

2007-2008

CONTROLLER'S
Preliminary
FINANCIAL
REPORT



Fiscal Year Ended June 30, 2008

CITY OF LOS ANGELES

Laura N. Chick, Controller

City of Los Angeles

Controller's Preliminary Financial Report
For the Fiscal Year Ended June 30, 2008

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September 18, 2008

Honorable Antonio Villaraigosa, Mayor
Honorable Members of the Los Angeles City Council

SUBJECT: PRELIMINARY FINANCIAL REPORT FISCAL YEAR 2007-08

I am submitting my Preliminary Financial Report of financial operations for the City of Los Angeles for fiscal year 2007-08.

After closing the City's General Ledger for fiscal year 2007-08, the available cash balance in the Reserve Fund was \$166.1 million. This is \$26.6 million less than was originally anticipated. The adopted budget for fiscal year 2008-09 projected an Emergency Reserve of \$125.2 million and a Contingency Reserve of \$67.5 million; the actual Emergency Reserve was \$125.2 million and the Contingency Reserve was \$40.8 million.

Reserve Fund Cash Balance
Available July 1, 2008
(In Millions)

	Adopted FY 08-09 Budget	Actual	Difference
Cash Balance, Ending 6/30/08 and Beginning 7/1/08	\$ 198.4	\$ 191.6	\$ (6.8)
Return of Advances for Unfunded Encumbrances	17.0	17.3	.3
Reappropriations	(37.6)	(42.8)	(5.2)
Appropriation to the Reserve Fund	14.9	---	(14.9)
Total Reserve Fund, 7/1/08	192.7	166.1	(26.6)
Emergency Reserve	(125.2)	(125.2)	--
Total Contingency Reserve, 7/1/08	\$ 67.5	\$ 40.8*	\$ (26.6)

*This amount does not include a General Fund appropriation of \$14.9 million to the Reserve Fund, which will be made later in the Fiscal year.

Detail may not total due to rounding.

Honorable Antonio Villaraigosa
Honorable Members of the Los Angeles City Council
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September 18, 2008

At the beginning of the new fiscal year, the Reserve Fund was \$26.6 million less than what was projected in the budget. Included in the shortfall is the delay in the budgeted General Fund appropriation to the Reserve Fund of \$14.9 million. We will transfer the \$14.9 million to the Reserve Fund in January when the General Fund transitions to a positive cash flow position. Had the General Fund transfer been completed at this time, the Contingency Reserve would be \$55,700,643 or \$11.8 million below the adopted budget.

Given the fiscal issues facing the City at the end of last fiscal year, the Reserve Fund is relatively healthy. In separate letters to departments, the Mayor and City Controller expressed concern about the possibility of actual revenue being below budgeted revenue and also below budgeted appropriations. The Council addressed its budgetary concerns by making budget adjustments throughout the year. Departments also took these concerns seriously and at June 30, expenditures and encumbrances were \$100.3 million below budgeted appropriations.

However, on June 30, there was only \$29.8 million in cash supporting these appropriations, resulting in \$70.5 million in appropriations not backed by cash. Had departments utilized their full appropriation authority, the Contingency Reserve would have been reduced by \$29.8 million and departments would have been forced to cancel encumbrances. In the worst case, the Contingency Reserve could have been eliminated and the Emergency Reserve reduced below \$125.2 million.

The attached report addresses certain issues in detail, and includes supporting schedules that show the cash position of the City along with the status of the General Fund and bonded indebtedness.

General Fund revenues were \$74.9 million less than the Adopted Budget, and \$28.8 million less than the Year-End Revised Estimate. Overall, General Fund receipts were 0.46 percent less than the prior year. General Fund receipts decreased due to a 69 percent year-over-year reduction in the budgeted Reserve Fund transfer to the General Fund Budget and a 29 percent decrease in the Documentary Transfer Tax. Other revenues increased 4.9 percent overall. The General Fund continued to benefit from high property values resulting from the previous healthy real estate market. Property Tax revenue increased 4 percent, but weak real estate sales negatively impacted Documentary Transfer Tax revenue, which declined 29 percent, offsetting the Property Tax gain. Revenue from Licenses, Permits, Fees, and Fines increased 13 percent, and State Motor Vehicle License Fees decreased 35 percent. Gains were also realized in Utility Users Tax, Transient Occupancy Tax, Parking Users Tax, and Interest revenues.

The City's budget will be subjected to escalating costs and revenue uncertainties. In fiscal year 2008-09 and future years, these uncertainties include:

- **California State Budget:** The State is facing economic difficulties and as this report is prepared the legislature and the Governor have not adopted a State Budget. The impact of the budget on local agencies when adopted is unknown.
- **Reserve Fund:** The Emergency Reserve is \$125.2 million as required under the City's Reserve Fund policy, which is 2.75 percent of the City's General Fund revenues. The Contingency Reserve at July 1, 2008 is \$40.8 million, which is \$26.6 million below the budget. The effect of the \$14.9 million General Fund appropriation to the Reserve Fund, to be recorded when the General Fund transitions to a positive cash flow position, would have increased the Contingency Reserve to \$55.7 million, which is \$11.8 million less than the budget.
- **Employee Contracts:** Most civilian units have contracts at least through fiscal year 2009-10. Contracts for unions representing police and firefighters will expire in June 2009. The increases received by City civilian and DWP employees create a climate difficult for negotiating any significant cost containment.
- **Civilian Retirement and Fire & Police Pension Systems:** The City's contribution to the two systems has increased for several years. The City's General Fund contribution for the two systems has increased from \$183 million in 2002-03 to \$680 million in 2007-08. Each system has an annual actuarial valuation generated in the Fall and the valuations for 2008-09 will provide information on future City contributions. The credit crisis and instability in the stock market could result in reduced investment returns which would increase the City's future contributions to the pension plans.
- **Documentary Transfer Tax (DTT):** The City's DTT receipts declined for the second consecutive year. From fiscal years 2002 through 2006, DTT increased year-over-year by approximately 20 percent to \$217.1 million. In fiscal year 2008, DTT receipts declined 29 percent from the previous fiscal year to \$132.9 million. Increased consumer credit constraints, declines in home sales and declines in home prices, could contribute to lower DTT revenues in the future. The depth of the real estate downturn and its impact on property values and the DTT are uncertain, and must be monitored closely.

- **Property Tax:** According to the Los Angeles County Assessor, the City's total assessed valuation of property continued to increase and that increase is reflected in the 2008-09 Property Tax estimate. The Assessor states that while growth in the assessed value is less than the prior year, it is still positive. Valuation increases for property sold, new construction, and Proposition 13 adjustments more than offset Proposition 8 downward adjustments and declining home prices. However, unknowns which may impact actual collections include the effect of delinquencies and foreclosures on current year receipts, and the effect of continued price declines on future years receipts.
- **Transient Occupancy Tax:** This category has shown strong growth in recent years and is anticipated to grow by 6% in the current year. However, the effect of fuel price increases on both air and automobile travel is unknown at this time. If businesses and individuals reduce their travel, this revenue may be less than the FY 2008-09 Budget.

The City's revenues will be uncertain as long as economy-sensitive revenue sources are negatively impacted by upheavals in financial markets. Rising real estate foreclosures, the prolonged real estate downturn, high fuel costs, reduced international travel, and the slow economy will continue to have a negative impact on City revenues. As mentioned in my "Interim Year-End Closing Report", all indications are that Fiscal Year 2008-09 may be as bad economically as 2007-08 if not worse. In view of existing volatile economic conditions, and the uncertainty of their duration, the City faces serious financial challenges.

It is important that the Mayor, Council, and departments continue their efforts to monitor receipts and prioritize expenditures during the year, and take timely corrective action as needed. Extreme caution should be exercised when making decisions involving the use of the Reserve Fund.

Later this fiscal year, I will issue the City's Comprehensive Annual Financial Report (CAFR). The CAFR will contain a complete accounting of all City funds with audited financial statements prepared in accordance with generally accepted accounting principles.

Honorable Antonio Villaraigosa
Honorable Members of the Los Angeles City Council
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September 18, 2008

My staff and I express our appreciation to all City departments and offices for their help and cooperation in the preparation of this report and a smooth year-end closing.

Sincerely,

A handwritten signature in black ink that reads "Laura N. Chick". The signature is written in a cursive style with a large, looped initial "L".

LAURA N. CHICK
City Controller

Attachments

RESERVE FUND POLICY AND JULY 1, BALANCE

The Mayor and Council have taken significant steps in recent years to bring the Reserve Fund to its current balance. However, given uncertainties facing the City which range from an uncertain State Budget to an economic downturn, use of the Reserve Fund must be tightly controlled. The Mayor and the City Council balanced the FY 2008-09 Budget, but revenue shortfalls or expenditure overages could unbalance that budget. Departments should be closely monitored throughout the fiscal year to ensure that expenditures and revenues stay on track with the budget.

City's Reserve Fund

The Mayor and City Council established the Reserve Fund Policy (CF 98-0459) and instructed the Controller to establish the following accounts within the Reserve Fund:

- **Contingency Reserve:** This account was created as the source of funds for programs that experience unanticipated expenses or revenue shortfalls in the current budget year. Funding for new programs or positions created outside of the current year budget is not allowed.
- **Emergency Reserve:** This account was created as the source of funds upon a determination of "urgent economic necessity" by the Mayor and Council based on a significant economic downturn, earthquake, or other natural disaster.

In the 2007-08 Budget, the Mayor and Council amended the Reserve Fund policy increasing the Emergency Reserve from 2.5 percent to 2.75 percent of General Fund receipts, while preserving the overall goal of the total Reserve Fund at 5 percent of General Fund receipts. At the beginning of fiscal year 2008-09, the Reserve Fund was \$191.6 million. After reappropriations, and return of advances, the Reserve Fund balance was \$166.1 million, including the budgeted \$125.2 million Emergency Reserve. The Contingency Reserve is \$40.8 million and will be \$55.7 million when the General Fund appropriation to the Reserve Fund is made in January.

