



# CITY OF WEST HOLLYWOOD Comprehensive Annual Financial Report

Fiscal Year Ending  
June 30, 2020



WEST HOLLYWOOD, CALIFORNIA

# City Priorities

Public Safety

Homelessness

Neighborhood Livability

Capital Project Management

Organizational Development

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

**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



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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

**FISCAL YEAR ENDED JUNE 30, 2020**

**Prepared By The City's:**

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

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# Introductory



🐦 Thousands of [#Californians](#) and people from across the nation descended into our little [@WeHoCity](#) to celebrate [#LGBT](#) lives and love 🏳️🌈



Top front: Summer Sounds/One City One Pride: Mariachi Arcoiris, photo Tony Coelho | Lower front: Art on the Outside: cacti by James Peterson, photo Jon Viscott | Back: Dyke March, photo Jon Viscott



# CITY OF WEST HOLLYWOOD

CITY HALL  
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WEST HOLLYWOOD, CA  
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**DEPARTMENT  
OF FINANCE  
& TECHNOLOGY  
SERVICES**

January 12, 2021

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, 2020. 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 necessary 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 Clifton Larson Allen 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, 2020, 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, 2020, 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, 2020, 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 is set at the department level in the General Fund and the function level in other governmental fund types as expenditures cannot legally exceed the appropriated amount. 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 this 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 people 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 and select one of its members to serve as Mayor on an annual basis. The City Council is responsible, among other things, for adopting the budget, ordinances, and policies affecting its constituents, representing the City in various organizations, and appointing committee and commission members. The City Council also serves as the board of the West Hollywood Housing Authority, West Hollywood Public Facilities Corporation, and the West Hollywood Public Financing Authority.

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”. More than 40 percent of the businesses located in West Hollywood comprise such creative fields such as entertainment, interior design, fashion, art, and communications. The City is known for its 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 bar. As a 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 furnishings, design and textile businesses. Tourists can also shop at more than 280 clothing and jewelry stores, 30 art galleries, and participate in an eclectic and ever-evolving nightlife centered on the world-famous Sunset Strip and Santa Monica Boulevard “Route 66.”

## ECONOMIC CONDITION

Although the focus of this CAFR is the economic condition of the City at June 30, 2020, 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 2020, Fitch Ratings assigned AA+ to the City's newly issued 2020 Lease Revenue Bonds Series A&B. Fitch also 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 December 2020, Moody's Investors Service re-affirmed the City's Aa1 bond issuer rating, which is above the median rating of Aa3 for cities nationwide.

During the February 2020 Midyear Budget Review, the City of West Hollywood increased its revenue estimates and was scheduled to meet and even exceed expectations. However, in January 2020, an outbreak of a novel strain of coronavirus (COVID-19) had started to spread to the United States and to a number of other countries worldwide. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic marking the beginning of an economic downturn throughout the nation.

The City of West Hollywood has exemplified its resilience since the beginning of COVID-19. The City continues to be a vibrant, livable, and resilient community for both its residents and businesses even as it continues to be impacted by the COVID-19 pandemic. The City's leadership, along with the business community leadership, formed close partnerships to find creative solutions during these challenging times. The mutual goal for leadership was to provide services without interruption that adhered to the County safety guards. In response to the pandemic, the City's retail/business community, nightlife and luxury world class accommodations quickly adapted to the on-going County restrictions to ensure public health safety for all community members. Some businesses had to close until the County provided safety guidelines and some have had to close on and off as mandatory guidelines have been issued. The City and the Business community have adopted the use of face masks and the safe physical distancing requirements throughout every industry and provided end-user online services by using digital workflows throughout the City of West Hollywood.

As the City has done during crisis in the past, the City increased its monitoring of the local and national economy in response to the COVID-19 and adjusted revenue and expenditure projections accordingly. As a result of this pandemic, the City finished fiscal year ended June 30, 2020 with revenues below its original projections, nonetheless, it remains in good financial condition. The City has a fund balance in the General Fund of \$131.9 million (115% of fiscal year 2019-20 budgeted operating expenditures), including: \$49 million of working reserves (which is consistent with the City's policy of maintaining a General Fund working reserve at 20% of the General Fund budget); \$25 million in capital project reserves; \$5.8 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.

The City had been experiencing a growth of its top revenue sources for several years. However, in fiscal year ended June 30, 2020, the City's transient occupancy tax (hotel tax) and sales tax revenues decreased from their peak in fiscal year ended June 30, 2019. Historically, the City has had some of the highest average daily rates and occupancy levels for hotel rooms in the Los Angeles region. Prior to the pandemic, the City was on track to exceeding highest average daily rates and occupancy levels. In fiscal year ended June 30, 2020, the City generated \$20.7 million in transient occupancy tax, a decrease of \$5.2 million or 20.2% from prior year actuals. TOT was impacted by the extended duration of the safer-at-home orders and travel restrictions implemented across the state, country and worldwide.

In fiscal year ended June 30, 2020, the sales tax base, which is highly diversified given its small geographic area, generated \$15.6 million. Sales tax experienced a decreased of 21.7% based on actuals compared to last year, even with increases in the County Pool due to online sales. Some of the 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. However, sales tax suffered due to COVID19 sales tax deferral programs, mandatory business closures and the extended duration of the safer-at-home orders.

Property tax revenues, our other top revenue source, have not been impacted by the current pandemic and grew in 2020 to \$29.5 million due to increasing home prices and sales, as well as continued new construction and development.

The City's fiscal year budget for fiscal year ending June 30, 2021 is more conservative than fiscal year ended June 30, 2020. The City's conservative approach is mindful of the uncertainty as the pandemic continues. The City has projected General Fund revenues of \$90.1 million and expenditures of \$94.9 million; in comparison, the City's pre-pandemic budget approved during the midyear review in February 2020 totaled \$115.5 million. The adjustments to projected revenues are reflective of the extended duration of the safer-at-home orders implemented across the Los Angeles County, State of California, and the nation, along with travel restrictions worldwide. The City is optimistic that some of the loss in revenue will be offset by future revenue sources, such as the Pendry, a new luxury hotel, with 149 guestrooms and suites scheduled to open in 2021; additional revenue from new digital billboards projects; and Measure E, which was approved in November 2020 by a majority of the West Hollywood voters (the sales tax measure is anticipated to generate at least \$11 million dollars in the first year). The City will continue to closely monitor revenues and expenditures and is grateful that it has been able to achieve and maintain a strong fiscal health and sufficient reserves over the years that have now assisted us in managing some of the fiscal impacts of COVID-19.

## LONG TERM FINANCIAL PLANNING

As we get ready for a difficult winter, the quarterly UCLA Anderson Forecast (December 2020) “anticipates positive economic news on the horizon.” The December forecast offers hope of a robust recovery from the current recession. However, looking ahead beyond the next six to twelve months is a challenge. The City faces many unknowns: the duration and the impact of COVID-19 on our hotels, restaurants bars, and entertainment venues, and the depth of constituent needs for housing and food security along with access to healthcare. The City will continue its expansive approach to civic leadership and governmental transparency in response to demands from its constituency for accurate, timely, and relevant communication regarding City services, availability of City facilities, issuance and interpretation of emergency orders, and other responses to the COVID-19 pandemic. The City remains confident in its leadership and ability to work collaboratively with constituents and service partners to provide safe, clean, and well-maintained infrastructure and services for the community into the future.

In fiscal year 2021-22, the City anticipates completing construction and to open West Hollywood Park and the new Aquatic and Recreation Center; staff is anticipating significant expenditure growth related to expanding new and existing programs and establishing new operations. In addition to these costs, there are also rising costs for the provision of contracted public safety and other services. The City will use some of the new revenue sources such as Measure E, to offset some of these increased costs. Over the longer term, the City is focused on developing a structurally balanced budget that emphasizes public safety, public health focusing on the delivery of core social services, service to the community, and responsible capital infrastructure maintenance and sustainable capital enhancements

The City conservatively budgets revenue 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, the current pandemic, etc.). The City has typically accumulated significant reserves during periods of strong economic growth. By capturing and designating the accumulated reserves, the City has been able to set aside monies for economic downturns and make strategic investments in City infrastructure. In the past, this has helped attract and retain development and commercial tenants that improves commercial and residential neighborhoods thus improving the local economy. As a result of the City’s continued conservative approach, the City’s financial position remains sound during the current pandemic. In fact, the California State Auditor’s “Impact of Covid-19 on City Revenues” Report indicates that West Hollywood is one of the twenty-one cities likely to have sufficient budget reserves to help them absorb revenue reductions.



## 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 anticipated costs associated with them. The City will continue to update and prioritize its five-year capital improvement plan and will designate portions of its future revenue growth for capital projects. Capital improvement demands require the City Council and Management to remain committed to restraining expenditures. The City of West Hollywood also 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 and those of the former Community Development Commission (now Successor Agency) are detailed in the Financial Section of this report).

With the financial implications of COVID-19 and to assist with the completion of some of the larger projects, such as the West Hollywood Park Phase II, the City issued the 2020 Lease Revenue Bonds at the end of the fiscal year. This has allowed the City the flexibility to maintain some of its current reserves in case the pandemic continues beyond fiscal year 2021.

## MAJOR ACCOMPLISHMENTS FOR THE YEAR

- Approved over \$5 million in Social Services contracts to fund vital services for the most vulnerable community members, including mental health programs, substance abuse treatment, homeless services, senior services, legal services, HIV/STD prevention and treatment, health care services, case management, disability services, job placement services, and LGBTQ services.
- Proclaimed the existence of a local emergency in response to the COVID-19 pandemic and took several emergency actions, including but not limited to:
  - Assistance for renters – increased funding for rental assistance; established a rent freeze; imposed a moratorium on residential evictions for non-payment of rent; eased parking restrictions.
  - Assistance for local businesses – imposed a moratorium on commercial evictions for nonpayment of rent; eased City codes regarding signage, parking and traffic operations, hours of operation, and delivery restrictions; deferred business license tax payments and remittance of transit occupancy tax upon written request.
- Issued Executive Orders in response to the COVID-19 pandemic to protect the health and safety of all West Hollywood community members.
- Provided ongoing support for the City’s response to safeguard the community during the COVID-19 health crisis including coordinating law enforcement, emergency medical services, and Emergency Operations Center resources in conjunction with

the Los Angeles County Department of Public Health and the Los Angeles County Office of Emergency Management.

- Established remote operations to staff the Rent Stabilization and Housing information lines to continue provision of ongoing support, guidance and resources to tenants and landlords. Converted commonly requested forms to online fillable applications to allow for electronic filing.
- Contributed to the creation and implementation of urgency ordinances establishing a moratorium on residential evictions and stay on rent increases for rent-stabilized units. Developed a template agreement, factsheets, website content, and other mailed and recorded communication providing information and guidance to the community. Staffed the City's information lines for the residential eviction moratorium and provided one-on-one counseling and guidance to tenants utilizing their rights under the urgency ordinances.
- Transitioned to 100% coronavirus media topics from March 19, 2020 through the end of the fiscal year. During this time, averaged 28 press releases per month on a variety of COVID-19-related topics, including rent moratoriums, resources for seniors, scam alerts, informational panel webinars, assistance for businesses, health and mental health resources, recreation programming, and City Council directives.
- Enabled and trained all city staff to work remotely during City facility closures due to COVID-19.
- Launched the Complete Count Committee, which is part of the City's Census 2020 Initiative aiming to engage community stakeholders in developing strategies to get the word out about the importance of a complete count in the City of West Hollywood and across California.
- Expanded supplemental law enforcement deployment to address homelessness and quality of life issues, including foot patrols in addition to traditional vehicle patrols
- Earned being named an All-American City in 2019 by the National League of Cities based on the City's Homeless Initiative.
- Leased 10 new rental units. 1030 N Kings Road (2 very low, 3 moderate), and 8017 Norton (3 very low, 2 moderate). Released 12 inclusionary units at existing mixed-income buildings. Monitored development of an additional 67 inclusionary affordable units at 10 sites.
- Installed 1300 smart on-street parking meter mechanisms that accept Apple Pay and Google Wallet, increasing payment options for motorists. New mechanisms also collect space utilization data that was previously gathered manually.
- Negotiated and successfully completed the purchase of \$3.2 million of Southern California Edison Rule 20A credits from the City of El Monte for 0.60 cents on the dollar. These funds will be used for the upcoming undergrounding projects on Beverly and Robertson.

- Issued the 2020 Lease Revenue Bonds Series A and B to finance the acquisition of certain public capital improvements of benefits to the City.

#### 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 urban 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, 2019. 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 biannual 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 by the Finance and Technology Services Department was accomplished through the combined efforts and participation of City Staff in various departments. The following staff deserves special recognition for their contribution to this document: 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 and be submitted to the Finance & Budget Sub-Committee prior to Council agendaing.



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of West Hollywood  
California**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

## DIRECTORY OF CITY OFFICIALS

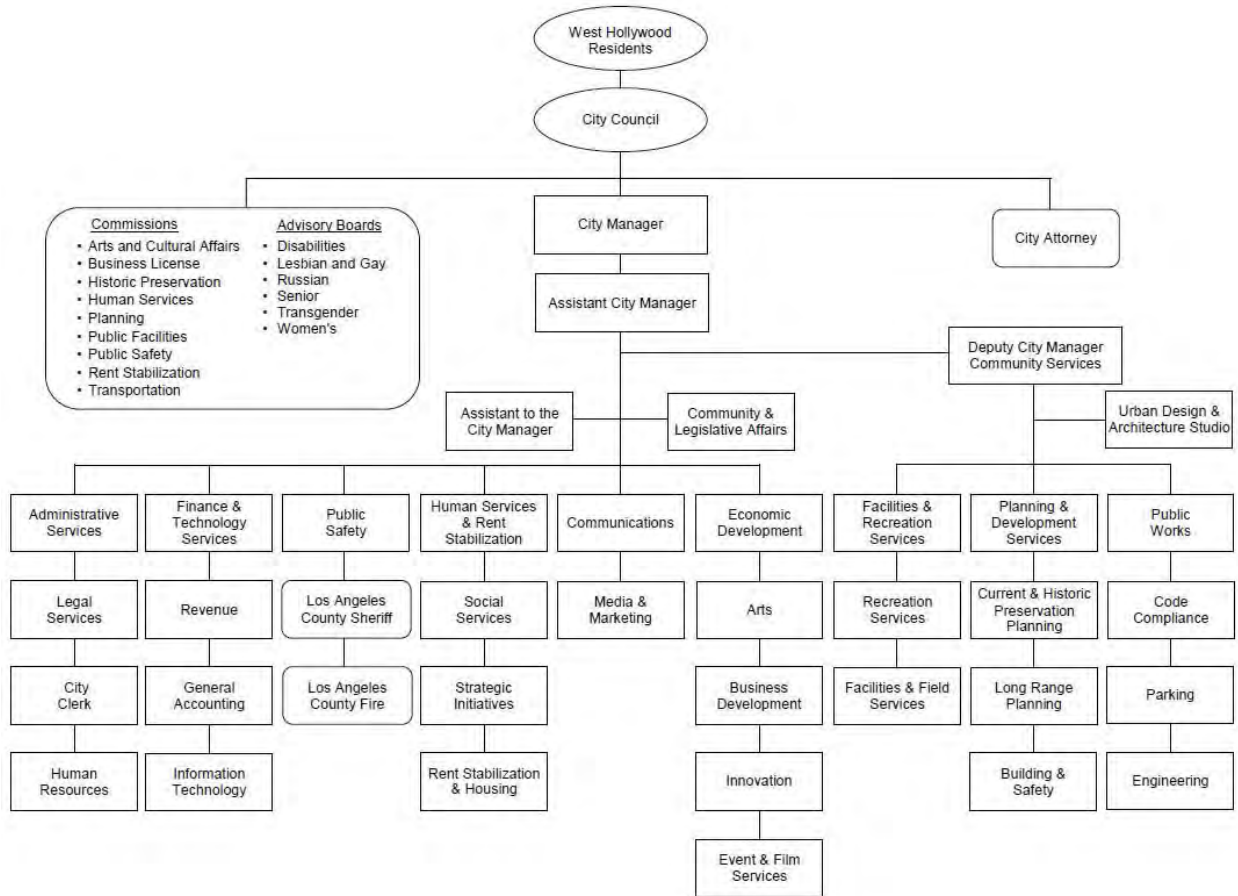
### Mayor and City Council

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

### Administration

City Manager.....	<i>Paul Arevalo</i>
Assistant City Manager .....	<i>David A. Wilson</i>
Assistant 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 (Acting).....	<i>Francisco Contreras</i>
Director of Facilities and Recreation Services.....	<i>Steve Campbell</i>
Director of Human Services and Rent Stabilization (Acting) .....	<i>Corri Plank</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








# Financial Section



 I love the new art installation that [@WeHoCity](#) has up by James Peterson Cacti. Bravo 🙌



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Top front: Youth Halloween Carnival 2018, photo Jonathan Moore | Lower front: #StopTheBans Press Conference and Rally - May 21, 2019, photo Jon Viscott | Back: Art on the Outside: cacti by James Peterson, photo Jon Viscott



## **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, 2020, 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, 2020, 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 our 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*

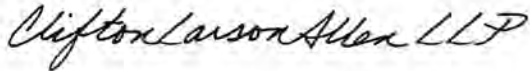
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules (supplementary information) and statistical section are presented 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 January 12, 2021, 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 solely 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 the effectiveness of the City's 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.



**CliftonLarsonAllen LLP**

Irvine, California  
January 12, 2021

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# Management's Discussion and Analysis



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## 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, 2020. 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-four 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 107 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 exclude 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 55-96.

*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 98-104.

*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 105-159.

*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 161-190.

## **Financial Highlights**

### Government-Wide Financial Statements

- At June 30, 2020, the City as a whole had total assets of \$632.0 million, total deferred outflows of resources were \$15.8 million, total liabilities were \$303.8 million, and total deferred inflows of resources were \$3.9 million. The assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$340.1 million (*net position*). Of this amount, \$91.9 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, 2020, total net position increased by \$2.4 million from the prior year. Total revenues from all sources were \$132.6 million and total expenses for all functions/programs were \$130.2 million. A summary of changes in net position is reflected in Table 2 (page 12).
- Of total revenues, program revenues were \$37.6 million and general revenues were \$95.0 million (Table 2). Program revenues are separated into three categories: Charges for Services, \$25.2 million; Operating Grants and Contributions, \$6.1 million; and Capital Grants and Contributions, \$6.3 million. General revenues are divided into seven categories citywide: Property Taxes, \$29.5 million; Transient Occupancy Taxes, \$20.7 million; Sales Taxes \$15.6 million; Franchise Taxes, \$2.2 million; Business Taxes, \$6.0 million; Use of Money & Property \$16.4 million and Other General Revenue \$4.5 million.

### Fund Based Financial Statements

- For fiscal year ended June 30, 2020, total Fund Balance of the General Fund was \$131.9 million, or 114.5 percent of total General Fund expenditures of \$115.2 million; this is reflected in Table 5 and Table 7 (pages 24 and 27). The non-spendable Fund Balance was \$2.1 million. Restricted Balance was \$1.3 million. Committed Fund Balance was \$35.7 million while assigned Fund Balance was \$90.7 million and unassigned Fund Balance was \$2.2 million.

For the General Fund, actual resources available for appropriation during the year were \$247.2 million; this consists of \$138.3 million in fund balance and \$108.9 million in revenue inflows, which was \$7.0 million less than what was budgeted as a result of the COVID-19 pandemic. As County and State health orders helped slow down the spread of COVID-19, they also closed business sectors that have impacted many businesses and corresponding city revenues. As a result, consumer spending and tourism has scaled back dramatically as some hotels closed. This is evident by the results of TOT revenue, which fell sharply below the budgeted amount by \$8.3 million and Sales Tax that also fell below the budgeted amount by \$2 million. Other revenue categories that did not reach budgeted amount were Fines and Forfeitures, with a deficit of revenues below the budget of \$1.8 million and Charges for Services that also fell below the budget amount by \$0.2 million. On the other hand, Property Tax revenues were largely unimpacted by COVID-19; the City received approximately \$1.4 million in additional revenue from Property Tax. The City also received approximately \$0.4 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 City have continued with growth which has allowed increases in applications for new development projects within the City.

- Actual charges (outflows) of \$115.2 million were \$30.6 million less than the General Fund budget of \$145.8 million. Most of the variances were due to the following items which will be carried forward to Fiscal Year 2020-21: \$15.1 million in capital projects that were not completed during the fiscal year; \$9.5 million in funds that were encumbered for various contracted services that have not yet been completed; \$3.3 million in remaining funds for New Initiatives that begun in the previous years; and \$2.7 million in public safety savings due to the cancellation of major city events.

## **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, 2020.

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, 2019 in its analysis (Table 1 and Table 2 below).

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

	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 312.8	\$ 254.0	\$ 2.7	\$ 2.8	\$ 315.5	\$ 256.8
Capital assets	306.0	266.3	10.5	10.0	316.5	276.4
<b>Total assets</b>	<b>618.8</b>	<b>520.3</b>	<b>13.2</b>	<b>12.9</b>	<b>632.0</b>	<b>533.2</b>
<b>Deferred Outflows of Resources</b>						
Deferred amounts	15.8	12.1	-	-	15.8	12.1
<b>Liabilities</b>						
Long-term debt outstanding	259.2	171.5	-	-	259.2	171.5
Other liabilities	44.3	32.3	0.2	0.2	44.5	32.6
<b>Total liabilities</b>	<b>303.6</b>	<b>203.9</b>	<b>0.2</b>	<b>0.2</b>	<b>303.8</b>	<b>204.1</b>
<b>Deferred Inflows of Resources</b>						
Deferred amounts	3.9	3.5	-	-	3.9	3.5
<b>Net position</b>						
Net Investment in						
capital assets	186.2	176.7	10.5	10.0	196.6	186.8
Restricted	51.5	57.3	-	-	51.5	57.3
Unrestricted	89.4	91.1	2.5	2.6	91.9	93.6
<b>Total net position</b>	<b>\$ 327.1</b>	<b>\$ 325.1</b>	<b>\$ 13.0</b>	<b>\$ 12.6</b>	<b>\$ 340.1</b>	<b>\$ 337.7</b>

The City's Government-Wide total net position as of year ended June 30, 2020, was \$340.1 million, with assets of \$632.0 million, deferred outflows of resources of \$15.8 million, liabilities of \$303.8 million and deferred inflows of resources of \$3.9 million.

The net investment in capital assets of \$196.6 million represents 57.8 percent of the City's total net position. Net investment in capital assets (e.g., infrastructure, land, buildings, machinery and equipment) for this purpose is reduced by any related debt used to acquire those assets that is still outstanding, net of any unused proceeds from debt issuance. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. It should be noted that the resources needed to repay capital-related debt must be 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, \$51.5 million (15.1 percent) represents resources that are subject to external restrictions in how they may be used. The remaining balance of \$91.9 million (27.0 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, 2020, are reflected below.

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

	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2020	2019	2020	2019	2020	2019
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 21.8	\$ 24.3	\$ 3.4	\$ 3.4	\$ 25.2	\$ 27.7
Operating Contributions & Grants	6.1	5.0	-	-	6.1	5.0
Capital Contributions & Grants	6.3	6.6	-	-	6.3	6.6
Sub-total Program Revenues	34.2	35.9	3.4	3.4	37.6	39.3
General Revenues:						
Property taxes	29.5	27.3	-	-	29.5	27.3
Transient occupancy taxes	20.7	26.0	-	-	20.7	26.0
Sales taxes	15.6	18.2	-	-	15.6	18.2
Franchise taxes	2.2	2.0	-	-	2.2	2.0
Business taxes	6.0	3.7	-	-	6.0	3.7
Use of money and property	16.3	20.9	0.1	-	16.4	20.9
Other	4.5	0.6	-	-	4.5	0.6
Sub-total General Revenues	94.9	98.8	0.1	-	95.0	98.8
<b>Total Revenues</b>	<b>129.1</b>	<b>134.7</b>	<b>3.5</b>	<b>3.4</b>	<b>132.6</b>	<b>138.1</b>
<b>Expenses</b>						
General Government	\$ 31.2	\$ 24.4	\$ -	\$ -	\$ 31.2	\$ 24.4
Public Safety	26.2	26.2	-	-	26.2	26.2
Public Services	64.5	67.8	-	-	64.5	67.8
Interest on Long-Term Debt	5.2	8.5	-	-	5.2	8.5
Solid Waste	-	-	1.6	1.5	1.6	1.5
Sewer District	-	-	0.4	0.4	0.4	0.4
Landscape	-	-	0.2	0.1	0.2	0.1
Sewer Charge	-	-	0.7	0.8	0.7	0.8
Street Maintenance	-	-	0.2	0.2	0.2	0.2
<b>Total Expenses</b>	<b>127.1</b>	<b>126.9</b>	<b>3.1</b>	<b>3.0</b>	<b>130.2</b>	<b>130.0</b>
<b>Increase in Net Position, before transfers</b>	<b>2.0</b>	<b>7.8</b>	<b>0.4</b>	<b>0.4</b>	<b>2.4</b>	<b>8.2</b>
<b>Transfers</b>	<b>-</b>	<b>(0.1)</b>	<b>-</b>	<b>0.1</b>	<b>-</b>	<b>-</b>
<b>Increase (decrease) in Net Position</b>	<b>\$ 2.0</b>	<b>\$ 7.8</b>	<b>\$ 0.4</b>	<b>\$ 0.4</b>	<b>\$ 2.4</b>	<b>\$ 8.2</b>
<b>Net Position at July 1</b>	<b>325.1</b>	<b>317.3</b>	<b>12.6</b>	<b>12.1</b>	<b>337.7</b>	<b>329.3</b>
<b>Net Position, June 30</b>	<b>\$ 327.1</b>	<b>\$ 325.1</b>	<b>\$ 13.0</b>	<b>\$ 12.6</b>	<b>\$ 340.1</b>	<b>\$ 337.7</b>



The government's net position increased \$2.4 million (Table 2), with total revenues of \$132.6 million, total expenses of \$130.2 million. The change in Net Position is approximately 0.7 percent of the total Net Position of \$340.1 million. Program Revenues were \$37.6 million and General Revenues were \$95.0 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 \$25.2 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 \$6.1 million and \$6.3 million respectively.

*General Revenues* include the next three largest categories. Property Tax, the second largest single revenue category at \$29.5 million (includes \$6.2 million in Motor Vehicle In-Lieu Funds) is followed by Transient Occupancy Tax at \$20.7 million. The fourth largest revenue source was Use of Money and Property with \$16.4 million followed by Sales Tax at \$15.6 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 decreased by \$5.5 million. Program revenues decreased by \$1.7 million and General Revenues decreased by \$3.8 million. For Program revenues, Charges for Services decreased by \$2.5 million and Capital Grants and Contributions decreased by \$0.3 million. Operating Grants and Contributions increased by \$1.1 million. Charges for Services decreased mainly due to decreases in Parking Fines of \$2.0 million, Permitted Signs of \$0.2 million, Encroachment Permits of \$0.2 million and Rent Stabilization fees of \$0.5 million. The decrease in charges for services is partially offset by increase in Building permits by \$0.6 million. Operating Grants and Contributions increased by \$1.1 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 and Grants decreased by \$0.3 million because last year's amounts included grants received to replace city buses that services the city free of charge.

For General Revenues, the decrease of \$3.8 million from the prior year is a combination of both increases and decreases in revenues as follows:

Increases are primarily due to additional revenues from three main sources: Property Taxes increased by \$2.2 million, Franchise Fee increased by \$0.2 million, Business Taxes increased by \$2.3 million and Other Revenues increased by \$3.9 million. Property tax revenues continues to show strong and steady gains due to combination of factors, including rising property values, high volumes of sale transactions and the addition of new buildings in the City's property tax roll. The increase in Business License Taxes from \$3.7 million to \$6.0 million is due to the new Cannabis Business Tax that was implemented during the current fiscal year. Measure Y, a 7.5% business tax established on gross receipts from the sale of adult-use cannabis and adult-use cannabis products was approved by 76% of majority voters on the March 5, 2019 election. Lastly, the

increase in Other Revenues is due to a \$4.0 million one-time contract services settlement received by the City during the year.

