and Changes in Fund Balances-All Governmental Fund Types, Expendable Trust Funds and Discretely Presented Component Unit has been prepared on the modified accrual basis in accordance with GAAP. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual on Budgetary Basis-General Fund, Certain Special Revenue Funds and Certain Debt Service Funds has been prepared on the budgetary basis, which is different from GAAP. An explanation of these differences appears in Note 1.

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

	General Fund	Special Revenue Funds	Debt Service Funds
Fund balance - budgetary basis	$ 1,107,205	$ 706,040	$ 111,204
Encumbrances outstanding at year-end	284,501	393,114	
Subtotal	1,391,706	1,099,154	111,204

COUNTY OF LOS ANGELES
NOTES TO FINANCIAL STATEMENTS-Continued

15. RECONCILIATION OF OPERATIONS ON MODIFIED ACCRUAL BASIS TO BUDGETARY BASIS-Continued

	General Fund	Special Revenue Funds	Debt Service Funds
Adjustments:			
Accrual of workers' compensation liability	(175,559)	(33,496)	
Accrual of estimated liability for litigation and self-insurance claims	(3,956)	(3,855)	
Accrual of vacation and sick leave benefits		(5,018)	
Accrual of amounts due from and due to other funds	19,210	5,319	
Deferral of unearned investment income	(34,840)	(2,098)	
Change in revenue accruals	(70,477)	(2,225)	606
Subtotal	(265,622)	(41,373)	606
Fund balance-nonbudgeted funds		170,354	603,819
Fund balance - GAAP basis	$ 1,126,084	$ 1,228,135	$ 715,629

16. COMMITMENTS

Construction Commitments

At June 30, 2001, the LAC+USC Medical Center Hospital Enterprise Fund had contractual commitments of approximately $67,209,000 to provide for the construction of the LAC+USC Medical Center replacement facility. The construction is currently being financed by commercial paper.

At June 30, 2001, the Public Buildings Capital Projects Fund had contractual commitments of approximately $73,960,000 to provide for the construction of the Antelope Valley Courthouse. The construction is being financed by proceeds from certificates of participation. There were also contractual commitments of approximately $5,800,000 for the West San Fernando Valley Court building, which is being financed by lease revenue bonds.

LACERA Capital Commitments

At June 30, 2001, LACERA had outstanding capital commitments to various investment managers, approximating $1,585,000,000. Subsequent to June 30, 2001, LACERA funded $51,000,000 of these capital commitments.

Investment Purchase Commitments

At June 30, 2001, the County had open trade commitments (forward contracts) with various brokers to purchase investments approximating $1,059,545,000 with settlement dates subsequent to year end. These investment transactions had not been recorded as of June 30, 2001 since the County neither takes delivery of the securities nor earns interest on the investments until the settlement date. By July 25, 2001, the County had purchased such investments.

17. RISK MANAGEMENT

The County purchases insurance for certain risk exposures such as aviation, employee fidelity, boiler and machinery in certain structures, art objects, catastrophic hospital general liability, volunteer, special events, public official bond, crime, safety reserve employee death and disability, and fiduciary liability for the deferred compensation plans. There have been no settlements related to these programs that exceeded insurance coverage in the last three years. The County also has insurance on most major structures. Losses did not exceed coverage in 1999-2000 or 2000-2001.

17. RISK MANAGEMENT-Continued

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

As of June 30, 2001, the County's best estimate of these liabilities is $2.162 billion. Changes in the reported liability since June 30, 1999 resulted from the following (in thousands):

	Beginning of Fiscal Year Liability	Current Year Claims and Changes In Estimates	Claim Payments	Balance At Fiscal Year-End
1999-2000				
Workers' Compensation	$ 1,449,214	$ 296,946	$ 209,299	$1,536,861
Other	576,490	1,505	99,046	478,949
Total 1999-2000	$ 2,025,704	$ 298,451	$ 308,345	$2,015,810
2000-2001				
Workers' Compensation	$ 1,536,861	$ 358,277	$ 235,302	$1,659,836
Other	478,949	132,651	109,000	502,600
Total 2000-2001	$ 2,015,810	$ 490,928	$ 344,302	$2,162,436

In addition to the above estimated liabilities, the County has determined that claims seeking damages of approximately $125,125,000 are possible of creating an adverse judgment against the County. Because of the uncertainty of their outcome, no loss has been accrued for these claims.

In addition to the aforementioned claims, the County and LACERA have been named as defendants in a number of lawsuits that seek to expand the types of employee benefits which are applied in determining pension compensation. The most significant of these items pertain to vacation and sick leave benefits, which employees are allowed to carry forward, within limits, and be compensated for upon termination. In addition, there are other lawsuits that seek the retroactive application of certain other employee benefits that were recently determined to be included in the definition of compensation for retirement purposes.

County Counsel has determined that these items are reasonably possible of creating an unfunded actuarial liability of $1.9 billion. At this time, the specific impact on the County's financial position is unknown due to the uncertainties regarding the timing and effect of additional pension compensation items on future actuarial valuations, as well as uncertainties regarding the potential impact relative to the County's future actuarial required contributions. County management believes that a material increase in the unfunded actuarial liability resulting from these lawsuits would be funded over approximately 30 years and would not have a material impact on the County's overall financial position.

18. PROPOSITIONS 218 AND 62

In November 1996, the voters approved the "Right To Vote on Taxes Act" (Proposition 218) which limits the County's ability to levy general and special taxes without voter approval and property related benefit assessments without property owner approval. In September 1998, the Board of Supervisors approved ordinance amendments to bring the County's general purpose taxes into conformance with Proposition 218.

In September 1995, the California Supreme Court upheld the constitutionality of Proposition 62, which requires voter approval of all new local taxes. Taxes imposed without voter approval after the 1986 effective date of Proposition 62 may be invalidated. The Court did not provide clarification about whether the decision would apply only prospectively to all new taxes or retrospectively to all taxes since the effective date of the Proposition. Accordingly, there is uncertainty about the validity of taxes currently being collected and as of June 30, 2001, the County has budgetarily reserved approximately $253 million in such collections.

19. ACCOUNTING AND FUND CHANGES

On July 1, 2000, the County made the following accounting and fund changes:

Community Development Commission

The Community Development Commission (CDC), a blended component unit of the County, determined that certain housing programs and activities, formerly reported in the CDC Special Revenue Fund, should be reclassified as Enterprise Fund operations. The CDC has been instructed that these activities are preferably reported as Enterprise Fund operations by their principal funding source, the federal Department of Housing and Urban Development (HUD). CDC management concurs with HUD's recommended reporting reclassification and believes it will facilitate regulatory reporting and accountability for these housing activities. As indicated below, certain amounts previously reported in both Account Groups were also transferred to the CDC Enterprise Fund in conjunction with the reclassification.

Children and Families First Commission

The Children and Families First Commission (Commission) was formerly accounted for as a blended component unit and reported as a Special Revenue Fund. As indicated in the Component Units segment of Note 1, the County has determined that the Commission is more appropriately reported as a discretely presented component unit. The reclassification of the Commission had the effect of transferring beginning fund balance of $258,656,000 from the Special Revenue Funds to the Commission's discretely presented component unit financial statements.

Restatement of Fund Equity

As a result of the aforementioned changes, the beginning fund equity balances of the combined Special Revenue Funds and Enterprise Funds have been restated as follows (in thousands):

	Special Revenue Funds	Enterprise Funds
Fund Equity (Deficit) as previously reported	$ 1,507,807	$ (538,528)
Equity transfer to reclassify the CDC activities	(22,138)	22,138
Equity transfer to reclassify the Children and Families First Commission as a discretely presented component unit	(258,656)	

COUNTY OF LOS ANGELES
NOTES TO FINANCIAL STATEMENTS-Continued

19. ACCOUNTING AND FUND CHANGES-Continued

Restatement of Fund Equity-Continued

Transfer of Fixed Assets (Original cost of $197,223,000 less accumulated depreciation of $93,526,000) from the General Fixed Assets Account Group		103,697
Transfer of Bonds and Notes Payable from the General Long-Term Debt Account Group		(3,164)
Fund Equity (Deficit), as restated	$1,227,013	$(415,857)

As a result of the CDC reclassifications, the cash and cash equivalents balance of the Enterprise Funds has been restated from the amount previously reported, $106,278,000, and increased by $24,231,000. Accordingly, the Combined Statement of Cash Flows indicates a restated beginning balance of $130,509,000 for the Enterprise Funds.

The reclassifications had no effect on the amounts previously reported on the budgetary basis of accounting, as budgetary financial statements were not presented for the CDC or the Commission.

20. IMPAIRMENT WRITE-OFF

During the year ended June 30, 2001, the County wrote off fixed assets totaling $42,877,000 in the Hospital Enterprise Funds. The write-offs are associated with a reduction the carrying value of Fixed Assets (Construction-In-Progress) and the specific amounts by Hospital are as follows (in thousands):

Harbor/UCLA Medical Center	$ 5,199
Olive View/UCLA Medical Center	11,685
LAC+USC Medical Center	8,341
M. L. King/Drew Medical Center	939
High Desert Hospital	2,007
Rancho Los Amigos Medical Center	14,706
Total	$42,877

Several years ago, the County initiated a number of capital improvements at the Hospitals to expand capacity for various specialized services. Costs related to the planning and design of the various facilities were capitalized. There has not been recent construction activity on these facilities nor are there current plans to complete any of the projects that were planned. County management believes that the likelihood of completing any of the capital improvements in the future is remote. Accordingly, a write-off has been recognized for costs previously capitalized for the proposed facilities.

21. GASB STATEMENT 34 IMPLEMENTATION

The Governmental Accounting Standards Board has issued statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis-for State and Local Governments" (GASB 34). Among the numerous issues to be addressed by the County regarding the implementation of GASB 34 is the valuation, subsequent recording and depreciation of the County's infrastructure fixed assets. Such assets have previously not been required to be recorded by units of state and local government under generally accepted accounting principles. The County is in the process of evaluating the impact of GASB 34 upon the County's financial statements. Such evaluation will also include a reassessment of the valuation of fixed assets already recorded in the County's financial records similar to that conducted upon the County's Hospital Enterprise Fixed Assets. Although no conclusions can be made at this point, it is apparent that the County of Los Angeles will record additional infrastructure fixed assets in its financial statements upon the adoption of GASB 34. The County intends to implement GASB 34 for the financial reporting period ending June 30, 2002, as required. An additional four years is provided to comply with retroactive reporting of infrastructure assets.

22. SUBSEQUENT EVENTS

Tax and Revenue Anticipation Notes ("TRANS")

On July 2, 2001, the County issued $600,000,000 in 2001-2002 TRANS which will mature on June 28, 2002. The TRANS are collateralized by taxes and other revenues attributable to the 2001-2002 fiscal year and were issued in the form of Fixed Rate Notes at an interest rate of 2.61%.

Capital Asset Leasing Corporation Bond Anticipation Notes

On August 14, 2001, the Corporation issued a $5,000,000 Bond Anticipation Note due June 30, 2004. Proceeds of the note are being used to purchase equipment. The note is to be repaid from the proceeds of lease revenue bonds.

The note, which was purchased by the Los Angeles County Treasury Pool, has an initial interest rate of 3.87%. The rate is adjustable on January 2 and July 1 of each year.

Capital Asset Leasing Corporation Lease Revenue Bonds, 2000 Series A

On December 1, 2001, the Corporation issued $30,020,000 in lease revenue bonds. The bond proceeds, collected lease revenue, and unexpended equipment acquisition funds were used to redeem $35,000,000 in outstanding bond anticipation notes. The bonds were issued in conjunction with the operations of the Equipment Acquisition Internal Service Fund and will be repaid through equipment rental charges received from the various other County funds. The bonds mature from 2002 to 2005 with interest rates ranging from 3% to 4%.

2001-2002 Budget

The Board adopted the County's 2001-2002 budget on June 25, 2001. The adopted budget was based on estimated fund balances. The conclusion of the 2000-2001 fiscal year resulted in an additional budgetary fund balance in the General Fund of approximately $170 million. In October 2001, the Board approved the appropriation of emergent funding priorities totaling $24 million and has deferred the allocation of the remaining $146 million.

The tragic events of September 11, 2001 have contributed to an uncertain economic future to a degree not experienced in several years. The State, in particular, is anticipating reduced revenues for the 2001-2002 fiscal year. The County remains highly dependent on the State for funding of local programs and continues to monitor developments at the State level. Accordingly, the $146 million available for General Fund use has been placed in an Appropriation for Contingencies account pending the outcome of the various economic uncertainties.

COUNTY OF LOS ANGELES
REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited – See accompanying auditors' report)

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded/ (Overfunded) AAL [UAAL/(OAAL)] (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL/(OAAL) as a Percentage of Covered Payroll ((b-a)/c)
06/30/98	20,851,133	20,959,946	108,813	99.5%	3,562,416	3.1%
06/30/99	23,536,116	22,784,706	(751,410)	103.3%	3,858,090	-19.5%
06/30/00	25,426,507	24,720,380	(706,127)	102.9%	4,398,443	-16.1%

COUNTY OF LOS ANGELES

GENERAL FUND

The General Fund is the general operating fund of the County. It is used to account for all financial resources except those accounted for in other funds. Revenues are derived from Taxes; Licenses, permits and franchises; Fines, forfeitures and penalties; Revenue from use of money and property; Intergovernmental revenues; Charges for services and Miscellaneous. Expenditures are expended for functions of General government; Public protection; Health and sanitation; Public assistance; Recreation and cultural services; Debt service and Capital outlay.

COUNTY OF LOS ANGELES
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL ON BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

	BUDGET	ACTUAL ON BUDGETARY BASIS	OVER (UNDER)
GENERAL GOVERNMENT:			
Salaries and employee benefits	$ 488,869	440,102	(48,767)
Services and supplies	620,213	446,219	(173,994)
Other charges	132,412	79,379	(53,033)
Fixed assets	511,168	80,763	(430,405)
Intrafund transfers	(385,903)	(330,046)	55,857
TOTAL GENERAL GOVERNMENT	1,366,759	716,417	(650,342)
PUBLIC PROTECTION:			
Salaries and employee benefits	2,073,165	2,057,561	(15,604)
Services and supplies	691,690	609,559	(82,131)
Other charges	369,947	360,372	(9,575)
Fixed assets	18,557	17,839	(718)
Intrafund transfers	(71,865)	(59,902)	11,963
TOTAL PUBLIC PROTECTION	3,081,494	2,985,429	(96,065)
HEALTH AND SANITATION:			
Salaries and employee benefits	512,058	451,987	(60,071)
Services and supplies	1,130,138	1,080,589	(49,549)
Other charges	495,101	483,218	(11,883)
Fixed assets	14,801	10,638	(4,163)
Intrafund transfers	(106,978)	(91,630)	15,348
TOTAL HEALTH AND SANITATION	2,045,120	1,934,802	(110,318)
PUBLIC ASSISTANCE:			
Salaries and employee benefits	1,000,969	945,509	(55,460)
Services and supplies	1,108,301	765,691	(342,610)
Other charges	2,721,748	2,386,971	(334,777)
Fixed assets	5,161	3,478	(1,683)
Intrafund transfers	(99,645)	(70,678)	28,967
TOTAL PUBLIC ASSISTANCE	4,736,534	4,030,971	(705,563)
RECREATION AND CULTURAL SERVICES:			
Salaries and employee benefits	72,682	68,895	(3,787)
Services and supplies	77,014	71,244	(5,770)
Other charges	11,034	10,867	(167)
Fixed assets	2,100	2,051	(49)
Intrafund transfers	(463)	(1,275)	(812)
TOTAL RECREATION AND CULTURAL SERVICES	162,367	151,782	(10,585)
DEBT SERVICE-			
Interest	25,141	25,141	
TOTAL GENERAL FUND	$ 11,417,415	9,844,542 (1)	(1,572,873)

(1) Includes encumbrances of $284,501,000 outstanding at year-end.

COUNTY OF LOS ANGELES

SPECIAL REVENUE FUNDS

The Fire Protection District Fund was established to provide for fire prevention and suppression, rescue service, management of hazardous materials incidents, ocean lifeguard services, and acquisition and maintenance of district property and equipment. Revenues are derived principally from the Countywide tax levy.

The Other Public Protection Funds: Jail Store, Inmate Welfare, Narcotic Enforcement, Vehicle Theft Prevention, Countywide Warrant System, Sheriff's Processing Fees and Automation, Automated Fingerprint Identification System, District Attorney Asset Forfeiture and Small Claims Advisor Program were established to provide certain services and supplies to inmates, to supplement the cost of various law enforcement and prosecutorial investigation activities, and to finance vehicle replacement, equipment maintenance and automated systems. Revenues are derived from sale of minor supplies, fines related to controlled substance convictions, forfeiture of assets used in connection with transportation or possession of a controlled substance and court revenues.

