



RON GALPERIN
CONTROLLER

October 17, 2013

Honorable Eric Garcetti, Mayor
Honorable Members of the Los Angeles City Council

**SUBJECT: PRELIMINARY FINANCIAL REPORT – FISCAL YEAR-ENDED
JUNE 30, 2013**

I am submitting my Preliminary Financial Report on financial operations for the City of Los Angeles for the fiscal year-ended June 30, 2013. This Preliminary Financial Report on financial operations for the City of Los Angeles for fiscal year 2012-13 is the first year-end review of the City's finances as the new fiscal year is underway. The Report provides an informational "snapshot" of General Fund and budgeted Special Fund revenues and expenditures, reserves, and bonded indebtedness.

Also included are Guiding Principles for maintaining a healthy budget and a recommendation to compel City departments to accelerate repayment of Reserve Fund advances.

Later this year, the Office of the Controller will issue the City's Comprehensive Annual Financial Report (CAFR) for fiscal year 2012-13 with detailed views and analysis of the City's financials. The CAFR will be prepared in conformity with Generally Accepted Accounting Principles (GAAP) for governmental units and audited in accordance with Generally Accepted Government Auditing Standards (GAGAS) by a firm of licensed certified public accountants.

Honorable Eric Garcetti, Mayor
Honorable Members of the Los Angeles City Council
October 17, 2013
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My staff and I wish to express our appreciation to all City departments and offices for their help and cooperation in the preparation of this Report and in having effectuated a smooth fiscal year-end closing.

Should you have any questions, or require additional information, please contact Todd Bouey, Director of Financial Analysis and Reporting at (213) 978-7203 or todd.bouey@lacity.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Ron Galperin", with a long horizontal flourish extending to the right.

RON GALPERIN
Los Angeles City Controller

Attachment

cc: Gerry Miller, Chief Legislative Analyst
Miguel Santana, City Administrative Officer



City of Los Angeles Preliminary Financial Report

Fiscal Year ended June 30, 2013



RON | GALPERIN
Los Angeles City Controller

www.controller.lacity.org

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EXECUTIVE SUMMARY

PREFACE

This Preliminary Financial Report on financial operations for the City of Los Angeles for the fiscal year-ended June 30, 2013 provides the first year-end review of the City's finances as the new fiscal year is underway. The Report provides an informational "snapshot" of General Fund and budgeted Special Fund revenues and expenditures, reserves, and bonded indebtedness – together with key financial schedules for the City's financial closing of fiscal year 2012-13 and for the fiscal year 2013-14 Adopted Budget.

This report, along with other key financial reports of the L.A. City Controller - including the Comprehensive Annual Financial Report (CAFR) and the March 1 Revenue Estimate Report – is issued as part of the Controller's City Charter mandate to monitor and report on all matters relating to the City's fiscal health, keep the City's official financial records, and supervise expenditures of the City.

OVERVIEW

I. Budget Overview –

A. General Fund Revenues & Receipts

At fiscal year-end closing, actual General Fund revenues and receipts in fiscal year 2012-13 totaled \$4.67 billion, which is \$116.7 million, or 2.6 percent greater than the fiscal year 2012-13 Adopted Budget. In fiscal year 2012-13, the major revenue increases in excess of the adopted budget were in Property Tax (\$103.6 million), Documentary Transfer Tax (\$39.8 million), and Transient Occupancy Tax (\$10.0 million). Although more than offset by these gains, selected departmental receipts were lower than anticipated.

Based on the information available at the time, the Controller's March 1, 2013 Revenue Report anticipated \$4.67 billion in fiscal year 2013-14 General Fund receipts. The fiscal year 2013-14 Adopted Budget anticipates \$4.87 billion in General Fund Revenues, representing \$200 million, or 4.3 percent, growth over both fiscal year 2012-13 actual receipts and the Controller's March 1, 2013 Revenue Report. The fact that actual receipts in the recently closed fiscal year somewhat exceeded expectations is a promising sign – but should not be taken as a given for this year.

In addition to the aforementioned General Fund receipts, the General Fund also receives budgeted allocations from Special Funds. The Special Fund allocation to the General Fund in the fiscal year 2013-14 Adopted Budget totals \$922.7 million, a 6.0 percent increase over the fiscal year 2012-13 Adopted Budget allocation of \$869.8 million.

B. General Fund Expenditures & Appropriations –

General Fund expenditures, including allocations from other funds, in fiscal year 2012-13 totaled nearly \$5.18 billion, which is nearly \$245 million, or 4.7 percent less than the fiscal year 2012-13 Adopted Budget. However, the fiscal year 2013-14 Adopted Budget anticipates spending \$5.79 billion in General Fund appropriations. Overall, and including Special Fund expenditures, the fiscal year 2013-14 City Budget anticipates spending \$7.69 billion, or 6.0 percent more than the \$7.25 billion Adopted Budget for fiscal year 2012-13. While various expenditures and appropriations have been deferred in prior years – impacting City services adversely – the City needs to be very circumspect about growth in spending.

II. Bonded Indebtedness –

The City's Debt Management Policy establishes guidelines of a non-voter debt service cap as a percent of General Fund revenues of 6.0 percent and a total debt service cap as a percent of General Fund revenues of 15.0 percent. The actual ratio of Debt Service to General

Fund Receipts was 9.42 percent in fiscal year 2010-11, 9.0 percent in fiscal year 2011-12, and 8.55 percent in fiscal year 2012-13. Future bond offerings would, of course, impact future bond indebtedness and the service cap related thereto.

III. Reserves –

As of June 30, 2013, after closing the City's General Ledger, the recorded Reserve Fund balance was \$352.3 million. This was \$68.4 million more than the amount anticipated in the fiscal year 2013-14 Adopted Budget. Taking into account budgetary appropriations, and return of advances and reappropriations, the resulting fiscal year-start adjusted Reserve Fund balance is \$326.7 million or 6.7 percent of General Fund receipts anticipated in the fiscal year 2013-14 Adopted Budget. This is 1.7 percent higher than the 5.0 percent set under the Reserve Fund Policy. The Budget Stabilization Fund has also seen an increase from an initial deposit of \$500,000 to a balance of \$61.5 million. The increase in the City's reserves is a promising indicator – but not one that should be taken as a license to spend any less carefully. The 5.0 percent Reserve Fund Policy is a floor – and having more is prudent.

IV. Improving the City's Fiscal Health –

As the economy, and the City's budget show modest signs of improvement, challenges as well as opportunities create a path to examine the City's business practices and create efficiencies to maximize the use of our limited resources. The Controller's Guiding Principles therefor are herein below. Note: A technical recommendation from Council to departments for increasing the Reserve Fund is identified on Page 16.

GUIDING PRINCIPLES

At this time, I propose ten guiding principles to maintain a healthy budget:

1. Implement a budget based on performance and measurable results.
2. Focus on Return on Investment (ROI).
3. Reform City procurement.
4. Reduce liabilities with a comprehensive risk mitigation strategy.
5. Invest in technology.
6. Put the City's vast assets and resources to work.
7. Improve accounting and accountability in Special Funds.
8. Explore savings in healthcare and pension costs.
9. Maximize current City revenues and collections.
10. Continue to build the City's Reserves.

Focusing on maintaining a healthy reserve, reducing liabilities, investing limited resources wisely, and improving service delivery without incurring significant ongoing obligations is a recipe for financial success. The current financial situation provides a unique opportunity for the City's leaders and stakeholders to work together and progress on these key strategies.

Released on the 17th of October, 2013.

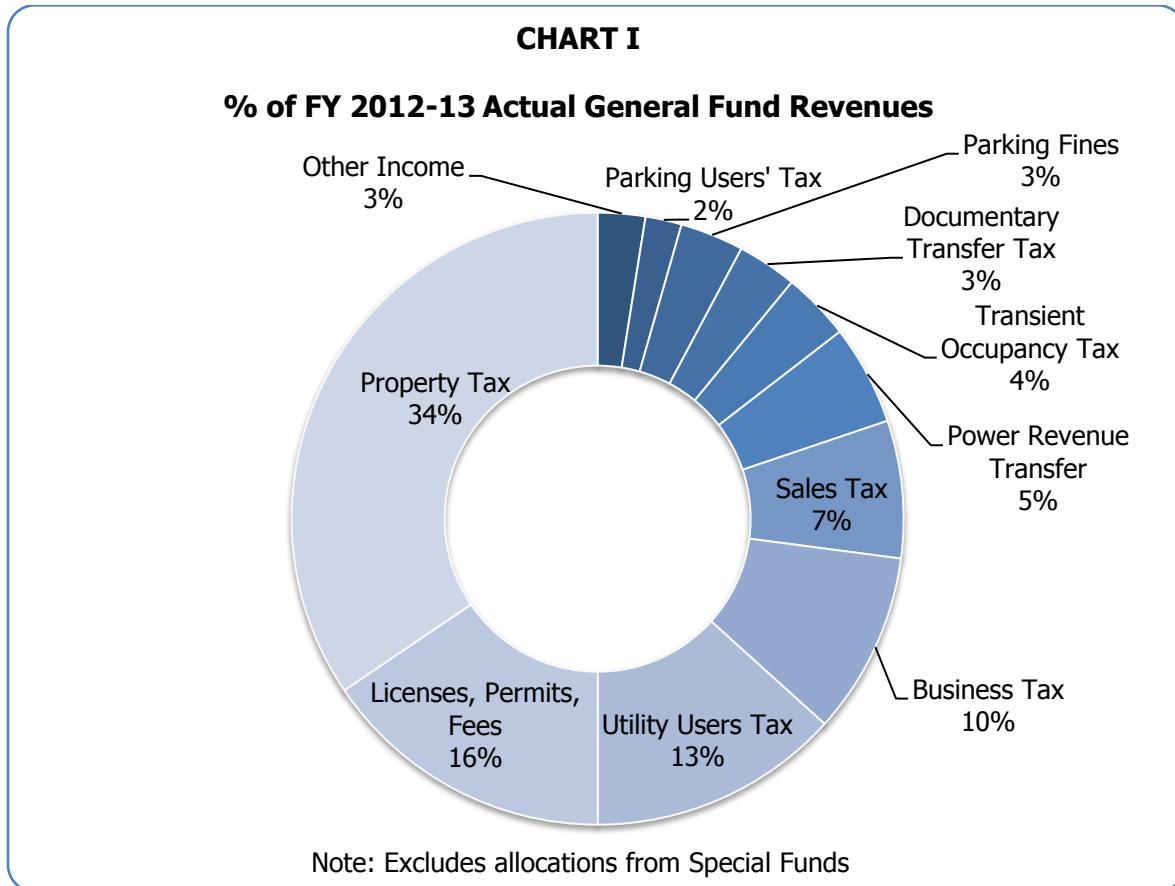
FISCAL YEAR-END DISCUSSION

I. BUDGET OVERVIEW

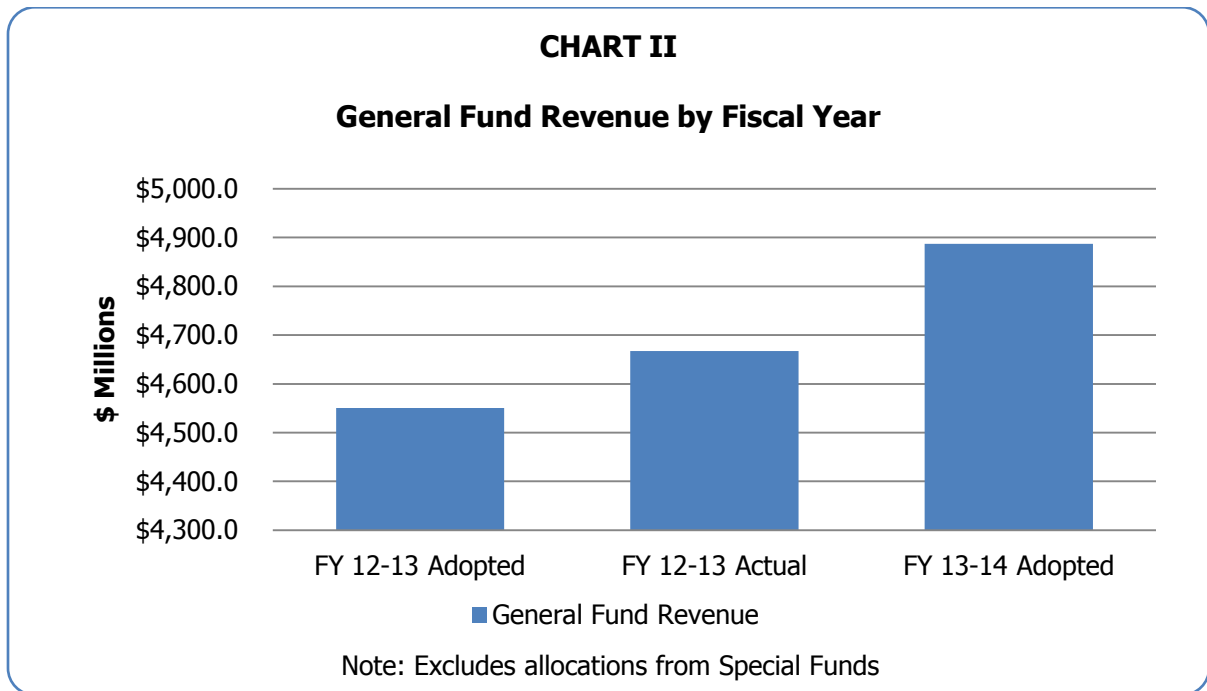
The Adopted Budget establishes the funding priorities of the Mayor and City Council against anticipated revenues. The fiscal year 2012-13 Adopted Budget of \$7.25 billion (including General and Special Fund revenues) increased by \$440 million, or 6.0 percent, to \$7.69 billion in the fiscal year 2013-14 Adopted Budget. This Preliminary Financial Report focuses on the General Fund portion of the City budget, including allocations and receipts to the General Fund and expenditures therefrom.

