



Culver CITY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2016

CITY OF CULVER CITY,
CALIFORNIA

PREPARED BY THE
FINANCE DEPARTMENT



CITY OF CULVER CITY, CALIFORNIA

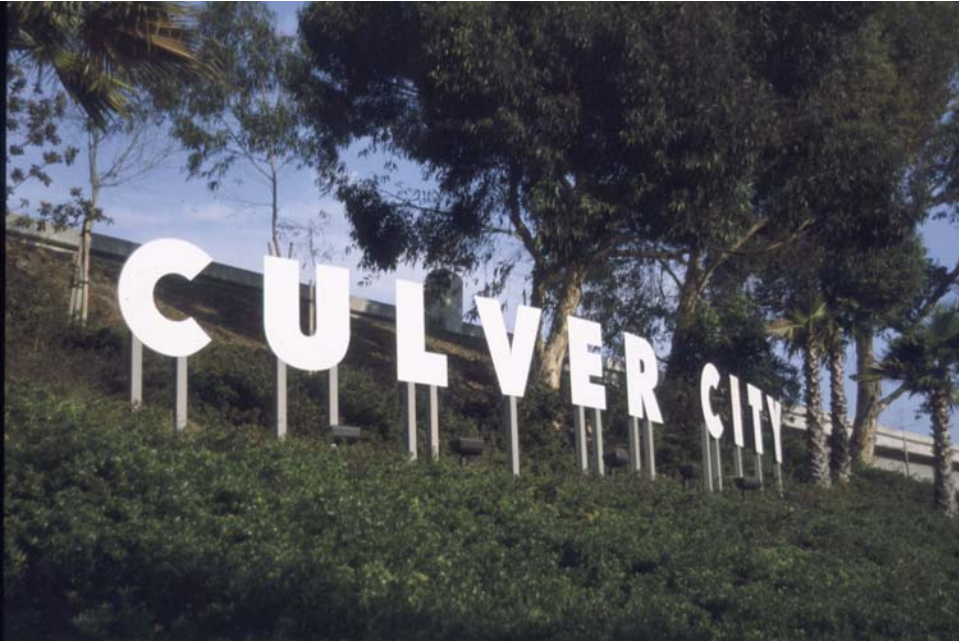
Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2016

Prepared by

FINANCE DEPARTMENT

Introductory Section



City of Culver City
Comprehensive Annual Financial Report
For the Year Ended June 30, 2016

Table of Contents

Page

INTRODUCTORY SECTION (Unaudited)

Table of Contents	i
Letter of Transmittal.....	v
Officials of the City of Culver City, California.....	xviii
Organization Chart	xix
GFOA Certificate of Achievement for Excellence in Financial Reporting.....	xx

FINANCIAL SECTION

Independent Auditors’ Report on Financial Statements	1
---	----------

Management’s Discussion and Analysis (Required Supplementary Information) (Unaudited)	5
--	----------

Basic Financial Statements:

Government-Wide Financial Statements:

Statement of Net Position	24
Statement of Activities	26

Fund Financial Statements:

Governmental Fund Financial Statements:

Balance Sheet.....	32
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	35
Statement of Revenues, Expenditures, and Changes in Fund Balances	36
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Position	38

Proprietary Fund Financial Statements:

Statement of Net Position	42
Statement of Revenues, Expenses, and Changes in Net Position	46
Statement of Cash Flows	48

Fiduciary Fund Financial Statements:

Statement of Fiduciary Net Position	55
Statement of Changes in Fiduciary Net Position	56

Index to the Notes to the Basic Financial Statements	59
Notes to the Basic Financial Statements	61

City of Culver City
Comprehensive Annual Financial Report
For the Year Ended June 30, 2016

Table of Contents (Continued)

Page

FINANCIAL SECTION (Continued)

Required Supplementary Information (Unaudited):

Schedule of Changes in Net Pension Liability and Related Ratios:	
CalPERS Miscellaneous Plan.....	123
CalPERS Safety Plan.....	124
Schedule of Contributions:	
CalPERS Miscellaneous Plan.....	125
CalPERS Safety Plan.....	126
Schedule of Changes in Net OPEB Liabilities and Related Ratios.....	
Schedule of Contributions - OPEB.....	
Budgetary Comparison Schedule:	
General Fund.....	129
Culver City Housing Authority Special Revenue Fund.....	130
Notes to the Required Supplementary Information (Unaudited).....	

Supplementary Information:

Nonmajor Governmental Funds:	
Combining Balance Sheet.....	135
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	136
Nonmajor Special Revenue Funds:	
Combining Balance Sheet.....	140
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	144
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
Gas Tax Special Revenue Fund.....	148
Proposition A Local Return Special Revenue Fund.....	149
Proposition C Local Return Special Revenue Fund.....	150
Measure R Special Revenue Fund.....	151
Operating Grants Special Revenue Fund.....	152
Section 8 Housing Special Revenue Fund.....	153
Art in Public Places Special Revenue Fund.....	154
Community Development Special Revenue Fund.....	155
Community Development Block Grant (CDBG) Special Revenue Fund.....	156
Special Assessment Special Revenue Fund.....	157
Park Facilities Special Revenue Fund.....	158
Asset Seizure Special Revenue Fund.....	159
Parking Authority Special Revenue Fund.....	160
Urban Runoff Mitigation Special Revenue Fund.....	161
Capital Grant Special Revenue Fund.....	162
Building Surcharge Special Revenue Fund.....	163
Economic Development Special Revenue Fund.....	164

City of Culver City
Comprehensive Annual Financial Report
For the Year Ended June 30, 2016

Table of Contents (Continued)

Page

FINANCIAL SECTION (Continued)

Supplementary Information (Continued):

Major Capital Projects Fund Budgetary Comparison Schedules:	
Capital Improvement and Acquisition Capital Project Fund.....	167
Nonmajor Capital Projects Funds:	
Combining Balance Sheet	168
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	170
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
Parking Improvement Capital Projects Fund	172
2002 Cooperative Capital Projects Fund	173
2004 Cooperative Capital Projects Fund	174
2011 Bond Capital Projects Fund	175
Cooperative Projects Capital Project Fund	176
1993 Tax Exempt Bonds Capital Projects Fund	177
Capital Improvement Grants Capital Project Fund	178
Internal Service Funds:	
Combining Statement of Net Position	180
Combining Statement of Revenues, Expenses and Changes in Net Position	182
Combining Statement of Cash Flows	183
Agency Fund Financial Statements:	
Combining Statement of Agency Assets and Liabilities	187
Combining Statement of Changes in Agency Assets and Liabilities	188

City of Culver City
Comprehensive Annual Financial Report
For the Year Ended June 30, 2016

Table of Contents (Continued)

	<u>Page</u>
<u>STATISTICAL SECTION (Unaudited)</u>	
Net Position by Component.....	190
Changes in Net Position	192
Program Revenues by Revenue Function.....	196
Fund Balances, Governmental Funds	198
Changes in Fund Balances, Governmental Funds	200
Tax Revenues by Sources.....	202
Assessed Valuation and Estimated Actual Value of Taxable Property	205
Direct and Overlapping Property Tax Rates.....	206
Principal Property Taxpayers	208
Property Tax Levies and Collections	209
Ratios of Outstanding Debt by Type	210
Direct and Overlapping Governmental Activities Debt	211
Legal Debt Margin Information	212
Pledged-Revenue Coverage.....	214
Demographic and Economic Statistics	215
Principal Employers	216
Full-Time Equivalent City Government Employees by Function/Program	217
Operating Indicators by Function.....	218
Capital Asset Statistics by Function	220



December 21, 2016

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, 2016. 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 The Pun Group, LLP, 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, 2016, 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, 2016, 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 17 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.

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

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 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 show signs of solid growth. Gross Domestic Product growth has been consistent over the year and the dollar remains strong. The stock market, while volatile, is trending upwards, though there is concern in some industries. Unemployment figures have continued downward and property values have increased steadily. The recent federal interest rate hike is expected to have little effect on California's strong housing market. Although the impact of the federal election does create uncertainty on important issues such as tax and social program reform, most projections have the economy continuing to improve and grow for at least the next year or two. We will be cautiously monitoring these critical political decisions and their effect on our national, state and local economies.

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 2016-17

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 has raised approximately \$9.1 million during Fiscal Year 2016-17 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 2016-17 adopted budget:

1. Community Service Improvements
 - a. Implementation of new Police Department Body-Worn Camera program;
 - b. Replacing aging Fire Department Fire Fighter Protective Clothing and Self-Contained Breathing Apparatus (SCBA);
 - c. Continue needed renovations at aging City facilities, including efficiency improvements at City Hall and repairs to the Fire Radio Towers.

2. Community Reinvestment
 - a. Continue upgrades to City-owned street lights to improve energy efficiency;
 - b. Deployment of municipal fiber network project, creating a city-owned fiber network to provide city businesses and the Culver City school district with high speed internet services; and
 - c. Upgrades and renovation to the Courtyard at the Senior Center.

3. Internal Operational Improvements
 - a. Continue to review organizational efficiency and develop a succession planning program;
 - b. Redevelopment of City's General Plan and an Economic Development Strategy;
 - c. Implementation of a new application tracking system to assist with streamlining and improving application and hiring processes; and
 - d. Integration of a new City-wide timekeeping system.

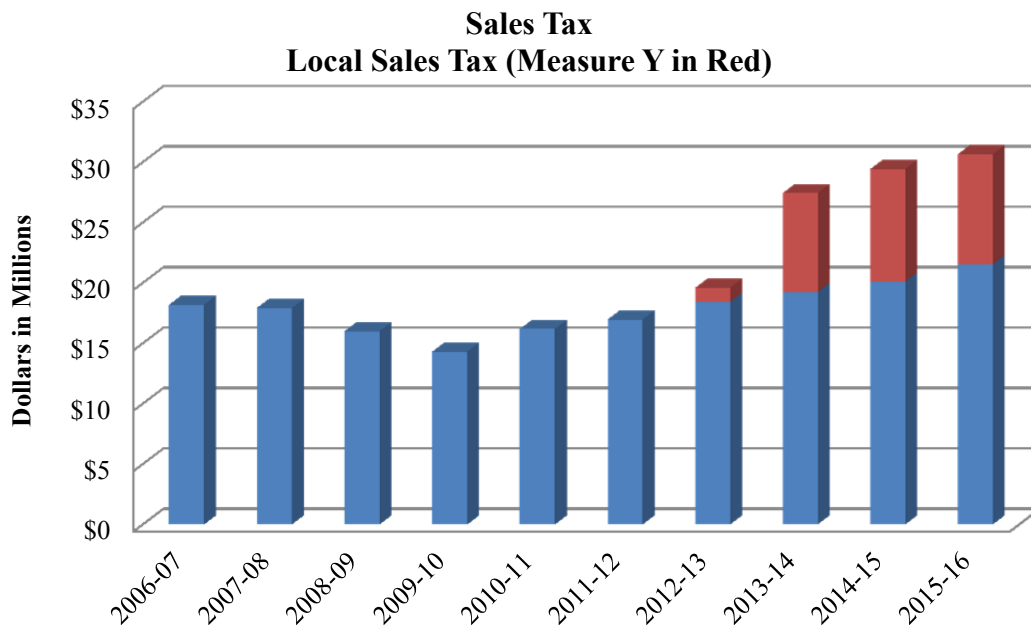
Additionally, as the City approaches its 100th year anniversary, funds have also been appropriated towards Centennial Celebration events and activities. All of the City's operations, including the community service improvements, community reinvestment, and internal operational improvements identified 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. The State of California imposes a 9.5 % sales and use tax on all taxable sales in the City, of which the City receives 1.0% of the transactions subject to the sales and use tax. Due to its reliance on consumer spending, this revenue source is highly volatile. Despite the City's diverse economic base, the City's sales taxes are the revenue source most vulnerable to recessionary conditions, as evidenced in 2009-10. The past five years have demonstrated steady growth with sales tax receipts increasing by an average of 5.9% annually.

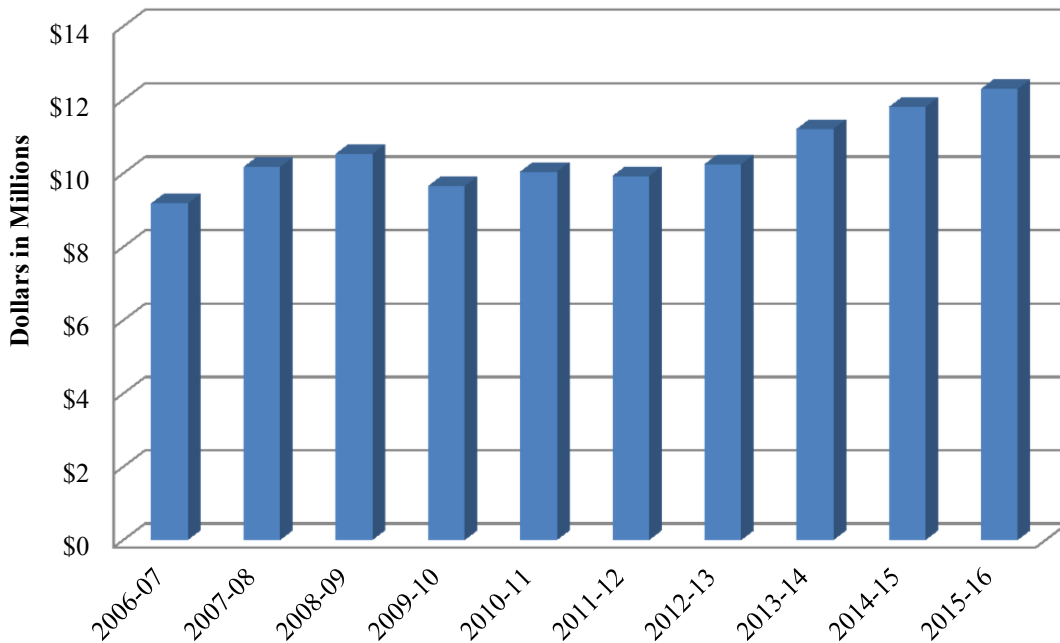


Sales tax accounted for 20% of General Fund revenue for fiscal year 2015-16, closing the year at \$21.54 million, which was a 7.1% increase over the previous fiscal year. With Measure Y taking effect in April 2013, fiscal year 2015-16 was the third full year of the local sales tax measure with receipts totaling \$9.1 million, accounting for 8.4% of General Fund revenues.

Business License Tax

Business License Tax revenue accounts for approximately 11.8 % of the General Fund revenue. All entities conducting business in Culver City are required to pay a Business License Tax annually. Like Sales Tax, Business License Tax is highly dependent on national and regional economic forces. Consequently, Business License Tax is relatively volatile. This tax dipped in fiscal year 2009-10 due to the recession, but has since improved and now exceeds pre-recession totals. Business License Tax is based on a businesses’ gross receipts, which is a measure of the amount of business they do in the City.

Business License Tax



Fiscal year 2015-16 Business License Tax receipts, including penalties, were \$12.30 million, a 4.2% increase from the previous fiscal year.

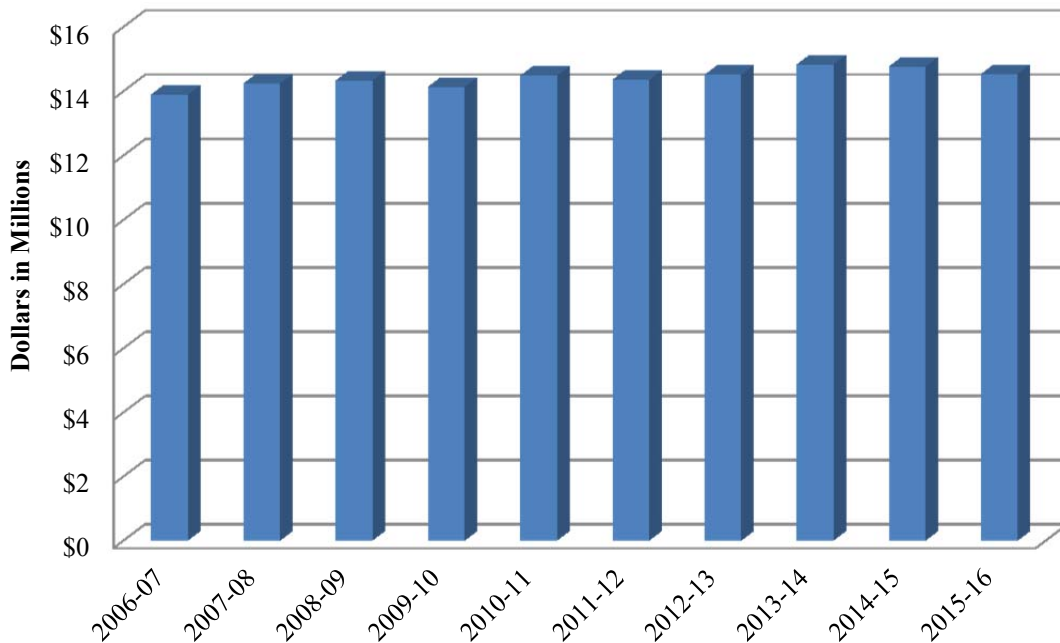
Utility User Tax

Utility User Tax receipts make up approximately 14.0% of the General Fund revenue. The City charges Utility User Tax (UUT) on electricity, water, telephone, cable, and natural gas utilities. The current UUT rate is 9% for prepaid wireless and 11% for all other utility categories. 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.

UUT receipts for fiscal year 2015-16 were \$14.54 million, a 1.6% decline from the prior fiscal year. Gas and Cable TV revenues slightly increased, while Electricity, Water and Telecommunications revenue 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 January 2016, legislation took effect to ensure more equal taxation of these services. As wireless users transition to prepaid services, the lesser rate of 9% is applied which impacts overall UUT revenue.

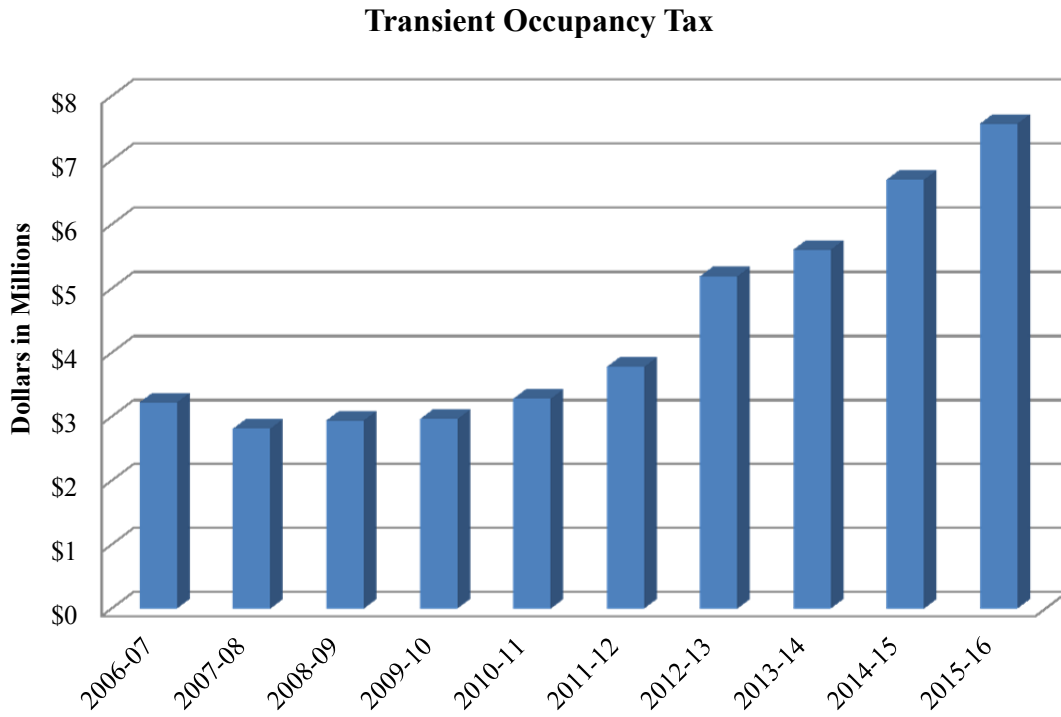
Additional declines in UUT are anticipated in future years as conservation and 'green' technologies continue to evolve and become more cost-effective, resulting in more people 'cutting the cord' to cable services. This trend may affect future utility consumption trends.

Utility Users Tax



Transient Occupancy Tax

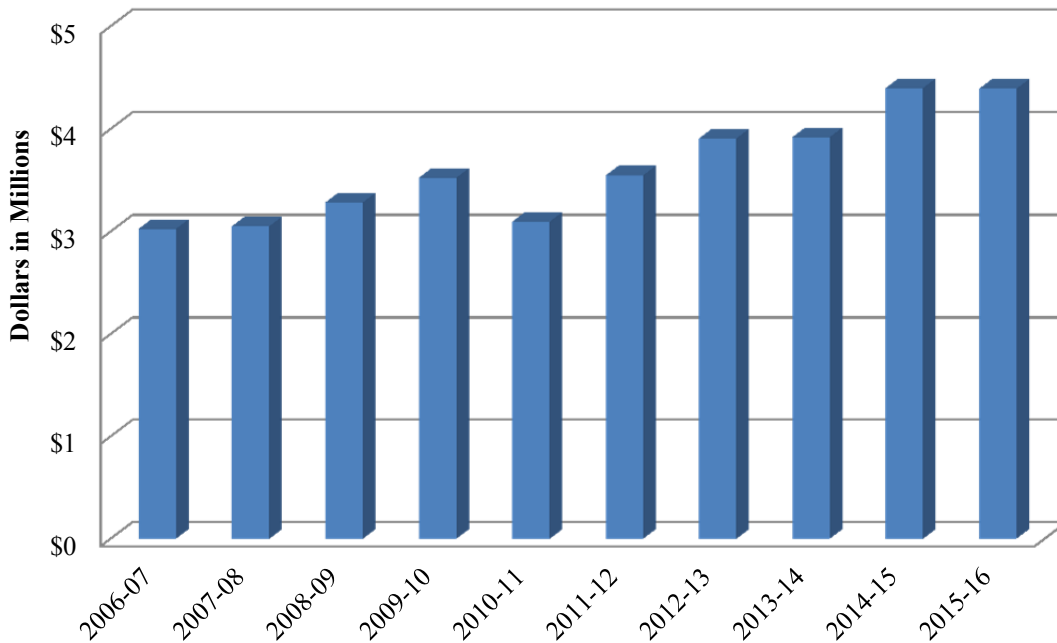
Transient Occupancy Tax (TOT) is levied on occupied hotel/motel rooms at a rate of 14%. With both occupancy and nightly room rates continuing to rise, TOT revenues reached record levels for fiscal year 2015-16, improving an additional 13.0% to \$7.6 million.



Property Tax

Culver City is a “low property tax” city and receives only 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. Continued growth in this revenue is anticipated to persist due to improvements to the City’s assessed valuation, which increased by 9.0% in 2016 over the prior year.

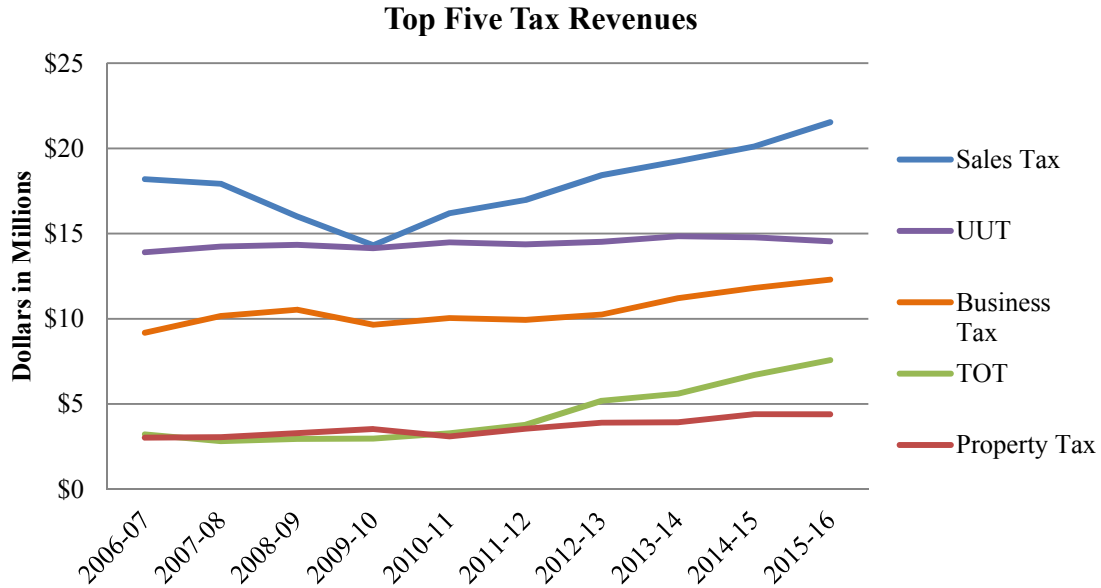
Property Tax



Property Tax receipts ended fiscal 2015-16 at \$4.39 million, slightly lower by 0.18% than the prior fiscal year revenues. Additionally, the City received \$2.43 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

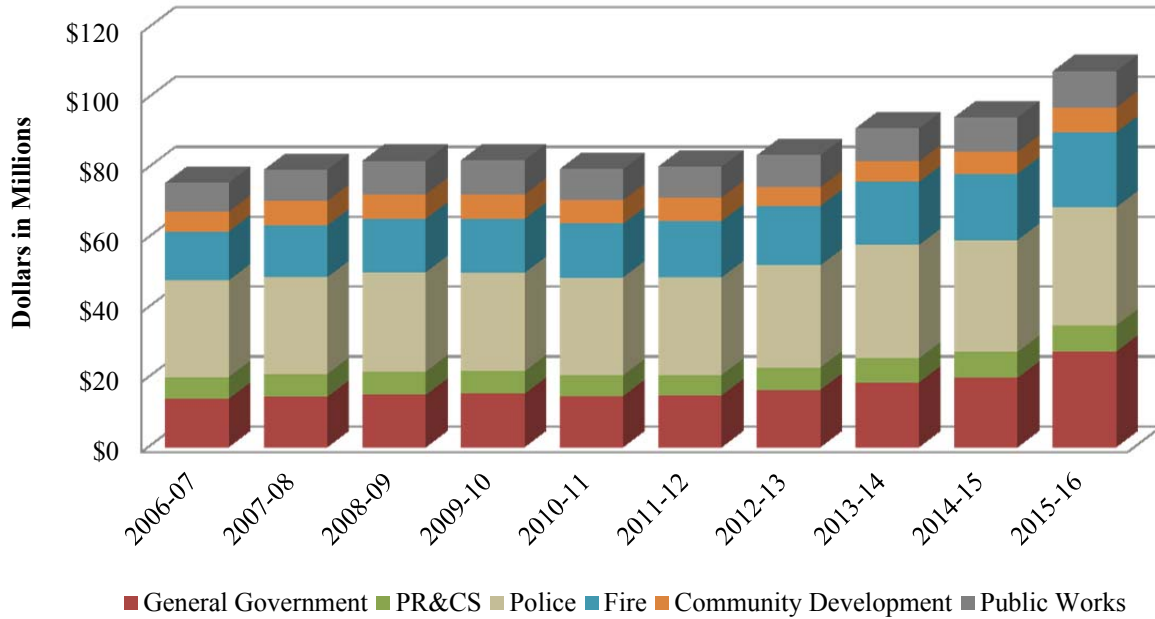
From the chart below, that correlation between the economy and the City's major tax revenues is evident. The short recession is illustrated by the steep decline to sales taxes, business taxes and transient occupancy taxes in 2009-10. Property taxes and utility users taxes have been historically level, with few marked changes. The sharp rise in sales tax revenue beginning at the 2012-13 fiscal year is due to the inclusion of the Measure Y transactions and use tax. In summary, all revenue Tax revenues continue to show improvement since 2010-11 and growth is anticipated to be slow but relatively steady into the future.



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, 2016, the City has established committed General Fund fund balances of \$29.7 million for contingencies/emergencies, \$7.4 million for future facility improvements / replacements and \$0.7 million for recreational facility improvements. Beyond these amounts, the City has an additional \$25.4 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.

Among the priorities for the City has been the need to address substantial costs required for stormwater cleanup efforts. While the General Fund has not been in a position to fund these efforts, in November 2016, residents voted in support of the Culver City Safe, Clean Beach Parcel Tax to create a dedicated source of funding to pay for water quality programs that will prevent pollution from reaching our waterways, beaches and the Ballona Creek Estuary. Measure CW is expected generate an estimated \$2 million per year, beginning Fall 2017. Though it will not pay for all of the infrastructure needed to address stormwater cleanup for the City, it is the first step in a long-term plan.

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, 2015. 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,



John Nachbar
City Manager



Jeff S. Muir
Chief Financial Officer

CITY OF CULVER CITY

June 30, 2016

CITY OFFICIALS

Elected Officials

Mayor

Jim Clarke

Vice Mayor

Jeffrey Cooper

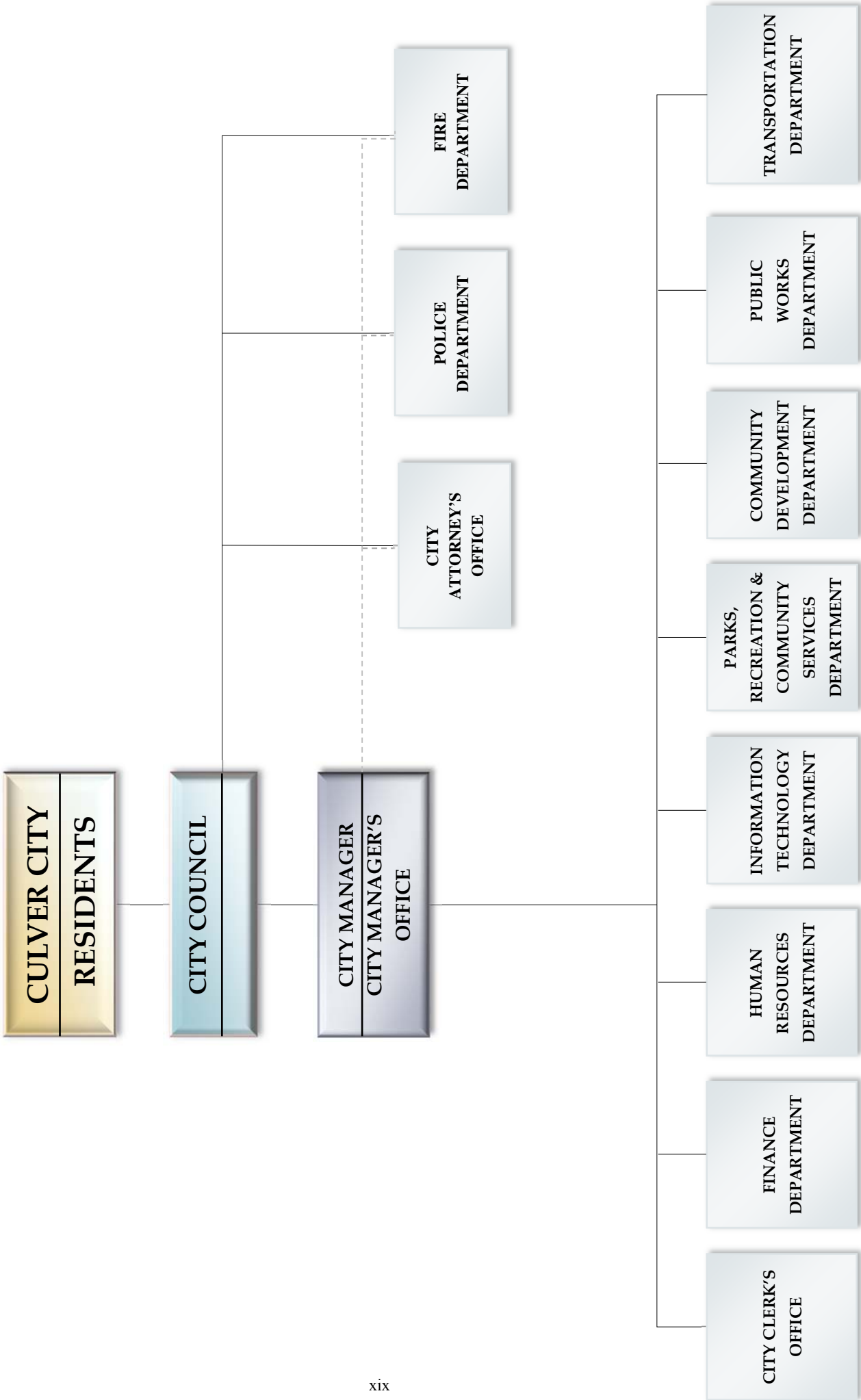
Members of the City Council

Göran Eriksson
Meghan Sahli-Wells
Thomas Aujero Small

Administrative Officials

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

CITY OF CULVER CITY ORGANIZATION CHART





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Culver City
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

Financial Section



Independent Auditor's Report





INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
of the City of Culver City
Culver City, California

Report on 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 City of Culver City, California (the "City") as of and for the year ended June 30, 2016, 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 from 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 as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Net Pension Liabilities and Net Other Post-Employment Benefit Liabilities

The Unrestricted Net Position is in deficit in the amount of \$(161,901,567) includes \$(156,905,843) reported under Governmental Activities and \$(4,995,724) reported under Business-Type Activities. It is mainly due to the Net Pension Liabilities and Net OPEB Liabilities as discussed Note 11 and Note 12, respectively. Aggregate Net Pension Liabilities for Governmental Activities and Business-Type Activities are in the amount of \$150,910,760 and \$21,615,246, respectively. Net OPEB Liabilities for Governmental Activities and Business-Type Activities are in the amount of \$86,446,472 and \$12,851,528, respectively. 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, the Budgetary Comparison Schedules – General Fund and Culver City Housing Authority Special Revenue Fund, the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of Contributions – Pension, the Schedules of Changes in OPEB Liability and Related Ratios, and the Schedule of Contributions - OPEB on pages 5 to 20 and 123 to 131 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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 basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The Introductory Section, Combining and Individual Nonmajor Fund Financial Statements, the Schedules of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Nonmajor Fund Financial Statements and the Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Nonmajor Fund Financial Statements and the Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

To the Honorable Mayor and Members of the City Council
of the City of Culver City
Culver City, California
Page 3

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2016, 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.

