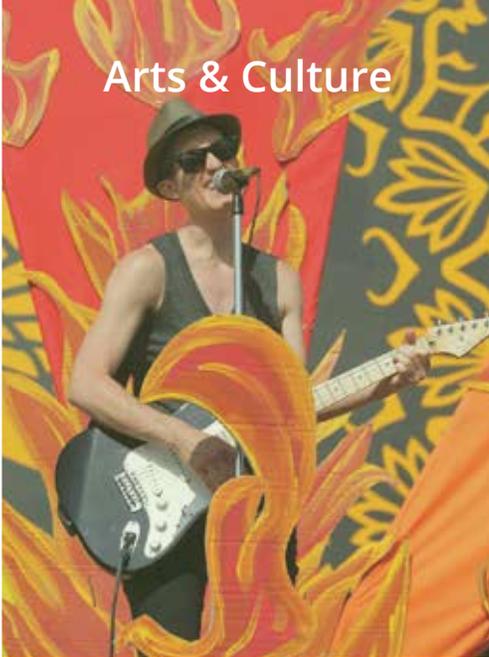


Arts & Culture



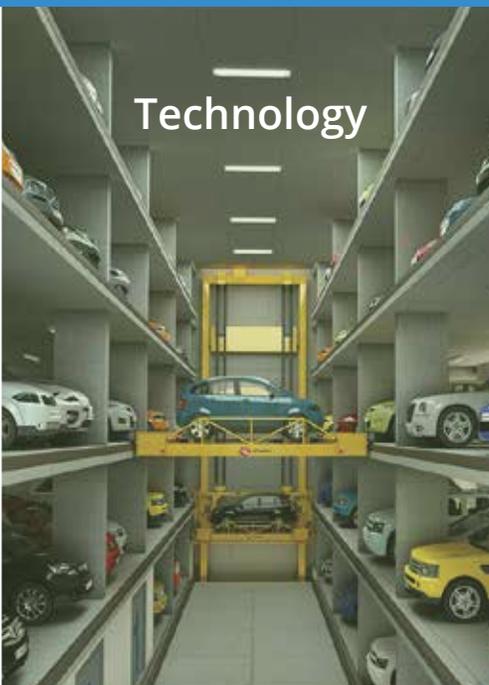
Welcome New Eastside Residents

CITY OF WEST HOLLYWOOD

Comprehensive Annual Financial Report

Fiscal Year Ending June 30, 2015

Technology



Social Services



Community Engagement

WEST HOLLYWOOD, CALIFORNIA

What People Are Saying About WEHO.

Read the tweets via Twitter by West Hollywood visitors and residents on the back of each divider

Acknowledgements

Cover Images:

top left: The Courtyard at La Brea, courtesy West Hollywood Community Housing Corp., photo by Brian Arifin

top right: Install WeHo, photo by Joshua Barash

bottom left: Automated Parking Garage, rendering courtesy of the City of West Hollywood

center right: Cityline West Hollywood, photo by Tom Trevor

bottom right: 1343 N. Laurel Avenue Open House, photo by Joshua Barash

Graphic Design: cover and dividers, Joanne Shannahoff Design



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**WITH REPORT ON AUDIT
BY INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**

FICAL YEAR ENDED JUNE 30, 2015

Prepared By The City's:

**Department of Finance & Technology Services
(Electronic Version Available At: www.weho.org/financials)**

(This page intentionally left blank)

TABLE OF CONTENTS

June 30, 2015

	<u>Page Number</u>
INTRODUCTORY SECTION:	
Letter of Transmittal	i
Finance Policies	x
Government Finance Officers Association Award	xi
Directory of City Officials	xii
Organizational Chart	xiii
FINANCIAL SECTION:	
Independent Auditors' Report	1
Management's Discussion and Analysis (Required Supplementary Information)	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	33
Statement of Activities	34
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	36
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	39
Statement of Revenues, Expenditures and Changes in Fund Balances	40
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	42
Budgetary Comparison Statement by Department - General Fund	43
Proprietary Funds:	
Statement of Net Position	44
Statement of Revenues, Expenses and Changes in Net Position	45
Statement of Cash Flows	46
Fiduciary Funds:	
Statement of Fiduciary Net Position	48
Statement of Changes in Fiduciary Net Position	49
Notes to Financial Statements	51

FINANCIAL SECTION (CONTINUED):

Required Supplementary Information:

Schedule of Changes in the Net Pension Liability and Related Ratios	93
Schedule of Contributions - Defined Benefit Plans	94
Schedule of Funding Progress - Other-Post Employment Benefits Retirement Plan	95

Combining and Individual Fund Statements and Schedules:

Other Governmental Funds:

Description of Special Revenue Funds	99
Description of Capital Projects Funds	102
Description of Debt Service Fund	103

Combining Balance Sheet	104
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	108

Schedules of Revenues, Expenditures and Changes in

Fund Balance - Budget and Actual - Special Revenue Funds:	
Special Grants	112
Proposition A	113
Proposition C	114
Measure R	115
Gas Tax	116
Air Quality Improvement	117
Traffic	118
Public Beautification and Art	119
Quimby Act	120
City Lighting	121
Public Access	122
Parking Improvement	123
Permit Parking	124
Community Development Block Grant	125
Housing Trust	126
Sunset Mitigation	127

Schedules of Revenues, Expenditures and Changes in

Fund Balance - Budget and Actual - Capital Projects Funds:	
Santa Monica Boulevard	128
Debt Funded Capital Projects - Major Fund	129

Schedules of Revenues, Expenditures and Changes in

Fund Balance - Budget and Actual - Debt Service Fund:	
Capital Projects Debt Service - Major Fund	130

FINANCIAL SECTION (CONTINUED):

Combining and Individual Fund Statements and Schedules (Continued):

Nonmajor Enterprise Funds:

Description of Nonmajor Enterprise Funds	131
Combining Statement of Net Position	132
Combining Statement of Revenues, Expenses and Changes in Net Position	134
Combining Statement of Cash Flows	136

Fiduciary Funds:

Description of Agency Funds and All Successor Agency Private Purpose Trust Funds	141
--	-----

Agency Funds:

Combining Statement of Assets and Liabilities	144
Combining Statement of Changes in Assets and Liabilities	145

All Successor Agency Private-Purpose Trust Funds:

Combining Statement of Fiduciary Net Position	146
Combining Statement of Changes in Fiduciary Net Position	148

STATISTICAL SECTION:

Description of Statistical Section Contents	151
---	-----

Financial Trends:

Table 1 - Net Position by Component	154
Table 2 - Changes in Net Position	156
Table 3 - Fund Balances of Governmental Funds	160
Table 4 - Changes in Fund Balances of Governmental Funds	162
Table 5 - General Fund Tax Revenues by Source	164

Revenue Capacity:

Table 6 - Assessed Value and Estimated Actual Value of Taxable Property	165
Table 7 - Direct and Overlapping Property Tax Rates	166
Table 8 - Principal Property Taxpayers	168
Table 9 - Property Tax Levies and Collections	169

Debt Capacity:

Table 10 - Ratios of Outstanding Debt by Type	170
Table 11 - Direct and Overlapping Debt	171
Table 12 - Legal Debt Margin Information	172
Table 13 - East Side Project Area Bonds Coverage	174

Demographic and Economic Information:

Table 14 - Demographic and Economic Statistics	175
Table 15 - Principal Employers	176

STATISTICAL SECTION (CONTINUED):

Operating Information:

Table 16 - Full-Time Equivalent City Government Employees by Function	177
Table 17 - Operating Indicators by Function	178
Table 18 - Capital Assets by Function	179



Introduction



Clang! Clang! Clang! went the trolley! — at WeHo PickUp
via twitter



"The Pick Up", The City of West Hollywood free nighttime shuttle service,
front top: photo by Jonathan Moore, **front bottom and back:** photos by Joshua Barash



CITY OF WEST HOLLYWOOD

CITY HALL
8300 SANTA MONICA BLVD
WEST HOLLYWOOD, CA
90069-4314
TEL: (323) 848-6400
FAX: (323) 848-6575

**DEPARTMENT
OF FINANCE
& TECHNOLOGY
SERVICES**

December 30, 2015

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

Subject: Comprehensive Annual Financial Report

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

It is with great pleasure that we present to you the City of West Hollywood's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City's management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

INTERNAL CONTROLS & RESPONSIBILITY

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



INDEPENDENT AUDIT

The City requires an annual audit by independent certified public accountants. White Nelson Diehl Evans LLP, a public accounting firm fully licensed and qualified to perform audits of the State and local governments within the State of California, has audited the City's basic financial statements. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the City for the fiscal year ended June 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's basic financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with accounting principles generally accepted in the United States. The independent auditors' report is presented as the first component of the financial section of this report.

SINGLE AUDIT

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

BUDGETARY CONTROLS

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of all governmental-type funds and enterprise-type funds are included in the annual appropriated budget. The level of budgetary control (expenditures cannot legally exceed the appropriated amount) is the department level in the General Fund and the function level in other governmental fund types. Formal budgetary integration is employed as a management control device. The City maintains an encumbrance accounting system for all governmental-type funds. Encumbrances and appropriations for unfinished capital projects will generally be re-appropriated (carried over) to the following fiscal year.



MANAGEMENT DISCUSSION & ANALYSIS

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

PROFILE OF WEST HOLLYWOOD - A BRIEF HISTORY OF CREATIVITY

Spurred by a desire for greater local control, residents of West Hollywood joined together to fight the threat to end rent control under Los Angeles County government. As a result West Hollywood was incorporated as a city in 1984. Centrally located, West Hollywood is bordered by Beverly Hills on the west and Hollywood on the east. West Hollywood has an estimated population of approximately 35,000 within a 1.9 square mile border. The City utilizes a Council/City Manager form of government. The City Manager is responsible for running the day to day operations of the City. Each of the five City Council members is elected at large to serve staggered four-year terms.

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

West Hollywood is affectionately known as "The Creative City" – and for good reason. More than 40 percent of the businesses located in West Hollywood comprise such creative fields as entertainment, interior design, fashion, art, and communications. The City has a dynamic retail, nightlife, and tourist trade that entices travelers from around the world. West Hollywood has 18 luxury hotels with some 2,000 rooms offering world-class accommodations. Dining is available at more than 200 restaurants, some of the most famous in the world. Tourists can also shop at more than 100 clothing stores, peruse thirty-six art galleries, and participate in or just observe an eclectic and ever-evolving nightlife centered on the world-famous Sunset Strip and Santa Monica Boulevard. As the home of the Pacific Design Center (PDC) and the surrounding "Avenues of Art and Design," West Hollywood is acknowledged as the West Coast's center of interior design.



ECONOMIC CONDITION

Although the focus of this report is based on the economic condition of the City prevailing as of June 30, 2015, there are always local, state, federal and global issues that require consideration in this report and upcoming projections, because of their future economic impact to the City.

The forecast for the City of West Hollywood continues to be optimistic. The City, with the use of its Long Range Financial Planning Model, continues to maintain its ability to fund enhanced levels of service for its residents without the need to use reserves for operations. Management is confident that the City can sustain and build upon its current reserves while satisfying the funding needs of future capital projects and operations. The City's financial standing was further validated by Standard & Poor's and Fitch confirming their "AAA" issuer credit ratings, with a stable outlook, for the City of West Hollywood in July 2015.

While most cities continue to struggle to return revenues to pre-recession highs, the City surpassed all pre-recession revenue peaks as of June 30, 2013.

The City's largest single source of revenue, Transient Occupancy Tax, has grown on average by 7.7% over the past ten years and for the past five years has grown by 9.5%; this includes a 7.7% drop in fiscal year 2009 due to the Great Recession, but a 17% increase in fiscal year 2013 as tourism accelerated in the region, increasing room rates and occupancy levels. The City hosts approximately 1.2 million visitors each year, helping it to rank among the top 20 in the State in per capita TOT with other major tourist destinations like San Francisco, Los Angeles, Anaheim, Santa Monica, Beverly Hills, and Palm Springs. It is anticipated that there will be significant new growth in TOT in fiscal years 2017 and 2018 due to the opening of a 104-room Kimpton Hotel on La Peer Drive in mid-2016, and the opening of the 296-room James Hotel on the Sunset Strip in late-2016. Additionally, the mid-2018 opening of the west coast flagship location for the new high-end Marriott Edition hotel is anticipated to increase TOT revenues even further in the future.

The City's sales tax base, which is highly diversified given its small geographic area, generated \$16.1 million in revenue in 2015, which was a 3% increase from the prior year. Some of the key sales tax producers in the City include supermarkets, big box retailers, high-end boutique retail stores, numerous restaurants and bars, a luxury automobile dealer, and a variety of furniture and design showrooms. Property tax revenues also grew in 2015 to \$19.6 million, due to increasing home prices and sales, as well as continued new construction and development. The City anticipates that sales tax, property tax, and parking revenues will continue to increase as the economy continues to improve and new real estate development projects that are currently under construction in the City are completed and begin attracting new businesses, residents, and visitors.

The City is dedicated to maintaining a balance between the quality of residential life and the desire for continued development. This is evident in its low rental vacancy rates, extremely strong assessed property values, high taxable sales per capita, and extremely high resident quality of life (90% of residents surveyed in the City's 2013 Community Study rated their quality of life as good or excellent). There are a number of new real estate developments either under construction or planned within the City. These projects will redevelop properties that are currently vacant or underutilized. Together, the projects that are currently under construction, or recently completed, will add new retail, restaurants, residential units, office/showroom space, and hotels; totaling approximately \$1 billion in new assessed value. Though the local economic drivers for the City of West Hollywood are in positive territory, one has to be mindful that the regional, state, and national economies are still fragile and any unforeseen event, domestic or global, could destabilize the fragile recovery.

LONG TERM FINANCIAL PLANNING

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

During periods of strong economic growth, the City accumulated significant reserves. By capturing and designating the accumulated reserves, it is able to attract development that improves commercial and residential neighborhoods thus improving the local economy.

DEBT ADMINISTRATION

The City does face fiscal challenges, especially in the area of capital improvements. To address this, the City maintains a five year capital improvement plan and has designated portions of the revenue growth for capital projects. These capital improvement demands require the City Council and Management to remain committed to restraining expenditures. In addition, The City of West Hollywood utilizes long-term financing to facilitate the acquisition and construction of capital assets. This allows for the matching of resource utilization to the useful life of the asset being purchased. Descriptions of past City financings are below with detailed schedules in the Financial Section of this report.

City Financing

Lease Revenue Bonds Series 'A' 2009 - In July 2009, Lease Revenue Bonds Series 'A' 2009 were issued for \$22,160,000 to prepay the outstanding principal balance of the 1998 Refunding Certificates of Participation in the amount of \$20,420,000.



Lease Revenue Bonds Series 'B' 2009 - In July 2009, Lease Revenue Bonds Series 'B' 2009 were issued for \$34,780,000 to finance construction of improvements to the City's West Hollywood Park, including a new Public Library, a 90 space underground parking facility, a 337 space above ground parking facility and a 2.5 acre landscape park expansion.

2013 Lease Revenue Bonds - On September 28, 2013, the 2013 Lease Revenue Bonds were issued for \$19,155,000 to finance the acquisition and construction of a new automated parking facility and related improvements at City Hall, to finance capital improvements to the Werle Building and to pay the cost of issuing the 2013 Bonds.

Former Community Development Commission (now Successor Agency) Financing

Redevelopment Agency Tax Allocation Bonds 2003/Successor Agency Tax Allocation Refunding Bonds, Series 2013A - In September 2003, the Redevelopment Agency issued Tax Allocation Bonds of \$11,500,000 to finance the Eastside Redevelopment Project, including acquisition of property for the West Hollywood Gateway retail center, as well as activities that increase, improve or preserve the supply of low- and moderate-income housing within or of benefit to the Project Area.

In December of 2013, the Successor Agency participated in the County of Los Angeles Redevelopment Refunding Authority's Pooled Bond Refunding Program. The former Community Development Commission's 2003 Tax Allocation Bonds were pooled with redevelopment bonds from seven other former redevelopment agencies for the refunding and the 2013 Tax Allocation Refunding Bonds were issued.

Tax Allocation Bonds Series 'A' 2011 – In March of 2011, Tax Allocation Bonds Series 'A' 2011 were issued for \$30,560,000 to finance redevelopment improvements to Plummer Park, including renovation and construction of buildings; enhancement and addition of green space; and creation of a central park promenade and interactive water feature.

Tax Allocation Bonds Series 'B' 2011 – In March of 2011, Tax Allocation Bonds Series 'B' 2011 were issued for \$9,420,000 to increase, improve or preserve the supply of low- and moderate-income housing within the East Side Redevelopment Project Area.

MAJOR ACCOMPLISHMENTS FOR THE YEAR

- Conducted a Citywide resident voter registration drive.
- Proclaimed a local water emergency and created an ongoing strategic water conservation and lifestyle education campaign.
- Developed a series of public safety announcements, coordinated with education and enforcement programs, to help promote pedestrian and motorist safety.
- Sponsored and Co-sponsored numerous local and regional events and programs related to the City's core constituencies which support the City's Core Values, Strategic Goals and Legislative Priorities.
- Approved the Design Development and authorized construction preparation for the West Hollywood Park Phase II Master Plan Implementation Project to update and enhance building designs, improve access and provide additional public facilities within West Hollywood Park.
- Began development of design concepts for public gathering spaces and a pedestrian paseo network as included in the revised West Hollywood Design District Streetscape Master Plan.
- Formed an Ethics Task Force, which will develop a comprehensive plan to implement ethics reform amongst staff, elected officials, appointed officials, and those conducting business with the City.
- Recruited and facilitated the WeHoX Innovations Group ("Task Force"), comprised of visionaries and innovators in West Hollywood community stakeholders, and agency representatives.
- Continued to operate and market The PickUp weekend shuttle service. The service averages 1,200 boarding's per weekend. Expanded the social media outreach as follows: increased Facebook page 'likes' to 70% over previous year; increased Twitter followers by 18% over previous year however doubled number of organic impressions from an average of 526 per day in 2013 to an average of 951 per day through organic retweets of content created; increased Instagram followers by 94% over previous year.
- Amended the City's Rent Stabilization Ordinance to apply the rent increase limitations of the City's Annual General Adjustment (AGA) to Section 8 tenancies.
- Created the West Hollywood West Neighborhood Overlay District and Design Guidelines.
- Completed the West Hollywood West Traffic Calming evaluation, including facilitating community conversations and developing recommendations for 15 residential street segments.
- Conducted citywide daily traffic volume and speed surveys for residential street sections and displayed the results on the City's Open Data Portal System.
- Completed implementation of the new CDD permitting system.
- Implemented a new GIS system.
- Adopted a Low Impact Development Ordinance to amend the Municipal Code for implementation of development regulations required for compliance with the Municipal National Pollutant Discharge Elimination System (NPDES) Permit.

- Conducted the General Municipal Election on March 3, 2015 and a Special Election on June 2, 2015.
- Transitioned to a new Joint Powers Insurance Authority for General Liability and Worker's Compensation Insurance.
- Completed TOT audits of the City's 18 hotels using an independent consulting firm.
- Prefunded the City's Other Postemployment Benefits (OPEB) through CalPERS California Employers' Retiree Benefit Trust (CERBT) fund.

VISION 2020 STRATEGIC PLAN

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

- ***Maintain the City's unique urban balance with emphasis on residential neighborhood livability*** - Recognize diverse and competing interests, and work to find balance.
- ***Affordable housing*** - Protect and enhance affordable housing opportunities, with emphasis on Rent Stabilization laws.
- ***Fiscal sustainability*** - Monitor, protect and increase City resources.
- ***Develop parking opportunities*** - Explore the creation of off-street parking opportunities near all business districts.
- ***Move forward on City parks and library and expand and enhance the City's green and public spaces*** - Complete the Park(s) Master Plan process and Library Project, and create and encourage more public open spaces wherever feasible.

AWARDS

GFOA Award Program - Comprehensive Annual Financial Report

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of West Hollywood for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. This is the twenty-first consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. We are confident that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility.

GFOA and CSMFO Budget Award Program

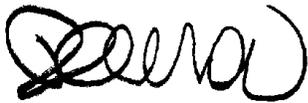
The City also received the GFOA Distinguished Budget Presentation Award and CSMFO Excellence in Operational Budgeting Award for its biennial budget document. To qualify for the GFOA award, a governmental unit must publish a budget document that meets program criteria as a policy document, an operations guide, a financial plan and as a communications device. The CSMFO award reflects excellence in the budget document and the underlying budget process that results in the implementation of the budget.

ACKNOWLEDGMENTS

Preparation of this report was accomplished through the combined efforts of the City's Staff. The following staff deserves special recognition for their contribution to this project: Lorena Quijano - Accounting Services Manager, Jonathan Leonard – Revenue Manager, and Karen Bareng – Senior Accountant.

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

Respectfully submitted,



Paul Arevalo
City Manager



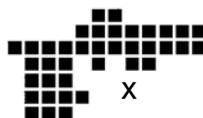
David A. Wilson
Director of Finance and
Technology Services

Finance Policies

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

SUMMARY OF POLICIES

- I. We will comply with all the requirements of generally accepted accounting principles (GAAP).
- II. We will maintain a balanced operating budget for all governmental funds, ensuring that ongoing revenues are equal to or greater than ongoing expenditures.
- III. We will require that all proprietary funds be self-supporting.
- IV. We will maintain an appropriated General Fund working reserve equivalent to 20% of the General Fund budget and an appropriated emergency reserve equivalent to 5% of the General Fund budget.
- V. We will assume that normal revenue inflation will go to pay normal inflation expenses. Any new or expanded programs will be required to identify funding sources or will be offset by cost reductions through cutting back or eliminating other programs.
- VI. We will maintain a long-range fiscal perspective through the use of a five-year capital improvement plan and revenue forecast.
- VII. Major capital improvements or acquisitions will be made using long-term financing methods rather than out of operating revenue.
- VIII. We will maintain sound budgeting practices ensuring that service delivery is provided in an efficient and effective manner.
- IX. We will require each appropriation request to include a fiscal impact analysis and be submitted to the Finance Committee prior to Council agendaing.





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

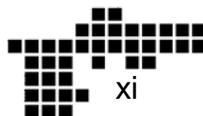
Presented to

**City of West Hollywood
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO



DIRECTORY OF CITY OFFICIALS

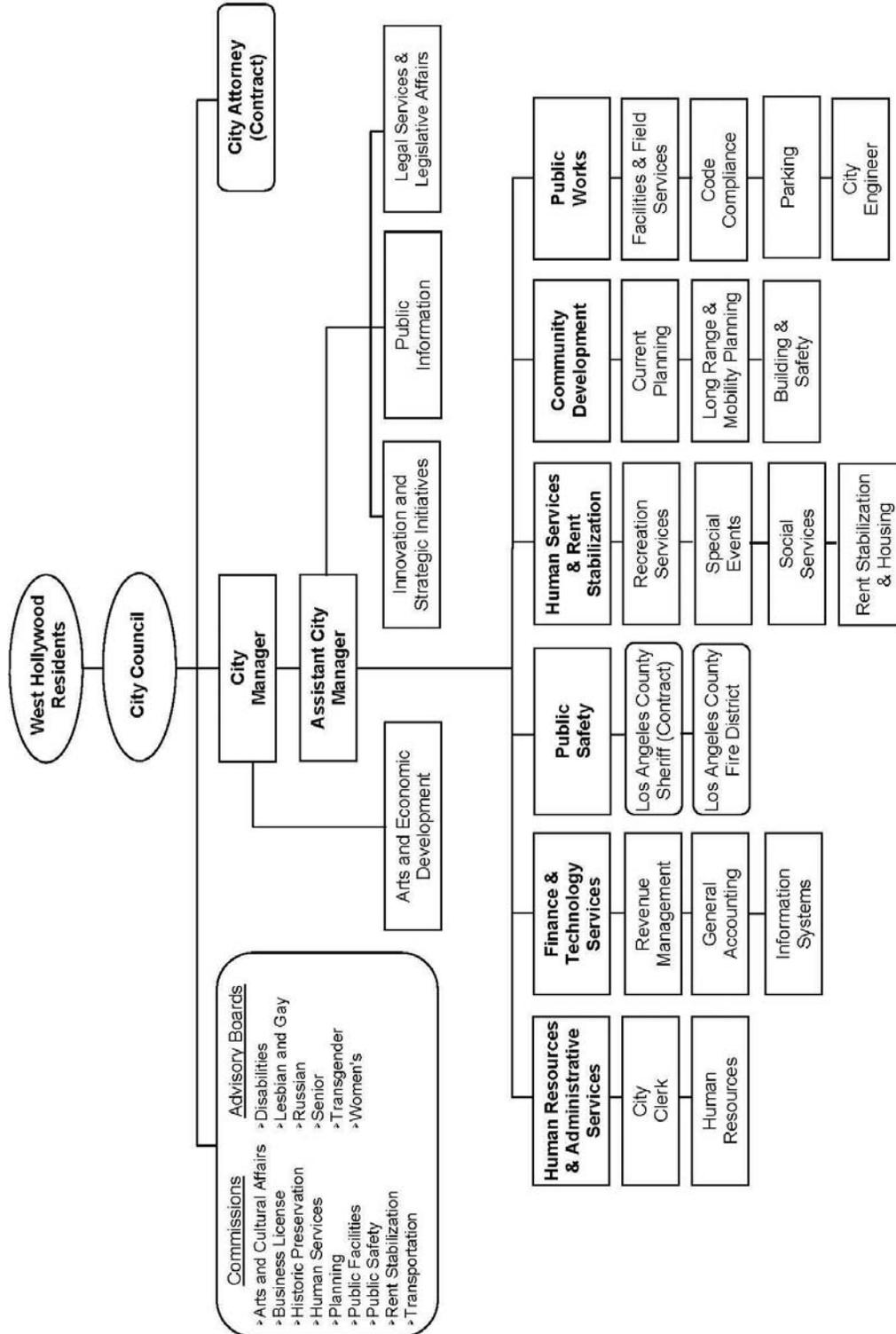
Mayor and City Council

Mayor	<i>Lindsey P. Horvath</i>
Mayor Pro Tempore	<i>Lauren Meister</i>
Council Member	<i>John D'Amico</i>
Council Member	<i>John L. Duran</i>
Council Member	<i>John Heilman</i>

Administration

City Manager	<i>Paul Arevalo</i>
City Attorney	<i>Michael Jenkins</i>
Assistant City Manager	<i>Sam C. Baxter</i>
City Clerk	<i>Yvonne Quarker</i>
Director of Community Development	<i>Stephanie DeWolfe</i>
Director of Human Resources and Administrative Services	<i>LuNita Bock</i>
Director of Human Services and Rent Stabilization	<i>Elizabeth Savage</i>
Director of Public Safety	<i>Kristen Cook</i>
Director of Public Works	<i>Oscar Delgado</i>
Department of Finance and Technology Services	
Director	<i>David A. Wilson</i>
Accounting Services Manager	<i>Lorena E. Quijano</i>
Revenue Management Manager	<i>John Leonard</i>
Information Technology Manager	<i>Eugene Tsipis</i>

Citywide Organizational Chart



This page intentionally left blank



Financial Section



@westhollywood so happy to be back in my office in Weho on the avenues. How blessed are we to be here? Great city and phenomenal weather via twitter



Front top: Interior of the automated parking garage, rendering courtesy of the City of West Hollywood
Front bottom: Exterior of the automated parking garage, rendering courtesy of the City of West Hollywood
Back: The Eastside's Formosa Cafe, photo by Tom Trevor

INDEPENDENT AUDITORS' REPORT

City Council Members
City of West Hollywood
West Hollywood, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Hollywood (the City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Hollywood, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Notes 1 and 16 to the financial statements, the City adopted Governmental Accounting Standards Board's Statement No. 68, "*Accounting and Financial Reporting for Pensions*" and Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment of GASB Statement No. 68*". The adoption of these standards required retrospective application resulting in a \$35,740,826 reduction in the previously reported net position of the governmental activities. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in the net pension liability and related ratios, the schedule of contributions - defined benefit plans, and the schedule of funding progress - other-post employment benefits retirement plan, identified as Required Supplementary Information (RSI) in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules (supplementary information), and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Other Matters (Continued)

Other Information (Continued)

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

White Nelson Nick Evans LLP

Irvine, California
December 29, 2015

(This page intentionally left blank)



Management Discussion and Analysis



I love #WeHo so much.

via twitter



Front top, front bottom, and back: Marriage ceremonies at West Hollywood City Hall,
photos by Jonathan Moore

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of West Hollywood ("City"), we offer readers of the City's Financial Statements this overview and analysis of the financial activities of the City for the fiscal year that ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information furnished in the Letter of Transmittal and the accompanying Basic Financial Statements. Comparative data on the government-wide financial statements is only presented in Management's Discussion and Analysis (hereafter "MD&A").

Management's Discussion and Analysis is divided into six sections which are briefly described below:

Section 1 – Financial Highlights and Overview of the Financial Statements – The Financial Highlights section provides a brief overview of both the City's Government-Wide financial statements, which include all financial functions of the City (all funds, capital assets, and debt) and the City's General Fund financial statements. The Overview of the Financial Statements provides an introduction to the City's basic financial statements and describes the differences between the Government-Wide Financial Statements (the City as a whole) and the Fund Financial Statements (the most significant funds; not the City as a whole).

Section 2 – Government-Wide Financial Analysis – The Government-Wide Financial Analysis provides an overview of all of the City's financial functions as whole; it includes all funds, capital assets, and debt (Sections 3 through 5 provide a more detailed analysis of these different functions). The analysis also includes all of the City's Funds, classified as "business-type activities". Business-type activities constitute a small portion of all City Funds and include assessments that are collected by the City (Sewer Funds, Solid Waste Fund, Landscape District Fund, and Street Maintenance Fund). The Government-Wide Financial Statements are required to be presented using the accrual basis of accounting, which is similar to the accounting used in the private sector.

Section 3 – Financial Analysis of the Government's (City) Funds – This section provides a more detailed analysis of the City's funds that use fund accounting, which unlike the private sector, focuses on near-term inflows, outflows and balances of expendable resources. Therefore, this section includes current year available revenues and expenditures for operations, capital outlay and current payments to debt service. Other funds included are the Proprietary Funds and Fiduciary Funds (i.e., the City is the trustee of the funds) which use the accrual basis of accounting.

Section 4 - Major Funds Analysis – This section provides an overview of specific Major Funds of the City; these are determined based on certain financial statements balances and can vary each year, except for the General Fund which will always be considered a Major Fund. In addition to the General Fund, the Capital Projects Debt Service Fund and the Debt Funded Capital Projects Fund are this year's Major Funds.

Since the City's General Fund comprises a large portion of the combined balances of all City funds, the analysis of the General Fund in this section is similar to the analysis of all City Funds shown in Section 3, however, there are differences between the two, including categories used to group and analyze data; it should be reviewed carefully.

Section 5 – Capital Assets and Debt Administration – This section provides an overview of the City's capital assets and debt administration. The debt portion also includes the City's former Redevelopment Agency, though this debt is a responsibility of the Successor Agency to the former RDA, which is a separate legal entity.

Section 6 – Economic Factors and Outlook for Future Years – This section provides Management's overview and outlook of future economic conditions and effect the City.

Section 1 – Financial Highlights and Overview of the Financial Statements

Financial Highlights

Government-Wide Financial Statements

- Total assets of the City were \$388.6 million, total deferred outflows of resources were \$4.1 million, total liabilities were \$126.5 million, and total deferred inflows of resources were \$6.2 million at June 30, 2015. The assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$260.0 million (*net position*). Of this amount, \$57.5 million (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors. A summary of net position is reflected in Table 1 (page 11).
- For the year ended June 30, 2015, total net position increased by \$22.6 million from the prior year. Total revenues from all sources were \$112.8 million and total expenses for all functions/programs were \$90.2 million. A summary of changes in net position is reflected in Table 2 (page 12).
- Of total revenues, program revenues were \$36.0 million and general revenues were \$76.8 million (Table 2). Program revenues are separated into three categories: Charges for Services, \$30.8 million; Operating Grants and Contributions \$3.5 million; and Capital Grants and Contributions, \$1.7 million. General revenues are separated into seven categories: Property Taxes, \$19.6 million; Transient Occupancy Taxes, \$20.9 million; Sales Taxes \$16.1 million; Franchise Taxes, \$2.6 million; Business License Taxes, \$3.1 million; Use of Money & Property \$12.9 million and Other \$1.6 million.

Fund Based Financial Statements

- For fiscal year ended June 30, 2015, total Fund Balance of the General Fund was \$107.9 million, or 136.0 percent of total General Fund expenditures of \$79.4 million; this is reflected in Table 5 and Table 7 (pages 23 and 26). The non-spendable Fund Balance was \$0.04 million. Restricted Balance was \$1.3 million.

Committed Fund Balance was \$12.1 million while assigned Fund Balance was \$89.7 million and unassigned Fund Balance was \$4.9 million.

- For the General Fund, actual resources available for appropriation during the year were \$187.3 million; this consists of \$94.4 million in fund balance and \$92.9 million in revenue inflows, which was \$10.5 million more than what was budgeted. Actual revenues exceeded budgeted revenues for the following reasons: Approximately \$2.6 million from one-time sources that were included in the Licenses and permits category related to building and planning permits; \$1.3 million received from both parking meters and bus shelter revenues that were included in the Use of money and property; and \$0.3 million of State mandated reimbursements included in Intergovernmental. The remaining \$6.3 million in excess revenues over budgeted amounts is spread over the City's Taxes (\$5.4 million) and other revenue sources (\$0.9 million); the increase is due to the economic recovery which has allowed property, sales and other taxes to increase. In addition, the City conservatively budgets revenue in order to maintain fiscal sustainability and maintain a consistent level of service in the event revenues decrease due to various potential events (economic downturn, unforeseen closure of major taxing entity, etc.). Management believes that a 9% excess of revenues over budgeted amounts is in line with the City's conservative approach to revenue budgeting and will allow the City to continue to be fiscally sustainable for many years to come.
- Actual charges (outflows) of \$79.4 million were \$19.3 million less than the budget of \$98.7 million. The major variances were due to the following which will be carried over forward to Fiscal Year 2015-16: \$3.2 million in capital projects that were not completed during the fiscal year; \$3.2 million in funds that were encumbered for various contracted services that have not yet been completed; and \$3.0 million in remaining funds for New Initiatives that begun in the first year of the budget cycle. Other variances included \$2.3 million in Public Safety services mainly due to unplanned staffing shortages related to injuries and other leaves in addition to unplanned promotions which resulted in lower salaries overall and \$0.05 million related to Studies and Specific Plan that will be completed over several years and funds will be carried forward to Fiscal Year 2015-16. The remaining \$7.1 million variance in the final budget versus actual was comprised of a one-time \$5.1 million transfers to other funds which did not occur and another \$2 million which is spread amongst the City Divisions and is part of the City's conservative budgeting approach as described above.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

The *Statement of Net Position* (page 33) presents information on all of the City's assets, liabilities, and deferred outflows/inflows of resources, with the difference between these items reported as *net position*. In time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* (pages 34-35) presents information on how the City's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods; (e.g., uncollected taxes or earned but unused leaves). *Program Revenues* are revenues that derive directly from the program itself. *General Revenues* are revenues primarily generated from taxes.

