

San Fernando Valley Fiscal Viability Computations
CFA Estimates & Executive Officer Updates

(Amounts in thousands of FY 2000-01 dollars)

	Executive Officer (1)							
	Scenario A-Immediate Cost Cuts				Scenario B-Cost Cuts Post-Transition			
	FY02-03	FY03-04	FY04-05	FY05-06	FY02-03	FY03-04	FY04-05	FY05-06
San Fernando Valley Projected Revenues	534,442	1,068,885	1,068,885	1,068,885	534,442	1,068,885	1,068,885	1,068,885
Total Current Budgeted Resources (4)	539,977	1,079,953	1,079,953	1,079,953	529,191	1,058,382	1,058,382	1,142,493
General Fund	448,236	896,472	896,472	896,472	448,236	896,472	896,472	896,472
Special Funds	80,955	161,909	161,909	161,909	80,955	161,909	161,909	161,909
Special Fund Balances	10,786	21,572	21,572	21,572	10,786	21,572	21,572	21,572
Net revenue increase	(5,534)	(11,068)	(11,068)	(11,068)	(5,534)	(11,068)	(11,068)	(11,068)
Net documentary transfer tax revenue loss	(15,418)	(30,836)	(30,836)	(30,836)	(15,418)	(30,836)	(30,836)	(30,836)
Motor vehicle license fee revenue gains	7,994	15,988	15,988	15,988	7,994	15,988	15,988	15,988
Gas tax revenue gains	1,890	3,780	3,780	3,780	1,890	3,780	3,780	3,780
San Fernando Valley Expenditures	535,875	1,067,078	1,064,287	1,061,496	544,875	1,085,078	1,057,287	1,054,496
Payments to City of Los Angeles	533,353	1,062,235	1,059,444	1,056,653	542,353	1,080,235	1,052,444	1,049,653
Purchased Services	512,066	1,024,133	1,024,133	1,024,133	512,066	1,024,133	1,024,133	1,024,133
Less General Overhead Costs								
Less Budget Adjustments	(9,000)	(18,000)	(18,000)	(18,000)			(25,000)	(25,000)
Administrative Costs	1,536	3,072	3,072	3,072	1,536	3,072	3,072	3,072
Transition Costs	840				840			
Redistricting & Accounting	567				567			
Election Costs	274				274			
Fiscal Mitigation Payment	27,910	53,030	50,238	47,447	27,910	53,030	50,238	47,447
Valley City Personnel	1,690	3,674	3,674	3,674	1,690	3,674	3,674	3,674
Valley City Non-Departmental Costs	706	919	919	919	706	919	919	919
Valley City Fiscal Agent	125	250	250	250	125	250	250	250
Liquid Assets								
Reserve Fund Balance Transferred (5)	18,340				18,340			
Start-up Loan					12,000	18,000		
Loan Repayment							(14,051)	(14,051)
Surplus (Deficit)	(1,432)	1,807	4,598	7,389	1,568	1,807	(2,453)	338
Available Balance								
Beginning of year	18,340	\$ 16,908	18,715	23,313	18,340	\$ 19,908	21,715	19,262
As % of annualized general fund revenues	2.08%	1.92%	2.12%	2.64%	2.08%	2.26%	2.46%	2.18%
End of year	\$ 16,908	\$ 18,715	\$ 23,313	\$ 30,702	19,908	\$ 21,715	\$ 19,262	\$ 19,600
As % of annualized general fund revenues	1.92%	2.12%	2.64%	3.48%	2.26%	2.46%	2.18%	2.22%

San Fernando Valley Fiscal Viability Computations (continued)

