



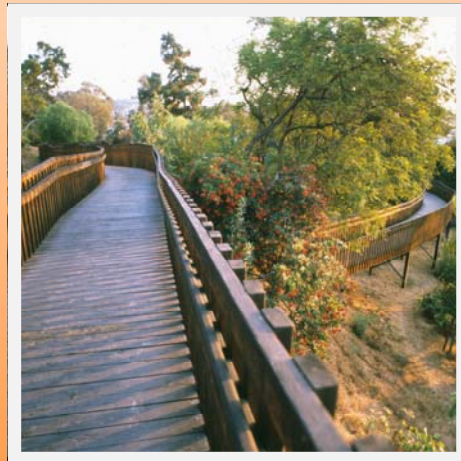
Culver CITY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

CITY OF CULVER CITY, CALIFORNIA

PREPARED BY THE FINANCE DEPARTMENT



CITY OF CULVER CITY, CALIFORNIA

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2015

Prepared by

FINANCE DEPARTMENT

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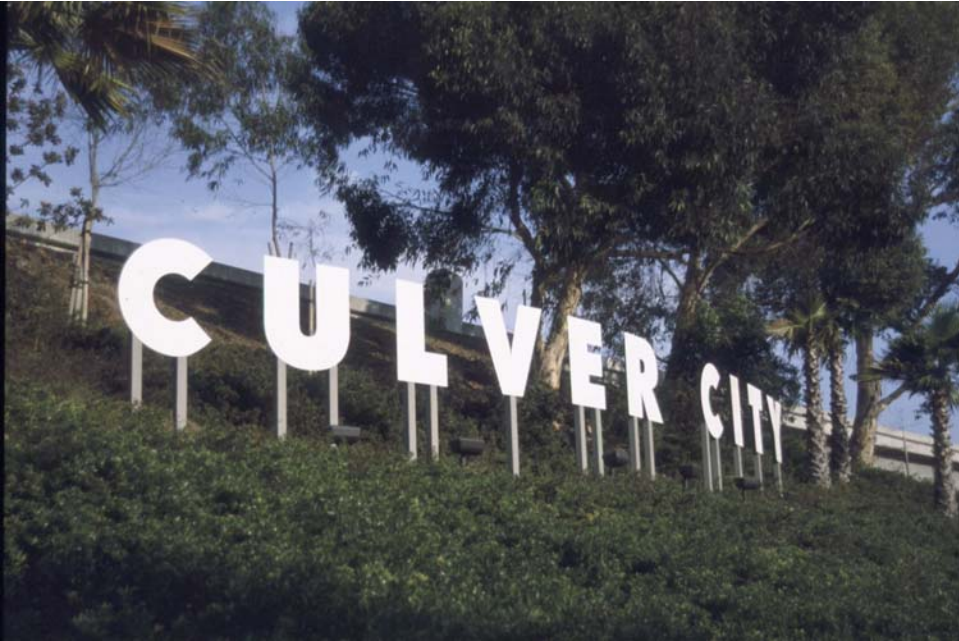
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Introductory Section





December 21, 2015

Honorable Mayor, Members of the City Council, and the citizens of Culver City:

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) of the City of Culver City for the fiscal year ended June 30, 2015. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. In our opinion, the data is accurate in all material aspects, is presented in a manner designed to fairly set forth the financial position and results of operations of the City, and contains all disclosures necessary to enable the reader to gain an understanding of the City's financial affairs.

The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Government Accounting Standards Board (GASB). This report consists of management's representations concerning the finances of the City of Culver City, California. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City 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 GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Moss, Levy & Hartzheim LLC., a public accounting firm duly licensed and qualified to perform audits of the State and local governments within the State of California. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Culver City, California for the fiscal year ended June 30, 2015, 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 unqualified opinion that the City of Culver City, California's financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

This CAFR is legally required by the City Charter, various bond covenants, and a number of granting agencies. The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of the 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. These reports are available in the City's separately issued Single Audit Report.

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 the MD&A and should be read in

conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors in the financial section of the CAFR.

Profile of the City of Culver City

The City of Culver City, located on the Westside of Los Angeles County, California, was incorporated in 1917. The City Charter, which was adopted in 1947, establishes the form of government, states the powers and duties of the City Council, and establishes various City offices. The City operates under a Mayor/City Council-City Manager form of government. Under this system, the people elect a City Council of five citizens who serve a term of four years and who, in turn, elect the Mayor from among themselves. The City Council appoints the City Manager, City Attorney, Police Chief and Fire Chief. Other department heads are appointed by the City Manager.

Culver City is a full-service City, serving a resident population of 40,000 and a daytime population of approximately 60,000¹. Services provided include police, fire, general maintenance, public improvements, planning and zoning, refuse collection, municipal bus lines, park, recreation and community services, and general administrative services.

The annual budget serves as the foundation for the City financial planning and control. The City Council is required to adopt an annual budget resolution by July 1 of each fiscal year for the General Fund and Special Revenue Funds. It also adopts a project life budget for Capital Projects Funds and an operating plan for Proprietary Funds. These budgets are adopted and presented for reporting purposes on a basis consistent with generally accepted accounting principles.

The City of Culver City is also financially accountable for the legally separate Culver City Housing Authority and Culver City Parking Authority, which are blended into the City's financial statements. Pursuant to legislation enacted by the State, the Redevelopment Agency was dissolved on January 31, 2012. Additional information on all of these entities can be found in Note 1 of the Notes to the Financial Statements. Additional information on the dissolution of the Redevelopment Agency can be found in Note 20 of the Notes to the Financial Statements.

The level of appropriated budgetary control is the total adopted budget, which is defined as the total budget for all funds and divisions and includes all revisions and amendments approved by the City Council subsequent to the initial budget adoption. The City Manager may authorize transfers of appropriations within the adopted budget. Supplemental appropriations during the year must be approved by the City Council, with certain exceptions delegated to the City Manager in the Budget Resolution adopted annually by City Council. Unexpended or unencumbered appropriations lapse at the end of the fiscal year. Encumbered appropriations are reappropriated in the ensuing year's budget. The City utilizes an encumbrance accounting system, whereby commitments such as purchase orders and unperformed contracts are recorded as restricted fund balances at year-end.

History of Culver City

Native Americans of Shoshonean origins were the first known inhabitants of the area which became Culver City. Although Cabrillo anchored his small ship in the port of San Diego in 1542, it was not until the threat of aggression by other countries, that King Carlos III of Spain mandated colonization in 1769. Franciscan Father Junípero Serra began to establish the missions from San Diego northward. The natives became known as the "Gabrielino Indians", due to their proximity to the San Gabriel Mission (est. 1771). In 1781, the "Pueblo de Nuestra Señora la Reina de Los Angeles" was established by eleven families and an escort of Spanish soldiers. On a later expedition that year, a young soldado, José Manuel Machado arrived in California with his wife. Machado was destined to complete his military duty and retire with his family to the pueblo in 1797. After Machado's death in 1810, two of his sons, José Agustín and José Ygnacio joined Felipe Talamantes and his son Tomás

¹ Population estimates from the U.S. Census Bureau; Census 2010 PHC-T-40; "Estimated Daytime Population and Employment-Residence Ratios: 2010"

to graze cattle to the west, where they claimed the 14,000 acre Rancho La Ballona. By 1865, when Agustín Machado, (the most prominent owner), died, Rancho La Ballona had functioned under three governments: Spain, Mexico and the United States.

The Gold Rush and the Railroad moved people west. Abbot Kinney bought the land to develop his "Venice of America" in 1904. A young man from Nebraska, named Harry H. Culver arrived in California in 1910 and went to work in real estate for I. N. Van Nuys. Culver studied the area and in 1913 announced his plans for a city halfway between the pueblo of Los Angeles and Kinney's resort of Venice. Culver envisioned a balanced community with a residential/commercial mix.

Culver, who was already enamored by the movie industry, saw Thomas Ince making a movie with "painted Indians" in canoes on La Ballona Creek. He convinced the moviemakers to move from "Inceville" north of Santa Monica to property on Washington Boulevard. This first major movie studio became a "city within a city", eventually six lots, covering more than 180 acres. What began as Ince/Triangle Studios became Goldwyn, then successively Metro Goldwyn Mayer, Lorimar and Columbia Pictures. In 1989, electronics and information technology giant Sony Corporation purchased Columbia Pictures and the site is now the global headquarters for Sony Pictures Entertainment.

Ince had moved east on Washington Boulevard to establish his second studio in 1919. After he died in 1924, this studio prospered as De Mille Studios, Selznick Studios, R.K.O., Pathe, R.K.O.-Pathe, Desilu, Culver Studios, Laird International, and most currently, The Culver Studios. It was on this studio's back lot that Atlanta was burned for "Gone with the Wind". The third major studio was Hal Roach Studios, which existed from 1919 through 1963. It was known as the "Laugh Factory of the World", where the Our Gang Comedies and Laurel and Hardy were filmed. Hence, the "Heart of Screenland" appears on our City Seal.

The first City offices where the early "Board of Trustees" met were located on the second floor of the local theater, which Harry Culver moved to build his six-story Hunt Hotel in 1924. "City Hall" relocated to Van Buren Place until 1928 when the New City Hall was dedicated at 9770 Culver Boulevard. That structure made way for another new City Hall that was completed in 1995. Through a series of more than 40 annexations over the years, Culver City grew from 1.2 to 5.13 square miles.

In the twenties, Culver City was known for its nightspots like Fatty Arbuckle's Plantation Cafe and Frank Sebastian's Cotton Club. Western Stove on Hays (National) marked the beginning of industry in 1922. Despite the Depression, building continued with endeavors like Helms Bakery which supplied foodstuffs for the 1932 Olympics in Los Angeles. The first Industrial tract, the Hayden Tract, became a reality in the forties. In the late forties, Culver City became a Charter City with a Unified School District. Our Junior and Senior High Schools were built to complement what eventually numbered eight elementary schools (presently there are five.) Hughes Aircraft located nearby and became a major employer of Culver City residents, like Helms and the studios. In 1950, the Veterans' Memorial Building was completed, Culver Center was built, car dealerships lined Washington Boulevard and the Fiesta La Ballona celebrated the Spanish heritage of the area beginning in 1951. In the fall of 1975, Fox Hills Mall was completed as the first major Redevelopment project. The Filmland Corporate Center, Meralta Plaza and the beginnings of Corporate Pointe were projects of the 80's.

Redevelopment efforts continued in Downtown Culver City in the early 2000's. With the redevelopment of the Helms and Beacon Laundry buildings into the Helms Furniture District, new theatres in the center of the City including the redevelopment of the Culver Theatre into the Kirk Douglas Theatre, the 12 screen Pacific Theater complex and the Actor's Gang at the Ivy Substation, a number of highly rated new restaurants, a thriving arts district on the eastside and development of the western portion of the City, Culver City continues to move forward. Redevelopment efforts were significantly thwarted with the elimination of redevelopment agencies throughout the State of California. Significant projects such as the development of the final empty

parcel in the downtown (Parcel B), a large-scale, mixed-use Transit Oriented Development around the Expo Line station, and an upscale market hall development on the west side of the City were significantly stalled. In December 2013, the Successor Agency to the Culver City Redevelopment Agency (Successor Agency) received a 'finding of completion' from the State's Department of Finance (DOF). This allowed the Successor Agency to submit a Long Range Property Management Plan (LRPMP) to the DOF that details how the former Redevelopment Agency properties will be disposed of. The LRPMP was approved in March of 2014. Active negotiations to bring these projects to fruition are currently underway.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Culver City operates.

Nationally, the economy continues to improve. Unemployment figures have continued downward and property values are substantially recovered. Gross Domestic Product growth has been consistent over the year. The stock market, while volatile, is trending upwards, though there is concern in some industries. Most projections have the economy continuing to improve and grow for at least the next year or two. Political gridlock and an upcoming election at the federal level continues to create uncertainty on issues as important as tax and social program reform.

Local economy. Culver City has a relatively diverse and strong economy. The City's business community is comprised of a diverse collection of businesses ranging from traditional retail and manufacturing businesses to a major film studio. Mainstay firms such as Costco, Westfield-Culver City Mall and Sony Pictures Entertainment occupy a traditional niche as large institutional property owners, tax producers and employers.

The dissolution of the Redevelopment Agency was effective on January 31, 2012, at which time all of the assets held by the former Redevelopment Agency were transferred to the Successor Agency to the Culver City Redevelopment Agency (Successor Agency). Pursuant to the Dissolution bill, the City of Culver City elected to serve as the Successor Agency charged with winding down the affairs of the Redevelopment Agency.

The Successor Agency will only receive property tax increment to repay debt and enforceable obligations that were incurred prior to June 26, 2011. Any property tax increment in excess of the former Agency's enforceable obligations will be disbursed to taxing entities.

Major Initiatives and Improvements for Fiscal Year 2015-16

During the recessionary period, City management took a number of steps to address the City's fiscal challenges. This included increasing cost recovery, utilizing assessment districts, eliminating positions, and renegotiating labor agreements. Despite efforts to balance the budget without significantly impacting services, an ongoing structural deficit still existed. To address the structural deficit, the City put forth two revenue measures for consideration by the electorate. An increase of the City's Transient Occupancy Tax from 12% to 14% was approved by voters in April 2012. More significantly, a half-cent transaction and use tax was placed on the ballot (Measure Y) in November 2012. Residents overwhelmingly approved the transaction and use tax, which became effective on April 1, 2013 and is raised approximately \$9.3 million during Fiscal Year 2015-16 to solidify the City's financial position. Measure Y is set to automatically expire in 2023 if not extended by voters. The City plans to continue taking steps to become more efficient, and ensure that operating revenues cover operating expenditures.

The budget contains major work plans for each department and a citywide capital project plan to address the highest priorities of the community and the goals of the City Council. Although the City

is experiencing budget problems, following are major work programs and community reinvestment projects that received funding in the fiscal year 2015-16 adopted budget:

1. Community Service Improvements
 - a. Installation of new mobile data computers for public safety vehicles;
 - b. Installation of in-car cameras in police vehicles; and
 - c. Continue needed renovations at aging City facilities, including efficiency improvements at City Hall and repairs at the Fire Training Tower.
2. Community Reinvestment
 - a. Continue upgrades to City-owned street lights to improve energy efficiency;
 - b. Complete a number of street resurfacing and streetscape improvement projects throughout the City; and
 - c. Complete various improvements to the City's sewer conveyance system; and
 - d. Upgrades and repairs to the City's Plunge swimming pool facilities.
3. Internal Operational Improvements
 - a. Continue to review organizational efficiency and develop a succession planning program; and
 - b. Procurement and implementation of a new City-wide timekeeping system.

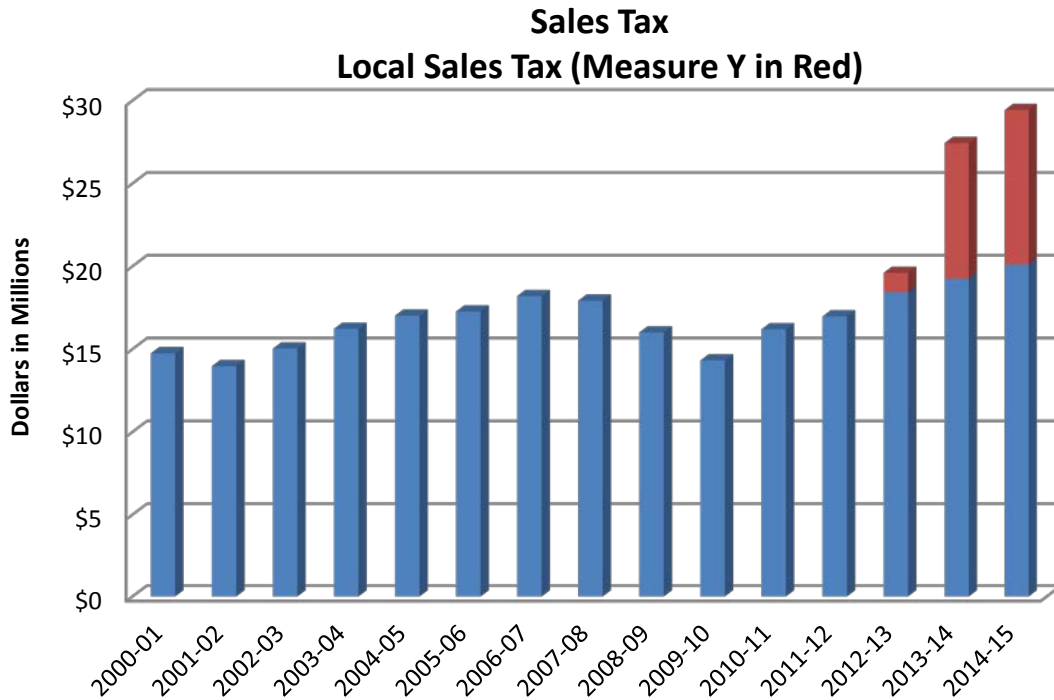
All of the City's operations, including the community service improvements, community reinvestment, and internal operational improvements identified above, are funded by various taxes, fees and fines levied on consumers, residents, businesses, and developers operating within the City. A brief historical discussion of the City's major revenues is contained in the following section.

Major General Fund Revenues

Major sources of General Fund revenue for the City include Sales Tax, Business Tax, Utility User Tax (UUT), Property Tax and Transient Occupancy Tax (TOT).

Sales Tax

Sales Tax is Culver City's single largest revenue source. Sales tax revenue is a volatile revenue source and even though Culver City has a diverse economic base, the City has seen large revenue swings in the past. The terrorist events in September 2001 spurred a sharp drop in sales tax that took almost two years to fully recover. The economic recession that began in 2007 resulted in the closing of some major sales tax generators. Consequently, sales tax receipts declined dramatically in fiscal 2008-09 and 2009-10. Sales tax revenues bottomed out in FY 2009-10, but have rebounded since and continued to grow in fiscal 2014-15.

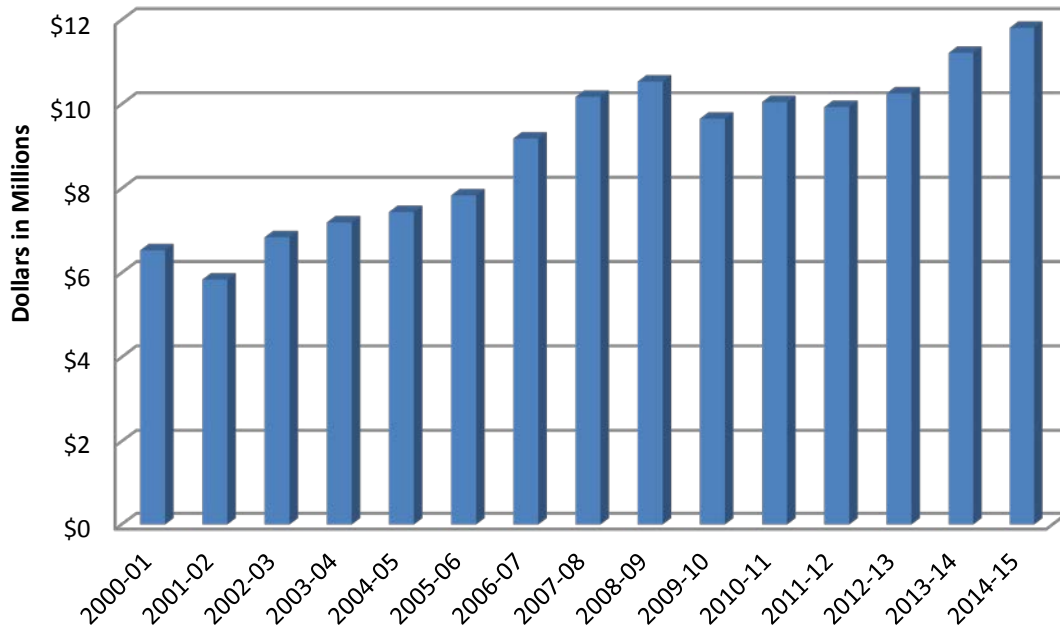


Sales tax accounted for 17% of General Fund revenues for fiscal year 2014-15, closing the year at \$20.106 million, which was a 4.5% increase over the previous fiscal year. With Measure Y taking effect in April 2013, fiscal year 2014-15 was the second full year of the newly installed local sales tax with receipts totaling \$9.319 million, accounting for 8% of General Fund revenues.

Business Tax

Business Tax revenue accounts for approximately 10% of the General Fund revenues. All entities conducting business in Culver City are required to pay a Business Tax annually. Like Sales Tax, Business Tax is highly dependent on national and regional economic forces. Consequently, Business Tax is relatively volatile. This tax dipped in fiscal year 2009-10 due to the recession, and has improved over the past few years. Business Tax is based on a businesses' gross receipts, which is a measure of the amount of business they do in the City.

Business Tax



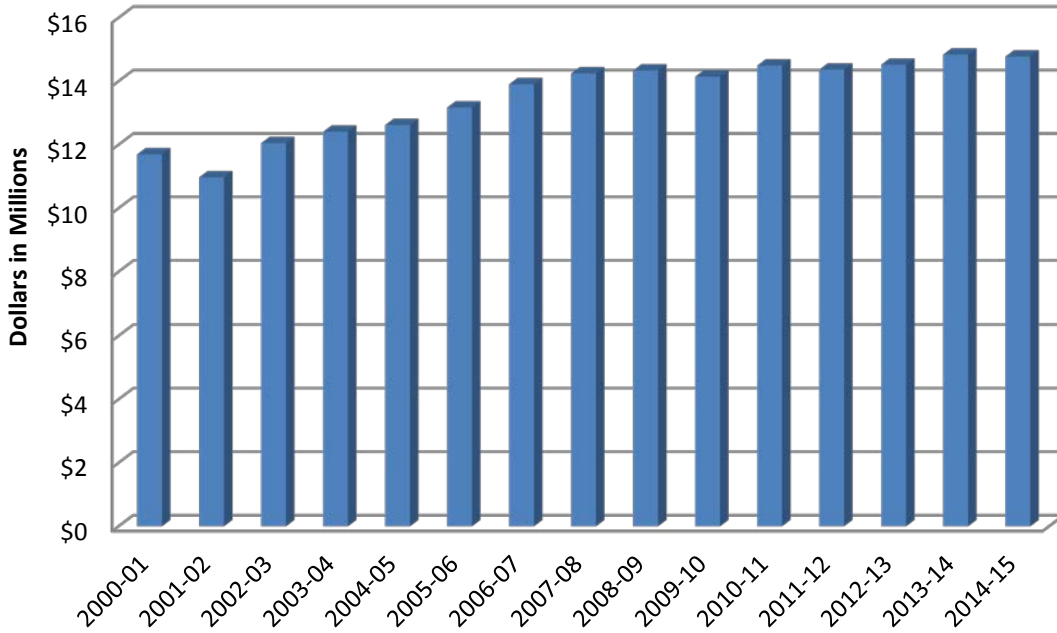
Fiscal year 2014-15 Business Tax receipts, including penalties, were \$11.808 million, a 5.3% increase from the previous fiscal year.

Utility User Tax

Utility User Tax receipts make up approximately 13% of the General Fund revenues. The City charges Utility User Tax (UUT) on electricity, water, telephone, cable, and natural gas utilities. The current UUT rate is 11%. Fortunately, UUT revenue is much more stable than other major revenues. Economic fluctuations have less impact on UUTs because users still need electricity, natural gas, water, etc. After years of consistent growth, over the last five years, UUT revenues have remained relatively flat. As conservation and 'green' technologies continue to evolve and become more cost-effective, and more people 'cut the cord' to cable services, this could affect future utility consumption trends.

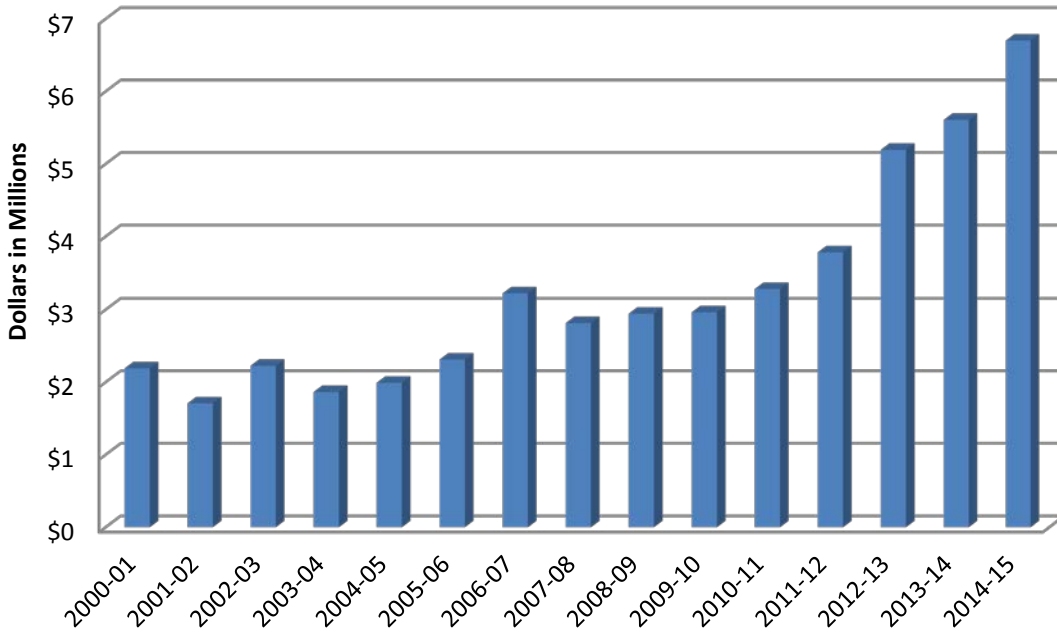
UUT receipts for fiscal year 2013-14 are \$14.774 million, which is a slight 0.4% decrease from the prior fiscal year. Electricity and Cable and Water revenues slightly increased, while Gas, Water and Telecommunications revenues declined. Prepaid wireless telephone services continue to be a growing trend in the industry. Previously, taxation of these services was uneven and difficult to enforce. In 2015, legislation was adopted to ensure more equal taxation of these services, set to take effect in January 2016.

Utility Users Tax



Transient Occupancy Tax

Transient Occupancy Tax

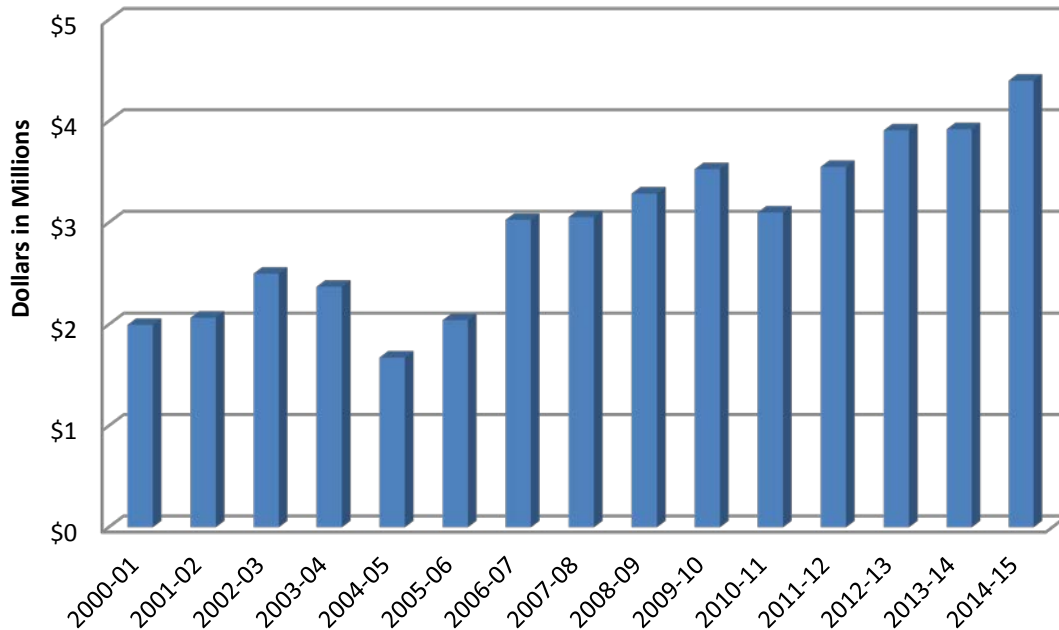


Transient Occupancy Tax (TOT) is levied on occupied hotel/motel rooms at a rate of 14%. With occupancy and nightly room rates both rising, TOT revenues reached record levels for fiscal year 2014-15, improving an additional 19.47% to \$6.700 million.

Property Tax

Culver City is a “low property tax” city and only receives 10.5% of the 1% property tax rate paid by property owners. Consequently, property taxes only account for about 3.5% to 4.5% of General Fund revenues, on average. Fortunately, Culver City did not see a significant drop in this category during the recession, and did not experience the severe mortgage and foreclosure meltdowns felt by other locales. The downturn in fiscal 2004-05 and 2005-06 is the recording of the State ERAF shift of approximately \$971,000 each year.

Property Tax

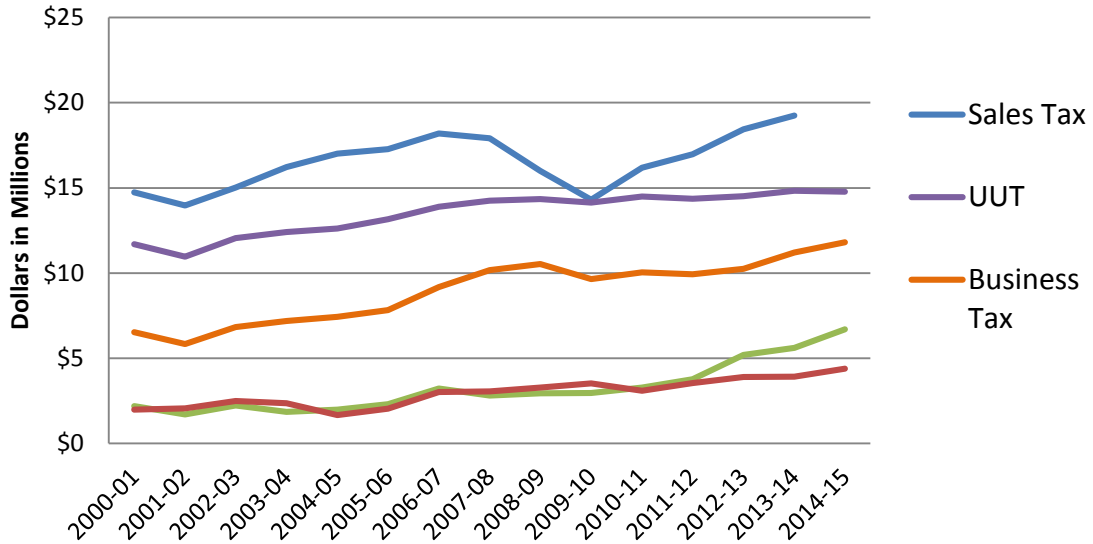


Property Tax receipts ended fiscal 2014-15 at \$4.400 million, 12.2% higher than prior fiscal year revenues. Additionally, the City received \$1.314 million in former tax increment of the Redevelopment Agency. This funding is from additional property tax received when the amount of property tax collected in the former Redevelopment Agency project areas exceeds the amount of enforceable obligations due during a 6-month period. Going forward, the amount available will vary widely and, therefore, should be treated as one-time funds until the wind-down of the former Agency is substantially complete.

Total Major Tax Revenues

From the chart below, it is clear that there is a correlation between the economy and the City's major tax revenues. The short recession caused by the terrorist events of September 2001 are clearly visible in the sharp decline in four of the five tax revenues, with only property taxes remaining relatively steady. All four of these taxes rebounded in fiscal 2002-03 and increased steadily until fiscal 2007-08 when sales tax showed the first decline in years. Fiscal 2008-09 and 2009-10 show an even steeper decline in sales tax. Tax revenues continue to rebound since fiscal 2010-11 and growth is anticipated to be slow but relatively steady in the future.

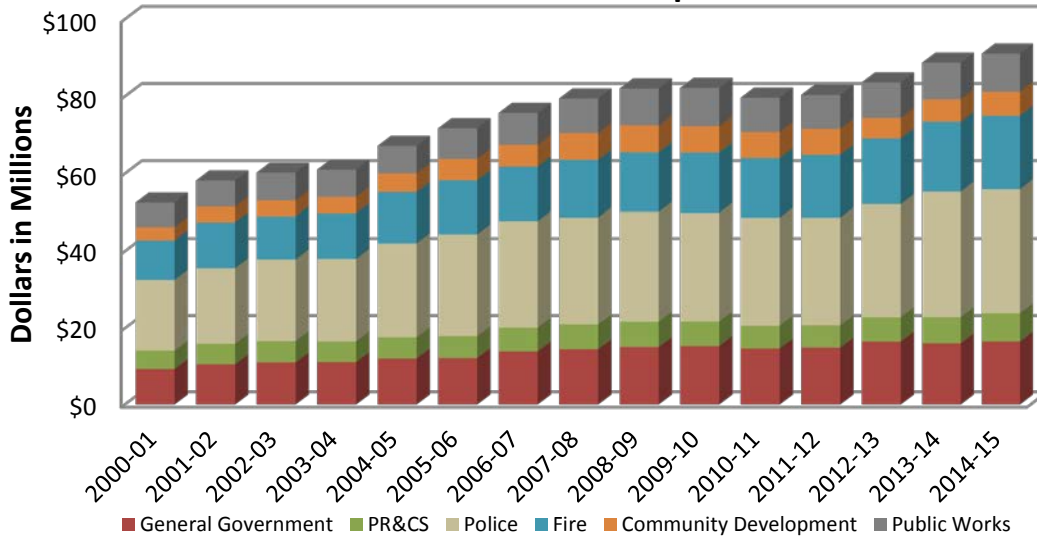
Top Five Tax Revenues



EXPENDITURES

Over 80% of the City's General Fund expenditures are personnel related costs, with Police and Fire accounting for over 50% of the overall General Fund expenditures. Like most municipalities, the City grapples with rising retirement, medical, supply, and workers' compensation costs on an annual basis.

General Fund Expenditures



General Fund Reserve Percentage

Perhaps the best measure of the City's effectiveness in weathering an economic downturn and building sustained growth for the future is its ability to build a fund reserve. It is a policy of the City

to maintain a general operating reserve of, at a minimum, 30% of projected General Fund operating expenditures for each fiscal year (excluding debt service, fund transfers, and encumbered funds). These reserves are designed to be used in the event of a significant financial emergency, as defined in the City's financial policies.

The City has been able to maintain a relatively healthy reserve due in large part to one-time revenues from major developments occurring within the city, and conservative budgeting practices by City Council and staff. While modest amounts of reserves were used to support the budget during the recession, the City has able to bolster its General Fund reserves in each of the last several fiscal years.

As of June 30, 2015, the City has established committed General Fund fund balances of \$27.6 million for contingencies/emergencies, \$6.8 million for future facility improvements / replacements and \$0.5 million for recreational facility improvements. Beyond these amounts, the City has an additional \$36.9 million in unassigned General Fund fund balance. Monies in excess of the required reserves are used to fund one-time projects and programs or reduce long-term liabilities, and are most often transferred to the City's capital improvement fund to fund capital projects.

Long Term Financial Planning

A General Fund Financial Forecast was developed and is presented in conjunction with the mid-year budget review. The Forecast is updated and included in the Adopted Budget. The term of the current Forecast stretches to Fiscal Year 2023-24, to show the impact of a Measure Y sunset. This is a valuable financial management tool, especially in challenging financial times, to assist the City Council in setting priorities and educate the community on the long term state of the City's finances.

With significant increases in the required employer contributions for pension being phased in by the California Public Employee's Retirement System, the City continues to take a conservative approach towards new spending. The forecast currently shows the City being able to absorb the increased pension costs without requiring dramatic budget reductions in other areas. However, the local half-percent sales tax (Measure Y) approved by the voters is set to expire in March of 2023. The City will need to be mindful of what the forecast predicts as it approaches this date, and take necessary actions to ensure continued financial stability.

Awards and Acknowledgements

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 Culver City for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2014. This was the twenty-ninth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate. This report was made possible by the talented and highly dedicated services of the staff of the Finance Department. Each member of the department has our sincere appreciation for the contribution made in the preparation of this report. This report was only possible through perseverance and teamwork.

In closing, without the leadership and guidance of the City Council, the preparation of this report would not have been possible.

Respectfully,



Jeff S. Muir
Chief Financial Officer



John Nachbar
City Manager

CITY OF CULVER CITY

June 30, 2015

CITY OFFICIALS

Elected Officials

Mayor

Micheál O' Leary

Vice Mayor

Andrew Weissman

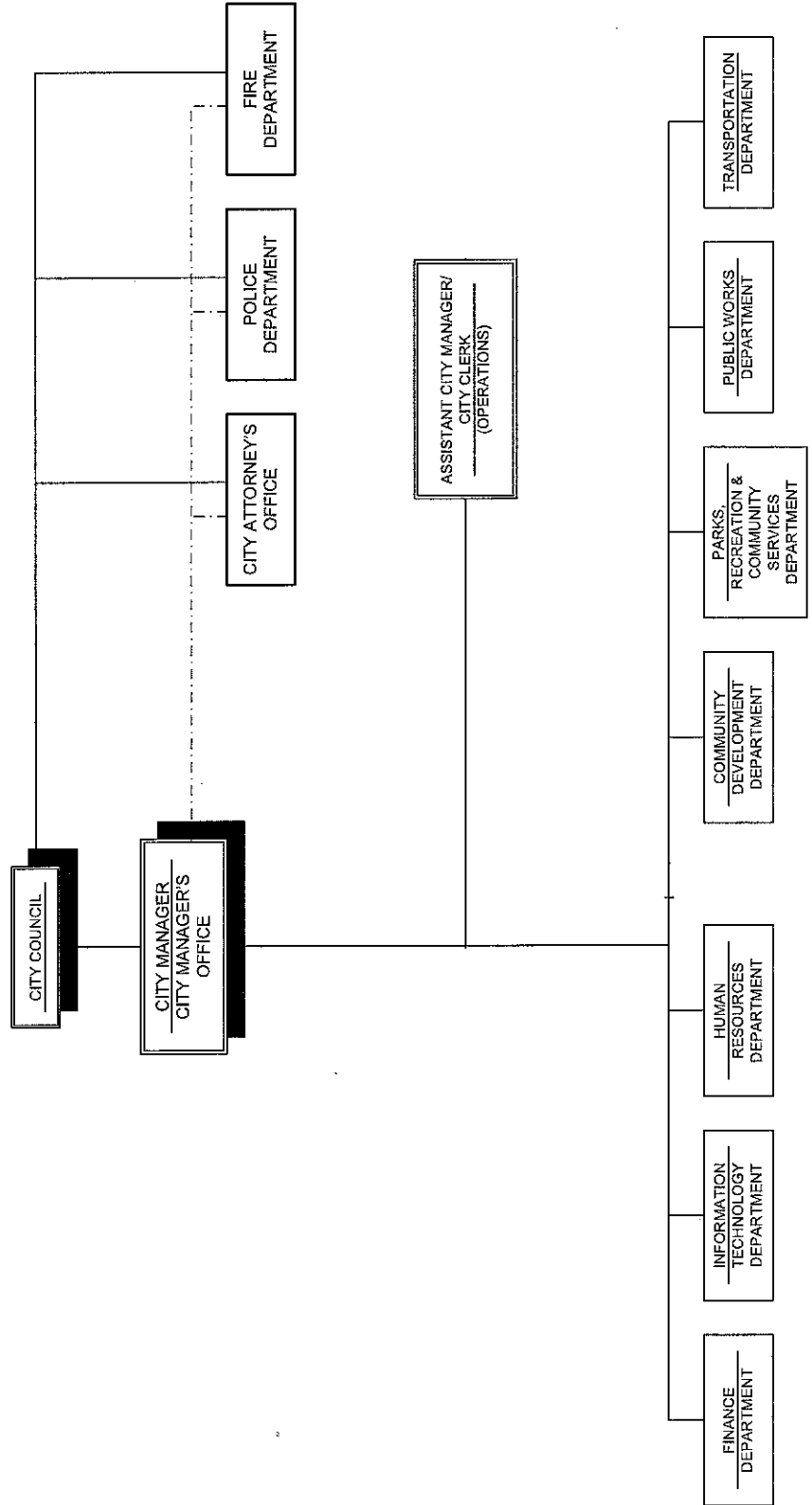
Members of the City Council

Jim B. Clarke
Jeffrey Cooper
Meghan Sahli-Wells

Administrative Officials

John Nachbar	City Manager
Martin Cole	Assistant City Manager
Sol Blumenfeld	Community Redevelopment Director
Charles Herbertson	Public Works Director
Dan Hernandez	Parks, Recreation & Community Services Director
Art Ida	Transportation Director
Jeff Muir	Chief Financial Officer
Scott Bixby	Police Chief
Michelle Williams	Information Technology Director
Carol Schwab	City Attorney
David White	Fire Chief
Serena Wright	Human Resources Director

CULVER CITY OVERVIEW ORGANIZATIONAL CHART





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California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

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Financial Section



Independent Auditor's Report





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Independent Auditor's Report

The Members of the City Council of the
City of Culver City
Culver City, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Culver City, California (City), as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Culver City, California, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

Change in Accounting Principles

As discussed in note 1 to the basic financial statements effective July 1, 2014, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, and Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5-22, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – General Fund, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Culver City Housing Authority Special Revenue Fund, the Note to the Required Supplementary Information, the Schedule of Changes in the Net Pension Liability and Related Ratios, Schedule of Contributions, Schedule of Changes in the City's Net OPEB Liability and Related Ratios, and Schedule of City Contributions on pages 106-112 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The introductory section, major capital project fund budgetary comparison schedule, combining nonmajor fund financial statements, nonmajor funds budgetary comparison schedules, combining internal service fund financial statements, and combining agency fund financial statements, and the statistical section listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The major capital project fund budgetary comparison schedule, combining nonmajor fund financial statements, nonmajor funds budgetary comparison schedules, combining internal service fund financial statements, and combining agency fund financial statements, listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance



Moss, Levy & Hartzheim, LLP
Culver City, California
December 21, 2015

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Management's Discussion & Analysis



**CITY OF CULVER CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

As management of the City of Culver City (City), we offer readers of the City's basic financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our transmittal letter, which is found on pages v-xvi of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

FINANCIAL HIGHLIGHTS

- The City's government-wide assets and deferred outflows exceeded its liabilities and deferred inflows at the close of fiscal year 2015 by \$101.4 million (*net position*). Of this amount, (\$174.4) million represents unrestricted net position which may be used to meet the government's ongoing obligations to citizens and creditors. The City's unrestricted net position was negatively impacted this fiscal year with the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68) and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75), which required the City to record its proportionate share of unfunded pension liabilities for pension plans and other postemployment benefits (OPEB) in which it participates. More information on the City's pension and OPEB plans can be found in Notes 13 and 14 on pages 72-83 of this report.
- The City's total net position, including all activities, decreased by \$261.5 million in fiscal year 2015. Of this decrease in net position, (\$226.1) million was a result of governmental activities and (\$35.4) million was due to business-type activities. For governmental activities, a \$4.0 million increase in net position due primarily to higher tax revenues was offset by a (\$230.1) prior period adjustment for the implementation of GASB 68 and GASB 75. For business-type activities, a \$1.1 million decrease in net position primarily due to higher costs for the municipal bus lines was exacerbated by a (\$34.3) million prior period adjustment for the implementation of GASB 68 and GASB 75.
- As of June 30, 2015, the City's governmental funds reported combined ending fund balances of \$163.9 million. Approximately 21 percent of the current year amount (\$34.2 million) is available for spending at the City's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (*the total of the committed, assigned and unassigned components of fund balance*) for the General Fund was \$71.8 million or approximately 82 percent of total General Fund expenditures of \$87.6 million. Additional information on the City's General Fund balances is located in Note 18.
- The City's total long-term liabilities increased by \$246.3 million to \$317.4 million during the fiscal year. This increase is due primarily to the net pension liability of \$162.1 million the City was required to record with the implementation of GASB 68, and the \$86.6 million increase to the net OPEB liability the City was required to record with the implementation of GASB 75.