A. General Fund Revenues

The General Fund is the primary operating fund of the City. It is the fund for the deposit of general receipts which are not restricted (though some allocations from Special Funds to the General Fund are budgeted according to specific purposes). General Fund revenues are derived from such sources as taxes, licenses, permits, fees, fines, intergovernmental revenues, charges for services, special assessments, interest income and other resources. Chart I on the following page breaks out fiscal year 2012-13 actual General Fund revenues by percent.



The fiscal year 2012-13 actual General Fund revenues totaled \$4.67 billion, which is \$116.7 million or 2.6 percent greater than the fiscal year 2012-13 Adopted Budget. Based on the information provided by departments as of January 31st, the Controller’s March 1, 2013 Revenue Report anticipated \$4.67 billion in fiscal year 2013-14 General Fund receipts. The fiscal year 2013-14 Adopted Budget anticipates \$4.87 billion in General Fund revenues, which would be \$200 million or 4.3 percent growth over both fiscal year 2012-13 actual receipts and the Controller’s March 1, 2013 Revenue Report. Chart II on the following page displays General Fund adopted and actual revenues for fiscal years 2012-13 and 2013-14.



In fiscal year 2012-13, the major revenue increases in excess of the adopted budget were in Property Tax (\$103.6 million), Documentary Transfer Tax (\$39.8 million), and Transient Occupancy Tax (\$10.0 million). Although more than offset by these gains, selected departmental receipts were lower than anticipated. This growth had a significant impact on the Reserve Fund balance as General Fund receipts for fiscal year 2012-13 were \$116.7 million above the fiscal year 2012-13 Adopted Budget, of which \$81.0 million reverted to the Reserve Fund. It should be noted that approximately \$21 million in property tax revenue was received earlier than expected and was anticipated in fiscal year 2013-14 receipts.

Another source of funds to the General Fund is allocations from Special Funds. Special Funds are used to account for revenues derived from specific taxes, fees, governmental grants, or other revenue sources that are designated to finance particular functions and activities of the City. On-budget and off-budget Special Funds are managed by respective City departments. On-budget Special Fund allocations to the General Fund are

those discussed in this report. Off-budget funds are managed outside of the budget process.

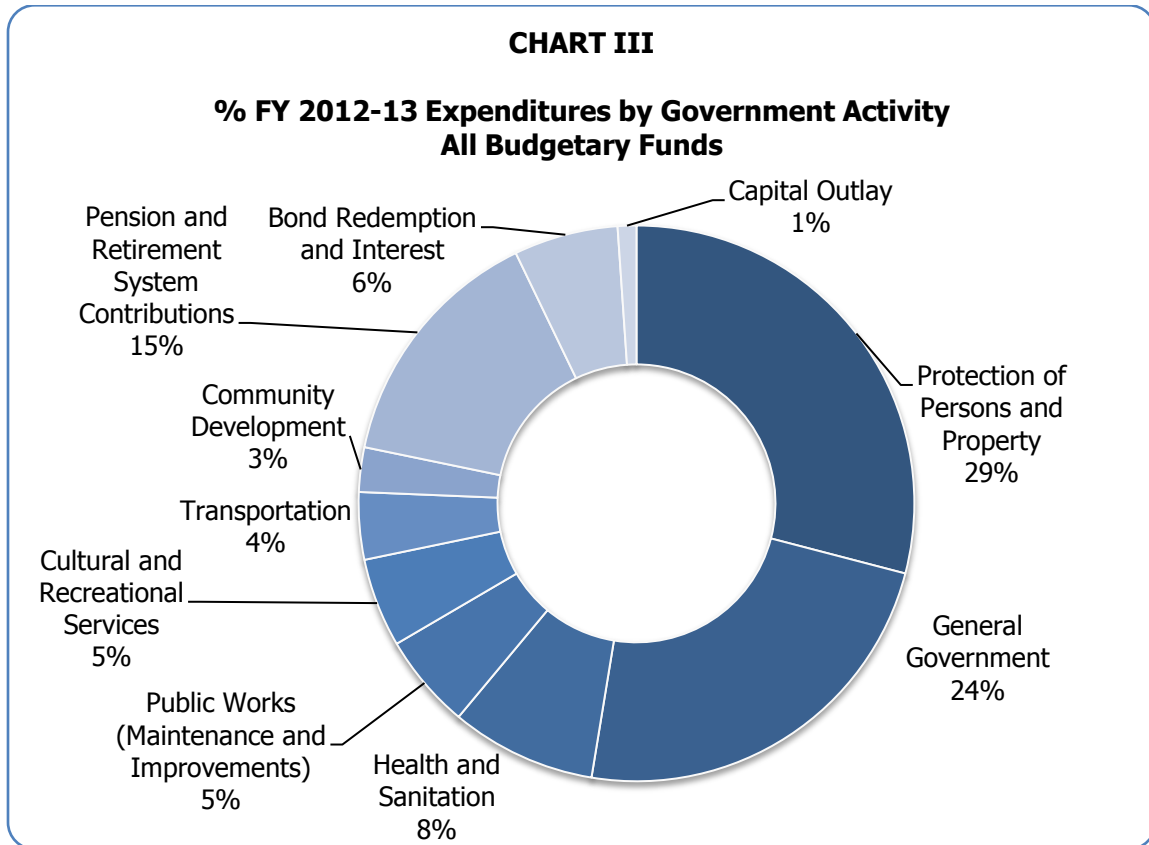
There are hundreds of Special Revenue Funds – with more than 50 such Special Funds programmed in the City Budget. Therefrom, \$869.8 million was allocated to the General Fund in the fiscal year 2012-13 Adopted Budget. The fiscal year 2013-14 Adopted Budget anticipates \$922.7 million, a 6.0 percent increase over the fiscal year 2012-13 Adopted Budget allocation of \$869.8 million.

See Schedule B-6 for more information on City General Fund revenues.

B. General Fund Expenditures & Appropriations

The City tracks expenditures through both Government Activities and budgetary account views to assist in identifying spending in terms of priorities and cost centers.

- Government Activities (as reflected in the Comprehensive Annual Financial Report) reflect primary programmatic functions of the City and expenditures are presented according to these major functions of government. Chart III on the next page presents a breakdown of fiscal year 2012-13 expenditures by Government Activity.



See Schedule B-17 “Expenditure Trends by Government Activity” for further detail on expenditures by Government Activity.

- Budgetary account appropriations and expenses are viewed at the line item level and can be grouped by category for summary review and analysis. Budgetary accounts overlap with Government Activities and reflect the same financial information portrayed in different ways. Table I on the following page breaks out summarized budgetary accounts for fiscal years 2012-13 and 2013-14.

TABLE I

**General Fund Expenditures and Appropriations
Including Allocations from Other Funds
(In Millions)**

	Adopted FY 12-13 Budget	Actual FY 12-13 Expenses	Adopted FY 13-14 Budget
Salaries			
Sworn Fire	\$ 461.8	\$ 454.7	\$ 490.5
Sworn Police	981.8	939.2	1,011.3
Civilian	1,375.1	1,326.2	1,404.8
<i>Total Salaries</i>	<u>2,818.7</u>	<u>2,720.1</u>	<u>2,906.6</u>
Medical Insurance Subsidy	381.7	376.2	396.4
Retirement Contribution			
Fire and Police Pension Contribution	506.1	506.1	575.9
LACER Contribution	341.6	341.6	367.8
<i>Total Retirement Contribution</i>	<u>847.7</u>	<u>847.7</u>	<u>943.7</u>
Services, Supplies and Equipment	856.5	687.2	966.5
Lease Payment/Debt Service/TRAN Interest	223.9	214.7	268.5
Allocation to Other Funds	291.7	329.4	307.8
Total	<u>\$ 5,420.2</u>	<u>\$ 5,175.3</u>	<u>\$ 5,789.5</u>

*Note that departments controlling their own funds (Library and Recreation & Parks) are reflected under Allocation to Other Funds and not included in other expenditure categories.

**Includes General Fund Appropriations and Expenditures funded by Special Fund allocations to the General Fund.

Whether viewed by Government Activity or budgetary appropriation account, a substantial portion of the City's General Fund expenditures goes toward public safety activities and workforce costs.

II. BONDED INDEBTEDNESS

The City's Debt Management Policy establishes guidelines for the structure and management of the City's debt obligations. These guidelines include target and ceiling levels for certain debt ratios to be used for planning purposes. The two most significant ratios are a non-voter debt service cap

as a percent of General Fund revenues of 6.0 percent and a total debt service cap as a percent of General Fund revenues of 15.0 percent. Non-voter debt service pertains to those obligations that do not require voter approval, as opposed to those debts approved by the voters.

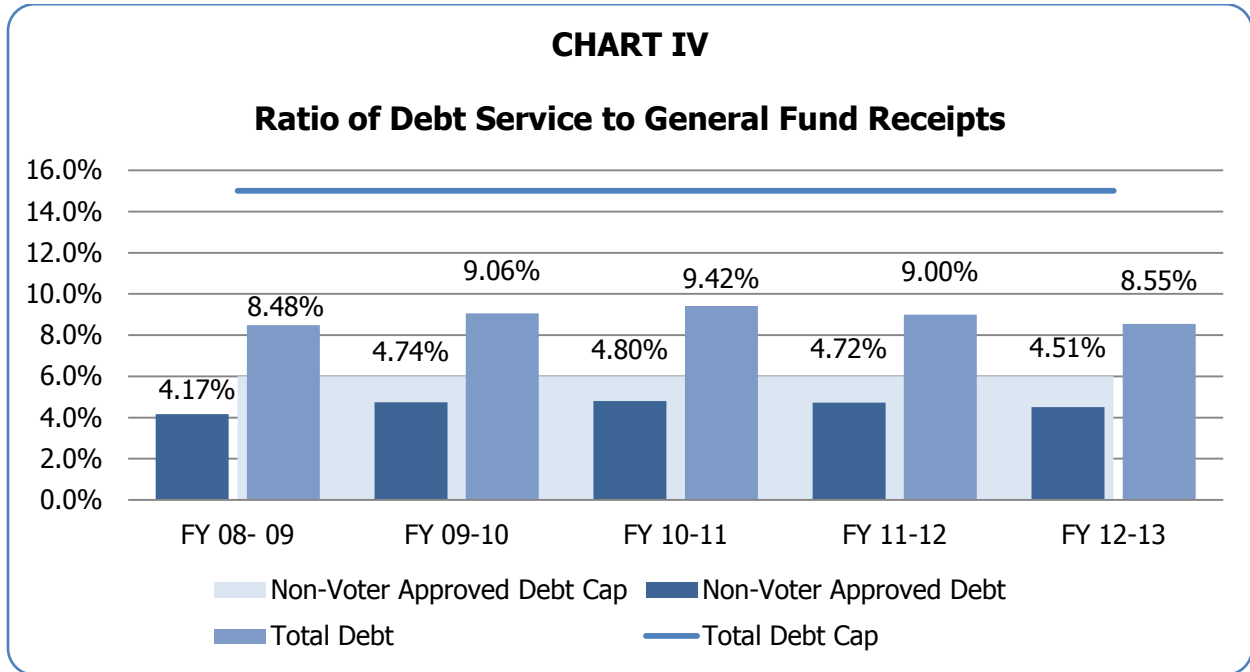


Chart IV illustrates the City’s compliance with these debt management policies the past five years. See Schedules B-18, B-19 and B-20 for more information on City debt.

