



June 30, 1999

*Comprehensive Annual
Financial Report*

CITY OF WEST HOLLYWOOD

City of West Hollywood Comprehensive Annual Financial Report

For the fiscal year ended June 30, 1999

Prepared by the City Department of Finance



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West Hollywood, California
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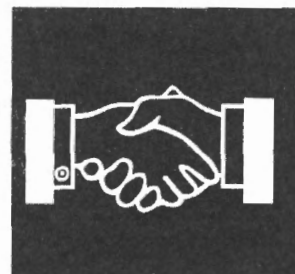
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Introduction



CITY OF WEST HOLLYWOOD

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OFFICE OF THE CITY MANAGER

PAUL AREVALO
INTERIM CITY MANAGER

December 1, 1999

Honorable Mayor & Members of the City Council:

Submitted herewith is the Comprehensive Annual Financial Report for the City of West Hollywood (City) for the fiscal year ending June 30, 1999. The report was prepared by the Department of Finance in accordance with generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB).

Responsibility for the accuracy, completeness, and fairness of presentation of the financial statements presented, including all disclosures, rests with the City. We believe the data is presented accurately and in a manner designed to fairly set forth the financial position and the results of operations of the City, as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain an understanding of the City's financial affairs have been included.

The Comprehensive Annual Financial Report is presented in three sections:

- (1) An Introductory Section, which includes a Letter of Transmittal from the City Manager and the Director of Finance, a Directory of City Officials, and a City Organization Chart.
- (2) A Financial Section, presenting the Auditor's Report and the General Purpose Financial Statements, followed by Supplemental Statements by Fund Type and Individual Funds for the City and its Component Units.
- (3) A Statistical Section, which sets forth relevant financial and non-financial data depicting the City's historical trends and other significant facts.

Award Program for CSMFO (Comprehensive Annual Financial Report)

For the past seven 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 believe our report for the fiscal year ending June 30, 1999, will conform to the requirements of the Certificate of Award program and we are submitting it to CSMFO to determine its eligibility for the Certificate.

Award Program for GFOA (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, 1998. This is the seventh 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 believe 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.

Award Program for GFOA (Popular Annual Financial Report)

The Government Finance Officers Association of the United States and Canada (GFOA) has issued the City of West Hollywood an Award for Outstanding Achievement in Popular Annual Financial Reporting, for its first Popular Annual Financial Report issued last fiscal year ended June 30, 1998. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government popular annual reports. In order to receive it, a government unit must publish a Popular Annual Financial Report whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

The Award for Outstanding Achievement is valid for a period of one year. We believe that our current Popular Annual Financial Report continues to conform to the Award Program's requirements and we are submitting it to the GFOA for its determination.

FINANCIAL REPORTING ENTITY

The City was incorporated on November 29, 1984, after approval by the voters residing within its boundaries. The City is governed by a five-member City Council elected by the residents of West Hollywood, and it employs a City Manager, who serves as chief executive officer of the City. Prior to incorporation, the City was a portion of unincorporated Los Angeles County.

As required by generally accepted accounting principles, the 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. As of June 30, 1999 only the Redevelopment Agency and the Marketing Corporation have separately issued financial statements.

Blended Component Units and Discretely Presented Component Units

The West Hollywood Redevelopment Agency was formed 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.

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 of public facilities within the City limits.

The West Hollywood Community Housing Corporation (Authority) was established on December 17, 1990 pursuant to Section 34240 of the California Health and Safety Code. This entity was established to assist in the development of affordable housing.

The West Hollywood Marketing Corporation was formed in October 1986 as a nonprofit public benefit corporation. It was created to promote and market the City.

ECONOMIC CONDITION AND OUTLOOK

The City of West Hollywood is a vibrant, livable, and successful community for both its residents and businesses. The City also continues to face many challenges; most notably assuming ownership of Santa Monica Boulevard. Adopting this state highway has placed a significant burden on the City's resources. Currently underway, the reconstruction of the roadway has an estimated cost of more than \$32 million including enhancements such as wider sidewalks, additional street trees, and a bike lane. The City will incur new and on-going maintenance costs for the curbs, sidewalks, and roadway, as well as maintenance costs for related enhancements. Finalizing funding for the enhanced capital budget and the annual maintenance remains a leading priority. Some of the one time funding costs will be offset by planned draw-downs from various reserves which have increased significantly over the past decade.

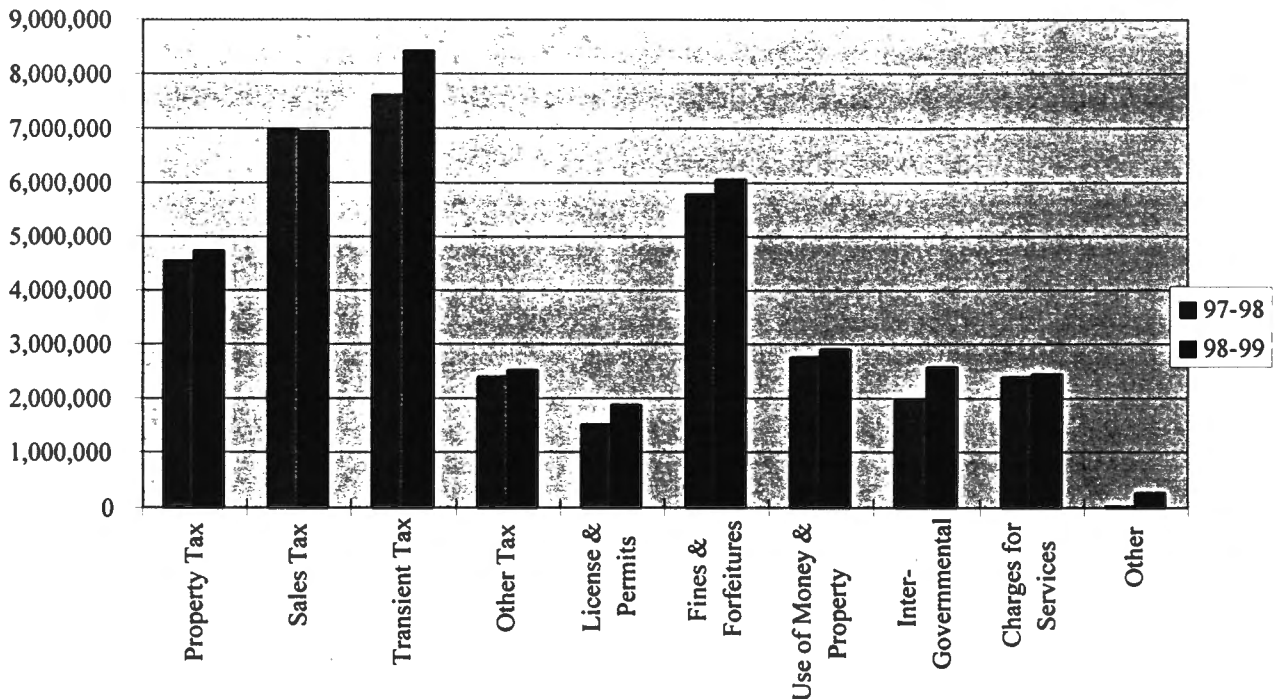
Other significant City investments include the Eastside Redevelopment Area, which includes a seven acre project at the southwest corner of Santa Monica Boulevard and La Brea Boulevard, adjacent to Warner Brothers Studio. The City will also continue its Park Master Plan project, rehabilitating and building new community facilities at Plummer Park.

The City's reserve requirements have been met with a General Fund Reserve increase of more than \$12.1 million during the past five fiscal years. This fund balance growth has resulted from both anticipated year end savings, earmarked to meet the 25% Reserve Requirement established in 1993, and continued growth in transient occupancy tax revenues. The 1999 growth to the General Fund Reserve has enabled City Council to designate \$1.5 million to fund Capital Improvement projects. Over the past two years, City Council has been able to designate a total of \$4 million to these projects, \$3 million to the rehabilitation of Santa Monica Boulevard and \$1 million to the Plummer Park Community/Senior/Teen Center Master Plan, both mentioned above. The following information highlights the City's current financial picture, as well as past trends and future analysis.

The City's revenue base continues to be strong and diversified. For fiscal year 1998-99, General Fund Revenues increased 7.8% due to increased economic-based revenues, especially transient occupancy taxes (hotel tax) and parking revenues, including meter collections and parking fines. The following is a list of highlights of General Fund Revenues:

- ★ Transient occupancy taxes comprise 21.7% of the City’s revenue base, and increased by 10.8% as a result of continued growth in the travel and tourism industry in the Southern California region.
- ★ Sales tax revenues comprise 17.9% of the City’s General Fund revenue base.
- ★ Parking fine revenue, in Fines & Forfeitures, continues to be the third largest contributor to the City’s revenue base. Fines & Forfeitures increased by 4.3%. The City dedicates 10% of total parking fine revenues to the Parking Improvement Fund to be used for the construction and operation of parking structures.
- ★ Property tax revenues increased by 4.3%.
- ★ Other tax revenue increased by 5.4%, with increases from business license taxes and cable television franchise revenues.
- ★ Revenues from the Use of Money and Property increased by 5.5%. Interest earnings were up 19.0% as a result of increased return on investments and the continuing increase in the fund balance.
- ★ Charges for services increased 3.4% primarily due to the adoption of a vehicle release fee. The major revenue source for charges for services continues to be rent stabilization registration fees at \$1,868,550.

COMPARISON OF GENERAL FUND REVENUES
FISCAL YEARS 97-98 AND 98-99



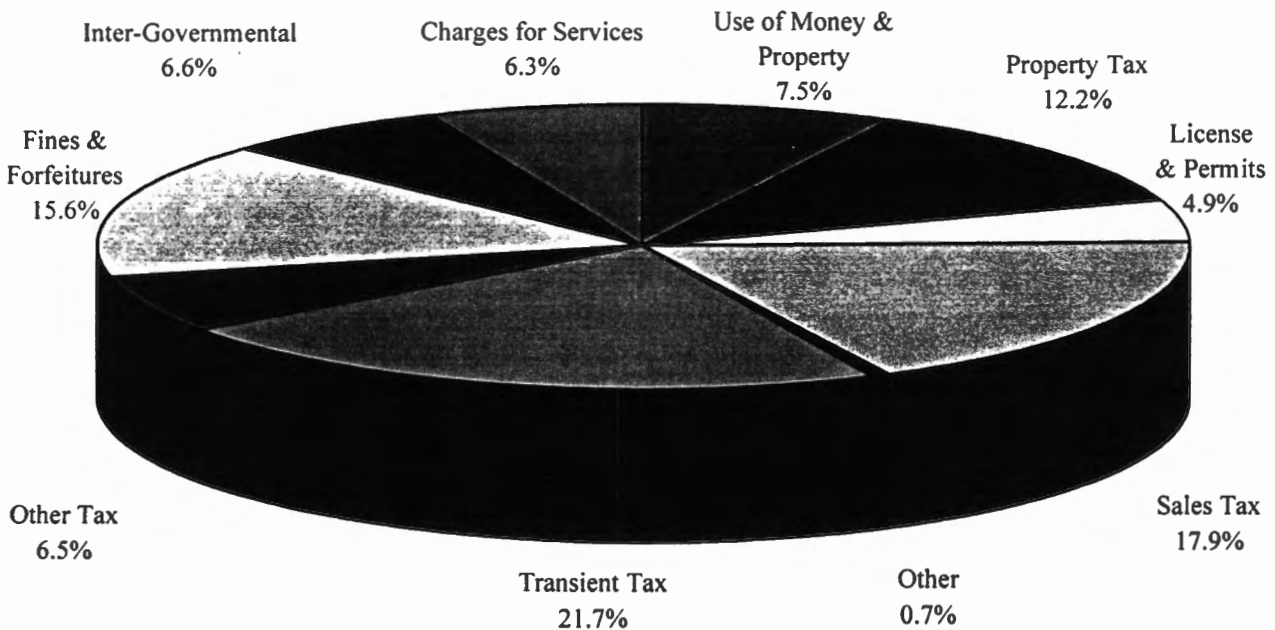
The City's economy consists of three major industries:

- ★ 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.

In general, the City's economy reflects the national and state economies but these three industries significantly shape the City, its character, and the role the City plays in the greater Los Angeles region. Revenues from retail and tourism have provided stability in the City's sales tax revenues. Property tax revenues have continued to level off based on the completion of reassessments of property values that had been declining in past years. It is anticipated that this revenue will grow over the next few years.

For fiscal year 1998-99, transient occupancy revenues remain the City's largest single revenue source, resulting in 21.7% of total general fund revenues. Other major revenues are: sales tax at 17.9%, fines and forfeitures at 15.6%, property tax at 12.1%, use of money & property at 7.5%, inter-governmental revenues at 6.6%, and other taxes at 6.5%. Other revenue of approximately \$276,000 consists mainly of donations, miscellaneous revenues, and a one-time insurance refund of \$178,000.

GENERAL FUND REVENUES



As a result of a strong economy and budgetary discipline, General Fund reserves have increased approximately 19.8% for fiscal year 1998-99. Below is a historical look at the net change to General Fund Reserves:

FIVE YEAR CHANGE IN GENERAL FUND RESERVES

	FY 94-95	FY 95-96	FY 96-97	FY 97-98	FY 98-99
Beginning Balance:	\$ 7,159,875	\$ 8,501,709	\$ 10,051,975	\$ 12,465,750	\$ 16,081,181
Operating Surplus:	1,341,834	1,550,266	2,413,775	3,615,431	3,183,248
Ending Balance:	<u>\$ 8,501,709</u>	<u>\$ 10,051,975</u>	<u>\$ 12,465,750</u>	<u>\$ 16,081,181</u>	<u>\$ 19,264,429</u>

Council and Staff continue to use the comprehensive financial policies and budget procedures developed by the Finance Subcommittee in 1993. The Finance Subcommittee consists of the Mayor, Mayor Pro Tempore, City Manager, and the Director of Finance.

The City actively monitors its 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 Community 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.

The City continues to identify strengths and weaknesses in different sectors of the West Hollywood economy in comparison to the state, county, and surrounding cities. The City has identified the entertainment and tourism industries as its economic and tax base growth areas. In summary, the local economy of the City continues to prosper. Transient occupancy taxes continue to increase significantly and the City has continued to maintain its sales tax base.

The City's revenue raising ability has been restricted with the passing of Proposition 218. This State Constitutional Amendment limits local governments ability to impose both general taxes and special district assessment levies, with some exceptions such as sewer and solid waste fees. It requires, as part of the public hearing process in the preparation of levying assessments, that a vote take place if the governing body is considering any fee increase or new levy. For property-related assessments and fees, only the property owners of the affected properties may vote, and the votes are weighted based on the assessment being levied. Fortunately, the City has maintained sufficient reserves which will enable it to strategically address any economic downturn or state revenue reduction.

MANAGEMENT AND FINANCIAL HIGHLIGHTS FOR FY 1998-99:

The following section will identify 1998-99 program accomplishments by department.

CITY MANAGER'S DEPARTMENT

- ★ Provided leadership for a community-based planning process for the redevelopment and rehabilitation of Santa Monica Boulevard, which culminated in the City's assumption of ownership of the boulevard during the summer of 1998 and City Council approval of the Santa Monica Boulevard Master Plan in November, 1998.
- ★ Placed a strong emphasis on implementing community beautification projects, including the planting of additional street trees, installation of median landscaping, organizing "Neighborhood Clean and Green" projects, and expanded street and sidewalk cleaning services.
- ★ Ensured that City maintained a business-friendly environment which encouraged and facilitated commercial development on Sunset Boulevard.
- ★ Provided leadership to encourage and facilitate a public/private partnership arrangement for construction of a multi-family, affordable housing project in the Eastside Redevelopment Area.

DEPARTMENT OF MANAGEMENT SERVICES

- ★ Continued to fine-tune and enhance the Administrative Remedies Code Compliance Procedure. Substantial work was done educating, training and implementing the program. Additionally, restructuring and reconciliation of the citation database has been ongoing. Monthly meetings have been implemented with Code Compliance Officers, and related departments to troubleshoot problem areas and enhance inter-departmental/agency communications.
- ★ Oversaw the West Hollywood Community Library Advisory Committee consisting of 21 community members and formed in December, 1998 to develop recommendations for City Council regarding a West Hollywood Library.
- ★ Handled Logistics for the Santa Monica Boulevard Reconstruction Project. Negotiated lease agreement for commercial storefront for the Mitigation Center.

DEPARTMENT OF FINANCE

- ★ Provided financial administration of all City funds and assisted departments in administering various programs and activities. The department placed heavy emphasis on the Santa Monica Boulevard project funding and the Eastside RDA land acquisition.
- ★ Supervised the City's Information Systems Division including: day-to-day operations, revised and extended the Computer Master Plan, assessed hardware and

software capabilities and needs to keep up with current technology. Developed an internal organization structure to improve the flow and coordination of information and projects. The Y2K workplan is well underway and the final phases of the 1995-2000 Master Plan are being completed.

- ★ Assisted all departments in management of decentralized receivables including, parking fine and parking meter revenue analysis, business improvement districts, invoicing 400 businesses in the Avenues of Art and Design, and tracking hotel marketing assessment receipts for quarterly payments.
- ★ Developed a new Popular Annual Financial Report to summarize the Comprehensive Annual Financial Report (CAFR). This report highlights key points in the fiscal year in a simplified manner and it is available at public counters and at Council Meetings. The report for the last fiscal year, earned the Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association (GFOA).

PUBLIC SAFETY/LAW ENFORCEMENT

- ★ Initiated certified Hate/Bias Crimes Investigation training for Sheriff's Department staff.
- ★ Established pilot Park Patrol program. Sheriff's security personnel patrolled City parks on foot and by bicycle, seven days a week.
- ★ Continued the Department-wide focus on Community-Oriented Policing. Utilized the COPS team in responding to neighborhood concerns and problems.

DEPARTMENT OF HUMAN SERVICES

- ★ In Landscape & Building Maintenance: Completed design and construction on the Kings Road Park Site; continued the design process for the Plummer Park Community/Senior/Teen Center Project; planted new trees and responded to street tree pruning service requests; and completed numerous park, building, and streetscape projects.
- ★ In Recreation Services: Provided extensive activities for youth, teens, and adults, including excursions, classes, and individual/team sports; produced public special events during the year, including the Halloween Carnival, Summer Sounds Concerts; provided safe environments for recreation at two active parks, one swimming pool, 12 tennis courts, and a tiny tots program; and cooperated in the development of new programming for parks and recreation.
- ★ In Social Services: Evaluated and analyzed the recommendations of the Community Needs Assessment; continued ongoing revision of City AIDS information materials to reflect the impact of new drug protocols; received a \$25,000 grant from California Healthy Cities to improve health of school-age children and seniors through increased exercise and healthier eating; continued

provision of social services to more than 10,000 community members; and revised and updated referral guides.

DEPARTMENT OF RENT STABILIZATION

- ★ Reviewed and revised hearings process to accommodate continuing expansion of Administrative Penalties program and to better service the motor vehicle impound program.
- ★ Expanded mediation to resolve issues which, under Costa/Hawkins, could not be addressed through the rent decrease process. The number of hearings decreased by 10% due to more issues being resolved through mediation.

DEPARTMENT OF COMMUNITY DEVELOPMENT

- ★ The Planning Commission commenced a series of Public Workshops on Mondays in February, March and one in April 1999. The final zoning text rewrite was presented to City Council in the early fall of 1999.
- ★ A full-time Code Enforcement Officer was hired and has created a Sign Permit Program in conjunction with the Development Specialist working on the Eastside.
- ★ Staff has completed redesign of webpage and will add forms in the next six months. Staff has trained on GIS database maintenance and is progressing on updating the data .

DEPARTMENT OF TRANSPORTATION & PUBLIC WORKS

- ★ Completed Santa Monica Boulevard Rehabilitation Project specifications including Holly Hills storm drain reconstruction and sewer rehabilitation.
- ★ Completed renovation of the sewer system west of La Cienega and south of Santa Monica Boulevards.
- ★ Implemented a Parking Scofflaw Program in which 55 vehicles were towed representing over \$36,000 in unpaid citations.
- ★ Maintained high-quality City Line Service with an average ridership of ten passengers per hour for a total annual ridership of at least 110,000 passengers.

KEY GOALS AND PROJECTS FOR FY 1999-00:**CITY MANAGER'S DEPARTMENT**

- ★ Continue to place strong emphasis on implementing community beautification projects including the planting of additional street trees, installation of landscaping on existing medians, constructing new, landscaped median strips throughout the City, organizing "Neighborhood Clean and Green" projects, and expanding street and sidewalk cleaning services.
- ★ Provide leadership to encourage and facilitate the construction, by June 2000, of at least two off-street, landscaped parking areas along Santa Monica Boulevard in the Eastside Redevelopment Project area on sites currently occupied by blighted, non-conforming commercial uses.

DEPARTMENT OF MANAGEMENT SERVICES

- ★ Provide Project Management and coordination for the West Hollywood Library Development Project.
- ★ Continue to fine-tune the Administrative Remedy Code Compliance Process and provide City Council with a status report on the program by April, 2000.

DEPARTMENT OF FINANCE

- ★ Provide financial administration of all City funds and assist departments in administering various programs and activities.
- ★ Issue quarterly revenue reports and provide analysis of major revenue sources. Prepare mid-year revenue budget report and propose adjustments as warranted.
- ★ Administer the City's banking services and accounts payable. Ensure compliance with the City's financial policies and procedures. For fiscal year 99-00, General Accounting anticipates processing 18,000 invoices resulting in approximately 8,000 checks issued by the City.

PUBLIC SAFETY/LAW ENFORCEMENT

- ★ Provide for Sheriff's staff to attend problem solving and community policing workshops.
- ★ Add an additional Community Academy to the schedule for the upcoming fiscal years.

DEPARTMENT OF HUMAN SERVICES

- ★ Continue implementation of the City's transition plan for conformance with the Americans with Disabilities Act by June 2000.
- ★ Collaborate with three local schools to develop programming enhancements by September 2000. Activities will include dispute resolution, after-school programming, and possibly other programs.
- ★ Continue Healthy West Hollywood efforts, focused on target populations and hold two special events.

DEPARTMENT OF RENT STABILIZATION

- ★ Develop and implement a pilot residential rental inspection program.
- ★ Production and distribution by December of a video explaining vacancy de-control, re-control and our new programs.

DEPARTMENT OF COMMUNITY DEVELOPMENT

- ★ Expand the Department's Geographic Information System (GIS).
- ★ Under the direction of Information Systems expand capabilities of and maintain the City's Website.
- ★ Continue to train and develop the staff and commissions.

DEPARTMENT OF TRANSPORTATION & PUBLIC WORKS

- ★ Commence construction of the Santa Monica Boulevard rehabilitation project.
- ★ Monitor the next phase of the County's construction of the Holly Hills Storm Drain, to be aligned north of Santa Monica Boulevard in San Vicente, Cynthia, Doheny, and Sunset.
- ★ Commence design and construction of the MTA Grant funded Westside North-South Arterial Corridor Project to synchronize regional traffic signals on La Cienega, Robertson, and San Vicente.

FINANCIAL INFORMATION

INTERNAL CONTROLS

The management of the City is responsible for establishing and maintaining an internal control structure to ensure that the assets of the City are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled for the preparation of financial statements, in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. 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.

BUDGET CONTROLS

The objective of budgetary control 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. However, encumbrances and appropriations for unfinished capital projects will generally be re-appropriated (carried over) as part of the following year.

GENERAL GOVERNMENT FUNCTIONS

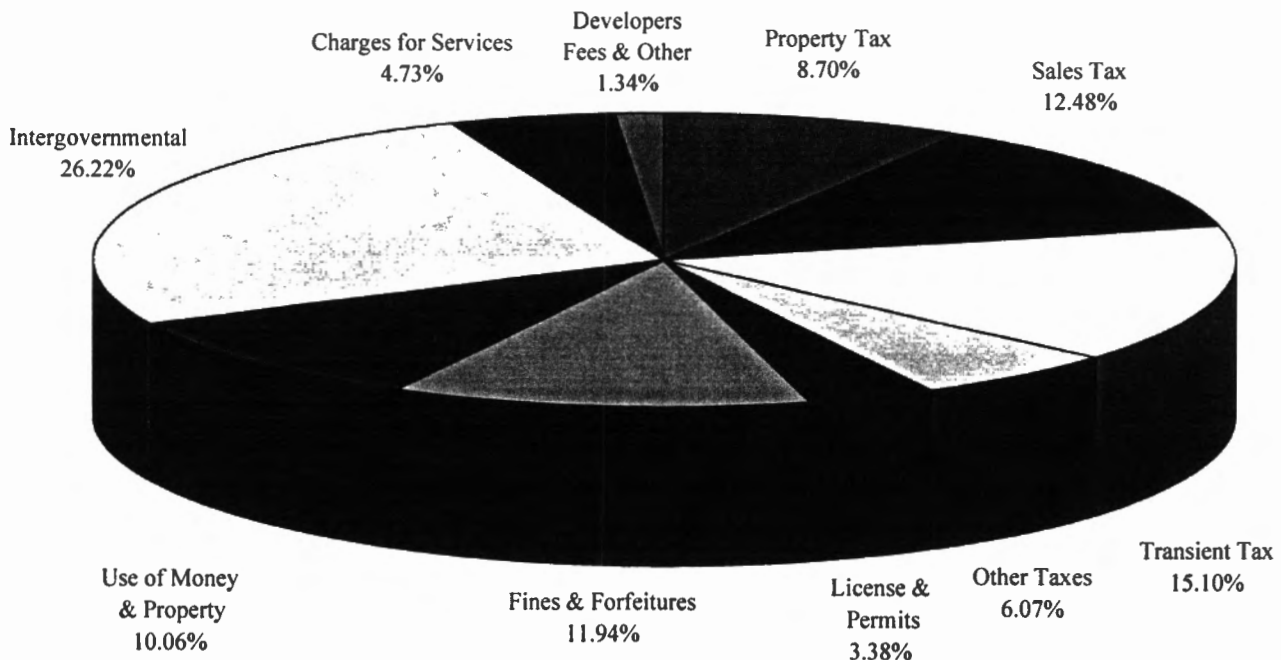
REVENUES

The following schedule presents a summary of Governmental Fund revenues for the fiscal year ended June 30, 1999, and the amount and percentage of increases and decreases in relation to prior year revenues.

