



West Hollywood, California



CITY OF WEST HOLLYWOOD Annual Comprehensive Financial Report

Fiscal Year 2022-23



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**

CITY OF WEST HOLLYWOOD
ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2023

PREPARED BY THE CITY'S:

DEPARTMENT OF FINANCE & TECHNOLOGY SERVICES
(ELECTRONIC VERSION AVAILABLE AT:
WWW.WEHO.ORG/FINANCIALS)

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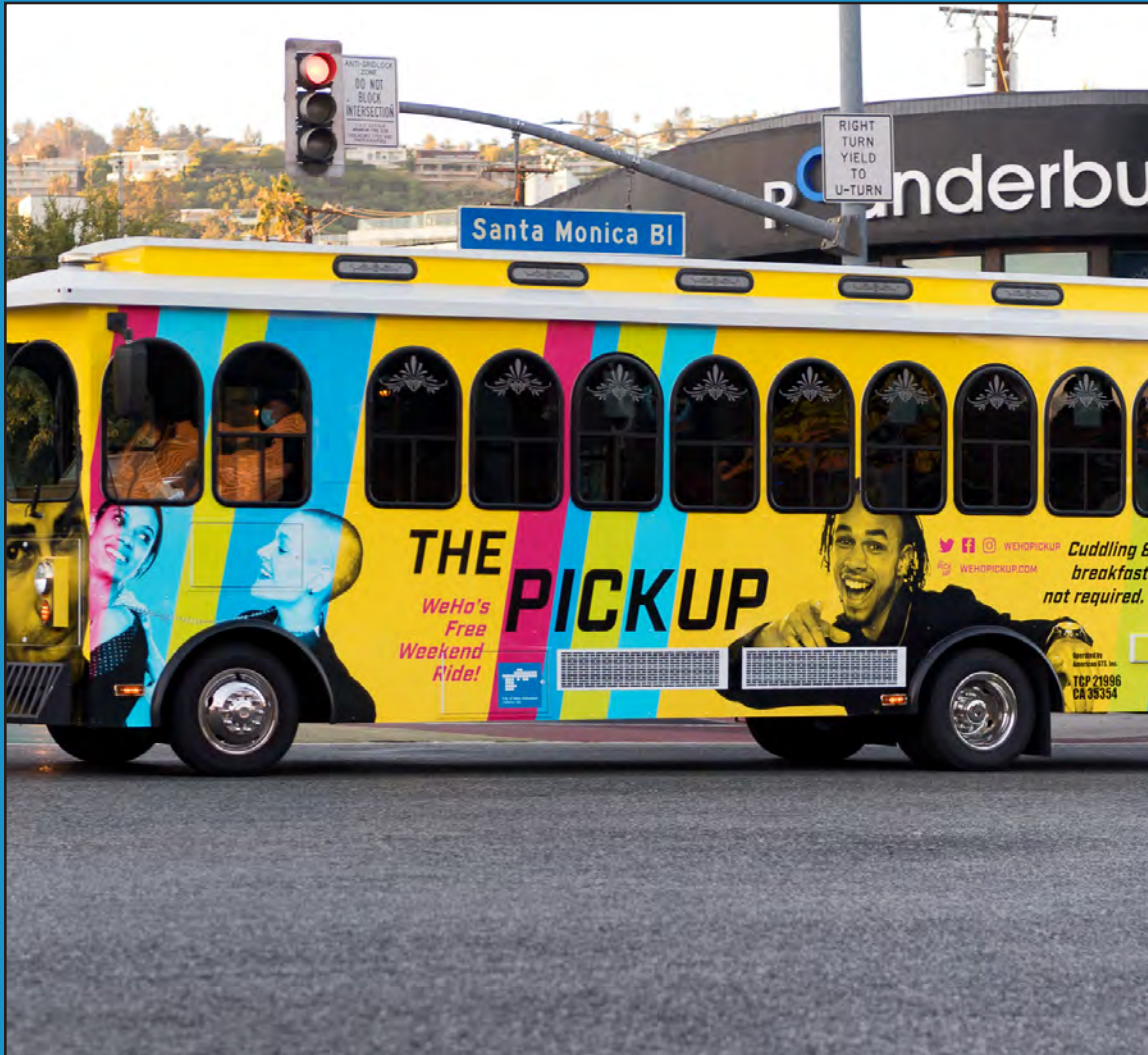
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Introductory



The Pickup Refresh photo, Jon Viscott

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CITY OF WEST HOLLYWOOD

December 20, 2023

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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, 2023. 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 generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh the benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. The concept of reasonable assurance recognizes that: (1) the cost of a control structure should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.



INDEPENDENT AUDIT

The City requires an annual audit by independent certified public accountants 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, 2023, 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, 2023, are fairly presented in conformity with accounting principles generally accepted in the United States. 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, 2024.

BUDGETARY CONTROLS

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

MANAGEMENT DISCUSSION & ANALYSIS

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it; the MD&A can be found immediately following the report of the independent auditors in the financial section of this 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 government. As a result, West Hollywood was incorporated as a city in 1984. Centrally located, West Hollywood is bordered by Beverly Hills on the west and Hollywood on the east. West Hollywood has an estimated population of approximately 37,000 people within a 1.9 square mile area.

The City utilizes a Council/City Manager form of government. The City Manager is responsible for running the day-to-day operations of the City. Each of the five City Council members is elected at large to serve staggered four-year terms and select one of its members to serve as Mayor on an annual basis. The City Council is responsible, among other things, for adopting the budget, ordinances, and policies affecting its constituents, representing the City in various organizations, and appointing committee and commission members. The City Council also serves as the board of the West Hollywood Housing Authority, West Hollywood Public Facilities Corporation, and the West Hollywood Public Financing Authority.

The City operates as a "contract city," using private firms and other governmental agencies to provide some of the traditional municipal services to the community. The City provides general governmental services, community development, public works, rent stabilization and recreation services. The County continues to provide library services and fire services, independent of the City. Law enforcement services are provided by the Los Angeles County Sheriff's Department and the contract is administered by the City's Public Safety Department.

West Hollywood is affectionately known as "The Creative City." More than 40 percent of the businesses located in West Hollywood comprise 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. The Sunset Strip continues to draw local and international tourism by providing exceptional service. West Hollywood currently has 21 active hotels with many located along the Sunset Strip, many of which offer luxury world-class accommodations. The City's hotels offer stylish hotels and unique boutique hotels with rooftop pools and restaurants.

West Hollywood has more than 200 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 130 home furnishings, design and textile businesses. As more international markets reopen in the near future, international tourists can also shop at more than 70 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." West Hollywood is the home to the first legal cannabis lounge, with 3 consumption lounges and 10 cannabis dispensaries.

CITY BOND RATINGS

The City of West Hollywood continues to maintain an implied general obligation bond rating of 'AAA' with a stable outlook. In spring 2020, Fitch Ratings assigned AA+ to the City's newly issued 2020 Lease Revenue Bonds Series A&B. Fitch also re-affirmed the City's AA+ which is the highest possible credit rating for the City's Public Financing Agency 2016, 2013 and 2009 Series A Lease Revenue Bonds (LRB's). In addition, in December 2020, Moody's Investors Service re-affirmed the City's Aa1 bond issuer rating, which is above the median rating of Aa3 for cities nationwide. 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 of West Hollywood 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, 2023, 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 of West Hollywood experienced remarkable revenue growth, enabling it to have sufficient reserves to effectively navigate through the challenges of the COVID-19 pandemic with minimal impacts on City services. In FY22 and FY23, revenues rebounded and some have surpassed pre-pandemic levels. In FY24, the City anticipates a strong performance in tax revenues. This growth is primarily driven by strong performance in sales tax, property tax, and transient occupancy tax (TOT).

Sales Tax provides a significant revenue source for the City. In FY24, sales tax revenue is projected to be \$36.4 million (including Measure E). One of the major reasons sales tax revenues increased is due to the implementation of Measure E in FY22, which has brought an additional \$15 million annually. Important factors that contribute to the City's strong sales tax base are national and international visitation, entertainment and nightclub venues, restaurants, and furniture and design retailers. The City's diversified retail businesses from luxury art galleries to Best Buy and Target have been integral to the relative stability of its sales tax revenue. The City's largest source of sales tax revenue comes from its restaurants and bars, which generate approximately 35% of the total sales tax revenue in a regular year. Sales tax revenues have remained resilient, reflecting continued consumer spending despite inflationary pressures. The City's focus on economic development initiatives is expected to further support sales tax growth in the coming years.

An exceptionally strong real estate market in the Los Angeles region has led to continued value growth in the City's property tax base. A number of new development projects have recently opened, are under construction, or are in the plan check process or entitlement phase. 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 business taxes, sales taxes, and transient occupancy taxes. Over the next five years the value of property in the City is projected to increase by as much as \$2 billion.

Property tax revenues have grown steadily, reflecting the overall strength of the regional housing market. While the market shows signs of cooling due to rising interest rates, staff will continue to monitor real estate trends closely to identify risks and implement proactive measures to mitigate any potential impacts.

West Hollywood and the Sunset Strip have a strong destination and nightlife entertainment brand. The City hosts approximately 1.5 million visitors each year, typically ranking among the top 5% of California jurisdictions for TOT revenues. In FY24 the revenue projections for Transient Occupancy Tax (TOT) are projected to increase by \$0.6 million to \$31.8 million. The City's tourism sector has experienced a significant rebound, leading to a surge in TOT revenues. This growth is attributed to a combination of factors, including the easing of post-pandemic restrictions, increased travel demand, and the City's attractiveness as a destination for leisure and entertainment.

The City's billboard projects have gained momentum, bringing additional revenue streams and enhancing the urban landscape. As projects progress through implementation, the City negotiates new development agreements to bring significant public benefits and revenue sharing to the City. The Sunset Boulevard billboard project has been a success, and the City aims to approve additional projects in the upcoming year. The billboard revenue projections for FY24 are \$7.2 million.

The City's financial strength is evident in its commitment to community safety, neighborhood livability, economic vitality, and capital project management. Despite economic uncertainties, the City remains dedicated to providing high-quality municipal services and ensuring a sustainable financial future.

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.

For the next several years, the economy is likely to be the biggest driver of changes in revenue as the post pandemic economic recovery period continues, revenues rebound, and the City projects a return to a stable growth trajectory. The City attempts to be conservative when estimating future growth due to the inherent uncertainty in long-term forecasts. Projections for all revenue sources are done in a similar fashion by assuming a recession rebound period, estimating conservative growth rates based on long term historical rates, and accounting for new revenue sources.

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 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 vast number of projects that departments submit for approval and the anticipated costs associated with them. The City will continue to update and prioritize its five-year capital improvement plan and will designate portions of its future revenue growth for capital projects. Capital improvement demands require the City Council and Management to remain committed to restraining expenditures. The City of West Hollywood also utilizes long-term financing to facilitate the acquisition and construction of capital assets. This allows for the matching of resource utilization to the useful life of the asset being purchased. In 2020, the City's Public Financing Authority issued \$80 million of Lease Revenue Bonds to pay for capital projects so that General Fund reserves that were allocated to capital could be used for essential operating services during the pandemic. Descriptions of other past City financing and those of the former Community Development Commission (now Successor Agency) are detailed in the Financial Section of this report.

MAJOR ACCOMPLISHMENTS FOR THE YEAR

- Worked in partnership with the Los Angeles Homeless Services Authority, the City's contracted social services providers, and Sheriff outreach teams to continue to actively address homelessness in the city.
- Completed construction of West Hollywood Park Phase II project and opened the new West Hollywood Aquatics & Recreation Center.
- Begun construction of Design District Street Improvement Project - Melrose Segment.
- Reviewed and provided direction regarding the City's updated Climate Action & Adaptation Plan. Continued to provide leadership on Climate Action issues throughout the state and region.
- Developed programs and initiatives for business attraction, retention, and expansion to help maintain a diverse and resilient economy.
- Created a citywide training module to develop staff and increase engagement.
- Continue to assess work force development programs with an emphasis on streamlining efficiencies while capitalizing on existing employees' skills and abilities.
- Updated existing and prepared new public-oriented materials to guide development, including objective urban design and architecture standards, guidelines, and best practices.
- Implemented the final phase of the document management system roll-out: which will include a new Electronic Public Records Request program, and the launch of the WehoDocs Public Portal, which will provide the public with 24-hour access to documents via a cloud-based solution.
- Ensured race equity was incorporated into strategic plans, decision making, and communications. Utilized resources and tools for steps to operationalize race equity within the organization and provide a race equity lens to programing.
- Successfully implemented integration of Security Ambassador and Fixed Post/security services.

- Strengthen coordination among staff and first responders during major special events and disasters by utilizing a unified command center which includes integrated police, fire, and emergency medical services communication.
- Since the onset of the Emergency Rental Assistance program in March 2020, worked closely with contracted agencies to provide 590 West Hollywood residents emergency rental assistance totaling \$1,594,393.
- Expanded emergency services for Eviction Prevention and Defense, resulting in 197 community members reaching out for legal services assistance.
- Through the City's contracted providers of homeless services, the City successfully placed 50 unhoused youth and adults into both transitional and permanent housing.
- Through the City's contracted providers of Senior services, the City successfully placed 13 low-income seniors into permanent supportive housing, four of whom were formerly unhoused.
- Amended the 2023-24 Master Fee Schedule Resolution, updated the User Fee Study and added municipal code amendments to update fees.
- Amended the City's Solid Waste Ordinance to include provisions to comply with the new regulations mandated by Senate Bill 1383 – Reducing Short-Lived Climate Pollutants in California.
- Completed construction of new Electric Vehicle charging stations at 10 locations in City parking lots, parking garages, and at Sal Guarriello Park.
- Received five awards from 3CMA (City-County Communications & Marketing Association) and three awards from the Public Relations Society of America Los Angeles Chapter (PRSA-LA) recognizing the City's COVID-19 communications and voter engagement efforts.
- Worked with the newly established Social Justice Task Force to increase engagement and amplify the voices of Black, Indigenous, and People of Color (BIPOC) in West Hollywood, advise on social and racial equity issues, and provide policy recommendations to the City Council to address systemic racism for the City of West Hollywood.
- Completed a Housing Capacity Study pursuant to a City Council Directive exploring the potential for city-owned properties to address some of the greater housing needs.

- Promoted online usage for business tax certificate / alarm permit programs. 80% 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 20% conducted business by mail or in person (a 45% reduction from pre-pandemic levels).
- Completed implementation of Phase II of the transition to new banking service with Union Bank.
- Implemented new Government Accounting Standards Board (GASB) statements, including GASB Statement No. 87, “Leases, Improving Accounting and Financial Reporting for Leases by Governments” and GASB Statement No. 96 “Subscription-Based Information Technology Agreements (SBITA).
- Completed the audit of fiscal operations and received an unmodified “clean” audit opinion for the City Fiscal Year 2021-22, which ended June 30, 2022, 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”.

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 of West Hollywood for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This is the twenty-ninth 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 GAAP.
- II. We will maintain a balanced operating budget for all governmental funds, ensuring that ongoing revenues are equal to or greater than ongoing expenditures.
- III. We will require that all proprietary funds be self-supporting.
- IV. We will maintain an appropriated General Fund working reserve equivalent to 20% of the General Fund budget and an appropriated emergency reserve equivalent to 5% of the General Fund budget.
- V. We will assume that normal revenue inflation will go to pay normal inflation expenses. Any new or expanded programs will be required to identify funding sources or will be offset by cost reductions through cutting back or eliminating other programs.
- VI. We will maintain a long-range fiscal perspective through the use of a five-year capital improvement plan and revenue forecast.
- VII. Major capital improvements or acquisitions will be made using long-term financing methods rather than out of operating revenue.
- VIII. We will maintain sound budgeting practices ensuring that service delivery is provided in an efficient and effective manner.
- IX. We will require each appropriation item to include a fiscal impact analysis and be submitted to the Finance & Budget Sub-Committee prior to Council agendaing.



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of West Hollywood
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

DIRECTORY OF CITY OFFICIALS

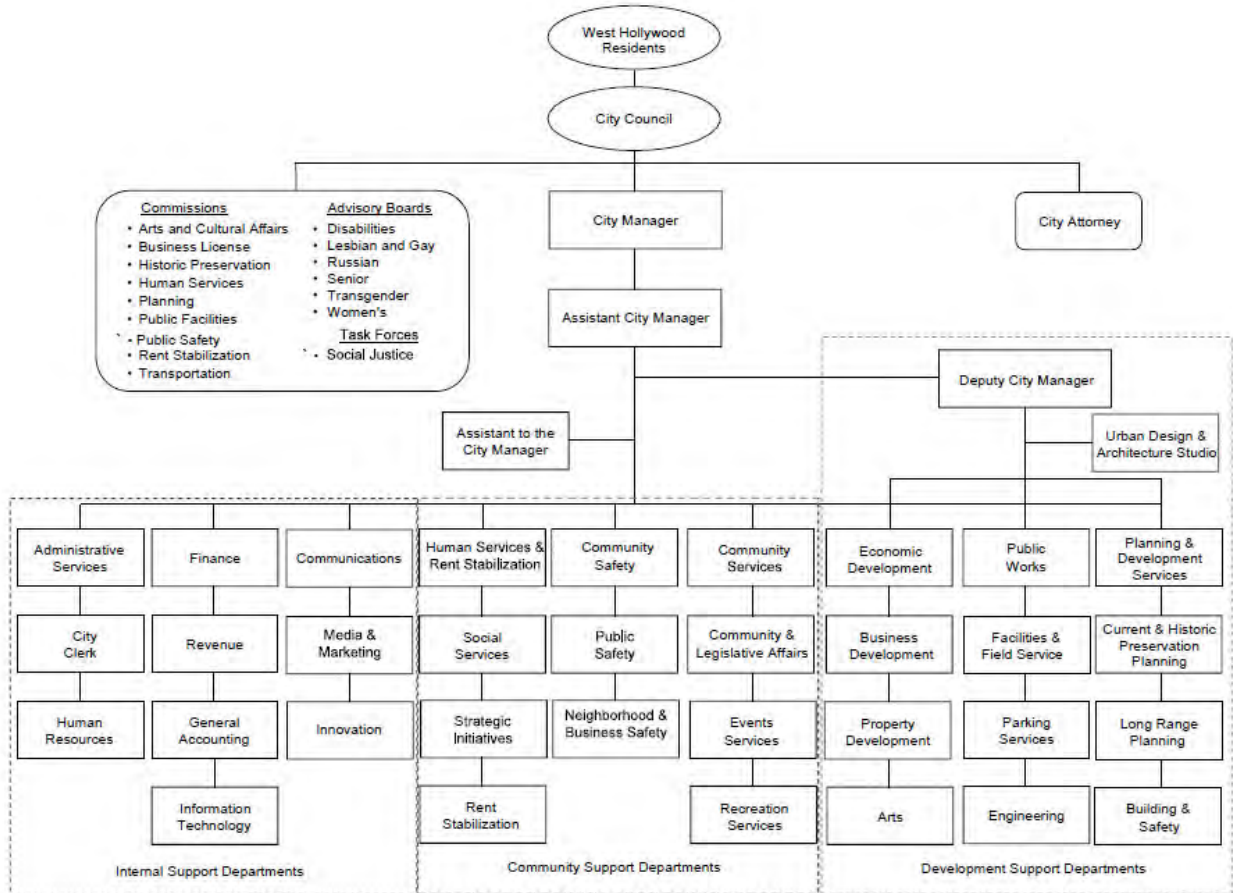
Mayor and City Council

Mayor	<i>Sepi Shyne</i>
Mayor Pro Tempore	<i>John Erickson</i>
Council Member	<i>Chelsea Lee Byers</i>
Council Member	<i>John Heilman</i>
Council Member	<i>Lauren Meister</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 Community Safety	<i>Danny Rivas</i>
Director of Economic Development	<i>Laura Biery</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 Works	<i>Steve Campbell</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



World Dog Day photo, Jon Viscott

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MANILA, PH

Independent Auditor's Report

**The Honorable Mayor and the Members of the City Council
City of 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, 2023, the budgetary comparison for the general fund for the year ended June 30, 2023, 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, 2023, the respective changes in financial position, the budgetary comparison for the general fund, 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 (*Government Auditing Standards*). 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. 96, *Subscription-Based Information Technology Arrangements*, during the fiscal year ended June 30, 2023. 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 35 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 20, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Vasquez & Company LLP

**Glendale, California
December 20, 2023**

Management's Discussion and Analysis



Paris Chansons Benefit Concert for Ukraine photo, Jon Viscott

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of West Hollywood ("City"), we offer readers of the City's Financial Statements this overview and analysis of the financial activities for the fiscal year that ended June 30, 2023. 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. The General 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 affect 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 36) 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 37-38) 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. *Community Safety* is made up of Sheriff's costs and other services of the Community Safety Department. *Public Service* includes the departments of Human Services & Rent Stabilization, Facilities & Field 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 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 104 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 39-43.

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 44-46.

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 47-48.

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 49-94.

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 101-142.

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 143-169.

Financial Highlights

Government-Wide Financial Statements

- At June 30, 2023, the City as a whole had total assets of \$730.6 million, total deferred outflows of resources were \$23.5 million, total liabilities were \$297.4 million, and total deferred inflows of resources were \$55.3 million. The assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$401.4 million (*net position*). Of this amount, \$142.8 million (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors. A summary of net position is reflected in Table 1 (page 11).

- For the year ended June 30, 2023, total net position increased by \$37.7 million from the prior year. Total revenues from all sources were \$184.5 million and total expenses for all functions/programs were \$146.8 million. A summary of changes in net position is reflected in Table 2 (page 13).
- Of total revenues, program revenues were \$43.6 million and general revenues were \$140.9 million (Table 2). Program revenues are separated into three categories: Charges for Services, \$25.5 million; Operating Grants and Contributions, \$10.0 million; and Capital Grants and Contributions, \$8.2 million. General revenues are divided into seven categories citywide: Property Taxes, \$37.1 million; Transient Occupancy Taxes, \$34.7 million; Sales Taxes \$36.5 million; Franchise Taxes, \$2.2 million; Business Taxes, \$4.9 million; Use of Money & Property \$24.1 million and Other General Revenue \$1.3 million.

Fund Based Financial Statements

- For fiscal year ended June 30, 2023, total Fund Balance of the General Fund was \$185.8 million, or 142.3 percent of total General Fund expenditures and transfers of \$130.6 million; this is reflected in Table 5 and Table 7 (pages 24 and 26). The nonspendable Fund Balance was \$2.7 million. Committed Fund Balance was \$27.2 million while assigned Fund Balance was \$150.4 million and unassigned Fund Balance was \$5.5 million.
- For the General Fund, actual resources available for appropriation during the year were \$316.4 million; this consists of \$154.7 million in fund balance and \$161.7 million in revenue inflows, which was \$18.8 million more than what was budgeted. The favorable variance is mainly due to excess of actual taxes received by \$6.3 million compared to final budget of \$106.8 million. The City had conservatively budgeted for revenues, especially Transient Occupancy Tax (TOT) because of the post-pandemic uncertainty. However, in FY23, tourism returned to the City of West Hollywood resulting in stellar gains in several sectors such as general consumer goods, restaurant activity (casual dining and fine dining), hotels and leisure/entertainment venues, and TOT revenues bounced back to new highs. The City received \$3.4 million more than the budgeted amount of \$31.2 million in Transient Occupancy Tax. Property Tax revenues remained strong; the City received \$2.6 million more than the budgeted amount of \$32.3 million in property taxes. The City's business tax increased from the budgeted amount of \$4.5 million by \$0.3 million as sales receipts increased. The City's business tax increased from the budgeted amount of \$4.5 million by \$0.3 million as new restaurants opened in the spring, leading to the influx of locals and visitors enjoying dining and leisure entertainment.

Actual charges (outflows) of \$130.6 million were \$34.0 million less than the General Fund budget of \$164.6 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 2023-24.

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, 2023.

These tables are summarizing the statements located on pages 36-38 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, 2022, 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	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 348.7	\$ 332.7	\$ 4.1	\$ 4.0	\$ 352.8	\$ 336.7
Capital assets	368.7	354.0	9.1	9.6	377.8	363.6
Total assets	717.4	686.5	13.3	13.6	730.6	700.2
Deferred Outflows of Resources						
Deferred amounts	23.1	8.3	0.4	0.1	23.5	8.4
Liabilities						
Long-term debt outstanding	252.9	226.2	0.9	0.4	253.8	226.6
Other liabilities	43.5	44.1	0.1	0.2	43.6	44.3
Total liabilities	296.4	270.3	1.0	0.6	297.4	270.9
Deferred Inflows of Resources						
Deferred amounts	55.2	73.7	0.1	0.3	55.3	74.1
Net position						
Net Investment in						
capital assets	202.1	159.3	9.1	9.6	211.2	168.8
Restricted	47.4	85.4	-	-	47.4	85.4
Unrestricted	139.4	106.2	3.4	3.2	142.8	109.4
Total net position	\$ 388.8	\$ 350.9	\$ 12.6	\$ 12.8	\$ 401.4	\$ 363.7

The City's Government-Wide total net position as of June 30, 2023, was \$401.4 million, with assets of \$730.6 million, deferred outflows of resources of \$23.5 million, liabilities of \$297.4 million and deferred inflows of resources of \$55.3 million.

The net investment in capital assets of \$211.2 million represents 52.6 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, \$47.4 million (11.8 percent) represents resources that are subject to external restrictions in how they may be used.

The remaining balance of \$142.8 million (35.6 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, 2023, are reflected in the following page.

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

	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues:						
Charges for Services	\$ 22.8	\$ 20.7	\$ 2.7	\$ 3.7	\$ 25.5	\$ 24.4
Operating Grants & Contributions	10.0	17.2	-	-	10.0	17.2
Capital Grants & Contributions	8.2	6.0	-	-	8.2	6.0
Sub-total Program Revenues	40.9	43.9	2.7	3.7	43.6	47.6
General Revenues:						
Property taxes	37.1	34.0	-	-	37.1	34.0
Transient occupancy taxes	34.7	32.0	-	-	34.7	32.0
Sales taxes	36.5	36.3	-	-	36.5	36.3
Franchise taxes	2.2	2.0	-	-	2.2	2.0
Business taxes	4.9	4.6	-	-	4.9	4.6
Use of money and property	24.0	11.7	0.1	-	24.1	11.7
Other	1.3	0.4	-	-	1.3	0.4
Sub-total General Revenues	140.8	121.0	0.1	-	140.9	121.0
Total Revenues	181.7	164.9	2.8	3.7	184.5	168.6
Expenses						
General Government	\$ 22.9	\$ 27.3	\$ -	\$ -	\$ 22.9	\$ 27.3
Community Safety	33.0	27.9	-	-	33.0	27.9
Public Services	81.8	59.1	-	-	81.8	59.1
Interest on Long-Term Debt	6.0	6.2	-	-	6.0	6.2
Solid Waste	-	-	1.6	1.6	1.6	1.6
Landscape	-	-	0.1	0.2	0.1	0.2
Sewer Charge	-	-	1.1	1.5	1.1	1.5
Street Maintenance	-	-	0.3	0.1	0.3	0.1
Total Expenses	143.8	120.6	3.0	3.5	146.8	124.1
Increase (decrease) in Net Position	\$ 37.9	\$ 44.3	\$ (0.2)	\$ 0.2	\$ 37.7	\$ 44.6
Net Position at July 1	350.9	306.6	12.8	12.6	363.7	319.2
Net Position, June 30	\$ 388.8	\$ 350.9	\$ 12.6	\$ 12.8	\$ 401.4	\$ 363.7

The government's net position increased \$37.7 million (Table 2), with total revenues of \$184.5 million, and total expenses of \$146.8 million. The change in Net Position is approximately 9.4 percent of the total Net Position of \$401.4 million. Program Revenues were \$43.6 million and General Revenues were \$140.9 million. General Revenues provide the net difference between program revenues and expenses.

