



CITY OF WEST HOLLYWOOD Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2025



WEST HOLLYWOOD, CALIFORNIA

West Hollywood Core Values

Respect and Support for People

Responsiveness to the Public

Idealism, Creativity, and Innovation

Quality of Residential Life

Promote Economic Development

Public Safety

Responsibility for the Environment

All photos are provided courtesy of the City of West Hollywood

Cover Photos

Winter Sounds, Julius Rodriguez
photo credit: Tony Coelho

Rainbow Neon Dog, designed by Wilson Ong and installed at William S. Hart Park
photo credit: Jon Viscott

CITY OF WEST HOLLYWOOD
ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2025

PREPARED BY THE CITY'S:

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

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Introductory



2023 WeHo Pride Dyke March
photo credit: Jon Viscott

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CITY OF WEST HOLLYWOOD

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**DEPARTMENT
OF FINANCE
& TECHNOLOGY
SERVICES**

December 29, 2025

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

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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2025. 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, to meet this requirement, the City's basic financial statements were audited by 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. 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, 2025, 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, 2025, 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, 2026.

BUDGETARY CONTROLS

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual 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 funds, 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 the 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 35,090 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 38 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 accommodation. The City's hotels offer stylish hotels and unique boutique hotels with rooftop pools and restaurants.

West Hollywood offers a diverse culinary scene with over 200 restaurants and bars, ranging from Michelin-rated fine dining to cozy neighborhood cafes. Renowned for its innovation and diversity, the city's culinary scene continues to draw food lovers from around the world. Beyond its gastronomic delights, West Hollywood is a global design capital, home to the prestigious Pacific Design Center and the West Hollywood Design District, featuring 130+ home furnishings and design businesses. With a plethora of high-end boutiques, art galleries, and vibrant nightlife of Sunset Strip and Santa Monica Boulevard "Route 66", West Hollywood offers a unique and unforgettable experience. As international travel continues to ease, visitors from around the globe can explore the city's diverse offerings.

And as a pioneer in the cannabis industry, the city provides a forward-thinking approach to wellness and relaxation.

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 2024, S&P Global Ratings assigned AA+ to the City's newly issued 2024 Lease Revenue Bonds Series A. S&P Global Ratings also re-affirmed the City's AA+ which is the highest possible credit rating for the City's Public Financing Agency 2016 and 2020 Lease Revenue Bonds (LRB's). In addition, S&P re-affirmed the City's AAA bond issuer rating, which is above the sovereign rating 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

While the primary focus of this ACFR is the financial condition of the City at June 30, 2025, the health of the local economy is of such significant relevance that it warrants inclusion in this report.

The City's strategic financial planning over the past decade has yielded impressive results, establishing a strong financial foundation through consistent and substantial revenue growth. This foresight allowed the City to navigate the challenges of the COVID-19 pandemic with relative ease and maintain essential municipal services.

In 2025, the City faced additional economic disruption from the Eaton and Palisades wildfires. These events impacted on supply chains, reduced tourism, and sent ripple effects throughout the hospitality industry.

Despite these challenges, in recent fiscal years, revenue performance has fully recovered and exceeded pre-pandemic levels.

Key General Fund Revenue Streams

In Fiscal Year (FY) 2026, tax revenues are anticipated to continue their strong performance, historically comprising 69% of the General Fund.

Property Tax: The robust Los Angeles real estate market has driven significant growth in the City's property tax base. Recent development projects, both completed and in various stages, have contributed and will continue to contribute to this growth. Over the next five years, the City's property tax base is projected to increase by up to \$2 billion. While rising interest rates may signal a cooling housing market, the City remains vigilant in monitoring real estate trends and implementing strategies to mitigate potential risks.

Sales Tax: Sales tax is a significant revenue source, supported by the City's diverse economy, which includes a world-renowned entertainment and nightlife scene, high-end retail, and popular restaurants and bars. For FY26, sales tax revenues are projected to decrease by \$0.4 million, primarily due to consumer demand and inflationary pressures. However, the implementation of Measure E in 2021 has notably bolstered this revenue, contributing an average of \$15 million annually. The City's continued focus on economic development initiatives is expected to sustain future growth.

Transient Occupancy Tax (TOT): The City of West Hollywood's strong brand as a premier destination and nightlife hub attracts approximately 1.5 million visitors annually, consistently ranking it among the top 5% of California jurisdictions for TOT revenue. In FY26, TOT revenue is projected to increase by \$0.7 million to \$33.2 million. This significant growth is driven by increased travel demand, the City's enduring appeal, and the anticipated impact of the 2026 FIFA World Cup games.

Strategic Revenue Initiatives

The City's strategic investment in billboard projects has yielded significant benefits since FY20. By securing new development agreements, the City has generated additional revenue streams while enhancing the urban aesthetic, as successfully demonstrated by the Sunset Boulevard billboard project. The City is poised to approve additional projects in the coming year, with projected billboard revenue for FY26 reaching \$12 million.

The City's strong financial position allows it to effectively prioritize community safety, enhance neighborhood livability, stimulate economic growth, and manage capital projects. Even in the face of economic uncertainty, the City remains committed to delivering exceptional municipal services and securing 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, such as the WeHo 40 Strategic Plan, while continuing to advance the City's current priorities and work plan. The WeHo 40 Strategic Plan is a comprehensive blueprint for West Hollywood's future. It incorporates the input of thousands of community members to set clear priorities and actionable goals. By focusing on key issues and allocating resources strategically, we aim to enhance the quality of life for all residents.

As always, the health and safety of the West Hollywood community remain top priorities.

Over the next few years, economic stabilization and growth will be the main drivers of revenue changes. The City expects revenues to stabilize and grow, returning to a steady growth trajectory. To mitigate the inherent uncertainty of long-term forecasts, the City adopts a conservative approach to estimating future growth. This involves considering historical growth rates, potential new revenue sources, and accounting for potential future economic downturns.

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 in the future.

Debt Administration

The City faces some fiscal challenges in 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 2024, the City's Public Financing Authority issued \$45 million of Lease Revenue Bonds to finance capital projects so that General Fund reserves that were allocated to capital could be used for essential operating services. 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

- Prioritized community safety through several new and ongoing initiatives and actions including: approved the Community Safety & Well-being; expanded the City's agreement with Block by Block to include additional Security Ambassadors and kiosks throughout the City; hosted a Community Safety town Hall; held nighttime Sheriff's Department personnel to provide supplemental training; and received regular community safety updates from staff.
- Received the FY24 and FY25 Two-Year Budget and Five-year Capital Plan budget awards from Government Finance Officers Association (GFOA) and completed timely updates for the mid-year budget reports and second year budget update.
- Modified standard insurance requirements to better protect the City, including increasing the standard General Liability minimum from \$1M to \$2M and the standard Auto Liability minimum from \$300K to \$1M.
- Completed the issuance of the 2024 Lease Revenue Bonds (which includes the refunding of the 2013 Lease Revenue Bonds and new bonds issuance).
- Initiated the process of transitioning Modified standard insurance requirements to better protect the City, including increasing the standard General Liability minimum from \$1M to \$2M and the standard Auto Liability minimum from \$300K to \$1M.
- Streamlines the process for a comprehensive business tax waiver applicable to all qualifying businesses in fiscal year 2024. This simplifies tax compliance for businesses and improves efficiency.
- Completed the selection of the new Enterprise Resource Program (ERP) system.
- Amended the 2025-26 Master Fee Schedule Resolution, updated the User Fee Study and added municipal code amendments to update fees.
- Completed the Short-Term Rental and Vacant Property Ordinance Amendments.
- Enacted several ordinance changes to enhance tenant protections in the areas of security deposits, side agreements, on-site manager requirements, GUBS (Ratio Utility Billings Systems), Tenant Habitability Plans, Temporary Relocations, and Ellis Act.
- Implemented the residential expansion of unarmed security ambassador program citywide as well as the addition of four kiosks.

- Upgraded the Permitting & Land Management system to Tyler Enterprise Permitting & Licensing.
- Expanded the use of CRM to all customer-facing divisions to increase resident access and engagement, improve customer service, and allow for data-driven decisions.
- Successfully implemented the new governmental accounting pronouncements including GASB 101- Compensated Absences.
- Completed the audit of fiscal operations and received an unmodified “clean” audit opinion for the City Fiscal Year 2023-24, which ended June 30, 2024, 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 2040 STRATEGIC PLAN

The City’s strategic plan, Vision 2040, will continue to guide the City in developing and accomplishing these future initiatives:

- ***Community Safety & Well-Being*** – *Equitable public safety and human services initiatives that enable all community members to thrive.*
- ***Attainable Housing*** – *Housing Opportunities for people of wide-ranging income levels and backgrounds.*
- ***Economic Development*** – *Just and inclusive economic opportunities that allow everyone to prosper.*
- ***Transparency & Engagement*** – *A constituency that feels empowered and welcome to participate in local governance and civic life.*
- ***Community Connection*** – *Strong social bonds and connections within the community.*
- ***Climate Action & Sustainability*** – *Adaptations to the impacts of climate change that improve equity and quality of life.*

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, 2024. This is the thirty-first 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: Karen Bareng – Accounting Manager, Annie Ruiz – Revenue Manager, and Stephen Peloso – 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



Onyx Jones
Interim 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 the long-term fiscal health of the City, rather than limiting the City's focus to day-to-day operational issues. All proposals for new or expanded services or projects forwarded by departments will have to identify new sources of funding or recommend reallocation of existing funds. Special Districts will strive to bear the full cost, both direct and indirect, of their operations. The policies commit to the development of and adherence to a five-year plan for capital improvements and to long-term financing when appropriate, rather than merely focusing on current funding issues.

SUMMARY OF POLICIES

- I. We will comply with all the requirements of generally accepted accounting principles (GAAP).
- II. We will maintain a balanced operating budget for all governmental funds, ensuring that ongoing revenues are equal to or greater than ongoing expenditures.
- III. We will require that all proprietary funds be self-supporting.
- IV. We will maintain an appropriated General Fund emergency reserve equivalent to 35% of the General Fund expenditure 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, 2024

Christopher P. Morill

Executive Director/CEO

DIRECTORY OF CITY OFFICIALS

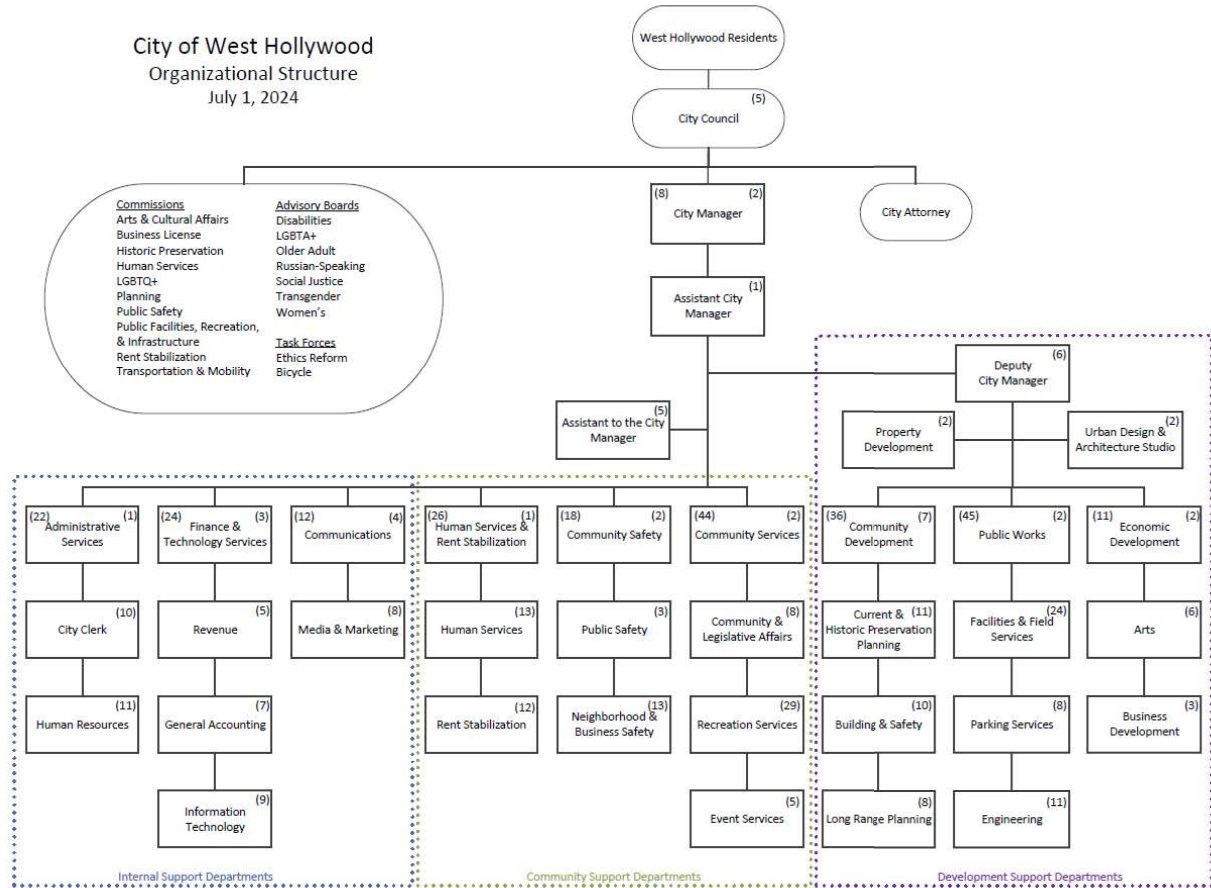
Mayor and City Council

Mayor	<i>Chelsea Lee Byers</i>
Vice Mayor	<i>John Heilman</i>
Council Member	<i>Danny Hang</i>
Council Member	<i>Lauren Meister</i>
Council Member	<i>John M. Erickson</i>

Administration

City Manager.....	<i>David A. Wilson</i>
Assistant City Manager	<i>Jackie Rocco</i>
Deputy City Manager.....	<i>Steve Campbell</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>Christine Safriet</i>
Director of Public Works.....	<i>Helen Collins</i>
Department of Finance and Technology Services	
Interim Director.....	<i>Onyx Jones</i>
Accounting Manager	<i>Karen Bareng</i>
Information Technology Manager.....	<i>Eugene Tsipis</i>
Revenue Manager.....	<i>Annie Ruiz</i>

Citywide Organizational Chart



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Financial Section



WeHo Reads: Poetry Spa
photo credit: Tony Coelho

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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, 2025, the budgetary comparison for the general fund for the year ended June 30, 2025, and the related notes to basic 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, 2025, 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

Implementation of New Accounting Standards

As discussed in Note 1, the City implemented the provisions of Government Accounting Standards Board Statement No. 101, *Compensated Absences*, and Statement No. 102, *Certain Risk Disclosures*, during the fiscal year ended June 30, 2025. 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 102 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 29, 2025, 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 29, 2025

Management's Discussion and Analysis



Summer Sounds with T.Nava, Ryck Jane, and DJ Merc80
photo credit: Jonathan Moore

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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, 2025. 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 Charge Fund, 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 the current year's available revenues and expenditures for operations, capital outlay and current payments to debt service. Other funds included are the Proprietary Funds and Fiduciary Funds (i.e., the City is the trustee of the funds), which use the accrual basis of accounting.

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

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

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

Section 6 – Economic Factors and Outlook for Future Years – This section provides Management's overview and outlook of future economic conditions that 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 Basic 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 activities 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 the 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 sheets and the governmental funds statements 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, the Debt Funded Capital Projects Fund and Capital Project Debt Service Fund are considered 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 106 of this report. The City adopts an annual appropriated budget for all funds. A budgetary comparison schedule 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 39-42.

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

In fact, the City's *enterprise funds* (a component of proprietary funds) are the same as the business-type activities we report in the *government-wide financial statements* but provide more detail and additional information, such as the statement of cash flows.

The City uses *internal service funds* (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities, such as the Information Systems Master Plan Fund. Since these activities predominantly benefit governmental rather than business-type functions, they are included within the governmental activities in the *government-wide financial statements*. The basic proprietary fund financial statements can be found on pages 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 Basic 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 Basic 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 95-102.

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 103-145.

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 146-172.

Financial Highlights

Government-Wide Financial Statements

- At June 30, 2025, the City as a whole had total assets of \$789.4 million, total deferred outflows of resources were \$17.9 million, total liabilities were \$321.5 million, and total deferred inflows of resources were \$46.1 million. The assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$ 439.6 million (*net position*). Of this amount, \$161.0 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, 2025, total net position increased by \$11.7 million from the prior year. Total revenues from all sources were \$199.6 million and total expenses for all functions/programs were \$188.0 million. A summary of changes in net position is reflected in Table 2 (page 13).

Of total revenues, program revenues were \$44.0 million and general revenues were \$155.6 million (Table 2). Program revenues are separated into three categories: Charges for Services, \$30.6 million; Operating Grants and Contributions, \$6.9 million; and Capital Grants and Contributions, \$6.5 million.

- General revenues are divided into seven categories citywide: Property Taxes, \$40.0 million; Sales Taxes, \$34.5 million; Transient Occupancy Taxes, \$31.9 million; Franchise Taxes, \$2.4 million; Business Licenses Taxes, \$5.1 million; Use of Money & Property \$34.9 million and Other General Revenue \$6.8 million.

Fund Based Financial Statements

- For fiscal year ended June 30, 2025, total Fund Balance of the General Fund was \$206.2 million, or 126.0 percent of total General Fund expenditures and transfers of \$16.7 million; this is reflected in Table 5 and Table 7 (pages 25 and 28). The non-spendable Fund Balance was \$.6 million. The committed Fund Balance was \$85.4 million while assigned Fund Balance was \$113.7 million and unassigned Fund Balance was \$6.5 million.
- For the General Fund, actual resources available for appropriation during the fiscal year totaled \$369.8 million. This consisted of the beginning fund balance of \$202.4 million and \$167.4 million in revenue inflows. Actual revenues exceeded the final adopted budget by \$4.8 million, reflecting the City's conservative budgeting approach implemented to mitigate potential economic challenges, including those related to climate change. The overall favorable variance in revenue was primarily driven by non-tax sources: Licenses and Permits, an excess of \$2.1 million above budget, miscellaneous revenue an excess of \$2.5 million above budget, and Charges for Services, an excess of \$0.7 million above budget.
- Despite the conservative budgeting, actual total tax revenue was \$1.2 million below the final budgeted amount of \$112.9 million. This variance was largely attributable to the economic disruption caused by the Eaton and Palisades wildfires in 2025, which impacted supply chains, reduced tourism, and sent ripple effects throughout the hospitality industry. The fires directly influenced the performance of two key tax categories: Sales Tax Revenue actual was \$2.9 million below the budgeted amount of \$37.4 million and Transient Occupancy Tax (TOT) Revenue actual was \$0.6 million below the budgeted amount of \$32.5 million.
- Conversely, several key tax categories demonstrated continued strength, helping to offset the losses: Property Tax Revenue remained strong, exceeding the budgeted amount of \$36.1 million by \$1.7 million and Business Tax Revenue surpassed the budgeted amount of \$4.5 million by \$0.6 million. This overage was primarily due to the resumption of business tax collections following the FY24 business tax waiver program.
- Actual charges (outflows) of \$163.6 million were \$32.2 million less than the General Fund budget of \$195.8 million. Most of the variances were due to capital projects and social services that were not completed during the fiscal year that will be carried forward to Fiscal Year 2025-26.

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, 2025.

These tables summarize 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, 2024, in its analysis (Table 1 below and Table 2 on page 13).

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Government-Wide Totals</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Current and other assets	\$ 371.7	\$ 385.5	\$ 6.0	\$ 5.2	\$ 377.7	\$ 390.7
Capital assets	403.4	382.4	8.3	\$ 8.7	\$ 411.7	\$ 391.1
Total assets	775.1	767.9	14.3	13.9	789.4	781.7
Deferred Outflows of Resources						
Deferred amounts	17.6	22.1	0.3	\$ 0.4	17.9	\$ 22.4
Liabilities						
Long-term debt outstanding	273.4	281.1	0.8	\$ 0.9	274.3	\$ 282.0
Other liabilities	47.0	43.3	0.3	\$ 0.2	47.3	\$ 43.5
Total liabilities	320.4	324.4	1.2	1.1	321.5	325.5
Deferred Inflows of Resources						
Deferred amounts	46.1	50.7	0.0	\$ 0.0	46.1	\$ 50.7
Net position						
Net Investment in						
capital assets	224.4	210.8	8.3	\$ 8.7	232.6	\$ 219.5
Restricted	45.9	96.3	-	\$ -	45.9	\$ 96.3
Unrestricted	155.9	107.7	5.1	\$ 4.4	161.0	\$ 112.1
Total net position	\$ 426.2	\$ 414.8	\$ 13.4	\$ 13.1	\$ 439.6	\$ 427.9

The City's Government-Wide total net position as of year ended June 30, 2025, was \$439.6 million, with assets of \$789.4 million, deferred outflows of resources of \$17.9 million, liabilities of \$321.5 million and deferred inflows of resources of \$46.1 million.

The net investment in capital assets of \$232.6 million represents 52.9 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, \$45.9 million (10.5 percent), represents resources that are subject to external restrictions in how they may be used.

The remaining balance of \$161.0 million (36.6 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, 2025, are reflected in the following page.

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

	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues:						
Charges for Services	\$ 26.9	\$ 26.8	\$ 3.8	\$ 3.5	\$ 30.6	\$ 30.3
Operating Contributions & Grants	6.9	13.6	-	-	6.9	13.6
Capital Contributions & Grants	6.5	4.5	-	-	6.5	4.5
Sub-total Program Revenues	40.2	44.9	3.8	3.5	44.0	48.4
General Revenues:						
Property taxes	40.0	38.3	-	-	40.0	38.3
Sales taxes	34.5	35.0	-	-	34.5	35.0
Transient occupancy taxes	31.9	34.1	-	-	31.9	34.1
Franchise taxes	2.4	2.4	-	-	2.4	2.4
Business licenses taxes	5.1	1.8	-	-	5.1	1.8
Use of money and property	34.6	30.8	0.2	0.2	34.9	31.0
Other	6.8	2.0	-	-	6.8	2.0
Sub-total General Revenues	155.4	144.4	0.2	0.2	155.6	144.6
Total Revenues	195.6	189.3	4.0	3.7	199.6	193.0
Expenses						
General Government	33.1	29.3	-	-	33.1	29.3
Community Safety	40.3	37.1	-	-	40.3	37.1
Public Services	104.3	90.6	-	-	104.3	90.6
Interest on Long-Term Debt	6.5	6.3	-	-	6.5	6.3
Sewer Charge	-	-	1.7	1.4	1.7	1.4
Solid Waste	-	-	1.6	1.4	1.6	1.4
Landscape District	-	-	0.1	0.1	0.1	0.1
Street Maintenance	-	-	0.3	0.3	0.3	0.3
Total Expenses	184.2	163.3	3.8	3.2	188.0	166.5
Increase in Net Position	11.4	26.0	0.3	0.5	11.7	26.5
Net Position at July 1	414.8	388.8	13.1	12.6	427.9	401.4
Net Position, June 30	\$ 426.2	\$ 414.8	\$ 13.4	\$ 13.1	\$ 439.6	\$ 427.9

The government's net position increased \$11.7 million (Table 2), with total revenues of \$199.6 million, total expenses of \$188.0 million. The change in Net Position is approximately 2.7 percent of the total Net Position of \$439.6 million. Program Revenues were \$44.0 million and General Revenues were \$155.6 million. General Revenues provide the net difference between program revenues and expenses.

Program Revenues totaled \$44.0 million for the fiscal year. The largest single revenue category in the Government-Wide Totals was Charges for Services, amounting to \$30.6 million. The remaining Program Revenues include Operating Contributions and Grants at \$6.9 million, which subsidize ongoing operations, and Capital Contributions and Grants at \$6.5 million, which are dedicated to funding capital asset acquisitions and improvements.

General Revenues represent funds that are available to finance general governmental functions. They include the three largest revenue categories in the Government-Wide Totals, totaling \$155.6 million for the fiscal year.

The largest single General Revenue source was Property Tax at \$40.0 million, which includes \$8.2 million in Motor Vehicle In-Lieu Funds. This was closely followed by Use of Money and Property at \$34.9 million. The third largest revenue source was the Sales Taxes at \$34.5 million, an amount that incorporates \$14.3 million in Sales Taxes related to Measure E. Transient Occupancy Taxes (TOT) totaled \$31.9 million. Other key revenue sources include Business Licenses Taxes at \$5.1 million and Franchise Taxes at \$2.4 million. Miscellaneous revenues classified as Other accounted for \$6.8 million.

The government's total revenues increased by \$6.6 million compared to the prior fiscal year. This overall growth was driven by \$11.0 million increase in General Revenues and negated by \$4.4 million decrease in Program Revenues.

Program Revenues went down by \$4.4 million. This happened because, although money collected from Charges for Services like parking fines and engineering fees went up by \$0.3 million, there was a \$4.7 million decline in grants and contributions, mainly because the City did not get the \$2.2 million from a housing fund that it received last year. Some increases from other funds and sources helped make up part of the loss, and the City did get \$2.0 million more in capital grants as a result of grant reimbursements from several sources: \$0.4 million for the Westside Cities Council of Government (LSF) Homeless Service, \$0.4 million for the Metro Open Street Grant, \$0.9 million from Affordable Housing In-Lieu Fees, and \$0.3 million from Development Agreement Public Benefit.

General Revenues saw an overall increase of \$11 million compared to the prior fiscal year. This growth was primarily driven by several sources. Use of Money and Property increased by \$3.9 million, mainly due to increased interest earnings as favorable interest rates continued to rise. Property Taxes also increased by \$1.7 million, a strong and steady gain resulting from rising property values, increased sales transactions, and the addition of new buildings to the City's property tax roll. Furthermore, Business Licenses Taxes increased significantly by \$3.3 million, reflecting the resumption of collections following the conclusion of the prior year's business license tax waiver program. Increases were also seen in Other Revenue \$4.8 million. Offsetting these gains were decreases in two key tax categories due to the economic disruption caused by the Eaton and Palisades wildfires in 2025; these events impacted supply chains and reduced tourism. Specifically, Transient Occupancy Taxes (TOT) decreased by \$2.2 million, and Sales Taxes revenue decreased by \$0.5 million.

Compared to the previous year, the government's total expenses increased by \$21.5 million. The top three expense categories continue to be Public Services at \$104.3 million, Community Safety at \$40.3 million, and General Government at \$33.1 million.

General Government increased by \$3.8 million due to the following: Insurance premiums and claims increased by \$2.3 million, due to a combination of higher insurance rates and more claims this year; Metro traded funds increased by \$0.6 million and increases in specialized legal services by \$1.3 million.

Community Safety increased by \$3.2 million, mainly due to \$1.5 million in the Sheriff's contract due to the annual cost of living. In addition, security ambassadors' costs increased by \$1.0 million related increased manpower and due to the annual cost of living.

Public Services increased by \$13.7 million due to \$5.1 million housing loan and increases in special events, contract services, building and safety and social services contracts for an aggregate increase of \$5.0 million. The cost of temporary staffing also increased by \$0.7 million due to vacancies.