A handwritten signature in black ink that reads "The PwC Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California
December 16, 2016

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Management's Discussion & Analysis



**CITY OF CULVER CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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, 2016. 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-xvii 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 of resources exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2016 by \$116.8 million (*net position*). Of this amount, \$194.0 million is net investment in capital assets, \$84.7 million is restricted, and (\$161.9) million is unrestricted. The City's unrestricted net position was negatively impacted 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 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 11 and 12 on pages 91-104 of this report.
- The City's total net position, including all activities, increased by \$15.4 million in fiscal year 2016. Of this increase in net position, \$15.4 million was a result of governmental activities and \$6 thousand was due to business-type activities.
- As of June 30, 2016, the City's governmental funds reported combined ending fund balances of \$175.9 million. Approximately 13 percent of the current year amount (\$23.3 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 \$63.4 million or approximately 68 percent of total General Fund expenditures of \$93.4 million. Additional information on the City's General Fund balances is located in Note 15.

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), municipal bus lines and municipal fiber network.

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, 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 24-27 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 140-188.

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, Municipal Bus Lines, Sewer Enterprise and Municipal Fiber Network 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 61 through 120.

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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$116.8 million at June 30, 2016.

Approximately 166% 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 72.5% 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 with the implementation of GASB 68 and 75, result in a negative unrestricted net position of the City of (\$161.9) million.

City of Culver City's Net Position
As of June 30, 2016 and 2015
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets:						
Current assets	\$ 207,624	\$ 199,824	\$ 39,982	\$ 43,385	\$ 247,606	\$ 243,209
Capital assets	136,967	138,195	72,793	72,026	209,760	210,221
Total assets	344,591	338,019	112,775	115,411	457,366	453,430
Deferred Outflows of Resources:						
Pension and OPEB related amounts	14,686	11,698	2,233	1,844	16,919	13,542
Total deferred outflows of resources	14,686	11,698	2,233	1,844	16,919	13,542
Liabilities:						
Current and other liabilities	19,078	13,909	8,299	6,375	27,377	20,284
Long-term liabilities	256,063	264,032	50,113	53,256	306,176	317,288
Total liabilities	275,141	277,941	58,412	59,631	333,553	337,572
Deferred Inflows of Resources:						
Pension and OPEB related amounts	20,991	24,062	2,888	3,821	23,879	27,883
Total deferred inflows of resources	20,991	24,062	2,888	3,821	23,879	27,883
Net Position:						
Net investment in capital assets	136,967	138,195	57,051	54,690	194,018	192,885
Restricted	83,084	80,777	1,653	2,185	84,737	82,962
Unrestricted	(156,906)	(171,258)	(4,996)	(3,173)	(161,902)	(174,431)
Total net position	\$ 63,145	\$ 47,714	\$ 53,708	\$ 53,702	\$ 116,853	\$ 101,416

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, 2016, in relation to a year earlier. For the fiscal year ended June 30, 2016, total net position increased by \$15.4 million. Of this amount, \$15.4 million was the result of operations.

The following table summarizes the Statement of Activities for Governmental Activities and Business-Type Activities for the fiscal year ended June 30, 2016, with comparative totals for the fiscal year ended June 30, 2015.

**City of Culver City's Changes in Net Position
As of June 30, 2016 and 2015
(In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$26,746	\$22,016	\$26,079	\$24,691	\$52,825	\$46,707
Operating grants and contributions	6,887	6,078	16,165	15,907	23,052	21,985
Capital grants and contributions	1,195	2,825	1,221	729	2,416	3,554
General revenues:						
Taxes	77,853	74,468	-	-	77,853	74,468
Investment earnings	849	1,281	321	217	1,170	1,498
Other	4,727	18,689	384	300	5,111	18,989
Total revenues	118,257	125,357	44,170	41,844	162,427	167,201
Expenses:						
General government	13,359	22,383	-	-	13,359	22,383
Parks, recreation and community services	8,775	8,326	-	-	8,775	8,326
Police	36,045	32,806	-	-	36,045	32,806
Fire	20,374	19,168	-	-	20,374	19,168
Community development	13,645	10,461	-	-	13,645	10,461
Public works	12,587	14,477	-	-	12,587	14,477
Transit	365	263	-	-	365	263
Interest on long-term debt	-	12	-	-	-	12
Refuse disposal	-	-	11,193	11,784	11,193	11,784
Municipal bus lines	-	-	23,080	22,325	23,080	22,325
Sewer enterprise	-	-	9,876	9,765	9,876	9,765
Municipal fiber network	-	-	2	-	2	-
Total expenses	105,150	107,896	44,151	43,874	149,301	151,770
Excess (deficiency) before special item and transfers	13,107	17,461	19	(2,030)	13,126	15,431
Transfers from Fiduciary Funds	2,311	(12,542)	-	-	2,311	(12,542)
Transfers	13	(919)	(13)	919	-	-
Change in net position	15,431	4,000	6	(1,111)	15,437	2,889
Net position - beginning of year	47,714	43,714	53,702	54,813	101,416	98,527
Net position - end of year	\$ 63,145	\$ 47,714	\$ 53,708	\$ 53,702	\$ 116,853	\$ 101,416

Governmental Activities

The City's net position from governmental activities increased by \$15.4 thereby accounting for 99.9% of the total increase in the net position of the City. Key elements of this surplus are a combination of factors highlighted below:

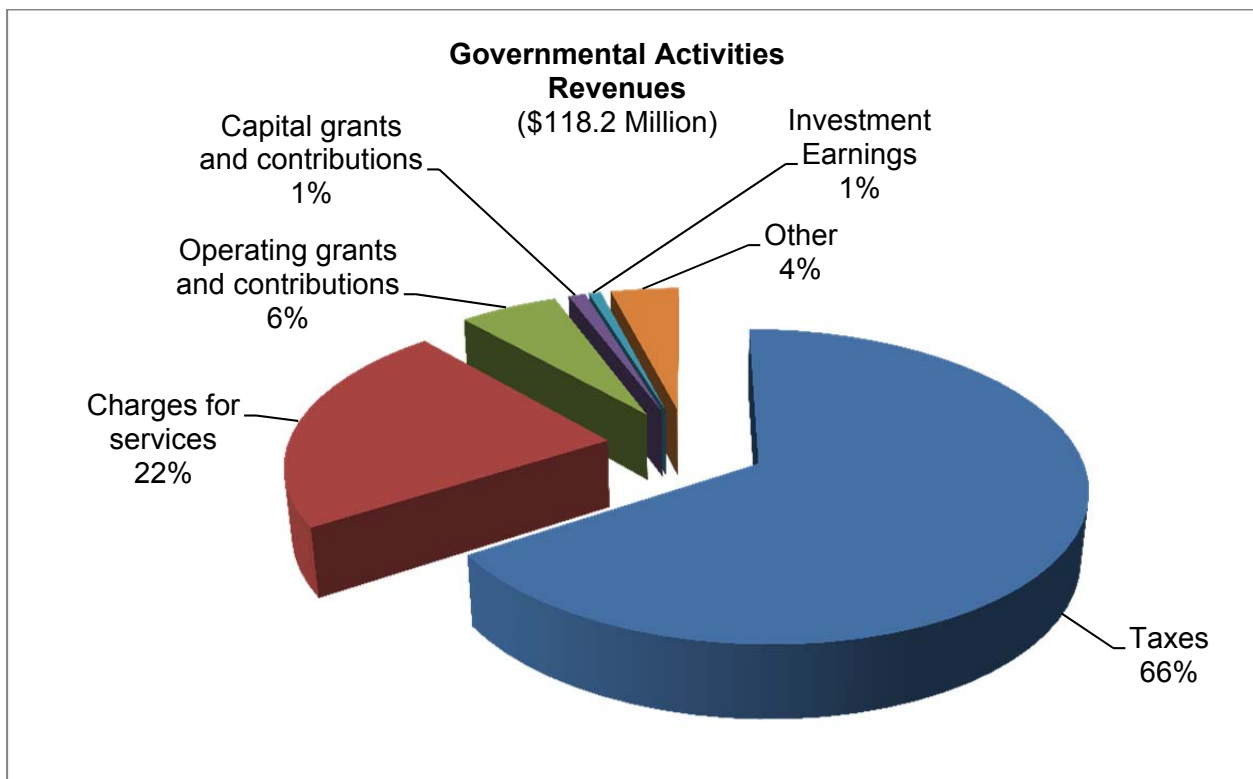
Revenue Highlights

Total revenues of governmental activities were \$118.3 million. The largest component of total revenue is taxes at \$77.9 million, making up 65.8% 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 (\$30.1 million), utility users' tax (\$14.5 million), and business tax (\$12.2 million). Some of the key changes in revenues are:

- Sales tax increased \$1.8 million, due primarily to the improving economy resulting in more taxable spending.

- Transient Occupancy taxes reached a historic high of \$7.6 million due to continued growth in tourism and demand.
- Property tax increased by \$0.6 million, due to rise in property value and improvements made.
- Business License tax increased by \$0.5 million due to the improving economy and business growth.

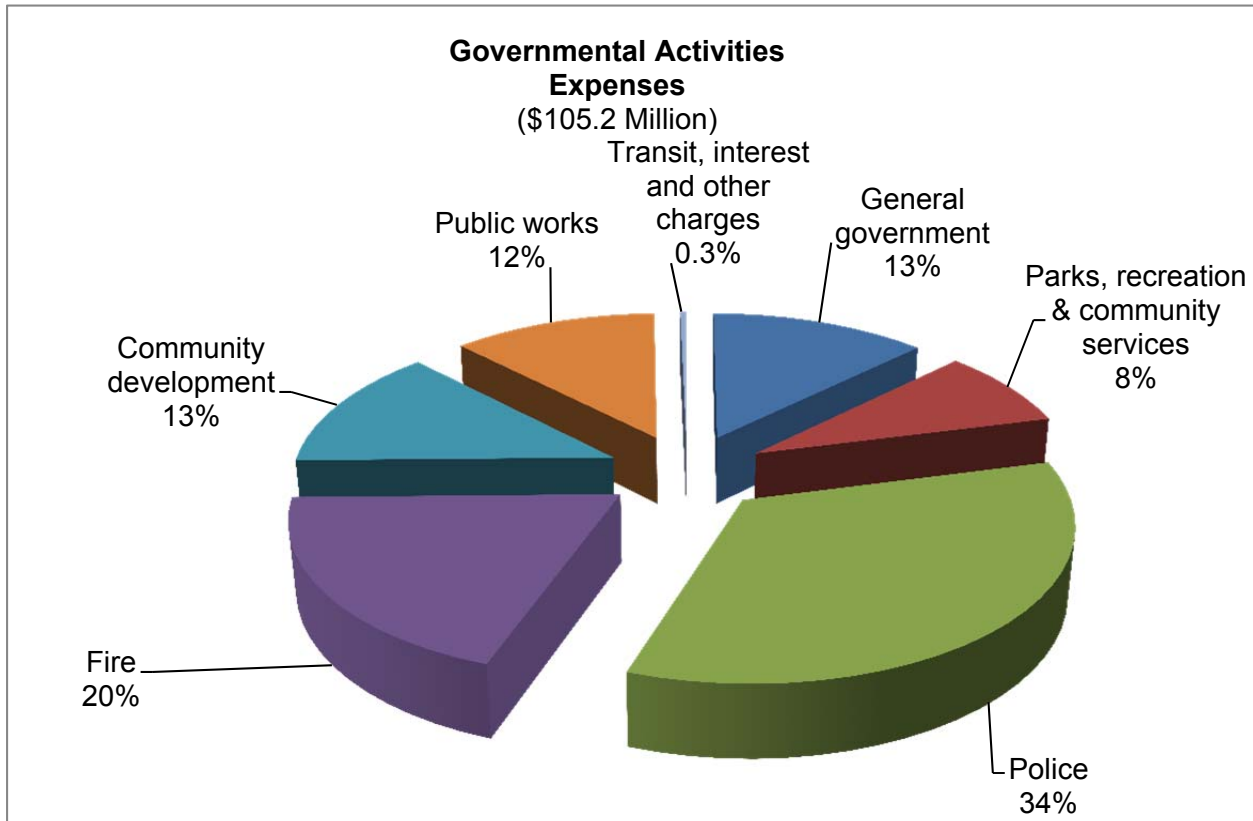
The governmental activities' chart below illustrates operating revenues by source. Sales, property, business, transient occupancy, and other taxes are general revenues used to support overall government functions. These sources account for approximately \$77.8 million or 66% of total governmental revenue. Operating and capital grants make up 7% of revenues while charges for services amount to 23% of total governmental revenues.



Expense Highlights

Functional expenses for the fiscal year totaled approximately \$105.2 million in the governmental funds, a decrease of \$2.7 million from the prior fiscal year. Increases of almost \$8.2 million in Parks, and recreation and community services, Police, Fire, Community Development and Transit were offset by approximately \$10.9 million decreases in General Government and Public Works. Public Safety activities consumed approximately \$56 million (53.6%) 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 \$12.6 million, Community Development \$13.6 million, and Parks, recreation and community services \$8.8 million. General Government Expenses (including City Council, City Manager, City

Attorney, City Clerk, Finance, Human Resources and Information Technology) consumed a total of \$13.4 million (12.7%).



Business-Type Activities

The City's net position from business-type activities slightly increased by \$6 thousand as a result of operations.

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

The City Council approved a new enterprise fund called Municipal Fiber Network. Funding for this project was appropriated through a loan from the General Fund to design and construct open access network where Internet Service Providers (ISPs) will utilize City's fiber infrastructure to service the business community. At the end of the current fiscal year, net position increased by \$70 thousand as a result of investment earnings.

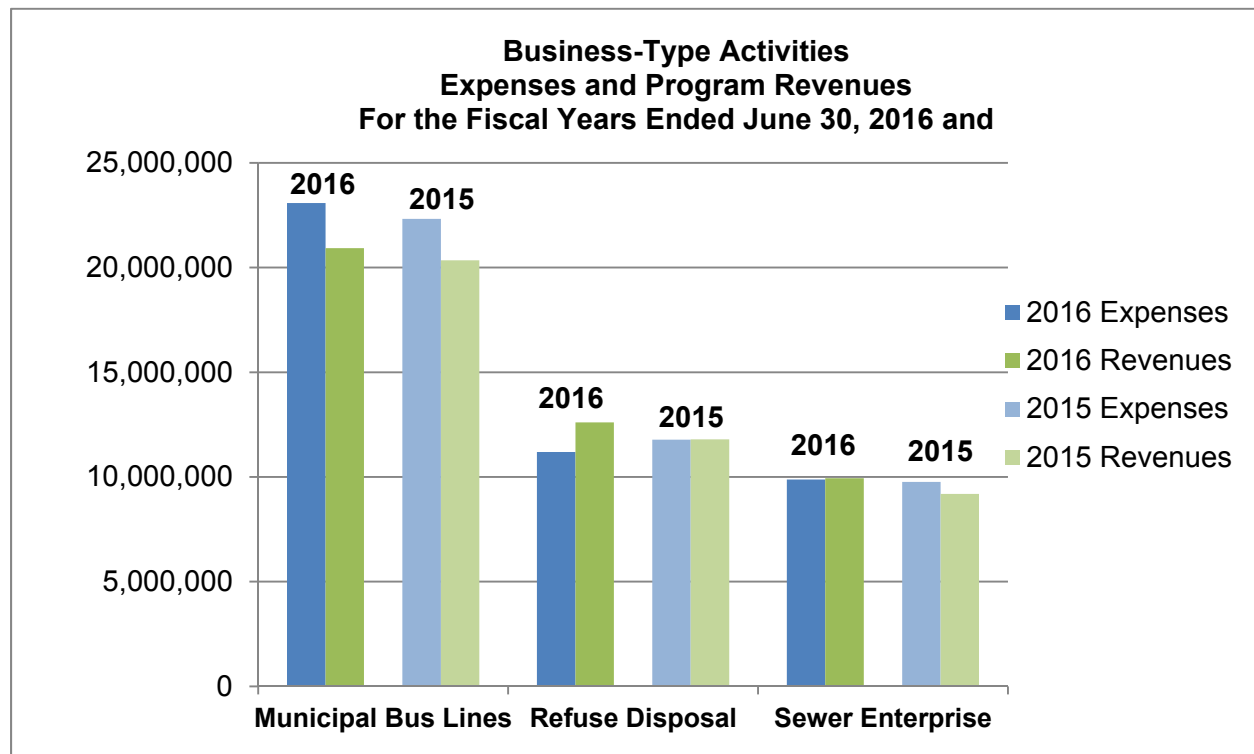
The following chart shows a comparison of program revenues to expenses and to prior fiscal year for each of the City's business-type activities.

Revenue Highlights

Total program revenues for the fiscal year ended June 30, 2016 were \$43.5 million, an increase of \$2.2 million from the prior fiscal year. This was primarily due to increases of \$1.4 million in Charges for Services, \$0.3 million in Operating Grants and Contributions and \$0.5 million in Capital Grants and Contributions.

Expense Highlights

Refuse disposal expenses decreased \$0.6 million, or 5%. Sewer enterprise expenses increased by \$0.1 million, or 0.1%. Municipal Bus Line expenses increased by \$0.8 million, or 3.3%. 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, 2016, the City's governmental funds reported a combined ending fund balance of \$175.9 million, an increase of \$12.0 million in comparison with the prior fiscal year. Decreased revenues of \$7.1 million (primarily decreases of \$13.7 million in miscellaneous, \$0.3 million in intergovernmental and \$0.6 million in investment earnings were offset by increases of \$3.1 million in taxes, \$0.8 in licenses and permits, \$0.2 million in fines & forfeitures and \$3.4 million in charges for services) offset \$5.8 million in increased expenditures (primarily increases of \$3.9 million in Police and Fire, \$3.6 million in Community Development, Parks and Transit, \$1.1 million in Public works, and \$1.1 million in Capital Outlay offset by a decrease of \$3.6 million in General Government and \$0.3 million in Debt service payment), as compared to the prior fiscal year. Of the total \$175.9 million fund balance, \$18.6 million was nonspendable, \$81.9 million was restricted, \$51.9 million was committed, \$0.2 million was assigned, and \$23.3 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 \$1.4 million in fund balance for fiscal year 2016 with an \$82.1 million total fund balance at June 30, 2016. The increase is mainly due to improvements in the local and regional economy.

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 \$2.7 million during fiscal year 2016.

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 2016 by \$1.9 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, Sewer Enterprise, and Municipal Fiber Network funds were (\$6.2) million, \$18.9 million, \$40.8 million, and \$0.07 million respectively. On an operational basis, total net position of these funds increased by \$6 thousand in the fiscal year ended June 30, 2016. Within this total, the Municipal Bus Lines fund's net position decreased by \$0.7 million. Net position in the Internal Service Funds decreased over \$0.8 million due to operations.

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, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$73,615,000	\$74,016,000	\$ 78,337,955	\$ 4,321,955
Licenses and permits	3,667,500	3,341,275	4,225,483	884,208
Fines and forfeitures	4,217,672	4,186,000	4,323,432	137,432
Intergovernmental	4,136,315	4,209,765	4,309,822	100,057
Charges for services	8,575,560	9,275,933	11,255,442	1,979,509
Investment earnings	823,480	713,000	849,088	136,088
Miscellaneous	334,000	1,255,031	530,133	(724,898)
Total revenues	<u>95,369,527</u>	<u>96,997,004</u>	<u>103,831,355</u>	<u>6,834,351</u>
Transfers in	<u>1,700,000</u>	<u>1,700,000</u>	<u>1,700,000</u>	<u>-</u>
Total other financing sources	<u>1,700,000</u>	<u>1,700,000</u>	<u>1,700,000</u>	<u>-</u>
Total Revenues	<u>\$97,069,527</u>	<u>\$98,697,004</u>	<u>\$105,531,355</u>	<u>\$ 6,834,351</u>

The amended fiscal year 2016 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 charges for services category.

As shown on the table above, actual revenues and transfers totaled \$105.5 million, ahead of the amended budget by \$6.8 million. Taxes exceeded the amended budget by \$4.3 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 \$2.0 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, 2016

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final		
Expenditures:				
General government	\$ 13,599,326	\$ 13,194,859	\$ 13,210,888	\$ (16,029)
Parks, recreation and community services	7,885,314	8,047,538	7,443,175	604,363
Police	35,246,474	35,409,255	33,806,609	1,602,646
Fire	20,553,258	21,229,887	21,490,702	(260,815)
Community development	7,009,852	8,154,661	7,113,386	1,041,275
Public works	11,135,937	11,354,440	10,343,397	1,011,043
Total expenditures	<u>95,430,161</u>	<u>97,390,640</u>	<u>93,408,157</u>	<u>3,982,483</u>
Transfers out	<u>8,238,524</u>	<u>10,738,524</u>	<u>10,738,524</u>	<u>-</u>
Total other financing uses	<u>8,238,524</u>	<u>10,738,524</u>	<u>10,738,524</u>	<u>-</u>
Total Expenditures	<u>\$103,668,685</u>	<u>\$108,129,164</u>	<u>\$104,146,681</u>	<u>\$ 3,982,483</u>

The amended fiscal year 2016 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, 2015.

Each department ended the fiscal year within their respective spending authority. 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	
	2016	2015	2016	2015	2016	2015
Land	\$ 21,363	\$ 21,363	\$ 3,082	\$ 3,083	\$ 24,445	\$ 24,446
Buildings	48,049	49,547	16,909	17,469	64,958	67,016
Improvements	10,105	9,949	8,899	9,564	19,004	19,513
Machinery and equipment	9,141	10,239	12,377	13,998	21,518	24,237
Infrastructure	44,968	45,778	14,113	13,247	59,081	59,025
Investment in Hyperion	-	-	11,337	12,002	11,337	12,002
Construction in progress	3,341	1,319	6,030	2,612	9,371	3,931
Total	\$ 136,967	\$ 138,195	\$ 72,792	\$ 72,026	\$ 209,759	\$ 210,221

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2016, amounts to \$209.8 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 \$6.2 million and \$4.5 million, respectively. Additional information is available in Note 6 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 \$313.7 million, a decrease of \$3.7 million over the prior fiscal year. Of this decrease, \$13.1 million is attributable to net OPEB liabilities recorded as a result of GASB 75, \$0.3 million is due to self-insurance, \$1.5 million relates to revenue bonds, certificates of participation offset by increases of \$10.5 million in net pension liabilities recorded as a result of GASB 68, and \$0.8 million in employee benefits obligations.

Summary of Long-Term Liabilities
Fiscal Year Ended June 30, 2016
(In Thousands)

	Governmental		Business-Type		Total	
	2016	2015	2016	2015	2016	2015
Compensated absences payable	\$ 9,695	\$ 8,668	\$ 1,143	\$ 1,342	\$ 10,838	\$ 10,010
Claims and judgments	15,273	15,555	-	-	15,273	15,555
Net OPEB liabilities	86,446	97,875	12,851	14,550	99,297	112,425
Net Pension liabilities	150,911	141,935	21,615	20,129	172,526	162,064
2009 Wastewater Facilities Revenue Bonds	-	-	15,785	16,575	15,785	16,575
1996 Certificates of Participation	-	-	-	760	-	760
Total	\$ 262,325	\$ 264,033	\$ 51,394	\$ 53,356	\$ 313,719	\$ 317,389

Additional information is available in Note 7 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 2016 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 \$9.1 million for fiscal year 2016, 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 Finance Department, at finance.dept@culvercity.org or 9770 Culver Blvd., Culver City, CA 90232, (310) 253-5865.

BASIC FINANCIAL STATEMENTS

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Basic Financial Statements

GOVERNMENT -WIDE FINANCIAL STATEMENTS



GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Culver City
Statement of Net Position
June 30, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 130,899,790	\$ 45,903,541	\$ 176,803,331
Cash and investments held with fiscal agents	-	1,652,641	1,652,641
Accounts receivables, net	2,774,429	1,446,235	4,220,664
Interest receivables	1,913,095	116,314	2,029,409
Notes receivables, net	13,891,712	1,195	13,892,907
Internal balances	11,795,846	(11,795,846)	-
Due from other governments	9,500,346	2,658,450	12,158,796
Inventories	774,943	-	774,943
Advances to Successor Agency	9,075,893	-	9,075,893
Land held for resale	26,997,542	-	26,997,542
Capital assets:			
Not being depreciated	24,704,666	9,113,681	33,818,347
Being depreciated, net	112,262,737	63,679,011	175,941,748
Total assets	344,590,999	112,775,222	457,366,221
DEFERRED OUTFLOWS OF RESOURCES			
Pension related amounts	13,484,592	2,054,673	15,539,265
Other post-employment benefits amounts	1,201,395	178,605	1,380,000
Total deferred outflows of resources	14,685,987	2,233,278	16,919,265

(Continued)

City of Culver City
Statement of Net Position (Continued)
June 30, 2016

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
LIABILITIES			
Current liabilities:			
Accounts payable	5,396,090	1,476,876	6,872,966
Salaries and benefits payable	1,688,968	923,297	2,612,265
Interest payable	-	263,550	263,550
Deposits payable	5,490,550	54,000	5,544,550
Due to other government	69,853	-	69,853
Unearned revenues	169,715	4,299,302	4,469,017
Compensated absences, due within one year	3,208,110	466,605	3,674,715
Claims payable, due within one year	3,054,674	-	3,054,674
Revenue bonds and notes payable, due within one year	-	815,000	815,000
Total current liabilities	<u>19,077,960</u>	<u>8,298,630</u>	<u>27,376,590</u>
Noncurrent liabilities:			
Compensated absences, due in more than one year	6,486,974	676,226	7,163,200
Claims payable, due in more than one year	12,218,698	-	12,218,698
Revenue bonds and notes payable, due in more than one year	-	14,970,000	14,970,000
Aggregate net pension liabilities	150,910,760	21,615,246	172,526,006
Net other post-employment benefits liabilities	86,446,472	12,851,528	99,298,000
Total noncurrent liabilities	<u>256,062,904</u>	<u>50,113,000</u>	<u>306,175,904</u>
Total liabilities	<u>275,140,864</u>	<u>58,411,630</u>	<u>333,552,494</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related amounts	12,256,571	1,589,982	13,846,553
Other post-employment benefits amounts	8,734,489	1,298,511	10,033,000
Total deferred inflows of resources	<u>20,991,060</u>	<u>2,888,493</u>	<u>23,879,553</u>
NET POSITION			
Net investment in capital assets	136,967,403	57,051,460	194,018,863
Restricted for:			
Transit	2,460,793	-	2,460,793
Housing Authority	28,841,555	-	28,841,555
Public safety	1,237,456	-	1,237,456
Public works	10,755,583	-	10,755,583
Debt service	-	1,652,641	1,652,641
Community development	39,788,115	-	39,788,115
Total restricted	<u>83,083,502</u>	<u>1,652,641</u>	<u>84,736,143</u>
Unrestricted (deficit)	<u>(156,905,843)</u>	<u>(4,995,724)</u>	<u>(161,901,567)</u>
Total net position	<u>\$ 63,145,062</u>	<u>\$ 53,708,377</u>	<u>\$ 116,853,439</u>

(Concluded)

City of Culver City
Statement of Activities
For the Year Ended June 30, 2016

Functions/Programs:	Expenses	Program Revenues			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Program Revenues
Primary government:					
Governmental activities:					
General government	\$ 13,358,925	\$ 3,420,061	\$ 1,438,348	\$ 2,404	\$ 4,860,813
Parks, recreation and community services	8,775,491	2,981,697	290,362	-	3,272,059
Police	36,045,013	4,661,925	596,124	-	5,258,049
Fire	20,374,502	3,469,803	177,988	-	3,647,791
Community development	13,645,410	10,055,969	2,953,819	-	13,009,788
Public works	12,586,907	2,152,282	1,286,705	1,193,191	4,632,178
Transit	364,621	4,348	143,921	-	148,269
Total governmental activities	105,150,869	26,746,085	6,887,267	1,195,595	34,828,947
Business-type activities:					
Refuse disposal	11,192,703	12,559,906	44,413	-	12,604,319
Municipal bus lines	23,080,081	3,582,271	16,120,357	1,220,528	20,923,156
Sewer Enterprise	9,875,998	9,936,490	690	-	9,937,180
Municipal fiber network	1,963	-	-	-	-
Total business-type activities	44,150,745	26,078,667	16,165,460	1,220,528	43,464,655
Total primary government	\$ 149,301,614	\$ 52,824,752	\$ 23,052,727	\$ 2,416,123	\$ 78,293,602

City of Culver City
Statement of Activities (Continued)
For the Year Ended June 30, 2016

Functions/Programs:	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Primary government:			
Governmental activities:			
General government	\$ (8,498,112)	\$ -	\$ (8,498,112)
Parks, recreation and community services	(5,503,432)	-	(5,503,432)
Police	(30,786,964)	-	(30,786,964)
Fire	(16,726,711)	-	(16,726,711)
Community development	(635,622)	-	(635,622)
Public works	(7,954,729)	-	(7,954,729)
Transit	(216,352)	-	(216,352)
Total governmental activities	(70,321,922)	-	(70,321,922)
Business-type activities:			
Refuse disposal	-	1,411,616	1,411,616
Municipal bus lines	-	(2,156,925)	(2,156,925)
Sewer Enterprise	-	61,182	61,182
Municipal fiber network	-	(1,963)	(1,963)
Total business-type activities	-	(686,090)	(686,090)
Total primary government	(70,321,922)	(686,090)	(71,008,012)
General revenues:			
Taxes:			
Property taxes	10,627,556	-	10,627,556
Sales taxes	30,172,506	-	30,172,506
Utility users taxes	14,544,069	-	14,544,069
Franchise taxes	1,408,672	-	1,408,672
Business license taxes	12,299,395	-	12,299,395
Transient occupancy taxes	7,572,077	-	7,572,077
Other taxes	1,228,747	-	1,228,747
Total taxes	77,853,022	-	77,853,022
Intergovernmental revenues, unrestricted	4,109,366	-	4,109,366
Investment earnings	849,088	320,930	1,170,018
Miscellaneous	617,494	384,297	1,001,791
Transfers from Fiduciary Funds	2,310,800	-	2,310,800
Transfers	12,786	(12,786)	-
Total general revenues and transfers	85,752,556	692,441	86,444,997
Change in net position	15,430,634	6,351	15,436,985
Net position - beginning	47,714,428	53,702,026	101,416,454
Net position - ending	\$ 63,145,062	\$ 53,708,377	\$ 116,853,439

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Basic Financial Statements

FUND FINANCIAL STATEMENTS



FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements
Proprietary Fund Financial Statements
Fiduciary Fund Financial Statements

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

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 - This fund is used to account for the former Low/Moderate Income Housing Funds transferred to the City under the 2011 Cooperation and Implementation agreements. 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 - This fund is used to account for capital projects that are not otherwise funded by a special revenue fund or other specifically identified by the sources of funding. Project funding is mainly from general revenues allocated by action of the City Council.