The following pages provide information on how the Reserve Fund balances were determined. The first section discusses the Reserve Fund balance, at June 30. The second section discusses the Reserve Fund on July 1. The final two sections provide recent information on Reserve Fund balances and Controller Recommendations. Then follow various financial schedules which provide information on financial results for Fiscal Year 2007-08.

RESERVE FUND BALANCE (JUNE 30, 2008)

When the City’s General Ledger for fiscal year 2007-08 closed, the Reserve Fund balance was \$191.6 million, which was \$6.8 million less than the budget amount. Table I below shows the comparison between the actual Reserve Fund balances and those anticipated in the fiscal year 2008-09 Budget.

Table I
Reserve Fund Balance as of June 30, 2008
(In Millions)

	Adopted FY 2008-09 Budget	Actual	Difference
Contingency Reserve:			
Balance Before Year-End Reversions/Borrowings	\$ 65.2	\$ 75.3	\$ 10.1
Reversion of Unencumbered Balances	45.2	29.8	(15.4)
Advances Under Charter Section 261(i) and CF 07-0600-S88	<u>(34.0)</u>	<u>(35.5)</u>	<u>(1.5)</u>
Total Contingency Reserve	76.4	69.6	(6.8)
Emergency Reserve	<u>122.0</u>	<u>122.0</u>	<u>--</u>
Total Reserve Fund, 6/30/08	<u>\$ 198.4</u>	<u>\$ 191.6</u>	<u>\$ (6.8)</u>

Balance Before Year-End Reversions/Borrowings

This category represents the amount of cash available in the Contingency Reserve after closing the general ledger and prior to adjustments for fiscal year 2007-08 year-end reversions and borrowings. It does not include cash in the Emergency Reserve.

Reversion of Unencumbered Balances

This category refers to fiscal year 2007-08 General Fund appropriations that reverted to the Reserve Fund because the funds were not encumbered or expended during the year. The Mayor and Council grant *appropriation authority*¹ to City departments each year. Those appropriations are consumed throughout the year in the form of

¹ **An appropriation authority** is the legal authority to incur obligations and expend up to a budgeted amount for a stated purpose.

encumbrances² and expenditures³. The total appropriation authority⁴ minus encumbrances and expenditures represents the unencumbered balance at year-end. Unencumbered balances from General Fund appropriations revert to the Reserve Fund each year up to the extent that such unencumbered balances are supported by cash. When the fiscal year 2008-09 budget was adopted in June 2008, the City anticipated an unencumbered balance cash reversion of \$45.2 million. The year-end unencumbered balance was \$100.3 million of which \$29.8 million was supported by cash. The year-end total reversion of cash was \$15.4 million short of the anticipated amount. Table II is a summary of General Fund unencumbered balances for fiscal year 2007-08 by department.

Table II
Year-End Unencumbered Balances
As of June 30, 2008

<u>Department</u>	<u>Amount</u>
Animal Services	\$ 599,893
Building and Safety	188,011
Capital Finance Administration	12,159
Capital Improvement Expenditure Program	17,737,329
City Administrative Officer	866,098
City Attorney	399,574
City Clerk	1,129,126
Commission on the Status of Women	5,291
Commission for Children, Youth & their Families	113,958
Controller	1,921,809
Council	6,600,347
Cultural Affairs	13,071
Disability	9,490
Emergency Management	29,126
Employee Relations Board	39,140
Environmental Affairs	64,336
Finance	239,015
Fire	3,880,192
Non-Departmental – General	2,364
General City Purposes	8,049,810
General Services	<u>8,415,334</u>
Subtotal	\$50,315,473

(Table continues on next page)

² **An encumbrance** is an obligation or commitment to pay for a good or service. An example of an encumbrance is ordering a car.

³ **An expenditure** is an actual payment. Using the example in footnote 2, an example of an expenditure is writing the check to pay for the car.

⁴ **Total appropriation authority** includes the adopted budget and actions taken by Mayor and Council during the year to amend the adopted budget.

Table II (Continued)

Year-End Unencumbered Balances
As of June 30, 2008

<u>Department</u>	<u>Amount</u>
Human Relations Commission	\$ 48,081
Human Resources Benefits	424,720
Information Technology Agency	2,223,179
Liability Claims	128,589
Mayor	3,069,991
Personnel	1,314,322
Planning	863,941
Police	11,168,113
Public Works – Board	393,360
Public Works – Contract Administration	1,681,748
Public Works – Engineering	223,480
Public Works – Sanitation	699,698
Public Works – Street Lighting	43,373
Public Works – Street Services	1,655,821
Transportation	7,309,646
Treasurer	151,291
Unappropriated Balance	18,542,543
Water and Electricity	<u>707</u>
Total Unencumbered Balances	100,258,076
Less – Appropriations not supported by cash	<u>(70,478,867)</u>
Actual Cash Reversion to Reserve Fund	<u>\$ 29,779,209</u>

The adopted budget provides that amounts earmarked for specific functions in a given year, but not expended in that year, will be automatically reappropriated in the subsequent year. The reappropriation is the difference between the amount appropriated in the prior year and the amounts expended, and encumbered. While only \$29.8 million in cash actually reverted at year-end, the reappropriations totaled \$42.8 million. The reappropriations include the Capital Improvement Expenditure Program (CIEP) - \$17.7 million, Financial Management System project - \$7.3 million, GSD Construction projects - \$6.0 million and other technical adjustments. The CIEP reappropriations require a separate Council action, so the actual reappropriation may vary from \$17.7 million.

Advances Under CF 07-0600-S88

Council File 07-0600-S88 authorized the Controller to borrow from the Reserve Fund in order to balance the budget upon closing the City's General Ledger. This measure was taken so that the Controller could balance the budget without departments returning to the City Council at year-end to request additional appropriations, a process that would delay the closing of the City's general ledger. The Controller transferred \$.5 million to balance the budget at the time of closing. In fiscal year 2006-07, that transfer was not necessary.

Advances Under Charter Section 261(i) for Unfunded Encumbrances and Expenditures

Under Charter Section 261(i), the Controller transfers funds from the Reserve Fund as a loan to any fund that becomes depleted due to tardy revenue receipts. The fiscal year 2008-09 budget anticipated \$34 million in year-end loans from the Reserve Fund. The actual loans, in accordance with this Charter section, were \$35 million (\$17.7 million for unfunded expenditures, and \$17.3 million for unfunded encumbrances, see Table III). The unfunded expenditures generally occur due to: 1) an imbalance between the timing of receipts in relation to expenditures, and/or; 2) billing delays. Departments typically repay Reserve Fund advances as they are reimbursed by their funding source, or seek Mayor and Council forgiveness for repayment. Such actions reduce the availability of funds in the Reserve Fund in the following year. The unfunded encumbered amounts represent a technical adjustment at year-end, mainly for grant contracts, and are reversed at the start of the new fiscal year.

The following table (Table III) provides a listing of departments that received year-end advances:

Department	Expenditure	Encumbrance	Total
A. Council File No. 07-0600-S88			
City Attorney	\$ 290	\$ --	\$ 290
Commission on the Status of Women	9,052	--	9,052
Cultural Affairs	277	--	277
Disability	100	--	100
Fire	358,097	--	358,097
Housing	10,863	--	10,863
Los Angeles Convention Center	69,359	--	69,359
PW – Sanitation	5,109	--	5,109
Treasurer	250	--	250
Sub-total	453,397	--	453,397
B. Charter Section 261(i)			
Aging	121,301	18,581	139,882
Building & Safety	241,236	79,103	320,339
City Administrative Officer	2,438	--	2,438
City Attorney	450,310	--	450,310
Commission on the Status of Women	206,042	--	206,042
Community Development	23,675	2,445,802	2,469,477
Disability	30,259	--	30,259
El Pueblo	116,878	10,338	127,216
Emergency Management	411,649	--	411,649
Fire	2,075,948	--	2,075,948
General City Purposes	--	318,628	318,628
General Services	4,928,717	7,893,361	12,822,078
Housing	--	4,103,099	4,103,099
Information Technology Agency	894,250	--	894,250
Mayor	183,369	--	183,369
Planning	12,598	27,451	40,049
Police	618,728	3,560	622,288
PW – Board	650,000	254,620	904,620
PW – Contract Administration	218,433	--	218,433
PW – Engineering	7,541	--	7,541
PW – Sanitation	167,803	--	167,803
PW – Street Lighting	1,383,057	1,626,969	3,010,026
PW – Street Services	4,943,646	506,368	5,450,014
Transportation	54,068	6,734	60,802
Sub-total	17,741,946	17,294,614	35,036,560
Total	\$ 18,195,343	\$ 17,294,614	\$ 35,489,957

Emergency Reserve

To arrive at the total June 30, 2008 Reserve Fund cash balance of \$191.6 million, the Emergency Reserve of \$122.0 million is added to the \$69.6 million Contingency Reserve balance.

RESERVE FUND BALANCE (JULY 1, 2008)

This fiscal year, the adopted budget projected the following with respect to the Reserve Fund balance:

- A beginning cash balance of \$198.4 million;
- Return of Reserve Fund advances (loans) for unfunded encumbrances amounting to \$17.0 million;
- Reappropriations amounting to \$37.6 million; and
- General Fund appropriation to the Reserve Fund amounting to \$14.9 million.

The actual Reserve Fund beginning cash balance was \$6.8 million less than the estimate in the fiscal year 2008-09 budget. The beginning cash balance is adjusted by adding the return of Advances for Unfunded Encumbrances, offset by Reappropriations, and the budgeted Emergency Reserve. This resulted in an Emergency Reserve of \$125.2 million and a Contingency Reserve of \$40.8 million. The budgeted General Fund appropriation to the Reserve Fund will be transferred to the Reserve Fund, when the General Fund transitions to a positive cash flow position in January 2009.

