MEETING DATE: 02/09/09

AGENDA ITEM: **Fiscal 2007-08 Year-end Financial Monitoring Report for the City and Redevelopment Agency**

ATTACHMENTS

Culver CITY

FINANCIAL MONITORING REPORT

FINAL YEAR END — FY 2007-08

PERFORMANCE AT A GLANCE

	CURRENT MONTH	YEAR TO DATE	PAGE
GENERAL FUND			
General Fund Combined Revenues & Expenditures			Page 3
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General Fund Department Analysis	NORMAL	NORMAL	Page 4
General Fund Revenues	POSITIVE	POSITIVE	Page 5
Other Revenues	POSITIVE/NORMAL	NORMAL	Page 5
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Business License Tax	POSITIVE	POSITIVE	Page 6
Utility Users Tax	POSITIVE	NORMAL	Pages 7- 9
Property Tax Revenue	NORMAL	NORMAL	Page 9
Charges for Services	POSITIVE	POSITIVE	Page 10
Transient Occupancy Tax *	POSITIVE	POSITIVE	Page 11
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MAIN ENTERPRISE FUNDS	*EXPENDITURE / REVENUE*	*EXPENDITURE / REVENUE*	
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Transit Operations Fund	NORMAL/POSITIVE	NORMAL/NEGATIVE	Page 13
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MAIN INTERNAL SERVICE FUNDS	*EXPENDITURE / REVENUE*	*EXPENDITURE / REVENUE*	
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Self-Insurance Fund	NORMAL/POSITIVE	NORMAL/POSITIVE	Page 16
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** Does not include one-time bankruptcy payment in fiscal 2006-07 for comparative purposes in this chart*

BELLOW BUDGET OR POSITIVE	= > 4% compared with prior year for revenues, or below expenditure target
NORMAL	= Positive variance or negative variance < 2% compared prior year
WARNING	= Negative variance of 2— 4% compared with prior year (used on monthly reports).
NEGATIVE	= Negative variance of > 4% compared with prior year.

MAJOR FUND OVERVIEW

<u>General Fund</u>

2007-08 Revenues:	$86.3M
2007-08 Expenditures:	$84.0M

<u>Refuse Fund</u>

2007-08 Revenues:	$10.80M
2007-08 Expenditures:	$10.20M

<u>Transit Fund</u>

2007-08 Revenues:	$16.1M
2007-08 Expenditures:	$22.4M

<u>Sewer Operating Fund</u>

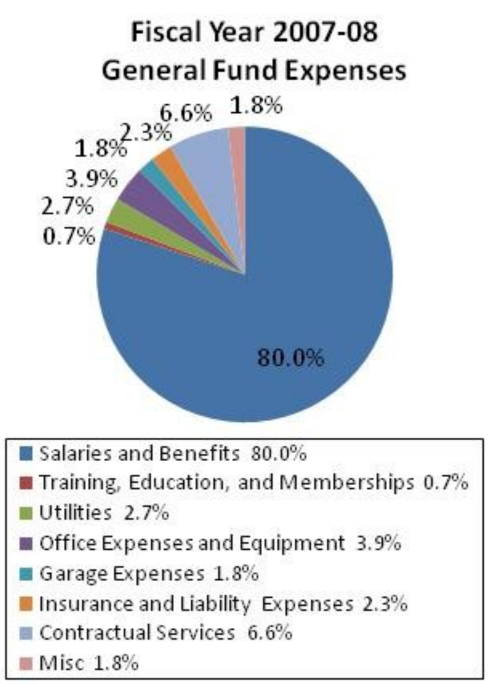
2007-08 Revenues:	$10.4M
2007-08 Expenditures:	$6.1M

<u>Equip Maintenance & Fleet Services Fund</u>

2007-08 Revenues:	$6.9M
2007-08 Expenditures:	$6.9M

<u>Self Insurance Fund</u>

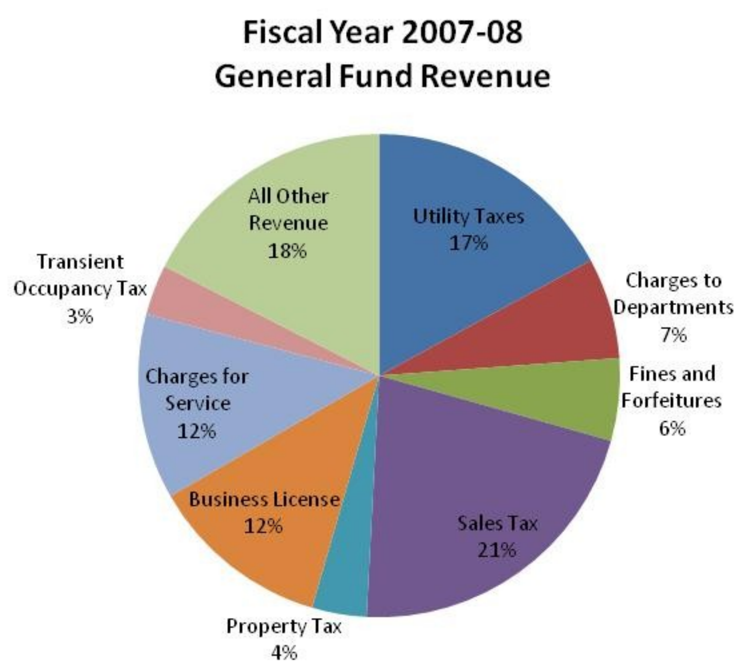
2007-08 Revenues:	$7.7M
2007-08 Expenditures:	$10.7M



FINANCIAL OVERVIEW

Fiscal year 2007-08 was a challenging year for many cities throughout the state, but Culver City ended the year on solid financial ground due to a mixture of significant one-time funding from major development and higher than anticipated revenues in certain categories.

For the fiscal year, final year-end General Fund revenues exceeded expenditures by approximately $2.3 million. Also, the City managed to control spending, expending only 97.6% of the "appropriated budget"[1] of the General Fund. These expenditure savings were due mainly to a number of personnel vacancies. Total General Fund revenues came in 4.3% higher than anticipated, due in large part to higher than expected Business Tax revenue and one-time developer fees. Sales Tax, the City's largest revenue, was 2.1% percent lower than the adjusted projection, or 4.7% lower than the original projection, and due to the current economic conditions a decline is expected to continue.



[1] *The "appropriated budget" includes an assumed savings figure of 3.5%, which was $2.8 million in fiscal 2007-08. An overall expenditure percentage of less than 100% of the "appropriated budget" means savings in addition to the assumed 3.5%.*

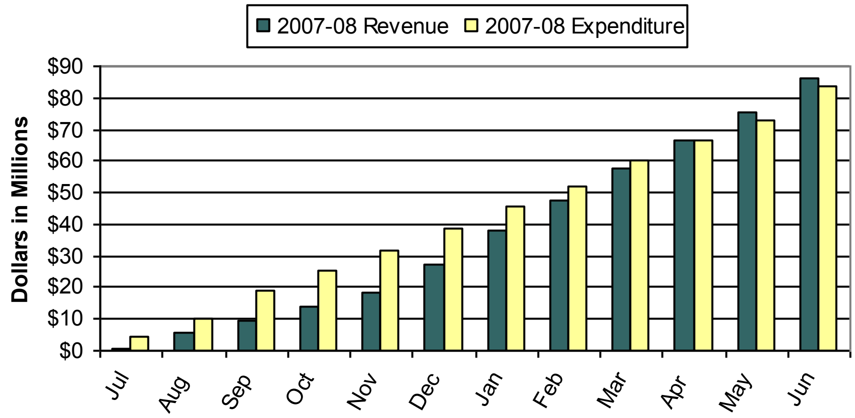
It sounds extraordinary, but it's a fact that balance sheets can make fascinating reading.

Author: Mary Archer

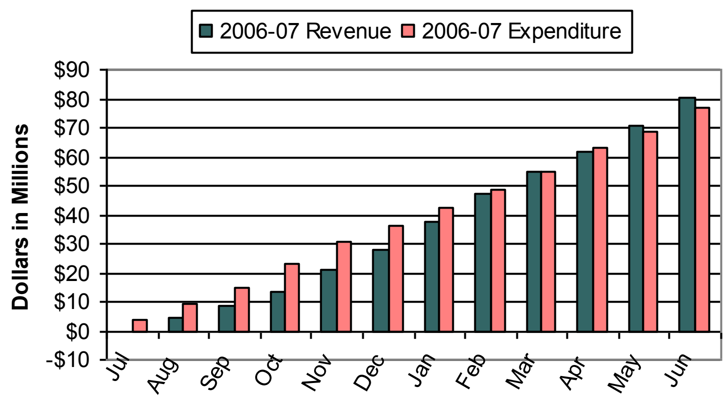
GENERAL FUND ANALYSIS:

REVENUES & EXPENDITURES—FINAL 2007-08 YEAR-END [Cumulative]:

	2007-08 Revenue	2007-08 Expenditures
July	$ 341,121	$ 4,177,856
August	5,062,285	6,110,635
September	4,334,446	8,739,298
October	4,165,591	6,614,130
November	4,559,561	5,739,487
December	9,017,272	7,463,020
January	10,436,417	6,833,180
February	9,466,608	6,081,761
March	10,417,263	8,423,258
April	8,838,122	6,605,769
May	8,946,942	5,836,127
June	10,713,892	11,334,820
TOTAL	**$ 86,299,520**	**$ 83,959,341**

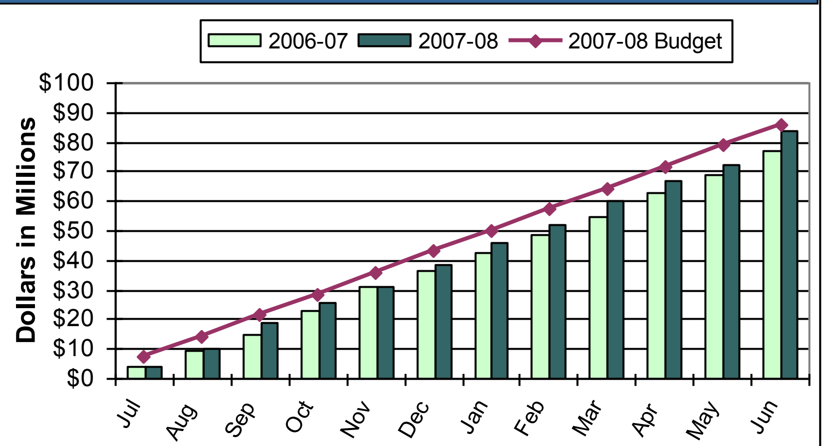


General Fund revenues are often accrued (see bottom of Page 5) back to a prior fiscal year for several of the larger categories such as Sales Tax, TOT, and UUT. This causes the monthly amount shown for July, and sometimes August, to look "low" when compared to future months. One-time categorized revenues received from development activity along with audit recovered revenue receipts has helped fill the gap for under-performing revenues. The "catch-up" amounts for RDA Billings are reflected in November (06-07) and December (07-08). In-lieu payments for Sales Tax and Motor Vehicle License Fees are received in January and May of each year.



GENERAL FUND EXPENDITURES—FINAL 2007-08 YEAR-END (Comparison 06-07 vs 07-08) [Cumulative]

	2006-07 Expenditures	2007-08 Expenditures
July	$4,013,513	$4,177,856
August	5,475,164	6,110,635
September	5,527,245	8,739,298
October	7,836,012	6,614,130
November	8,137,743	5,739,487
December	5,332,189	7,463,020
January	6,182,729	6,833,180
February	6,032,417	6,081,761
March	6,006,334	8,423,258
April	8,238,175	6,605,769
May	5,958,495	5,836,127
June	8,195,517	11,334,820
TOTAL EXPENDED	**$76,935,533**	**$83,959,341**
Adjusted Budget	$77,920,361	$86,018,123



GENERAL FUND EXPENDITURES—Overall Expenditures were 97.6% of the "appropriated budget." Final year-end General Fund personnel related expenditures came in below budget projections for fiscal 2007-08 at 95.6% of budget due to several vacancies, both safety and non-safety, within the City. Several of these vacancies are currently in various stages of recruitment. With the current modified hiring freeze put in place by the City Manager, non-public safety vacancies are currently on a case-by-case basis of approval for recruitment. O&M came in at approximately 90.6% of budget, although approximately $600,000 in encumbrances have been carried over to fiscal 2008-09. All transfers have been recorded, and the larger than average jump in June is due to a "true-up" in a transfer account for the I & A Fund for a few CIP projects, including new Fire Station #3 and the Public Safety RMS System.

GENERAL FUND DEPARTMENT ANALYSIS:

COMPARISON OF ADJUSTED BUDGET TO ACTUAL: Target = 96.5% through June 2008

GENERAL FUND DEPARTMENTS	ADOPTED BUDGET 2007-08	ADJUSTED BUDGET 2007-08	ACTUAL EXPENDED AS OF 6/30/08 2007-08	PERCENT EXPENDED* 2007-08	TARGET AMOUNT
CITY COUNCIL	$ 278,329	$ 336,948	$ 203,559	60.4%	$ 325,155
CITY MANAGER	1,009,485	1,087,059	1,120,971	103.1%	1,049,012
CITY CLERK	509,033	524,033	496,564	94.8%	505,692
CITY TREASURY	3,123,867	3,362,545	3,088,014	91.8%	3,244,856
CITY ATTORNEY	1,723,067	1,776,747	1,715,885	**96.6%**	1,714,561
ADMIN/BUDGET & FINANCE	1,346,237	1,361,263	1,281,525	94.1%	1,313,619
HUMAN RESOURCES	1,112,075	1,170,374	1,163,527	99.4%	1,129,411
INFORMATION TECH.	3,034,211	3,153,623	2,883,852	91.4%	3,043,246
TOTAL GENERAL GOVERNMENT	**$ 12,136,304**	**$ 12,772,592**	**$ 11,953,897**	**93.6%**	**$ 12,325,551**
PARKS, REC. & COMMUNITY SVCS	6,864,988	7,235,218	6,541,146	90.4%	6,981,985
POLICE DEPARTMENT	28,385,399	29,071,661	27,670,102	95.2%	28,054,153
FIRE DEPARTMENT	14,540,504	14,685,789	14,843,668	101.1%	14,171,786
COMMUNITY DEVELOPMENT	7,131,365	8,034,485	6,928,538	86.2%	7,753,278
PUBLIC WORKS	9,317,108	9,411,870	8,971,065	95.3%	9,082,455
NON-DEPARTMENTAL	3,987,650	3,116,368	2,542,210	81.6%	3,007,295
Transfers	1,338,504	4,520,888	4,508,711	99.7%	4,362,657
Projected excess appropriations (3.5%)	(2,805,835)	(2,805,835)	0	0.0%	-
TOTAL GENERAL FUND	**$ 80,895,987**	**$ 86,043,036**	**$ 83,959,337**	**97.6%**	**-**

NOTABLE EXPENDITURE VARIANCES—FINAL 2007-08 YEAR-END:

Departments significantly under Target (more than 10%):

City Council — The City Council budget's primary operating expenses include the contract for video and broadcasting services for Council meetings and audit services for items such as the City's Comprehensive Annual Financial Report (CAFR). In 2007-08, the City selected a new auditor in compliance with its financial policy requiring a new audit firm at least every 5-years. The funding earmarked for these services was encumbered but not expended in fiscal 2007-08, and thus was carried-over to fiscal 2008-09 when the expenditure will occur. Additionally, funds were budgeted in the amount of $40,000 for use at the discretion of the new CFO for various audit purposes. A portion of this amount was also encumbered but not expended in fiscal 2007-08, and also carried-over to fiscal 2008-09.

Community Development — Due to turnover and multiple recruitments in the Enforcement Services division, there were a number of positions that remained vacant for a prolonged period of time, creating one-time personnel savings in the Department.

Departments over Target:

City Manager's Office — The increase is partly attributable to inflated regular salaries in first two months of fiscal year. During the 2007-08 budget process, three positions were eliminated from the City Manager's Division. One position was filled, and the employee was paid from the Division for the first two months of the fiscal year during the transition, although no budget amount was appropriated. The other was a contract employee, Interim Chief Financial Officer, who also was paid from regular salaries for the first two months, with no corresponding budget amount. If these salary payments were not included, expenditures would be close to the expenditure target of 96.5%.

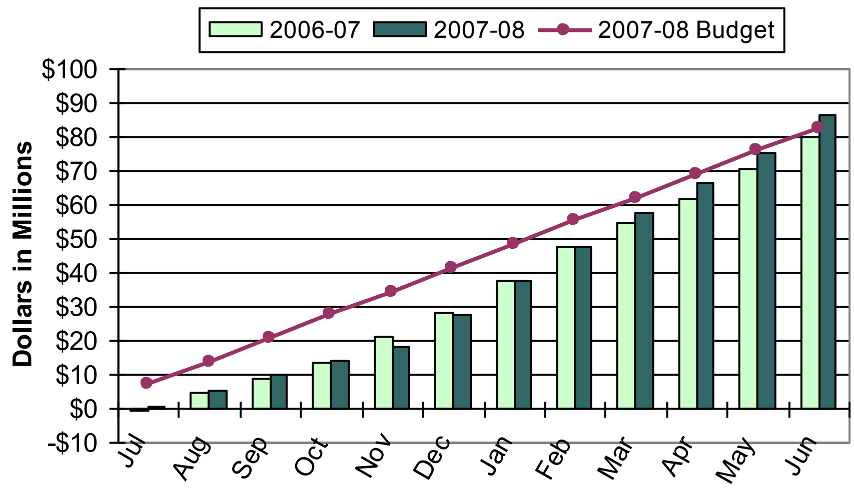
Human Resources — Higher than anticipated personnel increases, including unanticipated bi-weekly payoffs not fully budgeted for, contributed to the department surpassing the target for fiscal 2007-08.

Fire Department — Culver City sends strike teams to neighboring jurisdictions, including county and state incidents, when requested. The number of fires throughout California were higher than normal this year, and thus, increased Constant Staffing costs. **Culver City IS reimbursed for most personnel expenses related to strike team deployments greater than 24 hours,** and reimbursements are filed in a timely manner but may not be received for several months after the incident.