**COMPARISON OF MAJOR GOVERNMENTAL REVENUES
FISCAL YEARS 98-99 AND 97-98**

	Amount	% of Total	Amount	% of Total	Variance	% Increase/
	FY 98-99	Revenues	FY 97-98	Revenues	Over/(Under)	(Decrease)
					FY 97-98	FY 97-98
Property Tax	\$ 4,847,849	8.70%	\$ 4,533,116	10.57%	\$ 314,733	6.94%
Sales Tax	6,953,992	12.48%	6,974,300	16.26%	(20,308)	-0.29%
Transient Tax	8,414,889	15.10%	7,595,268	17.71%	819,621	10.79%
Other Taxes	3,381,500	6.07%	3,210,363	7.49%	171,136	5.33%
License & Permits	1,883,484	3.38%	1,527,482	3.56%	356,002	23.31%
Fines & Forfeitures	6,654,267	11.94%	6,411,964	14.95%	242,303	3.78%
Use of Money & Property	5,607,547	10.06%	5,341,836	12.46%	265,711	4.97%
Intergovernmental	14,613,364	26.22%	4,379,269	10.21%	10,234,095	233.69%
Charges for Services	2,634,397	4.73%	2,556,699	5.96%	77,698	3.04%
Developers Fees	417,062	0.75%	314,363	0.73%	102,699	32.67%
Other	328,549	0.59%	38,237	0.09%	290,312	759.24%
TOTAL	\$ 55,736,900	100.00%	\$ 42,882,898	100.00%	\$ 12,854,002	29.97%

SOURCES OF REVENUES



Operating revenues for governmental funds increased \$12,854,002 or 29.97% from fiscal year 1997-98 to fiscal year 1998-99. This is partly attributable to an increase of \$819,621 or 10.79% in transient occupancy tax revenues, which comprise a significant portion of the City's revenue base. Similarly, property tax revenues increased by

6.94%, or \$314,733. Fines and forfeitures increased by 3.78%, or \$242,303 due to an increase in Vehicle Code Fines of 174.4%, or \$169,558. Also within fines and forfeitures is the fourth largest contributor to the City's revenue base, parking fines which increased by 1.51% or \$92,842 in 1998-99. Revenues from the use of money and property increased by 4.97%, due in part to an 18.19% increase in interest earnings of \$303,036, as a result of increased return on investments, the continuing increase in fund balances, and an increase in parking revenues at City owned parking facilities. Intergovernmental revenues increased 233.69%, or \$10,234,095 due in part to increases in state and federal grants and more significantly, due to \$8.6 million received from the state of California for the City's assumption of ownership of Santa Monica Boulevard. Charges for services increased 3.04%, or \$77,698 due to the adoption of a fee for the release of impounded vehicles. The major revenue source in charges for services continues to be rent stabilization registration fees. Finally, other revenue increased by 759.24%, or \$290,312, primarily due to a one-time insurance refund and donations for the Keith Haring Exhibit.

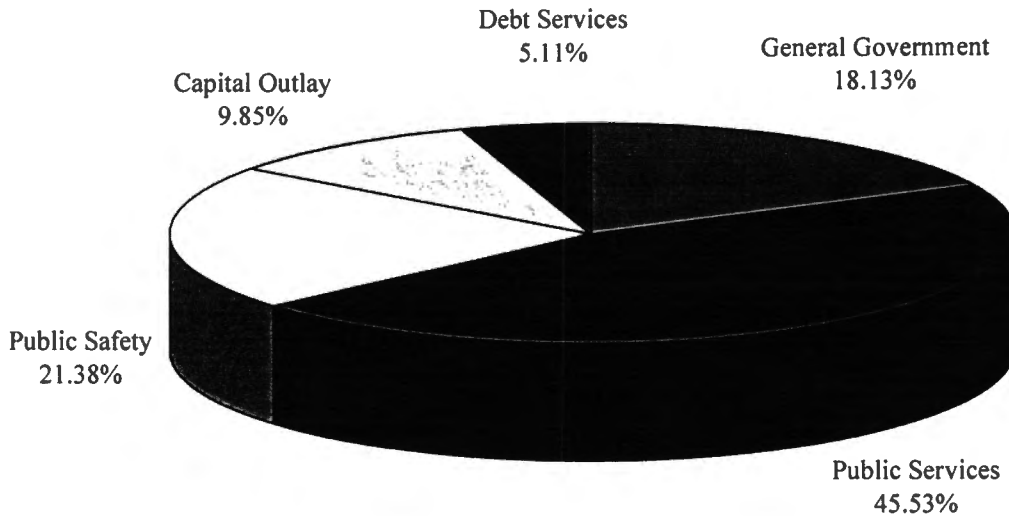
EXPENDITURES

The following schedule presents a summary of governmental fund expenditures for the fiscal year ended June 30, 1999, and the percentage of increases and decreases in relation to prior year amounts.

COMPARISON OF MAJOR GOVERNMENTAL EXPENDITURES FISCAL YEARS 98-99 AND 97-98

	Amount FY 98-99	% of Total Expenditures	Amount FY 97-98	% of Total Expenditures	Variance Over/(Under) FY 97-98	% Increase/ (Decrease) FY 97-98
General Government	\$ 7,970,515	18.13%	\$ 6,931,471	15.87%	\$ 1,039,044	14.99%
Public Services	20,012,425	45.53%	17,886,275	40.96%	2,126,150	11.89%
Public Safety	9,397,927	21.38%	8,636,591	19.78%	761,336	8.82%
Total Operating Expenditures	37,380,867	85.04%	33,454,337	76.61%	3,926,530	11.74%
Capital Outlay	4,331,188	9.85%	3,692,225	8.46%	638,963	17.31%
Debt Services	2,245,586	5.11%	6,521,111	14.93%	(4,275,525)	-65.56%
TOTAL	\$ 43,957,641	100.00%	\$ 43,667,673	100.00%	\$ 289,968	0.66%

USES OF FUNDS



Operating expenditures for 1998-99 increased by 11.74% or \$3,926,530 over last year. General government increased 14.99%, public services increased 11.89%, and public safety increased 8.82%. These changes resulted partially from increases in: salaries and benefits of \$1,076,814, traded funds expenditures of \$810,000, contract services of \$449,461 and housing loans of \$140,852. Capital outlay for 1998-99 has increased \$638,963 or 17.31% due to the start of the Santa Monica Boulevard Reconstruction Project. Other projects include Fire Station #7, and the Kings Road Park; both are examples of the City’s constant commitment to enhance public facilities. Debt service expenditures decreased 65.56%, or \$4,275,525 due to the reduction in 1998-99 in both debt issuance costs of \$1,244,103 and payment to the refunding escrow agent of \$3,076,696. In March 1998 (prior fiscal year), the City refinanced previously issued debt to take advantage of lower rates, which will in turn save the City \$3,472,415 over the life of the bonds.

GENERAL FUND BALANCE

The June 30, 1999 General Fund balance is \$19,264,429, which is an increase of \$3,183,248 over the prior year. The unreserved/undesignated fund balance is \$5,257,883. The remainder of fund balance, \$14,006,546, is made up of the following components: reserved/designated of \$3,834,860 and unreserved/designated of \$10,171,686.

Reserve/designated fund balances consist of: \$1,218,436 for encumbrances, \$839,785 for prepaid expenditures for next year, and \$1,776,639 loans or advances to other funds. Unreserved/designated fund balance consist of: \$225,000 for self-insurance, \$1,810,000 designated for future expenditures, \$2,136,686 for unfinished current-year capital projects, \$4,000,000 designated for future capital projects, and \$2,000,000 for emergency reserves as directed by the financial policies.

ENTERPRISE FUNDS

Revenues for Enterprise Funds include assessments and other charges for services, such as sewer maintenance, solid waste management, street maintenance, and landscape and lighting district administration. Total operating revenues for all Enterprise Funds for fiscal year 1998-99 are \$1,638,154, an increase of \$178,695 over the fiscal year 1997-98. Non-operating revenues and transfers in for fiscal year 1998-99 are \$601,646, decreasing \$600,263 over the fiscal year 1997-98. This decrease is due to the elimination of the General Fund subsidy to both the Solid Waste Fund and the Landscape and Lighting District Fund. The operating expenses for fiscal year 98-99 decreased \$70,300 or 2.40% over fiscal year 97-98.

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. This practice has allowed the City to realize savings in the purchase of the City Hall facility and the acquisition of 1033 La Brea. The purchase of these buildings has reduced the City's annual lease payments. The following are descriptions of City financing:

Series C

On September 28, 1995, the City issued \$1,300,000 of 1995 Series C Certificates of Participation to finance the construction of the municipal parking structure.

Series D

On November 22, 1995, the City issued \$470,000 of 1995 Series D Certificates of Participation to finance the acquisition and installation of new parking meters in the City.

Refunding Certificates of Participation 1998

On March 1998, the City refinanced the following outstanding issues: Series A, Series B, and the 1995 City Hall 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 are: the City Hall parking structure, the homeless shelter, and the fire station. The new project undertaken is the improvement of the public parks. The following is a list of the refunding debt:

City Hall

On February 2, 1995, the City issued \$9,940,000 of 1995 City Hall Certificates of Participation to finance the acquisition and construction of a new City Hall. The purchase of the new City Hall reduced lease payments by \$116,565 per year.

Series A

On September 1, 1995, the City issued \$12,535,000 of 1995 Series A Certificates of Participation to finance the acquisition and construction of two municipal structures, parking for the City Hall and the Homeless Shelter.

Series B

On October 1, 1995 the City issued \$5,440,000 of 1995 Series B Certificates of Participation to finance the construction of a fire station.

Communities Facilities District

The City, on behalf of the Communities Facilities District No. 92-1, assisted in issuing 20-year bonds worth \$835,000 for Seismic Improvements within the District. Since this debt is entirely financed by the assessments levied on the properties within this district and administered by the trustees, the City is not obligated for any future liabilities. Thus the activities for this debt are reported under Agency Funds.

CASH MANAGEMENT

The City continues to maintain an 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 Local Agency Investment Fund (LAIF), Los Angeles County Pooled Investment Fund (LACPIF), the California Joint Powers Investment Authority (CLASS) Program, and time deposits

with maturity rates ranging from 30 days to 2 years. The goals of the City's investment policy are safety, liquidity and yield, in that order.

The average yield on maturing investments during 1998-99 was 5.08%, earning a total of \$1,746,296. This includes earnings of \$1,585,610 on Governmental Funds, \$146,523 for Proprietary Funds, and \$14,163 for Fiduciary Funds invested.

RISK MANAGEMENT

Effective May 1, 1994, the City has transferred the risk for all liabilities by joining Southern California Joint Powers Insurance Authority (SCJPIA). SCJPIA replaces all general liabilities with a private insurance agent. At present, the City utilizes the State Workers' Compensation pool.

OTHER INFORMATION

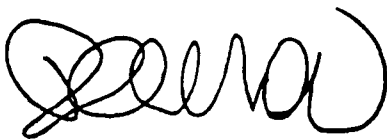
INDEPENDENT AUDIT

The City requires an annual audit by independent certified public accountants. The accounting firm of Lance, Soll and Lunghard conducted this year's audit. The auditor's report on the general purpose financial statements, combined and individual fund statements and schedules, is included in the financial section of this report.

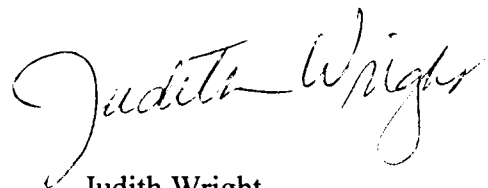
ACKNOWLEDGMENTS

Preparation of this report was accomplished through the combined efforts of the City Staff, particularly the members of the Department of Finance. The following deserve special recognition for their contribution to this project: John Adams, Accounting Operations Officer, and Norma Soto-Touriño, Accounting Clerk. In addition, we would also like to thank the members of the City Council for their continued interest and support in the development of this report.

Respectfully submitted,



Paul Arevalo
Interim City Manager



Judith Wright
Interim Director of Finance

FINANCE POLICIES

The following is a summary of the Fiscal Policies adopted by the City Council. These policies will have a substantive impact on the operations, service levels and finances of the City. Major emphasis will be on conserving and increasing fund balances to provide 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% of the General Fund budget and an appropriated emergency reserve equivalent to 5% 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 1997-98

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.

March 1, 1999


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, 1998

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.



Cary Brubaker
President
Jeffrey L. Esall
Executive Director

Mayor and City Council

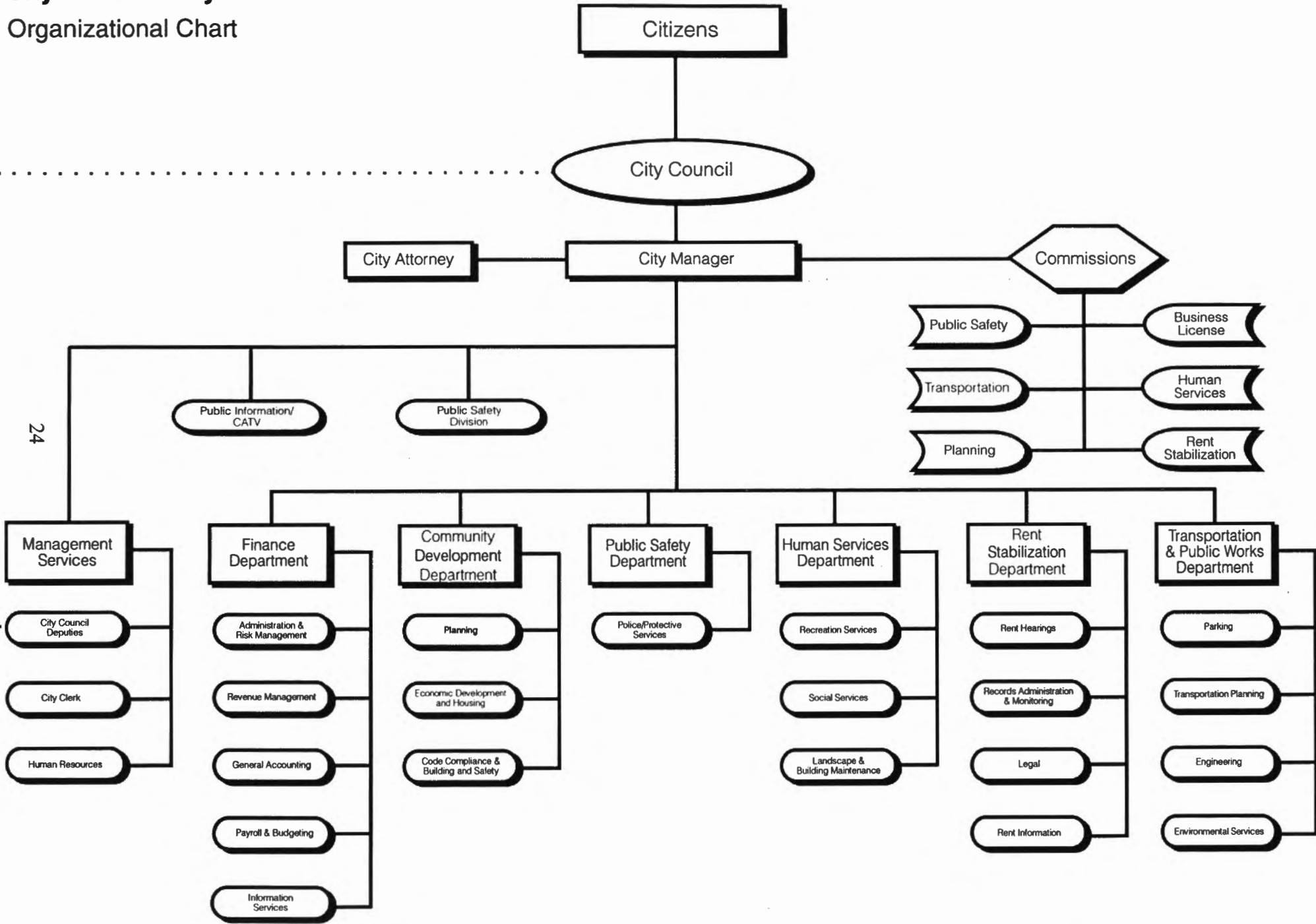
Mayor *John Heilman*
Mayor Pro Tempore *Jeff Prang*
Council Member *Sal Guarriello*
Council Member *Paul Koretz*
Council Member *Steve Martin*

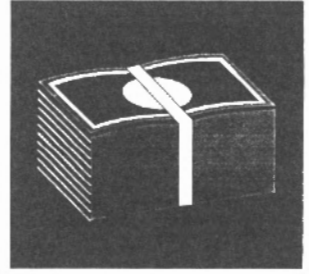
Administration

Interim City Manager *Paul Arevalo*
City Attorney *Michael Jenkins*
City Clerk *James Thompson*
Director of Community Development *Ray Reynolds*
Director of Human Services *Lloyd Long*
Director of Rent Stabilization *Hal Cronkite*
Director of Transportation & Public Works *Joan English*
Director of Management Services *Vivian Love*
Department of Finance
 Interim Director *Judith Wright*
 Accounting Operations Officer *John Adams*
 Budget Manager *Judith Wright*
 Revenue Officer *David Hatcher*
 Interim Information Systems Manager *Brian Ganley*

City of West Hollywood:

Organizational Chart





Financial Section



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Fax (714) 672-0331

Brandon W. Burrows
Donald L. Parker
Michael K. Chu
David E. Hale
A Professional Corporation
Donald G. Slater

Retired

Robert C. Lance
1914-1994

Richard C. Soll

Fred J. Lunghard, Jr.

City Council
City of West Hollywood
West Hollywood, CA 90069-4109

INDEPENDENT AUDITORS' REPORT

We have audited the general purpose financial statements of the City of West Hollywood as of and for the year ended June 30, 1999 as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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 general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of West Hollywood at June 30, 1999, and the results of its operations and the cash flows of its proprietary funds for the year then ended in conformity with generally accepted accounting principles.

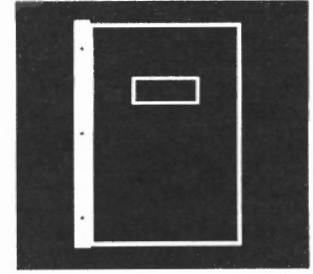
The required supplementary information is not a required part of the basic financial statements but is required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it. In addition, we do not provide assurance that the City of West Hollywood is or will become year 2000 compliant, that the City of West Hollywood's year 2000 remediation efforts will be successful in whole or in part or that parties with which the City of West Hollywood conducts business will be year 2000 compliant.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of West Hollywood. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole. The scope of our audit did not include the supplemental statistical schedules listed in the table of contents and we do not express an opinion on them.

Lance, Soll & Lunghard

October 19, 1999

MEMBER
CALIFORNIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS



General Purpose Financial Statements

GENERAL PURPOSE FINANCIAL STATEMENTS

Combined Statements -- Overview

The following combined financial statements, along with the Notes to the Financial Statements, present an overview of the City's financial position at June 30, 1999 and the results of operations and changes in financial position of the Proprietary funds for the year then ended.

Individual funds and account groups utilized by the City are grouped on these statements into four categories:

Governmental Fund Types

These funds (General, Special Revenue, Debt Service, and Capital Projects) are the funds through which most governmental functions are typically financed. The governmental fund measurement focus is on "financial flow," accounting for sources and uses of available spendable resources, not on net income determination.

Proprietary Fund Types

These funds (Enterprise and Internal Service) are used to account for the City's ongoing activities which are similar to those found in the private sector. The proprietary fund measurement focus is "capital maintenance," as in private industry, with the emphasis on net income determination.

Fiduciary Fund Types

Both Agency and Non-Expendable Trust Funds are used to account for assets held by the City as an agent for private organizations.

Account Groups

Account groups are used to establish accounting control for the City's general fixed assets and unmatured principal of its general long-term obligations. Because these assets and liabilities are long-term, they are neither spendable resources nor do they require current appropriation. They are therefore accounted for separately from governmental fund types.

City of West Hollywood: Comprehensive Annual Financial Report

COMBINED BALANCE SHEET ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS JUNE 30, 1999

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust & Agency
ASSETS AND OTHER DEBITS							
Cash and investments (Note 3)	\$ 21,889,090	\$ 8,649,586	\$ 1,607,985	\$ 9,071,155	\$ 2,984,475	\$ 30,708	\$ 572,747
Cash and investments with fiscal agent (Note 3)	-	-	2,087,452	4,100,266	-	-	331,116
Receivables (Note 4)	1,415,208	1,795,375	15,955	242,044	34,519	131	126,281
Due from other funds (Note 13)	659,317	703,966	-	-	342,216	-	-
Due from primary government (Note 13)	-	-	-	-	-	-	-
Due from other governments	1,997,584	699,139	-	-	61,196	-	6,099
Prepaid costs	839,785	3,667	17,543	4,080	-	-	-
Deposits	4,486	-	-	-	-	-	-
Advances to other funds (Note 13)	1,776,639	140,852	-	-	-	-	-
Housing loans receivable (Note 6)	-	5,715,787	-	-	-	-	-
Allowance for loan forgiveness (Note 6)	-	(232,000)	-	-	-	-	-
Fixed Assets - net book value (Notes 7 and 8)	-	-	-	-	2,812	314,285	999,400
Amount available for debt service	-	-	-	-	-	-	-
Amount to be provided for:							
Retirement of general long-term debt	-	-	-	-	-	-	-
Accrued employee benefits	-	-	-	-	-	-	-
Total Assets and Other Debits	\$ 28,582,109	\$ 17,476,372	\$ 3,728,935	\$ 13,417,545	\$ 3,425,218	\$ 345,124	\$ 2,035,643
LIABILITIES, EQUITY AND OTHER CREDITS							
Liabilities:							
Accounts payable	\$ 4,848,188	\$ 670,765	\$ 30,476	\$ 299,445	\$ 276,404	\$ 2,346	\$ 28,002
Accrued payroll payable	340,590	15,830	-	345	11,097	-	-
Accrued claims and judgments (Note 1)	437,000	-	-	-	-	-	-
Deposits	532,566	19,030	-	-	-	-	-
Due to other funds (Note 13)	1,046,182	26,991	-	632,326	-	-	-
Due to component unit (Note 13)	-	-	-	-	-	-	564,450
Advance from other funds (Notes 13)	-	-	-	-	-	257,424	99,430
Deferred revenue (Note 6 & 12)	2,113,154	7,346,483	-	155,652	-	-	-
Payable to trustee	-	-	-	-	-	-	347,286
Bonds payable (Note 10)	-	-	-	-	-	-	-
Lease payable (Note 10)	-	-	-	-	-	-	-
Accrued employee benefits (Notes 1 and 10)	-	-	-	-	-	-	-
Total Liabilities	9,317,680	8,079,099	30,476	1,087,768	287,501	259,770	1,039,168
Equity and Other Credits:							
Investment in general fixed assets	-	-	-	-	-	-	-
Contributed capital (Note 14)	-	-	-	-	5,321,549	-	-
Retained earnings:							
Reserved (Note 15)	-	-	-	-	-	1,087	-
Unreserved	-	-	-	-	(2,183,832)	84,267	-
Fund balances:							
Reserved (Note 15)	3,834,860	609,048	17,543	387,410	-	-	996,475
Unreserved:							
Designated (Note 15)	10,171,686	1,679,158	3,680,916	11,942,367	-	-	-
Undesignated	5,257,883	7,109,067	-	-	-	-	-
Total Equity and Other Credits	19,264,429	9,397,273	3,698,459	12,329,777	3,137,717	85,354	996,475
Total Liabilities, Fund Equity and Other Credits	\$ 28,582,109	\$ 17,476,372	\$ 3,728,935	\$ 13,417,545	\$ 3,425,218	\$ 345,124	\$ 2,035,643

See Notes to Financial Statements

General Purpose Financial Statements

(Continued)