**City of Culver City
Balance Sheet
Governmental Funds
June 30, 2016**

	Major Funds		
	General	Culver City Housing Authority	Capital Improvement and Acquisition
ASSETS			
Cash and investments	\$ 56,118,826	\$ 1,309,700	\$ 9,104,424
Accounts receivables, net	2,654,775	498	-
Interest receivables	151,264	1,582,251	20,542
Notes receivables, net	1,273,944	12,578,947	-
Due from other funds	2,812,230	-	-
Due from other governments	7,580,892	-	-
Advances to other funds	11,692,521	-	-
Advances to successor agency	-	9,075,893	-
Land held for resale	5,684,776	3,148,770	-
Total assets	\$ 87,969,228	\$ 27,696,059	\$ 9,124,966
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 3,050,757	\$ 88,821	\$ 469,092
Salaries and benefits payable	1,357,474	-	-
Due to other governments	-	-	-
Due to other funds	2,367	711	-
Deposits payable	1,378,871	6,685	4,066,174
Unearned revenues	102,145	-	-
Total liabilities	5,891,614	96,217	4,535,266
Deferred Inflows of Resources:			
Unavailable revenue	-	-	-
Total deferred inflows of resources	-	-	-
Fund Balances:			
Nonspendable	18,651,241	-	-
Restricted	-	27,599,842	-
Committed	37,778,333	-	4,589,700
Assigned	225,888	-	-
Unassigned (deficit)	25,422,152	-	-
Total fund balances	82,077,614	27,599,842	4,589,700
Total liabilities, deferred inflows of resources and fund balances	\$ 87,969,228	\$ 27,696,059	\$ 9,124,966

**City of Culver City
Balance Sheet (Continued)
Governmental Funds
June 30, 2016**

	Total Nonmajor Funds	Total Governmental Funds
ASSETS		
Cash and investments	\$ 46,621,592	\$ 113,154,542
Accounts receivables, net	104,646	2,759,919
Interest receivables	113,783	1,867,840
Notes receivables, net	38,821	13,891,712
Due from other funds	2,367	2,814,597
Due from other governments	1,906,724	9,487,616
Advances to other funds	-	11,692,521
Advances to successor agency	-	9,075,893
Land held for resale	18,163,996	26,997,542
Total assets	\$ 66,951,929	\$ 191,742,182
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 1,387,546	\$ 4,996,216
Salaries and benefits payable	30,145	1,387,619
Due to other governments	69,853	69,853
Due to other funds	2,090,240	2,093,318
Deposits payable	38,820	5,490,550
Unearned revenues	67,570	169,715
Total liabilities	3,684,174	14,207,271
Deferred Inflows of Resources:		
Unavailable revenue	1,587,613	1,587,613
Total deferred inflows of resources	1,587,613	1,587,613
Fund Balances:		
Nonspendable	-	18,651,241
Restricted	54,272,378	81,872,220
Committed	9,524,612	51,892,645
Assigned	-	225,888
Unassigned (deficit)	(2,116,848)	23,305,304
Total fund balances	61,680,142	175,947,298
Total liabilities, deferred inflows of resources and fund balances	\$ 66,951,929	\$ 191,742,182

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City of Culver City
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2016

Total Fund Balances - Total Governmental Funds \$ 175,947,298

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

Capital assets used in governmental activities are not financial resources and are not reported in the funds:

Capital assets, not being depreciated (net of \$1,058,616 reported in Internal Service Funds)	23,646,050
Capital assets, depreciable (net of \$23,337,949 reported in Internal Service Funds)	190,175,032
Less accumulated depreciation (net of \$(18,168,795) reported in Internal Service Funds)	(83,081,449)

Long-term liabilities and related deferred outflows of resources and deferred inflows of resources were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds' Balance Sheet:

Compensated absences (net of \$730,371 reported in Internal Service Funds)	(8,964,713)
Net pension liability (net of \$7,508,897 reported in Internal Service Funds)	(143,401,863)
Pension related deferred outflows of resources (net of \$713,771 reported in Internal Service Funds)	12,770,821
Pension related deferred inflows of resources (net of \$552,342 reported in Internal Service Funds)	(11,704,229)
Net OPEB liability (net of \$3,607,165 reported in Internal Service Funds)	(82,839,307)
OPEB related deferred outflows of resources (net of \$50,131 reported in Internal Service Funds)	1,151,264
OPEB related deferred inflows of resources (net of \$364,464 reported in Internal Service Funds)	(8,370,025)

Internal service funds are used by management to charge the costs of equipment replacement, fleet management, risk management, and central store to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Government-Wide Statement of Net Position. (3,771,430)

Revenues earned but not available to pay for current expenditures for governmental funds are unavailable. 1,587,613

Net Position of Governmental Activities \$ 63,145,062

City of Culver City
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016

	Major Funds		
		Culver City Housing Authority	Capital Improvement and Acquisition
	General		
REVENUES:			
Taxes	\$ 78,337,955	\$ -	\$ -
Licenses and permits	4,225,483	-	-
Fines and forfeitures	4,323,432	-	-
Intergovernmental	4,309,822	-	236,859
Charges for services	11,255,442	-	-
Investment earnings	849,088	461,339	409,927
Miscellaneous	530,133	5,100	22,001
Total revenues	103,831,355	466,439	668,787
EXPENDITURES:			
Current:			
General government	13,210,888	-	-
Parks, recreation and community services	7,443,175	-	-
Police	33,806,609	-	3,199
Fire	21,490,702	-	-
Community development	7,113,386	3,137,948	-
Public works	10,343,397	-	619
Transit	-	-	-
Capital outlay	-	-	4,167,459
Total expenditures	93,408,157	3,137,948	4,171,277
REVENUES OVER (UNDER) EXPENDITURES	10,423,198	(2,671,509)	(3,502,490)
OTHER FINANCING SOURCES (USES):			
Transfers in	1,700,000	-	5,353,524
Transfers out	(10,738,524)	-	-
Transfers from Fiduciary Fund	-	-	-
Total other financing sources (uses)	(9,038,524)	-	5,353,524
CHANGES IN FUND BALANCES	1,384,674	(2,671,509)	1,851,034
FUND BALANCES:			
Beginning of year	80,692,940	30,271,351	2,738,666
End of year	\$ 82,077,614	\$ 27,599,842	\$ 4,589,700

City of Culver City
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended June 30, 2016

	Total Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:		
Taxes	\$ -	\$ 78,337,955
Licenses and permits	863,481	5,088,964
Fines and forfeitures	-	4,323,432
Intergovernmental	7,094,580	11,641,261
Charges for services	4,738,583	15,994,025
Investment earnings	595,274	2,315,628
Miscellaneous	931,115	1,488,349
Total revenues	14,223,033	119,189,614
EXPENDITURES:		
Current:		
General government	-	13,210,888
Parks, recreation and community services	318,545	7,761,720
Police	495,880	34,305,688
Fire	41,221	21,531,923
Community development	3,164,124	13,415,458
Public works	902,766	11,246,782
Transit	280,161	280,161
Capital outlay	3,259,536	7,426,995
Total expenditures	8,462,233	109,179,615
REVENUES OVER (UNDER) EXPENDITURES	5,760,800	10,009,999
OTHER FINANCING SOURCES (USES):		
Transfers in	8,715,478	15,769,002
Transfers out	(5,322,692)	(16,061,216)
Transfers from Fiduciary Fund	2,310,800	2,310,800
Total other financing sources (uses)	5,703,586	2,018,586
CHANGES IN FUND BALANCES	11,464,386	12,028,585
FUND BALANCES:		
Beginning of year	50,215,756	163,918,713
End of year	\$ 61,680,142	\$ 175,947,298

City of Culver City
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes
in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Position
For the Year Ended June 30, 2016

Net Change in Fund Balances - Total Governmental Funds \$ 12,028,585

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

Acquisition of capital assets was reported as expenditures in the governmental funds. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over the estimated useful lives as depreciation expense. The following was the amount of capital assets recorded in the current period:

Capital outlay (\$4,014,292 of capital outlay expenditures were for current public works expenditures for repairs and maintenance and therefore, were not capitalized), net of \$1,776,818 reported in Internal Service Funds.	3,365,176
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The net effect of disposal of capital assets.	(122,718)
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Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources. Therefore, depreciation expense was not reported as an expenditure in the governmental funds. (Net of \$1,348,661 reported in Internal Service Funds.)	(4,837,515)
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Long-term compensated absences expense was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. Therefore, the increase in long-term compensated absences was not reported as an expenditure in the governmental funds. (Net of \$57,028 reported in Internal Service Funds.)	(1,084,094)
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Other postemployment benefits and pension expenses were reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. Therefore, the increase or decrease in other postemployment benefits liability and net pension liabilities were not reported as an expenditure or (credit) in the governmental funds.

Other postemployment benefit expenses (credit)	3,345,349
Pension expense (credit)	4,501,624

Internal service funds were used by management to charge the costs of certain activities, such as equipment and fleet management, insurance, and central stores to individual funds. The net revenue of the internal service funds was reported with governmental activities.	(834,076)
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Unavailable revenue is not recognized as revenue in the governmental funds since the revenue is not available to fund expenditures of the current year.	(931,697)
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Change in Net Position of Governmental Activities	<u><u>\$ 15,430,634</u></u>
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PROPRIETARY FUND FINANCIAL STATEMENTS

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PROPRIETARY FUNDS

Enterprise Funds are used to account and report activities for which fees are charges to external users for goods and/or services.

Enterprise Funds include:

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

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

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

Municipal Fiber Network Fund- This fund is used to account for the installation of open access network where Internet Service Provider ("ISP") will utilize the City's fiber infrastructure to service the business community.

City of Culver City
Statement of Net Position
Proprietary Funds
June 30, 2016

	Business-Type Activities - Enterprise Funds				Total Enterprise Funds
	Refuse Disposal	Municipal Bus Lines	Sewer Enterprise	Municipal Fiber Network	
ASSETS					
Current assets:					
Cash and investments	\$ 2,829,012	\$ 13,973,463	\$ 18,493,728	\$ 10,607,338	\$ 45,903,541
Cash and investments with fiscal agent	-	35	43,768	-	43,803
Accounts receivables, net	792,858	653,377	-	-	1,446,235
Interest receivables	7,825	31,837	48,783	27,869	116,314
Notes receivables, net	-	-	1,195	-	1,195
Due from other funds	-	-	-	-	-
Due from other governments	74,342	2,382,508	201,600	-	2,658,450
Inventory	-	-	-	-	-
Total current assets	<u>3,704,037</u>	<u>17,041,220</u>	<u>18,789,074</u>	<u>10,635,207</u>	<u>50,169,538</u>
Noncurrent assets:					
Cash and investments with fiscal agent	-	-	1,608,838	-	1,608,838
Advances to other funds	-	-	-	-	-
Capital assets:					
Not being depreciated	1,790	1,545,698	6,181,937	1,384,256	9,113,681
Being depreciated	8,020,518	61,927,681	64,068,237	-	134,016,436
Less accumulated depreciation	(6,386,189)	(33,202,392)	(30,748,844)	-	(70,337,425)
Total capital assets, net	<u>1,636,119</u>	<u>30,270,987</u>	<u>39,501,330</u>	<u>1,384,256</u>	<u>72,792,692</u>
Total noncurrent assets	<u>1,636,119</u>	<u>30,270,987</u>	<u>41,110,168</u>	<u>1,384,256</u>	<u>74,401,530</u>
Total assets	<u>5,340,156</u>	<u>47,312,207</u>	<u>59,899,242</u>	<u>12,019,463</u>	<u>124,571,068</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related amounts	517,167	1,362,229	175,277	-	2,054,673
Other post-employment benefits amounts	64,696	107,823	6,086	-	178,605
Total deferred outflows of resources	<u>581,863</u>	<u>1,470,052</u>	<u>181,363</u>	<u>-</u>	<u>2,233,278</u>

(Continued)

City of Culver City
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2016

	<u>Governmental Activities</u> <u>Internal</u> <u>Service Funds</u>
ASSETS	
Current assets:	
Cash and investments	\$ 17,745,248
Cash and investments with fiscal agent	-
Accounts receivables, net	14,510
Interest receivables	45,255
Notes receivables, net	-
Due from other funds	85
Due from other governments	12,730
Inventory	<u>774,943</u>
Total current assets	<u>18,592,771</u>
Noncurrent assets:	
Cash and investments with fiscal agent	-
Advances to other funds	103,325
Capital assets:	
Not being depreciated	1,058,616
Being depreciated	23,337,949
Less accumulated depreciation	<u>(18,168,795)</u>
Total capital assets, net	<u>6,227,770</u>
Total noncurrent assets	<u>6,331,095</u>
Total assets	<u>24,923,866</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related amounts	713,771
Other post-employment benefits amounts	<u>50,131</u>
Total deferred outflows of resources	<u>763,902</u>

(Continued)

City of Culver City
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2016

	Business-Type Activities - Enterprise Funds				Total Enterprise Funds
	Refuse Disposal	Municipal Bus Lines	Sewer Enterprise	Municipal Fiber Network	
LIABILITIES					
Current liabilities:					
Accounts payable	261,189	221,557	544,304	449,826	1,476,876
Salaries and benefits payable	213,033	647,402	62,862	-	923,297
Due to other funds	-	-	-	-	-
Interest payable	-	-	263,550	-	263,550
Deposits payable	54,000	-	-	-	54,000
Unearned revenue	92	4,299,210	-	-	4,299,302
Compensated absences, due within one year	227,011	215,452	24,142	-	466,605
Claims payable, due within one year	-	-	-	-	-
Revenue bonds and notes payable, due within one year	-	-	815,000	-	815,000
Total current liabilities	755,325	5,383,621	1,709,858	449,826	8,298,630
Noncurrent liabilities:					
Advances from other funds	295,846	-	-	11,500,000	11,795,846
Compensated absences, due in more than one year	130,402	473,832	71,992	-	676,226
Claims payable, due in more than one year	-	-	-	-	-
Revenue bonds and notes payable, due in more than one year	-	-	14,970,000	-	14,970,000
Net pension liabilities	5,440,620	14,330,705	1,843,921	-	21,615,246
Net other post-employment benefits liabilities	4,655,195	7,758,412	437,921	-	12,851,528
Total noncurrent liabilities	10,522,063	22,562,949	17,323,834	11,500,000	61,908,846
Total liabilities	11,277,388	27,946,570	19,033,692	11,949,826	70,207,476
DEFERRED INFLOWS OF RESOURCES					
Pension related amounts	400,203	1,054,144	135,635	-	1,589,982
Other post-employment benefits amounts	470,358	783,905	44,248	-	1,298,511
Total deferred inflows of resources	870,561	1,838,049	179,883	-	2,888,493
NET POSITION					
Net investment in capital assets	1,636,119	30,270,987	23,760,098	1,384,256	57,051,460
Restricted for debt service	-	35	1,652,606	-	1,652,641
Unrestricted (Deficit)	(7,862,049)	(11,273,382)	15,454,326	(1,314,619)	(4,995,724)
Total net position	\$ (6,225,930)	\$ 18,997,640	\$ 40,867,030	\$ 69,637	\$ 53,708,377

(Continued)

City of Culver City
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2016

	Governmental Activities
	Internal Service Funds
LIABILITIES	
Current liabilities:	
Accounts payable	399,874
Salaries and benefits payable	301,349
Due to other funds	721,364
Interest payable	-
Deposits payable	-
Unearned revenue	-
Compensated absences, due within one year	198,611
Claims payable, due within one year	3,054,674
Revenue bonds and notes payable, due within one year	-
Total current liabilities	4,675,872
Noncurrent liabilities:	
Advances from other funds	-
Compensated absences, due in more than one year	531,760
Claims payable, due in more than one year	12,218,698
Revenue bonds and notes payable, due in more than one year	-
Net pension liabilities	7,508,897
Net other post-employment benefits liabilities	3,607,165
Total noncurrent liabilities	23,866,520
Total liabilities	28,542,392
DEFERRED INFLOWS OF RESOURCES	
Pension related amounts	552,342
Other post-employment benefits amounts	364,464
Total deferred inflows of resources	916,806
NET POSITION	
Net investment in capital assets	6,227,770
Restricted for debt service	-
Unrestricted (Deficit)	(9,999,200)
Total net position	\$ (3,771,430)
	(Concluded)

City of Culver City
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2016

	Business-Type Activities - Enterprise Funds				Total Enterprise Funds
	Refuse Disposal	Municipal Bus Lines	Sewer Enterprise	Municipal Fiber Network	
OPERATING REVENUES:					
Charges for services	\$ 12,537,530	\$ 3,582,271	\$ 9,899,422	\$ -	\$ 26,019,223
Other	22,376	-	37,068	-	59,444
Total operating revenues	12,559,906	3,582,271	9,936,490	-	26,078,667
OPERATING EXPENSES:					
Salaries and benefits	4,121,311	12,741,910	941,417	-	17,804,638
Supplies	130,326	382,877	3,838,017	-	4,351,220
Repairs and maintenance	2,421,901	4,650,769	1,044,707	-	8,117,377
Insurance	116,341	237,261	28,949	-	382,551
Claims and settlements	-	211,214	-	-	211,214
Administrative services	1,385,512	1,495,753	596,818	-	3,478,083
Rent and lease expenses	78,000	9,555	360,943	-	448,498
Consulting and contractual services	2,741,256	681,118	621,820	-	4,044,194
Depreciation and amortization	167,997	2,647,774	1,646,069	-	4,461,840
Total operating expenses	11,162,644	23,058,231	9,078,740	-	43,299,615
OPERATING INCOME (LOSS)	1,397,262	(19,475,960)	857,750	-	(17,220,948)
NONOPERATING REVENUES (EXPENSES):					
Investment earnings	22,224	69,610	157,496	71,600	320,930
Intergovernmental	44,413	14,128,165	690	-	14,173,268
Measure R Sales Tax	-	1,992,192	-	-	1,992,192
Gain on sales of property	-	9,203	-	-	9,203
Other income	-	384,297	-	-	384,297
Interest expense	(30,059)	(21,850)	(797,258)	(1,963)	(851,130)
Total nonoperating revenues (expenses)	36,578	16,561,617	(639,072)	69,637	16,028,760
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	1,433,840	(2,914,343)	218,678	69,637	(1,192,188)
CONTRIBUTIONS AND TRANSFERS:					
Capital contributions	-	1,211,325	-	-	1,211,325
Transfers in	-	1,237,214	-	-	1,237,214
Transfers out	(950,000)	(300,000)	-	-	(1,250,000)
Total contributions and transfers	(950,000)	2,148,539	-	-	1,198,539
Changes in net position	483,840	(765,804)	218,678	69,637	6,351
NET POSITION:					
Beginning of year	(6,709,770)	19,763,444	40,648,352	-	53,702,026
End of year	<u>\$ (6,225,930)</u>	<u>\$ 18,997,640</u>	<u>\$ 40,867,030</u>	<u>\$ 69,637</u>	<u>\$ 53,708,377</u>

(Continued)

City of Culver City
Statement of Revenues, Expenses, and Changes in Net Position (Continued)
Proprietary Funds
For the Year Ended June 30, 2016

	Governmental Activities
	Internal Service Funds
OPERATING REVENUES:	
Charges for services	\$ 16,745,750
Other	115,426
Total operating revenues	16,861,176
OPERATING EXPENSES:	
Salaries and benefits	5,258,062
Supplies	1,581,627
Repairs and maintenance	3,140,435
Insurance	2,283,912
Claims and settlements	4,108,560
Administrative services	-
Rent and lease expenses	-
Consulting and contractual services	466,214
Depreciation and amortization	1,367,193
Total operating expenses	18,206,003
OPERATING INCOME (LOSS)	(1,344,827)
NONOPERATING REVENUES (EXPENSES):	
Investment earnings	167,811
Intergovernmental	557
Measure R Sales Tax	-
Gain on sales of property	37,383
Other income	-
Interest expense	-
Total nonoperating revenues (expenses)	205,751
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(1,139,076)
CONTRIBUTIONS AND TRANSFERS:	
Capital contributions	-
Transfers in	305,000
Transfers out	-
Total contributions and transfers	305,000
Changes in net position	(834,076)
NET POSITION:	
Beginning of year	(2,937,354)
End of year	\$ (3,771,430)
	(Concluded)

See accompanying Notes to the Basic Financial Statements.

City of Culver City
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2016

	Business-Type Activities - Enterprise Funds				Total Enterprise Funds
	Refuse Disposal	Municipal Bus Lines	Sewer Enterprise	Municipal Fiber Network	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers and users	\$ 12,614,192	\$ 3,115,963	\$ 9,937,496	\$ -	\$ 25,667,651
Receipts from user departments	-	-	-	-	-
Payments to suppliers	(10,923,111)	(6,237,271)	(6,914,199)	-	(24,074,581)
Payments to employees	(772,286)	(14,807,377)	(1,275,982)	-	(16,855,645)
Other income received	-	384,297	-	-	384,297
Net cash provided by (used in) operating activities	918,795	(17,544,388)	1,747,315	-	(14,878,278)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Grants received (used)	13,629	15,555,418	(117,535)	-	15,451,512
Transfers from other funds	-	1,237,214	-	-	1,237,214
Transfers to other funds	(950,000)	(300,000)	-	-	(1,250,000)
Net cash provided by (used in) noncapital financing activities	(936,371)	16,492,632	(117,535)	-	15,438,726
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital grants received	-	1,211,325	-	-	1,211,325
Acquisition of capital assets	(226,504)	(328,620)	(3,289,747)	(934,430)	(4,779,301)
Advances from other funds	(133,569)	-	-	11,500,000	11,366,431
Proceeds from sales of capital assets	-	9,203	-	-	9,203
Interest paid	(30,059)	(43,700)	(806,475)	(1,963)	(882,197)
Principal paid on revenue bonds	-	(760,000)	(790,000)	-	(1,550,000)
Net cash provided by (used in) capital and related financing activities	(390,132)	88,208	(4,886,222)	10,563,607	5,375,461
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest received	22,600	70,551	161,493	43,731	298,375
Net cash provided by investing activities	22,600	70,551	161,493	43,731	298,375
Net increase (decrease) in cash and cash equivalents	(385,108)	(892,997)	(3,094,949)	10,607,338	6,234,284
CASH AND CASH EQUIVALENTS:					
Beginning of year	3,214,120	14,866,495	23,241,283	-	41,321,898
End of year	<u>\$ 2,829,012</u>	<u>\$ 13,973,498</u>	<u>\$ 20,146,334</u>	<u>\$ 10,607,338</u>	<u>\$ 47,556,182</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENTS OF NET POSITION:					
Cash and investments	\$ 2,829,012	\$ 13,973,463	\$ 18,493,728	\$ 10,607,338	\$ 45,903,541
Cash and investments held with fiscal agent	-	35	43,768	-	43,803
Total	<u>\$ 2,829,012</u>	<u>\$ 13,973,498</u>	<u>\$ 18,537,496</u>	<u>\$ 10,607,338</u>	<u>\$ 45,947,344</u>

(Continued)

City of Culver City
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2016

	<u>Governmental Activities</u> <u>Internal</u> <u>Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers and users	\$ 115,426
Receipts from user departments	16,817,303
Payments to suppliers	(12,299,568)
Payments to employees	(6,199,210)
Other income received	-
Net cash provided by (used in) operating activities	(1,566,049)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Grants received (used)	(11,546)
Transfers from other funds	305,000
Transfers to other funds	-
Net cash provided by (used in) noncapital financing activities	293,454
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Capital grants received	-
Acquisition of capital assets	(1,776,818)
Advances from other funds	-
Proceeds from sales of capital assets	79,338
Interest paid	-
Principal paid on revenue bonds	-
Net cash provided by (used in) capital and related financing activities	(1,697,480)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received	171,249
Net cash provided by investing activities	171,249
Net increase (decrease) in cash and cash equivalents	(2,798,826)
CASH AND CASH EQUIVALENTS:	
Beginning of year	20,544,074
End of year	\$ 17,745,248
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENTS OF NET POSITION:	
Cash and investments	\$ 17,745,248
Cash and investments held with fiscal agent	-
Total	\$ 17,745,248

(Continued)

City of Culver City
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2016

	Business-Type Activities - Enterprise Funds				Total Enterprise Funds
	Refuse Disposal	Municipal Bus Lines	Sewer Enterprise	Municipal Fiber Network	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:					
Operating income (loss)	\$ 1,397,262	\$ (19,475,960)	\$ 857,750	\$ -	\$ (17,220,948)
Adjustments to reconcile operating income (loss) to net cash (used in) operating activities:					
Depreciation and amortization	167,997	2,647,774	1,646,069	-	4,461,840
Other income	-	384,297	-	-	384,297
(Increase) decrease in:					
Accounts receivable	6,859	(466,308)	1,006	-	(458,443)
Due from other funds	-	-	-	-	-
Customer deposits	47,500	-	-	-	47,500
Inventory	-	-	-	-	-
Unearned revenue	(73)	-	-	-	(73)
Increase (decrease) in:					
Accounts payable	(58,790)	(64,477)	(422,945)	-	(546,212)
Salaries and benefits payable	35,891	136,574	14,998	-	187,463
Compensated absences	(93,101)	(114,554)	8,994	-	(198,661)
Deferred outflows of resources - pension	(56,813)	(211,344)	(2,643)	-	(270,800)
Deferred outflows of resources - OPEB	(42,943)	(71,569)	(4,040)	-	(118,552)
Net pension liabilities	246,033	1,344,238	(104,050)	-	1,486,221
Net other post-employment benefits liabilities	(615,404)	(1,025,649)	(57,888)	-	(1,698,941)
Deferred inflows of resources - pension	(585,981)	(1,411,315)	(234,184)	-	(2,231,480)
Deferred inflows of resources - OPEB	470,358	783,905	44,248	-	1,298,511
Claims payable	-	-	-	-	-
Total adjustments	<u>(478,467)</u>	<u>1,931,572</u>	<u>889,565</u>	<u>-</u>	<u>2,342,670</u>
Net cash provided by (used in) operating activities	<u>\$ 918,795</u>	<u>\$ (17,544,388)</u>	<u>\$ 1,747,315</u>	<u>\$ -</u>	<u>\$ (14,878,278)</u>

(Continued)

City of Culver City
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2016

	<u>Governmental</u> <u>Activities</u> <u>Internal</u> <u>Service Funds</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:	
Operating income (loss)	\$ (1,344,827)
Adjustments to reconcile operating income (loss) to net cash (used in) operating activities:	
Depreciation and amortization	1,367,193
Other income	-
(Increase) decrease in:	
Accounts receivable	5,243
Due from other funds	66,310
Customer deposits	-
Inventory	59,003
Unearned revenue	-
Increase (decrease) in:	
Accounts payable	(777,823)
Salaries and benefits payable	61,122
Compensated absences	(57,028)
Deferred outflows of resources - pension	(80,785)
Deferred outflows of resources - OPEB	(33,276)
Net pension liabilities	366,339
Net other post-employment benefits liabilities	(476,856)
Deferred inflows of resources - pension	(803,661)
Deferred inflows of resources - OPEB	364,464
Claims payable	(281,467)
Total adjustments	<u>(221,222)</u>
Net cash provided by (used in) operating activities	<u>\$ (1,566,049)</u>
	(Concluded)

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FIDUCIARY FUND FINANCIAL STATEMENTS

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 properties held by the Agency and payment of enforceable obligations. Reflected in the Basic Financial Statements section.

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City of Culver City
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	Private Purpose Trust Fund	Agency Funds
ASSETS		
Cash and investments	\$ 8,868,618	\$ 116,946
Cash and investments held with fiscal agent	36,053,511	-
Interest receivables	6,533	-
Notes receivables, net	1,569,612	-
Land held for resale	28,690,269	-
Capital assets:		
Not being depreciated	8,316,229	-
Being depreciated, net	5,319,986	-
Total assets	88,824,758	\$ 116,946
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on refunding, net	124,286	
Total deferred loss on refunding	124,286	
LIABILITIES		
Accounts payable	99,749	\$ -
Deposits payable	-	116,946
Interest payable	1,187,743	-
Noncurrent liabilities		
Due within one year	12,718,533	-
Due in more than one year	148,372,244	-
Total liabilities	162,378,269	\$ 116,946
NET POSITION (DEFICIT)		
Held in trust for Successor Agency	\$ (73,429,225)	

City of Culver City
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2016

	Private Purpose Trust Fund
ADDITIONS	
Property taxes	\$ 20,922,046
Investment earnings	95,589
Total additions	21,017,635
DEDUCTIONS	
General and administrative	1,164,989
Depreciation	138,903
Loss on sale of property	332,486
Interest expense	8,772,691
Transfers to the City of Culver City	2,310,800
Reimbursement to the City	5,407,413
Total deductions	18,127,282
Change in net position	2,890,353
NET POSITION	
Beginning of year	(76,319,578)
End of year	\$ (73,429,225)

Basic Financial Statements

NOTES TO THE BASIC FINANCIAL STATEMENTS



NOTES TO THE BASIC FINANCIAL STATEMENTS

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City of Culver City
Index to the Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

Note 1 – Summary of Significant Accounting Policies	61
A. Reporting Entity.....	61
B. Basis of Accounting and Measurement Focus.....	62
C. Fund Classifications.....	65
D. Cash and Investments	66
E. Cash Equivalents.....	66
F. Fair Value Measurement.....	66
G. Inventories	67
H. Interfund Transactions	67
I. Capital Assets	67
J. Interest Payable.....	68
K. Unearned Revenue.....	68
L. Deferred Outflow/Inflow of Resources	68
M. Long-Term Debt	68
N. Pension Plan.....	68
O. Other Post-Employment Benefits (“OPEB”).....	69
P. Employee Leave Benefits	70
Q. Claims and Judgments	70
R. Property Taxes	70
S. Net Position	71
T. Fund Balances.....	71
U. Spending Policy	73
V. Use of Estimates	73
W. New Accounting Pronouncements.....	74
Note 2 – Stewardship, Compliance, and Accountability	75
A. Deficit Fund Balances/Net Position.....	75
B. Excess of Expenditures over Appropriations by Department in Individual Funds.....	76
Note 3 – Cash and Investments	77
Note 4 – Interfund Balances	80
A. Internal Balances.....	80
B. Due From and To Other Funds.....	81
C. Advances From and To Other Funds	81
D. Transfer In and Out.....	82
E. Transfers from Fiduciary Fund.....	83
Note 5 – Notes Receivables	83
A. City Manager Loan Agreement	84
B. Culver City Mobile Home Owners, Inc.....	84
C. MAP Loans	84
D. Tilden Terrace.....	84
E. Home Ownership Made Easy	84
F. Exceptional Children’s Foundation ERAS Loans	84
G. Exceptional Children’s Foundation Westside Opportunity Workshop Loan	84

City of Culver City
Index to the Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 6 – Capital Assets	85
A. Governmental Activities.....	85
B. Business-Type Activities.....	86
Note 7 – Long-Term Liabilities	87
A. Governmental Activities.....	87
B. Business-Type Activities.....	87
Note 8 – Bonds Payable	88
Note 9 – Certificates of Participation	89
Note 10 – Claims and Judgments	90
Note 11 – Pension Plans	91
A. California Public Employees’ Retirement System (“CalPERS”).....	91
B. Public Agency Retirement Services (“PARS”).....	99
Note 12 – Other Post-employment Benefits (“OPEB”)	100
Note 13 – Deferred Compensation Plan	105
Note 14 – Contingencies	105
Note 15 – Classification of Fund Balances	110
Note 16 – Related Party Transactions	111
Note 17 – Successor Agency Trust for Assets and Liabilities of Former Redevelopment Agency	111
Note 18 – Subsequent Events	120

City of Culver City
Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

Note 1 – Summary of Significant Accounting Policies

The basic financial statements of the City of Culver City, California (the “City”) have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) 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, the Culver City Housing Authority, and the Culver City Parking Authority, and the Culver City Financing Authority.

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 City is considered to be financially accountable if the City appoints a voting majority of that organization’s governing body and the City is either able to impose its will on that organization, or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable if an organization is fiscally dependent upon the City. In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City’s financial statements to be misleading or incomplete.

Management determined that the following component units should be blended based on the criteria above.

The Culver City Housing Authority (the “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 performs the housing functions of the dissolved Redevelopment Agency. The Housing Authority is reported as a special revenue fund. Separate financial statements are not prepared.

The Culver City Parking Authority (the “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.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 1 – Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

The Culver City Financing Authority (the “Financing Authority”) is a joint powers authority between the City and the former Redevelopment Agency and was created to provide financing for capital projects. The Financing Authority is governed by a board comprised of the City Council and is a blended component unit of the City. 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

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.

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.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

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 of resources, liabilities, deferred inflows of resources, 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.

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, deferred outflows of resources, current liabilities, and deferred inflows of resources are generally included on the 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 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 (Continued)
For the Year Ended June 30, 2016

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.

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.

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.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Proprietary Funds (Continued)

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

Fiduciary fund financial statements include a Statement of Net position and a Statement of Changes in Fiduciary Net Position. The City's fiduciary funds represent agency funds and private purpose trust funds. Both agency funds and the private purpose trust funds are accounted for on the full accrual basis of accounting.

➤ 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.

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.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Fund Classifications (Continued)

The City reports the following major enterprise funds:

- Refuse Disposal Fund – This fund is used to account for the operation and the capital assets of the City's refuse disposal service.
- Municipal Bus Lines Fund – This fund is used to account for the operation and the capital assets of the City's transportation system.
- Sewer Enterprise Fund – This fund is used to account for the maintenance and operation, and the capital assets of the City's sewage disposal service.
- Municipal Fiber Network – This fund is used to account for the installation of open access network where Internet Service Provider ("ISP") will utilize the City's fiber infrastructure to service the business community.

D. Cash and Investments

The City pools its available cash for investment purpose. Cash includes cash on hand and demand deposits with financial institutions.

Investments are reported in the accompanying balance sheet at fair value. 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*.

E. 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.

F. Fair Value Measurement

In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, this statement defines fair value, establishes a framework for measuring fair value and establishes disclosure about fair value measurement. Investments, unless otherwise specified at fair value in the financial statements, are categorized based upon the level of judgment associated with the inputs used to measure their fair value.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 1 – Summary of Significant Accounting Policies (Continued)

F. Fair Value Measurement (Continued)

Levels of inputs are as follows:

Level 1 – Inputs are unadjusted, quoted prices for identical assets and liabilities in active markets at the measurement date.

Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the assets and liabilities through corroboration with market data at the measurement date.

Level 3 – Unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the assets and liabilities at the measurement date.

G. Inventories

Inventories are stated at weighted average cost or net realized value, whichever is lower. Physical counts of inventories 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. Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred as either “due to/from other funds” or “advances to/from” (i.e., the current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the Governmental-Wide Financial Statement as “internal balances”.

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.

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 net present value of future lease payments at the inception of the lease. 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

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 1 – Summary of Significant Accounting Policies (Continued)

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 reported 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 outflows of resources is a consumption of net position that is applicable to a future reporting period. A deferred inflows of resources represents an acquisition of net position that is applicable to a future period.

Under the modified accrual basis of accounting, revenue susceptible to accrual must be both measurable and available to finance expenditures of the current fiscal period. If assets are reported 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.

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. Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred 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 the plans (Note 11). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

<u>CalPERS</u>	
Valuation Date	June 30, 2014
Measurement Date	June 30, 2015
Measurement Period	July 1, 2014 to June 30, 2015

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 1 – Summary of Significant Accounting Policies (Continued)

N. Pension Plan (Continued)

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

O. Other Post-Employment Benefits (“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 (“OPEB Plan”) and additions to/deductions from OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fairvalue, except for money market investments, which are reported at amortized cost.

The following timeframes are used for pension reporting:

<u>OPEB</u>	
Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Measurement Period	July 1, 2015 to June 30, 2016

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the source of gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all eligible active and inactive employees at the beginning of the measurement period.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 1 – Summary of Significant Accounting Policies (Continued)

P. Employee Leave Benefits

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.

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.

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 Internal Service Fund.

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 the county pool, and are then apportioned 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

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 1 – Summary of Significant Accounting Policies (Continued)

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 (net of unspent debt proceed).

Restricted – This component of net position consists of restricted assets plus deferred outflows of resources, and 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.
- *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. The City Council establishes, modifies or rescinds fund balance commitments by passage of a resolution.
- *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 General fund is the only fund that reports a positive unassigned fund balance amount. However, if governmental funds other General Fund, had expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 1 – Summary of Significant Accounting Policies (Continued)

T. Fund Balances (Continued)

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.

