



# CITY OF WEST HOLLYWOOD Annual Comprehensive Financial Report

Fiscal Year 2021 - 22



West Hollywood, California

# 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

Cover Photos by Jon Viscott

**CITY OF WEST HOLLYWOOD  
ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FISCAL YEAR ENDED JUNE 30, 2022**

**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



CicLAvia: Meet the Hollywoods

Photo by Jon Viscott



# CITY OF WEST HOLLYWOOD

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December 27, 2022

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

**DEPARTMENT  
OF FINANCE  
& TECHNOLOGY  
SERVICES**

Subject: Annual Comprehensive 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 (the City) Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. 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 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 accounting principles generally accepted in the United States of America (U.S. 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. Vasquez and Company, 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, 2022, 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, 2022, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

## SINGLE AUDIT

The federally mandated "Single Audit" will be performed by Vasquez and Company, LLP, and is designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The Single Audit report will be separately issued with a due date of March 31, 2023.

## 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

U.S. 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 auditor in the financial section of this ACFR.

## 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 (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 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 21 hotels with over 2,686 rooms, many of which offer luxury world-class accommodations. In FY22, the City experienced significant increases in domestic travel as COVID-19 pandemic restrictions moved into the COVID-19 epidemic. The City of West Hollywood continues to be a top destination in the US Market and the City's travel and tourism industry are optimistic with the return of international

tourist in 2023. Tourists desire to spend more disposable income on leisure and entertainment is definitely contributing to this positive outlook.

West Hollywood has more than 260 restaurants and bars available for dining. The City is known for its fine dining establishments as well as the casual dining restaurants, many visitors return to the City to enjoy its many well-known restaurants; the City experienced a rebound in restaurant and hotel receipts that surged to a new all-time high. 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 300 home furnishings, design and textile businesses. As more international markets reopen in the near future, international tourists can also shop at more than 280 clothing and jewelry stores, 15 art galleries, and participate in an eclectic and ever-evolving nightlife centered on the world-famous Sunset Strip and Santa Monica Boulevard "Route 66."

#### CITY BOND RATINGS

The City 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. On July 1, 2021, the Successor Agency to the West Hollywood Community Development Commission received AA- rating, an upgrade from A- with stable outlook, from the credit rating agency S&P Global Ratings, which reviewed the Tax Allocation Refunding Bonds Series 2021 of the Successor Agency. The City is acting as Successor Agency to the former Redevelopment Agency (RDA) after the RDA dissolution in February 2012.

#### ECONOMIC CONDITION

Although the focus of this ACFR is the economic condition of the City at June 30, 2022, the local economy is of such relevance that it is incumbent on us to provide some information in this report.

Over the past decade, the City had experienced revenue growth in multiple tax revenue streams that increased General Fund Reserves that have allowed the City to combat this pandemic. The COVID-19 pandemic had a substantial negative impact on the City's revenue receipts in FY20 and FY21; however, revenues have recovered and, in some cases, have exceeded pre-pandemic levels. In FY23, the City anticipates continued strong performance in tax revenues. This increase is primarily driven by higher sales tax receipts from the local sales tax Measure E approved by voters in November 2020. Other areas of revenue growth include sources related to the use of property, primarily revenues derived from digital advertising and building rents. Hotel occupancies also steadily

increased from a July 2021 average occupancy of 70% with average daily rates of \$340 to late spring average occupancy of 72% with average daily rates of \$430. This year's 56<sup>th</sup> NFL Super Bowl championship game was hosted by the Rams, and it had a positive performance impact on West Hollywood hotels with average occupancy of 73% and average daily rates of \$750. Hotel performance has improved over the course of the past year as COVID-19 vaccinations became widely available and pandemic-related travel restrictions were lifted.

The FY23 revenue projections for Transient Occupancy Tax (TOT) reflect the substantial rebound in tourism and visitation to the Los Angeles region over the past year. TOT revenues are projected to grow by nearly 30% to \$28 million and by another 7% in FY24. In FY24, TOT revenues projections are supported by increases in occupancy to pre-pandemic levels and by historic highs in average daily room rates.

Sales tax revenues are projected to increase by \$4 million in FY23 and another \$1 million in FY24 due to continued strong demand for goods and services combined with higher prices from supply-demand imbalances and inflationary pressure. The City continues to work closely with its sales tax partner to leverage regional data to anticipate changes in real time.

Property tax revenues have grown steadily over the past year and the regional housing market appears to be strong. Staff continues to monitor real estate trends that would indicate a pending slowdown, such as rapid changes in sales velocity or volume, price fluctuations or permitting volume of real estate projects in the City.

The City continues to progress on several programs that expand its revenue base. Initial billboard projects for the Sunset Arts and Advertising program have been awarded and numerous others are under review by staff. The Sunset Spectacular billboard project completed construction in spring of 2021 and the City Council approved a site license amendment that extended the term of agreement by up to two years; revenues of \$3.5 million are projected for FY23. It is the City's goal to have at least another five projects approved by the City Council during the upcoming year. As projects progress through implementation, the City negotiates new development agreements to bring significant public benefits and revenue sharing to the City.

The City will continue to focus on the priorities identified in recent years: community safety and well-being; neighborhood livability; economic vitality; and capital project management. Staff continue to closely monitor the economic trends of the region and nation and regularly evaluate the impacts of the proposed programmatic changes to the City's core municipal service offerings. 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 assisted us in managing some of the fiscal impacts attributed to COVID-19.

## LONG TERM FINANCIAL PLANNING

The City will continue to guide efforts in responsible fiscal stewardship. This includes considering the long-term staffing and financial resources required to initiate new policies and programs while continuing to advance the City's current priorities and work plan. As always, the health and safety of the West Hollywood community remain top priorities. Staff anticipates that the next two years will include extensive planning, design, and implementation of both ongoing operational programs and long-term capital assets. The new Two-Year Budget and work plan was significantly more expansive than the prior year in which the City reverted to a one-year budget due to the unknown factors attributed to COVID-19. The new budget included a fully operational and programmed Aquatic and Recreation Center, implementation of the Care Team, increases in social services delivery to the community focusing on the delivery of core social services, expansion of the Security Ambassador program and responsible capital structure maintenance and sustainable capital enhancements. Given the positive public health outlook and vaccination uptake rate, substantial increases in revenues are projected.

The City will continue its expansive approach to civic leadership and governmental transparency in response to feedback from its constituency for accurate, timely, and relevant communication. The City is fully committed to providing on-going communications to our constituents regarding the provision of City services, availability of City facilities, issuance and interpretation of emergency orders, and other responses to the COVID-19 pandemic and recovery efforts.

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.

## 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 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. 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

- Adopted the final Climate Action and Adaptation Plan to outline a comprehensive roadmap to achieve carbon neutrality by the year 2035 and maintain net-negative emissions thereafter.
- Renewed 33 contracts with 25 non-profit organizations totaling just over \$5,100,000 to provide Social Services programs to West Hollywood community members.
- Adopted the Hotel Worker Protection Ordinance that includes: the use of personal security devices, the right to recall and worker retention, worker training protocols, and workload and compensation standards.
- Issued an Executive Emergency Order in response to the COVID-19 pandemic to protect the health and safety of all West Hollywood community members, requiring Vaccine Verification for City Facilities, Covered Businesses, City Contractors, City Employees, and City Officials.
- Continued enforcement and administration of COVID-19 prevention plan in addition to employee trainings, direct outreach, COVID-19 Intranet resource page, and proactive communications with evolving situation of the pandemic COVID-19-era safeguards.
- Continued the City's COVID-19 Rental Assistance Programs and approved additional funding for legal representation, eviction prevention.
- Successfully directed contract with Coalition for Economic Survival to provide additional West Hollywood tenant focused clinic and outreach during the local emergency and diminishment of statewide COVID-19-era safeguards.
- Provided ongoing support to COVID-19 related FEMA grant administration, \$4.6 million in expenditures submitted to date.
- Developed the City's Land Acknowledgment Policy which seeks to recognize the history and presence of Indigenous peoples and their enduring relationship to their traditional homelands.

- Completed an Electric Vehicle Charging Needs Assessment to quantify the City's expected EV charging demand over the next 15 years, provide the City with data-driven implementation targets, and develop recommendations for future implementations.
- Installed 22 new smart bus shelters across the City. Coordinated review and modification of bus shelter locations and bus service to Beverly Boulevard due to Metro NextGen service modifications.
- Implemented GovQA to automate the Public Records Act request process, improve the user experience, and efficiently manage the process. GovQA was successfully launched in December.
- Finalized the implementation of SECURE G2G which allows the City Clerk's Office to electronically record City documents.
- Completed the audit of fiscal operations and received an unmodified "clean" audit opinion for the City Fiscal Year 2020-21, which ended June 30, 2021, and the Annual Comprehensive Financial Report obtained the Government Finance Officers Association of the United States and Canada's (GFOA's) "Certificate of Achievement for Excellence in Financial Reporting".
- Completed the issuance of the Successor Agency's 2021 Tax Allocation Refunding Bonds, which included the Refunding of the 2011A, 2011B and 2013 Bonds.
- Worked closely with CA Department of Finance to obtain approval of Amendment to the Last and Final Recognized Obligation Payment Schedule (ROPS), which resulted in the City keeping the \$65,000 per year of administration fee as opposed to the reduction recommended by CA Department of Finance. This accomplishment resulted in \$650,000 of General Fund savings over the 20-year life of the Successor Agency Bonds.
- Enhanced revenue collections and customer service by offering various convenient options such as in-person appointments, virtual team appointments, and by phone appointments to ensure efficient business tax compliance and tax collection. In addition, expanded revenue collections via online payment portal to include additional payment types such as Business Improvement Districts, Development Agreements, Billboards, Risk Management and Special Events.
- Promoted online usage for business tax certificate / alarm permit programs. 74% of city business owners utilized the online features to register a new business or to renew business tax certificates and to register a new alarm permit or renew alarm permit, while 26% conducted business by mail or in person (a 45% reduction from pre-pandemic levels).

- Successfully supported multiple large high-profile events allowing critical fundraising to continue safely. Productions complied with the Los Angeles County Public Health COVID –19 guidelines and protocols.
- Managed the construction of the West Hollywood Park Master Plan Phase II Implementation Project.

#### 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 - Annual Comprehensive 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 for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. This is the twenty-eight 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 Annual Comprehensive 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 Annual Comprehensive 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 annual 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,



David A. Wilson  
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  
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Reporting

Presented to

**City of West Hollywood  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO

## DIRECTORY OF CITY OFFICIALS

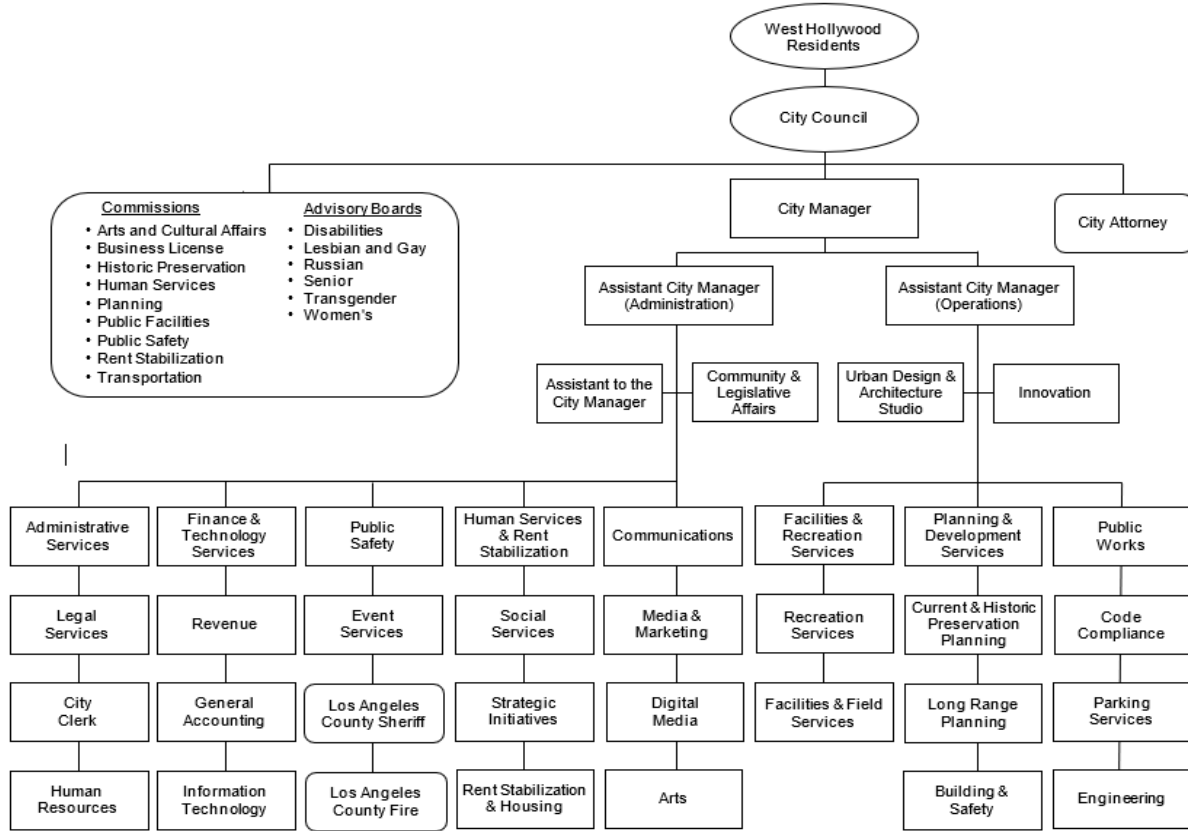
### Mayor and City Council

Mayor .....	<i>Lauren Meister</i>
Mayor Pro Tempore .....	<i>Sepi Shyne</i>
Council Member .....	<i>John D'Amico</i>
Council Member .....	<i>John Erickson</i>
Council Member .....	<i>Lindsey P. Horvath</i>

### Administration

City Manager .....	<i>David A. Wilson</i>
Assistant City Manager .....	<i>Oscar Delgado</i>
Deputy City Manager .....	<i>Jackie Rocco</i>
City Attorney .....	<i>Lauren Langer</i>
City Clerk .....	<i>Melissa Crowder</i>
Director of Administrative Services .....	<i>Janet Jimenez</i>
Director of Communications .....	<i>Joshua Share</i>
Director of Community Services .....	<i>Yvonne Quarker</i>
Director of Economic Development .....	<i>John Leonard</i>
Director of Facilities and Recreation Services .....	<i>Steve Campbell</i>
Director of Human Services and Rent Stabilization .....	<i>Christof Schroeder</i>
Director of Planning and Development Services .....	<i>John Keho</i>
Director of Public Safety .....	<i>Vacant</i>
Director of Public Works .....	<i>Danny Rivas (Acting)</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



Get Out The Vote, Banner PSA in West Hollywood

Photo by Jon Viscott



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## Independent Auditor's Report

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the 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, California (the City), as of and for the year ended June 30, 2022, and the related notes to financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying 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, California, as of June 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of Matter***

As discussed in Notes 1, 5, 6 and 9, the City implemented the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*, during the fiscal year ended June 30, 2022. Our opinion is not modified with respect to this matter.



### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.



We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 37 and the required supplementary information on pages 95 through 100 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary 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 combining and individual fund financial statements and budgetary comparison schedules as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such 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. The 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 GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2022, on our consideration of the City of West Hollywood'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.

*Vaughan & Company LLP*

**Glendale, California  
December 27, 2022**

# **Management's Discussion and Analysis**



Youth Halloween “Trunk or Treat” Drive-Thru Event

Photo by Jon Viscott



## 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, 2022. 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 38) 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 39-40) 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, Facilities & Recreation Services, Planning & Development Services and Public Works. Governmental activities are financed mostly by property taxes, transient occupancy taxes, sales taxes, parking fines, charges for services, franchise taxes, and grants.

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

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

The *government-wide financial statements* report both the City, as the *primary government*, and the legally separate *component units*. The Housing Authority, Public Facilities Corporation and the Public Financing Authority are known as *Blended Component Units* and all function for practical purposes, as part of the City, and, therefore, have been included (blended) as an integral part of the primary government.

### Fund Based Financial Statements

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

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

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

The City maintains twenty-three individual governmental funds. These funds report financial transactions using an accounting method called modified accrual accounting. The General Fund, Debt Funded Capital Projects Fund, and Capital Project Debt Service Fund are considered to be Major Funds. Information for these Major Funds is presented separately in the Governmental Funds – Balance Sheet and in the Governmental Funds – Statement of Revenues, Expenditures and Changes in Fund Balances. Data from other governmental funds (non-major) are combined into a single presentation; individual fund data for each of these non-major governmental funds is provided in the form of combining statements starting on page 105 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 41-45.

*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 46-48.

*Fiduciary Funds* – *Fiduciary funds* are used to account for resources held for the benefit of parties outside the City. In these cases, the City has a fiduciary responsibility and is acting as a *trustee*. The *Statement of Fiduciary Net Position* separately reports all 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 49-50.

*Notes to the Financial Statements* – Notes provide additional information that is essential to a full understanding of the data in the government-wide and fund financial statements. The *Notes to the Financial Statements* can be found from pages 51-94.

*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 95-100.

*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 105-144.

*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 145-171.

## **Financial Highlights**

### **Government-Wide Financial Statements**

- At June 30, 2022, the City as a whole had total assets of \$700.4 million, total deferred outflows of resources were \$8.4 million, total liabilities were \$271.0 million, and total deferred inflows of resources were \$74.1 million. The assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$363.7 million (net position). Of this amount, \$109.4 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, 2022, total net position increased by \$44.5 million from the prior year. Total revenues from all sources were \$168.6 million and total expenses for all functions/programs were \$124.0 million. A summary of changes in net position is reflected in Table 2 (page 13).
- Of total revenues, program revenues were \$47.6 million and general revenues were \$120.9 million (Table 2). Program revenues are separated into three categories: Charges for Services, \$24.4 million; Operating Grants and Contributions, \$17.2 million; and Capital Grants and Contributions, \$6.0 million. General revenues are divided into seven categories citywide: Property Taxes, \$34.0 million; Transient Occupancy Taxes, \$32.0 million; Sales Taxes \$36.3 million; Franchise Taxes, \$2.0 million; Business Taxes, \$4.6 million; Use of Money & Property \$11.7 million and Other General Revenue \$0.4 million.

### Fund Based Financial Statements

- For fiscal year ended June 30, 2022, total Fund Balance of the General Fund was \$154.7 million, or 136.4 percent of total General Fund expenditures and transfers of \$113.4 million; this is reflected in Table 5 and Table 7 (pages 26 and 28). The non-spendable Fund Balance was \$2.1 million. Committed Fund Balance was \$24.6 million while assigned Fund Balance was \$123.9 million and unassigned Fund Balance was \$4.0 million.
- For the General Fund, actual resources available for appropriation during the year were \$268.0 million; this consists of \$122.9 million in fund balance and \$145.1 million in revenue inflows, which was \$23.2 million more than what was budgeted. The favorable variance is mainly due to excess of actual taxes received by \$21.4 million compared to final budget of \$85.3 million. The City had conservatively budgeted for revenues, especially Transient Occupancy Tax (TOT) because of the COVID-19 pandemic. However, in FY22, with the ending of pandemic-related restrictions, tourism returned to the City resulting in the stellar gains in several sectors such as general consumer goods, restaurant activity (casual dining and fine dining), hotels and leisure/entertainment venues, Sales Tax and TOT revenues bounced back to new highs. The City received \$10.0 million more than the budgeted amount of \$21.9 million in TOT. The City also received \$8.0 million more than the budgeted amount in sales tax, mainly due to additional sales tax from the newly passed Sales Tax Local Measure E. Property Tax revenues continue to be unimpacted by COVID-19; the City received \$3.0 million more than the budgeted amount of \$28.9 million in property taxes.

Actual charges (outflows) of \$113.4 million were \$24.3 million less than the General Fund budget of \$137.7 million. Most of the variances were due to the capital projects and social services that were not completed during the fiscal year which will be carried forward to Fiscal Year 2022-23.

## 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, 2022.

These tables are summarizing the statements located on pages 38-40 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, 2021, in its analysis (Table 1 below and Table 2 on page 13).

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

	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 332.8	\$ 257.9	\$ 4.0	\$ 3.4	\$ 336.8	\$ 261.3
Capital assets	354.0	330.9	9.6	10.0	363.6	340.9
<b>Total assets</b>	<b>686.8</b>	<b>588.7</b>	<b>13.6</b>	<b>13.4</b>	<b>700.4</b>	<b>602.2</b>
<b>Deferred Outflows of Resources</b>						
Deferred amounts	8.3	9.9	0.1	0.2	8.4	10.1
<b>Liabilities</b>						
Long-term debt outstanding	226.2	254.3	0.4	0.0	226.6	254.3
Other liabilities	44.2	35.3	0.2	1.0	44.4	36.3
<b>Total liabilities</b>	<b>270.4</b>	<b>289.6</b>	<b>0.6</b>	<b>1.0</b>	<b>271.0</b>	<b>290.5</b>
<b>Deferred Inflows of Resources</b>						
Deferred amounts	73.7	2.6	0.3	0.0	74.1	2.6
<b>Net position</b>						
Net Investment in						
capital assets	186.0	180.9	9.6	10.0	195.6	191.0
Restricted	58.7	47.0	-	-	58.7	47.0
Unrestricted	106.2	78.7	3.2	2.6	109.4	81.3
<b>Total net position</b>	<b>\$ 350.9</b>	<b>\$ 306.6</b>	<b>\$ 12.8</b>	<b>\$ 12.6</b>	<b>\$ 363.7</b>	<b>\$ 319.2</b>

The City's Government-wide total net position as of June 30, 2022, was \$363.7 million, with assets of \$700.4 million, deferred outflows of resources of \$8.4 million, liabilities of \$271 million and deferred inflows of resources of \$74.1 million.

The net investment in capital assets of \$195.6 million represents 53.8 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, \$58.7 million (16.1 percent) represents resources that are subject to external restrictions in how they may be used.

The remaining balance of \$109.4 million (30.1 percent) (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors within the program areas.

Changes in Net Position (Table 2) of the City's governmental and business-type activities, as a whole, for fiscal year ended June 30, 2022, are reflected in the following page.



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

	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2022	2021	2022	2021	2022	2021
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 20.7	\$ 17.3	\$ 3.7	\$ 3.6	\$ 24.4	\$ 20.9
Operating Grants and Contributions	17.2	6.1	-	-	17.2	6.1
Capital Grants and Contributions	6.0	7.1	-	-	6.0	7.1
Sub-total Program Revenues	43.9	30.5	3.7	3.6	47.6	34.0
General Revenues:						
Property taxes	34.0	33.3	-	-	34.0	33.3
Transient occupancy taxes	32.0	9.7	-	-	32.0	9.7
Sales taxes	36.3	19.0	-	-	36.3	19.0
Franchise taxes	2.0	2.0	-	-	2.0	2.0
Business taxes	4.6	4.1	-	-	4.6	4.1
Use of money and property	11.7	8.0	-	-	11.7	8.0
Other	0.4	0.2	-	-	0.4	0.2
Sub-total General Revenues	121.0	76.3	-	-	121.0	76.3
<b>Total Revenues</b>	<b>164.9</b>	<b>106.8</b>	<b>3.7</b>	<b>3.6</b>	<b>168.6</b>	<b>110.3</b>
<b>Expenses</b>						
General Government	27.2	24.5	-	-	27.2	24.5
Public Safety	27.9	25.7	-	-	27.9	25.7
Public Services	59.2	71.9	-	-	59.2	71.9
Interest on Long-Term Debt	6.2	5.9	-	-	6.2	5.9
Solid Waste	-	-	1.6	1.7	1.6	1.7
Landscape	-	-	0.2	0.2	0.2	0.2
Sewer Charge	-	-	1.5	1.1	1.5	1.1
Street Maintenance	-	-	0.2	0.2	0.2	0.2
<b>Total Expenses</b>	<b>120.6</b>	<b>128.0</b>	<b>3.5</b>	<b>3.2</b>	<b>124.0</b>	<b>131.3</b>
<b>Increase in Net Position, before transfers</b>	<b>44.3</b>	<b>(21.2)</b>	<b>0.2</b>	<b>0.4</b>	<b>44.6</b>	<b>(20.8)</b>
<b>Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Increase (decrease) in Net Position</b>	<b>44.3</b>	<b>(21.2)</b>	<b>0.2</b>	<b>0.4</b>	<b>44.6</b>	<b>(20.8)</b>
<b>Net Position at July 1</b>	<b>306.6</b>	<b>327.1</b>	<b>12.6</b>	<b>12.9</b>	<b>319.1</b>	<b>340.0</b>
<b>Restatements</b>	<b>-</b>	<b>0.7</b>	<b>-</b>	<b>(0.7)</b>	<b>-</b>	<b>(0.1)</b>
<b>Net Position, June 30</b>	<b>\$ 350.9</b>	<b>\$ 306.6</b>	<b>\$ 12.8</b>	<b>\$ 12.6</b>	<b>\$ 363.7</b>	<b>\$ 319.2</b>

The government's net position increased \$44.6 million (Table 2), with total revenues of \$168.6 million, total expenses of \$124.0 million. The change in Net Position is approximately 12.2 percent of the total Net Position of \$363.7 million. Program Revenues were \$47.6 million and General Revenues were \$121 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 \$24.4 million. Other program revenues which are applied directly against the costs of providing these services are Operating Grants and Contributions and Capital Grants and Contributions at \$17.2 million and \$6.0 million, respectively.

*General Revenues* include the next three largest categories. Sales Tax is now the largest single revenue category at \$36.3 million (includes \$15.1 million in Sales Tax related to Measure E) and is followed by Property Tax at \$34.0 million (includes \$6.9 million in Motor Vehicle In-Lieu Funds). The third largest revenue source was TOT with \$32.0 million followed by Use of Money and Property with \$11.7 million.

In comparison to the prior fiscal year, the government's total revenues increased by \$58.3 million. Program revenues increased by \$13.6 million and General Revenues increased by \$44.7 million. For Program revenues, Charges for Services increased by \$3.5 million, and Operating Grants and Contributions increased by \$11.1 million. Charges for Services increased mainly due to increases in Parking Fines of \$1.7 million and Permitted signs of \$0.5 million and Building permits by \$0.5 million. Operating Grants and Contributions increased by \$11.1 million mainly due to \$8.7 million in federal grants, the American Rescue Plan Act (ARPA), and \$1.5 million increase in Prop A Increment on traded funds. The ARPA funds were allocated to General Governmental Services and included but not limited to Social Services, Information Technology Services, Maintenance and Repair of City Facilities, Community Support and Community Special Events including Tourism support services to pandemic related expenses that provided for the mitigation and mediation of the negative economic impact of the COVID-19 public health emergency.

For General Revenues, the increase of \$44.7 million from the prior year is brought about by the following three main sources of revenue: TOT increased by \$22.3 million, Sales Taxes increased by \$17.3 million, and Property Taxes increased by \$0.7 million. The biggest increase came from the TOT as the commuter and leisure travel started to pick-up after the COVID-19 restrictions were lifted. Sales Taxes also increased mainly due to Sales Tax Measure E which aggregated \$15.1 million this year. Property tax revenues increased by \$0.7 million as it continues to show strong and steady gains due to a combination of factors, including rising property values, sale transactions and the addition of new buildings in the City's property tax roll.

In addition to increases in various tax revenues, the Use of Money and Property also increased by \$3.7 million. The increase is mainly due to lease revenues aggregating \$3.5 million resulting from the new accounting pronouncements on leases. These lease revenues are from the billboard revenues and bus shelter revenues received during the year.

Compared to prior year, the government's total expenses decreased by \$7.3 million. The top three expense categories continue to be Public Services at \$59.2 million, Public Safety at \$27.9 million, and General Government at \$27.3 million.

Public Services decreased by \$12.7 million since last year's balance included \$11.3 million affordable housing loans issued, while this year, there were no loans issued. The decrease in Public Services was offset by increases in General Government by \$2.8 million and Public Safety by \$2.2 million. General Government increased mainly due to \$1.0 million increase in Prop-A Traded funds and \$0.5 million increase in liability insurance premiums and claims during the year. Public Safety expenses increased by \$2.2 million due to the annual cost of living and liability insurance adjustments in the Sheriff costs. In addition, police service costs related to special events increased as some of the large special events were held this year.

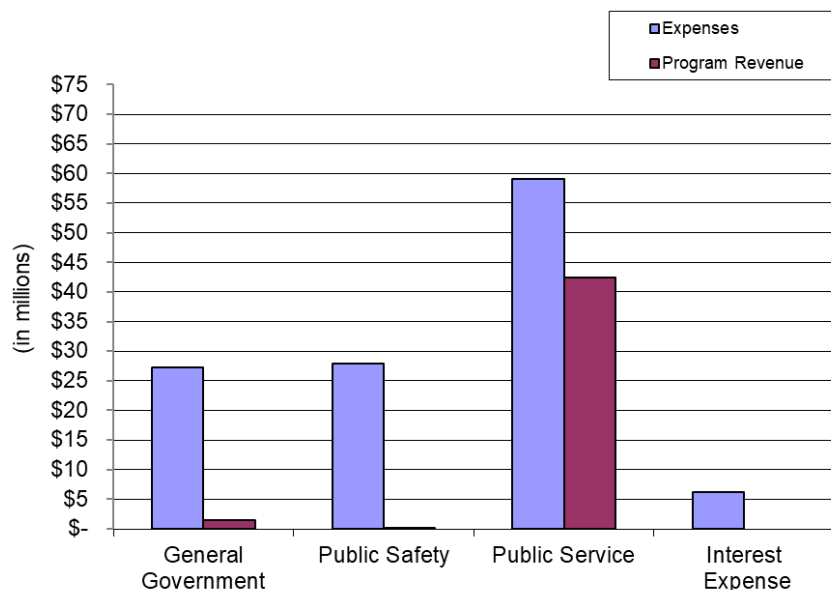
#### Governmental Activities

Governmental activities increased the City's *net position* by \$44.3 million (Table 2). The cost of all governmental activities this year was \$120.6 million or 97.3 percent of the *primary government* expenses and decreased by \$7.4 million from the prior year.