ACCOUNT GROUPS		TOTALS (MEMO ONLY)		TOTALS (MEMORANDUM ONLY)	
General Fixed Assets	General Long Term Debt	Primary Gov't 1999	W. Hollywood Marketing Corp.	Reporting Entity	
		1999		1999	1998
\$ -	\$ -	\$ 44,805,746	\$ 53,802	\$ 44,859,548	\$ 31,709,180
-	-	6,518,834	-	6,518,834	8,473,234
-	-	3,629,513	13,000	3,642,513	3,596,829
-	-	1,705,499	-	1,705,499	1,911,565
-	-	-	564,450	564,450	251,351
-	-	2,764,018	-	2,764,018	2,120,381
-	-	865,075	3,808	868,883	836,669
-	-	4,486	-	4,486	4,486
-	-	1,917,491	-	1,917,491	1,981,913
-	-	5,715,787	-	5,715,787	5,715,787
-	-	(232,000)	-	(232,000)	(232,000)
57,621,682	-	58,938,179	41,332	58,979,511	57,055,697
-	3,680,916	3,680,916	-	3,680,916	3,535,567
-	31,094,721	31,094,721	-	31,094,721	31,824,622
-	966,159	966,159	-	966,159	804,961
<u>\$ 57,621,682</u>	<u>\$ 35,741,796</u>	<u>\$ 162,374,424</u>	<u>\$ 676,392</u>	<u>\$ 163,050,816</u>	<u>\$ 149,590,242</u>
\$ -	\$ -	\$ 6,155,626	\$ 24,527	\$ 6,180,153	\$ 5,507,306
-	-	367,862	10,928	378,790	297,000
-	-	437,000	-	437,000	377,000
-	-	551,596	-	551,596	395,628
-	-	1,705,499	-	1,705,499	1,911,565
-	-	564,450	-	564,450	251,351
-	1,560,637	1,917,491	-	1,917,491	1,981,913
-	-	9,615,289	-	9,615,289	10,240,763
-	-	347,286	-	347,286	216,181
-	33,215,000	33,215,000	-	33,215,000	34,020,000
-	-	-	11,336	11,336	-
-	966,159	966,159	-	966,159	804,961
-	35,741,796	55,843,258	46,791	55,890,049	56,003,668
57,621,682	-	57,621,682	-	57,621,682	55,410,411
-	-	5,321,549	-	5,321,549	5,321,549
-	-	1,087	629,601	630,688	627,679
-	-	(2,099,565)	-	(2,099,565)	(1,517,037)
-	-	5,845,336	-	5,845,336	5,396,680
-	-	27,474,127	-	27,474,127	17,550,709
-	-	12,366,950	-	12,366,950	10,796,583
<u>57,621,682</u>	<u>-</u>	<u>106,531,166</u>	<u>629,601</u>	<u>107,160,767</u>	<u>93,586,574</u>
<u>\$ 57,621,682</u>	<u>\$ 35,741,796</u>	<u>\$ 162,374,424</u>	<u>\$ 676,392</u>	<u>\$ 163,050,816</u>	<u>\$ 149,590,242</u>

City of West Hollywood: Comprehensive Annual Financial Report

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUND TYPES FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	GOVERNMENTAL FUND TYPES				TOTALS (MEMORANDUM ONLY)	
	General	Special Revenue	Debt Service	Capital Projects	1999	1998
Revenues:						
Taxes	\$ 22,617,448	\$ 858,879	\$ 91,427	\$ 30,476	\$ 23,598,230	\$ 22,313,048
Licenses and permits	1,883,484	-	-	-	1,883,484	1,527,482
Fines and forfeits	6,030,696	623,571	-	-	6,654,267	6,411,964
Use of money and property	2,899,280	1,251,687	1,068,609	387,971	5,607,547	5,341,836
Intergovernmental	2,574,456	3,438,908	-	8,600,000	14,613,364	4,379,269
Charges for services	2,476,859	157,538	-	-	2,634,397	2,556,699
Developer fees	-	417,062	-	-	417,062	314,363
Other	276,209	2,340	-	50,000	328,549	38,237
Total Revenues	38,758,432	6,749,985	1,160,036	9,068,447	55,736,900	42,882,898
Expenditures:						
Current:						
General government	7,402,737	90,865	75,085	401,828	7,970,515	6,931,471
Public services	16,639,293	3,373,132	-	-	20,012,425	17,886,275
Public safety	9,257,075	-	-	140,852	9,397,927	8,636,591
Capital outlay	1,593,739	572,274	-	2,165,175	4,331,188	3,692,225
Debt service:						
Debt issuance costs	-	-	-	-	-	1,244,103
Principal	-	-	805,000	-	805,000	427,040
Interest and fiscal charges	-	-	1,344,990	95,596	1,440,586	1,773,272
Payment to refunding escrow	-	-	-	-	-	3,076,696
Total Expenditures	34,892,844	4,036,271	2,225,075	2,803,451	43,957,641	43,667,673
Excess of Revenues over (under) Expenditures	3,865,588	2,713,714	(1,065,039)	6,264,996	11,779,259	(784,775)
Other Financing Sources (Uses):						
Operating transfers in	-	250,000	1,223,961	-	1,473,961	1,950,842
Operating transfers out	(756,163)	(778,767)	-	(46,255)	(1,581,185)	(2,519,975)
Operating transfers out to agency fund	-	-	-	(1,669)	(1,669)	-
Loan proceeds	-	-	-	220,448	220,448	1,263,596
Long-term debt proceeds	-	-	-	-	-	32,465,000
Payment to refunding escrow	-	-	-	-	-	(25,240,368)
Total Other Finan. Sources(Uses)	(756,163)	(528,767)	1,223,961	172,524	111,555	7,919,095
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	\$ 3,109,425	\$ 2,184,947	\$ 158,922	\$ 6,437,520	\$ 11,890,814	\$ 7,134,320
Fund Balances:						
Beginning of Fiscal Year, as prev. reported	\$ 16,081,181	\$ 7,212,326	\$ 3,539,537	\$ 5,892,257	\$ 32,725,301	\$ 25,761,682
Restatements (Note 16)	73,823	-	-	-	73,823	(170,701)
Beginning of Fiscal Year, as restated	16,155,004	7,212,326	3,539,537	5,892,257	32,799,124	25,590,981
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	3,109,425	2,184,947	158,922	6,437,520	11,890,814	7,134,320
End of Fiscal Year	\$ 19,264,429	\$ 9,397,273	\$ 3,698,459	\$ 12,329,777	\$ 44,689,938	\$ 32,725,301

See Notes to Financial Statements

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COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)

ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	Budget	Actual	Variance-Favorable (Unfavorable)	Budget	Actual	Variance-Favorable (Unfavorable)
Revenues:						
Taxes	\$ 21,616,600	\$ 22,617,448	\$ 1,000,848	\$ 797,520	\$ 858,879	\$ 61,359
Licenses and permits	1,582,407	1,883,484	301,077	-	-	-
Fines and forfeits	5,891,923	6,030,696	138,773	617,344	623,571	6,227
Use of money and property	2,802,790	2,899,280	96,490	993,900	1,251,687	257,787
Intergovernmental	3,082,399	2,574,456	(507,943)	3,719,601	3,438,908	(280,693)
Charges for services	2,422,352	2,476,859	54,507	178,800	157,538	(21,262)
Developer fees	-	-	-	211,400	417,062	205,662
Other	92,000	276,209	184,209	4,000	2,340	(1,660)
Total Revenues	37,490,471	38,758,432	1,267,961	6,522,565	6,749,985	227,420
Expenditures:						
Current:						
General government	7,709,365	7,606,507	102,858	99,585	90,865	8,720
Public services	17,304,302	17,029,079	275,223	4,646,766	3,637,937	1,008,829
Public safety	9,177,232	9,257,075	(79,843)	-	-	-
Capital outlay	4,694,954	2,218,619	2,476,335	2,703,959	740,837	1,963,122
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	38,885,853	36,111,280	2,774,573	7,450,310	4,469,639	2,980,671
Excess of Revenues over (under) Expenditures	(1,395,382)	2,647,152	4,042,534	(927,745)	2,280,346	3,208,091
Other Financing Sources (Uses):						
Operating transfers in	-	-	-	-	250,000	250,000
Operating transfers out	-	(756,163)	(756,163)	-	(778,767)	(778,767)
Operating transfers out to agency fund	-	-	-	-	-	-
Loan proceeds	-	-	-	-	-	-
Bond proceeds	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	(756,163)	(756,163)	-	(528,767)	(528,767)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (Budgetary Basis)	(1,395,382)	1,890,989	3,286,371	(927,745)	1,751,579	2,679,324
Adjustments:						
To adjust for encumbrances (Note 1)	-	1,218,436	1,218,436	-	433,368	433,368
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis) - Budgetary Classification	<u>\$ (1,395,382)</u>	<u>\$ 3,109,425</u>	<u>\$ 4,504,807</u>	<u>\$ (927,745)</u>	<u>\$ 2,184,947</u>	<u>\$ 3,112,692</u>
Other Adjustments:						
To record excess of revenues and other sources over (under) expenditures and other uses for nonbudgeted funds (Note 1)	-	-	-	-	-	-
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)	<u>\$ (1,395,382)</u>	<u>\$ 3,109,425</u>	<u>\$ 4,504,807</u>	<u>\$ (927,745)</u>	<u>\$ 2,184,947</u>	<u>\$ 3,112,692</u>
Fund Balances:						
Beginning of Fiscal Year, as previously reported	\$ 16,081,181	\$ 16,081,181	\$ -	\$ 7,212,326	\$ 7,212,326	\$ -
Restatements (Note 16)	-	73,823	73,823	-	-	-
Beginning of Fiscal Year, as restated	16,081,181	16,155,004	73,823	7,212,326	7,212,326	-
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)	<u>(1,395,382)</u>	<u>3,109,425</u>	<u>4,504,807</u>	<u>(927,745)</u>	<u>2,184,947</u>	<u>3,112,692</u>
End of Fiscal Year	\$ 14,685,799	\$ 19,264,429	\$ 4,578,630	\$ 6,284,581	\$ 9,397,273	\$ 3,112,692

See Notes to Financial Statements

General Purpose Financial Statements

(Continued)

DEBT SERVICE FUNDS			CAPITAL PROJECTS FUNDS			TOTALS (MEMORANDUM ONLY)		
Budget	Actual	Variance-Favorable (Unfavorable)	Budget	Actual	Variance-Favorable (Unfavorable)	Budget	Actual	Variance-Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 15,000	\$ 30,476	\$ 15,476	\$ 22,429,120	\$ 23,506,803	\$ 1,077,683
-	-	-	-	-	-	1,582,407	1,883,484	301,077
-	-	-	-	-	-	6,509,267	6,654,267	145,000
408,855	1,066,880	658,025	5,000	387,971	382,971	4,210,545	5,605,818	1,395,273
-	-	-	150,000	8,600,000	8,450,000	6,952,000	14,613,364	7,661,364
-	-	-	-	-	-	2,601,152	2,634,397	33,245
-	-	-	-	-	-	211,400	417,062	205,662
-	-	-	-	50,000	50,000	96,000	328,549	232,549
<u>408,855</u>	<u>1,066,880</u>	<u>658,025</u>	<u>170,000</u>	<u>9,068,447</u>	<u>8,898,447</u>	<u>44,591,891</u>	<u>55,643,744</u>	<u>11,051,853</u>
82,100	69,705	12,395	600,396	500,952	99,444	8,491,446	8,268,029	223,417
-	-	-	500,000	-	500,000	22,451,068	20,667,016	1,784,052
-	-	-	-	191,000	(191,000)	9,177,232	9,448,075	(270,843)
-	-	-	5,255,259	2,362,305	2,892,954	12,654,172	5,321,761	7,332,411
805,000	805,000	-	-	-	-	805,000	805,000	-
1,320,145	1,344,990	(24,845)	-	95,596	(95,596)	1,320,145	1,440,586	(120,441)
<u>2,207,245</u>	<u>2,219,695</u>	<u>(12,450)</u>	<u>6,355,655</u>	<u>3,149,853</u>	<u>3,205,802</u>	<u>54,899,063</u>	<u>45,950,467</u>	<u>8,948,596</u>
<u>(1,798,390)</u>	<u>(1,152,815)</u>	<u>645,575</u>	<u>(6,185,655)</u>	<u>5,918,594</u>	<u>12,104,249</u>	<u>(10,307,172)</u>	<u>9,693,277</u>	<u>20,000,449</u>
-	1,223,961	1,223,961	-	-	-	-	1,473,961	1,473,961
-	-	-	-	(46,255)	(46,255)	-	(1,581,185)	(1,581,185)
-	-	-	-	(1,669)	(1,669)	-	(1,669)	(1,669)
-	-	-	4,200,000	220,448	(3,979,552)	4,200,000	220,448	(3,979,552)
-	-	-	390,220	-	(390,220)	390,220	-	(390,220)
-	<u>1,223,961</u>	<u>1,223,961</u>	<u>4,590,220</u>	<u>172,524</u>	<u>(4,417,696)</u>	<u>4,590,220</u>	<u>111,555</u>	<u>(4,478,665)</u>
(1,798,390)	71,146	1,869,536	(1,595,435)	6,091,118	7,686,553	(5,716,952)	9,804,832	15,521,784
-	-	-	-	346,402	346,402	-	1,998,206	1,998,206
<u>\$ (1,798,390)</u>	<u>\$ 71,146</u>	<u>\$ 1,869,536</u>	<u>\$ (1,595,435)</u>	<u>\$ 6,437,520</u>	<u>\$ 8,032,955</u>	<u>\$ (5,716,952)</u>	<u>\$ 11,803,038</u>	<u>\$ 17,519,990</u>
-	87,776	87,776	-	-	-	-	87,776	87,776
<u>\$ (1,798,390)</u>	<u>\$ 158,922</u>	<u>\$ 1,957,312</u>	<u>\$ (1,595,435)</u>	<u>\$ 6,437,520</u>	<u>\$ 8,032,955</u>	<u>\$ (5,716,952)</u>	<u>\$ 11,890,814</u>	<u>\$ 17,607,766</u>
\$ 3,539,537	\$ 3,539,537	\$ -	\$ 5,892,257	\$ 5,892,257	\$ -	\$ 32,725,301	\$ 32,725,301	\$ -
-	-	-	-	-	-	-	73,823	73,823
3,539,537	3,539,537	-	5,892,257	5,892,257	-	32,725,301	32,799,124	73,823
(1,798,390)	158,922	1,957,312	(1,595,435)	6,437,520	8,032,955	(5,716,952)	11,890,814	17,607,766
<u>\$ 1,741,147</u>	<u>\$ 3,698,459</u>	<u>\$ 1,957,312</u>	<u>\$ 4,296,822</u>	<u>\$ 12,329,777</u>	<u>\$ 8,032,955</u>	<u>\$ 27,008,349</u>	<u>\$ 44,689,938</u>	<u>\$ 17,681,589</u>

**COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS**

ALL PROPRIETARY FUND TYPES, NON-EXPENDABLE TRUST FUND
AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	PROPRIETARY FUND TYPES	
	Enterprise	Internal Service
Operating Revenues:		
Licenses and permits	\$ -	\$ -
Charges for current services	1,635,268	294,000
Hotel assessment	-	-
Developer fees	2,886	-
Total Operating Revenues	<u>1,638,154</u>	<u>294,000</u>
Operating Expenses:		
Finance	129,864	-
Public works	2,721,874	-
Marketing	-	-
Depreciation	4,424	314,285
Total Operating Expenses	<u>2,856,162</u>	<u>314,285</u>
Operating Income (Loss)	<u>(1,218,008)</u>	<u>(20,285)</u>
Nonoperating Revenues (Expenses):		
Taxes	334,240	-
Intergovernmental revenue	32,433	-
Interest income	146,089	435
Assessment penalties	27,844	-
Rents and concessions	-	-
Loss on disposal of fixed assets	-	-
Miscellaneous revenue	-	-
Total Nonoperating Revenues (Expenses)	<u>540,606</u>	<u>435</u>
Net Income (Loss) Before Operating Transfers	<u>(677,402)</u>	<u>(19,850)</u>
Operating Transfers In	<u>61,040</u>	<u>46,184</u>
Net Income (Loss)	<u>(616,362)</u>	<u>26,334</u>
Fund Balance/Retained Earnings:		
Beginning of Fiscal Year, as previously reported	(1,567,470)	59,020
Restatements (Note 16)	-	-
Beginning of Fiscal Year, as restated	<u>(1,567,470)</u>	<u>59,020</u>
End of Fiscal Year	<u>\$ (2,183,832)</u>	<u>\$ 85,354</u>

See Notes to Financial Statements

General Purpose Financial Statements

(Continued)

FIDUCIARY FUND TYPE	TOTALS (MEMO ONLY)		TOTALS (MEMORANDUM ONLY)	
	Primary Gov't 1999	COMPONENT UNIT W. Hollywood Marketing Corp.	Reporting Entity 1999 1998	
Non-Expendable Trust				
\$ -	\$ -	\$ -	\$ -	\$ 8,500
-	1,929,268	-	1,929,268	1,744,699
-	-	1,062,999	1,062,999	978,807
-	2,886	-	2,886	260
<u>-</u>	<u>1,932,154</u>	<u>1,062,999</u>	<u>2,995,153</u>	<u>2,732,266</u>
24,687	154,551	-	154,551	177,707
-	2,721,874	-	2,721,874	2,758,208
-	-	1,050,858	1,050,858	756,843
<u>26,300</u>	<u>345,009</u>	<u>9,317</u>	<u>354,326</u>	<u>337,826</u>
50,987	3,221,434	1,060,175	4,281,609	4,030,584
<u>(50,987)</u>	<u>(1,289,280)</u>	<u>2,824</u>	<u>(1,286,456)</u>	<u>(1,298,318)</u>
-	334,240	-	334,240	330,802
-	32,433	-	32,433	78,762
4,291	150,815	9,627	160,442	202,812
-	27,844	-	27,844	40,893
24,500	24,500	-	24,500	-
-	-	(1,942)	(1,942)	-
-	-	-	-	1,052,000
<u>28,791</u>	<u>569,832</u>	<u>7,685</u>	<u>577,517</u>	<u>1,705,269</u>
<u>(22,196)</u>	<u>(719,448)</u>	<u>10,509</u>	<u>(708,939)</u>	<u>406,951</u>
-	107,224	-	107,224	569,134
<u>(22,196)</u>	<u>(612,224)</u>	<u>10,509</u>	<u>(601,715)</u>	<u>976,085</u>
1,018,671	(489,779)	619,092	129,313	(806,772)
-	-	-	-	(40,000)
<u>1,018,671</u>	<u>(489,779)</u>	<u>619,092</u>	<u>129,313</u>	<u>(846,772)</u>
<u>\$ 996,475</u>	<u>\$ (1,102,003)</u>	<u>\$ 629,601</u>	<u>\$ (472,402)</u>	<u>\$ 129,313</u>

COMBINED STATEMENT OF CASH FLOWS

ALL PROPRIETARY FUND TYPES, NON-EXPENDABLE TRUST FUND
AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	PROPRIETARY FUND TYPES	
	Enterprise	Internal Service
Cash Flows from Operating Activities:		
Operating income (loss)	\$ (1,218,008)	\$ (20,285)
Adjustment to reconcile operating income to net cash provided by operating activities:		
Depreciation	4,424	314,285
Restatement of prior years' loan interest	-	-
Rents and concessions	-	-
Miscellaneous revenue	-	-
(Increase) decrease in accounts receivable	(387)	-
(Increase) decrease in interest receivable	12,012	(131)
(Increase) decrease in due from other funds	-	-
(Increase) decrease in due from other governments	247	-
(Increase) decrease in prepaid costs	-	-
Increase (decrease) in accounts payable	(23,830)	2,345
Increase (decrease) in accrued payroll	2,263	-
Increase (decrease) in due to other funds	-	-
Net Cash Provided by Operating Activities	<u>(1,223,279)</u>	<u>296,214</u>
Cash Flows from Capital Financing Activities:		
Fixed asset purchases	-	(32,513)
Repayment of advances from other funds	-	(294,000)
Cash received from disposal of fixed assets	-	-
Principal payments on capital lease	-	-
Net Cash Provided by Capital Financing Activities	<u>-</u>	<u>(326,513)</u>
Cash Flows from Non-Capital Financing Activities:		
Nonoperating taxes revenue	334,240	-
Nonoperating assessment penalties	27,844	-
Intergovernmental revenue	32,433	-
Increase in advances from other funds	-	-
Operating transfers in	61,040	-
Operating transfers out	-	46,184
Net Cash Provided by Non-Capital Financing Activities	<u>455,557</u>	<u>46,184</u>
Cash Flows from Investing Activities:		
Interest on investments	146,089	435
Net Cash provided by Investing Activities	<u>146,089</u>	<u>435</u>
Net Increase (Decrease) in Cash and Investments	(621,633)	16,320
Cash and Investments at Beginning of Fiscal Year	<u>3,606,108</u>	<u>14,388</u>
Cash and Investments at End of Fiscal Year	<u>\$ 2,984,475</u>	<u>\$ 30,708</u>

Cash and investments on the Combined Balance Sheet for the Trust and Agency Funds of \$572,747 includes \$99,327 for the Non-Expendable Trust Fund and \$473,420 for the Agency Funds.

Schedule of Non-Cash Transactions

There were no non-cash transactions during the fiscal year.

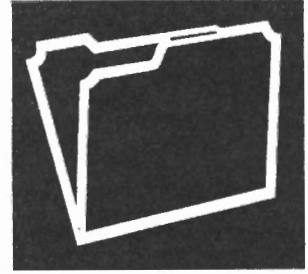
See Notes to Financial Statements

General Purpose Financial Statements

(Continued)

FIDUCIARY FUND TYPE	TOTALS (MEMO ONLY)	COMPONENT UNIT	TOTALS (MEMORANDUM ONLY)	
Non-Expendable Trust	Primary Gov't 1999	W. Hollywood Marketing Corp.	Reporting Entity	
			1999	1998
\$ (50,987)	\$ (1,289,280)	\$ 2,824	\$ (1,286,456)	\$ (1,291,647)
26,300	345,009	9,317	354,326	337,826
-	-	-	-	(40,000)
24,500	24,500	-	24,500	-
-	-	-	-	53,838
-	(387)	(315,536)	(315,923)	(62)
(1,057)	10,824	-	10,824	(45,915)
-	-	-	-	(103,916)
-	247	-	247	126,373
-	-	(70)	(70)	(684)
2,115	(19,370)	9,415	(9,955)	9,618
-	2,263	7,200	9,463	(25,380)
-	-	-	-	(5,757)
<u>871</u>	<u>(926,194)</u>	<u>(286,850)</u>	<u>(1,213,044)</u>	<u>(985,706)</u>
-	(32,513)	(23,690)	(56,203)	(259,456)
-	(294,000)	-	(294,000)	(97,548)
-	-	50	50	-
-	-	(1,320)	(1,320)	-
<u>-</u>	<u>(326,513)</u>	<u>(24,960)</u>	<u>(351,473)</u>	<u>(357,004)</u>
-	334,240	-	334,240	342,618
-	27,844	-	27,844	40,893
-	32,433	-	32,433	66,962
9,130	9,130	-	9,130	-
-	61,040	-	61,040	569,134
-	46,184	-	46,184	-
<u>9,130</u>	<u>510,871</u>	<u>-</u>	<u>510,871</u>	<u>1,019,607</u>
<u>4,291</u>	<u>150,815</u>	<u>9,627</u>	<u>160,442</u>	<u>196,125</u>
<u>4,291</u>	<u>150,815</u>	<u>9,627</u>	<u>160,442</u>	<u>196,125</u>
14,292	(591,021)	(302,183)	(893,204)	(126,978)
85,035	3,705,531	355,985	4,061,516	4,188,494
<u>\$ 99,327</u>	<u>\$ 3,114,510</u>	<u>\$ 53,802</u>	<u>\$ 3,168,312</u>	<u>\$ 4,061,516</u>

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Notes to Financial Statements

CITY OF WEST HOLLYWOOD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

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 enjoys 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 unit discussed below is included in the reporting entity because of their operational or financial relationships with the City of West Hollywood.

Blended component units:

The West Hollywood Redevelopment Agency was formed 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 Agency is governed by a five member board that is the City Council of the City of West Hollywood. As of June 30, 1999, 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 of public improvements 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 with the City of West Hollywood.

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 and to advise the City Council, Commissions and staff in order to enhance their understanding of business dynamics so that they can affect policy that creates a business friendly climate in 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, 1999, only the Redevelopment Agency and the Marketing Corporation have separately issued financial statements. The Agency's statements may be obtained at City Hall. The Marketing Corporation's statements may be obtained at their offices.

b. Description of Funds

Fund Accounting Systems

Governmental accounting systems are organized and operated on a fund basis. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Types of Funds

Governmental Fund Types

General Fund - to account for all unrestricted resources except those required to be accounted for in another fund.

Special Revenue Funds - to account for the proceeds of specific revenue sources (other than for major capital projects) that are restricted by law or administrative action to expenditures for specified purposes.

