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, 2023 and 2022
with Independent Auditor's Report

VASQUEZ
+ COMPANY LLP

An independently owned member
RSM US Alliance
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As of and for the Years Ended June 30, 2023 and 2022
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655 N. Central Avenue
Suite 1550
Glendale, CA 91203

www.vasquez.cpa

213-873-1700
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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

Opinion

We have audited the 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 statements of net position as of June 30, 2023 and 2022, the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the CCMBL as of June 30, 2023 and 2022, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements 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, 2023 and 2022, the changes in its financial position, and, or where applicable, its cash flows for the years 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 Liability and Related Ratios – OPEB, and the Schedule of Contributions – OPEB on pages 34 to 41 be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the basic 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 GAAS, 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 basic financial statements, and other knowledge we obtained during our audit of the basic 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 basic 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 basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the CCMBL's financial statements. The Schedules of Sources of Operating Revenues and Capital Grants, Farebox Recovery Ratio Calculation, 50% Expenditures Limitation Test Article IV Funds, and PTMISEA Prop lB Bond Funds for the years ended June 30, 2023 and 2022 are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the CCMBL's basic financial statements for the years ended June 30, 2023 and 2022 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedules of Sources of Operating Revenues and Capital Grants, Farebox Recovery Ratio Calculation, 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 basic financial statements as a whole for the years ended June 30, 2023 and 2022.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2024, on our consideration of the 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.

Vasquez & Company LLP

Glendale, California
February 20, 2024

655 N. Central Avenue
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Glendale, CA 91203

www.vasquez.cpa

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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance 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 (*Government Auditing Standards)*, 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, 2023, and the related notes to the financial statements and have issued our report thereon dated February 20, 2024.

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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, 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.

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February 20, 2024

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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

Report on Compliance

Opinion

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 Culver City Municipal Bus Lines' (the "CCMBL") compliance as a Transit Operator for the year ended June 30, 2023.

In our opinion, City of Culver City, California complied, in all material respects, with the compliance requirements referred to above that are applicable to the City as a Transit Operator for the year ended June 30, 2023.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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. Our responsibilities under those standards and the TDA Guidebook are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for the City's compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or agreements applicable to the City as a Transit Operator.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the TDA Guidebook will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the TDA Guidebook as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the TDA Guidebook, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the TDA Guidebook, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the TDA Guidebook. Accordingly, this report is not suitable for any other purpose.

Vasquez & Company LLP

Glendale, California
February 20, 2024

FINANCIAL STATEMENTS

		June 30	
		2023	2022
ASSETS			
Current assets:			
Cash and cash equivalents	$	**13,704,755**	$ 10,394,447
Accounts receivable		**234,469**	150,761
Interest receivable		**60,935**	29,405
Due from other governments		**2,681,665**	3,297,757
Total current assets		**16,681,824**	13,872,370
Noncurrent assets:			
Capital assets:			
Not being depreciated		**7,260,717**	5,649,335
Being depreciated		**74,214,457**	73,659,922
Less accumulated depreciation		**(44,747,493)**	(40,568,136)
Total noncurrent assets		**36,727,680**	38,741,121
Total assets		**53,409,504**	52,613,491
DEFERRED OUTFLOWS OF RESOURCES			
Pension related amounts		**7,059,049**	1,974,488
Other postemployment benefits related amounts		**768,830**	1,155,080
Total deferred outflows of resources		**7,827,879**	3,129,568
LIABILITIES			
Current liabilities:			
Accounts payable		**702,495**	830,483
Salaries and benefits payable		**614,282**	523,111
Unearned revenues		**2,171,141**	2,522,423
Retention payable		**7,337**	6,094
Lease and subscription liabilities		**69,842**	-
Compensated absences, due within one year		**242,143**	502,883
Total current liabilities		**3,807,240**	4,384,994
Noncurrent liabilities:			
Lease and subscription liabilities, due in more than one year		**75,150**	-
Compensated absences, due in more than one year		**583,568**	500,157
Net pension liability		**27,205,777**	16,176,054
Net other postemployment benefits liability		**4,699,381**	4,915,774
Total noncurrent liabilities		**32,563,876**	21,591,985
Total liabilities		**36,371,117**	25,976,979
DEFERRED INFLOWS OF RESOURCES			
Pension related amounts		**644,056**	6,637,715
Other postemployment benefits related amounts		**1,376,880**	2,006,583
Total deferred inflows of resources		**2,020,936**	8,644,298
NET POSITION			
Net investment in capital assets		**36,575,352**	38,735,027
Unrestricted (deficit)		**(13,730,022)**	(17,613,245)
Total net position	$	**22,845,330**	$ 21,121,782

See accompanying notes to financial statements.

