





COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2005

PREPARED BY THE CITY'S:  
DEPARTMENT OF FINANCE & TECHNOLOGY SERVICES  
(ELECTRONIC VERSION AVAILABLE AT: [www.weho.org/financials](http://www.weho.org/financials))

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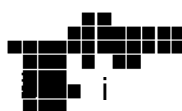
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# Introduction



City of West Hollywood  
California 1984





# CITY OF WEST HOLLYWOOD

*Celebrating 20 years of creativity*

CITY HALL  
8300 SANTA MONICA BLVD  
WEST HOLLYWOOD, CA  
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TEL: (323) 848-6400  
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DEPARTMENT  
OF FINANCE  
& TECHNOLOGY  
SERVICES

December 15, 2005

Honorable Mayor, Members of the City Council,  
and Citizens of West Hollywood

Subject: Comprehensive Annual Financial Report

Dear Honorable Mayor, City Council and Citizens of West Hollywood:

It is with great pleasure that we present to you the City of West Hollywood's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2005. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City's management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The West Hollywood Comprehensive Annual Financial Report is presented in three sections:

- (1) An Introductory Section, which includes this Letter of Transmittal from the City Manager and the Director of Finance, a Directory of City Officials, and a City Organizational Chart.
- (2) A Financial Section, presenting the Independent Auditors' Report, Management's Discussion and Analysis, the basic financial statements, notes to the financial statements, and supplementary information on individual funds for which data is not provided separately within basic financial statements.
- (3) A Statistical Section, which sets forth relevant financial and non-financial data depicting the City's historical trends and other significant facts.



## INTERNAL CONTROLS & RESPONSIBILITY

This report presents management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, the management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh the benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. The concept of reasonable assurance recognizes that: (1) the cost of a control structure should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

## INDEPENDENT AUDIT

The City requires an annual audit by independent certified public accountants. Lance Soll & Lunghard, LLP, a public accounting firm fully licensed and qualified to perform audits of the State and local governments within the State of California, has audited the City's basic financial statements. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the City for the fiscal year ended June 30, 2005, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's basic financial statements for the fiscal year ended June 30, 2005, are fairly presented in conformity with accounting principles generally accepted in the United States. The independent auditors' report is presented as the first component of the financial section of this report.

## SINGLE AUDIT

The federally mandated "Single Audit" is also performed by Lance, Soll & Lunghard, and is designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The Single Audit report is separately issued and can be obtained at City Hall.

## BUDGETARY CONTROLS

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of all governmental-type funds and enterprise-type funds are included in the annual

appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) adopted by City Council is established at the fund level. Formal budgetary integration is employed as a management control device. The City maintains an encumbrance accounting system for all governmental-type funds. Encumbrances and appropriations for unfinished capital projects will generally be re-appropriated (carried over) to the following fiscal year.

#### CASH MANAGEMENT

The City continues to maintain its Investment Policy, which is submitted annually to the City Council, along with monthly Treasurer's Reports, documenting investment activity and portfolio balances during the fiscal year. The City invests in the Local Agency Investment Fund (LAIF), the Los Angeles County Pooled Investment Fund (LACPIF), and time deposits with maturity rates ranging from 30 days to 2 years. The goals and priorities of the City's investment policy are safety, liquidity, and yield.

#### RISK MANAGEMENT

Effective May 1, 1994, the City joined the Southern California Joint Powers Insurance Authority (SCJPIA). The Authority, which began covering claims in 1978, is composed of 84 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group-purchased insurance for property and other coverage. Annual premiums are determined using a retrospective method, with the City liable for the first \$30,000 of costs for its own claims, and a proportionate share of claim costs in excess of \$30,000 up to \$15 million for its own and other member claims. The CJPIA purchases excess insurance for claims over \$15 million, and up to \$50 million.

#### MANAGEMENT DISCUSSION & ANALYSIS

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to compliment MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors in the financial section of the CAFR.

#### PROFILE OF WEST HOLLYWOOD - A BRIEF HISTORY OF CREATIVITY

Spurred by a desire for greater local control, residents of West Hollywood joined together to fight the threat to end rent control under Los Angeles County government. As a result West Hollywood was incorporated as a city in 1984. Centrally located, West Hollywood is bordered by Beverly Hills on the west and Hollywood on the east. West Hollywood has an estimated population of 38,086 within a 1.9 square mile border. The City utilizes a Council/City Manager form of government. The City Manager is responsible for running the day to day operations of the City. Each of the five City Council members is elected at large to serve staggered four-year terms.

The City operates as a “contract city,” using private firms and other governmental agencies to provide traditional municipal services to the community. The City provides general governmental services, community development, public works, rent stabilization and recreation services. The County continues to provide library services and fire services, independent of the City. Police services are provided by contract with the Los Angeles County Sheriff’s Department, and are administered by the Public Safety division of the City.

West Hollywood is affectionately known as “The Creative City” – and for good reason. More than 40 percent of the businesses located in West Hollywood comprise such creative fields as entertainment, interior design, fashion, art, and communications. The City has a dynamic retail, nightlife, and tourist trade that entices travelers from around the world. West Hollywood has 14 luxury hotels with some 2,000 rooms offering world-class accommodations. Dining is available at more than 200 restaurants, some of the most famous in the world. Tourists can also shop at more than 100 clothing stores, peruse thirty-six art galleries, and participate in or just observe an eclectic and ever-evolving nightlife centered around the world-famous Sunset Strip and Santa Monica Boulevard. As the home of the Pacific Design Center and the surrounding “Avenues of Art and Design,” West Hollywood is acknowledged as the West Coast’s center of interior design.

#### ECONOMIC CONDITION

Although the focus of this Comprehensive Annual Financial Report is the economic condition of the City at June 30, 2005, the local economy is of such relevance that it is incumbent on us to provide some information in this report. This and other economic factors are also discussed further in the Management Discussion and Analysis.

The City’s economy consists of three major industries:

- Retail and Tourism Industries, including hotels, restaurants and nightclubs.
- The Entertainment Industry, which includes major motion picture and recording studios, music publishing administration, and media buying agencies.
- The Interior Design Industry, including the Pacific Design Center.

For the year ended June 30, 2005, the City of West Hollywood continued to be a vibrant, livable, and successful community for both its residents and businesses. In general, the City’s economy reflected the national and state economies however, these particular industries significantly shape the character of the City and the role the City plays in the greater Los Angeles region. The City’s sales tax base is highly diversified, especially given its small geographic area. The City’s transient occupancy tax has seen a complete recovery since the tragic events of September 11, 2001. Property tax revenues continue to grow from increased assessed valuations of commercial and residential properties. This revenue will continue to increase over the next few years as the local economy expands.

The City's revenue base remains well diversified, and development is occurring on all the major thoroughfares. The City is dedicated to maintaining a balance between the quality of residential life and the desire for continued development. The City's goals, clearly laid out in the Strategic Plan, include providing opportunities for residents and businesses to constructively and fairly address conflicts, encouraging participation in public life, and ensuring that the City provide its citizens with the highest level of service.

Because of its location and strong and varied economic base, the City's unemployment is relatively stable with a rate in calendar 2004 of 5.6%. This compares favorably with the City of Los Angeles at 7.4%, the County of Los Angeles of 6.6% and State of California at 6.0%. The City's unemployment rate is slightly greater than the national rate of 5.4%.

#### LONG TERM FINANCIAL PLANNING

The City actively monitors revenue sources for both compliance and economic developments. The Department of Finance oversees the compliance aspects of the City's municipal code. The Department of Economic Development addresses strategic issues pertaining to the City's revenue base. These issues include commercial revitalization, developing local business improvement districts, and administering the Visitors and Convention Bureau contract.

During periods of strong economic growth the City has accumulated significant reserves. By capturing and designating some of this growth, it is able to attract development and improve commercial and residential neighborhoods, thus improving the local economy. However, the City also continues to face many fiscal challenges, especially in the area of capital improvements. To address this, the City has designated portions of the revenue growth for capital projects. These capital improvement demands require the City Council and Management to remain committed to restraining expenditures until these responsibilities are met.

Below are the major capital investments, which are either proposed, planned, or in progress, with estimated dates.

- New City Library – Estimated 2008
- West-side Municipal Garage – Estimated 2008
- Sunset Municipal Parking Garage Development – Estimated 2008
- West Hollywood Park Master Plan – Estimated 2010

The new proposed City Library is estimated to cost \$35 Million. The Library will have significant ongoing maintenance and operating costs, as the City has seen from other successful projects like: the Santa Monica Boulevard Reconstruction and the Plummer Park Community Center. Finalizing funding for the new City Library and the annual

maintenance remains a leading priority. Some of the one time funding costs will be offset by planned drawdowns from various reserves, which have increased significantly over the past decade. Healthy business development and careful management of resources will allow the City to continue to provide the highest level of services and programs.

#### DEBT ADMINISTRATION

The City of West Hollywood utilizes long-term financing to facilitate the acquisition and construction of capital assets. This allows for the matching of resource utilization to the useful life of the asset being purchased. Descriptions of past City financings are below with detailed schedules in the Financial Section of this report.

Refunding Certificates of Participation 1998 – On March 1998, the City refinanced the following outstanding issues: Series A, Series B, and the 1995 Certificates of Participation by issuing \$27,105,000 fixed rate Certificates of Participation and \$5,360,000 Variable Rate Certificates of Participation. The projects refinanced from prior issues include: City Hall, Municipal Parking Structure I, the homeless shelter, Pac-Bell Parking Facility, and Fire Station No. 7. The new project undertaken was the Plummer Park Community Center. In March 2005, the City redeemed the \$5,360,000 1998 Variable Rate Refunding Certificates of Participation.

Redevelopment Agency Tax Allocation Bonds 2003 - In September 2003, the Redevelopment Agency issued Tax Allocation Bonds of \$11,500,000 to finance the Eastside Redevelopment Project, including activities that increase, improve or preserve the supply of low and moderate income housing within or of benefit to the Project Area.

#### MAJOR ACCOMPLISHMENTS FOR THE YEAR

The City celebrated its 20<sup>th</sup> anniversary of Cityhood in November 2004.

The City completed the schematic design and design development phase of the West Hollywood Library project.

The City's Community Housing Corporation completed a 24-unit special needs affordable housing project on Havenhurst.

The City opened three additional public parking lots (El Tovar, La Peer and Orange Grove).

The City completed plans, specifications, public bids, contract awards and began construction on the Sunset Blvd Sewer Rehabilitation project.

The City completed negotiations for a 10-year nonexclusive cable television franchise agreement, which includes the continuation of low income discounts.

## MAJOR INITIATIVES FOR THE FUTURE

The City's completed strategic plan, Vision 2020, will continue to guide the City in developing and accomplishing these future initiatives:

- **DEVELOP PARKING OPPORTUNITIES** – Explore the creation of off-street parking opportunities near all business districts.
- **MOVE FORWARD WITH CITY PARKS, LIBRARY AND EXPANDING AND ENHANCING CITY'S GREEN AND PUBLIC SPACES** - Complete the Park(s) Master Plan process and Library Project, and create and encourage more public spaces wherever feasible.
- **FISCAL SUSTAINABILITY** – Monitor, protect, and increase City resources. Take an active role in monitoring the State's Fiscal Crisis.
- **AFFORDABLE HOUSING** – Protect and enhance affordable housing opportunities, with emphasis on Rent Stabilization laws.
- **MAINTAIN THE CITY'S UNIQUE URBAN BALANCE WITH EMPHASIS ON RESIDENTIAL NEIGHBORHOOD LIVABILITY** – Recognize diverse and competing interests, and work to find a balance.

## AWARDS

### GFOA Award Program - Comprehensive Annual Financial Report

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of West Hollywood for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2004. This is the thirtieth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. We are confident that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility.

### CSMFO Award Program - Comprehensive Annual Financial Report

For the past thirteen fiscal years, the City of West Hollywood has received the Certificate of Award for Outstanding Financial Reporting from the California Society of Municipal Finance Officers (CSMFO). The Certificate of Award is valid for a period of one year. We are confident that our current report will conform to the requirements of the Certificate of Award program and are submitting it to CSMFO to determine its eligibility for the Certificate.

ACKNOWLEDGMENTS

Preparation of this report was accomplished through the combined efforts of the City's Staff. The following staff deserves special recognition for their contribution to this project: John Adams, Accounting Services Manager, Norma Soto-Touriño, Accountant and Beth Rosen, Information Management Analyst.

We thank the members of the City Council for their continued interest and support in the development of this report. Without their leadership, the preparation of this report would not be possible.

Respectfully submitted,



Paul Arevalo  
City Manager



Anil H. Gandhi, CPA  
Director of Finance and  
Technology Services



## FINANCE POLICIES

The following is a summary of the Fiscal Policies adopted by the City Council. These policies will have a substantial impact on the operations, service levels, and finances of the City. Major emphasis will be on conserving and increasing fund balances to ensure for the long-term fiscal health of the City, rather than limiting the City's focus to day-to-day operational issues. All proposals for new or expanded services or projects forwarded by departments will have to identify new sources of funding or recommend reallocation of existing funds. Special Districts will strive to bear the full cost, both direct and indirect, of their operations. The policies commit to the development of and adherence to a five-year plan for capital improvements and to long-term financing when appropriate, rather than merely focusing on current funding issues.

### SUMMARY OF POLICIES

- I. We will comply with all the requirements of generally accepted accounting principles (GAAP).
- II. We will maintain a balanced operating budget for all governmental funds, ensuring that ongoing revenues are equal to or greater than ongoing expenditures.
- III. We will require that all proprietary funds be self-supporting.
- IV. We will maintain an appropriated General Fund working reserve equivalent to 20.0% of the General Fund budget and an appropriated emergency reserve equivalent to 5.0% of the General Fund budget.
- V. We will assume that normal revenue inflation will go to pay normal inflation expenses. Any new or expanded programs will be required to identify funding sources or will be offset by cost reductions through cutting back or eliminating other programs.
- VI. We will maintain a long-range fiscal perspective through the use of a five-year capital improvement plan and revenue forecast.
- VII. Major capital improvements or acquisitions will be made using long-term financing methods rather than out of operating revenue.
- VIII. We will maintain sound budgeting practices ensuring that service delivery is provided in an efficient and effective manner.
- IX. We will require each appropriation request to include a fiscal impact analysis and be submitted to the Finance Committee prior to Council agendaing.

*California Society of  
Municipal Finance Officers*

Certificate of Award

*Outstanding Financial Reporting 2003-04*

Presented to the

*City of West Hollywood*

*This certificate is issued in recognition of meeting professional standards and criteria in reporting  
which reflect a high level of quality in the annual financial statements  
and in the underlying accounting system from which the reports were prepared.*

*February 24, 2005*



*William A. Dumas*

Bill Thomas, Chair  
Professional & Technical Standards Committee

*Dedicated to Excellence in Municipal Financial Management*

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of West Hollywood,  
California

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Nancy L. Zielle*

President

*Jeffrey R. Emen*

Executive Director

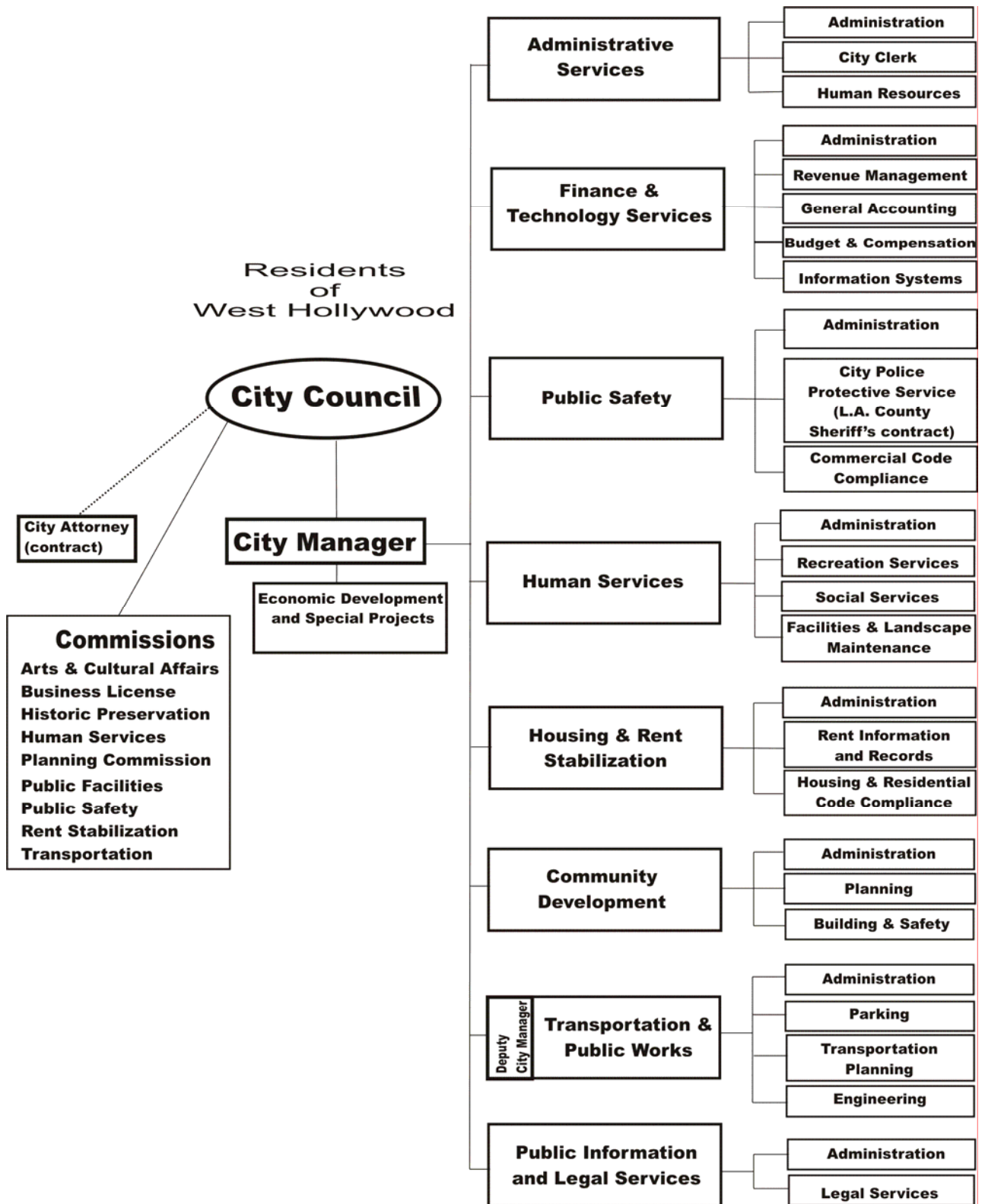
**DIRECTORY OF CITY OFFICIALS  
AS OF JUNE 30, 2005**

**Mayor and City Council**

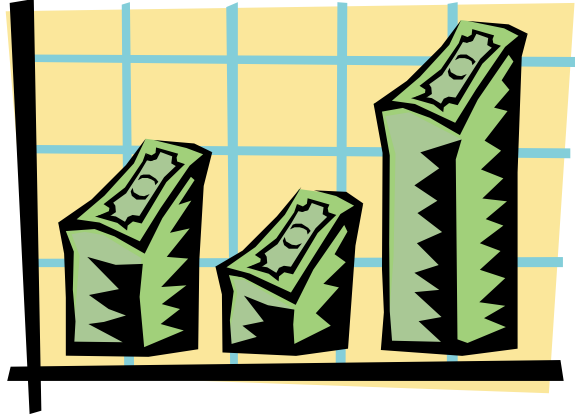
**Mayor** ..... *Abbe Land*  
**Mayor Pro Tempore** ..... *John Heilman*  
**Council Member** ..... *John Duran*  
**Council Member** ..... *Sal Guarriello*  
**Council Member** ..... *Jeff Prang*

**Administration**

**City Manager**..... *Paul Arevalo*  
**City Attorney**.....*Michael Jenkins*  
**City Clerk** .....*Tom West*  
**Deputy City Manager** .....*Joan English*  
**Director of Administrative Services**..... *Vivian Love*  
**Director of Community Development**..... *Susan Healy Keene*  
**Director of Economic Development** .....*Ray Reynolds*  
**Director of Housing & Rent Stabilization** .....*Allyne Winderman*  
**Director of Human Services**..... *Lloyd Long*  
**Director of Public Information & Legal Services**..... *Helen Goss*  
**Department of Finance & Technology Services**  
**Director**..... *Anil H. Gandhi*  
**Accounting Services Manager** ..... *John F. Adams*  
**Budget & Compensation Manager** ..... *Judith Wright*  
**Information Technology Manager**.....*Brian Ganley*  
**Revenue Manager** .....*David Hatcher*



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# Financial Section



City of West Hollywood  
California 1984

## INDEPENDENT AUDITORS' REPORT

To The Honorable Mayor and Members of the City Council  
The City of West Hollywood, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of West Hollywood, California, as of and for the year ended June 30, 2005, which collectively comprise the City's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the City of West Hollywood's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted by the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of West Hollywood, California, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2005 on our consideration of the City of West Hollywood's internal control over financial reporting and our tests of its compliance with certain laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.





To The Honorable Mayor and Members of the City Council  
The City of West Hollywood, California

Our audit was conducted for the purpose of forming an opinion on the basic financial statements that collectively comprise the City's basic financial statements. The accompanying introductory section, the combining and individual nonmajor fund financial statements, schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The accompanying introductory section and statistical tables have not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Lance, Soll & Lunghard, LLP*

October 13, 2005



# **Management Discussion and Analysis**



City of West Hollywood  
California 1984

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of West Hollywood ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2005. We encourage the readers to consider the information presented here in conjunction with additional information furnished in the Letter of Transmittal and the accompanying Basic Financial Statements. This is the fifth year that the City has issued financials statements pursuant to GASB Statement No. 34 of the Governmental Accounting Standards Board. Comparative data on the government-wide financial statements is only presented in the MD&A.

### FINANCIAL HIGHLIGHTS

#### Government-Wide

- Total assets of the City were \$203.3 million and total liabilities were \$52.2 million at June 30, 2005. The assets exceeded liabilities by \$151.2 million (*net assets*). Of this amount, \$36.2 million (*unrestricted net assets*) may be used to meet the City's ongoing obligations to citizens and creditors.
- For the year ended June 30, 2005, total net assets increased by \$13.3 million. Total revenues from all sources were \$74.7 million and total expenses for all functions/programs were \$61.4 million.
- Of total revenues, program revenues were \$28.9 million and general revenues were \$45.8 million. Program revenues are separated into three categories: Charges for Services, \$22.1 million; Operating Contributions and Grants, \$6.5 million; and Capital Contributions and Grants, \$0.3 million.

#### Fund Based

- For fiscal year ending June 30, 2005, total Fund Balance of the General Fund was \$42.0 million, or 90.1 percent of total General Fund expenditures of \$46.6 million. Reserved Fund Balance was \$7.4 million, Designated Fund Balance was \$32.8 million, and Undesignated Fund Balance was \$1.8 million.
- For the General Fund, actual resources available for appropriation during the year were \$88.6 million; this consists of \$33.4 million in fund balance and \$55.3 million in revenue inflows which was \$7.6 million over budget. Actual charges (outflows) of \$46.6 million were \$3.4 million less than the budget of \$50.0 million. Capital projects, not completed during the fiscal year, were \$2.2 million and will be carried forward to FY 05-06. These are included in the \$21.6 million designated in fund balance.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements are comprised of three components: 1) *Government-Wide Financial Statements*, 2) *Fund Financial Statements* and 3) *Notes to the Financial Statements*. This report also contains other supplementary information in addition to the basic financial statements.

### Government-Wide Financial Statements

These statements are designed to provide information about the activities of the City as a whole and present a long-term view of the City's finances. They are prepared using the accrual basis of accounting, which is similar to the accounting used by most private sector companies.

The *Statement of Net Assets* (page 41) presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. In time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* (pages 42 – 43) presents information on how the City's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods; (e.g., uncollected taxes or earned but unused leaves).  
*Program Revenues* – Revenues that derive directly from the program itself.  
*General Revenues* – Revenues generated from the citizenry or taxpayer.

In both the *Statement of Net Assets* and *Statement of Activities*, we divide the City into three kinds of activities:

*Governmental activities* – Account for most of the City's basic services which consists of: *General Government*, made up of the following departments: City Council, City Manager, Administrative Services, Finance and Adjudication Services), *Public Safety*, and *Public Service* which include the departments of Human Services, Rent Stabilization, Community Development, and Transportation & Public Works. Governmental activities are financed mostly by: property taxes, transient occupancy taxes, sales taxes, parking fines, charges for services, franchise taxes, and state and federal grants.

*Business-type activities* – The City charges a fee to customers to help it cover all or most of the costs of providing these services. The City's solid waste, sewer, landscape, and street maintenance districts are reported here.

*Component units* – The City has included several legally separate entities in this report – the West Hollywood Community Development Commission (Redevelopment Agency), the West Hollywood Housing Authority (Housing Authority), the West Hollywood Public Facilities Corporation (Public Facilities Corporation), the West Hollywood Community Foundation (Community Foundation), the West Hollywood Public Financing Authority, and the West Hollywood Marketing Corporation. Although legally separate, these *component units* are important because the City is financially accountable for them.

The *government-wide financial statements* report both the City, as the *primary government*, and the legally separate *component units*. The Redevelopment Agency, Housing Authority, Public Facilities Corporation, Community Foundation and the Public Financing Authority are known as *Blended Component Units* and all function for practical purposes, as part of the City, and, therefore, have been included (blended) as an integral part of the primary government. Only the Marketing Corporation has been presented separately from the *primary government*, as it is known as a *Discretely Presented Component Unit*.

#### Fund Financial Statements.

The *Fund Financial Statements* provide detailed information about the most significant funds—not the City as a whole. A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds. The City uses all three types, each using different accounting methods.

*Governmental funds* – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the *government-wide financial statements*. However, unlike the *government-wide financial statements*, *governmental fund financial statements* focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the *government-wide financial statements*, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the *government-wide financial statements*. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund

balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twenty-five individual governmental funds. These funds report financial transactions using an accounting method called modified accrual accounting. Information is presented separately in the Governmental Funds – Balance Sheet and in the Governmental Funds – Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, RDA Capital Projects Fund, and Capital Projects Debt Service Fund. All three are considered to be major funds. Data from other governmental funds (non-major) are combined into a single presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements starting on page 87 of this report. The City adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided for each of the funds to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 44 to 47.

*Proprietary funds* – *Proprietary funds* are primarily used to account for City charges for the services it provides, whether to outside customers or to other units of the City. These funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities, using an accrual basis of accounting. In fact, the City's *enterprise funds* (a component of proprietary funds) are the same as the business-type activities we report in the *government-wide financial statements* but provide more detail and additional information, such as the statement of cash flows. The City uses *internal service funds* (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities, such as the Information Systems Master Plan Fund. Since these activities predominantly benefit governmental rather than business-type functions, they are included within the governmental activities in the *government-wide financial statements*. The basic proprietary fund financial statements can be found on pages 50 to 52.

*Fiduciary funds* – *Fiduciary funds* are used to account for resources held for the benefit of parties outside the City. In these cases, the City has a fiduciary responsibility and is acting as a *trustee*. The *Statement of Fiduciary Net Assets* separately reports all of the City's fiduciary activities. The City excludes these activities from the City's other financial statements because the City cannot use these assets to finance its operations. However, the City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The basic fiduciary fund financial statements can be found on page 53.

*Notes to the Financial Statements* – Notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The *Notes to the Financial Statements* can be found from pages 55 to 86.

*Supplementary Information* – In addition to the basic financial statements and accompanying notes, this report also presents certain combining statements referred to earlier in connection with non-major governmental and proprietary funds. These combining and individual fund statements and schedules can be found immediately following the *Notes to the Financial Statements*. See pages 87 to 144.

### GOVERNMENT - WIDE FINANCIAL ANALYSIS

This analysis will focus on the fiscal year ending June 30, 2005, for net assets (Table 1) and changes in net assets (Table 2) of the City's governmental and business-type activities. These tables are summarizing the statements located on page 41 to 43. Management has included comparative data from fiscal year ending June 30, 2004 in its analysis.

Net Assets (Table 1)  
(in millions)

	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$ 73.9	\$ 69.1	\$ 2.1	\$ 2.1	\$ 75.9	\$ 71.2
Capital assets	116.6	116.8	10.8	11.1	127.4	127.9
<b>Total assets</b>	<b>190.5</b>	<b>185.9</b>	<b>12.9</b>	<b>13.2</b>	<b>203.3</b>	<b>199.1</b>
Long-term debt outstanding	36.8	43.0	-	-	36.8	43.0
Other liabilities	15.2	18.9	0.1	0.1	15.3	19.0
<b>Total liabilities</b>	<b>52.1</b>	<b>61.9</b>	<b>0.1</b>	<b>0.1</b>	<b>52.2</b>	<b>62.0</b>
Net assets:						
Invested in capital assets,						
net of debt	81.8	76.4	10.8	11.1	92.6	87.5
Restricted	22.3	20.8	-	-	22.3	20.8
Unrestricted	34.3	26.8	2.0	2.0	36.2	28.8
<b>Total net assets</b>	<b>\$ 138.4</b>	<b>\$ 124.0</b>	<b>\$ 12.8</b>	<b>\$ 13.1</b>	<b>\$ 151.2</b>	<b>\$ 137.1</b>

The City's Government-Wide total net assets were \$151.21 million, with assets of \$203.3 million and liabilities of \$52.2 million. The net investment in capital assets of \$92.6 million represents 61.2 percent of the City's total net assets. Investment in capital assets (e.g., infrastructure, land, buildings, machinery and equipment) for this purpose is reduced by any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves can not be used to liquidate these liabilities.

An additional portion of the City's net assets, \$22.3 million (14.7 percent) represents resources that are subject to external restrictions in how they may be used. This was an increase of \$1.5 million mainly related to \$12.7 million restricted to capital projects. The remaining balance of \$34.4 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors within the programs areas.

