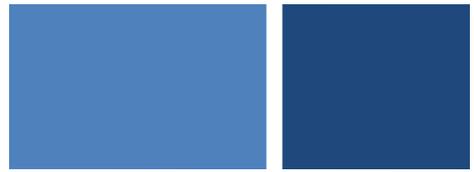


County of Los Angeles Savings Plan

Financial Statements and Supplemental Schedules with Independent Auditor's Report Years ended June 30, 2013 and 2012



County of Los Angeles Savings Plan

Financial Statements and Supplemental
Schedules with Independent Auditor's Report
Years ended June 30, 2013 and 2012

**COUNTY OF LOS ANGELES SAVINGS PLAN
 FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
 WITH INDEPENDENT AUDITOR`S REPORT
 YEARS ENDED JUNE 30, 2013 AND 2012**

TABLE OF CONTENTS

	PAGE
Independent Auditor`s Report	1
Management`s Discussion and Analysis (Required Supplementary Information - Unaudited)	3
Basic Financial Statements:	
Statements of Fiduciary Net Position.....	9
Statements of Changes in Fiduciary Net Position	10
Notes to Financial Statements.....	11
Supplemental Information:	
Schedule of Fiduciary Net Position by Fund - June 30, 2013	24
Schedule of Changes in Fiduciary Net Position by Fund - Year Ended June 30, 2013	27
Schedule of Fiduciary Net Position by Fund - June 30, 2012	30
Schedule of Changes in Fiduciary Net Position by Fund - Year Ended June 30, 2012	33
Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	36



INDEPENDENT AUDITOR'S REPORT

To the Members of the Plan Administrative Committee of the
County of Los Angeles Savings Plan

Report on the Financial Statements

We have audited the accompanying statements of fiduciary net position of the County of Los Angeles Savings Plan (the "Plan") as of June 30, 2013 and 2012, and the related statements of changes in fiduciary net position for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. 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 from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Plan, as of June 30, 2013 and 2012, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, effective July 1, 2012, the Plan adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Our opinion is not modified with respect to this matter.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2014 on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Plan's internal control over financial reporting and compliance.

Los Angeles, CA
January 15, 2014

Bazilio Cobb Associates, P.C.

COUNTY OF LOS ANGELES SAVINGS PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2013 AND 2012

This Management's Discussion and Analysis ("MD&A") of the financial activities of the County of Los Angeles Savings Plan (the "Plan") is an overview of its fiscal operations for the year ended June 30, 2013 and 2012. Readers are encouraged to consider the information presented in conjunction with the financial statements and the notes to the financial statements. Amounts contained in this discussion have been rounded to facilitate their readability.

Overview of Financial Statements

The Plan has two financial statements, the notes to the financial statements, and supplemental information that includes schedules in the format of the financial statements, showing the balances and activity for each investment option. The financial statements and the required disclosures are in compliance with the accounting standards generally accepted in the United States of America and reporting guidelines as set forth by the Governmental Accounting Standards Board ("GASB"), utilizing the accrual basis of accounting.

The financial statements of the Plan are presented on a comparative basis with the previous fiscal year. The Statement of Fiduciary Net Position is a snapshot of account balances at fiscal year-end. This statement reflects assets available for future payments to participants and their beneficiaries and any current liabilities owed as of fiscal year-end. The Statement of Fiduciary Net Position, which presents assets and deferred outflow of resources less the liabilities and deferred inflow of resources, reflects the funds available for future benefit payments.

The Statement of Changes in Fiduciary Net Position reflects all the activities that occurred during the fiscal year, and the impact of those addition or deduction activities on the Plan's net position. The trend of additions versus deductions to the Plan can be an indication of the Plan's financial condition over time.

The notes to the financial statements provide a detailed discussion of key accounting policies and activities that occurred during the year. The notes provide additional information that is essential to a full understanding of the information provided in the financial statements.

2013 Financial Highlights

- Net position available for benefits as of June 30, 2013, as reported in the Statement of Fiduciary Net Position, totaled \$1.9 billion, an increase of \$174.9 million or 10.13% from the prior year.
- Total additions, as reflected in the Statement of Changes in Fiduciary Net Position, increased by \$171.3 million during the year ended June 30, 2013. The overall increase was primarily due to an increase of \$164.1 million in the net appreciation in the fair value of investments, which resulted from favorable market conditions during fiscal year 2013 as compared to the previous year.

**COUNTY OF LOS ANGELES SAVINGS PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2013 AND 2012**

- Total deductions during the year ended June 30, 2013, as reflected in the Statement of Changes in Fiduciary Net Position, increased by \$41.8 million, which was due primarily to an increase in benefits paid out to participants.

2012 Financial Highlights

- Net position available for benefits as of June 30, 2012, as reported in the Statement of Fiduciary Net Position, totaled \$1.7 billion, an increase of \$45.4 million or 2.70% from the prior year.
- Total additions, as reflected in the Statement of Changes in Fiduciary Net Position, decreased by \$205.8 million during the year ended June 30, 2012. The overall decrease was primarily due to a decrease of \$207.6 million in the net appreciation in the fair value of investments, which resulted from unfavorable market conditions during fiscal year 2012 as compared to the previous year.
- Total deductions during the year ended June 30, 2012, as reflected in the Statement of Changes in Fiduciary Net Position, increased by \$5.0 million, which was due primarily to an increase in benefits paid out to participants.

Financial Analysis

Table 1 - Condensed Statements of Fiduciary Net Position as of June 30, 2013, 2012 and 2011

	2013	2012	2011	2013 - 2012		2012 - 2011	
				Variance	% Variance	Variance	% Variance
ASSETS							
Investments	\$ 1,859,746,221	\$ 1,685,818,530	\$ 1,642,244,095	\$ 173,927,691	10.32	\$ 43,574,435	2.65
Receivables	42,024,119	41,105,039	39,368,834	919,080	2.24	1,736,205	4.41
Total Assets	<u>1,901,770,340</u>	<u>1,726,923,569</u>	<u>1,681,612,929</u>	<u>174,846,771</u>	10.12	<u>45,310,640</u>	2.69
LIABILITIES							
Administrative expenses payable	147,099	184,329	235,866	(37,230)	(20.20)	(51,537)	(21.85)
Total Liabilities	<u>147,099</u>	<u>184,329</u>	<u>235,866</u>	<u>(37,230)</u>	(20.20)	<u>(51,537)</u>	(21.85)
Net Position Available for Benefits	<u>\$ 1,901,623,241</u>	<u>\$ 1,726,739,240</u>	<u>\$ 1,681,377,063</u>	<u>\$ 174,884,001</u>	10.13	<u>\$ 45,362,177</u>	2.70

COUNTY OF LOS ANGELES SAVINGS PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2013 AND 2012

Fiscal Year 2013

The Plan's investments increased from 2012 by \$173.9 million or 10.32%. The increase was due primarily to net investment income for the year of \$188.6 million minus the excess of benefit payments over contributions. The significant return on investments occurred because market conditions were favorable in 2013 compared to 2012, which contributed to an increase in the net appreciation in the fair value of investments in 2013 compared to a net appreciation in 2012 of \$164.1 million.

As shown in **Table 2a - Investments by Fund with Rates of Returns as of June 30, 2013**, a significant portion of the Plan's investments were in the Savings Stable Value Fund (37.59%), Savings Small Cap Equity Fund (10.57%) and Savings Large Cap Equity Fund (18.55%). The Savings Stable Value Fund is a collective investment trust that seeks to provide preservation of principal and maximize current yield while closely tracking intermediate term interest rates. The Savings Small Cap Equity Fund seeks long-term capital appreciation through investing in small capitalization stocks. The Savings Large Cap Equity Fund invests primarily in common and large capitalization stocks and seeks growth in capital. As of June 30, 2013, the Savings Stable Value Fund, Savings Small Cap Equity Fund and Savings Large Cap Equity Fund had an average annual rate of return of 2.40%, 23.90% and 20.10%, respectively.

Receivables for the fiscal year 2013 increased by \$0.9 million or 2.24% due to an increase in participant contributions and employer match during the year.

Fiscal Year 2012

The Plan's investments increased from 2011 by \$43.6 million or 2.65%. The increase was due primarily to the excess of contributions over benefit payments plus a modest return on investments. The modest return on investments occurred because market conditions were unfavorable in 2012 compared to 2011, which contributed to a net depreciation in the fair value of investments in 2012 compared to a net appreciation in 2011, and a decrease in interest and dividends compared to 2011.

As shown in **Table 2a - Investments by Fund with Rates of Returns as of June 30, 2012**, a significant portion of the Plan's investments were in Savings Stable Value Fund (41.52%) and the Savings Large Cap Equity Fund (17.75%). The Savings Stable Value Fund is a collective investment trust that seeks to provide preservation of principal and maximize current yield while closely tracking intermediate term interest rates. The Savings Large Cap Equity Fund invests primarily in common and large capitalization stocks and seeks growth in capital. As of June 30, 2012, the Savings Stable Value Fund and Savings Large Cap Equity Fund had an average annual rate of return of 3.10% and 3.60%, respectively.

Receivables for the fiscal year 2012 increased by \$1.7 million or 4.41% due to increases in participant loans and contributions during the year.

**COUNTY OF LOS ANGELES SAVINGS PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2013 AND 2012**

Table 2a - Investments by Fund with Rates of Returns as of June 30, 2013

	<u>Investment Value</u>	<u>Percentage of Total Assets</u>	<u>Rate of Return %</u>
Savings Stable Value Fund	\$ 699,019,186	37.59	2.40
Savings 2010 Target Date Fund	25,748,676	1.38	11.20
Savings 2015 Target Date Fund	82,748,396	4.45	13.10
Savings 2020 Target Date Fund	95,366,925	5.13	15.10
Savings 2025 Target Date Fund	21,587,555	1.16	16.20
Savings 2030 Target Date Fund	14,378,154	0.77	16.80
Savings 2035 Target Date Fund	8,366,578	0.45	16.80
Savings 2040 Target Date Fund	4,250,975	0.23	16.80
Savings 2045 Target Date Fund	4,143,096	0.22	16.80
Savings 2050 Target Date Fund	1,433,850	0.08	16.80
Savings Retirement Income Fund	14,959,818	0.80	8.60
Savings Non-U.S. Equity Fund	77,194,452	4.15	16.90
Savings Small Cap Equity Fund	196,636,412	10.57	23.90
Savings Mid Cap Equity Fund	53,348,385	2.87	25.10
Savings Large Cap Equity Fund	344,985,910	18.55	20.10
Savings Balanced Fund	94,132,450	5.06	23.00
Savings Bond Fund	40,850,256	2.20	5.00
Savings Inflation Protection Fund	3,179,842	0.17	(5.00)
Savings Bank Deposit Fund	57,245,734	3.08	0.60
SCHWAB Self Directed Brokerage Account	20,169,571	1.08	4.65
	<u>\$ 1,859,746,221</u>	<u>100.00</u>	

Table 2b - Investments by Fund with Rates of Returns as of June 30, 2012

	<u>Investment Value</u>	<u>Percentage of Total Assets</u>	<u>Rate of Return %</u>
Savings Stable Value Fund	\$ 699,946,942	41.52	3.10
Savings 2010 Target Date Fund	23,940,772	1.42	0.80
Savings 2015 Target Date Fund	75,560,863	4.48	(0.70)
Savings 2020 Target Date Fund	79,035,967	4.69	(1.90)
Savings 2025 Target Date Fund	13,635,381	0.81	(2.20)
Savings 2030 Target Date Fund	9,357,838	0.56	(2.20)
Savings 2035 Target Date Fund	5,425,803	0.32	(2.20)
Savings 2040 Target Date Fund	2,884,767	0.17	(2.20)
Savings 2045 Target Date Fund	2,653,800	0.16	(2.20)
Savings 2050 Target Date Fund	683,441	0.04	(2.10)
Savings Retirement Income Fund	11,617,064	0.69	3.90
Savings Non-U.S. Equity Fund	66,743,343	3.96	(10.00)
Savings Small Cap Equity Fund	165,357,486	9.81	2.60
Savings Mid Cap Equity Fund	36,245,277	2.15	(2.30)
Savings Large Cap Equity Fund	299,269,442	17.75	3.60
Savings Balanced Fund	73,969,451	4.39	0.90
Savings Bond Fund	40,662,554	2.41	7.30
Savings Inflation Protection Fund	2,951,344	0.18	11.20
Savings Bank Deposit Fund	61,170,378	3.63	0.40
SCHWAB Self Directed Brokerage Account	14,706,617	0.87	(4.92)
	<u>\$ 1,685,818,530</u>	<u>100.00</u>	

