



Celebrating 90 Years of Culver City Bus & 30 Years of Arts in Public Places

COMPREHENSIVE ANNUAL FINANCIAL REPORT



For the Fiscal Year Ended

JUNE 30, 2018

CITY OF CULVER CITY,
CALIFORNIA

City of Culver City, California

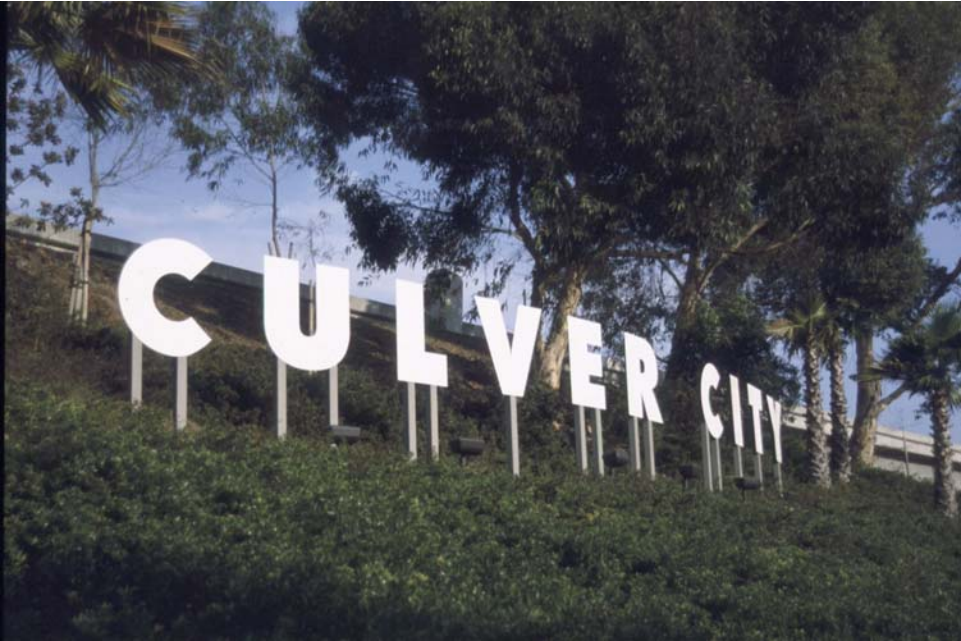


Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2018

Prepared by:
Finance Department

Introductory Section





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Comprehensive Annual Financial Report
For the Year Ended June 30, 2018

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Culver CITY

FINANCE DEPARTMENT

PHONE (310) 253-5865

FAX (310) 253-6010

9770 CULVER BOULEVARD, CULVER CITY, CALIFORNIA 90232-0507

December 21, 2018

Honorable Mayor, Members of the City Council, and 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, 2018. 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, 2018, 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, 2018, 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 16 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

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

budget. The City utilizes an encumbrance accounting system, whereby commitments such as purchase orders and unperformed contracts are recorded as restricted fund balances at year-end.

History of Culver City

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

Nationally, the economy remains in the tenth year of the longest recovery in modern history. Gross domestic product has continued steady growth throughout the year, the U.S. dollar remains in a strong position and unemployment figures dipped to a nearly 49-year low. The Federal Reserve has persisted in its path of raising short-term interest rates, issuing the fourth increase of 2018 in December. This interest rate change has been heavily debated due to significant volatility in the stock market in recent months, and is anticipated to be an added factor in California's shifting housing market. Property values increased steadily, though housing sales declined modestly in the year. The political climate continues to pose uncertainty on the national economic outlook due in part to contentious federal trade policies, and most projections have the economy declining within 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. New additions to the business community also include Amazon, which will be taking occupancy on the Culver Studios Lot, as well as Apple which will occupy creative office space at the corner of Washington and National Boulevards.

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. 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 2018-19

While several years past, it is of importance to note during the most recent recessionary period, City management took a number of steps to address the City's fiscal challenges. Many of these improvements persist in the City's current financial structure. Initiatives 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 raised approximately \$9.7 million during Fiscal Year 2017-18 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 does have fiscal issues that will need to be addressed, following are major work programs and community reinvestment and improvement projects that received funding in the fiscal year 2018-19 adopted budget:

1. Community Service Improvements
 - a. Continuation of Culver City Walk & Rollers Program, a safe routes to school initiative, in partnership with the Culver City Unified School District (CCUSD);
 - b. Installation of the Culver City Bike Share System; and

- c. Implementation of the Culver CityBus SmartBus Project, a Bus Signal Priority and Real-Time Bus Arrival Information System.
2. Community Reinvestment
- a. First year operation of the Municipal Fiber Network Project, a city-owned fiber network to provide city businesses and CCUSD with high speed internet services;
 - b. Installation of cameras and other general maintenance improvements to all municipal parking structures; and
 - c. Development of an infiltration and retention site at Culver Boulevard (between Elenda Street to Sepulveda Boulevard) for stormwater and urban runoff diversion.
3. Internal Operational Improvements
- a. Establishment of a One-Stop Permit Center, to coordinate and streamline permitting operations across various operational divisions;
 - b. Continuation of City's General Plan and Economic Development Strategy Development.

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 revenue sources is contained in the following section.

Major General Fund Revenues

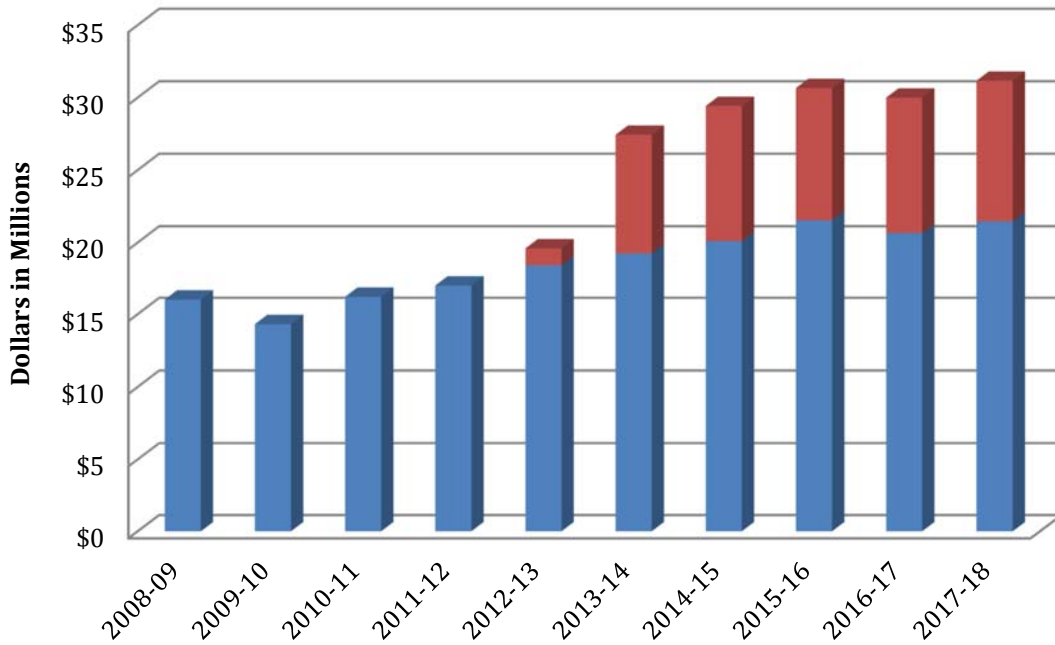
Major sources of General Fund revenue for the City include Sales Tax, Business Tax, Utility User Tax (UUT), Property Tax and Transient Occupancy Tax (TOT).

Sales Tax

Sales Tax is Culver City's single largest revenue source. The State of California imposes a 10.0% 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.

Sales tax accounted for 18.6% of General Fund revenue for Fiscal Year 2017-18, closing the year at \$21.46 million. With Measure Y taking effect in April 2013, fiscal year 2017-18 was the fifth full year of the local sales tax measure with receipts totaling \$9.70 million, accounting for 8.4% of General Fund revenue.

Sales Tax
Local Sales Tax (Measure Y in Red)

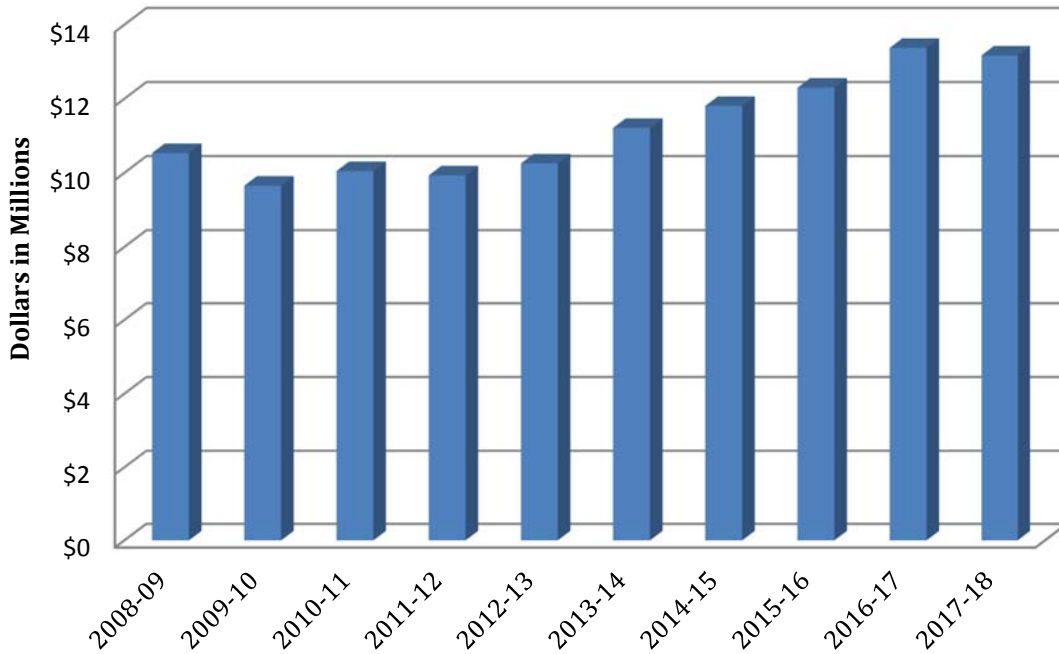


Business Tax

Business Tax revenue accounts for approximately 11.4 % of the General Fund revenue. Annually, all entities conducting business in Culver City are required to pay business taxes. Like Sales Tax, Business Tax revenue is highly dependent on national and regional economic forces. Consequently, Business Tax revenue 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 Tax revenue is based on a businesses' gross receipts, which is a measure of the amount of business they do in the City.

Fiscal year 2017-18 Business Tax receipts, including penalties, were \$13.17 million, a modest decline of 1.5% from the previous fiscal year.

Business Tax



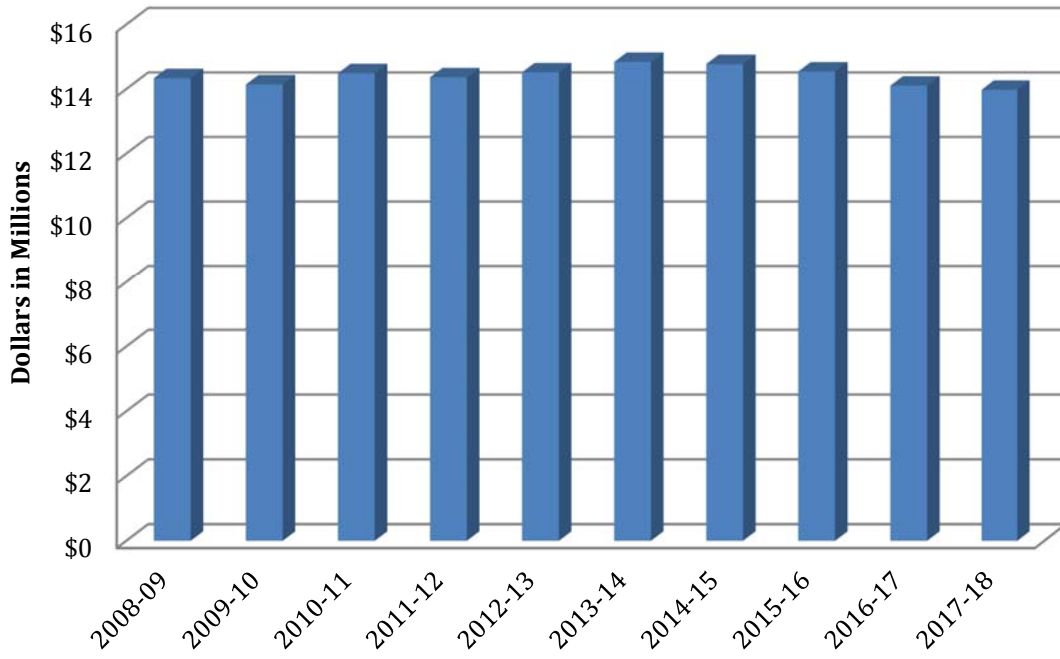
Utility User Tax

Utility User Tax receipts make up approximately 12.1% 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 2017-18 were \$13.97 million, a 0.9% decline from the prior fiscal year. Electricity and Water UUT revenues increased slightly, while Gas, Cable and Telecommunications UUT 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 technologies continue to evolve and become more cost-effective, resulting in more people 'cutting the cord' to cable services. This trend is expected to continue to affect future utility consumption trends.

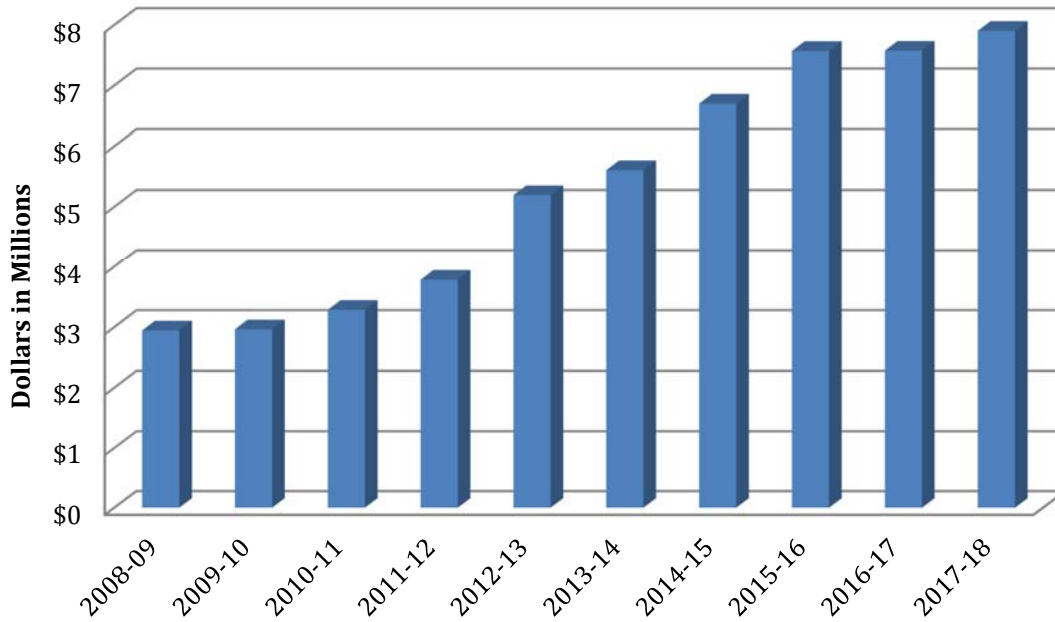
Utility Users Tax



Transient Occupancy Tax

Transient Occupancy Tax is levied on occupied hotel/motel rooms at a rate of 14.0%. Fiscal year 2017-18 TOT revenue improved an additional 4.4% over the prior year, increasing to a new record total of \$7.90 million.

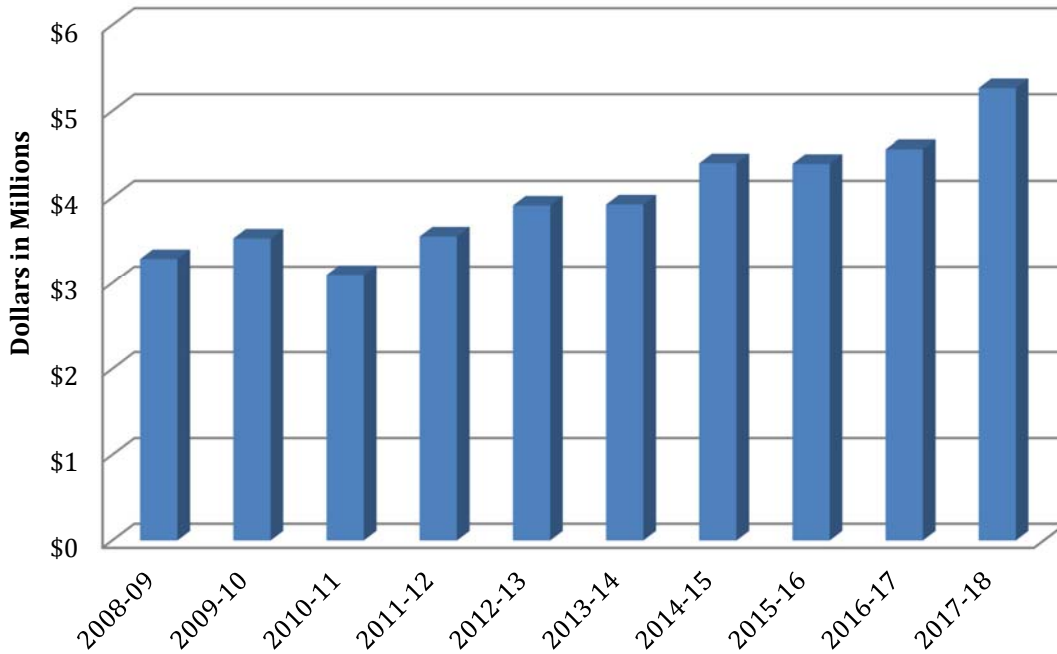
Transient Occupancy Tax



Property Tax

Culver City is a “low property tax” city and receives only 10.5% of the 1.0% 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 6.5% over the prior year.

Property Tax

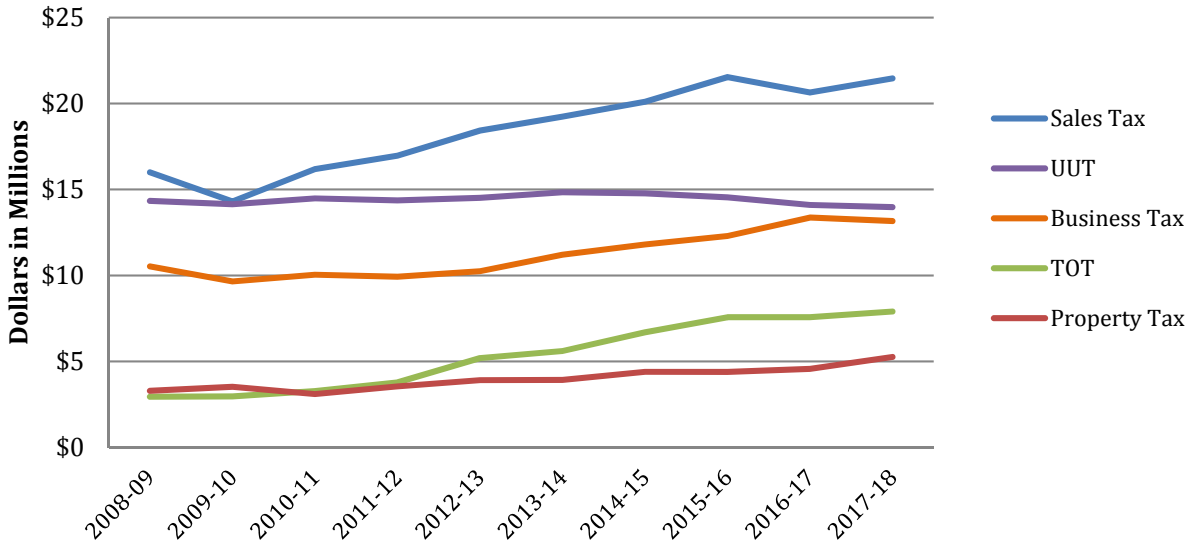


Property Tax receipts ended fiscal 2017-18 at \$5.27 million, an improvement of 15.6% over prior fiscal year revenues. Additionally, the City received \$4.18 million in former tax increment of the Redevelopment Agency. This funding is from additional property tax received when the amount of property 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. The sharp rise in sales tax revenue beginning at the 2012-13 fiscal year is due to the inclusion of one-time increases from State Sales Triple-Flip proceeds, which concluded in fiscal year 2015-16. Utility users tax revenue continue to trend downward, in large part due to declines in Cable UUTs from changing technologies. Transient occupancy taxes have demonstrate a steady upward trend. Property taxes have been historically level, with some modest increases in the past years. All other revenue tax revenue sources, however, have shown improvement since 2010-11 with growth anticipated to be slow but relatively steady into the future.

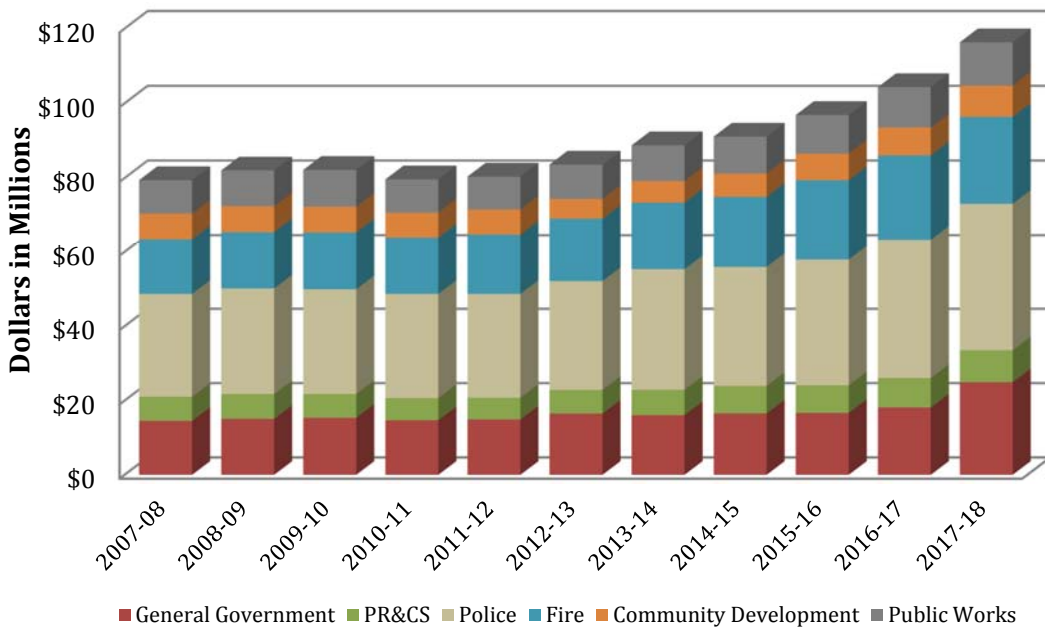
Top Five Tax Revenues



General Fund 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, 2018, the City has established committed General Fund fund balances of \$33.8 million for contingencies/emergencies, \$9.2 million for future facility improvements / replacements and \$1.3 million for recreational facility improvements. Beyond these amounts, the City has an additional \$22.1 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 2027-28, 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. Over the past several years, the City's long-term financial plan has consistently illustrated the mounting fiscal pressures created primarily by increasing costs required to pay down unfunded pension liabilities. With significant increases in 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 while concurrently exploring additional revenue opportunities. In April 2018, residents approved a cannabis excise tax measure, expected to generate about \$1.2 million per year. A cannabis business excise tax is separate from and in addition to any fees charged to businesses. Residents also voted in support of an additional quarter-cent sales tax (Measure C) in November 2018. Measure C goes into effect April 1, 2019 and is expected to generate an estimated \$5 million per year.

The newly adopted cannabis excise and quarter-cent sales taxes (Measure C) in conjunction with the local half-percent sales tax (Measure Y) result in a forecast moving the right direction towards closing the projected fiscal gap. Nonetheless, there are additional policy decisions that must be further deliberated for the City's long-term financial planning. These steps, however, must include the consideration that Measure Y is set to expire automatically expire in March of 2023 if not extended by voters. 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, 2017. This was the thirty-third 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



Kambiz Borhani, CPA, CGMA
Assistant Chief Financial Officer



City of Culver City City Officials

City Council

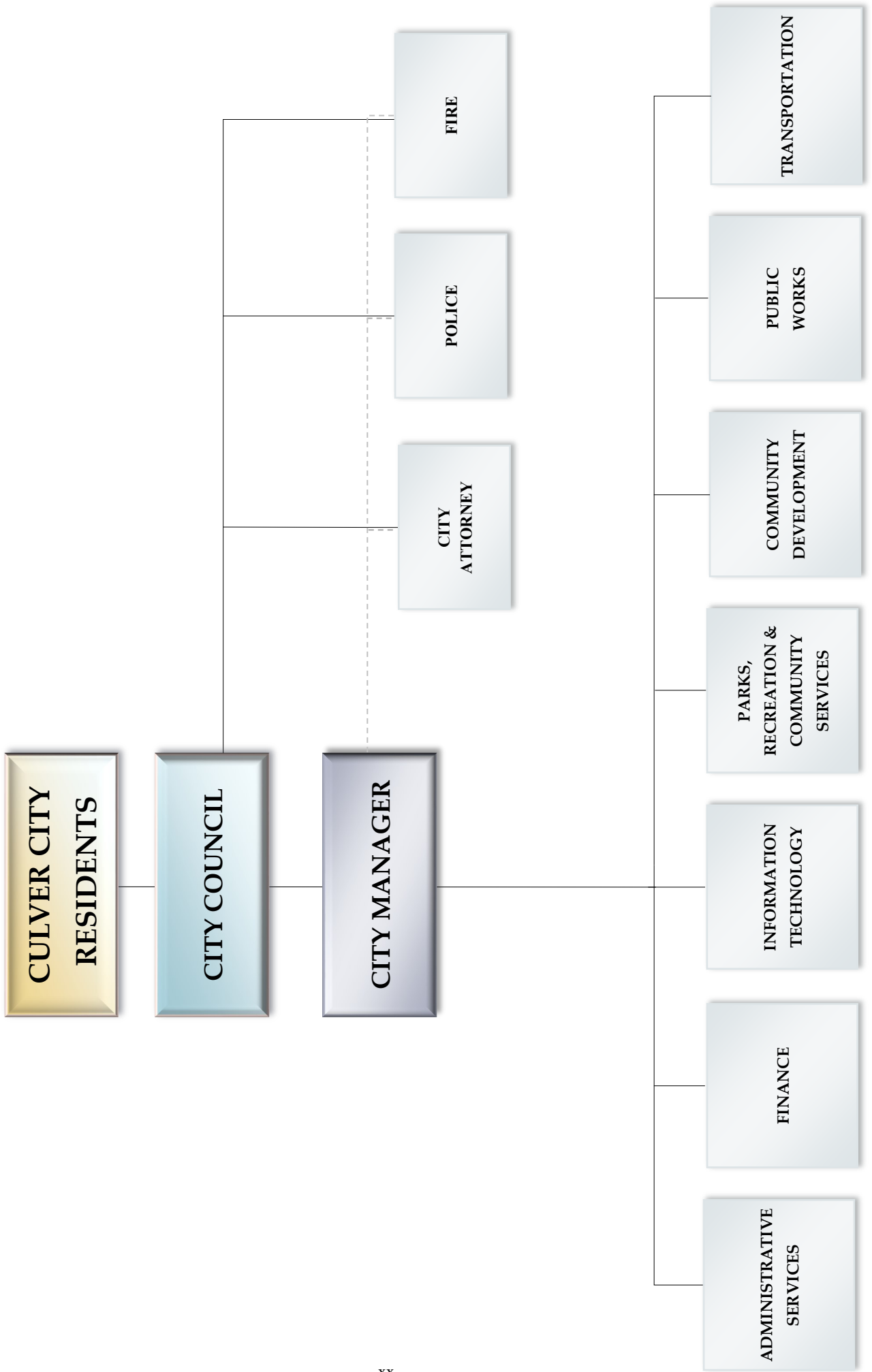
Thomas Aujero Small, Mayor
Meghan Sahli-Wells, Vice Mayor
Göran Eriksson
Harden Alexander Fisch
Daniel Wayne Lee

Administration

John Nachbar	City Manager
Serena Wright	Assistant City Manager
Kambiz Borhani	Assistant Chief Financial Officer
Carol Schwab	City Attorney
Sol Blumenfeld	Community Development Director
David White	Fire Chief
Michele Williams	Information Technology
Corey Lakin	Parks, Recreation & Community Services Director
Scott Bixby	Police Chief
Charles Herbertson	Public Works Director
Art Ida	Transportation Director

CULVER CITY OVERVIEW ORGANIZATIONAL CHART

FISCAL YEAR 2017-18





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, 2017

Christopher P. Morill

Executive Director/CEO



Financial Section





Independent Auditor's Report







INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and the 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, 2018, 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.

Auditors' 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 City'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 City'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.

200 East Sandpointe Avenue, Suite 600, Santa Ana, California 92707

Tel: 949-777-8800 • Fax: 949-777-8850

www.pungroup.com

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, 2018, 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.

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 21 and 117 to 125 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 the 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 21, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Santa Ana, California
December 21, 2018

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Management's Discussion & Analysis





City of Culver City
Management's Discussion and Analysis (Unaudited)
For The Year Ended June 30, 2018

As management of the City of Culver City (City), we offer readers of the City's basic financial statements this overview and analysis of the financial activities of the City for the year ended June 30, 2018. 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-xviii 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 at the close of fiscal year 2018 by \$129.4 million (*net position*). Of this amount, \$234.2 million is net investment in capital assets, \$72.6 million is restricted and (\$177.4) 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* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, 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 10 and 11 on pages 92 – 104 of this report.
- The City's total net position, including all activities, decreased by \$6.4 million in fiscal year 2018. Of this decrease in net position, \$3.8 million was a result of governmental activities and \$2.6 from business-type activities.
- As of June 30, 2018, the City's governmental funds reported combined ending fund balances of \$172.4 million. Approximately 12.0 percent of the current year amount (\$20.6 million) is available for spending at the City's discretion.
- At the end of the current fiscal year, unrestricted fund balance (*the total of committed, assigned and unassigned components of fund balance*) for the General Fund was \$66.5 million, or approximately 57.2 percent of total General Fund expenditures of \$116.3 million. Additional information on the City's General Fund balances is located in Note 14.

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

City of Culver City
Management's Discussion and Analysis (Unaudited) (Continued)
For The Year Ended June 30, 2018

(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, including those restricted to a particular program function, are reported as "General Revenues" unless specifically required to be reported as program revenues (i.e. gas and transportation taxes).

All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (such as, revenues pertaining to uncollected taxes, or expenses pertaining to earned, but unused, vacation and sick leave).

The government-wide financial statements include not only the City of Culver City, California (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 26-29 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

City of Culver City
Management's Discussion and Analysis (Unaudited) (Continued)
For The Year Ended June 30, 2018

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 129-172.

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, 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.

City of Culver City
Management's Discussion and Analysis (Unaudited) (Continued)
For The Year Ended June 30, 2018

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 63 through 114.

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 and are located on pages 123 through 125.

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 below, the City's assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$129.4 million at June 30, 2018.

Approximately 180.9% 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 56.1% 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 (\$177.4) million.

City of Culver City
Management's Discussion and Analysis (Unaudited) (Continued)
For The Year Ended June 30, 2018

City of Culver City's Net Position
As of June 30, 2018 and 2017
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets:						
Current and other assets	\$203,516	\$216,187	\$ 28,215	\$ 29,210	\$231,731	\$245,397
Capital assets	162,634	144,640	85,927	87,434	248,561	232,074
Total assets	366,150	360,827	114,142	116,644	480,292	477,471
Deferred Outflows of Resources:						
Pension and OPEB related amounts	48,597	36,146	7,034	5,349	55,631	41,495
Total deferred outflows of resources	48,597	36,146	7,034	5,349	55,631	41,495
Liabilities:						
Current and other liabilities	24,683	24,855	6,127	6,418	30,810	31,273
Long-term liabilities	303,911	286,224	54,269	53,290	358,180	339,513
	328,594	311,079	60,396	59,708	388,990	370,786
Deferred Inflows of Resources:						
Pension and OPEB related amounts	14,856	10,790	2,631	1,581	17,487	12,370
Total deferred inflows of resources	14,856	10,790	2,631	1,581	17,487	12,370
Net Position:						
Net investment in capital assets	162,634	144,640	71,581	72,309	234,215	216,949
Restricted	70,970	90,049	1,658	1,609	72,628	91,658
Unrestricted	(162,306)	(159,584)	(15,090)	(13,214)	(177,396)	(172,798)
Total net position	\$ 71,298	\$ 75,105	\$ 58,149	\$ 60,704	\$129,447	\$135,809

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, 2018, in relation to a year earlier. For the fiscal year ended June 30, 2018, total net position decreased by \$6.4 million as a 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, 2018, with comparative totals for the fiscal year ended June 30, 2017.

