

# City of West Hollywood

## Comprehensive Annual Financial Report

West Hollywood, California

FISCAL YEAR ENDING JUNE 30, 2013



# 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:** Mural detail by artist Shepard Fairey (*at the entrance to the West Hollywood Library*)

**Photography:** Patti McGuire, West Hollywood Library Mural  
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COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2013

PREPARED BY THE CITY'S:  
DEPARTMENT OF FINANCE & TECHNOLOGY SERVICES  
(ELECTRONIC VERSION AVAILABLE AT: [WWW.WEHO.ORG/FINANCIALS](http://WWW.WEHO.ORG/FINANCIALS))

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# Introduction



@WeHoLibrary we loved it. Such a beautiful design!

*via twitter*





# CITY OF WEST HOLLYWOOD

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DEPARTMENT  
OF FINANCE  
& TECHNOLOGY  
SERVICES

December 18, 2013

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, 2013. 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. Lance Soll & Lunghard, LLP, a public accounting firm fully licensed and qualified to perform audits of the State and local governments within the State of California, has audited the City's basic financial statements. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the City for the fiscal year ended June 30, 2013, 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, 2013, 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 required if the City spends more than \$500,000 threshold in federal funds and/or a specific grantor requests that a Single Audit be performed. For fiscal year ended June 30, 2013, these requirements were not met and therefore a Single Audit was not required.

## 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 almost 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, 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 Comprehensive Annual Financial Report is the economic condition of the City at June 30, 2013, the local economy is of such relevance that it is incumbent on us to provide some information in this report. The City of West Hollywood continues to maintain an implied general obligation bond rating of ‘AAA’ with a stable outlook; which was re-affirmed in July 2013.

The City of West Hollywood continues to be a vibrant, livable, and successful community for both its residents and businesses. Its stable outlook reflects the expectation that the City will continue to benefit from its diverse revenue base. Over the last four years the City’s transient occupancy tax (hotel tax), sales tax, and property tax revenues have all steadily increased from their lows during the great recession; as of June 30, 2013, all had surpassed their pre-recession revenue peaks. The sales tax base, which is highly diversified given its small geographic area, generated \$14.7 million

in 2013. 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. The City has some of the highest average daily rates and occupancy levels for hotel rooms in the Los Angeles region. In 2013, both occupancy and room rates continued to increase, generating \$18.1 million in transient occupancy tax for the City. Property tax revenues also grew in 2013 to \$13.3 million, due to increasing home prices and sales, as well as continued new construction and development. The City also received a one-time property tax repayment from the State in 2013, in the amount of \$1.3 million in deferred property tax revenue.

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 296 hotel rooms; 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.

*Former Community Development Commission (now Successor Agency) Financing*

Redevelopment Agency Tax Allocation Bonds 2003 - In September 2003, the Redevelopment Agency issued Tax Allocation Bonds of \$11,500,000 to finance the Eastside Redevelopment Project, including 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.

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 community workshops for Design District Streetscape Master Plan, gained City Council approval of the Plan.
- Conducted and processed complex, technical reviews of architectural, structural, building plans for residential and commercial structures, including: Pacific Design Center Red Building, Sunset Millennium East and Middle parcels, Cedar Sinai, The Lot, La Brea/Santa Monica Monarch mixed-use project, La Brea/Fountain Monarch mixed-use project, and Courtyard at La Brea affordable housing project.
- Processed various zone text amendments, including the limitation of banks on Sunset Blvd, state housing compliance, and emergency housing.
- In partnership with Affordable Living for the Aging and West Hollywood Community Housing Corporation, began construction on two affordable housing projects for various special needs populations, totaling 49 units.
- Designed and began (February 2013) an educational program “RSO Building Blocks” consisting of a series of seminars covering various aspects of rent stabilization, landlord/tenant law, and general information about housing.
- Completed the 2013 Community Study, presenting census information, health outcome data, and results from a community survey and a variety of different community engagement activities.
- Reviewed and approved 267 Special Event permit requests for city businesses; total permits issued for the 2012 were 632.
- Received Finding of Completion from the California Department of Finance for completing required actions of the West Hollywood Successor Agency in compliance with AB X1 26 and AB 1484.
- Awarded the Municipal Information Systems Association of California’s Excellence Award for outstanding practices, earned by only 21 Cities and agencies statewide.
- Upgraded 1,700 meters Citywide with credit card meters that offer more flexible payment options and are solar powered.
- Completed construction of Rectangular Rapid Flashing Beacon Project, which includes installation of pedestrian warning devices at three intersections.
- Successfully submitted a bid to co-host with the City of Santa Monica, the Alliance for Innovation BIG Ideas Conference in late October 2013, the conference examined “big ideas” in government for 21st century communities.

- Continued to implement the 25th Anniversary Capital Campaign, including Phase IB of the West Hollywood Park Master Plan and the City Hall Automated Parking Garage and Community Plaza.
- Produced the 6th Annual One City One Pride arts festival with increased marketing, visibility and a concentrated 2 week festival of nearly daily events.
- Implemented a special deployment of crime suppression deputies who strategically target criminal activity such as robberies and burglaries

#### VISION 2020

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, 2012. This is the nineteenth 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: David Hatcher - Revenue Manager, Lorena Quijano - Accounting Services Manager, Jonathan Leonard – Senior Management Analyst, Beth Rosen - Information Technology Management Analyst, Angel Chiriboga - Accounting Coordinator, Norma Coronado and Karen Bareng – Accountants and Odette Miranda - Compensation & Benefits Analyst.

We thank the members of the City Council for their continued interest and support in the development of this report. Without their leadership, the preparation of this 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 20.0% of the General Fund budget and an appropriated emergency reserve equivalent to 5.0% of the General Fund budget.
- V. We will assume that normal revenue inflation will go to pay normal inflation expenses. Any new or expanded programs will be required to identify funding sources or will be offset by cost reductions through cutting back or eliminating other programs.
- VI. We will maintain a long-range fiscal perspective through the use of a five-year capital improvement plan and revenue forecast.
- VII. Major capital improvements or acquisitions will be made using long-term financing methods rather than out of operating revenue.
- VIII. We will maintain sound budgeting practices ensuring that service delivery is provided in an efficient and effective manner.
- IX. We will require each appropriation request to include a fiscal impact analysis and be submitted to the Finance Committee prior to Council agendaing.



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

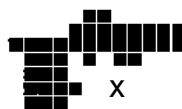
Presented to

**City of West Hollywood  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO



## DIRECTORY OF CITY OFFICIALS

### Mayor and City Council

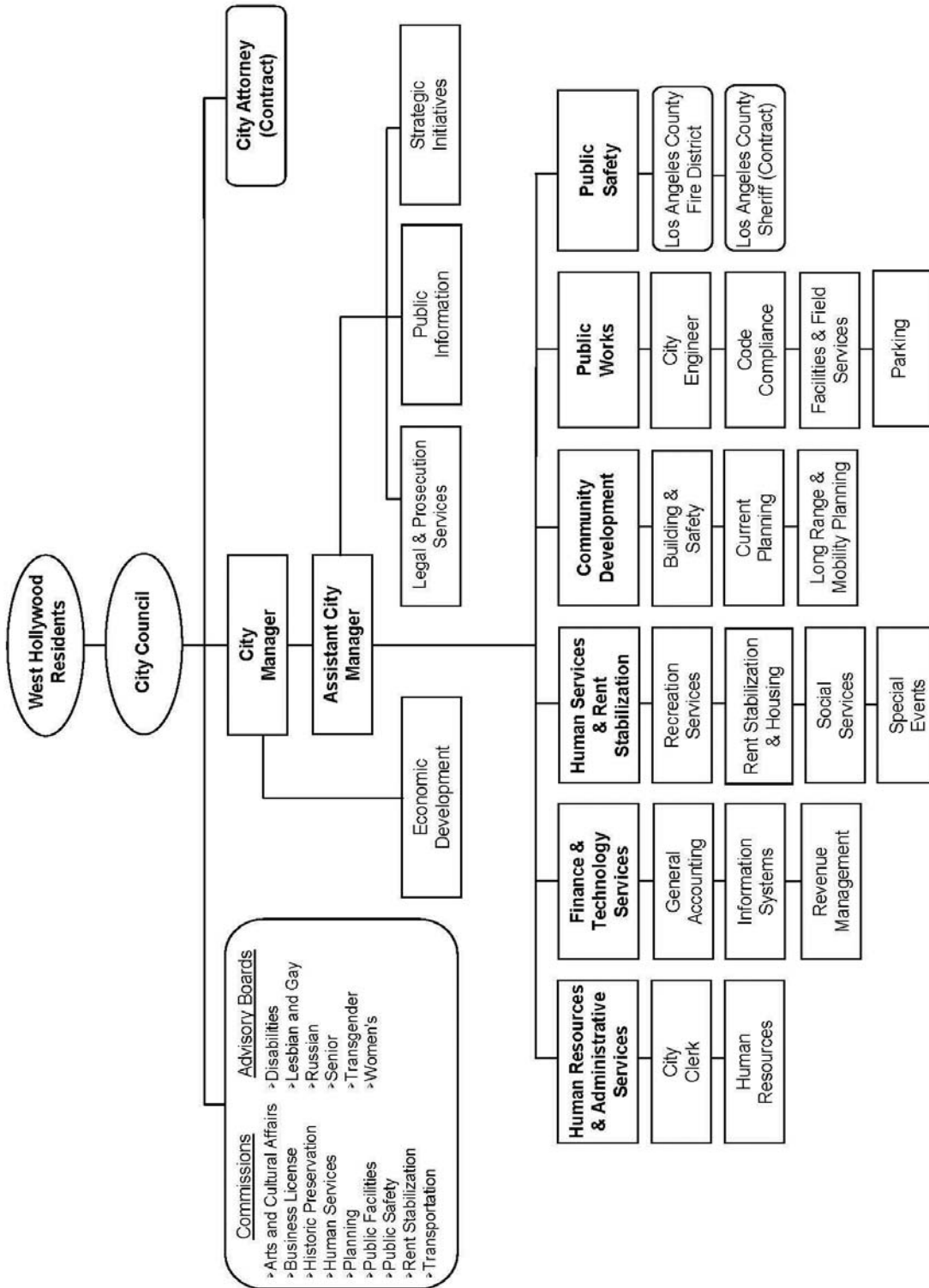
Mayor .....	<i>Abbe Land</i>
Mayor Pro Tempore .....	<i>John D'Amico</i>
Council Member .....	<i>Jeffrey Prang</i>
Council Member .....	<i>John J. Duran</i>
Council Member .....	<i>John Heilman</i>

### Administration

City Manager.....	<i>Paul Arevalo</i>
City Attorney.....	<i>Michael Jenkins</i>
Assistant City Manager .....	<i>Sam C. Baxter</i>
City Clerk.....	<i>Corey Schaffer</i>
Director of Human Resources and Administrative Services .....	<i>LuNita Bock</i>
Director of Community Development.....	<i>Stephanie DeWolfe</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 Manager.....	<i>David Hatcher</i>
Information Technology Manager.....	<i>Eugene Tsipis</i>

\* As of December 31, 2013

Citywide Organizational Chart





# Financial Section



On the Sunset Strip! Has to be one of the best places to people watch!

*via twitter*



## INDEPENDENT AUDITORS' REPORT

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

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of West Hollywood, California, (the City) as of and for the year ended June 30, 2013, 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 financial statements. The procedures selected depend on the auditor's 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 auditor considers internal control relevant to the entity'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 entity'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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of West Hollywood, California, as of June 30, 2013, 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.



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

***Change in Accounting Principle***

As discussed in Note 1 to the financial statements, in 2013 the City adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. 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 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 required supplementary information 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 our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information 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 nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate 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 combining and individual nonmajor fund financial statements and schedules are 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 18, 2013 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 City's internal control over financial reporting and compliance.

Brea, California  
December 18, 2013

# Management and Discussion Analysis



Why do people love WeHo? #West Hollywood is just plain awesome! Get moving there asap...

*via twitter*



## 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 ended June 30, 2013. We encourage the readers to consider the information presented here in conjunction with additional information furnished in the Letter of Transmittal and the accompanying Basic Financial Statements. Comparative data on the government-wide financial statements is only presented in Management's Discussion and Analysis (hereafter MD&A).

### FINANCIAL HIGHLIGHTS

#### Government-Wide

- Total assets of the City were \$334.9 million and total liabilities were \$78.4 million at June 30, 2013. The assets exceeded liabilities by \$256.5 million (*net position*). Of this amount, \$65.1 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 7).
- For the year ended June 30, 2013, total net position increased by \$10.9 million from the prior year. Total revenues from all sources were \$92.9 million and total expenses for all functions/programs were \$82.5 million. A summary of changes in net position is reflected in Table 2 (pages 8-9).
- Of total revenues, program revenues were \$27.8 million and general revenues were \$65.1 million (Table 2). Program revenues are separated into three categories: Charges for Services, \$23.0 million; Operating Contributions and Grants \$4.4 million; and Capital Contributions and Grants, \$0.4 million. General revenues are separated into eight categories: Property Taxes, \$13.3 million; Transient Occupancy Taxes, \$18.1 million; Sales Taxes \$14.7 million; Franchise Taxes, \$2.5 million; Business License Taxes, \$2.6 million; Motor Vehicle In-Lieu \$3.5 million; Use of Money & Property \$9.6 million and Other \$0.9 million. The governmental activities also include a \$0.06 million Extraordinary Gain related to the assets transferred from the Successor Agency to the City.

#### Fund Based

- For fiscal year ending June 30, 2013, total Fund Balance of the General Fund was \$84.0 million, or 123 percent of total General Fund expenditures of \$68.9 million, as reflected in Table 5 and Table 7 (pages 20 and 23). The non-spendable Fund Balance was \$0.06 million. Restricted Balance was \$1.3 million. Committed Fund Balance was \$9.4 million while assigned Fund Balance was \$63.0 million and unassigned Fund Balance was \$10.3 million.

- For the General Fund, actual resources available for appropriation during the year were \$153.0 million; this consists of \$75.8 million in fund balance and \$77.2 million in revenue inflows which was \$4.6 million over budget. Actual charges (outflows) of \$68.9 million were \$7.6 million less than the budget of \$76.5 million. The major variance was due to \$2.7 million in capital projects not completed during the fiscal year that will be carried forward to FY 2013-14.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

### Government-Wide Financial Statements

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

The *Statement of Net Position* (page 31) 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 32-33) 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* – Account for most of the City's basic services which consists of: *General Government*, made up of the following: City Manager, Assistant



City Manager, Human Resources & Administrative Services and Finance & Technology Services. *Public Safety* is made up of Sheriff's costs and other public safety services. *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 Community Foundation (Community Foundation), the West Hollywood Public Financing Authority, the West Hollywood Library Fund and the West Hollywood Marketing Corporation. Although legally separate, these *component units* are important because the City is financially accountable for them.

The *government-wide financial statements* report both the City, as the *primary government*, and the legally separate *component units*. The Housing Authority, Public Facilities Corporation, Community Foundation, 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. Only the West Hollywood Marketing Corporation has been presented separately from the *primary government*, as it is known as a *Discretely Presented Component Unit*.

#### Fund Financial Statements.

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

*Governmental funds* – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the *government-wide financial statements*. However, unlike the *government-wide financial statements*, *governmental fund financial statements* focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at

the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City maintains twenty-eight individual governmental funds. These funds report financial transactions using an accounting method called modified accrual accounting. Information is presented separately in the Governmental Funds – Balance Sheet and in the Governmental Funds – Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund and Debt Funded Capital Projects Fund. These two funds are considered to be major funds. Data from other governmental funds (non-major) are combined into a single presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements starting on page 81 of this report. The City adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided for each of the funds to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 34-37.

*Proprietary funds* – *Proprietary funds* are primarily used to account for City charges for the services it provides, whether to outside customers or to other units of the City. These funds are reported in the same way that all activities are reported in the Statement of Net 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 39-41.

*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 page 42-43.

*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 45-79.

*Supplementary Information* – In addition to the basic financial statements and accompanying notes, this report also presents certain combining statements referred to earlier in connection with non-major governmental and proprietary funds. These combining and individual fund statements and schedules can be found immediately following the *Notes to the Financial Statements*. See pages 81-133.

**GOVERNMENT - WIDE FINANCIAL ANALYSIS**

This analysis will focus on the fiscal year ending June 30, 2013, for net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities. These tables are summarizing the statements located on page 31 to 33. Management has included comparative data from fiscal year ending June 30, 2012 in its analysis.

Net Position (Table 1)  
(in millions)

	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 132.9	\$ 122.6	\$ 0.1	\$ 0.4	\$ 133.0	\$ 123.0
Capital assets	190.9	188.8	11.0	10.6	201.9	199.4
<b>Total assets</b>	<b>323.8</b>	<b>311.4</b>	<b>11.1</b>	<b>11.0</b>	<b>334.9</b>	<b>322.4</b>
Long-term debt outstanding	59.0	60.1	-	-	59.0	60.1
Other liabilities	19.3	15.9	0.1	0.2	19.4	16.1
<b>Total liabilities</b>	<b>78.3</b>	<b>76.0</b>	<b>0.1</b>	<b>0.2</b>	<b>78.4</b>	<b>76.2</b>
Net position:						
Net Investment in						
capital assets	144.9	141.1	11.0	10.6	155.9	151.8
Restricted	35.5	32.5	-	-	35.5	32.5
Unrestricted	65.1	61.9	(0.0)	0.2	65.1	62.0
<b>Total net position</b>	<b>\$ 245.5</b>	<b>\$ 235.4</b>	<b>\$ 11.0</b>	<b>\$ 10.8</b>	<b>\$ 256.5</b>	<b>\$ 246.3</b>

The City's Government-Wide total net position was \$256.5 million, with assets of \$334.9 million and liabilities of \$78.4 million. The net investment in capital assets of \$155.9 million represents 60.8 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 provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$35.5 million (13.8 percent) represents resources that are subject to external restrictions in how they may be used. There is an increase of \$3.0 million in restricted net position mainly related to an increase in amounts restricted to Capital Projects. The remaining balance of \$65.1 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors within the programs areas.

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

	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2013	2012	2013	2012	2013	2012
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 20.1	\$ 21.5	\$ 2.9	\$ 2.9	\$ 23.0	\$ 24.4
Operating Contributions & Grants	4.4	4.4	-	-	4.4	4.4
Capital Contributions & Grants	0.4	1.7	-	-	0.4	1.7
Sub-total Program Revenues	24.9	27.6	2.9	2.9	27.8	30.4
General Revenues:						
Property taxes	13.3	15.5	-	-	13.3	15.5
Transient occupancy taxes	18.1	15.4	-	-	18.1	15.4
Sales taxes	14.7	14.0	-	-	14.7	14.0
Franchise taxes	2.5	2.4	-	-	2.5	2.4
Business license taxes	2.6	2.6	-	-	2.6	2.6
Motor Vehicle in lieu	3.5	3.4	-	-	3.5	3.4
Use of money and property	9.5	8.0	0.00	0.00	9.5	8.0
Other	0.9	2.5	-	-	0.9	2.5
Sub-total General Revenues	65.1	63.8	0.00	0.00	65.1	63.8
<b>Total Revenues</b>	<b>90.0</b>	<b>91.4</b>	<b>2.9</b>	<b>2.9</b>	<b>92.9</b>	<b>94.2</b>

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

	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2013	2012	2013	2012	2013	2012
<b>Expenses</b>						
General Government	\$ 25.5	\$ 23.2	\$ -	\$ -	\$ 25.5	\$ 23.2
Public Safety	14.9	14.0	-	-	14.9	14.0
Public Services	36.6	39.4	-	-	36.6	39.4
Solid Waste	-	-	1.4	1.3	1.4	1.3
Sewer District	-	-	0.4	0.4	0.4	0.4
Landscape	-	-	0.2	0.2	0.2	0.2
Sewer	-	-	0.6	0.6	0.6	0.6
Interest on Long-Term Debt	2.6	3.2	-	-	2.6	3.2
Street Maintenance	-	-	0.4	0.4	0.4	0.4
<b>Total Expenses</b>	<b>79.6</b>	<b>79.9</b>	<b>2.9</b>	<b>2.9</b>	<b>82.5</b>	<b>82.8</b>
Increase (decrease) in Net Position, Before Extraordinary Gains and Transfers	\$ 10.4	\$ 11.5	\$ (0.0)	\$ (0.0)	\$ 10.4	\$ 11.5
Extraordinary gain	0.6	0.2	-	-	0.6	0.2
Transfers	(0.2)	(0.1)	0.2	0.1	-	-
Increase (decrease) in Net Position, After Extraordinary Gains and Transfers	10.8	11.6	0.2	0.1	10.9	11.7
<b>Net Position at July 1</b>	<b>235.4</b>	<b>223.4</b>	<b>10.8</b>	<b>10.7</b>	<b>246.3</b>	<b>234.1</b>
<b>Restatements</b>	<b>(0.7)</b>	<b>0.4</b>	<b>-</b>	<b>-</b>	<b>(0.7)</b>	<b>0.4</b>
<b>Net Position, June 30</b>	<b>\$ 245.5</b>	<b>\$ 235.4</b>	<b>\$ 11.0</b>	<b>\$ 10.8</b>	<b>\$ 256.5</b>	<b>\$ 246.3</b>

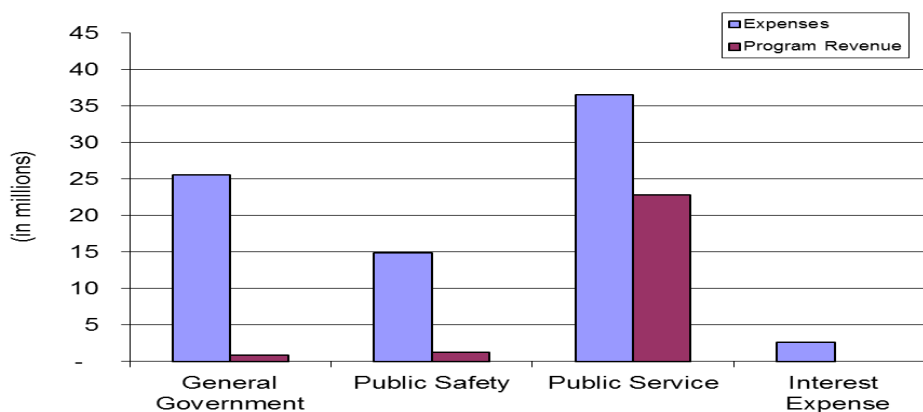
The government's net position increased \$10.9 million (Table 2), with total revenues of \$92.9 million and total expenses of \$82.5 million. The change in Net Position is approximately 4.2 percent of the total Net Position of \$256.5 million. Program revenues were \$27.8 million and general revenues were \$65.1 million. General revenues fund the net difference between program revenues and expenses. The largest single revenue category was Charges for Services, at \$23.0 million, which is a *program revenue*. Other program revenues which are applied directly against the costs of providing these services are Operating Contributions and Grants, and Capital Contributions & Grants, at \$4.4 million and \$0.4 million respectively. Transient Occupancy Tax was the second largest revenue at \$18.1 million, followed by Sales Tax at \$14.7 million. The fourth largest revenue source was Property Tax at \$13.3 million. These last three sources are all general revenues.

In comparison to the prior fiscal year, the government’s total revenues decreased by \$1.3 million; while Program revenue decreased by \$2.6 million and General Revenues increased by \$1.3 million. For Program revenues, Charges for Services decreased \$1.4 million, Operating Contributions and Grants did not change and Capital Contributions and Grants decreased in the amount of \$1.3 million. This was due to a decrease in county grants and over \$1.0 million decrease in fundraising revenues related to the West Hollywood Library as compared to the prior fiscal year. For General Revenue, the major increases were Transient Occupancy Tax by \$2.7 million, Sales Tax by \$0.7 million and Use of Property & Money by \$1.6 million. The only decrease was Property Tax by \$2.2 million due to the elimination of redevelopment as a governmental activity.

Compared to prior year, the government’s total expenditures decreased by \$0.3 million. This decrease occurred in Governmental Activities, with the decreases in Public Services by \$2.8 million and Interest on Long-Term Debt by \$0.6 million. These decreases were offset by increases in General Government of \$2.3 million and Public Safety by \$0.9 million.

Governmental Activities. Governmental activities increased the City’s *net position* by \$10.8 million (Table 2). The cost of all governmental activities this year was \$79.6 million or 96.5 percent of the *primary government* expenditures and was a decrease of \$0.3 million from the prior year. As shown in the *Statement of Activities* on pages 32-33, the amount that taxpayers financed through City taxes was \$48.6 million. The other portion of the costs was paid by those who directly benefited from the programs (\$20.1 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$4.8 million). The City used part of the \$65.1 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). Financial analysis of the Governmental Funds is further explained on pages 13 through 17.

Expenses and Program Revenues – Governmental Activities (Graph 1)

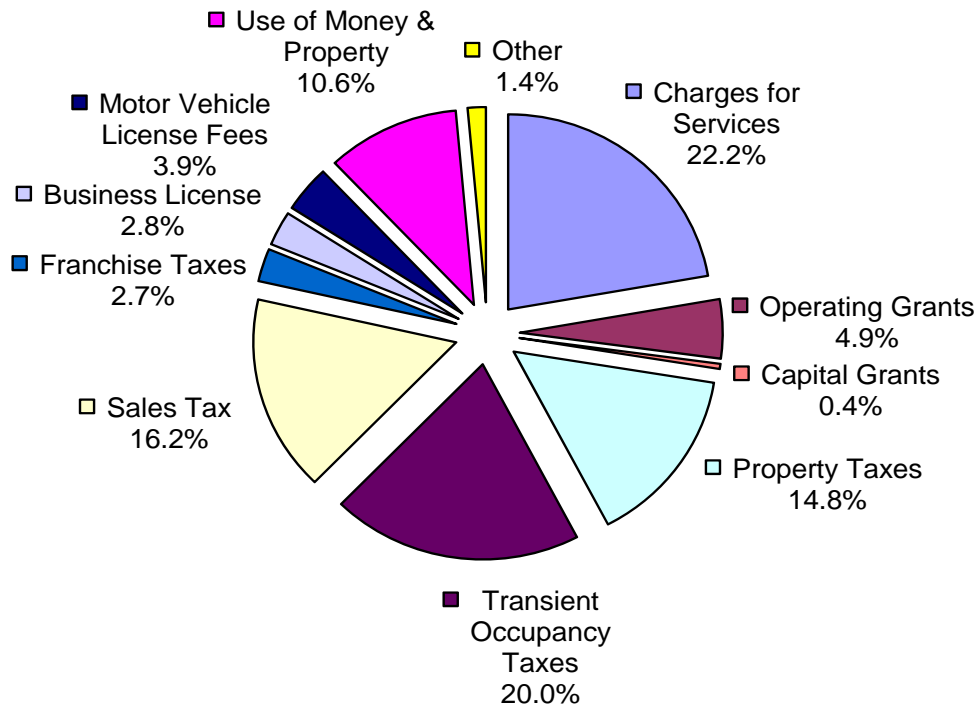


Graph 1 presents the costs of each of the City's three functions – General Government, Public Safety, Public Service, plus Interest on long-term debt as well as the program's revenues. The net cost (total cost less *program revenues*) is the amount that was paid from *general revenues*.

*General Government* had expenses of \$25.5 million with program revenues of \$0.8 million, while *Public Safety* had expenses of \$14.9 million with program revenues of \$1.2 million. From the prior year, *General Government* had a \$2.3 million increase and *Public Safety* had a \$0.9 million increase. Expenses in *Public Services* represented \$36.6 million or 46.0 percent of total expenses for Governmental Activities. Of this amount, \$22.8 million was funded by *program revenues* and the remaining \$13.8 million was funded by *general revenues*. Interest on long term debt was \$2.6 million which was funded by general revenues.

Graph 2 presents revenues by source for Governmental Activities. Similar to the government-wide activities, *Charges for Services* is the largest at \$20.1 million or 22.2 percent. *Charges for Service's* consist of Parking Fines at \$8.0 million, Licenses and Permits at \$5.0 million, Rent Stabilization Fees at \$1.9 million, Vehicle Code Fines at \$1.2 million and other miscellaneous charges of \$4.0 million.

Revenues by Source – Governmental Activities (Graph 2)



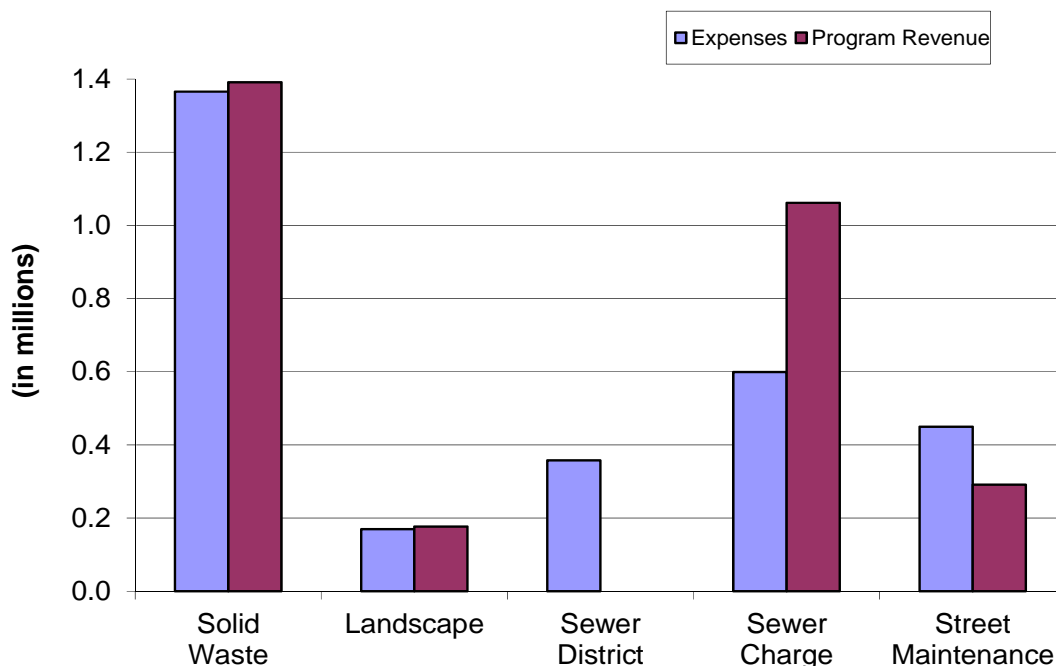
Other program revenues include operating and capital grants that together represented 5.3 percent of the total, or \$4.8 million. Operating and capital grants includes: \$3.9 million in various Federal, State, & County grants and \$0.9 million in Gas Tax.