	Executive Officer (1)				CFA (2)			
	Scenario C-New Revenue Source							
	FY02-03	FY03-04	FY04-05	FY05-06	FY02-03	FY03-04	FY04-05	FY05-06
San Fernando Valley Projected Revenues	545,892	1,091,785	1,091,785	1,091,785	\$ 637,169	\$ 1,274,337	\$ 1,274,337	\$ 1,274,337
Total Current Receipts (4)	539,977	1,079,953	1,079,953	1,079,953	532,075	1,064,150	1,064,150	1,064,150
General Fund	448,236	896,472	896,472	896,472	451,242	902,483	902,483	902,483
Special Funds	80,955	161,909	161,909	161,909	80,955	161,909	161,909	161,909
Special Fund Balance	10,786	21,572	21,572	21,572	10,786	21,572	21,572	21,572
Net revenue increase	5,916	11,832	11,832	11,832	6,677	13,353	13,353	13,353
Net documentary transfer tax reeduction	(15,418)	(30,836)	(30,836)	(30,836)				
Motor vehicle license fee revenue gains	7,994	15,988	15,988	15,988	5,400	10,800	10,800	10,800
Gas tax revenue gains	1,890	3,780	3,780	3,780	1,277	2,553	2,553	2,553
Impose electric franchise fee	11,450	22,900	22,900	22,900				
San Fernando Valley Expenditures	544,875	1,087,869	1,087,869	1,087,869	537,667	1,070,738	1,070,738	1,070,738
Payments to City of Los Angeles	542,353	1,083,026	1,083,026	1,083,026	535,270	1,066,145	1,066,145	1,066,145
Purchased Services	512,066	1,024,133	1,024,133	1,024,133	499,188	998,377	998,377	998,377
Administrative Costs	1,536	3,072	3,072	3,072	1,995	1,995	1,995	1,995
Transition Costs	840				1,200	-	-	-
Redistricting & Accounting	567				1,000	-	-	-
Election Costs	274				200	-	-	-
Fiscal Mitigation Payment	27,910	55,821	55,821	55,821	32,887	65,773	65,773	65,773
Valley City Personnel	1,690	3,674	3,674	3,674	1,690	3,674	3,674	3,674
Valley City Non-Departmental Costs	706	919	919	919	706	919	919	919
Valley City Fiscal Agent	125	250	250	250				
Liquid Assets								
Reserve Fund Balance Transferred (5)	18,340				-			
Surplus (Deficit)	1,018	3,916	3,916	3,916	\$ 99,502	\$ 203,599	\$ 203,599	\$ 203,599
Available Balance								
Beginning of year	18,340	19,358	23,274	27,190	-	\$ 99,502	303,101	506,700
As % of annualized general fund revenues	2.03%	2.14%	2.57%	3.01%	0.00%	10.89%	33.19%	55.48%
End of year	19,358	23,274	27,190	31,106	\$ 99,502	\$ 303,101	\$ 506,700	\$ 710,299
As % of annualized general fund revenues	2.14%	2.57%	3.01%	3.44%	21.79%	33.19%	55.48%	77.77%

Notes:

- (1) Executive Officer estimates based on territory recommended for special reorganization (excluding eastern Cahuenga).
- (2) Comprehensive Fiscal Analysis, January 9, 2002 estimates based on territory originally proposed for special reorganization.
- (3) CFA Supplement, February 21, 2002 estimates based on removal of entire Cahuenga Pass neighborhood.
- (4) Total current budgeted resources exclude general obligation bond related property taxes.
- (5) Transferred reserve fund balance is expected to be approximately \$32 million, including a share of the \$60 million emergency reserve fund as well as the \$45 million contingency reserve fund. The reserve fund allocations in this chart are conservative and assume that only the emergency fund balance will be available for apportionment.

San Fernando Valley Special Reorganization Fiscal Impact on remaining City of Los Angeles
CFA Estimates & Executive Officer Updates
(Amounts in thousands of FY 2000-01 dollars)

	CFA (1)				Executive Officer (2)			
	FY 2002-3	FY 2003-4	FY 2004-5	FY 2005-6	FY 2002-3	FY 2003-4	FY 2004-5	FY 2005-6
Total Budgeted Resources	1,722,805	3,246,209	3,246,209	3,246,209	1,610,226	3,217,662	3,214,871	3,212,080
General Fund	1,015,189	2,030,377	2,030,377	2,030,377	1,018,194	2,036,388	2,036,388	2,036,388
Special Fund	475,329	950,658	950,658	950,658	475,208	950,416	950,416	950,416
Special Fund Balances	199,400	199,400	199,400	199,400	88,914	177,828	177,828	177,828
Fiscal Mitigation Payment	32,887	65,773	65,773	65,773	27,910	53,030	50,238	47,447
Total Expenditures	1,623,104	3,246,209	3,246,209	3,246,209	1,610,226	3,220,453	3,220,453	3,220,453
Less Budget Adjustment						(16,102)	(16,102)	(16,102)
Net Fiscal Impact	99,700	-	-	-	-	13,311	10,520	7,729
Special Fund Balances								
Status Quo								
Amount	199,400	199,400	199,400	199,400	199,400	\$ 199,400	199,400	199,400
As % of Special Revenues	36%	18%	18%	18%	36%	18%	18%	18%
Special Reorganization								
Amount	199,400	199,400	199,400	199,400	177,828	177,828	177,828	177,828
As % of Special Revenues	42%	21%	21%	21%	37%	19%	19%	19%

Notes:

(1) Fiscal year 2000-01 adopted budget serves as basis for the CFA and the Executive Officer's calculations. The City budgeted on using its available fund balances in that budget, as well as spending down its reserve balance from \$78 million to \$42 million. The City ended up receiving more revenues than expected and added to its reserve fund by approximately \$130 million.

