



**City of Culver City, California
Municipal Bus Lines
An Enterprise Fund of the City of Culver City
Audited Financial Statements
*As of and for the Years Ended June 30, 2021 and 2020
with Independent Auditor's Report***

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**City of Culver City
Municipal Bus Lines
An Enterprise Fund of the City of Culver City
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Independent Auditor's Report

The Honorable Mayor and the Members of City Council of the City of Culver City City of Culver City, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Culver City Municipal Bus Lines (the "CCMBL"), an Enterprise Fund of the City of Culver City, California (the "City"), which comprise the statement of net position as of June 30, 2021, the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the CCMBL as of June 30, 2021, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1, the financial statements referred to above present only the CCMBL and do not purport to, and do not, present fairly the financial position of the City of Culver City, California, as of June 30, 2021, the changes in its financial position, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Prior Year Financial Statements

The financials statements of Culver City Municipal Bus Lines as of and for the year ended June 30, 2020, were audited by other auditors whose report dated December 29, 2020 expressed an unmodified opinion on those statements.

Required Supplementary Information

Accounting principles generally accepted in the United States of America required that the Schedule of Proportionate Share of the Net Pension Liabilities and Related Ratios - CalPERS, the Schedule of Contributions - Pensions, the Schedule of Proportionate Share of the Net OPEB Liabilities and Related Ratios - OPEB, and the Schedule of Contributions - OPEB on page 33 to 40 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis ("MD&A") that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.



Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the CCMBL's financial statements. The Schedule of Sources of Operating Revenues and Capital Grants, the Schedule of Farebox Recovery Ratio Calculation, the Schedule of 50% Expenditures Limitation Test Article IV Funds, and the Schedule of PTMISEA Prop 1B Bond Funds for the year ended June 30, 2021 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the CCMBL's financial statements. Such information has been subjected to the auditing procedures applied in the audit of the CCMBL's financial statements for the year ended June 30, 2021 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Sources of Operating Revenues and Capital Grants, the Schedule of Farebox Recovery Ratio Calculation, the Schedule of the 50% Expenditures Limitation Test Article IV Funds, and the PTMISEA Prop 1B Bond Funds are fairly stated, in all material respects, in relation to the CCMBL's financial statements as a whole for the year ended June 30, 2021.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2022, on our consideration of the City of Culver City's internal control over CCMBL's financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over CCMBL's financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of CCMBL's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over CCMBL's financial reporting and compliance.

A handwritten signature in black ink that reads "Vaqueria & Company LLP". The signature is written in a cursive, flowing style.

**Glendale, California
January 28, 2022**

**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance (Including Those Contained in the Transportation Development Act
Statutes and California Codes of Regulations) and Other Matters
Based on an Audit of the Culver City Municipal Bus Lines' Financial Statements
Performed in Accordance with *Government Auditing Standards***

**The Honorable Mayor and the Members of City Council
of the City of Culver City
City of Culver City, California**

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *TDA Statutes and California Codes of Regulations*, issued by California Department of Transportation, the financial statements of the Culver City Municipal Bus Lines (the "CCMBL"), an Enterprise Fund of the City of Culver City, California (the "City"), as of and for the year ended June 30, 2021, and the related notes to the financial statements and have issued our report thereon dated January 28, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the CCMBL's financial statements, we considered the City's internal control over the CCMBL's financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the CCMBL's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CCMBL's financial statements are free of material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts and grant agreements contained in the *TDA Statutes and California Codes of Regulations*, issued by California Department of Transportation, noncompliance with which could have a direct and material effect on the CCMBL's financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Vaqueria & Company LLP". The signature is written in a cursive, flowing style.

**Glendale, California
January 28, 2022**

**Independent Auditor's Report on Compliance for the Transit Operator
Required by the Transportation Development Act
and Report on Internal Control over Compliance**

**The Honorable Mayor and the Members of City Council
of the City of Culver City
City of Culver City, California**

We have audited the City of Culver City, California's (the "City") compliance with the types of compliance requirements described in *§6667 of the California Code of Regulation, Title 21, Division 3, Chapter 3, Article 5.5* applicable to the CCMBL's compliance as a Transit Operator for the year ended June 30, 2021.

Management's Responsibility

Management is responsible for the City's compliance with the requirements referred to above.

Auditor's Responsibility

Our responsibility is to express an opinion on City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Transportation Development Act ("TDA") Statutes and California Code of Regulations, July 2018 ("TDA Guidebook")*, issued by the California Department of Transportation Division of Rail and Mass Transportation. Those standards and TDA Guidebook require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the City as transit operator occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with the requirements referred to above. However, our audit does not provide a legal determination of the City's compliance with these requirements.

Opinion on the City as Transit Operator

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that are applicable to the City as transit operator for the year ended June 30, 2021.



Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a compliance requirement on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses, or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing on internal control over compliance and the results of that testing based on the requirements of §6667 of the California Codes of Regulation, Title 21, Division 3, Chapter 3, Article 5.5. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Vaquero & Company LLP".

Glendale, California
January 28, 2022

FINANCIAL STATEMENTS

**City of Culver City
Municipal Bus Lines
(An Enterprise Fund of the City of Culver City)
Statements of Net Position**

		June 30	
		2021	2020
ASSETS			
Current assets:			
Cash and cash equivalents	\$	11,669,170	\$ 11,225,728
Accounts receivable		436,903	110,913
Interest receivable		31,343	34,343
Due from other governments		8,287,644	6,108,486
Total current assets		20,425,060	17,479,470
Noncurrent assets:			
Capital assets:			
Not being depreciated		5,608,530	3,957,539
Being depreciated		68,602,155	67,309,082
Less accumulated depreciation		(38,541,489)	(35,699,658)
Total noncurrent assets		35,669,196	35,566,963
Total assets		56,094,256	53,046,433
DEFERRED OUTFLOWS OF RESOURCES			
Pension related amounts		3,252,121	3,365,864
Other postemployment benefits related amounts		186,659	280,184
Total deferred outflows of resources		3,438,780	3,646,048
LIABILITIES			
Current liabilities:			
Accounts payable		1,065,478	2,141,097
Salaries and benefits payable		477,975	413,103
Unearned revenues		2,506,563	2,476,332
Retention payable		-	39,787
Compensated absences, due within one year		615,854	584,999
Total current liabilities		4,665,870	5,655,318
Noncurrent liabilities:			
Compensated absences, due in more than one year		359,850	489,941
Net pension liabilities		25,263,394	24,325,971
Net other postemployment benefits liabilities		4,232,891	5,094,772
Total noncurrent liabilities		29,856,135	29,910,684
Total liabilities		34,522,005	35,566,002
DEFERRED INFLOWS OF RESOURCES			
Pension related amounts		197,315	433,149
Other postemployment benefits related amounts		2,150,472	1,914,950
Total deferred inflows of resources		2,347,787	2,348,099
NET POSITION			
Net investment in capital assets		35,669,196	35,527,176
Unrestricted (deficit)		(13,005,952)	(16,748,796)
Total net position	\$	22,663,244	\$ 18,778,380

See accompanying notes to financial statements.