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

Governmental Activities – These activities account for most of the City's basic services which consist of: *General Government*, made up of the departments of the City Manager, Human Services & Administrative Services and Finance & Technology Services. *Public Safety* is made up of Sheriff's costs and other services of the Public Safety Department. *Public Service* includes the departments of Human Services & Rent Stabilization, Community Development and Public Works. Governmental activities are financed mostly by property taxes, transient occupancy taxes, sales taxes, parking fines, charges for services, franchise taxes, and state and federal grants.

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

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

The *government-wide financial statements* report both the City, as the *primary government*, and the legally separate *component units*. The Housing Authority, Public

Facilities Corporation, the Public Financing Authority and the West Hollywood Library Fund are known as *Blended Component Units* and all function for practical purposes, as part of the City, and, therefore, have been included (blended) as an integral part of the primary government.

Fund Based Financial Statements

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

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

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

The City maintains twenty-three individual governmental funds. These funds report financial transactions using an accounting method called modified accrual accounting. The General Fund, Capital Project Debt Service Fund and Debt Funded Capital Projects Fund are considered to be major funds. Information for these major funds is presented separately in the Governmental Funds – Balance Sheet and in the Governmental Funds – Statement of Revenues, Expenditures and Changes in Fund Balances. Data from other governmental funds (non-major) are combined into a single presentation; individual fund data for each of these non-major governmental funds is provided in the form of combining statements starting on page 99 of this report. The City adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided for each of the funds to demonstrate compliance with the budget. The basic governmental fund financial statements can be found on pages 36-42.

Proprietary Funds – *Proprietary funds* are similar to businesses found in the private sector and are primarily used to account for City charges for the services it provides, whether to outside customers or to other units of the City. These funds are considered self-supporting in that the services rendered by them are generally financed through user charges or on a cost reimbursement basis. These funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities, using an accrual basis of accounting. In fact, the City's *enterprise funds* (a component of proprietary funds) are the same as the business-type activities we report in the *government-wide financial statements* but provide more detail and additional information, such as the statement of cash flows. The City uses *internal service funds* (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities, such as the Information Systems Master Plan Fund. Since these activities predominantly benefit governmental rather than business-type functions, they are included within the governmental activities in the *government-wide financial statements*. The basic proprietary fund financial statements can be found on pages 44-47.

Fiduciary Funds – *Fiduciary funds* are used to account for resources held for the benefit of parties outside the City. In these cases, the City has a fiduciary responsibility and is acting as a *trustee*. The *Statement of Fiduciary Net Position* separately reports all of the City's fiduciary activities. The City excludes these activities from the City's other financial statements because the City cannot use these assets to finance its operations. However, the City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The basic fiduciary fund financial statements can be found on pages 48-49.

Notes to the Financial Statements – Notes provide additional information that is essential to a full understanding of the data in the government-wide and fund financial statements. The *Notes to the Financial Statements* can be found from pages 51-89.

Required Supplementary Information – In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information including schedule of changes in net pension liability, plan contributions and information concerning the progress in funding its obligation to provide OPEB benefits to its employees. Required supplementary information can be found on pages 93-95 of this report.

Supplementary Information – In addition to the Required Supplementary Information, this report also presents certain combining statements referred to earlier in connection with non-major governmental and proprietary funds. These combining and individual fund statements and schedules can be found immediately following the *Required Supplementary Information* on pages 99-149.

Section 2 – Government-Wide Financial Analysis

This analysis will focus on net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities for fiscal year ended June 30, 2015. These tables are summarizing the statements located on page 33 to 35. Management has included comparative data from fiscal year ended June 30, 2014 in its analysis. Some data related to June 30, 2014 has been reclassified and/or restated for comparative purposes.

Net Position (Table 1)
(in millions)

	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2015	2014 Restated	2015	2014	2015	2014 Restated
Assets:						
Current and other assets	\$ 175.3	\$ 166.9	\$ 1.3	\$ 0.5	\$ 176.6	\$ 167.4
Capital assets	201.8	193.1	10.2	10.6	212.0	203.8
Total assets	377.1	360.0	11.5	11.1	388.6	371.1
Deferred Outflows of Resources:						
Deferred amounts from pension	4.1	3.8	-	-	4.1	3.8
Liabilities:						
Long-term debt outstanding	102.5	113.5	-	-	102.5	113.5
Other liabilities	23.8	24.0	0.2	0.1	24.0	24.1
Total liabilities	126.3	137.5	0.2	0.1	126.5	137.6
Deferred Inflows of Resources:						
Deferred amounts from pension	6.1	-	-	-	6.1	-
Net position:						
Net Investment in capital assets	145.1	142.4	10.2	10.6	155.3	153.0
Restricted	47.1	52.7	-	-	47.1	52.7
Unrestricted	56.4	31.3	1.1	0.4	57.6	31.7
Total net position	\$ 248.7	\$ 226.4	\$ 11.3	\$ 11.0	\$ 260.0	\$ 237.4

The City's Government-Wide total net position was \$260.0 million, with assets of \$388.6 million, deferred outflows of resources of \$4.1 million, liabilities of \$126.5 million and deferred inflows of resources of \$6.1 million. The net investment in capital assets of \$155.3 million represents 60 percent of the City's total net position. Net investment in capital assets (e.g., infrastructure, land, buildings, machinery and equipment) for this purpose is reduced by any related debt used to acquire those assets that is still outstanding, net of any unused proceeds from debt issuance. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. It should be noted that the resources needed to repay capital related debt must be secured from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$47.1 million (18.1 percent) represents resources that are subject to external restrictions in how they may be used. There is a decrease of \$5.6 million in restricted net position mainly related to a decrease in amounts restricted to Debt Service and Capital Projects. The remaining balance of \$57.6 million (22.1 percent) (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors within the program areas.

Changes in Net Position (Table 2)

(in millions)

	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2015	2014	2015	2014	2015	2014
Revenues						
Program Revenues:						
Charges for Services	\$ 27.5	\$ 26.9	\$ 3.3	\$ 3.1	\$ 30.8	\$ 30.1
Operating Contributions & Grants	3.5	2.8	-	-	3.5	2.8
Capital Contributions & Grants	1.7	1.9	-	-	1.7	1.9
Sub-total Program Revenues	32.7	31.6	3.3	3.1	36.0	34.8
General Revenues:						
Property taxes	19.6	18.3	-	-	19.6	18.3
Transient occupancy taxes	20.9	19.0	-	-	20.9	19.0
Sales taxes	16.1	15.6	-	-	16.1	15.6
Franchise taxes	2.6	2.5	-	-	2.6	2.5
Business license taxes	3.1	3.0	-	-	3.1	3.0
Use of money and property	12.9	11.7	-	-	12.9	11.7
Other	1.6	1.6	-	-	1.6	1.6
Sub-total General Revenues	76.8	71.7	-	-	76.8	71.7
Total Revenues	109.6	103.3	3.3	3.0	112.8	106.4
Expenses						
General Government	\$ 20.4	\$ 18.6	\$ -	\$ -	\$ 20.4	\$ 18.6
Public Safety	17.3	17.0	-	-	17.3	17.0
Public Services	46.1	47.3	-	-	46.1	47.3
Interest on Long-Term Debt	3.4	3.6	-	-	3.4	3.6
Solid Waste	-	-	1.4	1.5	1.4	1.5
Sewer District	-	-	0.4	0.4	0.4	0.4
Landscape District	-	-	0.2	0.2	0.2	0.2
Sewer Charge	-	-	0.7	0.7	0.7	0.7
Street Maintenance	-	-	0.3	0.5	0.3	0.5
Total Expenses	87.2	86.5	3.0	3.3	90.2	89.8
Increase (Decrease) in						
Net Position before Transfers	22.3	16.8	0.3	(0.2)	22.6	16.6
Transfers	-	(0.2)	-	0.2	-	-
Increase in Net Position, After Transfers	22.3	16.6	0.3	0.0	22.6	16.6
Net Position at July 1	262.1	245.5	11.0	11.0	273.1	256.5
Restatements	(35.7)	-	-	-	(35.7)	-
Net Position, June 30	\$ 248.7	\$ 262.1	\$ 11.3	\$ 11.0	\$ 260.0	\$ 273.1

The government's net position increased \$22.6 million (Table 2), with total revenues of \$112.8 million and total expenses of \$90.2 million. The change in Net Position is approximately 8.7 percent of the total Net Position of \$260.0 million. Program Revenues were \$36.0 million and General Revenues were \$76.8 million. General Revenues fund the net difference between program revenues and expenses.

Program Revenues include the largest single revenue category in the Government-Wide Totals, which was Charges for Services, at \$30.8 million. Other program revenues which are applied directly against the costs of providing these services are Operating Grants and Contributions, and Capital Grants and Contributions, at \$3.5 million and \$1.7 million respectively.

General Revenues include the next three largest categories. Transient Occupancy Tax, the second largest revenue category at \$20.9 million is followed by Property Tax at \$19.6 million (includes \$4 million in Motor Vehicle In-Lieu Funds, which was previously separated in its own category for Government-Wide Governmental activities only). The fourth largest revenue source was Sales Tax at \$16.1 million (which includes both the City's portion of sales tax and Countywide transportation dollars provided to the City).

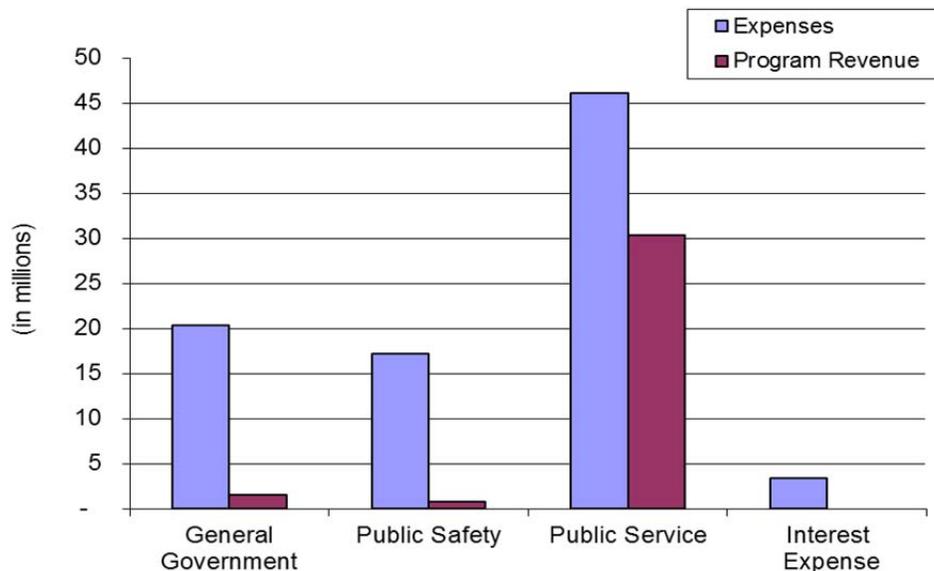
In comparison to the prior fiscal year, the government's total revenues increased by \$6.4 million. Program revenue increased by \$1.2 million and General Revenues increased by \$5.1 million. For Program revenues, Charges for Services increased \$0.7 million, Operating Grants and Contributions increased \$0.7 million and Capital Grants and Contributions decreased in the amount of \$0.2 million. The increase in Operating Grants and Contributions was due to an increase of traded MTA funds with other cities. For General Revenue, the major increases were Transient Occupancy Tax by \$1.9 million, Property Tax by \$1.3 million, Use of Property & Money by \$1.2 million and Sales Tax by \$0.5 million.

Compared to prior year, the government's total expenses had a slight increase of \$0.4 million. The top three expense categories continue to be Public Services at \$46.1, General Government at \$20.4 million and Public Safety at \$17.3 million.

Governmental Activities

Governmental activities increased the City's *net position* by \$22.3 million (Table 2). The cost of all governmental activities this year was \$87.2 million or 96.7 percent of the *primary government* expenses and was an increase of \$0.7 million from the prior year. As shown in the *Statement of Activities* on pages 34-35, the amount that taxpayers financed through City taxes was \$62.3 million. The other portion of the costs was paid by those who directly benefited from the programs (\$27.4 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$5.2 million) and by use of money and property and other revenues (\$14.5 million). The City used part of the \$76.8 million in general revenues to cover the remaining "public benefit" portion of governmental activities. These general revenues are derived mostly from tax revenues (some of which could only be used for certain programs).

Expenses and Program Revenues – Governmental Activities (Graph 1)

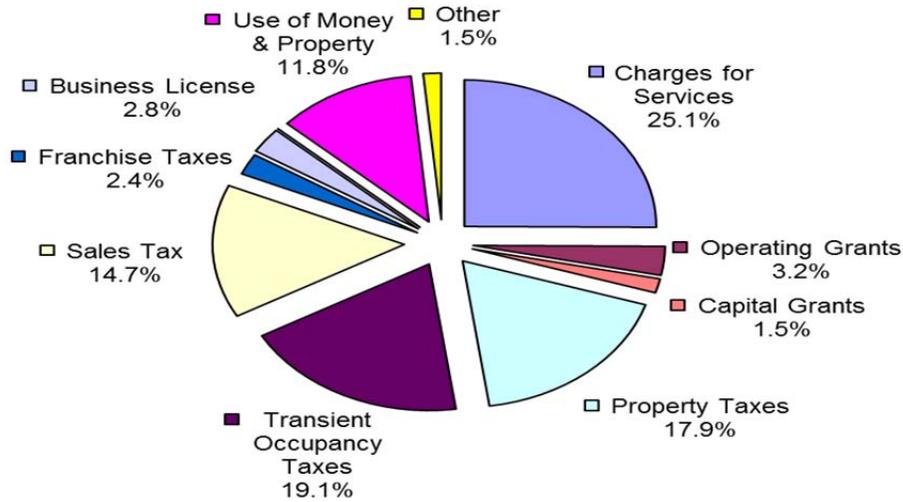


Graph 1 presents the costs of each of the City’s three functions – General Government, Public Safety, Public Service, plus Interest on long-term debt as well as the program’s revenues. The net cost (total cost less *program revenues*) is the amount that was paid from *general revenues*.

General Government had expenses of \$20.4 million with program revenues of \$1.5 million, while *Public Safety* had expenses of \$17.3 million with program revenues of \$0.8 million. Expenses in *Public Services* represented \$46.1 million or 52.9 percent of total expenses for Governmental Activities. Of this amount, \$30.3 million was funded by *program revenues* and the remaining \$15.8 million was funded by *general revenues*. Interest on long term debt was \$3.4 million which was funded by general revenues. From the prior year, *General Government* and *Public Safety* increased by \$1.8 million and \$0.3 million respectively, and *Public Services* decreased by \$1.2 million.

Graph 2 presents revenues by source for Governmental Activities. Similar to the government-wide activities, *Charges for Services* is the largest at \$27.5 million or 25.1 percent. *Charges for Service’s* consist of Parking Fines at \$9.5 million; Building and Safety revenue at \$6.0 million; Rent Stabilization fees at \$1.9 million; Planning Permits revenue at \$1.5 million; Affordable housing in-lieu fees at \$1.3 million; Transportation Permits and Licenses at \$1.0 million; Traffic Mitigation fees at \$0.9 million; Vehicle Code and Photo Safety Fines at \$0.7 million; Art & Beautification fees at \$.7 million; Film Permits at \$0.4 million; Parks & Recreation fees at \$0.4 million; Code Compliance Permits at \$0.3 million; and other miscellaneous charges for services of \$2.9 million.

Revenues by Source – Governmental Activities (Graph 2)



Other program revenues include operating and capital grants and contributions that together represented 4.7 percent of the total, or \$5.2 million. Operating and capital grants and contributions includes: \$3.5 million in various Federal, State and County Grants, \$1.0 million in Development Agreement Payments, and \$0.7 million in Gas Tax.

General Revenues for Governmental Activities are the same as those described above in the Government-Wide totals since there were no Business-Type Activities that had similar revenue categories (Table 2). The four major categories were Transient Occupancy Tax, Property Tax, Sales Tax (all described above), and Use of Money and Property at \$12.9 million. These four sources represented 63.5 percent of the Governmental Activities.

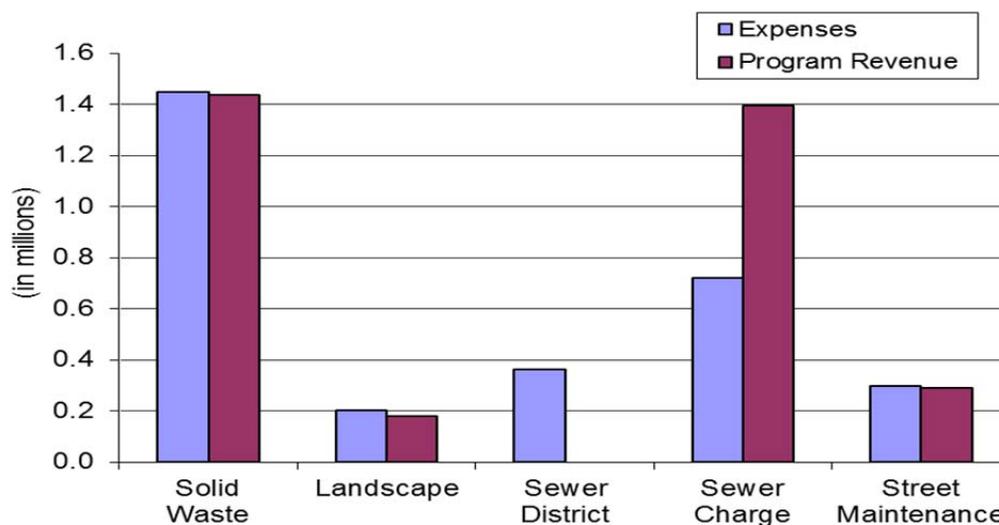
Business-Type Activities

Net position at June 30, 2015, was \$11.3 million, with assets equaling \$11.5 million and liabilities of \$0.2 million. Net investment in capital assets represented the largest portion of net position at 90.3 percent or \$10.2 million. The change in Business-type activities net position was nominal at \$0.3 million in 2015 (Table 2). Revenues of the City's business-type activities were \$ 3.3 million, while the expenses were \$3.0 million.

Graph 3 presents the costs of each of the City's business activities and the associated program revenue. Since business-type activities are primarily used when the City charges customers for the services it provides, program revenues (charges for services) should be similar to the costs of these programs and represent the major funding source for these activities. The following two business activities contained the largest fluctuations:

- The Sewer District Fund, which originally contained monies transferred from Los Angeles County when the City was incorporated, was designated to be used for improvements of the underground sewer lines. At this time, the only activity in this fund is depreciation expense on the City’s sewer infrastructure.
- Actual program revenues exceeded budgeted program revenues for the Sewer Charge Fund primarily due to sewer connection and waste water mitigation fees paid by developers for large real estate development projects. In addition, expenses related to sewer rehabilitation work was scaled back in in Fiscal Year 2014-2015, in order to repay the City’s General Fund for design and construction costs that had exceeded Sewer Charges Revenues which had been incurred to comply with new regulations in Fiscal Year 2010-2011 and 2012-2013. Funds available at year end will be used for rehabilitation expenditures related to sewer projects and are scheduled for construction in future fiscal years.

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



Similar to government-wide activities, *Charges for Services* is the largest source of revenues at \$3.3 million or 100 percent for Business-type Activities.

Section 3 – Financial Analysis of the Government’s (City) Funds

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

Governmental (City) Funds

The focus of the City’s *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in

assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The City has three major governmental funds: the General Fund, Capital Projects Debt Service Fund and Debt Funded Capital Projects Fund. All funds are discussed in depth later in the MD&A. Each major fund is also discussed further in the *Notes to the Financial Statements*. The other Governmental Funds are reported as non-major and combined in a single presentation in the *Basic Financial Statements* and individually in the *Supplementary Information*.

Governmental (City) Fund Balances

As of the end of the current fiscal year, governmental funds (pages 36-37) reported combined ending fund balances of \$147.6 million. Fund Balance designations are: Non-Spendable Fund Balance was \$0.04 million; Restricted Fund Balance was \$45.6 million; Committed Fund Balance was \$12.1 million; Assigned Fund Balance was \$89.7 million; and Unassigned Fund Balance was \$0.1 million.

Governmental (City) Revenues

Table 3 presents a summary of all governmental fund revenues for the fiscal year ended June 30, 2015, compared to prior year revenues (note that the General Fund is reflected separately on Table 6).

**Comparison of Governmental Revenues (Table 3)
Fiscal Years 2014-15 and 2013-14**

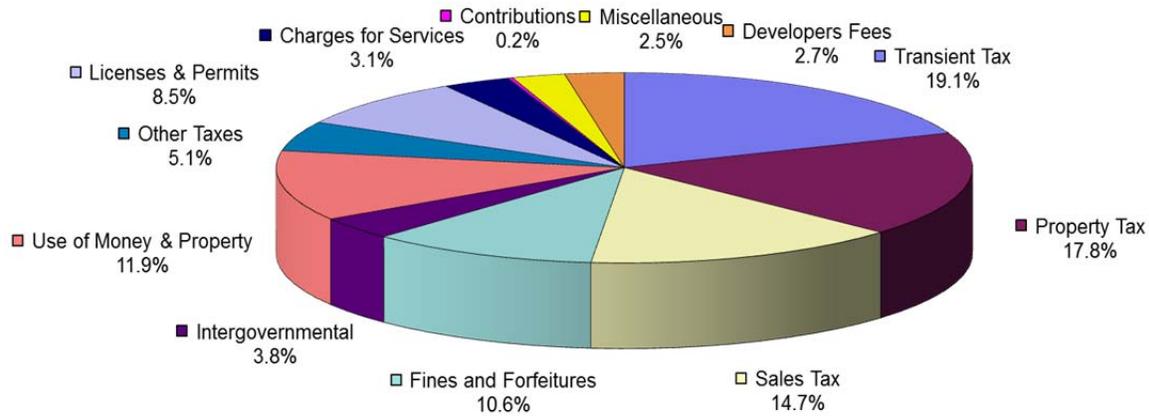
	Amount	% of Total	Amount	% of Total	Variance	% Increase/
	FY 14-15	Revenues	FY 13-14	Revenues	Over/(Under)	(Decrease)
					FY 14-15	FY 14-15
Transient Occupancy Tax	\$ 20,903,442	19.1%	\$ 18,982,361	18.2%	\$ 1,921,081	10.1%
Property Tax	19,526,176	17.8%	18,220,016	17.5%	1,306,160	7.2%
Sales Tax	16,074,279	14.7%	15,250,031	14.6%	824,248	5.4%
Fines and Forfeitures	11,597,951	10.6%	11,936,215	11.5%	(338,264)	-2.8%
Intergovernmental	4,193,972	3.8%	5,323,009	5.1%	(1,129,037)	-21.2%
Use of Money & Property	13,066,956	11.9%	12,154,214	11.7%	912,742	7.5%
Other Taxes	5,552,655	5.1%	5,333,404	5.1%	219,251	4.1%
Licenses & Permits	9,327,431	8.5%	7,968,949	7.6%	1,358,482	17.0%
Charges for Services	3,444,145	3.1%	3,609,803	3.5%	(165,658)	-4.6%
Contributions	247,588	0.2%	16,689	0.0%	230,899	1383.5%
Miscellaneous	2,699,051	2.5%	1,699,059	1.6%	999,992	58.9%
Developers Fees	3,018,883	2.7%	3,730,002	3.6%	(711,119)	-19.1%
TOTAL	\$ 109,652,529	100.0%	\$ 104,223,752	100.0%	\$ 5,428,777	5.2%

Revenues of governmental funds for fiscal year 2014-15 were \$109.7 million, with an increase of \$5.4 million or 5.2% from the prior fiscal year, as described in further detail below:

- Transient Occupancy Tax Revenue for the current year was \$20.9 million, with an increase of 10.1% over the prior year. Transient occupancy tax revenues increased because of an increase in tourism region wide. The City's hotels have seen room rates and occupancy increase as demand has increased and supply has remained the same.
- Property Tax Revenue for the current year was \$19.5 million, with an increase of 7.2% over the prior year. Property tax revenue continues to show steady increases due to a combination of factors, including rising property values, increased sales transactions, and the addition of new buildings to the City's property tax roll (Motor Vehicle In-Lieu revenue was previously categorized as Other Taxes in the General Fund and has been moved to this category due to accounting standards.)
- Sales Tax Revenue for the current year was \$16.1 million, an increase of \$0.8 million or 5.4% from the prior year. As the local economy has recovered from last recession the City has continued to see growth in sales tax revenues as consumers continue to increase their spending.
- Intergovernmental Revenue for the current year was \$4.2 million, which was a decrease of \$1.1 million, or 21.2% from the prior year. The decrease was mainly attributed to a decrease in reimbursements received from Los Angeles County MTA for transportation related grants (i.e., the removal of a one-time grant).
- Use of Money and Property for the current year was \$13.1 million, which was an increase of \$0.9 million, or 7.5%, from the prior year. The increase was mainly due to increases in parking meter and transient parking revenues as the economy has continued to improve and more patrons visit the City's restaurants, bars, retail stores, and entertainment locations.
- License and Permit Revenue for the current year was \$9.3 million, which was an increase of \$1.4 million, or 17.0%, from the prior year. The increase is attributed to gains in both Planning and Building fees due to the improving real estate market. Over the last several years, many real estate development projects that were stalled during the last recession have started construction. Prior to starting construction these projects must pay their permit fees to the City.
- Miscellaneous Revenues for the current year were \$2.7 million, which was an increase of \$1.0 million over the prior year. This year's balance included a \$1 million public benefit payment as part of a development agreement.

- Developer Fees for the current year were \$3.0 million, which was a decrease of \$.07 million, or 19.1% from the previous year. The decrease was mainly due to payments made for several large projects in the previous year. It should be noted that the timing of developer fee payments and the payment of planning and building fees can differ for the same project, for this reason planning and building fees can increase in the same year that developer fee revenue decrease (which occurred this year). All developer fees are deposited into special purpose funds, not the City's General Fund.

Governmental Fund Revenues – Fiscal Year 2014-15 (Graph 5)



Governmental (City) Expenditures

Table 4 presents a summary of all governmental fund expenditures for the fiscal year ended June 30, 2015, compared to prior year amounts (note that the General Fund is reflected separately on Table 7).

**Comparison of Major Governmental Expenditures (Table 4)
Fiscal Years 2014-15 and 2013-14**

	Amount FY 14-15	% of Total Expenditures	Amount FY 13-14	% of Total Expenditures	Variance Over/(Under) FY 14-15	% Increase/ (Decrease) FY 14-15
General Government	\$ 23,886,096	23.3%	\$ 20,620,650	21.6%	\$ 3,265,446	15.8%
Public Safety	17,190,760	16.8%	16,904,802	17.7%	285,958	1.7%
Public Services	42,023,194	41.0%	42,477,061	44.5%	(453,867)	-1.1%
Total Operating Expenditures	83,100,050	81.1%	80,002,513	83.8%	3,097,537	3.9%
Capital Outlay	13,783,900	13.5%	10,072,944	10.6%	3,710,956	36.8%
Debt Service	5,589,479	5.5%	5,374,271	5.6%	215,208	4.0%
TOTAL	\$ 102,473,429	100.0%	\$ 95,449,728	100.0%	\$ 7,023,701	7.4%

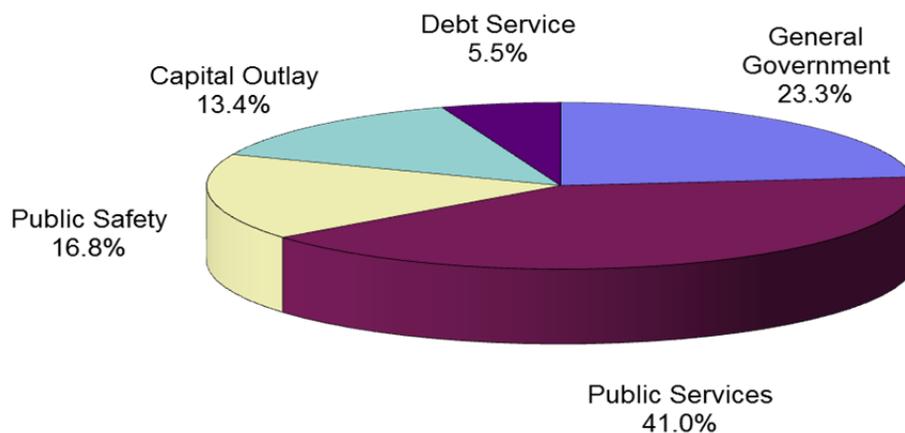
Operating expenditures for 2014-15 were \$83.1 million, an increase of 3.9% or \$3.1 million from the prior fiscal year, with General Government and Public Safety having a combined increase of \$3.6 million.

General government expenditures increased by \$3.3 million or 15.8%. The increase is mainly due to a one-time payment of \$4.2 million to fund the City's Other Post-Employment Benefits (OPEB). The net increase is only \$3.3 million because last year's balance included a one-time retrospective liability insurance payment of \$2.8 million. Public safety had a minimal increase of \$0.3 million and totaled \$17.2 million.

Capital Outlay expenditures were \$13.8 million, an increase of \$3.7 million from the prior year because this year's balance included expenditures related to the construction of the Mid-City Parking Garage which is expected to be completed in the upcoming fiscal year. Additionally, expenditures for the West Hollywood Park Master Plan Phase II Project have also begun.

Graph 6 presents a summary of governmental fund expenditures for the fiscal year ended June 30, 2015 by functions.

Governmental Fund Expenditures – Fiscal Year 2014-15 (Graph 6)



Proprietary Funds

These Funds consist of five non-major Enterprise Funds, along with one Internal Service Fund (pages 44-47). The non-major Enterprise Funds are combined into an aggregate presentation in the Proprietary Funds financial statements. Individual fund data is provided in the form of *combining statements* starting on page 132.

Revenues for Enterprise Funds include assessments and other charges for services. Total operating revenues for all Enterprise Funds are \$3.3 million. Operating expenses for the fiscal year were \$3.0 million. The City also has one Internal Service Fund to allocate the costs of the City's information systems infrastructure to the various departments. The interdepartmental charge for services (revenues) in the fiscal year was \$0.5 million with general government expenses of \$0.7 million.

Fiduciary Funds

These Funds account for resources held for the benefit of parties outside the City, in which the City is acting as trustee (pages 48-49). The *Statement of Fiduciary Net Position* reports the activities for which the City has a fiduciary responsibility. The City administers a Hotel Marketing Benefit Zone that primarily accounts for the receipt of a 3% assessment collected by the City on behalf of the West Hollywood Marketing Corporation (WHMC). The purpose of the WHMC is to promote the City of West Hollywood as a travel destination. Lastly, the City administers two Business Improvement Districts, the Sunset Strip BID and the West Hollywood Design District BID. The City collected the assessments for these business improvement districts and remits the revenue to the entities operating the districts.

In accordance with State Assembly Bill 1X 26, the City administers the Successor Agency to its former redevelopment agency. The Bill required that all redevelopment agencies in the State of California dissolve and cease to operate as legal entities as of February 1, 2012. Prior to that date, the redevelopment agency was reported in the governmental funds of the City. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are now reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City. The Successor Agency cannot enter into new projects, obligations or commitments; it is only allocated revenue in the amount that is necessary to pay the enforceable obligations of the redevelopment agency at the time of dissolution until all enforceable obligations have been paid in full and all assets have been liquidated.

Section 4 – Major Funds Analysis

Debt Service Funds – Capital Projects Debt Service Fund Analysis

The Capital Projects Debt Service Fund accounts for all financial activity related to the administration of proceeds generated from the issuance of long-term debt. The City has issued Lease Revenue Bonds for the construction of major capital improvement projects including the City's new library located at West Hollywood Park and the Automated Parking Structure located at City Hall. Principal and interest on the City's Lease Revenue Bonds are paid from General Fund revenues (Pages 36-37 and 40-41).

Fund Balance

The Fund Balance decreased by \$8.1 million during the year. The decrease is mainly due to reimbursements to the Parking Fund of \$8.1 million for capital outlay incurred for Mid-City Parking Garage.

Expenditures

The Capital Project Debt Service fund incurred \$5.6 million of expenditures in the current year, mainly due to principal and interest payments related to the City's 2009 and 2013 Lease Revenue bonds; these bonds are described further in Section 5.

Capital Projects Funds – Debt Funded Capital Projects Fund Analysis

The Debt Funded Capital Projects Fund is a major fund and accounts for receipts and disbursements of monies used for the construction of major capital projects in the City. At present, the fund is accounting for the West Hollywood Park Master Plan Phase II. Phase II of the Master Plan is comprised of a new recreation center, parking garage, and open space (Pages 36-37 and 40-41).

Fund Balance

The deficit fund balance increased from \$2.8 million to \$4.6 million at year-end. The deficit increased because expenditures have begun in the West Hollywood Park Master Plan Phase II project; the deficit is expected to be eliminated by future designated transfers from the General Fund and future bond proceeds related to the West Hollywood Park Master Plan Phase II project.

Expenditures

The Debt Funded Capital Projects Fund incurred \$2.8 million of capital expenditures in the current year. These expenditures are mainly related to the West Hollywood Park Master Plan Phase II.

General Fund

The General Fund is the chief operating fund of the City (pages 36-37 and 40-41). The ending fund balance was \$107.9, which was an increase of \$13.5 million (Table 5).

Fund Balance

The designations for the General Fund are as follows:

- Non-Spendable Fund Balance was \$0.04 million;
- Restricted Fund Balance was \$1.3 million;
- Committed Fund Balance was \$12.1 million;
- Assigned Fund Balance was \$89.7 million; and lastly
- Unassigned Fund Balance was \$4.9 million.

Table 5 shows the General Fund's opening balance, operating surplus (deficit), restatements and ending fund balance for the last five years.

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

	FY 14-15	FY 13-14	FY 12-13	FY 11-12	FY 10-11
Fund Balance					
Nonspendable	\$ 35,708	\$ 39,510	\$ 65,340	\$ 186,823	783,625
Restricted	1,255,006	1,255,006	1,255,006	-	-
Committed	12,076,505	11,177,318	9,367,610	7,735,781	18,787,130
Assigned	89,684,697	76,904,392	63,018,495	58,557,142	40,500,000
Unassigned	4,894,121	5,060,905	10,329,622	9,295,313	15,077,764
Total Fund Balance	\$ 107,946,037	\$ 94,437,131	\$ 84,036,073	\$ 75,775,059	\$ 75,148,519
Beginning Balance	\$ 94,437,131	\$ 84,036,073	\$ 75,775,059	\$ 75,148,519	\$ 68,564,646
Operating Surplus /(Deficit)	13,508,906	10,401,058	8,261,014	1,246,735	6,583,873
Restatement	-	-	-	(620,195)	-
Ending Balance	\$ 107,946,037	\$ 94,437,131	\$ 84,036,073	\$ 75,775,059	\$ 75,148,519

Revenues

For fiscal year 2014-15, General Fund Revenues and Other Financing Sources were \$92.9 million, an increase of 4.3% from the previous year. General Fund categories are reflected below in Table 6 (note that General Fund categories differ from those reflected in Table 2 and Table 3).

