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, 2022 and 2021
with Independent Auditor's Report

VASQUEZ
+ COMPANY LLP

An independently owned member
RSM US Alliance
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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the 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, 2022 and 2021, 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, as listed in the table of contents.

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, 2022 and 2021, and the changes in financial position and 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 audit 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 audit. 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 described in Note 1, the financial statements referred to above present only the CCMBL and do not purport to, and do not, present fairly the financial position of the City of Culver City, California, as of June 30, 2022 and 2021, the changes in its financial position, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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 Liabilities and Related Ratios - OPEB, and the Schedule of Contributions - OPEB on page 35 to 42 be presented to supplement the financial statements. Such information is the responsibility of management, although not a part of the financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our 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, 2022 and 2021 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the CCMBL's financial statements. Such information has been subjected to the auditing procedures applied in the audit of the CCMBL's financial statements for the years ended June 30, 2022 and 2021 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 financial statements as a whole for the years ended June 30, 2022 and 2021.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2023, on our consideration of the City of Culver City's internal control over CCMBL's financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over CCMBL's financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of CCMBL’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over CCMBL's financial reporting and compliance.

Vasquez & Company LLP

Glendale, California
March 30, 2023

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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, 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 years ended June 30, 2022 and 2021, and the related notes to the financial statements and have issued our report thereon dated March 30, 2023.

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.

Vasquez & Company LLP

Glendale, California
March 30, 2023

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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 CCMBL's compliance as a Transit Operator for the year ended June 30, 2022.

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 Transit Operator for the year ended June 30, 2022.

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. 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 compliance requirements referred to above.

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 have not been 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
March 30, 2023

FINANCIAL STATEMENTS

		June 30	
		2022	2021
ASSETS			
Current assets:			
Cash and cash equivalents		**$ 10,394,447**	$ 11,669,170
Accounts receivable		**150,761**	436,903
Interest receivable		**29,405**	31,343
Due from other governments		**3,297,757**	8,287,644
	Total current assets	**13,872,370**	20,425,060
Noncurrent assets:			
Capital assets:			
Not being depreciated		**5,649,335**	5,608,530
Being depreciated		**73,659,922**	68,602,155
Less accumulated depreciation		**(40,568,136)**	(38,541,489)
	Total noncurrent assets	**38,741,121**	35,669,196
	Total assets	**52,613,491**	56,094,256
DEFERRED OUTFLOWS OF RESOURCES			
Pension related amounts		**1,974,488**	3,252,121
Other postemployment benefits related amounts		**1,155,080**	186,659
	Total deferred outflows of resources	**3,129,568**	3,438,780
LIABILITIES			
Current liabilities:			
Accounts payable		**830,483**	1,065,478
Salaries and benefits payable		**523,111**	477,975
Unearned revenues		**2,522,423**	2,506,563
Retention payable		**6,094**	-
Compensated absences, due within one year		**502,883**	615,854
	Total current liabilities	**4,384,994**	4,665,870
Noncurrent liabilities:			
Compensated absences, due in more than one year		**500,157**	359,850
Net pension liabilities		**16,176,054**	25,263,394
Net other postemployment benefits liabilities		**4,915,774**	4,232,891
	Total noncurrent liabilities	**21,591,985**	29,856,135
	Total liabilities	**25,976,979**	34,522,005
DEFERRED INFLOWS OF RESOURCES			
Pension related amounts		**6,637,715**	197,315
Other postemployment benefits related amounts		**2,006,583**	2,150,472
	Total deferred inflows of resources	**8,644,298**	2,347,787
NET POSITION			
Net investment in capital assets		**38,735,027**	35,669,196
Unrestricted (deficit)		**(17,613,245)**	(13,005,952)
	Total net position	**$ 21,121,782**	$ 22,663,244

See accompanying notes to financial statements.

