

09-0600-5151 # 391

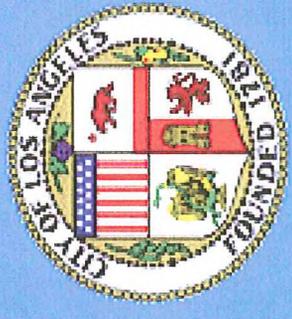
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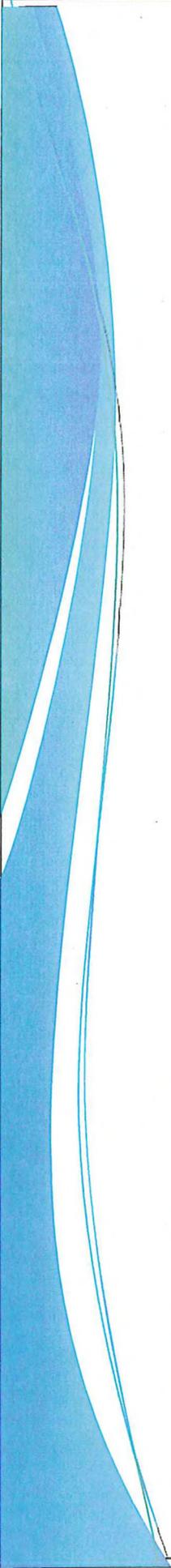
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BUDGET UPDATE

Second Financial Status Report



City Administrative Officer
November 25, 2009
1

A decorative graphic on the left side of the page, consisting of a blue gradient shape that tapers to a point at the top and bottom, with a white wavy line running through it.

Fitch Ratings

- ‘A+’ rating assigned to \$ 121 million in MICLA bonds to be sold on December 1 and 2, 2009
- Fitch also downgraded the following ratings:
 - \$1.5 billion in General Obligation bonds to ‘AA-’ from ‘AA’
 - \$25.9 million in Judgment Obligation bonds to ‘A+’ from ‘AA-’
 - \$1.0 billion in MICLA bonds to ‘A+’ from ‘AA-’
 - \$419.7 million in Los Angeles Convention Center bonds
- The Rating Outlook remains *negative*

