



FISCAL YEAR

**2021
2022**

**Popular Annual
Financial Report**

Culver CITY



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Introduction

As part of the City's ongoing efforts to promote financial transparency, the City of Culver City is pleased to present its first-ever Popular Annual Financial Report (PAFR) for Fiscal Year 2021-2022.

The PAFR is intended to summarize and clearly present the highlights of the Fiscal Year 2021-2022 Annual Comprehensive Financial Report (ACFR) with the goal of making City finances more accessible to all Culver City residents. The [ACFR](#) is available for review on the City's website. It is important to note that the financial data in these reports has been prepared in accordance with Generally Accepted Accounting Principles (GAAP)¹. The ACFR has been independently audited by Vasquez + Company LLP, a public accounting firm fully licensed and qualified to perform audits for the State and local governments within California.

For More Information

This financial report is designed to be a useful tool for residents interested in learning about City finances, regardless of their background in financial accounting and reporting. Please contact the Culver City Finance Department via phone at (310) 253-5865 or email at Finance.Dept@CulverCity.org, if you have any questions, comments or suggestions regarding the information in this report.

We thank you for your interest in the City's fiscal health and hope you enjoy this report.

1. Generally Accepted Accounting Principles (GAAP) – Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompasses the conventions, rules and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provides a standard by which to measure financial presentations. The primary authoritative body on the application of GAAP to state and local governments is the Governmental Accounting Standards Board (GASB).

Organizational Structure

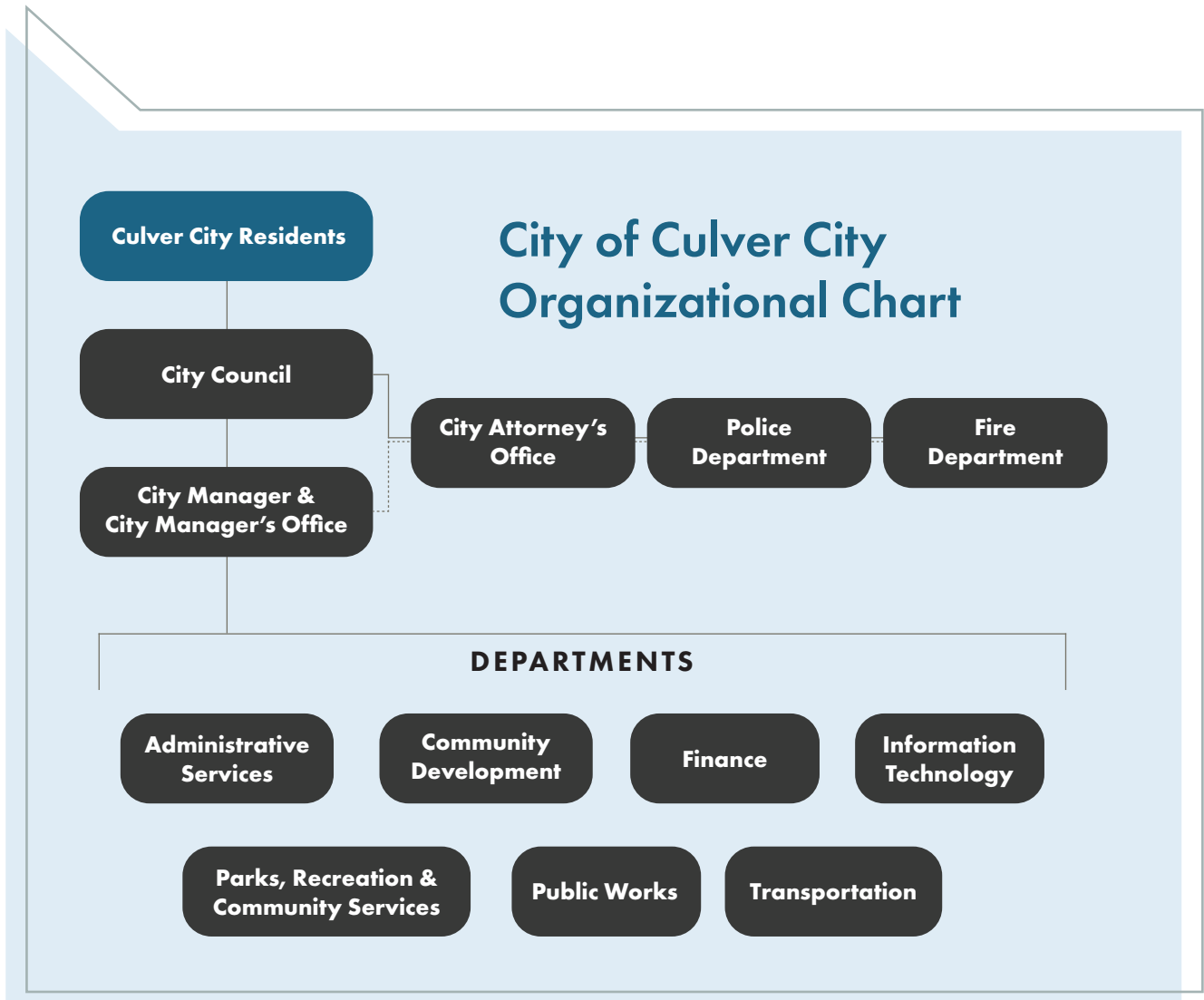
Did You Know?

