



City of Culver City

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Staff Report Details (With Text)

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Title: CC - CONSENT ITEM: Receipt and Filing of (1) the Fiscal Year 2021-2022 Year-End Report and Audit Summary; (2) the Fiscal Year 2021-2022 Annual Comprehensive Financial Report (ACFR); and (3) the Fiscal Year 2021-2022 Popular Annual Financial Report (PAFR)

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Attachments: 1. 2023-04-24_ATT1_FY20212022 Year-End Report and Audit Summary, 2. 2023-04-24_ATT2_FY 2021-22 ACFR.pdf, 3. 2023-04-24_ATT3_FY 2021-22 PAFR.pdf

Date	Ver.	Action By	Action	Result
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CC - CONSENT ITEM: Receipt and Filing of (1) the Fiscal Year 2021-2022 Year-End Report and Audit Summary; (2) the Fiscal Year 2021-2022 Annual Comprehensive Financial Report (ACFR); and (3) the Fiscal Year 2021-2022 Popular Annual Financial Report (PAFR)

Meeting Date: April 24, 2023

Contact Person/Dept: Lisa Soghor / Finance Department

Phone Number: (310) 253-5865

Fiscal Impact: Yes No **General Fund:** Yes No

Attachments: Yes No

Commission Action Required: Yes No

Public Notification: (E-Mail) Meetings and Agendas - City Council (04/19/2023)

Department Approval: Lisa Soghor, Chief Financial Officer (04/18/2023)

RECOMMENDATION

Staff recommends the City Council receive and file (1) the Fiscal Year 2021-2022 Year-End Report and Audit Summary; (2) the Fiscal Year 2021-2022 Annual Comprehensive Financial Report (ACFR); and (3) the Fiscal Year 2021-2022 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 2021-2022. 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 2021-2022 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 2021-2022. The PAFR summarizes and clearly presents the highlights of the ACFR.

DISCUSSION

The General Fund resulted in a net increase of \$34.1M in Fiscal Year 2021-2022 with revenues and transfers-in exceeding expenditures and transfers-out. The original Fiscal Year 2021-2022 Adopted Budget was conservative reflecting the continued COVID-19 pandemic. At the midyear, revenues were trending stronger than anticipated, so most positions that had been frozen were reinstated and funding was restored to many programs. Amid concerns related to supply chain delays and shortages, record-high consumer prices, and labor issues, the City continues to budget conservatively.

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 2021-2022. The City's sales tax and Measure C/CC revenues increased by \$6.4 million. Real property transfer tax increased by \$24 million due to a large, one-time commercial property transaction. Transient occupancy tax increased by \$5.7 million due to the easing of COVID-19 travel restrictions and the opening of the Shay Hotel in October 2021. The second and final tranche of American Rescue Plan Act (ARPA) funds of \$4.7 million was received.

See attached Fiscal Year 2021-2022 Year End Report and Audit Summary and the ACFR for more details regarding the City's General Fund and other City Funds.

This year, to promote fiscal transparency and make City finances more accessible to all Culver City residents, the City has prepared the first-ever PAFR for Fiscal Year 2021-2022 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. The PAFR, 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. 2023-04-24_ATT1_FY 2021-22 Year-End Report and Audit Summary
2. 2023-04-24_ATT2_FY 2021-22 ACFR
3. 2023-04-24_ATT3_FY 2021-22 PAFR

MOTION

That the City Council:

Receive and file the attached (1) Fiscal Year 2021-2022 Year-End Report and Audit Summary; (2) the Fiscal Year 2021-2022 ACFR; and (3) the Fiscal Year 2021-2022 PAFR.