As shown in the *Statement of Activities* on pages 39-40, the amount that taxpayers financed through City taxes was \$108.9 million. The other portion of the costs was paid by those who directly benefited from the programs (\$20.7 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$23.2 million), and by use of money and property and other revenues (\$11.7 million). The City used part of the \$121.0 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)**

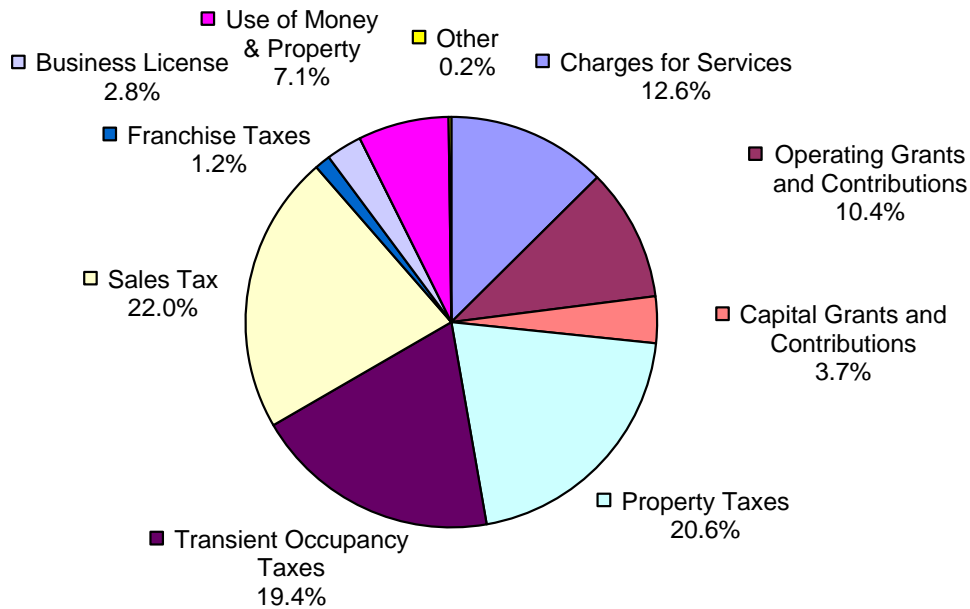


Graph 1 presents the costs of each of the City’s three functions – General Government, Public Safety, Public Service, plus interest on long-term debt as well as the program’s revenues. The net cost (total cost less *program revenues*) is the amount that was paid from *general revenues*.

*General Government* had expenses of \$27.3 million with program revenues of \$1.5 million, while *Public Safety* had expenses of \$27.9 million with program revenues of \$0.2 million. Expenses in *Public Services* represented \$59.2 million or 49.0 percent of total expenses for Governmental Activities. Of this amount, \$42.2 million was funded by *program revenues* and the remaining \$16.9 million was funded by general revenues. Interest on long-term debt was \$6.2 million which was funded by general revenues. From the prior year, *General Government* increased by \$2.8 million, *Public Safety* increased by \$2.2 million and *Public Services* decreased by \$12.8 million.

Graph 2 presents Revenues by Source for Governmental Activities. Similar to the government-wide activities, *Charges for Services* is the largest at \$20.7 million or 12.6 percent of total revenues. *Charges for Services* consist of Parking Fines at \$8.6 million; Building and Safety revenue at \$3.5 million; Planning Permits revenue at \$3.1 million; Rent Stabilization fees at \$1.9 million; Encroachment and other permits at \$1.7 million; Traffic Mitigation fees at \$1.0 million; Film Permits at \$0.6 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 14.1 percent of the total, or \$23.2 million. Operating and Capital Grants and Contributions include \$8.8 million of Federal grants and financial assistance; \$2.7 million of Metro Traded Funds; \$3.0 million affordable housing in-lieu fees; \$2.9 million of Proposition A, Proposition C, Measure M and Measure R transit tax; \$1.6 million in State Gas Tax; \$2.0 million of parking meter revenues and \$2.2 million in various Federal, State and County Grants.

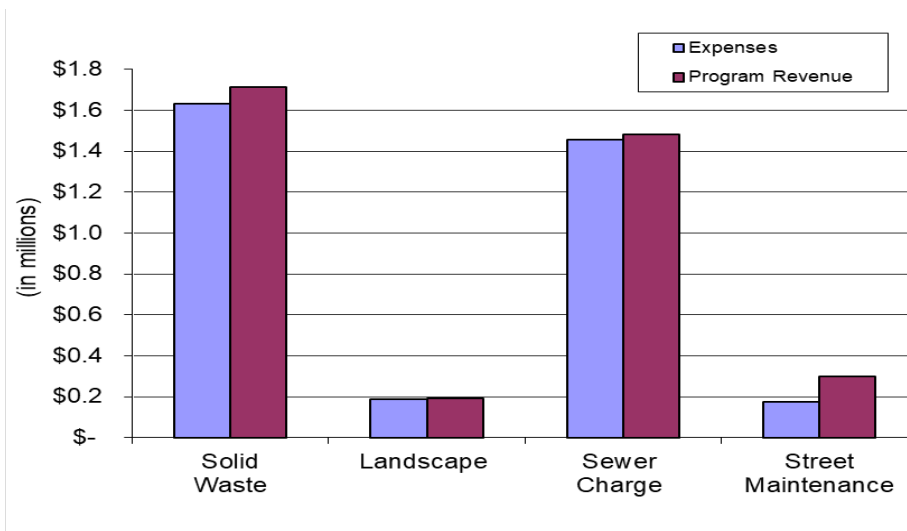
General Revenues for Governmental Activities are the same as those described above in the Government-Wide totals since there were no Business-Type Activities that had similar revenue categories (Table 2). The four major categories were Property Tax at \$34.0 million; TOT at \$32.0 million; Sales Tax at \$36.3 million (all described above) and Use of Money and Property at \$11.7 million. These four sources represented 69.1 percent of the total revenues of Governmental Activities.

**Business-Type Activities**

*Net position* at June 30, 2022, was \$12.8 million, with assets of \$13.6 million, deferred outflows of resources at \$0.1 million and liabilities of \$0.6 and deferred inflows of resources of \$0.3 million. Net investment in capital assets represented the largest portion of net position at 75.0 percent or \$9.6 million (Table 1). The change in Business-type activities net position was nominal at \$0.2 million in 2022 (Table 2). Similar to government-wide activities, Charges for Services is the largest source of revenues at \$3.7 million or 100 percent for Business-Type activities, while the expenses were \$3.5 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 largest fluctuation is in the Street Maintenance Fund and is discussed in next page.

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



Actual program revenues exceeded prior year's program revenues for the Street Maintenance Fund by \$0.1 million due to lower operating expenses. Expenses related to street maintenance rehabilitation work had been scaled back 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 Street Maintenance Fund expenses will increase to equal program revenues.

### **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* provides data on near-term inflows, outflows and balances of *spendable* resources. It is useful in assessing the City's financing requirements; as such, *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 41-43) reported combined ending fund balances of \$235.3 million. Fund Balance designations are: Non-Spendable Fund Balance at \$2.1 million; Restricted Fund Balance at \$84.2 million; Committed Fund Balance at \$24.6 million; Assigned Fund Balance at \$123.9 million; and Unassigned Fund Balance at \$0.5 million.

Governmental (City) Revenues

Table 3 presents a summary of all governmental fund revenues for the fiscal year ended June 30, 2022, 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 2021-22 and 2020-21**

	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>	<u>Variance</u>	<u>% Increase/</u>
	<u>FY 21-22</u>	<u>Revenues</u>	<u>FY 20-21</u>	<u>Revenues</u>	<u>Over/(Under)</u>	<u>(Decrease)</u>
					<u>over last year</u>	<u>over last year</u>
Property tax	\$ 33,860,965	20.7%	\$ 33,333,694	31.1%	\$ 527,271	1.6%
Transient Occupancy Tax	31,951,176	19.5%	9,675,930	9.0%	22,275,246	230.2%
Sales Tax	36,258,528	22.2%	19,025,432	17.7%	17,233,096	90.6%
Other Taxes	9,522,686	5.8%	8,205,148	7.6%	1,317,538	16.1%
Licenses & Permits	9,021,288	5.5%	7,720,766	7.2%	1,300,522	16.8%
Intergovernmental	14,545,763	8.9%	4,693,147	4.4%	9,852,616	209.9%
Charges for Services	2,823,921	1.7%	2,874,028	2.7%	(50,107)	-1.7%
Use of Money & Property	10,275,870	6.3%	9,963,668	9.3%	312,202	3.1%
Fines and Forfeitures	6,954,669	4.2%	5,747,762	5.4%	1,206,907	21.0%
Contributions	-	0.0%	1,980,000	1.8%	(1,980,000)	100.0%
Developer Participation	4,490,512	2.7%	3,616,537	3.4%	873,975	24.2%
Miscellaneous	3,937,754	2.4%	425,024	0.4%	3,512,730	826.5%
<b>TOTAL</b>	<b>\$ 163,643,132</b>	<b>100.0%</b>	<b>\$ 107,261,136</b>	<b>100.0%</b>	<b>\$ 56,381,996</b>	<b>52.6%</b>

Revenues of governmental funds for fiscal year 2021-22 were \$163.6 million, with an increase of \$56.4 million or 52.6% from the prior fiscal year.

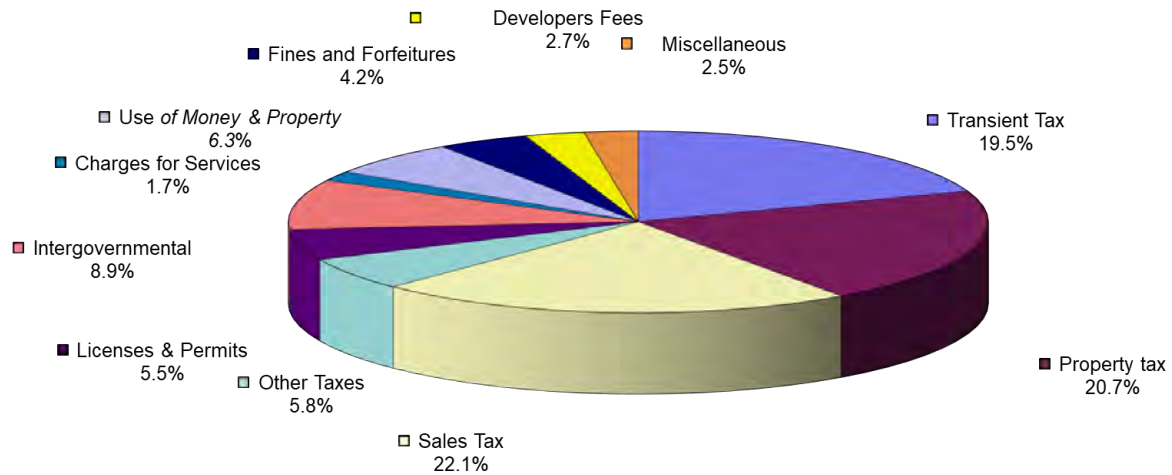
Described below are major fluctuations in governmental funds:

- Property Tax Revenue received in all funds for the current year was \$33.9 million, with an increase of \$0.5 million or 1.6% 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.



- TOT Revenue for the current year was \$32.0 million, with an increase of \$22.3 million or 230.2% from prior year. In FY22, COVID-19 restrictions came to an end, the return of tourism has benefited food service, retail trade industries and hospitality. The City offers tourists a great selection of twenty-one hotels, offering options along the Sunset Strip. The selection includes three new hotels; the Edition and 1 Hotel opened before the pandemic, and the Pendry Hotel West Hollywood which opened in April 2021. Hotel receipts surged to all a new all-time high despite the COVID-19 epidemic.
- Sales Tax Revenue for the current year was \$36.3 million, an increase of \$17.2 million or 90.6% from the prior year. Most of this increase, \$15.0 million, was related to the new Sales Tax Local Measure E, which became effective April 1, 2021. The City's sales tax base is diversified and benefits from evolving consumer tastes toward experiences over discount consumer goods.
- Other Taxes for the current year were at \$9.5 million, this represents an increase of \$1.3 million or 16.1% from prior year. The Other Taxes category includes the Business License Tax, Franchise Fee Tax and Public, Educational and Government (PEG) Revenue.
- Intergovernmental revenue for the current year was \$14.5 million, which increased by \$9.9 million or 209.9% from prior year. This is mainly due to COVID-19 relief funds received by the City from ARPA; as a small city, the City's allocation was \$8.72 million.
- Use of Money & Property for the current year was \$10.3 million, which increased minimally by \$0.3 million. This is mainly due to the following: parking meter and transient parking increased by \$2.0 million compared to \$7.3 million last year. These increases were negated by the decline in market value of investments, which resulted in a total unrealized loss of \$6.2 million for all funds this fiscal year, compared to \$1.3 million unrealized loss last year.
- Fines and Forfeitures for the current year were \$7.0 million, which increased by \$1.2 million, or 21.0% from the previous year. The increase is mainly due to lifting of some temporary parking measures implemented during COVID-19.
- Contributions decreased by \$2.0 million or 100% because last year's balance represented a one-time AIDS Monument contribution.
- Miscellaneous increased by \$3.5 million mainly due to Sunset Spectacular billboard revenues received during the year and booked as lease revenues under the new accounting pronouncement on leases.

**Governmental Fund Revenues – Fiscal Year 2021-22 (Graph 4)**



Governmental (City) Expenditures

Table 4 presents a summary of all governmental fund expenditures for the fiscal year ended June 30, 2022, 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 2021-22 and 2020-21**

	Amount FY 21-22	% of Total Expenditures	Amount FY 20-21	% of Total Expenditures	Variance Over/(Under) over last year	% Increase/ (Decrease) over last year
General Government	\$ 26,740,003	17.6%	\$ 23,480,267	15.4%	\$ 3,259,736	13.9%
Public Safety	27,815,067	18.3%	25,523,560	16.8%	2,291,507	9.0%
Public Services	56,786,374	37.3%	63,803,584	41.9%	(7,017,210)	-11.0%
Total Operating Expenditures	111,341,444	73.1%	112,807,411	74.2%	(1,465,967)	-1.3%
Capital Outlay	29,491,090	19.4%	30,850,821	20.3%	(1,359,731)	-4.4%
Debt Service	11,402,907	7.5%	8,436,283	5.5%	2,966,624	35.2%
<b>TOTAL</b>	<b>\$ 152,235,441</b>	<b>100.0%</b>	<b>\$ 152,094,515</b>	<b>100.0%</b>	<b>\$ 140,926</b>	<b>0.1%</b>

Total governmental expenditures for fiscal year 2021-22 were \$152.2 million, a very minimal increase .01% from the prior fiscal year. General government increased by \$3.3 million or 13.9%, Public Safety increased by \$2.3 million or 9.0% and Debt Service increased by \$3.0 million or 35.2%. These increases were negated by decreases in Public Services by \$7.0 million or 11.0% and Capital Outlay by \$1.4 million or 4.4%.

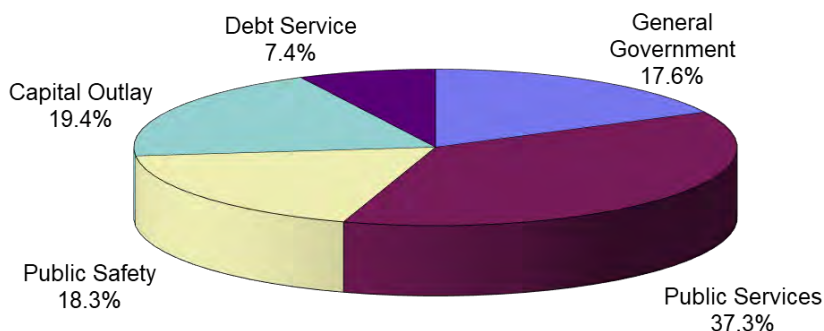
Described below are major fluctuations in governmental expenditures:

- General Government expenditures increased by \$3.3 million or 13.9% from prior year. The increase is mainly due to increase in contract service costs as well as wages and benefits. Costs have risen due to cost-of-living adjustments, living wage impacts, and increases in the costs of underlying supplies and materials.
- Public Safety expenditures increased by \$2.3 million or 9.0% 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 events.
- Public Services expenditures decreased by \$7.0 million or 11.0% because last year's balance included \$11.0 million of housing loans. This year, there are no housing loans issued. The decrease is offset by increases in contract services costs as operating and general maintenance contracts for the city facilities and parking operations increased. In addition, the newly opened West Hollywood Aquatics and Recreation Center has driven higher service costs as additional manpower were hired to operate the center.
- Capital Outlay expenditures were \$29.5 million, a decrease of \$1.4 million from the prior year. The decrease is due to completion of the West Hollywood Park Master Plan Phase II project this current year.
- Debt service expenditures were \$11.4 million, an increase of \$3.0 million due to the debt service of the new 2020 lease revenue bonds.

Graph 5 presents a summary of governmental fund expenditures for the fiscal year ended June 30, 2022 by functions.

**Governmental Fund Expenditures – Fiscal Year 2021-22 (Graph 5)**

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**Proprietary Funds**

These Funds consist of five non-major Enterprise Funds, along with one Internal Service Fund (pages 46-48). The non-major Enterprise Funds are combined into an aggregate presentation in the Proprietary Funds financial statements. Individual fund data is provided in the form of *combining statements* starting on page 135.

Revenues for Enterprise Funds include assessments and other charges for services. Total operating revenues for all Enterprise Funds were \$3.7 million. Operating expenses for the fiscal year were \$3.5 million. The City also has one Internal Service Fund used 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 \$0.6 million.

**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 41 and 43).

### Fund Balance

The fund balance decreased by \$19.6 million during the year and has an ending fund balance of \$41.9 million. The decrease is mainly due to reimbursements to the Debt Funded Capital Projects Fund of \$20.3 million for capital outlays incurred for the West Hollywood Park Master Plan Phase II construction.

### Expenditures

The Capital Project Debt Service fund incurred \$11.3 million of expenditures in the current year, mainly due to principal and interest payments related to the City's 2013, 2016 and 2020 Series A and B 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 41 and 43).

### Fund Balance

The fund balance decreased by \$1.4 million during the year and has an ending fund balance of \$3.5 million. The fund received reimbursements from Capital Projects Debt Service Fund for this year's capital outlay of \$20.3 million related to West Hollywood Park Master Plan Phase II construction. The decrease is mainly due to other capital outlay not reimbursed by Capital Projects Debt Service Fund.

### Expenditures

The Debt Funded Capital Projects Fund incurred \$21.5 million of capital expenditures in the current year. Most of these expenditures are related to the West Hollywood Park Master Plan Phase II construction.

## **General Fund**

### Fund Balance

The General Fund is the chief operating fund of the City (pages 41 and 43). The ending fund balance was \$154.7 million, which was an increase of \$31.7 million (Table 5). Fund balance designations are as follows: Nonspendable Fund Balance was \$2.1 million; Committed Fund Balance was \$24.6 million; Assigned Fund Balance was \$123.9 million; and lastly Unassigned Fund Balance was \$4.0 million.

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

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

	FY 21-22	FY 20-21	FY 19-20	FY 18-19	FY 17-18
Fund Balance					
Nonspendable	\$ 2,077,370	\$ 2,147,584	\$ 2,077,941	\$ 66,600	\$ 53,634
Restricted	-	-	1,255,006	1,255,006	1,255,006
Committed	24,645,511	24,148,689	35,742,733	25,713,228	24,601,571
Assigned	123,911,968	93,630,186	90,680,591	108,253,580	101,723,037
Unassigned	4,024,450	3,022,018	2,176,972	2,987,207	3,280,327
<b>Total Fund Balance</b>	<b>\$ 154,659,299</b>	<b>\$ 122,948,477</b>	<b>\$ 131,933,243</b>	<b>\$ 138,275,621</b>	<b>\$ 130,913,575</b>
Beginning Balance	\$ 122,948,477	\$ 131,933,243	\$ 138,275,621	\$ 130,913,575	\$ 125,204,825
Operating Surplus /(Deficit)	31,710,822	(8,984,766)	(6,342,378)	7,362,046	5,708,750
Ending Balance	\$ 154,659,299	\$ 122,948,477	\$ 131,933,243	\$ 138,275,621	\$ 130,913,575

**Revenues**

For fiscal year 2021-22, General Fund Revenues and Other Financing Sources were \$145.1 million, an increase of \$55.4 million or 61.8% from the previous year. General Fund categories are reflected in Table 6 (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 2021-22 and 2020-21**

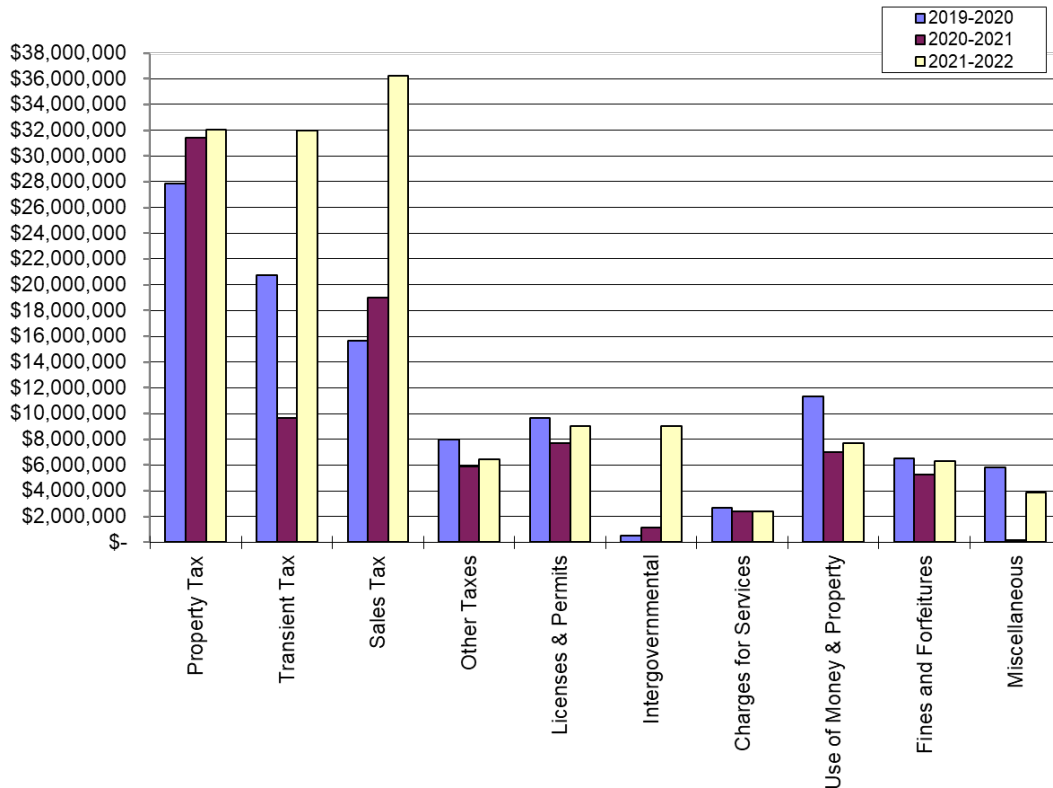
	FY 21-22	FY 20-21	Variance Over/(Under) over last year	% of increase (decrease) over last year	% of total
Property Tax	\$ 32,048,709	\$ 31,420,863	\$ 627,846	2.0%	22.1%
Transient Occupancy Tax	31,951,176	9,675,868	22,275,308	230.2%	22.0%
Sales Tax	36,258,528	19,025,432	17,233,096	90.6%	25.0%
Other Taxes	6,466,536	5,886,764	579,772	9.8%	4.5%
Licenses and Permits	9,021,288	7,720,766	1,300,522	16.8%	6.2%
Intergovernmental	9,035,675	1,143,745	7,891,930	690.0%	6.2%
Charges for Services	2,431,294	2,381,930	49,364	2.1%	1.7%
Use of Money and Property	7,680,946	7,010,689	670,257	9.6%	5.3%
Fines and Forfeitures	6,288,813	5,225,166	1,063,647	20.4%	4.3%
Miscellaneous	3,890,405	176,355	3,714,050	2106.0%	2.7%
<b>Totals</b>	<b>\$ 145,073,370</b>	<b>\$ 89,667,578</b>	<b>\$ 55,405,792</b>	<b>61.8%</b>	<b>100.0%</b>

The key revenues categories of the General Fund were Property Tax at \$32.0 million; TOT at \$32.0 million; Sales Tax at \$36.3 million and Other Taxes at \$6.5 million. Property Tax increased by \$0.6 million, TOT increased by \$22.3 million, Sales Tax increased by \$17.2 million and Other taxes increased by \$0.6 million compared to previous year.

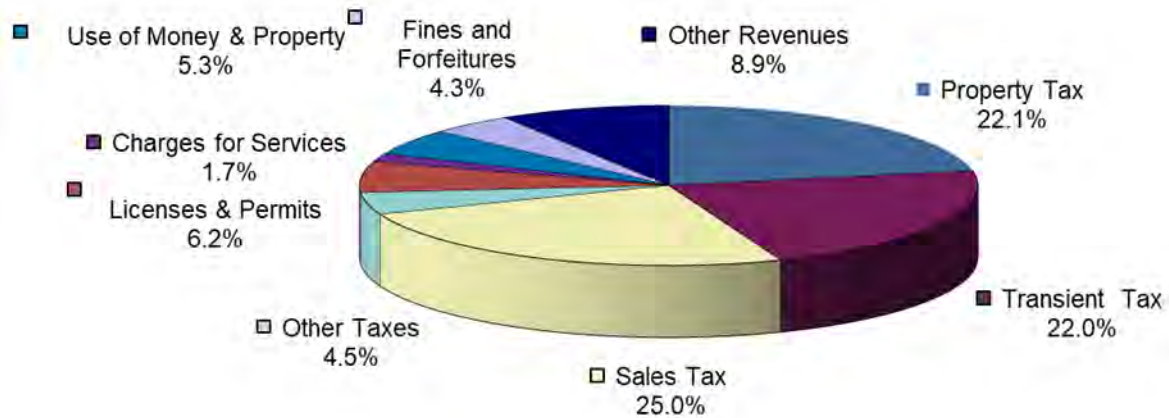
Licenses and Permits at \$9.0 million, increased by \$1.3 million and Intergovernmental revenue increased by \$8.0 million. Since the General Fund comprises the largest portion of the City as a whole and governmental funds, the detailed analysis of key revenues was previously included in Section 3.

Use of Money and Property Revenue for the current year was \$7.7 million, or an increase of \$0.7 million or 9.6% from previous year. The increase is mainly due to the following: parking meter revenue increased by \$2.1 million, negated by unrealized loss on change in fair value of investments which increased by \$4.6 million in the General Fund alone compared to last year.

**Comparison of General Fund Revenues (Graph 6)  
Fiscal Years 2021-22, 2020-21 and 2019-20**



**General Fund Revenues - Fiscal Year 2021-22 (Graph 7)**



Expenditures

For fiscal year 2021-22, total General Fund expenditures were \$113.4 million, an increase of 14.9% or \$14.7 million from the prior year. The following are key points and graphs of General Fund expenditures. For detailed information, please refer to page 43.

**General Fund Expenditures (Table 7)  
Fiscal Years 2021-22 and 2020-21**

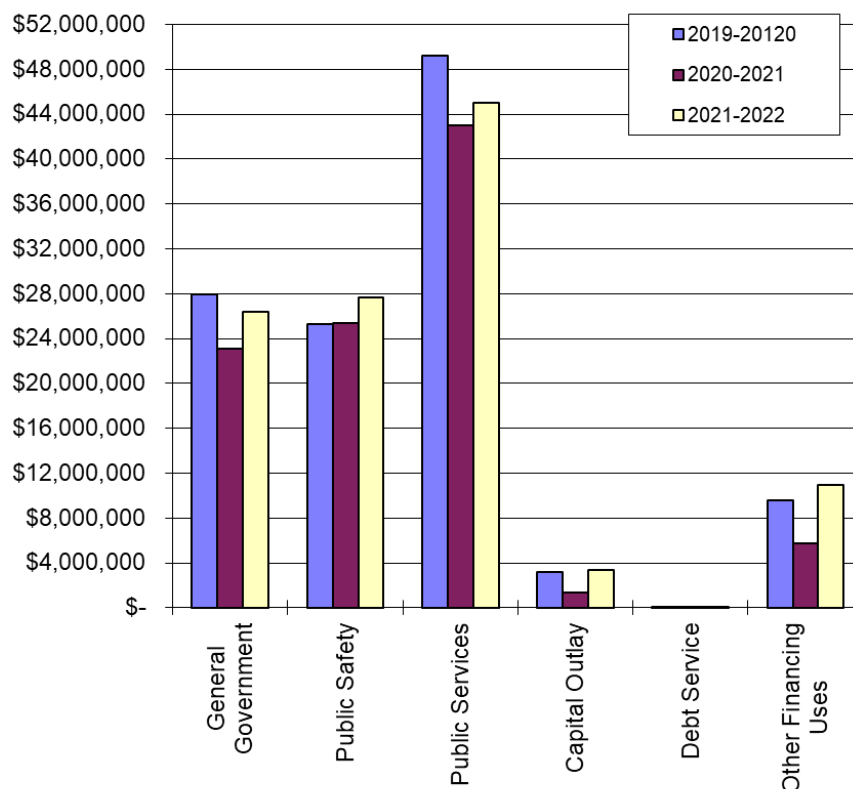
	FY 21-22	FY 20-21	Variance Over/(Under) last year	% of increase (decrease) over last year	% of total
General Government	\$ 26,357,168	\$ 23,132,808	\$ 3,224,360	13.9%	23.3%
Public Safety	27,634,943	25,415,556	2,219,387	8.7%	24.4%
Public Services	45,017,780	42,965,059	2,052,721	4.8%	39.7%
Capital Outlay	3,358,720	1,345,435	2,013,285	149.6%	3.0%
Debt Service	57,567	12,472	45,095	361.6%	0.05%
Other Financing Uses	10,936,370	5,781,014	5,155,356	89.2%	9.6%
<b>Total Expenditures</b>	<b>\$ 113,362,548</b>	<b>\$ 98,652,344</b>	<b>\$ 14,710,204</b>	<b>14.9%</b>	<b>100.0%</b>



Described below are major fluctuations in General Fund expenditures:

- General Government expenditures were \$26.4 million and resulted in an increase of \$3.2 million or 13.9% from the prior year. The increase is mainly due to increase in contract service costs as well as wages and benefits. Costs have risen due to cost-of-living adjustments, living wage impacts, and increases in the costs of underlying supplies and materials.
- Public Safety expenditures were \$27.6 million and resulted in 8.7% increase 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 events.
- Public Service is the largest function in the General Fund with the following four major program areas: 1) Facilities and Field Services at \$9.1 million, 2) Social Services at \$7.2 million, 3) Recreation Services at \$4.3 million, and 4) Parking Services at \$5.0 million. The increase of \$2.1 million is primarily attributed to increases in facilities and field services by \$0.9 million, public facilities by \$0.8 million and recreation services by \$0.5 million, building and safety by \$1.2 million offset by the decrease of \$1.3 million in other program areas. Contract services costs increased driven by increases in operating and general maintenance contracts for city facilities and parking operations. In addition, the newly opened West Hollywood Park Aquatics and Recreation Center has driven additional services cost due to hiring of additional employees and increases in supplies and materials.
- Other financing uses were \$10.9 million and resulted in an 89.2% increase mainly due to increases in General Fund's transfers out to Debt Service Fund Capital Projects due to increases in debt service payments for the bonds during the year.

