



## CITY OF BEVERLY HILLS STAFF REPORT

**Meeting Date:** March 6, 2012

**To:** Honorable Mayor & City Council

**From:** Noel Marquis, Assistant Director of Administrative Services –  
Finance  
Chad Lynn, Director of Parking Operations

**Subject:** Update on the Parking Authority

**Attachments:** Exhibit A – Parking Authority Spreadsheets

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### **INTRODUCTION**

In November of 2010 Staff presented information about the structural deficit of the City's Parking Operations. At that time the annual deficit was about \$3 million. The report concluded that if operation continued unchanged the City could face a cash deficit of approximately \$25 million by fiscal year 2020/2021.

### **DISCUSSION**

#### **History**

While the parking operations of the City provide revenues adequate to cover the day-to-day operational costs they do not provide cash adequate to also cover the operations debt load and capital maintenance programs. Specifically the City has been unable with the existing revenue stream to perform the maintenance required annual to keep the facilities in food operating condition, set aside the funds necessary for replacement or upgrade of critical systems such as elevators and ventilation systems or provide for the rehabilitation of facilities by performing water sealing, concrete rehabilitation or painting.

In a 2007 report, Carl Walker inc., a parking consultant firm, stated that the City needed to spend \$3 million to bring its facilities up to standard and then provide an additional \$700,000 annually to properly maintain the facilities. To date the City's parking operations have not had the funds to budget such necessary requirements.

In 2012, the City, in order to improve control of operations and be more transparent to the community, transferred the ownership of all but 2 parking facilities (the Civic Center and Public Works garages) to the Parking Authority. The 2 garages that remain with the

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City service City and the Civic Center complex and the Public Works facilities and foothill office building.

In order to continue operations without interruption, the City and Parking Authority entered into an agreement through which the City provides the day-to-day operation of each facility. The Parking Authority reimburses the City for the cost of this service. This agreement can be cancelled anytime with a 30 day written notice from either entity.

Current revenue and expense projections show that the City's Parking Operations are operating at a cash deficit greater than the original 2010 projection of \$3 million a year. More specifically current projections show a cash deficit of approximately \$40 million by fiscal year 2020/2021. This increase to the operational shortfall is a result of several factors, primarily a loss of \$450,000 in revenues from increasing the Bedford structure to 2 hours of free parking and the 450 Crescent drive parking facilities debt service requirements. Specifically the 450 Crescent structures debt services payments were heavily front loaded based on anticipated contributions from the Annenberg Performing Arts Center.

To keep the Authorities operations whole, new revenues or contributions from the City's General Fund in the amount of \$5 million a year over the next 3 years then declining annually to \$3 million a year by fiscal year 2020/2021 will be required.

### **Future Needs**

While the contributions outlined above will take care of the immediate operational needs they do not address the issue of deferred maintenance, upgrade and rehabilitation requirements.

Today, the identified \$3 million need from the Carl Walker Inc., report has grown to \$5.1 million for elevator upgrades and retrofits, waterproofing or facilities and replacement of the façade at 221 N. Crescent. Further, recommendations that parking operations be upgraded to Pay-On-Foot, On and Off street space monitoring, metered loading zones and Pay-To-Park districts add \$5.2 million to upgrade and enhance parking operations. Other maintenance including post-tensioning and concrete rehabilitation, dynamic way finding signage, single space meter retrofits etc. will bring the total to about \$16 million over the next 5 years – none of which can come from current or anticipated revenues.

Adding the described maintenance, upgrade and rehabilitation projects discussed above and including an additional \$800,000 per year for other capital needs will result in a cash deficit of \$25 million by fiscal year 2020/2021.

To accomplish the identified projects over the next several will require a debt issue or other financing of about \$25 million. Associated debt service payments will add an additional \$1.5 million annually to the Authorities needs placing a greater demand on the City's General Fund.

### **Impact on the General Fund**

Due to the restrictions in our ability to raise revenues to cover expenses, subsidies are needed from the General Fund. This however has a significant effect on the General Fund since new revenues are only growing by marginal amounts. This subsidy along with others almost entirely eliminates the opportunity for the City and the Council to add new programs or fund needed positions as directed by the Council's goal setting priorities. These subsidies consume significant new resources limiting the City's opportunity to bond for new projects in the future.

### **FISCAL IMPACT**

To address the immediate shortfall of the Parking Authority will require new revenues or contributions from the City of \$5 million a year, declining to about \$3 million by fiscal

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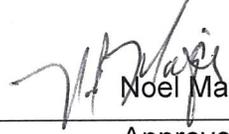
year 2020/2021. Addressing all of the maintenance, upgrade and rehabilitation needs of the various facilities will require approximately \$25 million. If this additional fund is accomplished through issuing debt, the resulting debt service will require an additional \$1.5 million in new revenues or contributions from the City.

**RECOMMENDATION**

The City Council has already taken action to provide a \$5 million contribution to the Parking Authorities fiscal year 2011/2012 operation. Future similar action will be required to maintain the fiscal viability of the Parking Authority. Staff is seeking specific direction from the City Council on what policy direction they want staff to take in regards to the Parking Authority deficit and the annual \$5 million transfer from the General Fund.

