



June 16, 2004

To the Honorable Mayor and City Council:

Transmitted herewith is the City of Anaheim's budget for FY 2004/05, as adopted by the City Council on June 15, 2004. This budget incorporates modifications to the proposed FY 2004/05 budget made by the City Council during the recently completed budget adoption process.

As I indicated to you during the budget adoption process, local economic forecasts are indicating that we should begin to experience a slowly improving economy, and as a result we have been able to project modest growth from our key revenue sources. At the same time, however, the City has been challenged to constrain expenditures that, without control, have the potential to grow at an unacceptable rate. This budget has accomplished this while continuing to provide those quality services that our residents have come to expect.

The FY 2004/05 adopted budget totals \$1,162,454,419. This represents a 1.1% decrease from the FY 2003/04 adopted budget. The FY 2004/05 General Fund adopted budget totals \$197,453,551, a 5.6% increase over adopted FY 2003/04. An executive summary of the adopted budget follows this transmittal letter and provides an overview of the budget by fund grouping.

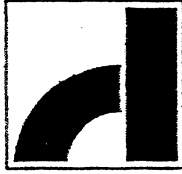
This budget focuses on issues of concern to the community. It addresses capital requirements and continues to emphasize public safety, economic development, and maximizing the City's assets.

I am proud to present to you this adopted budget for FY 2004/05. As we plan for the future, we want to be sure that Anaheim continues to be a great place to live, work and play. I look forward to working with the City Council as we implement a very ambitious vision for the City of Anaheim.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "D. M. Morgan".

David M. Morgan  
City Manager



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Anaheim  
California**

For the Biennium Beginning  
**July 1, 2001**

*Arnold A. Shure*

President

*Jeffrey R. Egan*

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Anaheim, California for its biennial budget for the biennium beginning July 1, 2001.

In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of two years only. We believe our current budget continues to conform to program requirements and we are submitting it to GFOA for award consideration.