**COUNTY OF LOS ANGELES SAVINGS PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2013 AND 2012**

Table 3 – Condensed Statements of Changes in Fiduciary Net Position for the Years Ended June 30, 2013, 2012 and 2011

	2013	2012	2011	2013 - 2012		2012 - 2011	
				Variance	%	Variance	%
ADDITIONS							
Contributions	\$ 122,940,668	\$ 111,111,661	\$ 104,459,659	\$ 11,829,007	10.65	\$ 6,652,002	6.37
Net investment income	188,561,317	29,075,720	241,537,181	159,485,597	548.52	(212,461,461)	(87.96)
Total Additions	311,501,985	140,187,381	345,996,840	171,314,604	122.20	(205,809,459)	(59.48)
DEDUCTIONS							
Benefits paid to participants	135,107,982	93,336,261	88,442,478	41,771,721	44.75	4,893,783	5.53
Administrative expenses	1,510,002	1,488,943	1,424,004	21,059	1.41	64,939	4.56
Total Deductions	136,617,984	94,825,204	89,866,482	41,792,780	44.07	4,958,722	5.52
Net Increase	174,884,001	45,362,177	256,130,358	129,521,824	285.53	(210,768,181)	(82.29)
Net Position Available for Benefits, Beginning of Year	1,726,739,240	1,681,377,063	1,425,246,705	45,362,177	2.70	256,130,358	17.97
Net Position Available for Benefits, End of Year	\$ 1,901,623,241	\$ 1,726,739,240	\$ 1,681,377,063	\$ 174,884,001	10.13	\$ 45,362,177	2.70

Fiscal Year 2013

Contributions were comprised of participant and rollover contributions, as well as the County's matching share contributions, and increased by \$11.83 million or 10.65%, from \$111.11 million in fiscal year 2012 to \$122.94 million in fiscal year 2013. Participant contributions increased from \$68.6 million to \$70.0 million from fiscal year 2012 to 2013, respectively. The County's matching share contributions increased from \$37.4 million in fiscal year 2012 to \$47.6 million in fiscal year 2013. The increase in the County's matching share contributions occurred because the matching rate for fiscal year 2013 was 4% compared to 3% for 2012. Rollover contributions increased from \$5.1 million in fiscal year 2012 to \$5.3 million in fiscal year 2013.

Net investment income was comprised primarily of interest and dividends, and the net appreciation in the fair value of investments. Interest and dividends decreased from \$22.6 million in 2012 to \$18.1 million in 2013. The financial markets performance was favorable during the year ended June 30, 2013, and accordingly, the net appreciation in the fair value of the investments was \$170.4 million and \$6.3 million, for fiscal years 2013 and 2012, respectively. The significant increase in the net investment income was primarily due to all funds of the Plan except Savings Inflation Protection Fund reflecting positive rates of return. The Plan had an overall weighted average rate of return of 11.98% for fiscal year 2013.

Benefits paid to participants increased by \$41.8 million or 44.75%.

Administrative expenses increased by \$0.02 million or 1.41% and are paid at the discretion of the Savings Plan Administrative Committee. Administrative expenses represent approximately 0.08% or 8 basis points of average assets.

COUNTY OF LOS ANGELES SAVINGS PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2013 AND 2012

Fiscal Year 2012

Contributions were comprised of participant and rollover contributions, as well as the County's matching share contributions, and increased by \$6.7 million or 6.37%, from \$104.5 million in fiscal year 2011 to \$111.1 million in fiscal year 2012. Participant contributions increased from \$68.3 million to \$68.6 million from fiscal year 2011 to 2012. The County's matching share contributions increased from \$31.6 million in fiscal year 2011 to \$37.4 million in fiscal year 2012. The increase in the County's matching share contributions occurred because no County match was made for the period January 1, 2011 through June 30, 2011; however, matching resumed at 3% on July 1, 2011. Rollover contributions increased from \$4.5 million in fiscal year 2011 to \$5.1 million in fiscal year 2012.

Net investment income was comprised primarily of interest and dividends, and the net appreciation in the fair value of investments. Interest and dividends decreased from \$26.8 million in 2011 to \$22.6 million in 2012. The financial markets performance was less favorable during the year ended June 30, 2012, and accordingly, the net appreciation in the fair value of the investments was \$6.3 million and \$214.6 million, for fiscal years 2012 and 2011, respectively. The increase in the net investment income was primarily due to the Plan's major funds reflecting positive rates of return. The Plan had an overall weighted average rate of return of 1.82% for fiscal year 2012.

Benefits paid to participants increased by \$4.9 million or 5.53%.

Administrative expenses increased by \$0.06 million or 4.56% and are paid at the discretion of the Savings Plan Administrative Committee. Administrative expenses represent approximately 0.08% or 8 basis points of average assets.

Requests for Information

This financial report is designed to provide the Plan's Administrative Committee, participants, and other third parties with a general overview of the Plan finances and to show accountability for the Plan's funds. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Los Angeles County Auditor-Controller, 500 West Temple Street, Room 525, Los Angeles, CA 90012-2766.

COUNTY OF LOS ANGELES SAVINGS PLAN
STATEMENTS OF FIDUCIARY NET POSITION
JUNE 30, 2013 AND 2012

<u>ASSETS</u>	<u>2013</u>	<u>2012</u>
Investments:		
Savings Stable Value Fund (Note 4)	\$ 699,019,186	\$ 699,946,942
Stock funds	1,007,997,672	840,665,096
Bond funds	75,314,058	69,329,497
Self directed brokerage account	20,169,571	14,706,617
Deposits (Note 3)	57,245,734	61,170,378
	<u>1,859,746,221</u>	<u>1,685,818,530</u>
Receivables:		
Participant loans	32,289,763	33,198,810
Participant contributions	5,833,929	5,649,642
Employer match	3,900,427	2,256,587
	<u>42,024,119</u>	<u>41,105,039</u>
 TOTAL ASSETS	 1,901,770,340	 1,726,923,569
 <u>LIABILITIES</u>		
Administrative expenses payable	<u>147,099</u>	<u>184,329</u>
 NET POSITION AVAILABLE FOR BENEFITS	 <u>\$ 1,901,623,241</u>	 <u>\$ 1,726,739,240</u>

The accompanying notes are an integral part of these financial statements

COUNTY OF LOS ANGELES SAVINGS PLAN
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
YEARS ENDED JUNE 30, 2013 AND 2012

<u>ADDITIONS</u>	<u>2013</u>	<u>2012</u>
Investment Income:		
Net appreciation in fair value of investments	\$ 170,370,290	\$ 6,291,332
Interest and dividends	18,076,630	22,631,142
Other income	114,397	153,246
	<u>188,561,317</u>	<u>29,075,720</u>
Contributions:		
Employer	47,634,720	37,397,050
Participants	70,015,845	68,596,651
Rollovers	5,290,103	5,117,960
	<u>122,940,668</u>	<u>111,111,661</u>
 TOTAL ADDITIONS	 <u>311,501,985</u>	 <u>140,187,381</u>
 <u>DEDUCTIONS</u>		
Benefits paid to participants	135,107,982	93,336,261
Administrative expenses	1,510,002	1,488,943
	<u>136,617,984</u>	<u>94,825,204</u>
 TOTAL DEDUCTIONS	 <u>136,617,984</u>	 <u>94,825,204</u>
 NET INCREASE	 174,884,001	 45,362,177
 NET POSITION AVAILABLE FOR BENEFITS		
Beginning of year	<u>1,726,739,240</u>	<u>1,681,377,063</u>
End of year	<u>\$ 1,901,623,241</u>	<u>\$ 1,726,739,240</u>

The accompanying notes are an integral part of these financial statements

COUNTY OF LOS ANGELES SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

NOTE 1 DESCRIPTION OF THE PLAN

The following description of the County of Los Angeles Savings Plan (the “Plan”) provides only general information. Participants should refer to the Plan document or the Summary Plan Description for a more complete description of the Plan’s provisions.

General - The Plan, established in 1984, is a Section 401(k) defined contribution plan covering eligible full-time permanent employees of the County of Los Angeles (the “County”), not covered by collective bargaining agreements who are designated as eligible by the Board of Supervisors, and who desire to participate in the Plan.

The operations of the Plan are directed by the Savings Plan Administrative Committee. The assets of the Plan are held in trust by Wells Fargo Bank, N. A., traded and valued by the Bank of New York Mellon Corporation, and are administered by Great-West Life & Annuity Insurance Company.

The Plan had 13,594 and 13,322 participant accounts as of June 30, 2013 and 2012, respectively.

Contributions - Participants may elect to contribute to the Plan a percentage of their compensation during any plan year. Participant contributions, which are made via payroll deductions, plus matching contributions may not exceed 100% of eligible earnings per period. The maximum annual allowable participant contributions were \$17,500 and \$17,000 for calendar years 2013 and 2012, respectively. However, if the participant is also a member of the County of Los Angeles Deferred Compensation and Thrift (“Horizons”) Plan, the participant may elect to have an annual contribution limit of \$8,500 to both plans for calendar years 2013 and 2012. This combined limit includes the participant’s elective deferral to the Plan and all contributions to the Horizons Plan. When the limit is reached, the participant continues to receive the County’s contributions. The County matches contributions, dollar for dollar, up to 4% of the participant’s monthly compensation. For the fiscal years 2013 and 2012, the County’s matching contribution was at a rate of up to 4% and 3%, respectively.

Catch-up contributions for participants who have reached age 50 may be made in the amount of \$5,500 for each of the calendar years 2013 and 2012.

Participant investment account options - Participants direct the investment of all vested contributions into various investment options offered by the Plan, which as of June 30, 2013 were as follows:

COUNTY OF LOS ANGELES SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

NOTE 1 DESCRIPTION OF THE PLAN (Continued)

- Bank Depository Fund - Investments are held in money market accounts. Interest earnings fluctuate with the market rate of interest. The investments represent cash equivalents due to the fact that the funds are highly liquid and readily convertible to cash.
- Savings Stable Value Fund - Funds are invested in managed fixed income investments, contracts from major insurance companies, and short term money market accounts with interest rates ranging from 0.02% to 2.78% and 0.08% to 3.69% as of June 30, 2013 and 2012, respectively.
- Large Cap Equity Fund - Funds are invested in the stocks of large, well-known U.S. companies that make up the Standard & Poor's 500 Index.
- Mid Cap Equity Fund - Funds are invested primarily in the common stocks of mid-size U.S. companies.
- Small Cap Equity Fund - Funds are invested in stocks of small, U.S. companies.
- Bond Fund - Funds are invested in corporate and U.S. Government Bonds.
- Balanced Fund - Funds are invested in a blend of stocks, fixed income and cash equivalents.
- Non-U.S. Equity Fund - Funds are invested in stocks of non-U.S. companies.
- Inflation Protection Fund – Funds are invested in U.S. Inflation Protected Bond Index Funds consisting primarily of U.S. Treasuries.
- Target Date Funds - Funds are invested in a managed mix of the asset class investment options listed above, as well as equity alternative assets and emerging market investments.
- Self-Directed Brokerage accounts - Funds are participant directed and can be invested in numerous mutual funds, stocks, and bonds that are on a major exchange, outside of Plan offerings.

