

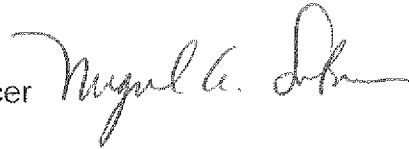
CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

0100-00438-0022

Date: October 1, 2012

To: The City Council

From: Miguel A. Santana, City Administrative Officer

Subject: **ANNUAL FINANCIAL REPORT TO THE CITY COUNCIL**

In accordance with Chapter 3, Division 8, Article 9.6, Section 8.72.1 (J) of the Los Angeles Administrative Code, we have prepared and submit herewith the required financial report regarding the Disaster Assistance Trust Fund for the fiscal year ended June 30, 2012.

During fiscal year 2011-12 the City Administrative Officer administered 14 disaster recovery programs. Total revenues received during fiscal year 2011-12 amounted to \$2,581,173 including \$153,862 interest earned on the fund balance. Total transfers during 2011-12 amounted to \$2,301,337. Included in this amount are reimbursements received in prior fiscal years that were not transferred in the same fiscal years.

All grant monies for disaster relief public assistance were placed in the Fund, from which transfers and expenditures were made for the purposes set forth in the grant programs.

**Recommendation**

Note and file the attached report.

**Fiscal Impact Statement**

There will be no impact on the General Fund or other City funds as a result of adoption of this recommendation.

MAS:RPC:WRK:rbm

Attachment

CC: The Honorable Antonio Villaraigosa, Mayor

**DISASTER ASSISTANCE TRUST FUND**  
**ANNUAL FINANCIAL REPORT TO THE CITY COUNCIL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**CITY OF LOS ANGELES**

**OFFICE OF THE CITY ADMINISTRATIVE OFFICER**

**MIGUEL A. SANTANA, CAO**

Raymond P. Ciranna, Executive Officer

Submitted by:

William R. Koenig  
Chief Administrative Analyst

Rockie B. Mendoza  
Fiscal Systems Specialist

The Office of the City Administrative Officer (CAO) is required to prepare and submit an annual report to the Council on the results of operations of the Disaster Assistance Trust Fund (Fund), in accordance with the provisions of the Los Angeles Administrative Code (LAAC).

## BACKGROUND

The Fund was created by Ordinance No. 166519 in December 1990, adding Section 8.72.1 (J) to Article 9.6 of Chapter 3 of Division 8 of the LAAC to meet accounting requirements for Federal and State Disaster Assistance Programs. The Fund designated as "Fund 872" in the City's Financial Management System is a Special Revenue Fund.

The primary enabling legislation for the disaster assistance program is Public Law (P.L.) 100-707 the Robert T. Stafford Disaster Relief and Emergency Assistance Act as amended by the Disaster Mitigation Act of 2000 (P.L. 106-390) and the California Natural Disaster Assistance Act (NDAA). Title 44, Code of Federal Regulations, Part 206 implements PL 100-707.

## SUMMARY

The CAO administered 14 active disaster recovery programs in Fiscal Year 2011-12 (December 2010 Winter Storms, January 2010 Winter Storms, 2009 Southern California Station Fire, 2008 Southern California Sayre Wildfires, 2008 Sesnon Wildfire, 2008 Marek Wildfire, October 2007 Wildfires, 2007 Inyo Complex Fire, 2007 Griffith Park Fire, 2007 Extreme Cold Weather, February 2005 Storms, January 2005 Storms, October 2003 Wildfires, and the 1994 Northridge Earthquake). The December 2010 Winter Storms is the most recent calamity to affect the City of Los Angeles.

The total amount of federal and state disaster assistance grants received during Fiscal Year 2011-12 reached \$2,427,311 (Schedule 1). The Fund earned and received \$153,862 in interest on the fund balance in Fiscal Year 2011-12 (Schedule 2). This amount is included in the \$2.6 million total receipts from all sources. Interest earned by the Fund is transferred to the General Fund-non-departmental general account after final accounting.

During Fiscal Year 2011-12, transfers to City departments, proprietary departments and the General Fund non-departmental general account amounted to \$2,301,337 (Schedules 3 and 4). These are reimbursements for emergency costs incurred by departments. Of this amount, \$1,662,161 was transferred to the General Fund non-departmental general account. Transfers include receipts from prior years not transferred in those fiscal years due to timing differences between receipt of funds and collection of required documentation.