Chad Lynn

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Noel Marquis

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Approved By

# **Attachment 1**

**November 2010 Parking Presentation**  
(\$3 million shortfall)

|   | Anticipated<br>Budget<br>FY Ending<br>6/30/2012 | Anticipated<br>Budget<br>FY Ending<br>6/30/2013 | Anticipated<br>Budget<br>FY Ending<br>6/30/2014 | Anticipated<br>Budget<br>FY Ending<br>6/30/2015 | Anticipated<br>Budget<br>FY Ending<br>6/30/2016 | Anticipated<br>Budget<br>FY Ending<br>6/30/2017 | Anticipated<br>Budget<br>FY Ending<br>6/30/2018 | Anticipated<br>Budget<br>FY Ending<br>6/30/2019 | Anticipated<br>Budget<br>FY Ending<br>6/30/2020 | Anticipated<br>Budget<br>FY Ending<br>6/30/2021 |
|---|---|---|---|---|---|---|---|---|---|---|
| <b>Parking Authority Statement of Revenues, Expenditures and Net Assets</b> |   |   |   |   |   |   |   |   |   |   |
| <b>Operating revenues –</b>   |   |   |   |   |   |   |   |   |   |   |
| Hourly Parking  | \$ 5,781,122 #2                                 | 6,096,730 #3                                    | 6,188,181                                       | 6,281,003                                       | 6,375,219                                       | 6,470,847                                       | 6,567,910                                       | 6,666,428                                       | 6,766,425                                       | 6,867,921                                       |
| Monthly Parking   | 1,934,755 #2                                    | 2,029,026 #3                                    | 2,059,462                                       | 2,090,354                                       | 2,121,709                                       | 2,153,535                                       | 2,185,838                                       | 2,218,625                                       | 2,251,905                                       | 2,285,683                                       |
| Meter Parking   | 4,496,185                                       | 4,563,628                                       | 4,632,082                                       | 4,701,563                                       | 4,772,087                                       | 4,843,668                                       | 4,916,323                                       | 4,990,068                                       | 5,064,919                                       | 5,140,893                                       |
| Tenant Lease Payments   | 10,102,743 #2                                   | 10,254,284                                      | 10,408,098                                      | 10,564,220                                      | 10,722,683                                      | 10,883,523                                      | 11,046,776                                      | 11,212,478                                      | 11,380,665                                      | 11,551,375                                      |
| Development Fees (Montage)  | 761,250   | 772,669   | 784,259   | 796,023   | 807,963   | 820,082   | 832,384   | 844,869   | 857,542   | 870,406   |
| Parking Meter Collection Services (West Hollywood)                          | 300,186   | 304,689   | 309,259   | 313,898   | 318,607   | 323,386   | 328,237   | 333,160   | 338,158   | 343,230   |
| Credit Card Processing Fees   | (320,185)                                       | (329,791)                                       | (339,684)                                       | (349,875)                                       | (360,371)                                       | (371,182)                                       | (382,318)                                       | (393,787)                                       | (405,601)                                       | (417,769)                                       |
| Miscellaneous Revenue   | —   | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| Sales, service charges and fees   | 23,056,056                                      | 23,691,235                                      | 24,041,657                                      | 24,397,187                                      | 24,757,896                                      | 25,123,859                                      | 25,495,149                                      | 25,871,842                                      | 26,254,013                                      | 26,641,739                                      |
| <b>Operating expenses:</b>  |   |   |   |   |   |   |   |   |   |   |
| Salaries and employee benefits  | 3,732,367                                       | 3,844,338                                       | 3,959,668                                       | 4,078,458                                       | 4,200,812                                       | 4,326,836                                       | 4,456,641                                       | 4,590,340                                       | 4,728,050                                       | 4,869,892                                       |
| Materials & Supplies  | 382,656 #2                                      | 473,470 #3                                      | 487,674   | 502,304   | 517,373   | 532,895   | 548,881   | 565,348   | 582,308   | 599,778   |
| Contractual Services  | 2,172,595 #2                                    | 2,362,773 #3                                    | 2,433,656                                       | 2,506,666                                       | 2,581,866                                       | 2,659,322                                       | 2,739,102                                       | 2,821,275                                       | 2,905,913                                       | 2,993,090                                       |
| Internal Service Charges  | 5,404,261                                       | 5,566,388                                       | 5,733,380                                       | 5,905,382                                       | 6,082,543                                       | 6,265,019                                       | 6,452,970                                       | 6,646,559                                       | 6,845,956                                       | 7,051,334                                       |
| Heat Light & Power  | 713,763   | 735,176   | 757,232   | 779,948   | 803,347   | 827,447   | 852,271   | 877,839   | 904,174   | 931,299   |
| Equipment & Capital Adjustments   | 14,857  | 15,303  | 15,762  | 16,235  | 16,722  | 17,223  | 17,740  | 18,272  | 18,820  | 19,385  |
| Bad Debt Expense  | 457   | 471   | 485   | 500   | 515   | 530   | 546   | 562   | 579   | 597   |
| Maintenance and operation   | 8,688,590                                       | 9,153,582                                       | 9,428,189                                       | 9,711,035                                       | 10,002,366                                      | 10,302,437                                      | 10,611,510                                      | 10,929,855                                      | 11,257,751                                      | 11,595,483                                      |
| Depreciation (note 8)   | 6,646,462                                       | 6,646,462                                       | 6,646,462                                       | 6,646,462                                       | 6,646,462                                       | 6,646,462                                       | 6,646,462                                       | 6,646,462                                       | 6,646,462                                       | 6,646,462                                       |
| Amortization of issuance costs  | 169,229   | 174,306   | 179,535   | 184,921   | 190,468   | 196,182   | 202,068   | 208,130   | 214,374   | 220,805   |
| <b>Total operating expenses</b>   | <b>19,236,647</b>                               | <b>19,818,687</b>                               | <b>20,213,853</b>                               | <b>20,620,875</b>                               | <b>21,040,108</b>                               | <b>21,471,917</b>                               | <b>21,916,681</b>                               | <b>22,374,787</b>                               | <b>22,846,637</b>                               | <b>23,332,642</b>                               |
| <b>Operating income (loss)</b>  | <b>3,819,409</b>                                | <b>3,872,549</b>                                | <b>3,827,804</b>                                | <b>3,776,312</b>                                | <b>3,717,789</b>                                | <b>3,651,942</b>                                | <b>3,578,469</b>                                | <b>3,497,055</b>                                | <b>3,407,376</b>                                | <b>3,309,097</b>                                |
| <b>Nonoperating revenues (expenses):</b>                                    |   |   |   |   |   |   |   |   |   |   |
| Investment revenue  | 104,266   | 57,405  | —   | —   | —   | —   | —   | —   | —   | —   |
| Net change in fair value of investments                                     | —   | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| Interest expense  | (7,388,341)                                     | (6,993,566)                                     | (6,472,607)                                     | (6,078,857)                                     | (5,674,612)                                     | (5,379,297)                                     | (5,064,606)                                     | (4,722,779)                                     | (4,369,407)                                     | (4,035,915)                                     |
| Other revenue (expense)   | 35,396  | 36,458  | 37,552  | 38,678  | 39,838  | 41,034  | 42,265  | 43,533  | 44,839  | 46,184  |
| <b>Total nonoperating revenues (expenses)</b>                               | <b>(7,248,678)</b>                              | <b>(6,899,703)</b>                              | <b>(6,435,055)</b>                              | <b>(6,040,179)</b>                              | <b>(5,634,774)</b>                              | <b>(5,338,264)</b>                              | <b>(5,022,342)</b>                              | <b>(4,679,247)</b>                              | <b>(4,324,568)</b>                              | <b>(3,989,732)</b>                              |
| <b>Income (loss) before contributions and operating transfers</b>           | <b>(3,429,269)</b>                              | <b>(3,027,154)</b>                              | <b>(2,607,252)</b>                              | <b>(2,263,867)</b>                              | <b>(1,916,985)</b>                              | <b>(1,686,321)</b>                              | <b>(1,443,873)</b>                              | <b>(1,182,192)</b>                              | <b>(917,192)</b>                                | <b>(680,635)</b>                                |
| <b>Transfers in</b>   | <b>727,180</b>                                  | <b>748,995</b>                                  | <b>771,465</b>                                  | <b>794,609</b>                                  | <b>818,447</b>                                  | <b>843,001</b>                                  | <b>868,291</b>                                  | <b>894,340</b>                                  | <b>921,170</b>                                  | <b>948,805</b>                                  |
| <b>Transfers out</b>  | <b>(1,500,000)</b>                              |
| <b>Change in net assets</b>   | <b>(4,202,089)</b>                              | <b>(3,778,159)</b>                              | <b>(3,335,786)</b>                              | <b>(2,969,258)</b>                              | <b>(2,598,538)</b>                              | <b>(2,343,321)</b>                              | <b>(2,075,582)</b>                              | <b>(1,787,852)</b>                              | <b>(1,496,022)</b>                              | <b>(1,231,830)</b>                              |
| <b>Net assets, July 1</b>   | <b>27,084,624</b>                               | <b>22,882,535</b>                               | <b>19,104,376</b>                               | <b>15,768,589</b>                               | <b>12,799,331</b>                               | <b>10,200,794</b>                               | <b>7,857,473</b>                                | <b>5,781,891</b>                                | <b>3,994,039</b>                                | <b>2,498,016</b>                                |
| <b>Net assets, June 30</b>  | <b>\$ 22,882,535</b>                            | <b>19,104,376</b>                               | <b>15,768,589</b>                               | <b>12,799,331</b>                               | <b>10,200,794</b>                               | <b>7,857,473</b>                                | <b>5,781,891</b>                                | <b>3,994,039</b>                                | <b>2,498,016</b>                                | <b>1,266,186</b>                                |

**November 2010 Parking Presentation**  
(\$3 million shortfall)

|  | Anticipated<br>Budget<br>FY Ending<br>6/30/2012 | Anticipated<br>Budget<br>FY Ending<br>6/30/2013 | Anticipated<br>Budget<br>FY Ending<br>6/30/2014 | Anticipated<br>Budget<br>FY Ending<br>6/30/2015 | Anticipated<br>Budget<br>FY Ending<br>6/30/2016 | Anticipated<br>Budget<br>FY Ending<br>6/30/2017 | Anticipated<br>Budget<br>FY Ending<br>6/30/2018 | Anticipated<br>Budget<br>FY Ending<br>6/30/2019 | Anticipated<br>Budget<br>FY Ending<br>6/30/2020 | Anticipated<br>Budget<br>FY Ending<br>6/30/2021 |
|--|---|---|---|---|---|---|---|---|---|---|
| <b>Parking Authority Cash Flow - Where Funds Come From</b>   |   |   |   |   |   |   |   |   |   |   |
| Proceeds from operations                                     |   |   |   |   |   |   |   |   |   |   |
| Operating Income   | 3,819,409                                       | 3,872,549                                       | 3,827,804                                       | 3,776,312                                       | 3,717,789                                       | 3,651,942                                       | 3,578,469                                       | 3,497,055                                       | 3,407,376                                       | 3,309,097                                       |
| Cash or equivalents from depreciation & amortization         | 6,815,691                                       | 6,820,768                                       | 6,825,997                                       | 6,831,383                                       | 6,836,930                                       | 6,842,644                                       | 6,848,530                                       | 6,854,592                                       | 6,860,836                                       | 6,867,267                                       |
| Changes in cash from (increase) decrease in receivables etc. | —   | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| Net cash provided by operating activities                    | 10,635,100                                      | 10,693,316                                      | 10,653,800                                      | 10,607,694                                      | 10,554,719                                      | 10,494,587                                      | 10,426,999                                      | 10,351,647                                      | 10,268,212                                      | 10,176,364                                      |
| Proceeds from Investment Activity                            |   |   |   |   |   |   |   |   |   |   |
| Interest earnings  | 104,266   | 57,405  | —   | —   | —   | —   | —   | —   | —   | —   |
| Decrease in Interest Receivable (cash received)              | —   | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| Net cash provided by Investment Activities                   | 104,266   | 57,405  | —   | —   | —   | —   | —   | —   | —   | —   |
| Cash received from financing                                 |   |   |   |   |   |   |   |   |   |   |
| Cash received from other funds                               | 727,180   | 748,995   | 771,465   | 794,609   | 818,447   | 843,001   | 868,291   | 894,340   | 921,170   | 948,805   |
| Cash received from unfunded liabilities                      | —   | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| Cash Received from debt financing                            | —   | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| Cash contribution received from others (Annenberg)           | —   | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| Cash received from interfund loans                           | —   | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| Net cash provided from financings                            | 727,180   | 748,995   | 771,465   | 794,609   | 818,447   | 843,001   | 868,291   | 894,340   | 921,170   | 948,805   |
| <b>Parking Authority Cash Flow - How Funds Are Used</b>      |   |   |   |   |   |   |   |   |   |   |
| Cash paid to fund unfunded liabilities                       | —   | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| Cash paid to other funds                                     | (1,500,000)                                     | (1,500,000)                                     | (1,500,000)                                     | (1,500,000)                                     | (1,500,000)                                     | (1,500,000)                                     | (1,500,000)                                     | (1,500,000)                                     | (1,500,000)                                     | (1,500,000)                                     |
| Payment of bond issue costs                                  | —   | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| Payments to defeased bonds escrow trustee                    | —   | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| Cash paid for capital projects (construction)                | (357,130)                                       | (897,725)                                       | (255,945)                                       | (973,550)                                       | (973,550)                                       | (973,550)                                       | (973,550)                                       | (973,550)                                       | (973,550)                                       | (973,550)                                       |
| Cash Principal payment on interfund loans                    | (2,467,955)                                     | (2,612,544)                                     | (2,765,616)                                     | (2,927,671)                                     | (3,099,234)                                     | (3,280,867)                                     | (3,473,159)                                     | (3,676,739)                                     | (3,100,158)                                     | (3,280,814)                                     |
| Cash Interest payments on interfund loans                    | (3,434,906)                                     | (3,290,318)                                     | (3,137,245)                                     | (2,975,191)                                     | (2,803,627)                                     | (2,621,995)                                     | (2,429,702)                                     | (2,226,123)                                     | (2,010,593)                                     | (1,829,938)                                     |
| Cash Principal payment on debt issues                        | (6,001,244)                                     | (8,375,766)                                     | (4,960,007)                                     | (4,920,106)                                     | (2,830,908)                                     | (2,945,568)                                     | (3,066,924)                                     | (3,203,675)                                     | (3,342,837)                                     | (3,055,685)                                     |
| Cash Interest payments on debt issues                        | (3,953,434)                                     | (3,703,249)                                     | (3,335,361)                                     | (3,103,666)                                     | (2,870,985)                                     | (2,757,302)                                     | (2,634,904)                                     | (2,496,656)                                     | (2,358,813)                                     | (2,205,978)                                     |
| Net cash used by business activities                         | (17,714,671)                                    | (20,379,602)                                    | (15,954,176)                                    | (16,400,183)                                    | (14,078,305)                                    | (14,079,282)                                    | (14,078,240)                                    | (14,076,743)                                    | (13,285,952)                                    | (12,845,965)                                    |
| Net increase (decrease) in cash and cash equivalents         | (6,248,124)                                     | (8,879,885)                                     | (4,528,910)                                     | (4,997,880)                                     | (2,705,139)                                     | (2,741,694)                                     | (2,782,950)                                     | (2,830,757)                                     | (2,096,570)                                     | (1,720,796)                                     |
| Cash and cash equivalents July 1                             | 13,902,184                                      | 7,654,060                                       | (1,225,825)                                     | (5,754,735)                                     | (10,752,615)                                    | (13,457,754)                                    | (16,199,448)                                    | (18,982,398)                                    | (21,813,154)                                    | (23,909,725)                                    |
| Cash and cash equivalents June 30                            | 7,654,060                                       | (1,225,825)                                     | (5,754,735)                                     | (10,752,615)                                    | (13,457,754)                                    | (16,199,448)                                    | (18,982,398)                                    | (21,813,154)                                    | (23,909,725)                                    | (25,630,521)                                    |

