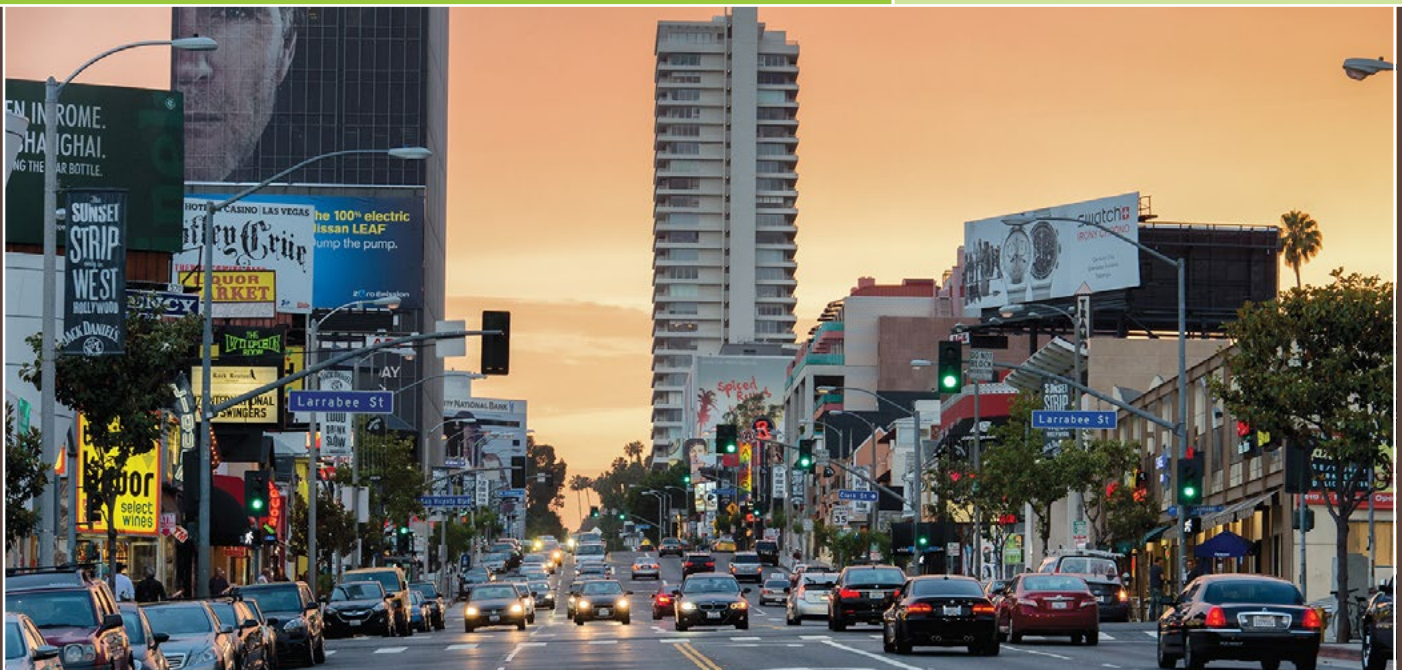


CITY OF WEST HOLLYWOOD

Comprehensive Annual Financial Report

Fiscal Year Ending
June 30, 2019



WEST HOLLYWOOD, CALIFORNIA

City Priorities

Public Safety

Homelessness

Neighborhood Livability

Capital Project Management

Organizational Development

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.

Credits: Cover photos: L top: WeHo Smart City, photo Khristina Sado | R top: #ResistMarch - Pride 2017, photo Jon Viscott | Lower: Sunset Boulevard, photo Jon Viscott | Design: cover and dividers, Joanne Shannahoff



COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

FISCAL YEAR ENDED JUNE 30, 2019

Prepared By The City's:

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

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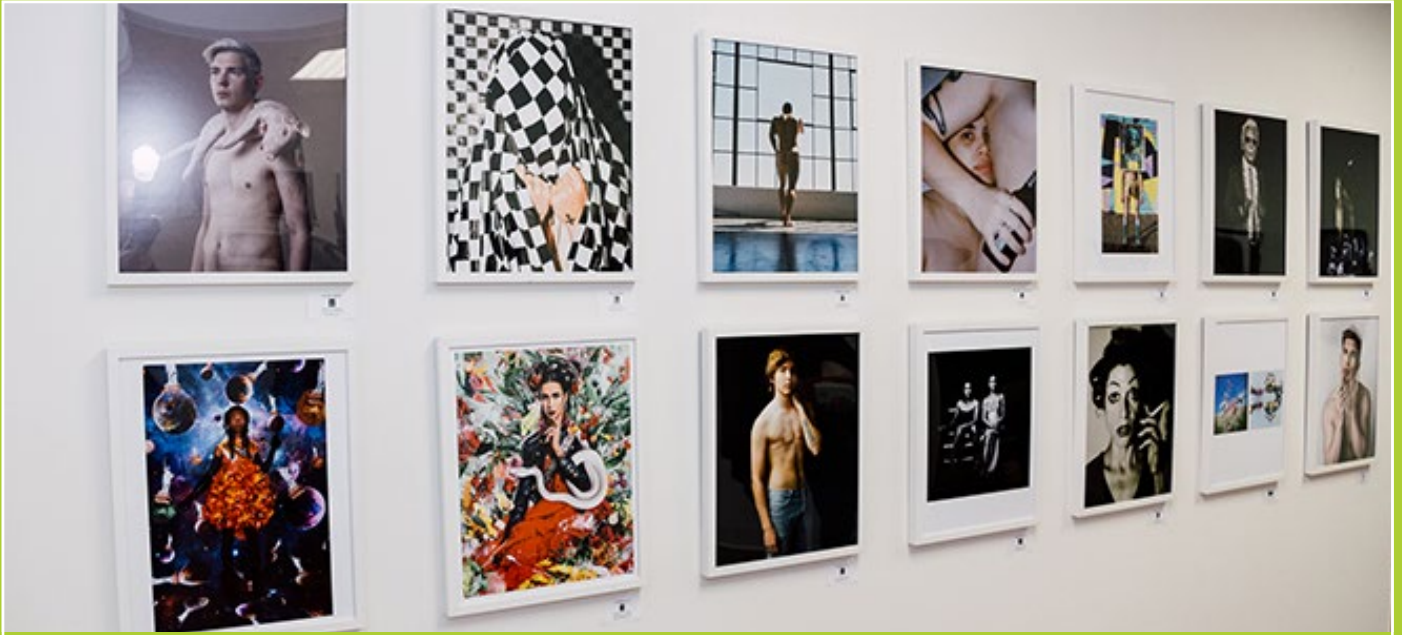
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Introductory



 Great seeing local government in action at tonight's @WeHoCity Council meeting!



Top front: Round Hole Square Peg, photo Tony Coelho | Lower front: Rock 'n' Roll Billboards of The Sunset Strip, photo Josh Barash | Back: City Hall Goes Green in Support of Climate Action, photo Jon Viscott



CITY OF WEST HOLLYWOOD

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

**DEPARTMENT
OF FINANCE
& TECHNOLOGY
SERVICES**

December 27, 2019

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, 2019. 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 each of the funds used by the City to track its transactions. 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, City management 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, 2019, 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 unmodified opinion that the City's basic financial statements for the fiscal year ended June 30, 2019, are fairly presented in conformity with accounting principles generally accepted in the United States. The independent auditors' report is presented as the first component of the financial section of this report.

SINGLE AUDIT

The federally mandated "Single Audit" is required if the City spends more than the threshold of \$750,000 in federal funds and/or a specific grantor requests that a Single Audit be performed. For fiscal year ended June 30, 2019, these requirements were not met and therefore a Single Audit was not required.

BUDGETARY CONTROLS

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of all governmental-type funds (except for the Housing Asset 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 tool. The City maintains an encumbrance accounting system for all governmental-type funds. Encumbrances and appropriations for unfinished capital projects are generally 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 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 37,000 within a 1.9 square mile area. 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 the Los Angeles County Sheriff’s Department and the contract is administered by the City’s Public Safety Department.

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 dynamic retail, nightlife, and tourist trade offerings that entice travelers from around the world. West Hollywood has 22 hotels with over 2,662 rooms, many of which offer luxury world-class accommodations. In total, the City hosts over 1.5 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 260 restaurants and bars, including some of the most famous in the world. Tourists can also shop at more than 280 clothing and jewelry stores, 30 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 “Route 66.” 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, 2019, 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. In spring 2017, Fitch Ratings re-affirmed the City’s AA+ which is the highest possible credit rating for the City’s Public Financing Agency 2016, 2013 and 2009 Series A Lease Revenue Bonds (LRB’s). In addition, in November 2019, Moody’s

Investors Service re-affirmed the City's Aa1 bond issuer rating, which is above the median rating of Aa3 for cities nationwide.

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 \$138.3 million (117% of fiscal year 2018-19 budgeted operating expenditures), including: \$21 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); \$66 million in capital project reserves; \$10.8 million in pension reserves; and \$40.5 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 steadily increased from their lows during the great recession, which occurred a decade ago. The sales tax base, which is highly diversified given its small geographic area, generated \$20.0 million in 2019. 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 2019, occupancy and room rates continued to remain high, generating \$26.0 million in transient occupancy tax for the City. Property tax revenues also grew in 2019 to \$27.3 million, due to increasing home prices and sales, as well as continued new construction and development.

Over the past decade, revenue growth has been strong, with projected fiscal year 2020 revenues reaching levels that are more than 70 percent higher than the pre-recession revenue peaks of fiscal year 2009. Staff anticipates that revenue growth will continue as new hotels open in the City, along with other real estate projects that include new retail, office, studio and residential space. Staff anticipates additional revenue from new digital billboards and cannabis businesses. At the same time, staff are anticipating significant expenditure growth related to the opening of West Hollywood Park Phase 2 and the Aquatics and Recreation Center, along with rising costs for the provision of contracted public safety and other services.

The City continues to engage in an aggressive expansion of its capital investment program in new properties including the Coast Playhouse and the lot at Crescent Heights and Santa Monica Boulevard, while also funding a capital maintenance program for existing assets. The City regularly evaluates additional acquisition opportunities to provide resources needed for the future. As the scope of our capital program expands, so do the annual operating and maintenance requirements.

The City recently embarked on a 30-year strategic planning process to provide short-term and long-term horizons to help the City prepare for the future while retaining its

unique qualities and values. The process includes transforming conceptual goals into realistic, achievable targets; aligning government and constituents regarding strategic direction; evaluating existing and future public services and facilities and priorities; and planning for fiscal sustainability. Over the next year, staff will be reporting back to the City Council regarding elements of the plan and will incorporate findings into the upcoming two-year budget process.

LONG TERM FINANCIAL PLANNING

The City actively monitors revenue sources for both compliance and economic development. The Department of Finance and Technology Services oversees the fiscal compliance aspects of the City's municipal code. The Department also collaborates with the Economic Development Department to address strategic issues pertaining to the City's transient occupancy tax, sales taxes, and assessment revenues for local business improvement districts.

During periods of strong economic growth, the City typically accumulates significant reserves. By capturing and designating the accumulated reserves the City can set aside monies for economic downturns and make strategic investments in City infrastructure, which helps attract and retain development and commercial tenants 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 entities, natural disaster, etc.). Management believes that an approximate 5-10% excess of actual revenues over original budget 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 faces some fiscal challenges in the area of capital improvements due to the number of projects that departments submit for approval and the costs that these can represent. 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 and the final payment was made from escrow during February 2019, the 2016 bond transaction is described 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 would allow the City to use 35% of the 2011 Series A proceeds. In fiscal year 2017, the City received State approval to transfer \$5.6 million of the bonds from the Successor Agency to the former Community Development Commission to be used for affordable housing purposes on the Eastside of the City.

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 allowed the City to use 35% of the 2011 Series A proceeds allowed the City to use 100% of the 2011 Series B proceeds; in fiscal year 2018, \$9,276,727 in remaining proceeds were transferred to the City to be used for projects allowed by the bond indenture.

MAJOR ACCOMPLISHMENTS FOR THE YEAR

- Commenced work on the Vision 2050 strategic plan project.
- Completed the 2019 Community Study, which resulted in the release of a stand-alone demographic report and the final report of findings and recommendations.
- Completed the City's Five-Year Plan to Address Homelessness, which was approved by the City Council and the LA County Homeless Initiative and created with funds from a planning grant awarded to the City through Measure H funds.
- Coordinated with the Los Angeles LGBT Center's Transgender Economic Empowerment Project to conduct Gender and Sexual Diversity training for staff.
- Completed lease up for 22 affordable inclusionary units: 17 units at 8500 Sunset and 5 units at 8017 Norton.
- Issued \$2.1 million trust fund loan to LA LGBT Center for senior affordable housing at McCadden Place, in Hollywood; 13 of 98 units will be filled from West Hollywood's inclusionary housing waitlist.
- Adopted ordinances to amend the Rent Stabilization Ordinance to require a tenant habitability plan during certain construction activities and to include additional protections for tenants presented with buyout agreements by their landlords.
- Adopted an ordinance to reduce the off-street parking spaces required for the majority of land uses in order to support economic development and sustainability.

- Increased the geographical footprint of Block by Block Security Ambassadors to accommodate the Melrose/Beverly area.
- Obtained approval from the Federal Emergency Management Agency for the City's five-year update to the Hazard Mitigation Plan.
- Secured grant funding from Metro to host a Ciclavia event on West Hollywood in August 2019, and initiated planning of the event.
- Developed the City's successful ballot initiative for a Cannabis Business Tax (ballot passage on March 5, 2019).
- Begun implementation of the Home Sharing Compliance System.
- Completed the principal payment of the 2009 Taxable Lease Revenue Bonds Series B in February 2019 for \$34,780,000 and completed the 2013 Lease Revenue Bonds arbitrage analysis.
- Received three Beacon Spotlight Awards from the Institute for Local Government, recognizing the City's accomplishments in sustainability best practices.
- Received the American Planning Association Los Angeles Chapter Neighborhood Planning Award for the Eastside Community Priorities Plan.

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, 2018. This is the twenty-fifth 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: Carlos Corrales – Accounting Manager, Annie Ruiz – Revenue Manager, and Karen Bareng – Senior Accountant.

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

Respectfully submitted,



Paul Arevalo
City Manager



Lorena Quijano, CPA, MPA
Director of Finance and Technology
Services

Finance Policies

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

SUMMARY OF POLICIES

- I. We will comply with all the requirements of generally accepted accounting principles (GAAP).
- II. We will maintain a balanced operating budget for all governmental funds, ensuring that ongoing revenues are equal to or greater than ongoing expenditures.
- III. We will require that all proprietary funds be self-supporting.
- IV. We will maintain an appropriated General Fund working reserve equivalent to 20% of the General Fund budget and an appropriated emergency reserve equivalent to 5% of the General Fund budget.
- V. We will assume that normal revenue inflation will go to pay normal inflation expenses. Any new or expanded programs will be required to identify funding sources or will be offset by cost reductions through cutting back or eliminating other programs.
- VI. We will maintain a long-range fiscal perspective through the use of a five-year capital improvement plan and revenue forecast.
- VII. Major capital improvements or acquisitions will be made using long-term financing methods rather than out of operating revenue.
- VIII. We will maintain sound budgeting practices ensuring that service delivery is provided in an efficient and effective manner.
- IX. We will require each appropriation item to include a fiscal impact analysis prior to formal 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, 2018

Christopher P. Morill

Executive Director/CEO

DIRECTORY OF CITY OFFICIALS

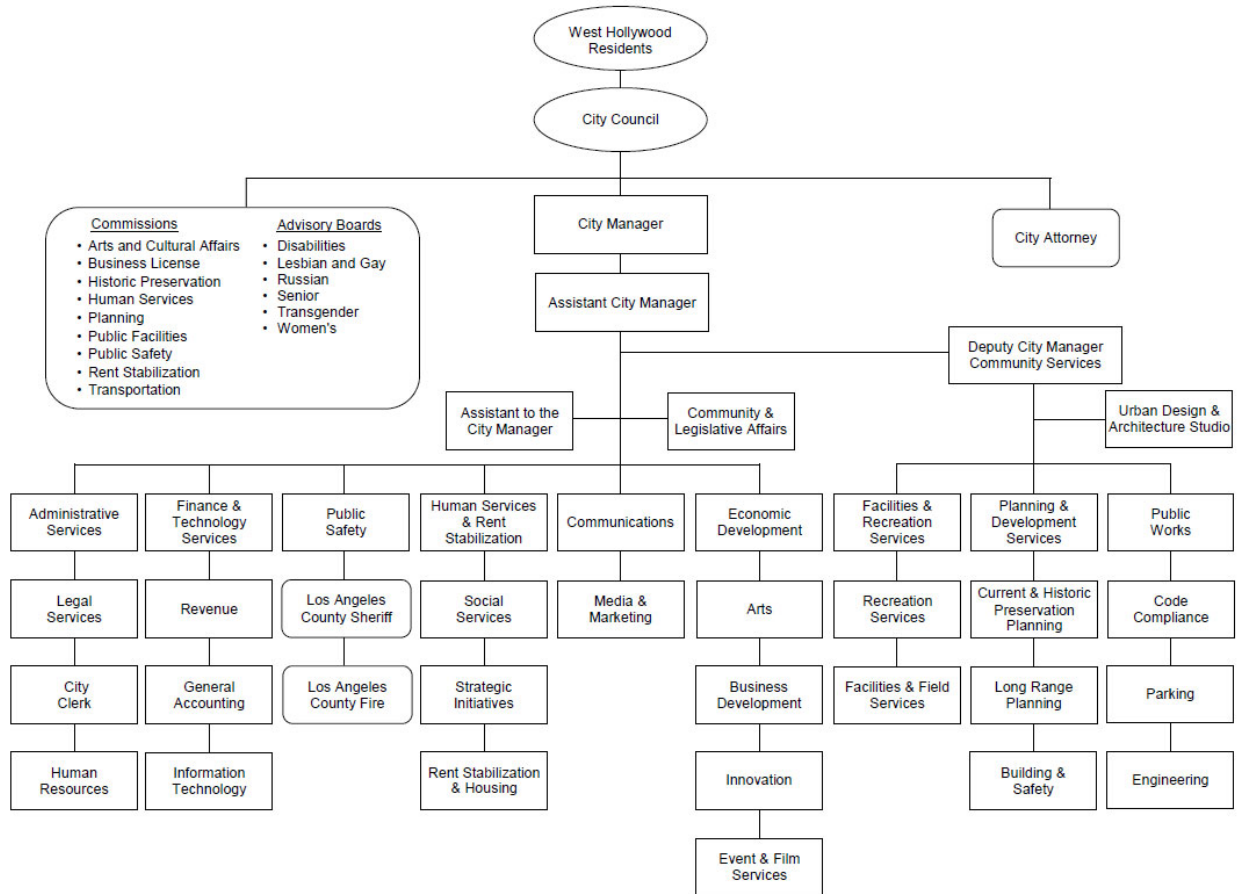
Mayor and City Council

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

Administration

City Manager.....	<i>Paul Arevalo</i>
Assistant City Manager	<i>David A. Wilson</i>
Deputy City Manager.....	<i>Oscar Delgado</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 Marie Belsanti</i>
Director of Economic Development (Interim).....	<i>Francisco Contreras</i>
Director of Facilities and Recreation Services.....	<i>Steve Campbell</i>
Director of Human Services and Rent Stabilization (Interim)	<i>Christof Schroeder</i>
Director of Planning and Development Services	<i>John Keho</i>
Director of Public Safety.....	<i>Kristen Cook</i>
Director of Public Works.....	<i>Jackie Rocco</i>
Department of Finance and Technology Services	
Director.....	<i>Lorena E. Quijano</i>
Accounting Manager	<i>Carlos Corrales</i>
Information Technology Manager.....	<i>Eugene Tsipis</i>
Revenue Manager.....	<i>Annie Ruiz</i>

CITYWIDE ORGANIZATIONAL CHART




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Financial Section



 Love the #art in the parking bays @WeHoCity!



Top front: West Hollywood Park Off-leash Dog Parks Grand Opening, photo Jon Viscott | Lower front: Plummer Park, West Hollywood, photo Jonathan Moore | Back: Bee Mural, photo Mike Che

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, 2019, 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, 2019, 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, schedule of changes in net OPEB liability and related ratios and schedule of contributions - OPEB, 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 27, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

White Nelson Dick Evans LLP


Irvine, California
December 27, 2019

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Management's Discussion and Analysis



 WeHo is a refuge for those beautiful souls who suffered yet remain so beautiful, a nurturing sanctuary of love understanding and forgiveness without discrimination and feelings of isolation @WeHoCity



Top front: City of Angels Ballet, photo Oleg Volovik | Lower front: International Women's Day Celebration, photo Oleg Volovik | Back: International Competition for Young Performers - Instrumental, photo Oleg Volovik

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, 2019. 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.*

The MD&A is divided into six sections which are briefly described below.

Section 1 – Overview of the Financial Statements and Financial Highlights – The Overview of the Financial Statements introduces 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). 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.

Section 2 – Government-Wide Financial Analysis – The Government-Wide Financial Analysis provides an overview of all 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 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 like the accounting practices 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 – Overview of the Financial Statements and Financial Highlights

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City’s basic financial statements. The basic financial statements comprise 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, used by private companies.

The *Statement of Net Position* (page 37) presents information on all 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 38-39) 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, Communications, 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, Economic Development, Facilities & Recreation Services, Planning & Development Services 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 the funds can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds. The City uses all three types, each using different accounting methods.

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

Because the focus of governmental funds is narrower than that of the *government-wide financial statements*, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the *government-wide financial statements*. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the

governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twenty-three individual governmental funds. These funds report financial transactions using an accounting method called modified accrual accounting. The General Fund, 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 40-46.

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 49-52.

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 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 53-54.

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 55-92.

Required Supplementary Information – In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information including the schedule of changes in net pension liability, plan contributions and information concerning the progress in funding its obligation to provide Other Post-Employment Benefits (OPEB) benefits to its employees. Required supplementary information can be found on pages 93-98.

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 99-154.

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 155-184.

Financial Highlights

Government-Wide Financial Statements

- At June 30, 2019, the City as a whole had total assets of \$533.1 million, total deferred outflows of resources were \$12.1 million, total liabilities were \$204.1 million, and total deferred inflows of resources were \$3.5 million. The assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$337.7 million (*net position*). Of this amount, \$93.6 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, 2019, total net position increased by \$8.3 million from the prior year. Total revenues from all sources were \$138.1 million and total expenses for all functions/programs were \$129.9 million. A summary of changes in net position is reflected in Table 2 (page 13).
- Of total revenues, program revenues were \$37.5 million and general revenues were \$100.6 million (Table 2). Program revenues are separated into three categories: Charges for Services, \$27.7 million; Operating Grants and Contributions, \$5.0 million; and Capital Grants and Contributions, \$4.8 million. General revenues are divided into seven categories citywide: Property Taxes, \$27.3 million; Transient Occupancy Taxes, \$26.0 million; Sales Taxes \$20.0 million; Franchise Taxes, \$2.0 million; Business Taxes, \$3.7 million; Use of Money & Property \$20.9 million and Other General Revenue \$0.6 million.

Fund Based Financial Statements

- For fiscal year ended June 30, 2019, total Fund Balance of the General Fund was \$138.3 million, or 130.7 percent of total General Fund expenditures and transfers out of \$105.8 million; this is reflected in Table 5 and Table 7 (pages 25 and 28). The non-spendable Fund Balance was \$0.07 million. Restricted Balance was \$1.3 million. Committed Fund Balance was \$25.7 million while assigned Fund Balance was \$108.3 million and unassigned Fund Balance was \$3.0 million.

For the General Fund, actual resources available for appropriation during the year were \$244.1 million; this consists of \$130.9 million in fund balance and \$113.2 million in revenue inflows, which was \$6.9 million more than what was budgeted. Actual revenues exceeded budgeted revenues for the following reasons: Use of Money and Property exceeded the budget amount by \$3.1 million due to increases in interest earnings during the year and an unrealized gain on fair market value adjustments of investments. Interest earnings at \$2.7 million exceeded the city's conservative budgeted amount of \$1.0 million due to higher interest rates in investments. The unrealized gain on fair market value of investments was \$1.5 million; since the City does not budget for temporary gains and losses, the unrealized gain resulted in a favorable excess of revenue over budgeted amount.

The City received approximately \$2.2 million in additional revenues from Licenses and Permits mainly 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 have continued with strong growth which has allowed increases in applications for new development projects in the City to continue.

The City received approximately \$1.2 million in excess revenues over budgeted amounts from Sales Taxes. The increase is due to delays from monies related to prior year not received until the current year accompanied by additional monies received that resulted from the strength of the national, state, and local economies, and specifically increased consumer spending, increased tourism, and improvements to the real estate market.

Revenues did not reach budgeted amounts for the Fines and Forfeitures category due to a decrease in parking fine revenue and a decrease in vehicle-code and photo safety fines. The deficit of revenues below budgeted amounts in this category was approximately \$0.7 million. Parking Fine revenue came in below budget for a number of reasons, including the increased availability of parking in commercial areas of the City; the continued use of ride sharing services, which has reduced the need for parking; and a one-time catch up payment to the State in the prior year that was offset by these revenues and which lowered budget projections. In addition, Vehicle-code and photo safety fine revenue did not meet budgeted amounts due to delays in the full implementation of the new photo safety system.

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 downtown, unforeseen closure of major taxing entity, 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.

- Actual charges (outflows) of \$105.8 million were \$24.1 million less than the General Fund budget of \$129.9 million. The majority of the variances were due to the following items which will be carried forward to Fiscal Year 2019-20: \$14.0 million in capital projects that were not completed during the fiscal year; \$1.0 million in remaining funds for New Initiatives that begun in the previous years; and \$9.1 funds that were encumbered for various contracted services that have not yet been completed.

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, 2019.

These tables are summarizing the statements located on pages 37-39 that are prepared using the accrual basis of accounting; the preparation of the statements in Section 2 differs from those in Section 3, Government's (City) Funds, which use fund accounting. Management has included comparative data from fiscal year ended June 30, 2018 in its analysis.

Net Position (Table 1)
(in millions)

	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 254.0	\$ 266.8	\$ 2.8	\$ 1.9	\$ 256.8	\$ 268.6
Capital assets	266.3	248.1	10.0	10.5	276.3	258.6
Total assets	520.3	514.8	12.9	12.3	533.1	527.2
Deferred Outflows of Resources						
Deferred amounts	12.1	13.9	-	-	12.1	13.9
Liabilities						
Long-term debt outstanding	171.5	173.9	-	-	171.5	173.9
Other liabilities	32.3	34.2	0.2	0.2	32.5	34.5
Total liabilities	203.9	208.2	0.2	0.2	204.1	208.4
Deferred Inflows of Resources						
Deferred amounts	3.5	3.3	-	-	3.5	3.3
Net position						
Net Investment in						
capital assets	176.7	173.6	10.0	10.5	186.7	184.0
Restricted	57.3	57.1	-	-	57.3	57.1
Unrestricted	91.1	86.6	2.6	1.6	93.6	88.3
Total net position	\$ 325.1	\$ 317.3	\$ 12.6	\$ 12.1	\$ 337.7	\$ 329.4

The City's Government-Wide total net position was \$337.7 million, with assets of \$533.1 million, deferred outflows of resources of \$12.1 million, liabilities of \$204.1 million and deferred inflows of resources of \$3.5 million.

The net investment in capital assets of \$186.7 million represents 55.3 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, \$57.3 million (17.0 percent) represents resources that are subject to external restrictions in how they may be used. The remaining balance of \$93.6 million (27.7 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) of the City's governmental and business-type activities, as a whole, for fiscal year ended June 30, 2019 is reflected in the following page.

