



City of Culver City

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Staff Report

File #: 21-759, **Version:** 1

Item #: C-10

CC - Receipt and Filing of Fiscal Year 2019/2020 Year-End Report and Audit Summary and the Fiscal Year 2019/2020 Comprehensive Annual Financial Report (CAFR).

Contact Person/Dept: Onyx Jones/Finance Department

Phone Number: (310) 253-5865

Fiscal Impact: Yes ☐ No ☒

General Fund: Yes ☒ No ☐

Public Hearing: ☐

Action Item: ☐

Attachments: Yes ☒ No ☐

Commission Action Required: Yes ☐ No ☒

Public Notification: (E-Mail) Meetings and Agendas - City Council (03/02/2021)

Department Approval: Serena Wright-Black, Assistant City Manager (03/02/2021)

RECOMMENDATION

Staff recommends the City Council receive and file the Fiscal Year 2019/2020 Year-End Report and Audit Summary and the Fiscal Year 2019/2020 Comprehensive Annual Financial Report (CAFR).

BACKGROUND

The purpose of the attached report is to provide an update on the financial results for Fiscal Year 2019/2020. Staff has worked with the independent auditors to finalize the annual financial statements and prepare the Comprehensive Annual Financial Report (CAFR). The CAFR has been published on the City's website and submitted to the Government Finance Officers Association for the Certificate of Achievement for Excellence in Financial Reporting award. The attached report is a brief summary of the results, with particular emphasis on the General Fund.

DISCUSSION

The General Fund resulted in a net increase of \$6.8M in FY2019/2020 with revenues and transfers in exceeding expenditures and transfers out. It should be noted that a significant portion of this net increase was from implementing a hiring freeze of 31.5 vacant positions, eliminating all nonessential

purchases, eliminating \$4.4M of OPEB pre-funding, and cancelling a total of \$8M in capital improvement projects, which allowed the City to transfer \$2.9M of unspent funds from the Capital Improvement Fund back to the General Fund.

Culver City has a relatively diverse and strong economy and the City's business community is comprised of a diverse collection of businesses ranging from traditional retail and manufacturing businesses to a major film studio. However, the fast-advancing COVID-19 infection brought our economy to a screeching halt in the year as non-essential businesses could operate with limited capacity and public schools in Los Angeles County were closed under the "Safer at Home" emergency order. Consequently, the local economy directly experienced a significant budget shortfall in Sales Tax, Charges for Services, and Transient Occupancy Tax.

See attached FY 2019/2020 Year End Report and CAFR for more details regarding the City's General Fund and other City Funds.

FISCAL ANALYSIS

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

ATTACHMENTS

1. FY 2019/2020 Year-End Report and Audit Summary
2. FY 2019/2020 CAFR

MOTION

That the City Council:

Receive and file the attached Fiscal Year 2019/2020 Year-End Report and Audit Summary and the Fiscal Year 2019/2020 CAFR.