For General Revenues, the four major categories were Property Tax at \$13.3 million, Transient Occupancy Tax at \$18.1 million, Sales Tax at \$14.7 million, and Use of Money and Property at \$9.6 million. These four sources represented 61.9 percent of the Governmental Activities.

Business-type Activities. *Net position* at June 30, 2013, was \$11.0 million, with assets equaling \$11.1 million and liabilities of \$0.1 million. Net investment in capital assets represented the largest portion of net position at 100 percent or \$11.0 million. The change in Business-type activities net position was nominal in 2013 (Table 2). Revenues of the City’s business-type activities were \$ 2.9 million, while the expenses were \$2.9 million.

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

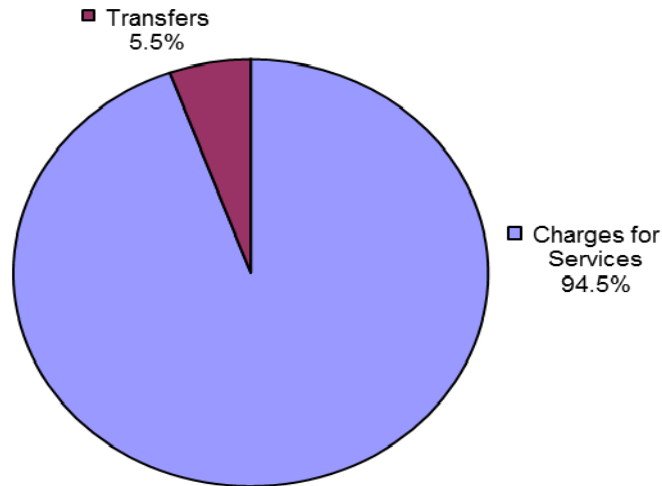
Expenses and Program Revenues – Business-type Activities (Graph 3)





Graph 4 presents revenues by source for Business-type Activities. Similar to government-wide activities, *Charges for Services* is the largest at \$2.9 million or 94.5 percent. Total General Revenues were \$0.2 million and were represented by Transfers at 5.5 percent and by Use of Money and Property, or interest earnings, at less than 1 percent and not visible on the graph.

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



### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

The City has two major governmental funds: the General 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 twenty-two 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 Fund Balances – As of the end of the current fiscal year, governmental funds (page 34) reported combined ending fund balances of \$110.9 million.

Fund Balance designations are as follows: Non-Spendable Fund Balance was \$0.07 million, Restricted Fund Balance was \$35.4 million, Committed Fund Balance was \$9.4 million, Assigned Fund Balance was \$63.0 million and lastly Unassigned Fund Balance was \$2.9 million.

Governmental Revenues – Table 3 presents a summary of governmental fund revenues for the fiscal year ended June 30, 2013, compared to prior year revenues.

### Comparison of Governmental Revenues (Table 3)

#### Fiscal Years 2012-13 and 2011-12

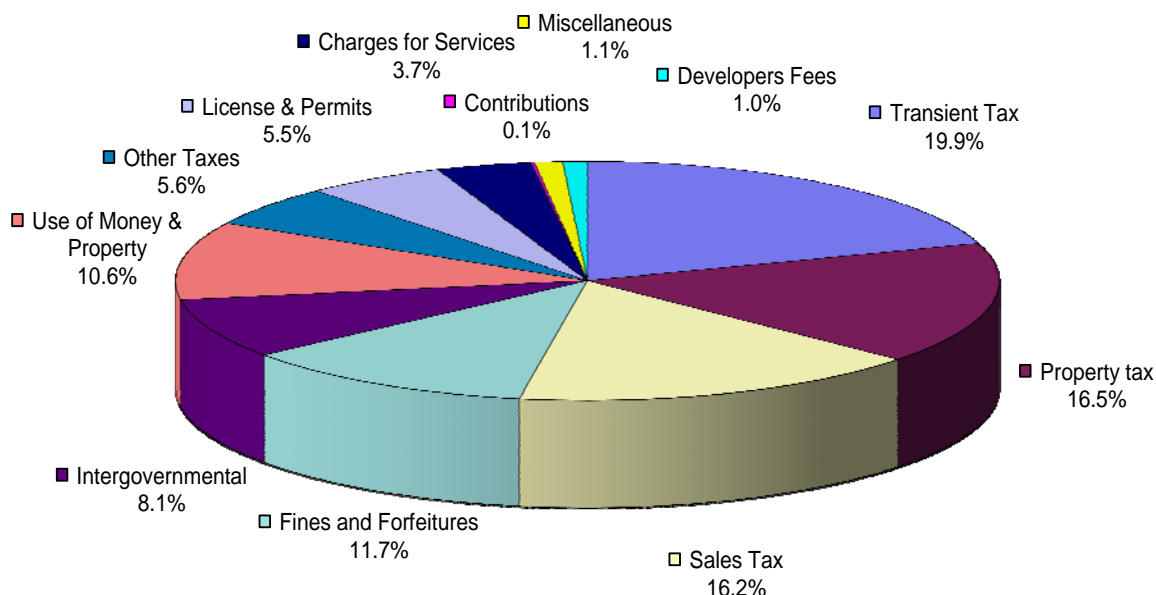
	Amount	% of Total	Amount	% of Total	Variance	% Increase/
	FY 12-13	Revenues	FY 11-12	Revenues	Over/(Under)	(Decrease)
					FY 11-12	FY 11-12
<b>Transient Tax</b>	\$18,062,326	19.9%	\$ 15,414,055	16.9%	\$ 2,648,271	17.2%
<b>Property tax</b>	14,950,434	16.5%	15,515,421	17.0%	(564,987)	-3.6%
<b>Sales Tax</b>	14,669,198	16.2%	14,004,171	15.4%	665,027	4.7%
<b>Fines and Forfeitures</b>	10,576,985	11.7%	10,443,347	11.5%	133,638	1.3%
<b>Intergovernmental</b>	7,339,250	8.1%	8,459,564	9.3%	(1,120,314)	-13.2%
<b>Use of Money &amp; Property</b>	9,574,917	10.6%	7,934,591	8.7%	1,640,326	20.7%
<b>Other Taxes</b>	5,040,802	5.6%	4,674,723	5.1%	366,079	7.8%
<b>License &amp; Permits</b>	4,990,941	5.5%	5,520,319	6.1%	(529,378)	-9.6%
<b>Charges for Services</b>	3,382,268	3.7%	3,551,985	3.9%	(169,717)	-4.8%
<b>Contributions</b>	122,321	0.1%	1,500,348	1.6%	(1,378,027)	-91.8%
<b>Miscellaneous</b>	997,287	1.1%	2,603,628	2.9%	(1,606,341)	-61.7%
<b>Developers Fees</b>	872,764	1.0%	1,530,782	1.7%	(658,018)	-43.0%
<b>TOTAL</b>	<b>\$90,579,493</b>	<b>100.0%</b>	<b>\$ 91,152,934</b>	<b>100.0%</b>	<b>\$ (573,441)</b>	<b>-0.6%</b>

Revenues of governmental funds for fiscal year 2012-13 were \$90.6 million, with a decrease of \$0.6 million or .6% from the prior fiscal year. *There were several significant changes in revenue sources for the City attributed to various causes.* The following are key points and graphs of the Governmental Fund revenues.

- Property Tax Revenue at \$15.0 million had a decrease of 3.6%, or \$0.6 million. The loss of redevelopment resulted in a reduction in property taxes and a change in the reporting of funds received by the former redevelopment agency.
- Transient Occupancy Tax Revenue at \$18.0 million had an increase of 17.2% over prior year. With the economy recovering and tourism picking up, both occupancy and room rates have been increasing at most of the City's hotels, resulting in increased hotel tax revenues.

- Sales Tax Revenue at \$14.7 million increased \$.7 million or 4.7% over prior year. The local economy is recovering from the downturn in the economy. Many of the major sectors increased in FY 2013 as the business economy continues to improve.
- Fines and Forfeitures Revenues at \$10.6 million had an increase of \$0.1 million, or 1.3% over prior year, due to a slight increase in parking fines.
- Intergovernmental Revenue at \$7.4 million had a decrease of \$1.1 million, or 13.2% over the prior year. The net decrease was mainly attributed to decreases in grant revenues as a result of the transfer of the Section 8 Housing Vouchers program to the Housing Authority of the County of Los Angeles.
- Use of Money and Property at \$9.6 million had an increase of \$1.6 million, or 20.7%. The major component of the increase was due to the increase in parking meter revenues because of the following: rates were increased due to parking meter upgrades and extension of parking meters' hours of operations.
- Other Tax Revenues at \$5.0 million had an increase of 7.8% from the prior year, or \$0.4 million, an insignificant change from prior year.
- License and Permit Revenue at \$5.0 million had a decrease of \$0.5 million, or 9.6%. The decrease is attributed to a decrease in building permit fees as a number of projects that began development last year are still in progress.
- Charges for Services Revenue at \$3.4 million had a negligible decrease of 4.8% or \$0.2 million over prior year.
- Contributions at \$0.1 million demonstrated the largest percentage decline from last year at 91.8 percent. As noted above, this resulted in the decreased fundraising revenues of West Hollywood Library now that the project has been completed.
- Miscellaneous Revenues at \$1.0 million decreased by \$1.6 million over prior year. Last year's balance included receipt funding for public benefits as part of development agreements for major projects.
- Developer Fees at \$.9 million had a decrease of \$0.7 million, or 43%. There are fewer building and construction projects that started this year compared to last year.

Governmental Fund Revenues – Fiscal Year 2012-13 (Graph 5)



Governmental Expenditures – Table 4 presents a summary of governmental fund expenditures for the fiscal year ended June 30, 2013, compared to prior year amounts.

Operating expenditures for 2012-13 were \$71.7 million, an increase of 3.1 percent or \$2.1 million from the prior fiscal year, with Public Safety and Public Services having a combined increase of \$1.6 million.

In General Government, there was an increase of \$0.5 million or 2.6 percent compared with the prior year. The increase is due to additional Prop A funds purchased from other cities as compared to prior year.

Public Safety expenditures increased by \$0.8 million, or 6.0 percent. The increase was due to increase in cost of contract services coupled with additional supplemental patrols services from the Los Angeles County Sheriff’s Department.

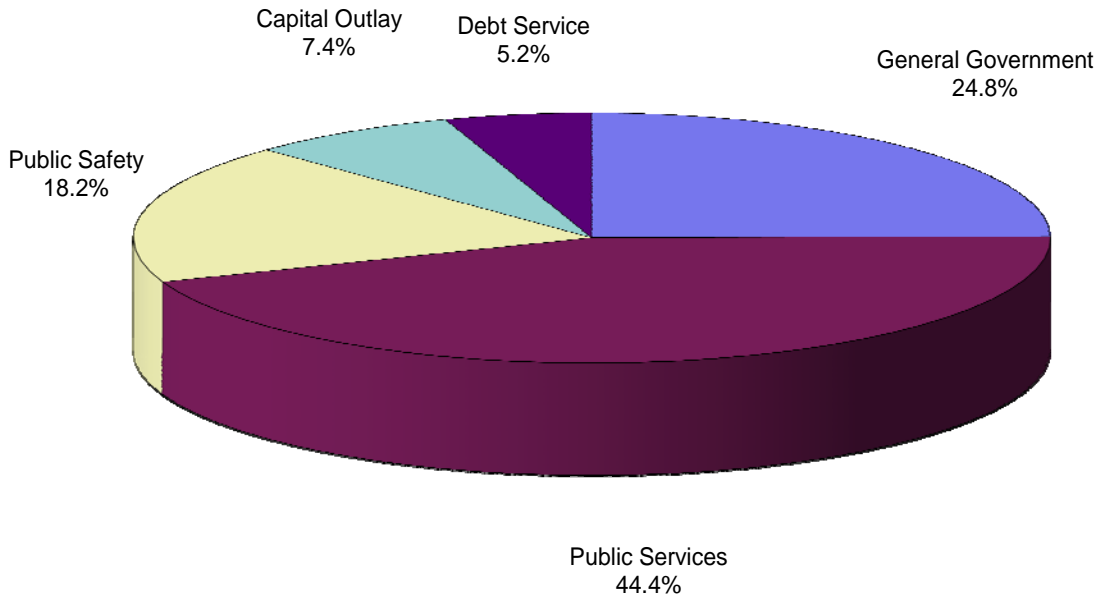
Public service increased by \$0.8 million and totaled \$36.4 million. Public service activities are primarily performed by City employees. The increase in public service costs are attributable to relatively minor cost-of-living increases for employee wages and increased costs for employee healthcare and retirement benefits.

Capital Outlay expenditures were \$6.1 million, a decrease of \$6.4 million from the prior year because last year’s balance included expenditures related to the construction for the West Hollywood Park Master Plan Phases I Implementation Project and the winding down of the Library project.

Comparison of Major Governmental Expenditures (Table 4)  
Fiscal Years 2012-13 and 2011-12

	Amount FY 12-13	% of Total Expenditures	Amount FY 11-12	% of Total Expenditures	Variance Over/(Under) FY 11-12	% Increase/ (Decrease) FY 11-12
<b>General Government</b>	\$ 20,387,134	24.8%	\$ 19,874,229	22.0%	\$ 512,905	2.6%
<b>Public Safety</b>	14,916,605	18.2%	14,068,721	15.6%	847,884	6.0%
<b>Public Services</b>	36,438,556	44.4%	35,669,727	39.5%	768,829	2.2%
<b>Total Operating Expenditures</b>	71,742,295	87.4%	69,612,677	77.1%	2,129,618	3.1%
<b>Capital Outlay</b>	6,066,194	7.4%	12,477,205	13.8%	(6,411,011)	-51.4%
<b>Debt Service</b>	4,245,257	5.2%	8,147,546	9.0%	(3,902,289)	-47.9%
<b>TOTAL</b>	<b>\$ 82,053,746</b>	<b>100.0%</b>	<b>\$ 90,237,428</b>	<b>100.0%</b>	<b>\$ (8,183,682)</b>	<b>-9.1%</b>

Governmental Fund Expenditures – Fiscal Year 2012-13 (Graph 6)



Proprietary Funds consist of one major fund, Sewer District (Construction), and four non-major Enterprise Funds, along with one Internal Service Fund (pages 39-41). 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 121.

Revenues for Enterprise Funds include assessments and other charges for services. Total operating revenues for all Enterprise Funds are \$2.9 million, while non-operating revenues and transfers represent \$0.2 million. Operating expenses for the fiscal year were \$2.9 million. The City also has one Internal Service Fund to allocate costs of the City's information systems infrastructure to the various departments. The interdepartmental charge for services (revenues) in the fiscal year was \$0.4 million with general government expenses of \$0.6 million.

Fiduciary Funds account for resources held for the benefit of parties outside the City, in which the City is acting as trustee (pages 42-43). 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 1.5 percent of the Transient Occupancy Tax (Hotel Tax) collected by the City on behalf of the West Hollywood Marketing Corporation (WHMC). The purpose of the WHMC is to promote the City of West Hollywood as a travel destination and convention site. The City also administers a Community District Debt Service Fund which accounts for the collection of special taxes on the property tax rolls to pay interest and principal on bonds issued for seismic retrofitting of 11 buildings within the City. The City also administers the Business Improvement District to promote retail stores, restaurants and art galleries near the Pacific Design Center.

Lastly, in accordance with State Assembly Bill 1X 26, the City administers the Successor Agency to the 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 reported in the 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.

## MAJOR FUNDS-ANALYSIS

### DEBT FUNDED CAPITAL PROJECTS FUND-ANALYSIS

Debt Funded Capital Projects 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. The Master Plan is comprised of the Library, Parking and Open Space. (Pages 34 to 36)

Fund Balance - The Fund Balance decreased by \$0.9 million during the year due to capital outlay for the project. Therefore, the deficit fund balance increased from \$5.9 million to \$6.8 million at year-end. The deficit will be eliminated through designated transfers from the General Fund, the Library Fund, and future bond proceeds related to the West Hollywood Park Master Plan Phase II.

Expenditures - The Debt Fund Capital Project incurred \$0.9 million of capital expenditures in the current year. The majority of these expenditures related to the winding down of the Library construction and expenditures related to the West Hollywood Park Master Plan Phase II.

### GENERAL FUND – FUND BALANCE ANALYSIS

The General Fund is the chief operating fund of the City (pages 34 to 38). The fund balance had an increase of \$8.3 million, with an ending fund balance of \$84.0 million (Table 5).

Fund Balance designations are as follows:

- Non-Spendable Fund Balance was \$0.07 million;
- Restricted Fund Balance was \$1.3 million;
- Committed Fund Balance was \$9.4 million;
- Assigned Fund Balance was \$63.0 million; and lastly
- Unassigned Fund Balance was \$10.3 million.

**GENERAL FUND – FUND BALANCE ANALYSIS**

Table 5 shows the opening balance, operating surplus/(deficit), restatements and ending balance.

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

	FY 12-13	FY 11-12	FY 10-11	FY 09-10	FY 08-09
Fund Balance					
Reserved	\$ -	\$ -	\$ -	\$ 8,737,738	\$ 12,483,127
Designated Unreserved	-	-	-	52,692,076	52,692,076
Undesignated Unreserved	-	-	-	7,134,832	11,335,257
Nonspendable	65,340	186,823	783,625	-	-
Restricted	1,255,006	-	-	-	-
Committed	9,367,610	7,735,781	18,787,130	-	-
Assigned	63,018,495	58,557,142	40,500,000	-	-
Unassigned	10,329,622	9,295,313	15,077,764	-	-
<b>Total Fund Balance</b>	<b>\$ 84,036,073</b>	<b>\$ 75,775,059</b>	<b>\$ 75,148,519</b>	<b>\$ 68,564,646</b>	<b>\$ 76,510,460</b>
Beginning Balance	\$ 75,775,059	\$ 75,148,519	\$ 68,564,646	\$ 76,510,460	\$ 82,271,731
Operating Surplus /(Deficit)	8,261,014	1,246,735	6,583,873	(7,945,814)	(6,087,297)
Restatement	-	(620,195)	-	-	326,026
<b>Ending Balance</b>	<b>\$ 84,036,073</b>	<b>\$ 75,775,059</b>	<b>\$ 75,148,519</b>	<b>\$ 68,564,646</b>	<b>\$ 76,510,460</b>

**GENERAL FUND – REVENUE AND EXPENDITURE ANALYSIS**

Revenues – For fiscal year 2012-13, General Fund Revenues and Other Financing Sources were \$77.2 million, an increase of 6.9 percent as compared to the previous year. The most significant increases in revenues were in the following categories:

- Transient Occupancy Tax
- Sales Tax
- Property Tax
- Use of Money and Property

These categories are reflected in the following table and are described further in the key points listed below.



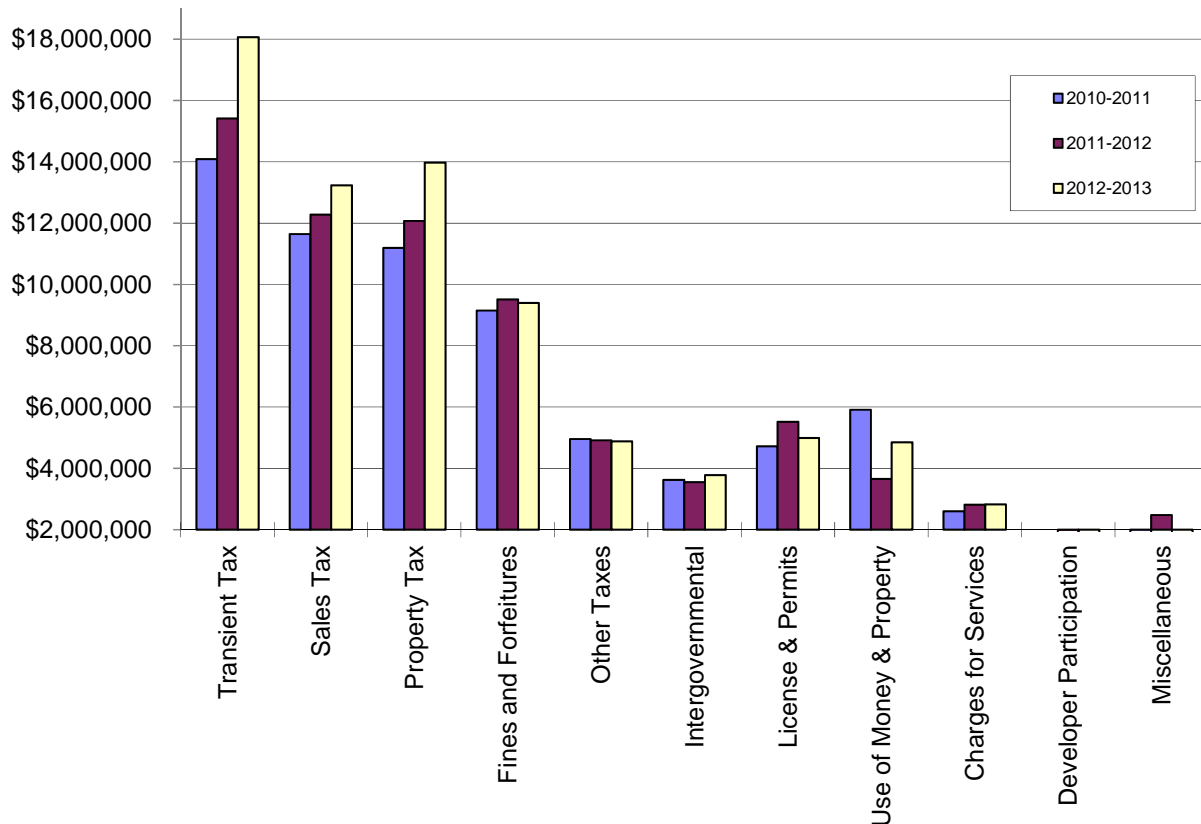
General Fund Revenues and Other Financing Sources (Table 6)  
Fiscal Years 2012-13 and 2011-12

	2012-2013	2011-2012	Variance Over/(Under) last year	% of increase (decrease) over last year	% of total
<b>Transient Tax</b>	\$ 18,062,326	\$ 15,414,055	\$ 2,648,271	17.2%	23.4%
<b>Sales Tax</b>	13,236,253	12,279,783	956,470	7.8%	17.1%
<b>Property Tax</b>	13,971,978	12,071,755	1,900,223	15.7%	18.1%
<b>Fines and Forfeitures</b>	9,397,136	9,510,907	(113,771)	-1.2%	12.2%
<b>Other Taxes</b>	4,883,636	4,916,183	(32,547)	-0.7%	6.3%
<b>Intergovernmental</b>	3,777,446	3,549,966	227,480	6.4%	4.9%
<b>License &amp; Permits</b>	4,990,941	5,520,319	(529,378)	-9.6%	6.5%
<b>Use of Money &amp; Property</b>	4,854,736	3,658,718	1,196,018	32.7%	6.3%
<b>Charges for Services</b>	2,823,391	2,815,640	7,751	0.3%	3.7%
<b>Developer Participation</b>	4,295	-	4,295	100%	0.0%
<b>Miscellaneous</b>	927,485	2,477,533	(1,550,048)	-62.6%	1.2%
<b>Other Financing Sources</b>	260,988	-	260,988	100.0%	0.3%
<b>Totals</b>	<u>\$ 77,190,611</u>	<u>\$ 72,214,859</u>	<u>\$ 4,975,752</u>	<u>6.9%</u>	<u>100.0%</u>

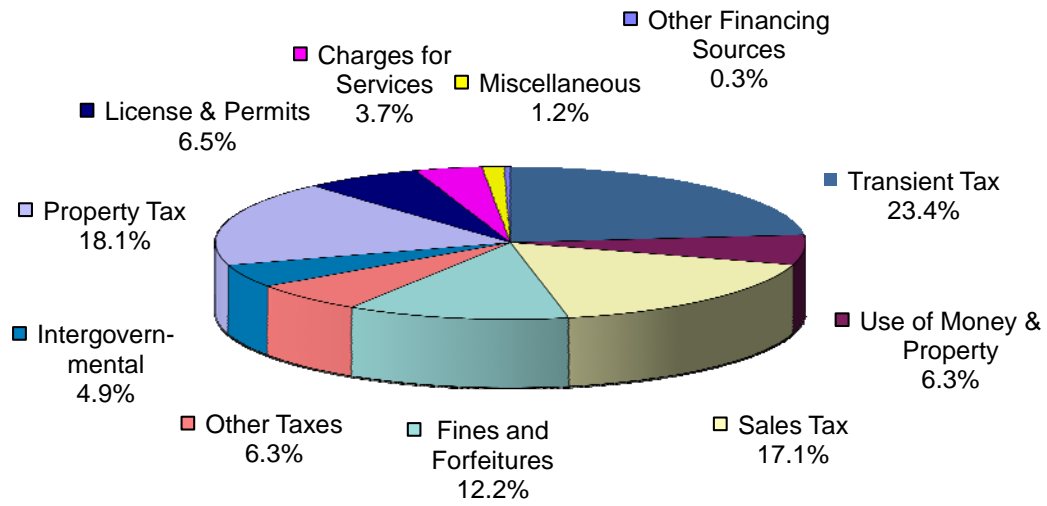
- Transient Occupancy Tax Revenue at \$18.1 million had an increase of 17.2% over prior year. With the economy recovering and tourism picking up, both occupancy and room rates have been increasing at most of the City's hotels, resulting in increased hotel tax revenues.
- Sales Tax Revenue at \$13.2 million increased \$1.0 million or 7.8% over the prior year. The local economy is recovering from the downturn in the economy. Many of the major sectors increased in FY 2013 as the business economy continues to improve.
- Property tax revenue at \$14.0 million had an increase of 15.7% or \$1.9 million. The increase is mainly due to receipt of a one-time State loan repayment in the amount of \$1.4 million, for previously deferred property tax revenues.
- Fines and Forfeitures Revenues at \$9.4 million had decreased by \$0.1 million, or 1.2% compared to prior year. The decrease is due to slight decline in parking fines.
- Other Taxes Revenues at \$4.9 million and Intergovernmental Revenue at \$3.8 million each had an insignificant change over prior year.
- License and Permits Revenue at \$5.0 million had decreased by \$0.5 million, or 9.6% compared to prior year. This is due to two large development projects that started last year.

- Use of Money and Property Revenue at \$4.9 million had an increase of \$1.2 million, or 32.7% increase. The major component of the increase was due to increase in parking meter revenues as rates were increased due to parking meters upgrades.
- Charges for Services Revenue at \$2.8 million had an insignificant change over prior year.
- Miscellaneous revenue at \$0.9 million decreased by 62.6%. This was mostly due to funding for public benefits in prior year as part of development agreements for major projects.
- Other financing sources at \$0.3 million increased by 100%. This is due to the transfer of \$0.3 from capital projects debt service fund to the general fund during the Mid-Year budget for 2012-13.

Comparison of General Fund Revenues (Graph 7)  
Fiscal Years 2012-13, 2011-12 and 2010-11



General Fund Revenues - Fiscal Year 2012-13 (Graph 8)



Expenditures – For fiscal year 2012-13, total General Fund expenditures were \$68.9 million, a decrease of 2.9% or \$2.0 million from the prior year. The following are key points and graphs of General Fund expenditures. For detailed information, please refer to pages 36 to 38.

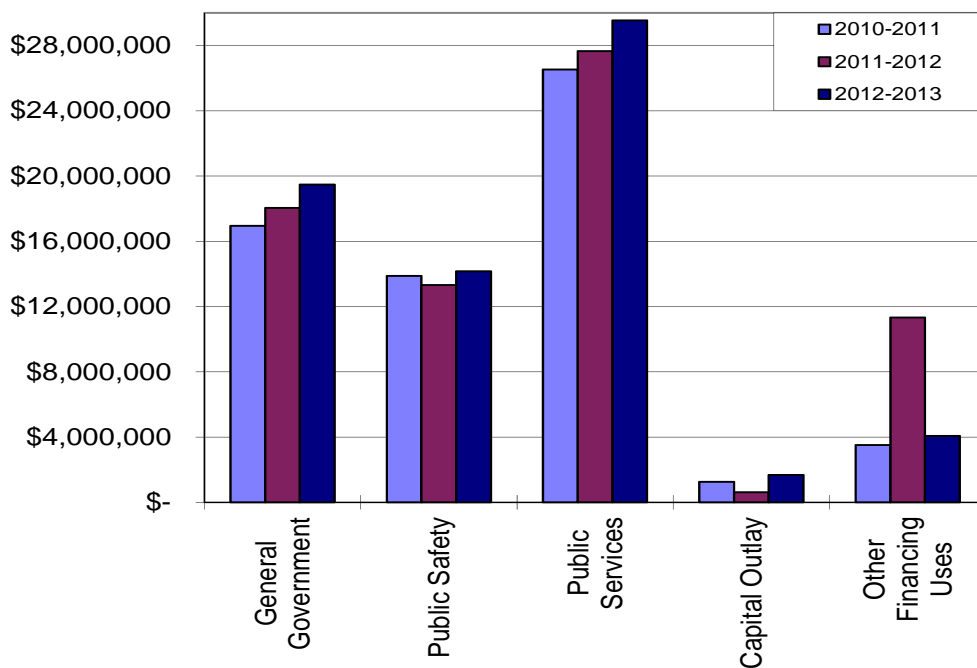
General Fund Expenditures (Table 7)  
Fiscal Years 2012-13 and 2011-12

	2012-2013	2011-2012	Variance Over/(Under) last year	% of increase (decrease) over last year	% of total
<b>General Government</b>	\$ 19,474,695	\$ 18,042,465	\$ 1,432,230	7.9%	28.3%
<b>Public Safety</b>	14,164,217	13,316,763	847,454	6.4%	20.5%
<b>Public Services</b>	29,530,831	27,660,364	1,870,467	6.8%	42.8%
<b>Capital Outlay</b>	1,677,464	620,698	1,056,766	170.3%	2.4%
<b>Other Financing Uses</b>	4,082,390	11,327,834	(7,245,444)	-64.0%	5.9%
<b>Total Expenditures</b>	<u>\$ 68,929,597</u>	<u>\$ 70,968,124</u>	<u>\$ (2,038,527)</u>	<u>-2.9%</u>	<u>100.0%</u>

- General Government expenditures were \$19.5 million, an increase of \$1.4 million or 7.9%. The increase is due to additional Prop A funds purchased from other cities as compared to prior year.