III. GENERAL FUND RESERVES

The City has established two funds for preserving General Fund savings above and beyond those amounts appropriated in the budget – the Reserve Fund and the Budget Stabilization Fund. These funds are vital to the financial health of the City.

A. Reserve Fund

The Reserve Fund is essentially the undesignated fund balance of the General Fund -- and is an important measure of the City's fiscal health. The Reserve Fund is vital to cash flow, bond ratings, and the ability to manage unanticipated financial challenges. Failure to maintain the City's Reserve Fund at an adequate level not only can have negative financial impacts (need and cost of borrowing; reduced interest earnings), but also exposes the City to significant risk in the event of an emergency.

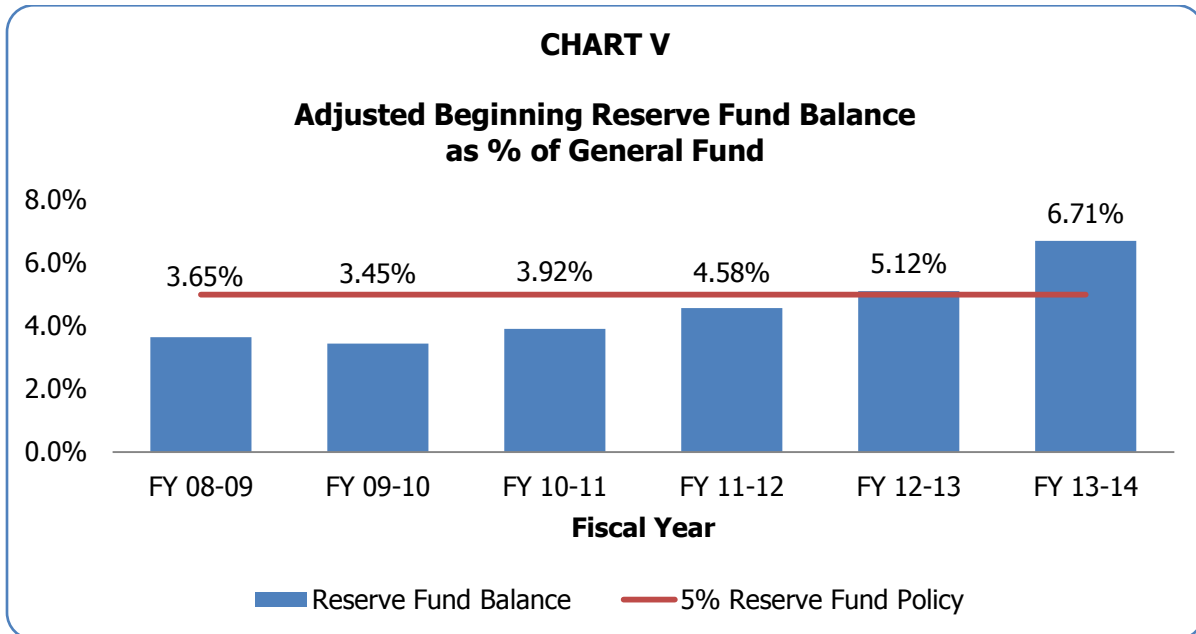
The City's Reserve Fund Policy (CF 98-0459) sets a Reserve Fund cash balance goal equal to 5.0 percent of budgeted General Fund receipts. On March 8, 2011, voters amended Charter Section 302(b) to state,

The Reserve Fund shall include funding for unanticipated expenditures and revenue shortfalls in the City's General Fund. It shall include two accounts within the fund, the Contingency Reserve Account and the Emergency Reserve Account.

The **Contingency Reserve** is defined to include all monies in the Reserve Fund over and above the amount required to be allocated to the Emergency Reserve Account.

The **Emergency Reserve** is allocated at an amount that will bring the balance in that account to not less than 2.75 percent of all General Fund receipts anticipated for that fiscal year in the adopted budget.

Chart V on the following page displays the past six years of beginning Reserve Fund balance compared to the 5.0 percent Reserve Fund policy.



As of June 30, 2013, after closing the City’s General Ledger, the recorded Reserve Fund balance was \$352.3 million. This was \$68.4 million more than the amount anticipated in the fiscal year 2013-14 Adopted Budget.

The fiscal year 2012-13 year-end Reserve Fund cash balance is not the same as the fiscal year 2013-14 year-start cash balance because of several technical factors required after the close of the prior fiscal year and as further detailed in the following sections.

After the fiscal year 2012-13 accounting close, fiscal year 2013-14 budgetary appropriations, and return of advances and reappropriations, the resulting fiscal year-start adjusted Reserve Fund balance is \$326.7 million or 6.7 percent of General Fund receipts anticipated in the fiscal year 2013-14 Adopted Budget. This is 1.7 percent higher than the 5.0 percent set under the Reserve Fund Policy. Table II on the following page details the changes in Reserve Fund Cash Balance comparing Adopted Budget versus actual.

TABLE II

**Reserve Fund Cash Balance
Adopted Budget Versus Actual
(In Millions)**

	Adopted FY 2014 Budget	Actual Balance	Difference
Contingency Reserve:			
a. Balance Before Year-End Reversions/Borrowings	\$ 113.3	\$ 147.4	\$ 34.1
b. Reversion of Uncommitted Balances	74.7	95.6	20.9
c. Unallocated Revenue	88.8	81.0	(7.8)
d. Transfer to Budget Stabilization Fund	(69.0)	(69.0)	--
e. Advances Under CF# 12-0600-S178	--	(1.1)	(1.1)
f. Advances Under Charter Section 261(i)	(49.0)	(26.7)	22.3
Total Contingency Reserve, Year End	158.8	227.2	68.4
Emergency Reserve, Year End	125.1	125.1	--
Total Reserve Fund, Ending 6/30/13	\$ 283.9	\$ 352.3	\$ 68.4
g. Return of Advances for Unfunded Encumbrances	18.0	7.8	(10.2)
h. Reappropriations	(40.7)	(33.4)	7.3
Total Reserve Fund, Year Start Adjusted 7/1/13	\$ 261.2	\$ 326.7	\$ 65.5
Emergency Reserve, Year Start Adjusted	\$ 133.8	\$ 133.8	\$ --
Contingency Reserve, Year Start Adjusted	127.4	192.9	65.5

Following are descriptions of the line item changes to the Reserve Fund listed in Table II:

1) Reserve Fund Cash Balance (June 30, 2013)

The Reserve Fund cash balance is adjusted by the following factors to arrive at the year-end balance:

a. 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 year-end reversions, unallocated revenues, transfer to

Budget Stabilization fund and borrowings. It does not include cash in the Emergency Reserve. The actual amount was \$34.1 million more than anticipated in the fiscal year 2013-14 Adopted Budget.

b. Reversion of Uncommitted Balances

This category refers to fiscal year 2012-13 General Fund appropriations that reverted to the Reserve Fund at year-end because portions of the appropriations were uncommitted (not encumbered nor expended) at year-end. The Mayor and Council grant appropriation authority to City departments each year. Those appropriations are committed throughout the year in the form of encumbrances and expenditures. The total appropriation authority minus encumbrances and expenditures represents the uncommitted balance at year-end. Uncommitted balances from General Fund appropriations revert to the Reserve Fund at year-end. When the fiscal year 2013-14 budget was adopted in June 2013, the City anticipated an uncommitted balance reversion of \$74.7 million. The year-end uncommitted balance was \$95.6 million. For a detailed breakdown of uncommitted balances and reappropriations by department please see Schedule B-14.

The adopted budget provided that certain uncommitted balances earmarked for specific functions be automatically reappropriated if not expended in a given year. Of the total \$95.6 million reverted to the Reserve Fund, \$33.4 million was reappropriated in the fiscal year 2013-14 Adopted Budget. However, the CIEP reappropriation amount requires a separate Council action, so the actual reappropriation may vary from the \$16.4 million amount listed in Schedule B-14.

c. Unallocated Revenue (Excess Receipts)

Unallocated Revenue occurs when revenues exceed the total budget appropriation. At fiscal year-end 2012-13, excess receipts of \$81.0 million reverted to the Reserve Fund as unallocated revenue. The fiscal year 2013-14 Adopted Budget anticipated \$88.8 million in unallocated revenue. Actual receipts were \$7.8 million less than the budgeted amount of unallocated revenue.

d. Transfer to Budget Stabilization Fund

Charter Section 302(c) provided that a Budget Stabilization Fund (BSF) shall be established to receive money set aside during periods of economic growth and revenue receipts exceeded projections to help smooth out years when revenue is in decline. The fiscal year 2013-14 Adopted Budget authorized the \$69 million transfer to BSF.

e. Advances Under CF 12-0600-S178

Council File 12-0600-S178 authorized the Controller to borrow from the Reserve Fund at year-end to balance departmental budgets where needed in order to expedite the closing of the City's General Ledger. This measure was taken so that the Controller could increase appropriations within established limits without departments returning to the Council to request the additional appropriations; a process that would delay the closing of the City's General Ledger. Under this Council authority, the Controller transferred \$1.1 million from the Reserve Fund to balance departmental budgets at year-end closing. Please note that these departments had greater total General Fund year-end uncommitted balances than the borrowed amounts (see Schedules B-14 and B-16).

f. 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 receipt of revenue. The fiscal year 2013-14 Adopted Budget anticipated \$49.0 million in year-end advances from the Reserve Fund. The actual advances, in accordance with this Charter section, were \$26.7 million (\$18.9 million for unfunded expenditures and \$7.8 million for unfunded encumbrances, see Schedule B-16). 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 request Mayor and Council approval to write-off advances. 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.

2) Reserve Fund Cash Balance (2013-14 Year-Start)

The Reserve Fund year-end cash balance is adjusted by the following factors to arrive at the year-start balance:

g. Return of Advances for Unfunded Encumbrances

Advances for unfunded encumbrances represent loans from the Reserve Fund at year-end to fund encumbrances, mainly for grant contracts, and are reversed at the start of the following fiscal year.

h. Reappropriations

Reappropriations represent the unencumbered balances of certain funds and accounts reappropriated in accordance with the adopted budget.

Please note that subsequent to the Reserve Fund adjustments included in the adopted budget, the Council took actions (CF 12-0600-S179 and 13-0600-S134) that resulted in \$4.6 million in additional year start Reserve Fund adjustments. These additional reappropriations include:

- \$1.2 million for Council District Community Services;
- \$1.7 million for LINX Workers' Compensation Claims Management System replacement; and,
- \$0.5 million for third-party review of Fire resource deployment.

These actions are not reflected in the above Reserve Fund Cash Balance table and reduced the Contingency Reserve to \$188.3 million, or \$60.9 million above the fiscal year 2013-14 Adopted Budget estimate.

While the above descriptions detail a number of direct impacts to the Reserve Fund, it is ultimately a confluence of revenues, appropriations, and

expenditures as discussed within this report that set the table for the available Reserve Fund balance.

B. Budget Stabilization Fund

As part of the fiscal year 2009-10 budget process, the Mayor and Council established a Budget Stabilization Fund (BSF), with an initial deposit of \$500,000. The maintenance of this fund, separate and apart from the Reserve Fund, was added to the City's Charter in 2011. The purpose of this fund was to set aside revenues during periods of robust economic growth or when revenue projections are exceeded to help smooth out years when revenue is stagnant or is in decline. The City adopted more specific policies governing this fund in connection with the fiscal year 2013-14 Adopted Budget, and has increased the balance in the fund to a year-start amount of \$69.5 million. A subsequent transfer of \$8.0 million to the General Fund in the fiscal year 2013-14 Adopted Budget reduced the total cash balance to \$61.5 million.