**Comparison of General Fund Expenditures (Graph 8)  
Fiscal Years 2021-22, 2020-21 and 2019-20**



**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 45; the following are budgetary highlights of the General Fund:

**Resources (Inflows)**

The General Fund’s budgeted amount for *revenues* (resources available for appropriation) increased by \$17.9 million from the original budget of \$104.0 million to the final amended budget of \$121.9 million. The increase was mainly due to \$7.5 million increase in budgeted amount for Taxes and \$8.7 million increase in Intergovernmental Revenues. The City conservatively budgeted for revenues during COVID-19 pandemic; when the restrictions were lifted, the City made adjustments to increase the projected revenues during its mid-year review.

In total, actual revenues exceeded the budgeted amounts by \$23.2 million for the following reasons: The City's Taxes were above the budgeted amount by \$21.5 million. The City's actual Property tax of \$29.4 million were above the budgeted amount of \$28.9 million. Sales and Use Tax also resulted in favorable variance of \$8.0 million from budgeted amount of \$28.3 million mainly due to Sales Tax Local Measure E of \$15.0 million. TOT of \$32.0 million were above the budgeted amount of \$21.9 million. These favorable variances resulted from the continued relaxation of public health restrictions related to COVID-19 pandemic. With the ending of pandemic-related restrictions, tourism returned to the City resulting in the gains in several sectors such as general consumer goods, restaurant activity (casual dining and fine dining), hotels and leisure/entertainment venues, Sales Tax and TOT revenues bouncing back to new highs.

Revenues reached the budgeted amounts in the Miscellaneous category due to the recognition of lease income under Governmental Accounting Standards Board (GASB) Statement No. 87 offset by the decrease in public benefit payments, which can fluctuate from year to year. The excess of revenues over budgeted amounts in this category was approximately \$2.8 million.

#### Appropriations (Outflows)

The difference between the General Fund's original expenditure budget and the final expenditure budget was an increase of \$26.8 million in appropriations. Major increases from adopted budget to the final budget were due to: increases in capital outlay of \$14.0 million carried from prior years, which includes an increase of \$2.8 million for Coast Playhouse property improvement, \$2.5 million in Streetscape Projects, \$2.0 million for the Communication Technology Infrastructure Projects, and \$1.2 million for City Hall improvements projects. In addition, General Government, Public Safety and Public Services increased due to the increases in Social Services contracts by \$2.0 million, increases in cost associated to temporary employees by \$1.3 million, increases in New Initiatives rollovers by \$2.1 million; and rollovers related to mitigation on the Sunset-La Cienega project of \$1.3 million.

The difference between the General Fund's final budget and actual expenditures was a \$24.3 million excess final budget amounts over actual expenditures. Most of the variances were due to the following items which will be carried forward to Fiscal Year 2022-23: \$11.8 million in Capital Projects that were not completed during the fiscal year; \$1.7 million in remaining funds for New Initiatives that begun in the previous years; and \$2.0 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, 2022, is \$363.6 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, and infrastructure. They are long-term improvement and maintenance programs designed to preserve the City's physical systems and facilities. The programs are broad, and include land and building acquisitions, development of off-street parking, street and sidewalk rehabilitation, sewer reconstruction, public lighting projects, affordable housing development, and park acquisition and renovations. The major capital asset currently under construction is the West Hollywood Park Phase II Project and is reflected below as Construction in Progress. Additional information about the City's capital assets can be found in the Notes to the Financial Statements on pages 69-70.

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

	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2022	2021	2022	2021	2022	2021
Land	\$ 69,248	\$ 69,248	\$ -	\$ -	\$ 69,248	\$ 69,248
Buildings and systems	197,115	76,814	-	-	197,115	76,814
Improvements other than buildings	17,300	15,055	-	-	17,300	15,055
Machinery and Equipment	2,608	3,128	-	-	2,608	3,128
Infrastructure	56,395	54,742	9,590	10,037	65,985	64,778
Leasehold Improvement	71	192	-	-	71	192
Right-of-use lease asset	1,032	-	-	-	1,032	-
Construction in progress	10,210	111,707	-	-	10,210	111,707
<b>Total Capital Assets</b>	<b>\$ 353,979</b>	<b>\$ 330,886</b>	<b>\$ 9,590</b>	<b>\$ 10,037</b>	<b>\$ 363,570</b>	<b>\$ 340,923</b>

Long-Term Debt

At year end, the City had \$226.2 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 2013 Bonds, Lease Revenue 2016 Bonds, Lease Revenue 2020 Series A & B bonds, Net Pension Liability, Net OPEB Liability and Right-of-use lease Liability.

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

	Governmental Activities			
	2022	2021	Variance Over/(Under) over last year	% of increase (decrease) over last year
Capital lease payable	\$ 71	\$ 94	\$ (23)	-24.5%
Claims payable	3,264	2,286	978	42.8%
Compensated Absences	7,205	6,767	438	6.5%
Lease Revenue - 2013	16,148	16,581	(433)	-2.6%
Lease Revenue - 2016	87,202	91,168	(3,966)	-4.3%
Lease Revenue - 2020 Series A&B	89,147	89,806	(659)	-0.7%
Net Pension Liability	20,619	46,149	(25,530)	-55.3%
Net OPEB Liability	1,495	1,419	76	5.4%
Right-of-use lease liability	1,037	-	1,037	100.0%
<b>Total Long-Term Debt</b>	<b>\$ 226,188</b>	<b>\$ 254,270</b>	<b>\$ (28,082)</b>	<b>-11.0%</b>

Compensated Absences had an increase of \$0.4 million or 6.5% increase with an outstanding balance of \$7.2 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.

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's governmental activities, the Net Pension Liability is \$20.6 million as of June 30, 2022.

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 as of June 30, 2022, is \$1.5 million.

During the fiscal year ended June 30, 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87-Leases, which requires that the lease liability be recorded. For the City, the Right-of-use lease liability is \$1.0 million as of June 30, 2022.

Additional information about the City's long-term debt can be found in the *Notes to the Financial Statements* on pages 71-86; Note Numbers 7 to 9.

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

Although the focus of this report is based on the economic condition of the City prevailing as of June 30, 2022, there are always local, state, federal and global issues that require consideration because of their future economic impact to the city.

Over the past decade, the City has experienced significant revenue growth as the local, regional, and national economies continued to grow. The City's conservative approach in managing its resources, even in times of economic growth, was instrumental in building healthy reserves that the City could use during challenging times, such as the COVID-19 pandemic. Since March 2020, uncertainties at the state, national, and global level due to the COVID-19 pandemic had determined the course of the economy and local governments have been impacted. The COVID-19 pandemic had a negative impact on the City's Revenues in FY20 and FY21. In FY22, as COVID-19 pandemic moved into COVID-19 epidemic, City's Revenues have recovered and exceeded pre-pandemic levels. This massive improvement was underpinned by a rebound in tourism, which surged to a new all-time high despite the COVID-19 epidemic. Though these challenging times, the City has been able to maintain most of its service levels during the COVID-19 pandemic/epidemic while also maintaining a healthy General Fund Reserve, because of its prudent fiscal management.

As we move forward into our 38<sup>th</sup> year of being a municipality, the City's conservative and inclusionary approach considers our economic commitment to constituents, workers, business owners and the City. Throughout the COVID-19 pandemic/epidemic, the City has been providing emergency social services support to the City community in several areas: eviction protection and defense, rental assistance and emergency services for our seniors and vulnerable constituents. The goal of the City's social and economic programs is to prevent displacement from the community by improving the quality of community members by focusing on the Community Safety and Well Being Strategic Priorities.

The Community Safety and Well Being Strategic Priorities emerged from the analysis (feedback) provided by the WeHo community. The ten strategic priorities include crime prevention, emergency preparedness, support for the homelessness, provide affordable housing thus eliminating housing insecurity, respond to mental health and substance use, provide support to community members experiencing poverty and food insecurity, support older adults' community members, develop local law enforcement trust, transparency and accountability, understand system capacity and utilize innovation, update existing and create new system connectivity.

The adopted budget for fiscal year ending June 30, 2022, is reflective of the economic rebound of the City. In FY22, as the COVID-19 pandemic continues, by all accounts, so does the West Hollywood economy that continues roaring along. Even with instability in the stock market, the crisis in Ukraine, the global price of crude oil, and the U.S. Federal Reserve Board tackling inflation with a series of rate increases, consumer spending continued at a strong pace. The City will continue to monitor its revenues closely in the upcoming year.

The City depends on the three top revenues, sales tax, property tax, and TOT to provide a significant portion of its municipal revenues. Other important revenue in the upcoming year also includes Digital Billboard Revenue. The following provides an overview of these revenues for the upcoming year:

#### Sales Tax

In FY 2022/23, Sales Tax revenues are projected to be \$32.3 million, an increase from prior year of \$7.3 million, that includes the increase in Measure E. Measure E was enacted to address the COVID-19 revenue shortfall and longer-term impacts to the economy from COVID-19. Measure E will help the City maintain various services that West Hollywood residents indicated were important, these services included addressing homelessness; expanding health and mental health services; retaining local businesses and jobs; keeping public areas clean and safe; maintaining HIV and AIDS health services; and supporting disaster preparedness.

The County Pool, which includes online sales, increased in FY2020/21 by 15% and by 19% in FY2021/22. Next year, as new cannabis stores continue to open and consumption lounges reopen, the City anticipates that the cannabis tax revenue Measure Y, Measure E and sales tax revenue will continue to increase.

#### Property Tax

The initial information received indicates a strong real estate market in the Southern California region that led to growth in the City's property tax base. The City experienced a net taxable value increase of 6.2% for the FY2022/23 tax roll,

that was slightly more than the increase experience countrywide at 4%. The assessed value increase between FY2021/22 and FY2022/23 was \$940 million. Recent sales and new developments were the causes of the largest change in value between years.

Property tax revenue continues to show strong and steady gains due to a combination of factors, including rising property values, sales transactions, and the addition of new buildings to the City's property tax roll. According to HdL Companies report, the median sale price of West Hollywood detached single-family homes from January through October 2022 was \$2,250,000, an increase of \$250,000 or 12.5% from the median sale price in the same period for 2021. These developments have positively impacted property tax revenues in the City and will lead to further property tax revenues in the future, as well as new sales tax, TOT and other revenues. It is important to note that even though property tax was not impacted during the pandemic, the City is mindful that any impacts pertaining to potential appeals of property values take time, and impacts might be delayed; this revenue source will be cautiously monitored.

## TOT

FY2022/23 projections of TOT revenues reflect a substantial rebound in tourism and travel to the region. With much of the world reopened, 2023 is shaping up to be the year travel officially bounces back, guests are coming from all over. The iconic Sunset Strip continues to draw local and international tourism by providing exceptional service for visitors and the local community. Travelers remain enchanted by the City's glamorous hotels along Sunset Strip. The City offers 21 of the Best-in-Class hotels. The City's tourism industry has historically been the strongest sector for both employment and tax revenue. In FY22, restrictions were lifted, and tremendous pent-up demand was released, thus this led to a strong rebound. The City is taking a moderate approach to estimating the recovery speed and volume of tourism. In FY22/23, the budget for TOT is \$28.0 million, the City has received \$11.6 million in TOT revenues (Oct 2022) in FY2022/23, that's an increase of 27% compared to the \$9.2 million (Oct 2021) for the same time period received in FY2021/22.

## Digital Billboard Revenue

The City serves as the custodian of the billboard legacy on the Sunset Strip and has ensured that the vibrancy stays contemporary, while honoring its heritage. The City's landscape is about to change, the City will be home to 21 digital signs on the Strip. Currently, the City is reviewing additional billboard projects and will expand the Sunset Arts and Advertising program. In the coming year, approximately five signage projects will be rolled out. The Sunset Spectacular is the first digital media project in a decade on the Sunset Strip and is estimated to generate \$3.5 million annually. These partnerships will promote the arts in the City, as well as financially support social and economic programs for our seniors and the vulnerable members of the community.



As we move from the pandemic to epidemic, we will remain focus on the City's economic recovery and on the Communities Safety and Well Being. The City is a key destination sought out by international and local visitors. We expect international visitors will 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).

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# Basic Financial Statements



THE DIVER, on Santa Monica Blvd at Holloway

Photo by Jon Viscott

**City of West Hollywood  
Statement of Net Position  
June 30, 2022**

	Primary Government		
	Governmental Activities	Business- Type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 210,738,316	\$ 3,735,451	\$ 214,473,767
Receivables:			
Accounts	10,285,830	36,029	10,321,859
Notes and Loans	692,595	-	692,595
Accrued Interest	194,467	3,493	197,960
Leases	54,297,156	-	54,297,156
Internal Balances	21,378	(21,378)	-
Prepaid Costs	1,987,370	-	1,987,370
Deposits	119,000	-	119,000
Due from Other Funds	205,594	-	205,594
Due from Other Governments	14,270,694	233,469	14,504,163
Restricted Assets:			
Cash Held in Escrow	4,344,449	-	4,344,449
Cash and Investments with Fiscal Agents	35,653,795	-	35,653,795
Capital Assets Not Being Depreciated	79,458,462	-	79,458,462
Capital Assets, Net of Accumulated Depreciation	<u>274,520,933</u>	<u>9,590,313</u>	<u>284,111,246</u>
Total Assets	<u>686,790,039</u>	<u>13,577,377</u>	<u>700,367,416</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts from Pension	7,617,418	137,233	7,754,651
Deferred Amounts from OPEB	<u>644,106</u>	<u>-</u>	<u>644,106</u>
Total Deferred Outflows of Resources	<u>8,261,524</u>	<u>137,233</u>	<u>8,398,757</u>
<b>LIABILITIES</b>			
Accounts Payable	20,079,665	231,157	20,310,822
Accrued Liabilities	2,612,735	-	2,612,735
Accrued Interest	1,733,024	-	1,733,024
Unearned Revenue	7,348,196	-	7,348,196
Deposits Payable	11,970,687	-	11,970,687
Due to Other Governments	500,928	-	500,928
Noncurrent Liabilities:			
Due Within One Year	6,593,545	-	6,593,545
Due in More than One Year:			
Long-term Liabilities	197,480,845	-	197,480,845
Net Pension Liability	20,618,779	371,462	20,990,241
Net OPEB Liability	<u>1,494,640</u>	<u>-</u>	<u>1,494,640</u>
Total Liabilities	<u>270,433,044</u>	<u>602,619</u>	<u>271,035,663</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Gain on Refunding	1,123,072	-	1,123,072
Deferred Amounts from Leases	53,202,723	-	53,202,723
Deferred Amounts from Pension	18,354,522	330,670	18,685,192
Deferred Amounts from OPEB	<u>1,044,169</u>	<u>-</u>	<u>1,044,169</u>
Total Deferred Inflows of Resources	<u>73,724,486</u>	<u>330,670</u>	<u>74,055,156</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	185,966,699	9,590,313	195,557,012
Restricted for:			
Public Services	36,081,013	-	36,081,013
Capital Projects	22,668,256	-	22,668,256
Unrestricted	<u>106,178,065</u>	<u>3,191,008</u>	<u>109,369,073</u>
Total Net Position	<u>\$ 350,894,033</u>	<u>\$ 12,781,321</u>	<u>\$ 363,675,354</u>

See accompanying Notes to Basic Financial Statements.

**City of West Hollywood  
Statement of Activities  
Year ended June 30, 2022**

FUNCTIONS/ PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$ 27,330,340	\$ 1,271,140	\$ 229,099	\$ -
Public Safety	27,902,347	63,053	160,806	-
Public Services	59,149,179	19,354,053	16,817,022	6,049,971
Interest and Fiscal Charges	6,195,621	-	-	-
Total Governmental Activities	<u>120,577,487</u>	<u>20,688,246</u>	<u>17,206,927</u>	<u>6,049,971</u>
<b>Business- Type Activities:</b>				
Sewer Charge	1,457,011	1,484,181	-	-
Solid Waste	1,632,043	1,713,648	-	-
Landscape District	189,932	190,336	-	-
Street Maintenance	176,994	299,356	-	-
Total Business- Type Activities	<u>3,455,980</u>	<u>3,687,521</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 124,033,467</u>	<u>\$ 24,375,767</u>	<u>\$ 17,206,927</u>	<u>\$ 6,049,971</u>

**GENERAL REVENUES**

Taxes:
Property Taxes, Levied for General Purposes
Transient Occupancy Taxes
Sales Taxes
Sales Taxes - Measure E
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**

See accompanying Notes to Basic Financial Statements.

**City of West Hollywood  
Statement of Activities (Continued)  
Year ended June 30, 2022**

<u>Net Revenue (Expenses) and Changes in Net Position</u>		
<u>Primary Government</u>		
<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (25,830,101)	\$ -	\$ (25,830,101)
(27,678,488)	-	(27,678,488)
(16,928,133)	-	(16,928,133)
<u>(6,195,621)</u>	<u>-</u>	<u>(6,195,621)</u>
<u>(76,632,343)</u>	<u>-</u>	<u>(76,632,343)</u>
-	27,170	27,170
-	81,605	81,605
-	404	404
-	122,362	122,362
<u>-</u>	<u>231,541</u>	<u>231,541</u>
<u>(76,632,343)</u>	<u>231,541</u>	<u>(76,400,802)</u>
33,974,924	-	33,974,924
31,952,360	-	31,952,360
21,113,053	-	21,113,053
15,145,475	-	15,145,475
2,032,198	-	2,032,198
4,644,216	-	4,644,216
11,750,404	(75,239)	11,675,165
352,021	-	352,021
<u>120,964,651</u>	<u>(75,239)</u>	<u>120,889,412</u>
44,332,308	156,302	44,488,610
306,561,725	12,625,019	319,186,744
<u>\$ 350,894,033</u>	<u>\$ 12,781,321</u>	<u>\$ 363,675,354</u>

*See accompanying Notes to Basic Financial Statements.*

**City of West Hollywood  
Governmental Funds  
Balance Sheet  
June 30, 2022**

	<u>General Fund</u>	<u>Capital Projects Fund Debt Funded Capital Projects</u>	<u>Debt Service Fund Capital Projects Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Investments	\$ 151,762,584	\$ 4,107,269	\$ 12,197,776	\$ 42,466,906	\$ 210,534,535
Receivables:					
Accounts	10,061,532	-	-	224,298	10,285,830
Notes and Loans	191,667	-	-	500,928	692,595
Accrued Interest	143,836	-	11,375	39,072	194,283
Leases	54,297,156	-	-	-	54,297,156
Prepaid Costs	1,958,370	-	-	-	1,958,370
Deposits	119,000	-	-	-	119,000
Due from Other Governments	12,637,921	-	-	1,632,773	14,270,694
Due from Other Funds	2,586,624	5,945,988	-	-	8,532,612
Restricted Assets:					
Cash Held in Escrow	-	4,344,449	-	-	4,344,449
Cash and Investments with Fiscal Agents	-	-	35,653,795	-	35,653,795
Total Assets	<u>\$ 233,758,690</u>	<u>\$ 14,397,706</u>	<u>\$ 47,862,946</u>	<u>\$ 44,863,977</u>	<u>\$ 340,883,319</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 9,031,188	\$ 5,989,415	\$ -	\$ 5,035,184	\$ 20,055,787
Accrued Liabilities	2,612,735	-	-	-	2,612,735
Unearned Revenues	6,960,114	146,960	-	241,122	7,348,196
Deposits Payable	7,018,582	4,753,735	-	198,370	11,970,687
Due to Other Governments	-	-	-	500,928	500,928
Due to Other Funds	-	-	5,945,988	2,381,030	8,327,018
Total Liabilities	<u>25,622,619</u>	<u>10,890,110</u>	<u>5,945,988</u>	<u>8,356,634</u>	<u>50,815,351</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Leases	53,121,620	-	-	81,103	53,202,723
Unavailable revenues	355,152	-	-	1,178,031	1,533,183
Total Deferred Inflows of Resources	<u>53,476,772</u>	<u>-</u>	<u>-</u>	<u>1,259,134</u>	<u>54,735,906</u>
<b>FUND BALANCES</b>					
Nonspendable:					
Prepaid Costs	1,958,370	-	-	-	1,958,370
Deposits	119,000	-	-	-	119,000
Restricted:					
Public Services	-	-	-	34,902,982	34,902,982
Capital Projects	-	3,507,596	41,916,958	3,888,056	49,312,610
Committed to:					
Emergency Contingency	6,512,876	-	-	-	6,512,876
Continuing Appropriations	18,132,635	-	-	-	18,132,635
Assigned to:					
Self-Insurance	5,000,000	-	-	-	5,000,000
Capital Projects	29,600,000	-	-	-	29,600,000
Future Expenditures	7,205,019	-	-	-	7,205,019
Working Reserve	69,551,506	-	-	-	69,551,506
Debt Service	6,754,800	-	-	-	6,754,800
Unfunded Pension Costs	5,800,643	-	-	-	5,800,643
Unassigned	4,024,450	-	-	(3,542,829)	481,621
Total Fund Balances	<u>154,659,299</u>	<u>3,507,596</u>	<u>41,916,958</u>	<u>35,248,209</u>	<u>235,332,062</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 233,758,690</u>	<u>\$ 14,397,706</u>	<u>\$ 47,862,946</u>	<u>\$ 44,863,977</u>	<u>\$ 340,883,319</u>

See accompanying Notes to Basic Financial Statements.



**City of West Hollywood**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2022**

Fund Balances - Total Governmental Funds \$ 235,332,062

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. 352,947,647

Right-of-use lease asset, net of amortization used in governmental activities are not current resources and, therefore, are not reported in the governmental funds balance sheet. 1,031,748

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	\$ (172,270,000)	
Unamortized bond premiums	(20,325,933)	
Unamortized bond discount	98,559	
Unamortized gain on refunding	(1,123,072)	
Capital leases	(71,297)	
Compensated absences	(7,205,019)	
Claims payable	(3,264,096)	
Right-of-use lease liability	<u>(1,036,604)</u>	
		(205,197,462)

The net OPEB liability 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 and inflows 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	644,106	
Deferred inflows of resources	(1,044,169)	
Net OPEB liability	<u>(1,494,640)</u>	
		(1,894,703)

The net pension liability 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	7,617,418	
Deferred inflows of resources	(18,354,522)	
Net pension liability	<u>(20,618,779)</u>	
		(31,355,883)

Accrued interest payable on long-term debt is not due and payable in the current period and is not reported in the governmental funds. (1,733,024)

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity. 1,533,183

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. 230,465

Net Position of Governmental Activities \$ 350,894,033

*See accompanying Notes to Basic Financial Statements.*

**City of West Hollywood  
Governmental Funds**

**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Year ended June 30, 2022**

	General Fund	Capital Projects Fund Debt Funded Capital Projects	Debt Service Fund Capital Projects Debt Service	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 106,724,949	\$ -	\$ -	\$ 4,868,406	\$ 111,593,355
Licenses and Permits	9,021,288	-	-	-	9,021,288
Intergovernmental	9,035,675	-	-	5,510,088	14,545,763
Charges for Services	2,431,294	-	-	392,627	2,823,921
Use of Money and Property	7,680,946	(129,088)	687,285	2,036,727	10,275,870
Fines and Forfeitures	6,288,813	-	-	665,856	6,954,669
Developer Participation	-	-	-	4,490,512	4,490,512
Miscellaneous	3,890,405	-	-	47,349	3,937,754
Total Revenues	<u>145,073,370</u>	<u>(129,088)</u>	<u>687,285</u>	<u>18,011,565</u>	<u>163,643,132</u>
<b>EXPENDITURES</b>					
Current:					
General Government	26,357,168	-	-	382,835	26,740,003
Public Safety	27,634,943	-	-	180,124	27,815,067
Public Services	45,017,780	-	-	11,768,594	56,786,374
Capital Outlay	3,358,720	21,503,285	-	4,629,085	29,491,090
Debt Service:					
Principal Retirement	43,695	-	4,200,000	10,052	4,253,747
Interest and Fiscal Charges	13,872	-	7,135,288	-	7,149,160
Total Expenditures	<u>102,426,178</u>	<u>21,503,285</u>	<u>11,335,288</u>	<u>16,970,690</u>	<u>152,235,441</u>
<b>EXCESS OF REVENUES UNDER EXPENDITURES</b>	42,647,192	(21,632,373)	(10,648,003)	1,040,875	11,407,691
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	20,253,737	11,339,316	850,000	32,443,053
Transfers out	<u>(10,936,370)</u>	<u>-</u>	<u>(20,253,737)</u>	<u>(1,252,946)</u>	<u>(32,443,053)</u>
Total Other Financing Sources ( Uses)	<u>(10,936,370)</u>	<u>20,253,737</u>	<u>(8,914,421)</u>	<u>(402,946)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	31,710,822	(1,378,636)	(19,562,424)	637,929	11,407,691
Fund Balances - Beginning of Year	<u>122,948,477</u>	<u>4,886,232</u>	<u>61,479,382</u>	<u>34,610,280</u>	<u>223,924,371</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 154,659,299</u>	<u>\$ 3,507,596</u>	<u>\$ 41,916,958</u>	<u>\$ 35,248,209</u>	<u>\$ 235,332,062</u>

See accompanying Notes to Basic Financial Statements.

**City of West Hollywood  
Governmental Funds**

**Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances of Governmental Funds to the Statement of Activities  
Year ended June 30, 2022**

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Net Change in Fund Balances - Total Governmental Funds \$ 11,407,691

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

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

Capital Outlays	\$ 28,857,345	
Depreciation and Amortization Expense	<u>(6,832,026)</u>	22,025,319

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

Principal Repayments	4,253,748	
Amortization of Deferred Charges	46,795	
Amortization of Bond Premiums/ Discounts	<u>856,778</u>	5,157,321

Accrued interest for long- term liabilities. This is the net change in accrued interest for the current period. 49,966

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. (437,898)

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. (978,105)

OPEB expenditures 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. (3,007)

Pension expenditures 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. 5,811,902

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. 1,266,259

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. 32,860

Change in Net Position of Governmental Activities	\$ <u>44,332,308</u>	
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**City of West Hollywood**  
**Budgetary Comparison By Department**  
**General Fund**  
**Year ended June 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Budget</u>
				<u>Positive (Negative)</u>
<b>BUDGETARY FUND BALANCE, JULY 1</b>	\$ 122,948,477	\$ 122,948,477	\$ 122,948,477	\$ -
<b>Resources (Inflows)</b>				
Taxes	77,775,200	85,275,200	106,724,949	21,449,749
Licenses and Permits	7,638,994	9,057,216	9,021,288	(35,928)
Intergovernmental	143,150	8,868,745	9,035,675	166,930
Changes for Services	2,830,575	2,830,575	2,431,294	(399,281)
Use of Money and Property	8,792,750	9,018,988	7,680,946	(1,338,042)
Fines and Forfeitures	5,757,510	5,757,510	6,288,813	531,303
Miscellaneous	1,099,930	1,099,930	3,890,405	2,790,476
Amounts Available for Appropriations	<u>104,038,109</u>	<u>121,908,163</u>	<u>145,073,370</u>	<u>23,165,207</u>
<b>Charges to Appropriations (Outflows)</b>				
Current:				
General Government				
City Council	411,101	664,441	467,720	196,721
City Manager	1,803,643	2,229,654	2,181,902	47,752
Assistant City Manager	3,483,226	3,327,276	3,180,234	147,042
Community and Legislative Affairs	1,964,529	2,019,829	1,980,025	39,804
City Attorney	1,025,000	1,438,000	1,437,384	616
Administrative Services Administration	191,927	382,479	382,440	39
Legal Services	279,516	303,516	302,664	852
City Clerk	1,516,506	1,522,506	1,230,827	291,679
Human Resources	2,510,353	2,540,721	2,480,184	60,537
Communications Administration	722,492	597,877	597,103	774
Arts	1,510,977	1,546,512	1,389,874	156,638
Digital Media	1,177,349	1,309,266	1,306,895	2,371
Media and Marketing	1,080,113	1,135,107	1,096,237	38,870
Finance Administration	834,236	1,996,415	772,122	1,224,293
Revenue	1,142,940	3,032,940	2,958,730	74,210
General Accounting	1,533,851	1,582,851	1,582,312	539
Information Technology	2,388,164	2,601,437	2,222,580	378,857
Innovation	817,362	945,539	787,935	157,604
Public Safety				
Public Safety Administration	3,776,021	3,722,021	3,718,410	3,611
City Police/ Protective Services	20,040,058	21,885,499	21,822,856	62,643
Events and Film Services	1,358,308	2,094,308	2,093,677	631
Public Services				
Human Services Administration	487,831	531,519	414,149	117,370
Social Services	6,777,024	9,087,195	7,172,032	1,915,163
Strategic Initiatives	1,171,086	1,225,017	1,098,420	126,597
Housing and Rent Stabilization Administration	2,185,585	2,335,728	1,943,601	392,127
Facilities and Recreation Services Administration	417,998	418,004	372,389	45,615
Recreation Services	5,719,369	5,784,510	4,296,189	1,488,321
Facilities and Field Services	8,576,228	9,122,997	9,121,058	1,939
Library Building Operations	3,604,294	3,285,591	1,920,237	1,365,354
Planning Development Services	1,389,861	1,492,830	1,309,681	183,149
Current and Historic Preservation Planning	2,336,394	2,495,502	2,030,453	465,049
Building and Safety	2,331,027	3,538,850	2,598,682	940,168
Long Range Planning	2,448,938	3,233,987	1,676,177	1,557,810
Public Works Administration	511,791	533,791	531,807	1,984
Code Compliance	2,839,253	2,817,253	2,756,508	60,745
Parking	5,582,630	5,582,880	4,946,760	636,120
City Engineering	1,013,925	1,041,763	907,038	134,725
Community Services	1,050,073	1,133,046	1,081,936	51,110
Urban Design and Architecture Studio	1,046,295	1,058,894	840,663	218,231
Capital Outlay	1,180,800	15,163,438	3,358,720	11,804,718
Debt Service:				
Principal Retirement	-	12,472	43,695	(31,223)
Interest and Fiscal Charges	-	-	13,872	(13,872)
Transfers Out	10,661,811	10,936,370	10,936,370	-
Total Charges to Appropriations	<u>110,899,885</u>	<u>137,709,831</u>	<u>113,362,548</u>	<u>24,347,283</u>
<b>BUDGETARY FUND BALANCE, JUNE 30</b>	\$ 116,086,701	\$ 107,146,809	\$ 154,659,299	\$ 47,512,490

See accompanying Notes to Basic Financial Statements.

