



# CITY OF WEST HOLLYWOOD

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ending June 30, 2017



WEST HOLLYWOOD, CALIFORNIA

## Major Initiatives

Making Our Communities Safer

Improving Mobility and Circulation

Maintaining Neighborhood Character

Supporting Vulnerable Communities

Investing in Infrastructure

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**West Hollywood's residents and visitors are highly engaged with the City on social media. Read tweets about the City on each of the Budget's colorful dividers.**

**Cover photos:** Top left: City Hall Community Plaza, Mural by artist MONCHO1929, Top right: Decision Day, photo by Jon Viscott, Lower left: WeHo Pedals, photo by Joshua Barash, Lower right: *Modern Heroes* Sculpture by Mauro Perucchetti, photo by Tony Coelho

**Graphic design:** Cover and dividers, Joanne Shannahoff Design



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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

**FISCAL YEAR ENDED JUNE 30, 2017**

**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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June 30, 2017

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# Introductory



 Hello #Weho! Loving my new home and my neighborhood! #adaptation #inspired #thankyou



Top front: City of West Hollywood Bike Day, photo by Joshua Barash, Lower front: Harvey Milk Day Film Screening, photo by Joshua Barash, Back: West Hollywood 30th Anniversary of Cityhood, photo by Jon Viscott





# CITY OF WEST HOLLYWOOD

CITY HALL  
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**DEPARTMENT  
OF FINANCE  
& TECHNOLOGY  
SERVICES**

December 28, 2017

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, 2017. 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 provides management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, the management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh the benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. The concept of reasonable assurance recognizes that: (1) the cost of a control structure should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.



## INDEPENDENT AUDIT

The City requires an annual audit by independent certified public accountants. White Nelson Diehl Evans LLP, a public accounting firm fully licensed and qualified to perform audits of 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, 2017, 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, 2017, are fairly presented in conformity with accounting principles generally accepted in the United States. The independent auditors' report is presented as the first component of the financial section of this report.

## SINGLE AUDIT

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

## BUDGETARY CONTROLS

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

## MANAGEMENT DISCUSSION & ANALYSIS

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

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

Spurred by a desire for greater local control, residents of West Hollywood joined together to fight the threat to end rent control under Los Angeles County government. As a result West Hollywood was incorporated as a city in 1984. Centrally located, West Hollywood is bordered by Beverly Hills on the west and Hollywood on the east. West Hollywood has an estimated population of approximately 36,000 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. Law enforcement 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 19 hotels with over 2,300 rooms, many of which offer luxury world-class accommodations. In total, the City hosts approximately 1.2 million visitors each year, helping it rank among the top 20 in the State in per capita Transient Occupancy Tax (TOT) with other major tourist destinations like San Francisco, Los Angeles, Anaheim, Santa Monica, Beverly Hills, and Palm Springs. Dining is available at more than 250 restaurants and bars, including some of the most famous in the world. Tourists can also shop at more than 275 clothing and jewelry stores, thirty 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 West Hollywood Design District, West Hollywood is acknowledged as the West Coast's center of interior design, with more than 400 home furnishing, design, and textile businesses.

## ECONOMIC CONDITION

Although the focus of this Comprehensive Annual Financial Report is the economic condition of the City at June 30, 2017, 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. This was re-affirmed when the City obtained the highest possible credit rating for the City's 2016 Lease Revenue Bonds (AA+) from rating firms Fitch Ratings and Standard & Poor's in spring 2017 and 2016 respectively.

The City of West Hollywood continues to be a vibrant, livable, and successful community for both its residents and businesses. The City has a fund balance in the General Fund of \$125 million (136% of fiscal year 2016-17 budgeted operating expenditures), including: \$19 million of working reserves (which is consistent with the City's policy of maintaining a General Fund working reserve at 20% of General Fund budget); \$57 million in capital project reserves; \$8 million in pension reserves; and \$41 million in other reserves. The stable outlook provided by the credit rating agencies, and shared by City management, reflects the expectation that the City will continue to benefit from its diverse revenue base. Over the last five 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, 2017, they had surpassed their pre-recession revenue peaks by 66%, 25%, and 55% respectively. In total, the City's General Fund revenue has surpassed its pre-recession peak by 48%. The sales tax base, which is highly diversified given its small geographic area, generated \$16.2 million in 2017. 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 stores. The City has some of the highest average daily rates and occupancy levels for hotel rooms in the Los Angeles region. In 2017, occupancy and room rates continued remain high, generating \$22.6 million in transient occupancy tax for the City. Property tax revenues also grew in 2017 to \$22.2 million, due to increasing home prices and sales, as well as continued new construction and development.

Recently, the City has also under-taken a variety of initiatives that will help increase City revenues, including converting existing static bus shelter advertising to digital, launching the Sunset Spectacular pilot digital billboard, and increasing various City fees based on a cost of services study which was completed in 2016. In addition to these items, the City anticipates additional new revenue in the future from the legalization of cannabis for adult use, the conversion of some existing static billboards on the Sunset Strip to digital, the completion of a digital billboard on a new hotel, the opening of three new hotels, and the collection of transient occupancy taxes from short-term residential rentals. In total these new initiatives may generate up to \$15 million in additional annual revenue.

At the same time, 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).

#### 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. In conjunction with the Department of Finance and Technology Services, the Economic Development Department addresses strategic issues pertaining to the City's revenue base, including commercial revitalization, developing local business improvement districts, and working with Visit West Hollywood (the City's Marketing and Visitors Bureau).

During periods of strong economic growth, the City typically accumulates significant reserves. By capturing and designating the accumulated reserves the City is able to set aside monies for economic downturns and make strategic investments in City infrastructure, which helps attract development that improves commercial and residential neighborhoods thus improving the local economy.

The City also conservatively budgets revenue in order to maintain fiscal sustainability and maintain a consistent level of service in the event revenues decrease due to various potential events (economic downturn, unforeseen closure of major taxing entity, natural disaster, etc.). Management believes that an approximately 5-10% excess of actual revenues over budgeted amounts is in line with the City's conservative approach to revenue budgeting and will allow the City to continue to be fiscally sustainable for many years to come.

#### DEBT ADMINISTRATION

The City does face some fiscal challenges in the area of capital improvements. To address this, the City maintains a five year capital improvement plan and has designated portions of its 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. The 2009 Series B was refunded as part of the 2016 Lease Revenue Bond issuance, see below.

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

2016 Lease Revenue Bonds - On June 1, 2016, the 2016 Lease Revenue Bonds were issued for \$85,015,000 to refund the outstanding principal balance of the 2009 Lease Revenue Bonds, Series B in the amount of \$34,780,000; finance the acquisition and construction of certain public improvements; pay capitalized interest on the 2016 Bonds; and pay the costs of issuing the 2016 Bonds. The City was fortunate to issue the 2016 bonds during a time when interest rates for municipal bonds were at an all-time low. The City's overall interest rate for the 2016 bonds was less than 3% and the City received a \$13.5 million premium on the principal amount of the bonds, which brought the total proceeds to \$98 million.

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

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

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

Tax Allocation Bonds Series 'A' 2011 - In March of 2011, Tax Allocation Bonds Series 'A' 2011 were issued for \$30,560,000 to finance redevelopment improvements to Plummer Park, including renovation and construction of buildings; enhancement and addition of green space; and creation of a central park promenade and interactive water feature. On February 1, 2012, all redevelopment agencies in California were dissolved and the City was not allowed to use the proceeds from the 2011 bond issuance.



However, in 2015, the City participated in a successful effort to pass new State legislation that will allow the City to use 35% of the 2011 Series A proceeds.

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. The same State legislation that allows the City to use 35% of the 2011 Series A proceeds will allow the City to use 100% of the 2011 Series B proceeds; in fiscal year 2018, \$9,276,727 in remaining proceeds will be transferred to the City to be used for affordable housing projects.

#### MAJOR ACCOMPLISHMENTS FOR THE YEAR

- Formed a Council Subcommittee on Homelessness and established Guiding Principles for Homeless Service Provision.
- Allocated 10% of the parking meter revenue collected from December 26 through December 31 as additional funding for social service agencies serving West Hollywood.
- Adopted a resolution that increased the options for property assessed clean energy ("PACE") programs to facilitate energy efficiency projects and seismic upgrades for eligible properties in West Hollywood.
- Launched the Mobile Command Center Vehicle to help the City respond effectively to and manage emergency situations, in August 2016.
- Approved the implementation of initiatives to address community safety on the Eastside. Completed the lease-up of 76 new senior low and extremely low income inclusionary units at Movietown Square.
- Issued a \$1 million loan related to Blue Hibiscus from the Affordable Housing Trust Fund for the development of 22 low and very low income units at 1123-1129 North Detroit Street.
- Completed the inclusionary agreements and signed off on construction of 17 low and moderate inclusionary units at 8500 Sunset (Sunset/La Cienega), 33 low and moderate units at 7141 Santa Monica (the Domain), and 8 low and very low income units at 8350 Santa Monica Blvd. (the Crown).
- Recognized with several prestigious awards for the Automated Parking Garage.
- Received State approval to transfer \$5.6 million in 2011 redevelopment housing bonds from the Successor Agency to the former Community Development Commission to the City, to be used for affordable housing purposes on the Eastside of the City.
- Prepared, submitted, and received State approval of the Last and Final ROPS for the Successor Agency, which will further the wind-down of the former Community Development Commission.

- Won an Emmy Award in the category of Public Service Announcement (PSA) for the City's WeHoTV Channel's 60-second PSA video: "Winter is Here! But the Drought is Far From Over" in the Los Angeles Area Emmy Awards Presentation in July 2016.
- Won a California Association of Public Information Officials (CAPIO) Award of Excellence in recognition of the City's success in its Grand Opening celebration for the Automated Parking Garage at West Hollywood City Hall.
- Successfully garnered approval from the Los Angeles County Board of Supervisors and the L.A. County Registrar-Recorder/Clerk to change the City's General Municipal Election to November of even numbered years and consolidate with the County's General Election beginning November 2020.
- Received Operating Budget Excellence Award from California Society of Municipal Finance Officers for the 2016-2018 Operating Budget and 2016-2021 Capital Work Plan.
- Received Distinguished Budget Presentation Award from Government Finance Officers Association for the 2016-2018 Operating Budget and 2016-2021 Capital Work Plan.
- Implemented new business tax software, which allows the online payment of business taxes and alarm permits.
- Assisted with the implementation of open data related to the Demand Register to facilitate information to the public.

#### VISION 2020 STRATEGIC PLAN

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

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

## AWARDS

GFOA Award Program - Comprehensive Annual Financial Report

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of West Hollywood for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016. This is the twenty-third 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.

## ACKNOWLEDGMENTS

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

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

Respectfully submitted,



Paul Arevalo  
City Manager



David A. Wilson  
Director of Finance and Technology  
Services / Deputy City Manager

## Finance Policies

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

### *SUMMARY OF POLICIES*

- I. We will comply with all the requirements of generally accepted accounting principles (GAAP).
- II. We will maintain a balanced operating budget for all governmental funds, ensuring that ongoing revenues are equal to or greater than ongoing expenditures.
- III. We will require that all proprietary funds be self-supporting.
- IV. We will maintain an appropriated General Fund working reserve equivalent to 20% of the General Fund budget and an appropriated emergency reserve equivalent to 5% of the General Fund budget.
- V. We will assume that normal revenue inflation will go to pay normal inflation expenses. Any new or expanded programs will be required to identify funding sources or will be offset by cost reductions through cutting back or eliminating other programs.
- VI. We will maintain a long-range fiscal perspective through the use of a five-year capital improvement plan and revenue forecast.
- VII. Major capital improvements or acquisitions will be made using long-term financing methods rather than out of operating revenue.
- VIII. We will maintain sound budgeting practices ensuring that service delivery is provided in an efficient and effective manner.
- IX. We will require each appropriation item to include a fiscal impact analysis and be submitted to the Finance & Budget Sub-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, 2016**

A handwritten signature in black ink, reading "Jeffrey R. Emen". The signature is written in a cursive, flowing style.

Executive Director/CEO

## DIRECTORY OF CITY OFFICIALS

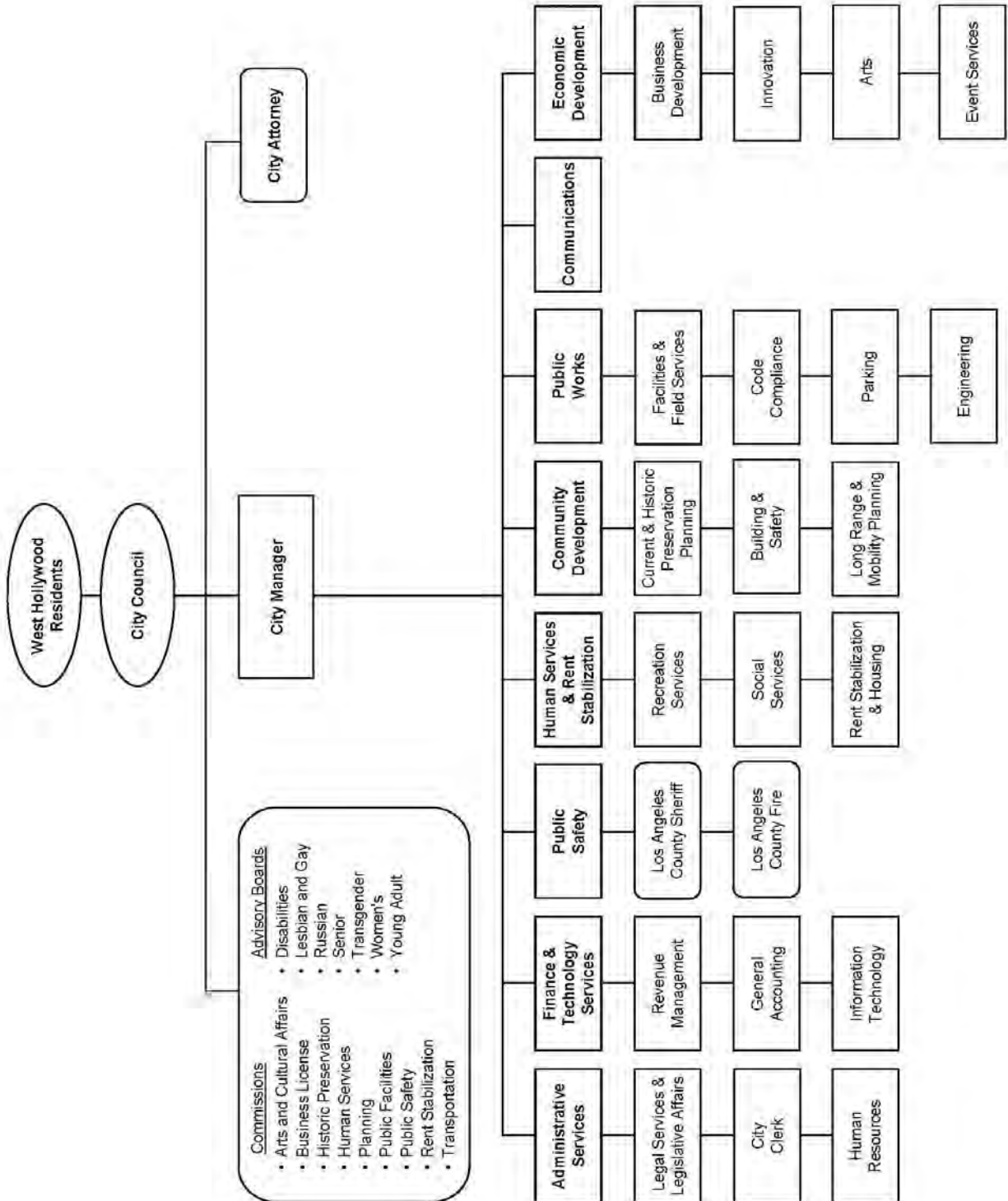
### Mayor and City Council

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

### Administration

|   |                           |
|---|---------------------------|
| City Manager .....  | <i>Paul Arevalo</i>       |
| City Attorney .....   | <i>Michael Jenkins</i>    |
| City Clerk .....  | <i>Yvonne Quarker</i>     |
| Director of Administrative Services .....                   | <i>Christof Schroeder</i> |
| Director of Communications .....                            | <i>Lisa Belsanti</i>      |
| Director of Community Development/Deputy City Manager ..... | <i>Stephanie DeWolfe</i>  |
| Director of Economic Development .....                      | <i>Maribel Louie</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 & Technology Services                 |                           |
| Director/Deputy City Manager .....                          | <i>David A. Wilson</i>    |
| Assistant Director of Finance & Technology Services .....   | <i>Lorena E. Quijano</i>  |
| Revenue Management Manager .....                            | <i>John Leonard</i>       |
| Information Technology Manager .....                        | <i>Eugene Tsipis</i>      |

# CITYWIDE ORGANIZATIONAL CHART



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# Financial Section





Hello #Weho! Loving my new home and my neighborhood! #adaptation #inspired #thankyou



Top front: *Modern Heroes* Sculpture by Mauro Perucchetti, photo by Tony Coelho, Lower front: "A Brief History of Drag", photo by Tony Coelho, Back: Russian Arts and Culture Festival, photo by Oleg Volovik

## INDEPENDENT AUDITORS' REPORT

City Council Members  
City of West Hollywood  
West Hollywood, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Hollywood (the City), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Hollywood, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

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

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

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "White Nelson Diehl Evans LLP".

Irvine, California  
December 28, 2017

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# Management's Discussion and Analysis



**AGING IN PLACE**  
AGING IN COMMUNITY

🐦 Thanks to our Grand Sponsor, @WeHoCity, we have an amazing venue for our 30th annual #AIDSWalkLA!



Top front: Housing Preservation in West Hollywood series, photo by Tony Coelho, Lower front: Aging In Place, photo courtesy City of West Hollywood, Back: World AIDS day, photo by Joshua Barash



## 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 for the fiscal year that ended June 30, 2017. We encourage readers to consider the information presented in this section, Management's Discussion and Analysis (hereafter "MD&A"), 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 presented in the MD&A only and is included to provide the readers with additional information when reviewing the Financial Statements.

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

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

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

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

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

Since the City's General Fund comprises a large portion of the combined balances of all City funds, the analysis of the General Fund in this section is similar to the analysis of all City Funds shown in Section 3, however, there are differences between the two, including categories used to group and analyze data; it should be reviewed carefully. Since the General Fund is always considered a Major Fund, this section also includes a Five (5) Year Trend of the Changes to Fund Balance in the General Fund.

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

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

## **Section 1 – Financial Highlights and Overview of the Financial Statements**

### **Financial Highlights**

#### Government-Wide Financial Statements

- Total assets of the City were \$501.2 million, total deferred outflows of resources were \$10.2 million, total liabilities were \$196.3 million, and total deferred inflows of resources were \$4.0 million at June 30, 2017. The assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$311.1 million (*net position*). Of this amount, \$88.8 million (*unrestricted net position*) may be used to meet the City’s ongoing obligations to citizens and creditors. A summary of net position is reflected in Table 1 (page 11).
- For the year ended June 30, 2017, total net position increased by \$32.2 million from the prior year. Total revenues from all sources were \$131.9 million and total expenses for all functions/programs were \$105.4 million. During the year, the City received \$5.6 million of 2011 Series B housing bond proceeds from the Successor Agency, to be used for projects authorized by the bond indenture. The \$5.6 million was reported as an extraordinary item. A summary of changes in net position is reflected in Table 2 (page 12).
- Of total revenues, program revenues were \$46.3 million and general revenues were \$85.6 million (Table 2). Program revenues are separated into three categories: Charges for Services, \$27.4 million; Operating Grants and Contributions \$3.0 million; and Capital Grants and Contributions, \$15.9 million. General revenues are separated into seven categories: Property Taxes, \$23.4 million; Transient Occupancy Taxes, \$22.6 million; Sales Taxes \$17.9 million; Franchise Taxes, \$2.2 million; Business Taxes, \$3.4 million; Use of Money & Property \$12.5 million and Other General Revenue \$3.6 million.

#### Fund Based Financial Statements

- For fiscal year ended June 30, 2017, total Fund Balance of the General Fund was \$125.2 million, or 129.3 percent of total General Fund expenditures of \$96.7 million; this is reflected in Table 5 and Table 7 (pages 23 and 26). The non-spendable Fund Balance was \$0.04 million. Restricted Balance was \$1.2 million. Committed Fund Balance was \$27.1 million while assigned Fund Balance was \$93.4 million and unassigned Fund Balance was \$3.5 million.

For the General Fund, actual resources available for appropriation during the year were \$221.9 million; this consists of \$119.7 million in fund balance and \$102.2 million in revenue inflows, which was \$6.3 million more than what was budgeted. Actual revenues exceeded budgeted revenues for the following reasons: The City received approximately \$2.8 million in additional revenues related to Building and Safety, Planning, and Encroachment fees. These fees are all related to new real estate development projects in the City and are one-time revenues. The real estate market in the Los Angeles area and the City is in the midst of period of strong growth, which has led to an increase in applications for new development projects in the City.

Additionally, the City received approximately \$3.9 million in excess revenues over budgeted amounts from various City Taxes, including Property Taxes, Transient Occupancy Taxes (otherwise known as hotel taxes), and Sales Taxes. These increases can be primarily attributed to the strength of the national, state, and local economies, and specifically increased consumer spending, increased tourism, and improvements to the real estate market. The other major revenue source where the City saw a significant amount of excess revenue over budgeted amounts was in Parking Meter Collections at \$0.8 million over budget.

Revenues did not reach budgeted amounts for the Fines and Forfeitures category due to a decrease in parking fine revenue and a one-time decrease in vehicle-code and photo safety fines. The deficit of revenues below budgeted amounts in this category was approximately \$1.4 million. Parking Fine revenue declined for a various number of reasons, including the increased availability of parking in commercial areas of the City and the increased use of ride sharing services, which has reduced the need for parking. Vehicle-code and photo safety fine revenue did not meet budgeted amounts because the installation of a new photo safety system was delayed and led to the non-operation of the cameras for the majority of the year.

Generally, the City conservatively budgets revenue in order to maintain fiscal sustainability and maintain a consistent level of service in the event revenues decrease due to various potential events (economic downturn, unforeseen closure of major taxing entity, etc.). Management believes that an approximately 10% excess of actual revenues over budgeted amounts is in line with the City's conservative approach to revenue budgeting and will allow the City to continue to be fiscally sustainable for many years to come.

- Actual charges (outflows) of \$96.7 million were \$22.6 million less than the General Fund budget of \$119.3 million. The major variances were due to the following which will be carried over forward to Fiscal Year 2017-18: \$11.9 million in capital projects that were not completed during the fiscal year; \$4.1 million in funds that were encumbered for various contracted services that have not yet been completed; and \$3.2 million in remaining funds for New Initiatives that begun in the previous years. Other variances of \$3.4 also included \$1.2 million for last quarter of the Social Services contracts based on the federal funding cycle, \$0.9 million mitigation related to the ongoing Sunset-La Cienega Project.

## Overview of the Financial Statements

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

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

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

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

***Governmental Activities*** – These activities account for most of the City's basic services which consist of: *General Government*, made up of the departments of the City Manager, Administrative Services and Finance & Technology Services. *Public Safety* is made up of Sheriff's costs and other services of the Public Safety Department. *Public Service* includes the departments of Human Services & Rent Stabilization, Community Development and Public Works. Governmental activities are financed mostly by property taxes, transient occupancy taxes, sales taxes, parking fines, charges for services, franchise taxes, and 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), and the West Hollywood Public Financing Authority (Public Financing Authority). 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, and the Public Financing Authority are known as *Blended Component Units* and all function for practical purposes, as part of the City, and, therefore, have been included (blended) as an integral part of the primary government.

#### Fund Based Financial Statements

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

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

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

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

*Proprietary Funds* – *Proprietary funds* are similar to businesses found in the private sector and are primarily used to account for City charges for the services it provides, whether to outside customers or to other units of the City. These funds are considered self-supporting in that the services rendered by them are generally financed through user charges or on a cost reimbursement basis. These funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities, using an accrual basis of accounting.

In fact, the City's *enterprise funds* (a component of proprietary funds) are the same as the business-type activities we report in the *government-wide financial statements* but provide more detail and additional information, such as the statement of cash flows. The City uses *internal service funds* (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities, such as the Information Systems Master Plan Fund. Since these activities predominantly benefit governmental rather than business-type functions, they are included within the governmental activities in the *government-wide financial statements*. The basic proprietary fund financial statements can be found on pages 45-48.

*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's other financial statements excludes these activities because the City cannot use these assets to finance its operations. However, the City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The basic fiduciary fund financial statements can be found on pages 49-50.

*Notes to the Financial Statements* – Notes provide additional information that is essential to a full understanding of the data in the government-wide and fund financial statements. The *Notes to the Financial Statements* can be found from pages 51-87.

*Required Supplementary Information* – In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information including schedule of changes in net pension liability, plan contributions and information concerning the progress in funding its obligation to provide OPEB benefits to its employees. Required supplementary information can be found on pages 91-93.

*Other Supplementary Information* – In addition to the Required Supplementary Information, this report also presents certain combining statements referred to earlier in connection with non-major governmental and proprietary funds. These combining and individual fund statements and schedules can be found immediately following the *Required Supplementary Information* on pages 97-149.

*Statistical Section* – 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. The *Statistical Section* can be found from pages 151-180.

## Section 2 – Government-Wide Financial Analysis

This analysis will focus on net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities, as a whole, for fiscal year ended June 30, 2017.

These tables are summarizing the statements located on page 33 to 35 that are prepared using the accrual basis of accounting; the preparation of the statements in Section 2 differ from those in Section 3, Government's (City) Funds, which use fund accounting. Management has included comparative data from fiscal year ended June 30, 2016 in its analysis.

**Net Position (Table 1)**  
(in millions)

|                                       | Governmental Activities |                 | Business-Type Activities |                | Government-Wide Totals |                 |
|---------------------------------------|-------------------------|-----------------|--------------------------|----------------|------------------------|-----------------|
|                                       | 2017                    | 2016            | 2017                     | 2016           | 2017                   | 2016            |
| Current and other assets              | \$ 259.2                | \$ 244.1        | \$ 1.5                   | \$ 1.7         | \$ 260.7               | \$ 245.8        |
| Capital assets                        | 230.1                   | 214.9           | 10.4                     | 9.9            | 240.5                  | 224.8           |
| <b>Total assets</b>                   | <b>489.3</b>            | <b>459.1</b>    | <b>11.9</b>              | <b>11.6</b>    | <b>501.2</b>           | <b>470.6</b>    |
| <b>Deferred Outflows of Resources</b> |                         |                 |                          |                |                        |                 |
| Deferred amounts from pension         | 10.2                    | 4.5             | -                        | -              | 10.2                   | 4.5             |
| <b>Liabilities:</b>                   |                         |                 |                          |                |                        |                 |
| Long-term debt outstanding            | 169.3                   | 166.2           | -                        | -              | 169.3                  | 166.2           |
| Other liabilities                     | 26.9                    | 25.1            | 0.1                      | 0.1            | 27.0                   | 25.2            |
| <b>Total liabilities</b>              | <b>196.2</b>            | <b>191.4</b>    | <b>0.1</b>               | <b>0.1</b>     | <b>196.3</b>           | <b>191.5</b>    |
| <b>Deferred Inflows of Resources</b>  |                         |                 |                          |                |                        |                 |
| Deferred amounts from pension         | 4.0                     | 4.7             | -                        | -              | 4.0                    | 4.7             |
| <b>Net position:</b>                  |                         |                 |                          |                |                        |                 |
| Net Investment in                     |                         |                 |                          |                |                        |                 |
| capital assets                        | 168.0                   | 150.3           | 10.4                     | 9.9            | 178.4                  | 160.2           |
| Restricted                            | 43.9                    | 35.0            | -                        | -              | 43.9                   | 35.0            |
| Unrestricted                          | 87.4                    | 82.1            | 1.4                      | 1.6            | 88.8                   | 83.7            |
| <b>Total net position</b>             | <b>\$ 299.3</b>         | <b>\$ 267.5</b> | <b>\$ 11.8</b>           | <b>\$ 11.4</b> | <b>\$ 311.1</b>        | <b>\$ 278.9</b> |

The City's Government-Wide total net position was \$311.1 million, with assets of \$501.2 million, deferred outflows of resources of \$10.2 million, liabilities of \$196.3 million and deferred inflows of resources of \$4.0 million.

The net investment in capital assets of \$178.4 million represents 57.3 percent of the City's total net position. Net investment in capital assets (e.g., infrastructure, land, buildings, machinery and equipment) for this purpose is reduced by any related debt used to acquire those assets that is still outstanding, net of any unused proceeds from debt issuance. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. It should be noted that the resources needed to repay capital related debt must be secured from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$43.9 million (14.2 percent) represents resources that are subject to external restrictions in how they may be used. There is an increase of \$8.9 million in restricted net position mainly related to the increase in amounts restricted to Special Revenue Funds – Housing Trust. The remaining balance of \$88.8 million (28.5 percent) (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors within the program areas.

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

|  | <b>Governmental Activities</b> |                 | <b>Business-Type Activities</b> |                | <b>Government-Wide Totals</b> |                 |
|--|--------------------------------|-----------------|---------------------------------|----------------|-------------------------------|-----------------|
|  | <b>2017</b>                    | <b>2016</b>     | <b>2017</b>                     | <b>2016</b>    | <b>2017</b>                   | <b>2016</b>     |
| <b>Revenues</b>  |                                |                 |                                 |                |                               |                 |
| Program Revenues:  |                                |                 |                                 |                |                               |                 |
| Charges for Services   | \$ 24.1                        | \$ 23.9         | \$ 3.3                          | \$ 3.2         | \$ 27.4                       | \$ 27.1         |
| Operating Contributions & Grants                                       | 3.0                            | 5.1             | -                               | -              | 3.0                           | 5.1             |
| Capital Contributions & Grants   | 15.9                           | 4.2             | -                               | -              | 15.9                          | 4.2             |
| Sub-total Program Revenues   | 43.0                           | 33.2            | 3.3                             | 3.2            | 46.3                          | 36.4            |
| General Revenues:  |                                |                 |                                 |                |                               |                 |
| Property taxes   | 23.4                           | 21.5            | -                               | -              | 23.4                          | 21.5            |
| Transient occupancy taxes  | 22.6                           | 22.3            | -                               | -              | 22.6                          | 22.3            |
| Sales taxes  | 17.9                           | 16.4            | -                               | -              | 17.9                          | 16.4            |
| Franchise taxes  | 2.2                            | 2.5             | -                               | -              | 2.2                           | 2.5             |
| Business taxes   | 3.4                            | 3.4             | -                               | -              | 3.4                           | 3.4             |
| Use of money and property  | 12.5                           | 13.3            | -                               | -              | 12.5                          | 13.3            |
| Other  | 3.6                            | 0.2             | -                               | -              | 3.6                           | 0.2             |
| Sub-total General Revenues   | 85.6                           | 79.7            | -                               | -              | 85.6                          | 79.7            |
| <b>Total Revenues</b>  | <b>128.6</b>                   | <b>112.9</b>    | <b>3.3</b>                      | <b>3.2</b>     | <b>131.9</b>                  | <b>116.1</b>    |
| <b>Expenses</b>  |                                |                 |                                 |                |                               |                 |
| General Government   | \$ 22.3                        | \$ 24.4         | \$ -                            | \$ -           | \$ 22.3                       | \$ 24.4         |
| Public Safety  | 21.8                           | 19.0            | -                               | -              | 21.8                          | 19.0            |
| Public Services  | 52.9                           | 47.5            | -                               | -              | 52.9                          | 47.5            |
| Interest on Long-Term Debt   | 5.4                            | 3.1             | -                               | -              | 5.4                           | 3.1             |
| Solid Waste  | -                              | -               | 1.4                             | 1.5            | 1.4                           | 1.5             |
| Sewer District   | -                              | -               | 0.4                             | 0.4            | 0.4                           | 0.4             |
| Landscape  | -                              | -               | 0.2                             | 0.2            | 0.2                           | 0.2             |
| Sewer Charge   | -                              | -               | 0.7                             | 0.7            | 0.7                           | 0.7             |
| Street Maintenance   | -                              | -               | 0.2                             | 0.3            | 0.2                           | 0.3             |
| <b>Total Expenses</b>  | <b>102.4</b>                   | <b>94.1</b>     | <b>2.9</b>                      | <b>3.0</b>     | <b>105.5</b>                  | <b>97.1</b>     |
| <b>Increase (decrease) in Net Position, Before Extraordinary Gains</b> | <b>\$ 26.2</b>                 | <b>\$ 18.8</b>  | <b>\$ 0.3</b>                   | <b>\$ 0.2</b>  | <b>\$ 26.5</b>                | <b>\$ 19.1</b>  |
| Extraordinary gain   | 5.6                            | -               | -                               | -              | 5.6                           | -               |
| <b>Increase (decrease) in Net Position, After Extraordinary Gains</b>  | <b>31.9</b>                    | <b>18.8</b>     | <b>0.3</b>                      | <b>0.2</b>     | <b>32.2</b>                   | <b>19.1</b>     |
| <b>Net Position at July 1</b>  | <b>267.5</b>                   | <b>248.7</b>    | <b>11.4</b>                     | <b>11.3</b>    | <b>278.9</b>                  | <b>259.8</b>    |
| <b>Net Position, June 30</b>   | <b>\$ 299.3</b>                | <b>\$ 267.5</b> | <b>\$ 11.8</b>                  | <b>\$ 11.4</b> | <b>\$ 311.1</b>               | <b>\$ 278.9</b> |

The government's net position increased \$32.2 million (Table 2), with total revenues of \$131.9 million, total expenses of \$105.5 million and an extraordinary item of \$5.6 million.



The change in Net Position is approximately 10.4 percent of the total Net Position of \$311.1 million. Program Revenues were \$46.3 million and General Revenues were \$85.6 million. General Revenues fund the net difference between program revenues and expenses.

*Program Revenues* include the largest single revenue category in the Government-Wide Totals, which was Charges for Services, at \$27.4 million. Other program revenues which are applied directly against the costs of providing these services are Operating Grants and Contributions, and Capital Grants and Contributions, at \$3.0 million and \$15.9 million respectively.

*General Revenues* include the next three largest categories. Property tax, the second largest revenue category at \$23.4 million (includes \$4 million in Motor Vehicle In-Lieu Funds) is followed by Transient Occupancy Tax at \$22.6 million. The fourth largest revenue source was Sales Tax at \$17.9 million (which includes both the City's portion of sales tax and Countywide transportation dollars provided to the City for specific purposes).

In comparison to the prior fiscal year, the government's total revenues increased by \$15.8 million. Program revenue increased by \$9.9 million and General Revenues increased by \$5.9 million. For Program revenues, Charges for Services increased \$0.3 million, Operating Grants and Contributions decreased \$2.1 million and Capital Grants and Contributions increased in the amount of \$11.7 million. The increase in Capital Contributions is mainly attributed to a significant increase in affordable housing in-lieu fees paid by developers of new housing projects in the City. During this fiscal year several large projects paid in-lieu fees to the City which increase the amount received from the prior year by approximately \$7 million. The decrease in Operating Grants and Contributions was due to a decrease in traded MTA funds with other cities (fund trades can vary from year to year, so it is not abnormal for these amounts to increase and decrease between years). For General Revenue, the major increase was due to increase in Other Revenue by \$3.4 million, Property Tax, which increased by \$1.9 million and Sales tax, which increased by \$1.5 million.

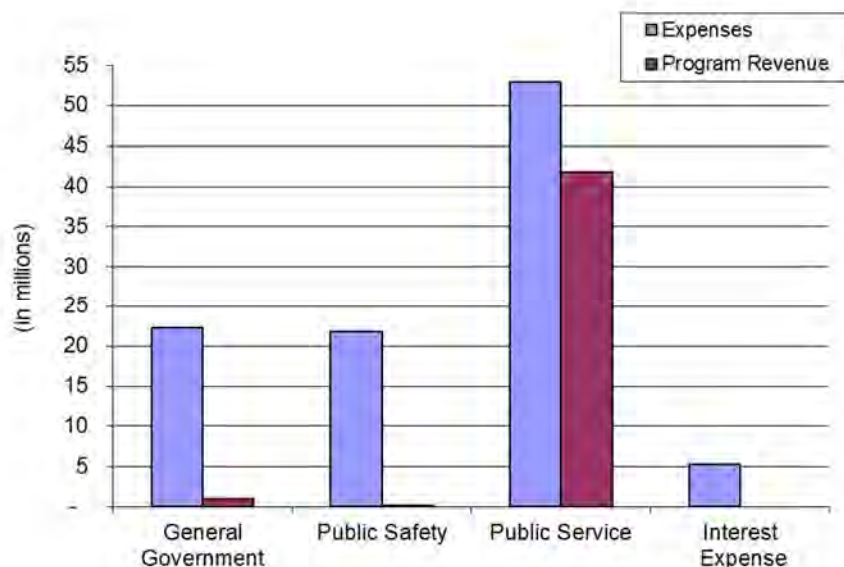
Compared to prior year, the government's total expenses had an increase of \$8.4 million. The top three expense categories continue to be Public Services at \$52.9, General Government at \$22.3 million and Public Safety at \$21.8 million. General Government decreased by \$2.1 million due to a decrease in Prop A traded funds by \$0.9 million (last year's balance included an additional one-time expenditure for Prop A traded funds purchased at a discount) and decreases in specialized and prosecution legal services by \$0.8 million. Public Safety expenses increased by \$2.8 million, due to expanded efforts to address homelessness and related increases in sheriff costs. Public Services increased by \$5.4 million due to increases in new initiatives and contracts in the General Fund related to Long Range & Mobility Planning, Engineering, Facilities, Social Services divisions and \$1.0 million from the Housing Trust Fund for a loan related to the Blue Hibiscus. In addition, interest on long-term debt increased by \$2.3 million due to the new 2016 bonds.

### Governmental Activities

Governmental activities increased the City's *net position* by \$31.9 million (Table 2). The cost of all governmental activities this year was \$102.4 million or 97.1 percent of the *primary government* expenses and was an increase of \$8.3 million from the prior year. As shown in the *Statement of Activities* on pages 34-35, the amount that taxpayers financed through City taxes was \$69.5 million. The other portion of the costs was paid by those who directly benefited from the programs (\$24.1 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$18.9 million) and by use of money and property and other revenues (\$15.5 million). The City used part of the \$85.6 million in general revenues to cover the remaining "public benefit" portion of governmental activities.

These general revenues are derived mostly from tax revenues (some of which could only be used for certain programs).

### Expenses and Program Revenues – Governmental Activities (Graph 1)

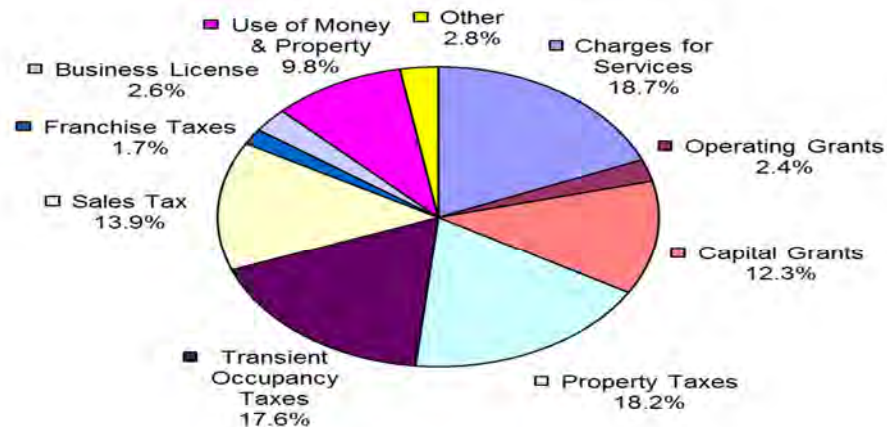


Graph 1 presents the costs of each of the City's three functions – General Government, Public Safety, Public Service, plus Interest on long-term debt as well as the program's revenues. The net cost (total cost less *program revenues*) is the amount that was paid from *general revenues*.

*General Government* had expenses of \$22.3 million with program revenues of \$1.0 million, while *Public Safety* had expenses of \$21.8 million with program revenues of \$1.0 million. Expenses in *Public Services* represented \$52.9 million or 51.7 percent of total expenses for Governmental Activities. Of this amount, \$41.8 million was funded by *program revenues* and the remaining \$11.1 million was funded by general revenues. Interest on long-term debt was \$5.4 million which was funded by general revenues. From the prior year, *General Government* decreased by \$2.1 million, *Public Safety* increased by \$2.8 million, and *Public Services* increased by \$5.4 million.