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

	Years ended June 30 2022	2021
OPERATING REVENUES		
Charges for services	$ 1,442,579	$ 775,096
Other revenue	497,045	249,404
Total operating revenues	1,939,624	1,024,500
OPERATING EXPENSES		
Salaries and benefits	15,594,471	16,521,399
Supplies	451,125	349,330
Repairs and maintenance	5,368,520	3,849,206
Insurance	570,672	648,476
Administrative services	1,980,982	1,922,765
Consulting and contractual services	661,334	663,056
Depreciation	3,973,981	3,486,815
Total operating expenses	28,601,085	27,441,047
Operating loss	(26,661,461)	(26,416,547)
NONOPERATING REVENUES (EXPENSES)		
Intergovernmental revenue	17,302,430	27,067,118
Gain on sale of assets	14,827	-
Investment earnings (loss), net	(188,754)	24,144
Total nonoperating revenues (expenses)	17,128,503	27,091,262
Income (loss) before contribution and transfers	(9,532,958)	674,715
CONTRIBUTIONS AND TRANSFERS		
Capital contributions	6,861,090	2,218,360
Transfers from the City of Culver City	1,483,540	1,291,789
Transfers to the City of Culver City	(353,134)	(300,000)
Total contributions and transfers	7,991,496	3,210,149
Change in net position	(1,541,462)	3,884,864
NET POSITION		
Beginning of year	22,663,244	18,778,380
End of year	$ 21,121,782	$ 22,663,244

See accompanying notes to financial statements.

	Years ended June 30	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from customers and others	**$ 2,241,626**	$ 698,510
Payments to suppliers of goods and services	**(9,261,534)**	(8,508,452)
Payments to employees for salaries and benefits	**(17,320,733)**	(16,273,265)
Net cash used in operating activities	**(24,340,641)**	(24,083,207)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash received from operating grants	**22,292,317**	24,918,191
Transfers to the City of Culver City	**(353,134)**	(300,000)
Transfers from the City of Culver City	**1,483,540**	1,291,789
Net cash provided by noncapital financing activities	**23,422,723**	25,909,980
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash received from capital grants	**6,861,090**	2,218,360
Acquisition of capital assets	**(7,057,485)**	(3,628,835)
Proceeds from sale of capital assets	**26,406**	-
Net cash used in capital and related financing activities	**(169,989)**	(1,410,475)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received (investment loss)	**(186,816)**	27,144
Cash provided by (used in) investing activities	**(186,816)**	27,144
Net increase (decrease) in cash and cash equivalents	**(1,274,723)**	443,442
CASH AND CASH EQUIVALENTS		
Beginning of year	**11,669,170**	11,225,728
End of year	$ **10,394,447**	$ 11,669,170
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating loss	$ **(26,661,461)**	$ (26,416,547)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	**3,973,981**	3,486,815
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	**286,142**	(325,990)
Decrease in deferred outflows of resources - pensions	**1,277,633**	113,743
(Increase) decrease in deferred outflows of resources - other postemployment benefits	**(968,421)**	93,525
Decrease in accounts payable	**(234,995)**	(1,075,619)
Increase in salaries and benefits payable	**45,136**	64,872
Increase in unearned revenue	**15,860**	-
Increase in retention payable	**6,094**	-
Increase (decrease) in compensated absences	**27,336**	(99,236)
Increase (decrease) in net other postemployment benefits liability	**682,883**	(861,881)
Increase (decrease) in net pension liabilities	**(9,087,340)**	937,423
Increase (decrease) in deferred inflows of resources - pensions	**6,440,400**	(235,834)
Increase (decrease) in deferred inflows of resources - other postemployment benefits	**(143,889)**	235,522
Net cash used in operating activities	$ **(24,340,641)**	$ (24,083,207)

See accompanying notes to financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Cash and Cash Equivalents

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

Grant Revenues and Receivables

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

Capital Assets

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

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

Unearned Revenue

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

Compensated Absences

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (Continued)

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

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

Pension

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

The following timeframes are used for pension reporting:

CalPERS	2022	2021
Valuation Date	June 30, 2020	June 30, 2019
Measurement Date	June 30, 2021	June 30, 2020
Measurement Period	July 1, 2020 to June 30, 2021	July 1, 2019 to June 30, 2020

Gains and losses related to changes in total 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	2022	2021
Valuation Date	June 30, 2021	June 30, 2019
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 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, 2022 and 2021 are reported in the accompanying financial statements as follows:

Statements of Net Position:	2022	2021
Cash and cash equivalent	$ 10,394,447	$ 11,669,170

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:

		2022		2021
Due from Federal Transit Agency	**$**	**206,153**	$	7,175,074
Due from County of Los Angeles		**1,817,432**		976,186
Due from City of Santa Monica		**-**		110,663
Due from Los Angeles Metropolitan Transit Agency		**1,274,172**		25,388
Others		**-**		333
Total	**$**	**3,297,757**	$	8,287,644