(2) Executive Officer calculations based on recommended terms and conditions.

San Fernando Valley Revenue Neutrality Computations
CFA Estimates & Executive Officer Updates
(Amounts in thousands of FY 2000-01 dollars. Percent is Valley share of City total.)

	CFA (1)		Executive Officer (2)	
	%	\$	%	\$
Total Budgeted Resources (3)	26.31%	\$1,064,150	26.70%	\$1,079,953
General Fund Receipts	30.77%	902,483	30.57%	896,472
Net documentary transfer tax loss	40.01%	(30,906)	39.92%	(30,836)
Accruing to proposed city (4)		871,578		865,636
Special Fund Receipts	14.53%	161,667	14.56%	161,909
Special Fund Balances	0.00%	-	10.82%	21,572
Total Budgeted Expenditures (5)	23.52%	998,377	24.13%	1,024,133
Budgetary Departments	26.72%	644,627	27.12%	654,189
Other Departments	26.94%	58,191	26.89%	58,074
Non-Departmental Expenditures (6)	18.29%	295,558	19.30%	311,871
Revenue Neutrality Test (7)		34,868		24,984
Negative Fiscal Impact on City of Los Angeles (8)		65,773		55,821

Notes:

- (1) Comprehensive Fiscal Analysis, January 9, 2002 estimates based on territory originally proposed for special reorganization.
- (2) Executive Officer estimates based on territory recommended for special reorganization (excluding eastern Cahuenga).
- (3) Total receipts includes all available balances and all receipts except general obligation bond related property taxes.
- (4) Receipts accruing to proposed city exclude the documentary transfer tax levied by the City and include half the tax levied by the County.
- (5) Total budgeted expenditures exclude payment from general obligation bond related property taxes.
- (6) Non-departmental allocations expressed as a percentage of expenditures less bond redemption & interest, as the associated general obligation bond tax proceeds have also been excluded from revenue totals.
- (7) Revenue neutrality test is the difference between current revenues that would accrue to the new city (i.e. excluding the loss in the documentary transfer tax) and the expenditures that would transfer to the new city.
- (8) Negative fiscal impact on the City of Los Angeles is the result of the revenue neutrality test plus the loss in documentary transfer tax revenue.

San Fernando Valley Revenue Allocations
CFA Estimates & Executive Officer Updates

(Amounts in FY 2000-01 thousands of dollars)

	CFA (1)		Executive Officer (2,3)	
	%	\$	%	\$
Total Budgeted Resources (4)	26.31%	\$ 1,064,150	25.44%	\$ 1,079,953
Total Current Receipts	26.31%	\$ 1,064,150	26.16%	\$ 1,058,382
General Fund Revenues (5)	30.77%	902,483	30.57%	896,472
Property Tax (6)	36.56%	207,478	34.67%	196,763
Utility Users Tax	36.29%	182,762	36.10%	181,817
Licenses, Permits, Fees & Fines	22.91%	89,687	22.90%	89,655
Building & Safety	37.77%	25,503	37.69%	25,452
Fire	39.35%	17,453	39.32%	17,437
Enterprise Services	0.00%	-	0.00%	-
All Other	29.37%	46,731	29.39%	46,766
Business Tax	31.00%	99,721	30.79%	99,037
Sales Tax	45.70%	154,326	45.04%	152,097
State Motor Vehicle License Fees	35.88%	71,538	36.53%	72,842
Power Revenue Transfer	0.00%	-	0.00%	-
Transient Occupancy Tax	15.68%	16,248	15.68%	16,248
Municipal Court Fines	13.00%	11,531	12.97%	11,508
Documentary Transfer Tax	40.01%	35,209	39.92%	35,130
Parking Users Tax	8.43%	4,478	8.38%	4,448
Franchise Income	28.81%	12,869	28.73%	12,831
Interest	30.77%	7,393	30.57%	7,345
Water Revenue Transfer	0.00%	-	0.00%	-
Grant Receipts	26.88%	4,227	26.83%	4,218
Reserve Transfers	0.00%	-	30.57%	7,497
Special Fund Revenues	14.53%	161,667	14.56%	161,909
Sewer Construction and Maintenance Fund	0.00%	-	0.00%	-
Special Gas Tax Street Improvement Fund	35.88%	35,296	36.53%	35,940
Proposition A Local Transit Assistance Fund	36.62%	22,119	36.53%	22,067
San. Equipment Charge Special Revenue Fund	41.00%	19,557	40.86%	19,492
Proposition C Anti-Gridlock Transit Impr. Fund	36.62%	17,353	36.53%	17,312
Stormwater Pollution Abatement Fund	48.00%	14,491	47.93%	14,471
Convention Center Revenue Fund	0.00%	-	0.00%	-
Special Parking Revenue Fund	12.57%	3,045	12.25%	2,970
L. A. Conv. and Visitor's Bureau Trust Fund	0.00%	-	0.00%	-
Zoo Enterprise Trust Fund	0.00%	-	0.00%	-
Street Lighting Maintenance Assessment Fund	18.75%	8,409	18.67%	8,371
Community Development Trust Fund	25.00%	7,299	24.92%	7,275
Local Public Safety Fund	0.00%	-	0.00%	-
Traffic Safety Fund	36.62%	6,592	36.53%	6,576
Spec. Police Communications/911 System Tax	0.00%	-	0.00%	-
Special Fund Balances	0.00%	-	10.82%	21,572