COUNTY OF LOS ANGELES SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

NOTE 1 DESCRIPTION OF THE PLAN (Continued)

Non-vested contributions are automatically invested in the Savings Stable Value Fund. As of June 30, 2013 and 2012, these nonparticipant directed investments within the Stable Value Fund were \$4,944,866 and \$5,166,218, respectively. Interest income on these investments was \$121,976 and \$169,962 for the years ended June 30, 2013 and 2012, respectively.

Participant accounts - Each participant's account is credited with the participant's contribution, the County's matching contribution, and the account's pro rata share of income and gains attributable to selected investments. The participant's account is charged with its pro rata share of administrative expenses and losses attributable to selected investments. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting - Participants are immediately vested in their voluntary contributions plus actual earnings thereon. Vesting in the County's matching contributions is based on years of participation. A participant vests at the rate of 20% per year of participation. The participation year is calculated on a calendar year. The participant receives credit for a full participation year in the year of enrollment.

Participant loans - Active employees of the County enrolled in the Plan may borrow from the vested portion of their respective accounts. The loan amount must have a minimum balance of \$2,000 up to a maximum of 50% of the individual's vested account balance or \$50,000 reduced by the highest outstanding loan balance for all plans during the preceding year, whichever is less. If 50% of the vested portion of the participant account balance is less than \$10,000, the loan can be up to 80% of the vested balance or \$10,000, whichever is less. Loan terms will not exceed a period of 5 years, unless the proceeds are used for the purchase of a primary residence, in which case the maximum period is 15 years. Loans are secured by the participant's vested account balance. General purpose loans bear interest at a fixed rate of 1% over the prime rate on the last day of the month before the loan is originated. The fixed rate of interest on a primary residence loan is equal to the Freddie Mac, 30-day note on the last business day of the previous month in which the loan is originated. The interest rates on outstanding loans ranged from 2.72% to 10.50% and 3.08% to 10.50% at June 30, 2013 and 2012, respectively.

Payment of benefits - Upon separation from service, the participant has a choice as to how the distribution will be received on his or her account, taking into consideration the vested portion of the County's matching contributions. A lump-sum distribution is mandatory for participants whose account balance is \$5,000 or less. For account balances above \$5,000, the participant may elect to have funds distributed in one or more of the following options:

COUNTY OF LOS ANGELES SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

NOTE 1 DESCRIPTION OF THE PLAN (Continued)

- Lump-sum payment
- Consecutive periodic payments for the life of the participant, or for the lives of the participant and spouse, and last survivor of the participant or spouse
- Substantially equal monthly, quarterly, semi-annual or annual installments not extending over more than 20 years
- A combination of the methods of payment described above

If a combination of these options is selected, the participant must specify at the time of selection how all funds are to be distributed. Additionally, if a participant does not make a timely election regarding the distribution of his or her benefits after receiving notice, then, provided that the distribution is \$1,000 or less, the Plan may distribute the participant's benefits in a single cash payment as soon as practicable notwithstanding his or her failure to file an application for distribution. The distribution of benefits is also payable upon death.

In-service withdrawals - Participants are eligible for in-service withdrawals but may only make two in-service withdrawals per calendar year. If the employee has been credited with 10 years of service in the Plan, the participant may withdraw all or part of the matching contributions. If the participant has withdrawn all matching contributions and has reached age 59½, the participant may withdraw all or a part of the remaining funds in the account.

Hardship withdrawals - Subject to approval, the Plan allows withdrawals due to an unforeseeable emergency resulting in severe financial hardship, as defined by the Internal Revenue Service that cannot be satisfied from any other sources.

Hardship withdrawals are strictly monitored and must generally fall under one of the following qualifying events:

- Medical expenses for the participant, the participant's spouse, or dependents, as long as there was no reimbursement
- Payment of tuition for the next semester or quarter of postsecondary education for the participant, the participant's spouse, or dependent
- Purchase or construction of the participant's principal residence
- The need to prevent foreclosure or eviction from a participant's principal residence

COUNTY OF LOS ANGELES SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

NOTE 1 DESCRIPTION OF THE PLAN (Continued)

- Payment of funeral expenses for participant's spouse or dependent.

Hardship withdrawal requests must be submitted within one year of the date of the qualifying event.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The accompanying statements of fiduciary net position and changes in fiduciary net position present only the Plan and are not intended to present the financial position, and changes in its financial position, of the County. The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The Governmental Accounting Standards Board ("GASB") Statement is the accepted standard setting body for establishing governmental and financial reporting standards.

Basis of Accounting - The financial statements of the Plan are prepared under the accrual basis of accounting in accordance with GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Employee contributions are recognized by the Plan at the time compensation is earned by Plan members and the payments become due from the County government. Investment income is recognized when earned. Benefits are recognized when paid. Other deductions are recognized when due in accordance with the terms of the Plan.

Use of estimates - The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires the Plan Administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions to and deductions from net position during the reporting period. Actual results may differ from those estimates.

Participant Loans Receivable – Loans to participants are recorded at principal less repayments plus accrued interest. If a payment is missed for any reason the loan is considered delinquent and in arrears. All missed payments should be made by the end of the next calendar quarter. A loan is considered in default and taxed as a "deemed distribution" if missed payments are not made during the applicable grace period. Even after a loan is deemed distributed, loan repayments will continue to be deducted from available compensation until the earlier of when the loan is repaid or the maturity date is reached. As of June 30, 2013 and 2012, the total of all defaulted loans was \$2,079,709 and \$1,963,637, respectively.

COUNTY OF LOS ANGELES SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

NOTE 2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**
(Continued)

Investment valuation and income recognition - Shares of mutual funds are reported at fair value based on quoted market prices which represent the net asset value of shares held by the Plan at year-end. Investments in the Savings Stable Value Fund are reported at contract value, which approximates to fair value.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Employee contributions - Employee contributions are recognized as revenue at the time compensation is earned by Plan members on specified payroll pay dates or when received from other eligible plans.

Payment of benefits - Benefits are recorded when paid.

Administrative expenses - Expenses incurred for the administration of the Plan and the trust are paid by the County or from Plan assets when authorized by the Savings Plan Administrative Committee.

Reclassification - Certain prior year balances may have been reclassified to conform with the current year presentation. These reclassifications have no effect upon reported net position available for benefits.

Tax Status - The Plan is a voluntary supplemental retirement program intended to conform with the Internal Revenue Code ("IRC") section 401(a) and to meet the requirements of IRC 401(k).

Accounting Pronouncements Adopted - In December 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and the Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure, issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. The requirements of this Statement are effective for financial statements for periods

COUNTY OF LOS ANGELES SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

NOTE 2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**
(Continued)

beginning after December 15, 2011. The adoption of the pronouncement did not have a material impact of the Plan's financial statements.

GASB has issued Statement No. 63, *Financial Reporting of Deferred Outflow of Resources, Deferred Inflow of Resources, and Net Position*. The requirement of this statement standardizes the presentation of deferred inflows and outflows of resources, and their effects on a government's net position. This statement became effective for periods beginning after December 15, 2011. The implementation of this statement to the Plan is limited to renaming of "Net Assets" to "Net Position".

Accounting Pronouncements to be Adopted - GASB has issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The statement is effective for periods beginning after December 15, 2012. The Plan is evaluating the impact of this standard on the financial statements.

In June 2012, GASB issued Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*. The Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. This Statement is effective for financial statements for fiscal years beginning after June 15, 2013. The adoption of the pronouncement is not expected to have a material impact of the Plan's financial statements.

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. The Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. This Statement is effective for fiscal years beginning after June 15, 2014. The adoption of the pronouncement is not expected to have a material impact of the Plan's financial statements.

COUNTY OF LOS ANGELES SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

NOTE 3 DEPOSITS AND INVESTMENTS

The Plan's deposits and investments as of June 30, 2013 and 2012 are summarized as follows:

Deposits - At June 30, 2013 and 2012, the carrying amounts of the Plan's deposits in the Bank Depository Fund were \$57,245,734 and \$61,170,378, respectively, while the corresponding bank balances were \$57,290,592 and \$61,170,122, respectively. The differences between carrying amounts and bank balances were due to timing differences. Of the amounts held by the financial institution, each participant account is insured up to certain limits by Federal deposit insurance.

Investments - Investments of the Plan at June 30, 2013 and 2012 consist of the following:

	2013	2012
Stock and Bond Funds	\$ 1,083,311,730	\$ 909,994,593
Savings Stable Value Fund	699,019,186	699,946,942
Self Directed Brokerage Accounts	20,169,571	14,706,617
Total Investments	\$ 1,802,500,487	\$ 1,624,648,152

The Plan's investments are subject to the following risks common to investments:

- *Custodial Credit Risk* is the risk that the Plan will not be able to recover the value of its investments if the custodian fails. The Plans investments are subject to custodial credit risk for 2013 and 2012 because the investments are uninsured and unregistered and are held by the counterparty in the Plan's name.
- *Credit Risk* is the risk that an issuer to an investment will not fulfill its obligations. At June 30, 2013 and 2012, those investments were comprised mainly of customized funds which were not rated; however, the underlying securities reflected various credit ratings.
- *Interest Rate Risk* is the risk that changes in interest rates will adversely affect the fair value of an investment. The Plan manages its exposure to declines in fair values by not offering investments that have excessive average maturities.

COUNTY OF LOS ANGELES SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

NOTE 3 DEPOSITS AND INVESTMENTS (Continued)

➤ *Foreign Currency Risk* is the risk that changes in exchange rates will adversely affect the fair value of an investment in a foreign financial institution. The Plan mitigates this risk by limiting its Savings Non-U.S. Equity Fund investment to the MFS Institutional International Equity Fund. This fund's underlying investments are no more than 3.4% in any one entity. As of June 30, 2013 and 2012, the Savings Non-U.S. Equity Fund was valued at \$77.2 million and \$66.7 million, respectively.

Investment concentrations - In accordance with Government Accounting Standards Board Statement No. 25 ("GASB 25"), *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans as amended by Government Accounting Standards Board Statement No. 40 (GASB 40), Deposit and Investment Risk Disclosures – An amendment of GASB Statement No. 3*, the Plan is required to disclose the identification, by amount and issuer, of investments in any one issuer that represent 5% or more of the Plan's net position. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.

The following represent investments (other than those issued or guaranteed by the U.S. government) in any one organization which constitutes 5% or more of net position as of June 30, 2013 and 2012:

	2013		2012
Savings Stable Value Fund	\$ 699,019,186		\$ 699,946,942
State Street Global Advisors			
Large-Cap	\$ 124,253,964		\$ 110,744,727
Mid-Cap	68,125,062		50,969,490
Small-Cap	8,020,296		8,951,309
TIPS	5,399,387		4,436,753
Total State Street Global Advisors	205,798,709	**	175,102,279
MFS International Equity	113,012,793	**	95,438,922
Trust Company of the West	180,200,484	**	127,446,400
T. Rowe Price	112,504,695	**	93,809,613

** Investments for which a portion of the total fund is included in the Savings Target Date Funds and other portfolios.

COUNTY OF LOS ANGELES SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

NOTE 4 SAVINGS STABLE VALUE FUND

Plan participants who invest in the Savings Stable Value Fund (“SVF”) are credited with a fixed rate of interest. The crediting interest rate for participants is reviewed and reset quarterly, based upon the investment earnings and cash flows of the SVF portfolio. Differences between the actual investment earnings of the underlying funds and the credited earnings as reflected in the contract value (total carrying value of all participant accounts) are rolled forward and realized in subsequent rate reset calculations through an amortization process.

The Plan has guaranteed investment contracts with various investment carriers and a liquidity buffer component which collectively comprise the SVF. The underlying investments of the SVF are structured to include a fixed rate fixed maturity portfolio of guaranteed investment contracts with various insurance companies comprising \$31,975,997 or approximately 4.58% of the SVF’s contract value, five actively managed bond portfolios invested in major sectors of the fixed-income market comprising \$651,500,191 or approximately 93.20% of the SVF’s contract value, and a money market liquidity account comprising \$15,542,998 or approximately 2.22% of the SVF’s contract value.