GENERAL FUND REVENUE ANALYSIS:

TOTAL GENERAL FUND REVENUES—FINAL 2007-08 YEAR-END: Fiscal 2006-07 vs Fiscal 2007-08 [Cumulative]

	2006-07 Revenues	2007-08 Revenues
July	($473,116)	$341,121
August	4,930,120	5,062,285
September	4,430,318	4,334,446
October	4,876,302	4,165,591
November	7,303,390	4,559,561
December	7,074,612	9,017,272
January	9,666,904	10,436,417
February	9,576,836	9,466,608
March	7,596,047	10,417,263
April	6,648,374	8,838,122
May	8,764,221	8,946,942
June	9,744,167	10,713,892
Totals	**$80,138,175**	**$86,299,520**
Adjusted Budget	$75,054,576	$82,774,909



FINAL YEAR-END TOTAL GENERAL FUND REVENUES are 104.3% of budgeted projections. Many General Fund revenues met or exceeded budgeted projections, in part due to major development occurring within the city such as the renovation of the Westfield Shopping Mall and construction of the new parking structure and other buildings at Sony. Sales Tax receipts, the City's largest single source of recurring revenue, came in below projections for the year. Below is further discussion on other General Fund revenues not charted on subsequent pages.

Commercial Industrial Development Tax — Final year-end receipts in this category are 216.6% of budgeted projections, and are due specifically to a major one-time development occurring within the City which was not anticipated to be fully received until early fiscal 2008-09. This revenue receipt is categorized to be one-time, and has been earmarked to be used for one-time expenditures, such as special equipment and capital outlay items.

Fines & Forfeitures — Fines & Forfeitures through the end of 2008 are $4,613,435, which is 104.5% of budgeted projections. This category has performed slightly higher than budgeted projections the last several years, and includes Parking Tickets, Moving Violations, and Red-light Camera Violations.

Franchise Fee — Through June 2008, final year-end receipts in this category exceed budgeted projections, and are currently $1,338,872, or 109.4%. This category also exceeded budgeted projections at this time last year due to receipts from audit findings from prior years. A higher franchise fee payment from a company than originally assumed accounts for the additional amount received this fiscal year.

Intergovernmental — The main revenue in this category is the Motor Vehicle License Fee (VLF), and receipts for the category through June 2008 are 6.5% over budgeted projections.

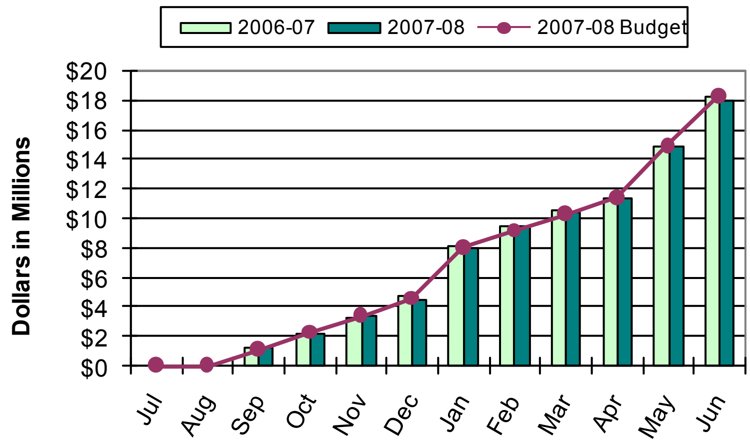
OVERALL GENERAL FUND REVENUES — The city still experienced healthy development early in fiscal 2007-08, which helped keep the General Fund reserves well above the 30% mark with one-time receipts and higher than average revenues. Given the present economic climate, though, it will not be sustainable to keep this trend going for long periods of time. The City will be experiencing drops in certain revenue categories that are directly related to economic conditions. Due to reserve funds from one-time receipts and fiscally responsible decisions from City Council and City staff, we are in a better position than most cities to weather through this period. However, our long-term projections show recurring expenditure growth outpacing recurring revenue growth, and future actions will be required.

NOTE: Subsequent pages include more in-depth discussion of some of the larger revenue sources received by the City. Some of the City's primary revenue sources, such as property tax, sales tax, utility user's tax, transient occupancy tax, and business tax, are subject to accrual, and revenues are recognized when earned. Thus, revenues received in July and partially in August were "earned" in the prior year, and are "accrued" back to the prior year. This is why July in many cases shows a minimal or zero amount in the accompanying charts, and August may also be low. June shows the "accrued" amount from the future year and "trues-up" the year-end total revenue amount received.

GENERAL FUND REVENUE ANALYSIS (continued):

SALES TAX—FINAL 2007-08 YEAR-END: Fiscal 2006-07 vs Fiscal 2007-08 [Cumulative]

BY MONTH	2006-07	2007-08
July	$ 926,400	$ 912,800
August	1,235,300	1,217,000
September	1,190,361	1,169,765
October	908,000	938,300
November	1,210,800	1,251,100
December	1,374,295	1,156,535
January	3,368,412	3,471,855
February	1,349,700	1,444,200
March	1,113,116	1,021,326
April	861,400	876,200
May	3,459,612	3,557,052
June	1,233,397	975,468
Prior Yr Accrual	(2,161,700)	(2,129,800)
Current Yr Accrual	2,129,800	2,060,300
TOTAL RECEIPTS	**$18,198,893**	**$17,922,101**
Adjusted Budget	$17,650,000	$18,300,000

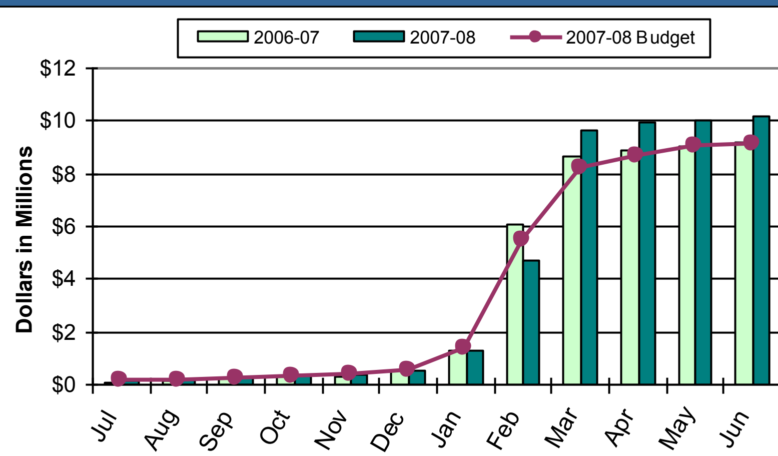


NEGATIVE

SALES TAX— Budget Projections for fiscal 2008-09 were reduced at mid-year by $500,000 from $18,800,000 to $18,300,000 given the current economic conditions, loss of some large sales tax contributors, such as Albertson Oldsmobile Chevrolet, and reduction of on-going construction occurring within the city. Even with the reduction, Sales Tax did not reach the projected $18,300,000 target and was under projections by a little over 2%. It also fell short of last year's actual receipts of $18,198,893. Sales Tax receipts are anticipated to remain sluggish through the next fiscal year, and potentially into fiscal 2009-10. The construction of the Westfield Shopping Center should be completed in fiscal 2009-10, and the new Target at that location is set to open in October 2009. It is hoped that with the completion of the Mall and the new Target, receipts may pick up slightly even if the economy is still in a recessed state.

BUSINESS TAX—FINAL 2007-08 YEAR-END: Fiscal 2006-07 vs Fiscal 2007-08 [Cumulative]

	2006-07	2007-08
July	$ 104,213	$ 166,407
August	69,256	90,161
September	74,751	40,187
October	34,100	48,583
November	47,673	44,065
December	172,959	132,250
January	810,450	753,918
February	4,782,453	3,428,559
March	2,588,412	4,953,144
April	181,125	298,323
May	184,909	73,308
June	133,532	142,573
TOTAL RECEIPTS	**$ 9,183,833**	**$ 10,171,478**
Adjusted Budget	$ 8,804,100	$ 9,144,000



POSITIVE

BUSINESS TAX — Through June, final year-end Business Tax receipts exceeded the adjusted budget projections by 11.2%. The year-to-date total includes receipts from Business Tax, Application/Renewal Fees, and Penalties. The increase in Business Tax is extremely good news for the City, and helps offset some of the underperforming recurring revenues such as Sales Tax .

The City continues to be aggressive in collecting Business Tax and License Fees. Staff has done an extraordinary job in identifying many non-compliant businesses and following up with businesses who are late in paying. The strict oversight of ensuring all vendors the City issues contracts with have business licenses has enabled the City to also collect further receipts due it in a timely manner.

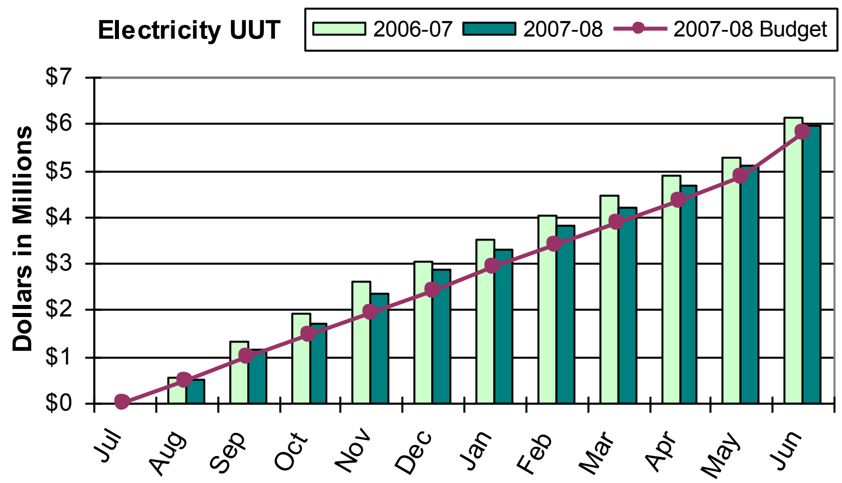
In fiscal 2008-09 the City will be conducting a more in-depth Business Tax audit, and is confident a further significant amount of uncollected revenue from non-compliant businesses will be captured from this endeavor.

GENERAL FUND REVENUE ANALYSIS (continued):

UTILITY USER'S TAX—FINAL 2007-08 YEAR-END: Fiscal 2006-07 vs Fiscal 2007-08 [Cumulative]

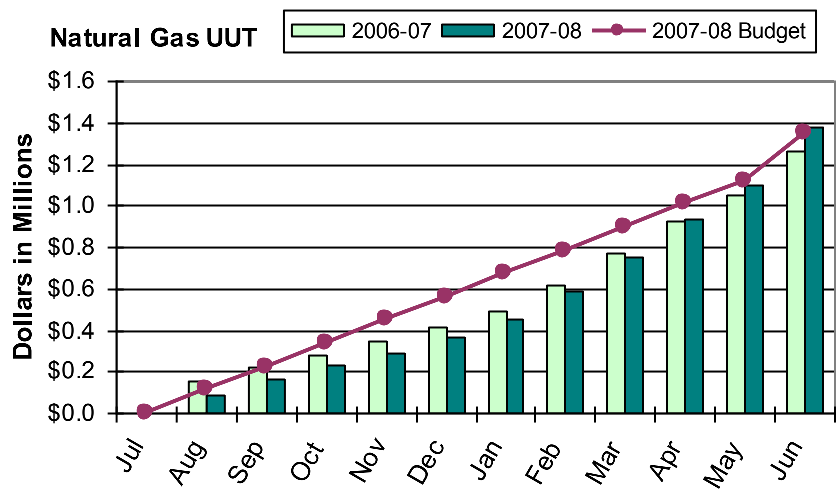
Electricity UUT

	2006-07	2007-08
July	$ 434,336	$ 417,420
August	564,075	500,334
September	764,134	669,748
October	624,333	556,764
November	647,433	621,597
December	458,805	513,303
January	461,345	454,472
February	503,612	485,773
March	431,502	426,921
April	444,525	441,445
May	392,786	425,935
June	418,835	432,822
Prior Yr Accrual	(434,336)	(417,420)
Current Yr Accrual	417,420	433,414
TOTAL RECEIPTS	**$ 6,128,805**	**$ 5,962,528**
Adjusted Budget	$ 5,900,000	$ 5,800,000



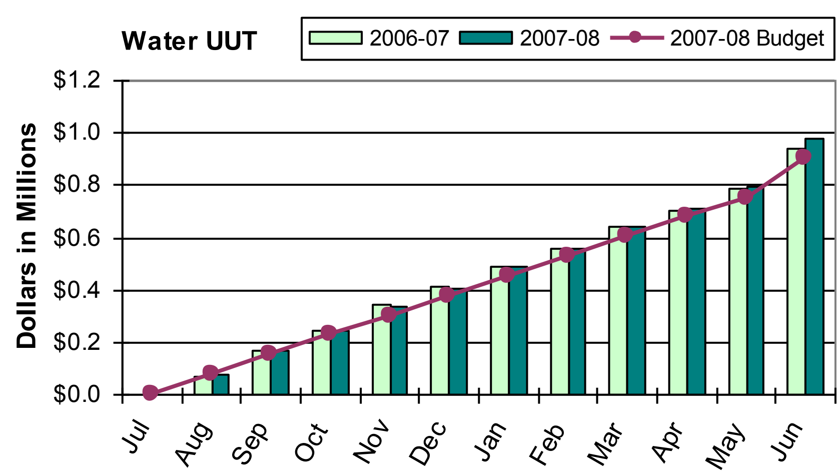
Natural Gas UUT

	2006-07	2007-08
July	$ 9,820	$ 98,599
August	158,535	88,810
September	63,196	76,452
October	61,384	66,079
November	62,396	62,463
December	65,435	68,182
January	82,772	88,358
February	122,155	132,893
March	158,192	171,072
April	151,472	180,198
May	125,441	168,955
June	108,347	155,111
Prior Yr Accrual	(9,820)	(98,599)
Current Yr Accrual	98,599	121,983
TOTAL RECEIPTS	**$ 1,257,924**	**$ 1,380,558**
Adjusted Budget	$ 1,300,000	$ 1,346,000



Water UUT

	2006-07	2007-08
July	$ 85,439	$ 89,981
August	72,286	74,166
September	94,063	95,276
October	76,471	75,300
November	98,875	90,181
December	68,052	70,436
January	79,388	86,457
February	66,546	66,376
March	86,040	82,704
April	60,647	69,891
May	83,561	87,329
June	66,406	77,785
Prior Yr Accrual	(85,439)	(89,981)
Current Yr Accrual	89,981	100,185
TOTAL RECEIPTS	**$ 942,316**	**$ 976,088**
Adjusted Budget	$ 876,000	$ 902,000

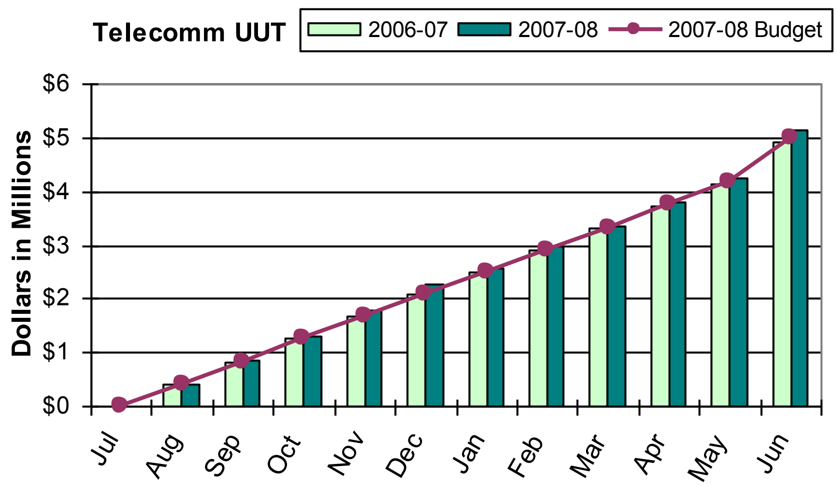


GENERAL FUND REVENUE ANALYSIS (continued):

UTILITY USER'S TAX—FINAL 2007-08 YEAR-END: Fiscal 2006-07 vs Fiscal 2007-08 [Cumulative]

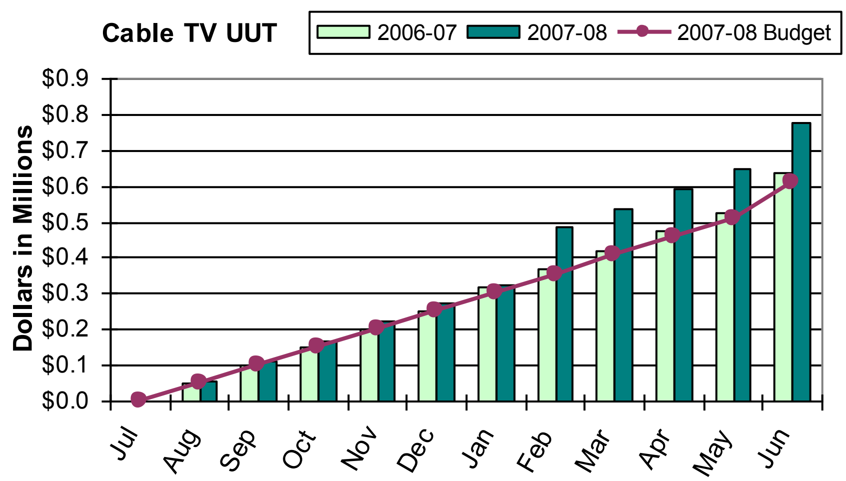
Telecomm UUT

	2006-07	2007-08
July	$ 451,558	$ 372,380
August	483,359	416,124
September	421,157	442,406
October	441,639	380,131
November	415,509	430,844
December	412,589	453,656
January	400,283	443,788
February	405,701	416,961
March	397,333	375,482
April	434,755	456,352
May	406,901	440,672
June	423,198	440,576
Prior Yr Accrual	(530,432)	(372,380)
Current Yr Accrual	372,380	452,908
TOTAL RECEIPTS	**$ 4,935,930**	**$ 5,149,900**
Adjusted Budget	$ 5,200,000	$ 5,000,000



