

FISCAL YEAR
2024-2025

**POPULAR ANNUAL
FINANCIAL REPORT**

CULVER CITY

The western heart of
Los Angeles County, California



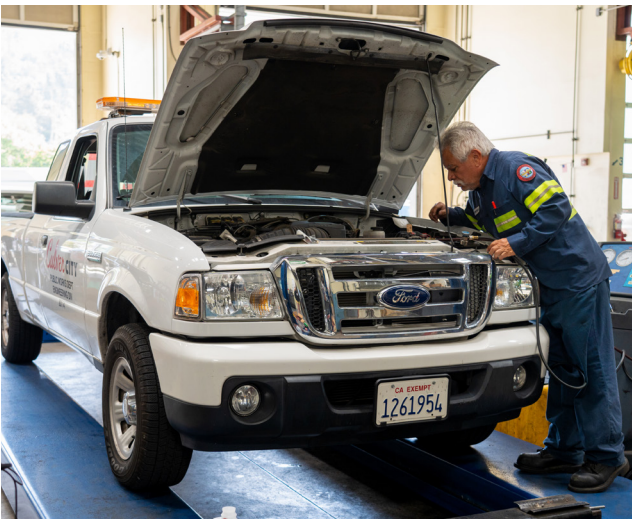
This report covers the Fiscal Year spanning
July 1, 2024, through June 30, 2025.

Culver **CITY**



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Introduction

The City of Culver City is committed to maintaining financial transparency by presenting its fourth Popular Annual Financial Report (PAFR) for Fiscal Year 2024-2025.

The PAFR is intended to summarize and clearly present the highlights of the Fiscal Year 2024-2025 Annual Comprehensive Financial Report (ACFR), to make City finances more accessible to all Culver City residents and demonstrate responsible stewardship of public resources.

The [ACFR](#) is available for review on the City's website. It is important to note that the financial data in these reports has been prepared in accordance with Generally Accepted Accounting Principles (GAAP).¹ The ACFR has been independently audited by LSL, LLP, a public accounting firm fully licensed and qualified to perform audits for the State and local governments within California.

For More Information

This financial report is designed to be a useful tool for residents interested in learning about City finances, regardless of their background in financial accounting and reporting. If you have any questions, comments or suggestions regarding the information in this report, please contact the Culver City Finance Department at (310) 253-5865 or Finance.Dept@CulverCity.org. We appreciate your interest in the City's fiscal stewardship and hope you enjoy this report.