TABLE III

**Budget Stabilization Fund
(In Millions)**

	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted
Cash Balance, July 1	\$0.5	\$0.5	\$69.5
Reserve Fund	--	69.0	--
Total Receipts	0.5	69.5	69.5
Transfer to Budget	--	--	8.0
Cash Balance, June 30	\$ 0.5	\$ 69.5	\$ 61.5

Based on the fiscal year 2013-14 Adopted Budget, the full appropriation to the BSF under the policy would have been \$115.0 million, or \$53.5 million higher than the final adjusted amount.

IV. IMPROVING THE CITY'S FISCAL HEALTH

As the economy and the City's budget show modest signs of improvement, challenges as well as opportunities create a path to examine the City's business practices and create efficiencies to maximize the use of our limited resources. At this time, I propose ten guiding principles to maintain a healthy budget:

A. Guiding Principles

1. Implement a budget based on performance and measurable results. This will ensure we maximize and prioritize our resources and encourage innovation in City government.
2. Focus on Return on Investment (ROI). The City should examine each of its services to make sure we are getting our money's worth.
3. Reform City procurement. The City needs to reimagine the procurement process not only for goods and supplies, but for services and construction.
4. Reduce liabilities from banked overtime, lawsuits, workers' compensation and other such costs with a comprehensive risk reduction and mitigation strategy.
5. Invest in necessary technology replacements and improvements – to save time and money. More data and information -- more easily available and more transparent -- will also help the public and the City's own staff make better informed decisions.
6. Put the City's vast assets and resources to work – utilizing best and leading industry practices.
7. Improve accounting and accountability in Special Funds.

8. Explore savings in healthcare and pension costs by employing economies of scale.
9. Maximize current City revenues by efficiently collecting amounts due.
10. Continue to build the City's Reserves. Consider additional transfers to the Budget Stabilization Fund to achieve full compliance with the City's own recently adopted policies.

Focusing on maintaining a healthy reserve, reducing liabilities, investing limited resources wisely, and improving service delivery without incurring significant ongoing obligations is a recipe for financial success. The current financial situation provides a unique opportunity for the City's leaders and stakeholders to work together and progress on these key strategies.

Following is a technical recommendation for departments to assist in maintenance of the Reserve Fund.

B. Recommendation

In order to continue to improve the status of the Reserve Fund, it is recommended that the Mayor and Council instruct departments to:

Accelerate repayment of Reserve Fund advances for unfunded expenditures due to tardy receipt of revenue and/or delayed billings and to report upon request of the City Administrative Officer and the Controller on the status of these plans.

GLOSSARY OF KEY TERMS

Adopted Budget is the Mayor and Council approved plan of financial activity for a specified fiscal year indicating all planned revenues and appropriations for the year.

Appropriation Authority is the legal authority to incur obligations and expend up to a budgeted amount for a stated purpose. Total appropriation authority includes the adopted budget and actions taken by Mayor and Council during the year to amend the adopted budget.

Budget Stabilization Fund was created to prevent overspending during prosperous years and provide resources to help maintain service levels during years of slow revenue growth or declining revenue. Charter Amendment P established the Budget Stabilization Fund in the City Treasury and authorized the requirements for transfers or expenditures from the fund as established by ordinance.

Capital Improvement Expenditure Program (CIEP) constitutes expenditures for the acquisition, construction, expansion or rehabilitation of the City's physical plant (such as streets, sewers, and storm drains) and facilities (such as fire stations, police stations, and libraries).

Comprehensive Annual Financial Report (CAFR) is published annually by the City Controller on the City's financial condition at the conclusion of the fiscal year. The report is prepared to conform to Generally Accepted Accounting Principles (GAAP) for governmental units and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

Debt Policy is an adopted formal debt policy of the City establishing guidelines for the structure and management of the City's debt obligations. These guidelines include both a target and ceiling for certain debt ratios to be used for planning purposes.

Department is a major administrative division of the City that indicates overall management responsibility for an operation or group of related operations within a functional area.

Encumbrance is an obligation or commitment to pay for a good or service. An example of an encumbrance is ordering a car and setting aside funds to pay for the car.

Expenditure is an actual payment. An example of an expenditure is writing a check to pay for the car.

Fiscal Year (FY) is the time period for the City budget which begins on July 1 of a calendar year and ends on June 30 of the following year.

Fund is a fiscal entity with revenues and expenditures that are segregated for carrying out a specific purpose or activity.

General Fund is for deposit of general receipts which are not restricted, such as property, sales and business taxes and various fees.

Reserve Fund is the fund in which general unrestricted cash is set aside outside the budget for unforeseen expenditures and emergencies.

Revenue is cash or credits the City receives during the fiscal year as income to finance general or restricted operations. This includes items such as taxes, fees from services, interest earnings, and grants.

Special Purpose Funds account for proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

SCHEDULES

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Cash Condition
Statement of Receipts and Disbursements - All Funds
For the Fiscal Year Ended June 30, 2013

Cash Balance, July 1, 2012	\$ 7,733,579,823
Add - Outstanding Warrants, July 1, 2012	<u>117,068,702</u>
Cash in the Treasury, July 1, 2012	7,850,648,525
Add - Receipts during the year ⁽¹⁾	<u>17,385,279,211</u>
Total Available	25,235,927,736
Less - Disbursements during the Year ⁽¹⁾	<u>16,683,025,886</u>
Cash in the Treasury, June 30, 2013	8,552,901,850
Less - Outstanding Warrants, June 30, 2013	<u>173,532,279</u>
Cash Balance, June 30, 2013 ⁽²⁾	<u>\$ 8,379,369,571</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 totalling \$132,136,882.

The City Charter provides that the cash in the Treasury "resides" in various Funds created by the City Charter and legislative actions. Although the Treasury has a large cash balance at June 30, 2013, 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 B-3 to B-5 provides additional information of the June 30 cash balances.

**Reserve Fund
Statement of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2013**

Cash Balance Ending June 30, 2012		\$ 242,305,405
Receipts:		
Return of Advances Under Charter Section 261(i) for:		
Unfunded Expenditures	\$25,461,716	
Unfunded Encumbrances	19,262,989	
Return of Loans from Other Funds	6,195,399	
Transfer of Power Revenue Surplus	246,534,000	
Transfer of Special Parking Revenue Surplus	49,086,000	
Budget Allocation from General Fund	4,890,915	
Early Reversion of Unencumbered Balance	13,299,482	
Year-End Reversion of Unencumbered Balance	95,567,015	
Unallocated Revenue	81,037,600	
Miscellaneous	5,050,033	<u>546,385,149</u>
Total Available Cash		788,690,554
Disbursements:		
Transfer to General Fund of Power Revenue Surplus	246,534,000	
Transfer to General Fund of Special Parking Revenue Surplus	32,577,000	
Transfers to Budget Stabilization Fund	69,000,000	
Transfers to Other Funds	20,669,425	
Loans to Other Funds	6,444,215	
Reappropriations of Prior Year Funds for Capital Improvement Projects and Other Departmental Accounts	33,309,023	
Advances Under Charter Section 261(i) for:		
Unfunded Expenditures	18,929,202	
Unfunded Encumbrances	7,830,459	
Advances for Unfunded Expenditures per CF#12-0600-S178	1,126,202	<u>436,419,526</u>
Cash Balance Ending June 30, 2013		<u>\$ 352,271,028</u>

Note The Mayor and City Council adopted the Reserve Fund Policy (File 98-0459) on August 4, 1998 to create two accounts in the Reserve Fund, the Contingency Reserve and the Emergency Reserve. On March 8, 2011, Charter Amendment P was approved prescribing the establishment and the method of accessing the Contingency and Emergency Reserve accounts. As of June 30, 2013, the total Contingency account is \$227,132,028 and the Emergency account is \$125,139,000 for a total Reserve Fund of \$352,271,028.

**Schedule of Cash Balances by Fund Types
June 30, 2013**

Governmental Funds:**General Funds**

General	\$304,762,071	
Reserve	352,271,028	
Budget Stabilization	69,524,872	
Stores Revolving	15,524,281	
Other General Funds	19,404,683	\$ 761,486,935

Special Revenue Funds

Recreation and Parks	222,379,602	
Solid Waste Resources Revenue	198,568,988	
Proposition A Local Transit Assistance (PALTA)	177,093,851	
Transportation Grants	148,213,013	
MICLA Special Revenue Funds	76,852,373	
Measure R Local Return and Bus Operations Fund	78,441,942	
Solid Waste Resources Revenue Bond 2013A Acquisition	71,302,603	
Building and Safety Permit Enterprise	60,909,119	
Special Gas Tax Street Improvement	56,828,006	
Systematic Code Enforcement Fee Trust	40,043,698	
State AB 1290	35,900,264	
Subventions and Grants	34,227,955	
Citywide Recycling Trust	34,216,657	
Seismic Bond Reimbursement	30,883,096	
City of Los Angeles Affordable Housing Trust	28,828,327	
Telecommunication Liquidated Damage and Lost Franchise Fee	28,682,560	
Special Parking Revenue	28,589,883	
ARRA Transportaton Projects	27,874,701	
Municipal Sports Account	26,656,534	
Engineering Special Service	24,593,879	
Street Lighting Maintenance Assessment	22,602,738	
Recreation and Parks Golf	21,787,149	
Proposition C Anti-Gridlock Transit Improvement	18,200,042	
Potrero Canyon Trust	17,627,203	
Integrated Solid Waste Management Trust	16,575,912	
Coastal Transportation Corridor Trust	15,925,090	
U.S. Department of Justice Asset Forfeiture	15,269,604	
Construction Services Trust	12,077,078	
Disaster Assistance Trust	11,644,961	
Sunshine Canyon Community Amenities Trust	11,536,565	
Other Special Revenue Funds	389,834,412	1,984,167,805

Continued...

Schedule of Cash Balances by Fund Types - (Continued)
June 30, 2013

Debt Service Funds

General Obligation Bonds	\$170,042,420	
Other Debt Service Funds	<u>5,737,337</u>	175,779,757

Capital Projects Funds

GOB Series 1989-A, 1990-B, 1992-A, 1993-A, 1994-A 1995-A, 1999-B, 2000-A, & 2001-A Library/Police/Fire/Public Works/Recreation & Parks/Zoo/Animal Shelter	21,925,583	
GOB Series 2002-A Zoo/ Animal Shelter/Fire/Police 911	20,298,972	
GOB Series 2003-A Animal Shelter/Fire/Police 911	40,861,561	
GOB Series 2004-A Police 911	77,076,258	
GOB Series 2005-A Storm Water/Fire	24,955,982	
GOB Series 2006-A Storm Water/Fire/Police 911/Animal Shelter	52,609,798	
GOB Series 2008-A Clean Water, and Storm Water Clean-up Projects	16,982,714	
GOB Series 2009-A Clean Water, and Storm Water Clean-up Projects	82,860,176	
GOB Series 2011-A Clean Water and Storm Water Clean-up Projects	135,299,543	
Recreation and Parks Grant	76,436,935	
Proposition K Projects and Bond Match	77,427,428	
Proposition K Maintenance and Administration	24,407,040	
Other Capital Projects Funds	<u>27,973,758</u>	\$ 679,115,748

Proprietary Funds - Enterprise

Airport Revenue	710,772,498	
Harbor Revenue	102,291,430	
Power Revenue	723,569,153	
Water Revenue	438,596,999	
Passenger Facility Charge Fund - LAWA	774,045,743	
Passenger Facility Charge Fund - Ontario	33,096,590	
Airport Revenue Fund - Ontario	88,289,438	
Airport Insurance Trust Fund - LAWA	115,941,243	
China Shipping Mitigation	34,213,554	
Harbor Emergency	47,439,419	
Strategic Operating Fund	199,000,000	
Sewer Construction and Maintenance	102,855,652	
Sewer Operations and Maintenance	70,524,990	
Sewer Capital	10,213,667	
Los Angeles Convention Center	5,645,750	
Construction (Bond) Funds	609,239,393	
Bond Debt Service Funds	499,181,375	
Other Enterprise Funds	<u>24,846,988</u>	4,589,763,882

Continued...