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

	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues:						
Charges for Services	\$ 24.3	\$ 22.7	\$ 3.4	\$ 3.4	\$ 27.7	\$ 26.1
Operating Contributions & Grants	5.0	4.1	-	-	5.0	4.1
Capital Contributions & Grants	4.8	4.0	-	-	4.8	4.0
Sub-total Program Revenues	34.1	30.7	3.4	3.4	37.5	34.2
General Revenues:						
Property taxes	27.3	25.2	-	-	27.3	25.2
Transient occupancy taxes	26.0	24.8	-	-	26.0	24.8
Sales taxes	20.0	18.0	-	-	20.0	18.0
Franchise taxes	2.0	2.1	-	-	2.0	2.1
Business taxes	3.7	5.6	-	-	3.7	5.6
Use of money and property	20.9	13.8	-	-	20.9	13.8
Other	0.6	0.4	-	-	0.6	0.4
Sub-total General Revenues	100.6	89.9	-	-	100.6	89.9
Total Revenues	134.7	120.6	3.4	3.4	138.1	124.1
Expenses						
General Government	\$ 24.3	\$ 20.4	\$ -	\$ -	\$ 24.3	\$ 20.4
Public Safety	26.2	23.1	-	-	26.2	23.1
Public Services	67.8	60.8	-	-	67.8	60.8
Interest on Long-Term Debt	8.5	4.9	-	-	8.5	4.9
Solid Waste	-	-	1.5	1.5	1.5	1.5
Sewer District	-	-	0.4	0.4	0.4	0.4
Landscape	-	-	0.1	0.2	0.1	0.2
Sewer Charge	-	-	0.8	0.8	0.8	0.8
Street Maintenance	-	-	0.2	0.2	0.2	0.2
Total Expenses	126.9	109.2	3.0	3.1	129.9	112.4
Increase in Net Position, before transfers	7.8	11.4	0.4	0.3	8.2	11.7
Transfers	(0.1)	-	0.1	-	-	-
Increase (decrease) in Net Position, Before Extraordinary Gains	\$ 7.8	\$ 11.4	\$ 0.5	\$ 0.3	\$ 8.2	\$ 11.7
Extraordinary item	-	9.3	-	-	-	9.3
Increase (decrease) in Net Position, After Extraordinary Gains	7.8	20.7	0.5	0.3	8.3	21.0
Net Position at July 1	317.3	299.3	12.1	11.8	329.4	311.0
Restatements	-	(2.7)	-	-	-	(2.7)
Net Position, June 30	\$ 325.1	\$ 317.3	\$ 12.6	\$ 12.1	\$ 337.7	\$ 329.4

The government's net position increased \$8.3 million (Table 2), with total revenues of \$138.1 million, total expenses of \$129.9 million. The change in Net Position is approximately 2.5 percent of the total Net Position of \$337.7 million. Program Revenues were \$37.5 million and General Revenues were \$100.6 million. General Revenues provide 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 \$27.7 million. Other program revenues which are applied directly against the costs of providing these services are Operating Contributions and Grants, and Capital Contributions and Grants, at \$5.0 million and \$4.8 million respectively.

General Revenues include the next three largest categories. Property tax, the second largest single revenue category at \$27.3 million (includes \$5.6 million in Motor Vehicle In-Lieu Funds) is followed by Transient Occupancy Tax at \$26.0 million. The fourth largest revenue source was Sales Tax at \$20.0 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 \$14.0 million. Program revenues increased by \$3.3 million and General Revenues increased by \$10.7 million. For Program revenues, Charges for Services increased by \$1.6 million, Operating Grants and Contributions increased by \$0.9 million and Capital Grants and Contributions increased by \$0.8 million. Charges for Services increased mainly due to increases in Parking Fines of \$1.3 million, Building Permits of \$0.6 million, Permitted Signs of \$0.5 million, Encroachment Permits of \$0.3 million and Rent Stabilization fees of \$0.2 million. Operating Grants and Contributions increased by \$0.9 million mainly due to the increase in traded MTA funds with other cities (fund trades can vary from year to year, so it is not unusual for these amounts to increase and decrease between years). Capital Contributions also increased by \$0.8 million mainly due to grants received to replace city buses that services the whole city free of charge.

For General Revenues, the increase of \$10.7 million from the prior year is primarily due to additional revenues from three main sources: Use of money and property increased by \$7.1 million, Property taxes increased by \$2.1 million and Transient Occupancy Taxes increased \$1.2 million. The increases in Use of money and property is mainly due to increased interest income from \$3.3 million last year to \$4.9 million this year. In addition, the unrealized gain on fair value of investments resulted in a favorable increase from \$1.4 million unrealized loss last year to \$2.2 million unrealized gain this year.

The increases in Transient Occupancy Taxes and Property Taxes are largely due to the strength of the national, state, and local economies resulting in higher consumer spending, increased tourism and a strong real estate market. These increases were partially negated by a \$1.9 million decrease in Business Taxes because last year, the City received \$2.1 million business license permits for processing of cannabis applications.

Extraordinary items decreased by \$9.3 million because in fiscal year 2018, the City received \$9.3 million from the Successor Agency for 2011 Series B housing bond proceeds to be used for projects authorized by the bond indenture.

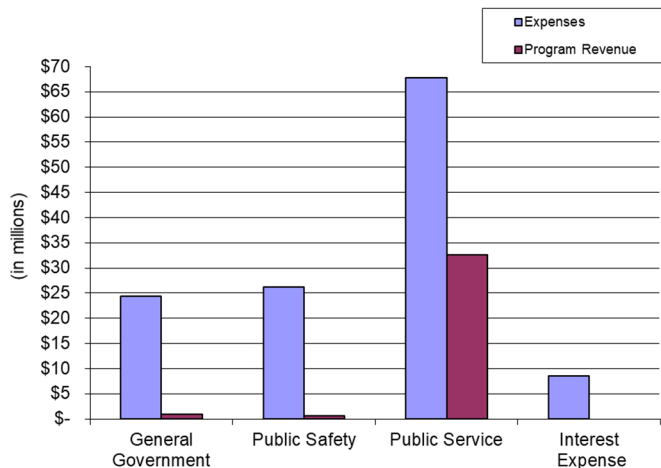
Compared to prior year, the government's total expenses had an increase of \$17.5 million. The top three expense categories continue to be Public Services at \$67.8 million, Public Safety at \$26.2 million, and General Government at \$24.3. General Government increased by \$3.9 million due to estimates recorded for future claims payable of about \$1.8 million and expenditures related to the Community and Legislative division of \$1.3 million. Public Safety expenses increased by \$3.1 million, due to expanded efforts to address homelessness and related increases in sheriff costs. Public Services increased by \$7.0 million mainly due to Housing Trust Fund expenditures of \$2.5 million representing an Affordable Housing Loan and other increases in Facilities and Field Services by \$1.4 million, Building and Safety by \$0.8 million, Urban Design by \$0.7 million, Measure R by \$0.4 million, Parking by \$0.4 million and other miscellaneous increases of \$0.6 million. Interest on Long-Term debt increased by \$3.6 million due to interest on Series 2016 bonds adjustments that is also related to the final payment of the Series 2009B refunded bonds.

Governmental Activities

Governmental activities increased the City's *net position* by \$7.8 million (Table 2). The cost of all governmental activities this year was \$126.9 million or 97.7 percent of the *primary government* expenses and was an increase of \$17.7 million from the prior year. As shown in the *Statement of Activities* on pages 38-39, the amount that taxpayers financed through City taxes was \$79.0 million. The other portion of the costs was paid by those who directly benefited from the programs (\$24.3 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$9.8 million), and by use of money and property and other revenues (\$21.5 million). The City used part of the \$100.6 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)

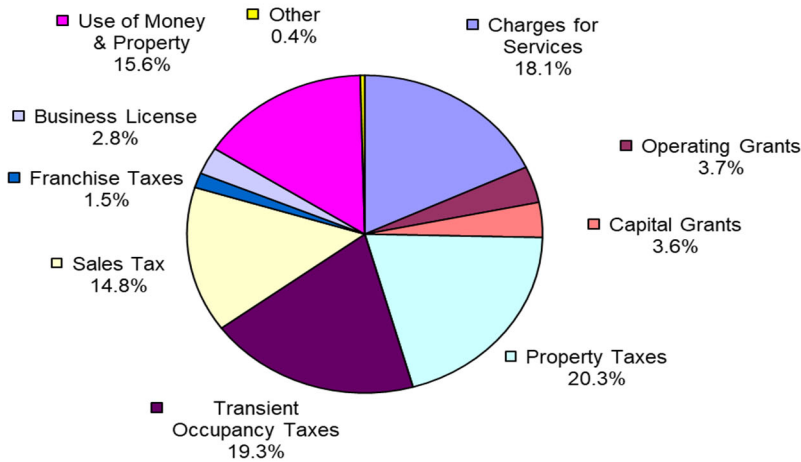


Graph 1 presents the costs of each of the City’s three functions – General Government, Public Safety, Public Service, plus interest on long-term debt as well as the program’s revenues. The net cost (total cost less *program revenues*) is the amount that was paid from *general revenues*.

General Government had expenses of \$24.3 million with program revenues of \$1.0 million, while *Public Safety* had expenses of \$26.2 million with program revenues of \$0.6 million. Expenses in *Public Services* represented \$67.8 million or 53.4 percent of total expenses for Governmental Activities. Of this amount, \$32.5 million was funded by *program revenues* and the remaining \$35.3 million was funded by general revenues. Interest on long-term debt was \$8.5 million which was funded by general revenues. From the prior year, *General Government* increased by \$3.9 million, *Public Safety* increased by \$3.1 million, and *Public Services* increased by \$7.0 million.

Graph 2 presents Revenues by Source for Governmental Activities. Similar to the government-wide activities, *Charges for Services* is the largest at \$24.3 million or 18.1 percent. *Charges for Services* consist of Parking Fines at \$8.7 million; Building and Safety revenue at \$4.6 million; Rent Stabilization fees at \$2.6 million; Traffic Mitigation fees at \$1.1 million; Planning Permits revenue at \$2.6 million; Transportation Permits and Licenses at \$1.8 million; Parks & Recreation fees at \$0.4 million, Film Permits at \$0.4 million; Business License and Special Events fees at \$.4 million, Sunset BID fees at \$0.4 million; and other miscellaneous charges for services of \$1.3 million.

Revenues by Source – Governmental Activities (Graph 2)



Other program revenues include operating and Capital Grants and Contributions that together represented 7.3 percent of the total, or \$9.8 million. Operating and Capital Grants and Contributions include \$3.5 million of Affordable Housing in-Lieu fees; \$2.5

million of Metro Traded Funds; \$1.5 million in State Gas Tax, and \$2.3 million in various Federal, State and County Grants.

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 at \$27.3 million; Transient Occupancy Tax at \$26.0 million; Sales Tax at \$20.0 million (all described above) and Use of Money and Property at \$20.9 million. These four sources represented 69.9 percent of the Governmental Activities.

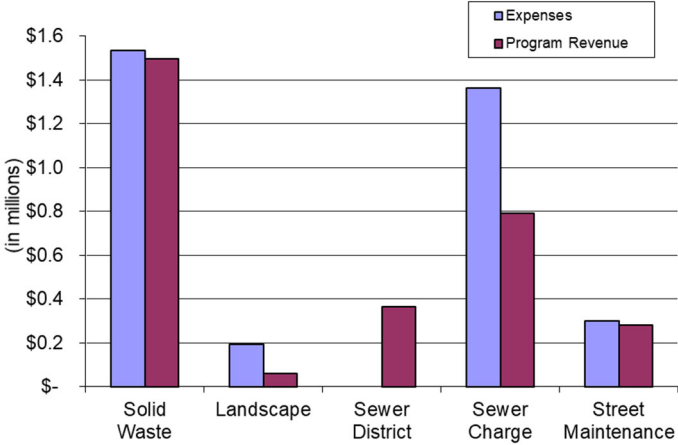
Business-Type Activities

Net position at June 30, 2019, was \$12.6 million, with assets equaling \$12.9 million and liabilities of \$0.2 million. Net investment in capital assets represented the largest portion of net position at 79.3 percent or \$10.0 million. The change in Business-type activities net position was nominal at \$0.5 million in 2019 (Table 2). Similar to government-wide activities, Charges for Services is the largest source of revenues at \$3.4 million or 100 percent for Business-Type activities, while the expenses were \$3.0 million.

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

- The Sewer District Fund, which originally contained monies transferred from Los Angeles County when the City was incorporated, was designated to be used for improvements of the underground sewer lines. At this time, the only activity in this fund is depreciation expense on the City's sewer infrastructure.
- Actual program revenues 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 expenses in prior years, which is the reason program revenues exceeded expenses this year. The City anticipates that in future years Sewer Charge Fund expenses will increase to 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 \$3.4 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: 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 40-41) reported combined ending fund balances of \$221.9 million. Fund Balance designations are: Non-Spendable Fund Balance at \$0.07 million; Restricted Fund Balance at \$85.7 million;

Committed Fund Balance at \$25.7 million; Assigned Fund Balance at \$108.3 million; and Unassigned Fund Balance at \$2.2 million.

Governmental (City) Revenues

Table 3 presents a summary of all citywide governmental fund revenues for the fiscal year ended June 30, 2019, compared to prior year revenues (note that this table includes General Fund revenues that are reflected separately on Table 6).

**Comparison of Governmental Revenues (Table 3)
Fiscal Years 2018-19 and 2017-18**

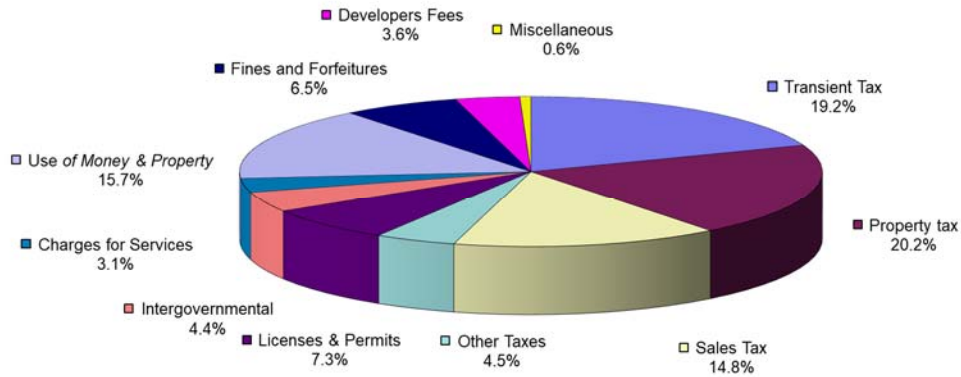
	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>	<u>Variance</u>	<u>% Increase/</u>
	<u>FY 18-19</u>	<u>Revenues</u>	<u>FY 17-18</u>	<u>Revenues</u>	<u>Over/(Under)</u>	<u>(Decrease)</u>
					<u>over last year</u>	<u>over last year</u>
Property tax	\$ 27,334,301	20.2%	\$ 25,206,827	20.8%	\$ 2,127,474	8.4%
Transient Tax	25,990,350	19.2%	24,775,813	20.4%	1,214,537	4.9%
Sales Tax	19,977,644	14.8%	18,585,083	15.3%	1,392,561	7.5%
Other Taxes	6,055,184	4.5%	5,751,208	4.7%	303,976	5.3%
Licenses & Permits	9,921,979	7.3%	10,975,684	9.0%	(1,053,705)	-9.6%
Intergovernmental	5,959,757	4.4%	3,975,963	3.3%	1,983,794	49.9%
Charges for Services	4,133,882	3.1%	3,923,043	3.2%	210,839	5.4%
Use of Money & Property	21,216,864	15.7%	13,988,131	11.5%	7,228,733	51.7%
Fines and Forfeitures	8,864,168	6.6%	7,619,488	6.3%	1,244,680	16.3%
Developers Fees	4,815,785	3.6%	5,640,412	4.6%	(824,627)	-14.6%
Miscellaneous	840,430	0.6%	900,139	0.7%	(59,709)	-6.6%
TOTAL	\$ 135,110,344	100.0%	\$ 121,341,791	100.0%	\$ 13,768,553	11.3%

Revenues of governmental funds for fiscal year 2018-19 were \$135.1 million, with an increase of \$13.8 million or 11.3% from the prior fiscal year. Described below are major fluctuations in governmental funds:

- Property Tax Revenue for the current year was \$27.3 million, with an increase of 8.4% 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 \$26.0 million, with an increase of 4.9% over the prior year. Transient occupancy tax revenues increased due to growth in tourism region wide and the addition or reopening of hotels. In addition, City hotels have seen room rates increases as demand also increased.

- Sales Tax Revenue for the current year was \$20.0 million, increased by \$1.4 million or 7.5% from the prior year. Sales and use taxes increased due additional payments received related to prior years and due to growth in tax revenues generated by restaurants, hotels and bars. The City's sales tax base is diversified and benefits from evolving consumer tastes toward experiences over discount consumer goods.
- Licenses and Permits Revenue for the current year was \$9.9 million with a decrease of 9.0% over the prior year. The decrease is mainly due to the decrease in business license permits related to cannabis since last year's balance included the one-time cannabis screening application fees.
- Use of Money & Property for the current year was \$21.2 million, which increased by \$7.2 million or 51.7% from previous year due to the following: interest income increased by \$1.7 million due to higher interest income earned from investments; unrealized gain due to change in fair market value of investments resulted to a favorable \$2.2 million unrealized gain compared to \$1.4 million unrealized loss last year; and various increases in other areas that totaled closed to \$2.0 million.
- Fines and Forfeitures for the current year were \$8.9 million, an increase of \$1.2 million, or 16.3% from the previous year. This was due to the stabilization of revenues in the current year since in fiscal year 2018 the City experienced a large decrease of about \$2.1 million. The prior year's decrease was attributed to a reduction in parking fine revenue, due to less parking tickets being issued in the City, along with a one-time payment to the State that was offset against revenues and the increase use of ride sharing applications.
- Intergovernmental increased by \$2.0 million due to \$0.7 million Capital Grant received from the replacement of City Line Vehicles; increase in RMRA Gas Tax revenue by \$0.6 million; increase in Operating Grant from Community Development Block Grant (CDBG) by \$0.4 million since prior year revenues were recorded in the current year due to late receipts and an increase in Measure M revenues by \$0.2 million.

Governmental Fund Revenues – Fiscal Year 2018-19 (Graph 4)



Governmental (City) Expenditures

Table 4 presents a summary of all governmental fund expenditures for the fiscal year ended June 30, 2019, 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 2018-19 and 2017-18**

	Amount FY 18-19	% of Total Expenditures	Amount FY 17-18	% of Total Expenditures	Variance Over/(Under) over last year	% Increase/ (Decrease) over last year
General Government	\$ 21,625,797	14.8%	\$ 19,367,175	15.1%	\$ 2,258,622	11.7%
Public Safety	26,044,333	17.9%	22,958,843	17.9%	3,085,490	13.4%
Public Services	61,299,394	42.1%	54,324,031	42.4%	6,975,363	12.8%
Total Operating Expenditures	108,969,524	74.8%	96,650,049	75.5%	12,319,475	12.7%
Capital Outlay	24,033,545	16.5%	22,432,034	17.5%	1,601,511	7.1%
Debt Service	12,726,852	8.7%	8,937,937	7.0%	3,788,915	42.4%
TOTAL	\$ 145,729,921	100.0%	\$ 128,020,020	100.0%	\$ 17,709,901	13.8%

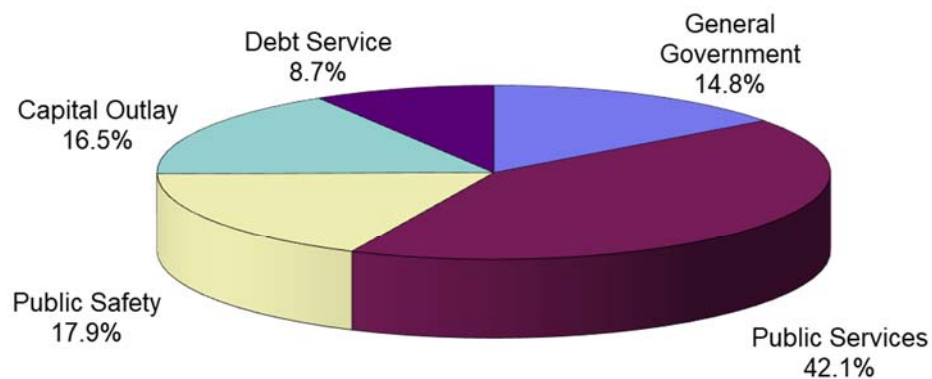
Operating expenditures for 2018-19 were \$108.9 million, an increase of 12.7% or \$12.3 million from the prior fiscal year. General Government increased by \$2.3 million, while Public Safety increased by \$3.1 million and Public Services increased by \$7.0 million. Described below are major fluctuations in governmental expenditures:

- Public safety expenditures increased by \$3.1 million or 13.4% due to expanded efforts to address homelessness, increases in Sheriffs costs due to the annual cost of living and liability insurance adjustments, additional security ambassadors, and a public survey regarding the Sheriff’s Department.

- Public services expenditures increased by \$7.0 million or 12.8% due to the following: Increase in General Fund expenditures by \$3.1 million; Increase in Housing Trust Fund expenditures by \$2.5 million due to loan committed for the construction of affordable housing at 1116-1118 N. McCadden Avenue; Increase in Prop A by \$ 0.5 million; and an increase in the Parking Improvement Fund by \$0.5 million. The increases are due to new divisions added (Strategic Initiatives and Community Services), expanded use of contractual services for building and safety plan checks and the addition of several new initiatives.
- General government expenditures increased by \$2.3 million or 11.7% due to increases in Prop A purchases, net increase from the addition of the Community and Legislative Affairs division and the Assistant City Manager division along with regular cost of living adjustments to contracts and on going services.
- Capital Outlay expenditures were \$24.0 million, an increase of \$1.6 million from the prior year. The balance this year included the cost related to the city hall improvements project and continuation of the capital outlay related to the West Hollywood Park Master Plan Phase II Project.
- Debt service expenditures were \$12.7 million, an increase of \$3.8 million due to interest paid on Series 2016 Lease revenue bonds which included the final reconciliation of the Series 09B bonds previously refunded with 2016 bonds.

Graph 5 presents a summary of governmental fund expenditures for the fiscal year ended June 30, 2019 by functions.

Governmental Fund Expenditures – Fiscal Year 2018-19 (Graph 5)



Proprietary Funds

These Funds consist of five non-major Enterprise Funds, along with one Internal Service Fund (pages 49-52). 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 135.

Revenues for Enterprise Funds include assessments and other charges for services. Total operating revenues for all Enterprise Funds are \$3.4 million. Operating expenses for the fiscal year were \$3.0 million. The City also has one Internal Service Fund to allocate the costs of the City's Information Systems Infrastructure to the various departments. The interdepartmental charge for services (revenues) in the fiscal year was \$0.6 million with general government expenses of \$0.6 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 53-54). 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 percent 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 (BIDs), the Sunset Strip BID and the West Hollywood Design District BID. The City collects 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 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 40-41 and 44-45).

Fund Balance

The fund balance decreased by \$20.1 million during the year and has an ending fund balance of \$36.1 million. The decrease is mainly due to reimbursements to the Debt Funded Capital Projects Fund of \$19.2 million for capital outlay incurred for the West Hollywood Park Master Plan Phase II construction.

Expenditures

The Capital Project Debt Service fund incurred \$12.7 million of expenditures in the current year, mainly due to principal and interest payments related to the City's 2009, 2013 and 2016 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 \$2.1 million during the year and has an ending fund balance of \$2.6 million. The increase in fund balance is mainly due reimbursements received from Capital Projects Debt Service Fund for this year's capital outlay of \$16.3 million related to West Hollywood Park Master Plan Phase II construction. The reimbursements received this year are higher by \$2.0 million to cover unreimbursed expenditures remaining from last year.

Expenditures

The Debt Funded Capital Projects Fund incurred \$16.3 million of capital expenditures in the current year. Most 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 40-41 and 44-45). The ending fund balance was \$138.3 million, which was an increase of \$7.4 million (Table 5).

Fund Balance

The designations for the General Fund are as follows:

- Non-Spendable Fund Balance was \$0.07 million;
- Restricted Fund Balance was \$1.3 million;
- Committed Fund Balance was \$25.7 million;
- Assigned Fund Balance was \$108.3 million; and lastly
- Unassigned Fund Balance was \$3.0 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 18-19	FY 17-18	FY 16-17	FY 15-16	FY 14-15
Fund Balance					
Nonspendable	\$ 66,600	\$ 53,634	\$ 44,317	\$ 139,575	\$ 35,708
Restricted	1,255,006	1,255,006	1,255,006	1,255,006	1,255,006
Committed	25,713,228	24,601,571	27,054,567	18,386,688	12,076,505
Assigned	108,253,580	101,723,037	93,388,888	96,366,054	89,684,697
Unassigned	2,987,207	3,280,327	3,462,047	3,507,708	4,894,121
Total Fund Balance	\$ 138,275,621	\$ 130,913,575	\$ 125,204,825	\$ 119,655,032	\$ 107,946,037
Beginning Balance	\$ 130,913,575	\$ 125,204,825	\$ 119,655,032	\$ 107,946,037	\$ 94,437,131
Operating Surplus /(Deficit)	7,362,046	5,708,750	5,549,793	11,708,995	13,508,906
Ending Balance	\$ 138,275,621	\$ 130,913,575	\$ 125,204,825	\$ 119,655,032	\$ 107,946,037

Revenues

For fiscal year 2018-19, General Fund Revenues and Other Financing Sources were \$113.2 million, an increase of 11.7 percent 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).

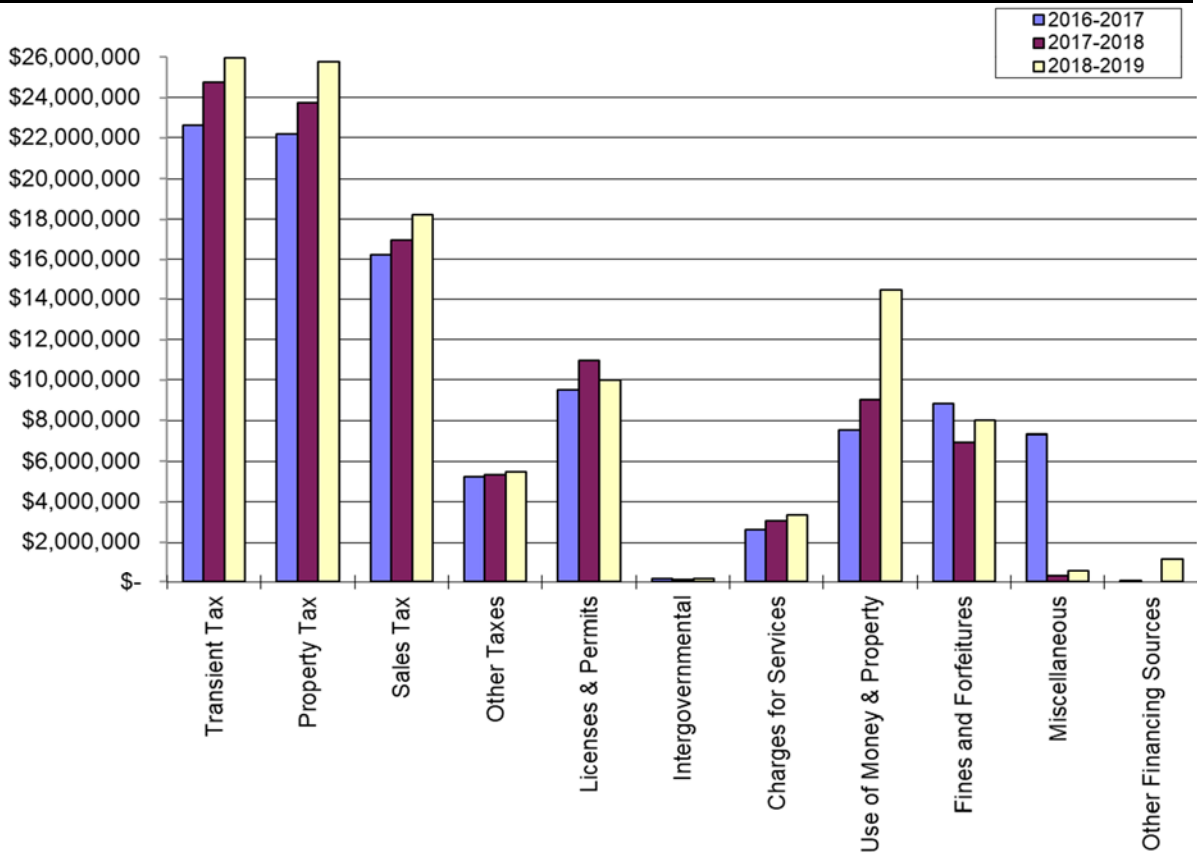
General Fund Revenues and Other Financing Sources (Table 6)
Fiscal Years 2018-19 and 2017-18

	2018-2019	2017-2018	Variance Over/(Under) over last year	% of increase (decrease) over last year	% of total
Transient Tax	\$ 25,989,558	\$ 24,775,813	\$ 1,213,745	4.9%	23.0%
Property Tax	25,780,512	23,745,035	2,035,477	8.6%	22.8%
Sales Tax	18,211,472	16,944,964	1,266,508	7.5%	16.1%
Other Taxes	5,486,628	5,325,204	161,424	3.0%	4.8%
Licenses & Permits	9,921,979	10,975,684	(1,053,705)	-9.6%	8.8%
Intergovernmental	145,090	139,458	5,632	4.0%	0.1%
Charges for Services	3,366,687	3,078,498	288,189	9.4%	3.0%
Use of Money & Property	14,423,607	9,007,553	5,416,054	60.1%	12.7%
Fines and Forfeitures	8,055,299	6,951,716	1,103,583	15.9%	7.1%
Miscellaneous	589,384	321,381	268,003	83.4%	0.5%
Other Financing Sources	1,183,148	-	1,183,148	100.0%	1.0%
Totals	\$ 113,153,364	\$ 101,265,306	\$ 11,888,058	11.7%	100.0%

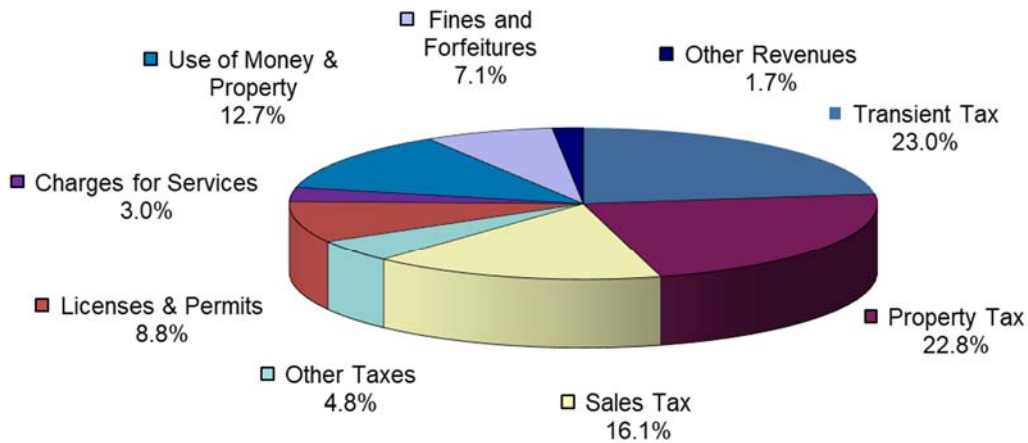
The key revenues categories of the General Fund were Transient Occupancy Tax at \$26.0 million; Property Tax at \$25.8 million; Sales Tax at \$18.2 million which all experienced growth from previous year. Licenses and Permits at \$9.9 has some decreases due to one-time payments in the prior year. Since the General Fund comprises the largest portion of the City as a whole and governmental funds, most of the detailed analysis has been already included in Section 3, however, here are the additional analysis on two revenue sources:

- Use of Money and Property Revenue for the current year was \$14.4 million, or an increase of 12.7% from previous year. The increase is mainly due to the following: interest earnings increased by \$.09 million; unrealized gain on change in fair value of investments resulted to favorable unrealized gain of \$1.5 million compared to unfavorable unrealized loss last year of \$1.0 million and parking meter and bus shelter revenues increased by \$2.0 million.
- Other Financing Sources for the current year was \$1.2 million, or an increase of 100% from the previous year. The \$1.2 million resulted from budgeted transfer to reimburse General Fund for capital outlay related expenditures.

