

City of Culver City Other Postemployment Benefit Plan

Culver City, California

Independent Auditors' Report and Financial Statements

For the Year Ended June 30, 2020



City of Culver City
Other Postemployment Benefit Plan
For the Year Ended June 30, 2020

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of City of Culver City Other Postemployment Benefit Plan (the "Plan"), which comprise the Statement of Fiduciary Net Position as of June 30, 2020, and the related Statement of Changes in Fiduciary Net Position for the year then ended, and the related notes to the financial statements.

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.

Auditors' 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. 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 auditors' 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 City'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 City'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 Plan's fiduciary net position as of June 30, 2020, and the respective changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Honorable Mayor and the Members of the City Council
of the City of Culver City
Culver City, California
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Emphasis of Matter

As discussed in Note 2A, the financial statements present only the Plan and do not purport to, and do not, present fairly the financial position of the City of Culver City, California, as of June 30, 2020, or the changes in its net position 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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in the Net Other Postemployment Benefits (“OPEB”) Liability and Related Ratios, the Schedule of OPEB Contributions, and the Schedule of Annual Money-Weighted Rate of Return on OPEB Plan Investments on pages 14 through 18 be presented to supplement the financial statements. Such 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 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 Management’s Discussion and Analysis 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.

The PwC Group, LLP

Santa Ana, California
December 29, 2020

City of Culver City
Other Postemployment Benefit Plan
Statement of Fiduciary Net Position
June 30, 2020

ASSETS:

Cash	\$ 6,917
Investments, at fair value:	
Money market funds	132,592
Mutual funds - Equity	32,733,694
Mutual funds - Fixed Income	17,918,744
Total investments	<u>50,785,030</u>
Accrued interest	<u>20</u>
Total assets	<u><u>50,791,967</u></u>

FIDUCIARY NET POSITION:

Held in trust for other postemployment benefits	<u><u>\$ 50,791,967</u></u>
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City of Culver City
Other Postemployment Benefit Plan
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2020

ADDITIONS:

Employer contributions	\$ 6,073,330
Investment earnings:	
Net appreciation in fair value of investments, net of investment expenses	1,873,450
Interest	3,824
Dividends	1,087,164
Total investment earnings, net	<u>2,964,438</u>
Total additions	<u>9,037,768</u>

DEDUCTIONS:

Benefits paid to participants	6,059,415
Administrative expenses	13,915
Total deductions	<u>6,073,330</u>

Net increase in fiduciary net position 2,964,438

FIDUCIARY NET POSITION:

Beginning of year	<u>47,827,529</u>
End of year	<u>\$ 50,791,967</u>

City of Culver City
Other Postemployment Benefit Plan
Notes to the Financial Statements
For the Year Ended June 30, 2020

Note 1 – Plan Description

The City of Culver City, California (the “City”) provides other postemployment benefits (“OPEB”), such as healthcare benefits to eligible retirees and their dependents through the City of Culver City Other Postemployment Benefits Plan (the “Plan”). Benefit levels are established through agreements and memorandums of understanding between the City and employees or bargaining groups. The City also established the irrevocable Postemployment Welfare Benefits Program Trust (the “Trust”). The Trust is intended to provide for funding of OPEB for employees who meet the age and service requirements outlined in the City’s plan documents as further discussed below. The California Public Employment Retirement System (“CalPERS”) administers the City’s OPEB Plan, a single-employer defined benefit plan. The Plan’s board of trustees consists of the members of the City Council. Benefit provisions are established and may be amended by the City Council.

Membership of the Plan consisted of the following at June 30, 2019, the date of the latest actuarial valuation:

Inactive plan members or beneficiaries currently receiving benefit payments	543
Inactive plan members entitled to but not yet receiving benefit payments	69
Active plan members	634
Total	1,246

Benefit Provisions and Eligibility

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

Participants who retired before January 1, 2007 are eligible for a City contribution up to 100% of the average of Kaiser and CalPERS Care Premiums.

Participants who retired between January 1, 2007 and December 31, 2011 are eligible for a City contribution up to 70% of the CalPERS 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 (excluding members of the Culver City Police Officers Association):

- 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 \$547 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%.