Schedule of Cash Balances by Fund Types - (Continued)
June 30, 2013

Pension Trust

City Employees Retirement	901,173	
Fire and Police Pension	7,080,730	
Water and Power Employees' Retirement/Disability/Death Benefits	50,831,796	
Other Pension Trust Funds	<u>514,317</u>	59,328,016

Agency Funds

Building and Safety Trust	\$ 23,005,347	
General Demand	39,008,786	
General Payroll Reimbursement	8,081,640	
Department of Water and Power Payroll	5,330,284	
Department of Water and Power Disbursement	119,473,724	
Department of Water and Power Plan Benefit	1,787,992	
Public Works Trust	42,768,688	
Parking Violation Trust	8,582,973	
Internal Revenue Code Section 501(c) Employee Benefits Trust	26,835,171	
Other Agency Funds	<u>28,385,102</u>	<u>\$ 303,259,707</u>

Total Cash Balance - All Fund Types ⁽¹⁾

8,552,901,850

Less - Outstanding Warrants:

General Demands	39,008,730	
General Payroll and Reimbursement	7,818,410	
Department of Water and Power Payroll	5,330,284	
Department of Water and Power Disbursement	119,473,724	
Department of Water and Power Plan Benefit	1,787,992	
Fire and Police Pension Funds	<u>113,139</u>	<u>173,532,279</u>

Total Cash Balance in the Treasury, June 30, 2013\$ 8,379,369,571

⁽¹⁾ Excludes cash with fiscal agents, petty cash, other revolving funds, and time deposits held for safekeeping by the City Treasurer totalling \$132,136,882.

**Statement of Receipts - Budget and Actual
(Cash Basis)
All Annually Budgeted Funds
Fiscal Years Ended June 30, 2013 and 2012**

	FY 2013 Original Budget	FY 2013 Actual Receipts	FY 2012 Actual Receipts	FY 2012 Actual Receipts	FY 2013 Variance With Budget Positive (Negative)	FY 2013 Receipts Increase (Decrease)
General Fund Receipts:						
Property Tax:						
Property Tax 1%	\$ 1,018,382,000	\$ 1,109,286,551	\$ 1,021,445,211	\$ 90,904,551	\$ 87,841,340	
Property Tax - Sales Tax Replacement	120,232,000	116,458,165	100,538,201	(3,773,835)	15,919,964	
Property Tax - Vehicle License Fee Replacement	318,408,000	324,643,999	316,856,742	6,235,999	7,787,257	
Total Property Tax	1,457,022,000	1,550,388,715	1,438,840,154	93,366,715	111,548,561	
Property Tax - Ex-CRA Tax Increment	48,600,000	58,839,354	--	10,239,354	58,839,354	
Utility Users Tax:						
Electric Users Tax	313,105,000	320,432,183	303,765,053	7,327,183	16,667,130	
Telephone Users Tax	236,500,000	233,998,314	242,974,285	(2,501,686)	(8,975,971)	
Gas Users Tax	73,000,000	66,017,286	68,294,987	(6,982,714)	(2,277,701)	
Total Utility Users Tax	622,605,000	620,447,783	615,034,325	(2,157,217)	5,413,458	
Licenses, Permits, Fees and Fines	769,917,363	724,702,256	727,537,927	(45,215,107)	(2,835,671)	
Business Tax	450,026,000	448,832,226	439,802,223	(1,193,774)	9,030,003	
Sales Tax	332,939,000	338,969,528	323,247,176	6,030,528	15,722,352	
Documentary Transfer Tax	107,520,000	147,282,030	103,236,898	39,762,030	44,045,132	
Power Revenue Transfer	249,100,000	246,534,000	250,077,000	(2,566,000)	(3,543,000)	
Transient Occupancy Tax	157,808,000	167,823,830	151,722,170	10,015,830	16,101,660	
Parking Fines	153,437,755	156,877,993	152,844,121	3,440,238	4,033,872	
Parking Users' Tax	91,728,000	89,422,831	86,449,901	(2,305,169)	2,972,930	
Franchise Income	47,402,000	42,963,207	44,208,581	(4,438,793)	(1,245,374)	
State Motor Vehicle License Fees	--	2,099,058	10,578,173	2,099,058	(8,479,115)	
Grant Receipts	8,500,000	7,231,785	5,266,963	(1,268,215)	1,964,822	
Tobacco Settlement	8,700,000	13,860,856	9,196,891	5,160,856	4,663,965	
Transfer From Telecommunications						
Development Account	--	--	4,915,056	--	(4,915,056)	
Residential Development Tax	2,100,000	2,379,233	2,263,501	279,233	115,732	
Special Parking Revenue Transfer	32,577,000	32,577,000	--	--	32,577,000	
Interest	10,510,000	16,001,196	15,084,026	5,491,196	917,170	
Transfer from Reserve Fund	--	--	8,939,164	--	(8,939,164)	
Total General Fund Receipts	4,550,492,118	4,667,232,881	4,389,244,250	116,740,763	277,988,631	

Continued...

**Statement of Receipts - Budget and Actual
(Cash Basis)
All Annually Budgeted Funds
Fiscal Years Ended June 30, 2013 and 2012**

	FY 2013		FY 2013		FY 2012		FY 2013 Variance		FY 2013 Receipts
	Original Budget	Actual Receipts	Actual Receipts	Actual Receipts	Actual Receipts	Positive	With Budget	Increase	(Decrease)
						(Negative)			
Special Fund Receipts:									
Affordable Housing Trust Fund	\$ 848,000	\$ 32,758,281	\$ 32,804,706	\$	\$ 31,910,281	\$	\$	(46,425)	
Arts & Cultural Facilities & Services Trust Fund	12,267,264	12,360,309	10,663,879		93,045			1,696,430	
Arts Development Fee Trust Fund	990,000	1,742,209	5,220,466		752,209			(3,478,257)	
Building & Safety Permit Enterprise Fund	108,816,521	124,144,486	107,270,105		15,327,965			16,874,381	
Central Recycling and Transfer Fund	2,931,476	2,831,097	3,191,367		(100,379)			(360,270)	
City Employees' Retirement Fund ⁽¹⁾	77,618,048	74,719,463	75,978,843		(2,898,585)			(1,259,380)	
City Employees Ridesharing Fund	3,347,339	3,150,744	2,923,526		(196,595)			227,218	
City Ethics Commission Fund	1,848,864	1,848,864	1,866,479		--			(17,615)	
City Tax Levy (Debt Service)	164,475,921	173,423,374	170,419,602		8,947,453			3,003,772	
Citywide Recycling Trust Fund	21,772,595	21,788,883	21,697,112		16,288			91,771	
Code Enforcement Trust Fund	41,550,000	42,673,615	42,112,345		1,123,615			561,270	
Community Development Trust Fund	27,363,366	29,930,284	37,136,391		2,566,918			(7,206,107)	
Community Services Administration Grant	2,259,224	2,303,755	2,180,444		44,531			123,311	
Convention Center Revenue Fund	27,201,620	27,157,833	27,314,702		(43,787)			(156,869)	
Disaster Assistance Trust Fund	21,475,000	12,998,907	2,581,138		(8,476,093)			10,417,769	
El Pueblo de Los Angeles Historical Monument Fund	4,831,960	4,602,865	4,590,914		(229,095)			11,951	
Greater Los Angeles Visitors & Convention Bureau Fund	12,139,000	12,910,432	11,673,138		771,432			1,237,294	
HOME Investment Partnerships Program Fund	6,028,322	5,582,017	4,995,062		(446,305)			586,955	
Household Hazardous Waste Fund	3,226,800	3,504,357	2,842,210		277,557			662,147	
Housing Opportunities for Persons with AIDS Fund	459,158	384,158	314,683		(75,000)			69,475	
Landfill Maintenance Fund	5,240,480	4,645,352	6,147,168		(595,128)			(1,501,816)	
Local Public Safety Fund	35,500,000	37,168,924	34,433,027		1,668,924			2,735,897	
Local Transportation Fund	2,723,776	2,717,569	2,856,106		(6,207)			(138,537)	
Measure R Traffic Relief and Rail Expansion Fund	66,189,842	61,912,620	38,185,862		(4,277,222)			23,726,758	
Mobile Source Air Pollution Reduction Trust Fund	4,713,740	4,633,965	4,666,111		(79,775)			(32,146)	
Multi-Family Bulky Item Fund	6,521,339	7,210,357	7,114,314		689,018			96,043	
Municipal Housing Finance Fund	1,276,500	2,044,460	1,512,478		767,960			531,982	
Neighborhood Empowerment Fund	5,950,166	6,115,265	4,555,130		165,099			1,560,135	
Older Americans Act Fund	2,623,207	1,971,978	1,982,388		(651,229)			(10,410)	
Park & Recreational Sites & Facilities Fund	1,200,000	1,564,000	1,311,202		364,000			252,798	
Planning Case Processing Revenue Fund	15,400,000	18,434,367	16,004,946		3,034,367			2,429,421	
Proposition A Local Transit Assistance Fund	121,437,378	132,716,846	151,939,363		11,279,468			(19,222,517)	

Continued...

**Statement of Receipts - Budget and Actual
(Cash Basis)
All Annually Budgeted Funds
Fiscal Years Ended June 30, 2013 and 2012**

	FY 2013		FY 2013		FY 2012		FY 2013 Variance With Budget		FY 2013 Receipts Increase (Decrease)
	Original Budget	Actual Receipts	Actual Receipts	Actual Receipts	Actual Receipts	Positive	Negative		
Special Fund Receipts: (Continued)									
Proposition C Anti-Gridlock Transit Improvement Fund	\$ 92,318,089	\$ 63,900,491	\$ 58,461,143	\$ (28,417,598)	\$ 5,439,348				
Rent Stabilization Trust Fund	14,400,000	14,291,886	14,248,635	(108,114)	43,251				
Sewer Construction & Maintenance Fund	692,749,362	762,428,597	526,839,196	69,679,235	235,589,401				
Solid Waste Resources Revenue Fund	293,788,665	313,434,338	317,836,190	19,645,673	(4,401,852)				
Special Gas Tax Street Improvement Fund:									
State Gas Tax - Section 2103	45,600,000	35,611,070	54,553,897	(9,988,930)	(18,942,827)				
State Gas Tax - Section 2105	18,430,000	18,003,471	18,825,274	(426,529)	(821,803)				
State Gas Tax - Section 2106	11,685,000	12,503,321	11,986,785	818,321	516,536				
State Gas Tax - Section 2107	26,790,000	28,572,935	27,819,054	1,782,935	753,881				
Surface Transportation Program	9,000,000	15,611,815	3,932,545	6,611,815	11,679,270				
Interest on Gas Tax Funds	250,000	941,362	716,576	691,362	224,786				
Other Receipts	30,000	297,029	2,529,589	267,029	(2,232,560)				
Special Parking Revenue Fund	35,077,627	37,719,419	66,769,338	2,641,792	(29,049,919)				
Special Police/911 System Tax Fund	2,727,272	4,634,682	21,039,243	1,907,410	(16,404,561)				
Staples Arena Special Fund	4,035,000	7,709,576	4,652,837	3,674,576	3,056,739				
Stormwater Pollution Abatement Fund	30,242,663	33,372,468	29,465,143	3,129,805	3,907,325				
Street Damage Restoration Fee Fund	5,336,000	6,119,070	5,437,633	783,070	681,437				
Street Lighting Maintenance Assessment Fund	61,614,138	65,864,684	64,686,614	4,250,546	1,178,070				
Supplemental Law Enforcement Services Fund	1,500,000	5,219,620	5,028,402	3,719,620	191,218				
Telecommunications Liquidated Damages and Lost Franchise Fees Fund	18,339,000	19,010,931	13,336,354	671,931	5,674,577				
Traffic Safety Fund	11,000,000	8,835,984	10,250,522	(2,164,016)	(1,414,538)				
Workforce Investment Act Fund	19,286,955	15,030,034	14,801,241	(4,256,921)	228,793				
Zoo Enterprise Trust Fund	15,845,101	17,089,052	19,139,495	1,243,951	(2,050,443)				
Allocations from Other Sources:									
ARRA - Workforce Investment	--	--	105,901	--	(105,901)				
ARRA - Community Development Block Grant	94,087	175,777	--	81,690	175,777				
ARRA - COPS Hiring Recovery Program	--	--	3,000,000	--	(3,000,000)				
ARRA - Energy Efficiency Conservation	26,345	765,893	--	739,548	765,893				
ARRA - Neighborhood Stabilization	1,901,742	2,619,361	2,771,405	717,619	(152,044)				
Bus Bench Advertising Trust Fund	164,118	164,118	147,836	--	16,282				
Business Improvement District Trust Fund	430,123	490,123	559,393	60,000	(69,270)				

Continued...