**Comparison of General Fund Revenues (Graph 6)
Fiscal Years 2018-19, 2017-18 and 2016-17**



General Fund Revenues - Fiscal Year 2018-19 (Graph 7)



Expenditures

For fiscal year 2018-19, total General Fund expenditures were \$105.8 million, an increase of 10.7% or \$10.2 million from the prior year. The following are key points and graphs of General Fund expenditures. For detailed information, please refer to pages 44-45.

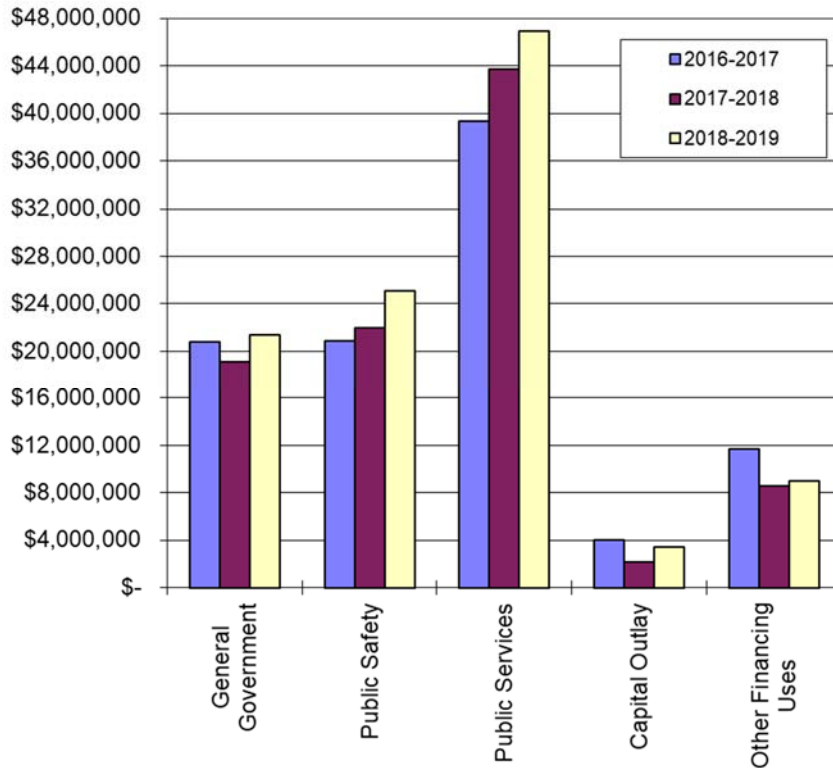
**General Fund Expenditures (Table 7)
Fiscal Years 2018-19 and 2017-18**

	2018-2019	2017-2018	Variance Over/(Under) last year	% of increase (decrease) over last year	% of total
General Government	\$ 21,339,705	\$ 19,095,757	\$ 2,243,948	11.8%	20.2%
Public Safety	25,113,485	21,969,562	3,143,923	14.3%	23.7%
Public Services	46,916,870	43,762,818	3,154,052	7.2%	44.3%
Capital Outlay	3,433,302	2,148,601	1,284,701	59.8%	3.2%
Debt Service	2,079	-	2,079	100.0%	0.0%
Other Financing Uses	8,985,877	8,579,818	406,059	4.7%	8.5%
Total Expenditures	<u>\$ 105,791,318</u>	<u>\$ 95,556,556</u>	<u>\$ 10,234,762</u>	<u>10.7%</u>	<u>100.0%</u>

Described below are major fluctuations in General Fund expenditures:

- General Government expenditures were \$21.3 million and resulted in an increase of \$2.2 million or 11.8% from the prior year. The increase is due to increase in cost of living adjustments related to on-going services.
- Public Safety expenditures were \$25.1 million and resulted in an increase of \$3.1 million or 14.3% from the prior year. The increase is due to increases in costs for maintaining the current levels of service, along with significantly expanded funding for security and other costs related to the 2019 LA Pride Festival. The sheriff's costs continue to increase due to the annual cost of living and liability insurance adjustments, additional security ambassadors, and a public survey regarding the Sheriff's Department.
- Public Service expenditures were \$46.9 million and resulted in a 7.2 percent increase. Public Service is the largest function in the General Fund with the following four major program areas: 1) Facilities and Field Services at 7.8 million, 2) Social Services at \$6.4 million, 3) Parking Services at \$4.7 million, and 4) Recreation Services at \$4.4 million. The increase is primarily attributed to increases in staffing levels due to the addition of Community Services and Strategic Initiatives, expanded use of contractual services including building and safety plan checks, and the addition of several new initiatives.

**Comparison of General Fund Expenditures (Graph 8)
Fiscal Years 2018-19, 2017-18 and 2016-17**



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 47; the following are budgetary highlights of the General Fund:

Resources (Inflows)

The General Fund’s budgeted amount for *revenues* (resources available for appropriation) had an increase of \$2.8 million between the original budget of \$103.5 million and the final amended budget of \$106.3 million. The increase was mainly due to a \$1.1 million Transfers into other funds, \$1.0 million increase in Taxes, and \$0.8 million increase in Licenses and Permits. 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 expenditure was increased because most of the funds are for specific public improvement projects.

In total, actual revenues exceeded the final amended budget by \$6.8 million. Actual revenues exceeded budgeted revenues for the following reasons: The City's Use of money and property resulted to a favorable variance of \$3.1 million mainly due to higher interest earned received from investment. In addition, the City recognized a \$1.5 million unrealized gain on fair market value of investments. The City continues to budget interest earnings and unrealized gains or losses conservatively because the amounts are uncertain.

Licenses and permits resulted to \$2.2 million favorable variance due to higher building permits, permitted signs and encroachment revenues. 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 continue with strong growth, which has led to an increase in applications for new development projects in the City.

Additionally, the City received approximately \$1.8 million in excess revenues over budgeted amounts from various City Taxes and Intergovernmental-state shared sales tax, including Property Taxes, Transient Occupancy 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.

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 \$0.8 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 \$25.2 million in appropriations. Major increases from adopted to final budget were due to: increases in capital outlay of \$13.8 million, which includes an increase of \$2.8 million for the Coast Playhouse property improvement, increases of \$3.8 million in Design District Streetscape Projects, an increases of \$2.2 million in major repairs for City Buildings, and \$0.7 million increase in Water and Energy Conservation Projects. In addition, General Government and Public Services increased due to the increase in MTA traded funds by \$1.7 million, increases in New Initiatives rollovers by \$2.1 million; increases in Social Services contracts by \$1.4 million; rollovers related to mitigation on the Sunset-La Cienega project of \$0.9 million; Building and Safety increases due to \$1.4 million related to Plan Checks; and increases in transfers out between Capital and Debt Service Funds by \$1.0 million for Bond related projects.

The difference between the General Fund's final budget and actual expenditures was a \$24.1 million excess final budget amounts over actual expenditures. The majority of the variances were due to the following items which will be carried forward to Fiscal Year 2019-20: \$14.0 million in Capital Projects that were not completed during the fiscal year; \$2.7 million in remaining funds for New Initiatives that begun in the previous years; \$2.3 million related to vacancies and other operational savings; and \$5.1 million funds that were encumbered or related to various contracted services, professional services, social services contracts and other projects that have not yet been completed.

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, 2019, is \$276.4 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, and infrastructure. They are long-term improvement and maintenance programs designed to preserve the City's physical systems and facilities. The programs are broad, and include land and building acquisitions, development of off-street parking, street and sidewalk rehabilitation, sewer reconstruction, public lighting projects, affordable housing development, and park acquisition and renovations. The major capital asset currently under construction is the West Hollywood Park Phase II Project and is reflected below as Construction in Progress. Additional information about the City's capital assets can be found in the Notes to the Financial Statements on pages 69-70.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Government-Wide Totals</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$ 57,841	\$ 57,841	\$ -	\$ -	\$ 57,841	\$ 57,841
Buildings and systems	80,851	82,870	-	-	80,851	82,870
Improvements other than buildings	12,948	11,949	-	-	12,948	11,949
Machinery and Equipment	3,603	3,210	-	-	3,603	3,210
Infrastructure	54,768	53,288	10,048	10,476	64,815	63,764
Leasehold Improvement	206	431	-	-	206	431
Construction in progress	56,120	38,510	-	-	56,120	38,510
Total Capital Assets	<u>\$ 266,337</u>	<u>\$ 248,099</u>	<u>\$ 10,048</u>	<u>\$ 10,476</u>	<u>\$ 276,384</u>	<u>\$ 258,575</u>

Long-Term Debt

At year end, the City had \$171.5 million in outstanding long-term debt for Governmental Activities as reflected in Table 9 below. These consisted of Capital Lease, Claims Payable, Compensated Absences, Lease Revenue 2009 Series A Bonds, Lease Revenue 2013 Bonds, Lease Revenue 2016 Bonds, Net Pension Liability and Net OPEB Liability.

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

	Governmental Activities			
	2019	2018	Variance Over/(Under) over last year	% of increase (decrease) over last year
Capital lease payable	\$ 138.9	\$ -	\$ 138.9	100.0%
Claims payable	1,432.5	-	1,432.5	100.0%
Compensated Absences	5,100.0	4,717.0	383.0	8.1%
Lease Revenue - 2009 Series A	4,425.9	6,666.4	(2,240.5)	-33.6%
Lease Revenue - 2013	17,400.2	17,787.5	(387.3)	-2.2%
Lease Revenue - 2016	94,452.8	95,912.9	(1,460.1)	-1.5%
Net Pension Liability	46,496.2	47,125.6	(629.4)	-1.3%
Net OPEB Liability	2,086.2	1,728.8	357.4	20.7%
Total Long-Term Debt	\$ 171,532.7	\$ 173,938.2	\$ (2,405.5)	-1.4%

Compensated Absences had an increase of \$0.4 million or 8.1 percent increase with an outstanding balance of \$5.1 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 which are defeased now, 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 and a 337-space above ground parking facility. Additional information about the City's long-term debt can be found in the *Notes to the Financial Statements* on page 80; Note Number 8.

On September 28, 2013, Lease Revenue Bonds were issued for \$19,155,000 to finance the acquisition and construction of a new city hall automated parking facility and related improvements and finance capital improvements to the Werle Building. Additional

information about the City's long-term debt can be found in the Notes to the Financial Statements on page 80; 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 page 80; Note 8.

On 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 \$46.5 million.

During fiscal year ended June 30, 2018, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 75 which requires that the net OPEB liability be recorded. For the City, the Net OPEB Liability during the fiscal year ended June 30, 2019 is \$2.1 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. In fiscal year 2017, the City received State approval to transfer \$5.6 million of the 2011 Series A Bonds from the Successor Agency to the former Community Development Commission to be used for affordable housing purposes on the Eastside of the City. In fiscal year 2018, the same State legislation that allowed the City to use the 2011 Series A proceeds allowed the City to use 100% of the 2011 Series B proceeds; the proceeds were transferred to the City to be used for projects allowed by the bond indenture. Additional information about the Successor Agency's long-term debt can be found in the Notes to the Financial Statements on page 89; Note 14.

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

	Successor Agency Activities			
	2019	2018	Variance Over/(Under) over last year	% of increase (decrease) over last year
Tax Allocation Bonds - 2011 Series A	\$ 27,050.0	\$ 27,380.0	\$ (330.0)	-1.2%
Tax Allocation Bonds - 2011 Series B	8,007.2	8,044.8	(37.6)	-0.5%
Tax Allocation Refunding Bonds - 2013	7,876.4	8,236.3	(359.9)	-4.4%
Total Long-Term Debt	\$ 42,933.6	\$ 43,661.1	\$ (727.5)	-1.7%

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, 2019, 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.

Since the end of the Great Recession nine years ago, the City's economy has improved substantially and is one of the strongest in the region. During this period the City's revenues have increased by 70 percent. 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 percent 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. Over the past five years, the value of property in the City has increased by over \$4.1 billion, and since 2007 the City's assessed value has doubled from \$5.8 billion to \$12.6 billion, substantially outpacing majority of other cities in the state and nation.

There are always uncertainties at the state, national, and global level that have the potential to harm the economy; these uncertainties also relate to the impact of the current Administration. For this reason, City staff closely monitors 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. While the State is projected to have a surplus during the current year, there is still uncertainty because the State's primary revenue source is personal income taxes which can fluctuate significantly depending on the economy. In addition, the Legislative Analyst's Office has cautioned that the current economic expansion in California is about three years longer than the historical average.

Locally, 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 its current reserves while satisfying the funding needs of future capital projects and operations. The City's financial

standing was further validated by all three major rating agencies assigning high grade issuer credit ratings for the City of West Hollywood. As part of the City's 2016 Lease Revenue Bond issuance, Standard & Poor's and Fitch confirmed their "AA+" issuer credit ratings, with a stable outlook, for the City of West Hollywood. In November 2019, Moody re-affirmed the City's issuer rating of Aa1, citing an exceptional financial profile characterized by very strong reserve levels as a rationale for the rating.

Over the past decade, the City of West Hollywood has experienced significant growth in revenues as the local, state, and national economies have continued to expand. The City is anticipating 5.2% growth in General Fund revenue in the coming year. Growth is expected to continue at moderate pace in all major revenue categories. Two significant increases to projected revenues in the 2019-20 fiscal year include implementation of a new business tax on retail cannabis sales and the opening of new hotels. Over the next several years, additional major revenue increases are related to projected growth from cannabis businesses and revenue sharing from new static and digital billboards on the Sunset Strip.

Transient Occupancy Tax (TOT), or hotel tax, is the City's largest single source of revenue. Tourism in the Los Angeles region and the City itself continues to be strong, and local hotels have an average daily rate (ADR) of approximately \$300 and occupancy levels above 80%. Recently, the 190-room Edition West Hollywood opened on the Sunset Strip; meanwhile, 1 Hotel West Hollywood, completed a year-long renovation. West Hollywood and the Sunset Strip have always been associated with tourism and an exciting night life from their beginning as a vibrant night club scene to the present. The City hosts approximately 1.5 million visitors each year, helping it to rank amongst the top 4% of California jurisdictions for TOT revenues. The compound annual growth rate in TOT revenue over the past five years (based on full-year actual receipts) is 6.5%.

Property Tax is also a significant revenue source for the City, representing 18% of the total of the projected General Fund revenue budgeted in fiscal year 2019-20. As discussed above, revenue continues to show strong and steady gains due to combination of factors, including rising property values (the City assessed value has doubled from \$5.8 billion in 2007 compared to \$12.6 billion today), higher volumes of sales transactions, and the addition of new building to the City's property tax roll. The City receives property tax based upon 1.0% levy on the assessed value of all real property; in terms of assessed value, the City has outpaced the vast majority of other cities in the state and nation. The compound annual growth over the past five years has averaged 5.9%.

Sales Tax provides a significant revenue source for the City as well, representing nearly 16% of the General Fund revenue budgeted for fiscal year 2019-20. Factors that contribute to the City's strong sales tax base are the entertainment industry, visitors from other states and countries, nightclubs, restaurants, and furniture and design retailers. The City's diversified businesses from retailers ranging from luxury specialty stores, art galleries and big box stores have been integral to the stability of our sales tax revenue. The City's largest source of sales tax revenue comes from its restaurants and bars, which

generate approximately 35% of the total sales tax revenue. Continued growth in revenue is anticipated over the next several years as new restaurants and nightclubs open in the City new hotels and cannabis lounges businesses begin to open. The compound annual growth rate for the five past years is 5.1%.

Taking this information into account, the City's adopted General Fund budget for fiscal year 2019-20 continues to reflect pragmatic optimism about the City's financial future. The City anticipates that sales tax, property tax, and other revenues will continue to increase as the economy grows and new real estate development projects that are currently under construction in the City are completed and begin attracting new businesses, residents, and visitors. Higher costs for public safety, housing and social services, operating costs related to the completion of the West Hollywood Phase II project, wages, retirement and health care counter in significant part the anticipated revenue expansion. The City continues to use its strategic plan, Vision 2020, in guiding its decisions during the budget process and has been able to increase its investment in infrastructure improvements and expand services, such as public safety, for residents and businesses.

As the City closes out its Vision 2020, the City recently embarked on a 30-year strategic planning process to provide short-term and long-term horizons to help the City prepare for the future while retaining its unique qualities and values. The process includes transforming conceptual goals into realistic, achievable targets; aligning government and constituents regarding strategic direction; evaluating existing and future public services and facilities and priorities; and planning for fiscal sustainability. Over the next year, staff will be reporting back to the City Council regarding elements of the plan and will incorporate findings into our budget process.

Contacting the City's Financial Management Staff

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



Basic Financial Statements



Beautiful day to march for unity, equality and love. #Resist #ResistMarch #Weho



Top front: West Hollywood Halloween Carnaval 2017, photo Jon Viscott | Lower front and back: #ResistMarch, Pride 2017, photo Jon Viscott

CITY OF WEST HOLLYWOOD

STATEMENT OF NET POSITION

June 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and investments	\$ 212,107,505	\$ 2,744,307	\$ 214,851,812
Receivables:			
Accounts	1,968,199	14,430	1,982,629
Taxes	2,315,385	-	2,315,385
Notes and loans	515,892	-	515,892
Accrued interest	565,315	7,545	572,860
Internal balances	24,603	(24,603)	-
Prepaid costs	27,600	-	27,600
Deposits	39,000	-	39,000
Due from other governments	5,679,801	70,898	5,750,699
Restricted assets:			
Cash held in escrow	1,654,549	-	1,654,549
Cash and investments with fiscal agents	29,117,545	-	29,117,545
Capital assets not being depreciated	113,961,200	-	113,961,200
Capital assets, net of accumulated depreciation	152,375,662	10,047,512	162,423,174
TOTAL ASSETS	520,352,256	12,860,089	533,212,345
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred amounts from OPEB	421,586	-	421,586
Deferred amounts from pension	11,669,738	-	11,669,738
TOTAL DEFERRED OUTFLOWS OF RESOURCES	12,091,324	-	12,091,324
LIABILITIES:			
Accounts payable	14,330,267	244,089	14,574,356
Accrued liabilities	1,625,581	-	1,625,581
Accrued interest	1,203,732	-	1,203,732
Unearned revenue	6,680,100	-	6,680,100
Deposits payable	7,993,908	-	7,993,908
Due to other governments	515,892	-	515,892
Noncurrent liabilities:			
Due within one year	8,627,769	-	8,627,769
Due in more than one year:			
Net pension liability	114,322,519	-	114,322,519
Net OPEB liability	46,496,217	-	46,496,217
Net OPEB liability	2,086,235	-	2,086,235
TOTAL LIABILITIES	203,882,220	244,089	204,126,309
DEFERRED INFLOWS OF RESOURCES:			
Deferred gain on refunding	1,263,457	-	1,263,457
Deferred amounts from pension	2,225,647	-	2,225,647
TOTAL DEFERRED INFLOWS OF RESOURCES	3,489,104	-	3,489,104
NET POSITION:			
Net investment in capital assets	176,708,344	10,047,512	186,755,856
Restricted for:			
Public services	36,862,532	-	36,862,532
Capital projects	19,167,345	-	19,167,345
Debt service	1,255,006	-	1,255,006
Unrestricted	91,079,029	2,568,488	93,647,517
TOTAL NET POSITION	\$ 325,072,256	\$ 12,616,000	\$ 337,688,256

See accompanying notes to financial statements.

CITY OF WEST HOLLYWOOD: COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF WEST HOLLYWOOD

STATEMENT OF ACTIVITIES

For the year ended June 30, 2019

Functions/programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 24,369,593	\$ 839,715	\$ 137,700	\$ -
Public safety	26,153,283	322,965	280,407	-
Public services	67,840,802	23,181,968	4,566,425	4,787,926
Interest and fiscal charges	8,528,149	-	-	-
Total Governmental Activities	126,891,827	24,344,648	4,984,532	4,787,926
Business-Type Activities:				
Sewer Charge	790,831	1,362,916	-	-
Solid Waste	1,498,061	1,534,876	-	-
Landscape District	60,568	193,912	-	-
Sewer District	365,025	-	-	-
Street Maintenance	281,817	299,670	-	-
Total Business-Type Activities	2,996,302	3,391,374	-	-
Total Primary Government	\$ 129,888,129	\$ 27,736,022	\$ 4,984,532	\$ 4,787,926

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

Transfers

Total General Revenues

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

Net (Expenses) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (23,392,178)	\$ -	\$ (23,392,178)
(25,549,911)	-	(25,549,911)
(35,304,483)	-	(35,304,483)
<u>(8,528,149)</u>	<u>-</u>	<u>(8,528,149)</u>
 (92,774,721)	 -	 (92,774,721)
 -	572,085	572,085
-	36,815	36,815
-	133,344	133,344
-	(365,025)	(365,025)
<u>-</u>	<u>17,853</u>	<u>17,853</u>
 -	 395,072	 395,072
<u>(92,774,721)</u>	<u>395,072</u>	<u>(92,379,649)</u>
 27,334,301	-	27,334,301
25,990,350	-	25,990,350
19,977,644	-	19,977,644
2,034,938	-	2,034,938
3,733,445	-	3,733,445
20,949,801	61,595	21,011,396
589,020	-	589,020
<u>(50,000)</u>	<u>50,000</u>	<u>-</u>
 100,559,499	 111,595	 100,671,094
 7,784,778	 506,667	 8,291,445
 317,287,478	 12,109,333	 329,396,811
<u>\$ 325,072,256</u>	<u>\$ 12,616,000</u>	<u>\$ 337,688,256</u>

CITY OF WEST HOLLYWOOD

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2019

	General	Capital Projects Fund Debt Funded Capital Projects	Debt Service Fund Capital Projects Debt Service
ASSETS:			
Cash and investments	\$ 151,390,248	\$ 2,625,515	\$ 11,477,618
Receivables:			
Accounts	1,262,704	366,596	-
Taxes	2,315,385	-	-
Notes and loans	-	-	-
Accrued interest	410,188	-	31,175
Prepaid costs	27,600	-	-
Deposits	39,000	-	-
Due from other governments	3,864,120	-	-
Due from other funds	836,454	4,480,133	-
Restricted assets:			
Cash held in escrow	-	1,654,549	-
Cash and investments with fiscal agents	-	-	29,117,545
TOTAL ASSETS	<u>\$ 160,145,699</u>	<u>\$ 9,126,793</u>	<u>\$ 40,626,338</u>
LIABILITIES:			
Accounts payable	\$ 7,617,619	\$ 4,420,366	\$ -
Accrued liabilities	1,625,581	-	-
Unearned revenues	6,434,885	-	-
Deposits payable	6,181,489	1,726,436	-
Due to other governments	-	-	-
Due to other funds	-	-	4,480,133
TOTAL LIABILITIES	<u>21,859,574</u>	<u>6,146,802</u>	<u>4,480,133</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenues	10,504	366,596	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>10,504</u>	<u>366,596</u>	<u>-</u>
FUND BALANCES:			
Nonspendable:			
Prepaid costs	27,600	-	-
Deposits	39,000	-	-
Restricted:			
Public services	-	-	-
Capital projects	-	2,613,395	36,146,205
Debt service	1,255,006	-	-
Committed to:			
Emergency contingency	5,338,232	-	-
Continuing appropriations	20,374,996	-	-
Assigned to:			
Self-insurance	5,000,000	-	-
Capital projects	66,000,000	-	-
Future expenditures	5,100,006	-	-
Working reserve	21,352,931	-	-
Unfunded pension costs	10,800,643	-	-
Unassigned	2,987,207	-	-
TOTAL FUND BALANCES	<u>138,275,621</u>	<u>2,613,395</u>	<u>36,146,205</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 160,145,699</u>	<u>\$ 9,126,793</u>	<u>\$ 40,626,338</u>

See accompanying notes to financial statements.

