



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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J. TYLER McCAULEY
AUDITOR-CONTROLLER

September 28, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**REQUEST TO APPROVE THE FINAL
BUDGET ADJUSTMENT FOR 2003-2004
ALL DISTRICTS
(4-VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve the final budget adjustment for 2003-2004.

PURPOSE OF RECOMMENDED ACTION

Approval of the final budget adjustment will allow the Auditor-Controller to close the 2003-2004 financial records and prepare various required financial reports.

JUSTIFICATION

A final budget adjustment is necessary to cover various appropriation overdrafts and appropriate overrealized proceeds of taxes to comply with GANN initiative requirements.

Implementation of Strategic Plan Goals

This action is consistent with the County's Strategic Plan goal of Fiscal Responsibility.

FISCAL IMPACT/FINANCING

This action adjusts the various budgets to reflect financial activity that has already taken place. Included in this action are annual adjustments to the Designation for Health Services (Tobacco Settlement Funds), the Designation for Budgetary Uncertainties (taxes potentially subject to Proposition 62 and the Disney Reserve for Long-term Loans Receivable), and Designation for SB90 Programs.

Your Board has directed that tobacco settlement funds be placed in a General Fund Designation for Health Services. Accordingly, this action increases the designation account balance by \$132,710,000 to reflect tobacco settlement funds received during 2003-04 (\$101,359,000), interest earnings on the funds (\$2,476,000), and unused funds that were previously allocated to General Fund budget units for tobacco programs (\$28,875,000).

In accordance with Board policy, there is a recommended increase in the Designation for Budgetary Uncertainties Account of \$8,560,000 for taxes potentially subject to Proposition 62. This amount represents actual revenue above the budgeted amount that was previously set aside by the Board.

In addition, this action decreases the General Fund reserve that was established for loans provided to the Disney Concert Hall Project ("Project"). The amount of the decrease is \$1,840,000 and represents loan principal amounts repaid by the Project to the General Fund during 2003-2004. The loaned funds originated from the Designation for Budgetary Uncertainties and it is recommended that the \$1,840,000 be restored to this Designation account.

For 2003-2004, new accounts receivable for SB90 were determined to be \$28,821,000. This amount is required to be reserved for long-term receivables, as State funding for SB90 remains suspended. This action reduces the Designation for SB90 Programs by \$28,821,000 and transfers it to Reserves for Long-Term Receivables.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

This action is in accordance with Government Code Sections 29125 through 29130 and will allow the County to demonstrate legal compliance with the budget.

The Honorable Board of Supervisors
September 28, 2004
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This action does not include the adjustments required for the Department of Health Services (DHS). DHS is submitting a separate letter that discusses final budgetary transactions required for DHS General Fund organizations and the Hospital Funds.

IMPACT ON CURRENT SERVICES

None.

Respectfully submitted,

J. Tyler McCauley
Auditor-Controller

JTM:JN

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c: Chief Administrative Officer
Executive Officer, Board of Supervisors

**AUDITOR-CONTROLLER
FINAL 4-VOTE BUDGET ADJUSTMENT
FY 2003-2004**

GANN CONTINGENCIES - VARIOUS FUNDS

SOURCES:

Overrealized Tax Revenue in the following funds:

A01 (99999/8003) - General Fund	\$	146,624,000
B06 (41200/8003) - Public Library		889,000
B07 (47000/8003) - Flood Control District		4,864,000
DA1(40100/8003) - Fire Department		13,334,000
TOTAL SOURCES	\$	<u>165,711,000</u>

USES:

Establish Appropriation for Contingencies - GANN (3307) in the following funds:

A01 (99999) - General Fund	\$	146,624,000
B06 (41200) - Public Library		889,000
B07 (47000) - Flood Control District		4,864,000
DA1 (40100) - Fire Department		13,334,000
TOTAL USES	\$	<u>165,711,000</u>

2003-2004 FINAL 4 VOTE BUDGET ADJUSTMENT

USE OF APPROPRIATION FOR CONTINGENCY - GANN (3307)

A01 - GENERAL FUND

SOURCES:

DECREASE

3307	Appropriation for Contingency-GANN	\$	6,132,000
	TOTAL SOURCES	\$	6,132,000

USES:

INCREASE FOLLOWING APPROPRIATIONS

AC 12775 County Employee Sick Leave Pay

1000	Salaries & Employee Benefits		4,975,000
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AC 13696 Employee Benefits - Disability

1000	Salaries & Employee Benefits		41,000
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CH 26470 DCFS - Seriously Emotionally Disturbed Children Program

5500	Other Charges		279,000
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FR 10060 Fire Department - Lifeguard

2000	Services & Supplies		447,000
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LC 13750 LA County Capital Asset Leasing/Acquisition

5500	Other Charges		390,000
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	TOTAL USES	\$	6,132,000
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2003-2004 FINAL 4 VOTE BUDGET ADJUSTMENT

DESIGNATION OF TOBACCO SETTLEMENT FUNDS

A01 - GENERAL FUND - CONTINUED

SOURCES:

	Increase Overrealized Revenue		
ND 10001 Non-Departmental Revenue			
9364	Tobacco Settlement	\$	101,359,000
BS 13690 Non-Departmental Special Accounts			
8605	Interest Revenue-Deposited Funds		2,476,000
	Decrease Appropriation		
HS 20750 Tobacco Settlement Programs			
2000	Services & Supplies		22,291,000
HS 20000 Health Services Administration			
2000	Services & Supplies		509,000
HS 86609 Refurbishment - Conversion To MACC/SNF			
6014	Fixed Assets - Building and Improvements		3,528,000
	Fund Equity		
HS 20000 Health Services Administration			
3306	Approp for Cont-Canc (A/P & Commit)		1,060,000
MH 20500 Mental Health			
3306	Approp for Cont-Canc (A/P & Commit)		1,487,000
	TOTAL SOURCES	\$	132,710,000

USES:

	Fund Equity		
3096	Designation for Health Services - Tobacco Settlement	\$	132,710,000
	TOTAL USES	\$	132,710,000

2003-2004 FINAL 4 VOTE BUDGET ADJUSTMENT

DESIGNATION OF BUDGETARY UNCERTAINTIES - PROPOSITION 62

A01 - GENERAL FUND - CONTINUED

ND 10000 Non-Departmental Revenue

SOURCES:

	Increase Overrealized Revenue		
8063	Transient Occupancy (10003)	\$	262,000
8080	Electric Users Tax (10001)		2,641,000
8081	Gas Users Tax (10001)		607,000
8082	Telephone Users Tax (10001)		4,475,000
8377	Business License Tax - Landfills (10001)		575,000
	TOTAL SOURCES	\$	<u>8,560,000</u>

USES:

	Fund Equity		
3047	Designation for Budgetary Uncertainties	\$	8,560,000
	TOTAL USES	\$	<u>8,560,000</u>

2003-2004 FINAL 4 VOTE BUDGET ADJUSTMENT

RESERVE FOR SB90 LONG-TERM RECEIVABLES (3036)

A01 - GENERAL FUND - CONTINUED

SOURCES:

Decrease

	Fund Equity		
3064	Designation for SB90 Program	\$	28,821,000
	TOTAL SOURCES:	\$	<u>28,821,000</u>

USES:

Increase

	Fund Equity		
3036	Reserve for SB90 Long-Term Receivables	\$	28,821,000
	TOTAL USES	\$	<u>28,821,000</u>

2003-2004 FINAL 4 VOTE BUDGET ADJUSTMENT

RESERVE FOR LONG-TERM LOANS RECEIVABLES - DISNEY HALL

A01 - GENERAL FUND - CONTINUED

SOURCES:

Decrease

3031	Fund Equity Reserve for Long Term Loans Receivable- Disney	\$	1,840,000
		TOTAL SOURCES:	<u>\$ 1,840,000</u>

USES:

Increase

3047	Fund Equity Designation for Budgetary Uncertainties	\$	1,840,000
		TOTAL USES	<u>\$ 1,840,000</u>

2003-2004 FINAL 4 VOTE BUDGET ADJUSTMENT

A01 GENERAL FUND - Continued

AC 10451 Trial Court - Operations

SOURCES:

	Increase Overrealized Revenue		
8420	Cost Recovery - PC 1463.007	\$	939,000
9275	Miscellaneous		12,277,000
	TOTAL SOURCES	\$	13,216,000

USES:

	Increase Appropriation		
5500	Other Charges	\$	13,216,000
	TOTAL USES	\$	13,216,000