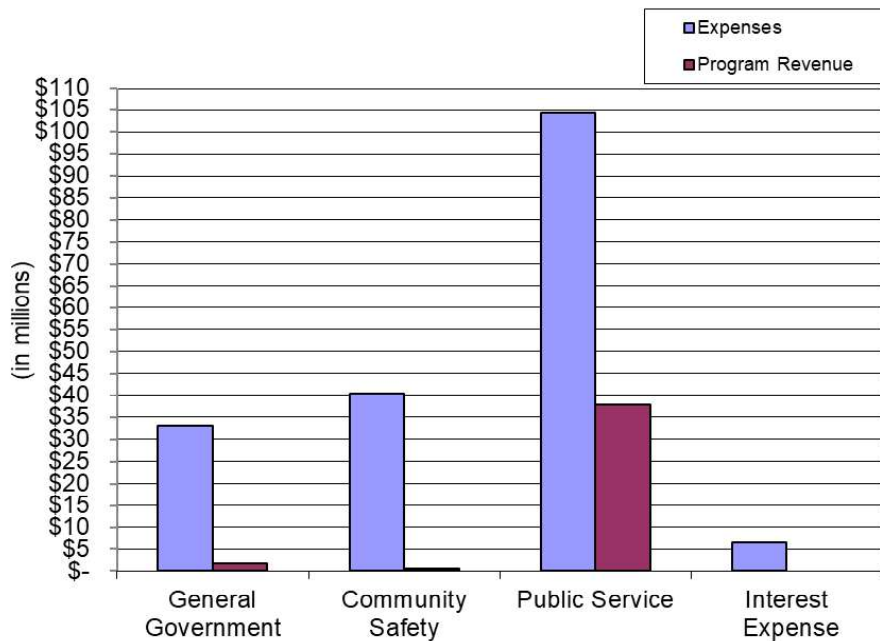
Governmental Activities

Governmental activities increased the City's *net position* by \$11.4 million (Table 2). The cost of all governmental activities this year was \$184.2 million, or 98 percent of the *primary government* expenses and increased by \$20.9 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 \$114.0 million. The other portion of the costs was paid by those who directly benefited from the programs (\$26.9 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$13.4 million), and by the use of money and property and other revenues (\$41.4 million). The City used part of the \$155.4 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)

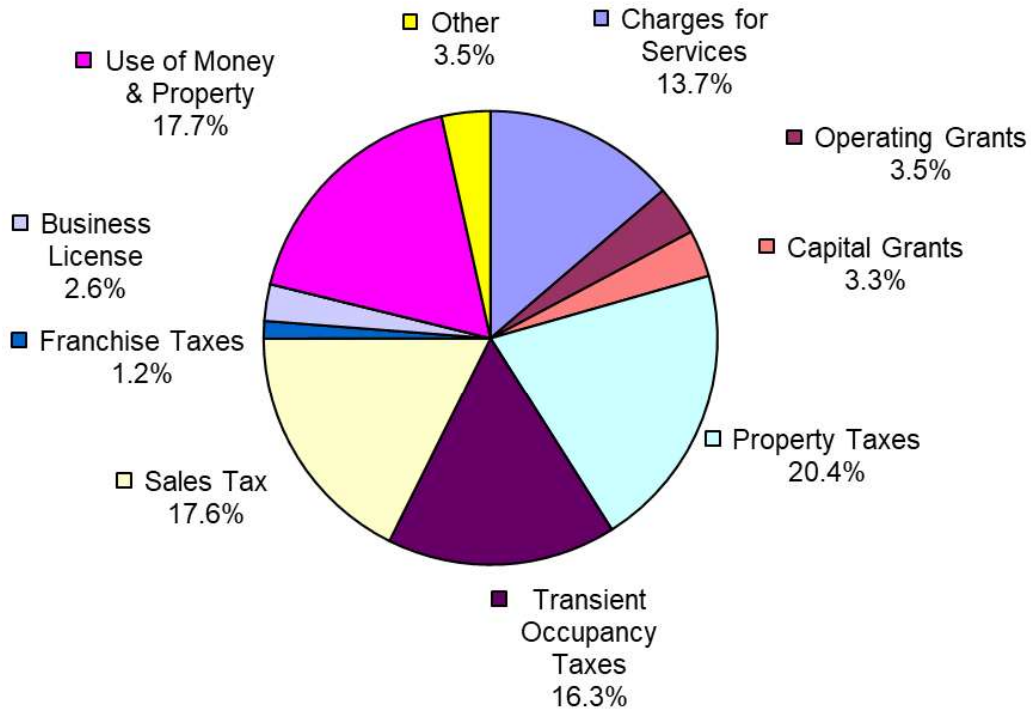


Graph 1 presents the costs of each of the City’s three functions – General Government, Community Safety, Public Service, plus interest on long-term debt, as well as the program’s revenues. The net cost (total cost less *program revenues*) is the amount that was paid from *general revenues*.

General Government had expenses of \$33.1 million with program revenues of \$1.8 million, while *Community Safety* had expenses of \$40.3 million with program revenues of \$0.6 million. Expenses in *Public Services* represented \$104.3 million or 56.6 percent of total expenses for Governmental Activities. Of that amount, \$37.9 million was funded by *program revenues* and the remaining \$66.4 million was funded by general revenues. Interests on long-term debt were \$6.5 million, which was funded by general revenues. From the prior year, *General Government* increased by \$3.8 million, *Community Safety* increased by \$3.2 million, and *Public Services* increased by \$13.7 million.

Graph 2 presents Revenues by Source for Governmental Activities. Similar to the government-wide activities, *Charges for Services* is the largest at \$26.9 million or 13.7 percent of total revenues. *Charges for Services* consist of Parking Fines at \$7.9 million; Building and Safety revenue at \$5.6 million; Homekey Program at \$3.1 million; Planning revenue at \$2.4 million; Rent Stabilization fees at \$2.6 million; Encroachment and other permits at \$0.8 million; and other miscellaneous charges for services of \$5.0 million.

Revenues by Source – Governmental Activities (Graph 2)



Other program revenues include Operating and Capital Grants and Contributions that together represented 6.8 percent of the total, or \$13.4 million. Operating and Capital Grants and Contributions include \$2.9 million of Proposition A, Proposition C, Measure M and Measure R transit tax; \$3.3 million of Metro Traded Funds; \$1.9 million of State/Local Housing Grant; \$2.0 million in State Gas Tax; \$1.0 million in Public Benefits payments; \$0.9 million in Affordable Housing In-Lieu Fees; \$0.5 million in interest payments and \$0.9 million from other Federal, State, and County Grants.

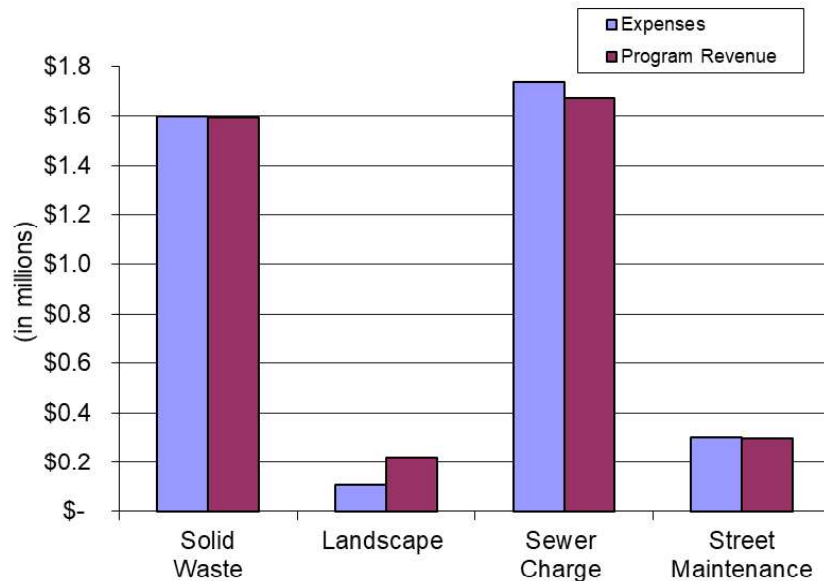
General Revenues for Governmental Activities are the same as those described above in the Government-Wide totals since there were no Business-Type Activities that had similar revenue categories (Table 2). The four major categories were Property Taxes at \$40.0 million; Sales Taxes at \$34.5 million; Transient Occupancy Taxes at \$31.9 million (all described above), and Use of Money and Property at \$34.6 million. These four sources represented 72.1 percent of the total revenues of Governmental Activities.

Business-Type Activities

Net position at June 30, 2025, was \$13.4 million, with assets equaling \$14.3 million, deferred outflows of resources at \$0.3 million, and liabilities of \$1.2 million. Net investment in capital assets represented the largest portion of net position at 61.8 percent or \$8.3 million (Table 1). The change in Business-type activities’ net position was nominal at \$0.3 million in 2025 (Table 2). Like government-wide activities, Charges for Services is the largest source of revenue at \$3.8 million or 94.4 percent for Business-Type activities, while the expenses were \$3.8 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 Sewer Charge Fund and is discussed below.

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



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

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

Governmental (City) Funds

The focus of the City’s *governmental funds* provides data on near-term inflows, outflows and balances of *spendable* resources. It is useful in assessing the City’s financing requirements; as such, *unassigned fund balance* may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

The City has three major governmental funds: General Fund, Debt Funded Capital Projects Fund and Capital Projects Debt Service Fund. All funds are discussed in depth later in the MD&A. Each major fund is also discussed further in the *Notes to Basic 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 and 41) reported combined ending fund balances of \$282.9 million. Fund Balance designations are: Non-Spendable Fund Balance at \$0.6 million; Restricted Fund Balance at \$78.5 million; Committed Fund Balance at \$85.4 million; Assigned Fund Balance at \$113.7 million; and Unassigned Fund Balance at \$4.7 million

Governmental (City) Revenues

Table 3 presents a summary of all governmental fund revenues for the fiscal year ended June 30, 2025, 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 2024-25 and 2023-24**

	Amount	% of Total	Amount	% of Total	Variance	% Increase/
	FY 24-25	Revenues	FY 23-24	Revenues	Over/(Under)	(Decrease)
					over last year	over last year
Property taxes	\$ 39,994,368	20.5%	\$ 38,251,281	20.2%	\$ 1,743,087	4.6%
Sales Taxes	34,477,815	17.7%	35,007,293	18.5%	(529,478)	-1.5%
Transient Occupancy Taxes	31,942,398	16.4%	34,144,316	18.0%	(2,201,918)	-6.4%
Other Taxes	10,483,238	5.4%	6,923,945	3.7%	3,559,293	51.4%
Licenses & Permits	10,264,758	5.3%	12,119,652	6.4%	(1,854,894)	-15.3%
Intergovernmental	10,983,971	5.6%	10,053,014	5.3%	930,957	9.3%
Charges for Services	4,176,089	2.1%	3,559,194	1.9%	616,895	17.3%
Use of Money & Property	34,597,870	17.7%	33,265,359	17.6%	1,332,511	4.0%
Fines and Forfeitures	8,593,119	4.4%	8,336,355	4.4%	256,764	3.1%
Developers Fees	1,511,918	0.8%	535,956	0.3%	975,962	182.1%
Miscellaneous	7,923,947	4.1%	7,178,649	3.8%	745,298	10.4%
TOTAL	\$ 194,949,491	100.0%	\$ 189,375,014	100.0%	\$ 5,574,477	2.9%

Revenues of governmental funds for fiscal year 2024-25 were \$194.9 million, with an increase of \$5.6 million or 2.9% from the prior fiscal year.

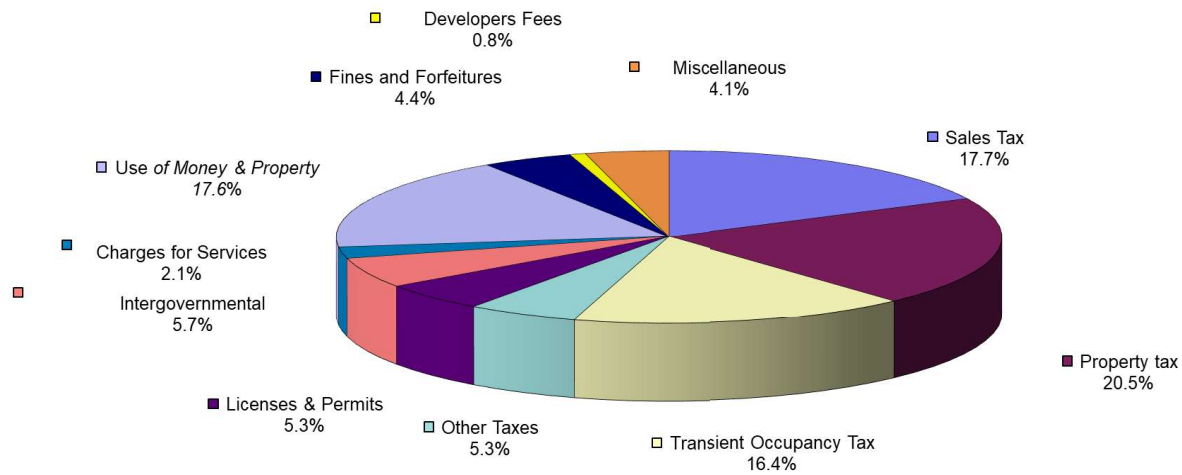
Described below are major fluctuations in governmental funds:

- Property Taxes Revenue received across all City funds for the current year totaled \$40.0 million, representing an increase of \$1.7 million, or 4.6%, over the prior year. This category continues to show strong and steady growth due to a combination of factors: rising property values, recent sales transactions, and the addition of new buildings to the City's property tax roll. The City maintains a very robust real estate market, and its year-over-year assessed value increases are typically among the highest in the County. Although property tax receipts are expected to remain relatively stable, the City will actively monitor any potential future impacts arising from rising interest rates and inflation. These factors may affect the volume of home sales, which could eventually influence the growth rate of the tax roll.

- Sales Taxes Revenue for the current year totaled \$34.5 million, representing a decrease of \$0.5 million, or 1.5%, from the prior year. This decline is attributed to a combination of factors, including widespread price increases that have impacted consumer spending habits and the economic disruption caused by the 2025 Eaton and Palisades wildfires, which affected supply chains and consumer behavior. Despite these external pressures, the City continues to support its retail sector by offering diverse experiences and benefits for conscious consumers seeking value and unique experiences.
- Transient Occupancy Taxes (TOT) Revenue for the current year totaled \$31.9 million, representing a decrease of \$2.2 million, or 6.4%, from the prior year. This decline was largely attributable to economic disruption caused by the 2025 Eaton and Palisades wildfires, which reduced tourism and impacted the hospitality industry. Beyond the external events, in FY25, locals and tourists adjusted their spending patterns. Although visitors continued to enjoy the City's dining and leisure entertainment offerings, they scaled back on frequencies, leading hotels to experience a decrease in revenue despite the City's diverse hotel scene. West Hollywood boasts twenty-one lodging options along the Sunset Strip, ranging from stylish luxury hotels to unique boutique hotels featuring popular rooftop pools and restaurants. The opening of a new upscale retailer and several new casual dining restaurants in the City drove selective spending toward these new local experiences.
- Other Taxes for the current year totaled \$10.5 million, an increase of \$3.6 million or 51.4%. Business Licenses Taxes increased significantly by \$3.5 million, reflecting the resumption of collections following the conclusion of the prior year's business license tax waiver program. The Other Taxes category encompasses the Business Licenses Taxes, Franchise Fee Taxes, Public, Educational, and Government (PEG) Revenue.
- Licenses and Permits revenue decreased by 15.3% or \$1.9 million from the previous year's \$12.1 million to \$10.3 million in the current fiscal year (FY25). This decrease is attributed to less demand from developers and the completion phase of several multi-year projects, resulting in a corresponding rise in the issuance of planning permits and building and safety permits by the City.
- Intergovernmental revenue for the current year was \$11.0 million, a \$0.9 million or 9.3% increase from the prior year. This increase was primarily driven by grants received for the Homekey Program and California Department of Housing and Community Development (HCD) Local Housing Trust Funds (LHTF) projects, totaling \$3.6 million.
- Charges for Services for the current year totaled \$4.2 million, a modest increase of \$0.6 million or 17.3% from the prior year. This increase is primarily due to Rent Stabilization Fees related to annual registration fees for rent-controlled housing units, which were raised from \$120 to \$144 per unit, as per the Citywide Fee Study, and an increased utilization of Aquatic Facilities also contributed to the revenue increase. Lastly, a rise in city assessments for sewer, solid waste, and landscape services also boosted revenue.

- Use of Money and Property for the current year totaled \$34.6 million, an increase of \$1.3 million or 4.0%. This increase is primarily due to favorable investment performance, resulting in net unrealized gains of \$1.3 million as the market continued to improve from the previous year's growth.
- Fines and Forfeitures for the current year totaled \$8.6 million, a minimal increase of \$0.3 million or 3.1% from the previous year. This slight increase can be attributed to the implementation of new payment enhancements, such as QR codes on parking citations. These enhancements facilitate immediate payment, thus reducing the ticket cycle and minimizing late fees.
- Developers' Fees increased by \$1.0 million or 182.1% due to an increase in affordable housing in-lieu fees as projects resumed in FY25.
- Miscellaneous revenue increased by \$0.7 million or 10.4% 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 2024-25 (Graph 4)



Governmental (City) Expenditures

Table 4 presents a summary of all governmental fund expenditures for the fiscal year ended June 30, 2025, 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 2024-25 and 2023-24**

	Amount FY 24-25	% of Total Expenditures	Amount FY 23-24	% of Total Expenditures	Variance Over/(Under) over last year	% Increase/ (Decrease) over last year
General Government	\$ 30,326,755	14.5%	\$ 25,966,299	13.3%	\$ 4,360,456	16.8%
Community Safety	37,097,744	17.8%	34,020,216	17.5%	3,077,528	9.0%
Public Services	97,974,482	46.9%	83,453,270	42.9%	14,521,212	17.4%
Total Operating Expenditures	165,398,981	79.2%	143,439,785	73.7%	21,959,196	15.3%
Capital Outlay	30,312,841	14.5%	23,586,174	12.1%	6,726,667	28.5%
Debt Service	12,996,424	6.2%	27,591,914	14.2%	(14,595,490)	-52.9%
TOTAL	\$ 208,708,246	100.0%	\$ 194,617,873	100.0%	\$ 14,090,373	7.2%

Total governmental expenditures for fiscal year 2024-25 were \$208.7 million, an increase of \$14.1 million or 7.2% from the prior fiscal year. General Government increased by \$4.4 million or 16.8%, Community Safety increased by \$3.1 million or 9.0%, Public Services increased by \$14.5 million or 17.4%, Debt Service decreased by \$14.6 million or 52.9% and Capital outlay increased by \$6.7 million or 28.5%.

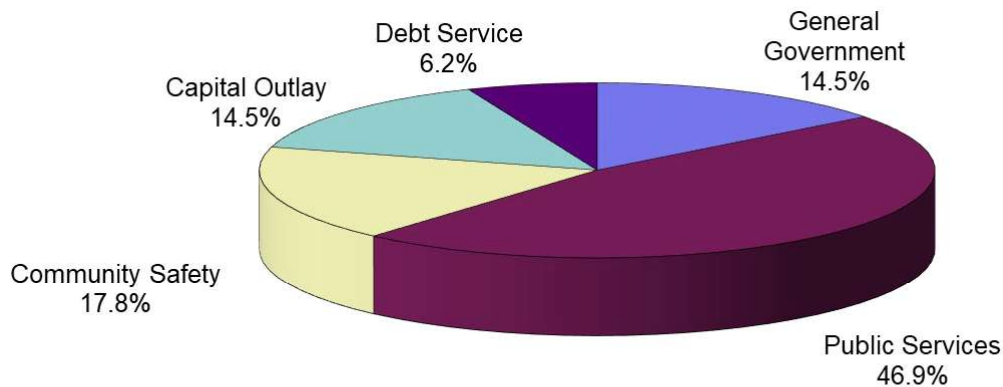
Described below are major fluctuations in governmental expenditures:

- General Government expenditures increased by \$4.4 million or 16.8% from the prior year. The increase is mainly due to increases in specialized legal services of \$1.3 million. Insurance premiums and claims also increased by \$0.5 million due to higher insurance rates and an increase in claims this year. Metro traded funds also increased by \$0.6 million
- Community Safety expenditures increased by \$3.1 million or 9.0% mainly due to the 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 \$14.5 million or 17.4% mainly due to \$5.1 million housing loan and increases in special events programming, contract services and social services. The newly opened West Hollywood Aquatics and Recreation Center has driven higher service costs as additional manpower was hired to operate the center.

- Capital Outlay expenditures were \$30.3 million, an increase of \$6.7 million, mainly due to the \$3.7 million capital projects related to the Holloway Motel and \$5.1 million capital projects as a continuation of the Utility Undergrounding project. The overall increase was partially offset by the completion of several capital projects in the prior year, which reduced comparative spending in the current period.
- Debt service expenditures were \$13.0 million, a decrease of \$14.6 million. Last year, the City paid the \$15.0 million outstanding principal balance representing full redemption of the 2013 lease revenue bonds.

Graph 5 presents a summary of governmental fund expenditures for the fiscal year ended June 30, 2025 by function.

Governmental Fund Expenditures – Fiscal Year 2024-25 (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 136.

Revenues for Enterprise Funds include assessments and other charges for services. Total operating revenues for all Enterprise Funds are \$4.0 million. Operating expenses for the fiscal year were \$3.7 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 \$1.1 million, with operating expenses of \$1.4 million.

Section 4 – Major Funds Analysis

Debt Funded Capital Projects Fund Analysis

The Debt Funded Capital Projects 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 General Fund, bond proceeds and donations obtained by the West Hollywood Library Foundation Fund.

Fund Balance

The fund balance decreased by \$2.4 million during the year and has an ending fund balance of \$5.4 million. The decrease is mainly due to an excess of expenditures over revenues of \$2.4 million due to capital projects not reimbursable from the bond proceeds.

Expenditures

The Debt Funded Capital Projects Fund incurred \$22.9 million of expenditures due to capital projects during the year, including West Hollywood Park Aids Monument for \$6.4 million, Utility Undergrounding for \$5.1 million, Holloway Motel for \$4.6 million, Design District Streetscape Projects for \$2.5 million and other capital projects for \$4.3 million. This resulted in a \$2.4 million decrease in ending fund balance, due to nonbond projects that are not reimbursable from the bond proceeds.

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 \$12.6 million during the year and has an ending fund balance of \$41.2 million. The decrease is mainly due to payments of principal and interests totaling \$12.5 million and reimbursements to the Debt Funded Capital Projects Fund of \$15.0 million for capital outlays incurred for various projects.

Expenditures

The Capital Project Debt Service fund incurred \$27.5 million of expenditures and financing uses in the current year, mainly due to \$15.0 million reimbursements to the Debt Funded Capital Projects Fund for capital projects and \$12.5 million principal and interest payments related to the City’s 2016, 2020 Series A&B and 2024 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 \$206.2 million, which was an increase of \$3.8 million (Table 5). Fund balance designations are as follows: Non-Spendable Fund Balance was \$0.6 million; Committed Fund Balance was \$85.4 million; Assigned Fund Balance was \$113.7 million; and lastly, Unassigned Fund Balance was \$6.5 million. The Committed Fund balance at \$85.4 million included the emergency reserves of \$61.9 million, representing 35% of the approved budget to ensure that there are enough funds for future emergencies.

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 24-25	FY 23-24	FY 22-23	FY 21-22	FY 20-21
Fund Balance					
Nonspendable	\$ 589,978	\$ 571,351	\$ 2,683,879	\$ 2,077,370	\$ 2,147,584
Committed	85,426,913	83,498,267	27,220,225	24,645,511	24,148,689
Assigned	113,664,056	112,398,797	150,383,205	123,911,968	93,630,186
Unassigned	6,477,425	5,900,691	5,521,845	4,024,450	3,022,018
Total Fund Balance	\$ 206,158,372	\$ 202,369,106	\$ 185,809,154	\$ 154,659,299	\$ 122,948,477
Beginning Balance	\$ 202,369,106	\$ 185,809,154	\$ 154,659,299	\$ 122,948,477	\$ 131,933,243
Prior period adjustment	-	(1,105,426)	-	-	-
Operating Surplus /(Deficit)	3,789,266	17,665,378	31,149,855	31,710,822	(8,984,766)
Ending Balance	\$ 206,158,372	\$ 202,369,106	\$ 185,809,154	\$ 154,659,299	\$ 122,948,477

Revenues

For Fiscal Year (FY) 2024–25, General Fund Revenues and Other Financing Sources totaled \$167.4 million. This represents an increase of \$2.6 million, or 1.6%, compared to the previous year. The specific categories of General Fund revenues are detailed in Table 6 of this report. It is important to note that these General Fund categories differ from those presented in the Government-wide analysis (Tables 2 and 3) because the Government-wide totals encompass all City government funds, while the General Fund is focused solely on the primary operating fund.

**General Fund Revenues and Other Financing Sources (Table 6)
Fiscal Years 2024-25 and 2023-24**

	2024-2025	2023-2024	Variance Over/(Under) over last year	% of increase (decrease) over last year	% of total
Property Taxes	\$ 39,994,368	\$ 36,110,458	\$ 3,883,910	10.8%	23.9%
Sales Taxes	34,477,815	35,007,293	(529,478)	-1.5%	20.6%
Transient Occupancy Taxes	31,942,398	34,136,456	(2,194,058)	-6.4%	19.1%
Other Taxes	5,354,871	3,927,225	1,427,646	36.4%	3.2%
Licenses & Permits	10,264,758	12,119,652	(1,854,894)	-15.3%	6.1%
Intergovernmental	338,517	825,444	(486,927)	-59.0%	0.2%
Charges for Services	3,773,950	3,263,550	510,400	15.6%	2.3%
Use of Money & Property	26,051,215	25,026,003	1,025,212	4.1%	15.6%
Fines and Forfeitures	7,771,536	7,659,846	111,690	1.5%	4.6%
Miscellaneous	7,033,348	6,303,982	729,366	11.6%	4.2%
Developer Participation	370,588	367,660	2,928	100.0%	0.2%
Totals	<u>\$ 167,373,364</u>	<u>\$ 164,747,569</u>	<u>\$ 2,625,795</u>	<u>1.6%</u>	<u>100.0%</u>

The General Fund's three largest revenue categories were Property Taxes at \$40.0 million, Sales Taxes at \$34.5 million, and Transient Occupancy Taxes (TOT) at \$31.9 million. Property Taxes increased by \$3.9 million, while Sales Taxes and TOT decreased by \$0.5 million and \$2.2 million, respectively.

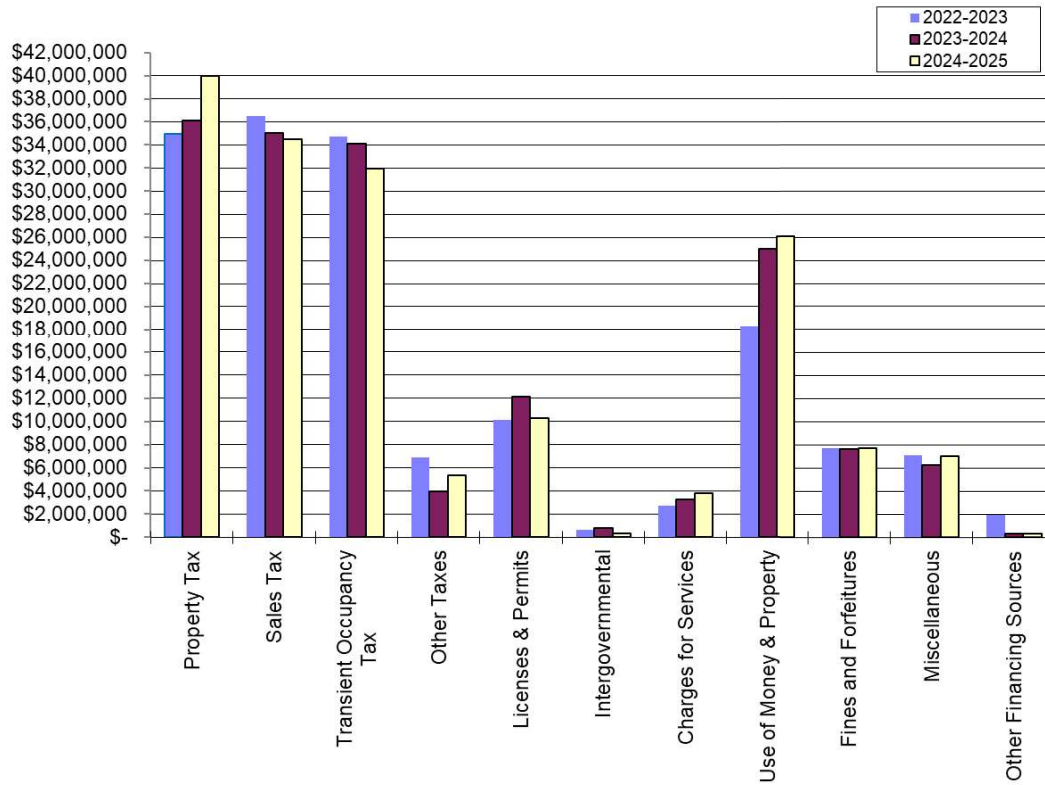
Other Taxes saw an increase of \$1.4 million, or 36.4 percent, which reflects the resumption of collections following the conclusion of the prior year's business license tax waiver program.

Revenue from Licenses and Permits totaled \$10.3 million, decreased by \$1.9 million due to fewer projects being completed this year, evidenced by a drop in Building Permits from \$3.2 million to \$1.8 million, and a decrease in Plan Check Fees from \$3.7 million to \$3.2 million.