City of Culver City
Other Postemployment Benefit Plan
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Plan Description (Continued)

Benefit Provisions and Eligibility (Continued)

Participants with at least twenty years of City service that were members of the Culver City Police Officers Association with more than one enrolled dependent are eligible for an additional \$300 per month reimbursement until dependent not eligible.

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. PEMHCA minimum for calendar year 2020 and 2019 were \$139 and \$136 per month, respectively.

Contributions

The obligation of the City to contribute to the Plan is established and may be amended by the City Council. Employees are not required to contribute to the Plan. The actuarially determined contribution ("ADC") of the employer is an amount actuarially determined in accordance with the parameters of GASB Statements 74. The ADC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The ADC for the year ended June 30, 2020 was \$9,219,000 or 14.77% of estimated covered payroll. Administrative costs are financed through investment earnings. The employer contribution for the year ended June 30, 2020 was \$6,073,330.

Note 2 – Summary of Significant Accounting Policies

A. Measurement Focus, Basis of Accounting, and Basis of Presentation

The accompanying financial statements present only the Plan and are not intended to present the financial position, changes in financial position, or cash flows of the City in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The accompanying financial statements are prepared in accordance with U.S. GAAP as applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing accounting and financial reporting principles.

The Trust established under the Plan is reported as Fiduciary Fund. It is accounted for using the "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) are included on the Statement of Net Fiduciary Position. The Statement of Changes in Fiduciary Net Position presents increases (addition) and decreases (deduction) in total fiduciary net position. Contributions to the Trust are recognized in the period in which the contributions are due. Benefits are recognized when due and payable in accordance with the terms of the Plan.

B. Investment

Investments are reported at fair value (quoted market price or best available estimate thereof), except for money market mutual funds, which are reported at amortized costs, which approximate fair value. The City has appointed the Administrative Committee (the "Committee") to oversee certain policies and procedures related to the operating and administration of the Trust, including implementation of the investment policy.

City of Culver City
Other Postemployment Benefit Plan
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 2 – Summary of Significant Accounting Policies (Continued)

C. Fair Value Measurement

U.S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosure about fair value measurement. Investments, unless otherwise specified at fair value in the financial statements, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

- Level 1 – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.
- Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the assets or liabilities through corroboration with market data at the measurement date.
- Level 3 – Unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

D. Investment Expenses

Investment expenses are included in the net appreciation (depreciation) of fair value of investments.

E. Use of Estimates

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

F. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rates, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such change could materially affect the amounts reported in the Statement of Fiduciary Net Position.

The total OPEB liabilities and net OPEB liabilities disclosed in the Notes to the Financial Statements are measured based on certain assumptions, including the long-term rate of return on OPEB investments, inflation rates, employee demographics and health care cost trend rates. These uncertainties inherent in the estimation and assumptions may be material to the financial statements. Actual results could vary from the estimates and assumptions.

G. Administrative Expenses

Administrative expenses include professional fees, contractor administrator fees, investment advisor fees and trust fees.

City of Culver City
Other Postemployment Benefit Plan
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 3 – Investments

A. Investment Policy

The Plan’s policy in regard to the allocation of invested assets is established and may be amended by the City Council by a majority vote of its members. It is the policy of the City Council to enhance the economic status of the Plan while protecting funds under management.

The following is the Council’s adopted asset allocation policy adopted on February 18, 2016:

Asset Class	Target Allocation	Investment Range
Growth Assets:		
Domestic Equity	44%	29%-59%
International Equity	23%	8%-38%
Other	0%	0%-10%
Income Assets:		
Fixed Income	33%	15%-53%
Other	0%	0%-10%
Real Return Assets	0%	0%-10%
Cash Equivalents	0%	0%-20%
	<u>100%</u>	

B. Fair Value Measurement

At June 30, 2020, investments are reported at fair value. The following table presents the fair value measurements of investments on a recurring basis and the levels with the fair value hierarchy in which the fair value measurements fall at June 30, 2020:

Investment Type	Measurement Inputs		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Uncategorized	Total
Money market funds	\$ -	\$ 132,592	\$ 132,592
Mutual funds - Equity	32,733,694	-	32,733,694
Mutual funds - Fixed Income	17,918,744	-	17,918,744
Total Investments	<u>\$ 50,652,438</u>	<u>\$ 132,592</u>	<u>\$ 50,785,030</u>

C. Risk Disclosures

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is subjected to the changes in market interest rates.