Debt Service Funds - to account for the accumulation of resources for, and the payment of interest and principal on general long-term debt.

Capital Projects Funds - to account for financial resources segregated for the acquisition of major capital facilities.

Proprietary Fund Types

Enterprise Funds - to account for operations where it is the stated intent that costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

Internal Service Fund - to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City or to other governmental units, on a cost-reimbursement basis.

Fiduciary Fund Types

Agency Funds - to account for assets held by the City as agent for individuals, private organizations, or other governmental units, and/or other funds.

Non-Expendable Trust Funds - to account for such endowments-like trust arrangements and functions much like a proprietary fund.

Account Groups

Fixed Assets and Long-Term Liabilities - The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included in their balance sheets.

Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain (infrastructure) general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated. Interest accrued during construction, if any, of fixed assets is capitalized as a part of the asset cost.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and

retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Proprietary fund fixed assets are reported net of accumulated depreciation on their balance sheets. Depreciation has been provided over the estimated useful lives using the straight line method for all classes of fixed assets. The estimated useful lives are as follows:

Equipment

3-5 years

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds. Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets, in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered "available spendable resources", since they do not represent net current assets. Recognition of governmental fund type revenues represented by noncurrent receivables is deferred until they become current receivables. Noncurrent portions of long-term loans receivable are offset by fund balance reserve accounts.

Special reporting treatments are also applied to governmental fund inventories to indicate that they do not represent "available spendable resources", even though they are a component of net current assets. Such amounts are generally offset by fund balance reserve accounts.

Because of their spending measurement focus, expenditure recognition for governmental fund types does not include amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

c. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made regardless of the nature of the measurement.

All governmental funds and Agency funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Revenues considered susceptible to accrual in those funds wherein revenue is recognized on a modified accrual basis is as follows: property and sales taxes, revenue from the use of money and property, interfund transfers, unbilled service

receivables and intergovernmental revenue are all considered measurable and are recognized as revenue on a modified accrual basis; licenses, permits, fines and forfeitures and similar items are, for the most part, not susceptible to accrual and consequently are not recorded until received. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The assets and liabilities are accounted for on a modified accrual basis.

Property tax revenue is recognized on the modified accrual basis; that is, 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 March 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 1st to June 30th. All secured personal property taxes and one-half of the taxes on real property are due November 1st; the second installment is due February 1st. All taxes are delinquent, if unpaid, on December 10th and April 10th respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent, if unpaid, on August 31st.

Grants, entitlements, or shared revenues recorded in governmental funds are recognized as revenue in the accounting period when they become susceptible to accrual, i.e., both measurable and available (modified accrual basis). Grants received before the revenue recognition criteria has been met are reported as deferred revenue, a liability account. Such resources not received are reported as a receivable if the revenue recognition criteria have been met.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred; principal and interest on general long-term debt is recognized when due.

All proprietary and non-expendable trust funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned and become measurable, expenses are recognized when they are incurred. Unbilled service receivables are recorded as accounts receivable and as revenue when earned.

For its Enterprise Funds, the City follows all FASB Statements and Interpretations issued on or before November 30, 1989 which do not conflict with GASB pronouncements. The City applies all GASB pronouncements issued after November 30, 1989.

d. Budgetary Data

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 legal level of budgetary control is the department level. During the year, several supplementary appropriations were necessary. The original budgeted appropriations were \$43,573,354. Additional appropriations of \$11,325,708 were made for a total of \$54,899,062. At fiscal year-end all operating budget appropriations lapse.

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.

Budget Basis of Accounting

Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP) with the exception of encumbrances, which are adopted as part of the appropriation budget. The actual data in the combined comparative budgetary statements are presented on this budgetary basis, which includes encumbrances; reconciliation to the actual data on a GAAP basis has been provided on the face of the financial statements. The following fund was not included in the combined comparative budgetary statement because an annual budget was not legally adopted.

Fund	Excess of Revenues and Other Sources over (under) Expenditures and Other Uses
Debt Service Funds:	
Redevelopment Agency	<u>\$ 87,776</u>

e. Other Accounting Policies**Total Columns on Combined Statements**

"Memorandum Only" captions on combined statements - total columns mean that totals are presented for overview informational purposes only and that they do not fairly present financial position or results of operations for the governmental unit as a whole in conformity with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of these totals.

Cash and Cash Equivalents

For purpose of the statement of cash flows, the City considered cash and cash equivalents as short term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. The City follows the practice of pooling cash and investments of all funds. Since cash and investments are pooled the City utilizes the assumption that cash and investments in the Enterprise, Internal Service and Non-Expandable Trust Funds are cash and cash equivalents.

Investments

The City adopted GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, as of July 1, 1997. GASB Statement No. 31 establishes fair value standards for investments in participating interest earning investment contracts, external investment pools, equity securities, option contracts, stock warrants and stock rights that have readily determinable fair values. In addition, in accordance with the provision of a "2a-7 like" pool as defined by GASB Statement No. 31, all government external investment pools which operate as a "2a-7 like" pool, value their securities at amortized cost, which approximates fair value with any short fall being covered up to amounts recoverable under a letter of credit arrangement. Accordingly, the City reports its State and County investment pools at fair value. With regard to its MBIA investment pool, the City reports the investment at amortized cost as it is a "2a-7 like" pool.

Claims and Judgments and Compensated Absences**Judgments and Claims**

Only the short-term liability (if any) is reflected as a current liability in all applicable governmental fund types, the remainder of the liability is reported in the General Long-Term Debt Account Group. The short-term liability which will be liquidated with expendable available financial resources is the amount of settlement reached, but unpaid, related to claims and judgments entered. The City funds all general liability claims through its annual deposit paid to California Joint Powers Insurance Authority. Therefore, those claims are not presented in a tabular format as the liability is not recorded in the City's financial statements.

The amount recorded as claims and judgments payable relates to specific items not covered by the City's membership in CJPIA. At June 30, \$437,000 is accrued in the General Fund. In addition, the City has determined that there are no material incurred but unreported claims at fiscal year end.

Compensated Absences

Only the short-term liability is reflected as a current liability in all applicable governmental fund types; the remainder of the liability is reported in the General Long-Term Debt Account Group. The short-term liability which will be liquidated with expendable available financial resources, is the amount due to employees for future absences which is attributable to services already rendered and which is expected to be paid during the next fiscal year.

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.

The City of West Hollywood does not provide any post-employment benefits to retired employees.

II. STEWARDSHIP

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

a. The following funds contained deficit fund balances or retained earnings:

Fund	Amount
Enterprise:	
Solid Waste	\$ (1,446,649)
Landscape and Lighting District	(594,393)
Sewer Construction	(579,483)

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

Fund	Expenditures	Appropriations	Excess
General Fund:			
General Government:			
City Manager	\$ 415,835	\$ 415,354	\$ 481
Public Information & CATV	859,124	857,432	1,692
Public Safety Division	455,694	451,300	4,394
City Attorney	516,022	475,000	41,022
Public Services:			
Recreation Services	1,454,376	1,430,258	24,118
Planning and Transit	2,179,717	2,080,711	99,006
Police Services	9,257,075	9,177,232	79,843
Special Revenue Funds:			
Gas Tax:			
Capital Outlay	255,915	255,890	25
Permit Parking:			
Capital Outlay	30,169	30,147	22
Public Access			
Public Services	79,070	47,317	31,753
Debt Service Funds:			
Capital Projects Debt Service:			
Debt Service - Interest & fiscal charges	1,344,990	1,320,145	24,845
Capital Projects Funds			
Debt Funded Capital Project:			
Debt Service - Interest	16,000	-	16,000
Santa Monica Blvd:			
General Government	249,055	248,750	305
Redevelopment Agency:			
Debt Service - Interest	79,596	-	79,596

III. DETAIL NOTES ON FUNDS AND ACCOUNT GROUPS

NOTE 3: CASH AND INVESTMENTS

Cash and Investments at June 30, consisted of the following:

Type	Amount
Pooled Cash And Deposits - Primary Government	\$ 1,537,717
Unclassified Investments	<u>49,786,863</u>
Total Cash And Investments - Primary Government	\$ 51,324,580
Component Unit - Cash and Deposits	<u>53,802</u>
Total Cash And Investments - Reporting Entity	<u><u>\$ 51,378,382</u></u>

The City follows the practice of pooling cash and investments of all funds.

Interest income earned on pooled cash and investments is allocated to the various funds based on the cash balances. Interest income in the deferred compensation plan is credited directly to the related fund.

Pooled Cash and Non-Negotiable Certificates of Deposit

All pooled cash and non-negotiable certificates of deposit are entirely insured or collateralized. The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of a City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits.

The City may waive collateral requirements for deposits which are fully insured up to \$100,000 by the Federal Deposit Insurance Corporation (FDIC).

Credit Risk, Carrying Amount and Market Value of Deposits

Cash and deposits of the City are summarized below. The deposits are classified as to credit risk by three categories as follows: Category 1 includes deposits that are insured or collateralized, with the securities held by the City or its agent in the City's name; Category 2 includes deposits which are uninsured but which are collateralized with the securities held by the pledging financial institution's trust department in the City's name; Category 3

includes deposits which are uninsured and uncollateralized, or collateralized with securities held by the pledging financial institutions, or by its trust department, safekeeping department, or agent but not in the City's name.

	Category			Bank	Book
	1	2	3	Balance	Balance
City:					
Cash in Bank	\$ 201,360	\$ 1,119,419	\$ -	\$ 1,320,779	\$ 1,537,717
Subtotal Primary Government:	<u>\$ 201,360</u>	<u>\$ 1,119,419</u>	<u>\$ -</u>	<u>\$ 1,320,779</u>	<u>\$ 1,537,717</u>
Component Unit:					
Cash in Bank	80,424	-	-	80,424	53,802
Total Reporting Entity:	<u>\$ 281,784</u>	<u>\$ 1,119,419</u>	<u>\$ -</u>	<u>\$ 1,401,203</u>	<u>\$ 1,591,519</u>

Authorized Investments

Under provisions of the City's Investment Policy, and in accordance with Section 53601 of the California Government Code, the City may invest in the following types of investments:

- ★ Securities of the U.S. Government, or its agencies
- ★ Certificates of Deposit
- ★ Los Angeles County Investment Pool
- ★ Local Agency Investment Fund (State Pool) Deposits
- ★ Money Market Savings Accounts
- ★ Demand Deposits
- ★ Investment in Joint Powers Authorities

Unclassified Investments

Investment in State Treasury's investment pool, County Treasury's investment pool, mutual funds, investment agreements and MBIA cannot be assigned a credit risk category because the City does not own specific securities. However, the funds' investment policies and practices with regard to the credit and market risks have been determined acceptable to the City's investment policies.

	Fair Value
Investment in State Treasury's Investment Pool	\$ 21,810,645
Investment in County Treasury's Investment Pool	15,872,272
Investment in Mutual Funds with Fiscal Agent	6,518,834
Investment in MBIA	5,585,112
Total:	\$ 49,786,863

NOTE 4: RECEIVABLES

At June 30 the receivable accounts consisted of the following:

	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Enterprise Fund	Internal Service Fund	Agency Fund	Component Unit
Receivables:								
Taxes	\$ 922,487	\$ -	\$ 2,289	\$ 763	\$ -	\$ -	\$ 120,324	\$ -
Accounts	380,930	180,875	-	-	616	-	3,415	13,000
Deferred loans	-	1,524,096	-	-	-	-	-	-
Interest	111,791	90,404	13,666	100,429	33,903	131	2,542	-
Loans	-	-	-	140,852	-	-	-	-
Total	\$ 1,415,208	\$ 1,795,375	\$ 15,955	\$ 242,044	\$ 34,519	\$ 131	\$ 126,281	\$ 13,000

NOTE 5: UNEARNED GRANTS

Because various federal and state subventions and grants have not been received nor the revenue recognition criteria met, the following awards are not reflected in the financial statements:

Grant	Amount
Community Development Block Grant	\$ 420,668
Brownsfield Grant	189,466
OTS Pedestrian Safety Grant	49,326
PVEA Grant	50,410
Urban Tree Competitive Grant	46,837

NOTE 6: HOUSING LOANS RECEIVABLE

The City has established the Citywide Affordable Housing Trust Fund, accounted for as a special revenue 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 \$5,715,787 were outstanding at June 30, 1999 to qualified developers and properties at annual interest rates ranging from 6 to 10 percent.

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 the related agreements. Therefore, the loans are offset by an allowance for forgiveness of \$232,000 at June 30, 1999. The remainder is offset by deferred revenue in the amount of \$5,483,787.

NOTE 7: CHANGES IN GENERAL FIXED ASSETS

A summary of changes in General Fixed Assets follows:

	Balance July 1, 1998	Additions	Deletions	Balance June 30, 1999
Land	\$ 32,744,216	\$ -	\$ -	\$ 32,744,216
Buildings	14,356,159	1,083,014	-	15,439,173
Improvements other than Buildings	4,093,691	58,819	-	4,152,510
Machinery and equipment	1,901,385	68,935	-	1,970,320
Furniture and Fixtures	856,380	13,713	-	870,093
Office Equipment	1,327,493	289,502	-	1,616,995
Construction-in-progress	131,087	697,288	-	828,375
Total:	\$ 55,410,411	\$ 2,211,271	\$ -	\$ 57,621,682

NOTE 8: PROPRIETARY FUND FIXED ASSETS

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

	Estimated Useful Life	Fixed Assets	Allowance for Depreciation	Net Book Value
Enterprise Funds:				
Solid Waste Fund				
Machinery and Equipment	5 Years	\$ 32,183	\$ 29,371	\$ 2,812
Office Equipment	3 Years	34,734	34,734	-
Total Enterprise:		<u>\$ 66,917</u>	<u>\$ 64,105</u>	<u>\$ 2,812</u>
Internal Service Funds:				
Information System				
Master Plan Fund				
Machinery and Equipment	5 Years	1,371,273	1,056,988	314,285
Total Internal Service:		<u>\$ 1,371,273</u>	<u>\$ 1,056,988</u>	<u>\$ 314,285</u>
Component Unit:				
West Hollywood Marketing Corporation				
Furniture and Equipment	5 - 7 Years	\$ 62,662	\$ 37,948	\$ 24,714
Furniture Purchased Under Capital Lease	5 Years	12,656	-	12,656
Leasehold Improvements	2 Years	3,962	-	3,962
Total Component Unit:		<u>\$ 79,280</u>	<u>\$ 37,948</u>	<u>\$ 41,332</u>

NOTE 9: 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 4.539% 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 1999, the City's annual pension cost of \$290,575 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 1997, 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, 1999, was four years for prior service unfunded and 15 years for remaining unfunded. The latest information available is presented below.

Three-Year Trend Information for Miscellaneous Plan

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/96	\$ 251,165	100.00%	\$ -
6/30/97	252,133	100.00%	-
6/30/98	277,566	100.00%	-

Schedule of Funding Progress for Miscellaneous Plan

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
06/30/1995	\$ 9,091,463	\$ 7,592,558	\$ (1,498,905)	119.74%	\$ 7,129,196	-21.025%
06/30/1996	11,292,932	8,288,308	(3,004,624)	136.25%	7,432,122	-40.428%
06/30/1997	14,220,514	9,579,740	(4,640,774)	148.44%	7,780,659	-59.645%

NOTE 10: LONG-TERM DEBT

a. Certificates of Participation

On September 28, 1995, the City issued \$1,300,000 of 1995 Series C Certificates of Participation. Proceeds were used to finance the acquisition and construction of a parking structure for City Hall, a homeless shelter and a parking lot. The property is leased to the City under a lease agreement with the City of West Hollywood Public Facilities Corporation. Pursuant to the lease agreement, the Corporation agrees to sublease the property (which will be acquired by the City and leased to the Corporation) to the City. The Certificates bear interest at an adjustable rate which shall be the lesser of 12% or the maximum rate permitted by law. The City may elect to convert the interest rate to a fixed rate. The Certificates mature annually starting February 1, 1996. Interest is paid monthly.

On November 22, 1995, the City issued \$470,000 of 1995 Series D Certificates of Participation. Proceeds were used to finance the acquisition and installation of new parking meters in the City. The meters are leased to the City under a lease agreement with the City of West Hollywood Public Facilities Corporation. Pursuant to the lease agreement, the Corporation agrees to sublease the property (which will be acquired by the City and leased to the Corporation) to the City. The certificates bear interest in rates from 4.2% to 4.6%. They mature annually, starting November 1, 1996. Interest is paid semi-annually on May 1 and November 1, starting May 1, 1996.

b. Refunding

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 purpose of both 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) to fund a reserve for the refunding certificates, as well as pay for the execution and delivery of the refunding certificates.

c. Advances From Other Funds

The City of West Hollywood has loaned the Redevelopment Agency a total of \$1,560,637. The loans will be repaid from any available funds upon demand of the City. These loans bears interest at the rate of 6%. There are no fixed repayment dates. The accrued but unpaid interest on these loans amount to \$93,192 as of June 30, 1999.

City of West Hollywood: Comprehensive Annual Financial Report

- d. The following is a schedule of changes in long-term debt of the entity for the fiscal year ended June 30:

	Outstanding July 1, 1998	Additions	Deletions	Outstanding June 30, 1999
City:				
Certificates of Participation				
1995 Series C	\$ 1,260,000	\$ -	\$ 15,000	\$ 1,245,000
1995 Series D	295,000	-	95,000	200,000
1998 Fixed Rate	27,105,000		575,000	26,530,000
1998 Variable Rate	5,360,000		120,000	5,240,000
Accrued employee benefits	804,961	161,198	-	966,159
Redevelopment Agency:				
Advances from Other Funds	1,340,189	220,448	-	1,560,637
Totals:	<u>\$ 36,165,150</u>	<u>\$ 381,646</u>	<u>\$ 805,000</u>	<u>\$ 35,741,796</u>

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

Fiscal Year	1995 Series C	1995 Series D	1998 Fixed Rate	1998 Variable Rate
1999-2000	89,881	106,850	1,750,035	384,449
2000-2001	88,751	102,300	1,756,315	383,097
2001-2002	87,621	-	1,761,620	381,495
2002-2003	86,491	-	1,770,420	379,642
2003-2004	85,361		1,768,020	377,540
Thereafter	1,999,144	-	39,336,437	7,272,824
Total Debt Service	<u>\$ 2,437,249</u>	<u>\$ 209,150</u>	<u>\$ 48,142,847</u>	<u>\$ 9,179,047</u>
Less: Amount Representing Interest	<u>1,192,249</u>	<u>9,150</u>	<u>21,612,847</u>	<u>3,939,047</u>
Outstanding Principal	<u>\$ 1,245,000</u>	<u>\$ 200,000</u>	<u>\$ 26,530,000</u>	<u>\$ 5,240,000</u>

Advances from other funds does not have a fixed repayment schedule, therefore it is not included in the schedule of future debt service payments. The 1995 Series C and the 1998 variable COPS whose interest rate is determined by a remarketing agent are estimated in the above schedule, due to the uncertainty of the adjustable interest rate.

f. 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 Long-Term Debt Account Group. Outstanding balance at June 30, 1999 is \$715,000.

g. Lease Payable - Component Unit

The West Hollywood Marketing Corporation entered into a capital lease in December 1998 in order to acquire a photocopier. The original lease amount was \$12,656. Lease payments are as follows:

Original balance	\$ 12,656
Principal paid in fiscal year 1998-99	(1,320)
Balance at June 30, 1999	<u>11,336</u>
Future Lease Payments are as follows:	
1999-2000	\$ 3,852
2000-2001	3,852
2001-2002	3,852
2002-2003	<u>1,926</u>
Subtotal	\$ 13,482
Less: Interest	<u>(2,146)</u>
Outstanding Principal	<u>\$ 11,336</u>

NOTE 11: PRIOR YEAR DEFEASANCE OF CERTIFICATES OF PARTICIPATION

In prior years, the City defeased certain Certificates of Participation by placing the proceeds of new certificates in an irrevocable trust to provide for all future debt service payments on the old certificates. Accordingly, the trust account assets and the liability for the defeased certificates are not included in the City's financial statements. On June 30, 1999, \$26,865,000 of certificates outstanding are considered defeased.

NOTE 12: DEFERRED REVENUE

The City received rent stabilization fees relating to fiscal year 1999-2000 in fiscal year 1998-99. These are recorded as deferred revenue in the General Fund in the amount of \$1,410,107. Deferred revenue in the General Fund also includes grant monies received but not yet earned, recreation revenues collected in advance and interest accrued but not available on the loan to the Redevelopment Agency.

NOTE 13: INTERFUND RECEIVABLES AND PAYABLES

a. Due to/from Other Funds

Fund	Interfund Receivables	Interfund Payables
General	\$ 659,317	\$ 1,046,182
Special Revenue:		
Gas Tax	703,966	-
C.D.B.G.	-	26,991
Capital Projects:		
Debt Funded Capital Projects	-	632,326
Enterprise:		
Landscape and Lighting District	342,216	-
Totals	\$ 1,705,499	\$ 1,705,499

b. Due from Primary Government/Due to Component Unit

Fund	Interfund Receivables	Interfund Payables
Component Unit:		
West Hollywood Marketing Corporation	\$ 564,450	\$ -
Agency Funds:		
Business Improvement	-	564,450
Totals	\$ 564,450	\$ 564,450

c. Advances to/from Other Funds

Fund	Advances to Other Funds	Advances from Other Funds
General	\$ 1,776,639	\$ -
Special Revenue Fund:		
Housing Trust Fund	140,852	-
Internal Service:		
Information Systems Master Plan	-	257,424
Non-expendable Trust		
Laurel Ave. Trust	-	99,430
General Long-Term Debt Account Group	-	1,560,637
Totals	<u><u>\$ 1,917,491</u></u>	<u><u>\$ 1,917,491</u></u>

NOTE 14: CONTRIBUTED CAPITAL

Contributed capital in the Solid Waste, Landscape and Lighting District and Sewer Construction Enterprise Funds of \$1,630,718, \$930,857 and \$2,759,974, respectively, consists of cash transfers from Los Angeles County pursuant to the City taking over these operations. The following is a schedule of changes in contributed capital for the fiscal year ended June 30:

	Solid Waste	Landscape & Lighting District	Sewer Construction
Contributed capital, July 1	\$ 1,630,718	\$ 930,857	\$ 2,759,974
Additions to contributed capital	-	-	-
Contributed capital, June 30	1,630,718	930,857	2,759,974
Retained earnings (accumulated deficit)	(1,446,649)	(594,393)	(579,483)
Total Fund Equity	<u><u>\$ 184,069</u></u>	<u><u>\$ 336,464</u></u>	<u><u>\$ 2,180,491</u></u>

NOTE 15: FUND EQUITY

The City has set up the following fund balance retained earnings reserve/designation accounts which represent available spendable resources restricted for specific purposes:

City of West Hollywood: Comprehensive Annual Financial Report

	General Fund	Special Revenue Fund	Debt Service Funds	Capital Projects Funds	Internal Service Funds	Trust and Agency Funds
Reserved for:						
Encumbrances	\$ 1,218,436	\$ 433,368	\$ -	\$ 346,402	\$ -	\$ -
TDA Funds	-	31,161	-	-	-	-
Perpetual Care	-	-	-	-	-	996,475
Prepaid costs	839,785	3,667	17,543	4,080	-	-
Seismic Projects	-	-	-	36,928	-	-
Capital Improv. Projects	-	-	-	-	1,087	-
Advances to Other Funds	1,776,639	140,852	-	-	-	-
Total	<u>\$ 3,834,860</u>	<u>\$ 609,048</u>	<u>\$ 17,543</u>	<u>\$ 387,410</u>	<u>\$ 1,087</u>	<u>\$ 996,475</u>
Designated for:						
Self-insurance	\$ 225,000	\$ -	\$ -	\$ -	\$ -	\$ -
Future expenditures	1,810,000	-	-	-	-	-
Capital Projects	6,136,686	1,679,158	-	11,942,367	-	-
Emergencies	2,000,000	-	-	-	-	-
Debt Service	-	-	3,680,916	-	-	-
Total	<u>\$ 10,171,686</u>	<u>\$ 1,679,158</u>	<u>\$ 3,680,916</u>	<u>\$ 11,942,367</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 16: RESTATEMENTS

Beginning fund balance has been restated as follows:

General Fund:	
To restate prior years' expenditures	\$ 85,067
To restate prior years revenues	(11,244)
Total General Fund	<u>\$ 73,823</u>

IV. SEGMENT INFORMATION - ENTERPRISE FUNDS

NOTE 17: SEGMENT INFORMATION - ENTERPRISE FUNDS

The following schedule (next page) presents segment information for enterprise funds maintained by the City:

	Solid Waste	Landscape & Lighting Dist.	Sewer Charges	Sewer Construction	Street Maintenance	Total
Operating Revenues	\$ 1,055,266	\$ 126,773	\$ 176,619	\$ -	\$ 279,496	\$ 1,638,154
Operating income (loss)	(98,981)	(457,688)	(25,445)	(643,504)	7,610	(1,218,008)
Depreciation	4,424	-	-	-	-	4,424
Taxes Revenues	-	334,240	-	-	-	334,240
Net income (loss)	(20,976)	(102,358)	21,291	(524,734)	10,415	(616,362)
Operating transfers in	61,040	-	-	-	-	61,040
Fixed assets (net of accumulated depreciation)	2,812	-	-	-	-	2,812
Contributed capital	1,630,718	930,857	-	2,759,974	-	5,321,549
Net working capital	181,257	336,464	370,450	2,180,491	66,243	3,134,905
Total Assets	278,470	401,532	383,247	2,292,288	69,681	3,425,218
Total Equity	184,069	336,464	370,450	2,180,491	66,243	3,137,717

V. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

NOTE 18: 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 \$9,172,000 was paid for these services in fiscal year 1998-99.