Changes in Net Assets (Table 2)  
(in millions)

	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2005	2004	2005	2004	2005	2004
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 20.3	\$ 17.7	\$ 1.8	\$ 1.9	\$ 22.1	\$ 19.6
Operating Contributions & Grants	6.5	5.4	-	-	6.5	5.4
Capital Contributions & Grants	0.3	1.9	-	-	0.3	1.9
Sub-total Program Revenues	27.1	25.1	1.8	1.9	28.9	27.0
General Revenues:						
Property taxes	11.3	10.6	-	-	11.3	10.6
Transient occupancy taxes	11.3	9.3	-	-	11.3	9.3
Sales taxes	11.3	8.7	-	-	11.3	8.7
Franchise taxes	1.6	1.5	-	-	1.6	1.5
Business license taxes	2.0	1.8	-	-	2.0	1.8
Motor Vehicle in lieu	2.6	1.7	-	-	2.6	1.7
Use of money and property	5.3	5.6	0.04	0.02	5.3	5.6
Intergovernmental	-	-	0.04	0.04	0.0	0.0
Other	0.4	0.3	-	-	0.4	0.3
Sale of Capital Asset	-	(0.2)	-	-	-	(0.2)
Sub-total General Revenues	45.8	39.3	0.1	0.1	45.8	39.3
<b>Total Revenues</b>	<b>72.9</b>	<b>64.3</b>	<b>1.8</b>	<b>2.0</b>	<b>74.7</b>	<b>66.3</b>



Changes in Net Assets (Table 2) – continued  
(in millions)

	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2005	2004	2005	2004	2005	2004
<b>Expenses</b>						
General Government	\$ 14.7	\$ 13.3	\$ -	\$ -	\$ 14.7	\$ 13.3
Public Safety	11.1	11.2	-	-	11.1	11.2
Public Services	33.4	29.8	-	-	33.4	29.8
Solid Waste	-	-	1.1	1.2	1.1	1.2
Landscape	-	-	0.1	0.1	0.1	0.1
Sewer	-	-	0.6	0.6	0.6	0.6
Street Maintenance	-	-	0.3	0.3	0.3	0.3
<b>Total Expenses</b>	<b>59.2</b>	<b>54.4</b>	<b>2.2</b>	<b>2.2</b>	<b>61.4</b>	<b>56.6</b>
<b>Increase (decrease) in Net Assets</b>	<b>\$ 13.7</b>	<b>\$ 10.0</b>	<b>\$ (0.3)</b>	<b>\$ (0.2)</b>	<b>\$ 13.3</b>	<b>\$ 9.7</b>
<b>Net Assets at Beginning of Year</b>	124.0	114.0	13.1	13.3	137.1	127.4
<b>Restatements</b>	0.7	-	-	-	0.7	-
<b>Net Assets at End of Year</b>	<b>\$ 138.4</b>	<b>\$ 124.0</b>	<b>\$ 12.8</b>	<b>\$ 13.1</b>	<b>\$ 151.2</b>	<b>\$ 137.1</b>

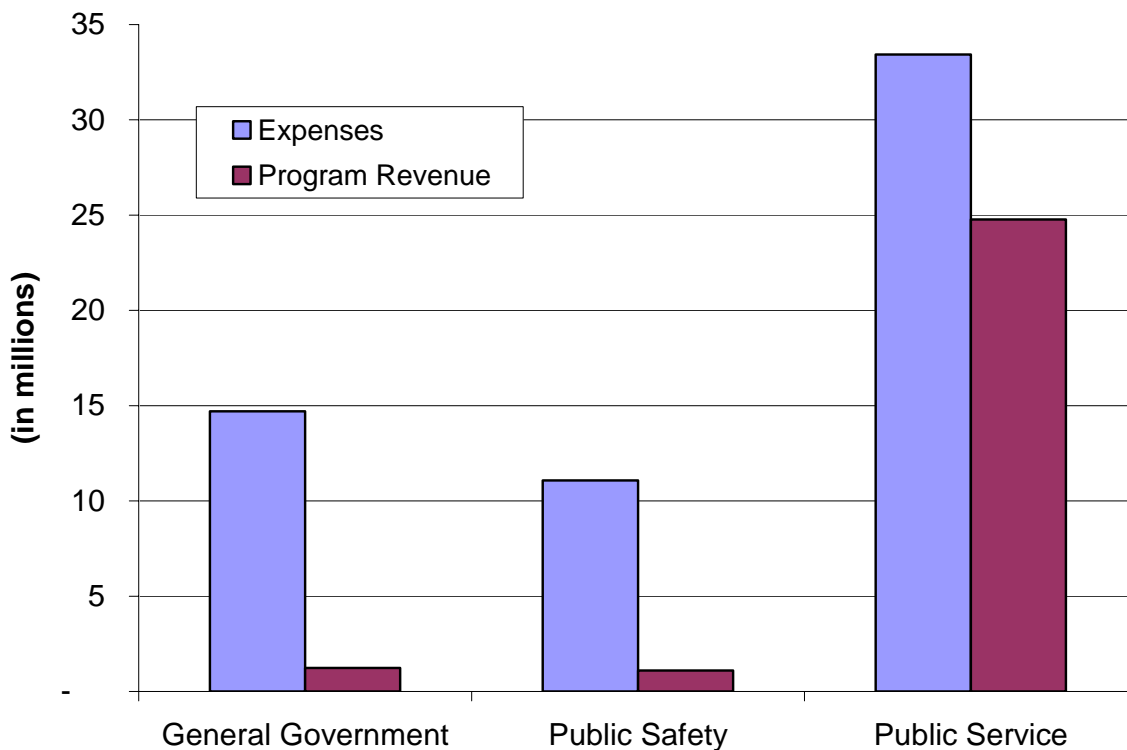
The government's net assets increased \$13.3 million (Table 2), with total revenues of \$74.7 million and total expenses of \$61.4 million. Program revenues were \$28.9 million and general revenues were \$45.8 million, funding the net difference between program revenues and expenses. The largest single revenue category was Charges for Services, at \$22.1 million, which is a *program revenue*. Other *program revenues which* are applied directly against the costs of providing these services were Operating and Capital Contributions & Grants, at \$6.5 and \$0.3 million respectively. Sales tax was the second largest revenue at \$11.3 million, followed by property tax, at \$11.3 million, and the fourth largest revenue source was transient occupancy tax at \$11.3 million. These last three sources are all *general revenues derived from the citizenry or taxpayers*.

In comparison to the prior fiscal year, the government's total revenues increased by \$8.4 million or \$1.9 million in program revenues and \$6.5 million in general revenues. For program revenue, charges for services increased \$2.5 million, with operating contributions increasing only \$1.1 million. The only decrease in program revenues was capital contributions in the amount of \$1.6 million or 84.2 percent. This decrease was due to a one time revenue related to a Metropolitan Transit Authority (MTA) Grant for the Santa Monica Blvd. Reconstruction Project in fiscal year 2003-04. Compared to the prior year, the government's total expenditures increased \$4.8 million. This increase occurred in the governmental activities only, with an increase in General Government of \$1.4 million and an increase of \$3.6 million in Public Service. The increases in

expenses occurred in salaries & wages at \$1.6 million, grants & special programs at \$1.1 million and contract services at \$0.7 million.

Governmental Activities. Governmental activities increased the City's *net assets* by \$13.7 million (Table 2). The cost of all governmental activities this year was \$59.2 million or 96.4 percent of the *primary government* expenditures and was an increase of \$4.8 million from the prior year. As shown in the *Statement of Activities* on page 43, the amount that taxpayers financed through City taxes was \$32.5 million. The other portion of the costs was paid by those who directly benefited from the programs (\$20.3 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$6.8 million). The City used part of the \$45.8 million in general revenues to cover the remaining "public benefit" portion of governmental activities. These general revenues are derived mostly from tax revenues (some of which could only be used for certain programs).

Expenses and Program Revenues – Governmental Activities (Graph 1)

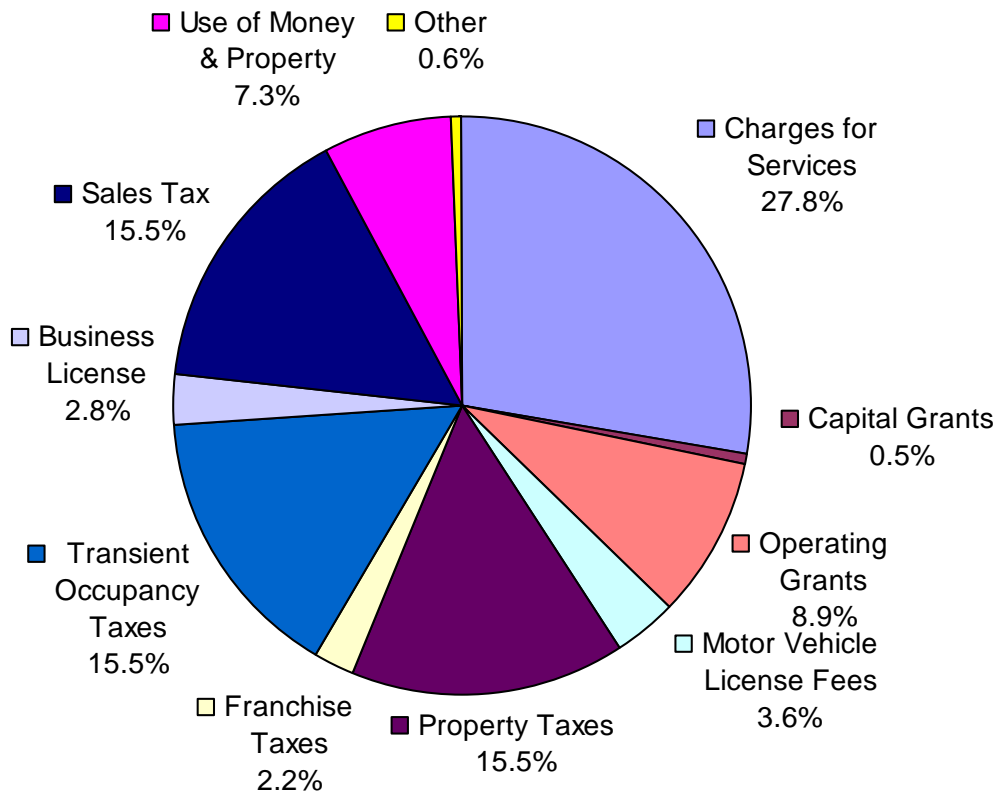


Graph 1 presents the costs of each of the City's three functions – General Government, Public Safety, and Public Service, as well as the program's revenues. The net cost (total cost less *program revenues*) is the amount that was paid from *general revenues*.

*General Government* had expenses of \$14.7 million with program revenues of \$0.9 million, while *Public Safety* had expenses of \$11.1 million with program revenues of \$1.1 million. From the prior year, *General Government* had a \$1.4 million increase and *Public Safety* had a \$0.1 million decrease. Expenses in *Public Services* represented \$33.4 million or 56.4 percent of total expenses for Governmental Activities. Of this amount, \$24.8 million was funded by *program revenues* and the remaining \$8.6 million was funded by *general revenues*. *Public Services* had an increase of \$3.6 million over the prior year; the variance was discussed on prior pages.

Graph 2 presents revenues by source for Governmental Activities. Similar to the government-wide activities, *Charges for Services* is the largest at \$20.3 million or 27.8 percent. *Charges for Service's* consist primarily of: parking fines - \$6.4 million, licenses and permits - \$3.8 million, developer fees - \$2.3 million, rent stabilization fees - \$1.9 million, vehicle code fines - \$1.8 million, and other misc. charges for services of \$4.1 million.

Revenues by Source – Governmental Activities (Graph 2)



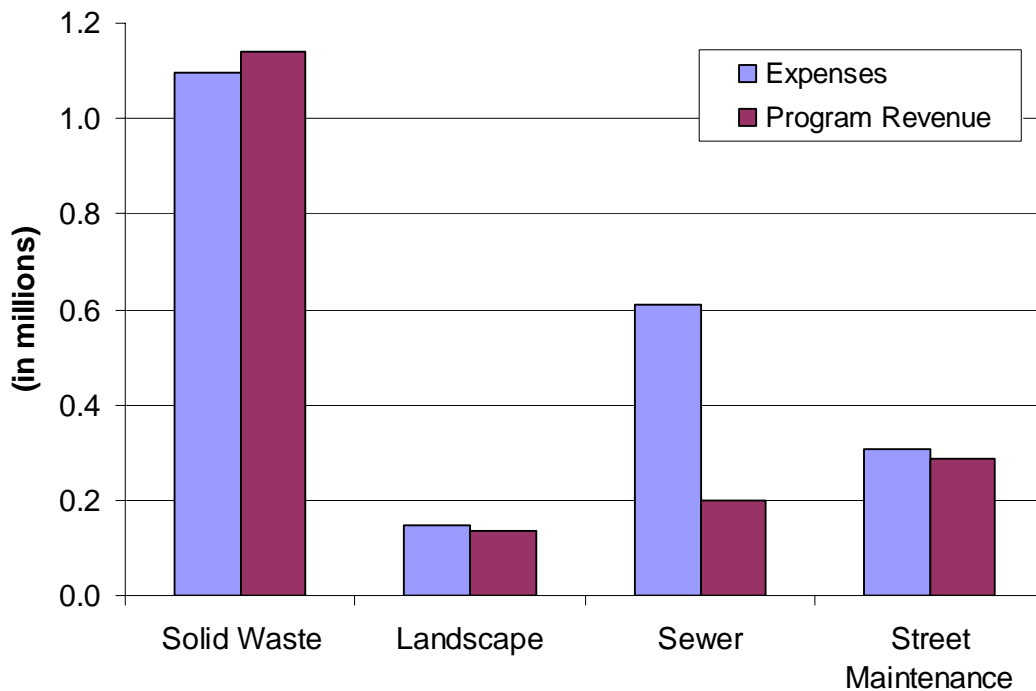
Other program revenues include operating and capital grants that together represented 9.4 percent of the total, or \$6.8 million. Operating and capital grants includes: \$3.1 million in various Federal, State, & County grants, \$1.7 million in Community Development Block Grant, \$1.2 million in Traded Funds, and \$0.8 million in Gas Tax.

For General Revenues, the four major categories were property tax – \$11.3 million, transient occupancy tax – \$11.3 million, sales tax – \$11.3 million, and use of money and property – \$5.3 million. These four sources represented 53.7 percent of the Governmental Activities.

Business-type Activities. *Net assets* at June 30, 2005, were \$12.8 million, with assets equaling \$12.9 million and liabilities of \$0.1 million. Unrestricted net assets represented 15.6 percent or \$2.0 million of net assets; this may be used to meet the government’s ongoing obligations to citizens and creditors (page 43). Investment in capital assets represented the largest portion of net assets at 84.4 percent or \$10.8 million. Business-type activities decreased the City’s net assets by \$0.3 million in 2005 (Table 2). Revenues of the City’s business-type activities were \$1.8 million, while the expenses were \$2.2 million.

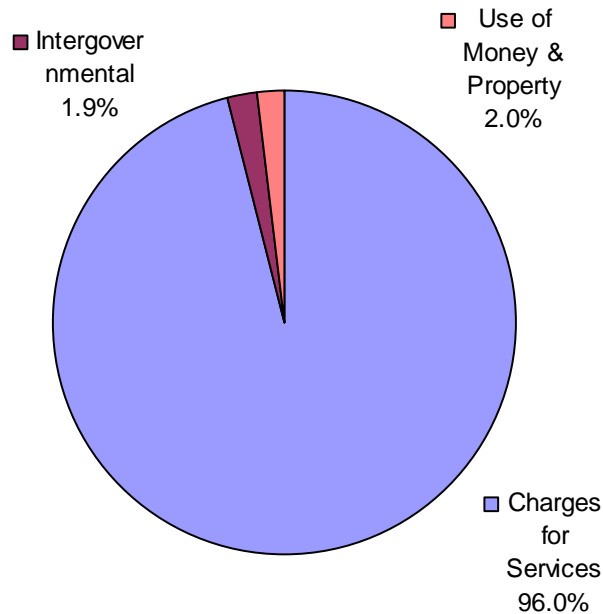
Graph 3 presents the costs of each of the City’s business activities and the associated program revenue. Since business-type activities are primarily used when the City charges customers for the services it provides, program revenues (charges for services) should be similar to the costs of these programs and represent the major funding source for these activities. The sewer activity includes depreciation expense on the City’s sewer infrastructure and revenues for that activity only include charges for maintenance.

Expenses and Program Revenues – Business-type Activities (Graph 3)



Graph 4 presents revenues by source for Business-type Activities. Similar to government-wide activities, *Charges for Services* is the largest at \$1.8 million or 96.0 percent. Total general revenues were \$0.1 million and represented intergovernmental and use of money and property (interest earnings).

Revenues by Source – Business-type Activities (Graph 4)



## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The City has three major governmental funds, General Fund, Debt Funded Capital Projects, and the Redevelopment Agency's Capital Project Fund. The General Fund is discussed in depth later in the MD&A. Debt Funded Capital Projects accounts for capital expenditures funded by long term debt. The Redevelopment Fund accounts for expenditures made for improvements to the Project Area. The other twenty-two Governmental Funds are reported as non-major and combined in a single presentation in the *Basic Financial Statements* or individually in the *Supplementary Information*. Each major fund is discussed further in the *Notes to the Financial Statements*.

Governmental Fund Balances – As of the end of the current fiscal year, governmental funds (page 44) reported combined ending fund balances of \$56.6 million. Approximately 83.7 percent of this total amount (\$47.4 million) constitutes unreserved fund balance. The remainder of fund balance is reserved to indicate that it is not available for new spending because it is committed for: 1) Liquidation of contracts and purchase orders of the prior period - \$3.0 million, 2) Advances to other funds, particularly from the City to the Redevelopment Agency - \$5.8 million, and 3) Other - \$0.4 million. Other than the General Fund, the most significant change in governmental fund balance was the redemption of the 1998 Variable Rate Refunding Certificates of Participation in the Parking Improvement Fund. The decrease in fund balance was \$2.2 million, but the amount paid was \$2.8 million.

Governmental Revenues – Table 3 presents a summary of governmental fund revenues for the fiscal year ended June 30, 2005, compared to prior year revenues.

Comparison of Governmental Revenues (Table 3)  
Fiscal Years 2004-05 and 2003-04

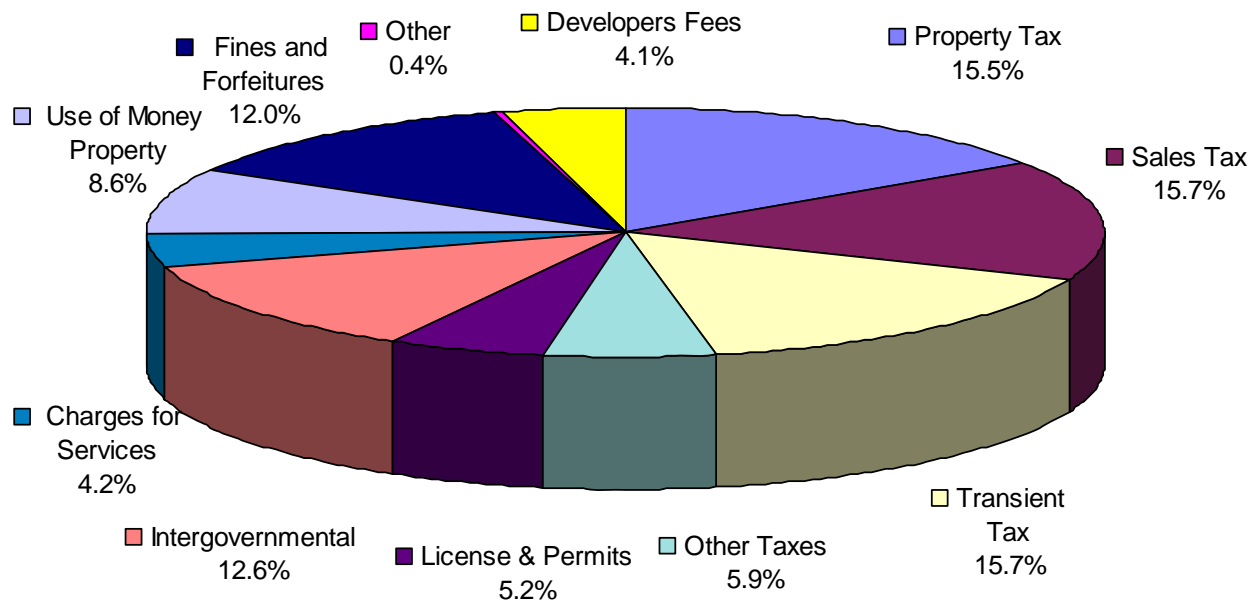
	Amount	% of Total	Amount	% of Total	Variance	% Increase/
	FY 04-05	Revenues	FY 03-04	Revenues	Over/(Under)	(Decrease)
					FY 03-04	FY 03-04
Property Tax	\$ 11,149,374	15.5%	\$ 10,404,927	16.3%	\$ 744,447	7.2%
Sales Tax	11,283,288	15.7%	8,667,158	13.6%	2,616,130	30.2%
Transient Tax	11,262,704	15.7%	9,288,712	14.6%	1,973,992	21.3%
Other Taxes	4,257,575	5.9%	4,641,603	7.3%	(384,028)	-8.3%
License & Permits	3,768,824	5.2%	3,430,860	5.4%	337,964	9.9%
Intergovernmental	9,019,572	12.6%	7,834,915	12.3%	1,184,657	15.1%
Charges for Services	3,000,706	4.2%	3,008,760	4.7%	(8,054)	-0.3%
Use of Money & Property	6,191,455	8.6%	6,304,030	9.9%	(112,575)	-1.8%
Fines and Forfeitures	8,615,254	12.0%	8,695,339	13.6%	(80,085)	-0.9%
Other	320,347	0.4%	400,676	0.6%	(80,329)	-20.0%
Developers Fees	2,959,411	4.1%	1,145,013	1.8%	1,814,398	158.5%
<b>TOTAL</b>	<b>\$ 71,828,510</b>	<b>100.0%</b>	<b>\$ 63,821,993</b>	<b>100.0%</b>	<b>\$ 8,006,517</b>	<b>12.5%</b>

Revenues of governmental funds for fiscal year 2004-05 were \$71.8 million, with an increase of \$8.0 million or 12.5 percent from the prior fiscal year. There were several significant increases to the top three major revenue sources for the City, which is an excellent sign that the local economy is booming. The largest governmental revenue was sales tax at \$11.3 million with an increase of \$2.6 million, or 30.2 percent. Transient occupancy tax, which comprise a significant portion of the City's revenue base and directly reflects the City's tourism industry, increased 21.3 percent or \$2.0 million. Similarly, property tax increased by \$0.7 million or 7.2 percent. The other

increases over the prior fiscal year include: developer fees at \$1.8 million, intergovernmental at \$1.2 million, and licenses and permits \$0.3 million.

Unfortunately, there were a few small decreases in five categories for a total of \$0.7 million. Other revenues had the largest percentage decrease of 20.0 percent, which was less than \$0.1 million. Other Taxes had a decrease of \$0.4 million or 8.3 percent. The other decreases were: use of money & property - \$0.1 million, charges for services at \$0.008 million, and fines and forfeitures at \$0.1 million. Within fines & forfeitures, parking fines remains the fourth largest single contributor to the City's operating revenue base at \$6.4 million with a small decrease of \$0.1 million from prior year. As most decreases in revenue are unfortunate, the percentage of decreases mentioned above were less than 1 percent of governmental revenues which had an overall increase of 12.5 percent from the prior year.

Governmental Fund Revenues – Fiscal Year 2004-05 (Graph 5)



Governmental Expenditures – Table 4 presents a summary of governmental fund expenditures for the fiscal year ended June 30, 2005, compared to prior year amounts.

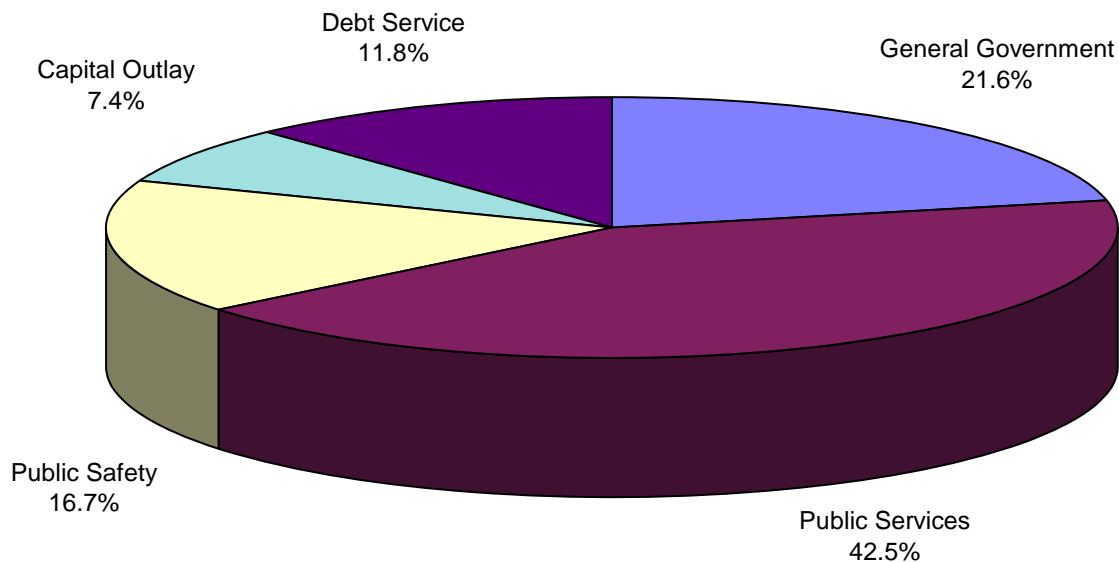
Operating expenditures for 2004-05 were \$51.9 million, an increase of 6.9 percent or \$3.3 million from the prior fiscal year, with General Government and Public Services having increases of \$1.8 million. Public Safety had a decreased 1.7 percent or \$0.2 million due to contracting levels with Los Angeles County Sheriff's Department not being filled because of a shortage of staff. The following areas had significant expenditure

changes: grant program expenditures increased \$1.1 million, salaries & benefits increased \$1.6 million, and contract services increased \$0.6 million, while insurance costs decreased \$0.5 million or 27.8 percent. The decrease in insurance costs was due to an enhanced risk management program over the past three 3 years. Capital outlay for 2004-05 decreased \$7.9 million or 62.6 percent due to prior year expenditures on the Tower Parking Lot of \$7.7 million. Debt Service increased 143.4 percent or \$4.5 million due to the City redemption of the 1998 Variable Rate Refunding Certificates of Participation in the current fiscal year.

Comparison of Major Governmental Expenditures (Table 4)  
Fiscal Years 2004-05 and 2003-04

	Amount FY 04-05	% of Total Expenditures	Amount FY 03-04	% of Total Expenditures	Variance Over/(Under) FY 03-04	% Increase/ (Decrease) FY 03-04
<b>General Government</b>	\$ 13,874,481	21.6%	\$ 12,101,089	18.8%	\$ 1,773,392	14.7%
<b>Public Safety</b>	10,698,220	16.7%	10,887,777	16.9%	(189,557)	-1.7%
<b>Public Services</b>	27,292,421	42.5%	25,541,870	39.7%	1,750,551	6.9%
<b>Total Operating Expenditures</b>	51,865,122	80.8%	48,530,736	75.5%	3,334,386	6.9%
<b>Capital Outlay</b>	4,722,669	7.4%	12,626,053	19.6%	(7,903,384)	-62.6%
<b>Debt Service</b>	7,589,468	11.8%	3,118,188	4.9%	4,471,280	143.4%
<b>TOTAL</b>	<b>\$ 64,177,259</b>	<b>100.0%</b>	<b>\$ 64,274,977</b>	<b>100.0%</b>	<b>\$ (97,718)</b>	<b>-0.2%</b>

Governmental Fund Expenditures – Fiscal Year 2004-05 (Graph 6)





Proprietary Funds. The City's Proprietary funds consist of one major fund, Sewer Construction, and four non-major Enterprise Funds, along with one Internal Service Fund (pages 50 to 52). The non-major Enterprise Funds are combined into an aggregate presentation in the Proprietary Funds financial statements. Individual fund data is provided in the form of *combining statements* starting on page 129.

Revenues for Enterprise Funds include assessments and other charges for services. Total operating revenues for all Enterprise Funds are \$1.8 million, while non-operating revenues and transfers represent less than \$0.1 million. Operating expenses for the fiscal year were \$2.2 million. The City also has one Internal Service Fund to allocate costs of the City's information systems infrastructure to the various departments. The interdepartmental charge for services (revenues) in the fiscal year were \$0.3 million with general government expenses of \$0.4 million.

Fiduciary Funds. As mentioned earlier, the City uses Fiduciary funds to account for resources held for the benefit of parties outside the City, in which the City is acting as trustee (page 53). The *Statement of Fiduciary Net Assets* reports two activities for which the City has a fiduciary responsibility. The City administers a Business Improvement District Fund that primarily accounts for the receipt of 1.5 percent of the transient occupancy tax (hotel tax) collected by the City on behalf of the West Hollywood Marketing Corporation (WHMC). The purpose of the WHMC is to promote the City of West Hollywood as a travel destination and convention site. The City also administers a Seismic Improvement Fund which accounts for the collection of special taxes on the property tax rolls to pay interest and principal on bonds issued for seismic retrofitting of 11 buildings within the City.

## GENERAL FUND – FUND BALANCE ANALYSIS

The General Fund is the chief operating fund of the City (pages 44 to 49). The fund balance had an increase of \$8.7 million. This was primarily the result of the revenues exceeding projections by 15.7 percent or \$7.5 million. As mentioned earlier, sales and transient occupancy tax had significant increases from prior year that exceeded \$3.6 million together (Table 5).

As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund operating expenditures, (which excludes capital projects). Unreserved fund balance represents 80.2 percent of total General Fund operating expenditures, while total fund balance represents 90.1 percent of that same amount.

Over the past five years (Table 5), fund balance has grown by 70.6 percent or \$17.4 million. This growth has enabled City Council and Management to designate \$20.0 million to future capital projects, including funding for the new City Library.

Fund Balance in the General Fund at June 30, 2005 is \$42.0 million, which is represented by three components. The Unreserved/undesignated fund balance is \$1.8 million, an increase of \$1.6 million. The remainder of fund balance, \$40.2 million, is made up of: Reserved/designated of \$7.4 million and Unreserved/designated of \$32.8 million.

Reserved/designated fund balances consist of: \$1.5 million for encumbrances, \$0.1 million for prepaid expenditures for next year, and \$5.8 million for advances to other funds, which include advances to the Redevelopment Agency for \$5.7 million, an increase of \$0.3 million from prior year. Unreserved/designated fund balance consists of: \$0.5 million for self-insurance, \$1.5 million designated for the LHTFP Grant Match, \$2.3 million designated for future expenditures, \$1.6 million for unfinished current-year capital projects, \$20.0 million designated for future capital projects, \$2.0 for pending litigation and \$5.0 million for emergency reserves as required by the Finance Policies.

Table 5 shows the three components of fund balance for the past five years. The second part shows the opening balance, operating surplus/(deficit), restatements, and ending balance. There were no restatements for this fiscal year in the General Fund; the restatement in fiscal year 01-02 was for an expenditure misclassification in 00-01 related to the Increment on Traded Funds.