Graph 2 presents revenues by source for Governmental Activities. Similar to the government-wide activities, *Charges for Services* is the largest at \$24.1 million or 18.7 percent. *Charges for Service's* consist of Parking Fines at \$9.9 million; Building and Safety revenue at \$5.1 million; Planning Permits revenue at \$2.0 million; Rent Stabilization fees at \$1.8 million; Transportation Permits and Licenses at \$1.4 million; Traffic Mitigation fees at \$1.2 million; Film Permits at \$0.5 million; Parks & Recreation fees at \$0.4 million; Sunset BID fees at \$0.4 million; Art and Beautification fees at \$0.3 million; and other miscellaneous charges for services of \$1.1 million.

### Revenues by Source – Governmental Activities (Graph 2)



Other program revenues include operating and capital grants and contributions that together represented 14.7 percent of the total, or \$18.9 million. Operating and capital grants and contributions includes: affordable housing in-lieu fees at \$9.2 million; \$5.2 million of Public Benefit payments; \$1.5 million of Metro Traded Funds; \$2.2 million in various Federal, State and County Grants, and \$0.6 million in State Gas Tax.

General Revenues for Governmental Activities are the same as those described above in the Government-Wide totals since there were no Business-Type Activities that had similar revenue categories (Table 2). The four major categories were Property Tax, Transient Occupancy Tax, Sales Tax (all described above), and Use of Money and Property at \$12.5 million. These four sources represented 59.4 percent of the Governmental Activities.

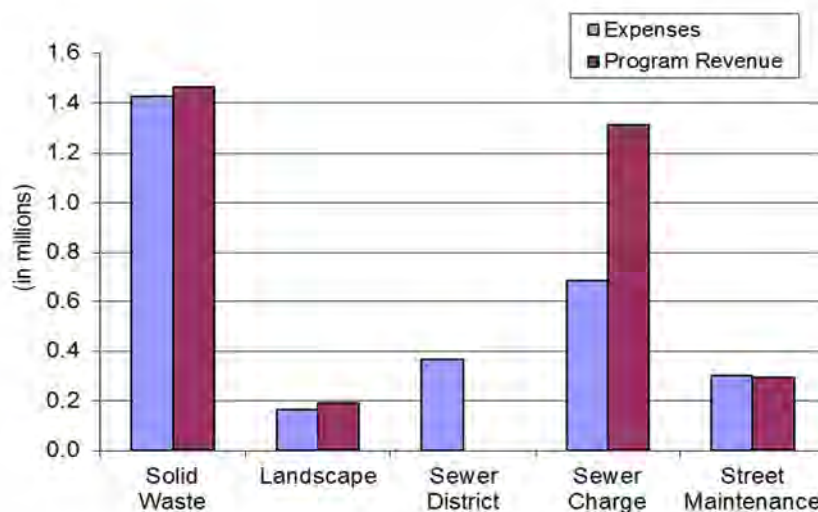
### Business-Type Activities

*Net position* at June 30, 2017, was \$11.8 million, with assets equaling \$11.9 million and liabilities of \$0.1 million. Net investment in capital assets represented the largest portion of net position at 88.1 percent or \$10.4 million. The change in Business-type activities net position was nominal at \$0.3 million in 2017 (Table 2). Similar to government-wide activities, *Charges for Services* is the largest source of revenues at \$ 3.3 million or 100 percent for Business-Type activities, 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 following two business activities contained the largest fluctuations:

- The Sewer District Fund, which originally contained monies transferred from Los Angeles County when the City was incorporated, was designated to be used for improvements of the underground sewer lines. At this time, the only activity in this fund is depreciation expense on the City's sewer infrastructure.
- Actual program revenues slightly exceeded budgeted program revenues for the Sewer Charge Fund primarily due to the City's conservative budgeting principles. In addition, expenses related to sewer rehabilitation work had been scaled back in previous fiscal years in order to replenish the Fund balance after large expenditures in prior years, which is the reason program revenues exceeded expenses this year. The City anticipates that in future years Sewer Charge Fund expenditures will increase, and equal program revenues.

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



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

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

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

Governmental (City) Funds

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

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

Governmental (City) Fund Balances

As of the end of the current fiscal year, governmental funds (pages 36-37) reported combined ending fund balances of \$230.2 million. Fund Balance designations are: Non-Spendable Fund Balance was \$0.04 million; Restricted Fund Balance was \$106.3 million; Committed Fund Balance was \$27.1 million; Assigned Fund Balance was \$93.4 million; and Unassigned Fund Balance was \$3.4 million.

Governmental (City) Revenues

Table 3 presents a summary of all governmental fund revenues for the fiscal year ended June 30, 2017, compared to prior year revenues (note that the General Fund is reflected separately on Table 6).

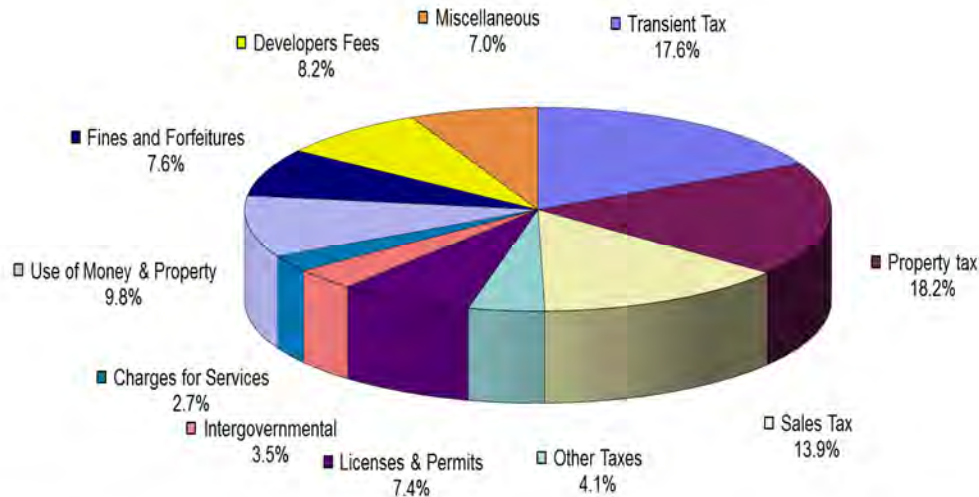
**Comparison of Governmental Revenues (Table 3)**  
**Fiscal Years 2016-17 and 2015-16**

|                         | Amount         | % of Total | Amount         | % of Total | Variance      | % Increase/ |
|-------------------------|----------------|------------|----------------|------------|---------------|-------------|
|                         | FY 16-17       | Revenues   | FY 15-16       | Revenues   | Over/(Under)  | (Decrease)  |
|                         |                |            |                |            | FY 15-16      | FY 15-16    |
| Property tax            | \$ 23,428,584  | 18.2%      | \$ 21,468,935  | 19.1%      | \$ 1,959,649  | 9.1%        |
| Transient Tax           | 22,636,844     | 17.6%      | 22,268,519     | 19.8%      | 368,325       | 1.7%        |
| Sales Tax               | 17,847,246     | 13.9%      | 17,648,664     | 15.7%      | 198,582       | 1.1%        |
| Other Taxes             | 5,385,203      | 4.2%       | 5,842,343      | 5.2%       | (457,140)     | -7.8%       |
| Licenses & Permits      | 9,515,384      | 7.4%       | 9,301,203      | 8.3%       | 214,181       | 2.3%        |
| Intergovernmental       | 4,484,889      | 3.5%       | 5,531,157      | 4.9%       | (1,046,268)   | -18.9%      |
| Charges for Services    | 3,433,732      | 2.7%       | 3,088,746      | 2.7%       | 344,986       | 11.2%       |
| Use of Money & Property | 12,660,650     | 9.8%       | 13,487,275     | 12.0%      | (826,625)     | -6.1%       |
| Fines and Forfeitures   | 9,739,057      | 7.6%       | 10,514,809     | 9.3%       | (775,752)     | -7.4%       |
| Contributions           | -              | 0.0%       | 184,829        | 0.2%       | (184,829)     | -100.0%     |
| Developers Fees         | 10,510,748     | 8.2%       | 3,083,370      | 2.7%       | 7,427,378     | 240.9%      |
| Miscellaneous           | 9,144,052      | 7.1%       | 257,382        | 0.2%       | 8,886,670     | 3452.7%     |
| TOTAL                   | \$ 128,786,389 | 100.0%     | \$ 112,677,232 | 100.0%     | \$ 16,109,157 | 14.3%       |

Revenues of governmental funds for fiscal year 2016-17 were \$128.8 million, with an increase of \$16.1 million or 14.3% from the prior fiscal year. Described below are major fluctuations in governmental funds:

- Property Tax Revenue for the current year was \$23.4 million, with an increase of 9.1% over the prior year. Property tax revenue continues to show steady increases due to a combination of factors, including rising property values, increased sales transactions, and the addition of new buildings to the City's property tax roll. The City has a very strong real estate market and typically year-over-year assessed value increases are some of the highest in the County.
- Transient Occupancy Tax (TOT) Revenue for the current year was \$22.6 million, with an increase of 1.7% over the prior year. Transient occupancy tax revenues increased because of an increase in tourism region wide. The City's hotels have seen room rates increase as demand has increased and supply has remained the same.
- Developer fees for the current year was \$10.5 million; which increased by \$7.4 million or 240% from previous year. Majority of this increase came from the \$9.2 million paid by two large development projects for affordable housing in-lieu fees during the fiscal year 2017. These fees are one-time payments and are restricted for the development of affordable housing in the City.
- Sales Tax Revenue for the current year was \$17.8 million, increased moderately by \$.02 million or 1.1% from the prior year. In the prior fiscal year, the City saw a one-time increase to sales tax revenue due to the wind-down of the Triple Flip. Without these one-time revenues in 2016-17 the sales tax revenue rate of growth between the two years would have been more significant and in-line with strong growth the City has seen in other revenue categories, such as property tax.
- Fines and Forfeitures for the current year were \$9.7 million, which decreased by \$0.8 million, or 7.4% from the previous year. This decrease is attributed to a reduction in Parking Fine revenue, due to less parking tickets being issued in the City. Parking tickets has decreased for various reasons, including increased parking availability in the City, increased use of ride-sharing applications (less people are driving into the City in personal cars), and enhanced familiarity with the City's increased parking meter hours.
- Miscellaneous Revenues for the current year were \$9.1 million, which increased by \$8.9 million over the prior year. This year's balance included a one-time \$6.8 million public benefit payment as part of a development agreement, as well as a \$0.3 million insurance retrospective payment. Together, these two payments account for 80% of the increase in revenue in this category.

### Governmental Fund Revenues – Fiscal Year 2016-17 (Graph 5)



### Governmental (City) Expenditures

Table 4 presents a summary of all governmental fund expenditures for the fiscal year ended June 30, 2017, compared to prior year amounts (note that the General Fund is reflected separately on Table 7).

### Comparison of Major Governmental Expenditures (Table 4) Fiscal Years 2016-17 and 2015-16

|                              | Amount<br>FY 16-17    | % of Total<br>Expenditures | Amount<br>FY 15-16    | % of Total<br>Expenditures | Variance<br>Over/(Under)<br>FY 15-16 | % Increase/<br>(Decrease)<br>FY 15-16 |
|------------------------------|-----------------------|----------------------------|-----------------------|----------------------------|--------------------------------------|---------------------------------------|
| General Government           | \$ 21,354,765         | 17.8%                      | \$ 23,590,529         | 21.6%                      | \$ (2,235,764)                       | -9.5%                                 |
| Public Safety                | 21,737,444            | 18.1%                      | 18,937,633            | 17.4%                      | 2,799,811                            | 14.8%                                 |
| Public Services              | 48,947,704            | 40.8%                      | 44,067,723            | 40.4%                      | 4,879,981                            | 11.1%                                 |
| Total Operating Expenditures | 92,039,913            | 76.7%                      | 86,595,885            | 79.5%                      | 5,444,028                            | 6.3%                                  |
| Capital Outlay               | 19,841,533            | 16.5%                      | 16,182,343            | 14.9%                      | 3,659,190                            | 22.6%                                 |
| Debt Service                 | 8,108,495             | 6.8%                       | 6,190,278             | 5.7%                       | 1,918,217                            | 31.0%                                 |
| <b>TOTAL</b>                 | <b>\$ 119,989,941</b> | <b>100.0%</b>              | <b>\$ 108,968,506</b> | <b>100.0%</b>              | <b>\$ 11,021,435</b>                 | <b>10.1%</b>                          |

Operating expenditures for 2016-17 were \$92.0 million, an increase of 6.3% or \$5.4 million from the prior fiscal year, with Public Safety and Public Services having a combined increase of \$7.7 million. Described below are major fluctuations in governmental expenditures:

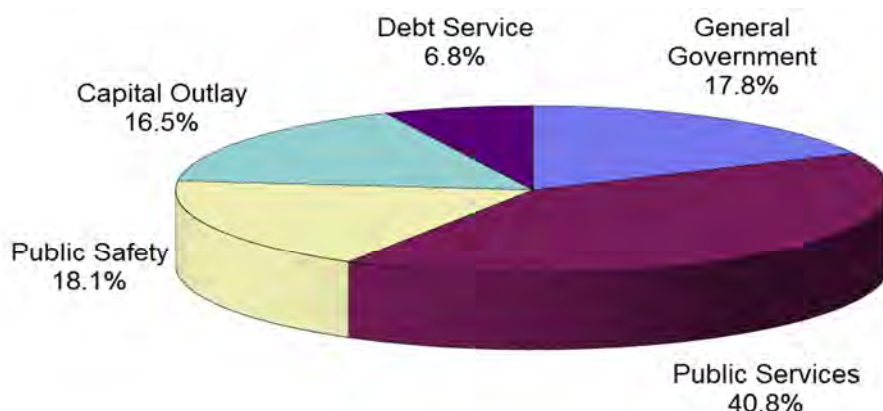


- Public safety expenditures increased by \$2.8 million or 14.8% due to expanded efforts to address homelessness, increases in sheriff costs due to the annual cost of living and liability insurance adjustments, additional security ambassadors, and a community survey regarding the Sheriff's Department.
- Public services expenditures increased by \$4.9 million or 11.1% due to increases in staffing levels and personnel costs, expanded use of contractual services for building and safety plan check and the addition of several new initiatives.
- Capital Outlay expenditures were \$19.8 million, an increase of \$3.7 million from the prior year because this year's balance included the purchase of the Coast Playhouse and expenditures for the West Hollywood Park Master Plan Phase II Project.

Graph 6 presents a summary of governmental fund expenditures for the fiscal year ended June 30, 2017 by functions.

#### **Governmental Fund Expenditures – Fiscal Year 2016-17 (Graph 6)**

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#### **Proprietary Funds**

These Funds consist of five non-major Enterprise Funds, along with one Internal Service Fund (pages 45-48). The non-major Enterprise Funds are combined into an aggregate presentation in the Proprietary Funds financial statements. Individual fund data is provided in the form of *combining statements* starting on page 132.

Revenues for Enterprise Funds include assessments and other charges for services. Total operating revenues for all Enterprise Funds are \$3.3 million. Operating expenses for the fiscal year were \$2.9 million. The City also has one Internal Service Fund to allocate the costs of the City's information systems infrastructure to the various departments. The interdepartmental charge for services (revenues) in the fiscal year was \$0.5 million with general government expenses of \$0.4 million.



### Fiduciary Funds

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

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

## **Section 4 – Major Funds Analysis**

### **Debt Service Funds – Capital Projects Debt Service Fund Analysis**

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

### Fund Balance

The fund balance decreased by \$11.5 million during the year and has an ending fund balance of \$60.8 million. The decrease is due to reimbursements to the Debt Funded Capital Projects Fund of \$13.0 million for capital outlay incurred for the West Hollywood Park Master Plan Phase II construction and reimbursements to the Parking Improvement Fund for \$0.3 million of capital outlay incurred for the Automated Parking Structure at City Hall.

### Expenditures

The Capital Project Debt Service fund incurred \$8.1 million of expenditures in the current year, mainly due to principal and interest payments related to the City's 2009 and 2013 Lease Revenue bonds; these bonds are described further in Section 5.

### **Capital Projects Fund – Debt Funded Capital Projects Fund Analysis**

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

### Fund Balance

The fund balance increased by \$3.9 million during year and has an ending fund balance of \$3.1 million. The increase in fund balance is mainly due to transfers from the General Fund of \$3.7 million and transfers from Capital Projects Debt Service Fund of \$13.0 million for reimbursements for capital outlay incurred for the West Hollywood Park Master Plan Phase II construction

### Expenditures

The Debt Funded Capital Projects Fund incurred \$13.0 million of capital expenditures in the current year. The majority of these expenditures are related to the West Hollywood Park Master Plan Phase II construction.

### **General Fund**

The General Fund is the chief operating fund of the City (pages 36-37 and 40-41). The ending fund balance was \$125.2 million, which was an increase of \$5.5 million (Table 5).

### Fund Balance

The designations for the General Fund are as follows:

- Non-Spendable Fund Balance was \$0.04 million;
- Restricted Fund Balance was \$1.2 million;
- Committed Fund Balance was \$27.1 million;
- Assigned Fund Balance was \$93.4 million; and lastly
- Unassigned Fund Balance was \$3.5 million.

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

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

|                              | FY 16-17       | FY 15-16       | FY 14-15       | FY 13-14      | FY 12-13      |
|------------------------------|----------------|----------------|----------------|---------------|---------------|
| Fund Balance                 |                |                |                |               |               |
| Nonspendable                 | \$ 44,317      | \$ 139,575     | \$ 35,708      | \$ 39,510     | \$ 65,340     |
| Restricted                   | 1,255,006      | 1,255,006      | 1,255,006      | 1,255,006     | 1,255,006     |
| Committed                    | 27,054,567     | 18,386,688     | 12,076,505     | 11,177,318    | 9,367,610     |
| Assigned                     | 93,388,888     | 96,366,054     | 89,684,697     | 76,904,392    | 63,018,495    |
| Unassigned                   | 3,462,047      | 3,507,708      | 4,894,121      | 5,060,905     | 10,329,622    |
| Total Fund Balance           | \$ 125,204,825 | \$ 119,655,032 | \$ 107,946,037 | \$ 94,437,131 | \$ 84,036,073 |
| Beginning Balance            | \$ 119,655,032 | \$ 107,946,037 | \$ 94,437,131  | \$ 84,036,073 | \$ 75,775,059 |
| Operating Surplus /(Deficit) | 5,549,793      | 11,708,995     | 13,508,906     | 10,401,058    | 8,261,014     |
| Ending Balance               | \$ 125,204,825 | \$ 119,655,032 | \$ 107,946,037 | \$ 94,437,131 | \$ 84,036,073 |

### Revenues

For fiscal year 2016-17, General Fund Revenues and Other Financing Sources were \$102.3 million, an increase of 7.6% from the previous year. General Fund categories are reflected below in Table 6 (note that General Fund categories differ from those reflected in the Government-wide analysis in Table 2 and Table 3).

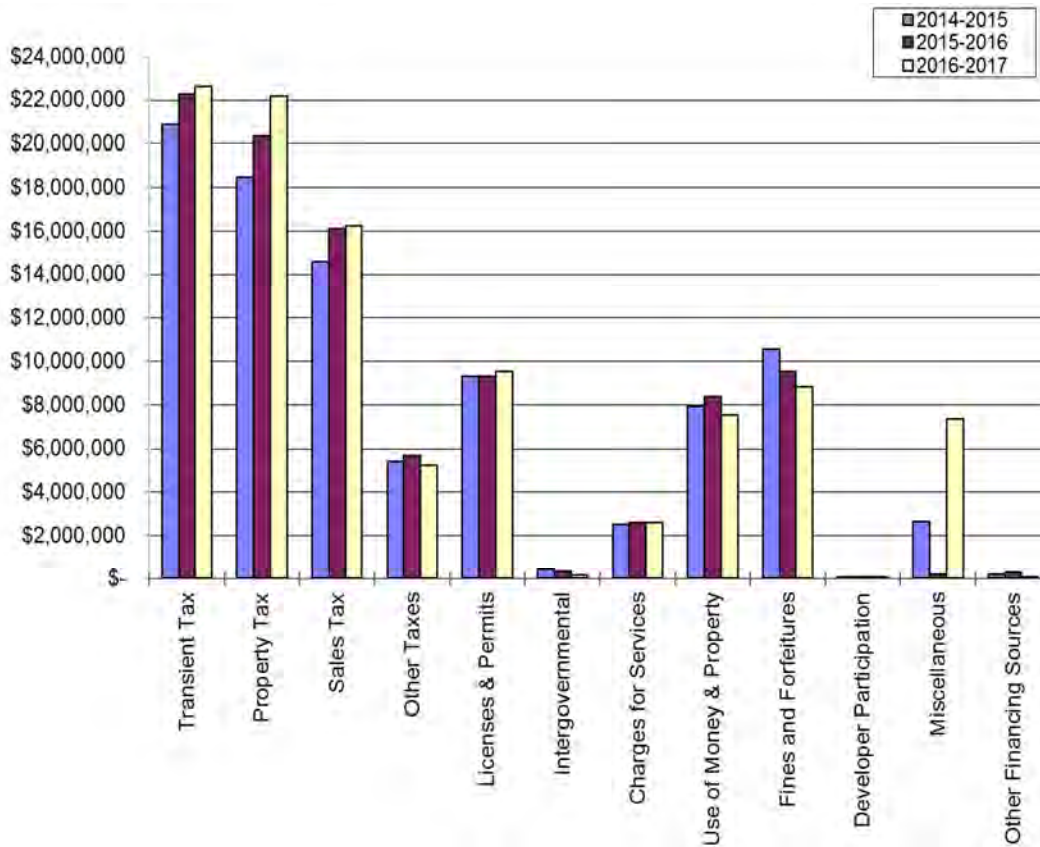
### General Fund Revenues and Other Financing Sources (Table 6) Fiscal Years 2016-17 and 2015-16

|                         | 2016-2017      | 2015-2016     | Variance<br>Over/(Under)<br>last year | % of increase<br>(decrease)<br>over last year | % of total |
|-------------------------|----------------|---------------|---------------------------------------|---|------------|
| Transient Tax           | \$ 22,636,844  | \$ 22,268,519 | \$ 368,325                            | 1.7%  | 22.1%      |
| Property Tax            | 22,180,416     | 20,331,695    | 1,848,721                             | 9.1%  | 21.7%      |
| Sales Tax               | 16,242,475     | 16,094,074    | 148,401                               | 0.9%  | 15.9%      |
| Other Taxes             | 5,252,444      | 5,695,899     | (443,455)                             | -7.8%   | 5.1%       |
| Licenses & Permits      | 9,515,384      | 9,301,203     | 214,181                               | 2.3%  | 9.3%       |
| Intergovernmental       | 156,571        | 310,427       | (153,856)                             | -49.6%  | 0.2%       |
| Charges for Services    | 2,612,961      | 2,621,257     | (8,296)                               | -0.3%   | 2.6%       |
| Use of Money & Property | 7,515,783      | 8,381,184     | (865,401)                             | -10.3%  | 7.3%       |
| Fines and Forfeitures   | 8,832,941      | 9,537,574     | (704,633)                             | -7.4%   | 8.6%       |
| Developer Participation | 3,185          | 31,590        | (28,405)                              | -89.9%  | 0.0%       |
| Miscellaneous           | 7,328,597      | 207,959       | 7,120,638                             | 3424.1%                                       | 7.2%       |
| Other Financing Sources | 10,380         | 300,000       | (289,620)                             | -96.5%  | 0.0%       |
| Totals                  | \$ 102,287,981 | \$ 95,081,381 | \$ 7,206,600                          | 7.6%  | 100.0%     |

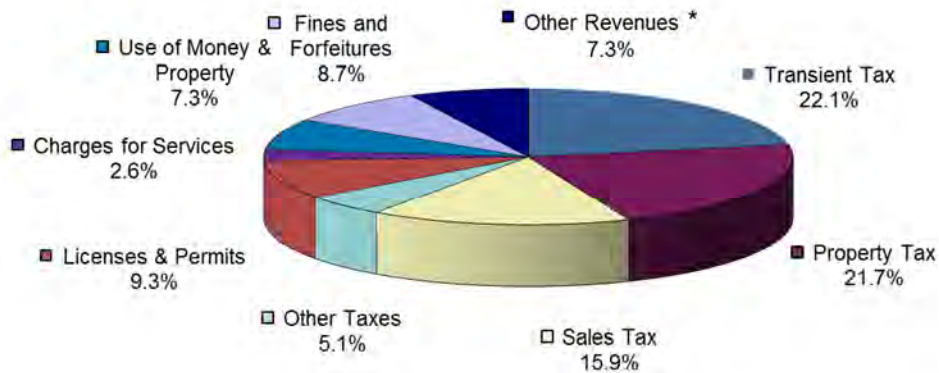
The following are key revenues categories of the General Fund (since the General Fund comprises the largest portion of the City as a whole and governmental funds, some of the analysis might be similar to what has been described in earlier sections):

- Transient Occupancy Tax Revenue for the current year was \$22.6 million, with an increase of 1.7% over the prior year. Transient Occupancy Tax Revenues increased because of an increase in tourism region wide. The City's hotels have seen room rates increase as demand has increased and supply has remained the same.
- Property Tax Revenue for the current year was \$22.2 million, with an increase of \$1.8 million or 9.1% over the prior year. Property Tax Revenue continues to show steady increases due to a combination of factors, including rising property values, increased sales transactions, and the addition of new buildings to the City's property tax roll. As mentioned previously, the City's real estate market is very strong and typically sees some of the largest year-over-year increases in assessed value in the County.
- Sales Tax Revenue for the current year was \$16.2 million, or a minimal increase of \$0.1 million or .095% from the prior year. In the prior fiscal year, the City saw a one-time increase to Sales Tax Revenue due to the wind-down of the Triple Flip. Without these one-time revenues in 2016-17 the sales tax revenue rate of growth between the two years would have been more significant and in-line with strong growth the City has seen in other revenue categories, such as property tax.
- Fines and Forfeitures Revenue for the current year were \$8.8 million, which decreased by \$0.7 million, or 7.4% from the previous year. This decrease is attributed to a reduction in Parking Fine revenue, due to less parking tickets being issued in the City. Parking tickets has decreased for various reasons, including increased parking availability in the City, increased use of ride-sharing applications (less people are driving into the City in personal cars), and enhanced familiarity with the City's increased parking meter hours.
- Miscellaneous Revenue for the current year was \$7.3 million, which increased by \$7.1 million from the prior year. This year's balance included \$6.8 million public benefit payment as part of a development agreement, as well as a one-time \$0.3 million insurance reimbursement.

**Comparison of General Fund Revenues (Graph 7)  
Fiscal Years 2016-17, 2015-16 and 2014-15**



**General Fund Revenues - Fiscal Year 2016-17 (Graph 8)**



**Expenditures**

For fiscal year 2016-17, total General Fund expenditures were \$96.7 million, an increase of 16.0% or \$13.4 million from the prior year. The following are key points and graphs of General Fund expenditures. For detailed information, please refer to pages 40 to 41.

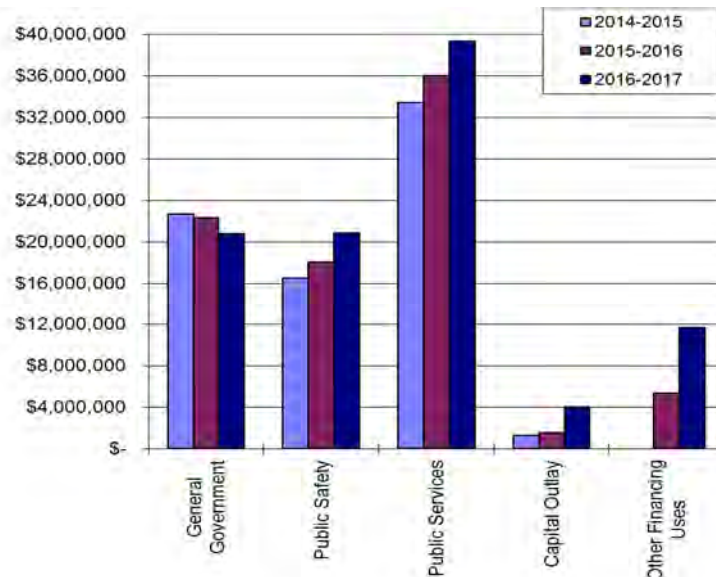
**General Fund Expenditures (Table 7)  
Fiscal Years 2016-17 and 2015-16**

|                      | <b>2016-2017</b>     | <b>2015-2016</b>     | <b>Variance<br/>Over/(Under)<br/>last year</b> | <b>% of<br/>increase<br/>(decrease)<br/>over last year</b> | <b>% of total</b> |
|----------------------|----------------------|----------------------|--|--|-------------------|
| General Government   | \$ 20,830,893        | \$ 22,357,067        | \$ (1,526,174)                                 | -6.8%  | 21.5%             |
| Public Safety        | 20,861,793           | 18,093,397           | 2,768,396                                      | 15.3%  | 21.6%             |
| Public Services      | 39,322,384           | 36,018,077           | 3,304,307                                      | 9.2%   | 40.6%             |
| Capital Outlay       | 4,008,495            | 1,527,708            | 2,480,787                                      | 162.4%   | 4.1%              |
| Other Financing Uses | 11,714,623           | 5,376,137            | 6,338,486                                      | 117.9%   | 12.1%             |
| Total Expenditures   | <u>\$ 96,738,188</u> | <u>\$ 83,372,386</u> | <u>\$ 13,365,802</u>                           | <u>16.0%</u>   | <u>100.0%</u>     |

Described below are major fluctuations in General Fund expenditures:

- Public Safety expenditures were \$20.9 million, increased by \$2.8 million or 15.3% from the prior year. The increase is due to expanded efforts to address homelessness, increases in sheriff costs due to the annual cost of living and liability insurance adjustments, additional security ambassadors, and a community survey regarding the Sheriff's Department.
- Public Service expenditures were \$39.3 million and resulted in a 9.2 percent increase. Public Service is the largest function in the General Fund with the following five (5) major program areas: 1) Facilities and Field Services at \$7.1 million, 2) Social Services at \$6.2 million, 3) Parking Services at \$4.6 million, 4) Recreation Services at \$3.9 million, and 5) Building & Safety at \$2.7 million. The increase is primarily attributed to increases in staffing levels and personnel costs, expanded use of contractual services including, building and safety plan checks, and the addition of several new initiatives.

**Comparison of General Fund Expenditures (Graph 9)**  
**Fiscal Years 2016-17, 2015-16 and 2014-15**



### Budgetary Highlights

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

### Resources (Inflows)

The General Fund's budgeted amount for *revenues* (resources available for appropriation) had an increase of \$7.7 million between the original budget of \$88.3 million and the final amended budget of \$96.0 million. The increase was primarily due to a \$6.3 million increase in Public Benefit Payments. The City did not budget these payments in the original budget because the timing of their receipt was not known. Once the payments were received the revenue budget was increased, and in most cases a corresponding expenses was increased because most of the funds are for specific public improvement projects. The other major increase to the City General Fund revenue budget was an increase of \$1.2 million to building permit and plan check fees. These increases were off-set by corresponding increases to related expenditures; as additional building and safety fees are received throughout the year the City incurs additional contract service expenses to provide the corresponding services.

In total, actual revenues exceeded the final amended budget by \$6.3 million. Actual revenues exceeded budgeted revenues for the following reasons: The City received approximately \$2.8 million in additional revenues related to Building and Safety, Planning, and Encroachment fees.

These fees are all related to new real estate development projects in the City and are one-time revenues. The real estate market in the Los Angeles area and the City is in the midst of period of strong growth, which has led to an increase in applications for new development projects in the City.

Additionally, the City received approximately \$3.9 million in excess revenues over budgeted amounts from various City Taxes, including Property Taxes, Transient Occupancy Taxes (otherwise known as hotel taxes), and Sales Taxes. These increases can be primarily attributed to the strength of the national, state, and local economies, and specifically increased consumer spending, increased tourism, and improvements to the real estate market. The other major revenue source where the City saw a significant amount of excess revenue over budgeted amounts was in Parking Meter Collections at \$0.8 million over budget.

Revenues did not reach budgeted amounts in the Fines and Forfeitures category due to a decrease in parking fine revenue and a one-time decrease in vehicle-code and photo safety fines. The deficit of revenues below budgeted amounts in this category was approximately \$1.4 million. Parking Fine revenue declined for a various number of reasons, including the increased availability of parking in commercial areas of the City and the increased use of ride sharing services, which has reduced the need for parking. Vehicle-code and photo safety fine revenue did not meet budgeted amounts because the installation of a new photo safety system was delayed and led to the non-operation of the cameras for the majority of the year.

#### Appropriations (Outflows)

The difference between the General Fund's original expenditure budget and the final expenditure budget was an increase of \$25.4 million in appropriations. Major increase from adopted to final budget is due to: increase in capital outlay of \$11.2 million, which includes an increase of \$2.5 million for the Coast Playhouse property purchase, increase in design district streetscape projects by \$3.8 million, city building major repairs of \$1.6 million, and increase in the 1343 Laurel project by \$0.8 million; increase in new initiatives rollover of by \$2.9 million; increase in social services contracts by \$1.2 million; rollovers related to mitigation on the Sunset-La Cienega project of \$0.9 million; building and safety increases due to \$1.0 related to plan checks; and an increases in transfers out between capital and debt service funds by \$3.7 million related to bond related projects.

## **Section 5 – Capital Assets and Debt Administration**

### Capital Assets

The City's investment in capital assets (Table 8) for its governmental and business-type activities as of June 30, 2017, is \$240.5 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, and infrastructure. Additional information about the City's capital assets can be found in the Notes to the Financial Statements on pages 67-68.



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

|                                   | <b>Governmental Activities</b> |                   | <b>Business-Type Activities</b> |                 | <b>Government-Wide Totals</b> |                   |
|-----------------------------------|--------------------------------|-------------------|---------------------------------|-----------------|-------------------------------|-------------------|
|                                   | <b>2017</b>                    | <b>2016</b>       | <b>2017</b>                     | <b>2016</b>     | <b>2017</b>                   | <b>2016</b>       |
| Land                              | \$ 57,841                      | \$ 55,329         | \$ -                            | \$ -            | \$ 57,841                     | \$ 55,329         |
| Buildings and systems             | 80,737                         | 82,475            | -                               | -               | 80,737                        | 82,475            |
| Improvements other than buildings | 11,616                         | 11,365            | -                               | -               | 11,616                        | 11,365            |
| Machinery and Equipment           | 3,627                          | 3,070             | -                               | -               | 3,627                         | 3,070             |
| Infrastructure                    | 51,299                         | 51,698            | 10,163                          | 9,817           | 61,463                        | 61,514            |
| Leasehold Improvement             | 225                            | -                 | -                               | -               | 225                           | -                 |
| Construction in progress          | 24,773                         | 11,001            | 210                             | 76              | 24,983                        | 11,075            |
| <b>Total Capital Assets</b>       | <b>\$ 230,119</b>              | <b>\$ 214,938</b> | <b>\$ 10,373</b>                | <b>\$ 9,892</b> | <b>\$ 240,492</b>             | <b>\$ 224,829</b> |

**Long-Term Debt**

At year end, the City had \$169.3 million in outstanding long-term debt for Governmental Activities as reflected in Table 9 below. These consisted of Compensated Absences, Lease Revenue 2009 Series A Bonds, Lease Revenue 2013 Bonds, Lease Revenue 2016 Bonds and Net Pension Liability.

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

|                               | <b>Governmental Activities</b> |                     |  |  |
|-------------------------------|--------------------------------|---------------------|--|--|
|                               | <b>2017</b>                    | <b>2016</b>         | <b>Variance Over/(Under) last year</b> | <b>% of increase (decrease) over last year</b> |
| Compensated Absences          | 4,368.7                        | 3,901.7             | 467.0                                  | 12.0%  |
| Lease Revenue - 2009 Series A | 8,791.9                        | 10,832.4            | (2,040.5)                              | -18.8%   |
| Lease Revenue - 2013          | 18,159.8                       | 18,517.1            | (357.3)                                | -1.9%  |
| Lease Revenue - 2016          | 97,343.0                       | 98,518.1            | (1,175.1)                              | 100.0%   |
| Net Pension Liability         | 40,614.7                       | 34,452.5            | 6,162.2                                | 17.9%  |
| <b>Total Long-Term Debt</b>   | <b>\$ 169,278.1</b>            | <b>\$ 166,221.8</b> | <b>\$ 3,056.3</b>                      | <b>1.8%</b>                                    |

Compensated Absences had an increase of \$0.5 million or 12.0% increase with an outstanding balance of \$4.4 million at year end due to cost-of-living increases in employee wages, which increased the value of compensated absences and by employee leaves not taken during the year.

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 pages 77-79; Note Number 8.

On September 28, 2013, Lease Revenue Bonds were issued for \$19,155,000 to finance the acquisition and construction of a new city hall automated parking facility and related improvements and finance capital improvements to the Werle Building. Additional information about the City's long-term debt can be found in the *Notes to the Financial Statements* on pages 77-79; Note 8.

On June 1, 2016, Lease Revenue Bonds were issued for \$85,015,000 to finance real property and improvements related to the West Hollywood Park Phase II Master Plan Implementation and Werle Building improvements, and to refinance the outstanding principal balance of the 2009 Taxable Lease Revenue Series B bonds in the amount of \$34,780,000. Additional information about the City's long-term debt can be found in the *Notes to the Financial Statements* on pages 77-79; Note 8.

As of June 30, 2015, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68 which requires that the net pension liability be recorded. For the City, the Net Pension Liability is \$40.6 million.

#### Long-Term Debt - Successor Agency

Due to the dissolution of redevelopment agencies in the State, the following long-term debt is no longer reported as Governmental Activities; Successor Agency activities are now reported with the Private Trust Funds activity. Additional information about the Successor Agency's long-term debt can be found in the *Notes to the Financial Statements* on pages 84-87; Note 14.

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

|                                       | Successor Agency Activities |                    |                                       |   |
|---------------------------------------|-----------------------------|--------------------|---------------------------------------|---|
|                                       | 2017                        | 2016               | Variance<br>Over/(Under)<br>last year | % of increase<br>(decrease)<br>over last year |
| Tax Allocation Bonds - 2011 Series A  | 27,700.0                    | 27,727.2           | (27.2)                                | -0.1%   |
| Tax Allocation Bonds - 2011 Series B  | 8,082.4                     | 8,392.8            | (310.4)                               | -3.7%   |
| Tax Allocation Refunding Bonds - 2013 | 8,576.2                     | 8,901.1            | (324.9)                               | -3.7%   |
| <b>Total Long-Term Debt</b>           | <b>\$ 44,358.6</b>          | <b>\$ 45,021.1</b> | <b>\$ (662.5)</b>                     | <b>-1.5%</b>                                  |

## **Section 6 – Economic Factors and Outlook for Future Years**

Although the focus of this report is based on the economic condition of the City prevailing as of June 30, 2017, there are always local, state, federal and global issues that require consideration in this report and upcoming projections, because of their future economic impact to the City.

During the last fiscal year and the six months that have followed it, the local, regional, State, and federal economies have continued to grow. This is particularly true for the local West Hollywood economy, as tourism spending and hotel occupancy rates continue to remain high and the City continues to see strong revenues. Since the end of the economic downturn seven years ago the City's economy has improved substantially and the City's revenues have increased by approximately 60%. Tourism has led this recovery as the Los Angeles region has seen a record number of tourists over the last several years. The City's transient occupancy tax receipts have increased by nearly 50% within the last five years and gross receipts at many of the City's most popular restaurants and bars are at or above pre-recession revenue peaks, leading to increased sales tax revenues for the City. A very strong real estate market in the Los Angeles region has also led to growth in the City, as a number of new real development projects have recently opened, are under construction, or are entitled and going through the plan check process. These new developments have increased property tax revenues in the City, and will lead to further property tax revenues in the future, as well as new business taxes, sales taxes, and transient occupancy taxes.

However, there are always uncertainties at the state, national, and global level that have the potential to harm the economy. For this reason, City staff closely monitors all economic indicators and trends, and conservatively budgets city revenues to help buffer against revenue declines that may occur for a variety of reasons, including economic recession.