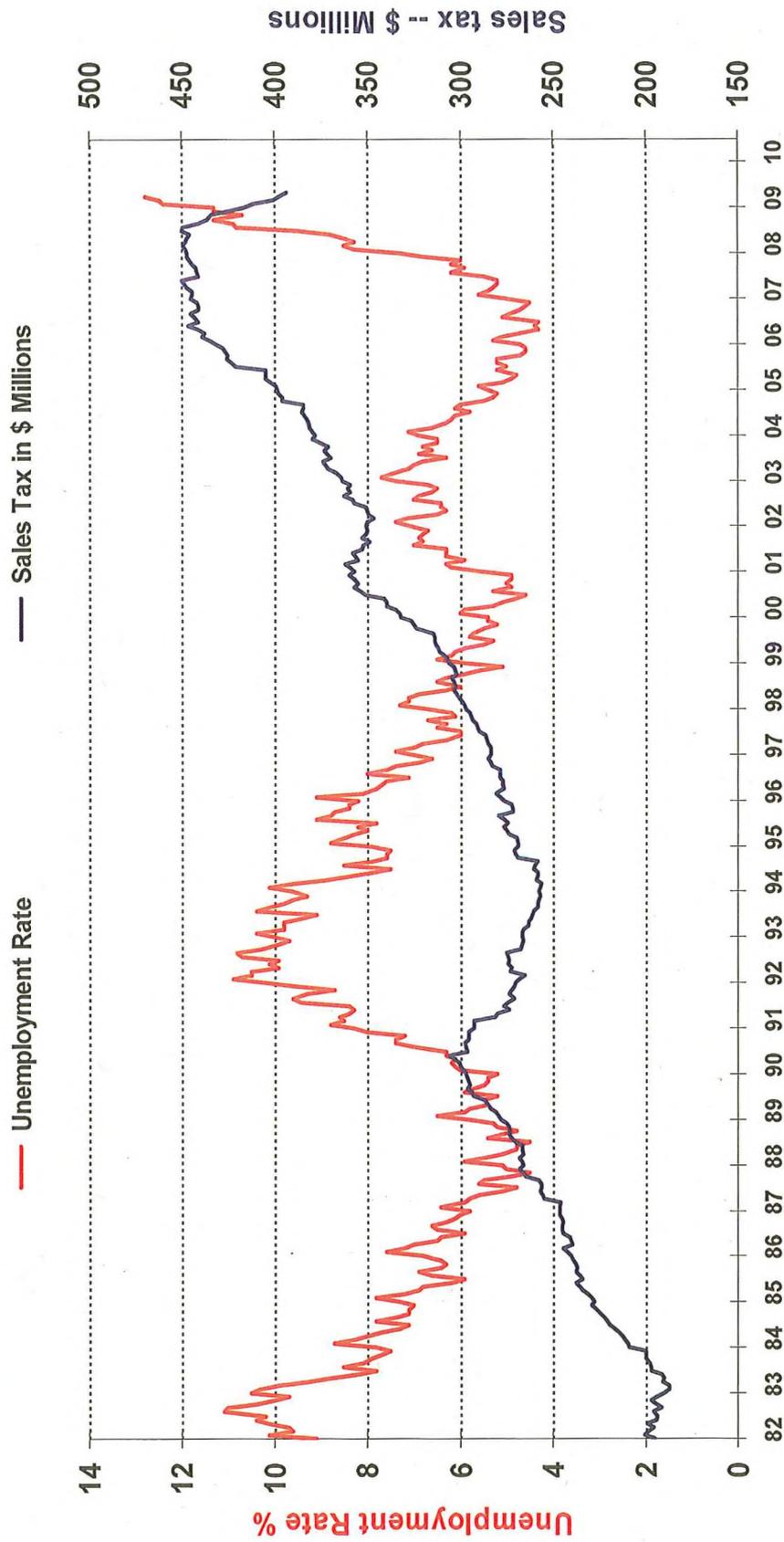
Credit Ratings

General Obligation Bonds			
Moody's	Standard & Poor's	Fitch	
Aaa	AAA	AAA	
Aa1	AA+	AA+	
Aa2	AA	AA	
Aa3	AA-	AA-	
A1	A+	A+	
A2	A	A	
A3	A-	A-	
Baa1	BBB+	BBB+	
Baa2	BBB	BBB	
Baa3	BBB-	BBB-	