Program Revenues include the fifth largest single revenue category in the Government-Wide totals, which was Charges for Services, at \$25.5 million. Other program revenues which are applied directly against the costs of providing these services are Operating Contributions and Grants, and Capital Contributions and Grants, at \$10.0 million and \$8.2 million respectively.

General Revenues include the first three largest categories. Property Tax is the largest single revenue category at \$37.1 million (includes \$7.3 million in Motor Vehicle In-Lieu Funds) and is followed by Sales Tax at \$36.5 million (includes \$15.7 million in Sales Tax related to Measure E). The third largest revenue source was Transient Occupancy Tax with \$34.7 million followed by Use of Money and Property with \$24.1 million.

In comparison to the prior fiscal year, the government's total revenues increased by \$15.9 million. Program revenues decreased by \$4.0 million and General Revenues increased by \$19.9 million. For Program revenues, Charges for Services increased by \$1.1 million, Capital Contributions and Grants increased by \$2.2 million, and Operating Grants and Contributions decreased by \$7.2 million. Charges for Services increased mainly due to an increase in Plan check fees of \$1.1 million. Capital Contributions and Grants increased by \$2.2 million mainly due to grant reimbursements received related to the Metro-Melrose Streetscape project of \$2.9 million. Operating Contributions and Grants decreased by \$7.2 million because last year's revenue included the \$8.7 million received in federal grants, the American Rescue Plan Act (ARPA).

For General Revenues, the increase of \$19.9 million from the prior year is brought about by the following three main sources of revenue: Use of money and property at \$24.1 million increased by \$12.4 million, Property Taxes increased by \$3.1 million, and Transient Occupancy Taxes increased by \$2.7 million. Use of Money and Property increased by \$12.4 million mainly due to \$5.3 million increases in Billboard revenues and bus shelter revenues received during the year. Interest earnings increased by \$4.5 million as interest rates started to increase compared to last year. The unrealized loss in the value of investments decreased by \$2.0 million, which is a favorable effect in revenues, as the market started to recover compared to last year.

Property tax revenue increased by \$3.1 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. Transient Occupancy Taxes increased by \$2.7 million as the commuter and leisure travel started to pick-up after the COVID-19 restrictions were lifted.

Compared to the previous year, the government's total expenses increased by \$22.7 million. The top three expense categories continue to be Public Services at \$81.9 million, Community Safety at \$33.0 million, and General Government at \$22.8 million.

Public Services increased by \$22.8 million due to increases in special events, contract services, building and safety and social services contracts for an aggregate increase of \$7.8 million. These expenses increased as the City resumed large-scale special events in the City, such as Halloween and Pride events, that were previously postponed due to the pandemic. Community Safety increased by \$5.1 million due to the annual cost of living increase. In addition, security ambassadors costs increased by \$2.5 million related to the expansion of the program. General Government had a minimal decrease of \$4.5 million due to transfers of divisions due to reorganizations.

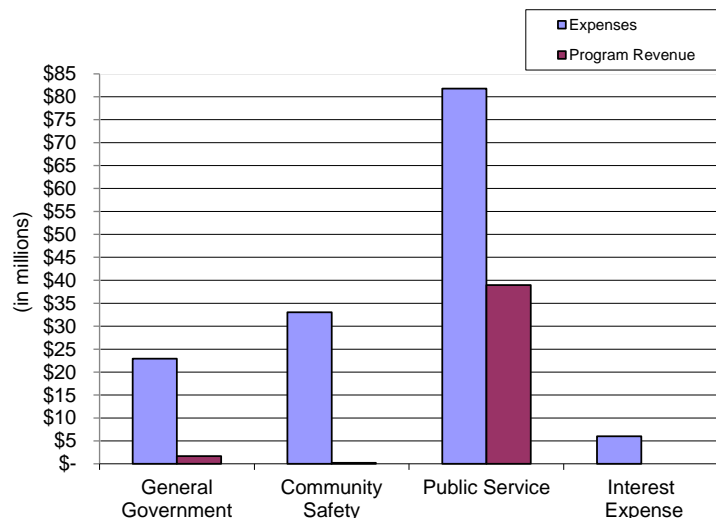
Governmental Activities

Governmental activities increased the City’s *net position* by \$37.9 million (Table 2). The cost of all governmental activities this year was \$143.8 million or 97.9 percent of the *primary government* expenses and increased by \$23.2 million from the prior year.

As shown in the *Statement of Activities* on pages 37-38, the amount that taxpayers financed through City taxes was \$115.5 million. The other portion of the costs was paid by those who directly benefited from the programs (\$22.8 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$18.2 million), and by use of money and property and other revenues (\$24.0 million). The City used part of the \$140.8 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)

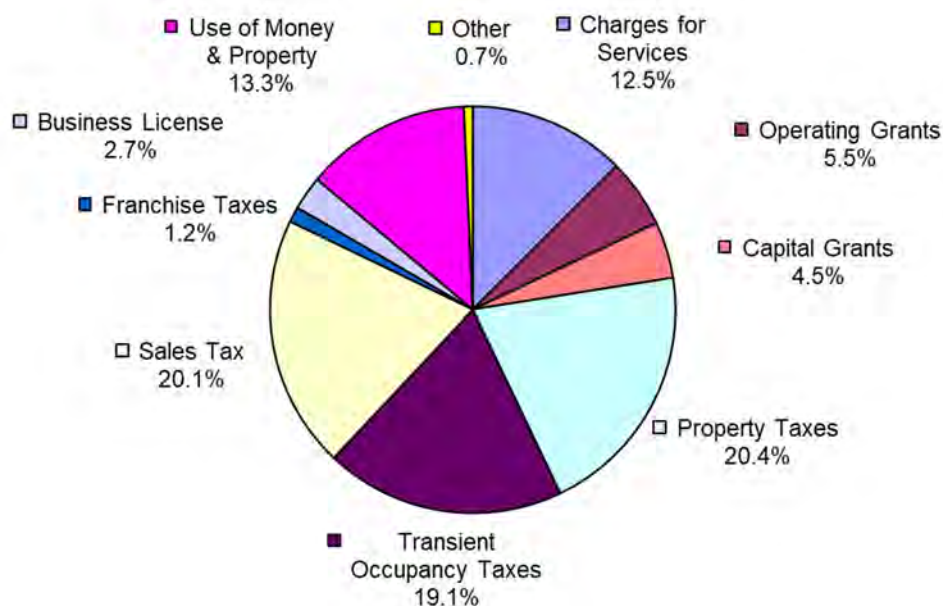


Graph 1 presents the costs of each of the City’s three functions – General Government, Community Safety, Public Service, plus interest on long-term debt as well as the program’s revenues. The net cost (total cost less *program revenues*) is the amount that was paid from *general revenues*.

General Government had expenses of \$22.9 million with program revenues of \$1.7 million, while *Community Safety* had expenses of \$33.0 million with program revenues of \$0.2 million. Expenses in *Public Services* represented \$81.8 million or 56.9 percent of total expenses for Governmental Activities. Of this amount, \$38.9 million was funded by *program revenues* and the remaining \$42.9 million was funded by general revenues. Interest on long-term debt was \$6.0 million which was funded by general revenues. From the prior year, *General Government* decreased by \$4.4 million, *Community Safety* increased by \$5.1 million and *Public Services* increased by \$22.7 million.

Graph 2 presents Revenues by Source for Governmental Activities. Similar to the government-wide activities, *Charges for Services* is the fifth largest at \$22.8 million or 12.5 percent of total revenues. *Charges for Services* consist of Parking Fines at \$7.3 million; Building and Safety revenue at \$4.7 million; Planning Permits revenue at \$2.9 million; Rent Stabilization fees at \$2.1 million; Encroachment and other permits at \$1.9 million; and other miscellaneous charges for services of \$1.1 million.

Revenues by Source – Governmental Activities (Graph 2)



Other program revenues include Operating and Capital Grants and Contributions that together represented 10.0 percent of the total, or \$18.2 million. Operating and Capital Grants and Contributions include \$3.0 million of Metro-Melrose Streetscape grants; \$2.0 million of Metro Traded Funds; \$1.7 million public benefit payments; \$1.1 million in affordable housing in-lieu fees; \$3.0 million of Proposition A, Proposition C, Measure M and Measure R transit tax; \$1.70 million in State Gas Tax; \$2.8 million of parking meter revenues and \$2.2 million from other Federal, State and County Grants.

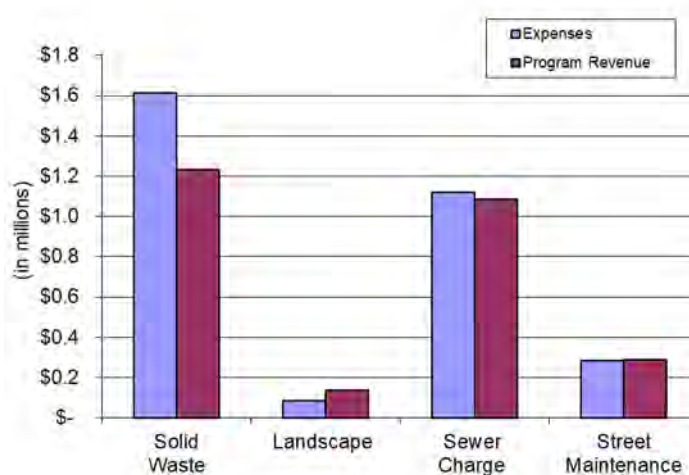
General Revenues for Governmental Activities are the same as those described above in the Government-Wide totals since there were no Business-Type Activities that had similar revenue categories (Table 2). The four major categories were Property Tax at \$37.1 million; Transient Occupancy Tax at \$34.7 million; Sales Tax at \$36.5 million (all described above) and Use of Money and Property at \$24.1 million. These four sources represented 72.9 percent of the total revenues of Governmental Activities.

Business-Type Activities

Net position at June 30, 2023, was \$12.6 million, with assets equaling \$13.3 million, deferred outflows of resources at \$0.4 million and liabilities of \$1.0 and deferred amounts of \$0.1 million. Net investment in capital assets represented the largest portion of net position at 72.2 percent or \$9.1 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 \$2.8 million or 100 percent for Business-Type activities, while the expenses were \$3.0 million.

Graph 3 presents the costs of each of the City's business activities and the associated program revenue. Since business-type activities are primarily used when the City charges customers for the services it provides, program revenues (charges for services) should be similar to the costs of these programs and represent the major funding source for these activities. The 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 expenses exceeded program revenues for the Solid Waste Fund due to lower solid waste assessment by \$0.5 million.

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 two major governmental funds: General 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 39-41) reported combined ending fund balances of \$256.3 million. Fund Balance designations are: Nonspendable Fund Balance at \$2.8 million; Restricted Fund Balance at \$71.6 million; Committed Fund Balance at \$27.2 million; Assigned Fund Balance at \$150.4 million; and Unassigned Fund Balance at \$4.3 million.

Governmental (City) Revenues

Table 3 presents a summary of all governmental fund revenues for the fiscal year ended June 30, 2023, 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 2022-23 and 2021-22

	Amount	% of Total	Amount	% of Total	Variance	% Increase/
	FY 22-23	Revenues	FY 21-22	Revenues	Over/(Under)	(Decrease)
					over last year	over last year
Property tax	\$ 36,915,775	20.2%	\$ 33,860,965	20.7%	\$ 3,054,810	9.0%
Transient Tax	34,739,728	19.0%	31,951,176	19.5%	2,788,552	8.7%
Sales Tax	36,528,081	20.0%	36,258,528	22.2%	269,553	0.7%
Other Taxes	10,362,016	5.7%	9,522,686	5.8%	839,330	8.8%
Licenses & Permits	10,112,308	5.5%	9,021,288	5.5%	1,091,020	12.1%
Intergovernmental	8,644,316	4.7%	14,545,763	8.9%	(5,901,447)	-40.6%
Charges for Services	3,174,267	1.7%	2,823,921	1.7%	350,346	12.4%
Use of Money & Property	24,632,847	13.5%	10,275,870	6.3%	14,356,977	139.7%
Fines and Forfeitures	8,514,005	4.7%	6,954,669	4.2%	1,559,336	22.4%
Developers Participation	1,826,144	1.0%	4,490,512	2.7%	(2,664,368)	-59.3%
Miscellaneous	7,206,968	3.9%	3,937,754	2.4%	3,269,214	83.0%
TOTAL	<u>\$ 182,656,455</u>	<u>100.0%</u>	<u>\$ 163,643,132</u>	<u>100.0%</u>	<u>\$ 19,013,323</u>	<u>11.6%</u>

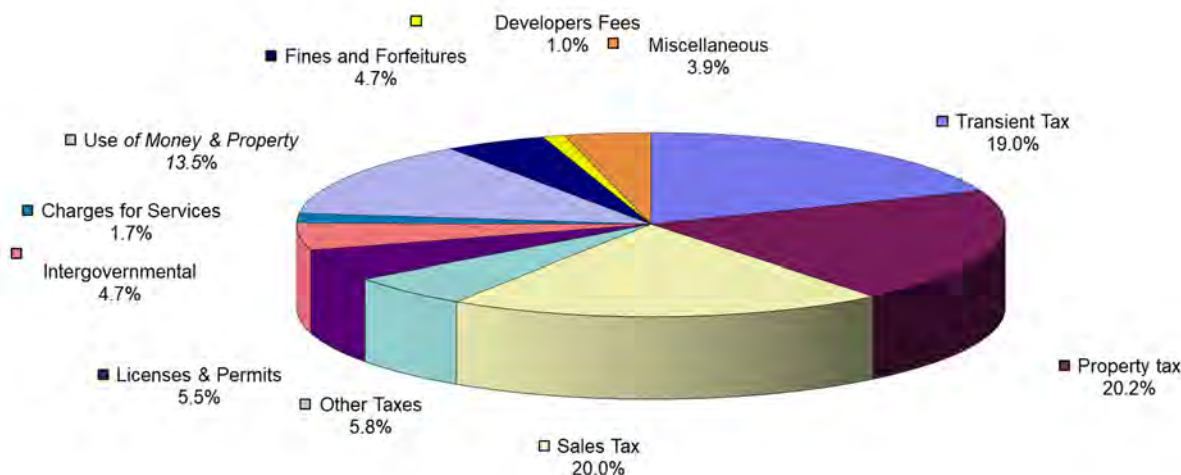
Revenues of governmental funds for fiscal year 2022-23 were \$182.7 million, with an increase of \$19.0 million or 11.6% from the prior fiscal year.

Described below are major fluctuations in governmental funds:

- Property Tax Revenue received in all funds for the current year was \$36.9 million, with an increase of \$3.1 million or 9.0% over the prior year. Property tax revenue continues to show steady increases due to a combination of factors, including property values, recent 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 rising interest rates and inflation as these factors are decreasing the volume of home sales.
- Transient Occupancy Tax (TOT) Revenue for the current year was \$34.7 million, with an increase of \$2.8 million or 8.7% from the prior year. In FY23, the influx of local and tourism has benefited food service, retail trade industries and hospitality. West Hollywood offers tourists a great selection of twenty-one hotels, offering options along the Sunset Strip. The selection includes stylish luxury hotels and unique boutique hotels with rooftop pools and restaurants. Hotel receipts surged to all a new all-time high as a result of visitors enjoying the experience of dining and leisure entertainment.
- Sales Tax Revenue for the current year was \$36.5 million, had a minimal increase of \$0.3 million or 0.7% from the prior year. The sales tax revenue continues to increase due to the City's sales tax base which is diversified and benefits from evolving consumer tastes toward experiences over discount consumer goods.
- Other Taxes for the current year were at \$10.4 million, an increase of \$0.8 million or 8.8%. The increase is mainly due to increases in franchises tax and other taxes. The Other Taxes category includes the Business License Tax, Franchise Fee Tax and Public, Educational and Government (PEG) Revenue.
- Licenses & Permits increased by 12.1% or \$1.1 million from the previous year \$9.0 to \$10.1 million in the current year. The increase is due to the higher demand by developers and the entertainment industry and thus a correlating issuance of planning permits and film permits by the City.
- Intergovernmental revenue for the current year was \$8.6 million, which decreased by \$5.9 million or 40.6% from the prior year. Last year's balance included the one-time \$8.7 million COVID-19 relief funds received by the City from the American Rescue Plan Act (ARPA). This decrease was minimized by other grants received including grants on Metro-Streetscape projects totaling \$2.9 million.

- Charges for Services for the current year were \$3.2 million, a minimal increase of \$0.4 million or 12.4% from the prior year. This increase is mainly due to rent stabilization fees as annual registration fees charged to the owners of rent-controlled housing units were raised from \$120 to \$144 per unit based on the Citywide Fee Study.
- Use of Money & Property for the current year was \$24.6 million, an increase of \$14.4 million or 139.7%. The increase is mainly due to the \$5.3 million increases in Billboard revenues and bus shelter revenues received during the year. Interest earnings increased by \$4.5 million as interest rates started to increase compared to last year. The unrealized loss in the value of investments decreased by \$2.0 million, which is a favorable effect in revenues, as the market started to recover compared to last year.
- Fines and Forfeitures for the current year were \$8.5 million, which increased by \$1.6 million, or 22.4% from the previous year. The increase is mainly due to increases in parking fines as visitors in the city also increased.
- Developers Participation decreased by \$2.7 million or 59.3% due to decline in affordable housing in-lieu fees as projects slow down.
- Miscellaneous increased by \$3.3 million or 83.0% 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 2022-23 (Graph 4)



Governmental (City) Expenditures

Table 4 presents a summary of all governmental fund expenditures for the fiscal year ended June 30, 2023, 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 2022-23 and 2021-22**

	Amount FY 22-23	% of Total Expenditures	Amount FY 21-22	% of Total Expenditures	Variance Over/(Under) over last year	% Increase/ (Decrease) over last year
General Government	\$ 22,112,319	13.5%	\$ 26,740,003	17.6%	\$ (4,627,684)	-17.3%
Community Safety	30,354,547	18.5%	27,815,067	18.3%	2,539,480	9.1%
Public Services	76,318,033	46.6%	56,786,374	37.3%	19,531,659	34.4%
Total Operating Expenditures	128,784,899	78.7%	111,341,444	73.1%	17,443,455	15.7%
Capital Outlay	23,218,072	14.2%	29,491,090	19.4%	(6,273,018)	-21.3%
Debt Service	11,729,825	7.2%	11,402,907	7.5%	326,918	2.9%
TOTAL	\$ 163,732,796	100.0%	\$ 152,235,441	100.0%	\$ 11,497,355	7.6%

Total governmental expenditures for fiscal year 2022-23 were \$163.7 million, an increase of \$11.5 million or 7.6% from the prior fiscal year. Community Safety increased by \$2.5 million or 9.1%, Public Services increased by \$19.5 million or 34.4% and Debt Service increased by \$0.3 million or 2.9%. These increases were negated by decreases in General Government by \$4.6 million or 17.3% and Capital Outlay by \$6.3 million or 21.3%.

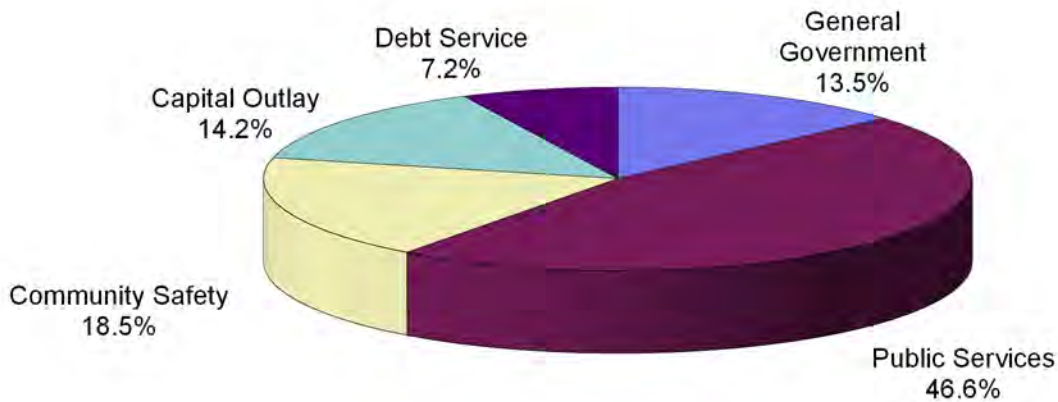
Described below are major fluctuations in governmental expenditures:

- General Government expenditures decreased by \$4.6 million or 17.3% from prior year. The decrease is mainly due to reorganization and transfers of division function.
- Community Safety expenditures increased by \$2.5 million or 9.1% mainly due to expansion of the City’s unarmed security ambassador program. Contracted costs for this program and for the City’s law enforcement contract with the Los Angeles Sheriff’s Department are projected to grow at a rate of 5% through 2027 based on projections in liability and personnel costs.
- Public Services expenditures increased by \$19.5 million or 34.4% mainly due to increases in special events programming, contract services and social services. As the City resumes large-scale special events throughout the City, related costs has also increased. In addition, the newly opened West Hollywood Aquatics and Recreation Center has driven higher services costs as additional manpower were hired to operate the center.

- Capital Outlay expenditures were \$23.2 million, a decrease of \$6.3 million from the prior year. The completion of West Hollywood Park Master Plan Phase II project last fiscal year contributed to the decrease this year.
- Debt service expenditures were \$11.7 million, a minimal increase of \$0.3 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, 2023 by functions.

Governmental Fund Expenditures – Fiscal Year 2022-23 (Graph 5)



Proprietary Funds

These Funds consist of five non-major Enterprise Funds, along with one Internal Service Fund (pages 44-46). 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 134.

Revenues for Enterprise Funds include assessments and other charges for services. Total operating revenues for all Enterprise Funds are \$2.7 million. Operating expenses for the fiscal year were \$3.0 million. The City also has one Internal Service Fund to allocate the costs of the City’s Information Systems Infrastructure to the various departments. The interdepartmental charge for services (revenues) in the fiscal year was \$0.6 million with operating expenses of \$0.8 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 39 and 41).

Fund Balance

The fund balance decreased by \$6.7 million during the year and has an ending fund balance of \$35.2 million. The decrease is mainly due to reimbursements to the Debt Funded Capital Projects Fund of \$8.5 million for capital outlays incurred for the West Hollywood Park Master Plan Phase II construction and other projects.

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&B Lease Revenue bonds; these bonds are described further in Section 5.

General Fund

Fund Balance

The General Fund is the chief operating fund of the City (pages 39 and 41). The ending fund balance was \$185.8 million, which was an increase of \$31.1 million (Table 5). Fund balance designations are as follows: Nonspendable Fund Balance was \$2.7 million; Committed Fund Balance was \$27.2 million; Assigned Fund Balance was \$150.4 million; and lastly, Unassigned Fund Balance was \$5.5 million.

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

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

	FY 22-23	FY 21-22	FY 20-21	FY 19-20	FY 18-19
Fund Balance					
Nonspendable	\$ 2,683,879	\$ 2,077,370	\$ 2,147,584	\$ 2,077,941	\$ 66,600
Restricted	-	-	-	1,255,006	1,255,006
Committed	27,220,225	24,645,511	24,148,689	35,742,733	25,713,228
Assigned	150,383,205	123,911,968	93,630,186	90,680,591	108,253,580
Unassigned	5,521,845	4,024,450	3,022,018	2,176,972	2,987,207
Total Fund Balance	\$ 185,809,154	\$ 154,659,299	\$ 122,948,477	\$ 131,933,243	\$ 138,275,621
Beginning Balance	\$ 154,659,299	\$ 122,948,477	\$ 131,933,243	\$ 138,275,621	\$ 130,913,575
Operating Surplus /(Deficit)	31,149,855	31,710,822	(8,984,766)	(6,342,378)	7,362,046
Ending Balance	\$ 185,809,154	\$ 154,659,299	\$ 122,948,477	\$ 131,933,243	\$ 138,275,621

Revenues and Other Financing Sources

For fiscal year 2022-23, General Fund Revenues and Other Financing Sources were \$161.7 million, an increase of \$16.7 million or 11.5% 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 2022-23 and 2021-22**

	2022-2023	2021-2022	Variance Over/(Under) over last year	% of increase (decrease) over last year	% of total
Property Tax	\$ 34,919,531	\$ 32,048,709	\$ 2,870,822	9.0%	21.6%
Transient Tax	34,739,728	31,951,176	2,788,552	8.7%	21.5%
Sales Tax	36,528,081	36,258,528	269,553	0.7%	22.6%
Other Taxes	6,922,763	6,466,536	456,227	7.1%	4.3%
Licenses & Permits	10,112,308	9,021,288	1,091,020	12.1%	6.3%
Intergovernmental	670,781	9,035,675	(8,364,894)	-92.6%	0.4%
Charges for Services	2,741,218	2,431,295	309,923	12.7%	1.7%
Use of Money & Property	18,309,844	7,680,946	10,628,898	138.4%	11.3%
Fines and Forfeitures	7,722,674	6,288,812	1,433,862	22.8%	4.8%
Miscellaneous	7,084,083	3,890,405	3,193,678	82.1%	4.4%
Other Financing Sources	1,984,504	-	1,984,504	100.0%	1.2%
Totals	\$ 161,735,515	\$ 145,073,370	\$ 16,662,145	11.5%	100.0%

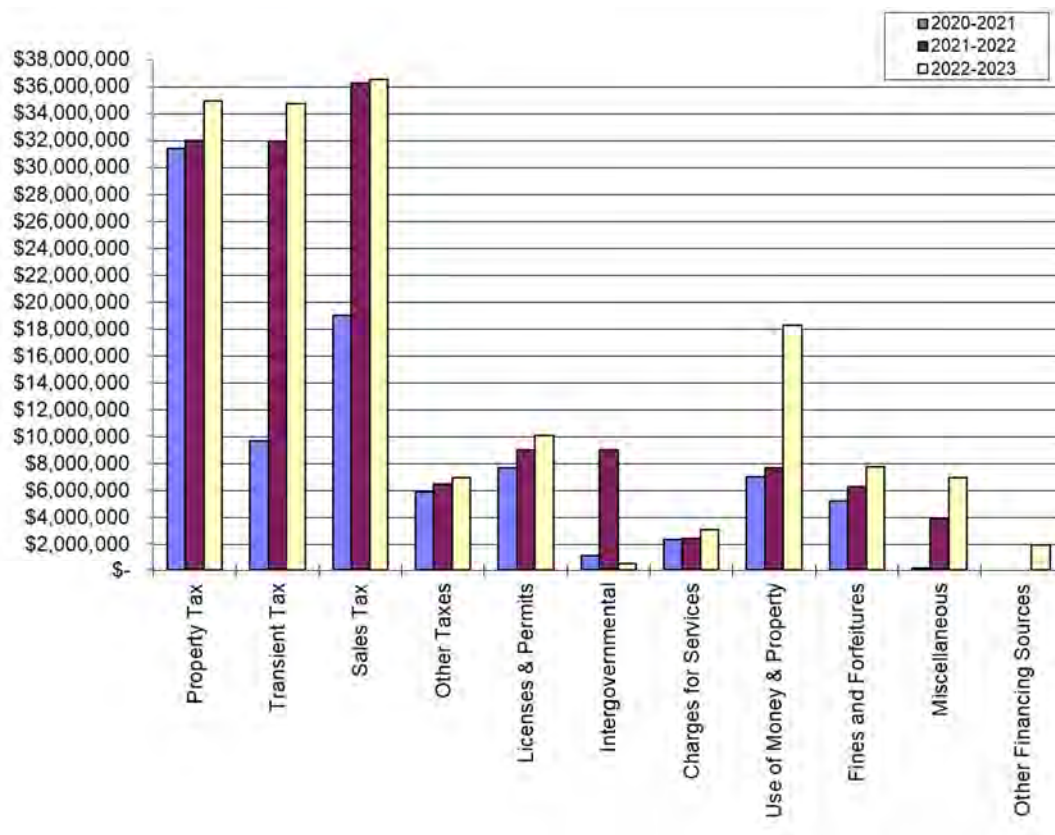
The key revenues categories of the General Fund were Property Tax at \$34.9 million; Transient Occupancy Tax at \$34.7 million; and Sales Tax at \$36.5 million. Property Tax increased by \$2.9 million, Transient Tax increased by \$2.8 million, and Sales Tax increased by \$.3 million.