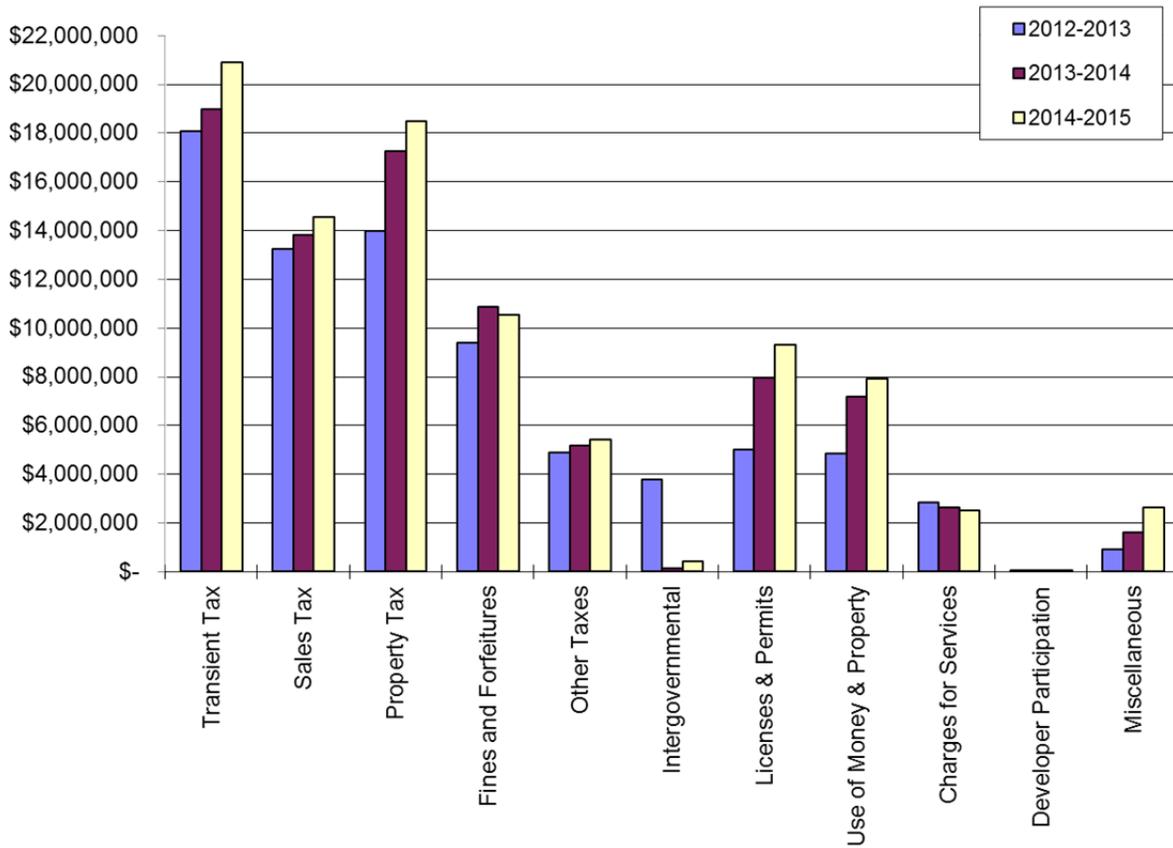
General Fund Revenues and Other Financing Sources (Table 6)
Fiscal Years 2014-15 and 2013-14

	2014-2015	2013-2014	Variance Over/(Under) last year	% of increase (decrease) over last year	% of total
Transient Occupancy Tax	\$ 20,903,442	\$ 18,982,361	\$ 1,921,081	10.1%	22.5%
Sales Tax	14,560,587	13,799,302	761,285	5.5%	15.7%
Property Tax	18,469,653	17,247,543	1,222,110	7.1%	19.9%
Fines and Forfeitures	10,540,503	10,877,343	(336,840)	-3.1%	11.3%
Other Taxes	5,402,469	5,187,330	215,139	4.1%	5.8%
Intergovernmental	405,123	131,724	273,399	207.6%	0.4%
Licenses & Permits	9,327,431	7,968,948	1,358,483	17.0%	10.1%
Use of Money & Property	7,925,694	7,178,690	747,004	10.4%	8.5%
Charges for Services	2,514,014	2,651,853	(137,839)	-5.2%	2.7%
Developer Participation	5,033	4,532	501	11.1%	0.0%
Miscellaneous	2,641,407	1,609,705	1,031,702	64.1%	2.9%
Other Financing Sources	206,000	3,440,322	(3,234,322)	-94.0%	0.2%
Totals	\$ 92,901,356	\$ 89,079,653	\$ 3,821,703	4.3%	100.0%

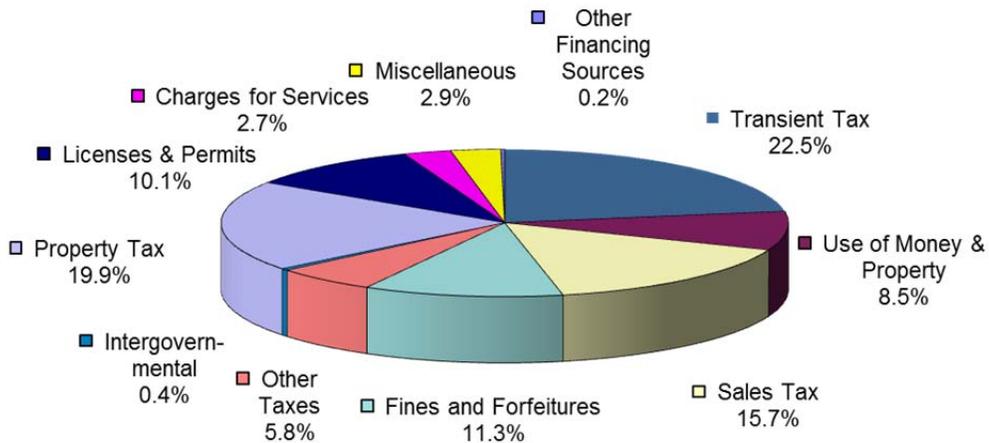
The following are key revenues categories of the General Fund (some of the analysis might be similar to what has been described in earlier sections since the General Fund comprises the largest portion of the City as whole):

- Transient Occupancy Tax Revenue for the current year was \$20.9 million, with an increase of 10.1% over the prior year. Transient occupancy tax revenues increased because of an increase in tourism region wide. The City's hotels have seen room rates and occupancy increase as demand has increased and supply has remained the same.
- Sales Tax Revenue for the current year was \$14.6 million, an increase of \$0.8 million or 5.5% from the prior year. As the local economy has recovered from the last recession the City has continued to see growth in sales tax revenues as consumers continue to increase their spending.
- Property Tax Revenue for the current year was \$18.5 million, with an increase of \$1.2 million or 7.1% over the prior year. Property tax revenue continues to show steady increases due to a combination of factors, including rising property values, increased sales transactions, and the addition of new buildings to the City's property tax roll. It should also be noted that Motor Vehicle In-Lieu revenue was also added to this category this year; previously it had been included in Other Taxes.
- License and Permit Revenue for the current year was \$9.3 million, which was an increase of \$1.4 million, or 17.0%, from the prior year. The increase is attributed to gains in both Planning and Building fees due to the improving real estate market. Over the last several years, many real estate development projects that were stalled during the last recession have started construction. Prior to starting construction these projects must pay their permit fees to the City.
- Use of Money and Property for the current year was \$7.9 million, which was an increase of \$0.7 million, or 10.4%, from the prior year. The increase was mainly due to increases in parking meter and transient parking revenues as the economy has continued to improve and more patrons visit the City's restaurants, bars, retail stores, and entertainment locations.
- Other Financing Sources for the current year was \$0.2 million, which decreased by \$3.2 million from the prior year because last year's balance included \$3.2 million in proceeds from the sale of land.

**Comparison of General Fund Revenues (Graph 7)
Fiscal Years 2014-15, 2013-14 and 2012-13**



General Fund Revenues - Fiscal Year 2014-15 (Graph 8)



Expenditures

For fiscal year 2014-15, total General Fund expenditures were \$79.4 million, an increase of 0.9% or \$0.7 million from the prior year. The following are key points and graphs of General Fund expenditures. For detailed information, please refer to pages 40 to 41.

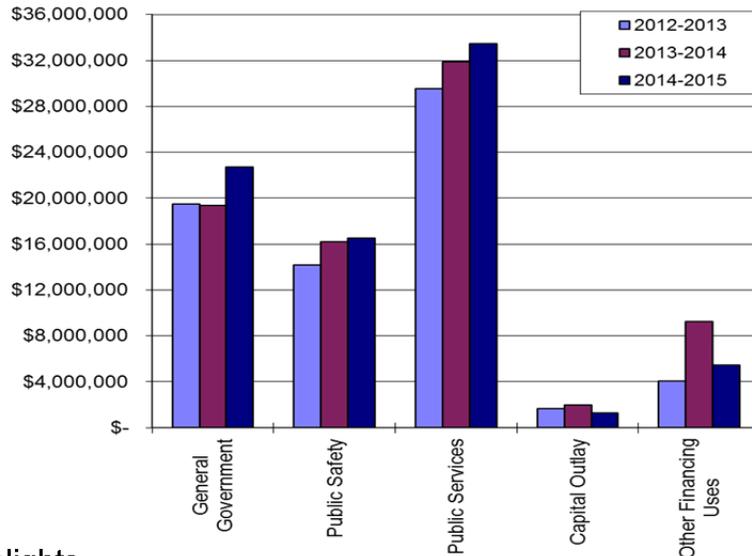
**General Fund Expenditures (Table 7)
Fiscal Years 2014-15 and 2013-14**

	2014-2015	2013-2014	Variance Over/(Under) last year	% of increase (decrease) over last year	% of total
General Government	\$ 22,696,126	\$ 19,349,586	\$ 3,346,540	17.3%	28.6%
Public Safety	16,517,670	16,221,648	296,022	1.8%	20.8%
Public Services	33,459,218	31,857,430	1,601,788	5.0%	42.1%
Capital Outlay	1,247,260	1,987,908	(740,648)	-37.3%	1.6%
Other Financing Uses	5,472,176	9,262,023	(3,789,847)	-40.9%	6.9%
Total Expenditures	\$ 79,392,450	\$ 78,678,595	\$ 713,855	0.9%	100.0%

- General Government expenditures in the current year were \$22.7 million, which is an increase of \$3.3 million or 17.3% from the prior year. The increase is mainly due to a one-time payment of \$4.2 million to fund the City's Other Post-Employment Benefits (OPEB). The net increase is only \$3.3 million because last year's balance included a one-time retrospective liability insurance payment of \$2.8 million.
- Public Safety expenditures were \$16.5 million, had a minimal increase of \$0.3 million or 1.8% from the prior year.
- Public Service expenditures were \$33.5 million and resulted in a 5.0 percent increase. Public Service is the largest function in the General Fund with the following five (5) major program areas: 1) Facilities and Field Services at \$6.0 million, 2) Social Services at \$5.7 million, 3) Parking Services at \$4.3 million, 4) Recreation Services at \$3.5 million, and 5) Current & Historic Preservation Planning at \$2.2 million. The increase is primarily attributed to reviving some of the Contractual Services that were reduced due to budget cuts during the recession and the associated personnel cost for operating these programs.
- Capital Outlay expenditures were \$1.2 million, a decrease of \$0.7 million from the prior year. The decrease was due to the decrease in capital improvements projects related to city hall major repairs and improvements and Plummer Park Projects.

- Other Financing Uses were \$5.5 million, which is a decrease of \$3.8 million from the prior year. Last year, the General Fund transferred a one-time \$4.9 million to Debt Funded Capital Projects to reduce that fund deficit related to the Library Project.

**Comparison of General Fund Expenditures (Graph 9)
Fiscal Years 2014-15, 2013-14 and 2012-13**



Budgetary Highlights

Over the course of the year, the City Council revised the City budget several times. Budget revisions fall into three categories. The first category includes carry-forward encumbrances and capital projects that are approved shortly after the beginning of the year. The second category includes changes that the Council makes during the mid-year budget process. Finally, the Council approves supplemental appropriations throughout the year based on individual items that are brought forward by various departments. The General Fund budgetary comparison statement is located on page 43; the following are budgetary highlights of the General Fund:

Resources (Inflows)

The General Fund’s budgeted amount for *revenues* (resources available for appropriation) had an increase of \$2.8 million between the original budget of \$79.6 million and the final amended budget of \$82.4 million. The increase was primarily due to a mid-year adjustment to Building and Safety Permits of \$1.25 million, which reflected higher receipts due to specific large development projects paying their fees. There was also an internal adjustment of \$1 million to account for a public benefit payment received for a specific purpose from a developer; once the payment was received staff adjusted the revenue and expenditure budgets by the same amount.

In total, actual revenues exceeded the final amended budget by \$10.5 million. Actual revenues exceeded budgeted revenues for several reasons. Approximately \$3.4 million of the excess was from one-time sources including Building and Planning Permits (\$2.6 million) and an Insurance Retrospective Adjustments (\$0.8 million). Building and Planning Permits exceeded budgeted amounts because a number of new real estate developments broke ground in the City during the year and were required to pay their permits. These revenues can vary widely depending on the real estate market and the timing of when permits are paid, for this reason the City budgets these one-time revenues conservatively. Insurance retrospective adjustments are calculated annually by CJPIA, the cities previous insurance provider, and take into consideration all the changes in claim values that occurred during our membership with that pool; since these amounts can vary the amount received in the current year exceeded budgeted amounts.

The remaining \$7.1 million in excess revenues over budgeted amounts is spread over the City's other revenue sources. In total, these excess revenues are equal to 9% of the budgeted amounts for those sources. The City conservatively budgets revenue in order to maintain fiscal sustainability in the event revenues decrease due to various potential events (economic downturn, unforeseen closure of major taxing entity, etc...). The City's conservative approach to revenue budgeting also allows the City to maintain a consistent level of service when there is a downturn in the economy. Management believes that a 9% excess of revenues over budgeted amounts is in line with the City's conservative approach to revenue budgeting and will allow the City to continue to be fiscally sustainable for many years to come.

Appropriations (Outflows)

The difference between the General Fund's original expenditure budget and the final expenditure budget was an increase of \$14.9 million in appropriations. The major increase was rollovers from Fiscal Year 2013-14, \$3.4 million for capital projects and \$2.2 million for encumbrances. There was also a one-time appropriation of \$4.2 million to pre-fund OPEB and \$3.4 million in supplement appropriation approved by the City Council during the fiscal year. Actual expenditures were less than the final adopted budget; the remaining appropriations were either encumbered, re-appropriated in the next fiscal year or released to fund balance.

Section 5 – Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets (Table 8) for its governmental and business-type activities as of June 30, 2015, is \$212.0 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, and infrastructure. Additional information about the City's capital assets can be found in the Notes to the Financial Statements on pages 67-68.

**Capital Assets (Table 8)
(net of depreciation)
(in thousands)**

	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2015	2014	2015	2014	2015	2014
Land	\$ 46,990	\$ 46,990	\$ -	\$ -	\$ 46,990	\$ 46,990
Buildings and systems	65,823	67,253	-	-	65,823	67,253
Improvements other than buildings	9,517	9,667	-	-	9,517	9,667
Machinery and Equipment	3,177	3,520	-	-	3,177	3,520
Infrastructure	51,392	52,403	10,141	10,539	61,533	62,942
Construction in progress	24,853	13,306	73	73	24,926	13,379
Total Capital Assets	\$ 201,753	\$ 193,139	\$ 10,214	\$ 10,612	\$ 211,966	\$ 203,751

Long-Term Debt

At year end, the City had \$102.5 million in outstanding long-term debt for Governmental Activities as reflected in Table 9 below. These consisted of Compensated Absences, Lease Revenue 2009 Series A and B Bonds, Lease Revenue 2013 Bonds and Net Pension Liability.

**Long-Term Debt (Table 9)
(in thousands)**

	Governmental Activities			
	2015	2014 Restated	Variance Over/(Under) last year	% of increase (decrease) over last year
Compensated Absences	\$ 3,376.7	\$ 3,283.6	\$ 93.1	2.8%
OPEB Obligation	-	2,066.9	(2,066.9)	-100.0%
Lease Revenue - 2009 Series A	12,373.1	14,184.9	(1,811.8)	-12.8%
Lease Revenue - 2009 Series B	35,117.9	35,173.4	(55.5)	-0.2%
Lease Revenue - 2013	18,859.4	19,188.0	(328.6)	-1.7%
Net Pension Liability	32,772.1	39,585.6	(6,813.5)	-17.2%
Total Long-Term Debt	\$ 102,499.2	\$ 113,482.4	\$ (10,983.2)	-9.7%

Compensated Absences had a nominal increase of \$0.1 million or 2.8% increase with an outstanding balance of \$3.4 million at year end. The increase was due to minor cost-of-living increase in employee wages and increased vacation and sick time accruals. The City's OPEB obligation at year end was eliminated because the City has established an irrevocable trust fund with the CalPERS System and deposited \$4.2 million to the trust fund.

On July 15, 2009, Lease Revenue Bonds Series A were issued for \$22,160,000 to prepay the outstanding principal balance of the 1998 Refunding Certificates of Participation in the amount of \$20,420,000. Also on July 15, 2009, Lease Revenue Bonds Series B were issued in the amount of \$34,780,000 to finance the acquisition, construction and improvements to the City’s West Hollywood Park, including a new Public Library, a 90 space underground parking facility, a 337 space above ground parking facility and a 2.5 acre landscape park expansion. Additional information about the City’s long-term debt can be found in the *Notes to the Financial Statements* on page 77; Note Number 8.

On September 28, 2013, Lease Revenue Bonds were issued for \$19,155,000 to finance the acquisition and construction of a new city hall automated parking facility and related improvements and finance capital improvements to the Werle Building. Additional information about the City’s long-term debt can be found in the *Notes to the Financial Statements* on page 77; Note 8.

As of June 30, 2015, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68 which requires that the net pension liability be recorded. For the City, the Net Pension Liability is \$32.8 million.

Long-Term Debt - Successor Agency

Due to the dissolution of redevelopment, the following long-term debt is no longer reported as Governmental Activities; Successor Agency activities are now reported with the Private Trust Funds activity.

Long-Term Debt (Table 10)
(in thousands)

	Successor Agency Activities			
	2015	2014	Variance Over/(Under) last year	% of increase (decrease) over last year
Tax Allocation Bonds - 2011 Series A	\$ 28,001.4	\$ 28,254.7	\$ (253.3)	-0.9%
Tax Allocation Bonds - 2011 Series B	8,431.2	8,454.6	(23.4)	-0.3%
Tax Allocation Refunding Bonds - 2013	9,216.1	9,668.4	(452.3)	-4.7%
Total Long-Term Debt	\$ 45,648.7	\$ 46,377.7	\$ (729.0)	-1.6%

At year end, the Successor Agency had \$45.6 million in outstanding long-term debt. These consisted of 2011 Tax Allocation Bonds Series ‘A’ and 2011 Tax Allocation Bonds Series ‘B’ and 2013 Tax Allocation Refunding Bonds,

In March of 2011, Tax Allocation Bonds Series ‘A’ 2011 were issued for \$30,560,000 to finance redevelopment improvements to Plummer Park.

In March of 2011, Tax Allocation Bond Series 'B' 2011 were issued for \$9,420,000 to increase, improve or preserve the supply of low and moderate income housing within the East Side Redevelopment Area.

In December of 2013, the Successor Agency participated in the County of Los Angeles Redevelopment Refunding Authority's Pooled Bond Refunding Program. The former Community Development Commission's 2003 Tax Allocation Bonds was pooled with redevelopment bonds from seven other former redevelopment agencies for the refunding and the 2013 Tax Allocation Refunding Bonds were issued.

Section 6 – Economic Factors and Outlook for Future Years

Although the focus of this report is based on the economic condition of the City prevailing as of June 30, 2015, there are always local, state, federal and global issues that require consideration in this report and upcoming projections, because of their future economic impact to the City.

During the last fiscal year and the six months that have followed it, the local, regional, State, and federal economies have continued to show increased strength. This is particularly true for the local West Hollywood economy, as tourism spending and hotel occupancy rates have increased and the City is seeing all time revenue highs. On a State and national level many economic indicators continue to improve, including home prices and sales, consumer confidence, and new jobs; additionally, the national unemployment rate continue to consistently decrease and the Federal Reserve appears ready to begin increasing the Federal Funds Rate due to the continued strength of the economy.

However, there are always uncertainties at the state, national, and global level that have the potential to harm the economy. For this reason, City staff closely monitors all economic indicators and trends.

Over the last decade the State budget has been a major concern, as deficits and cuts to services were frequent. Many of the State's efforts to balance its budget over this time have deeply impacted local governments, for this reason the City will continue to monitor legislative matters and the State budget as it continues to stabilize. At the same time, there is reason for continued optimism regarding the State budget. While the State is projected to have a surplus during the current year, and into the future, there is still uncertainty because the State's primary revenue source is personal income taxes which can fluctuate significantly depending on the economy, additionally, voter approved tax increases, which have helped to stabilize the State budget, will expire in 2017.

The forecast for the City of West Hollywood continues to be optimistic. The City, with the use of its Long Range Financial Planning Model, continues to maintain its ability to fund enhanced levels of service for its residents without the need to use reserves for operations.

Management is confident that the City can sustain and build upon its current reserves while satisfying the funding needs of future capital projects and operations. The City's financial standing was further validated by Standard & Poor's and Fitch confirming their "AAA" issuer credit ratings, with a stable outlook, for the City of West Hollywood in July 2015.

While most cities continue to struggle to return revenues to pre-recession highs, the City surpassed all pre-recession revenue peaks as of June 30, 2013.

The City's largest single source of revenue, Transient Occupancy Tax, has grown on average by 7.7% over the past ten years and for the past five years has grown by 9.5%; this includes a 7.7% drop in fiscal year 2009 due to the Great Recession, but a 17% increase in fiscal year 2013 as tourism accelerated in the region, increasing room rates and occupancy levels. The City hosts approximately 1.2 million visitors each year, helping it to rank among the top 20 in the State in per capita TOT with other major tourist destinations like San Francisco, Los Angeles, Anaheim, Santa Monica, Beverly Hills, and Palm Springs. It is anticipated that there will be significant new growth in TOT in fiscal years 2017 and 2018 due to the opening of a 104-room Kimpton Hotel on La Peer Drive in mid-2016, and the opening of the 296-room James Hotel on the Sunset Strip in late-2016. Additionally, the mid-2018 opening of the west coast flagship location for the new high-end Marriott Edition hotel is anticipated to increase TOT revenues even further in the future.

The City also anticipates that sales tax, property tax, and parking revenues will continue to increase as the economy continues to improve and new real estate development projects that are currently under construction in the City are completed and begin attracting new businesses, residents, and visitors.

Taking this information into account, the City's adopted General Fund budget for fiscal year 2015-2016 continues to reflect pragmatic optimism about the City's financial future. Budget projections for key revenues over the next year will anticipate that they will grow as the economic base expands. Higher costs for public safety, housing and social services, wages, retirement and health care counter in significant part the anticipated revenue expansion, however, the city has been able to increase its investment in infrastructure improvements and expand services for residents and businesses. The City continues to use its strategic plan, Vision 2020, in guiding its decisions during the budget process.

Contacting the City's Financial Management Staff

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



Basic Financial Statements



Off to the WeHo Farmer's Market for some tamales and flowers! via twitter



Front top and bottom: *Three Horned Beast* by Lisa Little and Emily White, photos by Joshua Barash

Back: *Love Your Beans* by Cosimo Cavallaro, photo by Eric Minh Swenson

CITY OF WEST HOLLYWOOD

STATEMENT OF NET POSITION

June 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and investments	\$ 149,236,036	\$ 1,253,010	\$ 150,489,046
Receivables:			
Accounts	3,637,066	3,825	3,640,891
Taxes	2,247,167	-	2,247,167
Notes and loans	565,123	-	565,123
Accrued interest	107,416	929	108,345
Internal balances	17,995	(17,995)	-
Prepaid costs	8,326	-	8,326
Deposits	34,000	-	34,000
Due from other governments	6,575,928	51,328	6,627,256
Restricted assets:			
Cash with fiscal agent	11,079,851	-	11,079,851
OPEB asset	1,840,707	-	1,840,707
Capital assets not being depreciated	71,843,483	73,417	71,916,900
Capital assets, net of accumulated depreciation	129,909,251	10,141,366	140,050,617
TOTAL ASSETS	377,102,349	11,505,880	388,608,229
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred amounts from pension	4,063,914	-	4,063,914
LIABILITIES:			
Accounts payable	7,343,742	227,860	7,571,602
Accrued liabilities	1,951,479	-	1,951,479
Accrued interest	1,217,638	-	1,217,638
Unearned revenue	4,603,014	-	4,603,014
Deposits payable	8,150,716	-	8,150,716
Due to other governments	565,123	-	565,123
Noncurrent liabilities:			
Due within one year	3,997,863	-	3,997,863
Due in more than one year	98,501,347	-	98,501,347
TOTAL LIABILITIES	126,330,922	227,860	126,558,782
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts from pension	6,136,517	-	6,136,517
NET POSITION:			
Net investment in capital assets	145,114,783	10,214,783	155,329,566
Restricted for:			
Public services	22,330,050	-	22,330,050
Capital projects	6,674,257	-	6,674,257
Debt service	18,132,026	-	18,132,026
Unrestricted	56,447,708	1,063,237	57,510,945
TOTAL NET POSITION	\$ 248,698,824	\$ 11,278,020	\$ 259,976,844

See accompanying notes to financial statements.

CITY OF WEST HOLLYWOOD

STATEMENT OF ACTIVITIES

For the year ended June 30, 2015

Functions/programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 20,388,425	\$ 841,309	\$ 674,770	\$ -
Public safety	17,270,756	694,016	97,649	-
Public services	46,146,254	25,929,989	2,717,837	1,710,539
Interest on long-term debt	3,360,030	-	-	-
Total Governmental Activities	<u>87,165,465</u>	<u>27,465,314</u>	<u>3,490,256</u>	<u>1,710,539</u>
Business-Type Activities:				
Sewer Charge	719,313	1,394,096	-	-
Solid Waste	1,448,043	1,436,329	-	-
Landscape District	203,135	178,418	-	-
Sewer District	363,557	-	-	-
Street Maintenance	299,122	290,112	-	-
Total Business-Type Activities	<u>3,033,170</u>	<u>3,298,955</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 90,198,635</u>	<u>\$ 30,764,269</u>	<u>\$ 3,490,256</u>	<u>\$ 1,710,539</u>

General Revenues:

Taxes:

Property taxes, levied for general purposes

Transient occupancy taxes

Sales taxes

Franchise taxes

Business licenses taxes

Use of money and property

Other

Total General Revenues

Change in Net Position

Net Position - Beginning of Year, as Restated

Net Position - End of Year

See accompanying notes to financial statements.

Net (Expenses) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (18,872,346)	\$ -	\$ (18,872,346)
(16,479,091)	-	(16,479,091)
(15,787,889)	-	(15,787,889)
(3,360,030)	-	(3,360,030)
<u>(54,499,356)</u>	<u>-</u>	<u>(54,499,356)</u>
-	674,783	674,783
-	(11,714)	(11,714)
-	(24,717)	(24,717)
-	(363,557)	(363,557)
-	(9,010)	(9,010)
<u>-</u>	<u>265,785</u>	<u>265,785</u>
<u>(54,499,356)</u>	<u>265,785</u>	<u>(54,233,571)</u>
19,613,651	-	19,613,651
20,903,442	-	20,903,442
16,117,944	-	16,117,944
2,551,024	-	2,551,024
3,088,786	-	3,088,786
12,876,245	3,427	12,879,672
1,642,123	-	1,642,123
<u>76,793,215</u>	<u>3,427</u>	<u>76,796,642</u>
22,293,859	269,212	22,563,071
<u>226,404,965</u>	<u>11,008,808</u>	<u>237,413,773</u>
<u>\$ 248,698,824</u>	<u>\$ 11,278,020</u>	<u>\$ 259,976,844</u>

CITY OF WEST HOLLYWOOD

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2015

	General	Debt Service Fund Capital Projects Debt Service	Capital Projects Fund Debt Funded Capital Projects
ASSETS:			
Cash and investments	\$ 113,028,842	\$ 7,624,548	\$ -
Receivables:			
Accounts	905,634	-	-
Taxes	2,247,167	-	-
Notes and loans	-	-	-
Accrued interest	82,298	5,423	-
Prepaid costs	1,708	-	-
Deposits	34,000	-	-
Due from other governments	5,385,240	-	-
Due from other funds	6,087,849	-	-
Restricted assets:			
Cash held in escrow	-	-	-
Cash and investments with fiscal agents	-	10,652,034	-
TOTAL ASSETS	\$ 127,772,738	\$ 18,282,005	\$ -
LIABILITIES:			
Accounts payable	\$ 4,558,144	\$ -	\$ 32,393
Accrued liabilities	1,951,479	-	-
Unearned revenues	3,886,053	-	-
Deposits payable	7,668,204	-	-
Due to other governments	-	-	-
Due to other funds	-	1,404,985	4,546,541
TOTAL LIABILITIES	18,063,880	1,404,985	4,578,934
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenues	1,762,821	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	1,762,821	-	-
FUND BALANCES (DEFICIT):			
Nonspendable:			
Prepaid costs	1,708	-	-
Deposits	34,000	-	-
Restricted:			
Public services	-	-	-
Capital projects	-	-	-
Debt service	1,255,006	16,877,020	-
Committed to:			
Emergency contingency	4,122,729	-	-
Continuing appropriations	7,953,776	-	-
Assigned to:			
Self insurance	5,000,000	-	-
Capital projects	56,817,000	-	-
Future expenditures	3,376,780	-	-
Working reserve	16,490,917	-	-
Unfunded pension costs	8,000,000	-	-
Unassigned	4,894,121	-	(4,578,934)
TOTAL FUND BALANCES (DEFICIT)	107,946,037	16,877,020	(4,578,934)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 127,772,738	\$ 18,282,005	\$ -

See accompanying notes to financial statements.

Other Governmental Funds	Total Governmental Funds
\$ 28,480,636	\$ 149,134,026
2,731,432	3,637,066
-	2,247,167
565,123	565,123
19,622	107,343
6,618	8,326
-	34,000
1,190,688	6,575,928
1,404,985	7,492,834
427,817	427,817
-	10,652,034
<u>\$ 34,826,921</u>	<u>\$ 180,881,664</u>
\$ 2,682,150	\$ 7,272,687
-	1,951,479
716,961	4,603,014
482,512	8,150,716
565,123	565,123
1,541,308	7,492,834
<u>5,988,054</u>	<u>30,035,853</u>
<u>1,544,071</u>	<u>3,306,892</u>
<u>1,544,071</u>	<u>3,306,892</u>
6,618	8,326
-	34,000
20,785,979	20,785,979
6,674,257	6,674,257
-	18,132,026
-	4,122,729
-	7,953,776
-	5,000,000
-	56,817,000
-	3,376,780
-	16,490,917
-	8,000,000
(172,058)	143,129
<u>27,294,796</u>	<u>147,538,919</u>
<u>\$ 34,826,921</u>	<u>\$ 180,881,664</u>

This page intentionally left blank

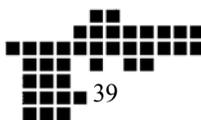
CITY OF WEST HOLLYWOOD

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION

June 30, 2015

Fund balances - total governmental funds		\$ 147,538,919
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets, net of depreciation have not been included as financial resources in governmental fund activity.		201,752,734
Long-term debt and compensated absences that have not been included in the governmental fund activity:		
Bonds payable	\$(65,885,000)	
Unamortized bond premiums/discounts	(465,325)	
Compensated absences	<u>(3,376,780)</u>	
		(69,727,105)
Governmental funds report all Other Post-Employment Benefit (OPEB) contributions as expenditures, however, in the Statement of Net Position, any excesses or deficiencies in contributions in relation to the Annual Required Contribution (ARC) are recorded as an asset or liability.		1,840,707
Pension related debt applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to pensions are only reported in the Statement of Net Position as the changes in these amounts effects only the government-wide statements for governmental activities:		
Deferred outflows of resources	4,063,914	
Deferred inflows of resources	(6,136,517)	
Pension liability	<u>(32,772,105)</u>	
		(34,844,708)
Accrued interest payable for the current portion of interest due on bonds has not reported in the governmental funds		(1,217,638)
Revenues reported as unavailable revenue in the governmental funds and recognized in the Statement of Activities. These are included in the intergovernmental revenues in the governmental fund activity.		3,306,892
The internal service fund is used by management to charge the costs of certain activities, such as the information system, to individual funds. The assets and liabilities of the internal service fund must be added to the Statement of Net Position.		<u>49,023</u>
Net position of governmental activities		<u><u>\$ 248,698,824</u></u>

See accompanying notes to financial statements.



CITY OF WEST HOLLYWOOD

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the year ended June 30, 2015

	General	Debt Service Fund Capital Projects Debt Service	Capital Projects Fund Debt Funded Capital Projects
REVENUES:			
Taxes	\$ 59,336,151	\$ -	\$ -
Licenses and permits	9,327,431	-	-
Intergovernmental	405,123	-	-
Charges for services	2,514,014	-	-
Use of money and property	7,925,694	911,526	-
Fines and forfeitures	10,540,503	-	-
Contributions	-	-	-
Developer participation	5,033	-	-
Miscellaneous	2,641,407	-	-
TOTAL REVENUES	92,695,356	911,526	-
EXPENDITURES:			
Current:			
General government	22,696,126	-	-
Public safety	16,517,670	-	-
Public services	33,459,218	-	-
Capital outlay	1,247,260	-	2,800,973
Debt service:			
Principal retirement	-	2,140,000	-
Interest and fiscal charges	-	3,449,479	-
TOTAL EXPENDITURES	73,920,274	5,589,479	2,800,973
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	18,775,082	(4,677,953)	(2,800,973)
OTHER FINANCING SOURCES (USES):			
Transfers in	206,000	4,914,525	-
Transfers out	(5,472,176)	(8,294,800)	-
TOTAL OTHER FINANCING SOURCES (USES)	(5,266,176)	(3,380,275)	-
NET CHANGE IN FUND BALANCES	13,508,906	(8,058,228)	(2,800,973)
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR	94,437,131	24,935,248	(1,777,961)
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 107,946,037	\$ 16,877,020	\$ (4,578,934)

See accompanying notes to financial statements.

Other Governmental Funds	Total Governmental Funds
\$ 2,720,401	\$ 62,056,552
-	9,327,431
3,788,849	4,193,972
930,131	3,444,145
4,229,736	13,066,956
1,057,448	11,597,951
247,588	247,588
3,013,850	3,018,883
57,644	2,699,051
16,045,647	109,652,529
1,189,970	23,886,096
673,090	17,190,760
8,563,976	42,023,194
9,735,667	13,783,900
-	2,140,000
-	3,449,479
20,162,703	102,473,429
(4,117,056)	7,179,100
9,686,958	14,807,483
(1,040,507)	(14,807,483)
8,646,451	-
4,529,395	7,179,100
22,765,401	140,359,819
\$ 27,294,796	\$ 147,538,919

CITY OF WEST HOLLYWOOD

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

For the year ended June 30, 2015

Net change in fund balances - total governmental funds \$ 7,179,100

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the the estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded asset disposal and depreciation expense in the current period.