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 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 (Continued)
For the Year Ended June 30, 2016

Note 1 – Summary of Significant Accounting Policies (Continued)

T. Fund Balances (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 order of committed, assigned then unassigned, except for instances wherein an ordinance specifies the fund balance.

V. Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 1 – Summary of Significant Accounting Policies (Continued)

W. New Accounting Pronouncements

GASB Statement No. 72, *Fair Value Measurement and Application* - This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes and also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This statement became effective for periods beginning after June 15, 2015 and did not have any measurement impact except for additional disclosures on the measurement inputs of the investment portfolio as of June 30, 2016 as discussed in the Note 3 of the City's basic financial statements.

GASB Statement No. 73, *Accounting and Financial reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* - This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, Financial Reporting for Pension Plans and Statement 68 for pension plans and pensions that are within their respective scopes. This statement became effective for periods beginning after June 15, 2015 and did not have a significant impact on the City's financial statements for the year ended June 30, 2016.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*- This statement establishes standards relating to the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This statement became effective for periods beginning after June 15, 2015, and should be applied retroactively. This statement did not have a significant impact on the City's financial statements for the year ended June 30, 2016.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*- This statement establishes standards relating accounting and financial reporting for certain external investment pools and pool participants. This statement became effective for periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. Those provisions are effective for reporting periods beginning after December 15, 2015. This statement did not have a significant impact on the City's financial statements for the year ended June 30, 2016.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 2 – Stewardship, Compliance, and Accountability

A. Deficit Fund Balances/Net Position

As of June 30, 2016, deficit fund balances/net position were recorded in the following funds:

Major Proprietary Fund:	
Refuse Disposal Fund	\$ 6,225,930
Nonmajor Governmental Funds:	
Special Revenue Funds	
Operating Grants Fund	376,331
Capital Projects Funds:	
2011 Cooperative Fund	803,702
Capital Improvement Grants Fund	936,815
Internal Service Funds:	
Equipment Maintenance Fund	8,593,081
Risk Management Fund	11,120,358
Central Stores Fund	134,427

The material deficits are expected to be eliminated as follows:

Refuse Disposal Fund – The deficit is due to inclusion of the net pension liability and net OPEB liability totaled to \$10,095,815. The City will develop a plan to reduce deficit.

Capital Improvement Grants Fund – The deficit will be eliminated after grant monies are received after the availability period and unavailable revenue being recognized as revenue.

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 and net OPEB liability totaled to \$8,519,687.

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 partially due to inclusion of the net pension liability and net OPEB liability totaled to \$2,596,275.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 2 – Stewardship, Compliance, and Accountability (Continued)

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

Fund	Expenditures	Appropriations	Excess of Expenditures over Appropriations
Major Governmental Funds:			
General Fund:			
General Government	\$ 13,210,888	\$ 13,194,859	\$ (16,029)
Fire	21,490,702	21,229,887	(260,815)
Culver City Housing Authority			
Special Revenue Fund			
Community development	3,137,948	387,769	(2,750,179)
Nonmajor Governmental Funds:			
Operations Grants Fund:			
Police	423,836	135,310	(288,526)
Fire	41,221	35,695	(5,526)

Note 3 – Cash and Investments

Cash and investments as of June 30, 2016 are classified in the accompanying financial statements as follows:

	Government-Wide Financial Statement		Fiduciary Funds	Total
	Governmental Activities	Business-Type Activities		
Cash and investments	\$ 130,899,790	\$ 45,903,541	\$ 8,985,564	\$ 185,788,895
Cash and investments held with fiscal agents	-	1,652,641	36,053,511	37,706,152
Total cash and investments	\$ 130,899,790	\$ 47,556,182	\$ 45,039,075	\$ 223,495,047

Cash and investments as of June 30, 2016 consist of the following:

Cash:	
Petty cash	\$ 6,450
Demand deposits	7,668,472
Total cash and cash equivalents	7,674,922
Investments	215,820,125
Total	\$ 223,495,047

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 3 – Cash and Investments (Continued)

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 Authorized by State Law	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	N/A	No Limit
U.S. government sponsored enterprise securities	Yes	5 years	N/A	30%
Banker's acceptances	Yes	180 days	25%	5%
Commercial paper	Yes	270 days	25%	5%
Repurchase agreements	Yes	75 days	25%	No Limit
Reverse repurchase agreements	Yes	75 days	15%	No Limit
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	N/A	\$50 million
Cal Trust money market funds and short-term funds	Yes	N/A	N/A	No Limit
Cal Trust medium-term funds	Yes	N/A	15%	No Limit

N/A - Not Applicable

* 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.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. treasury obligations	None	None	None
U.S. government sponsored enterprise 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

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 3 – Cash and Investments (Continued)

Fair Value Measurement

At June 30, 2016, investments are reported at fair value. The following table presents the fair value measurement of investments on a recurring basis and the levels within GASB 72 fair value hierarchy in which the fair value measurements fall at June 30, 2016:

Investment Type	Measurement Inputs				Total
	Level 1	Level 2	Level 3	N/A	
Treasury obligations	\$ 29,906,006	\$ -	\$ -	\$ -	\$ 29,906,006
State investment pool	-	48,655,866	-	-	48,655,866
U.S. government sponsored enterprise securities	-	56,024,206	-	-	56,024,206
Money market mutual funds	-	-	-	1,889,132	1,889,132
Medium-term notes	-	41,638,763	-	-	41,638,763
Cash and investments held with fiscal agents:					
Money market mutual fund	-	-	-	12,093,174	12,093,174
Treasury obligations	21,157,229	-	-	-	21,157,229
Commercial paper	-	4,455,749	-	-	4,455,749
Total	\$ 51,063,235	\$ 150,774,584	\$ -	\$ 13,982,306	\$ 215,820,125

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	Fair Value	Investment Maturities (in Years)				
		Less Than 1 Year	1 to 2 Years	2 to 3 Years	3 to 4 Years	4 to 5 Years
Treasury obligations	\$ 29,906,006	\$ 9,024,950	\$ 14,814,486	\$ 6,066,570	\$ -	\$ -
State investment pool	48,655,866	48,655,866	-	-	-	-
U.S. government sponsored enterprise securities	56,024,206	17,520,370	26,622,825	9,881,011	-	-
Money market mutual funds	1,889,132	1,889,132	-	-	-	-
Medium-term notes	41,638,763	23,648,170	17,990,593	-	-	-
Cash and investments held with fiscal agents:						
Money market mutual fund	12,093,174	12,093,174	-	-	-	-
Treasury obligations	21,157,229	21,157,229	-	-	-	-
Commercial paper	4,455,749	4,455,749	-	-	-	-
Total	\$ 215,820,125	\$ 138,444,640	\$ 59,427,904	\$ 15,947,581	\$ -	\$ -

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

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						
				AAA	AA+	AA	AA-	A	Not Rate	
Treasury obligations	\$ 29,906,006	N/A	\$29,906,006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
State investment pool	48,655,866	N/A	-	-	-	-	-	-	48,655,866	
U.S. government sponsored enterprise securities	56,024,206	N/A	-	-	56,024,206	-	-	-	-	
Money market mutual funds	1,889,132	AAA	-	1,889,132	-	-	-	-	-	
Medium-term notes	41,638,763	A	-	1,001,300	6,020,810	7,032,720	17,046,020	10,537,913	-	
Cash and investments with fiscal agents:										
Money market mutual fund	12,093,174	A	-	12,093,174	-	-	-	-	-	
Treasury obligations	21,157,229	N/A	21,157,229	-	-	-	-	-	-	
Commercial paper	4,455,749	A	-	4,455,749	-	-	-	-	-	
Total	\$215,820,125		\$51,063,235	\$19,439,355	\$62,045,016	\$7,032,720	\$17,046,020	\$10,537,913	\$48,655,866	

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	% of the Portfolio
Federal Home Loan Bank	U.S. government sponsored enterprise securities	\$ 14,086,160	2017-2019	6.53%
Federal Home Loan Mortgage Corporation	U.S. government sponsored enterprise securities	15,038,110	2017-2018	6.97%
Federal National Mortgage Association	U.S. government sponsored enterprise securities	18,562,980	2017-2018	8.60%

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.

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.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 3 – Cash and Investments (Continued)

Disclosures Relating to Credit Risk

The market value of pledged securities must equal at least 110% of the City’s cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City’s total cash deposits. The City may waive collateral requirements for cash deposits, deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (“FDIC”). The City did not waive the collateral requirement for deposits insured by FDIC.

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

Investment in State Investment Pool

The City is a participant in Local Agency Investment Fund (“LAIF”) which is regulated by California Code Section 16429 under the oversight of the Treasurer of the State of California. The City’s investments in LAIF at June 30, 2016 included a portion of pool funds invested in Structured Notes and Asset-Backed Securities:

Structured Notes are debt securities (other than asset-backed securities) whose cash-flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities, the bulk of which are mortgage-backed securities, entitle their purchases to receive a share of the cash flows from pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit care receivables.

As of June 30, 2016, the City had \$48,655,866 invested in LAIF, which had invested 2.81% of the pool investment funds in Structured Notes and Asset-Backed Securities. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. The City valued its investments in LAIF by multiplying its account balance with LAIF times a fair value factor determined by LAIF. This fair value factor was determined by dividing all LAIF participants’ total aggregate amortized cost by total aggregate fair value. The credit quality rating of LAIF is unrated as of June 30, 2016.

Note 4 – Interfund Balances

A. Internal Balances

At June 30, 2016, the City had following internal receivable and payable, which represents internal service charges between the governmental activities and business-type activities:

	Internal Payable
	Business-Type Activities
Internal Receivable	
Governmental Activities	\$ 11,795,846

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 4 – Interfund Balances (Continued)

B. Due From and To Other Funds

At June 30, 2016, the individual fund interfund receivable payable balances are as follows:

Due To Other Funds	Due From Other Funds			Total
	Governmental Funds:		Proprietary Funds:	
	General Fund	Nonmajor	Internal Service Fund	
Governmental Funds:				
General Fund	\$ -	\$ 2,367	\$ -	\$ 2,367
Culver City Housing Authority Special Revenue Fund	711	-	-	711
Nonmajor	2,090,155	-	85	2,090,240
Proprietary Funds:				
Internal Service Fund	721,364	-	-	721,364
Total	\$ 2,812,230	\$ 2,367	\$ 85	\$ 2,814,682

Interfund balances are the result of short term borrowing to cover negative cash balances and operating shortages at June 30, 2016 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.

C. Advances From and To Other Funds

At June 30, 2016, the individual fund advances to from balances are as follows:

Advances To Other Funds	Advances From Other Funds		Total
	Governmental		
	Funds	Proprietary Funds	
	General Fund	Internal Service Fund	
Proprietary Funds:			
Refuse Disposal Fund	\$ 192,521	\$ 103,325	\$ 295,846
Municipal Fiber Network Fund	11,500,000	-	11,500,000
Total	\$ 11,692,521	\$ 103,325	\$ 11,795,846

The Refuse Disposal Fund owes the General Fund \$192,521 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 Fund \$103,325 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.

The Municipal Fiber Network Fund owes the General Fund \$11,500,000 to cover the initial construction costs, on year of operating costs and also for a number of initial lateral connections. The loan was structured to be allow repayment at the point where revenues exceed operating and depreciation costs.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 4 – Interfund Balances (Continued)

D. Transfers In and Out

Government-Wide Financial Statements

	Transfers Out
Transfers In	Business-Type Activities
Governmental Activities	\$ 12,786

Fund Financial Statements

For the year ended June 30, 2016, transfers in and out consisted of the following:

Transfers Out	Transfers In					
	Governmental Funds			Proprietary Funds		
	General Fund	Capital Improvement and Acquisition Fund	Nonmajor Governmental	Municipal Bus Lines Fund	Internal Service Funds	Total
Governmental Funds:						
General Fund	\$ -	\$ 5,353,524	\$ 5,080,000	\$ -	\$ 305,000	\$ 10,738,524
Nonmajor Governmental Funds	1,400,000	-	2,685,478	1,237,214	-	5,322,692
Proprietary Funds:						
Refuse Disposal Fund	-	-	950,000	-	-	950,000
Municipal Bus Lines Fund	300,000	-	-	-	-	300,000
Total	\$ 1,700,000	\$ 5,353,524	\$ 8,715,478	\$ 1,237,214	\$ 305,000	\$ 17,311,216

- Transfers from General Fund to Capital Improvement and Acquisition fund in the amount of \$5,535,524 are to cover the street maintenance cost in Public Works.
- Transfers from General Fund to Nonmajor Governmental Funds in the amount of \$5,080,000 are to offset parking related costs including personnel costs.
- Transfers from General Fund to Internal Service Funds in the amount of \$305,000 are to offset overtime costs for the Police Department, portion of Emergency Preparedness Coordinator in the Fire Department.
- Transfers from Nonmajor Governmental Funds to General Fund in the amount of \$1,400,000 are to fund for chair replacement program, third phase of city-wide computer replacement, and to cover various capital improvement projects related to new urban water runoff program.
- Transfers from Nonmajor Governmental Funds to Nonmajor Governmental Funds in the amount of \$205,430 are to offset operating and personnel costs of Paratransit Program and to cover various capital improvement projects. In addition, transfers in the amount of \$2,480,048 from nonmajor capital projects fund to nonmajor special revenue funds was to close out Parking Improvement Capital Projects Fund to Parking Authority Special Revenue Fund.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 4 – Interfund Balances (Continued)

D. Transfers In and Out (Continued)

Fund Financial Statements (Continued)

- Transfers from Nonmajor Governmental Funds to Municipal Bus Lines Fund in the amount of \$1,237,214 are to transfer transportation’s share of Measure R funding and to offset costs in Rideshare participation program.
- Transfers from Municipal Bus Lines Fund to General Fund in the amount of \$300,000 are to transfer eligible costs.
- Transfers from Refuse Disposal Fund to Nonmajor Governmental Fund in the amount of \$950,000 are to transfer eligible costs.

E. Transfers from Fiduciary Fund

The Fiduciary Funds transferred \$2,310,800 of the 1993 bond proceeds to nonmajor governmental funds after the California Department of Finance approved the Master Agreement Regarding Expenditure of Bond Proceeds between the Successor Agency and the City on June 26, 2015.

Note 5 – Notes Receivables

At June 30, 2016, the City had \$13,892,907 including both Governmental Activities and Business-Type Activities in various notes receivable as follows:

	Notes Receivable
Governmental Activities:	
General Fund:	
City Manager	\$ 1,079,995
All others under \$200,000 individually	193,949
Total General Fund	1,273,944
Culver City Housing Authority Special Revenue Fund:	
Culver City Mobile Home Owners, Inc.	1,223,104
MAP Loans	773,947
Tilden Terrace	11,805,000
Home Ownership Made Easy	412,250
Exceptional Children's Foundation ERAS Loans	305,060
Exceptional Children's Foundation Westside Opportunity Workshop	387,500
Subtotal	14,906,861
Less: allowance	(2,327,914)
Total Culver City Housing Authority Special Revenue Fund, net	\$ 12,578,947
Nonmajor Special Revenue Fund:	
CDBG Special Revenue Fund	38,821
Total Nonmajor Special Revenue Fund	38,821
Total Governmental Activities	\$ 13,891,712
Business-Type Activities:	
Sewer Enterprise Fund	\$ 1,195
Total Sewer Enterprise Fund	1,195
Total Business-Type Activities	\$ 1,195

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 5 – Notes Receivables (Continued)

A. City Manager Loan Agreement

On May 17, 2012, the City entered into a loan agreement with City Manager in the amount of \$1,200,000 with 1.0% interest rate and 30 years period. The balance of City Manager loan at June 30, 2016 was \$1,079,995. Refer to Note 16 for more details.

B. Culver City Mobile Home Owners, Inc.

On December 17, 1990, the former Culver City Redevelopment Agency entered into a promissory note with Culver City Mobile Home Owners, Inc. with a maximum loan amount in the amount of \$880,500 with 7.0% interest rate. Following the dissolution of the former Culver City Redevelopment Agency, the loan was transferred to the Housing Authority. The balance of the promissory note with accrued interest at June 30, 2016 was \$1,223,104.

C. MAP Loans

The Housing Authority provides loan programs to the home owners of the City. The deferred loans are to be repaid upon sales of the home. As of June 30, 2016, all outstanding balances totaled to \$773,947.

D. Tilden Terrace

On February 22, 2012, the former Culver City Redevelopment Agency entered into a promissory note with Tilden Terrace, L.P. in the amount of \$3,395,000 with 3% interest rate. Following the dissolution of the former Culver City Redevelopment Agency, the loan was transferred to the Housing Authority. The balance of the promissory note at June 30, 2016 was 11,805,000.

E. Home Ownership Made Easy

On April 20, 1992, the former Culver City Redevelopment Agency entered into a home loan agreement with Home Ownership Made Easy in the amount of \$412,250 with no interest. Following the dissolution of the former Culver City Redevelopment Agency, the loan was transferred to the Housing Authority. The balance of the home loan at June 30, 2016 was \$412,250

F. Exceptional Children's Foundation ERAS Loans

On October 1, 1990, the former Culver City Redevelopment Agency entered into loan agreement with Educational Resources and Services Center Home (“ERAS”), a not-for-profit organization for the development of 6-unit group home for the developmental disabled low and moderate income persons. On May 12, 2008, an assignment and assumption agreement was entered into, and the loan was assigned by ERAS to Exceptional Children’s Foundation, another not-for-profit organization. Following the dissolution of the former Culver City Redevelopment Agency, the loan was transferred to the Housing Authority. As of June 30, 2016, the outstanding balance of the loan was in the amount of \$305,060.

G. Exceptional Children's Foundation Westside Opportunity Workshop

On February 11, 1991, the former Culver City Redevelopment Agency entered into Financing Assistance Agreement with Westside Opportunity Workshop (“WOW”), a not-for-profit organization, to purchase a property in the City in the amount of \$390,500. The property is to be used as group home for developmental disabled low and moderate income persons.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 5 – Notes Receivables (Continued)

G. Exceptional Children's Foundation Westside Opportunity Workshop (Continued)

On March 8, 2014, an assignment and assumption agreement was entered into, and the loan was assigned by WOW to Exceptional Children’s Foundation, another not-for-profit organization. Following the dissolution of the former Culver City Redevelopment Agency, the loan was transferred to the Housing Authority. As of June 30, 2016, the outstanding balance of the loan was in the amount of \$387,500.

Note 6 – Capital Assets

A. Governmental Activities

Summary of changes in capital assets for governmental activities for the year ended June 30, 2016 are as follow:

	Governmental Activities				Balance June 30, 2016
	Balance July 1, 2015	Additions	Deletions	Transfers	
Capital assets, not being depreciated:					
Land	\$ 21,362,700	\$ -	\$ -	\$ -	\$ 21,362,700
Construction in progress	1,319,481	2,093,291	-	(70,806)	3,341,966
Total capital assets, not being depreciated	22,682,181	2,093,291	-	(70,806)	24,704,666
Capital assets, being depreciated:					
Building	75,423,676	-	-	-	75,423,676
Improvements	25,416,287	1,161,967	(146,867)	66,410	26,497,797
Machinery and equipment	43,797,217	1,450,497	(1,337,346)	-	43,910,368
Infrastructure:	67,240,506	436,238	-	4,396	67,681,140
Total capital assets, being depreciated	211,877,686	3,048,702	(1,484,213)	70,806	213,512,981
Less accumulated depreciation:					
Building	(25,877,460)	(1,497,110)	-	-	(27,374,570)
Improvements	(15,466,823)	(931,705)	5,617	(14)	(16,392,925)
Machinery and equipment	(33,557,516)	(2,507,222)	1,295,391	-	(34,769,347)
Infrastructure:	(21,463,277)	(1,250,139)	-	14	(22,713,402)
Total accumulated depreciation	(96,365,076)	(6,186,176)	1,301,008	-	(101,250,244)
Total capital assets, being depreciated, net	115,512,610	(3,137,474)	(183,205)	70,806	112,262,737
Governmental activities capital assets, net	\$ 138,194,791	\$ (1,044,183)	\$ (183,205)	\$ -	\$ 136,967,403

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

General government	\$ 842,615
Parks, recreation and community services	636,823
Police	498,046
Fire	358,963
Community development	608,455
Public works	1,892,613
Internal service funds	1,348,661
Total	\$ 6,186,176

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 6 – Capital Assets (Continued)

B. Business-Type Activities

Summary of changes in capital assets for business-type activities for the year ended June 30, 2016 are as follow:

	Business-Type Activities				Balance June 30, 2016
	Balance July 1, 2015	Additions	Deletions	Transfers	
Capital assets, not being depreciated:					
Land	\$ 3,082,760	\$ -	\$ -	\$ -	\$ 3,082,760
Construction in progress	2,611,844	4,702,459	-	(1,283,382)	6,030,921
Total capital assets, not being depreciated	5,694,604	4,702,459	-	(1,283,382)	9,113,681
Capital assets, being depreciated:					
Buildings	28,075,733	-	-	-	28,075,733
Improvements and other buildings	15,176,328	80,972	-	-	15,257,300
Machinery and equipment	43,187,879	445,696	(83,457)	-	43,550,118
Furniture and fixtures	446,938	-	-	-	446,938
Infrastructure	18,797,593	-	-	1,283,382	20,080,975
Investment in Hyperion	26,605,373	-	-	-	26,605,373
Total capital assets, being depreciated	132,289,844	526,668	(83,457)	1,283,382	134,016,437
Less accumulated depreciation:					
Buildings	(10,607,462)	(559,947)	-	-	(11,167,409)
Improvements and other buildings	(5,611,967)	(746,911)	-	-	(6,358,878)
Machinery and equipment	(29,190,665)	(2,066,169)	83,457	-	(31,173,377)
Furniture and fixtures	(396,094)	(6,495)	-	-	(402,589)
Infrastructure	(5,549,973)	(417,184)	-	-	(5,967,157)
Investment in Hyperion	(14,602,882)	(665,134)	-	-	(15,268,016)
Total accumulated depreciation	(65,959,043)	(4,461,840)	83,457	-	(70,337,426)
Total capital assets, being depreciated, net	66,330,801	(3,935,172)	-	1,283,382	63,679,011
Business-type activities capital assets, net	\$ 72,025,405	\$ 767,287	\$ -	\$ -	\$ 72,792,692

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

Refuse Disposal	\$ 167,997
Municipal Bus Lines	2,647,774
Sewer Enterprise	1,646,069
Total depreciation expense	\$ 4,461,840

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 7 – Long-Term Liabilities

A. Governmental Activities

Summary of changes in governmental activities long-term liabilities for the year ended June 30, 2016 are as follows:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016	Due within One Year	Due in more than One Year
Compensated absences	\$ 8,668,018	\$ 7,548,338	\$ (6,521,272)	\$ 9,695,084	\$ 3,208,110	\$ 6,486,974
Claims and judgments	15,554,839	4,040,464	(4,321,931)	15,273,372	3,054,674	12,218,698
Net OPEB liabilities	97,874,530	9,629,443	(21,057,501)	86,446,472	-	86,446,472
Aggregate net pension liabilities	141,935,141	44,909,019	(35,933,400)	150,910,760	-	150,910,760
Total	\$264,032,528	\$ 66,127,264	\$(67,834,104)	\$262,325,688	\$ 6,262,784	\$ 256,062,904

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

B. Business-Type Activities

Summary of changes in business-type activities long-term liabilities for the year ended June 30, 2016 are as follows:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016	Due within One Year	Due in more than One Year
Compensated absences	\$ 1,341,492	\$ 1,028,879	\$ (1,227,540)	\$ 1,142,831	\$ 466,605	\$ 676,226
2009 Wastewater Facilities Refunding						
Revenue Bonds	16,575,000	-	(790,000)	15,785,000	815,000	14,970,000
1996 Certificates of Participation	760,000	-	(760,000)	-	-	-
Net OPEB liabilities	14,550,470	1,431,557	(3,130,499)	12,851,528	-	12,851,528
Aggregate net pension liabilities	20,129,024	7,223,470	(5,737,248)	21,615,246	-	21,615,246
Total	\$ 53,355,986	\$ 9,683,906	\$(11,645,287)	\$ 51,394,605	\$ 1,281,605	\$ 50,113,000

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 liability.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 8 – 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.

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, 2016, the reserve with fiscal agent was in the amount of \$1,652,606 and the total amount of 2009 Wastewater Refunding Revenue Bonds outstanding is \$15,785,000.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 8 – 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:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	970,000	609,588	1,579,588
2022-2026	5,660,000	2,225,738	7,885,738
2027-2030	5,680,000	592,819	6,272,819
	<u>\$ 15,785,000</u>	<u>\$ 6,297,901</u>	<u>\$ 22,082,901</u>

Note 9 – 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 (Continued)
For the Year Ended June 30, 2016

Note 9 – 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. The certifications were fully paid off during the year ended June 30, 2016.

Note 10 – Claims and Judgments

Self-Insurance

At June 30, 2016, 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, 2016, the City reserved \$15,273,372 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.

Changes in the claims and judgments payable amounts in three years ended June 30, 2016 are as follows:

Fiscal Years	Balance at Beginning of Fiscal Year Liability	Current Year Claims and Change in Estimates	Claim Payments	Balance at End of Fiscal Year Liability
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
2015-16	15,554,839	4,040,464	(4,321,931)	15,273,372

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 11 – Pension Plans

A. California Public Employees’ Retirement System

At June 30, 2016, net pension liabilities and related deferred outflows of resources and deferred inflows of resources are as follows:

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
Pension contribution made after measurement date:			
Miscellaneous	\$ 4,609,852	\$ 2,054,673	\$ 6,664,525
Safety	8,874,740	-	8,874,740
Total deferred outflows of resources	\$ 13,484,592	\$ 2,054,673	15,539,265
Net pension liabilities:			
Miscellaneous	\$ 48,495,833	\$ 21,615,246	\$ 70,111,079
Safety	102,414,927	-	102,414,927
Total net pension liabilities	\$ 150,910,760	\$ 21,615,246	172,526,006
Deferred inflows of Resources:			
Change in assumption			
Miscellaneous	\$ 1,969,619	\$ 877,885	\$ 2,847,504
Safety	4,222,081	-	4,222,081
Difference between expected and actual experience			
Miscellaneous	616,486	274,776	891,262
Safety	2,476,198	-	2,476,198
Difference in projected and actual earnings on pension investments:			
Miscellaneous	981,170	437,321	1,418,491
Safety	1,991,017	-	1,991,017
Total deferred inflows of resources	\$ 12,256,571	\$ 1,589,982	\$ 13,846,553

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 11 – Pension Plans (Continued)

A. California Public Employees’ Retirement System (Continued)

General Information about the Pension Plan

Plan Description

The City contributes to the California Public Employees’ Retirement System (“CalPERS”), an agent multiple-employer public employee defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and City ordinance. A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2014 Annual Actuarial Valuation Report. This report and CalPERS’ audited financial statements are publicly available reports that can be obtained at CalPERS’ website under Forms and Publications.

Benefit Provided

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries.

The plans’ provisions and benefits in effect for the measurement period ended June 30, 2015 are summarized as follows:

City Miscellaneous Plan				
	Tier I	Tier II	Tier II	Tier IIIa
Hire date	Prior to July 1, 2011	Hired between July 1, 2011 - December 2012	Hired on or after January 1, 2013 (prior to 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%-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 II	Tier IIIa
Hire date	Prior to July 1, 2011	Hired between July 1, 2011 - December 2012	Hired on or after January 1, 2013 (prior to PERS members)	On or after January 1, 2013 (New PERS members)
Benefit formula	3% @ 50	3% @ 55	3% @ 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%	2.4%-3.0%	2.4%-3.0%	2.0%-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 (Continued)
For the Year Ended June 30, 2016

Note 11 – Pension Plans (Continued)

A. California Public Employees’ Retirement System (Continued)

General Information about the Pension Plan (Continued)

Benefit Provided (Continued)

	City Safety Plan - Fire			
	Tier I	Tier II	Tier II	Tier IIIa
Hire date	Prior to July 1, 2011	Hired between July 1, 2011 - December 2012	Hired on or after January 1, 2013 (prior to PERS members)	On or after January 1, 2013 (New PERS members)
Benefit formula	3% @ 50	3% @ 55	3% @ 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%-3.0%	2.4%-3.0%	2.4%-3.0%	2.0%-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%

Participant is eligible for non-industrial disability retirement if becomes disabled and has at least 5 years of credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8 percent of final compensation, multiplied by service. Industrial disability benefits are not offered.

An employee's beneficiary may receive the basic death benefit if the employee dies while actively employed. The employee must be actively employed with the City to be eligible for this benefit. An employee's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the employee's accumulated contributions, where interest is currently credited at 7.5 percent per year, plus a lump sum in the amount of one month salary for each completed year of current service, up to a maximum of six months salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree's designated survivor(s), or to the retiree's estate.

Benefit terms provide for annual cost-of-living adjustments to each employee’s retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2 percent.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 11 – Pension Plans (Continued)

A. California Public Employees’ Retirement System (Continued)

General Information about the Pension Plan (Continued)

Employees Covered by Benefit Terms

At June 30, 2014, the valuation date, the following employees were covered by the benefit terms:

	Plans	
	Miscellaneous	Safety
Active employees	457	154
Transferred and terminated employees	517	61
Retired Employees and Beneficiaries	562	275
Total	1,536	490

Contributions

Section 20814(c) of the California Public Employees’ Retirement Law (“PERL”) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS’ annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Net Pension Liability

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2015, the total pension liability was determined by rolling forward the June 30, 2014 total pension liability. The June 30, 2015 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.65% Net of Pension Plan Investment includes Inflation.
Mortality Rate Table	Derived using CalPERS’ Membership Data for all Funds. The mortality table used was developed based on CalPERS’ specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

All other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS’ website under Forms and Publications.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 11 – Pension Plans (Continued)

A. California Public Employees’ Retirement System (Continued)

Net Pension Liability (Continued)

Change of Assumption

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expenses. The discount rate was changed from 7.50 percent (net of administrative expenses in 2014) to 7.65 percent as of the June 30, 2015 measurement date to correct the adjustment which previously reduced the discount rate for administrative expense.

Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent. 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 of the plans, the tests revealed the assets would not run out. Therefore, the current 7.65 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained at CalPERS’ website under the GASB 68 section.

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, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (Public Employees’ Retirement Fund) cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 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.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 11 – Pension Plans (Continued)

A. California Public Employees’ Retirement System (Continued)

Net Pension Liability (Continued)

Discount Rate (Continued)

The table below reflects 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. The target allocation shown was adopted by the Board effective on July 1, 2014.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 ¹	Real Return Years 11+ ²
Global Equity	51.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
	<u>100.00%</u>		

¹ An expected inflation of 2.5% used.

² An expected inflation of 3.0% used.

Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period.

	<u>Miscellaneous Plan</u>		
	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability/(Asset)</u>
	<u>(a)</u>	<u>(b)</u>	<u>(c) = (a) - (b)</u>
Balance at June 30, 2014 (Valuation Date)	\$ 248,537,178	\$ 183,604,841	\$ 64,932,337
Changes Recognized for the Measurement Period:			
Service Cost	4,911,950	-	4,911,950
Interest on the total pension liability	18,310,677	-	18,310,677
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(1,386,409)	-	(1,386,409)
Changes of assumptions	(4,429,450)	-	(4,429,450)
Contributions from the employer	-	5,915,829	(5,915,829)
Contributions from employees	-	2,494,358	(2,494,358)
Net investment income	-	4,025,216	(4,025,216)
Administrative expenses	-	(207,377)	207,377
Benefit payments, including refunds of employee contributions	(11,644,085)	(11,644,085)	-
Net Changes during July 1, 2014 to June 30, 2015	\$ 5,762,683	\$ 583,941	\$ 5,178,742
Balance at June 30, 2015 (Measurement Date)	<u>\$ 254,299,861</u>	<u>\$ 184,188,782</u>	<u>\$ 70,111,079</u>

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 11 – Pension Plans (Continued)

A. California Public Employees’ Retirement System (Continued)

Changes in the Net Pension Liability (Continued)

	Safety Plan		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(c) = (a) - (b)
Balance at June 30, 2014 (Valuation Date)	\$ 325,066,810	\$ 227,934,982	\$ 97,131,828
Changes Recognized for the Measurement Period:			
Service Cost	4,743,830	-	4,743,830
Interest on the total pension liability	23,705,339	-	23,705,339
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(3,360,555)	-	(3,360,555)
Changes of assumptions	(5,729,967)	-	(5,729,967)
Contributions from the employer	-	7,389,950	(7,389,950)
Contributions from employees	-	1,948,457	(1,948,457)
Net investment income	-	4,990,457	(4,990,457)
Administrative expenses	-	(253,316)	253,316
Benefit payments, including refunds of employee contributions	(16,949,000)	(16,949,000)	-
Net Changes during July 1, 2014 to June 30, 2015	\$ 2,409,647	\$ (2,873,452)	\$ 5,283,099
Balance at June 30, 2015 (Measurement Date)	\$ 327,476,457	\$ 225,061,530	\$ 102,414,927

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

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.65%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.65%) or 1 percentage-point higher (8.65%) than the current rate:

	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1%	Current Discount	Discount Rate + 1%
	(6.65%)	Rate (7.65%)	(8.65%)
Miscellaneous Plan	\$ 103,732,863	\$ 70,111,079	\$ 42,261,458
Safety Plan	\$ 145,587,134	\$ 102,414,927	\$ 66,917,691

Pension plan fiduciary net position

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

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 11 – Pension Plans (Continued)

A. California Public Employees’ Retirement System (Continued)

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the measurement period ending June 30, 2015, the City incurred a pension expense of \$3,924,532 and \$5,740,347 for Miscellaneous and Safety plans, respectively.