Licenses and Permits at \$10.1 million, increased by \$1.1 million and Intergovernmental revenue decreased by \$8.5 million.

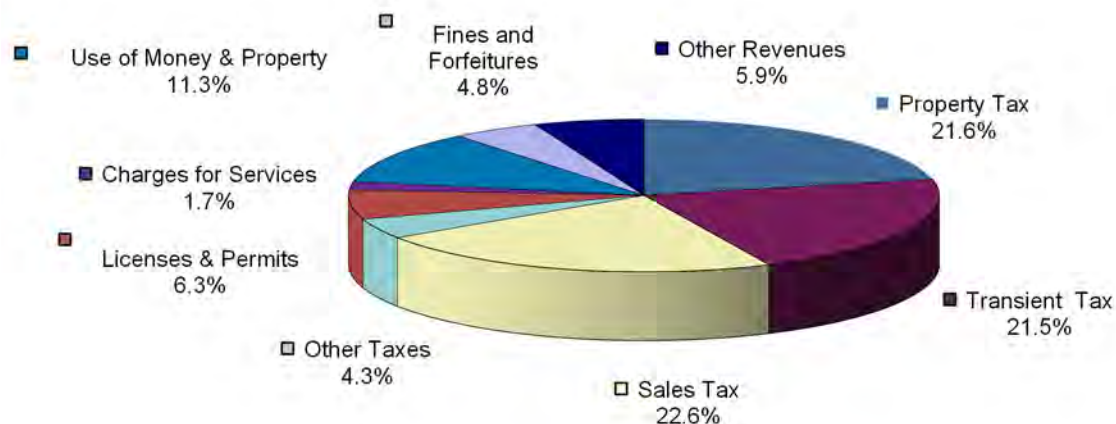
Use of Money and Property Revenue for the current year was \$18.3 million, or an increase of \$10.6 million or 138.4% from the previous year. The increase is mainly due to the following: bus shelter revenue and billboard increased by \$5.3 million and interest earnings from investments increased by \$3.5 million as interest rates increased during the year.

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.

**Comparison of General Fund Revenues (Graph 6)
Fiscal Years 2022-23, 2021-22 and 2020-21**



General Fund Revenues - Fiscal Year 2022-23 (Graph 7)



Expenditures and Other Financing Uses

For fiscal year 2022-23, total General Fund expenditures and other financing uses were \$130.6 million, an increase of 15.2% or \$17.2 million from the prior year. The following are key points and graphs of General Fund expenditures. For detailed information, please refer to page 41 and 43.

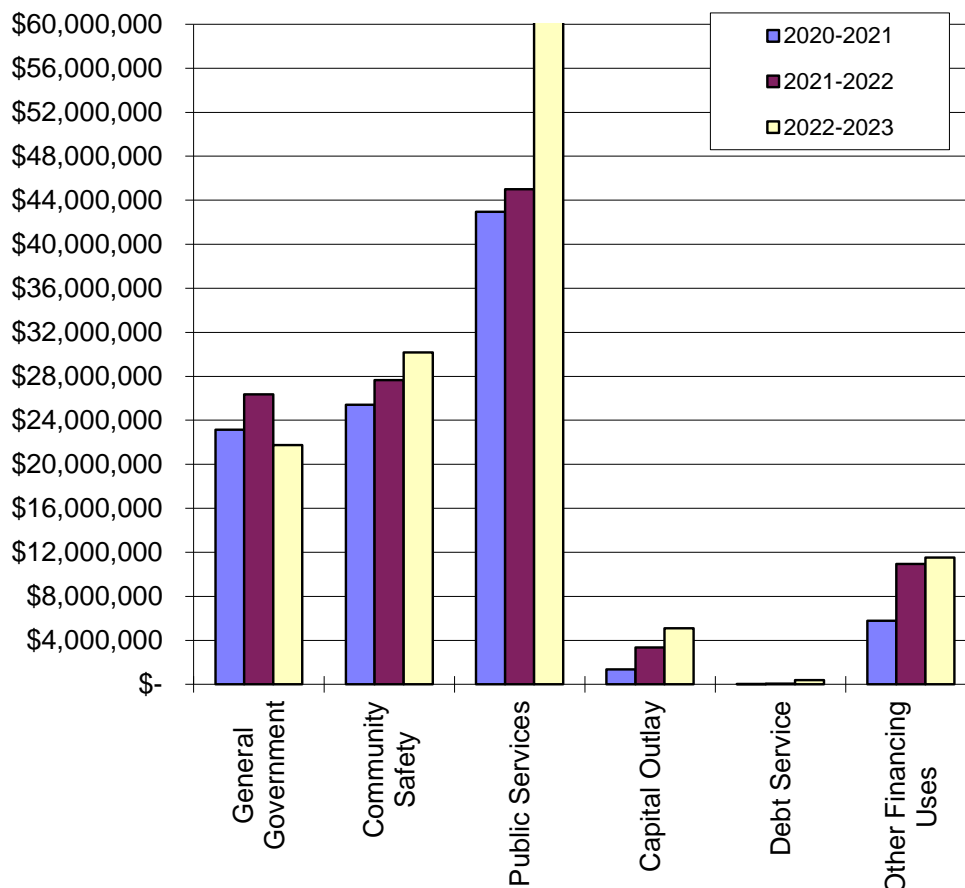
**General Fund Expenditures and Other Financing Uses (Table 7)
Fiscal Years 2022-23 and 2021-22**

	2022-2023	2021-2022	Variance Over/(Under) last year	% of increase (decrease) over last year	% of total
General Government	\$ 21,749,285	\$ 26,357,168	\$ (4,607,883)	-17.5%	16.7%
Community Safety	30,165,663	27,634,943	2,530,720	9.2%	23.1%
Public Services	61,694,374	45,017,780	16,676,594	37.0%	47.2%
Capital Outlay	5,088,533	3,358,720	1,729,813	51.5%	3.9%
Debt Service	370,984	57,567	313,417	544.4%	0.28%
Other Financing Uses	11,516,821	10,936,370	580,451	5.3%	8.8%
Total Expenditures	\$ 130,585,660	\$ 113,362,548	\$ 17,223,112	15.2%	100.0%

Described below are major fluctuations in General Fund expenditures:

- General Government expenditures were \$21.7 million and resulted in a decrease of \$4.6 million or 17.5% from the prior year. The decrease is mainly due reorganization and transfer of one division to another. The transfer of community and legislative affairs to public services function decreased the general government expenditures with corresponding increase in community safety expenditures.
- Community Safety expenditures were \$30.2 million and resulted in a 9.2% increase. mainly due to expansion of the City's unarmed security ambassador program. Contracted costs for this program and for the City's law enforcement contract with the Los Angeles Sheriff's Department are projected to grow at a rate of 5% through 2027 based on projections in liability and personnel costs.
- Public Service is the largest function in the General Fund with the following five major program areas: 1) Facilities and Field Services at \$9.7 million, 2) Social Services at \$8.5 million, 3) Recreation Services at \$6.0 million, 4) Parking Services at \$6.0 million and 5) Library Building Operations at \$3.7 million. The increase of \$16.7 million is primarily attributed to increases in facilities and field services by \$0.6 million, library building operations by \$1.8 million, recreation services by \$1.7 million, building and safety by \$1.6 million and parking at \$1.1 million. 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 \$11.5 million, a minimal increase of \$0.6 million or 5.3% 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 2022-23, 2021-22 and 2020-21**



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 43; 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 \$12.6 million from the original budget of \$130.3 million and the final amended budget of \$142.9 million. The increase was mainly due to \$9.3 million increase in budgeted amount for Taxes. 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 \$18.8 million for the following reasons: The City's Taxes were above the budgeted amount by \$6.3 million. The City's actual Property tax of \$34.9 million were above the budgeted amount of \$32.3 million. Transient Occupancy Tax of \$34.7 million were above the budgeted amount of \$31.2 million. These favorable variances resulted from the continued relaxation of public health restrictions related to pandemic. With the ending of pandemic-related restrictions, tourism returned to the City of West Hollywood 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 did not reach budgeted amounts in the Charges for Services category as the City has budgeted a higher rent stabilization fee and the amounts collected fall below the budgeted amount of \$2.8 million. The deficit of revenues below budgeted amounts in this category is minimal which was approximately \$0.02 million.

Appropriations (Outflows)

The difference between the General Fund's original expenditure budget and the final expenditure budget was an increase of \$34.4 million in appropriations. Major increases from adopted budget to the final budget were due to: increases in capital outlay of \$14.2 million carried from prior years, which includes an increase of \$2.7 million in Coast Playhouse property improvements, \$1.5 million for Communication Technology Infrastructure Projects and \$1.0 million for City Hall improvements projects. In addition, General Government, Community Safety and Public Services increased due to the increases in Social Services contracts by \$2.5 million, increases in community safety and protective services by \$5.5 million and cost associated to temporary employees by \$1.4 million.

The difference between the General Fund's final budget and actual expenditures was a \$34.0 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 2023-24: \$10.6 million in Capital Projects that were not completed during the fiscal year; \$2.3 million in remaining funds for Social Services due to difference in timing of payments; and \$12.2 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, 2023, is \$377.8 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 67-68.

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

	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2023	2022	2023	2022	2023	2022
Land	\$ 70,756	\$ 69,248	\$ -	\$ -	\$ 70,756	\$ 69,248
Buildings and systems	198,563	197,115	-	-	198,563	197,115
Improvements other than buildings	17,483	17,300	-	-	17,483	17,300
Machinery and Equipment	2,353	2,595	-	-	2,353	2,595
Infrastructure	57,340	56,408	9,144	9,590	66,484	65,999
Leasehold Improvement	-	71	-	-	-	71
Right-of-use lease asset	996	-	-	-	996	1,032
SBITA assets	2,223	-	-	-	2,223	-
Construction in progress	18,948	10,210	-	-	18,948	10,210
Total Capital Assets	\$ 368,662	\$ 352,948	\$ 9,144	\$ 9,590	\$ 377,806	\$ 363,570

Long-Term Debt

At year end, the City had \$252.9 million in outstanding long-term debt for Governmental Activities as reflected in Table 9 below. These consisted of 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, Financed purchase – SCE, Right-of-use lease Liability and SBITA Liability.

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

	Governmental Activities			
	2023	2022	Variance Over/(Under) over last year	% of increase (decrease) over last year
Claims payable	\$ 3,031	\$ 3,264	\$ (233)	-7.1%
Compensated Absences	7,895	7,205	690	9.6%
Lease Revenue - 2013	15,691	16,148	(457)	-2.8%
Lease Revenue - 2016	83,057	87,202	(4,145)	-4.8%
Lease Revenue - 2020 Series A&B	88,487	89,146	(659)	-0.7%
Net Pension Liability	48,971	20,619	28,352	137.5%
Net OPEB Liability	2,695	1,495	1,200	80.3%
Financed purchase - SCE	49	72	(23)	-31.9%
Right-of-use lease liability	1,007	1,037	(30)	-2.9%
SBITA liability	2,022	-	2,022	100.0%
Total Long-Term Debt	\$ 252,905	\$ 226,188	\$ 26,717	11.8%

Compensated Absences had an increase of \$0.7 million or 9.6% increase with an outstanding balance of \$7.9 million at year end due to cost-of-living increases in employee wages, which increased the value of compensated absences, and by employee leaves not taken during the year.

The various Lease Revenues Bonds reflect decreases due to principal payments made during the year.

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 \$49.0 million.

During fiscal year ended June 30, 2018, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 75 which requires that the net OPEB liability be recorded. For the City, the Net OPEB Liability during the fiscal year ended June 30, 2023, is \$2.7 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.

During the fiscal year ended June 30, 2023, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 96- Subscription-based Information Technology Arrangement (SBITA), which requires that that both SBITA assets and SBITA liability be recorded. These SBITAs qualify as capital assets for accounting purposes and have been recorded at their present values of their future subscription payments as of their commencement dates using discount rates ranging from 1.580% to 3.074%. As a result of these SBITAs, the City has recorded these SBITA assets with net book value of \$2.2 million as of June 30, 2023 and subscription payable of \$2.0 million.

Additional information about the City's long-term debt can be found in the *Notes to the Financial Statements* on page 82; Note Number 9.

Section 6 – Economic Factors and Outlook for Future Years

Over the past decade, the City of West Hollywood has experienced significant revenue growth as the local, regional, and national economies 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. Through these challenging times, the City has been able to maintain most of its service levels during the COVID-19 pandemic while also maintaining a healthy General Fund Reserve, because of its prudent fiscal management practices. The City of West Hollywood has almost recovered from pre-pandemic levels with local and domestic tourism; however, international travel has not fully recovered as it could be due to inflation, air service availability and a slower return to group/business travel.

As we move forward into our 39th year of being a municipality, the City's conservative and inclusionary approach takes into consideration our economic commitment for constituents, workers, business owners and the City. Throughout the post pandemic period, the City has been providing emergency social services support to the City of West Hollywood 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 continuing to focus on the Community Safety & Well Being Strategic Priorities.

The Community Safety & Well Being Strategic Priorities emerged from the analysis (feedback) provided by the WeHo community. The ten strategic priorities include crime prevention, emergency preparedness, providing housing and support services for individuals experiencing homelessness, providing affordable housing thus eliminating housing insecurity, responding mental health & substance use, provide support for community members experiencing poverty & 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. In FY23, we implemented the West Hollywood guaranteed income pilot program that provides \$1,000 per month for 18 months to 25 recipients. The applicants meet the following eligibility criteria: West Hollywood resident, 50 years of age or older and living on an income of up to \$41,400 or less.

The adopted budget for fiscal year ending June 30, 2024, is the City's continued commitment to fiscal responsibility, economic growth, and overall well-being for our community. The City will continue to monitor its revenues closely in the upcoming year.

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

Sales Tax

In FY 2023/24, Sales Tax revenues are projected to be \$36.4 million, an increase from prior year of \$4.1 million, that includes the increase in Measure E. Measure E was enacted to address the COVID19 revenue shortfall and longer-term impacts to the economy from COVID19. 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. Local and tourists enjoy visiting stores, restaurants, a thriving entertainment scene and luxury hotels.

Property Tax

The initial information received indicates a steady real estate market in the Southern California region has led to growth in the City's property tax base. The City of West Hollywood experienced a net taxable value increase of 6.1% for the FY2023/24 tax roll, that was slightly more than the increase experienced countrywide at 5.9%. The assessed value increase between FY2022/23 and FY2023/24 was \$969 million. According to HdL Companies report, the median sale price of West Hollywood detached single-family homes from January through October 2023 was \$1,820,000, a decrease of \$378,000 or -17.2% from the median sale price in the same period for 2022. Homeowners with 2-3% mortgages are not opting to upsize or downsize into 7% mortgages. Reassessments, recent sales and new developments were the causes of the largest change in value over the years.

Property tax revenue continues to show strong and steady gains due to a combination of factors, including property values, sales transactions, and the addition of new buildings to the City's property tax roll. 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, transient occupancy tax 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.

Transient Occupancy Tax

FY2023/24 projections of Transient Occupancy Tax (TOT) revenues reflect a substantial rebound in international tourism and travel to the region. West Hollywood is one of America's hottest destinations, 2024 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 stylish luxury hotels and unique boutique hotels with rooftop pools and restaurants. The City's tourism industry has historically been the strongest sector for both employment and tax revenue. In FY23, locals and visitors enjoyed the special event celebration of Halloween and WeHo Pride. After the pandemic hiatus, the 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 FY23/24, the budget for TOT is \$31.8 million, an increase of \$3.8 million over the prior year.

Digital Billboard Revenue

The City's billboard projects have gained significant traction and generated additional revenue streams. The Sunset Boulevard Billboard project is estimated to generate \$7.2 million. The Sunset Boulevard billboard project has proven to be a success, and the City is committed to approving additional projects in the upcoming year.

External Considerations

While this report focuses on the City's current economic state as of June 30, 2023, future factors demand consideration. These include potential instability in the stock market, the ongoing crises in Ukraine and the Middle East, fluctuations in the global price of crude oil, potential workforce strikes, and the U.S. Federal Reserve's approach to inflation through interest rate increases. Notably, West Hollywood consumers' spending remains steady amidst these uncertainties.

The Future After COVID19

As we move from the post-pandemic, we will remain focused on the City's Community Safety and Well Being and ensuring a sustainable financial future. West Hollywood 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.

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Basic Financial Statements



"Meet Me in the Park" A Lesbian and Queer Women Visibility Event photo, Jon Viscott

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City of West Hollywood
Statement of Net Position
June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 243,647,510	\$ 3,909,160	\$ 247,556,670
Receivables			
Accounts	14,097,967	158,482	14,256,449
Notes and Loans	500,928	-	500,928
Accrued Interest	1,409,497	18,082	1,427,579
Leases	52,426,378	-	52,426,378
Internal Balances	27,529	(27,529)	-
Prepaid Costs	2,621,734	-	2,621,734
Deposits	214,000	-	214,000
Due from Other Governments	8,951,498	53,940	9,005,438
Restricted Assets			
Cash and Investments with Fiscal Agents	24,811,559	-	24,811,559
Capital Assets Not Being Depreciated and Amortized	89,703,813	-	89,703,813
Capital Assets, Net of Accumulated Depreciation and Amortization	278,958,024	9,144,121	288,102,145
Total Assets	<u>717,370,437</u>	<u>13,256,256</u>	<u>730,626,693</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts from Pension	21,828,063	374,858	22,202,921
Deferred Amounts from OPEB	1,256,945	-	1,256,945
Total Deferred Outflows of Resources	<u>23,085,008</u>	<u>374,858</u>	<u>23,459,866</u>
LIABILITIES			
Accounts Payable	16,837,071	157,122	16,994,193
Accrued Liabilities	3,160,848	-	3,160,848
Accrued Interest	1,700,348	-	1,700,348
Unearned Revenue	14,288,238	-	14,288,238
Deposits Payable	6,992,103	-	6,992,103
Due to Other Governments	502,316	-	502,316
Noncurrent Liabilities			
Due Within One Year	8,112,284	-	8,112,284
Due in More than One Year			
Long-term Liabilities	193,127,202	-	193,127,202
Net Pension Liability	48,970,769	841,480	49,812,249
Net OPEB Liability	2,695,371	-	2,695,371
Total Liabilities	<u>296,386,550</u>	<u>998,602</u>	<u>297,385,152</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Gain on Refunding	1,076,277	-	1,076,277
Deferred Amounts from Leases	50,013,350	-	50,013,350
Deferred Amounts from Pension	3,573,112	61,398	3,634,510
Deferred Amounts from OPEB	559,695	-	559,695
Total Deferred Inflows of Resources	<u>55,222,434</u>	<u>61,398</u>	<u>55,283,832</u>
NET POSITION			
Net Investment in Capital Assets	202,072,925	9,144,121	211,217,046
Restricted for			
Public Services	28,602,019	-	28,602,019
Capital Projects	18,808,158	-	18,808,158
Unrestricted	139,363,359	3,426,993	142,790,352
Total Net Position	<u>\$ 388,846,461</u>	<u>\$ 12,571,114</u>	<u>\$ 401,417,575</u>

See accompanying Notes to Basic Financial Statements.

**City of West Hollywood
Statement of Activities
Year ended June 30, 2023**

FUNCTIONS/ PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$ 22,946,533	\$ 1,060,988	\$ 634,191	\$ -
Community Safety	33,035,793	163,465	77,748	-
Public Services	81,767,725	21,528,200	9,250,537	8,159,431
Interest and Fiscal Charges	6,009,995	-	-	-
Total Governmental Activities	<u>143,760,046</u>	<u>22,752,653</u>	<u>9,962,476</u>	<u>8,159,431</u>
Business-Type Activities				
Sewer Charge	1,101,186	1,084,900	-	-
Solid Waste	1,579,962	1,233,576	-	-
Landscape District	87,927	138,876	-	-
Street Maintenance	264,778	291,096	-	-
Total Business-Type Activities	<u>3,033,853</u>	<u>2,748,448</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 146,793,899</u>	<u>\$ 25,501,101</u>	<u>\$ 9,962,476</u>	<u>\$ 8,159,431</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, 2023**

<u>Net Revenues (Expenses) and Changes in Net Position</u>		
<u>Primary Government</u>		
<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (21,251,354)	\$ -	\$ (21,251,354)
(32,794,580)	-	(32,794,580)
(42,829,557)	-	(42,829,557)
<u>(6,009,995)</u>	<u>-</u>	<u>(6,009,995)</u>
<u>(102,885,486)</u>	<u>-</u>	<u>(102,885,486)</u>
-	(16,286)	(16,286)
-	(346,386)	(346,386)
-	50,949	50,949
<u>-</u>	<u>26,318</u>	<u>26,318</u>
<u>-</u>	<u>(285,405)</u>	<u>(285,405)</u>
<u>(102,885,486)</u>	<u>(285,405)</u>	<u>(103,170,891)</u>
37,094,986	-	37,094,986
34,740,259	-	34,740,259
20,830,986	-	20,830,986
15,697,095	-	15,697,095
2,228,913	-	2,228,913
4,917,043	-	4,917,043
24,035,532	75,198	24,110,730
1,293,100	-	1,293,100
<u>140,837,914</u>	<u>75,198</u>	<u>140,913,112</u>
37,952,428	(210,207)	37,742,221
350,894,033	12,781,321	363,675,354
<u>\$ 388,846,461</u>	<u>\$ 12,571,114</u>	<u>\$ 401,417,575</u>

See accompanying Notes to Basic Financial Statements.

**City of West Hollywood
Governmental Funds
Balance Sheet
June 30, 2023**

	General Fund	Capital Projects Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 185,584,522	\$ 13,247,815	\$ 44,705,930	\$ 243,538,267
Receivables				
Accounts	13,913,943	-	184,024	14,097,967
Notes and Loans	-	-	500,928	500,928
Accrued Interest	1,167,825	58,021	183,651	1,409,497
Leases	52,426,378	-	-	52,426,378
Prepaid Costs	2,469,879	-	93,855	2,563,734
Deposits	214,000	-	-	214,000
Due from Other Governments	7,741,325	-	1,210,173	8,951,498
Due from Other Funds	616,250	-	2,911,932	3,528,182
Restricted Assets				
Cash and Investments with Fiscal Agents	-	24,811,559	-	24,811,559
Total Assets	\$ 264,134,122	\$ 38,117,395	\$ 49,790,493	\$ 352,042,010
LIABILITIES				
Accounts Payable	\$ 11,753,258	\$ -	\$ 4,947,727	\$ 16,700,985
Accrued Liabilities	3,160,848	-	-	3,160,848
Unearned Revenues	6,933,842	-	7,354,396	14,288,238
Deposits Payable	6,449,253	-	542,850	6,992,103
Due to Other Governments	-	-	502,316	502,316
Due to Other Funds	-	2,911,932	616,250	3,528,182
Total Liabilities	28,297,201	2,911,932	13,963,539	45,172,672
DEFERRED INFLOWS OF RESOURCES				
Leases	49,943,669	-	69,681	50,013,350
Unavailable Revenues	84,098	-	513,363	597,461
Total Deferred Inflows of Resources	50,027,767	-	583,044	50,610,811
FUND BALANCES				
Nonspendable				
Prepaid Costs	2,469,879	-	93,855	2,563,734
Deposits	214,000	-	-	214,000
Restricted for				
Public Services	-	-	28,004,558	28,004,558
Capital Projects	-	35,205,463	8,404,128	43,609,591
Committed to				
Emergency Contingency	7,546,812	-	-	7,546,812
Continuing Appropriations	19,673,413	-	-	19,673,413
Assigned to				
Self-Insurance	8,000,000	-	-	8,000,000
Capital Projects	45,000,000	-	-	45,000,000
Future Expenditures	7,894,617	-	-	7,894,617
Working Reserve	75,468,123	-	-	75,468,123
Debt Service	6,754,800	-	-	6,754,800
Unfunded Pension Costs	7,265,665	-	-	7,265,665
Unassigned	5,521,845	-	(1,258,631)	4,263,214
Total Fund Balances	185,809,154	35,205,463	35,243,910	256,258,527
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 264,134,122	\$ 38,117,395	\$ 49,790,493	\$ 352,042,010

See accompanying Notes to Basic Financial Statements.

City of West Hollywood
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2023

Fund Balances - Total Governmental Funds	\$	256,258,527
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.		365,442,809
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.		995,669
Subscription asset, net of amortization used in governmental activities are not current resources and, therefore, are not reported in the governmental funds Balance Sheet.		1,710,424
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	\$ (167,865,000)	
Unamortized bond premiums	(19,461,811)	
Unamortized bond discount	91,217	
Unamortized gain on refunding	(1,076,277)	
Financed purchase - SCE	(48,772)	
Compensated absences	(7,894,617)	
Claims payable	(3,030,801)	
Right-of-use lease liability	(1,007,459)	
SBITA liability	<u>(1,534,809)</u>	(201,828,329)
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	1,256,945	
Deferred inflows of resources	(559,695)	
Net OPEB liability	<u>(2,695,371)</u>	(1,998,121)
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	21,828,063	
Deferred inflows of resources	(3,573,112)	
Net pension liability	<u>(48,970,769)</u>	(30,715,818)
Accrued interest payable on long-term debt is not due and payable in the current period and is not reported in the governmental funds.		(1,680,464)
Accrued interest payable on subscription liability is not due and payable in the current period and is not reported in the governmental funds.		(10,805)
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.		597,461
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.		75,108
Net Position of Governmental Activities	\$	<u><u>388,846,461</u></u>

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, 2023

	General Fund	Capital Projects Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 113,110,103	\$ -	\$ 5,435,497	\$ 118,545,600
Licenses and Permits	10,112,308	-	-	10,112,308
Intergovernmental	670,781	-	7,973,535	8,644,316
Charges for Services	2,741,218	-	433,049	3,174,267
Use of Money and Property	18,309,844	1,780,567	4,542,436	24,632,847
Fines and Forfeitures	7,722,674	-	791,331	8,514,005
Developer Participation	-	-	1,826,144	1,826,144
Miscellaneous	7,084,083	-	122,885	7,206,968
Total Revenues	<u>159,751,011</u>	<u>1,780,567</u>	<u>21,124,877</u>	<u>182,656,455</u>
EXPENDITURES				
Current				
General Government	21,749,285	-	363,034	22,112,319
Community Safety	30,165,663	-	188,884	30,354,547
Public Services	61,694,374	-	14,623,659	76,318,033
Capital Outlay	5,088,533	-	18,129,539	23,218,072
Debt Service				
Principal Retirement	349,390	4,405,000	20,110	4,774,500
Interest and Fiscal Charges	21,594	6,933,696	35	6,955,325
Total Expenditures	<u>119,068,839</u>	<u>11,338,696</u>	<u>33,325,261</u>	<u>163,732,796</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	40,682,172	(9,558,129)	(12,200,384)	18,923,659
OTHER FINANCING SOURCES (USES)				
SBITA financing	1,984,504	-	18,302	2,002,806
Transfers in	-	11,340,706	11,056,771	22,397,477
Transfers out	(11,516,821)	(8,494,072)	(2,386,584)	(22,397,477)
Total Other Financing Sources (Uses)	<u>(9,532,317)</u>	<u>2,846,634</u>	<u>8,688,489</u>	<u>2,002,806</u>
NET CHANGE IN FUND BALANCES	31,149,855	(6,711,495)	(3,511,895)	20,926,465
Fund Balances - Beginning of Year	<u>154,659,299</u>	<u>41,916,958</u>	<u>38,755,805</u>	<u>235,332,062</u>
FUND BALANCES - END OF YEAR	<u>\$ 185,809,154</u>	<u>\$ 35,205,463</u>	<u>\$ 35,243,910</u>	<u>\$ 256,258,527</u>

See accompanying Notes to Basic Financial Statements.