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

Organizational Structure

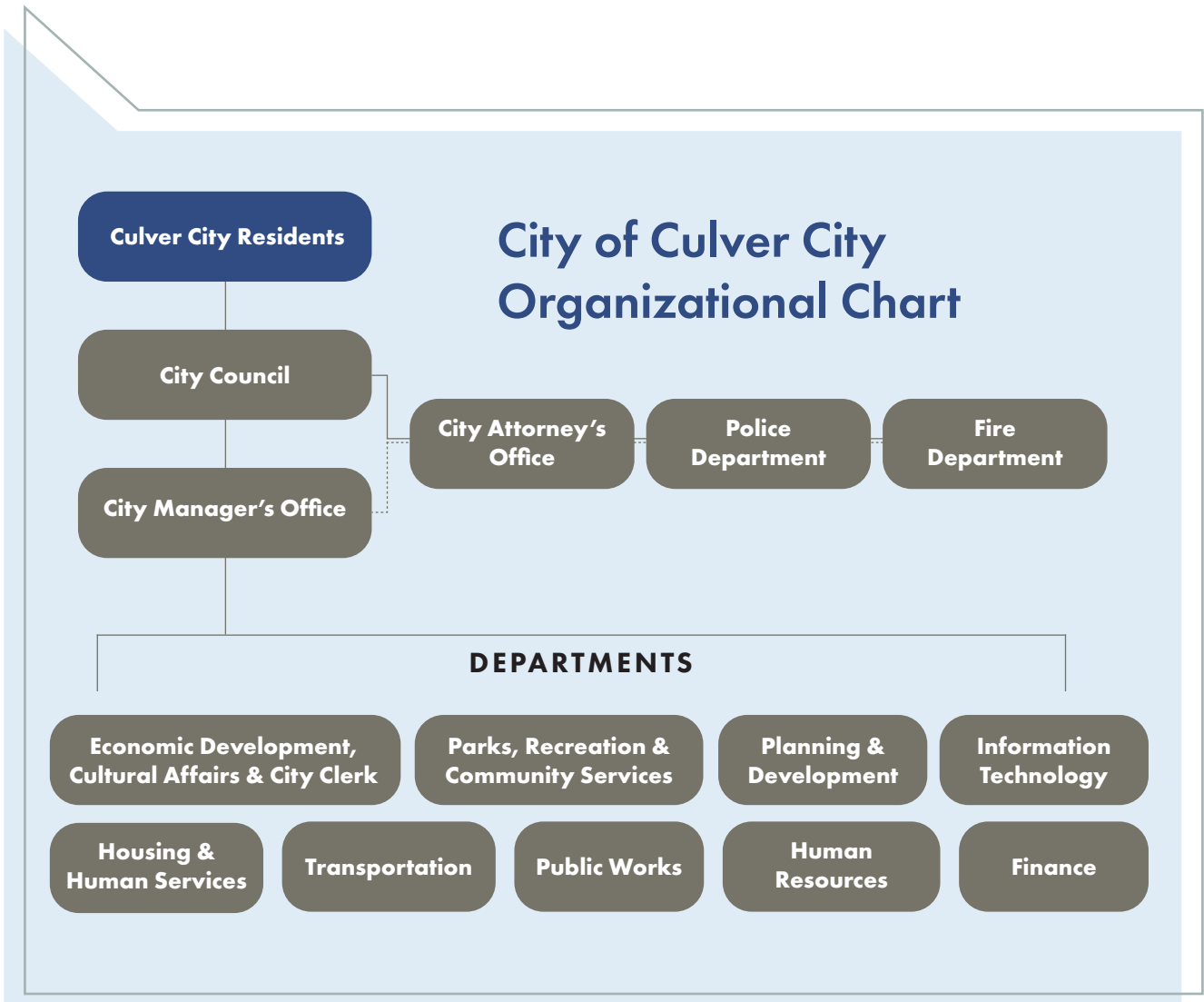
Did You Know?

Culver City is a full-service City, serving a resident population of 40,403 with a business community that employs approximately 61,000 people, a 168% increase since 2016.