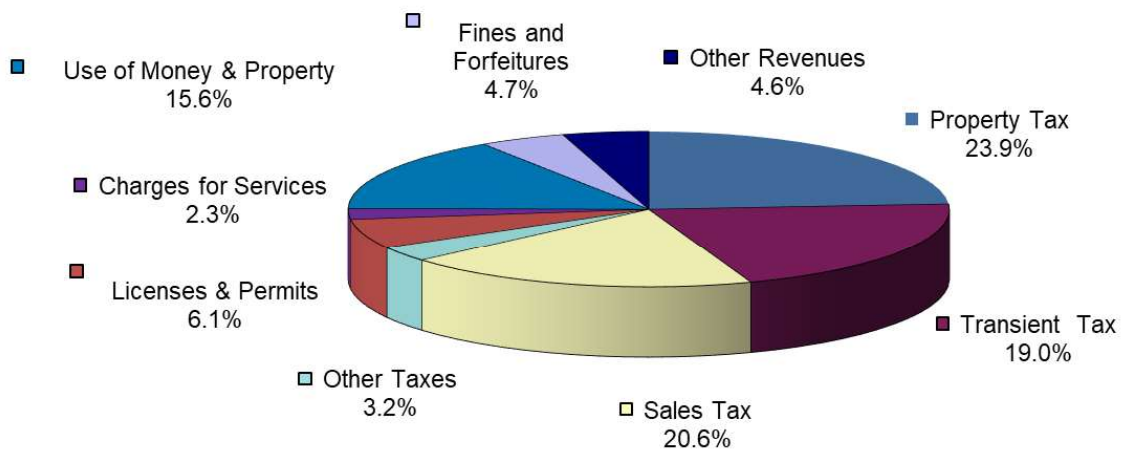
Finally, the Use of Money and Property Revenue reached \$26.1 million, an increase of \$1.0 million, or 4.1%, mainly driven by a \$1.0 million increase in interest earnings as interest rates rose, coupled with favorable investment performance leading to unrealized gains.

Note: Since the General Fund comprises the largest portion of the City as a whole and the governmental funds, a more detailed analysis of key revenues was previously included in Section 3.

**Comparison of General Fund Revenues (Graph 6)
Fiscal Years 2024-25, 2023-24 and 2022-23**



General Fund Revenues - Fiscal Year 2024-25 (Graph 7)



Expenditures

For fiscal year 2024-25, total General Fund expenditures were \$163.6 million, an increase of 11.2% or \$16.5 million from the prior year. The following are key points and graphs of General Fund expenditures. For detailed information, please refer to pages 41 and 43.

**General Fund Expenditures (Table 7)
Fiscal Years 2024-25 and 2023-24**

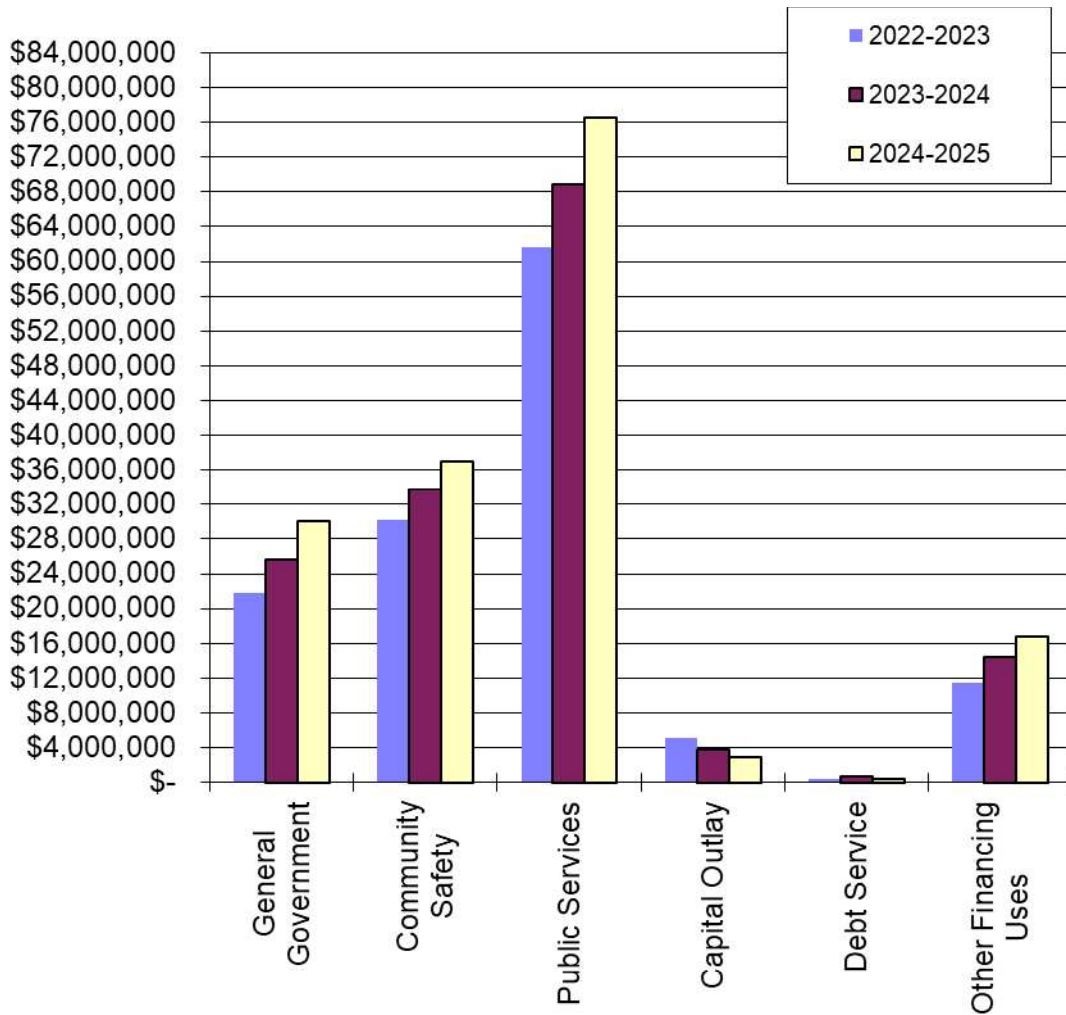
	<u>2024-2025</u>	<u>2023-2024</u>	<u>Variance Over/(Under) last year</u>	<u>% of increase (decrease) over last year</u>	<u>% of total</u>
General Government	\$ 30,038,525	\$ 25,643,205	\$ 4,395,320	17.1%	18.4%
Community Safety	36,930,241	33,804,072	3,126,169	9.2%	22.6%
Public Services	76,521,564	68,811,682	7,709,882	11.2%	46.8%
Capital Outlay	2,898,531	3,788,588	(890,057)	-23.5%	1.8%
Debt Service	458,166	643,643	(185,477)	-28.8%	0.3%
Other Financing Uses	16,737,071	14,391,001	2,346,070	16.3%	10.2%
Total Expenditures	<u>\$ 163,584,098</u>	<u>\$ 147,082,191</u>	<u>\$ 16,501,907</u>	<u>11.2%</u>	<u>100.0%</u>

Described below are major fluctuations in General Fund expenditures:

- General Government expenditure was \$30.0 million and resulted in an increase of \$4.4 million or 17.1% from the prior year. The increase is mainly due to increases in specialized legal services of \$1.3 million. Insurance premiums and claims also increased by \$0.5 million due to higher insurance rates and an increase in claims this year. Metro traded funds also increased by \$0.6 million.
- Community Safety expenditures were \$36.9 million and resulted in an 9.2% increase mainly due to the 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 at \$76.5 million is the largest function in the General Fund with the following six major program areas: 1) Social Services at \$11.9 million, 2) Facilities and Field Services at 11.1 million, 3) Recreation Services at \$8.6 million, 4) Parking Services at \$6.2 million, 5.) Event Services at \$6.2 million and 6.) Library Building Operations at \$5.2 million. The increase of \$7.8 million is primarily attributed to increases in recreation by \$1.8 million, social services by \$1.2 million, building and safety by \$0.9 million and long-range planning at \$0.9 million. Contract services costs increased and were driven by increases in operating and general maintenance contracts for city facilities and parking operations. In addition, the 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 \$16.7 million, an increase of \$2.3 million or a 16.3% increase, mainly due to increases in the General Fund's transfers out to Debt Service Fund Capital Projects due to increases in debt service payments for the bonds during the year and reimbursements made to Debt Funded Capital Projects Special Revenue Funds for capital projects during the year.

**Comparison of General Fund Expenditures (Graph 8)
Fiscal Years 2024-25, 2023-24 and 2022-23**



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 \$1.9 million from the original budget of \$160.6 million and the final amended budget of \$162.5 million. The increase was mainly due to the \$1.9 million additional budgeted revenues relating to Fines and Forfeitures. The City conservatively budgets for revenues and adjusts for any increases or decreases in projected revenues during its mid-year review.

Actual revenues exceeded the budgeted amount by \$4.8 million. This surplus was attributable to higher-than-budgeted performance across three key areas. The City's Licenses and Permits were \$2.1 million above budget, a growth driven by new projects that resulted in an uptick in Building Permits, Planning Check Fees, and Encroachment Fees. Miscellaneous Revenue exceeded the budget by \$2.5 million, primarily due to increases in Interest Earnings, Advertising Revenue, Fines, and Public Benefit Payments. Finally, Charges for Services were \$0.7 million above budget, with growth concentrated in the Rent Stabilization, Parks & Recreation, and Transportation categories.

Appropriations (Outflows)

The difference between the General Fund's original expenditure budget and the final expenditure budget was an increase of \$35.3 million in appropriations. Major increases from adopted budget to the final budget were due to increases in capital outlay of \$15.0 million carried from prior years, which includes an increase of \$2.4 million in Coast Playhouse property improvements, \$1.0 million for Plummer Park-Dog Park projects, \$1.2 million for Communication Technology Improvements, \$0.7 million for Fountain Avenue improvements and \$0.5 for Concrete improvements. In addition, the General Government, Community Safety and Public Services increased due to increases in Social Services contracts by \$3.9 million, increases in the Revenue division by \$2.3 million, City Attorney by \$1.5 million, Recreation by \$1.3 million and Business Development by \$1.1 million.

At the end of the fiscal year, actual General Fund expenditures were \$32.2 million less than the final budgeted amounts, resulting in expenditures coming in under budget. This variance is primarily due to the following items, which will be carried forward into Fiscal Year 2025-26: \$14.7 million in Capital Projects that were not completed during the fiscal year; \$5.6 million in unspent Social Services funds due to timing difference in payments; and \$12.1 million in contracted services funds that remain unencumbered for projects 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, 2025, is \$411.7 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. Additional information about the City's capital assets can be found in the Notes to Basic Financial Statements on pages 66-67.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Government-Wide Totals</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Land	\$ 73,385	\$ 73,385	\$ -	\$ -	\$ 73,385	\$ 73,385
Buildings and systems	189,335	193,949	-	-	189,335	193,949
Improvements other than buildings	17,349	17,475	-	-	17,349	17,475
Machinery and Equipment	3,393	2,990	-	-	3,393	2,990
Infrastructure	78,852	77,002	8,252	8,698	87,103	85,700
Right-of-use lease asset	924	960	-	-	924	960
SBITA asset	807	1,436	-	-	807	1,436
Construction in progress	39,384	15,158	-	-	39,384	15,158
Total Capital Assets	\$ 403,429	\$ 382,355	\$ 8,252	\$ 8,698	\$ 411,681	\$ 391,053

Long-Term Debt

At year end, the City had \$274.3 million in outstanding long-term debt as reflected in Table 9 below. These consisted of Lease Revenue 2016 Bonds, Lease Revenue 2020 Series A & B bonds, Lease Revenue 2024 Series A bonds, Net Pension Liability, Net OPEB Liability, Financed-purchase – SCE, Claims Payable, Compensated Absences, Right-of-use lease Liability and SBITA Liability.

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

	2025	2024	Variance Over/(Under) over last year	% of Increase (Decrease) over last year
Lease Revenue - 2016	\$ 74,152	\$ 78,707	\$ (4,555)	-5.8%
Lease Revenue - 2020 Series A&B	87,213	87,848	(635)	-0.7%
Lease Revenue - 2024 Series A	44,767	45,677	(910)	-2.0%
Net Pension Liability	48,284	50,559	(2,275)	-4.5%
Net OPEB Liability	2,025	2,911	(886)	-30.4%
Financed-purchase - SCE	4	26	(22)	-84.6%
Claims payable	7,246	5,456	1,790	32.8%
Compensated Absences	9,025	7,748	1,277	16.5%
Right-of-use lease liability	948	978	(30)	-3.1%
SBITA liability	590	1,205	(615)	-51.0%
Total Long-Term Debt	\$ 274,254	\$ 281,115	\$ (6,861)	-2.4%

In May 2024, the West Hollywood Financing Authority issued the Lease Revenue Bonds Series 2024 for total proceeds of \$45.7 million, for the purpose of financing the City's various capital projects and to fully pay the Lease Revenue Bonds Series 2013 outstanding balance of \$15.7 million. The decrease of \$6.1 million in the balances of Lease Revenues Bonds Series 2016, 2020A&B and 2024 bonds was mainly due to principal payments made during the year. The City's overall interest rates for 2016, 2020, and 2024 bonds were all at less than 3% and the City received premiums on the 2016, 2020A and 2024 bonds.

On June 30, 2015, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, which requires that the net pension liability be recorded. For the City, the Net Pension Liability is \$48.3 million as of June 30, 2025.

During the fiscal year ended June 30, 2018, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, which requires that the net OPEB liability be recorded. For the City, the Net OPEB Liability as of June 30, 2025, is \$2.0 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 \$0.9 million.

During the fiscal year ended June 30, 2023, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 96-*Subscription-Based Information Technology Arrangements (SBITAs)*, which requires that both SBITA assets and SBITA liabilities be recorded. These SBITAs qualify as capital assets for accounting purposes and have been recorded at present values of future subscription payments as of 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 a net book value of \$0.6 million as of June 30, 2025 and subscription payable of \$0.6 million.

During the fiscal year ended June 30, 2025, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 101-*Compensated Absences*, which resulted in a \$1.3 million increase in compensated absences in the fiscal year ended June 30, 2025.

Additional information about the City's long-term debt can be found in the *Notes to Basic Financial Statements* on page 81; Note Number 9.

Section 6 – Economic Factors and Outlook for Future Years

Economic Outlook

Over the past decade, the City of West Hollywood has experienced substantial revenue growth, mirroring the positive trajectory of the local and regional economies. The City's proactive approach to fiscal management, characterized by conservative resource allocation, has been instrumental in building robust reserves and maintaining a healthy General Fund Reserve and essential services. This prudent financial stewardship enabled the City to successfully weather economic challenges, including the COVID-19 pandemic and the 2025 Eaton and Palisades wildfires, which caused supply chain disruption, reduced tourism, and sent ripple effects through the hospitality industry.

Current Indicators and Economic Risks

The City is diligently monitoring local, state, and national indicators to plan for and respond to evolving economic conditions. While local and domestic tourism has nearly rebounded to pre-pandemic levels, international travel has yet to fully recover, potentially due to persistent inflation and a slower return to group and business travel. A key area of concern is the economic uncertainty stemming from Federal Reserve policies and actions by the current presidential administration, such as policies related to tariffs and deportations, which may impact tourism and consumer spending. The City remains mindful of these risks as it balances revenue growth with expenditure restraint.

Financial Commitments and Projections

The adopted budget for the fiscal year ending June 30, 2026, reflects the City's ongoing commitment to fiscal responsibility, economic growth, public safety, essential services, and strategic capital investments. The City is optimistic about the future, anticipating more moderate economic growth in the near term.

For FY26, the City projects sustained growth in tax revenues, historically comprising 70% of the General Fund, with Property Tax now serving as the largest source, followed by Sales Tax (bolstered by Measure E) and Transient Occupancy Tax (TOT). Additionally, revenue from digital advertising on city-owned property is anticipated to increase by over \$2.3 million.

While the tourism industry continues to be a significant revenue driver, its growth rate has moderated compared to the immediate post-pandemic period. The City will continue to monitor its revenues closely throughout the year to ensure a structurally balanced budget.

Economic Outlook and FY2026 Revenue Projections

The City of West Hollywood's economic health remains strong, supported by robust real estate market trends and strategic financial management. The adopted budget for FY2026 reflects anticipation of moderate economic growth, balancing key revenue projections with awareness of external risks. The City's major tax revenue sources are projected as follows for FY2026:

Property Tax Revenue: Property tax revenue continues to show strong and steady gains, driven by rising property values, sales transactions, and the addition of new buildings to the City's property tax roll. The City of West Hollywood experienced a net taxable value increase of 3.66% for the FY2025/26 tax roll, slightly less than the countywide increase of 4.85%. The total assessed value increase between FY2024/25 and FY2025/26 was \$658,997,524.

According to the HdL Companies report, the median sale price of West Hollywood detached single-family homes from January through September 2025 was \$2,100,000, marking an increase of \$240,000 (12.9%) from the same period in 2024. Property tax revenues are projected to grow by 4% to \$37.8 million in FY26. Increased developments positively impact property tax revenues, as well as new sales tax, transient occupancy tax, and other revenues.

It is important to note that while property tax was not immediately impacted during the pandemic or the fires, the City is mindful that any impacts pertaining to potential appeals of property values may be delayed. This revenue source will be cautiously monitored along with real estate trends, including sales volume, price fluctuations, and permitting activity.

Sales Tax: Sales Tax revenues remain the City's largest source of tax revenue at a projected \$37 million. While the demand for goods and services continues to be strong, higher prices sustained from inflationary pressure and economic uncertainty are resulting in a projected 1.1% decrease in revenues compared to FY25. The City continues to work closely with its sales tax consultant to leverage regional data to anticipate changes in real-time.

Transient Occupancy Tax (TOT): TOT revenues are projected to increase at a more moderate pace, reaching \$33.5 million. This growth is driven by steady occupancy rates, record-high average daily room rates (ADR), and the anticipated reopening of the former Standard Hotel. The iconic Sunset Strip continues to draw local and international tourism, capitalizing on the City's 21 stylish luxury and unique boutique hotels.

Strategic Revenue Initiatives

The City's strategic investment in billboard projects is paying off. Following the successful Sunset Boulevard project as a model, the City is poised to approve additional projects in the coming year. Billboard revenues are projected to grow by 19.5% to \$12.6 million in FY26. These initiatives not only boost the City's revenues but also enhance the urban landscape and deliver significant public benefits.

External Considerations and Future Outlook

While this report focuses on the City's current economic state as of June 30, 2025, future economic factors warrant careful consideration. These include potential stock market volatility, ongoing global conflicts, fluctuations in oil prices, potential labor strikes, and the Federal Reserve's approach to inflation. Despite these uncertainties, consumer spending remains relatively stable.

The City of West Hollywood remains committed to securing a sustainable financial future by ensuring community safety and well-being. As a premier destination, the City anticipates a continued resurgence in tourism. With the upcoming 2026 FIFA World Cup, Super Bowl 2027, and the 2028 Olympics, the City is well-positioned to capitalize on these global events and further boost its economy. Over the long term, the City will prioritize public safety, essential services, social programs, recreational offerings, and infrastructure maintenance, while maintaining a vigilant watch on its financial reserves.

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



WeHo Pride Parade
photo credit: Jon Viscott

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City of West Hollywood
Statement of Net Position
June 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 263,870,359	\$ 5,833,685	\$ 269,704,044
Receivables			
Accounts	14,753,864	101,171	14,855,035
Notes and Loans	500,928	-	500,928
Accrued Interest	1,319,796	27,226	1,347,022
Leases	46,573,495	-	46,573,495
Internal Balances	47,600	(47,600)	-
Prepaid Costs	350,978	-	350,978
Deposits	239,000	-	239,000
Due from Other Governments	10,643,119	94,833	10,737,952
Restricted Assets			
Cash and Investments with Fiscal Agents	33,391,776	-	33,391,776
Capital Assets Not Being Depreciated and Amortized	112,769,282	-	112,769,282
Capital Assets, Net of Accumulated Depreciation and Amortization	<u>290,660,021</u>	<u>8,251,737</u>	<u>298,911,758</u>
Total Assets	<u>775,120,218</u>	<u>14,261,052</u>	<u>789,381,270</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts from Pension	16,560,547	296,599	16,857,146
Deferred Amounts from OPEB	997,111	-	997,111
Total Deferred Outflows of Resources	<u>17,557,658</u>	<u>296,599</u>	<u>17,854,257</u>
LIABILITIES			
Accounts Payable	22,568,736	333,771	22,902,507
Accrued Liabilities	3,415,431	-	3,415,431
Accrued Interest	1,877,397	-	1,877,397
Unearned Revenue	10,403,990	-	10,403,990
Deposits Payable	8,191,213	-	8,191,213
Due to Other Governments	502,316	-	502,316
Noncurrent Liabilities			
Due Within One Year	9,895,004	-	9,895,004
Due in More than One Year			
Long-term Liabilities	214,050,510	-	214,050,510
Net Pension Liability	47,434,947	849,552	48,284,499
Net OPEB Liability	<u>2,025,467</u>	<u>-</u>	<u>2,025,467</u>
Total Liabilities	<u>320,365,011</u>	<u>1,183,323</u>	<u>321,548,334</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Gain on Refunding	982,687	-	982,687
Deferred Amounts from Leases	42,833,628	-	42,833,628
Deferred Amounts from Pension	1,030,341	18,453	1,048,794
Deferred Amounts from OPEB	<u>1,246,746</u>	<u>-</u>	<u>1,246,746</u>
Total Deferred Inflows of Resources	<u>46,093,402</u>	<u>18,453</u>	<u>46,111,855</u>
NET POSITION			
Net Investment in Capital Assets	224,383,009	8,251,737	232,634,746
Restricted for			
Public Services	28,093,183	-	28,093,183
Capital Projects	17,850,361	-	17,850,361
Unrestricted	<u>155,892,910</u>	<u>5,104,138</u>	<u>160,997,048</u>
Total Net Position	<u>\$ 426,219,463</u>	<u>\$ 13,355,875</u>	<u>\$ 439,575,338</u>

See accompanying Notes to Basic Financial Statements.

**City of West Hollywood
Statement of Activities
Year ended June 30, 2025**

FUNCTIONS/ PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$ 33,063,630	\$ 1,365,834	\$ 391,708	\$ -
Community Safety	40,310,233	109,628	498,726	-
Public Services	104,329,155	25,378,200	5,983,694	6,521,020
Interest Expenses	6,513,548	-	-	-
Total Governmental Activities	<u>184,216,566</u>	<u>26,853,662</u>	<u>6,874,128</u>	<u>6,521,020</u>
Business-Type Activities				
Sewer Charge	1,741,593	1,674,241	-	-
Solid Waste	1,597,816	1,592,898	-	-
Landscape District	109,103	221,573	-	-
Street Maintenance	303,845	298,663	-	-
Total Business-Type Activities	<u>3,752,357</u>	<u>3,787,375</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 187,968,923</u>	<u>\$ 30,641,037</u>	<u>\$ 6,874,128</u>	<u>\$ 6,521,020</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, 2025**

<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>
\$ (31,306,088)	\$ -	\$ (31,306,088)
(39,701,879)	-	(39,701,879)
(66,446,241)	-	(66,446,241)
(6,513,548)	-	(6,513,548)
<u>(143,967,756)</u>	<u>-</u>	<u>(143,967,756)</u>
-	(67,352)	(67,352)
-	(4,918)	(4,918)
-	112,470	112,470
-	(5,182)	(5,182)
<u>-</u>	<u>35,018</u>	<u>35,018</u>
<u>(143,967,756)</u>	<u>35,018</u>	<u>(143,932,738)</u>
39,994,368	-	39,994,368
31,942,398	-	31,942,398
20,208,312	-	20,208,312
14,269,503	-	14,269,503
2,431,402	-	2,431,402
5,125,039	-	5,125,039
34,601,639	223,565	34,825,204
6,786,888	-	6,786,888
<u>155,359,549</u>	<u>223,565</u>	<u>155,583,114</u>
11,391,793	258,583	11,650,376
414,827,670	13,097,292	427,924,962
<u>\$ 426,219,463</u>	<u>\$ 13,355,875</u>	<u>\$ 439,575,338</u>

See accompanying Notes to Basic Financial Statements.

**City of West Hollywood
Governmental Funds
Balance Sheet
June 30, 2025**

	<u>General Fund</u>	<u>Debt Funded Capital Projects Fund</u>	<u>Capital Projects Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Investments	\$ 209,108,046	\$ 3,922,350	\$ 13,344,599	\$ 37,495,364	\$ 263,870,359
Receivables					
Accounts	14,568,304	-	-	185,560	14,753,864
Notes and Loans	-	-	-	500,928	500,928
Accrued Interest	1,082,780	-	62,182	174,834	1,319,796
Leases	37,059,913	-	-	9,513,582	46,573,495
Prepaid Costs	350,978	-	-	-	350,978
Deposits	239,000	-	-	-	239,000
Due from Other Governments	7,155,473	-	-	3,487,646	10,643,119
Due from Other Funds	1,226,431	5,212,029	-	-	6,438,460
Restricted Assets					
Cash and Investments with Fiscal Agents	-	-	33,391,776	-	33,391,776
Total Assets	<u>\$ 270,790,925</u>	<u>\$ 9,134,379</u>	<u>\$ 46,798,557</u>	<u>\$ 51,357,914</u>	<u>\$ 378,081,775</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 15,755,888	\$ 2,732,053	\$ 394,509	\$ 3,622,479	\$ 22,504,929
Accrued Liabilities	3,415,431	-	-	-	3,415,431
Unearned Revenues	3,439,541	-	-	6,964,449	10,403,990
Deposits Payable	6,999,439	1,048,842	-	142,932	8,191,213
Due to Other Governments	-	-	-	502,316	502,316
Due to Other Funds	-	-	5,212,029	873,673	6,085,702
Total Liabilities	<u>29,610,299</u>	<u>3,780,895</u>	<u>5,606,538</u>	<u>12,105,849</u>	<u>51,103,581</u>
DEFERRED INFLOWS OF RESOURCES					
Leases	34,612,985	-	-	8,220,643	42,833,628
Unavailable Revenues	409,269	-	-	801,229	1,210,498
Total Deferred Inflows of Resources	<u>35,022,254</u>	<u>-</u>	<u>-</u>	<u>9,021,872</u>	<u>44,044,126</u>
FUND BALANCES					
Nonspendable					
Prepaid Costs	350,978	-	-	-	350,978
Deposits	239,000	-	-	-	239,000
Restricted for					
Public Services	-	-	-	27,291,954	27,291,954
Capital Projects	-	5,353,484	41,192,019	4,696,634	51,242,137
Committed to					
Emergency Contingency	61,908,342	-	-	-	61,908,342
Continuing Appropriations	23,518,571	-	-	-	23,518,571
Assigned to					
Self-Insurance	10,000,000	-	-	-	10,000,000
Capital Projects	77,000,000	-	-	-	77,000,000
Future Expenditures	9,025,056	-	-	-	9,025,056
Debt Service	6,495,000	-	-	-	6,495,000
Unfunded Pension Costs	11,144,000	-	-	-	11,144,000
Unassigned	6,477,425	-	-	(1,758,395)	4,719,030
Total Fund Balances	<u>206,158,372</u>	<u>5,353,484</u>	<u>41,192,019</u>	<u>30,230,193</u>	<u>282,934,068</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 270,790,925</u>	<u>\$ 9,134,379</u>	<u>\$ 46,798,557</u>	<u>\$ 51,357,914</u>	<u>\$ 378,081,775</u>

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, 2025

Fund Balances - Total Governmental Funds	\$	282,934,068
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.		401,698,522
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.		923,510
Subscription asset, net of amortization used in governmental activities are not current resources and, therefore, are not reported in the governmental funds Balance Sheet.		786,753
Long-term debt and compensated absences applicable to the City's 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	\$ (183,980,000)	
Unamortized bond premiums	(22,229,013)	
Unamortized bond discount	76,532	
Unamortized gain on refunding	(982,687)	
Financed purchase - SCE	(3,722)	
Compensated absences	(9,025,056)	
Claims payable	(7,245,970)	
Right-of-use lease liability	(947,796)	
SBITA liability	<u>(590,489)</u>	(224,928,201)
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	997,111	
Deferred inflows of resources	(1,246,746)	
Net OPEB liability	<u>(2,025,467)</u>	(2,275,102)
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	16,560,547	
Deferred inflows of resources	(1,030,341)	
Net pension liability	<u>(47,434,947)</u>	(31,904,741)
Accrued interest payable on long-term debt is not due and payable in the current period and is not reported in the governmental funds.		(1,870,303)
Accrued interest payable on subscription liability is not due and payable in the current period and is not reported in the governmental funds.		(2,614)
Revenues reported as unavailable revenue in the governmental funds and recognized in the Statement of Activities. These are included in the intergovernmental revenues in the governmental fund activity.		1,210,498
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.		(352,927)
Net Position of Governmental Activities	\$	<u>426,219,463</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, 2025

	General Fund	Parking Improvement Special Revenue Fund	Debt Funded Capital Projects Fund	Capital Projects Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 111,769,452	\$ -	\$ -	\$ -	\$ 5,128,367	\$ 116,897,819
Licenses and Permits	10,264,758	-	-	-	-	10,264,758
Intergovernmental	338,517	-	-	-	10,645,454	10,983,971
Charges for Services	3,773,950	-	-	-	402,139	4,176,089
Use of Money and Property	26,051,215	-	98,826	2,496,660	5,951,169	34,597,870
Fines and Forfeitures	7,771,536	-	-	-	821,583	8,593,119
Developer Participation	370,588	-	-	-	1,141,330	1,511,918
Miscellaneous	7,033,348	-	-	-	890,599	7,923,947
Total Revenues	<u>167,373,364</u>	<u>-</u>	<u>98,826</u>	<u>2,496,660</u>	<u>24,980,641</u>	<u>194,949,491</u>
EXPENDITURES						
Current						
General Government	30,038,525	-	-	-	288,230	30,326,755
Community Safety	36,930,241	-	52,202	-	115,301	37,097,744
Public Services	76,521,564	-	407,943	-	21,044,975	97,974,482
Capital Outlay	2,898,531	-	22,413,967	-	5,000,343	30,312,841
Debt Service						
Principal Retirement	425,418	-	-	5,030,000	10,052	5,465,470
Interest and Fiscal Charges	32,748	-	-	7,498,206	-	7,530,954
Total Expenditures	<u>146,847,027</u>	<u>-</u>	<u>22,874,112</u>	<u>12,528,206</u>	<u>26,458,901</u>	<u>208,708,246</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	20,526,337	-	(22,775,286)	(10,031,546)	(1,478,260)	(13,758,755)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	20,402,941	12,436,927	-	150,000	32,989,868
Transfers out	(16,737,071)	-	-	(15,000,303)	(1,252,494)	(32,989,868)
Total Other Financing Sources (Uses)	<u>(16,737,071)</u>	<u>20,402,941</u>	<u>(2,563,376)</u>	<u>(1,102,494)</u>	<u>-</u>	<u>-</u>
CHANGES IN FUND BALANCES	<u>3,789,266</u>	<u>-</u>	<u>(2,372,345)</u>	<u>(12,594,922)</u>	<u>(2,580,754)</u>	<u>(13,758,755)</u>
Fund Balances - Beginning of Year, as previously reported	202,369,106	1,017,676	-	53,786,941	39,519,100	296,692,823
Adjustments (Note 16)	-	(1,017,676)	7,725,829	-	(6,708,153)	-
Fund Balances - Beginning of Year, as adjusted	<u>202,369,106</u>	<u>-</u>	<u>7,725,829</u>	<u>53,786,941</u>	<u>32,810,947</u>	<u>296,692,823</u>
FUND BALANCES - END OF YEAR	<u>\$ 206,158,372</u>	<u>\$ -</u>	<u>\$ 5,353,484</u>	<u>\$ 41,192,019</u>	<u>\$ 30,230,193</u>	<u>\$ 282,934,068</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, 2025**

Changes in Fund Balances - Total Governmental Funds \$ (13,758,755)

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

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

Capital Outlays	\$ 30,312,841	
Depreciation and Amortization Expense	<u>(9,003,502)</u>	21,309,339

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

Principal Repayments	5,465,470	
Amortization of Deferred Charges	46,795	
Amortization of Bond Premiums/ Discounts	<u>1,069,805</u>	6,582,070

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. (99,194)

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. (1,276,809)

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. (1,789,749)

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. (58,488)

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. 116,793

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. 655,099

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. (288,513)

Change in Net Position - Governmental Activities \$ 11,391,793

See accompanying Notes to Basic Financial Statements.