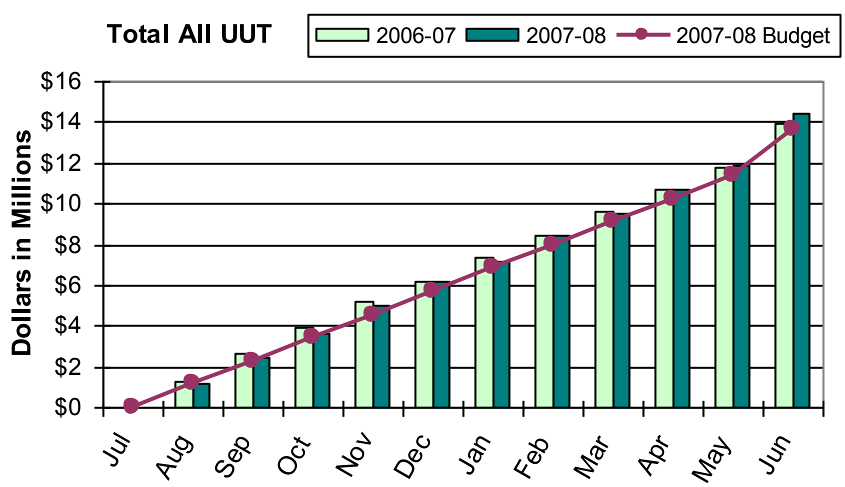
Cable TV UUT

	2006-07	2007-08
July	$ 50,737	$ 54,986
August	52,121	55,554
September	50,222	58,837
October	50,395	55,463
November	49,885	52,377
December	50,782	52,320
January	64,240	52,274
February	52,444	173,354
March	51,900	52,976
April	52,880	55,901
May	53,052	55,521
June	54,848	55,343
Prior Yr Accrual	(50,737)	(54,986)
Current Yr Accrual	54,986	56,845
TOTAL RECEIPTS	**$ 637,755**	**$ 776,765**
Adjusted Budget	$ 596,000	$ 608,000



Total All UUT

	2006-07	2007-08
July	$ 1,031,890	$ 1,033,366
August	1,330,376	1,134,988
September	1,392,772	1,342,719
October	1,254,222	1,133,737
November	1,274,098	1,257,462
December	1,055,663	1,157,897
January	1,088,028	1,125,349
February	1,150,458	1,275,357
March	1,124,967	1,109,155
April	1,144,279	1,203,787
May	1,061,741	1,178,412
June	1,071,634	1,161,637
Prior Yr Accrual	(1,110,764)	(1,033,366)
Current Yr Accrual	1,033,366	1,165,335
TOTAL RECEIPTS	**$13,902,730**	**$14,245,839**
Adjusted Budget	$13,872,000	$13,656,000



GENERAL FUND REVENUE ANALYSIS (continued):

UTILITY USER'S TAX—FINAL 2007-08 YEAR-END: Fiscal 2006-07 vs Fiscal 2007-08

NORMAL **ELECTRICITY UUT** — Final year-end receipts have this category exceeding budget projections by 2.8%. Receipts for the year were less than previous year's receipts by approximately $166,000, or 2.7%.

NORMAL **NATURAL GAS UUT** — Exceeded budgeted projections by approximately $34,000, or 2.6%. Receipts for this category are historically much lower the first six months of the fiscal year, and then increase during the second part of the fiscal year.

POSITIVE **WATER UUT**— Water usage was higher than anticipated this year, even with reports asking for water conservation in light of potential drought conditions. Final year-end receipts for Water UUT exceeded budgeted projections by 8.2%.

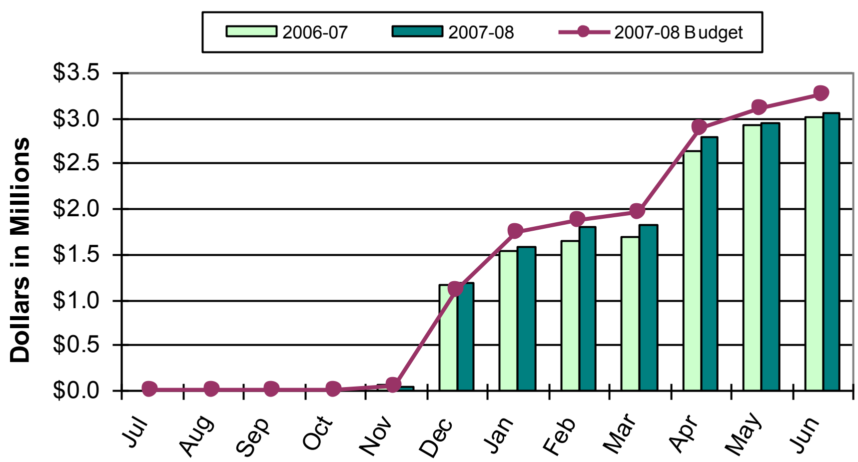
NORMAL **TELECOMMUNICATIONS UUT**— Final year-end receipts show this category exceeding budgeted projections by 3%. The fiscal 2007-08 budget projection for this category was reduced from the previous year, and in doing so was able to slightly exceed the new target. The trend the last few years had shown this revenue category dropping.

POSITIVE **CABLE TELEVISION UUT** — Exceeds projected budget target for fiscal 2008-09. Receipts in February included one-time prior year audit monies in the amount of $106,788 and net penalties of $14,290. If the one-time receipts are deducted from the final year-end amount, this category still exceeds budgeted projections by 7.8%. Increases in cable rates are the main cause of the increase in this revenue category.

MEASURE W PASSES OVERWHELMINGLY - In the April 2008 election, the community voted overwhelmingly (77% yes) in support of a modernized UUT ordinance at the existing rate of 11%. This was a very important action as the modernized ordinance includes updated language and definitions that protect the City from potential lawsuits to repeal portions of the tax.

PROPERTY TAX—FINAL 2007-08 YEAR-END: Fiscal 2006-07 vs Fiscal 2007-08 [Cumulative]

	2006-07	2007-08
July	$ 239,386	$ 105,671
August	-	-
September	-	-
October	-	-
November	55,364	33,620
December	1,111,820	1,153,913
January	375,171	393,974
February	113,968	222,451
March	29,369	15,527
April	952,182	981,287
May	299,226	145,646
June	(16,161)	23,924
Prior Yr Accrual	(239,386)	(105,671)
Current Yr Accrual	105,671	82,892
TOTAL RECEIPTS	**$ 3,026,610**	**$ 3,053,233**
Adjusted Budget	$ 2,988,000	$ 3,147,000



NORMAL PROPERTY TAX — Final year-end receipts for Property Tax secured receipts did not meet budgeted projections and fell short by approximately 3%, but overall receipts in this category exceeded projections by just slightly over 2%. Tax increment pass-through payments came in much higher than anticipated, which increased receipts in this category and pushed it above projections. Property Tax makes up between 3.5% and 4.5% of the General Fund revenues.

Home prices on the Westside, including Culver City, have held up somewhat well within the current real estate climate. Sales, though, have remained rather stagnant the last six to ten months, which has caused receipts to stay relatively flat. Compared to other areas of the state suffering high rates of foreclosures, the Westside, which includes Culver City, has been able to maintain a relatively low foreclosure rate. Only time will tell if this trend can continue.

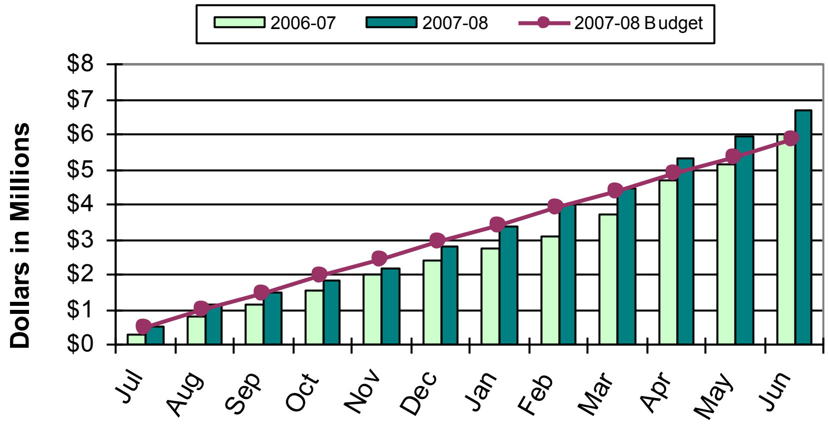
GENERAL FUND REVENUE ANALYSIS (continued):

CHARGES FOR SERVICES—FINAL 2007-08 YEAR-END: Fiscal 2006-07 vs Fiscal 2007-08 [Cumulative]

Charges for Services*

	2006-07	2007-08
July	$ 295,481	$ 492,823
August	529,049	650,999
September	327,679	362,493
October	365,798	325,319
November	485,015	363,370
December	373,346	620,668
January	379,950	542,276
February	337,817	637,743
March	636,623	481,697
April	945,225	808,509
May	455,632	659,808
June	870,831	764,395
TOTAL RECEIPTS	**$ 6,002,446**	**$6,710,100**
Adopted Budget	$ 5,297,857	$5,813,450

* Does not include Billings to RDA



POSITIVE

CHARGES FOR SERVICES — Through the end of the fiscal year, Charges for Services are significantly higher than last year, approximately 12%, due to a few factors. First, the City Council approved fee increases to many categories beginning July 1, 2007, based on an in-depth fee study performed during fiscal 2006-07. The study showed many categories far below what the City's recoverable costs were, and increases were approved based on these findings. Also included in receipts during fiscal 2007-08 are "one-time" payments from large new development activity within the City. These include developments such as the Westfield Shopping Mall remodel, Sony Pictures Entertainment parking lot construction, and Parcel B. (Some receipts received in fiscal 2007-08 from these developments were not anticipated until fiscal 2008-09.) These receipts are classified as "one-time" due to the size and nature of the development. The City cannot count on this kind of a revenue on an on-going basis as large developments do not occur regularly. The City has been very fortunate over the past few years to have large developments, which has kept the General Fund fiscally healthy and has helped us weather the current adverse economic conditions.

CHARGES FOR SERVICES — Individual Category Notables—FINAL 2007-08 Year-End

Veterans Memorial Auditorium Fees — Overall, final year-end fee receipts for the Veterans Auditorium Complex, which includes the Senior Center and Teen Center, were 106.5% of budgeted projections for fiscal 2007-08. Auditorium Rentals exceeded budgeted projections along with Teen Center Rental by approximately 25%, and the Sr. Center and Meeting Room Rentals came in below projections, although not too significantly.

Plan Check Fees — Plan Check Fees slightly exceed budgeted projections for fiscal 2007-08, due primarily to larger development activity occurring within the city. These fees include both normal, every day plan check and those fees categorized as one-time that are related to the large development activity. These one-time fees are mostly associated with Westfield and Sony for fiscal 2007-08.

Various Recreation Fees — Overall Recreation Fees met projections for fiscal 2007-08, specifically in the Day Camp and Aquatic areas. The Culver City After School Program has exceeded projections, and continues to be a successful program. Recreation and Enrichment Programs have also continued to be successful with the community, and enrollment remains strong. The Aquatic programs came in very strong for fiscal 2007-08.

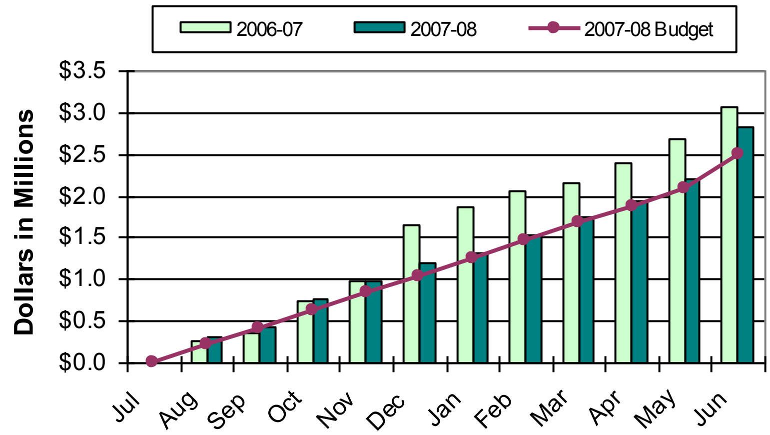
Fire Hazardous Materials Fees — Fees in this category are significantly above projections due to hazardous material incidents within the city in which the City was reimbursed. Final year-end receipts are $206,006, which is 171.7% of projections. This is not a fee that can be easily forecast due to the unknown number of incidents that may occur in a given fiscal year.

Ambulance Billings — Ambulance Billings through May 2008 were only 74.6% of adjusted budget. Final year-end receipts show this revenue at 102.1% of adjusted budget, which is the first time since 2001-02 this revenue has met or exceeded projections. A large accrual from receipts received in July and August helped push this category above projections. Transport fees are set by LA County, and the City is not able to increase these fees.

GENERAL FUND REVENUES & EXPENDITURES:

TRANSIENT OCCUPANCY TAX—FINAL 2007-08 YEAR-END: Fiscal 2006-07 vs Fiscal 2007-08 [Cumulative]

By Month	2006-07	2007-08
July	$ 257,368	$ 264,908
August	259,448	317,587
September	106,140	119,733
October	385,400	322,622
November	250,198	231,849
December	656,644	219,428
January	215,529	98,739
February	199,451	227,660
March	91,531	216,039
April	245,619	183,689
May	271,454	272,733
June	122,733	242,762
Prior Yr Accrual	(264,910)	(267,833)
Current Yr Accrual	267,833	364,537
TOTAL RECEIPTS	**$ 3,064,438**	**$ 2,814,453**
Adjusted Budget	$ 2,250,000	$ 2,500,000



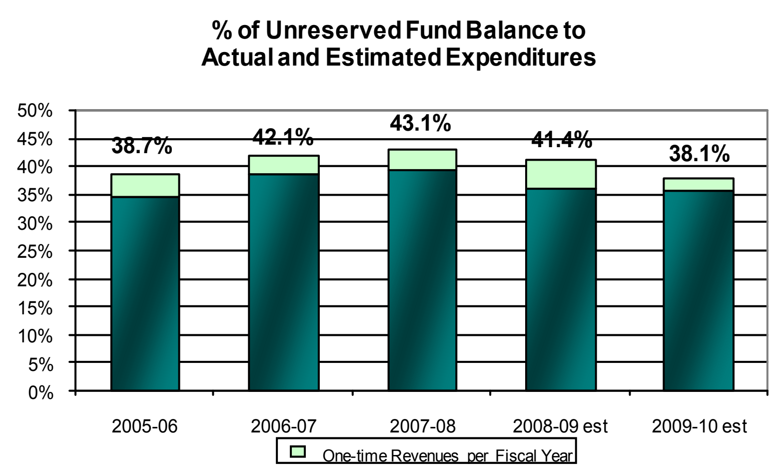
POSITIVE

TRANSIENT OCCUPANCY TAX — Receipts for TOT exceeded the projected budget target for fiscal 2007-08 by approximately 12.6%. Receipts are behind prior year due to a one-time receipt from a bankruptcy payment received by the City in December 2006. Without this one-time payment, recurring revenue receipts would still have exceeded prior year. Early predictions showed receipts lagging behind, which was mostly attributable to the Courtyard by Marriott being closed for renovation for a portion of the fiscal year, and the Four Seasons being closed in stages as it went through renovation. Both are now fully operational and contributed to the TOT receipts picking up through the end of the fiscal year. Airport activity did show a drop in airline passengers over the time period May—June from a year ago. The difficult economy and high fuel costs, among other increasing costs to fly, have reduced the number of air travelers and negatively impacted all travel related services, such as hotels. With the renovated hotels and summer season, Culver City was able to finish the year strong in this category.

ONE-TIME REVENUE AND GENERAL FUND RESERVE PERCENTAGE:

The City has recorded a large amount of one-time revenue in the General Fund during fiscal 2007-08, both from audit activity on various revenues and from significant development activities occurring within the City. Below is a list of one-time revenue receipts previously received and recorded, fiscal 2007-08 receipts, and anticipated one-time receipts for fiscal 2008-09 and 2009-10. The chart shows the percentage of the General Fund Reserve comprised of these one-time revenues. The GF Unreserved Fund Balance amount does include the $9 million loan amount to the RDA per the City's Financial Policies.

Major One-time Revenue Receipts and Estimated One-Time Revenues		
1st payment to Warner Lot (05-06)	$	2,620,000
Documentary Tax Audit Receipts (05-06)	$	313,086
Receipts from TOT audit/other (06/07)	$	650,000
Loan Receivable from RDA (06-07)	$	505,818
Int. income from refunding Bonds (06-07)	$	500,000
Documentary Tax Audit Receipts (06-07)	$	762,400
Receipts from Cable UUT Audit (07-08)	$	106,788
Receipts in Com/Ind Dev Tax from significant development activity (07-08)	$	1,757,275
Payment of Interest for Warner Parking Lot Sale (07-08)	$	436,608
Building Permit Fee from significant development activity (07-08)	$	533,000
Estimated One-time (08-09) [includes final payment from Warner Parking Lot of $2,947,104]	$	4,497,000
Estimated One-time (09-10)	$	1,850,000
TOTAL since Fiscal 2005-06	**$**	**14,531,975**



It is the policy of the City not to use revenues identified as one-time funds to pay for recurring expenditures.

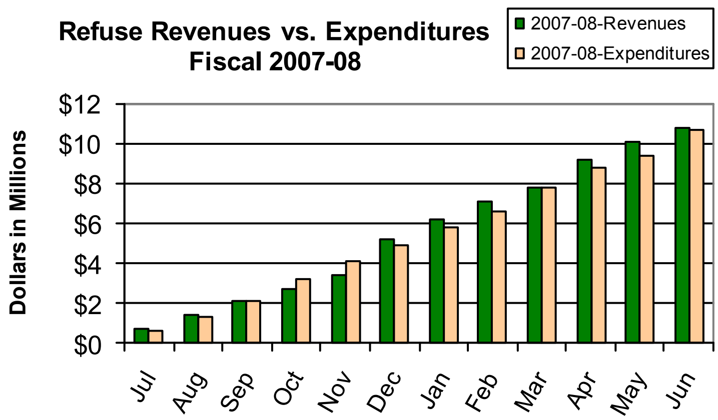
REFUSE FUND ANALYSIS:

REFUSE FUND—FINAL 2007-08 YEAR-END (Revenues vs. Expenditures—Cumulative)

REFUSE EXPENDITURES

	2006-07	2007-08
July	$ 478,129	$ 556,391
August	648,021	634,977
September	847,222	797,010
October	749,271	1,023,511
November	1,080,583	902,352
December	557,613	753,808
January	904,934	907,299
February	644,729	741,930
March	912,829	1,126,061
April	756,733	983,184
May	633,647	602,328
June	1,303,758	1,219,347
TOTAL EXP	**$ 9,517,464**	**$ 10,248,197**
Adjusted Budget	$ 10,888,948	$ 11,524,493

Note: Depreciation amounts not included.