The actively managed bond component is insured to provide, pursuant to contract terms, book value liquidity for Plan participant transactions. At June 30, 2013 and 2012, the fair value of the actively managed bond component was \$688,927,544 and \$627,081,034, and the guaranteed contract value was \$651,500,191 and \$592,539,116, respectively.

Additional information on the guaranteed investment contracts held by the Plan is as follows:

	June 30,	
	2013	2012
Fair Value	\$ 716,576,941	\$ 734,925,207
Contract Value	699,019,186	699,946,942
Average Yield	2.20%	2.72%
Crediting Interest Rate	2.20%	2.72%

Certain events may limit the Plan’s ability to transact at the contract value with the investment carriers. The Plan Administrator believes that it is not probable that such events will occur.

COUNTY OF LOS ANGELES SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

NOTE 5 ADMINISTRATIVE/FORFEITURE ACCOUNT

In accordance with Government Accounting Standards Board Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code 457 Deferred Compensation Plans*, the County of Los Angeles holds forfeited and other funds in trust in an “Administrative/Forfeiture Account” at Wells Fargo Bank, N. A. for the exclusive benefit of the Plan’s participants. These amounts consist primarily of administrative fees collected from the participants, float interest, and custodial, transaction and management fees collected and temporarily held in the Administrative/Forfeiture Account. At the Savings Plan Administrative Committee’s discretion, monies held in the account are used to pay Plan administrative expenses. The amount shown for Administrative Expenses includes the net activity within all of the Plan Administrative/Forfeiture Holding Accounts. The main components of the accounts are as follows:

	June 30,	
	2013	2012
Participant administrative fees paid	\$ 1,396,053	\$ 1,374,718
Other administrative transactions	113,949	114,225
Net administrative expenses	\$ 1,510,002	\$ 1,488,943

As of June 30, 2013 and 2012, the forfeiture account balances (net of administrative expenses payable) of \$810,384 and \$809,936, respectively, have been included in the Savings Stable Value Fund.

NOTE 6 PLAN TERMINATION

Although it has not expressed any intention to do so, the County has the right at any time, without the consent of any participant, to terminate the Plan in part or in whole. In the event of Plan termination by the County’s, participants will immediately become 100% vested in the County’s matching contributions.

NOTE 7 RELATED PARTIES

Members of the Savings Plan Administrative Committee are eligible to participate in the Plan.

COUNTY OF LOS ANGELES SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

NOTE 8 RISKS AND UNCERTAINTIES

The Plan invests in various investment securities that are exposed to various risks such as interest rate, market, and credit risk. Due to the level of risk associated with investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' accounts balances and the amounts reported in the statements of net position available for benefits.

NOTE 9 COMMITMENTS AND CONTINGENCIES

On January 26, 2007, the Savings Plan Administrative Committee ceased acceptance of before-tax termination pay contributions to the Plan. This action was necessary as a result of notification from the Internal Revenue Service that before-tax termination pay contributions as currently structured in the Plan were impermissible under federal tax guidance. Depending on the status of the participant, there will be various options for the liquidation of their respective accounts. The County is in the process of determining appropriate corrective action for all current and former participants. The balance in the termination pay contributions account was \$3,002,394 and \$2,911,784 at June 30, 2013 and 2012, respectively. Any resulting tax liability cannot be determined at this time.

NOTE 10 SUBSEQUENT EVENTS

The Plan Administrator has evaluated events subsequent to June 30, 2013 and through January 15, 2014, the date the financial statements were available to be issued, and determined there have been no events that have occurred that would require adjustments to the financial statements.

SUPPLEMENTAL INFORMATION

**COUNTY OF LOS ANGELES SAVINGS PLAN
SCHEDULE OF FIDUCIARY NET POSITION BY FUND
JUNE 30, 2013**

	Savings 2010 Target Date Fund	Savings 2015 Target Date Fund	Savings 2020 Target Date Fund	Savings 2025 Target Date Fund	Savings 2030 Target Date Fund	Savings 2035 Target Date Fund	Savings 2040 Target Date Fund	Savings 2045 Target Date Fund
ASSETS								
Investments:								
Savings Stable Value Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Stock funds	19,771,566	68,194,516	87,220,438	20,728,936	14,378,154	8,366,578	4,250,975	4,143,096
Bond funds	5,977,110	14,553,880	8,146,487	858,619	-	-	-	-
Self directed brokerage account	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-
	<u>25,748,676</u>	<u>82,748,396</u>	<u>95,366,925</u>	<u>21,587,555</u>	<u>14,378,154</u>	<u>8,366,578</u>	<u>4,250,975</u>	<u>4,143,096</u>
Receivables:								
Participant loans	-	-	-	-	-	-	-	-
Participants'	-	-	-	-	-	-	-	-
Employer match	-	-	-	-	-	-	-	-
	<u>-</u>							
TOTAL ASSETS	25,748,676	82,748,396	95,366,925	21,587,555	14,378,154	8,366,578	4,250,975	4,143,096
LIABILITIES								
Administrative fees payable	-	-	-	-	-	-	-	-
	<u>-</u>							
NET POSITION AVAILABLE FOR BENEFITS	<u>\$ 25,748,676</u>	<u>\$ 82,748,396</u>	<u>\$ 95,366,925</u>	<u>\$ 21,587,555</u>	<u>\$ 14,378,154</u>	<u>\$ 8,366,578</u>	<u>\$ 4,250,975</u>	<u>\$ 4,143,096</u>

**COUNTY OF LOS ANGELES SAVINGS PLAN
SCHEDULE OF FIDUCIARY NET POSITION BY FUND
JUNE 30, 2013**

<u>ASSETS</u>	<u>Savings 2050 Target Date Fund</u>	<u>Savings Retirement Income Fund</u>	<u>Savings Non- U.S. Equity Fund</u>	<u>Savings Small Cap Equity Fund</u>	<u>Savings Mid Cap Equity Fund</u>	<u>Savings Large Cap Equity Fund</u>	<u>Savings Balanced Fund</u>	<u>Savings Bond Fund</u>
Investments:								
Savings Stable Value Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Stock funds	1,433,850	10,032,112	77,194,452	196,636,412	53,348,385	344,985,910	94,132,450	-
Bond funds	-	4,927,706	-	-	-	-	-	40,850,256
Self directed brokerage account	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-
	<u>1,433,850</u>	<u>14,959,818</u>	<u>77,194,452</u>	<u>196,636,412</u>	<u>53,348,385</u>	<u>344,985,910</u>	<u>94,132,450</u>	<u>40,850,256</u>
Receivables:								
Participant loans	-	-	-	-	-	-	-	-
Participants'	-	-	-	-	-	-	-	-
Employer match	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	1,433,850	14,959,818	77,194,452	196,636,412	53,348,385	344,985,910	94,132,450	40,850,256
<u>LIABILITIES</u>								
Administrative fees payable	-	-	-	-	-	-	-	-
NET POSITION AVAILABLE FOR BENEFITS	<u>\$ 1,433,850</u>	<u>\$ 14,959,818</u>	<u>\$ 77,194,452</u>	<u>\$ 196,636,412</u>	<u>\$ 53,348,385</u>	<u>\$ 344,985,910</u>	<u>\$ 94,132,450</u>	<u>\$ 40,850,256</u>

COUNTY OF LOS ANGELES SAVINGS PLAN
SCHEDULE OF FIDUCIARY NET POSITION BY FUND
JUNE 30, 2013

<u>ASSETS</u>	Savings Inflation Protection Fund	Bank Depository Fund	Savings Stable Value Fund	Schwab SDB Account	Loan Fund	Forfeiture Account	Receivables	Total
Investments:								
Savings Stable Value Fund	\$ -	\$ -	\$ 698,061,703	\$ -	\$ -	\$ 957,483	\$ -	\$ 699,019,186
Stock funds	3,179,842	-	-	-	-	-	-	1,007,997,672
Bond funds	-	-	-	-	-	-	-	75,314,058
Self directed brokerage account	-	-	-	20,169,571	-	-	-	20,169,571
Deposits	-	57,245,734	-	-	-	-	-	57,245,734
	<u>3,179,842</u>	<u>57,245,734</u>	<u>698,061,703</u>	<u>20,169,571</u>	<u>-</u>	<u>957,483</u>	<u>-</u>	<u>1,859,746,221</u>
Receivables:								
Participant loans	-	-	-	-	32,289,763	-	-	32,289,763
Participants'	-	-	-	-	-	-	5,833,929	5,833,929
Employer match	-	-	-	-	-	-	3,900,427	3,900,427
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,289,763</u>	<u>-</u>	<u>9,734,356</u>	<u>42,024,119</u>
TOTAL ASSETS	3,179,842	57,245,734	698,061,703	20,169,571	32,289,763	957,483	9,734,356	1,901,770,340
<u>LIABILITIES</u>								
Administrative fees payable	-	-	-	-	-	147,099	-	147,099
NET POSITION AVAILABLE FOR BENEFITS	<u>\$ 3,179,842</u>	<u>\$ 57,245,734</u>	<u>\$ 698,061,703</u>	<u>\$ 20,169,571</u>	<u>\$ 32,289,763</u>	<u>\$ 810,384</u>	<u>\$ 9,734,356</u>	<u>\$ 1,901,623,241</u>

COUNTY OF LOS ANGELES SAVINGS PLAN
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY FUND
YEAR ENDED JUNE 30, 2013

	Savings 2010 Target Date Fund	Savings 2015 Target Date Fund	Savings 2020 Target Date Fund	Savings 2025 Target Date Fund	Savings 2030 Target Date Fund	Savings 2035 Target Date Fund	Savings 2040 Target Date Fund	Savings 2045 Target Date Fund
ADDITIONS								
Investment Income:								
Net appreciation (depreciation) in fair value of investments	\$ 2,603,137	\$ 9,916,531	\$ 12,015,772	\$ 2,317,830	\$ 1,691,458	\$ 993,555	\$ 478,116	\$ 470,873
Interest and dividends	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-
	<u>2,603,137</u>	<u>9,916,531</u>	<u>12,015,772</u>	<u>2,317,830</u>	<u>1,691,458</u>	<u>993,555</u>	<u>478,116</u>	<u>470,873</u>
Contributions:								
Employer	954,552	3,119,575	3,781,178	958,930	827,073	583,808	339,527	322,947
Participants	1,831,493	5,662,315	6,960,430	1,784,483	1,586,995	1,123,816	637,002	710,110
Rollovers	5,663	19,724	266,156	872,377	37,691	3,166	116,540	3,166
	<u>2,791,708</u>	<u>8,801,614</u>	<u>11,007,764</u>	<u>3,615,790</u>	<u>2,451,759</u>	<u>1,710,790</u>	<u>1,093,069</u>	<u>1,036,223</u>
TOTAL ADDITIONS	<u>5,394,845</u>	<u>18,718,145</u>	<u>23,023,536</u>	<u>5,933,620</u>	<u>4,143,217</u>	<u>2,704,345</u>	<u>1,571,185</u>	<u>1,507,096</u>
DEDUCTIONS								
Benefits paid to participants	2,280,183	8,052,736	6,608,379	760,136	1,064,300	902,185	286,103	217,976
Administrative expenses	25,385	61,005	54,460	12,652	12,904	11,767	8,823	10,168
TOTAL DEDUCTIONS	<u>2,305,568</u>	<u>8,113,741</u>	<u>6,662,839</u>	<u>772,788</u>	<u>1,077,204</u>	<u>913,952</u>	<u>294,926</u>	<u>228,144</u>
NET INCREASE (DECREASE) BEFORE TRANSFERS	<u>3,089,277</u>	<u>10,604,404</u>	<u>16,360,697</u>	<u>5,160,832</u>	<u>3,066,013</u>	<u>1,790,393</u>	<u>1,276,259</u>	<u>1,278,952</u>
Net interfund transfers	<u>(1,281,373)</u>	<u>(3,416,871)</u>	<u>(29,739)</u>	<u>2,791,342</u>	<u>1,954,303</u>	<u>1,150,382</u>	<u>89,949</u>	<u>210,344</u>
NET INCREASE (DECREASE)	<u>1,807,904</u>	<u>7,187,533</u>	<u>16,330,958</u>	<u>7,952,174</u>	<u>5,020,316</u>	<u>2,940,775</u>	<u>1,366,208</u>	<u>1,489,296</u>
NET POSITION AVAILABLE FOR BENEFITS								
Beginning of the year	<u>23,940,772</u>	<u>75,560,863</u>	<u>79,035,967</u>	<u>13,635,381</u>	<u>9,357,838</u>	<u>5,425,803</u>	<u>2,884,767</u>	<u>2,653,800</u>
End of the year	<u>\$ 25,748,676</u>	<u>\$ 82,748,396</u>	<u>\$ 95,366,925</u>	<u>\$ 21,587,555</u>	<u>\$ 14,378,154</u>	<u>\$ 8,366,578</u>	<u>\$ 4,250,975</u>	<u>\$ 4,143,096</u>