Culver City is a full-service City, serving a resident population of 40,135 with a business community that employs approximately 60,000 people.

The City operates under a Council-Manager form of government. The City's [five City Council Members](#) are elected at-large and serve a four-year term. The Council Members select the Mayor and Vice Mayor among themselves, who each serve for one year at a time. The Council also appoints the City Manager, City Attorney, Police Chief and Fire Chief.

In addition, each year, the City Council appoints Commission, Board and Committee members, who support the City Council by focusing on specific issues and initiatives within the community.

Together, these governing bodies and City staff provide a range of services including police, fire, general maintenance, public improvements, planning and zoning, housing and homeless services, building plan review, economic development, refuse collection, municipal bus lines, park, recreation and community services, cultural affairs and general administrative services.



Culver City by the Numbers



\$256.4 Million

Adopted Fiscal Year 2021-22 Budget

\$1.125M

Median
Single-Family
Home Price



42.6 years
Median Age

40,135
Approximate Population



5.11 Square Miles
City Area



\$57,799

Personal Income
Per Capita



93.9%

Adults with High
School Degree
or Higher

3,375

Building Permits Issued

Approximately
2.3 Million

Annual Culver CityBus
Passengers

City Hall Address

9770 Culver Blvd.
Culver City, CA 90232

City Website

CulverCity.org

14

Miles of Bike
Facilities

3

Fire
Stations



13

Parks

108

Traffic Signals

3,681

Streetlights

92

Park Acres

Economic Outlook

In the second year of the COVID-19 pandemic, Culver City continued to adapt to meet the ongoing challenges. City staff worked to keep residents informed of the evolving County, State and Federal guidelines and support local businesses, both small and large. As the economy continues to recover and adjust from the impacts of the pandemic, Culver City remains committed to providing high-quality services and programs to support community needs while maintaining the City's fiscal health.

To maintain service levels despite the uncertainty of the economies at-large, the City continued to implement conservative budget practices for Fiscal Year 2021-2022. The City's relatively diverse and strong local economy, along with its careful financial planning, helped the City recover more quickly from the pandemic than initially anticipated in Fiscal Year 2021-2022.