Notes:

- (1) Comprehensive Fiscal Analysis, January 9, 2002 estimates based on territory originally proposed for special reorganization.
- (2) Executive Officer estimates based on territory recommended for special reorganization (excluding eastern Cahuenga).
- (3) Fiscal year actuals on budgetary accounting basis are scheduled to be released by the City in the Mayor's proposed budget in April 2002.
- (4) Total resources exclude general obligation bond related property taxes.
- (5) General fund receipts include reserve fund transfers.
- (6) CFA property tax allocation is based on Auditor-Controller fiscal year 1999-2000 analysis. Executive Officer property tax allocation is based on Auditor-Controller fiscal year 2000-2001 analysis. In both cases, the adjustments for Western Cahuenga Pass are based on property data provided by the County Assessor, as analyzed by Public Financial Management.

San Fernando Valley Expenditure Allocations
CFA Estimates & Executive Officer Updates
(Amounts in thousands of FY 2000-01 dollars)

	CFA (1)		Executive Officer (2,3)	
	%	\$	%	\$
Total Current Expenditures (4)	23.52%	\$ 998,377	24.13%	\$ 1,024,133
Budgetary Departments	26.72%	644,627	27.12%	654,189
Administrative and Research Services/CAO	26.48%	2,664	26.43%	2,659
Aging	7.29%	210	7.28%	210
Animal Services	35.85%	4,401	35.77%	4,392
Building & Safety	37.88%	20,439	37.81%	20,398
City Attorney	27.06%	18,982	27.00%	18,943
City Clerk	36.90%	5,404	36.83%	5,393
Commission for Children, Youth & Their Families	34.62%	579	34.55%	578
Commission on the Status of Women	35.00%	158	34.93%	158
Community Development	25.00%	4,663	24.95%	4,654
Controller	27.05%	3,086	26.99%	3,080
Council	36.56%	6,693	36.49%	6,679
Cultural Affairs	19.94%	2,310	19.90%	2,305
Department on Disability	26.47%	326	26.42%	326
Emergency Preparedness Department	34.09%	356	34.02%	356
Employee Relations Board	25.00%	85	24.95%	85
Environmental Affairs	36.49%	1,001	36.41%	999
Ethics Commission	25.00%	433	24.95%	432
Finance	36.12%	6,745	36.05%	6,732
Fire	31.91%	110,133	31.85%	109,911
General Services	24.12%	40,343	24.07%	40,262
Human Relations Commission	35.00%	382	34.93%	382
Information Technology Agency	26.88%	27,031	26.82%	26,977
Los Angeles Convention Center (5)	0.00%	-	16.76%	10,861
Los Angeles Housing Department	28.91%	7,115	28.85%	7,100
Mayor	36.49%	2,593	36.41%	2,588
Neighborhood Empowerment	0.00%	-	0.00%	-
Personnel	27.79%	11,566	27.74%	11,543
Planning	32.39%	6,113	32.33%	6,101
Police	27.54%	230,257	27.49%	229,793
Public Works				
Board of Public Works	23.71%	2,103	23.66%	2,099
Director of Public Works (6)	NA		NA	
Bureau of Accounting	21.43%	881	21.39%	879
Bureau of Contract Administration	27.42%	6,419	27.36%	6,406
Bureau of Engineering	20.77%	14,355	20.73%	14,326
Bureau of Management-Employee Services	22.92%	368	22.87%	367
Bureau of Sanitation	18.09%	32,610	18.06%	32,545
Bureau of Street Lighting	23.94%	3,695	23.90%	3,687
Bureau of Street Services	35.58%	46,562	35.50%	46,468
Transportation	22.72%	23,565	22.68%	23,517
Treasurer	0.00%	-	0.00%	-
Zoo	0.00%	-	0.00%	-