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

The forecast for the City of West Hollywood continues to be optimistic. The City, with the use of its Long Range Financial Planning Model, continues to maintain its ability to fund enhanced levels of service for its residents without the need to use reserves for operations. Management is confident that the City can sustain and build upon its current reserves while satisfying the funding needs of future capital projects and operations. The City's financial standing was further validated by Standard & Poor's and Fitch confirming their "AA+" issuer credit ratings, with a stable outlook, for the City of West Hollywood in early 2016, as part of the City's 2016 Lease Revenue Bond issuance.

While most cities continue to struggle to return revenues to pre-recession highs, the City surpassed all pre-recession revenue peaks as of June 30, 2013. The City's largest single source of revenue (TOT) has grown by approximately 7.5% over the past ten years and nearly 10% for the past five years including a 7.7% drop in fiscal year 2009 due to the Great Recession, but a 17% increase in fiscal year 2013 as tourism accelerated in the region, increasing room rates and occupancy levels. The City hosts approximately 1.2 million visitors each year, helping it to rank among the top 20 in the State in per capita TOT with other major tourist destinations like San Francisco, Los Angeles, Anaheim, Santa Monica, Beverly Hills, and Palm Springs. It is anticipated that there will be significant new growth in TOT in fiscal years 2018 and 2019 due to the opening of the 296-room Jeremy Hotel on the Sunset Strip in August 2017 and the opening of a 104-room Kimpton Hotel on La Peer Drive in January 2018. Additionally, the late-2018 opening of the west coast flagship location for the new high-end Marriott Edition hotel is anticipated to increase TOT revenues even further in the future.

The City also anticipates that sales tax, property tax, and other revenues will continue to increase as the economy continues to improve and new real estate development projects that are currently under construction in the City are completed and begin attracting new businesses, residents, and visitors. The City has also under-taken a variety of other initiatives that will help in increase City revenues, including converting existing static bus shelter advertising to digital, launching the Sunset Spectacular pilot digital billboard, and increasing various City fees based on a cost of services study which was completed in 2016. In addition to these items, the City anticipates additional new revenue in the future from the legalization of cannabis for adult use in the State and the conversion of some existing static billboards on the Sunset Strip to digital.

Taking this information into account, the City's adopted General Fund budget for fiscal year 2017-18 continues to reflect pragmatic optimism about the City's financial future. Budget projections for key revenues over the next year will be increased as the economic base expands. Higher costs for public safety, housing and social services, wages, retirement and health care counter in significant part the anticipated revenue expansion, however, the City has been able to increase its investment in infrastructure improvements and expand services for residents and businesses. The City continues to use its strategic plan, Vision 2020, in guiding its decisions during the budget process.

### ***Contacting the City's Financial Management Staff***

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the funds it receives and expends. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance & Technology Services/Deputy City Manager, 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



 The sun always shines a little brighter in #WestHollywood.



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Top front: Summer Sounds at Kings Road Park, photo by Tony Coelho, Lower front: Summer Sounds *Nutty*, photo by Tony Coelho, Back: Russian Arts and Culture Festival, photo by Oleg Volovik



## CITY OF WEST HOLLYWOOD

## STATEMENT OF NET POSITION

June 30, 2017

|   | Primary Government         |                             |                       |
|---|----------------------------|-----------------------------|-----------------------|
|   | Governmental<br>Activities | Business-Type<br>Activities | Total                 |
| ASSETS:   |                            |                             |                       |
| Cash and investments                            | \$ 182,752,657             | \$ 1,397,956                | \$ 184,150,613        |
| Receivables:                                    |                            |                             |                       |
| Accounts  | 2,297,293                  | 229                         | 2,297,522             |
| Taxes   | 2,097,492                  | -                           | 2,097,492             |
| Notes and loans                                 | 546,012                    | -                           | 546,012               |
| Accrued interest                                | 268,279                    | 2,254                       | 270,533               |
| Internal balances                               | 19,306                     | (19,306)                    | -                     |
| Prepaid costs                                   | 5,317                      | -                           | 5,317                 |
| Deposits  | 39,000                     | -                           | 39,000                |
| Due from other governments                      | 5,725,073                  | 106,810                     | 5,831,883             |
| Restricted assets:                              |                            |                             |                       |
| Cash held in escrow                             | 375,000                    | -                           | 375,000               |
| Cash and investments with fiscal agents         | 63,559,171                 | -                           | 63,559,171            |
| OPEB asset                                      | 1,553,072                  | -                           | 1,553,072             |
| Capital assets not being depreciated            | 82,614,245                 | 209,835                     | 82,824,080            |
| Capital assets, net of accumulated depreciation | 147,504,624                | 10,163,219                  | 157,667,843           |
| TOTAL ASSETS                                    | <u>489,356,541</u>         | <u>11,860,997</u>           | <u>501,217,538</u>    |
| DEFERRED OUTFLOWS OF RESOURCES:                 |                            |                             |                       |
| Deferred amounts from pension                   | <u>10,233,346</u>          | <u>-</u>                    | <u>10,233,346</u>     |
| LIABILITIES:                                    |                            |                             |                       |
| Accounts payable                                | 12,948,478                 | 92,736                      | 13,041,214            |
| Accrued liabilities                             | 1,234,908                  | -                           | 1,234,908             |
| Accrued interest                                | 1,317,278                  | -                           | 1,317,278             |
| Unearned revenue                                | 4,378,924                  | -                           | 4,378,924             |
| Deposits payable                                | 6,507,831                  | -                           | 6,507,831             |
| Due to other governments                        | 546,012                    | -                           | 546,012               |
| Noncurrent liabilities:                         |                            |                             |                       |
| Due within one year                             | 7,194,933                  | -                           | 7,194,933             |
| Due in more than one year                       | 162,083,191                | -                           | 162,083,191           |
| TOTAL LIABILITIES                               | <u>196,211,555</u>         | <u>92,736</u>               | <u>196,304,291</u>    |
| DEFERRED INFLOWS OF RESOURCES                   |                            |                             |                       |
| Deferred gain on refunding                      | 1,357,047                  | -                           | 1,357,047             |
| Deferred amounts from pension                   | 2,671,741                  | -                           | 2,671,741             |
| TOTAL DEFERRED INFLOWS OF RESOURCES             | <u>4,028,788</u>           | <u>-</u>                    | <u>4,028,788</u>      |
| NET POSITION:                                   |                            |                             |                       |
| Net investment in capital assets                | 168,026,327                | 10,373,054                  | 178,399,381           |
| Restricted for:                                 |                            |                             |                       |
| Public services                                 | 30,333,804                 | -                           | 30,333,804            |
| Capital projects                                | 12,333,662                 | -                           | 12,333,662            |
| Debt service                                    | 1,255,006                  | -                           | 1,255,006             |
| Unrestricted                                    | 87,400,745                 | 1,395,207                   | 88,795,952            |
| TOTAL NET POSITION                              | <u>\$ 299,349,544</u>      | <u>\$ 11,768,261</u>        | <u>\$ 311,117,805</u> |

See accompanying notes to financial statements.

## CITY OF WEST HOLLYWOOD

## STATEMENT OF ACTIVITIES

For the year ended June 30, 2017

| Functions/programs               | Expenses              | Program Revenues           |  |  |
|----------------------------------|-----------------------|----------------------------|--|--|
|                                  |                       | Charges<br>for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions |
| <b>Governmental activities:</b>  |                       |                            |  |  |
| General government               | \$ 22,297,943         | \$ 885,815                 | \$ 142,771                               | \$ -                                   |
| Public safety                    | 21,841,899            | 123,642                    | 108,073                                  | -                                      |
| Public services                  | 52,937,204            | 23,115,575                 | 2,794,863                                | 15,856,846                             |
| Interest and fiscal charges      | 5,363,884             | -                          | -  | -                                      |
| Total Governmental Activities    | <u>102,440,930</u>    | <u>24,125,032</u>          | <u>3,045,707</u>                         | <u>15,856,846</u>                      |
| <b>Business-Type Activities:</b> |                       |                            |  |  |
| Sewer Charge                     | 683,400               | 1,311,358                  | -  | -                                      |
| Solid Waste                      | 1,425,100             | 1,464,683                  | -  | -                                      |
| Landscape District               | 164,840               | 191,235                    | -  | -                                      |
| Sewer District                   | 364,906               | -                          | -  | -                                      |
| Street Maintenance               | 301,999               | 294,327                    | -  | -                                      |
| Total Business-Type Activities   | <u>2,940,245</u>      | <u>3,261,603</u>           | <u>-</u>                                 | <u>-</u>                               |
| Total Primary Government         | <u>\$ 105,381,175</u> | <u>\$ 27,386,635</u>       | <u>\$ 3,045,707</u>                      | <u>\$ 15,856,846</u>                   |

## General Revenues:

## Taxes:

Property taxes, levied for general purposes  
 Transient occupancy taxes  
 Sales taxes  
 Franchise taxes  
 Business licenses taxes  
 Use of money and property  
 Other

Total General Revenues

Change in Net Position, before Extraordinary Item

Extraordinary item

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

See accompanying notes to financial statements.



| Net (Expenses) Revenue and Changes in Net Position |                             |                 |
|--|-----------------------------|-----------------|
| Primary Government                                 |                             |                 |
| Governmental<br>Activities                         | Business-Type<br>Activities | Total           |
| \$ (21,269,357)                                    | \$ -                        | \$ (21,269,357) |
| (21,610,184)                                       | -                           | (21,610,184)    |
| (11,169,920)                                       | -                           | (11,169,920)    |
| (5,363,884)  | -                           | (5,363,884)     |
| (59,413,345)                                       | -                           | (59,413,345)    |
| -  | 627,958                     | 627,958         |
| -  | 39,583                      | 39,583          |
| -  | 26,395                      | 26,395          |
| -  | (364,906)                   | (364,906)       |
| -  | (7,672)                     | (7,672)         |
| -  | 321,358                     | 321,358         |
| (59,413,345)                                       | 321,358                     | (59,091,987)    |
| 23,428,584   | -                           | 23,428,584      |
| 22,636,844   | -                           | 22,636,844      |
| 17,906,126   | -                           | 17,906,126      |
| 2,185,515  | -                           | 2,185,515       |
| 3,380,526  | -                           | 3,380,526       |
| 12,509,899   | 4,719                       | 12,514,618      |
| 3,582,792  | -                           | 3,582,792       |
| 85,630,286   | 4,719                       | 85,635,005      |
| 26,216,941   | 326,077                     | 26,543,018      |
| 5,647,427  | -                           | 5,647,427       |
| 31,864,368   | 326,077                     | 32,190,445      |
| 267,485,176  | 11,442,184                  | 278,927,360     |
| \$ 299,349,544                                     | \$ 11,768,261               | \$ 311,117,805  |

## CITY OF WEST HOLLYWOOD

## BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2017

|   |                       | Capital Projects<br>Fund        | Debt Service<br>Fund             |
|---|-----------------------|---------------------------------|----------------------------------|
|   | General               | Debt Funded<br>Capital Projects | Capital Projects<br>Debt Service |
| ASSETS:   |                       |                                 |                                  |
| Cash and investments  | \$ 131,956,918        | \$ -                            | \$ 9,216,615                     |
| Receivables:  |                       |                                 |                                  |
| Accounts  | 853,862               | 870,993                         | -                                |
| Taxes   | 2,097,492             | -                               | -                                |
| Notes and loans   | -                     | -                               | -                                |
| Accrued interest  | 202,193               | -                               | 14,015                           |
| Prepaid costs   | 5,317                 | -                               | -                                |
| Deposits  | 39,000                | -                               | -                                |
| Due from other governments  | 3,763,034             | -                               | -                                |
| Due from other funds  | 3,708,280             | 11,790,788                      | -                                |
| Restricted assets:  |                       |                                 |                                  |
| Cash held in escrow   | -                     | -                               | -                                |
| Cash and investments with fiscal agents                               | -                     | -                               | 63,559,171                       |
| TOTAL ASSETS  | <u>\$ 142,626,096</u> | <u>\$ 12,661,781</u>            | <u>\$ 72,789,801</u>             |
| LIABILITIES:  |                       |                                 |                                  |
| Accounts payable  | \$ 6,259,023          | \$ 5,214,430                    | \$ -                             |
| Accrued liabilities   | 1,234,908             | -                               | -                                |
| Unearned revenues   | 3,771,931             | -                               | -                                |
| Deposits payable  | 5,540,691             | 518,096                         | -                                |
| Due to other governments  | -                     | -                               | -                                |
| Due to other funds  | -                     | 2,940,639                       | 11,950,509                       |
| TOTAL LIABILITIES   | <u>16,806,553</u>     | <u>8,673,165</u>                | <u>11,950,509</u>                |
| DEFERRED INFLOWS OF RESOURCES:  |                       |                                 |                                  |
| Unavailable revenues  | 614,718               | 870,993                         | -                                |
| TOTAL DEFERRED<br>INFLOWS OF RESOURCES                                | <u>614,718</u>        | <u>870,993</u>                  | <u>-</u>                         |
| FUND BALANCES:  |                       |                                 |                                  |
| Nonspendable:   |                       |                                 |                                  |
| Prepaid costs   | 5,317                 | -                               | -                                |
| Deposits  | 39,000                | -                               | -                                |
| Restricted:   |                       |                                 |                                  |
| Public services   | -                     | -                               | -                                |
| Capital projects  | -                     | 3,117,623                       | 60,839,292                       |
| Debt service  | 1,255,006             | -                               | -                                |
| Committed to:   |                       |                                 |                                  |
| Emergency contingency   | 4,755,044             | -                               | -                                |
| Continuing appropriations   | 22,299,523            | -                               | -                                |
| Assigned to:  |                       |                                 |                                  |
| Self insurance  | 5,000,000             | -                               | -                                |
| Capital projects  | 57,000,000            | -                               | -                                |
| Future expenditures   | 4,368,714             | -                               | -                                |
| Working reserve   | 19,020,174            | -                               | -                                |
| Unfunded pension costs  | 8,000,000             | -                               | -                                |
| Unassigned  | 3,462,047             | -                               | -                                |
| TOTAL FUND BALANCES   | <u>125,204,825</u>    | <u>3,117,623</u>                | <u>60,839,292</u>                |
| TOTAL LIABILITIES, DEFERRED INFLOWS<br>OF RESOURCES AND FUND BALANCES | <u>\$ 142,626,096</u> | <u>\$ 12,661,781</u>            | <u>\$ 72,789,801</u>             |

See accompanying notes to financial statements.

| Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------|--------------------------------|
| \$ 41,532,385                  | \$ 182,705,918                 |
| 572,438                        | 2,297,293                      |
| -                              | 2,097,492                      |
| 546,012                        | 546,012                        |
| 52,002                         | 268,210                        |
| -                              | 5,317                          |
| -                              | 39,000                         |
| 1,962,039                      | 5,725,073                      |
| 159,721                        | 15,658,789                     |
| 375,000                        | 375,000                        |
| -                              | 63,559,171                     |
| <u>\$ 45,199,597</u>           | <u>\$ 273,277,275</u>          |
| \$ 1,464,225                   | \$ 12,937,678                  |
| -                              | 1,234,908                      |
| 606,993                        | 4,378,924                      |
| 449,044                        | 6,507,831                      |
| 546,012                        | 546,012                        |
| 767,641                        | 15,658,789                     |
| <u>3,833,915</u>               | <u>41,264,142</u>              |
| <u>300,362</u>                 | <u>1,786,073</u>               |
| <u>300,362</u>                 | <u>1,786,073</u>               |
| -                              | 5,317                          |
| -                              | 39,000                         |
| 30,033,442                     | 30,033,442                     |
| 11,064,925                     | 75,021,840                     |
| -                              | 1,255,006                      |
| -                              | 4,755,044                      |
| -                              | 22,299,523                     |
| -                              | 5,000,000                      |
| -                              | 57,000,000                     |
| -                              | 4,368,714                      |
| -                              | 19,020,174                     |
| -                              | 8,000,000                      |
| (33,047)                       | 3,429,000                      |
| <u>41,065,320</u>              | <u>230,227,060</u>             |
| <u>\$ 45,199,597</u>           | <u>\$ 273,277,275</u>          |

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## CITY OF WEST HOLLYWOOD

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

June 30, 2017

|  |                     |                              |
|--|---------------------|------------------------------|
| Fund balances - total governmental funds   |                     | \$ 230,227,060               |
| 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.   |                     | 230,118,869                  |
| Long-term debt and compensated absences that have not been included in the governmental fund activity:   |                     |                              |
| Bonds payable  | \$(110,825,000)     |                              |
| Unamortized bond premiums  | (13,469,666)        |                              |
| Unamortized gain on refunding  | (1,357,047)         |                              |
| Compensated absences   | <u>(4,368,714)</u>  |                              |
|  |                     | (130,020,427)                |
| Governmental funds report all Other Post-Employment Benefit (OPEB) contributions as expenditures, however, in the Statement of Net Position, any excesses or deficiencies in contributions in relation to the Annual Required Contribution (ARC) are recorded as an asset or liability.  |                     | 1,553,072                    |
| Pension related debt applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to pensions are only reported in the Statement of Net Position as the changes in these amounts effects only the government-wide statements for governmental activities: |                     |                              |
| Deferred outflows of resources   | 10,233,346          |                              |
| Deferred inflows of resources  | (2,671,741)         |                              |
| Pension liability  | <u>(40,614,744)</u> |                              |
|  |                     | (33,053,139)                 |
| Accrued interest payable for the current portion of interest due on bonds is not reported in the governmental funds  |                     | (1,317,278)                  |
| 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.  |                     | 1,786,073                    |
| The internal service fund is used by management to charge the costs of certain activities, such as the information system, to individual funds. The assets and liabilities of the internal service fund must be added to the Statement of Net Position.  |                     | <u>55,314</u>                |
| Net position of governmental activities  |                     | <u><u>\$ 299,349,544</u></u> |

See accompanying notes to financial statements.

## CITY OF WEST HOLLYWOOD

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

For the year ended June 30, 2017

|   |                       | Capital Projects<br>Fund        | Debt Service<br>Fund             |
|---|-----------------------|---------------------------------|----------------------------------|
|   | General               | Debt Funded<br>Capital Projects | Capital Projects<br>Debt Service |
| REVENUES:   |                       |                                 |                                  |
| Taxes   | \$ 66,312,179         | \$ -                            | \$ -                             |
| Licenses and permits                                      | 9,515,384             | -                               | -                                |
| Intergovernmental   | 156,571               | -                               | -                                |
| Charges for services                                      | 2,612,961             | -                               | -                                |
| Use of money and property                                 | 7,515,783             | -                               | 1,181,414                        |
| Fines and forfeitures                                     | 8,832,941             | -                               | -                                |
| Developer participation                                   | 3,185                 | -                               | -                                |
| Miscellaneous   | 7,328,597             | 187,401                         | -                                |
| TOTAL REVENUES  | <u>102,277,601</u>    | <u>187,401</u>                  | <u>1,181,414</u>                 |
| EXPENDITURES:   |                       |                                 |                                  |
| Current:  |                       |                                 |                                  |
| General government  | 20,830,893            | -                               | -                                |
| Public safety   | 20,861,793            | -                               | -                                |
| Public services   | 39,322,384            | -                               | -                                |
| Capital outlay  | 4,008,495             | 12,980,165                      | -                                |
| Debt service:   |                       |                                 |                                  |
| Principal retirement                                      | -                     | -                               | 3,060,000                        |
| Interest and fiscal charges                               | -                     | -                               | 5,043,345                        |
| Debt issuance cost  | -                     | -                               | 5,150                            |
| TOTAL EXPENDITURES  | <u>85,023,565</u>     | <u>12,980,165</u>               | <u>8,108,495</u>                 |
| EXCESS OF REVENUES OVER<br>(UNDER) EXPENDITURES           | <u>17,254,036</u>     | <u>(12,792,764)</u>             | <u>(6,927,081)</u>               |
| OTHER FINANCING SOURCES (USES):                           |                       |                                 |                                  |
| Transfers in  | 10,380                | 16,701,009                      | 8,670,512                        |
| Transfers out   | (11,714,623)          | -                               | (13,251,254)                     |
| TOTAL OTHER FINANCING<br>SOURCES (USES)                   | <u>(11,704,243)</u>   | <u>16,701,009</u>               | <u>(4,580,742)</u>               |
| NET CHANGE IN FUND BALANCES,<br>BEFORE EXTRAORDINARY ITEM | 5,549,793             | 3,908,245                       | (11,507,823)                     |
| EXTRAORDINARY ITEM  | <u>-</u>              | <u>-</u>                        | <u>-</u>                         |
| NET CHANGE IN FUND BALANCES                               | 5,549,793             | 3,908,245                       | (11,507,823)                     |
| FUND BALANCES (DEFICIT) - BEGINNING OF YEAR               | <u>119,655,032</u>    | <u>(790,622)</u>                | <u>72,347,115</u>                |
| FUND BALANCES - END OF YEAR                               | <u>\$ 125,204,825</u> | <u>\$ 3,117,623</u>             | <u>\$ 60,839,292</u>             |

See accompanying notes to financial statements.

| Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------|--------------------------------|
| \$ 2,985,698                   | \$ 69,297,877                  |
| -                              | 9,515,384                      |
| 4,328,318                      | 4,484,889                      |
| 820,771                        | 3,433,732                      |
| 3,963,453                      | 12,660,650                     |
| 906,116                        | 9,739,057                      |
| 10,507,563                     | 10,510,748                     |
| 1,628,054                      | 9,144,052                      |
| <u>25,139,973</u>              | <u>128,786,389</u>             |
| 523,872                        | 21,354,765                     |
| 875,651                        | 21,737,444                     |
| 9,625,320                      | 48,947,704                     |
| 2,852,873                      | 19,841,533                     |
| -                              | 3,060,000                      |
| -                              | 5,043,345                      |
| -                              | 5,150                          |
| <u>13,877,716</u>              | <u>119,989,941</u>             |
| <u>11,262,257</u>              | <u>8,796,448</u>               |
| 840,231                        | 26,222,132                     |
| <u>(1,256,255)</u>             | <u>(26,222,132)</u>            |
| <u>(416,024)</u>               | <u>-</u>                       |
| 10,846,233                     | 8,796,448                      |
| <u>5,647,427</u>               | <u>5,647,427</u>               |
| 16,493,660                     | 14,443,875                     |
| <u>24,571,660</u>              | <u>215,783,185</u>             |
| <u>\$ 41,065,320</u>           | <u>\$ 230,227,060</u>          |

## CITY OF WEST HOLLYWOOD

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

For the year ended June 30, 2017

|  |                    |                      |
|--|--------------------|----------------------|
| Net change in fund balances - total governmental funds   |                    | \$ 14,443,875        |
| Amounts reported for governmental activities in the Statement of Activities are different because:   |                    |                      |
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the the estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded asset disposal and depreciation expense in the current period. |                    |                      |
| Capital outlays  | \$ 20,078,140      |                      |
| Depreciation expense   | <u>(4,896,997)</u> | 15,181,143           |
| The issuance of long term debt provides current financial resources to governmental funds, while the repayment of the principal of long term-debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.  |                    |                      |
| Principal repayments   | 3,060,000          |                      |
| Amortization of deferred charges   | 46,795             |                      |
| Amortization of bond premiums/discounts  | <u>512,896</u>     | 3,619,691            |
| Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.   |                    | (880,230)            |
| Compensated absences expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.  |                    | (467,015)            |
| Governmental funds report all contributions in relation to the annual required contribution (ARC) for OPEB as expenditures, however in the Statement of Activities only the ARC is reported as an expense.   |                    | (244,521)            |
| Pension expense reported in the governmental funds includes the annual required contributions. In the Statement of Activities, pension expense includes the change in the net pension liability, and related change in pension amounts for deferred outflows of resources and deferred inflows of resources                |                    | 243,305              |
| Revenues reported as unavailable revenues in the governmental funds and recognized in the Statement of Activities. These are included in the intergovernmental revenues in the governmental fund activity.   |                    | (128,518)            |
| The internal service fund is used by management to charge the costs of certain activities, such as the information system, to individual funds. The net revenues (expenses) of the internal service fund is reported with governmental activities.   |                    | <u>96,638</u>        |
| Change in net position of governmental activities  |                    | <u>\$ 31,864,368</u> |

See accompanying notes to financial statements.



## CITY OF WEST HOLLYWOOD

BUDGETARY COMPARISON STATEMENT BY DEPARTMENT  
GENERAL FUND

For year ended June 30, 2017

|   | Budgeted Amounts      |                      | Actual                | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-----------------------|----------------------|-----------------------|---|
|   | Original              | Final                |                       |   |
| Budgetary Fund Balance, July 1              | \$ 119,655,032        | \$ 119,655,032       | \$ 119,655,032        | \$ -  |
| Resources (Inflows):                        |                       |                      |                       |   |
| Taxes                                       | 62,585,740            | 62,431,574           | 66,312,179            | 3,880,605   |
| Licenses and permits                        | 5,333,548             | 6,530,673            | 9,515,384             | 2,984,711   |
| Intergovernmental                           | 140,200               | 140,200              | 156,571               | 16,371  |
| Charges for services                        | 2,927,676             | 2,954,676            | 2,612,961             | (341,715)   |
| Use of money and property                   | 6,877,255             | 6,877,255            | 7,515,783             | 638,528   |
| Fines and forfeitures                       | 10,281,500            | 10,281,500           | 8,832,941             | (1,448,559)   |
| Developer participation                     | -                     | 3,185                | 3,185                 | -   |
| Miscellaneous                               | 150,000               | 6,782,724            | 7,328,597             | 545,873   |
| Transfers in                                | -                     | -                    | 10,380                | 10,380  |
| Amounts Available for Appropriations        | <u>207,950,951</u>    | <u>215,656,819</u>   | <u>221,943,013</u>    | <u>6,286,194</u>  |
| Charges to Appropriations (Outflows):       |                       |                      |                       |   |
| Current:                                    |                       |                      |                       |   |
| General government:                         |                       |                      |                       |   |
| City Council                                | 393,737               | 408,737              | 316,668               | 92,069  |
| City Manager                                | 1,470,318             | 1,777,583            | 1,461,057             | 316,526   |
| Economic Development                        | 2,363,555             | 1,447,340            | 974,491               | 472,849   |
| Arts  | -                     | 1,031,792            | 903,994               | 127,798   |
| Innovations                                 | 507,018               | 793,615              | 539,743               | 253,872   |
| Communications                              | 2,217,454             | 2,360,515            | 2,127,650             | 232,865   |
| City Attorney                               | 850,000               | 1,543,511            | 1,518,932             | 24,579  |
| Legal Services                              | 1,537,110             | 1,369,110            | 1,342,811             | 26,299  |
| Administrative Services Administration      | 367,981               | 375,081              | 317,871               | 57,210  |
| City Clerk                                  | 1,451,036             | 1,463,536            | 1,437,294             | 26,242  |
| Human Resources                             | 1,948,136             | 2,052,718            | 1,981,280             | 71,438  |
| Finance Administration                      | 2,729,277             | 3,885,342            | 2,916,183             | 969,159   |
| Revenue Management                          | 2,048,954             | 2,264,904            | 2,088,646             | 176,258   |
| General Accounting                          | 1,326,568             | 1,346,956            | 1,231,882             | 115,074   |
| Information Technology                      | 1,695,255             | 1,979,835            | 1,672,391             | 307,444   |
| Public safety:                              |                       |                      |                       |   |
| Public Safety Administration                | 2,832,040             | 2,737,980            | 2,593,276             | 144,704   |
| City Police/Protective Services             | 18,208,395            | 18,472,395           | 18,268,517            | 203,878   |
| Public services:                            |                       |                      |                       |   |
| Human Services Administration               | 737,761               | 805,264              | 750,456               | 54,808  |
| Recreation Services                         | 3,879,355             | 4,011,561            | 3,894,089             | 117,472   |
| Event Services                              | 2,426,501             | 2,538,064            | 2,258,631             | 279,433   |
| Social Services                             | 6,195,025             | 7,473,358            | 6,243,838             | 1,229,520   |
| Housing & Rent Stabilization Administration | 1,983,266             | 1,999,739            | 1,836,011             | 163,728   |
| Community Development Administrator         | 1,594,144             | 3,053,348            | 1,511,370             | 1,541,978   |
| Current & Historic Preservation Planning    | 2,446,805             | 2,578,855            | 2,323,444             | 255,411   |
| Long Range & Mobility Planning              | 2,045,401             | 3,357,512            | 2,043,368             | 1,314,144   |
| Building & Safety                           | 1,847,844             | 2,938,743            | 2,670,363             | 268,380   |
| Public Works Administration                 | 863,306               | 906,756              | 885,509               | 21,247  |
| Facilities and Field Services               | 7,125,614             | 7,730,918            | 7,136,371             | 594,547   |
| Code Compliance                             | 1,850,954             | 1,964,354            | 1,896,760             | 67,594  |
| Parking                                     | 4,943,867             | 4,873,331            | 4,564,248             | 309,083   |
| City Engineering                            | 1,323,605             | 2,188,750            | 1,307,926             | 880,824   |
| Capital outlay                              | 4,706,568             | 15,884,283           | 4,008,495             | 11,875,788  |
| Transfers out                               | 8,000,078             | 11,703,857           | 11,714,623            | (10,766)  |
| Total Charges to Appropriations             | <u>93,916,928</u>     | <u>119,319,643</u>   | <u>96,738,188</u>     | <u>22,581,455</u>                                       |
| Budgetary Fund Balance, June 30             | <u>\$ 114,034,023</u> | <u>\$ 96,337,176</u> | <u>\$ 125,204,825</u> | <u>\$ 28,867,649</u>                                    |

See accompanying notes to financial statements.

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## CITY OF WEST HOLLYWOOD

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

June 30, 2017

|   | Business-Type<br>Activities     | Governmental<br>Activities                                       |
|---|---------------------------------|--|
|   | Nonmajor<br>Enterprise<br>Funds | Information<br>System<br>Master Plan<br>Internal<br>Service Fund |
| ASSETS:   |                                 |  |
| CURRENT ASSETS:   |                                 |  |
| Cash and investments  | \$ 1,397,956                    | \$ 46,739  |
| Receivables:  |                                 |  |
| Accounts  | 229                             | -  |
| Accrued interest  | 2,254                           | 69   |
| Due from other governments  | 106,810                         | -  |
| Due from other funds  | 101,339                         | -  |
| TOTAL CURRENT ASSETS  | <u>1,608,588</u>                | <u>46,808</u>  |
| NONCURRENT ASSETS:  |                                 |  |
| Capital assets, nondepreciable  | 209,835                         | -  |
| Capital assets, net of<br>accumulated depreciation  | <u>10,163,219</u>               | <u>-</u>   |
| TOTAL NONCURRENT ASSETS   | <u>10,373,054</u>               | <u>-</u>   |
| TOTAL ASSETS  | <u>11,981,642</u>               | <u>46,808</u>  |
| LIABILITIES:  |                                 |  |
| CURRENT LIABILITIES:  |                                 |  |
| Accounts payable  | 92,736                          | 10,800   |
| Due to other funds  | <u>101,339</u>                  | <u>-</u>   |
| TOTAL CURRENT LIABILITIES   | <u>194,075</u>                  | <u>10,800</u>  |
| TOTAL LIABILITIES   | <u>194,075</u>                  | <u>10,800</u>  |
| NET POSITION:   |                                 |  |
| Net investment in capital assets  | 10,373,054                      | -  |
| Unrestricted  | <u>1,414,513</u>                | <u>36,008</u>  |
| TOTAL NET POSITION  | <u>11,787,567</u>               | <u>\$ 36,008</u>   |
| Prior years' accumulated adjustment to reflect the consolidation of the internal<br>service fund activities related to the enterprise funds | (22,202)                        |  |
| Current year's adjustment to reflect the consolidation of the internal service<br>fund activities related to the enterprise funds           | <u>2,896</u>                    |  |
| Net position of business-type activities  | <u>\$ 11,768,261</u>            |  |

See accompanying notes to financial statements.

## CITY OF WEST HOLLYWOOD

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

For the year ended June 30, 2017

|  | Business-Type<br>Activities     | Governmental<br>Activities                                       |
|--|---------------------------------|--|
|  | Nonmajor<br>Enterprise<br>Funds | Information<br>System<br>Master Plan<br>Internal<br>Service Fund |
| OPERATING REVENUES:  |                                 |  |
| Sales and service charges  | \$ 3,168,862                    | \$ 521,194   |
| Penalties on assessments   | 11,823                          | -  |
| Other fees and charges   | 80,918                          | -  |
| TOTAL OPERATING REVENUES   | <u>3,261,603</u>                | <u>521,194</u>   |
| OPERATING EXPENSES:  |                                 |  |
| Administration and general   | 104,561                         | 421,785  |
| Treatment  | 2,264,650                       | -  |
| Cost of sales and services   | 164,840                         | -  |
| Depreciation expense   | 409,090                         | -  |
| TOTAL OPERATING EXPENSES   | <u>2,943,141</u>                | <u>421,785</u>   |
| OPERATING INCOME   | <u>318,462</u>                  | <u>99,409</u>  |
| NONOPERATING REVENUES:   |                                 |  |
| Interest revenue   | 4,719                           | 125  |
| TOTAL NONOPERATING REVENUES  | <u>4,719</u>                    | <u>125</u>   |
| CHANGE IN NET POSITION   | 323,181                         | 99,534   |
| NET POSITION - BEGINNING OF YEAR   | <u>11,464,386</u>               | <u>(63,526)</u>  |
| NET POSITION - END OF YEAR   | <u>\$ 11,787,567</u>            | <u>\$ 36,008</u>   |
| Adjustment to reflect the consolidation of internal<br>service fund activities related to enterprise funds | \$ 2,896                        |  |
| Change in net position - Enterprise Funds  | <u>323,181</u>                  |  |
| Change in net position of business-type activities   | <u>\$ 326,077</u>               |  |

See accompanying notes to financial statements.

## CITY OF WEST HOLLYWOOD

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

For the year ended June 30, 2017

|  | Business-Type<br>Activities     | Governmental<br>Activities                                       |
|--|---------------------------------|--|
|  | Nonmajor<br>Enterprise<br>Funds | Information<br>System<br>Master Plan<br>Internal<br>Service Fund |
| CASH FLOWS FROM OPERATING ACTIVITIES:                        |                                 |  |
| Cash received from customers and users                       | \$ 3,223,713                    | \$ 521,194   |
| Cash paid to suppliers for goods and services                | (2,003,579)                     | (449,310)  |
| Cash paid to employees for services                          | (553,385)                       | -  |
| NET CASH PROVIDED<br>BY OPERATING ACTIVITIES                 | 666,749                         | 71,884   |
| CASH FLOWS FROM NONCAPITAL<br>FINANCING ACTIVITIES:          |                                 |  |
| Advances from other funds                                    | 29,353                          | -  |
| Transfers in   | -                               | -  |
| Repayment received from other funds                          | -                               | -  |
| Repayment made to other funds                                | -                               | (25,201)   |
| Advances to other funds                                      | (29,353)                        | -  |
| NET CASH USED BY NONCAPITAL<br>FINANCING ACTIVITIES          | -                               | (25,201)   |
| CASH FLOWS FROM CAPITAL AND<br>RELATED FINANCING ACTIVITIES: |                                 |  |
| Acquisition and construction of capital assets               | (889,200)                       | -  |
| NET CASH USED BY CAPITAL AND<br>RELATED FINANCING ACTIVITIES | (889,200)                       | -  |
| CASH FLOWS FROM INVESTING ACTIVITIES:                        |                                 |  |
| Interest received  | 3,985                           | 56   |
| NET CASH PROVIDED BY<br>INVESTING ACTIVITIES                 | 3,985                           | 56   |
| NET INCREASE (DECREASE) IN<br>CASH AND CASH EQUIVALENTS      | (218,466)                       | -  |
| CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR                | 1,616,422                       | -  |
| CASH AND CASH EQUIVALENTS - END OF YEAR                      | \$ 1,397,956                    | \$ 46,739  |

See accompanying notes to financial statements.

(Continued)

## CITY OF WEST HOLLYWOOD

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
(CONTINUED)

For the year ended June 30, 2017

|   | Business-Type<br>Activities     | Governmental<br>Activities                                       |
|---|---------------------------------|--|
|   | Nonmajor<br>Enterprise<br>Funds | Information<br>System<br>Master Plan<br>Internal<br>Service Fund |
| RECONCILIATION OF OPERATING<br>INCOME TO NET CASH PROVIDED<br>BY OPERATING ACTIVITIES:            |                                 |  |
| Operating income  | \$ 318,462                      | \$ 99,409  |
| Adjustments to reconcile operating income to<br>net cash provided (used) by operating activities: |                                 |  |
| Depreciation expense  | 409,090                         | -  |
| Changes in assets and liabilities:  |                                 |  |
| (Increase) decrease in:   |                                 |  |
| Accounts receivable   | 12,192                          | -  |
| Due from other governments  | (50,082)                        | -  |
| Increase (decrease) in:   |                                 |  |
| Accounts payable  | (22,913)                        | (27,525)   |
| NET CASH PROVIDED<br>BY OPERATING ACTIVITIES  | <u>\$ 666,749</u>               | <u>\$ 71,884</u>   |

See accompanying notes to financial statements.

## CITY OF WEST HOLLYWOOD

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

June 30, 2017

|   | Agency<br>Funds     | Private-Purpose<br>Trust Funds |
|---|---------------------|--------------------------------|
| ASSETS:   |                     |                                |
| Cash and investments                            | \$ 451,460          | \$ 679,000                     |
| Receivables:                                    |                     |                                |
| Accounts  | 72,840              | -                              |
| Taxes   | 503,397             | -                              |
| Accrued interest                                | 676                 | 167                            |
| Restricted assets:                              |                     |                                |
| Cash and investments with fiscal agents         | -                   | 32,907,153                     |
| Capital assets:                                 |                     |                                |
| Capital assets, net of accumulated depreciation | -                   | 155,388                        |
| TOTAL ASSETS                                    | <u>\$ 1,028,373</u> | <u>33,741,708</u>              |
| LIABILITIES:                                    |                     |                                |
| Accounts payable                                | \$ 1,028,373        | 28,523                         |
| Accrued interest                                | -                   | 1,081,770                      |
| Due to County                                   | -                   | 408,631                        |
| Long-term liabilities:                          |                     |                                |
| Due in one year                                 | -                   | 705,000                        |
| Due in more than one year                       | -                   | 43,653,614                     |
| TOTAL LIABILITIES                               | <u>\$ 1,028,373</u> | <u>45,877,538</u>              |
| NET POSITION:                                   |                     |                                |
| Held in trust for other purposes                |                     | <u>(12,135,830)</u>            |
| TOTAL NET POSITION                              |                     | <u>\$ (12,135,830)</u>         |

See accompanying notes to financial statements.

CITY OF WEST HOLLYWOOD

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

For the year ended June 30, 2017

|  | Private-Purpose<br>Trust Funds |
|--|--------------------------------|
| ADDITIONS:                                       |                                |
| Taxes  | \$ 4,102,315                   |
| Member contributions                             | 138,000                        |
| Other  | 275                            |
| Interest and change in fair value of investments | 108,955                        |
|  | <hr/>                          |
| TOTAL ADDITIONS                                  | 4,349,545                      |
|  | <hr/>                          |
| DEDUCTIONS:                                      |                                |
| Administrative expenses                          | 250,000                        |
| Contractual services                             | 140,620                        |
| Interest expense                                 | 3,264,014                      |
| Depreciation expense                             | 3,498                          |
| Extraordinary item                               | 5,647,427                      |
|  | <hr/>                          |
| TOTAL DEDUCTIONS                                 | 9,305,559                      |
|  | <hr/>                          |
| CHANGE IN NET POSITION                           | (4,956,014)                    |
| NET POSITION - BEGINNING OF YEAR                 | <hr/> (7,179,816)              |
| NET POSITION - END OF YEAR                       | <hr/> <hr/> \$ (12,135,830)    |

See accompanying notes to financial statements.





# Notes to Financial Section







Getting my kicks on Route 66. Thanks again @WehoCity!



Top front: Kenny Scharf mural, photo by Tony Coelho, Lower front: *100 Walkers* by artist Richard Kraft, photo courtesy of the artist, Back: Pride Parade, photo by Joshua Barash

CITY OF WEST HOLLYWOOD  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

**Description of the Reporting Entity:**

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

**Blended Component Units:**

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

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

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

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

Separate financial statements are not issued for these component units.

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

### **Government-Wide and Fund Financial Statements:**

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

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

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

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

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

### **Measurement Focus, Basis of Accounting and Financial Statement Presentation:**

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and private-purpose trust funds 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.