City of Culver City
Other Postemployment Benefit Plan
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 3 – Investments (Continued)

C. Risk Disclosures (Continued)

Interest Rate Risk (Continued)

The following table shows the maturity date of the Plan’s investments at June 30, 2020:

Investment Type	Fair Value	Investment Maturity Less Than 1 Year
Money market funds	\$ 132,592	\$ 132,592
Mutual funds - Equity	32,733,694	32,733,694
Mutual funds - Fixed Income	17,918,744	17,918,744
Total Investments	\$ 50,785,030	\$ 50,785,030

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

The following table shows the distribution of the Plan’s investments by rating at June 30, 2020:

Investment Type	Fair Value	AA	Not Rated
Money market funds	\$ 132,592	\$ -	\$ 132,592
Mutual funds - Equity	32,733,694	-	32,733,694
Mutual funds - Fixed Income	17,918,744	17,918,744	-
Total Investments	\$ 50,785,030	\$ 17,918,744	\$ 32,866,286

Custodial Credit Risk

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty (e.g., broker-dealer), the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Plan investments are held by US Bank, the trustee for the Plan investments.

Investment Concentration

The following table shows the fair value of investments representing 5% or more of the Plan’s fiduciary net position at June 30, 2020:

Investments	Fair Value	% of Investments over Fiduciary Net Position
Mutual funds - Equity:		
JOHCM International Select Fund Class I	\$ 3,230,852	6%
Vanguard Total Stock Market Index Admiral	3,606,921	7%
Vanguard International Value	3,398,606	7%
Vanguard Total Stock Market Index #855	15,686,997	31%
Mutual funds - Fixed Income:		
Baird Core Plus Bond Fund Institutional	3,947,687	8%
Doubleline Core Fix Income I	2,702,510	5%
Pgim Total Return Bond CI R6	4,615,302	9%

City of Culver City
Other Postemployment Benefit Plan
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 3 – Investments (Continued)

C. Risk Disclosures (Continued)

Investment Concentration (Continued)

The remainder of the investments are less than 5% of the Plan’s fiduciary net position at June 30, 2020.

D. Annual Money-Weighted Rate of Return

For the year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 6.49 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 4 – Net OPEB Liability of the City

The components of the net OPEB liability of the City at June 30, 2020, were as follows:

Total OPEB Liability	\$ 115,998,695
Plan fiduciary net position	50,791,967
Net OPEB liability	\$ 65,206,728
Plan fiduciary net position as a percentage of the total OPEB liability	43.79%

A. Actuarial Assumptions

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

Discount rate	6.50% at June 30, 2020
Expected long-term rate of return	6.50% at June 30, 2019
General inflation	2.75%
Aggregate payroll increases	3.00%
Merit payroll increase	CalPERS 1997-2015 Experience Study
PEMHCA minimum amount increases	4.25% annually
Mortality, Retirement, disability, and termination	CalPERS 1997-2015 Experience Study
Mortality improvement scale	Mortality projected fully generational with Scale MP-2019
Medical trend	Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4.00% in 2076; Medicare - 6.30% for 2021, decreasing to an ultimate rate of 4.00% in 2076.

The actuarial assumption used in the June 30, 2019 valuation and were rolled forward to the June 30, 2020 measurement date.