City of West Hollywood
Budgetary Comparison Statement
General Fund
Year ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
BUDGETARY FUND BALANCE, JULY 1	\$ 202,369,106	\$ 202,369,106	\$ 202,369,106	\$ -
Resources (Inflows)				
Taxes	112,925,000	112,925,000	111,769,452	(1,155,548)
Licenses and Permits	8,120,000	8,120,000	10,264,758	2,144,758
Intergovernmental	315,216	315,216	338,517	23,301
Charges for Services	3,057,120	3,057,120	3,773,950	716,830
Use of Money and Property	24,052,790	25,997,885	26,051,215	53,330
Fines and Forfeitures	7,547,650	7,547,650	7,771,536	223,886
Developer Participation	-	-	370,588	370,588
Miscellaneous	4,567,224	4,567,224	7,033,348	2,466,124
Amounts Available for Appropriations	<u>160,585,000</u>	<u>162,530,095</u>	<u>167,373,364</u>	<u>4,843,269</u>
Charges to Appropriations (Outflows)				
Current				
General Government				
City Council	525,700	718,895	627,142	91,753
City Manager	3,246,285	2,930,294	2,929,323	971
Assistant City Manager	426,426	534,426	534,313	113
City Attorney	1,593,000	3,093,000	3,052,502	40,498
Administrative Services Administration	459,789	459,789	456,247	3,542
City Clerk	5,479,231	6,204,231	6,203,224	1,007
Human Resources	3,770,626	3,328,386	3,313,558	14,828
Finance Administration	1,156,305	1,163,714	1,143,406	20,308
Revenue	1,401,917	3,711,917	3,668,694	43,223
General Accounting	1,753,332	1,758,599	1,692,901	65,698
Information Technology	2,952,501	3,000,660	2,999,979	681
Communications Administration	1,296,697	1,350,074	1,205,609	144,465
Media and Marketing	2,214,237	2,422,325	2,211,627	210,698
Community Safety				
Public Safety Administration	7,213,894	7,705,584	6,924,755	780,829
Community Safety Administration	698,511	698,511	658,986	39,525
Sheriff and Protective Services	28,091,751	28,916,751	26,185,011	2,731,740
Neighborhood and Business Safety	3,647,980	3,610,926	3,161,489	449,437
Public Services				
Human Services and Rent Stabilization Administration	445,611	445,611	420,097	25,514
Social Services	13,606,652	17,510,036	11,948,145	5,561,891
Rent Stabilization	3,367,639	3,367,640	3,048,373	319,267
Planning Development Services Administration	1,913,443	2,221,673	2,221,304	369
Current and Historic Preservation Planning	3,128,437	3,311,656	2,570,661	740,995
Building and Safety	3,094,225	3,757,951	3,757,447	504
Long Range Planning	3,602,907	4,361,346	3,311,417	1,049,929
Public Works Administration	672,640	672,640	273,328	399,312
Facilities and Field Services	11,491,238	11,559,771	11,053,977	505,794
Library Building Operations	6,266,678	6,202,780	5,322,605	880,175
Parking	6,571,073	6,709,073	6,230,238	478,835
Engineering	2,630,265	2,454,971	1,918,353	536,618
Economic Development Administration	803,173	628,173	582,392	45,781
Community and Legislative Affairs	2,548,794	2,606,794	2,537,336	69,458
Arts	2,056,041	2,083,581	1,982,539	101,042
Business Development	1,008,849	2,140,556	1,082,295	1,058,261
Property Development	624,396	669,249	534,217	135,032
Development Impact Administration	747,826	1,217,285	1,103,013	114,272
Urban Design and Architecture Studio	1,184,079	1,375,382	870,522	504,860
Community Services Administration	875,455	911,451	681,908	229,543
Recreation Services	7,236,988	8,565,512	8,565,054	458
Events Services	6,789,093	6,605,093	6,506,343	98,750
Capital Outlay	2,602,091	17,636,955	2,898,531	14,738,424
Debt Service				
Principal Retirement	-	424,680	425,418	(738)
Interest and Fiscal Charges	-	32,779	32,748	31
Transfers Out	11,334,433	16,737,071	16,737,071	-
Total Charges to Appropriations	<u>160,530,208</u>	<u>195,817,791</u>	<u>163,584,098</u>	<u>32,233,693</u>
BUDGETARY FUND BALANCE, JUNE 30	\$ 202,423,898	\$ 169,081,410	\$ 206,158,372	\$ 37,076,962

See accompanying Notes to Basic Financial Statements.

**City of West Hollywood
Statement of Net Position
Proprietary Funds
June 30, 2025**

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Information System Master Plan Internal Service Fund
ASSETS		
Current Assets		
Cash and Investments	\$ 5,833,685	\$ -
Receivables		
Accounts	101,171	-
Accrued Interest	27,226	-
Due from Other Governments	94,833	-
Total Current Assets	6,056,915	-
Noncurrent Assets		
Capital Assets, Net of Accumulated Depreciation and Amortization	8,251,737	20,518
Total Noncurrent Assets	8,251,737	20,518
Total Assets	14,308,652	20,518
DEFERRED OUTFLOW OF RESOURCES		
Deferred Amounts from Pension	296,599	-
Total Deferred Outflow of Resources	296,599	-
LIABILITIES		
Current Liabilities		
Accounts Payable	333,771	63,807
Accrued Interest	-	4,480
Due to other funds	-	352,758
Total Current Liabilities	333,771	421,045
Noncurrent Liabilities		
Net Pension Liability	849,552	-
Total Noncurrent Liabilities	849,552	-
Total Liabilities	1,183,323	421,045
DEFERRED INFLOW OF RESOURCES		
Deferred Amounts from Pension	18,453	-
Total Deferred Inflow of Resources	18,453	-
NET POSITION		
Net Investment in Capital Assets	8,251,737	20,518
Unrestricted	5,151,738	(421,045)
Total Net Position	13,403,475	\$ (400,527)
Prior years' accumulated adjustment to reflect the consolidation of the Internal Service Fund activities related to the Enterprise Funds	(33,669)	
Current year's adjustment to reflect the consolidation of the Internal Service Fund activities related to the Enterprise Funds	(13,931)	
Net Position of Business-Type Activities	\$ 13,355,875	

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, 2025

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Information System Master Plan Internal Service Fund
OPERATING REVENUES		
Sales and Service Charges	\$ 3,749,552	\$ 1,130,000
Penalties on Assessments	12,682	-
Other Fees and Charges	39,072	-
Total Operating Revenues	3,801,306	1,130,000
OPERATING EXPENSES		
Administration and General	123,617	1,201,437
Public Services	18,485	-
Treatment	3,055,737	-
Cost of Sales and Services	108,326	-
Depreciation and Amortization	446,192	234,776
Total Operating Expenses	3,752,357	1,436,213
Operating Income (Loss)	48,949	(306,213)
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	205,122	3,769
Net Increase in Fair Value of Investments	18,443	-
Total Nonoperating Revenues	223,565	3,769
CHANGE IN NET POSITION	272,514	(302,444)
Net Position - Beginning of Year	13,130,961	(98,083)
NET POSITION (DEFICIT) - END OF YEAR	\$ 13,403,475	\$ (400,527)
Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds	\$ (13,931)	
Changes in Net Position - Enterprise Funds	272,514	
Changes in Net Position of Business-Type Activities	\$ 258,583	

See accompanying Notes to Basic Financial Statements.

**City of West Hollywood
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2025**

	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	\$ 3,861,051	\$ 1,130,000
Cash Paid to Suppliers for Goods and Services	(2,264,810)	(901,812)
Cash Paid to Employees for Services	(903,493)	-
Net Cash Provided by Operating Activities	692,748	228,188
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITY		
Payments on SBITA Liability	-	(231,957)
Cash Used In Capital and Related Financing Activity	-	(231,957)
CASH FLOWS FROM INVESTING ACTIVITY		
Interest Received	222,050	3,769
Cash Provided by Investing Activity	222,050	3,769
NET INCREASE IN CASH AND INVESTMENTS	914,798	-
Cash and Investments - Beginning of Year	4,918,887	-
CASH AND INVESTMENTS - END OF YEAR	\$ 5,833,685	\$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 48,949	\$ (306,213)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities		
Depreciation and Amortization	446,192	234,776
Changes in Assets, Deferred Outflow of Resources, Liabilities, and Deferred Inflow of Resources:		
(Increase) Decrease in:		
Accounts Receivable	71,786	-
Due from Other Governments	(12,041)	-
Deferred Outflows from Pension	79,179	-
Increase (Decrease) in:		
Accounts Payable	143,929	8,739
Accrued Interest	-	(3,768)
Due to other funds		294,654
Net Pension Liability	(62,218)	-
Deferred Inflows from Pension	(23,028)	-
Net Cash Provided by Operating Activities	\$ 692,748	\$ 228,188

See accompanying Notes to Basic Financial Statements.

City of West Hollywood
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025

	Custodial Funds	Private-Purpose Trust Funds
ASSETS		
Cash and Investments	\$ 782,271	\$ 1,521,972
Receivables		
Accounts	1,168,055	-
Accrued Interest	3,575	-
Restricted Assets		
Cash and Investments With Fiscal Agents	-	1,551
Capital Assets, Net of Accumulated Depreciation	-	127,066
Total Assets	1,953,901	1,650,589
LIABILITIES		
Accounts Payable	1,473,780	-
Accrued Interest	-	138,975
Due to City	57,501	-
Due to County	-	564,274
Deferred Revenue	95,707	-
Long-term Liabilities		
Due in One Year	-	740,000
Due in More Than One Year	-	16,469,457
Total Liabilities	1,626,988	17,912,706
FIDUCIARY NET POSITION (DEFICIT)		
Restricted for		
Individuals, Organizations, and Other Governments	\$ 326,913	\$ (16,262,117)

See accompanying Notes to Basic Financial Statements.

City of West Hollywood
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year ended June 30, 2025

	Custodial Funds	Private-Purpose Trust Funds
ADDITIONS		
Taxes	\$ -	\$ 1,223,675
Assessments	7,999,506	-
Penalties on Assessments	4,790	-
Change in Fair Value of Investments	207	4,709
Interest Earnings	19,404	1,350
Total Additions	8,023,907	1,229,734
DEDUCTIONS		
Administrative Expenses	-	70,493
Payments to Districts	7,933,766	-
Interest Expense	-	425,008
Depreciation	-	3,585
Total Deductions	7,933,766	499,086
CHANGE IN FIDUCIARY NET POSITION	90,141	730,648
Fiduciary Net Position (Deficit) - Beginning of Year	236,772	(16,992,765)
FIDUCIARY NET POSITION (DEFICIT) - END OF YEAR	\$ 326,913	\$ (16,262,117)

See accompanying Notes to Basic Financial Statements.

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Notes to Financial Section



West Hollywood Wellness Through Food & Nutrition
photo credit: Jonathan Moore

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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.

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.

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

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

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.

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.

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

Fund Classifications (Continued)

The Debt Funded Capital Projects Fund accounts for the receipt and disbursement of monies used for the construction of major capital projects, such as mixed-use parking facilities, City Hall acquisition, Homeless Shelter, Fire Station No. 7, new parking meters, the West Hollywood Library, 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.

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 Projects Fund accounts for projects associated with the rehabilitation of Santa Monica Boulevard.

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

The Information Systems Master Plan Internal Service Fund accounts for all costs incurred in the process of designing, purchasing, and implementing new information systems infrastructure. The projects include costs for design, hardware and software acquisition and systems conversion. Costs are recovered from all operating units over a five-year period.

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

Fund Classifications (Continued)

The Custodial Funds are used to report resources held by the City in a purely custodial capacity, which involves only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. These funds are reported on the accrual basis of accounting. The West Hollywood Design District accounts for assessments that are levied for the Avenues of Art and Design. The West Hollywood Tourism Improvement District accounts for a portion of the transient occupancy tax, which is paid to the West Hollywood Marketing Corporation for use in marketing the City. The Sunset Strip Business Improvement District accounts for assessments that are levied for the improvement of the business and neighboring residential environment on Sunset Boulevard. The Legacy Medical Business Marketing Fund accounts for assessments levied on cannabis businesses for marketing.

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

New Governmental Accounting Standards Board (GASB) Pronouncements

During the year ended June 30, 2025, the City implemented the following Governmental Accounting Standards Board (GASB) standards. The financial statements included herein apply the requirements and provisions of the standards.

GASB Statement No. 101 – *Compensated Absences*. The requirements of this statement are effective for reporting periods beginning after December 15, 2023.

GASB Statement No. 102 – *Certain Risk Disclosures*. The requirements of this statement are effective for reporting periods beginning after June 15, 2024.

Released GASB Statements to be implemented in future financial statements are as follows:

GASB Statement No. 103 – *Financial Reporting Model Improvements*. The requirements of this statement are effective for reporting periods beginning after June 15, 2025.

GASB Statement No. 104 – *Disclosure of Certain Capital Assets*. The requirements of this statement are effective for reporting periods beginning after June 15, 2025.

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 pension and OPEB for employer contributions made after the measurement date.

Deferred outflow from pension 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 service lives of all employees that are provided with pension and retiree healthcare benefits through the plans.

- Deferred outflow 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 inflows related to pension and OPEB for the differences between expected and actual experiences and changes in assumptions for pension. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees who are provided with pension and 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 Assumption

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.

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously redeemed by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. The liability is reported as incurred in the government-wide financial statements. The liability includes salary-related benefits, where applicable.

Pension

For purposes of measuring the net pension liability (asset) and deferred outflows/inflows of resources related to pension, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's 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).

**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. The City Council approves and defines the various components of fund balance to include for the General Fund a minimum assigned Emergency Reserves of 35% of the current General Fund expenditure budget to cover emergency contingency. 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 of resources over all its liabilities and deferred inflows of resources, 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 at the legal level of budgetary control:

	Final Budget	Actual	Variance with Final Budget
Major Fund:			
General Fund			
Debt Service - Principal Retirement	\$ 424,680	\$ 425,418	\$ (738)
Capital Projects Debt Service Fund			
Debt Service	12,436,926	12,528,206	(91,280)
Other Governmental Special Revenue Funds:			
Proposition C Special Revenue Fund			
Public Services	598,948	612,110	(13,162)
Traffic Special Revenue Fund			
Public Services	48,589	72,789	(24,200)
Parking Improvement Special Revenue Fund			
General Government	75,253	88,085	(12,832)
Housing Trust Special Revenue Fund			
General Government	80,000	149,742	(69,742)

Deficit Fund Balances

The following funds contained deficit fund balances at June 30, 2025:

	Actual
Other Governmental Special Revenue Funds:	
Special Grants Special Revenue Fund	\$ (584,899)
Traffic Special Revenue Fund	(463,833)
Public Access Corporation Special Revenue Fund	(102,008)
Permit Parking Special Revenue Fund	(593,692)
CDBG Special Revenue Fund	(13,963)

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, 2025, cash and investments were reported in the accompanying financial statements as follows:

	Unrestricted	Restricted	Total
Governmental Activities	\$ 263,870,359	\$ 33,391,776	\$ 297,262,135
Business-Type Activities	5,833,685	-	5,833,685
Fiduciary Funds	2,304,243	1,551	2,305,794
Total Cash and Investments	\$ 272,008,287	\$ 33,393,327	\$ 305,401,614

Cash and investments held by the City at June 30, 2025 consisted of the following:

Petty Cash	\$ 1,300
Deposits with Financial Institutions	13,173,692
Investments	292,226,622
Total Cash and Investments	\$ 305,401,614

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.
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.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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

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.
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.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by Debt Agreements (Continued)

- 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, 2025, the City had the following investments and original maturities:

Investment Type	Remaining Maturity (in Years) <u>Less Than 1 Year</u>
LAIF	\$ 56,135,771
LACIP	202,697,524
Cash with Fiscal Agents:	
LAIF	27,234
Money Market Mutual Funds	<u>33,366,093</u>
Total	<u>\$ 292,226,622</u>

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, 2025, 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, 2025, 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.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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 the 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.

At June 30, 2025, the carrying amount of the City's deposits was \$13,173,692 and the bank balance was \$18,450,395, which is insured and collateralized under California law. The \$5,276,703 difference represents deposits in transit, 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.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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 Measurement

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 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 \$53,915,418 were outstanding at June 30, 2025, 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 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 consists 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, 2025

NOTE 5 CAPITAL ASSETS

A summary of changes in the governmental activities capital assets for the year ended June 30, 2025, is as follows:

	Balance at June 30, 2024	Additions	Deletions	Transfers	Balance at June 30, 2025
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 73,385,064	\$ -	\$ -	\$ -	\$ 73,385,064
Construction in Progress	15,158,443	25,935,555	(1,709,780)	-	39,384,218
Total Capital Assets, Not Being Depreciated	<u>88,543,507</u>	<u>25,935,555</u>	<u>(1,709,780)</u>	<u>-</u>	<u>112,769,282</u>
Capital Assets, Being Depreciated and Amortized:					
Buildings	230,571,667	-	-	-	230,571,667
Improvements Other Than Buildings	22,661,248	340,335	-	-	23,001,583
Machinery and Equipment	13,363,630	901,832	-	-	14,265,462
Furniture and Fixtures	2,108,477	35,315	-	-	2,143,792
Office Equipment	1,863,205	-	-	-	1,863,205
Leasehold Improvements	870,200	-	-	-	870,200
Infrastructure	141,431,407	4,809,584	-	-	146,240,991
Right-of-use Lease Asset	1,067,827	-	-	-	1,067,827
SBITA Assets	2,856,333	-	(435,407)	-	2,420,926
Total Capital Assets, Being Depreciated and Amortized	<u>416,793,994</u>	<u>6,087,066</u>	<u>(435,407)</u>	<u>-</u>	<u>422,445,653</u>
Less Accumulated Depreciation for:					
Buildings	(36,622,621)	(4,613,644)	-	-	(41,236,265)
Improvements Other than Buildings	(5,186,686)	(465,830)	-	-	(5,652,516)
Machinery and Equipment	(10,623,817)	(430,891)	-	-	(11,054,708)
Furniture and Fixtures	(2,028,916)	(40,342)	-	-	(2,069,258)
Office Equipment	(1,692,377)	(62,896)	-	-	(1,755,273)
Leasehold Improvements	(870,199)	-	-	-	(870,199)
Infrastructure	(64,429,289)	(2,960,152)	-	-	(67,389,441)
Total Accumulated Depreciation	<u>(121,453,905)</u>	<u>(8,573,755)</u>	<u>-</u>	<u>-</u>	<u>(130,027,660)</u>
Less Accumulated Amortization for:					
Right-of-use Lease Asset	(108,237)	(36,080)	-	-	(144,317)
SBITA Assets	(1,420,619)	(628,443)	435,407	-	(1,613,655)
Total Accumulated Amortization	<u>(1,528,856)</u>	<u>(664,523)</u>	<u>435,407</u>	<u>-</u>	<u>(1,757,972)</u>
Total Capital Assets, Being Depreciated and Amortized, Net	<u>293,811,233</u>	<u>(3,151,212)</u>	<u>-</u>	<u>-</u>	<u>290,660,021</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 382,354,740</u>	<u>\$ 22,784,343</u>	<u>\$ (1,709,780)</u>	<u>\$ -</u>	<u>\$ 403,429,303</u>

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

General Government	\$ 1,063,784
Community Safety	2,873,630
Public Services	<u>5,300,864</u>
Total Depreciation and Amortization Expenses	<u>\$ 9,238,278</u>

NOTE 5 CAPITAL ASSETS (CONTINUED)

A summary of changes in the business-type activities capital assets for the year ended June 30, 2025, is as follows:

	Balance at July 1, 2024	Additions	Deletions	Balance at June 30, 2025
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	(13,980,987)	(446,192)	-	(14,427,179)
Total Accumulated Depreciation	<u>(13,980,987)</u>	<u>(446,192)</u>	<u>-</u>	<u>(14,427,179)</u>
Capital Assets, Being Depreciated, Net	<u>8,697,929</u>	<u>(446,192)</u>	<u>-</u>	<u>8,251,737</u>
Total Business-Type Activities Capital Assets, Net	<u>\$ 8,697,929</u>	<u>\$ (446,192)</u>	<u>\$ -</u>	<u>\$ 8,251,737</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.

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.

Effective July 1, 2020, the City entered into a 10-year 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.

NOTE 6 LEASE RECEIVABLE (CONTINUED)

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.

The City entered into a lease agreement with Pedro Barragan commencing on June 1, 2025 and ending on October 31, 2027. Pedro Barragan pays the City a fixed fee of \$10,000 to \$12,909 every month in exchange for the use a building space located at 8301 Santa Monica Boulevard in operating its restaurant business.

At June 30, 2025, the total lease receivable and deferred inflows of resources for the above leases were \$46,573,495 and \$42,833,628, respectively. Discount rates ranging from 0.5270% to 2.6677% 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, 2025.

The future minimum lease receivable and the net present value of these minimum lease receipts as of June 30, 2025, were as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 2,616,179	\$ 618,342	\$ 3,234,521
2027	2,755,213	582,271	3,337,484
2028	2,781,583	544,737	3,326,320
2029	2,847,347	508,616	3,355,963
2030	2,966,840	471,234	3,438,074
2031 - 2035	14,136,952	1,785,188	15,922,140
2036 - 2040	14,327,610	780,490	15,108,100
2041 - 2042	4,141,771	58,229	4,200,000
	<u>\$ 46,573,495</u>	<u>\$ 5,349,107</u>	<u>\$ 51,922,602</u>

NOTE 7 RETIREMENT PLANS

A. CalPERS Defined Benefit Pension Plan

General Information about the Pension Plan

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the City's Miscellaneous Plan, an agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan 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 increases adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. All members are eligible for non-industrial disability benefits after five (5) years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect for the reporting year June 30, 2025, are summarized as follows:

	Prior to <u>January 1, 2013</u>	On or After <u>January 1, 2013</u>
Hire Date		
Benefit Formula	2.7% @ 55	2% @ 62
Benefit Vesting Schedule	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50 - 55	52 - 67
Monthly Benefits, as a % of		
Eligible Compensation	2.0% to 2.7%	1.0% to 2.5%
Required Employee Contribution Rates	8.00%	7.25%
Required Employer Contribution Rates:		
Normal Cost Rate	12.79%	12.79%
Payment of Unfunded Liability	\$ 5,121,830	Included in tier I

NOTE 7 RETIREMENT PLANS (CONTINUED)

A. CalPERS Defined Benefit Pension Plan (Continued)

General Information about the Pension Plan (Continued)

Employees Covered

At the measurement date ended June 30, 2024, the following employees were covered by the benefit terms for the Plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	185
Inactive Employees Entitled to but Not Yet Receiving Benefits	192
Active Employees	<u>236</u>
Total	<u><u>613</u></u>

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be 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, 2025, the City contributed \$9,337,924 to the Plan.

Net Pension Liability

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability is measured as of June 30, 2024, using an annual actuarial valuation as of June 30, 2023, and rolled forward to June 30, 2024, 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 liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
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 and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study 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:

<u>Asset Class¹</u>	<u>Assumed Asset Allocation</u>	<u>Real Return^{1,2}</u>
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

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

NOTE 7 RETIREMENT PLANS (CONTINUED)

A. CalPERS Defined Benefit Pension Plan (Continued)

Changes in Net Pension Liability

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30,2023 (Measurement Date)	\$ 236,754,096	\$ 185,283,620	\$ 51,470,476
Changes in the Year:			
Service Cost	5,956,962	-	5,956,962
Interest on the Total Pension Liability	16,409,301	-	16,409,301
Differences Between Expected and Actual Experience	2,753,741	-	2,753,741
Contributions - Employer	-	7,989,471	(7,989,471)
Contributions - Employee	-	2,556,063	(2,556,063)
Net Investment Income	-	17,911,213	(17,911,213)
Administrative Expense Benefit Payments, Including Refunds	-	(150,766)	150,766
	(9,340,735)	(9,340,735)	-
Net Changes	<u>15,779,269</u>	<u>18,965,246</u>	<u>(3,185,977)</u>
Balance at June 30,2024 (Measurement Date)	<u>\$ 252,533,365</u>	<u>\$ 204,248,866</u>	<u>\$ 48,284,499</u>

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

The following presents the net pension liability of the City for the Plan, calculated using the discount rate for the 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	\$ 83,743,821
Current Discount Rate	6.90%
Net Pension Liability	\$ 48,284,499
1% Increase	7.90%
Net Pension Liability	\$ 19,130,832

Pension Plan Fiduciary Net Position

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

NOTE 7 RETIREMENT PLANS (CONTINUED)

A. CalPERS Defined Benefit Pension Plan (Continued)

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

For the year ended June 30, 2025, the City recognized pension expense of \$9,067,476. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension Contributions Subsequent to Measurement Date	\$ 9,337,924	\$ -
Differences Between Expected and Actual Experience	2,679,294	(1,048,794)
Changes in Assumptions	2,110,241	-
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	<u>2,729,687</u>	<u>-</u>
Total	<u>\$ 16,857,146</u>	<u>\$ (1,048,794)</u>

Deferred outflows of resources of \$9,337,924 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, 2026.