FEMA applies an administrative allowance to each approved Damage Survey Report (DSR) or Project Worksheet (PW). The federal administrative allowance is a sliding scale of percentages up to a maximum of 3 ½ % applied to the net eligible costs. However, effective November 13, 2007, FEMA will no longer pay administrative allowance based on the associated expense

percentages as allowed under the Stafford Act. The Disaster Mitigation Act of 2000 (PL 106-390) amended the Stafford Act by adding Section 324 "Management Costs." For events on or after November 13, 2007 the recovery of project costs will be based on management cost rates established by FEMA. CalEMA applies a fixed administrative allowance of 4% to the state share of approved DSRs or PWs. The administrative allowance is intended to help with the costs of requesting, obtaining and administering federal and state disaster assistance grants. Typical items that fall under the category of administrative allowance include costs for audits, consultants, bookkeepers, grant administrators, legal services and executive management. The Fund received \$415,579 in federal and state administrative allowances in Fiscal Year 2011-12. This amount is included in the \$2.6 million total receipts from all sources.

The information presented in this report is included in the Schedule of Expenditures of Federal Awards of the annual Single Audit Report in conformity with the provisions of the Single Audit Act of 1984 Public Law 98-502, the Single Audit Act amendments of 1996 Public Law 104-156 and Office of Management and Budget Circular No. A-133 "Audits of Institutions of Higher Education and Other Non-Profit Organizations".

The schedules on the following pages show the summary and detail of receipts and transfers in the Disaster Assistance Trust Fund during the fiscal year, presented in the following order:

Schedule 1	Receipts
Schedule 2	Detail of Interest Received on Fund balance
Schedule 3	Transfers to Departments/Expenditures
Schedule 4	Transfers by Department or Fund

## RECEIPTS

Disaster assistance grant funds received from the State of California for the following events:

October 2003 Wildfire	15,689
January 2005 Storms	184,906
2008 Marek Wildfires	438,021
2008 Sesnon Wildfires	352,034
2009 Station Fire	219,856
December 2010 Storms	650,939
January 2010 Storms	<u>78,282</u>
Total State grant funds received	<u>\$ 1,939,727</u>

Disaster assistance grant funds received from the Federal Emergency Management Agency (FEMA) for the following events:

October 2003 Wildfire	47,066
January 2005 Storms	314,683
January 2010 Winter Storms	<u>125,835</u>
Total Federal grant funds received	<u>\$487,584</u>

## Summary:

Total Grants Received from the State of California	1,939,727
Total Grants Received from FEMA	<u>487,584</u>
Total Federal and State Grants Received	2,427,311
Add: Interest earned on Fund Balance	<u>153,862</u>
Total Receipts from all Sources	<u>\$2,581,173</u>

Amounts rounded off to the nearest dollar

## DETAIL OF INTEREST RECEIVED

<u>Period</u>	<u>Amount Received</u>
July 2011	\$ 11,154.46
August 2011	.00
September 2011	13,351.12
October 2011	9,103.00
November 2011	.00
December 2011	13,048.50
December 2011	15,424.08
January 2012	12,803.20
February 2012	16,111.76
March 2012	15,672.33
April 2012	9,381.92
May 2012	13,468.20
June 2012	14,648.15
June 2012	<u>9,695.41</u>
Total	<u>\$ 153,862.13</u>

## TRANSFERS TO DEPARTMENTS/EXPENDITURES

<u>Event</u>	<u>Department/Fund</u> <u>/Purpose</u>	<u>Amount Transferred</u>	<u>Total</u>
	General Fund-non departmental general		
2008 Sesnon Wildfire	Reimbursement	\$7,439	\$1,662,161
2008 Sayre Wildfire	Reimbursement	409,421	
2009 Station Fire	Reimbursement	1,008,504	
January 2010 Winter storms	Reimbursement	236,797	
	City Administrative Officer General Fund		
Administrative Allowances	Reimbursement	\$201,351	\$201,351
	Department of Water and Power Power Fund		
2008 Sayre Wildfire	Reimbursement	\$65,219	\$65,219
	Department of Water and Power Water Fund		
January 2005 Storms	Reimbursement	\$88,658	\$143,755
2008 Sayre Wildfire	Reimbursement	55,097	
	Zoo Department Zoo Enterprise Fund		
2009 Station Fire	Reimbursement	\$6,366	\$6,366
	Cultural Affairs Department Cultural Affairs Department Trust Fund		
January 2005 Storms	Reimbursement	\$222,485	\$222,485
Total transfers			<u>\$2,301,337</u>

Amounts rounded off to the nearest dollar

## TRANSFERS BY DEPARTMENT OR FUND

<u>Department or Fund</u>	<u>Amount Transferred</u>	<u>Percent of Total</u>
City Administrative Officer	\$ 201,351	8.75%
Cultural Affairs Department	222,485	9.67%
General Fund non-departmental general	1,662,161	72.23%
Department of Water and Power/Power Fund	65,219	2.83%
Department of Water and Power/Water Fund	143,755	6.25%
Zoo Department	<u>6,366</u>	<u>.27%</u>
Total	\$ <u>2,301,337</u>	<u>100.00%</u>

Amounts rounded off to the nearest dollar