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

		2022		2021
Federal Transit Administration	**$**	**-**	$	12,249,058
Transportation Development Act-Article 4 (LTF)		**5,946,419**		4,612,255
State Transit Assistance (STA)		**501,143**		774,517
Proposition A Discretionary		**3,726,205**		3,643,789
Proposition C		**1,265,816**		1,062,451
Measure M		**2,355,867**		1,767,718
Measure R		**2,363,920**		1,792,915
SBI- STA		**558,819**		582,838
SB1- State of Good Repair Funds		**206,082**		232,285
Low Carbon Fuel Standard Credits		**247,270**		173,302
EIR Transit Mitigation Fund		**130,889**		142,183
CNG Excise Tax Credit		**-**		33,807
Total	**$**	**17,302,430**	$	27,067,118

NOTE 4 CAPITAL ASSETS

Summary of changes in capital assets for the years ended June 30, 2022 and 2021 were as follows:

	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	5,139,380	(1,948,369)	-	47,078,569
Building and 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	5,139,380	(1,958,913)	1,877,300	73,659,922
Less accumulated depreciation:					
Machinery and equipment	(25,951,395)	(3,313,802)	1,936,790	-	(27,328,407)
Building and improvements	(12,172,649)	(654,537)	-	-	(12,827,186)
Furniture and fixtures	(417,445)	(5,642)	10,544	-	(412,543)
Total accumulated depreciation	(38,541,489)	(3,973,981)	1,947,334	-	(40,568,136)
Total capital assets, being depreciated, net	30,060,666	1,165,399	(11,579)	1,877,300	33,091,786
Total capital assets, net	$ 35,669,196	$ 3,083,504	$ (11,579)	$ -	$ 38,741,121

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

Depreciation expenses of the CCMBL were $3,973,981 and $3,486,815 for the years ended June 30, 2022 and 2021, respectively.

NOTE 5 SELF-INSURANCE PROGRAM

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

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

As of May 1, 1987, the CCMBL became self-insured for the first $250,000 of each general liability claim. The City has agreed to support CCMBL in the event it cannot pay its obligation of self-insured liabilities on a timely basis. Refer to the City's ACFR for information about outstanding claims payable at June 30, 2022 and 2021.

NOTE 6 TRANSACTIONS WITH THE CITY OF CULVER CITY

The City provides administrative services and allocates certain administrative and overhead costs to the CCMBL based upon a cost allocation plan. Costs are allocated based on specific relevant measurable units associated with each department. Such allocated costs applicable to the CCMBL aggregated $1,980,982 and $1,922,765 for the years ended June 30, 2022 and 2021, 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 $1,483,540 and $1,291,789 for the years ended June 30, 2022 and 2021, respectively.

The CCMBL transferred $353,134 and $300,000 to the City for the years ended June 30, 2022 and 2021, 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, 2022 and 2021 were as follows:

	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**

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

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 benefit 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)

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.

Employees Covered by Benefit Terms

At June 30, 2020 and 2019, the valuation dates, the following employees were covered by the benefit terms under the City's miscellaneous plan:

Valuation Date	**2020**	2019
Active employees	121	127
Transferred and teminated employees	31	24
Retired Employees and Beneficiaries	62	55
Total	214	206

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

General Information about the Pension Plan (Continued)

Contributions

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

Net Pension Liability

Actuarial Methods and Assumption Used to Determine Total Pension Liability

The total pension liabilities reported at June 30, 2022 and 2021 were measured as of June 30, 2021 and 2020, determined by actuarial valuations as of June 30, 2020 and 2019, respectively, and rolled forward to the respective year-ends. The June 30, 2021 and 2020, total pension liabilities were calculated based on the following actuarial methods and assumptions:

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

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

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

Net Pension Liability (Continued)

Change of Assumptions
There were no changes in assumptions in 2021 and 2020.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first I0 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class for 2021 and 2020 are as follows:

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

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

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

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

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

Net Pension Liability (Continued)

Discount Rate

The discount rate used to measure the June 30, 2021 and 2020 total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Proportionate Share of Net Pension Liability

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

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (c)=(a)-(b)**
Balance at June 30, 2020 (Measurement Date)	$ 82,938,351	$ 57,674,957	$ 25,263,394
Balance at June 30, 2021 (Measurement Date)	86,299,462	70,123,408	16,176,054

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

Measurement Date	2021	Measurement Date	2020
June 30, 2020	24.70%	June 30, 2019	24.70%
June 30, 2021	24.70%	June 30, 2020	24.70%
Change	0.00%	Change	0.00%

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

Net Pension Liability (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate
The following presents the net pension liability of the Plan as of the measurement date of June 30, 2021 and 2020, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate:

	Plan's Net Pension Liability		
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

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

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

For the measurement periods ended June 30, 2021 and 2020, the CCMBL incurred pension expenses of $896,664 and $3,231,822, respectively.