**City of West Hollywood
Governmental Funds**

**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures
and Changes in Fund Balances to the Statement of Activities
Year ended June 30, 2023**

Change in Fund Balances - Total Governmental Funds	\$	20,926,465
Amounts reported for governmental activities in the Statement of Activities are different because:		
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation and amortization expense. This is the amount by which capital outlays exceeded asset disposal, depreciation and amortization expense in the current period.</p>		
Capital Outlays	\$ 22,595,858	
Depreciation and Amortization Expense	<u>(8,426,351)</u>	14,169,507
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.</p>		
SBITA financing	(2,002,806)	
Principal Repayments	4,924,667	
Amortization of Deferred Charges	46,795	
Amortization of Bond Premiums/ Discounts	<u>856,780</u>	3,825,436
<p>Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.</p>		
		41,755
<p>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. This is the net change in compensated absences for the current period.</p>		
		(689,598)
<p>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. This is the net change in claims payable for the current period.</p>		
		233,295
<p>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.</p>		
		(103,418)
<p>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.</p>		
		640,065
<p>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 activities.</p>		
		(935,722)
<p>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.</p>		
		(155,357)
Change in Net Position of Governmental Activities	\$	<u><u>37,952,428</u></u>

See accompanying Notes to Basic Financial Statements.

City of West Hollywood
Budgetary Comparison Statement by Department
General Fund
Year ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Budget</u>
				<u>Positive (Negative)</u>
BUDGETARY FUND BALANCE, JULY 1	\$ 154,659,299	\$ 154,659,299	\$ 154,659,299	\$ -
Resources (Inflows)				
Taxes	97,515,690	106,815,690	113,110,103	6,294,413
Licenses and Permits	6,204,065	7,474,065	10,112,308	2,638,243
Intergovernmental	160,000	160,000	670,781	510,781
Charges for Services	2,763,625	2,763,625	2,741,218	(22,407)
Use of Money and Property	13,921,500	13,966,595	18,309,844	4,343,249
Fines and Forfeitures	7,297,650	7,297,650	7,722,674	425,024
Miscellaneous	2,395,000	2,470,000	7,084,083	4,614,083
SBITA lease financing	-	1,984,504	1,984,504	-
Amounts Available for Appropriations	<u>130,257,530</u>	<u>142,932,129</u>	<u>161,735,515</u>	<u>18,803,386</u>
Charges to Appropriations (Outflows)				
Current				
General Government				
City Council	444,829	665,029	501,310	163,719
City Manager	2,342,748	2,663,484	1,635,330	1,028,154
Assistant City Manager	698,634	724,070	523,678	200,392
City Attorney	1,535,000	1,701,000	1,700,407	593
Administrative Services Administration	246,642	377,642	377,225	417
City Clerk	4,535,737	4,404,737	4,207,505	197,232
Human Resources	3,174,620	3,204,788	2,572,046	632,742
Finance Administration	921,708	1,848,158	837,870	1,010,288
Revenue	1,191,754	2,592,494	2,447,101	145,393
General Accounting	1,629,565	1,647,919	1,578,967	68,952
Information Technology	2,837,739	3,091,193	2,566,023	525,170
Communications Administration	706,027	709,833	586,689	123,144
Innovation	863,072	993,192	169,459	823,733
Media and Marketing	1,159,205	1,200,390	1,008,406	191,984
Digital Media	1,311,985	1,311,985	1,037,269	274,716
Community Safety				
Community Safety Administration	5,514,010	7,504,688	5,564,599	1,940,089
Sheriff and Protective Services	21,858,637	25,358,637	21,913,878	3,444,759
Neighborhood and Business Safety	3,042,971	3,029,717	2,687,186	342,531
Public Services				
Human Services and Rent Stabilization Administration	555,474	601,150	530,858	70,292
Social Services	8,211,694	10,681,544	8,499,188	2,182,356
Strategic Initiatives	1,258,259	1,301,377	1,272,280	29,097
Rent Stabilization	2,981,878	3,083,952	2,832,593	251,359
Planning Development Services Administration	1,451,098	1,570,466	1,377,448	193,018
Current and Historic Preservation Planning	2,290,121	2,510,835	2,258,292	252,543
Building and Safety	2,642,241	4,227,413	4,226,682	731
Long Range Planning	2,779,932	3,215,747	1,668,861	1,546,886
Public Works Administration	527,216	527,216	454,407	72,809
Facilities and Field Services	10,319,874	10,412,524	9,737,315	675,209
Library Building Operations	5,786,763	5,697,981	3,778,835	1,919,146
Parking	5,916,757	6,024,430	6,018,759	5,671
Engineering	1,020,258	1,182,412	1,033,595	148,817
Economic Development Administration	439,105	1,211,605	661,305	550,300
Arts	1,572,236	1,612,636	1,513,127	99,509
Business Development	780,043	930,043	471,744	458,299
Property Development	560,432	560,432	550,300	10,132
Development Impact Administration	686,103	689,553	644,653	44,900
Urban Design and Architecture Studio	1,027,474	1,183,992	1,020,215	163,777
Community Services Administration	460,132	530,131	529,970	161
Community and Legislative Affairs	2,162,493	2,230,993	1,933,360	297,633
Recreation Services	6,866,605	6,796,605	6,040,079	756,526
Events Services	2,313,634	5,199,634	4,640,508	559,126
Capital Outlay	3,532,000	17,739,528	5,088,533	12,650,995
Debt Service				
Principal Retirement	-	349,390	349,390	-
Interest and Fiscal Charges	-	21,594	21,594	-
Transfers Out	<u>10,087,760</u>	<u>11,504,275</u>	<u>11,516,821</u>	<u>(12,546)</u>
Total Charges to Appropriations	<u>130,244,465</u>	<u>164,626,414</u>	<u>130,585,660</u>	<u>34,040,754</u>
BUDGETARY FUND BALANCE, JUNE 30	\$ 154,672,364	\$ 132,965,014	\$ 185,809,154	\$ 52,844,140

See accompanying Notes to Basic Financial Statements.

City of West Hollywood
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Information System Master Plan Internal Service Fund
ASSETS		
Current Assets		
Cash and Investments	\$ 3,909,160	\$ 109,243
Receivables		
Accounts	158,482	-
Accrued Interest	18,082	-
Prepaid Costs	-	58,000
Due from Other Governments	53,940	-
Total Current Assets	4,139,664	167,243
Noncurrent Assets		
Capital Assets, Net of Accumulated Depreciation and Amortization	9,144,121	512,935
Total Noncurrent Assets	9,144,121	512,935
Total Assets	13,283,785	680,178
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amounts from Pension	374,858	-
Total Deferred Outflows of Resources	374,858	-
LIABILITIES		
Current Liabilities		
Accounts Payable	157,122	136,086
Accrued Interest	-	9,079
Total Current Liabilities	157,122	145,165
Noncurrent Liabilities		
Due Within One Year	-	241,259
Due in More Than One Year		
Long-term Liabilities		246,175
Net Pension Liability	841,480	-
Total Noncurrent Liabilities	841,480	487,434
Total Liabilities	998,602	632,599
DEFERRED INFLOWS OF RESOURCES		
Deferred Amounts from Pension	61,398	-
Total Deferred Inflows of Resources	61,398	-
NET POSITION		
Net Investment in Capital Assets	9,144,121	25,501
Unrestricted	3,454,522	22,078
Total Net Position	12,598,643	\$ 47,579
Prior years' accumulated adjustment to reflect the consolidation of the Internal Service Fund activities related to the enterprise funds	(21,378)	
Current year's adjustment to reflect the consolidation of the Internal Service Fund activities related to the enterprise funds	(6,151)	
Net Position of Business-Type Activities	\$ 12,571,114	

See accompanying Notes to Basic Financial Statements.

City of West Hollywood
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year ended June 30, 2023

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Information System Master Plan Internal Service Fund
OPERATING REVENUES		
Sales and Service Charges	\$ 2,681,046	\$ 628,482
Penalties on Assessments	7,292	-
Other Fees and Charges	66,261	-
Total Operating Revenues	2,754,599	628,482
OPERATING EXPENSES		
Administration and General	114,976	556,040
Treatment	2,384,758	-
Cost of Sales and Services	87,927	-
Depreciation and Amortization	446,192	225,692
Total Operating Expenses	3,033,853	781,732
Operating Loss	(279,254)	(153,250)
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue (Expense)	82,508	(8,258)
Net Decrease in Fair Value of Investments	(7,310)	-
Total Nonoperating Revenues (Expenses)	75,198	(8,258)
CHANGE IN NET POSITION		
	(204,056)	(161,508)
Net Position - Beginning of Year	12,802,699	209,087
NET POSITION - END OF YEAR		
	\$ 12,598,643	\$ 47,579
Adjustment to reflect the consolidation of Internal Service Fund activities related to enterprise funds	\$ (6,151)	
Changes in Net Position - Enterprise Funds	(204,056)	
Changes in Net Position of Business-Type Activities	\$ (210,207)	

See accompanying Notes to Basic Financial Statements.

**City of West Hollywood
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2023**

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Information System Master Plan Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers and Users	\$ 2,632,145	\$ 628,482
Cash Paid to Suppliers for Goods and Services	(1,926,686)	(472,832)
Cash Paid to Employees for Services	(592,359)	-
Net Cash Provided by Operating Activities	113,100	155,650
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITY		
Payments on SBITA Liability	-	(251,192)
Cash Used In Capital and Related Financing Activity	-	(251,192)
CASH FLOWS FROM INVESTING ACTIVITY		
Interest Received	60,609	1,004
Cash Provided by Investing Activity	60,609	1,004
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	173,709	(94,538)
Cash and Cash Equivalents - Beginning of Year	3,735,451	203,781
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,909,160	\$ 109,243
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Operating Loss	\$ (279,254)	\$ (153,250)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities		
Depreciation and Amortization	446,192	225,692
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:		
(Increase) Decrease in:		
Accounts Receivable	(122,454)	-
Prepaid Expenses	-	(29,000)
Due from Other Governments	179,529	-
Deferred Outflows from Pension	(237,625)	-
Increase (Decrease) in:		
Accounts Payable	(74,034)	112,208
Net Pension Liability	470,018	-
Deferred Inflows from Pension	(269,272)	-
Net Cash Provided by Operating Activities	\$ 113,100	\$ 155,650
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING, CAPITAL, AND RELATED FINANCING ACTIVITIES		
Obtaining SBITA Asset	\$ -	\$ 738,627
Obtaining SBITA Liability	\$ -	\$ (738,627)

See accompanying Notes to Basic Financial Statements.

City of West Hollywood
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	Custodial Funds	Private-Purpose Trust Funds
ASSETS		
Cash and Investments	\$ 871,100	\$ 1,475,398
Receivables		
Accounts	1,153,928	-
Accrued Interest	3,864	-
Restricted Assets		
Cash and Investments With Fiscal Agents	-	765
Capital Assets, Net of Accumulated Depreciation	-	134,238
Total Assets	2,028,892	1,610,401
LIABILITIES		
Accounts Payable	1,758,989	-
Deferred Revenue	-	1,009,439
Accrued Interest	-	142,024
Due to City	62,582	-
Due to County	-	564,274
Long-term Liabilities		
Due in One Year	-	730,000
Due in More Than One Year	-	17,941,889
Total Liabilities	1,821,571	20,387,626
NET POSITION (DEFICIT)		
Restricted for		
Individuals, Organizations, and Other Governments	207,321	(18,777,225)
Total Net Position (Deficit)	\$ 207,321	\$ (18,777,225)

See accompanying Notes to Basic Financial Statements.

City of West Hollywood
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year ended June 30, 2023

	Custodial Funds	Private-Purpose Trust Funds
ADDITIONS		
Taxes	\$ -	\$ 1,134,032
Assessments	8,706,057	-
Change in Fair Value of Investments	-	15,854
Interest Earnings	15,637	674
Total Additions	8,721,694	1,150,560
DEDUCTIONS		
Administrative Expenses	-	63,223
Payments to Districts	8,689,506	-
Interest Expense	-	438,530
Depreciation	-	3,579
Total Deductions	8,689,506	505,332
CHANGES IN NET POSITION	32,188	645,228
Net Position (Deficit) - Beginning of Year	38,592	(19,422,453)
Prior Year Adjustment	136,541	-
NET POSITION (DEFICIT) - END OF YEAR	\$ 207,321	\$ (18,777,225)

See accompanying Notes to Basic Financial Statements.

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Notes to Financial Section



Youth Halloween Carnival photo, Jon Viscott

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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 (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. All are governed by the City Council of the City. 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. 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. 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, interfund 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 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.

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.

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

Fund Classifications (Continued)

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

During the fiscal year ended June 30, 2023, the City implemented GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements (SBITA)*. The objective of this Statement is to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements for SBITAs; (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. This Statement establishes standards of accounting and financial reporting for SBITAs by a government end user (a government). The requirements of this Statement apply to the financial statement of all state and local governments.

Under this Statement, a government is required to recognize a SBITA liability and an intangible right-of-use SBITA asset. The implementation of this new accounting standard resulted in recognition of SBITA liability and SBITA asset in the City's June 30, 2023 financial statements. See also Notes 5 and 9.

During the fiscal year ended June 30, 2023, the City implemented GASB Statement No. 94, *Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs)*. This Statement establishes the definitions of PPPs and APAs and provides uniform guidance on accounting and financial reporting for transactions that meet those definitions. A PPP is an arrangement in which a government (the transferor) contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset, for a period of time in an exchange or exchange-like transaction. An APA is an arrangement in which a government compensates an operator for activities that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The implementation of this new accounting standard did not have an impact on the City's financial statements.

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 under the consumption method.

Capital Assets

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

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 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 differences in projected and actual earnings on investments of the pension and OPEB plan fiduciary net positions. These amounts are amortized over 5 years.

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 differences between 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 inflow related to 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 retiree healthcare benefits through the plans.

Net Position Flow Assumption

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

Other Postemployment Benefits (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 funds or fiduciary funds 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 costs, 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.

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 Fund:			
General Fund			
Transfers Out	\$ 11,504,275	\$ 11,516,821	\$ (12,546)
Other Governmental Special Revenue Funds:			
Special Grants Special Revenue Fund			
Community Safety	130,000	188,884	(58,884)
Proposition C Special Revenue Fund			
General Government	91,000	98,812	(7,812)
Gas Tax Special Revenue Fund			
Capital Outlay	-	50,747	(50,747)
Traffic Special Revenue Fund			
Public Services	173,490	370,433	(196,943)
Quimby Act Special Revenue Fund			
Public Services	-	78,218	(78,218)
City Lighting Special Revenue Fund			
Public Services	900,000	1,145,867	(245,867)
Parking Improvement Special Revenue Fund			
General Government	69,942	73,343	(3,401)
Public Services	3,013,941	3,061,290	(47,349)
Measure M Special Revenue Fund			
Capital Outlay	-	2,582	(2,582)
Housing Trust Special Revenue Fund			
Capital Outlay	5,613,893	5,719,724	(105,831)

Deficit Fund Balances or Net Position

The following funds contained deficit fund balances or net position at June 30, 2023:

	Actual
Other Governmental Special Revenue Funds:	
Special Grants Special Revenue Fund	\$ (656,693)
Gas Tax Special Revenue Fund	(137,408)
Public Access Corporation Special Revenue Fund	(126,051)
Parking Improvement Special Revenue Fund	(392,182)
CDBG Special Revenue Fund	(8,319)

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balances or Net Position (Continued)

The deficits are due to excess project expenditures from current and prior fiscal years over annual revenue receipts in addition to timing differences. 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, 2023, cash and investments were reported in the accompanying financial statements as follows:

	Unrestricted	Restricted	Total
Governmental Activities	\$ 243,647,510	\$ 24,811,559	\$ 268,459,069
Business-Type Activities	3,909,160	-	3,909,160
Fiduciary Funds	2,346,498	765	2,347,263
Total Cash and Investments	\$ 249,903,168	\$ 24,812,324	\$ 274,715,492

Cash and investments held by the City at June 30, 2023 consisted of the following:

Petty Cash	\$	1,300
Deposits with Financial Institutions		11,049,667
Investments		263,664,525
Total Cash and Investments	\$	274,715,492

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 maturity 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. 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 from interest rates. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

As of June 30, 2023, the City had the following investments and original maturities:

Investment Type	Remaining Maturity (in Years)
	Less Than 1 Year
LAIF	\$ 60,380,823
LACIP	178,471,379
Cash with Fiscal Agents:	
LAIF	19,879,092
Money Market Mutual Funds	4,933,231
Total	\$ 263,664,525

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Credit Risk

Credit risk is the risk that the 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, 2023, 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, 2023, 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, 2023, the carrying amount of the City's deposits was \$11,049,667 and the bank balance was \$12,917,104, which is insured and collateralized under California law. The \$1,867,437 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 \$46,122,125 were outstanding at June 30, 2023, 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.

City of West Hollywood
Notes to Basic Financial Statements
Year ended June 30, 2023

NOTE 5 CAPITAL ASSETS

A summary of changes in the governmental activities capital assets for the year ended June 30, 2023, is as follows:

	Balance at June 30, 2022	Additions	Deletions	Transfers	Balance at June 30, 2023
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 69,248,450	\$ 1,507,614	\$ -	\$ -	\$ 70,756,064
Construction in Progress	10,210,012	10,212,351	(1,474,614)	-	18,947,749
Total Capital Assets, Not Being Depreciated	<u>79,458,462</u>	<u>11,719,965</u>	<u>(1,474,614)</u>	<u>-</u>	<u>89,703,813</u>
Capital Assets, Being Depreciated and Amortized:					
Buildings	224,567,997	6,003,670	-	-	230,571,667
Improvements Other Than Buildings	21,579,569	627,319	-	-	22,206,888
Machinery and Equipment	12,136,546	326,703	-	-	12,463,249
Furniture and Fixtures	2,084,012	-	-	-	2,084,012
Office Equipment	1,674,523	-	-	-	1,674,523
Leasehold Improvements	870,200	-	-	-	870,200
Infrastructure	115,697,354	3,275,109	-	-	118,972,463
Right-of-use Lease Asset	1,067,827	-	-	-	1,067,827
SBITA Assets	-	2,856,333	-	-	2,856,333
Total Capital Assets, Being Depreciated and Amortized	<u>379,678,028</u>	<u>13,089,134</u>	<u>-</u>	<u>-</u>	<u>392,767,162</u>
Less Accumulated Depreciation for:					
Buildings	(27,452,828)	(4,556,149)	-	-	(32,008,977)
Improvements Other than Buildings	(4,279,249)	(444,572)	-	-	(4,723,821)
Machinery and Equipment	(9,690,419)	(517,818)	-	-	(10,208,237)
Furniture and Fixtures	(1,948,634)	(40,697)	-	-	(1,989,331)
Office Equipment	(1,661,361)	(9,871)	-	-	(1,671,232)
Leasehold Improvements	(799,428)	(70,771)	-	-	(870,199)
Infrastructure	(59,289,097)	(2,343,112)	-	-	(61,632,209)
Total Accumulated Depreciation	<u>(105,121,016)</u>	<u>(7,982,990)</u>	<u>-</u>	<u>-</u>	<u>(113,104,006)</u>
Less Accumulated Amortization for:					
Right-of-use Lease Asset	(36,079)	(36,079)	-	-	(72,158)
SBITA Assets	-	(632,974)	-	-	(632,974)
Total Accumulated Amortization	<u>(36,079)</u>	<u>(669,053)</u>	<u>-</u>	<u>-</u>	<u>(705,132)</u>
Total Capital Assets, Being Depreciated and Amortized, Net	<u>274,520,933</u>	<u>4,437,091</u>	<u>-</u>	<u>-</u>	<u>278,958,024</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 353,979,395</u>	<u>\$ 16,157,056</u>	<u>\$ (1,474,614)</u>	<u>\$ -</u>	<u>\$ 368,661,837</u>

Depreciation and amortization expenses were charged to functions/programs of the primary government in the governmental activities as follows:

General Government	\$ 1,198,304
Public Safety	2,636,636
Public Services	4,817,103
Total Depreciation and Amortization Expenses	<u>\$ 8,652,043</u>

NOTE 5 CAPITAL ASSETS (CONTINUED)

A summary of changes in the business-type activities capital assets for the year ended June 30, 2023, is as follows:

	Balance at July 1, 2022	Additions	Deletions	Balance at June 30, 2023
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Infrastructure	\$ 22,678,916	\$ -	\$ -	\$ 22,678,916
Total Capital Assets, Being Depreciated	<u>22,678,916</u>	<u>-</u>	<u>-</u>	<u>22,678,916</u>
Less Accumulated Depreciation for:				
Infrastructure	(13,088,603)	(446,192)	-	(13,534,795)
Total Accumulated Depreciation	<u>(13,088,603)</u>	<u>(446,192)</u>	<u>-</u>	<u>(13,534,795)</u>
Capital Assets, Being Depreciated, Net	<u>9,590,313</u>	<u>(446,192)</u>	<u>-</u>	<u>9,144,121</u>
Total Business-Type Activities Capital Assets, Net	<u>\$ 9,590,313</u>	<u>\$ (446,192)</u>	<u>\$ -</u>	<u>\$ 9,144,121</u>

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		<u>\$ 446,192</u>

NOTE 6 LEASE RECEIVABLE

On July 30, 1996, the City entered into a 30-year parking lease agreement commencing in the 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 in 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 an annual increase of 4%.

The City granted 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 land owned by the City in conducting its business. The licensee pays a 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, 2023, the total lease receivable and deferred inflows of resources for the above leases were \$52,426,378 and \$50,013,350, 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, 2023.

The future minimum lease receivable and the net present value of these minimum lease receipts as of June 30, 2023, were as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 2,410,487	\$ 688,322	\$ 3,098,809
2025	2,525,660	656,983	3,182,643
2026	2,643,312	624,136	3,267,448
2027	2,763,505	589,748	3,353,253
2028	2,886,302	553,787	3,440,089
2029 - 2033	14,886,992	2,186,282	17,073,274
2034 - 2038	15,098,070	1,187,759	16,285,829
2039 - 2042	9,212,050	248,950	9,461,000
	<u>\$ 52,426,378</u>	<u>\$ 6,735,967</u>	<u>\$ 59,162,345</u>

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.

Benefits Provided

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

The Plans' provisions and benefits in effect at the measurement date of June 30, 2022, 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	7.51%	6.25%
Required Employer Contribution Rates:		
Normal Cost Rate	11.63%	11.63%
Payment of Unfunded Liability	\$ 4,269,743	-

NOTE 7 RETIREMENT PLANS (CONTINUED)

A. CalPERS Defined Benefit Pension Plan (Continued)

General Information about the Pension Plans (Continued)

Employees Covered

At the measurement date ended June 30, 2022, 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>

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, 2023, the City contributed \$7,630,743 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, 2022, using an annual actuarial valuation as of June 30, 2021, and rolled forward to June 30, 2022, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

NOTE 7 RETIREMENT PLANS (CONTINUED)

A. CalPERS Defined Benefit Pension Plan (Continued)

Net Pension Liability (Continued)

Actuarial Assumptions

The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30,2021
Measurement Date	June 30,2022
Actuarial Cost Method	Entry- Age Actuarial Cost Method
 Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
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 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre- retirement and Post- retirement mortality rates includes mortality improvement using 80% of Scale MP-2020 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 November 2021 that can be found on the CalPERS website.

(3) The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.30% 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. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach.

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 rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

Asset Class ¹	Assumed Asset Allocation	Real Return ^{1,2}
Global Equity - Cap-weighted	30.00 %	4.54 %
Global Equity - Non Cap-weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	(5.00)	(0.59)

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021 Asset Liability Management study.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. 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

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the Board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

NOTE 7 RETIREMENT PLANS (CONTINUED)

A. CalPERS Defined Benefit Pension Plan (Continued)

Net Pension Liability (Continued)

Subsequent Events (Continued)

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions were reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

Changes in Net Pension Liability

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30,2021	\$ 206,232,017	\$ 185,241,776	\$ 20,990,241
Changes in the Year:			
Service Cost	5,548,609		5,548,609
Interest on the Total Pension Liability	14,434,201		14,434,201
Changes in Assumptions	7,385,840		7,385,840
Differences Between Expected and Actual Experience	(3,510,845)		(3,510,845)
Contributions - Employer		7,265,665	(7,265,665)
Contributions - Employee		2,087,731	(2,087,731)
Net Investment Income		(14,202,204)	14,202,204
Administrative Expense		(115,395)	115,395
Benefit Payments, Including Refunds of Employee Contributions	(7,379,996)	(7,379,996)	-
Net Changes	16,477,809	(12,344,199)	28,822,008
Balance at June 30, 2022	\$ 222,709,826	\$ 172,897,577	\$ 49,812,249

NOTE 7 RETIREMENT PLANS (CONTINUED)

A. CalPERS Defined Benefit Pension Plan (Continued)

Changes in Net Pension Liability (Continued)

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 6.90%, 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		5.90%
Net Pension Liability	\$	81,986,357
Current Discount Rate		6.90%
Net Pension Liability	\$	49,812,249
1% Increase		7.90%
Net Pension Liability	\$	23,398,483

Pension Plan Fiduciary Net Position

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

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

For the year ended June 30, 2023, the City recognized pension expense of \$7,071,687. At June 30, 2023, 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	\$ 7,630,743	\$ -
Differences Between Expected and Actual Experience	133,750	(3,634,510)
Changes in Assumptions	5,627,307	-
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	8,811,121	-
Total	<u>\$ 22,202,921</u>	<u>\$ (3,634,510)</u>

Deferred outflows of resources of \$7,630,743 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, 2024.

NOTE 7 RETIREMENT PLANS (CONTINUED)

A. CalPERS Defined Benefit Pension Plan (Continued)

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ending June 30,	Amount
2024	\$ 1,994,431
2025	1,762,295
2026	1,589,080
2027	5,591,862
2028	-
Thereafter	-
	\$ 10,937,668

Payable to the Pension Plan

At June 30, 2023, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2023.

B. Defined Contribution Pension Plans

As of January 1, 2023, employees are eligible to transfer up to \$22,500 of annual salary per year into a deferred compensation plan; employees 50 years of age and above are allowed a catch-up provision of \$7,500 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 \$45,000. 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.

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.

NOTE 7 RETIREMENT PLANS (CONTINUED)

B. Defined Contribution Pension Plans (Continued)

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, 2023, the City contributed \$409,365 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.

Employees Covered

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

Inactive Employees, electing medical coverage	58
Active Employees, electing medical coverage	213
Active Employees, waiving medical coverage	9
Total	280

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

General Information about the OPEB Plan (Continued)

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, 2023, the City's cash contributions were \$147,200 in premium payments and the estimated implicit subsidy was \$216,937, resulting in total payment of \$364,137.