General Fund – Changes to Fund Balance – Five Year Trend (Table 5)

	FY 04-05	FY 03-04	FY 02-03	FY 01-02	FY 00-01
Fund Balance					
Reserved	\$ 7,366,598	\$ 8,252,813	\$ 12,827,655	\$ 14,898,400	\$ 11,215,199
Designated Unreserved	32,835,991	24,890,782	18,072,568	8,337,348	12,389,787
Undesignated Unreserved	1,813,081	214,729	547,328	229,918	1,022,856
Total Fund Balance	<u>\$ 42,015,670</u>	<u>\$ 33,358,324</u>	<u>\$ 31,447,551</u>	<u>\$ 23,465,666</u>	<u>\$ 24,627,842</u>
Beginning Balance	\$ 33,358,324	\$ 31,447,551	\$ 23,465,666	\$ 24,627,842	\$ 24,296,927
Operating Surplus /(Deficit)	8,657,346	1,910,773	7,981,885	(408,176)	598,466
Restatement	-	-	-	(754,000)	(267,551)
Ending Balance	<u>\$ 42,015,670</u>	<u>\$ 33,358,324</u>	<u>\$ 31,447,551</u>	<u>\$ 23,465,666</u>	<u>\$ 24,627,842</u>

## GENERAL FUND – REVENUE AND EXPENDITURE ANALYSIS

Revenues – For fiscal year 2004-05, General Fund Revenues and Other Financing Sources were \$55.3 million, an increase of 9.8 percent due to the various increase in revenues mentioned on page 31 (General Fund – Fund Balance Analysis). Following are key points and graphs of General Fund Revenues:

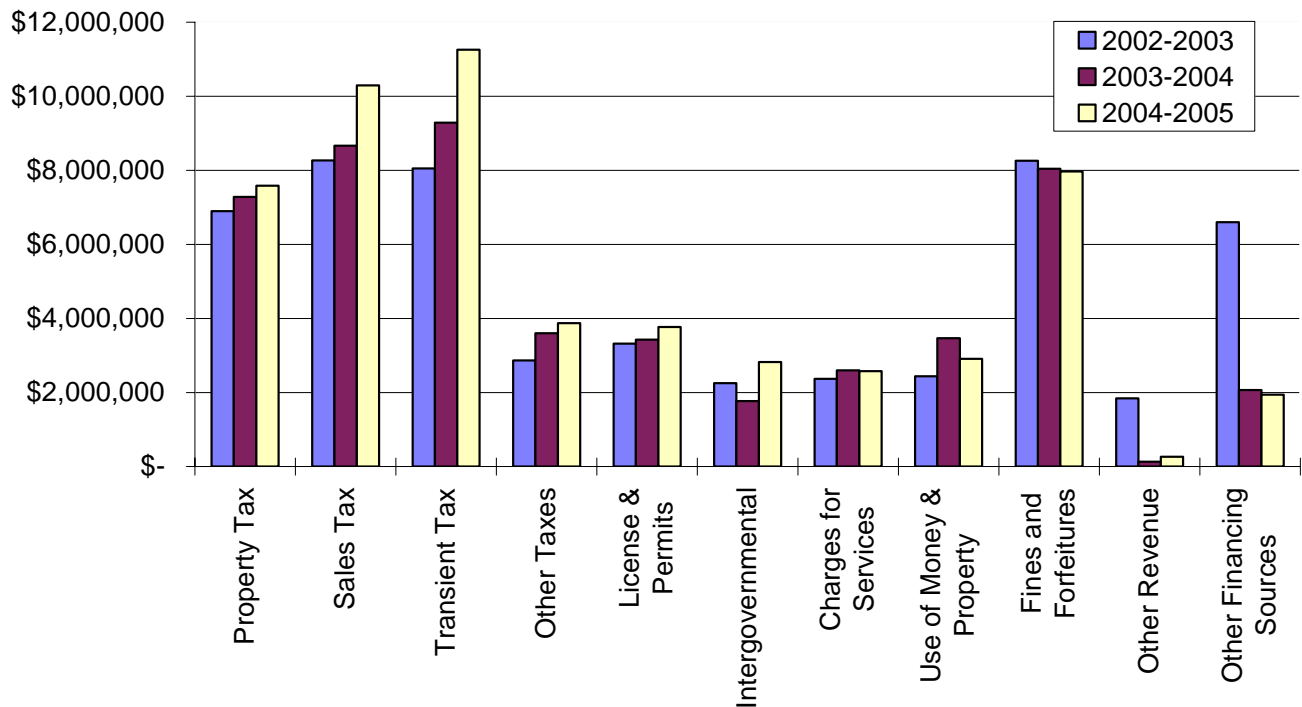
General Fund Revenues and Other Financing Sources (Table 6)  
Fiscal Years 2004-05 and 2003-04

	2004-2005	2003-2004	Variance Over/(Under) last year	% of increase (decrease) over last year	% of total
<b>Property Tax</b>	\$ 7,585,418	\$ 7,280,609	\$ 304,809	4.2%	13.7%
<b>Sales Tax</b>	10,295,808	8,667,158	1,628,650	18.8%	18.6%
<b>Transient Tax</b>	11,262,704	9,288,712	1,973,992	21.3%	20.4%
<b>Other Taxes</b>	3,873,449	3,596,538	276,911	7.7%	7.0%
<b>License &amp; Permits</b>	3,768,824	3,430,860	337,964	9.9%	6.8%
<b>Intergovernmental</b>	2,824,311	1,766,967	1,057,344	59.8%	5.1%
<b>Charges for Services</b>	2,578,721	2,601,262	(22,541)	-0.9%	4.7%
<b>Use of Money &amp; Property</b>	2,908,486	3,467,671	(559,185)	-16.1%	5.3%
<b>Fines and Forfeitures</b>	7,969,805	8,041,831	(72,026)	-0.9%	14.4%
<b>Other Revenue</b>	264,702	136,987	127,715	93.2%	0.5%
<b>Other Financing Sources</b>	1,937,604	2,063,297	(125,693)	na	3.5%
<b>Totals</b>	<b>\$ 55,269,832</b>	<b>\$ 50,341,892</b>	<b>\$ 4,927,940</b>	<b>9.8%</b>	<b>100.0%</b>

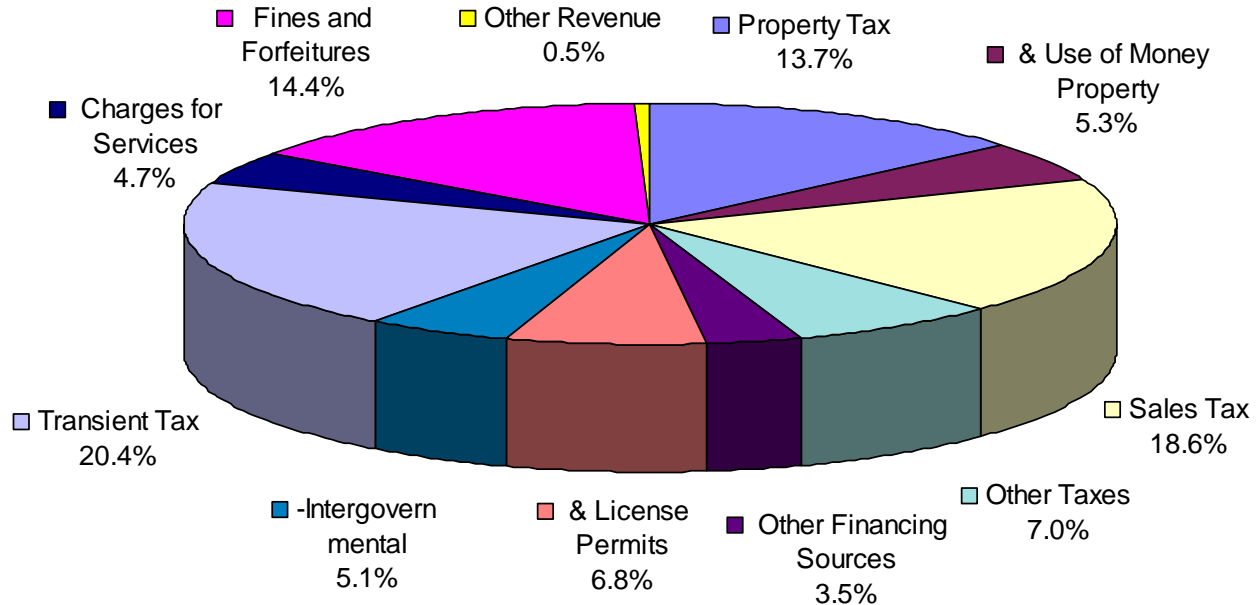
- Property tax revenues increased 4.2 percent, comprising 13.7 percent of General Fund revenue. This increase is attributed primarily to the adjusted valuations of properties sold, and subsequently reassessed.
- Sales tax revenues increased \$1.6 million or 18.8 percent from the prior year. The increase is primarily attributed to the Target and Best Buy stores located in the redevelopment project area as part of the new La Brea Gateway Project.
- Similarly, transient occupancy taxes increased 21.3 percent or \$1.9 million and have become the single largest source of revenue for the City. This was the highest year since FY 2000-01, when the events of September 11th sharply affected the travel and tourism industry in the Southern California region.
- Other tax revenues increased by 7.7 percent or \$0.3 million. A new franchise tax for taxi's in the amount of \$0.4 million represented the increase.

- License and permit revenues increased 9.9 percent, due to an increase in valuation of the building permits issued citywide.
- Intergovernmental revenues increased 59.8 percent or \$1.1 million. Motor Vehicle In-lieu Fee was \$2.5 million, an increase of \$0.8 million from \$1.7 million in the prior year.
- Charges for Services had a decrease of 0.9 percent or less than \$0.1 million. The major contributor to charges for services is Rent Stabilization Fees at \$1.9 million.
- Revenues from the use of money and property represent 5.3 percent of General Fund revenue and decreased by 16.1 percent or \$0.6 million from the prior year. This decrease is attributed to lower interest rates on investments and the deferred interest on loans to the Redevelopment Agency.
- Fines & forfeitures decreased 0.9 percent, but is the third largest revenue source for the General Fund at 14.4 percent. Parking Fines represents 72.5 percent or \$5.8 million of fines & forfeitures. The City dedicates 10.0 percent of total parking fine revenues to the Parking Improvement Fund for the construction and operation of public parking.

Comparison of General Fund Revenues (Graph 7)  
Fiscal Years 2004-05, 2003-04 and 2002-03



General Fund Revenues - Fiscal Year 2004-05 (Graph 8)



Expenditures – For fiscal year 2004-05, total General Fund expenditures were \$46.6 million, a decrease of 3.8 percent from the prior year. Following are key points and graphs of General Fund expenditures and for detail information refer to page 48 & 49.

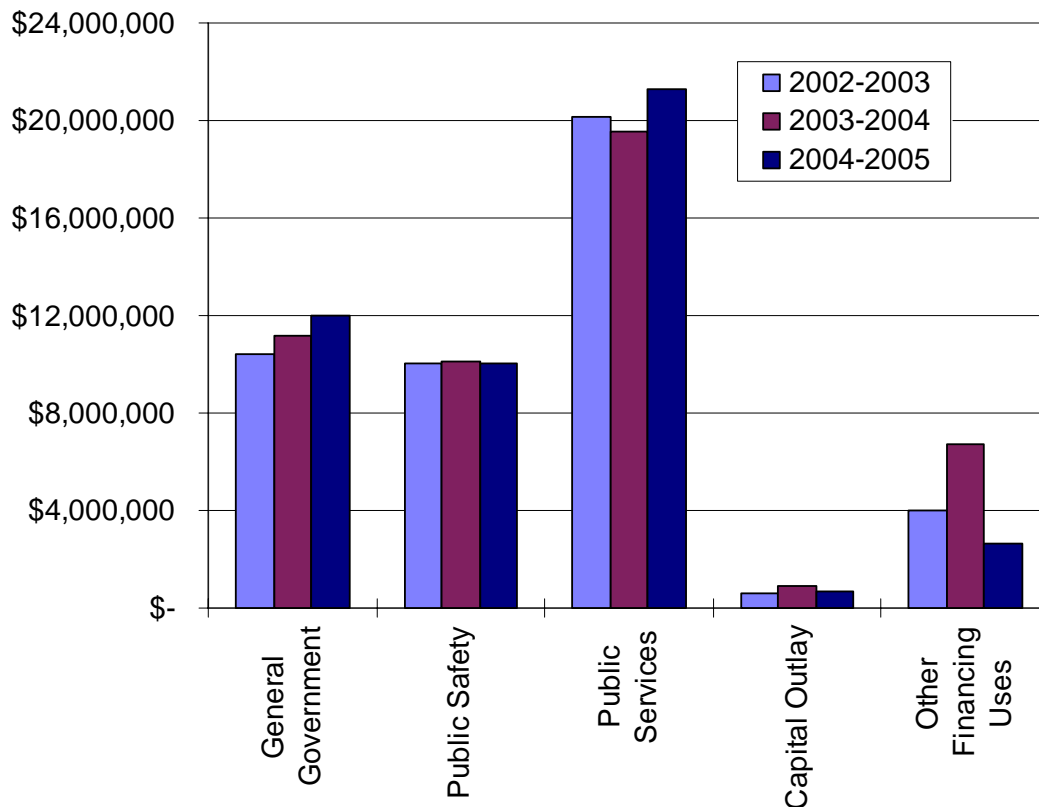
General Fund Expenditures (Table 7)  
Fiscal Years 2004-05 and 2003-04

	2004-2005	2003-2004	Variance Over/(Under) last year	% of increase (decrease) over last year	% of total
<b>General Government</b>	\$ 11,967,648	\$ 11,152,129	\$ 815,519	7.9%	25.7%
<b>Public Safety</b>	10,002,401	10,100,118	(97,717)	-1.0%	21.5%
<b>Public Services</b>	21,248,851	19,558,515	1,690,336	8.4%	45.6%
<b>Capital Outlay</b>	716,180	870,310	(154,130)	-25.8%	1.5%
<b>Other Financing Uses</b>	2,677,406	6,750,047	(4,072,641)	-102.3%	5.7%
<b>Total Expenditures</b>	<u>\$ 46,612,486</u>	<u>\$ 48,431,119</u>	<u>\$ (1,818,633)</u>	<u>-3.8%</u>	<u>100.0%</u>

- General Government expenditures were \$12.0 million, an increase of 7.9 percent. This increase occurred in salaries & benefits (\$0.6 million) and contract services (\$0.4 million).

- Public Safety expenditures were \$10.0 million, a decrease of 1.0 percent. The City also had additional costs in Public Safety for 2004-05 in the amount of \$0.7 million, for a total of \$10.7 million.
- Public Service expenditures were \$21.2 million and resulted in a 8.4 percent increase. Public Services is the largest function in the General Fund, with the following five (5) major program areas: 1) Social Services - \$3.9 million, 2) Building and Landscape Maintenance - \$3.0 million, 3) Parking Services - \$2.7 million, 4) Recreation Services - \$2.4 million, and 5) Transportation Planning - \$2.4 million.
- Capital Outlay was \$0.7 million, a decrease of 25.8 percent or \$0.2 million. There was \$1.6 million of unfinished capital improvement projects carried forward into fiscal year 2005-06.
- Other Financing Uses were \$2.7 million, which was a decrease of \$4.1 million from prior year. The decrease was a result of transferring funds to the Debt Funded Capital Projects Fund for the purchase of land for public parking in the prior year.

Comparison of General Fund Expenditures (Graph 9)  
Fiscal Years 2004-05, 2003-04 and 2002-03



## GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the City Council revised the City budget several times. Budget revisions fall into three categories. The first category includes carry-forward encumbrances and capital projects that are approved shortly after the beginning of the year. The second category includes changes that the Council makes during the mid-year budget process. Finally, the Council approves supplemental appropriations throughout the year based on individual items that are bought forward by various departments. The General Fund budgetary comparison statement is located on pages 48 to 49.

Resources (Inflows) –The budgeted amount for *revenues* (resources available for appropriation) had an increase of \$2.7 million between the original budget of \$45.0 million and the final amended budget of \$47.7 million. The increase was due in part to mid-year adjustments for taxes at \$0.4 million and other revenue at \$2.2 million. The negative budget of \$2.0 million for other revenue was in preparation of a “state take-away” from local government by the State of California. Even with these adjustments, actual revenues exceeded the final amended budget by \$7.5 million. The significant difference in actual revenues was primarily due to actual tax revenue exceeding budget by \$4.8 million.

Charges to Appropriations (Outflows) – The difference between the original budget and the final budget was a decrease of \$1.7 in appropriations. The major increase was in Public Services in the amount of \$1.4 million, of which \$0.7 million was used to purchase traded funds for transportation programs. For the other functions, General Government had a \$0.1 million increase as well as Capital Projects with a \$0.3 million increase. Public Safety, Capital Projects, and Debt Service were mostly unchanged.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The City’s investment in capital assets (Table 7) for its governmental and business-type activities as of June 30, 2005, is \$127.4 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, and infrastructure.

Here are the major additions included in fiscal year 2004 – 2005:

- |   |           |
|---|-----------|
| • City-wide Infrastructure Improvements (CIP) | \$802,000 |
| • West Hollywood Library Design               | \$697,000 |
| • El Tovar Parking Lot Improvements           | \$263,000 |

Capital Assets (Table 7)  
(net of depreciation)  
(in thousands)

	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2005	2004	2005	2004	2005	2004
Land	\$ 45,714	\$ 45,714	\$ -	\$ -	\$ 45,714	\$ 45,714
Buildings and systems	13,461	13,747	-	-	13,461	13,747
Improvements other than buildings	3,709	3,651	-	-	3,709	3,651
Machinery and Equipment	231	316	-	-	231	316
Infrastructure	46,807	47,551	10,812	11,110	57,619	58,661
Construction in progress	6,675	5,818	-	-	6,675	5,818
<b>Total Capital Assets</b>	<b>\$ 116,597</b>	<b>\$ 116,797</b>	<b>\$ 10,812</b>	<b>\$ 11,110</b>	<b>\$ 127,409</b>	<b>\$ 127,907</b>

For fiscal year 2004-05, the capital budget calls for the city to spend another \$37.9 million that will be carried forwarded to 2005-06. The City budgeted \$17.9 million for the construction of Municipal Parking Structure II on Sunset Boulevard and \$6.0 million for the construction of Municipal Parking Structure III on Robertson Boulevard. The City plans to finance both of these projects with *long-term debt*. The City also budgeted \$5.5 million in the Redevelopment Agency Capital Project Fund for property acquisition. Additional information about the City's capital assets can be found in the *Notes to the Financial Statements*.

Long-Term Debt. At year-end, the City had \$36.33 million in outstanding long-term debt for Governmental Activities. This consisted of bonds payable, Certificates of Participation & Tax Allocation Bonds, and compensated absences. As shown in Table 8, Certificates of Participation outstanding were \$23.3 million versus \$28.4 million last year – a decrease of 18.2 percent caused by early redemption of the 1998 Variable Rate Refunding Certificates of Participation. Tax Allocation Bonds were \$11.3 million and represent the first bond issue of the City's Redevelopment Agency. The 2003 Tax Allocation Bonds were issued in September 2003 and the proceeds financed redevelopment activities within the East-side Project Area, including activities that increase, improve or preserve the supply of low and moderate income housing. Compensated absences had a prior year restatement of \$0.7 with an ending balance of \$1.8 million, an 11.1 percent increase. Additional information about the City's long-term debt can be found in the *Notes to the Financial Statements*.



Long-Term Debt (Table 8)  
(in thousands)

	Governmental Activities			
	2005	2004	Variance Over/(Under) last year	% of increase (decrease) over last year
Certificates of Participation	\$ 23,255.0	\$ 28,440.0	\$ (5,185.0)	-18.2%
Tax Allocation Bonds	11,265.0	11,500.0	(235.0)	-2.0%
Compensated Absences	1,782.9	1,604.5	178.4	11.1%
<b>Total Long-term Debt</b>	<b>\$ 36,302.9</b>	<b>\$ 41,544.5</b>	<b>\$ (5,241.6)</b>	<b>-12.6%</b>

### ECONOMIC FACTORS AND OUTLOOK FOR FUTURE YEARS

Although the focus of this Annual Report is the economic condition of the City as of June 30, 2005, there are always local, state and federal issues that require consideration in this report because of their future economic impact to the City. So in preparing the budget for the next fiscal year, these factors played a critical role.

At the Federal Level, cuts in housing and social services funding creates a severe crisis for the County of Los Angeles and will have a significant impact on City residents, especially those who depend on the County for housing and medical care. As government funding and private donations become more scarce and client populations increase, the non-profit agencies that serve City residents are finding it more difficult to provide necessary services. Several crucial programs focused on survival needs fulfilled 100% of their service commitments to the City by mid-year. With completion of the Social Services Needs Assessment, staff and Council will be called upon to evaluate the funding levels and service priorities for these essential programs.

At the State Level, the California State Budget Crisis has leveled off. In November of 2004, Proposition 1A was passed by the voters of California and endorsed by the Governor and the League of California Cities to "Protect Local Revenues", this will protect the City from local revenues being taken in time of a budget crisis by the State Legislators. The good news is the State's Legislative Analyst Office (LAO) has projected a surplus of \$5.4 billion for the State at the end of the 2005-06 fiscal year. This should help the State return to a healthy fiscal condition.

At the local level, the City's economic condition, which declined in fiscal year 2001-02 because of the Events of September 11<sup>th</sup>, has shown a full recovery with the City's three major revenue sources well above the levels of fiscal year 2001-02. The tourism and entertainment industry plays a crucial role in the City's economic base, and with transient occupancy tax (TOT) and sales tax revenues at their highest levels reflects that the local economy has had a full recovery from the recession in 2001. The City expects the economy to continue to improve in fiscal year 2005-06.

Taking this information into account, the City's adopted General Fund budget for fiscal year 2005-06 reflects cautious optimism about the City's financial future. Projection for key revenues over the next year anticipates that they will continue to strengthen and expand our very diverse economic base. Higher costs for public safety, housing & social services, retirement and health care counter in significant part the anticipated revenue expansion. The escalation of these costs well above the general cost of living was factored into the next fiscal year's budget. The City continues to use its strategic plan, Vision 2020, in guiding its decisions during the budget process.

## CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the funds it receives and expends. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance & Technology Services, City of West Hollywood, 8300 Santa Monica Blvd., West Hollywood, California 90069. This report is also available online at [www.weho.org/financials](http://www.weho.org/financials).



# **Basic Financial Statements**



City of West Hollywood  
California 1984

CITY OF WEST HOLLYWOOD  
STATEMENT OF NET ASSETS  
JUNE 30, 2005

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Totals	West Hollywood Marketing Corp
<b>Assets:</b>				
Cash and investments (Note 3)	\$ 63,596,760	\$ 2,007,963	\$ 65,604,723	\$ 359,827
Cash and investments w/trustee (Note 3)	2,851,019	-	2,851,019	-
<b>Receivables:</b>				
Accounts	268,984	229	269,213	4,999
Taxes	1,104,414	-	1,104,414	279,879
Accrued interest	308,901	12,631	321,532	-
Deferred loans	11,460,636	-	11,460,636	-
Less allowance for uncollectibles	(10,066,715)	-	(10,066,715)	-
Internal balances	(9,079)	9,079	-	-
Prepaid costs	82,909	-	82,909	10,906
Unamortized debt issuance costs	252,420	-	252,420	-
Deposits	15,000	-	15,000	-
Due from other governments	3,992,265	51,737	4,044,002	-
Capital assets not subject to depreciation (Notes 1,5 and 6)	52,388,975	1,367,776	53,756,751	-
Capital assets subject to depreciation, net (Notes 1, 5 and 6)	64,207,939	9,444,649	73,652,588	28,389
<b>Total Assets</b>	<b>190,454,428</b>	<b>12,894,064</b>	<b>203,348,492</b>	<b>684,000</b>
<b>Liabilities:</b>				
Accounts payable	6,010,162	112,070	6,122,232	-
Accrued liabilities	543,385	7,164	550,549	14,109
Accrued interest	671,804	-	671,804	-
Unearned revenue	3,312,030	-	3,312,030	-
Deposits payable	1,275,833	-	1,275,833	-
Due to other governments	1,493,742	-	1,493,742	-
Accrued claims and judgments	1,923,456	-	1,923,456	-
<b>Noncurrent liabilities (Notes 1 and 8):</b>				
Due within one year	2,503,410	-	2,503,410	3,055
Due in more than one year	34,326,177	-	34,326,177	4,767
<b>Total Liabilities</b>	<b>52,059,999</b>	<b>119,234</b>	<b>52,179,233</b>	<b>21,931</b>
<b>Net assets:</b>				
Invested in capital assets, net of related debt	81,802,689	10,812,425	92,615,114	20,567
<b>Restricted for:</b>				
Community development projects	650,948	-	650,948	-
Public safety	374,180	-	374,180	-
Capital projects	12,749,659	-	12,749,659	-
Debt service	8,438,821	-	8,438,821	-
Unrestricted	34,378,132	1,962,405	36,340,537	641,502
<b>Total Net Assets</b>	<b>\$ 138,394,429</b>	<b>\$ 12,774,830</b>	<b>\$ 151,169,259</b>	<b>\$ 662,069</b>

See Notes to Financial Statements

CITY OF WEST HOLLYWOOD  
STATEMENT OF ACTIVITIES  
FOR YEAR ENDING JUNE 30, 2005

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Contributions and Grants</u>	<u>Capital Contributions and Grants</u>
<b>Primary Government:</b>				
Governmental Activities:				
General government	\$ 14,701,420	\$ 868,099	\$ -	\$ -
Public safety	11,072,802	800,865	309,786	-
Public services	33,426,113	18,260,961	6,174,915	332,050
Total Governmental Activities	59,200,335	19,929,925	6,484,701	332,050
Business-Type Activities:				
Solid waste	1,096,935	1,140,457	-	-
Landscape	147,299	136,105	-	-
Sewer	610,894	201,155	-	-
Street maintenance	305,569	286,867	-	-
Total Business-Type Activities	2,160,697	1,764,584	-	-
Total Primary Government	\$ 61,361,032	\$ 21,694,509	\$ 6,484,701	\$ 332,050
<b>Component Units:</b>				
West Hollywood				
Marketing Corporation	\$ 1,288,725	\$ 111,931	\$ 25,000	\$ -

See Notes to Financial Statements

(CONTINUED)

	Net (Expenses) Revenues and Changes in Net Assets			Component Unit West Hollywood Marketing Corporation
	Primary Government			
	Governmental Activities	Business-type Activities	Totals	
	\$ (13,833,321)	\$ -	\$ (13,833,321)	\$ -
	(9,962,151)	-	(9,962,151)	-
	(8,658,187)	-	(8,658,187)	-
	<u>(32,453,659)</u>	<u>-</u>	<u>(32,453,659)</u>	<u>-</u>
	-	43,522	43,522	-
	-	(11,194)	(11,194)	-
	-	(409,739)	(409,739)	-
	-	(18,702)	(18,702)	-
	<u>-</u>	<u>(396,113)</u>	<u>(396,113)</u>	<u>-</u>
	<u>(32,453,659)</u>	<u>(396,113)</u>	<u>(32,849,772)</u>	<u>-</u>
				<u>(1,386,416)</u>
General Revenues:				
Taxes:				
Property Taxes	11,290,226	-	11,290,226	-
Transient Occupancy Taxes	11,262,704	-	11,262,704	1,344,048
Sales Taxes	11,295,461	-	11,295,461	-
Franchise Taxes	1,568,412	-	1,568,412	-
Business Licenses Taxes	2,012,904	-	2,012,904	-
Intergovernmental, unrestricted:				
Motor Vehicle In Lieu	2,588,005	-	2,588,005	-
Use of Money and Property	5,296,288	37,035	5,333,323	1,808
Intergovernmental	-	35,534	35,534	-
Other	447,477	-	447,477	154,207
Total General Revenues	<u>45,761,477</u>	<u>72,569</u>	<u>45,834,046</u>	<u>1,500,063</u>
Change in Net Assets	13,307,818	(323,544)	12,984,274	113,647
Net Assets at Beginning of Year	<u>124,004,760</u>	<u>13,098,374</u>	<u>137,103,134</u>	<u>548,422</u>
Restatement of Net Assets (Note 10)	719,084	-	719,084	-
Net Assets at End of Year	<u>\$ 138,031,662</u>	<u>\$ 12,774,830</u>	<u>\$ 150,806,492</u>	<u>\$ 662,069</u>

CITY OF WEST HOLLYWOOD  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2005

	General	Capital Projects Fund Redevelopment Agency Capital Projects	Debt Service Fund Capital Projects Debt Service	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Pooled cash and investments	\$ 41,321,191	\$ 26,336	\$ 3,427,176	\$ 18,360,304	\$ 63,135,007
Receivables:					
Accounts	267,731	-	-	1,253	268,984
Taxes	1,104,414	-	-	-	1,104,414
Accrued interest	193,924	312	-	114,665	308,901
Prepaid costs	59,722	-	-	23,187	82,909
Deposits	15,000	-	-	-	15,000
Due from other governments	3,177,854	-	-	814,411	3,992,265
Due from other funds	2,821,404	-	-	-	2,821,404
Advances to other funds	5,833,618	-	-	-	5,833,618
Restricted assets:					
Cash and investments w/fiscal agents	-	-	2,024,299	826,720	2,851,019
Deferred loans receivable	-	287,115	-	11,173,521	11,460,636
Allowance for uncollectibles	-	-	-	(10,066,715)	(10,066,715)
Total Assets	<u>\$ 54,794,858</u>	<u>\$ 313,763</u>	<u>\$ 5,451,475</u>	<u>\$ 21,247,346</u>	<u>\$ 81,807,442</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 4,493,560	\$ 12,503	\$ -	\$ 1,391,463	\$ 5,897,526
Accrued liabilities	521,642	3,760	-	17,983	543,385
Due to other funds	-	-	-	2,821,404	2,821,404
Unearned revenue	2,707,132	-	-	604,898	3,312,030
Advances from other funds	-	5,734,188	-	99,430	5,833,618
Deferred revenue	1,867,210	-	-	200,444	2,067,654
Claims and judgments payable	1,923,456	-	-	-	1,923,456
Deposits payable	1,266,188	-	-	9,645	1,275,833
Due to other governments	-	-	-	1,493,742	1,493,742
Total Liabilities	<u>12,779,188</u>	<u>5,750,451</u>	<u>-</u>	<u>6,639,009</u>	<u>25,168,648</u>
Fund Balances:					
Reserved:					
Reserved for encumbrances	1,473,258	37,134	6,000	1,500,508	3,016,900
Reserved for prepaid costs	59,722	-	-	23,187	82,909
Reserved for loans receivable	-	287,115	-	-	287,115
Reserved for advances to other fund:	5,833,618	-	-	-	5,833,618
Unreserved:					
Unreserved, reported in nonmajor:					
Special revenue funds	-	-	-	8,124,694	8,124,694
Capital projects funds	-	-	-	1,314,837	1,314,837
Debt service funds	-	-	-	3,659,150	3,659,150
Permanent funds	-	-	-	(14,039)	(14,039)
Designated for self-insurance	500,000	-	-	-	500,000
Designated for future expenditures	2,250,000	-	-	-	2,250,000
Designated for capital imprvmnt proj.	21,585,991	-	-	-	21,585,991
Designated for LHFP Grant	1,500,000	-	-	-	1,500,000
Designated for litigation costs	2,000,000	-	-	-	2,000,000
Designated for emergencies	5,000,000	-	-	-	5,000,000
Designated for debt service	-	-	5,445,475	-	5,445,475
Undesignated	1,813,081	(5,760,937)	-	-	(3,947,856)
Total Fund Balances	<u>42,015,670</u>	<u>(5,436,688)</u>	<u>5,451,475</u>	<u>14,608,337</u>	<u>56,638,794</u>
Total Liabilities and Fund Balances	<u>\$ 54,794,858</u>	<u>\$ 313,763</u>	<u>\$ 5,451,475</u>	<u>\$ 21,247,346</u>	<u>\$ 81,807,442</u>

