



City of Culver City

Mike Balkman
Council Chambers
9770 Culver Blvd.
Culver City, CA 90232
(310) 253-5851

Staff Report

File #: 24-618, **Version:** 1

Item #: C-3.

CC - CONSENT ITEM: Receipt and Filing of (1) the Fiscal Year 2022-2023 Year-End Report and Audit Summary; (2) the Fiscal Year 2022-2023 Annual Comprehensive Financial Report (ACFR); and (3) the Fiscal Year 2022-2023 Popular Annual Financial Report (PAFR).

Meeting Date: April 29, 2024

Contact Person/Dept: Lisa Soghor / Finance Department

Phone Number: (310) 253-5865

Fiscal Impact: Yes ☐ No ☐

General Fund: Yes ☒ No ☐

Attachments: Yes ☒ No ☐

Public Notification: (E-Mail) Meetings and Agendas - City Council
(04/24/2024)

Department Approval: Lisa Soghor, Chief Financial Officer (04/23/2024)

RECOMMENDATION

Staff recommends the City Council receive and file (1) the Fiscal Year 2022-2023 Year-End Report and Audit Summary; (2) the Fiscal Year 2022-2023 Annual Comprehensive Financial Report (ACFR); and (3) the Fiscal Year 2022-2023 Popular Annual Financial Report (PAFR).

BACKGROUND

Staff has worked with the City's independent auditors, Vasquez & Company LLP, to finalize the annual financial statements and prepare the Annual Comprehensive Financial Report (ACFR) for Fiscal Year 2022-2023. The attached ACFR has been published on the City's website and submitted to the Government Finance Officers Association (GFOA) for the Certificate of Achievement for Excellence in Financial Reporting award. The purpose of the attached Fiscal Year 2022-2023 Year-End Report and Audit Summary is to review the City's audited financial results reported in the ACFR, with particular emphasis on the General Fund. In an effort to make City finances more accessible to all Culver City residents, the City has also prepared the attached Popular Annual Financial Report (PAFR) for Fiscal Year 2022-2023. The PAFR summarizes and clearly presents the highlights of the ACFR.

DISCUSSION

The General Fund Balance resulted in a net increase of \$10.4 million in Fiscal Year 2022-2023 with revenues and transfers-in exceeding expenditures and transfers-out. The Adopted Budget for Fiscal Year 2022-2023 Adopted Budget restored staff positions and most programming to pre-pandemic levels and included certain new and one-time expenditures. The City's new expenditures mostly reflect the City's increased commitment to addressing issues related to housing and homelessness in the City. Many of these expenditures were initiated in Fiscal Year 2022-2023, but the budgets for these programs increased significantly in the current fiscal year.

Culver City has a relatively diverse and strong economy, and the City's business community is comprised of a varied collection of businesses ranging from traditional retail and manufacturing to major film studios. General Fund revenues exceeded budget projections in Fiscal Year 2022-2023 but decreased overall from the prior year. Property tax, business tax, utility user's tax and transient occupancy tax all exceeded budget projections. These increases were partially offset by softening in several categories. The City's sales tax and Measure C/CC revenues decreased by \$1 million. Real property transfer tax decreased by \$22.9 million due to a large, one-time commercial property transaction in the prior year and a sharp decline in property sales due rising interest rates.

See attached Fiscal Year 2022-2023 Year End Report and Audit Summary and the ACFR for more details regarding the City's General Fund and other City Funds.

To promote fiscal transparency and make City finances more accessible to all Culver City residents, the City has prepared the PAFR for Fiscal Year 2022-2023 to accompany the ACFR. The PAFR is intended to summarize and clearly present the highlights of the ACFR in a visually appealing and accessible format. Last year the City's prepared its first-ever PAFR for Fiscal Year 2021-2022 and was awarded the GFOA award for Outstanding Achievement in Popular Annual Financial Reporting. The PAFR for Fiscal Year 2022-2023, along with the ACFR, has been published on the City's website and was submitted to GFOA for award consideration.

FISCAL ANALYSIS

There is no fiscal impact with the receipt and filing of the attached reports.

ATTACHMENTS

1. 2024-04-29_ATT1_FY 2022-2023 Year-End Report and Audit Summary
2. 2024-04-29_ATT2_FY 2022-2023 ACFR
3. 2024-04-29_ATT3_FY 2022-2023 PAFR

MOTION

That the City Council:

Receive and file the attached (1) Fiscal Year 2022-2023 Year-End Report and Audit Summary; (2) the Fiscal Year 2022-2023 ACFR; and (3) the Fiscal Year 2022-2023 PAFR.