The Road Fund was established to provide for the maintenance and construction of streets, roads, highways, and bridges. Revenue consists primarily of the County's share of State highway use taxes as supplemented by Federal funds, vehicle code fines and charges for services provided to cities.

The Other Streets, Highways, Roads and Bridges Funds: Article 3-Bikeway, Off-Street Parking, Proposition C Local Return, Special Road Districts, Construction Fee Districts, Transit Operations, Paratransit Operations, and Off Highway License Fee were established to provide for transportation and road related services or functions. Revenues are derived from local sales tax revenue, parking meter receipts, districts' share of the Countywide tax levy, State revenues and service charges to parking lots.

The Flood Control District Fund was established to provide for the control and conservation of flood, storm and other waste waters, to conserve such waters for beneficial and useful purposes, and to protect the harbors, waterways, public highways and property located within the District from damage from such flood and storm waters. Revenues are derived primarily from the Countywide tax levy and benefit assessments.

The Street Lighting Districts Funds were established to provide for the installation and maintenance of street lighting systems. Revenues are derived primarily from the Countywide tax levy and benefit assessments.

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

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

Continued...

COUNTY OF LOS ANGELES

SPECIAL REVENUE FUNDS

The Health & Sanitation Funds: Hospital Services, Physician Services, Statham Alcohol, Driving Under the Influence, AIDS Education, Air Quality Improvement, Hazardous Waste Enforcement, and Solid Waste Management Funds were established to offset the cost of emergency services for the indigent, County alcoholism programs and services, AIDS education, air quality improvements, hazardous waste enforcement and solid waste management. Revenues are from State tobacco taxes, patient collections, court fines, State-assessed vehicle fees, penalties assessed for hazardous waste violations, and sanitation services.

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

The Public Library Fund was established to provide free library services to the unincorporated areas of the County and to cities that contract for these services. Revenues are derived principally from the Countywide tax levy.

The Regional Park and Open Space District Fund was established to administer grant programs designed to preserve beaches, parks and wildlands, to acquire and renovate new and existing recreational facilities, and to restore rivers, streams, and trails in the County. Funding is derived from voter-approved assessments and long-term debt proceeds.

The Recreation Funds: Golf Course, Recreation and Development, and Ford Theater were established to provide for maintenance and improvements to County golf courses, public recreation areas, and Ford Theater. Fish and Game was set up for the preservation and propagation of fish and wildlife. Revenues are derived from a percentage of golf course green fees, vehicle entrance fees collected from the regional parks, and local fish and game fines.

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

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

Continued...

COUNTY OF LOS ANGELES

SPECIAL REVENUE FUNDS

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

The Public Financing Fund was established to account for long-term debt proceeds issued to finance the County-Wide Integrated Radio Communication System Project.

The Other Special Revenue Funds: Accumulative Capital Outlay ("ACO") was set up for the replacement of motor vehicles, printing and communications equipment, and helicopters. Productivity Investment was established to account for the start-up and incidental costs associated with productivity improvement projects. Civic Center Employee Parking was established to provide parking services and alternative means of transportation for County employees. Energy Management provides for the replacement of inefficient energy equipment in County facilities and other energy cost reduction measures. Cable TV Franchise was established to fund cable-related activities. Revenues are derived from a percentage of cable franchise fees. Operating transfers are also made from the General Fund to support operations.

COUNTY OF LOS ANGELES
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2001 (In Thousands)

		Total	Fire Protection	Other Public Protection	Streets, Highways, Roads and Bridges	
					Roads	Other
ASSETS						
Pooled cash and investments	$	1,180,681	12,275	110,389	77,007	79,404
Other investments		39,249				
Taxes receivable		65,481	39,095		1	303
Interest receivable		10,172	129	1,075	904	714
Other receivables		176,693	13,804		46,068	12,767
Due from other funds		102,089	39,330	2,495	15,158	1,592
Advances to other funds		17,705			8,849	374
Inventories		44,582	6,253			
TOTAL ASSETS	$	1,636,652	110,886	113,959	147,987	95,154
LIABILITIES						
Accounts payable	$	54,370	3,547	1,908	5,818	4,678
Accrued payroll		32,916	29,319			
Other payables		6,346				
Accrued vacation and sick leave		5,018	4,664			
Due to other funds		143,402	12,661	30,864	25,009	2,287
Deferred revenue		125,405	18,559		12,232	420
Workers' compensation liability		33,496	33,023			
Estimated liability for litigation and self-insurance claims		7,564	1,748		1,217	
TOTAL LIABILITIES		408,517	103,521	32,772	44,276	7,385
FUND BALANCE						
Reserved:						
Reserved for encumbrances		393,114	9,570	13,666	64,342	29,633
Reserved for inventories		44,582	6,253			
Reserved for housing program		69,835				
Other reserves		30,090	25	300	3,021	11,302
Unreserved:						
Designated for program expansion		25,133		4,281		172
Designated for capital projects		39,617				676
Designated for subsequent years' expenditures		57,506				
Undesignated		568,258	(8,483)	62,940	36,348	45,986
TOTAL FUND BALANCE		1,228,135	7,365	81,187	103,711	87,769
TOTAL LIABILITIES AND FUND BALANCE	$	1,636,652	110,886	113,959	147,987	95,154

	Flood Control District	Street Lighting Districts	Garbage Disposal Districts	Sewer Maintenance Districts	Health and Sanitation	
						ASSETS
$	122,016	38,719	21,084	11,197	69,152	Pooled cash and investments
	4,157					Other investments
	14,652	1,259	727	601	52	Taxes receivable
	1,177	353	195	110	534	Interest receivable
	12,401	152	961	858	4,324	Other receivables
	20,354	880	2,713	1,076	2,192	Due from other funds
	6,842	179		1,165	296	Advances to other funds
						Inventories
$	181,599	41,542	25,680	15,007	76,550	TOTAL ASSETS
						LIABILITIES
$	3,688	1,154	1,290	277	9,087	Accounts payable
						Accrued payroll
		57		260		Other payables
						Accrued vacation and sick leave
	18,729	468	2,273	2,435	9,709	Due to other funds
	16,132	579	895	627	409	Deferred revenue
						Workers' compensation liability
						Estimated liability for litigation and self-insurance claims
	3,001		1,475			
	41,550	2,258	5,933	3,599	19,205	TOTAL LIABILITIES
						FUND BALANCE
						Reserved:
	85,882	11	2	2,283	12,007	Reserved for encumbrances
						Reserved for inventories
						Reserved for housing program
	7,168		1,405	3,098		Other reserves
						Unreserved:
		8,242			9,326	Designated for program expansion
	31,387					Designated for capital projects
			14,244			Designated for subsequent years' expenditures
	15,612	31,031	4,096	6,027	36,012	Undesignated
	140,049	39,284	19,747	11,408	57,345	TOTAL FUND BALANCE
$	181,599	41,542	25,680	15,007	76,550	TOTAL LIABILITIES AND FUND BALANCE

Continued...

COUNTY OF LOS ANGELES
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET-Continued
JUNE 30, 2001 (In Thousands)

		Public Assistance	Public Library	Regional Park and Open Space District	Recreation
ASSETS					
Pooled cash and investments	$	8,084	16,554	294,235	2,999
Other investments					
Taxes receivable			5,199	3,592	
Interest receivable		4	167	3,151	7
Other receivables				4,587	3
Due from other funds		893	3,220	4,101	278
Advances to other funds					
Inventories					
TOTAL ASSETS	$	8,981	25,140	309,666	3,287
LIABILITIES					
Accounts payable	$	219	3,400	5,846	306
Accrued payroll			3,114		
Other payables		604		3,722	
Accrued vacation and sick leave			354		
Due to other funds		2,233	1,978	8,714	107
Deferred revenue			2,742	4,427	
Workers' compensation liability			473		
Estimated liability for litigation and self-insurance claims			123		
TOTAL LIABILITIES		3,056	12,184	22,709	413
FUND BALANCE					
Reserved:					
Reserved for encumbrances		406	2,851	161,636	232
Reserved for inventories					
Reserved for housing program					
Other reserves			15		27
Unreserved:					
Designated for program expansion		2,330	782		
Designated for capital projects			705		
Designated for subsequent years' expenditures					
Undesignated		3,189	8,603	125,321	2,615
TOTAL FUND BALANCE		5,925	12,956	286,957	2,874
TOTAL LIABILITIES AND FUND BALANCE	$	8,981	25,140	309,666	3,287

Community Development Commission	Courthouse Temporary Construction	Criminal Justice Temporary Construction	Public Financing	Other Special Revenue	
					ASSETS
$ 99,260	100,424	30,990		86,892	Pooled cash and investments
30,910			4,182		Other investments
					Taxes receivable
	917	268		467	Interest receivable
80,514			12	242	Other receivables
1,010	2,513	2,379		1,905	Due from other funds
					Advances to other funds
38,329					Inventories
$ 250,023	103,854	33,637	4,194	89,506	TOTAL ASSETS
					LIABILITIES
$ 12,517	52	35		548	Accounts payable
				483	Accrued payroll
1,703					Other payables
					Accrued vacation and sick leave
1,260	55	8,306		16,314	Due to other funds
68,383					Deferred revenue
					Workers' compensation liability
					Estimated liability for litigation and self-insurance claims
83,863	107	8,341		17,345	TOTAL LIABILITIES
					FUND BALANCE
					Reserved:
	1,732	1,022		7,839	Reserved for encumbrances
38,329					Reserved for inventories
69,835					Reserved for housing program
3,729					Other reserves
					Unreserved:
					Designated for program expansion
6,849					Designated for capital projects
43,262					Designated for subsequent years' expenditures
4,156	102,015	24,274	4,194	64,322	Undesignated
166,160	103,747	25,296	4,194	72,161	TOTAL FUND BALANCE
$ 250,023	103,854	33,637	4,194	89,506	TOTAL LIABILITIES AND FUND BALANCE

COUNTY OF LOS ANGELES
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

	Total	Fire Protection	Other Public Protection	Streets, Highways, Roads and Bridges	
				Roads	Other
REVENUES:					
Taxes	$ 525,773	368,694		3,013	28,511
Licenses, permits and franchises	14,066	7,725	40	2,160	
Fines, forfeitures and penalties	74,908	3,070	6,615	1	21
Revenue from use of money and property:					
Investment income	81,382	742	6,925	6,411	4,778
Rents and concessions	11,376	36	852	43	172
Royalties	262				
Intergovernmental revenues:					
Federal	99,763	666	1,460	28,630	2,623
State	193,262	12,737	11,674	126,921	1,862
Other	27,530	14,978		597	8,091
Charges for services	384,995	90,003	6,472	48,376	7,996
Miscellaneous	72,234	239	45,217	400	352
TOTAL REVENUES	1,485,551	498,890	79,255	216,552	54,406
EXPENDITURES:					
Current:					
General government	20,284				
Public protection	766,248	509,905	61,841		
Public ways and facilities	279,703			213,339	50,865
Health and sanitation	69,886				
Public assistance	95,558				
Education	71,998				
Recreation and cultural services	91,731				
Debt service:					
Principal	1,345				
Interest	556				
TOTAL EXPENDITURES	1,397,309	509,905	61,841	213,339	50,865
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	88,242	(11,015)	17,414	3,213	3,541
OTHER FINANCING SOURCES (USES):					
Sales of fixed assets	7,260	150	40	23	
Operating transfers from other funds	56,892		3,860		
Operating transfers to other funds	(149,301)	(20,084)	(22,325)		
OTHER FINANCING SOURCES (USES)-NET	(85,149)	(19,934)	(18,425)	23	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	3,093	(30,949)	(1,011)	3,236	3,541
FUND BALANCE AS RESTATED, JULY 1, 2000	1,227,013	38,314	82,198	101,613	84,228
RESIDUAL EQUITY TRANSFERS TO OTHER FUNDS	(1,971)			(1,138)	
FUND BALANCE, JUNE 30, 2001	$ 1,228,135	7,365	81,187	103,711	87,769

	Flood Control District	Street Lighting Districts	Garbage Disposal Districts	Sewer Maintenance Districts	Health and Sanitation
REVENUES:					
Taxes	$ 56,718	10,412	2,767		
Licenses, permits and franchises	598				
Fines, forfeitures and penalties	1,474	114	274	174	17,165
Revenue from use of money and property:					
Investment income	8,212	2,380	1,298	829	3,252
Rents and concessions	5,435				
Royalties	258				
Intergovernmental revenues:					
Federal	5,250	150		29	
State	2,198	153	38	101	30,074
Other	1,530	217			1,129
Charges for services	106,605	3,428	7,931	15,123	13,213
Miscellaneous	9,702			133	9
TOTAL REVENUES	197,980	16,854	12,308	16,389	64,842
EXPENDITURES:					
Current:					
General government	173,007				
Public protection		15,499			
Public ways and facilities			12,974	17,159	39,753
Health and sanitation					
Public assistance					
Education					
Recreation and cultural services					
Debt service:					
Principal					
Interest					
TOTAL EXPENDITURES	173,007	15,499	12,974	17,159	39,753
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	24,973	1,355	(666)	(770)	25,089
OTHER FINANCING SOURCES (USES):					
Sales of fixed assets	106				
Operating transfers from other funds					
Operating transfers to other funds	(18,311)				(8,240)
OTHER FINANCING SOURCES (USES)-NET	(18,205)				(8,240)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	6,768	1,355	(666)	(770)	16,849
FUND BALANCE AS RESTATED, JULY 1, 2000	134,039	37,929	20,413	12,253	40,496
RESIDUAL EQUITY TRANSFERS TO OTHER FUNDS	(758)			(75)	
FUND BALANCE, JUNE 30, 2001	$ 140,049	39,284	19,747	11,408	57,345

Continued...

COUNTY OF LOS ANGELES
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-Continued
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

	Public Assistance	Public Library	Regional Park and Open Space District	Recreation
REVENUES:				
Taxes	$	43,401		
Licenses, permits and franchises	1,708			
Fines, forfeitures and penalties	1,612	378	936	25
Revenue from use of money and property:				
Investment income	123	785	22,041	63
Rents and concessions		61		167
Royalties				
Intergovernmental revenues:				
Federal	9	24		
State		7,504		
Other		988		
Charges for services	3,242	4,712	76,816	16
Miscellaneous	3,141	437		4,305
TOTAL REVENUES	9,835	58,290	99,793	4,576
EXPENDITURES:				
Current:				
General government				
Public protection				
Public ways and facilities				
Health and sanitation				
Public assistance	8,522			
Education		71,998		
Recreation and cultural services			87,650	4,081
Debt service:				
Principal				
Interest				
TOTAL EXPENDITURES	8,522	71,998	87,650	4,081
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,313	(13,708)	12,143	495
OTHER FINANCING SOURCES (USES):				
Sales of fixed assets		15	50	
Operating transfers from other funds		14,791	550	
Operating transfers to other funds	(2,497)	(511)	(47,809)	
OTHER FINANCING SOURCES (USES)-NET	(2,497)	14,295	(47,209)	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(1,184)	587	(35,066)	495
FUND BALANCE AS RESTATED, JULY 1, 2000	7,109	12,369	322,023	2,379
RESIDUAL EQUITY TRANSFERS TO OTHER FUNDS				
FUND BALANCE, JUNE 30, 2001	$ 5,925	12,956	286,957	2,874

Community Development Commission	Courthouse Temporary Construction	Criminal Justice Temporary Construction	Public Financing	Other Special Revenue	
					REVENUES:
$ 12,257					Taxes
				1,835	Licenses, permits and franchises
	19,851	23,198			Fines, forfeitures and penalties
					Revenue from use of money and property:
12,020	6,449	1,724	211	3,139	Investment income
709	128			3,773	Rents and concessions
				4	Royalties
					Intergovernmental revenues:
60,922					Federal
					State
					Other
				1,062	Charges for services
7,930				369	Miscellaneous
93,838	26,428	24,922	211	10,182	TOTAL REVENUES
					EXPENDITURES:
					Current:
				20,284	General government
	9,295	12,036	164		Public protection
					Public ways and facilities
					Health and sanitation
87,036					Public assistance
					Education
					Recreation and cultural services
					Debt service:
1,345					Principal
556					Interest
88,937	9,295	12,036	164	20,284	TOTAL EXPENDITURES
4,901	17,133	12,886	47	(10,102)	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
					OTHER FINANCING SOURCES (USES):
				6,876	Sales of fixed assets
10,377			243	27,071	Operating transfers from other funds
(5,825)	(8,457)	(9,695)		(5,547)	Operating transfers to other funds
4,552	(8,457)	(9,695)	243	28,400	OTHER FINANCING SOURCES (USES)-NET
9,453	8,676	3,191	290	18,298	EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES
156,707	95,071	22,105	3,904	53,863	FUND BALANCE AS RESTATED, JULY 1, 2000
					RESIDUAL EQUITY TRANSFERS TO OTHER FUNDS
$ 166,160	103,747	25,296	4,194	72,161	FUND BALANCE, JUNE 30, 2001