As of measurement date of June 30, 2015, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

Miscellaneous Plan		
	Deferred outflows of Resources	Deferred inflows of Resources
Pension contribution made after measurement date	\$ 6,664,525	\$ -
Difference between expected and actual experience	-	(891,262)
Changes of assumptions	-	(2,847,504)
Net difference between projected and actual earning on pension plan investments	-	(1,418,491)
Total	\$ 6,664,525	\$ (5,157,257)
Safety Plan		
	Deferred outflows of Resources	Deferred inflows of Resources
Pension contribution made after measurement date	\$ 8,874,740	\$ -
Difference between expected and actual experience	-	(2,476,198)
Changes of assumptions	-	(4,222,081)
Net difference between projected and actual earning on pension plan investments	-	(1,991,017)
Total	\$ 8,874,740	\$ (8,689,296)

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 11 – Pension Plans (Continued)

A. California Public Employees’ Retirement System (Continued)

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

The amounts above are net of outflows and inflows recognized in the 2014-15 measurement period expense.

The expected average remaining service lifetime (“EARSL”) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired). The EARSL for the miscellaneous plan and safety plan for the 2014-15 measurement period is 2.8 and 3.8 years, which was obtained by dividing the total service years of 4,288 and 1,866 (the sum of remaining service lifetimes of the active employees) by 1,536 and 490 (the total number of participants: active, inactive, and retired), respectively.

The \$6,664,525 and \$8,874,740 reported as deferred outflows of resources related to pension resulting from the City’s contributions subsequent to the measurement date during the year ended June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Period Ended June 30	Deferred Outflows/ (Inflows) of Resources	Deferred Outflows/ (Inflows) of Resources
	Miscellaneous Plan	Safety Plan
2016	\$ (3,202,170)	\$ (3,862,238)
2017	(2,786,753)	(3,862,238)
2018	(1,125,079)	(3,383,789)
2019	1,956,745	2,418,969
2020	-	-
Thereafter	-	-
	<u>(5,157,257)</u>	<u>(8,689,296)</u>

B. Public Agency Retirement Services (“PARS”)

The City established the City of Culver City Alternative Retirement System, with PARS. Under PARS, the City participates in the defined contribution plan to benefit part time, seasonal and temporary employees not currently eligible for CalPERS. Pursuant to the PARS agreement, the PARS trust is administered by Phase II Systems with Union Bank of California acting as trustee. In accordance with the PARS trust agreement, the City does not manage the plan’s assets or perform distributions to employees out of the plan. Phase II Systems and Union Bank of California perform these functions.

The PARS trust, authorized under the Internal Revenue Code Section 401(a) and Government Code Sections 53215-53224 and 2000, maintains the following general provisions.

- Eligibility – Part-time employees who work less than 1,000 hours per fiscal year
- Eligible employees shall participate while not accruing a benefit under social security or PERS.
- Eligible employees and the City contribute 4 and 3.5 percent of compensation on a pre-tax basis, respectively.
- Contributions and distributions of the plan are not obligations of the City, and
- Amendments to the plan are subject to the discretion of the City

The City recognized pension expenses related to PARS plan in the amount of \$47,300 for the year ended June 30, 2016.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 12 – Other Post-employment Benefits (“OPEB”)

At June 30, 2016, net OPEB liability and related deferred outflows of resources and deferred inflows of resources are as follows:

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
Net difference between projected and actual earning on pension plan investments	\$ 1,201,395	\$ 178,605	\$ 1,380,000
Total deferred outflows of resources	\$ 1,201,395	\$ 178,605	\$ 1,380,000
Net OPEB liabilities:			
	\$ 86,446,472	\$ 12,851,528	\$ 99,298,000
Total net OPEB liabilities	\$ 86,446,472	\$ 12,851,528	\$ 99,298,000
Deferred inflows of Resources:			
Change in assumption	\$ 551,074	\$ 81,926	\$ 633,000
Difference between expected and actual experience	8,183,415	1,216,585	9,400,000
Total deferred inflows of resources	\$ 8,734,489	\$ 1,298,511	\$ 10,033,000

Plan Description

In addition to the retirement plan described in Note 10, the City of Culver City’s Retiree Health Insurance Program (“OPEB Plan”) 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.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 12 – Other Post-employment Benefits (OPEB) (Continued)

Plan Description (Continued)

- 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.
- 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, 2015, the date of the latest actuarial valuation:

Active plan members	629
Inactive employees or beneficiaries currently receiving benefit payments	517
Inactive employees entitled to but not yet receiving benefit payments	68
Total	<u>1,214</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, 2016, the City’s average contribution rate was 21.6 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, 2016, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 12 – Other Post-employment Benefits (OPEB) (Continued)

Net OPEB Liability (Continued)

Actuarial assumptions

The total OPEB liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	7.00%
Inflation	3.00%
Aggregate payroll Increases	3.25%
Expected Long-Term Investment Rate of Return	7.00%
Mortality, Termination, and Disability	CalPERS 1997-2011
Mortality Improvement Scale	Modified MP-2014, which converge to ultimate mortality improvement rates in 2022.
PPACA High Cost Plan Excise Tax	2% load on cash subsidy
Healthcare Tread Rate	An annual healthcare cost trend rate of 7.2% initially reduced by decrements to an ultimate of 5.0% therefore.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2015.

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	New Strategic Allocation	Investment Ratings	Long-Term Expected Real Rate of Return
Growth Assets:			
Domestic Equity	44.00%	29%-59%	5.35%
International Equity	23.00%	8%-38%	5.35%
Other	0.00%	0%-10%	N/A
Income Assets:			
Fixed Income	33.00%	13%-53%	1.55%
Other	0.00%	0%-10%	N/A
Real Return	0.00%	0%-10%	N/A
Cash Equivalents	0.00%	0%-10%	N/A
	<u>100.00%</u>		

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 12 – Other Post-employment Benefits (OPEB) (Continued)

Net OPEB Liability (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 7.0 percent, changed from the previous 6.50 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.

Change in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2015 (Valuation Date)	\$ 129,921,000	\$ 17,496,000	\$ 112,425,000
Changes Recognized for the Measurement Period:			
Service Cost	2,722,000	-	2,722,000
Interest on the total OPEB liability	8,258,000	-	8,258,000
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(11,811,000)	-	(11,811,000)
Changes of assumptions	(795,000)	-	(795,000)
Contributions from the employer	-	11,263,000	(11,263,000)
Net investment income	-	319,000	(319,000)
Administrative expenses	-	(81,000)	81,000
Benefit payments	(5,759,000)	(5,759,000)	-
Net Changes during July 1, 2015 to June 30, 2016	\$ (7,385,000)	\$ 5,742,000	\$ (13,127,000)
Balance at June 30, 2016 (Measurement Date)	<u>\$ 122,536,000</u>	<u>\$ 23,238,000</u>	<u>\$ 99,298,000</u>

Sensitivity of the net OPEB liability to changes in the discount rate

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 (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current discount rate:

Plan's Net OPEB Liability/(Asset)		
Discount Rate - 1% (6.00%)	Current Discount Rate (7.00%)	Discount Rate + 1% (8.00%)
\$ 115,730,000	\$ 99,298,000	\$ 85,831,000

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 12 – Other Post-employment Benefits (OPEB) (Continued)

Change in the Net OPEB Liability (Continued)

Sensitivity of the net OPEB liability to changes in the 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 healthcare cost trend rates that are 1-percentage-point lower (6.2 percent decreasing to 4.0 percent) or 1-percentage-point higher (8.2 percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

Plan's Net OPEB Liability/(Asset)		
Discount Rate - 1%	Healthcare Cost Trend Rates	Discount Rate + 1%
(6.2% decreasing to 4.0%)	(7.2% decreasing to 5.0%)	(8.2% decreasing to 6.0%)
\$ 115,730,000	\$ 99,298,000	\$ 85,831,000

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

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

For the fiscal year ended June 30, 2016, the City recognized OPEB expense of \$7,253,000. At June 30, 2016, 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
Difference between expected and actual experience	\$ -	\$ (9,400,000)
Changes of assumptions	-	(633,000)
Net difference between projected and actual earning on OPEB plan investments	1,380,000	-
Total	\$ 1,380,000	\$ (10,033,000)

The difference between projected OPEB plan investment earnings and actual earnings is amortized over a five year period. The remaining gains and losses are amortized over the expected average remaining service life. The expected average remaining service life for the 2015-16 measurement period is 4.9 years.

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

Measurement Period Ended June 30	Deferred Outflows/ (Inflows) of Resources
2017	\$ (2,199,000)
2018	(2,199,000)
2019	(2,199,000)
2020	(2,056,000)
2121	-
Thereafter	-
	(8,653,000)

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 13 – 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.

Note 14 – 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 (“DOF”)

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.

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.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 14 – Contingencies and (Continued)

Department of Finance (“DOF”) (Continued)

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 was entitled to under ROPS 13-14B for the payment of enforceable obligations of \$11,127,829. The Prior Period Adjustment referred to the \$11,559,339 adjustment on ROPS III and assumed those moneys remained available to the Successor Agency for payment of enforceable obligations.

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.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 14 – Contingencies (Continued)

Department of Finance (“DOF”) (Continued)

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 had already withheld the amount of \$11,559,339 from ROPS III, which the Successor Agency continued to believe was illegal but accepted. The Successor Agency believed there was no legal authority for the Auditor-Controller to repeatedly withhold more than \$11 million from the Successor Agency’s RPTTF distributions.

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

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.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 14 – Contingencies (Continued)

Department of Finance (“DOF”) (Continued)

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 \$3,275,207 related to ROPS 13-14B.

The \$3,275,307 that the County distributed to the Successor Agency on June 26, 2014 was the difference between the \$7,699,962 approved by the DOF for distribution to the Successor Agency on ROPS 13-14B and the \$4,424,655 distributed to the Successor Agency on January 2, 2014.

As a result of the June 26, 2014 distribution, the Successor Agency had \$13,687,927 available to pay debt service on November 1, 2014 (consisting of \$10,412,620 from the June 2, 2014 ROPS 14-15A distribution and \$3,275,307 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 was likely to prevail on the merits of its claim supporting the issuance of an injunction, that DOF lacked 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.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 14 – Contingencies (Continued)

Department of Finance (“DOF”) (Continued)

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.

On October 28, 2016, the Court of Appeal ordered further supplemental briefing as the State Controller’s audit which has since been issued. The DOF filed its supplemental brief on November 17, 2016. The City and Successor Agency filed their supplemental brief on December 8, 2016. It is anticipated that the Court of Appeal will schedule oral argument in early 2017.

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.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 15 – Classification of Fund Balances

At June 30, 2016, fund balances are classified as follows:

	General Fund	Culver City Housing Authority	Capital Improvement and Acquisition	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable					
Note receivable	\$ 1,273,944	\$ -	\$ -	\$ -	\$ 1,273,944
Advances	11,692,521	-	-	-	11,692,521
Land held for resales	5,684,776	-	-	-	5,684,776
Total nonspendable	<u>18,651,241</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,651,241</u>
Restricted					
Other purposes	-	-	-	1,356,025	1,356,025
Redevelopment	-	-	-	39,162,344	39,162,344
Street maintenance	-	-	-	2,460,793	2,460,793
Housing Authority	-	27,599,843	-	1,241,713	28,841,556
Road construction	-	-	-	1,755,746	1,755,746
Equipment purchases	-	-	-	1,237,456	1,237,456
Construction of capital assets	-	-	-	7,058,301	7,058,301
Total restricted	<u>-</u>	<u>27,599,843</u>	<u>-</u>	<u>54,272,378</u>	<u>81,872,221</u>
Committed					
Construction of capital assets	-	-	4,589,700	-	4,589,700
Contingency	29,672,473	-	-	-	29,672,473
Facility planning	7,378,103	-	-	3,542,902	10,921,005
Recreation facilities	727,757	-	-	5,981,710	6,709,467
Total committed	<u>37,778,333</u>	<u>-</u>	<u>4,589,700</u>	<u>9,524,612</u>	<u>51,892,645</u>
Assigned					
Contract	108,624	-	-	-	108,624
Change in fair values of investments	117,264	-	-	-	117,264
Total assigned	<u>225,888</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>225,888</u>
Unassigned (deficit)	<u>25,422,152</u>	<u>-</u>	<u>-</u>	<u>(2,116,848)</u>	<u>23,305,304</u>
Total fund balance	<u>\$ 82,077,614</u>	<u>\$ 27,599,843</u>	<u>\$ 4,589,700</u>	<u>\$ 61,680,142</u>	<u>\$ 175,947,299</u>

There were no significant encumbrances outstanding at June 30, 2016.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 16 – 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, 2016, the total balance of both loans outstanding was \$1,079,995. Interest payments received during the fiscal year was \$15,650.

Note 17 – 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 (Continued)
For the Year Ended June 30, 2016

Note 17 – 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.

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.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 17 – Successor Agency Trust for Assets and Liabilities of Former Redevelopment Agency (Continued)

Summary of changes in capital asset for the year ended June 30, 2016 is as follows:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Capital assets, not being depreciated:				
Land	\$ 8,316,229	\$ -	\$ -	\$ 8,316,229
Total capital assets, not being depreciated	<u>8,316,229</u>	<u>-</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 capital assets, being depreciated	<u>6,411,233</u>	<u>-</u>	<u>-</u>	<u>6,411,233</u>
Less accumulated depreciation:				
Buildings	(505,038)	(68,595)	-	(573,633)
Improvements	(125,540)	(18,180)	-	(143,720)
Machinery and equipment	(11,515)	-	-	(11,515)
Infrastructure	(310,251)	(52,128)	-	(362,379)
Total accumulated depreciation	<u>(952,344)</u>	<u>(138,903)</u>	<u>-</u>	<u>(1,091,247)</u>
Total capital assets, being depreciated, net	<u>5,458,889</u>	<u>(138,903)</u>	<u>-</u>	<u>5,319,986</u>
Business-type activities capital assets, net				
	<u>\$ 13,775,118</u>	<u>\$ (138,903)</u>	<u>\$ -</u>	<u>\$ 13,636,215</u>

Summary of changes in long-term liabilities for the year ended June 30, 2016 is as follows:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016	Due within One Year	Due in more than One Year
1999 Tax Allocation Refunding Revenue Bonds Series A	\$ 16,830,000	\$ -	\$ (1,295,000)	\$ 15,535,000	\$ 740,000	\$ 14,795,000
2002 Tax Allocation Bonds	15,070,000	-	(1,280,000)	13,790,000	1,345,000	12,445,000
2004 Tax Allocation Refunding Revenue Bonds Series A	65,560,000	-	(5,775,000)	59,785,000	6,685,000	53,100,000
2005 Tax Allocation Refunding Bonds	15,560,000	-	(225,000)	15,335,000	235,000	15,100,000
2011 A Tax Exempt Tax Allocation Revenue Bonds (CABS)	13,827,887	-	-	13,827,887	-	13,827,887
Accreted Interest on 2011 A Tax Allocation Bonds	5,324,584	1,499,679	-	6,824,263	-	6,824,263
2011 B Tax Exempt Tax Allocation Revenue Bonds	29,800,000	-	(3,425,000)	26,375,000	3,635,000	22,740,000
Advances from Culver City General Fund	1,500,000	-	(1,500,000)	-	-	-
Advances from Culver City Housing Authority	9,075,893	-	-	9,075,893	-	9,075,893
Cooperative agreement (Note 17)	-	35,804,813	-	35,804,813	-	35,804,813
Subtotal	<u>\$172,548,364</u>	<u>\$ 37,304,492</u>	<u>\$ (13,500,000)</u>	<u>\$196,352,856</u>	<u>\$ 12,640,000</u>	<u>\$ 183,712,856</u>
Unamortized original issue discount	(439,016)	-	47,038	(391,978)	(47,038)	(344,940)
Unamortized original issue premium	1,060,287	-	(125,575)	934,712	125,571	809,141
Total	<u>\$173,169,635</u>	<u>\$ 37,304,492</u>	<u>\$ (13,578,537)</u>	<u>\$196,895,590</u>	<u>\$ 12,718,533</u>	<u>\$ 184,177,057</u>

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 17 – Successor Agency Trust for Assets and Liabilities of Former Redevelopment Agency (Continued)

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%

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. At June 30, 2016, the reserve with fiscal agent was in the amount of \$1,805,500 and the aggregate amount of 1999 Tax Allocation Refunding Revenue Bonds Series A was \$15,535,000.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 17 – Successor Agency Trust for Assets and Liabilities of Former Redevelopment Agency (Continued)

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

The annual debt service requirements on these bonds are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	925,000	663,460	1,588,460
2022-2026	11,385,000	2,263,380	13,648,380
	<u>\$ 15,535,000</u>	<u>\$ 6,057,387</u>	<u>\$ 21,592,387</u>

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%

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. At June 30, 2016, the reserve with fiscal agent was in the amount of \$1,630,613 and the total amount of 2002 Series A Tax Allocation Bonds payable at June 30, 2016 was \$13,790,000.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 17 – Successor Agency Trust for Assets and Liabilities of Former Redevelopment Agency (Continued)

2002 Series A Tax Allocation Bonds (Continued)

The annual debt service requirements on these bonds are as follows:

Fiscal Year	Principal	Interest	Total
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	1,665,000	368,150	2,033,150
2022-2026	6,290,000	763,367	7,053,367
	<u>\$ 13,790,000</u>	<u>\$ 3,450,155</u>	<u>\$ 17,240,155</u>

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. At June 30, 2016, the reserve with fiscal agent was in the amount of \$4,305,514 and the total amount of 2004 Series A Tax Allocation Refunding Bonds payable at June 30, 2016 was \$59,785,000.

The annual debt service requirements on these bonds are as follows:

Fiscal Year	Principal	Interest	Total
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	7,925,000	1,192,428	9,117,428
2022-2025	23,250,000	1,455,892	24,705,892
	<u>\$ 59,785,000</u>	<u>\$ 10,581,791</u>	<u>\$ 70,366,791</u>

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 17 – Successor Agency Trust for Assets and Liabilities of Former Redevelopment Agency (Continued)

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.

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, 2016 At June 30, 2016, the reserve with fiscal agent was in the amount of \$1,590,345 and the total amount of 2005 Tax Allocation Refunding Bonds outstanding was \$15,335,000.

The annual debt service requirements on these bonds are as follows:

Fiscal Year	Principal	Interest	Total
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	280,000	706,275	986,275
2022-2026	14,050,000	2,128,661	16,178,661
	<u>\$ 15,335,000</u>	<u>\$ 5,770,062</u>	<u>\$ 21,105,062</u>

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 17 – Successor Agency Trust for Assets and Liabilities of Former Redevelopment Agency (Continued)

2011 Tax Allocation Revenue Bonds Series A and B

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. At June 30, 2016, the reserve with fiscal agent was in the amount of \$1,383,230 and the total amount of the 2011 TAB Series A outstanding was \$13,827,887. The accreted interest amount on the Capital Appreciation Bonds at June 30, 2016 was \$6,824,263.

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. At June 30, 2016, the reserve with fiscal agent was in the amount of \$3,358,500 and the total amount of the 2011 Tax Allocation Revenue Bonds Series B outstanding was \$26,375,000.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2016

Note 17 – Successor Agency Trust for Assets and Liabilities of Former Redevelopment Agency (Continued)

2011 Tax Allocation Revenue Bonds Series A and B (Continued)

The annual debt service requirements on these bonds are as follows:

Fiscal Year	2011 Series A Tax Allocation Revenue Bond		
	Principal	Interest	Total
2017	\$ -	\$ -	\$ -
2018	-	-	-
2019	-	-	-
2020	1,476,222	1,162,600	2,638,822
2021	1,348,579	1,288,029	2,636,608
2022-2026	4,747,294	9,247,555	13,994,849
2027-2029	6,255,792	14,999,540	21,255,332
	<u>\$ 13,827,887</u>	<u>\$ 26,697,724</u>	<u>\$ 40,525,611</u>

Fiscal Year	2011 Series B Tax Allocation Revenue Bond		
	Principal	Interest	Total
2017	\$ 3,635,000	\$ 2,016,700	\$ 5,651,700
2018	3,925,000	1,714,300	5,639,300
2019	4,235,000	1,937,289	6,172,289
2020	2,000,000	1,138,500	3,138,500
2021	2,160,000	972,099	3,132,099
2022-2025	10,420,000	1,851,726	12,271,726
	<u>\$ 26,375,000</u>	<u>\$ 9,630,614</u>	<u>\$ 36,005,614</u>

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 (Continued)
For the Year Ended June 30, 2016

Note 17 – Successor Agency Trust for Assets and Liabilities of Former Redevelopment Agency (Continued)

Advances from Culver City Housing Authority

The advance of \$9,075,893 for ERAF and 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 was fully paid off on July 1, 2015.

Note 18 - Subsequent Events

Between 1986 and 1995, the former Redevelopment Agency deferred \$36,036,591 of deposits of 20% tax increment from the Culver City Redevelopment Project Areas (the “Project Areas”) to the former Low and Moderate Income Housing Fund (the “Housing Fund”). During the year ended June 30, 2011, the 2011 Cooperation and Implementation Agreement (the “Agreement”) was entered into where the deferred amounts were reported as cooperative agreement payable from the Project Areas to the Housing Fund, and the repayment may only be used for qualified capital projects identified in the Agreement. The cooperative agreement payable from the Project Areas were transferred to the Successor Agency due to the dissolution of the redevelopment agency. The deferred receivable due to the Low and Moderate Income Housing Fund was transferred to the Housing Authority. The cooperative agreement payable was not reported at July 1, 2015 due to pending approval from DOF. On September 19, 2016, DOF approved the repayment of the deferral repayment from the Successor Agency to the Housing Authority in the future ROPS in the amount of \$35,804,813.

Required Supplementary Information



**REQUIRED SUPPLEMENTARY
INFORMATION (UNAUDITED)**

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City of Culver City
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended June 30, 2016

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") - Miscellaneous Plan

Measurement period	2014-15	2013-14 ¹
Total pension liability		
Service cost	\$ 4,911,950	\$ 4,942,736
Interest	18,310,677	17,556,597
Changes of benefit terms	-	-
Differences between expected and actual experience	(1,386,409)	-
Changes of assumptions	(4,429,450)	-
Benefit payments, including refunds of employee contributions	(11,644,085)	(11,157,496)
Net change in total pension liability	5,762,683	11,341,837
Total pension liability - beginning	248,537,178	237,195,341
Total pension liability - ending (a)	<u>\$ 254,299,861</u>	<u>\$ 248,537,178</u>
Pension fiduciary net position		
Contributions - employer	\$ 5,915,829	\$ 6,638,283
Contributions - employee	2,494,358	3,171,457
Net investment income ²	4,025,216	27,091,117
Benefit payments, including refunds of employee contributions	(11,644,085)	(11,157,496)
Administrative expense	(207,377)	-
Net change in plan fiduciary net position	583,941	25,743,361
Plan fiduciary net position - beginning	183,604,841	157,861,480
Plan fiduciary net position - ending (b)	<u>\$ 184,188,782</u>	<u>\$ 183,604,841</u>
Plan net pension liability - ending (a) - (b)	<u>\$ 70,111,079</u>	<u>\$ 64,932,337</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>72.43%</u>	<u>73.87%</u>
Covered-employee payroll	<u>\$ 31,064,702</u>	<u>\$ 29,867,279</u>
Plan net pension liability as a percentage of covered-employee payroll	<u>225.69%</u>	<u>217.40%</u>

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

² Net of administrative expenses for 2013-14.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumption: The discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent.

City of Culver City
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2016

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") - Safety Plan

Measurement period	2014-15	2013-14 ¹
Total pension liability		
Service cost	\$ 4,743,829	\$ 5,059,461
Interest	23,705,339	23,063,095
Changes of benefit terms	-	-
Differences between expected and actual experience	(3,360,555)	-
Changes of assumptions	(5,729,967)	-
Benefit payments, including refunds of employee contributions	(16,949,000)	(16,067,896)
Net change in total pension liability	2,409,646	12,054,660
Total pension liability - beginning	325,066,810	313,012,150
Total pension liability - ending (a)	<u>\$ 327,476,456</u>	<u>\$ 325,066,810</u>
Pension fiduciary net position		
Contributions - employer	\$ 7,389,950	\$ 8,194,801
Contributions - employee	1,948,457	2,880,898
Net investment income ²	4,990,457	34,116,579
Benefit payments, including refunds of employee contributions	(16,949,000)	(16,067,896)
Administrative expense	(253,316)	-
Net change in plan fiduciary net position	(2,873,452)	29,124,382
Plan fiduciary net position - beginning	227,934,982	198,810,600
Plan fiduciary net position - ending (b)	<u>\$ 225,061,530</u>	<u>\$ 227,934,982</u>
Plan net pension liability - ending (a) - (b)	<u>\$ 102,414,926</u>	<u>\$ 97,131,828</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>68.73%</u>	<u>70.12%</u>
Covered-employee payroll	<u>\$ 18,014,087</u>	<u>\$ 18,261,249</u>
Plan net pension liability as a percentage of covered-employee payroll	<u>568.53%</u>	<u>531.90%</u>

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

² Net of administrative expenses for 2013-14.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumption: The discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent.

City of Culver City
Required Supplementary Information (Unaudited)
Schedule of Contributions
For the Year Ended June 30, 2016

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") - Miscellaneous

	2015-16	2014-15	2013-14 ¹
Actuarially determined contribution	\$ 6,664,525	\$ 5,915,829	\$ 6,638,283
Contributions in relation to the actuarially determined contribution	(6,664,525)	(5,915,829)	(6,638,283)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered-employee payroll ^{2,3}	\$ 31,996,643	\$ 31,064,702	\$ 29,867,279
Contributions as a percentage of covered-employee payroll ²	20.83%	19.04%	22.23%

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

² Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer.

³ Payroll from 2014-15 of \$31,064,702 was assumed to increase by the 3.00 percent payroll growth assumption.

Notes to Schedule:

Valuation date:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2015-16 was from the June 30, 2013 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll, closed
Remaining amortization period	21 years for valuation dated June 30, 2012 and 32 years for valuation dated June 30, 2011
Asset valuation method	Market value
Inflation	2.75%
Salary increases	3.30% to 14.20% depending on age, service, and type of employment
Payroll Growth	3.00%
Investment rate of return	7.50%, net of pension plan investment expense, including 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 include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

City of Culver City
Required Supplementary Information (Unaudited)
Schedule of Contributions (Continued)
For the Year Ended June 30, 2016

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") - Safety

	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14¹</u>
Actuarially determined contribution	\$ 8,874,740	\$ 7,389,950	\$ 8,194,801
Contributions in relation to the actuarially determined contribution	<u>(8,874,740)</u>	<u>(7,389,950)</u>	<u>(8,194,801)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll ^{2,3}	\$ 18,554,510	\$ 18,014,087	\$ 18,261,249
Contributions as a percentage of covered-employee payroll ²	47.83%	41.02%	44.88%

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

² Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer.

³ Payroll from 2014-15 of \$18,014,087 was assumed to increase by the 3.00 percent payroll growth assumption.

Notes to Schedule:

Valuation date:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2015-16 was from the June 30, 2013 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll, closed
Remaining amortization period	21 years for valuation dated June 30, 2012 and 32 years for valuation dated June 30, 2011
Asset valuation method	Market value
Inflation	2.75%
Salary increases	3.30% to 14.20% depending on age, service, and type of employment
Payroll Growth	3.00%
Investment rate of return	7.50%, net of pension plan investment expense, including 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 include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

City of Culver City
Required Supplementary Information (Unaudited)
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2016

Last Ten Fiscal Years

Other Postemployment Benefits (OPEB)

Measurement period	2015-16	2014-15 ¹
Total OPEB liability		
Service cost	\$ 2,722,000	\$ 3,094,000
Interest	8,258,000	7,905,000
Changes of benefit terms	-	-
Differences between expected and actual experience	(11,811,000)	-
Changes of assumptions	(795,000)	-
Benefit payments, including refunds of employee contributions	(5,759,000)	(5,387,000)
Net change in total OPEB liability	(7,385,000)	5,612,000
Total OPEB liability - beginning	129,921,000	124,309,000
Total OPEB liability - ending (a)	\$ 122,536,000	\$ 129,921,000
OPEB fiduciary net position		
Contributions - employer	\$ 11,263,000	\$ 9,865,000
Net investment income	319,000	289,000
Benefit payments, including refunds of employee contributions	(5,759,000)	(5,387,000)
Administrative expense	(81,000)	(56,000)
Net change in plan fiduciary net position	5,742,000	4,711,000
Plan fiduciary net position - beginning	17,496,000	12,785,000
Plan fiduciary net position - ending (b)	\$ 23,238,000	\$ 17,496,000
Plan net OPEB liability - ending (a) - (b)	\$ 99,298,000	\$ 112,425,000
Plan fiduciary net position as a percentage of the total OPEB liability	18.96%	13.47%
Covered-employee payroll	\$ 52,215,000	\$ 47,105,000
Plan net OPEB liability as a percentage of covered-employee payroll	190.17%	238.67%

¹ Historical information is required only for measurement periods for which GASB 75 is applicable.

Notes to Schedule:

Changes of Assumption: The discount rate was changed from 6.50 percent (net of administrative expense) to 7.00 percent.

City of Culver City
Required Supplementary Information (Unaudited)
Schedule of Contributions
For the Year Ended June 30, 2016

Last Ten Fiscal Years

Other Postemployment Benefits (OPEB)

	2015-16	2014-15	2013-14	2012-13	2011-12 ¹
Actuarially determined contribution ²	\$ 9,241,000	\$ 9,945,000	\$ 9,778,000	\$ 8,621,000	\$ 8,456,000
Contributions in relation to the actuarially determined contribution	(11,263,000)	(9,865,000)	(10,028,000)	(7,631,000)	(7,635,000)
Contribution deficiency (excess)	\$ (2,022,000)	\$ 80,000	\$ (250,000)	\$ 990,000	\$ 821,000
Covered-employee payroll	\$ 52,215,000	\$ 47,105,000	N/A	\$ 46,399,000	N/A
Contributions as a percentage of covered-employee payroll ²	21.57%	20.94%	N/A	16.45%	N/A

¹ GASB 75 requires this information for plans funding with OPEB trusts be reported in the employer's Required Supplementary Information for 10 years or as many years as are available upon implementation. The plan was not funded with an OPEB trust prior to 6/30/12.

² The June 30, 2015 actuarial valuation provided the Actuarially Determined Contributions for fiscal years ending 6/30/16 and 6/30/17

Notes to Schedule:

Valuation date:

June 30, 2015. 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 Method
Amortization method	Level percentage of payroll, closed
Remaining amortization period	24 years
Asset valuation method	Investment gains and losses spread over a 5-year rolling period.
Inflation	3.00%
Healthcare cost trend rates	7.20% percent initial, decreasing 0.5 percent per year to ultimate rate of 5.0%
Salary increases	3.25%
Investment rate of return	7.50%
Retirement age	Based on CalPERS 1997-2011 experience study.
Mortality	Mortality rates were based on CalPERS 1997-2011 Healthy Annuitant Mortality Table for Male or Females, as appropriate, with adjustments for mortality improvements based on MP-2014 modified to converge to ultimate mortality improvement rates in 2022.

City of Culver City
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
For the Year Ended June 30, 2016

Budgetary Comparison Schedule – General Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes	\$ 73,615,000	\$ 74,016,000	\$ 78,337,955	\$ 4,321,955
Licenses and permits	3,667,500	3,341,275	4,225,483	884,208
Fines and forfeitures	4,217,672	4,186,000	4,323,432	137,432
Intergovernmental	4,136,315	4,209,765	4,309,822	100,057
Charges for services	8,575,560	9,275,933	11,255,442	1,979,509
Investment earnings	823,480	713,000	849,088	136,088
Miscellaneous	334,000	1,255,031	530,133	(724,898)
Total revenues	95,369,527	96,997,004	103,831,355	6,834,351
EXPENDITURES:				
Current:				
General government	13,599,326	13,194,859	13,210,888	(16,029)
Parks, recreation and community services	7,885,314	8,047,538	7,443,175	604,363
Police	35,246,474	35,409,255	33,806,609	1,602,646
Fire	20,553,258	21,229,887	21,490,702	(260,815)
Community development	7,009,852	8,154,661	7,113,386	1,041,275
Public works	11,135,937	11,354,440	10,343,397	1,011,043
Total expenditures	95,430,161	97,390,640	93,408,157	3,982,483
REVENUE OVER (UNDER) EXPENDITURES	(60,634)	(393,636)	10,423,198	10,816,834
OTHER FINANCING SOURCES (USES):				
Transfers in	1,700,000	1,700,000	1,700,000	-
Transfers out	(8,238,524)	(10,738,524)	(10,738,524)	-
Total other financing sources (uses)	(6,538,524)	(9,038,524)	(9,038,524)	-
CHANGE IN FUND BALANCE	(6,599,158)	(9,432,160)	1,384,674	10,816,834
FUND BALANCE:				
Beginning of year	80,692,940	80,692,940	80,692,940	-
End of year	\$ 74,093,782	\$ 71,260,780	\$ 82,077,614	\$ 10,816,834

City of Culver City
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule (Continued)
For the Year Ended June 30, 2016

Budgetary Comparison Schedule – Culver City Housing Authority Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Investment earnings	\$ -	\$ 56,900	\$ 461,339	\$ 404,439
Miscellaneous	-	-	5,100	5,100
Total revenues	<u>-</u>	<u>56,900</u>	<u>466,439</u>	<u>409,539</u>
EXPENDITURES:				
Current:				
Community development	-	387,769	3,137,948	(2,750,179)
Total expenditures	<u>-</u>	<u>387,769</u>	<u>3,137,948</u>	<u>(2,750,179)</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(330,869)</u>	<u>(2,671,509)</u>	<u>(2,340,640)</u>
CHANGE IN FUND BALANCE	-	(330,869)	(2,671,509)	(2,340,640)
FUND BALANCE:				
Beginning of year	30,271,351	30,271,351	30,271,351	-
End of year	<u>\$ 30,271,351</u>	<u>\$ 29,940,482</u>	<u>\$ 27,599,842</u>	<u>\$ (2,340,640)</u>

City of Culver City
Notes to the Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
For the Year Ended 06/30/2016

Note 1 - Budgets and Budgetary Data

The adopted budget of the City consists of a resolution specifying the total appropriation for each departmental activity, such as Police Administration, Street Maintenance, and other activities.