City of Culver City
Management's Discussion and Analysis (Unaudited) (Continued)
For The Year Ended June 30, 2018

City of Culver City's Changes in Net Position
As of June 30, 2018 and 2017
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$36,446	\$27,776	\$27,410	\$25,278	\$63,856	\$53,054
Operating grants and contributions	5,936	5,201	19,330	25,845	25,266	31,046
Capital grants and contributions	4,660	6,236	1,272	1,621	5,932	7,857
General revenues:						
Taxes	83,167	78,093	-	-	83,167	78,093
Investment earnings	761	693	114	80	875	773
Other	5,353	4,893	392	81	5,745	4,974
Total revenues	136,323	122,891	48,518	52,906	184,841	175,797
Expenses:						
General government	26,855	14,991	-	-	26,855	14,991
Parks, recreation and community services	11,502	9,022	-	-	11,502	9,022
Police	45,463	40,121	-	-	45,463	40,121
Fire	26,765	23,020	-	-	26,765	23,020
Community development	13,251	24,698	-	-	13,251	24,698
Public works	14,133	12,949	-	-	14,133	12,949
Transit	1,009	486	-	-	1,009	486
Interest on long-term debt	-	-	-	-	-	-
Refuse disposal	-	-	14,812	12,254	14,812	12,254
Municipal bus lines	-	-	27,546	24,242	27,546	24,242
Sewer enterprise	-	-	8,145	9,077	8,145	9,077
Municipal fiber network	-	-	1,721	1,430	1,721	1,430
Total expenses	138,978	125,287	52,224	47,004	191,202	172,291
Excess (deficiency) before special item and transfers	(2,655)	(2,396)	(3,706)	5,902	(6,361)	3,507
Special Items:						
LMIHF Deferral to CCHA	-	17,284	-	-	-	17,284
Transfers of Land held for Resale to SA Fund	-	(5,685)	-	-	-	(5,685)
Transfers	(1,151)	(1,094)	1,151	1,094	-	(0)
Change in net position	(3,806)	8,109	(2,555)	6,996	(6,361)	15,106
Net position - beginning of year	75,104	66,995	60,704	53,708	135,808	120,703
Net position - end of year	\$ 71,298	\$ 75,104	\$ 58,149	\$ 60,704	\$129,447	\$135,809

Governmental Activities

The City's net position from governmental activities decreased approximately \$3.8 million, accounting for 59.4% of the total decrease in the net position of the City. Key elements of this reduction are a combination of factors highlighted below.

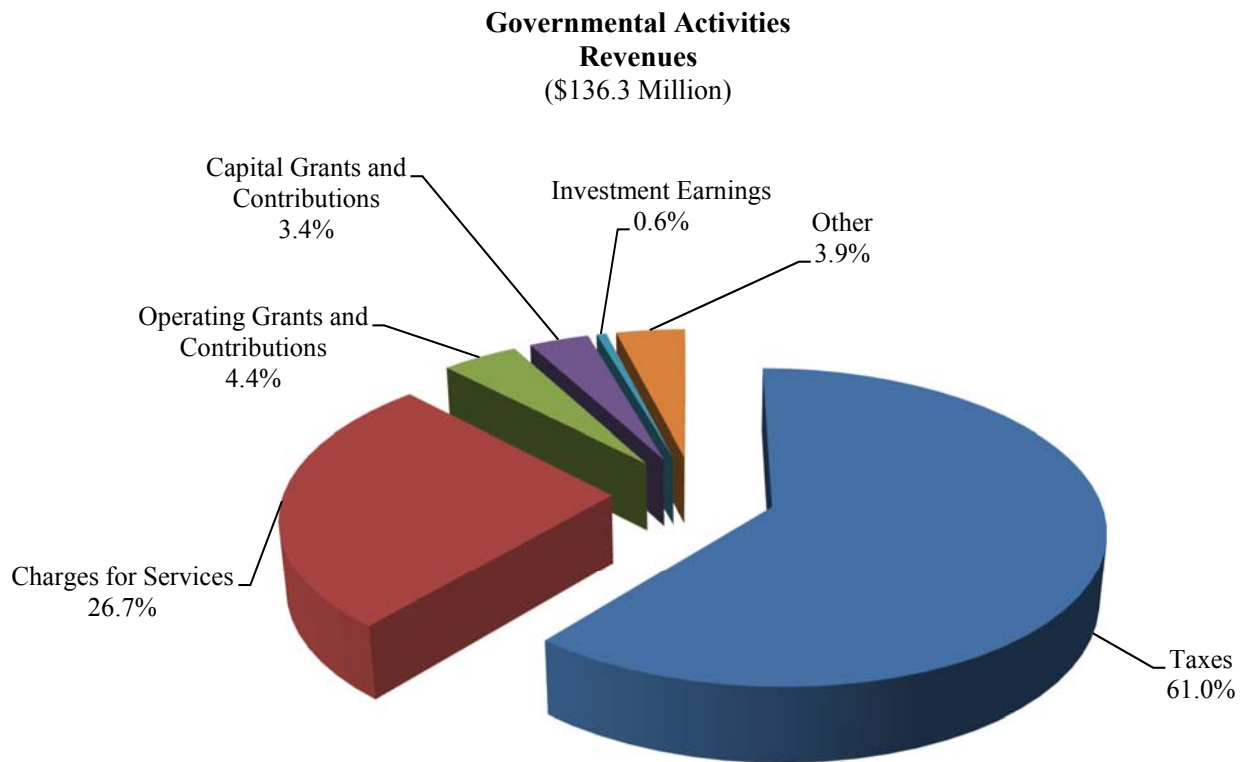
Revenue Highlights

City of Culver City
Management's Discussion and Analysis (Unaudited) (Continued)
For The Year Ended June 30, 2018

Total revenues of governmental activities were \$136.3 million. The largest component of total revenue is taxes at \$83.2 million, making up 61.0% 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 (\$31.2 million), utility users' tax (\$14.0 million), property tax (\$13.8 million), and business tax (\$13.2 million). Some of the key changes in revenues are:

- Sales tax increased by \$1.2 million, primarily due to rate increase and economic growth.
- Property tax increased by \$2.8 million, due to rises in property value and improvements made.

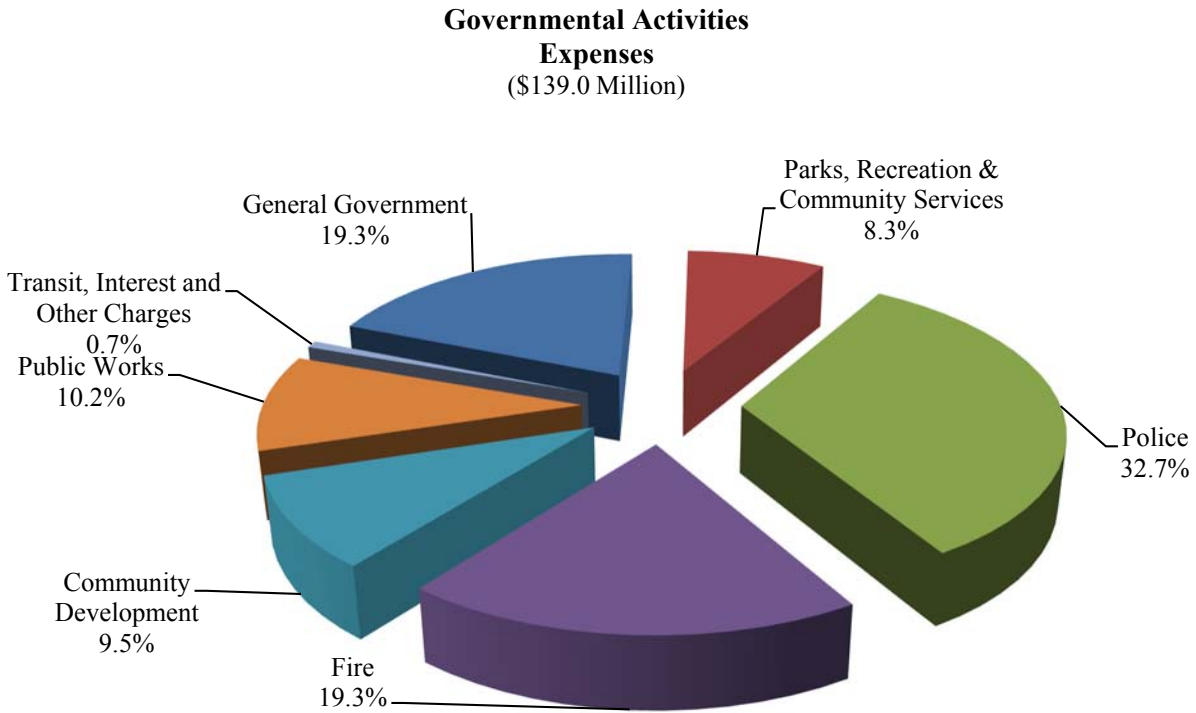
The governmental activities' chart below illustrates operating revenues by source. Sales, property, business license, transient occupancy, and other taxes are general revenues used to support overall government functions. These sources account for approximately \$83.2 million or 61.0% of total governmental revenue. Operating and capital grants make up 7.8% of revenues while charges for services amount to 26.7% of total governmental revenues.



City of Culver City
Management's Discussion and Analysis (Unaudited) (Continued)
For The Year Ended June 30, 2018

Expense Highlights

Functional expenses for the year totaled approximately \$139.0 million in the governmental funds, an increase of \$13.7 million over the prior year. Additional expenses of \$11.9 million, or 86.7% of the total increase, was attributable to General Government services. Of this amount, \$10.0 million was for the establishment of a tax-exempt Section 115 Trust to address the unfunded pension liabilities owed to CalPERS. Public Safety activities consumed approximately \$72.2 million (66.4%) of the total expenses in the governmental activities. Almost all public safety costs are funded from general revenues, primarily taxes. Expenses for Public Works totaled \$14.1 million, Community Development \$13.3 million, and Parks, recreation and community services \$11.5 million. General Government Expenses (including City Council, City Manager, City Clerk, Information Technology, Finance, Human Resources and City Attorney) and Interest and Other Charges, consumed a total of \$26.9 million (12.4%).



City of Culver City
Management's Discussion and Analysis (Unaudited) (Continued)
For The Year Ended June 30, 2018

Business-Type Activities

The City's business-type activities realized a \$2.6 million decrease in net position, largely resulting from reduction in operating grant and contribution revenues.

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

In November 2015, the City Council approved a new Municipal Fiber Network enterprise fund. 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 the City's fiber infrastructure to service the business community. At the end of the current fiscal year, net position decreased by \$1.7 million. The construction for Municipal Fiber Network is near its completion and will soon begin to generate revenue as anticipated.

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

Revenue Highlights

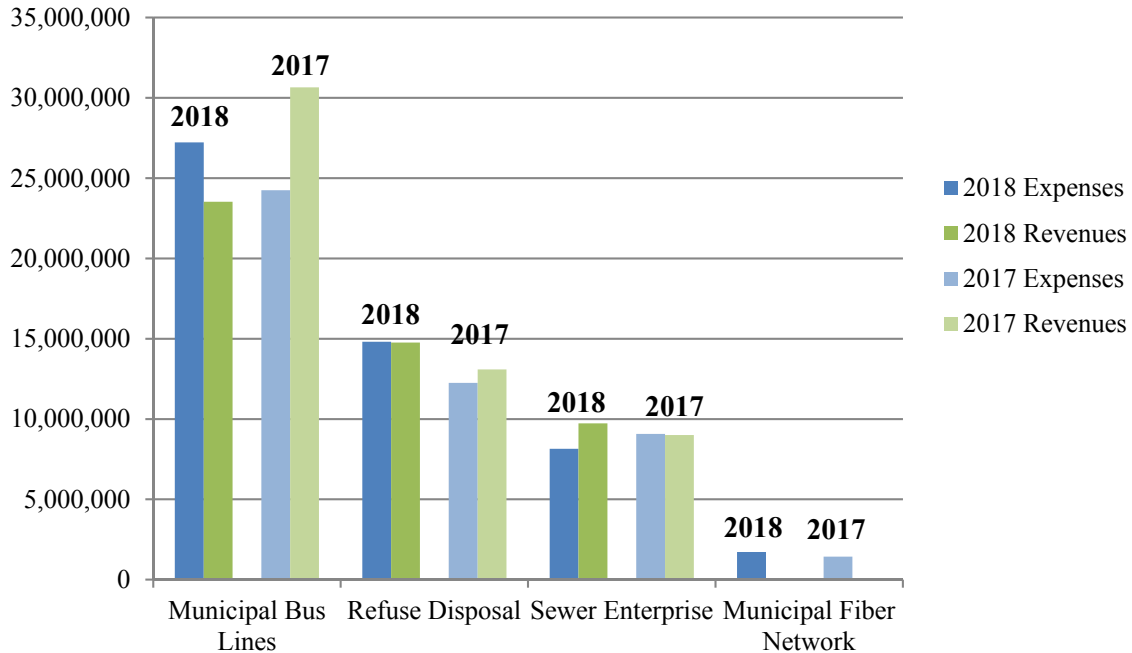
Total program revenues as of June 30, 2018, were \$48.5 million which decreased by \$4.4 million from the prior fiscal year. The change is primarily attributed to \$6.6 million decrease in Operating Grants and Contributions in the Municipal Bus Lines due to one-time grants received in the prior fiscal year for the purchase of eighteen new buses.

Expense Highlights

Municipal Bus Line expenses increased by \$3.3 million, or 13.6%. Refuse Disposal expenses increased by \$2.6 million, or 20.9%. Sewer Enterprise expenses decreased by \$0.9 million, or (11.4%). Municipal Fiber Network expenses increased by 0.3 million, or 20.3%.

City of Culver City
Management's Discussion and Analysis (Unaudited) (Continued)
For The Year Ended June 30, 2018

Business-Type Activities
Expenses and Program Revenues
For the Fiscal Years Ended June 30, 2018 and 2017



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, 2018, the City's governmental funds reported a combined ending fund balance of \$172.4 million, a decrease of \$6.4 million in comparison with the prior year. Increased revenues of \$17.8 million (primarily increases of \$3.1 million in licenses and permits, \$5.1 million in taxes, \$0.7 million in fines & forfeitures, \$3.1 million in intergovernmental, \$4.9 million in charges for services, \$0.7 million in investment and miscellaneous) were offset by \$11.5 million in increased expenditures (primarily increases of \$10.9 million in general government, \$2.7 million in police and fire, \$0.9 in parks and recreation services, \$0.6 in public works, \$0.05 in transportation, and (\$12.0) million in community development, \$8.3 million in capital outlay) as compared to the prior fiscal year. Of the total \$172.4 million fund balance, \$14.3 was nonspendable, \$76.4 was restricted, \$60.7 was committed, \$0.1 was assigned, and \$20.9 was unassigned.

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

City of Culver City
Management's Discussion and Analysis (Unaudited) (Continued)
For The Year Ended June 30, 2018

General Fund

The General Fund is the City's chief operating fund. It showed an increase of \$3.8 million in fund balance for fiscal year 2017-18 with an \$80.8 million total fund balance at June 30, 2018. The increase is mainly due to increasing personnel related costs, including increased pension expenses.

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. During the 2017-18 fiscal year, project expenditures outpaced revenues and transfers by \$0.9 million for this fund.

Capital Improvement and Acquisition

This fund is used to account for former 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 outpaced project expenditures by \$1.0 million for this fund.

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. Government-wide reporting requires the inclusion of activities of the City's internal service funds related to proprietary fund activities in the Business-Type Activities. Therefore, the following analysis is very similar to that presented for Business-Type Activities.

The net position of the Refuse Disposal, Municipal Bus Lines, Sewer Enterprise and Municipal Fiber Network funds were (\$5.4) million, \$24.1 million, \$42.5 million, and (\$3.0) million respectively. Total net position of these funds decreased by \$2.6 million in the year ended June 30, 2018. Within this total, Sewer Enterprise fund's net position improved by \$1.7 million. The Refuse Disposal, Municipal Bus Lines, and Municipal Fiber Network funds' net positions decreased by \$4.2 million. Net position in the Internal Service Funds decreased by \$2.7 million from the prior year 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.

City of Culver City
Management's Discussion and Analysis (Unaudited) (Continued)
For The Year Ended June 30, 2018

Revenues

SUMMARY OF GENERAL FUND REVENUES
BUDGET AND ACTUAL
Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 77,829,823	\$ 80,456,820	\$ 83,166,968	\$ 2,710,148
Licenses and permits	3,925,301	5,318,000	6,252,933	934,933
Fines and forfeitures	4,559,500	5,064,550	5,822,781	758,231
Intergovernmental	4,831,210	4,855,168	5,430,367	575,199
Charges for services	10,199,175	11,204,985	13,678,109	2,473,124
Investment earnings	678,560	787,000	757,653	(29,347)
Miscellaneous	5,400,000	716,519	622,540	(93,979)
Total revenues	<u>107,423,569</u>	<u>108,403,042</u>	<u>115,731,351</u>	<u>7,328,309</u>
Transfers in	3,713,991	9,185,650	9,185,650	-
Total other financing sources	<u>3,713,991</u>	<u>9,185,650</u>	<u>9,185,650</u>	<u>-</u>
Total Revenues	<u>\$111,137,560</u>	<u>\$117,588,692</u>	<u>\$124,917,001</u>	<u>\$ 7,328,309</u>

The amended fiscal year 2018 General Fund revenue budget reflects amendments that were approved by the City Council during the year. The most significant amendments included increases to taxes and charges for services.

As shown on the table above, actual revenues totaled \$124.9 million, ahead of the amended budget by \$7.3 million. Taxes exceeded the amended budget by \$2.7 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. Charges for services exceeded the amended budget by \$2.5 million. This was primarily due to increased building activity throughout the City and higher demand for recreational programs and facility rentals.

City of Culver City
Management's Discussion and Analysis (Unaudited) (Continued)
For The Year Ended June 30, 2018

Expenditures

SUMMARY OF GENERAL FUND EXPENDITURES
BUDGET AND ACTUAL
Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final		
Expenditures:				
General government	\$ 20,074,559	\$ 20,943,487	\$ 24,943,565	\$ (4,000,078)
Parks, recreation and community services	8,593,798	9,206,890	8,625,511	581,379
Police	40,594,413	41,106,605	39,538,514	1,568,091
Fire	24,236,334	24,452,825	23,287,918	1,164,907
Community development	6,619,383	11,292,539	8,326,059	2,966,480
Public works	9,980,879	13,080,753	11,618,847	1,461,906
Capital outlay	-	-	-	-
Total expenditures	<u>110,099,366</u>	<u>120,083,099</u>	<u>116,340,414</u>	<u>3,742,685</u>
Transfers out	<u>5,220,324</u>	<u>10,738,524</u>	<u>4,784,999</u>	<u>5,953,525</u>
Total other financing sources	<u>5,220,324</u>	<u>10,738,524</u>	<u>4,784,999</u>	<u>5,953,525</u>
Total Expenditures	<u>\$115,319,690</u>	<u>\$130,821,623</u>	<u>\$121,125,413</u>	<u>\$ 9,696,210</u>

The amended fiscal year 2018 General Fund expenditure budget reflects amendments approved by the City Council during the year. The amended budget also reflects appropriations carried over from the prior year related to outstanding encumbrances as of June 30, 2017.

This year City Council approved and expenditure of \$10.0 million towards establishing a tax-exempt Section 115 Trust to address the unfunded pension liabilities owed to CalPERS. The decrease of \$4.0 million dollars in General Government reflects this transaction. With the exception of that, each department ended the year within their respective spending authority. Police and Public Works expenditures were significantly under the amended budget due 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 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
Management's Discussion and Analysis (Unaudited) (Continued)
For The Year Ended June 30, 2018

Summary of Capital Assets (Net)
Fiscal Year Ended June 30, 2018
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 21,363	\$ 21,363	\$ 3,083	\$ 3,083	\$ 24,445	\$ 24,445
Buildings	45,080	46,552	15,789	16,348	60,869	62,900
Improvements	11,730	9,939	7,700	8,340	19,430	18,278
Machinery and equipment	10,928	10,462	20,029	20,779	30,957	31,241
Furniture and fixtures	-	-	31	38	31	38
Infrastructure	51,732	47,358	18,032	18,200	69,764	65,558
Investment in Hyperion	-	-	10,007	10,672	10,007	10,672
Construction in progress	21,801	8,967	11,256	9,974	33,057	18,941
Total	\$ 162,634	\$ 144,640	\$ 85,927	\$ 87,434	\$ 248,560	\$ 232,074

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2018, amounts to \$234.2 million (net of accumulated depreciation). This investment in capital assets includes land, water rights, 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 year. Depreciation expenses in the Governmental and Business-Type activities totaled \$6.5 million and \$5.4 million, respectively.

Additional information is available in Note 6 of the Notes to the Basic Financial Statements.

City of Culver City
Management's Discussion and Analysis (Unaudited) (Continued)
For The Year Ended June 30, 2018

Long-Term Obligations

At the end of the current fiscal year, the City had total net long-term outstanding obligations of \$369.9 million, an increase of \$22.0 million over the prior fiscal year. Of this increase, \$25.9 million is attributable to net pension liabilities recorded as a result of GASB 68, \$1.5 million in employee benefit obligations and \$3.4 million in self-insurance, offset by decreases of \$7.9 million to net OPEB liabilities recorded as a result of GASB 75, and \$0.8 million in revenue bonds.

Summary of Long-Term Liabilities
Fiscal Year Ended June 30, 2018
(In Thousands)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Compensated absences payable	\$ 12,836	\$ 11,556	\$ 1,647	\$ 1,424	\$ 14,483	\$ 12,980
Claims and judgments	18,952	15,567	-	-	18,952	15,567
Net OPEB liabilities	76,583	83,480	11,385	12,411	87,968	95,891
Net Pension liabilities	205,823	182,635	28,523	25,823	234,346	208,458
2009 Wastewater Facilities Revenue Bonds	-	-	14,120	14,970	14,120	14,970
Total	\$ 314,194	\$ 293,239	\$ 55,675	\$ 54,627	\$ 369,869	\$ 347,866

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 from 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.

As the economy has improved over the last several years, the city has improved its financial position. However, additional fiscal concerns are on the near horizon. The City expects significant increases in pension costs to phase in over the next three to four fiscal years, based on information from the California Public Employees' Retirement System, which is anticipated to drastically impact the City's financial forecast.

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

City of Culver City
Management's Discussion and Analysis (Unaudited) (Continued)
For The Year Ended June 30, 2018

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. Over the course of the past several years, numerous positions in the General Fund have been eliminated. This was accomplished without layoffs by eliminating position 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 slow but steady growth in the Culver City economy. Business tax receipts were among the highest in the City's history, along with significant increases in property taxes and sales taxes. Building activity has also experienced continued growth in the last five 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 pre-funding 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 local taxes. First, a 2% increase to the Transient Occupancy Tax (Measure X) was approved on April 10, 2012. The approval of this measure increased this tax rate from 12% to 14%, resulting in approximately \$1.1 million in additional revenue. Second, a one-half cent local sales tax (Measure Y) was approved on November 6, 2012, becoming effective on April 1, 2013. This local sales tax results in approximately \$9.7 million in additional revenue, which should grow in step with anticipated future sales tax receipts. However, due to a sunset provision, this tax will expire on March 31, 2023 if not extended by the voters. Then, on April 10, 2018, residents voted in favor of a Cannabis Business Tax Measure (Measure A). Expected to generate approximately \$1.2 million per year, revenue will be realized after permits have been issued. Lastly, an additional quarter-cent sales tax (Measure C) was approved in November 6, 2018, which will go into effect beginning April 1, 2019 and is expected to generate an estimated \$5 million per year.

The additional revenues from these measures move the City in the right direction toward balancing revenues and expenditures going forward. 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 a finding of completion from the State's Department of Finance. This allows the Successor Agency to pursue approval of its Long Range Property Management Plan to dispose of former Redevelopment Agency properties. Several large-scale developments have been significantly delayed by the redevelopment dissolution process, but now there is a likelihood they will move forward in the near future. 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. Employees currently either contribute their full pension costs, or will do so by the end of their current Memorandum of Understanding. 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.

City of Culver City
Management's Discussion and Analysis (Unaudited) (Continued)
For The Year Ended June 30, 2018

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. On November 8, 2016, Culver City residents took a first step in long-term planning for storm water runoff and pollutant discharge by approving the Clean Water, Clean Beach Parcel Tax (Measure CW), which first appeared on parcel tax statements in Fall 2017. Measure CW is expected to generate about \$2 million per year to be used toward water pollution reduction. While a step forward in the capital infrastructure improvements, in other areas, investments are falling short of the City's 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.

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 the Finance Department, at finance.dept@culvercity.org or 9770 Culver Blvd., Culver City, CA 90232, (310) 253-5865.

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Basic Financial Statements

GOVERNMENT -WIDE FINANCIAL STATEMENTS





BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Culver City
Statement of Net Position
June 30, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 131,435,442	\$ 34,995,677	\$ 166,431,119
Cash and investments held with fiscal agents	-	49,347	49,347
Accounts receivables, net	3,482,701	1,384,476	4,867,177
Interest receivables	3,397,312	122,643	3,519,955
Internal balances	13,044,827	(13,044,827)	-
Due from other governments	8,301,913	3,097,649	11,399,562
Inventories	832,871	-	832,871
Advances to Successor Agency	22,855,821	-	22,855,821
Total current assets	<u>183,350,887</u>	<u>26,604,965</u>	<u>209,955,852</u>
Noncurrent assets:			
Cash and investments held with fiscal agents	-	1,608,838	1,608,838
Notes receivables, net	20,164,866	1,195	20,166,061
Capital assets:			
Not being depreciated	43,163,437	14,339,157	57,502,594
Being depreciated, net	<u>119,470,805</u>	<u>71,587,956</u>	<u>191,058,761</u>
Total noncurrent assets	<u>182,799,108</u>	<u>87,537,146</u>	<u>270,336,254</u>
Total assets	<u>366,149,995</u>	<u>114,142,111</u>	<u>480,292,106</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related amounts	43,662,023	6,300,077	49,962,100
Other postemployment benefits related amounts	4,935,297	733,704	5,669,001
Total deferred outflows of resources	<u>48,597,320</u>	<u>7,033,781</u>	<u>55,631,101</u>

(Continued)

City of Culver City
Statement of Net Position (Continued)
June 30, 2018

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
LIABILITIES			
Current liabilities:			
Accounts payable	6,172,886	1,759,190	7,932,076
Salaries and benefits payable	652,171	390,666	1,042,837
Interest payable	-	240,735	240,735
Due to Successor Agency	3,505,443	-	3,505,443
Deposits payable	6,886,531	60,750	6,947,281
Due to other government	209,559	-	209,559
Retention payable	3,740	226,551	230,291
Unearned revenues	190,825	2,043,502	2,234,327
Compensated absences, due within one year	3,271,132	520,397	3,791,529
Claims payable, due within one year	3,790,486	-	3,790,486
Revenue bonds and notes payable, due within one year	-	885,000	885,000
Total current liabilities	24,682,773	6,126,791	30,809,564
Noncurrent liabilities:			
Compensated absences, due in more than one year	9,564,598	1,126,184	10,690,782
Claims payable, due in more than one year	11,940,464	-	11,940,464
Revenue bonds and notes payable, due in more than one year	-	13,235,000	13,235,000
Aggregate net pension liabilities	205,822,799	28,523,115	234,345,914
Net other postemployment benefits related liabilities	76,582,845	11,385,155	87,968,000
Total noncurrent liabilities	303,910,706	54,269,454	358,180,160
Total liabilities	328,593,479	60,396,245	388,989,724
DEFERRED INFLOWS OF RESOURCES			
Pension related amounts	1,421,252	633,471	2,054,723
Other postemployment benefits related amounts	13,434,732	1,997,269	15,432,001
Total deferred inflows of resources	14,855,984	2,630,740	17,486,724
NET POSITION			
Net investment in capital assets	162,634,242	71,580,562	234,214,804
Restricted for:			
Transportation	2,656,082	-	2,656,082
Housing authority	44,908,209	-	44,908,209
Public safety	907,399	-	907,399
Public works	18,738,385	-	18,738,385
Debt service	-	1,658,185	1,658,185
Community development	3,759,890	-	3,759,890
Total restricted	70,969,965	1,658,185	72,628,150
Unrestricted (deficit)	(162,306,355)	(15,089,840)	(177,396,195)
Total net position	\$ 71,297,852	\$ 58,148,907	\$ 129,446,759

(Concluded)

City of Culver City
Statement of Activities
For the Year Ended June 30, 2018

Functions/Programs:	Expenses	Program Revenues			Total Program Revenues
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 26,854,930	\$ 5,100,366	\$ 1,506,996	\$ 1,764	\$ 6,609,126
Parks, recreation and community services	11,501,839	3,510,388	282,539	-	3,792,927
Police	45,463,577	6,380,868	837,910	-	7,218,778
Fire	26,764,984	4,099,395	312,415	-	4,411,810
Community development	13,250,693	14,267,654	1,070,019	1,376,750	16,714,423
Public works	14,132,972	3,056,562	1,553,213	3,281,419	7,891,194
Transportation	1,009,270	30,193	373,170	-	403,363
Total governmental activities	138,978,265	36,445,426	5,936,262	4,659,933	47,041,621
Business-type activities:					
Refuse disposal	14,811,894	14,644,140	116,316	-	14,760,456
Municipal bus lines	27,546,738	3,041,100	19,211,131	1,272,523	23,524,754
Sewer enterprise	8,144,996	9,724,306	2,328	-	9,726,634
Municipal fiber network	1,720,771	-	-	-	-
Total business-type activities	52,224,399	27,409,546	19,329,775	1,272,523	48,011,844
Total primary government	\$ 191,202,664	\$ 63,854,972	\$ 25,266,037	\$ 5,932,456	\$ 95,053,465

City of Culver City
Statement of Activities (Continued)
For the Year Ended June 30, 2018

Functions/Programs:	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Primary government:			
Governmental activities:			
General government	\$ (20,245,804)	\$ -	\$ (20,245,804)
Parks, recreation and community services	(7,708,912)	-	(7,708,912)
Police	(38,244,799)	-	(38,244,799)
Fire	(22,353,174)	-	(22,353,174)
Community development	3,463,730	-	3,463,730
Public works	(6,241,778)	-	(6,241,778)
Transportation	(605,907)	-	(605,907)
Total governmental activities	(91,936,644)	-	(91,936,644)
Business-type activities:			
Refuse disposal	-	(51,438)	(51,438)
Municipal bus lines	-	(4,021,984)	(4,021,984)
Sewer enterprise	-	1,581,638	1,581,638
Municipal fiber network	-	(1,720,771)	(1,720,771)
Total business-type activities	-	(4,212,555)	(4,212,555)
Total primary government	(91,936,644)	(4,212,555)	(96,149,199)
General revenues:			
Taxes:			
Property taxes	13,790,871	-	13,790,871
Sales taxes	31,162,345	-	31,162,345
Utility users taxes	13,970,775	-	13,970,775
Franchise taxes	1,439,743	-	1,439,743
Business license taxes	13,168,013	-	13,168,013
Transient occupancy taxes	7,903,787	-	7,903,787
Other taxes	1,731,434	-	1,731,434
Total taxes	83,166,968	-	83,166,968
Intergovernmental revenues, unrestricted	4,764,501	-	4,764,501
Investment earnings	760,686	113,536	874,222
Miscellaneous	588,897	392,343	981,240
Transfers	(1,151,110)	1,151,110	-
Total general revenues and transfers	88,129,942	1,656,989	89,786,931
Change in net position	(3,806,702)	(2,555,566)	(6,362,268)
Net position - beginning	75,104,554	60,704,473	135,809,027
Net position - ending	\$ 71,297,852	\$ 58,148,907	\$ 129,446,759

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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 are restricted to be used for qualified low/moderate income housing projects identified in the Agreement.

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.