OVERVIEW OF THE FINANCIAL STATEMENTS

The City's basic financial statements are comprised of three components: 1) Government-wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Basic Financial Statements. Each of these sections is discussed below. This report also contains other required and supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The ***Government-Wide Financial Statements*** are designed to present financial information about the City as a whole in a manner similar to the private sector, including the use of accrual-based accounting to recognize its revenues and expenses. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely primarily on user fees and charges to fund their operations. Governmental activities include those traditionally associated with local government, such as public safety (fire and police), community development, public works, parks and recreation, and general government (administrative) functions. Business-type activities include the City's utility operations (sanitation and wastewater) and municipal bus lines.

The ***Statement of Net Position*** presents information on all of the City's assets, including capital assets, and all related current liabilities and long-term obligations. The difference between total assets and total liabilities is presented as *net position*, which serves as a measure of the financial health of the City. Over time, an increase in net position generally indicates that the financial health of the City is improving.

The ***Statement of Activities*** presents information showing how the government's net position changed during the most recent fiscal year. Decreases in net position are presented as "Expenses;" increases in net position are presented as "Revenues." Revenues directly attributable to a particular function within the City are presented as "Program Revenues." Tax revenues, including those restricted to a particular program function, are reported as "General Revenues" unless specifically required to be reported as program revenues (i.e. gas and transportation taxes).

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 result in cash flows in future fiscal periods (such as, revenues pertaining to uncollected taxes, or expenses pertaining to earned, but unused, vacation and sick leave).

The government-wide financial statements include not only the City of Culver City (known as the primary government), but also three legally separate component units: the Parking Authority, the Housing Authority, and the Public Financing Authority. The governing board of each of these entities is comprised entirely of members of the City Council, and their financial activity has been included as an integral part of the primary government. The Successor Agency is reported as a Private Purpose Trust Fund in the Fiduciary Fund statements.

The government-wide financial statements are located on pages 23-25 of this report.

Fund Financial Statements

The City, like other state and local governments, uses fund accounting for recording its financial activities. In general, fund accounting provides a mechanism to separately account for a variety of different funding sources and enables the City to demonstrate compliance with legal and/or contractual requirements that may be associated with these funds. Thus, the accompanying fund financial statements present individual funds organized into one of three categories: Governmental, Proprietary, and Fiduciary Funds. Note that the fund financial statements only present information on the most significant (i.e. "major") funds on the face of the statements. Nonmajor funds are grouped and presented in total on the face of the statements. In addition, the fund financial statements include a schedule that reconciles the fund financial statements to the government-wide financial statements. This is designed to explain the differences created by the integrated approach to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds - Most of the City's basic services are reported in governmental funds. Governmental funds include the General Fund, Special Revenue, Capital Projects, and Debt Service funds. In the fund financial statements, all governmental fund types are reported using the modified accrual basis of accounting, whereby revenues are generally recognized when measurable and available to finance current operating costs, and expenditures are recognized when the related liability is incurred. In addition, the focus is on inflow (revenues) and outflow (expenditures) of the current period. As such, the balance sheets of governmental funds are intended to present only short-term assets and liabilities.

The fund financial statements include separate columns, by fund type, for all "major" governmental funds of the City. All "Nonmajor" governmental funds are consolidated into a single column labeled "Other Governmental Funds." The details of these funds are included in the Combining and Individual Fund Statements and schedules located in the supplementary information section of this report on pages 113-158.

Since the focus of governmental funds is narrower than that of 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 this comparison, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances, provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. The City adopts an annual appropriated budget for its funds. A budgetary comparison is provided for all of the City's Governmental Funds to demonstrate compliance with this budget.

Proprietary funds – Proprietary funds are used to account for services provided to external customers or other City departments and funds that are primarily funded from user fees and charges. Proprietary funds use the accrual basis of accounting and measure the balance and change in *total economic* resources. Accordingly, balance sheets of proprietary funds include all assets and liabilities, including long-term receivables, capital assets, and long-term liabilities. The basis of accounting and measurement focus used to prepare proprietary fund statements is the same that is used to prepare the government-wide statements. Thus, proprietary fund statements provide the same, but more detailed, information about these funds, which are included in the "Business-Type Activity" column of the government-wide statements.

The City maintains two different types of proprietary funds: *Enterprise and Internal Service*.

- **Enterprise funds** are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Refuse Disposal, Sewer, and Municipal Bus Lines Funds, all of which are considered major funds.
- **Internal Service funds** are used by the City to account for its intra-city services: equipment replacement, fleet maintenance, risk management and central stores.

Because internal service funds predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements. Internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* in the supplementary information section.

Fiduciary funds are used to account for resources held by the City as trustee on behalf of other agencies or individuals. Fiduciary funds are *not* presented in the accompanying government-wide financial statements since the resources of those funds are *not* available to support the City's programs. The basis of accounting used for the fiduciary funds is similar to what is used for the proprietary funds. The fiduciary funds financial statements are located in the basic financial statements section of this report.

The City uses private-purpose trust funds to account for the activities of the Successor Agency to the Culver City Redevelopment Agency. Additionally, two small agency funds are maintained to account for assets and liabilities where the City serves as custodian.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements and are located on pages 41 through 104.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary comparison schedules for the General Fund and major special revenue funds in the Required Supplementary Information section of this report.

The combining statements, referred to earlier in connection with non-major governmental funds, internal service funds, and fiduciary funds are presented following the required supplementary information on pensions.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. As shown in the table following, the City's assets exceeded liabilities by \$101.4 million at June 30, 2015.

Approximately 190.2% of the City's net position is attributable to its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens and consequently, these assets are *not* available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets alone may not be used to liquidate these liabilities.

Approximately 81.8% of the City's net position is subject to restrictions imposed by external parties, and their use is determined by those restrictions and contractual agreements. The remaining amount may be used by the City to meet ongoing operations, subject to applicable federal and state laws and regulations. The significant liabilities recorded for pensions and OPEB recorded with the implementation of GASB 68 and 75, result in a negative unrestricted net position of the City of (\$174.4) million.

Statement of Net Position
As of June 30, 2015 and 2014
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014*	2015	2014*	2015	2014*
Assets:						
Current assets	\$199,824	\$190,404	\$ 43,385	\$ 42,895	\$243,209	\$233,299
Capital assets, net of depreciation	138,195	144,111	72,026	74,031	210,221	218,142
Total Assets	338,019	334,515	115,411	116,926	453,430	451,441
Deferred outflows of resources:						
Post-employment benefit items	11,698	-	1,844	-	13,542	-
Total deferred outflows of resources	11,698	-	1,844	-	13,542	-
Liabilities:						
Current and other liabilities	13,909	12,132	6,375	5,301	20,284	17,433
Noncurrent liabilities	264,032	48,554	53,356	22,552	317,388	71,106
Total Liabilities	277,941	60,686	59,731	27,853	337,672	88,539
Deferred inflows of resources:						
Post-employment benefit items	24,062	-	3,821	-	27,883	-
Total deferred inflows of resources	24,062	-	3,821	-	27,883	-
Net Position:						
Net investment in capital assets	138,195	143,776	54,690	55,216	192,885	198,992
Restricted	80,777	96,157	2,185	2,177	82,962	98,334
Unrestricted	(171,258)	33,896	(3,173)	31,680	(174,431)	65,576
Total Net Position	\$ 47,714	\$273,829	\$ 53,702	\$ 89,073	\$101,416	\$362,902

* The prior fiscal year has not been restated for the implementation of GASB statements No. 68 and 75.

Statement of Activities

As discussed earlier, the Statement of Net Position provides a measure of the financial health of an entity at a specific date in time (i.e. year-end). In contrast, the Statement of Activities provides details of how net position changed from the prior fiscal year. Generally, it

indicates whether the financial health of the City as a whole is better at June 30, 2015, in relation to a year earlier. For the fiscal year ended June 30, 2015, total net position increased by \$2.9 million as a result of operations. However, there were negative prior period adjustments related to the implementation of GASB 68 and GASB 75 of \$264.4 million that reduced the City's beginning net position for the fiscal year. Further information on these adjustments can be found in Note 16 of the Notes to the Basic Financial Statements on page 84.

The following table summarizes the Statement of Activities for Governmental Activities and Business-Type Activities for the fiscal year ended June 30, 2015, with comparative totals for the fiscal year ended June 30, 2014.

Statement of Activities
Fiscal Years ended June 30, 2015 and 2014
(In Thousands)

	Governmental Activities		Business Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$22,016	\$22,223	\$24,691	\$24,529	\$46,707	\$46,752
Operating contributions and grants	6,078	6,578	15,907	15,782	21,985	22,360
Capital contributions and grants	2,825	2,494	729	4,225	3,554	6,719
Taxes	74,468	69,426	-	-	74,468	69,426
Investment Earnings	1,281	2,071	217	277	1,498	2,348
Other	18,689	3,784	300	342	18,989	4,126
Excess/deficiency before transfers	125,357	106,576	41,844	45,155	167,201	151,731
Transfers	(919)	(760)	919	760	-	-
Total revenues	124,438	105,816	42,763	45,915	167,201	151,731
Expenses:						
General government	22,383	7,863	-	-	22,383	7,863
Parks, recreation and community services	8,326	7,780	-	-	8,326	7,780
Police	32,806	33,869	-	-	32,806	33,869
Fire	19,168	19,180	-	-	19,168	19,180
Community development	10,461	10,013	-	-	10,461	10,013
Public Works	14,477	11,789	-	-	14,477	11,789
Transportation	263	286	-	-	263	286
Interest on long-term debt	12	48	-	-	12	48
Municipal bus lines	-	-	22,325	21,492	22,325	21,492
Refuse	-	-	11,784	11,550	11,784	11,550
Sewer	-	-	9,765	9,357	9,765	9,357
Total expenses	107,896	90,828	43,874	42,399	151,770	133,227
Special items	(12,542)	-	-	-	(12,542)	-
Increase (decrease) in net position	4,000	14,988	(1,111)	3,516	2,889	18,504
Net position, July 1	273,829	261,514	89,073	86,408	362,902	347,922
Restatement of Net Position*	(230,115)	(2,673)	(34,260)	(851)	(264,375)	(3,524)
Net position, June 30	\$ 47,714	\$273,829	\$ 53,702	\$ 89,073	\$101,416	\$362,902

* For fiscal year ended June 30, 2015 the City adopted GASB Statement No.'s 68 and 75, which resulted in a restatement. For more information please refer to the Comprehensive Annual Financial report for the Fiscal Year Ended June 30, 2015.

Governmental Activities

The City's net position from governmental activities decreased approximately \$226.1 million, comprised of a \$4.0 million increase as a result of operations and a \$230.1 million decrease as a result of restatement with the GASB 68 and GASB 75 implementation. The operational increase in net position of \$4.0 million was \$11.0 million lower than the increase in

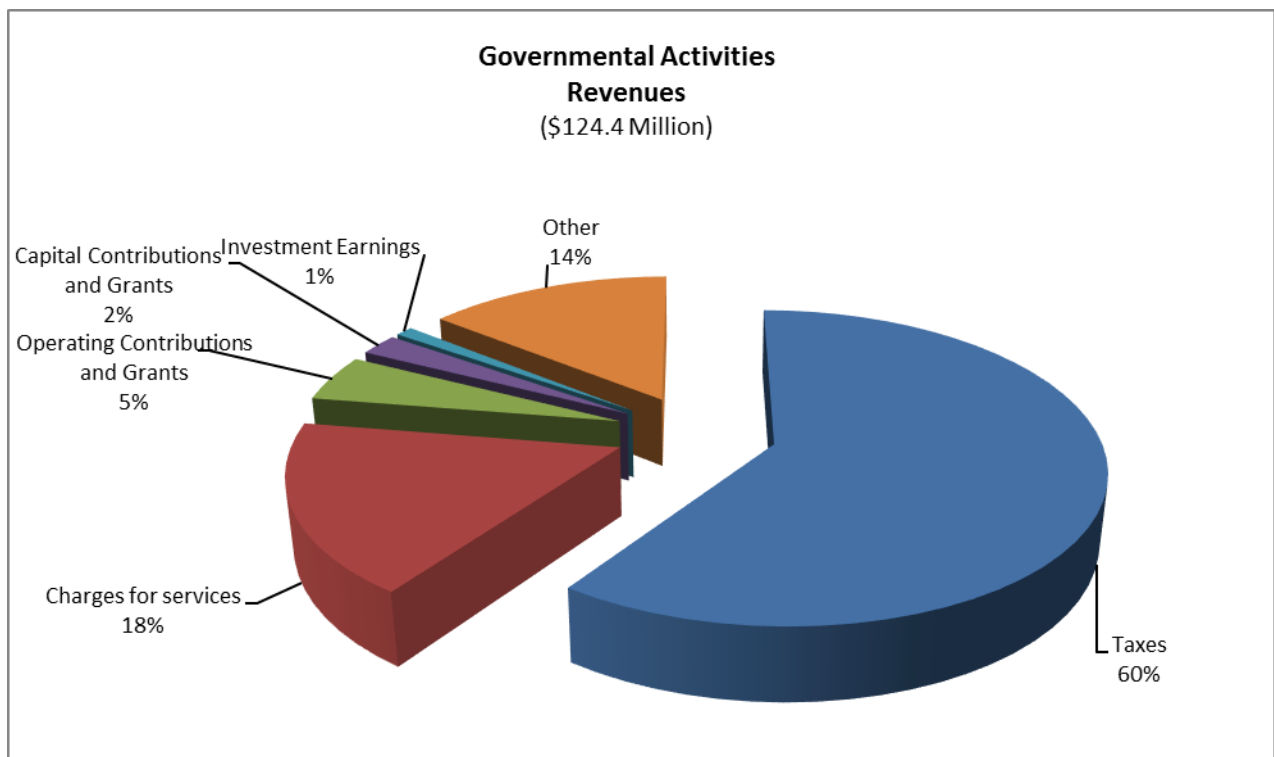
the prior fiscal year, primarily due to increased expenses for pension and OPEB costs associated with GASB 68 and GASB 75 implementation.

Revenue Highlights

Total revenues of governmental activities were \$124.4 million. The largest component of total revenue is taxes at \$74.5 million, making up 59.8% of total revenues. This is consistent with the nature and purpose of governmental funds, particularly in the General Fund, where programs are largely supported by general taxes. The highest tax revenues received by the General Fund include sales tax (\$28.3 million), utility users' tax (\$14.8 million), and business tax (\$11.8 million). Some of the key changes in revenues are:

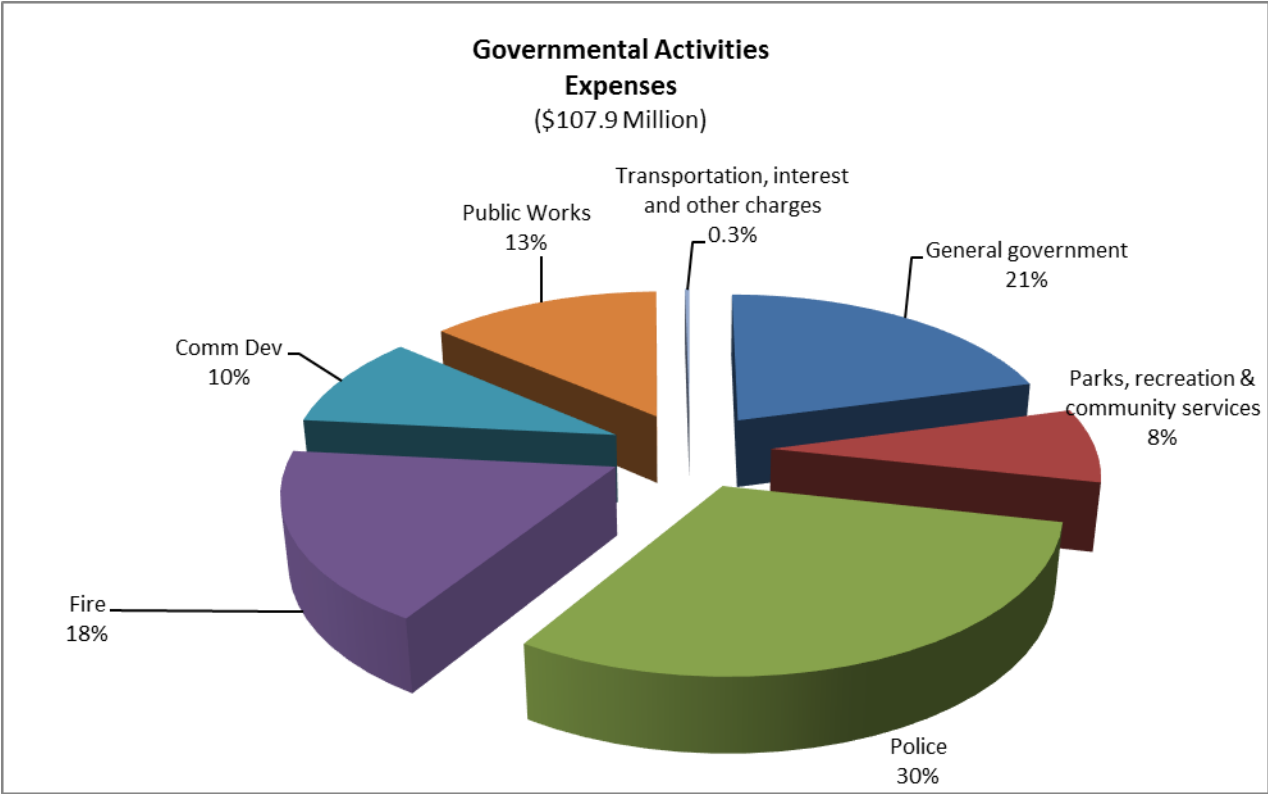
- Sales tax increased \$2.0 million, due primarily to the improving economy resulting in more taxable spending.
- Business tax increased by \$0.6 million due to the improving economy and business growth.
- Transient Occupancy taxes reached a historic high of \$6.7 million due to continued growth in tourism and demand.
- Other Revenue increased by \$14.1 million due to a one-time sale of property.

The governmental activities' chart below illustrates operating revenues by source. Sales, property, business, transient occupancy, and other taxes are general revenues used to support overall government functions. These sources account for approximately \$74.5 million or 60% of total governmental revenue. Operating and capital grants make up 5% of revenues while charges for services amount to 18% of total governmental revenues.



Expense Highlights

Functional expenses for the fiscal year totaled approximately \$107.9 million in the governmental funds, an increase of \$17.1 million from the prior fiscal year. This was primarily driven by an increase of \$14.5 million in General government expenses, related to the implementation of GASB 68 and GASB 75. Public Safety activities consumed approximately \$52 million (48.1%) of the total expenses in the governmental activities. Almost all public safety costs are funded from general revenues, primarily taxes. Expenses for Public Works totaled \$14.5 million, Community Development \$10.5 million, and Parks, recreation and community services \$8.3 million. General Government Expenses (including City Council, City Manager, City Clerk, Information Technology, Finance, Human Resources and City Attorney) and Interest and Other Charges, consumed a total of \$22.4 million (20.7%).



Business-Type Activities

The City's net position from business-type activities decreased approximately \$35.4 million, comprised of a \$1.1 million decrease as a result of operations and a \$34.3 million decrease as a result of restatement with the GASB 68 and GASB 75 implementation. The operational decrease in net position of \$1.1 million was \$4.6 million lower than the increase in the prior fiscal year, primarily due to increased expenses for pension and OPEB costs associated with GASB 68 and GASB 75 implementation.

The City's Municipal Bus Lines is the largest business-type operation, with operating and capital contributions and grants from federal and county sources mainly funding its operations, as well as fare revenues. Refuse Disposal is second largest, followed by

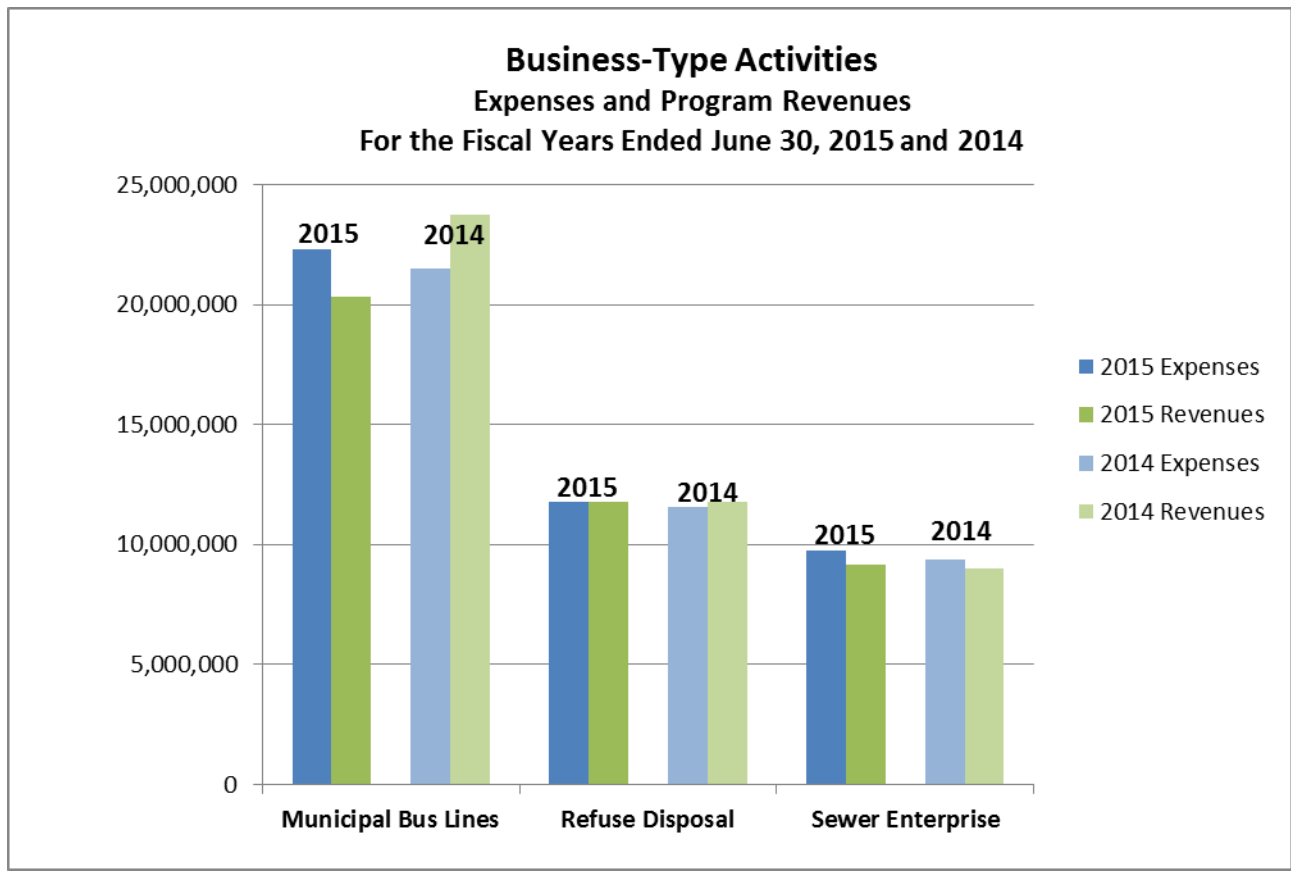
Sewer, with fees for services mainly funding the two utilities. The following chart shows a comparison of program revenues to expenses and to prior fiscal year for each of the City's business-type activities.

Revenue Highlights

Total program revenues for the fiscal year ended June 30, 2015 were \$41.3 million, a decrease of \$3.2 million from the prior fiscal year. This was primarily attributable to a decrease of \$3.2 million in Capital Contributions and Grants in the Municipal Bus Lines.

Expense Highlights

Refuse disposal expenses increased \$0.2 million, or 2.0%. Sewer expenses increased by \$0.4 million, or 4.3%. Municipal Bus Line expenses increased by \$0.8 million, or 3.9%. Increased expenses were attributable to inflation and labor costs.



GOVERNMENT FUNDS FINANCIAL ANALYSIS

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

Governmental Funds

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2015, the City's governmental funds reported a combined ending fund balance of \$163.9 million, an increase of \$9.3 million in comparison with the prior fiscal year, as restated. Increased revenues of \$22.1 million (primarily increases of \$6.5 million in taxes, \$1.5 million in intergovernmental and \$14.5 million in miscellaneous) offset \$7.4 million in increased expenditures (primarily \$4.7 million in General government, \$0.8 million in Police and Fire, and \$0.7 million in Transportation), as compared to the prior fiscal year. Of the total \$163.9 million fund balance, \$8.8 million was nonspendable, \$80.7 million was restricted, \$34.9 million was committed, \$5.3 million was assigned, and \$34.2 million was unassigned.

The following is a summary of significant changes to fund balance in the major governmental funds.

General Fund

The General Fund is the City's chief operating fund. It showed an increase of \$23.7 million in fund balance for fiscal year 2015 with an \$80.7 million total fund balance at June 30, 2015. The increase is mainly attributable to a \$6.5 million increase in taxes due to the improving economy and a \$14.1 million increase in miscellaneous due to the sale of a City-owned property.

Culver City Housing Authority Fund

With the dissolution of the Redevelopment Agency, the Culver City Housing Authority was formed to serve as the Successor Housing entity. All former Low/Moderate Income Housing assets and liabilities were transferred to the Housing Authority. Expenditures and transfers outpaced revenues by \$0.7 million during fiscal year 2015.

Capital Improvement and Acquisition Fund

This fund is used to account for capital projects that are not otherwise funded by a special revenue fund or other specifically identified source of funding. The General Fund is the main contributor to projects in this fund. Revenues and transfers in outpaced project expenditures during fiscal year 2015 by \$0.2 million.

Capital Improvement Grants Fund

This fund is used to account for grant funds awarded to the City by federal, state and local grant agencies for capital improvements, and the qualified expenditure of these restricted funds. Project expenditures barely outpaced revenues during fiscal year 2015 by \$0.1 million.

Proprietary Funds

Unlike governmental funds, proprietary funds use the accrual basis of accounting for financial statement purposes. Accordingly, information reported for the individual fund statements is very similar to that presented as Business-Type Activities in the government-wide statements.

The net position of the Refuse Disposal, Municipal Bus Lines and Sewer funds were (\$6.7) million, \$19.8 million, and \$40.6 million, respectively. On an operational basis, total net position of these funds decreased by \$1.1 million in the fiscal year ended June 30, 2015. Within this total, the Municipal Bus Lines and Sewer Enterprise funds saw their net position decrease by \$0.7 million and \$0.4 million, respectively. Additionally, prior period adjustments associated with the implementation of GASB 68 and GASB 75, reduced net position in the proprietary funds by \$34.3 million. Net position in the Internal Service Funds increased approximately \$1.5 million due to operations, with a \$12.0 million decrease associated with the implementation of GASB 68 and GASB 75.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund is the main operating fund of the City. Its revenues are primarily derived from taxes and charges for services, which are used to pay for the traditional services provided by local government - public safety, parks and recreation, community development (building and planning), and public works.

Revenues

SUMMARY OF GENERAL FUND REVENUES BUDGET AND ACTUAL Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 66,631,825	\$ 69,198,000	\$ 75,200,587	\$ 6,002,587
Licenses and permits	3,127,000	3,089,000	3,422,336	333,336
Fines and forfeitures	3,754,000	3,835,500	4,104,462	268,962
Investment income	1,692,180	1,500,526	1,505,144	4,618
Intergovernmental	3,835,825	3,992,793	4,306,470	313,677
Charges for services	7,488,275	8,397,972	9,467,870	1,069,898
Miscellaneous	278,380	14,532,181	14,693,326	161,145
Total revenues	<u>86,807,485</u>	<u>104,545,972</u>	<u>112,700,195</u>	<u>8,154,223</u>
Transfers in	<u>2,165,222</u>	<u>2,062,390</u>	<u>2,006,632</u>	<u>(55,758)</u>
Total other financing sources	<u>2,165,222</u>	<u>2,062,390</u>	<u>2,006,632</u>	<u>(55,758)</u>
Total Revenues	<u>\$ 88,972,707</u>	<u>\$ 106,608,362</u>	<u>\$ 114,706,827</u>	<u>\$ 8,098,465</u>

The amended fiscal year 2015 General Fund revenue budget reflects amendments that were approved by the City Council during the fiscal year. The most significant amendment included increases to taxes and the miscellaneous category.

As shown on the table above, actual revenues and transfers totaled \$114.7 million, ahead of the amended budget by \$8.1 million. Taxes exceeded the amended budget by \$6.0 million. This was due to several factors including: gradual improvement in the local economy, additional property tax revenues to the general fund as a result of the dissolution of redevelopment, additional business tax and real property transfer tax revenues, and increased Transient Occupancy Tax revenues. Charges for services exceeded the

amended budget by \$1.1 million. This was primarily due to increased building activity throughout the City and higher demand for parks facility rentals.

Expenditures

**SUMMARY OF GENERAL FUND EXPENDITURES
BUDGET AND ACTUAL
Fiscal Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final		
Expenditures:				
General government	\$ 13,652,990	\$ 14,357,523	\$ 13,081,178	\$ 1,276,345
Parks, recreation and community services	7,202,545	7,653,124	7,414,638	238,486
Police	32,187,200	32,643,993	32,011,889	632,104
Fire	18,983,906	19,096,321	19,015,671	80,650
Community development	6,619,383	7,151,997	6,222,661	929,336
Public Works	9,980,879	10,339,588	9,895,993	443,595
Total expenditures	<u>88,626,903</u>	<u>91,242,546</u>	<u>87,642,030</u>	<u>3,600,516</u>
Transfers out	<u>2,412,426</u>	<u>3,379,760</u>	<u>3,390,984</u>	<u>(11,224)</u>
Total other financing uses	<u>2,412,426</u>	<u>3,379,760</u>	<u>3,390,984</u>	<u>(11,224)</u>
Total Expenditures	<u>\$ 91,039,329</u>	<u>\$ 94,622,306</u>	<u>\$ 91,033,014</u>	<u>\$ 3,589,292</u>

The amended fiscal year 2015 General Fund expenditure budget reflects amendments approved by the City Council during the fiscal year. The amended budget also reflects appropriations carried over from the prior fiscal year related to outstanding encumbrances as of June 30, 2014.

Each department ended the fiscal year within their respective spending authority. General government, Police, Community development and Public Works expenditures were significantly under the amended budget due primarily to position vacancies resulting from staff turnover.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City owns hundreds of millions of dollars worth of capital assets that require ongoing maintenance, improvement and renovation. As a result, the City as a whole undertakes millions of dollars in capital improvement and construction projects each fiscal year.

The capital improvement projects undertaken in those operations in the Governmental Activities category typically include improvements to the City's infrastructure (roads, curbs, storm drains, bridges, sidewalks, gutters, etc.) and improvements to City public facilities, such as parks, restrooms, community facilities, and playgrounds. Starting in 2004, governmental

funds have been required to capitalize and report the costs of acquiring or constructing infrastructure assets acquired or constructed after 1982. Where information was readily available, or if a value could be reasonably estimated, the City capitalized infrastructure assets acquired or constructed prior to 1982.

CITY OF CULVER CITY - Capital Assets (Net)						
(In Thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 21,363	\$ 20,944	\$ 3,083	\$ 3,083	\$ 24,446	\$ 24,027
Buildings	49,547	56,727	17,469	18,029	67,016	74,756
Improvements	9,949	10,159	9,564	10,269	19,513	20,428
Machinery and equipment	10,239	10,125	13,997	13,702	24,236	23,827
Furniture and fixtures	-	-	51	58	51	58
Infrastructure	45,778	45,727	13,247	13,967	59,025	59,694
Investment in Hyperion	-	-	12,002	12,667	12,002	12,667
Construction in progress	1,319	429	2,612	2,257	3,931	2,686
Total	\$138,195	\$144,111	\$ 72,025	\$ 74,032	\$210,220	\$218,143

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2015, amounts to \$210.2 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and related systems, improvements, machinery and equipment, park facilities, roads, highways, and bridges.

Capital asset additions included vehicle replacements, street repair and replacement, and sewer system improvements in the current fiscal year. Depreciation expense in the Governmental and Business-Type activities totaled \$6.1 million and \$4.4 million, respectively. Additional information is available in Note 7 of the Notes to the Basic Financial Statements.

Long-Term Obligations

At the end of the current fiscal year, the City had total net long-term outstanding obligations of \$317.4 million, an increase of \$246.3 million over the prior fiscal year. Of this increase, \$162.1 million is attributable to net pension liability recorded as a result of implementation of GASB 68 and \$86.6 million is attributable to additional net OPEB liability recorded as a result of implementation of GASB 75. Of the \$317.4 million total, \$53.4 million relates to revenue bonds, certificates of participation, net pension and OPEB liabilities, and other obligations of the City's business enterprises. The balance relates to notes payable, self-insurance, net pension and OPEB liabilities, and employee benefit obligations for the City's governmental activities.

Summary of Long-Term Liabilities
Fiscal Year Ended June 30, 2015
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Compensated absences payable	\$ 8,668	\$ 8,653	\$ 1,342	\$ 1,028	\$ 10,010	\$ 9,681
Claims and judgments	15,555	16,424	-	-	15,555	16,424
Net OPEB liability	97,875	23,142	14,550	2,709	112,425	25,851
Net Pension liability	141,935	-	20,129	-	162,064	-
Developer loan payable	-	206	-	-	-	206
Section 108 loan	-	130	-	-	-	130
2009 Wastewater Facilities Revenue Bonds	-	-	16,575	17,335	16,575	17,335
1996 Certificates of Participation	-	-	760	1,480	760	1,480
Total	\$ 264,033	\$ 48,555	\$ 53,356	\$ 22,552	\$ 317,389	\$ 71,107

Additional information is available in Note 8 of the Notes to the Basic Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Economy

The City of Culver City's economy has shown continued improvements, similar to other cities throughout the region. The General Fund, the City's primary operating fund from which the traditional services associated with local government are provided (police, fire, recreation, engineering, etc.) is particularly affected by economic downturns. Key revenues, such as sales tax, business tax, and building permits realized significant declines during fiscal years 2008 through 2010. Despite these declines, the City endeavored to keep General Fund revenues and expenditures in balance through a combination of cuts to spending, labor concessions, and one-time solutions that included the modest use of reserves. The City also successfully received voter approval for a Transient Occupancy Tax increase from 12% to 14%, and a half-cent local transactions and use tax. As the economy has improved over the last several years, the City has improved its financial position. The City expects significant increases in pension costs to phase in over the next four to five fiscal years, based on information from the California Public Employees Retirement System.

The current economic outlook is more favorable than in recent years; but the City continues to take a conservative approach to future projections.

Budget Outlook

Culver City prides itself on the outstanding quality of services it provides to the community, and has taken all efforts to preserve services during these economically challenging times. During the last recession, approximately 17% of the positions in the General Fund were eliminated. This was accomplished without layoffs by eliminating positions vacated through regular turnover or retirement incentives. Active and retiree health benefits were reduced and converted to defined benefit. July of 2014 marked the first cost-of-living adjustments for non-safety employees for several years. On the revenue side, there now continues to be steady growth in the Culver City economy. Sales tax receipts for fiscal year 2015 were the highest in the City's history, as were TOT and business tax receipts. Building activity has seen a significant increase in the last four years.

Despite the improving economy and efforts to reduce costs, the City's financial forecast still showed operating deficits when factoring in necessary funding for rising pension costs and appropriately prefunding retiree healthcare costs. Exacerbating this issue was the dissolution of the Redevelopment Agency, which eliminated significant administrative reimbursements to the General Fund. Understanding that further meaningful expenditure cuts would radically alter the ability of the City to deliver the services valued by the community, the City Council turned to its voters to consider raising two local taxes. First, a 2% increase (from 12% to 14%) to the Transient Occupancy Tax was approved in April 2012 and went into effect for FY 2013-14. Then a one-half cent local sales tax was approved in November 2012, becoming effective on April 1, 2013. The local sales tax resulted in \$9.3 million for fiscal year 2015, which should grow in step with anticipated future sales tax receipts, however it is scheduled to sunset in 2023 if not extended by the voters.

The additional revenues from these measures, coupled with increasing development related-revenue, should allow the City to balance revenues and expenditures going forward for the foreseeable future. Future budgets will continue to emphasize economic development to grow our local economy in order to fund the City's needs in future years. Another positive development was the Successor Agency receiving approval of its Long Range Property Management Plan to dispose of former Redevelopment Agency properties. Several large-scale developments were significantly delayed by the redevelopment dissolution process, but now they are moving forward. These projects will have a direct positive fiscal impact to the City in terms of one-time building permit revenues, increased tax revenues and new jobs.

Another significant change to the state and local financial landscape is the recently enacted Public Employees' Pension Reform Act ("PEPRA") of 2013, led by the Governor and overwhelmingly supported by the legislature. The City had already been proactive in pension reform and implemented many provisions that were included in PEPRA over the past several fiscal years. All City employees currently contribute their full share of pension costs. New employees are subject to a two tier plan. While PEPRA has no immediate impact to current pension costs, the law will slowly reduce pension costs of virtually all public employers over time as new employees hired after December 31, 2012 will be subject to a more moderate retirement plan. In the meantime, like all public agencies, the City of Culver City still has an underfunded pension plan for existing employees to address.

The City continues to face critical challenges in its infrastructure funding. Over the past fifteen years, Culver City has made investments in rebuilding, replacing and upgrading its key infrastructure including: sewer systems, street pavement, public safety facilities, curbs and sidewalks, traffic signals, disabled access ramps, energy efficient lighting, storm-water retention basins, parks and recreational facilities. The City is continuing to do so, but in too many areas, its investments are falling short of the needs. During financially trying times, it is difficult to make painful cuts to operations in order to maintain funding to important infrastructure that benefits us in future years. As a result, infrastructure funding is often reduced in order to maintain service levels. Culver City would not be the livable community it is today if earlier generations had not made sacrifices to build and maintain facilities and assets that long outlasted them. It will continue to be an important part of future financial planning for Culver City to ensure adequate investment in this area. The City is fortunate to currently have reserves well in excess of its financial policy requirements, and increased infrastructure funding will likely be a part of next fiscal year's budget discussions.

Remaining financially sustainable will continue to be a responsibility of City leadership. Living within our means; maintaining healthy reserves; safeguarding our current quality of life and

standard of living without sacrificing the future; creating a healthier and “greener” economy; prudently investing in long-term facilities and assets; partnering with our community to work together toward common goals; and making wise decisions despite political pressures to defer or deny them – all these are vital to working toward “sustainable prosperity” for Culver City.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Culver City’s finances for all those with an interest in the government’s finances. Questions concerning any of the information contained herein should be addressed to Jeff Muir, Chief Financial Officer, at jeff.muir@culvercity.org or 9770 Culver Blvd., Culver City, CA 90232, (310) 253-5865.