Table IV

Reserve Fund Cash Balance
Available July 1, 2008
(In Millions)

	Adopted FY 08-09 Budget	Actual	Difference
Cash Balance, Ending 6/30/08 and Beginning 7/1/08	\$ 198.4	\$ 191.6	\$ (6.8)
Return of Advances for Unfunded Encumbrances	17.0	17.3	.3
Reappropriations	(37.6)	(42.8)	(5.2)
Appropriation to Reserve Fund	<u>14.9</u>	<u>--</u>	<u>(14.9)</u>
Total Reserve Fund, 7/1/08	192.7	166.1	(26.6)
Emergency Reserve	<u>(125.2)</u>	<u>(125.2)</u>	<u>--</u>
Total Contingency Reserve, 7/1/08	<u>\$ 67.5</u>	<u>\$ 40.8</u>	<u>\$ (26.6)</u>

Detail may not total due to rounding.

MAINTENANCE OF RESERVE FUND

Table V displays the Reserve Fund balances back to FY 2003-04. Significant strides have been made in doubling the Emergency Reserve from FY 2003-04 to FY 2008-09. A strong Contingency Reserve has also been a priority of the Mayor and City Council.

Last fiscal year was a difficult year for the City and entailed budgetary adjustments by the Mayor and Council. At the end of the year, revenues further declined and the year ended with General Fund cash below authorized appropriations. As mentioned in my "Interim Year-End Closing Report", fiscal year 2008-09 could be as bad economically as 2007-08 if not worse, and I urged: 1) The Mayor and Council to exercise caution in using the Reserve Fund this year; and I also recommended, 2) Early action be taken to adjust budget appropriations if expenditures exceed targets or if revenues fall below budget plans.

Table V

Beginning Reserve Fund Balances
(In Millions)

	<u>FY08-09</u>	<u>FY07-08</u>	<u>FY06-07</u>	<u>FY05-06</u>	<u>FY04-05</u>	<u>FY03-04</u>
Transfer to Budget	<u>\$ --</u>	<u>\$ 71.2</u>	<u>\$ 231.3</u>	<u>\$ 295.3</u>	<u>\$ 122.9</u>	<u>\$ 149.6</u>
Reserve Fund Balance, July 1						
After Transfer to Budget						
Contingency Reserve	\$ 40.8	\$ --	\$ 70.3	\$ 79.6	\$ 83.9	\$ 52.1
Emergency Reserve	<u>125.2</u>	<u>113.7</u>	<u>108.5</u>	<u>78.9</u>	<u>61.0</u>	<u>61.0</u>
Total	<u>\$ 166.1</u>	<u>\$ 113.7</u>	<u>\$ 178.8</u>	<u>\$ 158.5</u>	<u>\$ 144.9</u>	<u>\$ 113.1</u>

Detail may not total due to rounding.

Table VI

Beginning 2008-09 Reserve Fund Balances
If appropriation to the Reserve Fund was made on July 1
(In Millions)

Reserve Fund Balance		
Contingency Cash	\$	40.8
General Fund Appropriation to the Reserve Fund		<u>14.9</u>
Contingency Reserve		55.7
Emergency Reserve		<u>125.2</u>
Total	\$	<u>180.9</u>

RECOMMENDATIONS

That the Mayor and Council:

1. Exercise extreme caution when making decisions involving the use of the Reserve Fund;
2. Take early action to adjust budget appropriations if expenditures exceed targets or if revenues fall below budget plans;
3. Review the \$42.8 million in reappropriations to determine if all are necessary;
4. Instruct departments listed in Table III to report to the City Administrative Officer and the Controller on plans to accelerate repayment of Reserve Fund advances for unfunded expenditures; and
5. Instruct invoicing and paying departments involved in unfunded expenditures (Table III) to review their procedures to identify methods to improve their invoicing and paying processes.

City of Los Angeles

Cash Condition
Statement of Receipts and Disbursements - All Funds
For the Fiscal Year Ended June 30, 2008

Cash Balance, July 1, 2007	\$ 6,662,591,142
Add - Outstanding Warrants, July 1, 2007	<u>271,311,991</u>
Cash in the Treasury, July 1, 2007	6,933,903,133
Add - Receipts during the year ⁽¹⁾	<u>15,587,540,429</u>
Total Available	22,521,443,562
Less - Disbursements during the Year ⁽¹⁾	<u>15,782,884,992</u>
Cash in the Treasury, June 30, 2008	6,738,558,570
Less - Outstanding Warrants, June 30, 2008	<u>241,281,846</u>
Cash Balance, June 30, 2008 ⁽²⁾	<u><u>\$ 6,497,276,724</u></u>

(1) Receipts exclude interfund operating transfers. Disbursements include checks paid and wire transfers to depository banks by the City Treasurer.

(2) Excludes cash with fiscal agents, petty cash, other revolving funds, and time deposits held for safekeeping by the City Treasurer.

The Treasury has a large cash balance at June 30, 2008. Under the City Charter that cash "resides" in various Funds created by the City Charter and legislative actions. That cash is not available to the General Fund (except for limited General Fund balances) for general government activities of the City. The "Schedule of Cash Balances by Fund Types" on Pages 3 to 5 provides additional information of the June 30, cash balances.

City of Los Angeles

Reserve Fund
Statement of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2008

Cash Balance, July 1, 2007		\$ 224,192,242
Receipts:		
Return of Advances Under Charter Section 261(i) for:		
Unfunded Expenditures	\$ 30,351,500	
Unfunded Encumbrances	17,048,699	
Return of Loans from Other Funds	40,346,935	
Transfer of Power Revenue Surplus	182,003,900	
Payment of Temporary Loan from General Fund	67,243,250	
Mid-Year Reversion of Unencumbered Balance	12,226,034	
Year-End Reversion of Unencumbered Balance	29,779,210	
Miscellaneous	14,025,109	393,024,637
		<hr/>
Total Available Cash		617,216,879
Disbursements:		
Transfer to Budget	71,228,867	
Transfer to General Fund of Power Revenue Surplus	182,003,900	
Transfers to Other Funds	23,269,574	
Loans to Other Funds	4,714,420	
Reappropriations of Prior Year Funds for Capital Improvement Projects and Other Departmental Accounts	41,702,478	
Temporary Loan to General Fund	67,243,250	
Advances Under Charter Section 261(i) for:		
Unfunded Expenditures	17,741,946	
Unfunded Encumbrances	17,294,614	
Advances for Unfunded Expenditures per CF#07-0600-S88	453,397	425,652,446
		<hr/>
Cash Balance, June 30, 2008		<u>\$ 191,564,433</u>

Note: The Reserve Fund Policy was adopted by Council (File 98-0459) on August 4, 1998 to create two accounts in the Reserve Fund, the Contingency Reserve and the Emergency Reserve. As of June 30, 2008, the total Contingency account is \$69,525,433 and the Emergency account is \$122,039,000.

City of Los Angeles

Schedule of Cash Balances by Fund Types
June 30, 2008

Governmental Funds:

General Funds

General	\$	386,704,219	
Reserve		191,564,433	
Stores Revolving		10,351,989	
Other General Funds		<u>7,965,455</u>	\$ 596,586,096

Special Revenue Funds

Recreation and Parks	210,229,898
Transportation Grants	204,845,980
MICLA Special Revenue Funds	178,466,729
Proposition A Local Transit Assistance (PALTA)	132,937,338
Special Parking Revenue	127,100,559
Building and Safety Permit Enterprise	73,749,108
Solid Waste Resources Revenue Bond 2006A Acquisition	53,138,005
Citywide Recycling Trust	51,522,200
Seismic Bond Reimbursement	41,478,694
Fire Hydrant Installation and Main Replacement	38,037,577
Subventions and Grants	25,399,503
Systematic Code Enforcement Fee Trust	22,929,225
Automated Traffic Surveillance and Control (ATSAC) Trust	20,972,559
Special Gas Tax Street Improvement	20,200,864
Homeland Security Assistance	19,845,276
Municipal Sports Account	19,121,395
Coastal Transportation Corridor Trust	17,667,632
Street Lighting Maintenance Assessment	16,373,402
U.S. Department of Justice Asset Forfeiture	12,661,382
Solid Waste Resources Revenue	11,953,346
Matching Campaign Funds Trust	11,447,520
Zoo Enterprise Trust	10,425,814
Disaster Assistance Trust	10,297,863
Engineering Special Service	9,699,049
Alternative Fuel Program	9,589,355
One Stop Permit Center	9,583,431
Sanitation Equipment Charge Revenue Bond 2005A Acquisition	9,018,164
Rent Stabilization Trust	8,771,854
West LA Transportation Improvement & Mitigation	8,707,966
Central City West Housing Trust	8,594,925
Proposition C Anti-Gridlock Transit Improvement	8,080,679
LAPD Training and Evaluation Management System II	8,042,292
City of Los Angeles Affordable Housing	7,970,114
Warner Center Transportation Improvement Trust	7,748,069
California State Asset Forfeiture	7,512,517
Sanitation Equipment Charge Revenue Bond 2003B Acquisition	6,833,136
Griffith Observatory Trust	6,248,130
Department of Neighborhood Empowerment	6,224,470
Attorney Conflicts Panel Special Fund	5,906,111
Street Furniture Revenue	5,645,903
Library	5,433,608
Special Police Communications/911 System Tax	5,417,184
Ventura/Cahuenga Corridor Plan	5,386,398
Bureau of Engineering Equipment and Training Trust	5,252,346

Continued...