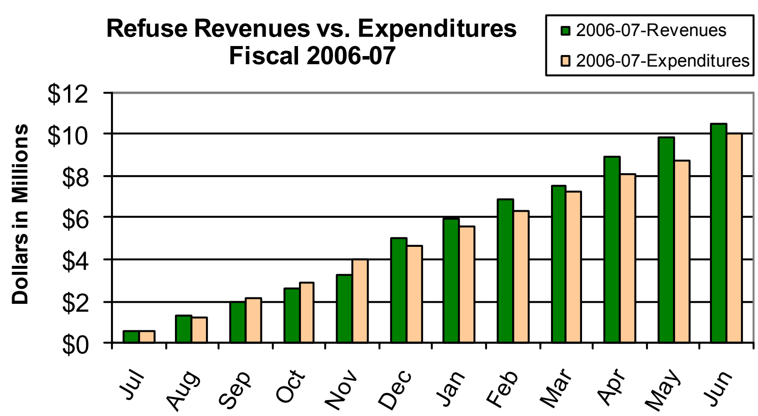


REFUSE FUND EXPENDITURES — Year-end expenditures through June 2008 are 88.9% of the adjusted budget. The Refuse Fund also continued loan payments to the General Fund ($97,739), Equipment Replacement Fund ($57,148), and the Innovation Fund ($8,741) for fiscal 2007-08. The outstanding balance of the total loan due as of the end of fiscal 2007-08 was $1,149,263.

Significant upcoming projects in the next fiscal year include continuation of the GPS tracking project and automating recycling collection at small condominium complexes; Capital projects include much needed improvements to the tipping floor, locker room, and stairwell and the Transfer Station (currently underway); and replacement of the Transfer Station's truck axle scales.

REFUSE REVENUES

	2006-07	2007-08
July	$ 583,604	$ 696,899
August	686,798	725,514
September	658,508	640,217
October	661,889	662,709
November	698,332	644,041
December	1,732,943	1,864,241
January	945,365	944,572
February	916,032	953,969
March	648,396	650,377
April	1,377,850	1,382,243
May	990,370	947,732
June	632,388	701,157
TOTAL RECEIPTS	**$ 10,532,475**	**$ 10,813,671**
Adjusted Budget	$ 10,410,618	$ 11,483,841



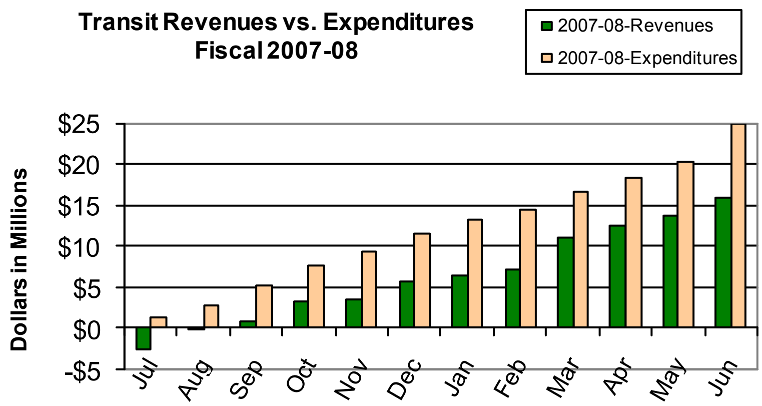
REFUSE FUND REVENUES — Final year-end revenues through June 2008 are below budget projections for fiscal 2007-08 by almost 6%. This is due to a few factors: the contract with LA City was canceled in August 2007, and budgeted receipts from this source will not be realized; construction at Westfield Shopping Mall was pushed off later than expected, and revenues anticipated during fiscal 2007-08 will only partly be recouped, with the majority being realized in fiscal 2008-09 and later; and given the soft economy, other smaller construction projects are not as abundant, which reduces the demand of bin service. Revenues, though, are slightly ahead of expenditures, which will assist the Refuse Fund in finishing the year operationally in the positive. This additional funding is necessary to build the fund balance to cover anticipated and unanticipated operating cost increases in future years, which include unknown fuel increases and the probable closure of the Puente Hills Landfill in 2013, as well as paying off the aforementioned loans from the General Fund, Equipment Replacement Fund, and Innovation Fund.

TRANSIT FUND ANALYSIS:

TRANSIT FUND—FINAL 2007-08 YEAR-END (Revenues vs. Expenditures—Cumulative)

	TRANSIT EXPENDITURES	
	2006-07	2007-08
July	$ 1,006,149	$ 1,091,374
August	1,121,526	1,317,488
September	978,263	2,080,034
October	1,468,394	2,363,603
November	1,352,794	1,357,701
December	1,748,130	2,070,860
January	1,307,425	1,499,769
February	1,241,397	1,092,555
March	1,157,427	1,849,352
April	1,472,299	1,391,409
May	1,696,891	1,728,972
June	1,943,836	4,514,773
TOTAL EXP	**$ 16,494,533**	**$ 22,357,892**
Adjusted Budget	21,977,438	22,892,622

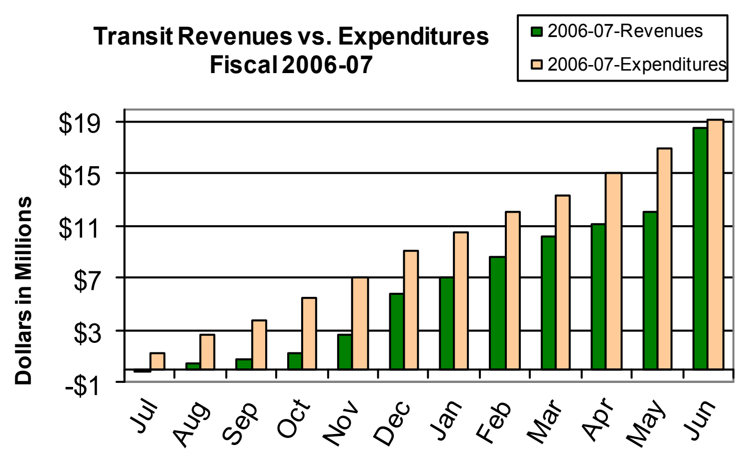
Note: Depreciation amounts not included.



TRANSPORTATION FUND EXPENDITURES – Final year-end expenditures through June 2008 are 97.7% of the adjusted budget for fiscal 2007-08. The Transportation Department continued to implement and refine some significant projects during this fiscal year, which include the Automatic Vehicle Locator (AVL) program, and installation of new Universal Fare System fareboxes in all CityBuses. Culver CityBus is the first agency to be able to use the AVL system remotely in (unattended) mode where the supervisors can track the buses while in the field.

Significant upcoming projects for the coming fiscal year include beginning implementation of Bus Rapid Transit program along Sepulveda Boulevard and the expansion of Line 7; providing input in the construction of the Culver City Exposition Light Rail Station; and providing input into the planning of the reconfiguration of I-10 Robertson Boulevard and National Boulevard on and off ramps.

	TRANSIT REVENUE	
	2006-07	2007-08
July	$ (104,779)	$ (2,648,573)
August	451,274	2,791,003
September	469,059	684,306
October	321,688	2,541,066
November	1,568,083	224,560
December	3,103,121	2,209,509
January	1,203,113	583,705
February	1,668,132	791,200
March	1,492,049	3,965,543
April	974,720	1,336,502
May	915,711	1,186,439
June	6,448,454	2,429,742
TOTAL RECEIPTS	**$ 18,510,625**	**$ 16,095,002**
Adjusted Budget	$ 16,025,724	$ 17,279,756



TRANSPORTATION FUND REVENUES – The lion's share of Transportation Revenues are made up of federal, state and county funding, with various grants, farebox receipts, and other miscellaneous revenue sources making up the balance. Final year-end receipts are 7% less than budgeted projections, mainly due to the receipt of FTA funds received at the beginning of the year being accrued to fiscal 2006-07. This left a gap in the budgeted amount for fiscal 2007-08. Less this accrual, overall receipts were on target.

Every year is a waiting game to see if the State will take funding from Transportation-related projects and sources. In fiscal 2007-08, the State did not divert any funds to help balance the State's budget. It is now known the state will be taking at least $1 million in State Transportation Assistance (STA) funding from Culver City in fiscal 2008-09, with the likelihood of adding additional takeaways as fiscal 2008-09 progresses.

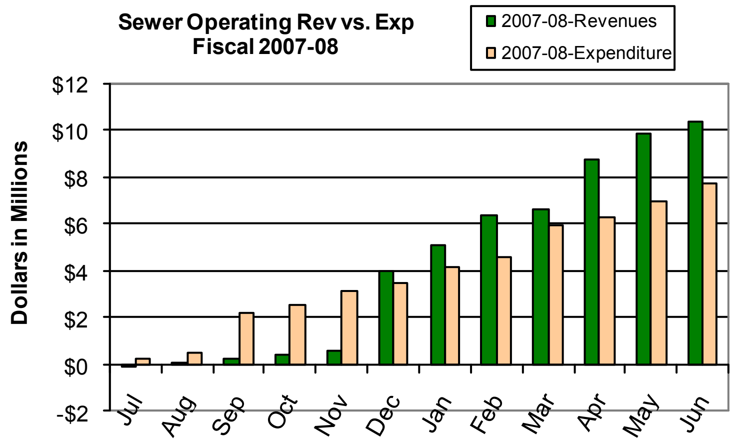
SEWER FUND REVENUE ANALYSIS:

SEWER OPERATING FUND—FINAL 2007-08 YEAR-END (Revenues vs. Expenditures—Cumulative)

SEWER EXPENDITURES

	2006-07	2007-08
July	$ 106,920	$ 62,020
August	150,815	135,999
September	1,692,987	1,667,451
October	230,750	196,867
November	618,758	505,602
December	167,035	217,876
January	588,777	575,351
February	179,922	259,361
March	1,242,065	1,293,387
April	207,059	206,841
May	1,041,978	579,381
June	289,258	384,863
TOTAL EXP	**$ 6,516,328**	**$ 6,084,996**
Adjusted Budget	$ 7,823,626	$ 7,534,793

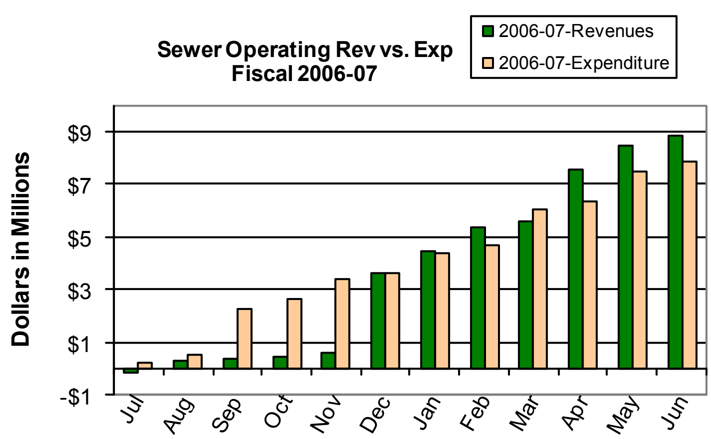
Note: Depreciation amounts not included.



SEWER OPERATING EXPENDITURES – Final year-end expenditures through June 2008 are approximately 80.8% of the adjusted budget for Sewer Operations. This does not include any Sewer Capital Improvement Project funding (see page 17 for further Sewer CIP information). Sewer Operating expenditures include Hyperion Debt Service of $1,701,569 for fiscal 2007-08, and payment to-date of $2,313,116 to the City of LA for the use of the Hyperion treatment plant facility, which was approximately $500,000 less than budgeted and, thus, contributes to the lower overall total operating expenditures. Some major accomplishments of the Sewer Division during fiscal 2007-08 were the installation of nine (9) SMART covers throughout the City sewer drain system to monitor wastewater levels inside sewer lines before it becomes critical or overflows from the manholes, upgraded all the valves in the Braddock Lift Station, and maintained the emergency generators at all of the lift stations per AQMD requirements so their operating time stays within the recommended 20 hours per year.

SEWER OP REVENUES

	2006-07	2007-08
July	$ (137,711)	$ (143,668)
August	433,205	191,068
September	76,075	194,194
October	89,552	125,966
November	105,509	163,135
December	3,090,237	3,478,540
January	815,473	1,075,632
February	916,067	1,248,540
March	201,449	270,581
April	1,980,074	2,191,521
May	924,327	1,027,938
June	398,008	590,758
TOTAL RECEIPTS	**$ 8,892,265**	**$10,414,205**
Adjusted Budget	$ 8,598,900	$ 9,121,750



SEWER OPERATING REVENUES – Final year-end revenues through June 2008 exceeded budget projections by approximately 14.2%. This is primarily due to one-time receipts in sewer facility charges from large development occurring in the city, and increases to interest income higher than budgeted for in this Fund due to a higher than projected fund balance. The additional funding realized is necessary to help build the fund balance for additional and unknown costs placed upon the City to comply with new Waste Discharge Requirements set by the State Water Resources Control Board. These costs are anticipated to escalate in coming years, and are experienced by most cities in California.

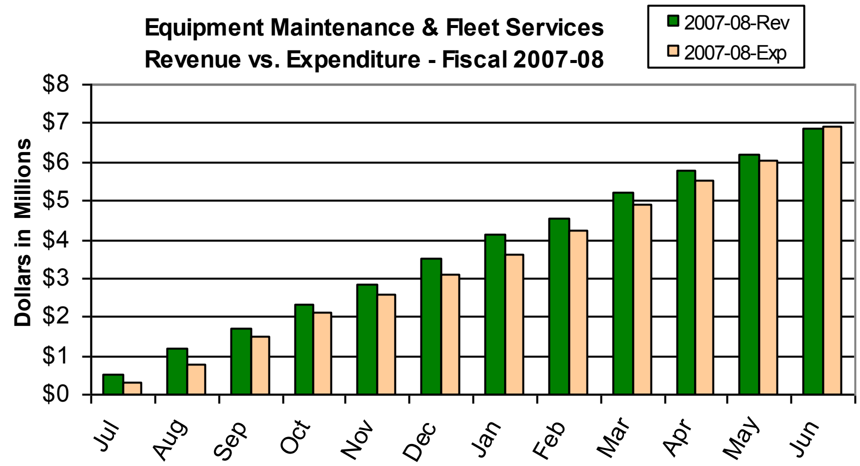
INTERNAL SERVICE FUND ANALYSIS:

EQUIPMENT MAINTENANCE & FLEET SERVICES FUND—FINAL 2007-08 YEAR-END (Revenues vs. Expenditures—Cumulative)

EM&FS EXPENDITURES

	2006-07	2007-08
July	$ 300,132	$ 291,739
August	498,491	491,369
September	467,973	729,168
October	685,297	578,562
November	614,390	484,018
December	398,523	516,927
January	570,253	537,330
February	537,146	599,590
March	524,185	688,197
April	633,352	594,281
May	467,048	541,520
June	830,527	844,455
TOTAL EXP	**$ 6,527,317**	**$ 6,897,156**
Adjusted Budget	$ 6,369,462	$ 6,870,800

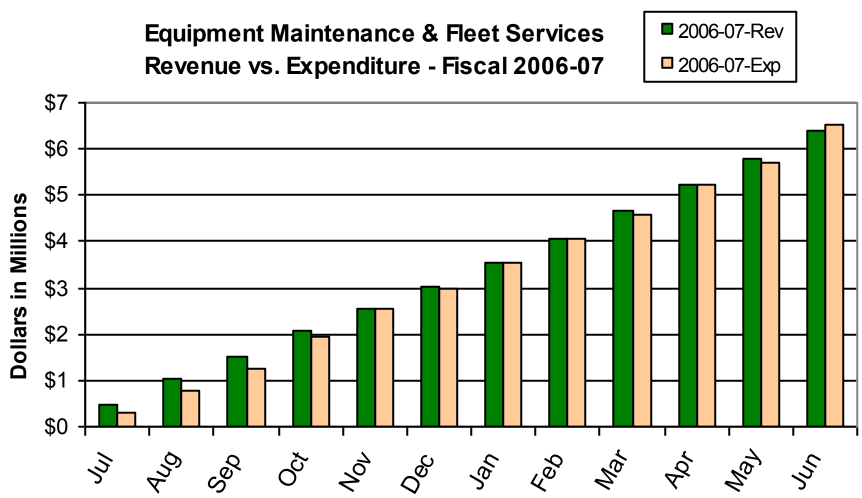
Note: Depreciation amounts not included.



EQUIPMENT MAINTENANCE FUND EXPENDITURES — Significant increases in fuel costs during the year have contributed to higher than expected expenditures in the Equipment Maintenance & Fleet Services division. These costs are charged out to user departments, such as public safety (police cars and fire trucks) in the General Fund, the Transportation Department (buses), Refuse Operations (sanitation vehicles), and Sewer Operations. The final year-end expenditures for the EM&FS Division came in slightly higher than budgeted projections by just under 0.5%. The goal of an Internal Service Fund is to break even at the end of a fiscal year. The Division has continued to maintain its high standards, and were again recognized as one of the very best fleets in North America during calendar year 2007. A major project installed, maintained, and monitored by the Division during fiscal 2007-08 is the Transit Department's new Automatic Vehicle Locator (AVL) system, which has been installed on all City buses.