**City of Culver City
Municipal Bus Lines**
(An Enterprise Fund of the City of Culver City)
Statements of Revenues, Expenses and Changes in Net Position

	Years ended June 30	
	2021	2020
OPERATING REVENUES		
Charges for services	\$ 775,096	\$ 1,867,775
Other revenue	249,404	726,495
Total operating revenues	1,024,500	2,594,270
OPERATING EXPENSES		
Salaries and benefits	16,521,399	20,860,940
Supplies	349,330	436,424
Repairs and maintenance	3,849,206	3,366,173
Insurance	648,476	565,172
Administrative services	1,922,765	1,789,210
Consulting and contractual services	663,056	934,583
Depreciation	3,486,815	3,194,849
Total operating expenses	27,441,047	31,147,351
Operating loss	(26,416,547)	(28,553,081)
NONOPERATING REVENUES (EXPENSES)		
Intergovernmental revenue	27,067,118	21,367,365
Loss on sale of assets	-	(2,367,875)
Investment earnings, net	24,144	180,153
Total nonoperating revenues (expenses)	27,091,262	19,179,643
Income (loss) before contribution and transfers	674,715	(9,373,438)
CONTRIBUTIONS AND TRANSFERS		
Capital contributions	2,218,360	5,665,166
Transfers in from the City of Culver City	1,291,789	1,469,443
Transfers out to the City of Culver City	(300,000)	(300,000)
Total contributions and transfers	3,210,149	6,834,609
Change in net position	3,884,864	(2,538,829)
NET POSITION		
Beginning of year	18,778,380	21,317,209
End of year	\$ 22,663,244	\$ 18,778,380

See accompanying notes to financial statements.

**City of Culver City
Municipal Bus Lines
(An Enterprise Fund of the City of Culver City)
Statements of Cash Flows**

	Years ended June 30	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from customers and others	\$ 698,510	\$ 2,788,463
Payments to suppliers of goods and services	(8,508,452)	(4,097,396)
Payments to employees for salaries and benefits	(16,273,265)	(17,563,040)
Net cash used in operating activities	(24,083,207)	(18,871,973)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash received from operating grants	24,918,191	19,385,159
Transfers to the City of Culver City	(300,000)	(300,000)
Transfers from the City of Culver City	1,291,789	1,469,443
Net cash provided by noncapital financing activities	25,909,980	20,554,602
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash received from capital grants	2,218,360	5,665,166
Acquisition of capital assets	(3,628,835)	(6,472,804)
Proceeds from sale of capital assets	-	6,721
Net cash used in capital and related financing activities	(1,410,475)	(800,917)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	27,144	194,376
Cash provided by investing activities	27,144	194,376
Net increase in cash and cash equivalents	443,442	1,076,088
CASH AND CASH EQUIVALENTS		
Beginning of year	11,225,728	10,149,640
End of year	\$ 11,669,170	\$ 11,225,728
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating loss	\$ (26,416,547)	\$ (28,553,081)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	3,486,815	3,194,849
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(325,990)	194,193
(Increase) decrease in deferred outflows of resources - pensions	113,743	(558,468)
(Increase) decrease in deferred outflows of resources - other postemployment benefits	93,525	93,446
Increase (decrease) in accounts payable	(1,075,619)	1,204,956
Increase (decrease) in salaries and benefits payable	64,872	134,470
Increase (decrease) in compensated absences	(99,236)	88,152
Increase (decrease) in net other postemployment benefits liability	(861,881)	(1,542,783)
Increase (decrease) in net pension liabilities	937,423	5,874,403
Increase (decrease) in deferred inflows of resources - pensions	(235,834)	(67,245)
Increase (decrease) in deferred inflows of resources - other postemployment benefits	235,522	1,065,135
Net cash used in operating activities	\$ (24,083,207)	\$ (18,871,973)

See accompanying notes to financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Reporting Entity

The Culver City Municipal Bus Lines (the "CCMBL") was created by the City of Culver City, California (the "City") in 1928 by resolution of the City Council. The CCMBL follows the uniform system of accounts and records prescribed by the Federal Transit Administration (the "FTA") and the California State Controller. The CCMBL is a component unit of the City.

The CCMBL provides transportation services to the City and surrounding communities. These operations constitute part of the overall financial reporting entity of the City and are accounted for as an enterprise fund in accordance with generally accepted accounting principles within the City's ACFR. The accounting policies of the CCMBL conform to the accrual basis of accounting.

Financial Statement Presentations, Measurement Focus, and Basis of Accounting

The accompanying financial statements present only the financial position, results of operations and cash flows of the CCMBL and do not purport to, and do not present fairly the City's financial position, changes in financial position, or cash flows in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The accounting policies of the CCMBL are in conformity with U.S. GAAP applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing accounting and financial reporting principles.

The financial statements are prepared using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities, deferred outflows/inflows of resources (whether current or noncurrent) are included on the Statements of Net Position. The Statements of Revenues, Expenses and Changes in Net Position present increases (revenues) and decreases (expenses) in total net position.

The CCMBL is accounted for as an enterprise fund (proprietary fund type). A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific activity. The activities of enterprise funds closely resemble those of ongoing businesses in which the purpose is to conserve and add to basic resources while meeting operating expenses from current revenues. Enterprise funds account for operations that provide services on a continuous basis and are substantially financed by revenues derived from user charges. The CCMBL utilizes the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized as they are incurred.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The CCMBL distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with transportation operations. The principal operating revenues of the CCMBL are charges to customers for services. Operating expenses include cost of sales and services, general and administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the CCMBL considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. In addition, cash invested in the City's cash management pool and held by trustees are considered to be cash equivalents.

Grant Revenues and Receivables

Grant revenues and receivables are recorded when earned on grants that have been approved and funded by the grantor. Grant sources include Federal Transit Administration, Transportation Development Act, Measure R, Measure M, Proposition 1B, Proposition A, and Proposition C.

Capital Assets

The CCMBL's capital assets are capitalized at original acquisition cost. Donated capital assets are recorded at their estimated fair market acquisition value at the date of donation. Capital assets acquired under capital leases are recorded at the net present value of the total lease payments. The CCMBL adopts the City's capitalization policy to capitalize assets over \$5,000 with a useful life at least three years. Depreciation is charged to operations, using a straight-line method, based on the estimated useful life of the assets. The estimated useful lives of assets are as follows:

Buildings	50 years
Building improvements	10 to 20 years
Buses and other vehicles	5 to 12 years
Equipment	5 to 10 years
Furniture and fixtures	20 years

Unearned Revenue

Unearned revenue is reported for transactions for which revenue has not yet been earned. Typical transactions recorded as unearned revenues as prepaid charges for services; grants received but not yet earned.

Compensated Absences

Liability is recorded for unused vacation and similar compensatory leave balances since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (Continued)

Liability is recorded for unused sick leave balances only to the extent that it is probable that the unused balances will result in termination payments. This is estimated by including in the liability the unused balances of employees currently entitled to receive termination payment, as well as those who are expected to become eligible to receive termination benefits as a result of continuing their employment with the City. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of a future event (illness) which is outside the control of the City and the employee.