**Parking Authority Current Base Operations with No General Fund Subsidy**  
(\$5 million shortfall)

|   | Budgeted<br>FY Ending<br>6/30/2012 | Projected<br>Budget<br>FY Ending<br>6/30/2013 | Projected<br>Budget<br>FY Ending<br>6/30/2014 | Projected<br>Budget<br>FY Ending<br>6/30/2015 | Projected<br>Budget<br>FY Ending<br>6/30/2016 | Projected<br>Budget<br>FY Ending<br>6/30/2017 | Projected<br>Budget<br>FY Ending<br>6/30/2018 | Projected<br>Budget<br>FY Ending<br>6/30/2019 | Projected<br>Budget<br>FY Ending<br>6/30/2020 | Projected<br>Budget<br>FY Ending<br>6/30/2021 |
|---|------------------------------------|---|---|---|---|---|---|---|---|---|
| <b>Parking Authority Statement of Revenues, Expenditures and Net Assets</b> |                                    |   |   |   |   |   |   |   |   |   |
| <b>Operating revenues –</b>   |                                    |   |   |   |   |   |   |   |   |   |
| Hourly Parking  | \$ 5,439,895                       | 5,753,255                                     | 5,839,554                                     | 5,927,147                                     | 6,016,054                                     | 6,106,295                                     | 6,197,890                                     | 6,290,858                                     | 6,385,221                                     | 6,480,999                                     |
| Monthly Parking   | 2,214,616                          | 2,376,486                                     | 2,412,134                                     | 2,448,316                                     | 2,485,040                                     | 2,522,316                                     | 2,560,151                                     | 2,598,553                                     | 2,637,531                                     | 2,677,094                                     |
| Meter Parking   | 4,800,000                          | 4,872,000                                     | 4,945,080                                     | 5,019,256                                     | 5,094,545                                     | 5,170,963                                     | 5,248,528                                     | 5,327,256                                     | 5,407,164                                     | 5,488,272                                     |
| Tenant Lease Payments   | 10,557,517                         | 10,715,880                                    | 10,823,039                                    | 10,931,269                                    | 11,095,238                                    | 11,261,667                                    | 11,430,592                                    | 11,602,051                                    | 11,776,081                                    | 11,952,723                                    |
| Development Fees (Montage)  | 1,034,810                          | 1,054,227                                     | 1,070,040                                     | 1,086,091                                     | 1,102,382                                     | 1,118,918                                     | 1,135,702                                     | 1,152,737                                     | 1,170,028                                     | 1,187,579                                     |
| Parking Meter Collection Services (West Hollywood)                          | 183,345                            | 186,785                                       | 189,587                                       | 192,431                                       | 195,317                                       | 198,247                                       | 201,220                                       | 204,239                                       | 207,302                                       | 210,412                                       |
| Credit Card Processing Fees   | (501,926)                          | (569,472)                                     | (586,556)                                     | (604,153)                                     | (622,277)                                     | (640,946)                                     | (660,174)                                     | (679,979)                                     | (700,379)                                     | (721,390)                                     |
| Miscellaneous Revenue   | 35,000                             | 35,525  | 36,058  | 36,599  | 37,148  | 37,705  | 38,271  | 38,845  | 39,427  | 40,019  |
| <b>Sales, service charges and fees</b>                                      | <b>23,763,256</b>                  | <b>24,424,686</b>                             | <b>24,728,935</b>                             | <b>25,036,955</b>                             | <b>25,403,447</b>                             | <b>25,775,165</b>                             | <b>26,152,178</b>                             | <b>26,534,558</b>                             | <b>26,922,377</b>                             | <b>27,315,707</b>                             |
| <b>Operating expenses:</b>  |                                    |   |   |   |   |   |   |   |   |   |
| Salaries and employee benefits  | 4,023,879                          | 4,144,596                                     | 4,268,934                                     | 4,397,002                                     | 4,528,912                                     | 4,664,779                                     | 4,804,723                                     | 4,948,864                                     | 5,097,330                                     | 5,250,250                                     |
| Materials & Supplies  | 153,523 #2                         | 237,463 #3                                    | 244,587                                       | 251,924                                       | 259,482                                       | 267,267                                       | 275,285                                       | 283,543                                       | 292,049                                       | 300,811                                       |
| Contractual Services  | 2,891,606 #2                       | 3,103,354 #3                                  | 3,196,455                                     | 3,292,348                                     | 3,391,119                                     | 3,492,852                                     | 3,597,638                                     | 3,705,567                                     | 3,816,734                                     | 3,931,236                                     |
| Internal Service Charges  | 6,762,753                          | 6,965,636                                     | 7,174,605                                     | 7,389,843                                     | 7,611,538                                     | 7,839,884                                     | 8,075,081                                     | 8,317,333                                     | 8,566,853                                     | 8,823,859                                     |
| Heat Light & Power  | 784,974                            | 808,523                                       | 832,779                                       | 857,762                                       | 883,495                                       | 910,000                                       | 937,300                                       | 965,419                                       | 994,382                                       | 1,024,213                                     |
| Capital Outlay  | 14,857                             | 15,303  | 15,762  | 16,235  | 16,722  | 17,223  | 17,740  | 18,272  | 18,820  | 19,385  |
| Bad Debt Expense  | 457                                | 471   | 485   | 500   | 515   | 530   | 546   | 562   | 579   | 597   |
| Depreciation  | 6,709,075                          | 6,709,075                                     | 6,709,075                                     | 6,709,075                                     | 6,709,075                                     | 6,709,075                                     | 6,709,075                                     | 6,709,075                                     | 6,709,075                                     | 6,709,075                                     |
| Amortization of issuance costs  | 102,287                            | 102,287                                       | 102,287                                       | 102,287                                       | 102,287                                       | 102,287                                       | 102,287                                       | 102,287                                       | 102,287                                       | 102,287                                       |
| <b>Total operating expenses</b>   | <b>21,443,412</b>                  | <b>22,086,707</b>                             | <b>22,544,968</b>                             | <b>23,016,976</b>                             | <b>23,503,144</b>                             | <b>24,003,898</b>                             | <b>24,519,674</b>                             | <b>25,050,923</b>                             | <b>25,598,110</b>                             | <b>26,161,712</b>                             |
| <b>Operating income (loss)</b>  | <b>2,319,844</b>                   | <b>2,337,978</b>                              | <b>2,183,967</b>                              | <b>2,019,979</b>                              | <b>1,900,303</b>                              | <b>1,771,267</b>                              | <b>1,632,504</b>                              | <b>1,483,635</b>                              | <b>1,324,267</b>                              | <b>1,153,994</b>                              |
| <b>Nonoperating revenues (expenses):</b>                                    |                                    |   |   |   |   |   |   |   |   |   |
| Investment revenue  | 349,297                            | 35,661  | 8,219   | —   | —   | —   | —   | —   | —   | —   |
| Net change in fair value of investments                                     | —                                  | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| Interest expense  | (7,388,341)                        | (6,993,566)                                   | (6,472,607)                                   | (6,078,857)                                   | (5,674,612)                                   | (5,379,297)                                   | (5,064,606)                                   | (4,722,779)                                   | (4,369,407)                                   | (4,035,915)                                   |
| Intergovernmental revenue   | 464,687                            | 445,918                                       | 405,311                                       | 399,851                                       | 394,197                                       | 388,298                                       | 382,156                                       | 374,173                                       | 367,495                                       | 360,524                                       |
| Other revenue (expense)   | 250,000                            | 250,000                                       | 250,000                                       | 250,000                                       | 250,000                                       | 250,000                                       | 250,000                                       | 250,000                                       | 250,000                                       | 250,000                                       |
| <b>Total nonoperating revenues (expenses)</b>                               | <b>(6,324,357)</b>                 | <b>(6,261,987)</b>                            | <b>(5,809,076)</b>                            | <b>(5,429,005)</b>                            | <b>(5,030,416)</b>                            | <b>(4,740,999)</b>                            | <b>(4,432,451)</b>                            | <b>(4,098,606)</b>                            | <b>(3,751,912)</b>                            | <b>(3,425,392)</b>                            |
| <b>Income (loss) before contributions and operating transfers</b>           | <b>(4,004,513)</b>                 | <b>(3,924,009)</b>                            | <b>(3,625,109)</b>                            | <b>(3,409,026)</b>                            | <b>(3,130,113)</b>                            | <b>(2,969,732)</b>                            | <b>(2,799,946)</b>                            | <b>(2,614,971)</b>                            | <b>(2,427,645)</b>                            | <b>(2,271,397)</b>                            |
| <b>Transfers in</b>   | <b>—</b>                           | <b>—</b>                                      | <b>—</b>                                      | <b>—</b>                                      | <b>—</b>                                      | <b>—</b>                                      | <b>—</b>                                      | <b>—</b>                                      | <b>—</b>                                      | <b>—</b>                                      |
| <b>Transfers out</b>  | <b>(1,539,500)</b>                 | <b>—</b>                                      |
| <b>Change in net assets</b>   | <b>(5,544,013)</b>                 | <b>(3,924,009)</b>                            | <b>(3,625,109)</b>                            | <b>(3,409,026)</b>                            | <b>(3,130,113)</b>                            | <b>(2,969,732)</b>                            | <b>(2,799,946)</b>                            | <b>(2,614,971)</b>                            | <b>(2,427,645)</b>                            | <b>(2,271,397)</b>                            |
| <b>Net assets, July 1</b>   | <b>31,481,038</b>                  | <b>25,937,025</b>                             | <b>22,013,016</b>                             | <b>18,387,907</b>                             | <b>14,978,881</b>                             | <b>11,848,768</b>                             | <b>8,879,036</b>                              | <b>6,079,090</b>                              | <b>3,464,119</b>                              | <b>1,036,474</b>                              |
| <b>Net assets, June 30</b>  | <b>\$ 25,937,025</b>               | <b>22,013,016</b>                             | <b>18,387,907</b>                             | <b>14,978,881</b>                             | <b>11,848,768</b>                             | <b>8,879,036</b>                              | <b>6,079,090</b>                              | <b>3,464,119</b>                              | <b>1,036,474</b>                              | <b>(1,234,923)</b>                            |