Top Ten Employers

- Apple
- Amazon Studios
- City of Culver City
- Costco
- Culver City Unified School District
- Goldrich & Kest Industries LLC
- Riot Games
- Sony Pictures Entertainment
- Southern California Hospital (Brontman Medical Center)
- Westfield Shoppingtown – Fox Hills



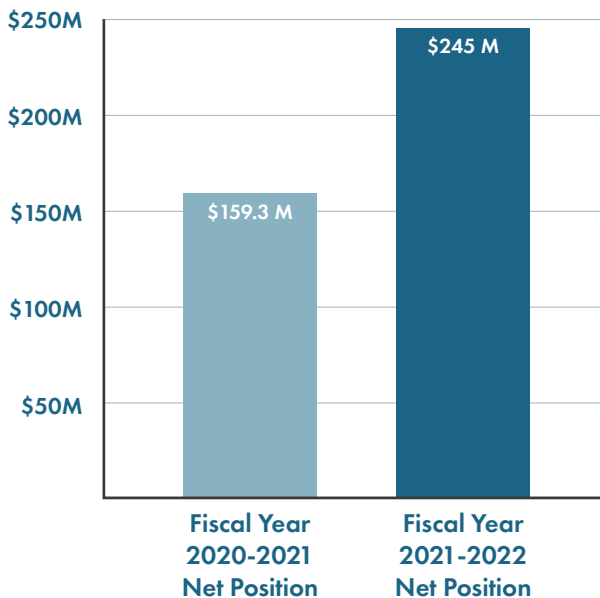
Significant One-Time Funding

In March 2022, the City of Culver City was awarded a \$26.6 million Project Homekey grant from the State of California for the acquisition, rehabilitation and operation of two local motels. Project Homekey is a statewide program, administered by the California Department of Housing and Community Development (HCD), to rapidly expand housing for people experiencing homelessness or at risk of homelessness through a variety of housing types, including motel repurposing.

Effective March 11, 2021, Congress signed the American Rescue Plan Act (ARPA) of 2021, which provided approximately \$9.4 million in relief funding for the City: \$4.69 million each for Fiscal Year 2020-2021 and Fiscal Year 2021-2022.

Financial Report Highlights

The City's total net worth (or "net position") as of June 30, 2022, including all business and government activities, increased by \$85.7 million in the Fiscal Year 2021-2022, reaching a net position of \$245 million.



Capital Assets

As of June 2022, the City's investment in capital assets for governmental and business activities amounts to \$299.6 million. "Capital assets" include land, buildings and related systems, improvements, machinery and equipment, park facilities, roads, highways and bridges.

The City ended Fiscal Year 2021-2022 with \$71.3 million of capital improvement construction projects in progress. These projects are designed to enhance City infrastructure, such as:

- roads
- curbs
- storm drains
- bridges
- sidewalks
- gutters
- public facilities (parks, restrooms, community facilities and playgrounds)

The City also made several "capital assets" additions, including:

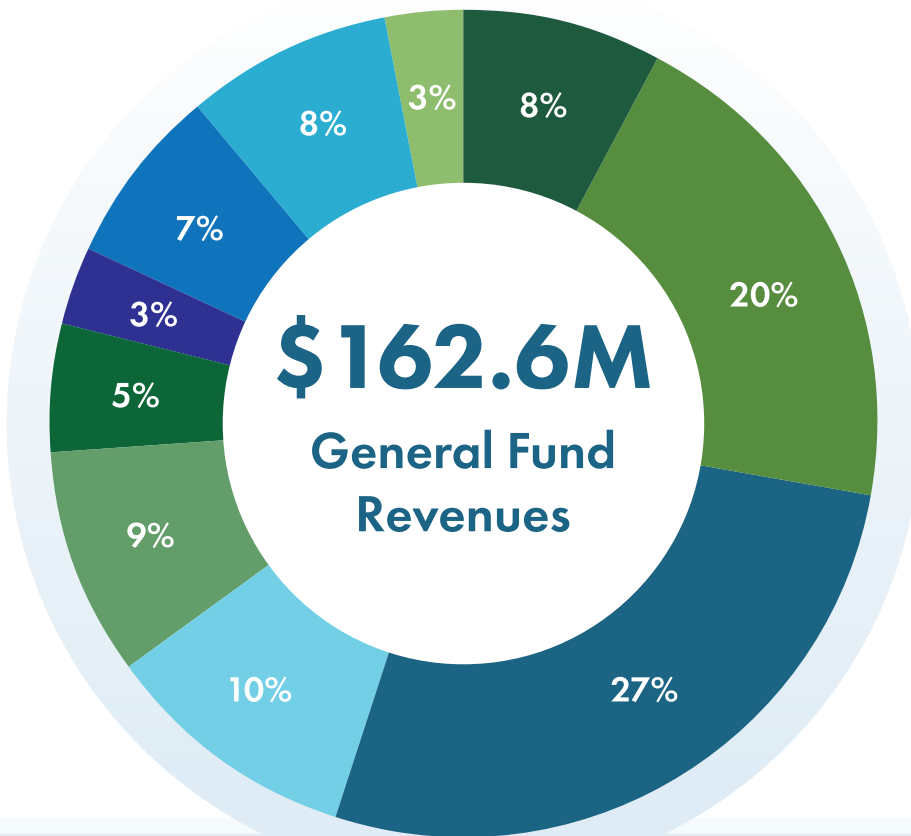
- vehicle replacements
- street repair and replacement
- sewer system improvements