**Statement of Receipts - Budget and Actual
(Cash Basis)
All Annually Budgeted Funds
Fiscal Years Ended June 30, 2013 and 2012**

	FY 2013		FY 2013		FY 2012		FY 2013 Variance		FY 2013 Receipts	
	Original Budget	Actual Receipts	Actual Receipts	Actual Receipts	Actual Receipts	Positive	With Budget	Increase	(Decrease)	
						(Negative)				
Special Fund Receipts: (Continued)										
City Attorney Consumer Protection Fund	\$ 4,000,000	\$ 3,514,598	\$ 1,869,000	\$ (485,402)	\$ 1,645,598					
City Planning Long Range Planning Fund	3,015,009	2,338,327	1,815,182	(676,682)	523,145					
City Planning Systems Development Fund	5,091,460	4,575,354	3,793,332	(516,106)	782,022					
Coastal Transportation Corridor Trust Fund	363,008	313,319	431,525	(49,689)	(118,206)					
Council District 15 Real Property Trust Fund	--	--	129,500	--	(129,500)					
Enterprise Zone Tax Credit	368,893	568,596	--	199,703	568,596					
Federal Emergency Shelter Grant	167,768	175,852	59,712	8,084	116,140					
Fire Hydrant Installation and Replacement Fund	861,264	861,264	861,264	--	--					
Forfeited Assets Trust Fund of Police Dept	--	6,605,360	6,568,457	6,605,360	36,903					
General Services Trust	359,786	397,613	178,981	37,827	218,632					
Industrial Development Authority Fund	36,123	15,502	--	(20,621)	15,502					
Integrated Solid Waste Management Fund	300,000	348,000	509,310	48,000	(161,310)					
Los Angeles Regional Agency Trust Fund	91,962	94,325	83,339	2,363	10,986					
Lopez Canyon Community Amenities Trust Fund	200,000	50,000	200,000	(150,000)	(50,000)					
Neighborhood Stabilization Fund	58,106	484,096	339,205	425,990	144,891					
Off-Site Sign Periodic Inspection Fee Fund	437,224	278,022	123,463	(159,202)	154,559					
Permit Parking Program Revenue Fund	1,193,231	962,086	966,598	(231,145)	(4,512)					
Pershing Square Trust Fund	570,257	548,881	574,706	(21,376)	(25,825)					
Prop 1B Infrastructure Fund	42,438,743	42,981,570	43,547,424	542,827	(565,854)					
Repair and Demolition	300,000	520,000	439,000	220,000	81,000					
Section 108 Loan Guarantee Fund	341,670	458,309	--	116,639	458,309					
State AB 1290 City Fund	25,000	3,309,246	2,849,114	3,284,246	460,132					
Street Banners Trust Fund	91,380	498,229	--	406,849	498,229					
Sunshine Canyon Community Amenities Trust Fund	21,000	49,566	--	28,566	49,566					
Used Oil Collection Fund	550,209	502,609	417,689	(47,600)	84,920					
Ventura/Cahuenga Blvd Corridor Plan	812,909	233,651	193,072	(579,258)	40,579					
Warner Center Transportation Trust Fund	131,054	98,001	102,041	(33,053)	(4,040)					
West LA Transportation Improvement & Mitigation	127,789	96,203	299,415	(31,586)	(203,212)					
Total Special Fund Receipts	2,284,842,038	2,433,247,322	2,203,776,777	148,405,284	229,470,545					
Available Balances	410,782,495	436,785,042	404,645,779	26,002,547	32,139,263					
Total Receipts	\$ 7,246,116,651	\$ 7,537,265,245	\$ 6,997,666,806	\$ 291,148,594	\$ 539,598,439					

(1) Retirement contributions from Harbor and Airport departments.

Statement of Budget Appropriations, Expenditures and Encumbrances
Budget and Actual (Cash Basis) - All Annually Budgeted Funds
Fiscal Years Ended June 30, 2013 and 2012

	Original Budget FY 2013	Final Budget FY 2013	Expenditures & Encumbrances FY 2013	Expenditures & Encumbrances FY 2012	FY 2013 Variance With Final Budget Positive (Negative)	FY 2013 Expenditures & Encumbrances Increase (Decrease)
Aging	\$ 4,002,785	\$ 4,328,550	\$ 3,404,605	\$ 3,485,770	\$ 923,945	\$ (81,165)
Animal Services	20,170,629	20,274,261	19,989,064	20,141,066	285,197	(152,002)
Building & Safety	71,746,337	76,158,579	70,954,040	70,543,131	5,204,539	410,909
City Administrative Officer	13,330,777	14,800,609	12,950,728	12,791,768	1,849,881	158,960
City Attorney	98,524,651	109,238,397	108,652,876	102,436,071	585,521	6,216,805
City Clerk	25,536,188	25,164,592	23,500,663	11,101,629	1,663,929	12,399,034
City Ethics Commission	2,269,501	2,269,501	2,038,175	1,823,890	231,326	214,285
Community Development	26,139,063	28,114,949	26,205,663	28,718,131	1,909,286	(2,512,468)
Controller	16,368,927	17,167,916	15,954,763	16,073,889	1,213,153	(119,126)
Council	17,980,543	35,759,965	28,139,452	26,977,875	7,620,513	1,161,577
Cultural Affairs	8,065,060	9,040,592	8,619,241	7,418,105	421,351	1,201,136
Disability	2,023,116	2,023,116	1,586,403	1,385,790	436,713	200,613
El Pueblo De Los Angeles Historical Monument Authority	1,696,571	1,633,260	1,611,132	1,553,465	22,128	57,667
Emergency Management	1,789,893	2,872,395	2,619,211	2,469,329	253,184	149,882
Employee Relations Board	400,284	400,284	329,163	306,272	71,121	22,891
Finance	36,376,470	36,225,462	35,712,767	42,058,929	512,695	(6,346,162)
Fire	513,444,773	526,674,517	523,185,090	502,862,177	3,489,427	20,322,913
General Services	215,222,756	296,527,984	263,800,135	279,334,160	32,727,849	(15,534,025)
Information Technology Agency	81,475,154	88,858,913	86,864,108	89,580,037	1,994,805	(2,715,929)
Los Angeles Housing	50,477,474	54,073,979	48,576,667	50,283,811	5,497,312	(1,707,144)
Los Angeles Convention Center	22,960,543	22,905,142	22,264,092	23,737,920	641,050	(1,473,828)
Mayor	6,151,401	37,844,452	36,267,773	34,528,304	1,576,679	1,739,469
Neighborhood Empowerment	2,295,924	2,404,128	2,286,369	1,683,502	117,759	602,867
Personnel	50,054,862	49,878,145	46,334,394	39,599,531	3,543,751	6,734,863
Planning	29,050,383	29,938,653	25,980,540	22,350,189	3,958,113	3,630,351
Police	1,256,645,232	1,264,524,341	1,249,613,253	1,234,397,289	14,911,088	15,215,964
Public Works:						
Board Office	13,331,856	16,945,646	16,255,916	19,781,370	689,730	(3,525,454)
Contract Administration	29,850,334	31,730,452	27,523,292	28,124,679	4,207,160	(601,387)
Engineering	71,800,423	79,945,621	68,601,200	70,281,914	11,344,421	(1,680,714)
Sanitation	221,247,494	222,844,618	199,768,149	199,330,528	23,076,469	437,621
Street Lighting	25,018,468	27,257,051	24,221,914	24,904,802	3,035,137	(682,888)
Street Services	166,839,759	181,710,379	163,257,830	167,128,362	18,452,549	(3,870,532)
Transportation	131,153,760	\$ 139,659,298	\$ 136,606,320	\$ 134,091,514	\$ 3,052,978	\$ 2,514,806
Zoo	17,561,531	17,803,619	17,429,758	17,026,516	373,861	403,242
Total - Budgetary Departments	3,251,002,922	3,476,999,366	3,321,104,746	3,288,311,715	155,894,620	32,793,031

Continued

**Statement of Budget Appropriations, Expenditures and Encumbrances
Budget and Actual (Cash Basis) - All Annually Budgeted Funds
Fiscal Years Ended June 30, 2013 and 2012**

	Original Budget FY 2013	Final Budget FY 2013	Expenditures & Encumbrances FY 2013	Expenditures & Encumbrances FY 2012	FY 2013 Variance With Final Budget Positive (Negative)	FY 2013 Expenditures & Encumbrances Increase (Decrease)
Library	102,307,213	102,307,213	102,307,213	(1)	--	13,059,656
Recreation & Parks	143,606,363	144,223,983	144,223,983	(1)	--	(4,391,812)
City Employees' Retirement Tax and Revenue	77,618,048	74,719,463	74,719,463	(1)	--	(1,259,380)
Anticipation Notes	860,620,300	860,620,300	851,355,871	798,081,315	9,264,429	53,274,556
Bond Redemption and Interest	164,475,921	164,475,922	164,475,921	175,062,961	1	(10,587,040)
Capital Finance Administration	211,053,095	215,258,251	211,219,473	205,562,462	4,038,778	5,657,011
Capital Improvement Expenditure Program	174,106,201	166,153,119	95,472,195	37,299,050	70,680,924	58,173,145
General City Purposes	94,753,670	61,731,188	56,107,704	52,640,862	5,623,484	3,466,842
Human Resources Benefits	592,508,153	580,535,553	575,300,819	546,134,290	5,234,734	29,166,529
Judgment Obligation Bonds						
Debt Service	9,030,425	9,030,425	9,030,414	9,031,373	11	(959)
Liability Claims	47,910,000	56,943,613	56,941,648	49,057,456	1,965	7,884,192
Proposition A Local Transit Assistance Trust	185,720,487	185,742,316	67,416,895	72,557,018	118,325,421	(5,140,123)
Proposition C Anti-Gridlock Transit Improvement	26,311,952	26,505,196	11,926,499	15,575,030	14,578,697	(3,648,531)
Special Parking Revenue	47,514,510	48,704,252	41,298,502	38,085,636	7,405,750	3,212,866
Unappropriated Balance	27,482,000	6,403,648	--	--	6,403,648	--
Wastewater Special Purpose	448,973,671	471,926,855	408,482,870	381,272,197	63,443,985	27,210,673
Water and Electricity	36,478,000	38,050,472	38,050,472	35,978,000	--	2,072,472
Other Special Purpose Funds	744,643,720	797,868,798	494,346,067	467,194,955	303,522,731	27,151,112
Total - Nondepartmental	3,995,113,729	4,011,200,567	3,402,676,009	3,197,374,800	608,524,558	205,301,209
Total	\$ 7,246,116,651	\$ 7,488,199,933	\$ 6,723,780,755	\$ 6,485,686,515	\$ 764,419,178	\$ 238,094,240

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

(2) Total final appropriations was \$63,022,868 of which \$56,619,220 was transferred to various departments and is included in Departmental appropriations.