NOTE 19: 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 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 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 9-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 \$20,000 of each occurrence is charged directly to the member; costs from \$20,001 to \$500,000 are pooled based on a member's share of costs under \$20,000; costs from \$500,001 to \$5,000,000 are pooled based on payroll. Costs of covered claims above \$5,000,000 are currently paid by reinsurance. The protection for each member is \$50,000,000 per occurrence and \$50,000,000 annual aggregate.

c. Purchased Insurance

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. Total all-risk property insurance coverage is \$30,302,174. 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. The City's property currently has earthquake protection in the amount of \$15,347,999. 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 \$5,000 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. Workers' compensation claims are covered through the State Compensation Insurance Fund for amounts up to \$5,000,000.

NOTE 20: LITIGATION

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

**REQUIRED
SUPPLEMENTARY
INFORMATION**

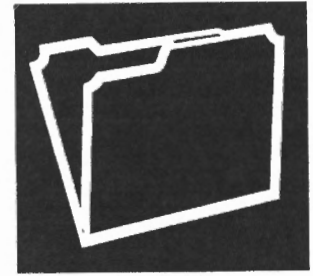
CITY OF WEST HOLLYWOOD

REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)

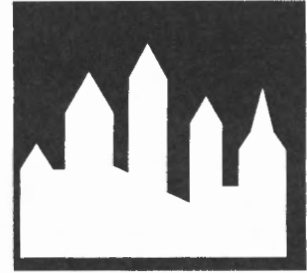
EVALUATION OF THE YEAR 2000 ISSUE

The City of West Hollywood is in the process of evaluating its computer programming code, computer equipment, and other electronic systems and equipment (including equipment containing embedded chips) to ascertain which of these might be impacted by a failure to properly recognize and process transactions dated on or after the year 2000. In addition, certain dates in calendar year 1999 may present difficulties because some programs and embedded chips were coded to read a date of "99" or "999" to mean something other than a date (e.g. "end of file" etc.) which might also prevent the proper processing of data. As of June 30, 1999, there is no unexpended portion of contracts entered into by the City to address year 2000 issues for computer systems and other electronic equipment, as the City has fairly recently installed new accounting software. Additional amounts may be expended for the City's year 2000 assessment, implementation and testing activities, as well as amounts that may need to be expended after January 1, 2000 to correct problems not previously detected and corrected. Because of the unprecedented nature of the year 2000 issue, it is not possible to provide assurances that the City has or will achieve complete year 2000 compliance, even after completing all planned year 2000 corrective actions and related testing. Nor can the City determine the effect, if any, on City operations should entities external to the City (other governments, significant vendors, suppliers, service providers, customers, taxpayers, businesses, etc.) fail to address year 2000 issues in a timely manner. The scope of an audit does not include an evaluation of the adequacy of management's plans with respect to this issue. Equipment and systems considered by management to be critical to conducting operations are discussed in the following paragraph:

The City is in the validation/testing stage of updating its systems to address year 2000 issues. The City's major critical system is the Finance Department's system. Most of the Finance Department's new hardware has been installed, including the network server. The majority of the software was installed in recent years and is thought to address the year 2000 issue. The completion of these stages is not a guarantee that systems and equipment will be year 2000 compliant.



Supplemental Statements



Governmental Funds

- General Fund ❖
- Special Revenue Funds ❖
- Debt Service Funds ❖
- Capital Project Funds ❖

GENERAL FUND

To account for all revenues and expenditures of the City which are not required to be accounted for in another fund.

BALANCE SHEET
GENERAL FUND
JUNE 30, 1999

	1999	1998
ASSETS		
Cash and investments	\$ 21,889,090	\$ 18,176,975
Receivables (Net of allowance for uncollectible):		
Taxes	922,487	850,848
Accounts	380,930	322,071
Interest	111,791	115,070
Loans	-	4,506
Due from other funds	659,317	865,383
Due from other governments	1,997,584	1,687,478
Deposits	4,486	4,486
Prepaid costs	839,785	828,961
Advances to other funds	1,776,639	1,981,913
Total Assets	\$ 28,582,109	\$ 24,837,691
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 4,848,188	\$ 4,425,730
Accrued payroll payable	340,590	272,329
Accrued claims and judgments	437,000	377,000
Due to other funds	1,046,182	1,046,182
Deposits payable	532,566	392,353
Deferred revenue	2,113,154	2,242,916
Total Liabilities	9,317,680	8,756,510
Fund Balances:		
Reserved:		
Encumbrances	1,218,436	534,196
Loans Receivable	-	4,506
Prepaid costs	839,785	828,961
Advances to other funds	1,776,639	1,968,317
Unreserved:		
Designated for self-insurance	225,000	225,000
Designated for future expenditures	1,810,000	1,810,000
Designated for capital improvement projects	6,136,686	4,813,579
Designated for emergencies	2,000,000	1,800,000
Undesignated	5,257,883	4,096,622
Total Fund Balances	19,264,429	16,081,181
Total Liabilities and Fund Balances	\$ 28,582,109	\$ 24,837,691

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	1999	1998
Revenues:		
Taxes	\$ 22,617,448	\$ 21,495,142
Licenses and permits	1,883,484	1,527,482
Fines and forfeits	6,030,696	5,797,677
Use of money and property	2,899,280	2,747,578
Intergovernmental	2,574,456	1,979,226
Charges for services	2,476,859	2,380,116
Other	276,209	35,155
Total Revenues	<u>38,758,432</u>	<u>35,962,376</u>
Expenditures:		
Current:		
General government	7,402,737	6,792,213
Public services	16,639,293	14,385,910
Public safety	9,257,075	8,636,591
Capital outlay	1,593,739	1,193,525
Debt service:		
Principal	-	7,040
Interest	-	104
Total Expenditures	<u>34,892,844</u>	<u>31,015,383</u>
Excess of Revenues over (under) Expenditures	<u>3,865,588</u>	<u>4,946,993</u>
Other Financing Sources (Uses):		
Operating transfers out	(756,163)	(1,239,433)
Total Other Financing Sources (Uses)	<u>(756,163)</u>	<u>(1,239,433)</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	<u>\$ 3,109,425</u>	<u>\$ 3,707,560</u>
Fund Balances:		
Beginning of Fiscal Year, as originally reported	\$ 16,081,181	\$ 12,465,750
Restatement	73,823	(92,129)
Beginning of Fiscal Year, as restated	<u>16,155,004</u>	<u>12,373,621</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	<u>3,109,425</u>	<u>3,707,560</u>
End of Fiscal Year	<u>\$ 19,264,429</u>	<u>\$ 16,081,181</u>

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:			
Property taxes	\$ 4,626,000	\$ 4,725,945	\$ 99,945
Other taxes:			
Property transfer tax	150,000	206,117	56,117
Franchise	1,190,600	1,185,483	(5,117)
Business tax	1,050,000	1,131,022	81,022
Transient occupancy tax	7,600,000	8,414,889	814,889
Sales and use taxes	7,000,000	6,953,992	(46,008)
Total Taxes	<u>21,616,600</u>	<u>22,617,448</u>	<u>1,000,848</u>
Licenses and permits:			
Building permits	370,000	427,898	57,898
Planning and plan check fees	300,000	425,327	125,327
Business licenses	75,000	80,855	5,855
Other permits	837,407	949,404	111,997
Total Licenses and Permits	<u>1,582,407</u>	<u>1,883,484</u>	<u>301,077</u>
Fines, forfeitures and penalties:			
Parking fines	5,556,096	5,612,144	56,048
Vehicle code fines	140,000	266,797	126,797
Business tax penalties	50,000	27,564	(22,436)
Property tax penalties	75,000	53,554	(21,446)
Rent stabilization legal revenue	-	11,943	11,943
Other	70,827	58,694	(12,133)
Total Fines, Forfeitures and Penalties	<u>5,891,923</u>	<u>6,030,696</u>	<u>138,773</u>
Use of money and property:			
Interest income	900,000	1,034,051	134,051
Parking meter collections and parking permits	1,800,000	1,760,540	(39,460)
Recreation facilities	42,000	37,559	(4,441)
Bus shelter revenue	26,790	25,940	(850)
Rents and concessions	34,000	41,190	7,190
Total Use of Money and Property	<u>2,802,790</u>	<u>2,899,280</u>	<u>96,490</u>
Intergovernmental:			
Off-highway motor vehicle	600	607	7
Motor vehicle in lieu	1,600,000	1,669,468	69,468
Homeowners exemption	85,000	82,596	(2,404)
State Healthy Cities Grant	30,000	30,000	-
Pedestrian Safety Grant	-	-	-
State Emergency Services grant	83,370	12,680	(70,690)
Other State grants	359,525	258,012	(101,513)
County grants	241,307	179,823	(61,484)
COPS Grant	127,165	127,166	1
Earthquake Recovery Grant	-	4,700	4,700
Other	555,432	209,404	(346,028)
Total Intergovernmental	<u>\$ 3,082,399</u>	<u>\$ 2,574,456</u>	<u>\$ (507,943)</u>

(Continued)

	Budget	Actual	Variance- Favorable (Unfavorable)
Charges for services:			
Zoning and subdivision fees	\$ 30,385	\$ 28,380	\$ (2,005)
Landscape and street cleaning fees	15,000	15,000	-
Rent stabilization fees	1,860,000	1,868,550	8,550
Rent application fees	7,000	15,972	8,972
Recreation programs	161,637	171,418	9,781
Sale of maps and publications	9,000	8,751	(249)
Farmer's Market fees	24,000	23,010	(990)
Emergency response charges	8,000	7,781	(219)
False alarm fees	12,000	16,275	4,275
Other charges for services	295,330	321,722	26,392
Total Charges for Services	2,422,352	2,476,859	54,507
Other:			
Donations	67,000	66,705	(295)
Miscellaneous revenue	25,000	209,504	184,504
Total Other	92,000	276,209	184,209
Total Revenues	37,490,471	38,758,432	1,267,961
Expenditures:			
General government:			
City council	757,410	752,684	4,726
City manager	415,354	415,835	(481)
Public information and CATV	857,432	859,124	(1,692)
Public safety division	451,300	455,694	(4,394)
Public safety commission	6,430	3,658	2,772
City attorney	475,000	516,022	(41,022)
City clerk	705,431	690,841	14,590
Management services administration	294,826	218,080	76,746
Human resources	477,524	466,272	11,252
Information systems management	-	-	-
Finance administration/Risk management/Purchasing	1,314,687	1,296,761	17,926
Revenue management	459,641	459,397	244
General accounting	331,759	328,442	3,317
Budget and payroll	261,340	254,448	6,892
Information systems	901,231	889,249	11,982
Risk management/Purchasing	-	-	-
Total General Government	\$ 7,709,365	\$ 7,606,507	\$ 102,858

(Continued)

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	Budget	Actual	Variance- Favorable (Unfavorable)
Public services:			
Community development	\$ 245,951	\$ 245,951	\$ -
Planning commission	15,967	10,418	5,549
Business license commission	3,000	450	2,550
Cultural heritage advisory board	21,195	6,432	14,763
Planning	1,164,013	1,092,095	71,918
Economic development	704,584	650,895	53,689
Building and safety	1,004,517	952,757	51,760
Human services	305,936	300,449	5,487
Human services commission	8,989	3,813	5,176
Community facilities board	11,684	4,343	7,341
Fine arts board	8,057	5,741	2,316
Recreation services	1,430,258	1,454,376	(24,118)
Farmer's Market	82,579	81,866	713
Organizational services	40,000	40,000	-
5K/10K run	-	-	-
Social services	3,412,792	3,409,688	3,104
Landscape and building	1,829,766	1,827,038	2,728
Rent administration	556,385	532,376	24,009
Rent stabilization committee	3,615	3,326	289
Hearings	492,338	488,146	4,192
Records administration and monitoring	847,424	820,773	26,651
Transportation and public works	373,231	329,471	43,760
Transportation commission	7,895	4,803	3,092
Parking	2,118,937	2,083,753	35,184
Planning and transit	2,080,711	2,179,717	(99,006)
Engineering	534,478	500,402	34,076
Total Public Services	<u>17,304,302</u>	<u>17,029,079</u>	<u>275,223</u>
Public safety:			
Police services	9,177,232	9,257,075	(79,843)
Total Public Safety	<u>9,177,232</u>	<u>9,257,075</u>	<u>(79,843)</u>
Capital outlay:			
Capital Projects	4,694,954	2,218,619	2,476,335
Total Capital Outlay	<u>4,694,954</u>	<u>2,218,619</u>	<u>2,476,335</u>
Debt Service			
Principal	-	-	-
Interest	-	-	-
Total Debt Service	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>38,885,853</u>	<u>36,111,280</u>	<u>2,774,573</u>
Excess of Revenues over(under) Expenditures	<u>\$ (1,395,382)</u>	<u>\$ 2,647,152</u>	<u>\$ 4,042,534</u>

(Continued)

	Budget	Actual	Variance- Favorable (Unfavorable)
Other Financing Sources (Uses):			
Operating transfers out	\$ -	\$ (756,163)	\$ (756,163)
Total Other Financing Sources (Uses)	-	(756,163)	(756,163)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (Budgetary Basis)	(1,395,382)	1,890,989	3,286,371
Adjustments:			
To adjust for encumbrances	-	1,218,436	1,218,436
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)	\$ (1,395,382)	\$ 3,109,425	\$ 4,504,807
Fund Balances:			
Beginning of Fiscal Year	\$ 16,081,181	\$ 16,081,181	\$ -
Restatement	-	73,823	73,823
Beginning of Fiscal Year, as restated	16,081,181	16,155,004	73,823
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)	(1,395,382)	3,109,425	4,504,807
End of Fiscal Year	\$ 14,685,799	\$ 19,264,429	\$ 4,578,630

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:

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.

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. These funds provided transportation to frail and elderly citizens, financed a local shuttle service, and subsidized the cost of bus passes for senior and disabled citizens.

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.

Park Development Fund (Quimby Act):

The State Government Code authorizes the City to demand from developers either dedication of land or payment of 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.

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.

**COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
JUNE 30, 1999**

	Gas Tax	Permit Parking	Proposition A	Proposition C	Quimby Act	Public Beautification and Art
ASSETS						
Cash and investments	\$ 1,078	\$ 530,414	\$ 1,837,430	\$ 692,568	\$ 121,200	\$ 122,878
Restricted cash						
Receivables (net of allowances):						
Accounts	-	-	180,875	-	-	-
Deferred loans	-	-	-	-	-	-
Interest	2	5,994	20,303	8,192	1,378	1,607
Prepaid costs	-	-	3,667	-	-	-
Due from other funds	703,966	-	-	-	-	-
Due from other governments	-	-	537,538	69,502	-	-
Advances to other funds	-	-	-	-	-	-
Housing loans receivable	-	-	-	-	-	-
Allowance for loan forgiveness	-	-	-	-	-	-
Total Assets	\$ 705,046	\$ 536,408	\$ 2,579,813	\$ 770,262	\$ 122,578	\$ 124,485
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 100,818	\$ 30,125	\$ 318,273	\$ 30,757	\$ 11,167	\$ 549
Accrued payroll payable	1,239	4,822	4,677	-	-	-
Deposits payable	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	3,000
Total Liabilities	102,057	34,947	322,950	30,757	11,167	3,549
Fund Balances:						
Reserved for encumbrances	228,941	30,338	79,808	17,340	13,423	-
Reserved for prepaid costs	-	-	3,667	-	-	-
Reserved for TDA fund	31,161	-	-	-	-	-
Reserved for advances to other funds	-	-	-	-	-	-
Unreserved:						
Designated for capital improvement projects	-	-	-	75,000	17,020	-
Undesignated	342,887	471,123	2,173,388	647,165	80,968	120,936
Total Fund Balances	602,989	501,461	2,256,863	739,505	111,411	120,936
Total Liabilities and Fund Balances	\$ 705,046	\$ 536,408	\$ 2,579,813	\$ 770,262	\$ 122,578	\$ 124,485

(Continued)

Air Quality Improvement	C.D.B.G.	Housing	Parking Improvement	Traffic	Public Access	T O T A L S	
						1999	1998
\$ 266,999	\$ -	\$ 731,678	\$ 3,804,901	\$ 427,345	\$ 113,095	\$ 8,649,586	\$ 7,153,750
-	-	-	-	-	-	-	-
-	1,524,096	-	-	-	-	180,875	162,287
2,984	-	9,924	33,827	4,857	1,336	1,524,096	1,878,460
-	-	-	-	-	-	90,404	84,873
-	-	-	-	-	-	3,667	-
-	-	-	-	-	-	703,966	703,966
10,661	81,438	-	-	-	-	699,139	371,460
-	-	140,852	-	-	-	140,852	-
-	-	5,715,787	-	-	-	5,715,787	5,715,787
-	-	(232,000)	-	-	-	(232,000)	(232,000)
<u>\$ 280,644</u>	<u>\$ 1,605,534</u>	<u>\$ 6,366,241</u>	<u>\$ 3,838,728</u>	<u>\$ 432,202</u>	<u>\$ 114,431</u>	<u>\$ 17,476,372</u>	<u>\$ 15,838,583</u>
\$ -	\$ 51,045	\$ 88,578	\$ 39,079	\$ -	\$ 374	\$ 670,765	\$ 578,517
-	3,402	-	-	-	1,690	15,830	12,109
-	-	-	19,030	-	-	19,030	3,275
-	26,991	-	-	-	-	26,991	34,509
-	1,524,096	5,483,787	335,600	-	-	7,346,483	7,997,847
-	1,605,534	5,572,365	393,709	-	2,064	8,079,099	8,626,257
-	1,609	-	61,909	-	-	433,368	457,292
-	-	-	-	-	-	3,667	-
-	-	-	-	-	-	31,161	31,161
-	-	140,852	-	-	-	140,852	-
75,000	-	-	1,449,805	62,333	-	1,679,158	519,914
205,644	(1,609)	653,024	1,933,305	369,869	112,367	7,109,067	6,203,959
<u>280,644</u>	<u>-</u>	<u>793,876</u>	<u>3,445,019</u>	<u>432,202</u>	<u>112,367</u>	<u>9,397,273</u>	<u>7,212,326</u>
<u>\$ 280,644</u>	<u>\$ 1,605,534</u>	<u>\$ 6,366,241</u>	<u>\$ 3,838,728</u>	<u>\$ 432,202</u>	<u>\$ 114,431</u>	<u>\$ 17,476,372</u>	<u>\$ 15,838,583</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

ALL SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Gas Tax	Permit Parking	Proposition A	Proposition C	Quimby Act	Public Beautification and Art
Revenues:						
Taxes	\$ -	\$ -	\$ 421,983	\$ 352,570	\$ -	\$ -
Fines and forfeits	-	-	-	-	-	-
Use of money and property	233	357,790	83,743	38,207	5,926	7,362
Intergovernmental	735,418	-	2,306,164	37,772	-	-
Charges for services	-	-	157,538	-	-	-
Developer fees	-	-	-	-	47,891	23,059
Other	-	-	-	-	-	-
Total Revenues	<u>735,651</u>	<u>357,790</u>	<u>2,969,428</u>	<u>428,549</u>	<u>53,817</u>	<u>30,421</u>
Expenditures:						
Current:						
General government	23,363	-	-	-	-	67,502
Public services	735,643	331,706	1,459,838	37,773	-	-
Capital outlay	101,835	29,109	-	402,512	27,313	-
Total Expenditures	<u>860,841</u>	<u>360,815</u>	<u>1,459,838</u>	<u>440,285</u>	<u>27,313</u>	<u>67,502</u>
Excess of Revenues over (under) Expenditures	<u>(125,190)</u>	<u>(3,025)</u>	<u>1,509,590</u>	<u>-</u>	<u>26,504</u>	<u>(37,081)</u>
Other Financing Sources (Uses):						
Operating transfers in	250,000	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Sources over (under) Expendi- tures and Other Uses	<u>\$ 124,810</u>	<u>\$ (3,025)</u>	<u>\$ 1,509,590</u>	<u>\$ (11,736)</u>	<u>\$ 26,504</u>	<u>\$ (37,081)</u>
Fund Balances:						
Beginning of Fiscal Year, as originally reported	\$ 478,179	\$ 504,486	\$ 734,682	\$ 763,832	\$ 84,907	\$ 158,017
Restatements	-	-	12,591	(12,591)	-	-
Beginning of Fiscal Year, as restated	<u>478,179</u>	<u>504,486</u>	<u>747,273</u>	<u>751,241</u>	<u>84,907</u>	<u>158,017</u>
Excess of Revenues and Other Sources over (under) Expendi- tures and Other Uses	<u>124,810</u>	<u>(3,025)</u>	<u>1,509,590</u>	<u>(11,736)</u>	<u>26,504</u>	<u>(37,081)</u>
End of Fiscal Year	<u>\$ 602,989</u>	<u>\$ 501,461</u>	<u>\$ 2,256,863</u>	<u>\$ 739,505</u>	<u>\$ 111,411</u>	<u>\$ 120,936</u>

(Continued)

Air Quality Improvement	C.D.B.G.	Housing	Parking Improvement	Traffic	Public Access	T O T A L S	
						1999	1998
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 84,326	\$ 858,879	\$ 817,906
-	-	-	623,571	-	-	623,571	614,287
12,157	-	37,949	683,492	20,409	4,419	1,251,687	1,109,659
39,807	319,747	-	-	-	-	3,438,908	2,400,043
-	-	-	-	-	-	157,538	176,583
-	-	277,997	60,000	8,115	-	417,062	314,363
-	-	-	-	-	2,340	2,340	3,082
<u>51,964</u>	<u>319,747</u>	<u>315,946</u>	<u>1,367,063</u>	<u>28,524</u>	<u>91,085</u>	<u>6,749,985</u>	<u>5,435,923</u>
-	-	-	-	-	-	90,865	43,986
7,820	319,747	177,156	224,379	-	79,070	3,373,132	3,500,365
-	-	-	6,369	-	5,136	572,274	458,813
<u>7,820</u>	<u>319,747</u>	<u>177,156</u>	<u>230,748</u>	<u>-</u>	<u>84,206</u>	<u>4,036,271</u>	<u>4,003,164</u>
<u>44,144</u>	<u>-</u>	<u>138,790</u>	<u>1,136,315</u>	<u>28,524</u>	<u>6,879</u>	<u>2,713,714</u>	<u>1,432,759</u>
-	-	-	-	-	-	250,000	343,910
-	-	-	(778,767)	-	-	(778,767)	(850,000)
-	-	-	(778,767)	-	-	(528,767)	(506,090)
<u>\$ 44,144</u>	<u>\$ -</u>	<u>\$ 138,790</u>	<u>\$ 357,548</u>	<u>\$ 28,524</u>	<u>\$ 6,879</u>	<u>\$ 2,184,947</u>	<u>\$ 926,669</u>
\$ 236,500	\$ -	\$ 655,086	\$ 3,087,471	\$ 403,678	\$ 105,488	\$ 7,212,326	\$ 6,364,229
-	-	-	-	-	-	-	(78,572)
<u>236,500</u>	<u>-</u>	<u>655,086</u>	<u>3,087,471</u>	<u>403,678</u>	<u>105,488</u>	<u>7,212,326</u>	<u>6,285,657</u>
<u>44,144</u>	<u>-</u>	<u>138,790</u>	<u>357,548</u>	<u>28,524</u>	<u>6,879</u>	<u>2,184,947</u>	<u>926,669</u>
<u>\$ 280,644</u>	<u>\$ -</u>	<u>\$ 793,876</u>	<u>\$ 3,445,019</u>	<u>\$ 432,202</u>	<u>\$ 112,367</u>	<u>\$ 9,397,273</u>	<u>\$ 7,212,326</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**