See Notes to Financial Statements

CITY OF WEST HOLLYWOOD  
GOVERNMENTAL FUNDS  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2005

	<b>2005</b>
Fund balances of governmental funds	\$ 56,638,794
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.	116,596,914
Long-term debt and compensated absences that have not been included in the governmental fund activity:	
Certificates of Participation and Tax Allocation Bonds Payable	(34,794,225)
Compensated Absences	(1,782,942)
Accrued interest payable for the current portion of interest due on Certificates of Participation that have not been reported in the governmental funds.	(671,804)
Some of the City's revenues will be collected after year end but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as unearned revenues in the funds.	1,510,738
Interest on Redevelopment Agency loans was accrued during the year, resulting in deferred revenue in the General Fund because it is not available. This is considered revenue in the Statement of Activities.	556,916
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net assets.	340,038
Net assets of governmental activities	\$ 138,394,429

**See Notes to Financial Statements**



CITY OF WEST HOLLYWOOD  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2005

	General	Capital Projects Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
		Redevelopment Agency Capital Projects	Capital Projects Debt Service		
Revenues:					
Taxes	\$ 33,017,379	\$ -	\$ -	\$ 4,935,562	\$ 37,952,941
Licenses and permits	3,768,824	-	-	-	3,768,824
Intergovernmental	2,824,311	-	-	6,195,261	9,019,572
Charges for services	2,578,721	-	-	421,985	3,000,706
Use of money and property	2,908,486	42,971	911,495	2,328,503	6,191,455
Fines and forfeitures	7,969,805	-	-	645,449	8,615,254
Other	264,702	-	-	55,645	320,347
Developer fees	-	-	-	2,959,411	2,959,411
Total Revenues	<u>53,332,228</u>	<u>42,971</u>	<u>911,495</u>	<u>17,541,816</u>	<u>71,828,510</u>
Expenditures:					
Current:					
General government	11,967,648	1,920	-	1,904,913	13,874,481
Public safety	10,002,401	-	-	695,819	10,698,220
Public services	21,248,851	353,918	-	5,689,652	27,292,421
Capital outlay	716,180	-	-	4,006,489	4,722,669
Debt service:					
Principal retirement	-	-	5,185,000	235,000	5,420,000
Interest and fiscal charges	6,680	324,577	1,234,630	603,581	2,169,468
Total Expenditures	<u>43,941,760</u>	<u>680,415</u>	<u>6,419,630</u>	<u>13,135,454</u>	<u>64,177,259</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>9,390,468</u>	<u>(637,444)</u>	<u>(5,508,135)</u>	<u>4,406,362</u>	<u>7,651,251</u>
Other financing sources (uses):					
Transfers in	1,937,604	-	5,508,135	616,812	8,062,551
Transfers out	(2,670,726)	-	-	(5,391,825)	(8,062,551)
Total Other Financing Sources (Uses)	<u>(733,122)</u>	<u>-</u>	<u>5,508,135</u>	<u>(4,775,013)</u>	<u>-</u>
Net Change in Fund Balances	8,657,346	(637,444)	-	(368,651)	7,651,251
Fund Balances, Beginning of Year	<u>33,358,324</u>	<u>(4,799,244)</u>	<u>5,451,475</u>	<u>14,976,988</u>	<u>48,987,543</u>
Fund Balances, End of Year	<u>\$ 42,015,670</u>	<u>\$ (5,436,688)</u>	<u>\$ 5,451,475</u>	<u>\$ 14,608,337</u>	<u>\$ 56,638,794</u>

See Notes to Financial Statements

CITY OF WEST HOLLYWOOD  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2005

	<b>2005</b>
Net change in fund balances - total governmental funds	\$ 7,651,251
<p>Amounts reported for governmental activities in the statement of activities differs from the amounts reported in the statement of activities because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>	(200,211)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. Proceeds of debt issued are an increase to a liability on the statement of net assets, rather than an other financing source as in the fund-level statements.</p>	5,634,435
<p>Accrued interest for Certificates of Participation. This is the net change in accrued interest for the current period.</p>	17,987
<p>Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	(178,398)
<p>Certain revenues were measurable but not available and, therefore, could not be reported as revenues on the modified accrual basis but are considered revenues for the Statement of Activities.</p>	490,938
<p>Interest on Redevelopment Agency loans was accrued during the year, resulting in an deferred revenue in the General Fund because it is not available. This is considered revenue in the Statement of Activities.</p>	324,577
<p>Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net revenues (expenses) of the internal service fund is reported with governmental activities.</p>	(69,994)
Change in net assets of governmental activities	\$ 13,670,585

See Notes to Financial Statements

CITY OF WEST HOLLYWOOD  
 BUDGETARY COMPARISON STATEMENT – GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2005

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary Fund Balance, July 1	\$ 33,358,324	\$ 33,358,324	\$ 33,358,324	\$ -
Resources (Inflows):				
Taxes	27,805,400	28,165,400	33,017,379	4,851,979
Assessments	-	-	-	-
Licenses & Permits	2,904,100	2,928,861	3,768,824	839,963
Intergovernmental	2,185,600	2,201,876	2,824,311	622,435
Charges for Services	2,437,900	2,437,900	2,578,721	140,821
Use of Money & Property	2,707,930	2,707,930	2,908,486	200,556
Fines & Forfeitures	8,254,000	8,404,000	7,969,805	(434,195)
Other	(1,990,000)	253,825	264,702	10,877
Transfers In	617,575	617,575	1,937,604	1,320,029
Sub-total Resources (Inflows)	44,922,505	47,717,367	55,269,832	7,552,465
Amounts Available for Appropriation	78,280,829	81,075,691	88,628,156	7,552,465
Charges to Appropriation (Outflow):				
General government:				
City Council	749,995	802,995	804,625	(1,630)
City Manager	466,691	512,191	454,977	57,214
Public Safety Administration	663,377	663,377	571,898	91,479
Public Safety Commission	-	4,200	3,450	750
Economic Development	686,188	686,188	603,614	82,574
Arts & Cultural Affairs Commission	516	5,316	2,213	3,103
City Attorney	875,379	900,379	1,068,638	(168,259)
Administrative Services	914,074	982,853	915,514	67,339
City Clerk	819,614	834,614	821,356	13,258
Human Resources	747,098	747,098	717,069	30,029
Finance Administration	395,615	381,615	376,719	4,896
Revenue Management	564,787	564,787	534,158	30,629
General Accounting	563,777	563,777	457,880	105,897
Budget and Payroll	371,301	371,301	336,489	34,812
Organization Services	104,000	100,000	-	100,000
Information Technology	1,160,213	1,130,213	1,052,728	77,485
Risk Management	1,674,538	1,574,538	1,276,943	297,595
Adjudication Services	835,902	836,902	821,316	15,586
Adjudication/Public Info/CATV Admin.	1,140,939	1,153,939	1,148,061	5,878
Sub-total General Government	12,734,004	12,816,283	11,967,648	848,635
Public safety				
Police Services	10,670,405	10,706,555	10,002,401	704,154
Sub-total Public Safety	10,670,405	10,706,555	10,002,401	704,154

(CONTINUED)

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public services				
Human Services Administration	334,940	348,440	362,427	(13,987)
Human Services Commission	613	6,313	3,800	2,513
Community Facilities Commission	610	9,010	6,209	2,801
Recreation Services	2,317,046	2,474,371	2,384,214	90,157
Farmers' Market	126,204	126,204	135,826	(9,622)
Social Services	3,852,863	3,871,549	3,863,560	7,989
Facilities, Landscape & Streets	3,230,658	3,161,734	3,033,766	127,968
Rent Stabilization Administration	951,603	1,122,822	918,430	204,392
Rent Stabilization Commission	1,250	5,250	3,172	2,078
Records Administration & Monitoring	875,120	875,120	810,231	64,889
Housing & Residential Code Compliance	376,057	376,057	367,631	8,426
Community Development Admin.	282,145	282,145	261,692	20,453
Planning Commission	3,800	12,200	11,096	1,104
Historic Preservation Commission	5,350	9,550	7,519	2,031
Planning Division	1,582,139	1,704,604	1,458,512	246,092
Commercial Code Compliance	886,714	885,754	882,856	2,898
Business License Commission	1,100	6,350	1,766	4,584
Building & Safety	766,796	751,493	678,511	72,982
Transportation & Public Works Admin.	404,127	404,127	393,844	10,283
Transportation Commission	997	4,997	2,500	2,497
Parking Services	2,604,057	2,675,068	2,657,655	17,413
Transportation Planning	1,790,203	2,512,653	2,408,742	103,911
Engineering	505,562	690,837	594,892	95,945
Sub-total Public Services	20,899,954	22,316,648	21,248,851	1,067,797
Capital outlay				
Capital Projects	2,697,179	2,960,826	716,180	2,244,646
Debt service				
Debt service - Interest & Fiscal Charges	-	-	6,680	(6,680)
Nondepartmental				
Transfers Out	1,249,182	1,249,182	2,670,726	(1,421,544)
Total Charges to Appropriations	48,257,405	50,049,494	46,612,486	3,437,008
Budgetary Fund Balance, June 30	\$ 30,023,424	\$ 31,026,197	\$ 42,015,670	\$ 10,989,473

CITY OF WEST HOLLYWOOD  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2005

	<u>Enterprise Fund Sewer Construction</u>	<u>Non-Major Enterprise Funds</u>	<u>Totals</u>	<u>Internal Service Fund Information Systems Master Plan</u>
<b>ASSETS</b>				
Current:				
Cash and investments	\$ 1,111,658	\$ 896,305	\$ 2,007,963	\$ 461,753
Receivables:				
Accounts	-	229	229	-
Accrued interest	6,734	5,897	12,631	-
Due from other governments	-	51,737	51,737	-
Total Current Assets	<u>1,118,392</u>	<u>954,168</u>	<u>2,072,560</u>	<u>461,753</u>
Noncurrent:				
Capital assets - net of accumulated depreciation	<u>10,812,425</u>	<u>-</u>	<u>10,812,425</u>	<u>-</u>
Total Assets	<u>\$ 11,930,817</u>	<u>\$ 954,168</u>	<u>\$ 12,884,985</u>	<u>\$ 461,753</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Current:				
Accounts payable	\$ 14,476	\$ 97,594	\$ 112,070	\$ 112,636
Accrued payroll payable	-	7,164	7,164	-
Total Current Liabilities	<u>14,476</u>	<u>104,758</u>	<u>119,234</u>	<u>112,636</u>
Total Liabilities	<u>14,476</u>	<u>104,758</u>	<u>119,234</u>	<u>112,636</u>
<b>Net Assets:</b>				
Invested in capital assets, net of related debt	10,812,425	-	10,812,425	-
Unrestricted	<u>1,103,916</u>	<u>849,410</u>	<u>1,953,326</u>	<u>349,117</u>
Total Net Assets	<u>11,916,341</u>	<u>849,410</u>	<u>12,765,751</u>	<u>349,117</u>
Total Liabilities and Net Assets	<u>\$ 11,930,817</u>	<u>\$ 954,168</u>	<u>\$ 12,884,985</u>	<u>\$ 461,753</u>

**Reconciliation of net assets to the Statement of Net Assets**

Net assets per Statement of Net Assets - Proprietary Funds	\$ 12,765,751
Prior years' accumulated adjustment to reflect the consolidation of internal service activities related to enterprise funds	11,169
Current year internal service adjustment	<u>(2,090)</u>
Net assets per Statement of Net Assets	<u>\$ 12,774,830</u>

See Notes to Financial Statements

CITY OF WEST HOLLYWOOD  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2005

	Enterprise Fund Sewer Construction	Non-Major Enterprise Funds	Totals	Internal Service Fund Information Systems Master Plan
<b>Operating Revenues:</b>				
Charges for current services	\$ -	\$ 1,743,517	\$ 1,743,517	\$ 339,564
Fines and forfeitures	-	9,036	9,036	-
Developer fees	-	12,031	12,031	-
Total Operating Revenues	-	1,764,584	1,764,584	339,564
<b>Operating Expenses:</b>				
General government	-	163,765	163,765	411,648
Public service	-	1,674,684	1,674,684	-
Depreciation	320,158	-	320,158	-
Total Operating Expenses	320,158	1,838,449	2,158,607	411,648
Operating Income (Loss)	(320,158)	(73,865)	(394,023)	(72,084)
<b>Nonoperating Revenues (Expenses):</b>				
Taxes	-	25	25	-
Intergovernmental revenue	-	35,509	35,509	-
Interest income	21,481	15,554	37,035	-
Total Nonoperating Revenues (Expenses)	21,481	51,088	72,569	-
Changes in Net Assets	\$ (298,677)	\$ (22,777)	\$ (321,454)	\$ (72,084)
<b>Net Assets</b>				
Beginning of Fiscal Year	\$ 12,215,018	\$ 872,187		\$ 421,201
End of Fiscal Year	\$ 11,916,341	\$ 849,410		\$ 349,117

**Reconciliation of net assets to the Statement of Activities**

Adjustment to reflect the consolidation of internal service activities related to enterprise funds	(2,090)
Changes in net assets of business - type activities	\$ (323,544)

See Notes to Financial Statements

CITY OF WEST HOLLYWOOD  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2005

	Enterprise Fund Sewer Construction	Non-Major Enterprise Funds	Totals	Internal Service Fund Information Systems Master Plan
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers	\$ -	\$ 1,745,595	\$ 1,745,595	\$ 339,564
Cash payments to suppliers for goods and services	14,477	(1,299,575)	(1,285,098)	(364,955)
Cash payments to employees for services	-	(501,962)	(501,962)	-
Other operating revenues (expenses)	-	35,534	35,534	-
Net Cash Provided (Used) by Operating Activities	<u>14,477</u>	<u>(20,408)</u>	<u>(5,931)</u>	<u>(25,391)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition and construction of capital assets	<u>(22,465)</u>	-	<u>(22,465)</u>	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(22,465)</u>	-	<u>(22,465)</u>	-
<b>Cash Flows from Investing Activities:</b>				
Interest income	<u>18,016</u>	<u>12,565</u>	<u>30,581</u>	-
Net Cash Provided (Used) by Investing Activities	<u>18,016</u>	<u>12,565</u>	<u>30,581</u>	-
Net Increase (Decrease) in Cash and Investments	10,028	(7,843)	2,185	(25,391)
<b>Cash and Investments at Beginning of Fiscal Year</b>	<u>1,101,630</u>	<u>904,148</u>	<u>2,005,778</u>	<u>487,144</u>
<b>Cash and Investments at End of Fiscal Year</b>	<u>\$ 1,111,658</u>	<u>\$ 896,305</u>	<u>\$ 2,007,963</u>	<u>\$ 461,753</u>
<b>Reconciliation:</b>				
Operating income	\$ (320,158)	\$ (73,865)	\$ (394,023)	\$ (72,084)
Adjustments:				
Depreciation	320,158	-	320,158	-
Nonoperating revenue - intergovernmental	-	35,534	35,534	-
Decrease (increase) in due from other governments	-	(18,989)	(18,989)	-
Increase (decrease) in accounts payable	14,477	35,243	49,720	46,693
Increase (decrease) in accrued payroll	-	1,669	1,669	-
Total Adjustments	<u>334,635</u>	<u>53,457</u>	<u>388,092</u>	<u>46,693</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 14,477</u>	<u>\$ (20,408)</u>	<u>\$ (5,931)</u>	<u>\$ (25,391)</u>

**Schedule of Noncash Investing and Capital and Noncapital Financing Activities**

During the fiscal year ending June 30, 2005, there were no noncash investing or capital or noncapital financing activities.

See Notes to Financial Statements

CITY OF WEST HOLLYWOOD  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2005

	<u>Total</u>
<b>ASSETS</b>	
Cash and investments	\$ 96,832
Cash and investments with fiscal agent	314,727
Taxes receivable	133,334
Accounts receivable	112,800
Accrued interest receivable	574
Due from other governments	<u>1,378</u>
Total Assets	<u><u>\$ 659,645</u></u>
 <b>LIABILITIES</b>	
Accounts payable	\$ 249,134
Payable to trustee	<u>410,511</u>
Total Liabilities	<u><u>\$ 659,645</u></u>

See Notes to Financial Statements



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# **Notes to Financial Statements**



City of West Hollywood  
California 1984

CITY OF WEST HOLLYWOOD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005

**I. SIGNIFICANT ACCOUNTING POLICIES**

**Note 1: Organization and Summary of Significant Accounting Policies**

**a. Description of the Reporting Entity**

The City of West Hollywood was incorporated on November 29, 1984, under the laws of the State of California and is entitled to all the rights and privileges applicable to a general law city. It is governed by an elected five-member board. As required by generally accepted accounting principles, these financial statements present the City of West Hollywood (the primary government) and its component units. The component units discussed below are included in the reporting entity because of their operational or financial relationships with the City of West Hollywood.

**Blended Component Units:**

The following four component units, although legally separate entities are, in substance, part of the City's operations, so data from these units are combined with the data of the City of West Hollywood, the primary government. All are governed by the City Council of the City of West Hollywood. Therefore, they are included in this financial presentation using the blending method.

The West Hollywood Community Development Commission (also referred as the "Redevelopment Agency") was formed on April 1, 1996 pursuant to Section 33000 of the California Health and Safety Code for the purpose of preparing and carrying out plans for the improvement, rehabilitation and development of blighted areas within the territorial limits of the City of West Hollywood. The Commission is governed by a five-member board that is the City Council of the City of West Hollywood. As of June 30, 2005, one project area, the East Side Redevelopment Project Area, has been formed.

The West Hollywood Public Facilities Corporation was formed November 20, 1995 pursuant to the Non-Profit Public Benefit Corporation Law of the State of California for the purpose of assisting the City in financing the acquisition, construction and improvement for public benefit within the City limits. The Corporation is governed by a five-member board that is the City Council of the City of West Hollywood.

The West Hollywood Housing Authority was established on December 17, 1990, pursuant to Section 34240 of the California Health and Safety Code. The Authority is governed by a five-member board that is the City Council of the City of West Hollywood. Although it is legally separate from the City of West Hollywood, the West Hollywood Housing Authority is reported as if it were part of the primary government because the Authority's governing body is the same as the governing body of the primary government, and the Authority's sole purpose is to increase low and moderate housing within the City of West Hollywood.

The West Hollywood Community Foundation was formed on July 13, 1998 pursuant to the Non-Profit Public Benefit Corporation Law of the State of California for the purpose of fundraising for projects related to the enhancement of the arts, cultural and educational programs in the City. The foundation is governed by a five-member board, which is the City Council of the City of West Hollywood. The Foundation has obtained tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.

The West Hollywood Public Financing Authority was formed on August 18, 2003 by a joint exercise of powers agreement between the City Council of West Hollywood and the West Hollywood Community Development Commission under Article 1 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California. The Authority was established for the purpose of issuing debt.

**Discretely Presented Component Unit:**

The West Hollywood Marketing Corporation was formed in October 1986 as a nonprofit public benefit corporation. It was created in order to promote and market the City of West Hollywood and its major industries. Providing advice to the City Council, Commissions and staff and enhancing their understanding of the unique business dynamics to enable them to better affect policy and create a business-friendly climate within the City.

The Corporation has a separate governing board. It is included as a discretely presented component unit because the City Council of West Hollywood determines the hotel assessment rates, which are the corporation's major source of revenue.

As of June 30, 2005, only the Community Development Commission and the Marketing Corporation have separately issued financial statements. The Commission's statements may be obtained at City Hall. The Marketing Corporation's statements may be obtained at the Corporation's office.

**b. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Certain indirect costs are included in program expenses reported for individual functions and activities.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**c. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

**The City reports the following major governmental funds:**

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Funded Capital Projects Fund accounts for the receipt and disbursement of monies used for the construction of the mix use parking facilities, City Hall acquisition, Homeless Shelter, Fire Station No. 7, and new parking meters, which generally require more than one budgetary

cycle to complete. These projects are funded by the General Fund and Bond Proceeds.

The Redevelopment Agency Capital Projects Fund accounts for loans and advances from the City, bond proceeds available for project improvements, interest income on invested funds, certain miscellaneous income and costs incurred to implement the Redevelopment Plan of the Redevelopment Agency. The projects will improve the assessed values of properties located in the project areas, thus increasing the property taxes. The increase in taxes will be used to repay the Agency's debt.

**The City reports the following major proprietary fund:**

The Sewer Construction Enterprise Fund has equity transferred from the County of Los Angeles, when the City took over the sewer district. Presently, the only source of revenue is the interest earnings on the investments. Use of this fund is designated for the future improvement of the underground sewer lines.

**Additionally the government reports the following fund types:**

The Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

The Permanent Fund accounts for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs.

The Information Systems Master Plan Internal Service Fund accounts for all costs incurred in the process of designing, purchasing and implementing a new information systems infrastructure. Project includes costs for design, hardware and software acquisition and systems conversion. Costs are recovered from all operating units over a five-year period.

The Agency Funds are used to report resources held by the City in a purely custodial capacity, which involves only the receipt, temporary investment and remittance of fiduciary resources to individuals, private organizations, or other governments. These funds are reported on the modified accrual basis.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those

standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds and of the Internal Service Funds are charges to customers for sales and services. Operating expenses for Enterprise Funds and Internal Service Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**d. Assets, Liabilities and Net Assets or Equity**

1. Deposits and Investments and Cash and Cash Equivalents

Investments for the City, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

The City's cash and cash equivalents for the statement of cash flows are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.



## 2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to / from other funds" (i.e., the current portion of interfund loans) or "advances to / from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles.

Property tax revenue is recognized in the fiscal year for which the taxes have been levied providing they become available. Available means then due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities of the current period. The County of Los Angeles collects property taxes for the City. Tax liens attach annually as of 12:01 A.M. on the first day in January preceding the fiscal year for which the taxes are levied. Taxes are levied on both real and personal property as it exists on that date. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, on December 10 and April 10, respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent on August 31.

## 3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

#### 4. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	50
Public domain infrastructure	50
Construction-in-progress	N/A
Vehicles	5
Office equipment	3
Machinery and equipment	10
Equipment under lease purchase	3
Furniture and Fixtures	7

#### 5. Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation time accrued is transferable from one year to the next with the exception that no more

than 320 hours of vacation time may be carried over to the next year. Employees may exchange unused vacation time for monetary compensation provided that they have taken at least two weeks of earned vacation in the prior year.

Employees are entitled to unlimited accumulation of sick leave. Employees may elect to receive compensation at 50% of their regular hourly rate of pay for each hour of sick leave accumulated in excess of 96 hours up to 200 hours. Employees may elect to receive full compensation at their regular hourly rate of pay for each hour of sick leave accumulated over 200 hours.

All vacation and sick leave pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

#### 6. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities, business type activities or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### 7. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**e. Reconciliation of Government-Wide and Fund Financial Statements**

1. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of assets.

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "Governmental long-term debts have not been included in the Governmental Fund activity - Certificates of Participation and Tax Allocation Bonds Payable". The details of this \$34,794,225 difference are summarized as follows and further explained in Note 8:

Certificates of Participation payable	\$ 23,255,000
Tax Allocation Bonds payable	11,265,000
 Add: Deferred gain on refunding (to be amortized as miscellaneous income)	625,202
 Less: Unamortized original issue discount	98,557
 Less: Unamortized bond issuance costs	<u>252,420</u>
 Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$34,794,225</u>

2. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense". The details of this \$(200,211) difference are as follows:

Capital outlay	\$ 2,046,977
Less: Depreciation expense	<u>2,247,188</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (200,211)</u>

## II. STEWARDSHIP

### Note 2: Stewardship, Compliance and Accountability

#### a. General Budget Policies

The City Council approves each year's budget submitted by the City Manager prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by the Council. Supplemental appropriations, where required during the period, are also approved by the Council. The City Manager may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Council. The budget is prepared on a GAAP basis. The budget period is the same as the fiscal period. The legal level of budgetary control is the department level for the General Fund and the function level for the other governmental fund types. During the year, several supplementary appropriations were necessary. The original budgeted appropriations were \$100,993,014. Additional appropriations of \$7,094,899 were made for a total of \$108,087,913. At fiscal year-end all operating budget appropriations lapse.

#### b. Encumbrances

Encumbrances are estimations of costs related to unperformed contracts for goods and services. These commitments are recorded for budgetary control purposes in the General, Special Revenue, and similar governmental funds. Encumbrances outstanding at year-end are reported as a reservation of fund balance. They represent the estimated amount of the expenditure ultimately to result if unperformed contracts in process at year-end are completed. They do not constitute expenditures or estimated liabilities.

**c. The following funds contained deficit fund balances or net assets:**

<u>Fund</u>	<u>Amount</u>
<b>Special Revenue Funds:</b>	
Special Grant	\$ 202,303
Sunset Mitigation	457,588
Parking Improvement	1,654,665
<b>Capital Projects Funds:</b>	
Redevelopment Agency Capital Projects	5,436,688
Debt Funded Capital Projects	499,696
<b>Permanent Fund:</b>	
Laurel Avenue Trust	11,348

*The City expects to eliminate these deficits from future revenues.*

**d. Excesses of expenditures over appropriations by department in individual funds are as follows:**

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess</u>
General Fund:			
City council	804,625	802,995	1,630
City attorney	1,068,638	900,379	168,259
Human services admin.	362,427	348,440	13,987
Farmers' Market	135,826	126,204	9,622
Debt service interest	6,680	-	6,680
Special Revenue Funds:			
Special Grant			
Public services	1,123,621	492,426	631,195
Sunset Mitigation			
Public safety	609,888	575,441	34,447
Proposition C			
Public services	199,638	196,235	3,403
Air Quality Improvement			
Public services	9,290	8,000	1,290
Public Access			
General government	73,964	66,922	7,042
Capital Projects Funds:			
Seismic Improvement			
Public services	479	-	479
Debt Service Funds:			
Capital Projects Debt Service			
Debt service principal	5,185,000	770,000	4,415,000

**III. DETAIL NOTES ON FUNDS**

**Note 3: Cash and Investments**

As of June 30, 2005, cash and investments were reported in the accompanying financial statements as follows:

Governmental activities	\$ 66,447,780
Business-type activities	2,007,963
Component unit	359,827
Fiduciary funds	411,559
	<hr/>
Total Cash and Investments	<u>\$ 69,227,129</u>

The City of West Hollywood maintains a cash and investment pool that is available for use for all funds. Each fund type's position in the pool is reported on the combined balance sheet as cash and investments. The City has adopted an investment policy, which authorizes it to invest in various investments.

The City has implemented the provisions of GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. This statement establishes and modifies disclosure requirements related to investment and deposit risks; accordingly, the note disclosure on cash and investments has been revised to conform to the provisions of GASB Statement No. 40.

### **Deposits**

At June 30, 2005, the carrying amount of the City's deposits was \$3,271,725, and the bank balance was \$2,657,285. The \$614,440 difference represents outstanding checks and other reconciling items.

### **Investments Authorized by the City's Investment Policy**

The list below identifies the investment types that are authorized by the City's investment policy in accordance with the California Government Code. The list does not address investments of debt proceeds held by bond trustees that are governed by the provisions of the City's debt agreements, rather than the general provisions of the City's investment policy.

1. Demand deposits in any FDIC insured institution.
2. Los Angeles County Treasury Pool ("LACT") administered by the Treasurer and Tax Collector of Los Angeles County.
3. The Local Agency Investment Fund ("LAIF") administered by the Treasurer of the State of California.
4. Investment in Joint Powers Authorities: The City may invest in investment joint powers authorities provided that the City is a member, that the pool provides comprehensive, timely, monthly reports which include transaction listings, reports gains and losses, provides market values for securities, provides a quality rating for investment securities, takes delivery of securities prior to payment, third-party safekeeping of all investments, for whom an audit is conducted annually by an independent authority other than the local agency's internal auditors, the weighted average maturity of not



greater than two years, and that leveraging be not more than twenty-five percent of the portfolio.

5. Certificates of Deposit with a maturity of two years or less and fully insured by the Federal Deposit Insurance Corporation up to the limit established under the Investment Guidelines.
6. Securities issued by the United States Government which mature in two years or less up to the limit established under the Investment Guidelines.
7. Money Market Savings Accounts, provided that no deposit made pursuant to this paragraph in any one institution shall exceed the amount insured by the Federal Deposit Insurance Corporation.

The City shall not invest more than the lesser of \$3,000,000 or 15% of all deposits in investment instruments with a life that exceeds one year.

### **Investments Authorized by Debt Agreements**

Investments of debt proceeds held by a bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the City's investment policy. The list below identifies the investment types that are authorized for investments held by the bond trustee.

1. Federal Securities
2. Bonds, debentures, notes or other evidence of indebtedness of the following Federal Agencies: U.S. Export-Import Bank, Farmers Home Administration, Federal Financing Bank, Federal Housing Administration, General Services Administration, GNMA, U.S. Maritime Administration, U.S. public housing notes and bonds of the U.S. Department of HUD.
3. Bonds, debentures, notes or other evidence of indebtedness of the following Federal Agencies: FHLB, FNMA, FHLMC, SLMA, Resolution Funding Corporation, Farm Credit System.
4. Money Market Funds.
5. Certificates of Deposit secured by collateral.
6. Certificates of deposit, savings accounts, deposit accounts or money market deposits which are FDIC insured.

7. Investment Agreements.
8. Commercial Paper.
9. State and Local Bonds.
10. Federal Funds or Bankers Acceptances with a maximum term of one year.
11. Repurchase Agreements.
12. Pre-refunded Municipal Bonds.
13. Local Agency Investment Fund of the State of California.

Monies in the Reserve Funds shall not be invested in any investment having a maturity greater than five years. There are no restrictions regarding the maximum percentage allowed per investment type nor regarding the maximum investment in one issuer.