COUNTY OF LOS ANGELES
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL ON BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

	TOTALS		
	BUDGET	ACTUAL ON BUDGETARY BASIS	OVER (UNDER)
REVENUES:			
Taxes	$ 513,949	513,344	(605)
Licenses, permits and franchises	13,276	14,066	790
Fines, forfeitures and penalties	75,474	74,908	(566)
Revenue from use of money and property:			
Investment income	43,745	64,203	20,458
Rents and concessions	9,078	10,667	1,589
Royalties	459	262	(197)
Intergovernmental revenues:			
Federal	64,988	38,841	(26,147)
State	162,944	193,262	30,318
Other	35,068	27,530	(7,538)
Charges for services	405,116	384,521	(20,595)
Miscellaneous	77,458	58,632	(18,826)
TOTAL REVENUES	1,401,555	1,380,236	(21,319)
EXPENDITURES:			
Current:			
General government	62,536	28,123	(34,413)
Public protection	1,113,330	904,844	(208,486)
Public ways and facilities	497,810	373,876	(123,934)
Health and sanitation	98,519	84,335	(14,184)
Public assistance	10,232	8,928	(1,304)
Education	82,657	75,041	(7,616)
Recreation and cultural services	515,985	253,599	(262,386)
TOTAL EXPENDITURES	2,381,069	1,728,746 (1)	(652,323)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(979,514)	(348,510)	631,004
OTHER FINANCING SOURCES (USES):			
Sales of fixed assets	665	7,260	6,595
Operating transfers from other funds	105,727	46,272	(59,455)
Operating transfers to other funds	(220,092)	(109,974)	110,118
Long-term debt proceeds	167,071		(167,071)
Encumbrances, beginning of year	439,016	439,016	
OTHER FINANCING SOURCES (USES) - NET	492,387	382,574	(109,813)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(487,127)	34,064	521,191
FUND BALANCE, JULY 1, 2000	673,947	673,947	
RESIDUAL EQUITY TRANSFERS TO OTHER FUNDS	(2,908)	(1,971)	937
FUND BALANCE, JUNE 30, 2001	$ 183,912	706,040	522,128

(1) Includes encumbrances of $393,114,000 outstanding at year-end.

Continued...

COUNTY OF LOS ANGELES
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL ON BUDGETARY BASIS-Continued
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

	FIRE PROTECTION		
	BUDGET	ACTUAL ON BUDGETARY BASIS	OVER (UNDER)
REVENUES:			
Taxes	$ 373,106	368,694	(4,412)
Licenses, permits and franchises	8,401	7,725	(676)
Fines, forfeitures and penalties	3,200	3,070	(130)
Revenue from use of money and property:			
Investment income	1,491	388	(1,103)
Rents and concessions	25	36	11
Intergovernmental revenues:			
Federal	2,925	666	(2,259)
State	13,445	12,737	(708)
Other	15,167	14,978	(189)
Charges for services	105,383	90,003	(15,380)
Miscellaneous	611	239	(372)
TOTAL REVENUES	523,754	498,536	(25,218)
EXPENDITURES:			
Current-Public protection:			
Salaries and employee benefits	448,192	435,836	(12,356)
Services and supplies	68,840	63,966	(4,874)
Other charges	6,575	6,433	(142)
Fixed assets	16,051	10,727	(5,324)
TOTAL EXPENDITURES	539,658	516,962 (1)	(22,696)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(15,904)	(18,426)	(2,522)
OTHER FINANCING SOURCES (USES):			
Sales of fixed assets	100	150	50
Operating transfers to other funds	(42,964)	(19,423)	23,541
Encumbrances, beginning of year	11,895	11,895	
OTHER FINANCING SOURCES (USES) - NET	(30,969)	(7,378)	23,591
DEFICIENCY OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(46,873)	(25,804)	21,069
FUND BALANCE, JULY 1, 2000	58,061	58,061	
FUND BALANCE, JUNE 30, 2001	$ 11,188	32,257	21,069

(1) Includes encumbrances of $9,570,000 outstanding at year-end.

Continued...

COUNTY OF LOS ANGELES
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL ON BUDGETARY BASIS-Continued
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

	OTHER PUBLIC PROTECTION		
	BUDGET	ACTUAL ON BUDGETARY BASIS	OVER (UNDER)
REVENUES:			
Licenses, permits and franchises	$ 30	40	10
Fines, forfeitures and penalties	9,687	6,615	(3,072)
Revenue from use of money and property:			
Investment income	3,472	6,352	2,880
Rents and concessions	1,742	852	(890)
Royalties	209		(209)
Intergovernmental revenues:			
Federal		1,460	1,460
State	6,400	11,674	5,274
Charges for services	6,638	6,472	(166)
Miscellaneous	41,662	45,217	3,555
TOTAL REVENUES	69,840	78,682	8,842
EXPENDITURES:			
Current-Public protection:			
Services and supplies	77,941	62,493	(15,448)
Other charges	3,987	3,591	(396)
Fixed assets	36,060	13,010	(23,050)
TOTAL EXPENDITURES	117,988	79,094 (1)	(38,894)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(48,148)	(412)	47,736
OTHER FINANCING SOURCES (USES):			
Sales of fixed assets	110	40	(70)
Operating transfers from other funds	3,860	3,860	
Operating transfers to other funds	(26,707)	(18,739)	7,968
Encumbrances, beginning of year	7,512	7,512	
OTHER FINANCING SOURCES (USES) - NET	(15,225)	(7,327)	7,898
DEFICIENCY OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(63,373)	(7,739)	55,634
FUND BALANCE, JULY 1, 2000	75,060	75,060	
FUND BALANCE, JUNE 30, 2001	$ 11,687	67,321	55,634

(1) Includes encumbrances of $13,666,000 outstanding at year-end.

Continued...

COUNTY OF LOS ANGELES
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL ON BUDGETARY BASIS-Continued
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

	ROAD		
	BUDGET	ACTUAL ON BUDGETARY BASIS	OVER (UNDER)
REVENUES:			
Taxes	$ 3,040	3,013	(27)
Licenses, permits and franchises	2,117	2,160	43
Fines, forfeitures and penalties	1	1	
Revenue from use of money and property:			
Investment income	4,000	6,087	2,087
Rents and concessions	130	43	(87)
Intergovernmental revenues:			
Federal	51,315	28,630	(22,685)
State	127,359	126,921	(438)
Other	100	597	497
Charges for services	15,725	48,376	32,651
Miscellaneous	354	400	46
TOTAL REVENUES	204,141	216,228	12,087
EXPENDITURES:			
Current-Public ways and facilities:			
Services and supplies	285,191	276,120	(9,071)
Other charges	9,445	1,612	(7,833)
Fixed assets	3,437	136	(3,301)
TOTAL EXPENDITURES	298,073	277,868 (1)	(20,205)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(93,932)	(61,640)	32,292
OTHER FINANCING SOURCES:			
Sales of fixed assets	55	23	(32)
Encumbrances, beginning of year	85,040	85,040	
OTHER FINANCING SOURCES	85,095	85,063	(32)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(8,837)	23,423	32,260
FUND BALANCE, JULY 1, 2000	17,298	17,298	
RESIDUAL EQUITY TRANSFERS TO OTHER FUNDS	(1,616)	(1,138)	478
FUND BALANCE, JUNE 30, 2001	$ 6,845	39,583	32,738

(1) Includes encumbrances of $64,342,000 outstanding at year-end.

Continued...

COUNTY OF LOS ANGELES
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL ON BUDGETARY BASIS-Continued
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

	OTHER STREETS, HIGHWAYS, ROADS, AND BRIDGES		
	BUDGET	ACTUAL ON BUDGETARY BASIS	OVER (UNDER)
REVENUES:			
Taxes	$ 24,841	28,488	3,647
Fines, forfeitures and penalties	34	21	(13)
Revenue from use of money and property:			
Investment income	2,428	4,387	1,959
Rents and concessions	103	172	69
Intergovernmental revenues:			
Federal	4,910	2,623	(2,287)
State	376	1,862	1,486
Other	16,392	8,091	(8,301)
Charges for services	43,191	7,996	(35,195)
Miscellaneous	3,240	352	(2,888)
TOTAL REVENUES	95,515	53,992	(41,523)
EXPENDITURES:			
Current-Public ways and facilities:			
Services and supplies	149,618	79,350	(70,268)
Other charges	2,285	10	(2,275)
Fixed assets	6,682	1,139	(5,543)
TOTAL EXPENDITURES	158,585	80,499 (1)	(78,086)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(63,070)	(26,507)	36,563
OTHER FINANCING SOURCES-			
Encumbrances, beginning of year	24,848	24,848	
DEFICIENCY OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(38,222)	(1,659)	36,563
FUND BALANCE, JULY 1, 2000	59,619	59,619	
FUND BALANCE, JUNE 30, 2001	$ 21,397	57,960	36,563

(1) Includes encumbrances of $29,633,000 outstanding at year-end.

Continued...

COUNTY OF LOS ANGELES
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL ON BUDGETARY BASIS-Continued
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

	FLOOD CONTROL DISTRICT		
	BUDGET	ACTUAL ON BUDGETARY BASIS	OVER (UNDER)
REVENUES:			
Taxes	$ 57,660	56,718	(942)
Licenses, permits and franchises	400	598	198
Fines, forfeitures and penalties	1,800	1,474	(326)
Revenue from use of money and property:			
Investment income	5,000	7,603	2,603
Rents and concessions	3,000	5,435	2,435
Royalties	250	258	8
Intergovernmental revenues:			
Federal	5,806	5,250	(556)
State	1,830	2,198	368
Other	1,119	1,530	411
Charges for services	112,493	106,604	(5,889)
Miscellaneous	360	2,272	1,912
TOTAL REVENUES	189,718	189,940	222
EXPENDITURES:			
Current-Public protection:			
Services and supplies	254,074	251,474	(2,600)
Other charges	20,980	19,608	(1,372)
Fixed assets	4,704	3,188	(1,516)
TOTAL EXPENDITURES	279,758	274,270 (1)	(5,488)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(90,040)	(84,330)	5,710
OTHER FINANCING SOURCES:			
Sales of fixed assets	400	106	(294)
Encumbrances, beginning of year	91,576	91,576	
OTHER FINANCING SOURCES	91,976	91,682	(294)
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	1,936	7,352	5,416
FUND BALANCE, JULY 1, 2000	50,353	50,353	
RESIDUAL EQUITY TRANSFERS TO OTHER FUNDS	(1,134)	(758)	376
FUND BALANCE, JUNE 30, 2001	$ 51,155	56,947	5,792

(1) Includes encumbrances of $85,882,000 outstanding at year-end.

Continued...

COUNTY OF LOS ANGELES
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL ON BUDGETARY BASIS-Continued
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

	STREET LIGHTING		
	BUDGET	ACTUAL ON BUDGETARY BASIS	OVER (UNDER)
REVENUES:			
Taxes	$ 9,362	10,274	912
Fines, forfeitures and penalties	212	114	(98)
Revenue from use of money and property- Investment income	1,614	2,183	569
Intergovernmental revenues:			
Federal		150	150
State	151	153	2
Other	347	217	(130)
Charges for services	3,316	3,428	112
TOTAL REVENUES	15,002	16,519	1,517
EXPENDITURES:			
Current-Public ways and facilities- Services and supplies	41,152	15,509 (1)	(25,643)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(26,150)	1,010	27,160
OTHER FINANCING SOURCES - Encumbrances, beginning of year	4	4	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(26,146)	1,014	27,160
FUND BALANCE, JULY 1, 2000	38,104	38,104	
FUND BALANCE, JUNE 30, 2001	$ 11,958	39,118	27,160

(1) Includes encumbrances of $11,000 outstanding at year-end.

Continued...

COUNTY OF LOS ANGELES
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL ON BUDGETARY BASIS-Continued
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

	GARBAGE DISPOSAL DISTRICTS		
	BUDGET	ACTUAL ON BUDGETARY BASIS	OVER (UNDER)
REVENUES:			
Taxes	$ 2,491	2,756	265
Fines, forfeitures and penalties	299	274	(25)
Revenue from use of money and property-			
Investment income	728	1,192	464
Intergovernmental revenues-			
State	38	38	
Charges for services	7,934	7,785	(149)
TOTAL REVENUES	11,490	12,045	555
EXPENDITURES:			
Current-Health and sanitation:			
Services and supplies	11,764	10,614	(1,150)
Other charges	2,700	2,363	(337)
TOTAL EXPENDITURES	14,464	12,977 (1)	(1,487)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(2,974)	(932)	2,042
OTHER FINANCING SOURCES -			
Encumbrances, beginning of year	508	508	
DEFICIENCY OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(2,466)	(424)	2,042
FUND BALANCE, JULY 1, 2000	19,745	19,745	
FUND BALANCE, JUNE 30, 2001	$ 17,279	19,321	2,042

(1) Includes encumbrances of $2,000 outstanding at year-end.

Continued...

COUNTY OF LOS ANGELES
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL ON BUDGETARY BASIS-Continued
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

	SEWER MAINTENANCE DISTRICTS		
	BUDGET	ACTUAL ON BUDGETARY BASIS	OVER (UNDER)
REVENUES:			
Fines, forfeitures and penalties	$ 227	174	(53)
Revenue from use of money and property-			
Investment income	737	769	32
Intergovernmental revenues:			
Federal	32	29	(3)
State		101	101
Charges for services	15,175	15,137	(38)
Miscellaneous	35	1,891	1,856
TOTAL REVENUES	16,206	18,101	1,895
EXPENDITURES:			
Current-Health and sanitation:			
Services and supplies	25,575	19,395	(6,180)
Other charges	333	195	(138)
Fixed assets	2,111	9	(2,102)
TOTAL EXPENDITURES	28,019	19,599 (1)	(8,420)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(11,813)	(1,498)	10,315
OTHER FINANCING SOURCES:			
Long term debt proceeds	2,356		(2,356)
Encumbrances, beginning of year	1,578	1,578	
OTHER FINANCING SOURCES	3,934	1,578	(2,356)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(7,879)	80	7,959
FUND BALANCE, JULY 1, 2000	11,220	11,220	
RESIDUAL EQUITY TRANSFERS TO OTHER FUNDS	(123)	(75)	48
FUND BALANCE, JUNE 30, 2001	$ 3,218	11,225	8,007

(1) Includes encumbrances of $2,283,000 outstanding at year-end.

Continued...

COUNTY OF LOS ANGELES
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL ON BUDGETARY BASIS-Continued
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

	HEALTH AND SANITATION		
	BUDGET	ACTUAL ON BUDGETARY BASIS	OVER (UNDER)
REVENUES:			
Fines, forfeitures and penalties	$ 13,541	17,165	3,624
Revenue from use of money and property-			
Investment income	2,507	2,950	443
Intergovernmental revenues:			
State	5,967	30,074	24,107
Other	1,130	1,129	(1)
Charges for services	12,334	13,213	879
Miscellaneous		9	9
TOTAL REVENUES	35,479	64,540	29,061
EXPENDITURES:			
Current-Health and sanitation:			
Services and supplies	54,959	51,466	(3,493)
Fixed assets	1,077	293	(784)
TOTAL EXPENDITURES	56,036	51,759 (1)	(4,277)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(20,557)	12,781	33,338
OTHER FINANCING SOURCES (USES):			
Operating transfers to other funds	(10,306)	(8,240)	2,066
Encumbrances, beginning of year	14,184	14,184	
OTHER FINANCING SOURCES (USES) - NET	3,878	5,944	2,066
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(16,679)	18,725	35,404
FUND BALANCE, JULY 1, 2000	26,462	26,462	
RESIDUAL EQUITY TRANSFERS TO OTHER FUNDS	(35)		35
FUND BALANCE, JUNE 30, 2001	$ 9,748	45,187	35,439

(1) Includes encumbrances of $12,007,000 outstanding at year-end.

Continued...