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, hat 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 the fiscal year-end unless City Council takes formal action in the form of a resolution to continue the appropriation into the following year.

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

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Non-Major Funds / Other Financial Information



SUPPLEMENTARY INFORMATION

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**City of Culver City
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016**

	Special Revenue Funds	Capital Projects Funds	Totals
ASSETS			
Cash and investments	\$ 24,785,551	\$ 21,836,041	\$ 46,621,592
Accounts receivables, net	104,646	-	104,646
Interest receivables	58,226	55,557	113,783
Notes receivables, net	38,821	-	38,821
Due from other funds	2,367	-	2,367
Due from other governments	834,632	1,072,092	1,906,724
Land held for resale	-	18,163,996	18,163,996
Total assets	\$ 25,824,243	\$ 41,127,686	\$ 66,951,929
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 1,172,189	\$ 215,357	\$ 1,387,546
Salaries and benefits payable	30,145	-	30,145
Due to other funds	259,294	1,830,946	2,090,240
Deposits payable	69,853	-	69,853
Unearned revenue	67,570	-	67,570
Due to other governments	38,820	-	38,820
Total liabilities	1,637,871	2,046,303	3,684,174
Deferred inflows of resources:			
Unavailable grant revenues	625,861	961,752	1,587,613
Total deferred inflows of resources	625,861	961,752	1,587,613
Fund Balances:			
Restricted	14,412,230	39,860,148	54,272,378
Committed	9,524,612	-	9,524,612
Unassigned (deficit)	(376,331)	(1,740,517)	(2,116,848)
Total fund balances	23,560,511	38,119,631	61,680,142
Total liabilities, deferred inflows of resources and fund balances	\$ 25,824,243	\$ 41,127,686	\$ 66,951,929

City of Culver City
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2016

	Special Revenue Funds	Capital Projects Funds	Totals
REVENUES:			
Licenses and permits	\$ 863,481	\$ -	\$ 863,481
Intergovernmental	5,652,804	1,441,776	7,094,580
Charges for Services	4,738,583	-	4,738,583
Investment earnings	156,971	438,303	595,274
Miscellaneous	104,679	826,436	931,115
Total revenues	11,516,518	2,706,515	14,223,033
EXPENDITURES:			
Current:			
Parks, recreation and community services	318,545	-	318,545
Police	495,880	-	495,880
Fire	41,221	-	41,221
Community development	3,133,527	30,597	3,164,124
Public works	902,766	-	902,766
Transit	280,161	-	280,161
Capital outlay	2,236,730	1,022,806	3,259,536
Total expenditures	7,408,830	1,053,403	8,462,233
REVENUES OVER EXPENDITURES	4,107,688	1,653,112	5,760,800
OTHER FINANCING SOURCES (USES):			
Transfers in	8,715,478	-	8,715,478
Transfers out	(2,842,644)	(2,480,048)	(5,322,692)
Transfers from Fiduciary Funds	-	2,310,800	2,310,800
Total other financing sources (uses)	5,872,834	(169,248)	5,703,586
CHANGES IN FUND BALANCES	9,980,522	1,483,864	11,464,386
FUND BALANCES:			
Beginning of year	13,579,989	36,635,767	50,215,756
End of year	<u>\$ 23,560,511</u>	<u>\$ 38,119,631</u>	<u>\$ 61,680,142</u>

NONMAJOR SPECIAL REVENUE FUNDS

Gas Tax Fund - 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 - 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 - 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 - 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 used to fund new transportation projects and programs. The Transportation and Public Works departments utilize the majority of this funding.

Operating Grants Fund - 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 - 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 retail subsidies for qualified low-income households.

Art in Public Places Fund - To account for the "Art in Public Places" program. The revenues for this Fund come from developer in-lieu fees.

Community Development Fund - 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 - 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 - To account for benefit assessment district funds received from homeowners for special landscaping services of certain properties within the City.

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NONMAJOR SPECIAL REVENUE FUNDS

Park Facilities Fund - 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 - 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.

Parking Authority Fund - 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.

Urban Runoff Mitigation Fund - To account for all activities associated with the mitigation and clean-up of urban water runoff. (Previously referred to as 'storm water'.)

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

Building Surcharge Fund - 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 plans and documents and technology improvements and maintenance to enhance customer service.

Economic Development Fund - To account for parking structures and lots associated with the downtown and various business districts.

City of Culver City
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016

	Gas Tax	Proposition A Local Return	Proposition C Local Return	Measure R	Operating Grants
ASSETS					
Cash and investments	\$ 1,985,050	\$ 943,322	\$ 1,116,492	\$ 394,187	\$ -
Accounts receivables, net	-	-	-	-	11,176
Interest receivables	5,114	2,550	3,288	954	-
Notes receivables, net	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	777,910
Total assets	\$ 1,990,164	\$ 945,872	\$ 1,119,780	\$ 395,141	\$ 789,086
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 234,418	\$ -	\$ -	\$ -	\$ 284,740
Salaries and benefits payable	-	-	-	-	21,195
Due to other funds	-	-	-	-	254,317
Deposits payable	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Due to other governments	-	-	-	-	-
Total liabilities	234,418	-	-	-	560,252
Deferred inflows of resources:					
Unavailable revenues	-	-	-	-	605,165
Total deferred inflows of resources	-	-	-	-	605,165
Fund Balances:					
Restricted	1,755,746	945,872	1,119,780	395,141	-
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	(376,331)
Total fund balances	1,755,746	945,872	1,119,780	395,141	(376,331)
Total liabilities, deferred inflows of resources and fund balances	\$ 1,990,164	\$ 945,872	\$ 1,119,780	\$ 395,141	\$ 789,086

(Continued)

City of Culver City
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
June 30, 2016

	Section 8 Housing	Art in Public Places	Community Development	CDBG	Special Assessment
ASSETS					
Cash and investments	\$ 1,511,535	\$ 1,708,486	\$ 195,442	\$ -	\$ 320,126
Accounts receivables, net	-	-	-	-	90
Interest receivables	-	4,975	671	-	909
Notes receivables, net	-	-	-	38,821	-
Due from other funds	2,367	-	-	-	-
Due from other governments	20,606	-	-	4,891	2,678
Total assets	\$ 1,534,508	\$ 1,713,461	\$ 196,113	\$ 43,712	\$ 323,803
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 226,506	\$ 32,191	\$ -	\$ -	\$ 27,444
Salaries and benefits payable	5,230	645	-	-	-
Due to other funds	85	-	-	4,892	-
Deposits payable	40,368	-	-	-	-
Unearned revenue	-	-	-	-	-
Due to other governments	-	-	-	38,820	-
Total liabilities	272,189	32,836	-	43,712	27,444
Deferred inflows of resources:					
Unavailable revenues	20,606	-	-	-	90
Total deferred inflows of resources	20,606	-	-	-	90
Fund Balances:					
Restricted	1,241,713	1,680,625	196,113	-	296,269
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances	1,241,713	1,680,625	196,113	-	296,269
Total liabilities, deferred inflows of resources and fund balances	\$ 1,534,508	\$ 1,713,461	\$ 196,113	\$ 43,712	\$ 323,803

(Continued)

City of Culver City
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
June 30, 2016

	Park Facilities	Asset Seizure	Parking Authority	Urban Runoff Mitigation	Capital Grant
ASSETS					
Cash and investments	\$ 1,366,503	\$ 1,208,777	\$ 3,811,870	\$ 6,043,792	\$ 26,469
Accounts receivables, net	-	3,636	89,744	-	-
Interest receivables	2,892	3,143	9,618	13,445	68
Notes receivables, net	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	28,547	-	-	-
Total assets	\$ 1,369,395	\$ 1,244,103	\$ 3,911,232	\$ 6,057,237	\$ 26,537
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 13,370	\$ 6,647	\$ 271,275	\$ 75,527	\$ -
Salaries and benefits payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Deposits payable	-	-	29,485	-	-
Unearned revenue	-	-	67,570	-	-
Due to other governments	-	-	-	-	-
Total liabilities	13,370	6,647	368,330	75,527	-
Deferred inflows of resources:					
Unavailable revenues	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances:					
Restricted	1,356,025	1,237,456	-	-	26,537
Committed	-	-	3,542,902	5,981,710	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances	1,356,025	1,237,456	3,542,902	5,981,710	26,537
Total liabilities, deferred inflows of resources and fund balances	\$ 1,369,395	\$ 1,244,103	\$ 3,911,232	\$ 6,057,237	\$ 26,537

(Continued)

City of Culver City
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
June 30, 2016

	Building Surcharge	Economic Development	Total
ASSETS			
Cash and investments	\$ 719,699	\$ 3,433,801	\$ 24,785,551
Accounts receivables, net	-	-	104,646
Interest receivables	1,811	8,788	58,226
Notes receivables, net	-	-	38,821
Due from other funds	-	-	2,367
Due from other governments	-	-	834,632
Total assets	\$ 721,510	\$ 3,442,589	\$ 25,824,243
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 21	\$ 50	\$ 1,172,189
Salaries and benefits payable	3,075	-	30,145
Due to other funds	-	-	259,294
Deposits payable	-	-	69,853
Unearned revenue	-	-	67,570
Due to other governments	-	-	38,820
Total liabilities	3,096	50	1,637,871
Deferred inflows of resources:			
Unavailable revenues	-	-	625,861
Total deferred inflows of resources	-	-	625,861
Fund Balances:			
Restricted	718,414	3,442,539	14,412,230
Committed	-	-	9,524,612
Unassigned (deficit)	-	-	(376,331)
Total fund balances	718,414	3,442,539	23,560,511
Total liabilities, deferred inflows of resources and fund balances	\$ 721,510	\$ 3,442,589	\$ 25,824,243

(Concluded)

City of Culver City
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2016

	Gas Tax	Proposition A Local Return	Proposition C Local Return	Measure R	Operating Grants
REVENUES:					
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	860,148	714,410	593,340	444,708	1,278,492
Charges for Services	-	-	-	-	4,348
Investment earnings	18,676	8,601	10,710	2,404	1,181
Miscellaneous	-	-	-	-	82,591
Total revenues	878,824	723,011	604,050	447,112	1,366,612
EXPENDITURES:					
Current:					
Parks, recreation and community services	-	-	-	-	289,912
Police	-	-	-	-	423,836
Fire	-	-	-	-	41,221
Community development	-	-	-	-	-
Public works	-	-	-	-	902,766
Transit	-	-	-	-	280,161
Capital outlay	842,994	-	-	-	5,786
Debt service:					
Principal payments	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	842,994	-	-	-	1,943,682
REVENUES OVER (UNDER)					
EXPENDITURES	35,830	723,011	604,050	447,112	(577,070)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	205,430
Transfers out	(400,000)	(714,704)	(555,627)	(172,313)	-
Total other financing sources (uses)	(400,000)	(714,704)	(555,627)	(172,313)	205,430
CHANGES IN FUND BALANCES	(364,170)	8,307	48,423	274,799	(371,640)
FUND BALANCES:					
Beginning of year	2,119,916	937,565	1,071,357	120,342	(4,691)
End of year	\$ 1,755,746	\$ 945,872	\$ 1,119,780	\$ 395,141	\$ (376,331)

(Continued)

City of Culver City
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2016

	Section 8 Housing	Art in Public Places	Community Development	CDBG	Special Assessment
REVENUES:					
Licenses and permits	\$ -	\$ 323,665	\$ -	\$ -	\$ -
Intergovernmental	1,582,511	-	-	28,633	-
Charges for Services	-	-	-	-	113,015
Investment earnings	284	14,101	2,488	-	2,598
Miscellaneous	3,600	-	-	-	-
Total revenues	1,586,395	337,766	2,488	28,633	115,613
EXPENDITURES:					
Current:					
Parks, recreation and community services	-	-	-	28,633	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Community development	1,562,881	135,523	-	-	108,792
Public works	-	-	-	-	-
Transit	-	-	-	-	-
Capital outlay	-	769	126,151	-	-
Debt service:					
Principal payments	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	1,562,881	136,292	126,151	28,633	108,792
REVENUES OVER (UNDER)					
EXPENDITURES	23,514	201,474	(123,663)	-	6,821
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
CHANGES IN FUND BALANCES	23,514	201,474	(123,663)	-	6,821
FUND BALANCES:					
Beginning of year	1,218,199	1,479,151	319,776	-	289,448
End of year	\$ 1,241,713	\$ 1,680,625	\$ 196,113	\$ -	\$ 296,269

(Continued)

City of Culver City
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2016

	Park Facilities	Asset Seizure	Parking Authority	Urban Runoff Mitigation	Capital Grant
REVENUES:					
Licenses and permits	\$ -	\$ -	\$ 286,720	\$ -	\$ -
Intergovernmental	-	150,562	-	-	-
Charges for Services	977,152	-	3,644,068	-	-
Investment earnings	6,479	10,551	13,651	27,237	228
Miscellaneous	-	16,510	1,978	-	-
Total revenues	983,631	177,623	3,946,417	27,237	228
EXPENDITURES:					
Current:					
Parks, recreation and community services	-	-	-	-	-
Police	-	72,044	-	-	-
Fire	-	-	-	-	-
Community development	-	-	1,163,053	28,000	-
Public works	-	-	-	-	-
Transit	-	-	-	-	-
Capital outlay	58,656	41,489	1,100,243	47,527	-
Debt service:					
Principal payments	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	58,656	113,533	2,263,296	75,527	-
REVENUES OVER (UNDER)	924,975	64,090	1,683,121	(48,290)	228
EXPENDITURES	924,975	64,090	1,683,121	(48,290)	228
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	2,480,048	6,030,000	-
Transfers out	-	-	(1,000,000)	-	-
Total other financing sources (uses)	-	-	1,480,048	6,030,000	-
CHANGES IN FUND BALANCES	924,975	64,090	3,163,169	5,981,710	228
FUND BALANCES:					
Beginning of year	431,050	1,173,366	379,733	-	26,309
End of year	\$ 1,356,025	\$ 1,237,456	\$ 3,542,902	\$ 5,981,710	\$ 26,537

(Continued)

City of Culver City
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2016

	Building Surcharge	Economic Development	Total
REVENUES:			
Licenses and permits	\$ 253,096	\$ -	\$ 863,481
Intergovernmental	-	-	5,652,804
Charges for Services	-	-	4,738,583
Investment earnings	5,747	32,035	156,971
Miscellaneous	-	-	104,679
Total revenues	258,843	32,035	11,516,518
EXPENDITURES:			
Current:			
Parks, recreation and community services	-	-	318,545
Police	-	-	495,880
Fire	-	-	41,221
Community development	135,278	-	3,133,527
Public works	-	-	902,766
Transit	-	-	280,161
Capital outlay	13,115	-	2,236,730
Debt service:			
Principal payments	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	148,393	-	7,408,830
REVENUES OVER (UNDER) EXPENDITURES	110,450	32,035	4,107,688
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	8,715,478
Transfers out	-	-	(2,842,644)
Total other financing sources (uses)	-	-	5,872,834
CHANGES IN FUND BALANCES	110,450	32,035	9,980,522
FUND BALANCES:			
Beginning of year	607,964	3,410,504	13,579,989
End of year	\$ 718,414	\$ 3,442,539	\$ 23,560,511

(Continued)

City of Culver City
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Gas Tax Special Revenue Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 15,399	\$ 890,443	\$ 860,148	\$ (30,295)
Investment earnings	-	1,159	18,676	17,517
Total revenues	<u>15,399</u>	<u>891,602</u>	<u>878,824</u>	<u>(12,778)</u>
EXPENDITURES:				
Capital outlay	1,954,246	2,424,246	842,994	1,581,252
Total expenditures	<u>1,954,246</u>	<u>2,424,246</u>	<u>842,994</u>	<u>1,581,252</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,938,847)</u>	<u>(1,532,644)</u>	<u>35,830</u>	<u>1,568,474</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(400,000)	(400,000)	-
Total other financing sources (uses)	<u>-</u>	<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>
CHANGE IN FUND BALANCE	(1,938,847)	(1,932,644)	(364,170)	1,568,474
FUND BALANCE:				
Beginning of year	2,119,916	2,119,916	2,119,916	-
End of year	<u>\$ 181,069</u>	<u>\$ 187,272</u>	<u>\$ 1,755,746</u>	<u>\$ 1,568,474</u>

City of Culver City
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Proposition A Local Return Special Revenue Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 714,001	\$ 714,001	\$ 714,410	\$ 409
Investment earnings	6,100	6,100	8,601	2,501
Total revenues	720,101	720,101	723,011	2,910
REVENUES OVER EXPENDITURES	720,101	720,101	723,011	2,910
OTHER FINANCING SOURCES (USES):				
Transfers out	(714,001)	(714,001)	(714,704)	(703)
Total other financing sources (uses)	(714,001)	(714,001)	(714,704)	(703)
CHANGE IN FUND BALANCE	6,100	6,100	8,307	2,207
FUND BALANCE:				
Beginning of year	937,565	937,565	937,565	-
End of year	\$ 943,665	\$ 943,665	\$ 945,872	\$ 2,207

City of Culver City
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Proposition C Local Return Special Revenue Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 357,245	\$ 357,245	\$ 593,340	\$ 236,095
Investment earnings	6,800	6,800	10,710	3,910
Total revenues	364,045	364,045	604,050	240,005
REVENUES OVER EXPENDITURES	364,045	364,045	604,050	240,005
OTHER FINANCING SOURCES (USES):				
Transfers out	(524,651)	(524,651)	(555,627)	(30,976)
Total other financing sources (uses)	(524,651)	(524,651)	(555,627)	(30,976)
CHANGE IN FUND BALANCE	(160,606)	(160,606)	48,423	209,029
FUND BALANCE:				
Beginning of year	1,071,357	1,071,357	1,071,357	-
End of year	\$ 910,751	\$ 910,751	\$ 1,119,780	\$ 209,029

City of Culver City
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Measure R Fund Special Revenue Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,068,509	\$ 1,944,000	\$ 444,708	\$ (1,499,292)
Investment earnings	-	5,133	2,404	(2,729)
Total revenues	<u>1,068,509</u>	<u>1,949,133</u>	<u>447,112</u>	<u>(1,502,021)</u>
EXPENDITURES:				
Capital outlay	346,000	346,000	-	346,000
Total expenditures	<u>346,000</u>	<u>346,000</u>	<u>-</u>	<u>346,000</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>722,509</u>	<u>1,603,133</u>	<u>447,112</u>	<u>(1,502,021)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(42,431)	(214,431)	(172,313)	42,118
Total other financing sources (uses)	<u>(42,431)</u>	<u>(214,431)</u>	<u>(172,313)</u>	<u>42,118</u>
CHANGE IN FUND BALANCE	680,078	1,388,702	274,799	(1,113,903)
FUND BALANCE:				
Beginning of year	120,342	120,342	120,342	-
End of year	<u>\$ 800,420</u>	<u>\$ 1,509,044</u>	<u>\$ 395,141</u>	<u>\$ (1,113,903)</u>

City of Culver City
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Operating Grants Fund Special Revenue Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 613,726	\$ 1,542,166	\$ 1,278,492	\$ 263,674
Charges for Services	5,750	5,750	4,348	1,402
Investment earnings	-	-	1,181	(1,181)
Miscellaneous	83,304	98,046	82,591	15,455
Total revenues	<u>702,780</u>	<u>1,645,962</u>	<u>1,366,612</u>	<u>(279,350)</u>
EXPENDITURES:				
Current:				
Parks, recreation and community services	325,439	355,377	289,912	65,465
Police	86,344	135,310	423,836	(288,526)
Fire	8,247	35,695	41,221	(5,526)
Public works	106,000	987,902	902,766	85,136
Transportation	299,156	320,196	280,161	40,035
Capital outlay	45,000	175,592	5,786	169,806
Total expenditures	<u>870,186</u>	<u>2,010,072</u>	<u>1,943,682</u>	<u>66,390</u>
REVENUES (UNDER) EXPENDITURES	<u>(167,406)</u>	<u>(364,110)</u>	<u>(577,070)</u>	<u>(212,960)</u>
OTHER FINANCING SOURCES:				
Transfers in	167,406	167,406	205,430	38,024
Total other financing sources	<u>167,406</u>	<u>167,406</u>	<u>205,430</u>	<u>38,024</u>
CHANGE IN FUND BALANCE	-	(196,704)	(371,640)	(174,936)
FUND BALANCE (DEFICIT):				
Beginning of year	(4,691)	(4,691)	(4,691)	-
End of year	<u>\$ (4,691)</u>	<u>\$ (201,395)</u>	<u>\$ (376,331)</u>	<u>\$ (174,936)</u>

City of Culver City
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Section 8 Housing Special Revenue Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 215,662	\$ 215,662	\$ 1,582,511	\$ (1,366,849)
Investment earnings	-	-	284	(284)
Miscellaneous	5,000	5,000	3,600	1,400
Total revenues	220,662	220,662	1,586,395	1,365,733
EXPENDITURES:				
Current:				
Community Development	1,989,808	1,989,808	1,562,881	426,927
Total expenditures	1,989,808	1,989,808	1,562,881	426,927
REVENUES OVER (UNDER) EXPENDITURES	(1,769,146)	(1,769,146)	23,514	1,792,660
CHANGE IN FUND BALANCE	(1,769,146)	(1,769,146)	23,514	1,792,660
FUND BALANCE (DEFICIT):				
Beginning of year	1,218,199	1,218,199	1,218,199	-
End of year	\$ (550,947)	\$ (550,947)	\$ 1,241,713	\$ 1,792,660

City of Culver City
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Art in Public Places Special Revenue Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and Permits	\$ 200,000	\$ 200,000	\$ 323,665	\$ 123,665
Investment earnings	8,600	8,600	14,101	5,501
Total revenues	208,600	208,600	337,766	129,166
EXPENDITURES:				
Current:				
Community Development	160,000	412,289	135,523	276,766
Capital outlay	100,000	180,762	769	179,993
Total expenditures	260,000	593,051	136,292	456,759
REVENUES OVER (UNDER) EXPENDITURES	(51,400)	(384,451)	201,474	585,925
CHANGE IN FUND BALANCE	(51,400)	(384,451)	201,474	585,925
FUND BALANCE:				
Beginning of year	1,479,151	1,479,151	1,479,151	-
End of year	<u>\$ 1,427,751</u>	<u>\$ 1,094,700</u>	<u>\$ 1,680,625</u>	<u>\$ 585,925</u>

City of Culver City
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Community Development Special Revenue Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	2,488	2,488
Total revenues	-	-	2,488	2,488
EXPENDITURES:				
Capital outlay	318,454	318,454	126,151	192,303
Total expenditures	318,454	318,454	126,151	192,303
REVENUES OVER (UNDER) EXPENDITURES	(318,454)	(318,454)	(123,663)	194,791
CHANGE IN FUND BALANCE	(318,454)	(318,454)	(123,663)	194,791
FUND BALANCE:				
Beginning of year	319,776	319,776	319,776	-
End of year	<u>\$ 1,322</u>	<u>\$ 1,322</u>	<u>\$ 196,113</u>	<u>\$ 194,791</u>

City of Culver City
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Community Development Block Grant (CDBG) Special Revenue Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 28,633	\$ 28,633	\$ 28,633	\$ -
Total revenues	28,633	28,633	28,633	-
EXPENDITURES:				
Current:				
Parks, recreation and community services	28,633	28,633	28,633	-
Total expenditures	28,633	28,633	28,633	-
REVENUES OVER EXPENDITURES	-	-	-	-
CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE:				
Beginning of year	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Culver City
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Special Assessment Special Revenue Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for Services	\$ 84,033	\$ 141,458	\$ 113,015	\$ (28,443)
Investment earnings	300	300	2,598	2,298
Total revenues	84,333	141,758	115,613	(26,145)
EXPENDITURES:				
Current:				
Community development	98,215	152,685	108,792	43,893
Total expenditures	98,215	152,685	108,792	43,893
REVENUES OVER (UNDER) EXPENDITURES	(13,882)	(10,927)	6,821	17,748
CHANGE IN FUND BALANCE	(13,882)	(10,927)	6,821	17,748
FUND BALANCE:				
Beginning of year	289,448	289,448	289,448	-
End of year	\$ 275,566	\$ 278,521	\$ 296,269	\$ 17,748

City of Culver City
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Park Facilities Special Revenue Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for Services	\$ -	\$ -	\$ 977,152	\$ 977,152
Investment earnings	733	3,233	6,479	3,246
Total revenues	733	3,233	983,631	980,398
EXPENDITURES:				
Capital outlay	375,981	383,181	58,656	324,525
Total expenditures	375,981	383,181	58,656	324,525
REVENUES OVER (UNDER) EXPENDITURES	(375,248)	(379,948)	924,975	1,304,923
CHANGE IN FUND BALANCE	(375,248)	(379,948)	924,975	1,304,923
FUND BALANCE:				
Beginning of year	431,050	431,050	431,050	-
End of year	<u>\$ 55,802</u>	<u>\$ 51,102</u>	<u>\$ 1,356,025</u>	<u>\$ 1,304,923</u>

City of Culver City
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Asset Seizure Special Revenue Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 140,468	\$ 150,562	\$ 10,094
Investment earnings	-	-	10,551	10,551
Miscellaneous	-	-	16,510	
Total revenues	-	140,468	177,623	37,155
EXPENDITURES:				
Current:				
Police	-	92,939	72,044	20,895
Capital outlay	-	47,529	41,489	6,040
Total expenditures	-	140,468	113,533	26,935
REVENUES OVER EXPENDITURES	-	-	64,090	64,090
CHANGE IN FUND BALANCE	-	-	64,090	64,090
FUND BALANCE:				
Beginning of year	1,173,366	1,173,366	1,173,366	-
End of year	\$ 1,173,366	\$ 1,173,366	\$ 1,237,456	\$ 64,090

City of Culver City
Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual
Parking Authority Special Revenue Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ -	\$ -	\$ 286,720	\$ (286,720)
Charges for Services	2,597,000	2,597,000	3,644,068	(1,047,068)
Investment earnings	8,000	8,000	13,651	(5,651)
Miscellaneous	-	-	1,978	(1,978)
Total revenues	2,605,000	2,605,000	3,946,417	1,341,417
EXPENDITURES:				
Current:				
Community development	1,674,750	1,674,750	1,163,053	511,697
Capital outlay	800,000	1,854,225	1,100,243	753,982
Total expenditures	2,474,750	3,528,975	2,263,296	1,265,679
REVENUES OVER (UNDER) EXPENDITURES	130,250	(923,975)	1,683,121	2,607,096
OTHER FINANCING SOURCES (USES):				
Transfers in	800,000	800,000	2,480,048	1,680,048
Transfers out	(1,000,000)	(1,000,000)	(1,000,000)	-
Total other financing sources (uses)	(200,000)	(200,000)	1,480,048	1,680,048
CHANGE IN FUND BALANCE	(69,750)	(1,123,975)	3,163,169	4,287,144
FUND BALANCE (DEFICIT):				
Beginning of year	379,733	379,733	379,733	-
End of year	<u>\$ 309,983</u>	<u>\$ (744,242)</u>	<u>\$ 3,542,902</u>	<u>\$ 4,287,144</u>

City of Culver City
Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual
Urban Runoff Mitigation Special Revenue Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 27,237	\$ 27,237
Total revenues	-	-	27,237	27,237
EXPENDITURES:				
Current:				
Community development	560,000	560,000	28,000	532,000
Capital outlay	4,970,000	5,470,000	47,527	5,422,473
Total expenditures	5,530,000	6,030,000	75,527	5,954,473
REVENUES OVER (UNDER) EXPENDITURES	(5,530,000)	(6,030,000)	(48,290)	5,981,710
OTHER FINANCING SOURCES:				
Transfers in	5,530,000	6,030,000	6,030,000	-
Total other financing sources	5,530,000	6,030,000	6,030,000	-
CHANGE IN FUND BALANCE	-	-	5,981,710	5,981,710
FUND BALANCE:				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ 5,981,710	\$ 5,981,710

City of Culver City
Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual
Capital Grant Special Revenue Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 228	\$ 228
Total revenues	-	-	228	228
EXPENDITURES:				
Current:				
Fire	1,550	1,550	-	1,550
Total expenditures	1,550	1,550	-	1,550
REVENUES OVER (UNDER) EXPENDITURES	(1,550)	(1,550)	228	1,778
CHANGE IN FUND BALANCE	(1,550)	(1,550)	228	1,778
FUND BALANCE:				
Beginning of year	26,309	26,309	26,309	-
End of year	<u>\$ 24,759</u>	<u>\$ 24,759</u>	<u>\$ 26,537</u>	<u>\$ 1,778</u>

City of Culver City
Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual
Building Surcharge Special Revenue Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ 170,000	\$ 170,000	\$ 253,096	\$ 83,096
Investment earnings	3,200	3,200	5,747	2,547
Total revenues	173,200	173,200	258,843	85,643
EXPENDITURES:				
Current:				
Community development	140,253	375,292	135,278	240,014
Capital outlay	7,000	114,651	13,115	101,536
Total expenditures	147,253	489,943	148,393	341,550
REVENUES OVER (UNDER) EXPENDITURES	25,947	(316,743)	110,450	427,193
CHANGE IN FUND BALANCE	25,947	(316,743)	110,450	427,193
FUND BALANCE:				
Beginning of year	607,964	607,964	607,964	-
End of year	<u>\$ 633,911</u>	<u>\$ 291,221</u>	<u>\$ 718,414</u>	<u>\$ 427,193</u>

City of Culver City
Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual
Economic Development Special Revenue Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 32,035	\$ 32,035
Total revenues	-	-	32,035	32,035
EXPENDITURES:				
Current:				
Community development	31,000	31,000	-	31,000
Total expenditures	31,000	31,000	-	31,000
REVENUES OVER (UNDER) EXPENDITURES	(31,000)	(31,000)	32,035	63,035
CHANGE IN FUND BALANCE	(31,000)	(31,000)	32,035	63,035
FUND BALANCE:				
Beginning of year	3,410,504	3,410,504	3,410,504	-
End of year	<u>\$ 3,379,504</u>	<u>\$ 3,379,504</u>	<u>\$ 3,442,539</u>	<u>\$ 63,035</u>

MAJOR AND NONMAJOR CAPITAL PROJECTS FUNDS

Major Capital Project Fund Includes:

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

Nonmajor Capital Project Fund Includes:

Parking Improvement Fund - 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.

2002 Cooperative Fund - 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 - 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 - 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 - 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 - 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 - 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.

Capital Improvement Grants Capital Projects Fund - To account for grant funds awards to the City by federal, state, and local grant agencies for capital improvements, and the qualified expenditures of those restricted funds.