Other Governmental Funds	Total Governmental Funds
\$ 46,393,448	\$ 211,886,829
338,899	1,968,199
-	2,315,385
515,892	515,892
123,353	564,716
-	27,600
-	39,000
1,815,681	5,679,801
-	5,316,587
-	1,654,549
-	29,117,545
<u>\$ 49,187,273</u>	<u>\$ 259,086,103</u>
\$ 2,274,984	\$ 14,312,969
-	1,625,581
245,215	6,680,100
85,983	7,993,908
515,892	515,892
836,454	5,316,587
<u>3,958,528</u>	<u>36,445,037</u>
<u>314,523</u>	<u>691,623</u>
<u>314,523</u>	<u>691,623</u>
-	27,600
-	39,000
36,548,009	36,548,009
9,158,694	47,918,294
-	1,255,006
-	5,338,232
-	20,374,996
-	5,000,000
-	66,000,000
-	5,100,006
-	21,352,931
-	10,800,643
(792,481)	2,194,726
<u>44,914,222</u>	<u>221,949,443</u>
<u>\$ 49,187,273</u>	<u>\$ 259,086,103</u>

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CITY OF WEST HOLLYWOOD

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

June 30, 2019

Fund balances - total governmental funds		\$ 221,949,443
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets, net of depreciation, used in governmental activities are not current resources and, therefore, are not reported in the governmental funds balance sheet.		266,336,862
Long-term debt and compensated absences applicable to the City governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities, both current and long-term are reported in the statement of net position.		
Bonds payable	\$ (103,835,000)	
Unamortized bond premiums	(12,443,874)	
Unamortized gain on refunding	(1,263,457)	
Capital leases	(138,870)	
Compensated absences	(5,100,006)	
Claims payable	<u>(1,432,538)</u>	
		(124,213,745)
OPEB-related debt applicable to the City's governmental activities is not due and payable in the current period and accordingly is not reported as fund liabilities. Deferred outflows of resources related to OPEB are only reported in the statement of net position, as the changes in these amounts affect only the government-wide statements for governmental activities.		
Deferred outflows of resources	421,586	
Net OPEB liability	<u>(2,086,235)</u>	
		(1,664,649)
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 affect only the government-wide statements for governmental activities.		
Deferred outflows of resources	11,669,738	
Deferred inflows of resources	(2,225,647)	
Pension liability	<u>(46,496,217)</u>	
		(37,052,126)
Accrued interest payable on long-term debt is not due and payable in the current period and is not reported in the governmental funds.		(1,203,732)
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.		691,623
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>228,580</u>
Net position of governmental activities		<u>\$ 325,072,256</u>

CITY OF WEST HOLLYWOOD: COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF WEST HOLLYWOOD

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

For the year ended June 30, 2019

	General	Capital Projects Fund Debt Funded Capital Projects	Debt Service Fund Capital Projects Debt Service
REVENUES:			
Taxes	\$ 75,468,170	\$ -	\$ -
Licenses and permits	9,921,979	-	-
Intergovernmental	145,090	-	-
Charges for services	3,366,687	-	-
Use of money and property	14,423,607	66,425	2,221,584
Fines and forfeitures	8,055,299	-	-
Developer participation	-	-	-
Miscellaneous	589,384	191,675	-
TOTAL REVENUES	111,970,216	258,100	2,221,584
EXPENDITURES:			
Current:			
General government	21,339,705	-	-
Public safety	25,113,485	-	-
Public services	46,916,870	-	-
Capital outlay	3,433,302	16,318,995	-
Debt service:			
Principal retirement	2,079	-	3,575,000
Interest and fiscal charges	-	-	9,147,260
TOTAL EXPENDITURES	96,805,441	16,318,995	12,722,260
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	15,164,775	(16,060,895)	(10,500,676)
OTHER FINANCING SOURCES (USES):			
Capital lease issuance	83,148	-	-
Transfers in	1,100,000	18,148,050	9,609,465
Transfers out	(8,985,877)	-	(19,248,050)
TOTAL OTHER FINANCING SOURCES (USES)	(7,802,729)	18,148,050	(9,638,585)
NET CHANGE IN FUND BALANCES	7,362,046	2,087,155	(20,139,261)
FUND BALANCES - BEGINNING OF YEAR	130,913,575	526,240	56,285,466
FUND BALANCES - END OF YEAR	\$ 138,275,621	\$ 2,613,395	\$ 36,146,205

See accompanying notes to financial statements.

Other Governmental Funds	Total Governmental Funds
\$ 3,889,309	\$ 79,357,479
-	9,921,979
5,814,667	5,959,757
767,195	4,133,882
4,505,248	21,216,864
808,869	8,864,168
4,815,785	4,815,785
59,371	840,430
<u>20,660,444</u>	<u>135,110,344</u>
286,092	21,625,797
930,848	26,044,333
14,382,524	61,299,394
4,281,248	24,033,545
2,513	3,579,592
-	9,147,260
<u>19,883,225</u>	<u>145,729,921</u>
<u>777,219</u>	<u>(10,619,577)</u>
60,314	143,462
579,918	29,437,433
<u>(1,253,506)</u>	<u>(29,487,433)</u>
<u>(613,274)</u>	<u>93,462</u>
163,945	(10,526,115)
<u>44,750,277</u>	<u>232,475,558</u>
<u>\$ 44,914,222</u>	<u>\$ 221,949,443</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, 2019

Net change in fund balances - total governmental funds		\$ (10,526,115)
Amounts reported for governmental activities in the statement of activities are different because:		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over 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.</p>		
Capital outlays	\$ 23,650,090	
Depreciation expense	<u>(5,411,891)</u>	18,238,199
<p>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.</p>		
Capital lease proceeds	(143,462)	
Principal repayments	3,579,592	
Amortization of deferred charges	46,795	
Amortization of bond premiums/discounts	<u>512,896</u>	3,995,821
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.		59,421
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.		(382,940)
Claims payable 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.		(1,432,538)
OPEB expense reported in the governmental funds includes the actuarial determined contributions. In the statement of activities, OPEB expense includes the change in the net OPEB liability and related change in OPEB amounts for deferred outflows of resources.		(235,459)
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.		(1,513,840)
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.		(383,740)
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>(34,031)</u>
Change in net position of governmental activities		<u>\$ 7,784,778</u>

CITY OF WEST HOLLYWOOD

BUDGETARY COMPARISON STATEMENT BY DEPARTMENT
GENERAL FUND

For year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 130,913,575	\$ 130,913,575	\$ 130,913,575	\$ -
Resources (Inflows):				
Taxes	72,751,146	73,651,146	75,468,170	1,817,024
Licenses and permits	6,910,050	7,695,550	9,921,979	2,226,429
Intergovernmental	140,000	140,000	145,090	5,090
Charges for services	2,930,625	2,930,625	3,366,687	436,062
Use of money and property	11,293,000	11,293,000	14,423,607	3,130,607
Fines and forfeitures	8,806,000	8,806,000	8,055,299	(750,701)
Miscellaneous	699,036	699,036	589,384	(109,652)
Capital lease issuance	-	-	83,148	83,148
Transfers in	-	1,100,000	1,100,000	-
Amounts Available for Appropriations	234,443,432	237,228,932	244,066,939	6,838,007
Charges to Appropriations (Outflows):				
Current:				
General government:				
City Council	406,369	417,789	370,274	47,515
City Manager	1,585,500	1,573,781	1,523,077	50,704
Assistant City Manager	2,566,641	2,661,641	2,656,570	5,071
Community & Legislative Affairs	1,175,010	1,320,010	1,313,017	6,993
City Attorney	1,118,584	1,258,584	1,256,069	2,515
Administrative Services Administration	397,593	397,593	367,057	30,536
Legal Services	888,616	888,616	855,854	32,762
City Clerk	1,648,488	1,795,846	1,674,626	121,220
Human Resources	2,322,345	2,575,658	2,157,923	417,735
Communications Administration	800,756	762,793	631,105	131,688
Media and marketing	1,726,374	1,870,892	1,822,633	48,259
Finance Administration	1,091,820	2,234,044	966,517	1,267,527
Revenue	983,523	2,792,197	2,707,798	84,399
General Accounting	1,277,009	1,320,109	1,310,051	10,058
Information Technology	1,830,414	2,128,102	1,727,134	400,968
Public safety:				
Public Safety Administration	4,048,687	4,152,087	3,975,424	176,663
City Police/Protective Services	20,544,069	21,249,769	21,138,061	111,708
Public services:				
Human Services Administration	707,240	727,976	259,622	468,354
Social Services	6,553,465	8,010,318	6,420,455	1,589,863
Strategic Initiatives	798,940	836,097	501,286	334,811
Housing & Rent Stabilization Administration	2,170,437	2,293,082	1,784,820	508,262
Facilities and Recreation Services Administration	390,704	380,704	378,237	2,467
Recreation Services	4,214,137	4,396,795	4,377,173	19,622
Facilities and Field Services	7,721,674	7,935,654	7,751,827	183,827
Library Building Operations	1,325,105	1,341,305	1,270,365	70,940
Planning Development Services	763,201	2,038,601	1,012,484	1,026,117
Current & Historic Preservation Planning	2,308,575	2,410,932	2,272,249	138,683
Building & Safety	1,784,140	3,213,529	3,205,273	8,256
Long Range Planning	1,511,336	2,425,498	2,137,410	288,088
Public Works Administration	458,836	458,836	154,905	303,931
Code Compliance	2,379,292	2,394,858	2,337,816	57,042
Parking	4,983,284	4,863,657	4,692,314	171,343
City Engineering	1,673,689	1,783,747	1,394,824	388,923
Economic Development Administration	882,286	910,443	829,628	80,815
Arts	1,399,788	1,741,454	1,358,765	382,689
Business Development	559,466	601,426	597,064	4,362
Innovation	706,695	837,926	548,854	289,072
Event and Film Services	2,716,296	2,705,258	2,456,024	249,234
Community Services	485,705	515,705	508,922	6,783
Urban Design & Architecture Studio	1,187,517	1,200,141	666,553	533,588
Capital outlay	3,624,553	17,444,586	3,433,302	14,011,284
Debt service:				
Principal retirement	-	2,079	2,079	-
Transfers out	8,981,400	8,985,877	8,985,877	-
Total Charges to Appropriations	104,699,559	129,855,995	105,791,318	24,064,677
Budgetary Fund Balance, June 30	\$ 129,743,873	\$ 107,372,937	\$ 138,275,621	\$ 30,902,684

See accompanying notes to financial statements.

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CITY OF WEST HOLLYWOOD

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

June 30, 2019

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Information System Master Plan Internal Service Fund
ASSETS:		
CURRENT ASSETS:		
Cash and investments	\$ 2,744,307	\$ 220,676
Receivables:		
Accounts	14,430	-
Accrued interest	7,545	599
Due from other governments	70,898	-
Due from other funds	33,559	-
	2,870,739	221,275
TOTAL CURRENT ASSETS		
NONCURRENT ASSETS:		
Capital assets, net of accumulated depreciation	10,047,512	-
	10,047,512	-
TOTAL NONCURRENT ASSETS		
	12,918,251	221,275
TOTAL ASSETS		
LIABILITIES:		
CURRENT LIABILITIES:		
Accounts payable	244,089	17,298
Due to other funds	33,559	-
	277,648	17,298
TOTAL CURRENT LIABILITIES		
	277,648	17,298
TOTAL LIABILITIES		
NET POSITION:		
Net investment in capital assets	10,047,512	-
Unrestricted	2,593,091	203,977
	12,640,603	\$ 203,977
TOTAL NET POSITION		
Prior years' accumulated adjustment to reflect the consolidation of the internal service fund activities related to the enterprise funds	(23,583)	
Current year's adjustment to reflect the consolidation of the internal service fund activities related to the enterprise funds	(1,020)	
	\$ 12,616,000	
Net position of business-type activities	\$ 12,616,000	

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, 2019

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Information System Master Plan Internal Service Fund
OPERATING REVENUES:		
Sales and service charges	\$ 3,336,802	\$ 599,124
Penalties on assessments	9,402	-
Other fees and charges	45,170	-
	<u>3,391,374</u>	<u>599,124</u>
TOTAL OPERATING REVENUES		
	<u>3,391,374</u>	<u>599,124</u>
OPERATING EXPENSES:		
Administration and general	108,282	641,431
Treatment	2,397,780	-
Cost of sales and services	60,568	-
Depreciation expense	428,652	-
	<u>2,995,282</u>	<u>641,431</u>
TOTAL OPERATING EXPENSES		
	<u>2,995,282</u>	<u>641,431</u>
OPERATING INCOME (LOSS)	<u>396,092</u>	<u>(42,307)</u>
NONOPERATING REVENUES:		
Interest revenue	61,595	7,256
	<u>61,595</u>	<u>7,256</u>
TOTAL NONOPERATING REVENUES		
	<u>61,595</u>	<u>7,256</u>
INCOME (LOSS) BEFORE TRANSFERS	457,687	(35,051)
OTHER FINANCING SOURCES:		
Transfers in	50,000	-
	<u>50,000</u>	<u>-</u>
CHANGE IN NET POSITION	507,687	(35,051)
NET POSITION - BEGINNING OF YEAR	<u>12,132,916</u>	<u>239,028</u>
NET POSITION - END OF YEAR	<u>\$ 12,640,603</u>	<u>\$ 203,977</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	\$ (1,020)	
Change in net position - Enterprise Funds	<u>507,687</u>	
Change in net position of business-type activities	<u>\$ 506,667</u>	

See accompanying notes to financial statements.

CITY OF WEST HOLLYWOOD

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the year ended June 30, 2019

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	Nonmajor Enterprise Funds	Information System Master Plan Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers and users	\$ 3,426,685	\$ 599,124
Cash paid to suppliers for goods and services	(2,077,289)	(638,722)
Cash paid to employees for services	(470,076)	-
	<u>879,320</u>	<u>(39,598)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers from other funds	50,000	-
Repayment received from other funds	47,384	-
Repayment made to other funds	(47,384)	-
	<u>50,000</u>	<u>-</u>
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	58,574	7,278
	<u>58,574</u>	<u>7,278</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	987,894	(32,320)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,756,413</u>	<u>252,996</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,744,307</u>	<u>\$ 220,676</u>

(Continued)

CITY OF WEST HOLLYWOOD

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 (CONTINUED)

For the year ended June 30, 2019

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Information System Master Plan Internal Service Fund
RECONCILIATION OF OPERATING		
INCOME (LOSS) TO NET CASH PROVIDED		
(USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ 396,092	\$ (42,307)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	428,652	-
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	9,867	-
Due from other governments	25,444	-
Increase (decrease) in:		
Accounts payable	38,441	2,709
Deposits payable	(19,176)	-
	<u>\$ 879,320</u>	<u>\$ (39,598)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		

CITY OF WEST HOLLYWOOD

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

June 30, 2019

	Agency Funds	Private-Purpose Trust Funds
ASSETS:		
Cash and investments	\$ 571,093	\$ 539,450
Receivables:		
Accounts	127,804	65,246
Taxes	555,692	-
Accrued interest	1,550	-
Restricted assets:		
Cash and investments with fiscal agents	-	24,408,778
Capital assets:		
Capital assets, net of accumulated depreciation	-	148,391
	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 1,256,139</u>	<u>25,161,865</u>
LIABILITIES:		
Accounts payable	\$ 1,256,139	-
Accrued interest	-	1,055,954
Due to County	-	537,331
Long-term liabilities:		
Due in one year	-	775,000
Due in more than one year	-	42,158,579
	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>\$ 1,256,139</u>	<u>44,526,864</u>
NET POSITION:		
Held in trust for other purposes		<u>(19,364,999)</u>
		<u> </u>
TOTAL NET POSITION		<u>\$ (19,364,999)</u>

CITY OF WEST HOLLYWOOD

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

For the year ended June 30, 2019

	<u>Private-Purpose Trust Funds</u>
ADDITIONS:	
Taxes	\$ 4,013,364
Interest and change in fair value of investments	<u>484,530</u>
TOTAL ADDITIONS	<u>4,497,894</u>
DEDUCTIONS:	
Administrative expenses	65,000
Interest expense	3,187,495
Depreciation expense	<u>3,498</u>
TOTAL DEDUCTIONS	<u>3,255,993</u>
CHANGE IN NET POSITION	1,241,901
NET POSITION - BEGINNING OF YEAR	<u>(20,606,900)</u>
NET POSITION - END OF YEAR	<u><u>\$ (19,364,999)</u></u>



Notes to Financial Section



🐦 Really appreciate @WeHoCity reaching out to me about the city's response to homelessness. Look forward to being educated #notsarcasm



Top front: Youth Halloween Carnival, photo Joshua Barash | Lower front: 2017 WeHo Pride Tennis Tournament, photo Jonathan Moore | Back: Homeless, Not Hopeless, photo Jon Viscott

CITY OF WEST HOLLYWOOD
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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, the Authority's sole purpose is to increase low and moderate housing with the City of West Hollywood, and there is a financial benefit/burden relationship with the City.

The West Hollywood Public Facilities Corporation was formed November 20, 1995, pursuant to the Non-Profit Public Benefit Corporation law of the State of California for the purpose of assisting the City in financing the acquisition, construction and improvement 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. There is also a financial benefit/burden relationship with the City.

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. There is also a financial benefit/burden relationship with the City.

Separate financial statements are not issued for these component units.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary 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.

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)****Government-Wide and Fund Financial Statements (Continued)**

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, (2) operating grants and contributions that are restricted to meeting the operational requirements of a particular function or segment, and (3) capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues.

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.

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. General capital asset acquisitions are reported as expenditures in the governmental funds. Proceeds of general long-term liabilities are reported as other financing sources.

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

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

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.

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 and general, treatment, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Agency Funds have no measurement focus but utilizes the *accrual basis of accounting* 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 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 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 LRBs are recorded in this fund and are transferred to the respective Funds as monies are spent.

Principal and interest on 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 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.

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)****Fund Classifications (Continued)**

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

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 of accounting. 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.

New Accounting PronouncementsCurrent-Year Standards

GASB 83 - *Certain Asset Retirement Obligations*, effective for periods beginning after June 15, 2018, and did not impact the City.

GASB 88 - *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, effective for periods beginning after June 15, 2018, and did not significantly impact the City.

GASB 90 - *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*, effective for periods beginning after December 15, 2018, 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 84 - *Fiduciary Activities*, effective for periods beginning after December 15, 2018.
- GASB 87 - *Leases*, effective for periods beginning after December 15, 2019.
- GASB 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for periods beginning after December 15, 2019.
- GASB 91 - *Conduit Debt Obligations*, effective for periods beginning after December 15, 2020.

**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 1201 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.

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.

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

Capital Assets (Continued)

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 and OPEB for employer contributions made after the measurement date.
- Deferred outflow from pensions resulting from the difference in expected and actual experiences. These amounts are 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 outflow from pensions and OPEB 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.
- Deferred outflow from pensions and OPEB resulting from the difference in projected and actual earnings on investments of the OPEB plan fiduciary net position. This amount is amortized over 5 years.

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.

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)****Deferred Outflows/Inflows of Resources (Continued)**

- 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 and changes in assumptions. These amounts are 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.

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.

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

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

Post-Employment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability (asset) and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, the City's OPEB plan recognizes benefit payments 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.

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 20% and 5% of its fund balance for continuing appropriations and emergency contingency, respectively.

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

Fund Balance Classifications (Continued)

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

Unassigned - This classification includes the residual balance for the 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 (including premiums).

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 and are included in either an assigned or restricted fund balance. They represent the estimated amount of the expenditure ultimately to result if unperformed contracts in process at year-end are completed. They do not constitute expenditures or estimated liabilities.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Excess of Expenditures over Appropriations

The following funds reported expenditures exceeding appropriations in individual functions for other governmental fund types:

	Final Budget	Actual	Variance with Final Budget
Major Funds:			
Capital Projects Debt Service Fund:			
Interest and fiscal charges	5,971,483	9,147,260	(3,175,777)
Other Governmental Special Revenue Funds:			
Special Grants:			
Public safety	285,000	355,407	(70,407)
Proposition C:			
General government	44,000	44,791	(791)
City Lighting:			
Public services	769,888	846,011	(76,123)
Housing Trust:			
General government	-	55,252	(55,252)
Sunset Strip Business Improvement District:			
Public services	301,500	523,360	(221,860)

Deficit Fund Balances or Net Position

The following funds contained deficit fund balances or net position at June 30, 2019:

	Amount
Other Governmental Special Revenue Funds:	
Gas Tax	\$ (602,314)
Public Access Corporation	(5,719)
Sunset Strip Business Improvement District	(184,448)

The Gas Tax deficit is due from excess project expenditures from current and prior fiscal years over annual revenue receipts from the State.

The Sunset Strip Business Improvement District deficit is due mainly from account receivable agreements that allowed for the write-off of penalty fees in exchange of full payment of past due assessments, since penalties had previously been recorded as revenue they must now be adjusted as agreements were satisfied.

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

3. CASH AND INVESTMENTS

Cash and Investments

As of June 30, 2019, cash and investments were reported in the accompanying financial statements as follows:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Governmental activities	\$ 212,107,505	\$ 30,772,094	\$ 242,879,599
Business-type activities	2,744,307	-	2,744,307
Fiduciary funds	<u>1,110,543</u>	<u>24,408,778</u>	<u>25,519,321</u>
 Total cash and investments	 <u>\$ 215,962,355</u>	 <u>\$ 55,180,872</u>	 <u>\$ 271,143,227</u>

Cash and investments held by the City at June 30, 2019, consisted of the following:

Petty cash	\$ 1,300
Deposits with financial institutions	8,698,154
Investments	<u>262,443,773</u>
 Total cash and investments	 <u>\$ 271,143,227</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. 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 25% 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 US government which mature in two years or less up to the limit established under the Investment Guidelines.

3. CASH AND INVESTMENTS (CONTINUED)

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

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

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.

3. **CASH AND INVESTMENTS (CONTINUED)**

Disclosures Relating to Interest Rate Risk (Continued)

As of June 30, 2019, the City had the following investments and original maturities:

Investment Type	Remaining Maturity (in Years) Less Than 1 Year
California Local Agency Investment Fund	\$ 65,034,146
Los Angeles County Investment Pool	143,883,304
Cash with Fiscal Agents:	
California Local Agency Investment Fund	2,069,777
Money Market Mutual Funds	51,456,546
	\$ 262,443,773

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, 2019, the City’s investments in external investment pools are unrated and money market mutual funds are rated AAA.

Concentration of Credit Risk

The City’s investment policy contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. With respect to concentration risk, as of June 30, 2019, the City has not invested more than 5% of its total investments in anyone issuer. Investments guaranteed by the US 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.

3. **CASH AND INVESTMENTS (CONTINUED)**

Custodial Credit Risk (Continued)

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, 2019, the carrying amount of the City’s deposits was \$8,698,154 and the bank balance was \$12,733,969, which is insured and collateralized under California law. The \$4,035,815 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.

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.

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), inputs are quoted price of similar assets in active markets (Level 2 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 \$36,307,799 were outstanding at June 30, 2019, 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, 2019, is as follows:

	Balance at July 1, 2018	Additions	Deletions	Transfers	Balance at June 30, 2019
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 57,840,989	\$ -	\$ -	\$ -	\$ 57,840,989
Construction in progress	38,509,957	18,317,027	(706,773)	-	56,120,211
Total capital assets, not being depreciated	<u>96,350,946</u>	<u>18,317,027</u>	<u>(706,773)</u>	<u>-</u>	<u>113,961,200</u>
Capital assets, being depreciated:					
Buildings	100,842,993	-	-	-	100,842,993
Improvements other than buildings	14,780,686	1,302,684	-	-	16,083,370
Machinery and equipment	10,444,100	1,193,113	(390,871)	-	11,246,342
Furniture and fixtures	1,995,499	-	-	-	1,995,499
Office equipment	1,644,908	-	-	-	1,644,908
Leasehold improvements	506,235	-	-	-	506,235
Infrastructure	<u>103,864,944</u>	<u>3,544,039</u>	<u>-</u>	<u>-</u>	<u>107,408,983</u>
Total capital assets, being depreciated	<u>234,079,365</u>	<u>6,039,836</u>	<u>(390,871)</u>	<u>-</u>	<u>239,728,330</u>
Less accumulated depreciation for:					
Buildings	(17,973,019)	(2,018,671)	-	-	(19,991,690)
Improvements other than buildings	(2,831,910)	(303,867)	-	-	(3,135,777)
Machinery and equipment	(7,486,097)	(730,853)	390,871	-	(7,826,079)
Furniture and fixtures	(1,769,178)	(55,955)	-	-	(1,825,133)
Office equipment	(1,619,019)	(13,508)	-	-	(1,632,527)
Leasehold improvements	(75,114)	(224,933)	-	-	(300,047)
Infrastructure	<u>(50,577,311)</u>	<u>(2,064,104)</u>	<u>-</u>	<u>-</u>	<u>(52,641,415)</u>
Total accumulated depreciation	<u>(82,331,648)</u>	<u>(5,411,891)</u>	<u>390,871</u>	<u>-</u>	<u>(87,352,668)</u>
Total capital assets, being depreciated, net	<u>151,747,717</u>	<u>627,945</u>	<u>-</u>	<u>-</u>	<u>152,375,662</u>
Total governmental activities capital assets, net	<u>\$ 248,098,663</u>	<u>\$ 18,944,972</u>	<u>\$ (706,773)</u>	<u>\$ -</u>	<u>\$ 266,336,862</u>

5. CAPITAL ASSETS (CONTINUED)

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

General government	\$ 678,772
Public safety	108,950
Public services	<u>4,624,169</u>
Total depreciation expense	<u>\$ 5,411,891</u>

A summary of changes in the Business-type Activities capital assets at June 30, 2019, is as follows:

	<u>Balance at July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2019</u>
Business-Type Activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Capital assets, being depreciated:				
Machinery and equipment	32,183	-	-	32,183
Office equipment	34,734	-	-	34,734
Infrastructure	<u>21,801,924</u>	<u>-</u>	<u>-</u>	<u>21,801,924</u>
Total capital assets, being depreciated	<u>21,868,841</u>	<u>-</u>	<u>-</u>	<u>21,868,841</u>
Less accumulated depreciation for:				
Machinery and equipment	(32,183)	-	-	(32,183)
Office equipment	(34,734)	-	-	(34,734)
Infrastructure	<u>(11,325,760)</u>	<u>(428,652)</u>	<u>-</u>	<u>(11,754,412)</u>
Total accumulated depreciation	<u>(11,392,677)</u>	<u>(428,652)</u>	<u>-</u>	<u>(11,821,329)</u>
Capital assets, being depreciated, net	<u>10,476,164</u>	<u>(428,652)</u>	<u>-</u>	<u>10,047,512</u>
Total business-type activities capital assets, net	<u>\$ 10,476,164</u>	<u>\$ (428,652)</u>	<u>\$ -</u>	<u>\$ 10,047,512</u>

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	<u>63,627</u>
Total depreciation expense	<u>\$ 428,652</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.

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 nonindustrial 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 the measurement date of June 30, 2018, are summarized as follows:

	Prior to <u>January 1, 2013</u>	On or After <u>January 1, 2013</u>
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	8.00%	6.25%
Required employer contribution rates:		
Normal cost rate	9.95%	6.25%
Payment of unfunded liability	\$ 2,576,630	\$ -

Employees Covered

At the measurement period ended June 30, 2018, the following employees were covered by the benefit terms for the Plans:

Inactive employees or beneficiaries	
currently receiving benefits	129
Inactive employees entitled to but	
not yet receiving benefits	182
Active employees	<u>221</u>
Total	<u><u>532</u></u>

6. RETIREMENT PLANS (CONTINUED)

General Information about the Pension Plans (Continued)

Contributions

Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers 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’s 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.

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, 2018, using an annual actuarial valuation as of June 30, 2017, and rolled forward to June 30, 2018, 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, 2017, actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2017
Measurement date	June 30, 2018
Actuarial cost method	Entry-Age Normal Cost Method
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Projected salary increase	(1)
Mortality rate table	(2)
Post-retirement benefit income	(3)

(1) Varies by entry age and service.

(2) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERSdemographic data from 1997 to 2015) that can be found on the CalPERS website.

(3) Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter.

6. RETIREMENT PLANS (CONTINUED)

Net Pension Liability (Continued)

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which 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 cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded 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 equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows:

<u>Asset Class (a)</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10 (b)</u>	<u>Real Return Years 11+ (c)</u>
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	<u>100.00%</u>		

- (a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities
- (b) An expected inflation of 2.0% used for this period
- (c) An expected inflation of 2.92% used for this period

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Subsequent Events

There were no subsequent events that would materially affect the results in this disclosure.

6. RETIREMENT PLANS (CONTINUED)

Changes in Net Pension Liability

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2017	<u>\$ 160,442,635</u>	<u>\$ 113,317,013</u>	<u>\$ 47,125,622</u>
Changes in the Year:			
Service cost	4,492,737	-	4,492,737
Interest on the total pension liability	11,418,376	-	11,418,376
Differences between expected and actual experience	1,340,332	-	1,340,332
Changes in assumptions	(1,966,280)	-	(1,966,280)
Plan to plan resource movement	-	(288)	288
Contributions - employer	-	4,910,699	(4,910,699)
Contributions - employee	-	1,821,930	(1,821,930)
Net investment income	-	9,694,135	(9,694,135)
Administrative expense	-	(176,579)	176,579
Other miscellaneous expense	-	(335,327)	335,327
Benefit payments, including refunds of employee contributions	<u>(4,730,956)</u>	<u>(4,730,956)</u>	<u>-</u>
Net Changes	<u>10,554,209</u>	<u>11,183,614</u>	<u>(629,405)</u>
Balance at June 30, 2018	<u>\$ 170,996,844</u>	<u>\$ 124,500,627</u>	<u>\$ 46,496,217</u>

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

The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan of 7.15%, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.15%) or 1-percentage point higher (8.15%) than the current rate:

1% Decrease	6.15%
Net Pension Liability	\$ 71,699,165
Current Discount Rate	7.15%
Net Pension Liability	\$ 46,496,217
1% Increase	8.15%
Net Pension Liability	\$ 25,786,514

Pension Plan Fiduciary Net Position

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

6. RETIREMENT PLANS (CONTINUED)**Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

For the year ended June 30, 2019, the City recognized pension expense of \$7,298,146. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 5,798,667	\$ -
Differences between expected and actual experience	1,028,627	(596,574)
Change in assumptions	4,713,832	(1,629,073)
Net differences between projected and actual earnings on plan investments	<u>128,612</u>	<u>-</u>
Total	<u>\$ 11,669,738</u>	<u>\$ (2,225,647)</u>

Deferred outflows of resources of \$5,798,667 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 3,053,801
2021	2,207,086
2022	(1,259,305)
2023	(356,158)
2024	-
Thereafter	-

Payable to the Pension Plan

At June 30, 2019, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2019.