**ALL SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	GAS TAX			PERMIT PARKING		
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeits	-	-	-	-	-	-
Use of money and property	4,000	233	(3,767)	360,900	357,790	(3,110)
Intergovernmental	693,392	735,418	42,026	-	-	-
Charges for services	-	-	-	-	-	-
Developer fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total Revenues	<u>697,392</u>	<u>735,651</u>	<u>38,259</u>	<u>360,900</u>	<u>357,790</u>	<u>(3,110)</u>
Expenditures:						
Current:						
General government	29,085	23,363	5,722	-	-	-
Public services	884,868	810,504	74,364	392,533	360,984	31,549
Capital outlay	255,890	255,915	(25)	30,147	30,169	(22)
Total Expenditures	<u>1,169,843</u>	<u>1,089,782</u>	<u>80,061</u>	<u>422,680</u>	<u>391,153</u>	<u>31,527</u>
Excess of Revenues over (under) Expenditures	<u>(472,451)</u>	<u>(354,131)</u>	<u>118,320</u>	<u>(61,780)</u>	<u>(33,363)</u>	<u>28,417</u>
Other Financing Sources (Uses)						
Operating transfers in	-	250,000	250,000	-	-	-
Operating transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Sources Over (under) Expenditures and Other Uses (Budgetary Basis)	<u>(472,451)</u>	<u>(104,131)</u>	<u>368,320</u>	<u>(61,780)</u>	<u>(33,363)</u>	<u>28,417</u>
Adjustments:						
To adjust for encumbrances	-	228,941	228,941	-	30,338	30,338
Excess of Revenues and Other Sources Over (under) Expenditures and Other Uses (GAAP Basis)	<u>\$ (472,451)</u>	<u>\$ 124,810</u>	<u>\$ 597,261</u>	<u>\$ (61,780)</u>	<u>\$ (3,025)</u>	<u>\$ 58,755</u>
Fund Balances:						
Beginning of Fiscal Year	\$ 478,179	\$ 478,179	\$ -	\$ 504,486	\$ 504,486	\$ -
Restatements	-	-	-	-	-	-
Beginning of Fiscal Year, as restated	478,179	478,179	-	504,486	504,486	-
Excess of Revenues and Other Sources Over (under) Expenditures and Other Uses (GAAP Basis)	<u>(472,451)</u>	<u>124,810</u>	<u>597,261</u>	<u>(61,780)</u>	<u>(3,025)</u>	<u>58,755</u>
End of Fiscal Year	<u>\$ 5,728</u>	<u>\$ 602,989</u>	<u>\$ 597,261</u>	<u>\$ 442,706</u>	<u>\$ 501,461</u>	<u>\$ 58,755</u>

(Continued)

PROPOSITION A			PROPOSITION C		
Budget	Actual	Variance-Favorable (Unfavorable)	Budget	Actual	Variance-Favorable (Unfavorable)
\$ 408,000	\$ 421,983	\$ 13,983	\$ 332,520	\$ 352,570	\$ 20,050
-	-	-	-	-	-
23,000	83,743	60,743	40,000	38,207	(1,793)
2,199,000	2,306,164	107,164	48,793	37,772	(11,021)
178,800	157,538	(21,262)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,808,800</u>	<u>2,969,428</u>	<u>160,628</u>	<u>421,313</u>	<u>428,549</u>	<u>7,236</u>
-	-	-	-	-	-
1,762,707	1,539,646	223,061	55,807	55,113	694
-	-	-	477,511	402,512	74,999
<u>1,762,707</u>	<u>1,539,646</u>	<u>223,061</u>	<u>533,318</u>	<u>457,625</u>	<u>75,693</u>
<u>1,046,093</u>	<u>1,429,782</u>	<u>383,689</u>	<u>(112,005)</u>	<u>(29,076)</u>	<u>82,929</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,046,093</u>	<u>1,429,782</u>	<u>383,689</u>	<u>(112,005)</u>	<u>(29,076)</u>	<u>82,929</u>
-	79,808	79,808	-	17,340	17,340
<u>\$ 1,046,093</u>	<u>\$ 1,509,590</u>	<u>\$ 463,497</u>	<u>\$ (112,005)</u>	<u>\$ (11,736)</u>	<u>\$ 100,269</u>
\$ 734,682	\$ 734,682	\$ -	\$ 763,832	\$ 763,832	\$ -
-	12,591	12,591	-	(12,591)	(12,591)
<u>734,682</u>	<u>747,273</u>	<u>12,591</u>	<u>763,832</u>	<u>751,241</u>	<u>(12,591)</u>
<u>1,046,093</u>	<u>1,509,590</u>	<u>463,497</u>	<u>(112,005)</u>	<u>(11,736)</u>	<u>100,269</u>
<u>\$ 1,780,775</u>	<u>\$ 2,256,863</u>	<u>\$ 476,088</u>	<u>\$ 651,827</u>	<u>\$ 739,505</u>	<u>\$ 87,678</u>

(Continued)

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**

**ALL SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	QUIMBY ACT			PUBLIC BEAUTIFICATION AND ART		
	Budget	Actual	Variance-Favorable (Unfavorable)	Budget	Actual	Variance-Favorable (Unfavorable)
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeits	-	-	-	-	-	-
Use of money and property	4,000	5,926	1,926	6,000	7,362	1,362
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Developer fees	2,000	47,891	45,891	-	23,059	23,059
Other	-	-	-	-	-	-
Total Revenues	6,000	53,817	47,817	6,000	30,421	24,421
Expenditures:						
Current:						
General government	-	-	-	70,500	67,502	2,998
Public services	-	-	-	-	-	-
Capital outlay	57,756	40,736	17,020	-	-	-
Total Expenditures	57,756	40,736	17,020	70,500	67,502	2,998
Excess of Revenues over (under) Expenditures	(51,756)	13,081	64,837	(64,500)	(37,081)	27,419
Other Financing Sources (Uses)						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess of Revenues and Other Sources Over (under) Expenditures and Other Uses (Budgetary Basis)	(51,756)	13,081	64,837	(64,500)	(37,081)	27,419
Adjustments:						
To adjust for encumbrances	-	13,423	13,423	-	-	-
Excess of Revenues and Other Sources Over (under) Expenditures and Other Uses (GAAP Basis)	\$ (51,756)	\$ 26,504	\$ 78,260	\$ (64,500)	\$ (37,081)	\$ 27,419
Fund Balances:						
Beginning of Fiscal Year	\$ 84,907	\$ 84,907	\$ -	\$ 158,017	\$ 158,017	\$ -
Restatements	-	-	-	-	-	-
Beginning of Fiscal Year, as restated	84,907	84,907	-	158,017	158,017	-
Excess of Revenues and Other Sources Over (under) Expenditures and Other Uses (GAAP Basis)	(51,756)	26,504	78,260	(64,500)	(37,081)	27,419
End of Fiscal Year	\$ 33,151	\$ 111,411	\$ 78,260	\$ 93,517	\$ 120,936	\$ 27,419

(Continued)

AIR QUALITY IMPROVEMENT			C.D.B.G.			HOUSING		
Budget	Actual	Variance-Favorable (Unfavorable)	Budget	Actual	Variance-Favorable (Unfavorable)	Budget	Actual	Variance-Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
8,000	12,157	4,157	-	-	-	40,000	37,949	(2,051)
38,000	39,807	1,807	740,416	319,747	(420,669)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	197,000	277,997	80,997
-	-	-	-	-	-	-	-	-
<u>46,000</u>	<u>51,964</u>	<u>5,964</u>	<u>740,416</u>	<u>319,747</u>	<u>(420,669)</u>	<u>237,000</u>	<u>315,946</u>	<u>78,946</u>
-	-	-	-	-	-	-	-	-
225,000	7,820	217,180	740,416	321,356	419,060	177,156	177,156	-
-	-	-	-	-	-	-	-	-
<u>225,000</u>	<u>7,820</u>	<u>217,180</u>	<u>740,416</u>	<u>321,356</u>	<u>419,060</u>	<u>177,156</u>	<u>177,156</u>	<u>-</u>
<u>(179,000)</u>	<u>44,144</u>	<u>223,144</u>	<u>-</u>	<u>(1,609)</u>	<u>(1,609)</u>	<u>59,844</u>	<u>138,790</u>	<u>78,946</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>(179,000)</u>	<u>44,144</u>	<u>223,144</u>	<u>-</u>	<u>(1,609)</u>	<u>(1,609)</u>	<u>59,844</u>	<u>138,790</u>	<u>78,946</u>
-	-	-	-	1,609	1,609	-	-	-
<u>\$(179,000)</u>	<u>\$ 44,144</u>	<u>\$ 223,144</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,844</u>	<u>\$ 138,790</u>	<u>\$ 78,946</u>
\$ 236,500	\$ 236,500	\$ -	\$ -	\$ -	\$ -	\$ 655,086	\$ 655,086	\$ -
-	-	-	-	-	-	-	-	-
<u>236,500</u>	<u>236,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>655,086</u>	<u>655,086</u>	<u>-</u>
<u>(179,000)</u>	<u>44,144</u>	<u>223,144</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,844</u>	<u>138,790</u>	<u>78,946</u>
<u>\$ 57,500</u>	<u>\$ 280,644</u>	<u>\$ 223,144</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 714,930</u>	<u>\$ 793,876</u>	<u>\$ 78,946</u>

(Continued)

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**

**ALL SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	PARKING IMPROVEMENT			TRAFFIC		
	Budget	Actual	Variance-Favorable (Unfavorable)	Budget	Actual	Variance-Favorable (Unfavorable)
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeits	617,344	623,571	6,227	-	-	-
Use of money and property	483,000	683,492	200,492	21,000	20,409	(591)
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Developer fees	-	60,000	60,000	12,400	8,115	(4,285)
Other	-	-	-	-	-	-
Total Revenues	<u>1,100,344</u>	<u>1,367,063</u>	<u>266,719</u>	<u>33,400</u>	<u>28,524</u>	<u>(4,876)</u>
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public services	360,962	286,288	74,674	-	-	-
Capital outlay	1,779,600	6,369	1,773,231	62,333	-	62,333
Total Expenditures	<u>2,140,562</u>	<u>292,657</u>	<u>1,847,905</u>	<u>62,333</u>	<u>-</u>	<u>62,333</u>
Excess of Revenues over (under) Expenditures	<u>(1,040,218)</u>	<u>1,074,406</u>	<u>2,114,624</u>	<u>(28,933)</u>	<u>28,524</u>	<u>57,457</u>
Other Financing Sources (Uses)						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	(778,767)	(778,767)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(778,767)</u>	<u>(778,767)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Sources Over (under) Expenditures and Other Uses (Budgetary Basis)	<u>(1,040,218)</u>	<u>295,639</u>	<u>1,335,857</u>	<u>(28,933)</u>	<u>28,524</u>	<u>57,457</u>
Adjustments:						
To adjust for encumbrances	-	61,909	61,909	-	-	-
Excess of Revenues and Other Sources Over (under) Expenditures and Other Uses (GAAP Basis)	<u>\$ (1,040,218)</u>	<u>\$ 357,548</u>	<u>\$ 1,397,766</u>	<u>\$ (28,933)</u>	<u>\$ 28,524</u>	<u>\$ 57,457</u>
Fund Balances:						
Beginning of Fiscal Year	\$ 3,087,471	\$ 3,087,471	\$ -	\$ 403,678	\$ 403,678	\$ -
Restatements	-	-	-	-	-	-
Beginning of Fiscal Year, as restated	<u>3,087,471</u>	<u>3,087,471</u>	<u>-</u>	<u>403,678</u>	<u>403,678</u>	<u>-</u>
Excess of Revenues and Other Sources Over (under) Expenditures and Other Uses (GAAP Basis)	<u>(1,040,218)</u>	<u>357,548</u>	<u>1,397,766</u>	<u>(28,933)</u>	<u>28,524</u>	<u>57,457</u>
End of Fiscal Year	<u>\$ 2,047,253</u>	<u>\$ 3,445,019</u>	<u>\$ 1,397,766</u>	<u>\$ 374,745</u>	<u>\$ 432,202</u>	<u>\$ 57,457</u>

(Continued)

PUBLIC ACCESS			TOTAL		
Budget	Actual	Variance-Favorable (Unfavorable)	Budget	Actual	Variance-Favorable (Unfavorable)
\$ 57,000	\$ 84,326	\$ 27,326	\$ 797,520	\$ 858,879	\$ 61,359
-	-	-	617,344	623,571	6,227
4,000	4,419	419	993,900	1,251,687	257,787
-	-	-	3,719,601	3,438,908	(280,693)
-	-	-	178,800	157,538	(21,262)
-	-	-	211,400	417,062	205,662
4,000	2,340	(1,660)	4,000	2,340	(1,660)
<u>65,000</u>	<u>91,085</u>	<u>26,085</u>	<u>6,522,565</u>	<u>6,749,985</u>	<u>227,420</u>
-	-	-	99,585	90,865	8,720
47,317	79,070	(31,753)	4,646,766	3,637,937	1,008,829
40,722	5,136	35,586	2,703,959	740,837	1,963,122
<u>88,039</u>	<u>84,206</u>	<u>3,833</u>	<u>7,450,310</u>	<u>4,469,639</u>	<u>2,980,671</u>
(23,039)	6,879	29,918	(927,745)	2,280,346	3,208,091
-	-	-	-	250,000	250,000
-	-	-	-	(778,767)	(778,767)
-	-	-	-	(528,767)	(528,767)
(23,039)	6,879	29,918	(927,745)	1,751,579	2,679,324
-	-	-	-	433,368	433,368
<u>\$ (23,039)</u>	<u>\$ 6,879</u>	<u>\$ 29,918</u>	<u>\$ (927,745)</u>	<u>\$ 2,184,947</u>	<u>\$ 3,112,692</u>
\$ 105,488	\$ 105,488	\$ -	\$ 7,212,326	\$ 7,212,326	\$ -
-	-	-	-	-	-
105,488	105,488	-	7,212,326	7,212,326	-
(23,039)	6,879	29,918	(927,745)	2,184,947	3,112,692
<u>\$ 82,449</u>	<u>\$ 112,367</u>	<u>\$ 29,918</u>	<u>\$ 6,284,581</u>	<u>\$ 9,397,273</u>	<u>\$ 3,112,692</u>

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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.

COMBINING BALANCE SHEET
ALL DEBT SERVICE FUNDS
JUNE 30, 1999

	Capital Projects Debt Service	Redevelopment Agency	T O T A L S	
			1999	1998
ASSETS				
Cash and investments	\$ 1,493,199	\$ 114,786	\$ 1,607,985	\$ 1,046,569
Cash and investment with fiscal agent	2,087,452	-	2,087,452	2,545,331
Receivables:				
Taxes	-	2,289	2,289	-
Interest	12,489	1,177	13,666	8,233
Prepaid costs	17,543	-	17,543	3,970
Total Assets	<u>\$ 3,610,683</u>	<u>\$ 118,252</u>	<u>\$ 3,728,935</u>	<u>\$ 3,604,103</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 30,476	\$ 30,476	\$ 64,566
Total Liabilities	<u>-</u>	<u>30,476</u>	<u>30,476</u>	<u>64,566</u>
Fund Balances:				
Reserved for prepaid costs	17,543	-	17,543	3,970
Unreserved:				
Designated for debt service	3,593,140	87,776	3,680,916	3,535,567
Total Fund Balances	<u>3,610,683</u>	<u>87,776</u>	<u>3,698,459</u>	<u>3,539,537</u>
Total Liabilities and Fund Balances	<u>\$ 3,610,683</u>	<u>\$ 118,252</u>	<u>\$ 3,728,935</u>	<u>\$ 3,604,103</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

ALL DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Capital Projects Debt Service	Redevelopment Agency	T O T A L S	
			1 9 9 9	1 9 9 8
Revenues:				
Taxes	\$ -	\$ 91,427	\$ 91,427	\$ -
Use of money and property	1,066,880	1,729	1,068,609	1,264,209
Total Revenues	<u>1,066,880</u>	<u>93,156</u>	<u>1,160,036</u>	<u>1,264,209</u>
Expenditures:				
Current:				
General government	69,705	5,380	75,085	47,449
Debt Service:				
Principal	805,000	-	805,000	420,000
Interest and fiscal charges	1,344,990	-	1,344,990	1,759,572
Payment to refunding escrow	-	-	-	3,076,696
Total Expenditures	<u>2,219,695</u>	<u>5,380</u>	<u>2,225,075</u>	<u>5,303,717</u>
Excess of Revenues over (under) Expenditures	<u>(1,152,815)</u>	<u>87,776</u>	<u>(1,065,039)</u>	<u>(4,039,508)</u>
Other Financing Sources (Uses):				
Operating transfers in	1,223,961	-	1,223,961	1,513,063
Operating transfers out	-	-	-	(18,868)
Long-term debt proceeds	-	-	-	27,658,941
Payment to refunding escrow	-	-	-	(25,240,368)
Total Other Financing Sources (Uses)	<u>1,223,961</u>	<u>-</u>	<u>1,223,961</u>	<u>3,912,768</u>
Excess of Revenues and other Sources over (under) Expendi- tures and Other Uses	71,146	87,776	158,922	(126,740)
Fund Balances:				
Beginning of Fiscal Year	3,539,537	-	3,539,537	3,666,277
End of Fiscal Year	<u>\$ 3,610,683</u>	<u>\$ 87,776</u>	<u>\$ 3,698,459</u>	<u>\$ 3,539,537</u>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL**

**DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

CAPITAL PROJECTS DEBT SERVICE			
	Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:			
Use of money and property	\$ 408,855	\$ 1,066,880	\$ 658,025
Total Revenues	<u>408,855</u>	<u>1,066,880</u>	<u>658,025</u>
Expenditures:			
Current:			
General government	82,100	69,705	12,395
Debt service:			
Principal	805,000	805,000	-
Interest and fiscal charges	1,320,145	1,344,990	(24,845)
Payment on refunded bonds	-	-	-
Total Expenditures	<u>2,207,245</u>	<u>2,219,695</u>	<u>(12,450)</u>
Excess of Revenues over (under) Expenditures	<u>(1,798,390)</u>	<u>(1,152,815)</u>	<u>645,575</u>
Other Financing Sources (Uses):			
Operating transfers in	-	1,223,961	1,223,961
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,223,961</u>	<u>1,223,961</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	<u>(1,798,390)</u>	<u>71,146</u>	<u>1,869,536</u>
Fund Balances:			
Beginning of Fiscal Year	<u>3,539,537</u>	<u>3,539,537</u>	<u>-</u>
End of Fiscal Year	<u>\$ 1,741,147</u>	<u>\$ 3,610,683</u>	<u>\$ 1,869,536</u>

CAPITAL PROJECTS 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.

Redevelopment Agency 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.

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.

COMBINING BALANCE SHEET
ALL CAPITAL PROJECTS FUNDS
 JUNE 30, 1999

	Debt Funded Capital Projects	Seismic Improvement	Santa Monica Boulevard	Redevelopment Agency	T O T A L S	
					1999	1998
ASSETS						
Cash and investments	\$ 362,530	\$ -	\$ 8,025,056	\$ 683,569	\$ 9,071,155	\$ 1,074,794
Cash/Investments w/fiscal agent	4,063,338	36,928	-	-	4,100,266	5,748,483
Taxes receivable	-	-	-	763	763	-
Interest receivable	82	-	94,328	6,019	100,429	2,299
Due from other funds	-	-	-	-	-	-
Loans receivable	-	-	-	140,852	140,852	-
Prepaid costs	-	-	4,080	-	4,080	-
Total Assets	\$ 4,425,950	\$ 36,928	\$ 8,123,464	\$ 831,203	\$ 13,417,545	\$ 6,825,576
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 76,230	\$ -	\$ 187,223	\$ 35,992	\$ 299,445	\$ 102,445
Accrued liabilities	-	-	345	-	345	-
Due to other funds	632,326	-	-	-	632,326	830,874
Deferred revenue	14,800	-	-	140,852	155,652	-
Total Liabilities	723,356	-	187,568	176,844	1,087,768	933,319
Fund Balances:						
Reserved:						
Encumbrances	137,885	-	85,721	122,796	346,402	432,857
Seismic projects	-	36,928	-	-	36,928	109,700
Prepaid costs	-	-	4,080	-	4,080	-
Unreserved:						
Designated for capital improvement projects	3,564,709	-	7,846,095	531,563	11,942,367	4,846,649
Undesignated	-	-	-	-	-	503,051
Total Fund Balances	3,702,594	36,928	7,935,896	654,359	12,329,777	5,892,257
Total Liabilities & Fund Balances	\$ 4,425,950	\$ 36,928	\$ 8,123,464	\$ 831,203	\$ 13,417,545	\$ 6,825,576

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**
ALL CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Debt Funded Capital Projects	Seismic Improvement	Santa Monica Boulevard	Redevelopment Agency	T O T A L S	
					1999	1998
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ 30,476	\$ 30,476	\$ -
Use of money and property	206,860	1,669	148,178	31,264	387,971	220,390
Intergovernmental	-	-	8,600,000	-	8,600,000	-
Other	-	-	-	50,000	50,000	-
Total Revenues	<u>206,860</u>	<u>1,669</u>	<u>8,748,178</u>	<u>111,740</u>	<u>9,068,447</u>	<u>220,390</u>
Expenditures:						
Current:						
General government	-	-	222,579	179,249	401,828	47,823
Public safety	-	-	-	140,852	140,852	-
Capital outlay	1,642,813	-	522,362	-	2,165,175	2,039,887
Debt service:						
Debt Issuance costs	-	-	-	-	-	1,244,103
Interest and fiscal charges	16,000	-	-	79,596	95,596	13,596
Total Expenditures	<u>1,658,813</u>	<u>-</u>	<u>744,941</u>	<u>399,697</u>	<u>2,803,451</u>	<u>3,345,409</u>
Excess of Revenues over (under) Expenditures	<u>(1,451,953)</u>	<u>1,669</u>	<u>8,003,237</u>	<u>(287,957)</u>	<u>6,264,996</u>	<u>(3,125,019)</u>
Other Financing Sources (Uses):						
Operating transfers in	-	-	-	-	-	93,869
Operating transfers out	(46,255)	-	-	-	(46,255)	(411,674)
Operating transfers out to agency fund	-	(1,669)	-	-	(1,669)	-
Loan proceeds	-	-	-	220,448	220,448	1,263,596
Long-term debt proceeds	-	-	-	-	-	4,806,059
Total Other Financing Sources (Uses)	<u>(46,255)</u>	<u>(1,669)</u>	<u>-</u>	<u>220,448</u>	<u>172,524</u>	<u>5,751,850</u>
Excess of Revenues and Other Sources over (under) Expendi- tures and Other Uses	<u>\$ (1,498,208)</u>	<u>\$ -</u>	<u>\$ 8,003,237</u>	<u>\$ (67,509)</u>	<u>\$ 6,437,520</u>	<u>\$ 2,626,831</u>
Fund Balances:						
Beginning of Fiscal Year	<u>5,200,802</u>	<u>36,928</u>	<u>(67,341)</u>	<u>721,868</u>	<u>5,892,257</u>	<u>3,265,426</u>
End of Fiscal Year	<u>\$ 3,702,594</u>	<u>\$ 36,928</u>	<u>\$ 7,935,896</u>	<u>\$ 654,359</u>	<u>\$12,329,777</u>	<u>\$ 5,892,257</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**

**ALL CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	DEBT FUNDED CAPITAL PROJECTS			SEISMIC IMPROVEMENT		
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	206,860	206,860	5,000	1,669	(3,331)
Intergovernmental	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total Revenues	-	206,860	206,860	5,000	1,669	(3,331)
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Capital outlay	4,425,606	1,780,698	2,644,908	125,284	-	125,284
Debt service:						
Interest expense	-	16,000	(16,000)	-	-	-
Total Expenditures	4,425,606	1,796,698	2,628,908	125,284	-	125,284
Excess of Revenues over (under) Expenditures	(4,425,606)	(1,589,838)	2,835,768	(120,284)	1,669	121,953
Other Financing Sources (Uses):						
Operating transfer out	-	(46,255)	(46,255)	-	-	-
Operating transfer out to agency fund	-	-	-	-	(1,669)	(1,669)
Loan proceeds	-	-	-	-	-	-
Long-term debt proceeds	390,220	-	(390,220)	-	-	-
Total Other Financing Sources (Uses)	390,220	(46,255)	(436,475)	-	(1,669)	(1,669)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(4,035,386)	(1,636,093)	2,399,293	(120,284)	-	120,284
Adjustments:						
To adjust for encumbrances	-	137,885	137,885	-	-	-
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(4,035,386)	(1,498,208)	2,537,178	(120,284)	-	120,284
Fund Balances:						
Beginning of Fiscal Year	5,200,802	5,200,802	-	36,928	36,928	-
End of Fiscal Year	<u>\$ 1,165,416</u>	<u>\$ 3,702,594</u>	<u>\$ 2,537,178</u>	<u>\$ (83,356)</u>	<u>\$ 36,928</u>	<u>\$ 120,284</u>

(Continued)

SANTA MONICA BOULEVARD			REDEVELOPMENT AGENCY			TOTALS		
Budget	Actual	Variance-Favorable (Unfavorable)	Budget	Actual	Variance-Favorable (Unfavorable)	Budget	Actual	Variance-Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 15,000	\$ 30,476	\$ 30,476	\$ 15,000	\$ 30,476	\$ 15,476
-	148,178	-	-	31,264	31,264	5,000	387,971	382,971
150,000	8,600,000	-	-	-	-	150,000	8,600,000	8,450,000
-	-	-	-	50,000	50,000	-	50,000	50,000
<u>150,000</u>	<u>8,748,178</u>	<u>-</u>	<u>15,000</u>	<u>111,740</u>	<u>111,740</u>	<u>170,000</u>	<u>9,068,447</u>	<u>8,898,447</u>
248,750	249,055	(305)	351,646	251,897	99,749	600,396	500,952	99,444
-	-	-	500,000	191,000	309,000	500,000	191,000	309,000
704,369	581,607	122,762	-	-	-	5,255,259	2,362,305	2,892,954
-	-	-	-	79,596	(79,596)	-	95,596	(95,596)
<u>953,119</u>	<u>830,662</u>	<u>122,457</u>	<u>851,646</u>	<u>522,493</u>	<u>329,153</u>	<u>6,355,655</u>	<u>3,149,853</u>	<u>3,205,802</u>
<u>(803,119)</u>	<u>7,917,516</u>	<u>8,720,635</u>	<u>(836,646)</u>	<u>(410,753)</u>	<u>(9,131,388)</u>	<u>(6,185,655)</u>	<u>5,918,594</u>	<u>12,104,249</u>
-	-	-	-	-	-	-	(46,255)	(46,255)
-	-	-	-	-	-	-	(1,669)	(1,669)
-	-	-	4,200,000	220,448	220,448	4,200,000	220,448	(3,979,552)
-	-	-	-	-	-	390,220	-	(390,220)
<u>-</u>	<u>-</u>	<u>-</u>	<u>4,200,000</u>	<u>220,448</u>	<u>220,448</u>	<u>4,590,220</u>	<u>172,524</u>	<u>(4,417,696)</u>
<u>(803,119)</u>	<u>7,917,516</u>	<u>(122,457)</u>	<u>3,363,354</u>	<u>(190,305)</u>	<u>(67,848)</u>	<u>(1,595,435)</u>	<u>6,091,118</u>	<u>7,686,553</u>
-	85,721	85,721	-	122,796	(122,796)	-	346,402	346,402
<u>(803,119)</u>	<u>8,003,237</u>	<u>(36,736)</u>	<u>3,363,354</u>	<u>(67,509)</u>	<u>(30,773)</u>	<u>(1,595,435)</u>	<u>6,437,520</u>	<u>8,032,955</u>
<u>(67,341)</u>	<u>(67,341)</u>	<u>-</u>	<u>721,868</u>	<u>721,868</u>	<u>721,868</u>	<u>5,892,257</u>	<u>5,892,257</u>	<u>-</u>
<u>\$ (870,460)</u>	<u>\$ 7,935,896</u>	<u>\$ (36,736)</u>	<u>\$ 4,085,222</u>	<u>\$ 654,359</u>	<u>\$ 691,095</u>	<u>\$ 4,296,822</u>	<u>\$ 12,329,777</u>	<u>\$ 8,032,955</u>

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Proprietary Funds

Enterprise Funds ❖

Internal Service Funds ❖

ENTERPRISE FUNDS

Sewer Charge Fund:

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 and Lighting District Fund:

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:

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.