City of Culver City
Balance Sheet
Governmental Funds
June 30, 2018

	Major Funds		
	General	Culver City Housing Authority	Capital Improvement and Acquisition
ASSETS			
Cash and investments	\$ 60,450,721	\$ 6,589,438	\$ 13,876,407
Accounts receivables, net	3,168,002	5,815	207
Interest receivables	221,652	2,290,551	48,660
Notes receivables, net	1,217,906	15,513,140	-
Due from other funds	2,139,572	-	-
Due from other governments	6,057,661	-	-
Advances to other funds	13,044,941	-	-
Advances to Successor Agency	-	22,855,821	-
Total assets	\$ 86,300,455	\$ 47,254,765	\$ 13,925,274
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 3,446,449	\$ 32,526	\$ 939,944
Salaries and benefits payable	527,055	-	-
Due to other governments	-	-	-
Due to other funds	-	738	-
Due to Successor Agency	-	3,503,964	-
Retention payable	-	-	-
Deposits payable	1,374,090	6,685	5,466,936
Unearned revenues	190,825	-	-
Total liabilities	5,538,419	3,543,913	6,406,880
Deferred Inflows of Resources:			
Unavailable revenue	-	-	-
Total deferred inflows of resources	-	-	-
Fund Balances:			
Nonspendable	14,262,847	-	-
Restricted	-	43,710,852	7,518,394
Committed	44,250,119	-	-
Assigned	121,839	-	-
Unassigned (deficit)	22,127,231	-	-
Total fund balances	80,762,036	43,710,852	7,518,394
Total liabilities, deferred inflows of resources and fund balances	\$ 86,300,455	\$ 47,254,765	\$ 13,925,274

**City of Culver City
Balance Sheet (Continued)
Governmental Funds
June 30, 2018**

	Total Nonmajor Funds	Total Governmental Funds
ASSETS		
Cash and investments	\$ 38,422,562	\$ 119,339,128
Accounts receivables, net	308,518	3,482,542
Interest receivables	787,277	3,348,140
Notes receivables, net	3,433,820	20,164,866
Due from other funds	-	2,139,572
Due from other governments	2,244,252	8,301,913
Advances to other funds	-	13,044,941
Advances to Successor Agency	-	22,855,821
Total assets	\$ 45,196,429	\$ 192,676,923
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 1,371,785	\$ 5,790,704
Salaries and benefits payable	14,857	541,912
Due to other governments	209,559	209,559
Due to other funds	1,242,829	1,243,567
Due to Successor Agency	-	3,503,964
Retention payable	3,740	3,740
Deposits payable	38,820	6,886,531
Unearned revenues	-	190,825
Total liabilities	2,881,590	18,370,802
Deferred Inflows of Resources:		
Unavailable revenue	1,896,175	1,896,175
Total deferred inflows of resources	1,896,175	1,896,175
Fund Balances:		
Nonspendable	-	14,262,847
Restricted	25,430,450	76,659,696
Committed	16,488,882	60,739,001
Assigned	-	121,839
Unassigned (deficit)	(1,500,668)	20,626,563
Total fund balances	40,418,664	172,409,946
Total liabilities, deferred inflows of resources and fund balances	\$ 45,196,429	\$ 192,676,923

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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, 2018

Total Fund Balances - Total Governmental Funds	<u>\$ 172,409,946</u>
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 \$2,194,949 reported in Internal Service Funds)	40,968,488
Capital assets, depreciable (net of \$25,435,543 reported in Internal Service Funds)	203,545,620
Less accumulated depreciation (net of \$(18,025,123) reported in Internal Service Funds)	(91,485,235)
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 \$953,011 reported in Internal Service Funds)	(11,882,719)
Net pension liability (net of \$9,908,614 reported in Internal Service Funds)	(195,914,185)
Pension related deferred outflows of resources (net of \$2,188,578 reported in Internal Service Funds)	41,473,445
Pension related deferred inflows of resources (net of \$220,061 reported in Internal Service Funds)	(1,201,191)
Net OPEB liability (net of \$3,195,584 reported in Internal Service Funds)	(73,387,261)
OPEB related deferred outflows of resources (net of \$205,937 reported in Internal Service Funds)	4,729,360
OPEB related deferred inflows of resources (net of \$560,593 reported in Internal Service Funds)	(12,874,139)
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.	(6,980,452)
Revenues earned but not available to pay for current expenditures for governmental funds are unavailable.	<u>1,896,175</u>
Net Position of Governmental Activities	<u><u>\$ 71,297,852</u></u>

City of Culver City
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

	Major Funds		
	General	Culver City Housing Authority	Capital Improvement and Acquisition
REVENUES:			
Taxes	\$ 83,166,967	\$ -	\$ -
Licenses and permits	6,252,933	-	-
Fines and forfeitures	5,822,781	-	-
Intergovernmental	5,430,367	-	1,059,441
Charges for services	13,678,109	-	-
Investment earnings	757,653	412,081	409,520
Miscellaneous	622,541	5,000	227,284
Total revenues	115,731,351	417,081	1,696,245
EXPENDITURES:			
Current:			
General government	24,943,565	-	-
Parks, recreation and community services	8,625,511	-	-
Police	39,538,514	-	-
Fire	23,287,918	-	-
Community development	8,326,059	717,527	-
Public works	11,618,847	-	10,842
Transportation	-	-	-
Capital outlay	-	-	5,445,765
Total expenditures	116,340,414	717,527	5,456,607
REVENUES OVER (UNDER) EXPENDITURES	(609,063)	(300,446)	(3,760,362)
OTHER FINANCING SOURCES (USES):			
Transfers in	9,185,650	-	4,770,000
Transfers out	(4,784,999)	(633,991)	-
Total other financing sources (uses)	4,400,651	(633,991)	4,770,000
CHANGES IN FUND BALANCES	3,791,588	(934,437)	1,009,638
FUND BALANCES:			
Beginning of year	76,970,448	44,645,289	6,508,756
End of year	<u>\$ 80,762,036</u>	<u>\$ 43,710,852</u>	<u>\$ 7,518,394</u>

City of Culver City
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended June 30, 2018

	Total Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:		
Taxes	\$ -	\$ 83,166,967
Licenses and permits	1,921,254	8,174,187
Fines and forfeitures	-	5,822,781
Intergovernmental	10,182,482	16,672,290
Charges for services	7,680,843	21,358,952
Investment earnings	618,904	2,198,158
Miscellaneous	100,593	955,418
Total revenues	20,504,076	138,348,753
EXPENDITURES:		
Current:		
General government	458,456	25,402,021
Parks, recreation and community services	528,306	9,153,817
Police	474,163	40,012,677
Fire	119,286	23,407,204
Community development	3,100,502	12,144,088
Public works	188,268	11,817,957
Transportation	384,571	384,571
Capital outlay	15,829,973	21,275,738
Total expenditures	21,083,525	143,598,073
REVENUES OVER (UNDER) EXPENDITURES	(579,449)	(5,249,320)
OTHER FINANCING SOURCES (USES):		
Transfers in	24,531,421	38,487,071
Transfers out	(34,219,191)	(39,638,181)
Total other financing sources (uses)	(9,687,770)	(1,151,110)
CHANGES IN FUND BALANCES	(10,267,219)	(6,400,430)
FUND BALANCES:		
Beginning of year	50,685,883	178,810,376
End of year	\$ 40,418,664	\$ 172,409,946

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, 2018

Net Change in Fund Balances - Total Governmental Funds \$ (6,400,430)

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 (\$349,777 of capital outlay expenditures were for current public works expenditures for repairs and maintenance and therefore, were not capitalized), net of \$3,639,062 reported in Internal Service Funds. 20,853,735

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 \$1,630,394 reported in Internal Service Funds.) (4,859,319)

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 \$78,297 reported in Internal Service Funds.) (1,201,451)

Other postemployment benefits and pension expenses were reported in the Government-Wide Statement of Activities, but they 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 4,851,161
Pension expense (credit) (12,344,697)

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. (2,679,621)

Unavailable revenue is not recognized as revenue in the governmental funds since the revenue is not available to fund expenditures of the current year. (2,026,080)

Change in Net Position of Governmental Activities \$ (3,806,702)

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 Providers ("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, 2018

	Business-Type Activities - Enterprise Funds				Total Enterprise Funds
	Refuse Disposal	Municipal Bus Lines	Sewer Enterprise	Municipal Fiber Network	
ASSETS					
Current assets:					
Cash and investments	\$ 3,047,192	\$ 10,884,381	\$ 20,400,444	\$ 663,660	\$ 34,995,677
Cash and investments with fiscal agent	-	-	49,347	-	49,347
Accounts receivables, net	974,654	408,296	1,526	-	1,384,476
Interest receivables	11,151	35,874	71,852	3,766	122,643
Due from other funds	114	-	-	-	114
Due from other governments	87,870	2,794,356	215,423	-	3,097,649
Inventory	-	-	-	-	-
Total current assets	<u>4,120,981</u>	<u>14,122,907</u>	<u>20,738,592</u>	<u>667,426</u>	<u>39,649,906</u>
Noncurrent assets:					
Cash and investments with fiscal agent	-	-	1,608,838	-	1,608,838
Notes receivables, net	-	-	1,195	-	1,195
Capital assets:					
Not being depreciated	1,790	1,873,692	2,458,006	10,005,669	14,339,157
Being depreciated	8,913,732	67,394,948	69,034,745	-	145,343,425
Less accumulated depreciation	<u>(6,644,631)</u>	<u>(32,932,931)</u>	<u>(34,177,907)</u>	<u>-</u>	<u>(73,755,469)</u>
Total capital assets, net	<u>2,270,891</u>	<u>36,335,709</u>	<u>37,314,844</u>	<u>10,005,669</u>	<u>85,927,113</u>
Total noncurrent assets	<u>2,270,891</u>	<u>36,335,709</u>	<u>38,924,877</u>	<u>10,005,669</u>	<u>87,537,146</u>
Total assets	<u>6,391,872</u>	<u>50,458,616</u>	<u>59,663,469</u>	<u>10,673,095</u>	<u>127,187,052</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related amounts	1,585,747	4,176,893	537,437	-	6,300,077
Other postemployment benefits related amounts	<u>265,769</u>	<u>442,934</u>	<u>25,001</u>	<u>-</u>	<u>733,704</u>
Total deferred outflows of resources	<u>1,851,516</u>	<u>4,619,827</u>	<u>562,438</u>	<u>-</u>	<u>7,033,781</u>

(Continued)

City of Culver City
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2018

	Governmental Activities
	Internal Service Funds
ASSETS	
Current assets:	
Cash and investments	\$ 12,096,314
Cash and investments with fiscal agent	-
Accounts receivables, net	159
Interest receivables	49,172
Due from other funds	136
Due from other governments	-
Inventory	832,871
Total current assets	12,978,652
Noncurrent assets:	
Cash and investments with fiscal agent	-
Notes receivables, net	-
Capital assets:	
Not being depreciated	2,194,949
Being depreciated	25,435,543
Less accumulated depreciation	(18,025,123)
Total capital assets, net	9,605,369
Total noncurrent assets	9,605,369
Total assets	22,584,021
DEFERRED OUTFLOWS OF RESOURCES	
Pension related amounts	2,188,578
Other postemployment benefits related amounts	205,937
Total deferred outflows of resources	2,394,515
	(Continued)

City of Culver City
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2018

	Business-Type Activities - Enterprise Funds				Total Enterprise Funds
	Refuse Disposal	Municipal Bus Lines	Sewer Enterprise	Municipal Fiber Network	
LIABILITIES					
Current liabilities:					
Accounts payable	808,797	280,618	243,238	426,537	1,759,190
Salaries and benefits payable	97,148	271,098	22,420	-	390,666
Due to other funds	-	-	-	-	-
Due to Successor Agency	-	-	-	-	-
Retention payable	-	-	-	226,551	226,551
Interest payable	-	-	240,735	-	240,735
Deposits payable	60,750	-	-	-	60,750
Unearned revenue	90	2,043,412	-	-	2,043,502
Compensated absences, due within one year	204,874	285,067	30,456	-	520,397
Claims payable, due within one year	-	-	-	-	-
Revenue bonds and notes payable, due within one year	-	-	885,000	-	885,000
Total current liabilities	1,171,659	2,880,195	1,421,849	653,088	6,126,791
Noncurrent liabilities:					
Advances from other funds	-	-	-	13,044,941	13,044,941
Compensated absences, due in more than one year	312,232	708,839	105,113	-	1,126,184
Claims payable, due in more than one year	-	-	-	-	-
Revenue bonds and notes payable, due in more than one year	-	-	13,235,000	-	13,235,000
Net pension liabilities	7,179,350	18,910,557	2,433,208	-	28,523,115
Net other postemployment benefits liabilities	4,124,032	6,873,170	387,953	-	11,385,155
Total noncurrent liabilities	11,615,614	26,492,566	16,161,274	13,044,941	67,314,395
Total liabilities	12,787,273	29,372,761	17,583,123	13,698,029	73,441,186
DEFERRED INFLOWS OF RESOURCES					
Pension related amounts	159,447	419,985	54,039	-	633,471
Other postemployment benefits related amounts	723,469	1,205,743	68,057	-	1,997,269
Total deferred inflows of resources	882,916	1,625,728	122,096	-	2,630,740
NET POSITION					
Net investment in capital assets	2,270,891	36,335,709	23,194,844	9,779,118	71,580,562
Restricted for debt service	-	-	1,658,185	-	1,658,185
Unrestricted (Deficit)	(7,697,692)	(12,255,755)	17,667,659	(12,804,052)	(15,089,840)
Total net position	\$ (5,426,801)	\$ 24,079,954	\$ 42,520,688	\$ (3,024,934)	\$ 58,148,907

(Continued)

City of Culver City
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2018

	Governmental Activities
	Internal Service Funds
LIABILITIES	
Current liabilities:	
Accounts payable	382,182
Salaries and benefits payable	110,259
Due to other funds	896,255
Due to Successor Agency	1,479
Retention payable	-
Interest payable	-
Deposits payable	-
Unearned revenue	-
Compensated absences, due within one year	209,993
Claims payable, due within one year	3,790,486
Revenue bonds and notes payable, due within one year	-
Total current liabilities	5,390,654
Noncurrent liabilities:	
Advances from other funds	-
Compensated absences, due in more than one year	743,018
Claims payable, due in more than one year	11,940,464
Revenue bonds and notes payable, due in more than one year	-
Net pension liabilities	9,908,614
Net other post-employment benefits liabilities	3,195,584
Total noncurrent liabilities	25,787,680
Total liabilities	31,178,334
DEFERRED INFLOWS OF RESOURCES	
Pension related amounts	220,061
Other postemployment benefits related amounts	560,593
Total deferred inflows of resources	780,654
NET POSITION	
Net investment in capital assets	9,605,369
Restricted for debt service	-
Unrestricted (Deficit)	(16,585,821)
Total net position	\$ (6,980,452)
	(Concluded)

City of Culver City
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2018

	Business-Type Activities - Enterprise Funds				Total Enterprise Funds
	Refuse Disposal	Municipal Bus Lines	Sewer Enterprise	Municipal Fiber Network	
OPERATING REVENUES:					
Charges for services	\$ 14,609,289	\$ 3,041,100	\$ 9,722,970	\$ -	\$ 27,373,359
Other	34,851	-	1,336	-	36,187
Total operating revenues	14,644,140	3,041,100	9,724,306	-	27,409,546
OPERATING EXPENSES:					
Salaries and benefits	5,461,982	15,858,228	1,328,238	-	22,648,448
Supplies	228,700	467,714	2,583,013	-	3,279,427
Repairs and maintenance	2,784,179	5,033,985	307,635	-	8,125,799
Insurance	232,753	463,595	92,750	-	789,098
Claims and settlements	-	(260,337)	-	-	(260,337)
Administrative services	1,672,322	1,629,774	670,738	-	3,972,834
Rent and lease expenses	78,000	-	361,500	-	439,500
Consulting and contractual services	4,119,343	554,896	418,982	1,720,771	6,813,992
Depreciation and amortization	223,910	3,477,355	1,652,214	-	5,353,479
Total operating expenses	14,801,189	27,225,210	7,415,070	1,720,771	51,162,240
OPERATING INCOME (LOSS)	(157,049)	(24,184,110)	2,309,236	(1,720,771)	(23,752,694)
NONOPERATING REVENUES (EXPENSES):					
Investment earnings (loss)	6,758	(11,001)	92,353	25,426	113,536
Intergovernmental	116,316	17,113,187	2,328	-	17,231,831
Measure R Sales Tax	-	2,097,944	-	-	2,097,944
Gain (loss) on sales of property	-	(321,528)	-	-	(321,528)
Other income	-	392,343	-	-	392,343
Interest expense	(10,705)	-	(729,926)	-	(740,631)
Total nonoperating revenues (expenses)	112,369	19,270,945	(635,245)	25,426	18,773,495
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS					
CONTRIBUTIONS AND TRANSFERS	(44,680)	(4,913,165)	1,673,991	(1,695,345)	(4,979,199)
CONTRIBUTIONS AND TRANSFERS:					
Capital contributions	-	1,272,523	-	-	1,272,523
Transfers in	-	1,451,110	-	-	1,451,110
Transfers out	-	(300,000)	-	-	(300,000)
Total contributions and transfers	-	2,423,633	-	-	2,423,633
Changes in net position	(44,680)	(2,489,532)	1,673,991	(1,695,345)	(2,555,566)
NET POSITION:					
Beginning of year	(5,382,121)	26,569,486	40,846,697	(1,329,589)	60,704,473
End of year	\$ (5,426,801)	\$ 24,079,954	\$ 42,520,688	\$ (3,024,934)	\$ 58,148,907

(Continued)

City of Culver City
Statement of Revenues, Expenses, and Changes in Net Position (Continued)
Proprietary Funds
For the Year Ended June 30, 2018

	Governmental Activities
	Internal Service Funds
OPERATING REVENUES:	
Charges for services	\$ 17,306,680
Other	24,302
Total operating revenues	17,330,982
OPERATING EXPENSES:	
Salaries and benefits	6,708,207
Supplies	1,619,386
Repairs and maintenance	2,872,762
Insurance	1,777,692
Claims and settlements	5,067,152
Administrative services	-
Rent and lease expenses	-
Consulting and contractual services	541,609
Depreciation and amortization	1,631,644
Total operating expenses	20,218,452
OPERATING INCOME (LOSS)	(2,887,470)
NONOPERATING REVENUES (EXPENSES):	
Investment earnings (loss)	94,456
Intergovernmental	1,168
Measure R Sales Tax	-
Gain (loss) on sales of property	112,225
Other income	-
Interest expense	-
Total nonoperating revenues (expenses)	207,849
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(2,679,621)
CONTRIBUTIONS AND TRANSFERS:	
Capital contributions	-
Transfers in	-
Transfers out	-
Total contributions and transfers	-
Changes in net position	(2,679,621)
NET POSITION:	
Beginning of year	(4,300,831)
End of year	\$ (6,980,452)
	(Concluded)

City of Culver City
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2018

	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	\$ 14,560,001	\$ 2,957,696	\$ 9,688,521	\$ -	\$ 27,206,218
Receipts from user departments	-	-	-	-	-
Insurance recovery	-	-	-	-	-
Payments to suppliers	(8,740,078)	(6,146,748)	(4,659,452)	(2,284,447)	(21,830,725)
Payments to employees	(5,195,994)	(16,613,339)	(1,182,946)	-	(22,992,279)
Net cash provided by (used in) operating activities	623,929	(19,802,391)	3,846,123	(2,284,447)	(17,616,786)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Grants received	106,234	19,102,307	2,328	-	19,210,869
Other income received	-	392,343	-	-	392,343
Transfers from other funds	-	1,451,110	-	-	1,451,110
Transfers to other funds	-	(300,000)	-	-	(300,000)
Net cash provided by noncapital financing activities	106,234	20,645,760	2,328	-	20,754,322
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital grants received	-	1,272,523	-	-	1,272,523
Acquisition of capital assets	(493,762)	(1,303,966)	(448,115)	(2,019,687)	(4,265,530)
Advances from other funds	(152,926)	-	-	-	(152,926)
Proceeds from sales of capital assets	-	123,279	-	-	123,279
Interest paid	(10,705)	(24,706)	(741,262)	-	(776,673)
Principal paid on revenue bonds	-	-	(850,000)	-	(850,000)
Net cash provided by (used in) capital and related financing activities	(657,393)	67,130	(2,039,377)	(2,019,687)	(4,649,327)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest received	4,817	-	73,229	37,233	115,279
Net cash provided by investing activities	4,817	-	73,229	37,233	115,279
Net increase (decrease) in cash and cash equivalents	77,587	910,499	1,882,303	(4,266,901)	(1,396,512)
CASH AND CASH EQUIVALENTS:					
Beginning of year	2,969,605	9,973,882	20,176,326	4,930,561	38,050,374
End of year	<u>\$ 3,047,192</u>	<u>\$ 10,884,381</u>	<u>\$ 22,058,629</u>	<u>\$ 663,660</u>	<u>\$ 36,653,862</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENTS OF NET POSITION:					
Cash and investments	\$ 3,047,192	\$ 10,884,381	\$ 20,400,444	\$ 663,660	\$ 34,995,677
Cash and investments held with fiscal agent	-	-	1,658,185	-	1,658,185
Total	<u>\$ 3,047,192</u>	<u>\$ 10,884,381</u>	<u>\$ 22,058,629</u>	<u>\$ 663,660</u>	<u>\$ 36,653,862</u>

(Continued)

City of Culver City
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2018

	Governmental Activities
	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers and users	\$ 24,302
Receipts from user departments	17,428,924
Insurance recovery	163,617
Payments to suppliers	(11,953,396)
Payments to employees	(6,223,756)
Net cash provided by (used in) operating activities	(560,309)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Grants received	211,168
Other income received	-
Transfers from other funds	-
Transfers to other funds	-
Net cash provided by noncapital financing activities	211,168
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Capital grants received	-
Acquisition of capital assets	(3,639,062)
Advances from other funds	-
Proceeds from sales of capital assets	119,726
Interest paid	-
Principal paid on revenue bonds	-
Net cash provided by (used in) capital and related financing activities	(3,519,336)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received	94,736
Net cash provided by investing activities	94,736
Net increase (decrease) in cash and cash equivalents	(3,773,741)
CASH AND CASH EQUIVALENTS:	
Beginning of year	15,870,055
End of year	\$ 12,096,314
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENTS OF NET POSITION:	
Cash and investments	\$ 12,096,314
Cash and investments held with fiscal agent	-
Total	\$ 12,096,314

(Continued)

City of Culver City
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2018

	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)	\$ (157,049)	\$ (24,184,110)	\$ 2,309,236	\$ (1,720,771)	\$ (23,752,694)
Adjustments to reconcile operating income (loss) to net cash (used in) operating activities:					
Depreciation and amortization	223,910	3,477,355	1,652,214	-	5,353,479
(Increase) decrease in:					
Accounts receivable	(90,893)	(83,404)	(35,785)	-	(210,082)
Due from other funds	(114)	-	-	-	(114)
Customer deposits	7,000	-	-	-	7,000
Inventory	-	-	-	-	-
Unearned revenue	(132)	-	-	-	(132)
Increase (decrease) in:					
Accounts payable	375,215	113,105	(224,834)	(563,676)	(300,190)
Salaries and benefits payable	9,894	12,784	977	-	23,655
Compensated absences	77,521	127,779	17,043	-	222,343
Deferred outflows of resources - pension	(244,327)	(643,566)	(82,806)	-	(970,699)
Deferred outflows of resources - OPEB	(258,737)	(431,214)	(24,339)	-	(714,290)
Net pension liabilities	679,722	1,790,405	230,370	-	2,700,497
Net other post-employment benefits liabilities	(371,438)	(619,045)	(34,942)	-	(1,025,425)
Deferred inflows of resources - pension	15,795	41,602	5,353	-	62,750
Deferred inflows of resources - OPEB	357,562	595,918	33,636	-	987,116
Claims payable	-	-	-	-	-
Total adjustments	<u>780,978</u>	<u>4,381,719</u>	<u>1,536,887</u>	<u>(563,676)</u>	<u>6,135,908</u>
Net cash provided by (used in) operating activities	<u>\$ 623,929</u>	<u>\$ (19,802,391)</u>	<u>\$ 3,846,123</u>	<u>\$ (2,284,447)</u>	<u>\$ (17,616,786)</u>

(Continued)

City of Culver City
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2018

	<u>Governmental Activities</u> <u>Internal Service Funds</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:	
Operating income (loss)	\$ (2,887,470)
Adjustments to reconcile operating income (loss) to net cash (used in) operating activities:	
Depreciation and amortization	1,631,644
(Increase) decrease in:	
Accounts receivable	(439)
Due from other funds	122,683
Customer deposits	-
Inventory	(66,681)
Unearned revenue	-
Increase (decrease) in:	
Accounts payable	(8,114)
Salaries and benefits payable	(5,319)
Compensated absences	78,297
Deferred outflows of resources - pension	(337,211)
Deferred outflows of resources - OPEB	(200,488)
Net pension liabilities	938,124
Net other post-employment benefits liabilities	(287,816)
Deferred inflows of resources - pension	21,800
Deferred inflows of resources - OPEB	277,064
Claims payable	163,617
Total adjustments	<u>2,327,161</u>
Net cash provided by (used in) operating activities	<u>\$ (560,309)</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.

Agency Funds - 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.

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City of Culver City
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	Private Purpose Trust Fund	Agency Funds
ASSETS		
Cash and investments	\$ 8,988,543	\$ 72,980
Cash and investments held with fiscal agent	61,784,308	-
Accounts receivables	580	-
Interest receivables	59,055	-
Notes receivables, net	1,330,110	-
Due from City of Culver City	3,505,443	-
Land held for resale	8,413,028	-
Capital assets:		
Not being depreciated	8,316,229	-
Being depreciated, net	5,042,180	-
Total assets	97,439,476	\$ 72,980
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on refunding, net	85,341	
Total deferred loss on refunding	85,341	
LIABILITIES		
Accounts payable	75,449	\$ -
Deposits payable	-	72,980
Interest payable	929,531	-
Noncurrent liabilities		
Due within one year	16,267,380	-
Due in more than one year	138,531,384	-
Advances from Culver City Housing Authority	22,855,821	-
Total liabilities	178,659,565	\$ 72,980
NET POSITION (DEFICIT)		
Held in trust for Successor Agency	\$ (81,134,748)	

City of Culver City
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2018

	<u>Private Purpose Trust Fund</u>
ADDITIONS	
Property taxes	\$ 26,515,057
Investment earnings	1,039,687
Miscellaneous revenue	2,130
Total additions	<u>27,556,874</u>
DEDUCTIONS	
General and administrative	968,526
Depreciation	138,902
Interest expense	8,353,030
Reimbursement to the City	1,141,900
Loss on sale of land held for resale	3,185,501
Total deductions	<u>13,787,859</u>
Change in net position	13,769,015
NET POSITION	
Beginning of year	<u>(94,903,763)</u>
End of year	<u><u>\$ (81,134,748)</u></u>

Basic Financial Statements

NOTES TO THE BASIC FINANCIAL STATEMENTS





NOTES TO THE BASIC FINANCIAL STATEMENTS

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City of Culver City
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For the Year Ended June 30, 2018

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City of Culver City
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City of Culver City
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

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.

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The primary criteria for including a potential component unit within the reporting entity are the governing body’s financial accountability and a financial benefit or burden relationship and whether it is misleading to exclude. A primary government is financially accountable and shares a financial benefit or burden relationship, if it appoints a voting majority of an organization’s governing body and it is able to impose its will on the organization, or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government. A primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government.

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

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

Although the following component units are legally separate from the City, they have been “blended” as though they are part of the City because the component units’ governing body are substantially the same as the City’s and there is a financial benefit or burden relationship between the City and the component units; and the management of the City has operational responsibilities for the component units; and/or the component units provide services entirely, or almost entirely, to the City or otherwise exclusively, or almost exclusively, benefits the City, even though they do not provide services directly to City.

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.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 1 – Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

Blended Component Units (Continued)

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.

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 another 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, 2018

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, 2018

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 revenues represented by non-current receivables are 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 “economic resources” measurement focus and 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, 2018

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

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 are restricted to be used for qualified low/moderate income housing projects identified in the Agreement.

➤ Capital Improvement and Acquisition 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 sources 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, 2018

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 Providers ("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

U.S. GAAP 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, 2018

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 cost. 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 acquisition 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, 2018

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 recognized for transactions for which revenue has not yet been earned. Typical transactions recorded as unearned revenues are prepaid charges for services and grants received but not yet earned.

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 10). 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, 2016
Measurement Date	June 30, 2017
Measurement Period	July 1, 2016 to June 30, 2017

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

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 Postemployment 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, 2017
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018

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 on a straight-line basis over 5 years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

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.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 1 – Summary of Significant Accounting Policies (Continued)

P. Employee Leave Benefits (Continued)

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:	June 30
Due Date:	First Installment – November 1 Second Installment – February 1
Delinquent Date:	First Installment – December 10 Second Installment – April 10

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 (including reported intangible assets) net of accumulated depreciation/amortization and reduced by outstanding debt that is attributed to the acquisition, construction or improvement of the assets (net of unspent debt proceed) and related deferred outflows and inflows of resources.

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.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 1 – Summary of Significant Accounting Policies (Continued)

S. Net Position (Continued)

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.

Financial Reserves Policy

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

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

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 1 – Summary of Significant Accounting Policies (Continued)

T. Fund Balances (Continued)

Financial Reserves Policy (Continued)

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

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

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.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 1 – Summary of Significant Accounting Policies (Continued)

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.

W. New Accounting Pronouncements

GASB Statement No. 81, *Irrevocable Split-Interest Agreement*. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. This statement did not have a significant impact on the City's financial statements for the year ended June 30, 2018.

GASB Statement No. 85, *Omnibus 2017*. This Statement addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). This statement did not have a significant impact on the City's financial statements for the year ended June 30, 2018.

GASB Statement No. 86, *Certain Debt Extinguishment Issues Statement No. 7, Advance Refundings Resulting in Defeasance of Debt*, requires that debt be considered defeased in substance when the debtor irrevocably places cash or other monetary assets acquired with refunding debt proceeds in a trust to be used solely for satisfying scheduled payments of both principal and interest of the defeased debt. The trust also is required to meet certain conditions for the transaction to qualify as an in-substance defeasance. This Statement establishes essentially the same requirements for when a government places cash and other monetary assets acquired with only existing resources in an irrevocable trust to extinguish the debt. However, in financial statements using the economic resources measurement focus, governments should recognize any difference between the reacquisition price (the amount required to be placed in the trust) and the net carrying amount of the debt defeased in substance using only existing resources as a separately identified gain or loss in the period of the defeasance. This statement did not have a significant impact on the City's financial statements for the year ended June 30, 2018.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 2 – Stewardship, Compliance, and Accountability

A. Deficit Fund Balances/Net Position

As of June 30, 2018, (deficit) fund balances/net position were recorded in the following funds:

Major Proprietary Funds:	
Refuse Disposal Fund	\$ (5,426,801)
Municipal Fiber Network Fund	(3,024,934)
Nonmajor Governmental Funds:	
Special Revenue Funds:	
Operating Grants Fund	(131,064)
Paratransit Fund	(57,063)
Capital Projects Funds:	
Capital Improvement Grants Fund	(1,302,092)
CDBG Capital Fund	(10,449)
Internal Service Funds:	
Equipment Maintenance Fund	(9,253,506)
Risk Management Fund	(14,010,715)
Central Stores Fund	(242,240)
Fiduciary Fund:	
Private Purpose Trust Fund	(81,134,581)

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 \$11,303,382. The City will develop a plan to reduce deficit.

Municipal Fiber Network Fund – The deficit is due to the construction of an open access network where internet service providers will be able to utilize City’s fiber infrastructure to serve business community. The City is expecting that this will generate revenue for them and allow them to operate with surplus soon.

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

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

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.

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

Equipment Maintenance Fund – The City intends to implement a plan to increase charges to user departments to reduce the deficit fund balance over the upcoming several years. The deficit is due to inclusion of the net pension liability and net OPEB liability totaled to \$9,937,499.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

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

A. Deficit Fund Balances/Net Position (Continued)

Risk Management Fund – The City is analyzing the trend for recent increases in the incurred, but not reported claims liability as determined by its actuary. The City will develop a plan to ensure charges cover operating expenses. The deficit is partially due to inclusion of the net pension liability and net OPEB liability totaled to \$3,166,699.

Central Stores Fund – The City intends to implement a plan to increase charges to user department to reduce the deficit fund balance over the upcoming several years.

Private Purpose Trust Fund – The deficit will be eliminated after tax increment revenue are distributed to City’s Successor Agency.

The City also had a deficit unrestricted net position for governmental activities and business-type activities at June 30, 2018 in the amount of (\$162,306,355) and (\$15,089,840), respectively. It was mainly due to the net pension liabilities and net other postemployment benefits related liabilities. The net pension liabilities for governmental activities and business-type activities at June 30, 2018 were (\$205,822,799) and (\$28,523,115), respectively. The net other postemployment benefits related liabilities for governmental activities and business-type activities at June 30, 2018 were (\$76,582,845) and (\$11,385,155), respectively.