**Parking Authority Current Base Operations with No General Fund Subsidy**  
(\$5 million shortfall)

|  | Budgeted<br>FY Ending<br>6/30/2012 | Projected<br>Budget<br>FY Ending<br>6/30/2013 | Projected<br>Budget<br>FY Ending<br>6/30/2014 | Projected<br>Budget<br>FY Ending<br>6/30/2015 | Projected<br>Budget<br>FY Ending<br>6/30/2016 | Projected<br>Budget<br>FY Ending<br>6/30/2017 | Projected<br>Budget<br>FY Ending<br>6/30/2018 | Projected<br>Budget<br>FY Ending<br>6/30/2019 | Projected<br>Budget<br>FY Ending<br>6/30/2020 | Projected<br>Budget<br>FY Ending<br>6/30/2021 |
|--|------------------------------------|---|---|---|---|---|---|---|---|---|
| <b>Parking Authority Cash Flow - Where Funds Come From</b>   |                                    |   |   |   |   |   |   |   |   |   |
| Proceeds from operations                                     |                                    |   |   |   |   |   |   |   |   |   |
| Operating Income   | 2,319,844                          | 2,337,978                                     | 2,183,967                                     | 2,019,979                                     | 1,900,303                                     | 1,771,267                                     | 1,632,504                                     | 1,483,635                                     | 1,324,267                                     | 1,153,994                                     |
| Cash or equivalents from depreciation & amortization         | 6,811,362                          | 6,811,362                                     | 6,811,362                                     | 6,811,362                                     | 6,811,362                                     | 6,811,362                                     | 6,811,362                                     | 6,811,362                                     | 6,811,362                                     | 6,811,362                                     |
| Changes in cash from (increase) decrease in receivables etc. | —                                  | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| <b>Net cash provided by operating activities</b>             | <b>9,131,206</b>                   | <b>9,149,340</b>                              | <b>8,995,329</b>                              | <b>8,831,341</b>                              | <b>8,711,665</b>                              | <b>8,582,629</b>                              | <b>8,443,866</b>                              | <b>8,294,997</b>                              | <b>8,135,629</b>                              | <b>7,965,356</b>                              |
| Proceeds from Investment Activity                            |                                    |   |   |   |   |   |   |   |   |   |
| Interest earnings  | 349,297                            | 35,661  | 8,219   | —   | —   | —   | —   | —   | —   | —   |
| Decrease in Interest Receivable (cash received)              | —                                  | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| <b>Net cash provided by Investment Activities</b>            | <b>349,297</b>                     | <b>35,661</b>                                 | <b>8,219</b>                                  | <b>—</b>                                      |
| Cash received from financing                                 |                                    |   |   |   |   |   |   |   |   |   |
| Grant receipts and other revenue                             | 464,687                            | 445,918                                       | 405,311                                       | 399,851                                       | 394,197                                       | 388,298                                       | 382,156                                       | 374,173                                       | 367,495                                       | 360,524                                       |
| Cash received from other funds                               | —                                  | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| Cash received from unfunded liabilities                      | —                                  | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| Cash Received from debt financing                            | —                                  | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| Cash contribution received from others (Annenberg)           | —                                  | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| Cash received from interfund loans                           | —                                  | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| <b>Net cash provided from financings</b>                     | <b>464,687</b>                     | <b>445,918</b>                                | <b>405,311</b>                                | <b>399,851</b>                                | <b>394,197</b>                                | <b>388,298</b>                                | <b>382,156</b>                                | <b>374,173</b>                                | <b>367,495</b>                                | <b>360,524</b>                                |
| <b>Parking Authority Cash Flow - How Funds Are Used</b>      |                                    |   |   |   |   |   |   |   |   |   |
| Cash paid to fund unfunded liabilities                       | —                                  | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| Cash paid to other funds                                     | (9,539,500)                        | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| Payment of bond issue costs                                  | —                                  | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| Payments to defeased bonds escrow trustee                    | —                                  | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| Cash paid for capital projects (construction)                | (29,363,681)                       | (1,336,515)                                   | (702,845)                                     | (1,572,350)                                   | (627,300)                                     | (629,300)                                     | (973,550)                                     | (973,550)                                     | (973,550)                                     | (973,550)                                     |
| Cash Principal payment on interfund loans                    | (2,467,955)                        | (2,612,544)                                   | (2,765,616)                                   | (2,927,671)                                   | (3,099,234)                                   | (3,280,867)                                   | (3,473,159)                                   | (3,676,739)                                   | (3,100,158)                                   | (3,280,814)                                   |
| Cash Interest payments on interfund loans                    | (3,434,906)                        | (3,290,318)                                   | (3,137,245)                                   | (2,975,191)                                   | (2,803,627)                                   | (2,621,995)                                   | (2,429,702)                                   | (2,226,123)                                   | (2,010,593)                                   | (1,829,938)                                   |
| Cash Principal payment on debt issues                        | (6,001,244)                        | (8,375,766)                                   | (4,960,007)                                   | (4,920,106)                                   | (2,830,908)                                   | (2,945,568)                                   | (3,066,924)                                   | (3,203,675)                                   | (3,342,837)                                   | (3,055,685)                                   |
| Cash Interest payments on debt issues                        | (3,953,434)                        | (3,703,249)                                   | (3,335,361)                                   | (3,103,666)                                   | (2,870,985)                                   | (2,757,302)                                   | (2,634,904)                                   | (2,496,656)                                   | (2,358,813)                                   | (2,205,978)                                   |
| <b>Net cash used by business activities</b>                  | <b>(54,760,722)</b>                | <b>(19,318,392)</b>                           | <b>(14,901,076)</b>                           | <b>(15,498,983)</b>                           | <b>(12,232,055)</b>                           | <b>(12,235,032)</b>                           | <b>(12,578,240)</b>                           | <b>(12,576,743)</b>                           | <b>(11,785,952)</b>                           | <b>(11,345,965)</b>                           |
| <b>Net increase (decrease) in cash and cash equivalents</b>  | <b>(44,815,532)</b>                | <b>(9,687,473)</b>                            | <b>(5,492,216)</b>                            | <b>(6,267,791)</b>                            | <b>(3,126,194)</b>                            | <b>(3,264,105)</b>                            | <b>(3,752,218)</b>                            | <b>(3,907,573)</b>                            | <b>(3,282,828)</b>                            | <b>(3,020,085)</b>                            |
| Cash and cash equivalents July 1                             | 46,572,948                         | 1,757,416                                     | (7,930,057)                                   | (13,422,273)                                  | (19,690,064)                                  | (22,816,258)                                  | (26,080,363)                                  | (29,832,580)                                  | (33,740,153)                                  | (37,022,981)                                  |
| Cash and cash equivalents June 30                            | 1,757,416                          | (7,930,057)                                   | (13,422,273)                                  | (19,690,064)                                  | (22,816,258)                                  | (26,080,363)                                  | (29,832,580)                                  | (33,740,153)                                  | (37,022,981)                                  | (40,043,066)                                  |