These increases in General Revenues were negated by decreases in Transient Occupancy Taxes by \$5.3 million, Sales Tax by \$2.6 million and Use of money and property by \$4.5 million. The decreases are due to the drop in commuter and leisure travel and shopping during the COVID-19 pandemic, which started in March 2020.

Compared to prior year, the government's total expenses had an increase of \$0.2 million. The top three expense categories continue to be Public Services at \$64.5 million, Public Safety at \$26.2 million, and General Government at \$31.2.

General Government increased by \$6.9 million mainly due to a one-time lump-sum payment of \$5.0 million related to the PERS Unfunded Accrued Liability (UAL). Public Safety expenses remained flat even though Sheriffs costs continued to increase due to the annual cost of living and liability insurance adjustments; that is because there was a corresponding decrease in police service costs related to cancellations of large special events as result of COVID-19. Public Services decreased by \$3.3 million because last year's Housing Trust Fund balance included a \$2.5 million Affordable Housing Loan; this fiscal year, there were no affordable housing loans issued. Public Services also had decreases due to the cancellations of large city events in Facilities and Field Services by \$0.4 million, Planning and Development Service by \$0.6 million, and Strategic Initiatives by \$0.4 million. Interest on Long-Term debt decreased by \$3.2 million because last year's balance included the interest from the 2009 Lease Revenue Bonds Series A, which was fully paid this fiscal year.

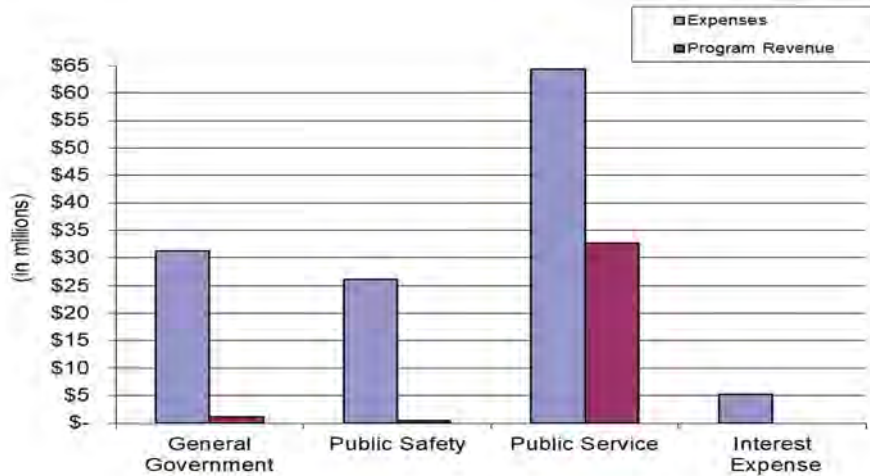
### Governmental Activities

Governmental activities increased the City's *net position* by \$2.0 million (Table 2). The cost of all governmental activities this year was \$127.1 million or 97.6 percent of the *primary government* expenses and was a decrease of \$5.9 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 \$74.1 million. The other portion of the costs was paid by those who directly benefited from the programs (\$21.8 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$12.4 million), and by use of money and property and other revenues (\$20.8 million). The City used part of the \$94.9 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)**

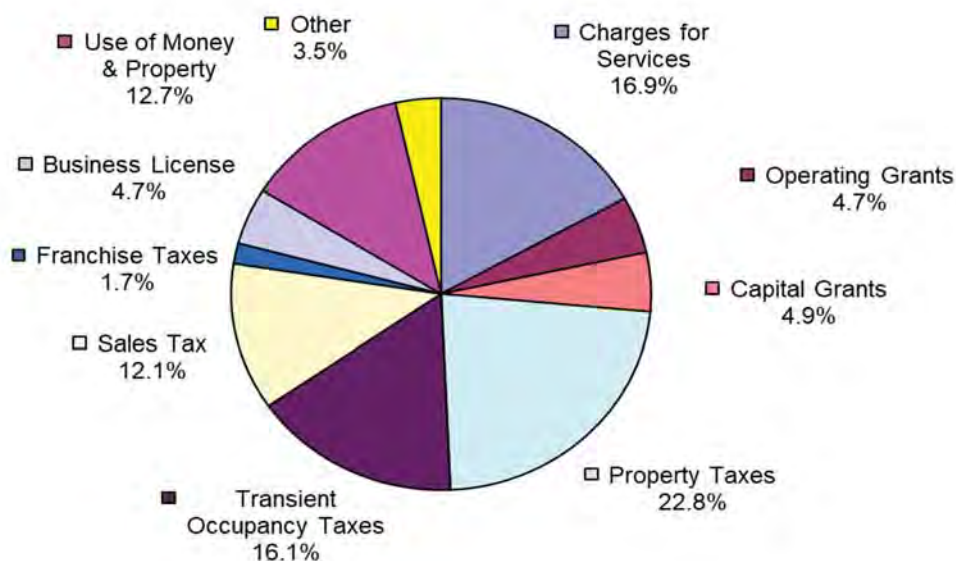


Graph 1 presents the costs of each of the City’s three functions – General Government, Public Safety, Public Service, plus interest on long-term debt as well as the program’s revenues. The net cost (total cost less *program revenues*) is the amount that was paid from *general revenues*.

*General Government* had expenses of \$31.2 million with program revenues of \$1.1 million, while *Public Safety* had expenses of \$26.2 million with program revenues of \$0.4 million. Expenses in *Public Services* represented \$64.5 million or 50.7 percent of total expenses for Governmental Activities. Of this amount, \$32.6 million was funded by *program revenues* and the remaining \$31.9 million was funded by general revenues. Interest on long-term debt was \$5.2 million which was funded by general revenues. From the prior year, *General Government* increased by \$6.9 million, *Public Safety* remained flat, and *Public Services* decreased by \$3.3 million.

Graph 2 presents Revenues by Source for Governmental Activities. Similar to the government-wide activities, *Charges for Services* is the largest at \$21.8 million or 16.9 percent of total revenues. *Charges for Services* consist of Parking Fines at \$7.0 million; Building and Safety revenue at \$5.0 million; Planning Permits revenue at \$2.4 million; Rent Stabilization fees at \$2.1 million; Transportation Permits and Licenses at \$1.6 million; Child care exactions at \$0.9 million; Traffic Mitigation fees at \$0.8 million; Parks & Recreation fees at \$0.4 million; Business License and Special Events fees at \$0.4 million; Film Permits at \$0.3 million; Vehicle Code & Photo Safety Fines at \$0.3 million; Sunset BID fees at \$0.3 million; and other miscellaneous charges for services of \$0.3 million.

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



Other program revenues include operating and Capital Grants and Contributions that together represented 9.6 percent of the total, or \$12.4 million. Operating and Capital Grants and Contributions include \$3.6 million of Affordable Housing in-Lieu fees; \$3.1 million of Metro Traded Funds; \$1.5 million in State Gas Tax; \$0.5 million of Measure M transit tax, and \$3.7 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 \$29.5 million; Transient Occupancy Tax at \$20.7 million; Sales Tax at \$15.6 million (all described above) and Use of Money and Property at \$16.3 million. These four sources represented 63.6 percent of the total revenues of Governmental Activities.

**Business-Type Activities**

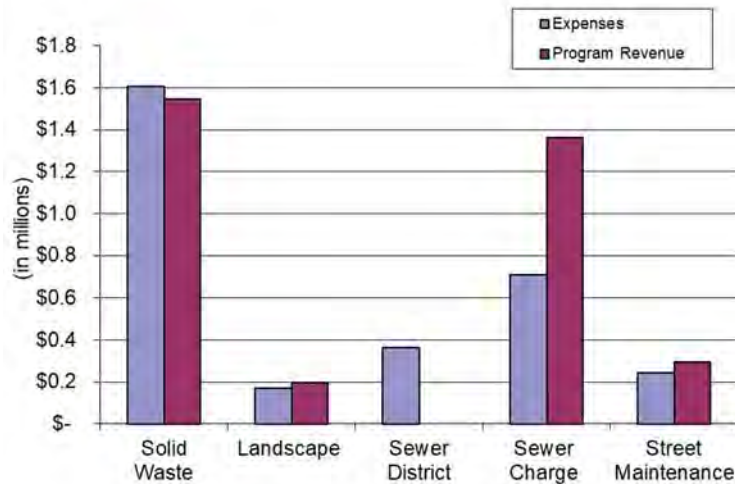
*Net position* at June 30, 2020, was \$13.0 million, with assets equaling \$13.2 million and liabilities of \$0.2 million. Net investment in capital assets represented the largest portion of net position at 80.8 percent or \$10.5 million (Table 1). The change in Business-type activities net position was nominal at \$0.4 million in 2020 (Table 2). Similar to government-wide activities, Charges for Services is the largest source of revenues at \$3.4 million or 97.1 percent for Business-Type activities, while the expenses were \$3.1 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 did not exceed the budgeted program revenues for the Sewer Charge Fund primarily due to a decrease in sewer assessment by \$0.1 million. 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)**



Like government-wide activities, *Charges for Services* is the largest source of revenues at \$3.4 million or 97.1 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 \$269.0 million. Fund Balance designations are: Non-Spendable Fund Balance at \$2.1 million; Restricted Fund Balance at \$138.9 million; Committed Fund Balance at \$35.7 million; Assigned Fund Balance at \$90.7 million; and Unassigned Fund Balance at \$1.6 million.

**Governmental (City) Revenues**

Table 3 presents a summary of all governmental fund revenues for the fiscal year ended June 30, 2020, compared to prior year revenues (note that this table includes the General Fund, which is reflected and discussed separately on Table 6).

**Comparison of Governmental Revenues (Table 3)  
Fiscal Years 2019-20 and 2018-19**

	<b>Amount</b>	<b>% of Total</b>	<b>Amount</b>	<b>% of Total</b>	<b>Variance</b>	<b>% Increase/</b>
	<b>FY 19-20</b>	<b>Revenues</b>	<b>FY 18-19</b>	<b>Revenues</b>	<b>Over/(Under)</b>	<b>(Decrease)</b>
					<b>over last year</b>	<b>over last year</b>
Property tax	\$ 29,471,706	22.9%	\$ 27,334,301	20.2%	\$ 2,137,405	7.8%
Transient Tax	20,742,558	16.1%	25,990,350	19.2%	(5,247,792)	-20.2%
Sales Tax	15,645,332	12.1%	19,977,644	14.8%	(4,332,312)	-21.7%
Other Taxes	10,210,115	7.9%	6,055,184	4.5%	4,154,931	68.6%
Licenses & Permits	9,641,958	7.5%	9,921,979	7.3%	(280,021)	-2.8%
Intergovernmental	5,860,986	4.5%	5,959,757	4.4%	(98,771)	-1.7%
Charges for Services	2,994,196	2.3%	4,133,882	3.1%	(1,139,686)	-27.6%
Use of Money & Property	16,584,727	12.9%	21,216,864	15.7%	(4,632,137)	-21.8%
Fines and Forfeitures	7,151,880	5.5%	8,864,168	6.6%	(1,712,288)	-19.3%
Developers Fees	4,554,997	3.5%	4,815,785	3.6%	(260,788)	-5.4%
Miscellaneous	6,117,966	4.7%	840,430	0.6%	5,277,536	628.0%
<b>TOTAL</b>	<b>\$ 128,976,421</b>	<b>100.0%</b>	<b>\$ 135,110,344</b>	<b>100.0%</b>	<b>\$ (6,133,923)</b>	<b>-4.5%</b>

Revenues of governmental funds for fiscal year 2019-20 were \$129.0 million, with a decrease of \$6.1 million or 4.5% from the prior fiscal year.

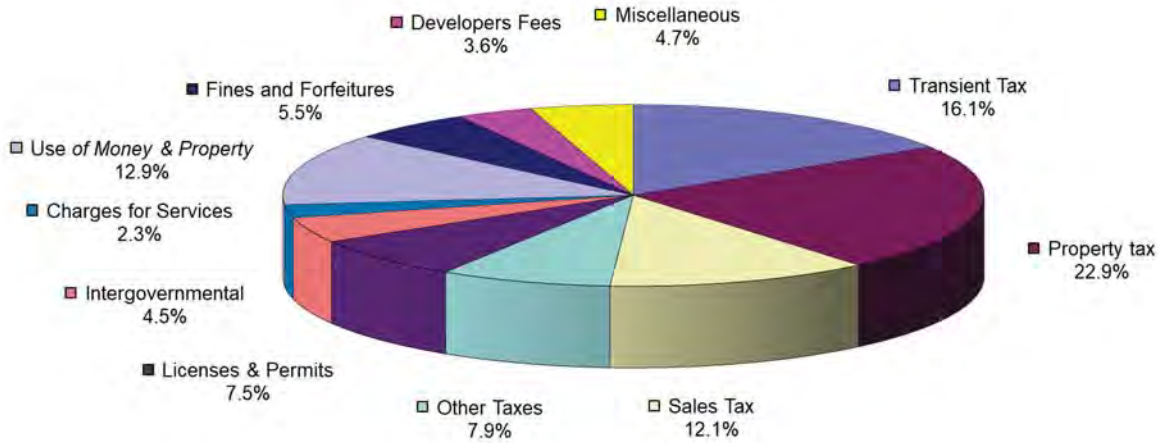
Described below are major fluctuations in governmental funds:

- Property Tax Revenue for the current year was \$29.5 million, with an increase of \$2.1 million or 7.8% 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. Although property tax receipts are expected to remain relatively stable, the city will monitor any potential impacts that might arise due to the pandemic closely.
- Transient Occupancy Tax (TOT) Revenue for the current year was \$20.7 million, with a decrease of \$5.2 million or 20.2% from prior year. Prior to the pandemic, the City was on track to exceed prior year occupancy, room rates and revenue targets, especially with the opening of the new West Hollywood Edition Hotel last September 2019 on the Sunset Strip; it contained 140 guest rooms and 48 suites with 2 Penthouses. However, since March 2020, the City's hotel and lodging industry have seen a dramatic decline in room nights resulting in single-digit occupancy; the hotels were immediately hindered as some hotels also had to temporarily closed due to the COVID-19 health orders.
- Sales Tax Revenue for the current year was \$15.6 million, a decrease of \$4.3 million or 21.7% from the prior year. The City's sales tax base is diversified and benefits from evolving consumer tastes toward experiences over discount consumer goods. However, sales and use taxes decreased as a direct impact of the COVID-19 emergency orders and California Department Tax Fee Administration (CDTFA) deferrals. On March 30, 2020, the Governor signed an Executive Order allowing the CDTFA to offer a 90-day extension for sales, use and transactions tax returns and tax payments for all businesses filing a return with less \$1 million in tax liability. In addition to the 90-day Sales Tax Extension Plan, the small business taxpayers were able to enter a 12-month, interest free installment agreement. It's expected that the shelter-in-place directives from March to June 2020, which have continued into the new fiscal year, will continue to impact Sales Tax revenue.
- Other Taxes for the current year were \$10.2 million, with an increase \$4.2 million or 68.6% from prior year. The Other Taxes category includes the Business License Tax, Franchise Fee Tax and Public, Educational and Government (PEG) Revenue. The increase in Business License Taxes from \$3.7 million to \$6.0 million is due to the new 7.5% Cannabis Business Tax described above. The following industries pay Franchise Taxes: Cable Television, Electricity, Natural Gas, and Solid Waste. The City also receives Franchise Taxes and PEG revenue from the cable television company.

- Charges for Services for the current year was \$3 million, which decrease by \$1.1 million or 27.6% from prior year. The Charge for Services includes revenue from recreation fees and rent stabilization fees which were immediately impacted by COVID-19. On March 16, 2020, the City of West Hollywood declared the local emergency due to COVID-19 and adopted an Ordinance imposing a moratorium on evictions for failure to pay rent due to financial impacts related to COVID-19 for the period of the emergency. The local moratorium expired on September 30, 2020. Additional protections under state law AB 3088 will be in effect through January 31, 2021.
- Use of Money & Property for the current year was \$16.6 million, which decreased by \$4.6 million or 21.8% from previous year due to the following: interest income decreased by \$0.7 million due to lower interest income earned from investments; unrealized gain due to change in fair market value of investments resulted to a decrease of \$1.5 million because last year's balance included a favorable \$2.2 million unrealized gain compared to \$0.7 million unrealized gain this year; parking meter and transient parking decreased by \$2.4 million due to the change in restrictions imposed related to COVID-19 pandemic. During the pandemic, the City implemented flexible and temporary parking measures to coincide with those adopted with the City of Los Angeles and in response to Health Officers orders instructing or mandating residents to shelter-in-place.
- Fines and Forfeitures for the current year were \$7.2 million, a decrease of \$1.7 million, or 19.3% from the previous year. After an uptick in parking fines revenue in fiscal year 2018-2019, the City experienced revenue declines in fiscal year 2020 as a result of the drop in commuter, leisure travel and shopping during the COVID-19 pandemic (shelter-in-place directives). Parking enforcement for certain parking rules were also relaxed under the emergency order. The City implemented flexible and temporary parking measures to also coincide with those adopted with the City of Los Angeles and in response to Health Officers orders instructing or mandating residents to shelter-in-place.
- Miscellaneous Revenue were \$6.1 million for the current year and increased by \$5.3 million because the City received a total of \$4.0 million in one-time contract services settlements, a 628% increase from prior year.



**Governmental Fund Revenues – Fiscal Year 2019-20 (Graph 5)**



Governmental (City) Expenditures

Table 4 presents a summary of all governmental fund expenditures for the fiscal year ended June 30, 2020, compared to prior year amounts (note that this table includes the General Fund, which is reflected and discussed separately on Table 7).

**Comparison of Major Governmental Expenditures (Table 4)  
Fiscal Years 2019-20 and 2018-19**

	Amount FY 19-20	% of Total Expenditures	Amount FY 18-19	% of Total Expenditures	Variance Over/(Under) over last year	% Increase/ (Decrease) over last year
General Government	\$ 28,207,640	16.4%	\$ 21,625,797	14.8%	\$ 6,581,843	30.4%
Public Safety	26,061,178	15.1%	26,044,333	17.9%	16,845	0.1%
Public Services	60,826,670	35.3%	61,299,394	42.1%	(472,724)	-0.8%
Total Operating Expenditures	115,095,488	66.9%	108,969,524	74.8%	6,125,964	5.6%
Capital Outlay	45,880,249	26.7%	24,033,545	16.5%	21,846,704	90.9%
Debt Service	11,126,093	6.5%	12,726,852	8.7%	(1,600,759)	-12.6%
<b>TOTAL</b>	<b>\$ 172,101,830</b>	<b>100.0%</b>	<b>\$ 145,729,921</b>	<b>100.0%</b>	<b>\$ 26,371,909</b>	<b>18.1%</b>

Total governmental expenditures for fiscal year 2019-20 were \$172.1 million, an increase of 18.1% or \$26.4 million from the prior fiscal year mainly due to increases in General Government by \$6.6 million or 30.4% and Capital Outlay by \$21.8 million or 90.9%. Public Safety had a minimal increase of \$0.02 million and Public Services had a \$0.5 million

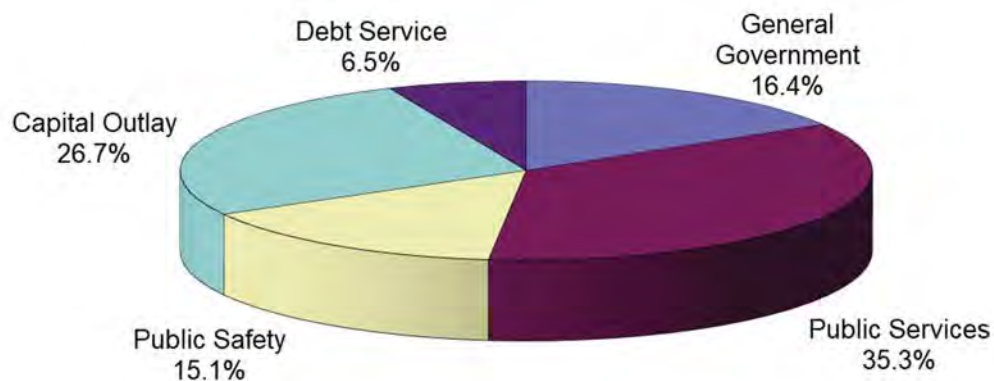
decrease compared to last year. Described below are major fluctuations in governmental expenditures:

- General Government expenditures increased by \$6.6 million or 30.4% from prior year. The majority of the increase is due to a \$5,0 million lump-sum payment toward the city's pension unfunded accrued liability and other increases in cost-of-living adjustments related to on-going services.
- Public Safety expenditures have a minimal increase of \$0.01 million or 0.1% mainly due to increases in Sheriffs costs related to annual cost of living and liability insurance adjustments which were partially negated by savings from the cancellation of large special event's during COVID-19.
- Public Services expenditures have a minimal decrease of \$0.5 million or 0.8% due a decrease in the amount of housing loans issued in the current fiscal year.
- Capital Outlay expenditures were \$45.9 million, an increase of \$21.8 million from the prior year. The balance this year included the cost related to the purchase of property, 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 \$11.1 million, a decrease of \$1.6 million because last year's balance included the final reconciliation of the Series 2009B bonds previously refunded with 2016 bonds.

Graph 6 presents a summary of governmental fund expenditures for the fiscal year ended June 30, 2020 by functions.

**Governmental Fund Expenditures – Fiscal Year 2019-20 (Graph 6)**

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### 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 141.

Revenues for Enterprise Funds include assessments and other charges for services. Total operating revenues for all Enterprise Funds are \$3.5 million. Operating expenses for the fiscal year were \$3.1 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 operating expenses of \$0.5 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 purpose of the BIDs is to promote the businesses within these districts by launching marketing campaigns and public outreach to attract visitors. 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 increased by \$52.9 million during the year and has an ending fund balance of \$89.0 million. The increase is mainly due to the receipt of \$90.0 million proceeds for issuance of the Series 2020 A&B bonds for the construction of major capital improvement projects. This increase was reduced by reimbursements to the Debt Funded Capital Projects Fund of \$36.3 million for capital outlay incurred for the West Hollywood Park Master Plan Phase II construction and for the cost of land purchased.

#### Expenditures

The Capital Project Debt Service fund incurred \$11.1 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 40-41 and 44-45).

#### Fund Balance

The fund balance increased by \$0.05 million during the year and has an ending fund balance of \$2.7 million. The increase in fund balance is mainly due to \$0.1 million library fundraising proceeds received during the year. The fund received reimbursements from Capital Projects Debt Service Fund for this year's capital outlay of \$39.8 million related to West Hollywood Park Master Plan Phase II construction and purchase of property.

#### Expenditures

The Debt Funded Capital Projects Fund incurred \$39.9 million of capital expenditures in the current year. Most of these expenditures are related to the West Hollywood Park Master Plan Phase II construction and property purchase.

**General Fund**

Fund Balance

The General Fund is the chief operating fund of the City (pages 40-41 and 44-45). The ending fund balance was \$131.9 million, which was a decrease of \$6.3 million (Table 5). Fund balance designations are as follows: Non-Spendable Fund Balance was \$2.1 million; Restricted Fund Balance was \$1.3 million; Committed Fund Balance was \$35.7 million; Assigned Fund Balance was \$90.7 million; and lastly Unassigned Fund Balance was \$2.2 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 19-20	FY 18-19	FY 17-18	FY 16-17	FY 15-16
Fund Balance					
Nonspendable	\$ 2,077,941	\$ 66,600	\$ 53,634	\$ 44,317	\$ 139,575
Restricted	1,255,006	1,255,006	1,255,006	1,255,006	1,255,006
Committed	35,742,733	25,713,228	24,601,571	27,054,567	18,386,688
Assigned	90,680,591	108,253,580	101,723,037	93,388,888	96,366,054
Unassigned	2,176,972	2,987,207	3,280,327	3,462,047	3,507,708
Total Fund Balance	\$ 131,933,243	\$ 138,275,621	\$ 130,913,575	\$ 125,204,825	\$ 119,655,032
Beginning Balance	\$ 138,275,621	\$ 130,913,575	\$ 125,204,825	\$ 119,655,032	\$ 107,946,037
Operating Surplus /(Deficit)	(6,342,378)	7,362,046	5,708,750	5,549,793	11,708,995
Ending Balance	\$ 131,933,243	\$ 138,275,621	\$ 130,913,575	\$ 125,204,825	\$ 119,655,032

Revenues

For fiscal year 2019-20, General Fund Revenues and Other Financing Sources were \$108.9 million, a decrease of \$4.3 million or 3.8 percent from the previous year. General Fund categories are reflected in Table 6 in the next page (note that General Fund categories differ from those reflected in Table 2 and Table 3 of the Government-wide analysis since those also include other city funds).

**General Fund Revenues and Other Financing Sources (Table 6)**  
**Fiscal Years 2019-20 and 2018-19**

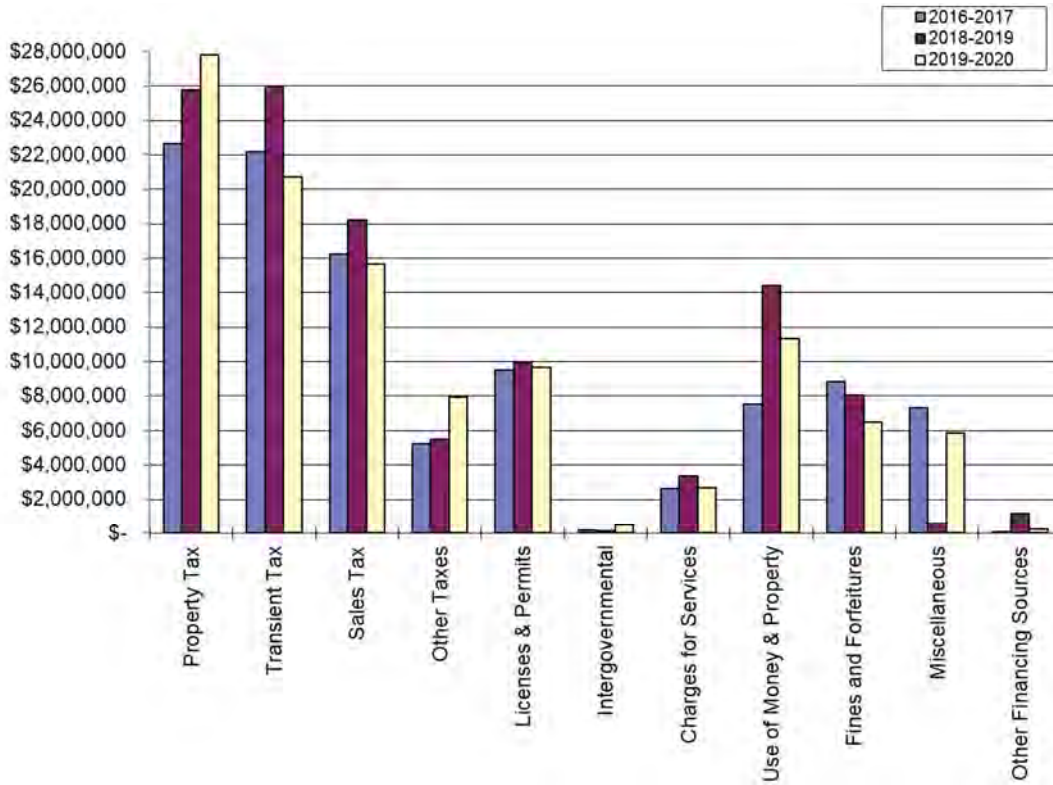
	<b>2019-2020</b>	<b>2018-2019</b>	<b>Variance Over/(Under) over last year</b>	<b>% of increase (decrease) over last year</b>	<b>% of total</b>
Property Tax	\$ 27,833,401	\$ 25,780,512	\$ 2,052,889	8.0%	25.6%
Transient Tax	20,740,065	25,989,558	(5,249,493)	-20.2%	19.0%
Sales Tax	15,645,332	18,211,472	(2,566,140)	-14.1%	14.4%
Other Taxes	7,960,435	5,486,628	2,473,807	45.1%	7.3%
Licenses & Permits	9,641,958	9,921,979	(280,021)	-2.8%	8.9%
Intergovernmental	514,998	145,090	369,908	255.0%	0.5%
Charges for Services	2,672,147	3,366,687	(694,540)	-20.6%	2.5%
Use of Money & Property	11,316,205	14,423,607	(3,107,402)	-21.5%	10.4%
Fines and Forfeitures	6,497,340	8,055,299	(1,557,959)	-19.3%	6.0%
Miscellaneous	5,839,685	589,384	5,250,301	890.8%	5.4%
Other Financing Sources	242,000	1,183,148	(941,148)	-79.5%	0.2%
Totals	<u>\$ 108,903,566</u>	<u>\$ 113,153,364</u>	<u>\$ (4,249,798)</u>	<u>-3.8%</u>	<u>100.0%</u>

The key revenues categories of the General Fund were Property Tax at \$27.8 million; Transient Occupancy Tax at \$20.7 million and Sales Tax at \$15.6 million. Property tax increased by \$2.1 million while Transient tax and Sales tax experienced decline compared to previous year. Licenses and Permits at \$9.6 has minimal decrease of \$0.3 million. Since the General Fund comprises the largest portion of the City as a whole and governmental funds, the detailed analysis of key revenues was previously included in Section 3.