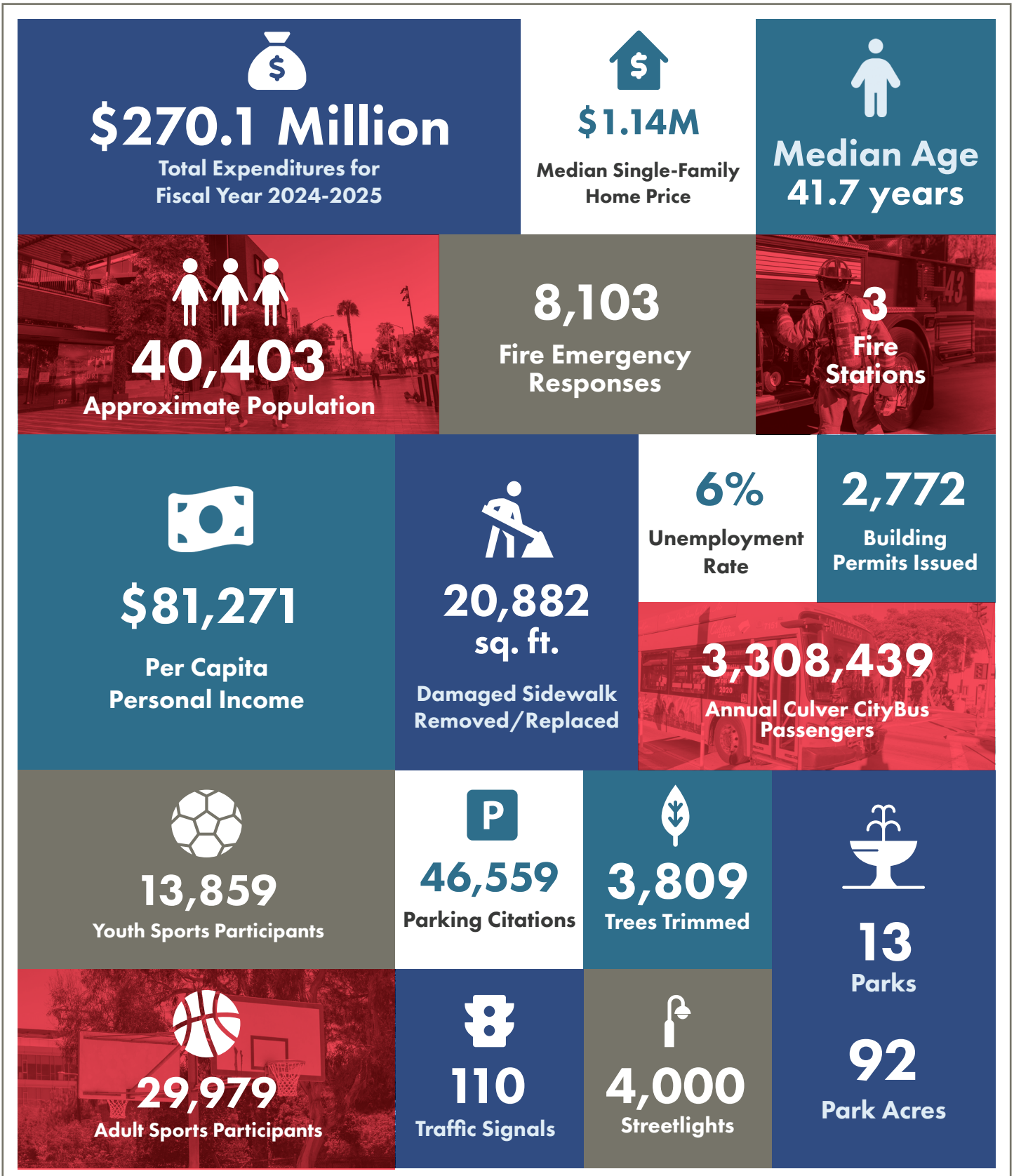
The City operates under a Council-Manager form of government. Five City Council members are elected at-large for four-year terms. The members select the Mayor and Vice Mayor from among themselves annually. The Council appoints the City Manager, City Attorney, Police Chief and Fire Chief.

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

These governing bodies, together with City staff, provide comprehensive municipal services including public safety, infrastructure maintenance, public improvements, planning and zoning, housing and homeless services, building plan review, economic development, refuse collection, municipal bus lines, parks, recreation and community services, cultural affairs and general administrative services.



Culver City by the Numbers



Economic Outlook

The economy continues to face challenges, including persistent inflation, a strained commercial real estate sector and global geopolitical uncertainties. Additionally, significant budget deficits at the State and County levels threaten funding for local programs. Despite this, Culver City remains committed to providing the high-quality services residents need while actively managing its fiscal health.

The City's local economy remains relatively diverse, bolstered by the expansion of major companies like Apple and Amazon. However, shifting consumer habits and high production costs have impacted the entertainment sector, and high interest rates have softened revenues from the City's real property transfer tax. In response to the growing structural deficit, voters approved Measure CL in August 2025, an additional quarter-cent sales tax estimated to generate \$5.6 million annually.

The City's budget reflects a continued structural deficit, largely driven by the ongoing commitment of \$15 million annually to address the local homelessness emergency, alongside rising pension, OPEB and infrastructure costs. For Fiscal Year 2024-2025, General Fund expenditures exceeded revenues by \$6.2 million, necessitating a drawdown of reserves. While the City has historically maintained a strong Contingency Reserve, continued reliance on these funds is projected to push reserves below the 30% target by the end of Fiscal Year 2025-2026. Moving forward, the City is implementing priority-driven budgeting for Fiscal Year 2026-2027 to address the structural deficit and rebuild its reserves through a careful balance of cost reductions and revenue management.