City of Los Angeles

Schedule of Cash Balances by Fund Types - (Continued)
June 30, 2008

Governmental Funds - Special Revenue Funds (Continued)

General Fund - Various Program	\$ 5,250,905	
Community Development Trust	5,162,278	
Other Special Revenue Funds	<u>198,479,910</u>	\$ 1,695,360,663

Debt Service Funds

General Obligation Bonds	161,595,902	
Other Debt Service Funds	<u>5,556,053</u>	167,151,955

Capital Projects Funds

GOB Series 1989-A, 1990-B, 1992-A, 1993-A, 1994-A 1995-A, & 1999-B Library/Police/Fire/Public Works/ Recreation & Parks/Zoo	23,730,730	
GOB Series 2000-A Library	4,488,566	
GOB Series 2001-A Library/Zoo/ Animal Shelter/Fire	29,480,997	
GOB Series 2002-A Zoo/ Animal Shelter/Fire/Police 911	57,819,112	
GOB Series 2003-A Animal Shelter/Fire/Police 911	64,838,972	
GOB Series 2004-A Police 911	123,825,934	
GOB Series 2005-A Storm Water/Fire	62,995,480	
GOB Series 2006-A Storm Water/Fire/Police 911/Animal Shelter Recreation and Parks Grant	67,888,870	
Proposition K Projects	38,812,475	
Proposition K Maintenance	66,855,970	
Capital Projects Bond Reserve	17,519,620	
Other Capital Projects Funds	5,611,398	
	<u>29,341,239</u>	593,209,363

Proprietary Funds - Enterprise

Airport Revenue	535,617,786	
Harbor Revenue	406,372,009	
Power Revenue	462,291,667	
Water Revenue	104,775,722	
Passenger Facility Charge Fund - LAWA	424,657,884	
Passenger Facility Charge Fund - Ontario	56,807,544	
Airport Revenue Fund - Ontario	56,422,511	
Airport Insurance Trust Fund - LAWA	95,764,031	
China Shipping Mitigation	51,145,721	
Harbor Emergency	96,839,492	
Sewer Construction and Maintenance	130,693,381	
Sewer Operations and Maintenance	45,428,173	
Sewer Capital	13,361,274	
Los Angeles Convention Center	2,340,229	
Construction (Bond) Funds	422,234,214	
Bond Debt Service Funds	328,593,840	
Other Enterprise Funds	<u>29,926,297</u>	3,263,271,775

Pension Trust

City Employees Retirement	661,851	
Fire and Police Pension	72,550,507	
Water and Power Employees' Retirement/Disability/Death Benefits	32,635,395	
Other Pension Trust Funds	<u>275,676</u>	106,123,429

Continued...

City of Los Angeles

**Schedule of Cash Balances by Fund Types - (Continued)
June 30, 2008**

Agency Funds		
Building and Safety Trust	\$	14,925,804
General Demand		73,849,739
General Payroll Reimbursement		6,275,789
Department of Water and Power Payroll		34,472,057
Department of Water and Power Disbursement		53,452,479
Department of Water and Power Plan Benefit		1,541,684
Public Works Trust		72,005,029
Parking Violation Trust		13,976,989
Internal Revenue Code Section 501(c) Employee Benefits Trust		25,475,030
Other Agency Funds		20,880,689
		<u>\$ 316,855,289</u>
Total Cash Balance - All Fund Types ⁽¹⁾		6,738,558,570
Less - Outstanding Warrants:		
General Demands		73,849,683
General Payroll and Reimbursement		6,112,530
Department of Water and Power Payroll		34,472,057
Department of Water and Power Disbursement		53,452,479
Department of Water and Power Plan Benefit		1,541,684
Fire and Police Pension Funds		71,853,413
		<u>241,281,846</u>
Total Cash Balance in the Treasury, June 30, 2008		<u><u>\$ 6,497,276,724</u></u>

⁽¹⁾ Excludes cash with fiscal agents, petty cash, other revolving funds, and time deposits held for safekeeping by the City Treasurer.

City of Los Angeles

Statement of Receipts - Budget and Actual
(Non-GAAP Budgetary Basis)
All Annually Budgeted Funds
Fiscal Years Ended June 30, 2008 and 2007

	Budget	Actual	
		2008	2007
General Receipts:			
Property Tax:			
Property Tax 1%	\$ 985,286,000	\$ 972,662,405	\$ 951,390,158
Property Tax - Sales Tax Replacement	116,302,000	119,336,844	112,093,653
Property Tax - Vehicle License Fee Replacement	295,728,000	297,256,185	270,688,590
Total Property Tax	1,397,316,000	1,389,255,434	1,334,172,401
Utility Users Tax	627,225,000	628,318,814	605,269,257
Licenses, Permits, Fees and Fines	620,718,976	614,890,595	545,931,369
Sales Tax	348,905,000	335,562,124	333,884,625
Business Tax	477,590,000	466,996,623	464,330,066
Power Revenue Transfer	184,600,000	182,003,900	174,747,200
Parking Fines	126,000,000	127,261,984	119,501,898
Transient Occupancy Tax	144,000,000	148,523,276	134,556,978
Documentary Transfer Tax	157,014,000	132,922,465	188,057,469
Parking Users Tax	88,115,000	87,129,914	78,323,376
Franchise Income	50,373,000	50,747,209	47,081,031
Interest	49,990,000	57,735,560	49,534,189
State Motor Vehicle License Fees	26,000,000	17,137,893	26,434,438
Grant Receipts	16,800,000	19,817,027	15,815,567
Tobacco Settlement	11,872,000	10,401,201	9,770,085
Transfer From Telecommunications			
Development Account	5,436,895	3,996,000	5,363,735
Residential Development Tax	4,000,000	2,952,100	4,411,700
Transfer from Business Tax Reform Fund	15,980,000	15,979,650	14,390,000
Transfer from Reserve Fund	85,840,092	71,228,867	231,304,000
Total General Receipts	4,437,775,963	4,362,860,636	4,382,879,384
Special Receipts:			
Sewer Construction & Maintenance Fund	729,359,086	628,348,799	692,671,463
Special Gas Tax Street Improvement Fund:			
State Gas Tax - Section 2105	25,000,000	18,144,035	24,132,218
State Gas Tax - Section 2106	14,000,000	10,409,037	14,101,238
State Gas Tax - Section 2107	32,000,000	24,271,359	32,273,755
Surface Transportation Program	9,162,000	10,431,770	7,835,243
Interest on Gas Tax Funds	440,000	1,654,011	1,526,505
Other Receipts	30,000	1,009,028	3,544,002
Proposition 1B	--	15,500,000	--
Traffic Congestion Relief AB 2928	--	--	33,772,796
City Tax Levy (Debt Service)	171,624,632	158,484,621	179,416,867
Proposition A Local Transit Assistance Fund	104,813,503	109,816,604	98,571,807
Building & Safety Permit Enterprise Fund	120,000,000	113,387,936	124,706,668
Solid Waste Resources Revenue Fund	193,256,400	205,494,261	124,037,043
Proposition C Anti-Gridlock Transit Improvement Fund	82,668,695	61,062,597	52,904,601

Continued...

City of Los Angeles

Statement of Receipts - Budget and Actual
(Non-GAAP Budgetary Basis)
All Annually Budgeted Funds - (Continued)
Fiscal Years Ended June 30, 2008 and 2007

	Budget	Actual	
		2008	2007
Special Receipts: (Continued)			
Street Lighting Maintenance Assessment Fund	\$ 45,909,700	\$ 44,658,991	\$ 46,756,102
Community Development Trust Fund	32,522,347	41,087,495	35,187,947
Local Public Safety Fund	39,300,000	36,595,039	36,904,001
Special Parking Revenue Fund	37,738,534	43,273,678	48,543,062
Stormwater Pollution Abatement Fund	31,313,000	29,899,471	32,589,446
City Employees' Retirement Fund ⁽¹⁾	58,702,338	58,541,507	50,317,374
Code Enforcement Trust Fund	31,065,967	34,795,824	31,661,910
Convention Center Revenue Fund	25,514,943	25,861,350	26,521,429
Special Police/911 System Tax Fund	20,902,513	20,869,880	19,742,265
Zoo Enterprise Trust Fund	18,375,218	22,040,905	20,957,956
Traffic Safety Fund	16,100,000	13,724,180	13,448,417
Workforce Investment Act Fund	11,834,658	11,862,801	13,339,976
Citywide Recycling Trust Fund	18,670,000	24,253,580	21,377,240
Rent Stabilization Trust Fund	11,075,731	11,685,075	10,790,374
Arts & Cultural Facilities & Services Trust Fund	11,197,000	11,582,449	10,464,669
Greater Los Angeles Visitors & Convention Bureau Fund	11,077,000	11,454,177	10,353,767
Neighborhood Empowerment Fund	7,861,997	7,707,672	6,976,361
Business Tax Reform Fund	(37,914)	51,142	(1,627,319)
Affordable Housing Trust Fund	45,429,730	27,370,094	17,898,501
HOME Investment Partnerships Program Fund	5,640,823	5,362,903	7,809,900
Mobile Source Air Pollution Reduction Trust Fund	4,960,000	5,058,356	5,336,690
Supplemental Law Enforcement Services Fund	7,889,000	8,188,899	7,980,318
Efficiency and Police Hiring Fund	244,000	141,702	267,106
Telecommunications Liquidated Damages and Lost Franchise Fees Fund	5,302,170	6,380,447	5,010,504
Staples Arena Special Fund	4,080,000	5,184,383	4,108,655
Major Projects Review Trust Fund	1,851,000	3,406,391	3,037,260
El Pueblo de Los Angeles Historical Monument Fund	3,991,848	4,212,296	3,495,460
City Employees Ridesharing Fund	3,028,205	3,038,075	2,996,358
Municipal Housing Finance Fund	1,283,985	1,976,238	1,965,138
Arts Development Fee Trust Fund	1,399,000	2,097,442	3,270,569
City Ethics Commission Fund	2,236,885	2,236,885	2,266,705
Landfill Maintenance Fund	4,834,720	5,800,387	3,638,892
Local Transportation Fund	2,238,703	2,353,949	2,989,773
Household Hazardous Waste Fund	2,091,200	2,262,811	2,407,974
Community Services Administration Grant	1,797,661	1,334,052	1,373,366
Older Americans Act Fund	1,682,203	2,326,430	2,298,325
Park & Recreational Sites & Facilities Fund	2,400,000	1,545,360	2,624,991
Street Damage Restoration Fee Fund	2,602,500	6,525,704	3,796,395
Local Law Enforcement Block Grant Fund	26,000	5,402,868	--
Housing Opportunities for Persons with AIDS Fund	491,472	351,450	309,300
Procurement Reengineering Trust Fund	(5,900)	(5,701)	--

Continued...