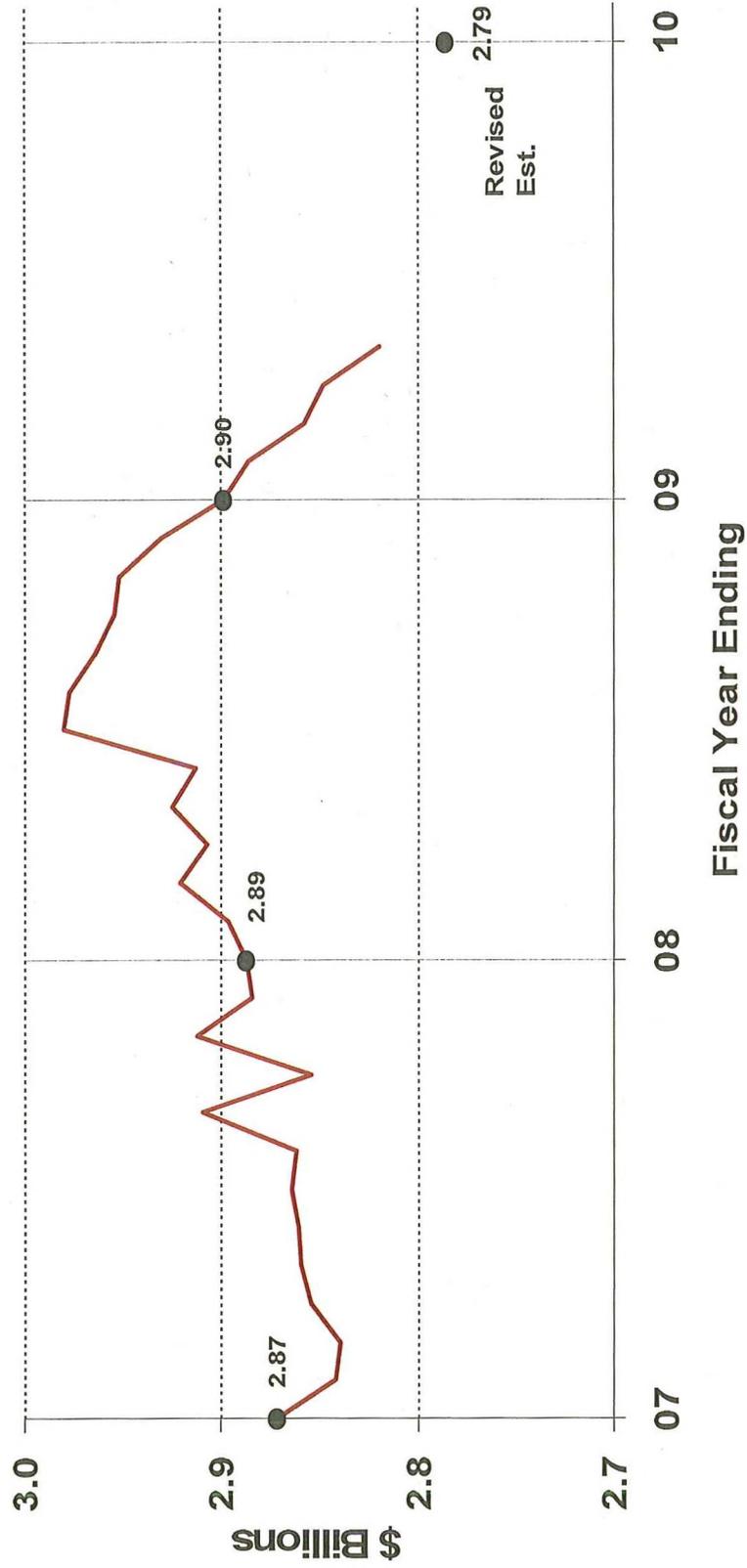
Lease Revenue Obligations (Real Property)			
Moody's	Standard & Poor's	Fitch	
Aaa	AAA	AAA	
Aa1	AA+	AA+	
Aa2	AA	AA	
Aa3	AA-	AA-	
A1	A+	A+	
A2	A	A	
A3	A-	A-	
Baa1	BBB+	BBB+	
Baa2	BBB	BBB	
Baa3	BBB-	BBB-	

Lease Revenue Obligations (Equipment)			
Moody's	Standard & Poor's	Fitch	
Aaa	AAA	AAA	
Aa1	AA+	AA+	
Aa2	AA	AA	
Aa3	AA-	AA-	
A1	A+	A+	
A2	A	A	
A3	A-	A-	
Baa1	BBB+	BBB+	
Baa2	BBB	BBB	
Baa3	BBB-	BBB-	