COUNTY OF LOS ANGELES SAVINGS PLAN
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY FUND
YEAR ENDED JUNE 30, 2013

	Savings 2050 Target Date Fund	Savings Retirement Income Fund	Savings Non- U.S. Equity Fund	Savings Small Cap Equity Fund	Savings Mid Cap Equity Fund	Savings Large Cap Equity Fund	Savings Balanced Fund	Savings Bond Fund
ADDITIONS								
Investment Income:								
Net appreciation (depreciation) in fair value of investments	\$ 126,273	\$ 1,078,765	\$ 11,461,862	\$ 38,371,936	\$ 9,225,043	\$ 58,879,194	\$ 17,168,718	\$ 2,126,775
Interest and dividends	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-
	<u>126,273</u>	<u>1,078,765</u>	<u>11,461,862</u>	<u>38,371,936</u>	<u>9,225,043</u>	<u>58,879,194</u>	<u>17,168,718</u>	<u>2,126,775</u>
Contributions:								
Employer	109,434	415,031	2,234,404	4,100,060	1,672,271	6,599,768	1,894,755	1,362,296
Participants	222,336	926,630	4,480,625	8,065,028	3,389,702	14,410,163	3,720,684	2,564,628
Rollovers	3,166	8,428	133,929	259,349	17,730	139,940	176,874	68,342
	<u>334,936</u>	<u>1,350,089</u>	<u>6,848,958</u>	<u>12,424,437</u>	<u>5,079,703</u>	<u>21,149,871</u>	<u>5,792,313</u>	<u>3,995,266</u>
TOTAL ADDITIONS	<u>461,209</u>	<u>2,428,854</u>	<u>18,310,820</u>	<u>50,796,373</u>	<u>14,304,746</u>	<u>80,029,065</u>	<u>22,961,031</u>	<u>6,122,041</u>
DEDUCTIONS								
Benefits paid to participants	69,448	1,925,863	6,202,881	12,194,949	2,482,821	23,792,920	5,990,936	4,125,743
Administrative expenses	2,538	6,069	7,685	32,683	20,711	179,849	80,003	77,318
TOTAL DEDUCTIONS	<u>71,986</u>	<u>1,931,932</u>	<u>6,210,566</u>	<u>12,227,632</u>	<u>2,503,532</u>	<u>23,972,769</u>	<u>6,070,939</u>	<u>4,203,061</u>
NET INCREASE (DECREASE) BEFORE TRANSFERS	<u>389,223</u>	<u>496,922</u>	<u>12,100,254</u>	<u>38,568,741</u>	<u>11,801,214</u>	<u>56,056,296</u>	<u>16,890,092</u>	<u>1,918,980</u>
Net interfund transfers	<u>361,186</u>	<u>2,845,832</u>	<u>(1,649,145)</u>	<u>(7,289,815)</u>	<u>5,301,894</u>	<u>(10,339,828)</u>	<u>3,272,907</u>	<u>(1,731,278)</u>
NET INCREASE (DECREASE)	<u>750,409</u>	<u>3,342,754</u>	<u>10,451,109</u>	<u>31,278,926</u>	<u>17,103,108</u>	<u>45,716,468</u>	<u>20,162,999</u>	<u>187,702</u>
NET POSITION AVAILABLE FOR BENEFITS								
Beginning of the year	<u>683,441</u>	<u>11,617,064</u>	<u>66,743,343</u>	<u>165,357,486</u>	<u>36,245,277</u>	<u>299,269,442</u>	<u>73,969,451</u>	<u>40,662,554</u>
End of the year	<u>\$ 1,433,850</u>	<u>\$ 14,959,818</u>	<u>\$ 77,194,452</u>	<u>\$ 196,636,412</u>	<u>\$ 53,348,385</u>	<u>\$ 344,985,910</u>	<u>\$ 94,132,450</u>	<u>\$ 40,850,256</u>

**COUNTY OF LOS ANGELES SAVINGS PLAN
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY FUND
YEAR ENDED JUNE 30, 2013**

ADDITIONS	Savings Inflation Protection Fund	Bank Depository Fund	Savings Stable Value Fund	Schwab SDB Account	Loan Fund	Forfeiture Account	Receivables	Total
Investment Income:								
Net appreciation (depreciation) in fair value of investments	\$ (178,038)	\$ -	\$ -	\$ 1,622,490	\$ -	\$ -	\$ -	\$ 170,370,290
Interest and dividends	-	183,312	16,586,015	-	1,307,303	-	-	18,076,630
Other income	-	-	-	-	-	114,397	-	114,397
	<u>(178,038)</u>	<u>183,312</u>	<u>16,586,015</u>	<u>1,622,490</u>	<u>1,307,303</u>	<u>114,397</u>	<u>-</u>	<u>188,561,317</u>
Contributions:								
Employer	185,571	1,207,783	15,321,918	-	-	-	1,643,839	47,634,720
Participants	395,989	1,992,972	22,992,623	-	(13,626,467)	-	184,288	70,015,845
Rollovers	-	158,964	2,998,898	-	-	-	-	5,290,103
	<u>581,560</u>	<u>3,359,719</u>	<u>41,313,439</u>	<u>-</u>	<u>(13,626,467)</u>	<u>-</u>	<u>1,828,127</u>	<u>122,940,668</u>
TOTAL ADDITIONS	<u>403,522</u>	<u>3,543,031</u>	<u>57,899,454</u>	<u>1,622,490</u>	<u>(12,319,164)</u>	<u>114,397</u>	<u>1,828,127</u>	<u>311,501,985</u>
DEDUCTIONS								
Benefits paid to participants	236,414	7,332,721	61,684,087	307,318	(11,410,117)	-	-	135,107,982
Administrative expenses	188	44,464	747,381	-	-	113,949	-	1,510,002
TOTAL DEDUCTIONS	<u>236,602</u>	<u>7,377,185</u>	<u>62,431,468</u>	<u>307,318</u>	<u>(11,410,117)</u>	<u>113,949</u>	<u>-</u>	<u>136,617,984</u>
NET INCREASE (DECREASE) BEFORE TRANSFERS	166,920	(3,834,154)	(4,532,014)	1,315,172	(909,047)	448	1,828,127	174,884,001
Net interfund transfers	61,578	(90,490)	3,641,040	4,147,782	-	-	-	-
NET INCREASE (DECREASE)	<u>228,498</u>	<u>(3,924,644)</u>	<u>(890,974)</u>	<u>5,462,954</u>	<u>(909,047)</u>	<u>448</u>	<u>1,828,127</u>	<u>174,884,001</u>
NET POSITION AVAILABLE FOR BENEFITS								
Beginning of the year	2,951,344	61,170,378	698,952,677	14,706,617	33,198,810	809,936	7,906,229	1,726,739,240
End of the year	<u>\$ 3,179,842</u>	<u>\$ 57,245,734</u>	<u>\$ 698,061,703</u>	<u>\$ 20,169,571</u>	<u>\$ 32,289,763</u>	<u>\$ 810,384</u>	<u>\$ 9,734,356</u>	<u>\$ 1,901,623,241</u>

COUNTY OF LOS ANGELES SAVINGS PLAN
SCHEDULE OF FIDUCIARY NET POSITION BY FUND
JUNE 30, 2012

	Savings 2010 Target Date Fund	Savings 2015 Target Date Fund	Savings 2020 Target Date Fund	Savings 2025 Target Date Fund	Savings 2030 Target Date Fund	Savings 2035 Target Date Fund	Savings 2040 Target Date Fund	Savings 2045 Target Date Fund
ASSETS								
Investments:								
Savings Stable Value Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Stock funds	18,219,268	62,714,225	73,074,189	13,231,164	9,357,838	5,425,803	2,884,767	2,653,800
Bond funds	5,721,504	12,846,638	5,961,778	404,217	-	-	-	-
Self directed brokerage account	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-
	<u>23,940,772</u>	<u>75,560,863</u>	<u>79,035,967</u>	<u>13,635,381</u>	<u>9,357,838</u>	<u>5,425,803</u>	<u>2,884,767</u>	<u>2,653,800</u>
Receivables:								
Participant loans	-	-	-	-	-	-	-	-
Participants'	-	-	-	-	-	-	-	-
Employer match	-	-	-	-	-	-	-	-
	<u>-</u>							
TOTAL ASSETS	23,940,772	75,560,863	79,035,967	13,635,381	9,357,838	5,425,803	2,884,767	2,653,800
LIABILITIES								
Administrative fees payable	-	-	-	-	-	-	-	-
NET POSITION AVAILABLE FOR BENEFITS	<u>\$ 23,940,772</u>	<u>\$ 75,560,863</u>	<u>\$ 79,035,967</u>	<u>\$ 13,635,381</u>	<u>\$ 9,357,838</u>	<u>\$ 5,425,803</u>	<u>\$ 2,884,767</u>	<u>\$ 2,653,800</u>

COUNTY OF LOS ANGELES SAVINGS PLAN
SCHEDULE OF FIDUCIARY NET POSITION BY FUND
JUNE 30, 2012

<u>ASSETS</u>	Savings 2050 Target Date Fund	Savings Retirement Income Fund	Savings Non- U.S. Equity Fund	Savings Small Cap Equity Fund	Savings Mid Cap Equity Fund	Savings Large Cap Equity Fund	Savings Balanced Fund	Savings Bond Fund
Investments:								
Savings Stable Value Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Stock funds	683,441	7,884,258	66,743,343	165,357,486	36,245,277	299,269,442	73,969,451	-
Bond funds	-	3,732,806	-	-	-	-	-	40,662,554
Self directed brokerage account	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-
	<u>683,441</u>	<u>11,617,064</u>	<u>66,743,343</u>	<u>165,357,486</u>	<u>36,245,277</u>	<u>299,269,442</u>	<u>73,969,451</u>	<u>40,662,554</u>
Receivables:								
Participant loans	-	-	-	-	-	-	-	-
Participants'	-	-	-	-	-	-	-	-
Employer match	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	683,441	11,617,064	66,743,343	165,357,486	36,245,277	299,269,442	73,969,451	40,662,554
<u>LIABILITIES</u>								
Administrative fees payable	-	-	-	-	-	-	-	-
NET POSITION AVAILABLE FOR BENEFITS	<u>\$ 683,441</u>	<u>\$ 11,617,064</u>	<u>\$ 66,743,343</u>	<u>\$ 165,357,486</u>	<u>\$ 36,245,277</u>	<u>\$ 299,269,442</u>	<u>\$ 73,969,451</u>	<u>\$ 40,662,554</u>