## Parking Authority Operations with General Fund Subsidy but No New Financing

|   | Budgeted<br>FY Ending<br>6/30/2012 | Projected<br>Budget<br>FY Ending<br>6/30/2013 | Projected<br>Budget<br>FY Ending<br>6/30/2014 | Projected<br>Budget<br>FY Ending<br>6/30/2015 | Projected<br>Budget<br>FY Ending<br>6/30/2016 | Projected<br>Budget<br>FY Ending<br>6/30/2017 | Projected<br>Budget<br>FY Ending<br>6/30/2018 | Projected<br>Budget<br>FY Ending<br>6/30/2019 | Projected<br>Budget<br>FY Ending<br>6/30/2020 | Projected<br>Budget<br>FY Ending<br>6/30/2021 |
|---|------------------------------------|---|---|---|---|---|---|---|---|---|
| <b>Parking Authority Statement of Revenues, Expenditures and Net Assets</b> |                                    |   |   |   |   |   |   |   |   |   |
| <b>Operating revenues –</b>   |                                    |   |   |   |   |   |   |   |   |   |
| Hourly Parking  | \$ 5,439,895                       | 5,753,255                                     | 5,839,554                                     | 5,927,147                                     | 6,016,054                                     | 6,106,295                                     | 6,197,890                                     | 6,290,858                                     | 6,385,221                                     | 6,480,999                                     |
| Monthly Parking   | 2,214,616                          | 2,376,486                                     | 2,412,134                                     | 2,448,316                                     | 2,485,040                                     | 2,522,316                                     | 2,560,151                                     | 2,598,553                                     | 2,637,531                                     | 2,677,094                                     |
| Meter Parking   | 4,800,000                          | 4,872,000                                     | 4,945,080                                     | 5,019,256                                     | 5,094,545                                     | 5,170,963                                     | 5,248,528                                     | 5,327,256                                     | 5,407,164                                     | 5,488,272                                     |
| Tenant Lease Payments   | 10,557,517                         | 10,715,880                                    | 10,823,039                                    | 10,931,269                                    | 11,095,238                                    | 11,261,667                                    | 11,430,592                                    | 11,602,051                                    | 11,776,081                                    | 11,952,723                                    |
| Development Fees (Montage)  | 1,034,810                          | 1,054,227                                     | 1,070,040                                     | 1,086,091                                     | 1,102,382                                     | 1,118,918                                     | 1,135,702                                     | 1,152,737                                     | 1,170,028                                     | 1,187,579                                     |
| Parking Meter Collection Services (West Hollywood)                          | 183,345                            | 186,785                                       | 189,587                                       | 192,431                                       | 195,317                                       | 198,247                                       | 201,220                                       | 204,239                                       | 207,302                                       | 210,412                                       |
| Credit Card Processing Fees   | (501,926)                          | (569,472)                                     | (586,556)                                     | (604,153)                                     | (622,277)                                     | (640,946)                                     | (660,174)                                     | (679,979)                                     | (700,379)                                     | (721,390)                                     |
| Miscellaneous Revenue   | 35,000                             | 35,525  | 36,058  | 36,599  | 37,148  | 37,705  | 38,271  | 38,845  | 39,427  | 40,019  |
| <b>Sales, service charges and fees</b>                                      | <b>23,763,256</b>                  | <b>24,424,686</b>                             | <b>24,728,935</b>                             | <b>25,036,955</b>                             | <b>25,403,447</b>                             | <b>25,775,165</b>                             | <b>26,152,178</b>                             | <b>26,534,558</b>                             | <b>26,922,377</b>                             | <b>27,315,707</b>                             |
| <b>Operating expenses:</b>  |                                    |   |   |   |   |   |   |   |   |   |
| Salaries and employee benefits  | 4,023,879                          | 4,144,596                                     | 4,268,934                                     | 4,397,002                                     | 4,528,912                                     | 4,664,779                                     | 4,804,723                                     | 4,948,864                                     | 5,097,330                                     | 5,250,250                                     |
| Materials & Supplies  | 153,523 #2                         | 237,463 #3                                    | 244,587                                       | 251,924                                       | 259,482                                       | 267,267                                       | 275,285                                       | 283,543                                       | 292,049                                       | 300,811                                       |
| Contractual Services  | 2,891,606 #2                       | 3,103,354 #3                                  | 3,196,455                                     | 3,292,348                                     | 3,391,119                                     | 3,492,852                                     | 3,597,638                                     | 3,705,567                                     | 3,816,734                                     | 3,931,236                                     |
| Internal Service Charges  | 6,762,753                          | 6,965,636                                     | 7,174,605                                     | 7,389,843                                     | 7,611,538                                     | 7,839,884                                     | 8,075,081                                     | 8,317,333                                     | 8,566,853                                     | 8,823,859                                     |
| Heat Light & Power  | 784,974                            | 808,523                                       | 832,779                                       | 857,762                                       | 883,495                                       | 910,000                                       | 937,300                                       | 965,419                                       | 994,382                                       | 1,024,213                                     |
| Capital Outlay  | 14,857                             | 15,303  | 15,762  | 16,235  | 16,722  | 17,223  | 17,740  | 18,272  | 18,820  | 19,385  |
| Bad Debt Expense  | 457                                | 471   | 485   | 500   | 515   | 530   | 546   | 562   | 579   | 597   |
| Depreciation  | 6,709,075                          | 6,709,075                                     | 6,709,075                                     | 6,709,075                                     | 6,709,075                                     | 6,709,075                                     | 6,709,075                                     | 6,709,075                                     | 6,709,075                                     | 6,709,075                                     |
| Amortization of issuance costs  | 102,287                            | 102,287                                       | 102,287                                       | 102,287                                       | 102,287                                       | 102,287                                       | 102,287                                       | 102,287                                       | 102,287                                       | 102,287                                       |
| <b>Total operating expenses</b>   | <b>21,443,412</b>                  | <b>22,086,707</b>                             | <b>22,544,968</b>                             | <b>23,016,976</b>                             | <b>23,503,144</b>                             | <b>24,003,898</b>                             | <b>24,519,674</b>                             | <b>25,050,923</b>                             | <b>25,598,110</b>                             | <b>26,161,712</b>                             |
| <b>Operating income (loss)</b>  | <b>2,319,844</b>                   | <b>2,337,978</b>                              | <b>2,183,967</b>                              | <b>2,019,979</b>                              | <b>1,900,303</b>                              | <b>1,771,267</b>                              | <b>1,632,504</b>                              | <b>1,483,635</b>                              | <b>1,324,267</b>                              | <b>1,153,994</b>                              |
| <b>Nonoperating revenues (expenses):</b>                                    |                                    |   |   |   |   |   |   |   |   |   |
| Investment revenue  | 349,297                            | 35,661  | 8,219   | —   | —   | —   | —   | —   | —   | —   |
| Net change in fair value of investments                                     | —                                  | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| Interest expense  | (7,388,341)                        | (6,993,566)                                   | (6,472,607)                                   | (6,078,857)                                   | (5,674,612)                                   | (5,379,297)                                   | (5,064,606)                                   | (4,722,779)                                   | (4,369,407)                                   | (4,035,915)                                   |
| Intergovernmental revenue   | 464,687                            | 445,918                                       | 405,311                                       | 399,851                                       | 394,197                                       | 388,298                                       | 382,156                                       | 374,173                                       | 367,495                                       | 360,524                                       |
| Other revenue (expense)   | 250,000                            | 250,000                                       | 250,000                                       | 250,000                                       | 250,000                                       | 250,000                                       | 250,000                                       | 250,000                                       | 250,000                                       | 250,000                                       |
| <b>Total nonoperating revenues (expenses)</b>                               | <b>(6,324,357)</b>                 | <b>(6,261,987)</b>                            | <b>(5,809,076)</b>                            | <b>(5,429,005)</b>                            | <b>(5,030,416)</b>                            | <b>(4,740,999)</b>                            | <b>(4,432,451)</b>                            | <b>(4,098,606)</b>                            | <b>(3,751,912)</b>                            | <b>(3,425,392)</b>                            |
| <b>Income (loss) before contributions and operating transfers</b>           | <b>(4,004,513)</b>                 | <b>(3,924,009)</b>                            | <b>(3,625,109)</b>                            | <b>(3,409,026)</b>                            | <b>(3,130,113)</b>                            | <b>(2,969,732)</b>                            | <b>(2,799,946)</b>                            | <b>(2,614,971)</b>                            | <b>(2,427,645)</b>                            | <b>(2,271,397)</b>                            |
| <b>Transfers in</b>   | <b>5,000,000</b>                   | <b>5,000,000</b>                              | <b>5,000,000</b>                              | <b>4,800,000</b>                              | <b>3,700,000</b>                              | <b>3,500,000</b>                              | <b>3,400,000</b>                              | <b>3,400,000</b>                              | <b>3,400,000</b>                              | <b>3,000,000</b>                              |
| <b>Transfers out</b>  | <b>(1,539,500)</b>                 | <b>—</b>                                      |
| <b>Change in net assets</b>   | <b>(544,013)</b>                   | <b>1,075,991</b>                              | <b>1,374,891</b>                              | <b>1,390,974</b>                              | <b>569,887</b>                                | <b>530,268</b>                                | <b>600,054</b>                                | <b>785,029</b>                                | <b>972,355</b>                                | <b>728,603</b>                                |
| <b>Net assets, July 1</b>   | <b>31,481,038</b>                  | <b>30,937,025</b>                             | <b>32,013,016</b>                             | <b>33,387,907</b>                             | <b>34,778,881</b>                             | <b>35,348,768</b>                             | <b>35,879,036</b>                             | <b>36,479,090</b>                             | <b>37,264,119</b>                             | <b>38,236,474</b>                             |
| <b>Net assets, June 30</b>  | <b>\$ 30,937,025</b>               | <b>32,013,016</b>                             | <b>33,387,907</b>                             | <b>34,778,881</b>                             | <b>35,348,768</b>                             | <b>35,879,036</b>                             | <b>36,479,090</b>                             | <b>37,264,119</b>                             | <b>38,236,474</b>                             | <b>38,965,077</b>                             |