	Years ended June 30	
	2023	2022
OPERATING REVENUES		
Charges for services	$ **1,674,020**	$ 1,442,579
Other revenue	**398,683**	497,045
Total operating revenues	**2,072,703**	1,939,624
OPERATING EXPENSES		
Salaries and benefits	**16,963,342**	15,594,471
Supplies	**513,939**	451,125
Repairs and maintenance	**5,410,150**	5,368,520
Insurance	**607,882**	570,672
Administrative services	**2,899,995**	1,980,982
Consulting and contractual services	**933,730**	661,334
Depreciation and amortization	**4,204,427**	3,973,981
Total operating expenses	**31,533,465**	28,601,085
Operating loss	**(29,460,762)**	(26,661,461)
NONOPERATING REVENUES (EXPENSES)		
Interest expense	**(1,020)**	-
Intergovernmental revenue	**28,882,999**	17,302,430
Gain on sale of capital assets	**2,208**	14,827
Investment earnings (losses), net	**54,753**	(188,754)
Total nonoperating revenues (expenses)	**28,938,940**	17,128,503
Income (loss) before contribution and transfers	**(521,822)**	(9,532,958)
CONTRIBUTIONS AND TRANSFERS		
Capital contributions	**928,162**	6,861,090
Transfers in from the City of Culver City	**1,676,290**	1,483,540
Transfers out to the City of Culver City	**(359,082)**	(353,134)
Total contributions and transfers	**2,245,370**	7,991,496
Change in net position	**1,723,548**	(1,541,462)
NET POSITION		
Beginning of year	**21,121,782**	22,663,244
End of year	$ **22,845,330**	$ 21,121,782

See accompanying notes to financial statements.

	Years ended June 30 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from customers and others	**$ 1,612,065**	$ 2,241,626
Payments to suppliers of goods and services	**(10,492,441)**	(9,261,534)
Payments to employees for salaries and benefits	**(17,557,841)**	(17,320,733)
Cash received from operating grants	**29,499,091**	22,292,317
Net cash provided by (used in) operating activities	**3,060,874**	(2,048,324)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers to the City of Culver City	**(359,082)**	(353,134)
Transfers from the City of Culver City	**1,676,289**	1,483,540
Net cash provided by noncapital financing activities	**1,317,207**	1,130,406
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash received from capital grants	**928,162**	6,861,090
Acquisition of capital assets	**(1,951,598)**	(7,057,485)
Payment of lease	**(68,748)**	
Interest paid	**(1,020)**	
Proceeds from sale of capital assets	**2,208**	26,406
Net cash used in capital and related financing activities	**(1,090,996)**	(169,989)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	**23,223**	(186,816)
Cash provided by (used in) investing activities	**23,223**	(186,816)
Net increase (decrease) in cash and cash equivalents	**3,310,308**	(1,274,723)
CASH AND CASH EQUIVALENTS		
Beginning of year	**10,394,447**	11,669,170
End of year	**$ 13,704,755**	$ 10,394,447
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Operating loss	**$ (29,460,762)**	$ (26,661,461)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	**4,204,427**	3,973,981
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	**(109,357)**	286,142
(Increase) decrease in deferred outflows of resources - pensions	**(5,084,561)**	1,277,633
(Increase) decrease in deferred outflows of resources - other postemployment benefits	**386,250**	(968,421)
Decrease in accounts payable	**(127,988)**	(234,995)
Increase (decrease) in due from other governments	**29,499,091**	22,292,317
Increase in salaries and benefits payable	**91,171**	45,136
Increase (decrease) in unearned revenue	**(351,282)**	15,860
Increase in retention payable	**1,243**	6,094
Increase (decrease) in compensated absences	**(177,329)**	27,336
Increase (decrease) in net other postemployment benefits liability	**(216,393)**	682,883
Increase (decrease) in net pension liability	**11,029,723**	(9,087,340)
Increase (decrease) in deferred inflows of resources - pensions	**(5,993,659)**	6,440,400
Decrease in deferred inflows of resources - other postemployment benefits	**(629,703)**	(143,889)
Net cash provided by (used in) operating activities	**$ 3,060,874**	$ (2,048,324)

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 in the United States of America (U.S. GAAP) within the City's Annual Comprehensive Financial Report (ACFR).

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 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.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentations, Measurement Focus, and Basis of Accounting (Continued)
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	2023	2022
Valuation Date	June 30, 2021	June 30, 2020
Measurement Date	June 30, 2022	June 30, 2021
Measurement Period	July 1, 2021 to June 30, 2022	July 1, 2020 to June 30, 2021

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	2023	2022
Valuation Date	June 30, 2021	June 30, 2021
Measurement Date	June 30, 2023	June 30, 2022
Measurement Period	July 1, 2022 to June 30, 2023	July 1, 2021 to June 30, 2022

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.