- Public Safety expenditures were \$14.2 million, an increase of 6.4 percent. The increase is due to an increase in cost of services coupled with additional supplemental patrol services contracted through the Los Angeles County Sheriff's Department.
- Public Service expenditures were \$29.5 million and resulted in a 6.8 percent increase. Public Service is the largest function in the General Fund with the following five (5) major program areas: 1) Social Services at \$5.4 million, 2) Facilities and Landscape Services at \$4.9 million, 3) Recreation Services at \$4.4 million, 4) Parking Services at \$3.8 million, and 5) Current & Historic Preservation Planning at \$2.2 million. The minor increase is primarily attributed to reviving some of the Contractual Services that were reduced due to budget cuts during the recession, annual cost-of-living adjustments for employee wages, and increased costs for employee healthcare and retirement benefits.
- Capital Outlay expenditures were \$1.7 million, an increase of \$1.1 million from the prior year. The increase was due to the capital improvements projects included in the Mid-City Automated Parking Garage Capital Project.
- Other Financing Uses were \$4.1 million, which is a decrease of \$7.3 million from the prior year. Last year, General Fund made a planned contribution to the West Hollywood Park Phase I Implementation Project.

Comparison of General Fund Expenditures (Graph 9)  
Fiscal Years 2012-13, 2011-12 and 2010-11



## GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the City Council revised the City budget several times. Budget revisions fall into three categories. The first category includes carry-forward encumbrances and capital projects that are approved shortly after the beginning of the year. The second category includes changes that the Council makes during the mid-year budget process. Finally, the Council approves supplemental appropriations throughout the year based on individual items that are brought forward by various departments. The General Fund budgetary comparison statement is located on page 38.

Resources (Inflows) –The budgeted amount for *revenues* (resources available for appropriation) had an increase of \$4.5 million between the original budget of \$68.1 million and the final amended budget of \$72.6 million. The increase was primarily due to a mid-year adjustment to Transient Occupancy Taxes of \$2 million and Sales Taxes of \$1 million, both increases reflected higher receipts due to the improving economy. There was also an increase to Developer Participation Revenue of \$0.5 million for the public benefits included in a development agreement, and \$0.7 in County Grant Funds. Actual revenues exceeded the final amended budget by \$4.6 million. The significant difference in actual revenues was primarily due to actual Taxes exceeding budget by \$4.5 million, due to the improving economy, and Licenses and Permits exceeding budget by \$1.1 million. Overall the budget was adopted with conservative estimates due to the unstable economy.

Charges to Appropriations (Outflows) – The difference between the original budget and the final budget was an increase of \$8.4 million in appropriations. The major increase was in Capital Projects in the amount of \$3.4 million. For the other functions, General Government had a \$3.2 million increase and Public Service had an increase of \$1.4 million, while Public Safety's increase was nominal. In all instances actual expenditures were less than the final adopted budget; the remaining appropriations were either partially encumbered or re-appropriated in the next fiscal year. The reason for the variance is due to timing of the initiation and the completion of projects.

## 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, 2013, is \$201.9 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 60-62.

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

	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2013	2012	2013	2012	2013	2012
Land	\$ 50,086	\$ 50,086	\$ -	\$ -	\$ 50,086	\$ 50,086
Buildings and systems	68,138	68,914	-	-	68,138	68,914
Improvements other than buildings	9,067	9,086	-	-	9,067	9,086
Machinery and Equipment	4,043	4,840	-	-	4,043	4,840
Infrastructure	52,390	51,579	10,936	10,576	63,326	62,156
Construction in progress	7,172	4,258	73	73	7,245	4,331
<b>Total Capital Assets</b>	<b>\$ 190,896</b>	<b>\$ 188,764</b>	<b>\$ 11,010</b>	<b>\$ 10,650</b>	<b>\$ 201,906</b>	<b>\$ 199,413</b>

**Long-Term Debt.** At year end, the City had \$58.6 million in outstanding long-term debt for Governmental Activities. These consisted of Compensated Absences, OPEB Obligation, Lease Revenue Series A and B Bonds and CJPIA General Liability and Worker's Compensation Retrospectives.

Compensated Absences has a decrease of \$.02 million with an outstanding balance of \$3.0 million at year end. The decrease was due to a number of long time employees retiring.

The City's OPEB obligation at year end was \$1.7 million. The City has assigned funds in its Fund Balance to cover this obligation.

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 67; Note Number 9.

CJPIA has temporarily deferred the payment of retrospective deposits for General Liability and Workers' Compensation owed to the Authority by members. The payment deferral period was extended until July 1, 2013 for the Liability program and July 1, 2015 for the Workers' Compensation program.

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

	Governmental Activities			
	2013	2012	Variance Over/(Under) last year	% of increase (decrease) over last year
Compensated Absences	3,029.1	3,047.3	(18.2)	-0.6%
OPEB Obligation	1,721.3	1,392.5	328.8	23.6%
Lease Revenue - Series A	15,995.0	17,640.0	(1,645.0)	-9.3%
Lease Revenue - Series B	34,780.0	34,780.0	-	0.0%
CJPIA General Liability Retrospective	2,760.0	2,502.4	257.6	10.3%
CJPIA Workers' Comp Retrospective	338.8	279.0	59.8	21.4%
<b>Total Long-Term Debt</b>	<b>\$ 58,624.2</b>	<b>\$ 59,641.2</b>	<b>\$ (1,017.0)</b>	<b>-1.7%</b>

Due to the dissolution of redevelopment, the following long-term debt is no longer reported as Governmental Activities. At year end, the City had \$47.2 million in outstanding long-term debt for Successor Agency Activities. These consisted of 2003 Tax Allocation Bonds, 2011 Tax Allocation Bonds Series 'A' and 2011 Tax Allocation Bonds Series 'B'.

The 2003 Tax Allocation Bonds were issued in September 2003 and the proceeds financed redevelopment activities within the East-Side Project Area, including activities that increase, improve and preserve the supply of low and moderate income housing.

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.

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

	Successor Agency Activities			
	2013	2012	Variance Over/(Under) last year	% of increase (decrease) over last year
Tax Allocation Bonds - 2003	9,525.0	9,770.0	(245.0)	-2.5%
Tax Allocation Bonds - 2011 Series A	28,830.0	29,120.0	(290.0)	-1.0%
Tax Allocation Bonds - 2011 Series B	8,835.0	8,895.0	(60.0)	-0.7%
<b>Total Long-Term Debt</b>	<b>\$ 47,190.0</b>	<b>\$ 47,785.0</b>	<b>\$ (595.0)</b>	<b>-1.2%</b>

### 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, 2013, 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.

After the longest and deepest recession since the 1930's, the nation is finally recovering. However, the recovery has been uneven depending on geographic region, and while many corporations have seen record profits, and the stock market is at all-time highs, many small businesses and families continue struggle. Many economic indicators continue to improve, including home prices and sales, consumer confidence, automobile sales, and new jobs, additionally, first-time jobless claims and the national unemployment rate continue to decrease. However, the recovery remains fragile, as uncertainties at the state, national, and global level continue to persist; in particular, there are significant uncertainties at the national level, as congress continues to adopt short-term solutions to the federal budget and debt ceiling debates. Additionally, it is unknown how the financial markets will react to the eventual tapering of the Federal Reserve's monthly bond buying stimulus program, which could cause interest rates to rise. These potential threats could affect the City if they weaken the national economy and slow, or reverse, continued improvements.

At the State level, the City will continue to monitor the State's budget, as the State's efforts to balance its budget over the past few years have deeply impacted local governments. The California Legislature has recently passed balanced budgets by eliminating redevelopment, establishing automatic reductions in expenditures, and raising taxes through a voter approved initiative. While the State is projected to have a surplus during the current year, and into the future, there is still uncertainty with the



State budget because the State's primary revenue source is personal income taxes, the voter approved tax increases are temporary, and service levels are still below their optimum. The expenditure reductions being made to public schools, higher education, health care and services for seniors and those in need of assistance will have an impact on our local community and may require greater social service resources to be funded by General Fund. The City recently completed a community study to assess the social service needs of the community; recommendations from the study will be analyzed in order to determine the level of funding that will be incorporated into the next 2-year budget.

The forecast for the City of West Hollywood during this challenging economic recovery is optimistic. The City, with the use of its Long Range Financial Planning Model, continues to maintain its ability to fund current levels of service to the City's 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 has been able to maintain its service delivery at, or near, its pre-recession level by its prudent fiscal management and economic development. This 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 2013.

While most cities are still struggling to recuperate, over the last four years the City's transient occupancy tax (hotel tax), sales tax, and property tax revenues have all steadily increased from their lows during the great recession. In fact, as of June 30, 2013, all had surpassed their pre-recession revenue peaks. The sales tax base, which is highly diversified given its small geographic area, generated \$13.2 million in General Fund revenue in 2013. 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. The City has some of the highest average daily rates and occupancy levels for hotel rooms in the Los Angeles region. In 2013, both occupancy and room rates continued to increase, generating \$18.1 million in General Fund transient occupancy tax revenue for the City. Property tax revenues also grew in 2013 to \$14.0 million in General Fund revenue, due to increasing home prices and sales, as well as continued new construction and development. The City also received a one-time property tax repayment from the State in 2013, in the amount of \$1.4 million in deferred property tax revenue.

Additionally, 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, and produce little revenue for the City. Together, the projects that are currently under construction, or recently completed, will add new retail, restaurants, residential units, office/showroom space, and 296 hotel rooms; totaling approximately \$1 billion in new assessed value.

Taking this information into account, the City's adopted General Fund budget for fiscal year 2013-2014 reflects 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. The City continues to use its strategic plan, Vision 2020, in guiding its decisions during the budget process.

### CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

# Basic Financial Statements



@wehocity Love living in #WeHo! It has a neighborhood feel in big city Los Angeles. :)

*via twitter*



CITY OF WEST HOLLYWOOD

STATEMENT OF NET POSITION  
JUNE 30, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	West Hollywood Marketing Corp.
<b>Assets:</b>				
Cash and investments	\$ 113,799,480	\$ 16,920	\$ 113,816,400	\$ 327,301
Receivables:				
Accounts	3,846,335	34,827	3,881,162	439,895
Taxes	2,441,023	-	2,441,023	-
Notes and loans	25,510,042	-	25,510,042	-
Allowance for loan forgiveness	(24,896,603)	-	(24,896,603)	-
Accrued interest	353,502	711	354,213	-
Internal balances	(9,460)	9,460	-	-
Prepaid costs	47,736	-	47,736	15,449
Deposits	39,000	-	39,000	-
Due from other governments	6,557,105	47,973	6,605,078	-
Restricted assets:				
Cash with fiscal agent	5,178,386	-	5,178,386	-
Capital assets not being depreciated	57,257,705	73,417	57,331,122	-
Capital assets, net of depreciation	133,638,175	10,936,399	144,574,574	30,419
<b>Total Assets</b>	<b>323,762,426</b>	<b>11,119,707</b>	<b>334,882,133</b>	<b>813,064</b>
<b>Liabilities:</b>				
Accounts payable	5,252,302	107,932	5,360,234	40,995
Accrued liabilities	1,539,744	-	1,539,744	44,947
Accrued interest	1,047,845	-	1,047,845	-
Unearned revenue	4,326,679	-	4,326,679	-
Deposits payable	6,460,619	26,512	6,487,131	-
Due to other governments	613,439	-	613,439	-
Noncurrent liabilities:				
Due within one year	6,610,368	-	6,610,368	7,205
Due in more than one year	52,379,341	-	52,379,341	10,974
<b>Total Liabilities</b>	<b>78,230,337</b>	<b>134,444</b>	<b>78,364,781</b>	<b>104,121</b>
<b>Net Position:</b>				
Net investment in capital assets	144,933,718	11,009,816	155,943,534	-
Restricted for:				
Public services	15,327,037	-	15,327,037	-
Capital projects	13,694,034	-	13,694,034	-
Debt service	6,433,392	-	6,433,392	-
Unrestricted	65,143,908	(24,553)	65,119,355	708,943
<b>Total Net Position</b>	<b>\$ 245,532,089</b>	<b>\$ 10,985,263</b>	<b>\$ 256,517,352</b>	<b>\$ 708,943</b>

## CITY OF WEST HOLLYWOOD

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2013

	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
<b>Functions/Programs</b>				
<b>Primary Government:</b>				
Governmental Activities:				
General government	\$ 25,539,217	\$ 682,095	\$ 161,763	\$ -
Public safety	14,916,605	1,163,801	139,853	-
Public services	36,552,396	18,242,612	4,156,555	383,071
Interest on long-term debt	2,600,257	-	-	-
<b>Total Governmental Activities</b>	<b>79,608,475</b>	<b>20,088,508</b>	<b>4,458,171</b>	<b>383,071</b>
Business-Type Activities:				
Sewer District	357,527	-	-	-
Sewer Charge	598,424	1,060,866	-	-
Solid Waste	1,365,401	1,390,918	-	-
Landscape District	168,908	176,142	-	-
Street Maintenance	449,303	291,127	-	-
<b>Total Business-Type Activities</b>	<b>2,939,563</b>	<b>2,919,053</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 82,548,038</b>	<b>\$ 23,007,561</b>	<b>\$ 4,458,171</b>	<b>\$ 383,071</b>
<b>Component Units:</b>				
West Hollywood				
Marketing Corporation	\$ 2,348,903	\$ -	\$ -	\$ -

**General Revenues:**

## Taxes:

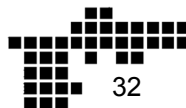
Property taxes, levied for general purpose  
 Transient occupancy taxes  
 Sales taxes  
 Franchise taxes  
 Business licenses taxes  
 Motor vehicle in lieu - unrestricted  
 Use of money and property  
 Other

**Extraordinary gain****Transfers****Total General Revenues,  
Extraordinary gain, and Transfers**

Change in Net Position

Net Position at Beginning of Year

Restatement of Net Position

**Net Position at End of Year**

<b>Net (Expenses) Revenues and Changes in Net Position</b>			
<b>Primary Government</b>			<b>Component Unit</b>
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Marketing Corporation</b>
\$ (24,695,359)	\$ -	\$ (24,695,359)	\$ -
(13,612,951)	-	(13,612,951)	-
(13,770,158)	-	(13,770,158)	-
(2,600,257)	-	(2,600,257)	-
<b>(54,678,725)</b>	<b>-</b>	<b>(54,678,725)</b>	<b>-</b>
-	(357,527)	(357,527)	-
-	462,442	462,442	-
-	25,517	25,517	-
-	7,234	7,234	-
-	(158,176)	(158,176)	-
-	<b>(20,510)</b>	<b>(20,510)</b>	<b>-</b>
<b>(54,678,725)</b>	<b>(20,510)</b>	<b>(54,699,235)</b>	<b>-</b>
-	-	-	(2,348,903)
13,332,465	-	13,332,465	-
18,062,326	-	18,062,326	2,170,385
14,669,198	-	14,669,198	-
2,467,311	-	2,467,311	-
2,573,491	-	2,573,491	-
3,488,271	-	3,488,271	-
9,574,917	36	9,574,953	229
897,756	-	897,756	225,067
576,058	-	576,058	-
(171,106)	171,106	-	-
<b>65,470,687</b>	<b>171,142</b>	<b>65,641,829</b>	<b>2,395,681</b>
10,791,962	150,632	10,942,594	46,778
235,416,429	10,834,631	246,251,060	662,165
(676,302)	-	(676,302)	-
<b>\$ 245,532,089</b>	<b>\$ 10,985,263</b>	<b>\$ 256,517,352</b>	<b>\$ 708,943</b>

## CITY OF WEST HOLLYWOOD

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2013

	Capital Projects Funds			Total Governmental Funds
	General	Debt Funded Capital Projects	Other Governmental Funds	
<b>Assets:</b>				
Pooled cash and investments	\$ 84,238,165	\$ -	\$ 28,682,457	\$ 112,920,622
Receivables:				
Accounts	580,190	-	3,266,145	3,846,335
Taxes	2,441,023	-	-	2,441,023
Notes and loans	-	-	613,439	613,439
Accrued interest	53,459	-	300,043	353,502
Prepaid costs	26,340	-	7,569	33,909
Deposits	39,000	-	-	39,000
Due from other governments	4,887,908	700,000	969,197	6,557,105
Due from other funds	8,960,400	-	-	8,960,400
Restricted assets:				
Cash and investments with fiscal agents	-	-	5,178,386	5,178,386
<b>Total Assets</b>	<b>\$ 101,226,485</b>	<b>\$ 700,000</b>	<b>\$ 39,017,236</b>	<b>\$ 140,943,721</b>
<b>Liabilities, Deferred inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 3,967,685	\$ 41,780	\$ 1,209,181	\$ 5,218,646
Accrued liabilities	1,528,259	-	11,485	1,539,744
Unearned revenues	3,937,034	-	389,645	4,326,679
Deposits payable	6,423,471	-	37,148	6,460,619
Due to other governments	-	-	613,439	613,439
Due to other funds	-	6,803,288	2,157,112	8,960,400
<b>Total Liabilities</b>	<b>15,856,449</b>	<b>6,845,068</b>	<b>4,418,010</b>	<b>27,119,527</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	1,333,963	700,000	932,591	2,966,554
<b>Total Deferred Inflows of Resources</b>	<b>1,333,963</b>	<b>700,000</b>	<b>932,591</b>	<b>2,966,554</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Prepaid costs	26,340	-	7,569	33,909
Deposits	39,000	-	-	39,000
<b>Restricted for:</b>				
Public services	-	-	15,327,037	15,327,037
Capital Projects	-	-	13,694,034	13,694,034
Debt service	1,255,006	-	5,178,386	6,433,392
<b>Committed to:</b>				
Emergency contingency	3,597,650	-	-	3,597,650
Continuing appropriations	5,769,960	-	-	5,769,960
<b>Assigned to:</b>				
Self insurance	4,098,744	-	-	4,098,744
Capital projects	35,000,000	-	-	35,000,000
Future expenditures	3,029,150	-	-	3,029,150
Working reserve	14,390,601	-	-	14,390,601
Unfunded pension costs	6,500,000	-	-	6,500,000
<b>Unassigned</b>	<b>10,329,622</b>	<b>(6,845,068)</b>	<b>(540,391)</b>	<b>2,944,163</b>
<b>Total Fund Balances</b>	<b>84,036,073</b>	<b>(6,845,068)</b>	<b>33,666,635</b>	<b>110,857,640</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 101,226,485</b>	<b>\$ 700,000</b>	<b>\$ 39,017,236</b>	<b>\$ 140,943,721</b>



**CITY OF WEST HOLLYWOOD**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2013**

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Fund balances of governmental funds		\$ 110,857,640
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.		190,895,880
Long-term debt and compensated absences that have not been included in the governmental fund activity:		
Bonds payable	\$ (50,775,090)	
Unamortized bond premiums/discounts	(365,458)	
CJPIA General Liability and Workers' Compensation Retrospective Payable	(3,098,744)	
Compensated Absences	<u>(3,029,150)</u>	(57,268,442)
Governmental funds report all 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 a asset or liability.		(1,721,267)
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.		(1,047,845)
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.		2,966,554
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.		<u>849,569</u>
<b>Net Position of Governmental Activities</b>		<b><u><u>\$ 245,532,089</u></u></b>

## CITY OF WEST HOLLYWOOD

**STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2013**

	General	Capital Projects Debt Funded Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 50,154,193	\$ -	\$ 2,568,567	\$ 52,722,760
Licenses and permits	4,990,941	-	-	4,990,941
Intergovernmental	3,777,446	-	3,561,804	7,339,250
Charges for services	2,823,391	-	558,877	3,382,268
Use of money and property	4,854,736	-	4,720,181	9,574,917
Fines and forfeitures	9,397,136	-	1,179,849	10,576,985
Contributions	-	-	122,321	122,321
Developer participation	4,295	-	868,469	872,764
Miscellaneous	927,485	1,366	68,436	997,287
<b>Total Revenues</b>	<b>76,929,623</b>	<b>1,366</b>	<b>13,648,504</b>	<b>90,579,493</b>
<b>Expenditures:</b>				
Current:				
General government	19,474,695	-	912,439	20,387,134
Public safety	14,164,217	-	752,388	14,916,605
Public services	29,530,831	-	6,907,725	36,438,556
Capital outlay	1,677,464	897,152	3,491,578	6,066,194
Debt service:				
Principal retirement	-	-	1,645,000	1,645,000
Interest and fiscal charges	-	-	2,600,257	2,600,257
<b>Total Expenditures</b>	<b>64,847,207</b>	<b>897,152</b>	<b>16,309,387</b>	<b>82,053,746</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,082,416	(895,786)	(2,660,883)	8,525,747
<b>Other Financing Sources (Uses):</b>				
Transfers in	250,000	-	4,437,613	4,687,613
Transfers out	(4,082,390)	-	(1,276,329)	(5,358,719)
Proceeds from sale of capital asset	10,988	-	-	10,988
<b>Total Other Financing Sources (Uses)</b>	<b>(3,821,402)</b>	<b>-</b>	<b>3,161,284</b>	<b>(660,118)</b>
Net Change in Fund Balances	8,261,014	(895,786)	500,401	7,865,629
Fund Balances, Beginning of Year	75,775,059	(5,949,282)	33,166,234	102,992,011
<b>Fund Balances, End of Year</b>	<b>\$ 84,036,073</b>	<b>\$ (6,845,068)</b>	<b>\$ 33,666,635</b>	<b>\$ 110,857,640</b>

**CITY OF WEST HOLLYWOOD**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2013**

Net change in fund balances - total governmental funds \$ 7,865,629

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 costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	\$ 6,117,191	
Depreciation	<u>(4,561,275)</u>	1,555,916

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal repayments	1,645,000	
Amortization of bond premiums/discounts	(52,300)	
Loan repayments	<u>(213,172)</u>	1,379,528

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. 22,410

Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 18,157

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 an expense. (328,726)

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. (584,008)

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities. 286,998

Extraordinary gains and losses 576,058

**Change in Net Position of Governmental Activities \$ 10,791,962**

## CITY OF WEST HOLLYWOOD

**BUDGETARY COMPARISON STATEMENT BY DEPARTMENT  
 GENERAL FUND  
 YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 75,775,059	\$ 75,775,059	\$ 75,775,059	\$ -
<b>Resources (Inflows):</b>				
Taxes	42,666,432	45,666,432	50,154,193	4,487,761
Licenses and permits	3,727,185	3,862,978	4,990,941	1,127,963
Intergovernmental	3,572,925	3,572,925	3,777,446	204,521
Charges for services	2,499,602	2,770,837	2,823,391	52,554
Use of money and property	5,810,400	5,885,400	4,854,736	(1,030,664)
Fines and forfeitures	9,359,722	9,359,722	9,397,136	37,414
Developer participation	-	500,000	4,295	(495,705)
Miscellaneous	508,828	752,129	927,485	175,356
Transfers in	-	250,000	250,000	-
Proceeds from sale of capital asset	-	-	10,988	10,988
<b>Amounts Available for Appropriation</b>	<b>143,920,153</b>	<b>148,395,482</b>	<b>152,965,670</b>	<b>4,570,188</b>
<b>Charges to Appropriation (Outflow):</b>				
General government				
City Council	1,170,680	1,188,930	1,196,154	(7,224)
City Manager	855,808	760,808	689,073	71,735
Economic Development	1,146,666	1,280,459	1,053,619	226,840
Public Safety Administration	1,825,218	1,488,718	1,366,521	122,197
City Attorney	883,000	1,033,000	876,364	156,636
Administrative Services Administration	836,701	836,098	773,948	62,150
Legal Services	1,075,236	1,105,236	1,102,971	2,265
City Clerk	1,212,744	1,369,857	1,364,220	5,637
Human Resources	1,537,663	1,679,328	1,596,921	82,407
Finance Administration	2,355,710	2,483,415	2,485,791	(2,376)
Revenue Management	840,360	2,190,360	2,170,227	20,133
General Accounting	626,558	678,210	703,846	(25,636)
Budget & Compensation	522,532	429,687	409,267	20,420
Organizational Services	-	187,522	-	187,522
Information Technology	1,471,924	1,496,343	1,458,128	38,215
Public Info & Prosecution Services	1,598,345	1,716,820	1,711,890	4,930
Assistant City Manager	325,524	1,550,524	515,755	1,034,769
	<u>18,284,669</u>	<u>21,475,315</u>	<u>19,474,695</u>	<u>2,000,620</u>
Public safety				
City Police/Protective Services	15,927,424	15,931,924	14,164,217	1,767,707
	<u>15,927,424</u>	<u>15,931,924</u>	<u>14,164,217</u>	<u>1,767,707</u>
Public works				
Human Services Administration	398,896	409,348	377,020	32,328
Recreation Services	4,240,328	4,518,034	4,430,029	88,005
Social Services	5,211,517	5,467,990	5,405,759	62,231
Facilities & Field Services	1,000,000	1,016,004	982,373	33,631
Housing & Rent Stabilization Administration	1,652,219	1,997,466	1,836,558	160,908
Community Development Administration	547,957	447,957	409,828	38,129
Current & Historic Preservation Planning	2,018,059	2,235,429	2,182,933	52,496
Commercial Code Compliance	1,470,900	1,535,917	1,539,142	(3,225)
Building & Safety	1,382,135	1,504,078	1,482,105	21,973
Public Works Administration	550,116	595,116	591,487	3,629
Parking	4,066,801	3,881,801	3,803,070	78,731
Long Range & Mobility Planning	1,030,205	1,053,304	693,002	360,302
City Engineering	1,061,676	1,105,798	943,798	162,000
Facilities and Landscape Services	4,668,881	4,886,534	4,853,727	32,807
	<u>29,299,690</u>	<u>30,654,776</u>	<u>29,530,831</u>	<u>1,123,945</u>
Capital outlay	1,000,000	4,377,878	1,677,464	2,700,414
Transfers out	3,582,390	4,082,390	4,082,390	-
<b>Total Charges to Appropriations</b>	<b>68,094,173</b>	<b>76,522,283</b>	<b>68,929,597</b>	<b>7,592,686</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 75,825,980</b>	<b>\$ 71,873,199</b>	<b>\$ 84,036,073</b>	<b>\$ 12,162,874</b>

See Notes to Financial Statements

CITY OF WEST HOLLYWOOD

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2013

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Sewer District	Other Enterprise Funds	Totals	
<b>Assets:</b>				
Current:				
Cash and investments	\$ -	\$ 16,920	\$ 16,920	\$ 878,858
Receivables:				
Accounts	-	34,827	34,827	-
Accrued interest	-	711	711	-
Prepaid costs	-	-	-	13,827
Due from other governments	-	47,973	47,973	-
Due from other funds	-	743,866	743,866	-
<b>Total Current Assets</b>	<b>-</b>	<b>844,297</b>	<b>844,297</b>	<b>892,685</b>
Noncurrent:				
Capital assets - net of accumulated depreciation	8,606,230	2,403,586	11,009,816	-
<b>Total Noncurrent Assets</b>	<b>8,606,230</b>	<b>2,403,586</b>	<b>11,009,816</b>	<b>-</b>
<b>Total Assets</b>	<b>\$ 8,606,230</b>	<b>\$ 3,247,883</b>	<b>\$ 11,854,113</b>	<b>\$ 892,685</b>
<b>Liabilities and Net Position:</b>				
<b>Liabilities:</b>				
Current:				
Accounts payable	\$ -	\$ 107,932	\$ 107,932	\$ 33,656
Deposits payable	-	26,512	26,512	-
Due to other funds	33,559	710,307	743,866	-
<b>Total Current Liabilities</b>	<b>33,559</b>	<b>844,751</b>	<b>878,310</b>	<b>33,656</b>
<b>Total Liabilities</b>	<b>33,559</b>	<b>844,751</b>	<b>878,310</b>	<b>33,656</b>
<b>Net Position:</b>				
Net investment in capital assets	8,606,230	2,403,586	11,009,816	-
Unrestricted	(33,559)	(454)	(34,013)	859,029
<b>Total Net Position</b>	<b>8,572,671</b>	<b>2,403,132</b>	<b>10,975,803</b>	<b>859,029</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 8,606,230</b>	<b>\$ 3,247,883</b>	<b>\$ 11,854,113</b>	<b>\$ 892,685</b>

Reconciliation of Net Position to the Statement of Net Position

Net Position per Statement of Net Position - Proprietary Funds	\$ 10,975,803
Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds	15,844
Current years' adjustments to reflect the consolidation of internal service activities related to enterprise funds	(6,384)
<b>Net Position per Statement of Net Position</b>	<b>\$ 10,985,263</b>