**Schedule of Year-End Encumbrances - General Fund
Fiscal Years Ended June 30, 2009 through 2013**

	FY 2013	FY 2012	FY 2011	FY 2010	FY 2009
Aging	\$ 179,047	\$ 253,884	\$ 156,106	\$ 186,077	\$ 336,649
Animal Services	1,008,306	1,145,351	880,915	837,722	1,632,563
Building & Safety	2,975,012	2,713,560	2,495,675	2,157,835	5,255,705
City Administrative Officer	1,405,732	1,209,427	653,056	767,543	1,744,638
City Attorney	10,310,467	9,314,999	8,428,321	5,428,526	8,381,496
City Clerk	3,051,150	1,265,418	4,745,976	1,210,374	9,841,252
City Ethics Commission	103,804	145,029	131,327	67,981	194,090
Commission for Children, Youth and Their Families ⁽¹⁾	--	--	--	--	170,225
Commission on the Status of Women ⁽¹⁾	--	--	--	--	13,463
Community Development	1,405,085	2,089,028	1,758,585	1,811,952	2,343,465
Controller	1,833,498	1,759,358	1,442,063	1,555,670	2,085,523
Council	1,750,981	1,866,189	1,252,831	1,433,387	2,173,693
Cultural Affairs	1,921,003	1,442,489	2,049,345	1,816,796	1,705,956
Disability	183,422	202,977	140,799	86,847	188,496
El Pueblo	107,082	158,782	137,339	144,603	227,199
Emergency Management	116,817	107,641	104,030	79,475	167,528
Employee Relations Board	93,590	40,193	47,080	27,553	45,301
Environmental Affairs ⁽²⁾	--	--	--	113,427	199,580
Finance ⁽³⁾	2,558,257	4,510,493	1,235,016	1,029,990	2,097,555
Fire	25,706,809	20,192,219	19,824,076	19,185,220	38,294,735
General Services	26,180,452	31,911,714	31,064,004	30,605,640	43,158,897
Human Services ⁽¹⁾⁽²⁾	--	--	--	53,724	76,803
Information Technology Agency	21,480,392	20,814,131	17,692,746	15,495,410	14,860,174
Los Angeles Housing	2,099,118	2,550,828	3,031,105	2,468,816	3,498,750
Los Angeles Convention Center	996,740	1,110,118	1,062,384	1,175,421	1,523,392
Mayor	10,179,527	9,334,120	7,543,239	9,498,154	7,800,400
Neighborhood Empowerment	126,385	85,490	82,402	225,747	470,079
Personnel	4,698,696	4,703,665	5,919,496	8,694,368	10,817,351
Planning	3,246,937	3,875,663	4,208,889	4,505,011	5,094,763
Police	62,515,136	59,326,515	51,561,854	46,972,719	106,973,469
PW - Board	1,662,500	2,509,500	2,368,456	1,746,711	1,971,973
PW - Contract Administration	1,218,785	1,116,461	1,003,238	937,888	2,279,846
PW - Engineering	3,634,041	3,207,809	2,915,917	2,606,942	6,424,833
PW - Sanitation	11,800,493	11,008,593	10,315,446	17,910,352	22,812,507
PW - Street Lighting	1,291,895	1,398,791	1,562,942	1,200,154	2,680,417
PW - Street Services	20,418,735	24,670,187	16,192,083	12,110,180	17,696,990
Transportation	7,184,939	9,219,635	7,129,043	6,925,909	13,330,868
Treasurer ⁽³⁾	--	--	2,495,458	3,305,937	1,432,509
Zoo	1,305,802	1,080,908	923,866	852,876	1,535,663
Capital Finance Administration	272,208	702,933	1,039,840	1,051,351	793,387
Capital Improvement Expenditure Program	4,074,272	5,063,734	9,335,162	6,075,386	11,660,532
General City Purposes	14,187,346	16,845,729	29,883,164	16,799,475	24,231,045
Human Resources Benefits	22,820,854	10,760,519	8,549,343	9,689,120	5,546,432
Liability Claims	125,000	125,000	1,901,500	125,000	91,574
Water and Electricity	17,932,384	17,344,320	26,559,300	19,381,402	18,965,936
Total Encumbrances ⁽⁴⁾	\$ 294,162,699	\$ 287,183,400	\$ 289,823,417	\$ 258,354,671	\$ 402,827,702
Encumbrances for Salaries	\$ 112,395,989	\$ 103,934,348	\$ 90,992,792	\$ 79,115,979	\$ 198,068,702
Encumbrances for Other Accounts	181,766,710	183,249,052	198,830,625	179,238,692	204,759,000
Total	\$ 294,162,699	\$ 287,183,400	\$ 289,823,417	\$ 258,354,671	\$ 402,827,702

⁽¹⁾ Under Council File 09-0600 the Commission for Children, Youth and Their Families, Commission on the Status of Women, and Human Relations Commission were consolidated into the Human Service Department.

⁽²⁾ Human Services and Environmental Affairs departments were eliminated under Council File Nos. 10-0706-S1 and 10-0623, respectively.

⁽³⁾ Office of Finance and Office of the Treasurer were consolidated per CF11-0600-S40.

⁽⁴⁾ Includes prior years' encumbrances not yet liquidated.

General Fund
Schedule of Unencumbered Balances Reverted
to the Reserve Fund at June 30, 2009 through 2013

	FY 2013	FY 2012	FY 2011	FY 2010	FY 2009
Aging	\$ 66,936	\$ 77,221	\$ 30,758	\$ 307,481	\$ 516,516
Animal Services	259,299	208,967	189,194	164,133	139,680
Building & Safety	99,907	220,842	158,668	104,567	194,191
Capital Finance Administration	3,782,641	5,814,019	10,110,342	6,559,242	7,258
Capital Improvement Expenditure Program	16,351,334	13,995,335	9,223,965	11,935,850	20,003,680
City Administrative Officer	1,709,220	1,088,434	664,239	219,777	205,999
City Attorney	267,497	590,831	11,452	5,193	60,016
City Clerk	1,663,932	2,495,638	1,674,354	1,755,934	2,716,178
City Ethics	--	79,655	--	--	--
Commission for Children, Youth and Their Families ⁽¹⁾	--	--	--	--	186,656
Commission on the Status of Women ⁽¹⁾	--	--	--	--	21,754
Community Development	7,422	--	--	2,804	20,636
Controller	1,224,801	764,594	975,236	480,067	434,118
Council	7,360,932	9,589,652	9,537,303	8,620,103	7,829,928
Cultural Affairs	1,602	15,999	--	49	2
Disability	302,349	85,540	7,581	768	30,101
Emergency Management	34,784	394	1,318	5,327	2,143
Employee Relations Board	71,121	80,143	15,845	17,338	32,639
Environmental Affairs ⁽²⁾	--	--	--	180,430	32,507
Finance ⁽³⁾	49,421	447,415	440,394	460,893	645,773
Fire	2,367,164	2,860,497	6,390,782	4,197,596	5,324,543
General City Purposes	5,783,045	5,485,948	6,782,977	8,129,072	3,284,371
General Services	7,043,182	7,243,604	4,013,931	6,797,024	6,494,587
Human Services ⁽¹⁾⁽²⁾	--	--	--	104,768	26,720
Human Resources Benefits	5,810,158	4,014,855	1,483,890	4,090,001	2,047,262
Information Technology Agency	820,746	1,886,693	942,564	1,070,953	3,732,165
Liability Claims	1,965	40,547	1,836,087	9,389	--
Los Angeles Convention Center	--	--	--	--	--
Los Angeles Housing	--	--	--	3,870	--
Mayor	753,171	160,440	2,223,387	1,852,097	5,108,186
Non-departmental General	9,264,440	2	8,565,938	8,249,623	4,586,710
Personnel	3,143,539	2,990,062	3,654,561	2,412,446	521,233
Planning	2,255,678	289,552	86,508	366,726	1,438,476
Police	12,922,155	5,314,837	5,865,664	7,697,688	2,856,130
PW - Board	236,739	69,850	174,937	181,041	177,954
PW - Contract Administration	1,236,444	594,665	993,160	2,061,007	2,370,250
PW - Engineering	3,318,722	1,843,199	150,165	3,618,961	2,755,473
PW - Sanitation	--	--	--	2,956	1,989,459
PW - Street Lighting	--	--	--	--	--
PW - Street Services	71,644	80,121	3,843,452	8,044,024	3,315,995
Transportation	881,377	2,502,678	3,647,295	3,037,774	1,090,410
Treasurer ⁽³⁾	--	--	324,836	115,740	4,042
Unappropriated Balance	6,403,648	13,520,136	78,520,557	30,980,468	109,485,979
Water and Electricity	--	--	369,870	249,275	514,323
Total	95,567,015	84,452,365	162,911,210	124,092,455	190,204,043
Less: Unfunded Appropriations	--	(17,600,151)	(97,012,162)	(29,081,365)	(144,145,215)
Net Cash Balances Reverted	\$ 95,567,015	\$ 66,852,214	\$ 65,899,048	\$ 95,011,090	\$ 46,058,828

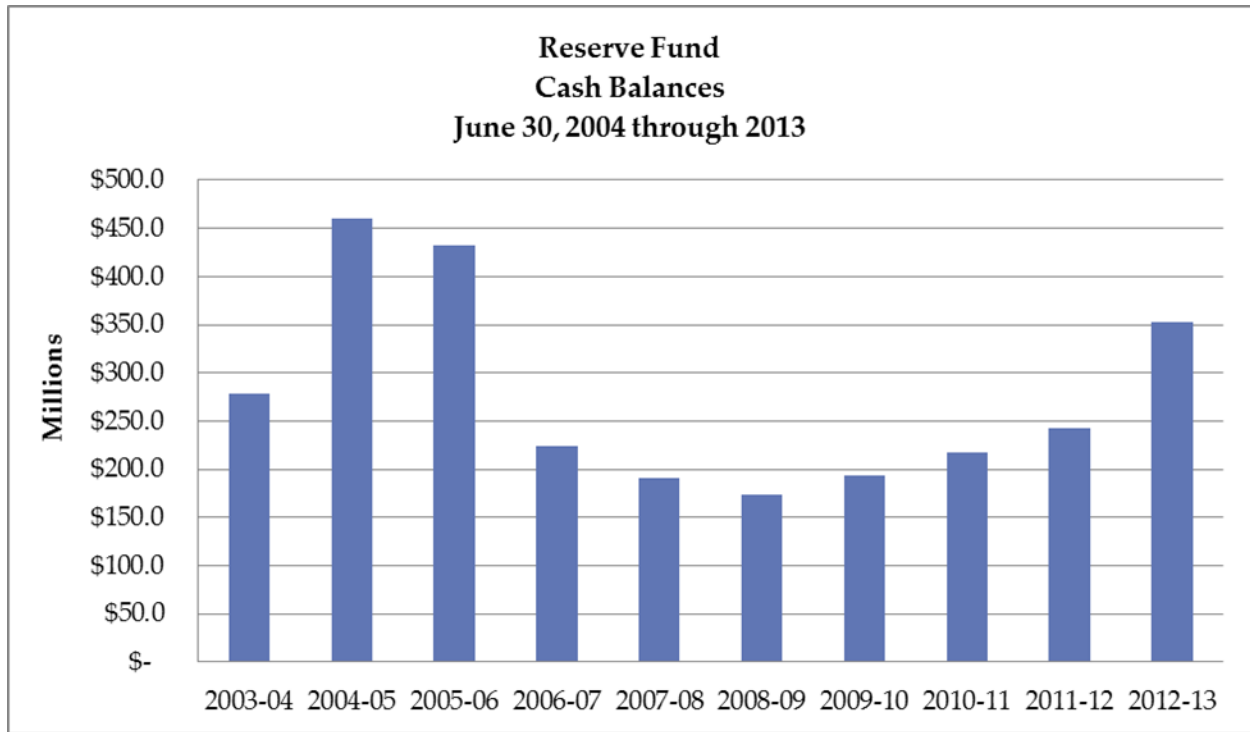
⁽¹⁾ Under Council File 09-0600 the Commission for Children, Youth and Their Families, Commission on the Status of Women, and Human Relations Commission were consolidated into the Human Service Department.

⁽²⁾ Human Services and Environmental Affairs departments were eliminated under CF Nos. 10-0706-S1 and 10-0623, respectively.

⁽³⁾ Office of Finance and Office of the Treasurer were consolidated per CF11-0600-S40.