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City of Culver City
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Capital Improvement and Acquisition Capital Project Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 3,068,131	\$ 3,078,131	\$ 236,859	\$ (2,841,272)
Investment earnings	21,046	411,046	409,927	(1,119)
Miscellaneous	1,593,679	1,593,679	22,001	
Total revenues	4,682,856	5,082,856	668,787	(4,414,069)
EXPENDITURES:				
Current:				
Police	368	5,771	3,199	9,338
Public works	-	-	619	619
Capital outlay	9,080,603	13,531,719	4,167,459	9,364,260
Total expenditures	9,080,971	13,537,490	4,171,277	9,374,217
REVENUES OVER (UNDER) EXPENDITURES	(4,398,115)	(8,454,634)	(3,502,490)	(4,414,069)
OTHER FINANCING SOURCES:				
Transfers in	48,300	5,401,824	5,353,524	(48,300)
Total other financing sources	48,300	5,401,824	5,353,524	(48,300)
CHANGE IN FUND BALANCE	(4,349,815)	(3,052,810)	1,851,034	4,903,844
FUND BALANCE (DEFICIT):				
Beginning of year	2,738,666	2,738,666	2,738,666	-
End of year	\$ (1,611,149)	\$ (314,144)	\$ 4,589,700	\$ 4,903,844

City of Culver City
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2016

	Parking Improvement	2002 Cooperative	2004 Cooperative	2011 Cooperative	2011 Bond
ASSETS					
Cash and investments	\$ -	\$ 14,044,608	\$ 2,789,906	\$ -	\$ 804,539
Interest receivables	-	35,985	7,145	-	2,060
Due from other governments	-	-	-	-	-
Land held for resale	-	-	-	-	13,169,847
Total assets	\$ -	\$ 14,080,593	\$ 2,797,051	\$ -	\$ 13,976,446
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 3,569	\$ -	\$ -	\$ -
Due to other funds	-	-	-	803,702	-
Total liabilities	-	3,569	-	803,702	-
Deferred inflows of resources:					
Unavailable grant revenues	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances:					
Restricted	-	14,077,024	2,797,051	-	13,976,446
Unassigned (deficit)	-	-	-	(803,702)	-
Total fund balances	-	14,077,024	2,797,051	(803,702)	13,976,446
Total liabilities, deferred inflows of resources, and fund balances	\$ -	\$ 14,080,593	\$ 2,797,051	\$ -	\$ 13,976,446

City of Culver City
Combining Balance Sheet (Continued)
Nonmajor Capital Projects Funds
June 30, 2016

	Cooperative Projects	1993 Tax Exempt Bonds	Capital Improvement Grants	Total
ASSETS				
Cash and investments	\$ 1,315,936	\$ 2,881,052	\$ -	\$ 21,836,041
Interest receivables	3,426	6,941	-	55,557
Due from other governments	-	-	1,072,092	1,072,092
Land held for resale	4,994,149	-	-	18,163,996
Total assets	\$ 6,313,511	\$ 2,887,993	\$ 1,072,092	\$ 41,127,686
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 161	\$ 191,716	\$ 19,911	\$ 215,357
Due to other funds	-	-	1,027,244	1,830,946
Total liabilities	161	191,716	1,047,155	2,046,303
Deferred inflows of resources:				
Unavailable grant revenues	-	-	961,752	961,752
Total deferred inflows of resources	-	-	961,752	961,752
Fund Balances:				
Restricted	6,313,350	2,696,277	-	39,860,148
Unassigned (deficit)	-	-	(936,815)	(1,740,517)
Total fund balances	6,313,350	2,696,277	(936,815)	38,119,631
Total liabilities, deferred inflows of resources, and fund balances	\$ 6,313,511	\$ 2,887,993	\$ 1,072,092	\$ 41,127,686

City of Culver City
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2016

	Parking Improvement	2002 Cooperative	2004 Cooperative	2011 Cooperative	2011 Bond
REVENUES:					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	17,507	120,919	24,002	-	6,915
Miscellaneous	-	-	-	-	-
Total revenues	17,507	120,919	24,002	-	6,915
EXPENDITURES:					
Current:					
Community development	-	-	-	-	-
Capital outlay	-	14,115	-	-	-
Total expenditures	-	14,115	-	-	-
REVENUES OVER EXPENDITURES	17,507	106,804	24,002	-	6,915
OTHER FINANCING SOURCES:					
Transfers out	(2,480,048)	-	-	-	-
Transfers from Fiduciary Funds	-	-	-	-	-
Total other financing sources	(2,480,048)	-	-	-	-
CHANGES IN FUND BALANCES	(2,462,541)	106,804	24,002	-	6,915
FUND BALANCES (DEFICIT):					
Beginning of year	2,462,541	13,970,220	2,773,049	(803,702)	13,969,531
End of year	<u>\$ -</u>	<u>\$ 14,077,024</u>	<u>\$ 2,797,051</u>	<u>\$ (803,702)</u>	<u>\$ 13,976,446</u>

City of Culver City
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2016

	Cooperative Projects	1993 Tax Exempt Bonds	Capital Improvement Grants	Total
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 1,441,776	\$ 1,441,776
Investment earnings	247,190	21,770	-	438,303
Miscellaneous	-	826,436	-	826,436
Total revenues	247,190	848,206	1,441,776	2,706,515
EXPENDITURES:				
Current:				
Community development	-	-	30,597	30,597
Capital outlay	28,857	459,243	520,591	1,022,806
Total expenditures	28,857	459,243	551,188	1,053,403
REVENUES OVER EXPENDITURES	218,333	388,963	890,588	1,653,112
OTHER FINANCING SOURCES:				
Transfers out	-	-	-	(2,480,048)
Transfers from Fiduciary Funds	-	2,310,800	-	2,310,800
Total other financing sources	-	2,310,800	-	(169,248)
CHANGES IN FUND BALANCES	218,333	2,699,763	890,588	1,483,864
FUND BALANCES (DEFICIT):				
Beginning of year	6,095,017	(3,486)	(1,827,403)	36,635,767
End of year	<u>\$ 6,313,350</u>	<u>\$ 2,696,277</u>	<u>\$ (936,815)</u>	<u>\$ 38,119,631</u>

City of Culver City
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Parking Improvement Capital Project Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ -	\$ -	\$ -	\$ -
Charges for services	-	94,297	-	(94,297)
Investment earnings	-	-	17,507	17,507
Total revenues	-	94,297	17,507	(76,790)
EXPENDITURES:				
Capital outlay	1,054,225	-	-	-
Total expenditures	1,054,225	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	(1,054,225)	94,297	17,507	(76,790)
OTHER FINANCING SOURCES (USES):				
Transfers out	(800,000)	(800,000)	(2,480,048)	(1,680,048)
Total other financing sources (uses)	(800,000)	(800,000)	(2,480,048)	(1,680,048)
CHANGE IN FUND BALANCE	(1,854,225)	(705,703)	(2,462,541)	(1,756,838)
FUND BALANCES (DEFICIT):				
Beginning of year	2,462,541	2,462,541	2,462,541	-
End of year	\$ 608,316	\$ 1,756,838	\$ -	\$ (1,756,838)

City of Culver City
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
2002 Cooperative Capital Projects Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Investment earnings	\$ 40,278	\$ 150,000	\$ 120,919	\$ (29,081)
Total revenues	40,278	150,000	120,919	(29,081)
EXPENDITURES:				
Current:				
General government	336,424	-	-	-
Capital outlay	16,533,310	13,963,406	14,115	13,949,291
Total expenditures	16,869,734	13,963,406	14,115	13,949,291
REVENUES OVER (UNDER) EXPENDITURES	(16,829,456)	(13,813,406)	106,804	13,920,210
OTHER FINANCING SOURCES:				
Special items	46,955	-	-	-
Total other financing sources	46,955	-	-	-
CHANGE IN FUND BALANCE	(16,782,501)	(13,813,406)	106,804	13,920,210
FUND BALANCES (DEFICIT):				
Beginning of year	13,970,220	13,970,220	13,970,220	-
End of year	\$ (2,812,281)	\$ 156,814	\$ 14,077,024	\$ 13,920,210

City of Culver City
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
2004 Cooperative Capital Projects Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Investment earnings	\$ 34,056	\$ 50,000	\$ 24,002	\$ (25,998)
Total revenues	34,056	50,000	24,002	(25,998)
EXPENDITURES:				
Capital outlay	439,200	2,772,076	-	2,772,076
Total expenditures	439,200	2,772,076	-	2,772,076
REVENUES OVER (UNDER) EXPENDITURES	(405,144)	(2,722,076)	24,002	(25,998)
OTHER FINANCING SOURCES:				
Special items	16,430	-	-	-
Total other financing sources	16,430	-	-	-
CHANGE IN FUND BALANCE	(388,714)	(2,722,076)	24,002	2,746,078
FUND BALANCE:				
Beginning of year	2,773,049	2,773,049	2,773,049	-
End of year	\$ 2,384,335	\$ 50,973	\$ 2,797,051	\$ 2,746,078

City of Culver City
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
2011 Bond Capital Project Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 6,915	\$ 6,915
Total revenues	<u>-</u>	<u>-</u>	<u>6,915</u>	<u>6,915</u>
OTHER FINANCING SOURCES:				
Special items	1,096,493	-	-	-
Total other financing sources	<u>1,096,493</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN FUND BALANCE	1,096,493	-	6,915	6,915
FUND BALANCE:				
Beginning of year	13,969,531	13,969,531	13,969,531	-
End of year	<u>\$ 15,066,024</u>	<u>\$ 13,969,531</u>	<u>\$ 13,976,446</u>	<u>\$ 6,915</u>

City of Culver City
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Cooperative Projects Capital Project Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 247,190	\$ 247,190
Miscellaneous	4,202,000	4,202,000	-	(4,202,000)
Total revenues	4,202,000	4,202,000	247,190	(3,954,810)
EXPENDITURES:				
Capital outlay	569,171	606,132	28,857	577,275
Total expenditures	569,171	606,132	28,857	577,275
REVENUES OVER (UNDER) EXPENDITURES	3,632,829	3,595,868	218,333	(3,954,810)
CHANGE IN FUND BALANCE	3,632,829	3,595,868	218,333	(3,377,535)
FUND BALANCES (DEFICIT):				
Beginning of year	6,095,017	6,095,017	6,095,017	-
End of year	<u>\$ 9,727,846</u>	<u>\$ 9,690,885</u>	<u>\$ 6,313,350</u>	<u>\$ (3,377,535)</u>

City of Culver City
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
1993 Tax Exempt Bonds Capital Projects Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 21,770	\$ 21,770
Miscellaneous	-	-	826,436	826,436
Total revenues	-	-	848,206	848,206
EXPENDITURES:				
Capital outlay	2,307,314	3,134,239	459,243	2,674,996
Total expenditures	2,307,314	3,134,239	459,243	2,674,996
REVENUES OVER (UNDER) EXPENDITURES	(2,307,314)	(3,134,239)	388,963	848,206
OTHER FINANCING SOURCES:				
Transfers from Fiduciary Funds	-	-	2,310,800	2,310,800
Total other financing sources	-	-	2,310,800	2,310,800
CHANGE IN FUND BALANCE	(2,307,314)	(3,134,239)	2,699,763	5,834,002
FUND BALANCES (DEFICIT):				
Beginning of year	(3,486)	(3,486)	(3,486)	-
End of year	\$ (2,310,800)	\$ (3,137,725)	\$ 2,696,277	\$ 5,834,002

City of Culver City
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Capital Improvement Grants Capital Project Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 10,967,414	\$ 11,294,975	\$ 1,441,776	\$ (9,853,199)
Total revenues	10,967,414	11,294,975	1,441,776	(9,853,199)
EXPENDITURES:				
Current:				
Community development	-	-	30,597	30,597
Public works	167,956	183,330	-	351,286
Capital outlay	8,410,843	8,738,404	520,591	8,217,813
Total expenditures	8,578,799	8,921,734	551,188	8,599,696
REVENUES OVER (UNDER) EXPENDITURES	2,388,615	2,373,241	890,588	(9,853,199)
CHANGE IN FUND BALANCE	2,388,615	2,373,241	890,588	(1,482,653)
FUND BALANCES (DEFICIT):				
Beginning of year	(1,827,403)	(1,827,403)	(1,827,403)	-
End of year	\$ 561,212	\$ 545,838	\$ (936,815)	\$ (1,482,653)

INTERNAL SERVICE FUNDS

The Internal Service Fund accounts for financing of goods and services provided by one department to other departments of the City on a cost-reimbursement basis.

Internal Service Funds include:

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.

Equipment 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
Combining Statement of Net Position
All Internal Service Funds
June 30, 2016

	Equipment Replacement	Equipment Maintenance	Risk Management	Central Stores	Total
ASSETS					
Current assets:					
Cash and investments	\$ 9,914,987	\$ 996,170	\$ 6,834,091	\$ -	\$ 17,745,248
Accounts receivables, net	10,908	-	3,200	402	14,510
Interest receivables	24,928	2,556	17,771	-	45,255
Due from other funds	-	-	-	85	85
Due from other governments	-	12,730	-	-	12,730
Inventories	-	93,049	-	681,894	774,943
Total current assets	9,950,823	1,104,505	6,855,062	682,381	18,592,771
Noncurrent assets:					
Advances to other funds	103,325	-	-	-	103,325
Capital assets:					
Construction in progress	1,058,616	-	-	-	1,058,616
Machinery and equipment	22,957,874	332,286	47,789	-	23,337,949
Less accumulated depreciation	(17,856,975)	(265,759)	(46,061)	-	(18,168,795)
Capital assets, net	6,159,515	66,527	1,728	-	6,227,770
Total noncurrent assets	6,262,840	66,527	1,728	-	6,331,095
Total assets	16,213,663	1,171,032	6,856,790	682,381	24,923,866
DEFERRED OUTFLOWS OF RESOURCES					
Pension related amounts	-	523,832	189,939	-	713,771
Other post-employment benefits amounts	-	41,817	8,314	-	50,131
Total deferred outflows of resources	-	565,649	198,253	-	763,902

(Continued)

City of Culver City
Combining Statement of Net Position (Continued)
All Internal Service Funds
June 30, 2016

	Equipment Replacement	Equipment Maintenance	Risk Management	Central Stores	Total
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 137,227	\$ 145,510	\$ 21,693	\$ 95,444	\$ 399,874
Salaries and benefits payable	-	239,744	61,605	-	301,349
Due to other funds	-	-	-	721,364	721,364
Compensated absences - due within one year	-	196,602	2,009	-	198,611
Claims payable - due within one year	-	-	3,054,674	-	3,054,674
Total current liabilities	<u>137,227</u>	<u>581,856</u>	<u>3,139,981</u>	<u>816,808</u>	<u>4,675,872</u>
Noncurrent liabilities:					
Compensated absences - due in more than one year	-	518,837	12,923	-	531,760
Claims payable - due in more than one year	-	-	12,218,698	-	12,218,698
Net pension liabilities	-	5,510,731	1,998,166	-	7,508,897
Net other post-employment benefits liabilities	-	3,008,956	598,209	-	3,607,165
Total noncurrent liabilities	<u>-</u>	<u>9,038,524</u>	<u>14,827,996</u>	<u>-</u>	<u>23,866,520</u>
Total liabilities	<u>137,227</u>	<u>9,620,380</u>	<u>17,967,977</u>	<u>816,808</u>	<u>28,542,392</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related amounts	-	405,360	146,982	-	552,342
Other post-employment benefits amounts	-	304,022	60,442	-	364,464
Total deferred inflows of resources	<u>-</u>	<u>709,382</u>	<u>207,424</u>	<u>-</u>	<u>916,806</u>
NET POSITION					
Investment in capital assets	6,159,515	66,527	1,728	-	6,227,770
Unrestricted (deficit)	9,916,921	(8,659,608)	(11,122,086)	(134,427)	(9,999,200)
Total net position	<u>\$ 16,076,436</u>	<u>\$ (8,593,081)</u>	<u>\$ (11,120,358)</u>	<u>\$ (134,427)</u>	<u>\$ (3,771,430)</u>

(Concluded)

City of Culver City
Combining Statement of Activities
All Internal Service Funds
For the Year Ended June 30, 2016

	Equipment Replacement	Equipment Maintenance	Risk Management	Central Stores	Total
OPERATING REVENUES:					
Sales and service charges	\$ 1,655,652	\$ 7,524,072	\$ 6,186,871	\$ 1,379,155	\$ 16,745,750
Miscellaneous	55,000	963	59,463	-	115,426
Total operating revenues	1,710,652	7,525,035	6,246,334	1,379,155	16,861,176
OPERATING EXPENSES:					
Salaries and benefits	-	4,226,376	1,031,686	-	5,258,062
Supplies	-	1,317,843	48,305	215,479	1,581,627
Repairs and maintenance	440,482	1,389,626	42,608	1,267,719	3,140,435
Insurance	-	84,974	2,198,938	-	2,283,912
Claims and settlements	-	-	4,108,560	-	4,108,560
Consulting and contractual services	-	99,103	367,111	-	466,214
Depreciation	1,358,440	8,235	518	-	1,367,193
Total operating expenses	1,798,922	7,126,157	7,797,726	1,483,198	18,206,003
OPERATING INCOME (LOSS)	(88,270)	398,878	(1,551,392)	(104,043)	(1,344,827)
NONOPERATING REVENUES:					
Investment earnings	96,132	8,369	63,310	-	167,811
Intergovernmental	-	557	-	-	557
Gain on sales of property	37,383	-	-	-	37,383
Total nonoperating revenues	133,515	8,926	63,310	-	205,751
INCOME (LOSS) BEFORE TRANSFERS	45,245	407,804	(1,488,082)	(104,043)	(1,139,076)
TRANSFERS:					
Transfers in	305,000	-	-	-	305,000
Total transfers	305,000	-	-	-	305,000
Changes in net position	350,245	407,804	(1,488,082)	(104,043)	(834,076)
NET POSITION (DEFICIT):					
Beginning of year	15,726,191	(9,000,885)	(9,632,276)	(30,384)	(2,937,354)
End of year	<u>\$ 16,076,436</u>	<u>\$ (8,593,081)</u>	<u>\$ (11,120,358)</u>	<u>\$ (134,427)</u>	<u>\$ (3,771,430)</u>

City of Culver City
Combining Statement of Cash Flows
All Internal Service Funds
For the Year Ended June 30, 2016

	Equipment Replacement	Equipment Maintenance	Risk Management	Central Stores	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from user departments	\$ 1,691,450	\$ 7,538,839	\$ 6,189,171	\$ 1,397,843	\$ 16,817,303
Receipts from operating revenue	55,000	963	59,463	-	115,426
Payments to suppliers for goods and services	(1,186,653)	(2,916,901)	(6,798,171)	(1,397,843)	(12,299,568)
Payments to employees	-	(4,684,584)	(1,514,626)	-	(6,199,210)
Net cash provided by (used in) operating activities	559,797	(61,683)	(2,064,163)	-	(1,566,049)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Operating grants	-	(12,173)	627	-	(11,546)
Transfers from other funds	305,000	-	-	-	305,000
Net cash provided by (used in) noncapital financing activities	305,000	(12,173)	627	-	293,454
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition of capital assets	(1,723,814)	(53,004)	-	-	(1,776,818)
Proceeds from sales of capital assets	79,338	-	-	-	79,338
Net cash (used in) capital and related financing activities	(1,644,476)	(53,004)	-	-	(1,697,480)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest received	96,410	8,240	66,599	-	171,249
Net cash provided by investing activities	96,410	8,240	66,599	-	171,249
Net (decrease) in cash and cash equivalents	(683,269)	(118,620)	(1,996,937)	-	(2,798,826)
CASH AND CASH EQUIVALENTS:					
Beginning of year	10,598,256	1,114,790	8,831,028	-	20,544,074
End of year	<u>\$ 9,914,987</u>	<u>\$ 996,170</u>	<u>\$ 6,834,091</u>	<u>\$ -</u>	<u>\$ 17,745,248</u>

City of Culver City
Combining Statement of Cash Flows (Continued)
All Internal Service Funds
For the Year Ended June 30, 2016

	Equipment Replacement	Equipment Maintenance	Risk Management	Central Stores	Total
RECONCILIATION OF OPERATING INCOME					
(LOSS) TO NET CASH PROVIDED BY (USED IN)					
OPERATING ACTIVITIES:					
Operating income (loss)	\$ (88,270)	\$ 398,878	\$ (1,551,392)	\$ (104,043)	\$ (1,344,827)
Depreciation	1,358,440	8,235	518	-	1,367,193
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
(Increase) decrease in accounts receivable	(10,852)	14,767	1,665	(337)	5,243
(Increase) decrease in due from other funds	46,650	-	635	19,025	66,310
(Increase) decrease in inventories	-	(2,478)	-	61,481	59,003
(Increase) decrease in deferred outflows of resources					
Pension related	-	(63,478)	(17,307)	-	(80,785)
OPEB related	-	(27,757)	(5,519)	-	(33,276)
Increase (decrease) in accounts payable	(746,171)	(22,877)	(32,649)	23,874	(777,823)
Increase (decrease) in accrued liabilities	-	48,186	12,936	-	61,122
Increase (decrease) in compensated absences	-	(56,722)	(306)	-	(57,028)
Increase (decrease) in net pension liabilities	-	316,144	50,195	-	366,339
Increase (decrease) in OPEB	-	(397,779)	(79,077)	-	(476,856)
Increase (decrease) in claims payable	-	-	(281,467)	-	(281,467)
(Increase) decrease in deferred inflows of resources					
Pension related	-	(580,824)	(222,837)	-	(803,661)
OPEB related	-	304,022	60,442	-	364,464
Total adjustments	648,067	(460,561)	(512,771)	104,043	(221,222)
Net cash provided by (used in) operating activities	\$ 559,797	\$ (61,683)	\$ (2,064,163)	\$ -	\$ (1,566,049)

AGENCY FUND FINANCIAL STATEMENTS

Treasurer's Trust Agency Fund - to account for refundable deposits entrusted with the City Treasurer/Finance.

Revitalization Corporation Agency Fund - 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.

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City of Culver City
Combining Statement of Agency Assets and Liabilities
Agency Funds
June 30, 2016

	Agency Funds		
	Treasurer's Trust	Revitalization Corporation	Total
ASSETS			
Cash and investments	\$ 55,589	\$ 61,357	\$ 116,946
Total assets	\$ 55,589	\$ 61,357	\$ 116,946
LIABILITIES			
Deposits	\$ 55,589	\$ 61,357	\$ 116,946
Total liabilities	\$ 55,589	\$ 61,357	\$ 116,946

City of Culver City
Combining Statement of Changes in Agency Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2016

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
<u>Treasurer's Trust</u>				
Assets:				
Cash and investments	\$ 58,633	\$ 100	\$ (3,144)	\$ 55,589
Total assets	\$ 58,633	\$ 100	\$ (3,144)	\$ 55,589
Liabilities:				
Deposits payable	\$ 58,633	\$ 100	\$ (3,144)	\$ 55,589
Total liabilities	\$ 58,633	\$ 100	\$ (3,144)	\$ 55,589
<u>Revitalization Corporation</u>				
Assets:				
Cash and investments	\$ 61,357	\$ -	\$ -	\$ 61,357
Total assets	\$ 61,357	\$ -	\$ -	\$ 61,357
Liabilities:				
Deposits payable	\$ 61,357	\$ -	\$ -	\$ 61,357
Total liabilities	\$ 61,357	\$ -	\$ -	\$ 61,357
<u>Total All Agency Funds</u>				
Assets:				
Cash and investments	\$ 119,990	\$ 100	\$ (3,144)	\$ 116,946
Total assets	\$ 119,990	\$ 100	\$ (3,144)	\$ 116,946
Liabilities:				
Deposits payable	\$ 119,990	\$ 100	\$ (3,144)	\$ 116,946
Total liabilities	\$ 119,990	\$ 100	\$ (3,144)	\$ 116,946

Statistical Section



STATISTICAL SECTION

City of Culver City
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental activities					
Net investment in capital assets	\$ (48,144,000)	\$ (17,430,778)	\$ (3,739,583)	\$ 3,324,019	\$ 255,967
Restricted	109,336,000	113,783,900	111,255,792	109,425,542	120,932,521
Unrestricted	<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>
Total governmental activities net position	<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>
Business-type activities					
Net investment in capital assets	\$ 36,821,000	\$ 41,280,241	\$ 41,686,763	\$ 43,057,219	\$ 44,772,760
Restricted	-	-	-	-	-
Unrestricted	<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>
Total business-type activities net position	<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>
Primary government					
Net investment in capital assets	\$ (11,323,000)	\$ 23,849,463	\$ 37,947,180	\$ 46,381,238	\$ 45,028,727
Restricted	109,336,000	113,783,900	111,255,792	109,425,542	120,932,521
Unrestricted	<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>
Total primary government net position	<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>

(Continued)

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
Net Position by Component (Continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental activities					
Net investment in capital assets	\$ 151,247,364	\$ 143,056,650	\$ 143,775,699	\$ 138,194,791	\$ 136,967,403
Restricted	128,661,077	96,457,750	96,157,539	80,777,328	83,083,502
Unrestricted	<u>12,084,442</u>	<u>21,999,556</u>	<u>33,896,113</u>	<u>(171,257,691)</u>	<u>(156,905,843)</u>
Total governmental activities net position	<u>\$ 291,992,883</u>	<u>\$ 261,513,956</u>	<u>\$ 273,829,351</u>	<u>\$ 47,714,428</u>	<u>\$ 63,145,062</u>
Business-type activities					
Net investment in capital assets	\$ 51,007,687	\$ 50,787,094	\$ 55,216,555	\$ 54,690,405	\$ 57,051,460
Restricted	2,147,433	2,171,794	2,176,609	2,185,415	1,652,641
Unrestricted	<u>34,373,274</u>	<u>33,449,555</u>	<u>31,679,756</u>	<u>(3,173,794)</u>	<u>(4,995,724)</u>
Total business-type activities net position	<u>\$ 87,528,394</u>	<u>\$ 86,408,443</u>	<u>\$ 89,072,920</u>	<u>\$ 53,702,026</u>	<u>\$ 53,708,377</u>
Primary government					
Net investment in capital assets	\$ 202,255,051	\$ 193,843,744	\$ 198,992,254	\$ 192,885,196	\$ 194,018,863
Restricted	130,808,510	98,629,544	98,334,148	82,962,743	84,736,143
Unrestricted	<u>46,457,716</u>	<u>55,449,111</u>	<u>65,575,869</u>	<u>(174,431,485)</u>	<u>(161,901,567)</u>
Total primary government net position	<u>\$ 379,521,277</u>	<u>\$ 347,922,399</u>	<u>\$ 362,902,271</u>	<u>\$ 101,416,454</u>	<u>\$ 116,853,439</u>

(Concluded)

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)

	2007	2008	2009	2010	2011
Expenses					
Governmental activities:					
General government	\$ 15,815,000	\$ 12,043,969	\$ 7,912,284	\$ 9,892,196	\$ 5,621,826
Parks, recreation and community services	8,237,000	6,329,820	6,740,814	7,835,307	8,088,964
Police	26,901,000	28,699,839	28,297,020	31,669,431	31,788,033
Fire	14,641,000	15,479,274	15,574,764	18,546,617	17,740,363
Community Development	25,044,000	20,973,449	17,392,182	19,317,046	46,579,065
Public Works	9,154,000	14,901,349	14,208,031	14,616,281	13,163,149
Transportation	-	-	-	-	-
Interest on long-term debt	8,721,000	8,908,295	7,935,287	8,107,981	8,579,601
Total governmental activities expenses	<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>
Business-type activities:					
Refuse Disposal Fund	9,610,000	10,631,384	10,516,201	10,751,063	10,667,440
Municipal Bus Lines Fund	16,889,000	17,978,224	17,876,341	18,418,501	19,088,076
Sewer Enterprise Fund	8,027,000	7,657,624	6,106,718	8,400,664	8,068,600
Municipal Fiber Network	-	-	-	-	-
Total business-type activities expenses	<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>
Total primary government expenses	<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>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 10,737,000	\$ 232,296	\$ 724,119	\$ 681,128	\$ 271,516
Parks and recreation	2,331,000	2,260,574	2,190,981	2,364,235	2,416,182
Police	5,481,000	5,310,204	4,530,822	4,963,657	5,118,168
Fire	1,418,000	3,135,673	3,545,535	3,254,189	2,234,203
Community Development	2,288,000	5,513,737	5,348,992	6,947,986	5,800,395
Public Works	42,000	986,759	751,321	1,020,461	1,849,759
Transportation	11,000	-	-	-	-
Operating Contributions and Grants	6,117,000	6,713,924	7,338,357	5,127,862	6,342,237
Capital Grants and Contributions	1,374,000	2,025,464	2,206,610	4,316,975	3,525,001
Total governmental activities program revenues	<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>
Business-type activities:					
Charges for services:					
Refuse Disposal Fund	10,519,000	10,747,405	10,962,463	11,154,752	11,646,192
Municipal Bus Lines Fund	2,800,000	2,881,323	2,937,041	3,257,360	3,595,784
Sewer Enterprise Fund	7,758,000	9,347,887	8,848,985	9,079,094	8,638,408
Operating grants and contributions	12,147,000	11,084,172	11,820,879	9,503,221	11,062,738
Capital grants and contributions	2,085,000	4,410,630	4,325,720	52,915	2,588,325
Total business-type activities program revenues	<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>
Total primary government program revenues	<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>

(Continued)

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 (Continued)
(Accrual Basis of Accounting)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Expenses					
Governmental activities:					
General government	\$ 12,279,581	\$ 8,445,889	\$ 7,862,533	\$ 22,383,141	\$ 13,358,925
Parks, recreation and community services	7,476,362	7,367,387	7,780,264	8,325,466	8,775,491
Police	29,939,290	30,336,287	33,869,176	32,806,197	36,045,013
Fire	18,048,628	18,077,245	19,179,679	19,167,988	20,374,502
Community Development	28,707,314	9,661,939	10,013,569	10,460,975	13,645,410
Public Works	16,484,258	11,360,132	11,789,014	14,477,308	12,586,907
Transportation	-	291,612	286,165	263,200	364,621
Interest on long-term debt	3,786,951	74,649	47,962	11,520	-
Total governmental activities expenses	<u>116,722,384</u>	<u>85,615,140</u>	<u>90,828,362</u>	<u>107,895,795</u>	<u>105,150,869</u>
Business-type activities:					
Refuse Disposal Fund	10,605,613	10,841,375	11,549,661	11,783,785	11,192,703
Municipal Bus Lines Fund	19,591,642	22,752,400	21,491,866	22,324,977	23,080,082
Sewer Enterprise Fund	7,834,922	7,401,222	9,357,548	9,765,471	9,875,998
Municipal Fiber Network	-	-	-	-	1,963
Total business-type activities expenses	<u>38,032,177</u>	<u>40,994,997</u>	<u>42,399,075</u>	<u>43,874,233</u>	<u>44,150,746</u>
Total primary government expenses	<u>\$ 154,754,561</u>	<u>\$ 126,610,137</u>	<u>\$ 133,227,437</u>	<u>\$ 151,770,028</u>	<u>\$ 149,301,615</u>
Program Revenues					
Governmental activities:					
Charges for services:	\$ 325,001	\$ 556,792	\$ 1,479,181	\$ 2,238,222	\$ 3,420,061
General government	2,398,033	2,448,788	2,660,125	2,926,314	2,981,697
Parks and recreation	3,591,328	3,896,275	4,547,121	4,455,096	4,661,925
Police	2,447,007	2,533,844	3,001,288	2,786,350	3,469,803
Fire	7,217,615	6,841,558	8,633,692	7,478,274	10,055,969
Community Development	1,637,526	1,619,054	1,896,937	2,126,165	2,152,282
Public Works	-	4,352	5,009	5,776	4,348
Transportation	8,667,062	6,844,461	6,577,663	6,077,562	6,887,267
Operating Contributions and Grants	4,182,936	4,991,312	2,493,998	2,825,117	1,195,595
Capital Grants and Contributions	30,466,508	29,736,436	31,295,014	30,918,876	34,828,947
Total governmental activities program revenues	<u>41,325,443</u>	<u>41,674,740</u>	<u>44,776,188</u>	<u>45,512,912</u>	<u>53,188,527</u>
Business-type activities:					
Charges for services:	11,555,536	11,419,668	11,732,899	11,745,590	12,559,906
Refuse Disposal Fund	11,555,536	11,419,668	11,732,899	11,745,590	12,559,906
Municipal Bus Lines Fund	3,803,136	4,011,320	3,796,169	3,760,517	3,582,271
Sewer Enterprise Fund	7,874,554	8,141,464	8,999,538	9,185,121	9,936,490
Operating grants and contributions	15,087,791	14,496,326	15,781,669	15,906,511	16,165,460
Capital grants and contributions	11,066,909	1,938,724	4,224,835	729,378	1,220,528
Total business-type activities program revenues	<u>49,387,926</u>	<u>40,007,502</u>	<u>44,535,110</u>	<u>41,327,117</u>	<u>43,464,655</u>
Total primary government program revenues	<u>\$ 79,854,434</u>	<u>\$ 69,743,938</u>	<u>\$ 75,830,124</u>	<u>\$ 72,245,993</u>	<u>\$ 78,293,602</u>

(Concluded)

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 (Continued)
(Accrual Basis of Accounting)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Net (Expense)/Revenue					
Governmental activities	\$ (78,714,000)	\$ (81,157,364)	\$ (71,423,645)	\$ (81,308,367)	\$ (104,003,540)
Business-type activities	783,000	2,204,185	4,395,828	(4,522,886)	(292,669)
Total primary government net expense	<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>
General Revenues and Other Changes in Net Position					
Governmental activities :					
Taxes					
Property taxes	\$ 31,667,000	\$ 34,725,099	\$ 37,661,322	\$ 25,751,846	\$ 39,842,728
Sales taxes	18,081,000	17,922,101	16,004,311	14,314,156	16,192,369
Utility users tax	13,891,000	14,245,839	14,337,233	14,142,799	14,489,841
Franchise taxes	1,253,000	1,338,872	1,457,293	1,278,427	1,348,274
Business license taxes	9,184,000	10,171,478	10,534,685	9,653,597	10,049,265
Transient occupancy taxes	2,769,000	2,944,728	2,944,183	2,967,131	3,283,896
Other taxes	3,893,000	8,160,108	411,763	369,409	1,982,979
Motor vehicle in lieu taxes	2,922,000	3,093,074	3,288,296	3,476,976	3,484,424
Use of money and property	13,594,000	6,585,317	3,503,478	3,650,929	1,427,225
Gain (Loss) on sale of capital assets	-	-	2,729,879	395,000	14,110,004
Other	1,661,000	-	78,000	78,000	509,941
Transfers	(699,000)	(510,782)	(372,025)	(1,715,039)	(316,947)
Transfers from fiduciary	-	-	-	-	-
Extraordinary gain - transfer of assets and liabilities to RDA Successor trust funds	-	-	-	-	-
Special Items	-	-	-	-	-
Total governmental activities	<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>
Business-type activities:					
Sales Taxes- Measure R	\$ -	\$ -	\$ -	\$ 1,161,115	\$ 1,418,901
Use of money and property	1,378,000	1,258,634	816,074	922,589	223,925
Other	266,000	388,382	168,269	257,178	104,494
Transfers	699,000	510,782	372,025	553,924	316,947
Total business-type activities	<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>
Total primary government	<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>
Change in Net Position					
Governmental activities	\$ 19,502,000	\$ 17,518,470	\$ 21,154,773	\$ (6,945,136)	\$ 2,400,459
Business-type activities	3,126,000	4,361,983	5,752,196	(1,628,080)	1,771,598
Total primary government	<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>

(Continued)