EM&FS REVENUES

	2006-07	2007-08
July	$ 487,742	$ 509,682
August	569,053	681,772
September	446,997	515,434
October	578,766	613,361
November	470,644	500,468
December	481,954	708,215
January	506,898	601,120
February	534,025	415,889
March	575,564	673,935
April	558,400	551,152
May	570,660	419,811
June	629,066	697,581
TOTAL RECEIPTS	**$ 6,409,769**	**$ 6,888,420**
Adjusted Budget	$ 6,212,059	$ 6,966,954



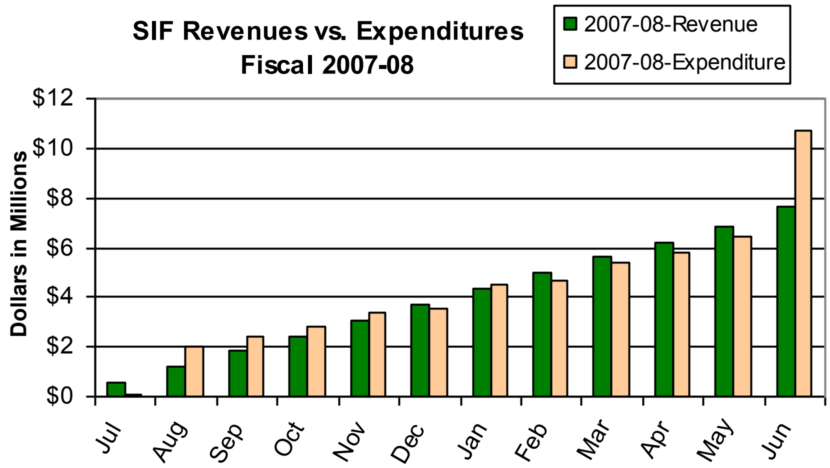
EQUIPMENT MAINTENANCE FUND REVENUES — As mentioned above, the goal of an Internal Services Fund is to break even at the end of a reporting period. Current charge-outs for the Division are mostly in-line with expenditures, and year-end revenues are almost equal to year-end expenditures. Fuel costs and increases in tools and equipment have continued to go up the last few years. The Fund has run a deficit the last few fiscal years, and further analysis will be done during fiscal 2008-09 to ensure all charges are properly recorded and received. Charge-outs for fiscal 2007-08 were closely monitored to ensure receipts were received and recorded in a timely manner.

INTERNAL SERVICE FUND ANALYSIS:

SELF-INSURANCE FUND—FINAL 2007-08 YEAR-END (Revenues vs. Expenditures—Cumulative)

SIF Expenditures

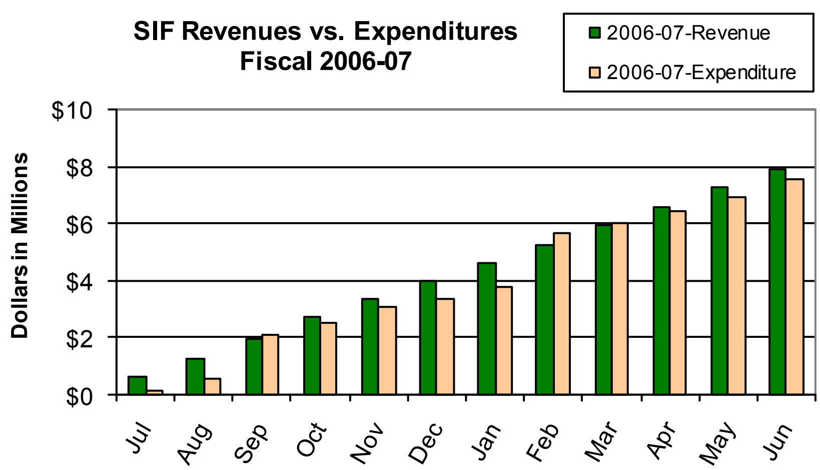
	2006-07	2007-08
July	$ 153,900	$ 58,341
August	375,951	1,916,546
September	1,583,018	470,758
October	437,052	366,042
November	514,261	559,913
December	262,380	199,417
January	438,291	977,875
February	1,877,544	127,968
March	391,740	686,842
April	382,803	457,858
May	529,753	581,710
June	628,730	4,334,516
TOTAL EXP	**$ 7,575,423**	**$ 10,737,786**
Adjusted Budget	7,442,927	11,072,650



SELF-INSURANCE FUND EXPENDITURES — The primary function of the Self Insurance fund is to pay insurance and claims costs for the City's General Liability, Workers' Compensation, and Property programs. There are often anomalies in expenditures that result from a judgment or settlement of a particular claim. In 2007-08, a large transfer to the CIP fund ($3.6 million) was necessary to repair the Cranks Road hillside. This transfer is shown on the chart and in the table above in the month of June. The repair of the hillside was a result of a settlement with homeowners affected by a hill slide in 2005. After adjusting for that one-time expenditure, total workers' compensation and general liability claims costs are actually less than the same point last year. Less the transfer of $3.6 million, final year-end expenditures came in at approximately $7.1 million.

SIF Revenues

	2006-07	2007-08
July	$ 639,813	$ 582,737
August	643,878	623,861
September	690,930	622,582
October	735,469	626,233
November	633,941	624,557
December	635,328	648,313
January	632,191	630,713
February	640,449	616,418
March	682,001	655,223
April	655,314	589,086
May	659,847	613,407
June	627,433	840,446
TOTAL RECEIPTS	**$ 7,876,594**	**$ 7,673,576**
Adjusted Budget	7,515,002	7,274,613



SELF-INSURANCE FUND REVENUES — Internal service charges for the self-insurance fund are developed annually based on the projected expenses for the fiscal year and are allocated to each operating division based on a 5-year experience rating. The amount is charged monthly at relatively equal increments throughout the fiscal year. Final year-end revenues for fiscal 2007-08 are $7.67 million, which is approximately $0.5 million more than expenditures (less the transfer). This additional amount is necessary in order to build the fund balance to a sufficient level for the City to cover potentially large liability claims that may occur at any time. The fund has also been depleted because of the large transfer of funds mentioned above, of which the City is expecting not to be fully reimbursed from FEMA. The Self-Insurance Fund has struggled the last several years to maintain a healthy fund balance, and further analysis will be done in fiscal 2008-09 to ensure the fiscal stability of this extremely important fund.

CAPITAL PROJECTS:

TOP 5 CAPITAL PROJECTS (by total budget)

	Total Budget	Funding Source	Expended in 2007/08	Expected Completion
1. Fire Station #3	$6,527,000	54% - Gen Fund Capital 46% - RDA Bond	$221,030 $2,109,400	Dec. 2008
2. Cranks/Tellefson Hill Slide Repair	$3,695,580	100% - Self Insurance Fund ($$ trsfrd to Gen Fund Cap)	$2,978,540	Aug. 2008
3. Fox Hills Area Traffic Signal Synch Project	$2,033,500	73% - Grants Capital 11% - Special Gas Tax 9% - Developer Mitigation 7% - Gen Fund Capital	$482,368 $50,367 $0 $0	June 2009
4. Public Safety CAD RMS MDT Project	$1,642,098	100% - Gen Fund Capital	$887,595	Nov. 2008 go-live
5. Residential Overlay (Street paving)	$1,512,600	53% - Gen Fund Capital 20% - Grants Capital 18% - Sewer Fund 9% - Special Gas Tax	$961,691 $299,221 $308,835 $143,390	Completed June 2008

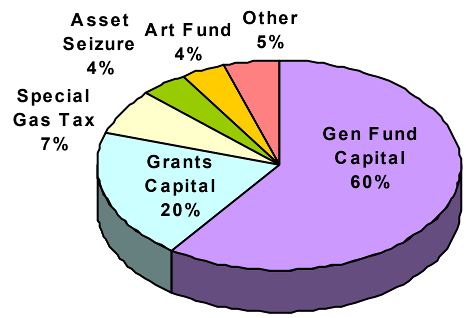
CAPITAL IMPROVEMENT EXPENDITURES BY CATEGORY

	Adjusted Budget	Expended in 2007/08	Major Projects:
Street & Alley Improvements	$3,290,515	$2,046,296	Residential Paving, Carson St, Sepulveda Blvd
Traffic Signal & Lighting Improvements	$3,102,386	$720,085	Fox Hills ATSS
Bridge Improvements	$3,252	$2,240	Pedestrian Bridge Landscaping
Parking Improvements	$88,690	$160	Parking Meter Repair/Replacement
Community Improvements	$1,325,258	$374,769	Art Fund Projects
Parks & Park Facility Improvements	$1,608,308	$716,873	Skate park, Dog park, Culver West park
Police & Fire Improvements	$6,171,927	$1,237,696	Fire Station #3, CAD/RMS/MDT, Firing Range
Sewer & Storm Drain Improvements	$6,329,118	$3,422,573	Blackwelder/Smiley, Cranks Rd, Drakewood Ave
Other Facility & Equipment Improvements	$5,235,895	$3,177,596	Cranks Slope Repair, Other City Bldg Repairs

NOTABLE ACTIVITY:

Many significant capital projects are continuing to move forward, including Fire Station #3, the Public Safety CAD/RMS/MDT project, and the Residential Overlay Program. Work on Phase I of the Residential Overlay Program was completed by May 2008 and Public Works/Engineering is moving forward with additional street paving projects using the first round of Prop 1B bond funds from the state (Phase II). The City anticipates another allocation of Prop 1B funds in FY 2008/09, which will continue to help catch up on some of the street paving backlog and address some deferred maintenance issues.

MAJOR CIP FUNDING SOURCES



Total = $27,155,349

OTHER FUND ANALYSIS:

FUND ANALYSIS FOR OTHER FUNDS—FINAL 2007-08 YEAR-END:

NORMAL **PARKING MAINTENANCE FUND** — Final year-end revenue receipts through June 2008 are 103.8% of budgeted projections and exceeded budgeted projections by almost $36,000. Approximately $780,000 of Parking Maintenance revenues are transferred to the General Fund each year to pay for street related general maintenance work. This fund has continued to meet or exceed budgeted projections for the last several years. On-going filming on City streets has also contributed to the continued viability of this fund. Expenditures (other than transfers) can be found in the CIP section on Page 17.

NORMAL **OPERATING GRANTS FUND** — Grants operating revenue receipts are comparable to Grant operating expenditures through June 2008. The Accounting Division has done an outstanding job working with departments/divisions who oversee grant funded projects, to ensure the City properly follows grant policies and requirements, meets reporting deadlines, and ensures the City is reimbursed in a timely manner.

NORMAL **CAPITAL GRANTS FUND** — Several years ago the City's Capital Grants Fund had several million dollars in outstanding grants reimbursements. Through diligent oversight from Accounting and staff in various departments who oversee these grants, this balance has been cleaned up, and is now regularly reviewed to ensure the City stays in compliance with all grant spending requirements and is reimbursed on a regular basis. It is also the policy of the City not to appropriate any Capital Grant funds unless a signed letter authorizing the receipt of the grant funds from the authorizing agency has been received. This has helped keep this fund in good shape, and ensures the City is reimbursed in a timely manner.

NORMAL **EQUIPMENT REPLACEMENT FUND (ERF)** — The ERF Fund continues to maintain a healthy balance, and is able to fund emergency replacements when needed. During fiscal 2007-08, approximately $2.8 million was budgeted for replacement vehicles, including six (6) Refuse side-loaders and fifteen (15) Public Safety vehicles. Funding is reimbursed to the Fund by Departments through an "amortization" schedule that ensures replacement funding for vehicles at the end of their useful lives. Funding is collected and recorded on a monthly basis.

NEGATIVE **SPECIAL GAS TAX (HIGHWAY USERS TAX)** — The state deferred payment of cities Gas Tax payments beginning in April 2008, and kept its promise of paying back cities the withheld funds in September, not including interest. Because of the timing of receipt of this refunded money, it has been recorded in fiscal 2008-09 instead of fiscal 2007-08. Culver City's portion of the deferred Gas Tax for fiscal 2007-08 is approximately $253,568. Final year-end receipts for fiscal 2007-08 are $525,213, or 69.5% of adjusted budget. This fund would have met the budget projection if the monies were received in a timely manner. Fiscal 2008-09 will show an increase due to the pay-back amount. Gas Tax is received from the 18¢ paid on each gallon of gasoline. When the price of gasoline goes up, this amount stays constant and can only be changed per legislative action. It has remained this amount since 1994. Page 17 identifies some CIP projects currently funded with Gas Tax funds.

NEGATIVE **ARTS IN PUBLIC PLACES** — Receipts for Arts in Public Places did not meet projections due to anticipated receipts for this year being received at the tail-end of the prior fiscal year. This fund **continues to maintain a strong fund balance**, and new development activity in the City has helped maintain it. If a developer elects not to place artwork on a new site or have the building architecture considered art for fulfilling the purposes of the City's public art requirement, they can pay up to 1% of the total building cost into the Art Fund. This funding is a special revenue source and can only be used for Public Art purposes. No funding is ever appropriated above the amount available.

POSITIVE **PARKS FACILITY FUND (QUIMBY FEES)** — Park Facility Funds came in much higher than anticipated, and final year-end figures are $112,011, or 280% of current budget projections. This is a special revenue that can only be used for parks related projects. Parks Facility Fees are received on new residential development of four or more units. With some of the mixed use developments occurring in the city, there is potential for further receipts coming in under this category. The current economic slowdown, though, may place a damper on this much needed capital funding source just when it was beginning to come back to life. The last few years have only seen this category in the $40,000 range, and previous to this, anywhere from $4,200 to $19,000 annually since 2000.

Culver City

REDEVELOPMENT AGENCY

FINANCIAL MONITORING REPORT

FINAL YEAR-END FY 2007-08

PERFORMANCE AT A GLANCE

	CURRENT MONTH	YEAR TO DATE	PAGE
Notable News and Activity			Page 2
Fund Balances Available for Projects and Programs			Page 3
Unrestricted Funds			
Revenues and Expenditures Summary	NEGATIVE BELOW BUDGET	NEGATIVE BELOW BUDGET	Page 3
Expenditure Overview	NORMAL	NORMAL	Page 4
Expenditures by Category	NORMAL	NORMAL BELOW BUDGET	Page 4-6
Revenue Overview	NORMAL	NEGATIVE	Page 7
Assessed Valuations	NORMAL	POSITIVE	Page 8
Tax Increment Revenue Overview	NORMAL	NORMAL	Page 8
Tax Increment by Project Area	NORMAL	NORMAL	Pages 8-9
Other Revenues	MIXED	MIXED	Page 10-11
Housing Funds			
Housing Fund (Expenditures/Revenues)	NORMAL	NORMAL	Page 12
Tax Exempt Bond Fund			
Tax Exempt Bond Fund (Expenditures/Revenues)	NORMAL	NORMAL	Page 13

POSITIVE or BELOW BUDGET	= Revenues greater than 5% ABOVE Adjusted Budget; or Expenditures greater than 5% BELOW Adjusted Budget
NORMAL	= Actual within 5% of Adjusted Budget
NEGATIVE or EXCEED BUDGET	= Revenues greater than 5% BELOW Adjusted Budget; or Expenditures greater than 5% ABOVE Adjusted Budget
MIXED or WARNING	= Category contains both positive and negative financial results; or Financial activity currently normal; however, there are potential factor(s) that may impact future financial activity

RDA Final Year End

Unrestricted Funds

Beginning Cash Balance (6.30.07):
$13,700,000

2007-08 Revenues:
$36,000,000

2007-08 Expenditures:
$39,200,000

Ending Cash Balance (6.30.08):
$10,770,000*

Tax Exempt Bonds

Beginning Cash Balance (6.30.07):
$24,900,000

2007-08 Revenues:
$1,050,000

2007-08 Expenditures:
$4,100,000

Ending Cash Balance (6.30.08):
$21,850,000*

Housing Set Aside Fund

Beginning Cash Balance (6.30.07):
$15,141,000

2007-08 Revenues:
$6,900,000

2007-08 Expenditures:
$3,600,000

Ending Cash Balance (6.30.08):
$19,000,000*

*Note: Due to some balance sheet adjustments (e.g. depreciation, capitalized assets, long term debt, etc.), Beginning Balance + Revenues - Expenditures may not exactly equal the Ending Balance.

FINAL YEAR-END SUMMARY

RDA Finishes 2007-08 Much Like They Began The Year

The Redevelopment Agency finished fiscal year 2007-08 in a similar financial position in which it ended fiscal year 2006-07, land rich — cash poor. Despite opening escrow on the sale of a number of parcels, in all cases, the purchaser has had difficulty securing project financing due to the current state of the economy. As a result, proceeds from those land sale deals will be delayed into FY 2008-09 and possibly into FY 2009-10. In addition, a few outstanding eminent domain cases were finalized in FY 2007-08.

Consequently, despite strong tax increment revenues (approx. 10% better than the FY 2006-07), the RDA spent about $3.2 million more than it took in during FY 2007-08 and made an interest only payment on the $9 million loan from the City.

Entering the 2009-10 budget process, the RDA will be reviewing all projects and programs that were approved during the 2008-09 budget process and make any necessary adjustments to ensure that the fiscal health of the RDA is maintained through the current economic downturn.