City 1% Sales Tax and Local Unemployment Rate



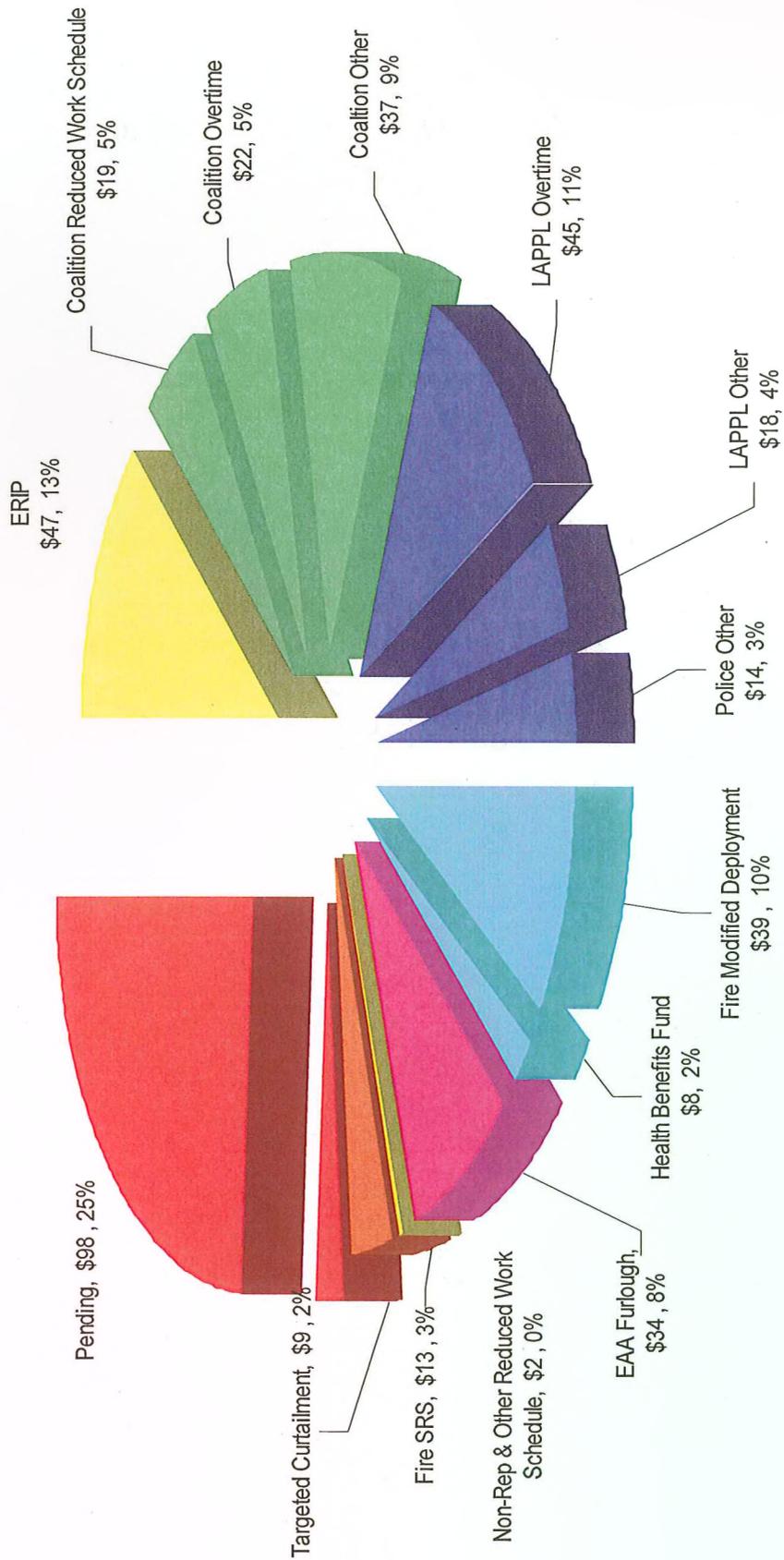
General Fund Taxes



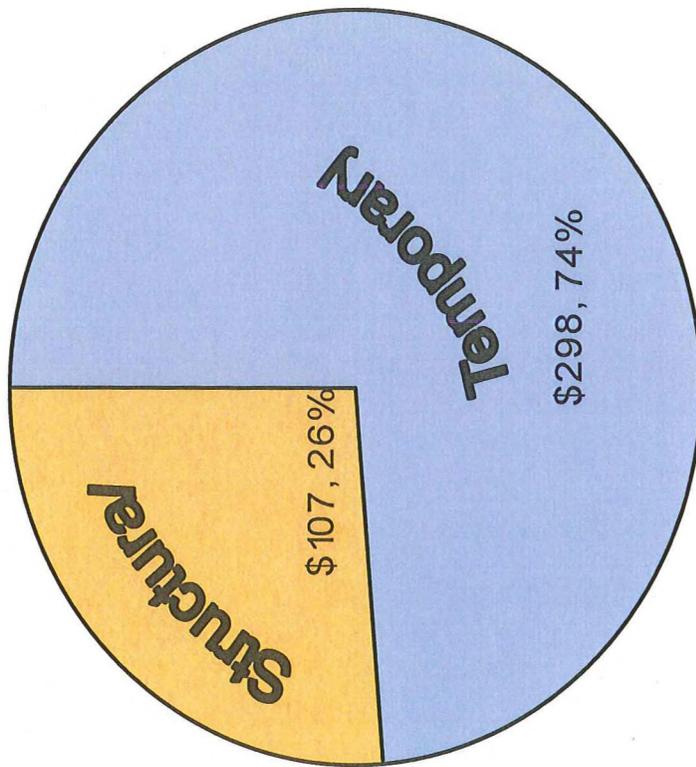
* Includes two-thirds of all General Fund receipts: property, documentary, utility, sales, business, hotel, parking and residential development taxes. Excludes such internal activity as transfers from the reserve, power and other special funds; interest income; grants; and reimbursements.