As of June 30, 2022 and 2021, the CCMBL has deferred outflows and deferred inflows of resources related to pensions as follows for the miscellaneous plan:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contribution made after the measurement da	$ 1,974,488	$ -	$ 2,414,964	$ -
Difference between expected and actual experience	-	(191,186)	355,290	(197,315)
Changes of assumptions	-	-	-	-
Net difference between projected and actual earning on pension plan investments	-	(6,446,529)	481,867	-
Total	**$** 1,974,488	**$** (6,637,715)	**$** 3,252,121	**$** (197,315)

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

Changes in the Net Pension Liability

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired). The EARSL for the miscellaneous plan and safety plan for the measurement period ending June 30, 2021 is 2.7 and 4.2 years, which was obtained by dividing the total service years of 4,914 and 2,260 (the sum of remaining service lifetimes of the active employees) by 1,851 and 543 (the total number of participants: active, inactive, and retired), respectively.

The EARSL for the miscellaneous plan and safety plan for the measurement period ending June 30, 2020 period is 2.6 and 3.9 years, which was obtained by dividing the total service years of 4,711 and 2,008 (the sum of remaining service lifetimes of the active employees) by 1,788 and 518 (the total number of participants: active, inactive, and retired), respectively.

The deferred outflows of resources related to pensions resulting from the CCMBL's portion of the City's contributions subsequent to the measurement date amounting to $1,974,488 and $2,414,964, are recognized as a reduction of the net pension liability in the years ending June 30, 2023 and 2022, 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 2022**	Measurement Period Ended June 30		**Deferred Outflows/ (Inflows) of Resources 2021**
2022	$	(1,768,571)	2021	$	30,732
2023		(1,539,360)	2022		82,773
2024		(1,547,375)	2023		291,303
2025		(1,782,408)	2024		235,034
2026		-	2025		-
Thereafter		-	Thereafter		-
Total	$	(6,637,714)	**Total**	$	639,842

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 $681 for single coverage, increasing by up to 4% per year.
    - An additional monthly reimbursement of up to $594 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, 2022 and 2021, the measurement date:

Valuation Date	June 30, 2022	June 30, 2021
Active plan members	49	44
Inactive employees or beneficiaries currently receiving benefit payments	45	44
Inactive employees or beneficiaries not currently receiving benefit payments	6	6
Total	100	94

Contribution

The obligation of the City to contribute to the plan is established and may be amended by the City Council. For the years ended June 30, 2022 and 2021, the City's average contribution rates were 9.90 and 9.6 percent of covered payroll, respectively. Employees are not required to contribute to the plan.

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

Net OPEB Liability

The City's Total OPEB liability were measured as of June 30, 2022 and 2021, and were determined by an actuarial valuation as of June 30, 2021 and June 30, 2019, respectively.

Actuarial assumptions
The total OPEB liability in the June 30, 2021 actuarial valuation were 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	6.50%
Municipal Bond Rate	N/A
Source of Municipal Bond Rate	N/A
General Inflation	2.50% annually
Salary Increases	Aggregate 2.75% annually
Merit Payroll Increases	Merit - CalPERS 2000-2019 Experience Study
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

The mortality assumptions were updated to CalPERS 2000-2019 Experience Study, mortality improvement scale was updated to Scale MP-2021 and Tier IV participation at retirement. Assumption for waived retirees over age 65 was reduced from 60% to 40%.