Capital outlays	\$ 13,153,552	
Depreciation expense	<u>(4,540,521)</u>	8,613,031

The issuance of long term debt provides current financial resources to governmental funds, while the repayment of the principal of long term-debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Principal repayments	2,140,000	
Amortization of bond premiums/discounts	<u>55,949</u>	2,195,949

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. 33,500

Compensated absences expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. (93,192)

Governmental funds report all contributions in relation to the annual required contribution (ARC) for OPEB as expenditures, however in the Statement of Activities only the ARC is reported as an expense. 3,907,611

Pension expense reported in the governmental funds includes the annual required contributions. In the Statement of Activities, pension expense includes the change in the net pension liability, and related change in pension amounts for deferred outflows of resources and deferred inflows of resources 896,118

Revenues reported as unavailable revenues in the governmental funds and recognized in the Statement of Activities. These are included in the intergovernmental revenues in the governmental fund activity. (193,205)

The internal service fund is used by management to charge the costs of certain activities, such as the information system, to individual funds. The net revenues (expenses) of the internal service fund is reported with governmental activities. (245,053)

Change in net position of governmental activities \$ 22,293,859

See accompanying notes to financial statements.

CITY OF WEST HOLLYWOOD

BUDGETARY COMPARISON STATEMENT BY DEPARTMENT
GENERAL FUND

For year ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	94,437,131	\$ 94,437,131	\$ 94,437,131	\$ -
Resources (Inflows):				
Taxes	53,959,000	53,959,000	59,336,151	5,377,151
Licenses and permits	4,788,035	6,410,047	9,327,431	2,917,384
Intergovernmental	135,000	135,000	405,123	270,123
Charges for services	2,545,400	2,545,400	2,514,014	(31,386)
Use of money and property	6,134,831	6,019,587	7,925,694	1,906,107
Fines and forfeitures	10,054,000	10,054,000	10,540,503	486,503
Developer participation	-	-	5,033	5,033
Miscellaneous	1,941,415	3,099,846	2,641,407	(458,439)
Transfers in	-	206,000	206,000	-
Amounts Available for Appropriations	<u>173,994,812</u>	<u>176,866,011</u>	<u>187,338,487</u>	<u>10,472,476</u>
Charges to Appropriations (Outflows):				
Current:				
General government:				
City Council	1,277,373	1,229,373	1,169,146	60,227
City Manager	1,660,797	1,168,186	832,997	335,189
Assistant City Manager	864,541	2,143,792	1,031,958	1,111,834
Public Info & Prosecution Services	1,903,474	2,025,985	1,991,315	34,670
Economic Development	1,699,761	1,797,536	1,351,517	446,019
Public Safety Administration	-	-	-	-
City Attorney	850,000	1,220,000	1,026,468	193,532
Legal Services	1,695,811	1,565,811	1,502,587	63,224
Administrative Services Administration	319,850	319,850	316,830	3,020
City Clerk	1,223,120	1,475,277	1,442,451	32,826
Human Resources	1,568,417	6,125,163	5,971,324	153,839
Finance Administration	2,522,098	3,973,869	1,880,180	2,093,689
Revenue Management	1,052,915	1,749,515	1,672,632	76,883
General Accounting	1,093,510	1,218,687	1,161,934	56,753
Information Technology	1,717,329	1,728,413	1,344,787	383,626
Public safety:				
Public Safety Administration	2,282,189	2,282,189	2,209,914	72,275
City Police/Protective Services	16,581,818	16,581,819	14,307,756	2,274,063
Public services:				
Human Services Administration	517,725	526,425	499,153	27,272
Recreation Services	3,554,552	3,592,721	3,480,903	111,818
Special events	1,877,030	1,909,980	1,785,765	124,215
Social Services	5,837,181	6,010,205	5,739,694	270,511
Housing & Rent Stabilization Administration	1,808,196	1,916,226	1,799,885	116,341
Community Development Administrator	1,149,074	1,212,994	923,589	289,405
Current & Historic Preservation Planning	2,052,849	2,264,845	2,242,878	21,967
Long Range & Mobility Planning	1,241,314	1,949,644	1,233,830	715,814
Building & Safety	1,826,588	2,211,026	1,963,004	248,022
Public Works Administration	717,964	793,638	756,757	36,881
Facilities and Field Services	6,385,800	6,415,641	6,011,536	404,105
Code Compliance	1,698,094	1,698,094	1,584,197	113,897
Parking	4,365,064	4,385,064	4,257,426	127,638
City Engineering	1,126,427	2,220,272	1,180,601	1,039,671
Capital outlay	1,750,000	4,428,143	1,247,260	3,180,883
Transfers out	9,593,395	10,593,395	5,472,176	5,121,219
Total Charges to Appropriations	<u>83,814,256</u>	<u>98,733,778</u>	<u>79,392,450</u>	<u>19,341,328</u>
Budgetary Fund Balance, June 30	\$ 90,180,556	\$ 78,132,233	\$ 107,946,037	\$ 29,813,804

See accompanying notes to financial statements.

CITY OF WEST HOLLYWOOD

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS

June 30, 2015

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	Nonmajor Enterprise Funds	Information System Master Plan Internal Service Fund
ASSETS:		
CURRENT ASSETS:		
Cash and investments	\$ 1,253,010	\$ 102,010
Receivables:		
Accounts	3,825	-
Accrued interest	929	73
Due from other governments	51,328	-
Due from other funds	54,209	-
TOTAL CURRENT ASSETS	<u>1,363,301</u>	<u>102,083</u>
NONCURRENT ASSETS:		
Capital assets, nondepreciable	73,417	-
Capital assets, net of accumulated depreciation	<u>10,141,366</u>	<u>-</u>
TOTAL NONCURRENT ASSETS	<u>10,214,783</u>	<u>-</u>
TOTAL ASSETS	<u>11,578,084</u>	<u>102,083</u>
LIABILITIES:		
CURRENT LIABILITIES:		
Accounts payable	227,860	71,055
Due to other funds	54,209	-
TOTAL CURRENT LIABILITIES	<u>282,069</u>	<u>71,055</u>
TOTAL LIABILITIES	<u>282,069</u>	<u>71,055</u>
NET POSITION:		
Net investment in capital assets	10,214,783	-
Unrestricted	<u>1,081,232</u>	<u>31,028</u>
TOTAL NET POSITION	11,296,015	<u>\$ 31,028</u>
Prior years' accumulated adjustment to reflect the consolidation of the internal service fund activities related to the enterprise funds	(10,650)	
Current year's adjustment to reflect the consolidation of the internal service fund activities related to the enterprise funds	<u>(7,345)</u>	
Net position of business-type activities	<u>\$ 11,278,020</u>	

See accompanying notes to financial statements.

CITY OF WEST HOLLYWOOD

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

For the year ended June 30, 2015

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Information System Master Plan Internal Service Fund
OPERATING REVENUES:		
Sales and service charges	\$ 3,095,161	\$ 457,570
Penalties on assessments	9,844	-
Other fees and charges	193,950	-
TOTAL OPERATING REVENUES	<u>3,298,955</u>	<u>457,570</u>
OPERATING EXPENSES:		
Administration and general	161,121	710,558
Treatment	2,238,021	-
Cost of sales and services	229,166	-
Depreciation expense	397,517	-
TOTAL OPERATING EXPENSES	<u>3,025,825</u>	<u>710,558</u>
OPERATING INCOME (LOSS)	<u>273,130</u>	<u>(252,988)</u>
NONOPERATING REVENUES:		
Interest revenue	3,427	590
TOTAL NONOPERATING REVENUES	<u>3,427</u>	<u>590</u>
CHANGE IN NET POSITION	276,557	(252,398)
NET POSITION - BEGINNING OF YEAR	<u>11,019,458</u>	<u>283,426</u>
NET POSITION - END OF YEAR	<u>\$ 11,296,015</u>	<u>\$ 31,028</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	\$ (7,345)	
Change in net position - Enterprise Funds	<u>276,557</u>	
Change in net position of business-type activities	<u>\$ 269,212</u>	

See accompanying notes to financial statements.

CITY OF WEST HOLLYWOOD

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

For the year ended June 30, 2015

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Information System Master Plan Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers and users	\$ 3,292,108	\$ 457,570
Cash paid to suppliers for goods and services	(1,998,771)	(758,767)
Cash paid to employees for services	(497,693)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	795,644	(301,197)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Repayment received from other funds	167,688	-
Repayment made to other funds	(167,688)	-
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	2,921	635
NET CASH PROVIDED BY INVESTING ACTIVITIES	2,921	635
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	798,565	(300,562)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	454,445	402,572
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,253,010	\$ 102,010

See accompanying notes to financial statements.

(Continued)

CITY OF WEST HOLLYWOOD

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 (CONTINUED)

For the year ended June 30, 2015

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Information System Master Plan Internal Service Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ 273,130	\$ (252,988)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	397,517	-
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(2,649)	-
Due from other governments	(4,198)	-
Prepaid costs	-	13,827
Increase (decrease) in:		
Accounts payable	131,844	(62,036)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 795,644	\$ (301,197)

See accompanying notes to financial statements.

CITY OF WEST HOLLYWOOD

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

June 30, 2015

	Agency Funds	Successor Agency Private-Purpose Trust Funds	Westside Cities Council of Governments Private-Purpose Trust Fund
ASSETS:			
Cash and investments	\$ 191,733	\$ 5,897,122	\$ 198,557
Receivables:			
Accounts	152,040	-	-
Taxes	536,165	-	-
Accrued interest	244	-	141
Due from other funds	124,693	-	-
Restricted assets:			
Cash and investments with fiscal agents	-	32,738,846	-
Capital assets:			
Capital assets, not being depreciated	-	1,338,057	-
Capital assets, net of accumulated depreciation	-	472,793	-
TOTAL ASSETS	\$ 1,004,875	40,446,818	198,698
LIABILITIES:			
Accounts payable	\$ 880,182	658	32,082
Accrued interest	-	1,103,050	-
Due to other funds	124,693	-	-
Long-term liabilities:			
Due in one year	-	635,000	-
Due in more than one year	-	45,013,649	-
TOTAL LIABILITIES	\$ 1,004,875	46,752,357	32,082
NET POSITION:			
Held in trust for other purposes		(6,305,539)	166,616
TOTAL NET POSITION		\$ (6,305,539)	\$ 166,616

See accompanying notes to financial statements.

CITY OF WEST HOLLYWOOD

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

For the year ended June 30, 2015

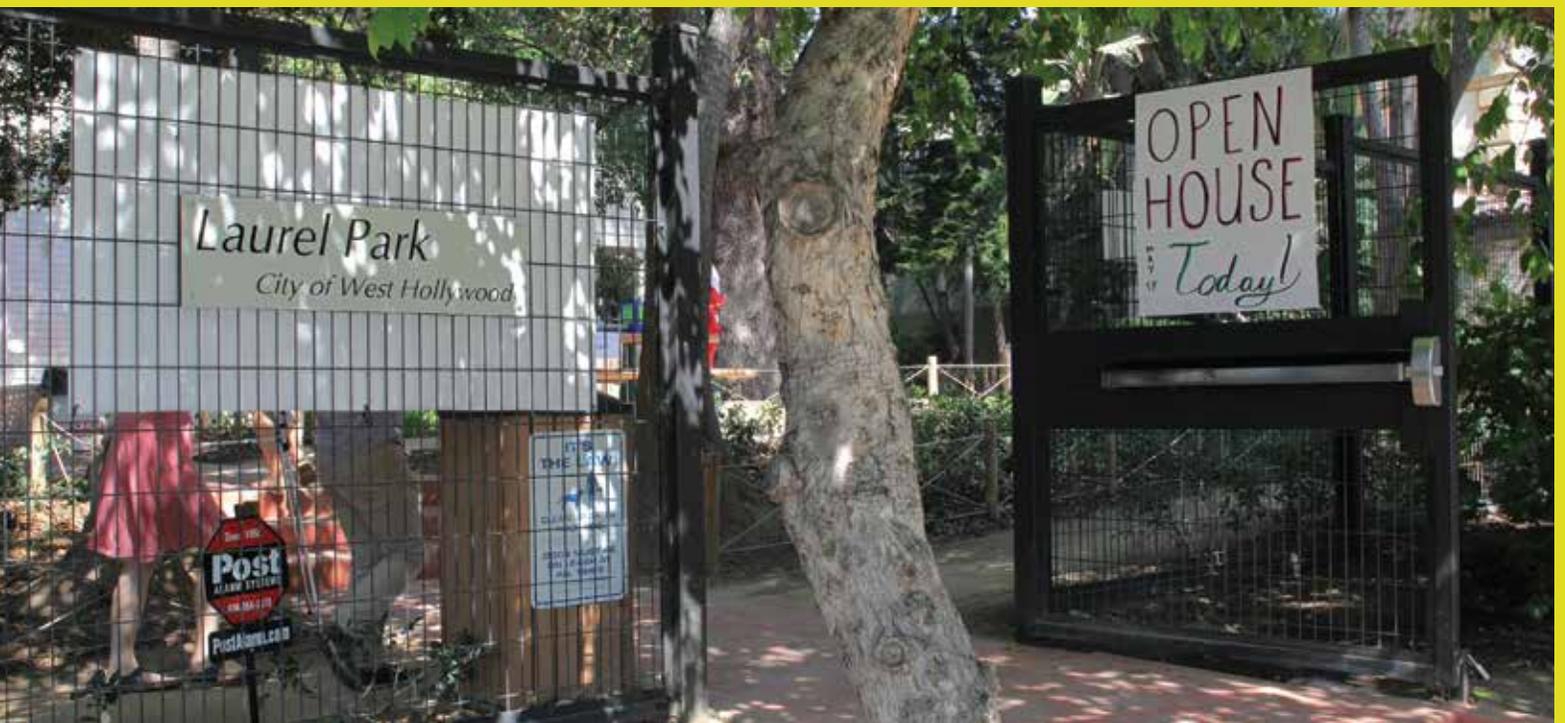
	Successor Agency Private-Purpose Trust Funds	Westside Cities Council of Governments Private-Purpose Trust Fund
ADDITIONS:		
Taxes	\$ 4,024,823	\$ -
Member contributions		120,000
Interest and change in fair value of investments	25,230	1,354
	<u>4,050,053</u>	<u>121,354</u>
TOTAL ADDITIONS		
DEDUCTIONS:		
Administrative expenses	250,327	-
Contractual services	7,571	164,142
Interest expense	3,307,537	-
Transfers to other funds	-	-
	<u>3,577,291</u>	<u>164,142</u>
TOTAL DEDUCTIONS		
CHANGE IN NET POSITION	472,762	(42,788)
NET POSITION - BEGINNING OF YEAR	<u>(6,778,301)</u>	<u>209,404</u>
NET POSITION - END OF YEAR	<u>\$ (6,305,539)</u>	<u>\$ 166,616</u>

See accompanying notes to financial statements.

This page intentionally left blank



Notes to Financial Section



Oprah is moving to WeHo!!! Big win you guys!
via twitter



Front top and back : The Lot, Courtesy of CIM, photos by Tom Bonner
Front bottom: 1343 N. Laurel Avenue Open House, photo by Joshua Barash

CITY OF WEST HOLLYWOOD
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Description of the Reporting Entity:

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

Blended Component Units:

The following four component units, although legally separate entities are, in substance, part of the City's operations, so data from these units are combined with the data of the City of West Hollywood, the primary government. All except the West Hollywood Library Foundation Fund are governed by the City Council of the City of West Hollywood. The West Hollywood Library Foundation Fund is governed by a separate board of directors; however, its activities exclusively benefit the City of West Hollywood. Therefore, all the entities mentioned below are included in this financial presentation using the blending method.

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

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

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

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED):

Blended Component Units (Continued):

The West Hollywood Library Foundation Fund was formed on March 21, 2008, as a nonprofit corporation that sponsors benefits and solicits funds from private donors and the public for the capital campaign for the rebuilding of the West Hollywood Library.

Separate financial statements are not issued for these component units.

Government-Wide and Fund Financial Statements:

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

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the statement of net position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the statement of activities, inter-fund services have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items not properly included among program revenues are reported instead as general revenues. Certain indirect costs are included in program expenses reported for individual functions and activities.

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

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED):

Measurement Focus, Basis of Accounting and Financial Statement Presentation:

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

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

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

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

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

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED):

Fund Classifications:

The City reports the following major governmental funds:

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

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

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

The Debt Funded Capital Projects Fund accounts for the receipt and disbursement of monies used for the construction of the mixed use parking facilities, City Hall acquisition, Homeless Shelter, Fire Station No.7, new parking meters, West Hollywood Library, and the new city hall parking structure, which generally require more than one budgetary cycle to complete. These projects have been funded by the General Fund, bond proceeds and donations obtained by the West Hollywood Library Foundation Fund.

The City's fund structure also includes the following fund types:

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

The Capital Project Fund accounts for projects associated with the rehabilitation of Santa Monica Boulevard.

The Enterprise Funds account for operations and maintenance of sewer district, sewer charge, solid waste, landscape district and street maintenance.

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

The Agency Funds are used to report resources held by the City in a purely custodial capacity, which involves only the receipt, temporary investment and remittance of fiduciary resources to individuals, private organizations, or other governments. These funds are reported on the accrual basis. The Business Improvement Fund accounts for assessments that are levied for the Avenues of Art and Design. The Community District Fund accounts for special taxes, which are levied by the City on behalf of the Community Facilities District to pay debt service on the seismic project bonds, which are not a debt of the City. The Hotel Marketing Benefit Zone Fund accounts for a portion of the transient occupancy tax, which is paid to the West Hollywood Marketing Corporation for use in marketing the City.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Fund Classifications (Continued):

The Private-Purpose Trust Funds account for financial activities and obligations of the Successor Agency Trust for Assets of the Former Redevelopment Agency and Westside Cities Council of Governments.

New Accounting Pronouncements:

Current Year Standards

In fiscal year 2014-2015, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *“Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27”* and GASB Statement No. 71, *“Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment of GASB Statement No. 68”*. These Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. For defined benefit pension plans, these Statements identify the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Accounting changes adopted to conform to the provisions of these statements should be applied retroactively. The result of the implementation of these standards decreased the net position of the governmental activities at July 1, 2014 by \$35,740,826.

GASB Statement No. 69 - *“Government Combinations and Disposals of Government Operations”* was required to be implemented in the current fiscal year and did not impact the City.

Pending Accounting Standards

GASB has issued the following statements which may impact the City’s financial reporting requirements in the future:

- GASB 72 - *“Fair Value Measurement and Application”*, effective for periods beginning after June 15, 2015.
- GASB 73 - *“Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68”*, effective for periods beginning after June 15, 2015 - except for those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for periods beginning after June 15, 2016.
- GASB 74 - *“Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans”*, effective for the periods beginning after June 15, 2016.
- GASB 75 - *“Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions”*, effective for periods beginning after June 15, 2017.
- GASB 76 - *“The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments”*, effective for periods beginning after June 15, 2015.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED):

Deposits and Investments and Cash and Cash Equivalents:

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

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

Receivables and Payables:

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

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

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

Prepaid Costs:

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

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED):

Capital Assets:

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

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

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

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

Buildings	50 years
Building improvements	30 to 50 years
Public domain infrastructure	30 to 50 years
Vehicles	5 years
Office equipment	5 years
Machinery and equipment	3 to 10 years
Equipment under lease purchase	3 years
Furniture and fixtures	7 years

Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has only one item that qualifies for reporting in this category, which is the deferred outflow related to pensions. This amount is equal to employer contributions made after the measurement date of the net pension liability.

In addition to liabilities, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. The first item is unavailable revenues, which is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: grants and investment earnings. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED):

Deferred Outflows/Inflows of Resources (Continued):

The second item is a deferred inflow related to pensions resulting from the difference in projected and actual earnings on investments of the pension plan fiduciary net position. This amount is amortized over five years.

Net Position Flow Assumption:

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions:

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Compensated Absences:

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation time accrued is transferable from one year to the next with the exception that no more than 360 hours of vacation time may be carried over to the next year. Employees may exchange unused vacation time for monetary compensation provided that they have taken at least two weeks of earned vacation in the prior year.

Employees are entitled to unlimited accumulation of sick leave. Employees may elect to receive compensation at 50% of their regular hourly rate of pay for each hour of sick leave accumulated in excess of 96 hours up to 200 hours. Employees may elect to receive full compensation at their regular hourly rate of pay for each hour of sick leave accumulated over 200 hours. There is no compensation for unused sick leave between zero and 96 hours.

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

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED):

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Long-Term Obligations:

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

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

Fund Balance Classifications:

Fund balance is essentially the difference between the assets, deferred outflows of resources, liabilities and deferred inflows of resources reported in a governmental fund. There are five separate components of fund balance, each of which identifies the extent to which the City is bound to honor constraints on the specific purposes for which amounts can be spent.

Nonspendable - The portion of fund balance that could not be spent due to form such as inventories, prepaid amounts, long-term loans, notes receivable, and property held for resale; unless the proceeds are restricted, committed or assigned. In addition, amounts that must be maintained intact legally or contractually, such as the principal of a permanent fund would be reported as non-spendable.

Restricted - The portion of fund balance that is subject to externally enforceable limitations by law, enabling legislation or limitations imposed by creditors or grantors.

Committed - The portion of fund balance that is subject to self-imposed constraints on spending due to the formal action of the highest level of decision making authority (the City Council). By resolution, the City Council approved for the General Fund to commit 5% of its fund balance for Emergency Contingency.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED):

Fund Balance Classifications (Continued):

Assigned - The portion of fund balance that is constrained by the City's intent to utilize fund balance for a specific purpose. By resolution, the City Council has designated the Director of Finance & Technology Services as the official to determine and define the amounts of those components of fund balance that are classified as "Assigned Fund Balance".

Unassigned - This classification includes the residual balance for the government's general fund and includes all spendable amounts not contained in other classifications. In other funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

Net Position:

Net position is the excess of all the City's assets and deferred outflows over all its liabilities and deferred inflows, regardless of fund. Net position is divided into three captions. These captions apply only to net position, which is determined only at the government-wide level, and are described below:

Net investment in capital assets - describes the portion of net position, which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted - describes the portion of net position, which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions, which the City could not unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and funds restricted to low and moderate income purposes.

Unrestricted - describes the portion of net position, which is not restricted to use.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

General Budget Policies:

The City Council approves each year's budget submitted by the City Manager prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by the Council. Supplemental appropriations, where required during the period, are also approved by the Council. The City Manager may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Council. The budget is prepared on a GAAP basis. Budgets are adopted for all funds except for the General Reserves Capital Project Fund. The budget period is the same as the fiscal period. The legal level of budgetary control is the department level for the General Fund and the function level for the other governmental fund types. During the year, several supplementary appropriations were necessary.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED):

Encumbrances:

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

Deficit Fund Balances or Net Position:

The following funds contained deficit fund balances or net position at June 30, 2015:

	<u>Amount</u>
Major Fund:	
Debt Funded Capital Projects	\$ (4,578,934)
Other Governmental Special Revenue Funds:	
Special Grants	(92,222)
Sunset Mitigation	(79,836)
Nonmajor Enterprise Fund:	
Street Maintenance	(22,416)

The City expects to eliminate these deficits from future revenues, transfers in from the general fund, or new bonds expected to be issued in the future.

Excess of Expenditures Over Appropriations:

The following are funds in which certain expenditures exceeded appropriations for the fiscal year ended June 30, 2015. The City manages its budget at the department level rather than at the cost center level as shown below.

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Major Fund:			
Capital Projects Debt Service Fund:			
Debt Service:			
Interest and fiscal charges	\$ 3,448,276	\$ 3,449,479	\$ 1,203
Transfers out	206,000	8,294,800	8,088,800
Other Governmental Funds:			
Sunset Mitigation Special Revenue Fund:			
General Government	491,609	591,159	99,550

3. CASH AND INVESTMENTS:

Cash and Investments:

As of June 30, 2015, cash and investments were reported in the accompanying financial statements as follows:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Governmental activities	\$ 149,236,036	\$ 11,079,851	\$ 160,315,887
Business-type activities	1,253,010	-	1,253,010
Fiduciary funds	<u>6,287,412</u>	<u>32,738,846</u>	<u>39,026,258</u>
Total cash and investments	<u>\$ 156,776,458</u>	<u>\$ 43,818,697</u>	<u>\$ 200,595,155</u>

Cash and investments held by the City at June 30, 2015 consisted of the following:

Petty cash	\$ 1,300
Deposits with financial institutions	10,188,239
Investments	<u>190,405,616</u>
Total cash and investments	<u>\$ 200,595,155</u>

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

Investments Authorized by the City's Investment Policy:

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

1. Demand deposits in any FDIC insured institution.
2. Los Angeles County Investment Pool ("LACIP") administered by the Treasurer and Tax Collector of Los Angeles County.
3. The Local Agency Investment Fund ("LAIF") administered by the Treasurer of the State of California.
4. Investment in Joint Powers Authorities: The City may invest in investment joint powers authorities provided that the City is a member, that the pool provides comprehensive, timely, monthly reports which include transaction listings, reports gains and losses, provides market values for securities, provides a quality rating for investment securities, takes delivery of securities prior to payment, third-party safekeeping of all investments, for whom an audit is conducted annually by an independent authority other than the local agency's internal auditors, the weighted average maturity of not greater than two years, and that leveraging be not more than twenty-five percent of the portfolio.
5. Certificates of Deposit with a maturity of two years or less and fully insured by the Federal Deposit Insurance Corporation up to the limit established under the Investment Guidelines.

3. CASH AND INVESTMENTS (CONTINUED):

Investments Authorized by the City's Investment Policy (Continued):

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

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

Investments Authorized by Debt Agreements:

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

1. Federal Securities.
2. Bonds, debentures, notes or other evidence of indebtedness of the following Federal Agencies: U.S. Export-Import Bank, Farmers Home Administration, Federal Financing Bank, Federal Housing Administration, General Services Administration, GNMA, U.S. Maritime Administration, U.S. public housing notes and bonds of the U.S. Department of HUD.
3. Bonds, debentures, notes or other evidence of indebtedness of the following Federal Agencies: FHLB, FNMA, FHLMC, SLMA, Resolution Funding Corporation, Farm Credit System.
4. Money Market Funds.
5. Certificates of Deposit secured by collateral.
6. Certificates of deposit, savings accounts, deposit accounts or money market deposits which are FDIC insured.
7. Investment Agreements.
8. Commercial Papers.
9. State and local Bonds.
10. Federal Funds or Bankers Acceptances with a maximum term of one year.
11. Repurchase Agreements.
12. Pre-refunded Municipal Bonds.
13. Local Agency Investment Fund of the State of California.

3. CASH AND INVESTMENTS (CONTINUED):

Investments Authorized by Debt Agreements (Continued):

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

Disclosures Relating to Interest Rate Risk:

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In general, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising for interest rates. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

As of June 30, 2015, the City had the following investments and original maturities:

<u>Investment Type</u>	<u>Remaining Maturity (in Years)</u> <u>Less Than 1 Year</u>
California Local Agency Investment Fund	\$ 49,672,607
Los Angeles County Investment Pool	97,341,915
Cash with Fiscal Agents:	
California Local Agency Investment Fund	5,123,286
Money Market Mutual Funds	<u>38,267,808</u>
	<u>\$ 190,405,616</u>

Disclosures Relating to Credit Risk:

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City does not have a formal policy relating to a specific deposit or investment risk. As of June 30, 2015, the City's investments in external investment pools are unrated and money market mutual funds are rated AAA.

Concentration of Credit Risk:

The City's investment policy contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. With respect to concentration risk, as of June 30, 2015, the City has not invested more than 5% of its total investments in anyone issuer. Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement.

3. CASH AND INVESTMENTS (CONTINUED):

Custodial Credit Risk:

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits:

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental.

At June 30, 2015, the carrying amount of the City's deposits was \$9,465,424 and the bank balance was \$11,059,897, which is insured and collateralized under California Law. The \$1,594,473 difference represents outstanding checks and other reconciling items. The City's deposits were covered by FDIC insurance or collateralized as required by California law.

The carrying amount of the West Hollywood Library Foundation's deposits was \$691,440, which is equal to bank balance. Bank balance in excess of \$250,000 was not covered by Federal Deposit Insurance Corporation or collateralized.

Investment in State Investment Pool:

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Board, which consists of five members, in accordance with state statute. The State's Treasurer's Office audits the fund annually. The fair value of the position in the investment pool is the same as the value of the pool shares.

3. CASH AND INVESTMENTS (CONTINUED):

Investment in County Investment Pool:

The City is a voluntary participant in the Los Angeles County Investment Pool (LACIP) that is regulated by the California Government Code and the Los Angeles County Board of Supervisors under the oversight of the Los Angeles County Treasurer-Tax Collector. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LACIP for the entire LACIP portfolio. The balance available for withdrawal is based on the accounting records maintained by LACIP, which are recorded on an amortized cost basis.

GASB Statement No. 31:

The City adopted GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, as of July 1, 1997. GASB Statement No. 31 establishes fair value standards for investments in participating interest earning investment contracts, external investment pools, equity securities, option contracts, stock warrants and stock rights that have readily determinable fair values. Accordingly, the City reports its investments at fair value in the financial statements. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statement. Funds which did not have sufficient investment income to offset the fiscal years unrealized loss will reflect a negative in the use of money and property revenue category.

4. HOUSING LOANS RECEIVABLE:

The City has established the Citywide Affordable Housing Trust Fund and the Housing Asset Fund, accounted for as special revenue funds to assist non-profit housing and community development corporations in preserving and expanding the supply of low and moderate income housing in the City of West Hollywood. Loans in the amount of \$28,996,603 were outstanding at June 30, 2015, to qualified developers and properties at annual interest rates ranging from 3% to 6%.

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

5. CAPITAL ASSETS:

A summary of changes in the Governmental Activities capital assets at June 30, 2015 is as follows:

Governmental Activities:	Balance at <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	Balance at <u>June 30, 2015</u>
Capital assets, not being depreciated:					
Land	\$ 46,990,332	\$ -	\$ -	\$ -	\$ 46,990,332
Construction in progress	<u>13,306,074</u>	<u>11,962,202</u>	-	(415,125)	<u>24,853,151</u>
Total capital assets, not being depreciated	<u>60,296,406</u>	<u>11,962,202</u>	-	(415,125)	<u>71,843,483</u>
Capital assets, being depreciated:					
Buildings	78,176,682	138,247	-	-	78,314,929
Improvements other than buildings	11,386,417	76,553	-	-	11,462,970
Machinery and equipment	8,118,112	64,803	-	415,125	8,598,040
Furniture and fixtures	1,799,139	-	-	-	1,799,139
Office equipment	1,573,108	31,277	-	-	1,604,385
Infrastructure	<u>95,356,497</u>	<u>880,470</u>	-	-	<u>96,236,967</u>
Total capital assets, being depreciated	<u>196,409,955</u>	<u>1,191,350</u>	-	415,125	<u>198,016,430</u>
Less accumulated depreciation for:					
Buildings	(10,923,785)	(1,568,061)	-	-	(12,491,846)
Improvements other than buildings	(1,719,256)	(227,133)	-	-	(1,946,389)
Machinery and equipment	(5,703,551)	(514,263)	-	-	(6,217,814)
Furniture and fixtures	(785,088)	(244,605)	-	-	(1,029,693)
Office equipment	(1,481,458)	(95,221)	-	-	(1,576,679)
Infrastructure	<u>(42,953,520)</u>	<u>(1,891,238)</u>	-	-	<u>(44,844,758)</u>
Total accumulated depreciation	<u>(63,566,658)</u>	<u>(4,540,521)</u>	-	-	<u>(68,107,179)</u>
Total capital assets, being depreciated, net	<u>132,843,297</u>	<u>(3,349,171)</u>	-	415,125	<u>129,909,251</u>
Total governmental activities capital assets, net	<u>\$ 193,139,703</u>	<u>\$ 8,613,031</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 201,752,734</u>

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

General government	\$ 215,309
Public safety	79,996
Public services	<u>4,245,216</u>
Total depreciation expense	<u>\$ 4,540,521</u>

5. CAPITAL ASSETS (CONTINUED):

A summary of changes in the Business-type Activities capital assets at June 30, 2015 is as follows:

Business-type Activities:	<u>Balance at July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2015</u>
Capital assets, not being depreciated:				
Construction in progress	\$ 73,417	\$ -	\$ -	\$ 73,417
Capital assets, being depreciated:				
Machinery and equipment	32,183	-	-	32,183
Office equipment	34,734	-	-	34,734
Infrastructure	<u>20,245,096</u>	<u>-</u>	<u>-</u>	<u>20,245,096</u>
Total capital assets, being depreciated	<u>20,312,013</u>	<u>-</u>	<u>-</u>	<u>20,312,013</u>
Less accumulated depreciation for:				
Machinery and equipment	(32,183)	-	-	(32,183)
Office equipment	(34,734)	-	-	(34,734)
Infrastructure	<u>(9,706,213)</u>	<u>(397,517)</u>	<u>-</u>	<u>(10,103,730)</u>
Total accumulated depreciation	<u>(9,773,130)</u>	<u>(397,517)</u>	<u>-</u>	<u>(10,170,647)</u>
Capital assets, being depreciated, net	<u>10,538,883</u>	<u>(397,517)</u>	<u>-</u>	<u>10,141,366</u>
Total business-type activities capital assets, net	<u>\$ 10,612,300</u>	<u>\$ (397,517)</u>	<u>\$ -</u>	<u>\$ 10,214,783</u>

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

Nonmajor Enterprise Funds:	
Sewer District	\$ 363,557
Sewer Charge	<u>33,960</u>
Total depreciation expense	<u>\$ 397,517</u>

6. RETIREMENT PLANS:

General Information about the Pension Plans:

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the City’s Miscellaneous Plans, agent multiple-employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plans’ provisions and benefits in effect at June 30, 2015, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013
Hire date	2.7%@55	2%@62
Benefit formula	5 years of service	5 years of service
Benefit vesting schedule	monthly for life	monthly for life
Benefit payments	50 - 55	52 - 67
Retirement age	2.0% to 2.7%	1.0% to 2.5%
Monthly benefits, as a % of eligible compensation	8.000%	6.25%
Required employee contribution rates	18.610%	18.610%
Required employer contribution rates		

Employees Covered

At June 30, 2015, the following employees were covered by the benefit terms for the Plans:

Inactive employees or beneficiaries currently receiving benefits	77
Inactive employees entitled to but not yet receiving benefits	172
Active employees	207
Total	456

6. RETIREMENT PLANS (CONTINUED):

General Information about the Pension Plans (Continued):

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Net Pension Liability:

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2014, using an annual actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions

The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.50%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	3.3% - 14.2% (1)
Investment Rate of Return	7.5% (2)
Mortality	(3)

- (1) Depending on age, service and type of employment
- (2) Net of pension plan investment expenses, including inflation
- (3) The probabilities of mortality are derived using CalPERS' membership data for all funds. The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

6. RETIREMENT PLANS (CONTINUED):

Net Pension Liability (Continued):Actuarial Assumptions (Continued)

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65%. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time a change in methodology occurs.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

6. RETIREMENT PLANS (CONTINUED):

Net Pension Liability (Continued):

Discount Rate (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (a)	Real Return Years 11+ (b)
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	12.00%	6.83%	6.95%
Real Estate	11.00%	4.50%	5.13%
Infrastructure and Forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
Total	100.00%		

(a) An expected inflation of 2.5% used for this period

(b) An expected inflation of 3.0% used for this period

6. RETIREMENT PLANS (CONTINUED):

Changes in the Net Pension Liability

The changes in the net pension liability for the Miscellaneous Plan are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2014	<u>\$ 115,359,166</u>	<u>\$ 75,773,554</u>	<u>\$ 39,585,612</u>
Changes in the Year:			
Service cost	3,727,364	-	3,727,364
Interest on the total pension liability	8,686,093	-	8,686,093
Differences between actual and expected experience	-	-	-
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Contribution - employer	-	3,844,786	(3,844,786)
Contribution - employee (paid by employer)	-	-	-
Contribution - employee	-	1,951,930	(1,951,930)
Net investment income	-	13,430,248	(13,430,248)
Administrative expenses	-	-	-
Benefit payments, including refunds of employee contributions	(2,816,524)	(2,816,524)	-
Net Changes	<u>9,596,933</u>	<u>16,410,440</u>	<u>(6,813,507)</u>
Balance at June 30, 2015	<u>\$ 124,956,099</u>	<u>\$ 92,183,994</u>	<u>\$ 32,772,105</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City for the Plans, calculated using the discount rate for each Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease	6.50%
Net Pension Liability	\$ 51,250,092
Current Discount Rate	7.50%
Net Pension Liability	\$ 32,772,105
1% Increase	8.50%
Net Pension Liability	\$ 17,526,709

6. RETIREMENT PLANS (CONTINUED):

Changes in the Net Pension Liability (Continued):

Pension Plan Fiduciary Net Position

Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions:

For the year ended June 30, 2015, the City recognized pension expense of \$3,167,796. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 4,063,914	\$ -
Differences between actual and expected experience	-	-
Change in assumptions	-	-
Net differences between projected and actual earnings on plan investments	-	(6,136,517)
Total	\$ 4,063,914	\$ (6,136,517)

Deferred outflows of resources of \$4,063,914 are related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2016	\$ (1,534,129)
2017	(1,534,129)
2018	(1,534,129)
2019	(1,534,130)
2020	-
Thereafter	-

Payable to the Pension Plan:

At June 30, 2015, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

7. OTHER POST-EMPLOYMENT BENEFITS (OPEB) RETIREMENT PLAN:

Plan Description:

The City has established the City of West Hollywood Retiree Medical Benefit Plan, a single-employer defined benefit retiree healthcare plan. The plan, which is administered by the City, provides medical insurance benefits to eligible retirees. The plan provides a lifetime benefit of \$200 per month towards the health insurance premiums of all employees who retire from employment with the City and who elect to buy insurance through CalPERS. All employees are vested after five years of employment and must reach the age of 50 and qualify for CalPERS retirement in order to receive these benefits. The plan and its contribution requirements are established by Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreement between the City and the bargaining units. The plan does not issue a separate report. All transactions are included within the financial statements of the City of West Hollywood. During the fiscal year ended June 30, 2015, the City entered into an agreement with California Employers' Retiree Benefit Trust (CERBT) to pre-fund the City's OPEB liability.