2009-10 Budget Balancing Measures

\$405 Million Budget Gap (in millions)

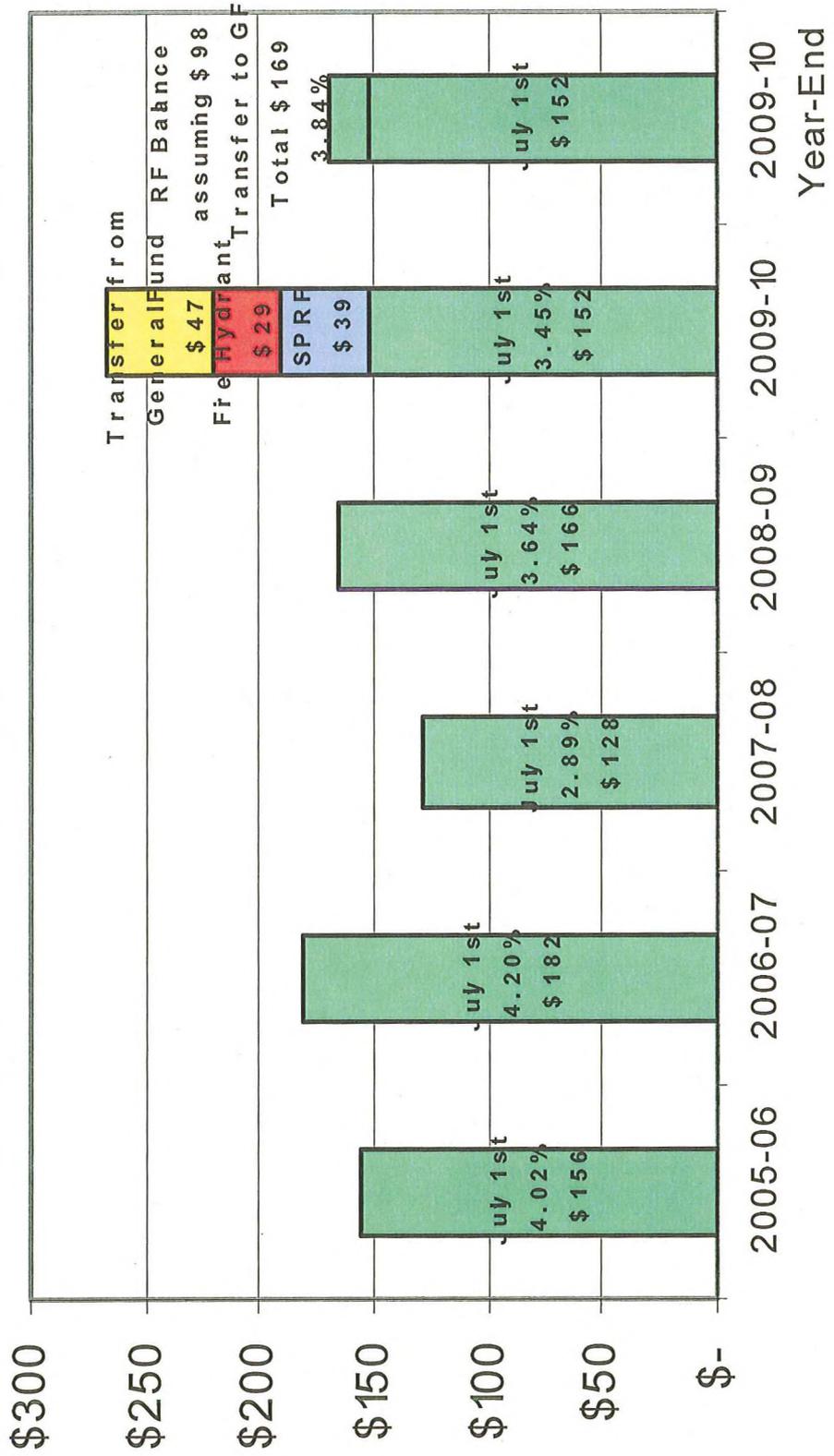