Discount rate

For measurement periods ended June 30, 2022 and 2021, discount rates of 6.0% and 6.5%, respectively, were 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, 2022 and 2021:

	Increase		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c)=(a)-(b)
Balance at June 30, 2021 (Measurement Date)	$ 9,336,130	$ 5,103,239	$ 4,232,891
Balance at June 30, 2022 (Measurement Date)	9,293,577	4,377,803	4,915,774

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

	2022
June 30, 2021	7.81000%
June 30, 2022	7.81000%
Change	0.00000%

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

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, 2022 and 2021 calculated using the discount rate of 6.0% and 6.50%, respectively, 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, 2022	**$ 6,037,202**	**$ 4,915,774**	**$ 3,978,654**

	Plan's Net OPEB Liability		
Measurement Date	Discount Rate - 1% (5.50%)	Current Discount (6.50%)	Discount Rate 1% (7.50%)
June 30, 2021	$ 5,374,645	$ 4,232,891	$ 3,284,679

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

Change in the Net OPEB Liability (Continued)

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

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

	Plan's Net OPEB Liability		
Measurement Date	**Healthcare Cost Trend Rates -1% (7.50% decreasing to 3.50%)**	**Healthcare Cost Trend Rates (8.50% decreasing to 3.50%)**	**Healthcare Cost Trend Rates +1% (9.50% decreasing to 3.50%)**
June 30, 2022	**$ 3,941,698**	**$ 4,915,774**	**$ 6,037,128**

	Plan's Net OPEB Liability		
Measurement Date	Healthcare Cost Trend Rates -1% (6.25% decreasing to 3.00%)	Healthcare Cost Trend Rates (7.25% decreasing to 4.00%)	Healthcare Cost Trend Rates +1% (8.25% decreasing to 5.00%)
June 30, 2021	$ 3,188,425	$ 4,232,891	$ 5,413,051

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, 2022 and 2021, the CCMBL has incurred OPEB expenses of $70,738 and credit ($55,813), respectively.

At June 30, 2022 and 2021, the CCMBL reported deferred outflows of resources and inflows of resources related to OPEB as follows.

	2022		2021	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ **-**	**$ (1,923,655)**	$ -	$ (1,341,622)
Changes of assumptions	**829,678**	**(82,928)**	186,659	(110,571)
Net difference between projected and actual earnings on OPEB plan investments	**325,402**	**-**	-	(698,279)
Total	$ **1,155,080**	$ **(2,006,583)**	$ 186,659	$ (2,150,472)

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 2022	Measurement Period Ended June 30		Deferred Outflows/ (Inflows) of Resources 2021
2023	$	(355,849)	2022	$	(527,639)
2024		(295,876)	2023		(517,955)
2025		(298,131)	2024		(457,982)
2026		162,106	2025		(460,237)
2027		(49,040)	2026		-
Thereafter		(14,712)	Thereafter		-
Total	$	(851,503)	**Total**	$	(1,963,813)

NOTE 10 DEFICIT NET POSITION

The CCMBL had a deficit unrestricted net position at June 30, 2022 and 2021 in the amount of ($17,613,245) and $($13,005,952), 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 $16,176,054 and $25,263,394 at June 30, 2022 and 2021, respectively. The net other postemployment benefits liabilities were $4,915,774 and $4,232,891 at June 30, 2022 and 2021, respectively.

NOTE 11 SUBSEQUENT EVENTS

The City has evaluated and determined that no subsequent events occurred through March 30, 2023, 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 Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
CCMBL's Proportion of the Net Pension Liability	24.70000%	24.70000%	24.70000%	20.44000%	20.44000%
CCMBL's Proportionate Share of the Net Pension Liability	$ 16,176,054	$ 25,263,394	$ 24,325,971	$ 18,451,568	$ 18,910,557
CCMBL's Covered Payroll	$ 9,527,319	$ 9,056,110	$ 7,643,027	$ 7,517,154	$ 7,413,221
CCMBL's Proportionate Share of the Net Pension Liability as a percentage of Covered Payroll	169.79%	278.97%	318.28%	245.46%	255.09%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	81.26%	69.54%	69.51%	70.27%	68.39%

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

Notes to Schedule:

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

Changes of Assumptions: None in 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 Date	June 30, 2016	June 30, 2015	June 30, 2014[1]
CCMBL's Proportion of the Net Pension Liability	20.44000%	20.44000%	20.44000%
CCMBL's Proportionate Share of the Net Pension Liability	$ 17,120,152	$ 14,330,705	$ 12,986,467
CCMBL's Covered Payroll	$ 6,854,973	$ 6,176,208	$ 5,640,100
CCMBL's Proportionate Share of the Net Pension Liability as a percentage of Covered Payroll	249.75%	232.03%	230.25%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	68.56%	72.43%	73.87%

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

Notes to Schedule:

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

Changes of Assumptions: None in 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