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

Fund	Expenditures	Appropriations	Excess of Expenditures over Appropriations
Major Governmental Fund:			
General Fund:			
General government	\$ 24,943,565	\$ 20,943,487	\$ (4,000,078)
Nonmajor Governmental Funds:			
Special Revenue Funds:			
Operating Grants Fund			
Police	244,121	221,173	(22,948)
Capital Grant Fund			
Fire	26,934	1,550	(25,384)

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 3 – Cash and Investments

Cash and investments as of June 30, 2018 are classified in the accompanying financial statements as follows:

	Government-Wide Financial Statement		Fiduciary Funds	Total
	Governmental Activities	Business-Type Activities		
Cash and investments	\$ 131,435,442	\$ 34,995,677	\$ 9,061,523	\$ 175,492,642
Cash and investments held with fiscal agents	-	1,658,185	61,784,308	63,442,493
Total cash and investments	\$ 131,435,442	\$ 36,653,862	\$ 70,845,831	\$ 238,935,135

Cash and investments as of June 30, 2018 consist of the following:

Cash:	
Petty cash	\$ 6,250
Demand deposits	13,605,727
Total cash	13,611,977
Investments	225,323,158
Total	\$ 238,935,135

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.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 3 – Cash and Investments (Continued)

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

Fair Value Measurement

At June 30, 2018, investments are reported at fair value. The following table presents the fair value measurement of investments on a recurring basis and the levels within the fair value hierarchy in which the fair value measurements fall at June 30, 2018:

Investment Type	Measurement Inputs			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Uncategorized	Total
	Treasury obligations	\$ 19,845,656	\$ -	\$ -
State investment pool	-	-	54,939,273	54,939,273
U.S. government sponsored enterprise securities ⁽¹⁾	-	57,355,466	-	57,355,466
Money market mutual funds	-	-	1,974,882	1,974,882
Medium-term notes ⁽¹⁾	-	27,765,387	-	27,765,387
Cash and investments held with fiscal agents:				
Money market mutual fund	-	-	1,658,186	1,658,186
Treasury obligations	60,683,307	-	-	60,683,307
Commercial paper ⁽¹⁾	-	1,101,001	-	1,101,001
Total	\$ 80,528,963	\$ 86,221,854	\$ 58,572,341	\$ 225,323,158

⁽¹⁾ Priced based on institutional bond quotes.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 3 – Cash and Investments (Continued)

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
Treasury obligations	\$ 19,845,656	\$ 10,959,600	\$ 5,884,540	\$ 3,001,516	\$ -
State investment pool	54,939,273	54,939,273	-	-	-
U.S. government sponsored enterprise securities	57,355,466	17,240,762	27,414,629	12,700,075	-
Money market mutual funds	1,974,882	1,974,882	-	-	-
Medium-term notes	27,765,387	6,937,540	20,827,847	-	-
Cash and investments held with fiscal agents:					
Money market mutual fund	1,658,186	1,658,186	-	-	-
Treasury obligations	60,683,307	60,683,307	-	-	-
Commercial paper	1,101,001	1,101,001	-	-	-
Total	\$ 225,323,158	\$ 155,494,551	\$ 54,127,016	\$ 15,701,591	\$ -

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	Rating as of Fiscal Year End						Not Rate
			AAA	AA+	AA	AA-	A+	A	
Treasury obligations	\$ 19,845,656	N/A	\$ -	\$ 19,845,656	\$ -	\$ -	\$ -	\$ -	\$ -
State investment pool	54,939,273	N/A	-	-	-	-	-	-	54,939,273
U.S. government sponsored enterprise securities	57,355,466	N/A	-	57,355,466	-	-	-	-	-
Money market mutual funds	1,974,882	AAA	1,974,882	-	-	-	-	-	-
Medium-term notes	27,765,387	A	2,460,775	1,971,700	4,550,502	3,948,940	7,907,360	6,926,110	-
Cash and investments with fiscal agents:									
Money market mutual fund	1,658,186	A	1,658,186	-	-	-	-	-	-
Treasury obligations	60,683,307	N/A	-	60,683,307	-	-	-	-	-
Commercial paper	1,101,001	A	1,101,001	-	-	-	-	-	-
Total	\$225,323,158		\$ 7,194,844	\$139,856,129	\$ 4,550,502	\$ 3,948,940	\$ 7,907,360	\$ 6,926,110	\$54,939,273

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 3 – Cash and Investments (Continued)

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:

<u>Issuer</u>	<u>Investment type</u>	<u>Reported Amount</u>	<u>Maturity</u>	<u>% of the Portfolio</u>
Federal Home Loan Bank	U.S. government sponsored enterprise securities	\$ 15,365,190	2018-2020	9.49%
Federal Farm Credit Bank	U.S. government sponsored enterprise securities	17,023,857	2019-2020	10.52%
Freddie Mac	U.S. government sponsored enterprise securities	13,187,619	2019-2020	8.15%

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,

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, 2018 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.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 3 – Cash and Investments (Continued)

Investment in State Investment Pool (Continued)

As of June 30, 2018, the City had \$54,939,273 invested in LAIF, which had invested 2.67% 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 investment in LAIF is reported at net asset value. The credit quality rating of LAIF is unrated as of June 30, 2018.

Note 4 – Interfund Balances

A. Internal Balances

At June 30, 2018, the City had following internal receivable and payable, which represents internal service charges between the governmental activities and business-type activities:

	Internal Payable
Internal Receivable	Business-Type Activities
Governmental Activities	\$ 13,044,827

B. Due From and To Other Funds

At June 30, 2018, the individual fund interfund receivable payable balances are as follows:

Due To Other Funds	Due From Other Funds			
	Governmental Fund	Proprietary Funds		Total
	General Fund	Refuse Disposal Fund	Internal Service Fund	
Governmental Funds:				
Culver City Housing Authority				
Special Revenue Fund	\$ 534	\$ 114	\$ 90	\$ 738
Nonmajor Governmental	1,242,783	-	46	1,242,829
Proprietary Funds:				
Internal Service Fund	896,255	-	-	896,255
Total	\$ 2,139,572	\$ 114	\$ 136	\$ 2,139,822

Interfund balances are the result of short term borrowing to cover negative cash balances and operating shortages at June 30, 2018 as well as from the time lag between the dates that reimbursable expenditures occur and the dates the related revenues are received. All balances are expected to be reimbursed within the subsequent year.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 4 – Interfund Balances (Continued)

C. Advances From and To Other Funds

At June 30, 2018, the individual fund advances to from balances are as follows:

Advances From Other Funds	Advances To Other Funds		
	Governmental Funds		
		Culver City Housing Authority Fund	Total
Proprietary Funds:			
Municipal Fiber Network Fund	\$ 13,044,941	\$ -	\$ 13,044,941
Fiduciary Funds:			
Successor Agency Fund	-	22,855,821	22,855,821
Total	\$ 13,044,941	\$ 22,855,821	\$ 35,900,762

The Municipal Fiber Network Fund owes the General Fund \$13,044,941 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 allowed repayment at the point where revenues exceed operating and depreciation costs.

The Successor Agency Fund owes Culver City Housing Authority Fund \$9,075,893 for ERAF and SERAF, and \$13,779,928 for LMIHF which can only be paid 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 to the Successor Agency is unknown.

D. Transfers In and Out

Government-Wide Financial Statements

Transfers Out	Transfers In
Governmental Activities	Business-Type Activities
	\$ 1,151,110

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 4 – Interfund Balances (Continued)

D. Transfers In and Out (Continued)

Fund Financial Statements

For the year ended June 30, 2018, transfers in and out consisted of the following:

	Transfers In				
	Governmental Funds				Municipal Bus Lines Fund
	General Fund	Capital Improvement and Acquisition	Nonmajor Governmental	Total	
Transfers Out					
Governmental Funds:					
General Fund	\$ -	\$ 4,770,000	\$ 14,999	\$ -	\$ 4,784,999
Culver City Housing Authority Funds	633,991	-	-	-	633,991
Nonmajor Governmental	8,251,659	-	24,516,423	1,451,109	34,219,191
Proprietary Funds:					
Municipal Bus Lines Fund	300,000	-	-	-	300,000
Total	\$ 9,185,650	\$ 4,770,000	\$ 24,531,422	\$ 1,451,109	\$ 39,938,181

- Transfers from General Fund to Capital Improvement and Acquisition Fund in the amount of \$4,770,000 were to cover capital and infrastructure projects costs.
- Transfers from General Fund to Nonmajor Governmental Funds were to close gap to cover expenses not covered by associated grant funds.
- Transfers from Culver City Housing Authority Fund to General Fund in the amount of \$633,991 were to cover housing administration costs.
- Transfers from Nonmajor Governmental Funds (Special Gas Tax Fund in the amount of \$400,000, Culver City Parking Authority Fund in the amount of \$1,080,000, Cooperative Projects Fund in the amount of \$2,804,420, and 2011 Bond Fund in the amount of \$3,967,239) to General Fund in the amount of \$8,251,659 were to cover street related maintenance costs, parking related costs, and closing funds.
- Transfers from Nonmajor Governmental Funds to Nonmajor Governmental Funds in the amount of \$24,516,422 were to offset operating and personnel costs of the Paratransit Program (Operating Grants Fund), consolidate parking related costs, and close funds.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

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 \$1,451,109 were to transfer to pay for eligible transit related expenses.
- Transfers from Municipal Bus Lines Fund to General Fund in the amount of \$300,000 were to transfer to cover police overtime services for Bus Safety.

Note 5 – Notes Receivables

At June 30, 2018, the City had \$20,166,061 including both Governmental Activities and Business-Type Activities in various notes receivable as follows:

Governmental Activities:	<u>Notes Receivable</u>
General Fund:	
City Manager	\$ 1,079,995
All others under \$200,000 individually	137,911
Total General Fund	<u>1,217,906</u>
Culver City Housing Authority Special Revenue Fund:	
Culver City Mobile Home Owners, Inc.	1,223,104
MAP Loans	608,140
Tilden Terrace - Residential	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
Habitat For Humanity of Greater Los Angeles	3,100,000
Subtotal	<u>17,841,054</u>
Less: allowance	<u>(2,327,914)</u>
Total Culver City Housing Authority Special Revenue Fund, net	<u>\$ 15,513,140</u>
Nonmajor Fund:	
CDBG Program Loans	\$ 38,820
Tilden Terrace - Commercial	3,395,000
Total Nonmajor Fund	<u>3,433,820</u>
Total Governmental Activities	<u><u>\$ 20,164,866</u></u>
 Business-Type Activities:	
Other Notes Receivable	\$ 1,195
Total Sewer Enterprise Fund	<u>1,195</u>
Total Business-Type Activities	<u><u>\$ 1,195</u></u>

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

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, 2018 was \$1,079,995. Refer to Note 15 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, 2018 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, 2018, all outstanding balances totaled to \$608,140.

D. Tilden Terrace - Residential

On February 22, 2012, the former Culver City Redevelopment Agency entered into a promissory note with Tilden Terrace, L.P. in the amount of \$11,805,000 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, 2018 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, 2018 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, 2018, the outstanding balance of the loan was in the amount of \$305,060.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 5 – Notes Receivables (Continued)

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. 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, 2018, the outstanding balance of the loan was in the amount of \$387,500.

H. Habitat For Humanity of Greater Los Angeles

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, 2018, all outstanding balances totaled to \$3,100,000.

I. Tilden Terrace - Commercial

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, 2018 was \$3,395,000.

Note 6 – Capital Assets

A. Governmental Activities

Summary of changes in capital assets for governmental activities for the year ended June 30, 2018 are as follows:

	Governmental Activities				Balance June 30, 2018
	Balance July 1, 2017	Additions	Deletions	Transfers	
Capital assets, not being depreciated:					
Land	\$ 21,362,700	\$ -	\$ -	\$ -	\$ 21,362,700
Construction in progress	8,966,854	15,321,875	-	(2,487,992)	21,800,737
Total capital assets, not being depreciated	30,329,554	15,321,875	-	(2,487,992)	43,163,437
Capital assets, being depreciated:					
Building	75,416,642	-	-	-	75,416,642
Improvements	27,214,920	2,671,872	-	-	29,886,792
Machinery and equipment	43,965,223	2,122,304	(645,309)	1,066,949	46,509,167
Infrastructure	71,370,774	4,376,745	-	1,421,042	77,168,561
Total capital assets, being depreciated	217,967,559	9,170,921	(645,309)	2,487,992	228,981,162
Less accumulated depreciation:					
Building	(28,865,079)	(1,471,067)	-	-	(30,336,146)
Improvements	(17,276,338)	(880,603)	-	-	(18,156,941)
Machinery and equipment	(33,503,259)	(2,714,215)	636,559	-	(35,580,915)
Infrastructure	(24,012,527)	(1,423,828)	-	-	(25,436,355)
Total accumulated depreciation	(103,657,203)	(6,489,713)	636,559	-	(109,510,357)
Total capital assets, being depreciated, net	114,310,356	2,681,209	(8,751)	2,487,992	119,470,805
Governmental activities capital assets, net	\$ 144,639,910	\$ 18,003,084	\$ (8,751)	\$ -	\$ 162,634,242

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 6 – Capital Assets (Continued)

A. Governmental Activities (Continued)

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

General government	\$ 727,515
Parks, recreation and community services	664,950
Police	518,353
Fire	393,632
Community development	643,229
Public works	1,911,640
Internal service funds	1,630,394
Total	<u><u>\$ 6,489,713</u></u>

B. Business-Type Activities

Summary of changes in capital assets for business-type activities for the year ended June 30, 2018 are as follows:

	Business-Type Activities				Balance June 30, 2018
	Balance July 1, 2017	Additions	Deletions	Transfers	
Capital assets, not being depreciated:					
Land	\$ 3,082,760	\$ -	\$ -	\$ -	\$ 3,082,760
Construction in progress	9,974,390	2,584,169	(95,484)	(1,206,678)	11,256,397
Total capital assets, not being depreciated	13,057,150	2,584,169	(95,484)	(1,206,678)	14,339,157
Capital assets, being depreciated:					
Buildings	28,075,733	-	-	-	28,075,733
Improvements and other buildings	15,215,079	206,582	(244,120)	-	15,177,541
Machinery and equipment	49,821,856	1,184,562	(2,210,169)	1,206,678	50,002,927
Furniture and fixtures	446,938	-	-	-	446,938
Infrastructure	24,719,231	315,680	-	-	25,034,911
Investment in Hyperion	26,605,373	-	-	-	26,605,373
Total capital assets, being depreciated	144,884,210	1,706,824	(2,454,289)	1,206,678	145,343,424
Less accumulated depreciation:					
Buildings	(11,727,356)	(559,947)	-	-	(12,287,303)
Improvements and other buildings	(6,875,335)	(712,876)	110,871	-	(7,477,340)
Machinery and equipment	(29,042,782)	(2,925,153)	1,994,097	-	(29,973,838)
Furniture and fixtures	(409,084)	(6,494)	-	-	(415,578)
Infrastructure	(6,519,250)	(483,875)	-	-	(7,003,125)
Investment in Hyperion	(15,933,150)	(665,134)	-	-	(16,598,284)
Total accumulated depreciation	(70,506,957)	(5,353,479)	2,104,968	-	(73,755,468)
Total capital assets, being depreciated, net	74,377,253	(3,646,655)	(349,321)	1,206,678	71,587,956
Business-type activities capital assets, net	<u><u>\$ 87,434,403</u></u>	<u><u>\$ (1,062,486)</u></u>	<u><u>\$ (444,805)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 85,927,113</u></u>

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 6 – Capital Assets (Continued)

B. Business-Type Activities (Continued)

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

Refuse Disposal	\$ 223,910
Municipal Bus Lines	3,477,355
Sewer Enterprise	<u>1,652,214</u>
Total depreciation expense	<u><u>\$ 5,353,479</u></u>

Note 7 – Long-Term Liabilities

A. Governmental Activities

Summary of changes in governmental activities long-term liabilities for the year ended June 30, 2018 are as follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Due within One Year	Due in more than One Year
Compensated absences	\$ 11,555,982	\$ 8,751,483	\$ (7,471,735)	\$ 12,835,730	\$ 3,271,132	\$ 9,564,598
Claims and judgments	15,567,333	4,255,378	(870,281)	18,952,430	3,790,486	15,161,944
Net OPEB liabilities	83,480,420	15,948,085	(22,845,660)	76,582,845	-	76,582,845
Aggregate net pension liabilities	<u>182,635,252</u>	<u>82,582,067</u>	<u>(59,394,520)</u>	<u>205,822,799</u>	<u>-</u>	<u>205,822,799</u>
Total	<u><u>\$ 293,238,987</u></u>	<u><u>\$ 111,537,013</u></u>	<u><u>\$ (90,582,196)</u></u>	<u><u>\$ 314,193,804</u></u>	<u><u>\$ 7,061,618</u></u>	<u><u>\$ 307,132,186</u></u>

The general fund and internal services funds are 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, 2018 are as follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Due within One Year	Due in more than One Year
Compensated absences	\$ 1,424,238	\$ 1,630,188	\$ (1,407,845)	\$ 1,646,581	\$ 520,397	\$ 1,126,184
2009 Wastewater Facilities Refunding						
Revenue Bonds	14,970,000	-	(850,000)	14,120,000	885,000	13,235,000
Net OPEB liabilities	12,410,580	2,370,915	(3,396,340)	11,385,155	-	11,385,155
Aggregate net pension liabilities	<u>25,822,618</u>	<u>12,963,867</u>	<u>(10,263,370)</u>	<u>28,523,115</u>	<u>-</u>	<u>28,523,115</u>
Total	<u><u>\$ 54,627,436</u></u>	<u><u>\$ 16,964,970</u></u>	<u><u>\$ (15,917,555)</u></u>	<u><u>\$ 55,674,851</u></u>	<u><u>\$ 1,405,397</u></u>	<u><u>\$ 54,269,454</u></u>

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, 2018

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, 2018, the reserve with fiscal agent was in the amount of \$1,654,716 and the total amount of 2009 Wastewater Refunding Revenue Bonds outstanding is \$ 14,120,000. The total amount of 1999 Series A Tax Allocation Refunding Revenue Bonds outstanding is \$0.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

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:

Fiscal Year	Principal	Interest	Total
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	1,020,000	559,838	1,579,838
2023	1,070,000	506,250	1,576,250
2024-2028	6,265,000	1,601,344	7,866,344
2029-2030	2,985,000	151,125	3,136,125
	<u>\$ 14,120,000</u>	<u>\$ 4,785,258</u>	<u>\$ 18,905,258</u>

Note 9 – Claims and Judgments

Self-Insurance

At June 30, 2018, 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, 2018, the City has recorded a liability in the amount of \$18,952,430 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 occurrence with excess insurance coverage up to statutory limits. Claims over a \$1,000,000 up to \$30,000,000 are covered by insurance policies secured through AON.

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, 2018 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
2015-16	\$ 15,554,839	\$ 4,040,464	\$ (4,321,931)	\$ 15,273,372
2016-17	15,273,372	1,489,312	(1,195,351)	15,567,333
2017-18	15,567,333	4,255,378	(870,281)	18,952,430

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 10 – Pension Plans

A. California Public Employees’ Retirement System (“CalPERS”)

At June 30, 2018, 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	\$ 5,065,467	\$ 2,257,746	\$ 7,323,213
Safety	9,891,555	-	9,891,555
Difference in projected and actual earnings on pension investments:			
Miscellaneous	1,950,747	869,475	2,820,222
Safety	3,505,323	-	3,505,323
Difference between expected and actual experience			
Safety	1,470,118	-	1,470,118
Change in assumption			
Miscellaneous	7,118,604	3,172,856	10,291,460
Safety	14,660,209	-	14,660,209
Total deferred outflows of resources	\$ 43,662,023	\$ 6,300,077	\$ 49,962,100
Net pension liabilities:			
Miscellaneous	\$ 63,994,286	\$ 28,523,115	\$ 92,517,401
Safety	141,828,513	-	141,828,513
Total net pension liabilities	\$ 205,822,799	\$ 28,523,115	\$ 234,345,914
Deferred inflows of Resources:			
Difference between expected and actual experience			
Miscellaneous	\$ 1,421,252	\$ 633,471	\$ 2,054,723
Total deferred inflows of resources	\$ 1,421,252	\$ 633,471	\$ 2,054,723
Pension Expense:			
Miscellaneous	\$ 9,087,214	\$ 4,050,293	\$ 13,137,507
Safety	18,837,218	-	18,837,218
	\$ 27,924,432	\$ 4,050,293	\$ 31,974,725

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, 2016 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.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 10 – Pension Plans (Continued)

A. California Public Employees’ Retirement System (“CalPERS”) (Continued)

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, 2017 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	20.628%	20.628%	20.628%	20.628%
	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% @ 55	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	11.00%
Required employer contribution rates	Total 42.036%. Management employees pay 9% of employer cost through cost-sharing	Total 42.036%. Management employees pay 9% of employer cost through cost-sharing	Total 42.036%. Management employees pay 9% of employer cost through cost-sharing	42.036%

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 10 – Pension Plans (Continued)

A. California Public Employees’ Retirement System (“CalPERS”) (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% @ 55	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	11.00%
Required employer contribution rates	Total 42.036%. Management employees pay 9% of employer cost through cost-sharing	Total 42.036%. Management employees pay 9% of employer cost through cost-sharing	Total 42.036%. Management employees pay 9% of employer cost through cost-sharing	42.036%

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, 2018

Note 10 – Pension Plans (Continued)

A. California Public Employees’ Retirement System (“CalPERS”) (Continued)

General Information about the Pension Plan (Continued)

Benefit Provided (Continued)

Employees Covered by Benefit Terms

At June 30, 2016, the valuation date, the following employees were covered by the benefit terms:

	Plans	
	Miscellaneous	Safety
Active employees	469	159
Transferred and terminated employees	601	59
Retired Employees and Beneficiaries	582	284
Total	1652	502

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, 2017, the total pension liability was determined by rolling forward the June 30, 2016 total pension liability. The June 30, 2017 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.15% 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, 2016 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 at www.calpers.ca.gov under Forms and Publications.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 10 – Pension Plans (Continued)

A. California Public Employees’ Retirement System (“CalPERS”) (Continued)

Net Pension Liability (Continued)

Change of Assumptions

In 2017, the discount rate reduced from 7.65 percent to 7.15 percent.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 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 7.15 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 7.15 percent is applied to all plans in the Public Employees Retirement Fund (“PERF”). The cash flow used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. 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.

Discount Rate (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the PERF’s asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C fund), 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 PERF 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 equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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+ ¹
Global Equity	47.00%	4.90%	5.38%
Global Fixed Income	19.00%	0.80%	2.27%
Inflation Sensitive	6.00%	0.60%	1.39%
Private Equity	12.00%	6.60%	6.63%
Real Estate	11.00%	2.80%	5.21%
Infrastructure and Forestland	3.00%	3.90%	5.36%
Liquidity	2.00%	-0.40%	-0.90%
Total	100.00%		

¹ An expected inflation of 2.5% and 3.0% used for years 1-10 and years 11+, respectively.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 10 – Pension Plans (Continued)

A. California Public Employees’ Retirement System (“CalPERS”) (Continued)

Changes in the Net Pension Liability

The following tables show the changes in net pension liability recognized over the measurement period.

Miscellaneous Plan			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2016 (Valuation Date)	\$ 266,418,386	\$ 182,660,302	\$ 83,758,084
Changes Recognized for the Measurement Period:			
Service Cost	5,654,517	-	5,654,517
Interest on the total pension liability	19,754,857	-	19,754,857
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(3,129,611)	-	(3,129,611)
Changes of assumptions	16,345,262	-	16,345,262
Plan to plan resource movement	-	(25,198)	25,198
Contributions from the employer	-	7,347,239	(7,347,239)
Contributions from employees	-	2,680,792	(2,680,792)
Net investment income	-	20,132,561	(20,132,561)
Administrative expenses	-	(269,686)	269,686
Benefit payments, including refunds of employee contributions	(12,339,176)	(12,339,176)	-
Net Changes during July 1, 2016 to June 30, 2017	<u>\$ 26,285,849</u>	<u>\$ 17,526,532</u>	<u>\$ 8,759,317</u>
Balance at June 30, 2017 (Measurement Date)	<u>\$ 292,704,235</u>	<u>\$ 200,186,834</u>	<u>\$ 92,517,401</u>

Safety Plan			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2016 (Valuation Date)	\$ 344,331,115	\$ 219,631,329	\$ 124,699,786
Changes Recognized for the Measurement Period:			
Service Cost	6,129,038	-	6,129,038
Interest on the total pension liability	25,705,374	-	25,705,374
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(16,644)	-	(16,644)
Changes of assumptions	21,337,731	-	21,337,731
Plan to plan resource movement	-	25,198	(25,198)
Contributions from the employer	-	10,184,688	(10,184,688)
Contributions from employees	-	2,060,064	(2,060,064)
Net investment income	-	24,081,093	(24,081,093)
Administrative expenses	-	(324,271)	324,271
Benefit payments, including refunds of employee contributions	(18,402,022)	(18,402,022)	-
Net Changes during July 1, 2016 to June 30, 2017	<u>\$ 34,753,477</u>	<u>\$ 17,624,750</u>	<u>\$ 17,128,727</u>
Balance at June 30, 2017 (Measurement Date)	<u>\$ 379,084,592</u>	<u>\$ 237,256,079</u>	<u>\$ 141,828,513</u>

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 10 – Pension Plans (Continued)

A. California Public Employees’ Retirement System (“CalPERS”) (Continued)

Changes in the Net Pension Liability (Continued)

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

The following presents the net pension liability of the plans as of the measurement date, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate:

	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1%	Current Discount	Discount Rate + 1%
	(6.15%)	Rate (7.15%)	(8.15%)
Miscellaneous Plan	\$ 132,138,543	\$ 92,517,401	\$ 59,785,059
Safety Plan	\$ 193,312,874	\$ 141,828,513	\$ 99,621,877

Pension Plan Fiduciary Net Position

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

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

For the measurement period ending June 30, 2017, the City incurred a pension expense of \$13,137,507 and \$18,837,218 for Miscellaneous and Safety plans, respectively.

As of measurement date of June 30, 2017, 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
Difference between expected and actual experience	\$ -	\$ (2,054,723)
Changes of assumptions	10,291,460	-
Net difference between projected and actual earning on pension plan investments	2,820,222	-
Total	\$ 13,111,682	\$ (2,054,723)

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 10 – Pension Plans (Continued)

A. California Public Employees’ Retirement System (“CalPERS”) (Continued)

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

	Safety Plan	
	Deferred outflows of Resources	Deferred inflows of Resources
Difference between expected and actual experience	\$ 2,189,978	\$ (719,860)
Changes of assumptions	15,866,518	(1,206,309)
Net difference between projected and actual earning on pension plan investments	3,505,323	-
Total	\$ 21,561,819	\$ (1,926,169)

The amounts above are net of outflows and inflows recognized in the 2016-17 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 2016-17 measurement period is 2.7 and 3.9 years, which was obtained by dividing the total service years of 4,392 and 1,982 (the sum of remaining service lifetimes of the active employees) by 1,652 and 502 (the total number of participants: active, inactive, and retired), respectively.

The \$7,323,213 and \$9,891,555 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, 2018 will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

	Deferred Outflows/ (Inflows) of Resources	Deferred Outflows/ (Inflows) of Resources
Measurement Period Ended June 30	Miscellaneous Plan	Safety Plan
2018	\$ 4,831,366	\$ 4,665,107
2019	6,529,009	10,352,605
2020	1,145,985	6,349,586
2021	(1,449,401)	(1,731,648)
2022	-	-
Thereafter	-	-
Total	\$ 11,056,959	\$ 19,635,650

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 10 – Pension Plans (Continued)

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 \$74,614 for the year ended June 30, 2018.

Note 11 – Other Postemployment Benefits (“OPEB”)

At June 30, 2018, 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:			
Change in assumption	\$ 4,935,297	\$ 733,704	\$ 5,669,001
Total deferred outflows of resources	\$ 4,935,297	\$ 733,704	\$ 5,669,001
Net OPEB liabilities:			
	\$ 76,582,845	\$ 11,385,155	\$ 87,968,000
Total net OPEB liabilities	\$ 76,582,845	\$ 11,385,155	\$ 87,968,000
Deferred inflows of Resources:			
Net difference between projected and actual earning on pension plan investments	\$ 442,253	\$ 65,747	\$ 508,000
Difference between expected and actual experience	12,992,479	1,931,522	14,924,001
Total deferred inflows of resources	\$ 13,434,732	\$ 1,997,269	\$ 15,432,001

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 11 – Other Postemployment Benefits (“OPEB”) (Continued)

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 \$542 for single coverage, increasing by up to 4% per year.
 - An additional monthly reimbursement of up to \$473 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, 2017, the date of the latest actuarial valuation:

Active plan members	635
Inactive employees or beneficiaries currently receiving benefit payments	532
Inactive employees entitled to but not yet receiving benefit payments	70
Total	1,237

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 11 – Other Postemployment Benefits (“OPEB”) (Continued)

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, 2018, the City’s average contribution rate was not applicable. Employees are not required to contribute to the plan.

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017.

Actuarial assumptions

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	6.50%
Inflation	2.75%
Aggregate payroll increases	3.00%
Expected long-term investment rate of return	6.50%
Mortality, termination, and disability	CalPERS 1997-2015
Mortality improvement scale	Modified MP-2017, which converge to ultimate mortality improvement rates in 2022.
PPACA high cost plan excise tax	2% load on cash subsidy
Healthcare trend rate	An annual healthcare cost trend rate of 7.50% initially reduced by decrements to an ultimate of 4.00% therefore.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2016 through June 30, 2017.

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	Long-Term Expected Real Rate of Return
Growth Assets:		
Domestic Equity	44.00%	4.53%
Foreign Equity	23.00%	4.93%
Income Assets:		
Fixed Income	33.00%	1.47%
Total	100.00%	

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 11 – Other Postemployment Benefits (“OPEB”) (Continued)

Net OPEB Liability (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 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, 2017 (Valuation Date)	\$ 127,515,000	\$ 31,624,000	\$ 95,891,000
Changes Recognized for the Measurement Period:			
Service Cost	2,244,000	-	2,244,000
Interest on the total OPEB liability	8,884,000	-	8,884,000
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(12,111,000)	-	(12,111,000)
Changes of assumptions	7,174,000	-	7,174,000
Contributions from the employer	-	10,940,000	(10,940,000)
Net investment income	-	3,191,000	(3,191,000)
Administrative expenses	-	(17,000)	17,000
Benefit payments	(5,795,000)	(5,795,000)	-
Net Changes during July 1, 2016 to June 30, 2017	\$ 396,000	\$ 8,319,000	\$ (7,923,000)
Balance at June 30, 2018 (Measurement Date)	\$ 127,911,000	\$ 39,943,000	\$ 87,968,000

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 (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current discount rate:

Plan's Net OPEB Liability/(Asset)		
Discount Rate - 1% (5.50%)	Current Discount Rate (6.50%)	Discount Rate + 1% (7.50%)
\$ 104,677,000	\$ 87,968,000	\$ 74,187,000

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 11 – Other Postemployment 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 (6.50 percent decreasing to 4.00 percent) or 1-percentage-point higher (8.50 percent decreasing to 4.00 percent) than the current healthcare cost trend rates:

Plan's Net OPEB Liability/(Asset)		
Discount Rate - 1%	Healthcare Cost Tread Rates	Discount Rate + 1%
(6.50% decreasing to 4.00%)	(7.50% decreasing to 4.00%)	(8.50% decreasing to 4.00%)
\$ 73,492,000	\$ 87,968,000	\$ 104,583,000

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, 2018, the City recognized OPEB expense of \$5,125,000. At June 30, 2018, 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 projected and actual earnings	\$ -	\$ (507,000)
Difference between expected and actual experience	-	(14,925,001)
Changes of assumptions	5,669,001	-
Total	\$ 5,669,001	\$ (15,432,001)

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 is 5.0 years, which was determined as of June 30, 2017, the beginning of the measurement period, for employees covered by the OPEB plan benefit terms as of the valuation date.

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
2019	\$ (3,451,000)
2020	(3,312,000)
2021	(1,234,000)
2022	(946,000)
2023	(820,000)
Thereafter	-
Total	\$ (9,763,000)

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 12 – 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. The plan assets are not included in the accompanying financial statements.

Note 13 – 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”)

For almost four years, beginning in December 2013, the Successor Agency was involved in litigation with the DOF and the Los Angeles County Auditor/Controller. The DOF and County challenged a transfer of \$12.5 million in tax increment revenue by the Successor Agency to the City, and the Successor Agency challenged the efforts of the DOF and County to recover the disputed transfer through successive reductions by the County to the allotment of tax increment revenue to the Successor Agency. The trial court concluded that the DOF is not entitled to any further remedy against the Successor Agency related to the transfer, and in August 2018 the Court of Appeal (Third Appellate District) agreed. The Court of Appeal ruling is final. The Dissolution Act establishes a statutory remedy for the recovery of the disputed amount from the City and the State Controller has ordered the City to return the disputed amount to the Successor Agency. The State Controller’s order is subject to administrative and judicial review which the City may elect to undertake.