City of Los Angeles

Statement of Receipts - Budget and Actual
(Non-GAAP Budgetary Basis)
All Annually Budgeted Funds - (Continued)
Fiscal Years Ended June 30, 2008 and 2007

	Budget	Actual	
		2008	2007
Special Receipts: (Continued)			
VLF Gap Loan Financing Proceeds Fund	\$ 1,000,000	\$ 1,000,000	\$ --
Disaster Assistance Trust Fund	923,787	729,672	(7,381,876)
AB 2800 Senior Services Grant	87,580	58,918	63,418
Bicycle License Fund	62,219	18,050	349
Business Improvement District Trust Fund	346,102	471,643	280,578
Bus Bench Advertising Trust Fund	143,338	143,338	143,338
Capital Projects Bond Reserves Fund	7,000,000	1,577,138	--
City Planning Systems Development Fund	6,617,986	6,419,575	5,087,571
Coastal Transportation Corridor Trust Fund	294,225	294,225	161,169
Cultural Affairs Trust Fund	155,285	95,958	138,491
Curbside Recycling Trust Fund	2,098,782	1,538,028	1,338,823
Fire Hydrant Installation and Replacement Fund	636,503	636,503	636,503
First and Broadway Child Care Fund	196,152	156,152	402,193
General Services Trust	359,786	1,879,273	367,514
Integrated Solid Waste Management Fund	87,872	361,913	233,699
Judgment Obligation Bond Proceeds	--	--	1,150,333
Pershing Square Project	574,850	579,850	569,821
Street Banners Trust Fund	64,998	64,998	63,946
Used Oil Collection Fund	512,377	221,290	374,561
UDAG Miscellaneous Revenue	211,803	205,662	896,853
Ventura/Cahuenga Blvd Corridor Plan	749,559	75,842	60,912
Warner Center Transportation Trust Fund	90,529	--	534,911
West LA Transportation Improvement & Mitigation	87,778	92,358	81,272
Total Special Receipts	<u>2,039,274,064</u>	<u>1,927,131,081</u>	<u>1,913,885,742</u>
Available Balances	<u>340,632,770</u>	<u>473,112,551</u>	<u>430,536,083</u>
Total Receipts	<u><u>\$ 6,817,682,797</u></u>	<u><u>\$ 6,763,104,268</u></u>	<u><u>\$ 6,727,301,209</u></u>

(1) Retirement contributions from Harbor and Airport departments.

City of Los Angeles

Statement of Budget Appropriations, Expenditures and Encumbrances
Budget and Actual (Non-GAAP Budgetary Basis) - All Annually Budgeted Funds
Fiscal Years Ended June 30, 2008 and 2007

	Budget Appropriations 2007-08	Final Appropriations 2007-08	Expenditures & Encumbrances 2007-08	Expenditures & Encumbrances 2006-07
Aging	\$ 3,511,599	\$ 4,376,859	\$ 4,110,409	\$ 4,199,921
Animal Services	21,360,363	21,462,011	20,870,234	18,626,819
Building & Safety	80,968,927	85,371,562	82,130,978	78,255,974
City Administrative Officer	13,604,014	13,889,066	13,170,163	13,429,715
City Attorney	97,354,336	113,163,181	112,524,515	108,685,806
City Clerk	11,464,146	16,152,118	15,255,072	27,513,341
City Ethics Commission	2,603,743	2,600,065	2,323,994	2,363,354
Commission for Children, Youth and Their Families	1,692,220	1,555,634	1,414,645	1,332,934
Commission on the Status of Women	536,325	806,115	800,824	730,589
Community Development	22,595,006	33,915,653	27,704,631	29,272,040
Controller	19,219,605	20,470,673	18,620,300	17,931,807
Council	27,195,229	33,915,578	27,423,030	25,785,792
Cultural Affairs	10,068,269	10,229,021	9,812,357	9,803,655
Disability	1,858,154	1,895,871	1,872,270	1,956,411
El Pueblo De Los Angeles Historical Monument Authority	2,094,374	2,104,220	1,974,843	1,892,966
Emergency Management	1,807,309	2,361,032	2,316,793	1,582,648
Employee Relations Board	372,987	372,987	346,715	300,059
Environmental Affairs	3,238,631	3,239,248	3,107,763	3,022,169
Finance	25,601,434	26,938,577	26,721,522	24,868,590
Fire	535,025,379	551,259,085	546,970,917	515,473,649
General Services	260,610,377	361,303,752	321,463,011	307,595,553
Human Relations Commission	1,283,899	1,345,914	1,309,511	1,250,888
Information Technology Agency	108,415,293	116,463,809	113,380,092	117,706,308
Los Angeles Housing	45,133,995	46,619,235	45,694,406	44,065,123
Los Angeles Convention Center	23,357,069	25,677,288	24,962,516	24,525,984
Mayor	8,842,956	17,564,594	13,036,502	11,029,075
Neighborhood Empowerment	4,196,399	3,812,248	3,765,461	4,114,200
Personnel	63,787,762	63,980,947	63,292,778	63,827,159
Planning	31,289,110	30,633,901	29,556,954	26,699,222
Police	1,227,258,245	1,269,831,766	1,261,348,146	1,210,602,304
Public Works:				
Board Office	20,614,777	26,717,495	26,300,597	26,402,335
Contract Administration	31,660,656	37,309,623	31,696,964	30,141,241
Engineering	81,991,691	96,681,391	86,253,503	85,580,247
Sanitation	247,996,028	255,906,556	249,660,085	235,348,059
Street Lighting	20,363,810	27,660,793	23,133,828	21,200,146
Street Services	155,796,527	177,581,649	174,472,359	179,311,384
Transportation	140,913,546	153,952,735	143,563,630	147,033,162
Treasurer	5,149,002	5,052,284	4,944,483	4,927,582
Zoo	19,181,852	19,215,182	18,623,224	17,786,753
Total - Budgetary Departments	3,380,015,044	3,683,389,718	3,555,930,025	3,446,174,964

Continued...

City of Los Angeles

Statement of Budget Appropriations, Expenditures and Encumbrances
 Budget and Actual (Non-GAAP Budgetary Basis) - All Annually Budgeted Funds - (Continued)
 Fiscal Years Ended June 30, 2008 and 2007

	Budget Appropriations 2007-08	Final Appropriations 2007-08	Expenditures & Encumbrances 2007-08	Expenditures & Encumbrances 2006-07
Library	\$ 65,525,712	\$ 64,325,712	\$ 64,325,712 ⁽¹⁾	\$ 65,732,558
Recreation & Parks	131,762,706	132,227,040	132,227,040 ⁽¹⁾	132,777,859
City Employees' Retirement	58,702,338	58,541,507	58,541,507 ⁽¹⁾	50,317,374
Fire & Police Pension	282,600	282,600	282,600 ⁽¹⁾	500,000
Tax and Revenue				
Anticipation Notes	702,687,521	699,056,371	699,056,371	650,790,313
Bond Redemption and Interest	171,624,632	171,624,632	171,624,632	169,890,484
Capital Finance Administration	148,496,610	149,987,305	149,986,662	145,754,020
Capital Improvement				
Expenditure Program	278,606,436	282,518,316	148,239,484	206,806,375
General City Purposes	99,595,913	70,050,563	62,165,421	62,214,571
Human Resources Benefits	470,397,000	468,037,000	467,961,740	440,584,110
Judgment Obligation Bonds				
Debt Service	6,821,699	6,821,699	6,819,335	7,085,888
Liability Claims	37,000,000	37,070,000	36,637,818	33,493,282
Proposition A Local Transit				
Assistance Trust	146,059,980	148,712,827	85,606,262	96,450,778
Proposition C Anti-Gridlock				
Transit Improvement	58,149,491	65,133,491	41,010,606	47,416,867
Special Parking Revenue	42,096,191	38,841,526	31,239,157	24,363,453
Unappropriated Balance	93,254,326	20,761,243 ⁽²⁾	--	--
Wastewater Special Purpose	405,382,398	406,532,898	344,990,148	314,110,633
Water and Electricity	42,169,767	43,204,047	43,204,047	38,987,706
Other Special Purpose Funds	479,052,433	545,948,727	354,890,966	335,166,923
Total - Nondepartmental	<u>3,437,667,753</u>	<u>3,409,677,504</u>	<u>2,898,809,508</u>	<u>2,822,443,194</u>
Total	<u>\$ 6,817,682,797</u>	<u>\$ 7,093,067,222</u>	<u>\$ 6,454,739,533</u>	<u>\$ 6,268,618,158</u>

⁽¹⁾ Amount disbursed by allocation to the Departments controlling their own funds.

⁽²⁾ Total final appropriations was \$137,519,130 of which \$116,757,887 was transferred to various departments and is included in Departmental appropriations.