General Fund Revenues

The General Fund is the chief operating fund of the City. In Fiscal Year 2021-2022, the starting balance of the General Fund was \$108.8 million and the ending balance was \$142.9 million.

General Fund revenues primarily come from taxes and fees for City services. Sales Tax is Culver City’s single-largest revenue source with 27% of revenue coming from both residents and non-Culver City residents. Other tax revenues include business tax, property tax, utility users tax (UUT), real property transfer tax and transient occupancy tax (TOT).



Revenue Highlights

Sales Tax receipts recovered more quickly than predicted during the pandemic and generated a total of \$43.4 million in Fiscal Year 2021-2022. This includes the City’s portion of the State’s sales tax and the two voter-approved local sales tax measures.

In April 2012, Culver City voters approved an increase of the City’s TOT from 12% to 14%, which generated \$8.8 million in Fiscal Year 2021-2022.

In Fiscal Year 2020-2021, TOT revenue deteriorated by 51.6% over the prior year due to recommended COVID-related travel restrictions. The lifting of travel restrictions and the opening of the Shay Hotel in October 2021 resulted in TOT revenue rebounding in Fiscal Year 2021-2022 and surpassing revenues received prior to the pandemic.

Revenue Stream	Amount (in Millions)
Property Tax	\$12.9
Property Transfer Tax	\$32.6
Sales Tax	\$43.4
Business Tax	\$16.2
Utility Users Tax	\$14.9
Transient Occupancy Tax	\$8.8
Licenses and Permits	\$5.6
Intergovernmental	\$11.4
Charges for Services	\$12.4
Other	\$4.4
Total	\$162.6

Revenue from Tax Measures

The City experienced higher-than-expected revenue from several recent tax measures. These revenues are part of the General Fund and can be used for any valid General City purpose, such as emergency response, maintaining parks and addressing homelessness.



First Full-Year in Effect

In November 2020, voters approved Measure RE which established marginal tax rates for the City’s real estate transfer tax, effective April 1, 2021. The City projected to receive \$14 million in Fiscal Year 2021-2022 from Measure RE; it actually received \$32.6 million. Almost 50% of this revenue was generated by one commercial property sale. This revenue can vary greatly in any given year and is difficult to predict.



Voters Approved Measure CC Extending Measure Y

In November 2012, voters approved Measure Y: a half-cent transaction and use tax. Measure Y became effective in April 2013 and was set to expire in 10 years. It generated \$11.4 million in Fiscal Year 2021-2022. In March 2020, voters approved Measure CC extending the tax until March 31, 2033.