AC 13613 Dental

SOURCES:

	Increase Expenditure Distribution		
1357	Salaries & Employee Benefits Exp Dis	\$	872,000
	TOTAL SOURCES	\$	872,000

USES:

	Increase Appropriation		
1000	Salaries & Employee Benefits	\$	872,000
	TOTAL USES	\$	872,000

AD 15575 Alternate Public Defender

SOURCES:

	Decrease Appropriation		
1000	Salaries & Employee Benefits	\$	34,000
	TOTAL SOURCES	\$	34,000

USES:

	Increase Appropriation		
2000	Services and Supplies	\$	34,000
	TOTAL USES	\$	34,000

2003-2004 FINAL 4 VOTE BUDGET ADJUSTMENT

A01 GENERAL FUND - Continued

BS 19100 Consumer Affairs

SOURCES:

	Decrease Appropriation		
1000	Salaries & Employee Benefits	\$	44,000
	TOTAL SOURCES	\$	44,000

USES:

	Increase Appropriation		
2000	Services and Supplies	\$	44,000
	TOTAL USES	\$	44,000

CH 26441 DCFS - Adoptions Assistance Program

SOURCES:

	Increase Overrealized Revenue		
8899	State - Realignment Revenue	\$	2,434,000
	TOTAL SOURCES	\$	2,434,000

USES:

	Increase Appropriation		
5500	Other Charges	\$	2,434,000
	TOTAL USES	\$	2,434,000

CH 26445 DCFS - Foster Care

SOURCES:

	Increase Overrealized Revenue		
8731	State Aid - Public Assistance Program	\$	725,000
8899	State - Realignment Revenue		13,789,000
	TOTAL SOURCES	\$	14,514,000

USES:

	Increase Appropriation		
5500	Other Charges	\$	14,514,000
	TOTAL USES	\$	14,514,000

2003-2004 FINAL 4 VOTE BUDGET ADJUSTMENT

A01 GENERAL FUND - Continued

LC 13750 LA County Capital Asset Leasing/Acquisition

SOURCES:

	Increase Overrealized Revenue		
9911	Operating Transfers In	\$	1,256,000
	Increase Expenditure Distribution		
5995	Other Charges Expenditure Distribution		3,917,000
	Decrease Appropriation		
2000	Services and Supplies		5,000
	TOTAL SOURCES	\$	<u>5,178,000</u>

USES:

	Increase Appropriation		
5500	Other Charges	\$	5,178,000
	TOTAL USES	\$	<u>5,178,000</u>

MH 20500 Mental Health

SOURCES:

CP 86635 Refurbishment-Florence Firestone HC

	Increase Overrealized Revenue		
8752	State Other / CP	\$	500,000
	TOTAL SOURCES	\$	<u>500,000</u>

USES:

MH 20500 Mental Health

	Decrease Overrealized Revenue		
8899	State - Realignment Revenue	\$	500,000
	TOTAL USES	\$	<u>500,000</u>

PB 17150 Probation - Detention Services

SOURCES:

	Decrease Appropriation		
2000	Services and Supplies	\$	524,000
	TOTAL SOURCES	\$	<u>524,000</u>

USES:

	Increase Appropriation		
1000	Salaries & Employee Benefits	\$	524,000
	TOTAL USES	\$	<u>524,000</u>

2003-2004 FINAL 4 VOTE BUDGET ADJUSTMENT

A01 GENERAL FUND - Continued

PB 17390 Probation - Main

SOURCES:

2000	Decrease Appropriation Services and Supplies	\$	584,000
	TOTAL SOURCES	\$	<u>584,000</u>

USES:

1000	Increase Appropriation Salaries & Employee Benefits	\$	584,000
	TOTAL USES	\$	<u>584,000</u>

PD 15200 Public Defender

SOURCES:

2000	Decrease Appropriation Services and Supplies	\$	1,073,000
	TOTAL SOURCES	\$	<u>1,073,000</u>

USES:

1000	Increase Appropriation Salaries & Employee Benefits	\$	1,073,000
	TOTAL USES	\$	<u>1,073,000</u>

PK 27640 Parks and Recreation

SOURCES:

2000	Decrease Appropriation Services and Supplies	\$	4,000
	TOTAL SOURCES	\$	<u>4,000</u>

USES:

6030	Increase Appropriation Fixed Assets-Equipment	\$	4,000
	TOTAL USES	\$	<u>4,000</u>

2003-2004 FINAL 4 VOTE BUDGET ADJUSTMENT

A01 GENERAL FUND - Continued

RP 19350 Regional Planning

SOURCES:

2000	Decrease Appropriation Services and Supplies	\$	3,000
	TOTAL SOURCES	\$	<u>3,000</u>

USES:

5500	Increase Appropriation Other Charges	\$	3,000
	TOTAL USES	\$	<u>3,000</u>

SC 14800 Trial Court Operations

SOURCES:

SC 15190 Courts-Unallocated Other	Decrease Appropriation		
1000	Salaries & Employee Benefits	\$	1,322,000
SC 14803 East District	Decrease Appropriation		
2000	Services and Supplies		20,000
SC 14804 North District	Decrease Appropriation		
2000	Services and Supplies		47,000
SC 14805 North Central District	Decrease Appropriation		
2000	Services and Supplies		1,000
SC 14806 Northeast District	Decrease Appropriation		
1000	Salaries & Employee Benefits		4,000
2000	Services and Supplies		45,000
SC 14807 North Valley	Decrease Appropriation		
1000	Salaries & Employee Benefits		1,000
2000	Services and Supplies		65,000

2003-2004 FINAL 4 VOTE BUDGET ADJUSTMENT

A01 GENERAL FUND - Continued

SC 14808 Northeast District			
	Increase Overrealized Revenue		
906A	Local Grants		1,000
	Decrease Appropriation		
1000	Salaries & Employee Benefits		6,000
2000	Services and Supplies		25,000
SC 14809 South District			
	Decrease Appropriation		
1000	Salaries & Employee Benefits		10,000
2000	Services and Supplies		13,000
SC 14810 South Central District			
	Decrease Appropriation		
1000	Salaries & Employee Benefits		4,000
2000	Services and Supplies		106,000
SC 14811 Southeast District			
	Decrease Appropriation		
1000	Salaries & Employee Benefits		213,000
2000	Services and Supplies		20,000
SC 14812 South West District			
	Decrease Appropriation		
1000	Salaries & Employee Benefits		12,000
2000	Services and Supplies		22,000
	Increase Appropriation		
6800	Intrafund Transfers		10,000
SC 14813 West District			
	Decrease Appropriation		
1000	Salaries & Employee Benefits		5,000
2000	Services and Supplies		36,000
	TOTAL SOURCES	\$	1,988,000
USES:			
	Increase Appropriation		
SC 14801 Central District			
1000	Salaries & Employee Benefits	\$	912,000
2000	Services and Supplies		1,056,000
SC 14803 East District			
1000	Salaries & Employee Benefits		20,000
	TOTAL USES	\$	1,988,000

2003-2004 FINAL 4 VOTE BUDGET ADJUSTMENT

A01 GENERAL FUND - Continued

Sheriff

SOURCES:

Decrease Appropriation

SH 15685 Sheriff - Custody

1000 Salaries & Employee Benefits \$ 9,359,000

SH 15687 Sheriff - General Support Services

1000 Salaries & Employee Benefits 13,523,000

TOTAL SOURCES \$ 22,882,000

USES:

Increase Appropriation

SH 15682 Sheriff - Patrol

1000 Salaries & Employee Benefits \$ 18,124,000

SH 15683 Sheriff - Detective Services

1000 Salaries & Employee Benefits 3,255,000

SH 15686 Sheriff - Court Services

1000 Salaries & Employee Benefits 1,503,000

TOTAL USES \$ 22,882,000

GENERAL FUND GRAND TOTAL

SOURCES:

REDUCE APPROPRIATIONS \$ 31,929,000

OVERREALIZED REVENUE 31,921,000

TOTAL SOURCES \$ 63,850,000

TOTAL USES \$ 63,850,000

2003-2004 FINAL 4 VOTE BUDGET ADJUSTMENT

SPECIAL REVENUE FUNDS

BW5 AO 41075 Air Quality Improvement Fund

SOURCES:

	Increase Overrealized Revenue		
9021	Other Governmental Agencies	\$	111,000
	Decrease Appropriation		
2000	Services and Supplies		<u>249,000</u>
	TOTAL SOURCES	\$	<u>360,000</u>