Net OPEB Liability

The City's total OPEB liability was measured as of June 30, 2022, 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 net OPEB liability as of the June 30, 2022 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, 2022
Actuarial Cost Method	Entry- Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	4.84%
Inflation	2.25%
Long-Term Investment Return Assumption	5.00%
Healthcare Cost Trend Rates	6.7% for FY2022, gradually decreasing over several decades to an estimated rate of 3.7% in FY2075 and later years.
Mortality	Pub-2010 General Disabled/above-median income Employee and Retiree mortality tables projected with generational mortality improvement using 80% of scale MP-2020

**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
Global Equity	23.00 %
Fixed Income	51.00
REITs	14.00
TIPS	9.00
Commodities	3.00
	100.00 %
Long-Term Expected Rate of Return	6.22%
Expected Compound Return (1-10 Years)	4.41%
Expected Compound Return (11-60 Years)	6.71%
Expected Volatility (Standard Deviation)	7.28%

Discount Rate

The discount rate used to measure the total OPEB liability is 4.84%. 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

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 30,2021 (Measurement Date)	\$ 7,633,734	\$ 6,139,094	\$ 1,494,640
Changes in the Year			
Service Cost	337,718	-	337,718
Interest on the Total OPEB Liability	390,434	-	390,434
Differences Between Actual and Expected Experience	(14,721)	-	(14,721)
Changes of assumptions	150,702	-	150,702
Contribution - Employer	-	325,555	(325,555)
Net Investment Income	-	(660,594)	660,594
Administrative Expenses	-	(1,559)	1,559
Benefit Payments	(325,555)	(325,555)	-
Net Changes	538,578	(662,153)	1,200,731
Balance at June 30,2022 (Measurement Date)	\$ 8,172,312	\$ 5,476,941	\$ 2,695,371

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 3.84%	Discount Rate 4.84%	1% Increase 5.84%
Net OPEB Liability	\$ 3,747,426	\$ 2,695,371	\$ 1,821,465

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:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Net OPEB Liability	\$ 1,676,350	\$ 2,695,371	\$ 4,018,075

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, 2023, the City recognized OPEB expense of \$467,554. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to Measurement Date	\$ 364,136	\$ -
Differences Between Actual and Expected Experience	117,526	(459,082)
Change in Assumptions	290,023	(100,613)
Net Difference Between Projected and Actual Earnings	485,260	-
Total	\$ 1,256,945	\$ (559,695)

An amount of \$364,136, 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Amount
2024	\$ 30,841
2025	41,079
2026	49,549
2027	135,414
2028	(20,965)
Thereafter	97,196
	\$ 333,114

Payable to the OPEB Plan

At June 30, 2023, the City had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2023.

City of West Hollywood
Notes to Basic Financial Statements
Year ended June 30, 2023

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, 2023:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year	Due in More Than One Year
Tax Allocation Bonds:						
2013 Series	\$ 15,995,000	-	\$ (450,000)	\$ 15,545,000	\$ 470,000	\$ 15,075,000
Add: Unamortized						
Original Issue Premium	153,284	-	(7,300)	145,984	-	145,984
2016 Series	76,400,000	-	(3,695,000)	72,705,000	3,900,000	68,805,000
Add: Unamortized						
Original Issue Premium	10,802,480	-	(450,103)	10,352,377	-	10,352,377
2020 Series A	65,785,000	-	-	65,785,000	-	65,785,000
2020 Series B	14,090,000	-	(260,000)	13,830,000	240,000	13,590,000
Add: Unamortized						
Original Issue Premium	9,370,169	-	(406,719)	8,963,450	-	8,963,450
Less: Unamortized						
Original Issue Discount	(98,559)	-	7,342	(91,217)	-	(91,217)
Other Long-term Liabilities:						
Financed purchase - SCE	71,297	-	(22,525)	48,772	22,525	26,247
Claims Payable	3,264,096	202,333	(435,628)	3,030,801	606,160	2,424,641
Compensated Absences	7,205,019	6,074,442	(5,384,844)	7,894,617	2,037,715	5,856,902
Right-of-Use Lease Liability	1,036,604	-	(29,145)	1,007,459	29,601	977,858
SBITA Liability	-	2,741,433	(719,190)	2,022,243	806,283	1,215,960
Total	<u>\$ 204,074,390</u>	<u>\$ 9,018,208</u>	<u>\$ (11,853,112)</u>	<u>\$ 201,239,486</u>	<u>\$ 8,112,284</u>	<u>\$ 193,127,202</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, 2023, the total principal outstanding was \$15,545,000. 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, 2023:

Year Ending June 30,	Principal	Interest	Total
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	570,000	680,856	1,250,856
2029 - 2033	3,315,000	2,949,831	6,264,831
2034 - 2038	4,225,000	2,039,281	6,264,281
2039 - 2043	5,405,000	858,694	6,263,694
Total	<u>\$ 15,545,000</u>	<u>\$ 9,512,086</u>	<u>\$ 25,057,086</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 2022-2023 total \$7,021,300, 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, 2023, the total principal outstanding was \$72,705,000.

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, 2023:

Year Ending June 30,	Principal	Interest	Total
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	2,540,000	2,505,050	5,045,050
2029 - 2033	14,700,000	10,490,750	25,190,750
2034 - 2038	18,580,000	6,517,180	25,097,180
2039 - 2043	14,935,000	3,366,380	18,301,380
2044 - 2046	9,220,000	747,200	9,967,200
Total	\$ 72,705,000	\$ 35,082,090	\$ 107,787,090

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 2022-2023 total \$3,060,940, 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, 2023, the total principal outstanding was \$79,615,000. 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, 2023:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 240,000	\$ 2,488,350	\$ 2,728,350
2025	235,000	2,488,350	2,723,350
2026	2,245,000	2,488,350	4,733,350
2027	2,305,000	2,446,550	4,751,550
2028	2,375,000	2,403,950	4,778,950
2029 - 2033	13,025,000	11,319,150	24,344,150
2034 - 2038	15,400,000	9,790,700	25,190,700
2039 - 2043	25,095,000	7,007,050	32,102,050
2044 - 2046	18,695,000	1,576,900	20,271,900
Total	<u>\$ 79,615,000</u>	<u>\$ 42,009,350</u>	<u>\$ 121,624,350</u>

Financed Purchase: 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, 2023, was \$48,772. The annual debt service requirements are as follows:

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

**Financed Purchased: Southern California Edison On-Bill Financing Program
(Continued)**

Year Ending June 30,	Principal
2024	\$ 22,525
2025	20,010
2026	6,237
Total	\$ 48,772

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, 2023, was \$3,030,801

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, 2023, was \$7,894,617.

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-of-use asset with a net book value of \$995,669 on June 30, 2023.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023, were as follows:

Year Ending June 30,	Principal	Interest	Total
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	31,496	13,598	45,094
2029 - 2033	165,027	60,445	225,472
2034 - 2038	178,344	47,129	225,473
2039 - 2043	192,734	32,739	225,473
2044 - 2048	208,286	17,187	225,473
2049 - 2051	110,362	2,373	112,735
Total	\$ 1,007,459	\$ 232,640	\$ 1,240,099

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

SBITA Liability

The City has entered into IT software subscription agreements with various SBITA vendors with subscription terms ranging from 2-10 years. Subscription payable is measured at the present value of the subscription payments expected to be made during the subscription term. These SBITAs qualify as capital assets for accounting purposes and have been recorded at their present values of their future subscription payments as of their commencement dates using discount rates ranging from 1.580% to 3.074%. As a result of these SBITAs, the City has recorded these SBITA assets with net book value of \$2,223,359 as of June 30, 2023.

The City reported a total payment of \$719,190 on IT software subscription agreements for the fiscal year ended June 30, 2023. The subscription payable as of June 30, 2023 amounted to \$2,022,243. The future minimum SBITA obligations and the net present value of these minimum subscription payments as of June 30, 2023, were as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 806,283	\$ 39,386	\$ 845,669
2025	624,462	23,594	648,056
2026	306,738	11,233	317,971
2027	276,151	5,397	281,548
2028	6,020	140	6,160
2029 - 2032	2,589	50	2,639
Total	\$ 2,022,243	\$ 79,800	\$ 2,102,043

NOTE 10 UNEARNED REVENUE

In fiscal year 2022-2023, 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 \$6,933,842 along with various other unearned revenues of \$7,354,396 in the other governmental funds; total unearned revenue recorded by the City as of June 30, 2023 was \$14,288,238. 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, 2023 is as follows:

Due To/From Other Funds:

Receivable Funds	Payables Funds	Amount
General Fund	Other Governmental Funds:	
	Gas Tax	
	Special Revenue Fund	\$ 298,780
	Public Access Corporation	
	Special Revenue Fund	146,600
	CDBG Special Revenue Fund	170,870
Other Governmental Fund:		
Debt Fund Capital Projects Fund	Capital Projects Debt Service Fund	2,911,932
		\$ 3,528,182

The due to General Fund of \$616,250 was a result of temporary deficit cash balances in the Other Governmental Funds.

The due to Debt Funded Capital Projects Fund of \$2,911,932 was due to a timing difference in receiving reimbursement for capital project expenditures from the bond trustee.

Transfers In/Out:

Transfers In	Transfers Out	Amount
Major Funds:		
Capital Projects Debt Service Fund	General Fund	\$ 10,087,760
	Other Governmental Fund:	
	Parking Improvement Fund	
	Special Revenue Fund	1,252,946
Nonmajor Funds:		
Other Governmental Funds:		
Special Grant		
Special Revenue Fund	General Fund	12,546
Parking Improvement Fund		
Special Revenue Fund	General Fund	1,416,515
	Other Governmental Funds:	
	Housing Trust	
	Special Revenue Fund	1,133,638
Debt Funded		
Capital Projects Fund	Capital Projects Debt Service Fund	8,494,072
Total		\$ 22,397,477

The Capital Projects Debt Service Fund transferred \$8,494,072 to the Debt Funded Capital Projects Fund to fund capital expenses related to West Hollywood Park Phase II, parking meters, and Plummer Park.

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

Transfers In/Out (Continued):

The General Fund and the Parking Improvement Special Revenue Fund transferred \$10,087,760 and \$1,252,946, respectively, to the Capital Projects Debt Service Fund to fund debt service payments.

The General Fund and Housing Trust Special Revenue Fund transferred \$1,416,515 and \$1,133,638, respectively, to the Parking Improvement Fund Special Revenue Fund as reimbursements for the related American Rescue Plan Act and affordable housing expenditures.

The General Fund transferred \$12,546 to the Special Grant Special Revenue Fund as reimbursement for the traffic study expenditures.

NOTE 12 RISK MANAGEMENT

Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The City is a member of the California Joint Powers Insurance Authority (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 purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering the claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

Program Primary Self-Insurance Programs of the Authority

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

Primary Liability Program

Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$500,000 to \$50 million are distributed based on the outcome of cost allocation within the first and second loss layers.

NOTE 12 RISK MANAGEMENT (CONTINUED)

Primary Liability Program (Continued)

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses have a \$50 million per occurrence limit. The coverage structure includes retained risk that is pooled among members, reinsurance, and excess insurance. More detailed information about the various layers of coverage is available on the following website: <https://cjpia.org/protection/coverage-programs>.

Primary Workers' Compensation Program

Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$75,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes costs from \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer.

(4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2022-2023, 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.

Purchased Insurance

Crime Insurance

The City purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority.

Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2022-2023.

The aforementioned information is not included in the accompanying financial statements. Complete financial statements for the Authority may be obtained at its administrative office located at 8081 Moody Street, La Palma, California 90623.

NOTE 12 RISK MANAGEMENT (CONTINUED)

Adequacy of Protection (Continued)

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. There is a \$10,000 minimum deductible per occurrence.
- b) Flood Insurance. The City purchased flood insurance on a portion of its property. There is a deductible of \$100,000 per occurrence excluding flood zones A & V, and the policy limit is \$10,000,000.
- c) Earthquake Insurance. The City purchased earthquake insurance on a portion of its property. The City property currently has earthquake protection in the amount of \$105,000,000. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.
- d) 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. The policy aggregate limit is \$50,000,000, and the deductible is \$250,000.
- e) 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.
- f) 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 Alliant Insurance Services.
- g) Alliant Deadly Weapon Response Program. This insurance is primary for property and business interruption, but it extends coverage to include benefits to those impacted by a deadly weapon event, including crisis counseling, medical and funeral expenses, and accidental death and dismemberment coverage. The coverage provides a \$500,000 per claim limit with a deductible of \$10,000.

NOTE 12 RISK MANAGEMENT (CONTINUED)

Adequacy of Protection (Continued)

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
2022	\$ 2,285,991	\$ 1,778,966	\$ (800,861)	\$ 3,264,096
2023	3,264,096	202,333	(435,628)	3,030,801

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 \$21,817,088 was paid for these services in fiscal year 2022-2023.

The following material construction commitments existed at June 30, 2023:

Contractor	Contract Amount	Expenditures to Date as of June 30, 2023	Remaining Commitments	Fund Type
Ramirez, Emilio	\$ 1,638,261	\$ 686,202	\$ 952,059	General Fund
Sully-Miller Contracting Company	15,354,000	6,706,885	8,647,115	Special Revenue Funds
Berg & Associates	3,278,584	1,826,279	1,452,305	Special Revenue Funds
West Coast Arborists	6,508,379	3,566,907	2,941,472	Special Revenue Funds
Palp Inc.	1,873,437	-	1,873,437	Special Revenue Funds
Unitronics Inc.	2,640,000	1,080,000	1,560,000	Special Revenue Funds
Hardy & Harper	2,352,700	1,562,202	790,498	Special Revenue Funds

Encumbrances

At June 30, 2023, the following are the encumbrances:

General Fund:

Engineering, landscape and urban design	\$ 3,432,811
Deposits for various studies	807,587
Social services	1,669,902
Professional services	2,348,423
Total General Fund	<u>8,258,723</u>

Other Governmental Funds:

Construction	12,329,276
Financial study	529,539
Other consultants	254,704
Total Other Governmental Funds	<u>13,113,519</u>

Total Encumbrances \$ 21,372,242

NOTE 14 CANCELLABLE 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, 2023:

<u>Year Ending June 30,</u>	<u>Lease Payment</u>
2024	\$ 249,485
2025	<u>254,474</u>
Total	<u>\$ 503,959</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, 2023 was \$266,606.

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	\$ 1,475,398
Cash and Investments with Fiscal Agents	<u>765</u>
Total Cash and Investments	<u>\$ 1,476,163</u>

Capital Assets

	<u>Balance at June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance at June 30, 2023</u>
Capital Assets:					
Capital Assets, Being Depreciated:					
Land Improvements	\$ 174,920	\$ -	\$ -	\$ -	\$ 174,920
Less Accumulated Depreciation for:					
Land Improvements	<u>(37,103)</u>	<u>(3,579)</u>	-	-	<u>(40,682)</u>
Total Capital Assets, Being Depreciated, Net	<u>\$ 137,817</u>	<u>\$ (3,579)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 134,238</u>

NOTE 15 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Long- term Liabilities

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year	Due in More Than One Year
Other debt:						
Tax Allocation Bonds:						
2021 Refunding TAB	\$ 19,445,000	\$ -	\$ (705,000)	\$ 18,740,000	\$ 730,000	\$ 18,010,000
Add: Unamortized						
Original Issue Discount	(71,895)	-	3,784	(68,111)	-	(68,111)
Total	\$ 19,373,105	\$ -	\$ (701,216)	\$ 18,671,889	\$ 730,000	\$ 17,941,889

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. The total principal and interest remaining on the debt is \$24,245,463 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 \$1,134,032 and the debt service obligation on the bonds was \$1,132,282.

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, 2023, the total principal outstanding was \$18,740,000.

The following is a schedule of future debt service payments for the 2021 Tax Allocation Refunding Bonds, Series A as of June 30, 2023:

Year Ending June 30,	Principal	Interest	Total
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	760,000	394,455	1,154,455
2029 - 2033	3,990,000	1,760,764	5,750,764
2034 - 2038	5,070,000	1,236,120	6,306,120
2039 - 2043	5,960,000	452,018	6,412,018
Total	\$ 18,740,000	\$ 5,505,463	\$ 24,245,463

NOTE 16 PRIOR YEAR ADJUSTMENT

A prior year adjustment of \$136,541 was recorded in the West Hollywood Design District Custodial Fund beginning net deficit to correct the accounts payable presented in the financial statements in the prior year.

NOTE 17 SUBSEQUENT EVENTS

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through December 20, 2023, 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



Aquatic and Recreation Center at West Hollywood Park photo, Jon Viscott

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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, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Total Pension Liability:				
Service Cost	\$ 5,548,609	\$ 4,992,001	\$ 5,068,545	\$ 4,532,359
Interest on Total Pension Liability	14,434,201	13,818,681	13,104,854	12,280,225
Differences Between Expected and Actual Experience	(3,510,845)	(1,873,466)	242,873	1,351,494
Changes in Assumptions	7,385,840	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	<u>(7,379,996)</u>	<u>(6,701,850)</u>	<u>(5,854,316)</u>	<u>(5,726,227)</u>
NET CHANGE IN TOTAL PENSION LIABILITY	16,477,809	10,235,366	12,561,956	12,437,851
Total Pension Liability - Beginning of Year	<u>206,232,017</u>	<u>195,996,651</u>	<u>183,434,695</u>	<u>170,996,844</u>
TOTAL PENSION LIABILITY - END OF YEAR (A)	<u>\$ 222,709,826</u>	<u>\$ 206,232,017</u>	<u>\$ 195,996,651</u>	<u>\$ 183,434,695</u>
Plan Fiduciary Net Position:				
Contributions - Employer	\$ 7,265,665	\$ 7,000,955	\$ 11,316,351	\$ 5,603,063
Contributions - Employee	2,087,731	2,022,103	2,027,675	1,956,715
Plan to Plan Resource Movement	-	-	-	-
Net Investment Income	(14,202,204)	34,184,545	7,002,152	8,336,996
Administrative Expense	(115,395)	(148,727)	(189,728)	(88,846)
Benefit Payments	(7,379,996)	(6,701,850)	(5,854,316)	(5,726,227)
Other Miscellaneous Expense	-	-	-	288
NET CHANGE IN PLAN FIDUCIARY NET POSITION	(12,344,199)	36,357,026	14,302,134	10,081,989
Plan Fiduciary Net Position - Beginning of Year	<u>185,241,776</u>	<u>148,884,750</u>	<u>134,582,616</u>	<u>124,500,627</u>
PLAN FIDUCIARY NET POSITION - END OF YEAR (b)	<u>\$ 172,897,577</u>	<u>\$ 185,241,776</u>	<u>\$ 148,884,750</u>	<u>\$ 134,582,616</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 49,812,249</u>	<u>\$ 20,990,241</u>	<u>\$ 47,111,901</u>	<u>\$ 48,852,079</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.63%	89.82%	75.96%	73.37%
Covered Payroll	\$ 27,481,965	\$ 26,954,650	\$ 26,989,056	\$ 23,983,275
Net Pension Liability as Percentage of Covered Payroll	181.25%	78.11%	174.56%	203.69%

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:

Changes of Benefit Terms: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes in Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

* Fiscal year 2015 was the first year of implementation and therefore only nine 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, 2019</u> <u>June 30, 2018</u>	<u>June 30, 2018</u> <u>June 30, 2017</u>	<u>June 30, 2017</u> <u>June 30, 2016</u>	<u>June 30, 2016</u> <u>June 30, 2015</u>	<u>June 30, 2015</u> <u>June 30, 2014</u>
\$ 4,492,737	\$ 4,297,782	\$ 3,797,578	\$ 3,731,187	\$ 3,727,364
11,418,376	10,695,997	9,965,778	9,303,597	8,686,093
1,340,332	(554,770)	(1,019,659)	(1,107,374)	-
(1,966,280)	9,675,762	-	(2,521,383)	-
<u>(4,730,956)</u>	<u>(3,993,245)</u>	<u>(3,630,140)</u>	<u>(3,154,574)</u>	<u>(2,816,524)</u>
10,554,209	20,121,526	9,113,557	6,251,453	9,596,933
<u>160,442,635</u>	<u>140,321,109</u>	<u>131,207,552</u>	<u>124,956,099</u>	<u>115,359,166</u>
<u>\$ 170,996,844</u>	<u>\$ 160,442,635</u>	<u>\$ 140,321,109</u>	<u>\$ 131,207,552</u>	<u>\$ 124,956,099</u>
\$ 4,910,699	\$ 4,749,262	\$ 4,364,184	\$ 4,068,260	\$ 3,844,786
1,821,930	1,806,932	1,745,598	1,709,766	1,951,930
(288)	-	-	(9,485)	-
9,694,135	11,194,909	530,674	2,065,984	13,430,248
(176,579)	(147,210)	(58,967)	(108,929)	-
(4,730,956)	(3,993,245)	(3,630,140)	(3,154,574)	(2,816,524)
<u>(335,327)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
11,183,614	13,610,648	2,951,349	4,571,022	16,410,440
<u>113,317,013</u>	<u>99,706,365</u>	<u>96,755,016</u>	<u>92,183,994</u>	<u>75,773,554</u>
<u>\$ 124,500,627</u>	<u>\$ 113,317,013</u>	<u>\$ 99,706,365</u>	<u>\$ 96,755,016</u>	<u>\$ 92,183,994</u>
<u>\$ 46,496,217</u>	<u>\$ 47,125,622</u>	<u>\$ 40,614,744</u>	<u>\$ 34,452,536</u>	<u>\$ 32,772,105</u>
72.81%	70.63%	71.06%	73.74%	73.77%
\$ 23,937,009	\$ 22,564,088	\$ 22,046,899	\$ 21,417,753	\$ 20,512,704
194.24%	208.85%	184.22%	160.86%	159.76%

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

Fiscal year	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Contractually Required Contribution (Actuarially Determined)	\$ 7,630,743	\$ 7,265,665	\$ 7,000,955	\$ 6,316,351	\$ 5,303,063
Contributions in Relation to the Actuarially Determined Contributions	<u>(7,630,743)</u>	<u>(7,265,665)</u>	<u>(7,000,955)</u>	<u>(11,316,351)</u>	<u>(5,303,063)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,000,000)</u>	<u>\$ -</u>
Covered Payroll	\$ 26,949,197	\$ 27,481,965	\$ 26,954,650	\$ 26,989,056	\$ 23,983,275
Contributions as a Percentage of Covered Payroll	28.32%	26.44%	25.97%	23.40%	22.11%

NOTES TO SCHEDULE

Valuation Date	6/30/2021	6/30/2020	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	Entry age	Entry age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.30%	2.50%	2.50%	2.625%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	6.9% (3)	7.00% (3)	7.00% (3)	7.25% (3)	7.375% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

- (1) Level percentage of payroll, closed
- (2) Depending on age, service, and type of employment
- (3) Net of pension plan investment expense, including inflation
- (4) 50 years for the 2.7% @ 55, and 52 years for the 2% @ 62
- (5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study

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

City of West Hollywood
Schedule of Contributions – Defined Benefit Plan (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>
\$ 4,910,669	\$ 4,749,262	\$ 4,364,184	\$ 4,068,260
<u>(4,910,669)</u>	<u>(4,749,262)</u>	<u>(4,364,184)</u>	<u>(4,068,260)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 23,937,009 20.51%	\$ 22,564,088 21.05%	\$ 22,046,899 19.80%	\$ 21,417,753 18.99%
6/30/2016	6/30/2015	6/30/2014	6/30/2013
Entry age (1)	Entry age (1)	Entry age (1)	Entry age (1)
Fair Value 2.75%	Fair Value 2.75%	Fair Value 2.75%	15 Year Smoothed Market Method 2.75%
(2)	(2)	(2)	(2)
7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
(4)	(4)	(4)	(4)
(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	6/30/2023 6/30/2022	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
Total OPEB Liability:						
Service Cost	\$ 337,718	\$ 350,000	\$ 332,068	\$ 374,804	\$ 354,487	\$ 344,580
Interest on Total OPEB Liability	390,434	387,355	364,701	433,437	400,740	367,919
Differences Between Actual and Expected Experience	(14,721)	153,576	(43,436)	(777,846)	-	-
Changes of Assumptions	150,702	183,826	-	(187,349)	38,410	-
Benefit Payments	<u>(325,555)</u>	<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	538,578	807,075	402,251	(409,236)	563,355	496,954
Total OPEB Liability - Beginning of Year	<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>	<u>5,773,335</u>
Total OPEB Liability - End of Year (a)	<u>8,172,312</u>	<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>
Plan Fiduciary Net Position:						
Contributions - Employer	325,555	267,682	251,082	252,282	230,282	215,545
Net Investment Income	(660,594)	733,317	322,138	341,687	208,278	180,142
Administrative Expenses	(1,559)	(1,909)	(2,525)	(1,023)	(2,358)	(2,169)
Benefit Payments	<u>(325,555)</u>	<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	(662,153)	731,408	319,613	340,664	205,920	177,973
Plan Fiduciary Net Position - Beginning of Year	<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>	<u>4,363,516</u>
Plan Fiduciary Net Position - End of Year (b)	<u>5,476,941</u>	<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>\$ 2,695,371</u>	<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	67.02%	80.42%	79.21%	79.20%	69.47%	72.43%
Covered - Employee Payroll	\$ 27,894,663	\$ 27,433,871	\$ 26,813,513	\$ 24,980,887	\$ 23,937,009	\$ 22,564,088
Net OPEB Liability as Percentage of Covered - Employee Payroll	9.66%	5.56%	5.44%	5.65%	8.49%	7.66%

Notes to Schedule of Changes in Net OPEB Liability and Related Ratios:

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 Medical Care increase rate was changed from 3.75% to 3.5%.

From FYE June 30, 2021 to June 30, 2022, the discount rate was changed from 5% to 4.84% and healthcare cost trend rate changed to 6.7% for FY2022, gradually decreasing over several decades to an ultimate rate of 3.7% in FY2075 and later years.

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

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

	6/30/2023	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% trending down to 4.0%	Pre- Medicare 7.00%, trending down to 3.84%; Medicare 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 six 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



Commemoration of Victory in Europe Day/WWII Memorial Day photo, Jon Viscott

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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.

Road Maintenance and Rehabilitation Act (RMRA) Fund

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

Debt Funded Capital Projects 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.