Funding Policy:

The required contribution is based on prefunding financing requirements. For fiscal year 2014-2015, the City contributed \$74,600 in the form of current premiums and \$4,193,228 in cash contribution to the plan. Plan members receiving benefits contribute the difference between the City contribution of \$200 per month and the plan members' chosen CalPERS medical plan. The funding policy is determined by the City Council.

Annual OPEB Cost and Net OPEB Obligation (Asset):

The City's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation (asset):

	Net OPEB Obligation (Asset)
Annual required contribution	\$ 367,696
Interest on net OPEB obligation (a)	126,495
Adjustment to annual required contribution	<u>(133,974)</u>
Annual OPEB cost (expense)	360,217
Actual contributions made	<u>(4,267,828)</u>
Decrease in net OPEB obligation	(3,907,611)
Net OPEB Obligation - beginning of year	<u>2,066,904</u>
Net OPEB Asset - end of year	<u>\$ (1,840,707)</u>

(a) Rate is estimated at 6.12%.

7. OTHER POST-EMPLOYMENT BENEFITS (OPEB) RETIREMENT PLAN (CONTINUED):

Annual OPEB Cost and Net OPEB Obligation (Asset) (Continued):

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation (asset) for the year ended June 30, 2015 and the two preceding years, were as follows:

Fiscal Year Ended	Annual OPEB Cost	Actual Contribution (Net of) Adjustments	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/13	\$ 394,629	\$ 65,903	16.70 %	\$ 1,721,267
6/30/14	419,637	74,000	17.63 %	2,066,904
6/30/15	360,217	4,267,828	1184.79 %	(1,840,707)

Funded Status and Funding Progress

As of January 1, 2015, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$3,286,298 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,286,298. The covered payroll (annual payroll of active employees covered by the plan) was \$21,376,515, and the ratio of the UAAL to the covered payroll was 15.37%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions:

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

7. OTHER POST-EMPLOYMENT BENEFITS (OPEB) RETIREMENT PLAN (CONTINUED):

Actuarial Methods and Assumptions:

In the January 1, 2015, the most recent actuarial valuation, the Entry Age Normal actuarial cost method was used. The actuarial assumptions included a 6.12% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, a general inflation rate of 2.75%, an annual healthcare cost trend rate of 4.5% per year and a payroll increase rate of 3.25%. The City offers a flat \$200 monthly benefit with no post-retirement benefit increases.

The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2015, was 22 years. As of the January 1, 2015 valuation, there were 246 participants in the plan with 215 active participants and 31 retirees receiving benefits.

8. LONG-TERM LIABILITIES:

The following is a summary of long-term liabilities transactions for the governmental activities for the year ended June 30, 2015:

	Balance July 1, 2014 <u>(As Restated)</u>			Balance June 30, 2015			Due Within One Year	Due in More Than One Year
	<u>As Restated</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2015</u>	<u>One Year</u>	<u>One Year</u>	<u>One Year</u>	
Lease Revenue Bonds:								
2009 Series A	\$ 14,265,000	\$ -	\$ (1,815,000)	\$ 12,450,000	\$ 1,900,000	\$ -	\$ 10,550,000	
Less: Unamortized								
original issue discount	(80,125)	-	3,194	(76,931)	-	-	(76,931)	
2009 Series B	34,780,000	-	-	34,780,000	-	-	34,780,000	
Add: Unamortized								
original issue premium	393,373	-	(55,494)	337,879	-	-	337,879	
2013	18,980,000	-	(325,000)	18,655,000	335,000	-	18,320,000	
Add: Unamortized								
original issue premium	208,026	-	(3,649)	204,377	-	-	204,377	
Accrued employee benefits	3,283,588	93,192	-	3,376,780	1,762,863	-	1,613,917	
OPEB obligation (Note 7)	2,066,904	-	(2,066,904)	-	-	-	-	
Net pension liability (Note 6)	<u>39,585,612</u>	<u>12,413,457</u>	<u>(19,226,964)</u>	<u>32,772,105</u>	<u>-</u>	<u>-</u>	<u>32,772,105</u>	
Totals	<u>\$ 113,482,378</u>	<u>\$ 12,506,649</u>	<u>\$ (23,489,817)</u>	<u>\$ 102,499,210</u>	<u>\$ 3,997,863</u>	<u>\$ -</u>	<u>\$ 98,501,347</u>	

8. LONG-TERM LIABILITIES (CONTINUED):

2009 Lease Revenue Bonds, Series A:

On July 15, 2009, the West Hollywood Public Financing Authority issued \$22,160,000 2009 Lease Revenue Bonds, Series A to currently refund the outstanding principal balance of the 1998 Refunding Certificates of Participation in the amount of \$20,420,000, finance the acquisition and construction of certain public capital improvements, provide for a debt service reserve fund for the 2009 Bonds, and pay the costs of issuing the Series A 2009 Bonds.

Interest will be payable semi-annually. Interest rates range from 2.0% to 5.0%, with maturity dates starting February 2010 and ending February 2021. Principal payments range from \$1,390,000 to \$2,310,000. At June 30, 2015, the total principal outstanding was \$12,450,000.

The following is a schedule, by years, of future debt service payments for the 2009 Lease Revenue Bonds, Series A as of June 30, 2015:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 1,900,000	\$ 583,650	\$ 2,483,650
2017	1,985,000	507,650	2,492,650
2018	2,070,000	428,250	2,498,250
2019	2,185,000	324,750	2,509,750
2020	2,310,000	215,500	2,525,500
2021	<u>2,000,000</u>	<u>100,000</u>	<u>2,100,000</u>
	<u>\$ 12,450,000</u>	<u>\$ 2,159,800</u>	<u>\$ 14,609,800</u>

2009 Lease Revenue Bonds, Series B:

On July 15, 2009, the West Hollywood Public Financing Authority issued \$34,780,000 2009 Lease Revenue Bonds, Series B to finance the acquisition and construction of certain public capital improvements, fund a debt service reserve fund for the 2009 Bonds, and pay the costs of issuing the Series B 2009 Bonds.

The Series B Bonds are term bonds of \$8,570,000 with interest rate of 7.125% maturing on February 1, 2024, term bonds of \$8,020,000 with an interest rate of 8.000% maturing on February 1, 2029, and term bonds of \$18,190,000 with an interest rate of 8.250% maturing on February 1, 2039. Interest is payable semi-annually beginning February 2010. At June 30, 2015, the total principal outstanding was \$34,780,000. The City receives an annual rebate of \$963,510 reduced by sequestration reduction rate for interest expense incurred on these bonds from the Internal Revenue Service on an annual basis. This credit is also applied to accrued interest and the amount is subject to change on an annual basis.

8. LONG-TERM LIABILITIES (CONTINUED):

2009 Lease Revenue Bonds, Series B (Continued):

The following is a schedule, by years, of future debt service payments for the 2009 Lease Revenue Bonds, Series B as of June 30, 2015:

Year Ending June 30,	Principal	Interest	Refund Credit	Total
2016	\$ -	\$ 2,752,888	\$ (963,511)	\$ 1,789,377
2017	-	2,752,888	(963,511)	1,789,377
2018	-	2,752,888	(963,511)	1,789,377
2019	-	2,752,888	(963,511)	1,789,377
2020	-	2,752,888	(963,511)	1,789,377
2021-2025	11,575,000	12,501,175	(4,375,411)	19,700,764
2026-2030	6,435,000	8,531,775	(2,986,121)	11,980,654
2031-2035	8,340,000	5,612,475	(1,964,366)	11,988,109
2036-2039	8,430,000	1,784,063	(624,422)	9,589,641
	<u>\$ 34,780,000</u>	<u>\$ 42,193,928</u>	<u>\$ (14,767,875)</u>	<u>\$ 62,206,053</u>

2013 Lease Revenue Bonds:

On September 28, 2013, the West Hollywood Public Financing Authority issued \$19,155,000 2013 Lease Revenue Bonds to finance the acquisition and construction of certain public capital improvements and pay the costs of issuing the 2013 Bonds. The bonds consist of \$8,795,000 serial bonds with annual maturity dates from April 1, 2014 through April 1, 2033, with interest rates ranging from 3.000% to 5.000%; term bonds of \$4,225,000 with an interest rate of 5.170% maturing April 1, 2038 and term bonds of \$5,405,000 with an interest rate of 5.270% maturing April 1, 2043. Interest is payable semi-annually beginning April 2014. At June 30, 2015, the total principal outstanding was \$18,655,000.

The following is a schedule, by years, of future debt service payments for the 2013 Lease Revenue Bonds as of June 30, 2015:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 335,000	\$ 915,506	\$ 1,250,506
2017	350,000	902,106	1,252,106
2018	365,000	888,107	1,253,107
2019	380,000	873,506	1,253,506
2020	395,000	858,306	1,253,306
2021-2025	2,250,000	4,014,681	6,264,681
2026-2030	2,865,000	3,397,781	6,262,781
2031-2035	3,655,000	2,613,381	6,268,381
2036-2040	4,655,000	1,605,063	6,260,063
2041-2043	3,405,000	354,650	3,759,650
	<u>\$ 18,655,000</u>	<u>\$ 16,423,087</u>	<u>\$ 35,078,087</u>

8. LONG-TERM LIABILITIES (CONTINUED):

Accrued Employee Benefits:

The City's policies relating to compensated absences are described in Note 1 of the Notes to Financial Statements. The accrued employee benefits are normally liquidated by the General Fund. The outstanding balance at June 30, 2015, was \$3,376,780.

9. UNEARNED REVENUE:

In fiscal year 2014-2015, the City received rent stabilization fees relating to fiscal year 2014-2015. These are recorded as unearned revenue in the General Fund in the amount of \$1,514,418, along with various other unearned revenues of \$3,088,596, the total unearned revenue recorded by the City for the year ended was \$4,603,014. These unearned amounts will be reported as revenue as they are earned. The remaining unearned revenue in the General Fund and other funds includes grant monies received but not yet earned, recreation revenues and other revenues collected in advance.

10. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS:

The composition of interfund balances as of June 30, 2015, was as follows:

Due To/From Other Funds:

<u>Receivable Funds</u>	<u>Payable Funds</u>	<u>Amount</u>
General Fund	Debt Funded Capital Projects Fund	\$ 4,546,541
	Other Governmental Funds:	
	Sunset Mitigation Special Revenue Fund	657,604
Other Governmental Funds:		
Parking Improvement Special Revenue Fund	Capital Projects Debt Service Fund	1,404,985
Nonmajor Enterprise Funds:	Nonmajor Enterprise Funds:	
Solid Waste	Sewer District	33,559
	Street Maintenance	<u>20,650</u>
		<u>\$ 6,663,339</u>

The due to General Fund of \$5,204,145 was a result of temporary deficit cash balances in the Debt Funded Capital Projects and Other Governmental Funds.

The due to Parking Improvement Special Revenue Fund of \$1,404,985 was a result of reimbursement of capital expenses, to be made in fiscal year 2015-2016, from the Capital Projects Debt Service Fund.

10. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED):

Transfers In/Out:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Major Funds:		
General Fund	Capital Projects Debt Service Fund	\$ 206,000
Capital Projects Debt Service Fund	General Fund	3,888,196
	Other Governmental Funds:	
	Parking Improvement Special Revenue Fund	1,026,329
Other Governmental Funds:		
Air Quality Improvement Special Revenue Fund	General Fund	8,539
	Other Governmental Funds:	
	Traffic Special Revenue Fund	14,178
Parking Improvement Special Revenue Fund	Capital Projects Debt Service Fund	8,088,800
Housing Trust Special Revenue Fund	General Fund	1,000,000
Sunset Mitigation Special Revenue Fund	General Fund	<u>575,441</u>
		<u>\$ 14,807,483</u>

The General Fund and the Parking Improvement Special Revenue Fund transferred \$3,888,196 and \$1,026,329, respectively, to the Capital Projects Debt Service Fund for debt service payments. The General Fund also transferred \$575,441 to the Sunset Mitigation Special Revenue Fund to subsidize operations. In addition, the General Fund also transferred \$1,000,000 to Housing Trust Special Revenue Fund to fund acquisition of property.

The Capital Projects Debt Service Fund transferred \$8,088,800 to the Parking Improvement Special Revenue Fund for capital expenses related to the City Hall Parking Garage and \$206,000 to the General Fund for capital expenses related to the City Hall Reconfiguration Project.

11. RISK MANAGEMENT:

The City is a member of the Public Agency Risk Sharing Authority of California (PARSAC), a joint powers authority, which provides joint protection programs for public entities covering automobile, general liability, errors and omission losses, workers' compensation, and property claims. Under the program, the City has a \$100,000 general liability and \$50,000 worker's compensation retention limit, similar to a deductible with PARSAC being responsible for losses above that amount up to \$1 million. PARSAC has additional coverage of \$34 million in excess of its \$1 million retention limit through affiliated risk management authorities. PARSAC also provides \$1 billion aggregate per occurrence property coverage to its members with such coverage provided by purchased insurance.

11. RISK MANAGEMENT (CONTINUED):

Liabilities of the City are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation are another component of the claims liability estimate.

PARSAC covers workers' compensation claims up to its self-insurance limit of \$500,000. The Local Agency Workers Compensation Excess Pool provides excess coverage to statutory limits. The City pays an annual premium to PARSAC and may share in any surplus revenues or may be required to pay additional assessments based upon PARSAC's operating results. Financial statements of PARSAC may be obtained from its administrative office located at 1525 Response Road, Suite One, Sacramento, California, 95815; www.parsac.org or by calling (916) 927-7727.

Additional claims and lawsuits have been filed against the City in the normal course of business. It is reasonably possible that the City may be liable for claims not to exceed \$100,000. In the opinion of management, the resolution of these matters will not have a material adverse effect on the financial condition of the government.

12. LITIGATION AND CONTINGENT LIABILITIES:

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

13. COMMITMENTS:

Contractual Commitments:

The City has entered into a contract with the Los Angeles County Sheriff's Department to provide law enforcement services in the City of West Hollywood. Approximately \$14,928,910 was paid for these services in fiscal year 2014-2015.

The following material construction commitments existed at June 30, 2015:

Contractor	Contract Amount	Expenditures to Date as of June 30, 2015	Remaining Commitments	Special Revenue Fund
Hardy & Harper	\$ 630,900	\$ 129,743	\$ 501,157	Measure R
TB Penick & Sons, Inc.	11,823,680	9,829,286	1,994,394	Parking Improvement
Unitronics	2,640,000	1,080,000	1,560,000	Parking Improvement

13. COMMITMENTS (CONTINUED):**Encumbrances:**

At June 30, 2015, there were encumbrances of \$2,981,270 in the general fund, \$5,855,356 in the Debt Funded Capital Projects Fund and \$4,839,236 in the other governmental funds.

14. RECENT CHANGES IN LEGISLATION AFFECTING CALIFORNIA REDEVELOPMENT AGENCIES:

On June 29, 2011, Assembly Bills 1x 26 (the “Dissolution Act”) and 1x 27 were enacted as part of the fiscal year 2011-12 state budget package.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California could not enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

Under the Dissolution Act, each California redevelopment agency (each a “Dissolved RDA”) was dissolved as of February 1, 2012, and the sponsoring community that formed the Dissolved RDA, together with other designated entities, have initiated the process under the Dissolution Act to unwind the affairs of the Dissolved RDA. A Successor Agency was created for each Dissolved RDA which is the sponsoring community of the Dissolved RDA unless it elected not to serve as the Successor Agency. On February 6, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 12-4266.

On June 27, 2012, as part of the fiscal year 2012-13 state budget package, the Legislature passed and the Governor signed AB 1484, which made technical and substantive amendments to the Dissolution Act based on experience to-date at the state and local level in implementing the Dissolution Act.

The Dissolution Act also created oversight boards which monitor the activities of the successor agencies. The roles of the successor agencies and oversight boards is to administer the wind down of each Dissolved RDA which includes making payments due on enforceable obligations, disposing of the assets (other than housing assets) and remitting the unencumbered balances of the Dissolved RDAs to the County Auditor-Controller for distribution to the affected taxing entities.

The Dissolution Act allowed the sponsoring community that formed the Dissolved RDA to elect to assume the housing functions and take over the certain housing assets of the Dissolved RDA. If the sponsoring community does not elect to become the Successor Housing Agency and assume the Dissolved RDA’s housing functions, such housing functions and all related housing assets will be transferred to the local housing authority in the jurisdiction. AB 1484 modified and provided some clarifications on the treatment of housing assets under the Dissolution Act. The City elected on February 6, 2012 to serve as the Housing Successor Agency.

14. RECENT CHANGES IN LEGISLATION AFFECTING CALIFORNIA REDEVELOPMENT AGENCIES (CONTINUED):

After the date of dissolution, the housing assets, obligations, and activities of the Dissolved RDA were transferred and were reported in the Housing Trust Special Revenue Fund in the financial statements of the City. As a result of Senate Bill 341 the Housing Asset Fund was created and the funds are now maintained in this fund. All other assets, obligations, and activities of the Dissolved RDA have been transferred and are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

The Dissolution Act and AB 1484 also establish roles for the County Auditor-Controller, the California Department of Finance (the "DOF") and the California State Controller's office in the dissolution process and the satisfaction of enforceable obligations of the Dissolved RDAs. The County Auditor-Controller is charged with establishing a Redevelopment Property Tax Trust Fund (the "RPTTF") for each Successor Agency and depositing into the RPTTF for each six-month period the amount of property taxes that would have been redevelopment property tax increment had the Dissolved RDA not been dissolved. The deposit in the RPTTF fund is to be used to pay to the Successor Agency the amounts due on the Successor Agency's enforceable obligations for the upcoming six-month period.

The Successor Agency is required to prepare a recognized obligation payment schedule (the "ROPS") approved by the oversight board setting forth the amounts due for each enforceable obligation during each six month period. The ROPS is submitted to the DOF for approval. The County Auditor-Controller will make payments to the Successor Agency from the RPTTF fund based on the ROPS amount approved by the DOF. The ROPS is prepared in advance for the enforceable obligations due over the next six months.

The process of making RPTTF deposits to be used to pay enforceable obligations of the Dissolved RDA will continue until all enforceable obligations have been paid in full and all non-housing assets of the Dissolved RDA have been liquidated.

As part of the dissolution process AB1484 required the Successor Agency to have due diligence reviews of both the low and moderate income housing funds and all other funds to be completed by October 15, 2012 and January 15, 2013 to compute the funds (cash) which were not needed by the Successor Agency to be retained to pay for existing enforceable obligations. These funds were to be remitted to the CAC after the DOF completed its review of the due diligence reviews. The Successor Agency made payments totaling \$1,585,511 to the CAC as a result of the due diligence review.

The DOF issued a Finding of Completion on April 26, 2013 in which DOF concurred that the Successor Agency has made full payments of any payments required as a result of the due diligence reviews.

The State Controller of the State of California has been directed to review the propriety of any transfers of assets between Dissolved RDA and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency.

14. RECENT CHANGES IN LEGISLATION AFFECTING CALIFORNIA REDEVELOPMENT AGENCIES (CONTINUED):

The State Controller completed its review on June 30, 2015 and identified \$9,780,504 unallowable transfers of assets that occurred during the audit between the former RDA and the City or other public agencies. This currently held in abeyance pending the outcome of the appeal in *City of Coronado vs. Michael Cohen, et al.*

Management believes, in consultation with legal counsel, that the obligations of the Dissolved RDA due to the City are valid enforceable obligations payable by the Successor Agency under the requirements of the Dissolution Act and AB 1484. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

15. SUCCESSOR AGENCY DISCLOSURES:

The assets and liabilities of the former Redevelopment Agency were transferred to the Successor Agency of the City of West Hollywood Redevelopment Agency on February 1, 2012, as a result of the dissolution of the former Redevelopment Agency. The City is acting in a fiduciary capacity for the assets and liabilities. Disclosures related to cash and investments, capital assets and long-term liabilities are as follows:

Cash and Investments:

Cash and investments reported in the statement of fiduciary net position consisted of the following:

Cash and investments pooled with the City	\$ 5,897,141
Cash and investments with fiscal agents	<u>32,738,846</u>
Total cash and investments	<u>\$ 38,635,987</u>

Capital Assets:

	<u>Balance at July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance at June 30, 2015</u>
Capital assets, not being depreciated:					
Land	\$ 1,338,057	\$ -	\$ -	\$ -	\$ 1,338,057
Capital assets, being depreciated:					
Land improvements	575,077	-	-	-	575,077
Less accumulated depreciation for:					
Land improvements	<u>(90,428)</u>	<u>(11,856)</u>	<u>-</u>	<u>-</u>	<u>(102,284)</u>
Total capital assets, being depreciated, net	<u>484,649</u>	<u>(11,856)</u>	<u>-</u>	<u>-</u>	<u>472,793</u>
Total capital assets, net	<u>\$ 1,822,706</u>	<u>\$ (11,856)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,810,850</u>

15. SUCCESSOR AGENCY DISCLOSURES (CONTINUED):

Long-Term Liabilities:

	Balance			Balance			Due	Due in
	July 1, 2014	Additions	Deletions	June 30, 2015	Within	One Year	More Than	One Year
Tax Allocation Bonds:								
2011 Series A	\$ 28,565,000	\$ -	\$ (275,000)	\$ 28,290,000	\$ 285,000	\$ -	\$ 28,005,000	
2011 Series B	8,790,000	-	(50,000)	8,740,000	50,000	-	8,690,000	
Less: Unamortized								
original issue discount	(645,734)	-	48,303	(597,431)	-	-	(597,431)	
2013 Tax Allocation Refunding								
Bonds, Series A	9,370,000	-	(425,000)	8,945,000	300,000	-	8,645,000	
Add: Unamortized								
original issue premium	298,437	-	(27,357)	271,080	-	-	271,080	
Totals	<u>\$ 46,377,703</u>	<u>\$ -</u>	<u>\$ (729,054)</u>	<u>\$ 45,648,649</u>	<u>\$ 635,000</u>	<u>\$ -</u>	<u>\$ 45,013,649</u>	

Prior to the dissolution, the City pledged a portion of the tax increment revenue that it received as security for tax allocation bonds it has issued. These bonds were to provide financing for various capital projects. Total principal and interest remaining on the debt is \$109,265,077 with annual debt service requirements as indicated below. For the current year, the total property tax revenue recognized by the City and Successor Agency for the payment of indebtedness incurred by the dissolved redevelopment agency was \$4,024,823 and the debt service obligation on the bonds was \$4,024,823.

A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2015, follows:

2011 Tax Allocation Bonds, Series A:

In March 2011, the West Hollywood Community Development Commission issued \$30,560,000 Eastside Redevelopment Project 2011 Tax Allocation Bonds, Series A for the purpose of financing redevelopment activities. The bonds consist of \$4,625,000 serial bonds with annual maturity dates from September 1, 2011 through September 1, 2021, with interest rates ranging from 2.000% to 6.250%; term bonds of \$2,415,000 with an interest rate of 7.000% maturing September 1, 2026; term bonds of \$3,400,000 with an interest rate of 7.250% maturing September 1, 2031; and term bonds of \$20,120,000 with an interest rate of 7.500% maturing September 1, 2042. Interest is payable semi-annually beginning September 1, 2011. At June 30, 2015, the total principal outstanding was \$28,290,000.

15. SUCCESSOR AGENCY DISCLOSURES (CONTINUED):

Long-Term Liabilities (Continued):**2011 Tax Allocation Bonds, Series A (Continued):**

The following is a schedule, by years, of future debt service payments for the 2011 Tax Allocation Bonds, Series A as of June 30, 2015:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 285,000	\$ 2,049,762	\$ 2,334,762
2017	305,000	2,035,013	2,340,013
2018	320,000	2,018,988	2,338,988
2019	330,000	2,001,512	2,331,512
2020	350,000	1,981,938	2,331,938
2021-2025	2,115,000	9,533,331	11,648,331
2026-2030	2,960,000	8,653,356	11,613,356
2031-2035	4,750,000	7,341,669	12,091,669
2036-2040	9,385,000	4,668,188	14,053,188
2041-2043	7,490,000	869,625	8,359,625
	<u>\$ 28,290,000</u>	<u>\$ 41,153,382</u>	<u>\$ 69,443,382</u>

2011 Tax Allocation Bonds, Series B:

In March 2011, the West Hollywood Community Development Commission issued \$9,420,000 Eastside Redevelopment Project 2011 Tax Allocation Bonds, Series B for the purpose of financing redevelopment activities. The bonds consist of \$1,125,000 serial bonds with annual maturity dates from September 1, 2011 through September 1, 2021, with interest rates ranging from 3.000% to 8.500%; term bonds of \$525,000 with an interest rate of 9.250% maturing September 1, 2026; term bonds of \$815,000 with an interest rate of 9.500% maturing September 1, 2031; and term bonds of \$6,955,000 with an interest rate of 9.500% maturing September 1, 2042. Interest is payable semi-annually beginning September 1, 2011. At June 30, 2015, the total principal outstanding was \$8,740,000.

The following is a schedule, by years, of future debt service payments for the 2011 Tax Allocation Bonds, Series B as of June 30, 2015:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 50,000	\$ 819,175	\$ 869,175
2017	55,000	815,756	870,756
2018	60,000	811,725	871,725
2019	60,000	807,225	867,225
2020	65,000	802,300	867,300
2021-2025	440,000	3,909,163	4,349,163
2026-2030	685,000	3,652,375	4,337,375
2031-2035	1,305,000	3,233,563	4,538,563
2036-2040	3,240,000	2,145,100	5,385,100
2041-2043	2,780,000	411,825	3,191,825
	<u>\$ 8,740,000</u>	<u>\$ 17,408,207</u>	<u>\$ 26,148,207</u>

15. SUCCESSOR AGENCY DISCLOSURES (CONTINUED):

Long-Term Liabilities (Continued):

2013 Tax Allocation Refunding Bonds, Series A:

In December 2013, the Successor Agency to the West Hollywood Community Development Commission issued \$9,370,000 East Side Redevelopment Tax Allocation Refunding Bonds, Series A for the purpose for refunding the outstanding balance of the Eastside Redevelopment Project 2003 Tax Allocation Bonds Series A. The entire issue was purchased by County of Los Angeles Redevelopment Refunding Authority. The bonds consist of \$6,675,000 serial bonds with annual maturity dates from September 1, 2014 through September 1, 2029, with interest rates ranging from 3.000% to 5.000% and term bonds of \$2,595,000 with an interest rate of 5.000% maturing September 1, 2033. Interest is payable semi-annually beginning September 1, 2014. At June 30, 2015, the total principal outstanding was \$8,945,000.

The reacquisition price exceeded the net carrying amount of the old debt by \$67,066. The Successor Agency refunded the 2003 Bonds to reduce its total debt service payments over 20 years by \$1,074,397 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$775,448.

The following is a schedule, by years, of future debt service payments for the 2013 Tax Allocation Refunding Bonds, Series A as of June 30, 2015:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 300,000	\$ 425,525	\$ 725,525
2017	310,000	411,775	721,775
2018	325,000	395,900	720,900
2019	345,000	379,150	724,150
2020	360,000	361,525	721,525
2021-2025	2,095,000	1,512,800	3,607,800
2026-2030	2,615,000	974,938	3,589,938
2031-2034	<u>2,595,000</u>	<u>266,875</u>	<u>2,861,875</u>
	<u>\$ 8,945,000</u>	<u>\$ 4,728,488</u>	<u>\$ 13,673,488</u>

16. RESTATEMENT OF NET POSITION:

The implementation of GASB Statement Numbers 68 and 71 requires reporting the net pension liability of the City's defined benefit pension plans in the financial statements and is applied retroactively by restating the net position as of the beginning of the fiscal year. The implementation of GASB Numbers 68 and 71 resulted in a reduction in net position of the governmental activities by \$35,740,826 as of July 1, 2014.

17. SUBSEQUENT EVENTS:

Subsequent to June 30, 2015, the City purchased real property located at 8120 Santa Monica Boulevard, West Hollywood, for an aggregate purchase price of \$7 million.

Other events occurring after June 30, 2015 have been evaluated for possible adjustments to the financial statements or disclosure as of December 29, 2015, which is the date these financial statements were available to be issued.

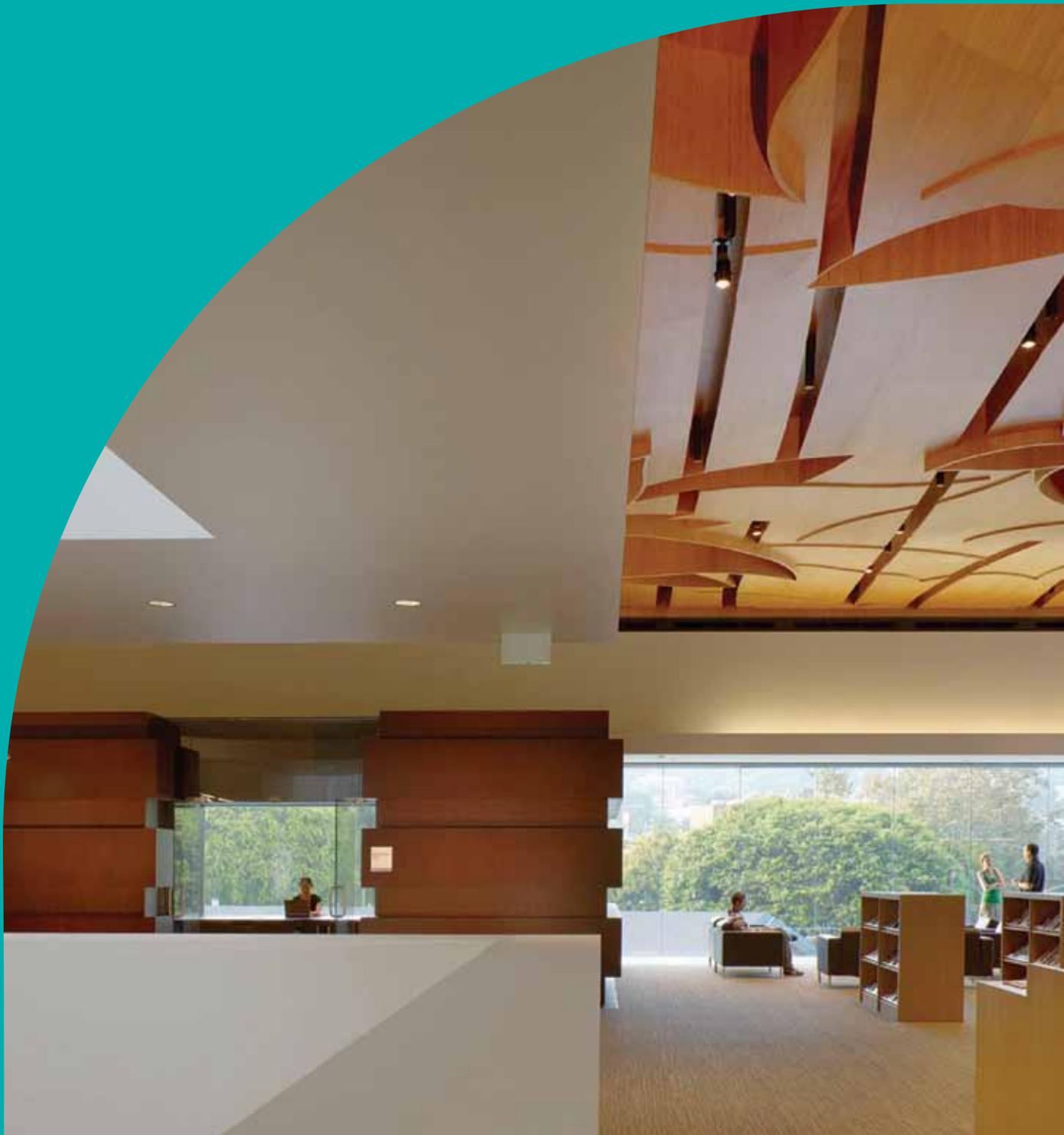
This page intentionally left blank

Required Supplementary Information



@WeHoLibrary we loved it. Such a beautiful design!

via twitter



REQUIRED SUPPLEMENTARY INFORMATION

This page intentionally left blank

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

Last Ten Fiscal Years*

	<u>2015</u>
Total Pension Liability:	
Service cost	\$ 3,727,364
Interest on total pension liability	8,686,093
Differences between expected and actual experience	-
Changes in assumptions	-
Changes in benefits	-
Benefit payments, including refunds of employee contributions	<u>(2,816,524)</u>
Net Change in Total Pension Liability	9,596,933
Total Pension Liability - Beginning of Year	<u>115,359,166</u>
Total Pension Liability - End of Year (a)	<u><u>\$ 124,956,099</u></u>
Plan Fiduciary Net Position:	
Contributions - employer	\$ 3,844,786
Contributions - employee	1,951,930
Net investment income	13,430,248
Benefit payments	<u>(2,816,524)</u>
Net Change in Plan Fiduciary Net Position	16,410,440
Plan Fiduciary Net Position - Beginning of Year	<u>75,773,554</u>
Plan Fiduciary Net Position - End of Year (b)	<u><u>\$ 92,183,994</u></u>
Net Pension Liability - Ending (a)-(b)	<u><u>\$ 32,772,105</u></u>
Plan fiduciary net position as a percentage of the total pension liability	73.77%
Covered - employee payroll	\$ 20,512,704
Net pension liability as percentage of covered- employee payroll	159.76%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

There were no changes in assumptions.

* Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

SCHEDULE OF CONTRIBUTIONS - DEFINED BENEFIT PLAN

Last Ten Fiscal Years*

	<u>2015</u>
Actuarially determined contribution	\$ 4,063,914
Contributions in relation to the actuarially determined contributions	<u>(4,063,914)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered - employee payroll	\$ 20,512,704
Contributions as a percentage of covered - employee payroll	19.81%

Notes to Schedule:

Valuation Date 6/30/2012

Methods and Assumptions Used to Determine Contribution Rates:

Single and agent employers	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	23 years as of the valuation date
Asset valuation method	15 year smoothed market
Inflation	2.75%
Salary increases	3.30% to 14.20% depending on Age, Service, and type of employment
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Retirement age	2.7% at 55 retirement age from 55-67, 2% at 62 retirement age 52-67
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board, first used in the June 30, 2009 valuation. For purposes of the post-retirement mortality rates, those revised rates include 5 years of projected on-going mortality improvement using Scale AA published by the Society of Actuaries until June 30, 2010. There is no margin for future mortality improvement beyond the valuation date.

* Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

SCHEDULE OF FUNDING PROGRESS

For the year ended June 30, 2015

OTHER POST-EMPLOYMENT BENEFITS RETIREMENT PLAN

Actuarial Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a % of Payroll [(b)-(a)]/c]
06/30/11	\$ -	\$ 2,983,000	\$ 2,983,000	0.00%	\$ 17,339,000	17.20%
06/30/13	-	3,862,000	3,862,000	0.00%	19,182,000	20.13%
01/01/15	-	3,286,298	3,286,298	0.00%	21,376,515	15.37%

This page intentionally left blank



Supplementary Information



@westhollywood so happy to be back in my office in Weho on the avenues. How blessed are we to be here? Great city and phenomenal weather via twitter



Front top: Interior of the automated parking garage, rendering courtesy of the City of West Hollywood
Front bottom: National Night Out, photo by Richard Settle
Back: The Eastside's Formosa Cafe, photo by Tom Trevor

COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES

This page intentionally left blank

SPECIAL REVENUE FUNDS

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

SPECIAL GRANTS FUND:

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

PROPOSITION "A" FUND:

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

PROPOSITION "C" FUND:

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

MEASURE "R" FUND:

This revenue is derived from a voter approved funds to meet the transportation needs of the County of Los Angeles. The expenditures for this fund must be related to transportation projects and programs.

GAS TAX FUND:

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

AIR QUALITY IMPROVEMENT FUND:

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

TRAFFIC FUND:

Fees imposed on developers and Federal Grants provide revenues to this fund.

PUBLIC BEAUTIFICATION AND ART FUND:

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

PARK DEVELOPMENT FUND (QUIMBY ACT):

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

CITY LIGHTING FUND:

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

PUBLIC ACCESS CORPORATION FUND:

This Fund receives 1.0% of the Franchise Fees paid to the General Fund by the local cable company. The money is restricted to the use of the community channel 36 operation.

PARKING IMPROVEMENT FUND:

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

PERMIT PARKING FUND:

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

COMMUNITY DEVELOPMENT BLOCK GRANT FUND (CDBG):

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

HOUSING TRUST FUND:

This fund is used to account for the fees paid by developers of residential properties, as required by City Ordinance. The fees are used to create affordable housing, which includes long term loans to non-profit developers to provide housing to low income residents. Loans issued by the dissolved former redevelopment agency have been transferred to this fund.

HOUSING ASSET FUND:

This fund is used to account for funds transferred to the housing successor and funds generated by housing assets. This fund includes loans and grants made to non-profit developers to provide housing to low income residents.

SUNSET MITIGATION FUND:

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

AVENUES OF ART AND DESIGN FUND:

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

WEST HOLLYWOOD LIBRARY FOUNDATION FUND:

Donations for the capital campaign for the West Hollywood Library provide revenues to this fund.

CAPITAL PROJECTS FUNDS

SANTA MONICA BOULEVARD FUND:

This fund is used to account for projects associated with the rehabilitation of Santa Monica Boulevard.

DEBT FUNDED CAPITAL PROJECTS -MAJOR FUND:

This fund is used to account for the receipt and disbursement of monies used for the construction of the major capital projects, such as mixed use parking facilities, City Hall acquisition, Homeless Shelter, Fire Station No.7, the West Hollywood Library, and the City Hall Parking Structure which generally require more than one budgetary cycle to complete. Projects are funded by the General Fund, bond proceeds and donations.

DEBT SERVICE FUND

CAPITAL PROJECTS DEBT SERVICE FUND - MAJOR FUND:

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

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

CITY OF WEST HOLLYWOOD
 COMBINING BALANCE SHEET
 OTHER GOVERNMENTAL FUNDS

June 30, 2015

	Special Revenue Funds			
	Special Grants	Proposition A	Proposition C	Measure R
ASSETS:				
Cash and investments	\$ 124,963	\$ 2,198,818	\$ 188,679	\$ 456,561
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	91	1,564	134	325
Prepaid costs	-	-	-	-
Due from other governments	569,367	366,697	-	-
Due from other funds	-	-	-	-
Restricted assets:				
Cash held in escrow	-	-	-	-
TOTAL ASSETS	<u>\$ 694,421</u>	<u>\$ 2,567,079</u>	<u>\$ 188,813</u>	<u>\$ 456,886</u>
LIABILITIES:				
Accounts payable	\$ 27,209	\$ 356,332	\$ 2,453	\$ 15,464
Unearned revenues	423,553	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
TOTAL LIABILITIES	<u>450,762</u>	<u>356,332</u>	<u>2,453</u>	<u>15,464</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenues	335,881	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>335,881</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS):				
Nonspendable:				
Prepaid costs	-	-	-	-
Restricted:				
Public services	-	2,210,747	186,360	441,422
Capital projects	-	-	-	-
Unassigned	(92,222)	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>(92,222)</u>	<u>2,210,747</u>	<u>186,360</u>	<u>441,422</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 694,421</u>	<u>\$ 2,567,079</u>	<u>\$ 188,813</u>	<u>\$ 456,886</u>

Special Revenue Funds (Continued)

Gas Tax	Air Quality Improvement	Traffic	Public Beautification and Art	Quimby Act	City Lighting	Public Access Corporation
\$ 1,349,598	\$ 155,612	\$ 1,070,710	\$ 1,145,042	\$ 1,199,087	\$ 1,746,937	\$ 27,440
-	-	-	-	-	-	-
-	-	-	-	-	-	-
960	95	772	1,588	853	1,243	20
-	-	-	-	-	-	-
97,268	-	-	-	-	18,586	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 1,447,826</u>	<u>\$ 155,707</u>	<u>\$ 1,071,482</u>	<u>\$ 1,146,630</u>	<u>\$ 1,199,940</u>	<u>\$ 1,766,766</u>	<u>\$ 27,460</u>
\$ 81,503	\$ -	\$ 5,748	\$ 31,722	\$ 188,961	\$ 138,387	\$ 3,778
-	-	-	89,251	-	-	-
1,200	-	1,164	-	8,974	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>82,703</u>	<u>-</u>	<u>6,912</u>	<u>120,973</u>	<u>197,935</u>	<u>138,387</u>	<u>3,778</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,365,123	155,707	1,064,570	1,025,657	1,002,005	1,628,379	23,682
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,365,123</u>	<u>155,707</u>	<u>1,064,570</u>	<u>1,025,657</u>	<u>1,002,005</u>	<u>1,628,379</u>	<u>23,682</u>
<u>\$ 1,447,826</u>	<u>\$ 155,707</u>	<u>\$ 1,071,482</u>	<u>\$ 1,146,630</u>	<u>\$ 1,199,940</u>	<u>\$ 1,766,766</u>	<u>\$ 27,460</u>

(Continued)

CITY OF WEST HOLLYWOOD
 COMBINING BALANCE SHEET
 OTHER GOVERNMENTAL FUNDS
 (CONTINUED)

June 30, 2015

	Special Revenue Funds (Continued)			
	Parking Improvement	Permit Parking	CDBG	Housing Trust
ASSETS:				
Cash and investments	\$ 9,149,883	\$ 491,996	\$ 1	\$ 2,203,702
Receivables:				
Accounts	35,423	-	-	-
Notes and loans	-	-	565,123	-
Accrued interest	5,615	350	-	1,611
Prepaid costs	-	-	-	-
Due from other governments	-	-	138,770	-
Due from other funds	1,404,985	-	-	-
Restricted assets:				
Cash held in escrow	427,817	-	-	-
TOTAL ASSETS	<u>\$ 11,023,723</u>	<u>\$ 492,346</u>	<u>\$ 703,894</u>	<u>\$ 2,205,313</u>
LIABILITIES:				
Accounts payable	\$ 1,533,164	\$ 2,705	\$ 138,771	\$ 117,500
Unearned revenues	204,157	-	-	-
Deposits payable	464,700	-	-	-
Due to other governments	-	-	565,123	-
Due to other funds	-	-	-	-
TOTAL LIABILITIES	<u>2,202,021</u>	<u>2,705</u>	<u>703,894</u>	<u>117,500</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenues	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS):				
Nonspendable:				
Prepaid costs	-	-	-	-
Restricted:				
Public services	8,821,702	-	-	2,087,813
Capital projects	-	489,641	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>8,821,702</u>	<u>489,641</u>	<u>-</u>	<u>2,087,813</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 11,023,723</u>	<u>\$ 492,346</u>	<u>\$ 703,894</u>	<u>\$ 2,205,313</u>

Special Revenue Funds (Continued)				Capital Projects Fund	Total Other Governmental Funds
Housing Asset Fund	Sunset Mitigation	Avenues of Art and Design	West Hollywood Library Foundation	Santa Monica Boulevard	
\$ 61,891	\$ -	\$ 31,587	\$ 691,440	\$ 6,186,689	\$ 28,480,636
-	1,485,045	2,774	1,208,190	-	2,731,432
-	-	-	-	-	565,123
-	-	-	-	4,401	19,622
-	-	6,618	-	-	6,618
-	-	-	-	-	1,190,688
-	-	-	-	-	1,404,985
-	-	-	-	-	427,817
<u>\$ 61,891</u>	<u>\$ 1,485,045</u>	<u>\$ 40,979</u>	<u>\$ 1,899,630</u>	<u>\$ 6,191,090</u>	<u>\$ 34,826,921</u>
\$ -	\$ 23,573	\$ 7,300	\$ 7,580	\$ -	\$ 2,682,150
-	-	-	-	-	716,961
-	-	-	-	6,474	482,512
-	-	-	-	-	565,123
-	1,541,308	-	-	-	1,541,308
-	1,564,881	7,300	7,580	6,474	5,988,054
-	-	-	1,208,190	-	1,544,071
-	-	-	1,208,190	-	1,544,071
-	-	6,618	-	-	6,618
61,891	-	27,061	683,860	-	20,785,979
-	-	-	-	6,184,616	6,674,257
-	(79,836)	-	-	-	(172,058)
<u>61,891</u>	<u>(79,836)</u>	<u>33,679</u>	<u>683,860</u>	<u>6,184,616</u>	<u>27,294,796</u>
<u>\$ 61,891</u>	<u>\$ 1,485,045</u>	<u>\$ 40,979</u>	<u>\$ 1,899,630</u>	<u>\$ 6,191,090</u>	<u>\$ 34,826,921</u>

CITY OF WEST HOLLYWOOD

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS

For the year ended June 30, 2015

	Special Revenue Funds			
	Special Grants	Proposition A	Proposition C	Measure R
REVENUES:				
Taxes	\$ -	\$ 616,385	\$ 513,763	\$ 383,543
Intergovernmental	859,302	1,320,746	-	-
Charges for services	-	-	-	-
Use of money and property	522	12,307	492	1,585
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	13,783	32,328	330	-
TOTAL REVENUES	873,607	1,981,766	514,585	385,128
EXPENDITURES:				
Current:				
General government	6,013	-	-	-
Public safety	97,649	-	-	-
Public services	177,063	2,557,349	330,185	175,695
Capital outlay	593,380	-	-	-
TOTAL EXPENDITURES	874,105	2,557,349	330,185	175,695
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(498)	(575,583)	184,400	209,433
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCES	(498)	(575,583)	184,400	209,433
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR, AS RESTATED	(91,724)	2,786,330	1,960	231,989
FUND BALANCES (DEFICITS) - END OF YEAR	\$ (92,222)	\$ 2,210,747	\$ 186,360	\$ 441,422

Special Revenue Funds (Continued)

Gas Tax	Air Quality Improvement	Traffic	Public Beautification and Art	Quimby Act	City Lighting	Public Access Corporation
\$ -	\$ 43,325	\$ -	\$ -	\$ -	\$ 1,013,199	\$ 150,186
1,053,150	-	-	-	-	6,663	-
-	-	-	-	-	-	-
5,969	853	3,952	6,668	5,670	5,604	197
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	827,812	661,018	265,541	-	-
3,642	-	-	-	-	6,943	618
<u>1,062,761</u>	<u>44,178</u>	<u>831,764</u>	<u>667,686</u>	<u>271,211</u>	<u>1,032,409</u>	<u>151,001</u>
-	-	-	155,429	-	-	143,156
-	-	-	-	-	-	-
943,373	75,788	178,840	-	-	734,287	-
319,250	1,600	23,280	-	275,313	-	-
<u>1,262,623</u>	<u>77,388</u>	<u>202,120</u>	<u>155,429</u>	<u>275,313</u>	<u>734,287</u>	<u>143,156</u>
<u>(199,862)</u>	<u>(33,210)</u>	<u>629,644</u>	<u>512,257</u>	<u>(4,102)</u>	<u>298,122</u>	<u>7,845</u>
-	22,717	-	-	-	-	-
-	-	(14,178)	-	-	-	-
<u>-</u>	<u>22,717</u>	<u>(14,178)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(199,862)	(10,493)	615,466	512,257	(4,102)	298,122	7,845
<u>1,564,985</u>	<u>166,200</u>	<u>449,104</u>	<u>513,400</u>	<u>1,006,107</u>	<u>1,330,257</u>	<u>15,837</u>
<u>\$ 1,365,123</u>	<u>\$ 155,707</u>	<u>\$ 1,064,570</u>	<u>\$ 1,025,657</u>	<u>\$ 1,002,005</u>	<u>\$ 1,628,379</u>	<u>\$ 23,682</u>

(Continued)

CITY OF WEST HOLLYWOOD

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
(CONTINUED)

For the year ended June 30, 2015

	Special Revenue Funds (Continued)			
	Parking Improvement	Permit Parking	CDBG	Housing Trust
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	263,754	-
Charges for services	248,696	-	-	-
Use of money and property	3,153,504	920,501	-	9,668
Fines and forfeitures	1,057,448	-	-	-
Contributions	-	-	-	-
Developer participation	-	-	-	1,259,479
Miscellaneous	-	-	-	-
TOTAL REVENUES	4,459,648	920,501	263,754	1,269,147
EXPENDITURES:				
Current:				
General government	55,911	-	-	-
Public safety	-	-	-	-
Public services	1,201,167	714,530	34,325	1,384,515
Capital outlay	8,193,415	-	229,429	-
TOTAL EXPENDITURES	9,450,493	714,530	263,754	1,384,515
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,990,845)	205,971	-	(115,368)
OTHER FINANCING SOURCES (USES):				
Transfers in	8,088,800	-	-	1,000,000
Transfers out	(1,026,329)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	7,062,471	-	-	1,000,000
NET CHANGE IN FUND BALANCES	2,071,626	205,971	-	884,632
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	6,750,076	283,670	-	1,203,181
FUND BALANCES (DEFICITS) - END OF YEAR	\$ 8,821,702	\$ 489,641	\$ -	\$ 2,087,813

Special Revenue Funds (Continued)					Capital Projects Fund	Total Other Governmental Funds
Housing Asset Fund	Sunset Mitigation	Avenues of Art and Design	West Hollywood Library Foundation	Santa Monica Boulevard		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,720,401
-	-	285,234	-	-	-	3,788,849
-	681,435	-	-	-	-	930,131
61,891	46	6	496	39,805	-	4,229,736
-	-	-	-	-	-	1,057,448
-	-	-	247,588	-	-	247,588
-	-	-	-	-	-	3,013,850
-	-	-	-	-	-	57,644
<u>61,891</u>	<u>681,481</u>	<u>285,240</u>	<u>248,084</u>	<u>39,805</u>		<u>16,045,647</u>
-	554,985	274,476	-	-	-	1,189,970
-	575,441	-	-	-	-	673,090
-	-	-	56,859	-	-	8,563,976
-	-	-	-	100,000	-	9,735,667
-	<u>1,130,426</u>	<u>274,476</u>	<u>56,859</u>	<u>100,000</u>		<u>20,162,703</u>
<u>61,891</u>	<u>(448,945)</u>	<u>10,764</u>	<u>191,225</u>	<u>(60,195)</u>		<u>(4,117,056)</u>
-	575,441	-	-	-	-	9,686,958
-	-	-	-	-	-	(1,040,507)
-	<u>575,441</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,646,451</u>
61,891	126,496	10,764	191,225	(60,195)	-	4,529,395
-	<u>(206,332)</u>	<u>22,915</u>	<u>492,635</u>	<u>6,244,811</u>		<u>22,765,401</u>
<u>\$ 61,891</u>	<u>\$ (79,836)</u>	<u>\$ 33,679</u>	<u>\$ 683,860</u>	<u>\$ 6,184,616</u>		<u>\$ 27,294,796</u>

CITY OF WEST HOLLYWOOD

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

SPECIAL GRANTS SPECIAL REVENUE FUND

For the year ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance (Deficit), July 1	\$ (91,724)	\$ (91,724)	\$ (91,724)	\$ -
Resources (Inflows):				
Intergovernmental	159,000	478,062	859,302	381,240
Use of money and property	-	-	522	522
Miscellaneous	-	-	13,783	13,783
Amounts Available for Appropriations	<u>67,276</u>	<u>386,338</u>	<u>781,883</u>	<u>395,545</u>
Charges to Appropriations (Outflows):				
Current:				
General government	-	6,013	6,013	-
Public safety	100,000	129,071	97,649	31,422
Public services	59,000	296,991	177,063	119,928
Capital outlay	-	1,188,315	593,380	594,935
Total Charges to Appropriations	<u>159,000</u>	<u>1,620,390</u>	<u>874,105</u>	<u>746,285</u>
Budgetary Fund Balance (Deficit), June 30	<u>\$ (91,724)</u>	<u>\$ (1,234,052)</u>	<u>\$ (92,222)</u>	<u>\$ 1,141,830</u>

CITY OF WEST HOLLYWOOD

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

PROPOSITION A SPECIAL REVENUE FUND

For the year ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,786,330	\$ 2,786,330	\$ 2,786,330	\$ -
Resources (Inflows):				
Taxes	550,000	550,000	616,385	66,385
Intergovernmental	1,214,000	1,244,000	1,320,746	76,746
Use of money and property	7,500	7,500	12,307	4,807
Miscellaneous	33,600	33,600	32,328	(1,272)
Amounts Available for Appropriations	4,591,430	4,621,430	4,768,096	146,666
Charges to Appropriations (Outflows):				
Current:				
Public services	2,815,453	2,815,453	2,557,349	258,104
Total Charges to Appropriations	2,815,453	2,815,453	2,557,349	258,104
Budgetary Fund Balance, June 30	\$ 1,775,977	\$ 1,805,977	\$ 2,210,747	\$ 404,770

CITY OF WEST HOLLYWOOD

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

PROPOSITION C SPECIAL REVENUE FUND

For the year ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,960	\$ 1,960	\$ 1,960	\$ -
Resources (Inflows):				
Taxes	460,000	460,000	513,763	53,763
Use of money and property	1,000	1,000	492	(508)
Miscellaneous	-	-	330	330
Amounts Available for Appropriations	<u>462,960</u>	<u>462,960</u>	<u>516,545</u>	<u>53,585</u>
Charges to Appropriations (Outflows):				
Current:				
Public services	<u>331,188</u>	<u>351,982</u>	<u>330,185</u>	<u>21,797</u>
Total Charges to Appropriations	<u>331,188</u>	<u>351,982</u>	<u>330,185</u>	<u>21,797</u>
Budgetary Fund Balance, June 30	<u>\$ 131,772</u>	<u>\$ 110,978</u>	<u>\$ 186,360</u>	<u>\$ 75,382</u>

CITY OF WEST HOLLYWOOD

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

MEASURE R SPECIAL REVENUE FUND

For the year ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 231,989	\$ 231,989	\$ 231,989	\$ -
Resources (Inflows):				
Taxes	330,000	330,000	383,543	53,543
Use of money and property	1,000	1,000	1,585	585
Amounts Available for Appropriations	<u>562,989</u>	<u>562,989</u>	<u>617,117</u>	<u>54,128</u>
Charges to Appropriations (Outflows):				
Current:				
Public services	240,334	261,638	175,695	85,943
Capital outlay	90,000	90,000	-	90,000
Total Charges to Appropriations	<u>330,334</u>	<u>351,638</u>	<u>175,695</u>	<u>175,943</u>
Budgetary Fund Balance, June 30	<u>\$ 232,655</u>	<u>\$ 211,351</u>	<u>\$ 441,422</u>	<u>\$ 230,071</u>

CITY OF WEST HOLLYWOOD

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GAS TAX SPECIAL REVENUE FUND

For the year ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,564,985	\$ 1,564,985	\$ 1,564,985	\$ -
Resources (Inflows):				
Intergovernmental	976,000	976,000	1,053,150	77,150
Use of money and property	4,000	4,000	5,969	1,969
Miscellaneous	-	-	3,642	3,642
Amounts Available for Appropriations	<u>2,544,985</u>	<u>2,544,985</u>	<u>2,627,746</u>	<u>82,761</u>
Charges to Appropriations (Outflows):				
Current:				
Public services	1,015,316	1,022,994	943,373	79,621
Capital outlay	<u>315,130</u>	<u>794,708</u>	<u>319,250</u>	<u>475,458</u>
Total Charges to Appropriations	<u>1,330,446</u>	<u>1,817,702</u>	<u>1,262,623</u>	<u>555,079</u>
Budgetary Fund Balance, June 30	<u>\$ 1,214,539</u>	<u>\$ 727,283</u>	<u>\$ 1,365,123</u>	<u>\$ 637,840</u>

CITY OF WEST HOLLYWOOD

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

AIR QUALITY IMPROVEMENT SPECIAL REVENUE FUND

For the year ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 166,200	\$ 166,200	\$ 166,200	\$ -
Resources (Inflows):				
Taxes	42,000	42,000	43,325	1,325
Use of money and property	1,000	1,000	853	(147)
Transfers in	-	-	22,717	22,717
Amounts Available for Appropriations	<u>209,200</u>	<u>209,200</u>	<u>233,095</u>	<u>23,895</u>
Charges to Appropriations (Outflows):				
Current:				
Public services	82,500	143,431	75,788	67,643
Capital outlay	<u>40,000</u>	<u>88,787</u>	<u>1,600</u>	<u>87,187</u>
Total Charges to Appropriations	<u>122,500</u>	<u>232,218</u>	<u>77,388</u>	<u>154,830</u>
Budgetary Fund Balance, June 30	<u>\$ 86,700</u>	<u>\$ (23,018)</u>	<u>\$ 155,707</u>	<u>\$ 178,725</u>

CITY OF WEST HOLLYWOOD

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

TRAFFIC SPECIAL REVENUE FUND

For the year ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 449,104	\$ 449,104	\$ 449,104	\$ -
Resources (Inflows):				
Use of money and property	1,500	1,500	3,952	2,452
Developer participation	25,000	25,000	827,812	802,812
Amounts Available for Appropriations	475,604	475,604	1,280,868	805,264
Charges to Appropriations (Outflows):				
Current:				
Public services	186,782	215,847	178,840	37,007
Capital outlay	-	288,360	23,280	265,080
Transfers out	-	-	14,178	(14,178)
Total Charges to Appropriations	186,782	504,207	216,298	287,909
Budgetary Fund Balance, June 30	\$ 288,822	\$ (28,603)	\$ 1,064,570	\$ 1,093,173

CITY OF WEST HOLLYWOOD

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

PUBLIC BEAUTIFICATION AND ART SPECIAL REVENUE FUND

For the year ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 513,400	\$ 513,400	\$ 513,400	\$ -
Resources (Inflows):				
Use of money and property	1,000	1,000	6,668	5,668
Developer participation	50,000	50,000	661,018	611,018
Amounts Available for Appropriations	564,400	564,400	1,181,086	616,686
Charges to Appropriations (Outflows):				
Current:				
General government	205,500	218,670	155,429	63,241
Total Charges to Appropriations	205,500	218,670	155,429	63,241
Budgetary Fund Balance, June 30	\$ 358,900	\$ 345,730	\$ 1,025,657	\$ 679,927

CITY OF WEST HOLLYWOOD

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

QUIMBY ACT SPECIAL REVENUE FUND

For the year ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,006,107	\$ 1,006,107	\$ 1,006,107	\$ -
Resources (Inflows):				
Use of money and property	1,500	1,500	5,670	4,170
Developer participation	50,000	50,000	265,541	215,541
Amounts Available for Appropriations	1,057,607	1,057,607	1,277,318	219,711
Charges to Appropriations (Outflows):				
Capital outlay	335,000	575,859	275,313	300,546
Total Charges to Appropriations	335,000	575,859	275,313	300,546
Budgetary Fund Balance, June 30	\$ 722,607	\$ 481,748	\$ 1,002,005	\$ 520,257

CITY OF WEST HOLLYWOOD

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CITY LIGHTING SPECIAL REVENUE FUND

For the year ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,330,257	\$ 1,330,257	\$ 1,330,257	\$ -
Resources (Inflows):				
Taxes	849,500	849,500	1,013,199	163,699
Intergovernmental	6,000	6,000	6,663	663
Use of money and property	2,500	2,500	5,604	3,104
Miscellaneous	-	-	6,943	6,943
Amounts Available for Appropriations	<u>2,188,257</u>	<u>2,188,257</u>	<u>2,362,666</u>	<u>174,409</u>
Charges to Appropriations (Outflows):				
Current:				
Public services	685,000	828,340	734,287	94,053
Capital outlay	<u>150,000</u>	<u>156,622</u>	<u>-</u>	<u>156,622</u>
Total Charges to Appropriations	<u>835,000</u>	<u>984,962</u>	<u>734,287</u>	<u>250,675</u>
Budgetary Fund Balance, June 30	<u>\$ 1,353,257</u>	<u>\$ 1,203,295</u>	<u>\$ 1,628,379</u>	<u>\$ 425,084</u>

CITY OF WEST HOLLYWOOD

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

PUBLIC ACCESS SPECIAL REVENUE FUND

For the year ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 15,837	\$ 15,837	\$ 15,837	\$ -
Resources (Inflows):				
Taxes	140,000	140,000	150,186	10,186
Use of money and property	250	250	197	(53)
Miscellaneous	500	500	618	118
Amounts Available for Appropriations	<u>156,587</u>	<u>156,587</u>	<u>166,838</u>	<u>10,251</u>
Charges to Appropriations (Outflows):				
Current:				
General government	<u>162,907</u>	<u>166,061</u>	<u>143,156</u>	<u>22,905</u>
Total Charges to Appropriations	<u>162,907</u>	<u>166,061</u>	<u>143,156</u>	<u>22,905</u>
Budgetary Fund Balance, June 30	<u>\$ (6,320)</u>	<u>\$ (9,474)</u>	<u>\$ 23,682</u>	<u>\$ 33,156</u>

CITY OF WEST HOLLYWOOD

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

PARKING IMPROVEMENT SPECIAL REVENUE FUND

For the year ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 6,750,076	\$ 6,750,076	\$ 6,750,076	\$ -
Resources (Inflows):				
Charges for services	75,000	75,000	248,696	173,696
Use of money and property	2,507,500	2,557,500	3,153,504	596,004
Fines and forfeitures	875,000	875,000	1,057,448	182,448
Developer participation	50,000	50,000	-	(50,000)
Transfers in	-	-	8,088,800	8,088,800
Amounts Available for Appropriations	<u>10,257,576</u>	<u>10,307,576</u>	<u>19,298,524</u>	<u>8,990,948</u>
Charges to Appropriations (Outflows):				
Current:				
General government	56,556	56,556	55,911	645
Public services	1,501,578	1,555,794	1,201,167	354,627
Capital outlay	187,500	13,081,253	8,193,415	4,887,838
Transfers out	1,026,329	1,026,329	1,026,329	-
Total Charges to Appropriations	<u>2,771,963</u>	<u>15,719,932</u>	<u>10,476,822</u>	<u>5,243,110</u>
Budgetary Fund Balance, June 30	<u>\$ 7,485,613</u>	<u>\$ (5,412,356)</u>	<u>\$ 8,821,702</u>	<u>\$ 14,234,058</u>

CITY OF WEST HOLLYWOOD

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

PERMIT PARKING SPECIAL REVENUE FUND

For the year ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 283,670	\$ 283,670	\$ 283,670	\$ -
Resources (Inflows):				
Use of money and property	894,000	894,000	920,501	26,501
Amounts Available for Appropriations	1,177,670	1,177,670	1,204,171	26,501
Charges to Appropriations (Outflows):				
Current:				
Public services	840,519	841,515	714,530	126,985
Total Charges to Appropriations	840,519	841,515	714,530	126,985
Budgetary Fund Balance, June 30	\$ 337,151	\$ 336,155	\$ 489,641	\$ 153,486

CITY OF WEST HOLLYWOOD

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND

For the year ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	259,340	263,754	263,754	-
Amounts Available for Appropriations	259,340	263,754	263,754	-
Charges to Appropriations (Outflows):				
Current:				
Public services	38,901	34,325	34,325	-
Capital outlay	220,439	229,429	229,429	-
Total Charges to Appropriations	259,340	263,754	263,754	-
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

CITY OF WEST HOLLYWOOD

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

HOUSING TRUST SPECIAL REVENUE FUND

For the year ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,203,181	\$ 1,203,181	\$ 1,203,181	\$ -
Resources (Inflows):				
Use of money and property	7,500	7,500	9,668	2,168
Developer participation	250,000	250,000	1,259,479	1,009,479
Transfers in	-	1,000,000	1,000,000	-
Amounts Available for Appropriations	<u>1,460,681</u>	<u>2,460,681</u>	<u>3,472,328</u>	<u>1,011,647</u>
Charges to Appropriations (Outflows):				
Current:				
Public services	<u>382,731</u>	<u>1,389,670</u>	<u>1,384,515</u>	<u>5,155</u>
Total Charges to Appropriations	<u>382,731</u>	<u>1,389,670</u>	<u>1,384,515</u>	<u>5,155</u>
Budgetary Fund Balance, June 30	<u>\$ 1,077,950</u>	<u>\$ 1,071,011</u>	<u>\$ 2,087,813</u>	<u>\$ 1,016,802</u>

CITY OF WEST HOLLYWOOD

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

SUNSET MITIGATION SPECIAL REVENUE FUND

For the year ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance (Deficit), July 1, as restated	\$ (206,332)	\$ (206,332)	\$ (206,332)	\$ -
Resources (Inflows):				
Charges for services	491,609	491,609	681,435	189,826
Use of money and property	-	-	46	46
Transfers in	575,441	575,441	575,441	-
Amounts Available for Appropriations	860,718	860,718	1,050,590	189,872
Charges to Appropriations (Outflows):				
Current:				
General government	491,609	491,609	554,985	(63,376)
Public safety	575,441	575,441	575,441	-
Total Charges to Appropriations	1,067,050	1,067,050	1,130,426	(63,376)
Budgetary Fund Balance (Deficit), June 30	\$ (206,332)	\$ (206,332)	\$ (79,836)	\$ 126,496

CITY OF WEST HOLLYWOOD

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

SANTA MONICA BOULEVARD CAPITAL PROJECTS FUND

For the year ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 6,244,811	\$ 6,244,811	\$ 6,244,811	\$ -
Resources (Inflows):				
Use of money and property	20,000	20,000	39,805	19,805
Amounts Available for Appropriations	6,264,811	6,264,811	6,284,616	19,805
Charges to Appropriations (Outflows):				
Capital outlay	450,000	744,754	100,000	644,754
Total Charges to Appropriations	450,000	744,754	100,000	644,754
Budgetary Fund Balance, June 30	\$ 5,814,811	\$ 5,520,057	\$ 6,184,616	\$ 664,559

CITY OF WEST HOLLYWOOD

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

DEBT FUNDED CAPITAL PROJECTS FUND - MAJOR FUND

For the year ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance (Deficit), July 1	\$ (1,777,961)	\$ (1,777,961)	\$ (1,777,961)	\$ -
Resources (Inflows):				
Transfers in	5,129,758	5,129,758	-	(5,129,758)
Amounts Available for Appropriations	3,351,797	3,351,797	(1,777,961)	(5,129,758)
Charges to Appropriations (Outflows):				
Capital outlay	5,129,758	86,613,492	2,800,973	83,812,519
Total Charges to Appropriations	5,129,758	86,613,492	2,800,973	83,812,519
Budgetary Fund Balance (Deficit), June 30	\$ (1,777,961)	\$ (83,261,695)	\$ (4,578,934)	\$ 78,682,761

CITY OF WEST HOLLYWOOD

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CAPITAL PROJECTS DEBT SERVICE FUND - MAJOR FUND

For the year ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 24,935,248	\$ 24,935,248	\$ 24,935,248	\$ -
Resources (Inflows):				
Use of money and property	901,025	901,025	911,526	10,501
Transfers in	4,914,525	4,914,525	4,914,525	-
Amounts Available for Appropriations	<u>30,750,798</u>	<u>30,750,798</u>	<u>30,761,299</u>	<u>10,501</u>
Charges to Appropriations (Outflows):				
Debt service:				
Principal retirement	2,140,000	2,140,000	2,140,000	-
Interest and fiscal charges	3,448,276	3,448,276	3,449,479	(1,203)
Transfers out	-	206,000	8,294,800	(8,088,800)
Total Charges to Appropriations	<u>5,588,276</u>	<u>5,794,276</u>	<u>13,884,279</u>	<u>(8,090,003)</u>
Budgetary Fund Balance, June 30	<u>\$ 25,162,522</u>	<u>\$ 24,956,522</u>	<u>\$ 16,877,020</u>	<u>\$ (8,079,502)</u>

NONMAJOR ENTERPRISE FUNDS
(PROPRIETARY FUNDS)

SEWER DISTRICT FUND - ENTERPRISE:

The Sewer District Fund was transferred from the County of Los Angeles when the City took over the Sewer District. Use of this fund is designated for the improvement of the underground sewer lines.