General Fund
Fiscal Year 2012-13 Year-End Uncommitted Balances and
Fiscal Year 2013-14 Adopted Budget Reappropriations

Department	Uncommitted Balances	Reappropriation Amounts
Aging	\$ 66,936	\$ --
Animal Services	259,299	--
Building and Safety	99,907	--
Capital Finance Administration	3,782,641	--
Capital Improvement Expenditure Program (CIEP)	16,351,334	16,351,334
City Administrative Officer	1,709,220	--
City Attorney	267,497	--
City Clerk	1,663,932	--
Community Development Department	7,422	--
Controller	1,224,801	500,000
Council	7,360,932	7,360,932
Cultural Affairs	1,602	--
Disability	302,349	--
Emergency Management	34,784	--
Employee Relations Board	71,121	--
Finance	49,421	--
Fire	2,367,164	--
General City Purpose	5,783,045	3,525,753
General-Nondepartmental	9,264,440	--
General Services	7,043,182	4,956,940
Human Resources Benefits	5,810,158	--
Information Technology Agency	820,746	--
Liability Claims	1,965	--
Mayor	753,171	753,171
Personnel	3,143,539	--
Planning	2,255,678	--
Police	12,922,155	--
PW - Board	236,739	--
PW - Contract Administration	1,236,444	--
PW - Engineering	3,318,722	--
PW - Street Services	71,644	--
Transportation	881,377	--
Unappropriated Balance	6,403,648	-
Total Uncommitted Balances and Reappropriations	95,567,015	33,448,130
Year-start Reappropriations (Not in Adopted Budget)	--	4,634,286
Total Net Reversion and Reappropriation Amounts	<u>\$ 95,567,015</u>	<u>\$ 38,082,416</u>



Cash Balances

2003-04	\$	278,010,435
2004-05	\$	460,036,919
2005-06	\$	432,399,335
2006-07	\$	224,192,242
2007-08	\$	191,564,433
2008-09	\$	174,251,554
2009-10	\$	193,512,062
2010-11	\$	217,740,599
2011-12	\$	242,305,405
2012-13	\$	352,271,028

**Year-End Advances From The Reserve Fund
For Unfunded Expenditures & Encumbrances
June 30, 2013**

Department	Expenditure	Encumbrance	Total
COUNCIL FILE #12-0600-S178 Advances			
Animal Services	\$ 4,343	\$ -	\$ 4,343
Emergency Management	2,507	-	2,507
Fire	1,112,887	-	1,112,887
Finance	4,566	-	4,566
Neighborhood Empowerment	1,899	-	1,899
Total Council File #12-0600-S178 Advances	<u>1,126,202</u>	<u>-</u>	<u>1,126,202</u>
CHARTER SECTION 261(i) Advances			
Aging	210,271	143,587	353,858
Building & Safety	297,235	48,836	346,071
City Administrative Officer	141,307	-	141,307
City Attorney	1,029,265	-	1,029,265
Community Development	1,118,799	768,299	1,887,098
Disability	169,268	-	169,268
Emergency Management	579,272	41,054	620,326
Fire	1,288,804	-	1,288,804
General Services	5,917,530	3,678,169	9,595,699
Housing	1,317,274	1,454,243	2,771,517
Information Technology Agency	857,594	32,222	889,816
Mayor	526,686	-	526,686
Personnel	28,660	11,459	40,119
Planning	56,983	44,679	101,662
Police	490,899	-	490,899
Public Works - Board	500,655	139,202	639,857
Public Works - Contract Administration	904,903	-	904,903
Public Works - Engineering	1,412,348	-	1,412,348
Public Works - Sanitation	1,607,642	-	1,607,642
Public Works - Street Lighting	66,334	58,774	125,108
Public Works - Street Services	388,416	1,409,935	1,798,351
Transportation	19,057	-	19,057
Total Charter Section 261(i) Advances	<u>18,929,202</u>	<u>7,830,459</u>	<u>26,759,661</u>
Total	<u>\$ 20,055,404</u>	<u>\$ 7,830,459</u>	<u>\$ 27,885,863</u>

**REVENUE TRENDS
(Cash Basis)**

	FY 2013		FY 2012		FY 2004	
	Amount	%	Amount	%	Amount	%
Taxes ⁽¹⁾	\$ 3,743,684,589	53	\$ 3,473,418,878	53	\$ 2,639,616,611	52
Licenses, Permits and Fees	848,090,731	12	850,994,338	13	544,794,942	11
Intergovernmental	512,401,013	6	496,485,725	8	504,894,274	10
Charges for Services	1,226,358,271	17	1,192,363,020	18	709,117,505	14
Special Assessments	46,837,321	1	45,740,764	1	42,877,084	1
Interest	36,692,491	1	33,169,773	--	53,684,145	1
Program Income	1,035,606	--	441,027	--	--	--
Other ⁽²⁾	406,269,181	6	241,391,338	3	224,605,589	4
Transfer to General Fund	279,111,000	4	259,016,164	4	327,440,501	7
Total Revenue ⁽²⁾	\$ 7,100,480,203	100	\$ 6,593,021,027	100	\$ 5,047,030,651	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.

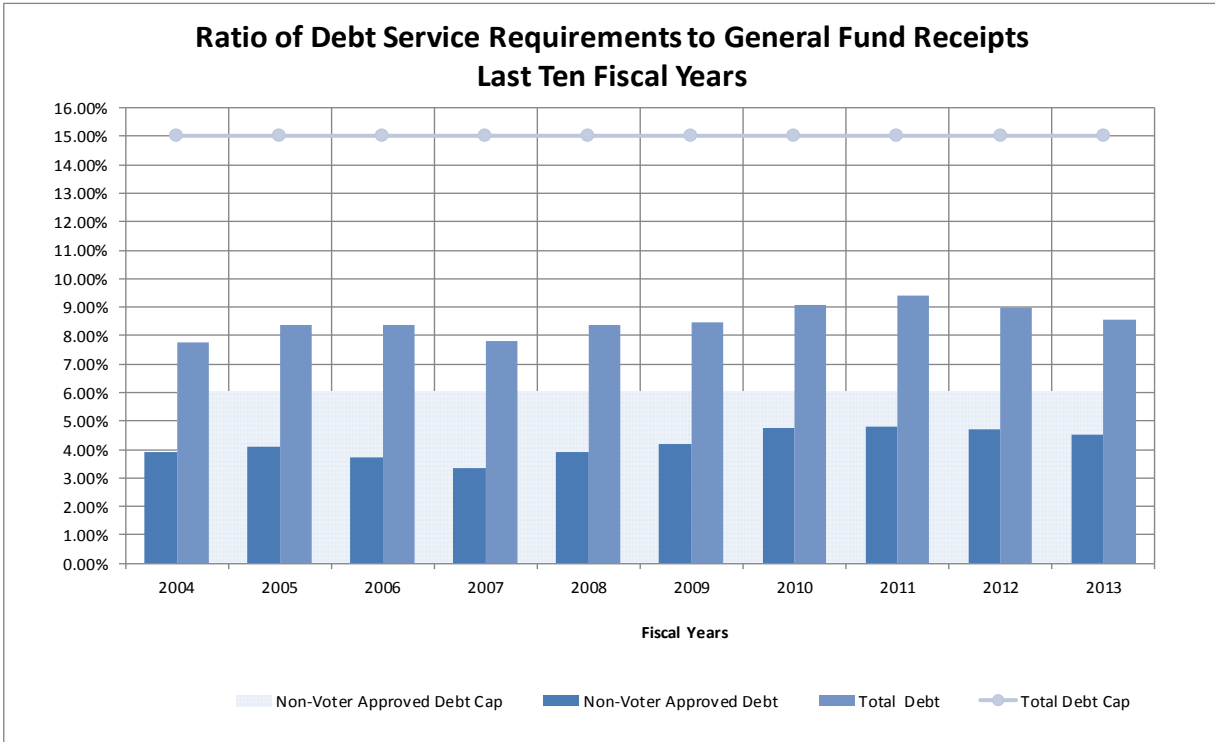
**EXPENDITURE TRENDS BY GOVERNMENT ACTIVITY
(Cash Basis)**

	FY 2013		FY 2012		FY 2004	
	Amount	%	Amount	%	Amount	%
General Government	\$ 1,490,585,382	24	\$ 1,447,401,724	24	\$ 1,186,268,283	26
Protection of Persons and Property	1,840,867,429	29	1,818,672,107	30	1,489,503,972	33
Public Works (Maintenance and Improvements)	349,420,340	5	338,334,474	6	292,552,043	6
Health and Sanitation	536,181,838	8	505,337,429	8	328,051,180	7
Cultural and Recreational Services	327,502,324	5	317,078,303	5	257,553,219	6
Community Development	164,170,239	3	149,607,225	2	122,451,227	3
Pension & Retirement Systems Contributions	925,042,579	15	874,060,158	14	263,508,603	6
Capital Outlay	68,843,656	1	21,656,547	--	147,864,614	3
Bond Redemption & Interest	384,228,970	6	414,298,834	7	282,711,150	6
Transportation	247,971,275	4	260,157,417	4	203,297,399	4
Total Expenditures ⁽¹⁾	\$ 6,334,814,032	100	\$ 6,146,604,218	100	\$ 4,573,761,690	100

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

**Statement of General Obligation Bonded Debt
Fiscal Year Ended June 30, 2013**

<u>Purpose</u>	<u>Outstanding 07/01/12</u>	<u>Issued</u>	<u>Matured</u>	<u>Refunded</u>	<u>Outstanding 06/30/13</u>
Series 1998-A - Advance refunding of a portion of Series 1989-A, 1990-B, 1991-A, 1992-A and 1995-A	\$ 44,910,000	\$ --	\$ 12,520,000	\$ --	\$ 32,390,000
Series 2002-A - Acquisition and improvement of Animal Shelter, Zoo , Fire/Paramedic and 911-Police-Fire-Paramedic Facilities	39,330,000	--	13,110,000	--	26,220,000
Series 2002-B - Advance refunding of a portion of Series 1993-A, 1999-B, 2000-A and 2001-A	42,815,000	--	17,785,000	--	25,030,000
Series 2003-A - Acquisition and improvement of Fire/Paramedic, Animal Shelter and 911-Police-Fire-Paramedic Facilities	23,340,000	--	11,670,000	--	11,670,000
Series 2003-B - Advance refunding of Series 1993-A, 1993-B and 1993-C	13,425,000	--	6,770,000	--	6,655,000
Series 2004-A - Acquisition and improvement of 911-Police/Fire-Paramedic Facilities	54,075,000	--	18,025,000	--	36,050,000
Series 2005-A - Acquisition and improvement of Fire Station and Fire/Paramedic/Emergency Rescue Helicopter Facilities & finance Water Quality Improvement projects	25,360,000	--	6,340,000	--	19,020,000
Series 2005-B - Advance refunding of a portion of Series 1999-B, 2000-A, and 2001-A	72,500,000	--	110,000	--	72,390,000
Series 2006-A - Acquisition and improvement of Fire/Paramedic, Animal Shelter, 911-Police-Fire-Paramedic Facilities and finance Water Quality Improvement projects	52,650,000	--	3,510,000	--	49,140,000
Series 2008-A - Acquisition and improvement of Stormwater Pollution Abatement projects	85,850,000	--	5,050,000	--	80,800,000
Series 2009-A - Acquisition and improvement of Stormwater Pollution Abatement projects	105,900,000	--	8,825,000	--	97,075,000
Series 2009-B - Acquisition and improvement of Stormwater Pollution Abatement projects	52,950,000	--	--	--	52,950,000
Series 2011-A - Acquisition and improvement of Stormwater Pollution Abatement projects	117,000,000	--	5,850,000	--	111,150,000
Series 2011-B - Advance refunding of Series 1999-A and 2001-A and a portion of Series 2002-A and Series 2003-A	259,660,000	--	2,765,000	--	256,895,000
Series 2012-A - Advance refunding of a portion of Series 2004-A and 2005-A	225,850,000	--	--	--	225,850,000
Total	\$ 1,215,615,000	\$ --	\$ 112,330,000	\$ --	\$ 1,103,285,000



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.

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
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%
2009	185,066,947	191,308,437	376,375,384	4,435,145,176	4.17%	4.31%	8.48%
2010	210,288,273	191,756,276	402,044,549	4,435,433,454	4.74%	4.32%	9.06%
2011	206,824,552	198,867,524	405,692,076	4,304,949,490	4.80%	4.62%	9.42%
2012	207,383,076	188,246,265	395,629,341	4,396,039,813	4.72%	4.28%	9.00%
2013	210,809,036	188,706,822	399,515,858	4,676,009,369	4.51%	4.04%	8.55%

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

**Computation of Legal Debt Margin
As of June 30, 2013**

TAXABLE PROPERTY AND BONDING CAPACITY

Assessed Valuation ⁽¹⁾	<u>\$ 419,168,806,643</u>
Debt Limit (15% of Assessed Value)	\$ 62,875,320,996 ⁽²⁾
General Obligation Bonds:	
Bonds Outstanding	<u>(1,103,285,000) ⁽³⁾</u>
Legal Debt Margin	<u>\$ 61,772,035,996 ⁽⁴⁾</u>

⁽¹⁾ Certified by Los Angeles County Auditor-Controller, August 2012

⁽²⁾ Section 43605 of the Government Code of the State of California provides that a City shall not incur an indebtedness for public improvements which exceeds 15% of the assessed value of all real and personal property of the City.

⁽³⁾ 1.75% of Debt Limit

⁽⁴⁾ 98.25% of Debt Limit