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

## **Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued):**

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 have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

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

The Agency Funds which have no measurement focus, but utilizes the accrual basis for reporting its assets and liabilities.

## **Fund Classifications:**

The City reports the following major governmental funds:

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

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

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

**Fund Classifications (Continued):**

Capital Projects Debt Service Fund (Continued)

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

The Debt Funded Capital Project Fund accounts for the receipt and disbursement of monies used for the construction of the major capital projects, such as mixed use parking facilities, City Hall acquisition, Homeless Shelter, Fire Station No. 7, new parking meters, the West Hollywood Library, City Hall Parking Structure and park improvements, which generally require more than one budgetary cycle to complete. These projects are funded by the General Fund, bond proceeds and donations obtained by the former West Hollywood Library Foundation Fund.

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

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

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

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

The Information Systems Master Plan Internal Service Fund accounts for all costs incurred in the process of designing, purchasing and implementing 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 West Hollywood Design District accounts for assessments that are levied for the Avenues of Art and Design. The West Hollywood Tourism Improvement District accounts for a portion of the transient occupancy tax, which is paid to the West Hollywood Marketing Corporation for use in marketing the City.

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

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

## **New Accounting Pronouncements:**

### Current Year Standards

GASB 73 - *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, contains provisions that address employer and governmental nonemployer contributing entities for pensions that are not within the scope of GASB 68, effective for periods beginning after June 15, 2016, and did not impact the City.

GASB 74 - *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, effective for periods beginning after June 15, 2016, and did not impact the City.

GASB 77 - *Tax Abatement Disclosure*, effective for periods beginning after December 15, 2015, and did not impact the City.

GASB 78 - *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, effective for periods beginning after December 15, 2015, and did not impact the City.

GASB 79 - *Certain External Investment Pools and Pool Participants*, contains certain provisions on portfolio quality, custodial credit risk, and shadow pricing, effective for periods beginning after December 15, 2015, and did not impact the City.

GASB 80 - *Blending Requirements for Certain Component Units*, effective for periods beginning after June 15, 2016, and did not impact the City.

### Pending Accounting Standards

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

- GASB 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for periods beginning after June 15, 2017.
- GASB 81 - *Irrevocable Split-Interest Agreements*, effective for periods beginning after December 15, 2016.
- GASB 82 - *Pension Issues*, effective for periods beginning after June 15, 2016, except for certain provisions on selection of assumptions, which are effective in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.
- GASB 83 - *Certain Asset Retirement Obligations*, effective for periods beginning after June 15, 2018.
- GASB 84 - *Fiduciary Activities*, effective for periods beginning after December 15, 2018.
- GASB 85 - *Omnibus 2017*, effective for periods beginning after June 15, 2017.
- GASB 86 - *Certain Debt Extinguishment Issues*, effective for periods beginning after June 15, 2017.
- GASB 87 - *Leases*, effective for periods beginning after December 15, 2019.

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

**Deposits and Investments and Cash and Cash Equivalents:**

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

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

**Receivables and Payables:**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is 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 noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to / from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

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

**Prepaid Costs:**

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



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

## Capital Assets:

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

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

## Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense) until that time. The City has the following items that qualify for reporting in this category:

- Deferred outflow related to pensions for employer contributions made after the measurement date of the net pension liability.
- Deferred outflow from pensions resulting from the difference in projected and actual earnings on investments of the pension plan fiduciary net position. This amount is amortized over 5 years.

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

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

- Deferred inflow from unavailable revenues, which is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source, which is grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Deferred gain on refunding that resulted from the difference in the carrying value of refunded debt and the reacquisition price. This amount is shown as deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Deferred inflow related to pensions for differences between expected and actual experiences. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the plans.
- Deferred inflow from pensions resulting from changes in assumptions. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the plans.

### **Net Position Flow Assumption:**

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

### **Fund Balance Flow Assumptions:**

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

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

### **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 to 380 hours (depending on the bargaining unit) of vacation time may be carried over to the next year. Employees may exchange unused vacation time for monetary compensation provided that they have taken at least two weeks of earned vacation in the prior year.

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

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

### **Pensions:**

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

### **Long-Term Obligations:**

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

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

**Fund Balance Classifications:**

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

Nonspendable - The portion of fund balance that cannot 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, are reported as nonspendable.

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

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

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

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

**Net Position:**

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

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

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

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

## 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

**General Budget Policies:**

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

**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.

**Excess of Expenditures over Appropriations:**

The following are funds in which certain expenditures exceeded appropriations for the fiscal year ended June 30, 2017. The City manages its budget at the department level rather than at the cost center level as shown below.

|   | <u>Final<br/>Budget</u> | <u>Actual</u> | <u>Variance with<br/>Final Budget</u> |
|---|-------------------------|---------------|---------------------------------------|
| Major Funds:                                  |                         |               |                                       |
| General Fund:                                 |                         |               |                                       |
| Transfers out                                 | \$ 11,703,857           | \$ 11,714,623 | \$ 10,766                             |
| Capital Projects Debt Service Fund:           |                         |               |                                       |
| Debt Service:                                 |                         |               |                                       |
| Debt issuance cost                            | -                       | 5,150         | 5,150                                 |
| Transfers out                                 | 13,247,777              | 13,251,254    | 3,477                                 |
| Other Governmental Funds:                     |                         |               |                                       |
| Special Grants Special Revenue Fund:          |                         |               |                                       |
| General Government                            | -                       | 3,058         | 3,058                                 |
| Measure R Special Revenue Fund                |                         |               |                                       |
| Public Services                               | 380,919                 | 390,408       | 9,489                                 |
| Air Quality Improvement Special Revenue Fund: |                         |               |                                       |
| Transfers out                                 | -                       | 10,380        | 10,380                                |
| Parking Improvement Special Revenue Fund:     |                         |               |                                       |
| General Government                            | 68,076                  | 72,350        | 4,274                                 |
| Sunset Mitigation Special Revenue Fund:       |                         |               |                                       |
| General Government                            | 74,275                  | 122,368       | 48,093                                |

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED):****Deficit Fund Balances or Net Position:**

The following funds contained deficit fund balances or net position at June 30, 2017:

|   | <u>Amount</u> |
|---|---------------|
| Other Governmental Special Revenue Funds: |               |
| Sunset Mitigation                         | \$ (33,047)   |
| Nonmajor Enterprise Fund:                 |               |
| Street Maintenance                        | (64,633)      |

The City expects to eliminate these deficits from future revenues or transfers from the general fund.

**3. CASH AND INVESTMENTS:****Cash and Investments:**

As of June 30, 2017, cash and investments were reported in the accompanying financial statements as follows:

|                            | <u>Unrestricted</u>   | <u>Restricted</u>    | <u>Total</u>          |
|----------------------------|-----------------------|----------------------|-----------------------|
| Governmental activities    | \$ 182,752,657        | \$ 63,934,171        | \$ 246,686,828        |
| Business-type activities   | 1,397,956             | -                    | 1,397,956             |
| Fiduciary funds            | <u>1,130,460</u>      | <u>32,907,153</u>    | <u>34,037,613</u>     |
| Total cash and investments | <u>\$ 185,281,073</u> | <u>\$ 96,841,324</u> | <u>\$ 282,122,397</u> |

Cash and investments held by the City at June 30, 2017 consisted of the following:

|                                      |                       |
|--------------------------------------|-----------------------|
| Petty cash                           | \$ 1,300              |
| Deposits with financial institutions | 6,604,265             |
| Investments                          | <u>275,516,832</u>    |
| Total cash and investments           | <u>\$ 282,122,397</u> |

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

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

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

1. Demand deposits in any Federal Deposit Insurance Corporation (FDIC) insured institution.
2. Los Angeles County Investment Pool (LACIP) administered by the Treasurer and Tax Collector of Los Angeles County.

### 3. CASH AND INVESTMENTS (CONTINUED):

#### **Investments Authorized by the City's Investment Policy (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 U.S. government which mature in two years or less up to the limit established under the Investment Guidelines.
7. Money Market Savings Accounts, provided that no deposit made pursuant to this paragraph in any one institution shall exceed the amount insured by the Federal Deposit Insurance Corporation.

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

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

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

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

**3. CASH AND INVESTMENTS (CONTINUED):****Investments Authorized by Debt Agreements (Continued):**

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.

**Disclosures Relating to Interest Rate Risk:**

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

As of June 30, 2017, the City had the following investments and original maturities:

|   | Remaining<br>Maturity<br>(in Years) |
|---|-------------------------------------|
| <u>Investment Type</u>                  | <u>Less Than<br/>1 Year</u>         |
| California Local Agency Investment Fund | \$ 46,070,613                       |
| Los Angeles County Investment Pool      | 132,979,896                         |
| Cash with Fiscal Agents:                |                                     |
| California Local Agency Investment Fund | 5,138,574                           |
| Money Market Mutual Funds               | 91,327,749                          |
|   | <u>\$ 275,516,832</u>               |

**Disclosures Relating to Credit Risk:**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City does not have a formal policy relating to a specific deposit or investment risk. As of June 30, 2017, the City's investments in external investment pools are unrated and money market mutual funds are rated AAA.



### 3. CASH AND INVESTMENTS (CONTINUED):

**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, 2017, the City has not invested more than 5% of its total investments in anyone issuer. Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement.

**Custodial Credit Risk:**

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

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

At June 30, 2017, the carrying amount of the City's deposits was \$6,604,266 and the bank balance was \$9,859,985, which is insured and collateralized under California law. The \$3,255,719 difference represents outstanding checks and other reconciling items. The City's deposits were covered by FDIC insurance or collateralized as required by California law.

**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 of California's Treasurer's Office audits the fund annually. The fair value of the position in the investment pool is the same as the value of the pool shares.

### 3. CASH AND INVESTMENTS (CONTINUED):

#### **Investment in County Investment Pool:**

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

#### **GASB Statement No. 31:**

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

#### **Fair Value Measurements:**

The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the relative inputs used to measure the fair value of the investments. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The City's investments in the California Local Agency Investment Fund, the Los Angeles County Investment Pool and money market mutual funds are not subject to the fair value hierarchy.

### 4. HOUSING LOANS RECEIVABLE:

The City has established the Citywide Affordable Housing Trust Fund and the Housing Asset Fund, which are accounted for as special revenue funds to assist nonprofit 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 \$33,372,556 were outstanding at June 30, 2017 to qualified developers and properties at annual interest rates ranging from 3% to 6%.

All principal and interest payments on the loans are payable 30 years from the date of the loans. For certain loans included above, the City will forgive and waive all amounts due under the loans if at the date of expiration the borrowers have performed under the terms of related agreements. The loans are offset by an allowance for forgiveness, as the City does not expect repayment.

## 5. CAPITAL ASSETS:

A summary of changes in the Governmental Activities capital assets at June 30, 2017 is as follows:

| <b>Governmental Activities:</b>                      | Balance at<br>July 1, 2016 | Additions            | Deletions             | Transfers   | Balance at<br>June 30, 2017 |
|--|----------------------------|----------------------|-----------------------|-------------|-----------------------------|
| Capital assets, not being depreciated:               |                            |                      |                       |             |                             |
| Land   | \$ 55,328,900              | \$ 2,512,089         | \$ -                  | \$ -        | \$ 57,840,989               |
| Construction in progress                             | <u>11,000,569</u>          | <u>15,139,473</u>    | <u>(1,366,786)</u>    | <u>-</u>    | <u>24,773,256</u>           |
| Total capital assets, not<br>being depreciated       | <u>66,329,469</u>          | <u>17,651,562</u>    | <u>(1,366,786)</u>    | <u>-</u>    | <u>82,614,245</u>           |
| Capital assets, being depreciated:                   |                            |                      |                       |             |                             |
| Buildings  | 96,565,250                 | 199,126              | -                     | -           | 96,764,376                  |
| Improvements other than buildings                    | 13,640,619                 | 523,766              | -                     | -           | 14,164,385                  |
| Machinery and equipment                              | 9,188,236                  | 1,272,033            | -                     | -           | 10,460,269                  |
| Furniture and fixtures                               | 1,799,139                  | 14,740               | -                     | -           | 1,813,879                   |
| Office equipment                                     | 1,604,385                  | 40,523               | -                     | -           | 1,644,908                   |
| Leasehold improvements                               | -                          | 225,342              | -                     | -           | 225,342                     |
| Infrastructure                                       | <u>98,400,756</u>          | <u>1,517,834</u>     | <u>-</u>              | <u>-</u>    | <u>99,918,590</u>           |
| Total capital assets,<br>being depreciated           | <u>221,198,385</u>         | <u>3,793,364</u>     | <u>-</u>              | <u>-</u>    | <u>224,991,749</u>          |
| Less accumulated depreciation for:                   |                            |                      |                       |             |                             |
| Buildings  | (14,090,324)               | (1,937,057)          | -                     | -           | (16,027,381)                |
| Improvements other than buildings                    | (2,275,135)                | (272,966)            | -                     | -           | (2,548,101)                 |
| Machinery and equipment                              | (6,658,190)                | (513,079)            | -                     | -           | (7,171,269)                 |
| Furniture and fixtures                               | (1,274,298)                | (246,008)            | -                     | -           | (1,520,306)                 |
| Office equipment                                     | (1,589,000)                | (11,867)             | -                     | -           | (1,600,867)                 |
| Infrastructure                                       | <u>(46,703,181)</u>        | <u>(1,916,020)</u>   | <u>-</u>              | <u>-</u>    | <u>(48,619,201)</u>         |
| Total accumulated depreciation                       | <u>(72,590,128)</u>        | <u>(4,896,997)</u>   | <u>-</u>              | <u>-</u>    | <u>(77,487,125)</u>         |
| Total capital assets,<br>being depreciated, net      | <u>148,608,257</u>         | <u>(1,103,633)</u>   | <u>-</u>              | <u>-</u>    | <u>147,504,624</u>          |
| Total governmental activities<br>capital assets, net | <u>\$ 214,937,726</u>      | <u>\$ 16,547,929</u> | <u>\$ (1,366,786)</u> | <u>\$ -</u> | <u>\$ 230,118,869</u>       |

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

|                            |                     |
|----------------------------|---------------------|
| General government         | \$ 271,728          |
| Public safety              | 104,455             |
| Public services            | <u>4,520,814</u>    |
| Total depreciation expense | <u>\$ 4,896,997</u> |

## 5. CAPITAL ASSETS (CONTINUED):

A summary of changes in the Business-type Activities capital assets at June 30, 2017 is as follows:

|   | Balance at<br>July 1,<br>2016 | Additions  | Deletions   | Balance at<br>June 30,<br>2017 |
|---|-------------------------------|------------|-------------|--------------------------------|
| <b>Business-type Activities:</b>                      |                               |            |             |                                |
| Capital assets, not being depreciated:                |                               |            |             |                                |
| Construction in progress                              | \$ 75,800                     | \$ 209,835 | \$ (75,800) | \$ 209,835                     |
| Capital assets, being depreciated:                    |                               |            |             |                                |
| Machinery and equipment                               | 32,183                        | -          | -           | 32,183                         |
| Office equipment                                      | 34,734                        | -          | -           | 34,734                         |
| Infrastructure  | 20,318,513                    | 755,165    | -           | 21,073,678                     |
| Total capital assets,<br>being depreciated            | 20,385,430                    | 755,165    | -           | 21,140,595                     |
| Less accumulated depreciation for:                    |                               |            |             |                                |
| Machinery and equipment                               | (32,183)                      | -          | -           | (32,183)                       |
| Office equipment                                      | (34,734)                      | -          | -           | (34,734)                       |
| Infrastructure  | (10,501,369)                  | (409,090)  | -           | (10,910,459)                   |
| Total accumulated depreciation                        | (10,568,286)                  | (409,090)  | -           | (10,977,376)                   |
| Capital assets,<br>being depreciated, net             | 9,817,144                     | 346,075    | -           | 10,163,219                     |
| Total business-type activities<br>capital assets, net | \$ 9,892,944                  | \$ 555,910 | \$ (75,800) | \$ 10,373,054                  |

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

|                            |                   |
|----------------------------|-------------------|
| Nonmajor Enterprise Funds: |                   |
| Sewer District             | \$ 365,025        |
| Sewer Charge               | 44,065            |
| Total depreciation expense | <u>\$ 409,090</u> |

## 6. RETIREMENT PLANS:

**General Information about the Pension Plans:**Plan Descriptions

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

## 6. RETIREMENT PLANS (CONTINUED):

**General Information about the Pension Plans (Continued):**Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. All members are eligible for non-industrial disability benefits after five (5) years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2017, are summarized as follows:

|   | Miscellaneous               |                                |
|---|-----------------------------|--------------------------------|
|   | Prior to<br>January 1, 2013 | On or After<br>January 1, 2013 |
| Hire date   |                             |                                |
| Benefit formula                                   | 2.7%@55                     | 2%@62                          |
| Benefit vesting schedule                          | 5 years of service          | 5 years of service             |
| Benefit payments                                  | monthly for life            | monthly for life               |
| Retirement age                                    | 50 - 55                     | 52 - 67                        |
| Monthly benefits, as a % of eligible compensation | 2.0% to 2.7%                | 1.0% to 2.5%                   |
| Required employee contribution rates              | 8.000%                      | 6.25%                          |
| Required employer contribution rates              | 19.804%                     | 6.25%                          |

Employees Covered

At June 30, 2017, the following employees were covered by the benefit terms for the Plans:

|                                     |            |
|-------------------------------------|------------|
| Inactive employees or beneficiaries |            |
| currently receiving benefits        | 95         |
| Inactive employees entitled to but  |            |
| not yet receiving benefits          | 181        |
| Active employees                    | 215        |
| Total                               | <u>491</u> |

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. City contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions.

**6. RETIREMENT PLANS (CONTINUED):****Net Pension Liability:**

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2016, using an annual actuarial valuation as of June 30, 2015 and rolled forward to June 30, 2016 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**Actuarial Assumptions**

The total pension liabilities in the June 30, 2015 actuarial valuations were determined using the following actuarial assumptions:

|                                |                                 |
|--------------------------------|---------------------------------|
| Valuation date                 | June 30, 2015                   |
| Measurement date               | June 30, 2016                   |
| Actuarial cost method          | Entry Age Normal<br>Cost Method |
| Actuarial assumptions:         |                                 |
| Discount rate                  | 7.65%                           |
| Inflation                      | 2.75%                           |
| Payroll growth                 | 3.00%                           |
| Projected salary increase      | (1)                             |
| Mortality Rate Table           | (2)                             |
| Post Retirement Benefit Income | (3)                             |

(1) Varies by entry age and service

(2) The probabilities of mortality are derived using CalPERS' membership data for all funds. The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

(3) Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter.

All other actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at the CalPERS website under Forms and Publications.

**Change of Assumptions**

There were no changes of assumptions during the measurement period June 30, 2016. Deferred inflows of resources for changes of assumptions presented in the financial statements represent the unamortized portion of the changes of assumptions related to prior measurement periods.

**6. RETIREMENT PLANS (CONTINUED):****Net Pension Liability (Continued):**Discount Rate

The discount rate used to measure the total pension liability was 7.65% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the Plans, the tests revealed the assets would not run out. Therefore, the current 7.65% discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long term expected discount rate of 7.65% is applied to all plans in the Public Employees Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained from the CalPERS website under the GASB 68 section.

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

In determining the long term expected rate of return, CalPERS took into account both short term and long term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds’ asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short term (first 10 years) and the long-term (11-60 years) using a building block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short term and long term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

## 6. RETIREMENT PLANS (CONTINUED):

**Net Pension Liability (Continued):**Discount Rate (Continued)

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the CalPERS Board effective on July 1, 2015.

| Asset Class                   | New<br>Strategic<br>Allocation | Real Return<br>Years<br>1 - 10 (a) | Real Return<br>Years<br>11+ (b) |
|-------------------------------|--------------------------------|------------------------------------|---------------------------------|
| Global Equity                 | 51.00%                         | 5.25%                              | 5.71%                           |
| Global Fixed Income           | 20.00%                         | 0.99%                              | 2.43%                           |
| Inflation Sensitive           | 6.00%                          | 0.45%                              | 3.36%                           |
| Private Equity                | 10.00%                         | 6.83%                              | 6.95%                           |
| Real Estate                   | 10.00%                         | 4.50%                              | 5.13%                           |
| Infrastructure and Forestland | 2.00%                          | 4.50%                              | 5.09%                           |
| Liquidity                     | 1.00%                          | -0.55%                             | -1.05%                          |
| Total                         | 100.00%                        |                                    |                                 |

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

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

Subsequent Events

After the measurement date, in December 2016, CalPERS' Board of Directors voted to lower the discount rate used in its actuarial valuations from 7.5% to 7.0% over three fiscal years, beginning in fiscal year 2018. The change in the discount rate will affect the contribution rates for employers beginning in fiscal year 2019, and result in increases to employers' normal costs and unfunded actuarial liabilities. For the GASB Statement 68 accounting valuations, the discount rate will move straight to 7% starting with the June 30, 2017 measurement date reports and will result in an increase to employer's total pension liabilities.



## 6. RETIREMENT PLANS (CONTINUED):

**Net Pension Liability (Continued):**Changes in Net Pension Liability

The changes in the net pension liability for the Miscellaneous Plan, using the measurement date of June 30, 2016, are as follows:

|  | Increase (Decrease)           |                                   |                                     |
|--|-------------------------------|-----------------------------------|-------------------------------------|
|  | Total<br>Pension<br>Liability | Plan<br>Fiduciary<br>Net Position | Net Pension<br>Liability<br>(Asset) |
| <b>Balance at June 30, 2015</b>                                  | <u>\$ 131,207,552</u>         | <u>\$ 96,755,016</u>              | <u>\$ 34,452,536</u>                |
| <b>Changes in the Year:</b>                                      |                               |                                   |                                     |
| Service cost   | 3,797,578                     | -                                 | 3,797,578                           |
| Interest on the total pension liability                          | 9,965,778                     | -                                 | 9,965,778                           |
| Differences between expected<br>and actual experience            | (1,019,659)                   | -                                 | (1,019,659)                         |
| Changes in assumptions   | -                             | -                                 | -                                   |
| Changes in benefit terms   | -                             | -                                 | -                                   |
| Plan to plan resource movement                                   | -                             | -                                 | -                                   |
| Contributions - employer   | -                             | 4,364,184                         | (4,364,184)                         |
| Contribution - employee<br>(paid by employer)                    | -                             | -                                 | -                                   |
| Contributions - employee   | -                             | 1,745,598                         | (1,745,598)                         |
| Net investment income  | -                             | 530,674                           | (530,674)                           |
| Administrative expense   | -                             | (58,967)                          | 58,967                              |
| Benefit payments, including refunds<br>of employee contributions | (3,630,140)                   | (3,630,140)                       | -                                   |
| <b>Net Changes</b>   | <u>9,113,557</u>              | <u>2,951,349</u>                  | <u>6,162,208</u>                    |
| <b>Balance at June 30, 2016</b>                                  | <u><u>\$ 140,321,109</u></u>  | <u><u>\$ 99,706,365</u></u>       | <u><u>\$ 40,614,744</u></u>         |

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

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

|                       |               |
|-----------------------|---------------|
| 1% Decrease           | 6.65%         |
| Net Pension Liability | \$ 61,386,423 |
| Current Discount Rate | 7.65%         |
| Net Pension Liability | \$ 40,614,744 |
| 1% Increase           | 8.65%         |
| Net Pension Liability | \$ 23,556,993 |

## 6. RETIREMENT PLANS (CONTINUED):

**Net Pension Liability (Continued):**Pension Plan Fiduciary Net Position

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

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

For the year ended June 30, 2017, the City recognized pension expense of \$4,363,033. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
|---|--------------------------------------|-------------------------------------|
| Pension contributions subsequent to measurement date                      | \$ 4,727,517                         | \$ -                                |
| Differences between expected and actual experience                        | -                                    | (1,351,016)                         |
| Change in assumptions   | -                                    | (1,320,725)                         |
| Net differences between projected and actual earnings on plan investments | 5,505,829                            | -                                   |
| Total   | <u>\$ 10,233,346</u>                 | <u>\$ (2,671,741)</u>               |

Deferred outflows of resources of \$4,727,517 that are related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Year<br>Ending<br>June 30, | Amount                |
|----------------------------|-----------------------|
| <u>2018</u>                | <u>\$ (1,287,716)</u> |
| 2019                       | 339,494               |
| 2020                       | 2,395,890             |
| 2021                       | 1,386,420             |
| 2022                       | -                     |
| Thereafter                 | -                     |

**Payable to the Pension Plan:**

At June 30, 2017, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2017.

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

**Plan Description:**

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

**Funding Policy:**

The required contribution is based on prefunding financing requirements. For fiscal year 2016-17, the City contributed \$92,400 in the form of current premiums and \$121,232 in implicit subsidy to the plan. Plan members receiving benefits contribute the difference between the City contribution of \$200 per month and the plan members' chosen CalPERS medical plan. The funding policy is determined by the City Council.

The City's annual other post-employment 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 30 years.

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

|  | Net OPEB<br>Obligation<br>(Asset) |
|--|-----------------------------------|
| Annual required contribution               | \$ 473,347                        |
| Interest on net OPEB obligation (a)        | (110,015)                         |
| Adjustment to annual required contribution | 94,821                            |
| Annual OPEB cost (expense)                 | 458,153                           |
| Actual contributions made                  | (213,632)                         |
| Decrease in net OPEB asset                 | 244,521                           |
| Net OPEB asset - beginning of year         | (1,797,593)                       |
| Net OPEB asset - end of year               | <u>\$ (1,553,072)</u>             |

(a) Rate is estimated at 6.12%.

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

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

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation (asset) for the year ended June 30, 2017 and the two preceding years, were as follows:

| <u>Fiscal<br/>Year<br/>Ended</u> | <u>Annual<br/>OPEB<br/>Cost</u> | <u>Actual<br/>Contribution<br/>(Net of)<br/>Adjustments</u> | <u>Percentage<br/>of Annual<br/>OPEB Cost<br/>Contributed</u> | <u>Net<br/>OPEB<br/>Obligation<br/>(Asset)</u> |
|----------------------------------|---------------------------------|---|---|--|
| 6/30/15                          | \$ 360,217                      | \$ 4,267,828  | \$ 1184.79 %  | \$ (1,840,707)                                 |
| 6/30/16                          | 127,514                         | 84,400  | 66.19 %   | (1,797,593)                                    |
| 6/30/17                          | 458,153                         | 213,632   | 46.63%  | (1,553,072)                                    |

**Funded Status and Funding Progress:**

As of July 1, 2015, the most recent actuarial valuation date, the plan was 67.9% funded. The actuarial accrued liability for benefits was \$6,171,469 and the actuarial value of assets was \$4,191,807, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,979,662. The covered payroll (annual payroll of active employees covered by the plan) was \$21,376,515, and the ratio of the UAAL to the covered payroll was 9.3%.

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

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

**Actuarial Methods and Assumptions:**

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

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

**Funded Status and Funding Progress (Continued):**

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

The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2017 was 20 years. As of the June 30, 2017, there were 246 participants in the plan with 215 active participants and 31 retirees receiving benefits.

## 8. LONG-TERM LIABILITIES:

The following is a summary of long-term liabilities transactions for the governmental activities for the year ended June 30, 2017:

|                                | Balance               |                      |                        | Balance               |                     |                       | Due    | Due in    |
|--------------------------------|-----------------------|----------------------|------------------------|-----------------------|---------------------|-----------------------|--------|-----------|
|                                | July 1, 2016          | Additions            | Deletions              | June 30, 2017         | One Year            | One Year              | Within | More Than |
| Lease Revenue Bonds:           |                       |                      |                        |                       |                     |                       |        |           |
| 2009 Series A                  | \$ 10,550,000         | \$ -                 | \$ (1,985,000)         | \$ 8,565,000          | \$ 2,070,000        | \$ 6,495,000          |        |           |
| Less: Unamortized              |                       |                      |                        |                       |                     |                       |        |           |
| original issue premium         | 282,385               | -                    | (55,494)               | 226,891               | -                   | 226,891               |        |           |
| 2013 Series                    | 18,320,000            | -                    | (350,000)              | 17,970,000            | 365,000             | 17,605,000            |        |           |
| Add: Unamortized               |                       |                      |                        |                       |                     |                       |        |           |
| original issue premium         | 197,078               | -                    | (7,299)                | 189,779               | -                   | 189,779               |        |           |
| 2016 Series                    | 85,015,000            | -                    | (725,000)              | 84,290,000            | 980,000             | 83,310,000            |        |           |
| Add: Unamortized               |                       |                      |                        |                       |                     |                       |        |           |
| original issue premium         | 13,503,099            | -                    | (450,103)              | 13,052,996            | -                   | 13,052,996            |        |           |
| Accrued employee benefits      | 3,901,699             | 4,245,848            | (3,778,833)            | 4,368,714             | 3,779,933           | 588,781               |        |           |
| Net pension liability (Note 6) | <u>34,452,536</u>     | <u>10,647,570</u>    | <u>(4,485,362)</u>     | <u>40,614,744</u>     | <u>-</u>            | <u>40,614,744</u>     |        |           |
| Total                          | <u>\$ 166,221,797</u> | <u>\$ 14,893,418</u> | <u>\$ (11,837,091)</u> | <u>\$ 169,278,124</u> | <u>\$ 7,194,933</u> | <u>\$ 162,083,191</u> |        |           |

**2009 Lease Revenue Bonds, Series A:**

On July 15, 2009, the West Hollywood Public Financing Authority issued \$22,160,000 of 2009 Lease Revenue Bonds, Series A to 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.

## 8. LONG-TERM LIABILITIES (CONTINUED):

**2009 Lease Revenue Bonds, Series A (Continued):**

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, 2017, the total principal outstanding was \$8,565,000.

The following is a schedule, by years, of future debt service payments for the 2009 Lease Revenue Bonds, Series A as of June 30, 2017:

| Year Ending<br>June 30, | Principal           | Interest            | Total               |
|-------------------------|---------------------|---------------------|---------------------|
| 2018                    | \$ 2,070,000        | \$ 428,250          | \$ 2,498,250        |
| 2019                    | 2,185,000           | 324,750             | 2,509,750           |
| 2020                    | 2,310,000           | 215,500             | 2,525,500           |
| 2021                    | 2,000,000           | 100,000             | 2,100,000           |
|                         | <u>\$ 8,565,000</u> | <u>\$ 1,068,500</u> | <u>\$ 9,633,500</u> |

**2013 Lease Revenue Bonds:**

On September 28, 2013, the West Hollywood Public Financing Authority issued \$19,155,000 of 2013 Lease Revenue Bonds to finance the acquisition and construction of certain public capital improvements and pay the costs of issuing the 2013 Bonds. The bonds consist of \$8,795,000 of serial bonds with annual maturity dates from April 1, 2014 through April 1, 2033, with interest rates ranging from 3.000% to 5.000%, term bonds of \$4,225,000 with an interest rate of 5.170% maturing April 1, 2038 and term bonds of \$5,405,000 with an interest rate of 5.270% maturing April 1, 2043. Interest is payable semiannually beginning April 2014. At June 30, 2017, the total principal outstanding was \$17,970,000.

The following is a schedule, by years, of future debt service payments for the 2013 Lease Revenue Bonds as of June 30, 2017:

| Year Ending<br>June 30, | Principal            | Interest             | Total                |
|-------------------------|----------------------|----------------------|----------------------|
| 2018                    | \$ 365,000           | \$ 888,107           | \$ 1,253,107         |
| 2019                    | 380,000              | 873,506              | 1,253,506            |
| 2020                    | 395,000              | 858,306              | 1,253,306            |
| 2021                    | 410,000              | 842,506              | 1,252,506            |
| 2022                    | 425,000              | 826,106              | 1,251,106            |
| 2023-2027               | 2,480,000            | 3,788,281            | 6,268,281            |
| 2028-2032               | 3,155,000            | 3,105,931            | 6,260,931            |
| 2033-2037               | 4,025,000            | 2,240,531            | 6,265,531            |
| 2038-2042               | 5,145,000            | 1,121,213            | 6,266,213            |
| 2043                    | 1,190,000            | 60,988               | 1,250,988            |
|                         | <u>\$ 17,970,000</u> | <u>\$ 14,605,475</u> | <u>\$ 32,575,475</u> |

## 8. LONG-TERM LIABILITIES (CONTINUED):

**2016 Lease Revenue Bonds:**

On June 1, 2016, the West Hollywood Public Financing Authority issued \$85,015,000 of 2016 Lease Revenue Bonds to currently refund the outstanding principal balance of the 2009 Lease Revenue Bonds, Series B in the amount of \$34,780,000, finance the acquisition and construction of certain public capital improvements, pay capitalized interest on the 2016 Bonds, and pay the costs of issuing the 2016 Bonds.

Interest is payable semiannually and interest rates range from 2.0% to 5.0%, with maturity dates starting April 2017 and ending April 2046. Principal payments range from \$725,000 to \$4,135,000. At June 30, 2017, the total principal outstanding was \$84,290,000.

The net carrying amount of the old debt exceeded the reacquisition price by \$1,403,842. This is being amortized over the 23 years. The City refunded the 2009 Bonds to reduce its total debt service payments over 23 years by \$13,498,634 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$6,766,197.

The following is a schedule, by years, of future debt service payments for the 2016 Lease Revenue Bonds as of June 30, 2017:

| Year Ending<br>June 30, | Principal            | Interest             | Total                 |
|-------------------------|----------------------|----------------------|-----------------------|
| 2018                    | \$ 980,000           | \$ 3,667,250         | \$ 4,647,250          |
| 2019                    | 1,010,000            | 3,637,850            | 4,647,850             |
| 2020                    | 1,045,000            | 3,597,450            | 4,642,450             |
| 2021                    | 1,340,000            | 3,555,650            | 4,895,650             |
| 2022                    | 3,515,000            | 3,502,050            | 7,017,050             |
| 2023-2027               | 16,425,000           | 14,781,750           | 31,206,750            |
| 2028-2032               | 14,010,000           | 11,191,250           | 25,201,250            |
| 2033-2037               | 17,790,000           | 7,328,500            | 25,118,500            |
| 2038-2042               | 16,115,000           | 3,877,050            | 19,992,050            |
| 2043-2046               | 12,060,000           | 1,229,600            | 13,289,600            |
|                         | <u>\$ 84,290,000</u> | <u>\$ 56,368,400</u> | <u>\$ 140,658,400</u> |

**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, 2017 was \$4,368,714.

## 9. UNEARNED REVENUE:

In fiscal year 2016-17, the City received developer deposits, rent stabilization fees, and taxi related fees. These are recorded as unearned revenue in the General Fund in the amount of \$3,771,931, along with various other unearned revenues of \$606,993; total unearned revenue recorded by the City for the year ended was \$4,378,924. 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 and other revenues collected in advance.

## 10. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS:

The composition of interfund balances as of June 30, 2017 was as follows:

**Due To/From Other Funds:**

| <u>Receivable Funds</u>           | <u>Payable Funds</u>               | <u>Amount</u>        |
|-----------------------------------|------------------------------------|----------------------|
| General Fund                      | Debt Funded Capital Projects Fund  | \$ 2,940,639         |
|                                   | Other Governmental Funds:          |                      |
|                                   | Special Grants                     |                      |
|                                   | Special Revenue Fund               | 322,188              |
|                                   | Sunset Mitigation                  |                      |
|                                   | Special Revenue Fund               | 445,453              |
| Debt Funded Capital Projects Fund | Capital Projects Debt Service Fund | 11,790,788           |
| Other Governmental Funds:         |                                    |                      |
| Parking Improvement               |                                    |                      |
| Special Revenue Fund              | Capital Projects Debt Service Fund | 159,721              |
|                                   |                                    | <u>\$ 15,658,789</u> |

The due to General Fund of \$3,708,280 was a result of temporary deficit cash balances in the Debt Funded Capital Projects and Other Governmental Funds.

The due to Debt Funded Capital Projects Fund of \$11,790,788 and \$159,721 in Other Governmental Funds was a result of reimbursement of capital expenditures to be made in fiscal year 2017-2018 from the Capital Projects Debt Service Fund.

**Transfers In/Out:**

| <u>Transfers In</u>                | <u>Transfers Out</u>               | <u>Amount</u>        |
|------------------------------------|------------------------------------|----------------------|
| Major Funds:                       |                                    |                      |
| General Fund                       | Other Governmental Fund:           |                      |
|                                    | Air Quality Special Revenue Fund   | \$ 10,380            |
| Capital Projects Debt Service Fund | General Fund                       | 7,424,637            |
|                                    | Other Governmental Funds:          |                      |
|                                    | Parking Improvement                |                      |
|                                    | Special Revenue Fund               | 1,245,875            |
| Debt Funded Capital Projects Fund  | General Fund                       | 3,704,165            |
|                                    | Capital Projects Debt Service Fund | 12,996,844           |
| Other Governmental Funds:          |                                    |                      |
| Special Grants                     |                                    |                      |
| Special Revenue Fund               | Capital Projects Debt Service Fund | 386                  |
| Air Quality Special Revenue Fund   | General Fund                       | 10,380               |
| Parking Improvement                |                                    |                      |
| Special Revenue Fund               | Capital Projects Debt Service Fund | 254,024              |
| Sunset Mitigation                  |                                    |                      |
| Special Revenue Fund               | General Fund                       | 575,441              |
|                                    |                                    | <u>\$ 26,222,132</u> |



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

**Transfers In/Out (Continued):**

The General Fund and the Parking Improvement Special Revenue Fund transferred \$7,424,637 and \$1,245,875 respectively, to the Capital Projects Debt Service Fund for debt service payments.

The General Fund and Capital Projects Debt Service Fund transferred \$3,704,165 and \$12,996,844 respectively, to the Debt Funded Capital Projects Fund to fund the Werle Building capital expenditures and capital expenses related to West Hollywood Park Phase II.

The Capital Projects Debt Service Fund transferred \$386 and \$254,410 to the Special Grants Special Revenue Fund, respectively, for capital expenses related to the City Hall Parking Garage.

The General Fund also transferred \$575,441 to the Sunset Mitigation Special Revenue Fund to subsidize operations.

## 11. RISK MANAGEMENT:

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

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

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

Claims and lawsuits have been filed against the City in the normal course of business; certain pending lawsuits against the City seek monetary damages. As the likelihood of a judgment being awarded has not yet been determined, no accrual of this amount has been reflected in the financial statements. It is reasonably possible that the City may be liable for claims not to exceed \$100,000. In the opinion of management, the resolution of these matters will not have a material adverse effect on the financial condition of the government.

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 2016-17.

**12. COMMITMENTS:****Contractual Commitments:**

The City has entered into a contract with the Los Angeles County Sheriff's Department to provide law enforcement services in the City of West Hollywood. Approximately \$18,445,000 was paid for these services in fiscal year 2016-17.

The following material construction commitments existed at June 30, 2017:

| Contractor                   | Contract Amount | Expenditures to Date as of June 30, 2017 | Remaining Commitments | Special Revenue Fund |
|------------------------------|-----------------|--|-----------------------|----------------------|
| Unitronics                   | \$ 2,640,000    | \$ 1,080,000                             | \$ 1,560,000          | Parking Improvement  |
| Sinanian Development Inc.    | 73,888,000      | 8,112,535                                | 65,775,465            | Capital Projects     |
| Sully-Miller Contracting Co. | 1,346,005       | -  | 1,346,005             | Capital Projects     |
| West Coast Arborists Inc.    | 4,027,000       | -  | 4,027,000             | Capital Projects     |

**Encumbrances:**

At June 30, 2017, there were encumbrances of \$5,710,408 in the general fund, \$69,760,861 in the Capital Projects Debt Service Fund, and \$2,548,349 in the other governmental funds.

**13. LEGISLATION AFFECTING CALIFORNIA REDEVELOPMENT AGENCIES:**

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

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

In September 2015, the Legislature passed and the Governor signed SB 107, which made additional changes to the Dissolution Act.

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

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

**13. LEGISLATION AFFECTING CALIFORNIA REDEVELOPMENT AGENCIES (CONTINUED):**

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

After the date of dissolution, the housing assets, obligations and activities of the Dissolved RDA have been transferred and are reported in a special revenue fund (Housing Asset Special Revenue Fund) in the financial statements of the City. All other assets, obligations and activities of the Dissolved RDA have been transferred and are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

Provisions included in the SB 107 allowed the City, as Successor Agency to the West Hollywood Community Development Commission, to use \$5,647,427 in 2011 Series B housing bond proceeds for projects authorized by the bond indenture. During the fiscal year, the Successor Agency transferred the 2011 Series B housing bond proceeds to the City to reimburse the City Housing Asset Trust Fund Special Revenue Fund for project costs related to the projects authorized by the bond indenture. This is reported in the accompanying statements as extraordinary item.