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

<u>Year ending June 30,</u>	<u>Amount</u>
2025	\$ 1,742,383
2026	5,745,165
2027	(63,861)
2028	(953,259)
2029	-
Thereafter	-
	<u>\$ 6,470,428</u>

Payable to the Pension Plans

At June 30, 2025, the City had no outstanding amount of contributions to the pension plans required for the year ended June 30, 2025.

NOTE 7 RETIREMENT PLANS (CONTINUED)

B. Defined Contribution Pension Plan

For the year 2025, employees are eligible to transfer up to \$23,500 of annual salary into the 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 pre-retirement catch-up may be eligible to contribute up to double the normal limit, for a total of \$47,000. 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.

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, 2025, the City contributed \$424,688 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, 2023, the following current and former employees were covered by the benefit terms under the plan:

Inactive Employees, electing medical coverage	64
Active Employees, electing medical coverage	237
Total	301

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, 2025, the City's cash contributions were \$154,600 in premium payments, and the estimated implicit subsidy was \$196,534, resulting in a total payment of \$351,134.

Net OPEB Liability

The City's total OPEB liability was measured as of June 30, 2024, and was determined by an actuarial valuation as of June 30, 2023. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

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

Net OPEB Liability (Continued)

Actuarial Assumptions

The net OPEB liability as of the June 30, 2024 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, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry- Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	5.80%
Inflation	2.30%
Long-Term Investment Return Assumption	5.80%
Healthcare Cost Trend Rates	6.50% Pre-Medicare / 5.75% Medicare trending down to 3.94% over 57 calendar years.
Mortality	Mortality rates used in the valuation are based on the CalPERS Experience Study and Review of Actuarial Assumptions published in November 2021 for Public Agency Miscellaneous members. Mortality rates are projected fully generational using 80% of MP-2020 mortality improvement scale.

The actuarial assumptions used in the June 30, 2023 valuation were based on a standard set of assumptions the actuary has used for similar valuations, modified as appropriate for the City.

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

Net OPEB Liability (Continued)

Actuarial Assumptions (Continued)

The long-term expected rate of return of 5.80% was determined using the long-term rates of return developed by CalPERS Investment Office for financial reporting on their report date June 10, 2024. The asset class percentages are taken from the current composition of CERBT, and the expected yields are taken from a recent CalPERS publication for the pension fund:

Asset Class (CERBT Strategy 3)	Target Allocation	Expected L/T Real Rates of Return
Equity	23.00 %	6.90 %
Fixed Income	51.00	4.10
REITs	14.00	6.30
TIPS	9.00	3.90
Commodities	3.00	4.60
	100.00 %	

Discount Rate

The discount rate used to measure the total OPEB liability is 5.80%. This is the expected long-term rate of return on City assets using investment strategy 3 within the 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, 2023 (Measurement Date)	\$ 8,472,663	\$ 5,561,730	\$ 2,910,933
Changes in the Year			
Service Cost	323,179	-	323,179
Interest on the Total OPEB Liability	418,724	-	418,724
Differences Between Actual and Expected Experience	(16,251)	-	(16,251)
Changes of assumptions	(936,348)	-	(936,348)
Contribution - Employer	-	324,687	(324,687)
Net Investment Income	-	351,859	(351,859)
Administrative Expenses	-	(1,776)	1,776
Benefit Payments	(324,687)	(324,687)	-
Net Changes	(535,383)	350,083	(885,466)
Balance at June 30, 2024 (Measurement Date)	\$ 7,937,280	\$ 5,911,813	\$ 2,025,467

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

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

	1% Decrease 4.80%	Discount Rate 5.80%	1% Increase 6.80%
Net OPEB Liability	\$ 3,015,762	\$ 2,025,467	\$ 1,196,063

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	\$ 1,052,025	\$ 2,025,467	\$ 3,275,492

**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, 2025, the City recognized OPEB expense of \$409,623. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB Contributions Subsequent to Measurement Date	\$ 351,134	\$ -
Differences Between Actual and Expected Experience	90,072	(279,899)
Change in Assumptions	202,665	(966,847)
Net Difference Between Projected and Actual Earnings	<u>353,240</u>	<u>-</u>
Total	<u>\$ 997,111</u>	<u>\$ (1,246,746)</u>

An amount of \$351,134, 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ (47,543)
2027	38,322
2028	(118,058)
2029	(82,240)
2030	(83,267)
Thereafter	<u>(307,983)</u>
	<u>\$ (600,769)</u>

Payable to the OPEB Plan

At June 30, 2025, the City had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2025.

OPEB Plan Fiduciary Net Position

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

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, 2025:

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025	Due Within One Year	Due in More Than One Year
Tax Allocation Bonds:						
2016 Series	\$ 68,805,000	\$ -	\$ (4,105,000)	\$ 64,700,000	\$ 2,305,000	\$ 62,395,000
Add: Unamortized						
Original Issue Premium	9,902,274	-	(450,103)	9,452,171	-	9,452,171
2020 Series A	65,785,000	-	-	65,785,000	1,045,000	64,740,000
2020 Series B	13,590,000	-	(235,000)	13,355,000	1,200,000	12,155,000
Add: Unamortized						
Original Issue Premium	8,556,731	-	(406,719)	8,150,012	-	8,150,012
Less: Unamortized						
Original Issue Discount	(83,874)	-	7,342	(76,532)	-	(76,532)
2024 Series	40,830,000	-	(690,000)	40,140,000	1,120,000	39,020,000
Add: Unamortized						
Original Issue Premium	4,847,155	-	(220,325)	4,626,830	-	4,626,830
Other Long-term Liabilities:						
Financed Purchase - SCE	26,247	-	(22,525)	3,722	3,722	-
Claims Payable	5,456,221	2,571,370	(781,621)	7,245,970	1,449,194	5,796,776
Compensated Absences, net	7,748,247	1,276,809	-	9,025,056	2,435,825	6,589,231
Right-of-Use Lease Liability	977,859	-	(30,063)	947,796	30,534	917,262
SBITA Liability	1,205,328	-	(614,839)	590,489	305,729	284,760
Total	<u>\$ 227,646,188</u>	<u>\$ 3,848,179</u>	<u>\$ (7,548,853)</u>	<u>\$ 223,945,514</u>	<u>\$ 9,895,004</u>	<u>\$ 214,050,510</u>

2016 Lease Revenue Bonds

On June 1, 2016, the West Hollywood Public Financing Authority issued \$85,015,000 of 2016 Lease Revenue Bonds to currently refund the outstanding principal balance of the 2009 Lease Revenue Bonds, Series B in the amount of \$34,780,000, finance the acquisition and construction of certain public capital improvements, pay capitalized interest on the 2016 Bonds and pay the costs of issuing the 2016 Bonds. At June 30, 2018, the 2009 Lease Revenue Bonds, Series B, 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 2024-2025 total \$7,051,550, 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, 2025, the total principal outstanding was \$64,700,000.

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.

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

2016 Lease Revenue Bonds (Continued)

The following is a schedule, by years, of future debt service payments for the 2016 Lease Revenue Bonds as of June 30, 2025:

Year Ending June 30,	Principal	Interest	Total
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	2,665,000	2,378,050	5,043,050
2030	2,795,000	2,244,800	5,039,800
2031 - 2035	16,170,000	8,985,000	25,155,000
2036 - 2040	18,360,000	5,021,210	23,381,210
2041 - 2045	14,250,000	2,364,650	16,614,650
2046	3,195,000	127,800	3,322,800
Total	<u>\$ 64,700,000</u>	<u>\$ 28,993,990</u>	<u>\$ 93,693,990</u>

2020 Lease Revenue Bonds

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

The 2020 Lease Revenue Bonds are obligations of the 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 2024-2025 total \$3,029,590, 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, 2025, the total principal outstanding was \$79,140,000. There are no reserve requirements for this bond.

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

2020 Lease Revenue Bonds (Continued)

The following is a schedule, by years, of future debt service payments for the 2020 Lease Revenue Bonds as of June 30, 2025:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 2,245,000	\$ 2,790,830	\$ 5,035,830
2027	2,305,000	2,727,430	5,032,430
2028	2,375,000	2,660,650	5,035,650
2029	2,445,000	2,589,875	5,034,875
2030	2,520,000	2,518,075	5,038,075
2031 - 2035	13,905,000	11,339,820	25,244,820
2036 - 2040	18,140,000	8,876,100	27,016,100
2041 - 2045	28,710,000	5,079,250	33,789,250
2046	6,495,000	259,800	6,754,800
Total	<u>\$ 79,140,000</u>	<u>\$ 38,841,830</u>	<u>\$ 117,981,830</u>

2024 Lease Revenue Bonds

On May 15, 2024, the West Hollywood Public Financing Authority issued \$40,830,000 of 2020 Lease Revenue Bonds Series A to finance the acquisition and construction of certain public capital improvements, defease and refund on a current basis the outstanding balance of the Authority captioned "\$19,155,000 West Public Financing Authority 2013 Lease Revenue Bonds" and pay the costs of issuing the 2024 Lease Revenue Bonds.

The 2024 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 2024 Lease Revenue Bonds are secured primarily by a lien on and security interest in these revenues. Amounts pledged in fiscal year 2024-2025 total \$2,348,426, which is the amount of debt service and lease payments made.

Interest is payable semiannually beginning April 2025 and ending April 2046 with interest rate of 5.00%. Principal payments range from \$690,000 to \$2,960,000. At June 30, 2025, the total principal outstanding was \$40,140,000. There are no reserve requirements for this bond.

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

2024 Lease Revenue Bond (Continued)

The following is a schedule, by years, of future debt service payments for the 2024 Lease Revenue Bonds as of June 30, 2025:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 1,120,000	\$ 1,949,000	\$ 3,069,000
2027	1,180,000	1,893,000	3,073,000
2028	1,240,000	1,834,000	3,074,000
2029	1,305,000	1,772,000	3,077,000
2030	1,370,000	1,706,750	3,076,750
2031 - 2035	7,930,000	7,436,750	15,366,750
2036 - 2040	10,125,000	5,245,000	15,370,000
2041 - 2045	12,910,000	2,449,750	15,359,750
2046	2,960,000	118,400	3,078,400
Total	\$ 40,140,000	\$ 24,404,650	\$ 64,544,650

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, 2025, was \$3,722. The annual debt service requirements are as follows:

Year Ending June 30,	Principal
2026	\$ 3,722
Total	\$ 3,722

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, 2025, was \$7,245,970.

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, 2025, was \$9,025,056.

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

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 \$923,510 on June 30, 2025.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2025, were as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 30,534	\$ 14,561	\$ 45,095
2027	31,012	14,083	45,095
2028	31,497	13,598	45,095
2029	31,990	13,105	45,095
2030	32,490	12,605	45,095
2031 - 2035	170,231	55,242	225,473
2036- 2040	183,966	41,507	225,473
2041 - 2045	198,810	26,663	225,473
2046 - 2050	214,852	10,621	225,473
2051	22,414	131	22,545
Total	<u>\$ 947,796</u>	<u>\$ 202,116</u>	<u>\$ 1,149,912</u>

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 \$807,271 as of June 30, 2025.

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

SBITA Liability (Continued)

The City reported a total payment of \$614,838 on IT software subscription agreements for the fiscal year ended June 30, 2025. The subscription payable as of June 30, 2025 amounted to \$590,489. The future minimum SBITA obligations and the net present value of these minimum subscription payments as of June 30, 2025, were as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 305,729	\$ 11,233	\$ 316,962
2027	276,151	5,397	281,548
2028	6,020	140	6,160
2029	2,134	26	2,160
2030	148	12	160
2031-2032	307	12	319
Total	<u>\$ 590,489</u>	<u>\$ 16,820</u>	<u>\$ 607,309</u>

NOTE 10 UNEARNED REVENUE

In fiscal year 2024-2025, 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 \$3,439,541 along with various other unearned revenues of \$6,964,449 in the other governmental funds; total unearned revenue recorded by the City as of June 30, 2025 was \$10,403,990. 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, 2025 is as follows:

Due To/From Other Funds

Receivable Funds	Payable Funds	Amount
General Fund	Other Governmental Funds:	
	Traffic Mitigation	
	Special Revenue Fund	\$ 168,240
	Public Access Corporation	
	Special Revenue Fund	117,203
	Permit Parking	
	Special Revenue Fund	579,013
	CDBG Special Revenue Fund	9,217
	Internal Service Fund	352,758
Debt Funded Capital Projects Fund	Capital Projects Debt Service Fund	<u>5,212,029</u>
		<u>\$ 6,438,460</u>

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

Due To/From Other Funds (Continued)

The due to General Fund of \$1,226,431 was a result of temporary deficit cash balances in the other funds.

The due to Debt Funded Capital Projects Fund of \$5,212,029 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	\$ 11,184,433
	Other Governmental Fund:	
	Parking Improvement Special Revenue Fund	1,252,494
Debt Funded		
Capital Projects Fund	General Fund	5,402,638
	Capital Projects Debt Service Fund	15,000,303
Nonmajor Funds:		
Other Governmental Funds:		
Gas Tax		
Special Revenue Fund	General Fund	150,000
		\$ 32,989,868

The General Fund and the Parking Improvement Special Revenue Fund transferred \$11,184,433 and \$1,254,494, respectively, to the Capital Projects Debt Service Fund to fund debt service payments.

The General Fund and Capital Projects Debt Service Fund transferred \$5,402,638 and \$15,000,303, respectively, to Debt Funded Capital Projects Fund to fund capital expenses related to West Hollywood Park Phase II and other projects.

The General Fund transferred \$150,000 to the Gas Tax Special Revenue Fund to provide subsidy.

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 126 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.

Primary Self-Insurance Programs of the Authority

Each member pays an annual contribution at the beginning of the coverage period. 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 from \$500,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses also have a \$50 million per occurrence limit. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information concerning the coverage structure is available on the Authority's website: <https://cjpia.org/coverage/risk-sharing-pools/>.

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 incurred 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.

NOTE 12 RISK MANAGEMENT (CONTINUED)

Primary Self-Insurance Programs of the Authority (Continued)

Primary Workers' Compensation Program (Continued)

For 2024-25 the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

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 2024-25.

Purchased Insurance

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

- a) All-Risk Property Protection Program. This insurance protection is underwritten by several insurance companies. The City's property is currently insured according to a schedule of covered property submitted by the City. There is a \$25,000 minimum deductible per occurrence and the policy limit is \$400,000,000.
- b) Flood Insurance Program. 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) Boiler and Machinery 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 and the policy limit is \$100,000,000.
- d) Earthquake Insurance Program. The City purchased earthquake insurance on a portion of its property. The City property currently has earthquake protection of \$180,000,000. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000 and maximum deductible of \$5,000,000.

NOTE 12 RISK MANAGEMENT (CONTINUED)

Purchased Insurance (Continued)

- e) 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 \$500,000.
- f) 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.

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
2024	\$ 3,030,801	\$ 3,126,833	\$ (701,413)	\$ 5,456,221
2025	5,456,221	2,571,370	(781,621)	7,245,970

NOTE 13 COMMITMENTS AND CONTINGENCIES

Contractual Commitments

The City has entered into a contract with the Los Angeles County Sheriff's Department to provide law enforcement services in the City. Approximately \$20,087,143 was paid for these services in fiscal year 2024-2025.

The following material construction commitments existed at June 30, 2025:

Contractor	Contract Amount	Expenditures to Date as of June 30, 2025	Remaining Commitments	Fund Type
PCN3 Inc.	\$ 10,449,378	\$ 8,961,008	\$ 1,488,370	Debt Funded Capital Projects Fund
PCL Construction	8,010,000	5,967,366	2,042,634	Debt Funded Capital Projects Fund
Bali Construction	4,286,683	3,618,856	667,827	Debt Funded Capital Projects Fund
Sully-Miller Contracting Co.	15,354,000	13,563,723	1,790,277	Debt Funded Capital Projects Fund
Palp Inc.	2,850,584	2,371,743	478,841	Debt Funded Capital Projects Fund
CS Legacy Construction	1,693,938	266,866	1,427,072	Debt Funded Capital Projects Fund
PCL Construction Services Inc.	2,078,812	260,724	1,818,088	Debt Funded Capital Projects Fund
Estate Design and Construction	1,182,960	-	1,182,960	Debt Funded Capital Projects Fund
West Coast Arborists	6,508,379	5,286,009	1,222,370	Special Revenue Funds
Hardy and Harper	1,818,750	-	1,818,750	Special Revenue Funds
WGJ Enterprises	1,407,442	-	1,407,442	Special Revenue Funds
Hardy and Harper	1,805,650	-	1,805,650	Special Revenue Funds

NOTE 13 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Encumbrances

At June 30, 2025, the following are the encumbrances:

General Fund:

Engineering, landscape and urban design	\$ 2,066,371
Professional services	5,221,312
Social services	<u>1,737,373</u>
Total General Fund	<u>9,025,056</u>

Debt Funded Capital Projects Fund:

Construction	10,472,829
Other consultants	<u>579,197</u>
Total Debt Funded Capital Projects Fund	<u>11,052,026</u>

Other Governmental Funds:

Construction	2,897,446
Financial study	226,121
Other consultants	<u>10,629,112</u>
Total Other Governmental Funds	<u>13,752,679</u>

Total Encumbrances	<u>\$ 33,829,761</u>
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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.

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

The total rent expenditures for the year ended June 30, 2025 was \$256,496.

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	\$ 1,521,972
Cash and Investments with Fiscal Agents	1,551
Total Cash and Investments	\$ 1,523,523

Capital Assets

	Balance at June 30, 2024	Additions	Deletions	Balance at June 30, 2025
Capital Assets:				
Capital Assets, Being Depreciated:				
Land Improvements	\$ 174,920	\$ -	\$ -	\$ 174,920
Less Accumulated Depreciation for:				
Land Improvements	(44,269)	(3,585)	-	(47,854)
Total Capital Assets, Being Depreciated, Net	\$ 130,651	\$ (3,585)	\$ -	\$ 127,066

Long-term Liabilities

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Due Within One Year	Due in More Than One Year
Other debt:						
Tax Allocation Bonds:						
2021 Refunding TAB	\$ 18,010,000	\$ -	\$ (740,000)	\$ 17,270,000	\$ 740,000	\$ 16,530,000
Add: Unamortized Original Issue Discount	(64,328)	-	3,785	(60,543)	-	(60,543)
Total	\$ 17,945,672	\$ -	\$ (736,215)	\$ 17,209,457	\$ 740,000	\$ 16,469,457

NOTE 15 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Prior to the dissolution, the City pledged a portion of the tax increment revenue that it received as security for tax allocation bonds it had issued. These bonds were to provide financing for various capital projects. The total principal and interest remaining on the debt is \$21,931,492, 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 \$1,223,675, and the debt service obligation on the bonds was \$1,161,299.

2021 Tax Allocation Refunding Bonds, Series A

In July 2021, the West Hollywood Community Development Commission issued \$19,445,000 of 2021 Tax Allocation Refunding Bonds to refund the outstanding principal balances of 2011 Tax Allocation Bonds Series A and B, and 2013 Tax Allocation Refunding Bonds Series A in the amounts 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, 2025, the total principal outstanding was \$17,270,000.

The following is a schedule of future debt service payments for the 2021 Tax Allocation Refunding Bonds, Series A as of June 30, 2025:

Year Ending June 30,	Principal	Interest	Total
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	770,000	382,265	1,152,265
2030	785,000	368,593	1,153,593
2031 - 2035	4,310,000	1,582,378	5,892,378
2036 - 2040	5,475,000	950,016	6,425,016
2041 - 2043	3,680,000	165,651	3,845,651
Total	<u>\$ 17,270,000</u>	<u>\$ 4,661,492</u>	<u>\$ 21,931,492</u>

NOTE 16 ADJUSTMENTS AND RESTATEMENTS OF BEGINNING BALANCES

Changes to or Within the Financial Reporting Entity

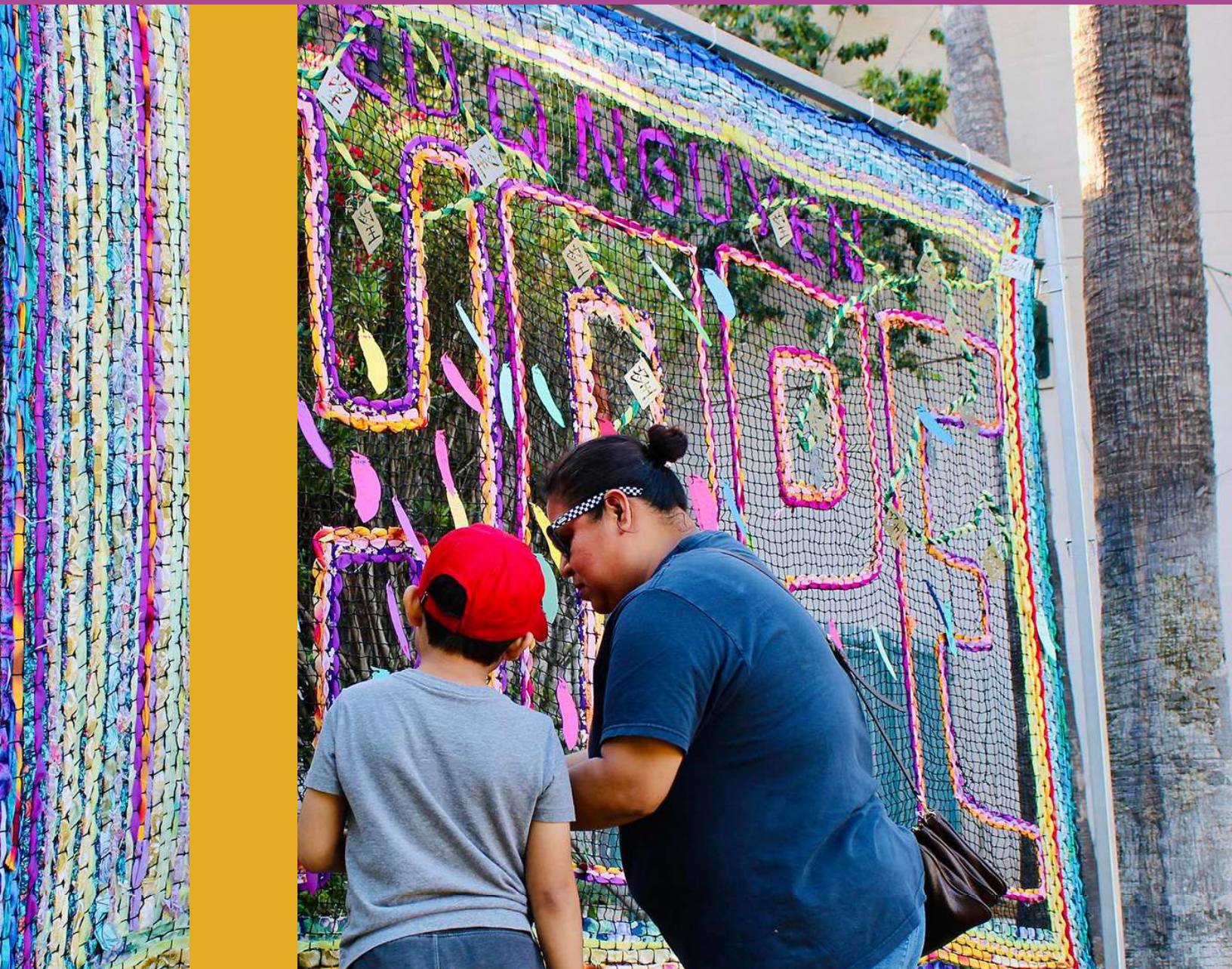
Parking Improvement Special Revenue Fund and Debt Funded Capital Projects Fund were previously reported as major and nonmajor funds, respectively, in the 2024 Annual Comprehensive Financial Report. However, the size criteria for the current year changed the presentation for both funds. The effects of these changes within the financial reporting entity are summarized below in the following table.

	June 30, 2024 As Previously Reported	Adjustment - Parking Improvement SRF as nonmajor fund	Adjustment - Debt Funded CPF as major fund	June 30, 2024 As Restated
Governmental Funds				
Major Funds				
General Fund	\$ 202,369,106	\$ -	\$ -	\$ 202,369,106
Parking Improvement Special Revenue Fund	1,017,676	(1,017,676)	-	-
Debt Funded Capital Projects Fund	-	-	7,725,829	7,725,829
Capital Projects Debt Service Fund	53,786,941	-	-	53,786,941
Nonmajor Funds:				
Other nonmajor funds	39,519,100	1,017,676	(7,725,829)	32,810,947
	<u>\$ 296,692,823</u>	<u>-</u>	<u>-</u>	<u>296,692,823</u>

NOTE 17 SUBSEQUENT EVENTS

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through December 29, 2025, 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



Weaving Hope by Artist Yeu Q. Nguyen
photo credit: Devin McDuffee

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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, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Total Pension Liability:					
Service Cost	\$ 5,956,962	\$ 5,585,698	\$ 5,548,609	\$ 4,992,001	\$ 5,068,545
Interest on Total Pension Liability	16,409,301	15,364,841	14,434,201	13,818,681	13,104,854
Differences Between Expected and Actual Experience	2,753,741	1,140,105	(3,510,845)	(1,873,466)	242,873
Changes in Assumptions	-	-	7,385,840	-	-
Changes in Benefit Terms	-	118,526	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(9,340,735)	(8,164,900)	(7,379,996)	(6,701,850)	(5,854,316)
NET CHANGE IN TOTAL PENSION LIABILITY	15,779,269	14,044,270	16,477,809	10,235,366	12,561,956
Total Pension Liability - Beginning of Year	236,754,096	222,709,826	206,232,017	195,996,651	183,434,695
TOTAL PENSION LIABILITY - END OF YEAR (a)	\$ 252,533,365	\$ 236,754,096	\$ 222,709,826	\$ 206,232,017	\$ 195,996,651
Plan Fiduciary Net Position:					
Contributions - Employer	\$ 7,989,471	\$ 7,625,352	\$ 7,265,665	\$ 7,000,955	\$ 11,316,351
Contributions - Employee	2,556,063	2,233,140	2,087,731	2,022,103	2,027,675
Plan to Plan Resource Movement	-	-	-	-	-
Net Investment Income	17,911,213	10,819,592	(14,202,204)	34,184,545	7,002,152
Administrative Expense	(150,766)	(127,141)	(115,395)	(148,727)	(189,728)
Benefit Payments	(9,340,735)	(8,164,900)	(7,379,996)	(6,701,850)	(5,854,316)
Other Miscellaneous Expense	-	-	-	-	-
NET CHANGE IN PLAN FIDUCIARY NET POSITION	18,965,246	12,386,043	(12,344,199)	36,357,026	14,302,134
Plan Fiduciary Net Position - Beginning of Year	185,283,620	172,897,577	185,241,776	148,884,750	134,582,616
PLAN FIDUCIARY NET POSITION - END OF YEAR (b)	\$ 204,248,866	\$ 185,283,620	\$ 172,897,577	\$ 185,241,776	\$ 148,884,750
Net Pension Liability - Ending (a) - (b)	\$ 48,284,499	\$ 51,470,476	\$ 49,812,249	\$ 20,990,241	\$ 47,111,901
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.88%	78.26%	77.63%	89.82%	75.96%
Covered Payroll	\$ 29,395,374	\$ 27,817,223	\$ 27,481,965	\$ 26,954,650	\$ 26,989,056
Net Pension Liability as Percentage of Covered Payroll	164.26%	185.03%	181.25%	78.11%	174.56%

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.

Changes in Assumptions: There were no assumption changes in 2023 or 2024. Effective with the June 30, 2021, valuation date (June 30, 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. In addition, demographic assumptions and the price inflation 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 June 30, 2017, through June 30, 2021, and 7.65% for measurement dates June 30, 2015, through June 30, 2016.