COUNTY OF LOS ANGELES
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL ON BUDGETARY BASIS-Continued
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

	PUBLIC ASSISTANCE		
	BUDGET	ACTUAL ON BUDGETARY BASIS	OVER (UNDER)
REVENUES:			
Licenses, permits and franchises	$ 1,329	1,708	379
Fines, forfeitures and penalties	1,570	1,612	42
Revenue from use of money and property-			
Investment income	67	78	11
Intergovernmental revenues:			
Federal		9	9
Charges for services	3,293	3,242	(51)
Miscellaneous	2,690	3,141	451
TOTAL REVENUES	8,949	9,790	841
EXPENDITURES:			
Current-Public assistance-			
Services and supplies	10,232	8,928 (1)	(1,304)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,283)	862	2,145
OTHER FINANCING SOURCES (USES):			
Operating transfers to other funds	(2,543)	(2,497)	46
Encumbrances, beginning of year	469	469	
OTHER FINANCING SOURCES (USES) - NET	(2,074)	(2,028)	46
DEFICIENCY OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(3,357)	(1,166)	2,191
FUND BALANCE, JULY 1, 2000	6,670	6,670	
FUND BALANCE, JUNE 30, 2001	$ 3,313	5,504	2,191

(1) Includes encumbrances of $406,000 outstanding at year-end.

Continued...

COUNTY OF LOS ANGELES
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL ON BUDGETARY BASIS-Continued
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

	PUBLIC LIBRARY		
	BUDGET	ACTUAL ON BUDGETARY BASIS	OVER (UNDER)
REVENUES:			
Taxes	$ 43,449	43,401	(48)
Fines, forfeitures and penalties		378	378
Revenue from use of money and property:			
Investment income	418	673	255
Rents and concessions	83	61	(22)
Intergovernmental revenues:			
Federal		24	24
State	7,378	7,504	126
Other	813	988	175
Charges for services	3,993	4,712	719
Miscellaneous	882	437	(445)
TOTAL REVENUES	57,016	58,178	1,162
EXPENDITURES:			
Current-Education:			
Salaries and employee benefits	44,631	44,234	(397)
Services and supplies	34,633	27,856	(6,777)
Other charges	1,001	1,001	
Fixed assets	2,392	1,950	(442)
TOTAL EXPENDITURES	82,657	75,041 (1)	(7,616)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(25,641)	(16,863)	8,778
OTHER FINANCING SOURCES:			
Sales of fixed assets		15	15
Operating transfers from other funds	14,791	14,791	
Encumbrances, beginning of year	3,584	3,584	
OTHER FINANCING SOURCES	18,375	18,390	15
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(7,266)	1,527	8,793
FUND BALANCE, JULY 1, 2000	9,857	9,857	
FUND BALANCE, JUNE 30, 2001	$ 2,591	11,384	8,793

(1) Includes encumbrances of $2,851,000 outstanding at year-end.

Continued...

COUNTY OF LOS ANGELES
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL ON BUDGETARY BASIS-Continued
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

	REGIONAL PARK AND OPEN SPACE DISTRICT		
	BUDGET	ACTUAL ON BUDGETARY BASIS	OVER (UNDER)
REVENUES:			
Fines, forfeitures and penalties	$ 724	936	212
Revenue from use of money and property- Investment income	14,806	21,179	6,373
Charges for services	75,592	76,475	883
TOTAL REVENUES	91,122	98,590	7,468
EXPENDITURES:			
Current-Recreation and cultural services:			
Services and supplies	20,414	3,480	(16,934)
Other charges	486,004	244,015	(241,989)
Fixed assets	1,938	1,792	(146)
TOTAL EXPENDITURES	508,356	249,287 (1)	(259,069)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(417,234)	(150,697)	266,537
OTHER FINANCING SOURCES (USES):			
Sales of fixed assets		50	50
Operating transfers from other funds	47,708	550	(47,158)
Operating transfers to other funds	(95,023)	(47,809)	47,214
Long-term debt proceeds	164,715		(164,715)
Encumbrances, beginning of year	185,929	185,929	
OTHER FINANCING SOURCES (USES) - NET	303,329	138,720	(164,609)
DEFICIENCY OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(113,905)	(11,977)	101,928
FUND BALANCE, JULY 1, 2000	139,357	139,357	
FUND BALANCE, JUNE 30, 2001	$ 25,452	127,380	101,928

(1) Includes encumbrances of $161,636,000 outstanding at year-end.

Continued...

COUNTY OF LOS ANGELES
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL ON BUDGETARY BASIS-Continued
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

	RECREATION		
	BUDGET	ACTUAL ON BUDGETARY BASIS	OVER (UNDER)
REVENUES:			
Fines, forfeitures and penalties	$ 19	25	6
Revenue from use of money and property:			
Investment income	2	50	48
Rents and concessions	100	167	67
Charges for services		16	16
Miscellaneous	5,329	4,305	(1,024)
TOTAL REVENUES	5,450	4,563	(887)
EXPENDITURES:			
Current-Recreation and cultural services:			
Services and supplies	7,061	3,955	(3,106)
Other Charges	350	249	(101)
Fixed assets	218	108	(110)
TOTAL EXPENDITURES	7,629	4,312 (1)	(3,317)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,179)	251	2,430
OTHER FINANCING SOURCES-			
Encumbrances, beginning of year	381	381	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(1,798)	632	2,430
FUND BALANCE, JULY 1, 2000	2,005	2,005	
FUND BALANCE, JUNE 30, 2001	$ 207	2,637	2,430

(1) Includes encumbrances of $232,000 outstanding at year-end.

Continued...

COUNTY OF LOS ANGELES
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL ON BUDGETARY BASIS-Continued
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

	COURTHOUSE TEMPORARY CONSTRUCTION		
	BUDGET	ACTUAL ON BUDGETARY BASIS	OVER (UNDER)
REVENUES:			
Fines, forfeitures and penalties	$ 20,660	19,851	(809)
Revenue from use of money and property:			
Investment income	4,500	5,934	1,434
Rents and concessions	150	128	(22)
Miscellaneous	22,000		(22,000)
TOTAL REVENUES	47,310	25,913	(21,397)
EXPENDITURES:			
Current-Public protection:			
Services and supplies	93,077	454	(92,623)
Other charges	21,215	16,077	(5,138)
Fixed assets	23,700	2,953	(20,747)
TOTAL EXPENDITURES	137,992	19,484 (1)	(118,508)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(90,682)	6,429	97,111
OTHER FINANCING SOURCES-			
Encumbrances, beginning of year	6,421	6,421	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(84,261)	12,850	97,111
FUND BALANCE, JULY 1, 2000	88,983	88,983	
FUND BALANCE, JUNE 30, 2001	$ 4,722	101,833	97,111

(1) Includes encumbrances of $1,732,000 outstanding at year-end.

Continued...

COUNTY OF LOS ANGELES
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL ON BUDGETARY BASIS-Continued
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

	CRIMINAL JUSTICE TEMPORARY CONSTRUCTION		
	BUDGET	ACTUAL ON BUDGETARY BASIS	OVER (UNDER)
REVENUES:			
Fines, forfeitures and penalties	$ 23,500	23,198	(302)
Revenue from use of money and property- Investment income	750	1,585	835
TOTAL REVENUES	24,250	24,783	533
EXPENDITURES:			
Current-Public protection:			
Services and supplies	27,391	11,183	(16,208)
Other charges	8,127	3,463	(4,664)
Fixed assets	2,416	388	(2,028)
TOTAL EXPENDITURES	37,934	15,034 (1)	(22,900)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(13,684)	9,749	23,433
OTHER FINANCING SOURCES (USES):			
Operating transfers to other funds	(7,967)	(7,719)	248
Encumbrances, beginning of year	70	70	
OTHER FINANCING SOURCES (USES) - NET	(7,897)	(7,649)	248
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(21,581)	2,100	23,681
FUND BALANCE, JULY 1, 2000	22,119	22,119	
FUND BALANCE, JUNE 30, 2001	$ 538	24,219	23,681

(1) Includes encumbrances of $1,022,000 outstanding at year-end.

Continued...

COUNTY OF LOS ANGELES
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL ON BUDGETARY BASIS-Continued
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

	OTHER SPECIAL REVENUE		
	BUDGET	ACTUAL ON BUDGETARY BASIS	OVER (UNDER)
REVENUES:			
Licenses, permits and franchises	$ 999	1,835	836
Revenue from use of money and property:			
Investment income	1,225	2,793	1,568
Rents and concessions	3,745	3,773	28
Royalties		4	4
Charges for services	49	1,062	1,013
Miscellaneous	295	369	74
TOTAL REVENUES	6,313	9,836	3,523
EXPENDITURES:			
Current-General government:			
Salaries and employee benefits	5,694	5,693	(1)
Services and supplies	34,476	14,955	(19,521)
Other charges	3,066	2,859	(207)
Fixed assets	19,300	4,616	(14,684)
TOTAL EXPENDITURES	62,536	28,123 (1)	(34,413)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(56,223)	(18,287)	37,936
OTHER FINANCING SOURCES (USES):			
Sales of fixed assets		6,876	6,876
Operating transfers from other funds	39,368	27,071	(12,297)
Operating transfers to other funds	(34,582)	(5,547)	29,035
Encumbrances, beginning of year	5,017	5,017	
OTHER FINANCING SOURCES (USES) - NET	9,803	33,417	23,614
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(46,420)	15,130	61,550
FUND BALANCE, JULY 1, 2000	49,034	49,034	
FUND BALANCE, JUNE 30, 2001	$ 2,614	64,164	61,550

(1) Includes encumbrances of $7,839,000 outstanding at year-end.

COUNTY OF LOS ANGELES

DEBT SERVICE FUNDS

The Detention Facilities and Flood Control District Debt Service Funds receive their funds from a voted indebtedness tax levy. The Flood Control District additionally receives operating transfers from the Flood Control District Special Revenue Fund. The Regional Park and Open Space District received long-term debt proceeds and also receives voter-approved benefit assessments. The Marina del Rey Fund receives rental revenues from the Marina del Rey Project area. Joint Powers Authorities, Public Buildings and Public Financing receive their funds primarily from the General Fund in the form of operating transfers.

Joint Powers Authorities

Cerritos Regional County Park
Public Works Financing Authority

Public Buildings

Antelope Valley Courthouse Project - Series 2000A
Disney Parking Project
1998 Disney Parking Refunding Project
Edmund D. Edelman Children's Court Project
Los Angeles County Museum of Art Project
Los Angeles County Public Properties Project
Multiple Capital Facilities Project IV
Multiple Capital Facilities Project V - Series A
Multiple Capital Facilities Project V - Series B
Multiple Capital Facilities Project VI - Series A
1992 Master Refunding Project
1996 Master Refunding Project
1997 Master Refunding Project

Public Financing

County-Wide Integrated Radio Communication System Project

COUNTY OF LOS ANGELES
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2001 (In Thousands)

		Total	Detention Facilities	Flood Control District	Regional Park and Open Space District
ASSETS					
Pooled cash and investments	$	96,724	4,164	4,984	75,136
Other investments		629,879			
Taxes receivable		1,962	786	1,176	
Interest receivable		2,029	66	48	277
Other receivables		10,942			
Due from other funds		2,395	207	238	183
TOTAL ASSETS	$	743,931	5,223	6,446	75,596
LIABILITIES					
Other payables	$	3,169			
Due to other funds		11,708			
Deferred revenue		13,425	358	512	
TOTAL LIABILITIES		28,302	358	512	
FUND BALANCE - Reserved for debt service		715,629	4,865	5,934	75,596
TOTAL LIABILITIES AND FUND BALANCE	$	743,931	5,223	6,446	75,596

	Marina Del Rey	Joint Powers Authorities	Public Buildings	Public Financing	
					ASSETS
$	12,438	2			Pooled cash and investments
	25,393	438,020	163,713	2,753	Other investments
					Taxes receivable
	70		1,560	8	Interest receivable
	10,942				Other receivables
	1,767				Due from other funds
$	50,610	438,022	165,273	2,761	TOTAL ASSETS
					LIABILITIES
$	932		2,237		Other payables
	11,708				Due to other funds
	12,555				Deferred revenue
	25,195		2,237		TOTAL LIABILITIES
	25,415	438,022	163,036	2,761	FUND BALANCE - Reserved for debt service
$	50,610	438,022	165,273	2,761	TOTAL LIABILITIES AND FUND BALANCE

COUNTY OF LOS ANGELES
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

		Total	Detention Facilities	Flood Control District	Regional Park and Open Space District
REVENUES:					
Taxes	$	17,744	8,948	8,796	
Licenses, permits and franchises		19			
Fines, forfeitures and penalties		132	59	73	
Revenue from use of money and property:					
Investment income		38,872	381	312	1,561
Rents and concessions		30,962			
Intergovernmental revenues:					
State		104	104		
Other		14		14	
Charges for services		845			
Miscellaneous		8			
TOTAL REVENUES		88,700	9,492	9,195	1,561
EXPENDITURES - Debt service:					
Principal		161,698	5,490	17,185	24,500
Interest		134,533	3,738	10,136	23,566
TOTAL EXPENDITURES		296,231	9,228	27,321	48,066
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		(207,531)	264	(18,126)	(46,505)
OTHER FINANCING SOURCES (USES):					
Operating transfers from other funds		194,320		18,419	47,809
Operating transfers to other funds		(12,329)			(550)
Long-term debt proceeds		27,604			
OTHER FINANCING SOURCES (USES) - NET		209,595		18,419	47,259
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES		2,064	264	293	754
FUND BALANCE, JULY 1, 2000		713,565	4,601	5,641	74,842
FUND BALANCE, JUNE 30, 2001	$	715,629	4,865	5,934	75,596

	Marina Del Rey	Joint Powers Authorities	Public Buildings	Public Financing
REVENUES:				
Taxes	$			
Licenses, permits and franchises	19			
Fines, forfeitures and penalties				
Revenue from use of money and property:				
Investment income	2,062	23,569	10,769	218
Rents and concessions	29,589		1,373	
Intergovernmental revenues:				
State				
Other				
Charges for services	845			
Miscellaneous	8			
TOTAL REVENUES	32,523	23,569	12,142	218
EXPENDITURES - Debt service:				
Principal	12,190	25,050	73,883	3,400
Interest	8,462	23,591	64,703	337
TOTAL EXPENDITURES	20,652	48,641	138,586	3,737
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	11,871	(25,072)	(126,444)	(3,519)
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds		573	123,782	3,737
Operating transfers to other funds	(11,536)			(243)
Long-term debt proceeds			27,604	
OTHER FINANCING SOURCES (USES) - NET	(11,536)	573	151,386	3,494
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	335	(24,499)	24,942	(25)
FUND BALANCE, JULY 1, 2000	25,080	462,521	138,094	2,786
FUND BALANCE, JUNE 30, 2001	$ 25,415	438,022	163,036	2,761

COUNTY OF LOS ANGELES
DEBT SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL ON BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

	TOTALS		
	BUDGET	ACTUAL ON BUDGETARY BASIS	OVER (UNDER)
REVENUES:			
Taxes	$ 14,537	17,742	3,205
Licenses, permits and franchises	10	19	9
Fines, forfeitures and penalties	125	131	6
Revenue from use of money and property:			
Investment income	3,125	4,049	924
Rents and concessions	29,552	29,589	37
Intergovernmental revenues:			
State	103	105	2
Other		14	14
Charges for services	947	846	(101)
Miscellaneous	10	8	(2)
TOTAL REVENUES	48,409	52,503	4,094
EXPENDITURES:			
Debt service:			
Principal	49,701	49,701	
Interest	74,618	37,148	(37,470)
TOTAL EXPENDITURES	124,319	86,849	(37,470)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(75,910)	(34,346)	41,564
OTHER FINANCING SOURCES (USES):			
Operating transfers from other funds	47,865	47,809	(56)
Operating transfers to other funds	(12,086)	(12,086)	
OTHER FINANCING SOURCES (USES) - NET	35,779	35,723	(56)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(40,131)	1,377	41,508
FUND BALANCE, JULY 1, 2000	109,827	109,827	
FUND BALANCE, JUNE 30, 2001	$ 69,696	111,204	41,508

Continued...