Top 10 Employers

1. Sony Pictures Entertainment (6.4%)
2. Apple (3.7%)
3. Westfield Culver City (3.3%)
4. Amazon Studios (3.2%)
5. TikTok (2.6%)
6. Southern CA Hospital (Brotman Medical Center) (2%)
7. Culver City Unified School District (2%)
8. City of Culver City (1.5%)
9. Costco (1%)
10. Target (.8%)

Homelessness Funding Response

In response to the locally declared homelessness emergency, the City of Culver City continued its significant investments in housing and human services in Fiscal Year 2024-2025. The City allocated \$4.7 million from the General Fund for staffing, operations and services related to Project Homekey, which provides service-enriched interim and permanent supportive housing at two rehabilitated local motels. Additionally, the City maintains its Mobile Crisis Intervention Unit at an annual cost of approximately \$1.5 million to address the mental health and homelessness crises.

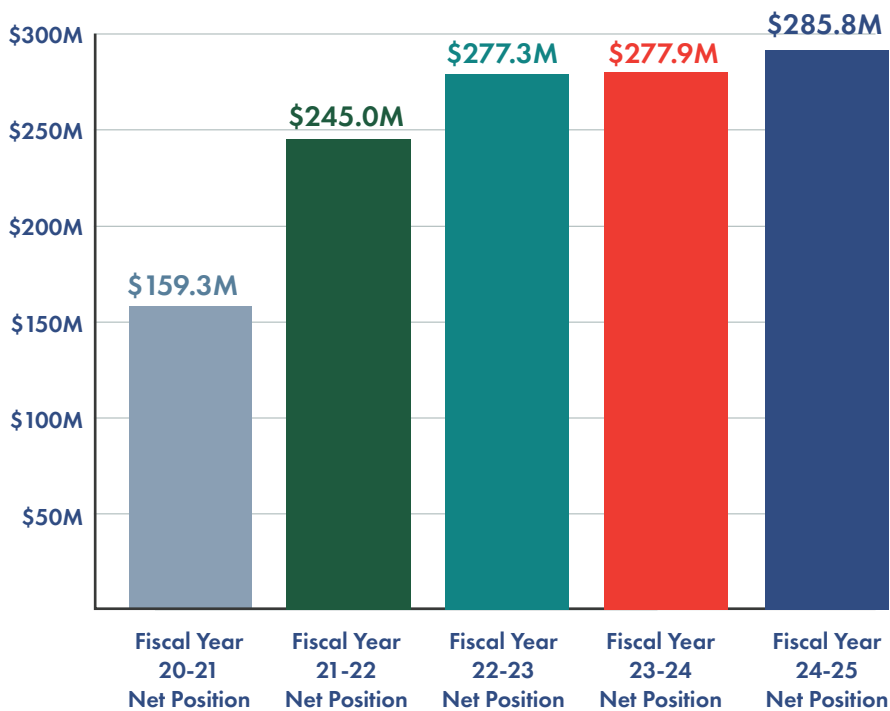
Launched in August 2023, the Wellness Village (formerly the Safe Sleep Program) continued its operations, with the City budgeting \$3.9 million for the program in Fiscal Year 2024-2025. The City sustained its motel leasing program, nutrition services and street-based medicine program to provide temporary housing and healthcare support to vulnerable populations. These service-rich programs are reflected in the Housing and Human Services expenditures for Fiscal Year 2024-2025 and are slated to continue into the current fiscal year.

The City also made several other notable one-time funding allocations to support housing and operational stability. The City Council allocated \$12 million from the Contingency Reserve to a committed reserve for future distribution to the Jubilo Village Affordable Housing Project, with distribution estimated for Fiscal Year 2027-2028. To address non-recurring shortfalls and comply with existing policy requirements, the City also made a one-time transfer of \$5.2 million from the General Fund to the Self-Insurance Fund.



Financial Report Highlights

The City's total net worth (or "net position") as of June 30, 2025, including all business and government activities, increased by \$7.9 million in the Fiscal Year 2024-2025, reaching a net position of \$285.8 million.



Capital Assets

As of June 2025, the City's capital investments in governmental and business assets total \$356.6 million. "Capital assets" include land, buildings and related systems, improvements, machinery and equipment, park facilities, roads, highways and bridges.