2009-10 Temporary and Structural Budget Balancing Solutions

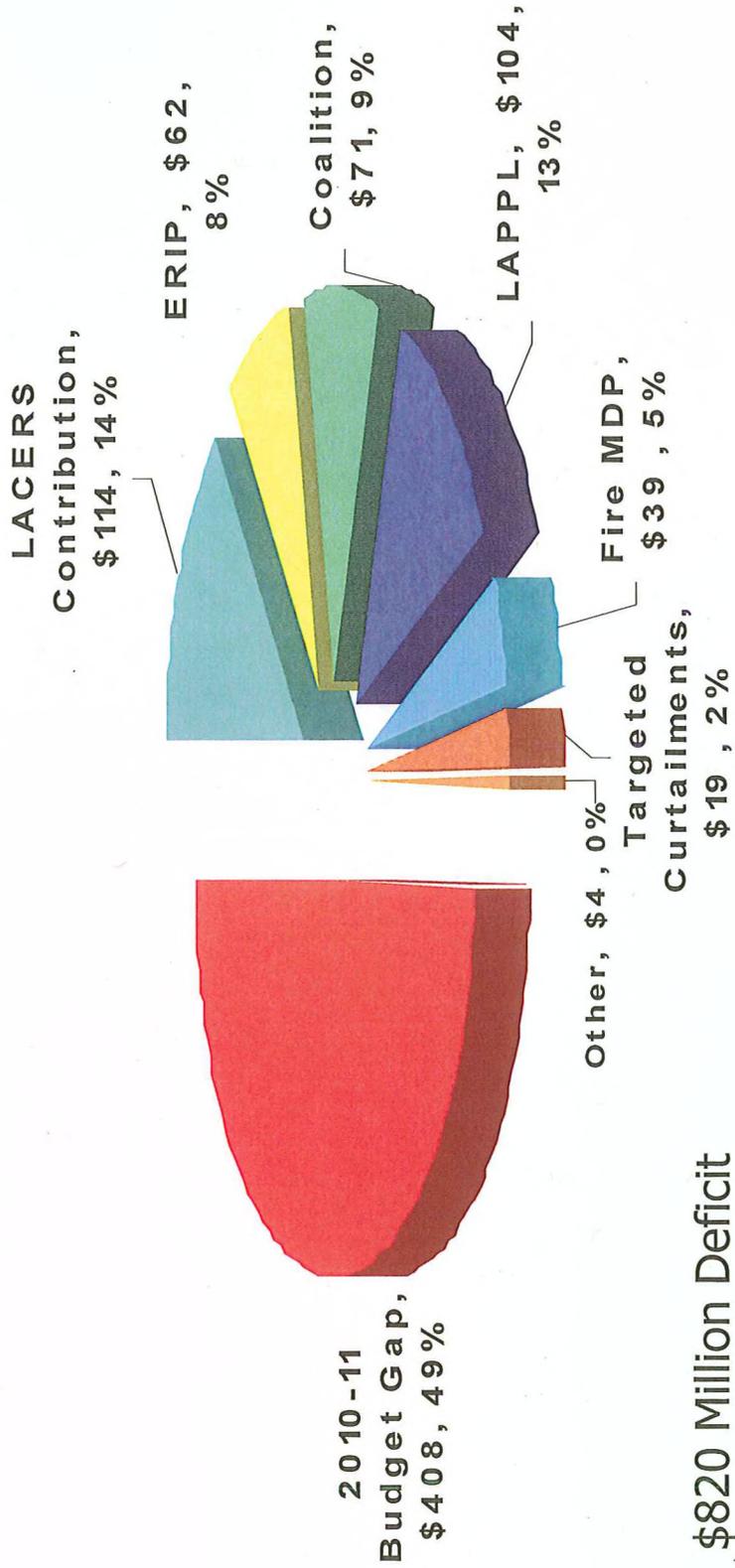