NOTE 2 CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2023 and 2022 are reported in the accompanying financial statements as follows:

Statements of Net Position:	2023	2022
Cash and cash equivalent	$ 13,704,755	$ 10,394,447

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, please refer to the City's ACFR.

NOTE 3 DUE FROM OTHER GOVERNMENTS AND INTERGOVERNMENTAL REVENUE

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

	2023	2022
Due from Federal Transit Agency	$ -	$ 206,153
Due from County of Los Angeles	1,180,647	1,817,432
Due from City of Santa Monica	149,517	-
Due from City of Torrance	2,500	-
Due from Los Angeles Metropolitan Transit Agency	1,349,001	1,274,172
Total	$ 2,681,665	$ 3,297,757

NOTE 3 DUE FROM OTHER GOVERNMENTS AND INTERGOVERNMENTAL REVENUE (CONTINUED)

Intergovernmental revenues consist of the following for the years ended June 30:

	2023	2022
Capital grant revenues used to fund operating expenses (FTA) (sec 9/5307)	$ 5,738,786	$ -
Transportation Development Act-Article 4 (LTF)	7,602,234	5,946,419
State Transit Assistance (STA)	875,700	501,143
Proposition A Discretionary	3,922,235	3,726,205
Proposition C Transit Service Expansion	260,439	252,119
Proposition C BSIP Overcrowding	181,996	176,182
Proposition C Foothill Mitigation	264,274	191,533
Proposition C Discretionary Operating (security)	366,724	395,950
Proposition C Discretionary - MOSIP	1,142,265	250,032
Measure M - OP	3,117,243	2,355,867
Measure R- Sales Tax	3,122,138	2,363,920
SBI- STA	681,166	558,819
SB1- State of Good Repair Funds	306,003	206,082
Low Carbon Fuel Standard Credits	260,057	247,270
EIR Transit Mitigation Fund	206,570	130,889
Zero Emission Infrastructure	200,000	-
Other grants	635,169	-
Total	$ 28,882,999	$ 17,302,430

NOTE 4 CAPITAL ASSETS

Summary of changes in capital assets for the years ended June 30, 2023 and 2022 were as follows:

	Balance July 1, 2022	Additions	Deletions	Transfers	Balance June 30, 2023
Capital asset, not being depreciated:					
Land	$ 1,450,214	$ -	$ -	$ -	$ 1,450,214
Construction in progress	4,199,121	1,699,953	-	(88,571)	5,810,503
Total nondepreciable assets	5,649,335	1,699,953	-	(88,571)	7,260,717
Capital asset, being depreciated:					
Machinery and equipment	47,078,569	251,646	(25,071)	88,571	47,393,715
Building improvements	26,161,045	-	-	-	26,161,045
Furniture and fixtures	420,308	-	-	-	420,308
Right-of-use SBITA asset	-	239,389	-	-	239,389
Total capital assets, being depreciated	73,659,922	491,035	(25,071)	88,571	74,214,457
Less accumulated depreciation:					
Machinery and equipment	(27,328,404)	(3,500,975)	25,071	-	(30,804,308)
Building improvements	(12,827,187)	(637,753)	-	-	(13,464,941)
Furniture and fixtures	(412,545)	(5,642)	-	-	(418,187)
Right-of-use SBITA asset	-	(60,057)	-	-	(60,057)
Total accumulated depreciation	(40,568,136)	(4,204,427)	25,071	-	(44,747,493)
Total capital assets, being depreciated, net	33,091,786	(3,713,392)	-	88,571	29,466,964
Total capital assets, net	$ 38,741,121	$ (2,013,439)	$ -	$ -	$ 36,727,680

NOTE 4 CAPITAL ASSETS (CONTINUED)

	Balance July 1, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
Capital asset, not being depreciated:					
Land	$ 1,450,214	$ -	$ -	$ -	$ 1,450,214
Construction in progress	4,158,316	1,918,105	-	(1,877,300)	4,199,121
Total nondepreciable assets	5,608,530	1,918,105	-	(1,877,300)	5,649,335
Capital asset, being depreciated:					
Machinery and equipment	43,887,558	5,139,379	(1,948,368)	-	47,078,569
Building improvements	24,283,745	-	-	1,877,300	26,161,045
Furniture and fixtures	430,852	-	(10,544)	-	420,308
Total capital assets, being depreciated	68,602,155	5,139,379	(1,958,912)	1,877,300	73,659,922
Less accumulated depreciation:					
Machinery and equipment	(25,951,395)	(3,313,799)	1,936,790	-	(27,328,404)
Building improvements	(12,172,649)	(654,538)	-	-	(12,827,187)
Furniture and fixtures	(417,445)	(5,644)	10,544	-	(412,545)
Total accumulated depreciation	(38,541,489)	(3,973,981)	1,947,334	-	(40,568,136)
Total capital assets, being depreciated, net	30,060,666	1,165,398	(11,578)	1,877,300	33,091,786
Total capital assets, net	$ 35,669,196	$ 3,083,503	$ (11,578)	$ -	$ 38,741,121

Depreciation and amortization expenses of the CCMBL were $4,204,427and $3,973,981 for the years ended June 30, 2023 and 2022, respectively.