The City ended Fiscal Year 2024-2025 with \$40.5 million of capital improvement projects in progress. These projects modernize City infrastructure, such as:

- Roads
- Curbs
- Storm drains
- Bridges
- Sidewalks
- Gutters
- Public facilities (parks, restrooms, community facilities & playgrounds)

The City also added other "capital assets", such as:

- Vehicle replacements
- Street repair & replacement
- Sewer system improvements



General Fund Revenues

In Fiscal Year 2024-2025, the General Fund, or the City’s chief operating fund, had a starting balance of \$152.2 million and an ending balance of \$140.8 million.

General Fund revenues are made up of taxes and fees for City services. While the City’s single-largest revenue source is sales tax, other tax revenues include business tax, property tax, utility users tax (UUT), real property transfer tax and transient occupancy tax (TOT).

Revenue Highlights

Sales Tax

Sales tax accounts for 22% of total General Fund revenue for Fiscal Year 2024-2025. The City’s sales tax and Measure C/CC receipts increased slightly in Fiscal Year 2024-2025 after having decreased in Fiscal Years 2022-2023 and 2023-2024 after the post-pandemic spike.

The State of California collects a total of 10.5% sales and use tax on all taxable sales in the City, a 0.25% increase from the previous fiscal year. Of this, the City receives 1% of the transactions subject to the sales and use tax under Bradley-Burns Uniform Local Sales Tax and a combined 0.75% under local voter-approved transaction and use tax (Measures C and CC).

State & County
(8.75¢)



City of Culver City
(1¢)

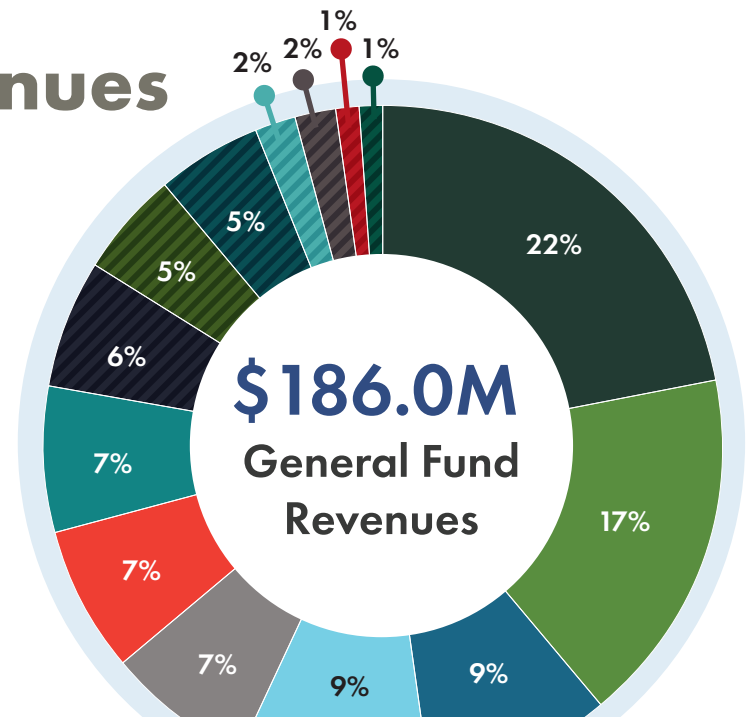


Measures C & CC
(0.75¢)



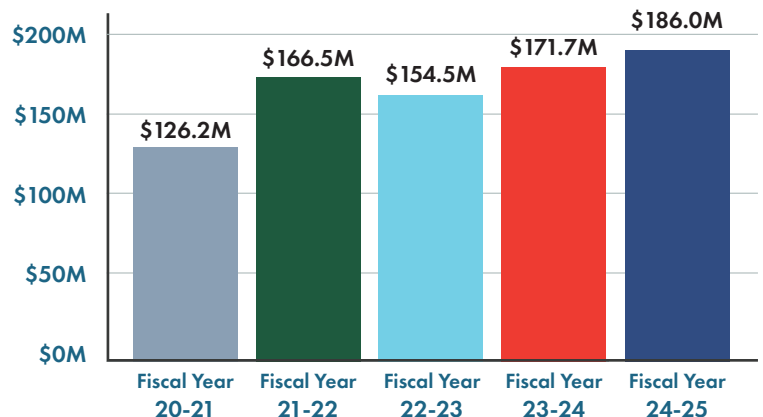
Business Tax

Fiscal Year 2024-2025 Business Tax receipts, including penalties, totaled \$30.9 million, a decrease of 2.84% from the previous fiscal year. Business Tax revenues decreased due to economic volatility, which is highly dependent on both national and regional economic forces, as well as the City’s decline in the cannabis business in recent years.