City of Los Angeles

Schedule of Year-End Encumbrances - General Fund
Fiscal Years Ended June 30, 2004 through 2008

	2008	2007	2006	2005	2004
Aging	\$ 387,899	\$ 477,317	\$ 452,999	\$ 364,681	\$ 312,991
Animal Services	1,801,602	2,226,292	1,991,474	1,168,528	943,549
Building & Safety	5,186,527	4,610,538	4,118,761	3,869,642	3,648,040
City Administrative Officer	1,209,062	1,353,015	1,981,173	1,122,314	1,433,423
City Attorney	9,298,393	10,651,035	9,991,179	7,452,892	6,657,756
City Clerk	2,357,479	4,176,130	3,033,653	2,856,742	1,878,122
City Ethics Commission	163,553	212,829	162,282	148,367	144,714
Commission for Children, Youth and Their Families	212,571	239,622	197,274	169,997	226,124
Commission on the Status of Women	40,036	45,444	68,132	60,846	43,618
Community Development	2,474,835	3,258,874	3,198,618	3,863,244	3,803,850
Controller	2,945,799	2,800,833	2,537,531	1,981,395	1,928,986
Council	2,130,523	2,054,386	1,799,493	1,578,623	1,548,816
Cultural Affairs	1,945,206	1,830,084	1,552,500	1,772,623	1,925,097
Disability	194,479	165,620	219,035	207,025	202,547
El Pueblo	181,266	201,989	189,773	--	--
Emergency Management	140,273	109,783	85,833	70,371	67,178
Employee Relations Board	59,003	26,447	49,983	51,929	16,052
Environmental Affairs	307,452	397,658	466,216	394,407	399,436
Finance	2,087,243	2,198,472	1,818,084	2,529,784	4,216,471
Fire	38,165,307	46,714,418	30,896,600	26,700,113	29,229,399
General Services	39,161,803	43,894,817	32,333,301	31,662,156	22,837,958
Human Relations Commission	93,112	112,585	160,529	56,152	93,227
Information Technology Agency	21,966,920	23,691,808	16,949,364	13,497,395	10,964,155
Los Angeles Housing	4,113,962	5,792,943	4,962,246	4,661,440	4,166,177
Los Angeles Convention Center	2,098,182	1,903,181	1,966,799	1,702,355	1,778,411
Mayor	996,619	813,105	621,733	985,809	559,061
Neighborhood Empowerment	333,490	464,979	571,451	545,653	336,663
Personnel	13,620,094	11,012,980	11,688,119	9,302,157	5,778,640
Planning	6,297,562	4,248,338	3,368,820	2,093,486	1,943,734
Police	101,413,119	106,482,347	94,080,542	74,616,468	61,787,131
PW - Board ⁽¹⁾	3,047,684	3,242,422	2,983,779	2,089,002	2,039,195
PW - Financial Management & Personnel Services ⁽¹⁾	--	--	--	--	436,259
PW - Contract Administration	2,029,448	2,039,969	1,790,096	1,621,840	1,405,355
PW - Engineering	5,957,826	5,820,846	5,968,563	5,723,800	6,180,667
PW - Sanitation	25,051,856	24,800,489	19,947,520	15,490,564	15,299,090
PW - Street Lighting	2,951,502	2,166,523	1,767,266	2,031,083	1,776,069
PW - Street Services	15,246,007	20,614,302	18,104,879	14,306,522	11,284,082
Transportation	12,269,503	14,906,909	12,883,239	10,506,855	9,964,086
Treasurer	602,066	1,484,359	391,181	824,266	2,143,542
Zoo	1,522,807	1,830,215	1,417,284	1,659,702	1,573,686
Capital Finance Administration	156,685	125,371	48,845	76,573	--
Capital Improvement Expenditure Program	16,350,670	14,826,231	7,611,318	8,343,578	11,498,099
General City Purposes	11,876,145	12,506,262	9,559,337	9,360,898	14,929,856
Human Resources Benefits	4,177,514	3,074,148	2,563,947	8,763,662	6,567,909
Liability Claims	266,574	2,916,574	--	180,000	1,780,000
Water and Electricity	18,603,429	15,011,447	11,890,707	11,747,100	8,459,610
Total Encumbrances ⁽²⁾	\$ 381,493,087	\$ 407,533,936	\$ 328,441,458	\$ 288,212,039	\$ 264,208,831
Encumbrances for Salaries	\$ 181,570,358	\$ 175,643,985	\$ 149,806,041	\$ 130,724,236	\$ 123,169,933
Encumbrances for Other Accounts	199,922,729	231,889,951	178,635,417	157,487,803	141,038,898
Total	\$ 381,493,087	\$ 407,533,936	\$ 328,441,458	\$ 288,212,039	\$ 264,208,831

⁽¹⁾ In fiscal year 2001-02, the functions of the Bureaus of Accounting and Management Employee Services were consolidated under the Director of Public Works. On October 26, 2001, the Board of Public Works renamed the Office the Bureau of Financial Management and Personnel Services (BFMPS). In fiscal year 2004-05, the functions of BFMPS were transferred to the Board of Public Works.

⁽²⁾ Includes prior years' encumbrances not yet liquidated.

City of Los Angeles

Statement of Receipts - Budget and Actual
(Non-GAAP Budgetary Basis) - General Fund
Fiscal Year Ended June 30, 2008

	Budget Estimates 2007-2008	Actual Receipts 2007-2008	Variance Over (Under)	Variance Rate
General Receipts:				
Property Tax:				
Property Tax - 1%	\$ 985,286,000	\$ 972,662,405	\$ (12,623,595)	-1.3%
Property Tax - Sales Tax Replacement	116,302,000	119,336,844	3,034,844	2.6%
Property Tax - Vehicle License Fee Replacement	<u>295,728,000</u>	<u>297,256,185</u>	<u>1,528,185</u>	0.5%
Total Property Tax	1,397,316,000	1,389,255,434	(8,060,566)	-0.6%
Utility Users Tax	627,225,000	628,318,814	1,093,814	0.2%
Licenses, Permits, Fees and Fines	620,718,976	614,890,595	(5,828,381)	-0.9%
Sales Tax	348,905,000	335,562,124	(13,342,876)	-3.8%
Business Tax	477,590,000	466,996,623	(10,593,377)	-2.2%
Power Revenue Transfer	184,600,000	182,003,900	(2,596,100)	-1.4%
Parking Fines	126,000,000	127,261,984	1,261,984	1.0%
Transient Occupancy Tax	144,000,000	148,523,276	4,523,276	3.1%
Documentary Transfer Tax	157,014,000	132,922,465	(24,091,535)	-15.3%
Parking Users Tax	88,115,000	87,129,914	(985,086)	-1.1%
Franchise Income	50,373,000	50,747,209	374,209	0.7%
Interest	49,990,000	57,735,560	7,745,560	15.5%
State Motor Vehicle License Fees	26,000,000	17,137,893	(8,862,107)	-34.1%
Grant Receipts	16,800,000	19,817,027	3,017,027	18.0%
Tobacco Settlement	11,872,000	10,401,201	(1,470,799)	-12.4%
Transfer From Telecommunications				
Development Account	5,436,895	3,996,000	(1,440,895)	-26.5%
Residential Development Tax	4,000,000	2,952,100	(1,047,900)	-26.2%
Transfer from Business Tax Reform Fund	15,980,000	15,979,650	(350)	0.0%
Transfer from Reserve Fund	<u>85,840,092</u>	<u>71,228,867</u>	<u>(14,611,225)</u>	-17.0%
Total General Receipts	<u>\$ 4,437,775,963</u>	<u>\$ 4,362,860,636</u>	<u>\$ (74,915,327)</u>	-1.7%

City of Los Angeles

General Fund
Schedule of Unencumbered Balances Reverted
to the Reserve Fund at June 30, 2004 through 2008

	2008	2007	2006	2005	2004
Aging	\$ --	\$ 2,245	\$ 362,694	\$ 323,498	\$ 133,932
Animal Services	599,893	1,024,688	872,917	1,276,584	140,480
Building & Safety	188,011	245,556	735,617	313,577	96,107
Capital Finance Administration	12,159	4,826,389	3,224,601	2,416,946	6,328,376
Capital Improvement Expenditure Program	17,737,329	23,849,261	22,588,391	12,499,215	16,321,464
City Administrative Officer	866,098	528,339	463,212	421,239	233,435
City Attorney	399,574	1,004,962	1,229,122	465,620	14,582
City Clerk	1,129,126	948,899	1,756,749	3,837,122	138,014
City Ethics	--	1,031	--	635	--
Commission for Children, Youth and Their Families	113,958	201,622	148,412	96,698	89,092
Commission on the Status of Women	5,291	14,912	35,143	14,511	237
Community Development	--	--	--	--	25,821
Controller	1,921,809	4,714,966	1,879,922	40,792	188,785
Council	6,600,347	5,510,624	3,894,812	2,907,809	3,141,741
Cultural Affairs	13,071	61,743	--	--	9
Disability	9,490	75,191	9,006	61,412	95,175
Emergency Management	29,126	33,166	15,829	56,701	28,732
Employee Relations Board	39,140	79,965	21,263	25,625	42,044
Environmental Affairs	64,336	5,929	112,639	10,914	49,880
Finance	239,015	519,539	517,018	232,265	489,419
Fire	3,880,192	2,008,574	1,874,148	2,698,157	4,787,266
General City Purposes	8,049,810	1,215,763	2,046,812	4,177,195	2,965,729
General Services	8,415,334	6,001,597	10,393,776	6,378,219	4,479,868
Human Relations Commission	48,081	49,340	138,668	20,796	82,530
Human Resources Benefits	424,720	61	--	19,864,568	380,696
Information Technology Agency	2,223,179	1,538,465	3,712,906	1,136,965	1,897,352
Liability Claims	128,589	4,760,112	72,669	15,762,621	1,904,042
Los Angeles Convention Center	--	--	1,784	--	26,517
Los Angeles Housing	--	8,000	187,053	135,200	208,808
Mayor	3,069,991	1,154,995	454,965	346	80,170
Neighborhood Empowerment	--	--	--	804	2,500
Non-departmental General	2,364	4,253,277	3,979,282	2,747,283	5,059,986
Personnel	1,314,322	1,330,527	5,606,286	821,002	585,951
Planning	863,941	1,014,173	554,850	384,965	40,441
Police	11,168,113	3,072,539	8,538,166	4,182,575	1,065,344
PW - Board ⁽¹⁾	393,360	214,162	369,256	102,419	80,489
PW - Contract Administration	1,681,748	1,939,785	300,754	890,343	2,040,539
PW - Engineering	223,480	348,934	3,056	10,948	1,090,858
PW - Financial Management & Personnel Services ⁽¹⁾	--	--	--	--	20,403
PW - Sanitation	699,698	761,485	4,833,765	1,122,465	2,062,240
PW - Street Lighting	43,373	--	2,572	39	--
PW - Street Services	1,655,821	3,634,467	1,507,757	2,316,389	225,065
Transportation	7,309,646	572,268	1,682,245	1,091,289	516,929
Treasurer	151,291	27,886	50,748	227,320	342,545
Unappropriated Balance	18,542,543	11,175,972	17,107,716	8,548,753	20,886,282
Water and Electricity	707	4,929	4,887	353	16,652
Zoo	--	--	--	3,429	--
Total	100,258,076	88,736,338	101,291,468	97,625,606	78,406,527
Less: Unfunded Appropriations	(70,478,867)	--	--	--	--
Net Cash Balances Reverted	\$ 29,779,209	\$ 88,736,338	\$ 101,291,468	\$ 97,625,606	\$ 78,406,527