Additional information and detailed attachments related to this matter have been posted on the Municipal Securities Rulemaking Board – Electronic Municipal Market Access website, as well as in prior year’s financial statements.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 14 – Classification of Fund Balances

At June 30, 2018, 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	\$ 1,217,906	\$ -	\$ -	\$ -	\$ 1,217,906
Advances	13,044,941	-	-	-	13,044,941
Land held for resales	-	-	-	-	-
Total nonspendable	<u>14,262,847</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,262,847</u>
Restricted					
Other purposes	-	-	-	3,397,396	3,397,396
Redevelopment	-	-	7,518,394	13,767,601	21,285,995
Street maintenance	-	-	-	1,124,990	1,124,990
Housing Authority	-	43,710,852	-	1,197,357	44,908,209
Road construction	-	-	-	2,259,436	2,259,436
Equipment purchases	-	-	-	1,985,294	1,985,294
Construction of capital assets	-	-	-	1,398,376	1,398,376
Total restricted	<u>-</u>	<u>43,710,852</u>	<u>7,518,394</u>	<u>25,130,450</u>	<u>76,359,696</u>
Committed					
Construction of capital assets	-	-	-	-	-
Contingency	33,805,611	-	-	-	33,805,611
Facility planning	9,139,339	-	-	9,052,198	18,191,537
Recreation facilities	1,305,169	-	-	7,436,684	8,741,853
Total committed	<u>44,250,119</u>	<u>-</u>	<u>-</u>	<u>16,488,882</u>	<u>60,739,001</u>
Assigned					
Contracts	121,839	-	-	-	121,839
Total assigned	<u>121,839</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>121,839</u>
Unassigned (deficit)	<u>22,127,231</u>	<u>-</u>	<u>-</u>	<u>(1,200,668)</u>	<u>20,926,563</u>
Total fund balance	<u>\$ 80,762,036</u>	<u>\$ 43,710,852</u>	<u>\$ 7,518,394</u>	<u>\$ 40,418,664</u>	<u>\$ 172,409,946</u>

There were no significant encumbrances outstanding at June 30, 2018.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 15 – 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, 2018, the total balance of both loans outstanding was \$1,079,995. Interest payments received during the fiscal year was \$17,206.

Note 16 – 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, 2018

Note 16 – Successor Agency Trust for Assets and Liabilities of Former Redevelopment Agency (Continued)

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.

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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.

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. 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.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 16 – Successor Agency Trust for Assets and Liabilities of Former Redevelopment Agency (Continued)

The successor agency is required to prepare an annual recognized obligation payment schedule (the “ROPS”) approved by the oversight board setting forth the amounts due for each enforceable obligation during each of two six month periods during the fiscal year. 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 twelve 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.

Summary of changes in capital asset for the year ended June 30, 2018 is as follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Capital assets, not being depreciated:				
Land	\$ 8,316,229	\$ -	\$ -	\$ 8,316,229
Total capital assets, not being depreciated	8,316,229	-	-	8,316,229
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	6,411,233	-	(11,516)	6,399,717
Less accumulated depreciation:				
Buildings	(642,228)	(68,596)	-	(710,823)
Improvements	(161,900)	(18,180)	-	(180,080)
Machinery and equipment	(11,516)	-	11,516	-
Infrastructure	(414,507)	(52,128)	-	(466,635)
Total accumulated depreciation	(1,230,151)	(138,904)	11,516	(1,357,538)
Total capital assets, being depreciated, net	5,181,082	(138,904)	-	5,042,180
Fiduciary Fund				
capital assets, net	\$ 13,497,311	\$ (138,904)	\$ -	\$ 13,358,409

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 16 – Successor Agency Trust for Assets and Liabilities of Former Redevelopment Agency (Continued)

Summary of changes in long-term liabilities for the year ended June 30, 2018 is as follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Due within One Year	Due in more than One Year
1999 Tax Allocation Refunding						
Revenue Bonds Series A	\$ 14,795,000	\$ -	\$ (1,479,500)	\$ -	\$ -	\$ -
2002 Tax Allocation Bonds	12,445,000	-	(12,445,000)	-	-	-
2004 Tax Allocation Refunding						
Revenue Bonds Series A	53,100,000	-	(53,100,000)	-	-	-
2005 Tax Allocation Refunding Bonds	15,100,000	-	(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	8,442,180	1,745,623	-	10,187,803	-	10,187,803
2011 B Tax Exempt Tax Allocation						
Revenue Bonds	22,740,000	-	(3,925,000)	18,815,000	4,235,000	14,580,000
2017 A Tax Allocation Bonds	-	74,785,000	-	74,785,000	-	74,785,000
2017 B Tax Allocation Bonds	-	23,650,000	-	23,650,000	11,140,000	12,510,000
Advances from Culver City Housing Authority	26,359,785	-	(3,503,964)	22,855,821	-	22,855,821
Subtotal	\$166,809,852	\$100,180,623	\$(89,553,464)	\$164,121,511	\$ 15,375,000	\$148,746,511
Unamortized original issue discount	(344,940)	(70,213)	61,078	(354,075)	(61,078)	(292,997)
Unamortized original issue premium	809,141	14,031,466	(953,458)	13,887,149	953,458	12,933,691
Total	\$167,274,053	\$114,141,876	\$(90,445,844)	\$177,654,585	\$ 16,267,380	\$161,387,205

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.

In November 2017, the Agency issued a total of \$98,435,000 in bonds consisting of \$74,785,000 in 2017 Series A Tax-Exempt Bonds and \$23,650,000 in 2017 Series B Taxable Bonds. All of the outstanding 1999 Bonds were defeased and redeemed by the 2017 Bonds.

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.

In November 2017, the Agency issued a total of \$98,435,000 in bonds consisting of \$74,785,000 in 2017 Series A Tax-Exempt Bonds and \$23,650,000 in 2017 Series B Taxable Bonds. All of the outstanding 2002 Bonds were defeased and redeemed by the 2017 Bonds.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 16 – Successor Agency Trust for Assets and Liabilities of Former Redevelopment Agency (Continued)

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.

In November 2017, the Agency issued a total of \$98,435,000 in bonds consisting of \$74,785,000 in 2017 Series A Tax-Exempt Bonds and \$23,650,000 in 2017 Series B Taxable Bonds. All of the outstanding 2004 Bonds were defeased and redeemed by the 2017 Bonds.

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.

In November 2017, the Agency issued a total of \$98,435,000 in bonds consisting of \$74,785,000 in 2017 Series A Tax-Exempt Bonds and \$23,650,000 in 2017 Series B Taxable Bonds. All of the outstanding 2005 Bonds were defeased and redeemed by the 2017 Bonds.

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.

In November 2017, the Agency issued a total of \$98,435,000 in bonds consisting of \$74,785,000 in 2017 Series A Tax-Exempt Bonds and \$23,650,000 in 2017 Series B Taxable Bonds. A portion of the 2017 Series A Bonds were used to defease and redeem all of the outstanding \$6,739,593 original principal amount Culver City Redevelopment Agency Tax Allocation Capital Appreciation Bonds, 2011 Series A maturing on and after November 1, 2025, with an aggregate accreted outstanding value of \$11,644,155 as of December 4, 2017.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 16 – Successor Agency Trust for Assets and Liabilities of Former Redevelopment Agency (Continued)

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

The 2017 Bonds are subordinate to the debt service on the \$7,088,294 original principal amount Culver City Redevelopment Agency Tax Allocation Capital Appreciation Bonds, 2011 Series A maturing on November 1 commencing on November 1, 2019 through and including November 1, 2024, with an aggregate accreted value of \$11,275,586 as of November 1, 2017. Concurrent with the issuance of the 2017 Bonds, the Successor Agency irrevocably directed the trustee to transfer approximately \$9.3 million on deposit with the trustee to the Principal Account in order to pay scheduled future debt service on the 2011A Bonds as shown below:

Payment Date (November 1)	Final Accreted Value	Payment from Principal Account	Net Payable from Tax Revenues
2019	\$ 2,575,000	\$ 2,575,000	\$ -
2020	2,575,000	2,575,000	-
2021	2,575,000	2,575,000	-
2022	2,665,000	1,951,268	713,732
2023	2,735,000	-	2,735,000
2024	2,270,000	-	2,270,000
	<u>\$ 15,395,000</u>	<u>\$ 9,676,268</u>	<u>\$ 5,718,732</u>

¹ The payment of debt service on the Non-Callable 2011A Bonds on November 1, 2024 will be made first from amounts on deposit in the reserve account under the Senior Indenture, to the extent available. Immediately after the refunding of the Callable 2011A Bonds, the balance in such reserve account will be approximately \$1.4 million. No amounts on deposit in the reserve account under the Senior Indenture will be released in connection with the refunding of the Callable 2011A Bonds.

Per the terms of the bond indenture, a reserve of \$1,382,995 is required to be maintained. At June 30, 2018, the reserve with fiscal agent was in the amount of \$1,383,230 and this amount will be applied to the November 1, 2024 debt service payment. The total amount of the 2011 TAB Series A outstanding as of June 30, 2018 was \$13,827,887. The accreted interest amount on the Capital Appreciation Bonds at June 30, 2018 was \$10,187,803.

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.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 16 – Successor Agency Trust for Assets and Liabilities of Former Redevelopment Agency (Continued)

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

In November 2017, the Agency issued a total of \$98,435,000 in bonds consisting of \$74,785,000 in 2017 Series A Tax-Exempt Bonds and \$23,650,000 in 2017 Series B Taxable Bonds. All of the outstanding 2011 Series B Bonds were defeased and redeemed by the 2017 Bonds.

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

Fiscal Year	2011 Series A Tax Allocation Revenue Bond		
	Principal	Interest	Total
2019	\$ -	\$ -	\$ -
2020	1,476,222	1,162,600	2,638,822
2021	1,348,579	1,288,029	2,636,608
2022	1,225,365	1,430,998	2,656,363
2023	1,152,639	1,585,870	2,738,509
2024-2028	6,734,024	18,153,256	24,887,280
2029	1,891,058	3,076,971	4,968,029
	<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
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	2,330,000	786,675	3,116,675
2023	2,495,000	581,612	3,076,612
2024-2025	5,595,000	483,439	6,078,439
	<u>\$ 18,815,000</u>	<u>\$ 5,899,614</u>	<u>\$ 24,714,614</u>

2017 Tax Allocation Refunding Bonds Series A and B

On December 4, 2017, the Agency issued a total of \$98,435,000 in bonds consisting of \$74,785,000 in 2017 Series A Tax-Exempt Bonds and \$23,650,000 in 2017 Series B Taxable Bonds. The Bonds were issued to refund all of the outstanding 1999A, 2002A, 2004A, 2005A, 2011B, and 2011A bonds maturing on and after November 1, 2015. The transaction achieves 33 million in debt service cash flow savings, or 18 million in net present value savings.

2017 Series A Tax Allocation Bonds mature beginning November 1, 2020 with final payment of principal due on November 1, 2018. Interest rate is 4% in 2020 and 5% from 2021 to 2028.

2017 Series B Tax Allocation Bonds mature beginning November 1, 2018 with final payment of principal due on November 1, 2020. Interest rate is 1.5% in 2018, 1.625% in 2019, and 2% in 2020.

Both 2017 Series A and Series B Tax Allocation Bonds are secured by and payable from tax revenues and were issued in denominations of \$5,000 and are not subject to optional redemption prior to their maturity dates.

City of Culver City
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 16 – Successor Agency Trust for Assets and Liabilities of Former Redevelopment Agency (Continued)

2017 Tax Allocation Refunding Bonds Series A and B (Continued)

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

2017 A Tax Allocation Bonds			
Fiscal Year	Principal	Interest	Total
2019	\$ -	\$ 3,643,650	\$ 3,643,650
2020	-	3,643,650	3,643,650
2021	9,560,000	3,452,450	13,012,450
2022	11,530,000	2,973,000	14,503,000
2023	11,165,000	2,405,625	13,570,625
2024-2028	36,795,000	5,337,375	42,132,375
2029	5,735,000	143,375	5,878,375
	<u>\$ 74,785,000</u>	<u>\$ 21,599,125</u>	<u>\$ 96,384,125</u>

2017 B Tax Allocation Bonds			
Fiscal Year	Principal	Interest	Total
2019	\$ 11,140,000	\$ 292,687	\$ 11,432,687
2020	10,950,000	120,169	11,070,169
2021	1,560,000	15,600	1,575,600
	<u>\$ 23,650,000</u>	<u>\$ 428,456</u>	<u>\$ 24,078,456</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.

Advances from Culver City Housing Authority

The advance of \$329,616 for ERAF, \$8,746,277 for SERAF, and \$13,779,928 for LMIHF Deferral 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.

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 Liabilities and Related Ratios
For the Year Ended June 30, 2018

Last Ten Fiscal Years

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

Measurement period	2016-17	2015-16	2014-15	2013-14 ¹
Total pension liability				
Service cost	\$ 5,654,517	\$ 5,035,714	\$ 4,911,950	\$ 4,942,736
Interest	19,754,857	19,172,836	18,310,677	17,556,597
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(3,129,611)	(294,797)	(1,386,409)	-
Changes of assumptions	16,345,262	-	(4,429,450)	-
Benefit payments, including refunds of employee contributions	(12,339,176)	(11,795,228)	(11,644,085)	(11,157,496)
Net change in total pension liability	26,285,849	12,118,525	5,762,683	11,341,837
Total pension liability - beginning	266,418,386	254,299,861	248,537,178	237,195,341
Total pension liability - ending (a)	\$ 292,704,235	\$ 266,418,386	\$ 254,299,861	\$ 248,537,178
Pension fiduciary net position				
Contributions - employer	\$ 7,347,239	\$ 6,864,716	\$ 5,915,829	\$ 6,638,283
Contributions - employee	2,680,792	2,591,939	2,494,358	3,171,457
Net investment income ²	20,132,561	922,415	4,025,216	27,091,117
Benefit payments, including refunds of employee contributions	(12,339,176)	(11,795,228)	(11,644,085)	(11,157,496)
Net plan to plan resource movement	(25,198)	(69)	-	-
Administrative expense	(269,686)	(112,253)	(207,377)	-
Net change in plan fiduciary net position	17,526,532	(1,528,480)	583,941	25,743,361
Plan fiduciary net position - beginning	182,660,302	184,188,782	183,604,841	157,861,480
Plan fiduciary net position - ending (b)	\$ 200,186,834	\$ 182,660,302	\$ 184,188,782	\$ 183,604,841
Plan net pension liability - ending (a) - (b)	\$ 92,517,401	\$ 83,758,084	\$ 70,111,079	\$ 64,932,337
Plan fiduciary net position as a percentage of the total pension liability	68.39%	68.56%	72.43%	73.87%
Covered payroll	\$ 33,289,167	\$ 32,319,580	\$ 31,064,702	\$ 29,867,279
Plan net pension liability as a percentage of covered payroll	277.92%	259.16%	225.69%	217.40%

¹ Historical information is presented 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, 2017 valuation date. 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: In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.50 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on 7.50 percent discount rate.

City of Culver City
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liabilities and Related Ratios (Continued)
For the Year Ended June 30, 2018

Last Ten Fiscal Years

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

Measurement period	2016-17	2015-16	2014-15	2013-14 ¹
Total pension liability				
Service cost	\$ 6,129,038	\$ 5,119,113	\$ 4,743,829	\$ 5,059,461
Interest	25,705,374	24,915,561	23,705,339	23,063,095
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(16,644)	4,495,216	(3,360,555)	-
Changes of assumptions	21,337,731	-	(5,729,967)	-
Benefit payments, including refunds of employee contributions	(18,402,022)	(17,675,231)	(16,949,000)	(16,067,896)
Net change in total pension liability	34,753,477	16,854,659	2,409,646	12,054,660
Total pension liability - beginning	344,331,115	327,476,456	325,066,810	313,012,150
Total pension liability - ending (a)	\$ 379,084,592	\$ 344,331,115	\$ 327,476,456	\$ 325,066,810
Pension fiduciary net position				
Contributions - employer	\$ 10,184,688	\$ 8,873,934	\$ 7,389,950	\$ 8,194,801
Contributions - employee	2,060,064	2,392,965	1,948,457	2,880,898
Net investment income ²	24,081,093	1,115,225	4,990,457	34,116,579
Benefit payments, including refunds of employee contributions	(18,402,022)	(17,675,231)	(16,949,000)	(16,067,896)
Net plan to plan resource movement	25,198	69	-	-
Administrative expense	(324,271)	(137,163)	(253,316)	-
Net change in plan fiduciary net position	17,624,750	(5,430,201)	(2,873,452)	29,124,382
Plan fiduciary net position - beginning	219,631,329	225,061,530	227,934,982	198,810,600
Plan fiduciary net position - ending (b)	\$ 237,256,079	\$ 219,631,329	\$ 225,061,530	\$ 227,934,982
Plan net pension liability - ending (a) - (b)	\$ 141,828,513	\$ 124,699,786	\$ 102,414,926	\$ 97,131,828
Plan fiduciary net position as a percentage of the total pension liability	62.59%	63.78%	68.73%	70.12%
Covered payroll	\$ 20,074,188	\$ 19,489,503	\$ 18,014,087	\$ 18,261,249
Plan net pension liability as a percentage of covered payroll	706.52%	639.83%	568.53%	531.90%

¹ Historical information is presented 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, 2017 valuation date. 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: In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.50 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on 7.50 percent discount rate.

City of Culver City
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pension
For the Year Ended June 30, 2018

Last Ten Fiscal Years

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

	2017-18	2016-17	2015-16	2014-15	2013-14 ¹
Actuarially determined contribution	\$ 7,323,213	\$ 7,198,199	\$ 6,665,996	\$ 5,915,829	\$ 6,638,283
Contributions in relation to the actuarially determined contribution	(7,323,213)	(7,198,199)	(6,864,716)	(5,915,829)	(6,638,283)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (198,720)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ^{2,3}	\$ 34,287,842	\$ 33,289,167	\$ 32,319,580	\$ 31,064,702	\$ 29,867,279
Contributions as a percentage of covered payroll ²	21.36%	21.62%	21.24%	19.04%	22.23%

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

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

³ Payroll from 2017-18 of \$34,287,842 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 2016-17 was from the June 30, 2014 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
Asset valuation method	Market value
Inflation	2.75%
Salary increases	Varies by entry age and service
Payroll Growth	3.00%
Investment rate of return	7.50% net of pension plan investment and administrative expenses, including inflation
Retirement age	The probabilities of retirement are based on the 2014 CalPERS Experience study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

City of Culver City
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pension (Continued)
For the Year Ended June 30, 2018

Last Ten Fiscal Years

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

	2017-18	2016-17	2015-16	2014-15	2013-14 ¹
Actuarially determined contribution	\$ 9,891,555	\$ 10,184,688	\$ 8,873,934	\$ 7,389,950	\$ 8,194,801
Contributions in relation to the actuarially determined contribution	(9,891,555)	(10,184,688)	(8,873,934)	(7,389,950)	(8,194,801)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll ^{2,3}	\$ 20,676,414	\$ 20,074,188	\$ 19,489,503	\$ 18,014,087	\$ 18,261,249
Contributions as a percentage of covered payroll ²	47.84%	50.74%	45.53%	41.02%	44.88%

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

² Covered payroll represented above is based on pensionable earnings provided by the employer.

³ Payroll from 2017-18 of \$20,676,414 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 2016-17 was from the June 30, 2014 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
Asset valuation method	Market value
Inflation	2.75%
Salary increases	Varies by entry age and service
Payroll Growth	3.00%
Investment rate of return	7.50% net of pension plan investment and administrative expenses, including inflation
Retirement age	The probabilities of retirement are based on the 2014 CalPERS Experience study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB 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, 2018

Last Ten Fiscal Years

Other Postemployment Benefits ("OPEB")

Measurement period	2017-18	2016-17	2015-16	2014-15 ¹
Total OPEB liability				
Service cost	\$ 2,244,000	\$ 2,528,000	\$ 2,722,000	\$ 3,094,000
Interest	8,884,000	8,560,000	8,258,000	7,905,000
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(12,111,000)	(436,000)	(11,811,000)	-
Changes of assumptions	7,174,000	-	(795,000)	-
Benefit payments, including refunds of employee contributions	(5,795,000)	(5,673,000)	(5,759,000)	(5,387,000)
Net change in total OPEB liability	396,000	4,979,000	(7,385,000)	5,612,000
Total OPEB liability - beginning	127,515,000	122,536,000	129,921,000	124,309,000
Total OPEB liability - ending (a)	<u>\$ 127,911,000</u>	<u>\$ 127,515,000</u>	<u>\$ 122,536,000</u>	<u>\$ 129,921,000</u>
OPEB fiduciary net position				
Contributions - employer	\$ 10,940,000	\$ 11,037,000	\$ 11,263,000	\$ 9,865,000
Net investment income	3,191,000	3,037,000	319,000	289,000
Benefit payments, including refunds of employee contributions	(5,795,000)	(5,673,000)	(5,759,000)	(5,387,000)
Administrative expense	(17,000)	(15,000)	(81,000)	(56,000)
Net change in plan fiduciary net position	8,319,000	8,386,000	5,742,000	4,711,000
Plan fiduciary net position - beginning	31,624,000	23,238,000	17,496,000	12,785,000
Plan fiduciary net position - ending (b)	<u>\$ 39,943,000</u>	<u>\$ 31,624,000</u>	<u>\$ 23,238,000</u>	<u>\$ 17,496,000</u>
Plan net OPEB liability - ending (a) - (b)	<u>\$ 87,968,000</u>	<u>\$ 95,891,000</u>	<u>\$ 99,298,000</u>	<u>\$ 112,425,000</u>
Plan fiduciary net position as a percentage of the total OPEB liability	31.23%	24.80%	18.96%	13.47%
Covered payroll	<u>\$ 57,411,000</u>	<u>\$ 56,415,000</u>	<u>\$ 52,215,000</u>	<u>\$ 47,105,000</u>
Plan net OPEB liability as a percentage of covered payroll	<u>153.22%</u>	<u>169.97%</u>	<u>190.17%</u>	<u>238.67%</u>

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

Notes to Schedule:

Changes of Assumption: In 2018, the accounting discount rate reduced from 7.00 percent to 6.50 percent.

City of Culver City
Required Supplementary Information (Unaudited)
Schedule of Contributions - OPEB
For the Year Ended June 30, 2018

Last Ten Fiscal Years

Other Postemployment Benefits ("OPEB")

	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12 ¹
Actuarially determined contribution ²	\$ 8,885,000	\$ 9,422,000	\$ 9,241,000	\$ 9,945,000	\$ 9,778,000	\$ 8,621,000	\$ 8,456,000
Contributions in relation to the actuarially determined contribution	(10,940,000)	(11,037,000)	(11,263,000)	(9,865,000)	(10,028,000)	(7,631,000)	(7,635,000)
Contribution deficiency (excess)	\$ (2,055,000)	\$ (1,615,000)	\$ (2,022,000)	\$ 80,000	\$ (250,000)	\$ 990,000	\$ 821,000
Covered payroll	\$ 57,411,000	\$ 56,415,000	\$ 52,215,000	\$ 47,105,000	N/A	\$ 46,399,000	N/A
Contributions as a percentage of covered payroll ²	19.06%	19.56%	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 ended 6/30/16 and 6/30/17 and the June 30, 2017 actuarial valuation provided the Actuarially Determined Contributions for fiscal year ended 6/30/18.

Notes to Schedule:

Valuation date:

June 30, 2017 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
Remaining amortization period	22-year fixed period for the 2017/18 ADC
Asset valuation method	Investment gains and losses spread over a 5-year rolling period.
Inflation	2.75%
Healthcare cost trend rates	7.50% percent initial, decreasing to ultimate rate of 4.00%
Salary increases	3.00%
Investment rate of return	6.50%
Retirement age	Based on CalPERS 1997-2015 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-2017 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, 2018

Budgetary Comparison Schedule – General Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes	\$ 77,829,823	\$ 80,456,820	\$ 83,166,967	\$ 2,710,147
Licenses and permits	3,925,301	5,318,000	6,252,933	934,933
Fines and forfeitures	4,559,500	5,064,550	5,822,781	758,231
Intergovernmental	4,831,210	4,855,168	5,430,367	575,199
Charges for services	10,199,175	11,204,985	13,678,109	2,473,124
Investment earnings	678,560	787,000	757,653	(29,347)
Miscellaneous	5,400,000	716,519	622,541	(93,978)
Total revenues	107,423,569	108,403,042	115,731,351	7,328,309
EXPENDITURES:				
Current:				
General government	20,074,559	20,943,487	24,943,565	(4,000,078)
Parks, recreation and community services	8,593,798	9,206,890	8,625,511	581,379
Police	40,594,413	41,106,605	39,538,514	1,568,091
Fire	24,236,334	24,452,825	23,287,918	1,164,907
Community development	6,619,383	11,292,539	8,326,059	2,966,480
Public works	9,980,879	13,080,753	11,618,847	1,461,906
Total expenditures	110,099,366	120,083,099	116,340,414	3,742,685
REVENUE OVER (UNDER) EXPENDITURES	(2,675,797)	(11,680,057)	(609,063)	11,070,994
OTHER FINANCING SOURCES (USES):				
Transfers in	3,713,991	9,185,650	9,185,650	-
Transfers out	(5,220,324)	(10,738,524)	(4,784,999)	5,953,525
Total other financing sources (uses)	(1,506,333)	(1,552,874)	4,400,651	5,953,525
CHANGE IN FUND BALANCE	(4,182,130)	(13,232,931)	3,791,588	17,024,519
FUND BALANCE:				
Beginning of year	76,970,448	76,970,448	76,970,448	-
End of year	\$ 72,788,318	\$ 63,737,517	\$ 80,762,036	\$ 17,024,519

City of Culver City
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule (Continued)
For the Year Ended June 30, 2018

Budgetary Comparison Schedule – Culver City Housing Authority Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 412,081	\$ 412,081
Miscellaneous	-	-	5,000	5,000
Total revenues	-	-	417,081	417,081
EXPENDITURES:				
Current:				
Community development	-	3,110,671	717,527	2,393,144
Total expenditures	-	3,110,671	717,527	2,393,144
REVENUE OVER (UNDER) EXPENDITURES	-	(3,110,671)	(300,446)	2,810,225
OTHER FINANCING SOURCES (USES):				
Transfers in	-	3,503,964	-	(3,503,964)
Transfers out	-	(633,991)	(633,991)	-
Total other financing sources (uses)	-	2,869,973	(633,991)	(3,503,964)
CHANGE IN FUND BALANCE	-	(240,698)	(934,437)	(693,739)
FUND BALANCE:				
Beginning of year	44,645,289	44,645,289	44,645,289	-
End of year	<u>\$ 44,645,289</u>	<u>\$ 44,404,591</u>	<u>\$ 43,710,852</u>	<u>\$ (693,739)</u>

City of Culver City
Notes to the Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
For the Year Ended June 30, 2017

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.

For the year ended June 30, 2018, there were no adopted operating budgets for Economic Development Special Revenue Fund, Paratransit Special Revenue Fund, and 2011 Cooperative Capital Project Fund.

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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, 2018**

	Special Revenue Funds	Capital Projects Funds	Totals
ASSETS			
Cash and investments	\$ 28,620,918	\$ 9,801,644	\$ 38,422,562
Accounts receivables, net	308,518	-	308,518
Interest receivables	94,025	693,252	787,277
Notes receivables, net	38,820	3,395,000	3,433,820
Due from other governments	719,723	1,524,529	2,244,252
Total assets	\$ 29,782,004	\$ 15,414,425	\$ 45,196,429
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 903,850	\$ 467,935	\$ 1,371,785
Salaries and benefits payable	14,857	-	14,857
Due to other funds	244,849	997,980	1,242,829
Deposits payable	96,314	113,245	209,559
Retention Payable	3,740	-	3,740
Due to other governments	38,820	-	38,820
Total liabilities	1,302,430	1,579,160	2,881,590
Deferred inflows of resources:			
Unavailable grant revenues	515,970	1,380,205	1,896,175
Total deferred inflows of resources	515,970	1,380,205	1,896,175
Fund Balances:			
Restricted	11,662,849	13,767,601	25,430,450
Committed	16,488,882	-	16,488,882
Unassigned (deficit)	(188,127)	(1,312,541)	(1,500,668)
Total fund balances	27,963,604	12,455,060	40,418,664
Total liabilities, deferred inflows of resources and fund balances	\$ 29,782,004	\$ 15,414,425	\$ 45,196,429

City of Culver City
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

	Special Revenue Funds	Capital Projects Funds	Totals
REVENUES:			
Licenses and permits	\$ 1,921,254	\$ -	\$ 1,921,254
Intergovernmental	6,014,903	4,167,579	10,182,482
Charges for Services	7,680,843	-	7,680,843
Investment earnings	374,481	244,423	618,904
Miscellaneous	100,592	1	100,593
Total revenues	16,092,073	4,412,003	20,504,076
EXPENDITURES:			
Current:			
General government	458,456	-	458,456
Parks, recreation and community services	528,306	-	528,306
Police	474,163	-	474,163
Fire	119,286	-	119,286
Community development	3,100,502	-	3,100,502
Public works	157,093	31,175	188,268
Transportation	384,571	-	384,571
Capital outlay	4,314,528	11,515,445	15,829,973
Total expenditures	9,536,905	11,546,620	21,083,525
REVENUES OVER EXPENDITURES	6,555,168	(7,134,617)	(579,449)
OTHER FINANCING SOURCES (USES):			
Transfers in	266,539	24,264,882	24,531,421
Transfers out	(3,182,043)	(31,037,148)	(34,219,191)
Total other financing sources (uses)	(2,915,504)	(6,772,266)	(9,687,770)
CHANGES IN FUND BALANCES	3,639,664	(13,906,883)	(10,267,219)
FUND BALANCES:			
Beginning of year	24,323,940	26,361,943	50,685,883
End of year	\$ 27,963,604	\$ 12,455,060	\$ 40,418,664

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.

Safe/Clean Water Protection Fund - To account for all activities associated with watershed management program plan. (Previously referred to as 'storm water' and 'Urban Runoff Mitigation'.)

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.

Paratransit Fund - To account for the portion of sales tax to be used to transport seniors and people with disabilities.

Measure M Fund - To account for Measure M funds. Measure M is a one-half cent sales tax approved by Los Angeles County voters in November 2016 and is used to fund new transportation projects and programs. The Transportation and Public Works departments utilize the majority of this funding.