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

General Information about the OPEB Plan

Plan Description

The City has established the City of West Hollywood Retiree Medical Benefit Plan, an agent-multiple employer defined benefit retiree health-care plan. 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.

Employees Covered

As of the measurement period ending June 30, 2018, the following current and former employees were covered by the benefit terms under the plan:

Inactive employees, spouses or beneficiaries currently receiving benefits	46
Active employees	<u>209</u>
 Total	 <u><u>255</u></u>

Contributions

Contribution requirements are established by City policy and may be amended by the City Council. The annual contribution is based on the actuarially determined contribution. For the measurement period ended June 30, 2018, the City’s cash contributions were \$99,600 in premium payments and the estimated implicit subsidy was \$130,682, resulting in total payment of \$230,282.

Net OPEB Liability

The City’s total OPEB liability was measured as of June 30, 2018, and was determined by an actuarial valuation as of June 30, 2017, rolled forward to June 30, 2018 using standard update procedures. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

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

Net OPEB Liability (Continued)

Actuarial Assumptions

The total OPEB liability as of the June 30, 2018 measurement date was determined using the following actuarial assumptions and applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.12%
Inflation	2.75%
Projected Salary Increase	2.75%
Expected Long-Term Investment Rate of Return	6.12%
Health-Care Cost Trend Rates	Pre-Medicare 7.0% trending down to 3.84%, Medicare 6.0%, trending down to 3.84%
Pre-Retirement Turnover	CalPERS OPEB Assumption Model
Mortality	December 20, 2017 experience studies

The actuarial assumptions used in the June 30, 2017, valuation were based on a standard set of assumptions the actuary has used for similar valuations, modified as appropriate for the City.

The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. The asset class percentages are taken from the current composition of CERBT, and the expected yields are taken from a recent CalPERS publication for the pension fund:

<u>Asset Class</u>	<u>Allocation</u>	<u>Long-Term Compound Return</u>	<u>Cash Yield</u>
CERBT			
Global Equity	24.00%	8.71%	2.73%
Fixed Income	39.00%	5.40%	3.70%
TIPS	26.00%	5.25%	2.00%
REITs	8.00%	7.95%	0.00%
Commodities	<u>3.00%</u>	10.88%	3.35%
Total	<u><u>100.00%</u></u>		
Expected Compound Return			5.40%
Expected Cash Yield			2.88%
Expected Blended Return Net of Fees			6.12%

7. OTHER POST-EMPLOYMENT BENEFITS (OPEB) RETIREMENT PLAN (CONTINUED)**Net OPEB Liability (Continued)**Discount Rate

The discount rate used to measure the total OPEB liability is 6.12%. This is the expected long-term rate of return on City assets using investment strategy 3 within the California Employers' Retiree Benefit Trust (CERBT). The projection of cash flows used to determine the discount rate assumed that the City contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position is projected to cover all future OPEB payments. Therefore, the discount rate was set equal to the long-term expected rate of return.

Changes in the Net OPEB Liability

The changes in the net OPEB liability are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2017 (Measurement Date)	<u>\$ 6,270,289</u>	<u>\$ 4,541,489</u>	<u>\$ 1,728,800</u>
Changes in the Year:			
Service cost	354,487	-	354,487
Interest on the total OPEB liability	400,740	-	400,740
Changes in assumptions	38,410	-	38,410
Changes in benefit terms	-	-	-
Contribution - employer	-	230,282	(230,282)
Net investment income	-	208,278	(208,278)
Administrative expenses	-	(2,358)	2,358
Benefit payments	<u>(230,282)</u>	<u>(230,282)</u>	<u>-</u>
Net Changes	<u>563,355</u>	<u>205,920</u>	<u>357,435</u>
Balance at June 30, 2018 (Measurement Date)	<u><u>\$ 6,833,644</u></u>	<u><u>\$ 4,747,409</u></u>	<u><u>\$ 2,086,235</u></u>

Change of Assumptions

The measurement period ended June 30, 2017 contained an inflation rate of 2.75% and a projected salary increase of 2.88%. The measurement period ended June 30, 2018 contained an inflation rate of 2.50% and a projected salary increase of 2.75%.

Change of Benefit Terms

There was no change of benefit terms.

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

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

Changes in the Net OPEB Liability (Continued)

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

The following presents the net OPEB liability of the City, calculated using the discount rate for the Plan, as well as what the City's net OPEB 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 5.12%	Discount Rate 6.12%	1% Increase 7.12%
Net OPEB Liability	\$ 2,902,509	\$ 2,086,235	\$ 1,392,509

Sensitivity of the Net OPEB Liability to Changes in Health-Care Cost Trend Rates

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using health-care cost trend rates that are one percentage point lower (6.00% - pre-Medicare and 5.00% - Medicare) or one percentage point higher (8.00% pre-Medicare and 7.00% - Medicare) than current health-care cost trend rates:

	1% Decrease Pre-Medicare 6% decreasing to 2.84% Medicare 5% decreasing to 2.84%	Current Health-Care Cost Trend Rates Pre-Medicare 7% decreasing to 3.84% Medicare 6% decreasing to 3.84%	1% Increase Pre-Medicare 8% decreasing to 4.84% Medicare 7% decreasing to 4.84%
Net OPEB Liability	\$ 1,396,415	\$ 2,086,235	\$ 3,012,936

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the City recognized OPEB expense of \$515,976. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 278,145	\$ -
Change in assumptions	33,995	-
Differences between projected and actual earnings	109,446	-
Total	\$ 421,586	\$ -

An amount of \$278,145, which is reported as deferred outflows of resources related to contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2020.

7. OTHER POST-EMPLOYMENT BENEFITS (OPEB) RETIREMENT PLAN (CONTINUED)**OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)**

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Amount
2020	\$ 36,258
2021	36,258
2022	36,258
2023	18,332
2024	4,415
Thereafter	11,920

Payable to the OPEB Plan

At June 30, 2019, the City had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2019.

8. LONG-TERM LIABILITIES

The following is a summary of long-term liabilities transactions for the governmental activities for the year ended June 30, 2019:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year	Due in More Than One Year
<i>Other debt:</i>						
Lease Revenue Bonds:						
2009 Series A	\$ 6,495,000	\$ -	\$ (2,185,000)	\$ 4,310,000	\$ 2,310,000	\$ 2,000,000
Less: Unamortized						
original issue premium	171,397	-	(55,494)	115,903	-	115,903
2013 Series	17,605,000	-	(380,000)	17,225,000	395,000	16,830,000
Add: Unamortized						
original issue premium	182,480	-	(7,299)	175,181	-	175,181
2016 Series	83,310,000	-	(1,010,000)	82,300,000	1,045,000	81,255,000
Add: Unamortized						
original issue premium	12,602,893	-	(450,103)	12,152,790	-	12,152,790
<i>Direct placements and borrowings:</i>						
Capital lease - SCE	-	143,462	(4,592)	138,870	22,525	116,345
<i>Other long-term liabilities:</i>						
Accrued employee benefits	4,717,065	4,457,052	(4,074,111)	5,100,006	4,268,508	831,498
Claims payable	-	1,432,538	-	1,432,538	586,736	845,802
Total	<u>\$ 125,083,835</u>	<u>\$ 6,033,052</u>	<u>\$ (8,166,599)</u>	<u>\$ 122,950,288</u>	<u>\$ 8,627,769</u>	<u>\$ 114,322,519</u>

8. LONG-TERM LIABILITIES (CONTINUED)**2009 Lease Revenue Bonds, Series A**

On July 15, 2009, the West Hollywood Public Financing Authority issued \$22,160,000 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.

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, 2019, the total principal outstanding was \$4,310,000.

The bonds require a reserve in the lesser of: (i) the amount of maximum annual debt service on the bonds, (ii) 10% of the total of the proceeds of the bonds, or (iii) 125% of the average annual debt service on the bonds. The reserve requirement was \$2,282,594 as of June 30, 2019.

The following is a schedule, by years, of future debt service payments for the 2009 Lease Revenue Bonds, Series A as of June 30, 2019:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 2,310,000	\$ 215,500	\$ 2,525,500
2021	2,000,000	100,000	2,100,000
Total	<u>\$ 4,310,000</u>	<u>\$ 315,500</u>	<u>\$ 4,625,500</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, 2019, the total principal outstanding was \$17,225,000.

There are no reserve requirements for this bond.

8. LONG-TERM LIABILITIES (CONTINUED)**2013 Lease Revenue Bonds (Continued)**

The following is a schedule, by years, of future debt service payments for the 2013 Lease Revenue Bonds as of June 30, 2019:

Year Ending June 30,	Principal	Interest	Total
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	450,000	804,856	1,254,856
2024	470,000	782,356	1,252,356
2025 - 2029	2,730,000	3,534,281	6,264,281
2030 - 2034	3,480,000	2,785,731	6,265,731
2035 - 2039	4,435,000	1,828,031	6,263,031
2040 - 2043	4,430,000	581,688	5,011,688
Total	<u>\$ 17,225,000</u>	<u>\$ 12,843,861</u>	<u>\$ 30,068,861</u>

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. At June 30, 2018, the 2009 Lease Revenue Bonds, Series B have been fully redeemed.

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, 2019, the total principal outstanding was \$82,300,000.

The net carrying amount of the old debt exceeded the reacquisition price by \$1,403,842. This is being amortized over the 23 years.

8. LONG-TERM LIABILITIES (CONTINUED)

2016 Lease Revenue Bonds (Continued)

The following is a schedule, by years, of future debt service payments for the 2016 Lease Revenue Bonds as of June 30, 2019:

Year Ending June 30,	Principal	Interest	Total
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	3,695,000	3,326,300	7,021,300
2024	3,900,000	3,141,550	7,041,550
2025 - 2029	14,035,000	13,197,000	27,232,000
2030 - 2034	15,415,000	9,755,750	25,170,750
2035 - 2039	19,335,000	5,746,600	25,081,600
2040 - 2044	13,755,000	2,862,550	16,617,550
2045 - 2046	6,265,000	378,400	6,643,400
Total	<u>\$ 82,300,000</u>	<u>\$ 49,063,300</u>	<u>\$ 131,363,300</u>

Capital Lease: Southern California Edison On-Bill Financing Program

On November 26, 2018 and January 8, 2019, the City approved the installation of energy-efficient LED streetlights in certain areas of the City, which was funded through Southern California Edison’s On-Bill Financing Program in the amounts of \$60,314 and \$83,148, respectively. Through this program, the City received zero percent financing for approved energy reduction projects. Since each individual item is below the City’s capitalization policy, there are no amounts recorded as capital assets for these purchases. The costs are repaid form energy savings over a period of up to 80 months. The unpaid balance as of June 30, 2019, was \$138,870. The annual debt service requirements are as follows:

Year Ending June 30,	Principal
2020	\$ 22,525
2021	22,525
2022	22,525
2023	22,525
2024	22,525
2025 - 2026	26,245
Total	<u>\$ 138,870</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, 2019, was \$5,100,006.

Claims Payable

See Note 11 regarding the City’s risk management. The claims payable is normally liquidated by the General Fund. The outstanding balance at June 30, 2019, was \$1,432,538.

9. UNEARNED REVENUE

In fiscal year 2018-2019, the City received developer deposits, permit fees, rent stabilization fees and taxi-related fees. These are recorded as unearned revenue in the General Fund in the amount of \$6,434,885, along with various other unearned revenues of \$245,215; total unearned revenue recorded by the City for the year ended was \$6,680,100. These unearned amounts will be reported as revenue as they are earned. The remaining unearned revenue in the 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, 2019, was as follows:

Due To/From Other Funds

<u>Receivable Funds</u>	<u>Payables Funds</u>	<u>Amount</u>
General Fund	Other Governmental Funds:	
	Gas Tax	
	Special Revenue Fund	\$ 470,603
	Public Access Corporation	
	Special Revenue Fund	8,397
	Sunset Strip Business Improvement	
	District Special Revenue Fund	357,454
Debt Funded Capital Projects Fund	Capital Projects Debt Service Fund	4,480,133
Enterprise Funds:		
Solid Waste Fund	Sewer District Fund	<u>33,559</u>
		<u>\$ 5,350,146</u>

The due to General Fund of \$846,317 was a result of temporary deficit cash balances in the Other Governmental Funds.

The due to Debt Funded Capital Projects Fund of \$4,480,133 was due to a timing difference in receiving a reimbursement for capital project expenditures from the bond trustee.

The due to Solid Waste Enterprise Fund of \$33,559 was a result of temporary deficit cash balances in the Sewer District Enterprise Fund.

10. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Transfers In/Out

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Major Funds:		
General Fund	Capital Projects Debt Service Fund	\$ 1,100,000
Debt Funded Capital Projects Fund	Capital Projects Debt Service Fund	18,148,050
Capital Projects Debt Service Fund	General Fund	8,355,959
	Other Governmental Funds:	
	Parking Improvement	
	Special Revenue Fund	1,253,506
Other Governmental Funds:		
Special Grants Special Revenue Fund	General Fund	4,477
Sunset Strip Business Improvement District Special Revenue Fund	General Fund	575,441
Enterprise Funds:		
Street Maintenance Fund	General Fund	<u>50,000</u>
		<u>\$ 29,487,433</u>

The Capital Projects Debt Service Fund transferred \$1,100,000 to the General Fund due to a mid-year budgeted amount for the City Hall reconfiguration project.

The Capital Projects Debt Service Fund transferred \$18,148,050 to the Debt Funded Capital Projects Fund to fund capital expenses related to West Hollywood Park Phase II.

The General Fund and Parking Improvement Special Revenue Fund transferred \$8,355,959 and \$1,253,506, respectively, to the Capital Projects Debt Service Fund to fund debt service payments.

The General Fund transferred \$4,477 to the Special Grants Special Revenue Fund for the Freedom grant write-off.

The General Fund transferred \$575,441 to the Sunset Strip Business Improvement District Special Revenue Fund to subsidize operations related to LA County Sheriff services specific to the Sunset BID.

The General Fund transferred \$50,000 to the Street Maintenance Internal Service 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 \$250,000 general liability and \$100,000 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 or by calling (916) 927-7727.

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 2018-2019.

A summary of the changes in claims liabilities for the past three fiscal years is as follows:

Year Ended June 30	Claims Payable July 1	Claims and Changes in Estimates	Claims Payments	Claims Payable June 30
2019	\$ -	\$ 2,128,256	\$ (695,718)	\$ 1,432,538

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 \$20,424,000 was paid for these services in fiscal year 2018-2019.

12. COMMITMENTS (CONTINUED)

Contractual Commitments (Continued)

The following material construction commitments existed at June 30, 2019:

Contractor	Contract Amount	Expenditures to Date as of June 30, 2019	Remaining Commitments	Special Revenue Fund
Unitronics	\$ 2,640,000	\$ 1,080,000	\$ 1,560,000	Parking Improvements
Sinianian Development Inc.	79,429,600	36,321,728	43,107,872	Capital Projects
West Coast Arborists Inc.	4,027,000	1,166,934	2,860,066	Capital Projects
GA Technical Services Inc.	882,174	66,992	815,182	Capital Projects
Omega Construction Co, Inc.	844,504	59,950	784,554	Capital Projects
Emilio Ramirez	938,261	-	938,261	Capital Projects
Southwest Pipeline	861,159	-	861,159	Capital Projects
Hardy & Harper	943,820	-	943,820	Capital Projects
Hardy & Harper	1,176,350	-	1,176,350	Capital Projects

Encumbrances

At June 30, 2019, the following are the encumbrances:

General Fund:

Engineering, landscape, and urban design	\$ 873,166
Environmental impact study	460,661
Impact study	614,030
Social services	1,373,094
Professional services	1,044,473
Document scanning	<u>102,575</u>
Total General Fund	<u>4,467,999</u>

Debt Funded Capital Projects Fund:

Construction management	1,255,817
Parking mitigation	<u>41,086</u>
Total Debt Funded Capital Projects Fund	<u>1,296,903</u>

Other Governmental Funds:

Parking meter purchase	605,773
Financial studies	467,934
Professional services	151,279
Bicycle implementation program	<u>290,624</u>
Total Other Governmental Funds	<u>1,515,610</u>

Total Encumbrances	<u>\$ 8,260,668</u>
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13. LEASE

On March 20, 2017, the City (lessor) entered into a lease for a portion of certain real property to Koontz Building, LLC (lessee), which was subsequently amended on May 20, 2019. The lease term is for an initial period of eight years. At the end of the eight-year term, the City and lessee may extend the term for an additional two-year period. Future minimum rental payments to be received on the lease are contractually due as follow as of June 30, 2019:

Year Ending June 30,	Lease Payment
2020	\$ 230,485
2021	235,095
2022	239,797
2023	244,593
2024	249,485
2025	<u>254,474</u>
Total	<u>\$ 1,453,929</u>

Some of the capital assets utilized by the above operating lease include tenant improvements with a cost and carrying value of \$506,235 and \$206,188, respectively. The remaining capital assets included in the above lease consist of a portion of the City's property and buildings that cannot readily be determined.

The total rent revenue for the year ended June 30, 2019 was \$184,358.

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	\$ 539,450
Cash and investments with fiscal agents	<u>24,408,778</u>
Total cash and investments	<u>\$ 24,948,228</u>

Capital Assets

	Balance at July 1, 2018	Additions	Deletions	Transfers	Balance at June 30, 2019
Capital Assets:					
Capital assets, being depreciated:					
Land improvements	\$ 174,920	\$ -	\$ -	\$ -	\$ 174,920
Less accumulated depreciation for:					
Land improvements	<u>(23,031)</u>	<u>(3,498)</u>	<u>-</u>	<u>-</u>	<u>(26,529)</u>
Total capital assets, being depreciated, net	<u>\$ 151,889</u>	<u>\$ (3,498)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 148,391</u>

14. SUCCESSOR AGENCY DISCLOSURES (CONTINUED)**Long-Term Liabilities**

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year	Due in More Than One Year
<i>Other debt:</i>						
Tax Allocation Bonds:						
2011 Series A	\$ 27,380,000	\$ -	\$ (330,000)	\$ 27,050,000	\$ 350,000	\$ 26,700,000
2011 Series B	8,575,000	-	(60,000)	8,515,000	65,000	8,450,000
Less: Unamortized original issue discount	(530,218)	-	22,404	(507,814)	-	(507,814)
2013 Tax Allocation Refunding Bonds, Series A	8,010,000	-	(345,000)	7,665,000	360,000	7,305,000
Add: Unamortized original issue premium	226,315	-	(14,922)	211,393	-	211,393
Total	\$ 43,661,097	\$ -	\$ (727,518)	\$ 42,933,579	\$ 775,000	\$ 42,158,579

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 \$93,548,569 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 \$4,013,364 and the debt service obligation on the bonds was \$3,922,888.

A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2019, 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, 2019, the total principal outstanding was \$27,050,000.

The reserve requirement for the 2011 Series A and 2011 Series B Tax Allocation Bonds are considered together. The bonds require a reserve in the lesser of: (i) the amount of maximum annual debt service on the bonds, (ii) 10% of the total of the proceeds of the bonds, or (iii) 125% of the average annual debt service on the bonds. This reserve requirement was fully funded with an account balance of \$4,066,213 as of June 30, 2019.

14. SUCCESSOR AGENCY DISCLOSURES (CONTINUED)**Long-Term Liabilities (Continued)**2011 Tax Allocation Bonds, Series A (Continued)

The following is a schedule, by years, of future debt service payments for the 2011 Tax Allocation Bonds, Series A as of June 30, 2019:

Year Ending June 30,	Principal	Interest	Total
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	420,000	1,909,850	2,329,850
2024	450,000	1,879,400	2,329,400
2025 - 2029	2,765,000	8,857,625	11,622,625
2030 - 2034	3,915,000	7,662,000	11,577,000
2035 - 2039	8,740,000	5,347,875	14,087,875
2040 - 2043	9,645,000	1,512,188	11,157,188
Total	<u>\$ 27,050,000</u>	<u>\$ 33,048,107</u>	<u>\$ 60,098,107</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, 2019, the total principal outstanding was \$8,515,000.

The reserve requirement for the 2011 Series A and 2011 Series B Tax Allocation Bonds are considered together. The bonds require a reserve in the lesser of: (i) the amount of maximum annual debt service on the bonds, (ii) 10% of the total of the proceeds of the bonds, or (iii) 125% of the average annual debt service on the bonds. This reserve requirement was fully funded with an account balance of \$4,066,213 as of June 30, 2019.

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, 2019:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 65,000	\$ 802,300	\$ 867,300
2021	75,000	796,606	871,606
2022	80,000	790,113	870,113
2023	85,000	782,781	867,781
2024	95,000	774,456	869,456
2025 - 2029	630,000	3,714,106	4,344,106
2030 - 2034	970,000	3,341,625	4,311,625
2035 - 2039	2,965,000	2,439,838	5,404,838
2040 - 2043	3,550,000	712,500	4,262,500
Total	<u>\$ 8,515,000</u>	<u>\$ 14,154,325</u>	<u>\$ 22,669,325</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, 2019, the total principal outstanding was \$7,665,000.

The reacquisition price exceeded the net carrying amount of the old debt by \$67,066.

The reserve requirement is covered by insurance policies.

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, 2019:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 360,000	\$ 361,525	\$ 721,525
2021	380,000	343,025	723,025
2022	400,000	323,525	723,525
2023	420,000	303,025	723,025
2024	435,000	281,650	716,650
2025 - 2029	2,500,000	1,093,106	3,593,106
2030 - 2034	3,170,000	410,281	3,580,281
Total	<u>\$ 7,665,000</u>	<u>\$ 3,116,137</u>	<u>\$ 10,781,137</u>


15. SUBSEQUENT EVENTS

Events occurring after June 30, 2019, have been evaluated for possible adjustments to the financial statements or disclosure as of December 27, 2019, which is the date these financial statements were available to be issued.



Required Supplementary Information



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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, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability:					
Service cost	\$ 4,492,737	\$ 4,297,782	\$ 3,797,578	\$ 3,731,187	\$ 3,727,364
Interest on total pension liability	11,418,376	10,695,997	9,965,778	9,303,597	8,686,093
Differences between expected and actual experience	1,340,332	(554,770)	(1,019,659)	(1,107,374)	-
Changes in assumptions	(1,966,280)	9,675,762	-	(2,521,383)	-
Changes in benefits	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(4,730,956)	(3,993,245)	(3,630,140)	(3,154,574)	(2,816,524)
Net Change in Total Pension Liability	10,554,209	20,121,526	9,113,557	6,251,453	9,596,933
Total Pension Liability - Beginning of Year	160,442,635	140,321,109	131,207,552	124,956,099	115,359,166
Total Pension Liability - End of Year (a)	<u>\$ 170,996,844</u>	<u>\$ 160,442,635</u>	<u>\$ 140,321,109</u>	<u>\$ 131,207,552</u>	<u>\$ 124,956,099</u>
Plan Fiduciary Net Position:					
Contributions - employer	\$ 4,910,699	\$ 4,749,262	\$ 4,364,184	\$ 4,068,260	\$ 3,844,786
Contributions - employee	1,821,930	1,806,932	1,745,598	1,709,766	1,951,930
Plan to plan resource movement	(288)	-	-	(9,485)	-
Net investment income	9,694,135	11,194,909	530,674	2,065,984	13,430,248
Administrative expense	(176,579)	(147,210)	(58,967)	(108,929)	-
Benefit payments	(4,730,956)	(3,993,245)	(3,630,140)	(3,154,574)	(2,816,524)
Other miscellaneous expense	(335,327)	-	-	-	-
Net Change in Plan Fiduciary Net Position	11,183,614	13,610,648	2,951,349	4,571,022	16,410,440
Plan Fiduciary Net Position - Beginning of Year	113,317,013	99,706,365	96,755,016	92,183,994	75,773,554
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 124,500,627</u>	<u>\$ 113,317,013</u>	<u>\$ 99,706,365</u>	<u>\$ 96,755,016</u>	<u>\$ 92,183,994</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 46,496,217</u>	<u>\$ 47,125,622</u>	<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	72.81%	70.63%	71.06%	73.74%	73.77%
Covered payroll	\$ 23,937,009	\$ 22,564,088	\$ 22,046,899	\$ 21,417,753	\$ 20,512,704
Net pension liability as percentage of covered payroll	194.24%	208.85%	184.22%	160.86%	159.76%

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.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

There were no significant changes in assumptions.

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

SCHEDULE OF CONTRIBUTIONS - DEFINED BENEFIT PLAN

Last Ten Fiscal Years*

Fiscal year	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution (actuarially determined)	\$ 5,798,667	\$ 4,925,060	\$ 4,727,517	\$ 4,485,362	\$ 4,063,914
Contributions in relation to the actuarially determined contributions	<u>(5,798,667)</u>	<u>(4,925,060)</u>	<u>(4,727,517)</u>	<u>(4,485,362)</u>	<u>(4,063,914)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 24,980,887	\$ 23,937,009	\$ 22,564,088	\$ 22,046,899	\$ 21,417,753
Contributions as a percentage of covered payroll	23.21%	20.58%	20.95%	20.34%	18.97%

Notes to Schedule:

Valuation Date	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
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Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Market Value	Market Value	Market Value	Market Value	15 Year Smoothed Market Method
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)	(2)	(2)
Investment rate of return	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

- (1) Level percentage of payroll, closec
- (2) Depending on age, service, and type of employmen
- (3) Net of pension plan investment expense, including inflator
- (4) 50 years for the 2.7%@55, and 52 years for the 2%@62
- (5) 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 five years are shown

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

Last Ten Fiscal Years*

Fiscal year end	6/30/2019	6/30/2018
Measurement date	6/30/2018	6/30/2017
Total OPEB Liability:		
Service cost	\$ 354,487	\$ 344,580
Interest on total OPEB liability	400,740	367,919
Changes of assumptions	38,410	-
Benefit payments	(230,282)	(215,545)
Net Change in Total OPEB Liability	563,355	496,954
Total OPEB Liability - Beginning of Year	6,270,289	5,773,335
Total OPEB Liability - End of Year (a)	6,833,644	6,270,289
Plan Fiduciary Net Position:		
Contributions - employer	230,282	215,545
Net investment income	208,278	180,142
Administrative expenses	(2,358)	(2,169)
Benefit payments	(230,282)	(215,545)
Net Change in Plan Fiduciary Net Position	205,920	177,973
Plan Fiduciary Net Position - Beginning of Year	4,541,489	4,363,516
Plan Fiduciary Net Position - End of Year (b)	4,747,409	4,541,489
Net OPEB Liability - Ending (a)-(b)	\$ 2,086,235	\$ 1,728,800
Plan fiduciary net position as a percentage of the total OPEB liability	69.47%	72.43%
Covered employee payroll	\$ 24,562,742	\$ 22,564,088
Net OPEB liability as percentage of covered - employee payroll	8.49%	7.66%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From FYE June 30, 2018 to June 30, 2019, the inflation rate was changed from 2.75% to 2.50% and the salary increases were changed from 2.88% to 2.75%.

* Fiscal year 2018 was the first year of implementation; therefore, only two years are shown.

SCHEDULE OF CONTRIBUTIONS - OPEB

Last Ten Fiscal Years*

	<u>6/30/2019</u>	<u>6/30/2018</u>
Actuarially determined contribution	\$ 261,225	\$ 215,545
Contributions in relation to the actuarially determined contributions	<u>(278,145)</u>	<u>(227,910)</u>
Contribution deficiency (excess)	<u>\$ (16,920)</u>	<u>\$ (12,365)</u>
Covered-employee payroll	\$ 23,658,934	\$ 24,562,742
Contributions as a percentage of covered-employee payroll	1.18%	0.93%

Notes to Schedule:

Valuation Date	6/30/2017	6/30/2017
Methods and Assumptions Used to Determine Contribution Rates:		
Single and agent employers	Entry age normal, level percent of pay	
Amortization method	Closed period, level percent of pay	
Amortization period	20 years	
Inflation	2.50%	2.75%
Salary increases	2.75%	2.88%
Healthcare trend rates	Pre-Medicare 7.00%, trending down to 3.84%; Medicare 6.00%, trending down to 3.84%	
Investment rate of return	6.12%	6.12%
Mortality	CalPERS OPEB Assumption Model	
Retirement rates	December 20, 2017 experience studies	

* Fiscal year 2018 was the first year of implementation; therefore, only two years are shown.



Supplementary Information



🐦 What a wonderful day...Helping to promote Shop Small Saturday in WeHo. A reminder that small businesses are the fabric of our community. They help our local economy grow and bring people together... Isn't this what we all need now?!



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.