Basic Financial Statements

GOVERNMENT -WIDE FINANCIAL STATEMENTS



CITY OF CULVER CITY
Statement of Net Position
June 30, 2015

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 129,001,811	\$ 38,841,866	\$ 167,843,677
Cash and investments with fiscal agent	-	2,480,032	2,480,032
Receivables:			
Accounts	2,969,393	987,792	3,957,185
Accrued interest	1,723,627	93,759	1,817,386
Notes	17,389,984	1,195	17,391,179
Internal balances	429,415	(429,415)	-
Due from other governments	9,902,847	1,410,120	11,312,967
Inventories	833,946	-	833,946
Advances to Successor Agency	10,575,893	-	10,575,893
Land held for resale	26,997,542	-	26,997,542
Capital assets:			
Capital assets not depreciated	22,682,181	5,694,604	28,376,785
Other capital assets, net	115,512,610	66,330,801	181,843,411
Total assets	338,019,249	115,410,754	453,430,003
Deferred outflow of resources:			
Difference between projected and actual earnings on other post employment plan investments	403,947	60,053	464,000
City's pension contributions subsequent to the measurement date	11,294,367	1,783,873	13,078,240
Total deferred outflow of resources	11,698,314	1,843,926	13,542,240
Liabilities:			
Accounts payable	6,939,013	1,573,262	8,512,275
Accrued wages payable	1,364,549	735,834	2,100,383
Accrued interest payable	-	294,617	294,617
Deposits payable	4,781,816	6,500	4,788,316
Unearned revenue	376,376	3,764,993	4,141,369
Due to other governments	447,157	-	447,157
Noncurrent liabilities			
Due within one year	6,149,754	1,973,319	8,123,073
Due in more than one year	257,882,774	51,382,667	309,265,441
Total liabilities	277,941,439	59,731,192	337,672,631
Deferred inflows of resources:			
Difference between projected and actual earnings on pension plan investments	24,061,696	3,821,462	27,883,158
Total deferred inflows of resources	24,061,696	3,821,462	27,883,158
Net position:			
Net investment in capital assets	138,194,791	54,690,405	192,885,196
Restricted for:			
Transit	2,129,264	-	2,129,264
Housing	31,489,550	-	31,489,550
Public safety	1,173,366	-	1,173,366
Public works	9,342,419	-	9,342,419
Debt service	-	2,185,415	2,185,415
Community development	36,642,729	-	36,642,729
Unrestricted	(171,257,691)	(3,173,794)	(174,431,485)
Total net position	\$ 47,714,428	\$ 53,702,026	\$ 101,416,454

See accompanying notes to the basic financial statements

CITY OF CULVER CITY
Statement of Activities
Fiscal Year Ended June 30, 2015

	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Governmental activities:				
General government	\$ 22,383,141	\$ 2,238,222	\$ 1,956,166	\$ 983
Parks, recreation and community services	8,325,466	2,926,314	321,227	-
Police	32,806,197	4,455,096	799,240	-
Fire	19,167,988	2,786,350	81,010	-
Community development	10,460,975	7,478,274	1,561,761	134,167
Public works	14,477,308	2,126,165	1,163,084	2,689,967
Transportation	263,200	5,776	195,074	-
Interest and other charges	11,520	-	-	-
Total governmental activities	<u>107,895,795</u>	<u>22,016,197</u>	<u>6,077,562</u>	<u>2,825,117</u>
Business-type activities:				
Refuse disposal	\$ 11,783,785	\$ 11,745,590	\$ 50,749	\$ -
Bus lines	22,324,977	3,760,517	15,854,454	729,378
Sewer	9,765,471	9,185,121	1,308	-
Total business-type activities	<u>43,874,233</u>	<u>24,691,228</u>	<u>15,906,511</u>	<u>729,378</u>
	<u>\$ 151,770,028</u>	<u>\$ 46,707,425</u>	<u>\$ 21,984,073</u>	<u>\$ 3,554,495</u>

General revenues:
 Property tax
 Sales tax
 Utility users tax
 Franchise tax
 Business license tax
 Transient occupancy tax
 Other taxes
 Intergovernmental revenues, unrestricted
 Investment income
 Miscellaneous income
 Gain on sale of property

Transfers

Total general revenues and transfers

Change in net position before special and extraordinary items

Special items

Change in net position

Net position at beginning of fiscal year

Prior period adjustments

Net position at beginning of fiscal year, as restated

Net position at end of fiscal year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Totals
\$ (18,187,770)	\$ -	\$ (18,187,770)
(5,077,925)	-	(5,077,925)
(27,551,861)	-	(27,551,861)
(16,300,628)	-	(16,300,628)
(1,286,773)	-	(1,286,773)
(8,498,092)	-	(8,498,092)
(62,350)	-	(62,350)
(11,520)	-	(11,520)
<u>(76,976,919)</u>	<u>-</u>	<u>(76,976,919)</u>
-	12,554	12,554
-	(1,980,628)	(1,980,628)
-	(579,042)	(579,042)
<u>-</u>	<u>(2,547,116)</u>	<u>(2,547,116)</u>
<u>(76,976,919)</u>	<u>(2,547,116)</u>	<u>(79,524,035)</u>
10,009,164	-	10,009,164
28,284,352	-	28,284,352
14,774,331	-	14,774,331
1,516,279	-	1,516,279
11,808,710	-	11,808,710
6,699,816	-	6,699,816
1,374,938	-	1,374,938
3,908,299	-	3,908,299
1,280,825	216,904	1,497,729
14,781,529	300,209	15,081,738
211	-	211
(919,357)	919,357	-
<u>93,519,097</u>	<u>1,436,470</u>	<u>94,955,567</u>
16,542,178	(1,110,646)	15,431,532
<u>(12,541,852)</u>	<u>-</u>	<u>(12,541,852)</u>
<u>4,000,326</u>	<u>(1,110,646)</u>	<u>2,889,680</u>
273,829,351	89,072,920	362,902,271
(230,115,249)	(34,260,248)	(264,375,497)
<u>43,714,102</u>	<u>54,812,672</u>	<u>98,526,774</u>
<u>\$ 47,714,428</u>	<u>\$ 53,702,026</u>	<u>\$ 101,416,454</u>

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Basic Financial Statements

FUND FINANCIAL STATEMENTS



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CITY OF CULVER CITY
Balance Sheet - Governmental Funds
June 30, 2015

	General	Culver City Housing Authority
Assets:		
Cash and investments	\$ 65,088,688	\$ 707,544
Receivables:		
Accounts	2,777,279	7,275
Interest	168,957	1,408,345
Notes	1,332,860	15,989,770
Due from other funds	3,548,251	33,758
Due from other governments	7,286,221	51,919
Advances to other funds	279,440	-
Advances to successor agency	1,500,000	9,075,893
Land held for resale	5,684,776	3,148,770
Total assets	\$ 87,666,472	\$ 30,423,274
 <u>Liabilities, Deferred Inflow of Resources, and Fund Balances</u>		
Liabilities:		
Accounts payable	\$ 3,826,478	\$ 19,317
Accrued wages payable	1,103,344	-
Due to other governments	-	-
Due to other funds	33,758	125,921
Deposits payable	1,414,239	6,685
Unearned revenue	110,781	-
Total liabilities	6,488,600	151,923
 Deferred inflow of resources:		
Unearned revenues - unavailable sales taxes	484,932	-
Unearned revenues - unavailable grant revenues	-	-
Total deferred inflow of resources	484,932	-
 Fund balances:		
Nonspendable	8,797,076	-
Restricted	-	30,271,351
Committed	34,909,456	-
Assigned	100,659	-
Unassigned	36,885,749	-
Total fund balances	80,692,940	30,271,351
Total liabilities, deferred inflow of resources, and fund balances	\$ 87,666,472	\$ 30,423,274

See accompanying notes to the basic financial statements

Capital Improvement and Acquisition	Capital Improvement Grants	Non-Major Governmental Funds	Totals
\$ 7,210,988	\$ -	\$ 35,450,517	\$ 108,457,737
-	1,170	163,916	2,949,640
15,826	-	81,806	1,674,934
-	-	67,354	17,389,984
-	-	2,350	3,584,359
-	2,375,492	188,588	9,902,220
-	-	-	279,440
-	-	-	10,575,893
-	-	18,163,996	26,997,542
<u>\$ 7,226,814</u>	<u>\$ 2,376,662</u>	<u>\$ 54,118,527</u>	<u>\$ 181,811,749</u>
\$ 1,228,821	\$ 379,775	\$ 306,924	\$ 5,761,315
-	-	20,978	1,124,322
-	-	447,157	447,157
-	1,903,392	819,669	2,882,740
3,259,327	-	101,565	4,781,816
-	-	265,595	376,376
<u>4,488,148</u>	<u>2,283,167</u>	<u>1,961,888</u>	<u>15,373,726</u>
-	-	-	484,932
-	1,920,898	113,480	2,034,378
<u>-</u>	<u>1,920,898</u>	<u>113,480</u>	<u>2,519,310</u>
-	-	-	8,797,076
-	-	50,392,497	80,663,848
-	-	-	34,909,456
2,738,666	-	2,462,541	5,301,866
-	(1,827,403)	(811,879)	34,246,467
<u>2,738,666</u>	<u>(1,827,403)</u>	<u>52,043,159</u>	<u>163,918,713</u>
<u>\$ 7,226,814</u>	<u>\$ 2,376,662</u>	<u>\$ 54,118,527</u>	<u>\$ 181,811,749</u>

CITY OF CULVER CITY
 Governmental Funds
 Reconciliation of the Balance Sheet of Governmental Funds
 to the Statement of Net Position
 June 30, 2015

Fund balances of governmental funds \$ 163,918,713

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

Capital assets, net of depreciation, have not been included as financial resources in governmental fund activity:

Capital assets	210,998,463
Accumulated depreciation	(78,663,773)

Long-term debt and compensated absences that have not been included in the governmental fund activity:

Long-term debt	(228,583,092)
Compensated absences	(7,880,619)

Revenues that are measurable but not available. Amounts are recorded as unearned revenue under the modified accrual basis of accounting. 2,519,310

Deferred outflows and inflows of resources relating to pensions:
 In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods.
 In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.

Deferred outflow of resources:

City's pension contributions subsequent to the measurement date	10,661,381
Differences between projected and actual earnings on pension plan investments	387,092

Deferred inflow of resources:

Differences between projected and actual earnings on pension plan investments	(22,705,693)
-------------------------------------------------------------------------------	--------------

Internal service funds are used by management to charge the costs of certain activities, such as equipment management, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position (2,937,354)

Net position of governmental activities \$ 47,714,428

See accompanying notes to the basic financial statements

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CITY OF CULVER CITY
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
Fiscal Year Ended June 30, 2015

	General	Culver City Housing Authority	Capital Improvement and Acquisition	Capital Improvement Grants
Revenues:				
Taxes	\$ 75,200,587	\$ -	\$ -	\$ -
Licenses and permits	3,422,336	-	-	-
Fines and forfeitures	4,104,462	-	-	-
Intergovernmental	4,306,470	-	-	1,916,044
Charges for services	9,467,870	-	-	-
Investment income	1,505,144	471,326	397,291	-
Miscellaneous	14,693,326	5,000	294,098	-
Total revenues	<u>112,700,195</u>	<u>476,326</u>	<u>691,389</u>	<u>1,916,044</u>
Expenditures:				
Current:				
General government	13,081,178	-	-	-
Parks, recreation and community services	7,414,638	-	-	-
Police	32,011,889	-	211,745	-
Fire	19,015,671	-	-	-
Community development	6,222,661	721,395	-	-
Public works	9,895,993	-	-	43,214
Transportation	-	-	-	-
Capital outlay	-	-	3,365,682	1,931,323
Debt service:				
Principal payments	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>87,642,030</u>	<u>721,395</u>	<u>3,577,427</u>	<u>1,974,537</u>
Excess (deficiency) of revenues over (under) expenditures	<u>25,058,165</u>	<u>(245,069)</u>	<u>(2,886,038)</u>	<u>(58,493)</u>
Other financing sources (uses):				
Transfers in	2,006,632	7,584	3,085,634	-
Transfers out	(3,390,984)	(456,632)	(2,369)	-
Total other financing sources (uses)	<u>(1,384,352)</u>	<u>(449,048)</u>	<u>3,083,265</u>	<u>-</u>
Special items	(7,917)	-	-	-
Net change in fund balances	<u>23,665,896</u>	<u>(694,117)</u>	<u>197,227</u>	<u>(58,493)</u>
Fund balances at beginning of fiscal year	57,027,044	31,631,332	2,541,439	(1,768,910)
Prior period adjustments	-	(665,864)	-	-
Fund balances at beginning of fiscal year, as restated	<u>57,027,044</u>	<u>30,965,468</u>	<u>2,541,439</u>	<u>(1,768,910)</u>
Fund balances at end of fiscal year	<u>\$ 80,692,940</u>	<u>\$ 30,271,351</u>	<u>\$ 2,738,666</u>	<u>\$ (1,827,403)</u>

See accompanying notes to the basic financial statements

Non-Major Governmental Funds	Totals
\$ -	\$ 75,200,587
879,404	4,301,740
-	4,104,462
5,709,507	11,932,021
3,121,392	12,589,262
585,211	2,958,972
223,484	15,215,908
<u>10,518,998</u>	<u>126,302,952</u>
3,800,000	16,881,178
321,596	7,736,234
560,690	32,784,324
82,276	19,097,947
2,881,069	9,825,125
144,808	10,084,015
265,260	265,260
963,462	6,260,467
335,510	335,510
11,520	11,520
<u>9,366,191</u>	<u>103,281,580</u>
<u>1,152,807</u>	<u>23,021,372</u>
222,553	5,322,403
<u>(2,696,775)</u>	<u>(6,546,760)</u>
<u>(2,474,222)</u>	<u>(1,224,357)</u>
<u>(12,533,935)</u>	<u>(12,541,852)</u>
<u>(13,855,350)</u>	<u>9,255,163</u>
65,898,509	155,329,414
-	<u>(665,864)</u>
<u>65,898,509</u>	<u>154,663,550</u>
<u>\$ 52,043,159</u>	<u>\$ 163,918,713</u>

CITY OF CULVER CITY
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 Fiscal Year Ended June 30, 2015

Net changes in fund balances - total governmental funds \$ 9,255,163

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

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

Capital outlay	3,634,541
Depreciation expense	(4,797,506)

In governmental funds, the entire proceeds from disposal of capital assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported. The difference between the proceeds from disposal of capital assets and the resulting gain or loss is:

(5,963,015)

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal repayment	335,510
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Increase in net OPEB liability and Deferred Outflow of Resources related to OPEB liability is not included in the governmental funds.

(364,566)

To record as an expense (reduction of expense) the net change in compensated absences in the statement of activities.

171,878

Revenues that are measurable but not available. Amounts are not recorded as revenue under the modified accrual basis of accounting.

(1,088,339)

In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was:

1,333,289

Internal service funds are used by management to charge the costs of certain activities, such as equipment management, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities.

1,483,371

Change in net position of governmental activities \$ 4,000,326

See accompanying notes to the basic financial statements

CITY OF CULVER CITY
Statement of Net Position - Proprietary Funds
June 30, 2015

	Business-Type Activities-Enterprise Funds				Governmental
	Refuse Disposal Fund	Municipal Bus Lines Fund	Sewer Enterprise Fund	Total	Activities - Internal Service Funds
Assets					
Current Assets:					
Cash and investments	\$ 3,214,120	\$ 14,038,187	\$ 21,589,559	\$ 38,841,866	\$ 20,544,074
Cash and investments with fiscal agent	-	828,308	1,651,724	2,480,032	-
Receivables:					
Accounts	799,717	187,069	1,006	987,792	19,753
Interest	8,201	32,778	52,780	93,759	48,693
Notes	-	-	1,195	1,195	-
Due from other funds	-	-	-	-	922
Due from other governments	43,558	1,283,187	83,375	1,410,120	627
Inventory	-	-	-	-	833,946
Total current assets	<u>4,065,596</u>	<u>16,369,529</u>	<u>23,379,639</u>	<u>43,814,764</u>	<u>21,448,015</u>
Noncurrent Assets:					
Capital assets:					
Land	1,790	1,450,214	1,630,756	3,082,760	-
Construction in progress	-	-	2,611,844	2,611,844	-
Buildings	2,422,387	21,020,156	4,633,190	28,075,733	-
Improvements other than buildings	961,594	7,001,546	7,213,188	15,176,328	-
Machinery and equipment	4,410,034	33,309,362	5,468,483	43,187,879	23,561,404
Furniture and fixtures	-	446,938	-	446,938	-
Underground	-	-	18,797,593	18,797,593	-
Intangible assets	-	-	26,605,373	26,605,373	-
Accumulated depreciation and amortization	(6,218,193)	(30,638,075)	(29,102,775)	(65,959,043)	(17,701,303)
Other assets:					
Advances to other funds	-	-	-	-	149,975
Total noncurrent assets	<u>1,577,612</u>	<u>32,590,141</u>	<u>37,857,652</u>	<u>72,025,405</u>	<u>6,010,076</u>
Total assets	<u>5,643,208</u>	<u>48,959,670</u>	<u>61,237,291</u>	<u>115,840,169</u>	<u>27,458,091</u>
Deferred outflow of resources:					
Difference between projected and actual earnings on other post employment plan investments	21,753	36,254	2,046	60,053	16,855
City's pension contributions subsequent to the measurement date	460,354	1,150,885	172,634	1,783,873	632,986
Total deferred outflow of resources	<u>482,107</u>	<u>1,187,139</u>	<u>174,680</u>	<u>1,843,926</u>	<u>649,841</u>
Liabilities					
Current Liabilities:					
Accounts payable	319,979	286,034	967,249	1,573,262	1,177,698
Accrued wages payable	177,142	510,828	47,864	735,834	240,227
Due to other funds	-	-	-	-	702,541
Interest payable	-	21,850	272,767	294,617	-
Deposits payable	6,500	-	-	6,500	-
Unearned revenue	165	3,764,828	-	3,764,993	-
Compensated absences payable	226,251	160,767	36,301	423,319	174,724
Claims and judgments payable	-	-	-	-	3,048,093
Revenue bonds	-	-	790,000	790,000	-
Certificates of participation	-	760,000	-	760,000	-
Total current liabilities	<u>730,037</u>	<u>5,504,307</u>	<u>2,114,181</u>	<u>8,348,525</u>	<u>5,343,283</u>
Non-current liabilities:					
Advances from other funds	429,415	-	-	429,415	-
Compensated absences payable	224,263	643,071	50,839	918,173	612,675
Claims and judgments payable	-	-	-	-	12,506,746
Revenue bonds	-	-	15,785,000	15,785,000	-
Other post employment benefits	5,270,600	8,784,061	495,809	14,550,470	4,084,021
Net pension liability	5,194,586	12,986,467	1,947,971	20,129,024	7,142,558
Total noncurrent liabilities	<u>11,118,864</u>	<u>22,413,599</u>	<u>18,279,619</u>	<u>51,812,082</u>	<u>24,346,000</u>
Total liabilities	<u>11,848,901</u>	<u>27,917,906</u>	<u>20,393,800</u>	<u>60,160,607</u>	<u>29,689,283</u>
Deferred inflow of resources:					
Difference between projected and actual earnings on pension plan investments	986,184	2,465,459	369,819	3,821,462	1,356,003
Net position:					
Net investment in capital assets	1,577,612	31,830,141	21,282,652	54,690,405	5,860,101
Restricted for debt service	-	806,458	1,378,957	2,185,415	-
Unrestricted	(8,287,382)	(12,873,155)	17,986,743	(3,173,794)	(8,797,455)
Total net position	<u>\$ (6,709,770)</u>	<u>\$ 19,763,444</u>	<u>\$ 40,648,352</u>	<u>\$ 53,702,026</u>	<u>\$ (2,937,354)</u>

See accompanying notes to the basic financial statements

CITY OF CULVER CITY
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds
Fiscal Year Ended June 30, 2015

	Business-Type Activities-Enterprise Funds				Governmental
	Refuse Disposal Fund	Municipal Bus Lines Fund	Sewer Enterprise Fund	Total	Activities - Internal Service Funds
Operating revenues:					
Sales and service charges	\$ 11,722,398	\$ 3,760,517	\$ 9,148,771	\$ 24,631,686	\$ 17,467,065
Miscellaneous	23,192	-	36,350	59,542	45,180
Total operating revenues	<u>11,745,590</u>	<u>3,760,517</u>	<u>9,185,121</u>	<u>24,691,228</u>	<u>17,512,245</u>
Operating expenses:					
Salaries and benefits	4,765,874	12,136,805	1,309,725	18,212,404	5,599,797
Supplies	123,789	68,018	3,160,113	3,351,920	1,589,380
Repairs and maintenance	2,256,306	4,847,245	1,173,665	8,277,216	3,232,963
Insurance	105,416	18,362	28,374	152,152	2,039,612
Claims and settlements	-	467,614	-	467,614	2,194,731
Administrative services	1,596,694	1,498,308	641,661	3,736,663	-
Rent and lease expenses	78,000	8,085	360,000	446,085	-
Consulting and contract services	2,670,477	502,725	631,575	3,804,777	485,923
Depreciation and amortization	148,431	2,637,643	1,635,941	4,422,015	1,334,185
Total operating expenses	<u>11,744,987</u>	<u>22,184,805</u>	<u>8,941,054</u>	<u>42,870,846</u>	<u>16,476,591</u>
Operating income (loss)	<u>603</u>	<u>(18,424,288)</u>	<u>244,067</u>	<u>(18,179,618)</u>	<u>1,035,654</u>
Non-operating revenues (expenses):					
Investment income	19,626	53,388	143,890	216,904	141,439
Intergovernmental	50,749	13,761,834	1,308	13,813,891	1,067
Measure R Sales Tax	-	2,092,620	-	2,092,620	-
Gain (loss) on sales of property	-	(75,772)	-	(75,772)	211
Other income	-	300,209	-	300,209	-
Interest expense	(38,798)	(64,400)	(824,417)	(927,615)	-
Total non-operating revenues (expenses)	<u>31,577</u>	<u>16,067,879</u>	<u>(679,219)</u>	<u>15,420,237</u>	<u>142,717</u>
Income (loss) before transfers and capital contributions	<u>32,180</u>	<u>(2,356,409)</u>	<u>(435,152)</u>	<u>(2,759,381)</u>	<u>1,178,371</u>
Transfers and capital contributions:					
Capital contributions - grants	-	729,378	-	729,378	-
Transfers in	-	1,219,357	-	1,219,357	305,000
Transfers out	-	(300,000)	-	(300,000)	-
Total transfers and capital contributions	<u>-</u>	<u>1,648,735</u>	<u>-</u>	<u>1,648,735</u>	<u>305,000</u>
Change in net position	<u>32,180</u>	<u>(707,674)</u>	<u>(435,152)</u>	<u>(1,110,646)</u>	<u>1,483,371</u>
Net position at beginning of fiscal year	3,047,783	42,301,267	43,723,870	89,072,920	7,627,080
Prior period adjustments	(9,789,733)	(21,830,149)	(2,640,366)	(34,260,248)	(12,047,805)
Net position at beginning of fiscal year as restated	<u>(6,741,950)</u>	<u>20,471,118</u>	<u>41,083,504</u>	<u>54,812,672</u>	<u>(4,420,725)</u>
Net position at end of fiscal year	<u>\$ (6,709,770)</u>	<u>\$ 19,763,444</u>	<u>\$ 40,648,352</u>	<u>\$ 53,702,026</u>	<u>\$ (2,937,354)</u>

See accompanying notes to the basic financial statements

CITY OF CULVER CITY
Statement of Cash Flows - Proprietary Funds
Fiscal Year Ended June 30, 2015

	Business-Type Activities-Enterprise Funds			Total	Governmental
	Refuse Disposal Fund	Municipal Bus Lines Fund	Sewer Enterprise Fund		Activities - Internal Service Funds
Cash flows from operating activities:					
Cash received from customers	\$ 11,658,481	\$ 4,815,982	\$ 9,196,995	\$ 25,671,458	\$ 45,180
Cash received from user departments	-	-	-	-	17,473,213
Cash payments to suppliers for goods and services	(6,909,914)	(7,342,604)	(6,210,155)	(20,462,673)	(9,194,134)
Cash payments to employees	(4,790,707)	(12,013,771)	(1,335,686)	(18,140,164)	(5,491,626)
Net cash provided by (used for) operating activities	<u>(42,140)</u>	<u>(14,540,393)</u>	<u>1,651,154</u>	<u>(12,931,379)</u>	<u>2,832,633</u>
Cash flows from noncapital financing activities:					
Grants received	76,625	16,144,703	62,486	16,283,814	440
Other income received	-	300,209	-	300,209	-
Due to/from other funds	(247)	-	-	(247)	-
Transfers in	-	1,219,357	-	1,219,357	305,000
Transfers out	-	(300,000)	-	(300,000)	-
Net cash provided by (used for) noncapital financing activities	<u>76,378</u>	<u>17,364,269</u>	<u>62,486</u>	<u>17,503,133</u>	<u>305,440</u>
Cash flows from capital and related financing activities:					
Capital grants received	-	729,378	-	729,378	627
Cash paid for acquisition and construction of capital assets	(140,702)	(127,051)	(2,271,076)	(2,538,829)	(1,877,883)
Advances from other funds	-	-	-	-	43,598
Proceeds from sales of capital assets	-	47,648	-	47,648	211
Interest paid on debt	(38,798)	(85,100)	(832,650)	(956,548)	-
Principal paid on debt	-	(720,000)	(760,000)	(1,480,000)	-
Net cash provided by (used for) capital and related financing activities	<u>(179,500)</u>	<u>(155,125)</u>	<u>(3,863,726)</u>	<u>(4,198,351)</u>	<u>(1,833,447)</u>
Cash flows from investing activities:					
Interest received on investments	18,410	46,198	141,742	206,350	131,028
Net cash provided by (used for) investing activities	<u>18,410</u>	<u>46,198</u>	<u>141,742</u>	<u>206,350</u>	<u>131,028</u>
Net increase (decrease) in cash and cash equivalents	(126,852)	2,714,949	(2,008,344)	579,753	1,435,654
Cash and cash equivalents at beginning of fiscal year	<u>3,340,972</u>	<u>12,151,546</u>	<u>25,249,627</u>	<u>40,742,145</u>	<u>19,108,420</u>
Cash and cash equivalents at end of fiscal year	<u>\$ 3,214,120</u>	<u>\$ 14,866,495</u>	<u>\$ 23,241,283</u>	<u>\$ 41,321,898</u>	<u>\$ 20,544,074</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position:					
Cash and investments	\$ 3,214,120	\$ 14,038,187	\$ 21,589,559	\$ 38,841,866	\$ 20,544,074
Cash and investments with fiscal agent	-	828,308	1,651,724	2,480,032	-
	<u>\$ 3,214,120</u>	<u>\$ 14,866,495</u>	<u>\$ 23,241,283</u>	<u>\$ 41,321,898</u>	<u>\$ 20,544,074</u>

See accompanying notes to the basic financial statements

(Continued)

CITY OF CULVER CITY
Statement of Cash Flows - Proprietary Funds
Fiscal Year Ended June 30, 2015
(Continued)

	Business-Type Activities-Enterprise Funds			Total	Governmental
	Refuse Disposal Fund	Municipal Bus Lines Fund	Sewer Enterprise Fund		Activities - Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ 603	\$ (18,424,288)	\$ 244,067	\$ (18,179,618)	\$ 1,035,654
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation and amortization	148,431	2,637,643	1,635,941	4,422,015	1,334,185
(Increase) decrease in accounts receivable	(90,872)	(73,685)	2,690	(161,867)	(5,228)
(Increase) decrease in notes receivable	-	-	9,184	9,184	-
(Increase) decrease in due from other governments	-	-	-	-	11,376
(Increase) decrease in inventory	-	-	-	-	54,342
Increase (decrease) in accounts payable	45,601	67,753	(214,575)	(101,221)	912,061
Increase (decrease) in wages payable	5,032	71,772	(5,219)	71,585	36,542
Increase (decrease) in due to other governments	-	-	(192)	(192)	-
Increase (decrease) in due to/from					251,456
Increase (decrease) in deposits payable	3,598	-	-	3,598	-
Increase (decrease) in unearned revenue	165	1,129,150	-	1,129,315	-
Increase (decrease) in advances payable	(124,833)	-	-	(124,833)	-
Increase (decrease) in compensated absences	44,877	255,192	13,042	313,111	186,693
Increase (decrease) in claims and judgments payable	-	-	-	-	(869,384)
Increase (decrease) in other post employment benefits	42,241	70,398	3,973	116,612	32,729
Increase (decrease) in net pension liability	(1,152,123)	(2,880,305)	(432,045)	(4,464,473)	(1,584,167)
(Increase) decrease in deferred outflow of resources - OPEB	(21,753)	(36,254)	(2,046)	(60,053)	(16,855)
(Increase) decrease in deferred outflow of resources - pension	70,709	176,772	26,515	273,996	97,226
Increase (decrease) in deferred inflow of resources - pension	986,184	2,465,459	369,819	3,821,462	1,356,003
Total adjustments	(42,743)	3,883,895	1,407,087	5,248,239	1,796,979
Net cash provided by (used for) operating activities	\$ (42,140)	\$ (14,540,393)	\$ 1,651,154	\$ (12,931,379)	\$ 2,832,633

There were no significant noncash investing or financing activities during the fiscal year ended June 30, 2015

See accompanying notes to the basic financial statements

CITY OF CULVER CITY
Fiduciary Funds
Statement of Net Position
June 30, 2015

	Private -Purpose Trust Funds	Agency Funds
Assets		
Cash and investments	\$ 15,998,709	\$ 119,990
Cash and investments with fiscal agent	35,334,136	-
Receivables:		
Interest	4,785	-
Notes	1,680,552	-
Due from other governments	408,337	-
Land held for resale	32,293,074	-
Capital Assets, Not Being Depreciated	8,316,229	-
Capital Assets, Net of Accumulated Depreciation	5,458,889	-
 Total assets	 99,494,711	 \$ 119,990
 Deferred outflow of resources		
Unamortized bond defeasance loss	136,715	-
 Total deferred outflow of resources	 136,715	 -
 Liabilities		
Accounts payable	79,313	\$ -
Deposits payable	-	119,990
Interest payable	1,294,073	-
Due to other governments	1,407,983	-
Noncurrent Liabilities:		
Due within One Year	12,078,533	-
Due in More than One Year	161,091,102	-
 Total liabilities	 175,951,004	 \$ 119,990
 Net position (deficit):		
Held in trust for other purposes/Unrestricted	\$ (76,319,578)	

See accompanying notes to the basic financial statements

CITY OF CULVER CITY
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
Fiscal Year Ended June 30, 2015

	Private-Purpose Trust Funds
Additions	
Property taxes	\$ 28,127,418
Contributions	3,800,000
Special items	12,541,852
Investment earnings	46,618
Miscellaneous	66,924
Total additions	44,582,812
Deductions	
General government	1,513,285
Depreciation	138,902
Interest expense	9,433,633
Total deductions	11,085,820
Change in net position	33,496,992
Net position, beginning of fiscal year	(109,816,570)
Net position (deficit) at end of fiscal year	\$ (76,319,578)

See accompanying notes to the basic financial statements

Basic Financial Statements

NOTES TO THE BASIC FINANCIAL STATEMENTS



CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 1 Summary of Significant Accounting Policies

The basic financial statements of the City of Culver City, California (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (USGAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

(a) Reporting Entity

The City of Culver City was incorporated in 1917 and adopted its current City Charter in 1947. The City Charter establishes the form of government, states the powers and duties of the City Council, and establishes the City's various executive offices. The City operates under a City Council/City Manager form of government. Under this system, the people elect a City Council of five citizens who serve a term of four years and who in turn appoint a City Manager, Police Chief, Fire Chief and City Attorney. The City provides the following services as authorized in its charter: public safety (police and fire), planning, public works, human services, bus lines, refuse collection, sewers, and community development.

The accompanying basic financial statements present the activity of the City and its component units, Culver City Housing Authority, and Culver City Parking Authority. The basic financial statements are prepared in accordance with Accounting Principles Generally Accepted in the United States of America (USGAAP) as promulgated by the Governmental Accounting Standards Board (GASB).

Blended Component Units

The activities of component financial reporting units are blended into the City's financial statements; the financial data of such component financial reporting units are combined with the financial data of the City's operations. Though the component units primarily serve the City, the members of the City Council sit as the governing board or appoint the governing board of the component units, and the City Council has the ability to impose its will upon, and is financially accountable for its component units.

The Culver City Housing Authority (Housing Authority) was established in January 2012 to serve as the Housing Successor Agency for the dissolved Redevelopment Agency and is governed by a board comprised of the City Council. The Housing Authority received the housing assets of the Redevelopment Agency and will perform the housing functions of the Agency. The Housing Authority is reported as a special revenue fund. Separate financial statements are not prepared.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 1 Summary of Significant Accounting Policies (Continued)

(a) Reporting Entity (Continued)

Blended Component Units (Continued)

The Culver City Parking Authority (Parking Authority) was created in 1965 pursuant to Section 32500 of the California Streets and Highways Code for the purpose of creating public parking facilities and undertaking activities incidental thereto for which public money may be spent and private property acquired. The Parking Authority is governed by a board comprised of the City Council and is reported as a special revenue fund. Separate financial statements are not prepared.

(b) Basis of Accounting and Measurement Focus

The *basic financial statements* of the City are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Financial reporting is based upon all GASB pronouncements.

Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units). Governmental activities include governmental funds and proprietary internal service funds. Business-type activities include proprietary enterprise funds. Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, general government expenses have not been allocated as indirect expenses to the various functions of the City.

Government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 1 Summary of Significant Accounting Policies (Continued)

(b) Basis of Accounting and Measurement Focus (Continued)

Government-wide Financial Statements (Continued)

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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program. Taxes and other items not included among program revenues are reported instead as general revenues.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. The issuance of long-term debt is recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

Fund Financial Statements

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about the major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds. Fiduciary funds of the City primarily represent assets held by the City as a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

Governmental Funds

In the fund financial statements, governmental funds are presented using the modified-accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Measurable means that the amounts can be estimated, or otherwise determined. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses an availability period of 60 days.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 1 Summary of Significant Accounting Policies (Continued)

(b) Basis of Accounting and Measurement Focus (Continued)

Governmental Funds (Continued)

Revenue recognition is subject to the measurable and availability criteria for the governmental funds in the fund financial statements. Exchange transactions are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). Locally imposed derived tax revenues are recognized as revenues in the period in which the underlying exchange transactions upon which they are based takes place. Imposed nonexchange transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. Government-mandated and voluntary nonexchange transactions are recognized as revenues when all applicable eligibility requirements have been met.

In the fund financial statements, governmental funds are presented using the current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Non-current portions of long-term receivables due to governmental funds are presented using the current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to a measure of “available resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Non-current portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate; however, that they should not be considered “available spendable resources,” since they do not represent net current assets.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 1 Summary of Significant Accounting Policies (Continued)

(b) Basis of Accounting and Measurement Focus (Continued)

Governmental Funds (Continued)

Revenues, expenses, assets, deferred outflows, liabilities, and deferred inflows resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 which requires that local governments defer grant revenue that is not received within 60 days after the fiscal year end to meet the “available” criteria of revenue recognition. In the past, the industry practice for grants was to recognize revenue in the fiscal year in which the related expense was incurred.

Therefore, recognition of governmental fund type revenue represented by non-current receivables is deferred until they become current receivables. Non-current portions of other long-term receivables are offset by fund balance nonspendable accounts.

Sales taxes, property taxes, franchise taxes, intergovernmental, rental income, transient occupancy taxes and special assessments are all considered to be susceptible to accrual and have been recognized as revenues in the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government.

Due to the nature of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The issuance of long-term debt is recorded as other financing sources rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

When both restricted and unrestricted resources are combined in a fund, expenses are considered to be paid first from restricted resources, followed by unrestricted committed, assigned, and unassigned resources as they are needed.

Proprietary Funds

The City’s enterprise and internal service funds are proprietary funds. In the fund financial statements, the proprietary funds are presented using the accrual basis of accounting.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 1 Summary of Significant Accounting Policies (Continued)

(b) Basis of Accounting and Measurement Focus (Continued)

Proprietary Funds (Continued)

Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, the proprietary funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their statements of net position. The proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, taxes, and investment earnings result from nonexchange fund transactions or ancillary activities. Amounts paid to acquire capital assets are capitalized as assets in the enterprise financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the enterprise fund financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the enterprise fund are reported as a reduction of the related liability, rather than as expenditures.

Internal service funds are also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the government-wide financial statements. These internal service funds account for charges to other funds and departments for insurance, maintenance, and equipment acquisition.

Fiduciary Funds

Successor Agency to the Culver City Redevelopment Agency Trust Fund

The fund is used to account for the winding down of the former Redevelopment Agency, including disposition of real property held by the Agency and payment of enforceable obligations.

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, other government units, and/or other funds. An agency fund such as Treasurer's Trust is used to account for refundable deposits entrusted with the City Treasurer/Finance department. The Culver City Revitalization Corp is a non-profit corporation created to allow certain funding to be expended on improvements to out-of-city properties adjacent to or abutting in-city properties in Component Area No. 2 of the former Culver City Redevelopment Project Area. The agency funds are purely custodial in nature (assets equal liabilities) and thus, does not involve measurement of results of operations.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 1 Summary of Significant Accounting Policies (Continued)

(c) Fund Classifications

The City reports the following major governmental funds:

General Fund

This is the primary operating fund of the City. It accounts for all activities of the general government, except those required to be accounted for in another fund.

Culver City Housing Authority Fund

The fund is used to account for the former Low/Moderate Income Housing Funds transferred to the City under the 2011 Cooperation and Implementation Agreement. It is also anticipated that future funding will be provided from the Successor Agency from the past redevelopment agency repayment obligations. These funds may only be used for qualified low/moderate income housing projects identified in the Agreement.

Capital Improvement and Acquisition Capital Projects Fund

The fund is used to account for capital projects that are not otherwise funded by a special revenue fund or other specifically identified by the source of funding. Project funding is mainly from general revenues allocated by action of the City Council.

Capital Improvement Grants Capital Projects Fund

The fund is used to account for grant funds awards to the City by federal, state, and local grant agencies for capital improvements, and the qualified expenditures of these restricted funds.

The City reports the following major enterprise funds:

Refuse Disposal Fund This enterprise fund is used to account for the operation as well as the capital assets of the City's refuse disposal service.

Municipal Bus Lines Fund This enterprise fund is used to account for the operation as well as the capital assets of the City's transportation system.

Sewer Enterprise Fund This enterprise fund is used to account for the maintenance and operation, as well as the capital assets, of the City's sewage disposal service.

(d) Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to restrict that portion of the fund balance, is employed in the governmental funds.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 1 Summary of Significant Accounting Policies (Continued)

(e) Cash and Investments

Investments are reported in the accompanying balance sheet at fair value, except for certain certificates of deposit and investment contracts that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates.

Changes in fair value that occur during a fiscal year are recognized as *investment income* reported for that fiscal year. *Investment income* includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments. The City pools the cash and investments of all funds, except for assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as *cash and investments*.

(f) Cash Equivalents

For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates, and have an original maturity date of 3 months or less. Cash equivalents represent the proprietary funds' share in the cash and investment pool of the City.

(g) Inventories

Inventories are stated at average cost. Physical counts of inventory are taken on a cyclical basis during each fiscal year with perpetual records adjusted to actual at that time. The City uses the consumption method of accounting for inventories.

(h) Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are 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".

(i) Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 1 Summary of Significant Accounting Policies (Continued)

(i) Capital Assets (Continued)

Capital assets are valued at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are valued at their estimated fair value on the date of donation. Capital assets subject to lease obligations are valued at the present value of future lease payments at the inception of the lease. In accordance with GASB Statement No. 34, the City has reported all capital assets including infrastructure in the government-wide statement of net position. The City's policy is to capitalize assets over \$5,000 with a useful life of at least three years.

Depreciation of all exhaustible capital assets used by the governmental and business-type activities is charged as an expense against their operations. Accumulated depreciation is reported on the statement of net position.

Depreciation has been calculated using the straight-line method over the following estimated useful lives:

Buildings and infrastructure	50-65 years
Other improvements	20 years
Refuse transfer station	50 years
Transportation equipment	5-12 years
Other equipment	3-25 years

(j) Interest Payable

In the government-wide financial statements, interest payable on long-term debt is recognized as the liability is incurred for governmental activities and business-type activities. In the fund financial statements, only proprietary fund types recognize the interest payable when the liability is incurred.

(k) Unearned Revenue

Unearned revenue is recognized for transactions for which revenue has not yet been earned. Typical transactions recorded as unearned revenues are prepaid charges for services.

(l) Deferred Outflow/Inflow of Resources

The City reports deferred outflows and inflows of resources. A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period. A deferred inflow of resources represents an acquisition of net position that is applicable to a future period.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 1 Summary of Significant Accounting Policies (Continued)

(l) Deferred Outflow/Inflow of Resources (Continued)

Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized as revenue of the current period. Revenue must also be susceptible to accrual; it must be both measurable and available to finance expenditures of the current fiscal period. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding deferred inflow of resources. This type of deferred inflow is unique to governmental funds, since it is tied to the modified accrual basis of accounting, which is used only in connection with governmental funds.

(m) Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the appropriate activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, the governmental fund financial statements do not present long-term liabilities. Consequently, long term debt is shown as a reconciling item in the reconciliation of the governmental funds balance sheet to the government-wide statement of net position.

(n) Pensions

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

(o) Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Culver City Retiree Benefits Plan (Plan) and additions to/deductions from Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 1 Summary of Significant Accounting Policies (Continued)

(p) Employee Leave Benefits

In accordance with GASB Statement No. 16, a liability is recorded for unused vacation and similar compensatory leave balances since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement.

Under GASB Statement No. 16, a liability is recorded for unused sick leave balances only to the extent that it is probable that the unused balances will result in termination payments. This is estimated by including in the liability the unused balances of employees currently entitled to receive termination payment, as well as those who are expected to become eligible to receive termination benefits as a result of continuing their employment with the City. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of a future event (illness) which is outside the control of the City and the employee.

If material, a proprietary fund liability is accrued for all leave benefits relating to the operations of the Proprietary funds. A current liability is accrued in the governmental funds for material leave benefits due on demand to governmental fund employees that have terminated prior to fiscal year end. All other amounts are recorded in the government-wide financial statements. These non-current amounts will be recorded as fund expenditures in the year in which they are paid or become due on demand to terminated employees.

The City's employees earn vacation leave (vary depending on years of service) based on days employed. Upon retirement or termination, payment of accumulated vacation may not exceed that which can be accumulated within two years for employees. Unused sick leave, based on days employed, may be accumulated up to certain limits. Upon retirement or termination, employees will be paid a maximum of 720 hours of sick pay.

(q) Claims and Judgments

The City records a liability for litigation, judgments, and claims when it is probable that an asset has been impaired or a liability (including incurred but not reported) has been incurred prior to fiscal year end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated. This liability is recorded in the Risk Management Fund.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 1 Summary of Significant Accounting Policies (Continued)

(r) Property Taxes

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to the cities based on complex formulas. Accordingly, the City accrues only those taxes which are received within 60 days after year end.

The property tax calendar is as follows:

Lien Date:	January 1
Levy Date:	July 1
Due Date:	First Installment – November 1 Second Installment – February 1
Delinquent Date:	First Installment – December 11 Second Installment – April 11

(s) Net Position

In the government-wide financial statements and proprietary fund financial statements, net position is classified as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

(t) Fund Balances

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the City is bound to honor constraints on how specific amounts can be spent.

- *Nonspendable fund balance* – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 1 Summary of Significant Accounting Policies (Continued)

(t) Fund Balance (Continued)

- *Restricted fund balance* – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed fund balance* – amounts that can only be used for specific purposes determined by formal action of the City’s highest level of decision-making authority (the City Council) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period. Resolution is the highest level of the City Council’s approval.
- *Assigned fund balance* – amounts that are constrained by the City’s *intent* to be used for specific purposes. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose. The officials designated for authorizing assigned fund balances are the Chief Financial Officer and the City Manager by Council Resolution approved in the July 25, 2011 City Council Meeting and by City Fund Balance Policy.
- *Unassigned fund balance* – the residual classification for the City’s funds that include amounts not contained in the other classification.