## Parking Authority Operations with General Fund Subsidy but No New Financing

|  | Budgeted<br>FY Ending<br>6/30/2012 | Projected<br>Budget<br>FY Ending<br>6/30/2013 | Projected<br>Budget<br>FY Ending<br>6/30/2014 | Projected<br>Budget<br>FY Ending<br>6/30/2015 | Projected<br>Budget<br>FY Ending<br>6/30/2016 | Projected<br>Budget<br>FY Ending<br>6/30/2017 | Projected<br>Budget<br>FY Ending<br>6/30/2018 | Projected<br>Budget<br>FY Ending<br>6/30/2019 | Projected<br>Budget<br>FY Ending<br>6/30/2020 | Projected<br>Budget<br>FY Ending<br>6/30/2021 |
|--|------------------------------------|---|---|---|---|---|---|---|---|---|
| <b>Parking Authority Cash Flow - Where Funds Come From</b>                   |                                    |   |   |   |   |   |   |   |   |   |
| Proceeds from operations   |                                    |   |   |   |   |   |   |   |   |   |
| Operating Income   | 2,319,844                          | 2,337,978                                     | 2,183,967                                     | 2,019,979                                     | 1,900,303                                     | 1,771,267                                     | 1,632,504                                     | 1,483,635                                     | 1,324,267                                     | 1,153,994                                     |
| Cash or equivalents from depreciation & amortization                         | 6,811,362                          | 6,811,362                                     | 6,811,362                                     | 6,811,362                                     | 6,811,362                                     | 6,811,362                                     | 6,811,362                                     | 6,811,362                                     | 6,811,362                                     | 6,811,362                                     |
| Changes in cash from (increase) decrease in receivables etc.                 | —                                  | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| <b>Net cash provided by operating activities</b>                             | <b>9,131,206</b>                   | <b>9,149,340</b>                              | <b>8,995,329</b>                              | <b>8,831,341</b>                              | <b>8,711,665</b>                              | <b>8,582,629</b>                              | <b>8,443,866</b>                              | <b>8,294,997</b>                              | <b>8,135,629</b>                              | <b>7,965,356</b>                              |
| Proceeds from Investment Activity  |                                    |   |   |   |   |   |   |   |   |   |
| Interest earnings  | 349,297                            | 35,661  | 8,219   | —   | —   | —   | —   | —   | —   | —   |
| Decrease in Interest Receivable (cash received)                              | —                                  | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| <b>Net cash provided by Investment Activities</b>                            | <b>349,297</b>                     | <b>35,661</b>                                 | <b>8,219</b>                                  | <b>—</b>                                      |
| Cash received from financing   |                                    |   |   |   |   |   |   |   |   |   |
| Grant receipts and other revenue   | 464,687                            | 445,918                                       | 405,311                                       | 399,851                                       | 394,197                                       | 388,298                                       | 382,156                                       | 374,173                                       | 367,495                                       | 360,524                                       |
| Cash received from other funds   | 5,000,000                          | 5,000,000                                     | 5,000,000                                     | 4,800,000                                     | 3,700,000                                     | 3,500,000                                     | 3,400,000                                     | 3,400,000                                     | 3,400,000                                     | 3,000,000                                     |
| Cash received from unfunded liabilities                                      | —                                  | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| Cash Received from debt financing  | —                                  | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| Cash contribution received from others (Annenberg)                           | —                                  | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| Cash received from interfund loans   | —                                  | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| <b>Net cash provided from financings</b>                                     | <b>5,464,687</b>                   | <b>5,445,918</b>                              | <b>5,405,311</b>                              | <b>5,199,851</b>                              | <b>4,094,197</b>                              | <b>3,888,298</b>                              | <b>3,782,156</b>                              | <b>3,774,173</b>                              | <b>3,767,495</b>                              | <b>3,360,524</b>                              |
| <b>Parking Authority Cash Flow - How Funds Are Used</b>                      |                                    |   |   |   |   |   |   |   |   |   |
| Cash paid to fund unfunded liabilities                                       | —                                  | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| Cash paid to other funds   | (9,539,500)                        | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| Payment of bond issue costs  | —                                  | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| Payments to defeased bonds escrow trustee                                    | —                                  | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| Cash paid for capital projects (construction)                                | (29,363,681)                       | (1,336,515)                                   | (702,845)                                     | (1,572,350)                                   | (627,300)                                     | (629,300)                                     | (973,550)                                     | (973,550)                                     | (973,550)                                     | (973,550)                                     |
| Cash Principal payment on interfund loans                                    | (2,467,955)                        | (2,612,544)                                   | (2,765,616)                                   | (2,927,671)                                   | (3,099,234)                                   | (3,280,867)                                   | (3,473,159)                                   | (3,676,739)                                   | (3,100,158)                                   | (3,280,814)                                   |
| Cash Interest payments on interfund loans                                    | (3,434,906)                        | (3,290,318)                                   | (3,137,245)                                   | (2,975,191)                                   | (2,803,627)                                   | (2,621,995)                                   | (2,429,702)                                   | (2,226,123)                                   | (2,010,593)                                   | (1,829,938)                                   |
| Cash Principal payment on debt issues  | (6,001,244)                        | (8,375,766)                                   | (4,960,007)                                   | (4,920,106)                                   | (2,830,908)                                   | (2,945,568)                                   | (3,066,924)                                   | (3,203,675)                                   | (3,342,837)                                   | (3,055,685)                                   |
| Cash Interest payments on debt issues  | (3,953,434)                        | (3,703,249)                                   | (3,335,361)                                   | (3,103,666)                                   | (2,870,985)                                   | (2,757,302)                                   | (2,634,904)                                   | (2,496,656)                                   | (2,358,813)                                   | (2,205,978)                                   |
| <b>Net cash used by business activities</b>                                  | <b>(54,760,722)</b>                | <b>(19,318,392)</b>                           | <b>(14,901,076)</b>                           | <b>(15,498,983)</b>                           | <b>(12,232,055)</b>                           | <b>(12,235,032)</b>                           | <b>(12,578,240)</b>                           | <b>(12,576,743)</b>                           | <b>(11,785,952)</b>                           | <b>(11,345,965)</b>                           |
| <b>Net increase (decrease) in cash and cash equivalents</b>                  | <b>(39,815,532)</b>                | <b>(4,687,473)</b>                            | <b>(492,216)</b>                              | <b>(1,467,791)</b>                            | <b>573,806</b>                                | <b>235,895</b>                                | <b>(352,218)</b>                              | <b>(507,573)</b>                              | <b>117,172</b>                                | <b>(20,085)</b>                               |
| Cash and cash equivalents July 1   | 46,572,948                         | 6,757,416                                     | 2,069,943                                     | 1,577,727                                     | 109,936                                       | 683,742                                       | 919,637                                       | 567,420                                       | 59,847  | 177,019                                       |
| Cash and cash equivalents June 30  | 6,757,416                          | 2,069,943                                     | 1,577,727                                     | 109,936                                       | 683,742                                       | 919,637                                       | 567,420                                       | 59,847  | 177,019                                       | 156,934                                       |
| <b>What we should have spent or set aside for infrastructure maintenance</b> |                                    |   |   |   |   |   |   |   |   |   |
| <b>Net increase (decrease) in cash and cash equivalents</b>                  | <b>(39,815,532)</b>                | <b>(4,687,473)</b>                            | <b>(492,216)</b>                              | <b>(1,467,791)</b>                            | <b>573,806</b>                                | <b>235,895</b>                                | <b>(352,218)</b>                              | <b>(507,573)</b>                              | <b>117,172</b>                                | <b>(20,085)</b>                               |
| <b>Adjusted Cash and cash equivalents July 1</b>                             | <b>40,722,948</b>                  | <b>(5,092,584)</b>                            | <b>(12,355,057)</b>                           | <b>(17,449,273)</b>                           | <b>(19,717,064)</b>                           | <b>(19,943,258)</b>                           | <b>(20,507,363)</b>                           | <b>(21,659,580)</b>                           | <b>(22,967,153)</b>                           | <b>(23,649,981)</b>                           |
| Expenditure to bring infrastructure maintenance current                      | (5,200,000)                        | (1,775,000)                                   | (3,802,000)                                   | —   | —   | —   | —   | —   | —   | —   |
| Set aside or additional maintenance  | (800,000)                          | (800,000)                                     | (800,000)                                     | (800,000)                                     | (800,000)                                     | (800,000)                                     | (800,000)                                     | (800,000)                                     | (800,000)                                     | (800,000)                                     |
| <b>Adjusted Cash and Cash equivalents June 30</b>                            | <b>(5,092,584)</b>                 | <b>(12,355,057)</b>                           | <b>(17,449,273)</b>                           | <b>(19,717,064)</b>                           | <b>(19,943,258)</b>                           | <b>(20,507,363)</b>                           | <b>(21,659,580)</b>                           | <b>(22,967,153)</b>                           | <b>(23,649,981)</b>                           | <b>(24,470,066)</b>                           |