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

Fiscal Year	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Total Pension Liability:					
Service Cost	\$ 4,532,359	\$ 4,492,737	\$ 4,297,782	\$ 3,797,578	\$ 3,731,187
Interest on Total Pension Liability	12,280,225	11,418,376	10,695,997	9,965,778	9,303,597
Differences Between Expected and Actual Experience	1,351,494	1,340,332	(554,770)	(1,019,659)	(1,107,374)
Changes in Assumptions	-	(1,966,280)	9,675,762	-	(2,521,383)
Changes in Benefit Terms	-	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(5,726,227)	(4,730,956)	(3,993,245)	(3,630,140)	(3,154,574)
NET CHANGE IN TOTAL PENSION LIABILITY	12,437,851	10,554,209	20,121,526	9,113,557	6,251,453
Total Pension Liability - Beginning of Year	170,996,844	160,442,635	140,321,109	131,207,552	124,956,099
TOTAL PENSION LIABILITY - END OF YEAR (a)	\$ 183,434,695	\$ 170,996,844	\$ 160,442,635	\$ 140,321,109	\$ 131,207,552
Plan Fiduciary Net Position:					
Contributions - Employer	\$ 5,603,063	\$ 4,910,699	\$ 4,749,262	\$ 4,364,184	\$ 4,068,260
Contributions - Employee	1,956,715	1,821,930	1,806,932	1,745,598	1,709,766
Plan to Plan Resource Movement	-	(288)	-	-	(9,485)
Net Investment Income	8,336,996	9,694,135	11,194,909	530,674	2,065,984
Administrative Expense	(88,846)	(176,579)	(147,210)	(58,967)	(108,929)
Benefit Payments	(5,726,227)	(4,730,956)	(3,993,245)	(3,630,140)	(3,154,574)
Other Miscellaneous Expense	288	(335,327)	-	-	-
NET CHANGE IN PLAN FIDUCIARY NET POSITION	10,081,989	11,183,614	13,610,648	2,951,349	4,571,022
Plan Fiduciary Net Position - Beginning of Year	124,500,627	113,317,013	99,706,365	96,755,016	92,183,994
PLAN FIDUCIARY NET POSITION - END OF YEAR (b)	\$ 134,582,616	\$ 124,500,627	\$ 113,317,013	\$ 99,706,365	\$ 96,755,016
Net Pension Liability - Ending (a) - (b)	\$ 48,852,079	\$ 46,496,217	\$ 47,125,622	\$ 40,614,744	\$ 34,452,536
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.37%	72.81%	70.63%	71.06%	73.74%
Covered Payroll	\$ 23,983,275	\$ 23,937,009	\$ 22,564,088	\$ 22,046,899	\$ 21,417,753
Net Pension Liability as Percentage of Covered Payroll	203.69%	194.24%	208.85%	184.22%	160.86%

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

Fiscal year	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Contractually Required Contribution (Actuarially Determined)	\$ 9,337,924	\$ 8,137,060	\$ 7,625,665	\$ 7,265,665	\$ 7,000,955
Contributions in Relation to the Actuarially Determined Contributions	<u>(9,337,924)</u>	<u>(8,137,060)</u>	<u>(7,625,665)</u>	<u>(7,265,665)</u>	<u>(7,000,955)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 33,552,513	\$ 29,395,374	\$ 27,817,223	\$ 27,481,965	\$ 26,954,650
Contributions as a Percentage of Covered Payroll	27.83%	27.68%	27.41%	26.44%	25.97%

NOTES TO SCHEDULE

Valuation Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019
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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%	2.30%	2.50%	2.50%	2.50%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	6.9% (3)	6.9% (3)	7.00% (3)	7.00% (3)	7.00% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

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

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

Fiscal year	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Contractually Required Contribution (Actuarially Determined)	\$ 6,316,351	\$ 5,303,063	\$ 4,910,669	\$ 4,749,262	\$ 4,364,184
Contributions in Relation to the Actuarially Determined Contributions	<u>(11,316,351)</u>	<u>(5,303,063)</u>	<u>(4,910,669)</u>	<u>(4,749,262)</u>	<u>(4,364,184)</u>
Contribution Deficiency (Excess)	<u>\$ (5,000,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 26,989,056	\$ 23,983,275	\$ 23,937,009	\$ 22,564,088	\$ 22,046,899
Contributions as a Percentage of Covered Payroll	23.40%	22.11%	20.51%	21.05%	19.80%
NOTES TO SCHEDULE					
Valuation Date	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
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	2.625%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.25% (3)	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

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

Fiscal Year End Measurement Date	6/30/2025 6/30/2024	6/30/2024 6/30/2023	6/30/2023 6/30/2022	6/30/2022 6/30/2021	6/30/2021 6/30/2020
Total OPEB Liability:					
Service Cost	\$ 323,179	\$ 353,483	\$ 337,718	\$ 350,000	\$ 332,068
Interest on Total OPEB Liability	418,724	403,941	390,434	387,355	364,701
Differences Between Actual and Expected Experience	(16,251)	11,052	(14,721)	153,576	(43,436)
Changes of Assumptions	(936,348)	(103,989)	150,702	183,826	-
Benefit Payments	(324,687)	(364,136)	(325,555)	(267,682)	(251,082)
Net Change in Total OPEB Liability	(535,383)	300,351	538,578	807,075	402,251
Total OPEB Liability - Beginning of Year	<u>8,472,663</u>	<u>8,172,312</u>	<u>7,633,734</u>	<u>6,826,659</u>	<u>6,424,408</u>
Total OPEB Liability - End of Year (a)	<u>7,937,280</u>	<u>8,472,663</u>	<u>8,172,312</u>	<u>7,633,734</u>	<u>6,826,659</u>
Plan Fiduciary Net Position:					
Contributions - Employer	324,687	364,136	325,555	267,682	251,082
Net Investment Income	351,859	86,345	(660,594)	733,317	322,138
Administrative Expenses	(1,776)	(1,556)	(1,559)	(1,909)	(2,525)
Benefit Payments	(324,687)	(364,136)	(325,555)	(267,682)	(251,082)
Net Change in Plan Fiduciary Net Position	350,083	84,789	(662,153)	731,408	319,613
Plan Fiduciary Net Position - Beginning of Year	<u>5,561,730</u>	<u>5,476,941</u>	<u>6,139,094</u>	<u>5,407,686</u>	<u>5,088,073</u>
Plan Fiduciary Net Position - End of Year (b)	<u>5,911,813</u>	<u>5,561,730</u>	<u>5,476,941</u>	<u>6,139,094</u>	<u>5,407,686</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 2,025,467</u>	<u>\$ 2,910,933</u>	<u>\$ 2,695,371</u>	<u>\$ 1,494,640</u>	<u>\$ 1,418,973</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	74.48%	65.64%	67.02%	80.42%	79.21%
Covered Payroll	\$ 31,297,281	\$ 29,168,669	\$ 27,894,663	\$ 27,433,871	\$ 26,813,513
Net OPEB Liability as Percentage of Covered Payroll	6.47%	9.98%	9.66%	5.56%	5.44%

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.

From FYE June 30, 2023 to June 30, 2024, the discount rate was changed from 4.84% to 4.85% and inflation rate also changed from 2.25% to 2.50%. In addition, health trend rate was changed to 14.20% for non-Medicare and 6.00% for Medicare decreasing gradually to an ultimate rate of 3.94% in 2075.

From FYE June 30, 2024 to June 30, 2025, the discount rate was changed from 4.85% to 5.80% and inflation rate also changed from 2.50% to 2.30%. In addition, health trend rate was changed to 6.50% for non-Medicare and 5.75% for Medicare decreasing gradually to an ultimate rate of 3.94% in 2075.

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

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

Fiscal Year End Measurement Date	<u>6/30/2020</u> 6/30/2019	<u>6/30/2019</u> 6/30/2018	<u>6/30/2018</u> 6/30/2017
Total OPEB Liability:			
Service Cost	\$ 374,804	\$ 354,487	\$ 344,580
Interest on Total OPEB Liability	433,437	400,740	367,919
Differences Between Actual and Expected Experience	(777,846)	-	-
Changes of Assumptions	(187,349)	38,410	-
Benefit Payments	<u>(252,282)</u>	<u>(230,282)</u>	<u>(215,545)</u>
Net Change in Total OPEB Liability	(409,236)	563,355	496,954
Total OPEB Liability - Beginning of Year	<u>6,833,644</u>	<u>6,270,289</u>	<u>5,773,335</u>
Total OPEB Liability - End of Year (a)	<u>6,424,408</u>	<u>6,833,644</u>	<u>6,270,289</u>
Plan Fiduciary Net Position:			
Contributions - Employer	252,282	230,282	215,545
Net Investment Income	341,687	208,278	180,142
Administrative Expenses	(1,023)	(2,358)	(2,169)
Benefit Payments	<u>(252,282)</u>	<u>(230,282)</u>	<u>(215,545)</u>
Net Change in Plan Fiduciary Net Position	340,664	205,920	177,973
Plan Fiduciary Net Position - Beginning of Year	<u>4,747,409</u>	<u>4,541,489</u>	<u>4,363,516</u>
Plan Fiduciary Net Position - End of Year (b)	<u>5,088,073</u>	<u>4,747,409</u>	<u>4,541,489</u>
Net OPEB Liability - Ending (a) - (b)	<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	79.20%	69.47%	72.43%
Covered Payroll	\$ 24,980,887	\$ 23,937,009	\$ 22,564,088
Net OPEB Liability as Percentage of Covered Payroll	5.65%	8.49%	7.66%

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

	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021
Actuarially Determined Contribution	\$ 529,006	\$ 523,430	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contributions	(351,134)	(324,687)	(364,136)	(325,555)	(267,682)
Contribution Deficiency (Excess)	\$ 177,872	\$ 198,743	\$ (364,136)	\$ (325,555)	\$ (267,682)
Covered Payroll	\$ 33,552,513	\$ 31,297,281	\$ 29,168,669	\$ 27,894,663	\$ 27,894,663
Contributions as a Percentage of Covered Payroll	1.05%	1.04%	1.25%	1.17%	0.96%

Notes to Schedule:

Valuation Date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
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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	2.30%	2.50%	2.25%	2.25%	2.25%
Salary Increases	2.80%	2.75%	2.75%	2.75%	2.75%
Healthcare Trend Rates	Pre- Medicare 6.50%; Medicare 5.75%, trending down to 3.94%		6.70% trending down to 3.70% in FY 2075 and later years		6.40% trending down to 4.00%
Investment Rate of Return	5.80%	5.00%	5.00%	5.50%	5.50%
Mortality	CalPERS OPEB Assumption Model December 2017 experience studies				
Retirement Rates	CalPERS OPEB Assumption Model December 2017 experience studies				

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

City of West Hollywood
Schedule of Contributions – OPEB (Continued)
Last Ten Fiscal Years*

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

Notes to Schedule:

Valuation Date	6/30/2019	6/30/2017	6/30/2017
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Methods and Assumptions Used to

Determine Contribution Rates:

Single and Agent Employers	Entry age normal, level percent of pay		
Amortization Method	Closed period, level percent of pay		
Amortization Period	20 years		
Inflation	2.50%	2.50%	2.75%
Salary Increases	2.75%	2.75%	2.88%
Healthcare Trend Rates	6.40%	Pre- Medicare 7.00%, trending 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		
Retirement Rates	December 2017 experience studies		

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Supplementary Information

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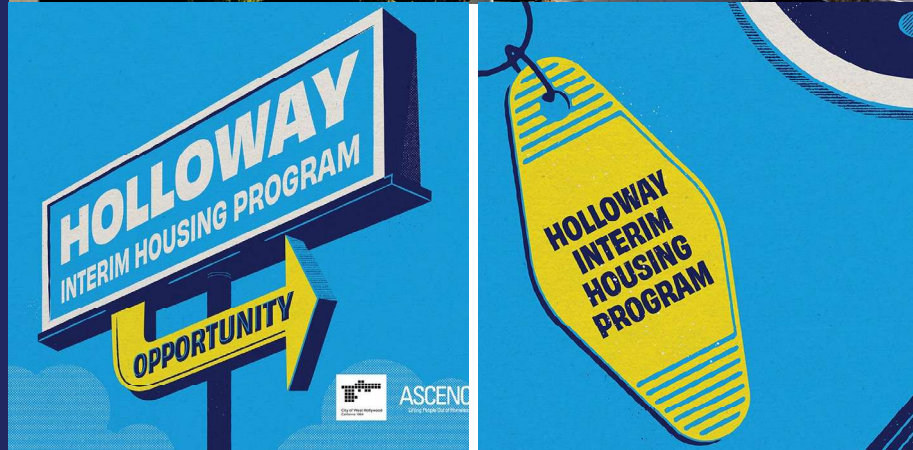
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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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 contribute to the Public Beautification and Art Fund in an amount established by a resolution of the City Council. These funds are to be used for the beautification of the City and for other art-related activities.

Park Development (Quimby Act) Fund

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

This fund comes from a 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 the 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.

SPECIAL REVENUE FUNDS (CONTINUED)

Community Development Block Grant (CDBG) Fund

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.

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 protecting 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 it is 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 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, 2025**

	<u>Special Revenue Funds</u>			
	<u>Special Grants</u>	<u>Proposition "A"</u>	<u>Proposition "C"</u>	<u>Measure "R"</u>
ASSETS				
Cash and Investments	\$ 4,538,609	\$ 571,850	\$ 534,321	\$ 1,132,972
Receivables				
Accounts	42,669	2,908	-	-
Notes and Loans	-	-	-	-
Accrued Interest	23,010	2,606	2,476	5,266
Leases	-	-	-	-
Due from Other Governments	<u>1,569,902</u>	<u>1,300,000</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 6,174,190</u>	<u>\$ 1,877,364</u>	<u>\$ 536,797</u>	<u>\$ 1,138,238</u>
LIABILITIES				
Accounts Payable	\$ 294,270	\$ 544,533	\$ 145,068	\$ 108,728
Unearned Revenues	5,648,570	-	-	-
Deposits Payable	23,943	-	-	-
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	<u>5,966,783</u>	<u>544,533</u>	<u>145,068</u>	<u>108,728</u>
DEFERRED INFLOWS OF RESOURCES				
Leases	-	-	-	-
Unavailable Revenues	<u>792,306</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>792,306</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Restricted				
Public Services	-	1,332,831	391,729	1,029,510
Capital Projects	-	-	-	-
Unassigned	<u>(584,899)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>(584,899)</u>	<u>1,332,831</u>	<u>391,729</u>	<u>1,029,510</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,174,190</u>	<u>\$ 1,877,364</u>	<u>\$ 536,797</u>	<u>\$ 1,138,238</u>

(Continued)

**City of West Hollywood
Combining Balance Sheet
Other Governmental Funds (Continued)
June 30, 2025**

Special Revenue Funds (Continued)						
<u>Gas Tax</u>	<u>RMRA</u>	<u>Air Quality Improvement</u>	<u>Traffic</u>	<u>Public Beautification and Art</u>	<u>Quimby Act</u>	
\$ 83,338	\$ 2,220,443	\$ 352,411	\$ -	\$ 2,536,403	\$ 2,182,884	
-	-	-	-	-	-	
-	10,324	1,623	-	11,814	10,172	
-	-	-	-	-	-	
172,203	81,620	12,208	-	-	-	
<u>\$ 255,541</u>	<u>\$ 2,312,387</u>	<u>\$ 366,242</u>	<u>\$ -</u>	<u>\$ 2,548,217</u>	<u>\$ 2,193,056</u>	
\$ 9,422	\$ -	\$ -	\$ 188,036	\$ 80,949	\$ 117,157	
-	-	-	107,557	248,337	45,930	
2,409	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	168,240	-	-	
<u>11,831</u>	<u>-</u>	<u>-</u>	<u>463,833</u>	<u>329,286</u>	<u>163,087</u>	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
243,710	2,312,387	366,242	-	2,218,931	2,029,969	
-	-	-	-	-	-	
-	-	-	(463,833)	-	-	
<u>243,710</u>	<u>2,312,387</u>	<u>366,242</u>	<u>(463,833)</u>	<u>2,218,931</u>	<u>2,029,969</u>	
\$ 255,541	\$ 2,312,387	\$ 366,242	\$ -	\$ 2,548,217	\$ 2,193,056	

(Continued)

**City of West Hollywood
Combining Balance Sheet
Other Governmental Funds (Continued)
June 30, 2025**

	Special Revenue Funds (Continued)				
	City Lighting	Public Access Corporation	Parking Improvement	Permit Parking	CDBG
ASSETS					
Cash and Investments	\$ 6,645,590	\$ -	\$ 478,181	\$ -	\$ -
Receivables					
Accounts	9,650	16,985	113,348	-	-
Notes and Loans	-	-	-	-	500,928
Accrued Interest	30,931	-	1,167	-	-
Leases	-	-	9,513,582	-	-
Due from Other Governments	29,635	-	-	-	185,474
Total Assets	<u>\$ 6,715,806</u>	<u>\$ 16,985</u>	<u>\$ 10,106,278</u>	<u>\$ -</u>	<u>\$ 686,402</u>
LIABILITIES					
Accounts Payable	\$ 179,114	\$ 1,790	\$ 619,666	\$ 14,679	\$ 170,914
Unearned Revenues	-	-	280,000	-	-
Deposits Payable	38,048	-	46,328	-	8,995
Due to Other Governments	-	-	-	-	502,316
Due to Other Funds	-	117,203	-	579,013	9,217
Total Liabilities	<u>217,162</u>	<u>118,993</u>	<u>945,994</u>	<u>593,692</u>	<u>691,442</u>
DEFERRED INFLOWS OF RESOURCES					
Leases	-	-	8,220,643	-	-
Unavailable Revenues	-	-	-	-	8,923
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>8,220,643</u>	<u>-</u>	<u>8,923</u>
FUND BALANCES (DEFICITS)					
Restricted					
Public Services	6,498,644	-	-	-	-
Capital Projects	-	-	939,641	-	-
Unassigned	-	(102,008)	-	(593,692)	(13,963)
Total Fund Balances (Deficits)	<u>6,498,644</u>	<u>(102,008)</u>	<u>939,641</u>	<u>(593,692)</u>	<u>(13,963)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,715,806</u>	<u>\$ 16,985</u>	<u>\$ 10,106,278</u>	<u>\$ -</u>	<u>\$ 686,402</u>

(Continued)

**City of West Hollywood
Combining Balance Sheet
Other Governmental Funds (Continued)
June 30, 2025**

<u>Special Revenue Funds (Continued)</u>				<u>Capital Project</u>	
<u>Measure "M"</u>	<u>Measure "W"</u>	<u>Housing Trust</u>	<u>Housing Asset</u>	<u>Santa Monica Boulevard</u>	<u>Total Other Governmental Funds</u>
\$ 1,410,542	\$ 108,427	\$ 10,638,687	\$ 297,958	\$ 3,762,748	\$ 37,495,364
-	-	-	-	-	185,560
-	-	-	-	-	500,928
6,547	506	49,568	1,368	17,456	174,834
-	-	-	-	-	9,513,582
136,604	-	-	-	-	3,487,646
<u>\$ 1,553,693</u>	<u>\$ 108,933</u>	<u>\$ 10,688,255</u>	<u>\$ 299,326</u>	<u>\$ 3,780,204</u>	<u>\$ 51,357,914</u>
\$ 129,034	\$ -	\$ 1,019,117	\$ -	\$ 2	\$ 3,622,479
88,130	-	545,925	-	-	6,964,449
-	-	-	-	23,209	142,932
-	-	-	-	-	502,316
-	-	-	-	-	873,673
<u>217,164</u>	<u>-</u>	<u>1,565,042</u>	<u>-</u>	<u>23,211</u>	<u>12,105,849</u>
-	-	-	-	-	8,220,643
-	-	-	-	-	801,229
-	-	-	-	-	9,021,872
1,336,529	108,933	9,123,213	299,326	-	27,291,954
-	-	-	-	3,756,993	4,696,634
-	-	-	-	-	(1,758,395)
<u>1,336,529</u>	<u>108,933</u>	<u>9,123,213</u>	<u>299,326</u>	<u>3,756,993</u>	<u>30,230,193</u>
<u>\$ 1,553,693</u>	<u>\$ 108,933</u>	<u>\$ 10,688,255</u>	<u>\$ 299,326</u>	<u>\$ 3,780,204</u>	<u>\$ 51,357,914</u>

(Concluded)

City of West Hollywood
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Other Governmental Funds
Year Ended June 30, 2025

	<u>Special Revenue Funds</u>			
	<u>Special Grants</u>	<u>Proposition "A"</u>	<u>Proposition "C"</u>	<u>Measure "R"</u>
REVENUES				
Taxes	\$ -	\$ 912,924	\$ 757,247	\$ 567,830
Intergovernmental	4,696,692	3,300,000	-	-
Charges for Services	-	-	-	-
Use of Money and Property	299,246	12,133	50,472	32,876
Fines and Forfeitures	-	-	-	-
Developer Participation	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>4,995,938</u>	<u>4,225,057</u>	<u>807,719</u>	<u>600,706</u>
EXPENDITURES				
Current				
General Government	-	-	9,461	-
Community Safety	115,301	-	-	-
Public Services	922,866	3,423,471	612,110	302,159
Capital Outlay	3,855,252	-	181,317	-
Debt Service				
Principal Retirement	-	-	-	-
Total Expenditures	<u>4,893,419</u>	<u>3,423,471</u>	<u>802,888</u>	<u>302,159</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>102,519</u>	<u>801,586</u>	<u>4,831</u>	<u>298,547</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGES IN FUND BALANCES	<u>102,519</u>	<u>801,586</u>	<u>4,831</u>	<u>298,547</u>
Fund Balances (Deficits)				
- Beginning of Year, as previously reported	(687,418)	531,245	386,898	730,963
Adjustments (Note 16)	-	-	-	-
Fund Balances (Deficits)				
- Beginning of Year, as adjusted	<u>(687,418)</u>	<u>531,245</u>	<u>386,898</u>	<u>730,963</u>
FUND BALANCES (DEFICITS)				
- END OF YEAR	<u>\$ (584,899)</u>	<u>\$ 1,332,831</u>	<u>\$ 391,729</u>	<u>\$ 1,029,510</u>

(Continued)

City of West Hollywood
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Other Governmental Funds (Continued)
Year Ended June 30, 2025

<u>Special Revenue Funds (Continued)</u>					
<u>Gas Tax</u>	<u>RMRA</u>	<u>Air Quality Improvement</u>	<u>Traffic</u>	<u>Public Beautification and Art</u>	<u>Quimby Act</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
986,364	970,109	46,752	-	-	-
-	-	-	-	-	-
-	61,175	14,235	4,469	131,383	119,308
-	-	-	-	-	-
-	-	-	24,188	190,740	-
-	-	-	-	-	-
<u>986,364</u>	<u>1,031,284</u>	<u>60,987</u>	<u>28,657</u>	<u>322,123</u>	<u>119,308</u>
-	-	-	-	-	-
-	-	-	-	-	-
879,605	-	5,422	72,789	287,752	12,350
-	-	-	176,252	-	225,402
-	-	-	-	-	-
<u>879,605</u>	<u>-</u>	<u>5,422</u>	<u>249,041</u>	<u>287,752</u>	<u>237,752</u>
<u>106,759</u>	<u>1,031,284</u>	<u>55,565</u>	<u>(220,384)</u>	<u>34,371</u>	<u>(118,444)</u>
150,000	-	-	-	-	-
-	-	-	-	-	-
<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>256,759</u>	<u>1,031,284</u>	<u>55,565</u>	<u>(220,384)</u>	<u>34,371</u>	<u>(118,444)</u>
(13,049)	1,281,103	310,677	(243,449)	2,184,560	2,148,413
-	-	-	-	-	-
<u>(13,049)</u>	<u>1,281,103</u>	<u>310,677</u>	<u>(243,449)</u>	<u>2,184,560</u>	<u>2,148,413</u>
<u>\$ 243,710</u>	<u>\$ 2,312,387</u>	<u>\$ 366,242</u>	<u>\$ (463,833)</u>	<u>\$ 2,218,931</u>	<u>\$ 2,029,969</u>

(Continued)

City of West Hollywood
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Other Governmental Funds (Continued)
Year Ended June 30, 2025

	Special Revenue Funds (Continued)				
	City Lighting	Public Access Corporation	Parking Improvement	Permit Parking	CDBG
REVENUES					
Taxes	\$ 2,128,830	\$ 72,740	\$ -	\$ -	\$ -
Intergovernmental	6,439	-	-	-	379,459
Charges for Services	-	-	402,139	-	-
Use of Money and Property	277,500	-	2,979,674	841,763	-
Fines and Forfeitures	-	-	821,583	-	-
Developer Participation	-	-	20,000	-	-
Miscellaneous	-	-	823,675	-	-
Total Revenues	<u>2,412,769</u>	<u>72,740</u>	<u>5,047,071</u>	<u>841,763</u>	<u>379,459</u>
EXPENDITURES					
Current					
General Government	-	40,942	88,085	-	-
Community Safety	-	-	-	-	-
Public Services	1,366,755	-	3,704,332	1,127,194	30,929
Capital Outlay	-	-	70,143	-	354,174
Debt Service					
Principal Retirement	-	-	10,052	-	-
Total Expenditures	<u>1,366,755</u>	<u>40,942</u>	<u>3,872,612</u>	<u>1,127,194</u>	<u>385,103</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,046,014</u>	<u>31,798</u>	<u>1,174,459</u>	<u>(285,431)</u>	<u>(5,644)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	(1,252,494)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(1,252,494)</u>	<u>-</u>	<u>-</u>
CHANGES IN FUND BALANCES	<u>1,046,014</u>	<u>31,798</u>	<u>(78,035)</u>	<u>(285,431)</u>	<u>(5,644)</u>
Fund Balances (Deficits)					
- Beginning of Year, as previously reported	5,452,630	(133,806)	-	(308,261)	(8,319)
Adjustments (Note 16)	-	-	1,017,676	-	-
Fund Balances (Deficits)					
- Beginning of Year, as adjusted	<u>5,452,630</u>	<u>(133,806)</u>	<u>1,017,676</u>	<u>(308,261)</u>	<u>(8,319)</u>
FUND BALANCES (DEFICITS)					
- END OF YEAR	<u>\$ 6,498,644</u>	<u>\$ (102,008)</u>	<u>\$ 939,641</u>	<u>\$ (593,692)</u>	<u>\$ (13,963)</u>

(Continued)

City of West Hollywood
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Other Governmental Funds (Continued)
Year Ended June 30, 2025

Special Revenue Funds (Continued)				Capital Projects Fund		Total Other Governmental Funds
Measure "M"	Measure "W"	Housing Trust	Housing Asset	Debt Funded Capital Projects	Santa Monica Boulevard	
\$ 688,796	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,128,367
-	259,639	-	-	-	-	10,645,454
-	-	-	-	-	-	402,139
46,422	18,666	865,646	11,068	-	185,133	5,951,169
-	-	-	-	-	-	821,583
-	-	906,402	-	-	-	1,141,330
-	-	13,511	53,413	-	-	890,599
<u>735,218</u>	<u>278,305</u>	<u>1,785,559</u>	<u>64,481</u>		<u>185,133</u>	<u>24,980,641</u>
-	-	149,742	-	-	-	288,230
-	-	-	-	-	-	115,301
467,285	621,445	7,208,511	-	-	-	21,044,975
137,803	-	-	-	-	-	5,000,343
-	-	-	-	-	-	10,052
<u>605,088</u>	<u>621,445</u>	<u>7,358,253</u>	<u>-</u>		<u>-</u>	<u>26,458,901</u>
<u>130,130</u>	<u>(343,140)</u>	<u>(5,572,694)</u>	<u>64,481</u>		<u>185,133</u>	<u>(1,478,260)</u>
-	-	-	-	-	-	150,000
-	-	-	-	-	-	(1,252,494)
-	-	-	-	-	-	(1,102,494)
<u>130,130</u>	<u>(343,140)</u>	<u>(5,572,694)</u>	<u>64,481</u>		<u>185,133</u>	<u>(2,580,754)</u>
1,206,399	452,073	14,695,907	234,845	7,725,829	3,571,860	39,519,100
-	-	-	-	(7,725,829)	-	(6,708,153)
<u>1,206,399</u>	<u>452,073</u>	<u>14,695,907</u>	<u>234,845</u>	<u>-</u>	<u>3,571,860</u>	<u>32,810,947</u>
<u>\$ 1,336,529</u>	<u>\$ 108,933</u>	<u>\$ 9,123,213</u>	<u>\$ 299,326</u>	<u>\$ -</u>	<u>\$ 3,756,993</u>	<u>\$ 30,230,193</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, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
BUDGETARY FUND DEFICIT, JULY 1	\$ (687,418)	\$ (687,418)	\$ (687,418)	\$ -
<u>REVENUES</u>				
Intergovernmental	166,064	25,105,645	4,696,692	(20,408,953)
Use of Money and Property	-	-	299,246	299,246
Amounts Available for Appropriations	<u>166,064</u>	<u>25,105,645</u>	<u>4,995,938</u>	<u>(20,109,707)</u>
<u>EXPENDITURES</u>				
Current				
Community Safety	150,000	261,251	115,301	145,950
Public Services	16,064	5,462,593	922,866	4,539,727
Capital Outlay	-	18,683,749	3,855,252	14,828,497
Total Charges to Appropriations	<u>166,064</u>	<u>24,407,593</u>	<u>4,893,419</u>	<u>19,514,174</u>
BUDGETARY FUND BALANCE (DEFICIT), JUNE 30	<u>\$ (687,418)</u>	<u>\$ 10,634</u>	<u>\$ (584,899)</u>	<u>\$ (595,533)</u>