The City's employees earn vacation leave (vary depending on years of service) based on days of employment. Upon retirement or termination, payment of accumulated vacation may not exceed that which can be accumulated within two years of employment. Unused sick leave, based on days employed, may be accumulated up to certain limits. Upon retirement or termination, employees will be paid a maximum of 720 hours of sick pay.

Pension

For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deduction from the plan's fiduciary net position have been determined on the same basis as they are reported by the plans (Note 8). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

CalPERS	2021	2020
Valuation Date	June 30, 2019	June 30, 2018
Measurement Date	June 30, 2020	June 30, 2019
Measurement Period	July 1, 2019 to June 30, 2020	July 1, 2018 to June 30, 2019

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in the further pension expense. The amortization period differs depending on the sources of the gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over 5 years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Postemployment Benefits ("OPEB") Plan

For the purpose of measuring the total OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the plans and additions to/deduction from the plan's fiduciary net position have been determined on the same basis as they are reported by the plans (Note 9). For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms. Investments are reported at amortized cost.

OPEB	2021	2020
Valuation Date	June 30, 2019	June 30, 2019
Measurement Date	June 30, 2021	June 30, 2020
Measurement Period	July 1, 2020 to June 30, 2021	July 1, 2019 to June 30, 2020

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in the further OPEB expense. The amortization period differs depending on the sources of the gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over 5 years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

Net Position

Net investment in Capital Assets - This component of net position capital assets, net of accumulated depreciation, reduced by the outstanding balances of retention payable that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - This component of net position consists of restricted assets and deferred outflows of resources reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted - This component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions. These estimate and assumptions affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates and assumptions.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year's presentation. The reclassifications have no material effect on the accompanying financial statements.

NOTE 2 CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2021 and 2020 are reported in the accompanying financial statements as follows:

<u>Statements of Net Position:</u>	<u>2021</u>	<u>2020</u>
Cash and cash equivalent	\$ <u>11,669,170</u>	\$ <u>11,225,728</u>

Cash is deposited in the City's internal investment pool, which is reported at the amortized cost. The CCMBL does not own specifically identifiable securities in the City's pool. Interest income is allocated based on average cash balances. Investment policies and associated risk factors applicable to the CCMBL are those of the City and are included in the City's basic financial statements.

For cash flow purposes, all cash and investments of the CCMBL are considered to be cash and cash equivalents due to the funds can be drawn down upon request.

For further information regarding cash and investments refer to City's Annual Comprehensive Financial Report (ACFR).

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NOTE 3 DUE FROM OTHER GOVERNMENTS AND INTERGOVERNMENTAL REVENUE

Amounts due from other governments consist of the following at June 30:

	<u>2021</u>	<u>2020</u>
Due from Federal Transit Agency	\$ 7,175,074	\$ 2,550,682
Due from County of Los Angeles	976,186	479,122
Due from City of Santa Monica	110,663	154,964
Due from Los Angeles Metropolitan Transit Agency	25,388	2,640,202
Due from State of California	-	283,516
Others	333	-
Total \$	<u>8,287,644</u>	<u>\$ 6,108,486</u>

Intergovernmental revenue consists of the following for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Federal Transit Administration	\$ 12,249,058	\$ 2,649,426
Transportation Development Act-Article 4 (LTF)	4,612,255	5,749,508
Proposition A Discretionary	3,643,789	3,566,575
Measure R	1,792,915	2,376,766
Measure M	1,767,718	2,458,354
Proposition C	1,062,451	2,329,257
State Transit Assistance (STA)	774,517	1,126,006
SBI - STA	582,838	423,267
SBI - State of Good Repair Funds	232,285	384,053
Low Carbon Fuel Standard Credits	173,302	135,824
EIR Transit Mitigation Fund	142,183	119,971
CNG Excise Tax Credit	33,807	48,358
Total \$	<u>27,067,118</u>	<u>\$ 21,367,365</u>

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NOTE 4 CAPITAL ASSETS

Summary of changes in capital assets for the years ended June 30, 2021 and 2020 were as follows:

	Balance July 1, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
Capital asset, not being depreciated:					
Land	\$ 1,450,214	\$ -	\$ -	\$ -	\$ 1,450,214
Construction in progress	2,507,325	2,181,011	-	(530,020)	4,158,316
Total nondepreciable assets	<u>3,957,539</u>	<u>2,181,011</u>	<u>-</u>	<u>(530,020)</u>	<u>5,608,530</u>
Capital asset, being depreciated:					
Machinery and equipment	42,594,485	1,408,037	(644,984)	530,020	43,887,558
Building improvements	24,283,745	-	-	-	24,283,745
Furniture and fixtures	430,852	-	-	-	430,852
Total capital assets, being depreciated	<u>67,309,082</u>	<u>1,408,037</u>	<u>(644,984)</u>	<u>530,020</u>	<u>68,602,155</u>
Less accumulated depreciation:					
Machinery and equipment	(23,666,316)	(2,930,063)	644,984	-	(25,951,395)
Building improvements	(11,621,539)	(551,110)	-	-	(12,172,649)
Furniture and fixtures	(411,803)	(5,642)	-	-	(417,445)
Total accumulated depreciation	<u>(35,699,658)</u>	<u>(3,486,815)</u>	<u>644,984</u>	<u>-</u>	<u>(38,541,489)</u>
Total capital assets, being depreciated, net	<u>31,609,424</u>	<u>(2,078,778)</u>	<u>-</u>	<u>530,020</u>	<u>30,060,666</u>
Total capital assets, net	\$ 35,566,963	\$ 102,233	\$ -	\$ -	\$ 35,669,196

	Balance July 1, 2019	Additions	Deletions	Transfers	Balance June 30, 2020
Capital asset, not being depreciated:					
Land	\$ 1,450,214	\$ -	\$ -	\$ -	\$ 1,450,214
Construction in progress	1,992,297	2,007,889	(1,086,436)	(406,425)	2,507,325
Total nondepreciable assets	<u>3,442,511</u>	<u>2,007,889</u>	<u>(1,086,436)</u>	<u>(406,425)</u>	<u>3,957,539</u>
Capital asset, being depreciated:					
Machinery and equipment	38,249,652	4,485,508	(547,100)	406,425	42,594,485
Building improvements	27,235,073	19,194	(2,970,522)	-	24,283,745
Furniture and fixtures	430,852	-	-	-	430,852
Total capital assets, being depreciated	<u>65,915,577</u>	<u>4,504,702</u>	<u>(3,517,622)</u>	<u>406,425</u>	<u>67,309,082</u>
Less accumulated depreciation:					
Machinery and equipment	(21,622,105)	(2,526,110)	481,899	-	(23,666,316)
Building improvements	(12,706,181)	(662,921)	1,747,563	-	(11,621,539)
Furniture and fixtures	(405,985)	(5,818)	-	-	(411,803)
Total accumulated depreciation	<u>(34,734,271)</u>	<u>(3,194,849)</u>	<u>2,229,462</u>	<u>-</u>	<u>(35,699,658)</u>
Total capital assets, being depreciated, net	<u>31,181,306</u>	<u>1,309,853</u>	<u>(1,288,160)</u>	<u>406,425</u>	<u>31,609,424</u>
Total capital assets, net	\$ 34,623,817	\$ 3,317,742	\$ (2,374,596)	\$ -	\$ 35,566,963

Depreciation expenses of the CCMBL were \$3,486,815 and \$3,194,849 for the years ended June 30, 2021 and 2020, respectively.