## CITY OF WEST HOLLYWOOD

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2013

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Sewer District	Other Enterprise Funds	Totals	
<b>Operating Revenues:</b>				
Sales and service charges	\$ -	\$ 2,885,641	\$ 2,885,641	\$ 407,470
Penalties on Assessments	-	14,085	14,085	-
Other fees and charges	-	19,327	19,327	-
<b>Total Operating Revenues</b>	<b>-</b>	<b>2,919,053</b>	<b>2,919,053</b>	<b>407,470</b>
<b>Operating Expenses:</b>				
Administration and general	-	280,641	280,641	626,553
Treatment	-	2,068,485	2,068,485	-
Cost of sales and services	-	192,828	192,828	-
Depreciation expense	357,265	33,960	391,225	-
<b>Total Operating Expenses</b>	<b>357,265</b>	<b>2,575,914</b>	<b>2,933,179</b>	<b>626,553</b>
Operating Income (Loss)	(357,265)	343,139	(14,126)	(219,083)
<b>Nonoperating Revenues (Expenses):</b>				
Interest revenue	-	36	36	(303)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>-</b>	<b>36</b>	<b>36</b>	<b>(303)</b>
Income (Loss) Before Transfers	(357,265)	343,175	(14,090)	(219,386)
Transfers in	-	171,106	171,106	500,000
Changes in Net Position	(357,265)	514,281	157,016	280,614
<b>Net Position:</b>				
Beginning of Year	8,929,936	1,888,851	10,818,787	578,415
<b>End of Fiscal Year</b>	<b>\$ 8,572,671</b>	<b>\$ 2,403,132</b>	<b>\$ 10,975,803</b>	<b>\$ 859,029</b>
<b>Reconciliation of Changes in Net Position to the Statement of Activities:</b>				
Changes in Net Position, per the Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds			\$ 157,016	
Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds			(6,384)	
<b>Changes in Net Position of Business-Type Activities per Statement of Activities</b>			<b>\$ 150,632</b>	

CITY OF WEST HOLLYWOOD

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2013

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Sewer District	Other Enterprise Funds	Totals	
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers and users	\$ -	\$ 2,894,879	\$ 2,894,879	\$ 407,470
Cash paid to suppliers for goods and services	(6,594)	(2,327,254)	(2,333,848)	-
Cash paid to employees for services		(312,775)	(312,775)	(593,633)
Cash received from (payments to) others		118,256	118,256	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(6,594)</b>	<b>373,106</b>	<b>366,512</b>	<b>(186,163)</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>				
Cash transfers in	-	171,106	171,106	500,000
Repayment received from other funds		279,234	279,234	-
Repayment made to other funds	6,594	-	6,594	-
Advance from other funds		(743,866)	(743,866)	-
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>6,594</b>	<b>(293,526)</b>	<b>(286,932)</b>	<b>500,000</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition and construction of capital assets	-	(751,498)	(751,498)	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>-</b>	<b>(751,498)</b>	<b>(751,498)</b>	<b>-</b>
<b>Cash Flows from Investing Activities:</b>				
Interest received	-	52	52	(303)
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>-</b>	<b>52</b>	<b>52</b>	<b>(303)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>-</b>	<b>(671,866)</b>	<b>(671,866)</b>	<b>313,534</b>
Cash and Cash Equivalents at Beginning of Year	-	688,786	688,786	565,324
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ -</b>	<b>\$ 16,920</b>	<b>\$ 16,920</b>	<b>\$ 878,858</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ (357,265)	\$ 343,139	\$ (14,126)	\$ (219,083)
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>				
Depreciation	357,265	33,960	391,225	-
(Increase) decrease in accounts receivable	-	(16,166)	(16,166)	-
(Increase) decrease in due from other governments	-	84,844	84,844	-
(Increase) decrease in prepaid expense	-	186	186	26,450
Increase (decrease) in accounts payable	(6,594)	(66,127)	(72,721)	6,470
Increase (decrease) in accrued liabilities		(32,134)	(32,134)	
Increase (decrease) in deposits payable	-	25,404	25,404	-
<b>Total Adjustments</b>	<b>350,671</b>	<b>29,967</b>	<b>380,638</b>	<b>32,920</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (6,594)</b>	<b>\$ 373,106</b>	<b>\$ 366,512</b>	<b>\$ (186,163)</b>

## CITY OF WEST HOLLYWOOD

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2013

	Agency Funds	Private- Purpose Trust Fund Successor Agency Trust of the Former
<b>Assets:</b>		
Pooled cash and investments	\$ 123,880	\$ 8,067,321
Receivables:		
Accounts	213,673	-
Taxes	292,702	-
Accrued interest	48	-
Due from other funds	54,821	-
Restricted assets:		
Cash and investments with fiscal agents	-	30,421,778
Capital assets:		
Capital assets, not being depreciated	-	1,338,057
Capital assets, net of accumulated depreciation	-	496,505
<b>Total Assets</b>	<b>\$ 685,124</b>	<b>40,323,661</b>
<b>Liabilities:</b>		
Accounts payable	\$ 558,460	4,227
Accrued interest	-	1,143,103
Due to other funds	124,395	-
Due to external parties/other agencies	2,269	-
Long-term liabilities:		
Due in one year	-	570,000
Due in more than one year	-	45,907,200
<b>Total Liabilities</b>	<b>\$ 685,124</b>	<b>47,624,530</b>
<b>Net Position:</b>		
Held in trust for other purposes		(7,300,869)
<b>Total Net Position</b>		<b>\$ (7,300,869)</b>



CITY OF WEST HOLLYWOOD

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 YEAR ENDED JUNE 30, 2013

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	<u>Private- Purpose Trust Fund</u>
	<u>Successor Agency Trust of the Former</u>
<b>Additions:</b>	
Taxes	\$ 4,282,812
Interest and change in fair value of investments	(28,460)
<b>Total Additions</b>	<b><u>4,254,352</u></b>
<b>Deductions:</b>	
Administrative expenses	372,597
Contractual services	6,552
Interest expense	3,486,860
Depreciation expense	11,839
Reimbursement of prior taxes to County	1,012,557
<b>Total Deductions</b>	<b><u>4,890,405</u></b>
Transfers In	10,165,488
Transfers Out	(10,165,488)
Extraordinary gain/(loss)	<u>(3,058,083)</u>
<b>Changes in Net Position</b>	<b>(3,694,136)</b>
Net Position - Beginning of the Year	<u>(2,734,862)</u>
Restatements	(871,871)
Net Position - Beginning of the Year, restated	<u>(3,606,733)</u>
<b>Net Position - End of the Year</b>	<b><u>\$ (7,300,869)</u></b>

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# Notes to Financial Section



Who says you can't accomplish something in local government? Thank you @wehocity for opening the WeHo park courts this upcoming week!

*via twitter*



**CITY OF WEST HOLLYWOOD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**I. SIGNIFICANT ACCOUNTING POLICIES**

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

**a. Description of the Reporting Entity**

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

**Blended Component Units:**

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

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

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

On February 6, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency ("Agency") in accordance with the Bill as part of City Resolution number 12-4266. The Agency is governed by a five-member board that is the City Council of the City of West Hollywood. The Successor Agency is now defined as a private-purpose trust fund and is no longer considered a component unit of the City. Please refer to note 17 for more information on the Agency.

**Discretely Presented Component Unit:**

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

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

The component unit financial statements for the Marketing Corporation and the Library Fund have separately issued financial statements. The Marketing Corporation's and Library Fund's statements may be obtained at their offices.

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

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) 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.

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.

**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

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

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

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

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

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

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

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

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

**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

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

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

- The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Debt Funded Capital Projects Fund accounts for the receipt and disbursement of monies used for the construction of the mixed use parking facilities, City Hall acquisition, Homeless Shelter, Fire Station No. 7, new parking meters, and the West Hollywood Library, 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 Fund.

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

- The Sewer District Fund was transferred from the County of Los Angeles when the City took over the Sewer District. At this time, the only source of revenue is the interest earnings on the investments. Use of this fund is designated for the improvement of the underground sewer lines.

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

- The Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.
- The Debt Service Fund accounts for the principal and interest payments of all bonded debt.
- The Permanent Fund accounts for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs.
- The Private Purpose Trust Fund accounts for financial activities and obligations of the Successor Agency Trust for Assets of the Former Redevelopment Agency.
- 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 Debt Service 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



**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

- 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.

**d. Assets, Liabilities and Net position or Equity****1. 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.

**2. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to / from other funds" (i.e., the current portion of interfund loans) or "advances to / from other funds" (i.e., the non-current portion of interfund loans). 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."

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

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

Property tax revenue is recognized in the fiscal year for which the taxes have been levied providing they become available. Available means 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.

**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

3. Prepaid Items

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

4. Capital Assets

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

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	30-50
Public domain infrastructure	30-50
Construction-in-progress	N/A
Vehicles	5
Office equipment	5
Machinery and equipment	3-10
Equipment under lease purchase	3
Furniture and Fixtures	7

5. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position and governmental fund 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 a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government has no item that qualifies for reporting in this category.

**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

In addition to liabilities, the statement of financial position and governmental fund 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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: special tax assessments and cost reimbursement grants billed for reimbursement in which revenues have not yet been received. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available

**6. 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.

**7. 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.

**8. 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.

**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

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.

**9. 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.

**10. Fund Balance**

Fund balance is essentially the difference between the assets and liabilities 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.

**Non-spendable Fund Balance** - 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 Fund Balance** - The portion of fund balance that is subject to externally enforceable limitations by law, enabling legislation or limitations imposed by creditors or grantors.

**Committed Fund Balance** - 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.

**Assigned Fund Balance** - 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

**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

official to determine and define the amounts of those components of fund balance that are classified as "Assigned Fund Balance".

Unassigned Fund Balance - The portion of fund balance that is available for any purpose.

**11. 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.

**12. Adoption of new accounting standards**

*GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.* This Statement amends the net asset reporting requirements in GASB Statement No. 34 by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

*GASB Statement 65, Items Previously Reported as Assets and Liabilities.* GASB 65, among other things, amends prior guidance with respect to the treatment of debt issuance costs. Debt issuance costs should be recognized in the period incurred rather than reported on the statement of net position as deferred charges and recognized systematically over the life of the debt. The accounting changes of this statement should be applied retroactive and therefore the City has reported a restatement of beginning net position for any unamortized debt issuance costs (deferred charges) previously reported on the statement of net position to conform.

*GASB Statement No. 61, The Financial Reporting Entity: Omnibus – an amendment of GASB statement nos. 34 and 14.* This statement modifies certain requirements for inclusion of component units in the financial reporting entity. The City determined that the City and the component units blended with the City's financial statements comply with the new requirements noted in the amendments.

**II. STEWARDSHIP**

**Note 2: Stewardship, Compliance and Accountability**

**a. General Budget Policies**

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

**b. Encumbrances**

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

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

<b>Major Fund:</b>	<u><b>Amount</b></u>
Debt Funded Capital Projects	\$ 6,845,068
 <b>Special Revenue Funds:</b>	
Special Grant	\$ 46,945
Proposition C	190,743
Sunset Mitigation	295,174
 <b>Enterprise Fund:</b>	
Street Maintenance	\$ 26,418

The City expects to eliminate these deficits from future revenues.

### III. DETAILED NOTES ON ALL FUNDS

#### Note 3: Cash and Investments

As of June 30, 2013, cash and investments were reported in the accompanying financial statements as follows:

Governmental activities	\$ 118,977,866
Business-type activities	16,920
Component unit	327,301
Fiduciary funds	<u>38,612,979</u>
Total Cash and Investments	<u>\$ 157,935,066</u>

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

#### Deposits

At June 30, 2013, the carrying amount of the City's deposits was \$18,032,131 and the bank balance was \$20,013,820. The \$1,981,689 difference represents outstanding checks and other reconciling items.

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 City Treasurer may waive the collateral requirement for deposits, which are fully insured up to \$250,000 by the FDIC. 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.

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

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

1. Demand deposits in any FDIC insured institution.
2. Los Angeles County Treasury Pool ("LACT") administered by the Treasurer and Tax Collector of Los Angeles County.

**Note 3: Cash and Investments (Continued)**

3. The Local Agency Investment Fund ("LAIF") administered by the Treasurer of the State of California.
4. Investment in Joint Powers Authorities: The City may invest in investment joint powers authorities provided that the City is a member, that the pool provides comprehensive, timely, monthly reports which include transaction listings, reports gains and losses, provides market values for securities, provides a quality rating for investment securities, takes delivery of securities prior to payment, third-party safekeeping of all investments, for whom an audit is conducted annually by an independent authority other than the local agency's internal auditors, the weighted average maturity of not greater than two years, and that leveraging be not more than twenty-five percent of the portfolio.
5. Certificates of Deposit with a maturity of two years or less and fully insured by the Federal Deposit Insurance Corporation up to the limit established under the Investment Guidelines.
6. Securities issued by the United States Government which mature in two years or less up to the limit established under the Investment Guidelines.
7. Money Market Savings Accounts, provided that no deposit made pursuant to this paragraph in any one institution shall exceed the amount insured by the Federal Deposit Insurance Corporation.

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

**Investments Authorized by Debt Agreements**

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

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



**Note 3: Cash and Investments (Continued)**

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.

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.

**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.

**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 balance sheet. 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.

**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, 2013, the City's investments in external investment pools and money market mutual funds are unrated.

**Note 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 that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2013, none of the City's deposits or investments was exposed to custodial credit risk.

**Concentration of Credit Risk**

The City's investment policy contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. With respect to concentration risk, as of June 30, 2013, the City has not invested more than 5% of its total investments in any one issuer. Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement.

**Interest Rate Risk**

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

**Note 3: Cash and Investments (Continued)**

As of June 30, 2013, the City had the following investments and original maturities:

<u>Investment Type:</u>	Remaining Investment Maturities			Fair Value
	6 Months or Less	1 to 3 years	More than 5 years	
California Local Agency Investment Fund	\$ 49,926,305	\$ -	\$ -	\$ 49,926,305
Los Angeles County Investment Pool	54,375,959	-	-	54,375,959
Cash with fiscal agents				
Money Market Mutual Funds	9,181,257	-	-	9,181,257
Certificate of Deposit	-	-	-	-
Investment agreements	-	26,419,414	-	26,419,414
Total	<u>\$ 113,483,521</u>	<u>\$ 26,419,414</u>	<u>\$ -</u>	<u>\$ 139,902,935</u>

**Note 4: Loans Receivable****Housing Loans**

The City has established the Citywide Affordable Housing Trust Fund, accounted for as a special revenue fund to assist non-profit housing and community development corporations in preserving and expanding the supply of low and moderate income housing in the City of West Hollywood. Loans in the amount of \$24,896,603 were outstanding at June 30, 2013, 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.

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

	Beginning Balance	Transfer from Successor Agency	Increases	Decreases	Transfers	Balance
<b>Governmental Activities:</b>						
Capital assets, not being depreciated:						
Land	\$ 50,085,774	\$ -				\$ 50,085,774
Construction-in-progress*	4,257,920	576,058	2,606,451		(268,498)	7,171,931
Total Capital Assets, Not Being Depreciated	54,343,694	576,058	2,606,451	-	(268,498)	57,257,705
Capital assets, being depreciated:						
Buildings	76,729,683	-	776,539			77,506,222
Improvements other than buildings	10,382,887	-	190,643			10,573,530
Machinery and equipment	7,765,763	-	50,316	(61,576)		7,754,503
Furniture and fixtures	1,759,613	-	39,526			1,799,139
Office equipment	1,567,423	-	-			1,567,423
Infrastructure	90,688,251	-	2,453,716		268,498	93,410,465
Subtotal - Depreciable Assets	188,893,620	-	3,510,740	(61,576)	268,498	192,611,282
Total Capital Assets	243,237,314	576,058	6,117,191	(61,576)	-	249,868,987
Less accumulated depreciation:						
Buildings	7,815,386	-	1,552,630			9,368,016
Improvements other than buildings	1,296,456	-	210,040			1,506,496
Machinery and equipment	4,696,657	-	532,810	(61,576)		5,167,891
Furniture and fixtures	294,862	-	244,460			539,322
Office equipment	1,261,244	-	109,317			1,370,561
Infrastructure	39,108,803	-	1,912,018			41,020,821
Total Accumulated Depreciation	54,473,408	-	4,561,275	(61,576)	-	58,973,107
Total Capital Assets, Being Depreciated, Net	134,420,212	-	(1,050,535)	-	268,498	133,638,175
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 188,763,906</b>	<b>\$ 576,058</b>	<b>\$ 1,555,916</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 190,895,880</b>

\* Certain construction in progress projects were assumed by the City fund; therefore, these assets were transferred over to the City and an Extraordinary Loss was recognized.

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

Governmental Activities:	
General Government	\$ 211,342
Public safety	73,133
Public services	4,276,800
Total Depreciation Expense	<u>\$ 4,561,275</u>

**Note 6: Proprietary Fund Capital Assets**

	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
<b>Business-type Activities:</b>				
<u>Solid Waste Fund</u>				
Capital Assets, being depreciated:				
Machinery and Equipment	\$ 32,183	\$ -	\$ -	\$ 32,183
Office Equipment	34,734	-	-	34,734
	<u>66,917</u>	<u>-</u>	<u>-</u>	<u>66,917</u>
Sub-total	66,917	-	-	66,917
Less accumulated depreciation:				
Machinery and Equipment	32,183	-	-	32,183
Office Equipment	34,734	-	-	34,734
	<u>66,917</u>	<u>-</u>	<u>-</u>	<u>66,917</u>
Sub-total	66,917	-	-	66,917
Total Solid Waste	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Sewer District Fund</u>				
Capital Assets, not being depreciated:				
Construction in progress	37,400	-	-	37,400
Capital Assets, being depreciated:				
Improvements	17,795,608	-	-	17,795,608
	<u>17,833,008</u>	<u>-</u>	<u>-</u>	<u>17,833,008</u>
Sub-total	17,833,008	-	-	17,833,008
Less accumulated depreciation:				
Improvements	8,869,514	357,264	-	9,226,778
	<u>8,869,514</u>	<u>357,264</u>	<u>-</u>	<u>9,226,778</u>
Sub-total	8,869,514	357,264	-	9,226,778
Total Sewer District	<u>8,963,494</u>	<u>(357,264)</u>	<u>-</u>	<u>8,606,230</u>
<u>Sewer Charge Fund</u>				
Capital Assets, not being depreciated:				
Construction in progress	36,017	-	-	36,017
Capital Assets, being depreciated:				
Improvements	1,697,989	751,499	-	2,449,488
	<u>1,734,006</u>	<u>751,499</u>	<u>-</u>	<u>2,485,505</u>
Sub-total	1,734,006	751,499	-	2,485,505
Less accumulated depreciation:				
Improvements	47,957	33,962	-	81,919
	<u>47,957</u>	<u>33,962</u>	<u>-</u>	<u>81,919</u>
Sub-total	47,957	33,962	-	81,919
Total Sewer Charge	<u>1,686,049</u>	<u>717,537</u>	<u>-</u>	<u>2,403,586</u>
Business-type Activities Capital Assets, Net	<u>\$ 10,649,543</u>	<u>\$ 360,273</u>	<u>\$ -</u>	<u>\$ 11,009,816</u>

**Note 6: Proprietary Fund Capital Assets (Continued)**

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

Business-Type Activities:	
Sewer District	\$ 357,264
Sewer Charges	<u>33,962</u>
Total Business-Type Activities	<u><u>\$ 391,226</u></u>

A summary of the component unit property, plant and equipment is presented below:

	Beginning Balance	Additions	Deletions	Balance at June 30, 2013
Component Unit				
West Hollywood Marketing				
Capital assets, being depreciated:				
Furniture and Equipment	\$ 93,452	\$ 6,789	\$ 4,223	\$ 96,018
Furniture and Equipment under capital lease	<u>36,398</u>	-	-	<u>36,398</u>
Subtotal	<u>129,850</u>	<u>6,789</u>	<u>4,223</u>	<u>132,416</u>
Less accumulated depreciation:				
Furniture and Equipment	76,092	8,276	4,223	80,145
Furniture and Equipment under capital lease	<u>14,560</u>	<u>7,292</u>	-	<u>21,852</u>
Subtotal	<u>90,652</u>	<u>15,568</u>	<u>4,223</u>	<u>101,997</u>
Total Component Unit	<u><u>\$ 39,198</u></u>	<u><u>\$ (8,779)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 30,419</u></u>

**Note 7: Retirement Plan**

**Plan Description**

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

**Funding Policy**

Participants are required to contribute 8% of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate; the rate was 17.518% of annual covered payroll. The contribution requirements of plan members and the City are established by and may be amended by PERS.

**Note 7: Retirement Plan (Continued)****Required Contribution**

For fiscal year 2012-2013, the City's contribution of \$3,658,748 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2010, actuarial valuation, using the entry age normal actuarial cost method.

The summary of principal assumptions and methods used to determine the annual required contribution is shown below:

Valuation Date	June 30, 2010
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level Percentage of Payroll
Average Remaining Period	24 Year as of the Valuation Date
Asset Valuation Method	15 Year Smoothed Market
Actuarial Assumption:	
Investment Rate of Return	7.50% (net of administrative expenses)
Projected Salary Increases	3.30% to 14.20% depending on Age, Services and type of employment
Inflation	2.75%
Payroll Growth	3.00%
Individual salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of .25%

Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CalPERS. Subsequent plan amendments are amortized as a level percentage of pay over a closed 20-year period. Gains and losses that occur in the operation of the plan are amortized over a 30-year rolling period, which results in an amortization of about 6% of unamortized gains and losses each year. If the plan's accrued liability exceeds the actuarial value of plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30-year amortization period. The latest information available is presented below. The schedule of funding progress shown below presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**THREE-YEAR INFORMATION FOR MISCELLANEOUS PLAN**

<u>Fiscal Year</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
6/30/2011	\$ 2,843,292	100%	\$ -
6/30/2012	3,365,864	100%	-
6/30/2013	3,658,748	100%	-

**Note 7: Retirement Plan (Continued)**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
6/30/10	\$ 59,237,041	\$ 83,114,721	\$ 23,877,680	71.3%	\$ 19,504,275	122.4%
6/30/11	66,501,828	92,016,524	25,514,696	72.3%	19,003,062	134.3%
6/30/12	73,761,696	99,487,991	25,726,295	74.1%	19,043,287	135.1%

**Note 8: Other Post-Retirement Benefits**

**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.

**Funding Policy**

The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2012-2013, the City contributed \$56,000 to the plan in the form of current premiums. 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.



**Note 8: Other Post-Retirement Benefits (Continued)****Annual OPEB Cost and Net OPEB Obligation**

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:

	Fiscal Year Ended June 30, 2013
Annual required contribution	\$ 402,875
Interest on OPEB obligation (a)	59,183
Adjustment to annual required contribution	<u>(67,429)</u>
Annual OPEB cost	394,629
Less: contributions made	<u>(65,903)</u>
Increase in net OPEB obligation	328,726
Net OPEB obligation - beginning of year	<u>1,392,541</u>
Net OPEB obligation - end of year	<u><u>\$ 1,721,267</u></u>

(a) Rate is estimated at 4.25%.

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012-13 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB cost	OPEB Cost Contributed	of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2011	\$ 327,000	\$ 40,000	12.23%	\$ 1,099,541
6/30/2012	349,000	56,000	16.05%	1,392,541
6/30/2013	394,629	65,903	16.70%	1,721,267

**Funded Status and Funding Progress**

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 below presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the

**Note 8: Other Post-Retirement Benefits (Continued)**

actuarial accrued liabilities for benefits. The actuarial valuation is prepared biennially. The table below presents the latest information available. (000's omitted)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll
6/30/2009	\$ -	\$ 3,106	\$ 3,106	0.0%	\$ 17,155	18.1%
6/30/2011	-	2,983	2,983	0.0%	17,339	17.2%
6/30/2013	-	3,862	3,862	0.0%	19,182	20.1%

**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.

In the June 30, 2013, actuarial valuation, the Entry Age Normal actuarial cost method was used. The actuarial assumptions included a 4.25% 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 3.0%, 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, 2013, was twenty-four years. The number of active plan participants is 208.

**Note 9: Long-Term Debt**

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

	Outstanding July 1, 2012	Additions	Deletions	Outstanding June 30, 2013	Due Within One Year
Lease Revenue Bonds					
2009 Series A	\$ 17,640,000	\$ -	\$ 1,645,000	\$ 15,995,000	\$ 1,730,000
2009 Series B	34,780,000	-	-	34,780,000	-
CJPIA General Liability Retrospective					
Deposit Payable	2,502,354	1,893,753	1,636,144	2,759,963	2,759,963
CJPIA Workers' Comp. Retrospective					
Deposit Payable	278,618	461,541	401,378	338,781	-
OPEB obligation	1,392,541	394,629	65,903	1,721,267	
Accrued employee benefits	3,047,307	3,355,391	3,373,548	3,029,150	2,120,405
Totals	<u>\$ 59,640,820</u>	<u>\$ 6,105,314</u>	<u>\$ 7,121,973</u>	58,624,161	<u>\$ 6,610,368</u>
				448,867	
				(83,319)	
				<u>\$ 58,989,709</u>	

**b. Lease Revenue Bonds****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 semiannually. 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, 2013, the total principal outstanding was \$15,995,000.

**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

**Note 9: Long-Term Debt (Continued)**

semiannually beginning February 2010. At June 30, 2013, the total principal outstanding was \$34,780,000. The City receives an annual rebate of \$963,510 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.

The following is a schedule, by years, of future debt service payments for both bonds as of June 30, 2013:

	2009 Lease Revenue Bonds, Series A		2009 Lease Revenue Bonds, Series B		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2013-2014	\$ 1,730,000	\$ 725,450	\$ -	\$ 1,789,377	\$ 1,730,000	\$ 2,514,827
2014-2015	1,815,000	656,250	-	1,789,377	1,815,000	2,445,627
2015-2016	1,900,000	583,650	-	1,789,377	1,900,000	2,373,027
2016-2017	1,985,000	507,650	-	1,789,377	1,985,000	2,297,027
2017-2018	2,070,000	428,250	-	1,789,377	2,070,000	2,217,627
2018-2023	6,495,000	640,250	5,715,000	8,787,338	12,210,000	9,427,588
2023-2028	-	-	9,525,000	6,441,756	9,525,000	6,441,756
2028-2033	-	-	7,515,000	4,473,349	7,515,000	4,473,349
2033-2038	-	-	9,750,000	2,233,481	9,750,000	2,233,481
2038-2043	-	-	2,275,000	121,997	2,275,000	121,997
Totals	<u>\$ 15,995,000</u>	<u>\$ 3,541,500</u>	<u>\$ 34,780,000</u>	<u>\$ 31,004,806</u>	<u>\$ 50,775,000</u>	<u>\$ 34,546,306</u>

**c. CJPIA General Liability and Workers' Compensation Retrospective Deposit Payable**

Retrospective deposits and refunds are cost allocation adjustments to prior coverage periods. Some claims take many years to resolve and over time, their estimated value changes. The retrospective adjustments are calculated annually and take into consideration all the changes in claim values that occurred during the most recent year. The formula is designed to adequately cover the cost of claims brought against members and to ensure the overall financial strength and security of the Authority. The formula was developed to be as equitable as possible by taking into consideration both risk exposure and claims experience of individual members. CJPIA has temporarily deferred the payment on retrospective deposits owed to the Authority by members. The payment deferral period extends until July 1, 2013 for the Liability program and July 1, 2015 for the Workers' Compensation program.

Retrospective deposit payments are scheduled to resume on these dates. The October 2011 annual retrospective adjustment is included in these balances. The City at June 30, 2013 had a retrospective deposit due of \$3,098,744. This amount is comprised of \$2,759,963 for General Liability and \$338,781 for workers' compensation; in which the City paid in full on July 1, 2013.

**Optional Payment Plans**

When retrospective deposit payments resume as indicated above, members will have the opportunity to select from a variety of optional payment plans. Discounts under the incentive plan are available to members choosing to voluntarily accelerate payment during the deferral period. The City has chosen not to voluntarily accelerate payment at this time.

**Note 9: Long-Term Debt (Continued)**

After the deferral period, members choosing from among the optional payment plans will be subject to a moderate annual fee. The fee is intended to provide a means for the Authority to recover otherwise foregone investment earnings and to serve as a minor disincentive for the selection of longer financing terms.

**Retrospective Balances will Change Annually**

Retrospective balances will change with each annual computation during the payment deferral period. Member balances may increase or decrease because of the most recent year's claim development. Accordingly, some members who chose to pay off their balance in full may be required to pay additional retrospective deposits in the future based on the outcome of actual claim development reflected in subsequent retrospective deposit computations. Conversely, if claim development is favorable then subsequent retrospective adjustments could potentially result in refunds to the member.

More information on the CJPIA retrospective balances can be found on the CJPIA website at CJPIA.org. Note 12 of these financial statements provide a detailed description of the City's participation in the CJPIA.

**d. OPEB obligation**

The City's policies relating to Other Post-Employment Benefits (OPEB) are described in Note 8 of these financial statements. OPEB obligations are considered long-term and therefore classified with long-term debt. The outstanding balance at June 30, 2013 was \$1,721,267. The City's General Fund is used to make annual contributions.

**e. 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, 2013, was \$3,029,150.

**f. Lease Payable - Component Unit**

In August 2010, the West Hollywood Marketing Corporation entered into a capital lease to replace a photocopier, and its related upgrades, with a new photocopier. The original lease amount was \$36,398. Interest paid on the lease during the fiscal year 2012-2013 was \$1,316.