The City Council establishes, modifies or rescinds fund balance commitments by passage of a resolution.

Financial Reserves Policy

Prudent financial management dictates that some portion of the funds available to the City be reserved for future use.

As a general budget principle concerning the use of reserves, the City Council decides whether to appropriate funds from Reserve accounts. Even though a project or other expenditure qualifies as a proper use of Reserves, the Council may decide that it is more beneficial to use current year operating revenues or bond proceeds instead, thereby retaining the Reserve funds for future use. Reserve funds will not be spent for any function other than the specific purpose of the Reserve account from which they are drawn without specific direction in the annual budget; or by a separate City Council action. Information regarding annual budget adoption and administration is contained in City Council Policy 5001, included in the annual budget document.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 1 Summary of Significant Accounting Policies (Continued)

(t) Fund Balance (Continued)

The City Council has imposed the following commitments of fund balance in the General Fund to establish reserves:

1. Contingency Reserve: The Contingency Reserve shall have a target balance of thirty percent (30%) of General Fund "Operating Budget" as originally adopted. Operating Budget for this purpose shall include current expenditure appropriations and shall exclude Capital Improvement Projects and Transfers Out. Appropriation and/or access to these funds are reserved for emergency situations only. The parameters by which the Contingency Reserve could be accessed would include the following circumstances:
 - a. A catastrophic loss of critical infrastructure requiring an expenditure of greater than or equal to five percent (5%) of the General Fund, Operating Budget, as defined above.
 - b. A State or Federally declared state of emergency where the City response or related City loss is greater than or equal to five percent (5%) of the General Fund, Operating Budget.
 - c. Any settlement arising from a claim or judgment where the loss exceeds the City's insured policy coverage by an amount greater than or equal to five percent (5%) of the General Fund, Operating Budget.
 - d. Deviation from budgeted revenue projections in the top three General Fund revenue categories, namely, Sales Taxes, Utility Users' Taxes and Business Taxes in a cumulative amount greater than or equal to five percent (5%) of the General Fund, Operating Budget.
 - e. Any action by another government that eliminates or shifts revenues from the City amounting to greater than or equal to five percent (5%) of the General Fund, Operating Budget.
 - f. Inability of the City to meet its debt service obligations in any given year.
 - g. Any combination of factors 1) a.-f. amounting to greater than or equal to five percent (5%) of the General Fund, Operating Budget in any one fiscal year.

Use of the Contingency Reserve must be approved by the City Council. Should the Contingency Reserve commitment reserve be used, the City Manager shall present a plan to City Council to replenish the reserve within five years.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 1 Summary of Significant Accounting Policies (Continued)

(t) Fund Balance (Continued)

2. Facilities Planning Reserve: The Facilities Planning Reserve has been established to offset the cost of replacement or major refurbishment to critical City facilities such as, but not limited to, the City Hall building and Police Department buildings, Fire Stations, and other Facility Improvement Projects. Use of this Reserve must be approved by City Council. This Reserve shall be funded by allocations of General Fund surplus revenues, as defined later in this policy, or by specific City Council allocations. The eligible uses of this reserve include the cash funding of public facility improvements or the servicing of related debt.
3. Recreational Facilities: City Council Policy 5003 requires ten percent (10%) of gross annual revenues derived from specified recreational classes and rentals to be set aside for the refurbishment of certain recreational facilities, fee-based activity programs and equipment used in connection with fee-based recreation classes.

(u) Spending Policy

Government-Wide Financial Statements and the Proprietary Fund Financial Statements

When expenses are incurred for purposes for which both restricted and unrestricted components of net position are available, the City's policy is to apply the restricted component of net position first, then the unrestricted component of net position as needed.

Governmental Fund Financial Statements

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the City's policy is to apply restricted fund balances first, then unrestricted fund balances as needed.

When expenditures are incurred for purposes where only unrestricted fund balances are available, the City uses the unrestricted resources in the following order, except for instances wherein an ordinance specifies the fund balance:

Committed
Assigned
Unassigned

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 1 Summary of Significant Accounting Policies (Continued)

(v) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses, during the reporting period. Actual results could differ from those estimates.

(w) New Accounting Pronouncements

GASB has issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement is effective for periods beginning after June 15, 2014. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. This Statement replaces the requirements of Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers" as well as the requirements of Statement No. 50, "Pension Disclosures". This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense related to pensions. Implementation of the GASB Statement No. 68 did have an impact on the City's financial statements for the fiscal year ended June 30, 2015, see Note 13- Pension Plan and Note 16 – Prior Period Adjustments.

GASB has issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. This Statement is effective for periods beginning after June 15, 2014. The objective of this Statement is to address an issue regarding application of the transition of GASB Statement No. 68 "Accounting and Financial Reporting for Pensions." The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This statement will eliminate the source of potential significant understatement of restated beginning net position and expense in the first year of implementation of GASB Statement No. 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. Implementation of the GASB Statement No. 71 did have an impact on the City's financial statements for the fiscal year ended June 30, 2015, see Note 13 – Pension Plan and Note 16 – Prior Period Adjustments.

GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. This Statement is effective for periods beginning after June 15, 2017. The objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions. It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. City early implementation of the GASB Statement No. 75 did have an impact on the City's financial statements for the fiscal year ended June 30, 2015, see Note 14- Other Postemployment Benefit other than Pension and Note 16 – Prior Period Adjustments.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 2 Stewardship, Compliance, and Accountability

A. Budgets and Budgetary Accounting

The City follows procedures in establishing the budgetary data reflected in the financial statements as described in the Notes to the Required Supplementary Information.

B. Deficit Fund Balances/Net Position

As of June 30, 2015, deficit fund balances/net position were recorded in the following funds:

Major Governmental Fund:

Capital Projects Fund:

Capital Improvement Grants Fund \$ 1,827,403

Major Proprietary Fund:

Refuse Disposal Fund 6,709,770

Nonmajor Governmental Funds:

Special Revenue Funds:

Operating Grants Fund 4,691

Capital Projects Fund:

2011 Cooperative Fund 803,702

1993 Tax Exempt Bonds Fund 3,486

Internal Service Funds:

City Garage Fund 9,000,885

Risk Management Fund 9,632,276

Central Stores Fund 30,384

The following material deficits are expected to be corrected as follows:

Capital Improvement Grants Fund – Grant monies were received after the revenue recognition period. In accordance with GASB Statement No. 33 and 65, deferred inflow of resources - unavailable revenue has been set up because the revenue did not meet the availability criteria for recognition.

Refuse Disposal Fund – The deficit is due to inclusion of the net pension liability. The City will develop a plan to reduce deficit.

City Garage Fund – The City has implemented a plan to increase charges to user departments to reduce the deficit fund balance over several years. The deficit is due to inclusion of the net pension liability.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 2 Stewardship, Compliance, and Accountability (Continued)

B. Deficit Fund Balances/Net Position (Continued)

Risk Management Fund – The City is analyzing the trend for recent increases in the incurred, but not reported claims liability as determined by its actuary. The City will develop a plan to ensure charges cover operating expenses. The deficit is due to inclusion of the net pension liability.

C. Excess of Expenditures over Appropriations by Department in Individual Funds:

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess</u>
Nonmajor Governmental Funds:			
CDBG Fund	\$ 28,491	\$ 25,736	\$ 2,755
2011 Cooperative Fund	800,000	-	800,000
Cooperative Projects Fund	3,033,742	602,914	2,430,828

Note 3 Cash and Investments

Cash and investments as of June 30, 2015 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 167,843,677
Cash and investments with Fiscal Agents	2,480,032
Statement of Fiduciary Net Position:	
Cash and investments	16,118,699
Cash and investments with Fiscal Agents	<u>35,334,136</u>
Total cash and investments	<u>\$ 221,776,544</u>

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 3 Cash and Investments (Continued)

Cash and investments as of June 30, 2015 consist of the following:

Cash on hand	\$ 6,621
Deposits with financial institutions	33,407,448
Investments	<u>188,362,475</u>
 Total cash and investments	 <u>\$ 221,776,544</u>

Investments Authorized by the California Government Code and the City's Investment Policy

This table identifies the investment types that are authorized for the City by the California Government Code and the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Investment Types <u>Authorized by State Law</u>	Authorized By Investment Policy	*Maximum Maturity	*Maximum Percentage of Portfolio	*Maximum Investment in One Issuer
Local Agency Bonds	Yes	3-5 years	30%	5%
U.S. Treasury Obligations	Yes	5 years	None	None
U.S. Agency Securities	Yes	5 years	None	30%
Banker's Acceptances	Yes	180 days	25%	5%
Commercial Paper	Yes	270 days	25%	5%
Repurchase Agreements	Yes	75 days	25%	None
Reverse Repurchase Agreements	Yes	75 days	15%	None
Corporate Medium-Term Notes	Yes	3-5 years	30%	5%
Money Market Mutual Funds	Yes	N/A	20%	10%
Local Agency Investment Fund (LAIF)	Yes	N/A	None	\$50 million
Cal Trust Money Market Funds and Short-Term Funds	Yes	N/A	None	None
Cal Trust Medium-Term Funds	Yes	N/A	15%	None

* Based on state law requirements or investment policy requirements, whichever is more restrictive.

Investments Authorized by Debt Agreements

Investment of debt proceeds held by fiscal agent is governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk and concentration of credit risk.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 3 Cash and Investments (Continued)

Investments Authorized by Debt Agreements (continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	360 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	None	None	None
Investment Agreements	None	None	None
Local Agency Bonds	None	None	None
Medium Term Notes	None	None	None
Negotiable Certificate of Deposits	None	None	None
Local Agency Investment Fund (LAIF)	None	None	None

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. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity. For purposes of the schedule shown below, any callable securities are assumed to be held to maturity.

Investment Type	Totals	Remaining maturity (in Months)				
		12 Months or Less	13 to 24 Months	25 to 36 Months	37 to 48 Months	49 to 60 Months
Treasury Obligations	\$ 21,054,300	\$ 2,002,820	\$ 12,070,010	\$ 6,981,470	\$ -	\$ -
State Investment Pool	36,015,038	36,015,038	-	-	-	-
Federal Agency Securities	47,045,204	-	17,558,740	29,486,464	-	-
Money Market Funds	1,818,833	1,818,833	-	-	-	-
Medium Term Notes	44,614,932	2,888,560	23,759,004	17,967,368	-	-
Held by Fiscal Agent:						
Money Market Funds	30,574,102	30,574,102	-	-	-	-
Treasury Obligations	2,785,035	2,785,035	-	-	-	-
Commercial Paper	4,455,031	4,455,031	-	-	-	-
Totals	<u>\$ 188,362,475</u>	<u>\$ 80,539,419</u>	<u>\$ 53,387,754</u>	<u>\$ 54,435,302</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 3 Cash and Investments (Continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented on the following page is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End					Not Rated
				AAA	AA+	AA	AA-	A	
Treasury Obligations	\$ 21,054,300	N/A	\$ 21,054,300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Investment Pool	36,015,038	N/A	-	-	-	-	-	-	36,015,038
Federal Agency Securities	47,045,204	N/A	-	-	47,045,204	-	-	-	-
Money Market Funds	1,818,833	AAA	-	1,818,833	-	-	-	-	-
Medium Term Notes	44,614,932	A	-	3,886,350	6,022,770	11,992,850	12,073,420	10,639,542	-
Held by Fiscal Agent:									
Money Market Funds	30,574,102	A	-	30,574,102	-	-	-	-	-
Treasury Obligations	2,785,035	N/A	2,785,035	-	-	-	-	-	-
Commercial Paper	4,455,031	A	-	4,455,031	-	-	-	-	-
Totals	\$ 188,362,475		\$ 23,839,335	\$ 40,734,316	\$ 53,067,974	\$ 11,992,850	\$ 12,073,420	\$ 10,639,542	\$ 36,015,038

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows:

Issuer	Investment Type	Reported Amount	Maturity
Federal Home Loan Bank	Federal agency securities	\$ 11,500,370	2017-2018
Federal Home Loan Mortgage Corporation	Federal agency securities	11,020,210	2017-2018
Federal National Mortgage Association	Federal agency securities	20,305,614	2017-2018

Custodial credit risk

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 its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 3 Cash and Investments (Continued)

Custodial Credit Risk (Continued)

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another 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 or investments.

Disclosures Relating to Credit Risk

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

For investments identified herein as held by bond trustee, the bond trustee selects the investment under the terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the reporting government.

As of June 30, 2015, all of the City's deposits with financial institutions in excess of federal depository insurance limits were held in collateralized accounts.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. 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. LAIF is not rated.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 4 Due To/From Other Funds

Interfund receivable and payable balances at June 30, 2015 are as follows:

<u>Paying Fund</u>	<u>Amount</u>	<u>Receiving Funds</u>	<u>Amount</u>
<u>Major Governmental Fund</u>		<u>Major Governmental Funds</u>	
General Fund	<u>\$ 3,548,251</u>	Culver City Housing Authority	\$ 123,395
		Capital Improvement Grants	1,903,392
		<u>Nonmajor Governmental Funds</u>	
		Section 8 Housing	11,442
		CDBG	3,779
		2011 Cooperative	803,702
		<u>Internal Service Fund</u>	
		Central Store	702,541
			<u>\$ 3,548,251</u>
<u>Major Governmental Fund</u>		<u>Major Governmental Fund</u>	
Culver City Housing Authority	<u>\$ 33,758</u>	General Fund	<u>\$ 33,758</u>
<u>Nonmajor Governmental Fund</u>		<u>Major Governmental Funds</u>	
Section 8 Housing	<u>\$ 2,350</u>	Culver City Housing Authority	<u>\$ 2,350</u>
<u>Internal Service Fund</u>		<u>Nonmajor Governmental Fund</u>	
Risk Management	<u>\$ 635</u>	Section 8 Housing	<u>\$ 635</u>
<u>Internal Service Fund</u>		<u>Major Governmental Fund</u>	
Central Stores	<u>\$ 287</u>	Culver City Housing Authority	\$ 176
		<u>Nonmajor Governmental Fund</u>	
		Section 8 Housing	111
			<u>\$ 287</u>
Totals	<u>\$ 3,585,281</u>		<u>\$ 3,585,281</u>

Interfund balances are the result of short term borrowing to cover negative cash balances and operating shortages at June 30, 2015 as well as from the time lag between the dates that reimbursable expenditures occur and the dates the related revenues are received. All balances are expected to be reimbursed within the subsequent year.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 5 Advances To/From Other Funds

Receiving Funds	Amount	Paying Funds	Amount
Refuse	\$ 429,415	General	\$ 279,440
		Internal Service	149,975
Totals	\$ 429,415		\$ 429,415

The Refuse Disposal Fund owes the General Fund \$279,440 from a \$1,040,000 loan refinanced in fiscal year 1998/1999 with payments and seven percent (7%) annual interest through fiscal year 2017/2018.

The Refuse Disposal Fund owes the Equipment Replacement Internal Service Fund \$149,975 for equipment purchases remaining from a \$608,000 loan from fiscal year 1998/1999 with seven percent (7%) annual interest through fiscal year 2017/2018.

Note 6 Interfund Transfers

Receiving Funds	Amount	Paying Funds	Amount
General	\$ 2,006,632	Culver City Housing Authority	\$ 456,632 (a)
		Municipal Bus Lines	300,000
		Nonmajor Governmental	1,250,000 (b)
			\$ 2,006,632
Culver City Housing Authority	\$ 7,584	Nonmajor Governmental	\$ 7,584
Capital Improvement and Acquisition	\$ 3,085,634	General	\$ 3,085,634 (c)
Municipal Bus Lines	\$ 1,219,357	Nonmajor Governmental	\$ 1,219,357 (d)
Nonmajor Governmental	\$ 222,553	General	\$ 350
		Capital Improvement and Acquisition	2,369
		Nonmajor Governmental	219,834
			\$ 222,553
Internal Service Funds	\$ 305,000	General	\$ 305,000
Totals	\$ 6,846,760		\$ 6,846,760

(a) Transfers were made to cover permissible administrative operating and staff costs.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 6 Interfund Transfers (Continued)

(b) Transfers of \$350,000 were from Gas Tax Fund to reimburse for eligible street maintenance activities; transfers of \$900,000 were made from the Parking Improvement Fund to support parking maintenance activities.

(c) Transfers were made to fund capital improvements.

(d) Transfers from Proposition C Local Return Fund of \$369,196, Proposition A Local Return Fund of \$686,592, and Measure R Local Return Fund of \$163,569 to support Municipal Bus Lines Fund operations.

Note 7 Capital Assets

Capital asset activity for the fiscal year ended June 30, 2015 is as follows:

Governmental Activities:

	Balance at July 1, 2014	Additions	Deletions	Prior Period Adjustments	Reclassification	Transfers	Balance at June 30, 2015
Capital Assets not Depreciated							
Land	\$ 20,944,337	\$ -	\$ (247,501)	\$ 665,864	\$ -	\$ -	\$ 21,362,700
Construction in Progress	428,948	312,004	(39,750)	-	872,787	(254,508)	1,319,481
Total Capital Assets not Depreciated	21,373,285	312,004	(287,251)	665,864	872,787	(254,508)	22,682,181
Capital Assets being Depreciated							
Buildings	82,814,350	-	(7,390,674)	-	-	-	75,423,676
Improvements	24,962,528	701,953	(248,194)	-	-	-	25,416,287
Machinery and equipment	41,400,063	2,606,695	(209,541)	-	-	-	43,797,217
Infrastructure	65,986,518	1,891,772	(19,505)	-	(872,787)	254,508	67,240,506
Total Depreciable Capital Assets	215,163,459	5,200,420	(7,867,914)	-	(872,787)	254,508	211,877,686
Less accumulated depreciation							
Buildings	(26,086,679)	(1,559,744)	1,768,963	-	-	-	(25,877,460)
Improvements	(14,804,096)	(880,467)	217,740	-	-	-	(15,466,823)
Machinery and equipment	(31,274,915)	(2,472,794)	190,193	-	-	-	(33,557,516)
Infrastructure	(20,259,845)	(1,218,686)	15,254	-	-	-	(21,463,277)
Total Accumulated Depreciation	(92,425,535)	(6,131,691)	2,192,150	-	-	-	(96,365,076)
Net Depreciable Assets	122,737,924	(931,271)	(5,675,764)	-	(872,787)	254,508	115,512,610
Capital Assets, Net	\$ 144,111,209	\$ (619,267)	\$ (5,963,015)	\$ 665,864	\$ -	\$ -	\$ 138,194,791

Depreciation expense was charged to the following functions in the Statement of Activities:

General government	\$ 828,795
Parks, recreation and community services	622,716
Police	464,706
Fire	353,654
Community development	681,527
Public works	1,846,108
Internal service funds	1,334,185
	<u>\$ 6,131,691</u>

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 7 Capital Assets (Continued)

Business-type Activities:

	Balance at July 1, 2014	Additions	Deletions	Prior Period Adjustments	Reclassification	Transfers	Balance at June 30, 2015
Capital Assets not Depreciated							
Land	\$ 3,082,760	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,082,760
Construction in progress	2,257,441	2,256,610	-	-	355,234	(2,257,441)	2,611,844
Total Capital Assets not Depreciated	5,340,201	2,256,610	-	-	355,234	(2,257,441)	5,694,604
Capital Assets being Depreciated							
Buildings	28,075,733	-	-	-	-	-	28,075,733
Improvements and other buildings	15,196,402	160,313	(188,670)	-	-	8,283	15,176,328
Machinery and equipment	42,328,481	121,906	(1,503,167)	-	-	2,240,659	43,187,879
Furniture and fixtures	446,938	-	-	-	-	-	446,938
Infrastructure	19,144,328	-	-	-	(355,234)	8,499	18,797,593
Investment in Hyperion	26,605,373	-	-	-	-	-	26,605,373
Total Depreciable Assets	131,797,255	282,219	(1,691,837)	-	(355,234)	2,257,441	132,289,844
Less accumulated depreciation and amortization:							
Buildings	(10,047,514)	(559,948)	-	-	-	-	(10,607,462)
Improvements and other buildings	(4,926,975)	(750,242)	65,250	-	-	-	(5,611,967)
Machinery and equipment	(28,626,414)	(2,067,418)	1,503,167	-	-	-	(29,190,665)
Furniture and fixtures	(389,601)	(6,493)	-	-	-	-	(396,094)
Infrastructure	(5,177,649)	(372,780)	-	456	-	-	(5,549,973)
Investment in Hyperion Infrastructure	(13,937,748)	(665,134)	-	-	-	-	(14,602,882)
Total Accumulated Depreciation	(63,105,901)	(4,422,015)	1,568,417	456	-	-	(65,959,043)
Net Depreciable Assets	68,691,354	(4,139,796)	(123,420)	456	(355,234)	2,257,441	66,330,801
Capital Assets, Net	\$ 74,031,555	\$ (1,883,186)	\$ (123,420)	\$ 456	\$ -	\$ -	\$ 72,025,405

Depreciation expense was charged in the following functions in the Statement of Activities:

Refuse	\$ 148,431
Municipal Bus Lines	2,637,643
Sewer	1,635,941
	<u>\$ 4,422,015</u>

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 8 Changes in Long-Term Liabilities

Changes in long-term liabilities for the fiscal year ended June 30, 2015 are as follows:

	Balance at July 1, 2014	Prior Period Adjustments	Additions	Reductions	Balance at June 30, 2015	Due Within One Year	Due in More than one year
Governmental Activities:							
Compensated absences payable	\$ 8,653,203	\$ -	\$ 7,370,064	\$ (7,355,249)	\$ 8,668,018	\$ 3,101,661	\$ 5,566,357
Claims and judgments	16,424,223	-	2,401,805	(3,271,189)	15,554,839	3,048,093	12,506,746
Net OPEB liability	23,141,591	73,948,552	9,575,468	(8,791,081)	97,874,530	-	97,874,530
Net pension liability	-	168,941,914	15,524,540	(42,531,313)	141,935,141	-	141,935,141
Developer loan payable	205,510	-	-	(205,510)	-	-	-
Section 108 loan	130,000	-	-	(130,000)	-	-	-
Total Governmental Long-Term Liabilities	\$ 48,554,527	\$ 242,890,466	\$ 34,871,877	\$ (62,284,342)	\$ 264,032,528	\$ 6,149,754	\$ 257,882,774

The general fund is typically used to liquidate the compensated absences payable, the net pension liability, and the other post employment benefit obligations.

Changes in long-term liabilities for business-type activities for the fiscal year ended June 30, 2015 are as follows:

	Balance at July 1, 2014	Prior Period Adjustments	Additions	Reductions	Balance at June 30, 2015	Due Within One Year	Due in more than one year
Business-type Activities:							
Compensated absences payable	\$ 1,028,381	\$ -	\$ 1,440,950	\$ (1,127,839)	\$ 1,341,492	\$ 423,319	\$ 918,173
2009 Wastewater Facilities Revenue Bonds	17,335,000	-	-	(760,000)	16,575,000	790,000	15,785,000
1996 Certificates of Participation	1,480,000	-	-	(720,000)	760,000	760,000	-
Net OPEB liability	2,708,782	11,725,075	1,423,533	(1,306,920)	14,550,470	-	14,550,470
Net pension liability	-	24,593,497	6,974,793	(11,439,266)	20,129,024	-	20,129,024
Total Business-type Long-Term Liabilities	\$ 22,552,163	\$ 36,318,572	\$ 9,839,276	\$ (15,354,025)	\$ 53,355,986	\$ 1,973,319	\$ 51,382,667

The refuse disposal, municipal bus lines, and sewer fund are typically used to liquidate the compensated absences payable, the net pension liability, and the other post employment benefit obligations.

Note 9 Bonds Payable

Business Type Activities:

2009 Series A Wastewater Facilities Refunding Revenue Bonds

The 2009 Series A Wastewater Facilities Refunding Revenue Bonds (2009 Bonds) dated July 10, 2009 were issued in the amount of \$20,085,000 with a final maturity date of September 1, 2029. The 2009 Bonds were issued to provide funds to (a) refinance the City's Wastewater Facilities Refunding Revenue Bonds, 1999 Series A, which were originally issued in the aggregate principal amount of \$25,080,000, of which \$18,075,000 remained outstanding, (b) fund a deposit to the Reserve Account, and (c) finance the costs of issuance of the 2009 Bonds.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 9 Bonds Payable (Continued)

Business Type Activities (continued):

2009 Series A Wastewater Facilities Refunding Revenue Bonds (continued)

A portion of the proceeds of the 2009 Bonds, together with certain other moneys to be released from funds relating to the 1999 Bonds was deposited in an escrow fund created pursuant to an Escrow Agreement, dated as of July 1, 2009, by and between the City and U.S. Bank National Association, an escrow bank. Moneys in the escrow fund are held as cash or invested solely in non-callable, direct general obligation of the United States of America. Moneys in the escrow fund, together with interest earnings thereon, were sufficient to pay all outstanding 1999 Bonds in full September 1, 2029, at a redemption price equal to 102% of the remaining principal amount to be redeemed, plus accrued interest thereon to the date of redemption.

The capital projects funded with a portion of the proceeds of the 2009 Bonds include the ongoing replacement of sewer transmission pipes and the construction and improvement of pump stations. The first payment of 2009 Bond principal was on September 1, 2010. Interest is paid semi-annually on March 1 and September 1 of each year.

The bonds maturing on or prior to September 1, 2019 are not subject to redemption prior to maturity. The bonds maturing on or after September 1, 2020 may be redeemed at the option of the City from any source of funds, on September 1, 2019 or thereafter prior to maturity, as a whole on any date or in part, in any order of maturity as determined by the City, or in the absence of direction by the City, pro rata among maturities, and by lot within each maturity, on any interest payment date, at a redemption price equal to 100 percent of the principal amount to be redeemed, plus accrued interest to the redemption date, without premium. The transaction also resulted in an economic gain of \$1,230,715 and a reduction of \$3,179,548 in future debt service payments.

The City has covenanted that it shall at all times prescribe, revise and collect rates, fees and charges for the use or service of the Sewer Enterprise Fund so that in each 12-month period such rates, fees and charges, together with other revenues reasonably expected to yield net revenues equal to at least 1.20 times the maximum annual debt service. The City is in compliance with such covenant at June 30, 2015.

Per the terms of the bond indenture, a reserve of \$1,608,838 is required to be maintained. At June 30, 2015, the total amount of 2009 Wastewater Refunding Revenue Bonds outstanding is \$16,575,000.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 9 Bonds Payable (Continued)

Business Type Activities (continued):

2009 Series A Wastewater Facilities Refunding Revenue Bonds (continued)

Future amounts to amortize the 2009 Wastewater Revenue Bonds are as follows:

Fiscal Years Ending June 30,	Principal	Interest	Total
2016	\$ 790,000	\$ 804,475	\$ 1,594,475
2017	815,000	773,431	1,588,431
2018	850,000	739,212	1,589,212
2019	885,000	700,650	1,585,650
2020	925,000	656,463	1,581,463
2021-2025	5,380,000	2,511,775	7,891,775
2026-2030	6,930,000	916,369	7,846,369
	<u>\$ 16,575,000</u>	<u>\$ 7,102,375</u>	<u>\$ 23,677,375</u>

Note 10 Loans Payable

Governmental Activities:

Loan from Developer

In August 2004 a loan of \$1,200,000 secured by a deed of trust on real property was provided pursuant to a disposition and development agreement to provide funding for the Town Plaza Project, which includes a movie theater. The loan accrues interest at 12% interest and is repaid monthly from the theater's cash flow after expenses and partial expenditures. Residuals following the loan payment are paid to the City to reimburse the cost of construction per a monthly schedule including interest on an unsecured basis. Remaining theater cash flows following the above expenditures are paid 75% to the City and 25% to the developer. The amount outstanding at June 30, 2015 was \$0.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 10 Loans Payable (Continued)

Governmental Activities (continued):

Section 108 Loan

The City received a Section 108 Loan from the United States Department of Housing and Urban Development through the Los Angeles County Community Development Commission in the amount of \$2,020,000 for the Senior Center Construction Project. The interest rate on the outstanding obligation is 6.41%. The final payment is scheduled for August 1, 2014. The debt service payments are made from the City's Community Development Block Grant allocation. The amount outstanding at June 30, 2015 was \$0.

Note 11 Certificates of Participation

Business Type Activities:

1996 Certificates of Participation

The California Transit Finance Corporation, a nonprofit public benefit corporation created by the California Transit Association to provide assistance to transit entities in the State of California, issued certificates of participation originally totaling \$9,660,000 for the purpose of upgrading and expanding the City's bus facilities. The City makes lease payments with respect to the certificates from amounts to be received under the Federal Transportation Act Project Grants to the extent these funds are available. If funds from Federal Transportation Act Project Grants are insufficient, the shortfall will be made up from other City revenues.

The certificates maturing on or after January 1, 2007 are subject to redemption prior to their respective maturity dates in whole or in part in integral multiples of \$5,000, on any date selected by the City on or after January 1, 2006, at the option of the City from moneys deposited in the lease payment fund, at the prices set forth below:

<u>Redemption Date</u>	<u>Redemption Price</u>
January 1, 2006 through December 31, 2006	102%
January 1, 2007 through December 31, 2008	101%
September 1, 2008 and thereafter	100%

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 11 Certificates of Participation (Continued)

Business Type Activities (continued):

1996 Certificates of Participation (continued)

The certificates maturing on January 1, 2016 are subject to mandatory redemption in part by lot prior to their stated maturity date on and after January 1, 2012, without premium together with accrued interest from the redemption fund in amounts ranging from \$610,000 to \$760,000. Per the terms of the bond indenture, a reserve of \$806,362 is required to be maintained. The total amount of 1996 Certificates of Participation outstanding at June 30, 2015 was \$760,000.

The annual debt service requirements to maturity are as follows:

Fiscal Years Ending June 30,	Principal	Interest	Total
2016	\$ 760,000	\$ 43,700	\$ 803,700
	<u>\$ 760,000</u>	<u>\$ 43,700</u>	<u>\$ 803,700</u>

Note 12 Claims and Judgments

Self-Insurance

At June 30, 2015, the City was self-insured for workers' compensation claims, unemployment insurance, general automobile and public liability. The self- insurance program is accounted for in the Risk Management Internal Service Fund. At June 30, 2015, the City reserved \$15,554,839 for unpaid workers' compensation and general liability claims, representing estimated amounts to be paid for actual claims and claims incurred but not reported, based upon actuarial evaluations for each plan.

The City pays all claims up to \$1,000,000 per claim arising from general and automotive liability claim actions brought against the City. Amounts in excess of \$1,000,000 per claim, up to \$30,000,000 are covered by insurance policies secured through the Independent Cities Risk Management Authority (ICRMA).

ICRMA has 20 member cities, and each appoints one member to the ICRMA Governing Board. ICRMA is considered a self-sustaining risk pool that will provide coverage for its members for up to \$30,000,000 per insured occurrence for liability claims and statutory limits for workers' compensation claims.

During the past three fiscal years, none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from the prior fiscal year.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 12 Claims and Judgments (Continued)

Self-Insurance (continued)

Changes in the claims and judgments payable amounts in fiscal years ended June 30, 2014 and 2015 are as follows:

Fiscal Years	Balance at Beginning of Fiscal Year <u>Liability</u>	Current Year Claims and Changes in <u>Estimates</u>	<u>Claim Payments</u>	Balance at End of Fiscal Year <u>Liability</u>
2013-14	\$ 18,913,894	\$ 1,451,690	\$ (3,941,361)	\$ 16,424,223
2014-15	16,424,223	2,401,805	(3,271,189)	15,554,839

Note 13 Pension Plan

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS Financial Office. 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.

A. General Information about the Pension Plan

Plan Descriptions – All qualified employees are eligible to participate in the City’s separate Safety (police and fire) and Miscellaneous (all other) Plans, agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 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.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 13 Pension Plan (Continued)

A. General Information about the Pension Plan (Continued)

The Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

	City Miscellaneous Plan			
	Tier I	Tier II	Tier III	Tier IIIa
Hire date	Prior to July 1, 2011	Hired between July 1, 2011 - December 31, 2012	Hired On or after January 1, 2013 (Prior PERS members)	On or after January 1, 2013 (New PERS members)
Benefit formula	2.5% @ 55	2% @ 60	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	50-55	50-63	50-63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% - 2.5%	1.092%-2.418%	1.092%-2.418%	1.0% to 2.5%
Required employee contribution rates	8.00%	7.00%	7.00%	6.25%
Required employer contribution rates	19.063%	19.063%	19.063%	19.063%

	City Safety Plan - Police			
	Tier I	Tier II	Tier III	Tier IIIa
Hire date	Prior to July 1, 2011	Hired between July 1, 2011 - December 31, 2012	Hired On or after January 1, 2013 (Prior PERS members)	On or after January 1, 2013 (New PERS members)
Benefit formula - Police	3.0% @ 50	3.0% @ 55	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	50-55	50-55	50-55	50 - 57
Monthly benefits, as a % of eligible compensation	3.0%	2.4% to 3.0%	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	Total 9% . 9% paid by City (EPMC) for management	Total 9% . 9% paid by City (EPMC) for management	Total 9% . 9% paid by City (EPMC) for management	12.25%
Required employer contribution rates	Total 39.231% . Management employees pay 9% of employer cost through cost-sharing	Total 39.231% . Management employees pay 9% of employer cost through cost-sharing	Total 39.231% . Management employees pay 9% of employer cost through cost-sharing	39.231%

	City Safety Plan - Fire			
	Tier I	Tier II	Tier III	Tier IIIa
Hire date	Prior to July 1, 2011	Hired between July 1, 2011 - December 31, 2012	Hired On or after January 1, 2013 (Prior PERS members)	On or after January 1, 2013 (New PERS members)
Benefit formula - Police	3.0% @ 55	3.0% @ 55	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	50-55	50-55	50-55	50 - 57
Monthly benefits, as a % of eligible compensation	2.4% to 3.0%	2.4% to 3.0%	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	Total 9% . 9% paid by City (EPMC) for management	Total 9% . 9% paid by City (EPMC) for management	Total 9% . 9% paid by City (EPMC) for management	12.25%
Required employer contribution rates	Total 39.231% . Management employees pay 9% of employer cost through cost-sharing	Total 39.231% . Management employees pay 9% of employer cost through cost-sharing	Total 39.231% . Management employees pay 9% of employer cost through cost-sharing	39.231%

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 13 Pension Plan (Continued)

A. General Information about the Pension Plan (Continued)

Employees Covered – At June 30, 2015, the following employees were covered by the benefit terms for each Plan:

	<u>Miscellaneous</u>	<u>Safety</u>
Inactive employees or beneficiaries currently receiving benefits	551	268
Inactive employees entitled to but not yet receiving benefits	500	55
Active employees	<u>441</u>	<u>152</u>
Total	<u><u>1,492</u></u>	<u><u>475</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. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. 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.

B. Net Pension Liability

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2014, using an annual actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 13 Pension Plan (Continued)

B. Net Pension Liability (Continued)

Actuarial Assumptions – The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	Safety
Valuation Date	June 30, 2013	June 30, 2013
Measurement Date	June 30, 2014	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	7.50%	7.50%
Inflation	2.75%	2.75%
Payrol Growth	3.00%	3.00%
Projected Salary Increase	3.30%-14.20% (1)	3.30%-14.20% (1)
Investment Rate of Return	7.50% (2)	7.50% (2)
Mortality	Derived using CalPERS' Membership Data for all Funds	

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 13 Pension Plan (Continued)

B. Net Pension Liability (Continued)

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Year 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	12.00%	6.83%	6.95%
Real Estate	11.00%	4.50%	5.13%
Infrastructure and Forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
Total	100.00%		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 13 Pension Plan (Continued)

C. Changes in the Net Pension Liability

The change in the Net Pension Liability for each Plan follows:

Miscellaneous Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2013	\$ 237,195,341	\$ 157,861,480	\$ 79,333,861
Changes in the year:			
Services Cost	4,942,736	-	4,942,736
Interest on the Total Pension Liability	17,556,597	-	17,556,597
Contribution from the Employer	-	6,638,283	(6,638,283)
Contribution from the Employees	-	3,171,457	(3,171,457)
Net investment income	-	27,091,117	(27,091,117)
Benefit Payments	(11,157,496)	(11,157,496)	-
Net Changes	11,341,837	25,743,361	(14,401,524)
Balance at June 30, 2014	\$ 248,537,178	\$ 183,604,841	\$ 64,932,337

Public Safety Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2013	\$ 313,012,150	\$ 198,810,600	\$ 114,201,550
Changes in the year:			
Services Cost	5,059,461	-	5,059,461
Interest on the Total Pension Liability	23,063,095	-	23,063,095
Contribution from the Employer	-	8,194,801	(8,194,801)
Contribution from the Employees	-	2,880,898	(2,880,898)
Net investment income	-	34,116,579	(34,116,579)
Benefit Payments	(16,067,896)	(16,067,896)	-
Net Changes	12,054,660	29,124,382	(17,069,722)
Balance at June 30, 2014	\$ 325,066,810	\$ 227,934,982	\$ 97,131,828

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 13 Pension Plan (Continued)

C. Changes in the Net Pension Liability (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate –The following presents the net pension liability of the Local Government for each Plan, calculated using the discount rate for each Plan, 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:

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	6.50%	6.50%
Net Pension Liability	\$ 97,189,430	\$ 139,385,580
Current Discount Rate	7.50%	7.50%
Net Pension Liability	\$ 64,932,337	\$ 97,131,828
1% Increase	8.50%	8.50%
Net Pension Liability	\$ 38,145,188	\$ 62,265,745

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

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

For the fiscal year ended June 30, 2015, the City recognized pension expense of \$8,165,291. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 13,078,240	\$ -
Net differences between projected and actual earnings on plan investments	-	27,883,158
Total	<u>\$ 13,078,240</u>	<u>\$ 27,883,158</u>

\$13,078,240 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended	
June 30	
2016	\$ (6,970,789)
2017	(6,970,789)
2018	(6,970,789)
2019	(6,970,791)

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 14 Other Postemployment Benefits (OPEB)

Plan Description

In addition to the retirement plan described in Note 13, the City of Culver City's Retiree Health Insurance Program (RHIP) provides retiree healthcare benefits for eligible City employees and their spouses who retire with CalPERS pension benefits immediately upon termination of employment from the City. Benefit provisions are established and may be amended by the City Council.

Under the program, the City pays a portion of the premiums for retiree medical coverage as follows:

- Participants who retired before January 1, 2007 are eligible for a City contribution up to 100% of the average of Kaiser and PERS Care Premiums.
- Participants who retired between January 1, 2007 and December 31, 2011 are eligible for a City contribution up to 70% of the PERS Care premium or 95% of the premium for all other plans. Additionally, participants meeting the following additional criteria are also eligible for this benefit level (excluding members of the Culver City Police Officers Association):
 - Employed with the City as of July 1, 2011.
 - Earned a minimum of twenty years of CalPERS service credit (excluding additional retirement service credit purchased under California Government Code Section 20909, i.e., "Air-Time") as of December 31, 2011.
 - Earn twenty-five years of service with Culver City and retire from the City prior to January 1, 2022.
- Participants employed by the City as of July 1, 2011 and retired after December 31, 2011 earning a minimum of five years of City service are eligible for the following benefit:
 - A monthly premium reimbursement of up to \$541.50 for single coverage, increasing by up to 4% per year.
 - An additional monthly reimbursement of up to \$472.66 for his or her enrolled spouse/domestic partner/dependent based on a vesting schedule. This additional reimbursement ends when a spouse or domestic partner becomes Medicare eligible, or when a dependent ages out. This amount is subject to an annual increase of up to 4%.
 - Participants with at least twenty years of City service that were members of the Culver City Police Officers Association with more than one enrolled dependent are eligible for an additional \$300 per month reimbursement.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 14 Other Postemployment Benefits (OPEB)

Plan Description (Continued)

- Employees hired after July 1, 2011 are not considered participants, and are only eligible for the legally required Public Employees' Medical and Hospital Care Act minimum, as stipulated by CalPERS.

Eligibility

Employees of the City are eligible for retiree health benefits if they are between 50-55 years of age as of the last day of work prior to retirement and are a vested member of CalPERS. Membership in the plan consisted of the following at June 30, 2013, the date of the latest actuarial valuation:

Inactive employees or beneficiaries currently receiving benefit payments	516
Inactive employees entitled to but not yet receiving benefit payments	56
Active plan members	590
	<u>1162</u>

Contribution

The obligation of the City to contribute to the plan is established and may be amended by the City Council. For the fiscal year ended June 30, 2015, the City's average contribution rate was 20.6 percent of covered-employee payroll. Employees are not required to contribute to the plan.

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2015, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2013.