City of Culver City
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2018

	Gas Tax	Proposition A Local Return	Proposition C Local Return	Measure R	Operating Grants
ASSETS					
Cash and investments	\$ 1,089,618	\$ 938,187	\$ 969,796	\$ 218,766	\$ -
Accounts receivables, net	-	-	-	-	13,617
Interest receivables	2,887	3,486	4,106	762	-
Notes receivables, net	-	-	-	-	-
Due from other governments	84,998	-	-	-	427,472
Total assets	\$ 1,177,503	\$ 941,673	\$ 973,902	\$ 219,528	\$ 441,089
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 52,513	\$ -	\$ -	\$ -	\$ 19,828
Salaries and benefits payable	-	-	-	-	4,940
Due to other funds	-	-	-	-	185,124
Deposits payable	-	-	-	-	-
Retention payable	-	-	-	-	-
Due to other governments	-	-	-	-	-
Total liabilities	52,513	-	-	-	209,892
Deferred inflows of resources:					
Unavailable revenues	-	-	-	-	362,261
Total deferred inflows of resources	-	-	-	-	362,261
Fund Balances:					
Restricted	1,124,990	941,673	973,902	219,528	-
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	(131,064)
Total fund balances	1,124,990	941,673	973,902	219,528	(131,064)
Total liabilities, deferred inflows of resources and fund balances	\$ 1,177,503	\$ 941,673	\$ 973,902	\$ 219,528	\$ 441,089

(Continued)

City of Culver City
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
June 30, 2018

	Section 8 Housing	Art in Public Places	Community Development	CDBG	Special Assessment
ASSETS					
Cash and investments	\$ 1,349,624	\$ 2,788,123	\$ 338,827	\$ -	\$ 379,752
Accounts receivables, net	-	-	-	-	-
Interest receivables	-	9,530	1,181	-	1,346
Notes receivables, net	-	-	-	38,820	-
Due from other governments	-	-	-	940	564
Total assets	\$ 1,349,624	\$ 2,797,653	\$ 340,008	\$ 39,760	\$ 381,662
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 122,380	\$ 80,060	\$ -	\$ -	\$ 3,286
Salaries and benefits payable	3,491	498	-	-	-
Due to other funds	5,910	-	-	940	-
Deposits payable	20,486	-	-	-	38,083
Retention payable	-	-	-	-	-
Due to other governments	-	-	-	38,820	-
Total liabilities	152,267	80,558	-	39,760	41,369
Deferred inflows of resources:					
Unavailable revenues	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances:					
Restricted	1,197,357	2,717,095	340,008	-	340,293
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances	1,197,357	2,717,095	340,008	-	340,293
Total liabilities, deferred inflows of resources and fund balances	\$ 1,349,624	\$ 2,797,653	\$ 340,008	\$ 39,760	\$ 381,662

(Continued)

City of Culver City
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
June 30, 2018

	Park Facilities	Asset Seizure	Parking Authority	Safe/Clean Water Protection	Capital Grants
ASSETS					
Cash and investments	\$ 1,394,182	\$ 904,250	\$ 8,880,240	\$ 7,867,261	\$ -
Accounts receivables, net	-	-	294,113	-	-
Interest receivables	4,876	3,149	30,236	27,396	-
Notes receivables, net	-	-	-	-	-
Due from other governments	-	-	-	52,141	-
Total assets	\$ 1,399,058	\$ 907,399	\$ 9,204,589	\$ 7,946,798	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 682	\$ -	\$ 114,646	\$ 506,374	\$ -
Salaries and benefits payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Deposits payable	-	-	37,745	-	-
Retention payable	-	-	-	3,740	-
Due to other governments	-	-	-	-	-
Total liabilities	682	-	152,391	510,114	-
Deferred inflows of resources:					
Unavailable revenues	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances:					
Restricted	1,398,376	907,399	-	-	-
Committed	-	-	9,052,198	7,436,684	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances	1,398,376	907,399	9,052,198	7,436,684	-
Total liabilities, deferred inflows of resources and fund balances	\$ 1,399,058	\$ 907,399	\$ 9,204,589	\$ 7,946,798	\$ -

(Continued)

City of Culver City
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
June 30, 2018

	Building Surcharge	Economic Development	Paratransit	Measure M	Total
ASSETS					
Cash and investments	\$ 1,079,276	\$ -	\$ -	\$ 423,016	\$ 28,620,918
Accounts receivables, net	-	-	788	-	308,518
Interest receivables	3,753	-	-	1,317	94,025
Notes receivables, net	-	-	-	-	38,820
Due from other governments	-	-	153,608	-	719,723
Total assets	\$ 1,083,029	\$ -	\$ 154,396	\$ 424,333	\$ 29,782,004
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 2,361	\$ -	\$ 1,720	\$ -	\$ 903,850
Salaries and benefits payable	2,773	-	3,155	-	14,857
Due to other funds	-	-	52,875	-	244,849
Deposits payable	-	-	-	-	96,314
Retention payable	-	-	-	-	3,740
Due to other governments	-	-	-	-	38,820
Total liabilities	5,134	-	57,750	-	1,302,430
Deferred inflows of resources:					
Unavailable revenues	-	-	153,709	-	515,970
Total deferred inflows of resources	-	-	153,709	-	515,970
Fund Balances:					
Restricted	1,077,895	-	-	424,333	11,662,849
Committed	-	-	-	-	16,488,882
Unassigned (deficit)	-	-	(57,063)	-	(188,127)
Total fund balances	1,077,895	-	(57,063)	424,333	27,963,604
Total liabilities, deferred inflows of resources and fund balances	\$ 1,083,029	\$ -	\$ 154,396	\$ 424,333	\$ 29,782,004

(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, 2018

	Gas Tax	Proposition A Local Return	Proposition C Local Return	Measure R	Operating Grants
REVENUES:					
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	798,521	754,487	624,726	468,738	1,288,448
Charges for Services	280,575	-	-	-	-
Investment earnings	12,294	5,827	7,283	1,764	3,991
Miscellaneous	-	-	-	-	57,097
Total revenues	1,091,390	760,314	632,009	470,502	1,349,536
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Parks, recreation and community services	-	-	-	-	500,069
Police	-	-	-	-	244,121
Fire	-	-	-	-	92,352
Community development	-	-	-	-	-
Public works	-	-	-	-	148,954
Transportation	-	-	-	-	73,228
Capital outlay	1,195,024	-	-	498,658	-
Total expenditures	1,195,024	-	-	498,658	1,058,724
REVENUES OVER (UNDER) EXPENDITURES	(103,634)	760,314	632,009	(28,156)	290,812
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	45,298
Transfers out	(400,000)	(752,278)	(715,762)	(234,003)	-
Total other financing sources (uses)	(400,000)	(752,278)	(715,762)	(234,003)	45,298
CHANGES IN FUND BALANCES	(503,634)	8,036	(83,753)	(262,159)	336,110
FUND BALANCES:					
Beginning of year	1,628,624	933,637	1,057,655	481,687	(467,174)
End of year	\$ 1,124,990	\$ 941,673	\$ 973,902	\$ 219,528	\$ (131,064)

(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, 2018

	Section 8 Housing	Art in Public Places	Community Development	CDBG	Special Assessment
REVENUES:					
Licenses and permits	\$ -	\$ 912,486	\$ 355,207	\$ -	\$ -
Intergovernmental	1,465,205	-	-	28,237	-
Charges for Services	-	-	10,328	-	75,978
Investment earnings	5,222	9,782	1,804	-	1,561
Miscellaneous	1,587	-	-	-	-
Total revenues	1,472,014	922,268	367,339	28,237	77,539
EXPENDITURES:					
Current:					
General government	-	250,894	-	-	-
Parks, recreation and community services	-	-	-	28,237	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Community development	1,512,055	-	-	-	38,319
Public works	-	-	-	-	-
Transportation	-	-	-	-	-
Capital outlay	-	-	269,550	-	-
Total expenditures	1,512,055	250,894	269,550	28,237	38,319
REVENUES OVER (UNDER) EXPENDITURES	(40,041)	671,374	97,789	-	39,220
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
CHANGES IN FUND BALANCES	(40,041)	671,374	97,789	-	39,220
FUND BALANCES:					
Beginning of year	1,237,398	2,045,721	242,219	-	301,073
End of year	<u>\$ 1,197,357</u>	<u>\$ 2,717,095</u>	<u>\$ 340,008</u>	<u>\$ -</u>	<u>\$ 340,293</u>

(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, 2018

	Park Facilities	Asset Seizure	Parking Authority	Safe/Clean Water Protection	Capital Grants
REVENUES:					
Licenses and permits	\$ -	\$ -	\$ 247,304	\$ -	\$ -
Intergovernmental	-	128,111	-	-	-
Charges for Services	170,225	-	5,060,143	2,083,594	-
Investment earnings	7,899	5,485	272,422	34,490	303
Miscellaneous	-	-	41,908	-	-
Total revenues	178,124	133,596	5,621,777	2,118,084	303
EXPENDITURES:					
Current:					
General government	-	-	207,562	-	-
Parks, recreation and community services	-	-	-	-	-
Police	-	230,042	-	-	-
Fire	-	-	-	-	26,934
Community development	-	-	1,311,198	13,348	-
Public works	-	-	-	-	-
Transportation	-	-	-	-	-
Capital outlay	163,422	-	867,663	1,314,669	-
Total expenditures	163,422	230,042	2,386,423	1,328,017	26,934
REVENUES OVER (UNDER) EXPENDITURES	14,702	(96,446)	3,235,354	790,067	(26,631)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	(1,080,000)	-	-
Total other financing sources (uses)	-	-	(1,080,000)	-	-
CHANGES IN FUND BALANCES	14,702	(96,446)	2,155,354	790,067	(26,631)
FUND BALANCES:					
Beginning of year	1,383,674	1,003,845	6,896,844	6,646,617	26,631
End of year	<u>\$ 1,398,376</u>	<u>\$ 907,399</u>	<u>\$ 9,052,198</u>	<u>\$ 7,436,684</u>	<u>\$ -</u>

(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, 2018

	Building Surcharge	Economic Development	Paratransit	Measure M	Total
REVENUES:					
Licenses and permits	\$ 406,257	\$ -	\$ -	\$ -	\$ 1,921,254
Intergovernmental	-	-	33,646	424,784	6,014,903
Charges for Services	-	-	-	-	7,680,843
Investment earnings	4,805	-	-	(451)	374,481
Miscellaneous	-	-	-	-	100,592
Total revenues	411,062	-	33,646	424,333	16,092,073
EXPENDITURES:					
Current:					
General government	-	-	-	-	458,456
Parks, recreation and community services	-	-	-	-	528,306
Police	-	-	-	-	474,163
Fire	-	-	-	-	119,286
Community development	225,582	-	-	-	3,100,502
Public works	8,139	-	-	-	157,093
Transportation	-	-	311,343	-	384,571
Capital outlay	5,542	-	-	-	4,314,528
Total expenditures	239,263	-	311,343	-	9,536,905
REVENUES OVER (UNDER) EXPENDITURES	171,799	-	(277,697)	424,333	6,555,168
OTHER FINANCING SOURCES (USES):					
Transfers in	-	607	220,634	-	266,539
Transfers out	-	-	-	-	(3,182,043)
Total other financing sources (uses)	-	607	220,634	-	(2,915,504)
CHANGES IN FUND BALANCES	171,799	607	(57,063)	424,333	3,639,664
FUND BALANCES:					
Beginning of year	906,096	(607)	-	-	24,323,940
End of year	\$ 1,077,895	\$ -	\$ (57,063)	\$ 424,333	\$ 27,963,604

(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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 52,370	\$ 853,535	\$ 798,521	\$ (55,014)
Charges for services	279,532	279,532	280,575	1,043
Investment earnings	2,500	2,500	12,294	9,794
Total revenues	334,402	1,135,567	1,091,390	(44,177)
EXPENDITURES:				
Capital outlay	2,305,024	2,422,778	1,195,024	1,227,754
Total expenditures	2,305,024	2,422,778	1,195,024	1,227,754
REVENUES OVER (UNDER) EXPENDITURES	(1,970,622)	(1,287,211)	(103,634)	1,183,577
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(400,000)	(400,000)	-
Total other financing sources (uses)	-	(400,000)	(400,000)	-
CHANGE IN FUND BALANCE	(1,970,622)	(1,687,211)	(503,634)	1,183,577
FUND BALANCE:				
Beginning of year	1,628,624	1,628,624	1,628,624	-
End of year	\$ (341,998)	\$ (58,587)	\$ 1,124,990	\$ 1,183,577

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 750,402	\$ 750,402	\$ 754,487	\$ 4,085
Investment earnings	3,000	3,000	5,827	2,827
Total revenues	<u>753,402</u>	<u>753,402</u>	<u>760,314</u>	<u>6,912</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(750,402)	(750,402)	(752,278)	(1,876)
Total other financing sources (uses)	<u>(750,402)</u>	<u>(750,402)</u>	<u>(752,278)</u>	<u>(1,876)</u>
CHANGE IN FUND BALANCE	3,000	3,000	8,036	5,036
FUND BALANCE:				
Beginning of year	933,637	933,637	933,637	-
End of year	<u>\$ 936,637</u>	<u>\$ 936,637</u>	<u>\$ 941,673</u>	<u>\$ 5,036</u>

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 622,439	\$ 622,439	\$ 624,726	\$ 2,287
Investment earnings	3,500	3,500	7,283	3,783
Total revenues	625,939	625,939	632,009	6,070
OTHER FINANCING SOURCES (USES):				
Transfers out	(480,757)	(480,757)	(715,762)	(235,005)
Total other financing sources (uses)	(480,757)	(480,757)	(715,762)	(235,005)
CHANGE IN FUND BALANCE	145,182	145,182	(83,753)	(228,935)
FUND BALANCE:				
Beginning of year	1,057,655	1,057,655	1,057,655	-
End of year	<u>\$ 1,202,837</u>	<u>\$ 1,202,837</u>	<u>\$ 973,902</u>	<u>\$ (228,935)</u>

City of Culver City
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Measure R Special Revenue Fund
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,492,397	\$ 2,177,419	\$ 468,738	\$ (1,708,681)
Investment earnings	1,000	1,000	1,764	764
Total revenues	<u>1,493,397</u>	<u>2,178,419</u>	<u>470,502</u>	<u>(1,707,917)</u>
EXPENDITURES:				
Capital outlay	436,180	669,599	498,658	170,941
Total expenditures	<u>436,180</u>	<u>669,599</u>	<u>498,658</u>	<u>170,941</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,057,217</u>	<u>1,508,820</u>	<u>(28,156)</u>	<u>(1,707,917)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(42,118)	(234,003)	(234,003)	-
Total other financing sources (uses)	<u>(42,118)</u>	<u>(234,003)</u>	<u>(234,003)</u>	<u>-</u>
CHANGE IN FUND BALANCE	1,015,099	1,274,817	(262,159)	(1,536,976)
FUND BALANCE:				
Beginning of year	481,687	481,687	481,687	-
End of year	<u>\$ 1,496,786</u>	<u>\$ 1,756,504</u>	<u>\$ 219,528</u>	<u>\$ (1,536,976)</u>

City of Culver City
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Operating Grants Special Revenue Fund
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 895,804	\$ 1,444,691	\$ 1,288,448	\$ 156,243
Charges for Services	3,000	3,000	-	3,000
Investment earnings	700	700	3,991	(3,291)
Miscellaneous	70,100	70,100	57,097	13,003
Total revenues	969,604	1,518,491	1,349,536	(168,955)
EXPENDITURES:				
Current:				
Parks, recreation and community services	351,949	713,628	500,069	213,559
Police	100,500	221,173	244,121	(22,948)
Fire	8,000	100,291	92,352	7,939
Public works	404,000	430,949	148,954	281,995
Transportation	359,875	447,807	73,228	374,579
Capital outlay	48,000	48,000	-	48,000
Total expenditures	1,272,324	1,961,848	1,058,724	903,124
REVENUES (UNDER) EXPENDITURES	(302,720)	(443,357)	290,812	734,169
OTHER FINANCING SOURCES:				
Transfers in	302,720	302,720	45,298	(257,422)
Total other financing sources	302,720	302,720	45,298	(257,422)
CHANGE IN FUND BALANCE	-	(140,637)	336,110	476,747
FUND BALANCE (DEFICIT):				
Beginning of year	(467,174)	(467,174)	(467,174)	-
End of year	<u>\$ (467,174)</u>	<u>\$ (607,811)</u>	<u>\$ (131,064)</u>	<u>\$ 476,747</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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,671,500	\$ 1,671,500	\$ 1,465,205	\$ 206,295
Investment earnings	300	300	5,222	(4,922)
Miscellaneous	3,000	3,000	1,587	1,413
Total revenues	1,674,800	1,674,800	1,472,014	(202,786)
EXPENDITURES:				
Current:				
Community Development	1,849,930	1,853,371	1,512,055	341,316
Total expenditures	1,849,930	1,853,371	1,512,055	341,316
REVENUES OVER (UNDER) EXPENDITURES	(175,130)	(178,571)	(40,041)	138,530
CHANGE IN FUND BALANCE	(175,130)	(178,571)	(40,041)	138,530
FUND BALANCE:				
Beginning of year	1,237,398	1,237,398	1,237,398	-
End of year	\$ 1,062,268	\$ 1,058,827	\$ 1,197,357	\$ 138,530

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and Permits	\$ 200,000	\$ 200,000	\$ 912,486	\$ 712,486
Investment earnings	1,750	1,750	9,782	8,032
Total revenues	201,750	201,750	922,268	720,518
EXPENDITURES:				
Current:				
General Government	185,000	786,412	250,894	535,518
Community Development	-	53,620	-	53,620
Capital outlay	-	9,157	-	9,157
Total expenditures	185,000	849,189	250,894	598,295
REVENUES OVER (UNDER) EXPENDITURES	16,750	(647,439)	671,374	1,318,813
CHANGE IN FUND BALANCE	16,750	(647,439)	671,374	1,318,813
FUND BALANCE:				
Beginning of year	2,045,721	2,045,721	2,045,721	-
End of year	\$ 2,062,471	\$ 1,398,282	\$ 2,717,095	\$ 1,318,813

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ -	\$ -	\$ 355,207	\$ 355,207
Charges for Services	-	-	10,328	10,328
Investment earnings	1,364	250	1,804	1,554
Total revenues	1,364	250	367,339	367,089
EXPENDITURES:				
Capital outlay	290,893	290,673	269,550	21,123
Total expenditures	290,893	290,673	269,550	21,123
REVENUES OVER (UNDER) EXPENDITURES	(289,529)	(290,423)	97,789	388,212
CHANGE IN FUND BALANCE	(289,529)	(290,423)	97,789	388,212
FUND BALANCE:				
Beginning of year	242,219	242,219	242,219	-
End of year	\$ (47,310)	\$ (48,204)	\$ 340,008	\$ 388,212

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 28,500	\$ 28,500	\$ 28,237	\$ (263)
Total revenues	<u>28,500</u>	<u>28,500</u>	<u>28,237</u>	<u>(263)</u>
EXPENDITURES:				
Current:				
Parks, recreation and community services	28,500	28,500	28,237	263
Total expenditures	<u>28,500</u>	<u>28,500</u>	<u>28,237</u>	<u>263</u>
REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for Services	\$ 78,033	\$ 78,033	\$ 75,978	\$ (2,055)
Investment earnings	500	500	1,561	1,061
Total revenues	78,533	78,533	77,539	(994)
EXPENDITURES:				
Current:				
Community development	105,315	132,743	38,319	94,424
Total expenditures	105,315	132,743	38,319	94,424
REVENUES OVER (UNDER) EXPENDITURES	(26,782)	(54,210)	39,220	93,430
CHANGE IN FUND BALANCE	(26,782)	(54,210)	39,220	93,430
FUND BALANCE:				
Beginning of year	301,073	301,073	301,073	-
End of year	\$ 274,291	\$ 246,863	\$ 340,293	\$ 93,430

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for Services	\$ -	\$ -	\$ 170,225	\$ 170,225
Investment earnings	3,500	3,500	7,899	4,399
Total revenues	<u>3,500</u>	<u>3,500</u>	<u>178,124</u>	<u>174,624</u>
EXPENDITURES:				
Capital outlay	751,482	865,455	163,422	702,033
Total expenditures	<u>751,482</u>	<u>865,455</u>	<u>163,422</u>	<u>702,033</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(747,982)</u>	<u>(861,955)</u>	<u>14,702</u>	<u>876,657</u>
CHANGE IN FUND BALANCE	(747,982)	(861,955)	14,702	876,657
FUND BALANCE:				
Beginning of year	1,383,674	1,383,674	1,383,674	-
End of year	<u>\$ 635,692</u>	<u>\$ 521,719</u>	<u>\$ 1,398,376</u>	<u>\$ 876,657</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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 44,200	\$ 128,111	\$ 83,911
Investment earnings	3,500	3,500	5,485	1,985
Total revenues	3,500	47,700	133,596	85,896
EXPENDITURES:				
Current:				
Police	185,000	375,937	230,042	145,895
Capital outlay	150,000	150,000	-	150,000
Total expenditures	335,000	525,937	230,042	295,895
REVENUES OVER EXPENDITURES	(331,500)	(478,237)	(96,446)	381,791
CHANGE IN FUND BALANCE	(331,500)	(478,237)	(96,446)	381,791
FUND BALANCE:				
Beginning of year	1,003,845	1,003,845	1,003,845	-
End of year	<u>\$ 672,345</u>	<u>\$ 525,608</u>	<u>\$ 907,399</u>	<u>\$ 381,791</u>

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ 225,000	\$ 225,000	\$ 247,304	\$ (22,304)
Charges for Services	4,249,750	4,249,750	5,060,143	(810,393)
Investment earnings	10,000	10,000	272,422	(262,422)
Miscellaneous	-	-	41,908	(41,908)
Total revenues	4,484,750	4,484,750	5,621,777	1,137,027
EXPENDITURES:				
Current:				
General government	175,000	207,562	207,562	-
Community development	2,861,317	2,972,432	1,311,198	1,661,234
Capital outlay	1,991,698	3,421,866	867,663	2,554,203
Total expenditures	5,028,015	6,601,860	2,386,423	4,215,437
REVENUES OVER (UNDER) EXPENDITURES	(543,265)	(2,117,110)	3,235,354	5,352,464
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,080,000)	(1,080,000)	(1,080,000)	-
Total other financing sources (uses)	(1,080,000)	(1,080,000)	(1,080,000)	-
CHANGE IN FUND BALANCE	(1,623,265)	(3,197,110)	2,155,354	5,352,464
FUND BALANCE:				
Beginning of year	6,896,844	6,896,844	6,896,844	-
End of year	<u>\$ 5,273,579</u>	<u>\$ 3,699,734</u>	<u>\$ 9,052,198</u>	<u>\$ 5,352,464</u>

City of Culver City
Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual
Safe/Clean Water Protection Special Revenue Fund
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 2,060,000	\$ 2,060,000	\$ 2,083,594	\$ 23,594
Investment earnings	3,500	3,500	34,490	30,990
Total revenues	2,063,500	2,063,500	2,118,084	54,584
EXPENDITURES:				
Current:				
Community development	-	13,400	13,348	52
Capital outlay	2,330,000	8,449,793	1,314,669	7,135,124
Total expenditures	2,330,000	8,463,193	1,328,017	7,135,176
REVENUES OVER (UNDER) EXPENDITURES	(266,500)	(6,399,693)	790,067	7,189,760
CHANGE IN FUND BALANCE	(266,500)	(6,399,693)	790,067	7,189,760
FUND BALANCE:				
Beginning of year	6,646,617	6,646,617	6,646,617	-
End of year	\$ 6,380,117	\$ 246,924	\$ 7,436,684	\$ 7,189,760

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 303	\$ 303
Total revenues	-	-	303	303
EXPENDITURES:				
Current:				
Fire	1,550	1,550	26,934	(25,384)
Total expenditures	1,550	1,550	26,934	(25,384)
REVENUES OVER (UNDER) EXPENDITURES	(1,550)	(1,550)	(26,631)	(25,081)
CHANGE IN FUND BALANCE	(1,550)	(1,550)	(26,631)	(25,081)
FUND BALANCE:				
Beginning of year	26,631	26,631	26,631	-
End of year	<u>\$ 25,081</u>	<u>\$ 25,081</u>	<u>\$ -</u>	<u>\$ (25,081)</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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ 153,000	\$ 153,000	\$ 406,257	\$ 253,257
Investment earnings	1,500	1,500	4,805	3,305
Total revenues	154,500	154,500	411,062	256,562
EXPENDITURES:				
Current:				
Community development	292,971	825,367	225,582	599,785
Public works	27,317	27,317	8,139	19,178
Capital outlay	7,000	115,536	5,542	109,994
Total expenditures	327,288	968,220	239,263	728,957
REVENUES OVER (UNDER) EXPENDITURES	(172,788)	(813,720)	171,799	985,519
CHANGE IN FUND BALANCE	(172,788)	(813,720)	171,799	985,519
FUND BALANCE:				
Beginning of year	906,096	906,096	906,096	-
End of year	\$ 733,308	\$ 92,376	\$ 1,077,895	\$ 985,519

City of Culver City
Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual
Measure M Special Revenue Fund
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 503,876	\$ 503,876	\$ 424,784	\$ 79,092
Investment earnings	-	-	(451)	451
Total revenues	503,876	503,876	424,333	(79,543)
EXPENDITURES:				
Capital outlay	960,000	960,000	-	960,000
Total expenditures	960,000	960,000	-	960,000
REVENUES OVER (UNDER) EXPENDITURES	(456,124)	(456,124)	424,333	880,457
CHANGE IN FUND BALANCE	(456,124)	(456,124)	424,333	880,457
FUND BALANCE:				
Beginning of year	-	-	-	-
End of year	<u>\$ (456,124)</u>	<u>\$ (456,124)</u>	<u>\$ 424,333</u>	<u>\$ 880,457</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:

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.

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 are restricted to be used for qualified capital projects identified in the Agreement.

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.

CDBG Capital Project Fund - To account for Community Development Block Grant (CDBG) funds, and the qualified expenditures of these restricted funds for capital improvement projects.

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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 Projects Fund
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 2,266,160	\$ 2,266,160	\$ 1,059,441	\$ (1,206,719)
Investment earnings	(56,074)	370,000	409,520	39,520
Miscellaneous	1,583,677	1,583,677	227,284	
Total revenues	<u>3,793,763</u>	<u>4,219,837</u>	<u>1,696,245</u>	<u>(2,523,592)</u>
EXPENDITURES:				
Current:				
Police	1,849	1,849	-	3,698
Public works	28,930	34,902	10,842	74,674
Capital outlay	12,433,430	17,044,549	5,445,765	11,598,784
Total expenditures	<u>12,464,209</u>	<u>17,081,300</u>	<u>5,456,607</u>	<u>11,677,156</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(8,670,446)</u>	<u>(12,861,463)</u>	<u>(3,760,362)</u>	<u>(2,523,592)</u>
OTHER FINANCING SOURCES:				
Transfers in	1,152	4,770,000	4,770,000	-
Total other financing sources	<u>1,152</u>	<u>4,770,000</u>	<u>4,770,000</u>	<u>-</u>
CHANGE IN FUND BALANCE	(8,669,294)	(8,091,463)	1,009,638	9,101,101
FUND BALANCE:				
Beginning of year	6,508,756	6,508,756	6,508,756	-
End of year	<u>\$ (2,160,538)</u>	<u>\$ (1,582,707)</u>	<u>\$ 7,518,394</u>	<u>\$ 9,101,101</u>

**City of Culver City
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2018**

	2004 Cooperative	2011 Cooperative	2011 Bond	Cooperative Projects	1993 Tax Exempt Bonds
ASSETS					
Cash and investments	\$ -	\$ -	\$ -	\$ 9,801,644	\$ -
Interest receivables	-	-	-	693,252	-
Note receivables, net	-	-	-	3,395,000	-
Due from other governments	-	-	-	-	-
Total assets	\$ -	\$ -	\$ -	\$ 13,889,896	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 9,050	\$ -
Due to other funds	-	-	-	-	-
Deposits payable	-	-	-	113,245	-
Total liabilities	-	-	-	122,295	-
Deferred inflows of resources:					
Unavailable grant revenues	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances:					
Restricted	-	-	-	13,767,601	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances	-	-	-	13,767,601	-
Total liabilities, deferred inflows of resources, and fund balances	\$ -	\$ -	\$ -	\$ 13,889,896	\$ -

City of Culver City
Combining Balance Sheet (Continued)
Nonmajor Capital Projects Funds
June 30, 2018

	2002 Cooperative	Capital Improvement Grants	CDBG Capital	Total
ASSETS				
Cash and investments	\$ -	\$ -	\$ -	\$ 9,801,644
Interest receivables	-	-	-	693,252
Note receivables, net	-	-	-	3,395,000
Due from other governments	-	1,369,756	154,773	1,524,529
Total assets	\$ -	\$ 1,369,756	\$ 154,773	\$ 15,414,425
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 304,112	\$ 154,773	\$ 467,935
Due to other funds	-	997,980	-	997,980
Deposits payable	-	-	-	113,245
Total liabilities	\$ -	1,302,092	154,773	1,579,160
Deferred inflows of resources:				
Unavailable grant revenues	-	1,369,756	10,449	1,380,205
Total deferred inflows of resources	-	1,369,756	10,449	1,380,205
Fund Balances:				
Restricted	-	-	-	13,767,601
Unassigned (deficit)	-	(1,302,092)	(10,449)	(1,312,541)
Total fund balances	-	(1,302,092)	(10,449)	12,455,060
Total liabilities, deferred inflows of resources, and fund balances	\$ -	\$ 1,369,756	\$ 154,773	\$ 15,414,425

City of Culver City
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2018

	2004 Cooperative	2011 Cooperative	2011 Bond	Cooperative Projects	1993 Tax Exempt Bonds
REVENUES:					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	-	244,423	-
Miscellaneous	-	-	-	1	-
Total revenues	-	-	-	244,424	-
EXPENDITURES:					
Current:					
Public works	-	-	-	-	-
Capital outlay	-	-	-	9,133,642	-
Total expenditures	-	-	-	9,133,642	-
REVENUES OVER EXPENDITURES	-	-	-	(8,889,218)	-
OTHER FINANCING SOURCES:					
Transfers in	-	803,702	-	23,461,180	-
Transfers out	(2,807,000)	-	(4,776,708)	(7,575,968)	(1,734,235)
Total other financing sources	(2,807,000)	803,702	(4,776,708)	15,885,212	(1,734,235)
CHANGES IN FUND BALANCES	(2,807,000)	803,702	(4,776,708)	6,995,994	(1,734,235)
FUND BALANCES (DEFICIT):					
Beginning of year	2,807,000	(803,702)	4,776,708	6,771,607	1,734,235
End of year	\$ -	\$ -	\$ -	\$ 13,767,601	\$ -

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, 2018

	2002 Cooperative	Capital Improvement Grants	CDBG Capital	Total
REVENUES:				
Intergovernmental	\$ -	\$ 4,023,255	\$ 144,324	\$ 4,167,579
Investment earnings	-	-	-	244,423
Miscellaneous	-	-	-	1
Total revenues	-	4,023,255	144,324	4,412,003
EXPENDITURES:				
Current:				
Public works	-	31,175	-	31,175
Capital outlay	-	2,227,030	154,773	11,515,445
Total expenditures	-	2,258,205	154,773	11,546,620
REVENUES OVER EXPENDITURES	-	1,765,050	(10,449)	(7,134,617)
OTHER FINANCING SOURCES:				
Transfers in	-	-	-	24,264,882
Transfers out	(14,143,237)	-	-	(31,037,148)
Total other financing sources	(14,143,237)	-	-	(6,772,266)
CHANGES IN FUND BALANCES	(14,143,237)	1,765,050	(10,449)	(13,906,883)
FUND BALANCES (DEFICIT):				
Beginning of year	14,143,237	(3,067,142)	-	26,361,943
End of year	\$ -	\$ (1,302,092)	\$ (10,449)	\$ 12,455,060

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Investment earnings	\$ (21,176)	\$ -	\$ -	\$ -
Total revenues	<u>(21,176)</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Capital outlay	2,772,076	-	-	-
Total expenditures	<u>2,772,076</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(2,793,252)</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(2,807,000)	(2,807,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(2,807,000)</u>	<u>(2,807,000)</u>
CHANGE IN FUND BALANCE	(2,793,252)	-	(2,807,000)	(2,807,000)
FUND BALANCE:				
Beginning of year	2,807,000	2,807,000	2,807,000	-
End of year	<u>\$ 13,748</u>	<u>\$ 2,807,000</u>	<u>\$ -</u>	<u>\$ (2,807,000)</u>

City of Culver City
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
2011 Bond Capital Projects Fund
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Investment earnings	\$ (6,107)	\$ -	\$ -	\$ -
Total revenues	(6,107)	-	-	-
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(4,776,708)	(4,776,708)
Total other financing sources (uses)	-	-	(4,776,708)	(4,776,708)
CHANGE IN FUND BALANCE	(6,107)	-	(4,776,708)	(4,776,708)
FUND BALANCE:				
Beginning of year	4,776,708	4,776,708	4,776,708	-
End of year	<u>\$ 4,770,601</u>	<u>\$ 4,776,708</u>	<u>\$ -</u>	<u>\$ (4,776,708)</u>

City of Culver City
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Cooperative Projects Capital Projects Fund
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Investment earnings	\$ (19,035)	\$ 141,850	\$ 244,423	\$ 102,573
Miscellaneous	4,202,000	-	1	1
Total revenues	<u>4,182,965</u>	<u>141,850</u>	<u>244,424</u>	<u>102,574</u>
EXPENDITURES:				
Current:				
General government	-	998,986	-	998,986
Capital outlay	579,647	18,215,155	9,133,642	9,081,513
Total expenditures	<u>579,647</u>	<u>19,214,141</u>	<u>9,133,642</u>	<u>10,080,499</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>3,603,318</u>	<u>(19,072,291)</u>	<u>(8,889,218)</u>	<u>(9,977,925)</u>
OTHER FINANCING SOURCES:				
Transfers in	-	-	23,461,180	23,461,180
Transfers out	(1,300,000)	(6,771,659)	(7,575,968)	(804,309)
Total other financing sources	<u>(1,300,000)</u>	<u>(6,771,659)</u>	<u>15,885,212</u>	<u>22,656,871</u>
CHANGE IN FUND BALANCE	2,303,318	(25,843,950)	6,995,994	12,678,946
FUND BALANCE:				
Beginning of year	6,771,607	6,771,607	6,771,607	-
End of year	<u>\$ 9,074,925</u>	<u>\$ (19,072,343)</u>	<u>\$ 13,767,601</u>	<u>\$ 12,678,946</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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
EXPENDITURES:				
Current:				
Capital outlay	\$ 2,110,928	\$ -	\$ -	\$ -
Total expenditures	<u>2,110,928</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES:				
Transfers out	-	-	(1,734,235)	(1,734,235)
Total other financing sources	<u>-</u>	<u>-</u>	<u>(1,734,235)</u>	<u>(1,734,235)</u>
CHANGE IN FUND BALANCE	2,110,928	-	(1,734,235)	(1,734,235)
FUND BALANCE:				
Beginning of year	1,734,235	1,734,235	1,734,235	-
End of year	<u>\$ 3,845,163</u>	<u>\$ 1,734,235</u>	<u>\$ -</u>	<u>\$ (1,734,235)</u>

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Investment earnings	\$ (152,994)	\$ -	\$ -	\$ -
Total revenues	(152,994)	-	-	-
EXPENDITURES:				
Capital outlay	13,938,299	-	-	-
Total expenditures	13,938,299	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	(14,091,293)	-	-	-
OTHER FINANCING SOURCES:				
Transfer out	-	-	(14,143,237)	(14,143,237)
Total other financing sources	-	-	(14,143,237)	(14,143,237)
CHANGE IN FUND BALANCE	(14,091,293)	-	(14,143,237)	(14,143,237)
FUND BALANCE:				
Beginning of year	14,143,237	14,143,237	14,143,237	-
End of year	\$ 51,944	\$ 14,143,237	\$ -	\$ (14,143,237)