NOTE 5 SELF-INSURANCE PROGRAM

The CCMBL is part of the City's self-insured program which covers worker's compensation, general automobile and public liability. The City pays all liability claims up to \$3,000,000 per occurrence with excess insurance coverage up to \$30,000,000 limits. Claims over \$3,000,000 self-insured retention up to \$30,000,000 are covered by insurance policies secured by Aon. The City also pays all workers' compensation claims up to \$1,000,000 per occurrence with excess insurance coverage up to statutory limits. Claims over a \$1,000,000 self-insured retention up to statutory limits are covered by insurance secured by Aon.

CCMBL also carries an additional policy for general liability covering claims up to \$5,000,000 per occurrence.

As of May 1, 1987, the CCMBL became self-insured for the first \$250,000 of each general liability claim. The City has agreed to support CCMBL in the event it cannot pay its obligation of self-insured liabilities on a timely basis. Refer to the City's ACFR for information about outstanding claims payable at June 30, 2021 and 2020.

NOTE 6 TRANSACTIONS WITH THE CITY OF CULVER CITY

The City provides administrative services and allocates certain administrative and overhead costs to the CCMBL based upon a cost allocation plan. Costs are allocated based on specific relevant measurable units associated with each department. Such allocated costs applicable to the CCMBL aggregated \$1,922,765 and \$1,789,210 for the years ended June 30, 2021 and 2020, respectively.

The City also transferred a portion of its Proposition "A" and "C" Local Return funds, as well as a portion of Measure R Local Return funds, to CCMBL to assist in operations, in the amounts of \$1,291,789 and \$1,469,443 for the years ended June 30, 2021 and 2020, respectively.

The CCMBL transferred \$300,000 to the City for both years ended June 30, 2021 and 2020 providing financial support to cover eligible overtime costs for the Police Department and portion of Emergency Preparedness Coordinator in the Fire Department.

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NOTE 7 LONG-TERM LIABILITIES

Summary of changes in long-term liabilities activity for the years ended June 30, 2021 and 2020 were as follows:

	Balance at July 1, 2020	Additions	Deletions	Balance at June 30, 2021	Due Within One Year	Due in More Than One Year
Compensated absences	\$ 1,074,940	\$ 907,433	\$ (1,006,669)	\$ 975,704	\$ 615,854	\$ 359,850
Total	\$ 1,074,940	\$ 907,433	\$ (1,006,669)	\$ 975,704	\$ 615,854	\$ 359,850

	Balance at July 1, 2019	Additions	Deletions	Balance at June 30, 2020	Due Within One Year	Due in More Than One Year
Compensated absences	\$ 986,788	\$ 1,359,777	\$ (1,271,625)	\$ 1,074,940	\$ 584,999	\$ 489,941
Total	\$ 986,788	\$ 1,359,777	\$ (1,271,625)	\$ 1,074,940	\$ 584,999	\$ 489,941

NOTE 8 CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM - CALPERS

General Information about the Pension Plan

Plan Description

The City contributes to the California Public Employees Retirement System ("CalPERS"), an agent multiple-employer defined benefit pension plan for the CCMBL's employees in the miscellaneous plan. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by the state statute and City ordinance. A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the Annual Actuarial Valuation Report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications (www.calpers.ca.gov/page/fonns-publications).

Benefit Provided

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. A classic tier I and II member becomes eligible for Service Retirement upon attainment of age 55 and 60, respectively with at least 5 years of credited service. PEPRAs miscellaneous members become eligible for Service Retirement upon attainment of age 62 with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, a final compensation. The final compensation is the monthly average of the member's highest 36 or 12 consecutive months' full-time equivalent monthly pay. Retirement benefits for classic tier I and tier II employees are calculated as 2.5% and 3.0% of average final 12 and 36 months compensation, respectively. Retirement benefit for PEPRAs miscellaneous employees are calculated as 2% of the average final 36 months compensation.

NOTE 8 CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM – CALPERS (CONTINUED)

General Information about the Pension Plan (Continued)

Participant is eligible for non-industrial disability retirement if the participant becomes disabled and has at least 5 years credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8 percent of final compensation, multiplied by service.

Industrial disability benefits are not offered to miscellaneous employees.

An employee's beneficiary may receive the basic death benefit if the employee becomes deceased while actively employed. The employee must be actively employed with the City to be eligible for this benefit. An employee's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the employees' accumulated contributions, where interest is currently credited at 7.65 per year, plus a lump sum in the amount of one month's salary for each completed year of current service, up to a maximum of six months' salary. For purpose of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death. Upon the death of a retiree, a one-time lump payment of \$500 will be made to the retiree's designated survivor(s), or to the retiree's estate.

Benefit terms provide for annual cost-of-living adjustment to each employee's retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2 percent.

Employees Covered by Benefit Terms

At June 30, 2019 and 2018, the valuation dates, the following employees were covered by the benefit terms under the City's miscellaneous plan:

Valuation Date	2019	2018
Active employees	127	124
Transferred and terminated employees	24	119
Retired Employees and Beneficiaries	55	15
Total	206	258

NOTE 8 CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM – CALPERS (CONTINUED)

General Information about the Pension Plan (Continued)

Contributions

Section 20814 (c) of the California Public Employees' Retirement Law ("PERL") requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

Net Pension Liability

Actuarial Methods and Assumption Used to Determine Total Pension Liability

For the measurement periods ended June 30, 2020 and 2019, the total pension liability was determined by rolling forward the June 30, 2019 and 2018 total pension liability, respectively. The June 30, 2020 and 2019, total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ¹	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection allowance floor on purchasing power applies, 2.50% thereafter.

¹ The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on 2017 CalPERS Experience Study for the period 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

NOTE 8 CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM – CALPERS (CONTINUED)

Net Pension Liability (Continued)

Change of Assumptions

There were no changes in assumptions in 2019 and 2020.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class for 2020 and 2019 are as follows:

Asset Class ¹	Assumed Asset Allocation	Real Return Years 1 - 10 ²	Real Return Years 11+ ³
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	(0.92%)
Total	100.00%		

¹ In the System's ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

² An expected inflation of 2.00% used for this period.

³ An expected inflation of 2.92% used for this period.