⁽¹⁾ In fiscal year 2001-02, the functions of the Bureaus of Accounting and Management-Employees Services were consolidated under the Director of Public Works. On October 26, 2001, the Board of Public Works renamed the Office the Bureau of Financial Management and Personnel Services. In fiscal year 2004-05, the resources and functions of the Bureau of Financial Management and Personnel Services were transferred to the Board of Public Works.

City of Los Angeles

**Reserve Fund
Schedule of Cash Balances
June 30, 1999 through 2008**

2007-08	.....	\$ 191,564,433
2006-07	.....	224,192,242
2005-06	.....	432,399,335
2004-05	.....	460,036,919
2003-04	.....	278,010,435
2002-03	.....	295,520,331
2001-02	.....	232,086,754
2000-01	.....	107,048,396
1999-00	.....	59,181,301
1998-99	.....	69,591,870

City of Los Angeles

Schedule of Year-End Advances From The Reserve Fund
For Unfunded Expenditures
June 30, 2008

COUNCIL FILE #07-0600-S88 Advances

City Attorney	\$ 290
Commission on the Status of Women	9,052
Cultural Affairs	277
Disablility	100
Fire	358,097
Los Angeles Housing	10,863
Los Angeles Convention Center	69,359
Public Works - Sanitation	5,109
Treasurer	250
Total Council File #07-0600-S88 Advances	<u>453,397</u>

CHARTER SECTION 261(i) Advances

Aging	121,301
Building & Safety	241,236
City Administrative Officer	2,438
City Attorney	450,310
Commission on the Status of Women	206,042
Community Development Department	23,675
Disablility	30,259
El Pueblo	116,878
Emergency Management Department	411,649
Fire	2,075,948
General Services	4,928,717
Information Technology Agency	894,250
Mayor	183,369
Planning	12,598
Police	618,728
Public Works - Board	650,000
Public Works - Contract Administration	218,433
Public Works - Engineering	7,541
Public Works - Sanitation	167,803
Public Works - Street Lighting	1,383,057
Public Works - Street Services	4,943,646
Transportation	54,068
Total Charter Section 261(i) Advances	<u>17,741,946</u>

TOTAL \$ 18,195,343

City of Los Angeles

**REVENUE TRENDS
(Non-GAAP Budgetary Basis)**

	2007-08		2006-07		1998-99	
	Amount	%	Amount	%	Amount	%
Taxes ⁽¹⁾	\$ 3,501,817,149	56	\$ 3,465,543,115	55	\$ 2,076,634,919	53
Licenses, Permits and Fees	716,635,946	11	645,264,544	10	419,926,896	11
Intergovernmental	360,276,619	6	422,427,260	7	447,846,664	12
Charges for Services	1,034,706,020	16	952,357,518	15	599,566,408	15
Special Assessments	42,032,099	1	43,898,783	1	41,111,671	1
Interest	118,738,317	2	94,261,665	1	75,614,453	2
Program Income	296,131	--	--	--	5,372,598	1
Other	262,256,669	4	266,961,041	4	131,835,084	2
Transfer to General Fund	253,232,767	4	406,051,200	7	132,987,672	3
Total Revenue ⁽²⁾	\$ 6,289,991,717	100	\$ 6,296,765,126	100	\$ 3,930,896,365	100

⁽¹⁾ Major tax revenue sources included are Property Tax, Utility Users Tax, Sales Tax and Business Tax.

⁽²⁾ Does not include available balances at July 1.

**EXPENDITURE TRENDS
(Non-GAAP Budgetary Basis)**

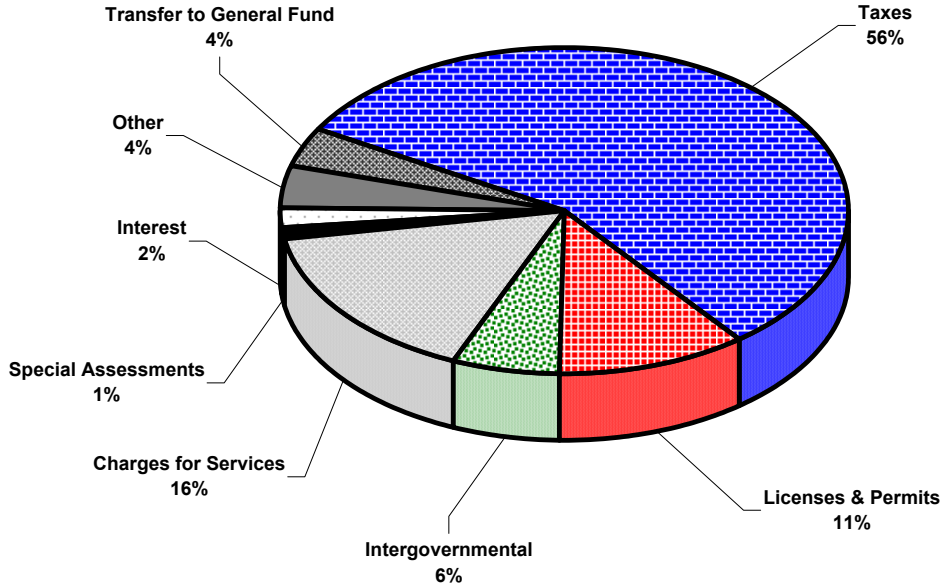
	2007-08		2006-07		1998-99	
	Amount	%	Amount	%	Amount	%
General Government ⁽³⁾	\$ 1,397,683,151	23	\$ 1,339,780,491	23	\$ 734,690,124	20
Protection of Persons and Property	1,865,695,028	31	1,766,558,572	31	1,225,461,914	33
Public Works (Maintenance and Improvements)	330,255,106	6	328,573,139	6	215,782,402	6
Health and Sanitation	420,595,741	7	388,101,127	7	299,632,510	8
Cultural and Recreational Services	292,334,418	5	291,708,284	5	233,312,108	6
Community Development	169,150,915	3	143,603,034	3	71,628,166	2
Pension & Retirement Systems Contributions ⁽³⁾	763,015,822	13	711,051,520	12	367,414,510	10
Capital Outlay	86,376,446	1	121,718,564	2	92,028,606	3
Bond Redemption & Interest	371,855,615	6	367,548,947	6	273,952,680	8
Transportation	265,995,489	5	284,667,396	5	150,102,318	4
Total Expenditures ⁽⁴⁾	\$ 5,962,957,731	100	\$ 5,743,311,074	100	\$ 3,664,005,338	100

⁽³⁾ FY2006-07 amounts were restated to conform with FY2007-08 classification.

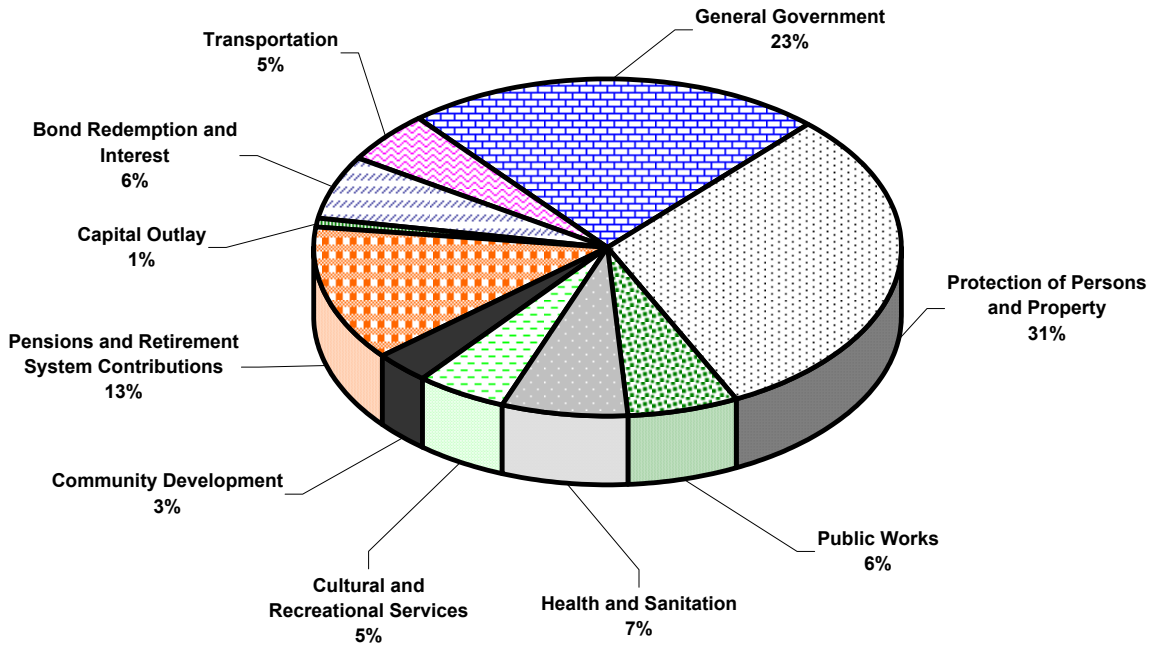
⁽⁴⁾ Does not include encumbrances at year-end.