**City of West Hollywood  
Statement of Net Position  
Proprietary Funds  
June 30, 2022**

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Information System Master Plan Internal Service Fund
<b>ASSETS</b>		
Current Assets:		
Cash and Investments	\$ 3,735,451	\$ 203,781
Receivables		
Accounts	36,029	-
Accrued Interest	3,493	184
Prepaid Expenses and Other Assets	-	29,000
Due from Other Governments	233,469	-
Total Current Assets	4,008,442	232,965
Noncurrent Assets:		
Capital Assets, Net of Accumulated Depreciation	9,590,313	-
Total Noncurrent Assets	9,590,313	-
Total Assets	13,598,755	232,965
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Amounts from Pension	137,233	-
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	231,157	23,878
Total Current Liabilities	231,157	23,878
Long- Term Liabilities:		
Net Pension Liability	371,462	-
Total Liabilities	602,619	23,878
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Amounts from Pension	330,670	-
<b>NET POSITION</b>		
Investment in Capital Assets	9,590,313	-
Unrestricted	3,212,386	209,087
Total Net Position	12,802,699	\$ 209,087
Prior years' accumulated adjustment to reflect the consolidation of the internal service fund activities related to the enterprise funds	(33,024)	
Current year's adjustment to reflect the consolidation of the internal service fund activities related to the enterprise funds	11,646	
Net Position of Business- Type Activities	\$ 12,781,321	

*See accompanying Notes to Basic Financial Statements.*

**City of West Hollywood**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**Year ended June 30, 2022**

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Information System Master Plan Internal Service Fund
<b>OPERATING REVENUES</b>		
Sales and Service Charges	\$ 3,616,529	\$ 600,000
Penalties on Assessments	13,113	-
Other Fees and Charges	46,233	-
Total Operating Revenues	3,675,875	600,000
<b>OPERATING EXPENSES</b>		
Administration and General	(3,952)	555,897
Treatment	2,823,808	-
Cost of Sales and Services	189,932	-
Depreciation	446,192	-
Total Operating Expenses	3,455,980	555,897
Operating Income	219,895	44,103
<b>NONOPERATING REVENUES</b>		
Interest Revenue	14,809	403
Net Increase (Decrease) in Fair Value of Investments	(90,048)	-
Total Nonoperating Revenues	(75,239)	403
<b>CHANGE IN NET POSITION</b>		
	144,656	44,506
Net Position - Beginning of Year	12,658,043	164,581
<b>NET POSITION - END OF YEAR</b>	\$ 12,802,699	\$ 209,087
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds	\$ 11,646	
Change in Net Position - Enterprise Funds	144,656	
Change in Net Position of Business - Type Activities	\$ 156,302	

*See accompanying Notes to Basic Financial Statements.*

**City of West Hollywood  
Statement of Cash Flows  
Proprietary Funds  
Year ended June 30, 2022**

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Information System Master Plan Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Customers and Users	\$ 3,677,849	\$ 600,000
Cash Paid to Suppliers for Goods and Services	(2,525,078)	(72,498)
Cash Paid to Employees for Services	(611,896)	(555,897)
Net Cash Provided by (Used in) Operating Activities	540,875	(28,395)
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Interest Received (Paid)	(76,666)	363
Cash Provided by (Used in) Investing Activity	(76,666)	363
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	464,209	(28,032)
Cash and Cash Equivalents - Beginning of Year	3,271,242	231,813
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 3,735,451	\$ 203,781
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Operating Income	\$ 219,895	\$ 44,103
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	446,192	-
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:		
(Increase) Decrease in:		
Accounts Receivable	1,907	-
Prepaid Expenses	-	(29,000)
Due from Other Governments	(133,612)	-
Deferred Outflows from Pension	62,286	-
Increase (Decrease) in:		
Accounts Payable	216,989	(43,498)
Net Pension Liability	(591,305)	-
Deferred Inflows from Pension	318,523	-
Net Cash Provided by (Used in) Operating Activities	\$ 540,875	\$ (28,395)

*See accompanying Notes to Basic Financial Statements.*

**City of West Hollywood**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2022**

	Custodial Funds	Private-Purpose Trust Funds
<b>ASSETS</b>		
Cash and Investments	\$ 879,334	\$ 2,662,829
Receivables:		
Accounts	1,130,866	-
Accrued Interest	793	-
Restricted Assets:		
Cash and Investments With Fiscal Agents	-	581
Capital Assets:		
Capital Assets, Net of Accumulated Depreciation	-	137,817
Total Assets	2,010,993	2,801,227
<b>LIABILITIES</b>		
Accounts Payable	1,766,807	-
Deferred Revenue	-	2,143,471
Accrued Interest	-	142,830
Due to City	205,594	-
Due to County	-	564,274
Long-term Liabilities:		
Due in One Year	-	701,216
Due in More Than One Year	-	18,671,889
Total Liabilities	1,972,401	22,223,680
<b>NET POSITION (DEFICIT)</b>		
Restricted for:		
Individuals, Organizations, and Other Governments	38,592	(19,422,453)
Total Net Position (Deficit)	\$ 38,592	\$ (19,422,453)

*See accompanying Notes to Basic Financial Statements.*



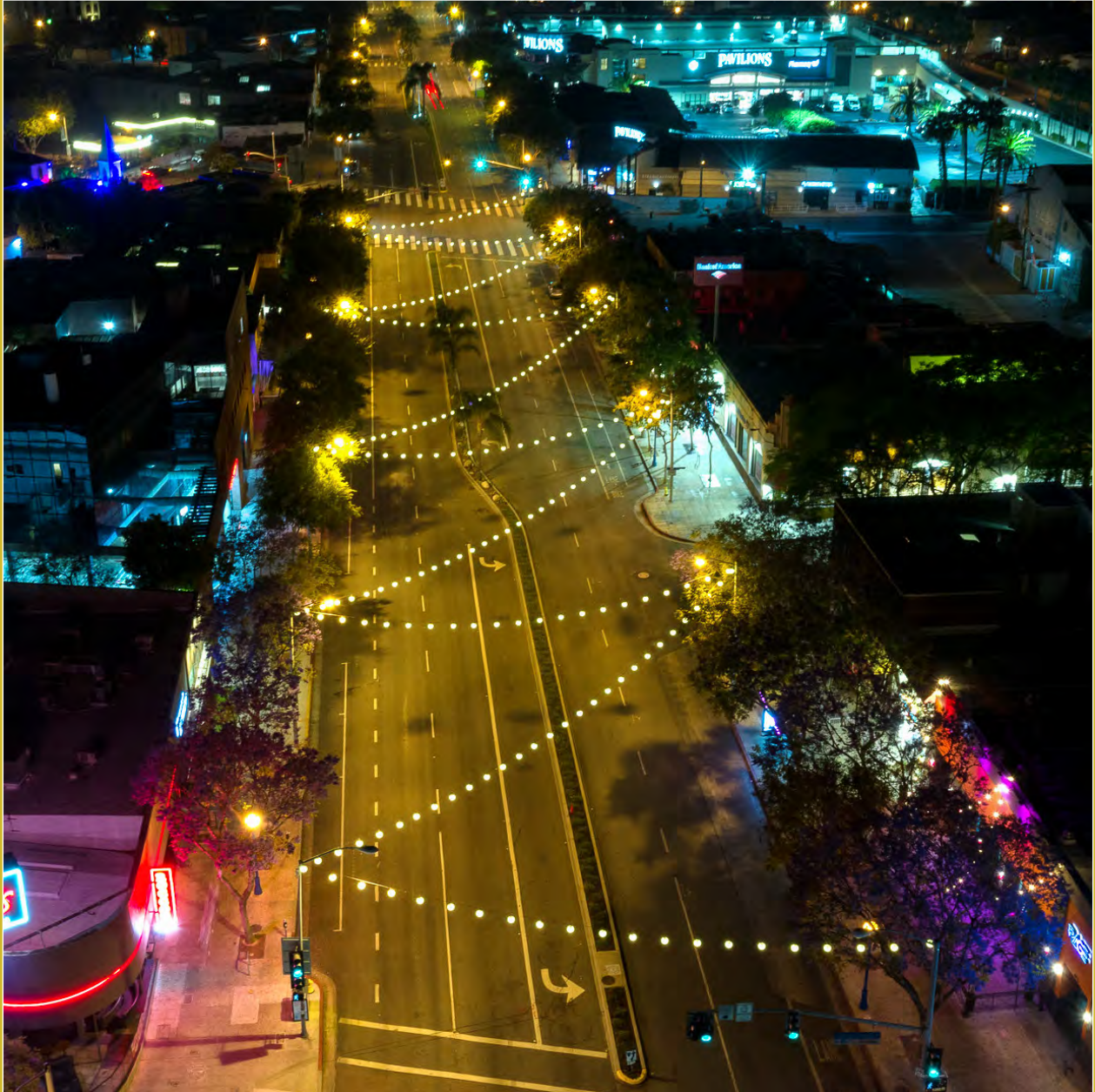
**City of West Hollywood**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**Year ended June 30, 2022**

	Custodial Funds	Private-Purpose Trust Funds
<b>ADDITIONS</b>		
Taxes	\$ -	\$ 252,679
Assessments	8,074,734	-
Change in Fair Value of Investments	-	(68,226)
Interest Earnings	3,441	1,841
Total Additions	8,078,175	186,294
<b>DEDUCTIONS</b>		
Administrative Expenses	-	63,224
Payments to Districts	8,080,299	-
Interest Expense	-	2,182,845
Depreciation	-	3,578
Total Deductions	8,080,299	2,249,647
<b>CHANGE IN NET POSITION</b>	(2,124)	(2,063,353)
Net Position (Deficit) - Beginning of Year	40,716	(17,359,100)
<b>NET POSITION (DEFICIT) - END OF YEAR</b>	\$ 38,592	\$ (19,422,453)

*See accompanying Notes to Basic Financial Statements.*

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# Notes to Financial Section



Transit Workers Appreciation Week, Santa Monica Boulevard

Photo by Jon Viscott

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of Financial Reporting Entity**

The City of West Hollywood (the City) 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 accounting principles generally accepted in the United States of America (U.S. GAAP), 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.

**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, 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 Authority) was established on December 17, 1990, pursuant to Section 34240 of the California Health and Safety Code. The Housing 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, the Housing Authority is reported as if it were part of the primary government because the Housing Authority's governing body is the same as the governing body of the primary government. The Housing Authority's sole purpose is to increase low and moderate housing within the City, and there is a financial benefit/burden relationship with the City.

The West Hollywood Public Facilities Corporation (Corporation) was formed on 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 (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 Public Financing 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.

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

**Government-Wide and Fund Financial Statements**

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

Certain eliminations have been made regarding 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.

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

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

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

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

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.

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

**Fund Classifications**

The City reports the following major governmental funds:

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

The Debt Funded Capital Projects Fund accounts for the receipt and disbursement of monies used for the construction of 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.

The Enterprise Funds account for operations and maintenance of 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.



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

**Fund Classifications (Continued)**

The Custodial 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 Sunset Strip Business Improvement District accounts for assessments that are levied for the improvement of the business and neighboring residential environment on Sunset Boulevard. The Legacy Medical Business Marketing Fund accounts for assessments levied on cannabis businesses for marketing.

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 Governmental Accounting Standards Board (GASB) Pronouncements**

GASB 87, Leases

During the fiscal year ended June 30, 2022, the City implemented GASB Statement No. 87 – Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring 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.

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. The implementation of this new accounting standards resulted in recognition of lease receivable and deferred inflows of resources and lease payable and right to use lease asset in the City's June 30, 2022 financial statements. See also Notes 5, 6 and 9.

**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.

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

**Deposits and Investments and Cash and Cash Equivalents (Continued)**

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

**Receivables and Payables**

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

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

Property tax revenue is recognized in the fiscal year for which the taxes have been levied 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 12:01 a.m. on the first day in January proceeding the fiscal year for which the taxes are levied. Taxes are levied on both real and personal property as it exists on that date. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, on December 10 and April 10, respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent on August 31.

**Prepaid Costs**

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

**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.

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

**Capital Assets (Continued)**

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the 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
Improvements Other Than Buildings	30 - 50 Years
Machinery and Equipment	3 - 10 Years
Vehicles	5 Years
Furniture and Fixtures	7 Years
Office Equipment	5 Years
Leasehold Improvements	3 Years
Infrastructure	30 - 50 Years

**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 assets 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 and OPEB 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 pension and retiree healthcare benefits through the plans.
- Deferred outflow from pension resulting from 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 pension benefits through the plans.

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

**Deferred Outflows/Inflows of Resources (Continued)**

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 assets 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 inflows from leases, which are measured at the present value of future lease payments and reported in the governmental funds Balance Sheet and government-wide Statement of Net Position. These amounts are deferred and recognized as an inflow of resources over the terms of the leases.
- Deferred inflow related to pension and OPEB for the 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 pension benefits through the plans.
- Deferred inflow related to pension 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 pension and retiree healthcare benefits through the plans.
- Deferred inflow from pension and OPEB resulting from the net difference in projected and actual earnings on investments of the pension and OPEB plan fiduciary net positions. These amounts are amortized over 5 years.

**Net Position Flow Assumption**

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the governmentwide 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.

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

**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.

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

**Postemployment 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 and fiduciary fund types fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities, business-type activities, proprietary fund or fiduciary 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.

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

**Fund Balance Classifications (Continued)**

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

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

**Net Position**

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

Net Investment in Capital Assets – describes the portion of net position, which is represented by the current net book value of the City’s capital assets, less the outstanding balance of any debt issued to finance these assets (including premiums 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.

**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 U.S. GAAP basis. Budgets are adopted for all funds except for the Housing Asset Special Revenue Fund. The budget period is the same as the fiscal period. The legal level of budgetary control is the department level for the General Fund and the function level for the other governmental fund types. During the year, several supplementary appropriations were necessary. Due to COVID-19, the City adopted a one-year budget for the fiscal year 2021-2022.

**NOTE 2      STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**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 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.

**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:			
General Fund			
Debt Service	\$ 12,472	\$ 57,567	\$ (45,095)
Other Governmental Special Revenue Funds:			
Special Grants Special Revenue Fund			
General Government	6,000	7,592	(1,592)
Public Safety	109,000	180,124	(71,124)
Proposition C Special Revenue Fund			
Public Services	733,087	780,891	(47,804)
Traffic Special Revenue Fund			
Public Services	173,499	174,375	(876)
City Lighting Special Revenue Fund			
Public Services	825,000	1,086,353	(261,353)
Public Access Corporation Special Revenue Fund			
General Government	139,505	158,439	(18,934)
Parking Improvement Special Revenue Fund			
General Government	57,935	70,898	(12,963)
Debt Service	-	10,052	(10,052)

**Deficit Fund Balances or Net Position**

The following funds contained deficit fund balances or net position at June 30, 2022:

	Actual
Other Governmental Special Revenue Funds:	
Special Grants Special Revenue Fund	\$ (618,582)
Public Access Corporation Special Revenue Fund	(71,683)
Parking Improvement Special Revenue Fund	(2,714,469)
Permit Parking Special Revenue Fund	(35,697)
CDBG Special Revenue Fund	(102,398)



**NOTE 2      STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Deficit Fund Balances or Net Position (Continued)**

The deficits are due from excess project expenditures from current and prior fiscal years over annual revenue receipts and decrease in revenues as a result of COVID-19 pandemic. The City expects to eliminate deficits from future revenues or transfers from the General Fund.

**NOTE 3      CASH AND INVESTMENTS**

**Cash and Investments**

As of June 30, 2022, cash and investments were reported in the accompanying financial statements as follows:

	Unrestricted	Restricted	Total
Governmental Activities	\$ 210,738,316	\$ 39,998,244	\$ 250,736,560
Business- Type Activities	3,735,451	-	3,735,451
Fiduciary Funds	3,542,163	581	3,542,744
Total Cash and Investments	\$ 218,015,930	\$ 39,998,825	\$ 258,014,755

Cash and investments held by the City at June 30, 2022 consisted of the following:

Petty Cash	\$ 1,300
Deposits with Financial Institutions	19,960,965
Cash with Fiscal Agent	5,750,000
Investments	232,302,490
Total Cash and Investments	\$ 258,014,755

The City 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.

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

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

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

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

**Investments Authorized by Debt Agreements**

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

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

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

**Investments Authorized by Debt Agreements (Continued)**

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 (LAIF).

There are no restrictions regarding the maximum percentage allowed per investment type nor regarding the maximum investment in one issuer.

**Disclosures Relating to Interest Rate Risk**

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

As of June 30, 2022, the City had the following investments and original maturities:

Investment Type	Remaining Maturity ( in Years)
	Less Than 1 Year
California Local Agency Investment Fund	\$ 60,265,777
Los Angeles County Investment Pool (LACIP)	142,908,234
Cash with Fiscal Agents:	
LAIF	20,408,646
Money Market Mutual Funds	8,719,833
Total	\$ 232,302,490

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

**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, 2022, 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, 2022, the City has not invested more than 5% of its total investments in anyone issuer. Investments guaranteed by the U.S. government and investments in 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.

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 government.

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

**Custodial Credit Risk (Continued)**

At June 30, 2022, the carrying amount of the City's deposits was \$19,960,965 and the bank balance was \$20,800,878, which is insured and collateralized under California law. The \$839,913 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 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 multiplied by the fair market value factor provided by the state.

**Investment in County Investment Pool**

The City is a voluntary participant in the 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 U.S. GAAP. 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 prices 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 LAIF, LACIP and money market mutual funds are not subject to the fair value hierarchy.

**NOTE 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 \$47,592,336 were outstanding at June 30, 2022, to qualified developers and properties at annual interest rates ranging from 0% to 10%.

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. On June 21, 2022, the agreement was amended by extending the repayment term, wherein the City will deduct an equal amount over 36 months with 36 equal installments. The amount due as of June 30, 2022, was \$191,667.

**City of West Hollywood  
Notes to Financial Statements  
Year ended June 30, 2022**

**NOTE 5 CAPITAL ASSETS**

A summary of changes in the governmental activities capital assets for the year ended June 30, 2022, is as follows:

	Balance at July 1, 2021	Additions	Deletions	Transfers	Balance at June 30, 2022
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 69,248,450	\$ -	\$ -	\$ -	\$ 69,248,450
Construction in Progress	111,706,884	4,350,713	(105,847,585)	-	10,210,012
Total Capital Assets, Not Being Depreciated	<u>180,955,334</u>	<u>4,350,713</u>	<u>(105,847,585)</u>	<u>-</u>	<u>79,458,462</u>
Capital Assets, Being Depreciated and Amortized:					
Buildings	100,842,993	123,725,004	-	-	224,567,997
Improvements Other Than Buildings	18,917,560	2,662,009	-	-	21,579,569
Machinery and Equipment	12,070,472	134,822	(68,748)	-	12,136,546
Furniture and Fixtures	2,084,012	-	-	-	2,084,012
Office Equipment	1,674,523	-	-	-	1,674,523
Leasehold Improvements	870,200	-	-	-	870,200
Infrastructure	111,796,224	3,901,130	-	-	115,697,354
Right-of-use Lease Asset	1,067,827	-	-	-	1,067,827
Total Capital Assets, Being Depreciated	<u>249,323,811</u>	<u>130,422,965</u>	<u>(68,748)</u>	<u>-</u>	<u>379,678,028</u>
Less Accumulated Depreciation for:					
Buildings	(24,029,032)	(3,423,796)	-	-	(27,452,828)
Improvements Other than Buildings	(3,862,841)	(416,408)	-	-	(4,279,249)
Machinery and Equipment	(9,141,303)	(598,961)	62,845	-	(9,677,419)
Furniture and Fixtures	(1,907,938)	(40,696)	-	-	(1,948,634)
Office Equipment	(1,651,489)	(9,872)	-	-	(1,661,361)
Leasehold Improvements	(678,107)	(121,321)	-	-	(799,428)
Infrastructure	(57,054,359)	(2,247,738)	-	-	(59,302,097)
Total Accumulated Depreciation	<u>(98,325,069)</u>	<u>(6,858,792)</u>	<u>62,845</u>	<u>-</u>	<u>(105,121,016)</u>
Less Accumulated Amortization for:					
Right-of-use Lease Asset	-	(36,079)	-	-	(36,079)
Total Accumulated Amortization	<u>-</u>	<u>(36,079)</u>	<u>-</u>	<u>-</u>	<u>(36,079)</u>
Total Capital Assets, Being Depreciated and Amortized, Net	<u>150,998,742</u>	<u>123,528,094</u>	<u>(5,903)</u>	<u>-</u>	<u>274,520,933</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 331,954,076</u>	<u>\$ 127,878,807</u>	<u>\$ (105,853,488)</u>	<u>\$ -</u>	<u>\$ 353,979,395</u>

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

General Government	\$ 583,613
Public Safety	1,541,392
Public Services	<u>4,733,787</u>
Total Depreciation Expense	<u>\$ 6,858,792</u>

**NOTE 5 CAPITAL ASSETS (CONTINUED)**

A summary of changes in the business-type activities capital assets for the year ended June 30, 2022, is as follows:

	Balance at July 1, 2021	Additions	Deletions	Balance at June 30, 2022
Business- Type Activities:				
Capital Assets, Being Depreciated:				
Infrastructure	\$ 22,678,916	\$ -	\$ -	\$ 22,678,916
Total Capital Assets, Being Depreciated	22,678,916	-	-	22,678,916
Less Accumulated Depreciation for:				
Infrastructure	(12,642,411)	(446,192)	-	(13,088,603)
Total Accumulated Depreciation	(12,642,411)	(446,192)	-	(13,088,603)
Capital Assets, Being Depreciated, Net	10,036,505	(446,192)	-	9,590,313
Total Business-Type Activities Capital Assets, Net	\$ 10,036,505	\$ (446,192)	\$ -	\$ 9,590,313

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

Nonmajor Enterprise Fund:	
Sewer Charge	\$ 446,192
Total Depreciation Expense	\$ 446,192

**NOTE 6 LEASE RECEIVABLE**

On July 30, 1996, the City entered into a 30-year parking lease agreement commencing on fiscal year 2020 with Arden Group in exchange for the use of 20 parking spaces at 8330 Santa Monica Boulevard. The Arden Group prepaid the rent payments due throughout the lease term ending on fiscal year 2030 for \$335,600 at the commencement date.

Commencing on November 1, 2017, the City entered into a 5-year lease agreement with Hee Il Sihn with two additional 5-year option periods. Hee Il Sihn pays the City monthly in exchange for the use a building space located at 8301 Santa Monica Boulevard in operating its restaurant business. The agreement was amended to exercise one of the 2 option periods commencing on November 1, 2022, for a monthly payment of \$11,476 subject to annual increase of 4%.

The City grants to Orange Barrel Media, LLC (Orange Barrel) the exclusive right to use a portion of the land located at 8775 Sunset Boulevard for digital billboards for 10 years and to retain certain advertising revenue associated therewith. Orange Barrel compensates the City for its rights under the agreement by base quarterly fee of \$120,000 increasing by 2% annually and percentage of its revenues as defined in the agreement until June 30, 2030.



**NOTE 6            LEASE RECEIVABLE (CONTINUED)**

Effective July 1, 2020, the City enters into a municipal facility license agreement with New Cingular Wireless PCS, LLC (Licensee) for the use of a land owned by the City in conducting its business. The licensee pays fixed annual fee of \$2,224 subject to 3% annual increase.

The City entered into a 12-year lease with one five-year additional period commencing on January 1, 2022 with Barry's Bootcamp, LLC (Barry's) on January 1, 2021. Barry's pays the City monthly payments ranging from \$48,359 to \$66,277 in exchange for the use of a building space located at 8383 Santa Monica Boulevard in operating its business. The City abated the first 18 months of the initial lease term.

The City entered into an 11-year agreement with two additional 5-year option periods with Outfront/Decaux Street Furniture, LLC (Outfront) to fabricate, install and maintain the desired street furniture on the City's right-of-way located at 8300 Santa Monica Boulevard and to retain certain advertising revenue associated therewith. Outfront pays the City a fixed fee ranging from \$312,500 to \$600,000 every quarter commencing on February 2021 and 32% to 50% of its net revenues as identified in the agreement.

At June 30, 2022, the total lease receivable and deferred inflows of resources for the above leases were \$54,297,156 and \$53,202,723, respectively. Discount rates ranging from 0.5270% to 1.4010% were used to calculate the net present values of the leases.

There were no significant variable payments received during the fiscal year ended June 30, 2022.

**NOTE 7            RETIREMENT PLANS**

**A. CalPERS Defined Benefit Pension Plan**

**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 benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**NOTE 7      RETIREMENT PLANS (CONTINUED)**

**A. CalPERS Defined Benefit Pension Plan (Continued)**

**General Information about the Pension Plans (Continued)**

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of fulltime 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, 2021, are summarized as follows:

	Prior to <u>January 1, 2013</u>	On or After <u>January 1, 2013</u>
Hire Date		
Benefit Formula	2.7% @ 55	2% @ 62
Benefit Vesting Schedule	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50 - 55	52 - 67
Monthly Benefits, as a % of		
Eligible Compensation	2.0% to 2.7%	1.0% to 2.5%
Required Employee Contribution Rates	7.58%	6.25%
Required Employer Contribution Rates:		
Normal Cost Rate	11.91%	11.83%
Payment of Unfunded Liability	\$ 3,897,141	\$ -

Employees Covered

At the measurement date ended June 30, 2021, the following employees were covered by the benefit terms for the plans:

Inactive Employees or Beneficiaries Currently Receiving Benefits	166
Inactive Employees Entitled to but Not Yet Receiving Benefits	175
Active Employees	<u>221</u>
Total	<u><u>562</u></u>

**NOTE 7      RETIREMENT PLANS (CONTINUED)**

**A. CalPERS Defined Benefit Pension Plan (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. The net pension liability is primarily liquidated by the General Fund, with some amounts also liquidated by the Sewer Charge Enterprise Fund, Solid Waste Enterprise Fund, and Street Maintenance Enterprise Fund. For the fiscal year ended June 30, 2022, the City contributed \$7,147,778 to the plan.

**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, 2021, using an annual actuarial valuation as of June 30, 2020, and rolled forward to June 30, 2021, 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, 2020 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry- Age Normal Cost Method

**NOTE 7      RETIREMENT PLANS (CONTINUED)**

**A. CalPERS Defined Benefit Pension Plan (Continued)**

**Net Pension Liability (Continued)**

Actuarial Assumptions (Continued)

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.

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.

**NOTE 7      RETIREMENT PLANS (CONTINUED)**

**A. CalPERS Defined Benefit Pension Plan (Continued)**

**Net Pension Liability (Continued)**

Long-Term Expected Rate of Return (Continued)

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

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

- (a) In the CalPERS ACFR, 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.
- (d) Figures are based on previous ALM of 2017.

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 information in this disclosure.

**NOTE 7 RETIREMENT PLANS (CONTINUED)**

**A. CalPERS Defined Benefit Pension Plan (Continued)**

**Changes in Net Pension Liability**

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability ( Asset)
Balance at June 30,2020	\$ 195,996,651	\$ 148,884,750	\$ 47,111,901
Changes in the Year:			
Service Cost	4,992,001	-	4,992,001
Interest on the Total Pension Liability	13,818,681	-	13,818,681
Differences Between Expected and Actual Experience	(1,873,466)	-	(1,873,466)
Contributions - Employer	-	7,000,955	(7,000,955)
Contributions - Employee	-	2,022,103	(2,022,103)
Net Investment Income	-	34,184,545	(34,184,545)
Administrative Expense	-	(148,727)	148,727
Benefit Payments, Including Refunds of Employee Contributions	(6,701,850)	(6,701,850)	-
Net Changes	10,235,366	36,357,026	(26,121,660)
Balance at June 30, 2021	\$ 206,232,017	\$ 185,241,776	\$ 20,990,241

**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	\$ 50,022,381
Current Discount Rate	7.15%
Net Pension Liability	\$ 20,990,241
1% Increase	8.15%
Net Pension Liability	\$ (2,928,388)

**Pension Plan Fiduciary Net Position**

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

**NOTE 7 RETIREMENT PLANS (CONTINUED)**

**A. CalPERS Defined Benefit Pension Plan (Continued)**

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

For the year ended June 30, 2022, the City recognized pension expense of \$891,276. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension Contributions Subsequent to Measurement Date	\$ 7,147,778	\$ -
Differences Between Expected and Actual Experience	606,873	(1,416,523)
Change in Assumptions	-	(137,184)
Net Differences Between Projected and Actual Earnings on Plan Investments	-	(17,131,485)
Total	<u>\$ 7,754,651</u>	<u>\$ (18,685,192)</u>

Deferred outflows of resources of \$7,147,778 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ (4,434,256)
2023	(4,335,525)
2024	(4,567,661)
2025	(4,740,877)
2026	-
Thereafter	-
	<u>\$ (18,078,319)</u>

**Payable to the Pension Plan**

At June 30, 2022, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

**B. Defined Contribution Pension Plans**

As of January 1, 2022, employees are eligible to transfer up to \$20,500 of annual salary per year into a deferred compensation plan; employees 50 years of age and above are allowed a catch-up provision of \$6,500 and employees taking advantage of the special preretirement catch-up may be eligible to contribute up to double the normal limit, for a total of \$41,000. A deferred compensation plan has been established through Mission Square Retirement (Formerly ICMA-RC) in accordance with Internal Revenue Code Section 457(b) for new full-time employees in the bargaining units of West Hollywood Municipal Employees (WEHOME) and Association of Confidential Employees (ACE) whereby the City employees may elect to defer portions of their compensation in a self-directed investment plan for retirement.