SEWER CHARGE FUND - ENTERPRISE:

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

SOLID WASTE FUND - ENTERPRISE:

The City levies assessments for collection of solid waste from residential and/or commercial premises. The revenues are used to support the Engineering Division of the Department of Public Works.

LANDSCAPE DISTRICT FUND - ENTERPRISE:

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

STREET MAINTENANCE FUND - ENTERPRISE:

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

CITY OF WEST HOLLYWOOD

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS

June 30, 2015

	Business-Type Activities - Enterprise Funds		
	Sewer District	Sewer Charge	Solid Waste
ASSETS:			
CURRENT ASSETS:			
Cash and investments	\$ -	\$ 598,481	\$ 524,104
Receivables:			
Accounts	-	3,229	-
Accrued interest	-	425	411
Due from other governments	-	15,754	27,636
Due from other funds	-	-	54,209
TOTAL CURRENT ASSETS	-	617,889	606,360
NONCURRENT ASSETS:			
Capital assets, nondepreciable	37,400	36,017	-
Capital assets, net of accumulated depreciation	7,841,716	2,299,650	-
TOTAL NONCURRENT ASSETS	7,879,116	2,335,667	-
TOTAL ASSETS	7,879,116	2,953,556	606,360
LIABILITIES:			
CURRENT LIABILITIES:			
Accounts payable	-	117,325	91,811
Due to other funds	33,559	-	-
TOTAL CURRENT LIABILITIES	33,559	117,325	91,811
TOTAL LIABILITIES	33,559	117,325	91,811
NET POSITION:			
Net investment in capital assets	7,879,116	2,335,667	-
Unrestricted	(33,559)	500,564	514,549
TOTAL NET POSITION	\$ 7,845,557	\$ 2,836,231	\$ 514,549

Business-Type Activities Enterprise Funds (Continued)		
Landscape District	Street Maintenance	Totals
\$ 130,425	\$ -	\$ 1,253,010
538	58	3,825
93	-	929
3,396	4,542	51,328
-	-	54,209
<u>134,452</u>	<u>4,600</u>	<u>1,363,301</u>
-	-	73,417
-	-	10,141,366
-	-	10,214,783
<u>134,452</u>	<u>4,600</u>	<u>11,578,084</u>
12,358	6,366	227,860
-	20,650	54,209
<u>12,358</u>	<u>27,016</u>	<u>282,069</u>
<u>12,358</u>	<u>27,016</u>	<u>282,069</u>
-	-	10,214,783
<u>122,094</u>	<u>(22,416)</u>	<u>1,081,232</u>
<u>\$ 122,094</u>	<u>\$ (22,416)</u>	<u>\$ 11,296,015</u>

CITY OF WEST HOLLYWOOD

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS

For the year ended June 30, 2015

	Business-Type Activities - Enterprise Funds		
	Sewer District	Sewer Charge	Solid Waste
OPERATING REVENUES:			
Sales and service charges	\$ -	\$ 1,197,649	\$ 1,430,587
Penalties on assessments	-	2,513	5,726
Other fees and charges	-	193,934	16
TOTAL OPERATING REVENUES	-	1,394,096	1,436,329
OPERATING EXPENSES:			
Administration and general	-	33,500	67,695
Treatment	-	651,551	1,377,586
Cost of sales and services	-	-	-
Depreciation expense	363,557	33,960	-
TOTAL OPERATING EXPENSES	363,557	719,011	1,445,281
OPERATING INCOME (LOSS)	(363,557)	675,085	(8,952)
NONOPERATING REVENUES:			
Interest revenue	-	1,142	1,598
TOTAL NONOPERATING REVENUES	-	1,142	1,598
CHANGE IN NET POSITION	(363,557)	676,227	(7,354)
NET POSITION - BEGINNING OF YEAR	8,209,114	2,160,004	521,903
NET POSITION - END OF YEAR	\$ 7,845,557	\$ 2,836,231	\$ 514,549

Business-Type Activities
Enterprise Funds (Continued)

Landscape District	Street Maintenance	Totals
\$ 177,803	\$ 289,122	\$ 3,095,161
615	990	9,844
-	-	193,950
<u>178,418</u>	<u>290,112</u>	<u>3,298,955</u>
3,500	56,426	161,121
-	208,884	2,238,021
199,635	29,531	229,166
-	-	397,517
<u>203,135</u>	<u>294,841</u>	<u>3,025,825</u>
<u>(24,717)</u>	<u>(4,729)</u>	<u>273,130</u>
<u>682</u>	<u>5</u>	<u>3,427</u>
<u>682</u>	<u>5</u>	<u>3,427</u>
(24,035)	(4,724)	276,557
<u>146,129</u>	<u>(17,692)</u>	<u>11,019,458</u>
<u>\$ 122,094</u>	<u>\$ (22,416)</u>	<u>\$ 11,296,015</u>

CITY OF WEST HOLLYWOOD

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS

For the year ended June 30, 2015

	Business-Type Activities - Enterprise Funds		
	Sewer District	Sewer Charge	Solid Waste
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers and users	\$ -	\$ 1,391,442	\$ 1,434,120
Cash paid to suppliers for goods and services	-	(491,120)	(1,160,340)
Cash paid to employees for services	-	(134,868)	(193,130)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	-	765,454	80,650
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Repayment received from other funds	-	-	147,038
Repayment made to other funds	-	(167,688)	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	-	(167,688)	147,038
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	-	715	1,507
NET CASH PROVIDED BY INVESTING ACTIVITIES	-	715	1,507
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	598,481	229,195
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	-	-	294,909
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ -	\$ 598,481	\$ 524,104

Business-Type Activities Enterprise Funds (Continued)		
Landscape District	Street Maintenance	Totals
\$ 176,056	\$ 290,490	\$ 3,292,108
(211,463)	(135,848)	(1,998,771)
-	(169,695)	(497,693)
<u>(35,407)</u>	<u>(15,053)</u>	<u>795,644</u>
5,602	15,048	167,688
-	-	(167,688)
<u>5,602</u>	<u>15,048</u>	<u>-</u>
694	5	2,921
<u>694</u>	<u>5</u>	<u>2,921</u>
(29,111)	-	798,565
<u>159,536</u>	<u>-</u>	<u>454,445</u>
<u>\$ 130,425</u>	<u>\$ -</u>	<u>\$ 1,253,010</u>

(Continued)

CITY OF WEST HOLLYWOOD

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
(CONTINUED)

For the year ended June 30, 2015

	Business-Type Activities - Enterprise Funds		
	Sewer District	Sewer Charge	Solid Waste
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (363,557)	\$ 675,085	\$ (8,952)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	363,557	33,960	-
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	-	(2,053)	-
Due from other governments	-	(601)	(2,209)
Increase (decrease) in:			
Accounts payable	-	59,063	91,811
	<u>-</u>	<u>59,063</u>	<u>91,811</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ -</u>	<u>\$ 765,454</u>	<u>\$ 80,650</u>

Business-Type Activities
Enterprise Funds (Continued)

Landscape District	Street Maintenance	Totals
\$ (24,717)	\$ (4,729)	273,130
-	-	397,517
(538)	(58)	(2,649)
(1,824)	436	(4,198)
<u>(8,328)</u>	<u>(10,702)</u>	<u>131,844</u>
<u>\$ (35,407)</u>	<u>\$ (15,053)</u>	<u>\$ 795,644</u>

This page intentionally left blank

FIDUCIARY FUNDS

AGENCY FUNDS

BUSINESS IMPROVEMENT - AGENCY:

This is a business improvement district formed in 1996 of retail stores, restaurants and art galleries located near the Pacific Design Center. Businesses pay an annual assessment between \$60 and \$1,180. Year-round Avenues activities encompass free gallery walks, charity events, book signings, artist receptions, product offerings and demonstrations, with an annual event The Art & Design Walk.

HOTEL MARKETING BENEFIT ZONE - AGENCY:

This fund accounts for the receipt of 3% of the Transient Occupancy Tax (hotel bed Tax) collected by the City on behalf of West Hollywood Marketing Corporation. This receipt of 3% assessment is granted to the WHMC to use to advertise the City as a travel destination and convention site.

ALL SUCCESSOR AGENCY PRIVATE-PURPOSE TRUST FUNDS

HOUSING CAPITAL IMPROVEMENTS:

This fund accounts for project cost including the structuring of previous bond issues. Resources consist of property tax monies received from the Los Angeles County, based on the approved ROPS, which are used for payment of long-term debt and any remaining obligations.

NON-HOUSING CAPITAL IMPROVEMENTS:

This fund accounts for project costs related to Plummer Park improvements; the bond proceeds for these improvements are being held in the Successor Agency Debt Service Fund. Resources consist of property tax monies received from the Los Angeles County, based on the approved ROPS, which are used for payment of long-term debt and any remaining obligations.

SUCCESSOR AGENCY ADMINISTRATION:

This fund accounts for administrative obligations specified on the ROPS of the dissolved redevelopment agency; monies are transferred in from the Obligation Payment Fund.

This page intentionally left blank

OBLIGATION PAYMENT FUND:

This fund was created by the legislation (34170.5(a)) to take in allocations from The Redevelopment Property Tax Trust Fund administered by Los Angeles County Auditor - Controller County. These monies will be used to pay obligations specified on the ROPS of the dissolved redevelopment agency. The Redevelopment Agency was dissolved as of January 31, 2012 through the Supreme Court decision on Assembly Bill 1x 26. Monies received are transferred during the year to the respective successor agency fund.

SUCCESSOR AGENCY DEBT SERVICE FUND:

This fund is used to account for the accumulation of resources and the payment of principal and interest on long-term debt issued to finance projects in the Eastside Redevelopment Project Area. Currently, resources consist of property tax monies received from the Los Angeles County, based on the approved ROPS, which are used for payment of long-term debt and any remaining obligations. The bond proceeds from Plummer Park improvements are being held until a financial determination is made by the Department of Finance.

CITY OF WEST HOLLYWOOD

COMBINING STATEMENT OF ASSETS AND LIABILITIES
ALL AGENCY FUNDS

June 30, 2015

		Business Improvement	Hotel Marketing Benefit Zone	Totals
ASSETS				
Cash and investments		\$ -	\$ 191,733	\$ 191,733
Receivables:				
Accounts		152,040	-	152,040
Taxes		-	536,165	536,165
Accrued interest		-	244	244
Due from other funds		-	124,693	124,693
		<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS		<u>\$ 152,040</u>	<u>\$ 852,835</u>	<u>\$ 1,004,875</u>
LIABILITIES				
Accounts payable		\$ 27,347	\$ 852,835	\$ 880,182
Due to other funds		124,693	-	124,693
		<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES		<u>\$ 152,040</u>	<u>\$ 852,835</u>	<u>\$ 1,004,875</u>

CITY OF WEST HOLLYWOOD

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

For the year ended June 30, 2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
BUSINESS IMPROVEMENT				
ASSETS:				
Receivables:				
Accounts	\$ 259,093	\$ 156,509	\$ (263,562)	\$ 152,040
TOTAL ASSETS	<u>\$ 259,093</u>	<u>\$ 156,509</u>	<u>\$ (263,562)</u>	<u>\$ 152,040</u>
LIABILITIES:				
Accounts payable	\$ 124,450	\$ 110,232	\$ (207,335)	\$ 27,347
Due to other funds	134,643	124,693	(134,643)	124,693
TOTAL LIABILITIES	<u>\$ 259,093</u>	<u>\$ 234,925</u>	<u>\$ (341,978)</u>	<u>\$ 152,040</u>
HOTEL MARKETING BENEFIT ZONE				
ASSETS:				
Cash and investments	\$ 71,998	\$ 5,343,003	\$ (5,223,268)	\$ 191,733
Receivables:				
Taxes	578,986	536,165	(578,986)	536,165
Accrued interest	128	244	(128)	244
Due from other funds	134,643	124,693	(134,643)	124,693
TOTAL ASSETS	<u>\$ 785,755</u>	<u>\$ 6,004,105</u>	<u>\$ (5,937,025)</u>	<u>\$ 852,835</u>
LIABILITIES:				
Accounts payable	\$ 785,755	\$ 4,957,003	\$ (4,889,923)	\$ 852,835
TOTAL LIABILITIES	<u>\$ 785,755</u>	<u>\$ 4,957,003</u>	<u>\$ (4,889,923)</u>	<u>\$ 852,835</u>
TOTAL - ALL AGENCY FUNDS				
ASSETS:				
Cash and investments	\$ 71,998	\$ 5,343,003	\$ (5,223,268)	\$ 191,733
Receivables:				
Accounts	259,093	156,509	(263,562)	152,040
Taxes	578,986	536,165	(578,986)	536,165
Accrued interest	128	244	(128)	244
Due from other funds	134,643	124,693	(134,643)	124,693
TOTAL ASSETS	<u>\$ 1,044,848</u>	<u>\$ 6,160,614</u>	<u>\$ (6,200,587)</u>	<u>\$ 1,004,875</u>
LIABILITIES:				
Accounts payable	\$ 910,205	\$ 5,067,235	\$ (5,097,258)	\$ 880,182
Due to other funds	134,643	124,693	(134,643)	124,693
TOTAL LIABILITIES	<u>\$ 1,044,848</u>	<u>\$ 5,191,928</u>	<u>\$ (5,231,901)</u>	<u>\$ 1,004,875</u>

CITY OF WEST HOLLYWOOD

COMBINING STATEMENT OF FIDUCIARY NET POSITION
ALL SUCCESSOR AGENCY PRIVATE-PURPOSE TRUST FUNDS

June 30, 2015

	Housing Capital Improvements	Non-Housing Capital Improvements	Successor Agency Administration
ASSETS:			
Cash and investments	\$ 5,644,243	\$ -	\$ 599
Restricted assets:			
Cash and investments with fiscal agents	757,675	-	-
Capital assets:			
Capital assets, not being depreciated	-	-	1,338,057
Capital assets, net of accumulated depreciation	-	165,883	306,910
TOTAL ASSETS	6,401,918	165,883	1,645,566
LIABILITIES:			
Accounts payable	-	-	658
Accrued interest	-	-	-
Long-term liabilities:			
Due in one year	50,000	-	-
Due in more than one year	8,426,213	-	-
TOTAL LIABILITIES	8,476,213	-	658
NET POSITION:			
Held in trust for other purposes	(2,074,295)	165,883	1,644,908
TOTAL NET POSITION	\$ (2,074,295)	\$ 165,883	\$ 1,644,908

Obligation Payment Fund	Successor Agency Debt Services Fund	Totals
\$ 252,280	\$ -	\$ 5,897,122
2,117,968	29,863,203	32,738,846
-	-	1,338,057
-	-	472,793
<u>2,370,248</u>	<u>29,863,203</u>	<u>40,446,818</u>
-	-	658
-	1,103,050	1,103,050
-	585,000	635,000
-	36,587,436	45,013,649
<u>-</u>	<u>38,275,486</u>	<u>46,752,357</u>
<u>2,370,248</u>	<u>(8,412,283)</u>	<u>(6,305,539)</u>
<u>\$ 2,370,248</u>	<u>\$ (8,412,283)</u>	<u>\$ (6,305,539)</u>

CITY OF WEST HOLLYWOOD

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
ALL SUCCESSOR AGENCY PRIVATE-PURPOSE TRUST FUNDS

For the year ended June 30, 2015

	Housing Capital Improvements	Non-Housing Capital Improvements	Successor Agency Administration
ADDITIONS:			
Taxes	\$ -	\$ -	\$ -
Transfers from other funds	873,851	-	250,000
Interest and change in fair value of investments	11,623	-	-
TOTAL ADDITIONS	885,474	-	250,000
DEDUCTIONS:			
Administrative expenses	57	-	250,019
Contractual services	-	-	-
Interest expense	850,506	-	-
Depreciation expense	-	3,498	8,358
Transfers to other funds	-	26,431,585	-
TOTAL DEDUCTIONS	850,563	26,435,083	258,377
CHANGE IN NET POSITION	34,911	(26,435,083)	(8,377)
NET POSITION - BEGINNING OF YEAR	(2,109,206)	26,600,966	1,653,285
NET POSITION - END OF YEAR	<u>\$ (2,074,295)</u>	<u>\$ 165,883</u>	<u>\$ 1,644,908</u>

Obligation Payment Fund	Successor Agency Debt Services Fund	Totals
\$ 4,024,823	\$ -	\$ 4,024,823
-	29,815,337	30,939,188
-	13,607	25,230
<u>4,024,823</u>	<u>29,828,944</u>	<u>34,989,241</u>
-	251	250,327
-	7,571	7,571
-	2,457,031	3,307,537
-	-	11,856
<u>4,507,307</u>	<u>296</u>	<u>30,939,188</u>
<u>4,507,307</u>	<u>2,465,149</u>	<u>34,516,479</u>
(482,484)	27,363,795	472,762
<u>2,852,732</u>	<u>(35,776,078)</u>	<u>(6,778,301)</u>
<u>\$ 2,370,248</u>	<u>\$ (8,412,283)</u>	<u>\$ (6,305,539)</u>

This page intentionally left blank



Statistical Section



I am at the weho gay marriage rally. Good times!
This is historic! via twitter



Front top: Supreme Court Decision news conference photo by Brett White

Front bottom and back: Supreme Court Decision rally, photo by Joshua Barash

DESCRIPTION OF STATISTICAL SECTION CONTENTS

June 30, 2015

The Statistical Section is included to provide financial statement users with additional historical perspective, context and detail for use in evaluating the information contained within the financial statements, notes to the financial statements, and required supplementary information with the goal of providing the user a better understanding of the City's economic condition.

FINANCIAL TRENDS INFORMATION- These schedules contain information to help the reader understand how the City's financial performance and well-being have changed over time.

Table 1 - Net Position by Component - *Last Ten Fiscal Years*

Table 2 - Changes in Net Position - *Last Ten Fiscal Years*

Table 3 - Fund Balances of Governmental Funds - *Last Ten Fiscal Years*

Table 4 - Changes in Fund Balances of Governmental Funds - *Last Ten Fiscal Years*

Table 5 - General Fund Tax Revenues by Source - *Last Ten Fiscal Years*

REVENUE CAPACITY INFORMATION- These schedules contain information to help the reader assess the City's most significant local revenue sources.

Table 6 - Assessed Value and Estimated Actual Value of Taxable Property - *Last Ten Fiscal Years*

Table 7 - Direct and Overlapping Property Tax Rates - *Last Ten Fiscal Years*

Table 8 - Principal Property Taxpayers - *Current Year and Nine Years Ago*

Table 9 - Property Tax Levies and Collections - *Last Ten Fiscal Years*

DEBT CAPACITY INFORMATION- These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Table 10- Ratios of Outstanding Debt by Type - *Last Ten Fiscal Years*

Table 11 - Direct and Overlapping Debt - *June 30, 2015*

Table 12 - Legal Debt Margin Information - *Last Ten Fiscal Years*

Table 13 - East Side Project Area Bonds Coverage - *Last Ten Fiscal Years*

This page intentionally left blank

DEMOGRAPHIC AND ECONOMIC INFORMATION- These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Table 14 - Demographic and Economic Statistics - *Last Ten Calendar Years*

Table 15 - Principal Employers - *Current Year and Ten Years Ago*

OPERATING INFORMATION - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial statements relates to the services the City provides and the activities it performs.

Table 16 - Full-time Equivalent City Government Employees by Function - *Last Ten Fiscal Years*

Table 17 - Operating Indicators by Function - *Last Ten Fiscal Years*

Table 18 - Capital Assets by Function- *Last Ten Fiscal Years*

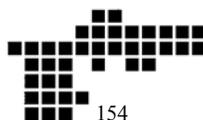
CITY OF WEST HOLLYWOOD

TABLE 1
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Page 1 of 2

	Fiscal Year				
	2006	2007	2008	2009	2010
Governmental activities					
Net investment in capital assets	\$ 83,025,801	\$ 82,839,263	\$ 85,785,512	\$ 103,042,403	\$ 94,984,874
Restricted	30,203,837	42,540,457	51,021,978	49,054,483	57,860,664
Unrestricted	44,313,953	61,562,154	71,516,525	58,335,334	61,509,140
Total governmental activities net position	<u>\$ 157,543,591</u>	<u>\$ 186,941,874</u>	<u>\$ 208,324,015</u>	<u>\$ 210,432,220</u>	<u>\$ 214,354,678</u>
Business-type activities					
Net investment in capital assets	\$ 10,593,768	\$ 10,270,624	\$ 9,947,480	\$ 10,151,952	\$ 9,942,991
Unrestricted	1,127,018	1,270,903	1,440,942	1,123,836	964,639
Total business-type activities net position	<u>\$ 11,720,786</u>	<u>\$ 11,541,527</u>	<u>\$ 11,388,422</u>	<u>\$ 11,275,788</u>	<u>\$ 10,907,630</u>
Primary government					
Net investment in capital assets	\$ 93,619,569	\$ 93,109,887	\$ 95,732,992	\$ 113,194,355	\$ 104,927,865
Restricted	30,203,837	42,540,457	51,021,978	49,054,483	57,860,664
Unrestricted	45,440,971	62,833,057	72,957,467	59,459,170	62,473,779
Total primary government net position	<u>\$ 169,264,377</u>	<u>\$ 198,483,401</u>	<u>\$ 219,712,437</u>	<u>\$ 221,708,008</u>	<u>\$ 225,262,308</u>

Source: City of West Hollywood.



(Continued)

Page 2 of 2

	Fiscal Year				
	2011	2012	2013	2014	2015
Governmental activities					
Net investment in capital assets	\$ 123,634,342	\$ 141,101,458	\$ 144,933,718	\$ 142,442,200	\$ 145,114,783
Restricted	74,265,052	32,450,082	35,454,463	52,747,012	47,136,333
Unrestricted	25,483,889	61,864,889	65,143,908	66,956,579	56,447,708
Total governmental activities net position	\$ 223,383,283	\$ 235,416,429	\$ 245,532,089	\$ 262,145,791	\$ 248,698,824
Business-type activities					
Net investment in capital assets	\$ 10,551,949	\$ 10,649,541	\$ 11,009,816	\$ 10,612,300	\$ 10,214,783
Unrestricted	190,846	185,090	(24,553)	396,508	1,063,237
Total business-type activities net position	\$ 10,742,795	\$ 10,834,631	\$ 10,985,263	\$ 11,008,808	\$ 11,278,020
Primary government					
Net investment in capital assets	\$ 134,186,291	\$ 151,750,999	\$ 155,943,534	\$ 153,054,500	\$ 155,329,566
Restricted	74,265,052	32,450,082	35,454,463	52,747,012	47,136,333
Unrestricted	25,674,735	62,049,979	65,119,355	67,353,087	57,510,945
Total primary government net position	234,126,078	246,251,060	256,517,352	273,154,599	259,976,844

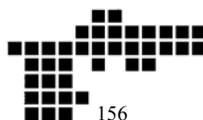
CITY OF WEST HOLLYWOOD

TABLE 2
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Page 1 of 4

Expenses	Fiscal Year				
	2006	2007	2008	2009	2010
Governmental activities:					
General government	\$ 16,479,257	\$ 15,648,141	\$ 21,093,563	\$ 23,286,253	\$ 22,283,500
Public safety	11,212,181	13,597,148	13,164,284	14,031,263	14,693,505
Public services	30,573,381	34,361,851	35,875,120	47,202,159	37,851,081
Interest on long-term debt	2,073,243	2,052,121	2,039,747	1,994,805	3,753,074
Total governmental activities expenses	60,338,062	65,659,261	72,172,714	86,514,480	78,581,160
Business-type activities:					
Sewer	1,310,820	685,782	1,006,626	824,817	930,895
Solid waste	1,137,797	1,258,380	1,136,337	1,202,666	1,266,869
Landscape and lighting	198,252	160,241	156,616	182,353	175,253
Street maintenance	334,287	346,350	366,655	392,463	396,000
Total business-type activities expenses	2,981,156	2,450,753	2,666,234	2,602,299	2,769,017
Total primary government expenses	\$ 63,319,218	\$ 68,110,014	\$ 74,838,948	\$ 89,116,779	\$ 81,350,177
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 492,019	\$ 532,160	\$ 446,180	\$ 406,506	\$ 502,745
Public safety	999,856	684,303	692,071	1,260,919	1,149,849
Public services	18,535,109	20,879,091	23,401,515	15,417,753	14,551,173
Operating grants and contributions	3,244,620	5,003,291	4,828,524	5,317,302	4,688,118
Capital grants and contributions	743,180	232,089	1,027,706	4,439,194	2,198,352
Total governmental activities program revenues	24,014,784	27,330,934	30,395,996	26,841,674	23,090,237
Business-type activities:					
Charges for services:					
Sewer	196,513	563,497	686,056	607,434	609,880
Solid waste	1,159,211	1,190,664	1,231,080	1,289,496	1,301,527
Landscape and lighting	163,312	162,704	172,501	176,224	173,623
Street maintenance	285,348	283,569	284,924	284,872	288,216
Total business-type activities program revenues	1,804,384	2,200,434	2,374,561	2,358,026	2,373,246
Total primary government program revenues	\$ 25,819,168	\$ 29,531,368	\$ 32,770,557	\$ 29,199,700	\$ 25,463,483
Net (expense)/revenue					
Governmental activities	\$ (36,323,278)	\$ (38,328,327)	\$ (41,776,718)	\$ (59,672,806)	\$ (55,490,923)
Business-type activities	(1,176,772)	(250,319)	(291,673)	(244,273)	(395,771)
Total Primary government net expense	\$ (37,500,050)	\$ (38,578,646)	\$ (42,068,391)	\$ (59,917,079)	\$ (55,886,694)

Source: City of West Hollywood



(Continued)

Page 2 of 4

Expenses	Fiscal Year				
	2011	2012	2013	2014	2015
Governmental activities:					
General government	\$ 19,875,065	\$ 23,165,824	\$ 25,539,217	\$ 20,615,002	\$ 20,388,425
Public safety	14,697,422	14,049,362	14,916,605	14,980,054	17,270,756
Public services	42,408,254	39,406,297	36,552,396	47,313,347	46,146,254
Interest on long-term debt	4,016,175	3,235,260	2,600,257	3,609,405	3,360,030
Total governmental activities expenses	<u>80,996,916</u>	<u>79,856,743</u>	<u>79,608,475</u>	<u>86,517,808</u>	<u>87,165,465</u>
Business-type activities:					
Sewer	949,508	975,899	955,951	1,014,614	1,082,870
Solid waste	1,282,212	1,303,572	1,365,401	1,531,511	1,448,043
Landscape and lighting	183,915	176,687	168,908	190,288	203,135
Street maintenance	435,088	437,763	449,303	456,132	299,122
Total business-type activities expenses	<u>2,850,723</u>	<u>2,893,921</u>	<u>2,939,563</u>	<u>3,192,545</u>	<u>3,033,170</u>
Total primary government expenses	<u>\$ 83,847,639</u>	<u>\$ 82,750,664</u>	<u>\$ 82,548,038</u>	<u>\$ 89,710,353</u>	<u>\$ 90,198,635</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 586,368	\$ 563,320	\$ 682,095	\$ 1,247,385	\$ 841,309
Public safety	1,076,360	980,518	1,163,801	935,387	694,016
Public services	18,748,179	19,947,996	18,242,612	24,740,324	25,929,989
Operating grants and contributions	4,257,901	4,397,509	4,458,171	2,800,726	3,490,256
Capital grants and contributions	4,278,207	1,676,294	383,071	1,914,153	1,710,539
Total governmental activities program revenues	<u>28,947,015</u>	<u>27,565,637</u>	<u>24,929,750</u>	<u>31,637,975</u>	<u>32,666,109</u>
Business-type activities:					
Charges for services:					
Sewer	757,422	1,046,131	1,060,866	1,154,927	1,394,096
Solid waste	1,346,954	1,350,986	1,390,918	1,417,997	1,436,329
Landscape and lighting	174,009	179,821	176,142	187,117	178,418
Street maintenance	287,801	286,854	291,127	288,581	290,112
Total business-type activities program revenues	<u>2,566,186</u>	<u>2,863,792</u>	<u>2,919,053</u>	<u>3,048,622</u>	<u>3,298,955</u>
Total primary government program revenues	<u>\$ 31,513,201</u>	<u>\$ 30,429,429</u>	<u>\$ 27,848,803</u>	<u>\$ 34,686,597</u>	<u>\$ 35,965,064</u>
Net (expense)/revenue					
Governmental activities	\$ (52,049,901)	\$ (52,291,106)	\$ (54,678,725)	\$ (54,879,833)	\$ (54,499,356)
Business-type activities	(284,537)	(30,129)	(20,510)	(143,923)	265,785
Total Primary government net expense	<u>\$ (52,334,438)</u>	<u>\$ (52,321,235)</u>	<u>\$ (54,699,235)</u>	<u>\$ (55,023,756)</u>	<u>\$ (54,233,571)</u>

CITY OF WEST HOLLYWOOD

TABLE 2
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

Page 3 of 4

General Revenue and Other Changes in Net Assets	Fiscal Year				
	2006	2007	2008	2009	2010
Governmental activities:					
Taxes					
Property tax	\$ 15,282,673	\$ 15,431,742	\$ 16,094,302	\$ 17,963,819	\$ 18,349,422
Transient occupancy tax	12,791,327	13,598,347	13,133,591	12,124,316	12,590,134
Sales tax	11,815,467	12,531,819	13,935,810	12,743,088	12,308,132
Franchise tax	2,045,702	2,050,258	2,093,383	2,039,944	2,257,600
Business license tax	2,198,549	2,344,725	2,454,969	2,727,228	2,603,306
Motor vehicle in-lieu	2,522,013	2,734,771	3,013,166	3,307,057	3,451,448
Use of money and property	6,798,247	9,220,141	12,186,976	9,906,326	7,322,293
Other	646,918	6,489,110	333,347	524,470	623,043
Sale of capital assets	(70,533)	2,217,673	-	-	-
Extraordinary gain(loss) on dissolution of RDA	-	-	-	-	-
Transfers	-	(26,706)	(86,684)	(100,000)	(100,000)
Total governmental activities	54,030,363	66,591,880	63,158,860	61,236,248	59,405,378
Business-type activities:					
Property taxes	-	-	-	-	-
Use of money and property	38,563	44,354	51,884	31,639	9,600
Intergovernmental	-	-	-	-	-
Transfers	-	26,706	86,684	100,000	100,000
Other	84,165	-	-	-	-
Total business-type activities	122,728	71,060	138,568	131,639	109,600
Total primary government	\$ 54,153,091	\$ 66,662,940	\$ 63,297,428	\$ 61,367,887	\$ 59,514,978
Change in Net Position					
Governmental Activities	\$ 17,707,085	\$ 28,263,553	\$ 21,382,142	\$ 1,563,442	\$ 3,914,455
Business-type activities	(1,054,044)	(179,259)	(153,105)	(112,634)	(286,171)
Total primary government	\$ 16,653,041	\$ 28,084,294	\$ 21,229,037	\$ 1,450,808	\$ 3,628,284

Source: City of West Hollywood

(Continued)

Page 4 of 4

General Revenue and Other Changes in Net Assets	Fiscal Year				
	2011	2012	2013	2014	2015
Governmental activities:					
Taxes					
Property tax	\$ 18,002,980	\$ 15,515,421	\$ 13,332,465	\$ 14,516,251	\$ 19,613,651
Transient occupancy tax	14,089,667	15,414,055	18,062,326	18,983,466	20,903,442
Sales tax	12,775,378	14,004,171	14,669,198	15,635,224	16,117,944
Franchise tax	2,359,255	2,408,295	2,467,311	2,469,575	2,551,024
Business license tax	2,515,615	2,637,647	2,573,491	3,005,510	3,088,786
Motor vehicle in-lieu	3,349,580	3,382,436	3,488,271	3,771,692	-
Use of money and property	7,298,634	7,999,846	9,574,917	11,681,771	12,876,245
Other	803,397	2,454,053	897,756	1,581,952	1,642,123
Sale of capital assets	-	-	-	-	-
Extraordinary gain(loss) on dissolution of RDA	-	185,683	576,058	-	-
Transfers	(116,000)	(118,700)	(171,106)	(164,557)	-
Total governmental activities	61,078,506	63,882,907	65,470,687	71,480,884	76,793,215
Business-type activities:					
Property taxes	-	-	-	-	-
Use of money and property	3,702	3,265	36	2,911	3,427
Intergovernmental	-	-	-	-	-
Transfers	116,000	118,700	171,106	164,557	-
Other	-	-	-	-	-
Total business-type activities	119,702	121,965	171,142	167,468	3,427
Total primary government	\$ 61,198,208	\$ 64,004,872	\$ 65,641,829	\$ 71,648,352	\$ 76,796,642
Change in Net Position					
Governmental Activities	\$ 9,028,605	\$ 11,591,801	\$ 10,791,962	\$ 16,601,051	\$ 22,293,859
Business-type activities	(164,835)	91,836	150,632	23,545	269,212
Total primary government	\$ 8,863,770	\$ 11,683,637	\$ 10,942,594	\$ 16,624,596	\$ 22,563,071

CITY OF WEST HOLLYWOOD

**TABLE 3
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2006	2007	2008	2009	2010
General Fund					
Reserved	\$ 8,667,835	\$ 9,586,060	\$ 11,088,861	\$ 12,483,127	\$ 8,737,738
Unreserved	43,109,866	59,779,958	71,182,870	64,027,333	59,826,908
General Fund					
Nondisposable	-	-	-	-	-
Debt Service	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total General Fund	<u>\$ 51,777,701</u>	<u>\$ 69,366,018</u>	<u>\$ 82,271,731</u>	<u>\$ 76,510,460</u>	<u>\$ 68,564,646</u>
All other governmental funds					
Reserved	\$ 1,739,931	\$ 1,828,522	\$ 6,367,024	\$ 43,819,590	\$ 25,444,012
Unreserved, reported in:					
Special revenue funds	12,827,476	17,077,571	21,073,781	2,682,085	3,215,665
Capital projects funds	(3,999,838)	(1,053,737)	(7,352,494)	(39,316,074)	(18,527,488)
Debt service funds	12,596,942	16,259,331	20,005,025	24,115,084	38,372,032
Permanent funds	(13,161)	(13,378)	(9,825)	(7,675)	(6,986)
Nondisposable	-	-	-	-	-
Restricted					
Public services	-	-	-	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Low and moderate activities	-	-	-	-	-
Committed to:					
Emergency Contingency	-	-	-	-	-
Continuing appropriations	-	-	-	-	-
Assigned to:					
Self Insurance	-	-	-	-	-
Capital projects	-	-	-	-	-
Future expenditures	-	-	-	-	-
Working reserve	-	-	-	-	-
Unfunded pension cost	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 23,151,350</u>	<u>\$ 34,098,309</u>	<u>\$ 40,083,511</u>	<u>\$ 31,293,010</u>	<u>\$ 48,497,235</u>

Note: The change in fund balance presentation starting fiscal year 2011 is due to implementation of GASB 54 .

Source: City of West Hollywood.