CASH AVAILABLE for CAPITAL INVESTMENT

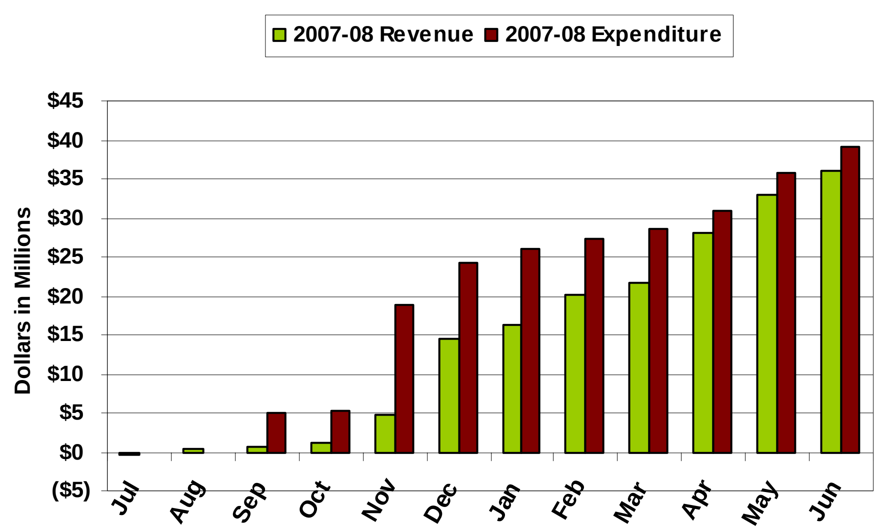
FUND BALANCE AVAILABLE FOR PROJECTS/PROGRAMS:

	Actual Ending 2006-07	*Actual Ending 2007-08*	*Estimated Ending 2008-09**	*Estimated Ending 2009-10**
Unrestricted Funds	$13,700,000	10,770,000	2,040,000	7,900,000
Housing Set Aside	$15,141,000	19,000,000	14,000,000	12,500,000
Tax Exempt Bonds	$24,900,000	21,850,000	8,750,000	3,400,000

The ending balance for each fund represents the approximate amount of cash capital available for investment in new projects or programs. The estimated balance for **unrestricted funds as of June 30, 2008** (i.e. tax increment, parking revenues, theatre revenues, etc.) is **approximately $11.3 million**. The ending balances above include an interest only payment on the $9 million loan from the City made in FY 2007-08, and assumes the $9 million principal and $500,000 interest payment is made in FY 2008-09. The estimated ending balance for FY 2008-09 and FY 2009-10 assumes that 100% of the adjusted budget is expended and includes the $2.25 million ERAF obligation. The ending balance in FY 2009-10 rebounds as an infusion of land sale proceeds is expected as the Agency sells off some land position. The Agency Board is currently reviewing a **Comprehensive Housing Strategy** to identify viable projects to begin using the Housing funds significant cash balance. During the FY 2008-09 and 2009-10 budget process, the RDA programmed most of its remaining **tax exempt bond funds** on various public improvement projects throughout the City.

TOTAL UNRESTRICTED REVENUES and EXPENDITURES: (cumulative)

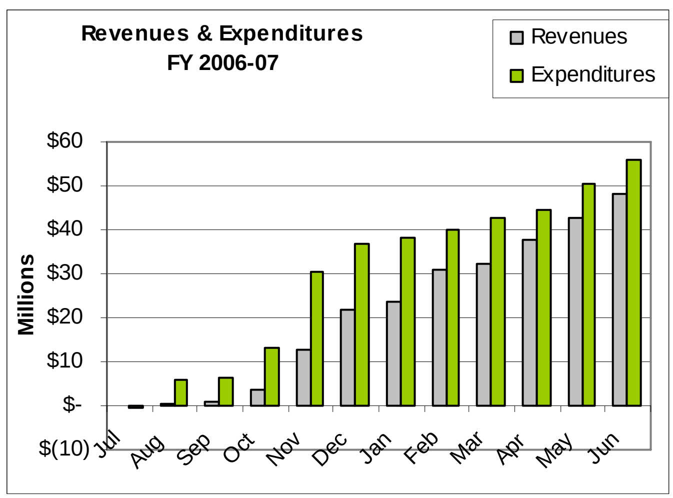
	2007-08 Revenue	*2007-08 Expenditure*
Jul	$ (395,530)	$ (49,291)
Aug	656,599	(22,670)
Sep	368,304	4,950,808
Oct	415,202	282,921
Nov	3,676,946	13,615,577
Dec	9,651,356	5,526,037
Jan	1,965,506	1,602,987
Feb	3,912,079	1,441,268
Mar	1,378,423	1,279,876
Apr	6,434,458	2,277,211
May	4,831,876	4,804,443
Jun	3,042,264	3,488,150
TOT Y-T-D	35,937,483	39,197,317
Adj Budget	33,006,077	42,969,759



NEGATIVE In FY 2007-08, **expenditures exceeded revenues by approximately $3.2 million**. This is due primarily to one-time costs related to settlement of a few eminent domain cases. As a result, the estimated available cash balance has been reduced to approximately $10.7 million.

Total expenditures in FY 2007-08 were approximately $16 million LESS THAN total expenditures in FY 2006-07. The reduction in expenditures is a result of significantly less land acquisition activity; about $23 million was expended on land acquisition in FY 2006-07 vs. less than $6 million in FY 2007-08.

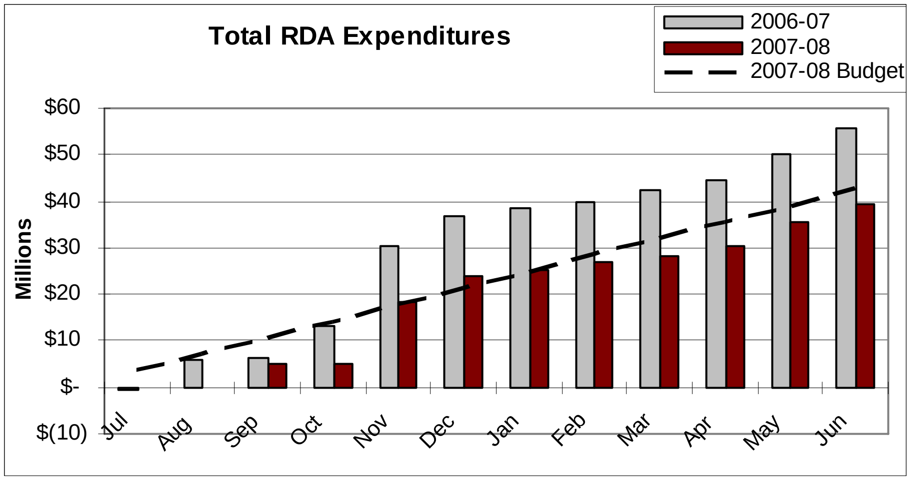
Total revenues in FY 2007-08 were also approximately $12 million less than FY 2006-07 revenues. Again, this was due primarily to $12 million in land sale proceeds being received in FY 2006-07 while no land was sold in FY 2007-08 (although a number of properties are currently in escrow). More detail on revenues and expenditures can be found in the following sections of this report.



UNRESTRICTED FUND EXPENDITURES:

TOTAL UNRESTRICTED FUNDS EXPENDITURES: (cumulative)

	2006-07	*2007-08*
Jul	$ (500,262)	$ (49,291)
Aug	5,714,833	(71,962)
Sep	6,156,537	4,878,846
Oct	13,292,841	5,161,767
Nov	30,259,301	18,210,871
Dec	36,811,212	23,736,907
Jan	38,336,172	25,339,894
Feb	39,887,799	26,781,162
Mar	42,569,594	28,061,038
Apr	44,693,289	30,338,249
May	50,244,075	35,651,649
Jun	55,909,687	39,197,317
TOT Y-T-D	55,909,687	39,197,317
Adj Budget	47,108,917	42,726,758



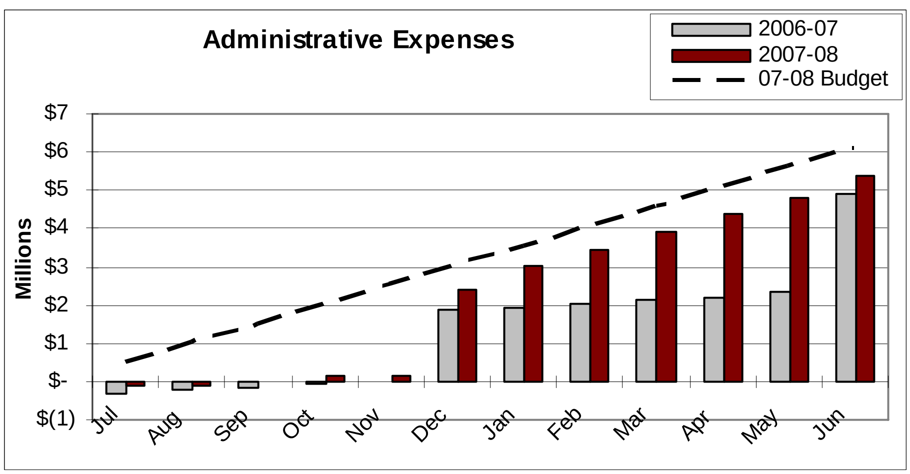
BELOW BUDGET Final Unrestricted Funds expenditures were **91% of the adjusted budget for FY 2007-08**. Expenditures in FY 2007-08 were well below FY 2006-07 because there was significantly more land acquisition activity in FY 2006-07 (about $23 million) than in FY 2007-08 (about $6 million).

Redevelopment expenditures are relatively sporadic on a monthly basis as there are often spikes in expenditures due to land acquisition costs or other one-time development related costs. Generally, the month of November has the most cash going out the door as that is when the annual debt service payments for RDA bonds are due (i.e. principal and interest payments to bond holders). The following sections will provide more detail on RDA expenditures by category.

EXPENDITURE ANALYSIS BY CATEGORY:

ADMINISTRATIVE EXPENSES: (cumulative)

	2006-07	*2007-08*
Jul	$ (329,591)	$ (118,918)
Aug	(193,330)	(95,447)
Sep	(174,226)	(8,262)
Oct	(51,090)	145,569
Nov	(19,424)	159,887
Dec	1,853,377	2,408,226
Jan	1,934,748	3,004,974
Feb	2,008,641	3,466,404
Mar	2,129,162	3,922,847
Apr	2,170,580	4,360,913
May	2,328,065	4,800,838
Jun	4,891,866	5,354,653
TOT Y-T-D	4,891,866	5,354,653
Adj Budget	5,993,953	6,126,231

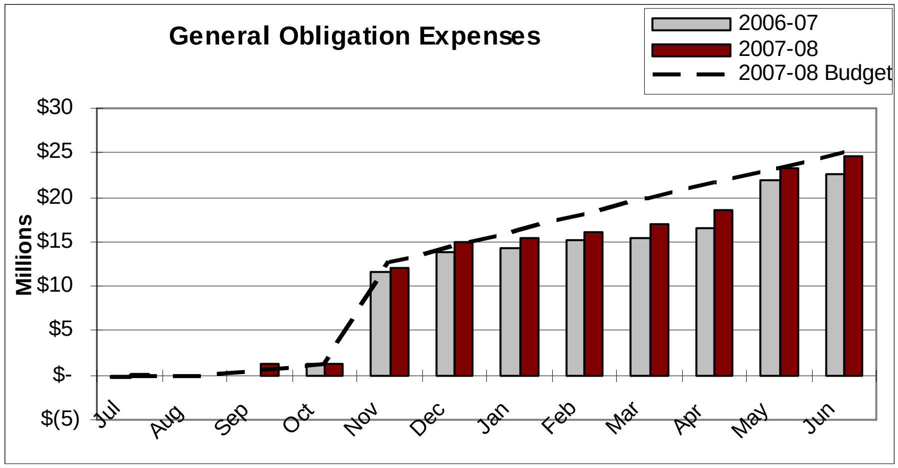


BELOW BUDGET The Redevelopment Agency reimburses the City for all City staff whose position is impacted by RDA activities. This includes all Redevelopment, Economic Development, and Cultural Affairs division staff as well as partial reimbursement for positions in Planning, Building Safety, Code Enforcement, City Attorney, Police, Fire, PRCS, Public Works, etc. Administrative expenditures also include operating expenses and contract costs for RDA activities. Reimbursement expenses for staff positions are prorated and transferred from the Agency to the City on a monthly basis. Due to salary savings from vacant positions and savings in operating expenses, Administrative Expenses were **87% of the adjusted budget for FY 2007-08**.

UNRESTRICTED FUNDS EXPENDITURE ANALYSIS:

GENERAL OBLIGATION EXPENSES: (cumulative)

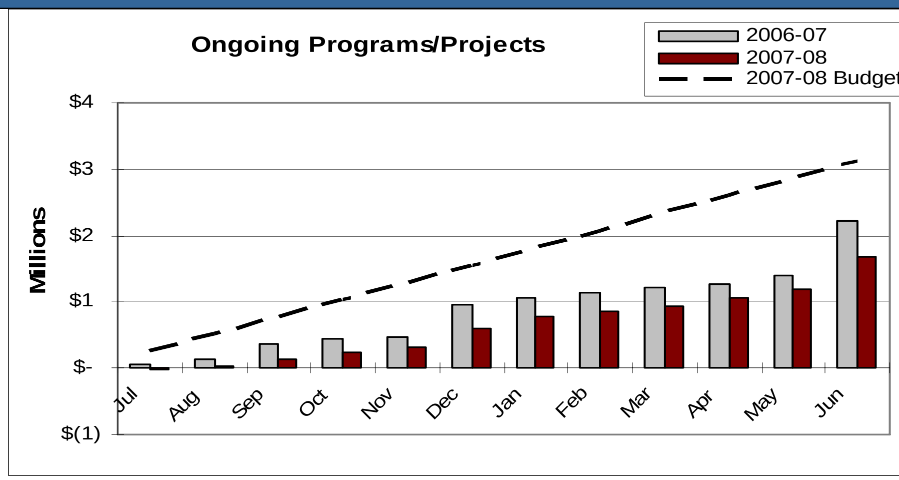
	2006-07	2007-08
Jul	$ (177,364)	$ 81,994
Aug	-	-
Sep	625	1,334,270
Oct	1,219,096	1,334,270
Nov	11,613,389	11,982,956
Dec	13,893,776	14,920,376
Jan	14,295,281	15,313,428
Feb	15,207,512	16,187,369
Mar	15,452,088	16,925,915
Apr	16,612,960	18,537,553
May	21,820,981	23,249,932
Jun	22,684,654	24,530,550
TOT Y-T-D	22,684,654	24,530,550
Adj Budget	21,278,143	25,131,668



NORMAL General Obligation (GO) expenses were approximately **98% of the adjusted budget for FY 2007-08**. GO expenses are payments that the Agency is legally required to make. The largest GO expense is debt service on RDA bond issues (i.e. principal and interest payments to bond holders), which is paid each year in November. Other GO expenditures include statutory pass through payments, transfers to the Housing fund for the 20% statutory housing set aside, loan repayment to the City, and ERAF payments (not applicable in FY 2007-08). **The RDA paid approximately $500,000 in interest to the City in FY 2007-08. A $2 million principal payment was made in July 2008 (fiscal 2008-09). The remaining principal balance on the original $9 million loan from the City is $7 million.**

ONGOING PROGRAMS/PROJECTS: (cumulative)

	2006-07	2007-08
Jul	$ 44,193	$ (12,367)
Aug	127,178	18,214
Sep	359,119	126,080
Oct	444,875	237,704
Nov	480,468	311,940
Dec	951,317	608,611
Jan	1,059,659	780,220
Feb	1,138,820	862,875
Mar	1,223,121	941,360
Apr	1,256,206	1,061,808
May	1,407,058	1,196,300
Jun	2,222,889	1,693,106
TOT Y-T-D	2,222,889	1,693,106
Adj Budget	3,048,870	3,118,088

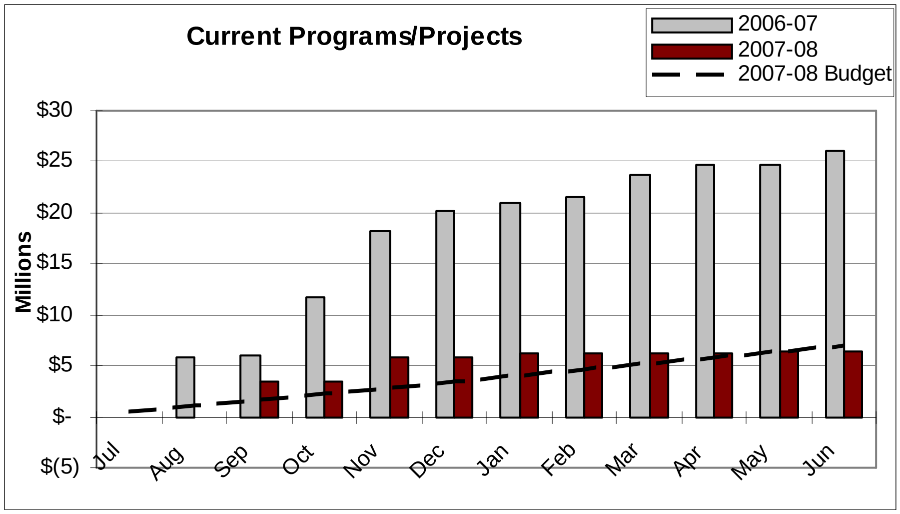


BELOW BUDGET Ongoing programs and projects expenses at year end came in at approximately **54% of the adjusted budget for FY 2007-08**. Ongoing programs include expenses for economic development projects, real property management (i.e. management of the parking structures and parking lots), and cultural affairs programs such as the Culver City Music Festival, Farmers' Market, Music in the Chambers, and the Art of… Speaker Series. Due to the vacancy in the Economic Development Manager position for most of FY 2007-08, economic development was unable to complete much of their work program and therefore did not expend a significant portion of the program budget. The Economic Development Manager position has since been filled and getting back on track with implementation of the work program. Also, management costs for the three downtown parking structures (Cardiff, Ince, and Watseka) were significantly under budget (a combined $700,000 under budget). This is because the full cost of the contract is budgeted, however, the revenues from transient parking that is collected by Modern Parking each month is deducted from their monthly fee and the RDA pays any difference. This system is being reviewed and a change will be proposed by staff when the current contract with Modern Parking expires in June 2009.