SBITA Liabilities

In accordance with GASB Statement 96, Subscription Based Information Technology Arrangements (SBITA), the City has entered into IT software subscription agreements with various vendors with subscription terms ranging from 2-5 years. Subscription payable is measured at the present value of the subscription payments expected to be made during the subscription term. These SBITAs qualify as capital assets for accounting purposes and have been recorded at the present values of their future subscription payments as of the commencement dates using discount rates ranging from 1.85% to 2.4%.As a result of these SBITAs, the City has recorded Right-to-use assets with net book value of $179,332 and subscription liability of $144,992 as of June 30, 2023.

Year ending June 30	Principal	Interest	Total
2024	$ 69,842	$ 3,414	$ 73,257
2025	75,150	1,769	76,919
Total	$ 144,992	$ 5,183	$ 150,176

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, 2023 and 2022.

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 $2,899,995 and $1,980,982 for the years ended June 30, 2023 and 2022, 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 $1,676,290 and $1,483,540 for the years ended June 30, 2023 and 2022 respectively.

The CCMBL transferred $359,082 and $353,134 to the City for the years ended June 30, 2023 and 2022, respectively, providing financial support to cover eligible overtime costs for the Police Department and portion of Emergency Preparedness Coordinator in the Fire Department.

NOTE 7 LONG-TERM LIABILITIES

Summary of changes in long-term liabilities activity for the years ended June 30, 2023 and 2022 were as follows:

	Balance at July 1, 2022	Additions	Deletions	Balance at June 30, 2023	Due Within One Year	Due in More Than One Year
Compensated absences	**$ 1,003,040**	**$ 759,477**	**$ (936,806)**	**$ 825,711**	**$ 242,143**	**$ 583,568**
Total	**$ 1,003,040**	**$ 759,477**	**$ (936,806)**	**$ 825,711**	**$ 242,143**	**$ 583,568**

	Balance at July 1, 2021	Additions	Deletions	Balance at June 30, 2022	Due Within One Year	Due in More Than One Year
Compensated absences	$ 975,704	$ 1,265,548	$ (1,238,212)	$ 1,003,040	$ 502,883	$ 500,157
Total	$ 975,704	$ 1,265,548	$ (1,238,212)	$ 1,003,040	$ 502,883	$ 500,157

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. PEPRA 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 benefits for PEPRA 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)

Benefit Provided (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 the greater of 6% per year or the prevailing discount rate through the date of death, 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.

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.

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

Net Pension Liability

Actuarial Methods and Assumption Used to Determine Total Pension Liability

The net pension liability as of June 30, 2023 was determined using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
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 2.30% until Purchasing Power Protection allowance floor on purchasing power applies, 2.30% thereafter.

[1] The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates includes generational mortality improvement using 80% of Scale MP-2020 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 November 2021 that can be found on the CalPERS website.

Change of Assumptions

In 2022, the discount rate reduced from 7.15 percent to 6.90 percent. There were no changes in 2021.

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. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses.

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

Net Pension Liability (Continued)

Long-term Expected Rate of Return (Continued)

The expected real rates of return by asset class for June 30, 2022 measurement date are as follows:

Asset Class[1]	Assumed Asset Allocation	Real Return Years 1 - 10[2]
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Liquidity	-5.00%	59.00%
Total	100.00%	

[1] An expected inflation of 2.30% used for this period.

[2] Figures are based on the 2021 Asset Liability Management study.

Discount Rate

The discount rate used to measure the June 30, 2022 total pension liability was 6.90%. 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.

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

Net Pension Liability (Continued)

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, 2022 and 2021.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c)=(a)-(b)
Balance at June 30, 2021 (Measurement Date)	$ 86,299,462	$ 70,123,408	$ 16,176,054
Balance at June 30, 2022 (Measurement Date)	91,299,769	64,093,991	27,205,777

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

Measurement Date	2022	Measurement Date	2021
June 30, 2021	24.70%	June 30, 2020	24.70%
June 30, 2022	24.70%	June 30, 2021	24.70%
Change	0.00%	Change	0.00%

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, 2022 and 2021, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

	Plan's Net Pension Liability		
Measurement Date	Discount Rate = 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate 1% (7.90%)
June 30, 2022	$ 39,216,870	$ 27,205,777	$ 17,274,833

	Plan's Net Pension Liability		
Measurement Date	Discount Rate = 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate 1% (8.15%)
June 30, 2021	$ 27,291,822	$ 16,176,054	$ 6,952,251

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

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).

