



Los Angeles Community College District

Basic Financial Statements and Supplemental Information

June 30, 2014 and 2013

(With Independent Auditors' Report Thereon)

LOS ANGELES COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis

June 30, 2014

Financial Analysis of the District as a Whole

As of June 30, 2014, the District's net position increased by \$43.1 million from \$700.4 at June 30, 2013 to \$743.6 million at June 30, 2014. Current and other assets decreased by \$270.1 million and capital assets increased by \$143.5 million. Current liabilities decreased by \$119.6 million and noncurrent liabilities decreased by \$50.1 million.

Summary Schedule of Net Position

June 30, 2014 and 2013

	<u>2014</u>	<u>2013 *</u>	<u>Increase (decrease)</u>
Assets:			
Current and other assets	\$ 906,489,185	1,176,541,455	(270,052,270)
Capital assets, net	3,965,049,358	3,821,586,520	143,462,838
Total assets	<u>4,871,538,543</u>	<u>4,998,127,975</u>	<u>(126,589,432)</u>
Liabilities:			
Current liabilities	321,683,736	441,328,079	(119,644,343)
Noncurrent liabilities	3,806,289,239	3,856,381,869	(50,092,630)
Total liabilities	<u>4,127,972,975</u>	<u>4,297,709,948</u>	<u>(169,736,973)</u>
Net position:			
Net investment in capital assets	413,313,474	442,859,846	(29,546,372)
Restricted – expendable	294,545,059	237,995,845	56,549,214
Restricted – Nonexpendable	1,000,000	—	1,000,000
Unrestricted	34,707,034	19,562,336	15,144,698
Total net position	<u>\$ 743,565,567</u>	<u>700,418,027</u>	<u>43,147,540</u>

* Balances presented as restated due to implementation of GASB Statement No. 65.

In fiscal year 2014, the District added \$243.0 million of capital assets, capitalized interest of \$33.3 million, depreciated \$125.1 million of capital assets, and disposed \$7.7 million of capital assets net of accumulated depreciation. See further discussions in *Capital Assets and Debt Administration* at page 13 for additional detail.

The \$270.1 million decrease in current and other assets is a result of \$271.8 million decrease in restricted investments primarily due to construction activity.

The \$119.6 million decrease in current liabilities is primarily due to payment of the \$80.0 million Tax Revenue Anticipation Notes (TRANS) that existed at June 30, 2013. The remaining decrease is due to a \$25.8 million decrease in the current portion of long-term debt due to annual debt service payments.