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NOTE 8 CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM – CALPERS (CONTINUED)

Net Pension Liability (Continued)

Discount Rate

The discount rate used to measure the June 30, 2020 and 2019 total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Proportionate Share of Net Pension Liability

The CCMBL's proportionate share of net pension liability of the City's miscellaneous plan is determined by the City's CalPERS long term projected contribution made by the CCMBL over the total miscellaneous plan contribution. The following table shows the CCMBL's proportionate share of the City's miscellaneous plan net pension liability over the measurement period periods ended June 30, 2020 and 2019.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(c)=(a)-(b)
Balance at June 30, 2019 (Measurement Date)	\$ 79,789,646	\$ 55,463,675	\$ 24,325,971
Balance at June 30, 2020 (Measurement Date)	82,938,351	57,674,957	25,263,394

The CCMBL's proportionate shares of the net pension liabilities are as follows:

Measurement Date	2020	Measurement Date	2019
June 30, 2019	24.70%	June 30, 2018	20.44%
June 30, 2020	24.70%	June 30, 2019	24.70%
Change	0.00%	Change	4.26%

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**NOTE 8 CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM – CALPERS
(CONTINUED)**

Net Pension Liability (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan as of the measurement date of June 30, 2020 and 2019, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate:

	Plan's Net Pension Liability		
	Discount Rate = 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate 1% (8.15%)
Measurement Date June 30, 2020	\$ 36,057,629	\$ 25,263,394	\$ 16,316,066

	Plan's Net Pension Liability		
	Discount Rate = 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate 1% (8.15%)
Measurement Date June 30, 2019	\$ 34,859,279	\$ 24,325,971	\$ 15,608,812

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS' website (www.calpers.ca.gov).

For the measurement periods ended June 30, 2020 and 2019, the CCMBL incurred pension expenses of \$3,231,822 and \$7,740,105, respectively.

As of June 30, 2021 and 2020, the CCMBL has deferred outflows and deferred inflows of resources related to pensions as follows for the miscellaneous plan:

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contribution made after the measurement date	\$ 2,414,964	\$ -	\$ 2,491,415	\$ -
Difference between expected and actual experience	355,290	(197,315)	874,449	-
Changes of assumptions	-	-	-	(179,677)
Net difference between projected and actual earning on pension plan investments	481,867	-	-	(253,472)
Total	\$ 3,252,121	\$ (197,315)	\$ 3,365,864	\$ (433,149)

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NOTE 8 CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM – CALPERS (CONTINUED)

Changes in the Net Pension Liability (Continued)

The expected average remaining service lifetime (“EARSL”) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired). The EARSL for the miscellaneous plan and safety plan for the 2019-20 measurement period is 2.6 and 3.9 years, which was obtained by dividing the total service years of 4,711 and 2,008 (the sum of remaining service lifetimes of the active employees) by 1,788 and 518 (the total number of participants: active, inactive, and retired), respectively.

The deferred outflows of resources related to pensions resulting from the CCMBL's portion of the City's contributions subsequent to the measurement date amounting to \$2,414,964 and \$2,491,415, are recognized as a reduction of the net pension liability in the years ending June 30, 2022 and 2021, respectively. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in the future pension expense as follows:

Measurement Period Ended June 30	Deferred Outflows/ (Inflows) of Resources	Measurement Period Ended June 30	Deferred Outflows/ (Inflows) of Resources
	2021		2020
2021	\$ 30,732	2020	\$ 544,274
2022	82,773	2021	(80,978)
2023	291,303	2022	(78,266)
2024	235,034	2023	56,270
2025	-	2024	-
Thereafter	-	Thereafter	-
Total	\$ 639,842	Total	\$ 441,300

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS LIABILITY ("OPEB")

General Information about the OPEB Plan

Plan Description

In addition to the retirement plan described in Note 8, the CCMBL participates in the City's Retiree Health Insurance Program ("OPEB Plan") which provides retiree healthcare benefits for eligible City employees and their spouses who retire with CalPERS pension benefits immediately upon termination of employment from the City. Benefit provisions are established and may be amended by the City Council.

Under the program, the City pays a portion of the premiums for retiree medical coverage as follows:

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS LIABILITY ("OPEB") (CONTINUED)

General Information about the OPEB Plan (Continued)

- Participants who retired before January 1, 2007 are eligible for a City contribution up to 100% of the average of Kaiser and PERS Care Premiums.
- Participants who retired between January 1, 2007 and December 31, 2011 are eligible for a City contribution up to 70% of the PERS Care premium or 95% of the premium for all other plans. Additionally, participants meeting the following additional criteria are also eligible for this benefit level:
 - Employed with the City as of July 1, 2011.
 - Earned a minimum of twenty years of CalPERS service credit (excluding additional retirement service credit purchased under California Government Code Section 20909, i.e., "Air-Time") as of December 31, 2011.
 - Earn twenty-five years of service with Culver City and retire from the City prior to January 1, 2022.
- Participants employed by the City as of July 1, 2011 and retired after December 31, 2011 earning a minimum of five years of City service are eligible for the following benefit:
 - A monthly premium reimbursement of up to \$649 for single coverage, increasing by up to 4% per year.
 - An additional monthly reimbursement of up to \$567 for his or her enrolled spouse/domestic partner/dependent based on a vesting schedule. This additional reimbursement ends when a spouse or domestic partner becomes Medicare eligible, or when a dependent age out. This amount is subject to an annual increase of up to 4%.
- Employees hired after July 1, 2011 are not considered participants and are only eligible for the legally required Public Employees' Medical and Hospital Care Act ("PEMHCA") minimum, as stipulated by CalPERS.

Employees of the City are eligible for retiree health benefits if they are between 50-55 years of age as of the last day of work prior to retirement and are a vested member of CalPERS. Membership in the plan consisted of the following at June 30, 2019, latest valuation date:

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS LIABILITY ("OPEB") (CONTINUED)

General Information about the OPEB Plan (Continued)

Valuation Date	June 30, 2019
Active plan members	150
Inactive employees or beneficiaries currently receiving benefit payments	49
Inactive employees or beneficiaries currently receiving benefit payments	11
Total	210

Contribution

The obligation of the City to contribute to the plan is established and may be amended by the City Council. For the years ended June 30, 2021 and 2020, the City's average contribution rates were 10.105 and 8.93 percent of covered payroll, respectively. Employees are not required to contribute to the plan.

Net OPEB Liability

The City's Total OPEB liability were measured as of June 30, 2021 and 2020, and were determined by an actuarial valuation as of June 30, 2019, for both years.

Actuarial assumptions

The total OPEB liability in the June 30, 2019 actuarial valuation were determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2019
Discount Rate	6.50%
Expected Long-Term Rate of Return	6.50%
Municipal Bond Rate	N/A
Source of Municipal Bond Rate	N/A
General Inflation	2.75% annually
Investment Expenses	0.40%
Salary Increases	Aggregate 3% annually
Merit Payroll Increases	CalPERS 1997-2015 Experience Study
Medical Trend, Non-Medicare	7.25% for 2021, decreasing to an ultimate rate of 4% in 2076.
Medical Trend, Medicare	6.3% for 2021, decreasing to an ultimate rate of 4% in 2076.
PEMHCA Minimum Amount Increase	4.25% annually
Mortality, Retirement	CalPERS 1997-2015 Experience Study
Termination, Disability	CalPERS 1997-2015 Experience Study
Mortality Improvement Scale	MP-2019

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS LIABILITY ("OPEB") (CONTINUED)

Net OPEB Liability (Continued)

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2018 through June 2019.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Target New Strategic	Expected Geometric Real Return
Growth Assets:		
Domestic Equity	44.00 %	4.53%
International Equity	23.00 %	4.93%
Income Assets:		
Fixed Income	33.00 %	1.47%
Total	100.00 %	

Change of Assumptions

The mortality assumptions were updated to CalPERS 1997-2015 Experience Study, mortality improvement scale was updated to Scale MP-2019 and Tier IV participation at retirement. Assumption for waived retirees over age 65 was reduced from 60% to 40%.