Actuarial assumptions. The total OPEB liability in the June 30, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary increase	3.25%
Investment rate of return	6.50%
Healthcare cost trend rates	Actual premiums for year 2013 to 2014, decreasing 0.5 percent per year to an ultimate rate of 5.0% for 2021 and later years

Mortality rates were based on the CalPERS 1997-2007 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on projection Scale AA.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 14 Other Postemployment Benefits (OPEB) (Continued)

Net OPEB Liability (Continued)

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2012 through June 30, 2013.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Stocks	31.0%	5.35%
Foreign Stocks	19.0%	5.35
Fixed Income	45.0%	1.55
Real Estate & TIPS	2.5%	4.03
Hedge Funds	2.5%	1.53
Cash	0.0%	N/A
Total	100%	

Discount rate. The discount rate used to measure the total OPEB liability was 6.5 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 14 Other Postemployment Benefits (OPEB) (Continued)

Change in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2014	\$ 124,309,000	\$ 12,785,000	\$ 111,524,000
Changes in the year:			
Services Cost	3,094,000	-	3,094,000
Interest on the Total OPEB Liability	7,905,000	-	7,905,000
Contribution from the Employer	-	9,865,000	(9,865,000)
Contribution from the Employees	-	-	-
Net Investment Income	-	289,000	(289,000)
Benefit Payments	(5,387,000)	(5,387,000)	-
Administrative Expenses	-	(56,000)	56,000
Net Changes	5,612,000	4,711,000	901,000
Balance at June 30, 2015	\$ 129,921,000	\$ 17,496,000	\$ 112,425,000

Sensitivity of the net OPEB liability to changes in the discount rate and 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 a discount rate that is 1-percentage-point lower (5.5 percent) or 1-percentage-point higher (7.5 percent) than the current discount rate:

	1% Decrease (5.5%)	Discount Rate (6.5%)	1% Increase (7.5%)
Net OPEB Liability (Asset)	\$ 129,593,000	\$ 112,425,000	\$ 98,306,000

Sensitivity of the net OPEB liability to changes in the healthcare 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 healthcare cost trend rates that are 1-percentage-point lower (7.3 percent decreasing to 4.0 percent) or 1-percentage-point higher (9.3 percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

	Healthcare Cost Trend Rates		
	1% Decrease (7.3% decreasing to 4.0%)	1% Increase (8.3% decreasing to 5.0%)	1% Increase (9.3% decreasing to 6.0%)
Net OPEB Liability (Asset)	\$ 96,104,000	\$ 112,425,000	\$ 132,498,000

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

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 14 Other Postemployment Benefits (OPEB) (Continued)

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

For the fiscal year ended June 30, 2015, the City recognized OPEB expense of \$10,302,000. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net differences between projected and actual earnings on plan investments	\$ 464,000	\$ -
Total	<u>\$ 464,000</u>	<u>\$ -</u>

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

Fiscal Year Ended	
<u>June 30</u>	
2016	\$ 116,000
2017	116,000
2018	116,000
2019	116,000

Note 15 Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits employees to defer a portion of their salary until future years. In addition, there is a 401(a) plan allowed for one individual.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts are held in trust for the exclusive benefit of the employee participants and their beneficiaries. Therefore, the accumulated assets of the plan are not reported in the funds of the City. Pursuant to guidelines applicable to 401(a) plans, these assets are also not reported.

While the City has full power and authority to administer and to adopt rules and regulations for the plan, all investment decisions under the plan are the responsibility of the plan participants. The City has no liability for losses under the plan, but does have the duty of due care that would be required of an ordinary prudent investor. Under certain circumstances, employees may modify their arrangements with the plan to provide for greater or lesser contributions or to terminate their participation. If participants retire under the plan or terminate service with the City, they may be eligible to receive payments under the plan in accordance with provisions thereof. In the event of serious financial emergency, the City may approve, upon request, withdrawals from the plan by participants, along with their allocated contributions.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 16 Prior Period Adjustment

The City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, and GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions* during fiscal year 2015. The City also restated grant receipts previously report as agency fund. The cumulative effect of applying GASB No. 68 and 71 and restated the accumulated depreciation has resulted in a decrease to the net position at July 1, 2014 as follows:

	Governmental Activities	Business-type Activities	Governmental Funds	Enterprise Funds	Internal Service Funds
Net Position/Fund Balance at July 1, 2014	\$ 273,829,351	\$ 89,072,920	\$ 155,329,414	\$ 89,072,920	7,627,080
Reclass land held resale as capital assets	-	-	(665,864)	-	-
Accumulated depreciation - infrastructure	-	456	-	456	-
Deferred outflow of resources - City's contribution subsequent of the measurement date	12,775,217	2,057,869	-	2,057,869	730,212
Net pension liabilities	(168,941,914)	(24,593,497)	-	(24,593,497)	(8,726,725)
Other post-employment benefits	(73,948,552)	(11,725,076)	-	(11,725,076)	(4,051,292)
Net Position/Fund Balance at July 1, 2014, as Restated	<u>\$ 43,714,102</u>	<u>\$ 54,812,672</u>	<u>\$ 154,663,550</u>	<u>\$ 54,812,672</u>	<u>\$ (4,420,725)</u>

Note 17 Contingencies

The City is a defendant in various lawsuits which have arisen in the normal course of business. While damages are alleged in some of these actions, their outcome cannot be predicted with certainty.

Department of Finance

City Loan and Repayment. Prior to dissolution of the Redevelopment Agency (“RDA”), and in order to avoid a late debt service payment on outstanding RDA bonds (“Bonds”) on November 1, 2011, the City approved a short-term cash advance of \$12.5 million to the Redevelopment Agency on the condition that the November 2011 and December 2011 tax increment distributions to be received by the Redevelopment Agency would be used to repay the cash advance. The \$12.5 million advance was transferred by the City to the Redevelopment Agency on October 25, 2011, and, on October 25, 2011 and on November 1, 2011, the Redevelopment Agency transferred \$3,785,185.28 and \$8,202,630.62, respectively, to the trustee for the Bonds. On December 29, 2011, the Redevelopment Agency repaid the \$12.5 million advance to the City with tax increment funds received in December 2011.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 17 Contingencies (Continued)

ROPS I Reconciliation and Resulting Adjustment. During preparation of ROPS III, the Successor Agency was required to provide reconciliation information to the Auditor-Controller for the ROPS I period. The Auditor-Controller (“Auditor-Controller”) compared the amount of tax increment received by the Redevelopment Agency between November 2011 and January 2012 with the amount spent by the Redevelopment Agency/Successor Agency between January 2012 and June 2012. In order to account for all tax increment funds received in November and December 2011 and January 2012 on the ROPS I reconciliation, the Successor Agency reported the repayment of the \$12.5 million cash advance to the City, even though it occurred prior to the ROPS I reporting period.

Despite the Successor Agency’s contention that the cash advance by the City to the Redevelopment Agency and the Redevelopment Agency’s repayment of the cash advance to the City did not have to be listed on ROPS I because the entire transaction was completed prior to December 31, 2011, the Auditor-Controller recommended an adjustment to ROPS III, and the Successor Agency’s ROPS III RPTTF distribution was reduced by \$11,559,339 under the theory that the Successor Agency had that amount available to it for payment of enforceable obligations; the \$11,559,339 was distributed by the Auditor-Controller to the taxing entities. As a result, the Successor Agency only received \$3.1 million for ROPS III and had to execute a \$1.5 million loan by the City to the Successor Agency loan to make the Successor Agency’s required \$4.4 million debt service payment on May 1, 2013.

While the Successor Agency believed the \$11,559,339 adjustment was illegal, it was unsuccessful in a lawsuit challenging the adjustment.

On September 9, 2013, the Successor Agency approved ROPS 13-14B. ROPS 13-14B included a debt service reserve in an amount sufficient to make the scheduled debt service payments on the Bonds on May 1, 2014 and November 1, 2014 in accordance with the Indenture.

On September 12, 2013, the Oversight Board approved ROPS 13-14B, and it was forwarded to the DOF, the Los Angeles Auditor-Controller and the State Controller.

On October 20, 2013, the Auditor-Controller issued a “Prior Period Adjustment” for ROPS 13-14B requesting that DOF approve a reduction in the amount of RPTTF funds that the Successor Agency is entitled to under ROPS 13-14B for the payment of enforceable obligations of \$11,127,829. The Prior Period Adjustment refers to the \$11,559,339 adjustment on ROPS III and assumed those moneys remained available to the Successor Agency for payment of enforceable obligations.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 17 Contingencies (Continued)

On October 25, 2013, the Successor Agency received a final determination letter for its ROPS 13-14B from DOF. DOF denied certain items on the ROPS 13-14B document, including Items establishing a debt service reserve for the November 2014 debt service payment, valued at \$12,276,650. DOF also included the Auditor-Controller's Prior Period Adjustment, resulting in the amount of RPPTF funds to be distributed to the Successor Agency on January 2, 2014 being a negative \$2,644,956.

On November 1, 2013, the Successor Agency filed a request to "meet and confer" with DOF, which was held on November 7, 2013. On December 6, 2013, DOF staff telephonically informed the Successor Agency's Chief Financial Officer that the DOF would reverse its ROPS 13-14B decision in favor of the Successor Agency and would permanently remove the ongoing \$11,127,859 withholding dispute in favor of the Successor Agency in terms of this and future ROPS. On December 17, 2013, the Successor Agency received written notice of the reversal of the DOF ROPS 13-14B determination in the form of an e-mail and letter dated December 17, 2013, approving the distribution of \$18,827,821 in RPPTF funds to the Successor Agency on January 2, 2014.

By e-mail and letter sent electronically to Petitioners at 6:30 P.M. on December 23, 2013, DOF for a third time issued a ROPS 13-14B determination, this time ordering the reduction of RPTTF funds by the County Auditor Controller on January 2, 2014 by \$11,127,859. Pursuant to the Determination Letter, the Los Angeles Auditor-Controller withheld \$11,127,859 on January 2, 2014 from the RPTTF distribution to the Successor Agency.

On December 26, 2013, the Successor Agency filed a petition in the Sacramento Superior Court. As set forth more completely in the petition, the Los Angeles Auditor-Controller already withheld the amount of \$11,559,339 from ROPS III, which the Successor Agency continues to believe was illegal but accepted. The Successor Agency believes there is no legal authority for the Auditor-Controller to repeatedly withhold \$11 million from the Successor Agency's RPTTF distributions. Under this approach, more than \$200 million would ultimately be withheld as a result of a dispute over a one-time payment of \$11,559,339, and the Successor Agency would be unable to pay debt service and other enforceable obligations on a timely basis.

On January 2, 2014, a hearing on the petition was held in the Superior Court. Following the hearing, the judge issued a temporary restraining order (the "Temporary Restraining Order") that barred the DOF from distributing the disputed \$11,127,859 to taxing entities pending the outcome of a preliminary injunction hearing held on January 24, 2014.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 17 Contingencies (Continued)

On January 29, 2014, the Superior Court ruled on the Successor Agency's petition for a preliminary injunction. The court's ruling included a statement of the legal standard for obtaining a preliminary injunction, which is summarized as follows: a petitioner for a preliminary injunction (in this case, the Successor Agency) bears the burden of proof on two factors –

Factor #1: the likelihood petitioner will prevail on the merits of the action.

Factor #2: the interim harm that the petitioner will sustain if the injunction were denied as compared to the harm the respondents (in this case, DOF and the County) are likely to suffer if the court grants injunctive relief.

In its January 29, 2014 ruling, the Superior Court denied the Successor Agency's motion for a preliminary injunction and terminated the previously-issued temporary restraining order. The court ruled that the Successor Agency was not entitled to the preliminary injunction because the Successor Agency could request sufficient moneys from the County for the November 1, 2014 debt service payment on ROPS 14-15A and, therefore, the Successor Agency did not meet its burden of proof on the "balance of harms" factor (Factor #2); as a result, the Court did not rule on the "prevailing on the merits" factor (Factor #1).

On February 26, 2014, the DOF served the Successor Agency and the City with a cross-petition and cross-complaint to the Petition (the "Cross-Petition").

The DOF alleged in the Cross-Petition that the City should have returned to the Successor Agency the \$12.5 million repaid by the Successor Agency to the City because the Successor Agency acted outside its statutory authority when it repaid the City for the October 25, 2011 advance. The DOF sought (i) a writ of mandate directing the City to return the \$12.5 million to the Successor Agency, plus interest and (ii) a writ of mandate directing the Successor Agency to collect the \$12.5 million, plus interest, from the City. The DOF also sought a declaration from the Superior Court of whether the City was obligated by law to return the \$12.5 million, whether the Successor Agency was obligated by law to seek return of the \$12.5 million from the City and whether the "unrecovered \$12.5 million" should carry over onto future ROPS until the funds are returned by the City and spent by the Successor Agency on approved enforceable obligations.

The Successor Agency received a letter from the DOF dated March 28, 2014, in which the DOF informed the Successor Agency that it would make another \$11.128 million adjustment to the Successor Agency's ROPS 14-15A. This was to be the third adjustment by the DOF for a total of \$33.815 million:

- \$11.559 million from ROPS III
- \$11.128 million from ROPS 13-14B
- the proposed \$11.128 million from ROPS 14-15A

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 17 Contingencies (Continued)

In the March 28, 2014 letter, the DOF approved a total allocation from the RPTTF of \$10,412,620 and notified the Successor Agency that it expected the Successor Agency to use \$11.128 million of "Reserve Balances" to make the November 1, 2014 debt service payment on the Bonds. The Successor Agency did not have a Reserve Balance of \$11.128 million for the reasons explained previously; the DOF was simply implying the existence of a Reserve Balance under the theory that the City owed that amount to the Successor Agency.

The Successor Agency was obligated to pay \$15,584,539 of debt service on the Bonds on November 1, 2014. The Successor Agency placed the entire debt service requirement for November 1, 2014 on ROPS 14-15A, but, as described above, the Successor Agency was approved for only \$10,412,620 from the RPTTF. As a result, the Successor Agency expected to have a shortfall of \$5,171,919 to make the November 1, 2014 debt service payment on the Bonds and that it would be forced to use amounts in the Reserve Account in order to pay the November 1, 2014 debt service payment.

The Successor Agency requested a Meet and Confer with the DOF about the proposed adjustment.

On April 9, 2014, the Successor Agency participated in a Meet and Confer with DOF about the March 28, 2014 letter and, subsequently, the Successor Agency received a final determination letter from the DOF dated May 16, 2014, upholding the decision to make another \$11.128 million adjustment to the Successor Agency's ROPS 14-15A.

On May 27, 2014, the Successor Agency filed an Ex Parte Application for, among other things, (i) leave to file a supplemental pleading to the First Amended Petition and Complaint, (ii) a temporary restraining order and (iii) an alternative writ of mandate.

On May 30, 2014, the Superior Court heard oral argument on the Successor Agency's Ex Parte Application. The court granted the requested temporary restraining order and took the Successor Agency's application to file a supplemental pleading under submission. The court set a hearing for June 27, 2014 on the Successor Agency's request to the court to permanently enjoin the DOF and the County from withholding the disputed amount during the pendency of the litigation.

On June 2, 2014, the County Auditor-Controller remitted \$10,412,620 from the RPTTF to the Successor Agency. The County Auditor-Controller sequestered the remaining balance in the RPTTF account of \$10,743,745 until the court ruled on the preliminary injunction.

On June 26, 2014, the Successor Agency received a second adjustment payment in the amount \$3,275,206.62 related to ROPS 13-14B.

The \$3,275,306.62 that the County distributed to the Successor Agency on June 26, 2014 was the difference between the \$7,699,962.00 approved by the DOF for distribution to the Successor Agency on ROPS 13-14B and the \$4,424,655.38 distributed to the Successor Agency on January 2, 2014.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 17 Contingencies (Continued)

As a result of the June 26, 2014 distribution, the Successor Agency had \$13,687,926.62 available to pay debt service on November 1, 2014 (consisting of \$10,412,620.00 from the June 2, 2014 ROPS 14-15A distribution and \$3,275,306.62 from the June 26, 2014 second ROPS 13-14B distribution).

On June 27, 2014, the Superior Court (i) granted a preliminary injunction requiring the Auditor-Controller to sequester the disputed \$11,127,849 until a hearing on the Successor Agency's petition was held and (ii) granted the Successor Agency's motion to file a supplemental petition. In its ruling, the Court concluded that the Successor Agency has shown that it is likely to prevail on the merits of its claim supporting the issuance of an injunction, that DOF lacks authority to make the reduction to the ROPS 14-15A distribution.

The ruling only ordered the sequestration of the disputed funds, and did not order their distribution to make the November 1, 2014 debt service payment on the Bonds.

On October 27, 2014, the Superior Court ruled on the Successor Agency's Petition and Supplemental Petition and the DOF's Cross-Petition and Motion to Strike. Most significantly, the Superior Court granted a writ of mandate directing DOF and the County to set aside their decision (i) withholding \$11,127,859 from the Successor Agency's January 1, 2014 distribution of monies for ROPS 13-14B and (ii) deducting \$11,257,859 from the Successor Agency's distribution for ROPS 14-15A. The Superior Court ruled that the deductions by DOF and the County were "without legal basis".

The Superior Court also denied DOF's request for a writ of mandate directing the Successor Agency to take action to recover \$12.5 million from the City.

On October 31, 2014, the Superior Court issued its Order and its Writ of Mandate (the "Writ") and its Judgment was filed. The Writ included an order to distribute to the Successor Agency the \$10,473,745 sequestered by the County pursuant to the preliminary injunction.

Subsequently, on October 31, 2014, the DOF filed a Notice of Appeal and the County did not transfer the \$10,473,745 to the Successor Agency on the theory that the appeal acted as a stay of the Writ. As a result, the Successor Agency did not receive the disputed funds in time to use them to pay the November 1, 2014 debt service on the Bonds.

In response, on November 1, 2014, the Successor Agency served notice that it would seek on an ex parte basis: (i) an order compelling immediate compliance with and enforcement of the Writ, (ii) an order imposing penalties and sanctions for noncompliance with the Writ, and (iii) an order to show cause re contempt for failure to comply with the Writ.

On November 3, 2014, the Superior Court denied the Successor Agency's request without explanation. The Successor Agency was nevertheless able to pay debt service on the Bonds in full without reducing the balance in the Reserve Account to below the Reserve Account Requirement because the Trustee informed the Successor Agency that the amount held in the Reserve Account that was in excess of the Reserve Account Requirement was sufficient to make up the shortfall in property tax revenues (\$1,731,000) needed to pay debt service on the Bonds on November 1, 2014.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 17 Contingencies (Continued)

The City and Successor Agency continue to vigorously prosecute the DOF appeal. Written briefings have been submitted, but a hearing date still has not been set by the court as of publication of this document.

Additional information and detailed attachments related to this matter have been posted on the Municipal Securities Rulemaking Board – Electronic Municipal Market Access website.

Note 18 Classification Fund Balances

At June 30, 2015, fund balances are classified as follows:

	General	Culver City Housing Authority	Capital Improvement and Acquisition	Capital Improvement Grants	Non-Major Governmental Funds
Nonspendable:					
Note receivable	\$ 1,332,860	\$ -	\$ -	\$ -	\$ -
Advances	1,779,440	-	-	-	-
Land held for resale	5,684,776	-	-	-	-
Total Nonspendable Fund Balances	<u>8,797,076</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Restricted for:					
Other purposes	-	-	-	-	607,964
Redevelopment	-	-	-	-	-
Street Maintenance	-	-	-	-	2,119,916
Parking	-	-	-	-	379,733
Housing	-	30,271,351	-	-	1,218,199
Law Enforcement	-	-	-	-	1,173,366
Road Construction	-	-	-	-	2,129,264
Equipment purchases	-	-	-	-	26,309
Construction of capital assets	-	-	-	-	42,737,746
Total Restricted Fund Balances	<u>-</u>	<u>30,271,351</u>	<u>-</u>	<u>-</u>	<u>50,392,497</u>
Committed for:					
Contingency	27,621,743	-	-	-	-
Facilities Planning	6,824,233	-	-	-	-
Recreation Facilities	463,480	-	-	-	-
Total Committed Fund Balances	<u>34,909,456</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Assigned for:					
Contract	88,024	-	-	-	-
Equipment and Supplies Purchases	-	-	-	-	-
Change in Fair Values of Investments	12,635	-	-	-	-
Parking	-	-	-	-	2,462,541
Projects	-	-	2,738,666	-	-
Total Assigned Fund Balances	<u>100,659</u>	<u>-</u>	<u>2,738,666</u>	<u>-</u>	<u>2,462,541</u>
Unassigned	<u>36,885,749</u>	<u>-</u>	<u>-</u>	<u>(1,827,403)</u>	<u>(811,879)</u>
Total Fund Balances	<u>\$ 80,692,940</u>	<u>\$ 30,271,351</u>	<u>\$ 2,738,666</u>	<u>\$ (1,827,403)</u>	<u>\$ 52,043,159</u>

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 19 Related Party Transactions

On May 15, 2012 the City loaned the City Manager \$711,000 secured by a Deed of Trust on residential real estate in the City of Culver City. The loan was pursuant to an employment agreement and for the purpose of incentivizing local residency. In addition, the loan bears interest initially at 0.867% per year which is one half percentage points greater than the effective yield on investments in the State of California Local Agency Investment Fund for April 2011 and is subject to adjustment every August 1, based on the loan terms. Biweekly accrued interest is the minimum loan repayment although loan principal and interest can be paid. Payoff of the loan is the earlier of loan repayment of principal and interest or within twenty four months of leaving employment with the City.

On June 17, 2013 the City loaned the City Manager additional \$489,000 for the improvement of the Culver City residence. The loan was secured by Second Deed of Trust on residential real estate in the City of Culver City. The loan bears the same rate and term as the initial \$711,000 loan and interest on this loan shall begin to accrue on July 1, 2013. As of June 30, 2015, the total balance of both loans outstanding was \$1,200,000. Interest payments received during the fiscal year was \$6,164.

Note 20 Successor Agency Trust for Assets and Liabilities of Former Redevelopment Agency

On June 29, 2011, Assembly Bills 1x 26 (the "Dissolution Act") and 1x 27 (the "Continuation Act") were enacted as part of the FY 2011-12 state budget package. The Dissolution Act required each California redevelopment agency to suspend nearly all activities except to implement existing contracts, meet already-incurred obligations, preserve its assets and prepare for impending dissolution. Assembly Bill 1x 27 provided a means for redevelopment agencies to continue to exist and operate by means of a Voluntary Alternative Redevelopment Program.

The League of California Cities and the California Redevelopment Association (CRA) filed a lawsuit on July 18, 2011 on behalf of cities, counties and redevelopment agencies petitioning the California Supreme Court to overturn the Dissolution Act and Assembly Bill 1x 27 on the grounds that these bills violate the California Constitution.

On December 29, 2011, the California Supreme Court upheld the Dissolution Act and struck down the Continuation Act.

On June 27, 2012, as part of the FY 2012-13 state budget package, the Legislature passed and the Governor signed AB 1484, which made technical and substantive amendments to the Dissolution Act based on experience to-date at the state and local level in implementing the Dissolution Act.

Under the Dissolution Act, each California redevelopment agency (each a "Dissolved RDA") was dissolved as of February 1, 2012, and the sponsoring community that formed the Dissolved RDA, together with other designated entities, have initiated the process under the Dissolution Act to unwind the affairs of the Dissolved RDA. A Successor Agency was created for each Dissolved RDA which is the sponsoring community of the Dissolved RDA unless it elected not to serve as the Successor Agency. On January 9, 2012, the City adopted a Resolution electing to serve as the Successor Agency to the Culver City Redevelopment Agency.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 20 Successor Agency Trust for Assets and Liabilities of Former Redevelopment Agency (Continued)

The Dissolution Act also created oversight boards which monitor the activities of the successor agencies. The roles of the successor agencies and oversight boards are to administer the wind down of each dissolved RDA which includes making payments due on enforceable obligations, disposing of the assets (other than housing assets) and remitting the unencumbered balances of the Dissolved RDAs to the County Auditor-Controller for distribution to the affected taxing entities.

The Dissolution Act allowed the sponsoring community that formed the Dissolved RDA to elect to assume the housing functions and take over the certain housing assets of the Dissolved RDA. If the sponsoring community does not elect to become the Successor Housing Agency and assume the Dissolved RDA's housing functions, such housing functions and all related housing assets will be transferred to the local housing authority in the jurisdiction. AB 1484 modified and provided some clarifications on the treatment of housing assets under the Dissolution Act. The Culver City Housing Authority elected to serve as the Housing Successor Agency on January 9, 2012. Prior to February 1, 2012, the activities of the Dissolved RDA were reported in the governmental funds statements of the City. After the date of dissolution, the housing assets, obligations, and activities of the Dissolved RDA are reported in a fiduciary fund in the financial statements of the City.

All other assets, obligations, and activities of the Dissolved RDA have also been transferred and are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

The Dissolution Act and AB 1484 also establish roles for the County Auditor-Controller, the California Department of Finance (the "DOF") and the California State Controller's office in the dissolution process and the satisfaction of enforceable obligations of the Dissolved RDAs.

The County Auditor-Controller is charged with establishing a Redevelopment Property Tax Trust Fund (the "RPTFF") for each successor agency and depositing into the RPTFF for each six-month period the amount of property taxes that would have otherwise been paid to the Dissolved RDA as property tax increment. The deposit in the RPTFF fund is to be used to pay to the successor agency the amounts due on the successor agency's enforceable obligations for the upcoming six-month period.

The successor agency is required to prepare a recognized obligation payment schedule (the "ROPS") approved by the oversight board setting forth the amounts due for each enforceable obligation during each six month period. The ROPS is submitted to the DOF for approval. The County Auditor-Controller will make payments to the successor agency from the RPTFF based on the ROPS amount approved by the DOF. The ROPS is prepared in advance for the enforceable obligations due over the next six months.

The process of making RPTFF deposits to be used to pay enforceable obligations of the Dissolved RDA will continue until all enforceable obligations have been paid in full and all non-housing assets of the Dissolved RDA have been liquidated.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 20 Successor Agency Trust for Assets and Liabilities of Former Redevelopment Agency (Continued)

The State Controller of the State of California has been directed to review the propriety of any transfers of assets between Dissolved RDA and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency.

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	Balance at July 1, 2014	Additions	Deletions	Balance at June 30, 2015
Capital Assets not Depreciated				
Land	\$ 8,253,461	\$ 62,768	\$ -	\$ 8,316,229
Total Capital Assets not Depreciated	<u>8,253,461</u>	<u>62,768</u>	<u>-</u>	<u>8,316,229</u>
Capital Assets being Depreciated				
Buildings	3,429,740	-	-	3,429,740
Improvements	363,598	-	-	363,598
Machinery and equipment	11,516	-	-	11,516
Infrastructure	2,606,379	-	-	2,606,379
Total Depreciable Capital Assets	<u>6,411,233</u>	<u>-</u>	<u>-</u>	<u>6,411,233</u>
Less accumulated depreciation				
Buildings	(436,443)	(68,595)	-	(505,038)
Improvements	(107,360)	(18,180)	-	(125,540)
Machinery and equipment	(11,515)	-	-	(11,515)
Infrastructure	(258,124)	(52,127)	-	(310,251)
Total Accumulated Depreciation	<u>(813,442)</u>	<u>(138,902)</u>	<u>-</u>	<u>(952,344)</u>
Net Depreciable Assets	<u>5,597,791</u>	<u>(138,902)</u>	<u>-</u>	<u>5,458,889</u>
Capital Assets, Net	<u>\$ 13,851,252</u>	<u>\$ (76,134)</u>	<u>\$ -</u>	<u>\$ 13,775,118</u>

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 20 Successor Agency Trust for Assets and Liabilities of Former Redevelopment Agency (Continued)

Changes in long-term liabilities for the fiscal year ended June 30, 2015 were as follows:

Successor Agency Activities:	Balance at July 1, 2014	Additions	Reductions	Balance at June 30, 2015	Due Within One Year	Due in More than one year
1993 Tax Allocation Refunding Revenue Bond	\$ 5,355,000	\$ -	\$ (5,355,000)	\$ -	\$ -	\$ -
1999 Tax Allocation Refunding Revenue Bonds Series A	18,055,000	-	(1,225,000)	16,830,000	1,295,000	15,535,000
2002 Tax Allocation Bonds	16,295,000	-	(1,225,000)	15,070,000	1,280,000	13,790,000
2004 Tax Allocation Refunding Revenue Bond Series A	65,685,000	-	(125,000)	65,560,000	5,775,000	59,785,000
2005 Tax Allocation Refunding Bonds	15,780,000	-	(220,000)	15,560,000	225,000	15,335,000
2011 B Taxable Tax Allocation Revenue Bonds	33,055,000	-	(3,255,000)	29,800,000	3,425,000	26,375,000
2011 A Tax Exempt Tax Allocation Revenue Bonds (CABS)	13,827,887	-	-	13,827,887	-	13,827,887
Accreted Interest on 2011A Tax Allocation Bonds (CABS)	3,934,588	1,389,996	-	5,324,584	-	5,324,584
Advances from Culver City General Fund	1,500,000	-	-	1,500,000	-	1,500,000
Advances from Culver City Housing Authority	9,075,893	-	-	9,075,893	-	9,075,893
Total Governmental Long- Term Liabilities	182,563,368	1,389,996	(11,405,000)	172,548,364	12,000,000	160,548,364
Unamortized original issue discount	(486,054)	-	47,038	(439,016)	(47,038)	(391,978)
Unamortized original issue premium	1,185,858	-	(125,571)	1,060,287	125,571	934,716
Net Long-Term Debt	\$ 183,263,172	\$ 1,389,996	\$ (11,483,533)	\$ 173,169,635	\$ 12,078,533	\$ 161,091,102

1993 Tax Allocation Refunding Revenue Bonds

In November 1993, the Culver City Redevelopment Financing Authority (Authority) issued \$128,070,000 of Revenue Bonds. The net proceeds of these bonds were used to provide loans to the Agency. The proceeds of such loans were used to advance refund a portion of the Agency's outstanding 1989 Series A and Series B Revenue Bonds.

Loans to the Agency from the Authority are at rates and payment terms identical to the underlying Revenue Bonds of the Authority; the required Reserve and Debt Service Funds for the Revenue Bonds are maintained by the Agency; and the Agency reimburses the Authority for all of its other net costs, expenses or losses; therefore, the transactions of the Authority are included in the financial statements of the Agency and the transactions between the Agency and the Authority are eliminated for financial statement purposes.

In April 2004, the Agency issued \$83,470,000 in Tax Allocation Refunding Bonds 2004 Series A to advance refund \$81,790,000 of outstanding 1993 Tax Allocation Refunding Revenue Bonds.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 20 Successor Agency Trust for Assets and Liabilities of Former Redevelopment Agency (Continued)

1993 Tax Allocation Refunding Revenue Bonds (Continued)

The remaining outstanding term bonds of \$10,425,000 at June 30, 2013 are maturing in 2014 and are secured by pledged tax revenues. They are subject to mandatory redemption in part by lot on November 1 of each year commencing November 1, 2009, through maturity from sinking fund payments, in the amounts of \$4,100,000 to \$5,355,000 with an interest rate of 5.50%.

The aggregate amount of 1993 Tax Allocation Refunding Revenue Bonds outstanding at June 30, 2015 was \$0.

1999 Tax Allocation Refunding Bonds Series A and B

In October 1999, the Agency issued a total of \$51,475,000 in bonds consisting of \$31,940,000 in 1999 Series A Bonds (FSA Insured) and \$19,535,000 in 1999 Series B Bonds (uninsured). The Agency sold the bonds to the Financing Authority, which then resold the bonds to affect a negotiated bonds sale. The 1999 bonds were issued to refinance most of the remaining outstanding 1989 Bonds and generate new bond proceeds to finance redevelopment project activities within the merged Culver City Redevelopment Project. The bonds are secured by and payable from tax revenues from the Agency's Merged Culver City Redevelopment Project.

1999 Series A Tax Allocation refunding Bonds (FSA Insured) – The 1999 Series A Revenue bonds consist of \$7,095,000 of serial bonds that mature on November 1 in the years 2007 through 2013, in amounts from \$880,000 to \$1,170,000 and at interest rates of from 4.500% in 2008 to 5.200% in 2013; \$3,260,000, 5.375% term bonds maturing November 1, 2016; \$2,485,000, 5.600% term bonds maturing November 1, 2019; and \$12,310,000, 5.600% term bonds maturing November 1, 2025. Interest is payable on May 1 and November 1 of each year. The Series A Bonds maturing on or before November 1, 2009, are not subject to optional redemption prior to maturity. The series A bonds maturing on or after November 1, 2010, are subject to redemption as a whole or in part, by such maturities as the Agency designates, prior to their respective maturities at the option of the Agency on any date on or after November 1, 2009, from funds derived by the Agency from any source, at the following redemption prices (expressed as percentages of the principal amount of the Series A Bonds called for redemption) together with accrued interest thereon to the date fixed for redemption.

<u>Redemption Period</u>	<u>Redemption Price</u>
November 1, 2009 through October 31, 2010	102%
November 1, 2010 through October 31, 2011	101%
November 1, 2011 and thereafter	100%

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 20 Successor Agency Trust for Assets and Liabilities of Former Redevelopment Agency (Continued)

1999 Tax Allocation Refunding Bonds Series A and B (Continued)

The Series A Bonds maturing on November 1, 2016, November 1, 2019, and November 1, 2025, are also subject to redemption prior to their stated maturity, in part by lot from Series A sinking Account Installments deposited in the Series A sinking Account at the principal amount thereof and interest accrued thereon to the date fixed for redemption without premium in amounts from \$740,000 to \$4,870,000.

1999 Series B Tax Allocation Refunding Bonds (uninsured) – The outstanding 1999 Series B Revenue Bonds were redeemed through the issuance of the 2005 Tax Allocation Refunding Bonds in November 2005.

Per the terms of the bond indenture, a reserve of \$1,805,500 is required to be maintained. The aggregate amount of 1999 Tax Allocation Refunding Revenue Bonds Series A at June 30, 2015 was \$16,830,000.

2002 Series A Tax Allocation Bonds

In April 2002, the Agency issued \$28,280,000 of Series A Bonds (MBIA insured) to finance eligible projects within the merged Culver City Redevelopment Project. The Bonds are secured by and payable from tax revenues by the Agency's Merged Culver City Redevelopment Project.

The bonds consist of serial bonds that mature on November 1 as follows: a total of \$17,225,000 that matures from 2007 to 2020, in amounts from \$910,000 to \$1,665,000 and at interest rates from 4% in 2007 to 5.5% in 2020 and term bonds for \$6,290,000 maturing in 2025, at an interest rate of 5.125%. Interest is payable on May 1 and November 1 of each year.

The 2002 Bonds maturing on or before November 1, 2011, are not subject to optional redemption prior to maturity. Those maturing on or after November 1, 2012, are subject to redemption as a whole or in part, by such maturities as the Agency designates, prior to their respective maturities, at the option of the Agency, on any date on or after May 1, 2011, at the following redemption prices (expressed as percentages of the principal amount of the bonds called for redemption) together with accrued interest thereon to the date fixed for redemption.

<u>Redemption Period</u>	<u>Redemption Price</u>
May 1, 2011 through April 30, 2012	101%
May 1, 2012 and thereafter	100%

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 20 Successor Agency Trust for Assets and Liabilities of Former Redevelopment Agency (Continued)

2002 Series A Tax Allocation Bonds (Continued)

The term bonds maturing on November 1, 2025 are also subject to mandatory redemption prior to their maturity, in part by lot, from sinking account installments deposited in the Sinking Account, at the principal amount thereof and interest accrued thereon to the date fixed for redemption, without premium, in amounts from \$1,015,000 to \$1,760,000.

In lieu of redemption of any term bond, amounts on deposit in the Special fund or in the Sinking Account therein may be used and withdrawn by the Trustee at any time, upon the written request of the Agency, for the purchase of such term bonds. Per the terms of the bond indenture, a reserve of \$1,629,500 is required to be maintained. The total amount of 2002 Series A Tax Allocation Bonds payable at June 30, 2015 is \$15,070,000.

2004 Series A Tax Allocation Refunding Bonds

The 2004 Series A Tax Allocation Refunding Bonds were issued for a total of \$83,470,000, to defease 1993 bonds consisting of Serial bonds that mature on November 1 in the years 2007 through 2023, in amounts from \$105,000 to \$8,630,000 and at interest rates from 2.5% to 5.0%. The bonds are secured by and payable from tax revenues from the Agency's Merged Culver City Redevelopment Project.

The 2004 Bonds maturing on or before November 1, 2014, are not subject to optional redemption prior to maturity. Those maturing on and after November 1, 2015, are subject to redemption as a whole or in part, by such maturities as the Agency designates, prior to their respective maturities, at the option of the Agency, on any date on or after November 1, 2014, at the following redemption prices (expressed as percentages of the principal amount of the bonds called for redemption) together with accrued interest thereon to the date fixed for the redemption.

<u>Redemption Period</u>	<u>Redemption Price</u>
November 1, 2015 and thereafter	100%

Per the terms of the bond indenture, a reserve of \$4,305,514 is required to be maintained. The total amount of 2004 Series A Tax Allocation Refunding Bonds payable at June 30, 2015 is \$65,560,000.

2005 Tax Allocation Refunding Bonds

On November 1, 2005, the Culver City Redevelopment Agency issued \$17,315,000 Tax Allocation Refunding Bonds Issue of 2005. These bonds were issued to redeem outstanding Subordinate tax Allocation Refunding Bonds 1999 Series B. A total of \$16,956,394 was placed in escrow and invested in securities pending the December 28, 2005 redemption date.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 20 Successor Agency Trust for Assets and Liabilities of Former Redevelopment Agency (Continued)

2005 Tax Allocation Refunding Bonds (Continued)

The bonds are secured by and payable from tax revenues from the Agency's Merged Culver City Redevelopment Project and were issued in denominations of \$5,000 with interest rates ranging from 3.50% to 5.0%. Interest payments are payable semiannually on May 1 and November 1, of each year, and commenced May 1, 2006. Principal payments are made on Optional Redemption: The 2005 Bonds maturing on or before November 1, 2015, are not subject to optional redemption prior to maturity. The 2005 Bonds maturing on and after November 1, 2015, are subject to redemption as a whole or in part, by such maturities as the Agency designates, prior to their respective maturities at the option of the Agency on any date on or after November 1, 2014, from funds derived by the Agency from any source, at a redemption price equal to the principal amount of the 2005 Bonds called for redemption together with interest accrued thereon, without premium.

Mandatory redemption: The 2005 bond maturing on November 1 2023 and November 1, 2025, are also subject to redemption prior to their stated maturity, in part by lot, from Sinking Account Installments deposited in the Sinking Account, at the principal amount thereof and interest accrued thereon to the date fixed for redemption, without premium. Per the terms of the bond indenture, a reserve of \$1,578,000 is required to be maintained. At June 30, 2015 the total amount of 2005 Tax Allocation Refunding Bonds outstanding is \$15,560,000.

2011 Tax Allocation Revenue Bonds Series A

On March 4, 2011, the Agency issued \$13,827,887 of Series A Tax Allocation Capital Appreciation Bonds. The proceeds were used to: 1) pay costs of issuance 2) provide a reserve, and 3) finance certain redevelopment activity within the project area.

These bonds are secured and payable from tax increment revenue of the Agency.

The bonds mature beginning November 1, 2019 with final payment of principal due on November 1, 2028. Interest is payable each May 1 and November 1 beginning in 2019.

Only the bonds maturing after November 1, 2024 are subject to redemption. These bonds may be redeemed in whole or in part beginning on or after November 1, 2021 at the accreted value at no premium.

Per the terms of the bond indenture, a reserve of \$1,382,995 is required to be maintained. The outstanding balance as of June 30, 2015 was \$13,827,887. The accreted interest amount on the Capital Appreciation Bonds at June 30, 2015 was \$5,324,584.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 20 Successor Agency Trust for Assets and Liabilities of Former Redevelopment Agency (Continued)

2011 Tax Allocation Revenue Bonds Series B

On March 4, 2011, the Agency issued \$33,585,000 of 2011 Series B Tax Allocation Bonds. The proceeds of the debt were used to: 1) fund a reserve, 2) pay for costs of issuance, and 3) finance certain projects within the project area. The bonds are secured by a pledge of tax increment revenue derived from the Agency.

Interest will be due semiannually each May 1 and November 1 with principal being due each November 1 beginning in 2012 with final maturity in 2024. Bonds maturity on or before November 1, 2020 are not subject to optional redemption, however those maturing on November 1, 2024 are subject to redemption in whole or part. Term bonds maturing on November 1, 2020 and 2024 are subject to redemption from sinking fund installment without premium beginning on November 1, 2016 through 2024. Interest rates vary from 3.00% to 6.00% on serial bonds due through November 1, 2015.

Interest rates from 8.00% to 8.50% for term bonds due in 2020 and 2024.

Per the terms of the bond indenture, a reserve of \$3,358,500 is required to be maintained. The outstanding balance as of June 30, 2015 of the Series B 2011 Tax Allocation Revenue bonds was \$29,800,000.

Pledged Revenues for Tax Allocation Bonds

The Trust has a number of Tax Allocation bonds outstanding that are collateralized by the pledging of property tax increment revenues. The amount and term of the remainder of these commitments are indicated in the debt service to maturity tables presented. The purposes for which the proceeds of the related debt issuances were utilized are disclosed in the debt descriptions in the accompanying notes.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 20 Successor Agency Trust for Assets and Liabilities of Former Redevelopment Agency
(Continued)

Debt Service Schedule

Future annual requirements to amortize Tax Allocation Bonds are as follows:

Fiscal Years Ending June 30,	1999 Tax Allocation Refunding Revenue Bond		
	Principal	Interest	Total
2016	\$ 1,295,000	\$ 903,098	\$ 2,198,098
2017	740,000	848,407	1,588,407
2018	780,000	806,680	1,586,680
2019	830,000	761,600	1,591,600
2020	875,000	713,860	1,588,860
2021-2025	7,440,000	2,790,480	10,230,480
2026	4,870,000	136,360	5,006,360
	<u>\$ 16,830,000</u>	<u>\$ 6,960,485</u>	<u>\$ 23,790,485</u>

Fiscal Years Ending June 30,	2002 Series A Tax Allocation Bond		
	Principal	Interest	Total
2016	\$ 1,280,000	\$ 766,862	\$ 2,046,862
2017	1,345,000	697,875	2,042,875
2018	1,420,000	621,838	2,041,838
2019	1,495,000	541,675	2,036,675
2020	1,575,000	457,250	2,032,250
2021-2025	6,700,000	1,099,358	7,799,358
2026	1,255,000	32,159	1,287,159
	<u>\$ 15,070,000</u>	<u>\$ 4,217,017</u>	<u>\$ 19,287,017</u>

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 20 Successor Agency Trust for Assets and Liabilities of Former Redevelopment Agency
(Continued)

Debt Service Schedule (continued)

Future annual requirements to amortize Tax Allocation Bonds are as follows (Continued):

Fiscal Years Ending June 30,	2004 Series A Tax Allocation Refunding Bond		
	Principal	Interest	Total
2016	\$ 5,775,000	\$ 2,751,913	\$ 8,526,913
2017	6,685,000	2,440,413	9,125,413
2018	7,020,000	2,131,133	9,151,133
2019	7,300,000	1,837,503	9,137,503
2020	7,605,000	1,524,422	9,129,422
2021-2025	31,175,000	2,648,320	33,823,320
	<u>\$ 65,560,000</u>	<u>\$ 13,333,704</u>	<u>\$ 78,893,704</u>

Fiscal Years Ending June 30,	2005 Tax Allocation Refunding Bond		
	Principal	Interest	Total
2016	\$ 225,000	\$ 758,726	\$ 983,726
2017	235,000	748,964	983,964
2018	245,000	739,241	984,241
2019	255,000	728,959	983,959
2020	270,000	717,962	987,962
2021-2025	13,070,000	2,803,436	15,873,436
2026	1,260,000	31,500	1,291,500
	<u>\$ 15,560,000</u>	<u>\$ 6,528,788</u>	<u>\$ 22,088,788</u>

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 20 Successor Agency Trust for Assets and Liabilities of Former Redevelopment Agency (Continued)

Debt Service Schedule (continued)

Future annual requirements to amortize Tax Allocation Bonds are as follows (Continued):

Fiscal Years Ending June 30,	2011 Series A Tax Allocation Revenue Bond		
	Principal	Interest	Total
2016	\$ -	\$ -	\$ -
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	1,476,222	1,098,778	2,575,000
2021-2025	5,612,072	7,207,928	12,820,000
2025-2029	6,739,593	18,940,407	25,680,000
	<u>\$ 13,827,887</u>	<u>\$ 27,247,113</u>	<u>\$ 41,075,000</u>

Fiscal Years Ending June 30,	2011 Series B Tax Allocation Revenue Bond		
	Principal	Interest	Total
2016	\$ 3,425,000	\$ 2,264,850	\$ 5,689,850
2017	3,635,000	2,016,700	5,651,700
2018	3,925,000	1,714,300	5,639,300
2019	4,235,000	1,387,900	5,622,900
2020	2,000,000	1,138,500	3,138,500
2021-2025	12,580,000	2,823,825	15,403,825
	<u>\$ 29,800,000</u>	<u>\$ 11,346,075</u>	<u>\$ 41,146,075</u>

Advances from Culver City Housing Authority

The advance of \$9,075,893 for SERAF can only be repaid pursuant to the maximum repayment amount defined in Health and Safety Code Section 34176(6)(B). Because of this, the number of years it will take to repay this advance is unknown.