### **Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of June 30, 2005, the City's investments in external investment pools and money market mutual funds are unrated.

### **Custodial Credit Risk**

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged

securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2005, none of the City's deposits or investments were exposed to custodial credit risk.

**Concentration of Credit Risk**

The City's investment policy contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement.

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

As of June 30, 2005, the City had the following investments and original maturities:

	Remaining Investment Maturities 6 Months or Less	Fair Value
Money market mutual funds - held by fiscal agent	\$ 3,165,746	\$ 3,165,746
California Local Agency Investment Fund	37,269,902	37,269,902
Los Angeles County Investment Pool	25,519,756	25,519,756
	<u>\$ 65,955,404</u>	<u>\$ 65,955,404</u>

**Investment in State Investment Pool**

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the

City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

#### **Note 4: Loans Receivable**

##### **Housing Loans**

The City has established the Citywide Affordable Housing Trust Fund, accounted for as a special revenue fund, and the Redevelopment Agency Low and Moderate Housing Fund, accounted for as a capital projects fund, to assist non-profit housing and community development corporations in preserving and expanding the supply of low and moderate income housing in the City of West Hollywood. Loans of \$7,573,666 and \$2,493,049, respectively, were outstanding at June 30, 2005 to qualified developers and properties at annual interest rates ranging from 6 to 10%.

All principal and interest payments on the loans are payable thirty years from the date of the loans. For certain loans included above, the City will forgive and waive all amounts due under the loans if at the date of expiration the borrowers have performed under the terms of related agreements. The loans are offset by an allowance for forgiveness as the City does not expect repayment.

##### **Other Loans**

The Agency has made a loan to a nonprofit organization for the acquisition of its offices, which is recorded in the amount of \$287,115 in the Redevelopment Agency Capital Projects Fund. The property was seized by the federal government and the Agency is in litigation to attempt to recover the amount loaned. As the outcome of this case is unknown and the Agency is vigorously pursuing collection, no allowance for uncollectibility as been made.

**Note 5: Changes in Governmental Activities Capital Assets**

Capital asset activity for the year ended June 30, 2005 follows:

	Balance July 1, 2004	Additions	Deletions	Balance June 30, 2005
Non-Depreciable Assets:				
Land	\$ 45,713,928	\$ -	\$ -	\$ 45,713,928
Construction-in-progress	5,818,429	856,618	-	6,675,047
Subtotal Non-Depreciable Assets	<u>51,532,357</u>	<u>856,618</u>	<u>-</u>	<u>52,388,975</u>
Depreciable Assets:				
Buildings	17,672,563	70,752	-	17,743,315
Improvements other than buildings	3,253,430	67,018	-	3,320,448
Machinery and equipment	4,035,262	218,915	-	4,254,177
Furniture and fixtures	71,719	-	-	71,719
Office equipment	809,861	32,017	-	841,878
Infrastructure	73,480,394	801,657	-	74,282,051
Subtotal - Depreciable Assets	<u>99,323,229</u>	<u>1,190,359</u>	<u>-</u>	<u>100,513,588</u>
Total Capital Assets	<u>150,855,586</u>	<u>2,046,977</u>	<u>-</u>	<u>152,902,563</u>
Less Accumulated Depreciation for:				
Buildings	3,925,183	357,415	-	4,282,598
Improvements other than buildings	365,527	66,493	-	432,020
Machinery and equipment	3,272,068	161,604	-	3,433,672
Furniture and fixtures	60,519	2,935	-	63,454
Office equipment	505,469	113,237	-	618,706
Infrastructure	25,929,695	1,545,504	-	27,475,199
Total Accumulated Depreciation	<u>34,058,461</u>	<u>2,247,188</u>	<u>-</u>	<u>36,305,649</u>
Total Net Capital Assets	<u>\$ 116,797,125</u>	<u>\$ (200,211)</u>	<u>\$ -</u>	<u>\$ 116,596,914</u>

Depreciation expense was charged to functions/programs of the primary government in the Governmental Activities as follows:

Governmental Activities:

General government	\$ 200,982
Public safety	70,780
Public services	<u>1,975,426</u>

Total Depreciation Expense \$2,247,188

**Note 6: Proprietary Fund Capital Assets**

A summary of proprietary fund type property, plant and equipment is presented below:

	Balance at July 1, 2004	Additions	Deletions	Balance at June 30, 2005
Enterprise Funds:				
Solid Waste Fund				
Depreciable Assets:				
Machinery and Equipment	\$ 32,183	\$ -	\$ -	\$ 32,183
Office Equipment	34,734	-	-	34,734
Subtotal	66,917	-	-	66,917
Less: accumulated depreciation for:				
Machinery and Equipment	32,183	-	-	32,183
Office Equipment	34,734	-	-	34,734
Subtotal	66,917	-	-	66,917
Total Solid Waste	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Sewer Construction Fund				
Depreciable assets:				
Improvements	\$ 16,007,882	\$ -	\$ -	\$ 16,007,882
Construction in progress	1,345,311	22,465	-	1,367,776
Subtotal	17,353,193	22,465	-	17,375,658
Less: accumulated depreciation for:				
Improvements	6,243,075	320,158	-	6,563,233
Total Sewer Construction	<u>\$ 11,110,118</u>	<u>\$ (297,693)</u>	<u>\$ -</u>	<u>\$ 10,812,425</u>

Depreciation expense was charged to functions/programs of the primary government in the Business-Type Activities as follows:

Business-Type Activities:

Sewer	<u>\$ 320,158</u>
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A summary of the component unit property, plant and equipment is presented below:

	Balance at July 1, 2004	Additions	Deletions	Balance at June 30, 2005
Component Unit				
WH Marketing				
Furniture and				
Equipment	\$ 86,888	\$ 4,211	\$ -	\$ 91,099
Furniture and				
Equipment under				
capital lease purchase	15,265	-	-	15,265
Leasehold	1,632	1,200	-	2,832
Subtotal	103,785	5,411	-	109,196
Less: accumulated				
depreciation for:				
Furniture and				
Equipment	\$ 62,158	\$ 8,559	\$ -	\$ 70,717
Furniture and				
Equipment				
capital lease	5,597	3,053	-	8,650
Leasehold	1,124	316	-	1,440
Subtotal	68,879	11,928	-	80,807
Total Component				
Unit	\$ 34,906	\$ (6,517)	\$ -	\$ 28,389

**Note 7: Retirement Plan**

**Plan Description**

The City of West Hollywood contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and City ordinance. Copies of PERS' annual financial report may be obtained from their executive office: 400 P Street, Sacramento, CA 95814.

**Funding Policy**

Participants are required to contribute 7% of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate; the current rate is 8.342% for miscellaneous employees, of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by PERS.

**Annual Pension Cost**

For 2005, the City’s annual pension cost of \$1,037,671 for PERS was equal to the City’s required and actual contributions. The required contribution was determined as part of the June 30, 2002 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included: (a) 8.25% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service, and (c) 2% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3.5%. The actuarial value of PERS assets was determined using techniques that smooth the effect of short-term volatility in the market value of investments over a four-year period (smoothed market value). PERS unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2005, was three years for prior service unfunded and 14 years for remaining unfunded. The latest information available is presented below:

**THREE-YEAR INFORMATION FOR MISCELLANEOUS PLAN**

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<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2003	\$ 16,201	100%	\$ -
6/30/2004	236,693	100%	-
6/30/2005	1,037,671	100%	-



SCHEDULE OF FUNDING PROGRESS FOR MISCELLANEOUS PLAN  
(LATEST INFORMATION AVAILABLE)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
6/30/02	\$ 20,561,771	\$ 20,499,055	\$ (62,716)	100.3%	\$ 11,522,638	(0.5)%
6/30/03	21,734,286	24,261,178	2,526,892	89.6%	11,916,977	21.2%
6/30/04	23,926,279	27,518,816	3,592,537	86.9%	11,797,148	30.5%

**Note 8: Long-Term Debt**

**e. Refunding Certificates of Participation**

On March 19, 1998, the City of West Hollywood issued \$27,105,000 fixed rate and \$5,360,000 variable demand rate Certificates of Participation. The fixed rate certificates bear interest rates that vary from 3.7% to 5.0% and interest is payable semi-annually each February 1 and August 1, commencing August 1, 1998. These mature on February 1 of each year starting 1999 through 2025.

The variable demand rate certificates are based on an adjustable interest rate specified by the remarketing agent. The adjustable interest rate would equal the interest rate necessary to enable the remarketing agent to sell the Certificates at 100% of the principal amount and is payable on the first of each month, beginning April 1, 1998. These mature on February 1 of each year starting 1999 through 2025. The variable rate certificates were redeemed during 2004-2005. The purpose of both these certificates is to defease \$12,180,000 of outstanding 1995 Series A Certificates of Participation. The balance of the 1998 fixed rate Certificates of Participation will be used to provide funds to: 1) defease \$9,655,000 of outstanding 1995 Certificates of Participation (City Hall Project) and \$5,375,000 of outstanding 1995, Series B Certificates of Participation, 2) to finance the acquisition and improvements of the public parks, 3) to prepay a certain portion of the lease payments, and 4) fund a reserve for the refunding certificates as well as pay for the execution and delivery of the refunding certificates.

**f. Redevelopment Agency Tax Allocation Bonds**

In September 2003, the West Hollywood Community Development Commission (Redevelopment Agency) issued \$11,500,000 Eastside Redevelopment Project 2003 Tax Allocation Bonds for the purpose of financing redevelopment activities. The bonds consist of \$5,650,000 serial bonds with annual maturity dates from September 1, 2004 through September 1, 2023, with interest rates ranging from 3.000% to 5.700%, and term bonds of \$2,520,000 with an interest rate of 5.625% maturing September 1, 2028 and term bonds of \$3,330,000 with an interest rate of 5.750% maturing September 1, 2033. Interest is payable semiannually beginning March 1, 2004.

**g. The following is a schedule of changes in long-term debt of the entity for the current fiscal year:**

The accrued employee benefits are normally liquidated by the General Fund. The current adjustment to accrued employee benefits is a correction of an overstatement in the prior year.

	Outstanding July 1, 2004	Adjustments	Outstanding July 1, 2004, as Restated	Additions	Deletions	Outstanding June 30, 2005	Due Within One Year
City:							
Certificates of Participation							
1998 Fixed Rate	\$ 23,875,000	\$ -	\$ 23,875,000	\$ -	\$ 620,000	\$ 23,255,000	\$ 650,000
1998 Variable Rate	4,565,000	-	4,565,000	-	4,565,000	-	-
Tax Allocation Bonds	11,500,000	-	11,500,000	-	235,000	11,265,000	200,000
Accrued employee benefits	2,323,628	(719,084)	1,604,544	1,831,808	1,653,410	1,782,942	1,653,410
<b>Totals</b>	<b>\$ 42,263,628</b>	<b>\$ 42,263,628</b>	<b>\$ 42,263,628</b>	<b>\$ 1,831,808</b>	<b>\$ 7,073,410</b>	<b>36,302,942</b>	<b>\$ 2,503,410</b>

Reconciliation to Statement of Net Assets

Add: unamortized	Add: unamortized	Add: unamortized gain on defeasance	625,202
		Less: unamortized original issue discount	(98,557)
			<u>\$ 36,829,587</u>

The following is a schedule, by years, of future debt service payments as of June 30:

Fiscal Year	Certificates of Participation		Tax Allocation Bonds	
	1998		2003 Bonds	
	Fixed Rate		Principal	Interest
	Principal	Interest	Principal	Interest
2005-2006	\$ 650,000	\$ 1,138,820	\$ 195,000	\$ 588,145
2006-2007	690,000	1,111,520	200,000	582,220
2007-2008	730,000	1,082,195	205,000	575,633
2008-2009	765,000	1,050,075	215,000	568,820
2009-2010	810,000	1,015,268	220,000	561,745
2010-2015	4,770,000	4,457,255	1,235,000	2,659,463
2015-2020	6,350,000	3,118,565	1,565,000	2,319,670
2020-2025	8,490,000	1,323,500	2,030,000	1,836,756
2025-2030	-	-	2,665,000	1,181,019
2030-2034	-	-	2,735,000	325,019
Totals	<u>\$ 23,255,000</u>	<u>\$ 14,297,198</u>	<u>\$ 11,265,000</u>	<u>\$ 11,198,490</u>

Interest expense on long-term obligations reported in the Statement of Activities has been allocated directly to the following functions in the amounts stated below:

General government	\$ 458,529
Public safety	298,419
Public services	<u>1,412,520</u>
Total	<u>\$ 2,169,468</u>

**h. Noncommitment Debt**

On August 6, 1992, the Community Facilities District sold \$835,000 of City of West Hollywood Community Facilities District No. 92-1 (Seismic Upgrade Project) Special Tax Bonds, Series 1992. The bonds, dated August 1, 1992, are in denominations of \$5,000. They mature on August 1 of each year starting in 1993 to 2012. The bonds have varying interest rates ranging from 6.25% to 10.15% and interest is payable semi-annually on each February 1 and August 1, commencing February 1, 1993. The bonds are authorized pursuant to the Mello-Roos Community Facilities Act

of 1982 and are issued under resolutions adopted by the City Council of the City of West Hollywood, acting as the legislative body of the District, on July 20, 1992. The purpose of the bonds is to finance the construction and installation of seismic resistance improvements to certain properties within the City of West Hollywood. Funds for payment of bond principal and interest requirements, as they come due, are to be obtained from a special tax levied by the City on behalf of the District against lands within the District. The bonds are not general or special obligations of the City nor general obligations of the District, but are limited obligations payable solely from the proceeds of the special taxes and funds held pursuant to the fiscal agent agreement. Because neither the faith and credit nor the taxing power of the City, the State of California or any political subdivision thereof is pledged for payment of these bonds, they are not reflected in the Statement of Net Assets. The outstanding balance at June 30, 2005 was \$150,000.

**i. Lease payable - Component Unit**

The West Hollywood Marketing Corporation entered into a capital lease in August 2002 in order to acquire a photocopier. The original lease amount was \$15,265. Lease payments are as follows:

Original balance	\$ 15,265
Principal paid in fiscal year 2002-2003	(2,017)
Principal paid in fiscal year 2003-2004	(2,605)
Principal paid in fiscal year 2004-2005	<u>(2,821)</u>
Balance at June 30, 2005	<u>\$ 7,822</u>

The future lease payments are as follows:

	<u>Principal</u>	<u>Interest</u>
2005-2006	\$ 3,056	\$ 515
2006-2007	3,335	235
2007-2008	<u>1,431</u>	<u>30</u>
Totals	<u>\$ 7,822</u>	<u>\$ 780</u>

**Note 9: Short-Term Debt**

On August 21, 2002, the City entered into a Loan Agreement with the County of Los Angeles for a Section 108 loan in the amount of \$8,000,000. With this loan, the City was also able to secure \$2,000,000 from a federal BEDI grant. The total \$10,000,000 was used for the LaBrea Gateway Project in the Eastside Redevelopment Project Area. The loan repayment term is two years with the interest rate based on the three-month LIBOR + 20 basis points. The balance at the beginning of the year was \$1,911,000 and this was repaid during the year.

**Note 10: Net Assets Restatement**

Net assets have been restated in the governmental activities in the amount of \$719,084 to correct an overstatement of accrued compensated absences in the prior year.

**Note 11: Unearned Revenue**

The City received rent stabilization fees relating to fiscal year 2005-2006 in fiscal year 2004-2005. These are recorded as unearned revenue in the General Fund in the amount of \$1,565,705. The City also received a \$648,759 franchise fee in advance. This unearned amount will be reduced and reported as revenue as it is earned. The remaining unearned revenue in the General Fund and other funds also includes grant monies received but not yet earned, recreation revenues and other revenues collected in advance and interest accrued but not available on the loan to the Redevelopment Agency.

**Note 12: Interfund Receivables, Payables and Transfers**

**a. Due To/From Other Funds**

The due to General Fund of \$2,821,404 from various nonmajor funds was a result of temporary deficit cash balances in those funds.

The composition of interfund balances as of June 30, 2005 was as follows:

Funds	Due to Other Funds: Nonmajor Governmental Funds	Total
Due From Other Funds:		
General	\$ 2,821,404	\$ 2,821,404
Total	<u>\$ 2,821,404</u>	<u>\$ 2,821,404</u>

**b. Advances To/From Other Funds**

The City has advanced \$5,734,188 to the Redevelopment Agency to fund redevelopment projects. The General Fund has advanced \$99,430 to the Laurel Avenue Trust Fund to fund capital improvements to donated property.

Funds	Advances To Other Funds:		Total
	RDA Capital Projects	Nonmajor Governmental Funds	
Advances from Other Funds:			
General	<u>\$ 5,734,188</u>	<u>\$ 99,430</u>	<u>\$ 5,833,618</u>

**c. Interfund Transfers**

The General Fund made transfers out of \$609,888 to the Sunset Mitigation Fund and \$2,053,914 to the City Lighting Fund to subsidize their operations. It also made a transfer of \$6,924 to the Special Grant Fund for grant matching costs. The CDBG Fund made transfers of \$1,647,161 to the General Fund for the Section 108 loan payment and the Santa Monica Boulevard Fund made transfers of \$290,443 to the General Fund to transfer a portion of its remaining fund balance. The Parking Improvement Fund transferred \$3,454,221 to the Capital Projects Debt Service Fund for debt service.

**IV. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES****Note 13: Contractual Commitments**

The City has entered into a contract with the Los Angeles County Sheriff's Department to provide law enforcement services in the City of West Hollywood. Approximately \$10,638,525 was paid for these services in fiscal year 2004-2005.

**Note 14: Self-Insurance Contingencies****a. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement**

The City is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 106 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group-purchased insurance for property and other coverages. The Authority's pool began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

**b. Self-Insurance Programs of the Authority**

General Liability - Each member government pays a primary deposit to cover estimated losses for a fiscal year. Six months after the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Costs are spread to members as follows: the first \$30,000 of each occurrence is charged directly to the member; costs from \$30,001 to \$750,000 are pooled based on a member's share of costs under \$30,000; costs from \$750,001 to \$15,000,000 are pooled based on payroll. Costs of covered claims above \$15,000,000 are currently paid by reinsurance. The protection for each member is \$50,000,000 per occurrence and \$50,000,000 annual aggregate.

Workers Compensation - The City also participates in the workers compensation pool administered by the Authority. Pool deposits and retrospective adjustments are valued in a manner similar to the General Liability pool. The City is charged for the first \$50,000 of each claim. Costs from \$50,001 to \$100,000 per claim are pooled based on the member's losses under its retention level. Costs between \$100,001 and \$2,000,000 per claim are pooled based on payroll. Costs between \$2,000,000 and \$50,000,000 are paid by excess insurance purchased by the Authority. Costs in excess of \$50,000,000 are pooled by the members based on payroll.

**c. Purchased Insurance**

Environmental Insurance - The City participates in the pollution legal liability and remediation legal liability insurance which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has a limit of \$120,000,000 for the 3-year period from July 1, 2002 through June 30, 2005. Each member of the Authority has a \$10,000,000 limit during the 30-year term of the policy.

Property Insurance - The City participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. The City's property is currently insured according to a schedule of covered property submitted by the City to the



Authority. There is a \$5,000 per loss deductible. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

Earthquake and Flood Insurance - The City purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. There is a deductible of 5% of value with a minimum deductible of \$100,000. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

Fidelity Bonds - The City purchases blanket fidelity bond coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority. Premiums are paid annually and are not subject to retroactive adjustments.

**d. Adequacy of Protection**

During the past three fiscal years, none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

**Note 15: Litigation**

There are certain lawsuits pending against the City which seek monetary damages. As the likelihood of judgment being awarded has not yet been determined, no accrual of this amount has been reflected in the financial statements.

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# **Supplementary Information**



City of West Hollywood  
California 1984

# COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

City of West Hollywood  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2005

	<b>Special Revenue Funds</b>			
	<b>Special Grant</b>	<b>Gas Tax</b>	<b>Sunset Mitigation</b>	<b>Permit Parking</b>
<b>ASSETS</b>				
Pooled cash and investments	\$ 20,439	\$ 681,862	\$ -	\$ 20,311
Receivables:				
Accounts	-	-	-	-
Accrued interest	-	692	-	206
Prepaid costs	-	-	-	-
Due from other governments	624,600	65,585	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Deferred loans receivable	-	-	-	-
Allowance for uncollectibles	-	-	-	-
Total Assets	<u>\$ 645,039</u>	<u>\$ 748,139</u>	<u>\$ -</u>	<u>\$ 20,517</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 113,505	\$ 79,792	\$ 152,472	\$ 2,766
Accrued liabilities	1,273	2,827	-	6,170
Due to other funds	450,000	-	305,116	-
Unearned revenue	82,120	14,572	-	-
Advances from other funds	-	-	-	-
Deferred revenue	200,444	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>847,342</u>	<u>97,191</u>	<u>457,588</u>	<u>8,936</u>
Fund Balances:				
Reserved:				
Reserved for encumbrances	337,366	86,889	-	12,675
Reserved for prepaid costs	-	-	-	-
Unreserved:				
Designated for capital projects	-	172,073	-	-
Designated for debt service	-	-	-	-
Undesignated	<u>(539,669)</u>	<u>391,986</u>	<u>(457,588)</u>	<u>(1,094)</u>
Total Fund Balances	<u>(202,303)</u>	<u>650,948</u>	<u>(457,588)</u>	<u>11,581</u>
Total Liabilities and Fund Balances	<u>\$ 645,039</u>	<u>\$ 748,139</u>	<u>\$ -</u>	<u>\$ 20,517</u>

(CONTINUED)

Special Revenue Funds					
Proposition A	Quimby Act	Public Beautification and Art	Proposition C	Air Quality Improvement	CDBG
\$ 3,079,999	\$ 965,403	\$ 561,038	\$ 1,191,164	\$ 133,295	\$ 20,033
-	-	-	-	-	-
16,260	5,350	3,247	7,267	766	-
-	-	-	-	-	-
-	-	-	-	-	8,621
-	-	-	-	-	-
-	-	-	-	-	1,106,806
-	-	-	-	-	-
<u>\$ 3,096,259</u>	<u>\$ 970,753</u>	<u>\$ 564,285</u>	<u>\$ 1,198,431</u>	<u>\$ 134,061</u>	<u>\$ 1,135,460</u>
\$ 244,445	\$ -	\$ -	\$ 267,227	\$ -	\$ 28,654
3,256	-	-	1,855	-	-
-	-	-	-	-	-
-	-	165,342	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,106,806
<u>247,701</u>	<u>-</u>	<u>165,342</u>	<u>269,082</u>	<u>-</u>	<u>1,135,460</u>
-	2,356	10,300	44,360	-	-
-	-	-	-	-	-
-	413,979	-	773,040	-	-
-	-	-	-	-	-
<u>2,848,558</u>	<u>554,418</u>	<u>388,643</u>	<u>111,949</u>	<u>134,061</u>	<u>-</u>
<u>2,848,558</u>	<u>970,753</u>	<u>398,943</u>	<u>929,349</u>	<u>134,061</u>	<u>-</u>
<u>\$ 3,096,259</u>	<u>\$ 970,753</u>	<u>\$ 564,285</u>	<u>\$ 1,198,431</u>	<u>\$ 134,061</u>	<u>\$ 1,135,460</u>

CITY OF WEST HOLLYWOOD  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2005

	<u>Special Revenue Funds</u>			
	<u>Housing Trust</u>	<u>Parking Improvement</u>	<u>Traffic</u>	<u>Public Access</u>
<b>ASSETS</b>				
Pooled cash and investments	\$ 4,407,976	\$ 21,163	\$ 374,828	\$ 551,490
Receivables:				
Accounts	-	-	-	-
Accrued interest	29,102	9,364	2,327	3,320
Prepaid costs	-	20,496	-	-
Due from other governments	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Deferred loans receivable	7,573,666	-	-	-
Allowance for uncollectibles	(7,573,666)	-	-	-
<b>Total Assets</b>	<b><u>\$ 4,437,078</u></b>	<b><u>\$ 51,023</u></b>	<b><u>\$ 377,155</u></b>	<b><u>\$ 554,810</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 6,161	\$ 74,766	\$ 1,499	\$ 3,278
Accrued liabilities	-	-	1,476	1,126
Due to other funds	-	1,350,000	-	-
Unearned revenue	-	271,277	-	-
Advances from other funds	-	-	-	-
Short term debt payable	-	-	-	-
Deposits payable	-	9,645	-	-
Due to other governments	-	-	-	-
<b>Total Liabilities</b>	<b><u>6,161</u></b>	<b><u>1,705,688</u></b>	<b><u>2,975</u></b>	<b><u>4,404</u></b>
Fund Balances:				
Reserved:				
Reserved for encumbrances	170,953	190,886	5,000	-
Reserved for prepaid costs	-	20,496	-	-
Unreserved:				
Designated for capital projects	1,008,400	-	197,970	-
Designated for debt service	-	-	-	-
Undesignated	3,251,564	(1,866,047)	171,210	550,406
<b>Total Fund Balances</b>	<b><u>4,430,917</u></b>	<b><u>(1,654,665)</u></b>	<b><u>374,180</u></b>	<b><u>550,406</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 4,437,078</u></b>	<b><u>\$ 51,023</u></b>	<b><u>\$ 377,155</u></b>	<b><u>\$ 554,810</u></b>

(CONTINUED)

Special Revenue Funds		Capital Projects Funds			
Avenues of Art and Design	City Lighting	Debt Funded Capital Projects	Seismic Improvement	Santa Monica Boulevard	Redevelopment Agency Low & Moderate Housing
\$ 16,069	\$ 131,391	\$ 329,785	\$ -	\$ 314,004	\$ 2,049,647
1,253	-	-	-	-	-
-	917	-	-	3,610	12,133
-	-	-	-	-	-
-	24,844	-	-	-	21,288
-	-	-	33,428	-	241,399
-	-	-	-	-	2,493,049
-	-	-	-	-	(2,493,049)
<u>\$ 17,322</u>	<u>\$ 157,152</u>	<u>\$ 329,785</u>	<u>\$ 33,428</u>	<u>\$ 317,614</u>	<u>\$ 2,324,467</u>
\$ -	\$ 57,278	\$ 113,193	\$ -	\$ 246,027	\$ -
-	-	-	-	-	-
-	-	716,288	-	-	-
-	-	-	-	71,587	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	57,278	829,481	-	317,614	-
-	96,361	543,362	-	-	-
-	-	-	-	-	-
-	-	-	33,428	-	600,000
-	-	-	-	-	-
17,322	3,513	(1,043,058)	-	-	1,724,467
17,322	99,874	(499,696)	33,428	-	2,324,467
<u>\$ 17,322</u>	<u>\$ 157,152</u>	<u>\$ 329,785</u>	<u>\$ 33,428</u>	<u>\$ 317,614</u>	<u>\$ 2,324,467</u>



CITY OF WEST HOLLYWOOD  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2005

	<u>Debt Service Fund</u>	<u>Permanent Fund</u>	
	<u>Redevelopment Agency</u>	<u>Laurel Avenue Trust</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Pooled cash and investments	\$ 3,405,134	\$ 85,273	\$ 18,360,304
Receivables:			
Accounts	-	-	1,253
Accrued interest	19,586	518	114,665
Prepaid costs	-	2,691	23,187
Due from other governments	69,473	-	814,411
Restricted assets:			
Cash and investments with fiscal agents	551,893	-	826,720
Deferred loans receivable	-	-	11,173,521
Allowance for uncollectibles	-	-	(10,066,715)
	<u>\$ 4,046,086</u>	<u>\$ 88,482</u>	<u>\$ 21,247,346</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ -	\$ 400	\$ 1,391,463
Accrued liabilities	-	-	17,983
Due to other funds	-	-	2,821,404
Unearned revenue	-	-	604,898
Advances from other funds	-	99,430	99,430
Pass-through payables	-	-	200,444
Deposits payable	-	-	9,645
Due to other governments	386,936	-	1,493,742
	<u>386,936</u>	<u>99,830</u>	<u>6,639,009</u>
Fund Balances:			
Reserved:			
Reserved for encumbrances	-	-	1,500,508
Reserved for prepaid costs	-	2,691	23,187
Unreserved:			
Designated for capital projects	-	-	3,198,890
Designated for debt service	2,596,407	-	2,596,407
Undesignated	1,062,743	(14,039)	7,289,345
	<u>3,659,150</u>	<u>(11,348)</u>	<u>14,608,337</u>
Total Liabilities and Fund Balances	<u>\$ 4,046,086</u>	<u>\$ 88,482</u>	<u>\$ 21,247,346</u>

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CITY OF WEST HOLLYWOOD  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	<u>Special Revenue Funds</u>			
	<u>Special Grant</u>	<u>Gas Tax</u>	<u>Sunset Mitigation</u>	<u>Permit Parking</u>
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,108,174	698,291	-	-
Charges for services	-	-	421,985	-
Use of money and property	-	2,220	176	626,223
Fines and forfeitures	-	-	-	-
Other	-	837	-	-
Developer fees	-	-	-	-
Total Revenues	<u>2,108,174</u>	<u>701,348</u>	<u>422,161</u>	<u>626,223</u>
Expenditures:				
Current:				
General government	286,961	-	591,500	-
Public safety	85,931	-	609,888	-
Public services	1,123,621	645,429	-	614,920
Capital outlay	83,671	28,211	-	384
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>1,580,184</u>	<u>673,640</u>	<u>1,201,388</u>	<u>615,304</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>527,990</u>	<u>27,708</u>	<u>(779,227)</u>	<u>10,919</u>
Other Financing Sources (Uses):				
Transfers in	6,924	-	609,888	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>6,924</u>	<u>-</u>	<u>609,888</u>	<u>-</u>
Net Change in Fund Balances	534,914	27,708	(169,339)	10,919
Fund Balances, Beginning of Year	<u>(737,217)</u>	<u>623,240</u>	<u>(288,249)</u>	<u>662</u>
Fund Balances, End of Year	<u>\$ (202,303)</u>	<u>\$ 650,948</u>	<u>\$ (457,588)</u>	<u>\$ 11,581</u>

(CONTINUED)