In the current and future fiscal years, the Successor Agency will only be allocated revenue from the County of Los Angeles in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the Dissolved RDA until all enforceable obligations of the Dissolved RDA have been paid in full and all assets have been liquidated.

**14. SUCCESSOR AGENCY DISCLOSURES:**

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

**Cash and Investments:**

Cash and investments reported in the combining statement of fiduciary net position private-purpose trust funds, consisted of the following:

|   |                      |
|---|----------------------|
| Cash and investments pooled with the City | \$ 567,355           |
| Cash and investments with fiscal agents   | <u>32,907,153</u>    |
| Total cash and investments                | <u>\$ 33,474,508</u> |

## 14. SUCCESSOR AGENCY DISCLOSURES (CONTINUED):

**Capital Assets:**

|   | Balance at<br>July 1, 2016 | Additions         | Deletions   | Transfers   | Balance at<br>June 30, 2017 |
|---|----------------------------|-------------------|-------------|-------------|-----------------------------|
| Capital assets, being depreciated:              |                            |                   |             |             |                             |
| Land improvements                               | \$ 174,920                 | \$ -              | \$ -        | \$ -        | \$ 174,920                  |
| Less accumulated depreciation for:              |                            |                   |             |             |                             |
| Land improvements                               | <u>(16,034)</u>            | <u>(3,498)</u>    | <u>-</u>    | <u>-</u>    | <u>(19,532)</u>             |
| Total capital assets,<br>being depreciated, net | <u>\$ 158,886</u>          | <u>\$ (3,498)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 155,388</u>           |

**Long-Term Liabilities:**

|  | Balance<br>July 1, 2016 | Additions   | Deletions           | Balance<br>June 30, 2017 | Due<br>Within<br>One Year | Due in<br>More Than<br>One Year |
|--|-------------------------|-------------|---------------------|--------------------------|---------------------------|---------------------------------|
| Tax Allocation Bonds:                        |                         |             |                     |                          |                           |                                 |
| 2011 Series A                                | \$ 28,005,000           | \$ -        | \$ (305,000)        | \$ 27,700,000            | \$ 320,000                | \$ 27,380,000                   |
| 2011 Series B                                | 8,690,000               | -           | (55,000)            | 8,635,000                | 60,000                    | 8,575,000                       |
| Less: Unamortized<br>original issue discount | (575,026)               | -           | 22,404              | (552,622)                | -                         | (552,622)                       |
| 2013 Tax Allocation Refunding                |                         |             |                     |                          |                           |                                 |
| Bonds, Series A                              | 8,645,000               | -           | (310,000)           | 8,335,000                | 325,000                   | 8,010,000                       |
| Add: Unamortized<br>original issue premium   | <u>256,158</u>          | <u>-</u>    | <u>(14,922)</u>     | <u>241,236</u>           | <u>-</u>                  | <u>241,236</u>                  |
| Total  | <u>\$ 45,021,132</u>    | <u>\$ -</u> | <u>\$ (662,518)</u> | <u>\$ 44,358,614</u>     | <u>\$ 705,000</u>         | <u>\$ 43,653,614</u>            |

Prior to the dissolution, the City pledged a portion of the tax increment revenue that it received as security for tax allocation bonds it has issued. These bonds were to provide financing for various capital projects. Total principal and interest remaining on the debt is \$101,403,071 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 \$4,102,315 and the debt service obligation on the bonds was \$3,934,014.

## 14. SUCCESSOR AGENCY DISCLOSURES (CONTINUED):

**Long-Term Liabilities (Continued):**

A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2017, follows:

**2011 Tax Allocation Bonds, Series A:**

In March 2011, the West Hollywood Community Development Commission issued \$30,560,000 Eastside Redevelopment Project 2011 Tax Allocation Bonds, Series A for the purpose of financing redevelopment activities. The bonds consist of \$4,625,000 of 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, 2017, the total principal outstanding was \$27,700,000.

The following is a schedule, by years, of future debt service payments for the 2011 Tax Allocation Bonds, Series A as of June 30, 2017:

| Year Ending<br>June 30, | Principal            | Interest             | Total                |
|-------------------------|----------------------|----------------------|----------------------|
| 2018                    | \$ 320,000           | \$ 2,018,988         | \$ 2,338,988         |
| 2019                    | 330,000              | 2,001,512            | 2,331,512            |
| 2020                    | 350,000              | 1,981,938            | 2,331,938            |
| 2021                    | 370,000              | 1,960,337            | 2,330,337            |
| 2022                    | 395,000              | 1,936,894            | 2,331,894            |
| 2023-2027               | 2,415,000            | 9,222,875            | 11,637,875           |
| 2028-2032               | 3,400,000            | 8,195,688            | 11,595,688           |
| 2033-2037               | 6,605,000            | 6,495,938            | 13,100,938           |
| 2038-2042               | 10,835,000           | 3,153,938            | 13,988,938           |
| 2043                    | 2,680,000            | 100,500              | 2,780,500            |
|                         | <u>\$ 27,700,000</u> | <u>\$ 37,068,608</u> | <u>\$ 64,768,608</u> |

**2011 Tax Allocation Bonds, Series B:**

In March 2011, the West Hollywood Community Development Commission issued \$9,420,000 of Eastside Redevelopment Project 2011 Tax Allocation Bonds, Series B for the purpose of financing redevelopment activities. The bonds consist of \$1,125,000 of 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, 2017, the total principal outstanding was \$8,635,000.

## 14. SUCCESSOR AGENCY DISCLOSURES (CONTINUED):

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

The following is a schedule, by years, of future debt service payments for the 2011 Tax Allocation Bonds, Series B as of June 30, 2017:

| <u>Year Ending<br/>June 30,</u> | <u>Principal</u>    | <u>Interest</u>      | <u>Total</u>         |
|---------------------------------|---------------------|----------------------|----------------------|
| 2018                            | \$ 60,000           | \$ 811,725           | \$ 871,725           |
| 2019                            | 60,000              | 807,225              | 867,225              |
| 2020                            | 65,000              | 802,300              | 867,300              |
| 2021                            | 75,000              | 796,606              | 871,606              |
| 2022                            | 80,000              | 790,113              | 870,113              |
| 2023-2027                       | 525,000             | 3,821,406            | 4,346,406            |
| 2028-2032                       | 815,000             | 3,510,963            | 4,325,963            |
| 2033-2037                       | 2,060,000           | 2,915,075            | 4,975,075            |
| 2038-2042                       | 3,885,000           | 1,469,888            | 5,354,888            |
| 2043                            | <u>1,010,000</u>    | <u>47,975</u>        | <u>1,057,975</u>     |
|                                 | <u>\$ 8,635,000</u> | <u>\$ 15,773,276</u> | <u>\$ 24,408,276</u> |

**2013 Tax Allocation Refunding Bonds, Series A:**

In December 2013, the Successor Agency to the West Hollywood Community Development Commission issued \$9,370,000 of East Side Redevelopment Tax Allocation Refunding Bonds, Series A for the purpose for refunding the outstanding balance of the Eastside Redevelopment Project 2003 Tax Allocation Bonds, Series A. The entire issuance was purchased by County of Los Angeles Redevelopment Refunding Authority. The bonds consist of \$6,675,000 of serial bonds with annual maturity dates from September 1, 2014 through September 1, 2029, with interest rates ranging from 3.000% to 5.000% and term bonds of \$2,595,000 with an interest rate of 5.000% maturing September 1, 2033. Interest is payable semiannually beginning September 1, 2014. At June 30, 2017, the total principal outstanding was \$8,335,000.

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

## 14. SUCCESSOR AGENCY DISCLOSURES (CONTINUED):

**Long-Term Liabilities (Continued):****2013 Tax Allocation Refunding Bonds, Series A (Continued):**

The following is a schedule, by years, of future debt service payments for the 2013 Tax Allocation Refunding Bonds, Series A as of June 30, 2017:

| <u>Year Ending<br/>June 30,</u> | <u>Principal</u>    | <u>Interest</u>     | <u>Total</u>         |
|---------------------------------|---------------------|---------------------|----------------------|
| 2018                            | \$ 325,000          | \$ 395,900          | \$ 720,900           |
| 2019                            | 345,000             | 379,150             | 724,150              |
| 2020                            | 360,000             | 361,525             | 721,525              |
| 2021                            | 380,000             | 343,025             | 723,025              |
| 2022                            | 400,000             | 323,525             | 723,525              |
| 2023-2027                       | 2,290,000           | 1,309,781           | 3,599,781            |
| 2028-2032                       | 2,880,000           | 709,656             | 3,589,656            |
| 2033-2034                       | <u>1,355,000</u>    | <u>68,625</u>       | <u>1,423,625</u>     |
|                                 | <u>\$ 8,335,000</u> | <u>\$ 3,891,187</u> | <u>\$ 12,226,187</u> |

## 15. SUBSEQUENT EVENTS:

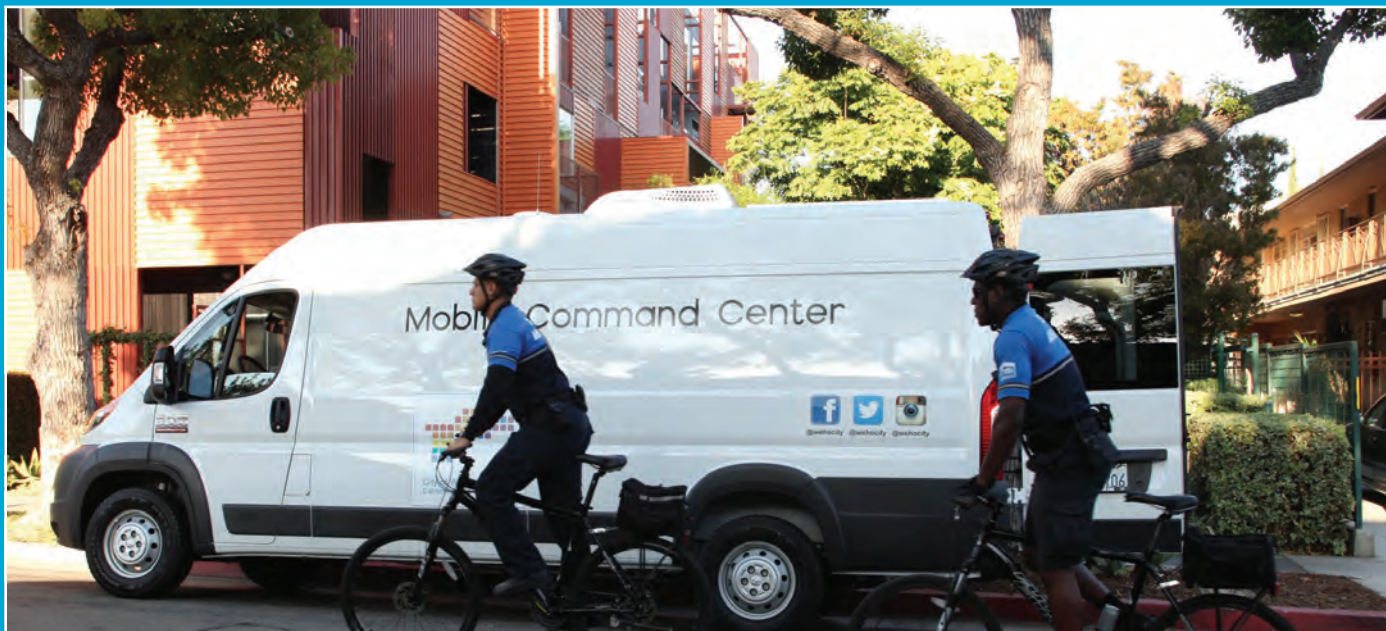
On August 16, 2017, Department of Finance approved the transfer of the \$9,276,727 of 2011 Series B housing bond proceeds from the Successor Agency to the West Hollywood Community Development Commission to the City of West Hollywood to be used for projects authorized by the bond indenture. The transfer of funds from the Successor Agency to the City was made in fiscal year 2018.

On September 18, 2017, the City Council approved cancellation of an unsecured promissory note dated February 25, 2008, with total amount of \$1,959,054 (principal amount of \$1,170,996 and accrued interest of \$369,668 as of August 31, 2017), by Laurel Place West Hollywood Inc. The loan is connected to predevelopment expenses for the Laurel Place Senior Housing Project and is offset by an allowance for forgiveness.

Events occurring after June 30, 2017 have been evaluated for possible adjustments to the financial statements or disclosure as of December 28, 2017, which is the date these financial statements were available to be issued.

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# Required Supplementary Information



 A shout out to The West Hollywood Sheriffs  
Department for being nice to me just now!!



Top front: Mobile Command Center, photo by Joshua Barash, Lower front: Crosswalk Safety sidewalk art, photo by Jon Viscott, Back: Bike to Work Day, photo by Joshua Barash

SCHEDULES RELATED TO PENSION AND OPEB RETIREMENT PLANS

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## SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

Last Ten Fiscal Years\*

| Fiscal Year  | June 30, 2017         | June 30, 2016         | June 30, 2015         |
|--|-----------------------|-----------------------|-----------------------|
| Measurement Date   | June 30, 2016         | June 30, 2015         | June 30, 2014         |
| Total Pension Liability:   |                       |                       |                       |
| Service cost   | \$ 3,797,578          | \$ 3,731,187          | \$ 3,727,364          |
| Interest on total pension liability  | 9,965,778             | 9,303,597             | 8,686,093             |
| Differences between expected and actual experience                         | (1,019,659)           | (1,107,374)           | -                     |
| Changes in assumptions   | -                     | (2,521,383)           | -                     |
| Changes in benefits  | -                     | -                     | -                     |
| Benefit payments, including refunds of employee contributions              | (3,630,140)           | (3,154,574)           | (2,816,524)           |
| Net Change in Total Pension Liability                                      | 9,113,557             | 6,251,453             | 9,596,933             |
| Total Pension Liability - Beginning of Year                                | 131,207,552           | 124,956,099           | 115,359,166           |
| Total Pension Liability - End of Year (a)                                  | <u>\$ 140,321,109</u> | <u>\$ 131,207,552</u> | <u>\$ 124,956,099</u> |
| Plan Fiduciary Net Position:   |                       |                       |                       |
| Contributions - employer   | \$ 4,364,184          | \$ 4,068,260          | \$ 3,844,786          |
| Contributions - employee   | 1,745,598             | 1,709,766             | 1,951,930             |
| Plan to plan resource movement   | -                     | (9,485)               | -                     |
| Net investment income  | 530,674               | 2,065,984             | 13,430,248            |
| Administrative expense   | (58,967)              | (108,929)             | -                     |
| Benefit payments   | (3,630,140)           | (3,154,574)           | (2,816,524)           |
| Net Change in Plan Fiduciary Net Position                                  | 2,951,349             | 4,571,022             | 16,410,440            |
| Plan Fiduciary Net Position - Beginning of Year                            | 96,755,016            | 92,183,994            | 75,773,554            |
| Plan Fiduciary Net Position - End of Year (b)                              | <u>\$ 99,706,365</u>  | <u>\$ 96,755,016</u>  | <u>\$ 92,183,994</u>  |
| Net Pension Liability - Ending (a)-(b)                                     | <u>\$ 40,614,744</u>  | <u>\$ 34,452,536</u>  | <u>\$ 32,772,105</u>  |
| Plan fiduciary net position as a percentage of the total pension liability | 71.06%                | 73.74%                | 73.77%                |
| Covered - employee payroll   | \$ 22,071,252         | \$ 20,512,704         | \$ 20,793,935         |
| Net pension liability as percentage of covered - employee payroll          | 184.02%               | 167.96%               | 157.60%               |

## Notes to Schedule:

## Benefit Changes:

There were no changes in benefits.

## Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

\* - Fiscal year 2015 was the 1st year of implementation, therefore only three years are shown.

## SCHEDULE OF CONTRIBUTIONS - DEFINED BENEFIT PLAN

Last Ten Fiscal Years\*

| Fiscal year   | June 30, 2017      | June 30, 2016      | June 30, 2015      |
|---|--------------------|--------------------|--------------------|
| Actuarially determined contribution                                   | \$ 4,727,517       | \$ 4,485,362       | \$ 4,063,914       |
| Contributions in relation to the actuarially determined contributions | <u>(4,727,517)</u> | <u>(4,485,362)</u> | <u>(4,063,914)</u> |
| Contribution deficiency (excess)                                      | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        |
| Covered - employee payroll  | \$ 22,101,007      | \$ 22,071,252      | \$ 20,512,704      |
| Contributions as a percentage of covered - employee payroll           | 21.39%             | 20.32%             | 19.81%             |

## Notes to Schedule:

|                |           |           |           |
|----------------|-----------|-----------|-----------|
| Valuation Date | 6/30/2014 | 6/30/2013 | 6/30/2012 |
|----------------|-----------|-----------|-----------|

## Methods and Assumptions Used to Determine Contribution Rates:

|                            |  |
|----------------------------|--|
| Single and agent employers | Entry age**  |
| Amortization method        | Level percentage of payroll, closed**  |
| Asset valuation method     | Market Value***  |
| Inflation                  | 2.75%**  |
| Salary increases           | Depending on age, service, and type of employment**  |
| Investment rate of return  | 7.50%, net of pension plan investment expense, including inflation**   |
| Retirement age             | 50 years for the 2.7%@55, and 52 years for the 2%@62   |
| Mortality                  | Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.** |

\* - Fiscal year 2015 was the 1st year of implementation, therefore only three years are shown.

\*\* - The valuation for June 30, 2012 and 2013 (applicable to fiscal years ended June 30, 2015 and 2016, respectively) included the same actuarial assumptions.

\*\*\* - The valuation for June 30, 2012 (applicable to fiscal year ended June 30, 2015) valued assets using a 15 Year Smoothed Market method. The market value asset valuation method was utilized for the June 30, 2013 and 2014 valuations (applicable to fiscal years ended June 30, 2016 and 2017, respectively).

## SCHEDULE OF FUNDING PROGRESS

For the year ended June 30, 2017

## OTHER POST-EMPLOYMENT BENEFITS RETIREMENT PLAN

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value<br>of Assets<br>(AVA)<br>(a) | Actuarial<br>Accrued<br>Liability<br>(AAL)<br>(b) | Unfunded<br>AAL<br>(UAAL)<br>(b) - (a) | Funded<br>Ratio<br>(a)/(b) | Covered<br>Payroll<br>(c) | UAAL as a<br>% of<br>Payroll<br>[(b)-(a)]/c] |
|--------------------------------|---|---|--|----------------------------|---------------------------|--|
| 06/30/11                       | \$ -  | \$ 2,983,000                                      | \$ 2,983,000                           | 0.00%                      | \$ 17,339,000             | 17.20%                                       |
| 06/30/13                       | -   | 3,862,000   | 3,862,000                              | 0.00%                      | 19,182,000                | 20.13%                                       |
| 01/01/15                       | -   | 3,286,298   | 3,286,298                              | 0.00%                      | 21,376,515                | 15.37%                                       |
| 07/01/15                       | 4,191,807                                       | 6,171,469   | 1,979,662                              | 67.92%                     | 21,376,515                | 9.26%  |


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# Supplementary Information



 One of my favorite places on the planet. #westhollywood



Top front, lower front, and back: City Hall Automated Garage and Community Plaza project, photos by Jon Viscott

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:

### SPECIAL GRANTS FUND:

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

### PROPOSITION "A" FUND:

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

### PROPOSITION "C" FUND:

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

### MEASURE "R" FUND:

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

### GAS TAX FUND:

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

### AIR QUALITY IMPROVEMENT FUND:

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

**TRAFFIC FUND:**

Fees imposed on developers and Federal Grants provide revenues to this fund, which are used to improve traffic flow in the City.

**PUBLIC BEAUTIFICATION AND ART FUND:**

City Ordinance requires the developer of new projects to either install an art object as 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 for other art related activities.

**PARK DEVELOPMENT FUND (QUIMBY ACT):**

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

**CITY LIGHTING FUND:**

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

**PUBLIC ACCESS CORPORATION FUND:**

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

**PARKING IMPROVEMENT FUND:**

Revenue for this fund comes from predetermined amount of parking meter collections, allocated parking fines, and exactions from the developers of commercial and residential projects. These funds will be used for construction of parking structures.

**PERMIT PARKING FUND:**

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

**COMMUNITY DEVELOPMENT BLOCK GRANT FUND (CDBG):**

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



**HOUSING TRUST FUND:**

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

**HOUSING ASSET FUND:**

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

**SUNSET STRIP BUSINESS IMPROVEMENT DISTRICT FUND:**

Created in 2002, the Sunset Strip Business Improvement District is an assessment district that improves the business and neighboring residential environment on Sunset Blvd. through security, street maintenance, public outreach, and marketing. Businesses located on Sunset Blvd. from Doheny Road on the west to a half block west of Havenhurst Drive on the east are assessed if they fall within a qualifying category: nightclubs, bars, adult businesses, hotels, restaurants, and other, which includes liquor stores/convenience stores with liquor; valet parking services; and retail stores. This fund is used to account for the annual assessments and expenditures within the District.

## CAPITAL PROJECTS FUNDS

### SANTA MONICA BOULEVARD FUND:

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

### DEBT FUNDED CAPITAL PROJECTS FUND - MAJOR FUND:

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



## DEBT SERVICE FUND

## CAPITAL PROJECTS DEBT SERVICE FUND - MAJOR FUND:

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

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

CITY OF WEST HOLLYWOOD  
COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS

June 30, 2017

|   | Special Revenue Funds |                     |                   |                   |
|---|-----------------------|---------------------|-------------------|-------------------|
|   | Special<br>Grants     | Proposition<br>A    | Proposition<br>C  | Measure<br>R      |
| ASSETS:   |                       |                     |                   |                   |
| Cash and investments  | \$ -                  | \$ 2,712,484        | \$ 764,971        | \$ 621,405        |
| Receivables:  |                       |                     |                   |                   |
| Accounts  | 109,680               | -                   | -                 | -                 |
| Notes and loans   | -                     | -                   | -                 | -                 |
| Accrued interest  | -                     | 3,973               | 1,200             | 930               |
| Due from other governments  | 1,639,342             | 96,814              | -                 | -                 |
| Due from other funds  | -                     | -                   | -                 | -                 |
| Restricted assets:  |                       |                     |                   |                   |
| Cash held in escrow   | -                     | -                   | -                 | -                 |
| <b>TOTAL ASSETS</b>   | <b>\$ 1,749,022</b>   | <b>\$ 2,813,271</b> | <b>\$ 766,171</b> | <b>\$ 622,335</b> |
| LIABILITIES:  |                       |                     |                   |                   |
| Accounts payable  | \$ 39,190             | \$ 348,163          | \$ -              | \$ 39,795         |
| Unearned revenues   | 313,585               | -                   | -                 | -                 |
| Deposits payable  | -                     | -                   | -                 | -                 |
| Due to other governments  | -                     | -                   | -                 | -                 |
| Due to other funds  | 322,188               | -                   | -                 | -                 |
| <b>TOTAL LIABILITIES</b>  | <b>674,963</b>        | <b>348,163</b>      | <b>-</b>          | <b>39,795</b>     |
| DEFERRED INFLOWS OF RESOURCES:  |                       |                     |                   |                   |
| Unavailable revenues  | 300,362               | -                   | -                 | -                 |
| <b>TOTAL DEFERRED<br/>INFLOWS OF RESOURCES</b>                                | <b>300,362</b>        | <b>-</b>            | <b>-</b>          | <b>-</b>          |
| FUND BALANCES (DEFICIT):  |                       |                     |                   |                   |
| Restricted:   |                       |                     |                   |                   |
| Public services   | 773,697               | 2,465,108           | 766,171           | 582,540           |
| Capital projects  | -                     | -                   | -                 | -                 |
| Unassigned  | -                     | -                   | -                 | -                 |
| <b>TOTAL FUND BALANCES (DEFICIT)</b>  | <b>773,697</b>        | <b>2,465,108</b>    | <b>766,171</b>    | <b>582,540</b>    |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES AND FUND BALANCES</b> | <b>\$ 1,749,022</b>   | <b>\$ 2,813,271</b> | <b>\$ 766,171</b> | <b>\$ 622,335</b> |

## Special Revenue Funds (Continued)

| Gas<br>Tax        | Air Quality<br>Improvement | Traffic           | Public<br>Beautification<br>and Art | Quimby<br>Act       | City<br>Lighting    | Public<br>Access<br>Corporation |
|-------------------|----------------------------|-------------------|-------------------------------------|---------------------|---------------------|---------------------------------|
| \$ 351,013        | \$ 133,477                 | \$ 346,774        | \$ 1,600,630                        | \$ 2,023,346        | \$ 2,340,022        | \$ 13,919                       |
| -                 | -                          | -                 | -                                   | -                   | 6,323               | -                               |
| -                 | -                          | -                 | -                                   | -                   | -                   | -                               |
| 526               | 200                        | 520               | 2,399                               | 3,033               | 3,508               | 21                              |
| 1,314             | -                          | -                 | -                                   | -                   | 22,539              | -                               |
| -                 | -                          | -                 | -                                   | -                   | -                   | -                               |
| -                 | -                          | -                 | -                                   | -                   | -                   | -                               |
| <u>\$ 352,853</u> | <u>\$ 133,677</u>          | <u>\$ 347,294</u> | <u>\$ 1,603,029</u>                 | <u>\$ 2,026,379</u> | <u>\$ 2,372,392</u> | <u>\$ 13,940</u>                |
| \$ 60,471         | \$ -                       | \$ 69,443         | \$ 93,808                           | \$ -                | \$ 97,954           | \$ 322                          |
| -                 | -                          | -                 | 89,251                              | -                   | -                   | -                               |
| 3,801             | -                          | 14,977            | -                                   | -                   | 3,094               | -                               |
| -                 | -                          | -                 | -                                   | -                   | -                   | -                               |
| -                 | -                          | -                 | -                                   | -                   | -                   | -                               |
| <u>64,272</u>     | <u>-</u>                   | <u>84,420</u>     | <u>183,059</u>                      | <u>-</u>            | <u>101,048</u>      | <u>322</u>                      |
| -                 | -                          | -                 | -                                   | -                   | -                   | -                               |
| -                 | -                          | -                 | -                                   | -                   | -                   | -                               |
| 288,581           | 133,677                    | 262,874           | 1,419,970                           | 2,026,379           | 2,271,344           | 13,618                          |
| -                 | -                          | -                 | -                                   | -                   | -                   | -                               |
| <u>288,581</u>    | <u>133,677</u>             | <u>262,874</u>    | <u>1,419,970</u>                    | <u>2,026,379</u>    | <u>2,271,344</u>    | <u>13,618</u>                   |
| <u>\$ 352,853</u> | <u>\$ 133,677</u>          | <u>\$ 347,294</u> | <u>\$ 1,603,029</u>                 | <u>\$ 2,026,379</u> | <u>\$ 2,372,392</u> | <u>\$ 13,940</u>                |

(Continued)

## CITY OF WEST HOLLYWOOD

COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS  
(CONTINUED)

June 30, 2017

|   | Special Revenue Funds (Continued) |                   |                   |                      |
|---|-----------------------------------|-------------------|-------------------|----------------------|
|   | Parking<br>Improvement            | Permit<br>Parking | CDBG              | Housing<br>Trust     |
| ASSETS:   |                                   |                   |                   |                      |
| Cash and investments  | \$ 5,129,335                      | \$ 856,233        | \$ -              | \$ 18,989,279        |
| Receivables:  |                                   |                   |                   |                      |
| Accounts  | 35,663                            | -                 | -                 | -                    |
| Notes and loans   | -                                 | -                 | 546,012           | -                    |
| Accrued interest  | 5,898                             | 1,282             | -                 | 20,042               |
| Due from other governments  | -                                 | -                 | 202,030           | -                    |
| Due from other funds  | 159,721                           | -                 | -                 | -                    |
| Restricted assets:  |                                   |                   |                   |                      |
| Cash held in escrow   | 375,000                           | -                 | -                 | -                    |
| TOTAL ASSETS  | <u>\$ 5,705,617</u>               | <u>\$ 857,515</u> | <u>\$ 748,042</u> | <u>\$ 19,009,321</u> |
| LIABILITIES:  |                                   |                   |                   |                      |
| Accounts payable  | \$ 191,263                        | \$ 7,734          | \$ 192,351        | \$ 58,750            |
| Unearned revenues   | 204,157                           | -                 | -                 | -                    |
| Deposits payable  | 391,020                           | -                 | 9,679             | -                    |
| Due to other governments  | -                                 | -                 | 546,012           | -                    |
| Due to other funds  | -                                 | -                 | -                 | -                    |
| TOTAL LIABILITIES   | <u>786,440</u>                    | <u>7,734</u>      | <u>748,042</u>    | <u>58,750</u>        |
| DEFERRED INFLOWS OF RESOURCES:  |                                   |                   |                   |                      |
| Unavailable revenues  | -                                 | -                 | -                 | -                    |
| TOTAL DEFERRED<br>INFLOWS OF RESOURCES                                | <u>-</u>                          | <u>-</u>          | <u>-</u>          | <u>-</u>             |
| FUND BALANCES (DEFICIT):  |                                   |                   |                   |                      |
| Restricted:   |                                   |                   |                   |                      |
| Public services   | -                                 | -                 | -                 | 18,950,571           |
| Capital projects  | 4,919,177                         | 849,781           | -                 | -                    |
| Unassigned  | -                                 | -                 | -                 | -                    |
| TOTAL FUND BALANCES (DEFICIT)   | <u>4,919,177</u>                  | <u>849,781</u>    | <u>-</u>          | <u>18,950,571</u>    |
| TOTAL LIABILITIES, DEFERRED INFLOWS<br>OF RESOURCES AND FUND BALANCES | <u>\$ 5,705,617</u>               | <u>\$ 857,515</u> | <u>\$ 748,042</u> | <u>\$ 19,009,321</u> |

| Special Revenue<br>Funds (Continued) |   | Capital<br>Projects Fund     |                                      |
|--------------------------------------|---|------------------------------|--------------------------------------|
| Housing<br>Asset                     | Sunset Strip<br>Business<br>Improvement<br>District | Santa<br>Monica<br>Boulevard | Total Other<br>Governmental<br>Funds |
| \$ 78,794                            | \$ -  | \$ 5,570,703                 | \$ 41,532,385                        |
| -                                    | 420,772   | -                            | 572,438                              |
| -                                    | -   | -                            | 546,012                              |
| 118                                  | -   | 8,352                        | 52,002                               |
| -                                    | -   | -                            | 1,962,039                            |
| -                                    | -   | -                            | 159,721                              |
| -                                    | -   | -                            | 375,000                              |
| <u>\$ 78,912</u>                     | <u>\$ 420,772</u>                                   | <u>\$ 5,579,055</u>          | <u>\$ 45,199,597</u>                 |
| \$ -                                 | \$ 8,366  | \$ 256,615                   | \$ 1,464,225                         |
| -                                    | -   | -                            | 606,993                              |
| -                                    | -   | 26,473                       | 449,044                              |
| -                                    | -   | -                            | 546,012                              |
| -                                    | 445,453   | -                            | 767,641                              |
| <u>-</u>                             | <u>453,819</u>                                      | <u>283,088</u>               | <u>3,833,915</u>                     |
| -                                    | -   | -                            | 300,362                              |
| -                                    | -   | -                            | 300,362                              |
| 78,912                               | -   | -                            | 30,033,442                           |
| -                                    | -   | 5,295,967                    | 11,064,925                           |
| -                                    | (33,047)  | -                            | (33,047)                             |
| <u>78,912</u>                        | <u>(33,047)</u>                                     | <u>5,295,967</u>             | <u>41,065,320</u>                    |
| <u>\$ 78,912</u>                     | <u>\$ 420,772</u>                                   | <u>\$ 5,579,055</u>          | <u>\$ 45,199,597</u>                 |

## CITY OF WEST HOLLYWOOD

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

For the year ended June 30, 2017

|   | Special Revenue Funds |                     |                   |                   |
|---|-----------------------|---------------------|-------------------|-------------------|
|   | Special<br>Grants     | Proposition<br>A    | Proposition<br>C  | Measure<br>R      |
| REVENUES:   |                       |                     |                   |                   |
| Taxes   | \$ -                  | \$ 653,712          | \$ 544,283        | \$ 406,776        |
| Intergovernmental   | 1,571,140             | 1,786,263           | -                 | -                 |
| Charges for services                                      | -                     | -                   | -                 | -                 |
| Use of money and property                                 | (303)                 | 9,974               | 3,649             | 3,022             |
| Fines and forfeitures                                     | -                     | -                   | -                 | -                 |
| Developer participation                                   | -                     | -                   | -                 | -                 |
| Miscellaneous   | -                     | 29,304              | -                 | -                 |
| TOTAL REVENUES  | <u>1,570,837</u>      | <u>2,479,253</u>    | <u>547,932</u>    | <u>409,798</u>    |
| EXPENDITURES:   |                       |                     |                   |                   |
| Current:  |                       |                     |                   |                   |
| General government  | 3,058                 | -                   | -                 | -                 |
| Public safety   | 108,073               | -                   | -                 | -                 |
| Public services   | 176,160               | 3,209,810           | 177,572           | 390,408           |
| Capital outlay  | <u>460,682</u>        | <u>41,771</u>       | <u>-</u>          | <u>11,401</u>     |
| TOTAL EXPENDITURES  | <u>747,973</u>        | <u>3,251,581</u>    | <u>177,572</u>    | <u>401,809</u>    |
| EXCESS OF REVENUES OVER<br>(UNDER) EXPENDITURES           | <u>822,864</u>        | <u>(772,328)</u>    | <u>370,360</u>    | <u>7,989</u>      |
| OTHER FINANCING SOURCES (USES):                           |                       |                     |                   |                   |
| Transfers in  | 386                   | -                   | -                 | -                 |
| Transfers out   | <u>-</u>              | <u>-</u>            | <u>-</u>          | <u>-</u>          |
| TOTAL OTHER FINANCING<br>SOURCES (USES)                   | <u>386</u>            | <u>-</u>            | <u>-</u>          | <u>-</u>          |
| NET CHANGE IN FUND BALANCES,<br>BEFORE EXTRAORDINARY ITEM | 823,250               | (772,328)           | 370,360           | 7,989             |
| EXTRAORDINARY ITEM  | <u>-</u>              | <u>-</u>            | <u>-</u>          | <u>-</u>          |
| NET CHANGE IN FUND BALANCES                               | 823,250               | (772,328)           | 370,360           | 7,989             |
| FUND BALANCES (DEFICITS) -<br>BEGINNING OF YEAR           | <u>(49,553)</u>       | <u>3,237,436</u>    | <u>395,811</u>    | <u>574,551</u>    |
| FUND BALANCES (DEFICIT) - END OF YEAR                     | <u>\$ 773,697</u>     | <u>\$ 2,465,108</u> | <u>\$ 766,171</u> | <u>\$ 582,540</u> |

## Special Revenue Funds (Continued)

| Gas<br>Tax        | Air Quality<br>Improvement | Traffic           | Public<br>Beautification<br>and Art | Quimby<br>Act       | City<br>Lighting    | Public<br>Access<br>Corporation |
|-------------------|----------------------------|-------------------|-------------------------------------|---------------------|---------------------|---------------------------------|
| \$ -              | \$ 46,470                  | \$ -              | \$ -                                | \$ -                | \$ 1,194,876        | \$ 139,581                      |
| 736,252           | -                          | -                 | -                                   | -                   | 6,822               | -                               |
| -                 | -                          | -                 | -                                   | -                   | -                   | -                               |
| 2,499             | 493                        | 2,915             | 4,654                               | 2,216               | 5,233               | 116                             |
| -                 | -                          | -                 | -                                   | -                   | -                   | -                               |
| -                 | -                          | 44,454            | 309,740                             | 872,792             | -                   | -                               |
| -                 | -                          | -                 | -                                   | -                   | 6,323               | 525                             |
| <u>738,751</u>    | <u>46,963</u>              | <u>47,369</u>     | <u>314,394</u>                      | <u>875,008</u>      | <u>1,213,254</u>    | <u>140,222</u>                  |
| -                 | -                          | -                 | 174,378                             | -                   | -                   | 151,635                         |
| -                 | -                          | -                 | -                                   | -                   | -                   | -                               |
| 1,081,950         | 32,630                     | 199,528           | -                                   | -                   | 743,377             | -                               |
| <u>423,366</u>    | <u>8,308</u>               | <u>394,153</u>    | <u>-</u>                            | <u>31,459</u>       | <u>242,906</u>      | <u>-</u>                        |
| <u>1,505,316</u>  | <u>40,938</u>              | <u>593,681</u>    | <u>174,378</u>                      | <u>31,459</u>       | <u>986,283</u>      | <u>151,635</u>                  |
| <u>(766,565)</u>  | <u>6,025</u>               | <u>(546,312)</u>  | <u>140,016</u>                      | <u>843,549</u>      | <u>226,971</u>      | <u>(11,413)</u>                 |
| -                 | 10,380                     | -                 | -                                   | -                   | -                   | -                               |
| <u>-</u>          | <u>(10,380)</u>            | <u>-</u>          | <u>-</u>                            | <u>-</u>            | <u>-</u>            | <u>-</u>                        |
| <u>-</u>          | <u>-</u>                   | <u>-</u>          | <u>-</u>                            | <u>-</u>            | <u>-</u>            | <u>-</u>                        |
| <u>(766,565)</u>  | <u>6,025</u>               | <u>(546,312)</u>  | <u>140,016</u>                      | <u>843,549</u>      | <u>226,971</u>      | <u>(11,413)</u>                 |
| <u>-</u>          | <u>-</u>                   | <u>-</u>          | <u>-</u>                            | <u>-</u>            | <u>-</u>            | <u>-</u>                        |
| <u>(766,565)</u>  | <u>6,025</u>               | <u>(546,312)</u>  | <u>140,016</u>                      | <u>843,549</u>      | <u>226,971</u>      | <u>(11,413)</u>                 |
| <u>1,055,146</u>  | <u>127,652</u>             | <u>809,186</u>    | <u>1,279,954</u>                    | <u>1,182,830</u>    | <u>2,044,373</u>    | <u>25,031</u>                   |
| <u>\$ 288,581</u> | <u>\$ 133,677</u>          | <u>\$ 262,874</u> | <u>\$ 1,419,970</u>                 | <u>\$ 2,026,379</u> | <u>\$ 2,271,344</u> | <u>\$ 13,618</u>                |

(Continued)