**NOTE 7      RETIREMENT PLANS (CONTINUED)**

**B. Defined Contribution Pension Plans (Continued)**

The City makes \$50 contributions per pay period, for each of the 24 pay periods (the first two pay periods of each month) to the plan on behalf of the members in both bargaining units WEHOME and ACE. Plan assets are invested in each individual's name. Distributions are made upon the participant's termination, retirement, death, or total disability, in a manner in accordance with the election of the participant. The City has no liability for losses under the plan.

The City has also established a 401(a) defined contribution plan available for new full-time City Manager, Assistant City Manager, Directors and Management employees in the bargaining unit West Hollywood Management Association (WHMA) who may elect an employee contribution. The plan document allows a 60-day period for the individuals to make an election from the initial date of hire. The City makes \$75 contributions per pay period, for each of the 24 pay periods (the first two pay periods of each month) to the plan on behalf of the members. The following City of West Hollywood position will receive employer contributions per month: City Manager: equivalent to 5% of monthly base salary. The City has no liability for losses under the plan. Also, the City does not participate in managing the plan. Accordingly, the assets are not shown in the financial statements.

For the fiscal year ended June 30, 2022, the City contributed \$294,045 to the Plan.

**NOTE 8      OTHER POSTEMPLOYMENT 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. 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.



**NOTE 8      OTHER POSTEMPLOYMENT BENEFITS (OPEB) RETIREMENT PLAN  
(CONTINUED)**

**General Information about the OPEB Plan (Continued)**

Employees Covered

As of the measurement period ending June 30, 2021, the following current and former employees were covered by the benefit terms under the plan:

Inactive Employees, Spouses or Beneficiaries Currently Receiving Benefits.	75
Active Employees	222
Total	285

Contributions

Contribution requirements are established by City policy and may be amended by the City Council. The City is currently making OPEB trust contributions on an ad-hoc basis and paying retiree medical benefits from general assets. The City does not currently calculate an actuarially determined contribution. The net OPEB liability is primarily liquidated by the General Fund. For the fiscal year ended June 30, 2022, the City's cash contributions were \$139,800 in premium payments and the estimated implicit subsidy was \$185,755, resulting in total payment of \$325,555.

**Net OPEB Liability**

The City's total OPEB liability was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2021. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

Actuarial Assumptions

The total OPEB liability as of the June 30, 2021 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, 2021
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry- Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	5.00%
Inflation	2.25%
Projected Salary Increase	2.75%
Expected Long- Term Investment Rate of Return	5.00%
Health- Care Cost Trend Rates	6.7% trending down to 3.7%
Pre- Retirement Turnover	CalPERS OPEB Assumption Model Assumption Model
Mortality	December 2017 experience studies

**NOTE 8      OTHER POSTEMPLOYMENT BENEFITS (OPEB) RETIREMENT PLAN  
(CONTINUED)**

**Net OPEB Liability (Continued)**

Actuarial Assumptions (Continued)

The actuarial assumptions used in the June 30, 2021 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	Expected Rate of Return <sup>(1)</sup>	Expected Nominal Rate of Return <sup>(1)</sup>
CERBT			
Global Equity	22.00%	4.80%	7.05%
Fixed Income	49.00%	1.10%	3.35%
TIPS	16.00%	0.25%	2.50%
REITs	8.00%	3.50%	5.75%
Commodities	5.00%	1.50%	3.75%
Total <sup>(2)</sup>	<u>100.00%</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.

Discount Rate

The discount rate used to measure the total OPEB liability is 5%. 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 plan assets includes funding policy contributions (the City currently pays annual benefits with general assets), investment earnings, and benefit payments. The projected plan assets do not include anticipated future ad hoc contributions to the OPEB trust. 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.

**NOTE 8      OTHER    POSTEMPLOYMENT    BENEFITS    (OPEB)    RETIREMENT    PLAN  
(CONTINUED)**

**Changes in the Net OPEB Liability (Continued)**

The changes in the net OPEB liability are as follows:

	Increase ( Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30,2020 (Measurement Date)	\$ 6,826,659	\$ 5,407,686	\$ 1,418,973
Changes in the Year			
Service Cost	350,000	-	350,000
Interest on the Total OPEB Liability	387,355	-	387,355
Differences Between Actual and Expected Experience	153,576	-	153,576
Changes of assumptions	183,826	-	183,826
Contribution - Employer	-	267,682	(267,682)
Net Investment Income	-	733,317	(733,317)
Administrative Expenses	-	(1,909)	1,909
Benefit Payments	(267,682)	(267,682)	-
Net Changes	807,075	731,408	75,667
Balance at June 30,2021 (Measurement Date)	\$ 7,633,734	\$ 6,139,094	\$ 1,494,640

**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 4.00%	Discount Rate 5.00%	1% Increase 6.00%
Net OPEB Liability	\$ 2,472,284	\$ 1,494,640	\$ 681,603

**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:

	5.7% Trending Down to 2.7%	6.7% Trending Down to 3.7%	7.7% Trending Down to 4.7%
Net OPEB Liability	\$ 608,410	\$ 1,494,640	\$ 2,641,583

**NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (OPEB) RETIREMENT PLAN (CONTINUED)**

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

For the year ended June 30, 2022, the City recognized OPEB expense of \$295,116. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB Contributions Subsequent to Measurement Date	\$ 325,555	\$ -
Differences Between Actual and Expected Experience	135,551	(541,144)
Change in Assumptions	183,000	(122,297)
Net Difference Between Projected and Actual	-	(380,728)
Total	<u>\$ 644,106</u>	<u>\$ (1,044,169)</u>

An amount of \$325,555, 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, 2023.

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ (164,703)
2024	(178,621)
2025	(168,383)
2026	(159,913)
2027	(74,048)
Thereafter	20,050
	<u>\$ (725,618)</u>

**Payable to the OPEB Plan**

At June 30, 2022, the City had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2022.

**NOTE 9 LONG-TERM LIABILITIES**

The following is a summary of long-term liabilities transactions for the governmental activities for the year ended June 30, 2022:

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year	Due in More Than One Year
Other debt:						
Tax Allocation Bonds:						
2013 Series	\$ 16,420,000	\$ -	\$ (425,000)	\$ 15,995,000	\$ 450,000	\$ 15,545,000
Add: Unamortized						
Original Issue Premium	160,583	-	(7,299)	153,284	-	153,284
2016 Series	79,915,000	-	(3,515,000)	76,400,000	3,695,000	72,705,000
Add: Unamortized						
Original Issue Premium	11,252,583	-	(450,103)	10,802,480	-	10,802,480
2020 Series A	65,785,000	-	-	65,785,000	-	65,785,000
2020 Series B	14,350,000	-	(260,000)	14,090,000	260,000	13,830,000
Add: Unamortized						
Original Issue Premium	9,776,888	-	(406,719)	9,370,169	-	9,370,169
Less: Unamortized						
Original Issue Discount	(105,902)	-	7,343	(98,559)	-	(98,559)
Other Long-term Liabilities:						
Capital Lease - SCE	93,822	-	(22,525)	71,297	22,525	48,772
Claims Payable	2,285,991	1,778,966	(800,861)	3,264,096	652,819	2,611,277
Compensated Absences	6,767,121	5,278,638	(4,840,740)	7,205,019	1,484,056	5,720,963
Right-of-Use Lease Liability	1,067,827	-	(31,223)	1,036,604	29,145	1,007,459
Total	<u>\$ 207,768,913</u>	<u>\$ 7,057,604</u>	<u>\$ (10,752,127)</u>	<u>\$ 204,074,390</u>	<u>\$ 6,593,545</u>	<u>\$ 197,480,845</u>

**2013 Lease Revenue Bonds**

On September 28, 2013, the West Hollywood Public Financing Authority issued \$19,155,000 of 2013 Lease Revenue Bonds to finance the acquisition and construction of certain public capital improvements and pay the costs of issuing the 2013 Bonds. The bonds consist of \$8,795,000 of serial bonds with annual maturity dates from April 1, 2014 through April 1, 2033, with interest rates ranging from 3.000% to 5.000%, term bonds of \$4,225,000 with an interest rate of 5.170% maturing April 1, 2038 and term bonds of \$5,405,000 with an interest rate of 5.270% maturing April 1, 2043. Interest is payable semiannually beginning April 2014. At June 30, 2022, the total principal outstanding was \$15,995,000. The 2013 Lease Revenue Bonds are secured primarily by a lien on and security interest in these revenues. 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, 2022:

Year Ending June 30,	Principal	Interest	Total
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	520,000	734,106	1,254,106
2027	545,000	708,106	1,253,106
2028 - 2032	3,155,000	3,105,931	6,260,931
2033 - 2037	4,025,000	2,240,531	6,265,531
2038 - 2042	5,145,000	1,121,213	6,266,213
2043	1,190,000	60,988	1,250,988
Total	<u>\$ 15,995,000</u>	<u>\$ 10,316,944</u>	<u>\$ 26,311,944</u>

**NOTE 9      LONG-TERM LIABILITIES (CONTINUED)**

**2016 Lease Revenue Bonds**

On June 1, 2016, the West Hollywood Public Financing Authority issued \$85,015,000 of 2016 Lease Revenue Bonds to currently refund the outstanding principal balance of the 2009 Lease Revenue Bonds, Series B in the amount of \$34,780,000, finance the acquisition and construction of certain public capital improvements, pay capitalized interest on the 2016 Bonds and pay the costs of issuing the 2016 Bonds. At June 30, 2018, the 2009 Lease Revenue Bonds, Series B were redeemed.

The 2016 Lease Revenue Bonds are obligations of the Public Financing Authority payable solely from payments received from the City pursuant to a Property Lease by and between the City and the Public 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 2021-2022 total \$7,017,050, 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, 2022, the total principal outstanding was \$76,400,000.

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, 2022:

Year Ending June 30,	Principal	Interest	Total
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	2,305,000	2,741,380	5,046,380
2027	2,420,000	2,626,050	5,046,050
2028 - 2032	14,010,000	11,191,250	25,201,250
2033 - 2037	17,790,000	7,328,580	25,118,580
2038 - 2042	16,115,000	3,877,130	19,992,130
2043 - 2046	12,060,000	1,229,600	13,289,600
Total	\$ 76,400,000	\$ 38,408,390	\$ 114,808,390

**NOTE 9      LONG-TERM LIABILITIES (CONTINUED)**

**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 Public Financing Authority payable solely from payments received from the City pursuant to a Property Lease by and between the City and the Public 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 2021-2022 total \$3,063,800, 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, 2022, the total principal outstanding was \$79,875,000. There are no reserve requirements for this bond.

The following is a schedule, by years, of future debt service payments for the 2020 Lease Revenue Bonds as of June 30, 2022:

Year Ending June 30,	Principal	Interest	Total
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	2,245,000	2,790,830	5,035,830
2027	2,305,000	2,727,430	5,032,430
2028 - 2032	12,625,000	12,567,480	25,192,480
2033 - 2037	14,880,000	10,399,840	25,279,840
2038 - 2042	22,725,000	7,688,800	30,413,800
2043 - 2046	24,360,000	2,667,450	27,027,450
Total	<u>\$ 79,875,000</u>	<u>\$ 47,235,310</u>	<u>\$ 127,110,310</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, 2022, was \$71,297. The annual debt service requirements are as follows:

**NOTE 9      LONG-TERM LIABILITIES (CONTINUED)**

**Capital Lease: Southern California Edison On-Bill Financing Program (Continued)**

Year Ending June 30,	Principal
2023	\$ 22,525
2024	22,525
2025	20,010
2026	6,237
Total	\$ 71,297

**Claims Payable**

See Note 12 regarding the City's risk management. The claims payable is normally liquidated by the General Fund. The outstanding balance at June 30, 2022, was \$3,264,096.

**Compensated Absences**

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, 2022, was \$7,205,019.

**Right-of-Use Lease Liability**

The City has entered into an agreement to lease two West Hollywood parking lots owned by Los Angeles County for 55 years commencing on February 1996 for \$25,000 annual base rent subject to adjustment in the Consumer Price Index for All Urban Consumers (CPI-U) for the Los Angeles – Long Beach – Anaheim, California area, published by the United States Department of Labor, Bureau of Labor Statistics ("Index"). The lease liability is measured at a discount rate of 1.555%. As a result of the lease, the City has recorded a right-to-use asset with a net book value of \$1,036,604 on June 30, 2022.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022, were as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 29,145	\$ 15,950	\$ 45,095
2024	29,601	15,494	45,095
2025	30,064	15,031	45,095
2026	30,534	14,561	45,095
2027	31,011	14,083	45,094
2028 - 2032	162,486	62,987	225,473
2033 - 2037	175,597	49,876	225,473
2038 - 2042	189,766	35,707	225,473
2043 - 2047	205,078	20,395	225,473
2048 - 2051	153,322	4,507	157,829
Total	\$ 1,036,604	\$ 248,591	\$ 1,285,195



**NOTE 10      UNEARNED REVENUE**

In fiscal year 2021-2022, 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 \$6,960,114 along with various other unearned revenues of \$388,082 in the other governmental funds; total unearned revenue recorded by the City for the year ended was \$7,348,196. 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.

**NOTE 11      INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances as of June 30, 2022 is as follows:

**Due To/From Other Funds:**

Receivable Funds	Payables Funds	Amount
General Fund	Other Governmental Funds:	
	Gas Tax	
	Special Revenue Fund	\$    152,491
	Public Access Corporation	
	Special Revenue Fund	92,154
	Parking Improvement	
	Special Revenue Fund	2,113,119
	Permit Parking	
	Special Revenue Fund	635
	CDBG Special Revenue Fund	22,631
	Sunset Strip BID	
	Custodial Fiduciary Fund	205,594
Debt Funded Capital Projects Fund	Capital Projects Debt Service Fund	5,945,988
Total		\$    8,532,612

The due to General Fund of \$2,586,624 was a result of temporary deficit cash balances in the Other Governmental Funds and Fiduciary Fund.

The due to Debt Funded Capital Projects Fund of \$5,945,988 was due to a timing difference in receiving reimbursement for capital project expenditures from the bond trustee.

**NOTE 11      INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)**

**Transfers In/Out**

Transfers In	Transfers Out	Amount
Major Funds:		
Debt Funded Capital Projects Fund	Capital Projects Debt Service Fund	\$ 20,253,737
Capital Projects Debt Service Fund	General Fund	10,086,370
	Other Governmental Funds:	
	Parking Improvement Fund	
	Special Revenue Fund	1,252,946
Nonmajor Funds:		
Other Governmental Funds:		
Gas Tax		
Special Revenue Fund	General Fund	850,000
Total		\$ 32,443,053

The Capital Projects Debt Service Fund transferred \$20,253,737 to the Debt Funded Capital Projects Fund to fund capital expenses related to West Hollywood Park Phase II, parking meters, and Plummer Park.

The General Fund and the Parking Improvement Special Revenue Fund transferred \$10,086,370 and \$1,252,946, respectively, to the Capital Projects Debt Service Fund to fund debt service payments.

The General Fund transferred \$850,000 to the Gas Tax Special Revenue Fund to cover temporary deficit cash balances.

**NOTE 12      RISK MANAGEMENT**

**Risk Pool Membership**

The City is a member of the California Joint Powers Insurance Authority (the Authority). The Authority is composed of 124 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.

**NOTE 12      RISK MANAGEMENT (CONTINUED)**

**Excess Liability Program**

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://cipia.org/coverage/risk-sharing-pools/>.

**Excess Workers' Compensation Program**

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.

**Purchased Insurance**

The City also participates in the following coverage programs provided by Alliant Insurance Services:

- 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 nonemergency 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 \$250,000 deductible. The Authority has an aggregate limit of \$20 million.
- 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 \$5,000,000, and the deductible is \$2,500.

**NOTE 12 RISK MANAGEMENT (CONTINUED)**

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.

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 2021-2022.

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

Year Ended June 30	Claims Payable July 1	Claims and Changes in Estimates	Claims Payments	Claims Payable June 30
2021	\$ 2,911,807	\$ (138,803)	\$ (487,013)	2,285,991
2022	2,285,991	1,778,966	(800,861)	3,264,096

**NOTE 13 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. Approximately \$20,349,603 was paid for these services in fiscal year 2021-2022.

The following material construction commitments existed at June 30, 2022:

Contractor	Contract Amount	Expenditures to Date as of June 30, 2022	Remaining Commitments	Fund Type
West Coast Arborists	\$ 4,027,000	\$ 2,934,477	\$ 1,092,523	General Fund
Sully-Miller Contracting Co.	15,354,000	1,013,404	14,340,596	Capital Projects
All American Asphalt	1,837,388	1,319,352	518,036	Capital Projects
WGJ Enterprises	1,942,569	1,268,660	673,909	Capital Projects
Hardy & Harper	2,352,700	1,377,099	975,601	Capital Projects
Unitronics Inc.	2,640,000	1,080,000	1,560,000	Special Revenue Funds
Kordich Construction Inc.	624,000	-	624,000	Special Revenue Funds
Crosstown Electrical & Data	720,000	144,895	575,105	Special Revenue Funds

**NOTE 13      COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Encumbrances**

At June 30, 2022, the following are the encumbrances:

General Fund:	
Engineering, landscape and urban design	\$      1,932,858
Emergency services	415,521
Social services	1,409,729
Professional services	<u>2,107,489</u>
Total General Fund	<u>5,865,597</u>
Debt Funded Capital Projects Fund:	
Construction	13,209,031
Furnitures and fixtures	1,082,499
Other consultants	<u>40,171</u>
Total Debt Funded Capital Projects Fund	<u>14,331,701</u>
Other Governmental Funds:	
Construction	183,925
Furnitures and fixtures	2,659,024
Other consultants	214,927
Financial study	397,933
Other consultants	<u>954,079</u>
Total Other Governmental Funds	<u>4,409,888</u>
Total Encumbrances	<u>\$      24,607,186</u>

**NOTE 14 CANCELABLE 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 cancellable eight-year term, the City and lessor may extend the term for an additional cancellable two-year period. Future minimum rental payments to be paid on the lease are contractually due as follows as of June 30, 2022:

<u>Year Ending June 30,</u>	<u>Lease Payment</u>
2023	\$ 244,593
2024	249,485
2025	<u>254,474</u>
Total	<u>\$ 748,552</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 \$70,772, respectively.

The total rent expenditures for the year ended June 30, 2022 was \$239,797.

**NOTE 15 SUCCESSOR AGENCY DISCLOSURES**

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

**Cash and Investments**

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

Cash and Investments Pooled with the City	\$ 2,662,829
Cash and Investments with Fiscal Agents	<u>581</u>
Total Cash and Investments	<u>\$ 2,663,410</u>

**Capital Assets**

	<u>Balance at July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance at June 30, 2022</u>
Capital Assets:					
Capital Assets, Being Depreciated:					
Land Improvements	\$ 174,920	\$ -	\$ -	\$ -	\$ 174,920
Less Accumulated Depreciation for:					
Land Improvements	<u>(33,525)</u>	<u>(3,578)</u>	<u>-</u>	<u>-</u>	<u>(37,103)</u>
Total Capital Assets, Being Depreciated, Net	<u>\$ 141,395</u>	<u>\$ (3,578)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 137,817</u>

**NOTE 15 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)**

**Long- term Liabilities**

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year	Due in More Than One Year
Other debt:						
Tax Allocation Bonds:						
2011 Series A	\$ 26,330,000	\$ -	\$ (26,330,000)	\$ -	\$ -	-
2011 Series B	8,375,000	-	(8,375,000)	-	-	-
Less: Unamortized						
Original Issue Discount	(463,008)	-	463,008	-	-	-
2013 Tax Allocation Refunding						
Bonds A	6,925,000	-	(6,925,000)	-	-	-
Add: Unamortized						
Original Issue Premium	181,549	-	(181,549)	-	-	-
2021 Refunding TAB	-	19,445,000	-	19,445,000	705,000	18,740,000
Add: Unamortized						
Original Issue Discount	-	(75,679)	3,784	(71,895)	(3,784)	(68,111)
Total	<u>\$ 41,348,541</u>	<u>\$ 19,369,321</u>	<u>\$ (41,344,757)</u>	<u>\$ 19,373,105</u>	<u>\$ 701,216</u>	<u>\$ 18,671,889</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 \$25,377,745 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 \$252,679 and the debt service obligation on the bonds was \$85,702,836.

**2021 Tax Allocation Refunding Bonds, Series A**

On July 2021, the West Hollywood Community Development Commission issued \$19,445,000 of 2021 Tax Allocation Refunding Bonds to currently refund the outstanding principal balances of 2011 Tax Allocation Bonds Series A and B and 2013 Tax Allocation Refunding Bonds Series A in the amount of \$34,705,000 and \$6,925,000, respectively. Interest will be payable semiannually. Interest rates range from 0.343% to 2.966%, with maturity dates starting September 1, 2022 and ending September 1, 2042. Principal payments range from \$705,000 to \$1,260,000. At June 30, 2022, the total principal outstanding was \$19,445,000.

The following is a schedule of future debt service payments for the 2021 Tax Allocation Refunding Bonds, Series A as of June 30, 2022:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 705,000	\$ 427,282	\$ 1,132,282
2024	730,000	424,273	1,154,273
2025	740,000	419,699	1,159,699
2026	740,000	413,242	1,153,242
2027	750,000	404,892	1,154,892
2028 - 2032	3,930,000	1,836,389	5,766,389
2033 - 2037	4,805,000	1,362,086	6,167,086
2038 - 2042	5,785,000	626,197	6,411,197
2043	1,260,000	18,685	1,278,685
Total	<u>\$ 19,445,000</u>	<u>\$ 5,932,745</u>	<u>\$ 25,377,745</u>

**NOTE 16      SUBSEQUENT EVENTS**

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through December 27, 2022, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that, no subsequent events occurred that require recognition or additional disclosure in the financial statements.



# **Required Supplementary Information**



## OUT Zones in West Hollywood

Photo by Jon Viscott

**SCHEDULES RELATED TO PENSION AND OPEB RETIREMENT PLANS**

**City of West Hollywood**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**Last Ten Fiscal Years\***

Fiscal Year	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
<b>Total Pension Liability:</b>				
Service Cost	\$ 4,992,001	\$ 5,068,545	\$ 4,532,359	\$ 4,492,737
Interest on Total Pension Liability	13,818,681	13,104,854	12,280,225	11,418,376
Differences Between Expected and Actual Experience	(1,873,466)	242,873	1,351,494	1,340,332
Changes in Assumptions	-	-	-	(1,966,280)
Benefit Payments, Including Refunds of Employee Contributions	(6,701,850)	(5,854,316)	(5,726,227)	(4,730,956)
<b>NET CHANGE IN TOTAL PENSION LIABILITY</b>	<b>10,235,366</b>	<b>12,561,956</b>	<b>12,437,851</b>	<b>10,554,209</b>
Total Pension Liability - Beginning of Year	<u>195,996,651</u>	<u>183,434,695</u>	<u>170,996,844</u>	<u>160,442,635</u>
<b>TOTAL PENSION LIABILITY - END OF YEAR (A)</b>	<b><u>\$ 206,232,017</u></b>	<b><u>\$ 195,996,651</u></b>	<b><u>\$ 183,434,695</u></b>	<b><u>\$ 170,996,844</u></b>
<b>Plan Fiduciary Net Position:</b>				
Contributions - Employer	\$ 7,000,955	\$ 11,316,351	\$ 5,603,063	\$ 4,910,699
Contributions - Employee	2,022,103	2,027,675	1,956,715	1,821,930
Plan to Plan Resource Movement	-	-	-	(288)
Net Investment Income	34,184,545	7,002,152	8,336,996	9,694,135
Administrative Expense	(148,727)	(189,728)	(88,846)	(176,579)
Benefit Payments	(6,701,850)	(5,854,316)	(5,726,227)	(4,730,956)
Other Miscellaneous Expense	-	-	288	(335,327)
<b>NET CHANGE IN PLAN FIDUCIARY NET POSITION</b>	<b>36,357,026</b>	<b>14,302,134</b>	<b>10,081,989</b>	<b>11,183,614</b>
Plan Fiduciary Net Position - Beginning of Year	<u>148,884,750</u>	<u>134,582,616</u>	<u>124,500,627</u>	<u>113,317,013</u>
<b>PLAN FIDUCIARY NET POSITION - END OF YEAR ( b )</b>	<b><u>\$ 185,241,776</u></b>	<b><u>\$ 148,884,750</u></b>	<b><u>\$ 134,582,616</u></b>	<b><u>\$ 124,500,627</u></b>
<b>Net Pension Liability - Ending ( a ) - ( b )</b>	<b><u>\$ 20,990,241</u></b>	<b><u>\$ 47,111,901</u></b>	<b><u>\$ 48,852,079</u></b>	<b><u>\$ 46,496,217</u></b>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.82%	75.96%	73.37%	72.81%
Covered Payroll	\$ 26,872,173	\$ 26,345,555	\$ 24,980,887	\$ 23,937,009
Net Pension Liability as Percentage of Covered Payroll	78.11%	178.82%	195.56%	194.24%
<b>Changes in Assumptions:</b>				
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 30,2022:				
There were no significant changes in assumptions.				

Fiscal year 2015 was the first year of implementation, therefore only eight years are shown.

**City of West Hollywood**  
**Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)**  
**Last Ten Fiscal Years\***

<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
\$ 4,297,782	\$ 3,797,578	\$ 3,731,187	\$ 3,727,364
10,695,997	9,965,778	9,303,597	8,686,093
(554,770)	(1,019,659)	(1,107,374)	-
9,675,762	-	(2,521,383)	-
<u>(3,993,245)</u>	<u>(3,630,140)</u>	<u>(3,154,574)</u>	<u>(2,816,524)</u>
20,121,526	9,113,557	6,251,453	9,596,933
<u>140,321,109</u>	<u>131,207,552</u>	<u>124,956,099</u>	<u>115,359,166</u>
<u>\$ 160,442,635</u>	<u>\$ 140,321,109</u>	<u>\$ 131,207,552</u>	<u>\$ 124,956,099</u>
\$ 4,749,262	\$ 4,364,184	\$ 4,068,260	\$ 3,844,786
1,806,932	1,745,598	1,709,766	1,951,930
-	-	(9,485)	-
11,194,909	530,674	2,065,984	13,430,248
(147,210)	(58,967)	(108,929)	-
(3,993,245)	(3,630,140)	(3,154,574)	(2,816,524)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
13,610,648	2,951,349	4,571,022	16,410,440
<u>99,706,365</u>	<u>96,755,016</u>	<u>92,183,994</u>	<u>75,773,554</u>
<u>\$ 113,317,013</u>	<u>\$ 99,706,365</u>	<u>\$ 96,755,016</u>	<u>\$ 92,183,994</u>
<u>\$ 47,125,622</u>	<u>\$ 40,614,744</u>	<u>\$ 34,452,536</u>	<u>\$ 32,772,105</u>
70.63%	71.06%	73.74%	73.77%
\$ 22,564,088	\$ 22,046,899	\$ 21,417,753	\$ 20,512,704
208.85%	184.22%	160.86%	159.76%

**City of West Hollywood**  
**Schedule of Contributions – Defined Benefit Plan**  
**Last Ten Fiscal Years\***

Fiscal year	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Contractually Required Contribution ( Actuarially Determined)	\$ 7,147,778	\$ 7,235,059	\$ 6,484,511
Contributions in Relation to the Actuarially Determined Contributions	<u>(7,147,778)</u>	<u>(7,235,059)</u>	<u>(11,484,511)</u>
Contribution Deficiency ( Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,000,000)</u>
 Covered Payroll	 \$ 27,894,663	 \$ 26,872,173	 \$ 26,345,555
Contributions as a Percentage of Covered Payroll	25.62%	26.92%	43.59%

**NOTES TO SCHEDULE**

Valuation Date	6/30/2019	6/30/2018	6/30/2017
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**METHODS AND ASSUMPTIONS USED TO  
DETERMINE CONTRIBUTION RATES**

Actuarial Cost Method	Entry age	Entry age	Entry age
Amortization Method	(1)	(1)	(1)
 Asset Valuation Method	 Fair Value	 Fair Value	 Fair Value
Inflation	2.50%	2.50%	2.625%
Salary Increases	(2)	(2)	(2)
Investment Rate of Return	7.00% (3)	7.00% (3)	7.25% (3)
Retirement Age	(4)	(4)	(4)
Mortality	(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

\* Fiscal year 2015 was the first year of implementation, therefore, only eight years are shown.