City of Culver City
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Capital Improvement Grants Capital Projects Fund
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 16,608,418	\$ 16,688,418	\$ 4,023,255	\$ (12,665,163)
Total revenues	16,608,418	16,688,418	4,023,255	(12,665,163)
EXPENDITURES:				
Current:				
Community development	-	-	31,175	31,175
Public works	17,153	53,166	-	70,319
Capital outlay	11,171,159	10,675,998	2,227,030	8,448,968
Total expenditures	11,188,312	10,729,164	2,258,205	8,550,462
REVENUES OVER (UNDER) EXPENDITURES	5,420,106	5,959,254	1,765,050	(12,665,163)
CHANGE IN FUND BALANCE	5,420,106	5,959,254	1,765,050	(4,194,204)
FUND BALANCE (DEFICIT):				
Beginning of year	(3,067,142)	(3,067,142)	(3,067,142)	-
End of year	\$ 2,352,964	\$ 2,892,112	\$ (1,302,092)	\$ (4,194,204)

City of Culver City
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
CDBG Capital Projects Fund
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 614,597	\$ 614,597	\$ 144,324	\$ (470,273)
Total revenues	614,597	614,597	144,324	(470,273)
EXPENDITURES:				
Capital outlay	576,798	576,798	154,773	422,025
Debt service: Principal payments	5,000	5,000	-	5,000
Debt service: Interest and fiscal charges	25,435	25,435	-	25,435
Total expenditures	576,798	576,798	154,773	422,025
REVENUES OVER (UNDER) EXPENDITURES	37,799	37,799	(10,449)	(48,248)
CHANGE IN FUND BALANCE	37,799	37,799	(10,449)	(48,248)
FUND BALANCE (DEFICIT):				
Beginning of year	-	-	-	-
End of year	\$ 37,799	\$ 37,799	\$ (10,449)	\$ (48,248)

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 (Injured On Duty) 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, 2018

	Equipment Replacement	Equipment Maintenance	Risk Management	Central Stores	Total
ASSETS					
Current assets:					
Cash and investments	\$ 7,016,485	\$ 554,026	\$ 4,525,803	\$ -	\$ 12,096,314
Accounts receivables, net	-	23	-	136	159
Interest receivables	24,101	6,854	18,217	-	49,172
Due from other funds	-	-	-	136	136
Due from other governments	-	-	-	-	-
Inventories	-	121,362	-	711,509	832,871
Total current assets	7,040,586	682,265	4,544,020	711,781	12,978,652
Noncurrent assets:					
Capital assets:					
Construction in progress	2,194,949	-	-	-	2,194,949
Machinery and equipment	25,054,176	333,578	47,789	-	25,435,543
Less accumulated depreciation	(17,684,887)	(293,138)	(47,098)	-	(18,025,123)
Capital assets, net	9,564,238	40,440	691	-	9,605,369
Total noncurrent assets	9,564,238	40,440	691	-	9,605,369
Total assets	16,604,824	722,705	4,544,711	711,781	22,584,021
DEFERRED OUTFLOWS OF RESOURCES					
Pension related amounts	-	1,606,183	582,395	-	2,188,578
Other post-employment benefits related amounts	-	171,784	34,153	-	205,937
Total deferred outflows of resources	-	1,777,967	616,548	-	2,394,515

(Continued)

City of Culver City
Combining Statement of Net Position (Continued)
All Internal Service Funds
June 30, 2018

	Equipment Replacement	Equipment Maintenance	Risk Management	Central Stores	Total
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 77,336	\$ 166,316	\$ 80,764	\$ 57,766	\$ 382,182
Salaries and benefits payable	-	86,919	23,340	-	110,259
Due to other funds	-	-	-	896,255	896,255
Due to SA	1,479	-	-	-	1,479
Compensated absences - due within one year	-	205,015	4,978	-	209,993
Claims payable - due within one year	-	-	3,790,486	-	3,790,486
Total current liabilities	<u>78,815</u>	<u>458,250</u>	<u>3,899,568</u>	<u>954,021</u>	<u>5,390,654</u>
Noncurrent liabilities:					
Compensated absences - due in more than one year	-	729,303	13,715	-	743,018
Claims payable - due in more than one year	-	-	11,940,464	-	11,940,464
Net pension liabilities	-	7,271,868	2,636,746	-	9,908,614
Net other post-employment benefits liabilities	-	2,665,631	529,953	-	3,195,584
Total noncurrent liabilities	<u>-</u>	<u>10,666,802</u>	<u>15,120,878</u>	<u>-</u>	<u>25,787,680</u>
Total liabilities	<u>78,815</u>	<u>11,125,052</u>	<u>19,020,446</u>	<u>954,021</u>	<u>31,178,334</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related amounts	-	161,501	58,560	-	220,061
Other post-employment benefits related amounts	-	467,625	92,968	-	560,593
Total deferred inflows of resources	<u>-</u>	<u>629,126</u>	<u>151,528</u>	<u>-</u>	<u>780,654</u>
NET POSITION					
Investment in capital assets	9,564,238	40,440	691	-	9,605,369
Unrestricted (deficit)	6,961,771	(9,293,946)	(14,011,406)	(242,240)	(16,585,821)
Total net position	<u>\$ 16,526,009</u>	<u>\$ (9,253,506)</u>	<u>\$ (14,010,715)</u>	<u>\$ (242,240)</u>	<u>\$ (6,980,452)</u>

(Concluded)

City of Culver City
Combining Statement of Revenues, Expenses and Changes in Net Position
All Internal Service Funds
For the Year Ended June 30, 2018

	Equipment Replacement	Equipment Maintenance	Risk Management	Central Stores	Total
OPERATING REVENUES:					
Sales and service charges	\$ 1,968,926	\$ 7,869,394	\$ 6,144,654	\$ 1,323,706	\$ 17,306,680
Miscellaneous	-	-	24,302	-	24,302
Total operating revenues	1,968,926	7,869,394	6,168,956	1,323,706	17,330,982
OPERATING EXPENSES:					
Salaries and benefits	-	5,311,873	1,396,334	-	6,708,207
Supplies	-	1,342,667	78,008	198,711	1,619,386
Repairs and maintenance	233,049	1,471,985	4,575	1,163,153	2,872,762
Insurance	-	143,318	1,634,374	-	1,777,692
Claims and settlements	-	-	5,067,152	-	5,067,152
Consulting and contractual services	-	88,501	453,108	-	541,609
Depreciation	1,613,770	17,355	519	-	1,631,644
Total operating expenses	1,846,819	8,375,699	8,634,070	1,361,864	20,218,452
OPERATING INCOME (LOSS)	122,107	(506,305)	(2,465,114)	(38,158)	(2,887,470)
NONOPERATING REVENUES:					
Investment earnings	58,042	2,537	33,877	-	94,456
Intergovernmental	-	1,168	-	-	1,168
Gain on sales of property	86,552	25,673	-	-	112,225
Total nonoperating revenues	144,594	29,378	33,877	-	207,849
CHANGES IN NET POSITION	266,701	(476,927)	(2,431,237)	(38,158)	(2,679,621)
NET POSITION (DEFICIT):					
Beginning of year	16,259,308	(8,776,579)	(11,579,478)	(204,082)	(4,300,831)
End of year	<u>\$ 16,526,009</u>	<u>\$ (9,253,506)</u>	<u>\$ (14,010,715)</u>	<u>\$ (242,240)</u>	<u>\$ (6,980,452)</u>

City of Culver City
Combining Statement of Cash Flows
All Internal Service Funds
For the Year Ended June 30, 2018

	Equipment Replacement	Equipment Maintenance	Risk Management	Central Stores	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from user departments	\$ 2,023,816	\$ 7,869,091	\$ 6,144,654	\$ 1,391,363	\$ 17,428,924
Receipts from operating revenue	-	-	24,302	-	24,302
Insurance recovery	-	-	163,617	-	163,617
Payments to suppliers for goods and services	(243,899)	(3,091,183)	(7,226,951)	(1,391,363)	(11,953,396)
Payments to employees	-	(4,950,765)	(1,272,991)	-	(6,223,756)
Net cash provided by (used in) operating activities	1,779,917	(172,857)	(2,167,369)	-	(560,309)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Operating grants	210,000	1,168	-	-	211,168
Net cash provided by (used in) noncapital financing activities	210,000	1,168	-	-	211,168
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition of capital assets	(3,639,062)	-	-	-	(3,639,062)
Proceeds from sales of capital assets	86,552	33,174	-	-	119,726
Net cash provided by (used in) capital and related financing activities	(3,552,510)	33,174	-	-	(3,519,336)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest received	57,762	2,493	34,481	-	94,736
Net cash provided by investing activities	57,762	2,493	34,481	-	94,736
Net (decrease) in cash and cash equivalents	(1,504,831)	(136,022)	(2,132,888)	-	(3,773,741)
CASH AND CASH EQUIVALENTS:					
Beginning of year	8,521,316	690,048	6,658,691	-	15,870,055
End of year	\$ 7,016,485	\$ 554,026	\$ 4,525,803	\$ -	\$ 12,096,314

City of Culver City
Combining Statement of Cash Flows (Continued)
All Internal Service Funds
For the Year Ended June 30, 2018

	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)	\$ 122,107	\$ (506,305)	\$ (2,465,114)	\$ (38,158)	\$ (2,887,470)
Depreciation	1,613,770	17,355	519	-	1,631,644
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
(Increase) decrease in accounts receivable	-	(303)	-	(136)	(439)
(Increase) decrease in due from other funds	54,890	-	-	67,793	122,683
(Increase) decrease in inventories	-	(60,333)	-	(6,348)	(66,681)
(Increase) decrease in deferred outflows of resources					
Pension related	-	(247,477)	(89,734)	-	(337,211)
OPEB related	-	(167,239)	(33,249)	-	(200,488)
Increase (decrease) in accounts payable	(10,850)	15,621	10,266	(23,151)	(8,114)
Increase (decrease) in accrued liabilities	-	1,756	(7,075)	-	(5,319)
Increase (decrease) in compensated absences	-	78,556	(259)	-	78,297
Increase (decrease) in net pension liabilities	-	688,483	249,641	-	938,124
Increase (decrease) in OPEB	-	(240,085)	(47,731)	-	(287,816)
Increase (decrease) in claims payable	-	-	163,617	-	163,617
(Increase) decrease in deferred inflows of resources					
Pension related	-	15,998	5,802	-	21,800
OPEB related	-	231,116	45,948	-	277,064
Total adjustments	<u>1,657,810</u>	<u>333,448</u>	<u>297,745</u>	<u>38,158</u>	<u>2,327,161</u>
Net cash provided by (used in) operating activities	<u><u>\$ 1,779,917</u></u>	<u><u>\$ (172,857)</u></u>	<u><u>\$ (2,167,369)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (560,309)</u></u>

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, 2018

	Agency Funds		
	Treasurer's Trust	Revitalization Corporation	Total
ASSETS			
Cash and investments	\$ 11,623	\$ 61,357	\$ 72,980
Total assets	\$ 11,623	\$ 61,357	\$ 72,980
LIABILITIES			
Deposits	\$ 11,623	\$ 61,357	\$ 72,980
Total liabilities	\$ 11,623	\$ 61,357	\$ 72,980

City of Culver City
Combining Statement of Changes in Agency Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2018

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
<u>Treasurer's Trust</u>				
Assets:				
Cash and investments	\$ 55,589	\$ -	\$ (43,966)	\$ 11,623
Total assets	\$ 55,589	\$ -	\$ (43,966)	\$ 11,623
Liabilities:				
Deposits payable	\$ 55,589	\$ -	\$ (43,966)	\$ 11,623
Total liabilities	\$ 55,589	\$ -	\$ (43,966)	\$ 11,623
<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	\$ 116,946	\$ -	\$ (43,966)	\$ 72,980
Total assets	\$ 116,946	\$ -	\$ (43,966)	\$ 72,980
Liabilities:				
Deposits payable	\$ 116,946	\$ -	\$ (43,966)	\$ 72,980
Total liabilities	\$ 116,946	\$ -	\$ (43,966)	\$ 72,980

Statistical Section





STATISTICAL SECTION

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City of Culver City
Description of Statistical Section Contents
June 30, 2018

This part of the City of Culver City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the government's overall financial health.

Contents:	Pages
Financial Trends - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	186 - 191
Revenue Capacity - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	192 - 203
Debt Capacity - These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	204 - 208
Demographic and Economic Information - These schedules offer demographics and economic indicators to help the reader understand the environment within which the City's financial activities take place.	209 - 214
Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report related to the services the City provides and activities it performs.	215 - 218

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

	2009	2010	2011	2012	2013
Governmental activities					
Net investment in capital assets	\$ (3,739,583)	\$ 3,324,019	\$ 255,967	\$ 151,247,364	\$ 143,056,650
Restricted	111,255,792	109,425,542	120,932,521	128,661,077	96,457,750
Unrestricted	28,238,889	16,060,402	14,107,002	12,084,442	21,999,556
Total governmental activities net position	<u>\$ 135,755,098</u>	<u>\$ 128,809,963</u>	<u>\$ 135,295,490</u>	<u>\$ 291,992,883</u>	<u>\$ 261,513,956</u>
Business-type activities					
Net investment in capital assets	\$ 41,686,763	\$ 43,057,219	\$ 44,772,760	\$ 51,007,687	\$ 50,787,094
Restricted	-	-	-	2,147,433	2,171,794
Unrestricted	35,576,295	32,440,211	31,563,720	34,373,274	33,449,555
Total business-type activities net position	<u>\$ 77,263,058</u>	<u>\$ 75,497,430</u>	<u>\$ 76,336,480</u>	<u>\$ 87,528,394</u>	<u>\$ 86,408,443</u>
Primary government					
Net investment in capital assets	\$ 37,947,180	\$ 46,381,238	\$ 45,028,727	\$ 202,255,051	\$ 193,843,744
Restricted	111,255,792	109,425,542	120,932,521	130,808,510	98,629,544
Unrestricted	63,815,184	48,500,613	45,670,722	46,457,716	55,449,111
Total primary government net position	<u>\$ 213,018,156</u>	<u>\$ 204,307,393</u>	<u>\$ 211,631,970</u>	<u>\$ 379,521,277</u>	<u>\$ 347,922,399</u>

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)

	2014	2015	2016	2017	2018
Governmental activities					
Net investment in capital assets	\$ 143,775,699	\$ 138,194,791	\$ 136,967,403	\$ 144,639,910	\$ 162,634,242
Restricted	96,157,539	80,777,328	83,083,502	90,048,591	70,969,965
Unrestricted	33,896,113	(171,257,691)	(156,905,843)	(159,583,947)	(162,306,355)
Total governmental activities net position	<u>\$ 273,829,351</u>	<u>\$ 47,714,428</u>	<u>\$ 63,145,062</u>	<u>\$ 75,104,554</u>	<u>\$ 71,297,852</u>
Business-type activities					
Net investment in capital assets	\$ 55,216,555	\$ 54,690,405	\$ 57,051,460	\$ 72,309,196	\$ 71,580,562
Restricted	2,176,609	2,185,415	1,652,641	1,608,838	1,658,185
Unrestricted	31,679,756	(3,173,794)	(4,995,724)	(13,213,561)	(15,089,840)
Total business-type activities net position	<u>\$ 89,072,920</u>	<u>\$ 53,702,026</u>	<u>\$ 53,708,377</u>	<u>\$ 60,704,473</u>	<u>\$ 58,148,907</u>
Primary government					
Net investment in capital assets	\$ 198,992,254	\$ 192,885,196	\$ 194,018,863	\$ 216,949,106	\$ 234,214,804
Restricted	98,334,148	82,962,743	84,736,143	91,657,429	72,628,150
Unrestricted	65,575,869	(174,431,485)	(161,901,567)	(172,797,508)	(177,396,195)
Total primary government net position	<u>\$ 362,902,271</u>	<u>\$ 101,416,454</u>	<u>\$ 116,853,439</u>	<u>\$ 135,809,027</u>	<u>\$ 129,446,759</u>

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

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

	2009	2010	2011	2012	2013
Expenses					
Governmental activities:					
General government	\$ 7,912,284	\$ 9,892,196	\$ 5,621,826	\$ 12,279,581	\$ 8,445,889
Parks, recreation and community services	6,740,814	7,835,307	8,088,964	7,476,362	7,367,387
Police	28,297,020	31,669,431	31,788,033	29,939,290	30,336,287
Fire	15,574,764	18,546,617	17,740,363	18,048,628	18,077,245
Community Development	17,392,182	19,317,046	46,579,065	28,707,314	9,661,939
Public Works	14,208,031	14,616,281	13,163,149	16,484,258	11,360,132
Transportation	-	-	-	-	291,612
Interest on long-term debt	7,935,287	8,107,981	8,579,601	3,786,951	74,649
Total governmental activities expenses	<u>98,060,382</u>	<u>109,984,859</u>	<u>131,561,001</u>	<u>116,722,384</u>	<u>85,615,140</u>
Business-type activities:					
Refuse Disposal Fund	10,516,201	10,751,063	10,667,440	10,605,613	10,841,375
Municipal Bus Lines Fund	17,876,341	18,418,501	19,088,076	19,591,642	22,752,400
Sewer Enterprise Fund	6,106,718	8,400,664	8,068,600	7,834,922	7,401,222
Municipal Fiber Network	-	-	-	-	-
Total business-type activities expenses	<u>34,499,260</u>	<u>37,570,228</u>	<u>37,824,116</u>	<u>38,032,177</u>	<u>40,994,997</u>
Total primary government expenses	<u>132,559,642</u>	<u>147,555,087</u>	<u>169,385,117</u>	<u>154,754,561</u>	<u>126,610,137</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 724,119	\$ 681,128	\$ 271,516	\$ 325,001	\$ 556,792
Parks and recreation	2,190,981	2,364,235	2,416,182	2,398,033	2,448,788
Police	4,530,822	4,963,657	5,118,168	3,591,328	3,896,275
Fire	3,545,535	3,254,189	2,234,203	2,447,007	2,533,844
Community Development	5,348,992	6,947,986	5,800,395	7,217,615	6,841,558
Public Works	751,321	1,020,461	1,849,759	1,637,526	1,619,054
Transportation	-	-	-	-	4,352
Operating Contributions and Grants	7,338,357	5,127,862	6,342,237	8,667,062	6,844,461
Capital Grants and Contributions	2,206,610	4,316,975	3,525,001	4,182,936	4,991,312
Total governmental activities program revenues	<u>26,636,737</u>	<u>28,676,493</u>	<u>27,557,461</u>	<u>30,466,508</u>	<u>29,736,436</u>
Business-type activities:					
Charges for services:					
Refuse Disposal Fund	10,962,463	11,154,752	11,646,192	11,555,536	11,419,668
Municipal Bus Lines Fund	2,937,041	3,257,360	3,595,784	3,803,136	4,011,320
Sewer Enterprise Fund	8,848,985	9,079,094	8,638,408	7,874,554	8,141,464
Operating grants and contributions	11,820,879	9,503,221	11,062,738	15,087,791	14,496,326
Capital grants and contributions	4,325,720	52,915	2,588,325	11,066,909	1,938,724
Total business-type activities program revenues	<u>38,895,088</u>	<u>33,047,342</u>	<u>37,531,447</u>	<u>49,387,926</u>	<u>40,007,502</u>
Total primary government program revenues	<u>\$ 65,531,825</u>	<u>\$ 61,723,835</u>	<u>\$ 65,088,908</u>	<u>\$ 79,854,434</u>	<u>\$ 69,743,938</u>

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

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

	2014	2015	2016	2017	2018
Expenses					
Governmental activities:					
General government	\$ 7,862,533	\$ 22,383,141	\$ 13,358,925	\$ 14,990,643	\$ 26,854,930
Parks, recreation and community services	7,780,264	8,325,466	8,775,491	9,022,335	11,501,839
Police	33,869,176	32,806,197	36,045,013	40,121,314	45,463,577
Fire	19,179,679	19,167,988	20,374,502	23,019,797	26,764,984
Community Development	10,013,569	10,460,975	13,645,410	24,698,337	13,250,693
Public Works	11,789,014	14,477,308	12,586,907	12,948,758	14,132,972
Transportation	286,165	263,200	364,621	485,925	1,009,270
Interest on long-term debt	47,962	11,520	-	-	-
Total governmental activities expenses	<u>90,828,362</u>	<u>107,895,795</u>	<u>105,150,869</u>	<u>125,287,109</u>	<u>138,978,265</u>
Business-type activities:					
Refuse Disposal Fund	11,549,661	11,783,785	11,192,703	12,254,241	14,811,894
Municipal Bus Lines Fund	21,491,866	22,324,977	23,080,082	24,242,317	27,546,738
Sewer Enterprise Fund	9,357,548	9,765,471	9,875,998	9,076,812	8,144,996
Municipal Fiber Network	-	-	1,963	1,430,316	1,720,771
Total business-type activities expenses	<u>42,399,075</u>	<u>43,874,233</u>	<u>44,150,746</u>	<u>47,003,686</u>	<u>52,224,399</u>
Total primary government expenses	<u>133,227,437</u>	<u>151,770,028</u>	<u>149,301,615</u>	<u>172,290,795</u>	<u>191,202,664</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 1,479,181	\$ 2,238,222	\$ 3,420,061	\$ 2,465,017	\$ 5,100,366
Parks and recreation	2,660,125	2,926,314	2,981,697	3,099,475	3,510,388
Police	4,547,121	4,455,096	4,661,925	5,640,905	6,380,868
Fire	3,001,288	2,786,350	3,469,803	3,639,515	4,099,395
Community Development	8,633,692	7,478,274	10,055,969	10,372,275	14,267,654
Public Works	1,896,937	2,126,165	2,152,282	2,554,688	3,056,562
Transportation	5,009	5,776	4,348	4,426	30,193
Operating Contributions and Grants	6,577,663	6,077,562	6,887,267	5,200,729	5,936,262
Capital Grants and Contributions	2,493,998	2,825,117	1,195,595	6,235,656	4,629,933
Total governmental activities program revenues	<u>31,295,014</u>	<u>30,918,876</u>	<u>34,828,947</u>	<u>39,212,686</u>	<u>47,011,621</u>
Business-type activities:					
Charges for services:					
Refuse Disposal Fund	11,732,899	11,745,590	12,559,906	13,086,289	14,644,140
Municipal Bus Lines Fund	3,796,169	3,760,517	3,582,271	3,188,558	3,041,100
Sewer Enterprise Fund	8,999,538	9,185,121	9,936,490	9,003,222	9,724,306
Operating grants and contributions	15,781,669	15,906,511	16,165,460	25,844,886	19,329,775
Capital grants and contributions	4,224,835	729,378	1,220,528	1,621,358	1,272,523
Total business-type activities program revenues	<u>44,535,110</u>	<u>41,327,117</u>	<u>43,464,655</u>	<u>52,744,313</u>	<u>48,011,844</u>
Total primary government program revenues	<u>\$ 75,830,124</u>	<u>\$ 72,245,993</u>	<u>\$ 78,293,602</u>	<u>\$ 91,956,999</u>	<u>\$ 95,023,465</u>

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

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

	2009	2010	2011	2012	2013
Net (Expense)/Revenue					
Governmental activities	\$ (71,423,645)	\$ (81,308,367)	\$ (104,003,540)	\$ (86,255,876)	\$ (55,878,704)
Business-type activities	4,395,828	(4,522,886)	(292,669)	11,355,749	(987,495)
Total primary government net expense	<u>\$ (67,027,817)</u>	<u>\$ (85,831,253)</u>	<u>\$ (104,296,209)</u>	<u>\$ (74,900,127)</u>	<u>\$ (56,866,199)</u>
General Revenues and Other Changes in Net Position					
Governmental activities :					
Taxes					
Property taxes	\$ 37,661,322	\$ 25,751,846	\$ 39,842,728	\$ 22,211,508	\$ 8,674,103
Sales taxes	16,004,311	14,314,156	16,192,369	16,970,122	19,791,627
Utility users tax	14,337,233	14,142,799	14,489,841	14,363,708	14,518,808
Franchise taxes	1,457,293	1,278,427	1,348,274	1,271,563	1,399,727
Business license taxes	10,534,685	9,653,597	10,049,265	9,930,602	10,253,802
Transient occupancy taxes	2,944,183	2,967,131	3,283,896	3,781,092	5,195,349
Other taxes	411,763	369,409	1,982,979	555,444	743,702
Motor vehicle in lieu taxes	3,288,296	3,476,976	3,484,424	3,423,230	3,449,068
Use of money and property	3,503,478	3,650,929	1,427,225	802,047	1,446,295
Gain (Loss) on sale of capital assets	2,729,879	395,000	14,110,004	30,743	-
Other	78,000	78,000	509,941	1,261,723	731,825
Transfers	(372,025)	(1,715,039)	(316,947)	(343,073)	(398,441)
Transfers from fiduciary	-	-	-	-	-
Extraordinary gain - transfer of assets and liabilities to RDA Successor trust funds	-	-	-	167,852,017	-
Special Items	-	-	-	-	-
Total governmental activities	<u>\$ 92,578,418</u>	<u>\$ 74,363,231</u>	<u>\$ 106,403,999</u>	<u>\$ 242,110,726</u>	<u>\$ 65,805,865</u>
Business-type activities:					
Sales Taxes- Measure R	\$ -	\$ 1,161,115	\$ 1,418,901	\$ 1,700,105	\$ -
Use of money and property	816,074	922,589	223,925	179,540	(16,248)
Other	168,269	257,178	104,494	306,834	346,317
(Loss) on sale of capital assets					
Transfers	372,025	553,924	316,947	343,073	398,441
Total business-type activities	<u>1,356,368</u>	<u>2,894,806</u>	<u>2,064,267</u>	<u>2,529,552</u>	<u>728,510</u>
Total primary government	<u>\$ 93,934,786</u>	<u>\$ 77,258,037</u>	<u>\$ 108,468,266</u>	<u>\$ 244,640,278</u>	<u>\$ 66,534,375</u>
Change in Net Position					
Governmental activities	\$ 21,154,773	\$ (6,945,136)	\$ 2,400,459	\$ 155,854,850	\$ 9,927,161
Business-type activities	5,752,196	(1,628,080)	1,771,598	13,885,301	(258,985)
Total primary government	<u>\$ 26,906,969</u>	<u>\$ (8,573,216)</u>	<u>\$ 4,172,057</u>	<u>\$ 169,740,151</u>	<u>\$ 9,668,176</u>

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 (Continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2014	2015	2016	2017	2018
Net (Expense)/Revenue					
Governmental activities	\$ (59,533,348)	\$ (76,976,919)	\$ (70,321,922)	\$ (86,074,423)	\$ (91,936,644)
Business-type activities	2,136,035	(2,547,116)	(686,091)	5,740,627	(4,212,555)
Total primary government net expense	<u>\$ (57,397,313)</u>	<u>\$ (79,524,035)</u>	<u>\$ (71,008,013)</u>	<u>\$ (80,333,796)</u>	<u>\$ (96,149,199)</u>
General Revenues and Other Changes in Net Position					
Governmental activities :					
Taxes					
Property taxes	\$ 7,308,615	\$ 10,009,164	\$ 10,627,556	\$ 11,011,319	13,790,871
Sales taxes	27,692,291	28,284,352	30,172,506	29,997,495	31,162,345
Utility users tax	14,839,873	14,774,331	14,544,069	14,104,504	13,970,775
Franchise taxes	1,449,956	1,516,279	1,408,672	1,408,686	1,439,743
Business license taxes	11,214,234	11,808,710	12,299,395	13,373,055	13,168,013
Transient occupancy taxes	5,608,151	6,699,816	7,572,077	7,566,579	7,903,787
Other taxes	1,313,693	1,374,938	1,228,747	631,600	1,731,434
Motor vehicle in lieu taxes	3,735,235	3,908,299	4,109,366	4,475,719	4,764,501
Use of money and property	2,070,913	1,280,825	849,088	692,450	760,686
Gain (Loss) on sale of capital assets	(293,338)	211	-	-	-
Other	342,257	14,781,529	617,494	417,212	588,897
Transfers	(760,438)	(919,357)	12,786	(1,093,863)	(1,151,110)
Transfers from fiduciary	-	-	2,310,800	-	-
Extraordinary gain - transfer of assets and liabilities to RDA Successor trust funds	-	-	-	-	-
Special Items	-	(12,541,852)	-	11,599,118	-
Total governmental activities	<u>\$ 74,521,442</u>	<u>\$ 80,977,245</u>	<u>\$ 85,752,556</u>	<u>\$ 94,183,874</u>	<u>\$ 88,129,942</u>
Business-type activities:					
Sales Taxes- Measure R	\$ -	\$ -	\$ -	\$ -	\$ -
Use of money and property	277,385	216,904	320,931	80,471	113,536
Other	342,457	300,209	384,297	411,639	392,343
(Loss) on sale of capital assets	-	-	-	(330,504)	-
Transfers	760,438	919,357	(12,786)	1,093,863	1,151,110
Total business-type activities	<u>1,380,280</u>	<u>1,436,470</u>	<u>692,442</u>	<u>1,255,469</u>	<u>1,656,989</u>
Total primary government	<u>\$ 75,901,722</u>	<u>\$ 82,413,715</u>	<u>\$ 86,444,998</u>	<u>\$ 95,439,343</u>	<u>\$ 89,786,931</u>
Change in Net Position					
Governmental activities	\$ 14,988,094	\$ 4,000,326	\$ 15,430,634	\$ 8,109,451	\$ (3,806,702)
Business-type activities	3,516,315	(1,110,646)	6,351	6,996,096	(2,555,566)
Total primary government	<u>\$ 18,504,409</u>	<u>\$ 2,889,680</u>	<u>\$ 15,436,985</u>	<u>\$ 15,105,547</u>	<u>\$ (6,362,268)</u>

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

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

Function/Program	2009	2010	2011	2012	2013
Governmental activities:					
General government	\$ 1,255,678	\$ 1,094,188	\$ 1,543,537	\$ 561,872	\$ 2,689,305
Parks and recreation	4,001,648	3,807,974	3,263,123	3,993,130	2,891,150
Police	5,269,470	5,619,234	5,317,581	4,280,253	4,481,542
Fire	3,545,535	3,254,189	2,234,203	2,447,007	2,777,379
Community Development	8,402,829	8,765,549	7,992,307	9,353,786	9,228,830
Public Works	4,161,577	6,135,359	7,206,710	9,830,460	7,577,994
Transportation	-	-	-	-	90,236
Subtotal governmental activities	<u>26,636,737</u>	<u>28,676,493</u>	<u>27,557,461</u>	<u>30,466,508</u>	<u>29,736,436</u>
Business-type activities:					
Refuse Disposal Fund	10,962,463	11,163,890	11,864,998	12,299,423	11,442,218
Municipal Bus -Transit	19,083,640	12,804,358	17,026,228	29,213,226	20,422,157
Sewer Enterprise Fund	8,848,985	9,079,094	8,640,221	7,875,277	8,143,127
Subtotal business-type activities	<u>38,895,088</u>	<u>33,047,342</u>	<u>37,531,447</u>	<u>49,387,926</u>	<u>40,007,502</u>
Total primary government	<u>\$ 65,531,825</u>	<u>\$ 61,723,835</u>	<u>\$ 65,088,908</u>	<u>\$ 79,854,434</u>	<u>\$ 69,743,938</u>

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

	2014	2015	2016	2017	2018
Function/Program					
Governmental activities:					
General government	\$ 3,455,983	\$ 4,195,371	\$ 4,860,813	\$ 3,865,385	\$ 6,609,126
Parks and recreation	2,870,838	3,247,541	3,272,059	3,381,557	3,792,927
Police	5,337,377	5,254,336	5,258,049	6,127,591	7,218,778
Fire	3,230,169	2,867,360	3,647,791	3,745,887	4,411,810
Community Development	10,580,562	9,174,202	13,009,788	12,256,628	16,714,423
Public Works	5,682,998	5,979,216	4,632,178	9,676,224	7,891,194
Transportation	137,087	200,850	148,269	159,414	403,363
Subtotal governmental activities	<u>31,295,014</u>	<u>30,918,876</u>	<u>34,828,947</u>	<u>39,212,686</u>	<u>47,041,621</u>
Business-type activities:					
Refuse Disposal Fund	11,772,165	11,796,339	12,604,319	13,086,289	14,760,456
Municipal Bus -Transit	23,762,329	20,344,349	20,923,156	30,654,802	23,524,754
Sewer Enterprise Fund	9,000,616	9,186,429	9,937,180	9,003,222	9,726,634
Subtotal business-type activities	<u>44,535,110</u>	<u>41,327,117</u>	<u>43,464,655</u>	<u>52,744,313</u>	<u>48,011,844</u>
Total primary government	<u>\$ 75,830,124</u>	<u>\$ 72,245,993</u>	<u>\$ 78,293,602</u>	<u>\$ 91,956,999</u>	<u>95,053,465</u>