	2021-22	2020-21	2019-20	2018-19	2017-18
Actuarially determined contributions	$ 2,999,485	$ 2,706,448	$ 2,491,415	$ 1,792,771	$ 1,496,865
Contributions in relation to the actuarially determined contribution	(2,999,485)	(2,706,448)	(2,491,415)	(1,792,771)	(1,496,865)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 9,561,045	$ 9,527,319	$ 9,056,110	$ 7,643,027	$ 7,517,154
Contribution as a percentage of covered payroll	31.37%	28.41%	27.51%	23.46%	19.91%

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

Notes to Schedule:

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

Changes of Assumptions: None in 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

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

Last Ten Fiscal Years

Other Postemployment Benefits (OPEB) - CCMBL

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
CCMBL's Proportion of the OPEB Liability	7.81000%	7.81000%	7.81326%	7.81326%	7.81326%
CCMBL's Proportionate Share of the OPEB Liability	$ 4,915,774	$ 4,232,891	$ 5,094,772	$ 6,637,555	$ 6,873,170
CCMBL's Covered Employee Payroll	$ 9,561,045	$ 9,527,319	$ 9,056,110	$ 7,463,027	$ 7,517,154
CCMBL's Proportionate Share of the Net OPEB Liability as a Percentage of Its Covered Employee Payroll	51.41%	44.43%	56.26%	88.94%	91.43%
Plan's Proportionate Share of the Fiduciary Net Positions as a Percentage of the Total OPEB Liability	47.10%	54.70%	43.79%	36.02%	31.23%

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

Last Ten Fiscal Years

Other Postemployment Benefits (OPEB) - CCMBL

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

Last Ten Fiscal Years

Other Postemployment Benefits (OPEB) - CCMBL

	2021-22	2020-21	2019-20	2018-19	2017-18
Actuarially determined contribution	$ 567,631	$ 557,946	$ 720,304	$ 707,022	$ 694,208
Contributions in relation the actuarially determined contributions	(500,165)	(474,213)	(474,525)	(873,238)	(854,771)
Contributions deficiency (excess)	$ 67,466	$ 83,734	$ 245,779	$ (166,216)	$ (160,563)
Covered employee payroll	$ 9,561,045	$ 9,527,319	$ 9,056,110	$ 7,643,027	$ 7,517,154
Contributions as a percentage of covered employee payroll	5.94%	5.86%	7.95%	9.25%	9.23%

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, and the June 30, 2019 acturial valuation provided the Actuarially Determined Contributions for fiscal years ended 06/30/2018, 06/30/2019, 6/30/20, 6/30/21, and 6/30/22.

Notes to Schedule:

Valuation date: June 30, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal, Level % of Pay
Amortization method	Level percentage of pay
Remaining amortization period	18-year fixed period for 2021/22
Asset valuation method	Investment gains and losses spread over 5-year rolling period.
Inflation	2.50%
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
Salary increases	2.75%
Investment rate of return	6.00%
Retirement age	Based on CalPERS 2000-2019 Experience Study.
Mortality	Mortality rates were based on CalPERS 2000-2019 Healthy Annuitant Mortality Table for Male or Females, as appropriate, with adjustments for mortality improvements based on MP-2021.

Last Ten Fiscal Years

Other Postemployment Benefits (OPEB) - CCMBL

	2016-17	2015-16	2014-15	2013-14	2012-13
Actuarially determined contribution	$ 736,165	$ 722,023	$ 770,778	$ 763,981	$ 673,581
Contributions in relation the actuarially determined contributions	(862,350)	(880,007)	(770,778)	(783,514)	(596,230)
Contributions deficiency (excess)	$ (126,185)	$ (157,984)	$ -	$ (19,533)	$ 77,351
Covered employee payroll	$ 7,413,221	$ 6,854,973	$ 6,176,208	$ 5,640,100	$ 5,837,227
Contributions as a percentage of covered employee payroll	9.93%	10.53%	12.48%	13.55%	11.54%

SUPPLEMENTARY INFORMATION

City of Culver City
Municipal Bus Lines
(An Enterprise Fund of the City of Culver City)
Schedules of Sources of Operating Revenues and Capital Grants
Years Ended June 30, 2022 and 2021