Measure A Cannabis Business Tax

In April 2018, voters approved a Cannabis Business Tax measure that set tax rates for cannabis retail, manufacturing and distribution. It generated \$1.9 million in Fiscal Year 2021-2022, almost \$1.6 million higher than two years earlier.



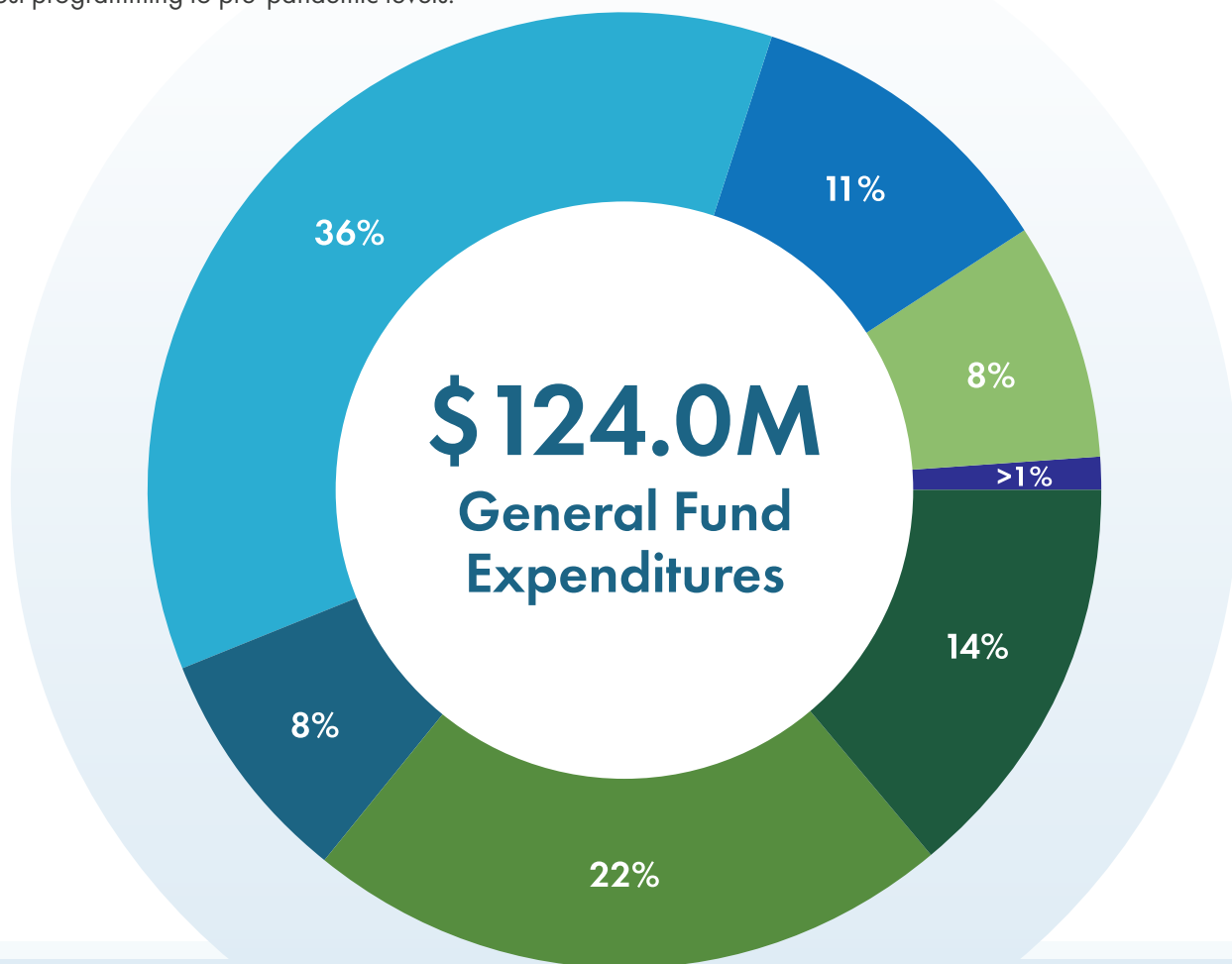
Measure C Going on 4th Year

In November 2018, voters approved Measure C: a quarter-cent sales tax. Measure C generated a total of \$5.6 million in Fiscal Year 2021-2022.