Deferred Outflows and Inflows of Resources and Pension Expense

For the measurement periods ended June 30, 2022 and 2021, the CCMBL incurred pension expenses of $3,091,411and $896,664, respectively.

As of June 30, 2023 and 2022, the CCMBL has deferred outflows and deferred inflows of resources related to pensions as follows for the miscellaneous plan:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contribution made after the measurement date	$ 2,179,747	$ -	$ 1,974,488	$ -
Difference between expected and actual experience	-	(644,056)	-	(191,186)
Changes of assumptions	1,644,081		-	-
Net difference between projected and actual earning on pension plan investments	3,235,221	-	-	(6,446,529)
Total	**$** 7,059,049	**$** (644,056)	**$** 1,974,488	**$** (6,637,715)

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 $2,179,747 and $1,974,488, are recognized as a reduction of the net pension liability in the years ending June 30, 2024 and 2023, 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 2023**	Measurement Period Ended June 30	**Deferred Outflows/ (Inflows) of Resources 2022**
2023	$ 1,129,842	2022	$ (1,768,571)
2024	859,757	2023	(1,539,360)
2025	231,619	2024	(1,547,375)
2026	2,014,028	2025	(1,782,409)
2027	-	2026	-
Thereafter	-	Thereafter	-
Total	$ 4,235,245	**Total**	$ (6,637,715)

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:

- 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 the 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 $708.66 for single coverage, increasing by up to 4% per year.

    - An additional monthly reimbursement of up to $618.56 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%.

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

General Information about the OPEB Plan (Continued)

Plan Description (Continued)

- 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.

Transit employees' membership in the plan consisted of the following at June 30, 2023 and 2022, the measurement date:

Valuation Date	June 30, 2023	June 30, 2022
Active plan members	51	49
Inactive employees or beneficiaries currently receiving benefit payments	46	45
Inactive employees or beneficiaries not currently receiving benefit payments	6	6
Total	103	100

Contribution

The obligation of the City to contribute to the plan is established and may be amended by the City Council.

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

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2023 and 2022, and was determined by an actuarial valuation as of June 30, 2021.

Actuarial assumptions

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2021
Discount Rate	6.00%
Expected Long-Term Rate of Return	6.00%
Municipal Bond Rate	N/A
Source of Municipal Bond Rate	N/A
General Inflation	2.50% annually
Salary Increases	Aggregate 2.75% annually
	Merit - CalPERS 2000-2019 Experience Study
Merit Payroll Increases	
Medical Trend, Non-Medicare	8.50% for 2024, decreasing to an ultimate rate of 3.45% in 2076
Medical Trend, Medicare (Non-Kaiser)	7.50% for 2024, decreasing to an ultimate rate of 3.45% in 2076
Medical Trend, Medicare (Kaiser)	6.25% for 2024, decreasing to an ultimate rate of 3.45% in 2076
PEMHCA Minimum Amount Increase	3.5% annually
Mortality, Retirement	CalPERS 2000-2019 Experience Study
Termination, Disability	CalPERS 2000-2019 Experience Study
Mortality Improvement Scale	MP-2021

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2020 through June 2021.

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

Net OPEB Liability (Continued)

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%	4.29%
International Equity	23%	4.67%
Income Assets:		
Fixed Income	33%	0.78%
Total	100 %	

Change of Assumptions
There were no changes in assumptions in 2023 and 2022.

Discount rate
For measurement periods ended June 30, 2023 and 2022, a discount rate of 6.0% 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.

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 OPEB liability is determined by the City's OPEB long-term projected contribution made by the CCMBL over the total OPEB plan contribution. The following table shows the CCMBL's proportionate share of the City's net OPEB liability over the measurement periods ended June 30, 2023 and 2022:

	Increase		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c)=(a)-(b)
Balance at June 30, 2022 (Measurement Date)	$ 9,293,577	$ 4,377,803	$ 4,915,774
Balance at June 30, 2023 (Measurement Date)	9,479,084	4,779,703	4,699,381

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

	2023		2022
June 30, 2022	7.81000%	June 30, 2021	7.81000%
June 30, 2023	7.81000%	June 30, 2022	7.81000%
Change	0.00000%	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, 2023 and 2022 calculated using the discount rate of 6.0%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.00%) or 1 percentage-point higher (7.00%) than the current rate:

	Plan's Net OPEB Liability		
Measurement Date	**Discount Rate - 1% (5.00%)**	**Current Discount (6.00%)**	**Discount Rate 1% (7.00%)**
June 30, 2023	**$ 5,825,409**	**$ 4,699,381**	**$ 3,756,704**

	Plan's Net OPEB Liability		
Measurement Date	Discount Rate - 1% (5.00%)	Current Discount (6.00%)	Discount Rate 1% (7.00%)
June 30, 2022	$ 6,037,202	$ 4,915,774	$ 3,978,654