Discount rate

For measurement periods ended June 30, 2021 and 2020, a discount rate of 6.5% was used to measure the total OPEB liability. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

City of Culver City
Municipal Bus Lines
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Notes to Financial Statements
Years Ended June 30, 2021 and 2020

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS LIABILITY ("OPEB") (CONTINUED)

Change in the Net OPEB Liability

Proportionate Share of Net OPEB Liability

The CCMBL's proportionate share of net pension liability of the City's miscellaneous plan is determined by the City's OPEB long-term projected contribution made by the CCMBL over the total miscellaneous plan contribution. The following table shows the CCMBL's proportionate share of the City's miscellaneous plan net OPEB liability over the measurement periods ended June 30, 2021 and 2020:

	Increase		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c)=(a)-(b)
Balance at June 30, 2020 (Measurement Date)	\$ 9,063,280	\$ 3,968,508	\$ 5,094,772
Balance at June 30, 2021 (Measurement Date)	9,336,130	5,103,239	4,232,891

The CCMBL's proportionate shares of the net OPEB liabilities are as follows:

	2021		2020
June 30, 2020	7.81326%	June 30, 2019	7.81326%
June 30, 2021	7.81000%	June 30, 2020	7.81326%
Change	-0.00326%	Change	0.00000%

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Plan as of the measurement dates June 30, 2021 and 2020 calculated using the discount rate of 6.50%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.50%) or 1 percentage-point higher (7.50%) than the current rate:

	Plan's Net OPEB Liability		
	Discount Rate - 1% (5.50%)	Current Discount Rate (6.50%)	Discount Rate + 1% (7.50%)
	Measurement Date June 30, 2021	\$ 5,374,645	\$ 4,232,891

	Plan's Net OPEB Liability		
	Discount Rate - 1% (5.50%)	Current Discount Rate (6.50%)	Discount Rate + 1% (7.50%)
	Measurement Date June 30, 2020	\$ 6,219,976	\$ 5,094,772

City of Culver City
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Notes to Financial Statements
Years Ended June 30, 2021 and 2020

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS LIABILITY ("OPEB") (CONTINUED)

Change in the Net OPEB Liability (Continued)

Sensitivity of the net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of CCMBL, as well as the City's net OPEB liability if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.25 percent decreasing to 3.00 percent) or 1-percentage-point higher (8.25 percent decreasing to 5.00 percent) than the current healthcare cost trend rates for the measurement periods June 30, 2021 and 2020:

Measurement Date	Plan's Net OPEB Liability		
	Discount Rate - 1%	Healthcare Cost Tread Rates	Discount Rate + 1%
	(6.25% decreasing to 3.00%)	(7.25% decreasing to 4.00%)	(8.25% decreasing to 5.00%)
June 30, 2021	\$ 3,188,425	\$ 4,232,891	\$ 3,284,679

Measurement Date	Plan's Net OPEB Liability		
	Discount Rate - 1%	Healthcare Cost Tread Rates	Discount Rate + 1%
	(6.25% decreasing to 3.00%)	(7.25% decreasing to 4.00%)	(8.25% decreasing to 5.00%)
June 30, 2020	\$ 4,133,726	\$ 5,094,772	\$ 6,180,908

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued plan financial report.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the measurement periods ended June 30, 2021 and 2020, the CCMBL has incurred OPEB expenses (credits) of (\$55,813) and (\$384,202), respectively.

At June 30, 2021 and 2020, the CCMBL reported deferred outflows of resources and inflows of resources related to OPEB as follows.

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (1,341,622)	\$ -	\$ (1,762,287)
Changes of assumptions	186,659	(110,571)	280,184	(138,271)
Net difference between projected and actual earnings on OPEB plan investments	-	(698,279)	-	(14,392)
Total	\$ 186,659	\$ (2,150,472)	\$ 280,184	\$ (1,914,950)

**City of Culver City
Municipal Bus Lines
(An Enterprise Fund of the City of Culver City)
Notes to Financial Statements
Years Ended June 30, 2021 and 2020**

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS LIABILITY ("OPEB") (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amount reported as deferred outflows and inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Measurement Period Ended June 30	Deferred Outflows/ (Inflows) of Resources 2021	Measurement Period Ended June 30	Deferred Outflows/ (Inflows) of Resources 2020
2022	\$ (527,639)	2021	\$ (374,316)
2023	(517,955)	2022	(351,814)
2024	(457,982)	2023	(342,125)
2025	(460,237)	2024	(282,128)
2026	-	2025	(284,383)
Thereafter	-	Thereafter	-
Total	\$ (1,963,813)	Total	\$ (1,634,766)

NOTE 10 DEFICIT NET POSITION

The CCMBL had a deficit unrestricted net position at June 30, 2021 and 2020 in the amount of (\$13,005,952) and \$(16,748,796), respectively. It was mainly due to the implementation of new accounting standards for net pension liabilities and net other postemployment benefits liabilities. The net pension liabilities were \$25,263,394 and \$24,325,971 at June 30, 2021 and 2020, respectively. The net other postemployment benefits liabilities were \$4,232,891 and \$5,094,772 at June 30, 2021 and 2020, respectively.

NOTE 11 IMPACT OF CORONA VIRUS ON CITY OF CULVER CITY'S MUNICIPAL BUS LINES OPERATIONS

On March 10, 2020, the World Health Organization declared the coronavirus outbreak to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries. To date, it is unknown how long these conditions will last and what the complete financial effect will be to businesses and other affected organizations, including local governmental entities.

NOTE 12 SUBSEQUENT EVENTS

The City has evaluated and determined that no subsequent events occurred through January 28, 2022, the date on which the financial statements were available to be issued, that require recognition or additional disclosure in the financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

**City of Culver City
Municipal Bus Lines
(An Enterprise Fund of the City of Culver City)
Schedule of the CCMBL's Proportionate Share of the
Net Pension Liabilities and Related Ratios**

Last Ten Fiscal Years

California Public Employee's Retirement System ("CalPERS") - CCMBL

Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
CCMBL's Proportion of the Net Pension Liability	24.70000%	24.70000%	20.44000%	20.44000%	20.44000%
CCMBL's Proportionate Share of the Net Pension Liability	\$ 25,263,394	\$ 24,325,971	\$ 18,451,568	\$ 18,910,557	\$ 17,120,152
CCMBL's Covered Payroll	\$ 8,065,055	\$ 7,643,027	\$ 7,499,189	\$ 7,517,154	\$ 6,854,973
CCMBL's Proportionate Share of the Net Pension Liability as a percentage of Covered Payroll	313%	318.28%	247.70%	251.57%	249.75%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	69.54%	69.51%	70.27%	68.39%	68.56%

¹ Historical information is presented only for measurement periods for which GASB 68 became effective.

Notes to Schedule:

Change in Benefit Terms: There were no changes in benefit terms.

Changes of Assumptions: None in 2020 and 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.50 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on 7.50 percent discount rate.