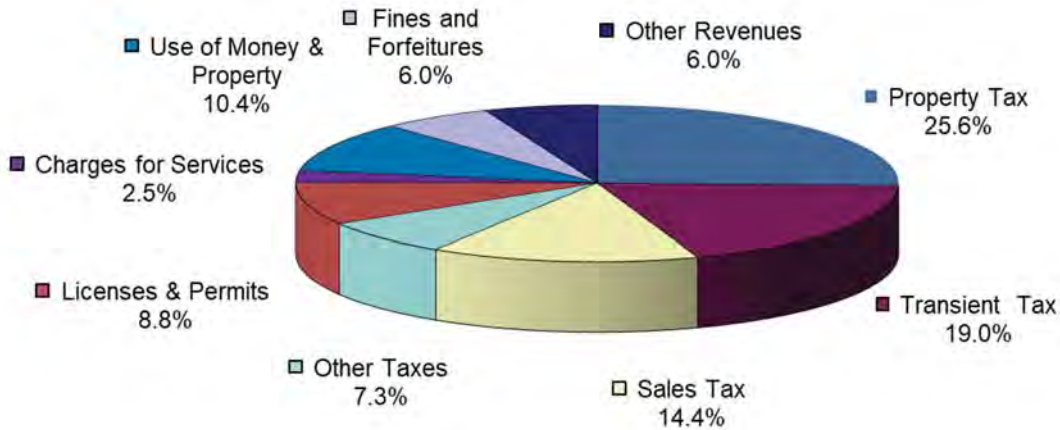
Use of Money and Property Revenue for the current year was \$11.3 million, or a decrease of 21.5% from previous year. The decrease is mainly due to the following: parking meter and bus shelter revenue decreased by \$2.0 million; unrealized gain on change in fair value of investments decreased from \$1.5 million last year to \$.05 million this year and interest earnings decreased by \$.07 million.

Other Financing Sources for the current year was \$0.2 million, or a decrease of 79.5% from the previous year. Last year's balance included a \$1.2 million budgeted transfer to reimburse General Fund for capital outlay related expenditures.

**Comparison of General Fund Revenues (Graph 7)  
Fiscal Years 2019-20, 2018-19 and 2017-18**



**General Fund Revenues - Fiscal Year 2019-20 (Graph 8)**



Expenditures

For fiscal year 2019-20, total General Fund expenditures were \$115.2 million, an increase of 8.9% or \$9.5 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 2019-20 and 2018-19**

	2019-2020	2018-2019	Variance Over/(Under) last year	% of increase (decrease) over last year	% of total
General Government	\$ 27,952,396	\$ 21,339,705	\$ 6,612,691	31.0%	24.3%
Public Safety	25,328,889	25,113,485	215,404	0.9%	22.0%
Public Services	49,193,695	46,916,870	2,276,825	4.9%	42.7%
Capital Outlay	3,218,101	3,433,302	(215,201)	-6.3%	2.8%
Debt Service	12,472	2,079	10,393	499.9%	0.01%
Other Financing Uses	9,540,391	8,985,877	554,514	6.2%	8.3%
<b>Total Expenditures</b>	<b>\$ 115,245,944</b>	<b>\$ 105,791,318</b>	<b>\$ 9,454,626</b>	<b>8.9%</b>	<b>100.0%</b>

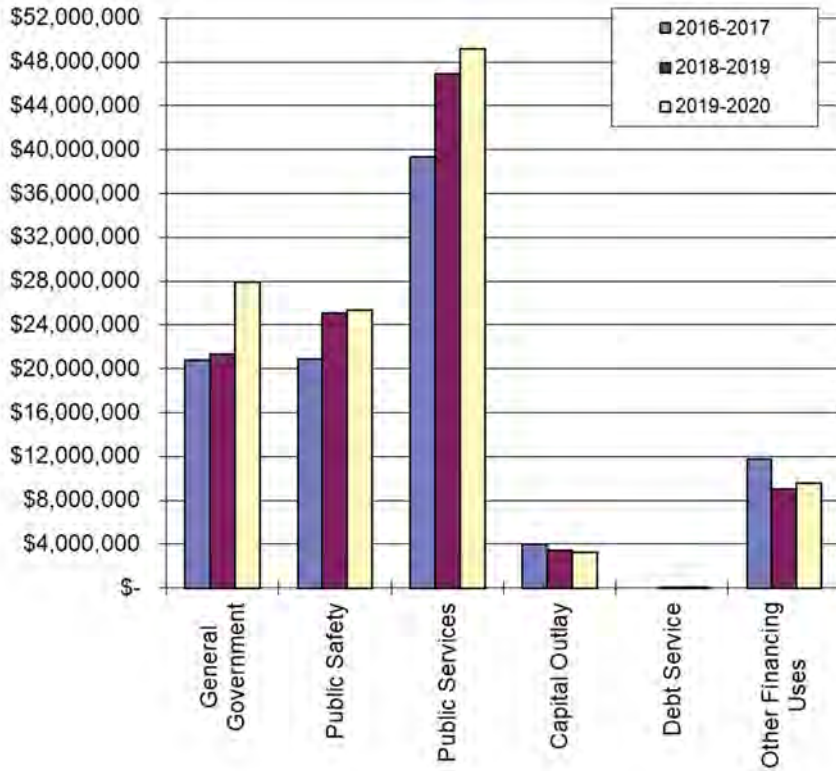
Described below are major fluctuations in General Fund expenditures:

- General Government expenditures were \$28.0 million and resulted in an increase of \$6.6 million or 31.0% from the prior year. The increase is due the \$5 million lump-sum payment toward the pension’s unfunded accrued liability and increases in cost-of-living adjustments related to on-going services.
- Public Service expenditures were \$49.2 million and resulted in a 4.9 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 \$8.1 million, 2) Social Services at \$7.8 million, 3) Recreation Services at \$4.6 million, and 4) Parking Services at \$4.4 million. The increase is primarily attributed to increases in social services due to pandemic related initiatives and staffing levels in the Community Services and Strategic Initiatives, expanded use of contractual services including building and safety plan checks, and the addition of several new initiatives.
- Other financing uses were \$9.5 million and resulted in a 6.2 percent increase mainly due to transfers out to Debt Service Fund Capital Projects for General fund’s share in the West Hollywood Park Phase II project.



Overall, expenditures would have been higher; however, the city immediately curtailed expenditures in the last quarter to combat anticipated reductions in revenues related to COVID-19.

**Comparison of General Fund Expenditures (Graph 9)  
Fiscal Years 2019-20, 2018-19 and 2017-18**



**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 approved 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 \$5.6 million between the original budget of \$110.3 million and the final amended budget of \$115.9 million. The increase was mainly due to a \$2.5 million increase in Licenses and Permits, \$1.6 million increase in Taxes, and \$1.0

million increase in Miscellaneous Revenue. 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 did not reach the budgeted amounts by \$7.0 million for the following reasons: The City's Taxes were below the budgeted amount by \$8.8 million. The City's actual Transient Occupancy Tax of \$20.7 million was short by \$8.3 million from the final budget of \$29.1 million. In addition, Sales and Use tax also resulted in an unfavorable variance of \$2.0 million from budgeted amount of \$17.6 million to actual amount of \$15.6 million. These unfavorable variances resulted from various State and County restrictions due to the pandemic.

Revenues did not reach budgeted amounts in the Fines and Forfeitures category due to a decrease in parking fine revenue. The deficit of revenues below budgeted amounts in this category was approximately \$1.8 million. Parking Fine revenues declined due to pandemic restrictions as well.

Miscellaneous revenues exceeded the budgeted amount by \$3.4 million because the City received approximately \$4.0 million as a one-time contract services settlement. The City does not budget for settlements since the transactions are not usual and represents unexpected revenues.

#### Appropriations (Outflows)

The difference between the General Fund's original expenditure budget and the final expenditure budget was an increase of \$34.6 million in appropriations. Major increases from adopted to final budget were due to: increases in capital outlay of \$14.6 million carried from prior years, which includes an increase of \$2.8 million for the Coast Playhouse property improvement, increases of \$3.4 million in Design District Streetscape Projects, an increase of \$2.2 million in major repairs for City Buildings, and \$1.2 million increase in Communication Technology Infrastructure Projects. In addition, General Government, Public Safety and Public Services increased due to the increase in PERS Unfunded Accrued Liability (UAL) lump sum contribution by \$5.0 million, increases in Social Services contracts by \$2.7 million, MTA traded funds by \$2.0 million, increases in New Initiatives rollovers by \$2.1 million; rollovers related to mitigation on the Sunset-La Cienega project of \$0.9 million; Building and Safety increases due to \$1.5 million related to plan checks; and increases in transfers out between Capital and Debt Service Funds by \$1.8 million for Bond related projects.

The difference between the General Fund's final budget and actual expenditures was a \$30.6 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 2020-21: \$15.1 million in Capital Projects that were not completed during the fiscal year; \$1.5 million in remaining funds for New Initiatives that begun in the previous years; and

\$2.6 funds that were encumbered for various contracted services 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, 2020, is \$316.5 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 72-73.

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

	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2020	2019	2020	2019	2020	2019
Land	\$ 69,248	\$ 57,841	\$ -	\$ -	\$ 69,248	\$ 57,841
Buildings and systems	78,833	80,851	-	-	78,833	80,851
Improvements other than buildings	14,749	12,948	-	-	14,749	12,948
Machinery and Equipment	3,372	3,603	-	-	3,372	3,603
Infrastructure	55,498	54,768	10,483	10,048	65,981	64,815
Leasehold Improvement	313	206	-	-	313	206
Construction in progress	83,982	56,120	-	-	83,982	56,120
<b>Total Capital Assets</b>	<b>\$ 305,996</b>	<b>\$ 266,337</b>	<b>\$ 10,483</b>	<b>\$ 10,048</b>	<b>\$ 316,478</b>	<b>\$ 276,384</b>

Long-Term Debt

At year end, the City had \$259.2 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, Lease Revenue 2020 Series A & B bonds, Net Pension Liability and Net OPEB Liability.

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

	Governmental Activities			
	2020	2019	Variance Over/(Under) over last year	% of increase (decrease) over last year
Capital lease payable	\$ 116.3	\$ 138.9	\$ (22.6)	-16.3%
Claims payable	2,911.8	1,432.5	1,479.3	103.3%
Compensated Absences	5,864.7	5,100.0	764.7	15.0%
Lease Revenue - 2009 Series A	-	4,425.9	(4,425.9)	-100.0%
Lease Revenue - 2013	16,997.9	17,400.2	(402.3)	-2.3%
Lease Revenue - 2016	92,957.7	94,452.8	(1,495.1)	-1.6%
Lease Revenue - 2020 Series A	75,953.0	-	75,953.0	100.0%
Lease Revenue - 2020 Series B	14,239.9	-	14,239.9	100.0%
Net Pension Liability	48,852.1	46,496.2	2,355.9	5.1%
Net OPEB Liability	1,336.3	2,086.2	(749.9)	-35.9%
<b>Total Long-Term Debt</b>	<b>\$ 259,229.7</b>	<b>\$ 171,532.7</b>	<b>\$ 87,697.0</b>	<b>51.1%</b>

Compensated Absences had an increase of \$0.8 million or 15.0 percent increase with an outstanding balance of \$5.9 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.

The various Lease Revenues Bonds reflect decreases due to principal payments made during the year. There was also an increase in the current year related to the issuance of the 2020 Series A and Bonds discussed further in the notes to financial statements (Note 8).

The City's overall interest rate for the 2016 Bonds and the 2020 Series A and B bonds were both at less than 3% and the City received premiums on the 2016 and 2020A bonds.

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 \$48.9 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, 2020 is \$1.3 million.

Additional information about the City's long-term debt can be found in the *Notes to the Financial Statements* on page 83; Note Number 8.

Long-Term Debt - Successor Agency (Former Community Development Commission)

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 93; Note 14.

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

	Successor Agency Activities			
	2020	2019	Variance Over/(Under) over last year	% of increase (decrease) over last year
Tax Allocation Bonds - 2011 Series A	\$ 26,465.5	\$ 27,050.0	\$ (584.5)	-2.2%
Tax Allocation Bonds - 2011 Series B	8,199.1	8,007.2	191.9	2.4%
Tax Allocation Refunding Bonds - 2013	7,501.5	7,876.4	(374.9)	-4.8%
<b>Total Long-Term Debt</b>	<b>\$ 42,166.1</b>	<b>\$ 42,933.6</b>	<b>\$ (767.5)</b>	<b>-1.8%</b>

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 seven other former redevelopment agency bond refunding's 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 bonds 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.

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

Over the past decade, the City of West Hollywood has experienced significant revenue growth as the local, regional, and national economies grew. The City's conservative approach in managing its resources has been instrumental in building healthy reserves that the city can use during challenging times. Locally, it is worth noting that during the first nine months of fiscal year ended June 30, 2020, prior to the pandemic, the City's General Fund revenues were outperforming and were on track to surpassing the adopted budget. As the pandemic occurred, the City was able to implement cost saving measures and use some of its emergency reserves to offset revenue losses. As a result of its prudent fiscal management, the city has been able to maintain most of its service levels during the COVID-19 pandemic and has maintained a healthy General Fund Reserve.

Although the focus of this report is based on the economic condition of the city prevailing as of June 30, 2020, there are always local, state, federal and global issues that require consideration because of their future economic impact to the city. In addition, uncertainties at the state, national, and global level due to the current pandemic will continue to adversely harm the economy and the extent and length of the long-term impacts are unknown. As described by the city's consultant, HDL, in their September 2020 forecast, the pandemic event is, "unlike prior calamities in our nation's history, the

COVID-19 pandemic was unique for many reasons, closing entire industries that generate TOT Taxes, Sales and Transaction taxes and other revenues, so vital for governments delivery of public service.” Keeping this in mind, the adopted budget for fiscal year ending June 30, 2021 is reflective of travel restrictions worldwide and the extended duration of the shelter-in-place orders implemented across the country, state, and nation.

Revenue decreases have occurred in most of the City’s major revenues. The City’s tourism industry, which has historically been the strongest sector for both employment and tax revenue, has experienced sudden and dramatic challenges from the COVID-19 emergency orders that have required people to remain in their homes and have closed the doors of many retail stores and restaurants. The latest quarterly UCLA Anderson Forecast report as of December 2020 written by Leo Feler, Senior Economist outlines, “two more quarters of slow growth, seasonally adjusted annual rates of 1.2% in the fourth quarter of 2020 and 1.8% for the first quarter 2021 - before robust growth of 6% in the second quarter of 2021. After that, growth rate should remain at 3.0% into 2023.” The UCLA Anderson Forecast report also provides the employment sectors expected to lead the recovery are the technology sectors, residential construction, and logistics. While, leisure and hospitality, retail and education will remain the state’s weakest economic sectors. However, the city expects leisure and hospitality to recover at a faster pace.

Property Tax is the City’s largest single source 23% of revenue in fiscal year 2020-21. Property tax revenue continues to show strong and steady gains due to a combination of factors, including rising property values, high volumes of sales transactions, and the addition of new buildings to the City’s property tax roll. In terms of assessed value, the City has outpaced most other cities in the state and nation; the compound annual growth over the past five years has averaged 5.9%. It is important to note that even though property tax has not been impacted during the pandemic, the city is mindful that any impacts might be delayed, and this revenue source will be cautiously monitored.

Transient Occupancy Tax (TOT), or hotel tax, represents 17.2% of the total projected General Fund budget in fiscal year 2020-21. Many of the City’s hotels have had to temporarily close during certain periods due to the COVID-19 emergency and the length of closures has been uncertain. The City is working closely with the West Hollywood Travel & Tourism Board, as well as local hoteliers, to understand current concerns in the hospitality industry and support a sustainable recovery for this key industry. With the announcement of new vaccines, hoteliers can begin to strategically plan a recovery. West Hollywood and the Sunset Strip have always been associated with tourism, entertainment, and exceptional hotels. A new hotel is expected to open at the end of fiscal year ending June 30, 2021, the Pendry West Hollywood, with 149 guestrooms and suites that should help improve future revenues related to TOT as the economy reopens.

Sales Tax provides a significant revenue source for the City, representing more than 16.4% of the total General Fund revenue in fiscal year 2020-21. Factors that contribute to the City’s strong sales tax base have been the entertainment industry, national and international visitors, nightclubs, restaurants, and furniture and design retailers. The City’s diversified retail businesses, from retailers, including its luxury art galleries, to Best Buy

and Target have been integral to the relative stability of its sales tax revenue in the past. The City's largest source of sales tax revenue has been from its restaurants and bars, which generate approximately 35% of the total sales tax revenue. Revenues from these sectors had declines related to COVID-19 restrictions on travel, phased re-openings, and restrictions on capacity. The City is closely monitoring the impacts of months-long closures mandated by the State and local emergency orders on our local businesses and economy. Sales tax revenue will continue to be a major revenue source in the future because of the recent passage of Measure E, which was approved by the voters in November 2020; this local, three-quarter cent tax will be effective on April 1, 2021 and it is estimated to generate about \$11 million in sales tax the first year.

The UCLA Anderson Forecast report notes, "COVID-19 pandemic's huge and uncertain impact is expected to continue, at least for the immediate future." The elevated numbers of COVID-19 cases will persist through holidays, "throughout the winter." According to Mr. Feler, "Right now, the key issue is how we will make it to through to an exuberant spring." As we get ready for a difficult winter 2020, the future offers hope against COVID-19. As of the end of December 2020, we have two approved vaccines against COVID-19. According to the quarterly UCLA Anderson Forecast (December 2020) it "anticipates positive economic news on the horizon." The December forecast offers "hope of a robust recovery from the current recession, based on the assumption that mass vaccinations would clear the path toward a new, productive normalcy for many industries." As the United States inoculates the population against COVID-19, the reopening of the economy is directly correlated to the ability to return safely to work.

As previously planned, we will continue to draw down from emergency reserves to fund emergency services during the pandemic. While some growth from the current revenue lows is expected if the economy re-opens at the end of the upcoming fiscal year, some revenue sources are not expected to recover to pre-COVID-19 levels for several years. Having said that, West Hollywood is a key destination sought out by international and local visitors and as we safely re-open our community, we expect local visitors will be the first to come back and enjoy our hotels, restaurants and entertainment venues and thus boosting those sectors of the local economy. Over the longer term, the City will continue to monitor its reserves while also emphasizing on providing public safety, services to the community, delivery of core social services and recreational offerings, and capital infrastructure maintenance and sustainable capital enhancement.

### ***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](http://www.weho.org/financials).





# Basic Financial Statements



 I feel like having a Sunday Funday in [@WeHoCity!!!](#)



Top front: Play Ball - March 2019, photo Oleg Volovik | Lower front: Transgender Day of Remembrance - November 20, 2018, photo Tony Coelho | Back: Russian Arts and Culture Festival - May 19, 2019, photo Oleg Volovik

## CITY OF WEST HOLLYWOOD

## STATEMENT OF NET POSITION

June 30, 2020

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>ASSETS:</b>			
Cash and investments	\$ 210,509,939	\$ 2,633,874	\$ 213,143,813
Receivables:			
Accounts	2,714,915	37,934	2,752,849
Taxes	304,884	-	304,884
Notes and loans	700,928	-	700,928
Accrued interest	415,243	5,281	420,524
Internal balances	21,515	(21,515)	-
Prepaid costs	1,948,941	-	1,948,941
Deposits	129,000	-	129,000
Due from other governments	5,308,305	69,243	5,377,548
Restricted assets:			
Cash held in escrow	2,608,333	-	2,608,333
Cash and investments with fiscal agents	88,162,545	-	88,162,545
Capital assets not being depreciated	153,230,498	-	153,230,498
Capital assets, net of accumulated depreciation	152,765,148	10,482,697	163,247,845
<b>TOTAL ASSETS</b>	<b>618,820,194</b>	<b>13,207,514</b>	<b>632,027,708</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred amounts from OPEB	335,350	-	335,350
Deferred amounts from pension	15,464,010	-	15,464,010
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>15,799,360</b>	<b>-</b>	<b>15,799,360</b>
<b>LIABILITIES:</b>			
Accounts payable	24,477,668	241,490	24,719,158
Accrued liabilities	1,973,227	-	1,973,227
Accrued interest	1,664,194	-	1,664,194
Unearned revenue	6,333,037	-	6,333,037
Deposits payable	9,375,658	-	9,375,658
Due to other governments	500,928	-	500,928
Noncurrent liabilities:			
Due within one year	4,681,849	-	4,681,849
Due in more than one year:			
Long-term liabilities	204,359,425	-	204,359,425
Net pension liability	48,852,079	-	48,852,079
Net OPEB liability	1,336,335	-	1,336,335
<b>TOTAL LIABILITIES</b>	<b>303,554,400</b>	<b>241,490</b>	<b>303,795,890</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred gain on refunding	1,216,662	-	1,216,662
Deferred amounts from OPEB	853,483	-	853,483
Deferred amounts from pension	1,872,091	-	1,872,091
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>3,942,236</b>	<b>-</b>	<b>3,942,236</b>
<b>NET POSITION:</b>			
Net investment in capital assets	186,172,263	10,482,697	196,654,960
Restricted for:			
Public services	41,586,132	-	41,586,132
Capital projects	8,688,359	-	8,688,359
Debt service	1,255,006	-	1,255,006
Unrestricted	89,421,158	2,483,327	91,904,485
<b>TOTAL NET POSITION</b>	<b>\$ 327,122,918</b>	<b>\$ 12,966,024</b>	<b>\$ 340,088,942</b>

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, 2020

Functions/programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
General government	\$ 31,233,362	\$ 743,258	\$ 396,873	\$ -
Public safety	26,217,376	263,154	147,739	-
Public services	64,405,046	20,810,786	5,528,997	6,274,495
Interest and fiscal charges	5,193,930	-	-	-
Total Governmental Activities	127,049,714	21,817,198	6,073,609	6,274,495
<b>Business-Type Activities:</b>				
Sewer Charge	712,260	1,363,908	-	-
Solid Waste	1,605,895	1,545,401	-	-
Landscape District	172,366	196,559	-	-
Sewer District	365,025	-	-	-
Street Maintenance	244,618	293,912	-	-
Total Business-Type Activities	3,100,164	3,399,780	-	-
Total Primary Government	\$ 130,149,878	\$ 25,216,978	\$ 6,073,609	\$ 6,274,495

General Revenues:

Taxes:

Property taxes, levied for general purposes

Transient occupancy taxes

Sales taxes

Franchise taxes

Business licenses taxes

Use of money and property

Other

Total General Revenues

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

Net (Expenses) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (30,093,231)	\$ -	\$ (30,093,231)
(25,806,483)	-	(25,806,483)
(31,790,768)	-	(31,790,768)
<u>(5,193,930)</u>	<u>-</u>	<u>(5,193,930)</u>
<u>(92,884,412)</u>	<u>-</u>	<u>(92,884,412)</u>
-	651,648	651,648
-	(60,494)	(60,494)
-	24,193	24,193
-	(365,025)	(365,025)
<u>-</u>	<u>49,294</u>	<u>49,294</u>
<u>-</u>	<u>299,616</u>	<u>299,616</u>
<u>(92,884,412)</u>	<u>299,616</u>	<u>(92,584,796)</u>
29,471,706	-	29,471,706
20,742,558	-	20,742,558
15,645,332	-	15,645,332
2,180,807	-	2,180,807
6,035,760	-	6,035,760
16,338,196	50,408	16,388,604
<u>4,520,715</u>	<u>-</u>	<u>4,520,715</u>
<u>94,935,074</u>	<u>50,408</u>	<u>94,985,482</u>
<u>2,050,662</u>	<u>350,024</u>	<u>2,400,686</u>
<u>325,072,256</u>	<u>12,616,000</u>	<u>337,688,256</u>
<u>\$ 327,122,918</u>	<u>\$ 12,966,024</u>	<u>\$ 340,088,942</u>

CITY OF WEST HOLLYWOOD

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2020

	General	Capital Projects Fund Debt Funded Capital Projects	Debt Service Fund Capital Projects Debt Service
<b>ASSETS:</b>			
Cash and investments	\$ 150,709,113	\$ 1,213,547	\$ 12,342,942
Receivables:			
Accounts	2,133,645	219,635	-
Taxes	304,884	-	-
Notes and loans	200,000	-	-
Accrued interest	296,349	-	24,518
Prepaid costs	1,948,941	-	-
Deposits	129,000	-	-
Due from other governments	3,326,643	-	-
Due from other funds	504,893	11,520,959	-
Restricted assets:			
Cash held in escrow	-	2,608,333	-
Cash and investments with fiscal agents	-	-	88,162,545
<b>TOTAL ASSETS</b>	<b><u>\$ 159,553,468</u></b>	<b><u>\$ 15,562,474</u></b>	<b><u>\$ 100,530,005</u></b>
<b>LIABILITIES:</b>			
Accounts payable	\$ 13,264,199	\$ 9,696,671	\$ -
Accrued liabilities	1,973,227	-	-
Unearned revenues	6,051,712	-	-
Deposits payable	6,320,583	2,986,929	-
Due to other governments	-	-	-
Due to other funds	-	-	11,520,959
<b>TOTAL LIABILITIES</b>	<b><u>27,609,721</u></b>	<b><u>12,683,600</u></b>	<b><u>11,520,959</u></b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenues	10,504	216,588	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b><u>10,504</u></b>	<b><u>216,588</u></b>	<b><u>-</u></b>
<b>FUND BALANCES:</b>			
Nonspendable:			
Prepaid costs	1,948,941	-	-
Deposits	129,000	-	-
Restricted:			
Public services	-	-	-
Capital projects	-	2,662,286	89,009,046
Debt service	1,255,006	-	-
Committed to:			
Emergency contingency	14,503,805	-	-
Continuing appropriations	21,238,928	-	-
Assigned to:			
Self-insurance	5,000,000	-	-
Capital projects	25,000,000	-	-
Future expenditures	5,864,727	-	-
Working reserve	49,015,221	-	-
Unfunded pension costs	5,800,643	-	-
Unassigned	2,176,972	-	-
<b>TOTAL FUND BALANCES</b>	<b><u>131,933,243</u></b>	<b><u>2,662,286</u></b>	<b><u>89,009,046</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b><u>\$ 159,553,468</u></b>	<b><u>\$ 15,562,474</u></b>	<b><u>\$ 100,530,005</u></b>

See accompanying notes to financial statements.