Santa Monica Boulevard Fund

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

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**City of West Hollywood
Combining Balance Sheet
Other Governmental Funds
June 30, 2023**

	Special Revenue Funds			
	Special Grants	Proposition "A"	Proposition "C"	Measure "R"
ASSETS				
Cash and Investments	\$ 5,707,410	\$ 795,695	\$ 1,819,964	\$ 989,451
Receivables				
Accounts	41,159	-	-	-
Notes and Loans	-	-	-	-
Accrued Interest	24,245	3,620	7,617	4,403
Prepaid Costs	-	-	93,855	-
Due from Other Governments	597,689	-	-	-
Due from Other Funds	-	-	-	-
Total Assets	<u>\$ 6,370,503</u>	<u>\$ 799,315</u>	<u>\$ 1,921,436</u>	<u>\$ 993,854</u>
LIABILITIES				
Accounts Payable	\$ 159,416	\$ 270,957	\$ 48,679	\$ 79,158
Unearned Revenues	6,363,340	-	-	-
Deposits Payable	-	-	-	-
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	<u>6,522,756</u>	<u>270,957</u>	<u>48,679</u>	<u>79,158</u>
DEFERRED INFLOWS OF RESOURCES				
Leases	-	-	-	-
Unavailable Revenues	504,440	-	-	-
Total Deferred Inflows of Resources	<u>504,440</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT)				
Nonspendable				
Prepaid costs	-	-	93,855	-
Restricted				
Public Services	-	528,358	1,778,902	914,696
Capital Projects	-	-	-	-
Unassigned	(656,693)	-	-	-
Total Fund Balances (Deficit)	<u>(656,693)</u>	<u>528,358</u>	<u>1,872,757</u>	<u>914,696</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 6,370,503</u>	<u>\$ 799,315</u>	<u>\$ 1,921,436</u>	<u>\$ 993,854</u>

(Continued)

**City of West Hollywood
Combining Balance Sheet
Other Governmental Funds (Continued)
June 30, 2023**

Special Revenue Funds (Continued)

Gas Tax	RMRA	Air Quality Improvement	Traffic	Public Beautification and Art	Quimby Act
\$ -	\$ 296,877	\$ 249,188	\$ 336,163	\$ 2,769,888	\$ 2,278,248
-	-	-	-	-	-
-	1,339	1,129	1,538	12,813	10,518
-	-	-	-	-	-
215,358	139,600	11,806	-	-	-
<u>215,358</u>	<u>437,816</u>	<u>262,123</u>	<u>337,701</u>	<u>2,782,701</u>	<u>2,288,766</u>
\$ 51,577	\$ -	\$ 1,166	\$ 185,986	\$ 158,987	\$ 78,218
-	-	-	107,557	291,645	45,929
2,409	-	-	-	136	-
-	-	-	-	-	-
298,780	-	-	-	-	-
<u>352,766</u>	<u>-</u>	<u>1,166</u>	<u>293,543</u>	<u>450,768</u>	<u>124,147</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	437,816	260,957	44,158	2,331,933	2,164,619
-	-	-	-	-	-
<u>(137,408)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(137,408)</u>	<u>437,816</u>	<u>260,957</u>	<u>44,158</u>	<u>2,331,933</u>	<u>2,164,619</u>
<u>\$ 215,358</u>	<u>\$ 437,816</u>	<u>\$ 262,123</u>	<u>\$ 337,701</u>	<u>\$ 2,782,701</u>	<u>\$ 2,288,766</u>

(Continued)

**City of West Hollywood
Combining Balance Sheet
Other Governmental Funds (Continued)
June 30, 2023**

	Special Revenue Funds (Continued)				
	City Lighting	Public Access Corporation	Parking Improvement	Permit Parking	CDBG
ASSETS					
Cash and Investments	\$ 4,492,293	\$ -	\$ 33,658	\$ 94,436	\$ -
Receivables					
Accounts	9,650	23,054	110,161	-	-
Notes and Loans	-	-	-	-	500,928
Accrued Interest	20,786	-	-	421	-
Prepaid Costs	-	-	-	-	-
Due from Other Governments	56,017	-	-	-	186,691
Due from Other Funds	-	-	-	-	-
Total Assets	<u>\$ 4,578,746</u>	<u>\$ 23,054</u>	<u>\$ 143,819</u>	<u>\$ 94,857</u>	<u>\$ 687,619</u>
LIABILITIES					
Accounts Payable	\$ 298,541	\$ 2,505	\$ 420,022	\$ 32,835	\$ 4,907
Unearned Revenues	-	-	-	-	-
Deposits Payable	38,048	-	46,298	-	8,922
Due to Other Governments	-	-	-	-	502,316
Due to Other Funds	-	146,600	-	-	170,870
Total Liabilities	<u>336,589</u>	<u>149,105</u>	<u>466,320</u>	<u>32,835</u>	<u>687,015</u>
DEFERRED INFLOWS OF RESOURCES					
Leases	-	-	69,681	-	-
Unavailable Revenues	-	-	-	-	8,923
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>69,681</u>	<u>-</u>	<u>8,923</u>
FUND BALANCES (DEFICIT)					
Nonspendable					
Prepaid costs	-	-	-	-	-
Restricted					
Public Services	4,242,157	-	-	-	-
Capital Projects	-	-	-	-	-
Unassigned	-	(126,051)	(392,182)	62,022	(8,319)
Total Fund Balances (Deficit)	<u>4,242,157</u>	<u>(126,051)</u>	<u>(392,182)</u>	<u>62,022</u>	<u>(8,319)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,578,746</u>	<u>\$ 23,054</u>	<u>\$ 143,819</u>	<u>\$ 94,857</u>	<u>\$ 687,619</u>

(Continued)

**City of West Hollywood
Combining Balance Sheet
Other Governmental Funds (Continued)
June 30, 2023**

<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>Debt Funded Capital Projects</u>	<u>Santa Monica Boulevard</u>	
\$ 1,071,779	\$ 797,218	\$ 14,766,671	\$ 224,634	\$ 4,019,861	\$ 3,962,496	\$ 44,705,930
-	-	-	-	-	-	184,024
-	-	-	-	-	-	500,928
4,079	3,544	68,334	1,009	-	18,256	183,651
-	-	-	-	-	-	93,855
3,012	-	-	-	-	-	1,210,173
-	-	-	-	2,911,932	-	2,911,932
<u>\$ 1,078,870</u>	<u>\$ 800,762</u>	<u>\$ 14,835,005</u>	<u>\$ 225,643</u>	<u>\$ 6,931,793</u>	<u>\$ 3,980,752</u>	<u>\$ 49,790,493</u>
\$ 79,089	\$ -	\$ 1,014,304	\$ -	\$ 2,010,498	\$ 50,882	\$ 4,947,727
-	-	545,925	-	-	-	7,354,396
-	-	-	-	423,828	23,209	542,850
-	-	-	-	-	-	502,316
-	-	-	-	-	-	616,250
<u>79,089</u>	<u>-</u>	<u>1,560,229</u>	<u>-</u>	<u>2,434,326</u>	<u>74,091</u>	<u>13,963,539</u>
-	-	-	-	-	-	69,681
-	-	-	-	-	-	513,363
-	-	-	-	-	-	583,044
-	-	-	-	-	-	93,855
999,781	800,762	13,274,776	225,643	-	-	28,004,558
-	-	-	-	4,497,467	3,906,661	8,404,128
-	-	-	-	-	-	(1,258,631)
<u>999,781</u>	<u>800,762</u>	<u>13,274,776</u>	<u>225,643</u>	<u>4,497,467</u>	<u>3,906,661</u>	<u>35,243,910</u>
<u>\$ 1,078,870</u>	<u>\$ 800,762</u>	<u>\$ 14,835,005</u>	<u>\$ 225,643</u>	<u>\$ 6,931,793</u>	<u>\$ 3,980,752</u>	<u>\$ 49,790,493</u>

(Concluded)

City of West Hollywood
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
Year Ended June 30, 2023

	Special Revenue Funds			
	Special Grants	Proposition "A"	Proposition "C"	Measure "R"
REVENUES				
Taxes	\$ 293,860	\$ 949,535	\$ 787,612	\$ 590,539
Intergovernmental	3,329,304	2,176,192	-	-
Charges for Services	-	-	-	-
Use of Money and Property	(103,878)	22,551	28,584	23,121
Fines and Forfeitures	-	-	-	-
Developer Participation	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>3,519,286</u>	<u>3,148,278</u>	<u>816,196</u>	<u>613,660</u>
EXPENDITURES				
Current:				
General Government	5,652	-	98,812	-
Community Safety	188,884	-	-	-
Public Services	432,956	3,595,906	546,680	435,345
Capital Outlay	2,942,451	-	-	64,022
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>3,569,943</u>	<u>3,595,906</u>	<u>645,492</u>	<u>499,367</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(50,657)</u>	<u>(447,628)</u>	<u>170,704</u>	<u>114,293</u>
OTHER FINANCING SOURCES (USES)				
SBITA financing	-	-	-	-
Transfers In	12,546	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>12,546</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGES IN FUND BALANCES	<u>(38,111)</u>	<u>(447,628)</u>	<u>170,704</u>	<u>114,293</u>
Fund Balances (Deficits)				
- Beginning of Year	<u>(618,582)</u>	<u>975,986</u>	<u>1,702,053</u>	<u>800,403</u>
FUND BALANCES (DEFICIT)				
- END OF YEAR	<u>\$ (656,693)</u>	<u>\$ 528,358</u>	<u>\$ 1,872,757</u>	<u>\$ 914,696</u>

(Continued)

City of West Hollywood
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds (Continued)
Year Ended June 30, 2023

Special Revenue Funds (Continued)					
Gas Tax	RMRA	Air Quality Improvement	Traffic	Public Beautification and Art	Quimby Act
\$ -	\$ -	\$ 46,729	\$ -	\$ -	\$ -
951,836	796,668	-	-	-	-
-	-	-	-	-	-
112	25,292	4,574	6,704	10,663	35,562
-	-	-	-	-	-
-	-	-	35,507	210,831	89,289
-	-	-	-	-	-
<u>951,948</u>	<u>821,960</u>	<u>51,303</u>	<u>42,211</u>	<u>221,494</u>	<u>124,851</u>
-	-	-	-	-	-
-	-	-	-	-	-
1,063,348	285,499	11,471	370,433	197,374	78,218
50,747	850,020	37,883	15,320	172,723	40,459
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,114,095</u>	<u>1,135,519</u>	<u>49,354</u>	<u>385,753</u>	<u>370,097</u>	<u>118,677</u>
<u>(162,147)</u>	<u>(313,559)</u>	<u>1,949</u>	<u>(343,542)</u>	<u>(148,603)</u>	<u>6,174</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(162,147)</u>	<u>(313,559)</u>	<u>1,949</u>	<u>(343,542)</u>	<u>(148,603)</u>	<u>6,174</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>
<u>\$ (137,408)</u>	<u>\$ 437,816</u>	<u>\$ 260,957</u>	<u>\$ 44,158</u>	<u>\$ 2,331,933</u>	<u>\$ 2,164,619</u>

(Continued)

City of West Hollywood
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds (Continued)
Year Ended June 30, 2023

	Special Revenue Funds (Continued)				
	City Lighting	Public Access Corporation	Parking Improvement	Permit Parking	CDBG
REVENUES					
Taxes	\$ 2,002,222	\$ 96,974	\$ -	\$ -	\$ -
Intergovernmental	6,578	-	50,000	-	399,736
Charges for Services	-	-	433,049	-	-
Use of Money and Property	(2,261)	-	2,763,630	1,169,871	-
Fines and Forfeitures	-	-	791,331	-	-
Developer Participation	-	-	387,818	-	-
Miscellaneous	-	-	11,422	-	-
Total Revenues	<u>2,006,539</u>	<u>96,974</u>	<u>4,437,250</u>	<u>1,169,871</u>	<u>399,736</u>
EXPENDITURES					
Current:					
General Government	-	149,049	73,343	-	-
Community Safety	-	-	-	-	-
Public Services	1,145,867	-	3,061,290	1,072,152	44,580
Capital Outlay	91,575	2,258	275,729	-	261,077
Debt Service:					
Principal Retirement	-	2,258	17,852	-	-
Interest and Fiscal Charges	-	35	-	-	-
Total Expenditures	<u>1,237,442</u>	<u>153,600</u>	<u>3,428,214</u>	<u>1,072,152</u>	<u>305,657</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>769,097</u>	<u>(56,626)</u>	<u>1,009,036</u>	<u>97,719</u>	<u>94,079</u>
OTHER FINANCING SOURCES (USES)					
SBITA financing	-	2,258	16,044	-	-
Transfers In	-	-	2,550,153	-	-
Transfers Out	-	-	(1,252,946)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>2,258</u>	<u>1,313,251</u>	<u>-</u>	<u>-</u>
CHANGES IN FUND BALANCES	769,097	(54,368)	2,322,287	97,719	94,079
Fund Balances (Deficits)					
- Beginning of Year	<u>3,473,060</u>	<u>(71,683)</u>	<u>(2,714,469)</u>	<u>(35,697)</u>	<u>(102,398)</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 4,242,157</u>	<u>\$ (126,051)</u>	<u>\$ (392,182)</u>	<u>\$ 62,022</u>	<u>\$ (8,319)</u>

(Continued)

City of West Hollywood
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds (Continued)
Year Ended June 30, 2023

<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>Debt Funded Capital Projects</u>	<u>Santa Monica Boulevard</u>	
\$ 668,026	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,435,497
-	263,221	-	-	-	-	7,973,535
-	-	-	-	-	-	433,049
16,557	15,576	474,765	4,035	(27,905)	74,883	4,542,436
-	-	-	-	-	-	791,331
-	-	1,102,699	-	-	-	1,826,144
-	-	18,755	22,313	70,395	-	122,885
<u>684,583</u>	<u>278,797</u>	<u>1,596,219</u>	<u>26,348</u>	<u>42,490</u>	<u>74,883</u>	<u>21,124,877</u>
-	-	36,178	-	-	-	363,034
-	-	-	-	-	-	188,884
668,446	-	1,614,094	-	-	-	14,623,659
2,582	-	5,719,724	-	7,546,691	56,278	18,129,539
-	-	-	-	-	-	20,110
-	-	-	-	-	-	35
<u>671,028</u>	<u>-</u>	<u>7,369,996</u>	<u>-</u>	<u>7,546,691</u>	<u>56,278</u>	<u>33,325,261</u>
<u>13,555</u>	<u>278,797</u>	<u>(5,773,777)</u>	<u>26,348</u>	<u>(7,504,201)</u>	<u>18,605</u>	<u>(12,200,384)</u>
-	-	-	-	-	-	18,302
-	-	-	-	8,494,072	-	11,056,771
-	-	(1,133,638)	-	-	-	(2,386,584)
-	-	(1,133,638)	-	8,494,072	-	8,688,489
13,555	278,797	(6,907,415)	26,348	989,871	18,605	(3,511,895)
<u>986,226</u>	<u>521,965</u>	<u>20,182,191</u>	<u>199,295</u>	<u>3,507,596</u>	<u>3,888,056</u>	<u>38,755,805</u>
<u>\$ 999,781</u>	<u>\$ 800,762</u>	<u>\$ 13,274,776</u>	<u>\$ 225,643</u>	<u>\$ 4,497,467</u>	<u>\$ 3,906,661</u>	<u>\$ 35,243,910</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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
BUDGETARY FUND DEFICIT, JULY 1	\$ (618,582)	\$ (618,582)	\$ (618,582)	\$ -
<u>REVENUES</u>				
Taxes	-	-	293,860	293,860
Intergovernmental	3,050,382	13,675,386	3,329,304	(10,346,082)
Use of Money and Property	-	-	(103,878)	(103,878)
Transfers In	-	-	12,546	12,546
Amounts Available for Appropriations	<u>3,050,382</u>	<u>13,675,386</u>	<u>3,531,832</u>	<u>(10,143,554)</u>
<u>EXPENDITURES</u>				
Current				
General government	-	6,416	5,652	764
Community Safety	130,000	130,000	188,884	(58,884)
Public Services	15,682	1,933,177	432,956	1,500,221
Capital Outlay	2,904,700	11,155,126	2,942,451	8,212,675
Total Charges to Appropriations	<u>3,050,382</u>	<u>13,224,719</u>	<u>3,569,943</u>	<u>9,654,776</u>
BUDGETARY FUND DEFICIT, JUNE 30	\$ (618,582)	\$ (167,915)	\$ (656,693)	\$ (488,778)

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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Budget Positive (Negative)
BUDGETARY FUND BALANCE, JULY 1	\$ 975,986	\$ 975,986	\$ 975,986	\$ -
<u>REVENUES</u>				
Taxes	881,334	881,334	949,535	68,201
Intergovernmental	3,476,546	3,476,546	2,176,192	(1,300,354)
Use of Money and Property	14,700	14,700	22,551	7,851
Amounts Available for Appropriations	<u>4,372,580</u>	<u>4,372,580</u>	<u>3,148,278</u>	<u>(1,224,302)</u>
<u>EXPENDITURES</u>				
Current				
Public Services	4,260,973	4,264,358	3,595,906	668,452
Capital Outlay	-	351,145	-	351,145
Total Charges to Appropriations	<u>4,260,973</u>	<u>4,615,503</u>	<u>3,595,906</u>	<u>1,019,597</u>
BUDGETARY FUND BALANCE, JUNE 30	\$ <u>1,087,593</u>	\$ <u>733,063</u>	\$ <u>528,358</u>	\$ <u>(204,705)</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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
BUDGETARY FUND BALANCE, JULY 1	\$ 1,702,053	\$ 1,702,053	\$ 1,702,053	\$ -
<u>REVENUES</u>				
Taxes	731,043	731,043	787,612	56,569
Use of Money and Property	5,150	5,150	28,584	23,434
Amounts Available for Appropriations	<u>736,193</u>	<u>736,193</u>	<u>816,196</u>	<u>80,003</u>
<u>EXPENDITURES</u>				
Current				
General government	91,000	91,000	98,812	(7,812)
Public Services	676,743	676,743	546,680	130,063
Capital Outlay	-	779,367	-	779,367
Total Charges to Appropriations	<u>767,743</u>	<u>1,547,110</u>	<u>645,492</u>	<u>901,618</u>
BUDGETARY FUND BALANCE, JUNE 30	\$ <u>1,670,503</u>	\$ <u>891,136</u>	\$ <u>1,872,757</u>	\$ <u>981,621</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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
BUDGETARY FUND BALANCE, JULY 1	\$ 800,403	\$ 800,403	\$ 800,403	\$ -
<u>REVENUES</u>				
Taxes	548,282	548,282	590,539	42,257
Use of Money and Property	5,150	5,150	23,121	17,971
Amounts Available for Appropriations	<u>553,432</u>	<u>553,432</u>	<u>613,660</u>	<u>60,228</u>
<u>EXPENDITURES</u>				
Current				
Public Services	492,566	661,478	435,345	226,133
Capital Outlay	50,000	245,534	64,022	181,512
Total Charges to Appropriations	<u>542,566</u>	<u>907,012</u>	<u>499,367</u>	<u>407,645</u>
BUDGETARY FUND BALANCE, JUNE 30	<u>\$ 811,269</u>	<u>\$ 446,823</u>	<u>\$ 914,696</u>	<u>\$ 467,873</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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
BUDGETARY FUND BALANCE, JULY 1	\$ 24,739	\$ 24,739	\$ 24,739	\$ -
<u>REVENUES</u>				
Intergovernmental	1,098,640	1,098,640	951,836	(146,804)
Use of Money and Property	1,040	1,040	112	(928)
Amounts Available for Appropriations	<u>1,099,680</u>	<u>1,099,680</u>	<u>951,948</u>	<u>(147,732)</u>
<u>EXPENDITURES</u>				
Current				
Public Services	1,143,036	1,143,036	1,063,348	79,688
Capital Outlay	-	-	50,747	(50,747)
Total Charges to Appropriations	<u>1,143,036</u>	<u>1,143,036</u>	<u>1,114,095</u>	<u>28,941</u>
BUDGETARY FUND DEFICIT, JUNE 30	<u>\$ (18,617)</u>	<u>\$ (18,617)</u>	<u>\$ (137,408)</u>	<u>\$ (118,791)</u>

City of West Hollywood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Road Maintenance and Rehabilitation Act (RMRA) Special Revenue Fund
Year ended June 30, 2023

	Budgeted Amounts			Variance with Budget Positive (Negative)
	Original	Final	Actual	
BUDGETARY FUND BALANCE, JULY 1	\$ 751,375	\$ 751,375	\$ 751,375	\$ -
 <u>REVENUES</u>				
Intergovernmental	800,000	800,000	796,668	(3,332)
Use of Money and Property	6,000	6,000	25,292	19,292
Amounts Available for Appropriations	806,000	806,000	821,960	15,960
 <u>EXPENDITURES</u>				
Current				
Public Services	340,991	340,991	285,499	55,492
Capital Outlay	820,000	970,224	850,020	120,204
Total Charges to Appropriations	1,160,991	1,311,215	1,135,519	175,696
 BUDGETARY FUND BALANCE, JUNE 30	\$ 396,384	\$ 246,160	\$ 437,816	\$ 191,656

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, 2023

	Budgeted Amounts		Actual	Variance with Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE, JULY 1	\$ 259,008	\$ 259,008	\$ 259,008	\$ -
<u>REVENUES</u>				
Taxes	49,440	49,440	46,729	(2,711)
Use of Money and Property	1,030	1,030	4,574	3,544
Amounts Available for Appropriations	50,470	50,470	51,303	833
<u>EXPENDITURES</u>				
Current				
Public Services	40,000	40,090	11,471	28,619
Capital Outlay	-	191,118	37,883	153,235
Total Charges to Appropriations	40,000	231,208	49,354	181,854
BUDGETARY FUND BALANCE, JUNE 30	\$ 269,478	\$ 78,270	\$ 260,957	\$ 182,687

City of West Hollywood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Traffic Special Revenue Fund
Year ended June 30, 2023

	Budgeted Amounts			Variance with Budget Positive (Negative)
	Original	Final	Actual	(Negative)
BUDGETARY FUND BALANCE, JULY 1	\$ 387,700	\$ 387,700	\$ 387,700	\$ -
 <u>REVENUES</u>				
Use of Money and Property	5,150	5,150	6,704	1,554
Developer Participation	51,500	51,500	35,507	(15,993)
Amounts Available for Appropriations	56,650	56,650	42,211	(14,439)
 <u>EXPENDITURES</u>				
Current				
Public Services	173,490	173,490	370,433	(196,943)
Capital Outlay	50,000	874,215	15,320	858,895
Total Charges to Appropriations	223,490	1,047,705	385,753	661,952
 BUDGETARY FUND BALANCE (DEFICIT), JUNE 30	\$ 220,860	\$ (603,355)	\$ 44,158	\$ 647,513

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, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Budget
				Positive
				(Negative)
BUDGETARY FUND BALANCE, JULY 1	\$ 2,480,536	\$ 2,480,536	\$ 2,480,536	\$ -
 REVENUES				
Use of Money and Property	14,700	14,700	10,663	(4,037)
Developer Participation	150,000	150,000	210,831	60,831
Amounts Available for Appropriations	164,700	164,700	221,494	56,794
 EXPENDITURES				
Current				
Public Services	248,437	306,887	197,374	109,513
Capital Outlay	217,400	467,835	172,723	295,112
Total Charges to Appropriations	465,837	774,722	370,097	404,625
 BUDGETARY FUND BALANCE, JUNE 30	\$ 2,179,399	\$ 1,870,514	\$ 2,331,933	\$ 461,419

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, 2023

	Budgeted Amounts			Variance with Budget Positive (Negative)
	Original	Final	Actual	
BUDGETARY FUND BALANCE, JULY 1	\$ 2,424,179	\$ 2,424,179	\$ 2,158,445	\$ (265,734)
 <u>REVENUES</u>				
Use of Money and Property	14,700	14,700	35,562	20,862
Developer Participation	185,500	185,500	89,289	(96,211)
Amounts Available for Appropriations	200,200	200,200	124,851	(75,349)
 <u>EXPENDITURES</u>				
Current:				
Public Services	-	-	78,218	(78,218)
Capital Outlay	865,000	2,802,716	40,459	2,762,257
Total Charges to Appropriations	865,000	2,802,716	118,677	2,684,039
 BUDGETARY FUND BALANCE (DEFICIT), JUNE 30	 \$ 1,759,379	 \$ (178,337)	 \$ 2,164,619	 \$ 2,342,956

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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Budget Positive (Negative)
BUDGETARY FUND BALANCE, JULY 1	\$ 3,473,060	\$ 3,473,060	\$ 3,473,060	\$ -
<u>REVENUES</u>				
Taxes	1,508,900	1,508,900	2,002,222	493,322
Intergovernmental	7,200	7,200	6,578	(622)
Use of Money and Property	14,700	14,700	(2,261)	(16,961)
Amounts Available for Appropriations	<u>1,530,800</u>	<u>1,530,800</u>	<u>2,006,539</u>	<u>475,739</u>
<u>EXPENDITURES</u>				
Current				
Public Services	900,000	900,000	1,145,867	(245,867)
Capital Outlay	400,000	624,236	91,575	532,661
Total Charges to Appropriations	<u>1,300,000</u>	<u>1,524,236</u>	<u>1,237,442</u>	<u>286,794</u>
BUDGETARY FUND BALANCE, JUNE 30	<u>\$ 3,703,860</u>	<u>\$ 3,479,624</u>	<u>\$ 4,242,157</u>	<u>\$ 762,533</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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
BUDGETARY FUND DEFICIT, JULY 1	\$ (71,683)	\$ (71,683)	\$ (71,683)	\$ -
<u>REVENUES</u>				
Taxes	144,200	144,200	96,974	(47,226)
Use of Money and Property	180	180	-	(180)
Miscellaneous	515	515	-	(515)
SBITA financing	-	2,258	2,258	-
Amounts Available for Appropriations	<u>144,895</u>	<u>147,153</u>	<u>99,232</u>	<u>(47,921)</u>
<u>EXPENDITURES</u>				
Current				
General government	161,405	159,112	149,049	10,063
Capital Outlay	-	2,258	2,258	-
Debt Service				
Principal Retirement	-	2,258	2,258	-
Interest and Fiscal Charges	-	35	35	-
Total Charges to Appropriations	<u>161,405</u>	<u>163,663</u>	<u>153,600</u>	<u>10,063</u>
BUDGETARY FUND DEFICIT, JUNE 30	<u>\$ (88,193)</u>	<u>\$ (88,193)</u>	<u>\$ (126,051)</u>	<u>\$ (37,858)</u>

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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
BUDGETARY FUND DEFICIT, JULY 1	\$ (2,714,469)	\$ (2,714,469)	\$ (2,714,469)	\$ -
<u>REVENUES</u>				
Intergovernmental	-	-	50,000	50,000
Charges for Services	450,000	450,000	433,049	(16,951)
Use of Money and Property	1,787,840	1,787,840	2,763,630	975,790
Fines and Forfeitures	546,000	546,000	791,331	245,331
Developer Participation	153,770	153,770	387,818	234,048
Miscellaneous	-	-	11,422	11,422
Transfers In	-	2,550,150	2,550,153	3
SBITA financing	-	16,044	16,044	-
Amounts Available for Appropriations	<u>2,937,610</u>	<u>5,503,804</u>	<u>7,003,447</u>	<u>1,499,643</u>
<u>EXPENDITURES</u>				
Current				
General government	69,942	69,942	73,343	(3,401)
Public Services	3,031,793	3,013,941	3,061,290	(47,349)
Capital Outlay	-	769,483	275,729	493,754
Debt Service				
Principal Retirement	-	17,852	17,852	-
Transfers Out	<u>1,252,946</u>	<u>1,252,946</u>	<u>1,252,946</u>	<u>-</u>
Total Charges to Appropriations	<u>4,354,681</u>	<u>5,124,164</u>	<u>4,681,160</u>	<u>443,004</u>
BUDGETARY FUND DEFICIT, JUNE 30	\$ <u>(4,131,540)</u>	\$ <u>(2,334,829)</u>	\$ <u>(392,182)</u>	\$ <u>1,942,647</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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
BUDGETARY FUND DEFICIT, JULY 1	\$ (35,697)	\$ (35,697)	\$ (35,697)	\$ -
<u>REVENUES</u>				
Use of Money and Property	821,531	821,531	1,169,871	348,340
Amounts Available for Appropriations	821,531	821,531	1,169,871	348,340
<u>EXPENDITURES</u>				
Current				
Public Services	1,322,866	1,335,866	1,072,152	263,714
Total Charges to Appropriations	1,322,866	1,335,866	1,072,152	263,714
BUDGETARY FUND BALANCE (DEFICIT), JUNE 30	<u>(537,032)</u>	<u>(550,032)</u>	<u>62,022</u>	<u>612,054</u>