## Parking Authority Operations with General Fund Subsidy and New Financing

|  | Projected<br>Budget<br>FY Ending<br>6/30/2012 | Projected<br>Budget<br>FY Ending<br>6/30/2013 | Projected<br>Budget<br>FY Ending<br>6/30/2014 | Projected<br>Budget<br>FY Ending<br>6/30/2015 | Projected<br>Budget<br>FY Ending<br>6/30/2016 | Projected<br>Budget<br>FY Ending<br>6/30/2017 | Projected<br>Budget<br>FY Ending<br>6/30/2018 | Projected<br>Budget<br>FY Ending<br>6/30/2019 | Projected<br>Budget<br>FY Ending<br>6/30/2020 | Projected<br>Budget<br>FY Ending<br>6/30/2021 |
|--|---|---|---|---|---|---|---|---|---|---|
|--|---|---|---|---|---|---|---|---|---|---|

### Parking Authority Statement of Revenues, Expenditures and Net Assets

|   |                      |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|---|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Operating revenues –</b>                                       |                      |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Hourly Parking  | \$ 5,439,895         | 5,753,255          | 5,839,554          | 5,927,147          | 6,016,054          | 6,106,295          | 6,197,890          | 6,290,858          | 6,385,221          | 6,480,999          |
| Monthly Parking   | 2,214,616            | 2,376,486          | 2,412,134          | 2,448,316          | 2,485,040          | 2,522,316          | 2,560,151          | 2,598,553          | 2,637,531          | 2,677,094          |
| Meter Parking   | 4,800,000            | 4,872,000          | 4,945,080          | 5,019,256          | 5,094,545          | 5,170,963          | 5,248,528          | 5,327,256          | 5,407,164          | 5,488,272          |
| Tenant Lease Payments   | 10,557,517           | 10,715,880         | 10,823,039         | 10,931,269         | 11,095,238         | 11,261,667         | 11,430,592         | 11,602,051         | 11,776,081         | 11,952,723         |
| Development Fees (Montage)  | 1,034,810            | 1,054,227          | 1,070,040          | 1,086,091          | 1,102,382          | 1,118,918          | 1,135,702          | 1,152,737          | 1,170,028          | 1,187,579          |
| Parking Meter Collection Services (West Hollywood)                | 183,345              | 186,785            | 189,587            | 192,431            | 195,317            | 198,247            | 201,220            | 204,239            | 207,302            | 210,412            |
| Credit Card Processing Fees                                       | (501,926)            | (569,472)          | (586,556)          | (604,153)          | (622,277)          | (640,946)          | (660,174)          | (679,979)          | (700,379)          | (721,390)          |
| Miscellaneous Revenue   | 35,000               | 35,525             | 36,058             | 36,599             | 37,148             | 37,705             | 38,271             | 38,845             | 39,427             | 40,019             |
| <b>Sales, service charges and fees</b>                            | <b>23,763,256</b>    | <b>24,424,686</b>  | <b>24,728,935</b>  | <b>25,036,955</b>  | <b>25,403,447</b>  | <b>25,775,165</b>  | <b>26,152,178</b>  | <b>26,534,558</b>  | <b>26,922,377</b>  | <b>27,315,707</b>  |
| <b>Operating expenses:</b>  |                      |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Salaries and employee benefits                                    | 4,023,879            | 4,144,596          | 4,268,934          | 4,397,002          | 4,528,912          | 4,664,779          | 4,804,723          | 4,948,864          | 5,097,330          | 5,250,250          |
| Materials & Supplies  | 153,523 #2           | 237,463 #3         | 244,587            | 251,924            | 259,482            | 267,267            | 275,285            | 283,543            | 292,049            | 300,811            |
| Contractual Services  | 2,891,606 #2         | 3,103,354 #3       | 3,196,455          | 3,292,348          | 3,391,119          | 3,492,852          | 3,597,638          | 3,705,567          | 3,816,734          | 3,931,236          |
| Internal Service Charges  | 6,762,753            | 6,965,636          | 7,174,605          | 7,389,843          | 7,611,538          | 7,839,884          | 8,075,081          | 8,317,333          | 8,566,853          | 8,823,859          |
| Heat Light & Power  | 784,974              | 808,523            | 832,779            | 857,762            | 883,495            | 910,000            | 937,300            | 965,419            | 994,382            | 1,024,213          |
| Capital Outlay  | 14,857               | 15,303             | 15,762             | 16,235             | 16,722             | 17,223             | 17,740             | 18,272             | 18,820             | 19,385             |
| Bad Debt Expense  | 457                  | 471                | 485                | 500                | 515                | 530                | 546                | 562                | 579                | 597                |
| Depreciation  | 6,709,075            | 6,709,075          | 6,709,075          | 6,709,075          | 6,709,075          | 6,709,075          | 6,709,075          | 6,709,075          | 6,709,075          | 6,709,075          |
| Amortization of issuance costs                                    | 102,287              | 102,287            | 102,287            | 102,287            | 102,287            | 102,287            | 102,287            | 102,287            | 102,287            | 102,287            |
| <b>Total operating expenses</b>                                   | <b>21,443,412</b>    | <b>22,086,707</b>  | <b>22,544,968</b>  | <b>23,016,976</b>  | <b>23,503,144</b>  | <b>24,003,898</b>  | <b>24,519,674</b>  | <b>25,050,923</b>  | <b>25,598,110</b>  | <b>26,161,712</b>  |
| <b>Operating income (loss)</b>                                    | <b>2,319,844</b>     | <b>2,337,978</b>   | <b>2,183,967</b>   | <b>2,019,979</b>   | <b>1,900,303</b>   | <b>1,771,267</b>   | <b>1,632,504</b>   | <b>1,483,635</b>   | <b>1,324,267</b>   | <b>1,153,994</b>   |
| <b>Nonoperating revenues (expenses):</b>                          |                      |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Investment revenue  | 349,297              | 35,661             | 195,719            | 184,318            | 157,445            | 158,597            | 155,981            | 146,904            | 133,775            | 116,432            |
| Net change in fair value of investments                           | —                    | —                  | —                  | —                  | —                  | —                  | —                  | —                  | —                  | —                  |
| Interest expense  | (7,388,341)          | (6,993,566)        | (7,472,607)        | (8,043,197)        | (6,638,239)        | (6,323,639)        | (5,988,892)        | (5,626,206)        | (5,251,140)        | (4,895,088)        |
| Intergovernmental revenue   | 464,687              | 445,918            | 405,311            | 399,851            | 394,197            | 388,298            | 382,156            | 374,173            | 367,495            | 360,524            |
| Other revenue (expense)   | 250,000              | 250,000            | 250,000            | 250,000            | 250,000            | 250,000            | 250,000            | 250,000            | 250,000            | 250,000            |
| <b>Total nonoperating revenues (expenses)</b>                     | <b>(6,324,357)</b>   | <b>(6,261,987)</b> | <b>(6,621,576)</b> | <b>(7,209,027)</b> | <b>(5,836,597)</b> | <b>(5,526,744)</b> | <b>(5,200,755)</b> | <b>(4,855,128)</b> | <b>(4,499,870)</b> | <b>(4,168,132)</b> |
| <b>Income (loss) before contributions and operating transfers</b> | <b>(4,004,513)</b>   | <b>(3,924,009)</b> | <b>(4,437,609)</b> | <b>(5,189,048)</b> | <b>(3,936,294)</b> | <b>(3,755,477)</b> | <b>(3,568,251)</b> | <b>(3,371,493)</b> | <b>(3,175,603)</b> | <b>(3,014,137)</b> |
| <b>Transfers in</b>   | <b>5,000,000</b>     | <b>5,000,000</b>   | <b>6,500,000</b>   | <b>6,300,000</b>   | <b>5,200,000</b>   | <b>5,000,000</b>   | <b>4,900,000</b>   | <b>4,900,000</b>   | <b>4,900,000</b>   | <b>4,500,000</b>   |
| <b>Transfers out</b>  | <b>(1,539,500)</b>   | <b>—</b>           |
| <b>Change in net assets</b>                                       | <b>(544,013)</b>     | <b>1,075,991</b>   | <b>2,062,391</b>   | <b>1,110,952</b>   | <b>1,263,706</b>   | <b>1,244,523</b>   | <b>1,331,749</b>   | <b>1,528,507</b>   | <b>1,724,397</b>   | <b>1,485,863</b>   |
| <b>Net assets, July 1</b>   | <b>31,481,038</b>    | <b>30,937,025</b>  | <b>32,013,016</b>  | <b>34,075,407</b>  | <b>35,186,359</b>  | <b>36,450,065</b>  | <b>37,694,588</b>  | <b>39,026,337</b>  | <b>40,554,845</b>  | <b>42,279,241</b>  |
| <b>Net assets, June 30</b>  | <b>\$ 30,937,025</b> | <b>32,013,016</b>  | <b>34,075,407</b>  | <b>35,186,359</b>  | <b>36,450,065</b>  | <b>37,694,588</b>  | <b>39,026,337</b>  | <b>40,554,845</b>  | <b>42,279,241</b>  | <b>43,765,104</b>  |