Other Governmental Funds	Total Governmental Funds
\$ 45,901,336	\$ 210,166,938
361,635	2,714,915
-	304,884
500,928	700,928
93,703	414,570
-	1,948,941
-	129,000
1,981,662	5,308,305
-	12,025,852
-	2,608,333
-	88,162,545
<u>\$ 48,839,264</u>	<u>\$ 324,485,211</u>
\$ 1,483,201	\$ 24,444,071
-	1,973,227
281,325	6,333,037
68,146	9,375,658
500,928	500,928
504,893	12,025,852
<u>2,838,493</u>	<u>54,652,773</u>
<u>588,486</u>	<u>815,578</u>
<u>588,486</u>	<u>815,578</u>
-	1,948,941
-	129,000
41,025,722	41,025,722
4,962,984	96,634,316
-	1,255,006
-	14,503,805
-	21,238,928
-	5,000,000
-	25,000,000
-	5,864,727
-	49,015,221
-	5,800,643
(576,421)	1,600,551
<u>45,412,285</u>	<u>269,016,860</u>
<u>\$ 48,839,264</u>	<u>\$ 324,485,211</u>

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## CITY OF WEST HOLLYWOOD

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

June 30, 2020

Fund balances - total governmental funds		\$ 269,016,860
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.		305,995,646
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	\$ (178,220,000)	
Unamortized bond premiums	(22,038,532)	
Unamortized bond discount	110,138	
Unamortized gain on refunding	(1,216,662)	
Capital leases	(116,346)	
Compensated absences	(5,864,727)	
Claims payable	<u>(2,911,807)</u>	
		(210,257,936)
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	335,350	
Deferred inflows of resources	(853,483)	
Net OPEB liability	<u>(1,336,335)</u>	
		(1,854,468)
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	15,464,010	
Deferred inflows of resources	(1,872,091)	
Pension liability	<u>(48,852,079)</u>	
		(35,260,160)
Accrued interest payable on long-term debt is not due and payable in the current period and is not reported in the governmental funds.		(1,664,194)
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.		815,578
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>331,592</u>
Net position of governmental activities		<u>\$ 327,122,918</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, 2020

	General	Capital Projects Fund Debt Funded Capital Projects	Debt Service Fund Capital Projects Debt Service
<b>REVENUES:</b>			
Taxes	\$ 72,179,233	\$ -	\$ -
Licenses and permits	9,641,958	-	-
Intergovernmental	514,998	-	-
Charges for services	2,672,147	-	-
Use of money and property	11,316,205	323	1,618,068
Fines and forfeitures	6,497,340	-	-
Developer participation	-	-	-
Miscellaneous	5,839,685	150,008	-
<b>TOTAL REVENUES</b>	<b>108,661,566</b>	<b>150,331</b>	<b>1,618,068</b>
<b>EXPENDITURES:</b>			
Current:			
General government	27,952,396	-	-
Public safety	25,328,889	-	-
Public services	49,193,695	-	-
Capital outlay	3,218,101	39,882,180	-
Debt service:			
Principal retirement	12,472	-	5,750,000
Interest and fiscal charges	-	-	4,711,196
Debt issuance cost	-	-	642,373
<b>TOTAL EXPENDITURES</b>	<b>105,705,553</b>	<b>39,882,180</b>	<b>11,103,569</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,956,013</b>	<b>(39,731,849)</b>	<b>(9,485,501)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Bonds issued	-	-	80,135,000
Premium on bonds issued	-	-	10,167,964
Discount on bonds issued	-	-	(110,138)
Transfers in	242,000	39,780,740	8,428,256
Transfers out	(9,540,391)	-	(36,272,740)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(9,298,391)</b>	<b>39,780,740</b>	<b>62,348,342</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(6,342,378)</b>	<b>48,891</b>	<b>52,862,841</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>138,275,621</b>	<b>2,613,395</b>	<b>36,146,205</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 131,933,243</b>	<b>\$ 2,662,286</b>	<b>\$ 89,009,046</b>

See accompanying notes to financial statements.

Other Governmental Funds	Total Governmental Funds
\$ 3,890,478	\$ 76,069,711
-	9,641,958
5,345,988	5,860,986
322,049	2,994,196
3,650,131	16,584,727
654,540	7,151,880
4,554,997	4,554,997
128,273	6,117,966
<u>18,546,456</u>	<u>128,976,421</u>
255,244	28,207,640
732,289	26,061,178
11,632,975	60,826,670
2,779,968	45,880,249
10,052	5,772,524
-	4,711,196
-	642,373
<u>15,410,528</u>	<u>172,101,830</u>
<u>3,135,928</u>	<u>(43,125,409)</u>
-	80,135,000
-	10,167,964
-	(110,138)
1,365,441	49,816,437
<u>(4,003,306)</u>	<u>(49,816,437)</u>
<u>(2,637,865)</u>	<u>90,192,826</u>
498,063	47,067,417
<u>44,914,222</u>	<u>221,949,443</u>
<u>\$ 45,412,285</u>	<u>\$ 269,016,860</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, 2020

Net change in fund balances - total governmental funds		\$ 47,067,417
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	\$ 45,185,030	
Depreciation expense	<u>(5,526,246)</u>	39,658,784
<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>		
Bonds issued	(80,135,000)	
Premium on bonds issued	(10,167,964)	
Discount on bonds issued	110,138	
Principal repayments	5,772,524	
Amortization of deferred charges	46,795	
Amortization of bond premiums/discounts	<u>573,306</u>	(83,800,201)
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.		(460,462)
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.		(764,721)
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.		(1,479,269)
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.		(189,819)
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.		1,791,966
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.		123,955
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>103,012</u>
Change in net position of governmental activities		<u><u>\$ 2,050,662</u></u>

## CITY OF WEST HOLLYWOOD

BUDGETARY COMPARISON STATEMENT BY DEPARTMENT  
GENERAL FUND

For year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 138,275,621	\$ 138,275,621	\$ 138,275,621	\$ -
Resources (Inflows):				
Taxes	79,471,716	81,021,716	72,179,233	(8,842,483)
Licenses and permits	6,811,605	9,273,455	9,641,958	368,503
Intergovernmental	143,150	360,150	514,998	154,848
Charges for services	2,936,625	2,936,625	2,672,147	(264,478)
Use of money and property	11,770,650	11,270,650	11,316,205	45,555
Fines and forfeitures	8,330,150	8,330,150	6,497,340	(1,832,810)
Miscellaneous	555,150	2,455,150	5,839,685	3,384,535
Transfers in	242,000	242,000	242,000	-
Amounts Available for Appropriations	248,536,667	254,165,517	247,179,187	(6,986,330)
Charges to Appropriations (Outflows):				
Current:				
General government:				
City Council	414,466	456,920	297,141	159,779
City Manager	1,555,758	1,767,779	1,454,748	313,031
Assistant City Manager	3,190,426	3,139,838	2,990,454	149,384
Community & Legislative Affairs	1,638,513	1,733,824	1,691,289	42,535
City Attorney	1,283,351	1,370,988	1,081,857	289,131
Administrative Services Administration	371,308	362,308	355,921	6,387
Legal Services	1,129,469	1,129,469	897,982	231,487
City Clerk	1,529,919	1,558,919	1,556,421	2,498
Human Resources	2,407,426	7,682,426	7,678,840	3,586
Communications Administration	784,670	817,417	739,023	78,394
Media and Marketing	1,800,305	1,977,969	1,975,223	2,746
Finance Administration	1,299,819	2,323,482	1,003,722	1,319,760
Revenue	1,112,930	3,113,833	2,948,801	165,032
General Accounting	1,488,933	1,520,983	1,376,435	144,548
Information Technology	1,931,439	2,385,274	1,904,539	480,735
Public safety:				
Public Safety Administration	4,463,735	4,675,789	4,345,398	330,391
City Police/Protective Services	22,289,975	23,331,241	20,983,491	2,347,750
Public services:				
Human Services Administration	471,173	507,349	184,907	322,442
Social Services	6,686,232	9,560,210	7,754,512	1,805,698
Strategic Initiatives	811,255	890,165	860,548	29,617
Housing & Rent Stabilization Administration	2,327,864	2,367,364	1,969,018	398,346
Facilities and Recreation Services Administration	416,684	432,659	347,478	85,181
Recreation Services	4,392,432	4,634,862	4,627,373	7,489
Facilities and Field Services	8,475,066	8,723,571	8,057,398	666,173
Library Building Operations	1,362,982	1,362,982	1,259,143	103,839
Planning Development Services	1,294,222	1,733,751	1,638,735	95,016
Current & Historic Preservation Planning	2,217,798	2,360,063	1,964,239	395,824
Building & Safety	2,210,990	3,683,417	3,491,120	192,297
Long Range Planning	2,140,460	2,933,559	1,873,422	1,060,137
Public Works Administration	401,978	462,433	453,840	8,593
Code Compliance	2,593,312	2,668,312	2,428,866	239,446
Parking	5,081,106	5,114,585	4,431,072	683,513
City Engineering	1,624,768	1,737,000	1,445,658	291,342
Economic Development Administration	1,068,008	1,068,008	665,826	402,182
Arts	1,521,333	1,558,577	1,411,906	146,671
Business Development	695,588	700,747	210,056	490,691
Innovation	857,688	1,021,100	665,890	355,210
Event and Film Services	2,512,534	3,106,984	2,306,166	800,818
Community Services	528,851	552,851	460,560	92,291
Urban Design & Architecture Studio	1,361,983	1,422,939	685,962	736,977
Capital outlay	3,739,290	18,323,005	3,218,101	15,104,904
Debt service:				
Principal retirement	-	12,472	12,472	-
Transfers out	7,750,391	9,540,391	9,540,391	-
Total Charges to Appropriations	111,236,430	145,827,815	115,245,944	30,581,871
Budgetary Fund Balance, June 30	\$ 137,300,237	\$ 108,337,702	\$ 131,933,243	\$ 23,595,541

See accompanying notes to financial statements.

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## CITY OF WEST HOLLYWOOD

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

June 30, 2020

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Information System Master Plan Internal Service Fund
ASSETS:		
CURRENT ASSETS:		
Cash and investments	\$ 2,633,874	\$ 343,001
Receivables:		
Accounts	37,934	-
Accrued interest	5,281	673
Due from other governments	69,243	-
Due from other funds	33,559	-
	<u>2,779,891</u>	<u>343,674</u>
TOTAL CURRENT ASSETS		
NONCURRENT ASSETS:		
Capital assets, net of accumulated depreciation	<u>10,482,697</u>	<u>-</u>
TOTAL NONCURRENT ASSETS		
	<u>10,482,697</u>	<u>-</u>
TOTAL ASSETS		
	<u>13,262,588</u>	<u>343,674</u>
LIABILITIES:		
CURRENT LIABILITIES:		
Accounts payable	241,490	33,597
Due to other funds	33,559	-
	<u>275,049</u>	<u>33,597</u>
TOTAL CURRENT LIABILITIES		
	<u>275,049</u>	<u>33,597</u>
TOTAL LIABILITIES		
	<u>275,049</u>	<u>33,597</u>
NET POSITION:		
Net investment in capital assets	10,482,697	-
Unrestricted	2,504,842	310,077
	<u>12,987,539</u>	<u>\$ 310,077</u>
TOTAL NET POSITION		
	<u>12,987,539</u>	<u>\$ 310,077</u>
Prior years' accumulated adjustment to reflect the consolidation of the internal service fund activities related to the enterprise funds	(24,603)	
Current year's adjustment to reflect the consolidation of the internal service fund activities related to the enterprise funds	<u>3,088</u>	
Net position of business-type activities	<u>\$ 12,966,024</u>	

See accompanying notes to financial statements.

CITY OF WEST HOLLYWOOD

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

For the year ended June 30, 2020

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Information System Master Plan Internal Service Fund
OPERATING REVENUES:		
Sales and service charges	\$ 3,365,949	\$ 600,006
Penalties on assessments	5,671	-
Other fees and charges	28,160	-
<b>TOTAL OPERATING REVENUES</b>	<b>3,399,780</b>	<b>600,006</b>
OPERATING EXPENSES:		
Administration and general	118,341	498,221
Treatment	2,370,738	-
Cost of sales and services	172,366	-
Depreciation expense	441,807	-
<b>TOTAL OPERATING EXPENSES</b>	<b>3,103,252</b>	<b>498,221</b>
<b>OPERATING INCOME</b>	<b>296,528</b>	<b>101,785</b>
NONOPERATING REVENUES:		
Interest revenue	50,408	4,315
<b>TOTAL NONOPERATING REVENUES</b>	<b>50,408</b>	<b>4,315</b>
<b>CHANGE IN NET POSITION</b>	<b>346,936</b>	<b>106,100</b>
<b>NET POSITION - BEGINNING OF YEAR</b>	<b>12,640,603</b>	<b>203,977</b>
<b>NET POSITION - END OF YEAR</b>	<b>\$ 12,987,539</b>	<b>\$ 310,077</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	\$ 3,088	
<b>Change in net position - Enterprise Funds</b>	<b>346,936</b>	
<b>Change in net position of business-type activities</b>	<b>\$ 350,024</b>	



CITY OF WEST HOLLYWOOD

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

For the year ended June 30, 2020

	<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	\$ 3,377,931	\$ 600,006
Cash paid to suppliers for goods and services	(2,159,338)	(481,922)
Cash paid to employees for services	(504,706)	-
	<u>713,887</u>	<u>118,084</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(876,992)	-
	<u>(876,992)</u>	<u>-</u>
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	52,672	4,241
	<u>52,672</u>	<u>4,241</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(110,433)	122,325
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>2,744,307</u>	<u>220,676</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,633,874</u>	<u>\$ 343,001</u>

(Continued)

CITY OF WEST HOLLYWOOD

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 (CONTINUED)

For the year ended June 30, 2020

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Information System Master Plan Internal Service Fund
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 296,528	\$ 101,785
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	441,807	-
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(23,504)	-
Due from other governments	1,655	-
Increase (decrease) in:		
Accounts payable	(2,599)	16,299
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	 \$ 713,887	 \$ 118,084

## CITY OF WEST HOLLYWOOD

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

June 30, 2020

	Agency Funds	Private-Purpose Trust Funds
<b>ASSETS:</b>		
Cash and investments	\$ 123,896	\$ 633,107
Receivables:		
Accounts	159,325	-
Taxes	73,170	-
Accrued interest	43	-
Restricted assets:		
Cash and investments with fiscal agents	-	24,773,686
Capital assets:		
Capital assets, net of accumulated depreciation	-	144,893
	<u>          </u>	<u>          </u>
<b>TOTAL ASSETS</b>	<u><u>\$ 356,434</u></u>	<u><u>25,551,686</u></u>
<b>LIABILITIES:</b>		
Accounts payable	\$ 356,434	-
Accrued interest	-	1,041,223
Due to County	-	564,273
Long-term liabilities:		
Due in one year	-	825,000
Due in more than one year	-	41,341,060
	<u>          </u>	<u>          </u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 356,434</u></u>	<u><u>43,771,556</u></u>
<b>NET POSITION:</b>		
Held in trust for other purposes		<u>(18,219,870)</u>
		<u>          </u>
<b>TOTAL NET POSITION</b>		<u><u>\$ (18,219,870)</u></u>

CITY OF WEST HOLLYWOOD

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS


For the year ended June 30, 2020

	<u>Private-Purpose Trust Funds</u>
ADDITIONS:	
Taxes	\$ 4,019,164
Interest and change in fair value of investments	<u>338,448</u>
TOTAL ADDITIONS	<u>4,357,612</u>
DEDUCTIONS:	
Administrative expenses	64,999
Interest expense	3,143,986
Depreciation expense	<u>3,498</u>
TOTAL DEDUCTIONS	<u>3,212,483</u>
CHANGE IN NET POSITION	1,145,129
NET POSITION - BEGINNING OF YEAR	<u>(19,364,999)</u>
NET POSITION - END OF YEAR	<u><u>\$ (18,219,870)</u></u>



## Notes to Financial Section



 [@WeHoCity](#) you are a divine sanctuary for all types of beautiful souls seeking refuge and a better life, the infinite love and unity here in WeHo is always heartfelt xxoo



Top front: Historic Preservation Celebration: Formosa Cafe - July 8, 2019 photo Jon Viscott | Lower front: Spring Fest in the Park - April 13, 2019, photo Oleg Volovik | Back: Art on the Outside: Yolki Palki by Tanya Brodsky, photo Tony Coelho

CITY OF WEST HOLLYWOOD  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020

**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 projects include 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 Pronouncements**Current-Year Standards*GASB No. 95*

In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authority Guidance*, which was effective immediately. This Statement provided temporary relief to governments and other stakeholders in light of the COVID-19 pandemic and postponed the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

*GASB No. 97*

In June 2020, GASB issued Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84*, and a supersession of GASB Statement No. 32. Paragraph 4 of this Statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or an other employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform.

Paragraph 5 of this Statement also requires that the financial burden criterion in paragraph 7 of Statement No. 84, *Fiduciary Activities*, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, *Financial Reporting for Pension Plans*, or paragraph 3 of Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, respectively.

The requirements of these paragraphs did not impact the City.

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

**New Accounting Pronouncements (Continued)**

Pending Accounting Standards

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

*GASB No. 84*

In January 2017, GASB issued Statement No. 84 – *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements.

This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019, early application is encouraged.

*GASB No. 87*

In June 2017, GASB issued Statement No. 87 – *Leases*. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset for leases with a term of more than 12 months. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. For leases with a term of 12 months or less, lessees and lessors should recognize short-term lease payments as outflows of resources or inflows of resources, respectively, based on the payment provisions of the lease contract. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021, early application is encouraged.

*GASB No. 92*

In January 2020, GASB issued Statement No. 92 – *Omnibus 2020*. This Statement addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to leases, fiduciary activities, measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition, reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers, reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature and terminology used to refer to derivative instruments.

**I. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)****New Accounting Pronouncements (Continued)**Pending Accounting Standards (Continued)*GASB No. 92 (Continued)*

The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

*GASB No. 97*

In June 2020, GASB issued Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84*, and a supersession of GASB Statement No. 32. Paragraph 6 through 9 of this Statement requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan and clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. The requirements of paragraph 6 through 9 of this Statement are effective for fiscal years beginning after June 15, 2021. Earlier application of these requirements is encouraged and permitted.

This Statement supersedes the remaining provisions of Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, as amended, regarding investment valuation requirements for Section 457 plans. As a result, investments of all Section 457 plans should be measured as of the end of the plan’s reporting period in all circumstances. The requirements of paragraph 3 of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted.

**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.

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

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

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

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

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

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

In addition to assets, the statement of net position reports 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 and retiree healthcare benefits through the plans.
- Deferred outflow from OPEB resulting from the net 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 report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

- Deferred inflow from unavailable revenues, which is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source, which is grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Deferred gain on refunding that resulted from the difference in the carrying value of refunded debt and the reacquisition price. This amount is shown as deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Deferred inflow related to pensions and OPEB for the 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 and retiree healthcare benefits through the plans.
- Deferred outflow from pension resulting from the net difference in projected and actual earnings on investments of the pension plan fiduciary net position. This amount is amortized over 5 years.

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

**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.

**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.

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

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.



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

**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 and discounts) and other capital related liabilities.

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 and Measure W Special Revenue Funds. 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. Due to COVID-19, the City adopted a one-year budget for the upcoming fiscal year 2020-2021.

**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:			
Principal retirement	3,750,000	5,750,000	(2,000,000)
Interest and fiscal charges	4,678,256	4,711,196	(32,940)
Debt issuance cost	-	642,373	(642,373)
Other Governmental Special Revenue Funds:			
Special Grants:			
Public safety	144,000	156,848	(12,848)
Proposition C:			
General government	44,000	47,091	(3,091)
City Lighting:			
Public services	734,000	767,832	(33,832)

**Deficit Fund Balances or Net Position**

The following funds contained deficit fund balances or net position at June 30, 2020:

	Amount
Other Governmental Special Revenue Funds:	
Gas Tax	\$ (271,952)
Parking Improvement	(304,469)

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

The Parking Improvement deficit is due mainly from a decline in visitor traffic resulting in decreased parking meter revenue and parking fines as a result of the COVID-19 pandemic.

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, 2020, cash and investments were reported in the accompanying financial statements as follows:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Governmental activities	\$ 210,509,939	\$ 90,770,878	\$ 301,280,817
Business-type activities	2,633,874	-	2,633,874
Fiduciary funds	<u>757,003</u>	<u>24,773,686</u>	<u>25,530,689</u>
Total cash and investments	<u>\$ 213,900,816</u>	<u>\$ 115,544,564</u>	<u>\$ 329,445,380</u>

Cash and investments held by the City at June 30, 2020, consisted of the following:

Petty cash	\$ 1,300
Deposits with financial institutions	11,965,228
Cash with fiscal agent	78,455,385
Investments	<u>239,023,467</u>
Total cash and investments	<u>\$ 329,445,380</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, 2020, the City had the following investments and original maturities:

Investment Type	Remaining Maturity (in Years)
	Less Than 1 Year
California Local Agency Investment Fund	\$ 59,885,959
Los Angeles County Investment Pool	144,656,662
Cash with Fiscal Agents:	
Money Market Mutual Funds	34,480,846
	\$ 239,023,467

**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, 2020, 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, 2020, the City has not invested more than 5% of its total investments in anyone issuer. Investments guaranteed by the US government and investments in money market 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, 2020, the carrying amount of the City’s deposits was \$11,965,228 and the bank balance was \$13,454,634, which is insured and collateralized under California law. The \$1,489,406 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 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 LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

#### **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**

##### **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 \$36,248,444 were outstanding at June 30, 2020, 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.

##### **CDBG Loans Receivable**

Loans receivable in the CDBG Special Revenue Other Governmental Fund of \$500,928 consist of deferred-payment rehabilitation loans to qualifying low income households in connection with the CDBG Program. Because the proceeds of the CDBG loans must be returned to the Department of Housing and Urban Development, these loans are offset by due to other governments in an equal amount.

##### **West Hollywood Travel and Tourism Board Loan Receivable**

On April 20, 2020, the City Council authorized an advance from the General Fund of up to \$100,000 per month for three months for a total of \$300,000 to the West Hollywood Travel and Tourism Board (WHTTB) for critical operational funding related to the economic impact of COVID-19. The agreement includes a 12-month repayment plan with 0% interest that starts 12 months after the first advance for which the City will deduct 12 equal payments from future Tourism Business Improvement District assessments that would have been transmitted to WHTTB. As of the fiscal year ended June 30, 2020, \$200,000 was advanced with the final \$100,000 advanced in fiscal year 2020-2021. The amount due as of June 30, 2020, was \$200,000.

## 5. CAPITAL ASSETS

A summary of changes in the Governmental Activities capital assets at June 30, 2020, is as follows:

	Balance at July 1, 2019	Additions	Deletions	Transfers	Balance at June 30, 2020
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 57,840,989	\$ 11,407,461	\$ -	\$ -	\$ 69,248,450
Construction in progress	56,120,211	29,747,598	(1,885,761)	-	83,982,048
Total capital assets, not being depreciated	<u>113,961,200</u>	<u>41,155,059</u>	<u>(1,885,761)</u>	<u>-</u>	<u>153,230,498</u>
Capital assets, being depreciated:					
Buildings	100,842,993	-	-	-	100,842,993
Improvements other than buildings	16,083,370	2,131,858	-	-	18,215,228
Machinery and equipment	11,246,342	422,154	(40,364)	-	11,628,132
Furniture and fixtures	1,995,499	88,513	-	-	2,084,012
Office equipment	1,644,908	-	-	-	1,644,908
Leasehold improvements	506,235	363,965	-	-	870,200
Infrastructure	107,408,983	2,909,242	-	-	110,318,225
Total capital assets, being depreciated	<u>239,728,330</u>	<u>5,915,732</u>	<u>(40,364)</u>	<u>-</u>	<u>245,603,698</u>
Less accumulated depreciation for:					
Buildings	(19,991,690)	(2,018,671)	-	-	(22,010,361)
Improvements other than buildings	(3,135,777)	(330,651)	-	-	(3,466,428)
Machinery and equipment	(7,826,079)	(687,042)	40,364	-	(8,472,757)
Furniture and fixtures	(1,825,133)	(42,109)	-	-	(1,867,242)
Office equipment	(1,632,527)	(12,381)	-	-	(1,644,908)
Leasehold improvements	(300,047)	(256,739)	-	-	(556,786)
Infrastructure	(52,641,415)	(2,178,653)	-	-	(54,820,068)
Total accumulated depreciation	<u>(87,352,668)</u>	<u>(5,526,246)</u>	<u>40,364</u>	<u>-</u>	<u>(92,838,550)</u>
Total capital assets, being depreciated, net	<u>152,375,662</u>	<u>389,486</u>	<u>-</u>	<u>-</u>	<u>152,765,148</u>
Total governmental activities capital assets, net	<u>\$ 266,336,862</u>	<u>\$ 41,544,545</u>	<u>\$ (1,885,761)</u>	<u>\$ -</u>	<u>\$ 305,995,646</u>



5. CAPITAL ASSETS (CONTINUED)

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

General government	\$ 634,554
Public safety	156,198
Public services	<u>4,735,494</u>
Total depreciation expense	<u><u>\$ 5,526,246</u></u>

A summary of changes in the Business-type Activities capital assets at June 30, 2020, is as follows:

	<u>Balance at July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2020</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>876,992</u>	<u>-</u>	<u>22,678,916</u>
Total capital assets, being depreciated	<u>21,868,841</u>	<u>876,992</u>	<u>(66,917)</u>	<u>22,678,916</u>
Less accumulated depreciation for:				
Machinery and equipment	(32,183)	-	32,183	-
Office equipment	(34,734)	-	34,734	-
Infrastructure	<u>(11,754,412)</u>	<u>(441,807)</u>	<u>-</u>	<u>(12,196,219)</u>
Total accumulated depreciation	<u>(11,821,329)</u>	<u>(441,807)</u>	<u>66,917</u>	<u>(12,196,219)</u>
Capital assets, being depreciated, net	<u>10,047,512</u>	<u>435,185</u>	<u>-</u>	<u>10,482,697</u>
Total business-type activities capital assets, net	<u><u>\$ 10,047,512</u></u>	<u><u>\$ 435,185</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 10,482,697</u></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>76,782</u>
Total depreciation expense	<u><u>\$ 441,807</u></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. As discussed below, information for Note 6 at June 30, 2020, is based on the June 30, 2018 actuarial valuation with a measurement date of June 30, 2019.

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, 2019, are summarized as follows:

	<u>Prior to</u> <u>January 1, 2013</u>	<u>On or After</u> <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	10.343%	6.250%
Payment of unfunded liability	\$ 3,161,091	\$ -

Employees Covered

At the measurement date ended June 30, 2019, the following employees were covered by the benefit terms for the Plans:

Inactive employees or beneficiaries currently receiving benefits	138
Inactive employees entitled to but not yet receiving benefits	183
Active employees	<u>233</u>
Total	<u><u>554</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, 2019, using an annual actuarial valuation as of June 30, 2018, and rolled forward to June 30, 2019, 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, 2018, actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2018
Measurement date	June 30, 2019
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 increase	(3)

(1) Varies by entry age and service.