COUNTY OF LOS ANGELES
DEBT SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL ON BUDGETARY BASIS-Continued
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

	DETENTION FACILITIES		
	BUDGET	ACTUAL ON BUDGETARY BASIS	OVER (UNDER)
REVENUES:			
Taxes	$ 6,773	9,006	2,233
Fines, forfeitures and penalties		58	58
Revenue from use of money and property-			
Investment income	300	361	61
Intergovernmental revenues-			
State	103	105	2
TOTAL REVENUES	7,176	9,530	2,354
EXPENDITURES:			
Debt service:			
Principal	5,490	5,490	
Interest	3,740	3,738	(2)
TOTAL EXPENDITURES	9,230	9,228	(2)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,054)	302	2,356
FUND BALANCE, JULY 1, 2000	4,529	4,529	
FUND BALANCE, JUNE 30, 2001	$ 2,475	4,831	2,356

Continued...

COUNTY OF LOS ANGELES
DEBT SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL ON BUDGETARY BASIS-Continued
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

	FLOOD CONTROL DISTRICT		
	BUDGET	ACTUAL ON BUDGETARY BASIS	OVER (UNDER)
REVENUES:			
Taxes	$ 7,764	8,736	972
Fines, forfeitures and penalties	125	73	(52)
Revenue from use of money and property-			
Investment income	278	287	9
Intergovernmental revenues-			
Other		14	14
TOTAL REVENUES	8,167	9,110	943
EXPENDITURES:			
Debt service:			
Principal	7,520	7,520	
Interest	1,383	1,382	(1)
TOTAL EXPENDITURES	8,903	8,902	(1)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(736)	208	944
FUND BALANCE, JULY 1, 2000	5,312	5,312	
FUND BALANCE, JUNE 30, 2001	$ 4,576	5,520	944

Continued...

COUNTY OF LOS ANGELES
DEBT SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL ON BUDGETARY BASIS-Continued
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

	REGIONAL PARK AND OPEN SPACE DISTRICT		
	BUDGET	ACTUAL ON BUDGETARY BASIS	OVER (UNDER)
REVENUES:			
Revenue from use of money and property-			
Investment income	$ 611	1,409	798
EXPENDITURES:			
Debt service:			
Principal	24,500	24,500	
Interest	60,767	23,565	(37,202)
TOTAL EXPENDITURES	85,267	48,065	(37,202)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(84,656)	(46,656)	38,000
OTHER FINANCING SOURCES (USES):			
Operating transfers from other funds	47,865	47,809	(56)
Operating transfers to other funds	(550)	(550)	
OTHER FINANCING SOURCES (USES) - NET	47,315	47,259	(56)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(37,341)	603	37,944
FUND BALANCE, JULY 1, 2000	74,858	74,858	
FUND BALANCE, JUNE 30, 2001	$ 37,517	75,461	37,944

Continued...

COUNTY OF LOS ANGELES
DEBT SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL ON BUDGETARY BASIS-Continued
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

	MARINA DEL REY		
	BUDGET	ACTUAL ON BUDGETARY BASIS	OVER (UNDER)
REVENUES:			
Licenses, permits, and franchises	$ 10	19	9
Revenue from use of money and property:			
Investment income	1,936	1,992	56
Rents and concessions	29,552	29,589	37
Charges for services	947	846	(101)
Miscellaneous	10	8	(2)
TOTAL REVENUES	32,455	32,454	(1)
EXPENDITURES:			
Debt service:			
Principal	12,191	12,191	
Interest	8,728	8,463	(265)
TOTAL EXPENDITURES	20,919	20,654	(265)
EXCESS OF REVENUES OVER EXPENDITURES	11,536	11,800	264
OTHER FINANCING USES-			
Operating transfers to other funds	(11,536)	(11,536)	
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USES		264	264
FUND BALANCE, JULY 1, 2000	25,128	25,128	
FUND BALANCE, JUNE 30, 2001	$ 25,128	25,392	264

COUNTY OF LOS ANGELES

CAPITAL PROJECTS FUNDS

The Capital Projects Funds were established to account for financial resources for the acquisition or construction of major capital facilities. Accumulative Capital Outlay Funds have been established in accordance with Government Code Section 53730 for specific capital projects. Flood Control District projects are financed by general obligation bonds and certificates of participation. Improvement Districts are financed by contributions from property owners. Public Buildings projects are financed by bonds and operating transfers.

COUNTY OF LOS ANGELES
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2001 (In Thousands)

		Total	Accumulative Capital Outlay	Flood Control District	Improvement Districts	Public Buildings
ASSETS						
Pooled cash and investments	$	62,551	46,510	100	15,941	
Other investments		155,668	135	184		155,349
Interest receivable		1,460	415		6	1,039
Other receivables		607	607			
Due from other funds		4,085	4,074		11	
TOTAL ASSETS	$	224,371	51,741	284	15,958	156,388
LIABILITIES						
Accounts payable	$	2,430	409			2,021
Due to other funds		2,826	2,719		107	
TOTAL LIABILITIES		5,256	3,128		107	2,021
FUND BALANCE						
Reserved:						
Reserved for encumbrances		90,279	5,295			84,984
Other reserves		138	138			
Unreserved-Undesignated		128,698	43,180	284	15,851	69,383
TOTAL FUND BALANCE		219,115	48,613	284	15,851	154,367
TOTAL LIABILITIES AND FUND BALANCE	$	224,371	51,741	284	15,958	156,388

COUNTY OF LOS ANGELES
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

	Total	Accumulative Capital Outlay	Flood Control District	Improvement Districts	Public Buildings
REVENUES:					
Revenue from use of money and property - Investment income	$ 11,390	2,798	104	260	8,228
Intergovernmental revenues - State	832	832			
Charges for services	2,352	2,352			
Proceeds from property owners	22,521			22,521	
Miscellaneous	2,004	2,004			
TOTAL REVENUES	39,099	7,986	104	22,781	8,228
EXPENDITURES - Capital outlay	67,049	8,817		13,490	44,742
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(27,950)	(831)	104	9,291	(36,514)
OTHER FINANCING SOURCES (USES):					
Sales of fixed assets	14	14			
Operating transfers from other funds	19,578	19,578			
Operating transfers to other funds	(4,273)		(108)		(4,165)
Long-term debt proceeds	87,786				87,786
OTHER FINANCING SOURCES (USES) - NET	103,105	19,592	(108)		83,621
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	75,155	18,761	(4)	9,291	47,107
FUND BALANCE, JULY 1, 2000	143,960	29,852	288	6,560	107,260
FUND BALANCE, JUNE 30, 2001	$ 219,115	48,613	284	15,851	154,367

COUNTY OF LOS ANGELES

ENTERPRISE FUNDS

The six Hospital Enterprise Funds were established to provide health services to County residents. Revenues are principally patient service fees. Subsidies are also received from the General Fund.

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

The Waterworks Enterprise Funds were established to provide for the administration, maintenance and operation and improvement of district water systems. Revenues are derived primarily from the sale of water and water service standby charges.

The Community Development Commission Enterprise Fund was established to provide for the operation, maintenance and management of certain housing developments. Revenues are derived primarily from tenant rentals and Federal grants.

COUNTY OF LOS ANGELES
ENTERPRISE FUNDS-TOTALS
COMBINING BALANCE SHEET
JUNE 30, 2001 (In Thousands)

	TOTALS		
	TOTAL	HOSPITALS	OTHER
ASSETS			
Pooled cash and investments	$ 34,666	2,792	31,874
Other investments	29,296		29,296
Taxes receivable	1,145		1,145
Accounts receivable-net	368,819	368,819	
Interest receivable	374	96	278
Other receivables	41,497	27,076	14,421
Due from other funds	460,560	455,865	4,695
Advances to other funds	747		747
Inventories	32,447	29,611	2,836
Restricted assets	59,085	59,085	
Net pension obligation	227,613	227,613	
Fixed assets-net	758,464	548,812	209,652
TOTAL ASSETS	$ 2,014,713	1,719,769	294,944
LIABILITIES			
Accounts payable	$ 53,866	44,957	8,909
Accrued payroll	80,703	80,703	
Other payables	14,204	3	14,201
Accrued vacation and sick leave	102,861	102,861	
Due to other funds	157,365	149,725	7,640
Advances from other funds	78,626	78,626	
Deferred revenue	15,393	15,090	303
Bonds and notes payable	456,674	447,439	9,235
Pension bonds payable	578,586	578,586	
Capital lease obligations	2,137	2,137	
Workers' compensation liability	290,268	290,268	
Estimated liability for litigation and self-insurance claims	222,961	222,961	
Estimated liability to third party payors	334,964	334,964	
TOTAL LIABILITIES	2,388,608	2,348,320	40,288
FUND EQUITY (DEFICIT)			
Contributed capital	124,616	123,758	858
Retained earnings (Accumulated deficit)	(498,511)	(752,309)	253,798
TOTAL FUND EQUITY (DEFICIT)	(373,895)	(628,551)	254,656
TOTAL LIABILITIES AND FUND EQUITY (DEFICIT)	$ 2,014,713	1,719,769	294,944

Continued...

COUNTY OF LOS ANGELES
ENTERPRISE FUNDS
COMBINING BALANCE SHEET-Continued
JUNE 30, 2001 (In Thousands)

			HOSPITALS	
		Total	Harbor UCLA Medical Center	Olive View UCLA Medical Center
ASSETS				
Pooled cash and investments	$	2,792	404	171
Accounts receivable-net		368,819	64,170	50,397
Interest receivable		96	42	21
Other receivables		27,076	3,920	4,548
Due from other funds		455,865	89,745	51,552
Inventories		29,611	2,806	2,787
Restricted assets		59,085	9,301	6,312
Net pension obligation		227,613	35,816	23,782
Fixed assets-net		548,812	39,776	71,834
TOTAL ASSETS	$	1,719,769	245,980	211,404
LIABILITIES				
Accounts payable	$	44,957	8,979	4,212
Accrued payroll		80,703	14,418	9,660
Other payables		3		
Accrued vacation and sick leave		102,861	20,114	10,674
Due to other funds		149,725	12,973	30,673
Advances from other funds		78,626	17,566	3,079
Deferred revenue		15,090	2,178	1,446
Bonds and notes payable		447,439	40,426	64,684
Pension bonds payable		578,586	91,044	60,454
Capital lease obligations		2,137	747	
Workers' compensation liability		290,268	36,815	22,640
Estimated liability for litigation and self-insurance claims		222,961	30,635	13,117
Estimated liability to third party payors		334,964	87,799	84,075
TOTAL LIABILITIES		2,348,320	363,694	304,714
FUND EQUITY (DEFICIT)				
Contributed capital		123,758	8,139	48,986
Accumulated deficit		(752,309)	(125,853)	(142,296)
TOTAL FUND DEFICIT		(628,551)	(117,714)	(93,310)
TOTAL LIABILITIES AND FUND EQUITY (DEFICIT)	$	1,719,769	245,980	211,404

	LAC+USC Medical Center	M. L. King/Drew Medical Center	High Desert Hospital	Rancho Los Amigos Medical Center	
					ASSETS
$	1,050	476	424	267	Pooled cash and investments
	137,693	61,135	14,991	40,433	Accounts receivable-net
	15	13	2	3	Interest receivable
	11,892	3,488	1,012	2,216	Other receivables
	181,369	88,715	15,173	29,311	Due from other funds
	14,798	6,904	820	1,496	Inventories
	16,053	11,531	423	15,465	Restricted assets
	94,041	39,912	8,282	25,780	Net pension obligation
	183,182	116,123	16,175	121,722	Fixed assets-net
$	640,093	328,297	57,302	236,693	TOTAL ASSETS
					LIABILITIES
$	21,005	6,300	1,288	3,173	Accounts payable
	31,795	15,816	2,614	6,400	Accrued payroll
	3				Other payables
	37,880	21,557	3,300	9,336	Accrued vacation and sick leave
	56,508	19,401	16,546	13,624	Due to other funds
	10,052	39,939	837	7,153	Advances from other funds
	6,969	2,427	503	1,567	Deferred revenue
	131,617	92,352	7,013	111,347	Bonds and notes payable
	239,050	101,454	21,052	65,532	Pension bonds payable
	178	61	181	970	Capital lease obligations
	136,261	49,505	10,638	34,409	Workers' compensation liability
	109,599	53,908	4,620	11,082	Estimated liability for litigation and self-insurance claims
	87,706	41,384	7,804	26,196	Estimated liability to third party payors
	868,623	444,104	76,396	290,789	TOTAL LIABILITIES
					FUND EQUITY (DEFICIT)
	34,395	13,402	6,147	12,689	Contributed capital
	(262,925)	(129,209)	(25,241)	(66,785)	Accumulated deficit
	(228,530)	(115,807)	(19,094)	(54,096)	TOTAL FUND DEFICIT
$	640,093	328,297	57,302	236,693	TOTAL LIABILITIES AND FUND EQUITY (DEFICIT)

Continued...

COUNTY OF LOS ANGELES
ENTERPRISE FUNDS
COMBINING BALANCE SHEET-Continued
JUNE 30, 2001 (In Thousands)

		OTHER		
	Total	Aviation	Waterworks Funds	Community Development Commission
ASSETS				
Pooled cash and investments	$ 31,874	4,591	27,283	
Other investments	29,296			29,296
Taxes receivable	1,145		1,145	
Interest receivable	278		278	
Other receivables	14,421	820	5,863	7,738
Due from other funds	4,695	1,237	3,458	
Advances to other funds	747		747	
Inventories	2,836			2,836
Fixed assets-net	209,652	31,992	71,266	106,394
TOTAL ASSETS	$ 294,944	38,640	110,040	146,264
LIABILITIES				
Accounts payable	$ 8,909	8	2,261	6,640
Other payables	14,201	1,440		12,761
Due to other funds	7,640	1,773	5,764	103
Deferred revenue	303		303	
Bonds and notes payable	9,235		466	8,769
TOTAL LIABILITIES	40,288	3,221	8,794	28,273
FUND EQUITY				
Contributed capital	858			858
Retained earnings	253,798	35,419	101,246	117,133
TOTAL FUND EQUITY	254,656	35,419	101,246	117,991
TOTAL LIABILITIES AND FUND EQUITY	$ 294,944	38,640	110,040	146,264

COUNTY OF LOS ANGELES
ENTERPRISE FUNDS-TOTALS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY (DEFICIT)
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

	TOTALS		
	TOTAL	HOSPITALS	OTHER
OPERATING REVENUES:			
Net patient service revenues	$ 2,474,924	2,474,924	
Rentals	10,313		10,313
Charges for services	35,061		35,061
Other	125,650	124,086	1,564
TOTAL OPERATING REVENUES	2,645,948	2,599,010	46,938
OPERATING EXPENSES:			
Salaries and employee benefits	1,191,135	1,191,135	
Services and supplies	531,791	324,055	207,736
Other professional services	404,501	403,399	1,102
Depreciation and amortization	25,331	18,960	6,371
Medical malpractice	18,164	18,164	
Rent	28,783	28,783	
Interest	21,968	21,968	
Provision for bad debts	65,315	65,315	
TOTAL OPERATING EXPENSES	2,286,988	2,071,779	215,209
OPERATING INCOME (LOSS)	358,960	527,231	(168,271)
NONOPERATING REVENUE (EXPENSES):			
Taxes	2,411		2,411
Interest income	8,212	4,739	3,473
Interest expense	(12,286)	(11,682)	(604)
Intergovernmental revenues:			
State	413		413
Federal	162,717		162,717
Impairment write-off	(42,877)	(42,877)	
NONOPERATING REVENUE (EXPENSES) - NET	118,590	(49,820)	168,410
INCOME BEFORE OPERATING TRANSFERS	477,550	477,411	139
OPERATING TRANSFERS:			
From other funds	529,439	524,110	5,329
To other funds	(964,958)	(954,810)	(10,148)
OPERATING TRANSFERS - NET	(435,519)	(430,700)	(4,819)
NET INCOME (LOSS)	42,031	46,711	(4,680)
FUND EQUITY (DEFICIT) AS RESTATED, JULY 1, 2000	(415,857)	(675,262)	259,405
RESIDUAL EQUITY TRANSFERS TO OTHER FUNDS	(69)		(69)
FUND EQUITY (DEFICIT), JUNE 30, 2001	$ (373,895)	(628,551)	254,656

Continued...