Original balance	\$ 36,398
Principal paid in fiscal year:	
2010-2011	(5,041)
2011-2012	(6,392)
2012-2013	(6,786)
	<hr/>
Balance at June 30, 2013	<u>\$ 18,179</u>

**Note 9: Long-Term Debt (Continued)**

The future lease payments are as follows:

2013-2014	\$ 8,099
2014-2015	8,099
2015-2016	<u>3,375</u>
	19,573
Less interest	<u>(1,394)</u>
Total	<u>\$ 18,179</u>

**Note 10: Unearned Revenue**

In fiscal year 2012-2013, the City received rent stabilization fees relating to fiscal year 2013-2014. These are recorded as unearned revenue in the General Fund in the amount of \$1,562,007, along with various other unearned revenues of \$2,764,672; the total unearned revenue recorded by the City for the year ended was \$4,326,679. 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.

**Note 11: Interfund Receivables, Payables and Transfers**

The composition of interfund balances as of June 30, 2013, was as follows:

**Due To/From Other Funds**

Funds	Due to Other Funds		Total
	Debt Funded Capital Projects	Nonmajor Governmental Funds	
Due From Other Funds:			
General Fund	<u>\$ 6,803,288</u>	<u>\$ 2,157,112</u>	<u>\$ 8,960,400</u>

The due to General Fund of \$8,960,400 was a result of temporary deficit cash balances in the Debt Funded Capital Projects, and Nonmajor Governmental Funds.

**Note 11: Interfund Receivables, Payables and Transfers (Continued)**

**Interfund Transfers**

	Transfers Out			Total
	General Fund	Parking Improvement	Capital Projects Debt Service	
Transfers In:				
General Fund	\$ -	\$ -	\$ 250,000	\$ 250,000
Sunset Mitigation	575,441	-	-	575,441
Capital Projects Debt Service	2,835,843	1,026,329	-	3,862,172
Internal Service	500,000	-	-	500,000
Nonmajor Enterprise Funds	171,106	-	-	171,106
<b>Total</b>	<b>\$ 4,082,390</b>	<b>\$ 1,026,329</b>	<b>\$ 250,000</b>	<b>\$ 5,358,719</b>

The General Fund and the Parking Improvement Fund transferred \$2,835,843 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 Fund and \$171,106 to the Street Maintenance Fund to subsidize both operations. Lastly, the General Fund transferred \$500,000 to the Computer Master Plan Internal Service Fund for future technology enhancements.

**IV. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES**

**Note 12: Liability, Workers' Compensation, and Purchased Insurance**

**a. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement**

The City of West Hollywood is a member of the CALIFORNIA JOINT POWERS INSURANCE AUTHORITY (Authority). The Authority is composed of 123 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

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

Each member pays an annual contribution (formerly called the primary deposit) to cover estimated losses for the coverage period. This initial funding is paid at the beginning of the coverage period. After the close of the coverage period, outstanding claims are valued. A retrospective deposit computation is then conducted annually thereafter until all claims incurred during the coverage period are closed on a pool-wide basis. This subsequent cost re-allocation among members based on actual claim development can result in adjustments of either refunds or additional deposits required.

The total funding requirement for self-insurance programs is estimated using actuarial models and pre-funded through the annual contribution. Costs are allocated to individual agencies based on exposure (payroll) and experience (claims) relative to other members

**Note 12: Liability, Workers' Compensation, and Purchased Insurance (Continued)**

of the risk-sharing pool. Additional information regarding the cost allocation methodology is provided below.

General Liability - In the liability program, claims are pooled separately between police and non-police exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$750,000 up to the reinsurance attachment point of \$5 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$5 million to \$10 million are paid under a reinsurance contract subject to a \$2.5 million annual aggregate deductible. Costs of covered claims from \$10 million to \$15 million are paid under two reinsurance contracts subject to a combined \$3 million annual aggregate deductible. On a cumulative basis for all 2012-13 reinsurance contracts the annual aggregate deductible is \$5.5 million. (6) Costs of covered claims from \$15 million up to \$50 million are covered through excess insurance policies.

The overall coverage limit for each member including all layers of coverage is \$50 million per occurrence.

Costs of covered claims for subsidence losses are paid by reinsurance and excess insurance with a pooled sub-limit of \$35 million per occurrence. This \$35 million subsidence sub-limit is composed of (a) \$5 million retained within the pool's SIR, (b) \$10 million in reinsurance and (c) \$20 million in excess insurance. The excess insurance layer has a \$20 million annual aggregate.

Workers' Compensation - In the workers' compensation program claims are pooled separately between public safety (police and fire) and non-public safety exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$50,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$100,000 up to the reinsurance attachment point of \$2 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$2 million up to statutory limits are paid under a reinsurance policy. Protection is provided per statutory liability under California Workers' Compensation Law.

Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.



**Note 12: Liability, Workers' Compensation, and Purchased Insurance (Continued)****c. Purchased Insurance**

Pollution Legal Liability Insurance - The City of West Hollywood participates in the pollution legal liability insurance program (formerly called environmental insurance) which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of West Hollywood. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has a limit of \$50 million for the 3-year period from July 1, 2011 through July 1, 2014. Each member of the Authority has a \$10 million sub-limit during the 3-year term of the policy.

Property Insurance - The City of West Hollywood participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of West Hollywood property is currently insured according to a schedule of covered property submitted by the City of West Hollywood to the Authority. City of West Hollywood property currently has all-risk property insurance protection in the amount of \$58,461,607. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance that has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Earthquake and Flood Insurance - The City of West Hollywood purchases earthquake and flood insurance on a portion of its properties. The earthquake insurance is part of the property protection insurance program of the Authority. City of West Hollywood property currently has earthquake protection in the amount of \$95,245,814. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Crime Insurance - The City of West Hollywood purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority. Premiums are paid annually and are not subject to retrospective adjustments.

**d. Adequacy of Protection**

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2012-13.

**Note 13: 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.

**Note 14: Commitments**

**a. 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 \$15,836,836 was paid for these services in fiscal year 2012-2013.

**b. Construction Commitments**

The following material construction commitments existed at June 30, 2013:

Contractor	Contract Amount	Expenditures to date as of June 30, 2013	Remaining Commitments
Sully-Miller Contracting	\$ 392,134	\$ 315,916	\$ 76,218
Superior Property Services Inc.	785,964	396,555	389,410
Sequel Contractors	661,228	501,738	159,490
Omega Construction Co. Inc.	800,000	765,524	34,476
Unitronics Inc	2,640,000	360,000	2,280,000
LACMTA	862,500	-	862,500
Hardy & Harper Inc	207,000	183,364	23,636
BPR Inc	158,625	-	158,625

**c. Encumbrances**

At June 30, 2013, there were encumbrances of \$2,597,891 in major funds and \$4,159,379 in the nonmajor funds.

**Note 15: Fund Balances and Net Position Restatements**

Due to the implementation of GASB 65 during the fiscal year, the City restated beginning net position for governmental activities by \$676,302 to write-off bond issuance costs capitalized in prior periods.

**Note 16: Subsequent Events**

**2013 Lease Revenue Bonds Issuance**

On August 28, 2013, the West Hollywood Public Financing Authority closed on the issuance of lease revenue bonds in the amount of \$19,155,000 to fund the acquisition and construction of an Automated Parking Facility and Community Plaza at City Hall, and improvements to the Werle Building. The settlement date of the issuance was September 12, 2013; with an average yield of 5.01% and scheduled debt service to equal \$37,022,754 through maturity. Serial and Term bonds account for \$9,525,000 and \$9,630,000 of the \$19,155,000 respectively; with final maturity dates of April 1, 2033 and April 1, 2043 respectively.

**Sale of Property**

On August 14, 2013, the City sold the 6439 Santa Monica Boulevard Building to an outside party for total consideration of \$3,225,000.

**Note 17: Successor Agency Trust For Assets of Former Redevelopment Agency**

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of West Hollywood that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. 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.

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).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the former redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between former redevelopment agencies 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 by the Bill.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

**Additional Information on the Successor Agency Trust for Assets of the Former RDA**

**a. Cash and investments**

Cash and investments reported in the accompanying financial statements consisted of the following:

Cash and investments pooled with the City	\$ 8,067,321
Cash and investments with fiscal agent	<u>30,421,778</u>
	<u>\$ 38,489,099</u>

**Note 17: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)**

**b. Capital Assets**

**Governmental Activities:**

Capital assets, not being depreciated:

Land	\$ 1,338,057	\$ -	\$ -	\$ -	\$ 1,338,057
Construction-in-progress*	<u>576,058</u>	<u>(576,058)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Assets, Not Being Depreciated	<u>1,914,115</u>	<u>(576,058)</u>	<u>-</u>	<u>-</u>	<u>1,338,057</u>

Capital assets, being depreciated:

Land Improvements	<u>575,077</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>575,077</u>
Subtotal - Depreciable Assets	<u>575,077</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>575,077</u>
Total Capital Assets	<u>2,489,192</u>	<u>(576,058)</u>	<u>-</u>	<u>-</u>	<u>1,913,134</u>

Less accumulated depreciation:

Land Improvements	<u>66,733</u>	<u>-</u>	<u>11,839</u>	<u>-</u>	<u>78,572</u>
Total Accumulated Depreciation	<u>66,733</u>	<u>-</u>	<u>11,839</u>	<u>-</u>	<u>78,572</u>
Total Capital Assets, Being Depreciated, Net	<u>508,344</u>	<u>-</u>	<u>(11,839)</u>	<u>-</u>	<u>496,505</u>
Governmental Activities Capital Assets, Net	<u>\$ 2,422,459</u>	<u>\$ (576,058)</u>	<u>\$ (11,839)</u>	<u>\$ -</u>	<u>\$ 1,834,562</u>

\* Certain construction in progress projects were assumed by the City fund; therefore, these assets were transferred over to the City and an Extraordinary Loss was recognized.

**c. Long-Term Debt**

	<u>Balance at July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2013</u>	<u>Due Within One Year</u>
<b>Fiduciary Activities</b>					
Successor Agency of the Former RDA					
Tax Allocation Bonds:					
2003	\$ 9,770,000	\$ -	\$ 245,000	\$ 9,525,000	\$ 260,000
2011 Series A	29,120,000	-	290,000	28,830,000	265,000
2011 Series B	<u>8,895,000</u>	<u>-</u>	<u>60,000</u>	<u>8,835,000</u>	<u>45,000</u>
Totals	<u>\$ 47,785,000</u>	<u>\$ -</u>	<u>\$ 595,000</u>	<u>47,190,000</u>	<u>\$ 570,000</u>
				<u>(712,800)</u>	
				<u>\$ 46,477,200</u>	

Less: unamortized original issue discount

**Note 17: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)**

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 \$118,224,898 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 \$4,282,812 and the debt service obligation on the bonds was \$3,987,814.

A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2013, follows:

**2003 Tax Allocation Bonds**

In September 2003, the West Hollywood Community Development Commission (Redevelopment Agency) issued \$11,500,000 Eastside Redevelopment Project 2003 Tax Allocation Bonds for the purpose of financing redevelopment activities. The bonds consist of \$5,650,000 serial bonds with annual maturity dates from September 1, 2004 through September 1, 2023, with interest rates ranging from 3.000% to 5.700%, and term bonds of \$2,520,000 with an interest rate of 5.625% maturing September 1, 2028, and term bonds of \$3,330,000 with an interest rate of 5.750% maturing September 1, 2033. Interest is payable semiannually beginning March 1, 2004. At June 30, 2013, the total principal outstanding was \$9,525,000.

The Successor Agency is currently in the process of refunding the former Community Development Commission's 2003 Redevelopment Tax Allocation Bonds. The Successor Agency is participating in the County of Los Angeles Redevelopment Refunding Authority's Pooled Bond Refunding Program. The former Community Development Commission's 2003 Tax Allocation Bonds will be pooled with redevelopment bonds from seven other former redevelopment agencies for the refunding. The Successor Agency elected to participate in the County Program in order to generate debt service savings on the 2003 bonds, due to historically low interest rates, and to reduce the cost of issuance. The Preliminary Official Statement for the Pooled 2013 Refunding Bonds was posted on December 9, 2013. It is anticipated the transaction will close before the end of the calendar year (2013). Once refunded, the Successor Agency will continue to be responsible for administration and payment of debt service on the 2003 Bonds, using Redevelopment Property Tax Trust Fund (RPTTF) monies provided by the County Auditor-Controller.

**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 semiannually beginning September 1, 2011. At June 30, 2013, the total principal outstanding was \$28,830,000.

**Note 17: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)**

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 semiannually beginning September 1, 2011. At June 30, 2013, the total principal outstanding was \$8,835,000.

The following is a schedule, by years, of future debt service payments for all bonds as of June 30, 2013:

	2003 Tax Allocation Bonds		2011 Tax Allocation Bonds, Series A	
	Principal	Interest	Principal	Interest
2013-2014	\$ 260,000	\$ 521,120	\$ 265,000	\$ 2,072,194
2014-2015	270,000	508,533	275,000	2,062,388
2015-2016	285,000	495,138	285,000	2,049,762
2016-2017	295,000	480,633	305,000	2,035,013
2017-2018	310,000	465,050	320,000	2,018,988
2018-2023	1,830,000	2,049,700	1,865,000	9,790,531
2023-2028	2,385,000	1,465,331	2,585,000	9,047,138
2028-2033	3,150,000	685,338	3,645,000	7,939,263
2033-2038	740,000	21,275	7,635,000	5,961,938
2038-2043	-	-	11,650,000	2,310,750
Totals	<u>\$ 9,525,000</u>	<u>\$ 6,692,118</u>	<u>\$ 28,830,000</u>	<u>\$ 45,287,965</u>

	2011 Tax Allocation Bonds, Series B		Total	
	Principal	Interest	Principal	Interest
2013-2014	\$ 45,000	\$ 824,500	\$ 570,000	\$ 3,417,814
2014-2015	50,000	822,113	595,000	3,393,034
2015-2016	50,000	819,175	620,000	3,364,075
2016-2017	55,000	815,756	655,000	3,331,402
2017-2018	60,000	811,725	690,000	3,295,763
2018-2023	365,000	3,979,025	4,060,000	15,819,256
2023-2028	575,000	3,770,363	5,545,000	14,282,832
2028-2033	890,000	3,429,975	7,685,000	12,054,576
2033-2038	2,490,000	2,698,950	10,865,000	8,682,163
2038-2043	4,255,000	1,083,238	15,905,000	3,393,988
Totals	<u>\$ 8,835,000</u>	<u>\$ 19,054,820</u>	<u>\$ 47,190,000</u>	<u>\$ 71,034,903</u>

**Note 17: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)**

**d. Extraordinary gain or loss**

During the fiscal year ended June 30, 2013, the Successor Agency transferred assets, such as construction in progress and low/mod developer loans that were assets of the City and not the Successor Agency. The transfer of these assets relate to the dissolution of the City's former redevelopment agency, as described above, in the previous fiscal year ended June 30, 2012.

The low/mod developer receivables transferred from the Successor Agency to the City's housing special revenue fund was \$2,482,025. However, the City anticipates that 100% of this balance is deemed uncollectible and therefore established an allowance for doubtful accounts for the full amount. Therefore, the net effect on the City's fund statements was \$0; however, the net effect on the Fiduciary Statement of Net Position was an extraordinary loss of \$2,482,025.

The transfer of construction in progress items had no effect on the City's governmental funds balance sheet or statement of revenues, expenditures and change in fund balances. Due to these statements following the current financial resources measurement focus; however, it resulted in an extraordinary gain of \$576,058 reported on the City's Statement of Activities and an extraordinary loss of \$576,058 on the Fiduciary Statement of Activities, due to these statements following the economic resources measurement focus.

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# Supplementary Information



It's so nice working in West Hollywood and being able to walk anywhere for food/drinks/shopping.

*via twitter*



# COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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## 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:

### 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.

### AVENUES OF ART AND DESIGN FUND:

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

### CITY LIGHTING FUND:

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

### 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.

### 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.

### 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.

**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.

**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.

**PARKING IMPROVEMENT FUND:**

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

**PERMIT PARKING FUND:**

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

**PROPOSITION "A" FUND:**

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

**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.

**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.

**PUBLIC ACCESS CORPORATION FUND:**

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

## 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.

## 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.

## TRAFFIC FUND:

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

## WEST HOLLYWOOD LIBRARY FUND:

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

## CAPITAL PROJECT FUNDS

### GENERAL RESERVES CAPITAL PROJECTS:

This fund is used specifically for resources designated for major capital improvement projects.

### SANTA MONICA BOULEVARD FUND:

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



## DEBT SERVICE FUNDS

### CAPITAL PROJECTS FUND:

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

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

## PERMANENT FUND

### LAUREL AVE. TRUST FUND:

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

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CITY OF WEST HOLLYWOOD

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2013

	<u>Special Revenue Funds</u>			
	<u>Special Grant</u>	<u>Proposition A</u>	<u>Proposition C</u>	<u>Measure R</u>
<b>Assets:</b>				
Pooled cash and investments	\$ 236,296	\$ 3,454,364	\$ -	\$ 274,287
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	-	3,043	62	244
Prepaid costs	-	-	-	-
Due from other governments	654,963	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 891,259</u></b>	<b><u>\$ 3,457,407</u></b>	<b><u>\$ 62</u></b>	<b><u>\$ 274,531</u></b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 174,861	\$ 369,632	\$ 15,871	\$ 22,080
Accrued liabilities	-	-	-	-
Unearned revenues	96,237	-	-	-
Deposits payable	13,745	-	330	-
Due to other governments	-	-	-	-
Due to other funds	-	-	174,604	-
<b>Total Liabilities</b>	<b><u>284,843</u></b>	<b><u>369,632</u></b>	<b><u>190,805</u></b>	<b><u>22,080</u></b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	653,361	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b><u>653,361</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Prepaid costs	-	-	-	-
<b>Restricted for:</b>				
Public services	-	3,087,775	-	252,451
Capital Projects	-	-	-	-
Debt service	-	-	-	-
<b>Unassigned</b>	<b><u>(46,945)</u></b>	<b><u>-</u></b>	<b><u>(190,743)</u></b>	<b><u>-</u></b>
<b>Total Fund Balances</b>	<b><u>(46,945)</u></b>	<b><u>3,087,775</u></b>	<b><u>(190,743)</u></b>	<b><u>252,451</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 891,259</u></b>	<b><u>\$ 3,457,407</u></b>	<b><u>\$ 62</u></b>	<b><u>\$ 274,531</u></b>

CITY OF WEST HOLLYWOOD

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2013

(CONTINUED)

Page 2 of 6

	Special Revenue Funds			
	Gas Tax	Air Quality Improvement	Traffic	Public Beautification and Art
<b>Assets:</b>				
Pooled cash and investments	\$ 1,151,244	\$ 260,676	\$ 517,979	\$ 476,288
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	986	231	461	420
Prepaid costs	-	-	-	-
Due from other governments	127,570	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,279,800</b>	<b>\$ 260,907</b>	<b>\$ 518,440</b>	<b>\$ 476,708</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 101,200	\$ 6,575	\$ 20,440	\$ 11,061
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	89,251
Deposits payable	6,839	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>108,039</b>	<b>6,575</b>	<b>20,440</b>	<b>100,312</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Prepaid costs	-	-	-	-
<b>Restricted for:</b>				
Public services	1,171,761	254,332	498,000	376,396
Capital Projects	-	-	-	-
Debt service	-	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>1,171,761</b>	<b>254,332</b>	<b>498,000</b>	<b>376,396</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 1,279,800</b>	<b>\$ 260,907</b>	<b>\$ 518,440</b>	<b>\$ 476,708</b>

## CITY OF WEST HOLLYWOOD

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2013**

Page 3 of 6

	<b>Special Revenue Funds</b>			
	<b>Quimby Act</b>	<b>City Lighting</b>	<b>Public Access</b>	<b>Parking Improvement</b>
<b>Assets:</b>				
Pooled cash and investments	\$ 773,986	\$ 1,051,067	\$ 56,058	\$ 3,368,054
Receivables:				
Accounts	-	-	-	35,423
Notes and loans	-	-	-	-
Accrued interest	687	929	52	2,765
Prepaid costs	-	-	-	-
Due from other governments	-	81,962	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 774,673</b>	<b>\$ 1,133,958</b>	<b>\$ 56,110</b>	<b>\$ 3,406,242</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 47,725	\$ 64,951	\$ 8,061	\$ 243,367
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	204,157
Deposits payable	-	604	-	15,630
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>47,725</b>	<b>65,555</b>	<b>8,061</b>	<b>463,154</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Prepaid costs	-	-	-	-
<b>Restricted for:</b>				
Public services	726,948	1,068,403	48,049	2,943,088
Capital Projects	-	-	-	-
Debt service	-	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>726,948</b>	<b>1,068,403</b>	<b>48,049</b>	<b>2,943,088</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 774,673</b>	<b>\$ 1,133,958</b>	<b>\$ 56,110</b>	<b>\$ 3,406,242</b>

CITY OF WEST HOLLYWOOD

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2013

(CONTINUED)

Page 4 of 6

	Special Revenue Funds			
	Permit Parking	CDBG	Housing Trust	Sunset Mitigation
<b>Assets:</b>				
Pooled cash and investments	\$ 195,559	\$ -	\$ 2,820,891	\$ -
Receivables:				
Accounts	-	-	57,750	1,462,480
Notes and loans	-	613,439	-	-
Accrued interest	-	-	281,666	-
Prepaid costs	-	-	-	-
Due from other governments	-	104,702	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 195,559</b>	<b>\$ 718,141</b>	<b>\$ 3,160,307</b>	<b>\$ 1,462,480</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 7,825	\$ 9,251	\$ 57,750	\$ 37,094
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	613,439	-	-
Due to other funds	166,497	95,451	-	1,720,560
<b>Total Liabilities</b>	<b>174,322</b>	<b>718,141</b>	<b>57,750</b>	<b>1,757,654</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	279,230	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>279,230</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Prepaid costs	-	-	-	-
<b>Restricted for:</b>				
Public services	-	-	2,823,327	-
Capital Projects	21,237	-	-	-
Debt service	-	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(295,174)</b>
<b>Total Fund Balances</b>	<b>21,237</b>	<b>-</b>	<b>2,823,327</b>	<b>(295,174)</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 195,559</b>	<b>\$ 718,141</b>	<b>\$ 3,160,307</b>	<b>\$ 1,462,480</b>

CITY OF WEST HOLLYWOOD

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2013

	Special Revenue Funds		Capital Project Funds	
	Avenues of Art and Design	West Hollywood Library Foundation	Santa Monica Boulevard	General Reserves Capital Projects
<b>Assets:</b>				
Pooled cash and investments	\$ 5,915	\$ 375,493	\$ 6,209,641	\$ 23,322
Receivables:				
Accounts	1,500	1,708,992	-	-
Notes and loans	-	-	-	-
Accrued interest	-	-	5,437	-
Prepaid costs	7,569	-	-	-
Due from other governments	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 14,984</b>	<b>\$ 2,084,485</b>	<b>\$ 6,215,078</b>	<b>\$ 23,322</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 8,989	\$ 2,448	\$ -	\$ -
Accrued liabilities	5,955	5,530	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>14,944</b>	<b>7,978</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Prepaid costs	7,569	-	-	-
<b>Restricted for:</b>				
Public services	-	2,076,507	-	-
Capital Projects	-	-	6,215,078	23,322
Debt service	-	-	-	-
<b>Unassigned</b>	<b>(7,529)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>40</b>	<b>2,076,507</b>	<b>6,215,078</b>	<b>23,322</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 14,984</b>	<b>\$ 2,084,485</b>	<b>\$ 6,215,078</b>	<b>\$ 23,322</b>



CITY OF WEST HOLLYWOOD

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2013

	<u>Debt Service Funds</u>	<u>Permanent Funds</u>	
	<u>Capital Projects Debt Service</u>	<u>Laurel Avenue Trust</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>			
Pooled cash and investments	\$ 7,431,337	\$ -	\$ 28,682,457
Receivables:			
Accounts	-	-	3,266,145
Notes and loans	-	-	613,439
Accrued interest	3,060	-	300,043
Prepaid costs	-	-	7,569
Due from other governments	-	-	969,197
Restricted assets:			
Cash and investments with fiscal agents	5,178,386	-	5,178,386
<b>Total Assets</b>	<b><u>\$ 12,612,783</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 39,017,236</u></b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ -	\$ 1,209,181
Accrued liabilities	-	-	11,485
Unearned revenues	-	-	389,645
Deposits payable	-	-	37,148
Due to other governments	-	-	613,439
Due to other funds	-	-	2,157,112
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>4,418,010</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable revenues	-	-	932,591
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>932,591</b>
<b>Fund Balances:</b>			
<b>Nonspendable:</b>			
Prepaid costs	-	-	7,569
<b>Restricted for:</b>			
Public services	-	-	15,327,037
Capital Projects	7,434,397	-	13,694,034
Debt service	5,178,386	-	5,178,386
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>(540,391)</b>
<b>Total Fund Balances</b>	<b><u>12,612,783</u></b>	<b><u>-</u></b>	<b><u>33,666,635</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 12,612,783</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 39,017,236</u></b>

CITY OF WEST HOLLYWOOD

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2013

Special Revenue Funds

	Special Grant	Proposition A	Proposition C	Measure R
<b>Revenues:</b>				
Taxes	\$ -	\$ 584,180	\$ 485,779	\$ 362,986
Intergovernmental	403,945	2,012,899	-	-
Charges for services	-	-	-	-
Use of money and property	-	2,105	(2,806)	971
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	6,392	32,173	-	-
<b>Total Revenues</b>	<b>410,337</b>	<b>2,631,357</b>	<b>482,973</b>	<b>363,957</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	139,853	-	-	-
Public services	89,869	2,066,306	322,496	329,035
Capital outlay	482,690	-	430,605	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>712,412</b>	<b>2,066,306</b>	<b>753,101</b>	<b>329,035</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(302,075)	565,051	(270,128)	34,922
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	(302,075)	565,051	(270,128)	34,922
Fund Balances, Beginning of Year	255,130	2,522,724	79,385	217,529
<b>Fund Balances, End of Year</b>	<b>\$ (46,945)</b>	<b>\$ 3,087,775</b>	<b>\$ (190,743)</b>	<b>\$ 252,451</b>

CITY OF WEST HOLLYWOOD

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2013

(CONTINUED)

Page 2 of 6

	Special Revenue Funds			
	Gas Tax	Air Quality Improvement	Traffic	Public Beautification and Art
<b>Revenues:</b>				
Taxes	\$ -	\$ 41,607	\$ -	\$ -
Intergovernmental	909,726	-	-	1,100
Charges for services	-	-	-	-
Use of money and property	3,529	502	(409)	(868)
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Developer participation	-	-	58,677	138,804
Miscellaneous	-	-	-	20,385
<b>Total Revenues</b>	<b>913,255</b>	<b>42,109</b>	<b>58,268</b>	<b>159,421</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	136,929
Public safety	-	-	-	-
Public services	721,215	21,157	151,336	-
Capital outlay	563,521	91,300	42,267	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>1,284,736</b>	<b>112,457</b>	<b>193,603</b>	<b>136,929</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(371,481)	(70,348)	(135,335)	22,492
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	(371,481)	(70,348)	(135,335)	22,492
Fund Balances, Beginning of Year	1,543,242	324,680	633,335	353,904
<b>Fund Balances, End of Year</b>	<b>\$ 1,171,761</b>	<b>\$ 254,332</b>	<b>\$ 498,000</b>	<b>\$ 376,396</b>

## CITY OF WEST HOLLYWOOD

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2013

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	<b>Special Revenue Funds</b>			
	<b>Quimby Act</b>	<b>City Lighting</b>	<b>Public Access</b>	<b>Parking Improvement</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ 936,849	\$ 157,166	\$ -
Intergovernmental	-	6,669	-	-
Charges for services	-	-	-	-
Use of money and property	(604)	7,215	(150)	2,950,562
Fines and forfeitures	-	-	-	1,179,849
Contributions	-	-	-	-
Developer participation	100,196	-	-	120,884
Miscellaneous	-	2,272	704	-
<b>Total Revenues</b>	<b>99,592</b>	<b>953,005</b>	<b>157,720</b>	<b>4,251,295</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	157,529	26,481
Public safety	-	-	-	-
Public services	-	660,132	-	1,071,812
Capital outlay	87,725	46,453	-	1,547,903
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>87,725</b>	<b>706,585</b>	<b>157,529</b>	<b>2,646,196</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,867	246,420	191	1,605,099
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	(1,026,329)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,026,329)</b>
Net Change in Fund Balances	11,867	246,420	191	578,770
Fund Balances, Beginning of Year	715,081	821,983	47,858	2,364,318
<b>Fund Balances, End of Year</b>	<b>\$ 726,948</b>	<b>\$ 1,068,403</b>	<b>\$ 48,049</b>	<b>\$ 2,943,088</b>

CITY OF WEST HOLLYWOOD

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2013

(CONTINUED)

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	Special Revenue Funds			
	Permit Parking	CDBG	Housing Trust	Sunset Mitigation
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	227,465	-	-
Charges for services	-	-	-	558,877
Use of money and property	822,714	-	437	-
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Developer participation	-	-	449,908	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>822,714</b>	<b>227,465</b>	<b>450,345</b>	<b>558,877</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	591,500
Public safety	-	-	-	612,535
Public services	678,091	153,577	292,529	-
Capital outlay	-	73,888	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>678,091</b>	<b>227,465</b>	<b>292,529</b>	<b>1,204,035</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	144,623	-	157,816	(645,158)
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	575,441
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>575,441</b>
Net Change in Fund Balances	144,623	-	157,816	(69,717)
Fund Balances, Beginning of Year	(123,386)	-	2,665,511	(225,457)
<b>Fund Balances, End of Year</b>	<b>\$ 21,237</b>	<b>\$ -</b>	<b>\$ 2,823,327</b>	<b>\$ (295,174)</b>