## CITY OF WEST HOLLYWOOD

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

For the year ended June 30, 2017

|   | Special Revenue Funds (Continued) |                   |                |                      |
|---|-----------------------------------|-------------------|----------------|----------------------|
|   | Parking<br>Improvement            | Permit<br>Parking | CDBG           | Housing<br>Trust     |
| REVENUES:   |                                   |                   |                |                      |
| Taxes   | \$ -                              | \$ -              | \$ -           | \$ -                 |
| Intergovernmental   | -                                 | -                 | 227,841        | -                    |
| Charges for services                                      | 444,520                           | -                 | -              | -                    |
| Use of money and property                                 | 3,009,833                         | 915,941           | -              | (12,657)             |
| Fines and forfeitures                                     | 906,116                           | -                 | -              | -                    |
| Developer participation                                   | 90,000                            | -                 | -              | 9,190,577            |
| Miscellaneous   | -                                 | -                 | -              | 1,575,497            |
| TOTAL REVENUES  | <u>4,450,469</u>                  | <u>915,941</u>    | <u>227,841</u> | <u>10,753,417</u>    |
| EXPENDITURES:   |                                   |                   |                |                      |
| Current:  |                                   |                   |                |                      |
| General government  | 72,433                            | -                 | -              | -                    |
| Public safety   | -                                 | -                 | -              | -                    |
| Public services   | 1,502,627                         | 770,587           | 34,275         | 1,306,396            |
| Capital outlay  | <u>515,801</u>                    | <u>-</u>          | <u>193,566</u> | <u>-</u>             |
| TOTAL EXPENDITURES  | <u>2,090,861</u>                  | <u>770,587</u>    | <u>227,841</u> | <u>1,306,396</u>     |
| EXCESS OF REVENUES OVER<br>(UNDER) EXPENDITURES           | <u>2,359,608</u>                  | <u>145,354</u>    | <u>-</u>       | <u>9,447,021</u>     |
| OTHER FINANCING SOURCES (USES):                           |                                   |                   |                |                      |
| Transfers in  | 254,024                           | -                 | -              | -                    |
| Transfers out   | <u>(1,245,875)</u>                | <u>-</u>          | <u>-</u>       | <u>-</u>             |
| TOTAL OTHER FINANCING<br>SOURCES (USES)                   | <u>(991,851)</u>                  | <u>-</u>          | <u>-</u>       | <u>-</u>             |
| NET CHANGE IN FUND BALANCES,<br>BEFORE EXTRAORDINARY ITEM | 1,367,757                         | 145,354           | -              | 9,447,021            |
| EXTRAORDINARY ITEM  | <u>-</u>                          | <u>-</u>          | <u>-</u>       | <u>5,647,427</u>     |
| NET CHANGE IN FUND BALANCES                               | 1,367,757                         | 145,354           | -              | 15,094,448           |
| FUND BALANCES (DEFICITS) -<br>BEGINNING OF YEAR           | <u>3,551,420</u>                  | <u>704,427</u>    | <u>-</u>       | <u>3,856,123</u>     |
| FUND BALANCES (DEFICIT) - END OF YEAR                     | <u>\$ 4,919,177</u>               | <u>\$ 849,781</u> | <u>\$ -</u>    | <u>\$ 18,950,571</u> |



| Special Revenue<br>Funds (Continued) |   | Capital<br>Projects Fund     |                                      |
|--------------------------------------|---|------------------------------|--------------------------------------|
| Housing<br>Asset                     | Sunset Strip<br>Business<br>Improvement<br>District | Santa<br>Monica<br>Boulevard | Total Other<br>Governmental<br>Funds |
| \$ -                                 | \$ -  | \$ -                         | \$ 2,985,698                         |
| -                                    | -   | -                            | 4,328,318                            |
| -                                    | 376,251   | -                            | 820,771                              |
| 253                                  | -   | 15,615                       | 3,963,453                            |
| -                                    | -   | -                            | 906,116                              |
| -                                    | -   | -                            | 10,507,563                           |
| 16,405                               | -   | -                            | 1,628,054                            |
| <u>16,658</u>                        | <u>376,251</u>                                      | <u>15,615</u>                | <u>25,139,973</u>                    |
| -                                    | 122,368   | -                            | 523,872                              |
| -                                    | 767,578   | -                            | 875,651                              |
| -                                    | -   | -                            | 9,625,320                            |
| -                                    | -   | 529,460                      | 2,852,873                            |
| <u>-</u>                             | <u>889,946</u>                                      | <u>529,460</u>               | <u>13,877,716</u>                    |
| <u>16,658</u>                        | <u>(513,695)</u>                                    | <u>(513,845)</u>             | <u>11,262,257</u>                    |
| -                                    | 575,441   | -                            | 840,231                              |
| -                                    | -   | -                            | (1,256,255)                          |
| <u>-</u>                             | <u>575,441</u>                                      | <u>-</u>                     | <u>(416,024)</u>                     |
| 16,658                               | 61,746  | (513,845)                    | 10,846,233                           |
| <u>-</u>                             | <u>-</u>  | <u>-</u>                     | <u>5,647,427</u>                     |
| 16,658                               | 61,746  | (513,845)                    | 16,493,660                           |
| <u>62,254</u>                        | <u>(94,793)</u>                                     | <u>5,809,812</u>             | <u>24,571,660</u>                    |
| <u>\$ 78,912</u>                     | <u>\$ (33,047)</u>                                  | <u>\$ 5,295,967</u>          | <u>\$ 41,065,320</u>                 |

## CITY OF WEST HOLLYWOOD

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

## SPECIAL GRANTS SPECIAL REVENUE FUND

For the year ended June 30, 2017

|  | Budgeted Amounts |                | Actual      | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|----------------|-------------|---|
|  | Original         | Final          |             |   |
| Budgetary Fund Balance (Deficit), July 1 | \$ (49,553)      | \$ (49,553)    | \$ (49,553) | \$ -  |
| Resources (Inflows):                     |                  |                |             |   |
| Intergovernmental                        | 1,960,512        | 2,924,164      | 1,571,140   | (1,353,024)   |
| Use of money and property                | -                | -              | (303)       | (303)   |
| Transfers in                             | -                | -              | 386         | 386   |
| Amounts Available for Appropriations     | 1,910,959        | 2,874,611      | 1,521,670   | (1,352,941)   |
| Charges to Appropriations (Outflows):    |                  |                |             |   |
| Current:                                 |                  |                |             |   |
| General government                       | -                | -              | 3,058       | (3,058)   |
| Public safety                            | 100,000          | 456,158        | 108,073     | 348,085   |
| Public services                          | 207,566          | 378,764        | 176,160     | 202,604   |
| Capital outlay                           | 1,652,946        | 3,558,162      | 460,682     | 3,097,480   |
| Total Charges to Appropriations          | 1,960,512        | 4,393,084      | 747,973     | 3,645,111   |
| Budgetary Fund Balance, June 30          | \$ (49,553)      | \$ (1,518,473) | \$ 773,697  | \$ 2,292,170  |

## CITY OF WEST HOLLYWOOD

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

## PROPOSITION A SPECIAL REVENUE FUND

For the year ended June 30, 2017

|                                       | Budgeted Amounts |              | Actual       | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|--------------|--------------|---|
|                                       | Original         | Final        |              |   |
| Budgetary Fund Balance, July 1        | \$ 3,237,436     | \$ 3,237,436 | \$ 3,237,436 | \$ -  |
| Resources (Inflows):                  |                  |              |              |   |
| Taxes                                 | 660,000          | 660,000      | 653,712      | (6,288)   |
| Intergovernmental                     | 1,593,333        | 2,718,333    | 1,786,263    | (932,070)   |
| Use of money and property             | 8,000            | 8,000        | 9,974        | 1,974   |
| Miscellaneous                         | 32,000           | 32,000       | 29,304       | (2,696)   |
| Amounts Available for Appropriations  | 5,530,769        | 6,655,769    | 5,716,689    | (939,080)   |
| Charges to Appropriations (Outflows): |                  |              |              |   |
| Current:                              |                  |              |              |   |
| Public services                       | 3,424,233        | 3,557,631    | 3,209,810    | 347,821   |
| Capital outlay                        | 320,224          | 320,224      | 41,771       | 278,453   |
| Total Charges to Appropriations       | 3,744,457        | 3,877,855    | 3,251,581    | 626,274   |
| Budgetary Fund Balance, June 30       | \$ 1,786,312     | \$ 2,777,914 | \$ 2,465,108 | \$ (312,806)  |

## CITY OF WEST HOLLYWOOD

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

## PROPOSITION C SPECIAL REVENUE FUND

For the year ended June 30, 2017

|                                       | Budgeted Amounts  |                   | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------|-------------------|-------------------|---|
|                                       | Original          | Final             |                   |   |
| Budgetary Fund Balance, July 1        | \$ 395,811        | \$ 395,811        | \$ 395,811        | \$ -  |
| Resources (Inflows):                  |                   |                   |                   |   |
| Taxes                                 | 550,000           | 550,000           | 544,283           | (5,717)   |
| Use of money and property             | <u>1,000</u>      | <u>1,000</u>      | <u>3,649</u>      | <u>2,649</u>  |
| Amounts Available for Appropriations  | <u>946,811</u>    | <u>946,811</u>    | <u>943,743</u>    | <u>(3,068)</u>  |
| Charges to Appropriations (Outflows): |                   |                   |                   |   |
| Current:                              |                   |                   |                   |   |
| Public services                       | 213,293           | 216,087           | 177,572           | 38,515  |
| Capital outlay                        | <u>200,000</u>    | <u>200,000</u>    | <u>-</u>          | <u>200,000</u>  |
| Total Charges to Appropriations       | <u>413,293</u>    | <u>416,087</u>    | <u>177,572</u>    | <u>238,515</u>  |
| Budgetary Fund Balance, June 30       | <u>\$ 533,518</u> | <u>\$ 530,724</u> | <u>\$ 766,171</u> | <u>\$ 235,447</u>                                       |

## CITY OF WEST HOLLYWOOD

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

## MEASURE R SPECIAL REVENUE FUND

For the year ended June 30, 2017

|                                       | Budgeted Amounts         |                          | Actual                   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|--------------------------|--------------------------|--------------------------|---|
|                                       | Original                 | Final                    |                          |   |
| Budgetary Fund Balance, July 1        | \$ 574,551               | \$ 574,551               | \$ 574,551               | \$ -  |
| Resources (Inflows):                  |                          |                          |                          |   |
| Taxes                                 | 405,000                  | 405,000                  | 406,776                  | 1,776   |
| Use of money and property             | <u>1,000</u>             | <u>1,000</u>             | <u>3,022</u>             | <u>2,022</u>  |
| Amounts Available for Appropriations  | <u>980,551</u>           | <u>980,551</u>           | <u>984,349</u>           | <u>3,798</u>  |
| Charges to Appropriations (Outflows): |                          |                          |                          |   |
| Current:                              |                          |                          |                          |   |
| Public services                       | 380,919                  | 380,919                  | 390,408                  | (9,489)   |
| Capital outlay                        | <u>125,000</u>           | <u>246,575</u>           | <u>11,401</u>            | <u>235,174</u>  |
| Total Charges to Appropriations       | <u>505,919</u>           | <u>627,494</u>           | <u>401,809</u>           | <u>225,685</u>  |
| Budgetary Fund Balance, June 30       | <u><u>\$ 474,632</u></u> | <u><u>\$ 353,057</u></u> | <u><u>\$ 582,540</u></u> | <u><u>\$ 229,483</u></u>                                |

## CITY OF WEST HOLLYWOOD

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

## GAS TAX SPECIAL REVENUE FUND

For the year ended June 30, 2017

|                                       | Budgeted Amounts |              | Actual       | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|--------------|--------------|---|
|                                       | Original         | Final        |              |   |
| Budgetary Fund Balance, July 1        | \$ 1,055,146     | \$ 1,055,146 | \$ 1,055,146 | \$ -  |
| Resources (Inflows):                  |                  |              |              |   |
| Intergovernmental                     | 721,000          | 721,000      | 736,252      | 15,252  |
| Use of money and property             | 4,000            | 4,000        | 2,499        | (1,501)   |
| Amounts Available for Appropriations  | 1,780,146        | 1,780,146    | 1,793,897    | 13,751  |
| Charges to Appropriations (Outflows): |                  |              |              |   |
| Current:                              |                  |              |              |   |
| Public services                       | 1,130,252        | 1,234,195    | 1,081,950    | 152,245   |
| Capital outlay                        | -                | 785,559      | 423,366      | 362,193   |
| Total Charges to Appropriations       | 1,130,252        | 2,019,754    | 1,505,316    | 514,438   |
| Budgetary Fund Balance, June 30       | \$ 649,894       | \$ (239,608) | \$ 288,581   | \$ 528,189  |

## CITY OF WEST HOLLYWOOD

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

## AIR QUALITY IMPROVEMENT SPECIAL REVENUE FUND

For the year ended June 30, 2017

|                                       | Budgeted Amounts |             | Actual     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|-------------|------------|---|
|                                       | Original         | Final       |            |   |
| Budgetary Fund Balance, July 1        | \$ 127,652       | \$ 127,652  | \$ 127,652 | \$ -  |
| Resources (Inflows):                  |                  |             |            |   |
| Taxes                                 | 42,000           | 42,000      | 46,470     | 4,470   |
| Use of money and property             | 1,000            | 1,000       | 493        | (507)   |
| Transfers in                          | -                | -           | 10,380     | 10,380  |
| Amounts Available for Appropriations  | 170,652          | 170,652     | 184,995    | 14,343  |
| Charges to Appropriations (Outflows): |                  |             |            |   |
| Current:                              |                  |             |            |   |
| Public services                       | 52,500           | 54,181      | 32,630     | 21,551  |
| Capital outlay                        | -                | 187,187     | 8,308      | 178,879   |
| Transfers out                         | -                | -           | 10,380     | (10,380)  |
| Total Charges to Appropriations       | 52,500           | 241,368     | 51,318     | 190,050   |
| Budgetary Fund Balance, June 30       | \$ 118,152       | \$ (70,716) | \$ 133,677 | \$ 204,393  |

## CITY OF WEST HOLLYWOOD

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

## TRAFFIC SPECIAL REVENUE FUND

For the year ended June 30, 2017

|                                       | Budgeted Amounts |              | Actual     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|--------------|------------|---|
|                                       | Original         | Final        |            |   |
| Budgetary Fund Balance, July 1        | \$ 809,186       | \$ 809,186   | \$ 809,186 | \$ -  |
| Resources (Inflows):                  |                  |              |            |   |
| Use of money and property             | 1,500            | 1,500        | 2,915      | 1,415   |
| Developer participation               | 25,000           | 40,000       | 44,454     | 4,454   |
| Amounts Available for Appropriations  | 835,686          | 850,686      | 856,555    | 5,869   |
| Charges to Appropriations (Outflows): |                  |              |            |   |
| Current:                              |                  |              |            |   |
| Public services                       | 219,220          | 238,113      | 199,528    | 38,585  |
| Capital outlay                        | 335,000          | 783,780      | 394,153    | 389,627   |
| Total Charges to Appropriations       | 554,220          | 1,021,893    | 593,681    | 428,212   |
| Budgetary Fund Balance, June 30       | \$ 281,466       | \$ (171,207) | \$ 262,874 | \$ 434,081  |



## CITY OF WEST HOLLYWOOD

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

## PUBLIC BEAUTIFICATION AND ART SPECIAL REVENUE FUND

For the year ended June 30, 2017

|                                       | Budgeted Amounts |              | Actual       | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|--------------|--------------|---|
|                                       | Original         | Final        |              |   |
| Budgetary Fund Balance, July 1        | \$ 1,279,954     | \$ 1,279,954 | \$ 1,279,954 | \$ -  |
| Resources (Inflows):                  |                  |              |              |   |
| Use of money and property             | 1,000            | 1,000        | 4,654        | 3,654   |
| Developer participation               | 50,000           | 300,000      | 309,740      | 9,740   |
| Amounts Available for Appropriations  | 1,330,954        | 1,580,954    | 1,594,348    | 13,394  |
| Charges to Appropriations (Outflows): |                  |              |              |   |
| Current:                              |                  |              |              |   |
| General government                    | 225,500          | 254,739      | 174,378      | 80,361  |
| Total Charges to Appropriations       | 225,500          | 254,739      | 174,378      | 80,361  |
| Budgetary Fund Balance, June 30       | \$ 1,105,454     | \$ 1,326,215 | \$ 1,419,970 | \$ 93,755   |

## CITY OF WEST HOLLYWOOD

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

## QUIMBY ACT SPECIAL REVENUE FUND

For the year ended June 30, 2017

|                                       | Budgeted Amounts |              | Actual       | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|--------------|--------------|---|
|                                       | Original         | Final        |              |   |
| Budgetary Fund Balance, July 1        | \$ 1,182,830     | \$ 1,182,830 | \$ 1,182,830 | \$ -  |
| Resources (Inflows):                  |                  |              |              |   |
| Use of money and property             | 1,500            | 1,500        | 2,216        | 716   |
| Developer participation               | 50,000           | 850,000      | 872,792      | 22,792  |
| Amounts Available for Appropriations  | 1,234,330        | 2,034,330    | 2,057,838    | 23,508  |
| Charges to Appropriations (Outflows): |                  |              |              |   |
| Capital outlay                        | 185,000          | 583,059      | 31,459       | 551,600   |
| Total Charges to Appropriations       | 185,000          | 583,059      | 31,459       | 551,600   |
| Budgetary Fund Balance, June 30       | \$ 1,049,330     | \$ 1,451,271 | \$ 2,026,379 | \$ 575,108  |

## CITY OF WEST HOLLYWOOD

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

## CITY LIGHTING SPECIAL REVENUE FUND

For the year ended June 30, 2017

|                                       | Budgeted Amounts |              | Actual       | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|--------------|--------------|---|
|                                       | Original         | Final        |              |   |
| Budgetary Fund Balance, July 1        | \$ 2,044,373     | \$ 2,044,373 | \$ 2,044,373 | \$ -  |
| Resources (Inflows):                  |                  |              |              |   |
| Taxes                                 | 1,009,500        | 1,009,500    | 1,194,876    | 185,376   |
| Intergovernmental                     | 6,000            | 6,000        | 6,822        | 822   |
| Use of money and property             | 2,500            | 2,500        | 5,233        | 2,733   |
| Miscellaneous                         | -                | -            | 6,323        | 6,323   |
| Amounts Available for Appropriations  | 3,062,373        | 3,062,373    | 3,257,627    | 195,254   |
| Charges to Appropriations (Outflows): |                  |              |              |   |
| Current:                              |                  |              |              |   |
| Public services                       | 725,000          | 792,660      | 743,377      | 49,283  |
| Capital outlay                        | 2,635,000        | 2,891,622    | 242,906      | 2,648,716   |
| Total Charges to Appropriations       | 3,360,000        | 3,684,282    | 986,283      | 2,697,999   |
| Budgetary Fund Balance, June 30       | \$ (297,627)     | \$ (621,909) | \$ 2,271,344 | \$ 2,893,253  |

## CITY OF WEST HOLLYWOOD

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

## PUBLIC ACCESS CORPORATION SPECIAL REVENUE FUND

For the year ended June 30, 2017

|                                       | Budgeted Amounts |           | Actual    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|-----------|-----------|---|
|                                       | Original         | Final     |           |   |
| Budgetary Fund Balance, July 1        | \$ 25,031        | \$ 25,031 | \$ 25,031 | \$ -  |
| Resources (Inflows):                  |                  |           |           |   |
| Taxes                                 | 150,000          | 150,000   | 139,581   | (10,419)  |
| Use of money and property             | 250              | 250       | 116       | (134)   |
| Miscellaneous                         | 500              | 500       | 525       | 25  |
| Amounts Available for Appropriations  | 175,781          | 175,781   | 165,253   | (10,528)  |
| Charges to Appropriations (Outflows): |                  |           |           |   |
| Current:                              |                  |           |           |   |
| General government                    | 152,675          | 152,675   | 151,635   | 1,040   |
| Total Charges to Appropriations       | 152,675          | 152,675   | 151,635   | 1,040   |
| Budgetary Fund Balance, June 30       | \$ 23,106        | \$ 23,106 | \$ 13,618 | \$ (9,488)  |

## CITY OF WEST HOLLYWOOD

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

## PARKING IMPROVEMENT SPECIAL REVENUE FUND

For the year ended June 30, 2017

|                                       | Budgeted Amounts |              | Actual       | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|--------------|--------------|---|
|                                       | Original         | Final        |              |   |
| Budgetary Fund Balance, July 1        | \$ 3,551,420     | \$ 3,551,420 | \$ 3,551,420 | \$ -  |
| Resources (Inflows):                  |                  |              |              |   |
| Charges for services                  | 200,000          | 425,000      | 444,520      | 19,520  |
| Use of money and property             | 2,582,500        | 2,582,500    | 3,009,833    | 427,333   |
| Fines and forfeitures                 | 950,000          | 950,000      | 906,116      | (43,884)  |
| Developer participation               | -                | 90,000       | 90,000       | -   |
| Transfers in                          | -                | 254,024      | 254,024      | -   |
| Amounts Available for Appropriations  | 7,283,920        | 7,852,944    | 8,255,913    | 402,969   |
| Charges to Appropriations (Outflows): |                  |              |              |   |
| Current:                              |                  |              |              |   |
| General government                    | 68,076           | 68,076       | 72,433       | (4,357)   |
| Public services                       | 1,982,347        | 2,008,718    | 1,502,627    | 506,091   |
| Capital outlay                        | 884,300          | 2,971,536    | 515,801      | 2,455,735   |
| Transfers out                         | 1,245,875        | 1,245,875    | 1,245,875    | -   |
| Total Charges to Appropriations       | 4,180,598        | 6,294,205    | 3,336,736    | 2,957,469   |
| Budgetary Fund Balance, June 30       | \$ 3,103,322     | \$ 1,558,739 | \$ 4,919,177 | \$ 3,360,438  |

## CITY OF WEST HOLLYWOOD

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

## PERMIT PARKING SPECIAL REVENUE FUND

For the year ended June 30, 2017

|                                       | Budgeted Amounts |            | Actual     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|------------|------------|---|
|                                       | Original         | Final      |            |   |
| Budgetary Fund Balance, July 1        | \$ 704,427       | \$ 704,427 | \$ 704,427 | \$ -  |
| Resources (Inflows):                  |                  |            |            |   |
| Use of money and property             | 919,000          | 919,000    | 915,941    | (3,059)   |
| Amounts Available for Appropriations  | 1,623,427        | 1,623,427  | 1,620,368  | (3,059)   |
| Charges to Appropriations (Outflows): |                  |            |            |   |
| Current:                              |                  |            |            |   |
| Public services                       | 1,140,306        | 1,140,306  | 770,587    | 369,719   |
| Total Charges to Appropriations       | 1,140,306        | 1,140,306  | 770,587    | 369,719   |
| Budgetary Fund Balance, June 30       | \$ 483,121       | \$ 483,121 | \$ 849,781 | \$ 366,660  |

## CITY OF WEST HOLLYWOOD

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

## COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND

For the year ended June 30, 2017

|                                       | Budgeted Amounts |          | Actual  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|----------|---------|---|
|                                       | Original         | Final    |         |   |
| Budgetary Fund Balance, July 1        | \$ -             | \$ -     | \$ -    | \$ -  |
| Resources (Inflows):                  |                  |          |         |   |
| Intergovernmental                     | 227,354          | 227,841  | 227,841 | -   |
| Amounts Available for Appropriations  | 227,354          | 227,841  | 227,841 | -   |
| Charges to Appropriations (Outflows): |                  |          |         |   |
| Current:                              |                  |          |         |   |
| Public services                       | 33,788           | 35,000   | 34,275  | 725   |
| Capital outlay                        | 193,566          | 193,566  | 193,566 | -   |
| Total Charges to Appropriations       | 227,354          | 228,566  | 227,841 | 725   |
| Budgetary Fund Balance, June 30       | \$ -             | \$ (725) | \$ -    | \$ 725  |

## CITY OF WEST HOLLYWOOD

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

## HOUSING TRUST SPECIAL REVENUE FUND

For the year ended June 30, 2017

|                                       | Budgeted Amounts |               | Actual        | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|---------------|---------------|---|
|                                       | Original         | Final         |               |   |
| Budgetary Fund Balance, July 1        | \$ 3,856,123     | \$ 3,856,123  | \$ 3,856,123  | \$ -  |
| Resources (Inflows):                  |                  |               |               |   |
| Use of money and property             | 7,500            | 7,500         | (12,657)      | (20,157)  |
| Developer participation               | 1,000,000        | 9,000,000     | 9,190,577     | 190,577   |
| Miscellaneous                         | -                | 1,500,000     | 1,575,497     | 75,497  |
| Extraordinary item                    | -                | 5,647,427     | 5,647,427     | -   |
| Amounts Available for Appropriations  | 4,863,623        | 20,011,050    | 20,256,967    | 245,917   |
| Charges to Appropriations (Outflows): |                  |               |               |   |
| Current:                              |                  |               |               |   |
| Public services                       | 427,199          | 1,433,199     | 1,306,396     | 126,803   |
| Total Charges to Appropriations       | 427,199          | 1,433,199     | 1,306,396     | 126,803   |
| Budgetary Fund Balance, June 30       | \$ 4,436,424     | \$ 18,577,851 | \$ 18,950,571 | \$ 372,720  |



## CITY OF WEST HOLLYWOOD

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

## SUNSET STRIP BUSINESS IMPROVEMENT DISTRICT SPECIAL REVENUE FUND

For the year ended June 30, 2017

|   | Budgeted Amounts |             | Actual      | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|-------------|-------------|---|
|   | Original         | Final       |             |   |
| Budgetary Fund Balance (Deficit), July 1  | \$ (94,793)      | \$ (94,793) | \$ (94,793) | \$ -  |
| Resources (Inflows):                      |                  |             |             |   |
| Taxes                                     | -                | -           | -           | -   |
| Intergovernmental                         | -                | -           | -           | -   |
| Charges for services                      | 266,412          | 366,412     | 376,251     | 9,839   |
| Transfers in                              | 575,441          | 575,441     | 575,441     | -   |
| Amounts Available for Appropriations      | 747,060          | 847,060     | 856,899     | 9,839   |
| Charges to Appropriations (Outflows):     |                  |             |             |   |
| Current:                                  |                  |             |             |   |
| General government                        | 74,275           | 74,275      | 122,368     | (48,093)  |
| Public safety                             | 767,578          | 767,578     | 767,578     | -   |
| Total Charges to Appropriations           | 841,853          | 841,853     | 889,946     | (48,093)  |
| Budgetary Fund Balance (Deficit), June 30 | \$ (94,793)      | \$ 5,207    | \$ (33,047) | \$ (38,254)   |

## CITY OF WEST HOLLYWOOD

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

## SANTA MONICA BOULEVARD CAPITAL PROJECTS FUND

For the year ended June 30, 2017

|                                       | Budgeted Amounts |              |              | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|--------------|--------------|---|
|                                       | Original         | Final        | Actual       |   |
| Budgetary Fund Balance, July 1        | \$ 5,809,812     | \$ 5,809,812 | \$ 5,809,812 | \$ -  |
| Resources (Inflows):                  |                  |              |              |   |
| Use of money and property             | 25,000           | 25,000       | 15,615       | (9,385)   |
| Amounts Available for Appropriations  | 5,834,812        | 5,834,812    | 5,825,427    | (9,385)   |
| Charges to Appropriations (Outflows): |                  |              |              |   |
| Capital outlay                        | 1,100,000        | 1,675,116    | 529,460      | 1,145,656   |
| Total Charges to Appropriations       | 1,100,000        | 1,675,116    | 529,460      | 1,145,656   |
| Budgetary Fund Balance, June 30       | \$ 4,734,812     | \$ 4,159,696 | \$ 5,295,967 | \$ 1,136,271  |

## CITY OF WEST HOLLYWOOD

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

## DEBT FUNDED CAPITAL PROJECTS FUND - MAJOR FUND

For the year ended June 30, 2017

|  | Budgeted Amounts |                 | Actual       | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|-----------------|--------------|---|
|  | Original         | Final           |              |   |
| Budgetary Fund Balance (Deficit), July 1 | \$ (790,622)     | \$ (790,622)    | \$ (790,622) | \$ -  |
| Resources (Inflows):                     |                  |                 |              |   |
| Miscellaneous                            | -                | 187,401         | 187,401      | -   |
| Transfers in                             | -                | 17,865,929      | 16,701,009   | (1,164,920)   |
| Amounts Available for Appropriations     | (790,622)        | 17,262,708      | 16,097,788   | (1,164,920)   |
| Charges to Appropriations (Outflows):    |                  |                 |              |   |
| Capital outlay                           | -                | 101,040,206     | 12,980,165   | 88,060,041  |
| Total Charges to Appropriations          | -                | 101,040,206     | 12,980,165   | 88,060,041  |
| Budgetary Fund Balance, June 30          | \$ (790,622)     | \$ (83,777,498) | \$ 3,117,623 | \$ 86,895,121   |

## CITY OF WEST HOLLYWOOD

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

## CAPITAL PROJECTS DEBT SERVICE FUND - MAJOR FUND

For the year ended June 30, 2017

|                                       | Budgeted Amounts |               | Actual        | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|---------------|---------------|---|
|                                       | Original         | Final         |               |   |
| Budgetary Fund Balance, July 1        | \$ 72,347,115    | \$ 72,347,115 | \$ 72,347,115 | \$ -  |
| Resources (Inflows):                  |                  |               |               |   |
| Use of money and property             | 916,025          | 916,025       | 1,181,414     | 265,389   |
| Transfers in                          | 8,670,512        | 8,670,512     | 8,670,512     | -   |
| Amounts Available for Appropriations  | 81,933,652       | 81,933,652    | 82,199,041    | 265,389   |
| Charges to Appropriations (Outflows): |                  |               |               |   |
| Debt service:                         |                  |               |               |   |
| Principal retirement                  | 3,130,000        | 3,130,000     | 3,060,000     | 70,000  |
| Interest and fiscal charges           | 5,547,022        | 5,547,022     | 5,043,345     | 503,677   |
| Debt issuance cost                    | -                | -             | 5,150         | (5,150)   |
| Transfers out                         | -                | 13,247,777    | 13,251,254    | (3,477)   |
| Total Charges to Appropriations       | 8,677,022        | 21,924,799    | 21,359,749    | 565,050   |
| Budgetary Fund Balance, June 30       | \$ 73,256,630    | \$ 60,008,853 | \$ 60,839,292 | \$ 830,439  |

NONMAJOR ENTERPRISE FUNDS  
(PROPRIETARY FUNDS)

ENTERPRISE FUNDS:

The following enterprise funds are used to account for the provision of goods and services, primarily to the public at large, on a user charge basis.

SEWER DISTRICT FUND:

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

SEWER CHARGE FUND:

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:

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

LANDSCAPE DISTRICT FUND:

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

STREET MAINTENANCE FUND:

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

CITY OF WEST HOLLYWOOD  
 COMBINING STATEMENT OF NET POSITION  
 NONMAJOR ENTERPRISE FUNDS

June 30, 2017

|  | Business-Type Activities - Enterprise Funds |                 |                |
|--|---|-----------------|----------------|
|  | Sewer<br>District                           | Sewer<br>Charge | Solid<br>Waste |
| ASSETS:  |   |                 |                |
| CURRENT ASSETS:                                    |   |                 |                |
| Cash and investments                               | \$ -  | \$ 846,648      | \$ 387,560     |
| Receivables:                                       |   |                 |                |
| Accounts   | -   | 229             | -              |
| Accrued interest                                   | -   | 1,269           | 737            |
| Due from other governments                         | -   | 43,224          | 51,483         |
| Due from other funds                               | -   | -               | 101,339        |
| TOTAL CURRENT ASSETS                               | -   | 891,370         | 541,119        |
| NONCURRENT ASSETS:                                 |   |                 |                |
| Capital assets, nondepreciable                     | -   | 209,835         | -              |
| Capital assets, net of<br>accumulated depreciation | 7,150,412                                   | 3,012,807       | -              |
| TOTAL NONCURRENT ASSETS                            | 7,150,412                                   | 3,222,642       | -              |
| TOTAL ASSETS                                       | 7,150,412                                   | 4,114,012       | 541,119        |
| LIABILITIES:                                       |   |                 |                |
| CURRENT LIABILITIES:                               |   |                 |                |
| Accounts payable                                   | -   | 53,728          | -              |
| Due to other funds                                 | 33,559                                      | -               | -              |
| TOTAL CURRENT LIABILITIES                          | 33,559                                      | 53,728          | -              |
| TOTAL LIABILITIES                                  | 33,559                                      | 53,728          | -              |
| NET POSITION:                                      |   |                 |                |
| Net investment in capital assets                   | 7,150,412                                   | 3,222,642       | -              |
| Unrestricted                                       | (33,559)                                    | 837,642         | 541,119        |
| TOTAL NET POSITION                                 | \$ 7,116,853                                | \$ 4,060,284    | \$ 541,119     |

| Business-Type Activities<br>Enterprise Funds (Continued) |                       |               |
|--|-----------------------|---------------|
| Landscape<br>District                                    | Street<br>Maintenance | Total         |
| \$ 163,748   | \$ -                  | \$ 1,397,956  |
| -  | -                     | 229           |
| 248  | -                     | 2,254         |
| 2,114  | 9,989                 | 106,810       |
| -  | -                     | 101,339       |
| 166,110  | 9,989                 | 1,608,588     |
| -  | -                     | 209,835       |
| -  | -                     | 10,163,219    |
| -  | -                     | 10,373,054    |
| 166,110  | 9,989                 | 11,981,642    |
| 32,166   | 6,842                 | 92,736        |
| -  | 67,780                | 101,339       |
| 32,166   | 74,622                | 194,075       |
| 32,166   | 74,622                | 194,075       |
| -  | -                     | 10,373,054    |
| 133,944  | (64,633)              | 1,414,513     |
| \$ 133,944   | \$ (64,633)           | \$ 11,787,567 |

## CITY OF WEST HOLLYWOOD

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

For the year ended June 30, 2017

|                                     | Business-Type Activities - Enterprise Funds |                 |                |
|-------------------------------------|---|-----------------|----------------|
|                                     | Sewer<br>District                           | Sewer<br>Charge | Solid<br>Waste |
| OPERATING REVENUES:                 |   |                 |                |
| Sales and service charges           | \$ -  | \$ 1,227,022    | \$ 1,459,846   |
| Penalties on assessments            | -   | 3,418           | 4,837          |
| Other fees and charges              | -   | 80,918          | -              |
| TOTAL OPERATING REVENUES            | -   | 1,311,358       | 1,464,683      |
| OPERATING EXPENSES:                 |   |                 |                |
| Administration and general          | -   | 33,244          | 55,870         |
| Treatment                           | -   | 606,091         | 1,370,319      |
| Cost of sales and services          | -   | -               | -              |
| Depreciation expense                | 365,025                                     | 44,065          | -              |
| TOTAL OPERATING EXPENSES            | 365,025                                     | 683,400         | 1,426,189      |
| OPERATING INCOME (LOSS)             | (365,025)                                   | 627,958         | 38,494         |
| NONOPERATING REVENUES:              |   |                 |                |
| Interest revenue                    | -   | 2,870           | 1,162          |
| TOTAL<br>NONOPERATING REVENUES      | -   | 2,870           | 1,162          |
| CHANGE IN NET POSITION              | (365,025)                                   | 630,828         | 39,656         |
| NET POSITION -<br>BEGINNING OF YEAR | 7,481,878                                   | 3,429,456       | 501,463        |
| NET POSITION - END OF YEAR          | \$ 7,116,853                                | \$ 4,060,284    | \$ 541,119     |



| Business-Type Activities<br>Enterprise Funds (Continued) |                       |               |
|--|-----------------------|---------------|
| Landscape<br>District                                    | Street<br>Maintenance | Total         |
| \$ 188,799   | \$ 293,195            | \$ 3,168,862  |
| 2,436  | 1,132                 | 11,823        |
| -  | -                     | 80,918        |
| 191,235  | 294,327               | 3,261,603     |
| -  | 15,447                | 104,561       |
| -  | 288,240               | 2,264,650     |
| 164,840  | -                     | 164,840       |
| -  | -                     | 409,090       |
| 164,840  | 303,687               | 2,943,141     |
| 26,395   | (9,360)               | 318,462       |
| 687  | -                     | 4,719         |
| 687  | -                     | 4,719         |
| 27,082   | (9,360)               | 323,181       |
| 106,862  | (55,273)              | 11,464,386    |
| \$ 133,944   | \$ (64,633)           | \$ 11,787,567 |

CITY OF WEST HOLLYWOOD  
 COMBINING STATEMENT OF CASH FLOWS  
 NONMAJOR ENTERPRISE FUNDS

For the year ended June 30, 2017

|  | Business-Type Activities - Enterprise Funds |                 |                |
|--|---|-----------------|----------------|
|  | Sewer<br>District                           | Sewer<br>Charge | Solid<br>Waste |
| CASH FLOWS FROM OPERATING ACTIVITIES:                          |   |                 |                |
| Cash received from customers and users                         | \$ -  | \$ 1,292,499    | \$ 1,449,838   |
| Cash paid to suppliers for goods and services                  | -   | (492,128)       | (1,236,072)    |
| Cash paid to employees for services                            | -   | (169,098)       | (191,454)      |
| NET CASH PROVIDED (USED)<br>BY OPERATING ACTIVITIES            | -   | 631,273         | 22,312         |
| CASH FLOWS FROM NONCAPITAL<br>FINANCING ACTIVITIES:            |   |                 |                |
| Advances from other funds                                      | -   | -               | -              |
| Advance to other funds   | -   | -               | (29,353)       |
| NET CASH PROVIDED (USED) BY<br>NONCAPITAL FINANCING ACTIVITIES | -   | -               | (29,353)       |
| CASH FLOWS FROM CAPITAL AND<br>RELATED FINANCING ACTIVITIES:   |   |                 |                |
| Acquisition and construction of capital assets                 | -   | (889,200)       | -              |
| NET CASH USED BY CAPITAL AND<br>RELATED FINANCING ACTIVITIES   | -   | (889,200)       | -              |
| CASH FLOWS FROM INVESTING ACTIVITIES:                          |   |                 |                |
| Interest received  | -   | 2,593           | 844            |
| NET CASH PROVIDED BY<br>INVESTING ACTIVITIES                   | -   | 2,593           | 844            |
| NET INCREASE (DECREASE) IN<br>CASH AND CASH EQUIVALENTS        | -   | (255,334)       | (6,197)        |
| CASH AND CASH EQUIVALENTS -<br>BEGINNING OF YEAR               | -   | 1,101,982       | 393,757        |
| CASH AND CASH EQUIVALENTS - END OF YEAR                        | \$ -  | \$ 846,648      | \$ 387,560     |

| Business-Type Activities<br>Enterprise Funds (Continued) |                       |              |
|--|-----------------------|--------------|
| Landscape<br>District                                    | Street<br>Maintenance | Total        |
| \$ 190,947   | \$ 290,429            | \$ 3,223,713 |
| (148,430)  | (126,949)             | (2,003,579)  |
| -  | (192,833)             | (553,385)    |
| 42,517   | (29,353)              | 666,749      |
| -  | 29,353                | 29,353       |
| -  | -                     | (29,353)     |
| -  | 29,353                | -            |
| -  | -                     | (889,200)    |
| -  | -                     | (889,200)    |
| 548  | -                     | 3,985        |
| 548  | -                     | 3,985        |
| 43,065   | -                     | (218,466)    |
| 120,683  | -                     | 1,616,422    |
| \$ 163,748   | \$ -                  | \$ 1,397,956 |

(Continued)

## CITY OF WEST HOLLYWOOD

COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
(CONTINUED)

For the year ended June 30, 2017

|  | Business-Type Activities - Enterprise Funds |                   |                  |
|--|---|-------------------|------------------|
|  | Sewer<br>District                           | Sewer<br>Charge   | Solid<br>Waste   |
| RECONCILIATION OF OPERATING INCOME<br>(LOSS) TO NET CASH PROVIDED (USED)<br>BY OPERATING ACTIVITIES:     |   |                   |                  |
| Operating income (loss)  | \$ (365,025)                                | \$ 627,958        | \$ 38,494        |
| Adjustments to reconcile operating income (loss)<br>to net cash provided (used) by operating activities: |   |                   |                  |
| Depreciation expense   | 365,025                                     | 44,065            | -                |
| Changes in assets and liabilities:   |   |                   |                  |
| (Increase) decrease in:  |   |                   |                  |
| Accounts receivable  | -   | 6,914             | 4,906            |
| Due from other governments   | -   | (25,773)          | (19,751)         |
| Increase (decrease) in:  |   |                   |                  |
| Accounts payable   | -   | (21,891)          | (1,337)          |
| NET CASH PROVIDED (USED)<br>BY OPERATING ACTIVITIES  | <u>\$ -</u>                                 | <u>\$ 631,273</u> | <u>\$ 22,312</u> |

| Business-Type Activities<br>Enterprise Funds (Continued) |                           |                          |
|--|---------------------------|--------------------------|
| Landscape<br>District                                    | Street<br>Maintenance     | Total                    |
| \$ 26,395  | \$ (9,360)                | \$ 318,462               |
| -  | -                         | 409,090                  |
| 359  | 13                        | 12,192                   |
| (647)  | (3,911)                   | (50,082)                 |
| <u>16,410</u>  | <u>(16,095)</u>           | <u>(22,913)</u>          |
| <u><u>\$ 42,517</u></u>                                  | <u><u>\$ (29,353)</u></u> | <u><u>\$ 666,749</u></u> |

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## FIDUCIARY FUNDS

## AGENCY FUNDS

## WEST HOLLYWOOD DESIGN DISTRICT - AGENCY:

This is a business improvement district formed in 1996 to market and promote the area as a premier designation for art, design restaurants, boutiques and specialty retail. Businesses located between Santa Monica Boulevard and Beverly Boulevard, between Doheny Drive and La Cienega Boulevard are assessed based on the category in which their business falls. Assessments are a combination of a base assessment (determined by category of business) and a sliding scale assessment (based on annual gross sales).