COUNTY OF LOS ANGELES
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY (DEFICIT)-Continued
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

		HOSPITALS	
	Total	Harbor UCLA Medical Center	Olive View UCLA Medical Center
OPERATING REVENUES:			
Net patient service revenues	$ 2,474,924	451,117	310,042
Other	124,086	15,323	10,721
TOTAL OPERATING REVENUES	2,599,010	466,440	320,763
OPERATING EXPENSES:			
Salaries and employee benefits	1,191,135	211,990	137,588
Services and supplies	324,055	53,920	44,567
Other professional services	403,399	67,918	47,199
Depreciation and amortization	18,960	2,643	4,752
Medical malpractice	18,164	4,766	1,811
Rent	28,783	3,852	3,518
Interest	21,968	2,172	3,831
Provision for bad debts	65,315	18,684	1,169
TOTAL OPERATING EXPENSES	2,071,779	365,945	244,435
OPERATING INCOME	527,231	100,495	76,328
NONOPERATING REVENUE (EXPENSES):			
Interest income	4,739	1,088	295
Interest expense	(11,682)	(1,777)	(1,277)
Impairment write-off	(42,877)	(5,199)	(11,685)
NONOPERATING REVENUE (EXPENSES) - NET	(49,820)	(5,888)	(12,667)
INCOME BEFORE OPERATING TRANSFERS	477,411	94,607	63,661
OPERATING TRANSFERS:			
From other funds	524,110	74,449	57,103
To other funds	(954,810)	(168,614)	(123,145)
OPERATING TRANSFERS - NET	(430,700)	(94,165)	(66,042)
NET INCOME (LOSS)	46,711	442	(2,381)
FUND DEFICIT, JULY 1, 2000	(675,262)	(118,156)	(90,929)
FUND DEFICIT, JUNE 30, 2001	$ (628,551)	(117,714)	(93,310)

LAC+USC Medical Center	M. L. King/Drew Medical Center	High Desert Hospital	Rancho Los Amigos Medical Center	
				OPERATING REVENUES:
$ 985,102	455,750	73,952	198,961	Net patient service revenues
71,069	12,748	2,870	11,355	Other
1,056,171	468,498	76,822	210,316	TOTAL OPERATING REVENUES
				OPERATING EXPENSES:
471,822	234,855	38,368	96,512	Salaries and employee benefits
140,794	51,621	9,806	23,347	Services and supplies
176,948	72,457	15,254	23,623	Other professional services
4,079	1,263	209	6,014	Depreciation and amortization
4,015	6,761	651	160	Medical malpractice
11,631	7,201	659	1,922	Rent
5,542	4,822	10	5,591	Interest
5,777	4,103	4,835	30,747	Provision for bad debts
820,608	383,083	69,792	187,916	TOTAL OPERATING EXPENSES
235,563	85,415	7,030	22,400	OPERATING INCOME
				NONOPERATING REVENUES (EXPENSES):
1,092	1,142	132	990	Interest income
(3,760)	(3,789)	(501)	(578)	Interest expense
(8,341)	(939)	(2,007)	(14,706)	Impairment write-off
(11,009)	(3,586)	(2,376)	(14,294)	NONOPERATING REVENUE (EXPENSES) - NET
224,554	81,829	4,654	8,106	INCOME BEFORE OPERATING TRANSFERS
				OPERATING TRANSFERS:
225,991	109,253	15,698	41,616	From other funds
(404,202)	(183,617)	(18,085)	(57,147)	To other funds
(178,211)	(74,364)	(2,387)	(15,531)	OPERATING TRANSFERS - NET
46,343	7,465	2,267	(7,425)	NET INCOME (LOSS)
(274,873)	(123,272)	(21,361)	(46,671)	FUND DEFICIT, JULY 1, 2000
$ (228,530)	(115,807)	(19,094)	(54,096)	FUND DEFICIT, JUNE 30, 2001

Continued . . .

COUNTY OF LOS ANGELES
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY (DEFICIT)-Continued
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

		OTHER		
	Total	Aviation	Waterworks Funds	Community Development Commission
OPERATING REVENUES:				
Rentals	$ 10,313	2,319		7,994
Charges for services	35,061	(52)	35,113	
Other	1,564	(239)		1,803
TOTAL OPERATING REVENUES	46,938	2,028	35,113	9,797
OPERATING EXPENSES:				
Services and supplies	207,736	2,688	34,661	170,387
Other professional services	1,102	103	999	
Depreciation and amortization	6,371	1,327	2,617	2,427
TOTAL OPERATING EXPENSES	215,209	4,118	38,277	172,814
OPERATING INCOME (LOSS)	(168,271)	(2,090)	(3,164)	(163,017)
NONOPERATING REVENUE (EXPENSES):				
Taxes	2,411		2,411	
Interest income	3,473		2,114	1,359
Interest expense	(604)		(43)	(561)
Intergovernmental revenues:				
State	413	658	(245)	
Federal	162,717	1,215	232	161,270
NONOPERATING REVENUE (EXPENSES) - NET	168,410	1,873	4,469	162,068
INCOME (LOSS) BEFORE OPERATING TRANSFERS	139	(217)	1,305	(949)
OPERATING TRANSFERS:				
From other funds	5,329			5,329
To other funds	(10,148)			(10,148)
OPERATING TRANSFERS - NET	(4,819)			(4,819)
NET INCOME (LOSS)	(4,680)	(217)	1,305	(5,768)
FUND EQUITY AS RESTATED, JULY 1, 2000	259,405	35,636	100,010	123,759
RESIDUAL EQUITY TRANSFERS TO OTHER FUNDS	(69)		(69)	
FUND EQUITY, JUNE 30, 2001	$ 254,656	35,419	101,246	117,991

COUNTY OF LOS ANGELES
ENTERPRISE FUNDS - TOTALS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

		TOTALS	
	TOTAL	HOSPITALS	OTHER
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash flows from operating activities:			
Cash received from patient services	$ 2,427,421	2,427,421	
Rentals received	2,702		2,702
Cash received from charges for services	34,992		34,992
Other operating revenues	125,650	124,086	1,564
Cash paid for salaries and employee benefits	(1,138,311)	(1,138,311)	
Cash paid for services and supplies	(578,467)	(391,440)	(187,027)
Other operating expenses	(448,542)	(447,440)	(1,102)
Net cash provided by (required for) operating activities	425,445	574,316	(148,871)
Cash flows from noncapital financing activities:			
Cash advances received/returned from other funds	1,160,691	1,160,205	486
Cash advances paid/returned to other funds	(1,184,463)	(1,184,096)	(367)
Interest paid on advances	(11,682)	(11,682)	
Operating transfers from other funds	529,439	524,110	5,329
Operating transfers to other funds	(984,294)	(974,146)	(10,148)
Residual equity transfers to other funds	(69)		(69)
Net cash required for noncapital financing activities	(490,378)	(485,609)	(4,769)
Cash flows from capital and related financing activities:			
Proceeds from taxes	2,355		2,355
Intergovernmental receipts	163,130		163,130
Proceeds from bonds and notes	15,000	15,000	
Interest paid on capital borrowing	(22,904)	(22,300)	(604)
Principal payments on bonds and notes	(65,265)	(64,550)	(715)
Principal payments on capital leases	(296)	(296)	
Acquisition and construction of capital assets	(41,613)	(29,449)	(12,164)
Net cash provided by (required for) capital and related financing activities	50,407	(101,595)	152,002
Cash flows from investing activities -			
Interest income received	7,064	3,570	3,494
Net increase (decrease) in cash and cash equivalents	(7,462)	(9,318)	1,856
Cash and cash equivalents as restated, July 1, 2000	130,509	71,195	59,314
Cash and cash equivalents, June 30, 2001	$ 123,047	61,877	61,170

Continued...

COUNTY OF LOS ANGELES
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS-Continued
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

		TOTALS		
		TOTAL	HOSPITALS	OTHER
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (REQUIRED FOR) OPERATING ACTIVITIES				
Operating income (loss)	$	358,960	527,231	(168,271)
Adjustments to reconcile operating income (loss) to net cash provided by (required for) operating activities:				
Depreciation and amortization		25,331	18,960	6,371
Other charges - net		2,160	752	1,408
Interest expense included as part of operating income (loss)		21,968	21,968	
(Increase) decrease in:				
Accounts receivable-net		16,711	16,711	
Other receivables		(941)	6,074	(7,015)
Due from other funds		4,166	4,821	(655)
Inventories		(8,269)	(5,433)	(2,836)
Net pension obligation		27,503	27,503	
Increase (decrease) in:				
Accounts payable		15,736	7,957	7,779
Accrued payroll		5,000	5,000	
Other payables		12,679		12,679
Accrued vacation and sick leave		2,421	2,421	
Due to other funds		(69,243)	(70,922)	1,679
Deferred revenue		120	130	(10)
Pension bonds payable		(20,767)	(20,767)	
Workers' compensation liability		28,540	28,540	
Estimated liability for litigation and self-insurance claims		11,202	11,202	
Estimated liability to third party payors		(7,832)	(7,832)	
NET CASH PROVIDED BY (REQUIRED FOR) OPERATING ACTIVITIES	$	425,445	574,316	(148,871)
FINANCING ACTIVITIES NOT AFFECTING CASH AND CASH EQUIVALENTS				
Other property transfers	$	102,009	2,510	99,499
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO BALANCE SHEET				
Pooled cash and investments	$	34,666	2,792	31,874
Other investments		29,296		29,296
Restricted assets		59,085	59,085	
TOTAL	$	123,047	61,877	61,170

Continued...

COUNTY OF LOS ANGELES
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS-Continued
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

			HOSPITALS
	Total	Harbor UCLA Medical Center	Olive View UCLA Medical Center
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash flows from operating activities:			
Cash received from patient services	$ 2,427,421	440,756	304,247
Other operating revenues	124,086	15,323	10,721
Cash paid for salaries and employee benefits	(1,138,311)	(204,475)	(130,061)
Cash paid for services and supplies	(391,440)	(83,866)	(48,209)
Other operating expenses	(447,440)	(74,866)	(56,206)
Net cash provided by operating activities	574,316	92,872	80,492
Cash flows from noncapital financing activities:			
Cash advances received from other funds	1,160,205	226,779	132,007
Cash advances paid/returned to other funds	(1,184,096)	(214,067)	(132,198)
Interest paid on advances	(11,682)	(1,777)	(1,277)
Operating transfers from other funds	524,110	74,449	57,103
Operating transfers to other funds	(974,146)	(172,368)	(125,776)
Net cash required for noncapital financing activities	(485,609)	(86,984)	(70,141)
Cash flows from capital and related financing activities:			
Proceeds from bonds and notes	15,000		
Interest paid on capital borrowing	(22,300)	(2,172)	(4,131)
Principal payments on bonds and notes	(64,550)	(4,332)	(7,727)
Principal payments on capital leases	(296)	(117)	
Acquisition and construction of capital assets	(29,449)	(4,106)	(181)
Net cash required for capital and related financing activities	(101,595)	(10,727)	(12,039)
Cash flows from investing activities-Interest income received	3,570	933	169
Net increase (decrease) in cash and cash equivalents	(9,318)	(3,906)	(1,519)
Cash and cash equivalents, July 1, 2000	71,195	13,611	8,002
Cash and cash equivalents, June 30, 2001	$ 61,877	9,705	6,483

	LAC+USC Medical Center	M.L. King/Drew Medical Center	High Desert Hospital	Rancho Los Amigos Medical Center	
					INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
					Cash flows from operating activities:
$	981,940	466,924	69,284	164,270	Cash received from patient services
	71,069	12,748	2,870	11,355	Other operating revenues
	(446,054)	(226,226)	(40,274)	(91,221)	Cash paid for salaries and employee benefits
	(175,378)	(54,341)	(408)	(29,238)	Cash paid for services and supplies
	(195,138)	(82,215)	(13,326)	(25,689)	Other operating expenses
	236,439	116,890	18,146	29,477	Net cash provided by operating activities
					Cash flows from noncapital financing activities:
	403,463	296,620	20,209	81,127	Cash advances received from other funds
	(405,395)	(321,441)	(33,553)	(77,442)	Cash advances paid/returned to other funds
	(3,760)	(3,789)	(501)	(578)	Interest paid on advances
	225,991	109,253	15,698	41,616	Operating transfers from other funds
	(411,807)	(186,749)	(18,283)	(59,163)	Operating transfers to other funds
	(191,508)	(106,106)	(16,430)	(14,440)	Net cash required for noncapital financing activities
					Cash flows from capital and related financing activities:
	15,000				Proceeds from bonds and notes
	(5,574)	(4,822)	(10)	(5,591)	Interest paid on capital borrowing
	(35,443)	(5,976)	(1,372)	(9,700)	Principal payments on bonds and notes
	(31)	(45)	(28)	(75)	Principal payments on capital leases
	(24,668)	(459)		(35)	Acquisition and construction of capital assets
	(50,716)	(11,302)	(1,410)	(15,401)	Net cash required for capital and related financing activities
	606	926	86	850	Cash flows from investing activities-Interest income received
	(5,179)	408	392	486	Net increase (decrease) in cash and cash equivalents
	22,282	11,599	455	15,246	Cash and cash equivalents, July 1, 2000
$	17,103	12,007	847	15,732	Cash and cash equivalents, June 30, 2001

Continued...

COUNTY OF LOS ANGELES
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS-Continued
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

			HOSPITALS	
		Total	Harbor UCLA Medical Center	Olive View UCLA Medical Center
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income	$	527,231	100,495	76,328
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization		18,960	2,643	4,752
Other charges - net		752	(52)	605
Interest expense included as part of operating income		21,968	2,172	3,831
(Increase) decrease in:				
Accounts receivable-net		16,711	2,468	(8,043)
Other receivables		6,074	696	(60)
Due from other funds		4,821	3,812	3,796
Inventories		(5,433)	899	(348)
Net pension obligation		27,503	4,328	2,874
Increase (decrease) in:				
Accounts payable		7,957	3,398	(5)
Accrued payroll		5,000	560	1,157
Accrued vacation and sick leave		2,421	453	679
Due to other funds		(70,922)	(34,351)	(3,980)
Deferred revenue		130		
Pension bonds payable		(20,767)	(3,268)	(2,170)
Workers' compensation liability		28,540	4,116	2,680
Estimated liability for litigation and self-insurance claims		11,202	3,155	(1,400)
Estimated liability to third party payors		(7,832)	1,348	(204)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$	574,316	92,872	80,492
FINANCING ACTIVITIES NOT AFFECTING CASH AND CASH EQUIVALENTS				
Other property transfers	$	2,510	256	350
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO BALANCE SHEET				
Pooled cash and investments	$	2,792	404	171
Restricted assets		59,085	9,301	6,312
TOTAL	$	61,877	9,705	6,483

	LAC+USC Medical Center	M.L. King/Drew Medical Center	High Desert Hospital	Rancho Los Amigos Medical Center	
					RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES
$	235,563	85,415	7,030	22,400	Operating income
					Adjustments to reconcile operating income to net cash provided by operating activities:
	4,079	1,263	209	6,014	Depreciation and amortization
	77	141	(28)	9	Other charges - net
	5,542	4,822	10	5,591	Interest expense included as part of operating income
					(Increase) decrease in:
	16,794	14,309	(7,080)	(1,737)	Accounts receivable-net
	4,112	728	320	278	Other receivables
	(16,028)	3,042	8,502	1,697	Due from other funds
	(6,220)	172	(142)	206	Inventories
	11,363	4,823	1,000	3,115	Net pension obligation
					Increase (decrease) in:
	882	2,408	476	798	Accounts payable
	2,141	725	90	327	Accrued payroll
	485	595	90	119	Accrued vacation and sick leave
	(29,323)	(5,427)	9,063	(6,904)	Due to other funds
	130				Deferred revenue
	(8,580)	(3,643)	(755)	(2,351)	Pension bonds payable
	14,607	3,306	371	3,460	Workers' compensation liability
	1,402	7,620	582	(157)	Estimated liability for litigation and self-insurance claims
	(587)	(3,409)	(1,592)	(3,388)	Estimated liability to third party payors
$	236,439	116,890	18,146	29,477	NET CASH PROVIDED BY OPERATING ACTIVITIES
					FINANCING ACTIVITIES NOT AFFECTING CASH AND CASH EQUIVALENTS
$	318	248	28	1,310	Other property transfers
					RECONCILIATION OF CASH AND CASH EQUIVALENTS TO BALANCE SHEET
$	1,050	476	424	267	Pooled cash and investments
	16,053	11,531	423	15,465	Restricted assets
$	17,103	12,007	847	15,732	TOTAL

Continued...