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 (7.50 percent decreasing to 2.45 percent) or 1-percentage-point higher (9.50 percent decreasing to 4.45 percent) than the current healthcare cost trend rates for the measurement periods ended June 30, 2023 and 2022:

	Plan's Net OPEB Liability		
	Discount Rate - 1%	**Healthcare Cost Tread Rates**	**Discount Rate + 1%**
Measurement Date	**(7.50% decreasing to 2.45%)**	**(8.50% decreasing to 3.45%)**	**(9.50% decreasing to 4.45%)**
June 30, 2023	**$ 3,646,578**	**$ 4,699,381**	**$ 5,911,630**

	Plan's Net OPEB Liability		
	Discount Rate - 1%	Healthcare Cost Tread Rates	Discount Rate + 1%
Measurement Date	(6.25% decreasing to 3.00%)	(7.25% decreasing to 4.00%)	(8.25% decreasing to 5.00%)
June 30, 2022	$ 3,941,698	$ 4,915,774	$ 6,037,128

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, 2023 and 2022, the CCMBL has incurred OPEB expenses of $59,192 and $70,738, respectively.

At June 30, 2023 and 2022, the CCMBL reported deferred outflows of resources and inflows of resources related to OPEB as follows.

	2023		2022	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	**$ -**	**$ (1,321,595)**	$ -	$ (1,923,655)
Changes of assumptions	**597,478**	**(55,285)**	829,678	(82,928)
Net difference between projected and actual earnings on OPEB plan investments	**171,351**	**-**	325,402	-
Total	**$ 768,830**	**$ (1,376,880)**	$ 1,155,080	$ (2,006,583)

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 2023	Measurement Period Ended June 30		Deferred Outflows/ (Inflows) of Resources 2022
2024	$	(323,975)	2023	$	(355,849)
2025		(326,230)	2024		(295,876)
2026		134,007	2025		(298,131)
2027		(77,139)	2026		162,106
2028		(14,712)	2027		(49,040)
Thereafter		-	Thereafter		(14,712)
Total	$	(608,050)	**Total**	$	(851,503)

NOTE 10 DEFICIT NET POSITION

The CCMBL had a deficit unrestricted net position at June 30, 2023 and 2022 in the amount of ($13,730,022) and ($17,613,245), 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 $27,205,777 and $16,176,054 at June 30, 2023 and 2022, respectively. The net other postemployment benefits liabilities were $4,699,381 and $4,915,774 at June 30, 2023 and 2022, respectively.

NOTE 11 SUBSEQUENT EVENTS

The City has evaluated and determined that no subsequent events occurred through February 20, 2024, 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)

Last Ten Fiscal Years

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

Measurement Period ending	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
CCMBL's Proportion of the Net Pension Liability	24.70000%	24.70000%	24.70000%	24.70000%	20.44000%
CCMBL's Proportionate Share of the Net Pension Liability	$ 27,205,777	$ 16,176,054	$ 25,263,394	$ 24,325,971	$ 18,451,568
CCMBL's Covered Payroll	$ 9,356,858	$ 9,527,319	$ 9,056,110	$ 7,643,027	$ 7,517,154
CCMBL's Proportionate Share of the Net Pension Liability as a percentage of Covered Payroll	290.76%	169.79%	278.97%	318.28%	245.46%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	70.20%	81.26%	69.54%	69.51%	70.27%

[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: In 2022, the discount rate reduced from 7.15 percent to 6.90 percent. None in 2019-2021. 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.

Last Ten Fiscal Years

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

Measurement Period ending	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014[1]
CCMBL's Proportion of the Net Pension Liability	20.44000%	20.44000%	20.44000%	20.44000%
CCMBL's Proportionate Share of the Net Pension Liability	$ 18,910,557	$ 17,120,152	$ 14,330,705	$ 12,986,467
CCMBL's Covered Payroll	$ 7,413,221	$ 6,854,973	$ 6,176,208	$ 5,640,100
CCMBL's Proportionate Share of the Net Pension Liability as a percentage of Covered Payroll	255.09%	249.75%	232.03%	230.25%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	68.39%	68.56%	72.43%	73.87%

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: In 2022, the discount rate reduced from 7.15 percent to 6.90 percent. None in 2019-2021. 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.

Last Ten Fiscal Years

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

	2022-23	2021-22	2020-21	2019-20	2018-19
Actuarially determined contributions	$ 2,179,747	$ 2,934,646	$ 2,706,448	$ 2,491,415	$ 1,792,771
Contributions in relation to the actuarially determined contribution	(2,179,747)	(2,934,646)	(2,706,448)	(2,491,415)	(1,792,771)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll[2]	$ 10,058,527	$ 9,356,856	$ 9,527,319	$ 9,056,110	$ 7,643,027
Contribution as a percentage of covered payroll	21.67%	31.36%	28.41%	27.51%	23.46%

[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: In 2022, the discount rate reduced from 7.15 percent to 6.90 percent. None in 2019-2021. 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.