		2022		2021
The following are the details of the sources of operating revenues received:				
Passenger fares, TAP Card, EZ Pass, BruinGo, and Miscellaneous Revenue	$	**1,442,579**	$	775,096
Operating Grants:				
Capital grant revenues used to fund operating expenses (FTA) (sec 9/5307)		**-**		12,249,058
Transportation Development Act-Article 4 (LTF)		**5,946,419**		4,612,255
State Transit Assistance (STA)		**501,143**		774,517
Proposition A Discretionary		**3,726,205**		3,643,789
Proposition C Transit Service Expansion		**252,119**		247,175
Proposition C BSIP Overcrowding		**176,182**		172,727
Proposition C Foothill Mitigation		**191,533**		158,028
Proposition C Discretionary Operating (security)		**395,950**		300,645
Proposition C Discretionary - MOSIP		**250,032**		183,876
Measure M - OP		**2,355,867**		1,767,718
Measure R- Sales Tax		**2,363,920**		1,792,915
SBI- STA		**558,819**		582,838
SB1- State of Good Repair Funds		**206,082**		232,285
Low Carbon Fuel Standard Credits		**247,270**		173,302
EIR Transit Mitigation Fund		**130,889**		142,183
CNG excise tax credit		**-**		33,807
Total operating grants		**17,302,430**		**27,067,118**
Other revenues:				
Proposition C local return (transfer in)		**432,309**		345,558
Proposition A local return (transfer in)		**801,822**		721,022
Measure R (transfer in)		**249,409**		225,209
Interest earnings (loss)		**(188,754)**		24,144
Bus Advertising and Rent/Concessions		**469,983**		239,228
Miscellaneous		**41,889**		10,176
Total other revenues		**1,806,658**		1,565,337
Total passenger fares, operating grants and other revenues	$	**20,551,667**	$	29,407,551
Capital grants/revenues:				
Federal Transit Administration: 5307	$	**4,593,949**	$	1,798,365
MTA Projects		**-**		27,545
AQMD- Discretionary		**-**		36,000
Proposition I B Metro Bridge/Metro Bridge Transit Security		**70,525**		-
Prop 1B PTMISEA		**5,929**		-
Prop MOSIP		**1,537,236**		-
Measure R - Clean Fuel		**51,856**		-
Zero Emission Infrastructure		**105,099**		-
Others - Farebox and Station		**-**		106,380
Other grants		**496,496**		-
Miscellaneous capital related revenues		**-**		250,070
Total capital grants/revenues	$	**6,861,090**	$	2,218,360

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, 2022 and 2021, the CCMBL's Farebox recovery ratio of operating revenues to operating expenses are as follows:

	2022	2021
Operating revenues:		
Passenger fares	**$ 1,442,579**	$ 775,096
Bus Advertising and Rent/Concessions	**469,983**	239,228
Local support:		
Measure R Operating Revenues, net	**2,363,920**	1,792,915
Measure M Operating Revenues, net	**2,355,867**	1,767,718
Proposition A local return (transfer in)	**801,822**	721,022
Total operating revenues	**$ 7,434,171**	$ 5,295,979
Operating expenses	**$ 28,601,085**	$ 27,441,047
Less: Depreciation expense	**(3,973,981)**	(3,486,815)
Total operating expenses, excluding depreciation	**$ 24,627,104**	$ 23,954,232
Farebox recovery ratio	**30%**	22%

Schedules of 50% Expenditures Limitation Test Article IV Funds
Years Ended June 30, 2022 and 2021

		2022	2021
1	Total operating expenses before depreciation	**$ 24,627,104**	$ 23,954,232
2	Total depreciation	**3,973,981**	3,486,815
3	Total capital outlay	**7,057,485**	3,589,048
4	Debt service requirement (principal)	**-**	-
5	Total (lines 1, 2, 3, and 4)	**35,658,570**	31,030,095
6	Less federal grants expended	**4,593,949**	14,047,423
7	Less Local Transportation Fund capital intensive programs	**-**	-
8	Less State Transit Assistance Fund/SB1 Fund monies received	**1,059,962**	1,357,355
9	Total (lines 6, 7, and 8)	**5,653,911**	15,404,778
10	Total (lines 5 less 9)	**30,004,659**	15,625,317
11	50% of line 10	**15,002,330**	7,812,659
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)	**$ 15,002,330**	$ 7,812,659

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, 2022 and 2021 are as follows:

	2022	2021
Unspent Prop 1B funds, beginning	**$ 370,633**	$ 371,863
Proposition 1B funds allocated during fiscal year		-
Interest earned on unspent funds	**3,275**	4,699
Expense incurred	**-**	(5,929)
Unexpended project allocations, ending	**$ 373,908**	$ 370,633

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