COUNTY OF LOS ANGELES
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS-Continued
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

		OTHER		
	Total	Aviation	Waterworks Funds	Community Development Commission
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
Cash flows from operating activities:				
Rentals received	$ 2,702	2,319		383
Cash received from charges for services	34,992	386	34,606	
Other operating revenues	1,564	(239)		1,803
Cash paid for services and supplies	(187,027)	(1,975)	(29,314)	(155,738)
Other operating expenses	(1,102)	(103)	(999)	
Net cash provided by (required for) operating activities	(148,871)	388	4,293	(153,552)
Cash flows from noncapital financing activities:				
Cash advances received/returned from other funds	486		486	
Cash advances paid/returned to other funds	(367)		(367)	
Operating transfers from other funds	5,329			5,329
Operating transfers to other funds	(10,148)			(10,148)
Residual equity transfers to other funds	(69)		(69)	
Net cash provided by (required for) noncapital financing activities	(4,769)		50	(4,819)
Cash flows from capital and related financing activities:				
Proceeds from taxes	2,355		2,355	
Intergovernmental receipts	163,130	1,873	(13)	161,270
Interest paid on capital borrowing	(604)		(43)	(561)
Principal payments on bonds	(715)		(280)	(435)
Acquisition and construction of capital assets	(12,164)	(2,328)	(9,497)	(339)
Net cash provided by (required for) capital and related financing activities	152,002	(455)	(7,478)	159,935
Cash flows from investing activities -				
Interest income received	3,494		2,135	1,359
Net increase (decrease) in cash and cash equivalents	1,856	(67)	(1,000)	2,923
Cash and cash equivalents as restated, July 1, 2000	59,314	4,658	28,283	26,373
Cash and cash equivalents, June 30, 2001	$ 61,170	4,591	27,283	29,296

Continued...

COUNTY OF LOS ANGELES
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS-Continued
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

			OTHER		
		Total	Aviation	Waterworks Funds	Community Development Commission
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (REQUIRED FOR) OPERATING ACTIVITIES					
Operating loss	$	(168,271)	(2,090)	(3,164)	(163,017)
Adjustments to reconcile operating loss to net cash provided by (required for) operating activities:					
Depreciation and amortization		6,371	1,327	2,617	2,427
Other charges-net		1,408	1,233	2,076	(1,901)
(Increase) decrease in:					
Other receivables		(7,015)	463	133	(7,611)
Due from other funds		(655)	(25)	(630)	
Inventories		(2,836)			(2,836)
Increase (decrease) in:					
Accounts payable		7,779	(365)	1,600	6,544
Other payables		12,679	(60)		12,739
Due to other funds		1,679	(95)	1,671	103
Deferred revenue		(10)		(10)	
NET CASH PROVIDED BY (REQUIRED FOR) OPERATING ACTIVITIES	$	(148,871)	388	4,293	(153,552)
FINANCING ACTIVITIES NOT AFFECTING CASH AND CASH EQUIVALENTS					
Other property transfers	$	99,499	(2,122)	(2,076)	103,697
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO BALANCE SHEET					
Pooled cash and investments	$	31,874	4,591	27,283	
Other investments		29,296			29,296
TOTAL	$	61,170	4,591	27,283	29,296

COUNTY OF LOS ANGELES

INTERNAL SERVICE FUNDS

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

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

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

COUNTY OF LOS ANGELES
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2001 (In Thousands)

		Total	Public Works	Equipment Acquisition	Community Development Commission
ASSETS					
Pooled cash and investments	$	39,966	37,294	2,672	
Other investments		5,679			5,679
Interest receivable		340	274	66	
Other receivables		180	145		35
Due from other funds		58,005	57,799	206	
Inventories		5,736	5,568		168
Restricted assets		11,148		11,148	
Net pension obligation		43,723	43,723		
Fixed assets-net		107,939	42,172	64,576	1,191
TOTAL ASSETS	$	272,716	186,975	78,668	7,073
LIABILITIES					
Accounts payable	$	6,278	3,110	2,215	953
Accrued payroll		15,912	15,912		
Other payables		776	5	771	
Accrued vacation and sick leave		32,012	31,418		594
Due to other funds		24,060	23,907		153
Advances from other funds		22,000	22,000		
Deferred revenue		2,742	2,742		
Bonds and notes payable		67,075		67,075	
Pension bonds payable		111,142	111,142		
Capital lease obligations		376			376
Workers' compensation liability		53,205	51,776		1,429
Estimated liability for litigation and self-insurance claims		14,656	12,966		1,690
TOTAL LIABILITIES		350,234	274,978	70,061	5,195
FUND EQUITY (DEFICIT)					
Contributed capital		20,520	19,932		588
Retained earnings (Accumulated deficit)		(98,038)	(107,935)	8,607	1,290
TOTAL FUND EQUITY (DEFICIT)		(77,518)	(88,003)	8,607	1,878
TOTAL LIABILITIES AND FUND EQUITY (DEFICIT)	$	272,716	186,975	78,668	7,073

COUNTY OF LOS ANGELES
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY (DEFICIT)
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

	Total	Public Works	Equipment Acquisition	Community Development Commission
OPERATING REVENUES:				
Rentals	$ 29,625		29,625	
Charges for services	279,592	266,708		12,884
TOTAL OPERATING REVENUES	309,217	266,708	29,625	12,884
OPERATING EXPENSES:				
Salaries and employee benefits	227,534	227,534		
Services and supplies	43,250	30,988	136	12,126
Other professional services	7,578	7,578		
Depreciation and amortization	32,373	6,728	25,149	496
TOTAL OPERATING EXPENSES	310,735	272,828	25,285	12,622
OPERATING INCOME (LOSS)	(1,518)	(6,120)	4,340	262
NONOPERATING REVENUES (EXPENSES):				
Interest income	597		597	
Interest expense	(3,067)		(3,030)	(37)
NONOPERATING REVENUES (EXPENSES) - NET	(2,470)		(2,433)	(37)
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(3,988)	(6,120)	1,907	225
OPERATING TRANSFERS:				
From other funds	496			496
To other funds	(268)	(39)		(229)
OPERATING TRANSFERS - NET	228	(39)		267
NET INCOME (LOSS)	(3,760)	(6,159)	1,907	492
FUND EQUITY (DEFICIT), JULY 1, 2000	(76,030)	(84,116)	6,700	1,386
RESIDUAL EQUITY TRANSFERS FROM OTHER FUNDS	2,272	2,272		
FUND EQUITY (DEFICIT), JUNE 30, 2001	$ (77,518)	(88,003)	8,607	1,878

COUNTY OF LOS ANGELES
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

	Total	Public Works	Equipment Acquisition	Community Development Commission
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
Cash flows from operating activities:				
Rentals received	$ 29,590		29,590	
Cash received from charges for services	288,760	275,893		12,867
Cash paid for salaries and employee benefits	(219,459)	(219,459)		
Cash paid for services and supplies	(50,506)	(37,548)	(136)	(12,822)
Other operating expenses	(7,578)	(7,578)		
Net cash provided by operating activities	40,807	11,308	29,454	45
Cash flows from noncapital financing activities:				
Operating transfers from other funds	496			496
Operating transfers to other funds	(268)	(39)		(229)
Net cash provided by (required for) noncapital financing activities	228	(39)		267
Cash flows from capital and related financing activities:				
Proceeds from bonds and notes	55,180		55,180	
Interest paid on capital borrowing	(2,904)		(2,867)	(37)
Principal payments on bonds and notes	(45,480)		(45,480)	
Principal payments on capital leases	(799)		(708)	(91)
Acquisition and construction of capital assets	(47,388)	(9,932)	(36,937)	(519)
Residual equity transfers from other funds	2,272	2,272		
Net cash required for capital and related financing activities	(39,119)	(7,660)	(30,812)	(647)
Cash flows from investing activities-Interest income received	574		574	
Net increase (decrease) in cash and cash equivalents	2,490	3,609	(784)	(335)
Cash and cash equivalents, July 1, 2000	54,303	33,685	14,604	6,014
Cash and cash equivalents, June 30, 2001	$ 56,793	37,294	13,820	5,679

Continued. . .

COUNTY OF LOS ANGELES
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS-Continued
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

		Total	Public Works	Equipment Acquisition	Community Development Commission
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating income (loss)	$	(1,518)	(6,120)	4,340	262
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization		32,373	6,728	25,149	496
Other charges-net		(461)	(587)		126
(Increase) decrease in:					
Interest receivable		49	49		
Other receivables		133	52		81
Due from other funds		9,746	9,781	(35)	
Inventories		36	52		(16)
Net pension obligation		5,283	5,283		
Increase (decrease) in:					
Accounts payable		(440)	97		(537)
Accrued payroll		676	676		
Other payables		(1)	(1)		
Accrued vacation and sick leave		904	1,282		(378)
Due to other funds		(6,013)	(6,122)		109
Deferred revenue		(681)	(583)		(98)
Pension bonds payable		(3,988)	(3,988)		
Workers' compensation liability		4,731	4,731		
Estimated liability for litigation and self-insurance claims		(22)	(22)		
NET CASH PROVIDED BY OPERATING ACTIVITIES	$	40,807	11,308	29,454	45
FINANCING ACTIVITIES NOT AFFECTING CASH AND CASH EQUIVALENTS					
Other property transfers	$	884	884		
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO BALANCE SHEET					
Pooled cash and investments	$	39,966	37,294	2,672	
Other investments		5,679			5,679
Restricted assets		11,148		11,148	
TOTAL	$	56,793	37,294	13,820	5,679

COUNTY OF LOS ANGELES

TRUST AND AGENCY FUNDS

EXPENDABLE TRUST:

The William S. Hart Endowment Income Fund was established for the maintenance of the William S. Hart Park.

The Peter Horn Library Expense Trust, the Cherry Anderson Library Expense Trust, and the Edith Brooks Library Expense Trust were established for the benefit of the Malibu Public Library, the Artesia Public Library and the Manhattan Beach Public Library in respective order.

The Violence Intervention Program was established from the Mark Taper Foundation Grant for the benefit of Mental Health Centers.

The Cancer Patient Welfare Fund was established for the benefit of cancer research, care, treatment, and related services for cancer patients at the Los Angeles County USC Medical Center.

The Eve M. Nickels Endowment Fund was established to assist in funding County mental health services. During FY 2000-2001, with Board approval, this fund was reclassified from the nonexpendable to the expendable trust fund type.

NONEXPENDABLE TRUST:

Annuities:

The Attorney's Settlement Fund and the Management Attorney's Settlement Fund were established to provide for a County retirement obligation to retired attorneys pursuant to a court settlement.

The Marius De Brabant Fund was established to provide for the care of elderly stroke victims.

The Silcott Settlement Fund was established to provide for a County obligation pursuant to a court settlement.

Endowments:

The William S. Hart Endowment Fund was established to maintain the William S. Hart Park.

The Rindge Firearm Collection Endowment Fund was established to maintain the Rindge Firearms Collection at the County Museum of Natural History.

The Paul Rodman Mabury Fine Art Endowment Fund was established to contribute to the maintenance of the County Museum of Art.

The Maximillian Lando Trust Fund was established to provide for the maintenance and upgrading of an art gallery or galleries that are devoted to informing the public about the history of the City and County of Los Angeles.

Continued...

NONEXPENDABLE TRUST-Continued

Endowments-Continued

The Mary Berne Wilshire Endowment Fund was established to provide scholarships for nursing students.

The Alex Oser and Huber S. Spahr Endowment Funds were established to benefit the County Arboretum.

The Bonelli Habitat Conservation Fund was established for the maintenance of about seven acres of wetland and riparian habitat conservation area within Frank Bonelli Regional County Park.

PENSION TRUST:

The Pension Trust Fund was established to account for the activities of the Los Angeles County Employees' Retirement Association.

POOLED INVESTMENT TRUST FUND:

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

SPECIFIC INVESTMENT TRUST FUND:

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

AGENCY:

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

COUNTY OF LOS ANGELES
ALL TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2001 (In Thousands)

	Total	Expendable Trust	Nonexpendable Trust	Pension Trust
ASSETS				
Pooled cash and investments	$ 9,671,645	4,824	2,491	3,031
Other investments	31,388,463		849	30,306,329
Taxes receivable	246,656			
Interest receivable	244,653	47	34	122,805
Other receivables	376,417			376,417
Due from other funds	280,848	30	13	18,187
Fixed assets-net	330			330
TOTAL ASSETS	$ 42,209,012	4,901	3,387	30,827,099
LIABILITIES				
Accounts payable	$ 1,013,021			1,013,021
Other payables	1,460,781			1,460,781
Due to other funds	747,302	504		35
Due to other governments	1,829,066			
TOTAL LIABILITIES	5,050,170	504		2,473,837
FUND BALANCE				
Reserved:				
Reserved for LACERA	28,353,262			28,353,262
Reserved for investment trust participants	8,797,796			
Reserved for endowments and annuities	3,387		3,387	
Unreserved-undesignated	4,397	4,397		
TOTAL FUND BALANCE	37,158,842	4,397	3,387	28,353,262
TOTAL LIABILITIES AND FUND BALANCE	$ 42,209,012	4,901	3,387	30,827,099

	Pooled Investment Trust	Specific Investment Trust	Agency	
				ASSETS
$	7,602,384		2,058,915	Pooled cash and investments
		1,080,980	305	Other investments
			246,656	Taxes receivable
	111,537	2,895	7,335	Interest receivable
				Other receivables
			262,618	Due from other funds
				Fixed assets-net
$	7,713,921	1,083,875	2,575,829	TOTAL ASSETS
				LIABILITIES
$				Accounts payable
				Other payables
			746,763	Due to other funds
			1,829,066	Due to other governments
			2,575,829	TOTAL LIABILITIES
				FUND BALANCE
				Reserved:
				Reserved for LACERA
	7,713,921	1,083,875		Reserved for investment trust participants
				Reserved for endowments and annuities
				Unreserved-undesignated
	7,713,921	1,083,875		TOTAL FUND BALANCE
$	7,713,921	1,083,875	2,575,829	TOTAL LIABILITIES AND FUND BALANCE

COUNTY OF LOS ANGELES
NONEXPENDABLE TRUST FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2001 (In Thousands)

		Total	Annuities	Endowments
ASSETS				
Pooled cash and investments	$	2,491	264	2,227
Other investments		849	849	
Interest receivable		34	17	17
Due from other funds		13	1	12
TOTAL ASSETS	$	3,387	1,131	2,256
FUND BALANCE-Reserved for endowments and annuities	$	3,387	1,131	2,256
TOTAL LIABILITIES AND FUND BALANCE	$	3,387	1,131	2,256

COUNTY OF LOS ANGELES
NONEXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

		Total	Annuities	Endowments
OPERATING REVENUES -				
Interest income	$	239	105	134
OPERATING EXPENSES -				
Other		78	62	16
OPERATING INCOME		161	43	118
FUND BALANCE, JULY 1, 2000		5,722	1,088	4,634
RESIDUAL EQUITY TRANSFERS TO OTHER FUNDS		(2,496)		(2,496)
FUND BALANCE, JUNE 30, 2001	$	3,387	1,131	2,256

COUNTY OF LOS ANGELES
NONEXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

		Total	Annuities	Endowments
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
Cash flows required for operating activities-Other operating expenses	$	(121)	(62)	(59)
Cash flows from noncapital financing activities - Residual equity transfers to other funds		(2,496)		(2,496)
Cash flows from investing activities - Interest income received		297	104	193
Net increase (decrease) in cash and cash equivalents		(2,320)	42	(2,362)
Cash and cash equivalents, July 1, 2000		5,660	1,071	4,589
Cash and cash equivalents, June 30, 2001	$	3,340	1,113	2,227
RECONCILIATION OF OPERATING INCOME TO NET CASH REQUIRED FOR OPERATING ACTIVITIES				
Operating income	$	161	43	118
Adjustments to reconcile operating income to net cash required for operating activities:				
Interest revenue included as part of operating income		(239)	(105)	(134)
Decrease in due to other funds		(43)		(43)
NET CASH REQUIRED FOR OPERATING ACTIVITIES	$	(121)	(62)	(59)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO BALANCE SHEET ACCOUNTS				
Pooled cash and investments	$	2,491	264	2,227
Other investments		849	849	
TOTAL	$	3,340	1,113	2,227

COUNTY OF LOS ANGELES
INVESTMENT TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

		Total	Pooled Investment Trust Fund	Specific Investment Trust Fund
ADDITIONS:				
Contributions to investment trust funds	$	27,782,426	25,490,837	2,291,589
Interest and investment income		473,199	441,732	31,467
TOTAL ADDITIONS		28,255,625	25,932,569	2,323,056
DEDUCTIONS:				
Distribution from investment trust funds		26,206,887	24,708,169	1,498,718
NET INCREASE		2,048,738	1,224,400	824,338
NET ASSETS HELD IN TRUST, JULY 1, 2000		6,749,058	6,489,521	259,537
NET ASSETS HELD IN TRUST, JUNE 30, 2001	$	8,797,796	7,713,921	1,083,875

COUNTY OF LOS ANGELES
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

		Balance July 1, 2000	Additions	Deductions	Balance June 30, 2001
TOTAL AGENCY FUNDS					
ASSETS					
Pooled cash and investments	$	1,885,738	72,031,043	71,857,866	2,058,915
Other investments		306	15,641	15,642	305
Taxes receivable		244,055	466,512	463,911	246,656
Interest receivable		5,027	8,931	6,623	7,335
Due from other funds		220,669	7,121,408	7,079,459	262,618
TOTAL ASSETS	$	2,355,795	79,643,535	79,423,501	2,575,829
LIABILITIES					
Due to other funds	$	758,359	6,123,619	6,135,215	746,763
Due to other governments		1,597,436	4,485,665	4,254,035	1,829,066
TOTAL LIABILITIES	$	2,355,795	10,609,284	10,389,250	2,575,829

COUNTY OF LOS ANGELES

GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group is used to account for all general fixed assets of the County other than those accounted for in Enterprise, Internal Service and Pension Trust Funds.