City of West Hollywood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Community Development Block Grant (CDBG) Special Revenue Fund
Year ended June 30, 2023

	Budgeted Amounts			Variance with Budget Positive (Negative)
	Original	Final	Actual	
BUDGETARY FUND DEFICIT, JULY 1	\$ (102,398)	\$ (102,398)	\$ (102,398)	\$ -
 <u>REVENUES</u>				
Intergovernmental	230,000	223,038	399,736	176,698
Amounts Available for Appropriations	230,000	223,038	399,736	176,698
 <u>EXPENDITURES</u>				
Current				
Public Services	46,000	44,607	44,580	27
Capital Outlay	184,000	261,077	261,077	-
Total Charges to Appropriations	230,000	305,684	305,657	27
 BUDGETARY FUND DEFICIT, JUNE 30	 \$ (102,398)	 \$ (185,044)	 \$ (8,319)	 \$ 176,725

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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
BUDGETARY FUND BALANCE, JULY 1	\$ 986,226	\$ 986,226	\$ 986,226	\$ -
<u>REVENUES</u>				
Taxes	621,387	621,387	668,026	46,639
Use of Money and Property	3,000	3,000	16,557	13,557
Amounts Available for Appropriations	<u>624,387</u>	<u>624,387</u>	<u>684,583</u>	<u>60,196</u>
<u>EXPENDITURES</u>				
Current				
Public Services	495,000	952,933	668,446	284,487
Capital Outlay	-	-	2,582	(2,582)
Total Charges to Appropriations	<u>495,000</u>	<u>952,933</u>	<u>671,028</u>	<u>281,905</u>
BUDGETARY FUND BALANCE, JUNE 30	<u>\$ 1,115,613</u>	<u>\$ 657,680</u>	<u>\$ 999,781</u>	<u>\$ 342,101</u>

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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
BUDGETARY FUND BALANCE, JULY 1	\$ 521,965	\$ 521,965	\$ 521,965	\$ -
<u>REVENUES</u>				
Intergovernmental	260,000	260,000	263,221	3,221
Use of Money and Property	-	-	15,576	15,576
Amounts Available for Appropriations	<u>260,000</u>	<u>260,000</u>	<u>278,797</u>	<u>18,797</u>
<u>EXPENDITURES</u>				
Current				
Public Services	<u>200,000</u>	<u>200,000</u>	-	200,000
Total Charges to Appropriations	<u>200,000</u>	<u>200,000</u>	-	200,000
BUDGETARY FUND BALANCE, JUNE 30	<u>\$ 581,965</u>	<u>\$ 581,965</u>	<u>\$ 800,762</u>	<u>\$ 218,797</u>

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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
BUDGETARY FUND BALANCE, JULY 1	\$ 20,182,191	\$ 20,182,191	\$ 20,182,191	\$ -
<u>REVENUES</u>				
Use of Money and Property	142,600	142,600	474,765	332,165
Developer Participation	1,000,000	1,000,000	1,102,699	102,699
Miscellaneous	-	-	18,755	18,755
Amounts Available for Appropriations	<u>1,142,600</u>	<u>1,142,600</u>	<u>1,596,219</u>	<u>453,619</u>
<u>EXPENDITURES</u>				
Current				
General government	80,000	80,000	36,178	43,822
Public Services	916,771	11,085,239	1,614,094	9,471,145
Capital Outlay	-	5,613,893	5,719,724	(105,831)
Transfers Out	-	1,133,638	1,133,638	-
Total Charges to Appropriations	<u>996,771</u>	<u>17,912,770</u>	<u>8,503,634</u>	<u>9,409,136</u>
BUDGETARY FUND BALANCE, JUNE 30	<u>\$ 20,328,020</u>	<u>\$ 3,412,021</u>	<u>\$ 13,274,776</u>	<u>\$ 9,862,755</u>

City of West Hollywood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Housing Asset (LMIHAF) Special Revenue Fund
Year ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
BUDGETARY FUND BALANCE, JULY 1	\$ 199,295	\$ 199,295	\$ 199,295	\$ -
<u>REVENUES</u>				
Use of Money and Property	-	-	4,035	4,035
Miscellaneous	-	-	22,313	22,313
Amounts Available for Appropriations	-	-	26,348	26,348
BUDGETARY FUND BALANCE, JUNE 30	<u>\$ 199,295</u>	<u>\$ 199,295</u>	<u>\$ 225,643</u>	<u>\$ 26,348</u>

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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
BUDGETARY FUND BALANCE, JULY 1	\$ 3,507,596	\$ 3,507,596	\$ 3,507,596	\$ -
<u>Resources (Inflows)</u>				
Use of Money and Property	-	-	(27,905)	(27,905)
Miscellaneous	-	-	70,395	70,395
Transfers In	5,655,000	8,494,072	8,494,072	-
Amounts Available for Appropriations	<u>5,655,000</u>	<u>8,494,072</u>	<u>8,536,562</u>	<u>42,490</u>
<u>Charges to Appropriations (Outflows)</u>				
Capital Outlay	5,655,000	28,865,941	7,546,691	21,319,250
Total Charges to Appropriations	<u>5,655,000</u>	<u>28,865,941</u>	<u>7,546,691</u>	<u>21,319,250</u>
BUDGETARY FUND BALANCE (DEFICIT), JUNE 30	<u>\$ 3,507,596</u>	<u>\$ (16,864,273)</u>	<u>\$ 4,497,467</u>	<u>\$ 21,361,740</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, 2023

	Budgeted Amounts			Variance with Budget Positive (Negative)
	Original	Final	Actual	
BUDGETARY FUND BALANCE, JULY 1	\$ 3,888,056	\$ 3,888,056	\$ 3,888,056	\$ -
 <u>REVENUES</u>				
Use of Money and Property	41,200	41,200	74,883	33,683
Amounts Available for Appropriations	41,200	41,200	74,883	33,683
 <u>EXPENDITURES</u>				
Capital Outlay	450,000	1,907,296	56,278	1,851,018
Total Charges to Appropriations	450,000	1,907,296	56,278	1,851,018
 BUDGETARY FUND BALANCE, JUNE 30	 \$ 3,479,256	 \$ 2,021,960	 \$ 3,906,661	 \$ 1,884,701

NONMAJOR ENTERPRISE FUNDS

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

Sewer 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, 2023

	Business-Type Activities - Enterprise Funds				Total
	Sewer Charge	Solid Waste	Landscape District	Street Maintenance	
ASSETS					
Current Assets					
Cash and Investments	\$ 3,109,504	\$ 247,534	\$ 359,079	\$ 193,043	\$ 3,909,160
Receivables					
Accounts	148,863	705	8,749	165	158,482
Accrued Interest	14,453	1,161	1,610	858	18,082
Due from Other Governments	20,477	27,584	1,580	4,299	53,940
Total Current Assets	<u>3,293,297</u>	<u>276,984</u>	<u>371,018</u>	<u>198,365</u>	<u>4,139,664</u>
Noncurrent Assets					
Capital Assets, Net of Accumulated					
Depreciation	9,144,121	-	-	-	9,144,121
Total Noncurrent Assets	<u>9,144,121</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,144,121</u>
Total Assets	<u>12,437,418</u>	<u>276,984</u>	<u>371,018</u>	<u>198,365</u>	<u>13,283,785</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Amounts from Pension	103,949	170,443	-	100,466	374,858
LIABILITIES					
Current Liabilities					
Accounts Payable	147,821	5,489	-	3,812	157,122
Total Current Liabilities	<u>147,821</u>	<u>5,489</u>	<u>-</u>	<u>3,812</u>	<u>157,122</u>
Long- Term Liabilities					
Net Pension Liability	236,652	380,158	-	224,670	841,480
Total Liabilities	<u>384,473</u>	<u>385,647</u>	<u>-</u>	<u>228,482</u>	<u>998,602</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Amounts from Pension	17,267	27,738	-	16,393	61,398
NET POSITION					
Net Investment in Capital Assets	9,144,121	-	-	-	9,144,121
Unrestricted	2,995,506	34,042	371,018	53,956	3,454,522
Total Net Position	<u>\$ 12,139,627</u>	<u>\$ 34,042</u>	<u>\$ 371,018</u>	<u>\$ 53,956</u>	<u>\$ 12,598,643</u>

City of West Hollywood
Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Enterprise Funds
Year ended June 30, 2023

	Business-type Activities - Enterprise Funds				Total
	Sewer Charge	Solid Waste	Landscape District	Street Maintenance	
OPERATING REVENUES					
Sales and Service Charges	\$ 1,019,246	\$ 1,232,307	\$ 138,876	\$ 290,617	\$ 2,681,046
Penalties on Assessments	1,709	5,104	-	479	7,292
Other Fees and Charges	66,261	-	-	-	66,261
Total Operating Revenues	<u>1,087,216</u>	<u>1,237,411</u>	<u>138,876</u>	<u>291,096</u>	<u>2,754,599</u>
OPERATING EXPENSES					
Administration and General	36,894	59,885	-	18,197	114,976
Treatment	618,100	1,520,077	-	246,581	2,384,758
Cost of Sales and Services	-	-	87,927	-	87,927
Depreciation	446,192	-	-	-	446,192
Total Operating Expenses	<u>1,101,186</u>	<u>1,579,962</u>	<u>87,927</u>	<u>264,778</u>	<u>3,033,853</u>
OPERATING INCOME (LOSS)	<u>(13,970)</u>	<u>(342,551)</u>	<u>50,949</u>	<u>26,318</u>	<u>(279,254)</u>
NONOPERATING REVENUES (EXPENSES)					
Interest Revenue	66,758	5,083	6,933	3,734	82,508
Net Increase (Decrease) in Fair Value of Investments	(19,244)	12,654	(720)	-	(7,310)
Total Nonoperating Revenues	<u>47,514</u>	<u>17,737</u>	<u>6,213</u>	<u>3,734</u>	<u>75,198</u>
CHANGE IN NET POSITION	33,544	(324,814)	57,162	30,052	(204,056)
Net Position - Beginning of Year	<u>12,106,083</u>	<u>358,856</u>	<u>313,856</u>	<u>23,904</u>	<u>12,802,699</u>
NET POSITION - END OF YEAR	<u>\$ 12,139,627</u>	<u>\$ 34,042</u>	<u>\$ 371,018</u>	<u>\$ 53,956</u>	<u>\$ 12,598,643</u>

**City of West Hollywood
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year ended June 30, 2023**

	Business-Type Activities - Enterprise Funds				
	Sewer Charge	Solid Waste	Landscape District	Street Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers and Users	\$ 964,762	\$ 1,237,411	\$ 138,876	\$ 291,096	\$ 2,632,145
Cash Paid to Suppliers for Goods and Services	(441,010)	(1,155,815)	(98,004)	(231,857)	(1,926,686)
Cash Paid to Employees for Services	(220,416)	(357,002)	-	(14,941)	(592,359)
Net Cash Provided By (Used In) Operating Activities	<u>303,336</u>	<u>(275,406)</u>	<u>40,872</u>	<u>44,298</u>	<u>113,100</u>
CASH FLOWS FROM INVESTING ACTIVITY					
Interest Received	<u>35,666</u>	<u>17,046</u>	<u>4,888</u>	<u>3,009</u>	<u>60,609</u>
Cash Provided by Investing Activity	<u>35,666</u>	<u>17,046</u>	<u>4,888</u>	<u>3,009</u>	<u>60,609</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	339,002	(258,360)	45,760	47,307	173,709
Cash and Cash Equivalents - Beginning of Year	<u>2,770,502</u>	<u>505,894</u>	<u>313,319</u>	<u>145,736</u>	<u>3,735,451</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 3,109,504</u>	<u>\$ 247,534</u>	<u>\$ 359,079</u>	<u>\$ 193,043</u>	<u>\$ 3,909,160</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ (13,970)	\$ (342,551)	\$ 50,949	\$ 26,318	\$ (279,254)
Adjustments to Reconcile Operating Income (Loss) 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	(122,454)	-	-	-	(122,454)
Due from Other Governments	75,455	76,845	10,915	16,314	179,529
Deferred Outflows from Pension	(61,456)	(109,068)	-	(67,101)	(237,625)
Increase (Decrease) in:					
Accounts Payable	(56,941)	5,489	(20,992)	(1,590)	(74,034)
Net Pension Liability	121,632	214,028	-	134,358	470,018
Deferred Inflows from Pension	(85,122)	(120,149)	-	(64,001)	(269,272)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 303,336</u>	<u>\$ (275,406)</u>	<u>\$ 40,872</u>	<u>\$ 44,298</u>	<u>\$ 113,100</u>

CUSTODIAL FUNDS

West Hollywood Design District

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

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

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

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.

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 Services 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.

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City of West Hollywood
Combining Schedule of Fiduciary Net Position
Custodial Funds
June 30, 2023

	West Hollywood Design District	West Hollywood Tourism Improvement District	Sunset Strip Business Improvement District	Legacy Medical Business Marketing	Total
ASSETS					
Cash and Investments	\$ 31,134	\$ 805,726	\$ -	\$ 34,240	\$ 871,100
Receivables					
Accounts	93,454	812,006	243,414	5,054	1,153,928
Accrued Interest	138	3,581	-	145	3,864
	<u>124,726</u>	<u>1,621,313</u>	<u>243,414</u>	<u>39,439</u>	<u>2,028,892</u>
Total Assets					
LIABILITIES					
Accounts Payable	4,861	1,574,958	140,210	38,960	1,758,989
Due to City	-	-	62,582		62,582
	<u>4,861</u>	<u>1,574,958</u>	<u>202,792</u>	<u>38,960</u>	<u>1,821,571</u>
Total Liabilities					
NET POSITION					
Restricted for					
Individuals, Organizations					
and Other Governments	\$ <u>119,865</u>	\$ <u>46,355</u>	\$ <u>40,622</u>	\$ <u>479</u>	\$ <u>207,321</u>

City of West Hollywood
Combining Schedule of Changes in Fiduciary Net Position
Custodial Funds
Year ended June 30, 2023

	West Hollywood Design District	West Hollywood Tourism Improvement District	Sunset Strip Business Improvement District	Legacy Medical Business Marketing	Total
ADDITIONS					
Assessments	\$ 83,255	\$ 8,323,010	\$ 229,857	\$ 69,935	\$ 8,706,057
Interest Earnings	704	14,607	-	326	15,637
Total Additions	<u>83,959</u>	<u>8,337,617</u>	<u>229,857</u>	<u>70,261</u>	<u>8,721,694</u>
DEDUCTIONS					
Payments to Districts	<u>77,940</u>	<u>8,323,006</u>	<u>218,625</u>	<u>69,935</u>	<u>8,689,506</u>
Total Deductions	<u>77,940</u>	<u>8,323,006</u>	<u>218,625</u>	<u>69,935</u>	<u>8,689,506</u>
CHANGE IN NET POSITION	6,019	14,611	11,232	326	32,188
Net Position (Deficit)					
- Beginning of Year	(22,695)	31,744	29,390	153	38,592
Prior Year Adjustment	<u>136,541</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,541</u>
NET POSITION					
- END OF YEAR	<u>\$ 119,865</u>	<u>\$ 46,355</u>	<u>\$ 40,622</u>	<u>\$ 479</u>	<u>\$ 207,321</u>

City of West Hollywood
Combining Schedule of Fiduciary Net Position
Private-Purpose Trust Funds
June 30, 2023

	Housing Capital Improvements	Nonhousing Capital Improvements	Successor Agency Administration	Obligation Payment Fund	Successor Agency Debt Services Fund	Total
ASSETS						
Cash and Investments	\$ -	\$ -	\$ 548,212	\$ 905,837	\$ 21,349	\$ 1,475,398
Restricted Assets						
Cash and Investments with Fiscal Agents	20	-	-	-	745	765
Capital assets:						
Capital Assets, Net of Accumulated Depreciation	-	134,238	-	-	-	134,238
Total Assets	20	134,238	548,212	905,837	22,094	1,610,401
LIABILITIES						
Deferred Revenue	-	-	-	1,009,439	-	1,009,439
Accrued Interest	-	-	-	-	142,024	142,024
Due to County	-	-	564,274	-	-	564,274
Long-term Liabilities						
Due in One Year	-	-	-	-	730,000	730,000
Due in More Than One Year	-	-	-	-	17,941,889	17,941,889
Total Liabilities	-	-	564,274	1,009,439	18,813,913	20,387,626
NET POSITION (DEFICIT)						
Restricted for Individuals, Organizations and Other Governments	\$ 20	\$ 134,238	\$ (16,062)	\$ (103,602)	\$ (18,791,819)	\$ (18,777,225)

City of West Hollywood
Combining Schedule of Changes in Fiduciary Net Position
Private-Purpose Trust Funds
Year ended June 30, 2023

	Housing Capital Improvements	Nonhousing Capital Improvements	Successor Agency Administration	Obligation Payment Fund	Successor Agency Debt Services Fund	Eliminations	Total
ADDITIONS							
Taxes	\$ -	\$ -	\$ -	\$ 1,134,032	\$ -	\$ -	\$ 1,134,032
Transfers from Other Funds	-	-	65,000	-	1,135,678	(1,200,678)	-
Change in Fair Value of Investments	-	-	(2,791)	18,645	-	-	15,854
Interest Earnings	-	-	-	-	674	-	674
Total Additions	-	-	62,209	1,152,677	1,136,352	(1,200,678)	1,150,560
DEDUCTIONS							
Administrative Expenses	-	-	63,223	-	-	-	63,223
Interest Expenses	-	-	1,775	-	436,755	-	438,530
Depreciation Expense	-	3,579	-	-	-	-	3,579
Transfers to Other Funds	-	-	-	1,200,678	-	(1,200,678)	-
Total Deductions	-	3,579	64,998	1,200,678	436,755	(1,200,678)	505,332
CHANGE IN NET POSITION	-	(3,579)	(2,789)	(48,001)	699,597	-	645,228
Net Position (Deficit) - Beginning of Year	20	137,817	(13,273)	(55,601)	(19,491,416)	-	(19,422,453)
NET POSITION (DEFICIT) - END OF YEAR	\$ 20	\$ 134,238	\$ (16,062)	\$ (103,602)	\$ (18,791,819)	\$ -	\$ (18,777,225)

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Statistical Section



Our Pride by LaToya D. Peoples - Public Art Mural photo, Jon Viscott

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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				
	2014	2015	2016	2017	2018
Governmental activities					
Net investment in capital assets	\$ 142,442,200	\$ 145,114,783	\$ 150,346,852	\$ 168,026,327	\$ 173,567,439
Restricted	52,747,012	47,136,333	34,996,350	43,922,472	57,086,206
Unrestricted	66,956,579	56,447,708	82,141,974	87,400,745	86,633,833
Total governmental activities net position	\$ 262,145,791	\$ 248,698,824	\$ 267,485,176	\$ 299,349,544	\$ 317,287,478
Business-type activities					
Net investment in capital assets	\$ 10,612,300	\$ 10,214,783	\$ 9,892,944	\$ 10,373,054	\$ 10,476,164
Unrestricted	396,508	1,063,237	1,549,240	1,395,207	1,633,169
Total business-type activities net position	\$ 11,008,808	\$ 11,278,020	\$ 11,442,184	\$ 11,768,261	\$ 12,109,333
Primary government					
Net investment in capital assets	\$ 153,054,500	\$ 155,329,566	\$ 160,239,796	\$ 178,399,381	\$ 184,043,603
Restricted	52,747,012	47,136,333	34,996,350	43,922,472	57,086,206
Unrestricted	67,353,087	57,510,945	83,691,214	88,795,952	88,267,002
Total primary government net position	\$ 273,154,599	\$ 259,976,844	\$ 278,927,360	\$ 311,117,805	\$ 329,396,811

(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				
	2019	2020	2021	2022	2023
Governmental activities					
Net investment in capital assets	\$ 176,708,344	\$ 186,172,263	\$ 180,920,527	\$ 185,966,699	\$ 202,072,925
Restricted	57,284,883	51,529,497	46,953,420	58,749,269	47,410,177
Unrestricted	91,079,029	89,421,158	78,687,778	106,178,065	139,363,359
Total governmental activities net position	<u>\$ 325,072,256</u>	<u>\$ 327,122,918</u>	<u>\$ 306,561,725</u>	<u>\$ 350,894,033</u>	<u>\$ 388,846,461</u>
Business-type activities					
Net investment in capital assets	\$ 10,047,512	\$ 10,482,697	\$ 10,036,505	\$ 9,590,312	\$ 9,144,121
Unrestricted	2,568,488	2,483,327	2,588,514	3,191,011	3,426,993
Total business-type activities net position	<u>\$ 12,616,000</u>	<u>\$ 12,966,024</u>	<u>\$ 12,625,019</u>	<u>\$ 12,781,323</u>	<u>\$ 12,571,114</u>
Primary government					
Net investment in capital assets	\$ 186,755,856	\$ 196,654,960	\$ 190,957,032	\$ 195,557,011	\$ 211,217,046
Restricted	57,284,883	51,529,497	46,953,420	58,749,269	47,410,177
Unrestricted	93,647,517	91,904,485	81,276,292	109,369,076	142,790,352
Total primary government net position	<u>\$ 337,688,256</u>	<u>\$ 340,088,942</u>	<u>\$ 319,186,744</u>	<u>\$ 363,675,356</u>	<u>\$ 401,417,575</u>

(Concluded)

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

Expenses	Fiscal Year				
	2014	2015	2016	2017	2018
Governmental activities:					
General government	\$ 20,615,002	\$ 20,388,425	\$ 24,431,737	\$ 22,297,943	\$ 20,448,961
Community safety	14,980,054	17,270,756	19,026,873	21,841,899	23,067,735
Public services	47,313,347	46,146,254	47,539,207	52,937,204	60,796,711
Interest and fiscal charges	3,609,405	3,360,030	3,115,548	5,363,884	4,909,120
Total governmental activities expenses	86,517,808	87,165,465	94,113,365	102,440,930	109,222,527
Business-type activities:					
Sewer	1,014,614	1,082,870	1,024,557	1,048,306	1,174,785
Solid waste	1,531,511	1,448,043	1,484,564	1,425,100	1,450,793
Landscape and lighting	190,288	203,135	189,115	164,840	197,664
Street maintenance	456,132	299,122	323,553	301,999	272,583
Total business-type activities expenses	3,192,545	3,033,170	3,021,789	2,940,245	3,095,825
Total primary government expenses	\$ 89,710,353	\$ 90,198,635	\$ 97,135,154	\$ 105,381,175	\$ 112,318,352
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 1,247,385	\$ 841,309	\$ 987,225	\$ 885,815	\$ 826,678
Community safety	935,387	694,016	309,435	123,642	264,674
Public services	24,740,324	25,929,989	24,770,086	23,115,575	21,563,875
Operating grants and contributions	2,800,726	3,490,256	5,130,523	3,045,707	4,052,404
Capital grants and contributions	1,914,153	1,710,539	2,039,004	15,856,846	4,027,872
Total governmental activities program revenues	31,637,975	32,666,109	33,236,273	43,027,585	30,735,503
Business-type activities:					
Charges for services:					
Sewer	1,154,927	1,394,096	1,248,228	1,311,358	1,461,214
Solid waste	1,417,997	1,436,329	1,467,202	1,464,683	1,486,636
Landscape and lighting	187,117	178,418	173,174	191,235	184,551
Street maintenance	288,581	290,112	288,244	294,327	293,682
Total business-type activities program revenues	3,048,622	3,298,955	3,176,848	3,261,603	3,426,083
Total primary government program revenues	\$ 34,686,597	\$ 35,965,064	\$ 36,413,121	\$ 46,289,188	\$ 34,161,586
Net (expense)/revenue					
Governmental activities	\$ (54,879,833)	\$ (54,499,356)	\$ (60,877,092)	\$ (59,413,345)	\$ (78,487,024)
Business-type activities	(143,923)	265,785	155,059	321,358	330,258
Total Primary government net expense	\$ (55,023,756)	\$ (54,233,571)	\$ (60,722,033)	\$ (59,091,987)	\$ (78,156,766)

(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				
	2019	2020	2021	2022	2023
Governmental activities:					
General government	\$ 24,369,593	\$ 31,233,362	\$ 24,496,184	\$ 27,330,339	\$ 22,946,533
Community safety	26,153,283	26,217,376	25,680,814	27,902,347	33,035,793
Public services	67,840,802	64,405,046	71,917,034	59,149,180	81,767,725
Interest and fiscal charges	8,528,149	5,193,930	5,891,518	6,195,620	6,009,995
Total governmental activities expenses	<u>126,891,827</u>	<u>127,049,714</u>	<u>127,985,550</u>	<u>120,577,486</u>	<u>143,760,046</u>
Business-type activities:					
Sewer	1,155,856	1,077,285	1,059,295	1,457,011	1,101,186
Solid waste	1,498,061	1,605,895	1,668,466	1,632,041	1,579,962
Landscape and lighting	60,568	172,366	167,792	189,932	87,927
Street maintenance	281,817	244,618	293,304	176,994	264,778
Total business-type activities expenses	<u>2,996,302</u>	<u>3,100,164</u>	<u>3,188,857</u>	<u>3,455,978</u>	<u>3,033,853</u>
Total primary government expenses	<u>\$ 129,888,129</u>	<u>\$ 130,149,878</u>	<u>\$ 131,174,407</u>	<u>\$ 124,033,464</u>	<u>\$ 146,793,899</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 839,715	\$ 743,258	\$ 641,839	\$ 1,271,140	\$ 1,060,988
Community safety	322,965	263,154	132,811	63,053	163,465
Public services	23,181,968	20,810,786	16,528,232	19,354,052	21,528,200
Operating grants and contributions	4,984,532	6,073,609	6,114,866	17,206,927	9,962,476
Capital grants and contributions	4,787,926	6,274,495	7,050,323	6,049,971	8,159,431
Total governmental activities program revenues	<u>34,117,106</u>	<u>34,165,302</u>	<u>30,468,071</u>	<u>43,945,143</u>	<u>40,874,560</u>
Business-type activities:					
Charges for services:					
Sewer	1,362,916	1,363,908	1,402,123	1,484,181	1,084,900
Solid waste	1,534,876	1,545,401	1,673,829	1,713,648	1,233,576
Landscape and lighting	193,912	196,559	191,812	190,336	138,876
Street maintenance	299,670	293,912	298,977	299,356	291,096
Total business-type activities program revenues	<u>3,391,374</u>	<u>3,399,780</u>	<u>3,566,741</u>	<u>3,687,521</u>	<u>2,748,448</u>
Total primary government program revenues	<u>\$ 37,508,480</u>	<u>\$ 37,565,082</u>	<u>\$ 34,034,812</u>	<u>\$ 47,632,664</u>	<u>\$ 43,623,008</u>
Net (expense)/revenue					
Governmental activities	\$ (92,774,721)	\$ (92,884,412)	\$ (97,517,479)	\$ (76,632,343)	\$ (102,885,486)
Business-type activities	395,072	299,616	377,884	231,541	(285,405)
Total Primary government net expense	<u>\$ (92,379,649)</u>	<u>\$ (92,584,796)</u>	<u>\$ (97,139,595)</u>	<u>\$ (76,400,802)</u>	<u>\$ (103,170,891)</u>

(Continued)