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Fund					
Reserved	\$ 10,714,977	\$ 7,650,079	\$ -	\$ -	\$ -
Unreserved	29,805,314	31,243,558	-	-	-
Nonspendable	-	-	6,799,442	6,192,311	7,621,370
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	1,024,329	218,307	564,382
Unassigned	-	-	42,492,244	42,583,643	42,939,543
Total General Fund	<u>\$ 40,520,291</u>	<u>\$ 38,893,637</u>	<u>\$ 50,316,015</u>	<u>\$ 48,994,261</u>	<u>\$ 51,125,295</u>
All Other Governmental Funds					
Reserved	\$ 96,849,643	\$ 99,965,251	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds-RDA	-	-	-	-	-
Capital projects funds-CITY	2,397,955	643,775	-	-	-
Capital projects funds-RDA	23,994,430	19,048,361	-	-	-
Debt service funds	-	-	-	-	-
Non-Major funds - Special revenue funds	6,331,652	5,320,918	-	-	-
Non-Major funds - Capital projects funds	611,434	785,882	-	-	-
Nonspendable	-	-	22,647	-	-
Restricted (includes COOP)	-	-	158,468,133	128,661,077	95,927,506
Committed	-	-	-	-	-
Assigned	-	-	4,893,096	4,872,542	3,939,545
Unassigned	-	-	(7,359,168)	(1,357,834)	(332,930)
Total all other Governmental Funds	<u>\$ 130,185,114</u>	<u>\$ 125,764,187</u>	<u>\$ 156,024,708</u>	<u>\$ 132,175,785</u>	<u>\$ 99,534,121</u>

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)

	2014	2015	2016	2017	2018
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	7,545,451	8,797,076	18,651,241	14,390,734	14,262,847
Restricted	-	-	-	-	-
Committed	30,189,148	34,909,456	37,778,333	40,472,141	44,250,119
Assigned	655,548	100,659	225,888	98,046	121,839
Unassigned (deficit)	<u>18,636,897</u>	<u>36,885,749</u>	<u>25,422,152</u>	<u>22,009,527</u>	<u>22,127,231</u>
Total General Fund	<u>\$ 57,027,044</u>	<u>\$ 80,692,940</u>	<u>\$ 82,077,614</u>	<u>\$ 76,970,448</u>	<u>\$ 80,762,036</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	-	-	-	29,508,555	-
Restricted (includes COOP)	95,919,140	80,663,848	81,872,220	63,126,537	76,659,696
Committed	-	-	14,114,312	13,543,461	16,488,882
Assigned	4,171,163	5,201,207	-	-	-
Unassigned (deficit)	<u>(1,787,933)</u>	<u>(2,639,282)</u>	<u>(2,116,848)</u>	<u>(4,338,625)</u>	<u>(1,500,668)</u>
Total all other Governmental Funds	<u>\$ 98,302,370</u>	<u>\$ 83,225,773</u>	<u>\$ 93,869,684</u>	<u>\$ 101,839,928</u>	<u>\$ 91,647,910</u>

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

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

	2009	2010	2011	2012	2013
Revenues					
Taxes	\$ 81,545,109	\$ 78,988,490	\$ 87,269,063	\$ 69,084,039	\$ 60,044,744
Licenses and permits	12,977,318	12,247,774	2,244,791	2,959,552	3,040,943
Fines and forfeitures	3,922,874	4,413,473	4,618,928	3,107,415	3,574,853
Investment income	3,517,166	3,387,362	1,236,516	1,168,004	2,852,792
Intergovernmental	7,228,161	9,084,949	12,021,397	17,639,544	11,926,258
Charges for services	9,974,608	11,817,763	11,143,637	11,331,314	10,063,004
Sale of Land for resale	-	-	14,110,004	285,956	-
Other revenues	4,396,396	1,313,896	941,644	1,514,011	1,323,474
Total revenues	<u>123,561,632</u>	<u>121,253,707</u>	<u>133,585,980</u>	<u>107,089,835</u>	<u>92,826,068</u>
Expenditures					
General government	6,370,275	5,827,231	4,396,978	7,493,714	11,905,828
Parks, recreation and community services	6,343,893	6,258,099	6,893,761	6,682,893	6,762,595
Police	28,910,326	29,102,527	28,345,389	28,233,992	29,478,847
Fire	15,344,944	15,724,439	15,400,698	16,588,046	17,199,564
Community development	17,711,375	18,233,549	33,299,639	28,262,728	9,135,006
Public works & Transportation	13,460,405	12,440,176	10,591,242	9,880,269	9,638,661
Capital outlay	7,255,428	7,013,846	7,459,015	13,962,974	5,551,098
Debt service					
Debt issuance costs	-	-	692,083	-	-
Principal payment	6,317,776	8,115,236	6,897,948	7,257,273	278,416
Interest and fiscal charges	7,820,329	8,026,395	7,411,970	5,275,844	74,649
SERAF payments	-	10,946,277	2,253,645	-	-
Pass-through payments	4,942,725	5,548,474	7,177,761	-	-
Payment of refunding bond escrow - prior issue	-	-	-	-	-
Total expenditures	<u>114,477,476</u>	<u>127,236,249</u>	<u>130,820,129</u>	<u>123,637,733</u>	<u>90,024,664</u>
Excess of revenues over (under) expenditures	<u>9,084,156</u>	<u>(5,982,542)</u>	<u>2,765,851</u>	<u>(16,547,898)</u>	<u>2,801,404</u>
Other Financing Sources (Uses)					
Transfers in	26,275,033	25,957,103	33,938,808	18,698,313	3,193,169
Transfers out	(25,547,058)	(26,022,142)	(33,587,755)	(18,928,680)	(3,491,610)
Other financing sources					
Long-term debt issued	-	-	47,412,887	-	-
Payment to refunded bond escrow - current issue	-	-	-	-	-
Original issue premium (discount)	-	-	(642,847)	-	-
Total other financing sources (uses)	<u>727,975</u>	<u>(65,039)</u>	<u>47,121,093</u>	<u>(230,367)</u>	<u>(298,441)</u>
Extraordinary Items - Gain (loss) on transfer of assets and liabilities to RDA successor trust funds	-	-	-	(8,459,809)	-
Special Items					
Net change in fund balances	<u>\$ 9,812,131</u>	<u>\$ (6,047,581)</u>	<u>\$ 49,886,944</u>	<u>\$ (25,238,074)</u>	<u>\$ 2,502,963</u>
Debt service as a percentage of noncapital expenditures (a)	13.9%	15.5%	12.6%	11.0%	0.4%

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)

	2014	2015	2016	2017	2018
Revenues					
Taxes	\$ 68,741,259	\$ 75,200,587	\$ 78,337,955	\$ 78,093,238	83,166,967
Licenses and permits	4,664,551	4,301,740	5,088,964	4,910,124	8,174,187
Fines and forfeitures	4,174,721	4,104,462	4,323,432	5,080,610	5,822,781
Investment income	3,451,821	2,958,972	2,315,628	1,827,323	2,198,158
Intergovernmental	10,453,476	11,932,021	11,641,261	13,531,055	16,672,290
Charges for services	11,937,412	12,589,262	15,994,025	16,461,731	21,358,952
Sale of Land for resale	-	-	-	-	-
Other revenues	695,241	15,215,908	1,488,349	652,582	955,418
Total revenues	<u>104,118,481</u>	<u>126,302,952</u>	<u>119,189,614</u>	<u>120,556,663</u>	<u>138,348,753</u>
Expenditures					
General government	12,190,249	16,881,178	13,210,888	14,502,021	25,402,021
Parks, recreation and community services	7,178,243	7,736,234	7,761,720	8,273,036	9,153,817
Police	32,912,122	32,784,324	34,305,688	37,924,974	40,012,677
Fire	18,121,240	19,097,947	21,531,923	22,677,676	23,407,204
Community development	9,481,641	9,825,125	13,415,458	24,163,346	12,144,088
Public works & Transportation	10,002,080	10,349,275	11,526,943	11,562,147	12,202,528
Capital outlay	5,620,204	6,260,467	7,426,995	12,945,681	21,275,738
Debt service					
Debt issuance costs	-	-	-	-	-
Principal payment	296,605	335,510	-	-	-
Interest and fiscal charges	47,962	11,520	-	-	-
SERAF payments	-	-	-	-	-
Pass-through payments	-	-	-	-	-
Payment of refunding bond escrow - prior issue	-	-	-	-	-
Total expenditures	<u>95,850,346</u>	<u>103,281,580</u>	<u>109,179,615</u>	<u>132,048,881</u>	<u>143,598,073</u>
Excess of revenues over (under) expenditures	<u>8,268,135</u>	<u>23,021,372</u>	<u>10,009,999</u>	<u>(11,492,218)</u>	<u>(5,249,320)</u>
Other Financing Sources (Uses)					
Transfers in	3,474,210	5,322,403	15,769,002	11,434,526	38,487,071
Transfers out	(4,399,648)	(6,546,760)	(16,061,216)	(12,528,389)	(39,638,181)
Other financing sources			2,310,800	-	-
Long-term debt issued	-	-	-	-	-
Payment to refunded bond escrow - current issue	-	-	-	-	-
Original issue premium (discount)	-	-	-	-	-
Total other financing sources (uses)	<u>(925,438)</u>	<u>(1,224,357)</u>	<u>2,018,586</u>	<u>(1,093,863)</u>	<u>(1,151,110)</u>
Extraordinary Items - Gain (loss) on transfer of assets and liabilities to RDA successor trust funds	-	-	-	-	-
Special Items		(12,541,852)	-	11,599,118	-
Net change in fund balances	<u>\$ 7,342,697</u>	<u>\$ 9,255,163</u>	<u>\$ 12,028,585</u>	<u>\$ (986,963)</u>	<u>\$ (6,400,430)</u>
Debt service as a percentage of noncapital expenditures (a)	0.4%	0.3%	0.0%	0.0%	0.0%

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)

Fiscal Year	<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>
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
2017	11,011,319	29,997,495	14,104,504	22,979,920	4,910,124	5,080,610
2018	13,790,871	31,162,345	13,970,775	24,242,976	8,174,187	5,822,781

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

Fiscal Year	Use of Money, Property	Revenue from other Agencies	Charges for Services	Sale of Property	Other	Total
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
2017	1,827,323	13,531,055	16,461,731	-	652,582	120,556,663
2018	2,198,158	16,672,290	21,358,952	-	955,418	138,348,753

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)
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%
2017	9,156,963,717	606,355	544,833,320	9,702,403,392	0.096%
2018	9,750,572,579	606,355	578,532,418	10,329,711,352	0.095%

Source: HdL Coren & Cone

Note:

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

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

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

City of Culver City
Direct and Overlapping Property Tax Rates
(Rate per \$100 of Assessed Values)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
City's Share of 1% Levy Per Prop 13 (a)	0.1043	0.1043	0.1043	0.1043	0.1043	0.1043	0.1043	0.1043	0.1043	0.1043
Redevelopment Rate	1.0043	1.0043	1.0037	1.0037	-	-	-	-	-	-
Total Direct Tax Rate (b)	0.5289	0.5458	0.5378	0.5444	0.5426	0.0946	0.0952	0.0957	0.0962	0.0950
Direct & Overlapping Rates										
Basic Levy (c):										
City's Share of 1% Levy Per Prop 13	0.1043	0.1043	0.1043	0.1043	0.1043	0.1043	0.1043	0.1043	0.1043	0.1043
Los Angeles County General	0.3471	0.3471	0.3471	0.3471	0.3471	0.3471	0.3471	0.3471	0.3471	0.3471
Culver City Unified School District	0.2328	0.2328	0.2328	0.2328	0.2328	0.2328	0.2328	0.2328	0.2328	0.2328
Educational Augmentation Fund Impound	0.1584	0.1584	0.1584	0.1584	0.1584	0.1584	0.1584	0.1584	0.1584	0.1584
Educational Revenue Augmentation Fund	0.0641	0.0641	0.0641	0.0641	0.0641	0.0641	0.0641	0.0641	0.0641	0.0641
Los Angeles Community College District	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320
Los Angeles County Library	0.0251	0.0251	0.0251	0.0251	0.0251	0.0251	0.0251	0.0251	0.0251	0.0251
County Flood Control Maintenance	0.0107	0.0107	0.0107	0.0107	0.0107	0.0107	0.0107	0.0107	0.0107	0.0107
County School Services Fund	0.0088	0.0088	0.0088	0.0088	0.0088	0.0088	0.0088	0.0088	0.0088	0.0088
County Fire - FFW	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080
Children's Institutional Tuition Fund	0.0030	0.0030	0.0030	0.0030	0.0030	0.0030	0.0030	0.0030	0.0030	0.0030
Co. Flood Control District Imp Dist. Maint	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019
County School Services Fund	0.0015	0.0015	0.0015	0.0015	0.0015	0.0015	0.0015	0.0015	0.0015	0.0015
Development Center Handicapped Minors	0.0010	0.0010	0.0010	0.0010	0.0010	0.0010	0.0010	0.0010	0.0010	0.0010
Culver City Children's Center Fund	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006
LA Community College Children's Cntr Fund	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003
LA Co West Vector Control Dist.	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003
Co. Accumulative Capital Outlay	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001
Basic Levy	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
County Detention Facilities 1987 Debt	-	-	-	-	-	-	-	-	-	-
Culver City Unified	0.0367	0.0344	0.0375	0.0352	0.0361	0.0314	0.0778	0.0717	0.0663	0.0649
El Camino community college	0.0170	0.0149	0.0161	0.0169	0.0185	0.0175	0.0174	0.0175	0.0229	0.0212
Inglewood Unified School District	0.0737	0.1130	0.1145	0.1128	0.1214	0.1561	0.1499	0.1276	0.1135	0.1168
La Ccd Ds 2008 2012 Series F	-	-	-	-	0.0112	-	-	-	-	-
La Community college District	0.0221	0.0231	0.0403	0.0353	0.0376	0.0445	0.0402	0.0358	0.0360	0.0460
La County Flood Control	-	-	-	-	-	-	-	-	-	-
Los Angeles Unified School District	0.1248	0.1518	0.1870	0.1682	0.1756	0.1464	0.1469	0.1297	0.1311	0.1222
Metropolitan Water District	0.0043	0.0043	0.0037	0.0037	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035
Total Direct & Overlapping (d) Tax Rates	1.2786	1.3415	1.3991	1.3721	1.4039	1.3994	1.4357	1.3857	1.3733	1.3746

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

	2018			2009		
	\$		%	\$		%
Total Net Assessed Value	10,329,711,352		100.00%	6,902,173,197		100.00%
	Net		Percentage	Net		Percentage
	Taxable		of Total	Taxable		of Total
	Assessed		Taxable	Assessed		Taxable
	Value	Rank	Assessed	Value	Rank	Assessed
<u>Taxpayer</u>						
Lot, Inc.	\$ 327,356,516	1	3.17%	\$ 185,670,041	1	2.69%
Fox Hills Mall LLC/Westfield	213,730,094	2	2.07%	70,774,634	7	1.03%
LBA RV Company IX LP	164,653,245	3	1.59%			
Reep Ofc Corporate Pointe CA LLC	133,875,000	4	1.30%			
Sony Pictures Entertainment Inc.	125,092,209	5	1.21%	94,998,591	2	1.38%
Symantec Corporation	122,954,551	6	1.19%			
Equity One Culver LLC	118,465,058	7	1.15%			
Higuera Office LLC	111,839,940	8	1.08%			
VCP CP Culver City LLC	101,541,589	9	0.98%			
Culver Studios Owner LLC	82,068,159	10	0.79%			
Transwestern Corporate Pointe LLC				90,410,760	3	1.31%
TCE Filmland Holdings LLC				88,929,998	4	1.29%
PCCP Studio City Los Angeles				80,908,088	5	1.17%
LEGACY III Culver City LLC				78,692,523	6	1.14%
Sy Culver City Portfolio Limited Partnership				70,590,493	8	1.02%
Culver Center Partners East 1 LP				56,261,105	9	0.82%
BRCP Corporate Pointe LLC				52,275,000	10	0.76%
Total	\$ 1,501,576,361		14.54%	\$ 869,511,233		12.60%

Source: Los Angeles County Assessor 2017/18 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
2009	3,348,696	2,920,507	87.2%	247,676	3,168,183	94.6%
2010	3,433,577	3,251,758	94.7%	176,527	3,428,285	99.8%
2011	3,443,042	2,927,218	85.0%	378,394	3,305,612	96.0%
2012	3,501,754	3,228,955	92.2%	211,908	3,440,863	98.3%
2013	3,567,169	3,279,095	91.9%	257,919	3,537,014	99.2%
2014	3,728,144	3,615,637	97.0%	83,828	3,699,465	99.2%
2015	3,967,342	3,927,081	99.0%	24,676	3,951,757	99.6%
2016	4,206,744	4,077,754	96.9%	76,381	4,154,135	98.7%
2017	4,502,642	4,351,205	96.6%	135,489	4,486,694	99.6%
2018	4,819,004	4,760,227	98.8%	32,365	4,792,592	99.5%

Source: HdL Coren & Cone, Los Angeles County Assessor

Notes:

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

City of Culver City Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government	Percentage of Personal Income (b)	Debt Per Capita (b)
	Redevelopment Bonds	Capital Leases	Loans	Total Governmental Activities	Wastewater Revenue Bonds	Certificates of Participation	Capital Leases	Total Business-type Activities			
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	-	-	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
2017	-	-	-	-	14,970,000	-	-	14,970,000	14,970,000	0.8%	373
2018	-	-	-	-	14,120,000	-	-	14,120,000	14,120,000	0.8%	354

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, 2018, 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, 2018

City Assessed Valuation	\$ 5,018,363,228
Successor Agency Incremental Valuation	5,311,348,124
Total Net Taxable Assessed Valuation	<u>\$ 10,329,711,352</u>

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Overlapping Debt Repaid with Voter-Approved Property Taxes:			
Los Angeles County	\$ -		\$ -
Los Angeles County Flood Control District	-		-
Metropolitan Water District	29,354,442	0.438%	128,653
El Camino College District	386,411,523	0.004%	16,712
Los Angeles Community College District	4,165,830,000	1.300%	54,165,924
Culver City Unified School District	124,630,000	99.710%	124,268,600
Inglewood Unified School District	102,015,000	0.045%	46,078
Los Angeles Unified School District	10,604,230,000	0.007%	<u>793,558</u>
Subtotal, overlapping debt		3.58%	179,419,525
City direct debt		0.00%	<u>-</u>
Total direct and overlapping debt		3.58%	<u>\$ 179,419,525</u>

Source: HdL Coren & Cone, Los Angeles County Assessor 2017/2018 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 3.58% of the City's 2017/2018 assessed valuation or \$ 179.42 million.

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

	2009	2010	2011	2012	2013
Total assessed valuation	\$ 7,095,779,000	\$ 7,527,054,000	\$ 7,417,771,754	\$ 7,652,983,856	\$ 7,752,446,647
Debt Limit percentage	15%	15%	15%	15%	15%
Debt Limit	\$ 1,064,366,850	\$ 1,129,058,100	\$ 1,112,665,763	\$ 1,147,947,578	\$ 1,162,866,997
Amount of debt applicable to the limit:	\$ -	\$ -	\$ -	\$ -	\$ -
Legal Debt Margin	<u>\$ 1,064,366,850</u>	<u>\$ 1,129,058,100</u>	<u>\$ 1,112,665,763</u>	<u>\$ 1,147,947,578</u>	<u>\$ 1,162,866,997</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

Note: In accordance with California Government Code, total general obligation bonds outstanding cannot exceed 15 percent of total assessed valuation. **For the 10 years ended June 30, 2018, 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

	2014	2015	2016	2017	2018
Total assessed valuation	\$ 8,323,791,063	\$ 8,732,804,582	\$ 9,169,218,845	\$9,949,044,594	\$ 10,555,362,319
Debt Limit percentage	15%	15%	15%	15%	15%
Debt Limit	\$ 1,248,568,659	\$ 1,309,920,687	\$ 1,375,382,827	\$ 1,492,356,689	\$ 1,583,304,348
Amount of debt applicable to the limit:	\$ -	\$ -	\$ -	\$ -	\$ -
Legal Debt Margin	<u>\$ 1,248,568,659</u>	<u>\$ 1,309,920,687</u>	<u>\$ 1,375,382,827</u>	<u>\$ 1,492,356,689</u>	<u>\$ 1,583,304,348</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

Note: In accordance with California Government Code, total general obligation bonds outstanding cannot exceed 15 percent of total assessed valuation. **For the 10 years ended June 30, 2018, the City was not obligated in any manner for general obligation bonds.**

City of Culver City Pledge-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	
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	-	-	-	-
2017	8,966,730	53,257	6,524,897	2,495,090	815,000	773,431	1.57	-	-	-	-
2018	9,722,970	92,353	5,762,856	4,052,467	850,000	739,213	2.55	-	-	-	-

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
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%
2016	40,103	1,835,056	45,758	3.8%
2017	39,860	1,849,593	46,402	3.3%

Source: HDL 2017-18 CAFR Statistical Basic Package for City of Culver City

**City of Culver City
Principal Employers
Last Ten Fiscal Years**

Employer	2009			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Sony Pictures Entertainment	2,020	1	8.38%	6,000	1	15.13%
Westfield Shoppingtown-Fox Hills	1,500	2	6.22%			
Goldrich & Kest Industries, LLC				1,100	2	2.77%
Southern CA Hospital (Brontman Medical Ctr)	900	3	3.73%	860	4	2.17%
Culver City Unified School District	575	7	2.39%	1,084	3	2.73%
Symantec	800	4	3.32%			
City of Culver City	688	5	2.85%	700	5	1.77%
Metric Products	650	6	2.70%			
Radisson Hotel	300	8	1.24%			
Kaiser Permanente	275	9	1.14%			
Security Industry Specialists				400	6	1.01%
West Los Angeles College	250	10	1.04%			
NFL Media						
Target				400	7	1.01%
Inovel				300	8	0.76%
Karl Storz Endoscopy				300	9	0.76%
Kayne-Eras Center				300	10	0.76%
Moldex-Metric						
JC Penny						
Beats by Dre/Apple, Inc.						
Total Top 10 Employers	<u>7,958</u>		<u>33.02%</u>	<u>11,444</u>		<u>28.86%</u>
Total City Labor Force (1)	<u>24,100</u>			<u>39,651</u>		

Source: Finance Department

**City of Culver City
Principal Employers (Continued)
Last Ten Fiscal Years**

Employer	2011			2012		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Sony Pictures Entertainment	6,000	1	15.13%	6,000	1	26.55%
Westfield Shoppingtown-Fox Hills						
Goldrich & Kest Industries, LLC	1,100	2	2.77%	1,100	2	4.87%
Southern CA Hospital (Brontman Medical Ctr)	860	4	2.17%	860	4	3.81%
Culver City Unified School District	1,084	3	2.73%	1,084	3	4.80%
Symantec						
City of Culver City	650	5	1.64%	644	5	2.85%
Metric Products						
Radisson Hotel						
Kaiser Permanente						
Security Industry Specialists	400	6	1.01%	400	6	1.77%
West Los Angeles College						
NFL Media						
Target	400	7	1.01%	400	7	1.77%
Inovel	300	8	0.76%			
Karl Storz Endoscopy	300	9	0.76%			
Kayne-Eras Center	300	10	0.76%	300	8	1.33%
Moldex-Metric				300	9	1.33%
JC Penny				274	10	1.21%
Beats by Dre/Apple, Inc.						
Total Top 10 Employers	11,394		28.74%	11,362		50.27%
Total City Labor Force (1)	39,651			22,600		

Source: Finance Department

**City of Culver City
Principal Employers (Continued)
Last Ten Fiscal Years**

Employer	2013			2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Sony Pictures Entertainment	6,000	1	25.75%	3,200	1	12.90%
Westfield Shoppingtown-Fox Hills						
Goldrich & Kest Industries, LLC	1,100	2	4.72%	717	6	2.89%
Southern CA Hospital (Brontman Medical Ctr)	860	4	3.69%	1,000	2	4.03%
Culver City Unified School District	1,084	3	4.65%	771	4	3.11%
Symantec	800	5	3.43%	900	3	3.63%
City of Culver City	638	6	2.74%	760	5	3.06%
Metric Products						
Radisson Hotel						
Kaiser Permanente						
Security Industry Specialists	400	7	1.72%			
West Los Angeles College				575	7	2.32%
NFL Media				500	8	2.02%
Target	400	8	1.72%	475	9	1.92%
Inovel						
Karl Storz Endoscopy						
Kayne-Eras Center	300	9	1.29%			
Moldex-Metric	300	10	1.29%			
JC Penny						
Beats by Dre/Apple, Inc.				450	10	1.81%
Total Top 10 Employers	<u>11,882</u>		<u>51.00%</u>	<u>8,898</u>		<u>37.69%</u>
Total City Labor Force (1)	<u>23,300</u>			<u>24,800</u>		

Source: Finance Department

**City of Culver City
Principal Employers (Continued)
Last Ten Fiscal Years**

Employer	2015			2016		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Sony Pictures Entertainment	3,200	1	12.92%	3,400	1	14.98%
Westfield Shoppingtown-Fox Hills						
Goldrich & Kest Industries, LLC	717	6	2.90%	717	6	3.16%
Southern CA Hospital (Brontman Medical Ctr)	1,000	2	4.04%	1,167	2	5.14%
Culver City Unified School District	771	4	3.11%	760	4	3.35%
Symantec	900	3	3.63%	700	5	3.08%
City of Culver City	767	5	3.10%	871	3	3.84%
Metric Products						
Radisson Hotel						
Kaiser Permanente						
Security Industry Specialists						
West Los Angeles College	575	7	2.32%	600	7	2.64%
NFL Media	500	8	2.02%	525	8	2.31%
Target	475	9	1.92%	575	9	2.53%
Inovel						
Karl Storz Endoscopy						
Kayne-Eras Center						
Moldex-Metric						
JC Penny						
Beats by Dre/Apple, Inc.	411	10	1.66%	460	10	2.03%
Total Top 10 Employers	<u>9,316</u>		<u>37.62%</u>	<u>9,775</u>		<u>43.06%</u>
Total City Labor Force (1)	<u>24,761</u>			<u>22,700</u>		

Source: Finance Department

**City of Culver City
Principal Employers (Continued)
Last Ten Fiscal Years**

Employer	2017			2018		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Sony Pictures Entertainment	3,000	1	12.24%	3,000	1	11.66%
Westfield Shoppingtown-Fox Hills	1,500	2	6.12%	1,550	2	6.03%
Goldrich & Kest Industries, LLC	700	5	2.86%	675	6	2.62%
Southern CA Hospital (Brontman Medical Ctr)	720	4	2.94%	730	5	2.84%
Culver City Unified School District	760	3	3.10%	750	4	2.92%
Symantec	700	5	2.86%	550	9	2.14%
City of Culver City	650	6	2.65%	800	3	3.11%
Metric Products						
Radisson Hotel						
Kaiser Permanente						
Security Industry Specialists						
West Los Angeles College	600	7	2.45%	625	7	2.43%
NFL Media	525	9	2.14%	515	10	2.00%
Target	575	8	2.35%	590	8	2.29%
Inovel						
Karl Storz Endoscopy						
Kayne-Eras Center						
Moldex-Metric						
JC Penny						
Beats by Dre/Apple, Inc.	500	10	2.04%	490		1.90%
Total Top 10 Employers	<u>10,230</u>		<u>41.76%</u>	<u>10,275</u>		<u>39.94%</u>
Total City Labor Force (1)	<u>24,500</u>			<u>25,725</u>		

Source: Finance Department

City of Culver City
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General government	84	82	71	68	68	68	69	68	75	73
Parks, recreation and community services	39	38	30	30	31	31	31	31	32	33
Police	166	166	156	153	156	157	157	160	162	150
Fire	73	73	70	69	71	69	71	72	72	72
Community development	57	57	52	52	36	36	36	36	37	39
Public works	62	62	51	49	48	48	49	51	53	53
Grants operating	10	10	10	9	7	6	6	6	7	7
Internal service	43	43	41	41	41	41	42	43	43	44
Refuse	49	48	40	40	40	40	41	42	46	46
Transit	120	120	120	122	129	129	151	152	153	155
Sewer	10	10	9	11	11	11	11	11	12	12
Total	<u>713</u>	<u>709</u>	<u>650</u>	<u>644</u>	<u>638</u>	<u>636</u>	<u>663</u>	<u>673</u>	<u>692</u>	<u>684</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

	2009	2010	2011	2012	2013
General government					
Building permits issued	2,141	2,356	2,400	2,240	2,488
Building inspections conducted	10,254	10,616	9,500	8,209	9,590
Police					
Arrestees Processed	1,700	1,700	1,400	1,372	1,491
Parking citations	40,000	40,100	36,000	30,705	37,236
Traffic citations	14,000	14,000	14,000	12,414	19,027
Fire					
Emergency responses	4,400	4,500	4,500	4,471	4,681
Fire Emergency Incidents	150	155	155	194	197
Commercial Fire Safety Inspections	2,427	2,369	2,400	2,106	2,653
Refuse collection					
Residential Refuse & Greenwaste collected (tons per day)	32	35	41	43	42
Commercial Refuse Collected (tons per day)	132	136	136	121	143
Responses to Customer Service Requests	200	200	200	200	120
Public Works					
Traffic Engineering Investigations	4,352	5,849	4,535	4,619	4,601
Tons of Asphalt Placed	700	725	700	300	325
Damaged Sidewalk removed/replaced (sq ft)	14,250	15,000	16,000	8,040	8,100
Trees Trimmed	5,840	5,850	5,850	3,172	3,200
Parks and recreation					
Park picnic permits issued	1,300	1,300	1,300	963	1,300
Participation in Youth Sports	5,500	5,000	5,000	3,500	5,345
Participation in Adults Sports	35,000	35,000	35,500	44,200	36,800
Transit - Municipal buses					
Total service miles	1,450,000	1,700,000	1,700,000	1,497,434	1,585,103
Passengers	6,240,000	6,430,000	6,630,000	5,331,071	5,550,045

Source: Annual Budgets and various city departments.

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

	2014	2015	2016	2017	2018
General government					
Building permits issued	2,336	2,756	3,029	2,930	2,954
Building inspections conducted	9,609	10,925	12,614	12,948	12,638
Police					
Arrestees Processed	1,611	1,239	1,242	1,166	2,513
Parking citations	37,681	38,681	40,009	36,961	41,038
Traffic citations	10,028	9,003	8,981	5,347	8,612
Fire					
Emergency responses	4,969	5,375	5,684	6,106	6,857
Fire Emergency Incidents	210	215	215	206	270
Commercial Fire Safety Inspections	2,742	2,810	2,800	3,032	2,929
Refuse collection					
Residential Refuse & Greenwaste collected (tons per day)	42	43	43	43	41
Commercial Refuse Collected (tons per day)	143	130	141	105	76
Responses to Customer Service Requests	120	120	120	150	150
Public Works					
Traffic Engineering Investigations	4,601	4,685	4,721	4,816	4,782
Tons of Asphalt Placed	325	230	207	555	85
Damaged Sidewalk removed/replaced (sq ft)	8,100	10,084	9,103	32,795	3,620
Trees Trimmed	3,200	4,958	4,350	3,938	3,106
Parks and recreation					
Park picnic permits issued	1,276	1,026	933	1,018	1,148
Participation in Youth Sports	5,328	4,950	4,480	10,984	32,333
Participation in Adults Sports	43,766	45,456	48,312	49,572	57,295
Transit - Municipal buses					
Total service miles	1,589,108	1,593,248	1,658,913	1,686,317	1,658,633
Passengers	5,416,010	4,979,334	5,653,192	5,070,970	4,864,138

Source: Annual Budgets and various city departments.

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	32	30	31	26	25	27	21	21	23	23
Motorcycle units	11	11	14	13	11	13	14	11	11	11
Detective Units	20	20	19	30	30	34	38	38	38	38
Parking Enforcement Units	7	7	8	8	8	8	9	8	8	8
Fire stations	3	3	3	3	3	3	3	3	3	3
Refuse collection										
Collection trucks	18	18	19	19	22	22	22	22	22	22
Other public works										
Streets (miles)	83.2	83.2	83.2	119.6	119.6	119.6	119.6	119.6	119.6	120
Highways (miles)	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2
Streetlights	3,596	3,596	3,596	3,596	3,596	3,596	3,596	3,596	3,661	3,653
Traffic signals	106	104	104	104	104	104	105	105	106	106
Parks and recreation										
Acreage	93	93	93	100	100	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	4
Mini parks	4	4	4	4	4	4	4	4	4	2
Wastewater										
Sanitary sewers (miles)	85	85	85	90	90	90	90	90	90	90
Pumping (lift) stations	7	7	7	7	7	7	7	7	7	7
Transit - Municipal buses	52	52	52	52	52	52	54	54	56	56

Source: Various city departments