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, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Actual	(Negative)
BUDGETARY FUND BALANCE, JULY 1	\$ 531,245	\$ 531,245	\$ 531,245	\$ -
 <u>REVENUES</u>				
Taxes	978,610	978,610	912,924	(65,686)
Intergovernmental	3,199,315	3,199,315	3,300,000	100,685
Use of Money and Property	-	-	12,133	12,133
Amounts Available for Appropriations	4,177,925	4,177,925	4,225,057	47,132
 <u>EXPENDITURES</u>				
Current				
Public Services	4,113,061	4,125,061	3,423,471	701,590
Total Charges to Appropriations	4,113,061	4,125,061	3,423,471	701,590
 BUDGETARY FUND BALANCE, JUNE 30	\$ 596,109	\$ 584,109	\$ 1,332,831	\$ 748,722

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, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
BUDGETARY FUND BALANCE, JULY 1	\$ 386,898	\$ 386,898	\$ 386,898	\$ -
<u>REVENUES</u>				
Taxes	811,730	811,730	757,247	(54,483)
Use of Money and Property	40,820	40,820	50,472	9,652
Amounts Available for Appropriations	<u>852,550</u>	<u>852,550</u>	<u>807,719</u>	<u>(44,831)</u>
<u>EXPENDITURES</u>				
Current				
General government	10,000	10,000	9,461	539
Public Services	598,948	598,948	612,110	(13,162)
Capital Outlay	-	594,294	181,317	412,977
Total Charges to Appropriations	<u>608,948</u>	<u>1,203,242</u>	<u>802,888</u>	<u>400,354</u>
BUDGETARY FUND BALANCE, JUNE 30	<u>\$ 630,500</u>	<u>\$ 36,206</u>	<u>\$ 391,729</u>	<u>\$ 355,523</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, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
				Positive
				(Negative)
BUDGETARY FUND BALANCE, JULY 1	\$ 730,963	\$ 730,963	\$ 730,963	\$ -
 REVENUES				
Taxes	608,800	608,800	567,830	(40,970)
Use of Money and Property	26,420	26,420	32,876	6,456
Amounts Available for Appropriations	635,220	635,220	600,706	(34,514)
 EXPENDITURES				
Current				
Public Services	621,000	646,965	302,159	344,806
Total Charges to Appropriations	621,000	646,965	302,159	344,806
 BUDGETARY FUND BALANCE, JUNE 30	\$ 745,183	\$ 719,218	\$ 1,029,510	\$ 310,292

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, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
BUDGETARY FUND DEFICIT, JULY 1	\$ (13,049)	\$ (13,049)	\$ (13,049)	\$ -
<u>REVENUES</u>				
Intergovernmental	912,750	912,750	986,364	73,614
Transfers In	150,000	150,000	150,000	-
Amounts Available for Appropriations	<u>1,062,750</u>	<u>1,062,750</u>	<u>1,136,364</u>	<u>73,614</u>
<u>EXPENDITURES</u>				
Current				
Public Services	893,255	893,255	879,605	13,650
Total Charges to Appropriations	<u>893,255</u>	<u>893,255</u>	<u>879,605</u>	<u>13,650</u>
BUDGETARY FUND BALANCE, JUNE 30	<u>\$ 156,446</u>	<u>\$ 156,446</u>	<u>\$ 243,710</u>	<u>\$ 87,264</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, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE, JULY 1	\$ 1,281,103	\$ 1,281,103	\$ 1,281,103	\$ -
<u>REVENUES</u>				
Intergovernmental	913,570	913,570	970,109	56,539
Use of Money and Property	23,470	23,470	61,175	37,705
Amounts Available for Appropriations	937,040	937,040	1,031,284	94,244
<u>EXPENDITURES</u>				
Capital Outlay	913,000	913,000	-	913,000
Total Charges to Appropriations	913,000	913,000	-	913,000
BUDGETARY FUND BALANCE, JUNE 30	\$ 1,305,143	\$ 1,305,143	\$ 2,312,387	\$ 1,007,244

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, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE, JULY 1	\$ 310,677	\$ 310,677	\$ 310,677	\$ -
<u>REVENUES</u>				
Intergovernmental	49,000	49,000	46,752	(2,248)
Use of Money and Property	7,525	7,525	14,235	6,710
Amounts Available for Appropriations	56,525	56,525	60,987	4,462
<u>EXPENDITURES</u>				
Current				
Public Services	10,000	10,027	5,422	4,605
Capital Outlay	-	150,000	-	150,000
Total Charges to Appropriations	10,000	160,027	5,422	154,605
BUDGETARY FUND BALANCE, JUNE 30	\$ 357,202	\$ 207,175	\$ 366,242	\$ 159,067

City of West Hollywood
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Traffic Special Revenue Fund
Year ended June 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
				Positive
				(Negative)
BUDGETARY FUND DEFICIT, JULY 1	\$ (243,449)	\$ (243,449)	\$ (243,449)	\$ -
 REVENUES				
Use of Money and Property	7,280	7,280	4,469	(2,811)
Developer Participation	51,500	51,500	24,188	(27,312)
Amounts Available for Appropriations	58,780	58,780	28,657	(30,123)
 EXPENDITURES				
Current				
Public Services	48,589	48,589	72,789	(24,200)
Capital Outlay	-	958,650	176,252	782,398
Total Charges to Appropriations	48,589	1,007,239	249,041	758,198
 BUDGETARY FUND DEFICIT, JUNE 30	 \$ (233,258)	 \$ (1,191,908)	 \$ (463,833)	 \$ 728,075

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, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
BUDGETARY FUND BALANCE, JULY 1	\$ 2,184,560	\$ 2,184,560	\$ 2,184,560	\$ -
 REVENUES				
Use of Money and Property	75,800	75,800	131,383	55,583
Developer Participation	150,000	150,000	190,740	40,740
Amounts Available for Appropriations	225,800	225,800	322,123	96,323
 EXPENDITURES				
Current				
Public Services	425,055	884,699	287,752	596,947
Total Charges to Appropriations	425,055	884,699	287,752	596,947
 BUDGETARY FUND BALANCE, JUNE 30	\$ 1,985,305	\$ 1,525,661	\$ 2,218,931	\$ 693,270

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, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
BUDGETARY FUND BALANCE, JULY 1	\$ 2,148,413	\$ 2,148,413	\$ 2,148,413	\$ -
<u>REVENUES</u>				
Use of Money and Property	68,040	68,040	119,308	51,268
Developer Participation	185,500	185,500	-	(185,500)
Amounts Available for Appropriations	253,540	253,540	119,308	(134,232)
<u>EXPENDITURES</u>				
Current				
Public Services	45,000	158,076	12,350	145,726
Capital Outlay	858,000	3,563,952	225,402	3,338,550
Total Charges to Appropriations	903,000	3,722,028	237,752	3,484,276
BUDGETARY FUND BALANCE (DEFICIT), JUNE 30	\$ 1,498,953	\$ (1,320,075)	\$ 2,029,969	\$ 3,350,044

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, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
				Positive
				(Negative)
BUDGETARY FUND BALANCE, JULY 1	\$ 5,452,630	\$ 5,452,630	\$ 5,452,630	\$ -
 REVENUES				
Taxes	1,668,900	1,668,900	2,128,830	459,930
Intergovernmental	7,200	7,200	6,439	(761)
Use of Money and Property	141,970	141,970	277,500	135,530
Amounts Available for Appropriations	1,818,070	1,818,070	2,412,769	594,699
 EXPENDITURES				
Current				
Public Services	2,220,000	2,220,000	1,366,755	853,245
Capital Outlay	200,000	732,661	-	732,661
Total Charges to Appropriations	2,420,000	2,952,661	1,366,755	1,585,906
 BUDGETARY FUND BALANCE, JUNE 30	 \$ 4,850,700	 \$ 4,318,039	 \$ 6,498,644	 \$ 2,180,605

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, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	(Negative)
BUDGETARY FUND DEFICIT, JULY 1	\$ (133,806)	\$ (133,806)	\$ (133,806)	\$ -
 <u>REVENUES</u>				
Taxes	80,000	80,000	72,740	(7,260)
Miscellaneous	515	515	-	(515)
Amounts Available for Appropriations	80,515	80,515	72,740	(7,775)
 <u>EXPENDITURES</u>				
Current				
General Government	61,294	61,294	40,942	20,352
Total Charges to Appropriations	61,294	61,294	40,942	20,352
BUDGETARY FUND DEFICIT, JUNE 30	\$ (114,585)	\$ (114,585)	\$ (102,008)	\$ 12,577

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, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Budget</u>
				<u>(Negative)</u>
BUDGETARY FUND BALANCE, JULY 1	\$ 1,017,676	\$ 1,017,676	\$ 1,017,676	\$ -
<u>REVENUES</u>				
Charges for Services	400,000	612,000	402,139	(209,861)
Use of Money and Property	3,378,000	3,378,000	2,979,674	(398,326)
Fines and Forfeitures	750,000	750,000	821,583	71,583
Developer Participation	-	-	20,000	20,000
Miscellaneous	-	-	823,675	823,675
Amounts Available for Appropriations	<u>4,528,000</u>	<u>4,740,000</u>	<u>5,047,071</u>	<u>307,071</u>
<u>EXPENDITURES</u>				
Current				
General Government	75,253	75,253	88,085	(12,832)
Public Services	4,196,950	4,442,898	3,704,332	738,566
Capital Outlay	200,000	693,754	70,143	623,611
Debt Service				
Principal Retirement	-	10,052	10,052	-
Transfers Out	<u>1,252,494</u>	<u>1,252,494</u>	<u>1,252,494</u>	<u>-</u>
Total Charges to Appropriations	<u>5,724,697</u>	<u>6,474,451</u>	<u>5,125,106</u>	<u>1,349,345</u>
BUDGETARY FUND BALANCE (DEFICIT), JUNE 30	\$ <u>(179,021)</u>	\$ <u>(716,775)</u>	\$ <u>939,641</u>	\$ <u>1,656,416</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, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	(Negative)
BUDGETARY FUND DEFICIT, JULY 1	\$ (308,261)	\$ (308,261)	\$ (308,261)	\$ -
 REVENUES				
Use of Money and Property	1,159,490	1,159,490	841,763	(317,727)
Amounts Available for Appropriations	1,159,490	1,159,490	841,763	(317,727)
 EXPENDITURES				
Current				
Public Services	1,241,154	1,241,154	1,127,194	113,960
Total Charges to Appropriations	1,241,154	1,241,154	1,127,194	113,960
 BUDGETARY FUND DEFICIT, JUNE 30	 \$ (389,925)	 \$ (389,925)	 \$ (593,692)	 \$ (203,767)

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, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	(Negative)
BUDGETARY FUND DEFICIT, JULY 1	\$ (8,319)	\$ (8,319)	\$ (8,319)	\$ -
 <u>REVENUES</u>				
Intergovernmental	220,000	211,504	379,459	167,955
Amounts Available for Appropriations	220,000	211,504	379,459	167,955
 <u>EXPENDITURES</u>				
Current				
Public Services	33,000	30,929	30,929	-
Capital Outlay	187,000	354,840	354,174	666
Total Charges to Appropriations	220,000	385,769	385,103	666
 BUDGETARY FUND DEFICIT, JUNE 30	\$ (8,319)	\$ (182,584)	\$ (13,963)	\$ 168,621

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, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
BUDGETARY FUND BALANCE, JULY 1	\$ 1,206,399	\$ 1,206,399	\$ 1,206,399	\$ -
<u>REVENUES</u>				
Taxes	689,970	689,970	688,796	(1,174)
Use of Money and Property	35,140	35,140	46,422	11,282
Amounts Available for Appropriations	<u>725,110</u>	<u>725,110</u>	<u>735,218</u>	<u>10,108</u>
<u>EXPENDITURES</u>				
Current				
Public Services	800,000	1,070,117	467,285	602,832
Capital Outlay	393,000	392,827	137,803	255,024
Total Charges to Appropriations	<u>1,193,000</u>	<u>1,462,944</u>	<u>605,088</u>	<u>857,856</u>
BUDGETARY FUND BALANCE, JUNE 30	<u>\$ 738,509</u>	<u>\$ 468,565</u>	<u>\$ 1,336,529</u>	<u>\$ 867,964</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, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
BUDGETARY FUND BALANCE, JULY 1	\$ 452,073	\$ 452,073	\$ 452,073	\$ -
<u>REVENUES</u>				
Intergovernmental	263,000	263,000	259,639	(3,361)
Use of Money and Property	<u>22,870</u>	<u>22,870</u>	<u>18,666</u>	<u>(4,204)</u>
Amounts Available for Appropriations	<u>285,870</u>	<u>285,870</u>	<u>278,305</u>	<u>(7,565)</u>
<u>EXPENDITURES</u>				
Current				
Public Services	<u>621,445</u>	<u>621,445</u>	<u>621,445</u>	<u>-</u>
Total Charges to Appropriations	<u>621,445</u>	<u>621,445</u>	<u>621,445</u>	<u>-</u>
BUDGETARY FUND BALANCE, JUNE 30	<u>\$ 116,498</u>	<u>\$ 116,498</u>	<u>\$ 108,933</u>	<u>\$ (7,565)</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, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
BUDGETARY FUND BALANCE, JULY 1	\$ 14,695,907	\$ 14,695,907	\$ 14,695,907	\$ -
<u>REVENUES</u>				
Use of Money and Property	436,720	436,720	865,646	428,926
Developer Participation	1,000,000	1,000,000	906,402	(93,598)
Miscellaneous	-	-	13,511	13,511
Amounts Available for Appropriations	<u>1,436,720</u>	<u>1,436,720</u>	<u>1,785,559</u>	<u>348,839</u>
<u>EXPENDITURES</u>				
Current				
General Government	80,000	80,000	149,742	(69,742)
Public Services	<u>1,129,426</u>	<u>24,592,133</u>	<u>7,208,511</u>	<u>17,383,622</u>
Total Charges to Appropriations	<u>1,209,426</u>	<u>24,672,133</u>	<u>7,358,253</u>	<u>17,313,880</u>
BUDGETARY FUND BALANCE (DEFICIT), JUNE 30	<u>\$ 14,923,201</u>	<u>\$ (8,539,506)</u>	<u>\$ 9,123,213</u>	<u>\$ 17,662,719</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, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
BUDGETARY FUND BALANCE, JULY 1	\$ 234,845	\$ 234,845	\$ 234,845	\$ -
<u>REVENUES</u>				
Use of Money and Property	-	-	11,068	11,068
Miscellaneous	-	-	53,413	53,413
Amounts Available for Appropriations	-	-	64,481	64,481
BUDGETARY FUND BALANCE, JUNE 30	<u>\$ 234,845</u>	<u>\$ 234,845</u>	<u>\$ 299,326</u>	<u>\$ 64,481</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, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	(Negative)
BUDGETARY FUND BALANCE, JULY 1	\$ 3,571,860	\$ 3,571,860	\$ 3,571,860	\$ -
 <u>REVENUES</u>				
Use of Money and Property	96,150	96,150	185,133	88,983
Amounts Available for Appropriations	96,150	96,150	185,133	88,983
 <u>EXPENDITURES</u>				
Capital Outlay	100,000	1,816,603	-	1,816,603
Total Charges to Appropriations	100,000	1,816,603	-	1,816,603
 BUDGETARY FUND BALANCE, JUNE 30	 \$ 3,568,010	 \$ 1,851,407	 \$ 3,756,993	 \$ 1,905,586

City of West Hollywood
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Debt Funded Capital Projects Fund – Major Fund
Year ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
BUDGETARY FUND BALANCE, JULY 1	\$ 7,725,829	\$ 7,725,829	\$ 7,725,829	\$ -
<u>Resources (Inflows)</u>				
Use of Money and Property	-	-	98,826	98,826
Transfers In	<u>20,195,000</u>	<u>29,558,244</u>	<u>20,402,941</u>	<u>(9,155,303)</u>
Amounts Available for Appropriations	<u>20,195,000</u>	<u>29,558,244</u>	<u>20,501,767</u>	<u>(9,056,477)</u>
<u>Charges to Appropriations (Outflows)</u>				
Current				
Community Safety	52,202	52,202	52,202	-
Public Services	407,943	407,943	407,943	-
Capital Outlay	<u>33,734,855</u>	<u>33,734,855</u>	<u>22,413,967</u>	<u>11,320,888</u>
Total Charges to Appropriations	<u>34,195,000</u>	<u>34,195,000</u>	<u>22,874,112</u>	<u>11,320,888</u>
BUDGETARY FUND (DEFICIT)				
BALANCE JUNE 30	\$ <u>(6,274,171)</u>	\$ <u>3,089,073</u>	\$ <u>5,353,484</u>	\$ <u>2,264,411</u>

City of West Hollywood
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Capital Projects Debt Service Fund – Major Fund
Year ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive (Negative)
BUDGETARY FUND BALANCE, JULY 1	\$ 53,786,941	\$ 53,786,941	\$ 53,786,941	\$ -
<u>Resources (Inflows)</u>				
Use of Money and Property	1,439,976	1,439,976	2,496,660	1,056,684
Transfers In	12,436,927	12,436,927	12,436,927	-
Amounts Available for Appropriations	<u>13,876,903</u>	<u>13,876,903</u>	<u>14,933,587</u>	<u>1,056,684</u>
<u>Charges to Appropriations (Outflows)</u>				
Debt Service				
Principal Retirement	5,030,000	5,030,000	5,030,000	-
Interest and Fiscal Charges	7,406,926	7,406,926	7,498,206	(91,280)
Transfers Out	5,845,000	15,000,303	15,000,303	-
Total Charges to Appropriations	<u>18,281,926</u>	<u>27,437,229</u>	<u>27,528,509</u>	<u>(91,280)</u>
BUDGETARY FUND BALANCE, JUNE 30	<u>\$ 49,381,918</u>	<u>\$ 40,226,615</u>	<u>\$ 41,192,019</u>	<u>\$ 965,404</u>

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, 2025

	Business-Type Activities - Enterprise Funds				Total
	Sewer Charge	Solid Waste	Landscape District	Street Maintenance	
ASSETS					
Current Assets					
Cash and Investments	\$ 4,756,521	\$ 244,086	\$ 621,302	\$ 211,776	\$ 5,833,685
Receivables					
Accounts	86,010	1,031	13,715	415	101,171
Accrued Interest	22,293	1,116	2,849	968	27,226
Due from Other Governments	43,804	41,892	3,863	5,274	94,833
Total Current Assets	<u>4,908,628</u>	<u>288,125</u>	<u>641,729</u>	<u>218,433</u>	<u>6,056,915</u>
Noncurrent Assets					
Capital Assets, Net of Accumulated					
Depreciation	8,251,737	-	-	-	8,251,737
Total Noncurrent Assets	<u>8,251,737</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,251,737</u>
 Total Assets	 <u>13,160,365</u>	 <u>288,125</u>	 <u>641,729</u>	 <u>218,433</u>	 <u>14,308,652</u>
DEFERRED OUTFLOW OF RESOURCES					
Deferred Amounts from Pension	93,259	123,287	-	80,053	296,599
LIABILITIES					
Current Liabilities					
Accounts Payable	329,629	-	-	4,142	333,771
Total Current Liabilities	<u>329,629</u>	<u>-</u>	<u>-</u>	<u>4,142</u>	<u>333,771</u>
Noncurrent Liabilities					
Net Pension Liability	267,124	353,129	-	229,299	849,552
Total Noncurrent Liabilities	<u>267,124</u>	<u>353,129</u>	<u>-</u>	<u>229,299</u>	<u>849,552</u>
 Total Liabilities	 <u>596,753</u>	 <u>353,129</u>	 <u>-</u>	 <u>233,441</u>	 <u>1,183,323</u>
DEFERRED INFLOW OF RESOURCES					
Deferred Amounts from Pension	5,802	7,670	-	4,981	18,453
NET POSITION					
Net Investment in Capital Assets	8,251,737	-	-	-	8,251,737
Unrestricted	4,399,332	50,613	641,729	60,064	5,151,738
 Total Net Position	 <u>\$ 12,651,069</u>	 <u>\$ 50,613</u>	 <u>\$ 641,729</u>	 <u>\$ 60,064</u>	 <u>\$ 13,403,475</u>

City of West Hollywood
Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Enterprise Funds
Year ended June 30, 2025

	Business-type Activities - Enterprise Funds				
	Sewer Charge	Solid Waste	Landscape District	Street Maintenance	Total
OPERATING REVENUES					
Sales and Service Charges	\$ 1,638,074	\$ 1,592,363	\$ 221,217	\$ 297,898	\$ 3,749,552
Penalties on Assessments	2,854	8,707	356	765	12,682
Other Fees and Charges	39,072	-	-	-	39,072
Total Operating Revenues	<u>1,680,000</u>	<u>1,601,070</u>	<u>221,573</u>	<u>298,663</u>	<u>3,801,306</u>
OPERATING EXPENSES					
Administration and General	13,216	83,698	777	25,926	123,617
Public Services	-	18,485	-	-	18,485
Treatment	1,282,185	1,495,633	-	277,919	3,055,737
Cost of Sales and Services	-	-	108,326	-	108,326
Depreciation	446,192	-	-	-	446,192
Total Operating Expenses	<u>1,741,593</u>	<u>1,597,816</u>	<u>109,103</u>	<u>303,845</u>	<u>3,752,357</u>
OPERATING INCOME (LOSS)	<u>(61,593)</u>	<u>3,254</u>	<u>112,470</u>	<u>(5,182)</u>	<u>48,949</u>
NONOPERATING REVENUES (EXPENSES)					
Interest Revenue	170,289	6,403	21,319	7,111	205,122
Net Increase in Fair Value of Investments	17,776	-	667	-	18,443
Total Nonoperating Revenues	<u>188,065</u>	<u>6,403</u>	<u>21,986</u>	<u>7,111</u>	<u>223,565</u>
CHANGES IN NET POSITION	126,472	9,657	134,456	1,929	272,514
Net Position - Beginning of Year	<u>12,524,597</u>	<u>40,956</u>	<u>507,273</u>	<u>58,135</u>	<u>13,130,961</u>
NET POSITION - END OF YEAR	<u>\$ 12,651,069</u>	<u>\$ 50,613</u>	<u>\$ 641,729</u>	<u>\$ 60,064</u>	<u>\$ 13,403,475</u>

**City of West Hollywood
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year ended June 30, 2025**

	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	\$ 1,747,627	\$ 1,596,788	\$ 218,786	\$ 297,850	\$ 3,861,051
Cash Paid to Suppliers for Goods and Services	(797,650)	(1,301,757)	(109,103)	(56,300)	(2,264,810)
Cash Paid to Employees for Services	(272,879)	(386,785)	-	(243,829)	(903,493)
Net Cash Provided By (Used In) Operating Activities	<u>677,098</u>	<u>(91,754)</u>	<u>109,683</u>	<u>(2,279)</u>	<u>692,748</u>
CASH FLOWS FROM INVESTING ACTIVITY					
Interest Received	186,239	6,997	21,620	7,194	222,050
Cash Provided by Investing Activity	<u>186,239</u>	<u>6,997</u>	<u>21,620</u>	<u>7,194</u>	<u>222,050</u>
NET INCREASE (DECREASE) IN CASH AND INVESTMENTS					
	863,337	(84,757)	131,303	4,915	914,798
Cash and Investments - Beginning of Year	<u>3,893,184</u>	<u>328,843</u>	<u>489,999</u>	<u>206,861</u>	<u>4,918,887</u>
CASH AND INVESTMENTS - END OF YEAR	<u>\$ 4,756,521</u>	<u>\$ 244,086</u>	<u>\$ 621,302</u>	<u>\$ 211,776</u>	<u>\$ 5,833,685</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating Income (Loss)	\$ (61,593)	\$ 3,254	\$ 112,470	\$ (5,182)	\$ 48,949
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:					
Depreciation Expense	446,192	-	-	-	446,192
Changes in Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:					
(Increase) Decrease in:					
Accounts Receivable	74,672	-	(2,814)	(72)	71,786
Due from Other Governments	(7,045)	(4,282)	27	(741)	(12,041)
Deferred Outflows from Pension	27,079	34,260	-	17,840	79,179
Increase (Decrease) in:					
Accounts Payable	230,137	(86,132)	-	(76)	143,929
Net Pension Liability	(24,862)	(29,133)	-	(8,223)	(62,218)
Deferred Inflows from Pension	(7,482)	(9,721)	-	(5,825)	(23,028)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 677,098</u>	<u>\$ (91,754)</u>	<u>\$ 109,683</u>	<u>\$ (2,279)</u>	<u>\$ 692,748</u>

CUSTODIAL FUNDS

West Hollywood Design District Fund

This is a business improvement district formed in 1996 to market and promote the area as a premier destination 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 Improvement District Fund

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 Fund

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 others, 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 Fund

The Legacy Medical Business Marketing Fund was created to benefit the City's 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 Fund

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 Fund

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 Fund

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 the 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.