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

General Revenue and Other Changes in Net Assets	Fiscal Year				
	2014	2015	2016	2017	2018
Governmental activities:					
Taxes					
Property tax	\$ 14,516,251	\$ 19,613,651	\$ 21,540,248	\$ 23,428,584	\$ 25,206,827
Transient occupancy tax	18,983,466	20,903,442	22,268,519	22,636,844	24,775,813
Sales tax	15,635,224	16,117,944	16,441,681	17,906,126	17,980,869
Franchise tax	2,469,575	2,551,024	2,546,182	2,185,515	2,148,729
Business license tax	3,005,510	3,088,786	3,431,563	3,380,526	5,581,710
Motor vehicle in-lieu	3,771,692	-	-	-	-
Use of money and property	11,681,771	12,876,245	13,313,788	12,509,899	13,839,534
Other	1,581,952	1,642,123	155,142	3,582,792	362,095
Extraordinary gain(loss)	-	-	-	5,647,427	9,276,727
Transfers	(164,557)	-	-	-	-
Total governmental activities	71,480,884	76,793,215	79,697,123	91,277,713	99,172,304
Business-type activities:					
Use of money and property	2,911	3,427	9,105	4,719	10,814
Transfers	164,557	-	-	-	-
Total business-type activities	167,468	3,427	9,105	4,719	10,814
Total primary government	\$ 71,648,352	\$ 76,796,642	\$ 79,706,228	\$ 91,282,432	\$ 99,183,118
Change in Net Position					
Governmental Activities	\$ 16,601,051	\$ 22,293,859	\$ 18,820,031	\$ 31,864,368	\$ 20,685,280
Business-type activities	23,545	269,212	164,164	326,077	341,072
Total primary government	\$ 16,624,596	\$ 22,563,071	\$ 18,984,195	\$ 32,190,445	\$ 21,026,352

(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)

General Revenue and Other Changes in Net Assets	Fiscal Year				
	2019	2020	2021	2022	2023
Governmental activities:					
Taxes					
Property tax	\$ 27,334,301	\$ 29,471,706	\$ 33,333,694	\$ 33,974,924	\$ 37,094,986
Transient occupancy tax	25,990,350	20,742,558	9,675,930	31,952,360	34,740,259
Sales tax	19,977,644	15,645,332	19,025,432	36,258,528	36,528,081
Franchise tax	2,034,938	2,180,807	2,036,383	2,032,198	2,228,913
Business license tax	3,733,445	6,035,760	4,057,702	4,644,216	4,917,043
Motor vehicle in-lieu	-	-	-	-	-
Use of money and property	20,949,801	16,338,196	7,983,240	11,750,404	24,035,532
Other	589,020	4,520,715	177,424	352,021	1,293,100
Extraordinary gain(loss) on dissolution of RDA	-	-	-	-	-
Transfers	(50,000)	-	-	-	-
Total governmental activities	100,559,499	94,935,074	76,289,805	120,964,651	140,837,914
Business-type activities:					
Use of money and property	61,595	50,408	2,096	(75,239)	75,198
Transfers	50,000	-	-	-	-
Total business-type activities	111,595	50,408	2,096	(75,239)	75,198
Total primary government	\$ 100,671,094	\$ 94,985,482	\$ 76,291,901	\$ 120,889,412	\$ 140,913,112
Change in Net Position					
Governmental Activities	\$ 7,784,778	\$ 2,050,662	\$ (21,227,674)	\$ 44,332,308	\$ 37,952,428
Business-type activities	506,667	350,024	379,980	156,302	(210,207)
Total primary government	\$ 8,291,445	\$ 2,400,686	\$ (20,847,694)	\$ 44,488,610	\$ 37,742,221

(Concluded)

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

	Fiscal Year				
	2014	2015	2016	2017	2018
General Fund					
Nonspendable	\$ 39,510	\$ 35,708	\$ 139,575	\$ 44,317	\$ 53,634
Restricted	1,255,006	1,255,006	1,255,006	1,255,006	1,255,006
Committed	11,177,318	12,076,505	18,386,688	27,054,567	24,601,571
Assigned	76,904,392	89,684,697	96,366,055	93,388,888	104,236,530
Unassigned	5,060,905	4,894,121	3,507,708	3,462,047	2,999,998
Total General Fund	<u>\$ 94,437,131</u>	<u>\$ 107,946,037</u>	<u>\$ 119,655,032</u>	<u>\$ 125,204,825</u>	<u>\$ 133,146,739</u>
All other governmental funds					
Nonspendable	\$ 6,796	\$ 6,618	\$ -	\$ -	\$ -
Restricted					
Public services	16,528,180	20,785,979	18,201,767	30,033,442	35,324,936
Capital projects	7,330,666	6,674,257	78,861,354	75,021,840	66,587,203
Debt service	24,133,063	16,877,020	-	-	-
Low and moderate activities	-	-	-	-	-
Unassigned	(2,076,017)	(4,750,992)	(934,968)	(33,047)	(350,156)
Total all other governmental funds	<u>\$ 45,922,688</u>	<u>\$ 39,592,882</u>	<u>\$ 96,128,153</u>	<u>\$ 105,022,235</u>	<u>\$ 101,561,983</u>

(Continued)

Note: The data in fiscal year 2021 and 2022 were amended to show the correct fund balance.

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				
	2019	2020	2021	2022	2023
General Fund					
Nonspendable	\$ 66,600	\$ 2,077,941	\$ 2,147,584	\$ 2,077,370	\$ 2,683,879
Debt Service	1,255,006	1,255,006	-	-	-
Committed	25,713,228	35,742,733	24,148,689	24,645,511	27,220,225
Assigned	108,253,580	90,680,591	93,630,186	123,911,968	150,383,205
Unassigned	2,987,207	2,176,972	3,022,018	4,024,450	5,521,845
Total General Fund	<u>\$ 138,275,621</u>	<u>\$ 131,933,243</u>	<u>\$ 122,948,477</u>	<u>\$ 154,659,299</u>	<u>\$ 185,809,154</u>
All other governmental funds					
Nonspendable	\$ -	\$ -	\$ 88,536.00	\$ -	\$ 93,855
Restricted					
Public services	36,548,009	41,025,722	32,779,798	34,902,982	28,004,558
Capital projects	47,918,294	96,634,316	71,085,881	49,312,610	43,609,591
Debt service	-	-	-	-	-
Low and moderate activities	-	-	-	-	-
Unassigned	(792,481)	(576,421)	(2,978,321)	(3,542,829)	(1,258,631)
Total all other governmental funds	<u>\$ 83,673,822</u>	<u>\$ 137,083,617</u>	<u>\$ 100,975,894</u>	<u>\$ 80,672,763</u>	<u>\$ 70,449,373</u>

(Concluded)

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

	Fiscal Year				
	2014	2015	2016	2017	2018
Revenues					
Taxes	\$ 57,785,812	\$ 62,056,552	\$ 67,228,461	\$ 69,297,877	\$ 74,318,931
Licenses and permits	7,968,949	9,327,431	9,301,203	9,515,384	10,975,684
Intergovernmental	5,323,009	4,193,972	5,531,157	4,484,889	3,975,963
Charges for services	3,609,803	3,444,145	3,088,746	3,433,732	3,923,043
Use of money and property	12,154,214	13,066,956	13,487,275	12,660,650	13,988,131
Fines and forfeitures	11,936,215	11,597,951	10,514,809	9,739,057	7,619,488
Contributions	16,689	247,588	184,829	-	-
Developer participation	3,730,002	3,018,883	3,083,370	10,510,748	5,640,412
Miscellaneous	1,699,059	2,699,051	257,382	9,144,052	900,139
Total revenues	104,223,752	109,652,529	112,677,232	128,786,389	121,341,791
Expenditures					
Current:					
General government	22,623,280	23,886,096	23,590,529	21,354,765	19,367,175
Community safety	14,902,172	17,190,760	18,937,633	21,737,444	22,958,843
Public Services	42,477,061	42,023,194	44,067,723	48,947,704	54,365,557
Capital outlay	10,072,944	13,783,900	16,182,343	19,841,533	22,390,508
Debt service:					
Principal retirement	1,905,000	2,140,000	2,235,000	3,060,000	3,415,000
Interest and fiscal charges	3,110,788	3,449,479	3,359,278	5,043,345	5,522,937
Debt issuance costs	358,483	-	596,000	5,150	-
Total expenditures	95,449,728	102,473,429	108,968,506	119,989,941	128,020,020
Excess (deficiency) of revenues over (under) expenditures	8,774,024	7,179,100	3,708,726	8,796,448	(6,678,229)
Other financing sources (uses)					
Capital lease issuance	-	-	-	-	-
SBITA financing	-	-	-	-	-
Transfers in	17,187,207	14,807,483	16,045,505	26,222,132	23,889,459
Transfers out	(17,467,240)	(14,807,483)	(16,095,505)	(26,222,132)	(24,239,459)
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	3,067,000	-	-	-	-
Extraordinary gain/(loss) on dissolution of RDA	-	-	-	5,647,427	9,276,727
Total other financing sources (uses)	22,160,942	-	64,569,219	5,647,427	8,926,727
Net change in fund balances	\$ 30,934,966	\$ 7,179,100	\$ 68,277,945	\$ 14,443,875	\$ 2,248,498
Debt service as a percentage of noncapital expenditures	5.9%	6.3%	6.0%	8.1%	8.5%
Capital Outlay *	\$ 9,932,816	\$ 13,153,552	\$ 15,945,031	\$ 20,078,140	\$ 23,087,676

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

Source: City of West Hollywood.

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

	Fiscal Year				
	2019	2020	2021	2022	2023
Revenues					
Taxes	\$ 79,357,479	\$ 76,069,711	\$ 70,240,204	\$ 111,593,355	\$ 118,545,600
Licenses and permits	9,921,979	9,641,958	7,720,766	9,021,288	10,112,308
Intergovernmental	5,959,757	5,860,986	4,693,147	14,545,763	8,644,316
Charges for services	4,133,882	2,994,196	2,874,028	2,823,921	3,174,267
Use of money and property	21,216,864	16,584,727	9,963,668	10,275,870	24,632,847
Fines and forfeitures	8,864,168	7,151,880	5,747,762	6,954,669	8,514,005
Contributions	-	-	1,980,000	-	-
Developer participation	4,815,785	4,554,997	3,616,537	4,490,512	1,826,144
Miscellaneous	840,430	6,117,966	425,024	3,937,754	7,206,968
Total revenues	135,110,344	128,976,421	107,261,136	163,643,132	182,656,455
Expenditures					
Current:					
General government	21,625,797	28,207,640	23,476,658	26,740,002	22,112,319
Community safety	26,044,333	26,061,178	25,521,161	27,815,067	30,354,547
Public Services	61,299,394	60,826,670	63,809,592	56,786,374	76,318,033
Capital outlay	24,033,545	45,880,249	30,850,821	29,491,090	23,218,072
Debt service:					
Principal retirement	3,579,592	5,772,524	1,772,524	4,253,747	4,774,500
Interest and fiscal charges	9,147,260	4,711,196	6,663,759	7,149,159	6,955,325
Debt issuance costs	-	642,373	-	-	-
Total expenditures	145,729,921	172,101,830	152,094,515	152,235,439	163,732,796
Excess (deficiency) of revenues over (under) expenditures	(10,619,577)	(43,125,409)	(44,833,379)	11,407,693	18,923,659
Other financing sources (uses)					
Capital lease issuance	143,462	-	-	-	-
SBITA financing	-	-	-	-	2,002,806
Transfers in	29,437,433	49,816,437	33,718,103	32,443,053	22,397,477
Transfers out	(29,487,433)	(49,816,437)	(33,968,103)	(32,443,053)	(22,397,477)
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	-	-	-	-	-
Total other financing sources (uses)	93,462	90,192,826	(250,000)	-	2,002,806
Net change in fund balances	\$ (10,526,115)	\$ 47,067,417	\$ (45,083,379)	\$ 11,407,693	\$ 20,926,465
Debt service as a percentage of noncapital expenditures	10.4%	8.3%	6.9%	9.2%	8.3%
Capital Outlay	\$ 23,650,090	\$ 45,185,030	\$ 30,377,122	\$ 28,857,346	\$ 22,595,858

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

Fiscal Year	(1) Transient Occupancy Tax	(2) Sales Taxes	(3) (4) Property Taxes	Franchise Taxes	Business License Tax	Total General Fund Taxes
2014	\$ 18,982,361	\$ 13,799,302	\$ 17,247,544	\$ 2,323,502	\$ 2,863,828	\$ 55,216,537
2015	20,903,442	14,560,587	18,469,653	2,400,839	3,001,630	59,336,151
2016	22,268,519	16,094,074	20,331,695	2,399,738	3,296,161	64,390,187
2017	22,636,844	16,242,475	22,112,662	2,045,934	3,274,264	66,312,179
2018	24,775,813	16,944,964	23,745,035	2,016,660	3,308,544	70,791,016
2019	25,989,558	18,211,472	25,780,512	1,904,730	3,581,898	75,468,170
2020	20,740,065	15,645,332	27,833,401	2,033,456	5,926,979	72,179,233
2021	9,675,868	19,025,432	31,420,863	1,949,561	3,937,203	66,008,927
2022	31,951,176	36,258,528	32,048,710	1,904,431	4,562,104	106,724,949
2023	34,739,728	36,528,081	34,919,531	2,131,939	4,790,824	113,110,103

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	
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	-	-	-	-
2023	15,617,543,478	368,439,577	-	15,985,983,055	-	-	-	-

Fiscal Year	City							
	Residential	Commercial	Industrial	Institutional	Vacant	Unsecured	Exempt	Miscellaneous
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
2023	9,225,348,243	5,706,866,400	278,052,174	35,246,845	218,487,117	368,439,577	(48,343,539)	153,542,699

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				
	2014	2015	2016	2017	2018
Basic Levy (1)	1.00000	1.00000	1.00000	1.00000	1.00000
LA Community College District	0.04454	0.04017	0.03575	0.03596	0.04599
Los Angeles Unified School District	0.14644	0.14688	0.12971	0.13110	0.12219
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350	0.00350
Total Direct & Overlapping Tax Rates (2)	1.194448	1.19055	1.16896	1.17055	1.17168
City's Share of 1% Levy Per Prop 13 (3)	0.17868	0.17868	0.17868	0.17868	0.17868
General Obligation Debt Rate					
Redevelopment Rate (4)	-	-	-	-	-
Total Direct Rate (5)	0.175970	0.175990	0.175900	0.175830	0.175600

(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				
	2019	2020	2021	2022	2023
Basic Levy (1)	1.00000	1.00000	1.00000	1.00000	1.00000
LA Community College District	0.04621	0.027717	0.04016	0.04376	0.02488
Los Angeles Unified School District	0.12323	0.12552	0.13993	0.11323	0.12107
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350	0.00350
Total Direct & Overlapping Tax Rates (2)	1.17294	1.15620	1.18359	1.16049	1.114945
City's Share of 1% Levy Per Prop 13 (3)	0.17868	0.17868	0.17868	0.17868	0.17868
General Obligation Debt Rate					
Redevelopment Rate (4)	-	-	-	-	-
Total Direct Rate (5)	0.175800	0.17571	0.17566	0.17569	0.17572

(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)**

<u>Taxpayer</u>	<u>2023</u>		<u>2014</u>	
	<u>Taxable Assessed Value</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total Taxable Assessed Value</u>
Mani Brothers *	\$ 272,084,938	1.70%	\$ 231,213,166	2.80%
8940 WEHO LP *	265,995,900	1.66%	-	-
KR Sunset WEHO LLC*	248,960,199	1.56%	-	-
Avalon West Hollywood LP	222,860,541	1.39%	-	-
NWLWH LLC *	203,390,495	1.27%	63,471,479	0.77%
Essex Monarch Santa Monica Apartments *	197,842,315	1.24%	-	-
Pacific Design Center LLC	197,083,436	1.23%	169,840,516	2.06%
Pacific Red LLC *	196,545,524	1.23%	187,661,315	2.27%
9040 Sunset LLC Lessor	195,215,588	1.22%	-	-
Studio Lending Group LLC *	193,949,223	1.21%	-	-
Wolverines Owner LLC *	-	-	166,640,800	2.02%
Studio Lending Group LLC *	-	-	71,277,955	0.86%
CLPF West Hollywood LP	-	-	85,326,635	1.03%
BRCP Millenium LLC	-	-	126,879,887	1.54%
LHO Le Parc LP *	-	-	54,799,683	0.66%
West Hollywood Retail Owner Inc.	-	-	50,796,000	0.61%
TOTALS	\$ 2,193,928,159	13.72%	\$ 1,207,907,436	14.62%

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
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%
2023	22,500,738	22,275,730	99.0%	-	22,275,730	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 (5)	Debt Per Capita
	Lease Revenue Bonds (1)	Financed Purchase - SCE (2)	Right-Of-Use Lease Liability (3)	SBITA Liability (4)	General Obligation	Certificates of Participation	Total Primary Government		
2014	\$ 68,546,774	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,546,774	3.6%	\$1,953.46
2015	66,350,325	-	-	-	-	-	66,350,325	3.5%	1,847.02
2016	127,867,562	-	-	-	-	-	127,867,562	6.3%	3,563.56
2017	124,294,665	-	-	-	-	-	124,294,665	5.7%	3,384.65
2018	120,366,770	-	-	-	-	-	120,366,770	5.2%	3,283.33
2019	116,278,874	138,870	-	-	-	-	116,417,744	4.8%	3,215.69
2020	198,434,838	116,346	-	-	-	-	198,551,184	7.9%	5,496.23
2021	197,554,152	93,822	-	-	-	-	197,647,974	8.0%	5,583.43
2022 (6)	192,497,374	71,297	1,036,604	-	-	-	193,605,275	7.4%	5,564.49
2023	187,235,594	48,772	1,007,459	2,022,243	-	-	190,314,068	N/A	N/A

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

- (1) 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 \$167,865,000, and unamortized premiums/discounts of \$19,370,598.
- (2) On November 26, 2018 and January 8, 2019, the City approved the installation of energy-efficient LED streetlights in certain areas of the City, which was funded through Southern California Edison's (SCE) On-Bill Financing Program for a total of \$143,459. The costs are repaid in the form of energy savings over a period of up to 80 months.
- (3) 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-of-use asset with a net book value of \$995,669 and a right-of-use lease liability of \$1,007,459.
- (4) The City has entered into IT software subscription agreements with various SBITA vendors with subscription terms ranging from 2-10 years. Subscription payable is measured at the present value of the subscription payments expected to be made during the subscription term. The City has recorded these SBITA assets with net book value of \$2,223,359 and SBITA liability of \$2,002,243.
- (5) Personal Income information for 2023 is not available at this time.
- (6) The 2022 information was amended to include the Right-of-use lease liability of \$1,036,604.

Source: Hdl 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, 2023
Overlapping General Fund Debt:			
Metropolitan Water District	\$ 19,215,000	0.440%	\$ 84,546
Los Angeles County Community College District	4,500,730,000	1.492%	67,150,892
Los Angeles Unified School District	<u>10,704,725,000</u>	1.821%	<u>194,933,042</u>
Subtotal, overlapping debt	<u>15,224,670,000</u>		<u>262,168,480</u>
City direct governmental debt			
2013 Lease Revenue Bonds Series	15,690,984	100.000%	15,690,984
2016 Lease Revenue Bonds Series	83,057,377	100.000%	83,057,377
2020 Lease Revenue Bonds Series A	74,748,450	100.000%	74,748,450
2020 Lease Revenue Bonds Series B	13,738,783	100.000%	13,738,783
Financed Purchase - SCE	48,772	100.000%	48,772
Right-Of-Use Lease Liability	1,007,459	100.000%	1,007,459
SBITA Liability	<u>2,022,243</u>	100.000%	<u>2,022,243</u>
Subtotal, city direct governmental debt	<u>190,314,068</u>		<u>190,314,068</u>
Overlapping Tax Increment Debt			
2021 Tax Allocation Refunding Bonds	<u>18,671,889</u>	100.000%	<u>18,671,889</u>
Subtotal, overlapping tax increment debt	<u>18,671,889</u>		<u>18,671,889</u>
Subtotal, overlapping debt			<u>280,840,369</u>
Subtotal, direct debt			<u>190,314,068</u>
Grand Total direct and overlapping governmental debt			<u>\$ 471,154,437</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				
	2014	2015	2016	2017	2018
Debt limit	\$ 1,239,586,814	\$ 1,316,390,648	\$ 1,446,044,147	\$ 1,584,823,183	\$ 1,716,615,406
Total net debt applicable to limit	68,546,274	66,350,325	127,867,562	124,294,665	120,366,770
Legal debt margin	<u>\$ 1,171,040,540</u>	<u>\$ 1,250,040,323</u>	<u>\$ 1,318,176,585</u>	<u>\$ 1,460,528,518</u>	<u>\$ 1,596,248,636</u>
Total net debt applicable to the limit as percentage of debt limit	5.53%	5.04%	8.84%	7.84%	7.01%

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				
	2019	2020	2021	2022	2023
Debt limit	\$ 1,829,888,807	\$ 2,042,193,343	\$ 2,169,928,710	\$ 2,256,847,347	\$ 2,397,897,458
Total net debt applicable to limit	116,278,874	200,264,740	197,647,973	192,556,138	190,314,068
Legal debt margin	<u>\$ 1,713,609,933</u>	<u>\$ 1,841,928,603</u>	<u>\$ 1,972,280,737</u>	<u>\$ 2,064,291,209</u>	<u>\$ 2,207,583,390</u>
Total net debt applicable to the limit as percentage of debt limit	6.35%	9.81%	9.11%	8.53%	7.94%

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed value	\$15,985,983,055
Debt limit (1)	<u>2,397,897,458</u>
Debt applicable to limit (2):	
Lease Revenue Bonds and Capital Lease	190,314,068
Net amount of debt applicable to debt limit	<u>190,314,068</u>
Legal debt margin	<u><u>\$ 2,207,583,390</u></u>

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	
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
2023 (3)	1,134,032	65,000	1,069,032	705,000	430,260	1,135,260	0.94

- 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)

Calendar Year	Population (1)	Personal Income (In Thousands) (2)	Per Capita Personal Income (3)	Unemployment Rate (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	34,793	2,601,837	74,780	5.6%
2023	35,837	2,679,892	74,780	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. 2022 population and personal income was estimate last year and updated this year based on data from Hdl. 2023 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)

	2023		2014	
	# Employees	% of Total City Employment	# Employees	% of Total City Employment
Los Angeles County Metropolitan Transportation Authority	559	2.1%	702	2.2%
Target Corp.	289	1.1%	414	1.3%
CityGrid Media/Inter Active Corp	288	1.1%	288	0.9%
City of West Hollywood	253	1.0%	216	0.7%
1 OAK LA	200	0.8%	200	0.6%
Laz Parking	200	0.8%		
Pavilions	180	0.7%	180	0.6%
KKGG Management LLC (Argyle Hotel)	165	0.6%	101	0.3%
Andaz West Hollywood	141	0.5%	140	0.4%
Sunset Tower Hotel (4)	140	0.5%		
Whole Foods Market	153	0.6%	153	0.5%
Ralphs (2 locations)	143	0.5%	141	0.4%
Hollywood Standard LLC (The Standard Hotel)	140	0.5%	86	0.3%
nCompass	128	0.5%	128	0.4%
The Jeremy Hotel	226	0.9%		
Best Buy	100	0.4%	100	0.3%
Sunset Marquis	163	0.6%	200	0.6%
The London West Hollywood	153	0.6%	125	0.4%
Saddle Ranch Restaurant	60	0.2%	130	0.4%
HMBL LLC (Best Western Sunset Plaza)	40	0.2%	45	0.1%
Mondrian	30	0.1%	200	0.6%
Outrigger Lodging Services LLP (Chamberlain Hotel)	57	0.2%		
Outrigger Lodging Services LLP (Le Parc Suite Hotel)	53	0.2%	72	0.2%
Outrigger Lodging Services LLP (Le Montrose Hotel)	77	0.3%		
Outrigger Lodging Services LLP (The Grafton Hotel)	59	0.2%		
Ticketmaster (1)			-	0.0%
House of Blues (3)			219	0.7%
Dailey & Associates			125	0.4%
Total Jobs By Principal Employers	3,997	15.3%	3,965	12.2%
Total Jobs (estimated) in City of West Hollywood (5)	26,200	100%	32,385	100%

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

(2) Prior years' information not available.

(3) Closed in FY 2014-2015.

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

(5) 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									
	14	15	16	17	18	19	20	21	22	23
General Government										
Legislative & Executive	39.8	36.8	27.8	13.0	11.0	16.0	17.0	21.0	20.0	11.0
Development Support (1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.0
Administration	17.7	17.8	25.8	24.8	24.0	23.0	23.0	23.8	23.8	21.8
Finance & Information Technology	22.9	22.9	22.9	23.9	24.0	23.0	23.0	21.9	22.9	22.9
Community Safety	5.6	5.0	5.0	5.0	5.0	5.0	5.0	10.0	9.0	18.0
Community Services										
Human Services & Rent Stabilization	54.4	56.9	56.6	57.8	49.0	24.0	24.0	26.8	25.8	27.0
Community Development (1)	30.0	31.0	33.0	33.0	0.0	0.0	0.0	0.0	0.0	0.0
Community Services (1)	0.0	0.0	0.0	0.0	1.0	6.0	6.0	5.0	8.5	46.0
Facilities & Recreation Services (1)	0.0	0.0	0.0	0.0	0.0	55.0	49.0	48.0	56.0	0.0
Planning & Development Services (1)	0.0	0.0	0.0	0.0	34.0	30.0	30.0	31.0	31.0	32.0
Public Works	46.0	46.0	47.0	48.0	49.0	25.0	31.0	33.0	32.5	43.0
Communications (1)	0.0	0.0	0.0	9.8	10.0	10.0	10.0	18.0	18.0	14.0
Economic Development (1)	0.0	0.0	0.0	7.0	19.0	19.0	18.0	2.0	0.0	12.0
Total	216.4	216.4	218.2	222.3	226.0	236.0	236.0	240.4	247.4	252.6

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									
	14	15	16	17	18	19	20	21	22	23
Police (1)										
Incidents	6,975	6,060	10,931	9,647	11,204	7,506	5,178	6,721	7,077	6,670
Arrests	3,312	2,230	2,569	2,027	2,478	2,901	2,293	1,458	2,046	2,000
Sewers										
Miles of system	39	39	39	39	39	39	39	39	39	39
Percent inspected	10	10	10	10	20	20	20	20	20	20
Parks and Recreation										
Number of parks	8	8	8	8	8	8	8	8	8	8
Community Development										
Commercial building permits	796	358	400	364	396	368	350	194	262	293
Residential building permits	1,548	548	577	636	756	752	389	548	698	613
Mixed-use building permits (2)	-	4	6	3	3	2	6	-	1	1
Parking										
Citations issued	211,404	211,583	196,834	181,639	172,954	154,594	115,320	106,482	140,492	172,177

Notes:

- (1) Police statistics are based on calendar year; Information for 2022 was updated to reflect the actual number of arrest and incidents; the 2023 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									
	14	15	16	17	18	19	20	21	22	23
Public Safety										
This a contracted service	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Parking:										
Parking Structures	2	2	3	3	3	3	3	3	3	3
Parking Lots	4	9	9	9	9	9	7	7	7	7
Cultural & Recreation:										
Parks	8	8	8	8	8	8	8	8	8	8
General Services:										
Sidewalks (length/feet)	275,638	275,638	275,638	275,638	275,638	275,638	275,638	275,638	275,638	275,638
Streets (miles)	54	54	54	54	54	54	54	54	54	54
Traffic signals	60	61	61	62	66	66	66	66	66	66
Wastewater:										
Sanitary sewers (miles)	39	39	39	39	39	39	39	39	39	39
Manholes	885	885	885	885	885	885	885	885	885	885
City-Line:										
Number of Buses	10	10	10	10	7	18	18	18	18	15

Source: City of West Hollywood

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