Five-Year Comparison of Reserve Fund Balance

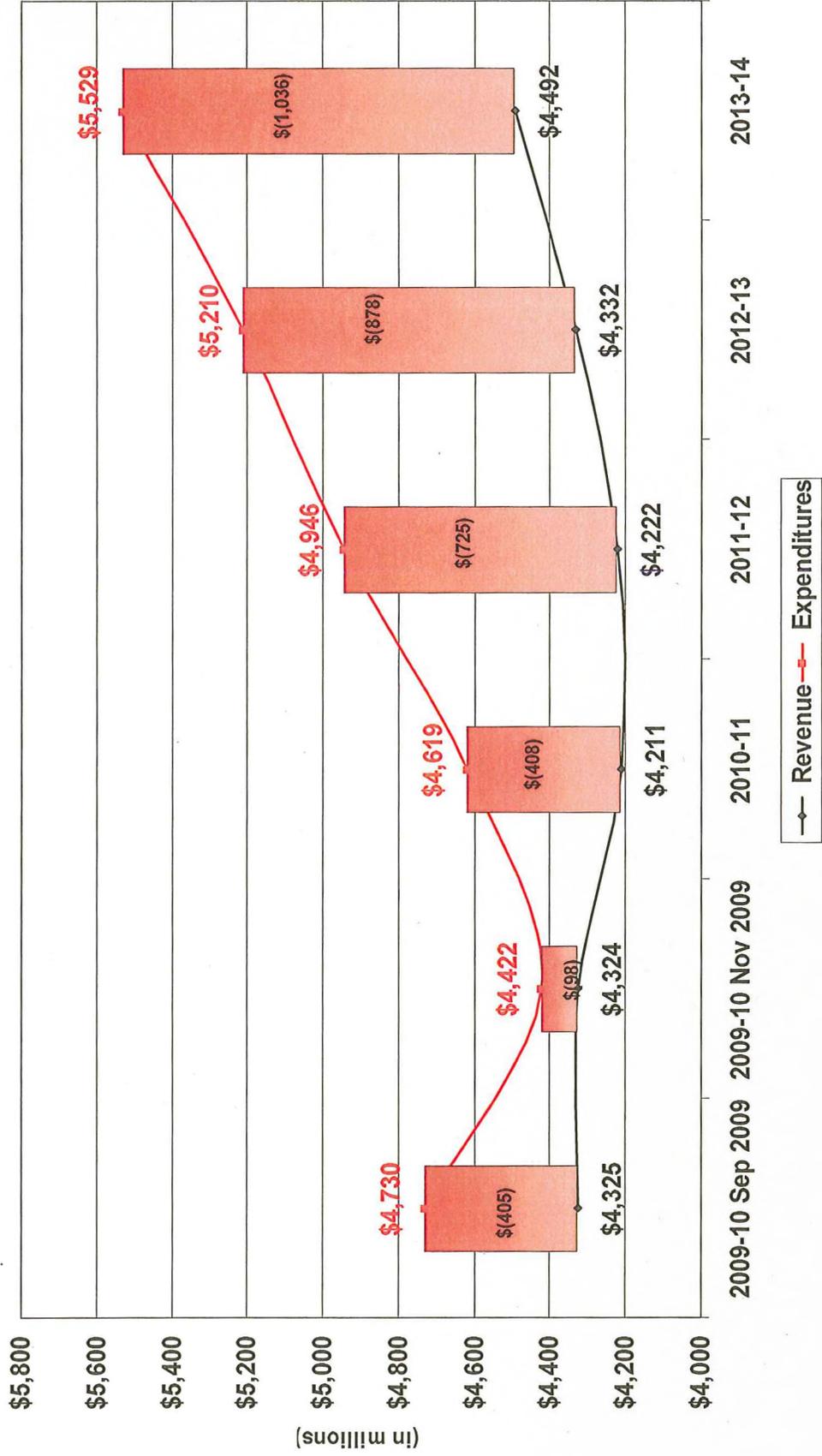
(in millions)