**City of West Hollywood**  
**Schedule of Contributions – Defined Benefit Plan (Continued)**  
**Last Ten Fiscal Years\***

<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
\$ 5,798,667	\$ 4,925,060	\$ 4,727,517	\$ 4,485,362	\$ 4,063,914
<u>(5,798,667)</u>	<u>(4,925,060)</u>	<u>(4,727,517)</u>	<u>(4,485,362)</u>	<u>(4,063,914)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 24,980,887 23.21%	\$ 23,937,009 20.58%	\$ 22,564,088 20.95%	\$ 22,046,899 20.34%	\$ 21,417,753 18.97%
6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Entry age (1)	Entry age (1)	Entry age (1)	Entry age (1)	Entry age (1) 15 Year Smoothed Market Method
Fair Value 2.75%	Fair Value 2.75%	Fair Value 2.75%	Fair Value 2.75%	2.75%
(2)	(2)	(2)	(2)	(2)
7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
(4)	(4)	(4)	(4)	(4)
(5)	(5)	(5)	(5)	(5)

**City of West Hollywood**  
**Schedule of Changes in the Net OPEB Liability and Related Ratios**  
**Last Ten Fiscal Years\***

Fiscal Year End Measurement Date	6/30/2022 6/30/2021	6/30/2021 6/30/2020	6/30/2020 6/30/2019	6/30/2019 6/30/2018	6/30/2018 6/30/2017
<b>Total OPEB Liability:</b>					
Service Cost	\$ 350,000	\$ 332,068	\$ 374,804	\$ 354,487	\$ 344,580
Interest on Total OPEB Liability	387,355	364,701	433,437	400,740	367,919
Differences Between Actual and Expected Experience	153,576	(43,436)	(777,846)	-	-
Changes of Assumptions	183,826	-	(187,349)	38,410	-
Benefit Payments	<u>(267,682)</u>	<u>(251,082)</u>	<u>(252,282)</u>	<u>(230,282)</u>	<u>(215,545)</u>
Net Change in Total OPEB Liability	807,075	402,251	(409,236)	563,355	496,954
Total OPEB Liability - Beginning of Year	<u>6,826,659</u>	<u>6,424,408</u>	<u>6,833,644</u>	<u>6,270,289</u>	<u>5,773,335</u>
Total OPEB Liability - End of Year ( a )	<u>7,633,734</u>	<u>6,826,659</u>	<u>6,424,408</u>	<u>6,833,644</u>	<u>6,270,289</u>
<b>Plan Fiduciary Net Position:</b>					
Contributions - Employer	267,682	251,082	252,282	230,282	215,545
Net Investment Income	733,317	322,138	341,687	208,278	180,142
Administrative Expenses	(1,909)	(2,525)	(1,023)	(2,358)	(2,169)
Benefit Payments	<u>(267,682)</u>	<u>(251,082)</u>	<u>(252,282)</u>	<u>(230,282)</u>	<u>(215,545)</u>
Net Change in Plan Fiduciary Net Position	731,408	319,613	340,664	205,920	177,973
Plan Fiduciary Net Position - Beginning of Year	<u>5,407,686</u>	<u>5,088,073</u>	<u>4,747,409</u>	<u>4,541,489</u>	<u>4,363,516</u>
Plan Fiduciary Net Position - End of Year ( b )	<u>6,139,094</u>	<u>5,407,686</u>	<u>5,088,073</u>	<u>4,747,409</u>	<u>4,541,489</u>
Net OPEB Liability - Ending ( a ) - ( b )	<u>\$ 1,494,640</u>	<u>\$ 1,418,973</u>	<u>\$ 1,336,335</u>	<u>\$ 2,086,235</u>	<u>\$ 1,728,800</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	80.42%	79.21%	79.20%	69.47%	72.43%
Covered Employee Payroll	\$ 26,872,173	\$ 26,345,555	\$ 24,980,887	\$ 23,937,009	\$ 22,564,088
Net OPEB Liability as Percentage of Covered - Employee Payroll	5.56%	5.44%	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%.

From FYE June 30, 2020 to June 30, 2021, discount rate was changed from 5.5% to 5%; inflation was changed from 2.5% to 2.25% and future CPI Medica Care increase rate was changed from 3.75% to 3.5%.

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



**City of West Hollywood  
Schedule of Contributions - OPEB  
Last Ten Fiscal Years\***

	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Actuarially Determined Contribution	\$ **	\$ **	\$ 293,356	\$ 261,225	\$ 215,545
Contributions in Relation to the					
Actuarially Determined Contributions	**	**	(251,082)	(252,282)	(230,282)
Contribution Deficiency ( Excess)	\$ **	\$ **	\$ 42,274	\$ 8,943	\$ (14,737)
Covered- Employee Payroll	\$ **	\$ **	\$ 26,067,014	\$ 23,658,934	\$ 24,562,742
Contributions as a Percentage of					
Covered- Employee Payroll	**	**	0.96%	1.07%	0.94%

**Notes to Schedule:**

Valuation Date	**	**	6/30/2019	6/30/2017	6/30/2017
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**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%
Healthcare Trend Rates	**	**	6.40%	Pre- Medicare 7.00%, trending trending down down to 3.84%; Medicare to 4.0% 6.00%, trending down to 3.84%	
Investment Rate of Return	**	**	5.50%	6.12%	6.12%
Mortality	**	**	CalPERS OPEB Assumption Model December		
Retirement Rates	**	**	2017 experience studies		

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

\*\* The City is currently making OPEB trust contributions on an ad-hoc basis and paying retiree medical benefits from general assets. The City does not currently calculate an Actuarially Determined Contribution.

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# Supplementary Information



19th Amendment Centennial Timeline:  
Celebrating Women's Right to Vote

Photo by Jon Viscott

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

## **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% in 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 repair 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.

**SPECIAL REVENUE FUNDS (CONTINUED)**

**Air Quality Improvement Fund**

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

**Traffic Fund**

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

**Public Beautification and Art Fund**

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

**Park Development Fund (Quimby Act)**

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

**City Lighting Fund**

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

**Public Access Corporation Fund**

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

**Parking Improvement Fund**

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

**Permit Parking Fund**

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

**Community Development Block Grant Fund (CDBG)**

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

**SPECIAL REVENUE FUNDS (CONTINUED)**

**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**

On November 6, 2018, the Safe, Clean Water Program (Measure W) was approved by Los Angeles County voters. Measure W imposes a new parcel tax of 2.5 cents per square foot of impermeable area, except as exempted. Measure W funds are utilized 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 plastic from entering the Los Angeles County waterways, bays, and beaches. This program has no sunset clause and shall go on perpetually unless terminated by voters in the future.

**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 nonprofit 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.

**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 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 FUNDS**

**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, 2022**

	<b>Special Revenue Funds</b>			
	<b>Special Grants</b>	<b>Proposition A</b>	<b>Proposition C</b>	<b>Measure R</b>
<b>ASSETS</b>				
Cash and Investments	\$ 807,679	\$ 1,088,617	\$ 2,225,766	\$ 942,999
Receivables:				
Accounts	41,159	-	-	-
Notes and Loans	-	-	-	-
Accrued Interest	473	919	2,049	859
Due from Other Governments	<u>1,092,672</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 1,941,983</u>	<u>\$ 1,089,536</u>	<u>\$ 2,227,815</u>	<u>\$ 943,858</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 1,324,544	\$ 113,550	\$ 525,762	\$ 143,455
Unearned Revenues	101,989	-	-	-
Deposits Payable	59,004	-	-	-
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	<u>1,485,537</u>	<u>113,550</u>	<u>525,762</u>	<u>143,455</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Leases	-	-	-	-
Unavailable Revenues	<u>1,075,028</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>1,075,028</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES ( DEFICIT)</b>				
Restricted:				
Public Services	-	975,986	1,702,053	800,403
Capital Projects	-	-	-	-
Unassigned	<u>(618,582)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances ( Deficit)	<u>(618,582)</u>	<u>975,986</u>	<u>1,702,053</u>	<u>800,403</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u>\$ 1,941,983</u>	 <u>\$ 1,089,536</u>	 <u>\$ 2,227,815</u>	 <u>\$ 943,858</u>

(Continued)

**City of West Hollywood  
Combining Balance Sheet  
Other Governmental Funds (Continued)  
June 30, 2022**

**Special Revenue Funds (Continued)**

<u>Gas Tax</u>	<u>RMRA</u>	<u>Air Quality Improvement</u>	<u>Traffic</u>	<u>Public Beautification and Art</u>	<u>Quimby Act</u>
\$ -	\$ 1,847,599	\$ 293,653	\$ 420,238	\$ 2,623,323	\$ 2,157,096
-	-	-	-	-	-
-	1,686	268	318	2,420	2,011
<u>229,873</u>	<u>124,226</u>	<u>11,881</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 229,873</u>	<u>\$ 1,973,511</u>	<u>\$ 305,802</u>	<u>\$ 420,556</u>	<u>\$ 2,625,743</u>	<u>\$ 2,159,107</u>
\$ 50,234	\$ 1,193,005	\$ 46,794	\$ 32,856	\$ 6,074	\$ 662
-	-	-	-	139,133	-
2,409	29,131	-	-	-	-
-	-	-	-	-	-
<u>152,491</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>205,134</u>	<u>1,222,136</u>	<u>46,794</u>	<u>32,856</u>	<u>145,207</u>	<u>662</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
24,739	751,375	259,008	387,700	2,480,536	2,158,445
-	-	-	-	-	-
-	-	-	-	-	-
<u>24,739</u>	<u>751,375</u>	<u>259,008</u>	<u>387,700</u>	<u>2,480,536</u>	<u>2,158,445</u>
<u>\$ 229,873</u>	<u>\$ 1,973,511</u>	<u>\$ 305,802</u>	<u>\$ 420,556</u>	<u>\$ 2,625,743</u>	<u>\$ 2,159,107</u>

(Continued)

**City of West Hollywood  
Combining Balance Sheet  
Other Governmental Funds (Continued)  
June 30, 2022**

	<b>Special Revenue Funds (Continued)</b>				
	<b>City Lighting</b>	<b>Public Access Corporation</b>	<b>Parking Improvement</b>	<b>Permit Parking</b>	<b>CDBG</b>
<b>ASSETS</b>					
Cash and Investments	\$ 3,780,566	\$ -	\$ -	\$ 4,000	\$ -
Receivables:					
Accounts	9,650	26,078	111,249	-	-
Notes and Loans	-	-	-	-	500,928
Accrued Interest	3,493	-	-	7	-
Due from Other Governments	46,220	-	-	-	127,901
Total Assets	<u>\$ 3,839,929</u>	<u>\$ 26,078</u>	<u>\$ 111,249</u>	<u>\$ 4,007</u>	<u>\$ 628,829</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 333,400	\$ 5,607	\$ 585,498	\$ 39,069	\$ 99,515
Unearned Revenues	-	-	-	-	-
Deposits Payable	33,469	-	45,998	-	5,150
Due to Other Governments	-	-	-	-	500,928
Due to Other Funds	-	92,154	2,113,119	635	22,631
Total Liabilities	<u>366,869</u>	<u>97,761</u>	<u>2,744,615</u>	<u>39,704</u>	<u>628,224</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Leases	-	-	81,103	-	-
Unavailable Revenues	-	-	-	-	103,003
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>81,103</u>	<u>-</u>	<u>103,003</u>
<b>FUND BALANCES ( DEFICIT)</b>					
Restricted:					
Public Services	3,473,060	-	-	-	-
Capital Projects	-	-	-	-	-
Unassigned	-	(71,683)	(2,714,469)	(35,697)	(102,398)
Total Fund Balances ( Deficit)	<u>3,473,060</u>	<u>(71,683)</u>	<u>(2,714,469)</u>	<u>(35,697)</u>	<u>(102,398)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,839,929</u>	<u>\$ 26,078</u>	<u>\$ 111,249</u>	<u>\$ 4,007</u>	<u>\$ 628,829</u>

(Continued)

**City of West Hollywood  
Combining Balance Sheet  
Other Governmental Funds (Continued)  
June 30, 2022**

<u>Special Revenue Funds (Continued)</u>				<u>Capital Projects Fund</u>	<u>Total Other Governmental Funds</u>
<u>Measure M</u>	<u>Measure W</u>	<u>Housing Trust</u>	<u>Housing Asset</u>	<u>Santa Monica Boulevard</u>	
\$ 1,007,812	\$ 521,495	\$ 20,206,445	\$ 179,510	\$ 4,360,108	\$ 42,466,906
-	-	16,541	19,621	-	224,298
-	-	-	-	-	500,928
925	470	18,940	164	4,070	39,072
-	-	-	-	-	1,632,773
<u>\$ 1,008,737</u>	<u>\$ 521,965</u>	<u>\$ 20,241,926</u>	<u>\$ 199,295</u>	<u>\$ 4,364,178</u>	<u>\$ 44,863,977</u>
\$ 22,511	-	\$ 59,735	-	\$ 452,913	\$ 5,035,184
-	-	-	-	-	241,122
-	-	-	-	23,209	198,370
-	-	-	-	-	500,928
-	-	-	-	-	2,381,030
<u>22,511</u>	<u>-</u>	<u>59,735</u>	<u>-</u>	<u>476,122</u>	<u>8,356,634</u>
-	-	-	-	-	81,103
-	-	-	-	-	1,178,031
-	-	-	-	-	1,259,134
986,226	521,965	20,182,191	199,295	-	34,902,982
-	-	-	-	3,888,056	3,888,056
-	-	-	-	-	(3,542,829)
<u>986,226</u>	<u>521,965</u>	<u>20,182,191</u>	<u>199,295</u>	<u>3,888,056</u>	<u>35,248,209</u>
<u>\$ 1,008,737</u>	<u>\$ 521,965</u>	<u>\$ 20,241,926</u>	<u>\$ 199,295</u>	<u>\$ 4,364,178</u>	<u>\$ 44,863,977</u>

(Concluded)

**City of West Hollywood**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Other Governmental Funds**  
**Year Ended June 30, 2022**

	<b>Special Revenue Funds</b>			
	<b>Special Grants</b>	<b>Proposition A</b>	<b>Proposition C</b>	<b>Measure R</b>
<b>REVENUES</b>				
Taxes	\$ 43,640	\$ 914,235	\$ 758,339	\$ 568,663
Intergovernmental	401,653	3,150,349	-	-
Charges for Services	-	-	-	-
Use of Money and Property	(7,462)	(29,281)	(30,555)	(8,021)
Fines and Forfeitures	-	-	-	-
Developer Participation	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>437,831</u>	<u>4,035,303</u>	<u>727,784</u>	<u>560,642</u>
<b>EXPENDITURES</b>				
Current:				
General Government	7,592	-	90,084	-
Public Safety	180,124	-	-	-
Public Services	383,507	2,739,788	780,891	406,889
Capital Outlay	1,317,299	-	-	96,224
Debt Service:				
Principal Retirement	-	-	-	-
Total Expenditures	<u>1,888,522</u>	<u>2,739,788</u>	<u>870,975</u>	<u>503,113</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,450,691)</u>	<u>1,295,515</u>	<u>(143,191)</u>	<u>57,529</u>
<b>OTHER FINANCING USES</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(1,450,691)	1,295,515	(143,191)	57,529
Fund Balances (Deficits)				
- Beginning of Year	<u>832,109</u>	<u>(319,529)</u>	<u>1,845,244</u>	<u>742,874</u>
<b>FUND BALANCES (DEFICIT)</b>				
- END OF YEAR	<u>\$ (618,582)</u>	<u>\$ 975,986</u>	<u>\$ 1,702,053</u>	<u>\$ 800,403</u>

(Continued)

**City of West Hollywood**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Other Governmental Funds (Continued)**  
**Year Ended June 30, 2022**

**Special Revenue Funds (Continued)**

<u>Gas Tax</u>	<u>RMRA</u>	<u>Air Quality Improvement</u>	<u>Traffic</u>	<u>Public Beautification and Art</u>	<u>Quimby Act</u>
\$ -	\$ -	\$ 46,386	\$ -	\$ -	\$ -
921,230	725,405	-	-	-	-
-	-	-	-	-	-
-	(10,787)	(2,196)	(4,349)	(41,374)	(53,849)
-	-	-	-	-	-
-	-	-	303,532	471,359	304,007
-	-	-	-	-	-
<u>921,230</u>	<u>714,618</u>	<u>44,190</u>	<u>299,183</u>	<u>429,985</u>	<u>250,158</u>
-	-	-	-	31,834	-
-	-	-	-	-	-
1,083,647	314,419	39,213	174,375	-	-
134,821	1,299,776	18,882	268,677	27,165	515,892
-	-	-	-	-	-
<u>1,218,468</u>	<u>1,614,195</u>	<u>58,095</u>	<u>443,052</u>	<u>58,999</u>	<u>515,892</u>
<u>(297,238)</u>	<u>(899,577)</u>	<u>(13,905)</u>	<u>(143,869)</u>	<u>370,986</u>	<u>(265,734)</u>
850,000	-	-	-	-	-
-	-	-	-	-	-
<u>850,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
552,762	(899,577)	(13,905)	(143,869)	370,986	(265,734)
<u>(528,023)</u>	<u>1,650,952</u>	<u>272,913</u>	<u>531,569</u>	<u>2,109,550</u>	<u>2,424,179</u>
<u>\$ 24,739</u>	<u>\$ 751,375</u>	<u>\$ 259,008</u>	<u>\$ 387,700</u>	<u>\$ 2,480,536</u>	<u>\$ 2,158,445</u>

(Continued)

**City of West Hollywood**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Other Governmental Funds (Continued)**  
**Year Ended June 30, 2022**

	<b>Special Revenue Funds (Continued)</b>				
	<b>City Lighting</b>	<b>Public Access Corporation</b>	<b>Parking Improvement</b>	<b>Permit Parking</b>	<b>CDBG</b>
<b>REVENUES</b>					
Taxes	\$ 1,765,870	\$ 127,766	\$ -	\$ -	\$ -
Intergovernmental	6,650	-	-	-	43,804
Charges for Services	-	-	392,627	-	-
Use of Money and Property	(64,753)	-	2,147,764	796,137	-
Fines and Forfeitures	-	-	665,856	-	-
Developer Participation	-	-	409,189	-	-
Miscellaneous	-	-	11,187	-	-
Total Revenues	<u>1,707,767</u>	<u>127,766</u>	<u>3,626,623</u>	<u>796,137</u>	<u>43,804</u>
<b>EXPENDITURES</b>					
Current:					
General Government	-	158,439	70,898	-	-
Public Safety	-	-	-	-	-
Public Services	1,086,353	-	2,647,998	1,071,960	45,646
Capital Outlay	-	-	269,439	-	103,002
Debt Service:					
Principal Retirement	-	-	10,052	-	-
Total Expenditures	<u>1,086,353</u>	<u>158,439</u>	<u>2,998,387</u>	<u>1,071,960</u>	<u>148,648</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>621,414</u>	<u>(30,673)</u>	<u>628,236</u>	<u>(275,823)</u>	<u>(104,844)</u>
<b>OTHER FINANCING USES</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	(1,252,946)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(1,252,946)</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	621,414	(30,673)	(624,710)	(275,823)	(104,844)
Fund Balances (Deficits)					
- Beginning of Year	<u>2,851,646</u>	<u>(41,010)</u>	<u>(2,089,759)</u>	<u>240,126</u>	<u>2,446</u>
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	<u>\$ 3,473,060</u>	<u>\$ (71,683)</u>	<u>\$ (2,714,469)</u>	<u>\$ (35,697)</u>	<u>\$ (102,398)</u>

(Continued)



**City of West Hollywood**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Other Governmental Funds (Continued)**  
**Year Ended June 30, 2022**

<u>Special Revenue Funds (Continued)</u>				<u>Capital Projects Fund</u>	<u>Total Other Governmental Funds</u>
<u>Measure M</u>	<u>Measure W</u>	<u>Housing Trust</u>	<u>Housing Asset</u>	<u>Santa Monica Boulevard</u>	
\$ 643,507	\$ -	\$ -	\$ -	\$ -	\$ 4,868,406
-	260,997	-	-	-	5,510,088
-	-	-	-	-	392,627
(11,963)	1,708	(529,161)	(954)	(114,177)	2,036,727
-	-	-	-	-	665,856
-	-	3,002,425	-	-	4,490,512
-	-	16,541	19,621	-	47,349
<u>631,544</u>	<u>262,705</u>	<u>2,489,805</u>	<u>18,667</u>	<u>(114,177)</u>	<u>18,011,565</u>
-	-	23,988	-	-	382,835
-	-	-	-	-	180,124
308,357	-	685,551	-	-	11,768,594
-	-	100,000	-	477,908	4,629,085
-	-	-	-	-	10,052
<u>308,357</u>	<u>-</u>	<u>809,539</u>	<u>-</u>	<u>477,908</u>	<u>16,970,690</u>
<u>323,187</u>	<u>262,705</u>	<u>1,680,266</u>	<u>18,667</u>	<u>(592,085)</u>	<u>1,040,875</u>
-	-	-	-	-	850,000
-	-	-	-	-	(1,252,946)
-	-	-	-	-	(402,946)
323,187	262,705	1,680,266	18,667	(592,085)	637,929
<u>663,039</u>	<u>259,260</u>	<u>18,501,925</u>	<u>180,628</u>	<u>4,480,141</u>	<u>34,610,280</u>
<u>\$ 986,226</u>	<u>\$ 521,965</u>	<u>\$ 20,182,191</u>	<u>\$ 199,295</u>	<u>\$ 3,888,056</u>	<u>\$ 35,248,209</u>

(Concluded)

**City of West Hollywood**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Special Grants Special Revenue Fund**  
**Year ended June 30, 2022**

	<b>Budgeted Amounts</b>			<b>Variance with Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>(Negative)</b>
<b>BUDGETARY FUND BALANCE, JULY 1</b>	\$ 832,109	\$ 832,109	\$ 832,109	\$ -
<b><u>REVENUES</u></b>				
Taxes	-	-	43,640	43,640
Intergovernmental	4,087,968	4,999,993	401,653	(4,598,340)
Use of Money and Property	-	-	(7,462)	(7,462)
Amounts Available for Appropriations	4,087,968	4,999,993	437,831	(4,562,162)
<b><u>EXPENDITURES</u></b>				
Current:				
General government	6,000	6,000	7,592	(1,592)
Public Safety	109,000	109,000	180,124	(71,124)
Public Services	361,488	995,158	383,507	611,651
Capital Outlay	3,611,480	4,768,063	1,317,299	3,450,764
Total Charges to Appropriations	4,087,968	5,878,221	1,888,522	3,989,699
<b>BUDGETARY FUND BALANCE (DEFICIT), JUNE 30</b>	\$ 832,109	\$ (46,119)	\$ (618,582)	\$ (572,463)

**City of West Hollywood**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Proposition A Special Revenue Fund**  
**Year ended June 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>BUDGETARY FUND BALANCE, JULY 1</b>	\$ (319,529)	\$ (319,529)	\$ (319,529)	\$ -
<b><u>REVENUES</u></b>				
Taxes	731,000	731,000	914,235	183,235
Intergovernmental	3,167,732	3,167,732	3,150,349	(17,383)
Use of Money and Property	14,700	14,700	(29,281)	(43,981)
Amounts Available for Appropriations	<u>3,913,432</u>	<u>3,913,432</u>	<u>4,035,303</u>	<u>121,871</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public Services	3,689,789	3,809,615	2,739,788	1,069,827
Capital Outlay	100,000	351,145	-	351,145
Total Charges to Appropriations	<u>3,789,789</u>	<u>4,160,760</u>	<u>2,739,788</u>	<u>1,420,972</u>
<b>BUDGETARY FUND BALANCE (DEFICIT), JUNE 30</b>	<u>\$ (195,886)</u>	<u>\$ (566,857)</u>	<u>\$ 975,986</u>	<u>\$ 1,542,843</u>

**City of West Hollywood**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Proposition C Special Revenue Fund**  
**Year ended June 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>BUDGETARY FUND BALANCE, JULY 1</b>	\$ 1,845,244	\$ 1,845,244	\$ 1,845,244	\$ -
<b><u>REVENUES</u></b>				
Taxes	606,400	758,400	758,339	(61)
Use of Money and Property	5,150	5,150	(30,555)	(35,705)
Amounts Available for Appropriations	<u>611,550</u>	<u>763,550</u>	<u>727,784</u>	<u>(35,766)</u>
<b><u>EXPENDITURES</u></b>				
Current:				
General government	91,000	90,084	90,084	-
Public Services	481,145	733,087	780,891	(47,804)
Capital Outlay	-	779,367	-	779,367
Total Charges to Appropriations	<u>572,145</u>	<u>1,602,538</u>	<u>870,975</u>	<u>731,563</u>
<b>BUDGETARY FUND BALANCE, JUNE 30</b>	<u>\$ 1,884,649</u>	<u>\$ 1,006,256</u>	<u>\$ 1,702,053</u>	<u>\$ 695,797</u>

**City of West Hollywood**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Measure R Special Revenue Fund**  
**Year ended June 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>BUDGETARY FUND BALANCE, JULY 1</b>	\$ 742,874	\$ 742,874	\$ 742,874	\$ -
<b><u>REVENUES</u></b>				
Taxes	454,800	454,800	568,663	113,863
Use of Money and Property	5,150	5,150	(8,021)	(13,171)
Amounts Available for Appropriations	<u>459,950</u>	<u>459,950</u>	<u>560,642</u>	<u>100,692</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public Services	495,448	695,448	406,889	288,559
Capital Outlay	200,000	291,757	96,224	195,533
Total Charges to Appropriations	<u>695,448</u>	<u>987,205</u>	<u>503,113</u>	<u>484,092</u>
<b>BUDGETARY FUND BALANCE, JUNE 30</b>	<u>\$ 507,376</u>	<u>\$ 215,619</u>	<u>\$ 800,403</u>	<u>\$ 584,784</u>

**City of West Hollywood**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Gas Tax Special Revenue Fund**  
**Year ended June 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>BUDGETARY FUND BALANCE, JULY 1</b>	\$ (528,023)	\$ (528,023)	\$ (528,023)	\$ -
<b><u>REVENUES</u></b>				
Intergovernmental	774,525	854,525	921,230	66,705
Use of Money and Property	1,040	1,040	-	(1,040)
Transfers In	-	850,000	850,000	-
Amounts Available for Appropriations	<u>775,565</u>	<u>1,705,565</u>	<u>1,771,230</u>	<u>65,665</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public Services	1,172,965	1,172,965	1,083,647	89,318
Capital Outlay	-	135,000	134,821	179
Total Charges to Appropriations	<u>1,172,965</u>	<u>1,307,965</u>	<u>1,218,468</u>	<u>89,497</u>
<b>BUDGETARY FUND BALANCE (DEFICIT), JUNE 30</b>	<u>\$ (925,423)</u>	<u>\$ (130,423)</u>	<u>\$ 24,739</u>	<u>\$ 155,162</u>

**City of West Hollywood**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**RMRA Special Revenue Fund**  
**Year ended June 30, 2022**

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	Budgeted Amounts		Actual	Variance with Budget Positive (Negative)
	Original	Final		
<b>BUDGETARY FUND BALANCE, JULY 1</b>	\$ 1,650,952	\$ 1,650,952	\$ 1,650,952	\$ -
<b><u>REVENUES</u></b>				
Intergovernmental	550,000	550,000	725,405	175,405
Use of Money and Property	6,000	6,000	(10,787)	(16,787)
Amounts Available for Appropriations	556,000	556,000	714,618	158,618
<b><u>EXPENDITURES</u></b>				
Current:				
Public Services	356,329	356,329	314,419	41,910
Capital Outlay	550,000	1,450,000	1,299,776	150,224
Total Charges to Appropriations	906,329	1,806,329	1,614,195	192,134
<b>BUDGETARY FUND BALANCE, JUNE 30</b>	\$ 1,300,623	\$ 400,623	\$ 751,375	\$ 350,752

**City of West Hollywood**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Air Quality Improvement Special Revenue Fund**  
**Year ended June 30, 2022**

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	<b>Budgeted Amounts</b>			<b>Variance with Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>(Negative)</b>
<b>BUDGETARY FUND BALANCE, JULY 1</b>	\$ 272,913	\$ 272,913	\$ 272,913	\$ -
 <b><u>REVENUES</u></b>				
Taxes	49,440	49,440	46,386	(3,054)
Use of Money and Property	1,030	1,030	(2,196)	(3,226)
Amounts Available for Appropriations	50,470	50,470	44,190	(6,280)
 <b><u>EXPENDITURES</u></b>				
Current:				
Public Services	40,000	71,000	39,213	31,787
Capital Outlay	60,000	215,000	18,882	196,118
Total Charges to Appropriations	100,000	286,000	58,095	227,905
 <b>BUDGETARY FUND BALANCE, JUNE 30</b>	 \$ 223,383	 \$ 37,383	 \$ 259,008	 \$ 221,625



**City of West Hollywood**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Traffic Special Revenue Fund**  
**Year ended June 30, 2022**

	<b>Budgeted Amounts</b>			<b>Variance with Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>(Negative)</b>
<b>BUDGETARY FUND BALANCE, JULY 1</b>	\$ 531,569	\$ 531,569	\$ 531,569	\$ -
 <b>REVENUES</b>				
Use of Money and Property	5,150	5,150	(4,349)	(9,499)
Developer Participation	51,500	51,500	303,532	252,032
Amounts Available for Appropriations	56,650	56,650	299,183	242,533
 <b>EXPENDITURES</b>				
Current:				
Public Services	173,499	173,499	174,375	(876)
Capital Outlay	300,000	1,097,062	268,677	828,385
Total Charges to Appropriations	473,499	1,270,561	443,052	827,509
 <b>BUDGETARY FUND BALANCE (DEFICIT), JUNE 30</b>	 \$ 114,720	 \$ (682,342)	 \$ 387,700	 \$ 1,070,042

**City of West Hollywood**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Public Beautification and Art Special Revenue Fund**  
**Year ended June 30, 2022**

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	<b>Budgeted Amounts</b>			<b>Variance with Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>(Negative)</b>
<b>BUDGETARY FUND BALANCE, JULY 1</b>	\$ 2,109,550	\$ 2,109,550	\$ 2,109,550	\$ -
 <b>REVENUES</b>				
Use of Money and Property	14,700	14,700	(41,374)	(56,074)
Developer Participation	51,500	51,500	471,359	419,859
Amounts Available for Appropriations	66,200	66,200	429,985	363,785
 <b>EXPENDITURES</b>				
Current:				
General government	123,500	153,870	31,834	122,036
Capital Outlay	110,000	177,600	27,165	150,435
Total Charges to Appropriations	233,500	331,470	58,999	272,471
 <b>BUDGETARY FUND BALANCE, JUNE 30</b>	 \$ 1,942,250	 \$ 1,844,280	 \$ 2,480,536	 \$ 636,256