Revenue Stream	Percentage	Amount (in Millions)
Sales Tax	22%	41.5
Business Tax	17%	30.9
Property Tax	9%	17.2
Utility Users Tax	9%	16.9
Transient Occupancy Tax	7%	13.4
Charges for Services	7%	12.9
Other	7%	12.4
Investment Earnings	6%	10.3
Property Transfer Tax	5%	9.8
Intergovernmental	5%	8.8
Fines & Forfeitures	2%	4.6
Licenses & Permits	2%	3.6
Other Tax	1%	2.1
Misc.	1%	1.6
General Fund Total		\$186.0

General Fund Revenue Over 5 years



Revenue From Tax Measures

The City experienced stronger-than-expected revenue growth during Fiscal Year 2024-2025, but economic indicators point to a potential slowdown driven by political and economic uncertainty, inflation, interest rates and reduced consumer spending. Over the years, voters have approved multiple revenue-generating initiatives to help sustain local services, including Measure CC and Measure C, Measure RE, Measure BL and the recently passed Measure CL. These revenues are part of the General Fund and are used to support core local government functions, such as public safety, parks and recreation, housing and human services and public works.



Fourth Full-Year in Effect

In November 2020, voters approved Measure RE, which established marginal tax rates for the City's real estate transfer tax, effective April 1, 2021. High interest rates and low commercial inventory are causing the City to continue seeing a cooling in this revenue source.

In Fiscal Year 2024-2025, the City received \$9.8 million, which was higher than projected due to a few high-value commercial property sales in the fourth quarter of the fiscal year.



½ Cent Sales Tax Through 2033

In March 2020, voters approved the extension of the previous Measure Y half-cent transaction and use tax until March 31, 2033 with Measure CC. Measure CC receipts decreased due to inflation and other economic stressors, totalling \$11.2 million.



Cannabis Tax

Starting January 2024, the City Council reduced Measure A's cannabis distribution tax to 0%. In Fiscal Year 2023-2024, the City received approximately \$427,000. The decline in cannabis sales continued into Fiscal Year 2024-2025, with collections dropping to \$346,000.



Measure C Going on 7th Year

In November 2018, voters approved Measure C: a quarter-cent sales tax. Measure C generated a total of \$5.5 million in Fiscal Year 2024-2025.



New Revenue Source Exceeds Expectations

Fiscal Year 2024-2025 is the second year with full implementation of the new business tax rates approved by voters in Measure BL. The rates were projected to yield up to \$8 million in additional revenue, but the revenue continued to exceed expectations. \$30.9 million in business tax receipts were collected in 2025. Although collections in FY 2025 decreased by \$0.8 million from FY 2024, this revenue source was still approximately \$12 million higher than prior to Measure BL.