USES:

	Increase Appropriation		
6100	Other Financing Uses	\$	<u>360,000</u>
	TOTAL USES	\$	<u>360,000</u>

GQ4 CS 41194 Alternate Dispute Resolution Center

SOURCES:

	Fund Equity		
3303	Appropriation for Contingency	\$	<u>71,000</u>
	TOTAL SOURCES	\$	<u>71,000</u>

USES:

	Decrease Overrealized Revenue		
9261	Court Fees and Costs	\$	<u>71,000</u>
	TOTAL USES	\$	<u>71,000</u>

2003-2004 FINAL 4 VOTE BUDGET ADJUSTMENT

GARBAGE DISPOSAL DISTRICT FUND

GA1 PW 47000 Garbage Disposal Athens - Woodcrest Olivita

SOURCES:

	Fund Equity		
3303	Appropriation for Contingency		15,000
	TOTAL SOURCES	<u>\$</u>	<u>15,000</u>

USES:

	Increase Appropriation		
2000	Services and Supplies	<u>\$</u>	<u>15,000</u>
	TOTAL USES	<u>\$</u>	<u>15,000</u>

2003-2004 FINAL 4 VOTE BUDGET ADJUSTMENT

DEBT SERVICE FUNDS

H02 BH 55802 Marina Del Rey Debt Service Fund

SOURCES:

	Increase Overrealized Revenue		
8540	Leasehold Extensions	\$	575,000
	Decrease Appropriation		
2000	Services and Supplies		4,000
5500	Other Charges		237,000
	TOTAL SOURCES	\$	<u>816,000</u>

USES:

	Increase Appropriation		
6100	Other Financing Uses	\$	816,000
	TOTAL USES	\$	<u>816,000</u>

H08 AC 29988 Detention Facilities Bonds 1987 Debt Service

SOURCES:

	Increase Overrealized Revenue		
8003	Property Taxes - Current	\$	1,000
	TOTAL SOURCES	\$	<u>1,000</u>

USES:

	Increase Appropriation		
2000	Services and Supplies	\$	1,000
	TOTAL USES	\$	<u>1,000</u>

2003-2004 FINAL 4 VOTE BUDGET ADJUSTMENT

ACCUMULATIVE CAPITAL OUTLAY FUND

J12 PL 41501 Public Library ACO

SOURCES:

6030	Decrease Appropriation Fixed Assets-Equipment	\$	<u>138,000</u>
	TOTAL SOURCES		138,000

USES:

6100	Increase Appropriation Other Financing Uses	\$	<u>138,000</u>
	TOTAL USES		138,000

2003-2004 FINAL 4 VOTE BUDGET ADJUSTMENT

ENTERPRISE WATERWORKS FUNDS

N19 PW 47000 Waterworks District #21 ACO Fund

SOURCES:

	Decrease Appropriation		
6014	Fixed Assets-Building & Improvements	\$	1,000
	TOTAL SOURCES	\$	1,000

USES:

	Increase Appropriation		
2000	Services and Supplies	\$	1,000
	TOTAL USES	\$	1,000

N32 PW 47000 Waterworks District #29 General Fund

SOURCES:

	Decrease Appropriation		
2000	Services and Supplies	\$	11,000
	TOTAL SOURCES	\$	11,000

USES:

	Increase Appropriation		
6625	Residual Equity Transfers	\$	11,000
	TOTAL USES	\$	11,000

N38 AC 54623 Waterworks District #33 Zone A Debt Service

SOURCES:

	Increase Overrealized Revenue		
8003	Property Taxes-Current-Secured	\$	1,000
	TOTAL SOURCES	\$	1,000

USES:

	Increase Appropriation		
5500	Other Charges	\$	1,000
	TOTAL USES	\$	1,000

2003-2004 FINAL 4 VOTE BUDGET ADJUSTMENT

ENTERPRISE WATERWORKS FUNDS-Continued

N57 AC 54683 Waterworks District #39 Zone A Debt Service

SOURCES:

	Increase Overrealized Revenue		
8003	Property Taxes-Current-Secured	\$	1,000
	TOTAL SOURCES	\$	<u>1,000</u>

USES:

	Increase Appropriation		
5500	Other Charges	\$	1,000
	TOTAL USES	\$	<u>1,000</u>

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8/25/04