Special Revenue Funds					
Proposition A	Quimby Act	Public Beautification and Art	Proposition C	Air Quality Improvement	CDBG
\$ 543,536	\$ -	\$ -	\$ 443,944	\$ -	\$ -
1,584,836	-	-	-	33,275	1,747,479
-	-	-	-	-	-
45,126	15,340	10,235	21,772	2,257	-
-	-	-	-	-	-
53,454	-	-	300	-	-
-	357,447	134,956	-	-	-
<u>2,226,952</u>	<u>372,787</u>	<u>145,191</u>	<u>466,016</u>	<u>35,532</u>	<u>1,747,479</u>
-	-	74,170	-	-	-
-	-	-	-	-	-
1,804,819	-	-	199,638	9,290	83,427
-	50,050	-	311,551	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,804,819</u>	<u>50,050</u>	<u>74,170</u>	<u>511,189</u>	<u>9,290</u>	<u>83,427</u>
<u>422,133</u>	<u>322,737</u>	<u>71,021</u>	<u>(45,173)</u>	<u>26,242</u>	<u>1,664,052</u>
-	-	-	-	-	-
-	-	-	-	-	(1,647,161)
-	-	-	-	-	(1,647,161)
<u>422,133</u>	<u>322,737</u>	<u>71,021</u>	<u>(45,173)</u>	<u>26,242</u>	<u>16,891</u>
<u>2,426,425</u>	<u>648,016</u>	<u>327,922</u>	<u>974,522</u>	<u>107,819</u>	<u>(16,891)</u>
<u>\$ 2,848,558</u>	<u>\$ 970,753</u>	<u>\$ 398,943</u>	<u>\$ 929,349</u>	<u>\$ 134,061</u>	<u>\$ -</u>

CITY OF WEST HOLLYWOOD  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	<u>Special Revenue Funds</u>			
	<u>Housing Trust</u>	<u>Parking Improvement</u>	<u>Traffic</u>	<u>Public Access</u>
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 384,126
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	103,121	1,365,467	8,045	8,169
Fines and forfeitures	-	642,315	-	-
Other	-	-	-	1,054
Developer fees	2,307,783	131,006	28,219	-
Total Revenues	<u>2,410,904</u>	<u>2,138,788</u>	<u>36,264</u>	<u>393,349</u>
Expenditures:				
Current:				
General government	-	-	-	73,964
Public safety	-	-	-	-
Public services	186,068	415,861	123,865	-
Capital outlay	2,454,414	404,755	-	37,519
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>2,640,482</u>	<u>820,616</u>	<u>123,865</u>	<u>111,483</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(229,578)</u>	<u>1,318,172</u>	<u>(87,601)</u>	<u>281,866</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	(3,454,221)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(3,454,221)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(229,578)</u>	<u>(2,136,049)</u>	<u>(87,601)</u>	<u>281,866</u>
Fund Balances, Beginning of Year	<u>4,660,495</u>	<u>481,384</u>	<u>461,781</u>	<u>268,540</u>
Fund Balances, End of Year	<u>\$ 4,430,917</u>	<u>\$ (1,654,665)</u>	<u>\$ 374,180</u>	<u>\$ 550,406</u>

(CONTINUED)

Special Revenue Funds		Capital Projects Funds			
Avenues of Art and Design	City Lighting	Debt Funded Capital Projects	Seismic Improvement	Santa Monica Boulevard	Redevelopment Agency Low & Moderate Housing
\$ 148,795	\$ 551,091	\$ -	\$ -	\$ -	\$ 572,814
-	6,206	-	-	17,000	-
-	-	-	-	-	-
-	1,457	2,185	479	3,521	38,807
-	3,134	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>148,795</u>	<u>561,888</u>	<u>2,185</u>	<u>479</u>	<u>20,521</u>	<u>611,621</u>
166,745	-	-	-	-	8,847
-	-	-	-	-	-
-	470,431	-	479	-	-
-	-	618,934	-	17,000	-
-	-	-	-	-	71,510
-	-	-	-	-	182,637
<u>166,745</u>	<u>470,431</u>	<u>618,934</u>	<u>479</u>	<u>17,000</u>	<u>262,994</u>
<u>(17,950)</u>	<u>91,457</u>	<u>(616,749)</u>	<u>-</u>	<u>3,521</u>	<u>348,627</u>
-	-	-	-	-	-
-	-	-	-	(290,443)	-
-	-	-	-	(290,443)	-
<u>(17,950)</u>	<u>91,457</u>	<u>(616,749)</u>	<u>-</u>	<u>(286,922)</u>	<u>348,627</u>
<u>35,272</u>	<u>8,417</u>	<u>117,053</u>	<u>33,428</u>	<u>286,922</u>	<u>1,975,840</u>
<u>\$ 17,322</u>	<u>\$ 99,874</u>	<u>\$ (499,696)</u>	<u>\$ 33,428</u>	<u>\$ -</u>	<u>\$ 2,324,467</u>

CITY OF WEST HOLLYWOOD  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	<u>Debt Service Fund</u>	<u>Permanent Fund</u>	
	<u>Redevelopment Agency</u>	<u>Laurel Avenue Trust</u>	<u>Total Governmental Funds</u>
Revenues:			
Taxes	\$ 2,291,256	\$ -	\$ 4,935,562
Intergovernmental	-	-	6,195,261
Charges for services	-	-	421,985
Use of money and property	58,647	15,256	2,328,503
Fines and forfeitures	-	-	645,449
Other	-	-	55,645
Developer fees	-	-	2,959,411
Total Revenues	<u>2,349,903</u>	<u>15,256</u>	<u>17,541,816</u>
Expenditures:			
Current:			
General government	702,726	-	1,904,913
Public safety	-	-	695,819
Public services	-	11,804	5,689,652
Capital outlay	-	-	4,006,489
Debt service:			
Principal retirement	163,490	-	235,000
Interest and fiscal charges	420,944	-	603,581
Total Expenditures	<u>1,287,160</u>	<u>11,804</u>	<u>13,135,454</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,062,743</u>	<u>3,452</u>	<u>4,406,362</u>
Other Financing Sources (Uses):			
Transfers in	-	-	616,812
Transfers out	-	-	(5,391,825)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(4,775,013)</u>
Net Change in Fund Balances	1,062,743	3,452	(368,651)
Fund Balances, Beginning of Year	<u>2,596,407</u>	<u>(14,800)</u>	<u>14,976,988</u>
Fund Balances, End of Year	<u>\$ 3,659,150</u>	<u>\$ (11,348)</u>	<u>\$ 14,608,337</u>

## SPECIAL REVENUE FUNDS

These funds are used to account for the proceeds of specific revenue sources that are restricted by law or administrative action to expenditures for a specified purpose. The City of West Hollywood has the following Special Revenue Funds:

### SPECIAL GRANTS FUND

This fund is used to account for various grants the City receives that are restricted for a specific purpose, but do not warrant a separate fund for each grant.

### GAS TAX FUND:

Street and Highway Code sections 2106, 2107 and 2107.5 provide apportionment of certain monies from the State Highway Fund between the cities and counties; the City shares in proportion to its population. These funds must be used exclusively for the purposes of extensive maintenance, right-of-way, or construction of streets which are major thoroughfares or collector streets.

### SUNSET MITIGATION FUND:

The City established a Sunset Boulevard Business Improvement District effective July 1, 2002. This fund is used to account for the annual assessments and expenditures within the District.

### PERMIT PARKING FUND:

Revenue for this fund comes from parking permit fees established to restrict parking within the preferential parking districts in the City. The major expenses are those incurred in managing and enforcing parking in the districts and developing shared parking programs.

### PROPOSITION "A" FUND:

This revenue is derived from a voter approved increase of 0.5% on sales tax within the County of Los Angeles, sales of bus passes, purchase of Prop. A funds from other cities, and incentive funds from Los Angeles County received at 25% of the net operating cost of the Taxi Coupon program. These funds can be used only for the purposes of providing transportation programs to residents.

### PARK DEVELOPMENT FUND (QUIMBY ACT):

The State Government Code authorizes the City to have developers either dedicate land or pay fees to provide open space and park amenities in the City.



**PUBLIC BEAUTIFICATION AND ART FUND:**

City Ordinance requires the developer of new projects to either submit an art plan to be approved by the Fine Arts Advisory Board or make a contribution to the Public Beautification and Art Fund in an amount established by resolution of the City Council. These funds are to be used for beautification of the City.

**PROPOSITION "C" FUND:**

This revenue is derived from a voter approved increase of 0.5% on sales tax within the County of Los Angeles. The expenditures for this fund must be related to transit programs, which may include paving projects.

**AIR QUALITY IMPROVEMENT FUND:**

Assembly Bill 2766 authorized a fee on motor vehicle registrations to fund programs to reduce mobile source air pollution. The South Coast Air Quality Management District (AQMD) administers the program which distributes forty cents of every dollar collected to the cities based on population. Additional grant funds may also be available from AQMD.

**COMMUNITY DEVELOPMENT BLOCK GRANT FUND:**

This U.S. Department of Housing and Urban Development grant provides resources for revitalization of low income urban areas, including beautification of the East Side, rehabilitation of low-income rental housing, shelter for the homeless, and assistance to low-income business owners.

**HOUSING TRUST FUND:**

This fund is used to account for the fees paid by developers of residential properties, as required by City Ordinance. The fees are used to create affordable housing, which includes long term loans to non-profit developers to provide housing to low income residents.

**PARKING IMPROVEMENT FUND:**

This fund contains the revenue from a predetermined amount of parking meter collections, and exactions from the developers of commercial and residential projects. These funds will be used for construction of parking structures.

**TRAFFIC FUND:**

Fees imposed on developers and Federal Grants provide revenues to this fund. No expenditures were incurred for the fiscal year.

**PUBLIC ACCESS CORPORATION FUND:**

This Fund receives 1% of the Franchise Fees paid to the General Fund by the local cable company. The money is restricted to the use of the community channel 36 operation.

**AVENUES OF ART AND DESIGN FUND:**

The City established the Avenues of Art & Design Business Improvement District on July 1, 1992. This fund is used to account for the annual assessments and expenditures within the District.

**CITY LIGHTING FUND:**

The City receives a small portion of the 1.0% ad-valorem tax that is assessed on property by the County of Los Angeles. These revenues are used to provide city-wide lighting. In prior years, the City had recorded these revenues in the Lighting and Landscape Fund.

CITY OF WEST HOLLYWOOD  
 BUDGETARY COMPARISON SCHEDULE  
 SPECIAL GRANTS  
 FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ (93,760)	\$ (93,760)	\$ (737,217)	\$ -
Resources (Inflows):				
Intergovernmental	779,247	2,582,668	2,108,174	(474,494)
Other	-	-	-	-
Transfers from other funds	-	-	6,924	6,924
Amounts Available for Appropriation	<u>685,487</u>	<u>2,488,908</u>	<u>1,377,881</u>	<u>(467,570)</u>
Charges to Appropriation (Outflow):				
General government	95,139	758,717	286,961	471,756
Public safety	97,660	96,661	85,931	10,730
Public services	312,665	492,426	1,123,621	(631,195)
Capital outlay	<u>1,330,166</u>	<u>1,247,193</u>	<u>83,671</u>	<u>1,163,522</u>
Total Charges to Appropriations	<u>1,835,630</u>	<u>2,594,997</u>	<u>1,580,184</u>	<u>1,014,813</u>
Budgetary Fund Balance, June 30	<u><u>\$ (1,150,143)</u></u>	<u><u>\$ (106,089)</u></u>	<u><u>\$ (202,303)</u></u>	<u><u>\$ 547,243</u></u>

CITY OF WEST HOLLYWOOD  
 BUDGETARY COMPARISON SCHEDULE  
 GAS TAX  
 FOR THE YEAR ENDED JUNE 30, 2005

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 623,240	\$ 623,240	\$ 623,240	\$ -
Resources (Inflows):				
Intergovernmental	690,800	690,800	698,291	7,491
Use of money and property	500	500	2,220	1,720
Other	-	-	837	837
Amounts Available for Appropriation	<u>1,314,540</u>	<u>1,314,540</u>	<u>1,324,588</u>	<u>10,048</u>
Charges to Appropriation (Outflow):				
Public services	795,162	795,162	645,429	149,733
Capital outlay	222,009	222,008	28,211	193,797
Total Charges to Appropriations	<u>1,017,171</u>	<u>1,017,170</u>	<u>673,640</u>	<u>343,530</u>
Budgetary Fund Balance, June 30	<u>\$ 297,369</u>	<u>\$ 297,370</u>	<u>\$ 650,948</u>	<u>\$ 353,578</u>

CITY OF WEST HOLLYWOOD  
 BUDGETARY COMPARISON SCHEDULE  
 SUNSET MITIGATION  
 FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ (288,249)	\$ (288,249)	\$ (288,249)	\$ -
Resources (Inflows):				
Charges for Services	600,000	600,000	421,985	(178,015)
Transfers from other funds	<u>572,696</u>	<u>572,696</u>	<u>609,888</u>	<u>37,192</u>
Amounts Available for Appropriation	<u>884,447</u>	<u>884,447</u>	<u>743,800</u>	<u>(140,647)</u>
Charges to Appropriation (Outflow):				
General government	591,500	591,500	591,500	-
Public safety	575,441	575,441	609,888	(34,447)
Public services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Charges to Appropriations	<u>1,166,941</u>	<u>1,166,941</u>	<u>1,201,388</u>	<u>(34,447)</u>
Budgetary Fund Balance, June 30	<u>\$ (282,494)</u>	<u>\$ (282,494)</u>	<u>\$ (457,588)</u>	<u>\$ (175,094)</u>

CITY OF WEST HOLLYWOOD  
 BUDGETARY COMPARISON SCHEDULE  
 PERMIT PARKING  
 FOR THE YEAR ENDED JUNE 30, 2005

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 662	\$ 662	\$ 662	\$ -
Resources (Inflows):				
Use of money and property	692,500	692,500	626,223	(66,277)
Amounts Available for Appropriation	693,162	693,162	626,885	(66,277)
Charges to Appropriation (Outflow):				
Public services	672,961	665,961	614,920	51,041
Capital outlay	2,500	9,500	384	9,116
Total Charges to Appropriations	675,461	675,461	615,304	60,157
Budgetary Fund Balance, June 30	\$ 17,701	\$ 17,701	\$ 11,581	\$ (6,120)

CITY OF WEST HOLLYWOOD  
 BUDGETARY COMPARISON SCHEDULE  
 PROPOSITION A  
 FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 2,426,425	\$ 2,426,425	2,426,425	\$ -
Resources (Inflows):				
Taxes	528,000	528,000	543,536	15,536
Intergovernmental	363,571	1,444,914	1,584,836	139,922
Use of money and property	15,000	15,000	45,126	30,126
Other	100,000	100,000	53,454	(46,546)
Amounts Available for Appropriation	<u>3,432,996</u>	<u>4,514,339</u>	<u>4,653,377</u>	<u>139,038</u>
Charges to Appropriation (Outflow):				
Public services	<u>2,049,768</u>	<u>2,048,558</u>	<u>1,804,819</u>	<u>243,739</u>
Total Charges to Appropriations	<u>2,049,768</u>	<u>2,048,558</u>	<u>1,804,819</u>	<u>243,739</u>
Budgetary Fund Balance, June 30	<u>\$ 1,383,228</u>	<u>\$ 2,465,781</u>	<u>\$ 2,848,558</u>	<u>\$ 382,777</u>

CITY OF WEST HOLLYWOOD  
 BUDGETARY COMPARISON SCHEDULE  
 QIMBY ACT – PARK DEVELOPMENT  
 FOR THE YEAR ENDED JUNE 30, 2005

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 648,016	\$ 648,016	\$ 648,016	\$ -
Resources (Inflows):				
Use of money and property	4,000	4,000	15,340	11,340
Developer fees	2,000	232,000	357,447	125,447
Amounts Available for Appropriation	<u>654,016</u>	<u>884,016</u>	<u>1,020,803</u>	<u>136,787</u>
Charges to Appropriation (Outflow):				
Capital outlay	<u>467,502</u>	<u>467,502</u>	<u>50,050</u>	<u>417,452</u>
Total Charges to Appropriations	<u>467,502</u>	<u>467,502</u>	<u>50,050</u>	<u>417,452</u>
Budgetary Fund Balance, June 30	<u>\$ 186,514</u>	<u>\$ 416,514</u>	<u>\$ 970,753</u>	<u>\$ 554,239</u>



CITY OF WEST HOLLYWOOD  
 BUDGETARY COMPARISON SCHEDULE  
 PUBLIC BEAUTIFICATION AND ART  
 FOR THE YEAR ENDED JUNE 30, 2005

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 327,922	\$ 327,922	\$ 327,922	\$ -
Resources (Inflows):				
Use of money and property	6,000	6,000	10,235	4,235
Developer fees	-	78,000	134,956	56,956
Amounts Available for Appropriation	<u>333,922</u>	<u>411,922</u>	<u>473,113</u>	<u>61,191</u>
Charges to Appropriation (Outflow):				
General government	187,300	187,300	74,170	113,130
Capital Outlay	5,907	5,907	-	5,907
Total Charges to Appropriations	<u>193,207</u>	<u>193,207</u>	<u>74,170</u>	<u>119,037</u>
Budgetary Fund Balance, June 30	<u>\$ 140,715</u>	<u>\$ 218,715</u>	<u>\$ 398,943</u>	<u>\$ 180,228</u>

CITY OF WEST HOLLYWOOD  
 BUDGETARY COMPARISON SCHEDULE  
 PROPOSITION C  
 FOR THE YEAR ENDED JUNE 30, 2005

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 974,522	\$ 974,522	\$ 974,522	\$ -
Resources (Inflows):				
Taxes	438,000	438,000	443,944	5,944
Use of money and property	8,000	8,000	21,772	13,772
Other	-	-	300	300
Amounts Available for Appropriation	<u>1,420,522</u>	<u>1,420,522</u>	<u>1,440,538</u>	<u>20,016</u>
Charges to Appropriation (Outflow):				
Public services	196,235	196,235	199,638	(3,403)
Capital outlay	1,154,115	1,154,115	311,551	842,564
Total Charges to Appropriations	<u>1,350,350</u>	<u>1,350,350</u>	<u>511,189</u>	<u>839,161</u>
Budgetary Fund Balance, June 30	<u>\$ 70,172</u>	<u>\$ 70,172</u>	<u>\$ 929,349</u>	<u>\$ 859,177</u>

CITY OF WEST HOLLYWOOD  
 BUDGETARY COMPARISON SCHEDULE  
 AIR QUALITY IMPROVEMENT  
 FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 107,819	\$ 107,819	\$ 107,819	\$ -
Resources (Inflows):				
Intergovernmental	40,000	40,000	33,275	(6,725)
Use of money and property	8,000	8,000	2,257	(5,743)
Amounts Available for Appropriation	<u>155,819</u>	<u>155,819</u>	<u>143,351</u>	<u>(12,468)</u>
Charges to Appropriation (Outflow):				
Public services	8,000	8,000	9,290	(1,290)
Capital outlay	-	-	-	-
Total Charges to Appropriations	<u>8,000</u>	<u>8,000</u>	<u>9,290</u>	<u>(1,290)</u>
Budgetary Fund Balance, June 30	<u>\$ 147,819</u>	<u>\$ 147,819</u>	<u>\$ 134,061</u>	<u>\$ (13,758)</u>

CITY OF WEST HOLLYWOOD  
 BUDGETARY COMPARISON SCHEDULE  
 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)  
 FOR THE YEAR ENDED JUNE 30, 2005

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (16,891)	\$ (16,891)	\$ (16,891)	\$ -
Resources (Inflows):				
Intergovernmental	1,377,984	1,377,984	1,747,479	369,495
Amounts Available for Appropriation	1,361,093	1,361,093	1,730,588	369,495
Charges to Appropriation (Outflow):				
Public services	760,409	760,409	83,427	676,982
Transfers to other funds	1,647,161	617,575	1,647,161	(1,029,586)
Total Charges to Appropriations	2,407,570	1,377,984	1,730,588	(352,604)
Budgetary Fund Balance, June 30	\$ (1,046,477)	\$ (16,891)	\$ -	\$ 16,891

CITY OF WEST HOLLYWOOD  
 BUDGETARY COMPARISON SCHEDULE  
 HOUSING TRUST  
 FOR THE YEAR ENDED JUNE 30, 2005

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,660,495	\$ 4,660,495	\$ 4,660,495	\$ -
Resources (Inflows):				
Use of money and property	15,000	15,000	103,121	88,121
Developer fees	197,000	1,497,000	2,307,783	810,783
Amounts Available for Appropriation	<u>4,872,495</u>	<u>7,172,495</u>	<u>7,071,399</u>	<u>(101,096)</u>
Charges to Appropriation (Outflow):				
Public services	225,000	246,350	186,068	60,282
Capital Outlay	<u>605,200</u>	<u>3,877,516</u>	<u>2,454,414</u>	<u>1,423,102</u>
Total Charges to Appropriations	<u>830,200</u>	<u>4,123,866</u>	<u>2,640,482</u>	<u>1,483,384</u>
Budgetary Fund Balance, June 30	<u><u>\$ 4,042,295</u></u>	<u><u>\$ 3,048,629</u></u>	<u><u>\$ 4,430,917</u></u>	<u><u>\$ 1,382,288</u></u>

CITY OF WEST HOLLYWOOD  
 BUDGETARY COMPARISON SCHEDULE  
 PARKING IMPROVEMENT  
 FOR THE YEAR ENDED JUNE 30, 2005

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 481,384	\$ 481,384	\$ 481,384	\$ -
Resources (Inflows):				
Use of money and property	1,019,430	1,229,430	1,365,467	136,037
Fines and forfeitures	672,000	688,000	642,315	(45,685)
Other	-	-	-	-
Developer fees	-	-	131,006	131,006
Amounts Available for Appropriation	<u>2,172,814</u>	<u>2,398,814</u>	<u>2,620,172</u>	<u>221,358</u>
Charges to Appropriation (Outflow):				
Public services	521,065	531,065	415,861	115,204
Capital outlay	25,947,618	25,937,618	404,755	25,532,863
Transfers to other funds	<u>768,695</u>	<u>768,695</u>	<u>3,454,221</u>	<u>(2,685,526)</u>
Total Charges to Appropriations	<u>27,237,378</u>	<u>27,237,378</u>	<u>4,274,837</u>	<u>22,962,541</u>
Budgetary Fund Balance, June 30	<u>\$ (25,064,564)</u>	<u>\$ (24,838,564)</u>	<u>\$ (1,654,665)</u>	<u>\$ 23,183,899</u>

CITY OF WEST HOLLYWOOD  
 BUDGETARY COMPARISON SCHEDULE  
 TRAFFIC  
 FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 461,781	\$ 461,781	\$ 461,781	\$ -
Resources (Inflows):				
Use of money and property	21,000	21,000	8,045	(12,955)
Developer fees	<u>10,000</u>	<u>10,000</u>	<u>28,219</u>	<u>18,219</u>
Amounts Available for Appropriation	<u>492,781</u>	<u>492,781</u>	<u>498,045</u>	<u>5,264</u>
Charges to Appropriation (Outflow):				
Public services	142,476	142,476	123,865	18,611
Capital outlay	<u>277,970</u>	<u>277,970</u>	<u>-</u>	<u>277,970</u>
Total Charges to Appropriations	<u>420,446</u>	<u>420,446</u>	<u>123,865</u>	<u>296,581</u>
Budgetary Fund Balance, June 30	<u>\$ 72,335</u>	<u>\$ 72,335</u>	<u>\$ 374,180</u>	<u>\$ 301,845</u>

CITY OF WEST HOLLYWOOD  
 BUDGETARY COMPARISON SCHEDULE  
 PUBLIC ACCESS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 268,540	\$ 268,540	\$ 268,540	\$ -
Resources (Inflows):				
Taxes	85,000	335,000	384,126	49,126
Use of money and property	4,000	4,000	8,169	4,169
Other	2,000	2,000	1,054	(946)
Amounts Available for Appropriation	<u>359,540</u>	<u>609,540</u>	<u>661,889</u>	<u>52,349</u>
Charges to Appropriation (Outflow):				
General government	66,922	66,922	73,964	(7,042)
Capital Outlay	11,242	261,242	37,519	223,723
Total Charges to Appropriations	<u>78,164</u>	<u>328,164</u>	<u>111,483</u>	<u>216,681</u>
Budgetary Fund Balance, June 30	<u>\$ 281,376</u>	<u>\$ 281,376</u>	<u>\$ 550,406</u>	<u>\$ 269,030</u>



CITY OF WEST HOLLYWOOD  
 BUDGETARY COMPARISON SCHEDULE  
 AVENUES OF ART AND DESIGN  
 FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 35,272	\$ 35,272	\$ 35,272	\$ -
Resources (Inflows):				
Taxes	161,233	161,233	148,795	(12,438)
Other	-	-	-	-
Amounts Available for Appropriation	<u>196,505</u>	<u>196,505</u>	<u>184,067</u>	<u>(12,438)</u>
Charges to Appropriation (Outflow):				
General government	<u>166,745</u>	<u>166,745</u>	<u>166,745</u>	<u>-</u>
Total Charges to Appropriations	<u>166,745</u>	<u>166,745</u>	<u>166,745</u>	<u>-</u>
Budgetary Fund Balance, June 30	<u><u>\$ 29,760</u></u>	<u><u>\$ 29,760</u></u>	<u><u>\$ 17,322</u></u>	<u><u>\$ (12,438)</u></u>

CITY OF WEST HOLLYWOOD  
 BUDGETARY COMPARISON SCHEDULE  
 CITY LIGHTING  
 FOR THE YEAR ENDED JUNE 30, 2005

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ 8,417	\$ 8,417
Resources (Inflows):				
Taxes	425,000	425,000	551,091	126,091
Intergovernmental	5,000	5,000	6,206	1,206
Use of money and property	1,000	1,000	1,457	457
Fines and forfeitures	3,000	3,000	3,134	134
Transfers from other funds	58,391	-	-	-
Amounts Available for Appropriation	<u>492,391</u>	<u>434,000</u>	<u>570,305</u>	<u>136,305</u>
Charges to Appropriation (Outflow):				
Public services	<u>639,565</u>	<u>639,565</u>	<u>470,431</u>	<u>169,134</u>
Total Charges to Appropriations	<u>639,565</u>	<u>639,565</u>	<u>470,431</u>	<u>169,134</u>
Budgetary Fund Balance, June 30	<u>\$ (147,174)</u>	<u>\$ (205,565)</u>	<u>\$ 99,874</u>	<u>\$ 305,439</u>

## CAPITAL PROJECT FUNDS

### WEST HOLLYWOOD DEBT FUNDED CAPITAL IMPROVEMENT FUND:

To account for the receipt and disbursement of monies used for the construction of the mix use parking facilities, City Hall acquisition, Homeless Shelter, Fire Station No. 7, and new parking meters, which generally require more than one budgetary cycle to complete. These projects are funded by the General Fund and Bond Proceeds.

### SEISMIC IMPROVEMENT FUND:

The City issued 20-year bonds worth \$835,000 to finance Seismic Improvements within the Communities Facilities District. However, this debt is entirely financed by the assessments levied on the properties within this district and the City assumes no future liabilities. Thus, the activities on this debt are reported under Agency funds.

### SANTA MONICA BLVD. RELINQUISHMENT/REHABILITATION FUND:

This fund accounts for the receipt and disbursement of funds for the reconstruction of Santa Monica Boulevard. Funds have been received from Caltrans and will also be received from Los Angeles County and other sources for use in reconstruction. These funds will be augmented by transfers from the City's General Fund and/or from the issuance of debt in order to enhance the boulevard.

### REDEVELOPMENT AGENCY CAPITAL PROJECTS FUND:

This fund accounts for loans and advances from the City, bond proceeds available for project improvements, interest income on invested funds, and certain miscellaneous income of the Redevelopment Agency. The projects will improve the assessed values of properties located in the project areas, thus increasing the property taxes. The increase in taxes will be used to repay the Agency's debt. The City declared that there is a need for a Redevelopment Agency to function in the City under and pursuant to the Community Redevelopment law, California Health and Safety Code Section 33000, *et seq.*

### REDEVELOPMENT AGENCY LOW & MODERATE FUND:

This fund accounts for the 20% set aside of tax increment revenues pursuant to the Community Redevelopment law, California Health and Safety Code Section 33000, for housing projects benefiting low and moderate-income households.

CITY OF WEST HOLLYWOOD  
 BUDGETARY COMPARISON SCHEDULE  
 DEBT FUNDED CAPITAL PROJECTS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ 117,053	\$ 117,053
Resources (Inflows):				
Use of money and property	-	-	2,185	2,185
Amounts Available for Appropriation	-	-	119,238	119,238
Charges to Appropriation (Outflow):				
Capital outlay	1,351	1,501,351	618,934	882,417
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	1,351	1,501,351	618,934	882,417
Budgetary Fund Balance, June 30	\$ (1,351)	\$ (1,501,351)	\$ (499,696)	\$ 1,001,655

CITY OF WEST HOLLYWOOD  
 BUDGETARY COMPARISON SCHEDULE  
 SEISMIC IMPROVEMENT  
 FOR THE YEAR ENDED JUNE 30, 2005

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 33,428	\$ 33,428	\$ 33,428	\$ -
Resources (Inflows):				
Use of money and property	-	-	479	479
Amounts Available for Appropriation	<u>33,428</u>	<u>33,428</u>	<u>33,907</u>	<u>479</u>
Charges to Appropriation (Outflow):				
General government	-	-	-	-
Public services	-	-	479	(479)
Capital outlay	<u>33,428</u>	<u>33,428</u>	<u>-</u>	<u>33,428</u>
Total Charges to Appropriations	<u>33,428</u>	<u>33,428</u>	<u>479</u>	<u>32,949</u>
Budgetary Fund Balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 33,428</u></u>	<u><u>\$ 33,428</u></u>

CITY OF WEST HOLLYWOOD  
 BUDGETARY COMPARISON SCHEDULE  
 SANTA MONICA BOULEVARD  
 FOR THE YEAR ENDED JUNE 30, 2005

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 286,922	\$ 286,922	\$ 286,922	\$ -
Resources (Inflows):				
Intergovernmental	-	-	17,000	17,000
Use of money and property	-	-	3,521	3,521
Amounts Available for Appropriation	<u>286,922</u>	<u>286,922</u>	<u>307,443</u>	<u>20,521</u>
Charges to Appropriation (Outflow):				
Capital outlay	<u>568,358</u>	<u>568,358</u>	<u>17,000</u>	<u>551,358</u>
Total Charges to Appropriations	<u>568,358</u>	<u>568,358</u>	<u>307,443</u>	<u>260,915</u>
Budgetary Fund Balance, June 30	<u>\$ (281,436)</u>	<u>\$ (281,436)</u>	<u>\$ -</u>	<u>\$ 281,436</u>

CITY OF WEST HOLLYWOOD  
 BUDGETARY COMPARISON SCHEDULE  
 REDEVELOPMENT AGENCY CAPITAL PROJECTS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (4,799,244)	\$ (4,799,244)	\$ (4,799,244)	\$ -
Resources (Inflows):				
Use of money and property	20,000	60,000	42,971	(17,029)
Other	-	-	-	-
Long-term debt issued	-	-	-	-
Amounts Available for Appropriation	<u>(4,779,244)</u>	<u>(4,739,244)</u>	<u>(4,756,273)</u>	<u>(17,029)</u>
Charges to Appropriation (Outflow):				
General government	11,700	11,700	1,920	9,780
Public services	689,804	689,804	353,918	335,886
Capital Outlay	6,278,000	6,278,000	-	6,278,000
Debt service:				
Interest and fiscal charges	-	600,000	324,577	275,423
Issuance costs	-	-	-	-
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	<u>7,579,504</u>	<u>7,579,504</u>	<u>680,415</u>	<u>6,899,089</u>
Budgetary Fund Balance, June 30	<u>\$ (12,358,748)</u>	<u>\$ (12,318,748)</u>	<u>\$ (5,436,688)</u>	<u>\$ 6,882,060</u>

CITY OF WEST HOLLYWOOD  
 BUDGETARY COMPARISON SCHEDULE  
 REDEVELOPMENT AGENCY LOW AND MODERATE HOUSING  
 FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 1,975,840	\$ 1,975,840	\$ 1,975,840	\$ -
Resources (Inflows):				
Taxes	408,000	408,000	572,814	164,814
Use of money and property	5,000	5,000	38,807	33,807
Other	-	-	-	-
Long-term debt issued	-	-	-	-
Amounts Available for Appropriation	<u>2,388,840</u>	<u>2,388,840</u>	<u>2,587,461</u>	<u>198,621</u>
Charges to Appropriation (Outflow):				
General government	10,000	10,000	8,847	1,153
Capital Outlay	600,000	600,000	-	600,000
Debt service:				
Interest and fiscal charges	-	302,486	182,637	119,849
Issuance costs	-	-	-	-
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	<u>984,008</u>	<u>984,008</u>	<u>262,994</u>	<u>721,014</u>
Budgetary Fund Balance, June 30	<u>\$ 1,404,832</u>	<u>\$ 1,404,832</u>	<u>\$ 2,324,467</u>	<u>\$ 919,635</u>



## DEBT SERVICE FUNDS

### WEST HOLLYWOOD DEBT SERVICE FUND:

Accounts for all financial activity related to the administration of proceeds generated from the issuance of long-term debt. The City issued Certificates of Participation (COPs) for the acquisition and construction of mixed use parking structures, fire station, homeless shelter, city hall, park renovations, and new parking meters.