**City of Culver City
Municipal Bus Lines
(An Enterprise Fund of the City of Culver City)
Schedule of the CCMBL's Proportionate Share of the
Net Pension Liability and Related Ratios (Continued)**

Last Ten Fiscal Years

California Public Employee's Retirement System ("CalPERS") - CCMBL

Measurement Date	<u>June 30, 2015</u>	<u>June 30, 2014¹</u>
CCMBL's Proportion of the Net Pension Liability	20.44000%	20.44000%
CCMBL's Proportionate Share of the Net Pension Liability	\$ <u>14,330,705</u>	\$ <u>12,986,467</u>
CCMBL's Covered Payroll	\$ <u>6,176,208</u>	\$ <u>5,640,100</u>
CCMBL's Proportionate Share of the Net Pension Liability as a percentage of Conflicts Covered Payroll	<u>232.03%</u>	<u>230.25%</u>
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>72.43%</u>	<u>73.87%</u>

**City of Culver City
Municipal Bus Lines
(An Enterprise Fund of the City of Culver City)
Schedule of the CCMBL's Contributions - Pensions**

Last Ten Fiscal Years

California Public Employee's Retirement System ("CalPERS") - CCMBL

	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2017-16</u>
Actuarially determined contributions	\$ 2,414,964	\$ 2,491,415	\$ 1,792,771	\$ 1,496,865	\$ 1,471,312
Contributions in relation to the actuarially determined contribution	<u>(2,414,964)</u>	<u>(2,491,415)</u>	<u>(1,792,771)</u>	<u>(1,496,865)</u>	<u>(1,471,312)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll ²	\$ 4,922,558	\$ 8,065,055	\$ 7,643,027	\$ 7,517,154	\$ 7,413,221
Contribution as a percentage of covered payroll	49.06%	30.89%	23.46%	19.91%	19.85%

¹ Historical information is presented only for measurement periods for which GASB 68 became effective.

² Covered payroll represented above is based on pensionable earnings provided by the City.

Notes to Schedule:

Change in Benefit Terms: There were no changes in benefit terms.

Changes of Assumptions: None in 2020 and 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.50 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on 7.50 percent discount rate.

**City of Culver City
Municipal Bus Lines
(An Enterprise Fund of the City of Culver City)
Schedule of the CCMBL's Contributions – Pensions (Continued)**

Last Ten Fiscal Years

California Public Employee's Retirement System ("CalPERS") - CCMBL

	2014-15	2014-15	2013-14
Actuarially determined contributions	\$ 1,362,229	\$ 1,150,885	\$ 1,327,657
Contributions in relation to the actuarially determined contribution	(1,362,229)	(1,150,885)	(1,327,657)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
 Covered Payroll ²	 \$ 6,854,973	 \$ 6,176,208	 \$ 5,640,100
Contribution as a percentage of covered payroll	19.87%	18.63%	23.54%

**City of Culver City
Municipal Bus Lines
(An Enterprise Fund of the City of Culver City)
Schedule of the CCMBL's Proportionate Share of the Net OPEB
and Related Ratios**

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
CCMBL's Proportion of the OPEB Liability	7.81000%	7.81326%	7.81326%	7.81326%	7.81326%
CCMBL's Proportionate Share of the OPEB Liability	\$ <u>4,232,891</u>	\$ <u>5,094,772</u>	\$ <u>6,637,555</u>	\$ <u>6,873,170</u>	\$ <u>7,492,215</u>
CCMBL's Covered Payroll	\$ <u>4,922,558</u>	\$ <u>8,065,055</u>	\$ <u>7,463,027</u>	\$ <u>7,517,154</u>	\$ <u>7,413,221</u>
CCMBL's Proportionate Share of the Net OPEB Liability as a Percentage of Its Covered Payroll	<u>85.99%</u>	<u>63.17%</u>	<u>88.94%</u>	<u>91.43%</u>	<u>101.07%</u>
Plan's Proportionate Share of the Fiduciary Net Positions as a Percentage of the Total OPEB Liability	<u>54.70%</u>	<u>43.79%</u>	<u>36.02%</u>	<u>31.23%</u>	<u>24.80%</u>

¹ Historical information is presented only for measurement periods for which GASB 75 is presented for periods after GASB 75 implementation in 2014-2015

**City of Culver City
Municipal Bus Lines
(An Enterprise Fund of the City of Culver City)
Schedule of the CCMBL's Proportionate Share of the Net OPEB
and Related Ratios (Continued)**

Last Ten Fiscal Years

Other Postemployment Benefits (OPEB) - CCMBL

	June 30, 2016	June 30, 2015 ¹
CCMBL's Proportion of the OPEB Liability	7.81326%	7.81326%
CCMBL's Proportionate Share of the OPEB Liability	\$ 7,758,412	\$ 8,784,061
CCMBL's Covered Payroll	\$ 6,854,973	\$ 6,176,208
CCMBL's Proportionate Share of the Net OPEB Liability as a Percentage of Its Covered Payroll	113.18%	142.22%
Plan's Proportionate Share of the Fiduciary Net Positions as a Percentage of the Total OPEB Liability	18.96%	13.47%

**City of Culver City
Municipal Bus Lines
(An Enterprise Fund of the City of Culver City)
Schedule of the Contributions – OPEB**

Last Ten Fiscal Years

Other Postemployment Benefits (OPEB) - CCMBL

	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>
Actuarially determined contribution	\$ 557,946	\$ 720,304	\$ 707,022	\$ 694,208	\$ 736,165
Contributions in relation the actuarially determined contributions	(474,213)	(474,525)	(873,238)	(854,771)	(862,350)
Contributions deficiency (excess)	<u>\$ 83,734</u>	<u>\$ 245,779</u>	<u>\$ (166,216)</u>	<u>\$ (160,563)</u>	<u>\$ (126,185)</u>
Covered payroll	\$ 4,922,558	\$ 8,065,055	\$ 7,643,027	\$ 7,517,154	\$ 7,413,221
Contributions as a percentage of covered payroll	11.33%	8.93%	9.25%	9.23%	9.93%

¹ GASB 75 requires this information for plans funding with OPEB trusts be reported in the employer's required Supplementary Information for 10 years or as many years as are available upon implementation. The plan was not funded with an OPEB trust prior to 6/30/12.

² The June 30, 2015 actuarial valuation provided the Actuarially Determined Contributions for fiscal years ended 6/30/16 and 6/30/17, and the June 30, 2017 actuarial valuation provided the Actuarially Determined Contributions for fiscal year ended 6/30/18 and 6/30/19.