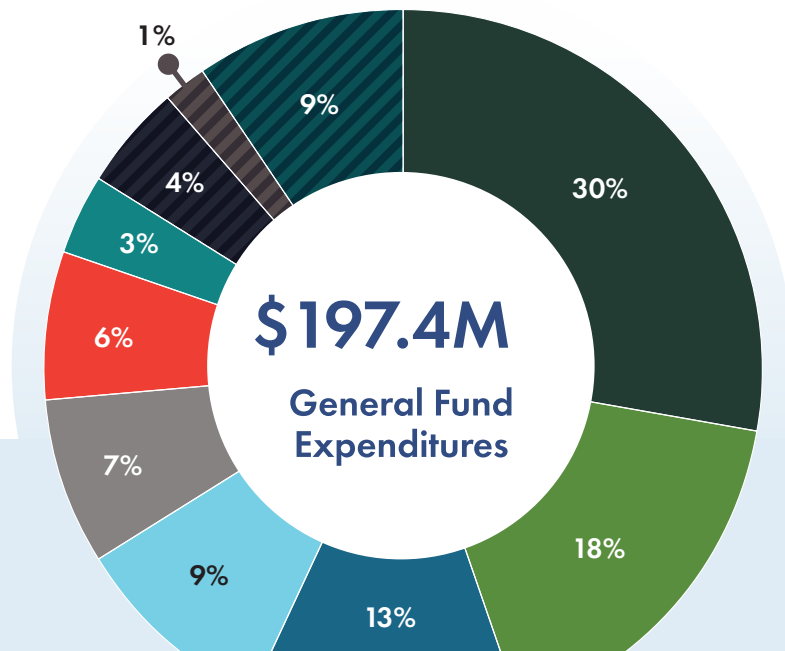
General Fund Expenditures

The City’s General Fund Expenditures totaled \$197.4 million in Fiscal Year 2024-2025. These expenditures included many essential services: public safety, public works, community development and parks, recreation and community services.

Personnel costs increased this fiscal year as the City added positions and contracts to support new initiatives. General Government expenses also grew, in part, due to a required \$5.2 million contribution to the City’s Self-Insurance Fund.

During Fiscal Year 2024-2025, Culver City continued its significant investments to address homelessness and support its unhoused residents. The City has committed to funding the annual operations of the Project Homekey program for a minimum of 50 years, allocating \$4.7 million from the General Fund in Fiscal Year 2024-2025 for staffing, operations and services.

The City also continued to fund its Mobile Crisis Intervention Unit, utilizing mental health professionals to address homeless and mental health crises at an annual cost of approximately \$1.5 million. The transitional housing safe sleep program, now known as Wellness Village, continued its operations after launching in August 2023, with the City budgeting \$3.9 million for the program in Fiscal Year 2024-2025



General Fund Expenditures	Percentage	Amount (in Millions)
Police Department	30%	57.1
Fire Department	18%	36.1
General Government	13%	26.4
Public Works	9%	18.5
Housing and Human Services	7%	12.9
Parks, Recreation & Community Services	6%	12.3
Planning and Development	3%	6.7
Capital Outlay	4%	7.3
Debt Service	1%	2.6
Transfers Out	9%	17.5
Total		\$197.4

Enterprise Funds

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



Municipal Bus Lines

The largest Enterprise Fund includes the Culver CityBus, California’s second-oldest municipal-owned bus line. Municipal bus operations are mainly funded by operating and capital grants and contributions from federal and county sources, as well as fare revenues. Total revenue for Fiscal Year 2024-2025 totaled \$27.7 million, an increase by \$700,000. Culver CityBus ridership has increased by more than 400,000 passengers since FY 2023-2024.

Refuse Disposal

Refuse Disposal is the second-largest Enterprise Fund. It includes 23 refuse collection trucks and is responsible for collecting an average of 40.6 tons of residential refuse and green waste and 97 tons of commercial refuse daily. In Fiscal Year 2023-2024, Refuse Disposal generated \$23.4 million in revenues, increasing by \$1 million. Operating expenses increased by \$1.5 million, primarily due to increased salaries, pension obligations and other benefits.



Sewer Enterprise

This fund accounts for the capital assets, maintenance and operation of the City’s sewage disposal service. The payment to the City of Los Angeles for the City’s use of the Hyperion Treatment Plant and Los Angeles Sewer transmission lines is the largest annual expense to the Sewer Enterprise. The Sewer Fund generates revenue from the Sewer Users’ Services charges. The City currently operates 91 miles of sanitary sewer lines, generating \$9.3 million in revenues.

Municipal Fiber Network

The Municipal Fiber Network Enterprise Fund was subsidized by a loan from the General Fund for the design and construction of an open-access network. Internet Service Providers (ISPs) utilize the City’s fiber infrastructure to service the business community. During Fiscal Year 2024-2025, the fund generated \$649,455 in revenues. The net position of these funds decreased by \$1.2 million in Fiscal Year 2024-2025.



Culver CITY

Have Feedback?

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

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Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Culver City for its ACFR for the fiscal year that ended June 30, 2024. This marks the 40th consecutive year that the City received this prestigious award. In addition, the City received the Popular Annual Financial Reporting award for the same reporting period. This marks the third time the City has received this award.

To receive the Certificate of Achievement award, a government must publish an easily readable and efficiently organized comprehensive financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for one year only. The City believes that the current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and the City is submitting it to the GFOA to determine its eligibility for another certificate.