San Fernando Valley Expenditure Allocations
CFA Estimates & Executive Officer Updates
(Amounts in thousands of FY 2000-01 dollars)

	CFA (1)		Executive Officer (2,3)	
	%	\$	%	\$
Other Departments	26.94%	58,191	26.89%	58,074
Appropriations to El Pueblo de Los Angeles	0.00%	-	0.00%	-
Appropriations to Library Fund	29.28%	14,811	29.23%	14,781
Appropriations to Recreation and Parks Fund	26.61%	25,082	26.55%	25,031
Appropriations to City Employees' Retirement Fund	26.88%	18,150	26.83%	18,114
Appropriations to Fire & Police Pension Fund	29.73%	149	29.67%	148
Non-Departmental Expenditures (7)	18.29%	295,558	19.30%	311,871
Tax and Revenue Anticipation Notes (8)	29.73%	42,016	30.57%	43,204
Pension Tax and Revenue Anticipation Notes	29.73%	42,016	30.57%	43,204
Cash Flow Tax and Revenue Anticipation Notes				
Bond Redemption and Interest	0.00%	-	0.00%	-
Capital Finance Administration Fund	21.03%	18,976	29.05%	26,209
CIEP - Municipal Facilities	7.35%	1,182	7.33%	1,180
CIEP - Physical Plant	7.35%	2,690	7.33%	2,685
CIEP - Wastewater	0.00%	-	0.00%	-
General City Purposes	26.88%	21,463	26.83%	21,420
Human Resources Benefits	26.88%	70,103	28.04%	73,121
Workers compensation	26.88%	23,104	30.57%	26,272
Other	26.88%	47,000	26.83%	46,905
Judgment Obligation Bonds Debt Service Fund	26.88%	9,532	30.57%	10,840
Liability Claims	26.88%	14,972	30.57%	17,026
Proposition A Local Transit Assistance Fund	36.62%	28,390	36.53%	28,323
Prop. C Anti-Gridlock Transit Improvement Fund	36.62%	8,417	36.53%	8,397
Special Parking Revenue Fund	13.00%	2,235	12.25%	2,106
Unappropriated Balance	26.88%	19,686	26.83%	19,647
Wastewater Special Purpose Fund	0.00%	-	0.00%	-
Water and Electricity	26.88%	8,366	26.83%	8,349
Other Special Purpose Funds	20.41%	47,530	21.20%	49,365

Notes:

- (1) Comprehensive Fiscal Analysis, January 9, 2002 estimates based on territory originally proposed for special reorganization.
- (2) Executive Officer estimates based on territory recommended for special reorganization (excluding eastern Cahuenga).
- (3) All figures reconciled to the City's adopted 2000-01 budget. Fiscal year actuals on budgetary accounting basis are scheduled to be released by the City in the Mayor's proposed budget in April 2002.
- (4) Total expenditures exclude payment from General Obligation bond related property taxes.
- (5) Los Angeles Convention Center Executive Officer allocations are computed as the Valley's general fund contribution multiplied by the budgeted citywide general fund contribution to the department.
- (6) Department of Public Works Director is a new budgetary department in fiscal year 2001-02. The Bureaus of Accounting and Management-Employee Services were discontinued after fiscal year 2000-01.
- (7) Non-departmental allocations expressed as a percentage of expenditures less bond redemption & interest, as the associated general obligation bond tax proceeds have also been excluded from revenue totals.
- (8) Fiscal year 2000-01 budget TRAN proceeds are allocated to the Police & Fire Pension fund. For fiscal year 2001-02 only the interest expense for the cash flow TRAN is budgeted; budget excludes approximately \$200 million in principal.