**COUNTY OF LOS ANGELES SAVINGS PLAN
SCHEDULE OF FIDUCIARY NET POSITION BY FUND
JUNE 30, 2012**

<u>ASSETS</u>	Savings Inflation Protection Fund	Bank Depository Fund	Savings Stable Value Fund	Schwab SDB Account	Loan Fund	Forfeiture Account	Receivables	Total
Investments:								
Savings Stable Value Fund	\$ -	\$ -	\$ 698,952,677	\$ -	\$ -	\$ 994,265	\$ -	\$ 699,946,942
Stock funds	2,951,344	-	-	-	-	-	-	840,665,096
Bond funds	-	-	-	-	-	-	-	69,329,497
Self directed brokerage account	-	-	-	14,706,617	-	-	-	14,706,617
Deposits	-	61,170,378	-	-	-	-	-	61,170,378
	<u>2,951,344</u>	<u>61,170,378</u>	<u>698,952,677</u>	<u>14,706,617</u>	<u>-</u>	<u>994,265</u>	<u>-</u>	<u>1,685,818,530</u>
Receivables:								
Participant loans	-	-	-	-	33,198,810	-	-	33,198,810
Participants'	-	-	-	-	-	-	5,649,642	5,649,642
Employer match	-	-	-	-	-	-	2,256,587	2,256,587
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,198,810</u>	<u>-</u>	<u>7,906,229</u>	<u>41,105,039</u>
TOTAL ASSETS	2,951,344	61,170,378	698,952,677	14,706,617	33,198,810	994,265	7,906,229	1,726,923,569
<u>LIABILITIES</u>								
Administrative fees payable	-	-	-	-	-	184,329	-	184,329
NET POSITION AVAILABLE FOR BENEFITS	<u>\$ 2,951,344</u>	<u>\$ 61,170,378</u>	<u>\$ 698,952,677</u>	<u>\$ 14,706,617</u>	<u>\$ 33,198,810</u>	<u>\$ 809,936</u>	<u>\$ 7,906,229</u>	<u>\$ 1,726,739,240</u>

COUNTY OF LOS ANGELES SAVINGS PLAN
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY FUND
JUNE 30, 2012

	Savings 2010 Target Date Fund	Savings 2015 Target Date Fund	Savings 2020 Target Date Fund	Savings 2025 Target Date Fund	Savings 2030 Target Date Fund	Savings 2035 Target Date Fund	Savings 2040 Target Date Fund	Savings 2045 Target Date Fund
ADDITIONS								
Investment Income:								
Net appreciation (depreciation) in fair value of investments	\$ 101,309	\$ (527,605)	\$ (1,504,514)	\$ (172,850)	\$ (255,620)	\$ (95,334)	\$ (44,252)	\$ (27,240)
Interest and dividends	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-
	<u>101,309</u>	<u>(527,605)</u>	<u>(1,504,514)</u>	<u>(172,850)</u>	<u>(255,620)</u>	<u>(95,334)</u>	<u>(44,252)</u>	<u>(27,240)</u>
Contributions:								
Employer	804,208	2,481,865	2,859,480	560,762	473,755	343,366	183,369	189,243
Participants	1,862,477	5,524,553	6,518,162	1,345,879	1,157,421	805,459	486,527	556,528
Rollovers	87,093	46,925	64,323	75,550	1,042	-	5,117	25,000
	<u>2,753,778</u>	<u>8,053,343</u>	<u>9,441,965</u>	<u>1,982,191</u>	<u>1,632,218</u>	<u>1,148,825</u>	<u>675,013</u>	<u>770,771</u>
TOTAL ADDITIONS	<u>2,855,087</u>	<u>7,525,738</u>	<u>7,937,451</u>	<u>1,809,341</u>	<u>1,376,598</u>	<u>1,053,491</u>	<u>630,761</u>	<u>743,531</u>
DEDUCTIONS								
Benefits paid to participants	2,090,311	4,241,519	4,938,784	515,252	506,221	280,736	158,710	120,516
Administrative expenses	26,746	62,327	54,548	9,038	9,987	8,296	6,227	7,875
	<u>2,117,057</u>	<u>4,303,846</u>	<u>4,993,332</u>	<u>524,290</u>	<u>516,208</u>	<u>289,032</u>	<u>164,937</u>	<u>128,391</u>
TOTAL DEDUCTIONS	<u>2,117,057</u>	<u>4,303,846</u>	<u>4,993,332</u>	<u>524,290</u>	<u>516,208</u>	<u>289,032</u>	<u>164,937</u>	<u>128,391</u>
NET INCREASE (DECREASE) BEFORE TRANSFERS	<u>738,030</u>	<u>3,221,892</u>	<u>2,944,119</u>	<u>1,285,051</u>	<u>860,390</u>	<u>764,459</u>	<u>465,824</u>	<u>615,140</u>
Net interfund transfers	<u>(2,617,726)</u>	<u>(3,423,741)</u>	<u>(2,022,736)</u>	<u>778,161</u>	<u>(267,073)</u>	<u>382,307</u>	<u>400,260</u>	<u>(58,695)</u>
NET INCREASE (DECREASE)	<u>(1,879,696)</u>	<u>(201,849)</u>	<u>921,383</u>	<u>2,063,212</u>	<u>593,317</u>	<u>1,146,766</u>	<u>866,084</u>	<u>556,445</u>
NET POSITION AVAILABLE FOR BENEFITS								
Beginning of the year	<u>25,820,468</u>	<u>75,762,712</u>	<u>78,114,584</u>	<u>11,572,169</u>	<u>8,764,521</u>	<u>4,279,037</u>	<u>2,018,683</u>	<u>2,097,355</u>
End of the year	<u>\$ 23,940,772</u>	<u>\$ 75,560,863</u>	<u>\$ 79,035,967</u>	<u>\$ 13,635,381</u>	<u>\$ 9,357,838</u>	<u>\$ 5,425,803</u>	<u>\$ 2,884,767</u>	<u>\$ 2,653,800</u>

COUNTY OF LOS ANGELES SAVINGS PLAN
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY FUND
JUNE 30, 2012

	Savings 2050 Target Date Fund	Savings Retirement Income Fund	Savings Non- U.S. Equity Fund	Savings Small Cap Equity Fund	Savings Mid Cap Equity Fund	Savings Large Cap Equity Fund	Savings Balanced Fund	Savings Bond Fund
ADDITIONS								
Investment Income:								
Net appreciation (depreciation) in fair value of investments	\$ (35,674)	\$ 389,476	\$ (7,651,306)	\$ 4,121,016	\$ (809,554)	\$ 10,050,283	\$ 538,178	\$ 2,721,068
Interest and dividends	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-
	<u>(35,674)</u>	<u>389,476</u>	<u>(7,651,306)</u>	<u>4,121,016</u>	<u>(809,554)</u>	<u>10,050,283</u>	<u>538,178</u>	<u>2,721,068</u>
Contributions:								
Employer	53,553	242,662	1,707,286	3,142,686	1,130,611	5,107,386	1,402,405	1,043,550
Participants	140,602	695,588	4,465,422	7,957,888	2,994,229	14,375,469	3,516,100	2,428,354
Rollovers	1,121	-	81,334	64,600	101,242	448,845	196,066	70,973
	<u>195,276</u>	<u>938,250</u>	<u>6,254,042</u>	<u>11,165,174</u>	<u>4,226,082</u>	<u>19,931,700</u>	<u>5,114,571</u>	<u>3,542,877</u>
TOTAL ADDITIONS	<u>159,602</u>	<u>1,327,726</u>	<u>(1,397,264)</u>	<u>15,286,190</u>	<u>3,416,528</u>	<u>29,981,983</u>	<u>5,652,749</u>	<u>6,263,945</u>
DEDUCTIONS								
Benefits paid to participants	55,998	873,543	3,281,049	7,572,315	1,239,013	16,687,856	4,118,429	2,645,342
Administrative expenses	1,155	4,586	8,221	33,885	18,056	177,955	76,411	71,283
TOTAL DEDUCTIONS	<u>57,153</u>	<u>878,129</u>	<u>3,289,270</u>	<u>7,606,200</u>	<u>1,257,069</u>	<u>16,865,811</u>	<u>4,194,840</u>	<u>2,716,625</u>
NET INCREASE (DECREASE) BEFORE TRANSFERS	<u>102,449</u>	<u>449,597</u>	<u>(4,686,534)</u>	<u>7,679,990</u>	<u>2,159,459</u>	<u>13,116,172</u>	<u>1,457,909</u>	<u>3,547,320</u>
Net interfund transfers	<u>(110,888)</u>	<u>2,894,891</u>	<u>(6,247,684)</u>	<u>(7,548,369)</u>	<u>(839,889)</u>	<u>(13,997,783)</u>	<u>(2,843,459)</u>	<u>994,638</u>
NET INCREASE (DECREASE)	<u>(8,439)</u>	<u>3,344,488</u>	<u>(10,934,218)</u>	<u>131,621</u>	<u>1,319,570</u>	<u>(881,611)</u>	<u>(1,385,550)</u>	<u>4,541,958</u>
NET POSITION AVAILABLE FOR BENEFITS								
Beginning of the year	<u>691,880</u>	<u>8,272,576</u>	<u>77,677,561</u>	<u>165,225,865</u>	<u>34,925,707</u>	<u>300,151,053</u>	<u>75,355,001</u>	<u>36,120,596</u>
End of the year	<u>\$ 683,441</u>	<u>\$ 11,617,064</u>	<u>\$ 66,743,343</u>	<u>\$ 165,357,486</u>	<u>\$ 36,245,277</u>	<u>\$ 299,269,442</u>	<u>\$ 73,969,451</u>	<u>\$ 40,662,554</u>

COUNTY OF LOS ANGELES SAVINGS PLAN
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY FUND
YEAR ENDED JUNE 30, 2012

<u>ADDITIONS</u>	Savings Inflation Protection Fund	Bank Depository Fund	Savings Stable Value Fund	Schwab SDB Account	Loan Fund	Forfeiture Account	Receivables	Total
Investment Income:								
Net appreciation (depreciation) in fair value of investments	\$ 163,247	\$ -	\$ -	\$ (669,296)	\$ -	\$ -	\$ -	\$ 6,291,332
Interest and dividends	-	226,630	21,001,150	-	1,403,362	-	-	22,631,142
Other income	-	-	-	-	-	153,246	-	153,246
	<u>163,247</u>	<u>226,630</u>	<u>21,001,150</u>	<u>(669,296)</u>	<u>1,403,362</u>	<u>153,246</u>	<u>-</u>	<u>29,075,720</u>
Contributions:								
Employer	75,224	1,053,025	12,807,339	-	-	-	1,735,275	37,397,050
Participants	185,511	2,045,695	24,602,638	-	(13,099,769)	-	31,918	68,596,651
Rollovers	-	-	3,848,729	-	-	-	-	5,117,960
	<u>260,735</u>	<u>3,098,720</u>	<u>41,258,706</u>	<u>-</u>	<u>(13,099,769)</u>	<u>-</u>	<u>1,767,193</u>	<u>111,111,661</u>
TOTAL ADDITIONS	<u>423,982</u>	<u>3,325,350</u>	<u>62,259,856</u>	<u>(669,296)</u>	<u>(11,696,407)</u>	<u>153,246</u>	<u>1,767,193</u>	<u>140,187,381</u>
DEDUCTIONS								
Benefits paid to participants	172,151	5,130,413	49,412,865	960,657	(11,665,419)	-	-	93,336,261
Administrative expenses	76	46,022	752,024	-	-	114,225	-	1,488,943
TOTAL DEDUCTIONS	<u>172,227</u>	<u>5,176,435</u>	<u>50,164,889</u>	<u>960,657</u>	<u>(11,665,419)</u>	<u>114,225</u>	<u>-</u>	<u>94,825,204</u>
NET INCREASE (DECREASE) BEFORE TRANSFERS	251,755	(1,851,085)	12,094,967	(1,629,953)	(30,988)	39,021	1,767,193	45,362,177
Net interfund transfers	<u>2,237,299</u>	<u>(1,000,752)</u>	<u>29,472,984</u>	<u>3,828,255</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE)	<u>2,489,054</u>	<u>(2,851,837)</u>	<u>41,567,951</u>	<u>2,198,302</u>	<u>(30,988)</u>	<u>29,021</u>	<u>1,767,193</u>	<u>45,362,177</u>
NET POSITION AVAILABLE FOR BENEFITS								
Beginning of the year	<u>462,290</u>	<u>64,022,215</u>	<u>657,384,726</u>	<u>12,508,315</u>	<u>33,229,798</u>	<u>780,915</u>	<u>6,139,036</u>	<u>1,681,377,063</u>
End of the year	<u>\$ 2,951,344</u>	<u>\$ 61,170,378</u>	<u>\$ 698,952,677</u>	<u>\$ 14,706,617</u>	<u>\$ 33,198,810</u>	<u>\$ 809,936</u>	<u>\$ 7,906,229</u>	<u>\$ 1,726,739,240</u>

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS*.**

To the Members of the Plan Administrative Committee of the
County of Los Angeles Savings Plan

We have audited, in accordance with the 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, the financial statements of the County of Los Angeles Savings Plan (the “Plan”), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Plan’s basic financial statements, and have issued our report thereon dated January 15, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Plan’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Plan’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Plan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plan's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Savings Plan Administrative Committee, management, and the County Board of Supervisors and is not intended to be and should not be used by anyone other than these specified parties.