RMRA

The City began to use the revenue from Road Maintenance and Rehabilitation Program in fiscal year 2018 to expand road repairs projects throughout the City. It increased various fuel and motor vehicle registration taxes which will provide an allocation of transportation taxes to local agencies. It was created to address deferred maintenance on the state highway system local street and road systems and other transportation uses.

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 US 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.

Measure “M” Fund

This revenue is derived from a voter approved increase of 0.5% on sales tax within the County of Los Angeles. Measure M authorized the Los Angeles County Traffic Improvement Plan to improve freeway traffic flow or traffic safety, repair potholes, sidewalk repairs, repave local streets, earthquake retrofit bridges, synchronize signals and expand rail, subways and bus systems. Funds will be initially used for studies and planning related to the proposed Metro rail services.

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 nonprofit 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 FUNDCapital 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: COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF WEST HOLLYWOOD
 COMBINING BALANCE SHEET
 OTHER GOVERNMENTAL FUNDS

June 30, 2019

	Special Revenue Funds			
	Special Grants	Proposition A	Proposition C	Measure R
ASSETS:				
Cash and investments	\$ 582,404	\$ 700,094	\$ 1,360,115	\$ 570,223
Receivables:				
Accounts	-	30,000	-	-
Notes and loans	-	-	-	-
Accrued interest	1,574	1,898	3,694	1,272
Due from other governments	657,811	734,307	-	-
TOTAL ASSETS	<u>\$ 1,241,789</u>	<u>\$ 1,466,299</u>	<u>\$ 1,363,809</u>	<u>\$ 571,495</u>
LIABILITIES:				
Accounts payable	\$ 83,142	\$ 688,546	\$ 11,260	\$ 105,412
Unearned revenues	30,114	-	-	-
Deposits payable	9,512	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
TOTAL LIABILITIES	<u>122,768</u>	<u>688,546</u>	<u>11,260</u>	<u>105,412</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenues	311,149	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>311,149</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT):				
Restricted:				
Public services	807,872	777,753	1,352,549	466,083
Capital projects	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES (DEFICIT)	<u>807,872</u>	<u>777,753</u>	<u>1,352,549</u>	<u>466,083</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,241,789</u>	<u>\$ 1,466,299</u>	<u>\$ 1,363,809</u>	<u>\$ 571,495</u>

Special Revenue Funds (Continued)

Gas Tax	RMRA	Air Quality Improvement	Traffic	Public Beautification and Art	Quimby Act	City Lighting
\$ -	\$ 771,212	\$ 181,157	\$ 1,331,007	\$ 1,857,553	\$ 2,877,050	\$ 2,051,504
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	2,095	492	3,615	5,045	7,815	5,571
59,862	120,188	12,349	-	-	-	26,799
<u>\$ 59,862</u>	<u>\$ 893,495</u>	<u>\$ 193,998</u>	<u>\$ 1,334,622</u>	<u>\$ 1,862,598</u>	<u>\$ 2,884,865</u>	<u>\$ 2,083,874</u>
\$ 183,062	\$ -	\$ -	\$ 149,447	\$ 15,442	\$ 5,280	\$ 136,839
-	-	-	-	89,251	-	-
8,511	-	-	-	-	9,006	-
-	-	-	-	-	-	-
470,603	-	-	-	-	-	-
662,176	-	-	149,447	104,693	14,286	136,839
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	893,495	193,998	1,185,175	1,757,905	2,870,579	1,947,035
-	-	-	-	-	-	-
(602,314)	-	-	-	-	-	-
(602,314)	893,495	193,998	1,185,175	1,757,905	2,870,579	1,947,035
<u>\$ 59,862</u>	<u>\$ 893,495</u>	<u>\$ 193,998</u>	<u>\$ 1,334,622</u>	<u>\$ 1,862,598</u>	<u>\$ 2,884,865</u>	<u>\$ 2,083,874</u>

(Continued)

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

June 30, 2019

	Special Revenue Funds (Continued)		
	Public Access Corporation	Parking Improvement	Permit Parking
ASSETS:			
Cash and investments	\$ -	\$ 4,539,920	\$ 839,494
Receivables:			
Accounts	4,226	35,663	-
Notes and loans	-	-	-
Accrued interest	-	9,817	2,256
Due from other governments	-	-	-
TOTAL ASSETS	\$ 4,226	\$ 4,585,400	\$ 841,750
LIABILITIES:			
Accounts payable	\$ 1,548	\$ 406,552	\$ 86,770
Unearned revenues	-	125,850	-
Deposits payable	-	35,745	-
Due to other governments	-	-	-
Due to other funds	8,397	-	-
TOTAL LIABILITIES	9,945	568,147	86,770
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenues	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-
FUND BALANCES (DEFICIT):			
Restricted:			
Public services	-	-	-
Capital projects	-	4,017,253	754,980
Unassigned	(5,719)	-	-
TOTAL FUND BALANCES (DEFICIT)	(5,719)	4,017,253	754,980
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 4,226	\$ 4,585,400	\$ 841,750

Special Revenue Funds (Continued)					Capital Projects Fund	
CDBG	Measure M	Housing Trust	Housing Asset	Sunset Strip Business Improvement District	Santa Monica Boulevard	Total Other Governmental Funds
\$ 6,521	\$ 593,303	\$ 23,622,446	\$ 111,720	\$ -	\$ 4,397,725	\$ 46,393,448
-	-	498	23,599	244,913	-	338,899
515,892	-	-	-	-	-	515,892
-	1,798	64,163	303	-	11,945	123,353
204,365	-	-	-	-	-	1,815,681
<u>\$ 726,778</u>	<u>\$ 595,101</u>	<u>\$ 23,687,107</u>	<u>\$ 135,622</u>	<u>\$ 244,913</u>	<u>\$ 4,409,670</u>	<u>\$ 49,187,273</u>
\$ 210,886	\$ 40,071	\$ 82,194	\$ -	\$ 68,533	\$ -	\$ 2,274,984
-	-	-	-	-	-	245,215
-	-	-	-	-	23,209	85,983
515,892	-	-	-	-	-	515,892
-	-	-	-	357,454	-	836,454
<u>726,778</u>	<u>40,071</u>	<u>82,194</u>	<u>-</u>	<u>425,987</u>	<u>23,209</u>	<u>3,958,528</u>
-	-	-	-	3,374	-	314,523
-	-	-	-	3,374	-	314,523
-	555,030	23,604,913	135,622	-	-	36,548,009
-	-	-	-	-	4,386,461	9,158,694
-	-	-	-	(184,448)	-	(792,481)
-	555,030	23,604,913	135,622	(184,448)	4,386,461	44,914,222
<u>\$ 726,778</u>	<u>\$ 595,101</u>	<u>\$ 23,687,107</u>	<u>\$ 135,622</u>	<u>\$ 244,913</u>	<u>\$ 4,409,670</u>	<u>\$ 49,187,273</u>

CITY OF WEST HOLLYWOOD: COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF WEST HOLLYWOOD

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

For the year ended June 30, 2019

	Special Revenue Funds			
	Special Grants	Proposition A	Proposition C	Measure R
REVENUES:				
Taxes	\$ -	\$ 720,371	\$ 597,527	\$ 448,274
Intergovernmental	1,368,070	2,477,711	-	-
Charges for services	-	-	-	-
Use of money and property	15,022	41,797	33,429	13,607
Fines and forfeitures	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	30,473	2,045	-
TOTAL REVENUES	1,383,092	3,270,352	633,001	461,881
EXPENDITURES:				
Current:				
General government	-	-	44,791	-
Public safety	355,407	-	-	-
Public services	169,162	4,093,497	192,016	335,818
Capital outlay	844,992	273,758	-	22,825
Debt service:				
Principal retirement	-	-	-	-
TOTAL EXPENDITURES	1,369,561	4,367,255	236,807	358,643
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	13,531	(1,096,903)	396,194	103,238
OTHER FINANCING SOURCES (USES):				
Capital lease issuance	-	-	-	-
Transfers in	4,477	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	4,477	-	-	-
NET CHANGE IN FUND BALANCES	18,008	(1,096,903)	396,194	103,238
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	789,864	1,874,656	956,355	362,845
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 807,872	\$ 777,753	\$ 1,352,549	\$ 466,083

Special Revenue Funds (Continued)

Gas Tax	RMRA	Air Quality Improvement	Traffic	Public Beautification and Art	Quimby Act	City Lighting
\$ -	\$ -	\$ 59,446	\$ -	\$ -	\$ -	\$ 1,428,596
809,787	718,283	-	-	-	-	6,737
-	-	-	-	-	-	-
123	9,809	4,577	39,040	63,467	85,713	72,037
-	-	-	-	-	-	-
-	-	-	488,283	252,324	345,989	-
-	-	-	-	-	-	-
<u>809,910</u>	<u>728,092</u>	<u>64,023</u>	<u>527,323</u>	<u>315,791</u>	<u>431,702</u>	<u>1,507,370</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,292,727	-	23,321	154,436	65,805	-	846,011
1,314	-	-	336,324	17,762	240,432	1,699,428
-	-	-	-	-	-	-
<u>1,294,041</u>	<u>-</u>	<u>23,321</u>	<u>490,760</u>	<u>83,567</u>	<u>240,432</u>	<u>2,545,439</u>
<u>(484,131)</u>	<u>728,092</u>	<u>40,702</u>	<u>36,563</u>	<u>232,224</u>	<u>191,270</u>	<u>(1,038,069)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>(484,131)</u>	<u>728,092</u>	<u>40,702</u>	<u>36,563</u>	<u>232,224</u>	<u>191,270</u>	<u>(1,038,069)</u>
<u>(118,183)</u>	<u>165,403</u>	<u>153,296</u>	<u>1,148,612</u>	<u>1,525,681</u>	<u>2,679,309</u>	<u>2,985,104</u>
<u>\$ (602,314)</u>	<u>\$ 893,495</u>	<u>\$ 193,998</u>	<u>\$ 1,185,175</u>	<u>\$ 1,757,905</u>	<u>\$ 2,870,579</u>	<u>\$ 1,947,035</u>

CITY OF WEST HOLLYWOOD: COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF WEST HOLLYWOOD

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

For the year ended June 30, 2019

	Special Revenue Funds (Continued)		
	Public Access Corporation	Parking Improvement	Permit Parking
REVENUES:			
Taxes	\$ 130,208	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	408,457	-
Use of money and property	19	2,365,760	902,139
Fines and forfeitures	-	808,869	-
Developer participation	-	205,025	-
Miscellaneous	625	-	-
TOTAL REVENUES	130,852	3,788,111	902,139
EXPENDITURES:			
Current:			
General government	128,071	57,978	-
Public safety	-	-	-
Public services	-	2,501,700	1,040,477
Capital outlay	-	645,788	-
Debt service:			
Principal retirement	-	2,513	-
TOTAL EXPENDITURES	128,071	3,207,979	1,040,477
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,781	580,132	(138,338)
OTHER FINANCING SOURCES (USES):			
Capital lease issuance	-	60,314	-
Transfers in	-	-	-
Transfers out	-	(1,253,506)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(1,193,192)	-
NET CHANGE IN FUND BALANCES	2,781	(613,060)	(138,338)
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	(8,500)	4,630,313	893,318
FUND BALANCES (DEFICIT) - END OF YEAR	\$ (5,719)	\$ 4,017,253	\$ 754,980

Special Revenue Funds (Continued)				Capital Projects Fund		
CDBG	Measure M	Housing Trust	Housing Asset	Sunset Strip Business Improvement District	Santa Monica Boulevard	Total Other Governmental Funds
\$ -	\$ 504,887	\$ -	\$ -	\$ -	\$ -	\$ 3,889,309
434,079	-	-	-	-	-	5,814,667
-	-	-	-	358,738	-	767,195
-	15,740	704,044	2,769	184	135,972	4,505,248
-	-	-	-	-	-	808,869
-	-	3,524,164	-	-	-	4,815,785
-	-	2,630	23,598	-	-	59,371
<u>434,079</u>	<u>520,627</u>	<u>4,230,838</u>	<u>26,367</u>	<u>358,922</u>	<u>135,972</u>	<u>20,660,444</u>
-	-	55,252	-	-	-	286,092
-	-	-	-	575,441	-	930,848
33,368	342,001	2,768,825	-	523,360	-	14,382,524
197,248	-	-	-	-	1,377	4,281,248
-	-	-	-	-	-	2,513
<u>230,616</u>	<u>342,001</u>	<u>2,824,077</u>	<u>-</u>	<u>1,098,801</u>	<u>1,377</u>	<u>19,883,225</u>
<u>203,463</u>	<u>178,626</u>	<u>1,406,761</u>	<u>26,367</u>	<u>(739,879)</u>	<u>134,595</u>	<u>777,219</u>
-	-	-	-	-	-	60,314
-	-	-	-	575,441	-	579,918
-	-	-	-	-	-	(1,253,506)
-	-	-	-	575,441	-	(613,274)
<u>203,463</u>	<u>178,626</u>	<u>1,406,761</u>	<u>26,367</u>	<u>(164,438)</u>	<u>134,595</u>	<u>163,945</u>
<u>(203,463)</u>	<u>376,404</u>	<u>22,198,152</u>	<u>109,255</u>	<u>(20,010)</u>	<u>4,251,866</u>	<u>44,750,277</u>
<u>\$ -</u>	<u>\$ 555,030</u>	<u>\$ 23,604,913</u>	<u>\$ 135,622</u>	<u>\$ (184,448)</u>	<u>\$ 4,386,461</u>	<u>\$ 44,914,222</u>

CITY OF WEST HOLLYWOOD: COMPREHENSIVE ANNUAL FINANCIAL REPORT

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 789,864	\$ 789,864	\$ 789,864	\$ -
Resources (Inflows):				
Intergovernmental	1,429,244	2,745,860	1,368,070	(1,377,790)
Use of money and property	-	-	15,022	15,022
Transfers in	-	4,477	4,477	-
Amounts Available for Appropriations	<u>2,219,108</u>	<u>3,540,201</u>	<u>2,177,433</u>	<u>(1,362,768)</u>
Charges to Appropriations (Outflows):				
Current:				
Public safety	210,000	285,000	355,407	(70,407)
Public services	286,509	888,914	169,162	719,752
Capital outlay	-	3,723,969	844,992	2,878,977
Total Charges to Appropriations	<u>496,509</u>	<u>4,897,883</u>	<u>1,369,561</u>	<u>3,528,322</u>
Budgetary Fund Balance, June 30	<u>\$ 1,722,599</u>	<u>\$ (1,357,682)</u>	<u>\$ 807,872</u>	<u>\$ 2,165,554</u>

CITY OF WEST HOLLYWOOD

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

PROPOSITION A SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,874,656	\$ 1,874,656	\$ 1,874,656	\$ -
Resources (Inflows):				
Taxes	702,310	702,310	720,371	18,061
Intergovernmental	2,442,793	3,842,793	2,477,711	(1,365,082)
Use of money and property	20,000	20,000	41,797	21,797
Miscellaneous	32,000	32,000	30,473	(1,527)
Amounts Available for Appropriations	<u>5,071,759</u>	<u>6,471,759</u>	<u>5,145,008</u>	<u>(1,326,751)</u>
Charges to Appropriations (Outflows):				
Current:				
Public services	4,498,340	4,732,557	4,093,497	639,060
Capital outlay	80,000	449,903	273,758	176,145
Total Charges to Appropriations	<u>4,578,340</u>	<u>5,182,460</u>	<u>4,367,255</u>	<u>815,205</u>
Budgetary Fund Balance, June 30	<u>\$ 493,419</u>	<u>\$ 1,289,299</u>	<u>\$ 777,753</u>	<u>\$ (511,546)</u>

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 956,355	\$ 956,355	\$ 956,355	\$ -
Resources (Inflows):				
Taxes	582,547	582,547	597,527	14,980
Use of money and property	5,000	5,000	33,429	28,429
Miscellaneous	-	-	2,045	2,045
Amounts Available for Appropriations	<u>1,543,902</u>	<u>1,543,902</u>	<u>1,589,356</u>	<u>45,454</u>
Charges to Appropriations (Outflows):				
Current:				
General government	44,000	44,000	44,791	(791)
Public services	156,386	291,367	192,016	99,351
Capital outlay	<u>269,367</u>	<u>319,367</u>	<u>-</u>	<u>319,367</u>
Total Charges to Appropriations	<u>469,753</u>	<u>654,734</u>	<u>236,807</u>	<u>417,927</u>
Budgetary Fund Balance, June 30	<u>\$ 1,074,149</u>	<u>\$ 889,168</u>	<u>\$ 1,352,549</u>	<u>\$ 463,381</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 362,845	\$ 362,845	\$ 362,845	\$ -
Resources (Inflows):				
Taxes	436,920	436,920	448,274	11,354
Use of money and property	5,000	5,000	13,607	8,607
Amounts Available for Appropriations	804,765	804,765	824,726	19,961
Charges to Appropriations (Outflows):				
Current:				
Public services	406,250	763,177	335,818	427,359
Capital outlay	90,000	90,000	22,825	67,175
Total Charges to Appropriations	496,250	853,177	358,643	494,534
Budgetary Fund Balance, June 30	\$ 308,515	\$ (48,412)	\$ 466,083	\$ 514,495

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance (Deficit), July 1	\$ (118,183)	\$ (118,183)	\$ (118,183)	\$ -
Resources (Inflows):				
Intergovernmental	989,425	989,425	809,787	(179,638)
Use of money and property	2,000	2,000	123	(1,877)
Amounts Available for Appropriations	873,242	873,242	691,727	(181,515)
Charges to Appropriations (Outflows):				
Current:				
Public services	1,374,388	1,437,363	1,292,727	144,636
Capital outlay	90,000	240,000	1,314	238,686
Total Charges to Appropriations	1,464,388	1,677,363	1,294,041	383,322
Budgetary Fund Balance (Deficit), June 30	<u>\$ (591,146)</u>	<u>\$ (804,121)</u>	<u>\$ (602,314)</u>	<u>\$ 201,807</u>

CITY OF WEST HOLLYWOOD

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

RMRA SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 165,403	\$ 165,403	\$ 165,403	\$ -
Resources (Inflows):				
Intergovernmental	626,000	626,000	718,283	92,283
Use of money and property	-	-	9,809	9,809
Amounts Available for Appropriations	<u>791,403</u>	<u>791,403</u>	<u>893,495</u>	<u>102,092</u>
Charges to Appropriations (Outflows):				
Capital outlay	<u>626,000</u>	<u>626,000</u>	<u>-</u>	<u>626,000</u>
Total Charges to Appropriations	<u>626,000</u>	<u>626,000</u>	<u>-</u>	<u>626,000</u>
Budgetary Fund Balance, June 30	<u>\$ 165,403</u>	<u>\$ 165,403</u>	<u>\$ 893,495</u>	<u>\$ 728,092</u>

CITY OF WEST HOLLYWOOD: COMPREHENSIVE ANNUAL FINANCIAL REPORT

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 153,296	\$ 153,296	\$ 153,296	\$ -
Resources (Inflows):				
Taxes	48,000	48,000	59,446	11,446
Use of money and property	1,000	1,000	4,577	3,577
Amounts Available for Appropriations	<u>202,296</u>	<u>202,296</u>	<u>217,319</u>	<u>15,023</u>
Charges to Appropriations (Outflows):				
Current:				
Public services	52,500	52,500	23,321	29,179
Capital outlay	-	34,123	-	34,123
Total Charges to Appropriations	<u>52,500</u>	<u>86,623</u>	<u>23,321</u>	<u>63,302</u>
Budgetary Fund Balance, June 30	<u>\$ 149,796</u>	<u>\$ 115,673</u>	<u>\$ 193,998</u>	<u>\$ 78,325</u>

CITY OF WEST HOLLYWOOD

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

TRAFFIC SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,148,612	\$ 1,148,612	\$ 1,148,612	\$ -
Resources (Inflows):				
Use of money and property	5,000	5,000	39,040	34,040
Developer participation	50,000	50,000	488,283	438,283
Amounts Available for Appropriations	1,203,612	1,203,612	1,675,935	472,323
Charges to Appropriations (Outflows):				
Current:				
Public services	157,852	157,852	154,436	3,416
Capital outlay	435,000	908,680	336,324	572,356
Total Charges to Appropriations	592,852	1,066,532	490,760	575,772
Budgetary Fund Balance, June 30	\$ 610,760	\$ 137,080	\$ 1,185,175	\$ 1,048,095

CITY OF WEST HOLLYWOOD: COMPREHENSIVE ANNUAL FINANCIAL REPORT

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,525,681	\$ 1,525,681	\$ 1,525,681	\$ -
Resources (Inflows):				
Use of money and property	20,000	20,000	63,467	43,467
Developer participation	50,000	50,000	252,324	202,324
Amounts Available for Appropriations	<u>1,595,681</u>	<u>1,595,681</u>	<u>1,841,472</u>	<u>245,791</u>
Charges to Appropriations (Outflows):				
Current:				
Public services	195,500	236,426	65,805	170,621
Capital outlay	-	70,000	17,762	52,238
Total Charges to Appropriations	<u>195,500</u>	<u>306,426</u>	<u>83,567</u>	<u>222,859</u>
Budgetary Fund Balance, June 30	<u>\$ 1,400,181</u>	<u>\$ 1,289,255</u>	<u>\$ 1,757,905</u>	<u>\$ 468,650</u>

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,679,309	\$ 2,679,309	\$ 2,679,309	\$ -
Resources (Inflows):				
Use of money and property	20,000	20,000	85,713	65,713
Developer participation	50,000	50,000	345,989	295,989
Amounts Available for Appropriations	2,749,309	2,749,309	3,111,011	361,702
Charges to Appropriations (Outflows):				
Capital outlay	935,000	1,995,949	240,432	1,755,517
Total Charges to Appropriations	935,000	1,995,949	240,432	1,755,517
Budgetary Fund Balance, June 30	<u>\$ 1,814,309</u>	<u>\$ 753,360</u>	<u>\$ 2,870,579</u>	<u>\$ 2,117,219</u>

CITY OF WEST HOLLYWOOD: COMPREHENSIVE ANNUAL FINANCIAL REPORT

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,985,104	\$ 2,985,104	\$ 2,985,104	\$ -
Resources (Inflows):				
Taxes	1,363,752	1,363,752	1,428,596	64,844
Intergovernmental	7,000	7,000	6,737	(263)
Use of money and property	20,000	20,000	72,037	52,037
Amounts Available for Appropriations	<u>4,375,856</u>	<u>4,375,856</u>	<u>4,492,474</u>	<u>116,618</u>
Charges to Appropriations (Outflows):				
Current:				
Public services	734,000	769,888	846,011	(76,123)
Capital outlay	300,000	3,135,000	1,699,428	1,435,572
Total Charges to Appropriations	<u>1,034,000</u>	<u>3,904,888</u>	<u>2,545,439</u>	<u>1,359,449</u>
Budgetary Fund Balance, June 30	<u>\$ 3,341,856</u>	<u>\$ 470,968</u>	<u>\$ 1,947,035</u>	<u>\$ 1,476,067</u>

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance (Deficit), July 1	\$ (8,500)	\$ (8,500)	\$ (8,500)	\$ -
Resources (Inflows):				
Taxes	140,000	140,000	130,208	(9,792)
Use of money and property	250	250	19	(231)
Miscellaneous	500	500	625	125
Amounts Available for Appropriations	<u>132,250</u>	<u>132,250</u>	<u>122,352</u>	<u>(9,898)</u>
Charges to Appropriations (Outflows):				
Current:				
General government	<u>129,217</u>	<u>134,122</u>	<u>128,071</u>	<u>6,051</u>
Total Charges to Appropriations	<u>129,217</u>	<u>134,122</u>	<u>128,071</u>	<u>6,051</u>
Budgetary Fund Balance (Deficit), June 30	<u>\$ 3,033</u>	<u>\$ (1,872)</u>	<u>\$ (5,719)</u>	<u>\$ (3,847)</u>

CITY OF WEST HOLLYWOOD: COMPREHENSIVE ANNUAL FINANCIAL REPORT

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,630,313	\$ 4,630,313	\$ 4,630,313	\$ -
Resources (Inflows):				
Intergovernmental	205,267	205,267	-	(205,267)
Charges for services	460,000	460,000	408,457	(51,543)
Use of money and property	2,046,718	2,046,718	2,365,760	319,042
Fines and forfeitures	906,000	906,000	808,869	(97,131)
Developer participation	330,000	330,000	205,025	(124,975)
Capital lease issuance	-	-	60,314	60,314
Amounts Available for Appropriations	<u>8,578,298</u>	<u>8,578,298</u>	<u>8,478,738</u>	<u>(99,560)</u>
Charges to Appropriations (Outflows):				
Current:				
General government	68,129	68,129	57,978	10,151
Public services	3,071,350	3,201,861	2,501,700	700,161
Capital outlay	2,316,050	4,045,935	645,788	3,400,147
Debt service:				
Principal retirement	-	2,513	2,513	-
Transfers out	1,253,506	1,253,506	1,253,506	-
Total Charges to Appropriations	<u>6,709,035</u>	<u>8,571,944</u>	<u>4,461,485</u>	<u>4,110,459</u>
Budgetary Fund Balance, June 30	<u>\$ 1,869,263</u>	<u>\$ 6,354</u>	<u>\$ 4,017,253</u>	<u>\$ 4,010,899</u>

CITY OF WEST HOLLYWOOD

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

PERMIT PARKING SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 893,318	\$ 893,318	\$ 893,318	\$ -
Resources (Inflows):				
Use of money and property	919,455	919,455	902,139	(17,316)
Amounts Available for Appropriations	1,812,773	1,812,773	1,795,457	(17,316)
Charges to Appropriations (Outflows):				
Current:				
Public services	1,262,799	1,320,182	1,040,477	279,705
Total Charges to Appropriations	1,262,799	1,320,182	1,040,477	279,705
Budgetary Fund Balance, June 30	<u>\$ 549,974</u>	<u>\$ 492,591</u>	<u>\$ 754,980</u>	<u>\$ 262,389</u>

CITY OF WEST HOLLYWOOD: COMPREHENSIVE ANNUAL FINANCIAL REPORT

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance (Deficit), July 1	\$ (203,463)	\$ (203,463)	\$ (203,463)	\$ -
Resources (Inflows):				
Intergovernmental	237,000	237,000	434,079	197,079
Amounts Available for Appropriations	33,537	33,537	230,616	197,079
Charges to Appropriations (Outflows):				
Current:				
Public services	35,550	33,368	33,368	-
Capital outlay	201,450	197,248	197,248	-
Total Charges to Appropriations	237,000	230,616	230,616	-
Budgetary Fund Balance (Deficit), June 30	\$ (203,463)	\$ (197,079)	\$ -	\$ 197,079

CITY OF WEST HOLLYWOOD

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

MEASURE M SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 376,404	\$ 376,404	\$ 376,404	\$ -
Resources (Inflows):				
Taxes	495,165	495,165	504,887	9,722
Use of money and property	900	900	15,740	14,840
Amounts Available for Appropriations	872,469	872,469	897,031	24,562
Charges to Appropriations (Outflows):				
Current:				
Public services	-	861,390	342,001	519,389
Total Charges to Appropriations	-	861,390	342,001	519,389
Budgetary Fund Balance, June 30	<u>\$ 872,469</u>	<u>\$ 11,079</u>	<u>\$ 555,030</u>	<u>\$ 543,951</u>

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 22,198,152	\$ 22,198,152	\$ 22,198,152	\$ -
Resources (Inflows):				
Use of money and property	200,200	200,200	704,044	503,844
Developer participation	1,000,000	1,000,000	3,524,164	2,524,164
Miscellaneous	-	-	2,630	2,630
Amounts Available for Appropriations	<u>23,398,352</u>	<u>23,398,352</u>	<u>26,428,990</u>	<u>3,030,638</u>
Charges to Appropriations (Outflows):				
Current:				
General government	-	-	55,252	(55,252)
Public services	<u>496,934</u>	<u>2,973,399</u>	<u>2,768,825</u>	<u>204,574</u>
Total Charges to Appropriations	<u>496,934</u>	<u>2,973,399</u>	<u>2,824,077</u>	<u>149,322</u>
Budgetary Fund Balance, June 30	<u>\$ 22,901,418</u>	<u>\$ 20,424,953</u>	<u>\$ 23,604,913</u>	<u>\$ 3,179,960</u>

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance (Deficit), July 1	\$ (20,010)	\$ (20,010)	\$ (20,010)	\$ -
Resources (Inflows):				
Charges for services	315,221	315,221	358,738	43,517
Use of money and property	-	-	184	184
Transfers in	575,441	575,441	575,441	-
Amounts Available for Appropriations	<u>870,652</u>	<u>870,652</u>	<u>914,353</u>	<u>43,701</u>
Charges to Appropriations (Outflows):				
Current:				
Public safety	575,441	575,441	575,441	-
Public services	301,500	301,500	523,360	(221,860)
Total Charges to Appropriations	<u>876,941</u>	<u>876,941</u>	<u>1,098,801</u>	<u>(221,860)</u>
Budgetary Fund Balance (Deficit), June 30	<u>\$ (6,289)</u>	<u>\$ (6,289)</u>	<u>\$ (184,448)</u>	<u>\$ (178,159)</u>