Last Ten Fiscal Years

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

	2017-18	2016-17	2015-16	2014-15	2013-14
Actuarially determined contributions	$ 1,496,865	$ 1,471,312	$ 1,362,229	$ 1,150,885	$ 1,327,657
Contributions in relation to the actuarially determined contribution	(1,496,865)	(1,471,312)	(1,362,229)	(1,150,885)	(1,327,657)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll[2]	$ 7,517,154	7,413,221	$ 6,854,973	$ 6,176,208	$ 5,640,100
Contribution as a percentage of covered payroll	19.91%	19.85%	19.87%	18.63%	23.54%

Schedule of Proportionate Share of the Net OPEB Liability and Related Ratios

Last Ten Fiscal Years

Other Postemployment Benefits (OPEB) - CCMBL

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
CCMBL's Proportion of the OPEB Liability	7.81000%	7.81000%	7.81000%	7.81326%	7.81326%
CCMBL's Proportionate Share of the OPEB Liability	$ 4,699,381	$ 4,915,774	$ 4,232,891	$ 5,094,772	$ 6,637,555
CCMBL's Covered Payroll	$ 10,058,527	$ 9,561,045	$ 9,527,319	$ 9,056,110	$ 7,463,027
CCMBL's Proportionate Share of the Net OPEB Liability as a Percentage of Its Covered Payroll	46.72%	51.41%	44.43%	56.26%	88.94%
Plan's Proportionate Share of the Fiduciary Net Positions as a Percentage of the Total OPEB Liability	50.40%	47.10%	54.70%	43.79%	36.02%

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

Schedule of Proportionate Share of the Net OPEB Liability and Related Ratios (Continued)

Last Ten Fiscal Years

Other Postemployment Benefits (OPEB) - CCMBL

	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015[1]
CCMBL's Proportion of the OPEB Liability	7.81326%	7.81326%	7.81326%	7.81326%
CCMBL's Proportionate Share of the OPEB Liability	$ 6,873,170	$ 7,492,215	$ 7,758,412	$ 8,784,061
CCMBL's Covered Payroll	$ 7,517,154	$ 7,413,221	$ 6,854,973	$ 6,176,208
CCMBL's Proportionate Share of the Net OPEB Liability as a Percentage of Its Covered Payroll	91.43%	101.07%	113.18%	142.22%
Plan's Proportionate Share of the Fiduciary Net Positions as a Percentage of the Total OPEB Liability	31.23%	24.80%	18.96%	13.47%

Last Ten Fiscal Years

Other Postemployment Benefits (OPEB) - CCMBL

	2022-23	2021-22	2020-21	2019-20	2018-19
Actuarially determined contribution	$ 529,362	$ 567,631	$ 557,946	$ 720,304	$ 707,022
Contributions in relation the actuarially determined contributions	(519,037)	(500,165)	(474,213)	(474,525)	(873,238)
Contributions deficiency (excess)	$ 10,325	$ 67,466	$ 83,734	$ 245,779	$ (166,216)
Covered payroll	$ 10,058,527	$ 9,561,045	$ 9,527,319	$ 9,056,110	$ 7,643,027
Contributions as a percentage of covered payroll	5.55%	5.94%	11.33%	8.93%	9.25%

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.
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, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll
Remaining amortization period	17-year fixed period for 2022/23
Asset valuation method	Investment gains and losses spread over 5-year rolling period.
Inflation	2.50%
Medical Trend	Non-Medicare - 8.50% for 2024, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Non-Kaiser) - 7.50% for 2024, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Kaiser) - 6.25% for 2024, decreasing to an ultimate rate of 3.45% in 2076
Salary increases	2.75%
Retirement age	Based on CalPERS 2000-2019 Experience Study.
Mortality	CalPERS 2000-2019 experience study

Last Ten Fiscal Years

Other Postemployment Benefits (OPEB) - CCMBL

	2017-18	2016-17	2015-16	2014-15	2013-14
Actuarially determined contribution	$ 694,208	$ 736,165	$ 722,023	$ 770,778	$ 763,981
Contributions in relation the actuarially determined contributions	(854,771)	(862,350)	(880,007)	(770,778)	(783,514)
Contributions deficiency (excess)	$ (160,563)	$ (126,185)	$ (157,984)	$ -	$ (19,533)
Covered payroll	$ 7,517,154	$ 7,413,221	$ 6,854,973	$ 6,176,208	$ 5,640,100
Contributions as a percentage of covered payroll	9.23%	9.93%	10.53%	12.48%	13.55%