Advance from City of Culver City

The advance of \$1,500,000 from the General Fund is expected to be repaid on July 1, 2015.

CITY OF CULVER CITY

Notes to the Basic Financial Statements

June 30, 2015

Note 21 Special Items

Pursuant to Health and Safety Code section 34167.5, the State Controller's Office (SCO) reviewed all asset transfers made by the Culver City Redevelopment Agency (RDA) to the City of Culver City (City) or any other public agency after January 1, 2011. Pursuant to the final report issued by the SCO during the fiscal year, the City transferred \$27,094,884 in unexpended bond proceeds to the Successor Agency to the Culver City Redevelopment Agency (Successor Agency). The City also transferred \$7,917 in interest on a loan and \$2,176,685 in receivables to the Successor Agency as a result of the SCO report. Pursuant to a Master Agreement between the City and the Successor Agency, approved by the Department of Finance, \$16,737,634 in unexpended bond proceeds were transferred back from the Successor Agency to the City for expenditure on eligible project costs. The net result is the \$12,541,852 transfer from the City to the Successor Agency reflected as the Special Items.

Note 22 Subsequent Events

A. Future Accounting Pronouncements

GASB Statements Nos. 72-76 listed below will be implemented in future financial statements:

Statement No. 72	"Fair Value Measurement and Application"	The provisions of this statement are effective for financial statements for reporting periods beginning after June 15, 2015.
Statement No. 73	"Accounting and Financial Reporting for Pension and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68"	The provisions of this statement are effective for fiscal years beginning after June 15, 2015 - except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB Statement No. 68, which are effective for fiscal years beginning after June 15, 2016.
Statement No. 74	"Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans"	The provisions of this statement are effective for fiscal years beginning after June 15, 2016.
Statement No. 76	"The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments"	The provisions of this statement are effective for fiscal years beginning after June 15, 2015.

B. City Council Actions

On November 9, 2015, the City Council approved an approximate \$11,500,000 investment to design, develop, construct and operate a high-speed municipal fiber optic network. The establishment of a new enterprise fund to account for this activity was also approved. General fund reserves in excess of the current reserve policy will be loaned to the enterprise fund. A staff report and related attachments are available on the City's website providing further information.

On November 16, 2015, the City Council approved a resolution to provide notice of the City's intent to withdraw from its current risk pool, the Independent Cities Risk Management Authority (ICRMA). The City has determined that significant savings on insurance costs can be achieved on a stand-alone basis. The withdrawal would be effective on July 1, 2016.

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Required Supplementary Information



CITY OF CULVER CITY

Notes to the Required Supplementary Information

For the Fiscal Year Ended June 30, 2015

Budgets and Budgetary Data

The adopted budget of the City consists of a resolution specifying the total appropriation for each departmental activity, (e.g., Police Administration, Street Maintenance, etc.).

Total appropriations for each fund may only be increased or decreased by the City Council by passage of a resolution amending the budget, with the exception of budget adjustments which involve offsetting revenues and expenditures. In cases involving offsetting revenues and expenditures, the Chief Financial Officer is authorized to increase or decrease an appropriation for a specific purpose where said appropriation is offset by unbudgeted revenue which is designated for said specific purpose.

The City Manager has the authority to adjust the amounts appropriated between the departments and activities of a fund, objects within each departmental activity and between accounts within the objects, provided, however, that the total appropriations for each fund do not exceed the amounts provided in the budget resolution.

The level at which expenditures may not legally exceed appropriations is the fund level.

All appropriations lapse at fiscal year-end unless City Council takes formal action in the form of a resolution to continue the appropriation into the following fiscal year.

Budgets for the various funds are adopted on a basis consistent with generally accepted accounting principles in the USA (USGAAP). Annual appropriated budgets are legally adopted for the general, special revenue, debt service, capital projects, and proprietary fund types.

CITY OF CULVER CITY
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Fiscal Year Ended June 30, 2015

	Budget		Actual	Variance- with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 66,631,825	\$ 69,198,000	\$ 75,200,587	\$ 6,002,587
Licenses and permits	3,127,000	3,089,000	3,422,336	333,336
Fines and forfeitures	3,754,000	3,835,500	4,104,462	268,962
Intergovernmental	3,835,825	3,992,793	4,306,470	313,677
Charges for services	7,488,275	8,397,972	9,467,870	1,069,898
Investment income	1,692,180	1,500,526	1,505,144	4,618
Miscellaneous	278,380	14,532,181	14,693,326	161,145
Total revenues	86,807,485	104,545,972	112,700,195	8,154,223
Expenditures:				
Current:				
General government	13,652,990	14,357,523	13,081,178	1,276,345
Parks, recreation, and community services	7,202,545	7,653,124	7,414,638	238,486
Police	32,187,200	32,643,993	32,011,889	632,104
Fire	18,983,906	19,096,321	19,015,671	80,650
Community development	6,619,383	7,151,997	6,222,661	929,336
Public works	9,980,879	10,339,588	9,895,993	443,595
Total expenditures	88,626,903	91,242,546	87,642,030	3,600,516
Excess (deficiency) of revenues over (under) expenditures	(1,819,418)	13,303,426	25,058,165	11,754,739
Other financing sources (uses):				
Transfers in	2,165,222	2,062,390	2,006,632	(55,758)
Transfers out	(2,412,426)	(3,379,760)	(3,390,984)	(11,224)
Total other financing sources (uses)	(247,204)	(1,317,370)	(1,384,352)	(66,982)
Special items	-	-	(7,917)	(7,917)
Net change in fund balances	(2,066,622)	11,986,056	23,665,896	11,679,840
Fund balance at beginning of fiscal year	57,027,044	57,027,044	57,027,044	-
Fund balance at end of fiscal year	<u>\$ 54,960,422</u>	<u>\$ 69,013,100</u>	<u>\$ 80,692,940</u>	<u>\$ 11,679,840</u>

CITY OF CULVER CITY
 Culver City Housing Authority Special Revenue Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Fiscal Year Ended June 30, 2015

	Budget		Actual	Variance-
	Original	Final		with Final Budget Positive (Negative)
Revenues:				
Investment income	\$ -	\$ 56,900	\$ 471,326	\$ 414,426
Miscellaneous	-	-	5,000	5,000
Total revenues	-	56,900	476,326	419,426
Current:				
Community development	-	928,801	721,395	207,406
Total expenditures	-	928,801	721,395	207,406
Excess (deficiency) of revenues over (under) expenditures	-	(871,901)	(245,069)	626,832
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	(490,390)	(456,632)	33,758
Total other financing sources (uses)	-	(490,390)	(456,632)	33,758
Net change in fund balances	-	(1,362,291)	(701,701)	660,590
Fund balance at beginning of fiscal year	31,631,332	31,631,332	31,631,332	-
Prior period adjustments	-	-	(665,864)	(665,864)
Fund balances at beginning of fiscal year, restated	31,631,332	31,631,332	30,965,468	(665,864)
Fund balance at end of fiscal year	<u>\$ 31,631,332</u>	<u>\$ 30,269,041</u>	<u>\$ 30,263,767</u>	<u>\$ (5,274)</u>

CITY OF CULVER CITY

Required Supplementary Information (Unaudited)

For the Fiscal Year Ended June 30, 2015

**Agent Multiple-Employer Defined Benefit Pension Plan
Last 10 Fiscal Years***

Schedule of Changes in the Net Pension Liability and Related Ratios

	Miscellaneous	
	Plan 2015	Public Safety 2015
Measurement Period	2013-14 ¹	2013-14 ¹
Total Pension Liability		
Services Cost	\$ 4,942,736	\$ 5,059,461
Interest on the Total Pension Liability	17,556,597	23,063,095
Benefit Payments, including Refunds of Employee Contributions	(11,157,496)	(16,067,896)
Net Change in Total Pension Liability	11,341,837	12,054,660
Total Pension Liability - Beginning	237,195,341	313,012,150
Total Pension Liability - Ending (a)	\$ 248,537,178	\$ 325,066,810
Plan Fiduciary Net Position		
Contribution from the Employer	\$ 6,638,283	\$ 8,194,801
Contribution from the Employees	3,171,457	2,880,898
Net investment income ²	27,091,117	34,116,579
Benefit Payments	(11,157,496)	(16,067,896)
Net Change in Plan Fiduciary Net Position	25,743,361	29,124,382
Plan Fiduciary Net Position - Beginning	157,861,480	198,810,600
Plan Fiduciary Net Position - Ending (b)	\$ 183,604,841	\$ 227,934,982
Net Pension Liability - Ending (a)-(b)	\$ 64,932,337	\$ 97,131,828
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.87%	70.12%
Covered - Employee Payroll	\$ 29,867,279	\$ 18,261,249
Net Pension Liability as Percentage of Covered-Employee Payroll	217.40%	531.90%

¹ Historical information is required only for measurement periods for which GASB 68 is applicable.

² Net of administrative expenses.

Note to Schedule:

Benefit Changes: The figures above do not include any liability impact may have resulted from plan changes which occurred after June 30, 2013. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in Assumptions: There were no changes in assumptions.

* Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

CITY OF CULVER CITY

Required Supplementary Information (Unaudited)

For the Fiscal Year Ended June 30, 2015

**Agent Multiple-Employer Defined Benefit Pension Plan
Last 10 Fiscal Years***

Schedule of Contributions¹

	Miscellaneous Plan
	Fiscal Year 2013-14
Actuarially Determined Contribution ²	\$ 6,638,283
Contributions in Relation to the Actuarially Determined Contribution ²	<u>(6,638,283)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>
Covered-Employee Payroll ^{3,4}	\$ 29,867,279
Contributions as a Percentage of Covered-Employee Payroll ³	22.23%

¹ Historical information is required only for measurement periods for which GASB 68 is applicable.

² Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

³ Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

⁴ Payroll from prior year \$12,394,975 was assumed to increase by the 3.00 percent payroll growth assumption.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2013-14 were from the June 30, 2011 public agency valuations.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For detail, see June 30, 2011 Funding Valuation Report
Assets Valuation Method	Actuarial Value of Assets. For details, see June 30, 2011 Funding Valuation Report.
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates included 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

* Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

CITY OF CULVER CITY

Required Supplementary Information (Unaudited)

For the Fiscal Year Ended June 30, 2015

**Agent Multiple-Employer Defined Benefit Pension Plan
Last 10 Fiscal Years***

Schedule of Contributions¹

	Public Safety Plan
	Fiscal Year 2013-14
Actuarially Determined Contribution ²	\$ 8,194,801
Contributions in Relation to the Actuarially Determined Contribution ²	<u>(8,194,801)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>
Covered-Employee Payroll ^{3,4}	\$ 18,261,249
Contributions as a Percentage of Covered-Employee Payroll ³	44.88%

¹ Historical information is required only for measurement periods for which GASB 68 is applicable.

² Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

³ Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

⁴ Payroll from prior year \$13,603,858 was assumed to increase by the 3.00 percent payroll growth assumption.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2013-14 were from the June 30, 2011 public agency valuations.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For detail, see June 30, 2011 Funding Valuation Report
Assets Valuation Method	Actuarial Value of Assets. For details, see June 30, 2011 Funding Valuation Report.
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates included 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

* Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

CITY OF CULVER CITY

Required Supplementary Information (Unaudited)

For the Fiscal Year Ended June 30, 2015

Schedule of Changes in the City's Net OPEB Liability and Related Ratios

	<u>2015*</u>
Total OPEB Liability	
Services Cost	\$ 3,094,000
Interest on the Total Pension Liability	7,905,000
Benefit Payments	<u>(5,387,000)</u>
Net Change in Total Pension Liability	5,612,000
Total OPEB Liability - Beginning	<u>124,309,000</u>
Total OPEB Liability - Ending (a)	<u>\$ 129,921,000</u>
Plan Fiduciary Net Position	
Contribution from the Employer	\$ 9,865,000
Net investment income ²	289,000
Benefit Payments	(5,387,000)
Administrative Expenses	<u>(56,000)</u>
Net Change in Plan Fiduciary Net Position	4,711,000
Plan Fiduciary Net Position - Beginning	<u>12,785,000</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 17,496,000</u>
Net OPEB Liability - Ending (a)-(b)	<u>\$ 112,425,000</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	13.47%
Covered - Employee Payroll	\$ 47,105,000
Net OPEB Liability as Percentage of Covered- Employee Payroll	238.67%

* Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

CITY OF CULVER CITY

Required Supplementary Information (Unaudited)

For the Fiscal Year Ended June 30, 2015

Schedule of City Contributions

Last 10 Fiscal Years*

Fiscal Year Ending	Actuarially Determined Contribution	Actual Contribution	Deficiency (Excess)	Cover Employee Payroll	Actual Contribution Percent of Payroll
6/30/2015	\$ 9,945,000	\$ 9,865,000	\$ 80,000	\$ 47,105,000	20.94%
6/30/2014	9,778,000	10,028,000	(250,000)	N/A	N/A
6/30/2013	8,621,000	7,631,000	990,000	46,399,000	16.45%
6/30/2012	8,456,000	7,635,000	821,000	N/A	N/A

Note to Schedule

Valuation date: 6/30/2013
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contribution are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost
Amortization method	Level percentage of payroll, closed
Amortization period	26 years
Asset valuation method	5-year rolling
Inflation	3.000%
Healthcare cost trend rates	8.3% percent initial, decreasing 0.5 percent per year to an ultimate rate of 5.0%
Salary increase	3.25%
Investment rate of return	6.50%
Retirement age	In the 2013 actuarial valuation, expected retirement ages of general employees were adjusted to more closely reflect actual experience.
Mortality	Mortality rates were based on the CalPERS 1997-2007 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on projection Scale AA.

* The plan was not funded with an OPEB trust prior to June 30, 2012

Non-Major Funds / Other Financial Information



CITY OF CULVER CITY
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2015

	Special Revenue Funds	Capital Projects Funds	Totals
<u>Assets</u>			
Cash and investments	\$ 14,386,107	\$ 21,064,410	\$ 35,450,517
Receivables:			
Accounts	139,966	23,950	163,916
Interest	31,179	50,627	81,806
Notes	67,354	-	67,354
Due from other funds	2,350	-	2,350
Due from other governments	188,588	-	188,588
Land held for resale	-	18,163,996	18,163,996
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 14,815,544</u>	<u>\$ 39,302,983</u>	<u>\$ 54,118,527</u>
<u>Liabilities, Deferred Inflow of Resources, and Fund Balances</u>			
Liabilities:			
Accounts payable	\$ 286,413	\$ 20,511	\$ 306,924
Accrued wages payable	20,978	-	20,978
Due to other funds	15,967	803,702	819,669
Deposits payable	85,965	15,600	101,565
Unearned revenue	265,595	-	265,595
Due to other governments	447,157	-	447,157
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>1,122,075</u>	<u>839,813</u>	<u>1,961,888</u>
Deferred inflow of resources:			
Unearned revenues - unavailable grant revenues	113,480	-	113,480
	<u> </u>	<u> </u>	<u> </u>
Total deferred inflow of resources	<u>113,480</u>	<u>-</u>	<u>113,480</u>
Fund balances:			
Restricted	13,584,680	36,807,817	50,392,497
Assigned	-	2,462,541	2,462,541
Unassigned	(4,691)	(807,188)	(811,879)
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>13,579,989</u>	<u>38,463,170</u>	<u>52,043,159</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 14,815,544</u>	<u>\$ 39,302,983</u>	<u>\$ 54,118,527</u>

CITY OF CULVER CITY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
Non-Major Governmental Funds
Fiscal Year Ended June 30, 2015

	Special Revenue Funds	Capital Projects Funds	Totals
Revenues:			
Licenses and permits	\$ 578,275	\$ 301,129	\$ 879,404
Intergovernmental	5,558,686	150,821	5,709,507
Charges for services	1,654,109	1,467,283	3,121,392
Investment income	208,927	376,284	585,211
Miscellaneous	212,484	11,000	223,484
Total revenues	8,212,481	2,306,517	10,518,998
Expenditures:			
Current:			
General government	-	3,800,000	3,800,000
Parks, recreation and community service	321,596	-	321,596
Police	560,690	-	560,690
Fire	82,276	-	82,276
Community development	2,881,069	-	2,881,069
Public works	144,808	-	144,808
Transportation	265,260	-	265,260
Capital outlay	860,526	102,936	963,462
Debt service:			
Principal payments	205,510	130,000	335,510
Interest and fiscal charges	7,353	4,167	11,520
Total expenditures	5,329,088	4,037,103	9,366,191
Excess (deficiency) of revenues over (under) expenditures	2,883,393	(1,730,586)	1,152,807
Other financing sources (uses):			
Transfers in	196,620	25,933	222,553
Transfers out	(1,770,842)	(925,933)	(2,696,775)
Total other financing sources (uses)	(1,574,222)	(900,000)	(2,474,222)
Special items	(2,176,685)	(10,357,250)	(12,533,935)
Net change in fund balances	(867,514)	(12,987,836)	(13,855,350)
Fund balances at beginning of fiscal year	14,447,503	51,451,006	65,898,509
Fund balances at end of fiscal year	\$ 13,579,989	\$ 38,463,170	\$ 52,043,159

MAJOR AND NON-MAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Major Fund

Culver City Housing Authority Fund was formed to serve as the Successor Housing entity with the dissolution of the Redevelopment Agency. All former Low/Moderate Income Housing assets and liabilities were transferred to the Housing Authority.

Non-Major Funds

Gas Tax Fund is used to account for state gasoline taxes received by the City. These funds may be used for street maintenance, right-of-way acquisition and street construction.

Proposition A Local Return Fund is used to account for Proposition A funds received from the state. Proposition A funds are voter approved local sales taxes for transportation-related activities. Proposition A, approved by voters in 1980, is a one-half of one percent (0.5%) tax on retail sales in Los Angeles County. The collection of this tax is administered by the County, which returns twenty five percent (25%) of the collections to cities within the County. The balance of Proposition A tax funds are used for rail development (35%) and discretionary purposes (40%). Almost the entire discretionary portion is used to fund bus service provided by Metro and 16 other municipal bus operators within the County, including Culver City Municipal Bus Lines.

Proposition C Local Return Fund is used to account for Proposition C funds received from the state. Proposition C, approved by voters in 1990, is an additional one-half of one percent (1.5%) tax on retail sales in Los Angeles County. Proposition C funds are allocated to the construction and operation of the bus transit and rail system (40%), expansion of rail and bus security (5%), construction of commuter rail transit centers, park and ride lots, and freeway bus stops (10%), and other transit related improvements to freeways and state highways (25%). Each year, more than \$1 billion dollars is generated in local transportation revenue.

Measure R Fund is used to account for Measure R funds. Measure R is a one-half cent sales tax approved by Los Angeles County voters in November 2008 and is to be used to fund new transportation projects and programs. The Transportation and Public Works departments utilize the majority of this funding.

Proposition 1B Fund is used to account for funds received for a Transportation Infrastructure Bond approved in November 2006 by California voters. Proposition 1B is a \$2 billion dollar bond that is apportioned to each City based on population. Funds can be used for improvements to transportation facilities, projects that will assist in reducing local traffic congestion and for further deterioration of transportation infrastructure, and projects that will improve traffic flows or increase traffic safety that may include, but are not limited to, street and highway pavement maintenance, rehabilitation, installation, construction and reconstruction of necessary associated facilities such as drainage and traffic control devices, or the maintenance, rehabilitation, installation, construction and reconstruction of facilities that expand ridership on transit systems, safety projects to reduce fatalities, or as local match to obtain state or federal transportation for similar purposes.

Proposition 42 Fund is used to account for funds received by the City through the Traffic Congestion Relief Act (TCRA) Exchange Program based on established guidelines adopted in February 2001. The TCRA Exchange Program is intended to increase flexibility in the use of State and federal transportation funding to complete transportation improvements without compromising other state funded projects or activities.

Operating Grants Fund is used to account for operating grant funds resulting from the City’s federal, state and local operating grants, and the qualified expenditures of these restricted funds.

Section 8 Housing Fund is used to account for assistance provided by the Federal government dedicated to sponsoring subsidized housing for low-income families and individuals. The Housing Division in the Community Development Department is responsible for managing and administering Culver City’s Section 8 Housing Choice Voucher Program (HCVP) to provide rental subsidies for qualified low-income households.

Art in Public Places Fund is used to account for the “Art in Public Places” program. The revenues for this Fund come from developer in-lieu fees.

Community Development Fund is used to account for funds received from new development impact fees collected on non-residential construction in excess of 5,000 square feet. These fees may only be used to fund street improvements, traffic controls and traffic management projects.

CDBG Fund is used to account for Community Development Block Grant (CDBG) funds, and the qualified expenditures of these restricted funds for administrative expenditures such as personnel costs.

Special Assessment Fund is used to account for benefit assessment district funds received from homeowners for special landscaping services of certain properties within the City.

Park Facilities Fund is used to account for funds received from development impact fees assessed on subdivision/residential development. These fees may be used for the improvement and expansion of public parks and park facilities throughout the City.

Asset Seizure Fund is used to account for funds received from federal and local seized and forfeited properties. Such funds may be used for the detection and prevention of criminal activity, and the apprehension of criminals through Drug Abuse Resistance Education (D.A.R.E.), and other law enforcement programs.

Housing Fund is used to account for former Low/Moderate Income Housing funds transferred to the City under the 2011 Cooperation and Implementation Agreement (Agreement). These funds may only be used for qualified low/moderate income housing projects identified in the Agreement.

Parking Authority Fund is used to account for the operations of the Culver City Parking Authority, which currently includes the Cardiff Parking Structure. These funds may be used for parking related operations and infrastructure improvements.

Capital Grants Fund is used to account for non-operating grants, typically for the purchase of equipment.

Building Surcharge Fund is used to account for funds received from a four percent (4%) surcharge on certain development related permit fees. The surcharge is used by City to fund digital imaging and storage of plans and documents and technology improvements and maintenance to enhance customer service.

Economic Development Fund is used to account for parking structures and lots associated with the downtown and various business districts.

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CITY OF CULVER CITY
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 June 30, 2015

	Gas Tax Fund	Proposition A Local Return Fund	Proposition C Local Return Fund	Measure R Fund	Proposition 1B Fund	Operating Grants Fund	Section 8 Housing Fund	Art in Public Places Fund
Assets								
Cash and investments	\$ 2,155,315	\$ 935,190	\$ 1,068,535	\$ 120,131	\$ -	\$ 142,910	\$ 1,311,642	\$ 1,506,160
Receivables:								
Accounts	-	-	-	-	-	13,738	-	-
Interest	4,939	2,375	2,822	211	-	263	-	3,646
Notes	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	2,350	-
Due from other governments	-	-	-	-	-	132,926	30,961	-
Total assets	\$ 2,160,254	\$ 937,565	\$ 1,071,357	\$ 120,342	\$ -	\$ 289,837	\$ 1,344,953	\$ 1,509,806
Liabilities, Deferred Inflow of Resources, and Fund Balances								
Liabilities:								
Accounts payable	\$ 40,338	\$ -	\$ -	\$ -	\$ -	\$ 48,254	\$ 23,899	\$ 30,655
Accrued wages payable	-	-	-	-	-	14,094	5,354	-
Due to other funds	-	-	-	-	-	-	12,188	-
Deposits payable	-	-	-	-	-	-	54,352	-
Unearned revenue	-	-	-	-	-	149,661	-	-
Due to other governments	-	-	-	-	-	-	-	-
Total liabilities	40,338	-	-	-	-	212,009	95,793	30,655
Deferred inflow of resources:								
Unearned revenues - unavailable grant revenues	-	-	-	-	-	82,519	30,961	-
Total deferred inflow of resources	-	-	-	-	-	82,519	30,961	-
Fund balances:								
Restricted	2,119,916	937,565	1,071,357	120,342	-	-	1,218,199	1,479,151
Unassigned	-	-	-	-	-	(4,691)	-	-
Total fund balances (deficits)	2,119,916	937,565	1,071,357	120,342	-	(4,691)	1,218,199	1,479,151
Total liabilities, deferred inflow of resources, and fund balances	\$ 2,160,254	\$ 937,565	\$ 1,071,357	\$ 120,342	\$ -	\$ 289,837	\$ 1,344,953	\$ 1,509,806

Community Development Fund	CDBG Fund	Special Assessment Fund	Park Facilities Fund	Asset Seizure Fund	Housing Fund	Parking Authority Fund	Capital Grant Fund	Building Surcharge Fund	Economic Development Fund	Totals
\$ 352,527	\$ -	\$ 268,801	\$ 430,381	\$ 1,192,954	\$ -	\$ 388,091	\$ 26,246	\$ 607,939	\$ 3,879,285	\$ 14,386,107
-	-	-	-	-	-	10,805	-	187	115,236	139,966
849	-	639	979	2,805	-	900	63	1,439	9,249	31,179
-	38,820	-	-	-	-	-	-	-	28,534	67,354
-	-	-	-	-	-	-	-	-	-	2,350
-	3,779	20,922	-	-	-	-	-	-	-	188,588
<u>\$ 353,376</u>	<u>\$ 42,599</u>	<u>\$ 290,362</u>	<u>\$ 431,360</u>	<u>\$ 1,195,759</u>	<u>\$ -</u>	<u>\$ 399,796</u>	<u>\$ 26,309</u>	<u>\$ 609,565</u>	<u>\$ 4,032,304</u>	<u>\$ 14,815,544</u>
\$ 33,600	\$ -	\$ 914	\$ 310	\$ 22,393	\$ -	\$ 17,183	\$ -	\$ 71	\$ 68,796	\$ 286,413
-	-	-	-	-	-	-	-	1,530	-	20,978
-	3,779	-	-	-	-	-	-	-	-	15,967
-	-	-	-	-	-	-	-	-	31,613	85,965
-	-	-	-	-	-	2,880	-	-	113,054	265,595
-	38,820	-	-	-	-	-	-	-	408,337	447,157
<u>33,600</u>	<u>42,599</u>	<u>914</u>	<u>310</u>	<u>22,393</u>	<u>-</u>	<u>20,063</u>	<u>-</u>	<u>1,601</u>	<u>621,800</u>	<u>1,122,075</u>
-	-	-	-	-	-	-	-	-	-	113,480
-	-	-	-	-	-	-	-	-	-	113,480
319,776	-	289,448	431,050	1,173,366	-	379,733	26,309	607,964	3,410,504	13,584,680
-	-	-	-	-	-	-	-	-	-	(4,691)
<u>319,776</u>	<u>-</u>	<u>289,448</u>	<u>431,050</u>	<u>1,173,366</u>	<u>-</u>	<u>379,733</u>	<u>26,309</u>	<u>607,964</u>	<u>3,410,504</u>	<u>13,579,989</u>
<u>\$ 353,376</u>	<u>\$ 42,599</u>	<u>\$ 290,362</u>	<u>\$ 431,360</u>	<u>\$ 1,195,759</u>	<u>\$ -</u>	<u>\$ 399,796</u>	<u>\$ 26,309</u>	<u>\$ 609,565</u>	<u>\$ 4,032,304</u>	<u>\$ 14,815,544</u>

CITY OF CULVER CITY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Fiscal Year Ended June 30, 2015

	Gas Tax Fund	Proposition A Local Return Fund	Proposition C Local Return Fund	Measure R Fund	Proposition 1B Fund	Operating Grants Fund	Section 8 Housing Fund	Art in Public Places Fund
Revenues:								
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 144,584
Intergovernmental	1,024,344	693,440	576,311	431,491	-	1,103,328	1,369,378	-
Charges for services	-	-	-	-	-	5,776	-	-
Investment income (expense)	11,691	6,628	7,711	983	-	1,145	(43)	10,208
Miscellaneous	-	-	-	-	-	54,165	3,300	-
Total revenues	1,036,035	700,068	584,022	432,474	-	1,164,414	1,372,635	154,792
Expenditures:								
Current:								
Parks, recreation and community services	-	-	-	-	-	293,105	-	-
Police	-	-	-	-	-	508,597	-	-
Fire	-	-	-	-	-	82,276	-	-
Community development	-	-	-	-	-	-	1,639,630	114,942
Public works	-	-	-	-	-	144,808	-	-
Transportation	-	-	-	-	-	265,260	-	-
Capital outlay	192,563	-	-	263,570	-	141,093	-	39,238
Debt service:								
Principal payments	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	192,563	-	-	263,570	-	1,435,139	1,639,630	154,180
Excess (deficiency) of revenues over (under) expenditures	843,472	700,068	584,022	168,904	-	(270,725)	(266,995)	612
Other financing sources (uses):								
Transfers in	-	-	-	-	2,369	194,251	-	-
Transfers out	(350,000)	(686,592)	(563,097)	(163,569)	-	-	-	-
Total other financing sources (uses)	(350,000)	(686,592)	(563,097)	(163,569)	2,369	194,251	-	-
Special items								
Net change in fund balances	493,472	13,476	20,925	5,335	2,369	(76,474)	(266,995)	612
Fund balances (deficits) at beginning of fiscal year	1,626,444	924,089	1,050,432	115,007	(2,369)	71,783	1,485,194	1,478,539
Fund balances (deficits) at end of fiscal year	\$ 2,119,916	\$ 937,565	\$ 1,071,357	\$ 120,342	\$ -	\$ (4,691)	\$ 1,218,199	\$ 1,479,151

Community Development Fund	CDBG Fund	Special Assessment Fund	Park Facilities Fund	Asset Seizure Fund	Housing Fund	Parking Authority Fund	Capital Grant Fund	Building Surcharge Fund	Economic Development Fund	Totals
\$ 239,792	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 193,899	\$ -	\$ 578,275
-	28,491	-	-	331,903	-	-	-	-	-	5,558,686
-	-	90,772	43,188	-	-	333,056	-	-	1,181,317	1,654,109
1,381	-	1,325	2,927	7,409	-	2,129	177	3,778	151,478	208,927
-	-	-	-	7,810	-	-	-	-	147,209	212,484
<u>241,173</u>	<u>28,491</u>	<u>92,097</u>	<u>46,115</u>	<u>347,122</u>	<u>-</u>	<u>335,185</u>	<u>177</u>	<u>197,677</u>	<u>1,480,004</u>	<u>8,212,481</u>
-	28,491	-	-	-	-	-	-	-	-	321,596
-	-	-	-	52,093	-	-	-	-	-	560,690
-	-	-	-	-	-	-	-	-	-	82,276
-	-	16,566	-	-	-	207,090	-	82,494	820,347	2,881,069
-	-	-	-	-	-	-	-	-	-	144,808
-	-	-	-	-	-	-	-	-	-	265,260
77,564	-	-	60,424	85,411	-	-	-	663	-	860,526
-	-	-	-	-	-	-	-	-	205,510	205,510
-	-	-	-	-	-	-	-	-	7,353	7,353
<u>77,564</u>	<u>28,491</u>	<u>16,566</u>	<u>60,424</u>	<u>137,504</u>	<u>-</u>	<u>207,090</u>	<u>-</u>	<u>83,157</u>	<u>1,033,210</u>	<u>5,329,088</u>
<u>163,609</u>	<u>-</u>	<u>75,531</u>	<u>(14,309)</u>	<u>209,618</u>	<u>-</u>	<u>128,095</u>	<u>177</u>	<u>114,520</u>	<u>446,794</u>	<u>2,883,393</u>
-	-	-	-	-	-	-	-	-	-	196,620
-	-	-	-	-	(7,584)	-	-	-	-	(1,770,842)
-	-	-	-	-	(7,584)	-	-	-	-	(1,574,222)
-	-	-	-	-	-	-	-	-	(2,176,685)	(2,176,685)
163,609	-	75,531	(14,309)	209,618	(7,584)	128,095	177	114,520	(1,729,891)	(867,514)
156,167	-	213,917	445,359	963,748	7,584	251,638	26,132	493,444	5,140,395	14,447,503
<u>\$ 319,776</u>	<u>\$ -</u>	<u>\$ 289,448</u>	<u>\$ 431,050</u>	<u>\$ 1,173,366</u>	<u>\$ -</u>	<u>\$ 379,733</u>	<u>\$ 26,309</u>	<u>\$ 607,964</u>	<u>\$ 3,410,504</u>	<u>\$ 13,579,989</u>

CITY OF CULVER CITY
Gas Tax - Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Fiscal Year Ended June 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 1,039,743	\$ 1,024,344	\$ (15,399)
Investment income	10,000	11,691	1,691
Total revenues	<u>1,049,743</u>	<u>1,036,035</u>	<u>(13,708)</u>
Expenditures:			
Capital outlay	<u>2,146,809</u>	<u>192,563</u>	<u>1,954,246</u>
Total expenditures	<u>2,146,809</u>	<u>192,563</u>	<u>1,954,246</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,097,066)</u>	<u>843,472</u>	<u>1,940,538</u>
Other financing sources (uses):			
Transfers out	<u>(350,000)</u>	<u>(350,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(350,000)</u>	<u>(350,000)</u>	<u>-</u>
Net change in fund balance	(1,447,066)	493,472	1,940,538
Fund balance at beginning of fiscal year	<u>1,626,444</u>	<u>1,626,444</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 179,378</u>	<u>\$ 2,119,916</u>	<u>\$ 1,940,538</u>

CITY OF CULVER CITY
 Proposition A Local Return - Special Revenue Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance- Positive (Negative)
Revenues:			
Intergovernmental	\$ 686,592	\$ 693,440	\$ 6,848
Investment income	7,000	6,628	(372)
Total revenues	<u>693,592</u>	<u>700,068</u>	<u>6,476</u>
Excess (deficiency) of revenues over (under) expenditures	<u>693,592</u>	<u>700,068</u>	<u>6,476</u>
Other financing sources (uses):			
Transfers out	<u>(686,592)</u>	<u>(686,592)</u>	<u>-</u>
Total other financing sources (uses)	<u>(686,592)</u>	<u>(686,592)</u>	<u>-</u>
Net change in fund balance	7,000	13,476	6,476
Fund balance at beginning of fiscal year	<u>924,089</u>	<u>924,089</u>	<u>-</u>
Fund balance at end of fiscal year	<u><u>\$ 931,089</u></u>	<u><u>\$ 937,565</u></u>	<u><u>\$ 6,476</u></u>

CITY OF CULVER CITY
Proposition C Local Return - Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Fiscal Year Ended June 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 569,510	\$ 576,311	\$ 6,801
Investment income	<u>8,000</u>	<u>7,711</u>	<u>(289)</u>
Total revenues	<u>577,510</u>	<u>584,022</u>	<u>6,512</u>
Expenditures:			
Capital outlay	<u>78,081</u>	<u>-</u>	<u>78,081</u>
Total expenditures	<u>78,081</u>	<u>-</u>	<u>78,081</u>
Excess (deficiency) of revenues over (under) expenditures	<u>499,429</u>	<u>584,022</u>	<u>84,593</u>
Other financing sources (uses):			
Transfers out	<u>(569,510)</u>	<u>(563,097)</u>	<u>6,413</u>
Total other financing sources (uses)	<u>(569,510)</u>	<u>(563,097)</u>	<u>6,413</u>
Net change in fund balance	(70,081)	20,925	91,006
Fund balance at beginning of fiscal year	<u>1,050,432</u>	<u>1,050,432</u>	<u>-</u>
Fund balance at end of fiscal year	<u><u>\$ 980,351</u></u>	<u><u>\$ 1,071,357</u></u>	<u><u>\$ 91,006</u></u>

CITY OF CULVER CITY
Measure R - Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance- Positive (Negative)
Revenues:			
Intergovernmental	\$ 1,500,000	\$ 431,491	\$ (1,068,509)
Investment income	-	983	983
Total revenues	<u>1,500,000</u>	<u>432,474</u>	<u>(1,067,526)</u>
Expenditures:			
Capital outlay	<u>337,570</u>	<u>263,570</u>	<u>74,000</u>
Total expenditures	<u>337,570</u>	<u>263,570</u>	<u>74,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,162,430</u>	<u>168,904</u>	<u>(993,526)</u>
Other financing sources (uses):			
Transfers out	<u>(206,000)</u>	<u>(163,569)</u>	<u>42,431</u>
Total other financing sources (uses)	<u>(206,000)</u>	<u>(163,569)</u>	<u>42,431</u>
Net change in fund balance	956,430	5,335	(951,095)
Fund balance at beginning of fiscal year	<u>115,007</u>	<u>115,007</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 1,071,437</u>	<u>\$ 120,342</u>	<u>\$ (951,095)</u>

CITY OF CULVER CITY
Operating Grants - Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Fiscal Year Ended June 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 1,208,936	\$ 1,103,328	\$ (105,608)
Charges for services	5,500	5,776	276
Investment income	-	1,145	1,145
Miscellaneous	<u>80,827</u>	<u>54,165</u>	<u>(26,662)</u>
Total revenues	<u>1,295,263</u>	<u>1,164,414</u>	<u>(130,849)</u>
Expenditures:			
Current:			
Parks, recreation, and community services	350,142	293,105	57,037
Police	275,689	508,597	(232,908)
Fire	96,434	82,276	14,158
Public works	268,629	144,808	123,821
Transportation	318,268	265,260	53,008
Capital outlay	<u>211,784</u>	<u>141,093</u>	<u>70,691</u>
Total expenditures	<u>1,520,946</u>	<u>1,435,139</u>	<u>85,807</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(225,683)</u>	<u>(270,725)</u>	<u>(45,042)</u>
Other financing sources (uses):			
Transfers in	<u>171,501</u>	<u>194,251</u>	<u>22,750</u>
Total other financing sources (uses)	<u>171,501</u>	<u>194,251</u>	<u>22,750</u>
Net change in fund balance	(54,182)	(76,474)	(22,292)
Fund balance (deficits) at beginning of fiscal year	<u>71,783</u>	<u>71,783</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 17,601</u>	<u>\$ (4,691)</u>	<u>\$ (22,292)</u>

CITY OF CULVER CITY
Section 8 Housing - Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance- Positive (Negative)
Revenues:			
Intergovernmental	\$ 1,826,620	\$ 1,369,378	\$ (457,242)
Investment income	-	(43)	(43)
Miscellaneous	600	3,300	2,700
Total revenues	<u>1,827,220</u>	<u>1,372,635</u>	<u>(454,585)</u>
Expenditures:			
Current:			
Community development	<u>1,988,923</u>	<u>1,639,630</u>	<u>349,293</u>
Total expenditures	<u>1,988,923</u>	<u>1,639,630</u>	<u>349,293</u>
Net change in fund balance	(161,703)	(266,995)	(105,292)
Fund balance at beginning of fiscal year	<u>1,485,194</u>	<u>1,485,194</u>	<u>-</u>
Fund balance at end of fiscal year	<u><u>\$ 1,323,491</u></u>	<u><u>\$ 1,218,199</u></u>	<u><u>\$ (105,292)</u></u>

CITY OF CULVER CITY
 Art in Public Places - Special Revenue Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 Fiscal Year Ended June 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>
Revenues:			
Licenses and permits	\$ 400,000	\$ 144,584	\$ (255,416)
Investment income	11,000	10,208	(792)
	<u>411,000</u>	<u>154,792</u>	<u>(256,208)</u>
Total revenues			
Expenditures:			
Current:			
Community development	287,791	114,942	172,849
Capital outlay	<u>206,900</u>	<u>39,238</u>	<u>167,662</u>
	<u>494,691</u>	<u>154,180</u>	<u>340,511</u>
Total expenditures			
Net change in fund balance	(83,691)	612	84,303
Fund balance at beginning of fiscal year	<u>1,478,539</u>	<u>1,478,539</u>	<u>-</u>
Fund balance at end of fiscal year	<u><u>\$ 1,394,848</u></u>	<u><u>\$ 1,479,151</u></u>	<u><u>\$ 84,303</u></u>

CITY OF CULVER CITY
Community Development - Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance- Positive (Negative)
Revenues:			
Licenses and permits	\$ -	\$ 239,792	\$ 239,792
Investment income	-	1,381	1,381
Total revenues	<u>-</u>	<u>241,173</u>	<u>241,173</u>
Expenditures:			
Capital outlay	<u>127,017</u>	<u>77,564</u>	<u>49,453</u>
Total expenditures	<u>127,017</u>	<u>77,564</u>	<u>49,453</u>
Net change in fund balance	(127,017)	163,609	290,626
Fund balance at beginning of fiscal year	<u>156,167</u>	<u>156,167</u>	<u>-</u>
Fund balance at end of fiscal year	<u><u>\$ 29,150</u></u>	<u><u>\$ 319,776</u></u>	<u><u>\$ 290,626</u></u>

CITY OF CULVER CITY
CDBG - Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Fiscal Year Ended June 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 28,491	\$ 28,491	\$ -
Total revenues	<u>28,491</u>	<u>28,491</u>	<u>-</u>
Expenditures:			
Current:			
Parks, recreation, and community services	<u>25,736</u>	<u>28,491</u>	<u>(2,755)</u>
Total expenditures	<u>25,736</u>	<u>28,491</u>	<u>(2,755)</u>
Net change in fund balance	2,755	-	(2,755)
Fund balance at beginning of fiscal year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 2,755</u>	<u>\$ -</u>	<u>\$ (2,755)</u>

CITY OF CULVER CITY
Special Assessment - Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Fiscal Year Ended June 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>
Revenues:			
Charges for services	\$ 99,792	\$ 90,772	\$ (9,020)
Investment income	<u>1,000</u>	<u>1,325</u>	<u>325</u>
Total revenues	<u>100,792</u>	<u>92,097</u>	<u>(8,695)</u>
Expenditures:			
Current:			
Community development	<u>129,231</u>	<u>16,566</u>	<u>112,665</u>
Total expenditures	<u>129,231</u>	<u>16,566</u>	<u>112,665</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(28,439)</u>	<u>75,531</u>	<u>103,970</u>
Other financing sources (uses):			
Transfers out	<u>(124,832)</u>	<u>-</u>	<u>124,832</u>
Total other financing sources and uses	<u>(124,832)</u>	<u>-</u>	<u>124,832</u>
Net change in fund balance	(153,271)	75,531	228,802
Fund balance at beginning of fiscal year	<u>213,917</u>	<u>213,917</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 60,646</u>	<u>\$ 289,448</u>	<u>\$ 228,802</u>

CITY OF CULVER CITY
 Park Facilities - Special Revenue Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance- Positive (Negative)
Revenues:			
Charges for services	\$ -	\$ 43,188	\$ 43,188
Investment income	3,000	2,927	(73)
Total revenues	<u>3,000</u>	<u>46,115</u>	<u>43,115</u>
Expenditures:			
Capital outlay	356,406	60,424	295,982
Total expenditures	<u>356,406</u>	<u>60,424</u>	<u>295,982</u>
Net change in fund balance	(353,406)	(14,309)	339,097
Fund balance at beginning of fiscal year	<u>445,359</u>	<u>445,359</u>	<u>-</u>
Fund balance at end of fiscal year	<u><u>\$ 91,953</u></u>	<u><u>\$ 431,050</u></u>	<u><u>\$ 339,097</u></u>

CITY OF CULVER CITY
 Asset Seizure - Special Revenue Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance- Positive (Negative)
Revenues:			
Intergovernmental	\$ 148,841	\$ 331,903	\$ 183,062
Investment income	-	7,409	7,409
Miscellaneous	-	7,810	7,810
	<u>148,841</u>	<u>347,122</u>	<u>198,281</u>
Total revenues			
Expenditures:			
Current:			
Police	63,650	52,093	11,557
Capital outlay	85,191	85,411	(220)
	<u>148,841</u>	<u>137,504</u>	<u>11,337</u>
Total expenditures			
	-	209,618	209,618
Net change in fund balance			
Fund balance at beginning of fiscal year	<u>963,748</u>	<u>963,748</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 963,748</u>	<u>\$ 1,173,366</u>	<u>\$ 209,618</u>

CITY OF CULVER CITY
 Parking Authority - Special Revenue Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance- Positive (Negative)
Revenues:			
Charges for services	\$ 275,000	\$ 333,056	\$ 58,056
Investment income	-	2,129	2,129
Total revenues	<u>275,000</u>	<u>335,185</u>	<u>60,185</u>
Expenditures:			
Current:			
Community development	<u>396,922</u>	<u>207,090</u>	<u>189,832</u>
Total expenditures	<u>396,922</u>	<u>207,090</u>	<u>189,832</u>
Net change in fund balance	(121,922)	128,095	250,017
Fund balance at beginning of fiscal year	<u>251,638</u>	<u>251,638</u>	-
Fund balance at end of fiscal year	<u><u>\$ 129,716</u></u>	<u><u>\$ 379,733</u></u>	<u><u>\$ 250,017</u></u>

CITY OF CULVER CITY
 Building Surcharge - Special Revenue Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance- Positive (Negative)
Revenues:			
Licenses and permits	\$ 170,000	\$ 193,899	\$ 23,899
Investment income	4,000	3,778	(222)
Total revenues	<u>174,000</u>	<u>197,677</u>	<u>23,677</u>
Expenditures:			
Current:			
Community development	289,190	82,494	206,696
Capital outlay	108,298	663	107,635
Total expenditures	<u>397,488</u>	<u>83,157</u>	<u>314,331</u>
Net change in fund balance	(223,488)	114,520	338,008
Fund balance at beginning of fiscal year	<u>493,444</u>	<u>493,444</u>	-
Fund balance at end of fiscal year	<u>\$ 269,956</u>	<u>\$ 607,964</u>	<u>\$ 338,008</u>

CITY OF CULVER CITY
Economic Development Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Fiscal Year Ended June 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>
Revenues:			
Charges for services	\$ 723,000	\$ 1,181,317	\$ 458,317
Investment income	8,000	151,478	143,478
Miscellaneous	<u>-</u>	<u>147,209</u>	<u>147,209</u>
Total revenues	<u>731,000</u>	<u>1,480,004</u>	<u>749,004</u>
Current:			
Community development	1,378,288	820,347	557,941
Debt service:			
Principal payments	-	205,510	(205,510)
Interest and fiscal charges	<u>-</u>	<u>7,353</u>	<u>(7,353)</u>
Total expenditures	<u>1,378,288</u>	<u>1,033,210</u>	<u>345,078</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(647,288)</u>	<u>446,794</u>	<u>1,094,082</u>
Special items	<u>-</u>	<u>(2,176,685)</u>	<u>(2,176,685)</u>
Net change in fund balances	(647,288)	(1,729,891)	(1,082,603)
Fund balance at beginning of fiscal year	<u>5,140,395</u>	<u>5,140,395</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 4,493,107</u>	<u>\$ 3,410,504</u>	<u>\$ (1,082,603)</u>

MAJOR AND NON-MAJOR CAPITAL PROJECTS FUNDS

Major Funds:

Capital Improvement and Acquisition Fund is used to account for capital projects that are not otherwise funded by a special revenue fund or other specifically identified by the source of funding. Project funding is mainly from general revenues allocated by action of the City Council.