(2) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates includes 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

(3) The less of contract COLA or 2.50% 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	<u>1.00%</u>	0.00%	-0.92%
Total	<u><u>100.00%</u></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)
<b>Balance at June 30, 2018</b>	<u>\$ 170,996,844</u>	<u>\$ 124,500,627</u>	<u>\$ 46,496,217</u>
<b>Changes in the Year:</b>			
Service cost	4,532,359	-	4,532,359
Interest on the total pension liability	12,280,225	-	12,280,225
Differences between expected and actual experience	1,351,494	-	1,351,494
Contributions - employer	-	5,603,063	(5,603,063)
Contributions - employee	-	1,956,715	(1,956,715)
Net investment income	-	8,336,996	(8,336,996)
Administrative expense	-	(88,846)	88,846
Other miscellaneous income	-	288	(288)
Benefit payments, including refunds of employee contributions	<u>(5,726,227)</u>	<u>(5,726,227)</u>	<u>-</u>
<b>Net Changes</b>	<u>12,437,851</u>	<u>10,081,989</u>	<u>2,355,862</u>
<b>Balance at June 30, 2019</b>	<u>\$ 183,434,695</u>	<u>\$ 134,582,616</u>	<u>\$ 48,852,079</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 or 1-percentage point higher than the current rate:

1% Decrease	6.15%
Net Pension Liability	\$ 75,424,745
Current Discount Rate	7.15%
Net Pension Liability	\$ 48,852,079
1% Increase	8.15%
Net Pension Liability	\$ 27,014,424

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, 2020, the City recognized pension expense of \$9,496,944. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 11,484,511	\$ -
Differences between expected and actual experience	1,746,632	(152,894)
Change in assumptions	2,232,867	(1,051,732)
Net differences between projected and actual earnings on plan investments	-	(667,465)
Total	<u>\$ 15,464,010</u>	<u>\$ (1,872,091)</u>

Deferred outflows of resources of \$11,484,511 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, 2021. This amount includes an excess payment made by the City of \$5,000,000 in order to pay down the unfunded liability. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2021	\$ 2,650,389
2022	(816,002)
2023	87,145
2024	185,876
2025	-
Thereafter	-

**Payable to the Pension Plan**

At June 30, 2020, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2020.

**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, 2019, the following current and former employees were covered by the benefit terms under the plan:

Inactive employees, spouses or beneficiaries currently receiving benefits	48
Active employees	<u>220</u>
Total	<u><u>268</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, 2019, the City's cash contributions were \$121,600 in premium payments and the estimated implicit subsidy was \$130,682, resulting in total payment of \$252,282.

**Net OPEB Liability**

The City's total OPEB liability was measured as of June 30, 2019, and was determined by an actuarial valuation as of June 30, 2019. 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, 2019 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, 2019
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	5.50%
Inflation	2.50%
Projected Salary Increase	2.75%
Expected Long-Term Investment Rate of Return	5.50%
Health-Care Cost Trend Rates	6.4% trending down to 4.00%
Pre-Retirement Turnover	CalPERS OPEB Assumption Model
Mortality	December 2017 experience studies

The actuarial assumptions used in the June 30, 2019 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:

Asset Class (CERBT Strategy 3)	Target Allocation	Long-Term Expected Rate of Return	Long-Term Expected Nominal Rate of Return <sup>(1)</sup>
CERBT			
Global Equity	22.00%	4.76%	7.26%
Fixed Income	50.00%	2.01%	4.51%
TIPS	15.00%	1.20%	3.70%
REITs	8.00%	2.39%	4.89%
Commodities	5.00%	4.53%	7.03%
Total <sup>(2)</sup>	<u>100.00%</u>		5.58%
Reduction for assumed investment expense <sup>(3)</sup>			<u>0.10%</u>
Net long-term expected investment return (rounded to 1/4%)			<u>5.50%</u>

(1) Nominal rates of return are equal to real rates of return plus the assumed inflation rate.

(2) Portfolio total expected return is weighted average of arithmetic asset class returns, with adjustment to reflect geometric averages. It is not equal to the weighted average of the asset class geometric returns shown above.

(3) Assumed investment expenses include investment management fees.



**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 5.50%. 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
<b>Balance at June 30, 2018</b> <b>(Measurement Date)</b>	\$ 6,833,644	\$ 4,747,409	\$ 2,086,235
<b>Changes in the Year:</b>			
Service cost	374,804	-	374,804
Interest on the total OPEB liability	433,437	-	433,437
Differences between actual and expected experience	(777,846)	-	(777,846)
Changes in assumptions	(187,349)	-	(187,349)
Contribution - employer	-	252,282	(252,282)
Net investment income	-	341,687	(341,687)
Administrative expenses	-	(1,023)	1,023
Benefit payments	(252,282)	(252,282)	-
<b>Net Changes</b>	<b>(409,236)</b>	<b>340,664</b>	<b>(749,900)</b>
<b>Balance at June 30, 2019</b> <b>(Measurement Date)</b>	<b>\$ 6,424,408</b>	<b>\$ 5,088,073</b>	<b>\$ 1,336,335</b>

Change of Assumptions

From the measurement period ended June 30, 2018 to June 30, 2019, the healthcare trend rate was changed from Pre-Medicare 7.00%, trending down to 3.84% and Medicare 6.00% trending down to 3.84% to 6.40% trending down to 4.00%. In addition, the investment rate of return was changed from 6.12% to 5.50%.

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 4.50%	Discount Rate 5.50%	1% Increase 6.50%
Net OPEB Liability	\$ 2,120,970	\$ 1,336,335	\$ 678,366

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 or one percentage point higher than current health-care cost trend rates:

	5.4% trending down to 3.0%	6.4% trending down to 4.0%	7.4% trending down to 5.0%
Net OPEB Liability	\$ 618,520	\$ 1,336,335	\$ 2,268,760

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

For the year ended June 30, 2020, the City recognized OPEB expense of \$433,064. At June 30, 2020, 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	\$ 269,108	\$ -
Differences between actual and expected experience	-	(687,818)
Change in assumptions	29,580	(165,665)
Net difference between projected and actual earnings on plan investments	36,662	-
Total	<u>\$ 335,350</u>	<u>\$ (853,483)</u>

An amount of \$269,108, 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, 2021.

**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
2021	\$ (85,689)
2022	(85,689)
2023	(103,615)
2024	(117,533)
2025	(107,297)
Thereafter	(287,418)

**Payable to the OPEB Plan**

At June 30, 2020, the City had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2020.

**8. LONG-TERM LIABILITIES**

The following is a summary of long-term liabilities transactions for the governmental activities for the year ended June 30, 2020:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year	Due in More Than One Year
<i>Other debt:</i>						
Lease Revenue Bonds:						
2009 Series A	\$ 4,310,000	\$ -	\$ (4,310,000)	\$ -	\$ -	\$ -
Less: Unamortized original issue premium	115,903	-	(115,903)	-	-	-
2013 Series	17,225,000	-	(395,000)	16,830,000	410,000	16,420,000
Add: Unamortized original issue premium	175,181	-	(7,299)	167,882	-	167,882
2016 Series	82,300,000	-	(1,045,000)	81,255,000	1,340,000	79,915,000
Add: Unamortized original issue premium	12,152,790	-	(450,104)	11,702,686	-	11,702,686
2020 Series A&B	-	80,135,000	-	80,135,000	-	80,135,000
Add: Unamortized original issue premium	-	10,167,964	-	10,167,964	-	10,167,964
Less; Unamortized original issue discount	-	(110,138)	-	(110,138)	-	(110,138)
<i>Direct borrowing:</i>						
Capital lease - SCE	138,870	-	(22,524)	116,346	22,525	93,821
<i>Other long-term liabilities:</i>						
Accrued employee benefits	5,100,006	5,110,725	(4,346,004)	5,864,727	2,311,154	3,553,573
Claims payable	1,432,538	1,976,891	(497,622)	2,911,807	598,170	2,313,637
Total	<u>\$ 122,950,288</u>	<u>\$ 97,280,442</u>	<u>\$ (11,189,456)</u>	<u>\$ 209,041,274</u>	<u>\$ 4,681,849</u>	<u>\$ 204,359,425</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. During the year ended June 30, 2020 the bonds were paid in full.

**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, 2020, the total principal outstanding was \$16,830,000.

There are no reserve requirements for this bond.

The following is a schedule, by years, of future debt service payments for the 2013 Lease Revenue Bonds as of June 30, 2020:

Year Ending June 30,	Principal	Interest	Total
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	495,000	758,856	1,253,856
2026 - 2030	2,865,000	3,397,781	6,262,781
2031 - 2035	3,655,000	2,613,381	6,268,381
2036 - 2040	4,655,000	1,605,063	6,260,063
2041 - 2043	3,405,000	354,650	3,759,650
Total	<u>\$ 16,830,000</u>	<u>\$ 11,985,555</u>	<u>\$ 28,815,555</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.

**8. LONG-TERM LIABILITIES (CONTINUED)****2016 Lease Revenue Bonds (Continued)**

The 2016 Lease Revenue Bonds are obligations of the Financing Authority payable solely from payments received from the City pursuant to a Property Lease by and between the City and the Financing Authority. The 2016 Lease Revenue Bonds are secured primarily by a lien on and security interest in these revenues. Amounts pledged in fiscal year 2019-2020 total \$4,642,450, which is the amount of debt service and lease payments made.

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, 2020, the total principal outstanding was \$81,255,000.

The net carrying amount of the old debt exceeded the reacquisition price by \$1,403,842. This is being amortized over the 23 years with the unamortized balance shown as a deferred gain on refunding in the Statement of Net Position.

The following is a schedule, by years, of future debt service payments for the 2016 Lease Revenue Bonds as of June 30, 2020:

Year Ending June 30,	Principal	Interest	Total
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	4,105,000	2,946,550	7,051,550
2026 - 2030	12,725,000	12,495,250	25,220,250
2031 - 2035	16,170,000	8,985,000	25,155,000
2036 - 2040	18,360,000	5,021,050	23,381,050
2041 - 2045	14,250,000	2,364,650	16,614,650
2046	3,195,000	127,800	3,322,800
Total	<u>\$ 81,255,000</u>	<u>\$ 45,465,850</u>	<u>\$ 126,720,850</u>

**2020 Lease Revenue Bonds**

On May 18, 2020, the West Hollywood Public Financing Authority issued \$65,785,000 of 2020 Lease Revenue Bonds Series A and \$14,350,000 of 2020 Lease Revenue Bonds Series B to finance the acquisition and construction of certain public capital improvements and pay the costs of issuing the 2020 Bonds.

The 2020 Lease Revenue Bonds are obligations of the Financing Authority payable solely from payments received from the City pursuant to a Property Lease by and between the City and the Financing Authority. The 2020 Lease Revenue Bonds are secured primarily by a lien on and security interest in these revenues. Amounts pledged in fiscal year 2019-2020 total \$0, which is the amount of debt service and lease payments made.

Interest is payable semiannually beginning April 2021 and ending April 2046 with interest rates ranging from 0.67% to 2.6%. Principal payments range from \$260,000 to \$6,495,000. At June 30, 2020, the total principal outstanding was \$80,135,000.

There are no reserve requirements for this bond.

8. **LONG-TERM LIABILITIES (CONTINUED)**

**2020 Lease Revenue Bonds (Continued)**

The following is a schedule, by years, of future debt service payments for the 2020 Lease Revenue Bonds as of June 30, 2020:

Year Ending June 30,	Principal	Interest	Total
2021	\$ -	\$ 2,258,617	\$ 2,258,617
2022	260,000	2,803,800	3,063,800
2023	260,000	2,800,940	3,060,940
2024	240,000	2,797,950	3,037,950
2025	235,000	2,794,590	3,029,590
2026 - 2030	11,890,000	13,286,860	25,176,860
2031 - 2035	13,905,000	11,339,820	25,244,820
2036 - 2040	18,140,000	8,876,100	27,016,100
2041 - 2045	28,710,000	5,079,250	33,789,250
2046	6,495,000	259,800	6,754,800
Total	<u>\$ 80,135,000</u>	<u>\$ 52,297,727</u>	<u>\$ 132,432,727</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 from energy savings over a period of up to 80 months. The unpaid balance as of June 30, 2020, was \$116,346. The annual debt service requirements are as follows:

Year Ending June 30,	Principal
2021	\$ 22,525
2022	22,525
2023	22,525
2024	22,525
2025	20,010
2026	6,236
Total	<u>\$ 116,346</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, 2020, was \$5,864,727.

**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, 2020, was \$2,911,807.

**9. UNEARNED REVENUE**

In fiscal year 2019-2020, the City received developer deposits, permit fees, and rent stabilization fees. These are recorded as unearned revenue in the General Fund in the amount of \$6,051,712, along with various other unearned revenues of \$281,325 in the other governmental funds; total unearned revenue recorded by the City for the year ended was \$6,333,037. These unearned amounts will be reported as revenue as they are earned. The remaining unearned revenue in the other governmental 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, 2020, 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	\$ 280,087
	Public Access Corporation	
	Special Revenue Fund	10,851
	Sunset Strip Business Improvement	
	District Special Revenue Fund	213,955
Debt Funded Capital Projects Fund	Capital Projects Debt Service Fund	11,520,959
Enterprise Funds:		
Solid Waste Fund	Sewer District Fund	<u>33,559</u>
		<u>\$ 12,059,411</u>

The due to General Fund of \$504,893 was a result of temporary deficit cash balances in the Other Governmental Funds.

The due to Debt Funded Capital Projects Fund of \$11,520,959 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**

Transfers In	Transfers Out	Amount
Major Funds:		
General Fund	Capital Projects Debt Service Fund	\$ 242,000
Debt Funded Capital Projects Fund	General Fund	1,000,000
	Capital Projects Debt Service Fund	36,030,740
	Other Governmental Funds:	
	Quimby Act	
	Special Revenue Fund	750,000
	Parking Improvement	
	Special Revenue Fund	2,000,000
Capital Projects Debt Service Fund	General Fund	7,174,950
	Other Governmental Funds:	
	Parking Improvement	
	Special Revenue Fund	1,253,306
Other Governmental Funds:		
Gas Tax Special Revenue Fund	General Fund	605,000
Sunset Strip Business Improvement		
District Special Revenue Fund	General Fund	760,441
		<u>760,441</u>
		<u>\$ 49,816,437</u>

The Capital Projects Debt Service Fund transferred \$242,000 to the General Fund due to a mid-year budgeted amount for the City Hall reconfiguration project.

The General Fund transferred \$1,000,000 to the Debt Funded Capital Projects Fund to fund capital expenses related to West Hollywood Park Phase II and the WHP North Alley improvement project.

The Capital Projects Debt Service Fund transferred \$36,030,740 to the Debt Funded Capital Projects Fund to fund capital expenses related to West Hollywood Park Phase II and the purchase of 8120 Santa Monica Boulevard.

The Quimby Act Special Revenue Fund transferred \$750,000 to the Debt Funded Capital Projects Fund to fund capital expenses related to West Hollywood Park Phase II.

The Parking Improvement Special Revenue Fund transferred \$2,000,000 to the Debt Funded Capital Projects Fund to fund capital expenses related to West Hollywood Park Phase II.

The General Fund and the Parking Improvement Special Revenue Fund transferred \$7,174,950 and \$1,253,306, respectively, to the Capital Projects Debt Service Fund to fund debt service payments.

The General Fund transferred \$605,000 to the Gas Tax Special Revenue Fund to subsidize operations.

The General Fund transferred \$760,441 to the Sunset Strip Business Improvement District Special Revenue Fund to subsidize operations related to LA County Sheriff services specific to the Sunset BID and to subsidize about \$200,000 for other operations.



## II. RISK MANAGEMENT

The City is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 118 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The Authority arranges and administers programs for the pooling of self-insured losses, purchases excess insurance and reinsurance, and arranges for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Authority's Board of Directors. The Board operates through a nine-member Executive Committee.

Liability coverage includes auto liability, employment practices liability, public officials' errors and omissions, bodily injury, personal injury, third party property damage, advertising injury, and employee benefit administration liability. The City has a retained limit of \$250,000 per occurrence. The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. The coverage structure is composed of a combination of pooled self-insurance, reinsurance and excess insurance. Additional information concerning the coverage structure is available on the Authority's website: <https://cjpia.org/coverage/risk-sharing-pools/>.

The City has a retained limit of \$150,000 per occurrence for workers' compensation claims. The Authority's pooled retention is \$1 million per occurrence with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

The City also participates in the following coverage programs provided by the Authority:

- (A) All-Risk Property Protection Program. This insurance protection is underwritten by several insurance companies. The City's property is currently insured according to a schedule of covered property submitted by the City to the Authority. The total insured value of scheduled City property is "Non Participant". There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.
- (B) Earthquake and Flood Insurance. This coverage is part of the Property Protection Program. The City has total insured values of "Non Participant" scheduled for coverage under this program. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.
- (C) Pollution Legal Liability Insurance Program. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City. Coverage is on a claims-made basis.  
  
There is a \$50,000 deductible. The Authority has an aggregate limit of \$50 million for the 3-year period from July 1, 2017 through July 1, 2020. Each member of the Authority has a \$10 million sub-limit during the 3-year policy term.
- (D) Crime Insurance Program. Formerly called Blanket Fidelity Bond, this policy covers faithful performance, depositor's forgery, theft of money and securities, and computer fraud related to the transfer of money. The policy limit is "Non Participant", and the deductible is "Non Participant".
- (E) Special Event Tenant User Liability Insurance. This coverage protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on City property. The insurance premium is paid by the tenant user and is paid to the City according to a schedule. The City then pays the insurance broker and/or carrier. The insurance is facilitated by the Authority.

**11. RISK MANAGEMENT (CONTINUED)**

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 2019-20. Financial statements of the Authority may be obtained from its administrative office located at 8081 Moody Street, La Palma, California 90623, or by calling (562) 467-8700.

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
2020	1,432,538	1,976,891	(497,622)	2,911,807

**12. COMMITMENTS AND CONTINGENCIES**

**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 \$21,156,949 was paid for these services in fiscal year 2019-2020.

The following material construction commitments existed at June 30, 2020:

Contractor	Contract Amount	Expenditures to Date as of June 30, 2020	Remaining Commitments	Special Revenue Fund
Unitronics	\$ 2,640,000	\$ 1,080,000	\$ 1,560,000	Parking Improvements
Sinanian Development Inc.	79,429,600	60,940,449	18,489,151	Capital Projects
West Coast Arborists Inc.	4,027,000	1,749,486	2,277,514	Capital Projects
Hardy & Harper	1,176,350	121,314	1,055,036	Capital Projects
GA Technical Services Inc.	882,174	102,865	779,309	Capital Projects
Emilio Ramirez	938,261	153,537	784,724	Capital Projects
WGJ Enterprises	669,028	18,547	650,481	Capital Projects

**12. COMMITMENTS AND CONTINGENCIES (CONTINUED)****Encumbrances**

At June 30, 2020, the following are the encumbrances:

General Fund:	
Engineering, landscape, and urban design	\$ 1,479,042
Emergency services	254,541
Social services	1,537,256
Professional services	1,375,929
Total General Fund	<u>4,646,768</u>
Debt Funded Capital Projects Fund:	
Construction	18,851,738
Project management	2,630,688
Design	1,107,991
Other consultants	561,305
Parking mitigation	41,043
Total Debt Funded Capital Projects Fund	<u>23,192,765</u>
Other Governmental Funds:	
Affordable housing commitment	6,445,000
Professional services	1,052,740
Parking meter purchase	385,954
Bicycle implementation and greenway projects	264,930
Total Other Governmental Funds	<u>8,148,624</u>
Total Encumbrances	<u>\$ 36,968,313</u>

**COVID-19**

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of an outbreak of a new strain of coronavirus (the “COVID-19 outbreak”) and the risks that is posed to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic based on the rapid increase in exposure globally.

The City’s operations are heavily dependent on the ability to raise sales taxes, property taxes and transient occupancy taxes and assess business licenses, developer fees and construction permits. Additionally, access to grants and contracts from federal, state, and local governments may decrease or may not be available depending on appropriations. The outbreak may have a continued adverse impact on economic and market conditions, triggering a period of global economic slowdown. This situation is expected to depress the tax bases and other areas in which the City receives revenue during fiscal year 2021. The outbreak could also have other potential impacts, including disruptions or restrictions on employees’ ability to work. As such, this may hinder the ability for the City to meet the needs of its constituents. However, the City has been working remotely since March 2020 and has been continuing to provide services to its constituents. The City cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time; however, if the pandemic continues, it may have an effect on the City’s results of future operations and financial position in fiscal year 2021.

**13. LEASE**

On March 20, 2017, the City (lessee) entered into a lease for a portion of certain real property to Koontz Building, LLC (lessor), 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 lessor may extend the term for an additional two-year period. Future minimum rental payments to be paid on the lease are contractually due as follow as of June 30, 2020:

Year Ending June 30,	Lease Payment
2021	235,095
2022	239,797
2023	244,593
2024	249,485
2025	254,474
Total	<u>\$ 1,223,444</u>

Some of the capital assets utilized by the above operating lease include tenant improvements with a cost and carrying value of \$870,200 and \$313,414, respectively.

The total rent expenditures for the year ended June 30, 2020 was \$231,638.

**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	\$ 633,107
Cash and investments with fiscal agents	<u>24,773,686</u>
Total cash and investments	<u>\$ 25,406,793</u>

**Capital Assets**

	Balance at July 1, 2019	Additions	Deletions	Transfers	Balance at June 30, 2020
Capital Assets:					
Capital assets, being depreciated:					
Land improvements	\$ 174,920	\$ -	\$ -	\$ -	\$ 174,920
Less accumulated depreciation for:					
Land improvements	<u>(26,529)</u>	<u>(3,498)</u>	<u>-</u>	<u>-</u>	<u>(30,027)</u>
Total capital assets, being depreciated, net	<u>\$ 148,391</u>	<u>\$ (3,498)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 144,893</u>

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

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year	Due in More Than One Year
<i>Other debt:</i>						
Tax Allocation Bonds:						
2011 Series A	\$ 27,050,000	\$ -	\$ (350,000)	\$ 26,700,000	\$ 370,000	\$ 26,330,000
2011 Series B	8,515,000	-	(65,000)	8,450,000	75,000	8,375,000
Less: Unamortized original issue discount	(507,814)	-	22,403	(485,411)	-	(485,411)
2013 Tax Allocation Refunding Bonds, Series A	7,665,000	-	(360,000)	7,305,000	380,000	6,925,000
Add: Unamortized original issue premium	211,393	-	(14,922)	196,471	-	196,471
Total	<u>\$ 42,933,579</u>	<u>\$ -</u>	<u>\$ (767,519)</u>	<u>\$ 42,166,060</u>	<u>\$ 825,000</u>	<u>\$ 41,341,060</u>

Prior to the dissolution, the City pledged a portion of the tax increment revenue that it received as security for tax allocation bonds it has issued. These bonds were to provide financing for various capital projects. Total principal and interest remaining on the debt is \$89,627,807 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 \$4,019,164 and the debt service obligation on the bonds was \$3,920,763.

A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2020, 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, 2020, the total principal outstanding was \$26,700,000.

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 \$4,115,789 as of June 30, 2020.

**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, 2020:

Year Ending June 30,	Principal	Interest	Total
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	480,000	1,846,850	2,326,850
2026 - 2030	2,960,000	8,653,356	11,613,356
2031 - 2035	4,750,000	7,341,669	12,091,669
2036 - 2040	9,385,000	4,668,188	14,053,188
2041 - 2043	7,490,000	869,625	8,359,625
Total	<u>\$ 26,700,000</u>	<u>\$ 31,066,169</u>	<u>\$ 57,766,169</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, 2020, the total principal outstanding was \$8,450,000.

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 \$4,115,789 as of June 30, 2020.

**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, 2020:

Year Ending June 30,	Principal	Interest	Total
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	105,000	765,206	870,206
2026 - 2030	685,000	3,652,375	4,337,375
2031 - 2035	1,305,000	3,233,563	4,538,563
2036 - 2040	3,240,000	2,145,100	5,385,100
2041 - 2043	2,780,000	411,825	3,191,825
Total	<u>\$ 8,450,000</u>	<u>\$ 13,352,025</u>	<u>\$ 21,802,025</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, 2020, the total principal outstanding was \$7,305,000.

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, 2020:

Year Ending June 30,	Principal	Interest	Total
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	460,000	261,575	721,575
2026 - 2030	2,615,000	974,938	3,589,938
2031 - 2034	2,595,000	266,875	2,861,875
Total	<u>\$ 7,305,000</u>	<u>\$ 2,754,613</u>	<u>\$ 10,059,613</u>

**15. SUBSEQUENT EVENTS**

In June 2020, the City entered an agreement with EAH Housing, a non-profit housing operator, to lend \$6,445,000 from unallocated reserves in the Affordable Housing Trust Fund for the acquisition and development of land to provide affordable housing. The funding was processed in July 2020 and the loan will be forgiven in 57 years if EAH Housing is able to secure financing within 5 years of the date of funding. Should EAH Housing not be able to secure financing, the loan must be repaid in full with 3% simple interest accruing during the acquisition and construction phases of the project and 1.5% simple interest accruing at the permanent conversio). As the City expects EAH Housing to be able to secure the financing, the loan will be fully offset by an allowance for doubtful accounts.



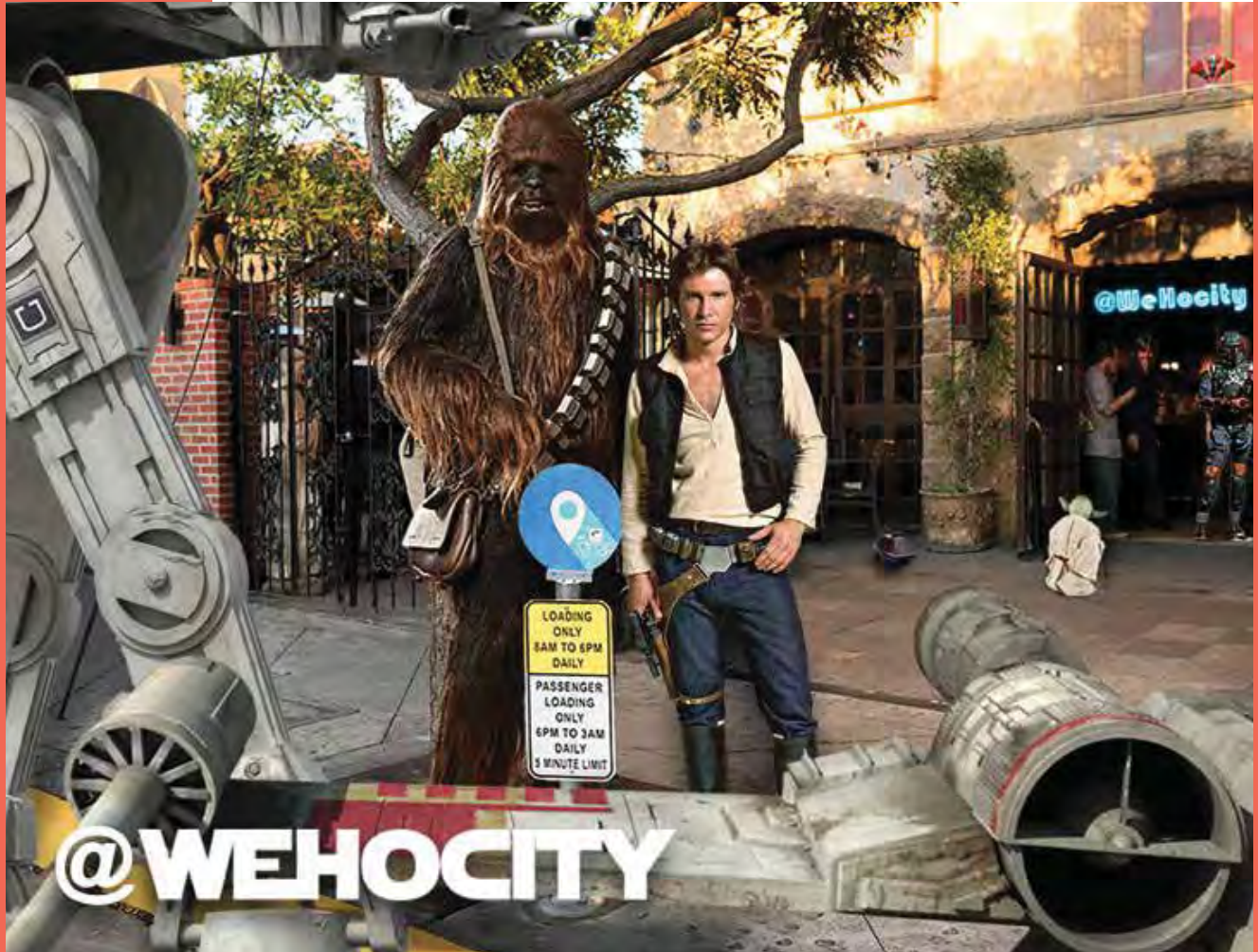


## Required Supplementary Information



West Hollywood's Homeless population tends to be younger than the rest of LA County and a higher percentage of them are gay, lesbian, bisexual and transgender.