## Parking Authority Operations with General Fund Subsidy and New Financing

|  | Budgeted<br>FY Ending<br>6/30/2012 | Projected<br>Budget<br>FY Ending<br>6/30/2013 | Projected<br>Budget<br>FY Ending<br>6/30/2014 | Projected<br>Budget<br>FY Ending<br>6/30/2015 | Projected<br>Budget<br>FY Ending<br>6/30/2016 | Projected<br>Budget<br>FY Ending<br>6/30/2017 | Projected<br>Budget<br>FY Ending<br>6/30/2018 | Projected<br>Budget<br>FY Ending<br>6/30/2019 | Projected<br>Budget<br>FY Ending<br>6/30/2020 | Projected<br>Budget<br>FY Ending<br>6/30/2021 |
|--|------------------------------------|---|---|---|---|---|---|---|---|---|
| <b>Parking Authority Cash Flow - Where Funds Come From</b>   |                                    |   |   |   |   |   |   |   |   |   |
| Proceeds from operations                                     |                                    |   |   |   |   |   |   |   |   |   |
| Operating Income   | 2,319,844                          | 2,337,978                                     | 2,183,967                                     | 2,019,979                                     | 1,900,303                                     | 1,771,267                                     | 1,632,504                                     | 1,483,635                                     | 1,324,267                                     | 1,153,994                                     |
| Cash or equivalents from depreciation & amortization         | 6,811,362                          | 6,811,362                                     | 6,811,362                                     | 6,811,362                                     | 6,811,362                                     | 6,811,362                                     | 6,811,362                                     | 6,811,362                                     | 6,811,362                                     | 6,811,362                                     |
| Changes in cash from (increase) decrease in receivables etc. | —                                  | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| <b>Net cash provided by operating activities</b>             | <b>9,131,206</b>                   | <b>9,149,340</b>                              | <b>8,995,329</b>                              | <b>8,831,341</b>                              | <b>8,711,665</b>                              | <b>8,582,629</b>                              | <b>8,443,866</b>                              | <b>8,294,997</b>                              | <b>8,135,629</b>                              | <b>7,965,356</b>                              |
| Proceeds from Investment Activity                            |                                    |   |   |   |   |   |   |   |   |   |
| Interest earnings  | 349,297                            | 35,661  | 195,719                                       | 184,318                                       | 157,445                                       | 158,597                                       | 155,981                                       | 146,904                                       | 133,775                                       | 116,432                                       |
| Decrease in Interest Receivable (cash received)              | —                                  | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| <b>Net cash provided by Investment Activities</b>            | <b>349,297</b>                     | <b>35,661</b>                                 | <b>195,719</b>                                | <b>184,318</b>                                | <b>157,445</b>                                | <b>158,597</b>                                | <b>155,981</b>                                | <b>146,904</b>                                | <b>133,775</b>                                | <b>116,432</b>                                |
| Cash received from financing                                 |                                    |   |   |   |   |   |   |   |   |   |
| Grant receipts and other revenue                             | 464,687                            | 445,918                                       | 405,311                                       | 399,851                                       | 394,197                                       | 388,298                                       | 382,156                                       | 374,173                                       | 367,495                                       | 360,524                                       |
| Cash received from other funds                               | 5,000,000                          | 5,000,000                                     | 6,500,000                                     | 6,300,000                                     | 5,200,000                                     | 5,000,000                                     | 4,900,000                                     | 4,900,000                                     | 4,900,000                                     | 4,500,000                                     |
| Cash received from unfunded liabilities                      | —                                  | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| Cash Received from debt financing                            | —                                  | 25,000,000                                    | —   | —   | —   | —   | —   | —   | —   | —   |
| Cash contribution received from others (Annenberg)           | —                                  | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| Cash received from interfund loans                           | —                                  | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| <b>Net cash provided from financings</b>                     | <b>5,464,687</b>                   | <b>30,445,918</b>                             | <b>6,905,311</b>                              | <b>6,699,851</b>                              | <b>5,594,197</b>                              | <b>5,388,298</b>                              | <b>5,282,156</b>                              | <b>5,274,173</b>                              | <b>5,267,495</b>                              | <b>4,860,524</b>                              |
| <b>Parking Authority Cash Flow - How Funds Are Used</b>      |                                    |   |   |   |   |   |   |   |   |   |
| Cash paid to fund unfunded liabilities                       | —                                  | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| Cash paid to other funds                                     | (9,539,500)                        | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| Payment of bond issue costs                                  | —                                  | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| Payments to defeased bonds escrow trustee                    | —                                  | —   | —   | —   | —   | —   | —   | —   | —   | —   |
| Cash paid for capital projects (construction)                | (29,363,681)                       | (1,336,515)                                   | (702,845)                                     | (1,572,350)                                   | (627,300)                                     | (629,300)                                     | (973,550)                                     | (973,550)                                     | (973,550)                                     | (973,550)                                     |
| Cash Principal payment on interfund loans                    | (2,467,955)                        | (2,612,544)                                   | (2,765,616)                                   | (2,927,671)                                   | (3,099,234)                                   | (3,280,867)                                   | (3,473,159)                                   | (3,676,739)                                   | (3,100,158)                                   | (3,280,814)                                   |
| Cash Interest payments on interfund loans                    | (3,434,906)                        | (3,290,318)                                   | (3,137,245)                                   | (2,975,191)                                   | (2,803,627)                                   | (2,621,995)                                   | (2,429,702)                                   | (2,226,123)                                   | (2,010,593)                                   | (1,829,938)                                   |
| Cash Principal payment on debt issues                        | (6,001,244)                        | (8,375,766)                                   | (5,405,760)                                   | (5,383,688)                                   | (3,313,034)                                   | (3,446,979)                                   | (3,588,391)                                   | (3,746,001)                                   | (3,906,856)                                   | (3,642,265)                                   |
| Cash Interest payments on debt issues                        | (3,953,434)                        | (3,703,249)                                   | (4,335,361)                                   | (5,068,005)                                   | (3,834,612)                                   | (3,701,644)                                   | (3,559,189)                                   | (3,400,083)                                   | (3,240,547)                                   | (3,065,150)                                   |
| <b>Net cash used by business activities</b>                  | <b>(54,760,722)</b>                | <b>(19,318,392)</b>                           | <b>(16,346,828)</b>                           | <b>(17,926,905)</b>                           | <b>(13,677,808)</b>                           | <b>(13,680,784)</b>                           | <b>(14,023,992)</b>                           | <b>(14,022,495)</b>                           | <b>(13,231,704)</b>                           | <b>(12,791,717)</b>                           |
| <b>Net increase (decrease) in cash and cash equivalents</b>  | <b>(39,815,532)</b>                | <b>20,312,527</b>                             | <b>(250,469)</b>                              | <b>(2,211,395)</b>                            | <b>785,499</b>                                | <b>448,739</b>                                | <b>(141,989)</b>                              | <b>(306,421)</b>                              | <b>305,195</b>                                | <b>150,595</b>                                |
| Cash and cash equivalents July 1                             | 46,572,948                         | 6,757,416                                     | 27,069,943                                    | 26,819,474                                    | 24,608,080                                    | 25,393,578                                    | 25,842,318                                    | 25,700,328                                    | 25,393,908                                    | 25,699,102                                    |
| Cash and cash equivalents June 30                            | 6,757,416                          | 27,069,943                                    | 26,819,474                                    | 24,608,080                                    | 25,393,578                                    | 25,842,318                                    | 25,700,328                                    | 25,393,908                                    | 25,699,102                                    | 25,849,697                                    |

| <b>What we should have spent or set aside for infrastructure maintenance</b> |              |             |             |             |           |           |           |           |           |           |
|--|--------------|-------------|-------------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Net increase (decrease) in cash and cash equivalents                         | (39,815,532) | 20,312,527  | (250,469)   | (2,211,395) | 785,499   | 448,739   | (141,989) | (306,421) | 305,195   | 150,595   |
| Adjusted Cash and cash equivalents July 1                                    | 40,722,948   | 107,416     | 14,419,943  | 11,594,474  | 4,781,080 | 4,766,578 | 4,415,318 | 3,473,328 | 2,366,908 | 1,872,102 |
| Expenditure to bring infrastructure maintenance current                      | —            | (5,200,000) | (1,775,000) | (3,802,000) | —         | —         | —         | —         | —         | —         |
| Set aside or additional maintenance  | (800,000)    | (800,000)   | (800,000)   | (800,000)   | (800,000) | (800,000) | (800,000) | (800,000) | (800,000) | (800,000) |
| Adjusted Cash and Cash equivalents June 30                                   | 107,416      | 14,419,943  | 11,594,474  | 4,781,080   | 4,766,578 | 4,415,318 | 3,473,328 | 2,366,908 | 1,872,102 | 1,222,697 |