## WEST HOLLYWOOD TOURISM IMPROVEMENTS DISTRICT - AGENCY:

The West Hollywood Tourism Improvement District was established in 2013 (previously the Hotel Marketing Benefit Zone) to promote the City of West Hollywood as a destination and to develop a thriving visitor market. This fund accounts for the receipt of 3% of the Transient Occupancy Tax (hotel tax) collected by the City on behalf of West Hollywood Marketing Corporation (known as Visit West Hollywood). This receipt of 3% assessment is granted to the WHMC to use to advertise the City as a travel destination and convention site.

## SUCCESSOR AGENCY PRIVATE-PURPOSE TRUST FUNDS

## HOUSING CAPITAL IMPROVEMENTS:

This fund accounts for project cost including the structuring of previous bond issues. Monies are transferred into this Fund as payments are made from the Obligation Payment Fund; that Fund receives property tax monies 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. Monies are transferred into this Fund as payments are made from the Obligation Payment Fund; that Fund receives property tax monies 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 into this Fund as payments are made from the Obligation Payment Fund; that Fund receives property tax monies 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 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. Monies are transferred into this Fund as payments are made from the Obligation Payment Fund; that Fund receives property tax monies from the Los Angeles County, based on the approved ROPS, which are used for payment of long-term debt and any remaining obligations.

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**OBLIGATION PAYMENT FUND:**

This fund was created by the legislation (34170.5(a)) to take in allocations from The Redevelopment Property Tax Trust Fund administered by Los Angeles County Auditor - Controller County. These monies will be used to pay obligations specified on the ROPS of the dissolved redevelopment agency. 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.

**WESTSIDE CITIES COUNCIL OF GOVERNMENTS  
PRIVATE-PURPOSE TRUST FUND**

**WESTSIDE CITIES COUNCIL OF GOVERNMENTS:**

This fund is used to account for the monies received and spent related to the Westside Cities Council of Governments (WSCCOG) Trust Fund. WSCCOG is a joint powers authority created by the cities of Beverly Hills, Culver City, Santa Monica, West Hollywood, and Los Angeles and the County of Los Angeles to voluntarily engage in regional and cooperative planning and coordination of government services.

## CITY OF WEST HOLLYWOOD

COMBINING STATEMENT OF ASSETS AND LIABILITIES  
ALL AGENCY FUNDS

June 30, 2017

|                          | West<br>Hollywood<br>Design<br>District | West<br>Hollywood<br>Tourism<br>Improvement<br>District | Total               |
|--------------------------|---|---|---------------------|
| <b>ASSETS</b>            |   |   |                     |
| Cash and investments     | \$ -                                    | \$ 451,460  | \$ 451,460          |
| Receivables:             |   |   |                     |
| Accounts                 | 72,840                                  | -   | 72,840              |
| Taxes                    | -                                       | 503,397   | 503,397             |
| Accrued interest         | -                                       | 676   | 676                 |
| Due from other funds     | -                                       | 812   | 812                 |
| <b>TOTAL ASSETS</b>      | <b>\$ 72,840</b>                        | <b>\$ 956,345</b>                                       | <b>\$ 1,029,185</b> |
| <b>LIABILITIES</b>       |   |   |                     |
| Accounts payable         | \$ 72,028                               | \$ 956,345  | \$ 1,028,373        |
| Due to other funds       | 812                                     | -   | 812                 |
| <b>TOTAL LIABILITIES</b> | <b>\$ 72,840</b>                        | <b>\$ 956,345</b>                                       | <b>\$ 1,029,185</b> |

## CITY OF WEST HOLLYWOOD

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS

For the year ended June 30, 2017

|  | Balance<br>July 1, 2016 | Additions           | Deletions             | Balance<br>June 30, 2017 |
|--|-------------------------|---------------------|-----------------------|--------------------------|
| <b>WEST HOLLYWOOD DESIGN DISTRICT</b>                  |                         |                     |                       |                          |
| ASSETS:  |                         |                     |                       |                          |
| Cash   | \$ -                    | \$ 219,977          | \$ (219,977)          | \$ -                     |
| Receivables:   |                         |                     |                       |                          |
| Accounts   | 49,114                  | 155,153             | (131,427)             | 72,840                   |
| TOTAL ASSETS   | <u>\$ 49,114</u>        | <u>\$ 375,130</u>   | <u>\$ (351,404)</u>   | <u>\$ 72,840</u>         |
| LIABILITIES:   |                         |                     |                       |                          |
| Accounts payable                                       | \$ 41,350               | \$ 268,541          | \$ (237,863)          | \$ 72,028                |
| Due to other funds                                     | 7,764                   | 101,219             | (108,171)             | 812                      |
| TOTAL LIABILITIES                                      | <u>\$ 49,114</u>        | <u>\$ 369,760</u>   | <u>\$ (346,034)</u>   | <u>\$ 72,840</u>         |
| <b>WEST HOLLYWOOD TOURISM<br/>IMPROVEMENT DISTRICT</b> |                         |                     |                       |                          |
| ASSETS:  |                         |                     |                       |                          |
| Cash and investments                                   | \$ 390,563              | \$ 5,554,282        | \$ (5,493,385)        | \$ 451,460               |
| Receivables:   |                         |                     |                       |                          |
| Taxes  | 513,651                 | 503,398             | (513,652)             | 503,397                  |
| Accrued interest                                       | 359                     | 676                 | (359)                 | 676                      |
| Due from other funds                                   | 7,764                   | 101,219             | (108,171)             | 812                      |
| TOTAL ASSETS   | <u>\$ 912,337</u>       | <u>\$ 6,159,575</u> | <u>\$ (6,115,567)</u> | <u>\$ 956,345</u>        |
| LIABILITIES:   |                         |                     |                       |                          |
| Accounts payable                                       | \$ 912,337              | \$ 5,435,383        | \$ (5,391,375)        | \$ 956,345               |
| TOTAL LIABILITIES                                      | <u>\$ 912,337</u>       | <u>\$ 5,435,383</u> | <u>\$ (5,391,375)</u> | <u>\$ 956,345</u>        |
| <b>TOTAL - ALL AGENCY FUNDS</b>                        |                         |                     |                       |                          |
| ASSETS:  |                         |                     |                       |                          |
| Cash and investments                                   | \$ 390,563              | \$ 5,774,259        | \$ (5,713,362)        | \$ 451,460               |
| Receivables:   |                         |                     |                       |                          |
| Accounts   | 49,114                  | 155,153             | (131,427)             | 72,840                   |
| Taxes  | 513,651                 | 503,398             | (513,652)             | 503,397                  |
| Accrued interest                                       | 359                     | 676                 | (359)                 | 676                      |
| Due from other funds                                   | 7,764                   | 101,219             | (108,171)             | 812                      |
| TOTAL ASSETS   | <u>\$ 961,451</u>       | <u>\$ 6,534,705</u> | <u>\$ (6,466,971)</u> | <u>\$ 1,029,185</u>      |
| LIABILITIES:   |                         |                     |                       |                          |
| Accounts payable                                       | \$ 953,687              | \$ 5,703,924        | \$ (5,629,238)        | \$ 1,028,373             |
| Due to other funds                                     | 7,764                   | 101,219             | (108,171)             | 812                      |
| TOTAL LIABILITIES                                      | <u>\$ 961,451</u>       | <u>\$ 5,805,143</u> | <u>\$ (5,737,409)</u> | <u>\$ 1,029,185</u>      |

## CITY OF WEST HOLLYWOOD

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

June 30, 2017

|   | Successor<br>Agency<br>Private-Purpose<br>Trust Funds | Westside Cities<br>Council of<br>Governments<br>Private-Purpose<br>Trust Fund | Total<br>Private-Purpose<br>Trust Funds |
|---|---|---|---|
| ASSETS:   |   |   |   |
| Cash and investments                            | \$ 567,355  | \$ 111,645  | \$ 679,000                              |
| Receivables:                                    |   |   |   |
| Accrued interest                                | -   | 167   | 167                                     |
| Restricted assets:                              |   |   |   |
| Cash and investments with fiscal agents         | 32,907,153  | -   | 32,907,153                              |
| Capital assets:                                 |   |   |   |
| Capital assets, net of accumulated depreciation | 155,388   | -   | 155,388                                 |
| <b>TOTAL ASSETS</b>                             | <b>33,629,896</b>                                     | <b>111,812</b>  | <b>33,741,708</b>                       |
| LIABILITIES:                                    |   |   |   |
| Accounts payable                                | 6,080   | 22,443  | 28,523                                  |
| Accrued interest                                | 1,081,770   | -   | 1,081,770                               |
| Due to County                                   | 408,631   | -   | 408,631                                 |
| Long-term liabilities:                          |   |   |   |
| Due in one year                                 | 705,000   | -   | 705,000                                 |
| Due in more than one year                       | 43,653,614  | -   | 43,653,614                              |
| <b>TOTAL LIABILITIES</b>                        | <b>45,855,095</b>                                     | <b>22,443</b>   | <b>45,877,538</b>                       |
| NET POSITION:                                   |   |   |   |
| Held in trust for other purposes                | (12,225,199)  | 89,369  | (12,135,830)                            |
| <b>TOTAL NET POSITION</b>                       | <b>\$ (12,225,199)</b>                                | <b>\$ 89,369</b>  | <b>\$ (12,135,830)</b>                  |

## CITY OF WEST HOLLYWOOD

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

For the year ended June 30, 2017

|  | Successor<br>Agency<br>Private-Purpose<br>Trust Funds | Westside Cities<br>Council of<br>Governments<br>Private-Purpose<br>Trust Fund | Total<br>Private-Purpose<br>Trust Funds |
|--|---|---|---|
| ADDITIONS:                                       |   |   |   |
| Taxes  | \$ 4,102,315  | \$ -  | \$ 4,102,315                            |
| Member contributions                             | -   | 138,000   | 138,000                                 |
| Other  | 275   | -   | 275                                     |
| Interest and change in fair value of investments | 108,172   | 783   | 108,955                                 |
| TOTAL ADDITIONS                                  | 4,210,762   | 138,783   | 4,349,545                               |
| DEDUCTIONS:                                      |   |   |   |
| Administrative expenses                          | 250,000   | -   | 250,000                                 |
| Contractual services                             | -   | 140,620   | 140,620                                 |
| Interest expense                                 | 3,264,014   | -   | 3,264,014                               |
| Depreciation expense                             | 3,498   | -   | 3,498                                   |
| Extraordinary item                               | 5,647,427   | -   | 5,647,427                               |
| TOTAL DEDUCTIONS                                 | 9,164,939   | 140,620   | 9,305,559                               |
| CHANGE IN NET POSITION                           | (4,954,177)   | (1,837)   | (4,956,014)                             |
| NET POSITION - BEGINNING OF YEAR                 | (7,271,022)   | 91,206  | (7,179,816)                             |
| NET POSITION - END OF YEAR                       | \$ (12,225,199)                                       | \$ 89,369   | \$ (12,135,830)                         |

## CITY OF WEST HOLLYWOOD

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

June 30, 2017

|   | Housing<br>Capital<br>Improvements | Non-Housing<br>Capital<br>Improvements | Successor<br>Agency<br>Administration |
|---|------------------------------------|--|---------------------------------------|
| ASSETS:   |                                    |  |                                       |
| Cash and investments                            | \$ -                               | \$ -                                   | \$ 353,332                            |
| Restricted assets:                              |                                    |  |                                       |
| Cash and investments with fiscal agents         | 758,650                            | -                                      | -                                     |
| Capital assets:                                 |                                    |  |                                       |
| Capital assets, net of accumulated depreciation | -                                  | 155,388                                | -                                     |
| TOTAL ASSETS                                    | 758,650                            | 155,388                                | 353,332                               |
| LIABILITIES:                                    |                                    |  |                                       |
| Accounts payable                                | -                                  | -                                      | 6,080                                 |
| Accrued interest                                | -                                  | -                                      | -                                     |
| Due to County                                   | -                                  | -                                      | 347,252                               |
| Long-term liabilities:                          |                                    |  |                                       |
| Due in one year                                 | 60,000                             | -                                      | -                                     |
| Due in more than one year                       | 8,334,374                          | -                                      | -                                     |
| TOTAL LIABILITIES                               | 8,394,374                          | -                                      | 353,332                               |
| NET POSITION:                                   |                                    |  |                                       |
| Held in trust for other purposes                | (7,635,724)                        | 155,388                                | -                                     |
| TOTAL NET POSITION                              | \$ (7,635,724)                     | \$ 155,388                             | \$ -                                  |

| Obligation<br>Payment Fund | Successor<br>Agency Debt<br>Services Fund | Total                  |
|----------------------------|---|------------------------|
| \$ 214,023                 | \$ -                                      | \$ 567,355             |
| 2,330,171                  | 29,818,332                                | 32,907,153             |
| -                          | -   | 155,388                |
| 2,544,194                  | 29,818,332                                | 33,629,896             |
| -                          | -   | 6,080                  |
| -                          | 1,081,770                                 | 1,081,770              |
| 61,379                     | -   | 408,631                |
| -                          | 645,000                                   | 705,000                |
| -                          | 35,319,240                                | 43,653,614             |
| 61,379                     | 37,046,010                                | 45,855,095             |
| 2,482,815                  | (7,227,678)                               | (12,225,199)           |
| <u>\$ 2,482,815</u>        | <u>\$ (7,227,678)</u>                     | <u>\$ (12,225,199)</u> |

## CITY OF WEST HOLLYWOOD

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

For the year ended June 30, 2017

|  | Housing<br>Capital<br>Improvements | Non-Housing<br>Capital<br>Improvements | Successor<br>Agency<br>Administration |
|--|------------------------------------|--|---------------------------------------|
| ADDITIONS:                                       |                                    |  |                                       |
| Taxes  | \$ -                               | \$ -                                   | \$ -                                  |
| Transfers from other funds                       | 872,495                            | -                                      | 250,000                               |
| Other  | -                                  | -                                      | -                                     |
| Interest and change in fair value of investments | (4,836)                            | -                                      | 40                                    |
| TOTAL ADDITIONS                                  | 867,659                            | -                                      | 250,040                               |
| DEDUCTIONS:                                      |                                    |  |                                       |
| Administrative expenses                          | -                                  | -                                      | 250,000                               |
| Interest expense                                 | 829,074                            | -                                      | -                                     |
| Depreciation expense                             | -                                  | 3,498                                  | -                                     |
| Transfers to other funds                         | -                                  | -                                      | -                                     |
| Extraordinary item                               | 5,647,427                          | -                                      | -                                     |
| TOTAL DEDUCTIONS                                 | 6,476,501                          | 3,498                                  | 250,000                               |
| CHANGE IN NET POSITION                           | (5,608,842)                        | (3,498)                                | 40                                    |
| NET POSITION - BEGINNING OF YEAR                 | (2,026,882)                        | 158,886                                | (40)                                  |
| NET POSITION - END OF YEAR                       | \$ (7,635,724)                     | \$ 155,388                             | \$ -                                  |



| Obligation<br>Payment Fund | Successor<br>Agency Debt<br>Services Fund | Total                  |
|----------------------------|---|------------------------|
| \$ 4,102,315               | \$ -                                      | \$ 4,102,315           |
| -                          | 3,065,526                                 | 4,188,021              |
| 275                        | -   | 275                    |
| 2,510                      | 110,458                                   | 108,172                |
| <u>4,105,100</u>           | <u>3,175,984</u>                          | <u>8,398,783</u>       |
| -                          | -   | 250,000                |
| -                          | 2,434,940                                 | 3,264,014              |
| -                          | -   | 3,498                  |
| 4,188,021                  | -   | 4,188,021              |
| -                          | -   | 5,647,427              |
| <u>4,188,021</u>           | <u>2,434,940</u>                          | <u>13,352,960</u>      |
| (82,921)                   | 741,044                                   | (4,954,177)            |
| <u>2,565,736</u>           | <u>(7,968,722)</u>                        | <u>(7,271,022)</u>     |
| <u>\$ 2,482,815</u>        | <u>\$ (7,227,678)</u>                     | <u>\$ (12,225,199)</u> |

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# Statistical Section



🐦 Thank u @eltonofficial @westhollywood @ladygaga 4 putting on such a wonderful treat 4 us here in #WeHo 2day!!



Top front: Emmy - 2015 Public Service Announcement, photo by Brett White, Lower front: Christopher Street West Annual LA Pride Parade, photo by Jon Viscott, Back: Elton John *Thank You to West Hollywood Concert*, photo by Jon Viscott

## DESCRIPTION OF STATISTICAL SECTION CONTENTS

June 30, 2017

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, 2017*

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

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

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**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 Nine Years Ago*

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

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

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

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

## CITY OF WEST HOLLYWOOD

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

Page 1 of 2

|   | Fiscal Year           |                       |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 2008                  | 2009                  | 2010                  | 2011                  | 2012                  |
| Governmental activities                     |                       |                       |                       |                       |                       |
| Net investment in capital assets            | \$ 85,785,512         | \$ 103,042,403        | \$ 94,984,874         | \$ 123,634,342        | \$ 141,101,458        |
| Restricted                                  | 51,021,978            | 49,054,483            | 57,860,664            | 74,265,052            | 32,450,082            |
| Unrestricted                                | 71,516,525            | 58,335,334            | 61,509,140            | 25,483,889            | 61,864,889            |
| Total governmental activities net position  | <u>\$ 208,324,015</u> | <u>\$ 210,432,220</u> | <u>\$ 214,354,678</u> | <u>\$ 223,383,283</u> | <u>\$ 235,416,429</u> |
| Business-type activities                    |                       |                       |                       |                       |                       |
| Net investment in capital assets            | \$ 9,947,480          | \$ 10,151,952         | \$ 9,942,991          | \$ 10,551,949         | \$ 10,649,541         |
| Unrestricted                                | 1,440,942             | 1,123,836             | 964,639               | 190,846               | 185,090               |
| Total business-type activities net position | <u>\$ 11,388,422</u>  | <u>\$ 11,275,788</u>  | <u>\$ 10,907,630</u>  | <u>\$ 10,742,795</u>  | <u>\$ 10,834,631</u>  |
| Primary government                          |                       |                       |                       |                       |                       |
| Net investment in capital assets            | \$ 95,732,992         | \$ 113,194,355        | \$ 104,927,865        | \$ 134,186,291        | \$ 151,750,999        |
| Restricted                                  | 51,021,978            | 49,054,483            | 57,860,664            | 74,265,052            | 32,450,082            |
| Unrestricted                                | 72,957,467            | 59,459,170            | 62,473,779            | 25,674,735            | 62,049,979            |
| Total primary government net position       | <u>\$ 219,712,437</u> | <u>\$ 221,708,008</u> | <u>\$ 225,262,308</u> | <u>\$ 234,126,078</u> | <u>\$ 246,251,060</u> |

Source: City of West Hollywood.



(Continued)

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|   | Fiscal Year    |                |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|
|   | 2013           | 2014           | 2015           | 2016           | 2017           |
| Governmental activities                     |                |                |                |                |                |
| Net investment in capital assets            | \$ 144,933,718 | \$ 142,442,200 | \$ 145,114,783 | \$ 150,346,852 | \$ 168,026,327 |
| Restricted                                  | 35,454,463     | 52,747,012     | 47,136,333     | 34,996,350     | 43,922,472     |
| Unrestricted                                | 65,143,908     | 66,956,579     | 56,447,708     | 82,141,974     | 87,400,745     |
| Total governmental activities net position  | \$ 245,532,089 | \$ 262,145,791 | \$ 248,698,824 | \$ 267,485,176 | \$ 299,349,544 |
| Business-type activities                    |                |                |                |                |                |
| Net investment in capital assets            | \$ 11,009,816  | \$ 10,612,300  | \$ 10,214,783  | \$ 9,892,944   | \$ 10,373,054  |
| Unrestricted                                | (24,553)       | 396,508        | 1,063,237      | 1,549,240      | 1,395,207      |
| Total business-type activities net position | \$ 10,985,263  | \$ 11,008,808  | \$ 11,278,020  | \$ 11,442,184  | \$ 11,768,261  |
| Primary government                          |                |                |                |                |                |
| Net investment in capital assets            | \$ 155,943,534 | \$ 153,054,500 | \$ 155,329,566 | \$ 160,239,796 | \$ 178,399,381 |
| Restricted                                  | 35,454,463     | 52,747,012     | 47,136,333     | 34,996,350     | 43,922,472     |
| Unrestricted                                | 65,119,355     | 67,353,087     | 57,510,945     | 83,691,214     | 88,795,952     |
| Total primary government net position       | \$ 256,517,352 | \$ 273,154,599 | \$ 259,976,844 | \$ 278,927,360 | \$ 311,117,805 |

## 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            |                        |                        |                        |                        |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
|   | 2008                   | 2009                   | 2010                   | 2011                   | 2012                   |
| Governmental activities:                |                        |                        |                        |                        |                        |
| General government                      | \$ 21,093,563          | \$ 23,286,253          | \$ 22,283,500          | \$ 19,875,065          | \$ 23,165,824          |
| Public safety                           | 13,164,284             | 14,031,263             | 14,693,505             | 14,697,422             | 14,049,362             |
| Public services                         | 35,875,120             | 47,202,159             | 37,851,081             | 42,408,254             | 39,406,297             |
| Interest on long-term debt              | 2,039,747              | 1,994,805              | 3,753,074              | 4,016,175              | 3,235,260              |
| Total governmental activities expenses  | 72,172,714             | 86,514,480             | 78,581,160             | 80,996,916             | 79,856,743             |
| Business-type activities:               |                        |                        |                        |                        |                        |
| Sewer                                   | 1,006,626              | 824,817                | 930,895                | 949,508                | 975,899                |
| Solid waste                             | 1,136,337              | 1,202,666              | 1,266,869              | 1,282,212              | 1,303,572              |
| Landscape and lighting                  | 156,616                | 182,353                | 175,253                | 183,915                | 176,687                |
| Street maintenance                      | 366,655                | 392,463                | 396,000                | 435,088                | 437,763                |
| Total business-type activities expenses | 2,666,234              | 2,602,299              | 2,769,017              | 2,850,723              | 2,893,921              |
| Total primary government expenses       | <u>\$ 74,838,948</u>   | <u>\$ 89,116,779</u>   | <u>\$ 81,350,177</u>   | <u>\$ 83,847,639</u>   | <u>\$ 82,750,664</u>   |
| <b>Program Revenues</b>                 |                        |                        |                        |                        |                        |
| Governmental activities:                |                        |                        |                        |                        |                        |
| Charges for services:                   |                        |                        |                        |                        |                        |
| General government                      | \$ 446,180             | \$ 406,506             | \$ 502,745             | \$ 586,368             | \$ 563,320             |
| Public safety                           | 692,071                | 1,260,919              | 1,149,849              | 1,076,360              | 980,518                |
| Public services                         | 23,401,515             | 15,417,753             | 14,551,173             | 18,748,179             | 19,947,996             |
| Operating grants and contributions      | 4,828,524              | 5,317,302              | 4,688,118              | 4,257,901              | 4,397,509              |
| Capital grants and contributions        | 1,027,706              | 4,439,194              | 2,198,352              | 4,278,207              | 1,676,294              |
| Total governmental activities           |                        |                        |                        |                        |                        |
| program revenues                        | 30,395,996             | 26,841,674             | 23,090,237             | 28,947,015             | 27,565,637             |
| Business-type activities:               |                        |                        |                        |                        |                        |
| Charges for services:                   |                        |                        |                        |                        |                        |
| Sewer                                   | 686,056                | 607,434                | 609,880                | 757,422                | 1,046,131              |
| Solid waste                             | 1,231,080              | 1,289,496              | 1,301,527              | 1,346,954              | 1,350,986              |
| Landscape and lighting                  | 172,501                | 176,224                | 173,623                | 174,009                | 179,821                |
| Street maintenance                      | 284,924                | 284,872                | 288,216                | 287,801                | 286,854                |
| Total business-type activities          |                        |                        |                        |                        |                        |
| program revenues                        | 2,374,561              | 2,358,026              | 2,373,246              | 2,566,186              | 2,863,792              |
| Total primary government                |                        |                        |                        |                        |                        |
| program revenues                        | <u>\$ 32,770,557</u>   | <u>\$ 29,199,700</u>   | <u>\$ 25,463,483</u>   | <u>\$ 31,513,201</u>   | <u>\$ 30,429,429</u>   |
| Net (expense)/revenue                   |                        |                        |                        |                        |                        |
| Governmental activities                 | \$ (41,776,718)        | \$ (59,672,806)        | \$ (55,490,923)        | \$ (52,049,901)        | \$ (52,291,106)        |
| Business-type activities                | (291,673)              | (244,273)              | (395,771)              | (284,537)              | (30,129)               |
| Total Primary government net expense    | <u>\$ (42,068,391)</u> | <u>\$ (59,917,079)</u> | <u>\$ (55,886,694)</u> | <u>\$ (52,334,438)</u> | <u>\$ (52,321,235)</u> |

Source: City of West Hollywood

(Continued)

Page 2 of 4

| Expenses                                | Fiscal Year     |                 |                 |                 |                 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
|   | 2013            | 2014            | 2015            | 2016            | 2017            |
| Governmental activities:                |                 |                 |                 |                 |                 |
| General government                      | \$ 25,539,217   | \$ 20,615,002   | \$ 20,388,425   | \$ 24,431,737   | \$ 22,297,943   |
| Public safety                           | 14,916,605      | 14,980,054      | 17,270,756      | 19,026,873      | 21,841,899      |
| Public services                         | 36,552,396      | 47,313,347      | 46,146,254      | 47,539,207      | 52,937,204      |
| Interest on long-term debt              | 2,600,257       | 3,609,405       | 3,360,030       | 3,115,548       | 5,363,884       |
| Total governmental activities expenses  | 79,608,475      | 86,517,808      | 87,165,465      | 94,113,365      | 102,440,930     |
| Business-type activities:               |                 |                 |                 |                 |                 |
| Sewer                                   | 955,951         | 1,014,614       | 1,082,870       | 1,024,557       | 1,048,306       |
| Solid waste                             | 1,365,401       | 1,531,511       | 1,448,043       | 1,484,564       | 1,425,100       |
| Landscape and lighting                  | 168,908         | 190,288         | 203,135         | 189,115         | 164,840         |
| Street maintenance                      | 449,303         | 456,132         | 299,122         | 323,553         | 301,999         |
| Total business-type activities expenses | 2,939,563       | 3,192,545       | 3,033,170       | 3,021,789       | 2,940,245       |
| Total primary government expenses       | \$ 82,548,038   | \$ 89,710,353   | \$ 90,198,635   | \$ 97,135,154   | \$ 105,381,175  |
| <b>Program Revenues</b>                 |                 |                 |                 |                 |                 |
| Governmental activities:                |                 |                 |                 |                 |                 |
| Charges for services:                   |                 |                 |                 |                 |                 |
| General government                      | \$ 682,095      | \$ 1,247,385    | \$ 841,309      | \$ 987,225      | \$ 885,815      |
| Public safety                           | 1,163,801       | 935,387         | 694,016         | 309,435         | 123,642         |
| Public services                         | 18,242,612      | 24,740,324      | 25,929,989      | 24,770,086      | 23,115,575      |
| Operating grants and contributions      | 4,458,171       | 2,800,726       | 3,490,256       | 5,130,523       | 3,045,707       |
| Capital grants and contributions        | 383,071         | 1,914,153       | 1,710,539       | 2,039,004       | 15,856,846      |
| Total governmental activities           |                 |                 |                 |                 |                 |
| program revenues                        | 24,929,750      | 31,637,975      | 32,666,109      | 33,236,273      | 43,027,585      |
| Business-type activities:               |                 |                 |                 |                 |                 |
| Charges for services:                   |                 |                 |                 |                 |                 |
| Sewer                                   | 1,060,866       | 1,154,927       | 1,394,096       | 1,248,228       | 1,311,358       |
| Solid waste                             | 1,390,918       | 1,417,997       | 1,436,329       | 1,467,202       | 1,464,683       |
| Landscape and lighting                  | 176,142         | 187,117         | 178,418         | 173,174         | 191,235         |
| Street maintenance                      | 291,127         | 288,581         | 290,112         | 288,244         | 294,327         |
| Total business-type activities          |                 |                 |                 |                 |                 |
| program revenues                        | 2,919,053       | 3,048,622       | 3,298,955       | 3,176,848       | 3,261,603       |
| Total primary government                |                 |                 |                 |                 |                 |
| program revenues                        | \$ 27,848,803   | \$ 34,686,597   | \$ 35,965,064   | \$ 36,413,121   | \$ 46,289,188   |
| <b>Net (expense)/revenue</b>            |                 |                 |                 |                 |                 |
| Governmental activities                 | \$ (54,678,725) | \$ (54,879,833) | \$ (54,499,356) | \$ (60,877,092) | \$ (59,413,345) |
| Business-type activities                | (20,510)        | (143,923)       | 265,785         | 155,059         | 321,358         |
| Total Primary government net expense    | \$ (54,699,235) | \$ (55,023,756) | \$ (54,233,571) | \$ (60,722,033) | \$ (59,091,987) |

## CITY OF WEST HOLLYWOOD

**TABLE 2**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**

Page 3 of 4

| General Revenue and Other Changes in<br>Net Assets | Fiscal Year   |               |               |               |               |
|--|---------------|---------------|---------------|---------------|---------------|
|  | 2008          | 2009          | 2010          | 2011          | 2012          |
| Governmental activities:                           |               |               |               |               |               |
| Taxes  |               |               |               |               |               |
| Property tax                                       | \$ 16,094,302 | \$ 17,963,819 | \$ 18,349,422 | \$ 18,002,980 | \$ 15,515,421 |
| Transient occupancy tax                            | 13,133,591    | 12,124,316    | 12,590,134    | 14,089,667    | 15,414,055    |
| Sales tax  | 13,935,810    | 12,743,088    | 12,308,132    | 12,775,378    | 14,004,171    |
| Franchise tax                                      | 2,093,383     | 2,039,944     | 2,257,600     | 2,359,255     | 2,408,295     |
| Business tax                                       | 2,454,969     | 2,727,228     | 2,603,306     | 2,515,615     | 2,637,647     |
| Motor vehicle in-lieu                              | 3,013,166     | 3,307,057     | 3,451,448     | 3,349,580     | 3,382,436     |
| Use of money and property                          | 12,186,976    | 9,906,326     | 7,322,293     | 7,298,634     | 7,999,846     |
| Other  | 333,347       | 524,470       | 623,043       | 803,397       | 2,454,053     |
| Sale of capital assets                             | -             | -             | -             | -             | -             |
| Extraordinary gain(loss) on dissolution of RDA     | -             | -             | -             | -             | 185,683       |
| Transfers  | (86,684)      | (100,000)     | (100,000)     | (116,000)     | (118,700)     |
| Total governmental activities                      | 63,158,860    | 61,236,248    | 59,405,378    | 61,078,506    | 63,882,907    |
| Business-type activities:                          |               |               |               |               |               |
| Use of money and property                          | 51,884        | 31,639        | 9,600         | 3,702         | 3,265         |
| Transfers  | 86,684        | 100,000       | 100,000       | 116,000       | 118,700       |
| Total business-type activities                     | 138,568       | 131,639       | 109,600       | 119,702       | 121,965       |
| Total primary government                           | \$ 63,297,428 | \$ 61,367,887 | \$ 59,514,978 | \$ 61,198,208 | \$ 64,004,872 |
| <b>Change in Net Position</b>                      |               |               |               |               |               |
| Governmental Activities                            | \$ 21,382,142 | \$ 1,563,442  | \$ 3,914,455  | \$ 9,028,605  | \$ 11,591,801 |
| Business-type activities                           | (153,105)     | (112,634)     | (286,171)     | (164,835)     | 91,836        |
| Total primary government                           | \$ 21,229,037 | \$ 1,450,808  | \$ 3,628,284  | \$ 8,863,770  | \$ 11,683,637 |

Source: City of West Hollywood

(Continued)

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| General Revenue and Other Changes in<br>Net Assets | Fiscal Year   |               |               |               |               |
|--|---------------|---------------|---------------|---------------|---------------|
|  | 2013          | 2014          | 2015          | 2016          | 2017          |
| Governmental activities:                           |               |               |               |               |               |
| Taxes  |               |               |               |               |               |
| Property tax                                       | \$ 13,332,465 | \$ 14,516,251 | \$ 19,613,651 | \$ 21,540,248 | \$ 23,428,584 |
| Transient occupancy tax                            | 18,062,326    | 18,983,466    | 20,903,442    | 22,268,519    | 22,636,844    |
| Sales tax  | 14,669,198    | 15,635,224    | 16,117,944    | 16,441,681    | 17,906,126    |
| Franchise tax                                      | 2,467,311     | 2,469,575     | 2,551,024     | 2,546,182     | 2,185,515     |
| Business tax                                       | 2,573,491     | 3,005,510     | 3,088,786     | 3,431,563     | 3,380,526     |
| Motor vehicle in-lieu                              | 3,488,271     | 3,771,692     | -             | -             | -             |
| Use of money and property                          | 9,574,917     | 11,681,771    | 12,876,245    | 13,313,788    | 12,509,899    |
| Other  | 897,756       | 1,581,952     | 1,642,123     | 155,142       | 3,582,792     |
| Sale of capital assets                             | -             | -             | -             | -             | -             |
| Extraordinary gain(loss) on dissolution of RDA     | 576,058       | -             | -             | -             | 5,647,427     |
| Transfers  | (171,106)     | (164,557)     | -             | -             | -             |
| Total governmental activities                      | 65,470,687    | 71,480,884    | 76,793,215    | 79,697,123    | 91,277,713    |
| Business-type activities:                          |               |               |               |               |               |
| Use of money and property                          | 36            | 2,911         | 3,427         | 9,105         | 4,719         |
| Transfers  | 171,106       | 164,557       | -             | -             | -             |
| Total business-type activities                     | 171,142       | 167,468       | 3,427         | 9,105         | 4,719         |
| Total primary government                           | \$ 65,641,829 | \$ 71,648,352 | \$ 76,796,642 | \$ 79,706,228 | \$ 91,282,432 |
| <b>Change in Net Position</b>                      |               |               |               |               |               |
| Governmental Activities                            | \$ 10,791,962 | \$ 16,601,051 | \$ 22,293,859 | \$ 18,820,031 | \$ 31,864,368 |
| Business-type activities                           | 150,632       | 23,545        | 269,212       | 164,164       | 326,077       |
| Total primary government                           | \$ 10,942,594 | \$ 16,624,596 | \$ 22,563,071 | \$ 18,984,195 | \$ 32,190,445 |

## CITY OF WEST HOLLYWOOD

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

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|                                    | Fiscal Year          |                      |                      |                      |                      |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                    | 2008                 | 2009                 | 2010                 | 2011                 | 2012                 |
| General Fund                       |                      |                      |                      |                      |                      |
| Reserved                           | \$ 11,088,861        | \$ 12,483,127        | \$ 8,737,738         | \$ -                 | \$ -                 |
| Unreserved                         | 71,182,870           | 64,027,333           | 59,826,908           | -                    | -                    |
| General Fund                       |                      |                      |                      |                      |                      |
| Nonspendable                       | -                    | -                    | -                    | 783,625              | 186,823              |
| Debt Service                       | -                    | -                    | -                    | -                    | -                    |
| Committed                          | -                    | -                    | -                    | 18,787,130           | 7,735,781            |
| Assigned                           | -                    | -                    | -                    | 40,500,000           | 58,557,142           |
| Unassigned                         | -                    | -                    | -                    | 15,077,764           | 9,295,313            |
| Total General Fund                 | <u>\$ 82,271,731</u> | <u>\$ 76,510,460</u> | <u>\$ 68,564,646</u> | <u>\$ 75,148,519</u> | <u>\$ 75,775,059</u> |
| All other governmental funds       |                      |                      |                      |                      |                      |
| Reserved                           | \$ 6,367,024         | \$ 43,819,590        | \$ 25,444,012        | \$ -                 | \$ -                 |
| Unreserved, reported in:           |                      |                      |                      |                      |                      |
| Special revenue funds              | 21,073,781           | 2,682,085            | 3,215,665            | -                    | -                    |
| Capital projects funds             | (7,352,494)          | (39,316,074)         | (18,527,488)         | -                    | -                    |
| Debt service funds                 | 20,005,025           | 24,115,084           | 38,372,032           | -                    | -                    |
| Permanent funds                    | (9,825)              | (7,675)              | (6,986)              | -                    | -                    |
| Nonspendable                       | -                    | -                    | -                    | 770                  | 8,856                |
| Restricted                         |                      |                      |                      |                      |                      |
| Public services                    | -                    | -                    | -                    | 10,835,831           | 14,764,382           |
| Capital projects                   | -                    | -                    | -                    | 38,671,862           | 6,462,100            |
| Debt service                       | -                    | -                    | -                    | 15,863,936           | 12,293,855           |
| Low and moderate activities        | -                    | -                    | -                    | 11,100,827           | -                    |
| Committed to:                      |                      |                      |                      |                      |                      |
| Emergency Contingency              | -                    | -                    | -                    | -                    | -                    |
| Continuing appropriations          | -                    | -                    | -                    | -                    | -                    |
| Assigned to:                       |                      |                      |                      |                      |                      |
| Self Insurance                     | -                    | -                    | -                    | -                    | -                    |
| Capital projects                   | -                    | -                    | -                    | -                    | -                    |
| Future expenditures                | -                    | -                    | -                    | -                    | -                    |
| Working reserve                    | -                    | -                    | -                    | -                    | -                    |
| Unfunded pension cost              | -                    | -                    | -                    | -                    | -                    |
| Unassigned                         | -                    | -                    | -                    | (6,331,086)          | (6,312,241)          |
| Total all other governmental funds | <u>\$ 40,083,511</u> | <u>\$ 31,293,010</u> | <u>\$ 48,497,235</u> | <u>\$ 70,142,140</u> | <u>\$ 27,216,952</u> |

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

Source: City of West Hollywood.