🐦 Ride sharing to/from your favorite #WeHo cantina? Remember - The Drop is with you...always (or at least between the hours of 6pm & 3am.) #Maythe4thbewithyou #Star Wars Day. Learn more about our designated ride share curb zones: [w.eho.city/ePqN30jOVNo](http://w.eho.city/ePqN30jOVNo)



SCHEDULES RELATED TO PENSION AND OPEB RETIREMENT PLANS

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

Last Ten Fiscal Years\*

Fiscal Year	<u>June 30, 2020</u>
Measurement Date	June 30, 2019
Total Pension Liability:	
Service cost	\$ 4,532,359
Interest on total pension liability	12,280,225
Differences between expected and actual experience	1,351,494
Changes in assumptions	-
Changes in benefits	-
Benefit payments, including refunds of employee contributions	<u>(5,726,227)</u>
Net Change in Total Pension Liability	12,437,851
Total Pension Liability - Beginning of Year	<u>170,996,844</u>
Total Pension Liability - End of Year (a)	<u>\$ 183,434,695</u>
Plan Fiduciary Net Position:	
Contributions - employer	\$ 5,603,063
Contributions - employee	1,956,715
Plan to plan resource movement	-
Net investment income	8,336,996
Administrative expense	(88,846)
Benefit payments	(5,726,227)
Other miscellaneous expense	<u>288</u>
Net Change in Plan Fiduciary Net Position	10,081,989
Plan Fiduciary Net Position - Beginning of Year	<u>124,500,627</u>
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 134,582,616</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 48,852,079</u>
Plan fiduciary net position as a percentage of the total pension liability	73.37%
Covered payroll	\$ 24,980,887
Net pension liability as percentage of covered payroll	195.56%

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.

From fiscal year June 30, 2019 to June 30, 2020:

There were no changes in assumptions.

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

## 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.

From fiscal year June 30, 2019 to June 30, 2020:

There were no changes in assumptions.

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

SCHEDULE OF CONTRIBUTIONS - DEFINED BENEFIT PLAN

Last Ten Fiscal Years\*

Fiscal year	<u>June 30, 2020</u>
Contractually required contribution (actuarially determined)	\$ 6,484,511
Contributions in relation to the actuarially determined contributions	<u>(11,484,511)</u>
Contribution deficiency (excess)	<u>\$ (5,000,000)</u>
Covered payroll	\$ 26,345,555
Contributions as a percentage of covered payroll	43.59%

**Notes to Schedule:**

Valuation Date 6/30/2017

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial cost method	Entry age
Amortization method	(1)
Asset valuation method	Fair Value

Inflation	2.625%
Salary increases	(2)
Investment rate of return	7.25% (3)

Retirement age	(4)
Mortality	(5)

- (1) Level percentage of payroll, closed
- (2) Depending on age, service, and type of employment
- (3) Net of pension plan investment expense, including inflation
- (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 six 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	(5,798,667)	(4,925,060)	(4,727,517)	(4,485,362)	(4,063,914)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
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	Fair Value	Fair Value	Fair Value	Fair 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, closed
- (2) Depending on age, service, and type of employment
- (3) Net of pension plan investment expense, including inflation
- (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 six years are shown.

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

Last Ten Fiscal Years\*

Fiscal year end	6/30/2020	6/30/2019	6/30/2018
Measurement date	6/30/2019	6/30/2018	6/30/2017
<b>Total OPEB Liability:</b>			
Service cost	\$ 374,804	\$ 354,487	\$ 344,580
Interest on total OPEB liability	433,437	400,740	367,919
Differences between actual and expected experience	(777,846)	-	-
Changes of assumptions	(187,349)	38,410	-
Benefit payments	(252,282)	(230,282)	(215,545)
Net Change in Total OPEB Liability	(409,236)	563,355	496,954
Total OPEB Liability - Beginning of Year	6,833,644	6,270,289	5,773,335
Total OPEB Liability - End of Year (a)	6,424,408	6,833,644	6,270,289
<b>Plan Fiduciary Net Position:</b>			
Contributions - employer	252,282	230,282	215,545
Net investment income	341,687	208,278	180,142
Administrative expenses	(1,023)	(2,358)	(2,169)
Benefit payments	(252,282)	(230,282)	(215,545)
Net Change in Plan Fiduciary Net Position	340,664	205,920	177,973
Plan Fiduciary Net Position - Beginning of Year	4,747,409	4,541,489	4,363,516
Plan Fiduciary Net Position - End of Year (b)	5,088,073	4,747,409	4,541,489
Net OPEB Liability - Ending (a)-(b)	\$ 1,336,335	\$ 2,086,235	\$ 1,728,800
Plan fiduciary net position as a percentage of the total OPEB liability	79.20%	69.47%	72.43%
Covered employee payroll	\$ 23,658,934	\$ 24,562,742	\$ 22,564,088
Net OPEB liability as percentage of covered - employee payroll	5.65%	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 salary increases were changed from 2.88% to 2.75%.

From FYE June 30, 2019 to June 30, 2020, the healthcare trend rate was changed from Pre-Medicare 7.00%, trending down to 3.84% and Medicare 6.00% trending down to 3.84% to 6.40% trending down to 4.00%. In addition, the investment rate of return was changed from 6.12% to 5.50%.

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



CITY OF WEST HOLLYWOOD: COMPREHENSIVE ANNUAL FINANCIAL REPORT

SCHEDULE OF CONTRIBUTIONS - OPEB

Last Ten Fiscal Years\*

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Actuarially determined contribution	\$ 293,356	\$ 261,225	\$ 215,545
Contributions in relation to the actuarially determined contributions	<u>(269,108)</u>	<u>(278,145)</u>	<u>(227,910)</u>
Contribution deficiency (excess)	<u>\$ 24,248</u>	<u>\$ (16,920)</u>	<u>\$ (12,365)</u>
Covered-employee payroll	\$ 26,067,014	\$ 23,658,934	\$ 24,562,742
Contributions as a percentage of covered-employee payroll	1.03%	1.18%	0.93%

Notes to Schedule:

Valuation Date	6/30/2019	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%	2.50%	2.75%
Salary increases	2.75%	2.75%	2.88%
	6.40% trending	Pre-Medicare 7.00%, trending down to 3.84%; Medicare 6.00%, trending down to 3.84%	
Healthcare trend rates	down to 4.0%		
Investment rate of return	5.50%	6.12%	6.12%
Mortality	CalPERS OPEB Assumption Model December 2017 experience studies		
Retirement rates		studies	


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

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# Supplementary Information



 @WeHoCity Thank you City of WeHo for the new dog park at West Hollywood Park! It's a well-designed, much-needed addition to the neighborhood.  
#thankyou #weho #dogpark



Top front: WeHo Reads and 5th Anniversary of the West Hollywood Library, photo Oleg Volovik | Lower front: West Hollywood Park Phase II Groundbreaking, photo Jon Viscott | Back: West Hollywood Park Off-leash Dog Parks Grand Opening, photo Jon Viscott

COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES

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## ***SPECIAL REVENUE FUNDS***

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

### Special Grants Fund

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

### Proposition “A” Fund

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

### Proposition “C” Fund

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

### Measure “R” Fund

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

### Gas Tax Fund

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

### 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.

Measure “W” Fund

This revenue is derived from a voter approved parcel tax of 2.5 cents per square foot of “impermeable space” within the flood control district of the County of Los Angeles. Measure W authorized Los Angeles County to utilize the funds for improving and protecting water quality; capturing rain and stormwater to increase safe drinking water supplies and prepare for future drought; and protect public health and marine life by reducing pollution, trash, toxins, and plastics from entering the Los Angeles County waterways, bays, and beaches.

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 FUND***Capital Projects Debt Service Fund - Major Fund

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

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

CITY OF WEST HOLLYWOOD  
 COMBINING BALANCE SHEET  
 OTHER GOVERNMENTAL FUNDS

June 30, 2020

	Special Revenue Funds			
	Special Grants	Proposition A	Proposition C	Measure R
<b>ASSETS:</b>				
Cash and investments	\$ 381,993	\$ 605,525	\$ 1,482,804	\$ 666,215
Receivables:				
Accounts	-	400	-	-
Notes and loans	-	-	-	-
Accrued interest	729	1,186	2,901	1,305
Due from other governments	926,066	560,150	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,308,788</b>	<b>\$ 1,167,261</b>	<b>\$ 1,485,705</b>	<b>\$ 667,520</b>
<b>LIABILITIES:</b>				
Accounts payable	\$ 142,307	\$ 414,919	\$ 5,624	\$ 8,361
Unearned revenues	38,715	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>181,022</b>	<b>414,919</b>	<b>5,624</b>	<b>8,361</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenues	283,092	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>283,092</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICIT):</b>				
Restricted:				
Public services	844,674	752,342	1,480,081	659,159
Capital projects	-	-	-	-
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<b>844,674</b>	<b>752,342</b>	<b>1,480,081</b>	<b>659,159</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 1,308,788</b>	<b>\$ 1,167,261</b>	<b>\$ 1,485,705</b>	<b>\$ 667,520</b>

Special Revenue Funds (Continued)

Gas Tax	RMRA	Air Quality Improvement	Traffic	Public Beautification and Art	Quimby Act	City Lighting
\$ -	\$ 878,552	\$ 213,335	\$ 1,067,493	\$ 1,936,717	\$ 2,464,345	\$ 2,810,627
-	-	-	-	-	-	9,650
-	-	-	-	-	-	-
-	1,720	418	1,972	3,789	6,301	5,498
<u>73,361</u>	<u>96,960</u>	<u>11,473</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,392</u>
<u>\$ 73,361</u>	<u>\$ 977,232</u>	<u>\$ 225,226</u>	<u>\$ 1,069,465</u>	<u>\$ 1,940,506</u>	<u>\$ 2,470,646</u>	<u>\$ 2,862,167</u>
\$ 61,289	\$ -	\$ -	\$ 15,140	\$ 61,770	\$ 8,658	\$ 118,859
-	-	-	-	139,133	-	-
3,937	-	-	2,816	-	-	-
-	-	-	-	-	-	-
<u>280,087</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>345,313</u>	<u>-</u>	<u>-</u>	<u>17,956</u>	<u>200,903</u>	<u>8,658</u>	<u>118,859</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	977,232	225,226	1,051,509	1,739,603	2,461,988	2,743,308
-	-	-	-	-	-	-
<u>(271,952)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(271,952)</u>	<u>977,232</u>	<u>225,226</u>	<u>1,051,509</u>	<u>1,739,603</u>	<u>2,461,988</u>	<u>2,743,308</u>
<u>\$ 73,361</u>	<u>\$ 977,232</u>	<u>\$ 225,226</u>	<u>\$ 1,069,465</u>	<u>\$ 1,940,506</u>	<u>\$ 2,470,646</u>	<u>\$ 2,862,167</u>

(Continued)

CITY OF WEST HOLLYWOOD

COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS  
(CONTINUED)

June 30, 2020

	Special Revenue Funds (Continued)			
	Public Access Corporation	Parking Improvement	Permit Parking	CDBG
<b>ASSETS:</b>				
Cash and investments	\$ -	\$ 176,481	\$ 574,628	\$ 403
Receivables:				
Accounts	28,989	35,663	-	-
Notes and loans	-	-	-	500,928
Accrued interest	-	2,593	1,117	-
Due from other governments	-	-	-	17,260
<b>TOTAL ASSETS</b>	<b>\$ 28,989</b>	<b>\$ 214,737</b>	<b>\$ 575,745</b>	<b>\$ 518,591</b>
<b>LIABILITIES:</b>				
Accounts payable	\$ 1,618	\$ 377,545	\$ 99,449	\$ 15,217
Unearned revenues	-	103,477	-	-
Deposits payable	-	38,184	-	-
Due to other governments	-	-	-	500,928
Due to other funds	10,851	-	-	-
<b>TOTAL LIABILITIES</b>	<b>12,469</b>	<b>519,206</b>	<b>99,449</b>	<b>516,145</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenues	-	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICIT):</b>				
Restricted:				
Public services	16,520	-	-	2,446
Capital projects	-	-	476,296	-
Unassigned	-	(304,469)	-	-
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<b>16,520</b>	<b>(304,469)</b>	<b>476,296</b>	<b>2,446</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 28,989</b>	<b>\$ 214,737</b>	<b>\$ 575,745</b>	<b>\$ 518,591</b>

Special Revenue Funds (Continued)					Capital Projects Fund	
Measure M	Measure W	Housing Trust	Housing Asset	Sunset Strip Business Improvement District	Santa Monica Boulevard	Total Other Governmental Funds
\$ 562,511	\$ -	\$ 27,440,474	\$ 138,139	\$ -	\$ 4,501,094	\$ 45,901,336
-	-	-	-	286,933	-	361,635
-	-	-	-	-	-	500,928
1,380	-	53,667	324	-	8,803	93,703
-	260,000	-	-	-	-	1,981,662
<u>\$ 563,891</u>	<u>\$ 260,000</u>	<u>\$ 27,494,141</u>	<u>\$ 138,463</u>	<u>\$ 286,933</u>	<u>\$ 4,509,897</u>	<u>\$ 48,839,264</u>
\$ 44,391	\$ -	\$ 89,580	\$ -	\$ 18,474	\$ -	\$ 1,483,201
-	-	-	-	-	-	281,325
-	-	-	-	-	23,209	68,146
-	-	-	-	-	-	500,928
-	-	-	-	213,955	-	504,893
<u>44,391</u>	<u>-</u>	<u>89,580</u>	<u>-</u>	<u>232,429</u>	<u>23,209</u>	<u>2,838,493</u>
-	260,000	-	-	45,394	-	588,486
-	260,000	-	-	45,394	-	588,486
519,500	-	27,404,561	138,463	9,110	-	41,025,722
-	-	-	-	-	4,486,688	4,962,984
-	-	-	-	-	-	(576,421)
<u>519,500</u>	<u>-</u>	<u>27,404,561</u>	<u>138,463</u>	<u>9,110</u>	<u>4,486,688</u>	<u>45,412,285</u>
<u>\$ 563,891</u>	<u>\$ 260,000</u>	<u>\$ 27,494,141</u>	<u>\$ 138,463</u>	<u>\$ 286,933</u>	<u>\$ 4,509,897</u>	<u>\$ 48,839,264</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, 2020

	Special Revenue Funds			
	Special Grants	Proposition A	Proposition C	Measure R
REVENUES:				
Taxes	\$ -	\$ 695,585	\$ 576,989	\$ 432,123
Intergovernmental	696,910	3,067,820	-	-
Charges for services	-	-	-	-
Use of money and property	10,415	15,279	31,805	11,455
Fines and forfeitures	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	16,172	-	-
<b>TOTAL REVENUES</b>	<b>707,325</b>	<b>3,794,856</b>	<b>608,794</b>	<b>443,578</b>
EXPENDITURES:				
Current:				
General government	-	-	47,091	-
Public safety	156,848	-	-	-
Public services	439,111	3,820,267	160,488	211,291
Capital outlay	74,564	-	273,683	39,211
Debt service:				
Principal retirement	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>670,523</b>	<b>3,820,267</b>	<b>481,262</b>	<b>250,502</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>36,802</b>	<b>(25,411)</b>	<b>127,532</b>	<b>193,076</b>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>36,802</b>	<b>(25,411)</b>	<b>127,532</b>	<b>193,076</b>
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	807,872	777,753	1,352,549	466,083
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	<b>\$ 844,674</b>	<b>\$ 752,342</b>	<b>\$ 1,480,081</b>	<b>\$ 659,159</b>



Special Revenue Funds (Continued)

Gas Tax	RMRA	Air Quality Improvement	Traffic	Public Beautification and Art	Quimby Act	City Lighting
\$ -	\$ -	\$ 46,349	\$ -	\$ -	\$ -	\$ 1,505,673
903,812	634,947	-	-	-	-	6,830
-	-	-	-	-	-	-
-	17,881	4,044	25,305	43,543	65,414	51,602
-	-	-	-	-	-	-
-	-	-	104,456	226,222	438,091	-
-	-	-	79,388	-	-	-
<u>903,812</u>	<u>652,828</u>	<u>50,393</u>	<u>209,149</u>	<u>269,765</u>	<u>503,505</u>	<u>1,564,105</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,122,130	-	19,165	137,404	157,100	-	767,832
56,320	569,091	-	205,411	130,967	162,096	-
-	-	-	-	-	-	-
<u>1,178,450</u>	<u>569,091</u>	<u>19,165</u>	<u>342,815</u>	<u>288,067</u>	<u>162,096</u>	<u>767,832</u>
<u>(274,638)</u>	<u>83,737</u>	<u>31,228</u>	<u>(133,666)</u>	<u>(18,302)</u>	<u>341,409</u>	<u>796,273</u>
605,000	-	-	-	-	-	-
-	-	-	-	-	(750,000)	-
<u>605,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(750,000)</u>	<u>-</u>
330,362	83,737	31,228	(133,666)	(18,302)	(408,591)	796,273
<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>
<u>\$ (271,952)</u>	<u>\$ 977,232</u>	<u>\$ 225,226</u>	<u>\$ 1,051,509</u>	<u>\$ 1,739,603</u>	<u>\$ 2,461,988</u>	<u>\$ 2,743,308</u>

CITY OF WEST HOLLYWOOD

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

For the year ended June 30, 2020

	Special Revenue Funds (Continued)			
	Public Access Corporation	Parking Improvement	Permit Parking	CDBG
REVENUES:				
Taxes	\$ 147,351	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	35,669
Charges for services	-	19,515	-	-
Use of money and property	10	1,878,280	784,203	-
Fines and forfeitures	-	654,540	-	-
Developer participation	-	228,333	-	-
Miscellaneous	300	-	-	-
<b>TOTAL REVENUES</b>	<b>147,661</b>	<b>2,780,668</b>	<b>784,203</b>	<b>35,669</b>
EXPENDITURES:				
Current:				
General government	125,422	63,152	-	-
Public safety	-	-	-	-
Public services	-	2,507,255	1,062,887	33,223
Capital outlay	-	1,268,625	-	-
Debt service:				
Principal retirement	-	10,052	-	-
<b>TOTAL EXPENDITURES</b>	<b>125,422</b>	<b>3,849,084</b>	<b>1,062,887</b>	<b>33,223</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>22,239</b>	<b>(1,068,416)</b>	<b>(278,684)</b>	<b>2,446</b>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	(3,253,306)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>(3,253,306)</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>22,239</b>	<b>(4,321,722)</b>	<b>(278,684)</b>	<b>2,446</b>
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	(5,719)	4,017,253	754,980	-
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	<b>\$ 16,520</b>	<b>\$ (304,469)</b>	<b>\$ 476,296</b>	<b>\$ 2,446</b>

Special Revenue Funds (Continued)					Capital Projects Fund	
Measure M	Measure W	Housing Trust	Housing Asset	Sunset Strip Business Improvement District	Santa Monica Boulevard	Total Other Governmental Funds
\$ 486,408	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,890,478
-	-	-	-	-	-	5,345,988
-	-	-	-	302,534	-	322,049
14,060	-	593,129	2,841	638	100,227	3,650,131
-	-	-	-	-	-	654,540
-	-	3,557,895	-	-	-	4,554,997
-	-	32,413	-	-	-	128,273
<u>500,468</u>	<u>-</u>	<u>4,183,437</u>	<u>2,841</u>	<u>303,172</u>	<u>100,227</u>	<u>18,546,456</u>
-	-	19,579	-	-	-	255,244
-	-	-	-	575,441	-	732,289
535,998	-	364,210	-	294,614	-	11,632,975
-	-	-	-	-	-	2,779,968
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,052</u>
<u>535,998</u>	<u>-</u>	<u>383,789</u>	<u>-</u>	<u>870,055</u>	<u>-</u>	<u>15,410,528</u>
<u>(35,530)</u>	<u>-</u>	<u>3,799,648</u>	<u>2,841</u>	<u>(566,883)</u>	<u>100,227</u>	<u>3,135,928</u>
-	-	-	-	760,441	-	1,365,441
-	-	-	-	-	-	(4,003,306)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>760,441</u>	<u>-</u>	<u>(2,637,865)</u>
<u>(35,530)</u>	<u>-</u>	<u>3,799,648</u>	<u>2,841</u>	<u>193,558</u>	<u>100,227</u>	<u>498,063</u>
<u>555,030</u>	<u>-</u>	<u>23,604,913</u>	<u>135,622</u>	<u>(184,448)</u>	<u>4,386,461</u>	<u>44,914,222</u>
<u>\$ 519,500</u>	<u>\$ -</u>	<u>\$ 27,404,561</u>	<u>\$ 138,463</u>	<u>\$ 9,110</u>	<u>\$ 4,486,688</u>	<u>\$ 45,412,285</u>

CITY OF WEST HOLLYWOOD

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

SPECIAL GRANTS SPECIAL REVENUE FUND

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 807,872	\$ 807,872	\$ 807,872	\$ -
Resources (Inflows):				
Intergovernmental	197,559	1,201,559	696,910	(504,649)
Use of money and property	-	-	10,415	10,415
Amounts Available for Appropriations	<u>1,005,431</u>	<u>2,009,431</u>	<u>1,515,197</u>	<u>(494,234)</u>
Charges to Appropriations (Outflows):				
Current:				
Public safety	100,000	144,000	156,848	(12,848)
Public services	97,559	1,092,778	439,111	653,667
Capital outlay	-	2,878,977	74,564	2,804,413
Total Charges to Appropriations	<u>197,559</u>	<u>4,115,755</u>	<u>670,523</u>	<u>3,445,232</u>
Budgetary Fund Balance (Deficit), June 30	<u>\$ 807,872</u>	<u>\$ (2,106,324)</u>	<u>\$ 844,674</u>	<u>\$ 2,950,998</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 777,753	\$ 777,753	\$ 777,753	\$ -
Resources (Inflows):				
Taxes	723,379	723,379	695,585	(27,794)
Intergovernmental	2,859,793	2,859,793	3,067,820	208,027
Use of money and property	20,600	20,600	15,279	(5,321)
Miscellaneous	32,960	32,960	16,172	(16,788)
Amounts Available for Appropriations	<u>4,414,485</u>	<u>4,414,485</u>	<u>4,572,609</u>	<u>158,124</u>
Charges to Appropriations (Outflows):				
Current:				
Public services	4,465,299	4,554,244	3,820,267	733,977
Capital outlay	100,000	251,145	-	251,145
Total Charges to Appropriations	<u>4,565,299</u>	<u>4,805,389</u>	<u>3,820,267</u>	<u>985,122</u>
Budgetary Fund Balance (Deficit), June 30	<u>\$ (150,814)</u>	<u>\$ (390,904)</u>	<u>\$ 752,342</u>	<u>\$ 1,143,246</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,352,549	\$ 1,352,549	\$ 1,352,549	\$ -
Resources (Inflows):				
Taxes	600,023	600,023	576,989	(23,034)
Use of money and property	5,150	5,150	31,805	26,655
Amounts Available for Appropriations	<u>1,957,722</u>	<u>1,957,722</u>	<u>1,961,343</u>	<u>3,621</u>
Charges to Appropriations (Outflows):				
Current:				
General government	44,000	44,000	47,091	(3,091)
Public services	123,249	183,241	160,488	22,753
Capital outlay	<u>319,367</u>	<u>319,367</u>	<u>273,683</u>	<u>45,684</u>
Total Charges to Appropriations	<u>486,616</u>	<u>546,608</u>	<u>481,262</u>	<u>65,346</u>
Budgetary Fund Balance, June 30	<u>\$ 1,471,106</u>	<u>\$ 1,411,114</u>	<u>\$ 1,480,081</u>	<u>\$ 68,967</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 466,083	\$ 466,083	\$ 466,083	\$ -
Resources (Inflows):				
Taxes	450,028	450,028	432,123	(17,905)
Use of money and property	5,150	5,150	11,455	6,305
Amounts Available for Appropriations	921,261	921,261	909,661	(11,600)
Charges to Appropriations (Outflows):				
Current:				
Public services	292,792	422,792	211,291	211,501
Capital outlay	133,000	176,315	39,211	137,104
Total Charges to Appropriations	425,792	599,107	250,502	348,605
Budgetary Fund Balance, June 30	\$ 495,469	\$ 322,154	\$ 659,159	\$ 337,005

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance (Deficit), July 1	\$ (602,314)	\$ (602,314)	\$ (602,314)	\$ -
Resources (Inflows):				
Intergovernmental	1,041,000	1,041,000	903,812	(137,188)
Use of money and property	2,060	2,060	-	(2,060)
Transfers in	-	605,000	605,000	-
Amounts Available for Appropriations	<u>440,746</u>	<u>1,045,746</u>	<u>906,498</u>	<u>(139,248)</u>
Charges to Appropriations (Outflows):				
Current:				
Public services	1,419,924	1,419,924	1,122,130	297,794
Capital outlay	85,000	325,000	56,320	268,680
Total Charges to Appropriations	<u>1,504,924</u>	<u>1,744,924</u>	<u>1,178,450</u>	<u>566,474</u>
Budgetary Fund Balance (Deficit), June 30	<u>\$ (1,064,178)</u>	<u>\$ (699,178)</u>	<u>\$ (271,952)</u>	<u>\$ 427,226</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 893,495	\$ 893,495	\$ 893,495	\$ -
Resources (Inflows):				
Intergovernmental	603,500	603,500	634,947	31,447
Use of money and property	-	-	17,881	17,881
Amounts Available for Appropriations	<u>1,496,995</u>	<u>1,496,995</u>	<u>1,546,323</u>	<u>49,328</u>
Charges to Appropriations (Outflows):				
Capital outlay	<u>603,500</u>	<u>629,500</u>	<u>569,091</u>	<u>60,409</u>
Total Charges to Appropriations	<u>603,500</u>	<u>629,500</u>	<u>569,091</u>	<u>60,409</u>
Budgetary Fund Balance, June 30	<u>\$ 893,495</u>	<u>\$ 867,495</u>	<u>\$ 977,232</u>	<u>\$ 109,737</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 193,998	\$ 193,998	\$ 193,998	\$ -
Resources (Inflows):				
Taxes	49,440	49,440	46,349	(3,091)
Use of money and property	1,030	1,030	4,044	3,014
Amounts Available for Appropriations	<u>244,468</u>	<u>244,468</u>	<u>244,391</u>	<u>(77)</u>
Charges to Appropriations (Outflows):				
Current:				
Public services	50,000	50,000	19,165	30,835
Capital outlay	150,000	184,123	-	184,123
Total Charges to Appropriations	<u>200,000</u>	<u>234,123</u>	<u>19,165</u>	<u>214,958</u>
Budgetary Fund Balance, June 30	<u>\$ 44,468</u>	<u>\$ 10,345</u>	<u>\$ 225,226</u>	<u>\$ 214,881</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,185,175	\$ 1,185,175	\$ 1,185,175	\$ -
Resources (Inflows):				
Use of money and property	5,150	5,150	25,305	20,155
Developer participation	51,500	51,500	104,456	52,956
Miscellaneous	-	-	79,388	79,388
Amounts Available for Appropriations	<u>1,241,825</u>	<u>1,241,825</u>	<u>1,394,324</u>	<u>152,499</u>
Charges to Appropriations (Outflows):				
Current:				
Public services	326,506	326,506	137,404	189,102
Capital outlay	<u>755,000</u>	<u>1,327,401</u>	<u>205,411</u>	<u>1,121,990</u>
Total Charges to Appropriations	<u>1,081,506</u>	<u>1,653,907</u>	<u>342,815</u>	<u>1,311,092</u>
Budgetary Fund Balance (Deficit), June 30	<u>\$ 160,319</u>	<u>\$ (412,082)</u>	<u>\$ 1,051,509</u>	<u>\$ 1,463,591</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