Principal and interest on COPs issued are paid from resources accumulated through rents, parking fines, parking meter collections, and allocation of costs to divisions in lieu of the square feet occupied at City Hall by the foresaid divisions.

### REDEVELOPMENT AGENCY FUND:

This fund is used to account for the accumulation of resources and the payment of principal and interest on long-term debt issued to finance projects in the Eastside Redevelopment Project Area. Currently, resources consist of tax increments and interest earnings which will be used for payment of long-term debt of the Agency.

CITY OF WEST HOLLYWOOD  
 BUDGETARY COMPARISON SCHEDULE  
 CAPITAL PROJECTS DEBT SERVICE  
 FOR THE YEAR ENDED JUNE 30, 2005

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 5,451,475	\$ 5,451,475	\$ 5,451,475	\$ -
Resources (Inflows):				
Use of money and property	887,350	887,350	911,495	24,145
Transfers from other funds	1,386,790	1,386,790	5,508,135	4,121,345
Amounts Available for Appropriation	7,725,615	7,725,615	11,871,105	4,145,490
Charges to Appropriation (Outflow):				
General government	-	-	-	-
Debt service:				
Principal	2,277,140	770,000	5,185,000	(4,415,000)
Interest and fiscal charges	-	1,507,140	1,234,630	272,510
Total Charges to Appropriations	2,277,140	2,277,140	6,419,630	(4,142,490)
Budgetary Fund Balance, June 30	\$ 5,448,475	\$ 5,448,475	\$ 5,451,475	\$ 3,000

CITY OF WEST HOLLYWOOD  
 BUDGETARY COMPARISON SCHEDULE  
 REDEVELOPMENT AGENCY DEBT SERVICE  
 FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 2,596,407	\$ 2,596,407	\$ 2,596,407	\$ -
Resources (Inflows):				
Taxes	1,765,000	1,765,000	2,291,256	526,256
Use of money and property	10,000	10,000	58,647	48,647
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	<u>4,371,407</u>	<u>4,371,407</u>	<u>4,946,310</u>	<u>574,903</u>
Charges to Appropriation (Outflow):				
General government	140,000	580,574	702,726	(122,152)
Debt Service:				
Principal	580,587	163,478	163,490	(12)
Interest and fiscal charges	-	417,109	420,944	(3,835)
Total Charges to Appropriations	<u>720,587</u>	<u>1,161,161</u>	<u>1,287,160</u>	<u>(125,999)</u>
Budgetary Fund Balance, June 30	<u>\$ 3,650,820</u>	<u>\$ 3,210,246</u>	<u>\$ 3,659,150</u>	<u>\$ 448,904</u>

PERMANENT FUND

LAUREL AVE. TRUST FUND:

A Trust was formed between the City and Elsie Weisman to maintain a donated historic apartment building. The fund is to account for the rental revenues, related operating costs, and the capital improvements. Prior to GASB 34, this fund was considered a Non-Expendable Trust, and was considered a Fiduciary Fund.

CITY OF WEST HOLLYWOOD  
 BUDGETARY COMPARISON SCHEDULE  
 LAUREL AVENUE TRUST  
 FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ (14,800)	\$ (14,800)	\$ (14,800)	\$ -
Resources (Inflows):				
Use of money and property	20,200	-	15,256	15,256
Amounts Available for Appropriation	5,400	(14,800)	456	15,256
Charges to Appropriation (Outflow):				
Public services	27,135	27,135	11,804	15,331
Capital Outlay	-	-	-	-
Total Charges to Appropriations	27,135	27,135	11,804	15,331
Budgetary Fund Balance, June 30	<u>\$ (21,735)</u>	<u>\$ (41,935)</u>	<u>\$ (11,348)</u>	<u>\$ 30,587</u>

**PROPRIETARY FUNDS****SEWER CONSTRUCTION FUND – ENTERPRISE:**

This fund has equity transferred from the County of Los Angeles, when the City took over the Sewer district. Presently, the only source of revenue is the interest earnings on the investments. Use of this fund is designated for the future improvement of the underground sewer lines.

**SEWER CHARGE FUND – ENTERPRISE:**

Assessments for the sewers are determined by the City Engineer based on the type of dwellings and their usage. These assessments are attached to the property tax bill and then distributed to the City by the County of Los Angeles. Uses of this fund are for all engineering costs, mileage, overhead and maintenance costs related to the sewers.

**LANDSCAPE DISTRICT FUND – ENTERPRISE:**

An assessment is levied on the lots and parcels of property within the designated Landscape Maintenance District. Collection and distribution of the assessment is done by the County of Los Angeles. The revenue generated in this fund is used for maintenance, operation and servicing of boulevard median and parkways within the District.

**SOLID WASTE FUND – ENTERPRISE:**

The City levies assessments for collection of solid waste from residential and/or commercial premises. The revenues are used to support the Environmental Services Division of the Community Development Department.

**STREET MAINTENANCE FUND – ENTERPRISE:**

An assessment is levied on parcels of property within the City limits. Collection and distribution of the assessment is done by the County of Los Angeles. The revenue will be used for maintenance, operation, and servicing of the roadways within the City.

**INFORMATION SYSTEMS MASTER PLAN FUND – INTERNAL SERVICE:**

Accounts for all costs incurred in the process of designing, purchasing and implementing of a new information systems infrastructure. Project includes costs for design, hardware and software acquisition and systems conversion. Costs are recovered from all operating units over a five-year period.

CITY OF WEST HOLLYWOOD  
 COMBING STATEMENT OF NET ASSETS  
 NONMAJOR PROPRIETARY FUNDS  
 JUNE 30, 2005

	<b>Sewer Charges</b>	<b>Landscape District</b>
<b>ASSETS</b>		
Current:		
Cash and investments	\$ 281,773	\$ 178,919
Receivables:		
Accounts	229	-
Accrued interest	1,716	1,066
Due from other governments	6,461	7,474
Total Assets	\$ 290,179	\$ 187,459
 <b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities:</b>		
Current:		
Accounts payable	\$ 53,287	\$ 39,228
Accrued payroll payable	1,259	-
Total Liabilities	54,546	39,228
 <b>Net Assets:</b>		
Unrestricted	235,633	148,231
Total Net Assets	235,633	148,231
Total Liabilities and Net Assets	\$ 290,179	\$ 187,459

(CONTINUED)

<u>Solid Waste</u>	<u>Street Maintenance</u>	<u>Totals</u>
\$ 324,155	\$ 111,458	\$ 896,305
-	-	229
2,287	828	5,897
<u>28,837</u>	<u>8,965</u>	<u>51,737</u>
<u>\$ 355,279</u>	<u>\$ 121,251</u>	<u>\$ 954,168</u>
\$ 2,318	\$ 2,761	\$ 97,594
<u>2,690</u>	<u>3,215</u>	<u>7,164</u>
<u>5,008</u>	<u>5,976</u>	<u>104,758</u>
<u>350,271</u>	<u>115,275</u>	<u>849,410</u>
<u>350,271</u>	<u>115,275</u>	<u>849,410</u>
<u>\$ 355,279</u>	<u>\$ 121,251</u>	<u>\$ 954,168</u>



CITY OF WEST HOLLYWOOD  
 COMBINING STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN FUND NET ASSETS  
 NONMAJOR PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	<u>Sewer Charges</u>	<u>Landscape District</u>
<b>Operating Revenues:</b>		
Charges for current services	\$ 188,587	\$ 135,628
Fines and forfeitures	537	477
Developer fees	12,031	-
	<u>201,155</u>	<u>136,105</u>
<b>Operating Expenses:</b>		
General government	33,000	3,000
Public service	257,650	144,299
	<u>290,650</u>	<u>147,299</u>
Total Operating Expenses	<u>290,650</u>	<u>147,299</u>
Operating Income (Loss)	<u>(89,495)</u>	<u>(11,194)</u>
<b>Nonoperating Revenues (Expenses):</b>		
Taxes	-	-
Intergovernmental revenue	35,509	-
Interest income	5,685	3,134
	<u>41,194</u>	<u>3,134</u>
Total Nonoperating Revenues (Expenses)	<u>41,194</u>	<u>3,134</u>
Changes in Net Assets	(48,301)	(8,060)
<b>Net Assets</b>		
Beginning of Fiscal Year	<u>283,934</u>	<u>156,291</u>
End of Fiscal Year	<u>\$ 235,633</u>	<u>\$ 148,231</u>

(CONTINUED)

<u>Solid Waste</u>	<u>Street Maintenance</u>	<u>Totals</u>
\$ 1,133,118	\$ 286,184	\$ 1,743,517
7,339	683	9,036
<u>-</u>	<u>-</u>	<u>12,031</u>
<u>1,140,457</u>	<u>286,867</u>	<u>1,764,584</u>
28,651	99,114	163,765
<u>1,067,498</u>	<u>205,237</u>	<u>1,674,684</u>
<u>1,096,149</u>	<u>304,351</u>	<u>1,838,449</u>
<u>44,308</u>	<u>(17,484)</u>	<u>(73,865)</u>
25	-	25
-	-	35,509
<u>4,575</u>	<u>2,160</u>	<u>15,554</u>
<u>4,600</u>	<u>2,160</u>	<u>51,088</u>
48,908	(15,324)	(22,777)
<u>301,363</u>	<u>130,599</u>	<u>872,187</u>
<u>\$ 350,271</u>	<u>\$ 115,275</u>	<u>\$ 849,410</u>

CITY OF WEST HOLLYWOOD  
 COMBINING STATEMENT OF CASH FLOWS  
 NONMAJOR PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	<u>Sewer Charges</u>	<u>Landscape District</u>
<b>Cash Flows from Operating Activities:</b>		
Cash received from customers	\$ 197,131	\$ 131,707
Cash payments to suppliers for goods and services	(179,747)	(119,731)
Cash payments to employees for services	(88,208)	-
Other operating revenues (expenses)	35,509	-
	<u>(35,315)</u>	<u>11,976</u>
<b>Net Cash Provided (Used) by Operating Activities</b>		
<b>Cash Flows from Noncapital Financing Activities:</b>		
Repayment of due from other funds	-	-
	<u>-</u>	<u>-</u>
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>		
	<u>-</u>	<u>-</u>
<b>Cash Flows from Investing Activities:</b>		
Interest income	5,043	2,562
	<u>5,043</u>	<u>2,562</u>
<b>Net Cash Provided (Used) by Investing Activities</b>		
	<u>5,043</u>	<u>2,562</u>
<b>Net Increase (Decrease) in Cash and Investments</b>	(30,272)	14,538
<b>Cash and Investments at Beginning of Fiscal Year</b>	312,045	164,381
<b>Cash and Investments at End of Fiscal Year</b>	<u>\$ 281,773</u>	<u>\$ 178,919</u>
<b>Reconciliation:</b>		
Operating income	\$ (89,495)	\$ (11,194)
Adjustments:		
Nonoperating revenue - taxes and intergovernmental	35,509	-
Decrease (increase) in due from other governments	(4,024)	(4,398)
Increase (decrease) in accounts payable	22,488	27,568
Increase (decrease) in accrued payroll	207	-
	<u>54,180</u>	<u>23,170</u>
<b>Total Adjustments</b>		
	<u>54,180</u>	<u>23,170</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ (35,315)</u>	<u>\$ 11,976</u>

**Schedule of Noncash Investing and Capital and Noncapital Financing Activities**

During the fiscal year ending June 30, 2005, there were no noncash investing or capital or noncapital financing activities.

(CONTINUED)

<u>Solid Waste</u>	<u>Street Maintenance</u>	<u>Totals</u>
\$ 1,134,815	\$ 281,942	\$ 1,745,595
(912,530)	(87,567)	(1,299,575)
(189,695)	(224,059)	(501,962)
25	-	35,534
-	-	-
<u>32,615</u>	<u>(29,684)</u>	<u>(20,408)</u>
-	-	-
-	-	-
<u>3,381</u>	<u>1,579</u>	<u>12,565</u>
<u>3,381</u>	<u>1,579</u>	<u>12,565</u>
35,996	(28,105)	(7,843)
<u>288,159</u>	<u>139,563</u>	<u>904,148</u>
<u>\$ 324,155</u>	<u>\$ 111,458</u>	<u>\$ 896,305</u>
<u>\$ 44,308</u>	<u>\$ (17,484)</u>	<u>\$ (73,865)</u>
25	-	35,534
(5,642)	(4,925)	(18,989)
(6,844)	(7,969)	35,243
<u>768</u>	<u>694</u>	<u>1,669</u>
-	-	-
<u>(11,693)</u>	<u>(12,200)</u>	<u>53,457</u>
<u>\$ 32,615</u>	<u>\$ (29,684)</u>	<u>\$ (20,408)</u>

## FIDUCIARY FUNDS

### BUSINESS IMPROVEMENT FUND – AGENCY:

This fund accounts for the receipt of 1.5% of the transient occupancy tax (hotel bed tax) collected by the City on behalf of West Hollywood Marketing Corporation (WHMC). This receipt of 1.5% tax is granted to the WHMC to use to advertise the as a travel destination and convention site. The City's total transient occupancy tax rate is 13.0%.

### SEISMIC IMPROVEMENT BOND – AGENCY:

To collect assessments on Community Facilities District No. 92-1 and to pay off interest and principal on the special Tax Bonds Series 1992.

CITY OF WEST HOLLYWOOD  
 COMBING BALANCE SHEET  
 AGENCY FUNDS  
 JUNE 30, 2005

	<u>Business Improvement</u>	<u>Seismic Improvement Bonds</u>	<u>Totals</u>
<b>ASSETS</b>			
Cash and investments	\$ -	\$ 96,832	\$ 96,832
Cash and investments with fiscal agent	-	314,727	314,727
Taxes receivable	133,334	-	133,334
Accounts receivable	112,800	-	112,800
Accrued interest receivable	-	574	574
Due from other governments	-	1,378	1,378
	<u>-</u>	<u>1,378</u>	<u>1,378</u>
Total Assets	<u>\$ 246,134</u>	<u>\$ 413,511</u>	<u>\$ 659,645</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 246,134	\$ 3,000	\$ 249,134
Payable to trustee	-	410,511	410,511
	<u>-</u>	<u>410,511</u>	<u>410,511</u>
Total Liabilities	<u>\$ 246,134</u>	<u>\$ 413,511</u>	<u>\$ 659,645</u>

CITY OF WEST HOLLYWOOD  
 SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	<u>Balance 6/30/2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2005</u>
<b>BUSINESS IMPROVEMENT</b>				
<b>Assets:</b>				
Cash and investments	\$ -	\$ 1,499,811	\$ 1,499,811	\$ -
Taxes receivable	112,903	133,334	112,903	133,334
Accounts receivable	101,871	10,929	-	112,800
Totals	<u>\$ 214,774</u>	<u>\$ 1,644,074</u>	<u>\$ 1,612,714</u>	<u>\$ 246,134</u>
<b>Liabilities:</b>				
Accounts payable	\$ 214,774	\$ 1,644,074	\$ 1,612,714	\$ 246,134
Totals	<u>\$ 214,774</u>	<u>\$ 1,644,074</u>	<u>\$ 1,612,714</u>	<u>\$ 246,134</u>
<b>SEISMIC IMPROVEMENT BONDS</b>				
<b>Assets:</b>				
Cash and investments	\$ 3,425	\$ 269,030	\$ 175,623	\$ 96,832
Cash and investments with fiscal agent	403,341	5,366	93,980	314,727
Accrued interest receivable	250	918	594	574
Due from other governments	545	1,378	545	1,378
Totals	<u>\$ 407,561</u>	<u>\$ 276,692</u>	<u>\$ 270,742</u>	<u>\$ 413,511</u>
<b>Liabilities:</b>				
Accounts payable	\$ 3,000	\$ 4,500	\$ 4,500	\$ 3,000
Payable to trustee	404,561	272,192	266,242	410,511
Totals	<u>\$ 407,561</u>	<u>\$ 276,692</u>	<u>\$ 270,742</u>	<u>\$ 413,511</u>
<b>TOTAL - ALL AGENCY FUNDS</b>				
<b>Assets:</b>				
Cash and investments	\$ 3,425	\$ 1,768,841	\$ 1,675,434	\$ 96,832
Cash and investments with fiscal agent	403,341	5,366	93,980	314,727
Taxes receivable	112,903	133,334	112,903	133,334
Accounts receivable	101,871	10,929	-	112,800
Accrued interest receivable	250	918	594	574
Due from other governments	545	1,378	545	1,378
Total Assets	<u>\$ 622,335</u>	<u>\$ 1,920,766</u>	<u>\$ 1,883,456</u>	<u>\$ 659,645</u>
<b>Liabilities:</b>				
Accounts payable	\$ 217,774	\$ 1,648,574	\$ 1,617,214	\$ 249,134
Payable to trustee	404,561	272,192	266,242	410,511
Total Liabilities	<u>\$ 622,335</u>	<u>\$ 1,920,766</u>	<u>\$ 1,883,456</u>	<u>\$ 659,645</u>

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# CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

CITY OF WEST HOLLYWOOD  
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 COMPARATIVE SCHEDULES BY SOURCE  
 JUNE 30, 2005 AND 2004

	2005	2004
<b>Governmental Capital Assets:</b>		
Land	\$ 45,713,928	\$ 45,713,928
Buildings	17,743,315	17,672,563
Improvements other than buildings	3,320,448	3,253,430
Machinery and equipment	4,254,178	4,035,262
Furniture and fixtures	71,719	71,719
Office equipment	841,877	809,861
Infrastructure	74,282,051	73,480,394
Construction in progress	6,675,047	5,818,429
Total	\$ 152,902,563	\$ 150,855,586
<b>Investment in Governmental Capital Assets:</b>		
General fund	\$ 138,350,946	\$ 136,393,245
Special revenue funds	10,847,528	10,781,862
Redevelopment agency	1,738,214	1,738,214
Grant funding	873,221	849,611
Permanent fund	1,092,654	1,092,654
Investment in Capital Assets	\$ 152,902,563	\$ 150,855,586

CITY OF WEST HOLLYWOOD  
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 SCHEDULE BY FUNCTION AND ACTIVITY  
 JUNE 30, 2005

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>
<b>General Government</b>		
General government buildings	\$ 4,000,000	\$ 4,450,603
City manager	-	-
Administrative services	-	-
Finance and technology	-	-
<b>Public Service</b>		
Human services	24,859,797	6,597,219
Rent stabilization and housing	-	-
Community development	-	-
Transportation and public works	15,699,631	3,295,150
Public information and adjudication	-	-
<b>Public Safety</b>		
Police and fire	1,154,500	3,400,343
Total	<u>\$ 45,713,928</u>	<u>\$ 17,743,315</u>

(CONTINUED)

<u>Improvements Other than Buildings</u>	<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>Total</u>
\$ 98,464	\$ -	\$ -	\$ -	\$ 8,549,067
-	67,472	-	-	67,472
-	20,713	-	-	20,713
15,500	3,012,994	-	17,588	3,046,082
2,557,671	680,646	8,181,336	5,785,500	48,662,169
-	34,906	-	-	34,906
-	71,707	-	-	71,707
648,813	912,195	66,100,715	871,959	87,528,463
-	177,475	-	-	177,475
-	189,666	-	-	4,744,509
<u>\$ 3,320,448</u>	<u>\$ 5,167,774</u>	<u>\$ 74,282,051</u>	<u>\$ 6,675,047</u>	<u>\$ 152,902,563</u>

CITY OF WEST HOLLYWOOD  
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY  
 FOR THE YEAR ENDED JUNE 30, 2005

<u>Function and Activity</u>	<u>Balance July 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2005</u>
<b>General Government</b>				
General government buildings	\$ 8,549,067	\$ -	\$ -	\$ 8,549,067
City manager	67,472	-	-	67,472
Administrative services	20,713	-	-	20,713
Finance and technology	2,950,121	95,961	-	3,046,082
<b>Public Service</b>				
Human services	47,708,556	953,613	-	48,662,169
Rent stabilization and housing	34,906	-	-	34,906
Community development	56,405	15,302	-	71,707
Transportation and public works	86,565,510	962,953	-	87,528,463
Public information and adjudication	158,327	19,148	-	177,475
<b>Public Safety</b>				
Police and fire	4,744,509	-	-	4,744,509
Total	<u>\$ 150,855,586</u>	<u>\$ 2,046,977</u>	<u>\$ -</u>	<u>\$ 152,902,563</u>



# Statistical Section



City of West Hollywood  
California 1984

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTIONS  
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	General Government	Public Service	Public Safety	Current Expenditures Sub-Total	Capital Improvements & Debt Service	Total Expenditures
1996	6,132,662	17,460,797	9,024,522	32,617,981	21,220,800	53,838,781
% Current	18.80	53.53	27.67	100.00		
% Total	11.39	32.43	16.76	60.58	39.42	100.00
1997	6,173,553	17,876,398	8,980,892	33,030,843	5,332,955	38,363,798
% Current	18.69	54.12	27.19	100.00		
% Total	16.09	46.60	23.41	86.10	13.90	100.00
1998	6,931,471	17,886,275	8,636,591	33,454,337	10,213,336	43,667,673
% Current	20.72	53.46	25.82	100.00		
% Total	15.87	40.96	19.78	76.61	23.39	100.00
1999	7,970,515	20,012,425	9,397,927	37,380,867	6,576,774	43,957,641
% Current	21.32	53.54	25.14	100.00		
% Total	18.13	45.53	21.38	85.04	14.96	100.00
2000	8,615,817	21,864,754	10,297,374	40,777,945	21,745,873	62,523,818
% Current	21.13	53.62	25.25	100.00		
% Total	13.78	34.97	16.47	65.22	34.78	100.00
2001	9,251,147	26,434,085	9,908,515	45,593,747	18,922,304	64,516,051
% Current	20.29	57.98	21.73	100.00		
% Total	14.34	40.97	15.36	70.67	29.33	100.00
2002	10,926,359	28,024,826	10,512,934	49,464,119	12,449,461	61,913,580
% Current	22.09	56.66	21.25	100.00		
% Total	17.65	45.26	16.98	79.89	20.11	100.00
2003	11,588,027	28,749,190	10,928,765	51,265,982	30,256,170	81,522,152
% Current	22.60	56.08	21.32	100.00		
% Total	14.21	35.27	13.41	62.89	37.11	100.00
2004	12,101,089	25,541,870	10,887,777	48,530,736	15,744,241	64,274,977
% Current	24.93	52.63	22.43	100.00		
% Total	18.83	39.74	16.94	75.50	24.50	100.00
2005	13,874,481	27,292,421	10,698,220	51,865,122	12,312,137	64,177,259
% Current	26.75	52.62	20.63	100.00		
% Total	21.62	42.53	16.67	80.82	19.18	100.00

Notes:

(1) The figures include all governmental fund types .

Source:

Department of Finance, City of West Hollywood

GENERAL GOVERNMENTAL REVENUES BY SOURCE  
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30 (1)	Taxes	License and Permits	Fines and Forfeitures	Use of Money and Property	Inter-governmental	Charges for Services	Developer Fees	Other	Total
1996	18,432,319	1,293,913	6,005,525	4,010,927	4,548,741	2,256,561	279,715	63,621	36,891,322
% Total	49.96	3.51	16.28	10.87	12.33	6.12	0.76	0.17	100.00
1997	19,764,401	1,557,667	5,536,054	4,555,092	5,009,608	2,339,039	248,195	52,462	39,062,518
% Total	50.60	3.99	14.17	11.66	12.82	5.99	0.64	0.13	100.00
1998	22,313,046	1,527,482	6,411,964	5,341,836	4,379,269	2,556,699	314,363	38,237	42,882,898
% Total	52.03	3.56	14.95	12.46	10.21	5.96	0.73	0.09	100.00
1999	23,598,230	1,883,484	6,654,267	5,607,547	14,613,364	2,634,397	417,062	328,549	55,736,900
% Total	42.34	3.38	11.94	10.06	26.22	4.73	0.75	0.59	100.00
2000	25,994,987	2,417,474	8,034,881	6,720,749	11,881,661	2,532,109	1,033,377	126,778	58,742,016
% Total	44.25	4.12	13.68	11.44	20.23	4.31	1.76	0.22	100.00
2001	28,851,907	2,777,259	8,450,029	6,428,474	13,131,601	2,405,407	637,111	1,221,241	63,903,029
% Total	45.15	4.35	13.22	10.06	20.55	3.76	1.00	1.91	100.00
2002	27,600,100	1,935,265	9,198,259	6,631,903	6,429,614	2,421,986	1,435,273	3,463,635	59,116,035
% Total	46.69	3.27	15.56	11.22	10.88	4.10	2.43	5.86	100.00
2003	28,790,692	3,321,312	8,907,842	4,895,491	13,726,715	2,791,718	2,630,914	15,991,927	81,056,611
% Total	35.52	4.10	10.99	6.04	16.93	3.44	3.25	19.73	100.00
2004	33,002,400	3,430,860	8,695,339	6,304,030	7,834,915	3,008,760	1,145,013	400,676	63,821,993
% Total	51.71	5.38	13.62	9.88	12.28	4.71	1.79	0.63	100.00
2005	37,952,941	3,768,824	8,615,254	6,191,455	9,019,572	3,000,706	2,959,411	320,347	71,828,510
% Total	52.84	5.25	11.99	8.62	12.56	4.18	4.12	0.45	100.00

Notes:

(1) The figures include all governmental fund types .

Source:

Department of Finance, City of West Hollywood



TAX REVENUES BY SOURCE  
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30 (1)	Property	Sales and Use (2)	Transient Occupancy	Franchises	Property Transfer	Business License	Total
1996	4,650,052	6,642,987	5,100,185	1,021,280	72,552	945,263	18,432,319
% Total	25.2	36.0	27.7	5.5	0.4	5.1	100.0
1997	4,476,099	7,053,057	6,129,454	975,060	95,261	1,035,470	19,764,401
% Total	22.6	35.7	31.0	4.9	0.5	5.2	100.0
1998	4,533,116	7,729,914	7,595,268	1,175,431	219,416	1,059,903	22,313,048
% Total	20.3	34.6	34.0	5.3	1.0	4.8	100.0
1999	4,847,849	7,728,545	8,414,889	1,269,808	206,117	1,131,022	23,598,230
% Total	20.5	32.8	35.7	5.4	0.9	4.8	100.0
2000	5,654,186	8,985,288	8,806,714	1,137,728	243,750	1,167,321	25,994,987
% Total	21.8	34.6	33.9	4.4	0.9	4.5	100.0
2001	7,003,746	9,561,922	9,609,872	1,229,535	195,993	1,250,839	28,851,907
% Total	24.3	33.1	33.3	4.3	0.7	4.3	100.0
2002	8,069,412	8,612,449	7,888,469	1,445,057	237,689	1,347,024	27,600,100
% Total	29.2	31.2	28.6	5.2	0.9	4.9	100.0
2003	8,268,939	9,214,590	8,050,754	1,534,020	297,365	1,425,024	28,790,692
% Total	28.7	32.0	28.0	5.3	1.0	4.9	100.0
2004	10,051,580	9,602,599	9,288,712	1,958,894	353,347	1,747,268	33,002,400
% Total	30.5	29.1	28.1	5.9	1.1	5.3	100.0
2005	10,669,873	11,283,288	11,262,704	2,315,305	479,501	1,942,270	37,952,941
% Total	28.1	29.7	29.7	6.1	1.3	5.1	100.0

Notes:

- (1) The figures include all governmental fund types .
- (2) Includes 1/2 cent for Prop A and 1/2 cent for Prop C

Source:

Department of Finance, City of West Hollywood

PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections (1)	Collections as Percent of Levy	Delinquent Tax as Percent of Current Levy
1996	4,926,210	4,566,318	92.7%	83,733	4,650,051	94.4%	1.7%
1997	4,798,261	4,394,378	91.6%	81,721	4,476,099	93.3%	1.7%
1998	4,982,517	4,386,159	88.0%	146,957	4,533,116	91.0%	2.9%
1999	5,223,621	4,578,834	87.7%	147,112	4,725,946	90.5%	2.8%
2000	5,897,054	5,682,452	96.4%	94,532	5,776,984	98.0%	1.6%
2001	6,930,360	7,216,622	104.1%	175,373	7,391,995	106.7%	2.5%
2002	8,482,027	8,124,063	95.8%	285,735	8,409,798	99.1%	3.4%
2003	8,678,757	8,389,163	96.7%	(205,225)	8,183,937	94.3%	-2.4%
2004	9,406,397	9,394,507	99.9%	572,073	9,966,580	106.0%	6.1%
2005	10,449,634	10,163,361	97.3%	1,007,929	11,171,290	106.9%	9.6%

Notes:

(1) Includes all Governmental & Business-type Activities and excludes interest and penalties.