(Continued)

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|                                    | Fiscal Year   |               |                |                |                |
|------------------------------------|---------------|---------------|----------------|----------------|----------------|
|                                    | 2013          | 2014          | 2015           | 2016           | 2017           |
| General Fund                       |               |               |                |                |                |
| Reserved                           | \$ -          | \$ -          | \$ -           | \$ -           | \$ -           |
| Unreserved                         | -             | -             | -              | -              | -              |
| General Fund                       |               |               |                |                |                |
| Nonspendable                       | 65,340        | 39,510        | 35,708         | 139,575        | 44,317         |
| Debt Service                       | 1,255,006     | 1,255,006     | 1,255,006      | 1,255,006      | 1,255,006      |
| Committed                          | 9,367,610     | 11,177,318    | 12,076,505     | 18,386,688     | 27,054,567     |
| Assigned                           | 63,018,495    | 76,904,392    | 89,684,697     | 96,366,055     | 93,388,888     |
| Unassigned                         | 10,329,622    | 5,060,905     | 4,894,121      | 3,507,708      | 3,462,047      |
| Total General Fund                 | \$ 84,036,073 | \$ 94,437,131 | \$ 107,946,037 | \$ 119,655,032 | \$ 125,204,825 |
| All other governmental funds       |               |               |                |                |                |
| Reserved                           | \$ -          | \$ -          | \$ -           | \$ -           | \$ -           |
| Unreserved, reported in:           |               |               |                |                |                |
| Special revenue funds              | -             | -             | -              | -              | -              |
| Capital projects funds             | -             | -             | -              | -              | -              |
| Debt service funds                 | -             | -             | -              | -              | -              |
| Permanent funds                    | -             | -             | -              | -              | -              |
| Nonspendable                       | 7,569         | 6,796         | 6,618          | -              | -              |
| Restricted                         |               |               |                |                |                |
| Public services                    | 15,327,037    | 16,528,180    | 20,785,979     | 18,201,767     | 30,033,442     |
| Capital projects                   | 13,694,034    | 7,330,666     | 6,674,257      | 78,861,354     | 75,021,840     |
| Debt service                       | 5,178,386     | 24,133,063    | 16,877,020     | -              | -              |
| Low and moderate activities        | -             | -             | -              | -              | -              |
| Committed to:                      |               |               |                |                |                |
| Emergency Contingency              | -             | -             | -              | -              | -              |
| Continuing appropriations          | -             | -             | -              | -              | -              |
| Assigned to:                       |               |               |                |                |                |
| Self Insurance                     | -             | -             | -              | -              | -              |
| Capital projects                   | -             | -             | -              | -              | -              |
| Future expenditures                | -             | -             | -              | -              | -              |
| Working reserve                    | -             | -             | -              | -              | -              |
| Unfunded pension cost              | -             | -             | -              | -              | -              |
| Unassigned                         | (7,385,459)   | (2,076,017)   | (4,750,992)    | (934,968)      | (33,047)       |
| Total all other governmental funds | \$ 26,821,567 | \$ 45,922,688 | \$ 39,592,882  | \$ 96,128,153  | \$ 105,022,235 |

## CITY OF WEST HOLLYWOOD

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

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|   | Fiscal Year   |                 |               |               |                 |
|---|---------------|-----------------|---------------|---------------|-----------------|
|   | 2008          | 2009            | 2010          | 2011          | 2012            |
| Revenues  |               |                 |               |               |                 |
| Taxes   | \$ 48,030,682 | \$ 47,964,152   | \$ 46,197,345 | \$ 49,856,094 | \$ 49,608,370   |
| Licenses and permits                                      | 6,463,934     | 3,749,814       | 3,380,036     | 4,718,357     | 5,520,319       |
| Intergovernmental   | 9,326,675     | 10,216,862      | 8,273,817     | 9,340,661     | 8,459,564       |
| Charges for services                                      | 3,204,181     | 3,192,149       | 3,289,924     | 3,389,975     | 3,551,985       |
| Use of money and property                                 | 11,800,400    | 9,518,263       | 6,866,344     | 9,794,397     | 7,934,591       |
| Fines and forfeitures                                     | 9,426,028     | 9,404,794       | 8,969,664     | 10,033,205    | 10,443,347      |
| Contributions   | -             | 3,122,985       | 1,373,409     | 2,947,907     | 1,500,348       |
| Developer participation                                   | 3,963,162     | 345,161         | 388,298       | 834,235       | 1,530,782       |
| Miscellaneous   | 1,627,926     | 657,738         | 709,999       | 2,154,698     | 2,603,628       |
| Total revenues  | 93,842,988    | 88,171,918      | 79,448,836    | 93,069,529    | 91,152,934      |
| Expenditures  |               |                 |               |               |                 |
| Current:  |               |                 |               |               |                 |
| General government  | 17,656,982    | 22,464,073      | 21,699,975    | 19,233,560    | 19,874,229      |
| Public Safety   | 12,671,110    | 13,951,163      | 14,613,812    | 14,619,971    | 14,068,721      |
| Public Services   | 33,086,061    | 44,571,826      | 36,093,478    | 39,455,917    | 35,669,727      |
| Capital outlay  | 8,463,971     | 19,191,828      | 29,206,055    | 24,746,798    | 12,477,205      |
| Debt service:   |               |                 |               |               |                 |
| Principal retirement                                      | 935,000       | 980,000         | 22,030,000    | 1,760,000     | 3,795,000       |
| Interest and fiscal charges                               | 2,052,264     | 2,013,074       | 3,166,842     | 3,481,149     | 4,352,546       |
| Debt issuance costs                                       | -             | -               | 790,384       | 712,845       | -               |
| Total expenditures  | 74,865,388    | 103,171,964     | 127,600,546   | 104,010,240   | 90,237,428      |
| Excess (deficiency) of revenues over (under) expenditures | 18,977,600    | (15,000,046)    | (48,151,710)  | (10,940,711)  | 915,506         |
| Other financing sources (uses)                            |               |                 |               |               |                 |
| Transfers in  | 3,354,513     | 5,450,450       | 28,871,861    | 63,005,020    | 44,975,210      |
| Transfers out   | (3,441,197)   | (5,550,450)     | (28,971,861)  | (63,121,020)  | (45,093,910)    |
| Long-term debt issued                                     | -             | -               | -             | 39,980,000    | -               |
| Payment to refunded bond escrow agent                     | -             | -               | -             | -             | -               |
| 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              | -             | -             | -               |
| Extraordinary gain/(loss) on dissolution of RDA           | -             | -               | -             | -             | (43,536,799)    |
| Total other financing sources (uses)                      | (86,684)      | (99,909)        | 57,410,124    | 39,169,489    | (43,655,499)    |
| Net change in fund balances                               | \$ 18,890,916 | \$ (15,099,955) | \$ 9,258,414  | 28,228,778    | \$ (42,739,993) |
| Debt service as a percentage of noncapital expenditures   | 4.2%          | 3.5%            | 25.8%         | 6.6%          | 10.4%           |
| Capital Outlay  | 4,462,135     | 18,777,662      | 29,786,812    | 24,455,298    | 12,006,900      |

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

Source: City of West Hollywood.



(Continued)

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|   | Fiscal Year   |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|
|   | 2013          | 2014          | 2015          | 2016          | 2017          |
| Revenues  |               |               |               |               |               |
| Taxes   | \$ 52,722,760 | \$ 57,785,812 | \$ 62,056,552 | \$ 67,228,461 | \$ 69,297,877 |
| Licenses and permits                                      | 4,990,941     | 7,968,949     | 9,327,431     | 9,301,203     | 9,515,384     |
| Intergovernmental   | 7,339,250     | 5,323,009     | 4,193,972     | 5,531,157     | 4,484,889     |
| Charges for services                                      | 3,382,268     | 3,609,803     | 3,444,145     | 3,088,746     | 3,433,732     |
| Use of money and property                                 | 9,574,917     | 12,154,214    | 13,066,956    | 13,487,275    | 12,660,650    |
| Fines and forfeitures                                     | 10,576,985    | 11,936,215    | 11,597,951    | 10,514,809    | 9,739,057     |
| Contributions   | 122,321       | 16,689        | 247,588       | 184,829       | -             |
| Developer participation                                   | 872,764       | 3,730,002     | 3,018,883     | 3,083,370     | 10,510,748    |
| Miscellaneous   | 997,287       | 1,699,059     | 2,699,051     | 257,382       | 9,144,052     |
| Total revenues  | 90,579,493    | 104,223,752   | 109,652,529   | 112,677,232   | 128,786,389   |
| Expenditures  |               |               |               |               |               |
| Current:  |               |               |               |               |               |
| General government  | 20,387,134    | 22,623,280    | 23,886,096    | 23,590,529    | 21,354,765    |
| Public Safety   | 14,916,605    | 14,902,172    | 17,190,760    | 18,937,633    | 21,737,444    |
| Public Services   | 36,438,556    | 42,477,061    | 42,023,194    | 44,067,723    | 48,947,704    |
| Capital outlay  | 6,066,194     | 10,072,944    | 13,783,900    | 16,182,343    | 19,841,533    |
| Debt service:   |               |               |               |               |               |
| Principal retirement                                      | 1,645,000     | 1,905,000     | 2,140,000     | 2,235,000     | 3,060,000     |
| Interest and fiscal charges                               | 2,600,257     | 3,110,788     | 3,449,479     | 3,359,278     | 5,043,345     |
| Debt issuance costs                                       | -             | 358,483       | -             | 596,000       | 5,150         |
| Total expenditures  | 82,053,746    | 95,449,728    | 102,473,429   | 108,968,506   | 119,989,941   |
| Excess (deficiency) of revenues over (under) expenditures | 8,525,747     | 8,774,024     | 7,179,100     | 3,708,726     | 8,796,448     |
| Other financing sources (uses)                            |               |               |               |               |               |
| Transfers in  | 4,687,613     | 17,187,207    | 14,807,483    | 16,045,505    | 26,222,132    |
| Transfers out   | (5,358,719)   | (17,467,240)  | (14,807,483)  | (16,095,505)  | (26,222,132)  |
| Long-term debt issued                                     | -             | 19,155,000    | -             | 85,015,000    | -             |
| Payment to refunded bond escrow agent                     | -             | -             | -             | (33,898,880)  | -             |
| Refunding bonds issued                                    | -             | -             | -             | -             | -             |
| Bonds issued  | -             | -             | -             | -             | -             |
| Bond premium  | -             | 218,975       | -             | 13,503,099    | -             |
| Bond discount   | -             | -             | -             | -             | -             |
| Sale of capital assets                                    | 10,988        | 3,067,000     | -             | -             | -             |
| Extraordinary gain/(loss) on dissolution of RDA           | -             | -             | -             | -             | -             |
| Total other financing sources (uses)                      | (660,118)     | 22,160,942    | -             | 64,569,219    | -             |
| Net change in fund balances                               | \$ 7,865,629  | \$ 30,934,966 | \$ 7,179,100  | \$ 68,277,945 | \$ 8,796,448  |
| Debt service as a percentage of noncapital expenditures   | 5.6%          | 5.9%          | 6.3%          | 6.0%          | 8.1%          |
| Capital Outlay  | 6,117,191     | 9,932,816     | 13,153,552    | 15,945,031    | 20,078,140    |

## CITY OF WEST HOLLYWOOD

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

| <b>Fiscal Year</b> | <b>(1)<br/>Transient<br/>Occupancy Tax</b> | <b>(2)<br/>Sales<br/>Taxes</b> | <b>(3) (4)<br/>Property<br/>Taxes</b> | <b>Franchise<br/>Taxes</b> | <b>Business<br/>License<br/>Tax</b> | <b>Total General<br/>Fund Taxes</b> |
|--------------------|--|--------------------------------|---------------------------------------|----------------------------|-------------------------------------|-------------------------------------|
| <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                           | 39,729,246                          |
| <b>2010</b>        | 12,590,134                                 | 10,730,268                     | 9,971,747                             | 2,123,395                  | 2,383,438                           | 39,729,245                          |
| <b>2011</b>        | 14,089,667                                 | 11,642,605                     | 11,191,866                            | 2,212,579                  | 2,425,126                           | 37,798,981                          |
| <b>2012</b>        | 15,414,055                                 | 12,279,783                     | 12,071,755                            | 2,278,536                  | 2,637,647                           | 41,561,844                          |
| <b>2013</b>        | 18,062,326                                 | 13,236,253                     | 13,971,978                            | 2,310,145                  | 2,573,491                           | 50,154,193                          |
| <b>2014</b>        | 18,982,361                                 | 13,799,302                     | 17,247,544                            | 2,323,502                  | 2,863,828                           | 55,216,537                          |
| <b>2015</b>        | 20,903,442                                 | 14,560,587                     | 18,469,653                            | 2,400,839                  | 3,001,630                           | 59,336,151                          |
| <b>2016</b>        | 22,268,519                                 | 16,094,074                     | 20,331,695                            | 2,399,738                  | 3,296,161                           | 64,390,187                          |
| <b>2017</b>        | 22,636,844                                 | 16,242,475                     | 22,112,662                            | 2,045,934                  | 3,274,264                           | 66,312,179                          |

## Notes:

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

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

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

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

Source: City of West Hollywood.

## CITY OF WEST HOLLYWOOD

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

| Fiscal Year | City           |             |         |                        | Redevelopment Agency (2) |            |                        | (1)<br>Total Direct Tax Rate |
|-------------|----------------|-------------|---------|------------------------|--------------------------|------------|------------------------|------------------------------|
|             | Real           | Personal    | Utility | Taxable Assessed Value | Real                     | Personal   | Taxable Assessed Value |                              |
| 2008        | 6,373,345,094  | 228,602,564 | -       | 6,601,947,658          | 951,801,448              | 56,859,555 | 1,008,661,003          | 0.17868                      |
| 2009        | 7,009,111,165  | 236,763,650 | -       | 7,245,874,815          | 1,058,948,970            | 78,842,651 | 1,137,791,621          | 0.17868                      |
| 2010        | 7,306,658,686  | 255,528,456 | -       | 7,798,950,792          | 1,102,501,562            | 76,501,939 | 1,179,003,501          | 0.17868                      |
| 2011        | 7,092,242,356  | 246,804,306 | -       | 7,339,046,662          | 1,092,479,944            | 58,529,021 | 1,151,008,965          | 0.17868                      |
| 2012        | 7,165,583,831  | 245,451,656 | -       | 7,411,035,487          | 1,095,456,515            | 56,318,710 | 1,151,775,225          | 0.17868                      |
| 2013        | 7,428,850,165  | 214,074,391 | -       | 7,642,924,556          | -                        | -          | -                      | -                            |
| 2014        | 8,030,943,513  | 232,968,580 | -       | 8,263,912,093          | -                        | -          | -                      | -                            |
| 2015        | 8,521,737,715  | 254,099,939 | -       | 8,775,937,654          | -                        | -          | -                      | -                            |
| 2016        | 9,399,247,185  | 241,047,130 | -       | 9,640,294,315          | -                        | -          | -                      | -                            |
| 2017        | 10,281,108,246 | 284,379,639 | -       | 10,565,487,885         | -                        | -          | -                      | -                            |

| Fiscal Year | City          |               |             |               |             |             |              |               |
|-------------|---------------|---------------|-------------|---------------|-------------|-------------|--------------|---------------|
|             | Residential   | Commercial    | Industrial  | Institutional | Vacant      | Unsecured   | Exempt       | Miscellaneous |
| 2008        | 4,198,886,194 | 1,848,538,526 | 106,965,663 | 8,468,205     | 165,815,465 | 228,602,564 | (40,799,784) | 44,671,041    |
| 2009        | 4,548,816,044 | 2,087,688,951 | 129,499,453 | 8,475,051     | 179,912,157 | 236,763,650 | (39,815,305) | 54,719,509    |
| 2010        | 4,700,824,638 | 2,215,996,458 | 124,520,350 | 8,634,600     | 201,009,939 | 255,582,456 | (39,815,305) | 55,672,701    |
| 2011        | 4,508,821,240 | 2,207,046,276 | 119,797,791 | 8,545,494     | 187,245,938 | 246,804,306 | (43,820,302) | 60,785,617    |
| 2012        | 4,569,615,124 | 2,307,068,042 | 118,063,479 | 15,654,530    | 107,810,012 | 245,451,656 | (43,062,601) | 47,372,644    |
| 2013        | 4,641,087,206 | 2,416,505,481 | 126,189,320 | 11,932,704    | 181,754,788 | 214,074,391 | (43,936,286) | 51,380,108    |
| 2014        | 4,880,737,922 | 2,873,271,627 | 126,102,125 | 20,614,997    | 79,186,013  | 232,968,580 | (43,062,601) | 51,030,829    |
| 2015        | 5,248,440,604 | 2,984,016,565 | 128,835,236 | 26,729,863    | 93,002,999  | 254,099,939 | (43,062,601) | 40,812,448    |
| 2016        | 5,775,856,634 | 3,269,847,990 | 146,324,801 | 19,871,019    | 143,717,923 | 241,047,130 | (43,062,601) | 43,628,818    |
| 2017        | 6,214,457,429 | 3,666,915,419 | 187,594,925 | 21,092,830    | 125,640,835 | 284,379,639 | (48,114,029) | 65,406,808    |

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

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

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

Source: Hdl, Coren & Cone

## CITY OF WEST HOLLYWOOD

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

Page 1 of 2

| Agency  | Fiscal Year    |                |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|
|   | 2008           | 2009           | 2010           | 2011           | 2012           |
| <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                       | 0.00879        | 0.02212        | 0.02311        | 0.04031        | 0.03530        |
| 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        | 0.00000        |
| Los Angeles Unified School District                 | 0.12334        | 0.12478        | 0.15181        | 0.18695        | 0.16819        |
| Metropolitan Water District                         | 0.00450        | 0.00430        | 0.00430        | 0.00370        | 0.00370        |
| <b>Total Direct &amp; Overlapping Tax Rates (2)</b> | <b>1.13664</b> | <b>1.15120</b> | <b>1.17922</b> | <b>1.23096</b> | <b>1.20718</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>                       | 1.00454        | 1.00436        | 1.00430        | 1.00370        | 1.00370        |
| <b>Total Direct Rate (5)</b>                        | <b>0.24024</b> | <b>0.24840</b> | <b>0.24955</b> | <b>0.24888</b> | <b>0.24835</b> |

## Notes:

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

Source: HdL Coren &amp; Cone

(Continued)

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|   | Fiscal Year    |                 |                |                |                |
|---|----------------|-----------------|----------------|----------------|----------------|
|   | 2013           | 2014            | 2015           | 2016           | 2017           |
| <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                       | 0.03756        | 0.04454         | 0.04017        | 0.03575        | 0.03596        |
| LA County Flood Control                             | 0.00000        | 0.00000         | 0.00000        | 0.00000        | 0.00000        |
| LA USD Measure K 2010 Series KY                     | 0.00001        | 0.00000         | 0.00000        | 0.00000        | 0.00000        |
| Los Angeles Unified School District                 | 0.17560        | 0.14644         | 0.14688        | 0.12971        | 0.1311         |
| Metropolitan Water District                         | 0.00350        | 0.00350         | 0.00350        | 0.00350        | 0.0035         |
| <b>Total Direct &amp; Overlapping Tax Rates (2)</b> | <b>1.22786</b> | <b>1.194448</b> | <b>1.19055</b> | <b>1.16896</b> | <b>1.17055</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>                       | -              | -               | -              | -              | -              |
| <b>Total Direct Rate (5)</b>                        | 0.24440        | 0.175970        | 0.175990       | 0.175900       | 0.17583        |

## CITY OF WEST HOLLYWOOD

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

| <u><b>Taxpayer</b></u>              | <b>2017</b>                           |   | <b>2008</b>                           |   |
|-------------------------------------|---------------------------------------|---|---------------------------------------|---|
|                                     | <b>Taxable<br/>Assessed<br/>Value</b> | <b>Percentage of<br/>Total Taxable<br/>Assessed<br/>Value</b> | <b>Taxable<br/>Assessed<br/>Value</b> | <b>Percentage of<br/>Total Taxable<br/>Assessed<br/>Value</b> |
| Mani Brothers*                      | \$ 244,513,604                        | 2.31%   | \$ 211,326,804                        | 3.20%   |
| NWLWH LLC*                          | 205,483,310                           | 1.94%   |                                       |   |
| Pacific Red LLC*                    | 193,325,495                           | 1.83%   |                                       |   |
| Pacific Design Center LLC           | 176,674,214                           | 1.67%   | 156,103,691                           | 2.36%   |
| Wolverines Owner LLC*               | 170,673,176                           | 1.62%   |                                       |   |
| 8490/8940 Sunset Blvd. WH Owner LLP | 154,463,933                           | 1.46%   |                                       |   |
| KR Sunset WEHO LLC                  | 136,132,791                           | 1.29%   |                                       |   |
| 8500 Sunset Blvd. WH Owner LLP      | 133,942,375                           | 1.27%   |                                       |   |
| Studio Lending Group LLC*           | 117,725,723                           | 1.11%   |                                       |   |
| Essex Monarch Santa Monica Apts LP* | 89,635,930                            | 0.85%   |                                       |   |
| BPRC Millennium LLC*                |                                       |   | 105,000,000                           | 1.59%   |
| CLPF West Hollywood LP              |                                       |   | 78,425,352                            | 1.19%   |
| Mondrian Holdings LLC               |                                       |   | 74,056,597                            | 1.12%   |
| BA Studios LLC                      |                                       |   | 54,186,241                            | 0.82%   |
| W Bel Age LLC                       |                                       |   | 51,204,000                            | 0.78%   |
| LHO Le Parc LP                      |                                       |   | 48,069,862                            | 0.73%   |
| Combined Sunset LLC                 |                                       |   | 38,432,097                            | 0.58%   |
| Monte Overstreet                    |                                       |   | 34,796,179                            | 0.53%   |
| <b>TOTALS</b>                       | <b>\$ 1,622,570,551</b>               | <b>15.36%</b>   | <b>\$ 851,600,823</b>                 | <b>12.90%</b>   |

Notes: Assessed valuation includes land, building and improvements.

\* - Pending Appeals on Parcels

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)<br>Collections in Subsequent Years | Total Collections to Date |                 |
|-------------|----------------------------------|--|-----------------|--|---------------------------|-----------------|
|             |                                  | Amount                                       | Percent of Levy |  | Amount                    | Percent of Levy |
| <b>2008</b> |                                  | 15,743,855                                   | 97.8%           | -                                      | 15,743,855                | 97.8%           |
| <b>2009</b> |                                  | 17,933,878                                   | 99.6%           | -                                      | 17,933,878                | 99.6%           |
| <b>2010</b> |                                  | 18,094,850                                   | 95.9%           | -                                      | 18,094,850                | 95.9%           |
| <b>2011</b> |                                  | 17,803,309                                   | 97.4%           | -                                      | 17,803,309                | 97.4%           |
| <b>2012</b> | (2)                              | 14,527,572                                   | 96.8%           | -                                      | 14,527,572                | 96.8%           |
| <b>2013</b> | (3)                              | 11,065,252                                   | 97.5%           | -                                      | 11,065,252                | 97.5%           |
| <b>2014</b> | (3)                              | 11,922,644                                   | 97.8%           | -                                      | 11,922,644                | 97.8%           |
| <b>2015</b> |                                  | 12,730,399                                   | 98.8%           | -                                      | 12,730,399                | 98.8%           |
| <b>2016</b> |                                  | 13,721,310                                   | 98.0%           | -                                      | 13,721,310                | 98.0%           |
| <b>2017</b> |                                  | 15,004,752                                   | 98.5%           | -                                      | 15,004,752                | 98.5%           |

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

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

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

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

Source: HdL and City of West Hollywood

## CITY OF WEST HOLLYWOOD

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

| Fiscal Year | Governmental Activities  |                                   |                         | Business-type Activities |                               |                          | 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 | Total Primary Government |                                   |                 |
| 2008        | 10,665,000               | 21,185,000                        | -                       | -                        | -                             | 31,850,000               | 1.7%                              | 854.19          |
| 2009        | 10,450,000               | 20,420,000                        | -                       | -                        | -                             | 30,870,000               | 1.7%                              | 824.52          |
| 2010        | 10,230,000               | -                                 | 56,940,000              | -                        | -                             | 67,170,000               | 3.7%                              | 1,776.75        |
| 2011        | 49,985,000               | -                                 | 55,550,000              | -                        | -                             | 105,535,000              | 5.9%                              | 3,043.02        |
| 2012        | -                        | -                                 | 54,432,848              | -                        | -                             | 54,432,848               | 3.0%                              | 1,561.78        |
| 2013        | -                        | -                                 | 51,140,548              | -                        | -                             | 51,140,548               | 2.7%                              | 1,458.16        |
| 2014        | -                        | -                                 | 68,546,774              | -                        | -                             | 68,546,774               | 3.6%                              | 1,953.46        |
| 2015        | -                        | -                                 | 66,350,325              | -                        | -                             | 66,350,325               | 3.5%                              | 1,847.02        |
| 2016        | -                        | -                                 | 127,867,562             | -                        | -                             | 127,867,562              | 6.3%                              | 3,563.56        |
| 2017        | -                        | -                                 | 124,294,665             | -                        | -                             | 124,294,665              | N/A                               | N/A             |

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

- (1) Issued \$11,500,000 Tax Allocation Bonds in fiscal year 2003-04.  
 Issued \$30,560,000 Eastside Redevelopment Tax Allocation Bonds Series A in fiscal year 2010-11  
 Issued \$9,420,000 Eastside Redevelopment Tax Allocation Bonds Series B in fiscal year 2010-11  
 Effective February 2, 2012, Tax Allocation Bonds transferred to Successor Agency were excluded from Governmental Activities.
- (2) Issued \$9,940,000 General Fund Certificate of Participation in fiscal year 1994-95.  
 Issued \$19,745,000 General Fund Certificate of in fiscal year 1995-96.  
 Redeemed 1995 General Fund Certificate of Participation in full for \$9,655,000 in fiscal year 1997-98.  
 Redeemed 1996 General Fund Certificate of Participation in full for \$17,555,000 in fiscal year 1997-98.  
 Redeemed 1998 Refunding Certificates of Participation in full for \$20,420,000 in fiscal year 2009-10.
- (3) Issued \$22,160,000 Lease Revenue Bonds Series 'A' in 2009-10  
 Issued \$34,780,000 Lease Revenue Bonds Series 'B' in 2009-10.  
 Issued \$19,155,000 Lease Revenue Bonds Series 'A&B' in 2013-14.  
 Issued \$85,015,000 Lease Revenue Bonds in 2015-16.  
 The 2009 Lease Revenue Bonds Series B was refunded by the 2016 Lease Revenue Bonds.  
 Amounts include principal balance of \$113,885,000, and unamortized premiums/discounts of \$13,982,562.
- (4) Personal Income information not available for 2017 at this time.

Source: HdL Coren & Cone and City of West Hollywood



## CITY OF WEST HOLLYWOOD

**TABLE 11**  
**DIRECT AND OVERLAPPING DEBT**  
**JUNE 30, 2017**  
**(UNAUDITED)**

| <b>Jurisdiction</b>                                  | <b>Net General<br/>Obligation<br/>Debt<br/>Outstanding</b> | <b>Percentage<br/>Applicable<br/>to City of<br/>West Hollywood</b> | <b>Amount Applicable<br/>to City of<br/>West Hollywood<br/>June 30, 2017</b> |
|--|--|--|--|
| Overlapping General Fund Debt:                       |  |  |  |
| Metropolitan Water District                          | 36,281,674   | 0.859000%  | 311,550  |
| Los Angeles County Community College District        | 3,847,890,000  | 1.415000%  | 54,432,768   |
| Los Angeles Unified School District                  | 9,815,110,000  | 1.744000%  | 171,133,216  |
| Subtotal, overlapping debt                           | <u>13,699,281,674</u>                                      |  | <u>225,877,534</u>   |
| City direct governmental debt                        |  |  |  |
| 2009 Lease Revenue Bonds Series A                    | 8,791,891  | 100.000%   | 8,791,891  |
| 2013 Lease Revenue Bonds Series                      | 18,159,779   | 100.000%   | 18,159,779   |
| 2016 Lease Revenue Bonds Series                      | 97,342,995   | 100.000%   | 97,342,995   |
| Subtotal, city direct governmental debt              | <u>124,294,665</u>   |  | <u>124,294,665</u>   |
| Overlapping Tax Increment Debt                       |  |  |  |
| 2013 Tax Allocation Revenue Refunding Bonds          | 8,576,237  | 100.000%   | 8,576,237  |
| 2011 Tax Allocation Bonds Series A                   | 27,433,004   | 100.000%   | 27,433,004   |
| 2011 Tax Allocation Bonds Series B                   | 8,349,373  | 100.000%   | 8,349,373  |
| Subtotal, overlapping tax increment debt             | <u>44,358,614</u>  |  | <u>44,358,614</u>  |
| Subtotal, overlapping debt                           |  |  | 270,236,148  |
| Subtotal, direct debt                                |  |  | <u>124,294,665</u>   |
| Grand Total direct and overlapping governmental debt |  |  | <u>\$ 394,530,813</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    |                  |                  |                  |                  |
|---|----------------|------------------|------------------|------------------|------------------|
|   | 2008           | 2009             | 2010             | 2011             | 2012             |
| Debt limit  | \$ 990,292,149 | \$ 1,086,881,222 | \$ 1,134,328,071 | \$ 1,100,856,999 | \$ 1,111,655,323 |
| Total net debt applicable to limit                                    | 38,605,000     | 38,605,000       | 68,440,000       | 108,420,000      | 108,420,000      |
| Legal debt margin   | \$ 951,687,149 | \$ 1,048,276,222 | \$ 1,065,888,071 | \$ 992,436,999   | \$ 1,003,235,323 |
| Total net debt applicable to the limit<br>as percentage of debt limit | 3.90%          | 3.55%            | 6.03%            | 9.85%            | 9.75%            |

## 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      |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|
|   | 2013             | 2014             | 2015             | 2016             | 2017             |
| Debt limit  | \$ 1,146,438,683 | \$ 1,239,586,814 | \$ 1,316,390,648 | \$ 1,446,044,147 | \$ 1,584,823,183 |
| Total net debt applicable to limit                                    | 50,775,000       | 68,546,274       | 66,350,325       | 127,867,562      | 124,294,665      |
| Legal debt margin   | \$ 1,095,663,683 | \$ 1,171,040,540 | \$ 1,250,040,323 | \$ 1,318,176,585 | \$ 1,460,528,518 |
| Total net debt applicable to the limit<br>as percentage of debt limit | 4.43%            | 5.53%            | 5.04%            | 8.84%            | 7.84%            |

**Legal Debt Margin Calculation for Fiscal Year 2017**

|   |                   |
|---|-------------------|
| Assessed value                              | \$ 10,565,487,885 |
| Debt limit (1)                              | 1,584,823,183     |
| Debt applicable to limit (2):               |                   |
| Lease Revenue Bonds                         | 124,294,665       |
| Net amount of debt applicable to debt limit | 124,294,665       |
| Legal debt margin                           | \$ 1,460,528,518  |

## 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     |          |
| 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                  | 5,560,526                              | 220,000      | 561,745   | 781,745   | 7.11     |
| 2011        | 6,118,409     | 653,896                  | 5,464,514                              | 225,000      | 553,395   | 778,395   | 7.02     |
| 2012        | 5,792,253     | 250,000                  | 5,542,253                              | 2,200,000    | 1,771,598 | 3,971,598 | 1.40     |
| 2013        | 5,640,024     | 250,000                  | 5,390,024                              | 595,000      | 3,486,860 | 4,081,860 | 1.32     |
| 2014        | 6,334,528     | 250,000                  | 6,084,528                              | 570,000      | 3,243,026 | 3,813,026 | 1.60     |
| 2015        | 4,024,823     | 250,000                  | 3,774,823                              | 750,000      | 3,307,537 | 4,057,537 | 0.93     |
| 2016        | 4,208,819     | 250,000                  | 3,958,819                              | 635,000      | 3,297,628 | 3,932,628 | 1.01     |
| 2017        | 4,102,315     | 250,000                  | 3,852,315                              | 670,000      | 3,264,014 | 3,934,014 | 0.98     |

Note: (1) East Side Redevelopment Agency issued Tax Allocation Bonds of \$11,500,000 in fiscal year 2003-04 and \$39,980,000 in fiscal year 2010-11.

(2) The State of California dissolved all redevelopment agencies as part of the 2011-12 State budget. Successor Agencies are responsible for paying the enforceable obligations of the redevelopment agency at the time of dissolution until all enforceable obligations have been paid in full. As necessary, revenues of the former Commission are allocated for bond payments and other continuing contractual obligations entered into prior to 2011-12, any excess revenues are then allocated to each taxing entity, based on their share of the 1% general property tax levy.

(3) In December 2013, the Successor Agency to the West Hollywood Community Development Commission issued \$9,370,000 East Side Redevelopment Tax Allocation Refunding bonds, Series A for the purpose of refunding the outstanding balance of the Eastside Redevelopment Project 2003 Tax Allocation Bonds Series A. The entire issue was purchased by County of Los Angeles Redevelopment Refunding Authority.

Source: City of West Hollywood.

## CITY OF WEST HOLLYWOOD

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

| <b>Calendar<br/>Year</b> | <b>Population (1)</b> | <b>Personal Income<br/>(In Thousands) (2)</b> | <b>Per Capita<br/>Personal Income (3)</b> | <b>Unemployment<br/>Rate (4)</b> |
|--------------------------|-----------------------|---|---|----------------------------------|
| 2008                     | 37,287                | 1,851,096                                     | 49,645                                    | 6.3%                             |
| 2009                     | 37,440                | 1,804,703                                     | 48,203                                    | 9.8%                             |
| 2010                     | 37,805                | 1,825,641                                     | 48,291                                    | 10.7%                            |
| 2011                     | 34,681                | 1,778,372                                     | 51,278                                    | 10.4%                            |
| 2012                     | 34,853                | 1,839,716                                     | 52,785                                    | 7.8%                             |
| 2013                     | 35,072                | 1,880,876                                     | 53,629                                    | 6.4%                             |
| 2014                     | 35,090                | 1,880,964                                     | 53,604                                    | 6.9%                             |
| 2015                     | 35,923                | 1,905,211                                     | 53,036                                    | 5.6%                             |
| 2016                     | 35,882                | 2,023,778                                     | 56,401                                    | 4.3%                             |
| 2017                     | 36,958                | 2,084,491                                     | 56,401                                    | N/A                              |

Notes: Annual income and unemployment figures for 2016 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. 2016 population and personal income was estimate last year and updated this year based on data from Hdl. 2017 population and personal income is an estimate.

(4) Unemployment data : California Employment Development Department

## CITY OF WEST HOLLYWOOD

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

|  | 2017      |                                  | 2008      |                                  |
|--|-----------|----------------------------------|-----------|----------------------------------|
|  | #         | %                                | #         | %                                |
|  | Employees | Percent of Total City Employment | Employees | Percent of Total City Employment |
| Los Angeles County Metropolitan Transportation Authority (5) | 574       | 2.1%                             | (2)       |                                  |
| Target Corp. (5)   | 414       | 1.6%                             | 411       | 1.6%                             |
| CityGrid Media/Inter Active Corp (5)                         | 288       | 1.1%                             | (2)       |                                  |
| City of West Hollywood                                       | 222       | 0.8%                             | 200       | 0.8%                             |
| Sunset Marquis (5)   | 200       | 0.7%                             |           |                                  |
| 1 OAK LA (5)   | 200       | 0.7%                             |           |                                  |
| Hollywood Standard LLC (The Standard Hotel) (5)              | 200       | 0.7%                             | 189       | 0.7%                             |
| Mondrian   | 217       | 0.8%                             | 400       | 1.5%                             |
| The London West Hollywood                                    | 181       | 0.7%                             |           |                                  |
| Pavilions (5)  | 180       | 0.7%                             |           |                                  |
| Andaz West Hollywood   | 167       | 0.6%                             |           |                                  |
| Sunset Tower Hotel (4)                                       | 159       | 0.6%                             | 100       | 0.4%                             |
| Whole Foods Market (5)                                       | 153       | 0.6%                             | (2)       |                                  |
| Oprah Windfrey Network (OWN) (5)                             | 150       | 0.6%                             |           |                                  |
| Ralphs (2 locations) (5)                                     | 141       | 0.5%                             | (2)       |                                  |
| nCompass (5)   | 128       | 0.5%                             |           |                                  |
| The Jeremy Hotel   | 120       | 0.4%                             |           |                                  |
| Dailey & Associates (5)                                      | 100       | 0.4%                             | 209       | 0.8%                             |
| Best Buy (5)   | 100       | 0.4%                             | (2)       |                                  |
| Saddle Ranch Restaurant                                      | 100       | 0.4%                             | 100       | 0.4%                             |
| Outrigger Lodging Services LLP (Le Parc Suite Hotel)         | 82        | 0.3%                             | 105       | 0.4%                             |
| Outrigger Lodging Services LLP (Chamberlain Hotel)           | 75        | 0.3%                             |           |                                  |
| Outrigger Lodging Services LLP (Le Montrose Hotel)           | 82        | 0.3%                             |           |                                  |
| Outrigger Lodging Services LLP (The Grafton Hotel)           | 65        | 0.2%                             |           |                                  |
| HMBL LLC (Best Western Sunset Plaza)                         | 40        | 0.1%                             | 125       | 0.5%                             |
| House of Blues (3)   |           |                                  | 230       | 0.9%                             |
| SC Club LP (Key Club)* (Sold)                                |           |                                  | 100       | 0.4%                             |
| Suissa Miller Advertising LLC                                |           |                                  | 100       | 0.4%                             |
| Ticketmaster (1)   |           |                                  | 1,300     | 4.9%                             |
| Wyndham Bel Age Hotel LP                                     |           |                                  | 230       | 0.9%                             |
| Hyatt Corp (Hyatt West Hollywood Hotel)                      |           |                                  | 165       | 0.6%                             |
| Total Jobs By Principal Employers                            | 4,338     | 16.2%                            | 3,964     | 15.0%                            |
| Total Jobs (estimated) in City of West Hollywood             | 26,700    | 100%                             | 26,421    | 100%                             |

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

(2) Prior years' information not available.

(3) Closed in FY 2014-2015.

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

(5) The figures presented were estimates.

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 |       |       |       |       |       |       |       |       |       |
|-------------------------------------|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|                                     | 08          | 09    | 10    | 11    | 12    | 13    | 14    | 15    | 16    | 17    |
| General Government                  |             |       |       |       |       |       |       |       |       |       |
| Legislative & Executive             | 24.6        | 24.6  | 24.6  | 23.6  | 25.6  | 25.6  | 39.8  | 36.8  | 27.8  | 13.0  |
| Administration                      | 28.8        | 28.8  | 28.8  | 28.8  | 26.8  | 26.8  | 17.7  | 17.8  | 25.8  | 24.8  |
| Finance & Information Technology    | 21.9        | 21.9  | 21.9  | 21.9  | 21.9  | 23.9  | 22.9  | 22.9  | 22.9  | 23.9  |
| Public Information                  | 8.8         | 8.8   | 8.8   | 8.8   | 8.8   | 7.8   | 5.6   | 5.0   | 5.0   | 5.0   |
| Community Services                  |             |       |       |       |       |       |       |       |       |       |
| Human Services & Rent Stabilization | 50.6        | 50.6  | 53.4  | 53.4  | 52.4  | 52.4  | 54.4  | 56.9  | 56.6  | 57.8  |
| Housing & Rent Stabilization        | 18.0        | 17.0  | 17.0  | 17.0  | 17.0  | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   |
| Community Development               | 28.0        | 28.0  | 29.0  | 29.0  | 29.0  | 29.0  | 30.0  | 31.0  | 33.0  | 33.0  |
| Department of Public Works          | 26.0        | 26.0  | 26.0  | 26.0  | 26.0  | 44.0  | 46.0  | 46.0  | 47.0  | 48.0  |
| Communications Department           | 0.0         | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 9.8   |
| Economic Development                | 0.0         | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 7.0   |
| Total                               | 206.6       | 205.6 | 209.4 | 208.5 | 207.4 | 209.4 | 216.4 | 216.4 | 218.2 | 222.3 |

Source: City of West Hollywood

## CITY OF WEST HOLLYWOOD

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

| Function                       | Fiscal Year |         |         |         |         |         |         |         |         |         |
|--------------------------------|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                                | 08          | 09      | 10      | 11      | 12      | 13      | 14      | 15      | 16      | 17      |
| Police (1)                     |             |         |         |         |         |         |         |         |         |         |
| Incidents                      | 7,425       | 6,700   | 7,171   | 7,036   | 7,460   | 6,370   | 6,975   | 6,060   | 10,931  | 8,976   |
| Arrests                        | 3,477       | 2,955   | 3,320   | 3,007   | 3,069   | 3,407   | 3,312   | 2,230   | 2,569   | 2,004   |
| 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           | 6       | 6       | 6       | 7       | 7       | 8       | 8       | 8       | 8       |
| Community Development          |             |         |         |         |         |         |         |         |         |         |
| Commercial building permits    | 253         | 254     | 235     | 337     | 221     | 221     | 796     | 358     | 400     | 364     |
| Residential building permits   | 531         | 377     | 551     | 522     | 396     | 396     | 1,548   | 548     | 577     | 636     |
| Mixed-use building permits (2) | -           | -       | -       | -       | -       | -       | -       | 4       | 6       | 3       |
| Parking                        |             |         |         |         |         |         |         |         |         |         |
| Citations issued               | 194,003     | 190,000 | 190,979 | 200,164 | 195,345 | 182,930 | 211,404 | 211,583 | 196,834 | 181,639 |

## Notes:

- (1) Police statistics are base on calendar year; Information for 2016 was updated to reflect the actual number of arrest and incidents; the 2017 information is an estimate.
- (2) FY 15 information was revised to include the mixed-use building permits issued.

Source: City of West Hollywood.



## CITY OF WEST HOLLYWOOD

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

| Function/ program                 | Fiscal Year |         |         |         |         |         |         |         |         |         |
|-----------------------------------|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                                   | 08          | 09      | 10      | 11      | 12      | 13      | 14      | 15      | 16      | 17      |
| <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       | 2       | 2       | 2       | 2       | 2       | 3       | 3       |
| Parking Lots                      | 4           | 4       | 4       | 4       | 4       | 4       | 4       | 9       | 9       | 9       |
| <b>Cultural &amp; Recreation:</b> |             |         |         |         |         |         |         |         |         |         |
| Parks                             | 5           | 6       | 6       | 6       | 7       | 7       | 8       | 8       | 8       | 8       |
| <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      | 60      | 61      | 61      | 62      |
| <b>Wastewater:</b>                |             |         |         |         |         |         |         |         |         |         |
| Sanitary sewers (miles)           | 39          | 39      | 39      | 39      | 39      | 39      | 39      | 39      | 39      | 39      |
| Manholes                          | 395         | 395     | 395     | 395     | 395     | 395     | 885     | 885     | 885     | 885     |
| <b>City-Line:</b>                 |             |         |         |         |         |         |         |         |         |         |
| Number of Buses                   | 5           | 10      | 10      | 10      | 10      | 10      | 10      | 10      | 10      | 10      |

Source: City of West Hollywood

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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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