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

City of Culver City
Changes in Net Position, Last Ten Fiscal Years (Continued)
(Accrual Basis of Accounting)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Net (Expense)/Revenue					
Governmental activities	\$ (86,255,876)	\$ (55,878,704)	\$ (59,533,348)	\$ (76,976,919)	\$ (70,321,922)
Business-type activities	<u>11,355,749</u>	<u>(987,495)</u>	<u>2,136,035</u>	<u>(2,547,116)</u>	<u>(686,091)</u>
Total primary government net expense	<u>\$ (74,900,127)</u>	<u>\$ (56,866,199)</u>	<u>\$ (57,397,313)</u>	<u>\$ (79,524,035)</u>	<u>\$ (71,008,013)</u>
General Revenues and Other Changes in Net Position					
Governmental activities :					
Taxes					
Property taxes	\$ 22,211,508	\$ 8,674,103	\$ 7,308,615	\$ 10,009,164	\$ 10,627,556
Sales taxes	16,970,122	19,791,627	27,692,291	28,284,352	30,172,506
Utility users tax	14,363,708	14,518,808	14,839,873	14,774,331	14,544,069
Franchise taxes	1,271,563	1,399,727	1,449,956	1,516,279	1,408,672
Business license taxes	9,930,602	10,253,802	11,214,234	11,808,710	12,299,395
Transient occupancy taxes	3,781,092	5,195,349	5,608,151	6,699,816	7,572,077
Other taxes	555,444	743,702	1,313,693	1,374,938	1,228,747
Motor vehicle in lieu taxes	3,423,230	3,449,068	3,735,235	3,908,299	4,109,366
Use of money and property	802,047	1,446,295	2,070,913	1,280,825	849,088
Gain (Loss) on sale of capital assets	30,743	-	(293,338)	211	-
Other	1,261,723	731,825	342,257	14,781,529	617,494
Transfers	(343,073)	(398,441)	(760,438)	(919,357)	12,786
Transfers from fiduciary	-	-	-	-	2,310,800
Extraordinary gain - transfer of assets and liabilities to RDA Successor trust funds	167,852,017	-	-	-	-
Special Items	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,541,852)</u>	<u>-</u>
Total governmental activities	<u>\$ 242,110,726</u>	<u>\$ 65,805,865</u>	<u>\$ 74,521,442</u>	<u>\$ 80,977,245</u>	<u>\$ 85,752,556</u>
Business-type activities:					
Sales Taxes- Measure R	\$ 1,700,105	\$ -	\$ -	\$ -	\$ -
Use of money and property	179,540	(16,248)	277,385	216,904	320,931
Other	306,834	346,317	342,457	300,209	384,297
Transfers	<u>343,073</u>	<u>398,441</u>	<u>760,438</u>	<u>919,357</u>	<u>(12,786)</u>
Total business-type activities	<u>2,529,552</u>	<u>728,510</u>	<u>1,380,280</u>	<u>1,436,470</u>	<u>692,442</u>
Total primary government	<u>\$ 244,640,278</u>	<u>\$ 66,534,375</u>	<u>\$ 75,901,722</u>	<u>\$ 82,413,715</u>	<u>\$ 86,444,998</u>
Change in Net Position					
Governmental activities	\$ 155,854,850	\$ 9,927,161	\$ 14,988,094	\$ 4,000,326	15,430,634
Business-type activities	<u>13,885,301</u>	<u>(258,985)</u>	<u>3,516,315</u>	<u>(1,110,646)</u>	<u>6,351</u>
Total primary government	<u>\$ 169,740,151</u>	<u>\$ 9,668,176</u>	<u>\$ 18,504,409</u>	<u>\$ 2,889,680</u>	<u>\$ 15,436,985</u>

(Concluded)

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)

Function/Program	2007	2008	2009	2010	2011
Governmental activities:					
General government	\$ 10,766,000	\$ 2,438,643	\$ 1,255,678	\$ 1,094,188	\$ 1,543,537
Parks and recreation	3,292,000	3,627,382	4,001,648	3,807,974	3,263,123
Police	5,710,000	5,964,366	5,269,470	5,619,234	5,317,581
Fire	1,418,000	3,135,673	3,545,535	3,254,189	2,234,203
Community Development	4,569,000	8,065,008	8,402,829	8,765,549	7,992,307
Public Works	2,649,000	2,947,559	4,161,577	6,135,359	7,206,710
Transportation	1,395,000	-	-	-	-
Subtotal governmental activities	<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>
Business-type activities:					
Refuse Disposal Fund	10,526,000	10,747,405	10,962,463	11,163,890	11,864,998
Municipal Bus -Transit Fund	17,025,000	18,376,125	19,083,640	12,804,358	17,026,228
Sewer Fund	7,758,000	9,347,887	8,848,985	9,079,094	8,640,221
Subtotal business-type activities	<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>
Total primary government	<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>

(Continued)

City of Culver City
Program Revenues by Revenue Function (Continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Function/Program	2012	2013	2014	2015	2016
Governmental activities:					
General government	\$ 561,872	\$ 2,689,305	\$ 3,455,983	\$ 4,195,371	\$ 4,860,813
Parks and recreation	3,993,130	2,891,150	2,870,838	3,247,541	3,272,059
Police	4,280,253	4,481,542	5,337,377	5,254,336	5,258,049
Fire	2,447,007	2,777,379	3,230,169	2,867,360	3,647,791
Community Development	9,353,786	9,228,830	10,580,562	9,174,202	13,009,788
Public Works	9,830,460	7,577,994	5,682,998	5,979,216	4,632,178
Transportation	-	90,236	137,087	200,850	148,269
Subtotal governmental activities	<u>30,466,508</u>	<u>29,736,436</u>	<u>31,295,014</u>	<u>30,918,876</u>	<u>34,828,947</u>
Business-type activities:					
Refuse Disposal Fund	12,299,423	11,442,218	11,772,165	11,796,339	12,604,319
Municipal Bus -Transit Fund	29,213,226	20,422,157	23,762,329	20,344,349	20,923,156
Sewer Fund	<u>7,875,277</u>	<u>8,143,127</u>	<u>9,000,616</u>	<u>9,186,429</u>	<u>9,937,180</u>
Subtotal business-type activities	<u>49,387,926</u>	<u>40,007,502</u>	<u>44,535,110</u>	<u>41,327,117</u>	<u>43,464,655</u>
Total primary government	<u>\$ 79,854,434</u>	<u>\$ 69,743,938</u>	<u>\$ 75,830,124</u>	<u>\$ 72,245,993</u>	<u>\$ 78,293,602</u>

(Concluded)

City of Culver City
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Fund					
Reserved	\$ 6,972,000	\$ 15,892,059	\$ 10,714,977	\$ 7,650,079	\$ -
Unreserved	31,897,000	25,319,185	29,805,314	31,243,558	-
Nonspendable	-	-	-	-	6,799,442
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	1,024,329
Unassigned	-	-	-	-	42,492,244
Total General Fund	<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>
All Other Governmental Funds					
Reserved	\$ 55,994,000	\$ 94,711,042	\$ 96,849,643	\$ 99,965,251	\$ -
Unreserved, reported in:					
Special revenue funds-RDA	15,051,000	-	-	-	-
Capital projects funds-CITY	821,000	2,648,924	2,397,955	643,775	-
Capital projects funds-RDA	20,016,000	16,633,351	23,994,430	19,048,361	-
Debt service funds	14,939,000	-	-	-	-
Non-Major funds - Special revenue funds	5,442,000	5,922,164	6,331,652	5,320,918	-
Non-Major funds - Capital projects funds	444,000	1,570,311	611,434	785,882	-
Nonspendable	-	-	-	-	22,647
Restricted (includes COOP)	-	-	-	-	158,468,133
Committed	-	-	-	-	-
Assigned	-	-	-	-	4,893,096
Unassigned	-	-	-	-	(7,359,168)
Total all other Governmental Funds	<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>

(Continued)

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
Fund Balances, Governmental Funds (Continued)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2012	2013	2014	2015	2016
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	6,192,311	7,621,370	7,545,451	8,797,076	18,651,241
Restricted	-	-	-	-	-
Committed	-	-	30,189,148	34,909,456	37,778,333
Assigned	218,307	564,382	655,548	100,659	225,888
Unassigned	<u>42,583,643</u>	<u>42,939,543</u>	<u>18,636,897</u>	<u>36,885,749</u>	<u>25,422,152</u>
Total General Fund	<u>\$ 48,994,261</u>	<u>\$ 51,125,295</u>	<u>\$ 57,027,044</u>	<u>\$ 80,692,940</u>	<u>\$ 82,077,614</u>
All Other Governmental Funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds-RDA	-	-	-	-	-
Capital projects funds-CITY	-	-	-	-	-
Capital projects funds-RDA	-	-	-	-	-
Debt service funds	-	-	-	-	-
Non-Major funds - Special revenue funds	-	-	-	-	-
Non-Major funds - Capital projects funds	-	-	-	-	-
Nonspendable	-	-	-	-	-
Restricted (includes COOP)	128,661,077	95,927,506	95,919,140	80,663,848	81,872,220
Committed	-	-	-	-	14,114,312
Assigned	4,872,542	3,939,545	4,171,163	5,201,207	-
Unassigned	<u>(1,357,834)</u>	<u>(332,930)</u>	<u>(1,787,933)</u>	<u>(2,639,282)</u>	<u>(2,116,848)</u>
Total all other Governmental Funds	<u>\$ 132,175,785</u>	<u>\$ 99,534,121</u>	<u>\$ 98,302,370</u>	<u>\$ 83,225,773</u>	<u>\$ 93,869,684</u>

(Concluded)

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)

	2007	2008	2009	2010	2011
Revenues					
Taxes	\$ 81,311,000	\$ 79,838,309	\$ 81,545,109	\$ 78,988,490	\$ 87,269,063
Licenses and permits	2,374,000	13,224,442	12,977,318	12,247,774	2,244,791
Fines and forfeitures	4,543,000	4,830,667	3,922,874	4,413,473	4,618,928
Investment income	12,824,000	5,863,385	3,517,166	3,387,362	1,236,516
Intergovernmental	12,335,000	6,777,641	7,228,161	9,084,949	12,021,397
Charges for services	15,399,000	13,124,126	9,974,608	11,817,763	11,143,637
Sale of Land for resale	-	-	-	-	14,110,004
Other revenues	1,645,000	1,955,132	4,396,396	1,313,896	941,644
Total revenues	<u>130,431,000</u>	<u>125,613,702</u>	<u>123,561,632</u>	<u>121,253,707</u>	<u>133,585,980</u>
Expenditures					
General government	15,001,000	10,217,548	6,370,275	5,827,231	4,396,978
Parks, recreation and community services	7,503,000	6,078,828	6,343,893	6,258,099	6,893,761
Police	27,905,000	28,067,568	28,910,326	29,102,527	28,345,389
Fire	13,894,000	14,843,667	15,344,944	15,724,439	15,400,698
Community development	24,223,000	17,510,916	17,711,375	18,233,549	33,299,639
Public works & Transportation	8,658,000	13,177,016	13,460,405	12,440,176	10,591,242
Capital outlay	6,624,000	9,535,679	7,255,428	7,013,846	7,459,015
Debt service					
Debt issuance costs	-	-	-	-	692,083
Principal payment	6,295,000	6,057,387	6,317,776	8,115,236	6,897,948
Interest and fiscal charges	8,678,000	8,720,605	7,820,329	8,026,395	7,411,970
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	-	-	-	-	-
Total expenditures	<u>118,781,000</u>	<u>117,520,059</u>	<u>114,477,476</u>	<u>127,236,249</u>	<u>130,820,129</u>
Excess of revenues over (under) expenditures	<u>11,650,000</u>	<u>8,093,643</u>	<u>9,084,156</u>	<u>(5,982,542)</u>	<u>2,765,851</u>
Other Financing Sources (Uses)					
Transfers in	16,037,000	29,457,365	26,275,033	25,957,103	33,938,808
Transfers out	(16,698,000)	(26,429,479)	(25,547,058)	(26,022,142)	(33,587,755)
Transfers from Fiduciary Fund	-	-	-	-	-
Long-term debt issued	1,550,000	-	-	-	47,412,887
Payment to refunded bond escrow - current issue	-	-	-	-	-
Original issue premium (discount)	-	-	-	-	(642,847)
Total other financing sources (uses)	<u>889,000</u>	<u>3,027,886</u>	<u>727,975</u>	<u>(65,039)</u>	<u>47,121,093</u>
Extraordinary Items - Gain (loss) on transfer of assets and liabilities to RDA successor trust funds	-	-	-	-	-
Special Items	-	-	-	-	-
Net change in fund balances	<u>\$ 12,539,000</u>	<u>\$ 11,121,529</u>	<u>\$ 9,812,131</u>	<u>\$ (6,047,581)</u>	<u>\$ 49,886,944</u>
Debt service as a percentage of noncapital expenditures (a)	13.0%	14.1%	13.9%	15.5%	12.6%

(Continued)

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
Changes in Fund Balances, Governmental Funds (Continued)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2012	2013	2014	2015	2016
Revenues					
Taxes	\$ 69,084,039	\$ 60,044,744	\$ 68,741,259	\$ 75,200,587	\$ 78,337,955
Licenses and permits	2,959,552	3,040,943	4,664,551	4,301,740	5,088,964
Fines and forfeitures	3,107,415	3,574,853	4,174,721	4,104,462	4,323,432
Investment income	1,168,004	2,852,792	3,451,821	2,958,972	2,315,628
Intergovernmental	17,639,544	11,926,258	10,453,476	11,932,021	11,641,261
Charges for services	11,331,314	10,063,004	11,937,412	12,589,262	15,994,025
Sale of Land for resale	285,956	-	-	-	-
Other revenues	1,514,011	1,323,474	695,241	15,215,908	1,488,349
Total revenues	<u>107,089,835</u>	<u>92,826,068</u>	<u>104,118,481</u>	<u>126,302,952</u>	<u>119,189,614</u>
Expenditures					
General government	7,493,714	11,905,828	12,190,249	16,881,178	13,210,888
Parks, recreation and community services	6,682,893	6,762,595	7,178,243	7,736,234	7,761,720
Police	28,233,992	29,478,847	32,912,122	32,784,324	34,305,688
Fire	16,588,046	17,199,564	18,121,240	19,097,947	21,531,923
Community development	28,262,728	9,135,006	9,481,641	9,825,125	13,415,458
Public works & Transportation	9,880,269	9,638,661	10,002,080	10,349,275	11,526,943
Capital outlay	13,962,974	5,551,098	5,620,204	6,260,467	7,426,995
Debt service					
Debt issuance costs	-	-	-	-	-
Principal payment	7,257,273	278,416	296,605	335,510	-
Interest and fiscal charges	5,275,844	74,649	47,962	11,520	-
SERAF payments	-	-	-	-	-
Pass-through payments	-	-	-	-	-
Payment of refunding bond escrow - prior issue	-	-	-	-	-
Total expenditures	<u>123,637,733</u>	<u>90,024,664</u>	<u>95,850,346</u>	<u>103,281,580</u>	<u>109,179,615</u>
Excess of revenues over (under) expenditures	<u>(16,547,898)</u>	<u>2,801,404</u>	<u>8,268,135</u>	<u>23,021,372</u>	<u>10,009,999</u>
Other Financing Sources (Uses)					
Transfers in	18,698,313	3,193,169	3,474,210	5,322,403	15,769,002
Transfers out	(18,928,680)	(3,491,610)	(4,399,648)	(6,546,760)	(16,061,216)
Transfers from Fiduciary Fund	-	-	-	-	2,310,800
Long-term debt issued	-	-	-	-	-
Payment to refunded bond escrow - current issue	-	-	-	-	-
Original issue premium (discount)	-	-	-	-	-
Total other financing sources (uses)	<u>(230,367)</u>	<u>(298,441)</u>	<u>(925,438)</u>	<u>(1,224,357)</u>	<u>2,018,586</u>
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	<u>\$ (25,238,074)</u>	<u>\$ 2,502,963</u>	<u>\$ 7,342,697</u>	<u>\$ 9,255,163</u>	<u>\$ 12,028,585</u>
Debt service as a percentage of noncapital expenditures (a)	11.0%	0.4%	0.4%	0.3%	0.0%

(Concluded)

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>
2007	\$ 31,667,000	\$ 18,081,000	\$ 13,891,000	\$ 17,672,000	\$ 2,374,000	\$ 4,543,000
2008	34,725,099	17,922,101	14,245,839	12,945,270	13,224,442	4,830,667
2009	37,661,322	16,004,311	14,337,233	13,542,243	12,977,318	3,922,874
2010	25,751,846	14,314,156	14,142,799	24,779,689	12,247,774	4,413,473
2011	39,842,728	16,192,369	14,489,841	16,744,125	2,244,791	4,618,928
2012	22,211,508	16,970,122	14,363,708	15,538,701	2,959,552	3,107,415
2013	8,674,103	19,791,627	14,518,808	17,060,206	3,040,943	3,574,853
2014	7,308,615	27,692,291	14,839,873	18,900,480	4,664,551	4,174,721
2015	10,009,164	28,284,352	14,774,331	22,132,740	4,301,740	4,104,462
2016	10,627,556	30,172,506	14,544,069	22,993,824	5,088,964	4,323,432

(Continued)

City of Culver City
Tax Revenues by Source (Continued)
Governmental Funds
(Modified Accrual Basis of Accounting)

<u>Fiscal Year</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>
2007	\$ 12,824,000	\$ 12,335,000	\$ 15,399,000	\$ -	\$ 1,645,000	\$ 130,431,000
2008	12,640,711	10,592,880	13,124,126	-	1,955,447	136,206,582
2009	3,517,166	7,228,161	9,979,766	-	4,391,238	123,561,632
2010	3,387,362	9,084,949	11,817,763	-	1,313,896	121,253,707
2011	1,236,516	12,021,397	11,143,637	14,110,004	941,644	133,585,980
2012	1,168,004	17,639,544	11,331,314	285,956	1,514,011	107,089,835
2013	2,852,792	11,926,258	10,063,004	-	1,323,474	92,826,068
2014	3,451,821	10,453,476	11,937,412	-	695,241	104,118,481
2015	2,958,972	11,932,021	12,589,262	14,214,806	1,001,102	126,302,952
2016	2,315,628	11,641,261	15,994,025	-	1,488,349	119,189,614

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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)
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%
2016	8,449,411,432	606,355	454,726,389	8,904,744,176	0.096%

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)

	2007	2008	2009	2010	2011
City's Share of 1% Levy Per Prop 13 (a)	0.1043	0.1043	0.1043	0.1043	0.1043
Redevelopment Rate	1.0054	1.0045	1.0043	1.0043	1.0037
Total Direct Tax Rate (b)	0.4964	0.5158	0.5289	0.5458	0.5378
 <u>Direct & Overlapping Rates</u>					
Basic Levy (c):					
City's Share of 1% Levy Per Prop 13	0.1043	0.1043	0.1043	0.1043	0.1043
Los Angeles County General	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
Educational Augmentation Fund Impound	0.1584	0.1584	0.1584	0.1584	0.1584
Educational Revenue Augmentation Fund	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
Los Angeles County Library	0.0251	0.0251	0.0251	0.0251	0.0251
County Flood Control Maintenance	0.0107	0.0107	0.0107	0.0107	0.0107
County School Services Fund	0.0088	0.0088	0.0088	0.0088	0.0088
County Fire - FFW	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
Co. Flood Control District Imp Dist. Maint	0.0019	0.0019	0.0019	0.0019	0.0019
County School Services Fund	0.0015	0.0015	0.0015	0.0015	0.0015
Development Center Handicapped Minors	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
LA Community College Children's Cntr Fund	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
Co. Accumulative Capital Outlay	0.0001	0.0001	0.0001	0.0001	0.0001
Basic Levy	1.0000	1.0000	1.0000	1.0000	1.0000
County Detention Facilities 1987 Debt	0.0007	-	0.0000	0.0000	0.0000
Culver City Unified	0.0444	0.0408	0.0367	0.0344	0.0375
El Camino community college	0.0357	0.0165	0.0170	0.0149	0.0161
Inglewood Unified School District	0.0763	0.0580	0.0737	0.1130	0.1145
La Ccd Ds 2008 2012 Series F			-	-	-
La Community college District	0.0215	0.0088	0.0221	0.0231	0.0403
La County Flood Control	0.0001	-	0.0000	0.0000	0.0000
Los Angels Unified School District	0.1068	0.1233	0.1248	0.1518	0.1870
Metropolitan Water District	0.0047	0.0045	0.0043	0.0043	0.0037
Total Direct & Overlapping (d) Tax Rates	1.2900	1.2518	1.2786	1.3415	1.3991

(Continued)

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
Direct and Overlapping Property Tax Rates (Continued)
(Rate per \$100 of assessed values)

	2012	2013	2014	2015	2016
City's Share of 1% Levy Per Prop 13 (a)	0.1043	0.1043	0.1043	0.1043	0.1043
Redevelopment Rate	1.0037	-	-	-	-
Total Direct Tax Rate (b)	0.5444	0.5426	0.0946	0.0952	0.0957
<u>Direct & Overlapping Rates</u>					
Basic Levy (c):					
City's Share of 1% Levy Per Prop 13	0.1043	0.1043	0.1043	0.1043	0.1043
Los Angeles County General	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
Educational Augmentation Fund Impound	0.1584	0.1584	0.1584	0.1584	0.1584
Educational Revenue Augmentation Fund	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
Los Angeles County Library	0.0251	0.0251	0.0251	0.0251	0.0251
County Flood Control Maintenance	0.0107	0.0107	0.0107	0.0107	0.0107
County School Services Fund	0.0088	0.0088	0.0088	0.0088	0.0088
County Fire - FFW	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
Co. Flood Control District Imp Dist. Maint	0.0019	0.0019	0.0019	0.0019	0.0019
County School Services Fund	0.0015	0.0015	0.0015	0.0015	0.0015
Development Center Handicapped Minors	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
LA Community College Children's Cntr Fund	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
Co. Accumulative Capital Outlay	0.0001	0.0001	0.0001	0.0001	0.0001
Basic Levy	1.0000	1.0000	1.0000	1.0000	1.0000
County Detention Facilities 1987 Debt	0.0000	0.0000	0.0000	0.0000	0.0000
Culver City Unified	0.0352	0.0361	0.0314	0.0778	0.0717
El Camino community college	0.0169	0.0185	0.0175	0.0174	0.0175
Inglewood Unified School District	0.1128	0.1214	0.1561	0.1499	0.1276
La Ccd Ds 2008 2012 Series F	-	0.0112	-	-	-
La Community college District	0.0353	0.0376	0.0445	0.0402	0.0358
La County Flood Control	0.0000	0.0000	0.0000	0.0000	0.0000
Los Angels Unified School District	0.1682	0.1756	0.1464	0.1469	0.1297
Metropolitan Water District	0.0037	0.0035	0.0035	0.0035	0.0035
Total Direct & Overlapping (d) Tax Rates	1.3721	1.4039	1.3994	1.4357	1.3857

(Concluded)

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

	2016			2007		
	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>\$ 8,904,744,176</u>		<u>100.00%</u>	<u>\$ 5,813,305,100</u>		<u>100.00%</u>
<u>Taxpayer</u>						
Lot, Inc.	\$ 316,174,155	1	3.55%	\$ 178,750,074	1	3.07%
Fox Hills Mall LLC/Westfield	201,937,411	2	2.27%	82,203,583	4	1.41%
Reep OFC Corporate Pointe CA	132,242,844	3	1.49%			
Symantec Corporation	120,873,107	4	1.36%			
Equity One Culver LLC	114,397,692	5	1.28%			
VCP CP Culver City LLC	98,055,240	6	1.10%			
LBA RV COMPANY IX LP	97,193,036	7	1.09%			
Sony Pictures Entertainment Inc.	86,662,613	8	0.97%	112,138,239	2	1.93%
Culver Studios Owner LLC	78,265,946	9	0.88%			
Sy Culver City Portfolio Limited Partnership	77,148,417	10	0.87%	67,849,380	6	1.17%
TCE Filmland Holdings LLC				85,476,740	3	1.47%
PCCP Studio City Los Angles TCS				67,453,394	7	1.16%
Arden Realty Finance IV LLC				76,231,925	5	1.31%
Buckingham Heights Lease LLC				36,200,165	9	0.62%
MAIER Brewing Company				32,976,581	10	0.57%
BRCP Corporate Pointe LLC				40,596,000	8	0.70%
Total	<u>\$ 1,322,950,461</u>		<u>14.87%</u>	<u>\$ 779,876,081</u>		<u>13.43%</u>

Source: Los Angeles County Assessor 2015/16 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
2007	\$ 3,552,049	-	0.0%	\$ 2,370	\$ 2,370	0.1%
2008	3,153,703	-	0.0%	82,891	82,891	2.6%
2009	3,348,696	-	0.0%	247,676	247,676	7.4%
2010	3,433,577	-	0.0%	176,527	176,527	5.1%
2011	3,443,042	-	0.0%	378,394	378,394	11.0%
2012	3,501,754	-	0.0%	211,908	211,908	6.1%
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%
2016	4,206,744	4,077,754	96.9%	76,381	4,154,135	98.7%

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 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				
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
2016	-	-	-	-	15,785,000	-	-	15,785,000	15,785,000	0.9%	390

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, 2016, 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, 2016

City Assessed Valuation	\$ 4,425,681,330
Successor Agency Incremental Valuation	4,479,062,846
Total Net Taxable Assessed Valuation	<u>\$ 8,904,744,176</u>

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Overlapping Debt Repaid with Voter-Approved Property Taxes:			
Los Angeles County	\$ -		\$ -
Los Angeles County Flood Control District	-		-
Metropolitan Water District	44,916,916	0.431%	193,454
El Camino College District	413,036,166	0.005%	19,474
Los Angeles Community College District	3,671,000,000	1.263%	46,372,014
Culver City Unified School District	54,025,000	99.378%	53,688,752
Inglewood Unified School District	116,040,000	0.048%	55,641
Los Angeles Unified School District	10,457,575,000	0.008%	<u>805,737</u>
Subtotal, overlapping debt		2.29%	101,135,072
City direct debt		0.00%	<u>-</u>
Total direct and overlapping debt		2.29%	<u>\$ 101,135,072</u>

Source: HdL Coren & Cone, Los Angeles County Assessor 2015/2016 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 2.29% of the City's 2015/2016 assessed valuation or \$ 101.14 million.

City of Culver City
Legal Debt Margin Information
Last Ten Fiscal Years

	2007	2008	2009	2010	2011
Total assessed valuation	\$ 6,001,605,000	\$ 6,568,960,000	\$ 7,095,779,000	\$ 7,527,054,000	\$ 7,417,771,754
Debt Limit percentage	15%	15%	15%	15%	15%
Debt Limit	\$ 900,240,750	\$ 985,344,000	\$ 1,064,366,850	\$ 1,129,058,100	\$ 1,112,665,763
Amount of debt applicable to the limit:	\$ -	\$ -	\$ -	\$ -	\$ -
Legal Debt Margin	<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>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

(Continued)

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, 2016, the City was not obligated in any manner for general obligation bonds.**

City of Culver City
Legal Debt Margin Information (Continued)
Last Ten Fiscal Years

	2012	2013	2014	2015	2016
Total assessed valuation	\$ 7,652,983,856	\$ 7,752,446,647	\$ 8,323,791,063	\$ 8,732,804,582	\$ 9,169,218,845
Debt Limit percentage	15%	15%	15%	15%	15%
Debt Limit	\$ 1,147,947,578	\$ 1,162,866,997	\$ 1,248,568,659	\$ 1,309,920,687	\$ 1,375,382,827
Amount of debt applicable to the limit:	\$ -	\$ -	\$ -	\$ -	\$ -
Legal Debt Margin	<u>\$ 1,147,947,578</u>	<u>\$ 1,162,866,997</u>	<u>\$ 1,248,568,659</u>	<u>\$ 1,309,920,687</u>	<u>\$ 1,375,382,827</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%
					(Concluded)

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, 2016, 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		
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	-	-	-	-	
2016	9,899,422	157,496	7,432,671	2,624,247	790,000	804,475	1.65	-	-	-	-	

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

Calendar Year	Population	Personal Income <i>(thousands of dollars)</i>	Per Capita Personal Income	Unemployment Rate
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%
2015	40,448	1,802,070	44,552	4.9%

Source: HDL 2015-16 CAFR Statistical Basic Package for City of Culver City

**City of Culver City
Principal Employers
Current Year and Nine Fiscal Years Ago**

Employer	2007			2016		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Sony Pictures Entertainment	2,020	1	8.38%	3,400	1	14.98%
Westfield Shoppingtown-Fox Hills	1,500	2	6.22%			
Goldrich & Kest Industries, LLC				717	6	3.16%
Southern CA Hospital (Brontman Medical Ctr)	900	3	3.73%	1,167	2	5.14%
Culver City Unified School District	575	7	2.39%	760	4	3.35%
Symantec	800	4	3.32%	700	5	3.08%
City of Culver City*	688	5	2.85%	871	3	3.84%
Metric Products	650	6	2.70%			
Radisson Hotel	300	8	1.24%			
Kaiser Permanente	275	9	1.14%			
Security Industry Specialists						
West Los Angeles College	250	10	1.04%	600	7	2.64%
NFL Media				525	8	2.31%
Target**				575	9	2.53%
Inovel						
Karl Storz Endoscopy						
Kayne-Eras Center						
Moldex-Metric						
JC Penny						
Beats by Dre						
Apple, Inc.				460	10	2.03%
Total Top 10 Employers	<u>7,958</u>		<u>33.02%</u>	<u>9,775</u>		<u>43.06%</u>
Total City Labor Force (1)	<u>24,100</u>			<u>22,700</u>		

Source: MuniServices, LLC (2014) updated by the Finance Department

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>	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government	89	83	84	82	71	68	68	68	69	68
Parks, recreation and community services	41	39	39	38	30	30	31	31	31	31
Police	161	164	166	166	156	153	156	157	157	160
Fire	72	72	73	73	70	69	71	69	71	72
Community development	50	56	57	57	52	52	36	36	36	36
Public works	58	61	62	62	51	49	48	48	49	51
Grants operating	11	10	10	10	10	9	7	6	6	6
Internal service	43	43	43	43	41	41	41	41	42	43
Refuse	50	49	49	48	40	40	40	40	41	42
Transit	109	109	120	120	120	122	129	129	151	152
Sewer	6	9	10	10	9	11	11	11	11	11
Total	<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>664</u>	<u>672</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

	2007	2008	2009	2010	2011
General government					
Building permits issued	3,264	2,575	2,141	2,356	2,400
Building inspections conducted	9,814	11,121	10,254	10,616	9,500
Police					
Arrestees Processed	1,616	2,774	1,700	1,700	1,400
Parking citations	38,963	34,798	40,000	40,100	36,000
Traffic citations	13,749	11,236	14,000	14,000	14,000
Fire					
Emergency responses	4,180	4,233	4,400	4,500	4,500
Fire Emergency Incidents	159	132	150	155	155
Commercial Fire Safety Inspections	1,965	1,965	2,427	2,369	2,400
Refuse collection					
Residential Refuse & Greenwaste collected (tons per day)	15	15	32	35	41
Commercial Refuse Collected (tons per day)	21	20	132	136	136
Responses to Customer Service Requests	200	200	200	200	200
Public Works					
Traffic Engineering Investigations	3,597	3,956	4,352	5,849	4,535
Tons of Asphalt Placed	600	650	700	725	700
Damaged Sidewalk removed/replaced (sq. ft.)	9,500	13,500	14,250	15,000	16,000
Trees Trimmed	5,836	5,800	5,840	5,850	5,850
Parks and recreation					
Park picnic permits issued	1,300	1,390	1,300	1,300	1,300
Participation in Youth Sports	5,345	5,368	5,500	5,000	5,000
Participation in Adults Sports	36,800	34,000	35,000	35,000	35,500
Transit - Municipal buses					
Total service miles	1,438,606	1,444,350	1,450,000	1,700,000	1,700,000
Passengers	5,893,083	6,055,246	6,240,000	6,430,000	6,630,000

(Continued)

Source: Annual Budgets and various city departments.

City of Culver City
Operating Indicators by Function (Continued)
Last Ten Fiscal Years

	2012	2013	2014	2015	2016
General government					
Building permits issued	2,240	2,488	2,336	2,756	3,029
Building inspections conducted	8,209	9,590	9,609	10,925	12,614
Police					
Arrestees Processed	1,372	1,491	1,611	1,239	1,242
Parking citations	30,705	37,236	37,681	38,681	40,009
Traffic citations	12,414	19,027	10,028	9,003	8,981
Fire					
Emergency responses	4,471	4,681	4,969	5,375	5,684
Fire Emergency Incidents	194	197	210	215	215
Commercial Fire Safety Inspections	2,106	2,653	2,742	2,810	2,800
Refuse collection					
Residential Refuse & Greenwaste collected (tons per day)	43	42	42	43	43
Commercial Refuse Collected (tons per day)	121	143	143	130	141
Responses to Customer Service Requests	200	120	120	120	120
Public Works					
Traffic Engineering Investigations	4,619	4,601	4,601	4,685	4,721
Tons of Asphalt Placed	300	325	325	230	207
Damaged Sidewalk removed/replaced (sq. ft.)	8,040	8,100	8,100	10,084	9,103
Trees Trimmed	3,172	3,200	3,200	4,958	4,350
Parks and recreation					
Park picnic permits issued	963	1,300	1,276	1,026	933
Participation in Youth Sports	3,500	5,345	5,328	4,950	4,480
Participation in Adults Sports	44,200	36,800	43,766	45,456	48,312
Transit - Municipal buses					
Total service miles	1,497,434	1,585,103	1,589,108	1,593,248	1,658,913
Passengers	5,331,071	5,550,045	5,416,010	4,979,334	5,653,192

(Concluded)

Source: Annual Budgets and various city departments.

City of Culver City
Capital Asset Statistics by Function
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	26	31	32	30	31	26	25	27	21	21
Motorcycle units	12	12	11	11	14	13	11	13	14	11
Detective Units	17	20	20	20	19	30	30	34	38	38
Parking Enforcement Units	8	6	7	7	8	8	8	8	9	8
Fire stations	3	3	3	3	3	3	3	3	3	3
Refuse collection										
Collection trucks	16	18	18	18	19	19	22	22	22	22
Other public works										
Streets (miles)	83.2	83.2	83.2	83.2	83.2	119.6	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	3,596	3,596	3,596	3,596	3,596	3,596	3,596	3,596	3,596	3,596
Traffic signals	104	110	106	104	104	104	104	104	105	105
Parks and recreation										
Acreage	93	93	93	93	93	100	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	90	90	90	90	90
Pumping (lift) stations	7	7	7	7	7	7	7	7	7	7
Transit - Municipal buses	46	46	52	52	52	52	52	52	54	54

Source: Various city departments