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,251,866	\$ 4,251,866	\$ 4,251,866	\$ -
Resources (Inflows):				
Use of money and property	40,000	40,000	135,972	95,972
Amounts Available for Appropriations	4,291,866	4,291,866	4,387,838	95,972
Charges to Appropriations (Outflows):				
Capital outlay	250,000	556,032	1,377	554,655
Total Charges to Appropriations	250,000	556,032	1,377	554,655
Budgetary Fund Balance, June 30	\$ 4,041,866	\$ 3,735,834	\$ 4,386,461	\$ 650,627

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 526,240	\$ 526,240	\$ 526,240	\$ -
Resources (Inflows):				
Use of money and property	-	-	66,425	66,425
Miscellaneous	191,675	191,675	191,675	-
Transfers in	-	18,148,050	18,148,050	-
Amounts Available for Appropriations	<u>717,915</u>	<u>18,865,965</u>	<u>18,932,390</u>	<u>66,425</u>
Charges to Appropriations (Outflows):				
Capital outlay	-	70,267,924	16,318,995	53,948,929
Total Charges to Appropriations	<u>-</u>	<u>70,267,924</u>	<u>16,318,995</u>	<u>53,948,929</u>
Budgetary Fund Balance (Deficit), June 30	<u>\$ 717,915</u>	<u>\$ (51,401,959)</u>	<u>\$ 2,613,395</u>	<u>\$ 54,015,354</u>

CITY OF WEST HOLLYWOOD: COMPREHENSIVE ANNUAL FINANCIAL REPORT

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 56,285,466	\$ 56,285,466	\$ 56,285,466	\$ -
Resources (Inflows):				
Use of money and property	1,076,025	1,076,025	2,221,584	1,145,559
Transfers in	9,609,465	9,609,465	9,609,465	-
Amounts Available for Appropriations	<u>66,970,956</u>	<u>66,970,956</u>	<u>68,116,515</u>	<u>1,145,559</u>
Charges to Appropriations (Outflows):				
Debt service:				
Principal retirement	3,575,000	3,575,000	3,575,000	-
Interest and fiscal charges	5,971,483	5,971,483	9,147,260	(3,175,777)
Transfers out	-	19,248,050	19,248,050	-
Total Charges to Appropriations	<u>9,546,483</u>	<u>28,794,533</u>	<u>31,970,310</u>	<u>(3,175,777)</u>
Budgetary Fund Balance, June 30	<u>\$ 57,424,473</u>	<u>\$ 38,176,423</u>	<u>\$ 36,146,205</u>	<u>\$ (2,030,218)</u>

***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, 2019

	Business-Type Activities - Enterprise Funds		
	Sewer District	Sewer Charge	Solid Waste
ASSETS:			
CURRENT ASSETS:			
Cash and investments	\$ -	\$ 1,699,381	\$ 760,952
Receivables:			
Accounts	-	12,538	-
Accrued interest	-	4,616	2,158
Due from other governments	-	34,037	30,810
Due from other funds	-	-	33,559
	-	1,750,572	827,479
TOTAL CURRENT ASSETS	-	1,750,572	827,479
NONCURRENT ASSETS:			
Capital assets, net of accumulated depreciation	6,420,362	3,627,150	-
	6,420,362	3,627,150	-
TOTAL NONCURRENT ASSETS	6,420,362	3,627,150	-
	6,420,362	5,377,722	827,479
TOTAL ASSETS	6,420,362	5,377,722	827,479
LIABILITIES:			
CURRENT LIABILITIES:			
Accounts payable	-	46,152	193,270
Due to other funds	33,559	-	-
	33,559	46,152	193,270
TOTAL CURRENT LIABILITIES	33,559	46,152	193,270
	33,559	46,152	193,270
TOTAL LIABILITIES	33,559	46,152	193,270
NET POSITION:			
Net investment in capital assets	6,420,362	3,627,150	-
Unrestricted	(33,559)	1,704,420	634,209
	6,386,803	5,331,570	634,209
TOTAL NET POSITION	\$ 6,386,803	\$ 5,331,570	\$ 634,209

Business-Type Activities
Enterprise Funds (Continued)

Landscape District	Street Maintenance	Total
\$ 256,971	\$ 27,003	\$ 2,744,307
1,879	13	14,430
698	73	7,545
569	5,482	70,898
-	-	33,559
260,117	32,571	2,870,739
-	-	10,047,512
-	-	10,047,512
260,117	32,571	12,918,251
-	4,667	244,089
-	-	33,559
-	4,667	277,648
-	4,667	277,648
-	-	10,047,512
260,117	27,904	2,593,091
\$ 260,117	\$ 27,904	\$ 12,640,603

CITY OF WEST HOLLYWOOD: COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF WEST HOLLYWOOD

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

For the year ended June 30, 2019

	Business-Type Activities - Enterprise Funds		
	Sewer District	Sewer Charge	Solid Waste
OPERATING REVENUES:			
Sales and service charges	\$ -	\$ 1,315,162	\$ 1,529,054
Penalties on assessments	-	2,584	5,822
Other fees and charges	-	45,170	-
TOTAL OPERATING REVENUES	-	1,362,916	1,534,876
OPERATING EXPENSES:			
Administration and general	-	33,698	58,177
Treatment	-	693,464	1,439,500
Cost of sales and services	-	-	-
Depreciation expense	365,025	63,627	-
TOTAL OPERATING EXPENSES	365,025	790,789	1,497,677
OPERATING INCOME (LOSS)	(365,025)	572,127	37,199
NONOPERATING REVENUES:			
Interest revenue	-	40,642	16,107
TOTAL NONOPERATING REVENUES	-	40,642	16,107
INCOME (LOSS) BEFORE TRANSFERS	(365,025)	612,769	53,306
TRANSFERS IN	-	-	-
CHANGE IN NET POSITION	(365,025)	612,769	53,306
NET POSITION (DEFICIT) - BEGINNING OF YEAR	6,751,828	4,718,801	580,903
NET POSITION - END OF YEAR	\$ 6,386,803	\$ 5,331,570	\$ 634,209

Business-Type Activities
Enterprise Funds (Continued)

Landscape District	Street Maintenance	Total
\$ 193,705	\$ 298,881	\$ 3,336,802
207	789	9,402
-	-	45,170
193,912	299,670	3,391,374
-	16,407	108,282
-	264,816	2,397,780
60,568	-	60,568
-	-	428,652
60,568	281,223	2,995,282
133,344	18,447	396,092
4,347	499	61,595
4,347	499	61,595
137,691	18,946	457,687
-	50,000	50,000
137,691	68,946	507,687
122,426	(41,042)	12,132,916
<u>\$ 260,117</u>	<u>\$ 27,904</u>	<u>\$ 12,640,603</u>

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

For the year ended June 30, 2019

	Business-Type Activities - Enterprise Funds		
	Sewer District	Sewer Charge	Solid Waste
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers and users	\$ -	\$ 1,374,743	\$ 1,547,878
Cash paid to suppliers for goods and services	-	(716,010)	(1,099,313)
Cash paid to employees for services	-	(163,438)	(205,094)
NET CASH PROVIDED BY OPERATING ACTIVITIES	-	495,295	243,471
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	-	-	-
Repayment received from other funds	-	-	47,384
Repayment made to other funds	-	-	-
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	-	-	47,384
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	-	38,891	15,272
NET CASH PROVIDED BY INVESTING ACTIVITIES	-	38,891	15,272
NET INCREASE IN CASH AND CASH EQUIVALENTS	-	534,186	306,127
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	-	1,165,195	454,825
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ -	\$ 1,699,381	\$ 760,952

Business-Type Activities
Enterprise Funds (Continued)

Landscape District	Street Maintenance	Total
\$ 201,214	\$ 302,850	\$ 3,426,685
(84,621)	(177,345)	(2,077,289)
<u>-</u>	<u>(101,544)</u>	<u>(470,076)</u>
116,593	23,961	879,320
-	50,000	50,000
-	-	47,384
<u>-</u>	<u>(47,384)</u>	<u>(47,384)</u>
<u>-</u>	<u>2,616</u>	<u>50,000</u>
3,985	426	58,574
<u>3,985</u>	<u>426</u>	<u>58,574</u>
120,578	27,003	987,894
<u>136,393</u>	<u>-</u>	<u>1,756,413</u>
<u>\$ 256,971</u>	<u>\$ 27,003</u>	<u>\$ 2,744,307</u>

(Continued)

CITY OF WEST HOLLYWOOD
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 (CONTINUED)

For the year ended June 30, 2018

	Business-Type Activities - Enterprise Funds		
	Sewer District	Sewer Charge	Solid Waste
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (365,025)	\$ 572,127	\$ 37,199
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	365,025	63,627	-
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	-	4,556	673
Due from other governments	-	7,271	12,329
Increase (decrease) in:			
Accounts payable	-	(133,110)	193,270
Deposits payable	-	(19,176)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ -</u>	<u>\$ 495,295</u>	<u>\$ 243,471</u>

Business-Type Activities
Enterprise Funds (Continued)

Landscape District	Street Maintenance	Total
\$ 133,344	\$ 18,447	\$ 396,092
-	-	428,652
4,486	152	9,867
2,816	3,028	25,444
(24,053)	2,334	38,441
<u>-</u>	<u>-</u>	<u>(19,176)</u>
<u>\$ 116,593</u>	<u>\$ 23,961</u>	<u>\$ 879,320</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.

CITY OF WEST HOLLYWOOD

COMBINING STATEMENT OF ASSETS AND LIABILITIES
ALL AGENCY FUNDS

June 30, 2019

	West Hollywood Design District	West Hollywood Tourism Improvement District	Total
ASSETS			
Cash and investments	\$ 17,257	\$ 553,836	\$ 571,093
Receivables:			
Accounts	127,804	-	127,804
Taxes	-	555,692	555,692
Accrued interest	46	1,504	1,550
	<u>46</u>	<u>1,504</u>	<u>1,550</u>
TOTAL ASSETS	<u>\$ 145,107</u>	<u>\$ 1,111,032</u>	<u>\$ 1,256,139</u>
LIABILITIES			
Accounts payable	<u>\$ 145,107</u>	<u>\$ 1,111,032</u>	<u>\$ 1,256,139</u>
TOTAL LIABILITIES	<u>\$ 145,107</u>	<u>\$ 1,111,032</u>	<u>\$ 1,256,139</u>

CITY OF WEST HOLLYWOOD

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

For the year ended June 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
WEST HOLLYWOOD DESIGN DISTRICT				
ASSETS:				
Cash	\$ 462	\$ 127,754	\$ (110,959)	\$ 17,257
Receivables:				
Accounts	93,094	162,420	(127,710)	127,804
Accrued interest	-	46	-	46
	<u>93,556</u>	<u>290,220</u>	<u>(238,669)</u>	<u>145,107</u>
TOTAL ASSETS	<u>\$ 93,556</u>	<u>\$ 290,220</u>	<u>\$ (238,669)</u>	<u>\$ 145,107</u>
LIABILITIES:				
Accounts payable	\$ 93,556	\$ 402,527	\$ (350,976)	\$ 145,107
	<u>93,556</u>	<u>402,527</u>	<u>(350,976)</u>	<u>145,107</u>
TOTAL LIABILITIES	<u>\$ 93,556</u>	<u>\$ 402,527</u>	<u>\$ (350,976)</u>	<u>\$ 145,107</u>
WEST HOLLYWOOD TOURISM IMPROVEMENT DISTRICT				
ASSETS:				
Cash and investments	\$ 441,241	\$ 6,762,229	\$ (6,649,634)	\$ 553,836
Receivables:				
Taxes	623,225	555,692	(623,225)	555,692
Accrued interest	1,097	1,504	(1,097)	1,504
	<u>1,065,563</u>	<u>7,319,425</u>	<u>(7,273,956)</u>	<u>1,111,032</u>
TOTAL ASSETS	<u>\$ 1,065,563</u>	<u>\$ 7,319,425</u>	<u>\$ (7,273,956)</u>	<u>\$ 1,111,032</u>
LIABILITIES:				
Accounts payable	\$ 1,065,563	\$ 13,094,333	\$ (13,048,864)	\$ 1,111,032
	<u>1,065,563</u>	<u>13,094,333</u>	<u>(13,048,864)</u>	<u>1,111,032</u>
TOTAL LIABILITIES	<u>\$ 1,065,563</u>	<u>\$ 13,094,333</u>	<u>\$ (13,048,864)</u>	<u>\$ 1,111,032</u>
TOTAL - ALL AGENCY FUNDS				
ASSETS:				
Cash and investments	\$ 441,703	\$ 6,889,983	\$ (6,760,593)	\$ 571,093
Receivables:				
Accounts	93,094	162,420	(127,710)	127,804
Taxes	623,225	555,692	(623,225)	555,692
Accrued interest	1,097	1,550	(1,097)	1,550
	<u>1,159,119</u>	<u>7,609,645</u>	<u>(7,512,625)</u>	<u>1,256,139</u>
TOTAL ASSETS	<u>\$ 1,159,119</u>	<u>\$ 7,609,645</u>	<u>\$ (7,512,625)</u>	<u>\$ 1,256,139</u>
LIABILITIES:				
Accounts payable	\$ 1,159,119	\$ 13,496,860	\$ (13,399,840)	\$ 1,256,139
	<u>1,159,119</u>	<u>13,496,860</u>	<u>(13,399,840)</u>	<u>1,256,139</u>
TOTAL LIABILITIES	<u>\$ 1,159,119</u>	<u>\$ 13,496,860</u>	<u>\$ (13,399,840)</u>	<u>\$ 1,256,139</u>

CITY OF WEST HOLLYWOOD

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

June 30, 2019

	Housing Capital Improvements	Non-Housing Capital Improvements	Successor Agency Administration
ASSETS:			
Cash and investments	\$ -	\$ -	\$ 472,033
Accounts receivable	-	-	65,246
Restricted assets:			
Cash and investments with fiscal agents	788,050	-	-
Capital assets:			
Capital assets, net of accumulated depreciation	-	148,391	-
TOTAL ASSETS	788,050	148,391	537,279
LIABILITIES:			
Accrued interest	-	-	-
Due to County	-	-	537,331
Long-term liabilities:			
Due in one year	65,000	-	-
Due in more than one year	8,232,532	-	-
TOTAL LIABILITIES	8,297,532	-	537,331
NET POSITION:			
Held in trust for other purposes	(7,509,482)	148,391	(52)
TOTAL NET POSITION	\$ (7,509,482)	\$ 148,391	\$ (52)

Obligation Payment Fund	Successor Agency Debt Services Fund	Total
\$ 67,417	\$ -	\$ 539,450
-	-	65,246
2,365,977	21,254,751	24,408,778
-	-	148,391
<u>2,433,394</u>	<u>21,254,751</u>	<u>25,161,865</u>
-	1,055,954	1,055,954
-	-	537,331
-	710,000	775,000
-	<u>33,926,047</u>	<u>42,158,579</u>
-	<u>35,692,001</u>	<u>44,526,864</u>
<u>2,433,394</u>	<u>(14,437,250)</u>	<u>(19,364,999)</u>
<u>\$ 2,433,394</u>	<u>\$ (14,437,250)</u>	<u>\$ (19,364,999)</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, 2019

	Housing Capital Improvements	Non-Housing Capital Improvements	Successor Agency Administration
ADDITIONS:			
Taxes	\$ -	\$ -	\$ -
Transfers from other funds	868,963	-	65,000
Interest and change in fair value of investments	20,293	-	4,276
TOTAL ADDITIONS	889,256	-	69,276
DEDUCTIONS:			
Administrative expenses	-	-	65,000
Interest expense	820,542	-	-
Depreciation expense	-	3,498	-
Transfers to other funds	-	-	-
TOTAL DEDUCTIONS	820,542	3,498	65,000
CHANGE IN NET POSITION	68,714	(3,498)	4,276
NET POSITION - BEGINNING OF YEAR	(7,578,196)	151,889	(4,328)
NET POSITION - END OF YEAR	<u>\$ (7,509,482)</u>	<u>\$ 148,391</u>	<u>\$ (52)</u>

Obligation Payment Fund	Successor Agency Debt Services Fund	Total
\$ 4,013,364	\$ -	\$ 4,013,364
-	3,059,401	3,993,364
1,885	458,076	484,530
<u>4,015,249</u>	<u>3,517,477</u>	<u>8,491,258</u>
-	-	65,000
-	2,366,953	3,187,495
-	-	3,498
<u>3,993,364</u>	<u>-</u>	<u>3,993,364</u>
<u>3,993,364</u>	<u>2,366,953</u>	<u>7,249,357</u>
21,885	1,150,524	1,241,901
<u>2,411,509</u>	<u>(15,587,774)</u>	<u>(20,606,900)</u>
<u>\$ 2,433,394</u>	<u>\$ (14,437,250)</u>	<u>\$ (19,364,999)</u>

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Statistical Section



🐦 There's never been a better time to live in West Hollywood (@WeHoCity). We're loving their tech-forward strategic plan that will use data to improve service delivery and constituent satisfaction in 5 core areas @govtechnews - <https://bit.ly/2HfITJa>



DESCRIPTION OF STATISTICAL SECTION CONTENTS

June 30, 2019

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 - *Last Ten Fiscal Years*

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: COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF WEST HOLLYWOOD

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

	Fiscal Year				
	2010	2011	2012	2013	2014
Governmental activities					
Net investment in capital assets	\$ 94,984,874	\$ 123,634,342	\$ 141,101,458	\$ 144,933,718	\$ 142,442,200
Restricted	57,860,664	74,265,052	32,450,082	35,454,463	52,747,012
Unrestricted	61,509,140	25,483,889	61,864,889	65,143,908	66,956,579
Total governmental activities net position	<u>\$ 214,354,678</u>	<u>\$ 223,383,283</u>	<u>\$ 235,416,429</u>	<u>\$ 245,532,089</u>	<u>\$ 262,145,791</u>
Business-type activities					
Net investment in capital assets	\$ 9,942,991	\$ 10,551,949	\$ 10,649,541	\$ 11,009,816	\$ 10,612,300
Unrestricted	964,639	190,846	185,090	(24,553)	396,508
Total business-type activities net position	<u>\$ 10,907,630</u>	<u>\$ 10,742,795</u>	<u>\$ 10,834,631</u>	<u>\$ 10,985,263</u>	<u>\$ 11,008,808</u>
Primary government					
Net investment in capital assets	\$ 104,927,865	\$ 134,186,291	\$ 151,750,999	\$ 155,943,534	\$ 153,054,500
Restricted	57,860,664	74,265,052	32,450,082	35,454,463	52,747,012
Unrestricted	62,473,779	25,674,735	62,049,979	65,119,355	67,353,087
Total primary government net position	<u>\$ 225,262,308</u>	<u>\$ 234,126,078</u>	<u>\$ 246,251,060</u>	<u>\$ 256,517,352</u>	<u>\$ 273,154,599</u>

Source: City of West Hollywood.

(Continued)

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	Fiscal Year				
	2015	2016	2017	2018	2019
Governmental activities					
Net investment in capital assets	\$ 145,114,783	\$ 150,346,852	\$ 168,026,327	\$ 173,567,439	\$ 176,708,344
Restricted	47,136,333	34,996,350	43,922,472	57,086,206	57,284,883
Unrestricted	56,447,708	82,141,974	87,400,745	86,633,833	91,079,029
Total governmental activities net position	\$ 248,698,824	\$ 267,485,176	\$ 299,349,544	\$ 317,287,478	\$ 325,072,256
Business-type activities					
Net investment in capital assets	\$ 10,214,783	\$ 9,892,944	\$ 10,373,054	\$ 10,476,164	\$ 10,047,512
Unrestricted	1,063,237	1,549,240	1,395,207	1,633,169	2,568,488
Total business-type activities net position	\$ 11,278,020	\$ 11,442,184	\$ 11,768,261	\$ 12,109,333	\$ 12,616,000
Primary government					
Net investment in capital assets	\$ 155,329,566	\$ 160,239,796	\$ 178,399,381	\$ 184,043,603	\$ 186,755,856
Restricted	47,136,333	34,996,350	43,922,472	57,086,206	57,284,883
Unrestricted	57,510,945	83,691,214	88,795,952	88,267,002	93,647,517
Total primary government net position	259,976,844	278,927,360	311,117,805	329,396,811	337,688,256

CITY OF WEST HOLLYWOOD: COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF WEST HOLLYWOOD

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

Expenses	Fiscal Year				
	2010	2011	2012	2013	2014
Governmental activities:					
General government	\$ 22,283,500	\$ 19,875,065	\$ 23,165,824	\$ 25,539,217	\$ 20,615,002
Public safety	14,693,505	14,697,422	14,049,362	14,916,605	14,980,054
Public services	37,851,081	42,408,254	39,406,297	36,552,396	47,313,347
Interest on long-term debt	3,753,074	4,016,175	3,235,260	2,600,257	3,609,405
Total governmental activities expenses	<u>78,581,160</u>	<u>80,996,916</u>	<u>79,856,743</u>	<u>79,608,475</u>	<u>86,517,808</u>
Business-type activities:					
Sewer	930,895	949,508	975,899	955,951	1,014,614
Solid waste	1,266,869	1,282,212	1,303,572	1,365,401	1,531,511
Landscape and lighting	175,253	183,915	176,687	168,908	190,288
Street maintenance	396,000	435,088	437,763	449,303	456,132
Total business-type activities expenses	<u>2,769,017</u>	<u>2,850,723</u>	<u>2,893,921</u>	<u>2,939,563</u>	<u>3,192,545</u>
Total primary government expenses	<u>\$ 81,350,177</u>	<u>\$ 83,847,639</u>	<u>\$ 82,750,664</u>	<u>\$ 82,548,038</u>	<u>\$ 89,710,353</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 502,745	\$ 586,368	\$ 563,320	\$ 682,095	\$ 1,247,385
Public safety	1,149,849	1,076,360	980,518	1,163,801	935,387
Public services	14,551,173	18,748,179	19,947,996	18,242,612	24,740,324
Operating grants and contributions	4,688,118	4,257,901	4,397,509	4,458,171	2,800,726
Capital grants and contributions	2,198,352	4,278,207	1,676,294	383,071	1,914,153
Total governmental activities program revenues	<u>23,090,237</u>	<u>28,947,015</u>	<u>27,565,637</u>	<u>24,929,750</u>	<u>31,637,975</u>
Business-type activities:					
Charges for services:					
Sewer	609,880	757,422	1,046,131	1,060,866	1,154,927
Solid waste	1,301,527	1,346,954	1,350,986	1,390,918	1,417,997
Landscape and lighting	173,623	174,009	179,821	176,142	187,117
Street maintenance	288,216	287,801	286,854	291,127	288,581
Total business-type activities program revenues	<u>2,373,246</u>	<u>2,566,186</u>	<u>2,863,792</u>	<u>2,919,053</u>	<u>3,048,622</u>
Total primary government program revenues	<u>\$ 25,463,483</u>	<u>\$ 31,513,201</u>	<u>\$ 30,429,429</u>	<u>\$ 27,848,803</u>	<u>\$ 34,686,597</u>
Net (expense)/revenue					
Governmental activities	\$ (55,490,923)	\$ (52,049,901)	\$ (52,291,106)	\$ (54,678,725)	\$ (54,879,833)
Business-type activities	(395,771)	(284,537)	(30,129)	(20,510)	(143,923)
Total Primary government net expense	<u>\$ (55,886,694)</u>	<u>\$ (52,334,438)</u>	<u>\$ (52,321,235)</u>	<u>\$ (54,699,235)</u>	<u>\$ (55,023,756)</u>

Source: City of West Hollywood

(Continued)

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Expenses	Fiscal Year				
	2015	2016	2017	2018	2019
Governmental activities:					
General government	\$ 20,388,425	\$ 24,431,737	\$ 22,297,943	\$ 20,448,961	\$ 24,369,593
Public safety	17,270,756	19,026,873	21,841,899	23,067,735	26,153,283
Public services	46,146,254	47,539,207	52,937,204	60,796,711	67,840,802
Interest on long-term debt	3,360,030	3,115,548	5,363,884	4,909,120	8,528,149
Total governmental activities expenses	87,165,465	94,113,365	102,440,930	109,222,527	126,891,827
Business-type activities:					
Sewer	1,082,870	1,024,557	1,048,306	1,174,785	1,155,856
Solid waste	1,448,043	1,484,564	1,425,100	1,450,793	1,498,061
Landscape and lighting	203,135	189,115	164,840	197,664	60,568
Street maintenance	299,122	323,553	301,999	272,583	281,817
Total business-type activities expenses	3,033,170	3,021,789	2,940,245	3,095,825	2,996,302
Total primary government expenses	\$ 90,198,635	\$ 97,135,154	\$ 105,381,175	\$ 112,318,352	\$ 129,888,129
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 841,309	\$ 987,225	\$ 885,815	\$ 826,678	\$ 839,715
Public safety	694,016	309,435	123,642	264,674	322,965
Public services	25,929,989	24,770,086	23,115,575	21,563,875	23,181,968
Operating grants and contributions	3,490,256	5,130,523	3,045,707	4,052,404	4,984,532
Capital grants and contributions	1,710,539	2,039,004	15,856,846	4,027,872	4,787,926
Total governmental activities program revenues	32,666,109	33,236,273	43,027,585	30,735,503	34,117,106
Business-type activities:					
Charges for services:					
Sewer	1,394,096	1,248,228	1,311,358	1,461,214	1,362,916
Solid waste	1,436,329	1,467,202	1,464,683	1,486,636	1,534,876
Landscape and lighting	178,418	173,174	191,235	184,551	193,912
Street maintenance	290,112	288,244	294,327	293,682	299,670
Total business-type activities program revenues	3,298,955	3,176,848	3,261,603	3,426,083	3,391,374
Total primary government program revenues	\$ 35,965,064	\$ 36,413,121	\$ 46,289,188	\$ 34,161,586	\$ 37,508,480
Net (expense)/revenue					
Governmental activities	\$ (54,499,356)	\$ (60,877,092)	\$ (59,413,345)	\$ (78,487,024)	\$ (92,774,721)
Business-type activities	265,785	155,059	321,358	330,258	395,072
Total Primary government net expense	\$ (54,233,571)	\$ (60,722,033)	\$ (59,091,987)	\$ (78,156,766)	\$ (92,379,649)

CITY OF WEST HOLLYWOOD

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

General Revenue and Other Changes in Net Assets	Fiscal Year				
	2010	2011	2012	2013	2014
Governmental activities:					
Taxes					
Property tax	\$ 18,349,422	\$ 18,002,980	\$ 15,515,421	\$ 13,332,465	\$ 14,516,251
Transient occupancy tax	12,590,134	14,089,667	15,414,055	18,062,326	18,983,466
Sales tax	12,308,132	12,775,378	14,004,171	14,669,198	15,635,224
Franchise tax	2,257,600	2,359,255	2,408,295	2,467,311	2,469,575
Business license tax	2,603,306	2,515,615	2,637,647	2,573,491	3,005,510
Motor vehicle in-lieu	3,451,448	3,349,580	3,382,436	3,488,271	3,771,692
Use of money and property	7,322,293	7,298,634	7,999,846	9,574,917	11,681,771
Other	623,043	803,397	2,454,053	897,756	1,581,952
Sale of capital assets	-	-	-	-	-
Extraordinary gain(loss)	-	-	185,683	576,058	-
Transfers	(100,000)	(116,000)	(118,700)	(171,106)	(164,557)
Total governmental activities	59,405,378	61,078,506	63,882,907	65,470,687	71,480,884
Business-type activities:					
Use of money and property	9,600	3,702	3,265	36	2,911
Transfers	100,000	116,000	118,700	171,106	164,557
Total business-type activities	109,600	119,702	121,965	171,142	167,468
Total primary government	\$ 59,514,978	\$ 61,198,208	\$ 64,004,872	\$ 65,641,829	\$ 71,648,352
Change in Net Position					
Governmental Activities	\$ 3,914,455	\$ 9,028,605	\$ 11,591,801	\$ 10,791,962	\$ 16,601,051
Business-type activities	(286,171)	(164,835)	91,836	150,632	23,545
Total primary government	\$ 3,628,284	\$ 8,863,770	\$ 11,683,637	\$ 10,942,594	\$ 16,624,596

Source: City of West Hollywood

(Continued)