UNRESTRICTED FUNDS EXPENDITURE ANALYSIS:

CURRENT PROJECTS: (cumulative)

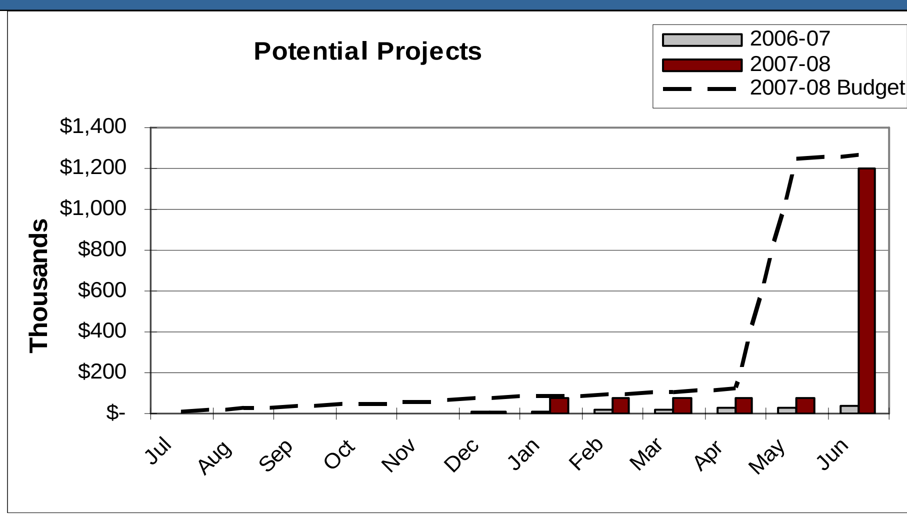
	2006-07	2007-08
Jul	$ (37,500)	$ -
Aug	5,818,485	4,846
Sep	189,964	3,421,487
Oct	5,708,941	16,296
Nov	6,504,908	2,311,864
Dec	1,919,324	37,880
Jan	929,874	376,231
Feb	481,692	23,242
Mar	2,231,702	6,402
Apr	880,326	107,059
May	28,978	26,604
Jun	1,411,892	83,325
TOT Y-T-D	26,068,586	6,415,236
Adj Budget	16,547,177	7,086,497



BELOW BUDGET Expenditures on Current Projects at year end were approximately **91% of the adjusted budget for FY 2007-08**. Current Projects are projects that are currently underway, such as Washington/Centinela, Washington/National, and the Baldwin Motel. Property acquisition costs are also included in the Current Projects category and makes up the primary expenditure. Approximately $6 million was spent on property acquisition in 2007-08, primarily to settle the Agency's existing eminent domain cases. There was a significant reduction in property acquisition from the FY 2006-07 with almost $23 million in property acquisition costs. This expenditure category had the most significant drop from last fiscal year.

POTENTIAL PROJECTS: (cumulative)

	2006-07	2007-08
Jul	$ -	$ -
Aug	-	425
Sep	70	425
Oct	70	1,595
Nov	70	1,595
Dec	8,620	7,321
Jan	12,488	72,668
Feb	17,138	72,668
Mar	17,833	72,668
Apr	25,827	72,668
May	31,277	72,668
Jun	41,692	1,203,772
TOT Y-T-D	41,692	1,203,772
Adj Budget	240,774	1,264,274

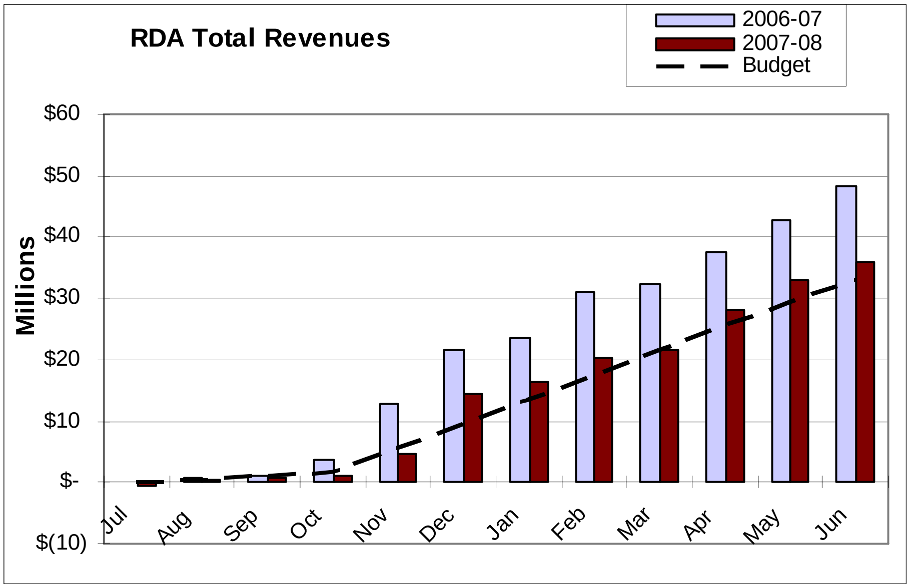


BELOW BUDGET Expenditures on Potential Projects at year end were approximately **95% of the adjusted budget for FY 2007-08**. Potential Projects include expenses for opportunity sites as they arise in various parts of the City, such as potential sites on **Mid-Washington, Selmaraine/Sepulveda, Jefferson Blvd and the Hayden Tract**. A majority of the expenses are on appraisals, exploratory studies, and other expenses related to evaluating a potential redevelopment site. The primary expenditure in FY 2007-08 was **exercising an option ($1.1 million) to purchase the remainder of the Pleasantview site on Washington Blvd** as a possible future redevelopment site.

UNRESTRICTED FUNDS REVENUE ANALYSIS

TOTAL UNRESTRICTED FUNDS REVENUE THROUGH YEAR-END: Fiscal 2006-07 vs Fiscal 2007-08 (cumulative)

	2007-08	2006-07
Jul	$ (395,530)	$ 7,104
Aug	656,599	612,417
Sep	368,304	386,765
Oct	415,202	2,755,046
Nov	3,676,946	9,158,540
Dec	9,651,356	8,717,465
Jan	1,965,506	2,007,880
Feb	3,912,079	7,308,540
Mar	1,378,423	1,460,304
Apr	6,434,458	5,198,605
May	4,831,876	5,185,795
Jun	3,042,264	5,536,717
TOT Y-T-D	35,937,483	48,335,178
Adj Budget	33,006,077	28,192,644



UNRESTRICTED REVENUES — Revenues for FY 2007-08 were approximately $36 million as compared to $48 million in revenues last year. The reduction in revenue is primarily due to about $12.5 million in one-time **land sale proceeds** that were realized in FY 2006-07 (i.e. Lindblade properties, 4043 Irving Pl, and 9900 Culver Blvd) as well as some revenue sources that declined in FY 2007-08 (i.e. Pacific Theaters and Parking revenue). After adjusting out the one-time land sale proceeds and other one-time adjustments*, FY 2007-08 revenues were about $1.5 million more than FY 2006-07 revenues. **This is mainly a result of continued strong tax increment growth ($2.8 million increase in TI receipts). However, poor receipts from Pacific Theaters, parking revenues (resulting from Writers' strike and decreased studio production), and interest income offset some of the growth in TI for a total net increase of $1.5 million.**

Land Sale Proceeds — Despite opening escrow on two properties, the RDA did not sell any land in FY 2007-08. However, three pieces of property are currently slated to be sold to developers, including Parcel B and the Baldwin Motel site and Washington/Centinela. Due to the current state of the credit markets, it is unclear at this time when the developers will be able to secure financing for their project and when the Agency will receive the proceeds for these land sales. Staff will continue to update the Agency Board on the status of these projects.

City Loan to the Agency — In FY 2006-07, the Redevelopment Agency found itself in a land rich, cash poor situation. Some of the Agency owned land was purchased with tax exempt bond proceeds, which restricted the use of that land to public improvements (e.g. parkland, parking lots, or infrastructure improvements). In order to allow more flexibility for the use and disposition of that land, the RDA needed to replace the tax exempt bond funds with unrestricted tax increment funds. Since the RDA did not have that amount of cash on hand, the City loaned the Redevelopment Agency $9 million to replace the tax exempt bond funds with unrestricted funds. This loan was made at a 6.5% interest rate, compounded annually. **In FY 2007-08, a $500,000 interest payment was made and a $2 million principal payment was made in July 2008. The current outstanding balance is $7 million, plus all applicable interest.**

SUMMARY — The RDA experienced approximately 10% growth in gross tax increment receipts in 2007-08. However, due to a number of underperforming revenue sources (such as Pacific Theaters and parking revenues) and no land sale proceeds, FY 2007-08 revenues were well below FY 2006-07 revenues. Despite the sluggish economy, healthy tax increment growth is expected to continue over the next few years as current development projects such as the Westfield Shopping Mall renovation and improvements at Sony studios are completed and hit the tax rolls. Additionally, expected land sale proceeds in 2008-09 and 2009-10 should give the Redevelopment Agency an infusion of cash to pay back the loan to the City or initiate new projects.

*One-time adjustments = recording of $1.5 million Akselrod note and $500,000 adjustment for FY 2005-06 TI receipts.

UNRESTRICTED FUNDS REVENUE ANALYSIS (continued):

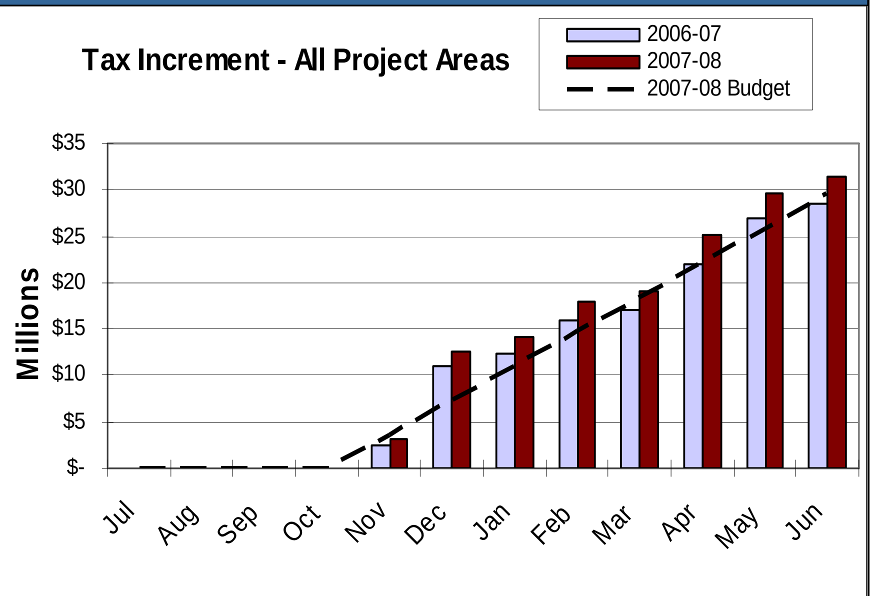
ASSESSED VALUATIONS: Fiscal 2005-06, 2006-07, and 2007-08

Per Proposition 13 passed by California voters in 1978, a property's value is assessed when it is purchased or significantly remodeled. Once the assessed value is established, it cannot increase by more than 2% per year until the property is sold or remodeled, at which time it is re-assessed. The property owners' annual property tax is calculated as 1% of the assessed value. The Redevelopment Agency receives tax increment based on the increase in assessed value over a base year (base year = the year that a particular project area was established). The table below shows the total assessed values and % change from the prior year for each project area for the three most recent years.

	2005-06	*% change prior year*	*2006-07*	*% change prior year*	*2007-08*	*% change prior year*
Project Area 1	$696,654,645	2.86%	$741,987,037	6.51%	$899,729,335	21.26%
Project Area 2	$528,439,077	7.16%	$576,349,621	9.07%	$636,801,158	10.49%
Project Area 3	$1,220,605,913	5.03%	$1,284,738,339	5.25%	$1,375,974,122	7.10%
Project Area 4	$480,947,058	2.30%	$513,029,124	6.67%	$590,320,656	15.07%
	$2,926,646,693	4.42%	$3,116,104,121	6.47%	$3,502,825,271	12.41%

TAX INCREMENT:
Fiscal 2006-07 vs Fiscal 2007-08 (cumulative)

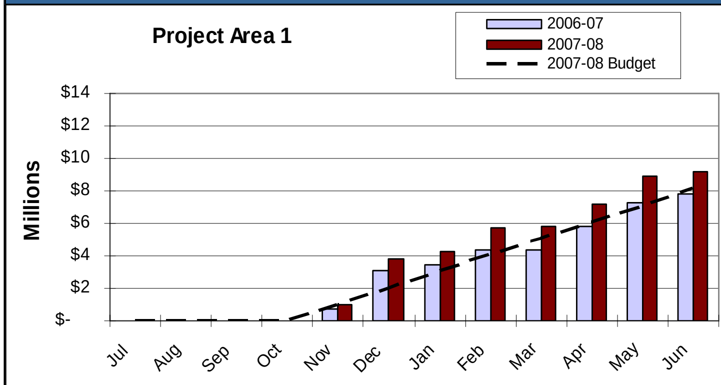
	Total All Component Areas 2006-07	**2007-08**
July	$ -	$ -
August	-	-
September	-	-
October	-	-
November	2,471,416	3,084,339
December	10,886,956	12,665,357
January	12,417,929	14,215,606
February	16,035,595	17,853,213
March	17,003,194	18,975,948
April	22,029,031	25,022,879
May	26,927,057	29,707,362
June	28,460,085	31,387,713
TOTAL	**$ 28,460,085**	**$ 31,387,713**
Adj Budget	**$ 24,220,000**	**$ 29,593,000**

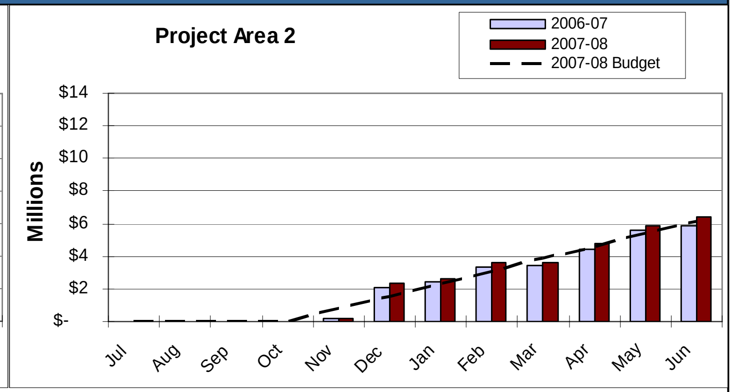


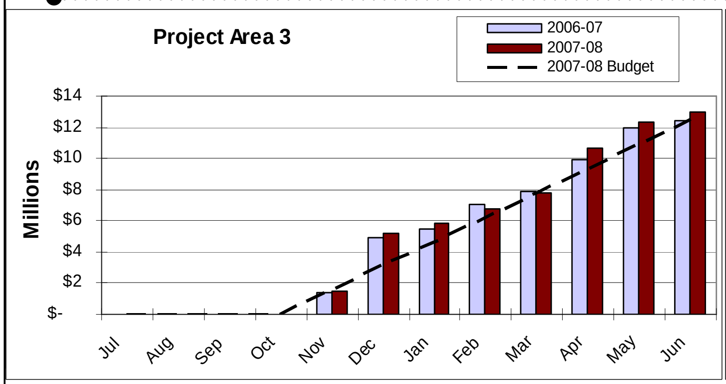
NORMAL The Budget projection for fiscal 2007-08 was increased at mid-year by $2.9 million from $26.8 million to $29.6 million based on the updated Assessed Valuation report from the County Assessor's office received annually in August. The increase in the Redevelopment Project Areas per the County Assessor's report was a little more than 12% (actual receipts only increased by approx. 10% because statutory pass through payments and administrative fees to Los Angeles County are deducted from the gross TI payment sent by the County). Tax Increment growth is expected to remain healthy in FY 2008-09 and FY 2009-10 due to development currently being constructed (e.g. Westfield Shopping Mall renovation and Sony parking lot) as well as development currently in the pipeline, such as 9900 Culver Blvd, Parcel B, and Washington/Centinela. However, due to the current state of the credit markets, which is now beginning to have a significant impact on construction financing, TI receipts are expected to slow by late FY 2009-10 and FY 2010-11.

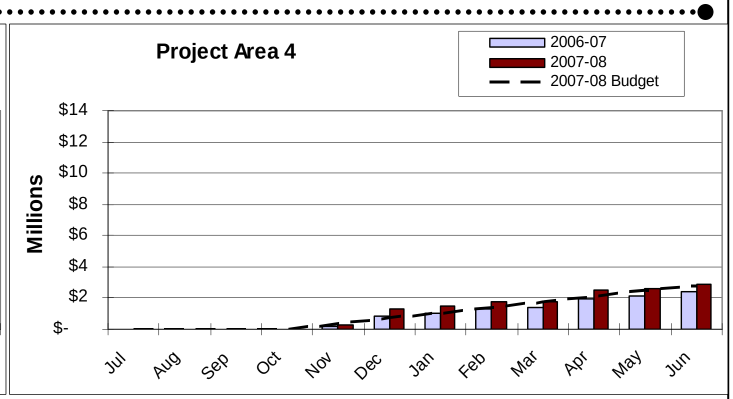
UNRESTRICTED FUNDS REVENUE ANALYSIS (continued):

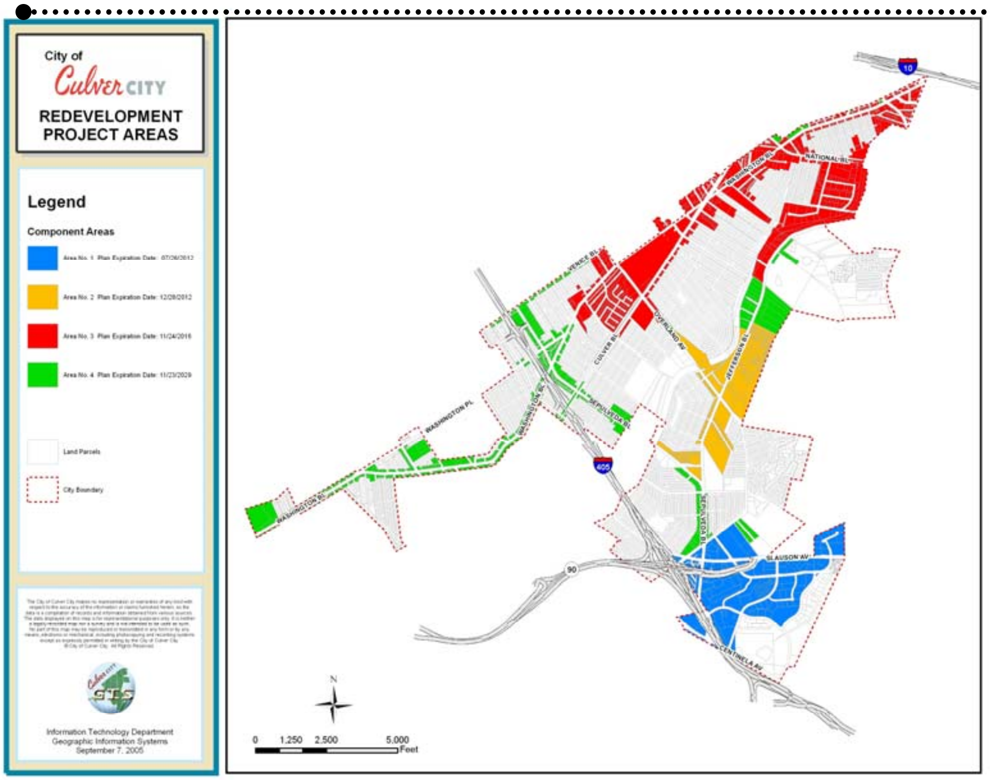
TAX INCREMENT by COMPONENT AREA: Fiscal 2006-07 vs Fiscal 2007-08 (cumulative)