SUPPLEMENTARY INFORMATION

		2023		2022
The following is detail of the sources of operating revenues received:				
Passenger fares, TAP Card, EZ Pass, BruinGo, and Miscellaneous Revenue	**$**	**1,674,020**	$	1,442,579
Operating Grants:				
Capital grant revenues used to fund operating expenses (FTA) (sec 9/5307)		**5,738,786**		-
Transportation Development Act-Article 4 (LTF)		**7,602,234**		5,946,419
State Transit Assistance (STA)		**875,700**		501,143
Proposition A Discretionary		**3,922,235**		3,726,205
Proposition C Transit Service Expansion		**260,439**		252,119
Proposition C BSIP Overcrowding		**181,996**		176,182
Proposition C Foothill Mitigation		**264,274**		191,533
Proposition C Discretionary Operating (security)		**366,724**		395,950
Proposition C Discretionary - MOSIP		**1,142,265**		250,032
Measure M - OP		**3,117,243**		2,355,867
Measure R- Sales Tax		**3,122,138**		2,363,920
SBI- STA		**681,166**		558,819
SB1- State of Good Repair Funds		**306,003**		206,082
Low Carbon Fuel Standard Credits		**260,057**		247,270
EIR Transit Mitigation Fund		**206,570**		130,889
Zero Emission Infrastructure		**200,000**		-
Other grants		**635,169**		-
Total operating grants		**28,882,999**		17,302,430
Other revenues:				
Proposition C local return (transfer in)		**403,109**		432,309
Proposition A local return (transfer in)		**971,114**		801,822
Measure R (transfer in)		**302,067**		249,409
Interest earnings (losses)		**-**		(188,754)
Bus Advertising and Rent/Concessions		**380,531**		469,983
Miscellaneous		**20,360**		41,889
Total other revenues		**2,077,181**		1,806,658
Total passenger fares, operating grants and other revenues	**$**	**32,634,200**	$	20,551,667
Capital grants/revenues:				
Federal Transit Administration Section 9 Grant (Sect 9/5307)	**$**	**-**	$	4,593,949
Proposition I B Metro Bridge/Metro Bridge Transit Security		**-**		70,525
Prop 1B PTMISEA		**1,633,601**		5,929
Prop MOSIP		**(596,964)**		1,537,236
Measure R- Clean Fuel		**(3,376)**		51,856
Zero Emission Infrastructure		**(105,099)**		105,099
Other grants		**-**		496,496
Total capital grants/revenues	**$**	**928,162**	$	6,861,090

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, 2023 and 2022, the CCMBL's Farebox recovery ratio of operating revenues to operating expenses is as follows:

	2023	2022
Operating revenues:		
Passenger fares	**$ 1,674,020**	$ 1,442,579
Bus Advertising and Rent/Concessions	**380,531**	469,983
Local support:		
Measure R Operating Revenues, net	**3,122,138**	2,363,920
Measure M Operating Revenues, net	**3,117,243**	2,355,867
Proposition A local return (transfer in)	**971,114**	801,822
Total operating revenues	**$ 9,265,047**	$ 7,434,171
Operating expenses	**$ 31,534,485**	$ 28,601,085
Less: Depreciation expense and amortization	**(4,204,427)**	(3,973,981)
Total operating expenses, excluding depreciation and amortization	**$ 27,330,058**	$ 24,627,104
Farebox recovery ratio	**34%**	30%

City of Culver City
Municipal Bus Lines
(An Enterprise Fund of the City of Culver City)
Schedules of 50% Expenditures Limitation Test Article IV Funds
Years Ended June 30, 2023 and 2022

		2023	2022
1	Total operating expenses before depreciation and amortization	**$ 27,330,058**	$ 24,627,104
2	Total depreciation and amortization	**4,204,427**	3,973,981
3	Total capital outlay, net of related debt	**1,951,599**	7,057,484
4	Debt service requirement (principal)	**-**	-
5	Total (lines 1, 2, 3, and 4)	**33,486,084**	35,658,569
6	Less federal grants expended	**5,738,786**	4,593,949
7	Less Local Transportation Fund capital intensive programs	**-**	-
8	Less State Transit Assistance Fund/SB1 Fund monies received	**1,556,866**	1,059,962
9	Total (lines 6, 7, and 8)	**7,295,652**	5,653,911
10	Total (lines 5 less 9)	**26,190,432**	30,004,658
11	50% of line 10	**13,095,216**	15,002,329
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)	**$ 13,095,216**	$ 15,002,329

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, 2023 and 2022 is as follows:

	2023	2022
Unspent Prop 1B funds, beginning	**$ 373,908**	$ 370,633
Proposition 1B funds allocated during fiscal year		
Interest earned on unspent funds	**-**	3,275
Expense incurred	**(373,908)**	-
Unexpended project allocations, ending	**$ -**	$ 373,908

655 N Central Avenue, Suite 1550 • Glendale, California 91203-1437 • Ph. (213) 873-1700 • Fax (213) 873-1777