Capital Improvement Grants Fund is used to account for grant funds awarded to the City by federal, state and local grant agencies for capital improvements, and the qualified expenditure of these restricted funds.

Nonmajor Funds:

Parking Improvement Fund is used to account for revenues from parking meter collections and other parking lots owned and operated by the City. These funds are used for parking related operations and major parking improvements by action of the City Council.

CDBG Capital Grants Fund is used to account for Community Development Block Grant (CDBG) funds, and the qualified expenditures of these restricted funds for capital improvement projects.

2002 Cooperative Fund is used to account for former Redevelopment Agency tax exempt bond proceeds received from the 2002 Tax Allocation Bond Issue. These funds were transferred to the City under the 2011 Cooperation and Implementation Agreement (Agreement) and may only be used for qualified capital projects identified in the Agreement.

2004 Cooperative Fund is used to account for former Redevelopment Agency tax exempt bond proceeds received from the 2004 Tax Allocation Bond Issue. These funds were transferred to the City under the 2011 Cooperation and Implementation Agreement (Agreement) and may only be used for qualified capital projects identified in the Agreement.

2011 Cooperative Fund is used to account for former Redevelopment Agency tax exempt bond proceeds received from the 2011 Series A Tax Allocation Capital Appreciation Bond Issue. These funds were transferred to the City under the 2011 Cooperation and Implementation Agreement (Agreement) and may only be used for qualified capital projects identified in the Agreement.

2011 Bond Fund is used to account for former Redevelopment Agency taxable bond proceeds received from the 2011 Series B Taxable Tax Allocation Bond Issue. These funds were transferred to the City under the 2011 Cooperation and Implementation Agreement (Agreement) and may only be used for qualified capital projects identified in the Agreement.

Cooperative Projects Fund is used to account for former Redevelopment Agency unrestricted tax increment funds. These funds were transferred to the City under the 2011 Cooperation and Implementation Agreement (Agreement) and may only be used for qualified capital projects identified in the Agreement.

1993 Tax-Exempt Bonds Fund is used to account for former Redevelopment Agency tax exempt bond proceeds received from the 1993 Tax Allocation Bond Issue. These funds were transferred to the City under a Master Agreement with the Successor Agency and may only be used for qualified capital projects.

CITY OF CULVER CITY
 Capital Improvement and Acquisition - Capital Projects Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance- Positive (Negative)
Revenues:			
Investment income	\$ 411,000	\$ 397,291	\$ (13,709)
Miscellaneous	<u>1,620,181</u>	<u>294,098</u>	<u>(1,326,083)</u>
Total revenues	<u>2,031,181</u>	<u>691,389</u>	<u>(1,339,792)</u>
Expenditures:			
Current:			
Police	212,112	211,745	367
Capital outlay	<u>7,851,711</u>	<u>3,365,682</u>	<u>4,486,029</u>
Total expenditures	<u>8,063,823</u>	<u>3,577,427</u>	<u>4,486,396</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,032,642)</u>	<u>(2,886,038)</u>	<u>3,146,604</u>
Other financing sources (uses):			
Transfers in	3,133,934	3,085,634	(48,300)
Transfers out	<u>-</u>	<u>(2,369)</u>	<u>(2,369)</u>
Total other financing sources (uses)	<u>3,133,934</u>	<u>3,083,265</u>	<u>(50,669)</u>
Net change in fund balance	(2,898,708)	197,227	3,095,935
Fund balance at beginning of fiscal year	<u>2,541,439</u>	<u>2,541,439</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ (357,269)</u>	<u>\$ 2,738,666</u>	<u>\$ 3,095,935</u>

CITY OF CULVER CITY
 Capital Improvement Grants - Capital Projects Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance- Positive (Negative)
Revenues:			
Intergovernmental	\$ 6,346,330	\$ 1,916,044	\$ (4,430,286)
Total revenues	<u>6,346,330</u>	<u>1,916,044</u>	<u>(4,430,286)</u>
Expenditures:			
Current:			
Public works	201,170	43,214	157,956
Capital outlay	<u>5,458,245</u>	<u>1,931,323</u>	<u>3,526,922</u>
Total expenditures	<u>5,659,415</u>	<u>1,974,537</u>	<u>3,684,878</u>
Net changes in fund balance	686,915	(58,493)	(745,408)
Fund balance (deficit) at beginning of fiscal year	<u>(1,768,910)</u>	<u>(1,768,910)</u>	<u>-</u>
Fund balance (deficit) at end of fiscal year	<u>\$ (1,081,995)</u>	<u>\$ (1,827,403)</u>	<u>\$ (745,408)</u>

CITY OF CULVER CITY
Combining Balance Sheet
Non-Major Capital Projects Funds
June 30, 2015

-

	Parking Improvement Fund	CDBG Capital Fund	2002 Cooperative Fund	2004 Cooperative Fund
<u>Assets</u>				
Cash and investments	\$ 2,464,858	\$ -	\$ 13,936,856	\$ 2,766,369
Receivables:				
Accounts	23,950	-	-	-
Interest	5,803	-	33,598	6,680
Land held for resale	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 2,494,611</u>	<u>\$ -</u>	<u>\$ 13,970,454</u>	<u>\$ 2,773,049</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 16,470	\$ -	\$ 234	\$ -
Due to other funds	-	-	-	-
Deposits payable	15,600	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>32,070</u>	<u>-</u>	<u>234</u>	<u>-</u>
Fund balances:				
Restricted	-	-	13,970,220	2,773,049
Assigned	2,462,541	-	-	-
Unassigned	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances (deficit)	<u>2,462,541</u>	<u>-</u>	<u>13,970,220</u>	<u>2,773,049</u>
	<u>\$ 2,494,611</u>	<u>\$ -</u>	<u>\$ 13,970,454</u>	<u>\$ 2,773,049</u>

2011 Cooperative Fund	2011 Bond Fund	Cooperative Projects Fund	1993 Tax Exempt Bonds Fund	Totals
\$ -	\$ 797,724	\$ 1,098,603	\$ -	\$ 21,064,410
-	-	-	-	23,950
-	1,960	2,586	-	50,627
-	13,169,847	4,994,149	-	18,163,996
<u>\$ -</u>	<u>\$ 13,969,531</u>	<u>\$ 6,095,338</u>	<u>\$ -</u>	<u>\$ 39,302,983</u>
\$ -	\$ -	\$ 321	\$ 3,486	\$ 20,511
803,702	-	-	-	803,702
-	-	-	-	15,600
<u>803,702</u>	<u>-</u>	<u>321</u>	<u>3,486</u>	<u>839,813</u>
-	13,969,531	6,095,017	-	36,807,817
-	-	-	-	2,462,541
(803,702)	-	-	(3,486)	(807,188)
<u>(803,702)</u>	<u>13,969,531</u>	<u>6,095,017</u>	<u>(3,486)</u>	<u>38,463,170</u>
<u>\$ -</u>	<u>\$ 13,969,531</u>	<u>\$ 6,095,338</u>	<u>\$ -</u>	<u>\$ 39,302,983</u>

CITY OF CULVER CITY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Capital Projects Funds
Fiscal Year Ended June 30, 2015

	Parking Improvement Fund	CDBG Capital Fund	2002 Cooperative Fund	2004 Cooperative Fund
Revenues:				
Licenses and permits	\$ 301,129	\$ -	\$ -	\$ -
Intergovernmental	-	150,821	-	-
Charges for services	1,467,283	-	-	-
Investment income	13,424	-	94,241	18,739
Miscellaneous	-	-	-	-
Total revenues	<u>1,781,836</u>	<u>150,821</u>	<u>94,241</u>	<u>18,739</u>
Expenditures:				
Current:				
General government	-	-	-	-
Capital outlay	49,019	-	16,689	-
Debt service:				
Principal payments	-	130,000	-	-
Interest and other charges	-	4,167	-	-
Total expenditures	<u>49,019</u>	<u>134,167</u>	<u>16,689</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,732,817</u>	<u>16,654</u>	<u>77,552</u>	<u>18,739</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	<u>(900,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(900,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special items - Cooperative Agreement	<u>-</u>	<u>-</u>	<u>(46,955)</u>	<u>(16,430)</u>
Net change in fund balances	832,817	16,654	30,597	2,309
Fund balances (deficits) at beginning of fiscal year	<u>1,629,724</u>	<u>(16,654)</u>	<u>13,939,623</u>	<u>2,770,740</u>
Fund balances (deficit) at end of fiscal year	<u>\$ 2,462,541</u>	<u>\$ -</u>	<u>\$ 13,970,220</u>	<u>\$ 2,773,049</u>

2011 Cooperative Fund	2011 Bond Fund	Cooperative Projects Fund	1993 Tax Exempt Bonds Fund	Totals
\$ -	\$ -	\$ -	\$ -	\$ 301,129
-	-	-	-	150,821
-	-	-	-	1,467,283
2,054	5,949	241,877	-	376,284
-	-	11,000	-	11,000
<u>2,054</u>	<u>5,949</u>	<u>252,877</u>	<u>-</u>	<u>2,306,517</u>
800,000	-	3,000,000	-	3,800,000
-	-	33,742	3,486	102,936
-	-	-	-	130,000
-	-	-	-	4,167
<u>800,000</u>	<u>-</u>	<u>3,033,742</u>	<u>3,486</u>	<u>4,037,103</u>
<u>(797,946)</u>	<u>5,949</u>	<u>(2,780,865)</u>	<u>(3,486)</u>	<u>(1,730,586)</u>
25,933	-	-	-	25,933
-	(25,933)	-	-	(925,933)
<u>25,933</u>	<u>(25,933)</u>	<u>-</u>	<u>-</u>	<u>(900,000)</u>
<u>(9,197,372)</u>	<u>(1,096,493)</u>	<u>-</u>	<u>-</u>	<u>(10,357,250)</u>
(9,969,385)	(1,116,477)	(2,780,865)	(3,486)	(12,987,836)
<u>9,165,683</u>	<u>15,086,008</u>	<u>8,875,882</u>	<u>-</u>	<u>51,451,006</u>
<u>\$ (803,702)</u>	<u>\$ 13,969,531</u>	<u>\$ 6,095,017</u>	<u>\$ (3,486)</u>	<u>\$ 38,463,170</u>

CITY OF CULVER CITY
 Parking Improvement - Capital Projects Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance- Positive (Negative)
Revenues:			
Licenses and permits	\$ 216,500	\$ 301,129	\$ 84,629
Charges for services	1,177,000	1,467,283	290,283
Investment income	10,000	13,424	3,424
Total revenues	<u>1,403,500</u>	<u>1,781,836</u>	<u>378,336</u>
Expenditures:			
Capital outlay	<u>1,103,245</u>	<u>49,019</u>	<u>1,054,226</u>
Total expenditures	<u>1,103,245</u>	<u>49,019</u>	<u>1,054,226</u>
Excess (deficiency) of revenues over (under) expenditures	<u>300,255</u>	<u>1,732,817</u>	<u>1,432,562</u>
Other financing sources (uses):			
Transfers out	<u>(900,000)</u>	<u>(900,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(900,000)</u>	<u>(900,000)</u>	<u>-</u>
Net change in fund balance	(599,745)	832,817	1,432,562
Fund balance at beginning of fiscal year	<u>1,629,724</u>	<u>1,629,724</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 1,029,979</u>	<u>\$ 2,462,541</u>	<u>\$ 1,432,562</u>

CITY OF CULVER CITY
CDBG Capital - Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Fiscal Year Ended June 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 209,747	\$ 150,821	\$ (58,926)
Total revenues	<u>209,747</u>	<u>150,821</u>	<u>(58,926)</u>
Expenditures:			
Capital outlay	21,127	-	21,127
Debt service:			
Principal payments	135,000	130,000	5,000
Interest and other charges	<u>29,602</u>	<u>4,167</u>	<u>25,435</u>
Total expenditures	<u>185,729</u>	<u>134,167</u>	<u>51,562</u>
Net change in fund balance	24,018	16,654	(7,364)
Fund balance at beginning of fiscal year	<u>(16,654)</u>	<u>(16,654)</u>	-
Fund balance (deficit) at end of fiscal year	<u><u>\$ 7,364</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (7,364)</u></u>

CITY OF CULVER CITY
2002 Cooperative - Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance- Positive (Negative)
Revenues:			
Investment income	\$ 118,080	\$ 94,241	\$ (23,839)
Total revenues	<u>118,080</u>	<u>94,241</u>	<u>(23,839)</u>
Expenditures:			
Capital outlay	16,550,000	16,689	16,533,311
Total expenditures	<u>16,550,000</u>	<u>16,689</u>	<u>16,533,311</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,431,920)</u>	<u>77,552</u>	<u>16,509,472</u>
Special items - Cooperative Agreement	<u>-</u>	<u>(46,955)</u>	<u>(46,955)</u>
Net change in fund balance	(16,431,920)	30,597	16,462,517
Fund balance at beginning of fiscal year	<u>13,939,623</u>	<u>13,939,623</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ (2,492,297)</u>	<u>\$ 13,970,220</u>	<u>\$ 16,462,517</u>

CITY OF CULVER CITY
 2004 Cooperative - Capital Projects Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 Fiscal Year Ended June 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>
Revenues:			
Investment income	\$ 49,537	\$ 18,739	\$ (30,798)
Total revenues	<u>49,537</u>	<u>18,739</u>	<u>(30,798)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>49,537</u>	<u>18,739</u>	<u>(30,798)</u>
Special items - Cooperative Agreement	<u>-</u>	<u>(16,430)</u>	<u>(16,430)</u>
Net change in fund balance	49,537	2,309	(47,228)
Fund balance at beginning of fiscal year	<u>2,770,740</u>	<u>2,770,740</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 2,820,277</u>	<u>\$ 2,773,049</u>	<u>\$ (47,228)</u>

CITY OF CULVER CITY
 2011 Cooperative - Capital Projects Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance- Positive (Negative)
Revenues:			
Investment income	\$ 3,175	\$ 2,054	\$ (1,121)
Total revenues	<u>3,175</u>	<u>2,054</u>	<u>(1,121)</u>
Expenditures:			
Current:			
General government	-	800,000	(800,000)
Total expenditures	<u>-</u>	<u>800,000</u>	<u>(800,000)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,175</u>	<u>(797,946)</u>	<u>(801,121)</u>
Other financing sources (uses):			
Transfers in	-	25,933	25,933
Total other financing sources (uses)	<u>-</u>	<u>25,933</u>	<u>25,933</u>
Special items - Cooperative Agreement	<u>-</u>	<u>(9,197,372)</u>	<u>(9,197,372)</u>
Net change in fund balances	3,175	(9,969,385)	(9,972,560)
Fund balance at beginning of fiscal year	<u>9,165,683</u>	<u>9,165,683</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 9,168,858</u>	<u>\$ (803,702)</u>	<u>\$ (9,972,560)</u>

CITY OF CULVER CITY
 2011 Bond - Capital Projects Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance- Positive (Negative)
Revenues:			
Investment income	\$ 9,690	\$ 5,949	\$ (3,741)
Total revenues	<u>9,690</u>	<u>5,949</u>	<u>(3,741)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,690</u>	<u>5,949</u>	<u>(3,741)</u>
Other financing sources (uses):			
Transfers out	<u>-</u>	<u>(25,933)</u>	<u>(25,933)</u>
Total other financing sources (uses)	<u>-</u>	<u>(25,933)</u>	<u>(25,933)</u>
Special items - Cooperative Agreement		<u>(1,096,493)</u>	<u>(1,096,493)</u>
Net change in fund balance	9,690	(1,116,477)	(1,126,167)
Fund balance at beginning of fiscal year	<u>15,086,008</u>	<u>15,086,008</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 15,095,698</u>	<u>\$ 13,969,531</u>	<u>\$ (1,126,167)</u>

CITY OF CULVER CITY
 Cooperative Projects Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 Fiscal Year Ended June 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>
Revenues:			
Investment income	\$ 35,309	\$ 241,877	\$ 206,568
Miscellaneous	<u>4,202,000</u>	<u>11,000</u>	<u>(4,191,000)</u>
Total revenues	<u>4,237,309</u>	<u>252,877</u>	<u>(3,984,432)</u>
Expenditures:			
Current:			
General government	-	3,000,000	(3,000,000)
Capital outlay	<u>602,914</u>	<u>33,742</u>	<u>569,172</u>
Total expenditures	<u>602,914</u>	<u>3,033,742</u>	<u>(2,430,828)</u>
Net change in fund balance	3,634,395	(2,780,865)	(6,415,260)
Fund balance at beginning of fiscal year	<u>8,875,882</u>	<u>8,875,882</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 12,510,277</u>	<u>\$ 6,095,017</u>	<u>\$ (6,415,260)</u>

INTERNAL SERVICE FUNDS

Equipment Replacement Fund – used to hold annual replacement payments from designated user departments and to use those funds to purchase equipment for general City purposes.

Fleet Maintenance Fund – accounts for all activities of the City’s central fleet maintenance operations, the costs of which are distributed among the designated user departments.

Risk Management Fund – receives and disburses funds pertaining to the public liability and workers’ compensation insurance programs. It also funds the Employee Disability (IOD) program for employee long-term work-related disabilities.

Central Stores Fund – accounts for the timely purchase of needed materials, supplies and auto parts in advance of actual need. Departments are billed as items are issued for use.

CITY OF CULVER CITY
Internal Service Funds
Combining Statement of Net Position
June 30, 2015

	Equipment Replacement Fund	City Garage Fund	Risk Management Fund	Central Stores Fund	Totals
<u>Assets</u>					
Current Assets:					
Cash and investments	\$ 10,598,256	\$ 1,114,790	\$ 8,831,028	\$ -	\$ 20,544,074
Receivables:					
Accounts	56	14,767	4,865	65	19,753
Interest	25,206	2,427	21,060	-	48,693
Due from other funds	-	-	635	287	922
Due from other governments	-	-	627	-	627
Inventory	-	90,571	-	743,375	833,946
Total current assets	10,623,518	1,222,555	8,858,215	743,727	21,448,015
Noncurrent Assets:					
Machinery and equipment	23,234,332	279,283	47,789	-	23,561,404
Accumulated depreciation	(17,398,236)	(257,524)	(45,543)	-	(17,701,303)
Net machine and equipment	5,836,096	21,759	2,246	-	5,860,101
Other assets:					
Advances to other funds	149,975	-	-	-	149,975
Total other assets	149,975	-	-	-	149,975
Total assets	16,609,589	1,244,314	8,860,461	743,727	27,458,091
Deferred outflow of resources:					
Difference between projected and actual earnings on other post employment plan investments	-	14,060	2,795	-	16,855
City's pension contributions subsequent to the measurement date	-	460,354	172,632	-	632,986
Total deferred outflow of resources	-	474,414	175,427	-	649,841
<u>Liabilities</u>					
Current Liabilities:					
Accounts payable	883,398	168,388	54,342	71,570	1,177,698
Accrued wages payable	-	191,558	48,669	-	240,227
Due to other funds	-	-	-	702,541	702,541
Compensated absences payable	-	174,718	6	-	174,724
Claims and judgments payable	-	-	3,048,093	-	3,048,093
Total current liabilities	883,398	534,664	3,151,110	774,111	5,343,283
Noncurrent Liabilities:					
Compensated absences payable	-	597,443	15,232	-	612,675
Claims and judgments payable	-	-	12,506,746	-	12,506,746
Other post employment benefits	-	3,406,735	677,286	-	4,084,021
Net pension liability	-	5,194,587	1,947,971	-	7,142,558
Total noncurrent liabilities	-	9,198,765	15,147,235	-	24,346,000
Total liabilities	883,398	9,733,429	18,298,345	774,111	29,689,283
Deferred inflow of resources:					
Difference between projected and actual earnings on pension plan investments	-	986,184	369,819	-	1,356,003
Net position:					
Net investment in capital assets	5,836,096	21,759	2,246	-	5,860,101
Unrestricted	9,890,095	(9,022,644)	(9,634,522)	(30,384)	(8,797,455)
Total net position (deficit)	\$ 15,726,191	\$ (9,000,885)	\$ (9,632,276)	\$ (30,384)	\$ (2,937,354)

CITY OF CULVER CITY
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
Fiscal Year Ended June 30, 2015

	Equipment Replacement Fund	City Garage Fund	Risk Management Fund	Central Stores Fund	Totals
Operating revenues:					
Sales and service charges	\$ 1,548,009	\$ 7,817,836	\$ 6,750,820	\$ 1,350,400	\$ 17,467,065
Miscellaneous	33,967	-	11,213	-	45,180
Total revenues	1,581,976	7,817,836	6,762,033	1,350,400	17,512,245
Operating expenses:					
Salaries and benefits	-	4,472,420	1,127,377	-	5,599,797
Supplies	-	1,399,752	20,669	168,959	1,589,380
Repairs and maintenance	278,910	1,469,816	-	1,484,237	3,232,963
Insurance	-	90,414	1,949,198	-	2,039,612
Claims and settlements	-	-	2,194,731	-	2,194,731
Consulting and contract services	12,410	91,075	382,438	-	485,923
Depreciation	1,330,686	2,981	518	-	1,334,185
Total operating expenses	1,622,006	7,526,458	5,674,931	1,653,196	16,476,591
Operating income (loss)	(40,030)	291,378	1,087,102	(302,796)	1,035,654
Nonoperating revenues (expenses):					
Investment income (expenses)	82,735	4,826	53,878	-	141,439
Intergovernmental	-	440	627	-	1,067
Gain(loss) on sales of property	211	-	-	-	211
Total nonoperating revenues (expenses)	82,946	5,266	54,505	-	142,717
Income (loss) before transfers	42,916	296,644	1,141,607	(302,796)	1,178,371
Transfers:					
Transfers in	305,000	-	-	-	305,000
Total transfers	305,000	-	-	-	305,000
Change in net position	347,916	296,644	1,141,607	(302,796)	1,483,371
Net position (deficit) at beginning of fiscal year	15,378,275	(102,450)	(7,921,157)	272,412	7,627,080
Prior period adjustments	-	(9,195,079)	(2,852,726)	-	(12,047,805)
Net position (deficit) at beginning of fiscal year restated	15,378,275	(9,297,529)	(10,773,883)	272,412	(4,420,725)
Net position (deficit) at end of fiscal year	\$ 15,726,191	\$ (9,000,885)	\$ (9,632,276)	\$ (30,384)	\$ (2,937,354)

CITY OF CULVER CITY
Internal Service Funds
Combining Statement of Cash Flows
Fiscal Year Ended June 30, 2015

	Equipment Replacement Fund	City Garage Fund	Risk Management Fund	Central Stores Fund	Totals
Cash flows from operating activities:					
Cash received from user departments	\$ 1,562,478	\$ 7,815,072	\$ 6,745,328	\$ 1,350,335	\$ 17,473,213
Other operating revenue	33,967	-	11,213	-	45,180
Cash payments to suppliers for goods and services	592,078	(3,059,725)	(5,376,152)	(1,350,335)	(9,194,134)
Cash payments to employees	-	(4,355,601)	(1,136,025)	-	(5,491,626)
Net cash provided by (used for) operating activities	<u>2,188,523</u>	<u>399,746</u>	<u>244,364</u>	<u>-</u>	<u>2,832,633</u>
Cash flows from noncapital financing activities:					
Operating grants received	-	440	-	-	440
Transfers in	305,000	-	-	-	305,000
Net cash provided by (used for) noncapital financing activities	<u>305,000</u>	<u>440</u>	<u>-</u>	<u>-</u>	<u>305,440</u>
Cash flows from capital and related financing activities:					
Capital grants received	-	-	627	-	627
Cash paid for acquisition of capital assets	(1,861,138)	(16,745)	-	-	(1,877,883)
Advances from other funds	43,598	-	-	-	43,598
Proceeds from sale of capital assets	211	-	-	-	211
Net cash provided by (used for) capital and related financing activities	<u>(1,817,329)</u>	<u>(16,745)</u>	<u>627</u>	<u>-</u>	<u>(1,833,447)</u>
Cash flows from investing activities:					
Interest received (paid) on investments	77,990	3,217	49,821	-	131,028
Net cash provided (used) by investing activities	<u>77,990</u>	<u>3,217</u>	<u>49,821</u>	<u>-</u>	<u>131,028</u>
Net increase (decrease) in cash and cash equivalents	754,184	386,658	294,812	-	1,435,654
Cash and cash equivalents at beginning of fiscal year	9,844,072	728,132	8,536,216	-	19,108,420
Cash and cash equivalents at end of fiscal year	<u>\$ 10,598,256</u>	<u>\$ 1,114,790</u>	<u>\$ 8,831,028</u>	<u>\$ -</u>	<u>\$ 20,544,074</u>

CITY OF CULVER CITY
Internal Service Funds
Combining Statement of Cash Flows
Fiscal Year Ended June 30, 2015
(Continued)

	Equipment Replacement Fund	City Garage Fund	Risk Management Fund	Central Stores Fund	Totals
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ (40,030)	\$ 291,378	\$ 1,087,102	\$ (302,796)	\$ 1,035,654
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	1,330,686	2,981	518	-	1,334,185
(Increase) decrease in accounts receivable	14,469	(14,767)	(4,865)	(65)	(5,228)
(Increase) decrease in due from other governments	-	12,003	(627)	-	11,376
(Increase) decrease in inventory	-	16,911	-	37,431	54,342
Increase (decrease) in accounts payable	883,398	(25,579)	39,143	15,099	912,061
Increase (decrease) in accrued wages payable	-	19,535	17,007	-	36,542
Increase (decrease) in due to/from	-	-	1,125	250,331	251,456
Increase (decrease) in compensated absences	-	179,271	7,422	-	186,693
Increase (decrease) in claims and judgments payable	-	-	(869,384)	-	(869,384)
Increase (decrease) in other postemployment benefits	-	27,302	5,427	-	32,729
Increase (decrease) in net pension liability	-	(1,152,122)	(432,045)	-	(1,584,167)
(Increase) decrease in deferred outflow of resources - OPEB	-	(14,060)	(2,795)	-	(16,855)
(Increase) decrease in deferred outflow of resources - pension	-	70,709	26,517	-	97,226
Increase (decrease) in deferred inflow of resources - pension	-	986,184	369,819	-	1,356,003
Total adjustments	2,228,553	108,368	(842,738)	302,796	1,796,979
Net cash provided by (used for) operating activities	\$ 2,188,523	\$ 399,746	\$ 244,364	\$ -	\$ 2,832,633

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FIDUCIARY FUNDS

Successor Agency to the Culver City Redevelopment Agency Private Purpose Trust Fund – To account for the winding down of the former Redevelopment Agency, including disposition of real property held by the Agency and payment of enforceable obligations. Reflected in Basic Financial Statements section.

Treasurer's Trust – To account for refundable deposits entrusted with the City Treasurer / Finance Department.

Culver City Revitalization Corporation – A non-profit corporation created to allow certain funding to be expended on improvements to out-of-city properties adjacent to or abutting in-city properties in Component Area Number 2 of the Culver City Redevelopment Project Area.

CITY OF CULVER CITY
Fiduciary Funds
Combining Statement of Changes in Agency Assets and Liabilities
Fiscal Year Ended June 30, 2015

Revitalization Corporation

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
Assets				
Cash and investments	\$ 61,357	\$ -	\$ -	\$ 61,357
Total assets	<u>\$ 61,357</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,357</u>
Liabilities				
Deposits payable	\$ 61,357	\$ -	\$ -	\$ 61,357
Total liabilities	<u>\$ 61,357</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,357</u>

Treasurer's Trust

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
Assets				
Cash and investments	\$ 66,133	\$ 1,000	\$ (8,500)	\$ 58,633
Total assets	<u>\$ 66,133</u>	<u>\$ 1,000</u>	<u>\$ (8,500)</u>	<u>\$ 58,633</u>
Liabilities				
Deposits payable	\$ 66,133	\$ 1,000	\$ (8,500)	\$ 58,633
Total liabilities	<u>\$ 66,133</u>	<u>\$ 1,000</u>	<u>\$ (8,500)</u>	<u>\$ 58,633</u>

Total Agency Funds

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
Assets				
Cash and investments	\$ 127,490	\$ 1,000	\$ (8,500)	\$ 119,990
Total assets	<u>\$ 127,490</u>	<u>\$ 1,000</u>	<u>\$ (8,500)</u>	<u>\$ 119,990</u>
Liabilities				
Deposits payable	\$ 127,490	\$ 1,000	\$ (8,500)	\$ 119,990
Total liabilities	<u>\$ 127,490</u>	<u>\$ 1,000</u>	<u>\$ (8,500)</u>	<u>\$ 119,990</u>

Statistical Section



Statistical Section

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

Financial Trends Information

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity Information

These schedules contain trend information to help the reader understand the City's most significant local revenue source, property taxes.

Debt Capacity Information

These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.

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.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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CITY OF CULVER CITY

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental activities										
Net investment in capital assets	\$ (48,975,000)	\$ (48,144,000)	\$ (17,430,778)	\$ (3,739,583)	\$ 3,324,019	\$ 255,967	\$ 151,247,364	\$ 143,056,650	\$ 143,775,699	\$ 138,194,791
Restricted	109,746,000	109,336,000	113,783,900	111,255,792	109,425,542	120,932,521	128,661,077	96,457,750	96,157,539	80,777,328
Unrestricted	<u>21,627,000</u>	<u>40,591,000</u>	<u>20,050,965</u>	<u>28,238,889</u>	<u>16,060,402</u>	<u>14,107,002</u>	<u>12,084,442</u>	<u>21,999,556</u>	<u>33,896,113</u>	<u>(171,257,691)</u>
Total governmental activities net position	<u>\$ 82,398,000</u>	<u>\$ 101,783,000</u>	<u>\$ 116,404,087</u>	<u>\$ 135,755,098</u>	<u>\$ 128,809,963</u>	<u>\$ 135,295,490</u>	<u>\$ 291,992,883</u>	<u>\$ 261,513,956</u>	<u>\$ 273,829,351</u>	<u>\$ 47,714,428</u>
Business-type activities										
Net investment in capital assets	\$ 37,329,000	\$ 36,821,000	\$ 41,280,241	\$ 41,686,763	\$ 43,057,219	\$ 44,772,760	\$ 51,007,687	\$ 50,787,094	\$ 55,216,555	\$ 54,690,405
Restricted	-	-	-	-	-	-	2,147,433	2,171,794	2,176,609	2,185,415
Unrestricted	<u>23,669,000</u>	<u>27,303,000</u>	<u>30,230,621</u>	<u>35,576,295</u>	<u>32,440,211</u>	<u>31,563,720</u>	<u>34,373,274</u>	<u>33,449,555</u>	<u>31,679,756</u>	<u>(3,173,794)</u>
Total business-type activities net position	<u>\$ 60,998,000</u>	<u>\$ 64,124,000</u>	<u>\$ 71,510,862</u>	<u>\$ 77,263,058</u>	<u>\$ 75,497,430</u>	<u>\$ 76,336,480</u>	<u>\$ 87,528,394</u>	<u>\$ 86,408,443</u>	<u>\$ 89,072,920</u>	<u>\$ 53,702,026</u>
Primary government										
Net investment in capital assets	\$ (11,646,000)	\$ (11,323,000)	\$ 23,849,463	\$ 37,947,180	\$ 46,381,238	\$ 45,028,727	\$ 202,255,051	\$ 193,843,744	\$ 198,992,254	\$ 192,885,196
Restricted	109,746,000	109,336,000	113,783,900	111,255,792	109,425,542	120,932,521	130,808,510	98,629,544	98,334,148	82,962,743
Unrestricted	<u>45,296,000</u>	<u>67,894,000</u>	<u>50,281,586</u>	<u>63,815,184</u>	<u>48,500,613</u>	<u>45,670,722</u>	<u>46,457,716</u>	<u>55,449,111</u>	<u>65,575,869</u>	<u>(174,431,485)</u>
Total primary government net position	<u>\$ 143,396,000</u>	<u>\$ 165,907,000</u>	<u>\$ 187,914,949</u>	<u>\$ 213,018,156</u>	<u>\$ 204,307,393</u>	<u>\$ 211,631,970</u>	<u>\$ 379,521,277</u>	<u>\$ 347,922,399</u>	<u>\$ 362,902,271</u>	<u>\$ 101,416,454</u>

Note: The City of Culver City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003

CITY OF CULVER CITY

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Expenses										
Governmental activities:										
General government	\$ 16,835,000	\$ 15,815,000	\$ 12,043,969	\$ 7,912,284	\$ 9,892,196	\$ 5,621,826	\$ 12,279,581	\$ 8,445,889	\$ 7,862,533	\$ 22,383,141
Parks, recreation and community services	7,337,000	8,237,000	6,329,820	6,740,814	7,835,307	8,088,964	7,476,362	7,367,387	7,780,264	8,325,466
Police	28,266,000	26,901,000	28,699,839	28,297,020	31,669,431	31,788,033	29,939,290	30,336,287	33,869,176	32,806,197
Fire	13,896,000	14,641,000	15,479,274	15,574,764	18,546,617	17,740,363	18,048,628	18,077,245	19,179,679	19,167,988
Community Development	19,624,000	25,044,000	20,973,449	17,392,182	19,317,046	46,579,065	28,707,314	9,661,939	10,013,569	10,460,975
Public Works	8,774,000	9,154,000	14,901,349	14,208,031	14,616,281	13,163,149	16,484,258	11,360,132	11,789,014	14,477,308
Transportation	-	-	-	-	-	-	-	291,612	286,165	263,200
Interest on long-term debt	9,563,000	8,721,000	8,908,295	7,935,287	8,107,981	8,579,601	3,786,951	74,649	47,962	11,520
Total governmental activities expenses	<u>104,295,000</u>	<u>108,513,000</u>	<u>107,335,995</u>	<u>98,060,382</u>	<u>109,984,859</u>	<u>131,561,001</u>	<u>116,722,384</u>	<u>85,615,140</u>	<u>90,828,362</u>	<u>107,895,795</u>
Business-type activities:										
Refuse Disposal Fund	9,529,000	9,610,000	10,631,384	10,516,201	10,751,063	10,667,440	10,605,613	10,841,375	11,549,661	11,783,785
Municipal Bus Lines Fund	16,765,000	16,889,000	17,978,224	17,876,341	18,418,501	19,088,076	19,591,642	22,752,400	21,491,866	22,324,977
Sewer Enterprise Fund	6,885,000	8,027,000	7,657,624	6,106,718	8,400,664	8,068,600	7,834,922	7,401,222	9,357,548	9,765,471
Total business-type activities expenses	<u>33,179,000</u>	<u>34,526,000</u>	<u>36,267,232</u>	<u>34,499,260</u>	<u>37,570,228</u>	<u>37,824,116</u>	<u>38,032,177</u>	<u>40,994,997</u>	<u>42,399,075</u>	<u>43,874,233</u>
Total primary government expenses	<u>137,474,000</u>	<u>143,039,000</u>	<u>143,603,227</u>	<u>132,559,642</u>	<u>147,555,087</u>	<u>169,385,117</u>	<u>154,754,561</u>	<u>126,610,137</u>	<u>133,227,437</u>	<u>151,770,028</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 10,617,000	\$ 10,737,000	\$ 232,296	\$ 724,119	\$ 681,128	\$ 271,516	\$ 325,001	\$ 556,792	\$ 1,479,181	\$ 2,238,222
Parks and recreation	2,036,000	2,331,000	2,260,574	2,190,981	2,364,235	2,416,182	2,398,033	2,448,788	2,660,125	2,926,314
Police	4,996,000	5,481,000	5,310,204	4,530,822	4,963,657	5,118,168	3,591,328	3,896,275	4,547,121	4,455,096
Fire	1,511,000	1,418,000	3,135,673	3,545,535	3,254,189	2,234,203	2,447,007	2,533,844	3,001,288	2,786,350
Community Development	2,073,000	2,288,000	5,513,737	5,348,992	6,947,986	5,800,395	7,217,615	6,841,558	8,633,692	7,478,274
Public Works	27,000	42,000	986,759	751,321	1,020,461	1,849,759	1,637,526	1,619,054	1,896,937	2,126,165
Transportation	14,000	11,000	-	-	-	-	-	4,352	5,009	5,776
Operating Contributions and Grants	6,413,000	6,117,000	6,713,924	7,338,357	5,127,862	6,342,237	8,667,062	6,844,461	6,577,663	6,077,562
Capital Grants and Contributions	767,000	1,374,000	2,025,464	2,206,610	4,316,975	3,525,001	4,182,936	4,991,312	2,493,998	2,825,117
Total governmental activities program revenues	<u>28,454,000</u>	<u>29,799,000</u>	<u>26,178,631</u>	<u>26,636,737</u>	<u>28,676,493</u>	<u>27,557,461</u>	<u>30,466,508</u>	<u>29,736,436</u>	<u>31,295,014</u>	<u>30,918,876</u>
Business-type activities:										
Charges for services:										
Refuse Disposal Fund	9,833,000	10,519,000	10,747,405	10,962,463	11,154,752	11,646,192	11,555,536	11,419,668	11,732,899	11,745,590
Municipal Bus Lines Fund	2,732,000	2,800,000	2,881,323	2,937,041	3,257,360	3,595,784	3,803,136	4,011,320	3,796,169	3,760,517
Sewer Enterprise Fund	8,709,000	7,758,000	9,347,887	8,848,985	9,079,094	8,638,408	7,874,554	8,141,464	8,999,538	9,185,121
Operating grants and contributions	10,003,000	12,147,000	11,084,172	11,820,879	9,503,221	11,062,738	15,087,791	14,496,326	15,781,669	15,906,511
Capital grants and contributions	1,881,000	2,085,000	4,410,630	4,325,720	52,915	2,588,325	11,066,909	1,938,724	4,224,835	729,378
Total business-type activities program revenues	<u>33,158,000</u>	<u>35,309,000</u>	<u>38,471,417</u>	<u>38,895,088</u>	<u>33,047,342</u>	<u>37,531,447</u>	<u>49,387,926</u>	<u>40,007,502</u>	<u>44,535,110</u>	<u>41,327,117</u>
Total primary government program revenues	<u>\$ 61,612,000</u>	<u>\$ 65,108,000</u>	<u>\$ 64,650,048</u>	<u>\$ 65,531,825</u>	<u>\$ 61,723,835</u>	<u>\$ 65,088,908</u>	<u>\$ 79,854,434</u>	<u>\$ 69,743,938</u>	<u>\$ 75,830,124</u>	<u>\$ 72,245,993</u>

Note: The City of Culver City implemented GASB 34 for the fiscal year ended 2003.