PUBLIC BEAUTIFICATION AND ART SPECIAL REVENUE FUND

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,757,905	\$ 1,757,905	\$ 1,757,905	\$ -
Resources (Inflows):				
Use of money and property	20,600	20,600	43,543	22,943
Developer participation	51,500	51,500	226,222	174,722
Amounts Available for Appropriations	1,830,005	1,830,005	2,027,670	197,665
Charges to Appropriations (Outflows):				
Current:				
Public services	173,500	196,130	157,100	39,030
Capital outlay	-	131,455	130,967	488
Total Charges to Appropriations	173,500	327,585	288,067	39,518
Budgetary Fund Balance, June 30	\$ 1,656,505	\$ 1,502,420	\$ 1,739,603	\$ 237,183

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,870,579	\$ 2,870,579	\$ 2,870,579	\$ -
Resources (Inflows):				
Use of money and property	20,600	20,600	65,414	44,814
Developer participation	51,500	51,500	438,091	386,591
Amounts Available for Appropriations	2,942,679	2,942,679	3,374,084	431,405
Charges to Appropriations (Outflows):				
Capital outlay	325,000	2,061,626	162,096	1,899,530
Transfers out	-	750,000	750,000	-
Total Charges to Appropriations	325,000	2,811,626	912,096	1,899,530
Budgetary Fund Balance, June 30	\$ 2,617,679	\$ 131,053	\$ 2,461,988	\$ 2,330,935

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,947,035	\$ 1,947,035	\$ 1,947,035	\$ -
Resources (Inflows):				
Taxes	1,305,315	1,305,315	1,505,673	200,358
Intergovernmental	7,210	7,210	6,830	(380)
Use of money and property	20,600	20,600	51,602	31,002
Amounts Available for Appropriations	<u>3,280,160</u>	<u>3,280,160</u>	<u>3,511,140</u>	<u>230,980</u>
Charges to Appropriations (Outflows):				
Current:				
Public services	734,000	734,000	767,832	(33,832)
Capital outlay	-	1,435,572	-	1,435,572
Total Charges to Appropriations	<u>734,000</u>	<u>2,169,572</u>	<u>767,832</u>	<u>1,401,740</u>
Budgetary Fund Balance, June 30	<u>\$ 2,546,160</u>	<u>\$ 1,110,588</u>	<u>\$ 2,743,308</u>	<u>\$ 1,632,720</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance (Deficit), July 1	\$ (5,719)	\$ (5,719)	\$ (5,719)	\$ -
Resources (Inflows):				
Taxes	144,200	144,200	147,351	3,151
Use of money and property	258	258	10	(248)
Miscellaneous	515	515	300	(215)
Amounts Available for Appropriations	<u>139,254</u>	<u>139,254</u>	<u>141,942</u>	<u>2,688</u>
Charges to Appropriations (Outflows):				
Current:				
General government	<u>133,091</u>	<u>133,091</u>	<u>125,422</u>	<u>7,669</u>
Total Charges to Appropriations	<u>133,091</u>	<u>133,091</u>	<u>125,422</u>	<u>7,669</u>
Budgetary Fund Balance, June 30	<u>\$ 6,163</u>	<u>\$ 6,163</u>	<u>\$ 16,520</u>	<u>\$ 10,357</u>

CITY OF WEST HOLLYWOOD

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

PARKING IMPROVEMENT SPECIAL REVENUE FUND

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,017,253	\$ 4,017,253	\$ 4,017,253	\$ -
Resources (Inflows):				
Charges for services	460,000	320,000	19,515	(300,485)
Use of money and property	1,861,689	1,861,689	1,878,280	16,591
Fines and forfeitures	750,000	750,000	654,540	(95,460)
Developer participation	339,900	339,900	228,333	(111,567)
Amounts Available for Appropriations	<u>7,428,842</u>	<u>7,288,842</u>	<u>6,797,921</u>	<u>(490,921)</u>
Charges to Appropriations (Outflows):				
Current:				
General government	63,642	63,642	63,152	490
Public services	3,641,523	3,640,097	2,507,255	1,132,842
Capital outlay	622,125	3,795,356	1,268,625	2,526,731
Debt service:				
Principal retirement	-	10,052	10,052	-
Transfers out	1,253,306	3,253,306	3,253,306	-
Total Charges to Appropriations	<u>5,580,596</u>	<u>10,762,453</u>	<u>7,102,390</u>	<u>3,660,063</u>
Budgetary Fund Balance (Deficit), June 30	<u>\$ 1,848,246</u>	<u>\$ (3,473,611)</u>	<u>\$ (304,469)</u>	<u>\$ 3,169,142</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 754,980	\$ 754,980	\$ 754,980	\$ -
Resources (Inflows):				
Use of money and property	947,039	947,039	784,203	(162,836)
Amounts Available for Appropriations	1,702,019	1,702,019	1,539,183	(162,836)
Charges to Appropriations (Outflows):				
Current:				
Public services	1,288,685	1,288,685	1,062,887	225,798
Total Charges to Appropriations	1,288,685	1,288,685	1,062,887	225,798
Budgetary Fund Balance, June 30	<u>\$ 413,334</u>	<u>\$ 413,334</u>	<u>\$ 476,296</u>	<u>\$ 62,962</u>

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	242,640	397,438	35,669	(361,769)
Amounts Available for Appropriations	242,640	397,438	35,669	(361,769)
Charges to Appropriations (Outflows):				
Current:				
Public services	36,396	173,910	33,223	140,687
Capital outlay	206,244	223,528	-	223,528
Total Charges to Appropriations	242,640	397,438	33,223	364,215
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ 2,446	\$ 2,446

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 555,030	\$ 555,030	\$ 555,030	\$ -
Resources (Inflows):				
Taxes	510,020	510,020	486,408	(23,612)
Use of money and property	927	927	14,060	13,133
Amounts Available for Appropriations	<u>1,065,977</u>	<u>1,065,977</u>	<u>1,055,498</u>	<u>(10,479)</u>
Charges to Appropriations (Outflows):				
Current:				
Public services	<u>490,000</u>	<u>978,834</u>	<u>535,998</u>	<u>442,836</u>
Total Charges to Appropriations	<u>490,000</u>	<u>978,834</u>	<u>535,998</u>	<u>442,836</u>
Budgetary Fund Balance, June 30	<u>\$ 575,977</u>	<u>\$ 87,143</u>	<u>\$ 519,500</u>	<u>\$ 432,357</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 23,604,913	\$ 23,604,913	\$ 23,604,913	\$ -
Resources (Inflows):				
Use of money and property	200,200	200,200	593,129	392,929
Developer participation	1,000,000	1,000,000	3,557,895	2,557,895
Miscellaneous	-	-	32,413	32,413
Amounts Available for Appropriations	<u>24,805,113</u>	<u>24,805,113</u>	<u>27,788,350</u>	<u>2,983,237</u>
Charges to Appropriations (Outflows):				
Current:				
General government	100,000	100,000	19,579	80,421
Public services	<u>338,774</u>	<u>6,820,971</u>	<u>364,210</u>	<u>6,456,761</u>
Total Charges to Appropriations	<u>438,774</u>	<u>6,920,971</u>	<u>383,789</u>	<u>6,537,182</u>
Budgetary Fund Balance, June 30	<u>\$ 24,366,339</u>	<u>\$ 17,884,142</u>	<u>\$ 27,404,561</u>	<u>\$ 9,520,419</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance (Deficit), July 1	\$ (184,448)	\$ (184,448)	\$ (184,448)	\$ -
Resources (Inflows):				
Charges for services	315,221	315,221	302,534	(12,687)
Use of money and property	-	-	638	638
Transfers in	575,441	760,441	760,441	-
Amounts Available for Appropriations	706,214	891,214	879,165	(12,049)
Charges to Appropriations (Outflows):				
Current:				
Public safety	575,441	575,441	575,441	-
Public services	301,500	301,500	294,614	6,886
Total Charges to Appropriations	876,941	876,941	870,055	6,886
Budgetary Fund Balance (Deficit), June 30	\$ (170,727)	\$ 14,273	\$ 9,110	\$ (5,163)

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,386,461	\$ 4,386,461	\$ 4,386,461	\$ -
Resources (Inflows):				
Use of money and property	41,200	41,200	100,227	59,027
Amounts Available for Appropriations	4,427,661	4,427,661	4,486,688	59,027
Charges to Appropriations (Outflows):				
Capital outlay	250,000	804,655	-	804,655
Total Charges to Appropriations	250,000	804,655	-	804,655
Budgetary Fund Balance, June 30	<u>\$ 4,177,661</u>	<u>\$ 3,623,006</u>	<u>\$ 4,486,688</u>	<u>\$ 863,682</u>

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,613,395	\$ 2,613,395	\$ 2,613,395	\$ -
Resources (Inflows):				
Use of money and property	-	-	323	323
Miscellaneous	-	-	150,008	150,008
Transfers in	-	39,780,740	39,780,740	-
Amounts Available for Appropriations	<u>2,613,395</u>	<u>42,394,135</u>	<u>42,544,466</u>	<u>150,331</u>
Charges to Appropriations (Outflows):				
Capital outlay	<u>212,560</u>	<u>77,882,972</u>	<u>39,882,180</u>	<u>38,000,792</u>
Total Charges to Appropriations	<u>212,560</u>	<u>77,882,972</u>	<u>39,882,180</u>	<u>38,000,792</u>
Budgetary Fund Balance (Deficit), June 30	<u>\$ 2,400,835</u>	<u>\$ (35,488,837)</u>	<u>\$ 2,662,286</u>	<u>\$ 38,151,123</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 36,146,205	\$ 36,146,205	\$ 36,146,205	\$ -
Resources (Inflows):				
Use of money and property	977,306	977,306	1,618,068	640,762
Bonds issued	-	-	80,135,000	80,135,000
Premium on bonds issued	-	-	10,167,964	10,167,964
Discount on bonds issued	-	-	(110,138)	(110,138)
Transfers in	8,428,256	8,428,256	8,428,256	-
Amounts Available for Appropriations	<u>45,551,767</u>	<u>45,551,767</u>	<u>136,385,355</u>	<u>90,833,588</u>
Charges to Appropriations (Outflows):				
Debt service:				
Principal retirement	3,750,000	3,750,000	5,750,000	(2,000,000)
Interest and fiscal charges	4,678,256	4,678,256	4,711,196	(32,940)
Debt issuance cost	-	-	642,373	(642,373)
Transfers out	242,000	36,272,740	36,272,740	-
Total Charges to Appropriations	<u>8,670,256</u>	<u>44,700,996</u>	<u>47,376,309</u>	<u>(2,675,313)</u>
Budgetary Fund Balance, June 30	<u>\$ 36,881,511</u>	<u>\$ 850,771</u>	<u>\$ 89,009,046</u>	<u>\$ 88,158,275</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, 2020

	Business-Type Activities - Enterprise Funds		
	Sewer District	Sewer Charge	Solid Waste
<b>ASSETS:</b>			
<b>CURRENT ASSETS:</b>			
Cash and investments	\$ -	\$ 1,681,139	\$ 600,265
Receivables:			
Accounts	-	27,653	705
Accrued interest	-	3,349	1,240
Due from other governments	-	35,058	24,779
Due from other funds	-	-	33,559
<b>TOTAL CURRENT ASSETS</b>	<b>-</b>	<b>1,747,199</b>	<b>660,548</b>
<b>NONCURRENT ASSETS:</b>			
Capital assets, net of accumulated depreciation	6,055,337	4,427,360	-
<b>TOTAL NONCURRENT ASSETS</b>	<b>6,055,337</b>	<b>4,427,360</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>6,055,337</b>	<b>6,174,559</b>	<b>660,548</b>
<b>LIABILITIES:</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payable	-	158,346	76,108
Due to other funds	33,559	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>33,559</b>	<b>158,346</b>	<b>76,108</b>
<b>TOTAL LIABILITIES</b>	<b>33,559</b>	<b>158,346</b>	<b>76,108</b>
<b>NET POSITION:</b>			
Net investment in capital assets	6,055,337	4,427,360	-
Unrestricted	(33,559)	1,588,853	584,440
<b>TOTAL NET POSITION</b>	<b>\$ 6,021,778</b>	<b>\$ 6,016,213</b>	<b>\$ 584,440</b>

Business-Type Activities  
Enterprise Funds (Continued)

Landscape District	Street Maintenance	Total
\$ 275,123	\$ 77,347	\$ 2,633,874
9,353	223	37,934
540	152	5,281
4,070	5,336	69,243
-	-	33,559
289,086	83,058	2,779,891
-	-	10,482,697
-	-	10,482,697
289,086	83,058	13,262,588
-	7,036	241,490
-	-	33,559
-	7,036	275,049
-	7,036	275,049
-	-	10,482,697
289,086	76,022	2,504,842
\$ 289,086	\$ 76,022	\$ 12,987,539

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, 2020

	Business-Type Activities - Enterprise Funds		
	Sewer District	Sewer Charge	Solid Waste
OPERATING REVENUES:			
Sales and service charges	\$ -	\$ 1,334,667	\$ 1,541,491
Penalties on assessments	-	1,081	3,910
Other fees and charges	-	28,160	-
TOTAL OPERATING REVENUES	-	1,363,908	1,545,401
OPERATING EXPENSES:			
Administration and general	-	34,652	66,293
Treatment	-	600,954	1,540,763
Cost of sales and services	-	-	-
Depreciation expense	365,025	76,782	-
TOTAL OPERATING EXPENSES	365,025	712,388	1,607,056
OPERATING INCOME (LOSS)	(365,025)	651,520	(61,655)
NONOPERATING REVENUES:			
Interest revenue	-	33,123	11,886
TOTAL NONOPERATING REVENUES	-	33,123	11,886
CHANGE IN NET POSITION	(365,025)	684,643	(49,769)
NET POSITION - BEGINNING OF YEAR	6,386,803	5,331,570	634,209
NET POSITION - END OF YEAR	\$ 6,021,778	\$ 6,016,213	\$ 584,440

Business-Type Activities  
Enterprise Funds (Continued)

Landscape District	Street Maintenance	Total
\$ 196,312	\$ 293,479	\$ 3,365,949
247	433	5,671
-	-	28,160
196,559	293,912	3,399,780
-	17,396	118,341
-	229,021	2,370,738
172,366	-	172,366
-	-	441,807
172,366	246,417	3,103,252
24,193	47,495	296,528
4,776	623	50,408
4,776	623	50,408
28,969	48,118	346,936
260,117	27,904	12,640,603
<u>\$ 289,086</u>	<u>\$ 76,022</u>	<u>\$ 12,987,539</u>

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

For the year ended June 30, 2020

	Business-Type Activities - Enterprise Funds		
	Sewer District	Sewer Charge	Solid Waste
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers and users	\$ -	\$ 1,347,772	\$ 1,550,727
Cash paid to suppliers for goods and services	-	(348,873)	(1,499,727)
Cash paid to employees for services	-	(174,539)	(224,491)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	-	824,360	(173,491)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	-	(876,992)	-
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	-	(876,992)	-
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	-	34,390	12,804
NET CASH PROVIDED BY INVESTING ACTIVITIES	-	34,390	12,804
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	(18,242)	(160,687)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	-	1,699,381	760,952
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ -	\$ 1,681,139	\$ 600,265

Business-Type Activities  
Enterprise Funds (Continued)

Landscape District	Street Maintenance	Total
\$ 185,584	\$ 293,848	\$ 3,377,931
(172,366)	(138,372)	(2,159,338)
<u>-</u>	<u>(105,676)</u>	<u>(504,706)</u>
13,218	49,800	713,887
<u>-</u>	<u>-</u>	<u>(876,992)</u>
<u>-</u>	<u>-</u>	<u>(876,992)</u>
<u>4,934</u>	<u>544</u>	<u>52,672</u>
<u>4,934</u>	<u>544</u>	<u>52,672</u>
18,152	50,344	(110,433)
<u>256,971</u>	<u>27,003</u>	<u>2,744,307</u>
<u>\$ 275,123</u>	<u>\$ 77,347</u>	<u>\$ 2,633,874</u>

(Continued)

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

For the year ended June 30, 2020

	Business-Type Activities - Enterprise Funds		
	Sewer District	Sewer Charge	Solid Waste
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	\$ (365,025)	\$ 651,520	\$ (61,655)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	365,025	76,782	-
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	-	(15,115)	(705)
Due from other governments	-	(1,021)	6,031
Increase (decrease) in:			
Accounts payable	-	112,194	(117,162)
	-	112,194	(117,162)
 NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	 \$ -	 \$ 824,360	 \$ (173,491)



Business-Type Activities  
Enterprise Funds (Continued)

Landscape District	Street Maintenance	Total
\$ 24,193	\$ 47,495	\$ 296,528
-	-	441,807
(7,474)	(210)	(23,504)
(3,501)	146	1,655
-	2,369	(2,599)
<u>\$ 13,218</u>	<u>\$ 49,800</u>	<u>\$ 713,887</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, 2020

	West Hollywood Design District	West Hollywood Tourism Improvement District	Total
<b>ASSETS</b>			
Cash and investments	\$ 22,137	\$ 101,759	\$ 123,896
Receivables:			
Accounts	159,325	-	159,325
Taxes	-	73,170	73,170
Accrued interest	43	-	43
	<u>43</u>	<u>-</u>	<u>43</u>
<b>TOTAL ASSETS</b>	<u>\$ 181,505</u>	<u>\$ 174,929</u>	<u>\$ 356,434</u>
<b>LIABILITIES</b>			
Accounts payable	<u>\$ 181,505</u>	<u>\$ 174,929</u>	<u>\$ 356,434</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 181,505</u>	<u>\$ 174,929</u>	<u>\$ 356,434</u>

## CITY OF WEST HOLLYWOOD

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS

For the year ended June 30, 2020

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
<b>WEST HOLLYWOOD DESIGN DISTRICT</b>				
ASSETS:				
Cash	\$ 17,257	\$ 115,999	\$ (111,119)	\$ 22,137
Receivables:				
Accounts	127,804	146,643	(115,122)	159,325
Accrued interest	46	43	(46)	43
	<u>\$ 145,107</u>	<u>\$ 262,685</u>	<u>\$ (226,287)</u>	<u>\$ 181,505</u>
TOTAL ASSETS				
LIABILITIES:				
Accounts payable	\$ 145,107	\$ 495,944	\$ (459,546)	\$ 181,505
	<u>\$ 145,107</u>	<u>\$ 495,944</u>	<u>\$ (459,546)</u>	<u>\$ 181,505</u>
TOTAL LIABILITIES				
<b>WEST HOLLYWOOD TOURISM IMPROVEMENT DISTRICT</b>				
ASSETS:				
Cash and investments	\$ 553,836	\$ 6,168,897	\$ (6,620,974)	\$ 101,759
Receivables:				
Taxes	555,692	73,170	(555,692)	73,170
Accrued interest	1,504	-	(1,504)	-
	<u>\$ 1,111,032</u>	<u>\$ 6,242,067</u>	<u>\$ (7,178,170)</u>	<u>\$ 174,929</u>
TOTAL ASSETS				
LIABILITIES:				
Accounts payable	\$ 1,111,032	\$ 10,693,298	\$ (11,629,401)	\$ 174,929
	<u>\$ 1,111,032</u>	<u>\$ 10,693,298</u>	<u>\$ (11,629,401)</u>	<u>\$ 174,929</u>
TOTAL LIABILITIES				
<b>TOTAL - ALL AGENCY FUNDS</b>				
ASSETS:				
Cash and investments	\$ 571,093	\$ 6,284,896	\$ (6,732,093)	\$ 123,896
Receivables:				
Accounts	127,804	146,643	(115,122)	159,325
Taxes	555,692	73,170	(555,692)	73,170
Accrued interest	1,550	43	(1,550)	43
	<u>\$ 1,256,139</u>	<u>\$ 6,504,752</u>	<u>\$ (7,404,457)</u>	<u>\$ 356,434</u>
TOTAL ASSETS				
LIABILITIES:				
Accounts payable	\$ 1,256,139	\$ 11,189,242	\$ (12,088,947)	\$ 356,434
	<u>\$ 1,256,139</u>	<u>\$ 11,189,242</u>	<u>\$ (12,088,947)</u>	<u>\$ 356,434</u>
TOTAL LIABILITIES				

CITY OF WEST HOLLYWOOD

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

June 30, 2020

	Housing Capital Improvements	Non-Housing Capital Improvements	Successor Agency Administration
<b>ASSETS:</b>			
Cash and investments	\$ -	\$ -	\$ 565,667
Restricted assets:			
Cash and investments with fiscal agents	801,487	-	-
Capital assets:			
Capital assets, net of accumulated depreciation	-	144,893	-
<b>TOTAL ASSETS</b>	<b>801,487</b>	<b>144,893</b>	<b>565,667</b>
<b>LIABILITIES:</b>			
Accrued interest	-	-	-
Due to County	-	-	564,273
Long-term liabilities:			
Due in one year	75,000	-	-
Due in more than one year	8,169,112	-	-
<b>TOTAL LIABILITIES</b>	<b>8,244,112</b>	<b>-</b>	<b>564,273</b>
<b>NET POSITION:</b>			
Held in trust for other purposes	(7,442,625)	144,893	1,394
<b>TOTAL NET POSITION</b>	<b>\$ (7,442,625)</b>	<b>\$ 144,893</b>	<b>\$ 1,394</b>



Obligation Payment Fund	Successor Agency Debt Services Fund	Total
\$ 67,440	\$ -	\$ 633,107
2,394,437	21,577,762	24,773,686
-	-	144,893
<u>2,461,877</u>	<u>21,577,762</u>	<u>25,551,686</u>
-	1,041,223	1,041,223
-	-	564,273
-	750,000	825,000
-	<u>33,171,948</u>	<u>41,341,060</u>
-	<u>34,963,171</u>	<u>43,771,556</u>
<u>2,461,877</u>	<u>(13,385,409)</u>	<u>(18,219,870)</u>
<u>\$ 2,461,877</u>	<u>\$ (13,385,409)</u>	<u>\$ (18,219,870)</u>

CITY OF WEST HOLLYWOOD

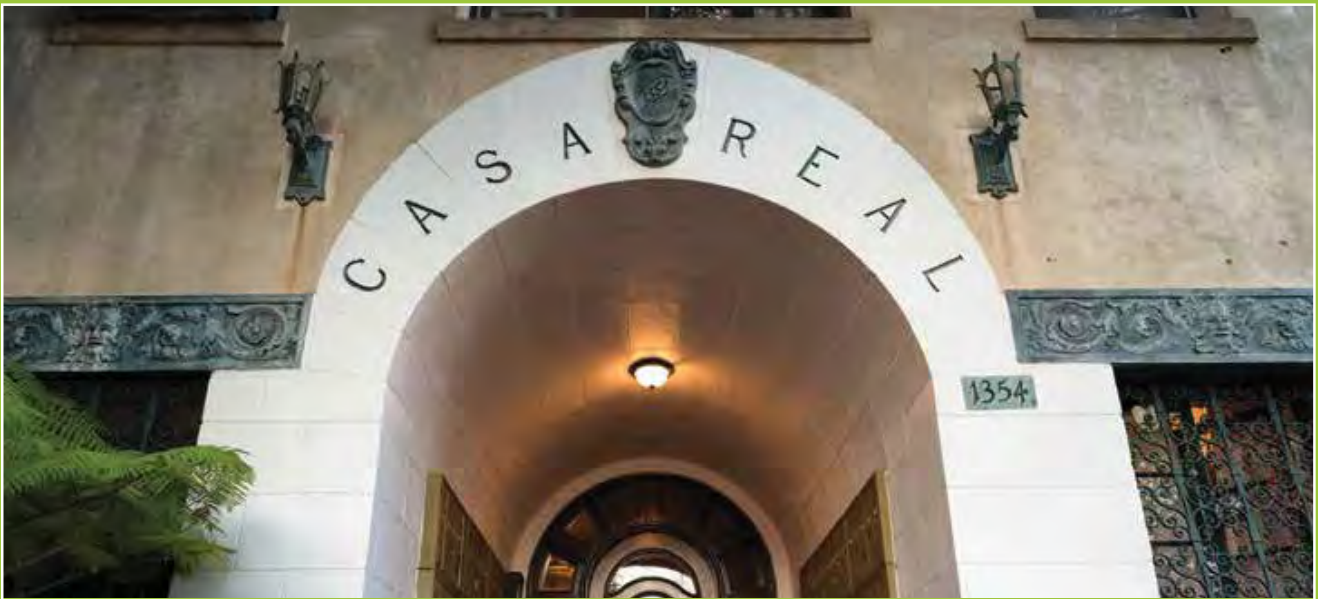
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION  
ALL SUCCESSOR AGENCY PRIVATE-PURPOSE TRUST FUNDS

For the year ended June 30, 2020

	Housing Capital Improvements	Non-Housing Capital Improvements	Successor Agency Administration
ADDITIONS:			
Taxes	\$ -	\$ -	\$ -
Transfers from other funds	869,038	-	65,000
Interest and change in fair value of investments	13,436	-	1,445
<b>TOTAL ADDITIONS</b>	<b>882,474</b>	<b>-</b>	<b>66,445</b>
DEDUCTIONS:			
Administrative expenses	-	-	64,999
Interest expense	815,617	-	-
Depreciation expense	-	3,498	-
Transfers to other funds	-	-	-
<b>TOTAL DEDUCTIONS</b>	<b>815,617</b>	<b>3,498</b>	<b>64,999</b>
<b>CHANGE IN NET POSITION</b>	<b>66,857</b>	<b>(3,498)</b>	<b>1,446</b>
NET POSITION - BEGINNING OF YEAR	(7,509,482)	148,391	(52)
NET POSITION - END OF YEAR	<u>\$ (7,442,625)</u>	<u>\$ 144,893</u>	<u>\$ 1,394</u>


Obligation Payment Fund	Successor Agency Debt Services Fund	Eliminations	Total
\$ 4,019,164	\$ -	\$ -	\$ 4,019,164
-	3,057,201	(3,991,239)	-
558	323,009	-	338,448
<u>4,019,722</u>	<u>3,380,210</u>	<u>(3,991,239)</u>	<u>4,357,612</u>
-	-	-	64,999
-	2,328,369	-	3,143,986
-	-	-	3,498
<u>3,991,239</u>	<u>-</u>	<u>(3,991,239)</u>	<u>-</u>
<u>3,991,239</u>	<u>2,328,369</u>	<u>(3,991,239)</u>	<u>3,212,483</u>
28,483	1,051,841	-	1,145,129
<u>2,433,394</u>	<u>(14,437,250)</u>	<u>-</u>	<u>(19,364,999)</u>
<u>\$ 2,461,877</u>	<u>\$ (13,385,409)</u>	<u>\$ -</u>	<u>\$ (18,219,870)</u>

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## Statistical Section



 #WestHollywood refuses to let #MetroRail pass it by  
#Metro #railway #masstransit #weho # WHAM



**DESCRIPTION OF STATISTICAL SECTION CONTENTS**

June 30, 2020

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*

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

Source: City of West Hollywood.