CITY OF WEST HOLLYWOOD

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2013

	Special Revenue Funds		Capital Projects Funds	
	Avenues of Art and Design	West Hollywood Library Foundation	Santa Monica Boulevard	General Reserves Capital Projects
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	-	498	(15,605)	-
Fines and forfeitures	-	-	-	-
Contributions	-	122,321	-	-
Developer participation	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>122,819</b>	<b>(15,605)</b>	<b>-</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public services	-	267,301	82,869	-
Capital outlay	-	-	125,226	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>267,301</b>	<b>208,095</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(144,482)	(223,700)	-
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	-	(144,482)	(223,700)	-
Fund Balances, Beginning of Year	40	2,220,989	6,438,778	23,322
<b>Fund Balances, End of Year</b>	<b>\$ 40</b>	<b>\$ 2,076,507</b>	<b>\$ 6,215,078</b>	<b>\$ 23,322</b>

CITY OF WEST HOLLYWOOD

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2013

	<u>Debt Service Funds</u>	<u>Permanent Funds</u>	
	<u>Capital Projects Debt Service</u>	<u>Laurel Avenue Trust</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ 2,568,567
Intergovernmental	-	-	3,561,804
Charges for services	-	-	558,877
Use of money and property	952,013	77	4,720,181
Fines and forfeitures	-	-	1,179,849
Contributions	-	-	122,321
Developer participation	-	-	868,469
Miscellaneous	-	6,510	68,436
<b>Total Revenues</b>	<b>952,013</b>	<b>6,587</b>	<b>13,648,504</b>
<b>Expenditures:</b>			
Current:			
General government	-	-	912,439
Public safety	-	-	752,388
Public services	-	-	6,907,725
Capital outlay	-	-	3,491,578
Debt service:			
Principal retirement	1,645,000	-	1,645,000
Interest and fiscal charges	2,600,257	-	2,600,257
<b>Total Expenditures</b>	<b>4,245,257</b>	<b>-</b>	<b>16,309,387</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,293,244)	6,587	(2,660,883)
<b>Other Financing Sources (Uses):</b>			
Transfers in	3,862,172	-	4,437,613
Transfers out	(250,000)	-	(1,276,329)
<b>Total Other Financing Sources (Uses)</b>	<b>3,612,172</b>	<b>-</b>	<b>3,161,284</b>
Net Change in Fund Balances	318,928	6,587	500,401
Fund Balances, Beginning of Year	12,293,855	(6,587)	33,166,234
<b>Fund Balances, End of Year</b>	<b>\$ 12,612,783</b>	<b>\$ -</b>	<b>\$ 33,666,635</b>

CITY OF WEST HOLLYWOOD

BUDGETARY COMPARISON SCHEDULE  
SPECIAL GRANT  
YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 255,130	\$ 255,130	\$ 255,130	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	1,138,765	1,606,244	403,945	(1,202,299)
Miscellaneous	-	16,674	6,392	(10,282)
<b>Amounts Available for Appropriation</b>	<b>1,393,895</b>	<b>1,878,048</b>	<b>665,467</b>	<b>(1,212,581)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	100,000	176,127	139,853	36,274
Public works	1,038,765	1,346,015	89,869	1,256,146
Capital outlay	-	2,881,327	482,690	2,398,637
<b>Total Charges to Appropriations</b>	<b>1,138,765</b>	<b>4,403,469</b>	<b>712,412</b>	<b>3,691,057</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 255,130</b>	<b>\$ (2,525,421)</b>	<b>\$ (46,945)</b>	<b>\$ 2,478,476</b>



CITY OF WEST HOLLYWOOD

**BUDGETARY COMPARISON SCHEDULE  
PROPOSITION A  
YEAR ENDED JUNE 30, 2013**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 2,522,724	\$ 2,522,724	\$ 2,522,724	\$ -
<b>Resources (Inflows):</b>				
Taxes	520,000	520,000	584,180	64,180
Intergovernmental	214,000	2,014,000	2,012,899	(1,101)
Use of money and property	15,000	15,000	2,105	(12,895)
Miscellaneous	40,000	40,000	32,173	(7,827)
<b>Amounts Available for Appropriation</b>	<b>3,311,724</b>	<b>5,111,724</b>	<b>5,154,081</b>	<b>42,357</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	2,177,199	2,177,199	2,066,306	110,893
<b>Total Charges to Appropriations</b>	<b>2,177,199</b>	<b>2,177,199</b>	<b>2,066,306</b>	<b>110,893</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,134,525</b>	<b>\$ 2,934,525</b>	<b>\$ 3,087,775</b>	<b>\$ 153,250</b>

CITY OF WEST HOLLYWOOD

BUDGETARY COMPARISON SCHEDULE  
 PROPOSITION C  
 YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 79,385	\$ 79,385	\$ 79,385	\$ -
<b>Resources (Inflows):</b>				
Taxes	460,000	460,000	485,779	25,779
Use of money and property	2,000	2,000	(2,806)	(4,806)
<b>Amounts Available for Appropriation</b>	<b>541,385</b>	<b>541,385</b>	<b>562,358</b>	<b>20,973</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	336,254	336,254	322,496	13,758
Capital outlay	300,000	530,311	430,605	99,706
<b>Total Charges to Appropriations</b>	<b>636,254</b>	<b>866,565</b>	<b>753,101</b>	<b>113,464</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (94,869)</b>	<b>\$ (325,180)</b>	<b>\$ (190,743)</b>	<b>\$ 134,437</b>

CITY OF WEST HOLLYWOOD

**BUDGETARY COMPARISON SCHEDULE  
MEASURE R  
YEAR ENDED JUNE 30, 2013**

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	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 217,529	\$ 217,529	\$ 217,529	\$ -
<b>Resources (Inflows):</b>				
Taxes	330,000	330,000	362,986	32,986
Use of money and property	1,500	1,500	971	(529)
<b>Amounts Available for Appropriation</b>	<b>549,029</b>	<b>549,029</b>	<b>581,486</b>	<b>32,457</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	450,611	460,091	329,035	131,056
<b>Total Charges to Appropriations</b>	<b>450,611</b>	<b>460,091</b>	<b>329,035</b>	<b>131,056</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 98,418</b>	<b>\$ 88,938</b>	<b>\$ 252,451</b>	<b>\$ 163,513</b>

CITY OF WEST HOLLYWOOD

BUDGETARY COMPARISON SCHEDULE

GAS TAX

YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,543,242	\$ 1,543,242	\$ 1,543,242	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	961,000	961,000	909,726	(51,274)
Use of money and property	6,000	6,000	3,529	(2,471)
<b>Amounts Available for Appropriation</b>	<b>2,510,242</b>	<b>2,510,242</b>	<b>2,456,497</b>	<b>(53,745)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	740,167	921,690	721,215	200,475
Capital outlay	210,130	705,274	563,521	141,753
<b>Total Charges to Appropriations</b>	<b>950,297</b>	<b>1,626,964</b>	<b>1,284,736</b>	<b>342,228</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,559,945</b>	<b>\$ 883,278</b>	<b>\$ 1,171,761</b>	<b>\$ 288,483</b>

CITY OF WEST HOLLYWOOD

**BUDGETARY COMPARISON SCHEDULE  
AIR QUALITY IMPROVEMENT  
YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 324,680	\$ 324,680	\$ 324,680	\$ -
<b>Resources (Inflows):</b>				
Taxes	44,000	51,500	41,607	(9,893)
Use of money and property	2,500	2,500	502	(1,998)
<b>Amounts Available for Appropriation</b>	<b>371,180</b>	<b>378,680</b>	<b>366,789</b>	<b>(11,891)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	44,633	94,633	21,157	73,476
Capital outlay	65,000	119,835	91,300	28,535
<b>Total Charges to Appropriations</b>	<b>109,633</b>	<b>214,468</b>	<b>112,457</b>	<b>102,011</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 261,547</b>	<b>\$ 164,212</b>	<b>\$ 254,332</b>	<b>\$ 90,120</b>

CITY OF WEST HOLLYWOOD

BUDGETARY COMPARISON SCHEDULE

TRAFFIC

YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 633,335	\$ 633,335	\$ 633,335	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	4,000	4,000	(409)	(4,409)
Developer participation	10,000	10,000	58,677	48,677
<b>Amounts Available for Appropriation</b>	<b>647,335</b>	<b>647,335</b>	<b>691,603</b>	<b>44,268</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	173,586	173,586	151,336	22,250
Capital outlay	70,000	260,627	42,267	218,360
<b>Total Charges to Appropriations</b>	<b>243,586</b>	<b>434,213</b>	<b>193,603</b>	<b>240,610</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 403,749</b>	<b>\$ 213,122</b>	<b>\$ 498,000</b>	<b>\$ 284,878</b>

CITY OF WEST HOLLYWOOD

**BUDGETARY COMPARISON SCHEDULE  
PUBLIC BEAUTIFICATION AND ART  
YEAR ENDED JUNE 30, 2013**

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	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 353,904	\$ 353,904	\$ 353,904	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	1,100	1,100	-
Use of money and property	2,000	2,000	(868)	(2,868)
Developer participation	-	-	138,804	138,804
Miscellaneous	-	20,385	20,385	-
<b>Amounts Available for Appropriation</b>	<b>355,904</b>	<b>377,389</b>	<b>513,325</b>	<b>135,936</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	185,500	189,600	136,929	52,671
<b>Total Charges to Appropriations</b>	<b>185,500</b>	<b>189,600</b>	<b>136,929</b>	<b>52,671</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 170,404</b>	<b>\$ 187,789</b>	<b>\$ 376,396</b>	<b>\$ 188,607</b>

CITY OF WEST HOLLYWOOD

BUDGETARY COMPARISON SCHEDULE

QUIMBY ACT

YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 715,081	\$ 715,081	\$ 715,081	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	4,000	4,000	(604)	(4,604)
Developer participation	-	-	100,196	100,196
<b>Amounts Available for Appropriation</b>	<b>719,081</b>	<b>719,081</b>	<b>814,673</b>	<b>95,592</b>
<b>Charges to Appropriation (Outflow):</b>				
Capital outlay	25,000	144,884	87,725	57,159
<b>Total Charges to Appropriations</b>	<b>25,000</b>	<b>144,884</b>	<b>87,725</b>	<b>57,159</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 694,081</b>	<b>\$ 574,197</b>	<b>\$ 726,948</b>	<b>\$ 152,751</b>



CITY OF WEST HOLLYWOOD

**BUDGETARY COMPARISON SCHEDULE  
CITY LIGHTING  
YEAR ENDED JUNE 30, 2013**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 821,983	\$ 821,983	\$ 821,983	\$ -
<b>Resources (Inflows):</b>				
Taxes	861,826	861,826	936,849	75,023
Intergovernmental	6,000	6,000	6,669	669
Use of money and property	2,500	2,500	7,215	4,715
Miscellaneous	-	-	2,272	2,272
<b>Amounts Available for Appropriation</b>	<b>1,692,309</b>	<b>1,692,309</b>	<b>1,774,988</b>	<b>82,679</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	685,001	713,501	660,132	53,369
Capital outlay	56,000	56,000	46,453	9,547
<b>Total Charges to Appropriations</b>	<b>741,001</b>	<b>769,501</b>	<b>706,585</b>	<b>62,916</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 951,308</b>	<b>\$ 922,808</b>	<b>\$ 1,068,403</b>	<b>\$ 145,595</b>

CITY OF WEST HOLLYWOOD

BUDGETARY COMPARISON SCHEDULE  
PUBLIC ACCESS  
YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 47,858	\$ 47,858	\$ 47,858	\$ -
<b>Resources (Inflows):</b>				
Taxes	140,000	147,483	157,166	9,683
Use of money and property	1,000	1,000	(150)	(1,150)
Miscellaneous	700	700	704	4
<b>Amounts Available for Appropriation</b>	<b>189,558</b>	<b>197,041</b>	<b>205,578</b>	<b>8,537</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	149,349	156,832	157,529	(697)
<b>Total Charges to Appropriations</b>	<b>149,349</b>	<b>156,832</b>	<b>157,529</b>	<b>(697)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 40,209</b>	<b>\$ 40,209</b>	<b>\$ 48,049</b>	<b>\$ 7,840</b>

CITY OF WEST HOLLYWOOD

**BUDGETARY COMPARISON SCHEDULE  
PARKING IMPROVEMENT  
YEAR ENDED JUNE 30, 2013**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 2,364,318	\$ 2,364,318	\$ 2,364,318	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	2,320,000	2,320,000	2,950,562	630,562
Fines and forfeitures	964,025	964,025	1,179,849	215,824
Developer participation	11,000	11,000	120,884	109,884
<b>Amounts Available for Appropriation</b>	<b>5,659,343</b>	<b>5,659,343</b>	<b>6,615,613</b>	<b>956,270</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	20,424	20,424	26,481	(6,057)
Public works	1,274,735	1,313,709	1,071,812	241,897
Capital outlay	150,000	19,861,617	1,547,903	18,313,714
Transfers out	1,026,329	1,026,329	1,026,329	-
<b>Total Charges to Appropriations</b>	<b>2,471,488</b>	<b>22,222,079</b>	<b>3,672,525</b>	<b>18,549,554</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 3,187,855</b>	<b>\$ (16,562,736)</b>	<b>\$ 2,943,088</b>	<b>\$ 19,505,824</b>

CITY OF WEST HOLLYWOOD

BUDGETARY COMPARISON SCHEDULE  
 PERMIT PARKING  
 YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (123,386)	\$ (123,386)	\$ (123,386)	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	827,500	827,500	822,714	(4,786)
<b>Amounts Available for Appropriation</b>	<b>704,114</b>	<b>704,114</b>	<b>699,328</b>	<b>(4,786)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	785,959	791,564	678,091	113,473
<b>Total Charges to Appropriations</b>	<b>785,959</b>	<b>791,564</b>	<b>678,091</b>	<b>113,473</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (81,845)</b>	<b>\$ (87,450)</b>	<b>\$ 21,237</b>	<b>\$ 108,687</b>

**CITY OF WEST HOLLYWOOD**

**BUDGETARY COMPARISON SCHEDULE**

**CDBG**

**YEAR ENDED JUNE 30, 2013**

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	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	254,798	254,679	227,465	(27,214)
Miscellaneous	-	-	-	-
<b>Amounts Available for Appropriation</b>	<b>254,798</b>	<b>254,679</b>	<b>227,465</b>	<b>(27,214)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	180,777	180,761	153,577	27,184
Capital outlay	74,021	73,918	73,888	30
<b>Total Charges to Appropriations</b>	<b>254,798</b>	<b>254,679</b>	<b>227,465</b>	<b>27,214</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

CITY OF WEST HOLLYWOOD

BUDGETARY COMPARISON SCHEDULE  
HOUSING TRUST  
YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,665,511	\$ 2,665,511	\$ 2,665,511	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	15,000	15,000	437	(14,563)
Developer participation	92,975	92,975	449,908	356,933
<b>Amounts Available for Appropriation</b>	<b>2,773,486</b>	<b>2,773,486</b>	<b>3,115,856</b>	<b>342,370</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	312,581	312,581	292,529	20,052
Capital outlay	-	3,500,000	-	3,500,000
<b>Total Charges to Appropriations</b>	<b>312,581</b>	<b>3,812,581</b>	<b>292,529</b>	<b>3,520,052</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,460,905</b>	<b>\$ (1,039,095)</b>	<b>\$ 2,823,327</b>	<b>\$ 3,862,422</b>

CITY OF WEST HOLLYWOOD

**BUDGETARY COMPARISON SCHEDULE  
SUNSET MITIGATION  
YEAR ENDED JUNE 30, 2013**

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	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ (225,457)	\$ (225,457)	\$ (225,457)	\$ -
<b>Resources (Inflows):</b>				
Charges for services	600,000	600,000	558,877	(41,123)
Transfers in	575,441	575,441	575,441	-
<b>Amounts Available for Appropriation</b>	<b>949,984</b>	<b>949,984</b>	<b>908,861</b>	<b>(41,123)</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	591,500	591,500	591,500	-
Public safety	575,441	575,441	612,535	(37,094)
<b>Total Charges to Appropriations</b>	<b>1,166,941</b>	<b>1,166,941</b>	<b>1,204,035</b>	<b>(37,094)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (216,957)</b>	<b>\$ (216,957)</b>	<b>\$ (295,174)</b>	<b>\$ (78,217)</b>

CITY OF WEST HOLLYWOOD

**BUDGETARY COMPARISON SCHEDULE  
DEBT FUNDED CAPITAL PROJECTS  
YEAR ENDED JUNE 30, 2013**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ (5,949,282)	\$ (5,949,282)	\$ (5,949,282)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	700,000	-	(700,000)
Miscellaneous	-	-	1,366	1,366
<b>Amounts Available for Appropriation</b>	<b>(5,949,282)</b>	<b>(5,249,282)</b>	<b>(5,947,916)</b>	<b>(698,634)</b>
<b>Charges to Appropriation (Outflow):</b>				
Capital outlay	-	21,418,748	897,152	20,521,596
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>21,418,748</b>	<b>897,152</b>	<b>20,521,596</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (5,949,282)</b>	<b>\$ (26,668,030)</b>	<b>\$ (6,845,068)</b>	<b>\$ 19,822,962</b>



CITY OF WEST HOLLYWOOD

**BUDGETARY COMPARISON SCHEDULE  
SANTA MONICA BOULEVARD  
YEAR ENDED JUNE 30, 2013**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 6,438,778	\$ 6,438,778	\$ 6,438,778	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	50,000	50,000	(15,605)	(65,605)
<b>Amounts Available for Appropriation</b>	<b>6,488,778</b>	<b>6,488,778</b>	<b>6,423,173</b>	<b>(65,605)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	-	125,000	82,869	42,131
Capital outlay	100,000	169,980	125,226	44,754
<b>Total Charges to Appropriations</b>	<b>100,000</b>	<b>294,980</b>	<b>208,095</b>	<b>86,885</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 6,388,778</b>	<b>\$ 6,193,798</b>	<b>\$ 6,215,078</b>	<b>\$ 21,280</b>

CITY OF WEST HOLLYWOOD

BUDGETARY COMPARISON SCHEDULE  
 CAPITAL PROJECTS DEBT SERVICES  
 YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 12,293,855	\$ 12,293,855	\$ 12,293,855	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	876,025	876,025	952,013	75,988
Transfers in	3,862,172	3,862,172	3,862,172	-
<b>Amounts Available for Appropriation</b>	<b>17,032,052</b>	<b>17,032,052</b>	<b>17,108,040</b>	<b>75,988</b>
<b>Charges to Appropriation (Outflow):</b>				
Debt service:				
Principal retirement	1,645,000	1,645,000	1,645,000	-
Interest and fiscal charges	2,607,077	2,607,077	2,600,257	6,820
Transfers out	-	250,000	250,000	-
<b>Total Charges to Appropriations</b>	<b>4,252,077</b>	<b>4,502,077</b>	<b>4,495,257</b>	<b>6,820</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 12,779,975</b>	<b>\$ 12,529,975</b>	<b>\$ 12,612,783</b>	<b>\$ 82,808</b>

## PROPRIETARY FUNDS

### 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.

### 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 Environmental Services Division of the Community Development Department.

### STREET MAINTENANCE FUND – ENTERPRISE:

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

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

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

CITY OF WEST HOLLYWOOD

COMBINING STATEMENT OF NET POSITION  
NON-MAJOR PROPRIETARY FUNDS  
JUNE 30, 2013

	Business-Type Activities - Enterprise Funds				
	Sewer Charge	Solid Waste	Landscape District	Street Maintenance	Totals
<b>Assets:</b>					
Current:					
Cash and investments	\$ -	\$ -	\$ 16,920	\$ -	\$ 16,920
Receivables:					
Accounts	22,707	-	12,120	-	34,827
Accrued interest	-	579	132	-	711
Due from other governments	16,347	22,165	4,068	5,393	47,973
Due from other funds	-	608,167	135,699	-	743,866
<b>Total Current Assets</b>	<b>39,054</b>	<b>630,911</b>	<b>168,939</b>	<b>5,393</b>	<b>844,297</b>
Noncurrent:					
Capital assets - net of accumulated depreciation	2,403,586	-	-	-	2,403,586
<b>Total Noncurrent Assets</b>	<b>2,403,586</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,403,586</b>
<b>Total Assets</b>	<b>\$ 2,442,640</b>	<b>\$ 630,911</b>	<b>\$ 168,939</b>	<b>\$ 5,393</b>	<b>\$ 3,247,883</b>
<b>Liabilities and Net Position:</b>					
<b>Liabilities:</b>					
Current:					
Accounts payable	\$ 72,492	\$ 5,303	\$ 20,305	\$ 9,832	\$ 107,932
Deposits payable	26,225	-	-	287	26,512
Due to other funds	688,615	-	-	21,692	710,307
<b>Total Liabilities</b>	<b>787,332</b>	<b>5,303</b>	<b>20,305</b>	<b>31,811</b>	<b>844,751</b>
<b>Net Position:</b>					
Net investment in capital assets	2,403,586	-	-	-	2,403,586
Unrestricted	(748,278)	625,608	148,634	(26,418)	(454)
<b>Total Net Position</b>	<b>1,655,308</b>	<b>625,608</b>	<b>148,634</b>	<b>(26,418)</b>	<b>2,403,132</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 2,442,640</b>	<b>\$ 630,911</b>	<b>\$ 168,939</b>	<b>\$ 5,393</b>	<b>\$ 3,247,883</b>

CITY OF WEST HOLLYWOOD

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
NON-MAJOR PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2013

	Business-Type Activities - Enterprise Funds				Totals
	Sewer Charge	Solid Waste	Landscape District	Street Maintenance	
<b>Operating Revenues:</b>					
Sales and service charges	\$ 1,037,685	\$ 1,383,170	\$ 175,454	\$ 289,332	\$ 2,885,641
Penalties on Assessment	3,854	7,748	688	1,795	14,085
Other connection fees	19,327	-	-	-	19,327
<b>Total Operating Revenues</b>	<b>1,060,866</b>	<b>1,390,918</b>	<b>176,142</b>	<b>291,127</b>	<b>2,919,053</b>
<b>Operating Expenses:</b>					
Administration and general	32,500	44,235	2,500	201,406	280,641
Treatment	531,964	1,318,765	-	217,756	2,068,485
Cost of sales and services	-	-	166,408	26,420	192,828
Depreciation expense	33,960	-	-	-	33,960
<b>Total Operating Expenses</b>	<b>598,424</b>	<b>1,363,000</b>	<b>168,908</b>	<b>445,582</b>	<b>2,575,914</b>
Operating Income (Loss)	462,442	27,918	7,234	(154,455)	343,139
<b>Nonoperating Revenues (Expenses):</b>					
Interest revenue	-	151	(115)	-	36
<b>Total Nonoperating Revenues (Expenses)</b>	<b>-</b>	<b>151</b>	<b>(115)</b>	<b>-</b>	<b>36</b>
Income (Loss) Before Transfers	462,442	28,069	7,119	(154,455)	343,175
Transfers in	-	-	-	171,106	171,106
Changes in Net Position	462,442	28,069	7,119	16,651	514,281
<b>Net Position:</b>					
Beginning of Year	1,192,866	597,539	141,515	(43,069)	1,888,851
<b>End of Fiscal Year</b>	<b>\$ 1,655,308</b>	<b>\$ 625,608</b>	<b>\$ 148,634</b>	<b>\$ (26,418)</b>	<b>\$ 2,403,132</b>

CITY OF WEST HOLLYWOOD

COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2013

	<u>Business-Type Activities - Enterprise Funds</u>				
	<u>Sewer Charge</u>	<u>Solid Waste</u>	<u>Landscape District</u>	<u>Street Maintenance</u>	<u>Totals</u>
<b>Cash Flows from Operating Activities:</b>					
Cash received from customers and users	\$ 1,053,804	\$ 1,383,170	\$ 169,394	\$ 288,511	\$ 2,894,879
Cash paid to suppliers for goods and services	(591,998)	(1,316,520)	(159,244)	(259,492)	(2,327,254)
Cash paid to employees for services	(39,439)	(54,785)	(2,500)	(216,051)	(312,775)
Cash received from (payments to) others	52,472	44,320	8,113	13,351	118,256
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>474,839</b>	<b>56,185</b>	<b>15,763</b>	<b>(173,681)</b>	<b>373,106</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>					
Cash transfers in	-	-	-	171,106	171,106
Repayment made to other funds	276,659	-	-	2,575	279,234
Advance to other funds	-	(608,167)	(135,699)	-	(743,866)
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>276,659</b>	<b>(608,167)</b>	<b>(135,699)</b>	<b>173,681</b>	<b>(293,526)</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Acquisition and construction of capital assets	(751,498)	-	-	-	(751,498)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(751,498)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(751,498)</b>
<b>Cash Flows from Investing Activities:</b>					
Interest received	-	164	(112)	-	52
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>-</b>	<b>164</b>	<b>(112)</b>	<b>-</b>	<b>52</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>-</b>	<b>(551,818)</b>	<b>(120,048)</b>	<b>-</b>	<b>(671,866)</b>
Cash and Cash Equivalents at Beginning of Year	-	551,818	136,968	-	688,786
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,920</b>	<b>\$ -</b>	<b>\$ 16,920</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>					
Operating income (loss)	\$ 462,442	\$ 27,918	\$ 7,234	\$ (154,455)	\$ 343,139
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>					
Depreciation	33,960	-	-	-	33,960
(Increase) decrease in accounts receivable	(10,106)	-	(6,060)	-	(16,166)
(Increase) decrease in due from other governments	29,291	36,572	7,425	11,556	84,844
(Increase) decrease in prepaid expense	-	186	-	-	186
Increase (decrease) in accounts payable	(60,034)	2,059	7,164	(15,316)	(66,127)
Increase (decrease) in accrued liabilities	(6,939)	(10,550)	-	(14,645)	(32,134)
Increase (decrease) in deposits payable	26,225	-	-	(821)	25,404
<b>Total Adjustments</b>	<b>12,397</b>	<b>28,267</b>	<b>8,529</b>	<b>(19,226)</b>	<b>29,967</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 474,839</b>	<b>\$ 56,185</b>	<b>\$ 15,763</b>	<b>\$ (173,681)</b>	<b>\$ 373,106</b>

## FIDUCIARY FUNDS

### BUSINESS IMPROVEMENT FUND – 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.

### COMMUNITY DISTRICT DEBT SERVICE – AGENCY:

The function of this fund is to collect assessments on Community Facilities District No. 92-1 and to pay off interest and principal on the special Tax Bonds Series 1992.

### HOTEL MARKETING BENEFIT ZONE – AGENCY:

This fund accounts for the receipt of 1.5% of the Transient Occupancy Tax (hotel bed Tax) collected by the City on behalf of West Hollywood Marketing Corporation. This receipt of 1.5% assessment is granted to the WHMC to use to advertise the City as a travel destination and convention site.

## ALL 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 bond proceeds issued for Plummer Park improvements. The bond proceeds are being held until a final determination is made by the Department of Finance. 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 EOPS/ ROPS of the dissolved redevelopment agency; monies are transferred in from the Obligation Payment Fund.