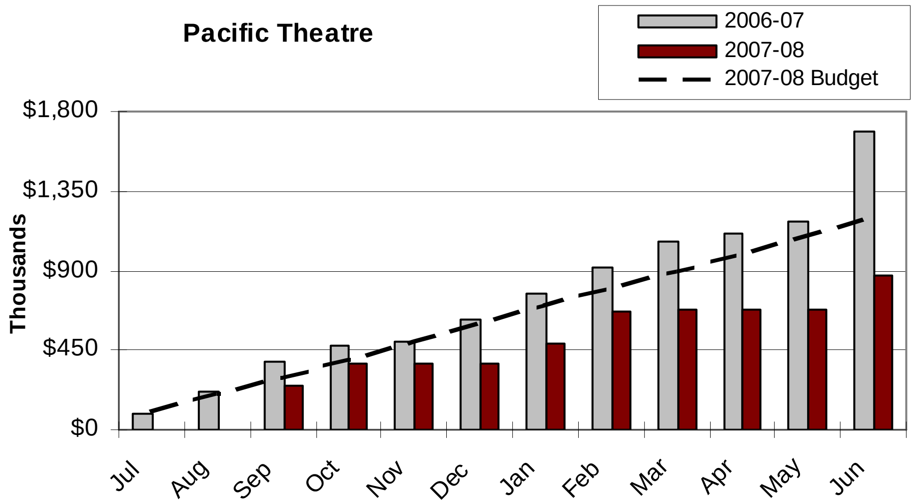


The above graphs illustrate the magnitude of tax increment generated from each of the four project areas. Project Areas 1 and 3 generate the most tax increment, with FY 2007-08 receipts of $9.1 million and $13 million, respectively. **Project Area 1** is comprised primarily of the **Fox Hills area** (seen here in blue). **Project Area 3** is comprised primarily of the **Hayden Tract and Downtown areas** (seen in red). **Project Area 2** is comprised primarily of the **Jefferson/Overland intersection** (seen in yellow) and **Project Area 4** is comprised primarily of **West Washington Blvd** and **Sepulveda Blvd**.

UNRESTRICTED FUNDS REVENUE ANALYSIS (continued):

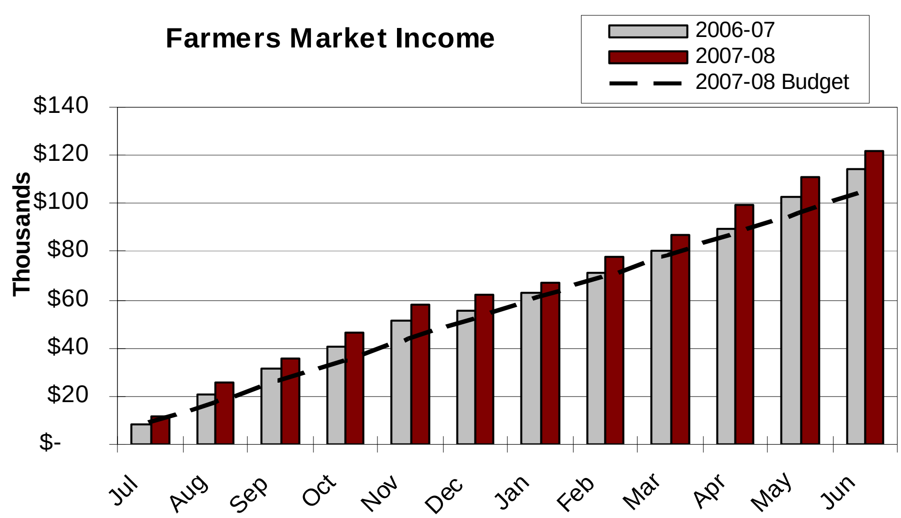
REVENUE SOURCES:
Fiscal 2006-07 vs Fiscal 2007-08 (cumulative)

Pacific Theatre	2006-07	2007-08
July	91,770	-
August	128,562	-
September	163,466	248,471
October	94,202	125,539
November	20,343	1,786
December	128,939	1,786
January	137,587	112,184
February	153,384	182,126
March	147,478	1,786
April	47,719	-
May	66,962	3,572
June	506,545	196,961
TOTAL	1,686,957	874,211
Adj. Budget	800,000	1,200,000



NEGATIVE Pacific Theaters fell short of the $1.2 million budget projection by almost $325,000. There were a number of factors that impacted performance. A lack of quality film product throughout the entire industry and a sluggish economy caused there to be two months in which the Theater did not make enough revenues to fulfill all obligations (including operations, taxes, and debt service). In those months, the Agency did not receive any revenue and had to pay out to cover those obligations. Additionally, Oliver McMillan had to increase withholdings related to the annual property tax payment to the County of Los Angeles due to a higher than expected initial assessed value. OM is appealing this assessed value and is confident that the assessment will be re-evaluated. Any adjustments will be reflected in FY 2008-09.

Farmers' Market	2006-07	2007-08
July	7,896	11,234
August	13,160	14,155
September	10,087	10,426
October	9,773	10,461
November	10,806	11,378
December	3,918	4,522
January	7,713	5,118
February	7,894	10,472
March	8,694	9,330
April	9,755	12,579
May	13,139	10,919
June	11,573	11,100
TOTAL	114,408	121,694
Adj Budget	100,000	105,000

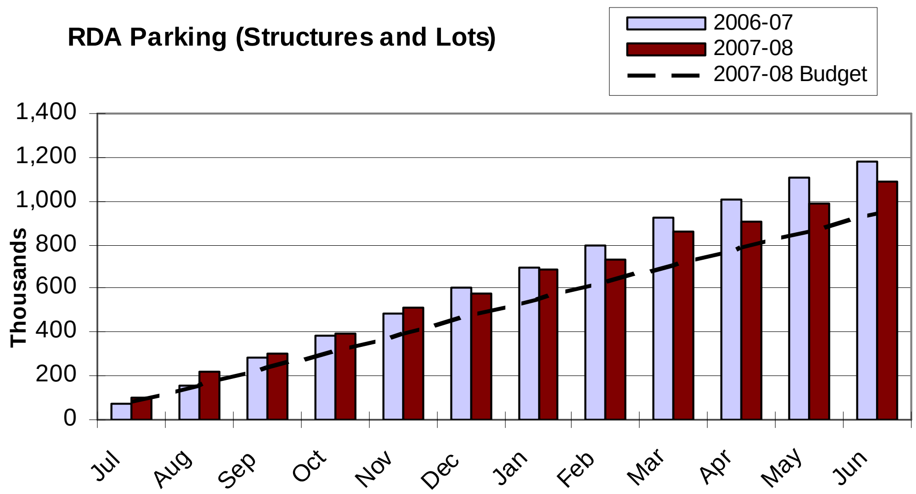


POSITIVE The Farmers' Market received almost $115,000 and exceeded the budget projection by almost 9% ($10,000). The Farmers' Market continues to be a popular and successful downtown event.

Unrestricted Funds Revenue Analysis (continued):

OTHER REVENUE SOURCES (cont.): Fiscal 2006-07 vs Fiscal 2007-08 (cumulative)

	Parking 2006-07	Parking 2007-08
July	75,728	101,177
August	78,021	121,649
September	127,398	76,377
October	101,623	92,723
November	101,395	116,765
December	124,093	67,513
January	90,620	108,650
February	93,334	46,103
March	127,719	129,622
April	82,842	43,353
May	104,235	80,256
June	77,747	106,047
TOTAL	1,184,755	1,090,235
Adj Budget	832,000	943,120



POSITIVE Parking exceeded budget projections by approx. $150,000 (16%), but fell about $100,000 short of last year's year end receipts. The Writers' Guild strike in November, December and part of January negatively impacted film parking receipts, which were more than $100,000 less than FY 2006-07 (Film Parking receipts = $172,000 in FY 06-07 vs. $66,000 in FY 07-08).

OTHER NOTES:

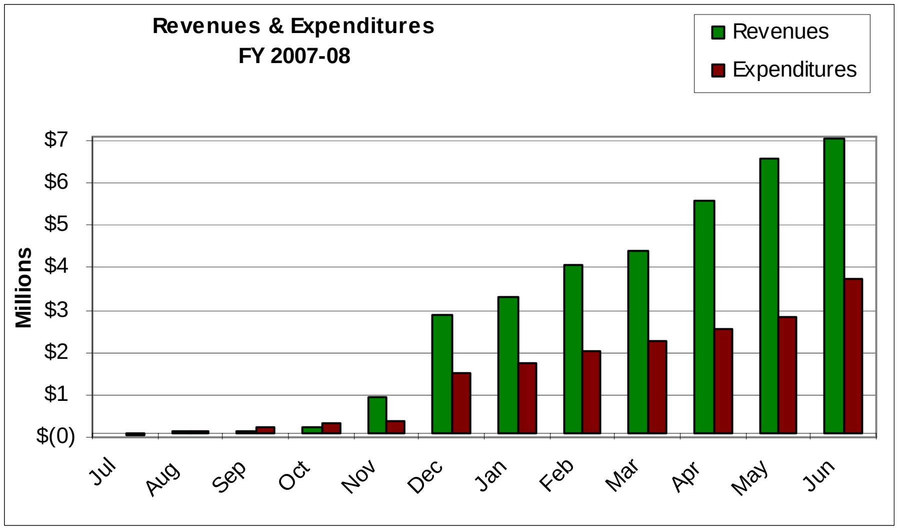
LAND SALE PROCEEDS — The FY 2007-08 adopted budget included approximately $11.5 million in land sale proceeds in anticipation of the sale of Parcel B, Baldwin Motel, and Pleasantview sites. At mid-year, the budget was reduced to include only the sale of the Parcel B site for $5.9 million. Escrow for Parcel B was originally scheduled to close prior to June 30, 2008; however, with the tightening of the credit market, close of escrow has been delayed, but is expected to close prior to June 2009.

WARNING The state finally adopted a budget 85 days into the new fiscal year. The state is honoring its constitutional requirement to not take revenues from cities to balance their own budget. However, **the state is diverting $350 million in redevelopment agency revenues** in the form of an **ERAF shift**. Basically, this requires redevelopment agencies to pay into an Education Augmentation Fund to fund public education, which lowers the amount that the state is required to fund. **Culver City Redevelopment Agency's ERAF payment in FY 2008-09 will be approximately $2.25 million**. At this point, this is only a one-year payment. However, due to the severe budget shortfalls being experienced by the state in the current fiscal year, it is a very realistic possibility that the ERAF shift will be extended or even made permanent. Staff will keep the Agency Board apprised of new developments as information becomes available.

LOW/MODERATE INCOME HOUSING FUND ANALYSIS:

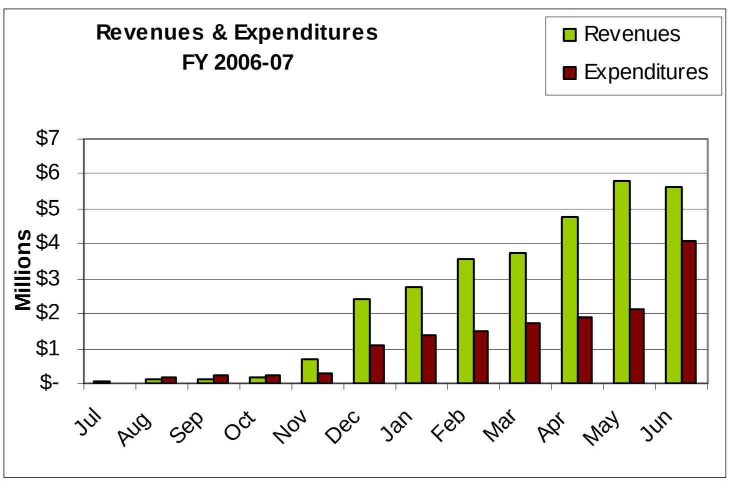
HOUSING FUND: Revenues and Expenditures (cumulative)

		Revenues 2007-08	Expenditures 2007-08
Jul	$	6,332 $	(52,060)
Aug		33,466	114,800
Sep		21,952	87,763
Oct		87,573	82,561
Nov		705,449	52,196
Dec		1,939,384	1,114,943
Jan		422,836	234,455
Feb		747,414	290,272
Mar		338,554	238,400
Apr		1,194,032	284,597
May		960,582	280,090
Jun		478,963	915,689
TOT Y-T-D		6,936,537	3,643,706
Adj Budget		6,865,000	12,330,046



REVENUES — The low/moderate Income Housing funds primary revenue source is tax increment housing set aside funds. Per the state Health and Safety code, 20% of gross tax increment receipts must be set aside to support low/moderate income housing programs and projects. **Set aside revenues in FY 2007-08 were approximately $6.3 million**.

EXPENDITURES — Low/moderate Income Housing expenditures were approximately **29% of the adjusted budget**. Approximately $7.75 million was appropriated in 2007-08 in anticipation of initiating a few low/moderate income housing projects. However, due to the development of the Comprehensive Housing Strategy, the division was unable to begin work on any housing development projects. Of the $3.6 million expended in FY 2007-08, approximately 50% was expended on housing programs (e.g. Mortgage Assistance, Shared Housing for the Elderly, and Home Security) and Debt Service. The remaining 50% was spent on administration and management activities.

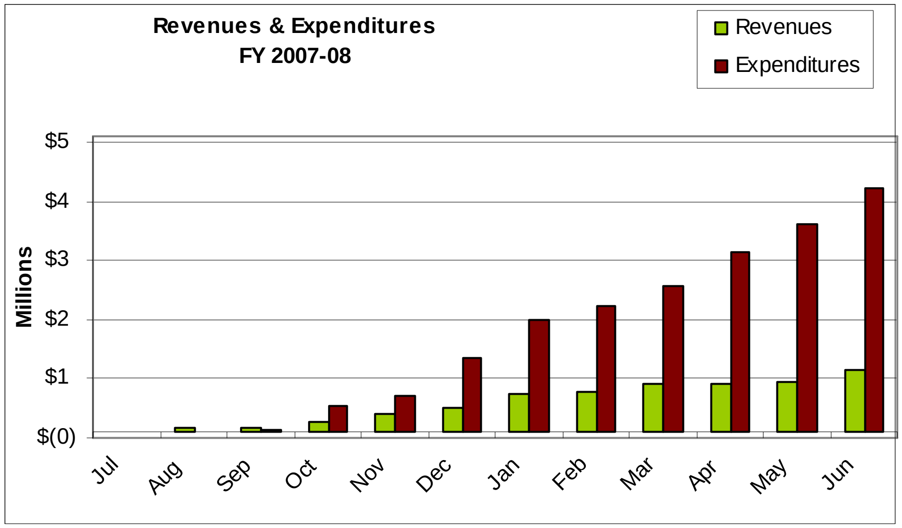


OVERALL — For a number of years, the Housing fund has experience substantial surpluses. In FY 2007-08, the fund experienced a surplus of approximately $3.3 million to increase the estimated available cash balance to approx. $19 million. The Agency needs to begin to spend down this cash balance before the Housing fund gets into an excess surplus situation. Currently, the Housing division is working with the Agency Board to develop a **Comprehensive Housing Strategy** to plan housing development activities over the next few years. Once this strategy is finalized, the division will move forward on the identified projects.

TAX EXEMPT BOND FUNDS

FISCAL YEAR TO DATE: (cumulative)

	Revenues 2007-08	Expenditures 2007-08
Jul	$ 15,988	$ -
Aug	36,608	-
Sep	21,178	40,031
Oct	107,166	397,032
Nov	108,928	161,740
Dec	123,173	642,128
Jan	242,300	639,181
Feb	12,608	237,320
Mar	129,919	356,464
Apr	21,672	574,914
May	18,077	462,252
Jun	218,878	876,768
TOT Y-T-D	1,056,495	4,387,831
Adj Budget	400,000	8,019,086



REVENUES — Tax exempt bond fund revenue is primarily interest income earned on the fund balance. Just over $1 million was earned in interest in FY 2007-08.

EXPENDITURES — Tax exempt bond funds are restricted and can only be used for public improvements and public infrastructure. Bond funded projects are often similar to Capital Improvement Projects as they are typically larger projects that may take more than one fiscal year to complete. Typically, the entire project budget is allocated in the first year and any unspent bond funds are typically carried over to the following year. Current bond projects include Fire Station #3, Town Plaza, and the Washington Blvd realignment.

CURRENT BOND FUNDED PROJECTS

	Total Budget	Total Bond Funding	Bond Funds Expended to Date	Estimated Completion
1. Fire Station #3* (93700)	$6,527,000	$3,000,000	$2,109,400	Dec. 2008
2. Washington Boulevard Realignment (93400)	$2,500,000	$2,500,000	$2,500,000	Complete
3. Town Plaza (93400)	$3,100,000	$3,100,000	$300,000	FY 2009-10
4. Washington/National (92620)	$360,000	$360,000	$276,500	Complete

All of the current bond funded projects have been completed or are scheduled for completion in FY 2008-09. During the most recent budget process, most of the remaining $20 million in bond funds was been allocated for various public improvement projects, including the General Plan update, parking improvements, area improvement plans on Washington Blvd and Sepulveda Blvd, and contributions toward the EXPO light rail project.

*The total budget for Fire Station #3 includes $3 million in Agency Bond funding and $3.5 million in City funding.