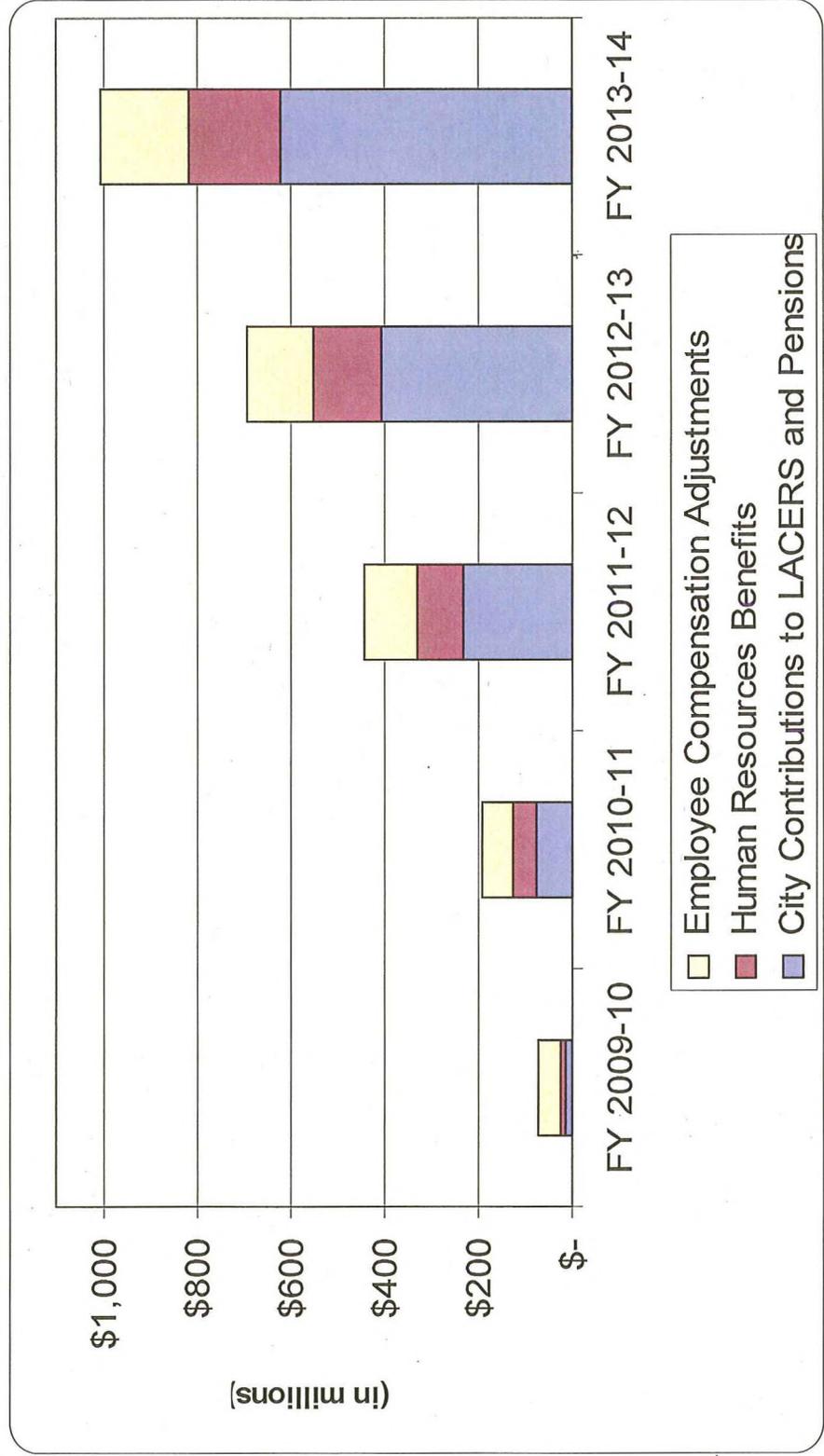
2010-11 Budget Outlook and Impact of 2009-10 Budget Balancing Measures



Four-Year Budget Outlook



Major Drivers of Expenditure Growth in the Four-Year Outlook



Budget Timeline