Notes to Schedule:

Valuation date: June 30, 2019

Methods and assumptions used to determin contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll
Remaining amortization period	20-year fixed period for the 2019/20 ADC
Asset valuation method	Investment gains and losses spread over a 5-year rolling period.
Inflation	2.75%
Medical Trend	Non-Medicare: 7.50% for 2019, decreasing to an ultimate rate of 4.00% 2076; Medicare: 6.50% for 2019, decreasing to an ultimate rate of 4.00% 2076;
Salary increases	3.00%
Investment rate of return	6.50%
Retirement age	Based on CalPERS 1997-2015 Experience Study.
Mortality	CalPERS 1997-2011 experience study

**City of Culver City
Municipal Bus Lines
(An Enterprise Fund of the City of Culver City)
Schedule of the Contributions – OPEB (Continued)**

Last Ten Fiscal Years

Other Postemployment Benefits (OPEB) - CCMBL

	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2013-12</u>	<u>2012-11¹</u>
Actuarially determined contribution	\$ 722,023	\$ 770,778	\$ 763,981	\$ 673,581	\$ 660,690
Contributions in relation the actuarially determined contributions	<u>(880,007)</u>	<u>(770,778)</u>	<u>(783,514)</u>	<u>(596,230)</u>	<u>(596,542)</u>
Contributions deficiency (excess)	\$ <u>(157,984)</u>	\$ <u>-</u>	\$ <u>(19,533)</u>	\$ <u>77,351</u>	\$ <u>64,148</u>
 Covered payroll	 \$ 6,854,973	 \$ 6,176,208	 \$ 5,640,100	 \$ 5,837,227	 \$ 5,527,398
Contributions as a percentage of covered payroll	10.53%	12.48%	13.55%	11.54%	11.95%

SUPPLEMENTARY INFORMATION

**City of Culver City
Municipal Bus Lines
(An Enterprise Fund of the City of Culver City)
Schedule of Sources of Operating Revenues and Capital Grants
Years Ended June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
The following is detail of the sources of operating revenues received:		
Passenger fares, TAP Card, EZ Pass, BruinGo, and Miscellaneous Revenue	\$ <u>775,096</u>	\$ <u>1,867,775</u>
Operating Grants:		
Capital grant revenues used to fund operating expenses (FTA) (sec 9/5307)	12,249,058	2,649,426
Transportation Development Act-Article 4 (LTF)	4,612,255	5,749,508
State Transit Assistance (STA)	774,517	1,126,006
Proposition A Discretionary	3,643,789	3,566,575
Proposition C Transit Service Expansion	247,175	252,811
Proposition C BSIP Overcrowding	172,727	176,666
Proposition C Foothill Mitigation	158,028	217,384
Proposition C Discretionary Operating (security)	300,645	404,087
Proposition C Discretionary - MOSIP	183,876	1,278,309
Measure R- Sales Tax	1,792,915	2,376,766
Measure M - OP	1,767,718	2,458,354
SBI- STA	582,838	423,267
SB1- State of Good Repair Funds	232,285	384,053
Low Carbon Fuel Standard Credits	173,302	135,824
EIR Transit Mitigation Fund	142,183	119,971
CNG excise tax credit	33,807	48,358
Total operating grants	<u>27,067,118</u>	<u>21,367,365</u>
Other revenues:		
Proposition C local return (transfer in)	345,558	410,737
Proposition A local return (transfer in)	721,022	807,503
Measure R (transfer in)	225,209	251,203
Interest earnings	24,144	180,153
Bus Advertising and Rent/Concessions	239,228	340,490
Miscellaneous	10,176	386,005
Total other revenues	<u>1,565,337</u>	<u>2,376,091</u>
Total passenger fares, operating grants and other revenues	\$ <u>29,407,551</u>	\$ <u>25,611,231</u>
Capital grants/revenues:		
Federal Transit Administration Section 9 Grant (Sect 9/5307)	\$ 1,798,365	\$ 60,998
MTA projects	27,545	3,473,582
AQMD- Discretionary	36,000	1,130
Proposition C Discretionary - MOSIP	-	163,155
LA WA Settlement Funds	-	125,000
Proposition I B Metro Bridge/Metro Bridge Transit Security	-	402,419
Prop 18 PTMISEA capital	-	572,013
Others - Farebox and Station	106,380	853,219
Miscellaneous capital related revenues	250,070	13,650
Total capital grants/revenues	\$ <u>2,218,360</u>	\$ <u>5,665,166</u>

**City of Culver City
Municipal Bus Lines
(An Enterprise Fund of the City of Culver City)
Schedule of Farebox Recovery Ratio Calculation
Years Ended June 30, 2021 and 2020**

The CCMBL is subject to the provisions of TDA Section 99268.3 and must maintain a minimum fare ratio of 20%.

For the years ended June 30, 2021 and 2020, the CCMBL's Farebox recovery ratio of operating revenues to operating expenses are as follows:

	2021	2020
Operating revenues:		
Passenger fares	\$ 775,096	\$ 1,867,775
Bus Advertising and Rent/Concessions	239,228	340,490
Local support:		
Measure R Operating Revenues, net	1,792,915	2,376,766
Measure M Operating Revenues, net	1,767,718	1,005,529
Proposition A local return (transfer in)	721,022	-
Total operating revenues	\$ 5,295,979	\$ 5,590,560
Operating expenses	\$ 27,441,047	\$ 31,147,351
Less: Depreciation expense	(3,486,815)	(3,194,849)
Total operating expenses, excluding depreciation	\$ 23,954,232	\$ 27,952,502
Farebox recovery ratio	22%	20%

**City of Culver City
Municipal Bus Lines
(An Enterprise Fund of the City of Culver City)
Schedule of 50% Expenditures Limitation Test Article IV Funds
Years Ended June 30, 2021 and 2020**

	2021	2020
1 Total operating expenses before depreciation	\$ 23,954,232	\$ 27,952,502
2 Total depreciation	3,486,815	3,194,849
3 Total capital outlay	3,589,048	6,512,591
4 Debt service requirement (principal)	-	-
5 Total (lines 1, 2, 3, and 4)	31,030,095	37,659,942
6 Less federal grants expended	14,047,423	2,710,425
7 Less Local Transportation Fund capital intensive programs	-	-
8 Less State Transit Assistance Fund/SB1 Fund monies received	1,357,355	1,549,273
9 Total (lines 6, 7, and 8)	15,404,778	4,259,698
10 Total (lines 5 less 9)	15,625,317	33,400,244
11 50% of line 10	7,812,659	16,700,122
12 Add amount of Local Transportation Funds claimed in excess of line 9 for match to federal operating grants	-	-
13 Add Local Transportation Funds Capital Intensive Programs	-	-
14 Total permissible Local Transportation Funds expenditures (Sum of lines 11, 12, and 13)	\$ 7,812,659	\$ 16,700,122

**City of Culver City
Municipal Bus Lines
(An Enterprise Fund of the City of Culver City)
Schedule of PTMISEA Proposition 1B Bond Funds
Years Ended June 30, 2021 and 2020**

Proposition 1 B - The Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) Fund is a part of the State of California's Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Bond Act), approved by California voters as Proposition 1B on November 7, 2006. A total of \$19.8 billion was deposited into the PTMISEA fund, \$3.6 billion of which was made available to fund grants to project sponsors in California for approved eligible public transportation projects over a 10-year period. Proposition 1B funds can be used for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements, or for rolling stock procurement, rehabilitation, or replacement.

The Proposition 1B activity for the years ended June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Unspent Prop 1B funds, beginning	\$ 371,863	\$ 930,891
Proposition 1B funds allocated during fiscal year	-	572,013
Interest earned on unspent funds	4,699	7,290
Expense incurred	(5,929)	(1,138,331)
Unexpended project allocations, ending	\$ 370,633	\$ 371,863



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