COUNTY OF LOS ANGELES
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS - BY SOURCE
JUNE 30, 2001 (In Thousands)

GENERAL FIXED ASSETS:

Land	$ 266,933
Buildings and improvements	2,490,131
Equipment	479,870
Construction in progress	948,165
TOTAL GENERAL FIXED ASSETS	$ 4,185,099

INVESTMENTS IN GENERAL FIXED ASSETS:

General Fund	$ 1,656,760
Special Revenue Funds:	
Fire Protection	71,444
Other Public Protection	30,699
Road	17,362
Other Streets, Highways, Roads and Bridges	868
Flood Control	74,361
Sanitation	1,643
Federal Revenue Sharing	5
Public Library	29,561
Regional Park and Open Space District	69,164
Recreation	3,917
Courthouse Temporary Construction	125,777
Criminal Justice Temporary Construction	57,913
Public Financing	38,078
Other Special Revenue	27,379
Capital Projects Funds:	
Accumulative Capital Outlay	104,951
Juvenile Hall Center Bond	3,177
Juvenile Hall Center No.2 Bond	1,909
Juvenile Detention Facilities Bond	12,051
Wayside Honor Rancho Bond	1,413
Women's Detention Facilities Bond	6,070
Custodial Facilities Expansion	5,677
Health Facilities Improvement	2,202
Hazardous Waste Enforcement Fund	1,141
Detention Facilities Bond 1987 Construction	188,258
Court Facilities	13,270
Community Development Commission	4,116
Public Buildings	1,635,933
TOTAL INVESTMENTS IN GENERAL FIXED ASSETS	$ 4,185,099

COUNTY OF LOS ANGELES
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION, ACTIVITY AND BUDGET UNIT
JUNE 30, 2001 (In Thousands)

Function, Activity and Budget Unit	Total	Land	Buildings and Improvements	Equipment	Construction in Progress
GENERAL GOVERNMENT					
Legislative and Administrative:					
Board of Supervisors	$ 2,699	69	138	2,379	113
Chief Information Officer	50			50	
Chief Administrative Officer	12,811	71	9,848	1,369	1,523
Total Legislative and Administrative	15,560	140	9,986	3,798	1,636
Finance:					
Assessor	8,588	721	2,566	5,301	
Auditor-Controller	1,190		35	1,155	
Internal Services-					
Purchasing and Stores	399	3	216	180	
Treasurer-Tax Collector	5,528			5,528	
Total Finance	15,705	724	2,817	12,164	
Counsel -					
County Counsel	878			878	
Personnel:					
Affirmative Action Compliance	18			18	
Human Resources	231			231	
Total Personnel	249			249	
Elections -					
Registrar-Recorder	6,359			5,893	466
Property Management:					
Internal Services-					
Facilities Management	38,406	1,852	18,347	18,097	110
Internal Services-					
Facilities Management-Motor Vehicles	11,343			11,343	
Off-Street Parking	726	588	138		
Total Property Management	50,475	2,440	18,485	29,440	110
Plant Acquisition-Capital Projects(1)	$ 2,127,703	100,497	1,153,678	38,078	835,450

(1) Includes fixed assets acquired through Joint Powers Authorities, Nonprofit Corporations, Public Buildings and Public Financing.

Continued...

COUNTY OF LOS ANGELES
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION, ACTIVITY AND BUDGET UNIT-Continued
JUNE 30, 2001 (In Thousands)

Function, Activity and Budget Unit	Total	Land	Buildings and Improvements	Equipment	Construction in Progress
GENERAL GOVERNMENT-Continued					
Other General:					
Public Works-County Engineer	$ 585		527	58	
Public Works-Project Management	72			72	
Internal Services-Data Processing	41,991			41,991	
Total Other General	42,648		527	42,121	
TOTAL GENERAL GOVERNMENT	2,259,577	103,801	1,185,493	132,621	837,662
PUBLIC PROTECTION					
Judicial:					
District Attorney	3,392		239	3,153	
Public Defender	544			544	
Superior Court	149,264	1,113	111,038		37,113
Total Judicial	153,200	1,113	111,277	3,697	37,113
Police Protection:					
Sheriff	506,090	19,596	317,377	166,669	2,448
Office of County Security	5,198			5,198	
Total Police Protection	511,288	19,596	317,377	171,867	2,448
Correction -					
Probation	94,532	2,270	80,420	8,399	3,443
Fire Protection -					
Fire Department	140,616	4,307	42,813	87,150	6,346
Flood Control and Soil and Water Conservation -					
Public Works-Flood Control	69,797	3,830	63,576	1,626	765
Protective Inspection -					
Agricultural Commissioner/ Weights & Measures	$ 16,153	2,340	6,994	6,819	

Continued...

COUNTY OF LOS ANGELES
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION, ACTIVITY AND BUDGET UNIT-Continued
JUNE 30, 2001 (In Thousands)

Function, Activity and Budget Unit	Total	Land	Buildings and Improvements	Equipment	Construction in Progress
PUBLIC PROTECTION-Continued					
Other Protection:					
Animal Care and Control	$ 7,285	389	4,499	1,996	401
Human Relations Commission	58			58	
Consumer Affairs	53			53	
Local Agency Formation Commission	86			86	
Coroner	11,017	2	7,061	3,801	153
Regional Planning	678			678	
Total Other Protection	19,177	391	11,560	6,672	554
TOTAL PUBLIC PROTECTION	1,004,763	33,847	634,017	286,230	50,669
PUBLIC WAYS AND FACILITIES -					
Public Works-Road	13,176	1,049	10,630	1,497	
HEALTH AND SANITATION					
Health:					
Health Services-Administration	46,001		30,739	9,411	5,851
Health Services-Alcohol & Drug Abuse	330		52	278	
Mental Health	20,541	2,943	14,272	3,326	
Health Services-Juvenile Court	860	13	549	298	
Health Services-Public Health Programs	69,128	12,383	48,732	7,665	348
Health Services-AIDS Programs	328			328	
Health Services-LAC/Harbor-UCLA Medical Center	625				625
Health Services-LAC/Olive View Medical Center					
Health Services-LAC/USC Medical Center					
Health Services-LAC/M.L. King Jr./Drew Medical Center					
Health Services-LAC/High Desert Hospital					
Health Services-LAC/Rancho Los Amigos Medical Center					
Total Health	$ 137,813	15,339	94,344	21,306	6,824

Continued...

COUNTY OF LOS ANGELES
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION, ACTIVITY AND BUDGET UNIT-Continued
JUNE 30, 2001 (In Thousands)

Function, Activity and Budget Unit	Total	Land	Buildings and Improvements	Equipment	Construction in Progress
HEALTH AND SANITATION-Continued					
Sanitation - Public Works					
Consolidated Sewer Maintenance	$ 1,272	108	1,059	105	
Hospital Care-Health Services-Antelope Valley Rehabilitation Centers	8			8	
California Children's Services-Health Services	1,331		933	398	
TOTAL HEALTH AND SANITATION	140,424	15,447	96,336	21,817	6,824
PUBLIC ASSISTANCE					
Administration:					
Public Social Services	42,884	6,922	31,402	4,560	
Children and Family Services	61,000	5,967	44,074	10,957	2
Total Administration	103,884	12,889	75,476	15,517	2
Veterans' Services - Military and Veterans' Affairs	1,323	291	1,013	19	
Other Assistance:					
Community and Senior Citizens Services	11,625	1,348	9,709	568	
Community Development Commission	4,116		3,255	861	
Total Other Assistance	15,741	1,348	12,964	1,429	
TOTAL PUBLIC ASSISTANCE	120,948	14,528	89,453	16,965	2
EDUCATION					
Otis Art Institute	682		682		
Library Services-Public Library	59,760	7,234	47,751	3,443	1,332
TOTAL EDUCATION	$ 60,442	7,234	48,433	3,443	1,332

Continued...

COUNTY OF LOS ANGELES
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION, ACTIVITY AND BUDGET UNIT-Continued
JUNE 30, 2001 (In Thousands)

Function, Activity and Budget Unit	Total	Land	Buildings and Improvements	Equipment	Construction in Progress
RECREATION AND CULTURAL SERVICES					
Recreation Facilities:					
Beaches and Harbors	$ 125,057	20,245	74,728	5,649	24,435
Parks and Recreation	441,318	70,714	332,384	10,979	27,241
Total Recreation Facilities	566,375	90,959	407,112	16,628	51,676
Cultural Services:					
Museum of Art	5,900		5,700	200	
Museum of Natural History	13,383	68	12,957	358	
Music Center Operations	111			111	
Total Cultural Services	19,394	68	18,657	669	
TOTAL RECREATION AND CULTURAL SERVICES	585,769	91,027	425,769	17,297	51,676
TOTAL GENERAL FIXED ASSETS	$ 4,185,099	266,933	2,490,131	479,870	948,165

COUNTY OF LOS ANGELES
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS - BY FUNCTION, ACTIVITY AND BUDGET UNIT
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

Function, Activity and Budget Unit	Balance July 1, 2000	Additions	Retirements	Balance June 30, 2001
GENERAL GOVERNMENT				
Legislative and Administrative:				
Board of Supervisors	$ 2,051	1,056	408	2,699
Chief Information Officer	172	7	129	50
Chief Administrative Officer	11,779	12,011	10,979	12,811
Total Legislative and Administrative	14,002	13,074	11,516	15,560
Finance:				
Assessor	8,705	32	149	8,588
Auditor-Controller	1,225	72	107	1,190
Internal Services-Purchasing and Stores	411		12	399
Treasurer-Tax Collector	5,289	376	137	5,528
Total Finance	15,630	480	405	15,705
Counsel-				
County Counsel	874	193	189	878
Personnel:				
Affirmative Action Compliance		18		18
Human Resources	541	60	370	231
Total Personnel	541	78	370	249
Elections -				
Registrar-Recorder	5,132	1,312	85	6,359
Property Management:				
Internal Services-				
Facilities Management	38,827	1,744	2,165	38,406
Internal Services-				
Facilities Management- Motor Vehicles	12,210		867	11,343
Off-Street Parking	726			726
Total Property Management	51,763	1,744	3,032	50,475
Plant Acquisition- Capital Projects (1)	$ 2,262,528	64,758	199,583	2,127,703

(1) Includes fixed assets acquired through Joint Power Authorities, Nonprofit Corporation, Public Building and Public Financing

Continued...

COUNTY OF LOS ANGELES
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS - BY FUNCTION, ACTIVITY AND BUDGET UNIT-Continued
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

Function, Activity and Budget Unit	Balance July 1, 2000	Additions	Retirements	Balance June 30, 2001
GENERAL GOVERNMENT-Continued				
Other General:				
Public Works-County Engineer	$ 585			585
Public Works-Project Management	18	54		72
Internal Services- Data Processing	39,945	2,079	33	41,991
Total Other General	40,548	2,133	33	42,648
TOTAL GENERAL GOVERNMENT	2,391,018	83,772	215,213	2,259,577
PUBLIC PROTECTION				
Judicial:				
District Attorney	3,246	146		3,392
Public Defender	469	75		544
Superior Court		180,057	30,793	149,264
Total Judicial	3,715	180,278	30,793	153,200
Police Protection and Detention:				
Sheriff	477,646	32,135	3,691	506,090
Office of County Security	5,200	486	488	5,198
Total Police Protection	482,846	32,621	4,179	511,288
Correction - Probation	92,139	4,834	2,441	94,532
Fire Protection - Fire Department	137,363	15,743	12,490	140,616
Flood Control and Soil and Water Conservation - Public Works-Flood Control Conservation -	69,463	1,786	1,452	69,797
Protective Inspection - Agricultural Commissioner/Weights & Measures	$ 12,015	4,213	75	16,153

Continued...

COUNTY OF LOS ANGELES
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS - BY FUNCTION, ACTIVITY AND BUDGET UNIT-Continued
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

Function, Activity and Budget Unit	Balance July 1, 2000	Additions	Retirements	Balance June 30, 2001
PUBLIC PROTECTION-Continued				
Other Protection:				
Animal Care and Control	$ 6,285	1,402	402	7,285
Human Relations Commission	35	23		58
Consumer Affairs	53			53
Local Agency Formation Commission	94	6	14	86
Coroner	10,672	429	84	11,017
Regional Planning	687		9	678
Total Other Protection	17,826	1,860	509	19,177
TOTAL PUBLIC PROTECTION	815,367	241,335	51,939	1,004,763
PUBLIC WAYS AND FACILITIES -				
Public Works-Road	13,260	408	492	13,176
HEALTH AND SANITATION				
Health:				
Health Services-Administration	24,084	26,854	4,937	46,001
Health Services-Alcohol & Drug Abuse	330			330
Mental Health	19,606	1,560	625	20,541
Health Services-Juvenile Court	830	30		860
Health Services-Public Health Programs	60,573	10,711	2,156	69,128
Health Services-AIDS Program	224	104		328
Health Services-LAC/Harbor-UCLA Medical Center	1,577	625	1,577	625
Health Services-LAC/Olive View Medical Center	3,298	961	4,259	
Health Services LAC/USC Medical Center	15,587		15,587	
Health Services-LAC/M.L. King Jr./ Drew Medical Center	490		490	
Health Services-LAC/High Desert Hospital	25		25	
Health Services-LAC/Rancho Los Amigos Medical Center	2,930		2,930	
Total Health	$ 129,554	40,845	32,586	137,813

Continued...

COUNTY OF LOS ANGELES
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS - BY FUNCTION, ACTIVITY AND BUDGET UNIT-Continued
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

Function, Activity and Budget Unit	Balance July 1, 2000	Additions	Retirements	Balance June 30, 2001
HEALTH AND SANITATION-Continued				
Sanitation - Public Works				
Consolidated Sewer Maintenance	$ 1,284		12	1,272
Hospital Care-Health Services-Antelope Valley Rehabilitation Centers	8			8
California Children's Services-Health Services	1,331			1,331
TOTAL HEALTH AND SANITATION	132,177	40,845	32,598	140,424
PUBLIC ASSISTANCE				
Administration:				
Public Social Services	42,091	4,908	4,115	42,884
Children and Family Services	60,020	2,297	1,317	61,000
Total Administration	102,111	7,205	5,432	103,884
Veterans' Services - Military and Veterans' Affairs	1,315	8		1,323
Other Assistance:				
Community and Senior Citizens Services	11,639		14	11,625
Community Development Commission	202,796		198,680	4,116
Total Other Assistance	214,435		198,694	15,741
TOTAL PUBLIC ASSISTANCE	$ 317,861	7,213	204,126	120,948

Continued...

COUNTY OF LOS ANGELES
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS - BY FUNCTION, ACTIVITY AND BUDGET UNIT-Continued
FOR THE YEAR ENDED JUNE 30, 2001 (In Thousands)

Function, Activity and Budget Unit	Balance July 1, 2000	Additions	Retirements	Balance June 30, 2001
EDUCATION				
Otis Art Institute	$ 682			682
Library Services-Public Library	45,807	16,845	2,892	59,760
TOTAL EDUCATION	46,489	16,845	2,892	60,442
RECREATION AND CULTURAL SERVICES				
Recreation Facilities:				
Beaches and Harbors	123,371	37,906	36,220	125,057
Parks and Recreation	423,439	121,997	104,118	441,318
Total Recreation Facilities	546,810	159,903	140,338	566,375
Cultural Services:				
Museum of Art	6,058	2	160	5,900
Museum of Natural History	13,383			13,383
Music Center Operations	120		9	111
Total Cultural Services	19,561	2	169	19,394
TOTAL RECREATION AND CULTURAL SERVICES	566,371	159,905	140,507	585,769
TOTAL GENERAL FIXED ASSETS	$ 4,282,543	550,323	647,767	4,185,099