Sewer Construction Fund:

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.

Street Maintenance Fund:

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.

COMBINING BALANCE SHEET

ALL ENTERPRISE FUNDS

JUNE 30, 1999

	Solid Waste	Landscape & Lighting	Sewer Charges
ASSETS			
Current:			
Cash and investments	\$ 238,755	\$ 43,470	\$ 373,260
Receivables:			
Accounts	387	-	229
Interest	2,036	718	4,510
Due from other funds	-	342,216	-
Due from other governments	34,480	15,128	5,248
Prepaid costs	-	-	-
Total Current Assets	<u>275,658</u>	<u>401,532</u>	<u>383,247</u>
Noncurrent:			
Fixed assets - net of accumulated depreciation	2,812	-	-
Total Assets	<u>\$ 278,470</u>	<u>\$ 401,532</u>	<u>\$ 383,247</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Current:			
Accounts payable	\$ 88,415	\$ 65,068	\$ 11,124
Accrued payroll payable	5,986	-	1,673
Due to other funds	-	-	-
Total Liabilities	<u>94,401</u>	<u>65,068</u>	<u>12,797</u>
Fund Equity:			
Contributed capital	1,630,718	930,857	-
Retained earnings (accum. deficit):			
Reserved for capital improvements	-	-	-
Unreserved	(1,446,649)	(594,393)	370,450
Total Fund Equity	<u>184,069</u>	<u>336,464</u>	<u>370,450</u>
Total Liabilities and Fund Equity	<u>\$ 278,470</u>	<u>\$ 401,532</u>	<u>\$ 383,247</u>

(Continued)

Sewer Construction	Street Maintenance	TOTALS	
		1999	1998
\$ 2,266,511	\$ 62,479	\$ 2,984,475	\$ 3,606,108
-	-	616	229
25,777	862	33,903	45,915
-	-	342,216	342,216
-	6,340	61,196	61,443
-	-	-	-
<u>2,292,288</u>	<u>69,681</u>	<u>3,422,406</u>	<u>4,055,911</u>
-	-	2,812	7,236
<u>\$ 2,292,288</u>	<u>\$ 69,681</u>	<u>\$ 3,425,218</u>	<u>\$ 4,063,147</u>
\$ 111,797	\$ -	\$ 276,404	\$ 300,234
-	3,438	11,097	8,834
-	-	-	-
<u>111,797</u>	<u>3,438</u>	<u>287,501</u>	<u>309,068</u>
2,759,974	-	5,321,549	5,321,549
-	-	-	7,500
(579,483)	66,243	(2,183,832)	(1,574,970)
<u>2,180,491</u>	<u>66,243</u>	<u>3,137,717</u>	<u>3,754,079</u>
<u>\$ 2,292,288</u>	<u>\$ 69,681</u>	<u>\$ 3,425,218</u>	<u>\$ 4,063,147</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN RETAINED EARNINGS**

**ALL ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	Solid Waste	Landscape & Lighting	Sewer Charges
Operating Revenues:			
Licenses and permits	\$ -	\$ -	\$ -
Charges for current services	1,055,266	126,773	173,733
Developer fees	-	-	2,886
Total Operating Revenues	<u>1,055,266</u>	<u>126,773</u>	<u>176,619</u>
Operating Expenses:			
General government	21,598	2,500	32,500
Public works	1,128,225	581,961	169,564
Depreciation	4,424	-	-
Total Operating Expenses	<u>1,154,247</u>	<u>584,461</u>	<u>202,064</u>
Operating income (loss)	<u>(98,981)</u>	<u>(457,688)</u>	<u>(25,445)</u>
Nonoperating Revenues (Expenses):			
Taxes	-	334,240	-
Intergovernmental revenue	-	5,922	26,511
Interest income	4,024	3,190	17,847
Assessment penalties	12,941	11,978	2,378
Total Nonoperating Revenues (Expenses)	<u>16,965</u>	<u>355,330</u>	<u>46,736</u>
Net Income (Loss) Before Operating Transfers	<u>(82,016)</u>	<u>(102,358)</u>	<u>21,291</u>
Operating Transfers In	<u>61,040</u>	<u>-</u>	<u>-</u>
Net Income (Loss)	<u>(20,976)</u>	<u>(102,358)</u>	<u>21,291</u>
Retained Earnings (Accumulated Deficit)			
Beginning of Fiscal Year, as previously reported	(1,425,673)	(492,035)	349,159
Restatements	-	-	-
Beginning of Fiscal Year, as restated	<u>(1,425,673)</u>	<u>(492,035)</u>	<u>349,159</u>
End of Fiscal Year	<u>\$ (1,446,649)</u>	<u>\$ (594,393)</u>	<u>\$ 370,450</u>

(Continued)

Sewer Construction	Street Maintenance	TOTALS	
		1999	1998
\$ -	\$ -	\$ -	\$ 8,500
-	279,496	1,635,268	1,450,699
-	-	2,886	260
-	279,496	1,638,154	1,459,459
-	73,266	129,864	158,862
643,504	198,620	2,721,874	2,758,208
-	-	4,424	9,392
643,504	271,886	2,856,162	2,926,462
(643,504)	7,610	(1,218,008)	(1,467,003)
-	-	334,240	330,802
-	-	32,433	66,962
118,770	2,258	146,089	194,118
-	547	27,844	40,893
118,770	2,805	540,606	632,775
(524,734)	10,415	(677,402)	(834,228)
-	-	61,040	569,134
(524,734)	10,415	(616,362)	(265,094)
(54,749)	55,828	(1,567,470)	(1,302,376)
-	-	-	-
(54,749)	55,828	(1,567,470)	(1,302,376)
\$ (579,483)	\$ 66,243	\$ (2,183,832)	\$ (1,567,470)

COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Solid Waste	Landscape & Lighting	Sewer Charges
Cash Flows from Operating Activities:			
Operating income (loss)	\$ (98,981)	\$ (457,688)	\$ (25,445)
Adjustment to reconcile operating income to net cash provided by operating activities:			
Depreciation	4,424	-	-
(Increase) decrease in accounts receivable	(387)	-	-
(Increase) decrease in interest receivable	(2,036)	2,052	702
(Increase) decrease in due from other funds	-	-	-
(Increase) decrease in due from other governments	7,126	(3,889)	(1,533)
(Increase) decrease in prepaid costs	-	-	-
Increase (decrease) in accounts payable	51,971	(39,613)	(37,966)
Increase (decrease) in accrued payroll	1,723	-	147
Increase (decrease) in due to other funds	-	-	-
Net Cash Provided by Operating Activities	<u>(36,160)</u>	<u>(499,138)</u>	<u>(64,095)</u>
Cash Flows from Non-Capital Financing Activities:			
Non operating taxes revenue	-	334,240	-
Non operating assessment penalties	12,941	11,978	2,378
Intergovernmental revenue	-	5,922	26,511
Operating transfers in	61,040	-	-
Net Cash Provided by Non-Capital Financing Activities	<u>73,981</u>	<u>352,140</u>	<u>28,889</u>
Cash Flows from Investing Activities:			
Interest on investments	<u>4,024</u>	<u>3,190</u>	<u>17,847</u>
Net Cash Provided by Investing Activities	<u>4,024</u>	<u>3,190</u>	<u>17,847</u>
Net Increase (Decrease) in Cash and Investments	41,845	(143,808)	(17,359)
Cash and Investments at Beginning of Fiscal Year	<u>196,910</u>	<u>187,278</u>	<u>390,619</u>
Cash and Investments at End of Fiscal Year	<u>\$ 238,755</u>	<u>\$ 43,470</u>	<u>\$ 373,260</u>

Schedule of Non-Cash Transactions

There were no non-cash transactions during the fiscal year.

(Continued)

	Sewer	Street	TOTALS	
	Construction	Maintenance	1999	1998
\$	(643,504)	\$ 7,610	\$ (1,218,008)	\$ (1,467,003)
	-	-	4,424	9,392
	-	-	(387)	(62)
	11,418	(124)	12,012	(45,915)
	-	-	-	(194,216)
	-	(1,457)	247	126,373
	-	-	-	125
	3,841	(2,063)	(23,830)	32,163
	-	393	2,263	(784)
	-	-	-	(5,757)
	<u>(628,245)</u>	<u>4,359</u>	<u>(1,223,279)</u>	<u>(1,545,684)</u>
	-	-	334,240	330,802
	-	547	27,844	40,893
	-	-	32,433	66,962
	-	-	61,040	569,134
	-	<u>547</u>	<u>455,557</u>	<u>1,007,791</u>
	<u>118,770</u>	<u>2,258</u>	<u>146,089</u>	<u>194,118</u>
	<u>118,770</u>	<u>2,258</u>	<u>146,089</u>	<u>194,118</u>
	(509,475)	7,164	(621,633)	(343,775)
	<u>2,775,986</u>	<u>55,315</u>	<u>3,606,108</u>	<u>3,949,883</u>
\$	<u><u>2,266,511</u></u>	\$ <u><u>62,479</u></u>	\$ <u><u>2,984,475</u></u>	\$ <u><u>3,606,108</u></u>

INTERNAL SERVICE FUND

Information Systems Master Plan Fund:

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.

BALANCE SHEET
INTERNAL SERVICE FUND
JUNE 30, 1999

INFORMATION SYSTEMS MASTER PLAN

	1999	1998
ASSETS		
Current:		
Cash and investments	\$ 30,708	\$ 14,388
Interest receivable	131	-
Total Current Assets	<u>30,839</u>	<u>14,388</u>
Noncurrent:		
Fixed assets - net of accumulated depreciation	<u>314,285</u>	<u>596,056</u>
Total Assets	<u>\$ 345,124</u>	<u>\$ 610,444</u>
LIABILITIES		
Liabilities:		
Current:		
Accounts payable	\$ 2,346	\$ -
Noncurrent:		
Advances from other funds	<u>257,424</u>	<u>551,424</u>
Total Liabilities	<u>259,770</u>	<u>551,424</u>
Fund Equity:		
Retained earnings:		
Reserved for capital improvement projects	1,087	1,087
Unreserved	<u>84,267</u>	<u>57,933</u>
Total Fund Equity	<u>85,354</u>	<u>59,020</u>
Total Liabilities and Fund Equity	<u>\$ 345,124</u>	<u>\$ 610,444</u>

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN RETAINED EARNINGS**
INTERNAL SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

INFORMATION SYSTEMS MASTER PLAN

	1999	1998
Operating Revenues:		
Interdepartmental charges	\$ 294,000	\$ 294,000
Total Operating Revenues	<u>294,000</u>	<u>294,000</u>
Operating Expenses:		
Depreciation	314,285	298,029
Total Operating Expenses	<u>314,285</u>	<u>298,029</u>
Operating Income (Loss)	<u>(20,285)</u>	<u>(4,029)</u>
Nonoperating Revenues (Expenses):		
Interest income	435	2,007
Operating Transfers In	<u>46,184</u>	<u>-</u>
Net Income (Loss)	<u>26,334</u>	<u>(2,022)</u>
Retained Earnings		
Beginning of Fiscal Year , as originally reported	59,020	101,042
Restatements	-	(40,000)
Beginning of year as restated	<u>59,020</u>	<u>61,042</u>
End of Fiscal Year	<u>\$ 85,354</u>	<u>\$ 59,020</u>

STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

INFORMATION SYSTEMS MASTER PLAN	
1999	1998

Cash Flows from Operating Activities:

Operating income	\$ (20,285)	\$ (4,029)
Adjustment to reconcile operating income to net cash provided by operating activities:		
Depreciation	314,285	298,029
Restatement of prior years' loan interest	-	(40,000)
(Increase) decrease in interest receivable	(131)	-
Increase (decrease) in accounts payable	2,345	(1,861)
	296,214	252,139
Net Cash Provided by Operating Activities		

Cash Flows from Capital Financing Activities:

Fixed asset purchases	(32,513)	(251,193)
Repayment of advances from other funds	(294,000)	(97,548)
	(326,513)	(348,741)
Net Cash Provided by Capital Financing Activities		

Cash Flows from Investing Activities:

Interest on investments	435	2,007
	435	2,007
Net Cash Provided by Investing Activities		
Net Increase (Decrease) in Cash and Investments	16,320	(94,595)

Cash and Investments at Beginning of Fiscal Year

14,388 108,983

Cash and Investments at End of Fiscal Year

\$ 30,708 \$ 14,388

Schedule of Non-Cash Transactions

There were no non-cash transactions during the fiscal year.

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Fiduciary Funds

Agency Funds ❖

NON-EXPENDABLE TRUST AND AGENCY FUNDS

Business Improvement Fund:

This fund accounts for the receipt of 1% of the Transient Occupancy Tax (hotel bed Tax) collected by the City on behalf of West Hollywood Marketing Corporation (WHMC). This receipt of 1% tax is granted to the WHMC to use to advertise the as a travel destination and convention site.

Seismic Improvement Bond:

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

Laurel Ave. Trust Fund:

To account for such endowment-like trust arrangements and functions much like a proprietary 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.

COMBINING BALANCE SHEET
ALL TRUST AND AGENCY FUNDS
JUNE 30, 1999

	Laurel Ave. Trust Fund	Business Improvement	Seismic Improvement Bonds	TOTALS	
				1999	1998
ASSETS					
Current:					
Cash and investment	\$ 99,327	\$ 464,834	\$ 8,586	\$ 572,747	\$ 280,611
Cash and investments with fiscal agent	-	-	331,116	331,116	179,420
Taxes receivable	-	120,324	-	120,324	110,970
Accounts receivable	-	3,415	-	3,415	-
Interest receivable	1,057	-	1,485	2,542	505
Due from other governments	-	-	6,099	6,099	-
Prepaid costs					
Total Current Assets	<u>100,384</u>	<u>588,573</u>	<u>347,286</u>	<u>1,036,243</u>	<u>571,506</u>
Noncurrent:					
Fixed assets - net of accumulated depreciation	999,400	-	-	999,400	1,025,700
Total Assets	<u>\$ 1,099,784</u>	<u>\$ 588,573</u>	<u>\$ 347,286</u>	<u>\$ 2,035,643</u>	<u>\$ 1,597,206</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Current:					
Accounts payable	\$ 3,879	\$ 24,123	\$ -	\$ 28,002	\$ 20,703
Due to component unit	-	564,450	-	564,450	251,351
Payable to trustee	-	-	347,286	347,286	216,181
Total Current Liabilities	<u>3,879</u>	<u>588,573</u>	<u>347,286</u>	<u>939,738</u>	<u>488,235</u>
Noncurrent:					
Advances from other funds	99,430	-	-	99,430	90,300
Total Liabilities	<u>103,309</u>	<u>588,573</u>	<u>347,286</u>	<u>1,039,168</u>	<u>578,535</u>
Fund Balance:					
Reserved:					
Reserved for perpetual care	996,475	-	-	996,475	1,018,671
Total Fund Balances	<u>996,475</u>	<u>-</u>	<u>-</u>	<u>996,475</u>	<u>1,018,671</u>
Total Liabilities and Fund Balances	<u>\$ 1,099,784</u>	<u>\$ 588,573</u>	<u>\$ 347,286</u>	<u>\$ 2,035,643</u>	<u>\$ 1,597,206</u>

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCES**
NON-EXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	LAUREL AVE. TRUST FUND	
	1999	1998
Operating Expenses:		
General government	\$ 24,687	\$ 18,845
Depreciation	26,300	26,300
Total Operating Expenses	<u>50,987</u>	<u>45,145</u>
Operating Income (Loss)	<u>(50,987)</u>	<u>(45,145)</u>
Nonoperating Revenues (Expenses):		
Interest income	4,291	16
Rents and concessions	24,500	11,800
Donations	-	1,052,000
Total Nonoperating Revenues (Expenses)	<u>28,791</u>	<u>1,063,816</u>
Net Income(Loss) Before Operating Transfers	(22,196)	1,018,671
Fund Balance		
Beginning of Fiscal Year	<u>1,018,671</u>	<u>-</u>
End of Fiscal Year	<u>\$ 996,475</u>	<u>\$ 1,018,671</u>

STATEMENT OF CASH FLOWS
NON-EXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	LAUREL AVE. TRUST FUND	
	1999	1998
Cash Flows from Operating Activities:		
Operating income	\$ (50,987)	\$ (45,145)
Adjustment to reconcile operating income to net cash provided by operating activities:		
Depreciation	26,300	26,300
Rents and concessions	24,500	11,800
(Increase) decrease in interest receivable	(1,057)	-
Increase (decrease) in accounts payable	2,115	1,764
Net Cash Provided by Operating Activities	<u>871</u>	<u>(5,281)</u>
Cash Flows from Noncapital Financing Activities:		
Increase in advances from other funds	<u>9,130</u>	<u>90,300</u>
Net Cash Provided by Noncapital Financing Activities	<u>9,130</u>	<u>90,300</u>
Cash Flows from Investing Activities:		
Interest on investments	<u>4,291</u>	<u>16</u>
Net Cash Provided by Investing Activities	<u>4,291</u>	<u>16</u>
Net Increase (Decrease) in Cash and Investments	14,292	85,035
Cash and Investments at Beginning of Fiscal Year	<u>85,035</u>	<u>-</u>
Cash and Investments at End of Fiscal Year	<u>\$ 99,327</u>	<u>\$ 85,035</u>

Schedule of Non-Cash Transactions

There were no non-cash transactions during the fiscal year.

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	July 1, 1998	Additions	Deletions	June 30, 1999
BUSINESS IMPROVEMENT				
Assets:				
Cash and investments	\$ 159,320	\$ 1,254,981	\$ 949,467	\$ 464,834
Taxes receivable	110,970	120,324	110,970	120,324
Accounts receivable	-	3,415	-	3,415
Total Assets	<u>\$ 270,290</u>	<u>\$ 1,378,720</u>	<u>\$ 1,060,437</u>	<u>\$ 588,573</u>
Liabilities:				
Accounts Payable	\$ 18,939	\$ 24,123	\$ 18,939	\$ 24,123
Due to component unit	251,351	1,354,597	1,041,498	564,450
Total Liabilities	<u>\$ 270,290</u>	<u>\$ 1,378,720</u>	<u>\$ 1,060,437</u>	<u>\$ 588,573</u>
SEISMIC IMPROVEMENT BONDS				
Assets:				
Cash and investments	\$ 36,256	\$ 217,330	\$ 245,000	\$ 8,586
Cash and investments with fiscal agent	179,420	248,440	96,744	331,116
Interest receivable	505	1,485	505	1,485
Due from other governments	-	6,099	-	6,099
Total Assets	<u>\$ 216,181</u>	<u>\$ 473,354</u>	<u>\$ 342,249</u>	<u>\$ 347,286</u>
Liabilities:				
Payable to trustee	\$ 216,181	\$ 473,354	\$ 342,249	\$ 347,286
Total Liabilities	<u>\$ 216,181</u>	<u>\$ 473,354</u>	<u>\$ 342,249</u>	<u>\$ 347,286</u>
TOTALS				
Assets:				
Cash and investments	\$ 195,576	\$ 1,472,311	\$ 1,194,467	\$ 473,420
Cash and investments with fiscal agent	179,420	248,440	96,744	331,116
Taxes receivable	110,970	120,324	110,970	120,324
Accounts receivable	-	3,415	-	3,415
Interest receivable	505	1,485	505	1,485
Due from other Governments	-	6,099	-	6,099
Total Assets	<u>\$ 486,471</u>	<u>\$ 1,852,074</u>	<u>\$ 1,402,686</u>	<u>\$ 935,859</u>
Liabilities:				
Payable to trustee	\$ 216,181	\$ 473,354	\$ 342,249	\$ 347,286
Accounts payable	18,939	24,123	18,939	24,123
Due to component unit	251,351	1,354,597	1,041,498	564,450
Total Liabilities	<u>\$ 486,471</u>	<u>\$ 1,852,074</u>	<u>\$ 1,402,686</u>	<u>\$ 935,859</u>

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Account Groups

- General Fixed Assets Account Group ❖
- General Long-Term Account Debt Group ❖

**GENERAL FIXED ASSETS
ACCOUNT GROUP**

To account for fixed assets not used in proprietary fund operation.

SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCES
JUNE 30, 1999

	1999	1998
General Fixed Assets:		
Land	\$ 32,744,216	\$ 32,744,216
Buildings	15,439,173	14,356,159
Improvements other than buildings	4,152,510	4,093,691
Machinery and equipment	1,970,321	1,901,386
Furniture and fixtures	870,093	856,380
Office equipment	1,616,994	1,327,492
Construction in progress	828,375	131,087
Total	\$ 57,621,682	\$ 55,410,411
Investment in General Fixed Assets:		
General fund revenues	\$ 54,220,653	\$ 52,105,561
Special revenue fund revenues	1,605,972	1,588,033
Federal grants	360,633	351,231
State grants	1,142,424	1,073,586
City of Los Angeles grant	292,000	292,000
Total	\$ 57,621,682	\$ 55,410,411

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SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
JUNE 30, 1999

FUNCTION AND ACTIVITY	Land	Buildings
Legislative and Management:		
General government buildings	\$ 6,543,600	\$ 1,907,003
City council	-	-
City manager	-	-
Public information	-	-
Public safety	1,154,500	2,831,722
Personnel administration	-	-
Management Services:		
General administration	-	-
City clerk	-	-
Finance Department:		
Information management	-	-
General administration	-	-
Revenue management	-	-
General accounting	-	-
Public Safety Services		
	-	-
Human Services:		
General administration	-	-
Recreation services	-	-
Farmers' Market	-	-
Social services	-	-
Parks and buildings maintenance	20,295,428	6,775,256
Rent Stabilization		
General administration	-	-
Hearings	-	-
Record administration/monitoring	-	-
Rent information	-	-
Community Development Services:		
General administration	-	-
Planning	-	-
Economic development	-	694,298
Building and safety	-	-
Transportation		
General administration	-	-
Traffic engineers	-	-
Parking	4,750,688	3,230,894
Planning/transit	-	-
Engineering	-	-
Total General Fixed Assets	<u>\$ 32,744,216</u>	<u>\$ 15,439,173</u>

(Continued)

Improvements Other than Buildings	Machinery and Equipment	Construction in Progress	TOTAL
\$ 56,097	\$ -	\$ -	\$ 8,506,700
-	114,413	-	114,413
-	57,559	-	57,559
-	269,949	-	269,949
-	77,027	-	4,063,249
-	56,583	-	56,583
-	6,825	-	6,825
-	74,382	-	74,382
-	1,120,862	-	1,120,862
-	80,281	-	80,281
-	45,354	-	45,354
-	41,665	-	41,665
-	456,593	-	456,593
-	44,096	-	44,096
1,009	107,015	-	108,024
-	3,000	-	3,000
-	57,168	-	57,168
4,095,404	202,765	828,375	32,197,228
-	76,792	-	76,792
-	60,410	-	60,410
-	72,528	-	72,528
-	59,711	-	59,711
-	79,176	-	79,176
-	181,676	-	181,676
-	68,955	-	763,253
-	113,953	-	113,953
-	98,885	-	98,885
-	32,580	-	32,580
-	188,923	-	8,170,505
-	515,788	-	515,788
-	92,494	-	92,494
<u>\$ 4,152,510</u>	<u>\$ 4,457,408</u>	<u>\$ 828,375</u>	<u>\$ 57,621,682</u>

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

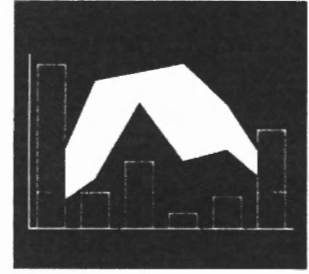
	Balance July 1, 1998	Additions	Deductions	Balance June 30, 1999
FUNCTION AND ACTIVITY				
Legislative and Management:				
General government buildings	\$ 8,476,881	\$ 29,819	\$ -	\$ 8,506,700
City council	95,436	18,977	-	114,413
City manager	53,102	4,457	-	57,559
Public information services	255,909	14,040	-	269,949
Public safety services	2,962,471	1,100,778	-	4,063,249
Personnel administration	49,708	6,875	-	56,583
Management Services:				
General administration	1,027	5,798	-	6,825
City clerk	67,809	6,573	-	74,382
Finance Department:				
Information management	1,099,099	21,763	-	1,120,862
General administration	70,257	10,024	-	80,281
Revenue management	37,665	7,689	-	45,354
General accounting	34,252	7,413	-	41,665
Public Safety Services:				
Police and fire	379,006	77,587	-	456,593
Human Services:				
General administration	42,051	2,045	-	44,096
Recreation services	95,456	12,568	-	108,024
Farmers' Market	3,000	-	-	3,000
Social services	57,168	-	-	57,168
Parks and buildings maintenance	31,437,263	759,965	-	32,197,228
Rent Stabilization Services:				
General administration	58,303	18,489	-	76,792
Hearings	60,163	247	-	60,410
Record administration/monitoring	72,528	-	-	72,528
Rent information	59,711	-	-	59,711
Community Development Services:				
General administration	70,486	8,690	-	79,176
Planning	163,967	17,709	-	181,676
Economic development	755,794	7,459	-	763,253
Building and safety	111,239	2,714	-	113,953
Transportation:				
General administration	89,409	9,476	-	98,885
Traffic engineering	32,580	-	-	32,580
Parking	8,135,066	35,439	-	8,170,505
Planning/transit	501,486	14,302	-	515,788
Engineering	82,119	10,375	-	92,494
Total General Fixed Assets	\$ 55,410,411	\$ 2,211,271	\$ -	\$ 57,621,682

**GENERAL LONG-TERM ACCOUNT
DEBT GROUP**

To account for debt payable from future resources including liabilities for compensated absences.

GENERAL LONG - TERM DEBT ACCOUNT GROUP
COMPARATIVE SCHEDULE OF GENERAL LONG-TERM OBLIGATIONS
JUNE 30, 1999 AND 1998

	1999	1998
Amounts available and to be provided for the payment of general long-term debt		
Amount available for long-term debt	\$ 34,775,637	\$ 35,360,189
Accrued Employee Benefits	966,159	804,961
Total Amounts Available and To be Provided in Future Years	<u><u>\$ 35,741,796</u></u>	<u><u>\$ 36,165,150</u></u>
Long-Term Obligations Payable		
Bonds Payable	\$ 33,215,000	\$ 34,020,000
Lease Payable	-	-
Advances from other funds	1,560,637	1,340,189
Employee Benefits Payable	966,159	804,961
Total Long-Term Obligations Payable	<u><u>\$ 35,741,796</u></u>	<u><u>\$ 36,165,150</u></u>



Statistical Section

GENERAL GOVERNMENT EXPENDITURES BY FUNCTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	General Government	Public Service	Public Safety	Current Expenditures Sub-Total (1)	Capital Improvements & Debt Service (1)	Total Expenditures (1)
1990	\$4,751,906	\$14,951,606	\$8,653,286	\$28,356,798	\$5,825,317	\$34,182,115
% Current	16.8	52.7	30.5	100.0		
% Total	13.9	43.7	25.3	83.0	17.0	100.0
1991	6,616,490	14,742,923	8,582,889	29,942,302	5,801,526	35,743,828
% Current	22.1	49.2	28.7	100.0		
% Total	18.5	41.2	24.0	83.8	16.2	100.0
1992	4,852,561	16,208,789	8,974,143	30,035,493	1,374,065	31,409,558
% Current	16.16	53.97	29.88	100.00		
% Total	15.45	51.60	28.57	95.63	4.37	100.00
1993	5,186,837	15,492,517	8,077,836	28,757,190	2,447,156	31,204,346
% Current	18.04	53.87	28.09	100.00		
% Total	16.62	49.65	25.89	92.16	7.84	100.00
1994	5,455,550	18,711,707	8,266,686	32,433,943	3,840,840	36,274,783
% Current	16.82	57.69	25.49	100.00		
% Total	15.04	51.58	22.79	89.41	10.59	100.00
1995	5,653,058	16,299,648	8,487,423	30,440,129	3,951,342	34,391,480
% Current	18.57	53.55	27.88	100.00		
% Total	16.44	47.39	24.68	88.51	11.49	100.00
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

Notes:

(1) Expenditures are on actual (GAAP) basis.

(2) The figures include all governmental fund types .

Source:

Department of Finance, City of West Hollywood

GENERAL 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
1990	\$16,847,818	\$920,558	\$3,352,617	\$2,264,595	\$5,180,836	\$2,203,669	\$2,373,029	\$0	\$33,143,122
% Total	50.8	2.8	10.1	6.8	15.6	6.6	7.2	-	100.0
1991	17,090,411	830,931	3,640,157	2,506,988	6,434,826	1,979,034	1,001,535	0	33,483,882
% Total	51.0	2.5	10.9	7.5	19.2	5.9	3.0	-	100.0
1992	18,009,439	732,838	3,967,484	2,502,604	5,398,941	1,902,375	591,467	148,138	33,253,286
% Total	54.16	2.20	11.93	7.53	16.24	5.72	1.78	0.45	100.00
1993	17,271,121	1,053,470	4,119,615	2,149,150	4,717,370	2,180,785	794,816	650,965	32,937,292
% Total	52.44	3.20	12.51	6.52	14.32	6.62	2.41	1.98	100.00
1994	16,727,892	944,972	5,526,780	2,106,539	3,577,194	2,331,567	598,629	53,349	31,866,922
% Total	52.49	2.97	17.34	6.61	11.23	7.32	1.88	0.17	100.00
1995	18,023,275	1,080,424	5,321,772	2,686,689	4,701,118	2,273,349	918,750	44,923	35,050,300
% Total	51.42	3.08	15.18	7.67	13.41	6.49	2.62	0.13	100.00
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

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 (3)	Transient Occupancy	Franchises	Property Transfer	Business License	Total
1990	\$ 4,434,950	\$ 7,254,644	\$ 4,407,943	\$ 594,768	\$ 155,513	(2)	\$ 16,847,818
% Total	26.3	43.1	26.2	3.5	0.9		100.0
1991	4,761,015	7,045,857	4,576,942	583,923	122,674	(2)	17,090,411
% Total	27.9	41.2	26.8	3.4	0.7		100.0
1992	5,464,078	6,686,844	4,278,945	670,364	131,744	777,464	18,009,439
% Total	30.3	37.1	23.8	3.7	0.7	4.3	100.0
1993	5,021,808	6,595,962	4,042,025	650,180	60,924	900,222	17,271,121
% Total	29.1	38.2	23.4	3.8	0.4	5.2	100.0
1994	4,863,001	5,940,924	4,306,472	619,892	86,374	911,229	16,727,892
% Total	29.1	35.5	25.7	3.7	0.5	5.4	100.0
1995	4,847,643	6,626,968	4,644,344	831,079	88,420	984,821	18,023,275
% Total	26.9	36.8	25.8	4.6	0.5	5.5	100.0
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

Notes:

- (1) The figures include all governmental fund types .
(2) Business License Tax was implemented in Fiscal year 91-92.
(3) 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
1990	\$ 4,126,317	\$ 3,884,381	94.1%	\$ 128,893	\$ 4,013,274	97.3%	3.1%
1991	4,482,805	4,178,350	93.2%	162,217	4,340,567	96.8%	3.6%
1992	5,377,580	4,925,229	91.6%	538,849	5,464,078	101.6%	10.0%
1993	4,688,593	4,651,556	99.2%	370,253	5,021,809	107.1%	7.9%
1994	5,092,311	4,675,704	91.8%	187,297	4,863,001	95.5%	3.7%
1995	5,087,554	4,613,847	90.7%	233,796	4,847,643	95.3%	4.6%
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%

Notes:

(1) 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
1990	\$ 1,106,032	\$ 1,445,783	\$ 13,367	\$ 2,565,182	\$ 889,023	\$ 1,650,594	\$ 25,565	\$ 2,565,182
1991	1,209,556	1,561,254	12,265	2,783,075	955,787	1,801,310	25,978	2,783,075
1992	1,312,320	1,620,618	9,995	2,942,933	982,316	1,915,819	44,798	2,942,933
1993	1,343,169	1,649,937	11,351	3,004,457	1,017,195	1,930,654	56,608	3,004,457
1994	1,343,089	1,664,094	12,203	3,019,386	1,023,125	1,936,692	59,569	3,019,386
1995	1,346,042	1,658,165	18,267	3,022,474	1,048,656	1,925,752	48,066	3,022,474
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	3,027,647

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

Fiscal Year Ended June 30	County	School Districts	Special Districts	Total
1990	1.0083	0.0058	0.0151	1.0292
1991	1.0018	0.0059	0.0173	1.0251
1992	1.0014	0.0041	0.0147	1.0202
1993	1.0017	0.0036	0.0152	1.0205
1994	1.0017	0.0036	0.0152	1.0205
1995	1.0018	0.0034	0.0124	1.0176
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

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
1990	97,245	93,757	446,689	426,469
1991	97,645	94,008	452,525	429,926
1992	149,175	145,808	450,522	441,546
1993	670,696	662,789	1,041,205	998,199
1994	750,056	737,543	1,033,966	1,007,707
1995	734,965	706,268	990,246	988,475
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

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
-	-	-	-	-	-	543,934	520,226
-	-	-	-	-	-	550,170	523,934
108,417	101,150	-	-	-	-	708,114	688,504
109,793	107,333	97,925	83,441	-	-	1,919,619	1,851,762
109,460	105,747	98,988	89,997	-	-	1,992,470	1,940,994
187,949	187,223	101,637	100,447	-	-	2,014,797	1,982,413
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

SCHEDULE OF LEGAL DEBT MARGIN

JUNE 30, 1999

Legal Debt Margin as of June 30, 1999 **\$ 420,100,094**

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 September 28, 1995, the City issued \$1,300,000 of 1995 Series C Certificates of Participation.

On November 22, 1995, the City issued \$470,000 of 1995 Series D Certificates of Participation.

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

On March 19, 1998, the City issued \$5,360,000 of 1998 Variable Rate Demand Refunding Certificates of Participation.

**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
1990	36,118	2,565,181,926	-	-	-
1991	36,118	2,783,075,006	-	-	-
1992	36,118	2,944,259,611	-	-	-
1993	36,118	3,087,989,660	-	-	-
1994	36,118	3,152,042,957	-	-	-
1995	37,195	3,146,330,859	-	-	-
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	-	-	-

Notes:

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

(2) Includes only general obligation debt.

Sources:

(A) For 1985 to 1989 the estimated population is established by the Department of Finance. For 1990 the estimate published by the U.S. Census Bureau was used.

(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**

Fiscal Year Ended June 30	Principal	Interest	Total Debt Service	Total General Expenditures (1)	Ratio of Debt Service to General Expenditures
1990	\$ 250,000	\$ 36,675	\$ 286,675	\$ 34,182,115	0.8%
1991	260,000	22,962	282,962	35,743,828	0.8%
1992	275,000	177,012	452,012	31,409,558	1.4%
1993	-	-	-	31,204,346	0.0%
1994	-	-	-	36,274,783	0.0%
1995	-	67,313	67,313	34,391,480	0.2%
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%

Notes:

(1) Expenditures are on actual (GAAP) basis and include all governmental fund types.
(General, Special Revenue, Capital Projects and Debt Service).

Source:

Department of Finance, City of West Hollywood

SCHEDULE OF DIRECT AND OVERLAPPING BONDED DEBT

JUNE 30, 1999

1998-99 ASSESSED VALUATION: \$ 3,027,467,294

	Percent Applicable to City of West Hollywood	City of West Hollywood Share of Debt
OVERLAPPING TAX AND ASSESSMENT DEBT:		
Los Angeles County	0.631 %	\$ 334,462
Los Angeles County Flood Control District	0.646	250,228
Metropolitan Water District	0.345	1,994,221
Los Angeles Unified School District	1.315	9,187,774
Los Angeles County Sanitation District #4	97.857	254,428
City of West Hollywood Community Facilities Dist No.2	100.000	715,000
Los Angeles Co. Regional Park & Open Space Assess. Dist.	0.631	<u>3,065,745</u>
Total Overlapping Tax and Assessment Debt		\$ 15,801,858
DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:		
Los Angeles County General Fund Obligations	0.631	10,542,266
Los Angeles County Pension Obligations	0.631	13,754,238
Los Angeles County Superintendent of Schools Certificate of Participation	0.631	20,760
Los Angeles County Flood Control District Certificate of Participation	0.646	1,209,215
Los Angeles County Sanitation District #4 Authority	97.857	3,118,517
Los Angeles Community College District Certificate of Participation	1.126	708,817
Los Angeles Unified School District Certificates of Participation	1.384	2,626,901
City of West Hollywood Certificates of Participation	100.000	<u>26,530,000</u>
Total Gross Direct and Overlapping Bonded Debt		\$ 58,510,714
Less: Los Angeles County Certificates of Participation (100% Self Supporting from leasehold revenues on properties in Marina Del Rey)		<u>913,625</u>
Total Net Direct and Overlapping Bonded Debt		\$ 57,597,089
Gross Combined Total debt		\$ 74,312,572 (1)
Net Combined Total Debt		\$ 73,398,947
Ratios to Assessed Valuation:		
Direct Debt (\$ 26,530,000)	0.90%	
Total Overlapping Tax and Assessment Debt	0.54%	
Total Gross Debt	2.53%	
Total Net Debt	2.50%	

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/99: \$65,659

Notes:

(1) Excludes tax & revenue anticipation notes, 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 Statistics

Incorporated:

November 29, 1984
 84th City in
 Los Angeles County

Form of Government:

Council/Manager

Area:

1.88 Square miles.
 Bounded by the cities of
 Beverly Hills & Los
 Angeles

Population:

37,952

Density:

19,231 persons per square
 mile

Fire Protection:

Los Angeles County Fire
 Department

Police Protection:

Contract with the Los
 Angeles County Sheriff's
 Department

Parks:

Plummer Park
 West Hollywood Park
 William S. Hart Park

Water:

Provided by the
 Department of Water and
 Power (LADWP) and the
 City of Beverly Hills

Sewers:

Los Angeles County
 Sanitation Dist No. 4.
 205,800 linear feet
 (39 Miles)

Population Growth		
Year	City	% Increase
1970	29,426	
1980	35,703	21%
1990	36,118	1%

Age Distribution			
Age	County	City	State
0 to 9	15.50%	4.48%	15.49%
10 to 17	10.70%	2.53%	10.52%
18 to 24	11.90%	6.64%	11.17%
25 to 34	20.00%	29.18%	19.29%
35 to 44	15.10%	20.47%	15.61%
45 to 54	9.80%	9.49%	9.93%
55 to 64	7.30%	8.78%	7.50%
65 to 74	5.70%	8.66%	6.27%
75 to 84	3.00%	7.30%	3.25%
85 and over	0.90%	2.47%	0.97%
Median Age:	30.8	38.2	31.7

Household Size			
Persons	County	City	State
1 person *	33.78%	59.6%	23.2%
2 people	27.80%	29.5%	31.0%
3 to 4 people	29.90%	9.5%	31.3%
5 or more people	17.50%	1.4%	14.5%
Avg. Household Size:	2.9	1.59	2.79

* 22% / 34.6% of those living alone are age 65 or older.

Ethnic Characteristics			
	County	City	State
White	56.9%	90.3%	69.1%
Black	11.2%	3.6%	7.4%
Asian & Pacific Islander	10.8%	3.1%	9.6%
American Indian	0.5%	0.2%	0.8%
Spanish	37.3%	8.4%	25.4%
Male/Female Ratio:	49.9% / 50.1%	52.8% / 47.2%	50.0% / 50.0%

Employment			
	County	City	State
Manager/Professional	27.6%	46.1%	28.6%
Tech, Sales, Admin.	32.3%	32.6%	32.4%
Service Occupations	12.3%	11.7%	12.4%
Farm, Forestry, Fishing	1.2%	0.5%	2.7%
All Others	26.6%	9.1%	23.9%

Based on total employed persons age 16 and older.

Household Income			
<i>Income</i>	<i>County</i>	<i>City</i>	<i>State</i>
Under \$10,000	12.8%	16.2%	11.5%
\$10,000 - \$14,999	7.5%	8.3%	7.4%
\$15,000 - \$24,999	15.2%	18.0%	15.2%
\$25,000 - \$34,999	14.5%	16.6%	14.7%
\$35,000 - \$49,999	17.3%	15.4%	18.2%
\$50,000 - \$74,999	17.3%	14.5%	18.4%
\$75,000 - \$99,000	7.5%	4.6%	7.6%
\$100,000 and over	7.9%	6.4%	7.1%
Median Income:	\$34,965	\$29,314	\$35,798
Average Income:	\$47,252	\$39,014	\$46,247
Per Capita Income:	\$16,149	\$24,386	\$16,409

Persons Living at or below poverty level: 15.1% 11.4% 12.5%

Level of Education			
<i>Based on age 25 and over</i>	<i>County</i>	<i>City</i>	<i>State</i>
Less than 9th Grade	15.6%	6.0%	11.2%
9th to 12th Grade (no diploma)	14.4%	9.0%	12.6%
High School Graduate (or equivalent)	20.7%	18.7%	22.3%
Some College, no degree	19.7%	22.2%	22.6%
Associate/Bachelor's degree	21.8%	32.0%	23.2%
Graduate or Professional degree	7.8%	12.1%	8.1%

General Housing			
	<i>County</i>	<i>City</i>	<i>State</i>
Owner Occupied	45.5%	21.1%	51.6%
Rented	49.0%	73.6%	41.2%
Vacant	5.5%	5.3%	7.2%

Housing Units			
	<i>County</i>	<i>City</i>	<i>State</i>
Single Family Units	55.0%	11.0%	61.8%
Buildings with 5 or more Units	33.2%	79.7%	23.4%
Other	12.8%	9.3%	14.8%

Median Year Structures Built: 1960 1959 1967

Businesses		
	<i>Number</i>	<i>%</i>
Retail/Wholesale/Manufacturers	860	53%
Corporate Headquarters	35	2%
Service Providers	487	29%
Production (TV/Radio/Motion Pictures/Publishing)	70	4%
Professionals	202	12%

All information current as of the 1990 U.S. Census.

**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	
1990	303	13,491,074	219	8,930,575	647,930
1991	339	11,024,776	164	13,362,075	583,913
1992	313	7,112,399	149	2,593,534	502,946
1993	143	5,234,952	340	11,493,020	456,295
1994	145	7,341,009	353	3,749,503	469,636
1995	157	12,855,530	328	4,274,653	442,761
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	590,877
1999	148	11,969,122	504	6,957,106	(A)

Notes:

(A) Information was not available.

(B) Provided by Willdan Associates, Inc. for 1990 - 1996

(C) State Banking Department

PRINCIPAL TAX PAYERS
 JUNE 30, 1999 (in thousands)

Taxpayer	Type of Business	1998-99 Assessed Valuation	Percentage of Total Assessed Valuation
1. Pacific Design Center	Retail/Wholesale	\$ 153,066	5.06%
2. Time Warner Entertainment Co.	Movie Studio	41,945	1.39%
3. RWH Holdings. Inc.	Office Buildings/Hotel	24,355	0.80%
4. Shearson Beverly Hills Medical	Medical Offices	23,000	0.76%
5. City of West Hollywood	Parks & City Hall	22,092	0.73%
6. 9000 Sunset Boulevard Corp	Office Building	21,245	0.70%
7. Hotel Bel Age	Hotel	20,233	0.67%
8. Luckman Management Co, LP	Office Buildings	19,410	0.64%
9. Cedars Sinai Medial Center	Medical Offices	18,094	0.60%
10. A & FC Props	Hotel	17,136	0.57%
		<u>\$ 360,576</u>	<u>11.91%</u>

Source:
 Hinderliter, De Llamas and Associates
 Assessed Valuation:
 \$3,027,467,294

**SCHEDULE OF INSURANCE IN FORCE
AS OF JUNE 30, 1999**

GENERAL LIABILITY

SOUTHERN CALIFORNIA JOINT
POWERS INSURANCE AUTHORITY
4952 La Palma Ave.
La Palma, CA 90623
Policy No. Pooled Insurance
Period July 1, 1998 to December 31,1999
Coverage \$10,000,000 XS \$20,000 S.I.R

ALL RISK PROPERTY INSURANCE

SOUTHERN CALIFORNIA JOINT
POWERS INSURANCE AUTHORITY
4952 La Palma Ave.
La Palma, CA 90623
Policy No.ERP8364598-00
Period July 1, 1998 to December 31,1999
Coverage Per Occurance50,000,000
Deductible5,000

BLANKET FIDELITY BOND PROGRAM

ROBERT F. DRIVER ASSOC.
P.O.Box 6450
Newport Beach, CA 92658-6450
Period January 1, 1999 to January 1, 2000
Coverage Per Occurance1,000,000
Deductible5,000

WORKER'S COMPENSATION INSURANCE

STATE COMPENSATION INSURANCE FUND
5700 Wilshire Boulevard, Suite 400
Los Angeles, Ca. 90036
Policy No. 686250-93
Period December 1, 1998 to December 1, 1999

Schedule of Insurance

Commercial Property (Continue)

City Hall 8300 Santa Monica Boulevard West Hollywood, CA. 90069	Real Property Personal Property Deductible Rents	\$ 3,739,960 2,496,000 5,000 1,537,000
Plummer Park 7377 Santa Monica Boulevard West Hollywood, CA. 90069	Real Property Deductible	\$ 2,379,951 5,000
West Hollywood Park 647 San Vicente Blvd. West Hollywood, CA. 90069	Real Property Personal Property Deductible Rents	\$ 1,692,410 672,100 5,000 150,000
Werle Building 626 North Robertson Blvd. West Hollywood, CA. 90069	Real Property Personal Property Deductible	\$ 634,654 10,754 5,000
Hart Park 8341 De Longpre Avenue West Hollywood, CA. 90069	Real Property Deductible	\$ 528,878 5,000
Adult Day Health Care 7362 Santa Monica Boulevard West Hollywood, CA. 90069	Real Property Deductible	\$ 1,131,799 5,000
Mobile Equipment Various Locations West Hollywood, CA. 90069	Personal Property Deductible	\$ 268,840 1,000
Mobile Equipment CATV Truck/ TV Equipment West Hollywood, CA. 90069	Personal Property Deductible	\$ 30,000 1,000

Schedule of Insurance

Commercial Property (Continue)

<p>Homeless Shelter 1033 N. LaBrea Ave. West Hollywood, CA. 90069</p>	<p>Real Property \$ 2,987,824 Deductible 5,000</p>
<p>Free Clinic 619 & 621 N. San Vicente West Hollywood, CA. 90069</p>	<p>Real Property \$ 775,016 Deductible 5,000 Rents 12,000</p>
<p>Municipal Structure II 8759 Santa Monica Blvd. West Hollywood, CA. 90069</p>	<p>Real Property \$ 1,125,000 Personal Property 151,000 Deductible 5,000</p>
<p>Municipal Structure I 8383 Santa Monica Blvd. West Hollywood, CA. 90069</p>	<p>Real Property \$ 1,700,000 Personal Property 4,300,000 Deductible 5,000</p>
<p>Laurel Ave Apartment Building 6 Residential Units 1343-45 Laurel Ave West Hollywood, CA 90046-4630</p>	<p>Real Property \$ 1,045,000 Deductible 5,000</p>



8300 Santa Monica Blvd.
West Hollywood, California
(3 2 3) 8 4 8 - 6 4 0 0
<http://www.ci.west-hollywood.ca.us>