(Continued)

Page 2 of 2

	Fiscal Year				
	2016	2017	2018	2019	2020
Governmental activities					
Net investment in capital assets	\$ 150,346,852	\$ 168,026,327	\$ 173,567,439	\$ 176,708,344	\$ 186,172,263
Restricted	34,996,350	43,922,472	57,086,206	57,284,883	51,529,497
Unrestricted	82,141,974	87,400,745	86,633,833	91,079,029	89,421,158
Total governmental activities net position	\$ 267,485,176	\$ 299,349,544	\$ 317,287,478	\$ 325,072,256	\$ 327,122,918
Business-type activities					
Net investment in capital assets	\$ 9,892,944	\$ 10,373,054	\$ 10,476,164	\$ 10,047,512	\$ 10,482,697
Unrestricted	1,549,240	1,395,207	1,633,169	2,568,488	2,483,327
Total business-type activities net position	\$ 11,442,184	\$ 11,768,261	\$ 12,109,333	\$ 12,616,000	\$ 12,966,024
Primary government					
Net investment in capital assets	\$ 160,239,796	\$ 178,399,381	\$ 184,043,603	\$ 186,755,856	\$ 196,654,960
Restricted	34,996,350	43,922,472	57,086,206	57,284,883	51,529,497
Unrestricted	83,691,214	88,795,952	88,267,002	93,647,517	91,904,485
Total primary government net position	278,927,360	311,117,805	329,396,811	337,688,256	340,088,942

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

Source: City of West Hollywood

(Continued)

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Expenses	Fiscal Year				
	2016	2017	2018	2019	2020
Governmental activities:					
General government	\$ 24,431,737	\$ 22,297,943	\$ 20,448,961	\$ 24,369,593	\$ 31,233,362
Public safety	19,026,873	21,841,899	23,067,735	26,153,283	26,217,376
Public services	47,539,207	52,937,204	60,796,711	67,840,802	64,405,046
Interest and fiscal charges	3,115,548	5,363,884	4,909,120	8,528,149	5,193,930
Total governmental activities expenses	94,113,365	102,440,930	109,222,527	126,891,827	127,049,714
Business-type activities:					
Sewer	1,024,557	1,048,306	1,174,785	1,155,856	1,077,285
Solid waste	1,484,564	1,425,100	1,450,793	1,498,061	1,605,895
Landscape and lighting	189,115	164,840	197,664	60,568	172,366
Street maintenance	323,553	301,999	272,583	281,817	244,618
Total business-type activities expenses	3,021,789	2,940,245	3,095,825	2,996,302	3,100,164
Total primary government expenses	\$ 97,135,154	\$ 105,381,175	\$ 112,318,352	\$ 129,888,129	\$ 130,149,878
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 987,225	\$ 885,815	\$ 826,678	\$ 839,715	\$ 743,258
Public safety	309,435	123,642	264,674	322,965	263,154
Public services	24,770,086	23,115,575	21,563,875	23,181,968	20,810,786
Operating grants and contributions	5,130,523	3,045,707	4,052,404	4,984,532	6,073,609
Capital grants and contributions	2,039,004	15,856,846	4,027,872	4,787,926	6,274,495
Total governmental activities program revenues	33,236,273	43,027,585	30,735,503	34,117,106	34,165,302
Business-type activities:					
Charges for services:					
Sewer	1,248,228	1,311,358	1,461,214	1,362,916	1,363,908
Solid waste	1,467,202	1,464,683	1,486,636	1,534,876	1,545,401
Landscape and lighting	173,174	191,235	184,551	193,912	196,559
Street maintenance	288,244	294,327	293,682	299,670	293,912
Total business-type activities program revenues	3,176,848	3,261,603	3,426,083	3,391,374	3,399,780
Total primary government program revenues	\$ 36,413,121	\$ 46,289,188	\$ 34,161,586	\$ 37,508,480	\$ 37,565,082
Net (expense)/revenue					
Governmental activities	\$ (60,877,092)	\$ (59,413,345)	\$ (78,487,024)	\$ (92,774,721)	\$ (92,884,412)
Business-type activities	155,059	321,358	330,258	395,072	299,616
Total Primary government net expense	\$ (60,722,033)	\$ (59,091,987)	\$ (78,156,766)	\$ (92,379,649)	\$ (92,584,796)

CITY OF WEST HOLLYWOOD

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

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

Source: City of West Hollywood

(Continued)

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General Revenue and Other Changes in Net Assets	Fiscal Year				
	2016	2017	2018	2019	2020
<b>Governmental activities:</b>					
Taxes					
Property tax	\$ 21,540,248	\$ 23,428,584	\$ 25,206,827	\$ 27,334,301	\$ 29,471,706
Transient occupancy tax	22,268,519	22,636,844	24,775,813	25,990,350	20,742,558
Sales tax	16,441,681	17,906,126	17,980,869	19,977,644	15,645,332
Franchise tax	2,546,182	2,185,515	2,148,729	2,034,938	2,180,807
Business license tax	3,431,563	3,380,526	5,581,710	3,733,445	6,035,760
Motor vehicle in-lieu	-	-	-	-	-
Use of money and property	13,313,788	12,509,899	13,839,534	20,949,801	16,338,196
Other	155,142	3,582,792	362,095	589,020	4,520,715
Extraordinary gain(loss) on dissolution of RDA	-	5,647,427	9,276,727	-	-
Transfers	-	-	-	(50,000)	-
Total governmental activities	79,697,123	91,277,713	99,172,304	100,559,499	94,935,074
<b>Business-type activities:</b>					
Use of money and property	9,105	4,719	10,814	61,595	50,408
Transfers	-	-	-	50,000	-
Total business-type activities	9,105	4,719	10,814	111,595	50,408
Total primary government	\$ 79,706,228	\$ 91,282,432	\$ 99,183,118	\$ 100,671,094	\$ 94,985,482
<b>Change in Net Position</b>					
Governmental Activities	\$ 18,820,031	\$ 31,864,368	\$ 20,685,280	\$ 7,784,778	\$ 2,050,662
Business-type activities	164,164	326,077	341,072	506,667	350,024
Total primary government	\$ 18,984,195	\$ 32,190,445	\$ 21,026,352	\$ 8,291,445	\$ 2,400,686

CITY OF WEST HOLLYWOOD

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

	Fiscal Year				
	2011	2012	2013	2014	2015
General Fund					
Nonspendable	783,625	186,823	65,340	39,510	35,708
Debt Service	-	-	1,255,006	1,255,006	1,255,006
Committed	18,787,130	7,735,781	9,367,610	11,177,318	12,076,505
Assigned	40,500,000	58,557,142	63,018,495	76,904,392	89,684,697
Unassigned	15,077,764	9,295,313	10,329,622	5,060,905	4,894,121
Total General Fund	<u>\$ 75,148,519</u>	<u>\$ 75,775,059</u>	<u>\$ 84,036,073</u>	<u>\$ 94,437,131</u>	<u>\$ 107,946,037</u>
All other governmental funds					
Nonspendable	\$ 770	\$ 8,856	\$ 7,569	\$ 6,796	\$ 6,618
Restricted					
Public services	10,835,831	14,764,382	15,327,037	16,528,180	20,785,979
Capital projects	38,671,862	6,462,100	13,694,034	7,330,666	6,674,257
Debt service	15,863,936	12,293,855	5,178,386	24,133,063	16,877,020
Low and moderate activities	11,100,827	-	-	-	-
Unassigned	(6,331,086)	(6,312,241)	(7,385,459)	(2,076,017)	(4,750,992)
Total all other governmental funds	<u>\$ 70,142,140</u>	<u>\$ 27,216,952</u>	<u>\$ 26,821,567</u>	<u>\$ 45,922,688</u>	<u>\$ 39,592,882</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				
	2016	2017	2018	2019	2020
General Fund					
Nonspendable	139,575	44,317	53,634	66,600	2,077,941
Debt Service	1,255,006	1,255,006	1,255,006	1,255,006	1,255,006
Committed	18,386,688	27,054,567	24,601,571	25,713,228	35,742,733
Assigned	96,366,055	93,388,888	104,236,530	108,253,580	90,680,591
Unassigned	3,507,708	3,462,047	2,999,998	2,987,207	2,176,972
Total General Fund	\$ 119,655,032	\$ 125,204,825	\$ 133,146,739	\$ 138,275,621	\$ 131,933,243
All other governmental funds					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted					
Public services	18,201,767	30,033,442	35,324,936	36,548,009	41,025,722
Capital projects	78,861,354	75,021,840	66,587,203	47,918,294	96,634,316
Debt service	-	-	-	-	-
Low and moderate activities	-	-	-	-	-
Unassigned	(934,968)	(33,047)	(350,156)	(792,481)	(576,421)
Total all other governmental funds	\$ 96,128,153	\$ 105,022,235	\$ 101,561,983	\$ 83,673,822	\$ 137,083,617

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

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				
	2016	2017	2018	2019	2020
<b>Revenues</b>					
Taxes	\$ 67,228,461	\$ 69,297,877	\$ 74,318,931	\$ 79,357,479	\$ 76,069,711
Licenses and permits	9,301,203	9,515,384	10,975,684	9,921,979	9,641,958
Intergovernmental	5,531,157	4,484,889	3,975,963	5,959,757	5,860,986
Charges for services	3,088,746	3,433,732	3,923,043	4,133,882	2,994,196
Use of money and property	13,487,275	12,660,650	13,988,131	21,216,864	16,584,727
Fines and forfeitures	10,514,809	9,739,057	7,619,488	8,864,168	7,151,880
Contributions	184,829	-	-	-	-
Developer participation	3,083,370	10,510,748	5,640,412	4,815,785	4,554,997
Miscellaneous	257,382	9,144,052	900,139	840,430	6,117,966
<b>Total revenues</b>	<b>112,677,232</b>	<b>128,786,389</b>	<b>121,341,791</b>	<b>135,110,344</b>	<b>128,976,421</b>
<b>Expenditures</b>					
Current:					
General government	23,590,529	21,354,765	19,367,175	21,625,797	28,207,640
Public Safety	18,937,633	21,737,444	22,958,843	26,044,333	26,061,178
Public Services	44,067,723	48,947,704	54,365,557	61,299,394	60,826,670
Capital outlay	16,182,343	19,841,533	22,390,508	24,033,545	45,880,249
Debt service:					
Principal retirement	2,235,000	3,060,000	3,415,000	3,579,592	5,772,524
Interest and fiscal charges	3,359,278	5,043,345	5,522,937	9,147,260	4,711,196
Debt issuance costs	596,000	5,150	-	-	642,373
<b>Total expenditures</b>	<b>108,968,506</b>	<b>119,989,941</b>	<b>128,020,020</b>	<b>145,729,921</b>	<b>172,101,830</b>
Excess (deficiency) of revenues over (under) expenditures	3,708,726	8,796,448	(6,678,229)	(10,619,577)	(43,125,409)
<b>Other financing sources (uses)</b>					
Capital lease issuance				143,462	-
Transfers in	16,045,505	26,222,132	23,889,459	29,437,433	49,816,437
Transfers out	(16,095,505)	(26,222,132)	(24,239,459)	(29,487,433)	(49,816,437)
Long-term debt issued	85,015,000	-	-	-	80,135,000
Payment to refunded bond escrow agent	(33,898,880)	-	-	-	-
Bond premium	13,503,099	-	-	-	10,167,964
Bond discount	-	-	-	-	(110,138)
Sale of capital assets	-	-	-	-	-
Extraordinary gain/(loss) on dissolution of RDA	-	5,647,427	9,276,727	-	-
<b>Total other financing sources (uses)</b>	<b>64,569,219</b>	<b>5,647,427</b>	<b>8,926,727</b>	<b>93,462</b>	<b>90,192,826</b>
<b>Net change in fund balances</b>	<b>\$ 68,277,945</b>	<b>\$ 14,443,875</b>	<b>\$ 2,248,498</b>	<b>\$ (10,526,115)</b>	<b>\$ 47,067,417</b>
Debt service as a percentage of noncapital expenditures	6.0%	8.1%	8.5%	10.4%	8.3%
Capital Outlay	15,945,031	20,078,140	23,087,676	23,650,090	45,185,030

CITY OF WEST HOLLYWOOD: COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF WEST HOLLYWOOD

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

<b>Fiscal Year</b>	<b>(1) Transient Occupancy Tax</b>	<b>(2) Sales Taxes</b>	<b>(3) (4) Property Taxes</b>	<b>Franchise Taxes</b>	<b>Business License Tax</b>	<b>Total General Fund Taxes</b>
<b>2011</b>	14,089,667	11,642,605	11,191,866	2,212,579	2,425,126	37,798,981
<b>2012</b>	15,414,055	12,279,783	12,071,755	2,278,536	2,637,647	41,561,844
<b>2013</b>	18,062,326	13,236,253	13,971,978	2,310,145	2,573,491	50,154,193
<b>2014</b>	18,982,361	13,799,302	17,247,544	2,323,502	2,863,828	55,216,537
<b>2015</b>	20,903,442	14,560,587	18,469,653	2,400,839	3,001,630	59,336,151
<b>2016</b>	22,268,519	16,094,074	20,331,695	2,399,738	3,296,161	64,390,187
<b>2017</b>	22,636,844	16,242,475	22,112,662	2,045,934	3,274,264	66,312,179
<b>2018</b>	24,775,813	16,944,964	23,745,035	2,016,660	3,308,544	70,791,016
<b>2019</b>	25,989,558	18,211,472	25,780,512	1,904,730	3,581,898	75,468,170
<b>2020</b>	20,740,065	15,645,332	27,833,401	2,033,456	5,926,979	72,179,233

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. Starting in fiscal year 2017-18, sales taxes were presented intergovernmental - state shared sales tax, separate from 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	
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	-	-	-	-
2020	13,279,904,696	334,717,589	-	13,614,622,285	-	-	-	-

Fiscal Year	City							
	Residential	Commercial	Industrial	Institutional	Vacant	Unsecured	Exempt	Miscellaneous
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
2020	7,618,731,404	5,232,234,436	181,011,887	51,229,585	159,587,818	334,717,589	(48,011,125)	37,109,566

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

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				
	2016	2017	2018	2019	2020
<b>Basic Levy (1)</b>	1.00000	1.00000	1.00000	1.00000	1.00000
County Detention Facilities 1987 Debt	0.00000	0.00000	0.00000	0.00000	0.00000
LA Ccd Ds 2005 2012 Series F	0.00000	0.00000	0.00000	0.00000	0.00000
LA Community College District	0.03575	0.03596	0.04599	0.04621	0.027717
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	0.12971	0.13110	0.12219	0.12323	0.12552
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350	0.00350
<b>Total Direct &amp; Overlapping Tax Rates (2)</b>	<b>1.16896</b>	<b>1.17055</b>	<b>1.17168</b>	<b>1.17294</b>	<b>1.15620</b>
<b>City's Share of 1% Levy Per Prop 13 (3)</b>	0.17868	0.17868	0.17868	0.17868	0.17868
<b>General Obligation Debt Rate</b>					
<b>Redevelopment Rate (4)</b>	-	-	-	-	-
<b>Total Direct Rate (5)</b>	0.175900	0.175830	0.175600	0.175800	0.17571

CITY OF WEST HOLLYWOOD

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

<u>Taxpayer</u>	2020		2011	
	<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>
8940 WEHO LP *	306,392,000	2.25%	\$ -	0.00%
KR Sunset WEHO LLC*	264,261,600	1.94%	-	0.00%
Mani Brothers *	\$ 259,082,805	1.90%	144,785,710	1.97%
BPPREP 8500 Sunset LLC *	218,150,661	1.60%	123,915,215	0.00%
NWLWH LLC *	217,731,706	1.60%	-	0.00%
Avalon West Hollywood LP	213,101,498	1.57%	-	0.00%
Pacific Design Center LLC	187,488,079	1.38%	161,891,023	0.00%
Pacific Red LLC *	186,976,349	1.37%	44,260,142	0.60%
Wolverines Owner LLC *	162,025,165	1.19%	83,452,140	0.00%
Studio Lending Group LLC *	119,061,521	0.87%	67,940,873	0.00%
CLPF West Hollywood LP	-	-	81,400,356	1.11%
W Bel Age LLC	-	-	53,146,384	0.72%
Sunset Millenium Associates LLC	-	-	40,912,290	0.56%
LHO Le Parc LP	-	-	37,300,000	0.51%
<b>TOTALS</b>	<b>\$ 2,134,271,384</b>	<b>15.68%</b>	<b>\$ 839,004,133</b>	<b>11.43%</b>

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
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%
2020	19,406,811	18,510,671	95.4%	-	18,510,671	95.4%

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)	Capital Leases (2)	Lease Revenue Bonds (3)	General Obligation	Certificates of Participation			
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 (5)	-	138,870	116,278,874	-	-	116,417,744	4.8%	3,215.69
2020	-	116,346	200,148,394	-	-	200,264,740	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) 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 (SCE) On-Bill Financing Program for a total of \$143,459. The costs are repaid in the form of energy savings over a period of up to 80 months.
- (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.  
Issued \$65,785,000 Lease Revenue Bonds Series "A" in fiscal year 2019-2020.  
Issued \$14,350,000 Lease Revenue Bonds Series "B" in fiscal year 2019-2020.  
Amounts include principal balance of \$178,220,000, and unamortized premiums/discounts of \$21,988,804.
- (4) Personal Income information for 2020 is not available at this time.
- (5) Fiscal year 2018-2019 Information was amended to include the capital lease - SCE in the amount of \$138,870.

Source: Hdl Coren & Cone and City of West Hollywood



CITY OF WEST HOLLYWOOD

**TABLE 11  
DIRECT AND OVERLAPPING DEBT  
JUNE 30, 2020  
(UNAUDITED)**

<u>Jurisdiction</u>	<u>Net General Obligation Debt Outstanding</u>	<u>Percentage Applicable to City of West Hollywood</u>	<u>Amount Applicable to City of West Hollywood June 30, 2020</u>
Overlapping General Fund Debt:			
Metropolitan Water District	18,151,752	0.911%	165,383
Los Angeles County Community College District	4,234,460,000	1.502%	63,622,280
Los Angeles Unified School District	<u>10,535,750,000</u>	1.841%	<u>193,996,242</u>
Subtotal, overlapping debt	<u>14,788,361,752</u>		<u>257,783,905</u>
City direct governmental debt			
2013 Lease Revenue Bonds Series	16,997,882	100.000%	16,997,882
2016 Lease Revenue Bonds Series	92,957,686	100.000%	92,957,686
2020 Lease Revenue Bonds Series A	75,952,964	100.000%	75,952,964
2020 Lease Revenue Bonds Series B	14,239,862	100.000%	14,239,862
Capital Lease - SCE	<u>116,346</u>	100.000%	<u>116,346</u>
Subtotal, city direct governmental debt	<u>200,264,740</u>		<u>200,264,740</u>
Overlapping Tax Increment Debt			
2013 Tax Allocation Revenue Refunding Bonds	7,501,471	100.000%	7,501,471
2011 Tax Allocation Bonds Series A	26,465,475	100.000%	26,465,475
2011 Tax Allocation Bonds Series B	<u>8,199,114</u>	100.000%	<u>8,199,114</u>
Subtotal, overlapping tax increment debt	<u>42,166,060</u>		<u>42,166,060</u>
Subtotal, overlapping debt			<u>299,949,965</u>
Subtotal, direct debt			<u>200,264,740</u>
Grand Total direct and overlapping governmental debt			<u>\$ 500,214,705</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				
	2011	2012	2013	2014	2015
Debt limit	\$ 1,100,856,999	\$ 1,111,655,323	\$ 1,146,438,683	\$ 1,239,586,814	\$ 1,316,390,648
Total net debt applicable to limit	108,420,000	108,420,000	50,775,000	68,546,274	66,350,325
Legal debt margin	\$ 992,436,999	\$ 1,003,235,323	\$ 1,095,663,683	\$ 1,171,040,540	\$ 1,250,040,323
Total net debt applicable to the limit as percentage of debt limit	9.85%	9.75%	4.43%	5.53%	5.04%

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				
	2016	2017	2018	2019	2020
Debt limit	\$ 1,446,044,147	\$ 1,584,823,183	\$ 1,716,615,406	\$ 1,829,888,807	\$ 2,042,193,343
Total net debt applicable to limit	127,867,562	124,294,665	120,366,770	116,278,874	200,264,740
Legal debt margin	\$ 1,318,176,585	\$ 1,460,528,518	\$ 1,596,248,636	\$ 1,713,609,933	\$ 1,841,928,603
Total net debt applicable to the limit as percentage of debt limit	8.84%	7.84%	7.01%	6.35%	9.81%

**Legal Debt Margin Calculation for Fiscal Year 2020**

Assessed value	\$ 13,614,622,285
Debt limit (1)	2,042,193,343
Debt applicable to limit (2):	
Lease Revenue Bonds and Capital Lease	200,264,740
Net amount of debt applicable to debt limit	200,264,740
Legal debt margin	<u>\$ 1,841,928,603</u>

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	
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
2020	4,019,164	65,000	3,954,164	775,000	3,138,511	3,913,511	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**

<b>Calendar Year</b>	<b>Population (1)</b>	<b>Personal Income (In Thousands) (2)</b>	<b>Per Capita Personal Income (3)</b>	<b>Unemployment Rate (4)</b>
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	36,203	2,419,235	66,824	4.9%
2020	37,289	2,491,812	66,824	N/A

Notes: Annual income and unemployment figures for 2016 was not available at time of publication of this CAFR.

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

(2) (3) Data is from Hdl, Coren & Cone. 2000-2009 Income, Age and Education Data: ESRI - Demographic Estimates are based on the last available Census. Projections are developed by incorporating all of the prior census data released to date. Demographic Data is totaled from Census Block Groups that overlap the City's boundaries. 2010 and later - Income, Age and Education Data - US Census Bureau, most recent American Community Survey. 2019 population and personal income was estimate last year and updated this year based on data from Hdl. 2020 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**

	2020		2011	
	# Employees	% Percent of Total City Employment	# Employees	% Percent of Total City Employment
Los Angeles County Metropolitan Transportation Authority	559	2.6%		
Target Corp. (5)	289	1.3%	500	2.1%
CityGrid Media/Inter Active Corp (5)	288	1.3%		
City of West Hollywood	236	1.1%	209	0.9%
1 OAK LA (5)	200	0.9%		
Laz Parking (5)	200	0.9%		
Pavilions (5)	180	0.8%		0.0%
KKGG Management LLC (Argyle Hotel) (5)	165	0.8%	100	0.4%
Andaz West Hollywood	161	0.7%		0.0%
Sunset Tower Hotel (4)	50	0.2%		0.0%
Whole Foods Market (5)	153	0.7%		
Ralphs (2 locations) (5)	141	0.6%		
Hollywood Standard LLC (The Standard Hotel) (5)	140	0.6%	185	0.8%
nCompass (5)	128	0.6%		
The Jeremy Hotel (5)	120	0.6%		
Best Buy (5)	100	0.5%		
Sunset Marquis	75	0.3%		
The London West Hollywood	72	0.3%		0.0%
Saddle Ranch Restaurant	43	0.2%	100	0.4%
HMBL LLC (Best Western Sunset Plaza) (5)	40	0.2%	125	0.5%
Mondrian	30	0.1%	400	1.7%
Outrigger Lodging Services LLP (Chamberlain Hotel)	12	0.1%		
Outrigger Lodging Services LLP (Le Parc Suite Hotel)	16	0.1%	105	0.4%
Outrigger Lodging Services LLP (Le Montrose Hotel)	22	0.1%		
Outrigger Lodging Services LLP (The Grafton Hotel)	17	0.1%		
Ticketmaster (1)			1,300	5.4%
House of Blues (3)			300	1.3%
Gordon Ramsey at the London			170	0.7%
SC Club LP (Key Club)* (Sold)			100	0.4%
Dailey & Associates			251	1.0%
Wyndham Bel Age Hotel LP			230	1.0%
Hyatt Corp (Hyatt West Hollywood Hotel)			165	0.7%
<b>Total Jobs By Principal Employers</b>	<b>3,437</b>	<b>15.8%</b>	<b>4,240</b>	<b>17.7%</b>
Total Jobs (estimated) in City of West Hollywood (6)	21,800	100%	23,920	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 KKGG Management LLC (Sunset Tower Hotel)

(5) The figures presented were estimates used in fiscal year 2018-2019. Due to COVID 19, these companies cannot be contacted to confirm the number of employees, therefore, prior year information was used.

(6) Employment data per California Employment Development Department (EDD)

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									
	11	12	13	14	15	16	17	18	19	20
General Government										
Legislative & Executive	23.6	25.6	25.6	39.8	36.8	27.8	13.0	11.0	16.0	17.0
Administration	28.8	26.8	26.8	17.7	17.8	25.8	24.8	24.0	23.0	23.0
Finance & Information Technology	21.9	21.9	23.9	22.9	22.9	22.9	23.9	24.0	23.0	23.0
Public Safety	8.8	8.8	7.8	5.6	5.0	5.0	5.0	5.0	5.0	5.0
Community Services										
Human Services & Rent Stabilization	53.4	52.4	52.4	54.4	56.9	56.6	57.8	49.0	24.0	24.0
Housing & Rent Stabilization	17.0	17.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Community Development	29.0	29.0	29.0	30.0	31.0	33.0	33.0	0.0	0.0	0.0
Community Services (1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	6.0	6.0
Facilities & Recreation Services (1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	55.0	49.0
Planning & Development Services (1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	34.0	30.0	30.0
Public Works	26.0	26.0	44.0	46.0	46.0	47.0	48.0	49.0	25.0	31.0
Communications	0.0	0.0	0.0	0.0	0.0	0.0	9.8	10.0	10.0	10.0
Economic Development	0.0	0.0	0.0	0.0	0.0	0.0	7.0	19.0	19.0	18.0
Total	208.5	207.4	209.4	216.4	216.4	218.2	222.3	226.0	236.0	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									
	11	12	13	14	15	16	17	18	19	20
Police (1)										
Incidents	7,036	7,460	6,370	6,975	6,060	10,931	9,647	11,204	7,506	5,473
Arrests	3,007	3,069	3,407	3,312	2,230	2,569	2,027	2,478	2,901	2,604
Sewers										
Miles of system	39	39	39	39	39	39	39	39	39	39
Percent inspected	10	10	10	10	10	10	10	20	20	20
Parks and Recreation										
Number of parks	6	7	7	8	8	8	8	8	8	8
Community Development										
Commercial building permits	337	221	221	796	358	400	364	396	368	350
Residential building permits	522	396	396	1,548	548	577	636	756	752	389
Mixed-use building permits (2)	-	-	-	-	4	6	3	3	2	6
Parking										
Citations issued	200,164	195,345	182,930	211,404	211,583	196,834	181,639	172,954	154,594	115,320

Notes:

- (1) Police statistics are based on calendar year; Information for 2017 was updated to reflect the actual number of arrest and incidents; the 2018 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									
	11	12	13	14	15	16	17	18	19	20
<b>Public Safety</b>										
This a contracted service	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Parking:</b>										
Parking Structures	2	2	2	2	2	3	3	3	3	3
Parking Lots	4	4	4	4	9	9	9	9	9	7
<b>Cultural &amp; Recreation:</b>										
Parks	6	7	7	8	8	8	8	8	8	8
<b>General Services:</b>										
Sidewalks (length/feet)	275,638	275,638	275,638	275,638	275,638	275,638	275,638	275,638	275,638	275,638
Streets (miles)	54	54	54	54	54	54	54	54	54	54
Traffic signals	56	56	56	60	61	61	62	66	66	66
<b>Wastewater:</b>										
Sanitary sewers (miles)	39	39	39	39	39	39	39	39	39	39
Manholes	395	395	395	885	885	885	885	885	885	885
<b>City-Line:</b>										
Number of Buses	10	10	10	10	10	10	10	7	18	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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