CITY OF CULVER CITY

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Net (Expense)/Revenue										
Governmental activities	\$ (75,841,000)	\$ (78,714,000)	\$ (81,157,364)	\$ (71,423,645)	\$ (81,308,367)	\$ (104,003,540)	\$ (86,255,876)	\$ (55,878,704)	\$ (59,533,348)	\$ (76,976,919)
Business-type activities	(21,000)	783,000	2,204,185	4,395,828	(4,522,886)	(292,669)	11,355,749	(987,495)	2,136,035	(2,547,116)
Total primary government net expense	<u>\$ (75,862,000)</u>	<u>\$ (77,931,000)</u>	<u>\$ (78,953,179)</u>	<u>\$ (67,027,817)</u>	<u>\$ (85,831,253)</u>	<u>\$ (104,296,209)</u>	<u>\$ (74,900,127)</u>	<u>\$ (56,866,199)</u>	<u>\$ (57,397,313)</u>	<u>\$ (79,524,035)</u>
General Revenues and Other Changes in Net Position										
Governmental activities :										
Taxes										
Property taxes	\$ 28,213,000	\$ 31,667,000	\$ 34,725,099	\$ 37,661,322	\$ 25,751,846	\$ 39,842,728	\$ 22,211,508	\$ 8,674,103	\$ 7,308,615	\$ 10,009,164
Sales taxes	18,000,000	18,081,000	17,922,101	16,004,311	14,314,156	16,192,369	16,970,122	19,791,627	27,692,291	28,284,352
Utility users tax	13,169,000	13,891,000	14,245,839	14,337,233	14,142,799	14,489,841	14,363,708	14,518,808	14,839,873	14,774,331
Franchise taxes	1,213,000	1,253,000	1,338,872	1,457,293	1,278,427	1,348,274	1,271,563	1,399,727	1,449,956	1,516,279
Business license taxes	8,552,000	9,184,000	10,171,478	10,534,685	9,653,597	10,049,265	9,930,602	10,253,802	11,214,234	11,808,710
Transient occupancy taxes	2,766,000	2,769,000	2,944,728	2,944,183	2,967,131	3,283,896	3,781,092	5,195,349	5,608,151	6,699,816
Other taxes	4,547,000	3,893,000	8,160,108	411,763	369,409	1,982,979	555,444	743,702	1,313,693	1,374,938
Motor vehicle in lieu taxes	2,862,000	2,922,000	3,093,074	3,288,296	3,476,976	3,484,424	3,423,230	3,449,068	3,735,235	3,908,299
Use of money and property	7,183,000	13,594,000	6,585,317	3,503,478	3,650,929	1,427,225	802,047	1,446,295	2,070,913	1,280,825
Gain (Loss) on sale of capital assets	(2,000)	-	-	2,729,879	395,000	14,110,004	30,743	-	(293,338)	211
Other	3,473,000	1,661,000	-	78,000	78,000	509,941	1,261,723	731,825	342,257	14,781,529
Transfers	(731,000)	(699,000)	(510,782)	(372,025)	(1,715,039)	(316,947)	(343,073)	(398,441)	(760,438)	(919,357)
Extraordinary gain - transfer of assets and liabilities to RDA Successor trust funds	-	-	-	-	-	-	167,852,017	-	-	-
Special Items	-	-	-	-	-	-	-	-	-	(12,541,852)
Total governmental activities	<u>\$ 89,245,000</u>	<u>\$ 98,216,000</u>	<u>\$ 98,675,834</u>	<u>\$ 92,578,418</u>	<u>\$ 74,363,231</u>	<u>\$ 106,403,999</u>	<u>\$ 242,110,726</u>	<u>\$ 65,805,865</u>	<u>\$ 74,521,442</u>	<u>\$ 80,977,245</u>
Business-type activities:										
Sales Taxes- Measure R	\$ -	\$ -	\$ -	\$ -	\$ 1,161,115	\$ 1,418,901	\$ 1,700,105	\$ -	\$ -	\$ -
Use of money and property	567,000	1,378,000	1,258,634	816,074	922,589	223,925	179,540	(16,248)	277,385	216,904
Other	9,000	266,000	388,382	168,269	257,178	104,494	306,834	346,317	342,457	300,209
Transfers	731,000	699,000	510,782	372,025	553,924	316,947	343,073	398,441	760,438	919,357
Total business-type activities	<u>1,307,000</u>	<u>2,343,000</u>	<u>2,157,798</u>	<u>1,356,368</u>	<u>2,894,806</u>	<u>2,064,267</u>	<u>2,529,552</u>	<u>728,510</u>	<u>1,380,280</u>	<u>1,436,470</u>
Total primary government	<u>\$ 90,552,000</u>	<u>\$ 100,559,000</u>	<u>\$ 100,833,632</u>	<u>\$ 93,934,786</u>	<u>\$ 77,258,037</u>	<u>\$ 108,468,266</u>	<u>\$ 244,640,278</u>	<u>\$ 66,534,375</u>	<u>\$ 75,901,722</u>	<u>\$ 82,413,715</u>
Change in Net Position										
Governmental activities	\$ 13,404,000	\$ 19,502,000	\$ 17,518,470	\$ 21,154,773	\$ (6,945,136)	\$ 2,400,459	\$ 155,854,850	\$ 9,927,161	\$ 14,988,094	\$ 4,000,326
Business-type activities	1,286,000	3,126,000	4,361,983	5,752,196	(1,628,080)	1,771,598	13,885,301	(258,985)	3,516,315	(1,110,646)
Total primary government	<u>\$ 14,690,000</u>	<u>\$ 22,628,000</u>	<u>\$ 21,880,453</u>	<u>\$ 26,906,969</u>	<u>\$ (8,573,216)</u>	<u>\$ 4,172,057</u>	<u>\$ 169,740,151</u>	<u>\$ 9,668,176</u>	<u>\$ 18,504,409</u>	<u>\$ 2,889,680</u>

Note: The City of Culver City implemented GASB Statement 34 for the fiscal year ended June 30, 2003.

CITY OF CULVER CITY

PROGRAM REVENUES BY REVENUE FUNCTION,
 LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Function/Program										
Governmental activities:										
General government	\$ 10,648,000	\$ 10,766,000	\$ 2,438,643	\$ 1,255,678	\$ 1,094,188	\$ 1,543,537	\$ 561,872	\$ 2,689,305	\$ 3,455,983	\$ 4,195,371
Parks and recreation	2,685,000	3,292,000	3,627,382	4,001,648	3,807,974	3,263,123	3,993,130	2,891,150	2,870,838	3,247,541
Police	5,999,000	5,710,000	5,964,366	5,269,470	5,619,234	5,317,581	4,280,253	4,481,542	5,337,377	5,254,336
Fire	1,511,000	1,418,000	3,135,673	3,545,535	3,254,189	2,234,203	2,447,007	2,777,379	3,230,169	2,867,360
Community Development	4,450,000	4,569,000	8,065,008	8,402,829	8,765,549	7,992,307	9,353,786	9,228,830	10,580,562	9,174,202
Public Works	1,654,000	2,649,000	2,947,559	4,161,577	6,135,359	7,206,710	9,830,460	7,577,994	5,682,998	5,979,216
Transportation	<u>1,507,000</u>	<u>1,395,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,236</u>	<u>137,087</u>	<u>200,850</u>
Subtotal governmental activities	<u>28,454,000</u>	<u>29,799,000</u>	<u>26,178,631</u>	<u>26,636,737</u>	<u>28,676,493</u>	<u>27,557,461</u>	<u>30,466,508</u>	<u>29,736,436</u>	<u>31,295,014</u>	<u>30,918,876</u>
Business-type activities:										
Refuse Disposal Fund	9,855,000	10,526,000	10,747,405	10,962,463	11,163,890	11,864,998	12,299,423	11,442,218	11,772,165	11,796,339
Municipal Bus -Transit	14,594,000	17,025,000	18,376,125	19,083,640	12,804,358	17,026,228	29,213,226	20,422,157	23,762,329	20,344,349
Sewer Enterprise Fund	<u>8,709,000</u>	<u>7,758,000</u>	<u>9,347,887</u>	<u>8,848,985</u>	<u>9,079,094</u>	<u>8,640,221</u>	<u>7,875,277</u>	<u>8,143,127</u>	<u>9,000,616</u>	<u>9,186,429</u>
Subtotal business-type activities	<u>33,158,000</u>	<u>35,309,000</u>	<u>38,471,417</u>	<u>38,895,088</u>	<u>33,047,342</u>	<u>37,531,447</u>	<u>49,387,926</u>	<u>40,007,502</u>	<u>44,535,110</u>	<u>41,327,117</u>
Total primary government	<u>\$ 61,612,000</u>	<u>\$ 65,108,000</u>	<u>\$ 64,650,048</u>	<u>\$ 65,531,825</u>	<u>\$ 61,723,835</u>	<u>\$ 65,088,908</u>	<u>\$ 79,854,434</u>	<u>\$ 69,743,938</u>	<u>\$ 75,830,124</u>	<u>\$ 72,245,993</u>

CITY OF CULVER CITY

FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund										
Reserved	\$ 7,690,000	\$ 6,972,000	\$ 15,892,059	\$ 10,714,977	\$ 7,650,079	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	27,761,000	31,897,000	25,319,185	29,805,314	31,243,558	-	-	-	-	-
Nonspendable	-	-	-	-	-	6,799,442	6,192,311	7,621,370	7,545,451	8,797,076
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	30,189,148	34,909,456
Assigned	-	-	-	-	-	1,024,329	218,307	564,382	655,548	100,659
Unassigned	-	-	-	-	-	42,492,244	42,583,643	42,939,543	18,636,897	36,885,749
Total General Fund	<u>\$ 35,451,000</u>	<u>\$ 38,869,000</u>	<u>\$ 41,211,244</u>	<u>\$ 40,520,291</u>	<u>\$ 38,893,637</u>	<u>\$ 50,316,015</u>	<u>\$ 48,994,261</u>	<u>\$ 51,125,295</u>	<u>\$ 57,027,044</u>	<u>\$ 80,692,940</u>
All Other Governmental Funds										
Reserved	\$ 42,495,000	\$ 55,994,000	\$ 94,711,042	\$ 96,849,643	\$ 99,965,251	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds-RDA	12,725,000	15,051,000	-	-	-	-	-	-	-	-
Capital projects funds-CITY	(2,367,000)	821,000	2,648,924	2,397,955	643,775	-	-	-	-	-
Capital projects funds-RDA	29,177,000	20,016,000	16,633,351	23,994,430	19,048,361	-	-	-	-	-
Debt service funds	16,009,000	14,939,000	-	-	-	-	-	-	-	-
Non-Major funds - Special revenue funds	4,396,000	5,442,000	5,922,164	6,331,652	5,320,918	-	-	-	-	-
Non-Major funds - Capital projects funds	1,212,000	444,000	1,570,311	611,434	785,882	-	-	-	-	-
Nonspendable	-	-	-	-	-	22,647	-	-	-	-
Restricted (includes COOP)	-	-	-	-	-	158,468,133	128,661,077	95,927,506	95,919,140	80,663,848
Assigned	-	-	-	-	-	4,893,096	4,872,542	3,939,545	4,171,163	5,201,207
Unassigned	-	-	-	-	-	(7,359,168)	(1,357,834)	(332,930)	(1,787,933)	(2,639,282)
Total all other Governmental Funds	<u>\$ 103,647,000</u>	<u>\$ 112,707,000</u>	<u>\$ 121,485,792</u>	<u>\$ 130,185,114</u>	<u>\$ 125,764,187</u>	<u>\$ 156,024,708</u>	<u>\$ 132,175,785</u>	<u>\$ 99,534,121</u>	<u>\$ 98,302,370</u>	<u>\$ 83,225,773</u>

Note: This schedule has been modified pursuant to GASB Statement No. 54 which establishes the following classifications (effective FY2011) : nonspendable, restricted, committed, assigned and unassigned.

CITY OF CULVER CITY

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$ 75,271,000	\$ 81,311,000	\$ 79,838,309	\$ 81,545,109	\$ 78,988,490	\$ 87,269,063	\$ 69,084,039	\$ 60,044,744	\$ 68,741,259	\$ 75,200,587
Licenses and permits	2,255,000	2,374,000	13,224,442	12,977,318	12,247,774	2,244,791	2,959,552	3,040,943	4,664,551	4,301,740
Fines and forfeitures	4,243,000	4,543,000	4,830,667	3,922,874	4,413,473	4,618,928	3,107,415	3,574,853	4,174,721	4,104,462
Investment income	6,942,000	12,824,000	5,863,385	3,517,166	3,387,362	1,236,516	1,168,004	2,852,792	3,451,821	2,958,972
Intergovernmental	9,652,000	12,335,000	6,777,641	7,228,161	9,084,949	12,021,397	17,639,544	11,926,258	10,453,476	11,932,021
Charges for services	14,768,000	15,399,000	13,124,126	9,974,608	11,817,763	11,143,637	11,331,314	10,063,004	11,937,412	12,589,262
Sale of Land for resale	-	-	-	-	-	14,110,004	285,956	-	-	-
Other revenues	3,470,000	1,645,000	1,955,132	4,396,396	1,313,896	941,644	1,514,011	1,323,474	695,241	15,215,908
Total revenues	116,601,000	130,431,000	125,613,702	123,561,632	121,253,707	133,585,980	107,089,835	92,826,068	104,118,481	126,302,952
Expenditures										
General government	13,439,000	15,001,000	10,217,548	6,370,275	5,827,231	4,396,978	7,493,714	11,905,828	12,190,249	16,881,178
Parks, recreation and community services	6,889,000	7,503,000	6,078,828	6,343,893	6,258,099	6,893,761	6,682,893	6,762,595	7,178,243	7,736,234
Police	26,510,000	27,905,000	28,067,568	28,910,326	29,102,527	28,345,389	28,233,992	29,478,847	32,912,122	32,784,324
Fire	13,643,000	13,894,000	14,843,667	15,344,944	15,724,439	15,400,698	16,588,046	17,199,564	18,121,240	19,097,947
Community development	19,592,000	24,223,000	17,510,916	17,711,375	18,233,549	33,299,639	28,262,728	9,135,006	9,481,641	9,825,125
Public works & Transportation	8,552,000	8,658,000	13,177,016	13,460,405	12,440,176	10,591,242	9,880,269	9,638,661	10,002,080	10,349,275
Capital outlay	6,432,000	6,624,000	9,535,679	7,255,428	7,013,846	7,459,015	13,962,974	5,551,098	5,620,204	6,260,467
Debt service										
Debt issuance costs	545,000	-	-	-	-	692,083	-	-	-	-
Principal payment	6,591,000	6,295,000	6,057,387	6,317,776	8,115,236	6,897,948	7,257,273	278,416	296,605	335,510
Interest and fiscal charges	8,819,000	8,678,000	8,720,605	7,820,329	8,026,395	7,411,970	5,275,844	74,649	47,962	11,520
SERAF payments	-	-	-	-	10,946,277	2,253,645	-	-	-	-
Pass-through payments	-	-	3,310,845	4,942,725	5,548,474	7,177,761	-	-	-	-
Payment of refunding bond escrow - prior issue	1,566,000	-	-	-	-	-	-	-	-	-
Total expenditures	112,578,000	118,781,000	117,520,059	114,477,476	127,236,249	130,820,129	123,637,733	90,024,664	95,850,346	103,281,580
Excess of revenues over (under) expenditures	4,023,000	11,650,000	8,093,643	9,084,156	(5,982,542)	2,765,851	(16,547,898)	2,801,404	8,268,135	23,021,372
Other Financing Sources (Uses)										
Transfers in	25,480,000	16,037,000	29,457,365	26,275,033	25,957,103	33,938,808	18,698,313	3,193,169	3,474,210	5,322,403
Transfers out	(26,893,000)	(16,698,000)	(26,429,479)	(25,547,058)	(26,022,142)	(33,587,755)	(18,928,680)	(3,491,610)	(4,399,648)	(6,546,760)
Long-term debt issued	17,315,000	1,550,000	-	-	-	47,412,887	-	-	-	-
Payment to refunded bond escrow - current issue	(15,390,000)	-	-	-	-	-	-	-	-	-
Original issue premium (discount)	-	-	-	-	-	(642,847)	-	-	-	-
Total other financing sources (uses)	512,000	889,000	3,027,886	727,975	(65,039)	47,121,093	(230,367)	(298,441)	(925,438)	(1,224,357)
Extraordinary Items - Gain (loss) on transfer of assets and liabilities to RDA successor trust funds	-	-	-	-	-	-	(8,459,809)	-	-	-
Special Items	-	-	-	-	-	-	-	-	-	(12,541,852)
Net change in fund balances	\$ 4,535,000	\$ 12,539,000	\$ 11,121,529	\$ 9,812,131	\$ (6,047,581)	\$ 49,886,944	\$ (25,238,074)	\$ 2,502,963	\$ 7,342,697	\$ 9,255,163
Debt service as a percentage of noncapital expenditures (a)	14.8%	13.0%	14.1%	13.9%	15.5%	12.6%	11.0%	0.4%	0.4%	0.3%

Note:

(a) Debt service as a percent of noncapital expenditures is restated as follows: The amount of capital outlay used to calculate the ratio of total debt service expenditures to noncapital expenditures is the same as the reconciling item for capital outlay in the reconciliation between the government-wide statement of activities and the statement of revenues, expenditures, and changes in fund balance. Also only the principal and interest components of debt service expenditures are used in the calculation of the ratio of total debt service expenditures to noncapital expenditures.

CITY OF CULVER CITY

TAX REVENUES BY SOURCE
 GOVERNMENTAL FUNDS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Utility Users Tax</u>	<u>Other Tax</u>	<u>Licenses, Permits</u>	<u>Fines, Forfeitures, Penalties</u>	<u>Use of Money, Property</u>	<u>Revenue from other Agencies</u>	<u>Charges for Services</u>	<u>Sale of Property</u>	<u>Other</u>	<u>Total</u>
2006	28,213,000	18,000,000	13,169,000	15,889,000	2,255,000	4,243,000	6,942,000	9,652,000	14,768,000	-	3,470,000	116,601,000
2007	31,667,000	18,081,000	13,891,000	17,672,000	2,374,000	4,543,000	12,824,000	12,335,000	15,399,000	-	1,645,000	130,431,000
2008	34,725,099	17,922,101	14,245,839	12,945,270	13,224,442	4,830,667	12,640,711	10,592,880	13,124,126	-	1,955,447	136,206,582
2009	37,661,322	16,004,311	14,337,233	13,542,243	12,977,318	3,922,874	3,517,166	7,228,161	9,979,766	-	4,391,238	123,561,632
2010	25,751,846	14,314,156	14,142,799	24,779,689	12,247,774	4,413,473	3,387,362	9,084,949	11,817,763	-	1,313,896	121,253,707
2011	39,842,728	16,192,369	14,489,841	16,744,125	2,244,791	4,618,928	1,236,516	12,021,397	11,143,637	14,110,004	941,644	133,585,980
2012	22,211,508	16,970,122	14,363,708	15,538,701	2,959,552	3,107,415	1,168,004	17,639,544	11,331,314	285,956	1,514,011	107,089,835
2013	8,674,103	19,791,627	14,518,808	17,060,206	3,040,943	3,574,853	2,852,792	11,926,258	10,063,004	-	1,323,474	92,826,068
2014	7,308,615	27,692,291	14,839,873	18,900,480	4,664,551	4,174,721	3,451,821	10,453,476	11,937,412	-	695,241	104,118,481
2015	10,009,164	28,284,352	14,774,331	22,132,740	4,301,740	4,104,462	2,958,972	11,932,021	12,589,262	14,214,806	1,001,102	126,302,952

CITY OF CULVER CITY

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

Fiscal Year	Secured Property	Nonunitary Utilities	Unsecured Property	Net (a) Total Taxable Assessed Value	Total Direct Tax % Rate (b)
2006	5,053,772,604	384,975	366,616,923	5,420,774,502	0.494%
2007	5,455,470,578	384,975	357,449,547	5,813,305,100	0.497%
2008	5,999,920,641	384,975	379,698,875	6,380,004,491	0.516%
2009	6,467,183,593	3,749,821	431,239,783	6,902,173,197	0.529%
2010	6,841,403,883	384,975	446,470,232	7,288,259,090	0.546%
2011	6,760,932,194	384,975	405,656,855	7,166,974,024	0.538%
2012	6,943,479,065	384,975	454,552,366	7,398,416,406	0.544%
2013	7,079,607,625	384,975	423,766,963	7,503,759,563	0.543%
2014	7,606,284,627	384,975	454,513,567	8,061,183,169	0.095%
2015	8,005,172,894	384,975	456,369,172	8,461,927,041	0.095%

Source: HdL Coren & Cone

Note:

(a) Exemptions are netted directly against the individual property categories.

(b) Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information

In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

CITY OF CULVER CITY

DIRECT AND OVERLAPPING PROPERTY TAX RATES

(Rate per \$100 of assessed values)

	2009	2010	2011	2012	2013	2014	2015
City's Share of 1% Levy Per Prop 13 (a)	0.1043	0.1043	0.1043	0.1043	0.1043	0.1043	0.1043
Redevelopment Rate	1.0043	1.0043	1.0037	1.0037	-	-	-
Total Direct Tax Rate (b)	0.5289	0.5458	0.5378	0.5444	0.5426	0.0946	0.0952
Direct & Overlapping Rates							
Basic Levy (c):							
City's Share of 1% Levy Per Prop 13	0.1043	0.1043	0.1043	0.1043	0.1043	0.1043	0.1043
Los Angeles County General	0.3471	0.3471	0.3471	0.3471	0.3471	0.3471	0.3471
Culver City Unified School District	0.2328	0.2328	0.2328	0.2328	0.2328	0.2328	0.2328
Educational Augmentation Fund Impound	0.1584	0.1584	0.1584	0.1584	0.1584	0.1584	0.1584
Educational Revenue Augmentation Fund	0.0641	0.0641	0.0641	0.0641	0.0641	0.0641	0.0641
Los Angeles Community College District	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320
Los Angeles County Library	0.0251	0.0251	0.0251	0.0251	0.0251	0.0251	0.0251
County Flood Control Maintenance	0.0107	0.0107	0.0107	0.0107	0.0107	0.0107	0.0107
County School Services Fund	0.0088	0.0088	0.0088	0.0088	0.0088	0.0088	0.0088
County Fire - FFW	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080
Children's Institutional Tuition Fund	0.0030	0.0030	0.0030	0.0030	0.0030	0.0030	0.0030
Co. Flood Control District Imp Dist. Maint	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019
County School Services Fund	0.0015	0.0015	0.0015	0.0015	0.0015	0.0015	0.0015
Development Center Handicapped Minors	0.0010	0.0010	0.0010	0.0010	0.0010	0.0010	0.0010
Culver City Children's Center Fund	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006
LA Community College Children's Cntr Fund	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003
LA Co West Vector Control Dist.	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003
Co. Accumulative Capital Outlay	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001
Basic Levy	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Culver City Unified	0.0367	0.0344	0.0375	0.0352	0.0361	0.0314	0.0778
El Camino community college	0.0170	0.0149	0.0161	0.0169	0.0185	0.0175	0.0174
Inglewood Unified School District	0.0737	0.1130	0.1145	0.1128	0.1214	0.1561	0.1499
La Ccd Ds 2008 2012 Series F	-	-	-	-	0.0112	-	-
La Community college District	0.0221	0.0231	0.0403	0.0353	0.0376	0.0445	0.0402
Los Angels Unified School District	0.1248	0.1518	0.1870	0.1682	0.1756	0.1464	0.1469
Metropolitan Water District	0.0043	0.0043	0.0037	0.0037	0.0035	0.0035	0.0035
Total Direct & Overlapping (d) Tax Rates	1.2786	1.3415	1.3991	1.3721	1.4039	1.3994	1.4357

Source: HdL Coren & Cone

Notes:

- (a) 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.
- (b) Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information
- (c) In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within.
- (d) 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.

CITY OF CULVER CITY

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

	2015			2006		
	Net Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Net Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Total Net Assessed Value	<u>\$ 8,461,927,041</u>		<u>100.00%</u>	<u>\$ 5,420,774,502</u>		<u>100.00%</u>
<u>Taxpayer</u>	<u>Value</u>	<u>Rank</u>	<u>Value</u>	<u>Value</u>	<u>Rank</u>	<u>Value</u>
Lot, Inc.	\$ 310,046,521	1	3.66%	\$ 175,384,666	1	3.24%
Fox Hills Mall LLC/Westfield	208,277,184	2	2.46%	80,591,760	4	1.49%
Transwestern Corporate Pointe	122,019,905	3	1.44%			
Symantec Corporation	114,930,853	4	1.36%			
Equity One Culver LLC	112,156,818	6	1.33%			
Sony Pictures Entertainment Inc.	109,017,085	5	1.29%	103,582,933	2	1.91%
VCP CP Culver City LLC	96,134,476	7	1.14%			
TCE Filmland Holdings LLC	95,289,159	8	1.13%	83,800,727	3	1.55%
Culver Studios Owner LLC	87,050,555	9	1.03%			
Sy Culver City Portfolio Limited Partnership	75,637,187	10	0.89%	60,260,753	7	1.11%
PCCP Studio City Los Angeles TCS				66,275,486	6	1.22%
Arden Realty Finance IV LLC				74,748,438	5	1.38%
Buckingham Heights Lease LLC				34,760,037	9	0.64%
Brotman Medical Center INC				36,262,038	8	0.67%
Costco Wholesale				32,535,849	10	0.60%
Total	<u>\$ 1,330,559,743</u>		<u>15.73%</u>	<u>\$ 748,202,687</u>		<u>13.81%</u>

Source: Los Angeles County Assessor 2014/15 Combined Tax Rolls

CITY OF CULVER CITY

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year (a)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount (b)	Percentage of Levy
2006	3,337,569	2,096,000	62.8%	63,000	2,159,000	64.7% (c)
2007	3,552,049	3,083,000	86.8%	2,370	3,085,370	86.9%
2008	3,153,703	3,009,922	95.4%	82,891	3,092,813	98.1%
2009	3,348,696	2,920,507	87.2%	247,676	3,168,183	94.6%
2010	3,433,577	3,251,758	94.7%	176,527	3,428,285	99.8%
2011	3,443,042	2,927,218	85.0%	378,394	3,305,612	96.0%
2012	3,501,754	3,228,955	92.2%	211,908	3,440,863	98.3%
2013	3,567,169	3,279,095	91.9%	257,919	3,537,014	99.2%
2014	3,728,144	3,615,637	97.0%	83,828	3,699,465	99.2%
2015	3,967,342	3,927,081	99.0%	24,676	3,951,757	99.6%

Source: HdL Coren & Cone, Los Angeles County Assessor

Notes:

- (a) Prior year data has been revised to include Base Year Revenue. The amount of each year's levy does not include Increment Revenue or Debt Revenue of the Redevelopment Agency. The Redevelopment Agency is not a blended component unit of the City due to AB 1x 26 - Redevelopment Agencies Dissolution effective February 1, 2012.
- (b) Starting FY2008, penalty charges are excluded in total collections to date and delinquent taxes are reported by levy year rather than by collection year.
- (c) The decrease in percentage collected is the result of the State partial shift of financial responsibility for education funding to local governments by allocating local property tax revenues to Education Revenue Augmentation Fund (ERAF) directing that these local agency property taxes be deposited into funds to support schools.

CITY OF CULVER CITY

RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government	Percentage of Personal Income (b)	Debt Per Capita (b)
	Redevelopment Bonds	Capital Leases	Loans	Total Governmental Activities	Wastewater Revenue Bonds	Certificates of Participation	Capital Leases	Total Business-type Activities			
2006	173,650,000	700,000	2,332,000	176,682,000	22,245,000	6,015,000	594,000	28,854,000	205,536,000	15.1%	5,064
2007	168,105,000	311,000	3,656,000	172,072,000	21,760,000	5,545,000	211,000	27,516,000	199,588,000	13.8%	4,926
2008	162,394,938	-	3,443,764	165,838,702	21,255,000	5,055,000	-	26,310,000	192,148,702	12.8%	4,756
2009	156,235,000	-	3,205,988	159,440,988	20,720,000	4,535,000	-	25,255,000	184,695,988	12.2%	4,572
2010	149,905,000	-	1,420,752	151,325,752	20,085,000	3,990,000	-	24,075,000	175,400,752	11.9%	4,330
2011	190,667,887	-	1,172,804	191,840,691	19,495,000	3,415,000	-	22,910,000	214,750,691	13.7%	5,274
2012	- (a)	-	910,531	910,531	18,795,000	2,805,000	-	21,600,000	22,510,531	1.4%	577
2013	-	-	632,115	632,115	18,075,000	2,160,000	-	20,235,000	20,867,115	1.3%	532
2014	-	-	335,510	335,510	17,335,000	1,480,000	-	18,815,000	19,150,510	1.1%	484
2015	-	-	-	-	16,575,000	760,000	-	17,335,000	17,335,000	1.0%	438

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

For the 10 years ending June 30, 2015, the City had no General Obligation Bonds.

(a) Due to the dissolution of the Culver City Redevelopment Agency (CCRA) on February 1, 2012, all of the CCRA's debt has been moved to the Successor Agency (Fiduciary Fund)

(b) See Demographic and Economic Statistics for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

CITY OF CULVER CITY

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2015**

City Assessed Valuation	\$ 4,199,182,858
Successor Agency Incremental Valuation	4,262,744,183
Total Net Taxable Assessed Valuation	<u>\$ 8,461,927,041</u>

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Overlapping Debt Repaid with Voter-Approved Property Taxes:			
Los Angeles County	\$ -		\$ -
Los Angeles County Flood Control District	-		-
Metropolitan Water District	53,296,395	0.432%	230,371
El Camino College District	328,089,325	0.005%	15,237
Los Angeles Community College District	3,864,125,000	1.281%	49,509,011
Los Angeles Community College District	18,140,000	1.281%	232,418
Culver City Unified School District	58,595,000	99.173%	58,110,656
Inglewood Unified School District	123,515,000	0.047%	57,997
Los Angeles Unified School District	10,296,665,000	0.008%	792,528
Subtotal, overlapping debt		2.59%	108,948,218
City direct debt		0.00%	-
Total direct and overlapping debt		2.59%	<u>\$ 108,948,218</u>

Source: HdL Coren & Cone, Los Angeles County Assessor 2014/2015 Combined Lien Date Tax Rolls

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Culver City. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident—and therefore responsible for repaying the debt—of each overlapping government. The overlapping debt represents 2.59% of the City's 2014/2015 assessed valuation or \$ 108.95 million.

CITY OF CULVER CITY

**LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total assessed valuation	\$ 5,595,297,000	\$ 6,001,605,000	\$ 6,568,960,000	\$ 7,095,779,000	\$ 7,527,054,000	\$ 7,417,771,754	\$ 7,652,983,856	\$ 7,752,446,647	\$ 8,323,791,063	\$ 8,732,804,582
Debt Limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt Limit	\$ 839,294,550	\$ 900,240,750	\$ 985,344,000	\$ 1,064,366,850	\$ 1,129,058,100	\$ 1,112,665,763	\$ 1,147,947,578	\$ 1,162,866,997	\$ 1,248,568,659	\$ 1,309,920,687
Amount of debt applicable to the limit:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal Debt Margin	<u>\$ 839,294,550</u>	<u>\$ 900,240,750</u>	<u>\$ 985,344,000</u>	<u>\$ 1,064,366,850</u>	<u>\$ 1,129,058,100</u>	<u>\$ 1,112,665,763</u>	<u>\$ 1,147,947,578</u>	<u>\$ 1,162,866,997</u>	<u>\$ 1,248,568,659</u>	<u>\$ 1,309,920,687</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: In accordance with California Government Code, total general obligation bonds outstanding cannot exceed 15 percent of total assessed valuation. **For the 10 years ended June 30, 2015, the City was not obligated in any manner for general obligation bonds.**

CITY OF CULVER CITY

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

Fiscal Year	Wastewater Facilities Revenue Bonds (b)							Tax Allocation Bonds			
	Utility Service Charges	Interest Earnings (a)	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Tax Increment Collections	Debt Service		Coverage
					Principal	Interest			Principal	Interest	
2006	8,709,000	433,000	4,129,000	5,013,000	460,000	1,228,000	2.97	25,906,000	5,860,000	7,052,000	2.01
2007	7,758,000	1,132,000	5,397,000	3,493,000	485,000	1,207,000	2.06	28,461,000	5,680,000	8,241,000	2.04
2008	9,334,000	1,010,000	4,027,000	6,317,000	505,000	1,272,000	3.55	31,388,000	5,845,000	8,009,000	2.27
2009	8,849,000	712,804	2,998,000	6,563,804	535,000	1,161,539	3.87	38,015,000	6,080,000	7,766,000	2.75
2010	9,079,094	823,493	5,596,721	4,305,866	560,000	1,134,456	2.54	37,250,000	6,330,000	7,482,511	2.70
2011	8,638,408	171,951	5,392,430	3,417,929	590,000	910,200	2.28	36,321,000	6,650,000	7,151,937	2.63
2012	7,863,788	135,302	5,280,044	2,719,046	700,000	895,550	1.70	16,254,000 (c)	6,995,000	5,168,751	1.34
2013	8,087,378	15,288	4,870,305	3,232,361	720,000	876,000	2.03	-	-	-	-
2014	8,955,665	182,820	6,908,976	2,229,509	740,000	854,100	1.40	-	-	-	-
2015	9,148,771	143,890	7,305,113	1,987,548	760,000	830,650	1.25	-	-	-	-

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest expense, depreciation, or amortization expenses.

(a) Per the Wastewater Facilities Revenue Bond covenant, interest earnings are included when computing net available revenue for bond compliance purposes.

(b) The 1999 Wastewater Facilities Revenue Bonds were issued on December 8, 1999. The 1999 Bonds were defeased and replaced by the 2009 Bonds issued on July 21, 2009.

(c) Due to the dissolution of the Culver City Redevelopment Agency (CCRA) on February 1, 2012, Tax Increment collections are through January 31, 2012.

CITY OF CULVER CITY

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Calendar Years

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2005	40,584	1,362,508	33,573	3.6%
2006	40,516	1,449,886	35,786	3.2%
2007	40,401	1,505,190	37,256	3.4%
2008	40,399	1,518,849	37,596	5.1%
2009	40,507	1,479,760	36,531	8.0%
2010	40,722	1,565,191	38,436	8.7%
2011	39,004	1,573,382	40,339	8.5%
2012	39,210	1,666,111	42,492	6.3%
2013	39,579	1,710,881	43,227	5.2%
2014	39,597	1,759,809	44,443	6.1%

Source: HDL 2014-15 CAFR Statistical Basic Package for City of Culver City

CITY OF CULVER CITY

**PRINCIPAL EMPLOYERS
Current Year**

Employer	2015		
	Employees	Rank	Percentage of Total City Employment
Sony Pictures Entertainment	3,200	1	12.92%
Southern CA Hospital @ CC formerly Brotman Medical Center	1,000	2	4.04%
Symantec	900	3	3.63%
Culver City Unified School District	771	4	3.11%
City of Culver City*	767	5	3.10%
Goldrich & Kest Industries, LLC	717	6	2.90%
West Los Angeles College	575	7	2.32%
NFL Media	500	8	2.02%
Target**	475	9	1.92%
Apple, Inc.	411	10	1.66%
Total Top 10 Employers	<u>9,316</u>		<u>37.62%</u>
Total City Labor Force (1)	<u>24,761</u>		

Source: MuniServices, LLC

Results based on direct correspondence with city's local businesses.

(1) Total City Labor Force provided by EDD Labor Force Data.

* Includes all active employees, benefited and non-benefited.

** Two locations within the City.

CITY OF CULVER CITY

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General government	86	89	83	84	82	71	68	68	68	69
Parks, recreation and community services	41	41	39	39	38	30	30	31	31	31
Police	164	161	164	166	166	156	153	156	157	157
Fire	71	72	72	73	73	70	69	71	69	71
Community development	50	50	56	57	57	52	52	36	36	36
Public works	60	58	61	62	62	51	49	48	48	49
Grants operating	11	11	10	10	10	10	9	7	6	6
Internal service	45	43	43	43	43	41	41	41	41	42
Refuse	50	50	49	49	48	40	40	40	40	41
Transit	109	109	109	120	120	120	122	129	129	151
Sewer	5	6	9	10	10	9	11	11	11	11
Total	<u>692</u>	<u>690</u>	<u>695</u>	<u>713</u>	<u>709</u>	<u>650</u>	<u>644</u>	<u>638</u>	<u>636</u>	<u>663</u>

Source: City Budget Office

Note: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

CITY OF CULVER CITY

OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General government										
Building permits issued	2,519	3,264	2,575	2,141	2,356	2,400	2,240	2,488	2,336	2,756
Building inspections conducted	10,500	9,814	11,121	10,254	10,616	9,500	8,209	9,590	9,609	10,925
Police										
Arrestees Processed	1,500	1,616	2,774	1,700	1,700	1,400	1,372	1,491	1,611	1,239
Parking citations	34,000	38,963	34,798	40,000	40,100	36,000	30,705	37,236	37,681	38,681
Traffic citations	13,000	13,749	11,236	14,000	14,000	14,000	12,414	19,027	10,028	9,003
Fire										
Emergency responses	3,950	4,180	4,233	4,400	4,500	4,500	4,471	4,681	4,969	5,375
Fire Emergency Incidents	152	159	132	150	155	155	194	197	210	215
Commercial Fire Safety Inspections	1,900	1,965	1,965	2,427	2,369	2,400	2,106	2,653	2,742	2,810
Refuse collection										
Residential Refuse&Greenwaste* collected (tons per day)	15	15	15	32	35	41	43	42	42	43
Commercial Refuse Collected (tons per day)	21	21	20	132	136	136	121	143	143	130
Responses to Customer Service Requests	200	200	200	200	200	200	200	120	120	120
Public Works										
Traffic Engineering Investigations	2,475	3,597	3,956	4,352	5,849	4,535	4,619	4,601	4,601	4,685
Tons of Asphalt Placed	558	600	650	700	725	700	300	325	325	230
Damaged Sidewalk removed/replaced (sq ft)	9,500	9,500	13,500	14,250	15,000	16,000	8,040	8,100	8,100	10,084
Trees Trimmed	3,208	5,836	5,800	5,840	5,850	5,850	3,172	3,200	3,200	4,958
Parks and recreation										
Park picnic permits issued	1,300	1,300	1,390	1,300	1,300	1,300	963	1,300	1,276	1,026
Participation in Youth Sports	5,345	5,345	5,368	5,500	5,000	5,000	3,500	5,345	5,328	4,950
Participation in Adults Sports	36,800	36,800	34,000	35,000	35,000	35,500	44,200	36,800	43,766	45,456
Transit - Municipal buses										
Total service miles	1,415,371	1,438,606	1,444,350	1,450,000	1,700,000	1,700,000	1,497,434	1,585,103	1,589,108	1,593,248
Passengers	5,721,345	5,893,083	6,055,246	6,240,000	6,430,000	6,630,000	5,331,071	5,550,045	5,416,010	4,979,334

Source: Annual Budgets and various city departments.

CITY OF CULVER CITY

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	22	26	31	32	30	31	26	25	27	21
Motorcycle units	11	12	12	11	11	14	13	11	13	14
Detective Units	18	17	20	20	20	19	30	30	34	38
Parking Enforcement Units	9	8	6	7	7	8	8	8	8	9
Fire stations	3	3	3	3	3	3	3	3	3	3
Refuse collection										
Collection trucks	16	16	18	18	18	19	19	22	22	22
Other public works										
Streets (miles)	83.2	83.2	83.2	83.2	83.2	83.2	119.6	119.6	119.6	119.6
Highways (miles)	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Streetlights										
Traffic signals	106	104	110	106	104	104	104	104	104	105
Parks and recreation										
Acreage	92.2	93.3	93.3	93.3	93.3	93.3	100	100	100	100
Community parks	8	8	8	8	8	8	8	8	8	8
Neighborhood parks	6	6	6	6	6	6	6	6	6	6
Mini parks	4	4	4	4	4	4	4	4	4	4
Wastewater										
Sanitary sewers (miles)	85	85	85	85	85	85	90	90	90	90
Pumping (lift) stations	7	7	7	7	7	7	7	7	7	7
Transit - Municipal buses	46	46	46	52	52	52	52	52	52	54

Source: Various city departments