City of Culver City
Other Postemployment Benefit Plan
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 4 – Net OPEB Liability of the City (Continued)

A. Actuarial Assumptions (Continued)

The long-term expected rate of return on OPEB plan investments was presented as geometric means and 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	Target Allocation	Expected Real Rate of Return
Growth Assets:		
Domestic Equity	44.00%	4.53%
International Equity	23.00%	4.93%
Income Assets:		
Fixed Income	33.00%	1.47%
	100.00%	
	Assumed long-term rate of inflation	2.75%
	Assumed long-term investment expenses	0.40%
	Expected long-term net rate of return	6.50%

B. Discount Rate

The discount rate used to measure the total OPEB liability was 6.50 percent. 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.

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

The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current discount rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Net OPEB Liability	\$ 79,607,953	\$ 65,206,728	\$ 53,261,575

City of Culver City
Other Postemployment Benefit Plan
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 4 – Net OPEB Liability of the City (Continued)

D. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.50 percent decreasing to 3.00 percent) or 1-percentage point higher (7.50 percent decreasing to 5.00 percent) than the current healthcare cost trend rates:

	Healthcare Cost Trend Rates		
	1% Decrease (6.25% Non-Medicare and 5.30% Medicare decreasing to 3.00%)	(7.25% Non-Medicare and 6.30% Medicare decreasing to 4.00%)	1% Increase (8.25% Non-Medicare and 7.30 Medicare decreasing to 5.00%)
Net OPEB Liability	\$ 52,906,548	\$ 65,206,728	\$ 79,107,932

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

City of Culver City
Other Postemployment Benefit Plan
Required Supplementary Information (Unaudited)
Schedule of Changes in the Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2020

Last 10 Fiscal Years*
(Dollar amounts in thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total OPEB liability:					
Service cost	\$ 2,905	\$ 2,544	\$ 2,528	\$ 2,244	\$ 2,525
Interest	8,094	8,436	8,560	8,884	8,285
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	(11,811)	(436)	(12,111)	-
Changes of assumptions	-	(795)	-	7,174	-
Benefit payments	(5,387)	(5,759)	(5,673)	(5,795)	(5,941)
Net change in total OPEB liability	<u>5,612</u>	<u>(7,385)</u>	<u>4,979</u>	<u>396</u>	<u>4,869</u>
Total OPEB liability-beginning	<u>124,309</u>	<u>129,921</u>	<u>122,536</u>	<u>127,515</u>	<u>127,911</u>
Total OPEB liability-ending (a)	<u><u>\$ 129,921</u></u>	<u><u>\$ 122,536</u></u>	<u><u>\$ 127,515</u></u>	<u><u>\$ 127,911</u></u>	<u><u>\$ 132,780</u></u>
Fiduciary Net Position:					
Contributions - employer	\$ 9,865	\$ 11,263	\$ 11,037	\$ 10,940	\$ 11,176
Net investment income	289	319	3,037	3,191	2,662
Benefit payments	(5,387)	(5,759)	(5,673)	(5,795)	(5,941)
Administrative expense	(56)	(81)	(15)	(17)	(12)
Net change in plan fiduciary net position	<u>4,711</u>	<u>5,742</u>	<u>8,386</u>	<u>8,319</u>	<u>7,885</u>
Plan fiduciary net position-beginning	<u>12,785</u>	<u>17,496</u>	<u>23,238</u>	<u>31,624</u>	<u>39,943</u>
Plan fiduciary net position-ending (b)	<u><u>\$ 17,496</u></u>	<u><u>\$ 23,238</u></u>	<u><u>\$ 31,624</u></u>	<u><u>\$ 39,943</u></u>	<u><u>\$ 47,828</u></u>
City's net OPEB liability-ending (a) - (b)	<u><u>\$ 112,425</u></u>	<u><u>\$ 99,298</u></u>	<u><u>\$ 95,891</u></u>	<u><u>\$ 87,968</u></u>	<u><u>\$ 84,952</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	13.47%	18.96%	24.80%	31.23%	36.02%
Covered-employee payroll	\$ 47,105	\$ 52,215	\$ 56,415	\$ 57,411	\$ 58,967
City's OPEB liability as a percentage of covered-employee payroll	238.67%	190.17%	169.97%	153.22%	144.07%

Notes to Schedule:

* Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

City of Culver City
Other Postemployment Benefit Plan
Required Supplementary Information (Unaudited)
Schedule of Changes in the Net OPEB Liability and Related Ratios (Continued)
For the Year Ended June 30, 2020

Last 10 Fiscal Years*
(Dollar amounts in thousands)

	2020
Total OPEB liability:	
Service cost	\$ 2,519
Interest	8,598
Changes of benefit terms	-
Differences between expected and actual experience	(19,715)
Changes of assumptions	(2,124)
Benefit payments	(6,059)
	(16,781)
Net change in total OPEB liability	(16,781)
Total OPEB liability-beginning	132,780
Total OPEB liability-ending (a)	\$ 115,999
Fiduciary Net Position:	
Contributions - employer	\$ 6,073
Net investment income	2,964
Benefit payments	(6,059)
Administrative expense	(14)
	2,964
Net change in plan fiduciary net position	2,964
Plan fiduciary net position-beginning	47,828
Plan fiduciary net position-ending (b)	\$ 50,792
City's net OPEB liability-ending (a) - (b)	\$ 65,207
Plan fiduciary net position as a percentage of the total OPEB liability	43.79%
Covered-employee payroll	\$ 62,408
City's OPEB liability as a percentage of covered-employee payroll	104.49%

Notes to Schedule:

* Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

City of Culver City
Other Postemployment Benefit Plan
Required Supplementary Information (Unaudited)
Schedule of OPEB Contributions
For the Year Ended June 30, 2020

Last 10 Fiscal Years*
(Dollar amounts in thousands)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Actuarially determined contribution	\$ 8,456	\$ 8,621	\$ 9,778	\$ 9,945	\$ 9,241
Contributions in relation to the actuarially determined contribution	7,635	7,631	10,028	9,865	11,263
Contribution deficiency (excess)	<u>821</u>	<u>990</u>	<u>(250)</u>	<u>80</u>	<u>(2,022)</u>
Covered-employee payroll	N/A	\$ 46,399	N/A	\$ 47,105	\$ 52,215
Contributions as a percentage of covered-employee payroll	N/A	16.45%	N/A	20.94%	21.57%

Notes to Schedule:

Valuation date: June 30, 2017

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost
Amortization method	Level percentage of payroll, closed
Amortization period	20-year fixed period for 2019/20 ADC
Asset valuation method	Investment gains and losses spread over 5-year rolling period
Inflation	2.75%
Investment rate of return	6.50%
Aggregate payroll increase	3.00%
Medical trend	Non-Medicare - 7.50% for 2019, decreasing to an ultimate rate of 4.00% in 2076. Medicare - 6.50% for 2019, decreasing to an ultimate rate of 4.00% in 2076
Mortality	CalPERS 1997-2011 experience study
Mortality improvement scale	Mortality projected fully generational with Scale MP-2017

* The plan was not funded with an OPEB trust prior to June 30, 2012.

City of Culver City
Other Postemployment Benefit Plan
Required Supplementary Information (Unaudited)
Schedule of OPEB Contributions (Continued)
For the Year Ended June 30, 2020

Last 10 Fiscal Years*
(Dollar amounts in thousands)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially determined contribution	\$ 9,422	\$ 8,885	\$ 9,049	\$ 9,219
Contributions in relation to the actuarially determined contribution	11,037	10,940	11,176	6,073
Contribution deficiency (excess)	<u><u>(1,615)</u></u>	<u><u>(2,055)</u></u>	<u><u>(2,127)</u></u>	<u><u>3,146</u></u>
Covered-employee payroll	\$ 56,415	\$ 57,411	\$ 58,967	\$ 62,408
Contributions as a percentage of covered-employee payroll	19.56%	19.06%	18.95%	9.73%

City of Culver City
Other Postemployment Benefit Plan
Required Supplementary Information (Unaudited)
Schedule of Annual Money-Weighted Rate of Return on OPEB Plan Investments
For the Year Ended June 30, 2020

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Annual money-weighted rate of return, net of investment expense**	2.16%	1.39%	11.24%	9.00%	6.21%	6.49%

*Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

**This does not include management fee, trustee fee and custodial fee.