### 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 EOPS or 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.



CITY OF WEST HOLLYWOOD

COMBINING STATEMENT OF NET POSITION  
 ALL AGENCY FUNDS  
 JUNE 30, 2013

	<u>Business Improvement</u>	<u>Community District Debt Service</u>	<u>Hotel Marketing Benefit Zone</u>	<u>Totals</u>
<b>Assets:</b>				
Pooled cash and investments	\$ -	\$ -	\$ 123,880	\$ 123,880
Receivables:				
Accounts	213,673	-	-	213,673
Taxes	-	-	292,702	292,702
Accrued interest	-	48	-	48
Due from other funds	-	54,821	-	54,821
<b>Total Assets</b>	<b><u>\$ 213,673</u></b>	<b><u>\$ 54,869</u></b>	<b><u>\$ 416,582</u></b>	<b><u>\$ 685,124</u></b>
<b>Liabilities:</b>				
Accounts payable	\$ 108,062	\$ 52,600	\$ 397,798	\$ 558,460
Due to other funds	105,611	-	18,784	124,395
Due to Bondholders	-	2,269	-	2,269
<b>Total Liabilities</b>	<b><u>\$ 213,673</u></b>	<b><u>\$ 54,869</u></b>	<b><u>\$ 416,582</u></b>	<b><u>\$ 685,124</u></b>

CITY OF WEST HOLLYWOOD

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
YEAR ENDED JUNE 30, 2013

	<u>Balance 7/1/2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2013</u>
<b><u>Business Improvement</u></b>				
<b>Assets:</b>				
Receivables:				
Accounts	\$ 213,185	\$ 488	\$ -	\$ 213,673
<b>Total Assets</b>	<b><u>\$ 213,185</u></b>	<b><u>\$ 488</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 213,673</u></b>
<b>Liabilities:</b>				
Accounts payable	\$ 114,234	\$ -	\$ 6,172	\$ 108,062
Due to other governments	98,951	-	98,951	-
Due to other funds	-	105,611	-	105,611
<b>Total Liabilities</b>	<b><u>\$ 213,185</u></b>	<b><u>\$ 105,611</u></b>	<b><u>\$ 105,123</u></b>	<b><u>\$ 213,673</u></b>
<b><u>Community District Debt Service</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 49,232	\$ 5,589	\$ 54,821	\$ -
Receivables:				
Accrued interest	46	2	-	48
Due from other governments	3,322	-	3,322	-
Due from other funds	-	54,821	-	54,821
<b>Total Assets</b>	<b><u>\$ 52,600</u></b>	<b><u>\$ 60,412</u></b>	<b><u>\$ 58,143</u></b>	<b><u>\$ 54,869</u></b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 52,600	\$ -	\$ 52,600
Due to bondholders	52,600	-	50,331	2,269
<b>Total Liabilities</b>	<b><u>\$ 52,600</u></b>	<b><u>\$ 52,600</u></b>	<b><u>\$ 50,331</u></b>	<b><u>\$ 54,869</u></b>
<b><u>Hotel Marketing Benefit Zone</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 128,787	\$ 18,784	\$ 23,691	\$ 123,880
Receivables:				
Taxes	229,069	63,633	-	292,702
<b>Total Assets</b>	<b><u>\$ 357,856</u></b>	<b><u>\$ 82,417</u></b>	<b><u>\$ 23,691</u></b>	<b><u>\$ 416,582</u></b>
<b>Liabilities:</b>				
Accounts payable	\$ 357,856	\$ 39,942	\$ -	\$ 397,798
Due to other funds	-	18,784	-	18,784
<b>Total Liabilities</b>	<b><u>\$ 357,856</u></b>	<b><u>\$ 58,726</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 416,582</u></b>

CITY OF WEST HOLLYWOOD

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 YEAR ENDED JUNE 30, 2013

	<u>Balance 7/1/2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2013</u>
<b><u>Totals - All Agency Funds</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 178,019	\$ 24,373	\$ 78,512	\$ 123,880
Receivables:				
Accounts	213,185	488	-	213,673
Taxes	229,069	63,633	-	292,702
Accrued interest	46	2	-	48
Due from other governments	3,322	-	3,322	-
Due from other funds	-	54,821	-	54,821
	<u>-</u>	<u>54,821</u>	<u>-</u>	<u>54,821</u>
<b>Total Assets</b>	<b><u>\$ 623,641</u></b>	<b><u>\$ 143,317</u></b>	<b><u>\$ 81,834</u></b>	<b><u>\$ 685,124</u></b>
<b>Liabilities:</b>				
Accounts payable	\$ 472,090	\$ 92,542	\$ 6,172	\$ 558,460
Due to other governments	98,951	-	98,951	-
Due to other funds	-	124,395	-	124,395
Due to bondholders	52,600	-	50,331	2,269
	<u>52,600</u>	<u>-</u>	<u>50,331</u>	<u>2,269</u>
<b>Total Liabilities</b>	<b><u>\$ 623,641</u></b>	<b><u>\$ 216,937</u></b>	<b><u>\$ 155,454</u></b>	<b><u>\$ 685,124</u></b>

## CITY OF WEST HOLLYWOOD

**COMBINING STATEMENT OF NET POSITION  
 ALL PRIVATE PURPOSE TRUST FUNDS  
 YEAR ENDED JUNE 30, 2013**

	Housing Capital Improvements	Non-Housing Capital Improvements	Successor Agency Administration	Obligation Payment Fund
<b>Assets:</b>				
Pooled cash and investments	\$ 5,625,079	\$ -	\$ 4,226	\$ 2,438,016
Restricted assets:				
Cash and investments with fiscal agents	997,204	26,418,978	-	-
Capital assets:				
Capital assets, not being depreciated	-	-	1,338,057	-
Capital assets, net of accumulated depreciation	-	172,879	323,626	-
<b>Total Assets</b>	<b>\$ 6,622,283</b>	<b>\$ 26,591,857</b>	<b>\$ 1,665,909</b>	<b>\$ 2,438,016</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 4,227	\$ -
Accrued interest	-	-	-	-
Long-term liabilities:				
Due in one year	265,000	305,000	-	-
Due in more than one year	28,254,708	17,652,492	-	-
<b>Total Liabilities</b>	<b>28,519,708</b>	<b>17,957,492</b>	<b>4,227</b>	<b>-</b>
<b>Net Position:</b>				
Held in trust for other purposes	(21,897,425)	8,634,365	1,661,682	2,438,016
<b>Total Net Position</b>	<b>\$ (21,897,425)</b>	<b>\$ 8,634,365</b>	<b>\$ 1,661,682</b>	<b>\$ 2,438,016</b>

CITY OF WEST HOLLYWOOD

**COMBINING STATEMENT OF NET POSITION  
ALL PRIVATE PURPOSE TRUST FUNDS  
YEAR ENDED JUNE 30, 2013**

	<b>Successor Agency Debt Service Fund</b>	<b>Total</b>
<b>Assets:</b>		
Pooled cash and investments	\$ -	\$ 8,067,321
Restricted assets:		
Cash and investments with fiscal agents	3,005,596	30,421,778
Capital assets:		
Capital assets, not being depreciated	-	1,338,057
Capital assets, net of accumulated depreciation	-	496,505
	<u>\$ 3,005,596</u>	<u>\$ 40,323,661</u>
<b>Liabilities:</b>		
Accounts payable	\$ -	4,227
Accrued interest	1,143,103	1,143,103
Long-term liabilities:		
Due in one year	-	570,000
Due in more than one year	-	45,907,200
	<u>1,143,103</u>	<u>47,624,530</u>
<b>Net Position:</b>		
Held in trust for other purposes	<u>1,862,493</u>	<u>(7,300,869)</u>
	<u>\$ 1,862,493</u>	<u>\$ (7,300,869)</u>

## CITY OF WEST HOLLYWOOD

**COMBINING STATEMENT OF CHANGES IN NET POSITION  
 ALL PRIVATE PURPOSE TRUST FUNDS  
 YEAR ENDED JUNE 30, 2013**

	<u>Housing Capital Improvements</u>	<u>Non-Housing Capital Improvements</u>	<u>Successor Agency Administration</u>	<u>Obligation Payment Fund</u>
<b>Additions:</b>				
Taxes	\$ -	\$ -	\$ -	\$ 4,282,812
Interest and change in fair value of investments	(22,234)	4,222	-	(6,085)
<b>Total Additions</b>	<b>(22,234)</b>	<b>4,222</b>	<b>-</b>	<b>4,276,727</b>
<b>Deductions:</b>				
Administrative expenses	61,313	60,970	250,003	-
Contractual services	-	82	-	-
Interest expense	1,001,821	15,079	-	-
Depreciation expense	-	-	11,839	-
Reimbursement of prior taxes to County	342,514	-	-	-
<b>Total Deductions</b>	<b>1,405,648</b>	<b>76,131</b>	<b>261,842</b>	<b>-</b>
Transfers In	1,954,676	305,000	1,625,294	9,558
Transfers Out	-	(5,000,001)	-	(4,545,487)
Extraordinary gain/(loss)	(2,482,025)	(576,058)	-	-
<b>Changes in Net Position</b>	<b>(1,955,231)</b>	<b>(5,342,968)</b>	<b>1,363,452</b>	<b>(259,202)</b>
Net Position - Beginning of the Year (restated)	(19,942,194)	13,977,333	298,230	2,697,218
<b>Net Position - End of the Year</b>	<b>\$ (21,897,425)</b>	<b>\$ 8,634,365</b>	<b>\$ 1,661,682</b>	<b>\$ 2,438,016</b>

CITY OF WEST HOLLYWOOD

**COMBINING STATEMENT OF CHANGES IN NET POSITION  
ALL PRIVATE PURPOSE TRUST FUNDS  
YEAR ENDED JUNE 30, 2013**

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	<b>Successor Agency Debt Service Fund</b>	<b>Total</b>
<b>Additions:</b>		
Taxes	\$ -	\$ 4,282,812
Interest and change in fair value of investments	(4,363)	(28,460)
<b>Total Additions</b>	<b>(4,363)</b>	<b>4,254,352</b>
<b>Deductions:</b>		
Administrative expenses	311	372,597
Contractual services	6,470	6,552
Interest expense	2,469,960	3,486,860
Depreciation expense	-	11,839
Reimbursement of prior taxes to County	670,043	1,012,557
<b>Total Deductions</b>	<b>3,146,784</b>	<b>4,890,405</b>
Transfers In	6,270,960	10,165,488
Transfers Out	(620,000)	(10,165,488)
Extraordinary gain/(loss)	-	(3,058,083)
<b>Changes in Net Position</b>	<b>2,499,813</b>	<b>(3,694,136)</b>
Net Position - Beginning of the Year (restated)	(637,320)	(3,606,733)
<b>Net Position - End of the Year</b>	<b>\$ 1,862,493</b>	<b>\$ (7,300,869)</b>

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# Statistical Section



When it comes to celebrations, nobody revels like the residents of @wehocity at the WeHo Halloween Carnaval.

*via twitter*



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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, 2013*

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

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

**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 Asset Statistics by Function - *Last Ten Fiscal Years*

**EAST SIDE PROJECT INFORMATION** - These schedules contain property tax and debt service information about the East Side area of the City to help the reader understand the most significant source of revenue and expenditures in the project area.

Table 19 - East Side Project Area - Property Summary

Table 20 - East Side Project Area - Top Ten Tax Taxpayers

Table 21 - East Side Project Area - Historical Taxable and Tax Increments

Table 22 - East Side Project Area - Settled Assessment Appeals

Table 23 - East Side Project Area - Pending Assessment Appeals

Table 24 - East Side Project Area - Projected Tax Revenues and Estimated Debt Service Coverage

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CITY OF WEST HOLLYWOOD

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

Page 1 of 2

	Fiscal Year				
	2004	2005	2006	2007	2008
<b>Governmental activities</b>					
Net investment in capital assets	\$ 76,368,465	\$ 81,802,689	\$ 83,025,801	\$ 82,839,263	\$ 85,785,512
Restricted	20,795,829	22,213,608	30,203,837	42,540,457	51,021,978
Unrestricted	26,840,466	34,378,132	44,313,953	61,562,154	71,516,525
Total governmental activities net position	<u>\$ 124,004,760</u>	<u>\$ 138,394,429</u>	<u>\$ 157,543,591</u>	<u>\$ 186,941,874</u>	<u>\$ 208,324,015</u>
<b>Business-type activities</b>					
Net investment in capital assets	\$ 11,110,118	\$ 10,812,425	\$ 10,593,768	\$ 10,270,624	\$ 9,947,480
Unrestricted	1,988,256	1,962,405	1,127,018	1,270,903	1,440,942
Total business-type activities net position	<u>\$ 13,098,374</u>	<u>\$ 12,774,830</u>	<u>\$ 11,720,786</u>	<u>\$ 11,541,527</u>	<u>\$ 11,388,422</u>
<b>Primary government</b>					
Net investment in capital assets	\$ 87,478,583	\$ 92,615,114	\$ 93,619,569	\$ 93,109,887	\$ 95,732,992
Restricted	20,795,829	22,213,608	30,203,837	42,540,457	51,021,978
Unrestricted	28,828,722	36,340,537	45,440,971	62,833,057	72,957,467
Total primary government net position	<u>137,103,134</u>	<u>151,169,259</u>	<u>169,264,377</u>	<u>198,483,401</u>	<u>219,712,437</u>

Source: City of West Hollywood.

(Continued)

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	Fiscal Year				
	2009	2010	2011	2012	2013
<b>Governmental activities</b>					
Net investment in capital assets	\$ 103,042,403	\$ 94,984,874	\$ 123,634,342	\$ 141,101,458	\$ 144,933,718
Restricted	49,054,483	57,860,664	74,265,052	32,450,082	35,454,463
Unrestricted	58,335,334	61,509,140	25,483,889	61,864,889	65,143,908
Total governmental activities net position	\$ 210,432,220	\$ 214,354,678	\$ 223,383,283	\$ 235,416,429	\$ 245,532,089
<b>Business-type activities</b>					
Net investment in capital assets	\$ 10,151,952	\$ 9,942,991	\$ 10,551,949	\$ 10,649,541	\$ 11,009,816
Unrestricted	1,123,836	964,639	190,846	185,090	(24,553)
Total business-type activities net position	\$ 11,275,788	\$ 10,907,630	\$ 10,742,795	\$ 10,834,631	\$ 10,985,263
<b>Primary government</b>					
Net investment in capital assets	\$ 113,194,355	\$ 104,927,865	\$ 134,186,291	\$ 151,750,999	\$ 155,943,534
Restricted	49,054,483	57,860,664	74,265,052	32,450,082	35,454,463
Unrestricted	59,459,170	62,473,779	25,674,735	62,049,979	65,119,355
Total primary government net position	\$ 221,708,008	\$ 225,262,308	\$ 234,126,078	\$ 246,251,060	\$ 256,517,352

CITY OF WEST HOLLYWOOD: COMPREHENSIVE ANNUAL FINANCIAL REPORT

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				
	2004	2005	2006	2007	2008
Governmental activities:					
General government	\$ 13,336,517	\$ 14,701,420	\$ 16,479,257	\$ 15,648,141	\$ 21,093,563
Public safety	11,223,737	11,072,802	11,212,181	13,597,148	13,164,284
Public services	29,813,574	33,426,113	30,573,381	34,361,851	35,875,120
Interest on long-term debt	-	-	2,073,243	2,052,121	2,039,747
Total governmental activities expenses	54,373,828	59,200,335	60,338,062	65,659,261	72,172,714
Business-type activities:					
Sewer	618,254	610,894	1,310,820	685,782	1,006,626
Solid waste	1,202,666	1,096,935	1,137,797	1,258,380	1,136,337
Landscape and lighting	83,326	147,299	198,252	160,241	156,616
Street maintenance	276,658	305,569	334,287	346,350	366,655
Total business-type activities expenses	2,180,904	2,160,697	2,981,156	2,450,753	2,666,234
Total primary government expenses	\$ 56,554,732	\$ 61,361,032	\$ 63,319,218	\$ 68,110,014	\$ 74,838,948
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 894,792	\$ 868,099	\$ 492,019	\$ 532,160	\$ 446,180
Public safety	289,521	800,865	999,856	684,303	692,071
Public services	16,487,845	18,260,961	18,535,109	20,879,091	23,401,515
Operating grants and contributions	5,449,185	6,484,701	3,244,620	5,003,291	4,828,524
Capital grants and contributions	1,929,252	332,050	743,180	232,089	1,027,706
Total governmental activities program revenues	25,050,595	26,746,676	24,014,784	27,330,934	30,395,996
Business-type activities:					
Charges for services:					
Sewer	200,911	201,155	196,513	563,497	686,056
Solid waste	1,284,162	1,140,457	1,159,211	1,190,664	1,231,080
Landscape and lighting	138,117	136,105	163,312	162,704	172,501
Street maintenance	288,359	286,867	285,348	283,569	284,924
Total business-type activities program revenues	1,911,549	1,764,584	1,804,384	2,200,434	2,374,561
Total primary government program revenues	\$ 26,962,144	\$ 28,511,260	\$ 25,819,168	\$ 29,531,368	\$ 32,770,557
Net (expense)/revenue					
Governmental activities	\$ (29,323,233)	\$ (32,453,659)	\$ (36,323,278)	\$ (38,328,327)	\$ (41,776,718)
Business-type activities	(269,355)	(396,113)	(1,176,772)	(250,319)	(291,673)
Total Primary government net expense	\$ (29,592,588)	\$ (32,849,772)	\$ (37,500,050)	\$ (38,578,646)	\$ (42,068,391)

Source: City of West Hollywood



(Continued)

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Expenses	Fiscal Year				
	2009	2010	2011	2012	2013
<b>Governmental activities:</b>					
General government	\$ 23,286,253	\$ 22,283,500	\$ 19,875,065	\$ 23,165,824	\$ 25,539,217
Public safety	14,031,263	14,693,505	14,697,422	14,049,362	14,916,605
Public services	47,202,159	37,851,081	42,408,254	39,406,297	36,552,396
Interest on long-term debt	1,994,805	3,753,074	4,016,175	3,235,260	2,600,257
Total governmental activities expenses	86,514,480	78,581,160	80,996,916	79,856,743	79,608,475
<b>Business-type activities:</b>					
Sewer	824,817	930,895	949,508	975,899	955,951
Solid waste	1,202,666	1,266,869	1,282,212	1,303,572	1,365,401
Landscape and lighting	182,353	175,253	183,915	176,687	168,908
Street maintenance	392,463	396,000	435,088	437,763	449,303
Total business-type activities expenses	2,602,299	2,769,017	2,850,723	2,893,921	2,939,563
Total primary government expenses	\$ 89,116,779	\$ 81,350,177	\$ 83,847,639	\$ 82,750,664	\$ 82,548,038
<b>Program Revenues</b>					
<b>Governmental activities:</b>					
Charges for services:					
General government	\$ 406,506	\$ 502,745	\$ 586,368	\$ 563,320	\$ 682,095
Public safety	1,260,919	1,149,849	1,076,360	980,518	1,163,801
Public services	15,417,753	14,551,173	18,748,179	19,947,996	18,242,612
Operating grants and contributions	5,317,302	4,688,118	4,257,901	4,397,509	4,458,171
Capital grants and contributions	4,439,194	2,198,352	4,278,207	1,676,294	383,071
Total governmental activities program revenues	26,841,674	23,090,237	28,947,015	27,565,637	24,929,750
<b>Business-type activities:</b>					
Charges for services:					
Sewer	607,434	609,880	757,422	1,046,131	1,060,866
Solid waste	1,289,496	1,301,527	1,346,954	1,350,986	1,390,918
Landscape and lighting	176,224	173,623	174,009	179,821	176,142
Street maintenance	284,872	288,216	287,801	286,854	291,127
Total business-type activities program revenues	2,358,026	2,373,246	2,566,186	2,863,792	2,919,053
Total primary government program revenues	\$ 29,199,700	\$ 25,463,483	\$ 31,513,201	\$ 30,429,429	\$ 27,848,803
<b>Net (expense)/revenue</b>					
Governmental activities	\$ (59,672,806)	\$ (55,490,923)	\$ (52,049,901)	\$ (52,291,106)	\$ (54,678,725)
Business-type activities	(244,273)	(395,771)	(284,537)	(30,129)	(20,510)
Total Primary government net expense	\$ (59,917,079)	\$ (55,886,694)	\$ (52,334,438)	\$ (52,321,235)	\$ (54,699,235)

CITY OF WEST HOLLYWOOD: COMPREHENSIVE ANNUAL FINANCIAL REPORT

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				
	2004	2005	2006	2007	2008
Governmental activities:					
Taxes					
Property tax	\$ 10,557,027	\$ 11,290,226	\$ 15,282,673	\$ 15,431,742	\$ 16,094,302
Transient occupancy tax	9,288,712	11,262,704	12,791,327	13,598,347	13,133,591
Sales tax	8,667,158	11,295,461	11,815,467	12,531,819	13,935,810
Franchise tax	1,482,870	1,568,412	2,045,702	2,050,258	2,093,383
Business license tax	1,839,314	2,012,904	2,198,549	2,344,725	2,454,969
Motor vehicle in-lieu	1,737,070	2,588,005	2,522,013	2,734,771	3,013,166
Use of money and property	5,565,745	5,296,288	6,798,247	9,220,141	12,186,976
Other	341,521	447,477	646,918	6,489,110	333,347
Sale of capital assets	(199,449)	-	(70,533)	2,217,673	-
Extraordinary gain(loss) on dissolution of RDA	-	-	-	(26,706)	(86,684)
Transfers	-	-	-	(26,706)	(86,684)
Total governmental activities	39,279,968	45,761,477	54,030,363	66,591,880	63,158,860
Business-type activities:					
Property taxes	-	-	-	-	-
Use of money and property	23,743	37,035	38,563	44,354	51,884
Intergovernmental	36,596	35,534	-	-	-
Transfers	-	-	-	26,706	86,684
Other	-	-	84,165	-	-
Total business-type activities	60,339	72,569	122,728	71,060	138,568
Total primary government	\$ 39,340,307	\$ 45,834,046	\$ 54,153,091	\$ 66,662,940	\$ 63,297,428
<b>Change in Net Position</b>					
Governmental Activities	\$ 9,956,735	\$ 13,307,818	\$ 17,707,085	\$ 28,263,553	\$ 21,382,142
Business-type activities	(209,016)	(323,544)	(1,054,044)	(179,259)	(153,105)
Total primary government	\$ 9,747,719	\$ 12,984,274	\$ 16,653,041	\$ 28,084,294	\$ 21,229,037

Source: City of West Hollywood

(Continued)

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General Revenue and Other Changes in Net Assets	Fiscal Year				
	2009	2010	2011	2012	2013
Governmental activities:					
Taxes					
Property tax	\$ 17,963,819	\$ 18,349,422	\$ 18,002,980	\$ 15,515,421	\$ 13,332,465
Transient occupancy tax	12,124,316	12,590,134	14,089,667	15,414,055	18,062,326
Sales tax	12,743,088	12,308,132	12,775,378	14,004,171	14,669,198
Franchise tax	2,039,944	2,257,600	2,359,255	2,408,295	2,467,311
Business license tax	2,727,228	2,603,306	2,515,615	2,637,647	2,573,491
Motor vehicle in-lieu	3,307,057	3,451,448	3,349,580	3,382,436	3,488,271
Use of money and property	9,906,326	7,322,293	7,298,634	7,999,846	9,574,917
Other	524,470	623,043	803,397	2,454,053	897,756
Sale of capital assets	-	-	-	-	-
Extraordinary gain(loss) on dissolution of RDA	-	-	-	185,683	576,058
Transfers	(100,000)	(100,000)	(116,000)	(118,700)	(171,106)
Total governmental activities	61,236,248	59,405,378	61,078,506	63,882,907	65,470,687
Business-type activities:					
Property taxes	-	-	-	-	-
Use of money and property	31,639	9,600	3,702	3,265	36
Intergovernmental	-	-	-	-	-
Transfers	100,000	100,000	116,000	118,700	171,106
Other	-	-	-	-	-
Total business-type activities	131,639	109,600	119,702	121,965	171,142
Total primary government	\$ 61,367,887	\$ 59,514,978	\$ 61,198,208	\$ 64,004,872	\$ 65,641,829
<b>Change in Net Position</b>					
Governmental Activities	\$ 1,563,442	\$ 3,914,455	\$ 9,028,605	\$ 11,591,801	\$ 10,791,962
Business-type activities	(112,634)	(286,171)	(164,835)	91,836	150,632
Total primary government	\$ 1,450,808	\$ 3,628,284	\$ 8,863,770	\$ 11,683,637	\$ 10,942,594

CITY OF WEST HOLLYWOOD

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

Page 1 of 2

	Fiscal Year				
	2004	2005	2006	2007	2008
General Fund					
Reserved	\$ 8,252,813	\$ 7,366,598	\$ 8,667,835	\$ 9,586,060	\$ 11,088,861
Unreserved	25,105,511	34,649,072	43,109,866	59,779,958	71,182,870
General Fund					
Nonspendable	-	-	-	-	-
Debt Service	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total General Fund	<u>\$ 33,358,324</u>	<u>\$ 42,015,670</u>	<u>\$ 51,777,701</u>	<u>\$ 69,366,018</u>	<u>\$ 82,271,731</u>
All other governmental funds					
Reserved	\$ 1,306,137	\$ 1,853,944	\$ 1,739,931	\$ 1,828,522	\$ 6,367,024
Unreserved, reported in:					
Special revenue funds	9,167,038	8,124,694	12,827,476	17,077,571	21,073,781
Capital projects funds	(2,869,830)	(4,446,100)	(3,999,838)	(1,053,737)	(7,352,494)
Debt service funds	8,044,882	9,104,625	12,596,942	16,259,331	20,005,025
Permanent funds	(19,008)	(14,039)	(13,161)	(13,378)	(9,825)
Nonspendable	-	-	-	-	-
Restricted					
Public services	-	-	-	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Low and moderate activities	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 15,629,219</u>	<u>\$ 14,623,124</u>	<u>\$ 23,151,350</u>	<u>\$ 34,098,309</u>	<u>\$ 40,083,511</u>

Source: City of West Hollywood.

(Continued)

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	Fiscal Year				
	2009	2010	2011	2012	2013
General Fund					
Reserved	\$ 12,483,127	\$ 8,737,738	\$ -	\$ -	\$ -
Unreserved	64,027,333	59,826,908	-	-	-
General Fund					
Nonspendable	-	-	783,625	186,823	65,340
Debt Service	-	-	-	-	1,255,006
Committed	-	-	18,787,130	7,735,781	9,367,610
Assigned	-	-	40,500,000	58,557,142	63,018,495
Unassigned	-	-	15,077,764	9,295,313	10,329,622
Total General Fund	\$ 76,510,460	\$ 68,564,646	\$ 75,148,519	\$ 75,775,059	\$ 84,036,073
All other governmental funds					
Reserved	\$ 43,819,590	\$ 25,444,012	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	2,682,085	3,215,665	-	-	-
Capital projects funds	(39,316,074)	(18,527,488)	-	-	-
Debt service funds	24,115,084	38,372,032	-	-	-
Permanent funds	(7,675)	(6,986)	-	-	-
Nonspendable	-	-	770	8,856	7,569
Restricted					
Public services	-	-	10,835,831	14,764,382	15,327,037
Capital projects	-	-	38,671,862	6,462,100	13,694,034
Debt service	-	-	15,863,936	12,293,855	5,178,386
Low and moderate activities	-	-	11,100,827	-	-
Unassigned	-	-	(6,331,086)	(6,312,241)	(7,385,459)
Total all other governmental funds	\$ 31,293,010	\$ 48,497,235	\$ 70,142,140	\$ 27,216,952	\$ 26,821,567

CITY OF WEST HOLLYWOOD

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

	Fiscal Year				
	2004	2005	2006	2007	2008
<b>Revenues</b>					
Taxes	\$ 33,002,400	\$ 37,952,941	\$ 45,207,616	\$ 46,101,241	\$ 48,030,682
Licenses and permits	3,430,860	3,768,824	3,685,402	4,713,679	6,463,934
Intergovernmental	7,834,915	9,019,572	5,630,843	7,291,616	9,326,675
Charges for services	3,008,760	3,000,706	3,465,762	3,305,877	3,204,181
Use of money and property	6,304,030	6,191,455	7,878,304	9,464,842	11,800,400
Fines and forfeitures	8,695,339	8,615,254	9,035,814	9,527,735	9,426,028
Contributions	-	-	-	-	-
Developer participation	1,145,013	2,959,411	2,171,542	3,703,886	3,963,162
Miscellaneous	400,676	320,347	790,001	6,514,931	1,627,926
Total revenues	63,821,993	71,828,510	77,865,284	90,623,807	93,842,988
<b>Expenditures</b>					
Current:					
General government	12,101,089	13,874,481	16,166,120	15,194,716	17,656,982
Public Safety	10,887,777	10,698,220	11,139,872	11,319,265	12,671,110
Public Services	25,541,870	27,292,421	27,346,605	30,204,839	33,086,061
Capital outlay	12,626,053	4,722,669	6,322,213	6,663,064	8,463,971
Debt service:					
Principal retirement	725,000	5,420,000	845,000	890,000	935,000
Interest and fiscal charges	2,028,213	2,169,468	2,076,761	2,066,311	2,052,264
Debt issuance costs	364,975	-	-	-	-
Total expenditures	64,274,977	64,177,259	63,896,571	66,338,195	74,865,388
Excess (deficiency) of revenues over (under) expenditures	(452,984)	7,651,251	13,968,714	24,285,612	18,977,600
<b>Other financing sources (uses)</b>					
Transfers in	15,664,745	8,062,551	2,684,606	2,697,002	3,354,513
Transfers out	(15,664,745)	(8,062,551)	(2,684,606)	(2,723,708)	(3,441,197)
Long-term debt issued	11,500,000	-	-	-	-
Refunding bonds issued	-	-	-	-	-
Bonds issued	-	-	-	-	-
Bond premium	-	-	-	-	-
Bond discount	-	-	-	-	-
Sale of capital assets	-	-	2,879,467	3,697,706	-
Extraordinary gain/(loss) on dissolution of RDA	-	-	-	-	-
Total other financing sources (uses)	11,500,000	-	2,879,467	3,671,000	(86,684)
Net change in fund balances	\$ 11,047,016	\$ 7,651,251	\$ 16,848,181	\$ 27,956,612	\$ 18,890,916
Debt service as a percentage of noncapital expenditures	5.3%	12.2%	5.0%	4.6%	4.2%
Capital Outlay	11,913,594	2,046,977	5,420,275	2,424,732	4,462,135

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

Source: City of West Hollywood.