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General Revenue and Other Changes in Net Assets	Fiscal Year				
	2015	2016	2017	2018	2019
Governmental activities:					
Taxes					
Property tax	\$ 19,613,651	\$ 21,540,248	\$ 23,428,584	\$ 25,206,827	\$ 27,334,301
Transient occupancy tax	20,903,442	22,268,519	22,636,844	24,775,813	25,990,350
Sales tax	16,117,944	16,441,681	17,906,126	17,980,869	19,977,644
Franchise tax	2,551,024	2,546,182	2,185,515	2,148,729	2,034,938
Business license tax	3,088,786	3,431,563	3,380,526	5,581,710	3,733,445
Motor vehicle in-lieu	-	-	-	-	-
Use of money and property	12,876,245	13,313,788	12,509,899	13,839,534	20,949,801
Other	1,642,123	155,142	3,582,792	362,095	589,020
Sale of capital assets	-	-	-	-	-
Extraordinary gain(loss) on dissolution of RDA	-	-	5,647,427	9,276,727	-
Transfers	-	-	-	-	(50,000)
Total governmental activities	76,793,215	79,697,123	91,277,713	99,172,304	100,559,499
Business-type activities:					
Use of money and property	3,427	9,105	4,719	10,814	61,595
Transfers	-	-	-	-	50,000
Total business-type activities	3,427	9,105	4,719	10,814	111,595
Total primary government	\$ 76,796,642	\$ 79,706,228	\$ 91,282,432	\$ 99,183,118	\$ 100,671,094
Change in Net Position					
Governmental Activities	\$ 22,293,859	\$ 18,820,031	\$ 31,864,368	\$ 20,685,280	\$ 7,784,778
Business-type activities	269,212	164,164	326,077	341,072	506,667
Total primary government	\$ 22,563,071	\$ 18,984,195	\$ 32,190,445	\$ 21,026,352	\$ 8,291,445

CITY OF WEST HOLLYWOOD: COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF WEST HOLLYWOOD

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

Page 1 of 2

	Fiscal Year				
	2010	2011	2012	2013	2014
General Fund					
Reserved	\$ 8,737,738	\$ -	\$ -	\$ -	\$ -
Unreserved	59,826,908	-	-	-	-
General Fund					
Nonspendable	-	783,625	186,823	65,340	39,510
Debt Service	-	-	-	1,255,006	1,255,006
Committed	-	18,787,130	7,735,781	9,367,610	11,177,318
Assigned	-	40,500,000	58,557,142	63,018,495	76,904,392
Unassigned	-	15,077,764	9,295,313	10,329,622	5,060,905
Total General Fund	<u>\$ 68,564,646</u>	<u>\$ 75,148,519</u>	<u>\$ 75,775,059</u>	<u>\$ 84,036,073</u>	<u>\$ 94,437,131</u>
All other governmental funds					
Reserved	\$ 25,444,012	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	3,215,665	-	-	-	-
Capital projects funds	(18,527,488)	-	-	-	-
Debt service funds	38,372,032	-	-	-	-
Permanent funds	(6,986)	-	-	-	-
Nonspendable	-	770	8,856	7,569	6,796
Restricted					
Public services	-	10,835,831	14,764,382	15,327,037	16,528,180
Capital projects	-	38,671,862	6,462,100	13,694,034	7,330,666
Debt service	-	15,863,936	12,293,855	5,178,386	24,133,063
Low and moderate activities	-	11,100,827	-	-	-
Unassigned	-	(6,331,086)	(6,312,241)	(7,385,459)	(2,076,017)
Total all other governmental funds	<u>\$ 48,497,235</u>	<u>\$ 70,142,140</u>	<u>\$ 27,216,952</u>	<u>\$ 26,821,567</u>	<u>\$ 45,922,688</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				
	2015	2016	2017	2018	2019
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
General Fund					
Nonspendable	35,708	139,575	44,317	53,634	66,600
Debt Service	1,255,006	1,255,006	1,255,006	1,255,006	1,255,006
Committed	12,076,505	18,386,688	27,054,567	24,601,571	25,713,228
Assigned	89,684,697	96,366,055	93,388,888	104,236,530	108,253,580
Unassigned	4,894,121	3,507,708	3,462,047	2,999,998	2,987,207
Total General Fund	\$ 107,946,037	\$ 119,655,032	\$ 125,204,825	\$ 133,146,739	\$ 138,275,621
All other governmental funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Permanent funds	-	-	-	-	-
Nonspendable	6,618	-	-	-	-
Restricted					
Public services	20,785,979	18,201,767	30,033,442	35,324,936	36,548,009
Capital projects	6,674,257	78,861,354	75,021,840	66,587,203	47,918,294
Debt service	16,877,020	-	-	-	-
Low and moderate activities:	-	-	-	-	-
Unassigned	(4,750,992)	(934,968)	(33,047)	(350,156)	(792,481)
Total all other governmental funds	\$ 39,592,882	\$ 96,128,153	\$ 105,022,235	\$ 101,561,983	\$ 83,673,822

CITY OF WEST HOLLYWOOD: COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF WEST HOLLYWOOD

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

	Fiscal Year				
	2010	2011	2012	2013	2014
Revenues					
Taxes	\$ 46,197,345	\$ 49,856,094	\$ 49,608,370	\$ 52,722,760	\$ 57,785,812
Licenses and permits	3,380,036	4,718,357	5,520,319	4,990,941	7,968,949
Intergovernmental	8,273,817	9,340,661	8,459,564	7,339,250	5,323,009
Charges for services	3,289,924	3,389,975	3,551,985	3,382,268	3,609,803
Use of money and property	6,866,344	9,794,397	7,934,591	9,574,917	12,154,214
Fines and forfeitures	8,969,664	10,033,205	10,443,347	10,576,985	11,936,215
Contributions	1,373,409	2,947,907	1,500,348	122,321	16,689
Developer participation	388,298	834,235	1,530,782	872,764	3,730,002
Miscellaneous	709,999	2,154,698	2,603,628	997,287	1,699,059
Total revenues	79,448,836	93,069,529	91,152,934	90,579,493	104,223,752
Expenditures					
Current:					
General government	21,699,975	19,233,560	19,874,229	20,387,134	22,623,280
Public Safety	14,613,812	14,619,971	14,068,721	14,916,605	14,902,172
Public Services	36,093,478	39,455,917	35,669,727	36,438,556	42,477,061
Capital outlay	29,206,055	24,746,798	12,477,205	6,066,194	10,072,944
Debt service:					
Principal retirement	22,030,000	1,760,000	3,795,000	1,645,000	1,905,000
Interest and fiscal charges	3,166,842	3,481,149	4,352,546	2,600,257	3,110,788
Debt issuance costs	790,384	712,845	-	-	358,483
Total expenditures	127,600,546	104,010,240	90,237,428	82,053,746	95,449,728
Excess (deficiency) of revenues over (under) expenditures	(48,151,710)	(10,940,711)	915,506	8,525,747	8,774,024
Other financing sources (uses)					
Capital lease issuance					
Transfers in	28,871,861	63,005,020	44,975,210	4,687,613	17,187,207
Transfers out	(28,971,861)	(63,121,020)	(45,093,910)	(5,358,719)	(17,467,240)
Long-term debt issued	-	39,980,000	-	-	19,155,000
Payment to refunded bond escrow agent	-	-	-	-	-
Refunding bonds issued	22,160,000	-	-	-	-
Bonds issued	34,780,000	-	-	-	-
Bond premium	665,937	-	-	-	218,975
Bond discount	(95,813)	(694,511)	-	-	-
Sale of capital assets	-	-	-	10,988	3,067,000
Extraordinary gain/(loss) on dissolution of RDA	-	-	(43,536,799)	-	-
Total other financing sources (uses)	57,410,124	39,169,489	(43,655,499)	(660,118)	22,160,942
Net change in fund balances	\$ 9,258,414	28,228,778	\$ (42,739,993)	\$ 7,865,629	\$ 30,934,966
Debt service as a percentage of noncapital expenditures	25.8%	6.6%	10.4%	5.6%	5.9%
Capital Outlay *	29,786,812	24,455,298	12,006,900	6,117,191	9,932,816

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				
	2015	2016	2017	2018	2019
Revenues					
Taxes	\$ 62,056,552	\$ 67,228,461	\$ 69,297,877	\$ 74,318,931	\$ 79,357,479
Licenses and permits	9,327,431	9,301,203	9,515,384	10,975,684	9,921,979
Intergovernmental	4,193,972	5,531,157	4,484,889	3,975,963	5,959,757
Charges for services	3,444,145	3,088,746	3,433,732	3,923,043	4,133,882
Use of money and property	13,066,956	13,487,275	12,660,650	13,988,131	21,216,864
Fines and forfeitures	11,597,951	10,514,809	9,739,057	7,619,488	8,864,168
Contributions	247,588	184,829	-	-	-
Developer participation	3,018,883	3,083,370	10,510,748	5,640,412	4,815,785
Miscellaneous	2,699,051	257,382	9,144,052	900,139	840,430
Total revenues	109,652,529	112,677,232	128,786,389	121,341,791	135,110,344
Expenditures					
Current:					
General government	23,886,096	23,590,529	21,354,765	19,367,175	21,625,797
Public Safety	17,190,760	18,937,633	21,737,444	22,958,843	26,044,333
Public Services	42,023,194	44,067,723	48,947,704	54,365,557	61,299,394
Capital outlay	13,783,900	16,182,343	19,841,533	22,390,508	24,033,545
Debt service:					
Principal retirement	2,140,000	2,235,000	3,060,000	3,415,000	3,579,592
Interest and fiscal charges	3,449,479	3,359,278	5,043,345	5,522,937	9,147,260
Debt issuance costs	-	596,000	5,150	-	-
Total expenditures	102,473,429	108,968,506	119,989,941	128,020,020	145,729,921
Excess (deficiency) of revenues over (under) expenditures	7,179,100	3,708,726	8,796,448	(6,678,229)	(10,619,577)
Other financing sources (uses)					
Capital lease issuance					143,462
Transfers in	14,807,483	16,045,505	26,222,132	23,889,459	29,437,433
Transfers out	(14,807,483)	(16,095,505)	(26,222,132)	(24,239,459)	(29,487,433)
Long-term debt issued	-	85,015,000	-	-	-
Payment to refunded bond escrow agent	-	(33,898,880)	-	-	-
Refunding bonds issued	-	-	-	-	-
Bonds issued	-	-	-	-	-
Bond premium	-	13,503,099	-	-	-
Bond discount	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Extraordinary gain/(loss) on dissolution of RDA	-	-	5,647,427	9,276,727	-
Total other financing sources (uses)	-	64,569,219	5,647,427	8,926,727	93,462
Net change in fund balances	\$ 7,179,100	\$ 68,277,945	\$ 14,443,875	\$ 2,248,498	\$ (10,526,115)
Debt service as a percentage of noncapital expenditures	6.3%	6.0%	8.1%	8.5%	10.4%
Capital Outlay	13,153,552	15,945,031	20,078,140	23,087,676	23,650,090

CITY OF WEST HOLLYWOOD: COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF WEST HOLLYWOOD

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

Fiscal Year	(1) Transient Occupancy Tax	(2) Sales Taxes	(3) (4) Property Taxes	Franchise Taxes	Business License Tax	Total General Fund Taxes
2010	12,590,134	10,730,268	9,971,747	2,123,395	2,383,438	39,729,245
2011	14,089,667	11,642,605	11,191,866	2,212,579	2,425,126	37,798,981
2012	15,414,055	12,279,783	12,071,755	2,278,536	2,637,647	41,561,844
2013	18,062,326	13,236,253	13,971,978	2,310,145	2,573,491	50,154,193
2014	18,982,361	13,799,302	17,247,544	2,323,502	2,863,828	55,216,537
2015	20,903,442	14,560,587	18,469,653	2,400,839	3,001,630	59,336,151
2016	22,268,519	16,094,074	20,331,695	2,399,738	3,296,161	64,390,187
2017	22,636,844	16,242,475	22,112,662	2,045,934	3,274,264	66,312,179
2018	24,775,813	16,944,964	23,745,035	2,016,660	3,308,544	70,791,016
2019	25,989,558	18,211,472	25,780,512	1,904,730	3,581,898	75,468,170

Notes:

- (1) Does not include marketing assessment for West Hollywood Visitors and Convention Bureau.
- (2) Does not include Prop A, C and Measure R sales taxes.
- (3) Does not include redevelopment agency or Lighting District. In fiscal year 2009-10, the State of California borrowed 8% of all property taxes. \$1,385,432 was repaid in 2012-13.
- (4) Property Tax included Motor Vehicle In-Lieu (MVLIF) revenues for fiscal years starting 2013-2014.

Source: City of West Hollywood.

CITY OF WEST HOLLYWOOD

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

Fiscal Year	City			Taxable Assessed Value	Redevelopment Agency (2)			(1) Total Direct Tax Rate
	Real	Personal	Utility		Real	Personal	Taxable Assessed Value	
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	-	-	-	-
2018	11,158,401,921	285,700,786	-	11,444,102,707	-	-	-	-
2019	11,892,256,113	307,002,600	-	12,199,258,713	-	-	-	-

Fiscal Year	City							
	Residential	Commercial	Industrial	Institutional	Vacant	Unsecured	Exempt	Miscellaneous
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
2018	6,646,977,306	4,128,379,548	176,503,548	33,930,123	99,551,782	285,700,786	(46,304,476)	73,059,351
2019	7,106,003,994	4,387,837,116	176,159,362	22,028,933	140,877,576	307,002,600	(48,602,855)	59,349,132

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

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

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

Source: Hdl, Coren & Cone

CITY OF WEST HOLLYWOOD

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

Agency	Fiscal Year				
	2010	2011	2012	2013	2014
Basic Levy (1)	1.00000	1.00000	1.00000	1.00000	1.00000
County Detention Facilities 1987 Debt	0.00000	0.00000	0.00000	0.00000	0.00000
LA Ccd Ds 2005 2012 Series F	0.00000	0.00000	0.00000	0.00000	0.00000
LA Community College District	0.02311	0.04031	0.03530	0.03756	0.04454
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	0.00001	0.00000
Los Angeles Unified School District	0.15181	0.18695	0.16819	0.17560	0.14644
Metropolitan Water District	0.00430	0.00370	0.00370	0.00350	0.00350
Total Direct & Overlapping Tax Rates (2)	1.17922	1.23096	1.20718	1.22786	1.194448
City's Share of 1% Levy Per Prop 13 (3)	0.17868	0.17868	0.17868	0.17868	0.17868
General Obligation Debt Rate					
Redevelopment Rate (4)	1.00430	1.00370	1.00370	-	-
Total Direct Rate (5)	0.24955	0.24888	0.24835	0.24440	0.175970

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) Total Direct Rate is the weighted average of all individual direct rates applied by the City/Agency preparing the statistical information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2013/13. For purposes of this report, residual revenue is assumed to be distributed to the City/Agency in the same proportions as general fund revenue.

Source: HdL Coren & Cone

(Continued)

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	Fiscal Year				
	2015	2016	2017	2018	2019
Basic Levy (1)	1.00000	1.00000	1.00000	1.00000	1.00000
County Detention Facilities 1987 Debt	0.00000	0.00000	0.00000	0.00000	0.00000
LA Ccd Ds 2005 2012 Series F	0.00000	0.00000	0.00000	0.00000	0.00000
LA Community College District	0.04017	0.03575	0.03596	0.04599	0.04621
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	0.14688	0.12971	0.13110	0.12219	0.12323
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350	0.00350
Total Direct & Overlapping Tax Rates (2)	1.19055	1.16896	1.17055	1.17168	1.17294
City's Share of 1% Levy Per Prop 13 (3)	0.17868	0.17868	0.17868	0.17868	0.35737
General Obligation Debt Rate					
Redevelopment Rate (4)	-	-	-	-	-
Total Direct Rate (5)	0.175990	0.175900	0.175830	0.175600	0.175800

CITY OF WEST HOLLYWOOD: COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF WEST HOLLYWOOD

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

<u>Taxpayer</u>	<u>2019</u>		<u>2010</u>	
	<u>Taxable Assessed Value</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total Taxable Assessed Value</u>
Mani Brothers *	\$ 254,037,657	2.08%	\$ 145,337,841	2.01%
NWLWH LLC *	213,979,155	1.75%	-	0.00%
Pacific Design Center LLC	183,811,846	1.51%	162,420,257	2.24%
Pacific Red LLC *	183,310,147	1.50%	-	0.00%
8940 Sunset Blvd WH Owner LLC *	161,732,575	1.33%	-	0.00%
Wolverines Owner LLC *	149,997,735	1.23%	-	0.00%
KR Sunset WEHO LLC*	141,632,552	1.16%	-	0.00%
Studio Lending Group LLC *	116,703,382	0.96%	68,297,106	0.94%
West Hollywood Sunset LLC	113,872,503	0.93%	-	0.00%
Arkady Krugliak	112,687,440	0.92%	-	0.00%
BPRC Millennium LLC *	-	0.00%	109,285,806	1.51%
Mondrian Holdings LLC	-	0.00%	84,174,738	1.16%
CLPF West Hollywood LP	-	0.00%	81,593,734	1.13%
Turnberry Regent LLC	-	0.00%	58,140,000	0.80%
Time Warner Cable	-	0.00%	54,837,340	0.76%
W Bel Age LLC	-	0.00%	53,272,641	0.74%
LHO Le Parc LP	-	0.00%	47,444,665	0.65%
TOTALS	\$ 1,631,764,992	13.38%	\$ 864,804,128	11.94%

Note: 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) Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2010	18,868,848	18,094,850	95.9%	-	18,094,850	95.9%
2011	18,271,704	17,803,309	97.4%	-	17,803,309	97.4%
2012	(2) 15,008,242	14,527,572	96.8%	-	14,527,572	96.8%
2013	(3) 11,346,248	11,065,252	97.5%	-	11,065,252	97.5%
2014	(3) 12,189,784	11,922,644	97.8%	-	11,922,644	97.8%
2015	12,886,560	12,730,399	98.8%	-	12,730,399	98.8%
2016	14,005,495	13,721,310	98.0%	-	13,721,310	98.0%
2017	15,237,515	15,004,752	98.5%	-	15,004,752	98.5%
2018	16,431,666	16,145,568	98.3%	-	16,145,568	98.3%
2019	17,462,555	17,235,437	98.7%	-	17,235,437	98.7%

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

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

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

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

Source: HdL and City of West Hollywood

CITY OF WEST HOLLYWOOD: COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF WEST HOLLYWOOD

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

Fiscal Year	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income (4)	Debt Per Capita
	Tax Allocation Bonds (1)	Certificates of Participation (2)	Lease Revenue Bonds (3)	General Obligation	Certificates of Participation			
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	5.7%	3,384.65
2018	-	-	120,366,770	-	-	120,366,770	5.2%	3,283.33
2019	-	-	116,278,874	-	-	116,278,874	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 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 \$103,835,000, and unamortized premiums/discounts of \$12,443,874.
- (4) Personal Income information for 2019 is not available at this time.

Source: Hdl Coren & Cone and City of West Hollywood

CITY OF WEST HOLLYWOOD

**TABLE 11
DIRECT AND OVERLAPPING DEBT
JUNE 30, 2019
(UNAUDITED)**

Jurisdiction	Net General Obligation Debt Outstanding	Percentage Applicable to City of West Hollywood	Amount Applicable to City of West Hollywood June 30, 2019
Overlapping General Fund Debt:			
Metropolitan Water District	23,317,224	0.875%	204,091
Los Angeles County Community College District	3,930,390,000	1.434%	56,374,325
Los Angeles Unified School District	10,079,120,000	1.761%	177,496,752
Subtotal, overlapping debt	<u>14,032,827,224</u>		<u>234,075,168</u>
City direct governmental debt			
2009 Lease Revenue Bonds Series A	4,425,903	100.000%	4,425,903
2013 Lease Revenue Bonds Series	17,400,181	100.000%	17,400,181
2016 Lease Revenue Bonds Series	94,452,790	100.000%	94,452,790
Subtotal, city direct governmental debt	<u>116,278,874</u>		<u>116,278,874</u>
Overlapping Tax Increment Debt			
2013 Tax Allocation Revenue Refunding Bonds	7,876,953	100.000%	7,876,953
2011 Tax Allocation Bonds Series A	26,804,652	100.000%	26,804,652
2011 Tax Allocation Bonds Series B	8,252,532	100.000%	8,252,532
Subtotal, overlapping tax increment debt	<u>42,934,137</u>		<u>42,934,137</u>
Subtotal, overlapping debt			<u>277,009,305</u>
Subtotal, direct debt			<u>116,278,874</u>
Grand Total direct and overlapping governmental debt			<u>\$ 393,288,179</u>

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

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

CITY OF WEST HOLLYWOOD

**TABLE 12
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2010	2011	2012	2013	2014
Debt limit	\$ 1,134,328,071	\$ 1,100,856,999	\$ 1,111,655,323	\$ 1,146,438,683	\$ 1,239,586,814
Total net debt applicable to limit	68,440,000	108,420,000	108,420,000	50,775,000	68,546,274
Legal debt margin	\$ 1,065,888,071	\$ 992,436,999	\$ 1,003,235,323	\$ 1,095,663,683	\$ 1,171,040,540
Total net debt applicable to the limit as percentage of debt limit	6.03%	9.85%	9.75%	4.43%	5.53%

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				
	2015	2016	2017	2018	2019
Debt limit	\$ 1,316,390,648	\$ 1,446,044,147	\$ 1,584,823,183	\$ 1,716,615,406	\$ 1,829,888,807
Total net debt applicable to limit	66,350,325	127,867,562	124,294,665	120,366,770	116,278,874
Legal debt margin	\$ 1,250,040,323	\$ 1,318,176,585	\$ 1,460,528,518	\$ 1,596,248,636	\$ 1,713,609,933
Total net debt applicable to the limit as percentage of debt limit	5.04%	8.84%	7.84%	7.01%	6.35%

Legal Debt Margin Calculation for Fiscal Year 2019

Assessed value	\$ 12,199,258,713
Debt limit (1)	1,829,888,807
Debt applicable to limit (2):	
Lease Revenue Bonds	116,278,874
Net amount of debt applicable to debt limit	116,278,874
Legal debt margin	\$ 1,713,609,933

CITY OF WEST HOLLYWOOD: COMPREHENSIVE ANNUAL FINANCIAL REPORT

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	
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
2018	4,013,414	150,000	3,863,414	705,000	3,221,628	3,926,628	0.98
2019	4,013,364	65,000	3,948,364	735,000	3,182,019	3,917,019	1.01

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**

Calendar Year	Population (1)	Personal Income (In Thousands) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
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	56,400	4.3%
2017	36,958	2,163,921	58,925	3.8%
2018	36,660	2,323,424	63,378	5.3%
2019	37,760	2,393,127	63,378	N/A

Notes: Annual income and unemployment figures for 2019 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. 2018 population and personal income was estimate last year and updated this year based on data from Hdl. 2019 population and personal income is an estimate.

(4) Unemployment data : California Employment Development Department

CITY OF WEST HOLLYWOOD

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

	2019		2010	
	# Employees	% Percent of Total City Employment	# Employees	% Percent of Total City Employment
Los Angeles County Metropolitan Transportation Authority (5)	520	2.0%		
Target Corp. (5)	289	1.1%	500	2.1%
CityGrid Media/Inter Active Corp (5)	288	1.1%		
City of West Hollywood	236	0.9%	209	0.9%
Sunset Marquis (5)	200	0.8%		
1 OAK LA (5)	200	0.8%		
Laz Parking (5)	200	0.8%		
Mondrian	268	1.0%	400	1.7%
The London West Hollywood	175	0.7%		0.0%
Pavilions (5)	180	0.7%		0.0%
KKGG Management LLC (Argyle Hotel) (5)	165	0.6%	100	0.4%
Andaz West Hollywood	161	0.6%		0.0%
Sunset Tower Hotel (4)(5)	159	0.6%		0.0%
Whole Foods Market (5)	153	0.6%		
Oprah Windfrey Network (OWN) (5)	150	0.6%		
Ralphs (2 locations) (5)	141	0.5%		
Hollywood Standard LLC (The Standard Hotel)	140	0.5%	185	0.8%
nCompass (5)	128	0.5%		
The Jeremy Hotel	120	0.5%		
Best Buy (5)	100	0.4%		
Saddle Ranch Restaurant (5)	95	0.4%	100	0.4%
Dailey & Associates (5)	85	0.3%	251	1.0%
Outrigger Lodging Services LLP (Chamberlain Hotel)	82	0.3%		
Outrigger Lodging Services LLP (Le Parc Suite Hotel)	72	0.3%	105	0.4%
Outrigger Lodging Services LLP (Le Montrose Hotel)	75	0.3%		
Outrigger Lodging Services LLP (The Grafton Hotel)	65	0.3%		
HMBL LLC (Best Western Sunset Plaza)	40	0.2%	125	0.5%
House of Blues (3)			300	1.2%
Gordon Ramsey at the London			170	0.7%
SC Club LP (Key Club)* (Sold)			100	0.4%
Suissa Miller Advertising LLC			100	0.4%
Ticketmaster (1)			1,300	5.4%
Wyndham Bel Age Hotel LP			230	1.0%
Hyatt Corp (Hyatt West Hollywood Hotel)			165	0.7%
Total Jobs By Principal Employers	4,487	17.4%	4,340	18.1%
Total Jobs (estimated) in City of West Hollywood	25,800	100%	24,020	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									
	10	11	12	13	14	15	16	17	18	19
General Government										
Legislative & Executive (1)	24.6	23.6	25.6	25.6	39.8	36.8	27.8	13.0	11.0	16.0
Administration	28.8	28.8	26.8	26.8	17.7	17.8	25.8	24.8	24.0	23.0
Finance & Information Technology	21.9	21.9	21.9	23.9	22.9	22.9	22.9	23.9	24.0	23.0
Public Safety	8.8	8.8	8.8	7.8	5.6	5.0	5.0	5.0	5.0	5.0
Community Services										
Human Services & Rent Stabilization (1)	53.4	53.4	52.4	52.4	54.4	56.9	56.6	57.8	49.0	24.0
Housing & Rent Stabilization	17.0	17.0	17.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Community Development	29.0	29.0	29.0	29.0	30.0	31.0	33.0	33.0	0.0	0.0
Community Services (1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	6.0
Facilities & recreation Services (1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	55.0
Department of Public Works (1)	26.0	26.0	26.0	44.0	46.0	46.0	47.0	48.0	49.0	25.0
Communications Department	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.8	10.0	10.0
Economic Development	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.0	19.0	19.0
Total	209.4	208.5	207.4	209.4	216.4	216.4	218.2	222.3	226.0	236.0

Notes:

(1) Due to the City's reorganization, new departments were created and employees were reassigned to the new departments.

Source: City of West Hollywood

CITY OF WEST HOLLYWOOD: COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF WEST HOLLYWOOD

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

Function	Fiscal Year									
	10	11	12	13	14	15	16	17	18	19
Police (1)										
Incidents	7,171	7,036	7,460	6,370	6,975	6,060	10,931	9,647	11,204	12,305
Arrests	3,320	3,007	3,069	3,407	3,312	2,230	2,569	2,027	2,478	2,974
Sewers										
Miles of system	39	39	39	39	39	39	39	39	39	39
Percent inspected	10	10	10	10	10	10	10	10	20	20
Parks and Recreation										
Number of parks	6	6	7	7	8	8	8	8	8	8
Community Development										
Commercial building permits	235	337	221	221	796	358	400	364	396	368
Residential building permits	551	522	396	396	1,548	548	577	636	756	752
Mixed-use building permits (2)	-	-	-	-	-	4	6	3	3	2
Parking										
Citations issued	190,979	200,164	195,345	182,930	211,404	211,583	196,834	181,639	172,954	154,594

Notes:

- (1) Police statistics are based on calendar year; Information for 2018 was updated to reflect the actual number of arrest and incidents; the 2019 information is an estimate.
- (2) FY15 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									
	10	11	12	13	14	15	16	17	18	19
Public Safety										
This a contracted service	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Parking:										
Parking Structures	1	2	2	2	2	2	3	3	3	3
Parking Lots	4	4	4	4	4	9	9	9	9	9
Cultural & Recreation:										
Parks	6	6	7	7	8	8	8	8	8	8
General Services:										
Sidewalks (length/feet)	275,638	275,638	275,638	275,638	275,638	275,638	275,638	275,638	275,638	275,638
Streets (miles)	54	54	54	54	54	54	54	54	54	54
Traffic signals	56	56	56	56	60	61	61	62	66	66
Wastewater:										
Sanitary sewers (miles)	39	39	39	39	39	39	39	39	39	39
Manholes	395	395	395	395	885	885	885	885	885	885
City-Line:										
Number of Buses	10	10	10	10	10	10	10	10	7	18

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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