Source:

Auditor/Controller's Office, County of Los Angeles

ASSESSED & ACTUAL VALUE OF TAXABLE SECURED PROPERTY  
LAST TEN FISCAL YEARS (IN THOUSANDS)

Fiscal Year Ended June 30	Assessed Value				Property Value			
	Land	Improvements	Personal Property	Total	Commercial/ Industrial	Residential	Non- Taxable	Total
1996	1,328,403	1,636,884	90,058	3,055,345	1,021,752	1,999,362	34,231	3,055,345
1997	1,277,826	1,599,310	95,070	2,972,206	1,132,977	1,839,230	34,587	2,972,206
1998	1,245,809	1,584,689	101,743	2,932,241	1,135,777	1,796,465	34,276	2,932,241
1999	1,306,513	1,600,159	120,795	3,027,467	1,185,486	1,842,161	35,220	3,027,467
2000	1,415,940	1,761,021	133,957	3,310,918	1,322,947	1,987,971	35,139	3,310,918
2001	1,621,863	1,772,043	126,794	3,520,700	1,351,654	2,169,046	35,023	3,520,700
2002	1,826,078	1,961,531	148,595	3,936,204	1,572,910	2,363,294	35,517	3,936,204
2003	2,009,643	1,999,317	184,319	4,193,279	1,653,318	2,539,961	37,899	4,193,279
2004	2,180,241	2,133,092	125,924	4,439,257	1,711,818	2,727,438	38,421	4,439,257
2005	2,449,209	2,164,910	177,985	4,792,104	1,775,132	3,016,972	36,282	4,792,104

Sources:

Assessor, County of Los Angeles

Hinderliter, De Llamas and Associates

**PROPERTY TAX RATES  
ALL OVERLAPPING GOVERNMENTS PER \$100 OF ASSESSED VALUE  
LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30</b>	<b>County</b>	<b>School Districts</b>	<b>Special Districts</b>	<b>Total</b>
1996	1.0018	0.0034	0.0124	1.0176
1997	1.0016	0.0033	0.0131	1.0180
1998	1.0016	0.0033	0.0131	1.0180
1999	1.0015	0.0247	0.0123	1.0385
2000	1.0015	0.0247	0.0123	1.0385
2001	1.0013	0.0408	0.0117	1.0538
2002	1.0011	0.0641	0.0098	1.0751
2003	1.0010	0.0519	0.0155	1.0684
2004	1.0010	0.0970	0.0066	1.1046
2005	1.0009	0.1069	0.0061	1.1139

**Notes:**

In 1979, a State constitutional Amendment (Proposition 13) provided that the tax rate be limited to 1% of market value, levied only by the county and shared with all other jurisdictions. All other jurisdictions and the county could levy a tax rate for voter-approved debt.

Current taxes are due on November 1 and March 1, and become delinquent on December 10 and April 10, for the first and second installments, respectively. There is a 10% penalty and \$10.00 cost after the date taxes become delinquent.

The County of Los Angeles collects the taxes and distributes them to taxing jurisdictions on the basis of the taxing jurisdictions' assessed valuations and on the tax rate for voter-approved debt. Rates are applied to assessed valuations.

**Source:**

Tax Collector, County of Los Angeles

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**SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Landscape & Lighting		Garbage	
	Billings	Collections	Billings	Collections
1996	679,273	677,524	999,062	964,159
1997	704,505	723,161	999,465	1,006,775
1998	-	19,511	970,438	980,923
1999	128,868	126,772	1,055,461	1,055,266
2000	138,940	133,463	1,132,321	1,125,695
2001	128,154	135,559	1,148,426	1,144,056
2002	128,154	128,607	1,185,182	1,221,680
2003	136,546	160,999	1,233,834	1,226,841
2004	126,546	136,954	1,255,766	1,276,209
2005	136,545	135,628	1,125,505	1,133,118

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Sources:

Auditor/Controller's Office, County of Los Angeles.

(Continued)

Sewer		Seismic CFD		Street Maintenance		Total Special Assessment	
Billings	Collections	Billings	Collections	Billings	Collections	Billings	Collections
190,075	182,017	93,217	92,495	-	-	1,961,627	1,916,195
189,350	187,498	90,373	73,600	-	-	1,983,693	1,991,034
174,666	175,369	93,101	90,373	282,853	274,642	1,521,058	1,540,818
181,029	173,733	97,526	128,636	285,914	279,496	1,748,798	1,763,904
180,632	179,080	89,434	89,265	286,164	279,930	1,827,491	1,807,435
174,778	173,573	89,434	90,780	283,237	282,626	1,824,030	1,826,594
172,498	177,181	89,434	81,922	283,087	292,577	1,858,356	1,901,967
179,313	191,419	87,707	103,932	286,463	284,620	1,923,862	1,967,811
176,616	186,811	84,892	139,540	282,473	286,956	1,926,294	2,026,471
191,017	188,587	77,389	98,147	287,431	286,184	1,817,887	1,841,665

SCHEDULE OF LEGAL DEBT MARGIN  
JUNE 30, 2005

Legal Debt Margin as of June 30, 2005 \$ 685,653,134

Section 43605 of the Government of the State of California limits the amount of indebtedness for public improvements to 15% of assessed valuation of all real and personal property of the City.

On March 19, 1998, the City issued \$27,105,000 of 1998 Refunding Certificates of Participation.

On September 29, 2003, the City's Redevelopment Agency issued \$11,500,000 in Tax Allocation Bonds for the East-Side Project Area.



RATIO OF NET GENERAL DEBT TO ASSESSED VALUE  
AND NET DEBT PER CAPITA  
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Estimated Population (A)	Assessed Valuations (1)(B)	Net Debt (2)	Ratio of Net Debt to Assessed Value	Net Debt Per Capita
1996	37,195	3,055,344,647	-	-	-
1997	37,195	2,972,206,229	-	-	-
1998	37,195	2,932,240,555	-	-	-
1999	37,942	3,027,467,294	-	-	-
2000	38,533	3,145,683,516	-	-	-
2001	36,327	3,562,977,187	-	-	-
2002	36,327	4,012,004,006	-	-	-
2003	37,292	4,230,998,702	-	-	-
2004	37,770	4,477,678,003	-	-	-
2005	38,036	4,828,387,562	-	-	-

Notes:

(1) Assessed valuations are 100% of market value.

(2) Includes only general obligation debt.

Sources:

(A) The estimated population is established by the State of California, Department of Finance.

(B) Auditor/Controller's Office, County of Los Angeles.  
Hinderliter, de Llamas & Associates

**RATIO OF ANNUAL DEBT SERVICE FOR  
GENERAL DEBT TO TOTAL GENERAL EXPENDITURES  
LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>Total General Expenditures (1)</b>	<b>Ratio of Debt Service to General Expenditures</b>
1996	180,573	1,076,963	1,257,536	53,838,781	2.3%
1997	349,347	1,877,692	2,227,039	38,363,798	5.8%
1998	427,040	1,773,272	2,200,312	43,667,673	5.0%
1999	805,000	1,440,586	2,245,586	43,957,641	5.1%
2000	725,000	1,644,447	2,369,447	62,523,818	3.8%
2001	755,000	2,046,344	2,801,344	64,516,051	4.3%
2002	685,000	2,214,602	2,899,602	61,913,580	4.7%
2003	1,885,000	2,342,520	4,227,520	81,522,152	5.2%
2004	725,000	2,393,188	3,118,188	64,274,977	4.9%
2005	5,420,000	2,169,468	7,589,468	64,177,259	11.8%

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Notes:

(1) Expenditures are on actual (GAAP) basis and include all governmental fund types.

Source:

Department of Finance, City of West Hollywood

SCHEDULE OF DIRECT AND OVERLAPPING BONDED DEBT  
JUNE 30, 2005

2004 – 2005 ASSESSED VALUATION: \$ 4,828,387,562

	<b>Percent Applicable to City of West Hollywood</b>	<b>City of West Hollywood Share of Debt</b>
	<hr/>	<hr/>
<b>OVERLAPPING TAX AND ASSESSMENT DEBT:</b>		
Los Angeles County	0.654 %	\$ 105,981
Los Angeles County Flood Control District	0.670	816,596
Metropolitan Water District	0.335	1,404,957
Los Angeles Community College District	1.158	8,553,914
Los Angeles Unified School District	1.417	63,531,408
City of West Hollywood Community Facilities Dist No.92-1	100.000	515,000
Los Angeles Co. Regional Park & Open Space Assess. Dist.	0.654	2,286,973
		<hr/>
<b>Total Overlapping Tax and Assessment Debt</b>		<b>\$ 77,214,829</b>
<b>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</b>		
Los Angeles County General Fund Obligations	0.654	9,087,003
Los Angeles County Pension Obligations	0.654	6,867,637
Los Angeles County Superintendent of Schools Certificates of Participation	0.654	155,433
Los Angeles County Sanitation District #4 Authority	96.926	3,987,242
Los Angeles Community College District Certificate of Participation		
Los Angeles Unified School District Certificates of Participation	1.417	8,497,088
City of West Hollywood Certificates of Participation	100.000	28,790,000
		<hr/>
<b>Total Gross Direct and Overlapping Bonded Debt</b>		<b>\$ 57,384,403</b>
Less: Los Angeles County Certificates of Participation (100% Self Supporting from leasehold revenues on properties in Marina Del Rey)		361,956
		<hr/>
<b>Total Net Direct and Overlapping Bonded Debt</b>		<b>\$ 57,022,447</b>
<b>Gross Combined Total debt</b>		<b>\$ 134,599,232 (1)</b>
<b>Net Combined Total Debt</b>		<b>\$ 134,237,276</b>
<b>Ratios to 2003-04 Assessed Valuation:</b>		
Total Overlapping Tax and Assessment Det	1.64%	
<b>Ratios to Adjusted Assessed Valuation:</b>		
Combined Direct Debt (\$ 28,790,000)	0.65%	
Total Gross Debt	3.03%	
Total Net Debt	3.02%	

**STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/05: \$17,278**

Notes:

(1) Excludes tax & revenue anticipation notes, enterprise revenue, mortgage revenue, tax allocation bonds, & non-bonded capital lease obligations.

Source: Prepared for the City of West Hollywood by California Municipal Statistics, Inc.

## DEMOGRAPHIC INFORMATION

INCORPORATION – NOVEMBER 29, 1984

THEME – THE CREATIVE CITY

GOVERNMENT: COUNCIL/MANAGER

Five City Council members are elected at large to serve four-year terms on a staggered basis. City Council members select one of their members to serve a 1-year term as Mayor. This office rotates among the members of Council.



John Heilman  
Mayor Pro Tempore



Sal Guarriello  
Council Member



John Duran  
Council Member



Abbe Land  
Mayor

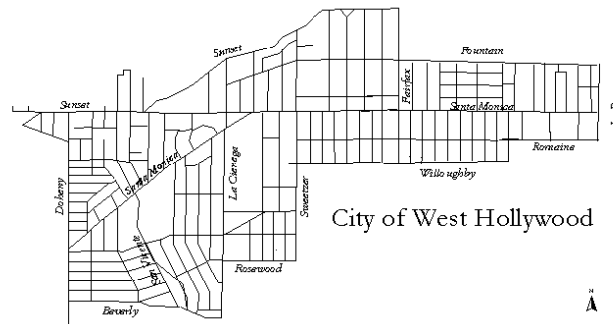


Jeffrey Prang  
Council Member

SIZE: 1.88 SQUARE MILES

### BOUNDARIES

City of Beverly Hills on the West and the City of Los Angeles on the North, South, and East



### MAJOR THOROUGHFARES

Sunset Boulevard, Santa Monica Boulevard, Melrose Avenue, and Beverly Boulevard

### PUBLIC SERVICES

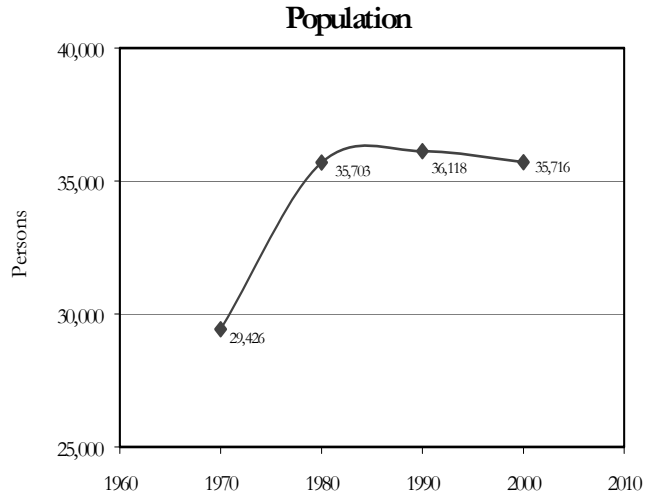
The City operates as a “contract city” utilizing agreements with private firms and other governmental agencies to provide services to the community

SAFETY

Police protection is contracted from the Los Angeles County Sheriff's Department and the Los Angeles County Fire Department administers fire protection through the City.

POPULATION – 38,036 PERSONS (2005 ESTIMATE)

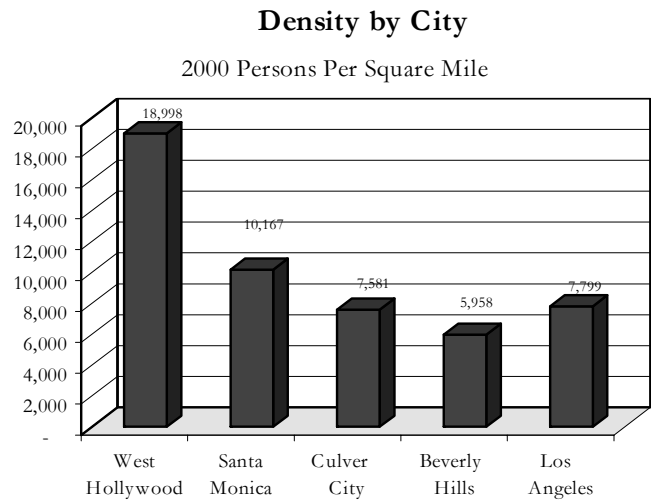
The population of West Hollywood has consistently increased since the City's incorporation. Data from the 2000 Census indicates that West Hollywood's population has remained stable within the past ten years, with a 1.1% decrease between 1990 and 2000. This is also consistent with the 1.2% increase between 1980 and 1990. The area that currently comprises West Hollywood had its greatest increase in the past three decades between 1970 and 1980 when the population grew by 21.3%.



Source: Bureau of the Census, 2000

The City of West Hollywood consists of five census tracts: East Tract, Fairfax Tract, Central Tract, Southwest Tract, and Northwest Tract. The City is denser in the Central and East sections and less dense in the West. The Central Tract is the most dense with 26,199 persons per square mile. The Southwest Tract is the least dense with 10,884 persons per square mile.

West Hollywood is one of the densest cities in the Los Angeles region. The City's overall density of 18,998 persons per square mile is almost twice as much as any other local city. Santa Monica's density is 10,167, Culver City's is 7,581, Beverly Hills' is 5,958 and Los Angeles' is 7,799.



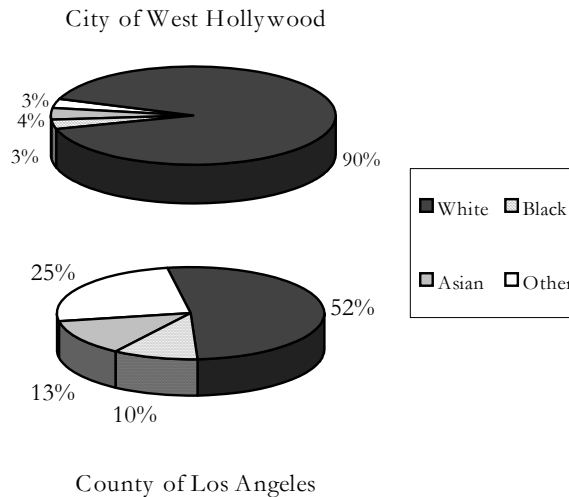
Source: Bureau of the Census, 2000

RACE

The 2000 Census recorded 90% of West Hollywood’s residents as White, a much larger share than the County’s 52%. Blacks comprise 3% and Asians comprise 4%, while another 3% are other races.

The City has a large Russian community with 15.6% of the residents reporting Russian as their primary ancestry in 1990. Residents of Hispanic origin were reported at 8.4% in 1990. According to the 1999 CACI-Information Decisions Systems Market Profile Report that number has grown to 14.9% in 1999.

2000 Population Characteristics

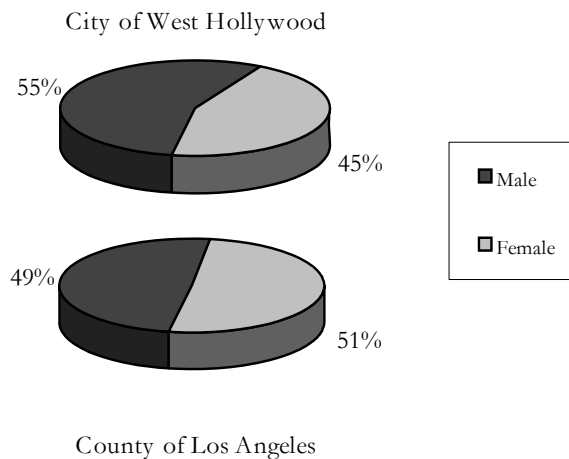


Source: Bureau of the Census, 2000

GENDER & SEXUALORIENTATION

West Hollywood’s male to female ratio is 1.12 to 1, according to the 2000 Census. That is slightly higher than the County ratio, which is almost 1 to 1. Over 30% of the City’s population is gay/lesbian/bisexual, and 84% of the residents in this category are gay men.

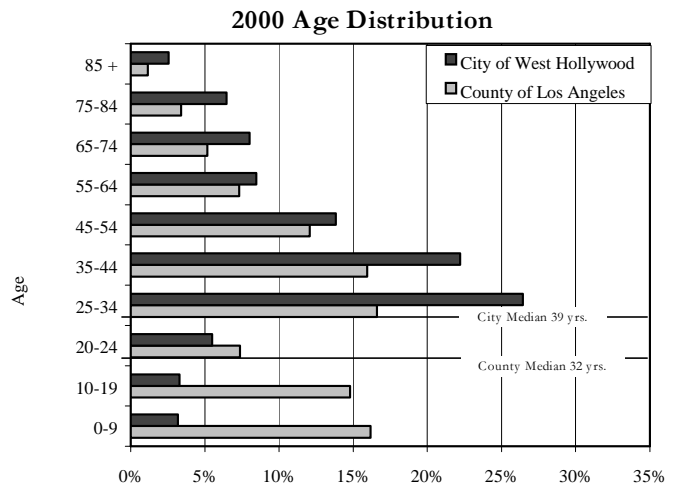
2000 Gender Characteristics



Source: Bureau of the Census, 2000

AGE

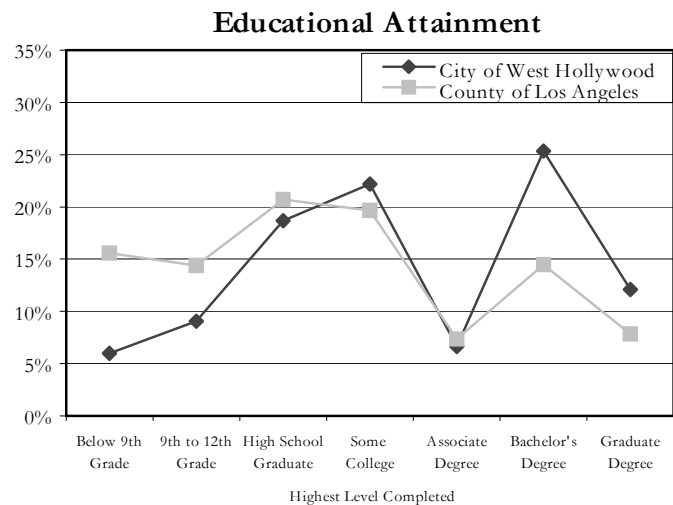
West Hollywood has an aging population, 87% of the residents are age 25 or older. Almost half of the population is comprised of adults age 25 to 44 with the largest portion, 26%, being age 25 to 34. The City's median age of 39 years old far exceeded the County median of 32 years old. The city has a very small population of youth with only 6% of the residents being age 19 or younger.



Source: Bureau of the Census, 2000

EDUCATION

West Hollywood is characterized as a well-educated City in the 1990 Census, with 66% of the residents age 25 or older attending college. 25% stopped after receiving a Bachelor's Degree, while another 12% continued on to receive a Master's Degree. The City's average level of education completed is 13.7 years. Only 15% of the City's residents did not graduate from high school, compared to 30% of the County's residents.

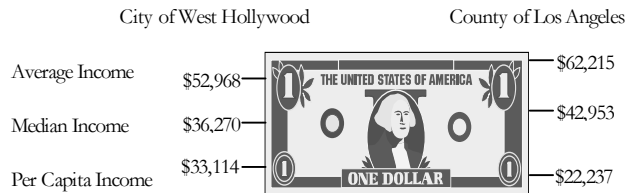


Source: Bureau of the Census, 1990

INCOME

The average and median incomes of City residents in 1999 were \$52,968 and \$36,270 respectively. The County average was \$42,953, while the median was \$22,237. The City's per capita income, however, exceeded that of the County by \$10,877.

1999 Household Income

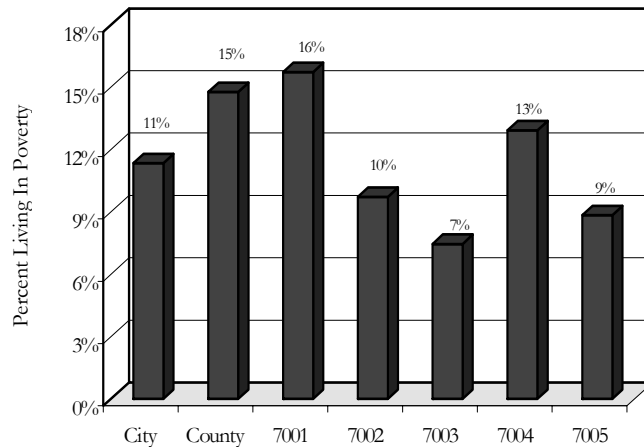


Source: CACI-HDS Market Profile Report, 1999

POVERTY STATUS

Eleven percent of the residents of the City of West Hollywood reported incomes that were determined to be below the poverty line in 1990. The East Tract, 7001, held the largest share of persons living below the poverty line with 16% of its residents and the Central Tract, 7003, held the smallest share with 7% of its residents reporting qualifying incomes. 15% of the County's residents had incomes that were below the poverty line.

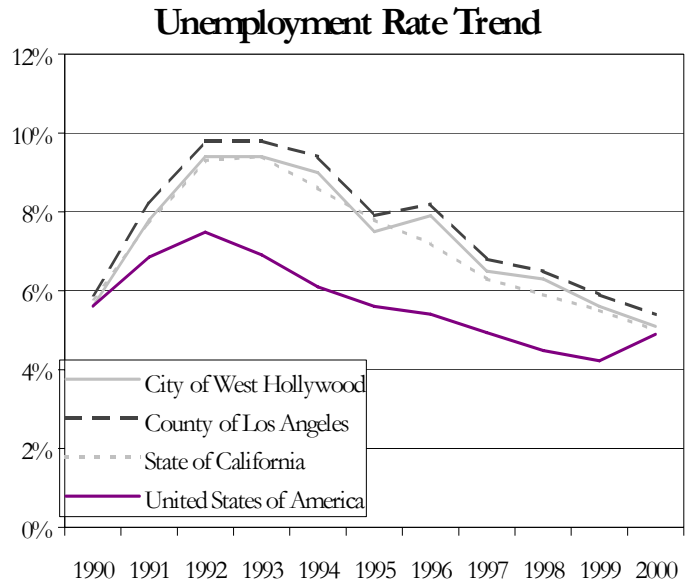
1990 Poverty Status





UNEMPLOYMENT

Unemployment has been decreasing over the past several years. West Hollywood's unemployment rate has been very consistent with that of Los Angeles County and the State of California. On all three levels, unemployment peaked around 1992-1993 and has dropped about 3-3.5% since then. The United States unemployment rate has followed the same trend, but remains about 2% lower than that of the City, County and State.



Source: State of California, Employment Development Department, 2000

SPECIAL HOUSEHOLD NEEDS

West Hollywood is home to a large number of special needs groups. 18% residents are elderly (65 years and older). People living with AIDS/HIV make up 10% of the City's population. Other vulnerable populations include homeless persons, disabled persons, female-headed families with children, and large households.

CONSTRUCTION VALUE & BANK DEPOSITS  
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Construction (B)				Bank Deposits (C)
	Commercial & Office		Residential		
	Number of Permits	Valuation	Number of Permits	Valuation	
1996	165	10,027,062	398	4,409,956	553,998
1997	137	10,332,401	439	4,571,305	612,898
1998	146	9,419,828	455	5,644,423	598,590
1999	148	11,969,122	504	6,957,106	655,570
2000	292	19,091,701	316	25,722,676	644,269
2001	210	42,620,180	735	13,246,506	709,349
2002	113	20,317,956	480	6,697,711	941,005
2003	142	43,340,139	467	19,472,711	983,002
2004	321	29,246,957	401	19,383,415	1,061,589
2005	307	33,321,743	460	28,560,713	1,196,139

Notes:

(A) Information was not available.

(B) Provided by Willdan Associates, Inc. for 1994 - 1996

(C) Federal Deposit Insurance Corporation and the Findley Company

PRINCIPAL TAX PAYERS  
 JUNE 30, 2005  
 (IN THOUSANDS)

Taxpayer	Type of Business	2004-2005 Assessed Valuation	Percentage of Total Assessed Valuation
1 Pacific Design Center	Retail/Wholesale	\$ 163,365	3.38%
2 Sunset Millenium Holdings	Office Buildings	83,840	1.74%
3 Mondrian Holdings	Hotel	70,028	1.45%
4 Mani Brothers	Office Buildings	58,614	1.21%
5 Windham Bel Age	Hotel	44,361	0.92%
6 BA Studios	Movie Studio	42,879	0.89%
7 Cedars Sinai Medial Center	Medical Offices	36,631	0.76%
8 RWH Holdings. Inc.	Office Buildings/Hotel	27,305	0.57%
9 City of West Hollywood	Parks & City Hall	25,473	0.53%
10 Luckman Management Co	Office Buildings	22,315	0.46%
		<u>\$ 574,811</u>	<u>11.90%</u>

Source:

Hinderliter, De Llamas and Associates  
 Assessed Valuation: \$4,828,387,562

SCHEDULE OF INSURANCE IN FORCE  
AS OF JUNE 30, 2005

**GENERAL LIABILITY**

SOUTHERN CALIFORNIA JOINT POWERS INSURANCE AUTHORITY  
8081 Moody St. La Palma, CA 90623  
Policy No. Pooled Insurance  
Period July 1, 2004 to June 30, 2005  
Coverage \$50,000,000 XS \$30,000 S.I.R

**ALL RISK PROPERTY INSURANCE**

SOUTHERN CALIFORNIA JOINT POWERS INSURANCE AUTHORITY  
8081 Moody St. La Palma, CA 90623  
Policy No. 05RSOMO785  
Period January 1, 2005 to January 1, 2006  
Coverage Per Occurrence.....\$500,000,000  
Deductible ..... \$5,000

**BLANKET FIDELITY BOND PROGRAM**

DRIVER ALLIANT INSURANCE  
1301 Dove Street, Suite 200, Newport Beach, CA 92660  
Period April 1, 2005 to April 1, 2006  
Coverage Per Occurrence.....\$1,000,000  
Deductible ..... \$2,500

**WORKER'S COMPENSATION INSURANCE**

SOUTHERN CALIFORNIA JOINT POWERS INSURANCE AUTHORITY  
8081 Moody St. La Palma, CA 90623  
Policy No. Pooled Insurance  
Period July 1, 2004 to July 1, 2005

**ENVIRONMENTAL POLLUTION LEGAL LIABILITY INSURANCE**

SOUTHERN CALIFORNIA JOINT POWERS INSURANCE AUTHORITY  
8081 Moody St. La Palma, CA 90623  
Period July 1, 2002 to July 1, 2005  
Coverage \$120,000,000 for 3 years (California JPIA Limit)  
Sub-Limit Per Member.....\$10,000,000  
S.I.R. Per Occurrence ..... \$50,000

*Schedule of Insurance - Commercial Property (Continue)*

City Hall	Real Property	\$ 7,985,986
8300 Santa Monica Boulevard	Personal Property	2,752,446
West Hollywood, CA. 90069	Rents	1,537,000
	Deductible	5,000
Plummer Park	Real Property	\$ 5,716,379
7377 Santa Monica Boulevard	Personal Property	2,484,508
West Hollywood, CA. 90069	Deductible	5,000
West Hollywood Park	Real Property	\$ 2,915,282
647 San Vicente Blvd.	Personal Property	741,153
West Hollywood, CA. 90069	Rents	150,000
	Deductible	5,000
Werle Building	Real Property	\$ 861,167
626 North Robertson Blvd.	Personal Property	11,861
West Hollywood, CA. 90069	Deductible	5,000
Hart Park	Real Property	\$ 655,495
8341 De Longpre Avenue	Deductible	5,000
West Hollywood, CA. 90069		
Adult Day Health Care	Real Property	\$ 572,329
7362 Santa Monica Boulevard	Deductible	5,000
West Hollywood, CA. 90069		
Mobile Equipment	Personal Property	\$ 302,715
Various Locations	Deductible	1,000
West Hollywood, CA. 90069		
Mobile Equipment	Personal Property	\$ 32,755
CATV Truck/ TV Equipment	Deductible	1,000
West Hollywood, CA. 90069		

Free Clinic 619 & 621 N. San Vicente West Hollywood, CA. 90069	Real Property Deductible	\$ 985,064 5,000
Municipal Structure II 8759 Santa Monica Blvd. West Hollywood, CA. 90069	Real Property Personal Property Deductible	\$ 905,670 165,411 5,000
Municipal Structure I 8383 Santa Monica Blvd. West Hollywood, CA. 90069	Real Property Rents Deductible	\$ 3,668,891 4,425,916 5,000
Laurel Ave Apartment Building 6 Residential Units 1343-45 Laurel Ave West Hollywood, CA 90046-4630	Real Property Deductible	\$ 1,158,721 5,000
Kings Road Park 1000 Kings Road West Hollywood, CA 90069	Real Property Deductible	\$ 228,211 5,000
Art in the Open Various Locations West Hollywood, CA 90038	Personal Property Deductible	\$ 95,000 5,000
Maintenance Yard 7530 Santa Monica Blvd West Hollywood, CA 90046	Real Property Personal Property Deductible	\$ 148,200 30,000 5,000
Parking Lot 8755 Sunset Blvd West Hollywood, CA 90069	Real Property Deductible	\$ 30,361 5,000



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