**City of West Hollywood**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Quimby Act Special Revenue Fund**  
**Year ended June 30, 2022**

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	<b>Budgeted Amounts</b>			<b>Variance with Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>(Negative)</b>
<b>BUDGETARY FUND BALANCE, JULY 1</b>	\$ 2,424,179	\$ 2,424,179	\$ 2,424,179	\$ -
<b><u>REVENUES</u></b>				
Use of Money and Property	14,700	14,700	(53,849)	(68,549)
Developer Participation	51,500	51,500	304,007	252,507
Amounts Available for Appropriations	66,200	66,200	250,158	183,958
<b><u>EXPENDITURES</u></b>				
Capital Outlay	246,600	1,878,969	515,892	1,363,077
Total Charges to Appropriations	246,600	1,878,969	515,892	1,363,077
<b>BUDGETARY FUND BALANCE, JUNE 30</b>	\$ 2,243,779	\$ 611,410	\$ 2,158,445	\$ 1,547,035

**City of West Hollywood**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**City Lighting Special Revenue Fund**  
**Year ended June 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>BUDGETARY FUND BALANCE, JULY 1</b>	\$ 2,851,646	\$ 2,851,646	\$ 2,851,646	\$ -
<b><u>REVENUES</u></b>				
Taxes	1,508,900	1,508,900	1,765,870	256,970
Intergovernmental	7,200	7,200	6,650	(550)
Use of Money and Property	14,700	14,700	(64,753)	(79,453)
Amounts Available for Appropriations	<u>1,530,800</u>	<u>1,530,800</u>	<u>1,707,767</u>	<u>176,967</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public Services	800,000	825,000	1,086,353	(261,353)
Capital Outlay	-	9,308	-	9,308
Total Charges to Appropriations	<u>800,000</u>	<u>834,308</u>	<u>1,086,353</u>	<u>(252,045)</u>
<b>BUDGETARY FUND BALANCE (DEFICIT), JUNE 30</b>	<u>\$ 3,582,446</u>	<u>\$ 3,548,138</u>	<u>\$ 3,473,060</u>	<u>\$ (75,078)</u>

**City of West Hollywood**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Public Access Corporation Special Revenue Fund**  
**Year ended June 30, 2022**

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	Budgeted Amounts		Actual	Variance with Budget Positive (Negative)
	Original	Final		
<b>BUDGETARY FUND BALANCE (DEFICIT), JULY 1</b>	\$ (41,010)	\$ (41,010)	\$ (41,010)	\$ -
<b><u>REVENUES</u></b>				
Taxes	144,200	144,200	127,766	(16,434)
Use of Money and Property	180	180	-	(180)
Miscellaneous	515	515	-	(515)
Amounts Available for Appropriations	144,895	144,895	127,766	(17,129)
<b><u>EXPENDITURES</u></b>				
Current:				
General government	139,505	139,505	158,439	(18,934)
Total Charges to Appropriations	139,505	139,505	158,439	(18,934)
<b>BUDGETARY FUND BALANCE (DEFICIT), JUNE 30</b>	\$ (35,620)	\$ (35,620)	\$ (71,683)	\$ (36,063)

**City of West Hollywood**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Parking Improvement Special Revenue Fund**  
**Year ended June 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>BUDGETARY FUND BALANCE (DEFICIT), JULY 1</b>	\$ (2,089,759)	\$ (2,089,759)	\$ (2,089,759)	\$ -
<b><u>REVENUES</u></b>				
Charges for Services	350,000	350,000	392,627	42,627
Use of Money and Property	1,690,970	1,690,970	2,147,764	456,794
Fines and Forfeitures	546,000	546,000	665,856	119,856
Developer Participation	153,770	153,770	409,189	255,419
Miscellaneous	-	-	11,187	11,187
Amounts Available for Appropriations	<u>2,740,740</u>	<u>2,740,740</u>	<u>3,626,623</u>	<u>885,883</u>
<b><u>EXPENDITURES</u></b>				
Current:				
General government	57,935	57,935	70,898	(12,963)
Public Services	3,088,118	3,113,118	2,647,998	465,120
Capital Outlay	-	2,155,695	269,439	1,886,256
Debt Service:				
Principal Retirement	-	-	10,052	(10,052)
Transfers Out	<u>1,252,946</u>	<u>1,252,946</u>	<u>1,252,946</u>	<u>-</u>
Total Charges to Appropriations	<u>4,398,999</u>	<u>6,579,694</u>	<u>4,251,333</u>	<u>2,328,361</u>
<b>BUDGETARY FUND BALANCE (DEFICIT), JUNE 30</b>	<u>\$ (3,748,018)</u>	<u>\$ (5,928,713)</u>	<u>\$ (2,714,469)</u>	<u>\$ 3,214,244</u>

**City of West Hollywood**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Permit Parking Special Revenue Fund**  
**Year ended June 30, 2022**

	<b>Budgeted Amounts</b>			<b>Variance with Budget Positive Negative</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>(Negative)</b>
<b>BUDGETARY FUND BALANCE, JULY 1</b>	\$ 240,126	\$ 240,126	\$ 240,126	\$ -
 <b>REVENUES</b>				
Use of Money and Property	821,531	821,531	796,137	(25,394)
Amounts Available for Appropriations	821,531	821,531	796,137	(25,394)
 <b>EXPENDITURES</b>				
Current:				
Public Services	1,145,241	1,145,241	1,071,960	73,281
Total Charges to Appropriations	1,145,241	1,145,241	1,071,960	73,281
 <b>BUDGETARY FUND BALANCE (DEFICIT), JUNE 30</b>	 <u>(83,584)</u>	 <u>(83,584)</u>	 <u>(35,697)</u>	 <u>47,887</u>

**City of West Hollywood**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Community Development Block Grant Special Revenue Fund**  
**Year ended June 30, 2022**

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	<b>Budgeted Amounts</b>			<b>Variance with Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>(Negative)</b>
<b>BUDGETARY FUND BALANCE, JULY 1</b>	\$ 2,446	\$ 2,446	\$ 2,446	\$ -
 <b>REVENUES</b>				
Intergovernmental	225,530	225,530	43,804	(181,726)
Amounts Available for Appropriations	225,530	225,530	43,804	(181,726)
 <b>EXPENDITURES</b>				
Current:				
Public Services	42,730	45,985	45,646	339
Capital Outlay	185,648	185,648	103,002	82,646
Total Charges to Appropriations	228,378	231,633	148,648	82,985
 <b>BUDGETARY FUND BALANCE (DEFICIT), JUNE 30</b>	 \$ (402)	 \$ (3,657)	 \$ (102,398)	 \$ (98,741)



**City of West Hollywood**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Measure M Special Revenue Fund**  
**Year ended June 30, 2022**

	<b>Budgeted Amounts</b>			<b>Variance with Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>(Negative)</b>
<b>BUDGETARY FUND BALANCE, JULY 1</b>	\$ 663,039	\$ 663,039	\$ 663,039	\$ -
 <b>REVENUES</b>				
Taxes	515,465	515,465	643,507	128,042
Use of Money and Property	3,000	3,000	(11,963)	(14,963)
Amounts Available for Appropriations	518,465	518,465	631,544	113,079
 <b>EXPENDITURES</b>				
Current:				
Public Safety	-	400,000	-	400,000
Public Services	515,000	922,950	308,357	614,593
Total Charges to Appropriations	515,000	1,322,950	308,357	1,014,593
 <b>BUDGETARY FUND BALANCE (DEFICIT), JUNE 30</b>	 \$ 666,504	 \$ (141,446)	 \$ 986,226	 \$ 1,127,672

**City of West Hollywood**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Measure W Special Revenue Fund**  
**Year ended June 30, 2022**

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	<b>Budgeted Amounts</b>			<b>Variance with Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>BUDGETARY FUND BALANCE, JULY 1</b>	\$ 259,260	\$ 259,260	\$ 259,260	\$ -
<b><u>REVENUES</u></b>				
Intergovernmental	260,000	260,000	260,997	997
Use of Money and Property	-	-	1,708	1,708
Amounts Available for Appropriations	260,000	260,000	262,705	2,705
 <b>BUDGETARY FUND BALANCE, JUNE 30</b>	 \$ 519,260	 \$ 519,260	 \$ 521,965	 \$ 2,705

**City of West Hollywood**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Housing Trust Special Revenue Fund**  
**Year ended June 30, 2022**

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	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>BUDGETARY FUND BALANCE, JULY 1</b>	\$ 18,501,925	\$ 18,501,925	\$ 18,501,925	\$ -
<b><u>REVENUES</u></b>				
Use of Money and Property	142,600	142,600	(529,161)	(671,761)
Developer Participation	1,000,000	1,000,000	3,002,425	2,002,425
Miscellaneous	-	-	16,541	16,541
Amounts Available for Appropriations	<u>1,142,600</u>	<u>1,142,600</u>	<u>2,489,805</u>	<u>1,347,205</u>
<b><u>EXPENDITURES</u></b>				
Current:				
General government	80,000	80,000	23,988	56,012
Public Services	774,693	944,847	685,551	259,296
Capital Outlay	-	4,200,000	100,000	4,100,000
Total Charges to Appropriations	<u>854,693</u>	<u>5,224,847</u>	<u>809,539</u>	<u>4,415,308</u>
<b>BUDGETARY FUND BALANCE, JUNE 30</b>	<u>\$ 18,789,832</u>	<u>\$ 14,419,678</u>	<u>\$ 20,182,191</u>	<u>\$ 5,762,513</u>

**City of West Hollywood**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Santa Monica Boulevard Capital Projects Fund**  
**Year ended June 30, 2022**

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	<b>Budgeted Amounts</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>BUDGETARY FUND BALANCE, JULY 1</b>	\$ 4,480,141	\$ 4,480,141	\$ 4,480,141	\$ -
 <b>REVENUES</b>				
Use of Money and Property	41,200	41,200	(114,177)	(155,377)
Amounts Available for Appropriations	41,200	41,200	(114,177)	(155,377)
 <b>EXPENDITURES</b>				
Capital Outlay	250,000	1,054,655	477,908	576,747
Total Charges to Appropriations	250,000	1,054,655	477,908	576,747
 <b>BUDGETARY FUND BALANCE, JUNE 30</b>	 \$ 4,271,341	 \$ 3,466,686	 \$ 3,888,056	 \$ 421,370

**City of West Hollywood**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Debt Funded Capital Projects Fund**  
**Year ended June 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>BUDGETARY FUND BALANCE, JULY 1</b>	\$ 4,886,232	\$ 4,886,232	\$ 4,886,232	\$ -
<b><u>Resources (Inflows)</u></b>				
Use of Money and Property	-	-	(129,088)	(129,088)
Contributions	1,980,000	1,980,000	-	(1,980,000)
Miscellaneous	-	-	-	-
Transfers In	<u>600,000</u>	<u>20,253,737</u>	<u>20,253,737</u>	<u>-</u>
Amounts Available for Appropriations	<u>2,580,000</u>	<u>22,233,737</u>	<u>20,124,649</u>	<u>(2,109,088)</u>
<b><u>Charges to Appropriations (Outflows)</u></b>				
Capital Outlay	<u>2,580,000</u>	<u>38,056,540</u>	<u>21,503,285</u>	<u>16,553,255</u>
Total Charges to Appropriations	<u>2,580,000</u>	<u>38,056,540</u>	<u>21,503,285</u>	<u>16,553,255</u>
<b>BUDGETARY FUND BALANCE (DEFICIT), JUNE 30</b>	<u>\$ 4,886,232</u>	<u>\$ (10,936,571)</u>	<u>\$ 3,507,596</u>	<u>\$ 14,444,167</u>

**City of West Hollywood**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Capital Projects Debt Service – Major Fund**  
**Year ended June 30, 2022**

	<b>Budgeted Amounts</b>			<b>Variance with Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>(Negative)</b>
<b>BUDGETARY FUND BALANCE, JULY 1</b>	\$ 61,479,382	\$ 61,479,382	\$ 61,479,382	\$ -
<b><u>Resources (Inflows)</u></b>				
Use of Money and Property	977,306	977,306	687,285	(290,021)
Transfers In	11,339,316	11,339,316	11,339,316	-
Amounts Available for Appropriations	12,316,622	12,316,622	12,026,601	(290,021)
<b><u>Charges to Appropriations (Outflows)</u></b>				
Debt Service:				
Principal Retirement	4,200,000	4,200,000	4,200,000	-
Interest and Fiscal Charges	7,139,316	7,139,316	7,135,288	4,028
Transfers Out	600,000	20,253,737	20,253,737	-
Total Charges to Appropriations	11,939,316	31,593,053	31,589,025	4,028
<b>BUDGETARY FUND BALANCE (DEFICIT), JUNE 30</b>	\$ 61,856,688	\$ 42,202,951	\$ 41,916,958	\$ (285,993)

**NONMAJOR ENTERPRISE FUNDS (PROPRIETARY 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 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. This fund also contains sewer assets transferred from the County of Los Angeles when the City took over the Sewer District.

**Solid Waste Fund**

The City levies assessments for the 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 are done by the County of Los Angeles. The revenue generated in this fund is used for maintenance, operation and servicing of boulevard medians 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, 2022**

	Business-Type Activities - Enterprise Funds				Total
	Sewer Charge	Solid Waste	Landscape District	Street Maintenance	
<b>ASSETS</b>					
Current Assets:					
Cash and Investments	\$ 2,770,502	\$ 505,894	\$ 313,319	\$ 145,736	\$ 3,735,451
Receivables:					
Accounts	26,409	705	8,750	165	36,029
Accrued Interest	2,605	470	285	133	3,493
Due from Other Governments	95,932	104,429	12,495	20,613	233,469
Total Current Assets	<u>2,895,448</u>	<u>611,498</u>	<u>334,849</u>	<u>166,647</u>	<u>4,008,442</u>
Noncurrent Assets:					
Capital Assets, Net of Accumulated					
Depreciation	9,590,313	-	-	-	9,590,313
Total Noncurrent Assets	<u>9,590,313</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,590,313</u>
Total Assets	<u>12,485,761</u>	<u>611,498</u>	<u>334,849</u>	<u>166,647</u>	<u>13,598,755</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Amounts from Pension	42,493	61,375	-	33,365	137,233
<b>LIABILITIES</b>					
Current Liabilities					
Accounts Payable	204,762	-	20,993	5,402	231,157
Total Current Liabilities	<u>204,762</u>	<u>-</u>	<u>20,993</u>	<u>5,402</u>	<u>231,157</u>
Long- Term Liabilities:					
Net Pension Liability	115,020	166,130	-	90,312	371,462
Total Liabilities	<u>319,782</u>	<u>166,130</u>	<u>20,993</u>	<u>95,714</u>	<u>602,619</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Amounts from Pension	102,389	147,887	-	80,394	330,670
<b>NET POSITION</b>					
Net Investment in Capital Assets	9,590,313	-	-	-	9,590,313
Unrestricted	2,515,770	358,856	313,856	23,904	3,212,386
Total Net Position	<u>\$ 12,106,083</u>	<u>\$ 358,856</u>	<u>\$ 313,856</u>	<u>\$ 23,904</u>	<u>\$ 12,802,699</u>



**City of West Hollywood**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Nonmajor Enterprise Funds**  
**Year ended June 30, 2022**

	Business-type Activities - Enterprise Funds				
	Sewer Charge	Solid Waste	Landscape District	Street Maintenance	Total
<b>OPERATING REVENUES</b>					
Sales and Service Charges	\$ 1,431,472	\$ 1,699,232	\$ 190,336	\$ 295,489	\$ 3,616,529
Penalties on Assessments	2,876	9,439	-	798	13,113
Other Fees and Charges	46,233	-	-	-	46,233
<b>Total Operating Revenues</b>	<u>1,480,581</u>	<u>1,708,671</u>	<u>190,336</u>	<u>296,287</u>	<u>3,675,875</u>
<b>OPERATING EXPENSES</b>					
Administration and General	35,396	9,075	-	(48,423)	(3,952)
Treatment	975,423	1,622,968	-	225,417	2,823,808
Cost of Sales and Services	-	-	189,932	-	189,932
Depreciation	446,192	-	-	-	446,192
<b>Total Operating Expenses</b>	<u>1,457,011</u>	<u>1,632,043</u>	<u>189,932</u>	<u>176,994</u>	<u>3,455,980</u>
<b>OPERATING INCOME</b>	<u>23,570</u>	<u>76,628</u>	<u>404</u>	<u>119,293</u>	<u>219,895</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest Revenue	11,227	1,785	1,337	460	14,809
Net Decrease in Fair Value of Investments	(75,829)	(12,120)	(2,099)	-	(90,048)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(64,602)</u>	<u>(10,335)</u>	<u>(762)</u>	<u>460</u>	<u>(75,239)</u>
<b>CHANGE IN NET POSITION</b>	(41,032)	66,293	(358)	119,753	144,656
Net Position (Deficit) - Beginning of Year	<u>12,147,115</u>	<u>292,563</u>	<u>314,214</u>	<u>(95,849)</u>	<u>12,658,043</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 12,106,083</u>	<u>\$ 358,856</u>	<u>\$ 313,856</u>	<u>\$ 23,904</u>	<u>\$ 12,802,699</u>

**City of West Hollywood  
Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
Year ended June 30, 2022**

	Business-Type Activities - Enterprise Funds				
	Sewer Charge	Solid Waste	Landscape District	Street Maintenance	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash Received from Customers and Users	\$ 1,481,826	\$ 1,708,671	\$ 191,007	\$ 296,345	\$ 3,677,849
Cash Paid to Suppliers for Goods and Services	(715,327)	(1,401,782)	(172,786)	(235,183)	(2,525,078)
Cash Paid to Employees for Services	(246,637)	(347,387)	-	(17,872)	(611,896)
Net Cash Provided By (Used In) Operating Activities	<u>519,862</u>	<u>(40,498)</u>	<u>18,221</u>	<u>43,290</u>	<u>540,875</u>
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>					
Interest Received (Paid)	(65,738)	(10,457)	(862)	391	(76,666)
Cash Provided by (Used In) Investing Activity	<u>(65,738)</u>	<u>(10,457)</u>	<u>(862)</u>	<u>391</u>	<u>(76,666)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	454,124	(50,955)	17,359	43,681	464,209
Cash and Cash Equivalents - Beginning of Year	<u>2,316,378</u>	<u>556,849</u>	<u>295,960</u>	<u>102,055</u>	<u>3,271,242</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 2,770,502</u>	<u>\$ 505,894</u>	<u>\$ 313,319</u>	<u>\$ 145,736</u>	<u>\$ 3,735,451</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) BY OPERATING ACTIVITIES</b>					
Operating Income	\$ 23,570	\$ 76,628	\$ 404	\$ 119,293	\$ 219,895
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used In) Operating Activities:					
Depreciation Expense	446,192	-	-	-	446,192
Changes in Assets and Liabilities:					
(Increase) Decrease in:					
Accounts Receivable	1,245	-	604	58	1,907
Due from Other Governments	(56,323)	(60,675)	(3,779)	(12,835)	(133,612)
Deferred Outflows from Pension	25,261	17,992	-	19,033	62,286
Increase (Decrease) in:					
Accounts Payable	193,575	(647)	20,992	3,069	216,989
Net Pension Liability	(211,922)	(216,851)	-	(162,532)	(591,305)
Deferred Inflows from Pension	98,264	143,055	-	77,204	318,523
Net Cash Provided By (Used In) Operating Activities	<u>\$ 519,862</u>	<u>\$ (40,498)</u>	<u>\$ 18,221</u>	<u>\$ 43,290</u>	<u>\$ 540,875</u>

## **FIDUCIARY FUNDS CUSTODIAL FUNDS**

### **West Hollywood Design District – Custodial**

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 – Custodial**

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.

### **Sunset Strip Business Improvement District – Custodial**

Created in 2002, the 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 remittances to the District.

### **Legacy Medical Business Marketing – Custodial**

The Legacy Medical Business Marketing Fund was created to Benefit West Hollywood Cannabis Businesses. Starting January 1, 2021, each Legacy Medical Business began contributing funds equal to 2.5% of the business' gross receipts on adult-use sales to a marketing fund that is operated independently from the City by the holders of cannabis licenses in the city. The 2.5% rate remains in effect for each Legacy Medical Business until June 30, 2024. However, if a Legacy Medical Business has contributed \$250,000 total to the marketing fund before June 30, 2024, then the rate decreases to 1%. On July 1, 2024, the rate reduces to 0.50% until June 30, 2028. After June 30, 2028, the Legacy Medical Businesses in good standing will contribute an amount agreed upon among the parties, if any.

**SUCCESSOR AGENCY PRIVATE-PURPOSE TRUST FUNDS**

**Housing Capital Improvements**

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

**Nonhousing 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 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.

**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 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 Schedule of Fiduciary Net Position**  
**All Custodial Funds**  
**June 30, 2022**

	West Hollywood Design District	West Hollywood Tourism Improvement District	Sunset Strip Business Improvement District	Legacy Medical Business Marketing	Total
<b>ASSETS</b>					
Cash and Investments	\$ 20,331	\$ 851,831	\$ -	\$ 7,172	\$ 879,334
Receivables:					
Accounts	93,497	787,780	243,414	6,175	1,130,866
Accrued Interest	18	769	-	6	793
Total Assets	<u>113,846</u>	<u>1,640,380</u>	<u>243,414</u>	<u>13,353</u>	<u>2,010,993</u>
<b>LIABILITIES</b>					
Accounts Payable	136,541	1,608,636	8,430	13,200	1,766,807
Due to City	-	-	205,594	-	205,594
Total Liabilities	<u>136,541</u>	<u>1,608,636</u>	<u>214,024</u>	<u>13,200</u>	<u>1,972,401</u>
<b>NET POSITION</b>					
Restricted for:					
Individuals, Organizations and Other Governments	\$ <u>(22,695)</u>	\$ <u>31,744</u>	\$ <u>29,390</u>	\$ <u>153</u>	\$ <u>38,592</u>

**City of West Hollywood**  
**Combining Schedule of Changes in Fiduciary Net Position**  
**All Custodial Funds**  
**Year ended June 30, 2022**

	West Hollywood Design District	West Hollywood Tourism Improvement District	Sunset Strip Business Improvement District	Legacy Medical Business Marketing	Total
<b>ADDITIONS</b>					
Assessments	\$ 101,096	\$ 7,655,454	\$ 84,445	\$ 233,739	\$ 8,074,734
Interest Earnings	295	2,718	315	113	3,441
Total Additions	<u>101,391</u>	<u>7,658,172</u>	<u>84,760</u>	<u>233,852</u>	<u>8,078,175</u>
<b>DEDUCTIONS</b>					
Payments to Districts	<u>100,036</u>	<u>7,655,454</u>	<u>91,070</u>	<u>233,739</u>	<u>8,080,299</u>
Total Deductions	<u>100,036</u>	<u>7,655,454</u>	<u>91,070</u>	<u>233,739</u>	<u>8,080,299</u>
<b>CHANGE IN NET POSITION</b>	1,355	2,718	(6,310)	113	(2,124)
Net Position (Deficit)					
- Beginning of Year	(24,050)	29,026	35,700	40	40,716
<b>NET POSITION (DEFICIT)</b>					
- END OF YEAR	<u>\$ (22,695)</u>	<u>\$ 31,744</u>	<u>\$ 29,390</u>	<u>\$ 153</u>	<u>\$ 38,592</u>

**City of West Hollywood**  
**Combining Schedule of Fiduciary Net Position**  
**All Successor Agency Private Purpose Trust Funds**  
**June 30, 2022**

	Housing Capital Improvements	Nonhousing Capital Improvements	Successor Agency Administration	Obligation Payment Fund	Successor Agency Debt Services Fund	Total
<b>ASSETS</b>						
Cash and Investments	\$ -	\$ -	\$ 551,001	\$ 2,087,870	\$ 23,958	\$ 2,662,829
Restricted Assets:						
Cash and Investments with Fiscal Agents	20	-	-	-	561	581
Capital assets:						
Capital Assets, Net of Accumulated Depreciation	-	137,817	-	-	-	137,817
Total Assets	<u>20</u>	<u>137,817</u>	<u>551,001</u>	<u>2,087,870</u>	<u>24,519</u>	<u>2,801,227</u>
<b>LIABILITIES</b>						
Deferred Revenue	-	-	-	2,143,471	-	2,143,471
Accrued Interest	-	-	-	-	142,830	142,830
Due to County	-	-	564,274	-	-	564,274
Long-term Liabilities:						
Due in One Year	-	-	-	-	701,216	701,216
Due in More Than One Year	-	-	-	-	18,671,889	18,671,889
Total Liabilities	<u>-</u>	<u>-</u>	<u>564,274</u>	<u>2,143,471</u>	<u>19,515,935</u>	<u>22,223,680</u>
<b>NET POSITION (DEFICIT)</b>						
Restricted for:						
Individuals, Organizations and Other Governments	<u>\$ 20</u>	<u>\$ 137,817</u>	<u>\$ (13,273)</u>	<u>\$ (55,601)</u>	<u>\$ (19,491,416)</u>	<u>\$ (19,422,453)</u>



**City of West Hollywood**  
**Combining Schedule of Changes in Fiduciary Net Position**  
**All Successor Agency Private Purpose Trust Funds**  
**Year ended June 30, 2022**

	Housing Capital Improvements	Nonhousing Capital Improvements	Successor Agency Administration	Obligation Payment Fund	Successor Agency Debt Services Fund	Eliminations	Total
<b>ADDITIONS</b>							
Taxes	\$ -	\$ -	\$ -	\$ 252,679	\$ -	\$ -	\$ 252,679
Transfers from Other Funds	9,248,513	-	65,000	-	3,476,677	(12,790,190)	-
Change in Fair Value of Investments	-	-	(11,817)	(56,409)	-	-	(68,226)
Interest Earnings	14	-	-	-	1,827	-	1,841
<b>Total Additions</b>	<b>9,248,527</b>	<b>-</b>	<b>53,183</b>	<b>196,270</b>	<b>3,478,504</b>	<b>(12,790,190)</b>	<b>186,294</b>
<b>DEDUCTIONS</b>							
Administrative Expenses	-	-	63,224	-	-	-	63,224
Interest Expenses	636,065	-	1,774	-	1,545,006	-	2,182,845
Depreciation Expense	-	3,578	-	-	-	-	3,578
Transfers to Other Funds	1,278,352	-	-	2,740,082	8,771,756	(12,790,190)	-
<b>Total Deductions</b>	<b>1,914,417</b>	<b>3,578</b>	<b>64,998</b>	<b>2,740,082</b>	<b>10,316,762</b>	<b>(12,790,190)</b>	<b>2,249,647</b>
<b>CHANGE IN NET POSITION</b>	<b>7,334,110</b>	<b>(3,578)</b>	<b>(11,815)</b>	<b>(2,543,812)</b>	<b>(6,838,258)</b>	<b>-</b>	<b>(2,063,353)</b>
Net Position (Deficit) - Beginning of Year	(7,334,090)	141,395	(1,458)	2,488,211	(12,653,158)	-	(17,359,100)
<b>NET POSITION (DEFICIT) - END OF YEAR</b>	<b>\$ 20</b>	<b>\$ 137,817</b>	<b>\$ (13,273)</b>	<b>\$ (55,601)</b>	<b>\$ (19,491,416)</b>	<b>\$ -</b>	<b>\$ (19,422,453)</b>

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# Statistical Section



Cover That Face, Maintain Your Space PSA

Photo by Jon Viscott

**DESCRIPTION OF STATISTICAL SECTION CONTENTS**

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**  
**Table 1**  
**Net Position By Component**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

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

(Continued)

Source: City of West Hollywood.

**City of West Hollywood**  
**Table 1**  
**Net Position By Component (Continued)**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year				
	2018	2019	2020	2021	2022
Governmental activities					
Net investment in capital assets	\$ 173,567,439	\$ 176,708,344	\$ 186,172,263	\$ 180,920,527	\$ 185,966,699
Restricted	57,086,206	57,284,883	51,529,497	46,953,420	58,749,269
Unrestricted	86,633,833	91,079,029	89,421,158	78,687,778	106,178,065
Total governmental activities net position	<u>\$ 317,287,478</u>	<u>\$ 325,072,256</u>	<u>\$ 327,122,918</u>	<u>\$ 306,561,725</u>	<u>\$ 350,894,033</u>
Business-type activities					
Net investment in capital assets	\$ 10,476,164	\$ 10,047,512	\$ 10,482,697	\$ 10,036,505	\$ 9,590,313
Unrestricted	1,633,169	2,568,488	2,483,327	2,588,514	3,191,008
Total business-type activities net position	<u>\$ 12,109,333</u>	<u>\$ 12,616,000</u>	<u>\$ 12,966,024</u>	<u>\$ 12,625,019</u>	<u>\$ 12,781,321</u>
Primary government					
Net investment in capital assets	\$ 184,043,603	\$ 186,755,856	\$ 196,654,960	\$ 190,957,032	\$ 195,557,012
Restricted	57,086,206	57,284,883	51,529,497	46,953,420	58,749,269
Unrestricted	88,267,002	93,647,517	91,904,485	81,276,292	109,369,073
Total primary government net position	<u>\$ 329,396,811</u>	<u>\$ 337,688,256</u>	<u>\$ 340,088,942</u>	<u>\$ 319,186,744</u>	<u>\$ 363,675,354</u>

(Concluded)

Source: City of West Hollywood.