City of Los Angeles
Fiscal Year 2007-08

REVENUE SOURCES



EXPENDITURES



City of Los Angeles

**Statement of General Obligation Bonded Debt
Fiscal Year Ended June 30, 2008**

Purpose	Outstanding 07/01/07	Issued	Matured	Outstanding 06/30/08
Series 1998-A - Advance refunding of a portion of outstanding General Obligation Bonds Series 1989-A, 1990-B, 1991-A, 1992-A and 1995-A	\$ 97,575,000	\$ --	\$ 1,465,000	\$ 96,110,000
Series 1999-A - Advance refunding of a portion of outstanding General Obligation Series 1992-A, 1993-A, 1994-A and 1995-A	77,830,000	--	24,935,000	52,895,000
Series 1999-B - Acquisition and improvement of Library Facilities and Zoo Facilities	9,000,000	--	3,000,000	6,000,000
Series 2000-A - Acquisition and improvement of Library Facilities	18,600,000	--	4,650,000	13,950,000
Series 2001-A - Acquisition and improvement of Animal Shelter, Library, Zoo and Fire/ Paramedic Facilities and Emergency Helicopter	100,640,000	--	10,065,000	90,575,000
Series 2002-A - Acquisition and improvement of Animal Shelter, Zoo, Fire/Paramedic, and 911-Police-Fire-Paramedic Facilities	209,760,000	--	13,110,000	196,650,000
Series 2002-B - Advance refunding of a portion of outstanding General Obligation Bonds Series 1993-A, 1999-B, 2000-A and 2001-A	69,935,000	--	385,000	69,550,000
Series 2003-A - Acquisition and improvement of Fire/Paramedic, Animal Shelter, and and 911-Police-Fire-Paramedic Facilities	198,370,000	--	11,665,000	186,705,000
Series 2003-B - Advance refunding of outstanding General Obligation Bonds Series 1993-A, 1993-B and 1993-C	41,225,000	--	10,800,000	30,425,000
Series 2004-A - Acquisition and improvement of 911-Police/Fire & Paramedic Facilities	324,490,000	--	18,025,000	306,465,000
Series 2005-A - Acquisition and improvement of Fire Station and Fire/Paramedic/Emergency Rescue Helicopter Facilities & finance Water Quality Improvement projects	120,460,000	--	6,340,000	114,120,000

Continued...

City of Los Angeles

**Statement of General Obligation Bonded Debt - (Continued)
Fiscal Year Ended June 30, 2008**

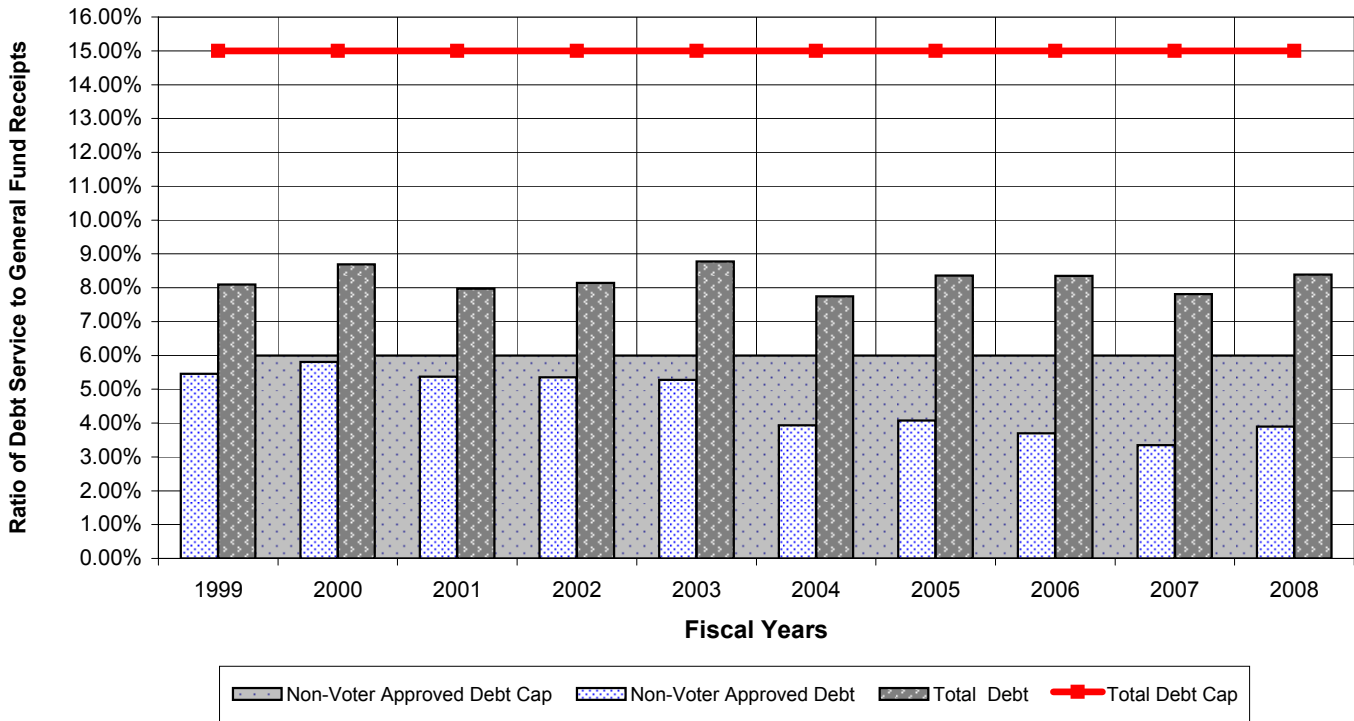
Purpose	Outstanding 7/1/07	Issued	Matured	Outstanding 6/30/08
Series 2005-B - Advance refunding of a portion of outstanding General Obligation Bonds Series 1999-B, 2000-A and 2001-A	\$ 72,990,000	\$ --	\$ 90,000	\$ 72,900,000
Series 2006-A - Acquisition and improvement of Fire/Paramedic, Animal Shelter, 911-Police-Fire-Paramedic Facilities and finance Water Quality Improvement projects	<u>71,023,000</u>	<u>--</u>	<u>4,333,000</u>	<u>66,690,000</u>
Total	<u><u>\$ 1,411,898,000</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 108,863,000</u></u>	<u><u>\$ 1,303,035,000</u></u>

City of Los Angeles

**Ratio of Debt Service Requirements
To General Fund Receipts
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Debt Service Requirements			General Fund Receipts (1)	Ratio of Debt Service Requirements to General Fund Receipts		
	Non-Voter Approved	Voter Approved	Total		Non-Voter Approved	Voter Approved	Total
1999	\$ 150,298,343	\$ 72,352,494	\$ 222,650,837	\$ 2,751,246,782	5.46%	2.63%	8.09%
2000	166,311,227	82,241,888	248,553,115	2,860,424,266	5.81%	2.88%	8.69%
2001	169,203,130	82,013,874	251,217,004	3,150,528,837	5.37%	2.60%	7.97%
2002	172,708,476	89,972,564	262,681,040	3,227,337,646	5.35%	2.79%	8.14%
2003	176,440,604	117,084,741	293,525,345	3,342,647,835	5.28%	3.50%	8.78%
2004	141,008,595	136,739,299	277,747,894	3,585,316,653	3.93%	3.81%	7.74%
2005	159,823,544	167,281,520	327,105,064	3,912,975,296	4.08%	4.28%	8.36%
2006	152,991,584	192,483,903	345,475,487	4,136,531,029	3.70%	4.65%	8.35%
2007	146,791,654	195,720,003	342,511,657	4,386,747,690	3.35%	4.46%	7.81%
2008	170,801,748	196,742,647	367,544,395	4,383,566,846	3.90%	4.49%	8.39%

(1) General Fund receipts have been adjusted upwards to reflect bond proceeds to pay for capitalized interest.



Note: The 6% non-voter approved debt cap can only be exceeded in two instances:
 (a) There is a guaranteed new revenue stream for the debt payments and the additional debt will not cause the debt service ratio to exceed 7.5%, or
 (b) There is no guaranteed revenue stream for the debt but the 6% ratio shall only be exceeded for one fiscal year.

City of Los Angeles
Statement of Legal Debt Margin
As of June 30, 2008

TAXABLE PROPERTY AND BONDING CAPACITY

Assessed Valuation ⁽¹⁾	<u>\$ 383,817,507,725</u>
Debt Limit (15% of Assessed Value)	\$ 57,572,626,159 ⁽²⁾
General Obligation Bonds:	
Bonds Outstanding	<u>(1,303,035,000) ⁽³⁾</u>
Legal Debt Margin	<u>\$ 56,269,591,159 ⁽⁴⁾</u>

⁽¹⁾ Certified by Los Angeles County Auditor-Controller, August 2007

⁽²⁾ Per debt limit provided in Section 43605 of the Government Code of the State of California

⁽³⁾ 2.26% of Debt Limit

⁽⁴⁾ 97.74% of Debt Limit