General Fund Expenditures

The City’s General Fund Expenditures totaled \$124.0 million in Fiscal Year 2021-2022. These expenditures include many essential services: public safety, parks and recreation and community services, community development and public works.

To protect the City from the anticipated ongoing financial impacts of the pandemic, the City reduced the expenditure budget for Fiscal Year 2021-2022. These reductions, along with higher-than-expected tax revenues, have allowed the City to maintain healthy General Fund reserves. By mid-Fiscal Year 2021-2022, it was clear that the City’s revenues were recovering more quickly than anticipated. Based on these improved revenues, the [Adopted Budget for FY 2022/23](#) restores staff positions and most programming to pre-pandemic levels.



Revenue Stream	Amount (in Millions)
General Government	\$17.7
Fire Department	\$27.6
Parks, Recreation & Community Services	\$9.9
Police Department	\$45.0
Public Works	\$14.0
Community Development	\$9.4
Capital Outlay	\$0.4
Total	\$124.0

Enterprise Funds

Cities use “proprietary funds” to account for the maintenance operation and capital assets of fee-based good and services. One type of proprietary fund is an “Enterprise Fund.” These funds are intended to be entirely self-supporting. Culver City has four Enterprise Funds: Municipal Bus Lines, Refuse Disposal, Sewer Enterprise and Municipal Fiber Network to account for the operation and capital assets of these business-type activities.



Municipal Bus Lines

This Enterprise Fund includes the [Culver CityBus](#) and is the City’s largest Enterprise Fund. Culver CityBus is the second-oldest municipal-owned bus line in the State of California. Municipal bus operations are mainly funded by operating and capital grants and contributions from federal and county sources, in addition to fare revenues. Like many municipal bus lines, Culver CityBus has grappled with the impacts of COVID-19 on ridership in recent years but is showing signs of gradual recovery.

Refuse Disposal

Refuse Disposal is the second-largest Enterprise Fund. It includes 23 refuse collection trucks and is responsible for collecting an average of 43 tons of residential refuse and greenwaste and 82 tons of commercial refuse daily. In Fiscal Year 2021-2022, Refuse Disposal operating expenses increased by \$0.88 million from increased contractual services.



Sewer Enterprise

The Sewer Enterprise’s largest annual operating expense is the payment to the City of Los Angeles for the City’s use of the Hyperion Treatment Plant and Los Angeles sewer transmission lines. The primary source of revenue for the Sewer Fund is Sewer Users’ Services charges. In Fiscal Year 2021-2022, the \$14 million Sewer Diversion project completed. As a result, the Mesmer and Overland Sewer Pump Stations have been decommissioned.

Municipal Fiber Network

In November 2015, the City Council approved a new Municipal Fiber Network enterprise fund. Funding for this project, known as [Culver Connect](#), was appropriated through a loan from the General Fund to design and construct an open access network where Internet Service Providers (ISPs) will utilize the City’s fiber infrastructure to service the business community. During Fiscal Year 2021-2022, the fund’s net position increased by \$1.03 million.



The total net position of these funds increased by \$1.68 million during the year ended June 30, 2022.



Have Feedback?

Please contact the Culver City Finance Department via phone at (310) 253-5865 or email us at Finance.Dept@CulverCity.org with questions, comments or suggestions regarding the information in this report. Additionally, you may review the City's other [Financial & Investment Reports](#) on the City website.



Awards and Acknowledgements

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Culver City for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2021. This marks the 37th consecutive year that the City received this prestigious award.

In order to receive the Certificate of Achievement award, a government must publish an easily readable and efficiently organized comprehensive financial report. The 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. The City believes that the current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.