(Continued)

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	Fiscal Year				
	2009	2010	2011	2012	2013
<b>Revenues</b>					
Taxes	\$ 47,964,152	\$ 46,197,345	\$ 49,856,094	\$ 49,608,370	\$ 52,722,760
Licenses and permits	3,749,814	3,380,036	4,718,357	5,520,319	4,990,941
Intergovernmental	10,216,862	8,273,817	9,340,661	8,459,564	7,339,250
Charges for services	3,192,149	3,289,924	3,389,975	3,551,985	3,382,268
Use of money and property	9,518,263	6,866,344	9,794,397	7,934,591	9,574,917
Fines and forfeitures	9,404,794	8,969,664	10,033,205	10,443,347	10,576,985
Contributions	3,122,985	1,373,409	2,947,907	1,500,348	122,321
Developer participation	345,161	388,298	834,235	1,530,782	872,764
Miscellaneous	657,738	709,999	2,154,698	2,603,628	997,287
<b>Total revenues</b>	<b>88,171,918</b>	<b>79,448,836</b>	<b>93,069,529</b>	<b>91,152,934</b>	<b>90,579,493</b>
<b>Expenditures</b>					
Current:					
General government	22,464,073	21,699,975	19,233,560	19,874,229	20,387,134
Public Safety	13,951,163	14,613,812	14,619,971	14,068,721	14,916,605
Public Services	44,571,826	36,093,478	39,455,917	35,669,727	36,438,556
Capital outlay	19,191,828	29,206,055	24,746,798	12,477,205	6,066,194
Debt service:					
Principal retirement	980,000	22,030,000	1,760,000	3,795,000	1,645,000
Interest and fiscal charges	2,013,074	3,166,842	3,481,149	4,352,546	2,600,257
Debt issuance costs	-	790,384	712,845	-	-
<b>Total expenditures</b>	<b>103,171,964</b>	<b>127,600,546</b>	<b>104,010,240</b>	<b>90,237,428</b>	<b>82,053,746</b>
Excess (deficiency) of revenues over (under) expenditures	(15,000,046)	(48,151,710)	(10,940,711)	915,506	8,525,747
<b>Other financing sources (uses)</b>					
Transfers in	5,450,450	28,871,861	63,005,020	44,975,210	4,687,613
Transfers out	(5,550,450)	(28,971,861)	(63,121,020)	(45,093,910)	(5,358,719)
Long-term debt issued	-	-	39,980,000	-	-
Refunding bonds issued	-	22,160,000	-	-	-
Bonds issued	-	34,780,000	-	-	-
Bond premium	-	665,937	-	-	-
Bond discount	-	(95,813)	(694,511)	-	-
Sale of capital assets	91	-	-	-	10,988
Extraordinary gain/(loss) on dissolution of RDA	-	-	-	(43,536,799)	-
<b>Total other financing sources (uses)</b>	<b>(99,909)</b>	<b>57,410,124</b>	<b>39,169,489</b>	<b>(43,655,499)</b>	<b>(660,118)</b>
<b>Net change in fund balances</b>	<b>\$(15,099,955)</b>	<b>\$ 9,258,414</b>	<b>28,228,778</b>	<b>\$(42,739,993)</b>	<b>\$ 7,865,629</b>
Debt service as a percentage of noncapital expenditures	3.5%	25.8%	6.6%	10.4%	5.6%
Capital Outlay	18,777,662	29,786,812	24,455,298	12,006,900	6,117,191

CITY OF WEST HOLLYWOOD

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

<b>Fiscal Year</b>	<b>(1) Transient Occupancy Tax</b>	<b>(2) Sales Taxes</b>	<b>(3) Property Taxes</b>	<b>Franchise Taxes</b>	<b>Business License Tax</b>	<b>Total General Fund Taxes</b>
<b>2004</b>	9,288,712	8,667,158	7,280,610	1,949,270	1,747,267	28,933,016
<b>2005</b>	11,262,704	10,295,808	7,585,418	1,931,179	1,942,270	33,017,379
<b>2006</b>	12,791,327	11,856,503	8,000,302	2,045,703	2,111,391	36,805,225
<b>2007</b>	13,598,347	12,186,463	9,786,521	2,050,259	2,259,576	39,881,166
<b>2008</b>	13,133,591	12,951,731	10,436,713	1,965,000	2,375,905	40,862,940
<b>2009</b>	12,124,316	12,112,025	10,941,349	1,940,166	2,611,390	39,729,245
<b>2010</b>	12,590,134	10,730,268	9,971,747	2,123,395	2,383,438	37,798,981
<b>2011</b>	14,089,667	11,642,605	11,191,866	2,212,579	2,425,126	41,561,844
<b>2012</b>	15,414,055	12,279,783	12,071,755	2,278,536	2,637,647	44,681,776
<b>2013</b>	18,062,326	13,236,253	13,971,978	2,310,145	2,573,491	50,154,193

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.

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				Redevelopment Agency (2)			(1) Total Direct Tax Rate
	Real	Personal	Utility	Taxable Assessed Value	Real	Personal	Taxable Assessed Value	
2004	4,187,962,732	167,112,510	257,447	4,355,332,689	594,564,717	25,344,256	619,908,973	0.17868
2005	4,542,034,409	161,139,825	278,447	4,703,452,681	641,884,711	30,302,657	672,187,368	0.17868
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	-	-	-	-

Fiscal Year	City							
	Residential	Commercial	Industrial	Institutional	Vacant	Unsecured	Exempt	Miscellaneous
2004	2,751,845,082	1,233,190,771	90,317,857	17,292,459	68,026,794	167,112,510	(38,420,961)	27,547,216
2005	3,053,863,265	1,281,718,262	88,797,999	7,475,094	81,241,731	161,139,825	(36,282,619)	29,216,505
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

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)**

Agency	Fiscal Year				
	2004	2005	2006	2007	2008
<b>Basic Levy (1)</b>	1.00000	1.00000	1.00000	1.00000	1.00000
County Detention Facilities 1987 Debt	0.00099	0.00092	0.00080	0.00066	0.00000
LA Ccd Ds 2005 2012 Series F	0.00000	0.00000	0.00000	0.00000	0.00000
LA Community College District	0.01986	0.01810	0.01429	0.02146	0.00879
LA County Flood Control	0.00046	0.00025	0.00005	0.00005	0.00000
LA USD Measure K 2010 Series KY	0.00000	0.00000	0.00000	0.00000	0.00000
Los Angeles Unified School District	0.07715	0.08884	0.08435	0.10681	0.12334
Metropolitan Water District	0.00610	0.00580	0.00520	0.00470	0.00450
<b>Total Direct &amp; Overlapping Tax Rates (2)</b>	<b>1.10456</b>	<b>1.11391</b>	<b>1.10468</b>	<b>1.13369</b>	<b>1.13664</b>
<b>City's Share of 1% Levy Per Prop 13 (3)</b>	0.17868	0.17868	0.17868	0.17868	0.17868
<b>General Obligation Debt Rate</b>					
<b>Redevelopment Rate (4)</b>	1.00771	1.00711	1.00615	1.00549	1.00454
<b>Total Direct Rate (5)</b>	0.20399	0.21033	0.22493	0.23270	0.24024

Notes:

- (1) In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This is 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)

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	Fiscal Year				
	2009	2010	2011	2012	2013
<b>Basic Levy (1)</b>	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	0.02212	0.02311	0.04031	0.03530	0.03756
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	0.00000	0.00000	0.00001
Los Angeles Unified School District	0.12478	0.15181	0.18695	0.16819	0.17560
Metropolitan Water District	0.00430	0.00430	0.00370	0.00370	0.00350
<b>Total Direct &amp; Overlapping Tax Rate</b>	<b>1.15120</b>	<b>1.17922</b>	<b>1.23096</b>	<b>1.20718</b>	<b>1.22786</b>
<b>City's Share of 1% Levy Per Prop 13</b>	0.17868	0.17868	0.17868	0.17868	0.17868
<b>General Obligation Debt Rate</b>					
<b>Redevelopment Rate (4)</b>	1.00436	1.00430	1.00370	1.00370	-
<b>Total Direct Rate (5)</b>	0.24840	0.24955	0.24888	0.24835	0.24440

CITY OF WEST HOLLYWOOD

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

Taxpayer	2013		2004	
	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Mani Brothers 9200 Sunset De LLC	\$ 226,752,783	2.97%	28,993,176	0.67%
Pacific Design Center LLC	166,510,312	2.18%	160,370,812	3.68%
BRCP Millennium LLC	125,630,167	1.64%		0.00%
Pacific Red LLC	117,448,571	1.54%		0.00%
Wolverines Owner LLC	84,775,966	1.11%		0.00%
CLPF West Hollywood LP	83,653,565	1.09%		0.00%
Studio Lending Group LLC	69,907,731	0.91%		0.00%
W Bel Age LLC	63,087,607	0.83%	43,548,336	1.00%
BMB Investment	47,851,605	0.63%		0.00%
8490 Sunset Boulevard WH Owner	40,300,000	0.53%		0.00%
Sunset Millennium Holdings LLC		0.00%	85,741,493	1.97%
Mondrian Holdings LLC		0.00%	68,792,674	1.58%
BA Studios LLC		0.00%	42,700,939	0.98%
Arden Realty LP		0.00%	28,524,516	0.65%
RWH Holdings Inc		0.00%	26,895,706	0.62%
Monte Overstreet		0.00%	21,586,298	0.50%
Sunset Towers Partnership		0.00%	20,527,400	0.47%
<b>TOTALS</b>	<b>\$ 1,025,918,307</b>	<b>13.42%</b>	<b>\$ 527,681,350</b>	<b>12.12%</b>

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
2004	9,406,397	9,394,507	99.9%	-	9,394,507	99.9%
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	11,197,861	98.7%	-	11,197,861	98.7%

Notes: Includes secured property taxes and unsecured taxes of the Redevelopment Agency.

(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) 2012-13 General Fund Taxes only

Source: Los Angeles County Auditor-Controller.

CITY OF WEST HOLLYWOOD: COMPREHENSIVE ANNUAL FINANCIAL REPORT

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			
2004	11,500,000	28,440,000	-	-	-	39,940,000	2.5%	1,061.19
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	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.  
 Amounts include principal balance of \$50,775,000, and unamortized premiums/discounts of \$365,548.
- (4) Personal Income information not available for 2013 at this time.

Source: City of West Hollywood

CITY OF WEST HOLLYWOOD

**TABLE 11  
DIRECT AND OVERLAPPING DEBT  
JUNE 30, 2013  
(UNAUDITED)**

Jurisdiction	Net General Obligation Debt Outstanding	Percentage Applicable to City of West Hollywood	Amount Applicable to City of West Hollywood June 30, 2013
Overlapping General Fund Debt:			
Metropolitan Water District	79,696,126	0.783%	623,883
Los Angeles County Community College District	3,712,555,000	1.282%	47,599,017
Los Angeles Unified School District	10,956,555,000	1.592%	<u>174,431,227</u>
Subtotal, overlapping debt			222,654,127
City direct governmental debt			
2009 Lease Revenue Bonds Series A	15,995,000	100.000%	15,995,000
2009 Lease Revenue Bonds Series B	34,780,000	100.000%	34,780,000
Overlapping Tax Increment Debt			
2003 Tax Allocation Bonds	9,525,000	100.000%	9,525,000
2011 Tax Allocation Bonds Series A	28,830,000	100.000%	28,830,000
2011 Tax Allocation Bonds Series A	8,835,000	100.000%	8,835,000
Total direct and overlapping governmental debt			<u>\$ 320,619,127</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**

Page 1 of 2

	Fiscal Year				
	2004	2005	2006	2007	2008
Debt limit	\$ 669,881,700	\$ 724,258,134	\$ 786,253,106	\$ 898,796,113	\$ 990,292,149
Total net debt applicable to limit	43,965,000	38,605,000	38,605,000	38,605,000	38,605,000
Legal debt margin	\$ 625,916,700	\$ 685,653,134	\$ 747,648,106	\$ 860,191,113	\$ 951,687,149
Total net debt applicable to the limit as percentage of debt limit	6.56%	5.33%	4.91%	4.30%	3.90%

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)

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	Fiscal Year				
	2009	2010	2011	2012	2013
Debt limit	\$ 1,086,881,222	\$ 1,134,328,071	\$ 1,100,856,999	\$ 1,111,655,323	\$ 1,146,438,683
Total net debt applicable to limit	38,605,000	68,440,000	108,420,000	108,420,000	50,775,000
Legal debt margin	\$ 1,048,276,222	\$ 1,065,888,071	\$ 992,436,999	\$ 1,003,235,323	\$ 1,095,663,683
Total net debt applicable to the limit as percentage of debt limit	3.55%	6.03%	9.85%	9.75%	4.43%

**Legal Debt Margin Calculation for Fiscal Year 2013**

Assessed value	<u>\$ 7,642,924,556</u>
Debt limit (1)	1,146,438,683
Debt applicable to limit (2):	
Lease Revenue Bonds	50,775,000
Net amount of debt applicable to debt limit	<u>50,775,000</u>
Legal debt margin	<u>\$ 1,095,663,683</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	
2004	1,549,207	279,908	1,269,299	235,000	549,938	784,938	1.62
2005	2,187,395	353,917	1,833,478	195,000	591,070	786,070	2.33
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

- 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.

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>
2004	37,637	1,587,671	42,184	5.5%
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	35,899	1,894,907	52,785	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 is an estimate.

(4) Unemployment data : California Employment Development Department

# CITY OF WEST HOLLYWOOD: COMPREHENSIVE ANNUAL FINANCIAL REPORT

## CITY OF WEST HOLLYWOOD

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

	2013		2003	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Los Angeles County Metropolitan Transportation Authority	645	2.7%	**	
House of Blues Concerts Inc	219	0.9%	150	0.6%
City of West Hollywood	209	0.9%	197	0.8%
Wyndham Bel Age Hotel LP (The London West Hollywood)	200	0.8%	200	0.8%
CityGrid Media	195	0.8%	**	
Mondrian Holdings LLC (Mondrian Hotel)	186	0.8%	500	2.0%
Hyatt Corp (Hyatt West Hollywood Hotel) (Andaz WeHo)	179	0.7%	165	0.7%
Hollywood Standard LLC (The Standard Hotel)	160	0.7%	-	0.0%
Best Buy	160	0.7%	-	0.0%
Target Corp.	150	0.6%	-	0.0%
Sunset Conglomerate Restaurant (Saddle Ranch)	130	0.5%	100	0.4%
Dailey & Associates	125	0.5%	260	1.1%
KKHG Management LLC (Sunset Tower Hotel)	101	0.4%	133	0.5%
HMBL LLC (Best Western Sunset Plaza)	45	0.2%	-	0.0%
Outrigger Lodging Services LLP (Le Parc Suite Hotel)	72	0.3%	105	0.4%
SC Club LP (Key Club)* (Sold)	-	0.0%	60	0.2%
New Line Cinema Corp (Sold)	-	0.0%	100	0.4%
<b>Total Jobs By Principal Employers</b>	<b>2,776</b>	<b>11.6%</b>	<b>1,970</b>	<b>8.0%</b>
Total Jobs (estimated) in City of West Hollywood	23,900	100%	24,600	100%

**Notes:**

\*Ticketmaster merged with LiveNation in 2010, subsequently reducing labor and moving headquarters to Los Angeles.

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									
	04	05	06	07	08	09	10	11	12	13
<b>General Government</b>										
Legislative & Executive	21.5	22.5	22.5	22.5	24.6	24.6	24.6	23.6	25.6	25.6
Administration	26.8	27.8	27.8	28.8	28.8	28.8	28.8	28.8	26.8	26.8
Finance & Information Technology	22.0	22.0	22.0	22.0	21.9	21.9	21.9	21.9	21.9	23.9
Public Information	8.7	8.7	8.7	8.7	8.8	8.8	8.8	8.8	8.8	7.8
<b>Community Services</b>										
Human Services & Rent Stabilization	46.5	47.2	47.2	47.2	50.6	50.6	53.4	53.4	52.4	52.4
Housing & Rent Stabilization	16.8	18.0	17.0	17.0	18.0	17.0	17.0	17.0	17.0	0.0
Community Development	30.0	33.0	33.0	33.0	28.0	28.0	29.0	29.0	29.0	29.0
Department of Public Works	23.0	23.0	23.0	24.0	26.0	26.0	26.0	26.0	26.0	44.0
<b>Total</b>	<b>195.1</b>	<b>202.1</b>	<b>201.1</b>	<b>203.1</b>	<b>206.6</b>	<b>205.6</b>	<b>209.4</b>	<b>208.5</b>	<b>207.4</b>	<b>209.4</b>

Source: City of West Hollywood

CITY OF WEST HOLLYWOOD

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

Function	Fiscal Year									
	04	05	06	07	08	09	10	11	12	13
Police (1)										
Incidents	7,353	7,591	7,650	7,763	7,425	6,700	7,171	7,036	7,460	6,605
Arrests	2,464	2,715	2,800	3,976	3,477	2,955	3,320	3,007	3,069	3,218
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	5	5	6	6	6	7	7
Community Development										
Commercial building permits	321	307	254	304	253	254	235	337	221	221
Residential building permits	401	460	483	442	531	377	551	522	396	396
Parking										
Citations issued	197,370	181,337	187,854	183,311	194,003	190,000	190,979	200,164	195,345	182,930

Notes:

(1) Police statistics are base on calendar year; Information for 2013 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									
	04	05	06	07	08	09	10	11	12	13
<b>Public Safety</b>										
This a contracted service	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Parking:</b>										
Parking Structures	1	1	1	1	1	1	1	2	2	2
Parking Lots	4	4	4	4	4	4	4	4	4	4
<b>Cultural &amp; Recreation:</b>										
Parks	5	5	5	5	5	6	6	6	7	7
<b>General Services:</b>										
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	56	56
<b>Wastewater:</b>										
Sanitary sewers (miles)	39	39	39	39	39	39	39	39	39	39
Manholes	395	395	395	395	395	395	395	395	395	395
<b>City-Line:</b>										
Number of Buses	5	5	5	5	5	10	10	10	10	10

Source: City of West Hollywood

**CITY OF WEST HOLLYWOOD**

**TABLE 19  
EAST SIDE PROJECT AREA  
PROPERTY SUMMARY  
FISCAL YEAR 2012-2013**

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Category	Net Taxable Value	Percentage
Residential	684,068,787	57.5%
Commercial	322,788,142	27.1%
Industrial	95,591,667	8.0%
Recreational	2,547,984	0.2%
Institutional	5,513,882	0.5%
Vacant land	5,891,595	0.5%
Exempt (not incl in total)	-	0.0%
Possessory Interest	4,001,147	0.3%
Unsecured	21,993,138	1.8%
Unknown	-	0.0%
Taxable Value [1]	1,142,396,342	

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[1] Includes base year assessed value.

Source: Los Angeles County Assessor 2012-13 Combined Tax Rolls.



CITY OF WEST HOLLYWOOD

**TABLE 20**  
**EAST SIDE PROJECT AREA**  
**TOP TEN TAXPAYERS**  
**FISCAL YEAR 2012-13**

Taxpayer	No. Parcels	Assessed Valuation [1]	Percent of Total Assessed Value	Percent of Incremental Value
CLPF West Hollywood LP	1	\$83,653,565	7.32%	11.45%
Studio Lending Group LLC	1	69,907,731	6.12%	9.57%
Casden Movietown LLC	1	29,963,467	2.62%	4.10%
RSH Ralphs Properties I LLC	1	27,250,000	2.39%	3.73%
Monarch La Brea Venture LP	4	20,000,000	1.75%	2.74%
Monarch Santa Monica Venture LP	4	17,600,000	1.54%	2.41%
The Promenade	1	12,930,107	1.13%	1.77%
Domain West Hollywood, LLC	4	10,000,000	0.88%	1.37%
Donald T Sterling Trust	3	8,948,286	0.78%	1.23%
BP Edgemont LLC	1	6,933,317	0.61%	0.95%
Total for Top Ten:		<u>\$287,186,473</u>	<u>25.14%</u>	<u>39.32%</u>
Total Taxable Assessed Value	1360	\$1,142,396,612	100.00%	
Less: Base Year Assessed Value		<u>\$412,020,410</u>		
Total Incremental Value		<u>\$730,376,202</u>		
Total Assessed Value		1,173,738,079		
Total Taxable Assessed Value		<u>1,142,396,612</u>		
Total Exempt		<u>31,341,467</u>		

Notes:

[1] Includes both secured and unsecured values.

Source: Los Angeles County Assessor 2012-13 Secured and Unsecured Tax Rolls.

CITY OF WEST HOLLYWOOD

**TABLE 21**  
**EAST SIDE PROJECT AREA**  
**HISTORICAL TAXABLE VALUES AND TAX INCREMENT REVENUES**  
**FISCAL YEAR 2008-09-2011-12 (ACTUALS) AND 2012-13 BUDGETED**

	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>
	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
Secured Value	1,102,501,562	1,092,479,944	1,095,456,516	1,120,403,474	1,191,304,977
Unsecured Value	76,501,939	58,529,021	56,318,710	21,993,138	56,373,130
Total	<u>1,179,003,501</u>	<u>1,151,008,965</u>	<u>1,151,775,226</u>	<u>1,142,396,612</u>	<u>1,247,678,107</u>
Less Base Year Value (1)	(412,020,410)	(412,020,410)	(412,020,410)	(412,020,410)	(412,020,410)
Incremental Increase	<u>766,983,091</u>	<u>738,988,555</u>	<u>739,754,816</u>	<u>730,376,202</u>	<u>835,657,697</u>
Gross Tax Increment Revenue (2)	7,743,087	7,422,091	7,452,558	7,331,299	7,238,070
County Administrative Fees	(120,874)	(126,645)	(113,059)	(143,252)	(156,512)
ERAF Shift (4)	(1,837,160)	(378,239)	-	-	-
ABX1 26 Enforceable Obligations (5)	-	-	(1,291,150)	(4,309,636)	(4,250,965)
Statutory Pass-Throughs (6)	(1,836,108)	(1,736,835)	(1,547,246)	(1,548,023)	(1,616,186)
Net Tax Revenues/ Residual Balance (3)	<u>3,948,945</u>	<u>5,180,371</u>	<u>4,501,103</u>	<u>1,330,388</u>	<u>1,214,408</u>
% Chg from Prior Year					
Gross Tax Increment Revenues	0.37%	-4.15%	0.41%	-1.63%	-1.27%
% Chg from Prior Year					
Net Tax Revenues	-32.57%	31.18%	-13.11%	-70.44%	-8.72%

(1) Base Year secured valuation was \$403,196,115 and Base Year unsecured valuation was \$8,824,295.

(2) Actuals based on HDL tax reports. Estimates for fiscal year 2013-14 based on Los Angeles County estimated Redevelopment Property Tax Trust Fund Allocations for 7/1/13-12/31/13 and 1/1/14-6/30/14

(3) This amount includes the 20% low and moderate income housing set-aside as it is included in the Tax Revenues pledged toward the payment of debt service on the Bonds through only 2010-11. After the dissolution of redevelopment agencies in 2011-12, the 20% low and moderate income housing set-aside was no longer required and all tax revenues were combined. Prior to the dissolution of redevelopment agencies, the Commission received the "net tax revenues" to spend on redevelopment projects. After the dissolution of redevelopment agencies in 2011-12 the "residual balance" (previously the net tax revenue) is allocated to all taxing entities included in the 1% general tax levy for the Project Area, based on their percentage of the 1% levy.

(4) The ERAF shift ended in fiscal year 2005-06 and a new ERAF was imposed in 2009-10 and 2010-11

(5) The California State Budget for 2011-12 eliminated all Redevelopment Agencies. As necessary, revenues of the former Commission are allocated for bond payments and other continuing contractual obligations entered into prior to 2011-12.

(6) Prior to the dissolution of redevelopment agencies the Commission was responsible for paying statutory pass-through payments, after the dissolution the County Auditor-Controller is responsible for their payment.

Source: West Hollywood Successor Agency and County of Los Angeles Auditor-Controller's Office.

CITY OF WEST HOLLYWOOD

**TABLE 22**  
**EAST SIDE PROJECT AREA**  
**SETTLE ASSESSMENT APPEALS**  
**FISCAL YEAR 1997-98 THROUGH FISCAL YEAR 2013-14**

Lien Year	Total Appeals	Resolved Appeals	Successful Appeals	Successful Appeals (%)	Original Value	Loss of Value	Percentage Loss
1997-98	54	54	24	44.44%	8,452,007	1,669,507	19.75%
1998-99	28	28	14	50.00%	11,763,585	3,793,585	32.25%
1999-00	40	40	7	17.50%	5,676,383	1,353,383	23.84%
2000-01	19	19	11	57.89%	11,943,124	2,783,886	23.30%
2001-02	24	24	17	70.83%	77,080,611	28,279,869	36.69%
2002-03	26	26	11	42.31%	7,938,105	1,467,545	18.49%
2003-04	6	6	2	33.33%	6,786,760	1,686,760	24.85%
2004-05	10	9	4	44.44%	5,028,536	1,277,548	25.41%
2005-06	6	5	4	80.00%	8,934,662	2,294,220	25.68%
2006-07	7	5	2	40.00%	53,692,117	1,582,613	2.95%
2007-08	9	7	2	28.57%	55,550,491	1,330,462	2.39%
2008-09	30	29	17	58.62%	63,787,331	8,384,735	13.14%
2009-10	65	55	35	63.64%	143,005,302	18,474,858	12.92%
2010-11	58	50	8	16.00%	96,797,555	22,199,195	22.93%
2011-12	44	30	23	76.67%	64,722,260	10,245,570	15.83%
2012-13	54	8	6	75.00%	8,665,615	1,525,825	17.62%
2013-14	20	0	0	0.00%	-	-	0.00%
Total:	500	395	187	47.34%	\$629,824,444	\$108,349,561	17.20%

Source: Los Angeles County Assessor 2012-13 Combined Tax Rolls  
 & Most Recent Appeals Roll - November 27, 2013

CITY OF WEST HOLLYWOOD

**TABLE 23**  
**EAST SIDE PROJECT AREA**  
**PENDING ASSESSMENT APPEALS IMPACT PROJECTION**  
**FISCAL YEAR 2007-08 THROUGH 2012-13**

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Lien Year	Pending Appeals	Prior Successful Percentage	Average Appeal Value	Prior Loss Percentage	Estimated Loss in Assessed Value	Estimated Revenue Loss
2007-08	2	28.57%	7,258,330	2.39%	99,316	998
2008-09	1	58.62%	2,601,917	13.14%	200,493	2,014
2009-10	10	63.64%	43,399,613	12.92%	3,567,673	35,830
2010-11	8	52.00%	5,035,031	22.93%	4,803,617	48,216
2011-12	14	76.67%	6,287,378	15.83%	10,682,838	107,224
2012-13	46	75.00%	3,410,298	17.61%	20,716,519	207,165
2013-14	20	62.21%	1,649,143	16.14%	3,310,904	33,109
Total:	<u>101</u>		<u>\$ 69,641,710</u>		<u>\$ 43,381,360</u>	<u>\$ 434,556</u>

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Source: Los Angeles County Assessor 2012-13 Combined Tax Rolls  
 & Most Recent Appeals Roll -November 27, 2013

CITY OF WEST HOLLYWOOD

**TABLE 24  
EAST SIDE PROJECT AREA  
PROJECTED TAX REVENUES AND ESTIMATED DEBT SERVICE COVERAGE  
FISCAL YEAR 2004-2043**

Fiscal Year Ending June 30th	2003 Bonds Principal and Interest	2011 A Bonds Principal and Interest	2011 B Bonds Principal and Interest	Total Debt Service	(1) (2) Net Tax Increment	(3) RPTTF Revenue	Coverage
2004	250,878	-	-	250,878	1,547,391	-	517%
2005	829,595	-	-	829,595	2,147,395	-	259%
2006	783,145	-	-	783,145	4,311,022	-	550%
2007	782,220	-	-	782,220	3,985,668	-	510%
2008	780,633	-	-	780,633	4,781,122	-	612%
2009	783,820	-	-	783,820	5,856,461	-	747%
2010	781,745	-	-	781,745	3,948,945	-	505%
2011	778,395	-	-	778,395	5,180,371	-	666%
2012	778,608	2,460,365	932,625	4,171,598	3,220,004	951,594	100%
2013	777,808	2,372,300	887,613	4,037,720	-	4,037,720	100%
2014	781,120	2,341,500	870,513	3,993,133	-	3,993,133	100%
2015	778,533	2,342,888	873,488	3,994,908	-	3,994,908	100%
2016	780,138	2,341,888	870,738	3,992,763	-	3,992,763	100%
2017	775,633	2,347,638	872,613	3,995,883	-	3,995,883	100%
2018	775,050	2,347,388	873,900	3,996,338	-	3,996,338	100%
2019	778,328	2,340,588	869,550	3,988,465	-	3,988,465	100%
2020	775,523	2,342,438	869,900	3,987,860	-	3,987,860	100%
2021	776,343	2,341,438	874,700	3,992,480	-	3,992,480	100%
2022	775,718	2,344,238	873,513	3,993,468	-	3,993,468	100%
2023	773,790	2,344,550	871,713	3,990,053	-	3,990,053	100%
2024	770,338	2,345,150	873,850	3,989,338	-	3,989,338	100%
2025	770,569	2,343,650	875,063	3,989,281	-	3,989,281	100%
2026	769,553	2,345,050	875,350	3,989,953	-	3,989,953	100%
2027	771,991	2,344,000	874,713	3,990,703	-	3,990,703	100%
2028	767,881	2,345,500	873,150	3,986,531	-	3,986,531	100%
2029	767,225	2,342,725	875,325	3,985,275	-	3,985,275	100%
2030	769,369	2,342,050	871,075	3,982,494	-	3,982,494	100%
2031	769,150	2,343,113	870,875	3,983,138	-	3,983,138	100%
2032	766,919	2,345,550	874,250	3,986,719	-	3,986,719	100%
2033	762,675	2,344,000	870,725	3,977,400	-	3,977,400	100%
2034	761,275	2,346,375	870,775	3,978,425	-	3,978,425	100%
2035	-	2,888,875	1,113,925	4,002,800	-	4,002,800	100%
2036	-	2,890,625	1,111,900	4,002,525	-	4,002,525	100%
2037	-	2,878,750	1,105,600	3,984,350	-	3,984,350	100%
2038	-	2,878,625	1,105,025	3,983,650	-	3,983,650	100%
2039	-	2,878,750	1,109,225	3,987,975	-	3,987,975	100%
2040	-	2,878,375	1,107,250	3,985,625	-	3,985,625	100%
2041	-	2,881,750	1,109,100	3,990,850	-	3,990,850	100%
2042	-	2,877,750	1,108,825	3,986,575	-	3,986,575	100%
2043	-	2,881,000	1,105,950	3,986,950	-	3,986,950	100%
Totals:	23,543,962	79,988,878	30,122,813	133,655,652	34,978,378	124,665,217	119%

(1) From Fiscal Year 2003-04 to 2010-11, tax increment was the source of revenues. Net tax increment revenues increased through fiscal year 2008-09. In fiscal years 2009-10, 2010-11 and the first half of 2011-12, ERAF takeaways reduced the amount of tax increment received by the Agency. Note net tax increment revenues for 2005-06 included \$1.4 million in prior year revenues.

(2) In 2010-11, the Agency issued new bonds; This schedule has been adjusted to show that debt service of the bonds that were issued.

(3) The California State Legislature dissolved all redevelopment agencies effective January 31, 2012. On February 1, 2012, a Successor Agency was formed with the purpose of paying off all enforceable obligations of the former redevelopment agency from County's Redevelopment Property Tax Trust Fund (RPTTF). The debt shown has been approved as enforceable obligations by the State Department of Finance and the Successor Agency's Oversight Board. In 2011-12, the payment was made from redevelopment fund reserves.

Source: West Hollywood Community Development Commission.

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# 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

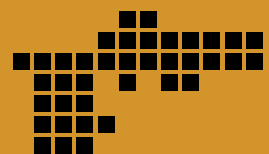
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