City of West Hollywood
Combining Schedule of Fiduciary Net Position
Custodial Funds
June 30, 2025

	West Hollywood Design District	West Hollywood Tourism Improvement District	Sunset Strip Business Improvement District	Legacy Medical Business Marketing	Total
ASSETS					
Cash and Investments	\$ 75,236	\$ 690,232	\$ -	\$ 16,803	\$ 782,271
Receivables					
Accounts	93,455	827,020	243,133	4,447	1,168,055
Accrued Interest	344	3,154	-	77	3,575
Total Assets	<u>169,035</u>	<u>1,520,406</u>	<u>243,133</u>	<u>21,327</u>	<u>1,953,901</u>
LIABILITIES					
Accounts Payable	23,305	1,333,684	108,874	7,917	1,473,780
Due to City	-	-	57,501	-	57,501
Deferred Revenue	-	95,707	-	-	95,707
Total Liabilities	<u>23,305</u>	<u>1,429,391</u>	<u>166,375</u>	<u>7,917</u>	<u>1,626,988</u>
FIDUCIARY NET POSITION					
Restricted for					
Individuals, Organizations, and Other Governments	<u>\$ 145,730</u>	<u>\$ 91,015</u>	<u>\$ 76,758</u>	<u>\$ 13,410</u>	<u>\$ 326,913</u>

City of West Hollywood
Combining Schedule of Changes in Fiduciary Net Position
Custodial Funds
Year ended June 30, 2025

	West Hollywood Design District	West Hollywood Tourism Improvement District	Sunset Strip Business Improvement District	Legacy Medical Business Marketing	Total
ADDITIONS					
Assessments	\$ 118,829	\$ 7,650,531	\$ 208,645	\$ 21,501	\$ 7,999,506
Penalties on Assessments	-	4,790	-	-	4,790
Change in Fair Value of Investments	-	207	-	-	207
Interest Earnings	1,693	17,345	-	366	19,404
Total Additions	<u>120,522</u>	<u>7,672,873</u>	<u>208,645</u>	<u>21,867</u>	<u>8,023,907</u>
DEDUCTIONS					
Payments to Districts	<u>97,848</u>	<u>7,631,835</u>	<u>192,725</u>	<u>11,358</u>	<u>7,933,766</u>
Total Deductions	<u>97,848</u>	<u>7,631,835</u>	<u>192,725</u>	<u>11,358</u>	<u>7,933,766</u>
CHANGE IN FIDUCIARY NET POSITION	22,674	41,038	15,920	10,509	90,141
Fiduciary Net Position - Beginning of Year	<u>123,056</u>	<u>49,977</u>	<u>60,838</u>	<u>2,901</u>	<u>236,772</u>
FIDUCIARY NET POSITION - END OF YEAR	<u>\$ 145,730</u>	<u>\$ 91,015</u>	<u>\$ 76,758</u>	<u>\$ 13,410</u>	<u>\$ 326,913</u>

City of West Hollywood
Combining Schedule of Fiduciary Net Position
Private-Purpose Trust Funds
June 30, 2025

	<u>Housing Capital Improvements</u>	<u>Nonhousing Capital Improvements</u>	<u>Successor Agency Administration</u>	<u>Obligation Payment</u>	<u>Successor Agency Debt Services</u>	<u>Total</u>
ASSETS						
Cash and Investments	\$ -	\$ -	\$ 549,293	\$ 950,929	\$ 21,750	\$ 1,521,972
Restricted Assets						
Cash and Investments with Fiscal Agents	20	-	-	-	1,531	1,551
Capital Assets, Net of Accumulated Depreciation	-	127,066	-	-	-	127,066
Total Assets	<u>20</u>	<u>127,066</u>	<u>549,293</u>	<u>950,929</u>	<u>23,281</u>	<u>1,650,589</u>
LIABILITIES						
Accrued Interest	-	-	-	-	138,975	138,975
Due to County	-	-	564,274	-	-	564,274
Long-term Liabilities						
Due in One Year	-	-	-	-	740,000	740,000
Due in More Than One Year	-	-	-	-	16,469,457	16,469,457
Total Liabilities	<u>-</u>	<u>-</u>	<u>564,274</u>	<u>-</u>	<u>17,348,432</u>	<u>17,912,706</u>
NET POSITION (DEFICIT)						
Restricted for Individuals, Organizations and Other Governments	<u>\$ 20</u>	<u>\$ 127,066</u>	<u>\$ (14,981)</u>	<u>\$ 950,929</u>	<u>\$ (17,325,151)</u>	<u>\$ (16,262,117)</u>

City of West Hollywood
Combining Schedule of Changes in Fiduciary Net Position
Private-Purpose Trust Funds
Year ended June 30, 2025

	<u>Housing Capital Improvements</u>	<u>Nonhousing Capital Improvements</u>	<u>Successor Agency Administration</u>	<u>Obligation Payment</u>	<u>Successor Agency Debt Services</u>	<u>Eliminations</u>	<u>Total</u>
ADDITIONS							
Taxes	\$ -	\$ -	\$ -	\$ 1,223,675	\$ -	\$ -	\$ 1,223,675
Transfers from Other Funds	-	-	65,000	-	1,161,299	(1,226,299)	-
Change in Fair Value of Investments	-	-	4,709	-	-	-	4,709
Interest Earnings	-	-	-	-	1,350	-	1,350
Total Additions	<u>-</u>	<u>-</u>	<u>69,709</u>	<u>1,223,675</u>	<u>1,162,649</u>	<u>(1,226,299)</u>	<u>1,229,734</u>
DEDUCTIONS							
Administrative Expenses	-	-	70,493	-	-	-	70,493
Interest Expenses	-	-	1,775	-	423,233	-	425,008
Depreciation	-	3,585	-	-	-	-	3,585
Transfers to Other Funds	-	-	-	1,226,299	-	(1,226,299)	-
Total Deductions	<u>-</u>	<u>3,585</u>	<u>72,268</u>	<u>1,226,299</u>	<u>423,233</u>	<u>(1,226,299)</u>	<u>499,086</u>
CHANGE IN FIDUCIARY NET POSITION	-	(3,585)	(2,559)	(2,624)	739,416	-	730,648
Fiduciary Net Position (Deficit) - Beginning of Year	<u>20</u>	<u>130,651</u>	<u>(12,422)</u>	<u>953,553</u>	<u>(18,064,567)</u>	<u>-</u>	<u>(16,992,765)</u>
FIDUCIARY NET POSITION (DEFICIT) - END OF YEAR	<u>\$ 20</u>	<u>\$ 127,066</u>	<u>\$ (14,981)</u>	<u>\$ 950,929</u>	<u>\$ (17,325,151)</u>	<u>\$ -</u>	<u>\$ (16,262,117)</u>

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Statistical Section



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

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				
	2021	2022	2023	2024	2025
Governmental activities					
Net investment in capital assets	\$ 180,920,527	\$ 185,966,699	\$ 202,072,925	\$ 210,826,432	\$ 224,383,009
Restricted	46,953,420	58,749,269	47,410,177	96,262,914	45,943,544
Unrestricted	78,687,778	106,178,065	135,165,403	107,738,324	155,892,910
Total governmental activities net position	<u>\$ 306,561,725</u>	<u>\$ 350,894,033</u>	<u>\$ 384,648,505</u>	<u>\$ 414,827,670</u>	<u>\$ 426,219,463</u>
Business-type activities					
Net investment in capital assets	\$ 10,036,505	\$ 9,590,312	\$ 9,144,121	\$ 8,697,929	\$ 8,251,737
Unrestricted	2,588,514	3,191,011	3,355,205	4,399,363	5,104,138
Total business-type activities net position	<u>\$ 12,625,019</u>	<u>\$ 12,781,323</u>	<u>\$ 12,499,326</u>	<u>\$ 13,097,292</u>	<u>\$ 13,355,875</u>
Primary government					
Net investment in capital assets	\$ 190,957,032	\$ 195,557,011	\$ 211,217,046	\$ 219,524,361	\$ 232,634,746
Restricted	46,953,420	58,749,269	47,410,177	96,262,914	45,943,544
Unrestricted	81,276,292	109,369,076	138,520,608	112,137,687	160,997,048
Total primary government net position	<u>319,186,744</u>	<u>363,675,356</u>	<u>397,147,831</u>	<u>427,924,962</u>	<u>439,575,338</u>

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

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

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				
	2021	2022	2023	2024	2025
Governmental activities:					
General government	\$ 24,496,184	\$ 27,330,339	\$ 26,971,788	\$ 29,342,452	\$ 33,063,630
Community safety	25,680,814	27,902,347	34,025,250	37,092,216	40,310,233
Public services	71,917,034	59,149,180	80,950,969	90,591,040	104,329,155
Interest and fiscal charges	5,891,518	6,195,620	6,009,995	6,326,865	6,513,548
Total governmental activities expenses	127,985,550	120,577,486	147,958,002	163,352,573	184,216,566
Business-type activities:					
Sewer Charge	1,059,295	1,457,011	1,119,056	1,365,371	1,741,593
Solid waste	1,668,466	1,632,041	1,614,113	1,424,252	1,597,816
Landscape district	167,792	189,932	87,927	97,619	109,103
Street maintenance	293,304	176,994	284,545	300,046	303,845
Total business-type activities expenses	3,188,857	3,455,978	3,105,641	3,187,288	3,752,357
Total primary government expenses	\$ 131,174,407	\$ 124,033,464	\$ 151,063,643	\$ 166,539,861	\$ 187,968,923
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 641,839	\$ 1,271,140	\$ 1,060,988	\$ 1,323,040	\$ 1,365,834
Community safety	132,811	63,053	163,465	196,427	109,628
Public services	16,528,232	19,354,052	21,528,200	25,299,964	25,378,200
Operating grants and contributions	6,114,866	17,206,927	9,962,476	13,582,214	6,874,128
Capital grants and contributions	7,050,323	6,049,971	8,159,431	4,543,166	6,521,020
Total governmental activities program revenues	30,468,071	43,945,143	40,874,560	44,944,811	40,248,810
Business-type activities:					
Charges for services:					
Sewer Charge	1,402,123	1,484,181	1,084,900	1,620,563	1,674,241
Solid waste	1,673,829	1,713,648	1,233,576	1,420,317	1,592,898
Landscape district	191,812	190,336	138,876	218,237	221,573
Street maintenance	298,977	299,356	291,096	297,557	298,663
Total business-type activities program revenues	3,566,741	3,687,521	2,748,448	3,556,674	3,787,375
Total primary government program revenues	\$ 34,034,812	\$ 47,632,664	\$ 43,623,008	\$ 48,501,485	\$ 44,036,185
Net (expense)/revenue					
Governmental activities	\$ (97,517,479)	\$ (76,632,343)	\$ (107,083,442)	\$ (118,407,762)	\$ (143,967,756)
Business-type activities	377,884	231,541	(357,193)	369,386	35,018
Total Primary government net expense	\$ (97,139,595)	\$ (76,400,802)	\$ (107,440,635)	\$ (118,038,376)	\$ (143,932,738)

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

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				
	2021	2022	2023	2024	2025
Governmental activities:					
Taxes					
Property tax	\$ 33,333,694	\$ 33,974,924	\$ 37,094,986	\$ 38,251,281	\$ 39,994,368
Transient occupancy tax	9,675,930	31,952,360	34,740,259	34,144,316	31,942,398
Sales tax	19,025,432	36,258,528	36,528,081	35,007,293	34,477,815
Franchise tax	2,036,383	2,032,198	2,228,913	2,414,432	2,431,402
Business license tax	4,057,702	4,644,216	4,917,043	1,808,345	5,125,039
Use of money and property	7,983,240	11,750,404	24,035,532	30,769,308	34,601,639
Other	177,424	352,021	1,293,100	1,993,996	6,786,888
Extraordinary gain(loss) on dissolution of RDA	-	-	-	-	-
Transfers	-	-	-	-	-
Total governmental activities	<u>76,289,805</u>	<u>120,964,651</u>	<u>140,837,914</u>	<u>144,388,971</u>	<u>155,359,549</u>
Business-type activities:					
Use of money and property	2,096	(75,239)	75,198	156,792	223,565
Transfers	-	-	-	-	-
Total business-type activities	<u>2,096</u>	<u>(75,239)</u>	<u>75,198</u>	<u>156,792</u>	<u>223,565</u>
Total primary government	<u>\$ 76,291,901</u>	<u>\$ 120,889,412</u>	<u>\$ 140,913,112</u>	<u>\$ 144,545,763</u>	<u>\$ 155,583,114</u>
Change in Net Position					
Governmental Activities	\$ (21,227,674)	\$ 44,332,308	\$ 33,754,472	\$ 25,981,209	\$ 11,391,793
Business-type activities	379,980	156,302	(281,995)	526,178	258,583
Total primary government	<u>\$ (20,847,694)</u>	<u>\$ 44,488,610</u>	<u>\$ 33,472,477</u>	<u>\$ 26,507,387</u>	<u>\$ 11,650,376</u>

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

	Fiscal Year				
	2016	2017	2018	2019	2020
General Fund					
Nonspendable	\$ 139,575	\$ 44,317	\$ 53,634	\$ 66,600	\$ 2,077,941
Committed	18,386,688	27,054,567	24,601,571	25,713,228	35,742,733
Assigned	97,621,061	94,643,894	105,491,536	109,508,586	91,935,597
Unassigned	3,507,708	3,462,047	2,999,998	2,987,207	2,176,972
Total General Fund	<u>\$ 119,655,032</u>	<u>\$ 125,204,825</u>	<u>\$ 133,146,739</u>	<u>\$ 138,275,621</u>	<u>\$ 131,933,243</u>
All other governmental funds					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted					
Public services	18,201,767	30,033,442	35,324,936	36,548,009	41,025,722
Capital projects	78,861,354	75,021,840	66,587,203	47,918,294	96,634,316
Debt service	-	-	-	-	-
Unassigned	(934,968)	(33,047)	(350,156)	(792,481)	(576,421)
Total all other governmental funds	<u>\$ 96,128,153</u>	<u>\$ 105,022,235</u>	<u>\$ 101,561,983</u>	<u>\$ 83,673,822</u>	<u>\$ 137,083,617</u>

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

Source: City of West Hollywood.

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

	Fiscal Year				
	2021	2022	2023	2024	2025
General Fund					
Nonspendable	\$ 2,147,584	\$ 2,077,370	\$ 2,683,879	\$ 571,351	\$ 589,978
Committed	34,148,689	24,645,511	21,071,509	83,498,267	85,426,913
Assigned	84,130,186	123,911,968	156,284,121	112,398,797	113,664,056
Unassigned	2,522,018	4,024,450	5,769,645	5,900,691	6,477,425
Total General Fund	<u>\$ 122,948,477</u>	<u>\$ 154,659,299</u>	<u>\$ 185,809,154</u>	<u>\$ 202,369,106</u>	<u>\$ 206,158,372</u>
All other governmental funds					
Nonspendable	\$ 88,536	\$ -	\$ 93,855	\$ -	\$ -
Restricted					
Public services	32,779,798	34,902,982	28,004,558	29,615,713	27,291,954
Capital projects	71,085,881	49,312,610	43,609,591	66,102,306	51,242,137
Debt service	-	-	-	-	-
Unassigned	(2,978,321)	(3,542,829)	(1,258,631)	(1,394,302)	(1,758,395)
Total all other governmental funds	<u>\$ 100,975,894</u>	<u>\$ 80,672,763</u>	<u>\$ 70,449,373</u>	<u>\$ 94,323,717</u>	<u>\$ 76,775,696</u>

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

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

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				
	2021	2022	2023	2024	2025
Revenues					
Taxes	\$ 70,240,204	\$ 111,593,355	\$ 118,545,600	\$ 114,326,835	\$ 116,897,819
Licenses and permits	7,720,766	9,021,288	10,112,308	12,119,652	10,264,758
Intergovernmental	4,693,147	14,545,763	8,644,316	10,053,014	10,983,971
Charges for services	2,874,028	2,823,921	3,174,267	3,559,194	4,176,089
Use of money and property	9,963,668	10,275,870	24,632,847	33,265,359	34,597,870
Fines and forfeitures	5,747,762	6,954,669	8,514,005	8,336,355	8,593,119
Contributions	1,980,000	-	-	-	-
Developer participation	3,616,537	4,490,512	1,826,144	535,956	1,511,918
Miscellaneous	425,024	3,937,754	7,206,968	7,178,649	7,923,947
Total revenues	<u>107,261,136</u>	<u>163,643,132</u>	<u>182,656,455</u>	<u>189,375,014</u>	<u>194,949,491</u>
Expenditures					
Current:					
General government	23,476,658	26,740,002	25,308,795	25,966,299	30,326,755
Community Safety	25,521,161	27,815,067	30,354,547	34,020,216	37,097,744
Public Services	63,809,592	56,786,374	73,121,557	83,453,270	97,974,482
Capital outlay	30,850,821	29,491,090	23,218,072	23,586,174	30,312,841
Debt service:					
Principal retirement	1,772,524	4,253,747	4,774,500	20,305,245	5,465,470
Interest and fiscal charges	6,663,759	7,149,159	6,955,325	7,286,669	7,530,954
Debt issuance costs	-	-	-	-	-
Total expenditures	<u>152,094,515</u>	<u>152,235,439</u>	<u>163,732,796</u>	<u>194,617,873</u>	<u>208,708,246</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(44,833,379)</u>	<u>11,407,693</u>	<u>18,923,659</u>	<u>(5,242,859)</u>	<u>(13,758,755)</u>
Other financing sources (uses)					
Capital lease issuance	-	-	-	-	-
SBITA financing	-	-	2,002,806	-	-
Transfers in	33,718,103	32,443,053	22,397,477	29,951,878	32,989,868
Transfers out	(33,968,103)	(32,443,053)	(22,397,477)	(29,951,878)	(32,989,868)
Long-term debt issued	-	-	-	40,830,000	-
Payment to refunded bond escrow agent	-	-	-	-	-
Bond premium	-	-	-	4,847,155	-
Bond discount	-	-	-	-	-
Extraordinary gain on dissolution of RDA	-	-	-	-	-
Total other financing sources (uses)	<u>(250,000)</u>	<u>-</u>	<u>2,002,806</u>	<u>45,677,155</u>	<u>-</u>
Net change in fund balances	<u>\$ (45,083,379)</u>	<u>\$ 11,407,693</u>	<u>\$ 20,926,465</u>	<u>\$ 40,434,296</u>	<u>\$ (13,758,755)</u>
Debt service as a percentage of noncapital expenditures	6.9%	9.2%	8.3%	16.1%	7.3%
Capital Outlay	30,377,122	28,857,346	22,595,857	22,866,526	30,312,841

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
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
2024	34,136,456	35,007,293	36,110,458	2,330,990	1,596,235	109,181,432
2025	31,942,398	34,477,815	39,994,368	2,431,402	5,125,039	113,971,022

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 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	
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	-	-	-	-
2024	16,561,819,839	393,858,668	-	16,955,678,507	-	-	-	-
2025	17,610,826,866	402,288,355	-	18,013,115,221	-	-	-	-

Fiscal Year	City							
	Residential	Commercial	Industrial	Institutional	Vacant	Unsecured	Exempt	Miscellaneous
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
2024	9,858,573,315	6,053,250,642	277,387,895	34,449,672	291,067,553	393,858,668	(73,015,878)	47,090,762
2025	10,385,422,452	6,465,764,088	345,324,798	37,196,167	333,337,138	402,288,355	(61,028,840)	104,811,063

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

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

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

Source: HdI, Coren & Cone

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

Agency	Fiscal Year				
	2016	2017	2018	2019	2020
Basic Levy (1)	1.00000	1.00000	1.00000	1.00000	1.00000
LA Community College District	0.03575	0.03596	0.04599	0.04621	0.027717
Los Angeles Unified School District	0.12971	0.13110	0.12219	0.12323	0.12552
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350	0.00350
Total Direct & Overlapping Tax Rates (2)	1.16896	1.17055	1.17168	1.17294	1.15620
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)	0.175900	0.175830	0.175600	0.175800	0.17571

Notes:

- (1) In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 100% 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 Rates 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				
	2021	2022	2023	2024	2025
Basic Levy (1)	1.00000	1.00000	1.00000	1.00000	1.00000
LA Community College District	0.04016	0.04376	0.02488	0.06023	0.05136
Los Angeles Unified School District	0.13993	0.11323	0.12107	0.12422	0.12802
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350	0.00700
Total Direct & Overlapping Tax Rates (2)	1.18359	1.16049	1.14945	1.18795	1.18638
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)	0.17566	0.17569	0.17572	0.17569	0.17578

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

Taxpayer	2025		2016	
	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Sunset Subsidiary LLC *	\$ 310,497,964	1.72%		
8940 WEHO LP *	303,111,803	1.68%		
Mani Brothers LLC*	281,081,420	1.56%	\$ 236,786,331	2.46%
KR Sunset WeHo LLC *	259,018,187	1.44%		
Pacific Red LLC *	253,700,283	1.41%	190,421,567	1.98%
Avalon West Hollywood LP *	246,727,237	1.37%		
Lot in West Hollywood *	228,189,451	1.27%		
NWLWH LLC *	208,655,353	1.16%	202,878,024	2.10%
Essex Monarch Santa Monica Apartments *	205,803,910	1.14%	87,692,899	0.91%
Pacific Design Center 1 LLC	205,045,602	1.14%	174,020,406	1.81%
Wolverines Owner LLC *			168,661,515	1.75%
Studio Lending Group LLC *			76,202,355	0.79%
CLPF West Hollywood LP			87,426,583	0.91%
BRCP Millenium LLC *			134,087,953	1.39%
Essex Monarch La Brea Apartments LP *			86,315,166	0.90%
TOTALS	\$2,501,831,210	13.89%	\$1,444,492,799	14.98%

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
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%
2024	23,852,747	23,683,495	99.3%	-	23,683,495	99.3%
2025	25,447,784	25,362,298	99.7%	-	25,362,298	99.7%

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

- (1) The County of Los Angeles does not provide this information on collection of prior years taxes, inclusion of amounts paid would result in reporting amounts above 100% in some years.
- (2) As part of the budget process for 2011-12, the State of California dissolved all Redevelopment Agencies. Since the City received half of the 2012 year's proceeds, only half of the tax levy for the RDA has been included.
- (3) Starting in FY2013-14 only General Fund tax levies are included. The General Fund amount shown does not include prior year taxes received in the current year, property tax redemption funds, property transfer tax funds, RDA residual funds, or RDA pass-through funds. FY 2012-13 and FY 2013-14 amounts were revised in FY 2014-15 to reflect proper amounts.

Source: HdL and City of West Hollywood

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

Fiscal Year	Governmental Activities		Business-type Activities				Total Primary Government	Percentage of Personal Income (5)	Debt Per Capita
	Finances Purchase - SCE (1)	Lease Revenue Bonds (2)	Right-Of-Use Lease Liability (3)	SBITA Liability (4)	General Obligation	Certificates of Participation			
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	138,870	116,278,874	-	-	-	-	116,417,744	4.8%	3,215.69
2020	116,346	198,434,838	-	-	-	-	198,551,184	7.9%	5,496.23
2021	93,822	197,554,152	-	-	-	-	197,647,974	8.0%	5,583.43
2022	71,297	192,497,374	1,036,604	-	-	-	193,605,275	7.4%	5,564.49
2023	48,776	187,235,597	1,007,459	2,022,243	-	-	190,314,075	6.8%	5,425.92
2024	26,247	212,232,286	977,859	1,205,328	-	-	214,441,720	6.9%	6,077.59
2025	3,722	206,132,481	947,796	590,489	-	-	207,674,488	6.1%	5,918.34

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

- (1) 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.
- (2) 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.
 Issued \$40,830,000 Lease Revenue Bonds Series 2024 in fiscal year 2023-2024.
 Amounts include principal balance of \$189,010,000, and unamortized premiums/discounts of \$23,222,288.
- (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%.
- (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.

Source: HdL Coren & Cone and City of West Hollywood

City of West Hollywood
Table 11
Direct and Overlapping Debt
June 30, 2025
(Accrual Basis of Accounting)

<u>Jurisdiction</u>	<u>Net General Obligation Debt Outstanding</u>	<u>Percentage Applicable to City of West Hollywood (1)</u>	<u>Amount Applicable to City of West Hollywood June 30, 2025</u>
Overlapping Tax and Assessment Debt:			
Metropolitan Water District	\$ 17,155,000	0.443%	\$ 75,997
Los Angeles County Community College District	4,919,505,000	1.516%	74,579,696
Los Angeles Unified School District	<u>11,745,405,000</u>	1.852%	<u>217,524,901</u>
Total gross overlapping tax and assessment debt	<u>16,682,065,000</u>		<u>292,180,594</u>
Less: Los Angeles Unified School District economically defeased general obligation bonds			<u>292,180,594</u>
Total net overlapping tax and assessment debt			292,180,594
Direct and Overlapping General Fund Debt:			
Los Angeles County General Fund Obligations	3,036,637,390	0.857%	26,023,982
Los Angeles County Superintendent of Schools Cert	2,331,775	0.857%	19,983
Los Angeles Unified School District Certificates of Participation	225,010,000	1.852%	4,167,185
City Direct General Fund Obligations			
2024 Lease Revenue Bonds Series	44,766,830	100.000%	44,766,830
2016 Lease Revenue Bonds Series	74,152,171	100.000%	74,152,171
2020 Lease Revenue Bonds Series A	73,935,012	100.000%	73,935,012
2020 Lease Revenue Bonds Series B	13,278,468	100.000%	13,278,468
Financed Purchase - SCE	3,722	100.000%	3,722
Right-Of-Use Lease Liability	947,796	100.000%	947,796
SBITA Liability	<u>590,489</u>	100.000%	<u>590,489</u>
Subtotal, city direct governmental debt	<u>207,674,488</u>		<u>207,674,488</u>
Total direct and overlapping general fund debt			237,885,638
Overlapping Tax Increment Debt			
2021 Tax Allocation Refunding Bonds	17,209,457	100.000%	17,209,457
Subtotal, overlapping tax increment debt	<u>\$ 17,209,457</u>		<u>17,209,457</u>
Subtotal, overlapping debt			<u>309,390,051</u>
Subtotal, direct debt			<u>207,674,488</u>
Grand Total direct and overlapping governmental debt			\$ 547,275,689

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 California Municipal Statistics Inc. (CalMuni). Per CalMuni, the percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

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

- (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				
	2021	2022	2023	2024	2025
Debt limit	\$2,169,928,710	\$2,256,847,347	\$2,397,897,458	\$2,397,897,458	\$ 2,543,351,776
Total net debt applicable to limit	197,647,973	192,556,138	187,284,373	212,258,540	207,674,488
Legal debt margin	<u>\$1,972,280,737</u>	<u>\$2,064,291,209</u>	<u>\$2,210,613,085</u>	<u>\$2,185,638,918</u>	<u>\$ 2,335,677,288</u>
Total net debt applicable to the limit as percentage of debt limit	9.11%	8.53%	7.81%	8.66%	8.17%

Legal Debt Margin Calculation for Fiscal Year 2025

Assessed value	<u>\$16,955,678,507</u>
Debt limit (1)	2,543,351,776
Debt applicable to limit (2):	
City direct governmental debt	207,674,488
Net amount of debt applicable to debt limit	<u>207,674,488</u>
Legal debt margin	<u>\$ 2,335,677,288</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	
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	1,134,032	65,000	1,069,032	705,000	430,260	1,135,260	0.94
2024	2,238,663	65,000	2,173,663	730,000	426,857	1,156,857	1.88
2025	1,223,674	72,268	1,151,406	740,000	421,633	1,161,633	0.99

Notes:

- (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)
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	35,075	2,816,101	80,288	6.4%
2024	36,127	2,900,584	80,288	6.8%
2025	35,090	3,387,992	88,026	6.4%

Sources:

- (1) Data is from Hdl, Coren & Cone. Data is based on California Department of Finance.
- (2) 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.
- (3) Unemployment data : California Employment Development Department

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

	2025		2016	
	# Employees	% Percent of Total City Employment	# Employees	% Percent of Total City Employment
Cedars-Sinai Health System (1)	343	1.4%		
City of West Hollywood	257	1.1%	218	0.8%
Laz Parking	255	1.1%		
Target Corp.	245	1.0%	411	1.6%
The Jeremy Hotel	236	1.0%		
Springboard Hospitality (all hotels)	225	0.9%	77	0.3%
Pavilions	187	0.8%	180	0.7%
Sunset Marquis	167	0.7%	200	0.8%
Equinox West Hollywood	154	0.6%		
Grindr Inc.	152	0.6%		
The London West Hollywood	150	0.6%	181	0.7%
Whole Foods Market	139	0.6%	153	0.6%
Sunset Tower Hotel (2)	135	0.6%	159	0.6%
Andaz West Hollywood	130	0.5%	165	0.6%
Best Buy	124	0.5%	100	0.4%
Saddle Ranch Restaurant	94	0.4%	95	0.4%
Ralphs (2 locations)	83	0.3%	141	0.5%
CityGrid InterActive Corp			288	1.1%
1 OAK LA			200	0.8%
The Hollywood Standard LLC (The Standard Hotel)			200	0.8%
Total Jobs By Principal Employers	3,076	12.9%	2,768	10.5%
Total Jobs (estimated) in City of West Hollywood (4)	23,800	100%	26,400	100%

Notes:

- (1) 2015 Information is not available.
- (2) Closed in FY 2014-2015.
- (3) Formerly KKHG Management LLC (Sunset Tower Hotel)
- (4) 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									
	16	17	18	19	20	21	22	23	24	25
General Government										
Legislative & Executive	27.8	13.0	11.0	16.0	17.0	21.0	20.0	11.0	13.0	13.0
Development Support (1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.0	5.0	6.0
Administration	25.8	24.8	24.0	23.0	23.0	23.8	23.8	21.8	22.0	22.0
Finance & Information Technology	22.9	23.9	24.0	23.0	23.0	21.9	22.9	22.9	23.0	24.0
Community Safety	5.0	5.0	5.0	5.0	5.0	10.0	9.0	18.0	18.0	18.0
Community Services										
Human Services & Rent Stabilization	56.6	57.8	49.0	24.0	24.0	26.8	25.8	27.0	26.0	26.0
Community Development (1)	33.0	33.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	36.0
Community Services (1)	0.0	0.0	1.0	6.0	6.0	5.0	8.5	46.0	45.0	44.3
Facilities & Recreation Services (1)	0.0	0.0	0.0	55.0	49.0	48.0	56.0	0.0	0.0	0.0
Planning & Development Services (1)	0.0	0.0	34.0	30.0	30.0	31.0	31.0	32.0	33.0	0.0
Public Works	47.0	48.0	49.0	25.0	31.0	33.0	32.5	43.0	45.0	45.0
Communications (1)	0.0	9.8	10.0	10.0	10.0	18.0	18.0	14.0	12.0	12.0
Economic Development (1)	0.0	7.0	19.0	19.0	18.0	2.0	0.0	12.0	13.0	11.0
Total	218.1	222.3	226.0	236.0	236.0	240.5	247.5	252.7	255.0	257.3

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									
	16	17	18	19	20	21	22	23	24	25
Police (1)										
Incidents	10,931	9,647	11,204	7,506	5,178	6,721	7,077	6,643	6,085	6,122
Arrests	2,569	2,027	2,478	2,901	2,293	1,458	2,046	2,258	1,427	1,470
Sewers										
Miles of system	39	39	39	39	39	39	39	39	39	39
Percent inspected	10	10	20	20	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	400	364	396	368	350	194	262	293	279	254
Residential building permits	577	636	756	752	389	548	698	613	637	741
Mixed-use building permits (2)	6	3	3	2	6	-	1	1	2	2
Parking										
Citations issued	196,834	181,639	172,954	154,594	115,320	106,482	140,492	172,177	158,948	150,215

Notes:

- (1) Police statistics are based on calendar year; Information for 2023 was updated to reflect the actual number of arrest and incidents; the 2024 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									
	16	17	18	19	20	21	22	23	24	25
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	3	3	3	3	3	3	3	3	5	5
Parking Lots	9	9	9	9	7	7	7	7	7	9
Cultural & Recreation:										
Parks	8	8	8	8	8	8	8	8	8	9
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	61	62	66	66	66	66	66	66	68	69
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 Transit Service Vehicles	10	10	7	18	18	18	18	15	15	15

Notes:

(1) The number of buses was renamed to transit service vehicles

Source: City of West Hollywood

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www.weho.org
[@wehocity](https://www.instagram.com/wehocity)

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