Washington, DC
January 15, 2014

Bazilio Cobb Associates, P.C.



County of Los Angeles Savings Plan

Independent Accountant's Report on Applying Agreed-Upon Procedures

June 30, 2013

BCA Bazilio Cobb
Associates

Certified Public Accountants and Consultants
1920 N Street NW, Suite 800 Washington, DC 20036
t: (202) 737-3300 f: (202) 737-2684



County of Los Angeles Savings Plan

Independent Accountant's Report on Applying Agreed-Upon Procedures

June 30, 2013

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING
AGREED-UPON PROCEDURES**

To the Members of the Plan Administrative Committee of the
County of Los Angeles Savings Plan

We have performed the agreed-upon procedures described in Work Order No. 7-92 by the County of Los Angeles (the "County"), which were agreed to by the Plan Administrative Committee and management of the County, solely to assist you in evaluating certain controls and compliance requirements of the County of Los Angeles Savings Plan (the "Plan") as of and for the year ended June 30, 2013. The County's management is responsible for complying with the requirements of the Plan document and the Plan Administrative Committee. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these agreed-upon procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The County offers its employees various deferred income benefit plans, including the Savings Plan. The Plan has 13,594 participants and approximately \$1.9 billion in net position at June 30, 2013. The County has contracted with Great-West Life & Annuity Insurance Company ("Great West") to administer the Plan and with BNY Mellon to provide valuation and custody services. The Plan's assets are held on behalf of the participants by an independent trustee, Wells Fargo Bank, N.A. ("Wells Fargo").

The procedures we performed and the results are as follows:

1. Plan asset reconciliation

Total plan assets are comprised of the Plan's participant, forfeiture subaccount, and loan balances. We reconciled total plan assets of \$1,901,770,340, which include receivables of \$42,024,119 at June 30, 2013, by agreeing the ending market value balance according to the June 30, 2013 quarterly statement provided by Wells Fargo to the total Plan assets balance according to the annual account summary provided by Great West.

Results

There was no difference arising from the reconciliation.

2. Investment confirmations

We confirmed all cash accounts and investments with the individual financial institutions that had custody of the funds and investments held under the supervision of Great West. We reconciled the amounts confirmed to the records of Great West.

**COUNTY OF LOS ANGELES
SAVINGS PLAN
AGREED-UPON PROCEDURES REPORT
JUNE 30, 2013**

2. Investment confirmations (continued)

Results

There were reconciling differences between the records of Great West and those of the individual financial institutions. Reconciling items noted were discussed with Great West personnel and were determined to be due to temporary timing differences that would self-correct.

The reconciled investments and cash balances at June 30, 2013 for the Plan are as follows:

Savings Plan Great West Account #98996-03

	Assets Per		
	Great West	Financial Institutions	Difference
Savings 2010 Target Date Fund	\$ 25,748,676	\$ 25,497,183	\$ 251,493
Savings 2015 Target Date Fund	82,748,396	82,748,435	(39)
Savings 2020 Target Date Fund	95,366,925	95,338,886	28,039
Savings 2025 Target Date Fund	21,587,555	21,594,248	(6,693)
Savings 2030 Target Date Fund	14,378,154	14,378,154	-
Savings 2035 Target Date Fund	8,366,578	8,366,578	-
Savings 2040 Target Date Fund	4,250,975	4,250,975	-
Savings 2045 Target Date Fund	4,143,096	4,143,096	-
Savings 2050 Target Date Fund	1,433,850	1,423,950	9,900
Savings Retirement Income Fund	14,959,818	15,715,128	(755,310)
Savings Non-U.S. Equity Fund	77,194,452	77,241,953	(47,501)
Savings Small Cap Equity Fund	196,636,412	196,447,084	189,328
Savings Mid Cap Equity Fund	53,348,385	53,137,955	210,430
Savings Large Cap Equity Fund	344,985,910	345,111,924	(126,014)
Savings Balanced Fund	94,132,450	93,814,363	318,087
Savings Bond Fund	40,850,256	40,885,612	(35,356)
Savings Inflation Protection Fund	3,179,842	3,199,378	(19,536)
Savings Bank Deposit Fund	57,245,734	57,290,592	(44,858)
Savings Stable Value Fund	699,019,186	699,979,500	(960,314)
Schwab Self Directed Brokerage Account	20,169,571	20,165,421	4,150
	<u>1,859,746,221</u>	<u>\$ 1,860,730,415</u>	<u>\$ (984,194)</u>
Loan Fund	32,289,763		
Total Assets per Great West	1,892,035,984		
Contribution Receivables	9,734,356		
Total Plan Assets	<u>\$ 1,901,770,340</u>		

**COUNTY OF LOS ANGELES
SAVINGS PLAN
AGREED-UPON PROCEDURES REPORT
JUNE 30, 2013**

3. Investment income

The following procedures were performed:

- We reconciled total investment income for the year ended June 30, 2013 between Great West (record keeper) and the individual financial institutions.
- Total income for the year ended June 30, 2013 was also reconciled between Wells Fargo (trustee) and Great West.
- We recomputed the investment income for a sample of ten (10) participants for the year ended June 30, 2013 to ensure that investment income was properly allocated to participant accounts.

Results

The following differences were identified from the reconciliation between Great West and the individual financial institutions. These differences were determined to be due to temporary timing differences that would self-correct.

	Total Investment Income Per		
	Great West	Financial Institutions	Difference
Savings 2010 Target Date Fund	\$ 2,603,137	\$ 2,603,081	\$ 56
Savings 2015 Target Date Fund	9,916,531	9,916,366	165
Savings 2020 Target Date Fund	12,015,772	12,015,893	(121)
Savings 2025 Target Date Fund	2,317,830	2,317,883	(53)
Savings 2030 Target Date Fund	1,691,458	1,691,428	30
Savings 2035 Target Date Fund	993,555	993,558	(3)
Savings 2040 Target Date Fund	478,116	478,119	(3)
Savings 2045 Target Date Fund	470,873	470,726	147
Savings 2050 Target Date Fund	126,273	126,273	-
Savings Retirement Income Fund	1,078,765	1,078,765	-
Savings Non-U.S. Equity Fund	11,461,862	11,462,359	(497)
Savings Small Cap Equity Fund	38,371,936	38,373,322	(1,386)
Savings Mid Cap Equity Fund	9,225,043	9,225,528	(485)
Savings Large Cap Equity Fund	58,879,194	58,880,129	(935)
Savings Balanced Fund	17,168,718	17,168,653	65
Savings Bond Fund	2,126,775	2,126,784	(9)
Savings Inflation Protection Fund	(178,038)	(178,038)	-
Savings Bank Depository Fund	183,312	227,573	(44,261)
Savings Stable Value Fund	16,700,412	16,987,386	(286,974)
Schwab Self Directed Brokerage Account	1,622,490	1,655,736	(33,246)
	<u>187,254,014</u>	<u>\$ 187,621,524</u>	<u>\$ (367,510)</u>
Loan Fund	1,307,303		
Total Investment Income	<u>\$ 188,561,317</u>		

No exceptions were noted in the reconciliation between Wells Fargo and Great West, or in the recomputation of investment income for the sample selected.

**COUNTY OF LOS ANGELES
SAVINGS PLAN
AGREED-UPON PROCEDURES REPORT
JUNE 30, 2013**

4. Forfeiture sub-account withdrawals

A sample of twenty (20) withdrawals from the forfeiture sub-accounts during the year ended June 30, 2013 was selected from Great West's Annual Forfeiture Account Summary. For each of the withdrawals selected, we performed the following procedures:

- We agreed each withdrawal to actual payment documentation from Great West.
- We noted evidence of payment approval, including authorized invoices and approval letters from the County.
- We noted that each withdrawal was appropriately made from the various types of forfeiture sub-accounts, including float interest earnings and administrative fees subaccounts.
- We noted that the forfeiture sub-accounts were fully reconciled.

Results

No exceptions were noted.

5. Charges to participant accounts for deposit into forfeiture sub-accounts

A sample of sixty (60) participants was selected from the participant summary report provided by Great West for the months of September 2012, December 2012 and May 2013. Procedures were performed to determine whether the total fees charged to participant accounts (the approved net monthly third-party administrator ("TPA") and County administrative fee) of \$8.59 for the fiscal year 2013 was deducted from each participant's account for the months tested.

Also, the reasonableness of the total administrative fees deposited monthly to the forfeiture sub-accounts was verified. We recomputed the total monthly administrative fees using the approved TPA rate and the average monthly participants and compared the results to the actual amounts deposited to the forfeiture accounts.

Results

No exceptions were noted.

**COUNTY OF LOS ANGELES
SAVINGS PLAN
AGREED-UPON PROCEDURES REPORT
JUNE 30, 2013**

6. New loans

A sample of sixty (60) new loans issued during the year ended June 30, 2013 was selected from the Annual Summary Report provided by Great West. For each new loan selected, we performed the following:

- We reviewed supporting documentation to verify that each loan was made in accordance with the Plan's provisions. Specifically, loan terms and limits recorded in the Great West system and County's payroll system were compared with Plan provisions, and signed promissory notes were reviewed.
- Loan repayment amounts on the amortization schedules were compared to the County's payroll registers for the first pay period after the loan was initiated and the last pay period of the fiscal year ended June 30, 2013. The loan balance as of June 30, 2013 was compared to the Great West's fourth quarter participant statements. In addition, we verified that the interest rate used for each loan was in accordance with the Plan's guidelines and was consistent with the rate shown on the promissory note.

Results

No exceptions were noted.

7. Late and defaulted loans

A sample of twenty five (25) late and defaulted loans which occurred during the year ended June 30, 2013, was selected to determine if participant notices were accurate and mailed within the agreed-upon timeframes, and the loans were handled in accordance with the Plan's provisions. We verified that an accurate notice was sent to each selected participant; loans were treated as defaulted if missed payments were not made by the end of the quarter following the quarter with the missed payments; defaulted loans were taxed as deemed distributions and the letter sent was accurate; and interest continued to be assessed and payments continued until the loans were fully repaid or offset.

Results

No exceptions were noted.

8. Loan Changes

Ten (10) new and existing loans with payment changes during the year ended June 30, 2013 were selected, and the following procedures were performed for each participant to determine if the TPA handled the changes in accordance with the Plan's guidelines.

**COUNTY OF LOS ANGELES
SAVINGS PLAN
AGREED-UPON PROCEDURES REPORT
JUNE 30, 2013**

8. Loan Changes (continued)

- We verified that a loan payment change request form was submitted for loan payment(s) to cease, and that loan payment(s) ceased during the leave of absence.
- We also verified that a second loan payment change request form was submitted at the end of the leave of absence and regular loan repayments resumed during the grace period.

Results

No exceptions were noted.

9. Outstanding loans of separated participants

A sample of twenty five (25) outstanding loans of participants who have separated service was selected to determine if the TPA processed the outstanding loans according to Plan provisions. We verified that the loan was: 1) repaid in full at separation; 2) if not repaid in full at separation, the loan was repaid within the grace period not to exceed the end of the calendar quarter following the calendar quarter in which the participant separated from County service; 3) if not repaid by the end of the grace period or before the participant takes a distribution (whichever is earlier), the loan was treated as defaulted and taxed as a deemed distribution.