(Continued)

Page 2 of 2

	Fiscal Year				
	2011	2012	2013	2014	2015
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
General Fund					
Nonspendable	783,625	186,823	65,340	39,510	35,708
Debt Service	-	-	1,255,006	1,255,006	1,255,006
Committed	18,787,130	7,735,781	9,367,610	11,177,318	12,076,505
Assigned	40,500,000	58,557,142	63,018,495	76,904,392	89,684,697
Unassigned	15,077,764	9,295,313	10,329,622	5,060,905	4,894,121
Total General Fund	\$ 75,148,519	\$ 75,775,059	\$ 84,036,073	\$ 94,437,131	\$ 107,946,037
All other governmental funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Permanent funds	-	-	-	-	-
Nonspendable	770	8,856	7,569	6,796	6,618
Restricted					
Public services	10,835,831	14,764,382	15,327,037	16,528,180	20,785,979
Capital projects	38,671,862	6,462,100	13,694,034	7,330,666	6,674,257
Debt service	15,863,936	12,293,855	5,178,386	24,133,063	16,877,020
Low and moderate activities	11,100,827	-	-	-	-
Committed to:					
Emergency Contingency	-	-	-	-	-
Continuing appropriations	-	-	-	-	-
Assigned to:					
Self Insurance	-	-	-	-	-
Capital projects	-	-	-	-	-
Future expenditures	-	-	-	-	-
Working reserve	-	-	-	-	-
Unfunded pension cost	-	-	-	-	-
Unassigned	(6,331,086)	(6,312,241)	(7,385,459)	(2,076,017)	(4,750,992)
Total all other governmental funds	\$ 70,142,140	\$ 27,216,952	\$ 26,821,567	\$ 45,922,688	\$ 39,592,882

CITY OF WEST HOLLYWOOD

**TABLE 4
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2006	2007	2008	2009	2010
Revenues					
Taxes	\$ 45,207,616	\$ 46,101,241	\$ 48,030,682	\$ 47,964,152	\$ 46,197,345
Licenses and permits	3,685,402	4,713,679	6,463,934	3,749,814	3,380,036
Intergovernmental	5,630,843	7,291,616	9,326,675	10,216,862	8,273,817
Charges for services	3,465,762	3,305,877	3,204,181	3,192,149	3,289,924
Use of money and property	7,878,304	9,464,842	11,800,400	9,518,263	6,866,344
Fines and forfeitures	9,035,814	9,527,735	9,426,028	9,404,794	8,969,664
Contributions	-	-	-	3,122,985	1,373,409
Developer participation	2,171,542	3,703,886	3,963,162	345,161	388,298
Miscellaneous	790,001	6,514,931	1,627,926	657,738	709,999
Total revenues	77,865,284	90,623,807	93,842,988	88,171,918	79,448,836
Expenditures					
Current:					
General government	16,166,120	15,194,716	17,656,982	22,464,073	21,699,975
Public Safety	11,139,872	11,319,265	12,671,110	13,951,163	14,613,812
Public Services	27,346,605	30,204,839	33,086,061	44,571,826	36,093,478
Capital outlay	6,322,213	6,663,064	8,463,971	19,191,828	29,206,055
Debt service:					
Principal retirement	845,000	890,000	935,000	980,000	22,030,000
Interest and fiscal charges	2,076,761	2,066,311	2,052,264	2,013,074	3,166,842
Debt issuance costs	-	-	-	-	790,384
Total expenditures	63,896,571	66,338,195	74,865,388	103,171,964	127,600,546
Excess (deficiency) of revenues over (under) expenditures	13,968,714	24,285,612	18,977,600	(15,000,046)	(48,151,710)
Other financing sources (uses)					
Transfers in	2,684,606	2,697,002	3,354,513	5,450,450	28,871,861
Transfers out	(2,684,606)	(2,723,708)	(3,441,197)	(5,550,450)	(28,971,861)
Long-term debt issued	-	-	-	-	-
Refunding bonds issued	-	-	-	-	22,160,000
Bonds issued	-	-	-	-	34,780,000
Bond premium	-	-	-	-	665,937
Bond discount	-	-	-	-	(95,813)
Sale of capital assets	2,879,467	3,697,706	-	91	-
Extraordinary gain/(loss) on dissolution of RDA	-	-	-	-	-
Total other financing sources (uses)	2,879,467	3,671,000	(86,684)	(99,909)	57,410,124
Net change in fund balances	\$ 16,848,181	\$ 27,956,612	\$ 18,890,916	\$ (15,099,955)	\$ 9,258,414
Debt service as a percentage of noncapital expenditures	5.0%	4.6%	4.2%	3.5%	25.8%
Capital Outlay	5,420,275	2,424,732	4,462,135	18,777,662	29,786,812

Note: Capital Outlay from Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Source: City of West Hollywood.

(Continued)

Page 2 of 2

	Fiscal Year				
	2011	2012	2013	2014	2015
Revenues					
Taxes	\$ 49,856,094	\$ 49,608,370	\$ 52,722,760	\$ 57,785,812	\$ 62,056,552
Licenses and permits	4,718,357	5,520,319	4,990,941	7,968,949	9,327,431
Intergovernmental	9,340,661	8,459,564	7,339,250	5,323,009	4,193,972
Charges for services	3,389,975	3,551,985	3,382,268	3,609,803	3,444,145
Use of money and property	9,794,397	7,934,591	9,574,917	12,154,214	13,066,956
Fines and forfeitures	10,033,205	10,443,347	10,576,985	11,936,215	11,597,951
Contributions	2,947,907	1,500,348	122,321	16,689	247,588
Developer participation	834,235	1,530,782	872,764	3,730,002	3,018,883
Miscellaneous	2,154,698	2,603,628	997,287	1,699,059	2,699,051
Total revenues	93,069,529	91,152,934	90,579,493	104,223,752	109,652,529
Expenditures					
Current:					
General government	19,233,560	19,874,229	20,387,134	22,623,280	23,886,096
Public Safety	14,619,971	14,068,721	14,916,605	14,902,172	17,190,760
Public Services	39,455,917	35,669,727	36,438,556	42,477,061	42,023,194
Capital outlay	24,746,798	12,477,205	6,066,194	10,072,944	13,783,900
Debt service:					
Principal retirement	1,760,000	3,795,000	1,645,000	1,905,000	2,140,000
Interest and fiscal charges	3,481,149	4,352,546	2,600,257	3,110,788	3,449,479
Debt issuance costs	712,845	-	-	358,483	-
Total expenditures	104,010,240	90,237,428	82,053,746	95,449,728	102,473,429
Excess (deficiency) of revenues over (under) expenditures	(10,940,711)	915,506	8,525,747	8,774,024	7,179,100
Other financing sources (uses)					
Transfers in	63,005,020	44,975,210	4,687,613	17,187,207	14,807,483
Transfers out	(63,121,020)	(45,093,910)	(5,358,719)	(17,467,240)	(14,807,483)
Long-term debt issued	39,980,000	-	-	19,155,000	-
Refunding bonds issued	-	-	-	-	-
Bonds issued	-	-	-	-	-
Bond premium	-	-	-	218,975	-
Bond discount	(694,511)	-	-	-	-
Sale of capital assets	-	-	10,988	3,067,000	-
Extraordinary gain/(loss) on dissolution of RDA	-	(43,536,799)	-	-	-
Total other financing sources (uses)	39,169,489	(43,655,499)	(660,118)	22,160,942	-
Net change in fund balances	28,228,778	\$(42,739,993)	\$ 7,865,629	\$ 30,934,966	\$ 7,179,100
Debt service as a percentage of noncapital expenditures	6.6%	10.4%	5.6%	5.9%	6.3%
Capital Outlay	24,455,298	12,006,900	6,117,191	9,932,816	13,153,552

CITY OF WEST HOLLYWOOD

**TABLE 5
GENERAL FUND TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS**

Fiscal Year	(1) Transient Occupancy Tax	(2) Sales Taxes	(3) (4) Property Taxes	Franchise Taxes	Business License Tax	Total General Fund Taxes
2006	12,791,327	11,856,503	8,000,302	2,045,703	2,111,391	36,805,225
2007	13,598,347	12,186,463	9,786,521	2,050,259	2,259,576	39,881,166
2008	13,133,591	12,951,731	10,436,713	1,965,000	2,375,905	40,862,940
2009	12,124,316	12,112,025	10,941,349	1,940,166	2,611,390	39,729,246
2010	12,590,134	10,730,268	9,971,747	2,123,395	2,383,438	39,729,245
2011	14,089,667	11,642,605	11,191,866	2,212,579	2,425,126	37,798,981
2012	15,414,055	12,279,783	12,071,755	2,278,536	2,637,647	41,561,844
2013	18,062,326	13,236,253	13,971,978	2,310,145	2,573,491	50,154,193
2014	18,982,361	13,799,302	17,247,544	2,323,502	2,863,828	55,216,537
2015	20,903,442	14,560,587	18,469,653	2,400,839	3,001,630	59,336,151

Notes:

(1) Does not include marketing assessment for West Hollywood Visitors and Convention Bureau.

(2) Does not include Prop A, C and Measure R sales taxes.

(3) Does not include redevelopment agency or Lighting District. In fiscal year 2009-10, the State of California borrowed 8% of all property taxes. \$1,385,432 was repaid in 2012-13.

(4) Property Tax included Motor Vehicle In-Lieu (MVLIF) revenues for fiscal years 2013-2014 and 2014-2015.

Source: City of West Hollywood.

CITY OF WEST HOLLYWOOD

**TABLE 6
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year	City			Taxable Assessed Value	Redevelopment Agency (2)		Taxable Assessed Value	(1) Total Direct Tax Rate
	Real	Personal	Utility		Real	Personal		
2006	5,068,388,464	173,298,910	-	5,241,687,374	758,954,278	34,246,200	793,200,478	0.17868
2007	5,794,475,935	197,498,151	-	5,991,974,086	865,128,068	34,143,901	899,271,969	0.17868
2008	6,373,345,094	228,602,564	-	6,601,947,658	951,801,448	56,859,555	1,008,661,003	0.17868
2009	7,009,111,165	236,763,650	-	7,245,874,815	1,058,948,970	78,842,651	1,137,791,621	0.17868
2010	7,306,658,686	255,528,456	-	7,798,950,792	1,102,501,562	76,501,939	1,179,003,501	0.17868
2011	7,092,242,356	246,804,306	-	7,339,046,662	1,092,479,944	58,529,021	1,151,008,965	0.17868
2012	7,165,583,831	245,451,656	-	7,411,035,487	1,095,456,515	56,318,710	1,151,775,225	0.17868
2013	7,428,850,165	214,074,391	-	7,642,924,556	-	-	-	-
2014	8,030,943,513	232,968,580	-	8,263,912,093	-	-	-	-
2015	8,521,737,715	254,099,939	-	8,775,937,654	-	-	-	-

Fiscal Year	City							
	Residential	Commercial	Industrial	Institutional	Vacant	Unsecured	Exempt	Miscellaneous
2006	3,420,573,882	1,369,479,409	98,497,629	9,517,737	134,335,203	173,298,910	(40,799,784)	35,984,604
2007	3,856,882,029	1,605,821,598	103,778,486	16,871,776	155,218,654	197,498,151	(40,799,784)	55,903,392
2008	4,198,886,194	1,848,538,526	106,965,663	8,468,205	165,815,465	228,602,564	(40,799,784)	44,671,041
2009	4,548,816,044	2,087,688,951	129,499,453	8,475,051	179,912,157	236,763,650	(39,815,305)	54,719,509
2010	4,700,824,638	2,215,996,458	124,520,350	8,634,600	201,009,939	255,582,456	(39,815,305)	55,672,701
2011	4,508,821,240	2,207,046,276	119,797,791	8,545,494	187,245,938	246,804,306	(43,820,302)	60,785,617
2012	4,569,615,124	2,307,068,042	118,063,479	15,654,530	107,810,012	245,451,656	(43,062,601)	47,372,644
2013	4,641,087,206	2,416,505,481	126,189,320	11,932,704	181,754,788	214,074,391	(43,936,286)	51,380,108
2014	4,880,737,922	2,873,271,627	126,102,125	20,614,997	79,186,013	232,968,580	(43,062,601)	51,030,829
2015	5,248,440,604	2,984,016,565	128,835,236	26,729,863	93,002,999	254,099,939	(43,062,601)	40,812,448

Notes: Assessed values reflect current market values as established by the County Assessor.

(1) Rate includes City rate (.1639) and Lighting (.01478) which totals 0.17868

(2) The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.

Source: Hdl, Coren & Cone

CITY OF WEST HOLLYWOOD

TABLE 7
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(RATE PER \$100 OF TAXABLE VALUE)

Page 1 of 2

Agency	Fiscal Year				
	2006	2007	2008	2009	2010
Basic Levy (1)	1.00000	1.00000	1.00000	1.00000	1.00000
County Detention Facilities 1987 Debt	0.00080	0.00066	0.00000	0.00000	0.00000
LA Ccd Ds 2005 2012 Series F	0.00000	0.00000	0.00000	0.00000	0.00000
LA Community College District	0.01429	0.02146	0.00879	0.02212	0.02311
LA County Flood Control	0.00005	0.00005	0.00000	0.00000	0.00000
LA USD Measure K 2010 Series KY	0.00000	0.00000	0.00000	0.00000	0.00000
Los Angeles Unified School District	0.08435	0.10681	0.12334	0.12478	0.15181
Metropolitan Water District	0.00520	0.00470	0.00450	0.00430	0.00430
Total Direct & Overlapping Tax Rates (2)	1.10468	1.13369	1.13664	1.15120	1.17922
City's Share of 1% Levy Per Prop 13 (3)	0.17868	0.17868	0.17868	0.17868	0.17868
General Obligation Debt Rate					
Redevelopment Rate (4)	1.00615	1.00549	1.00454	1.00436	1.00430
Total Direct Rate (5)	0.22493	0.23270	0.24024	0.24840	0.24955

Notes:

- (1) In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.
- (2) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.
- (3) City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. ERAF general fund tax shifts may not be included in tax ratio figures. The City's total direct rate includes a "lighting rate" in addition to the "City rate". The City receives a small portion of the 1% ad-valorem tax that is assessed on property by the County of Los Angeles.
- (4) Redevelopment Rate is based on the largest RDA tax rate area and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.
- (5) Because basic and debt rates vary by tax rate area individual rates cannot be summed. The Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information.

Source: HdL Coren & Cone

(Continued)

Page 2 of 2

	Fiscal Year				
	2011	2012	2013	2014	2015
Basic Levy (1)	1.00000	1.00000	1.00000	1.00000	1.00000
County Detention Facilities 1987 Debt	0.00000	0.00000	0.00000	0.00000	0.00000
LA Ccd Ds 2005 2012 Series F	0.00000	0.00000	0.00000	0.00000	0.00000
LA Community College District	0.04031	0.03530	0.03756	0.04454	0.04017
LA County Flood Control	0.00000	0.00000	0.00000	0.00000	0.00000
LA USD Measure K 2010 Series KY	0.00000	0.00000	0.00001	0.00000	0.00000
Los Angeles Unified School District	0.18695	0.16819	0.17560	0.14644	0.14688
Metropolitan Water District	0.00370	0.00370	0.00350	0.00350	0.00350
Total Direct & Overlapping Tax Rates (2)	1.23096	1.20718	1.22786	1.194448	1.19055
City's Share of 1% Levy Per Prop 13 (3)	0.17868	0.17868	0.17868	0.17868	0.17868
General Obligation Debt Rate					
Redevelopment Rate (4)	1.00370	1.00370	-	-	-
Total Direct Rate (5)	0.24888	0.24835	0.24440	0.175970	0.175990

CITY OF WEST HOLLYWOOD

**TABLE 8
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

<u>Taxpayer</u>	2015		2006	
	<u>Taxable Assessed Value</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total Taxable Assessed Value</u>
Mani Brothers 9200 Sunset De LLC	\$ 232,223,533	2.65%	\$ 56,225,715	1.07%
Pacific Red LLC	188,513,297	2.15%		0.00%
Pacific Design Center LLC	170,611,590	1.94%	157,811,100	3.01%
Wolverines Owner LLC	166,008,653	1.89%		0.00%
BPRC Millennium LLC	127,176,257	1.45%		0.00%
CLPF West Hollywood LP	85,714,017	0.98%	75,380,000	1.44%
Studio Lending Group LLC	71,597,367	0.82%		0.00%
BMB Investment Corporation	67,451,931	0.77%		0.00%
NWLWH LLC	55,962,777	0.64%		0.00%
Time Warner Cable	55,073,299	0.63%		0.00%
LHO LE PARC LP	-	0.00%		0.00%
West Hollywood Retail Owner Inc.	-	0.00%		0.00%
Sunset Millennium Holdings LLC		0.00%	91,628,370	1.75%
Mondrian Holdings LLC		0.00%	71,500,449	1.36%
BA Studios LLC		0.00%	51,099,885	0.97%
W Bel Age LLC		0.00%	45,248,610	0.86%
Monte Overstreet		0.00%	28,927,120	0.55%
RWH Holdings Inc		0.00%	27,805,114	0.53%
Luckman Management Co. LLP		0.00%	19,930,550	0.38%
Sunset Towers Partnership		0.00%	-	0.00%
TOTALS	\$ 1,220,332,721	13.91%	\$ 625,556,913	11.93%

Note: Assessed valuation includes land, building and improvements.

Source: HdL Coren & Cone.
Los Angeles County Assessor combined Tax Rolls.

CITY OF WEST HOLLYWOOD

**TABLE 9
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Total Tax Levied for Fiscal Year	Collected within the Fiscal Year of the Levy		(1) Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2005	10,449,634	10,163,361	97.3%	-	10,163,361	97.3%
2006	12,398,968	11,924,543	96.2%	-	11,924,543	96.2%
2007	14,597,691	14,014,192	96.0%	-	14,014,192	96.0%
2008	16,098,006	15,743,855	97.8%	-	15,743,855	97.8%
2009	17,997,324	17,933,878	99.6%	-	17,933,878	99.6%
2010	18,868,848	18,094,850	95.9%	-	18,094,850	95.9%
2011	18,271,704	17,803,309	97.4%	-	17,803,309	97.4%
2012	(2) 15,008,242	14,527,572	96.8%	-	14,527,572	96.8%
2013	(3) 11,346,248	11,065,252	97.5%	-	11,065,252	98.7%
2014	(3) 12,189,784	11,922,644	97.8%	-	11,922,644	98.7%
2015	(3) 12,886,560	12,730,399	98.8%	-	12,730,399	98.7%

Notes: Includes secured property taxes and unsecured taxes of the Redevelopment Agency up to FY 2012-13.

(1) The County of Los Angeles does not provide this information on collection of prior years taxes, inclusion of amounts paid would result in reporting amounts above 100% in some years.

(2) As part of the budget process for 2011-12, the State of California dissolved all Redevelopment Agencies. Since the City received half of the 2012 year's proceeds, only half of the tax levy for the RDA has been included.

(3) Starting in FY2013-14 only General Fund tax levies are included. The General Fund amount shown does not include prior year taxes received in the current year, property tax redemption funds, property transfer tax funds, RDA residual funds, or RDA pass-through funds. FY 2012-13 and FY 2013-14 amounts were revised in FY 2014-15 to reflect proper amounts.

Source: HdL and City of West Hollywood

CITY OF WEST HOLLYWOOD

TABLE 10
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			Business-type Activities			Total Primary Government	Percentage of Personal Income (4)	Debt Per Capita
	Tax Allocation Bonds (1)	Certificates of Participation (2)	Lease Revenue Bonds (3)	General Obligation	Certificates of Participation				
2005	11,265,000	23,255,000	-	-	-	34,520,000	2.1%	914.07	
2006	11,070,000	22,605,000	-	-	-	33,675,000	1.9%	900.40	
2007	10,870,000	21,915,000	-	-	-	32,785,000	1.8%	879.24	
2008	10,665,000	21,185,000	-	-	-	31,850,000	1.7%	854.19	
2009	10,450,000	20,420,000	-	-	-	30,870,000	1.7%	824.52	
2010	10,230,000	-	56,940,000	-	-	67,170,000	3.7%	1,776.75	
2011	49,985,000	-	55,550,000	-	-	105,535,000	5.9%	3,043.02	
2012	-	-	54,432,848	-	-	54,432,848	3.0%	1,561.78	
2013	-	-	51,140,548	-	-	51,140,548	2.7%	1,458.16	
2014	-	-	68,546,774	-	-	68,546,774	3.6%	1,953.46	
2015	-	-	66,350,325	-	-	66,350,325	N/A	N/A	

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

- (1) Issued \$11,500,000 Tax Allocation Bonds in fiscal year 2003-04.
 Issued \$30,560,000 Eastside Redevelopment Tax Allocation Bonds Series A in fiscal year 2010-11
 Issued \$9,420,000 Eastside Redevelopment Tax Allocation Bonds Series B in fiscal year 2010-11
 Effective February 2, 2012, Tax Allocation Bonds transferred to Successor Agency were excluded from Governmental Activities.
- (2) Issued \$9,940,000 General Fund Certificate of Participation in fiscal year 1994-95.
 Issued \$19,745,000 General Fund Certificate of in fiscal year 1995-96.
 Redeemed 1995 General Fund Certificate of Participation in full for \$9,655,000 in fiscal year 1997-98.
 Redeemed 1996 General Fund Certificate of Participation in full for \$17,555,000 in fiscal year 1997-98.
 Redeemed 1998 Refunding Certificates of Participation in full for \$20,420,000 in fiscal year 2009-10.
- (3) Issued \$22,160,000 Lease Revenue Bonds Series 'A' in 2009-10
 Issued \$34,780,000 Lease Revenue Bonds Series 'B' in 2009-10.
 Issued \$19,155,000 Lease Revenue Bonds Series 'A&B' in 2013-14.
 Amounts include principal balance of \$65,885,000, and unamortized premiums/discounts of \$465,325.
- (4) Personal Income information not available for 2015 at this time.

Source: City of West Hollywood

CITY OF WEST HOLLYWOOD

TABLE 11
DIRECT AND OVERLAPPING DEBT
JUNE 30, 2015
(UNAUDITED)

Jurisdiction	Net General Obligation Debt Outstanding	Percentage Applicable to City of West Hollywood	Amount Applicable to City of West Hollywood June 30, 2015
Overlapping General Fund Debt:			
Metropolitan Water District	53,296,395	0.807%	430,211
Los Angeles County Community College District	3,882,265,000	1.329%	51,612,401
Los Angeles Unified School District	10,296,665,000	1.647%	169,566,240
Subtotal, overlapping debt			<u>221,608,852</u>
City direct governmental debt			
2009 Lease Revenue Bonds Series A	12,373,069	100.000%	12,373,069
2009 Lease Revenue Bonds Series B	35,117,879	100.000%	35,117,879
2013 Lease Revenue Bonds Series	18,859,377	100.000%	18,859,377
Subtotal, city direct governmental debt			<u>66,350,325</u>
Overlapping Tax Increment Debt			
2013 Tax Allocation Revenue Refunding Bonds	9,216,080	100.000%	9,216,080
2011 Tax Allocation Bonds Series A	28,001,356	100.000%	28,001,356
2011 Tax Allocation Bonds Series B	8,431,213	100.000%	8,431,213
Subtotal, overlapping tax increment debt			<u>45,648,649</u>
Total direct and overlapping governmental debt			<u>\$ 333,607,826</u>

Note: Overlapping rates are those of local and county governments and/or special districts that apply to property owners within certain geographic boundaries in the City. The overlap percentage was calculated based on the agencies assessed valuation located within the boundaries of the City by Hdl Coren & Cone. Per Hdl Coren & Cone, overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners. The overlapping debt per each jurisdiction is totalled and summarized per each jurisdiction.

Source: HdL Coren & Cone.
 LA County Assessor and Auditor Combined Lien Date Tax Rolls

CITY OF WEST HOLLYWOOD

TABLE 12
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year				
	2006	2007	2008	2009	2010
Debt limit	\$ 786,253,106	\$ 898,796,113	\$ 990,292,149	\$ 1,086,881,222	\$ 1,134,328,071
Total net debt applicable to limit	38,605,000	38,605,000	38,605,000	38,605,000	68,440,000
Legal debt margin	\$ 747,648,106	\$ 860,191,113	\$ 951,687,149	\$ 1,048,276,222	\$ 1,065,888,071
Total net debt applicable to the limit as percentage of debt limit	4.91%	4.30%	3.90%	3.55%	6.03%

Notes:

- (1) Section 43605 of the Government Code of the State of California limits the amount of indebtedness for public improvements to 15% of the assessed valuation of all real and personal property of the City.
- (2) The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter. Therefore, effective fiscal year 2013, the calculation of debt applicable to limit does not include the Successor Agency's debt.

Sources: Los Angeles County Auditor-Controller.
 City of West Hollywood.

(Continued)

Page 2 of 2

	Fiscal Year				
	2011	2012	2013	2014	2015
Debt limit	\$ 1,100,856,999	\$ 1,111,655,323	\$ 1,146,438,683	\$ 1,239,586,814	\$ 1,316,390,648
Total net debt applicable to limit	108,420,000	108,420,000	50,775,000	68,546,274	66,350,325
Legal debt margin	\$ 992,436,999	\$ 1,003,235,323	\$ 1,095,663,683	\$ 1,171,040,540	\$ 1,250,040,323
Total net debt applicable to the limit as percentage of debt limit	9.85%	9.75%	4.43%	5.53%	5.04%

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed value	<u>\$ 8,775,937,654</u>
Debt limit (1)	1,316,390,648
Debt applicable to limit (2):	
Lease Revenue Bonds	66,350,325
Net amount of debt applicable to debt limit	<u>66,350,325</u>
Legal debt margin	<u>\$ 1,250,040,323</u>

CITY OF WEST HOLLYWOOD

**TABLE 13
EAST SIDE PROJECT AREA BONDS COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year	Gross Revenue	Less: Operating Expenses	Net Revenue Available for Debt Service	Debt Service			Coverage
				Principal	Interest	Total	
2006	4,394,355	641,987	3,752,368	200,000	585,220	785,220	4.78
2007	4,065,668	467,600	3,598,068	205,080	579,220	784,300	4.59
2008	5,460,803	591,958	4,868,845	215,000	572,045	787,045	6.19
2009	6,443,020	679,740	5,763,280	220,000	565,595	785,595	7.34
2010	6,144,778	584,778	5,560,000	220,000	561,745	781,745	7.11
2011	6,118,409	653,896	5,464,514	225,000	553,395	778,395	7.02
2012	5,792,253	250,000	5,542,253	2,200,000	1,771,598	3,971,598	1.40
2013	5,640,024	250,000	5,390,024	595,000	3,486,860	4,081,860	1.32
2014	6,334,528	250,000	6,084,528	570,000	3,243,026	3,813,026	1.60
2015	4,024,823	250,000	3,774,823	750,000	3,307,537	4,057,537	0.93

- Note: (1) East Side Redevelopment Agency issued Tax Allocation Bonds of \$11,500,000 in fiscal year 2003-04 and \$39,980,000 in fiscal year 2010-11.
- (2) The State of California dissolved all redevelopment agencies as part of the 2011-12 State budget. Successor Agencies are responsible for paying the enforceable obligations of the redevelopment agency at the time of dissolution until all enforceable obligations have been paid in full. As necessary, revenues of the former Commission are allocated for bond payments and other continuing contractual obligations entered into prior to 2011-12, any excess revenues are then allocated to each taxing entity, based on their share of the 1% general property tax levy.
- (3) In December 2013, the Successor Agency to the West Hollywood Community Development Commission issued \$9,370,000 East Side Redevelopment Tax Allocation Refunding bonds, Series A for the purpose of refunding the outstanding balance of the Eastside Redevelopment Project 2003 Tax Allocation Bonds Series A. The entire issue was purchased by County of Los Angeles Redevelopment Refunding Authority.

Source: City of West Hollywood.

CITY OF WEST HOLLYWOOD

**TABLE 14
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

<u>Calendar Year</u>	<u>Population (1)</u>	<u>Personal Income (In Thousands) (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2005	37,765	1,669,187	44,199	4.5%
2006	37,400	1,765,061	47,194	4.0%
2007	37,288	1,833,991	49,184	4.2%
2008	37,287	1,851,096	49,645	6.3%
2009	37,440	1,804,703	48,203	9.8%
2010	37,805	1,825,641	48,291	10.7%
2011	34,681	1,778,372	51,278	10.4%
2012	34,853	1,839,716	52,785	7.8%
2013	35,072	1,880,876	53,629	6.4%
2014	35,090	1,880,964	53,604	6.9%
2015	36,143	1,937,393	53,604	N/A

Notes: Annual income and unemployment figures for 2013 was not available at time of publication of this CAFR.

Sources: (1) Data is from Hdl, Coren & Cone. Data is based on California Department of Finance.

(2) (3) Data is from Hdl, Coren & Cone. 2000-2009 Income, Age and Education Data: ESRI - Demographic Estimates are based on the last available Census. Projections are developed by incorporating all of the prior census data released to date. Demographic Data is totaled from Census Block Groups that overlap the City's boundaries. 2010 and later - Income, Age and Education Data - US Census Bureau, most recent American Community Survey. 2013 population and personal income was estimate last year and updated this year based on data from Hdl. 2015 population and personal income is an estimate.

(4) Unemployment data : California Employment Development Department

CITY OF WEST HOLLYWOOD

**TABLE 15
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

	2015		2006	
	# Employees	% Percent of Total City Employment	# Employees	% Percent of Total City Employment
Los Angeles County Metropolitan Transportation Authority	702	2.8%	(2)	
Target Corp.	414	1.6%	411	1.6%
CityGrid Media/Inter Active Corp	288	1.1%	(2)	
City of West Hollywood	287	1.1%	200	0.8%
House of Blues (3)	219	0.9%	150	0.6%
Sunset Marquis	200	0.8%	-	-
1 OAK LA	200	0.8%	-	-
Mondrian	190	0.8%	150	0.6%
Pavilions	180	0.7%	-	0.0%
Andaz West Hollywood	160	0.6%	-	0.0%
Whole Foods Market	153	0.6%	(2)	-
Sunset 27 LLC (4)	145	0.6%	100	0.4%
Ralphs (2 locations)	141	0.6%	(2)	-
Saddle Ranch Restaurant	130	0.5%	-	-
nCompass	128	0.5%	-	-
Dailey & Associates	125	0.5%	209	0.8%
The London West Hollywood	125	0.5%	-	0.0%
Best Buy	100	0.4%	(2)	-
Hollywood Standard LLC (The Standard Hotel)	86	0.3%	189	0.7%
Outrigger Lodging Services LLP (Le Parc Suite Hotel)	77	0.3%	105	0.4%
HMBL LLC (Best Western Sunset Plaza)	42	0.2%	125	0.5%
SC Club LP (Key Club)* (Sold)			100	0.4%
Suissa Miller Advertising LLC			100	0.4%
Ticketmaster (1)			1,300	5.0%
New Line Cinema Corp (Sold)			100	0.4%
Wyndham Bel Age Hotel LP			230	0.9%
Sunset Restaurant LLC (Asia de Cuba Restaurant)			180	0.7%
Hyatt Corp (Hyatt West Hollywood Hotel)			165	0.6%
Total Jobs By Principal Employers	4,092	16.2%	3,814	14.7%
Total Jobs (estimated) in City of West Hollywood	25,300	100%	25,900	100%

(1) Ticketmaster merged with LiveNation in 2010, subsequently reducing labor and moving headquarters to Los Angeles.

(2) Prior years' information not available.

(3) Closed in August 2015.

(4) Formerly KKHG Management LLC (Sunset Tower Hotel)

Sources: City of West Hollywood, InfoUSA, ESRI

Sources: City of West Hollywood.
California Employment Development Department.

CITY OF WEST HOLLYWOOD

TABLE 16
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year									
	06	07	08	09	10	11	12	13	14	15
General Government										
Legislative & Executive	22.5	22.5	24.6	24.6	24.6	23.6	25.6	25.6	39.8	36.8
Administration	27.8	28.8	28.8	28.8	28.8	28.8	26.8	26.8	17.7	17.8
Finance & Information Technology	22.0	22.0	21.9	21.9	21.9	21.9	21.9	23.9	22.9	22.9
Public Information	8.7	8.7	8.8	8.8	8.8	8.8	8.8	7.8	5.6	5.0
Community Services										
Human Services & Rent Stabilization	47.2	47.2	50.6	50.6	53.4	53.4	52.4	52.4	54.4	56.9
Housing & Rent Stabilization	17.0	17.0	18.0	17.0	17.0	17.0	17.0	0.0	0.0	0.0
Community Development	33.0	33.0	28.0	28.0	29.0	29.0	29.0	29.0	30.0	31.0
Department of Public Works	23.0	24.0	26.0	26.0	26.0	26.0	26.0	44.0	46.0	46.0
Total	201.1	203.1	206.6	205.6	209.4	208.5	207.4	209.4	216.4	216.4

Source: City of West Hollywood

CITY OF WEST HOLLYWOOD

**TABLE 17
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year									
	06	07	08	09	10	11	12	13	14	15
Police (1)										
Incidents	7,650	7,763	7,425	6,700	7,171	7,036	7,460	6,370	6,975	6,596
Arrests	2,800	3,976	3,477	2,955	3,320	3,007	3,069	3,407	3,312	2,940
Sewers										
Miles of system	39	39	39	39	39	39	39	39	39	39
Percent inspected	10	10	10	10	10	10	10	10	10	10
Parks and Recreation										
Number of parks	5	5	5	6	6	6	7	7	8	8
Community Development										
Commercial building permits	254	304	253	254	235	337	221	221	796	362
Residential building permits	483	442	531	377	551	522	396	396	1,548	548
Parking										
Citations issued	187,854	183,311	194,003	190,000	190,979	200,164	195,345	182,930	211,404	211,583

Notes:

(1) Police statistics are base on calendar year; Information for 2015 is an estimate.

Source: City of West Hollywood.

CITY OF WEST HOLLYWOOD

**TABLE 18
CAPITAL ASSETS BY FUNCTION
LAST TEN FISCAL YEARS**

Function/ program	Fiscal Year									
	06	07	08	09	10	11	12	13	14	15
Public Safety										
This a contracted service	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Parking:										
Parking Structures	1	1	1	1	1	2	2	2	2	2
Parking Lots	4	4	4	4	4	4	4	4	4	9
Cultural & Recreation:										
Parks	5	5	5	6	6	6	7	7	8	8
General Services:										
Sidewalks (length/feet)	275,638	275,638	275,638	275,638	275,638	275,638	275,638	275,638	275,638	275,638
Streets (miles)	54	54	54	54	54	54	54	54	54	54
Traffic signals	56	56	56	56	56	56	56	56	60	61
Wastewater:										
Sanitary sewers (miles)	39	39	39	39	39	39	39	39	39	39
Manholes	395	395	395	395	395	395	395	395	885	885
City-Line:										
Number of Buses	5	5	5	10	10	10	10	10	10	10

Source: City of West Hollywood

This page intentionally left blank

West Hollywood Core Values

Respect and Support for People

Responsiveness to the Public

Idealism, Creativity and Innovation

Quality of Residential Life

Promote Economic Development

Public Safety

Responsibility for the Environment

City of West Hollywood
8300 Santa Monica Boulevard
West Hollywood, California 90069

Telephone 323.848.6400
TTY hearing impaired 323.848.6496

 twitter@wehocity

 [City of West Hollywood](#)

www.weho.org