**City of West Hollywood**  
**Table 2**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

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

(Continued)

Source: City of West Hollywood



**City of West Hollywood**  
**Table 2**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

Expenses	Fiscal Year				
	2018	2019	2020	2021	2022
Governmental activities:					
General government	\$ 20,448,961	\$ 24,369,593	\$ 31,233,362	\$ 24,496,184	\$ 27,330,340
Public safety	23,067,735	26,153,283	26,217,376	25,680,814	27,902,347
Public services	60,796,711	67,840,802	64,405,046	71,917,034	59,149,179
Interest and fiscal charges	4,909,120	8,528,149	5,193,930	5,891,518	6,195,621
Total governmental activities expenses	<u>109,222,527</u>	<u>126,891,827</u>	<u>127,049,714</u>	<u>127,985,550</u>	<u>120,577,487</u>
Business-type activities:					
Sewer charge	1,174,785	1,155,856	1,077,285	1,059,295	1,457,011
Solid waste	1,450,793	1,498,061	1,605,895	1,668,466	1,632,043
Landscape district	197,664	60,568	172,366	167,792	189,932
Street maintenance	272,583	281,817	244,618	293,304	176,994
Total business-type activities expenses	<u>3,095,825</u>	<u>2,996,302</u>	<u>3,100,164</u>	<u>3,188,857</u>	<u>3,455,980</u>
Total primary government expenses	<u>\$ 112,318,352</u>	<u>\$ 129,888,129</u>	<u>\$ 130,149,878</u>	<u>\$ 131,174,407</u>	<u>\$ 124,033,467</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 826,678	\$ 839,715	\$ 743,258	\$ 641,839	\$ 1,271,140
Public safety	264,674	322,965	263,154	132,811	63,053
Public services	21,563,875	23,181,968	20,810,786	16,528,232	19,354,053
Operating grants and contributions	4,052,404	4,984,532	6,073,609	6,114,866	17,206,927
Capital grants and contributions	4,027,872	4,787,926	6,274,495	7,050,323	6,049,971
Total governmental activities program revenues	<u>30,735,503</u>	<u>34,117,106</u>	<u>34,165,302</u>	<u>30,468,071</u>	<u>43,945,144</u>
Business-type activities:					
Charges for services:					
Sewer charge	1,461,214	1,362,916	1,363,908	1,402,123	1,484,181
Solid waste	1,486,636	1,534,876	1,545,401	1,673,829	1,713,648
Landscape district	184,551	193,912	196,559	191,812	190,336
Street maintenance	293,682	299,670	293,912	298,977	299,356
Total business-type activities program revenues	<u>3,426,083</u>	<u>3,391,374</u>	<u>3,399,780</u>	<u>3,566,741</u>	<u>3,687,521</u>
Total primary government program revenues	<u>\$ 34,161,586</u>	<u>\$ 37,508,480</u>	<u>\$ 37,565,082</u>	<u>\$ 34,034,812</u>	<u>\$ 47,632,665</u>
Net (expense)/revenue					
Governmental activities	\$ (78,487,024)	\$ (92,774,721)	\$ (92,884,412)	\$ (97,517,479)	\$ (76,632,343)
Business-type activities	330,258	395,072	299,616	377,884	231,541
Total Primary government net expense	<u>\$ (78,156,766)</u>	<u>\$ (92,379,649)</u>	<u>\$ (92,584,796)</u>	<u>\$ (97,139,595)</u>	<u>\$ (76,400,802)</u>

(Continued)

Source: City of West Hollywood

**City of West Hollywood**  
**Table 2**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

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

(Continued)

Source: City of West Hollywood

**City of West Hollywood**  
**Table 2**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

<b>General Revenue and Other Changes in Net Assets</b>	<b>Fiscal Year</b>				
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Governmental activities:					
Taxes					
Property tax	\$ 25,206,827	\$ 27,334,301	\$ 29,471,706	\$ 33,333,694	\$ 33,974,924
Transient occupancy tax	24,775,813	25,990,350	20,742,558	9,675,930	31,952,360
Sales tax	17,980,869	19,977,644	15,645,332	19,025,432	36,258,528
Franchise tax	2,148,729	2,034,938	2,180,807	2,036,383	2,032,198
Business license tax	5,581,710	3,733,445	6,035,760	4,057,702	4,644,216
Motor vehicle in-lieu	-	-	-	-	-
Use of money and property	13,839,534	20,949,801	16,338,196	7,983,240	11,750,404
Other	362,095	589,020	4,520,715	177,424	352,021
Extraordinary gain(loss)	9,276,727	-	-	-	-
Transfers	-	(50,000)	-	-	-
Total governmental activities	<u>99,172,304</u>	<u>100,559,499</u>	<u>94,935,074</u>	<u>76,289,805</u>	<u>120,964,651</u>
Business-type activities:					
Use of money and property	10,814	61,595	50,408	2,096	(75,239)
Transfers	-	50,000	-	-	-
Total business-type activities	<u>10,814</u>	<u>111,595</u>	<u>50,408</u>	<u>2,096</u>	<u>(75,239)</u>
Total primary government	<u>\$ 99,183,118</u>	<u>\$ 100,671,094</u>	<u>\$ 94,985,482</u>	<u>\$ 76,291,901</u>	<u>\$ 120,889,412</u>
<b>Change in Net Position</b>					
Governmental Activities	\$ 20,685,280	\$ 7,784,778	\$ 2,050,662	\$ (21,227,674)	\$ 44,332,308
Business-type activities	341,072	506,667	350,024	379,980	156,302
Total primary government	<u>\$ 21,026,352</u>	<u>\$ 8,291,445</u>	<u>\$ 2,400,686</u>	<u>\$ (20,847,694)</u>	<u>\$ 44,488,610</u>

(Concluded)

Source: City of West Hollywood

**City of West Hollywood**  
**Table 3**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

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

(Continued)

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

Source: City of West Hollywood.

**City of West Hollywood**  
**Table 3**  
**Fund Balances of Governmental Funds (Continued)**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year				
	2018	2019	2020	2021	2022
General Fund					
Nondisposable	\$ 53,634	\$ 66,600	\$ 2,077,941	\$ 2,147,584	\$ 2,077,370
Debt Service	1,255,006	1,255,006	1,255,006	6,754,800	6,754,800
Committed	24,601,571	25,713,228	35,742,733	34,148,689	24,645,511
Assigned	104,236,530	108,253,580	90,680,591	77,375,386	117,157,168
Unassigned	2,999,998	2,987,207	2,176,972	2,522,018	4,024,450
Total General Fund	<u>\$ 133,146,739</u>	<u>\$ 138,275,621</u>	<u>\$ 131,933,243</u>	<u>\$ 122,948,477</u>	<u>\$ 154,659,299</u>
All other governmental funds					
Nondisposable	\$ -	\$ -	\$ -	\$ 88,536.00	\$ -
Restricted					
Public services	35,324,936	36,548,009	41,025,722	32,779,798	34,902,982
Capital projects	66,587,203	47,918,294	96,634,316	71,085,881	49,312,610
Debt service	-	-	-	-	-
Low and moderate activities	-	-	-	-	-
Unassigned	(350,156)	(792,481)	(576,421)	(2,978,321)	(3,542,829)
Total all other governmental funds	<u>\$ 101,561,983</u>	<u>\$ 83,673,822</u>	<u>\$ 137,083,617</u>	<u>\$ 100,975,894</u>	<u>\$ 80,672,763</u>
					(Concluded)

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

Source: City of West Hollywood.

**City of West Hollywood**  
**Table 4**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year				
	2013	2014	2015	2016	2017
<b>Revenues</b>					
Taxes	\$ 52,722,760	\$ 57,785,812	\$ 62,056,552	\$ 67,228,461	\$ 69,297,877
Licenses and permits	4,990,941	7,968,949	9,327,431	9,301,203	9,515,384
Intergovernmental	7,339,250	5,323,009	4,193,972	5,531,157	4,484,889
Charges for services	3,382,268	3,609,803	3,444,145	3,088,746	3,433,732
Use of money and property	9,574,917	12,154,214	13,066,956	13,487,275	12,660,650
Fines and forfeitures	10,576,985	11,936,215	11,597,951	10,514,809	9,739,057
Contributions	122,321	16,689	247,588	184,829	-
Developer participation	872,764	3,730,002	3,018,883	3,083,370	10,510,748
Miscellaneous	997,287	1,699,059	2,699,051	257,382	9,144,052
Total revenues	<u>90,579,493</u>	<u>104,223,752</u>	<u>109,652,529</u>	<u>112,677,232</u>	<u>128,786,389</u>
<b>Expenditures</b>					
Current:					
General government	20,387,134	22,623,280	23,886,096	23,590,529	21,354,765
Public Safety	14,916,605	14,902,172	17,190,760	18,937,633	21,737,444
Public Services	36,438,556	42,477,061	42,023,194	44,067,723	48,947,704
Capital outlay	6,066,194	10,072,944	13,783,900	16,182,343	19,841,533
Debt service:					
Principal retirement	1,645,000	1,905,000	2,140,000	2,235,000	3,060,000
Interest and fiscal charges	2,600,257	3,110,788	3,449,479	3,359,278	5,043,345
Debt issuance costs	-	358,483	-	596,000	5,150
Total expenditures	<u>82,053,746</u>	<u>95,449,728</u>	<u>102,473,429</u>	<u>108,968,506</u>	<u>119,989,941</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,525,747</u>	<u>8,774,024</u>	<u>7,179,100</u>	<u>3,708,726</u>	<u>8,796,448</u>
<b>Other financing sources (uses)</b>					
Capital lease issuance					
Transfers in	4,687,613	17,187,207	14,807,483	16,045,505	26,222,132
Transfers out	(5,358,719)	(17,467,240)	(14,807,483)	(16,095,505)	(26,222,132)
Long-term debt issued	-	19,155,000	-	85,015,000	-
Payment to refunded bond escrow agent	-	-	-	(33,898,880)	-
Bond premium	-	218,975	-	13,503,099	-
Bond discount	-	-	-	-	-
Sale of capital assets	10,988	3,067,000	-	-	-
Extraordinary gain/(loss) on dissolution of RDA	-	-	-	-	5,647,427
Total other financing sources (uses)	<u>(660,118)</u>	<u>22,160,942</u>	<u>-</u>	<u>64,569,219</u>	<u>5,647,427</u>
Net change in fund balances	<u>\$ 7,865,629</u>	<u>\$ 30,934,966</u>	<u>\$ 7,179,100</u>	<u>\$ 68,277,945</u>	<u>\$ 14,443,875</u>
Debt service as a percentage of noncapital expenditures	5.6%	5.9%	6.3%	6.0%	8.1%
Capital Outlay *	\$ 6,117,191	\$ 9,932,816	\$ 13,153,552	\$ 15,945,031	\$ 20,078,140

(Continued)

Note: \* Capital Outlay from Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances

Source: City of West Hollywood.

**City of West Hollywood**  
**Table 4**  
**Changes in Fund Balances of Governmental Funds (Continued)**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year				
	2018	2019	2020	2021	2022
<b>Revenues</b>					
Taxes	\$ 74,318,931	\$ 79,357,479	\$ 76,069,711	\$ 70,240,204	\$ 111,593,355
Licenses and permits	10,975,684	9,921,979	9,641,958	7,720,766	9,021,288
Intergovernmental	3,975,963	5,959,757	5,860,986	4,693,147	14,545,763
Charges for services	3,923,043	4,133,882	2,994,196	2,874,028	2,823,921
Use of money and property	13,988,131	21,216,864	16,584,727	9,963,668	10,275,870
Fines and forfeitures	7,619,488	8,864,168	7,151,880	5,747,762	6,954,669
Contributions	-	-	-	1,980,000	-
Developer participation	5,640,412	4,815,785	4,554,997	3,616,537	4,490,512
Miscellaneous	900,139	840,430	6,117,966	425,024	3,937,754
Total revenues	<u>121,341,791</u>	<u>135,110,344</u>	<u>128,976,421</u>	<u>107,261,136</u>	<u>163,643,132</u>
<b>Expenditures</b>					
Current:					
General government	19,367,175	21,625,797	28,207,640	23,476,658	26,740,003
Public Safety	22,958,843	26,044,333	26,061,178	25,521,161	27,815,067
Public Services	54,365,557	61,299,394	60,826,670	63,809,592	56,786,374
Capital outlay	22,390,508	24,033,545	45,880,249	30,850,821	29,491,090
Debt service:					
Principal retirement	3,415,000	3,579,592	5,772,524	1,772,524	4,253,747
Interest and fiscal charges	5,522,937	9,147,260	4,711,196	6,663,759	7,149,160
Debt issuance costs	-	-	642,373	-	-
Total expenditures	<u>128,020,020</u>	<u>145,729,921</u>	<u>172,101,830</u>	<u>152,094,515</u>	<u>152,235,441</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,678,229)</u>	<u>(10,619,577)</u>	<u>(43,125,409)</u>	<u>(44,833,379)</u>	<u>11,407,691</u>
<b>Other financing sources (uses)</b>					
Capital lease issuance		143,462	-	-	-
Transfers in	23,889,459	29,437,433	49,816,437	33,718,103	32,443,053
Transfers out	(24,239,459)	(29,487,433)	(49,816,437)	(33,968,103)	(32,443,053)
Long-term debt issued	-	-	80,135,000	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Bond premium	-	-	10,167,964	-	-
Bond discount	-	-	(110,138)	-	-
Sale of capital assets	-	-	-	-	-
Extraordinary gain/(loss) on dissolution of RDA	9,276,727	-	-	-	-
Total other financing sources (uses)	<u>8,926,727</u>	<u>93,462</u>	<u>90,192,826</u>	<u>(250,000)</u>	<u>-</u>
Net change in fund balances	<u>\$ 2,248,498</u>	<u>\$ (10,526,115)</u>	<u>\$ 47,067,417</u>	<u>\$ (45,083,379)</u>	<u>\$ 11,407,691</u>
Debt service as a percentage of noncapital expenditures	8.5%	10.4%	8.3%	6.9%	9.2%
Capital Outlay *	\$ 23,087,676	\$ 23,650,090	\$ 45,185,030	\$ 30,377,122	\$ 28,857,345

(Concluded)

Note: \* Capital Outlay from Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances

Source: City of West Hollywood.

**City of West Hollywood**  
**Table 5**  
**General Fund Tax Revenues By Source**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

<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>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
<b>2021</b>	9,675,868	19,025,432	31,420,863	1,949,561	3,937,203	66,008,927
<b>2022</b>	31,951,176	36,258,528	32,048,709	1,904,432	4,562,104	106,724,949

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**  
**(Accrual Basis of Accounting)**

Fiscal Year	City			Taxable Assessed Value	Redevelopment Agency (2)			(1) Total Direct Tax Rate
	Real	Personal	Utility		Real	Personal	Taxable Assessed Value	
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	-	-	-	-
2021	14,078,185,837	388,005,564	-	14,466,191,401	-	-	-	-
2022	14,695,017,420	350,631,560	-	15,045,648,980	-	-	-	-
<b>City</b>								
Fiscal Year	Residential	Commercial	Industrial	Institutional	Vacant	Unsecured	Exempt	Miscellaneous
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
2021	8,077,238,889	5,613,886,474	193,308,206	32,465,833	114,336,560	388,005,564	(47,799,872)	46,949,875
2022	8,569,523,290	5,587,107,745	262,873,357	33,907,540	153,042,109	350,631,560	(47,799,872)	88,563,379

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

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

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

Source: Hdl, Coren & Cone

**City of West Hollywood**  
**Table 7**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

Agency	Fiscal Year				
	2013	2014	2015	2016	2017
<b>Basic Levy (1)</b>	1.00000	1.00000	1.00000	1.00000	1.00000
LA Community College District	0.03756	0.04454	0.04017	0.03575	0.03596
Los Angeles Unified School District	0.17560	0.14644	0.14688	0.12971	0.13110
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350	0.00350
<b>Total Direct &amp; Overlapping Tax Rates (2)</b>	<b>1.22786</b>	<b>1.194448</b>	<b>1.19055</b>	<b>1.16896</b>	<b>1.17055</b>
<b>City's Share of 1% Levy Per Prop 13 (3)</b>	0.17868	0.17868	0.17868	0.17868	0.17868
<b>General Obligation Debt Rate</b>					
<b>Redevelopment Rate (4)</b>	-	-	-	-	-
<b>Total Direct Rate (5)</b>	0.24440	0.175970	0.175990	0.175900	0.175830

(Continued)

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 2012/13. 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

**City of West Hollywood**  
**Table 7**  
**Direct and Overlapping Property Tax Rates (Continued)**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

Agency	Fiscal Year				
	2018	2019	2020	2021	2022
<b>Basic Levy (1)</b>	1.00000	1.00000	1.00000	1.00000	1.00000
LA Community College District	0.04599	0.04621	0.027717	0.04016	0.04376
Los Angeles Unified School District	0.12219	0.12323	0.12552	0.13993	0.11323
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350	0.00350
<b>Total Direct &amp; Overlapping Tax Rates (2)</b>	<b>1.17168</b>	<b>1.17294</b>	<b>1.15620</b>	<b>1.18359</b>	<b>1.16049</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>	0.175600	0.175800	0.17571	0.17566	0.17569

(Concluded)

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 2012/13. 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

**City of West Hollywood**  
**Table 8**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**  
**(Accrual Basis of Accounting)**

<b>Taxpayer</b>	<b>2022</b>		<b>2013</b>	
	<b>Taxable Assessed Value</b>	<b>Percentage of Total Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Percentage of Total Taxable Assessed Value</b>
8940 WEHO LP *	\$ 314,455,471	2.09%	\$ -	-
Mani Brothers *	266,810,992	1.77%	226,752,783	2.97%
KR Sunset WEHO LLC*	244,078,628	1.62%	-	-
NWLWH LLC *	223,356,039	1.48%	-	-
Avalon West Hollywood LP	218,900,644	1.45%	-	-
9040 Sunset LLC Lessor	202,608,163	1.35%	-	-
Pacific Design Center LLC	193,219,058	1.28%	166,510,312	2.18%
Pacific Red LLC *	192,691,691	1.28%	117,448,571	1.54%
Studio Lending Group LLC *	190,241,139	1.26%	69,907,731	0.91%
BPPREP 8500 Sunset LLC *	188,457,126	1.25%	-	0.00%
Wolverines Owner LLC *	-	-	84,775,966	1.11%
Studio Lending Group LLC *	-	-	69,907,731	0.91%
CLPF West Hollywood LP	-	-	83,653,565	1.09%
W Bel Age LLC	-	-	63,087,607	0.83%
BRCP Millenium LLC	-	-	125,630,167	1.64%
BMB Investment	-	-	47,751,605	0.62%
8490 Sunset Boulevard WH Owner	-	-	40,300,000	0.53%
<b>TOTALS</b>	<b>\$ 2,234,818,951</b>	<b>14.85%</b>	<b>\$ 1,095,726,038</b>	<b>14.34%</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**  
**(Accrual Basis of Accounting)**

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
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%
2021	20,480,944	19,931,038	97.3%	-	19,931,038	97.3%
2022	21,221,826	21,006,162	99.0%	-	21,006,162	99.0%

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

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

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

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

Source: HdL and City of West Hollywood

**City of West Hollywood**  
**Table 10**  
**Ratios of Outstanding Debt By the Type**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

Fiscal Year	Governmental Activities			Business-type Activities			Percentage of Personal Income (4)	Debt Per Capita
	Tax Allocation Bonds (1)	Capital Leases (2)	Lease Revenue Bonds (3)	General Obligation	Certificates of Participation	Total Primary Government		
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	198,434,838	-	-	198,551,184	7.9%	5,496.23
2021	-	93,822	197,554,152	-	-	197,647,974	8.0%	5,583.43
2022	-	71,297	192,497,374	-	-	192,568,671	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 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 \$172,270,000, and unamortized premiums/discounts of \$20,227,375.
- (4) Personal Income information for 2022 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: HdI Coren & Cone and City of West Hollywood

**City of West Hollywood**  
**Table 11**  
**Direct and Overlapping Debt**  
**June 30, 2022**  
**(Accrual Basis of Accounting)**

Jurisdiction	Net General Obligation Debt Outstanding	Percentage Applicable to City of West Hollywood	Amount Applicable to City of West Hollywood June 30, 2022
Overlapping General Fund Debt:			
Metropolitan Water District	\$ 9,835,780	0.910%	\$ 89,544
Los Angeles County Community College District	4,144,390,000	1.504%	62,362,871
Los Angeles Unified School District	<u>10,544,815,000</u>	1.838%	<u>193,857,466</u>
Subtotal, overlapping debt	<u>14,699,040,780</u>		<u>256,309,881</u>
City direct governmental debt			
2013 Lease Revenue Bonds Series	16,148,284	100.000%	16,148,284
2016 Lease Revenue Bonds Series	87,202,480	100.000%	87,202,480
2020 Lease Revenue Bonds Series A	75,155,169	100.000%	75,155,169
2020 Lease Revenue Bonds Series B	13,991,441	100.000%	13,991,441
Capital Lease - SCE	<u>71,297</u>	100.000%	<u>71,297</u>
Subtotal, city direct governmental debt	<u>192,568,671</u>		<u>192,568,671</u>
Overlapping Tax Increment Debt			
2013 Tax Allocation Revenue Refunding Bonds	-	100.000%	-
2011 Tax Allocation Bonds Series A	-	100.000%	-
2021 Tax Allocation Refunding Bonds	<u>19,373,105</u>	100.000%	<u>19,373,105</u>
Subtotal, overlapping tax increment debt	<u>19,373,105</u>		<u>19,373,105</u>
Subtotal, overlapping debt			<u>275,682,986</u>
Subtotal, direct debt			<u>192,568,671</u>
Grand Total direct and overlapping governmental debt			<u>\$ 468,251,657</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**  
**(Accrual Basis of Accounting)**

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

(Continued)

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.



**City of West Hollywood**  
**Table 12**  
**Legal Debt Margin Information (Continued)**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year				
	2018	2019	2020	2021	2022
Debt limit	\$1,716,615,406	\$1,829,888,807	\$2,042,193,343	\$2,169,928,710	\$ 2,256,847,347
Total net debt applicable to limit	<u>120,366,770</u>	<u>116,278,874</u>	<u>200,264,740</u>	<u>197,647,973</u>	<u>192,568,671</u>
Legal debt margin	<u>\$1,596,248,636</u>	<u>\$1,713,609,933</u>	<u>\$1,841,928,603</u>	<u>\$1,972,280,737</u>	<u>\$ 2,064,278,676</u>
Total net debt applicable to the limit as percentage of debt limit	7.01%	6.35%	9.81%	9.11%	8.53%

(Concluded)

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

Assessed value	<u>\$15,045,648,980</u>
Debt limit (1)	<u>2,256,847,347</u>
Debt applicable to limit (2):	
Lease Revenue Bonds and Capital Lease	\$ 192,568,671
Net amount of debt applicable to debt limit	<u>192,568,671</u>
Legal debt margin	<u>\$ 2,064,278,676</u>

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

**City of West Hollywood**  
**Table 13**  
**East Side Project Area Bonds Coverage**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

Fiscal Year	Gross Revenue	Less: Operating Expenses	Net Revenue Available for Debt Service	Debt Service			Coverage
				Principal	Interest	Total	
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	360,000	3,264,014	3,624,014	1.06
2018	4,013,414	150,000	3,863,414	380,000	3,221,628	3,601,628	1.07
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
2021	4,021,776	65,000	3,956,776	825,000	3,091,655	3,916,655	1.01
2022 (3)	252,679	65,000	187,679	34,705,000	1,349,881	36,054,881	0.01

- Note:
- (1) 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.
  - (2) 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.
  - (3) In July 2021, the Successor Agency to the West Hollywood Community Development Commission issued \$19,445,000 2021 Tax Allocation Refunding Bonds for the purpose of refunding the outstanding balance of the Series 2011A, 2011B and Series 2013 Tax Allocation Refunding bonds.

Source: City of West Hollywood.

**City of West Hollywood**  
**Table 14**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

<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>
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	36,125	2,520,424	69,770	13.6%
2021	35,399	2,470,834	69,799	9.5%
2022	36,461	2,544,959	69,800	N/A

Notes: Annual income and unemployment figures for 2021 was not available at time of publication of this ACFR.

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. 2021 population and personal income was estimate last year and updated this year based on data from Hdl. 2022 population and personal income is an estimate.

(4) Unemployment data : California Employment Development Department

**City of West Hollywood  
Table 15  
Principal Employers  
Current Year and Nine Years Ago  
(Accrual Basis of Accounting)**

	2022		2013	
	# Employees	% of Total City Employment	# Employees	% of Total City Employment
Los Angeles County Metropolitan Transportation Authority	559	2.3%	645	2.7%
Target Corp. (5)	289	1.2%	150	0.6%
CityGrid Media/Inter Active Corp (5)	288	1.2%	195	0.8%
City of West Hollywood	247	1.0%	209	0.9%
1 OAK LA (5)	200	0.8%		
Laz Parking (5)	200	0.8%		
Pavilions (5)	180	0.7%		
KKGGH Management LLC (Argyle Hotel) (5)	165	0.7%	101	0.4%
Andaz West Hollywood	137	0.6%		
Sunset Tower Hotel (4)	125	0.5%		
Whole Foods Market (5)	153	0.6%		
Ralphs (2 locations) (5)	141	0.6%		
Hollywood Standard LLC (The Standard Hotel) (5)	140	0.6%	160	0.7%
nCompass (5)	128	0.5%		
The Jeremy Hotel (5)	120	0.5%		
Best Buy (5)	100	0.4%	160	0.7%
Sunset Marquis	163	0.7%		
The London West Hollywood	153	0.6%		
Saddle Ranch Restaurant	43	0.2%	130	0.5%
HMBL LLC (Best Western Sunset Plaza) (5)	40	0.2%	45	0.2%
Mondrian	30	0.1%	186	0.8%
Outrigger Lodging Services LLP (Chamberlain Hotel)	64	0.3%		
Outrigger Lodging Services LLP (Le Parc Suite Hotel)	16	0.1%	72	0.3%
Outrigger Lodging Services LLP (Le Montrose Hotel)	22	0.1%		
Outrigger Lodging Services LLP (The Grafton Hotel)	63	0.3%		
Ticketmaster (1)			-	0.0%
House of Blues (3)			219	0.9%
Wyndham Bel Age Hotel LP			200	0.8%
Hyatt Corp (Hyatt West Hollywood Hotel)			179	0.7%
Dailey & Associates			125	0.5%
<b>Total Jobs By Principal Employers</b>	<b>3,766</b>	<b>15.6%</b>	<b>2,776</b>	<b>11.6%</b>
Total Jobs (estimated) in City of West Hollywood (6)	24,200	100%	23,900	100%

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

(2) Prior years' information not available.

(3) Closed in FY 2014-2015.

(4) Formerly KKGGH 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**  
**(Accrual Basis of Accounting)**

Function	Fiscal Year									
	13	14	15	16	17	18	19	20	21	22
<b>General Government</b>										
Legislative & Executive	25.6	39.8	36.8	27.8	13.0	11.0	16.0	17.0	21.0	20.0
Administration	26.8	17.7	17.8	25.8	24.8	24.0	23.0	23.0	23.8	23.8
Finance & Information Technology	23.9	22.9	22.9	22.9	23.9	24.0	23.0	23.0	21.9	22.9
Public Safety	7.8	5.6	5.0	5.0	5.0	5.0	5.0	5.0	10.0	9.0
<b>Community Services</b>										
Human Services & Rent Stabilization	52.4	54.4	56.9	56.6	57.8	49.0	24.0	24.0	26.8	25.8
Housing & Rent Stabilization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Community Development	29.0	30.0	31.0	33.0	33.0	0.0	0.0	0.0	0.0	0.0
Community Services (1)	0.0	0.0	0.0	0.0	0.0	1.0	6.0	6.0	5.0	8.5
Facilities & Recreation Services (1)	0.0	0.0	0.0	0.0	0.0	0.0	55.0	49.0	48.0	56.0
Planning & Development Services (1)	0.0	0.0	0.0	0.0	0.0	34.0	30.0	30.0	31.0	31.0
Public Works	44.0	46.0	46.0	47.0	48.0	49.0	25.0	31.0	33.0	32.5
Communications (1)	0.0	0.0	0.0	0.0	9.8	10.0	10.0	10.0	18.0	18.0
Economic Development (1)	0.0	0.0	0.0	0.0	7.0	19.0	19.0	18.0	2.0	0.0
<b>Total</b>	<b>209.4</b>	<b>216.4</b>	<b>216.4</b>	<b>218.2</b>	<b>222.3</b>	<b>226.0</b>	<b>236.0</b>	<b>236.0</b>	<b>240.4</b>	<b>247.4</b>

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**  
**Table 17**  
**Operating Indicators By Function**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

Function	Fiscal Year									
	13	14	15	16	17	18	19	20	21	22
Police (1)										
Incidents	6,370	6,975	6,060	10,931	9,647	11,204	7,506	5,178	6,721	7,572
Arrests	3,407	3,312	2,230	2,569	2,027	2,478	2,901	2,293	1,458	1,812
Sewers										
Miles of system	39	39	39	39	39	39	39	39	39	39
Percent inspected	10	10	10	10	10	20	20	20	20	20
Parks and Recreation										
Number of parks	7	8	8	8	8	8	8	8	8	8
Community Development										
Commercial building permits	221	796	358	400	364	396	368	350	194	262
Residential building permits	396	1,548	548	577	636	756	752	389	548	698
Mixed-use building permits (2)	-	-	4	6	3	3	2	6	-	1
Parking										
Citations issued	182,930	211,404	211,583	196,834	181,639	172,954	154,594	115,320	106,482	140,492

Notes:

- (1) Police statistics are based on calendar year; Information for 2020 was updated to reflect the actual number of arrest and incidents; the 2021 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**  
**(Accrual Basis of Accounting)**

Function/ program	Fiscal Year									
	13	14	15	16	17	18	19	20	21	22
<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	3	3	3	3	3	3	3
Parking Lots	4	4	9	9	9	9	9	7	7	7
<b>Cultural &amp; Recreation:</b>										
Parks	7	8	8	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	60	61	61	62	66	66	66	66	66
<b>Wastewater:</b>										
Sanitary sewers (miles)	39	39	39	39	39	39	39	39	39	39
Manholes	395	885	885	885	885	885	885	885	885	885
<b>City-Line:</b>										
Number of Buses	10	10	10	10	10	7	18	18	18	18

Source: City of West Hollywood

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