Results

For eighteen (18) employees who separated from County service, the loans were not paid off within the grace period and, therefore, the loans were treated as defaulted and 1099s were issued by Great West to the participants. These loans have not been paid off or offset. For five (5) other loans, Great West provided 1099s on the default date and these loans were paid off or offset after the grace period. Per Great West, until a loan is paid off or offset, payments will continue to be accepted, even after the loan has defaulted and a 1099 has been issued.

For one (1) of the loans, the participant is currently making monthly payments; however, this is beyond the grace period and a 1099 has not been provided to the participant. For one (1) other sample, a 1099 was not issued at the end of the grace period and the loan was paid off after the grace period.

Great West indicated that the default policy for terminated employees with loans was not enforced consistently in the past, and beginning March 31, 2014, Great West will manually default all loans not paid within the grace period.

**COUNTY OF LOS ANGELES
SAVINGS PLAN
AGREED-UPON PROCEDURES REPORT
JUNE 30, 2013**

10. Hardship withdrawals

Twenty five (25) hardship withdrawals made during the year ended June 30, 2013 were selected, and the following procedures were performed to determine if the requests were handled timely, accurately and in accordance with the Plan's provisions.

- For each hardship withdrawal, we vouched to approved withdrawal forms, documentation supporting an eligible financial emergency, and participant statements.
- We verified that the withdrawal was taxed at distribution and made within 60 days of approval in accordance with the Plan document, and that deferral under the Plan ceased for six months (6) following the withdrawal.

Results

No exceptions were noted.

11. Termination pay deferrals

A sample of ten (10) termination pay deferrals which occurred during the year ended June 30, 2013 was selected to determine if they were in accordance with the Plan's provisions. We verified that the deferrals were made out of the accrued sick, vacation and other types of leave that were due to the participants upon termination; the termination pay deferrals were properly withheld; and total contributions, including the termination pay deferral, did not exceed the annual maximum limit.

Results

No exceptions were noted.

12. Participants withdrawals and distributions

A sample of sixty (60) participants receiving a distribution during the year ended June 30, 2013 was selected from Great West's Annual Distribution Report. Types of distributions in the population sampled included payments to beneficiaries upon the participant's death, in-service withdrawals, separation of service withdrawals, retirement withdrawals, minimum required distributions, disability withdrawals, and Qualified Domestic Relations Orders ("QDROs"). For each of the 60 participants selected, we performed the following:

- We agreed the distribution to supporting payment documents from Great West.

**COUNTY OF LOS ANGELES
SAVINGS PLAN
AGREED-UPON PROCEDURES REPORT
JUNE 30, 2013**

12. Participants withdrawals and distributions (continued)

- For each distribution selected, we vouched to evidence of the distribution approval, including benefit election forms, evidence of age and employment status, and dates of service.
- We recomputed distribution amounts based on the participant's eligibility requirements and Plan provisions.
- We recalculated the federal and state tax withholding amounts, if applicable, to ensure compliance with the Plan document and applicable tax laws.

Results

No exceptions were noted.

13. Amounts held in suspense

The suspense activity records at the end of each month for the year ended June 30, 2013 were reviewed to determine whether amounts held in suspense and unapplied to participant accounts were resolved timely and cleared within a reasonable time period.

Results

No exceptions were noted.

14. Participant investment selections

We performed the following procedures to determine whether Great West executed participant investment allocations in accordance with participant-desired elections:

- We selected sixty (60) participants who were active in the Plan for the year ended June 30, 2013.
- We agreed the participant's allocation request to the Great West participant summary indicating the participant's desired allocation, noting the date of the request, fund designations, and desired percentage allocations.
- We agreed the investment allocations in the related quarterly participant statements to Great West's records.

**COUNTY OF LOS ANGELES
SAVINGS PLAN
AGREED-UPON PROCEDURES REPORT
JUNE 30, 2013**

14. Participant investment selections (continued)

Results

No exceptions were noted.

15. Controls over participants' eligibility

We selected sixty (60) active participants from the monthly Great West Participant Summary Report to verify eligibility and performed the following:

- For each participant selected, we agreed the County's personnel records with participant records held by Great West.
- For each participant selected, we reviewed the County's human resources employee file to determine the participant's employment status and classification to verify their eligibility was in compliance with the Plan document.

Results

No exceptions were noted.

16. Employee and County contributions

We selected sixty (60) active participants from the monthly Great West Participant Summary Report and performed the following procedures for each participant:

- For employee contributions, we compared the demographic data from the Great West database to the County's personnel records and determined whether the participant was eligible based on the Plan document. We compared the actual pay rate on payroll registers to the personnel records, and the hours per payroll registers to approved time cards. We recalculated the regular earnings, total pay for each pay period selected, and the eligible earnings, and ensured that the eligible earnings agreed with the Plan document. We reviewed the County's and Great West's records to determine the employee elective deferral percentage, recalculated the employee deferral amount, and reconciled it with the amount withheld from participants' earnings.

**COUNTY OF LOS ANGELES
SAVINGS PLAN
AGREED-UPON PROCEDURES REPORT
JUNE 30, 2013**

16. Employee and County contributions (continued)

- We agreed the County's matching contribution per the County Employee Sequence Register (payroll records) to Great West's contribution statements for the pay periods ended October 15, 2012, December 31, 2012, April 15, 2013, June 15, 2013, and June 30, 2013. We reviewed Great West's contribution statements and the County's payroll records to determine compliance with the County's matching policy guidelines for the year ended June 30, 2013 of 100% match of participant's contribution up to 4% of participant's monthly compensation.
- We recalculated the County's matching contributions and agreed them to the County's payroll records for each participant for the pay periods ended December 15, 2012 and June 30, 2013.

Results

No exceptions were noted.

17. Employee vesting percentages

We selected sixty (60) participants from the monthly Great West Participant Summary Report, determined years of participation for each participant selected based on the effective beginning date of Plan participation obtained from the County's personnel system, and calculated the vested percentage. We agreed the calculated vested percentage for each participant selected to the Great West Participant Summary Report. Based on the Plan document, the County's contributions will vest based on the number of plan years a participants contributed to the plan and not the number of years employed. The vesting rules are: 1yr - 20%; 2 years - 40%; 3 years - 60%; 4 years - 80%; and 5 or more years - 100%. In addition to the years of service rule, the County contributions will fully vest, regardless of years of service, if one of the following events occurs: retirement; disability; or death

Results

For one (1) of the sixty (60) samples selected, the participant's actual vesting percentage as of June 30, 2013 was 60% and not 100% according to Great West's records. The participant was hired in 1986; however, contributions to the Savings Plan commenced in April 2010. Great West corrected the vesting percentage from 100% to 60% in December 2013.

No other exceptions were noted.

**COUNTY OF LOS ANGELES
SAVINGS PLAN
AGREED-UPON PROCEDURES REPORT
JUNE 30, 2013**

18. Employee forfeitures

In addition to the sixty (60) withdrawals selected in procedure number twelve (12) above, we selected five (5) participant forfeitures directly from the Great West forfeiture listing for participants that left County Service before they were fully vested. For each distribution selected, we recalculated the forfeiture percentage and verified it with Great West's records.

Results

No exceptions were noted.

19. Stale-dated checks and lost participants

Each quarter, Great West reviews the uncashed checks that have been outstanding for 180 days or more, and attempts to contact recipients to notify them of the option to reissue checks. On a quarterly basis, Great West also takes those checks that are still outstanding one year after the initial issue date and transfers the balance, less a \$15 fee, to a stale-dated check forfeiture sub-account.

A sample of ten (10) stale-dated checks greater than 180 days old was selected from the stale-dated checks worksheet provided by Great West. We vouched the amounts to the notice letters sent to participants; reviewed the notice letters to determine the accuracy of the information; and examined supporting evidence for the reissuance of the checks or transfer of the amount, net of the fees, to the check forfeiture sub-account.

Results

No exceptions were noted.

20. Reconciliation procedures

We performed the following procedures to determine whether controls for the reconciliation of the Plan's bank accounts and participant ledgers were in place:

- A non-interest bearing lockbox (depository) account is maintained for the purpose of receiving the Plan's contributions and transfers-in. On a daily basis, funds in the lockbox account are transferred to a non-interest bearing concentration (demand deposit) account for the purposes of efficient administration and effective control of all disbursements from and transactions in the Plan. We obtained and inspected reconciliations of the lockbox and concentration accounts performed by Great West during the year ended June 30, 2013 for the months of August 2012, December 2012 and June 2013. Where applicable, we reviewed the

**COUNTY OF LOS ANGELES
SAVINGS PLAN
AGREED-UPON PROCEDURES REPORT
JUNE 30, 2013**

20. Reconciliation procedures (continued)

reconciling items and ensured that the balances at the end of each month were in agreement with the ledgers and bank statements.

- Each month, earnings in many of the individual forfeiture accounts are swept to the Float Interest Earnings forfeiture account. These earnings are used to offset the Plan's administrative charges. We obtained and inspected the sweep analysis and the reconciliations for the months of August 2012, December 2012, and June 2013 prepared by Great West and noted that the current month's float interest allocation to the Float Interest Earnings account was made based on the proportionate share of the Plan's prior month's earnings. We recalculated the float interest allocated based on this methodology and noted no exceptions. Where applicable, we reviewed the reconciling items and ensured that the balances at the end of each month were in agreement with the ledgers and bank statements.
- We agreed the bank charges as reflected on Wells Fargo's August 2012, December 2012, and June 2013 Relationship Summary (bank statement) to the bank charges according to the Fee Schedule that Wells Fargo provided Great West for the months of August 2012, December 2012, and June 2013.

Results

No exceptions were noted.

21. Contribution limitations

Regular participant contributions may not exceed \$17,500 and \$17,000 for calendar years 2013 and 2012, respectively. The Plan's catch-up provision allows a participant who has attained 50 years of age to contribute \$5,500 in addition to the regular annual contribution limits for the calendar years 2013 and 2012.

To ensure compliance with these limits, we recalculated the maximum annual allowable contribution and compared it with the annual contribution made for each employee. Also, for participants that were at least 50 years of age, we verified that the catch-up portion of the contribution was within the Plan's limits.

Results

No exceptions were noted.

**COUNTY OF LOS ANGELES
SAVINGS PLAN
AGREED-UPON PROCEDURES REPORT
JUNE 30, 2013**

22. Excessive trading Plan provisions

A sample of three (3) transfers of \$10,000 or more were selected for testing to determine whether Plan procedures were followed and restrictions were enforced during the year ended June 30, 2013.

- We obtained support for excessive trading activity prior to the warning notice being issued.
- We verified that a warning notice was issued to participants who transferred \$10,000 or more across investment options and the transferred funds did not remain in the original investment for a minimum of 10 business days.
- We verified that second-time violators' normal transaction privileges were suspended for 180 days.
- We obtained evidence of the trading restriction being lifted from the account, as applicable.

Results

No exceptions were noted.

23. Transfers into Bank Depository Fund and Self Directed Brokerage Account

A sample of twenty (20) transfers into the Plan's Bank Depository Fund or Self Directed Brokerage ("SDB") Account was selected for testing to ensure funds had not been transferred out of the Savings Stable Value Fund during the 90 days immediately preceding the transfer into the Bank Depository Fund or SDB Account during the year ended June 30, 2013 as follows:

- We verified that the participant transfer was made into the Bank Depository Fund or the SDB Account with Great West's Client Service Access System Report.
- We reviewed the participant's account history for the 90 days prior to the transfer into the Bank Depository Fund or the SDB Account with Great West's Client Service Access System Report to verify no transfers out of the Savings Stable Value Fund occurred.

Results

No exceptions were noted.

**COUNTY OF LOS ANGELES
SAVINGS PLAN
AGREED-UPON PROCEDURES REPORT
JUNE 30, 2013**

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on certain controls and management's compliance with the requirements of the Plan Administrative Committee. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users of the report as listed above and is not intended to be and should not be used by anyone other than these specified parties.

Los Angeles, CA
January 15, 2014

Bazilio Cobb Associates, P.C.