



**City of Culver City**  
**Audited Financial Statements**  
**Other Postemployment Benefit Plan**  
*As of and for the Year Ended June 30, 2023*  
*with Independent Auditor's Report*

**City of Culver City**  
**Audited Financial Statements**  
**Other Postemployment Benefit Plan**  
***As of and for the Year Ended June 30, 2023***  
***with Independent Auditor's Report***

**City of Culver City  
Other Postemployment Benefit Plan  
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## Independent Auditor's Report

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

### **Report on the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of City of Culver City Other Postemployment Benefit Plan (the "Plan"), which comprise the statement of fiduciary net position as of June 30, 2023, the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Plan as of June 30, 2023, and the changes in its financial position for the year 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). 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 Plan 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 discussed in Note 2, the financial statements present only the Plan and do not purport to, and do not present fairly the financial position of the City of Culver City, California, as of June 30, 2023, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.



### ***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 Plan's ability to continue as a going concern for twelve 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 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 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 Plan'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 Plan'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 require that the supplementary Schedules 1 through 3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic 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 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 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 basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the Plan's basic financial statements is not affected by this missing information.

**Glendale, California  
February 26, 2024**

**City of Culver City  
Other Postemployment Benefit Plan  
Statement of Fiduciary Net Position  
June 30, 2023**

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| <b>ASSETS</b>                                   |                                       |
|---|---------------------------------------|
| <b>Investments, at fair value (Note 3)</b>      |                                       |
| Money market funds                              | \$ 278,106                            |
| Mutual funds - Equity                           | 41,719,959                            |
| Mutual funds - Fixed Income                     | <u>19,200,841</u>                     |
| Total investments                               | 61,198,906                            |
| <br>  |                                       |
| <b>Accrued interest</b>                         | <u>875</u>                            |
|   | <b>Total assets</b> <u>61,199,781</u> |
| <br>  |                                       |
| <b>FIDUCIARY NET POSITION</b>                   |                                       |
| Held in trust for other postemployment benefits | \$ <u><u>61,199,781</u></u>           |

*See notes to financial statements.*

**City of Culver City**  
**Other Postemployment Benefit Plan**  
**Statement of Changes in Fiduciary Net Position**  
**Year Ended June 30, 2023**

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**Additions**

|   |  |                     |
|---|--|---------------------|
| Contributions   |  |                     |
| Employer contributions  |  | \$ <u>6,645,802</u> |
|   |  |                     |
| Investment income   |  |                     |
| Net appreciation in fair value of investments, net of investment expenses |  | 3,477,003           |
| Interest income   |  | 30,617              |
| Dividend income   |  | <u>1,654,054</u>    |
| Net investment income   |  | <u>5,161,674</u>    |
| Total additions   |  | <u>11,807,476</u>   |

**Deductions**

|  |  |                  |
|--|--|------------------|
| Benefits paid to participants          |  | 6,626,279        |
| Administrative expenses and trust fees |  | <u>35,229</u>    |
| Total deductions                       |  | <u>6,661,508</u> |

**Net increase in fiduciary net position** **5,145,968**

**Fiduciary net position**

|                   |  |                             |
|-------------------|--|-----------------------------|
| Beginning of year |  | <u>56,053,813</u>           |
| End of year       |  | <u>\$ <u>61,199,781</u></u> |

*See notes to financial statements.*

**NOTE 1      PLAN DESCRIPTION**

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

Membership of the Plan consisted of the following at June 30, 2023, the measurement date:

|   |                     |
|---|---------------------|
| Inactive plan members or beneficiaries currently receiving benefit payments | <b>593</b>          |
| Inactive plan members entitled to but not yet receiving benefit payments    | <b>80</b>           |
| Active plan members   | <b>651</b>          |
| <b>Total</b>  | <b><u>1,324</u></b> |

**Benefit Provisions and Eligibility**

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

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

Participants who retired between January 1, 2007 and December 31, 2011 are eligible for a City contribution up to 70% of the CalPERS Care premium or 95% of the premium for all other plans. Additionally, participants meeting the following additional criteria are also eligible for this benefit level (excluding members of the Culver City Police Officers Association):

- Employed with the City as of July 1, 2011.
- Earned a minimum of twenty years of CalPERS service credit (excluding additional retirement service credit purchased under California Government Code Section 20909, i.e., “Air-Time”) as of December 31, 2011.
- Earn twenty-five years of service with the City and retire from the City prior to January 1, 2022.

**NOTE 1      PLAN DESCRIPTION (CONTINUED)**

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 ages out. This amount is subject to an annual increase of up to 4%.

Participants with at least twenty years of City service that were members of the Culver City Police Officers Association with more than one enrolled dependent are eligible for an additional \$300 per month reimbursement until dependent becomes ineligible.

Employees hired after July 1, 2011 are not considered participants, and are only eligible for the legally required Public Employees' Medical and Hospital Care Act ("PEMHCA") minimum, as stipulated by CalPERS. PEMHCA minimum for calendar year 2023 was \$151 per month.

**Contributions**

The obligation of the City to contribute to the Plan is established and may be amended by the City Council. Employees are not required to contribute to the Plan. The actuarially determined contribution ("ADC") of the employer is an amount actuarially determined in accordance with the parameters of Governmental Accounting Standards Board (GASB) Statement No. 74. The ADC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The ADC for the year ended June 30, 2023 was \$6,778,000 or 9.9% of estimated covered payroll. Administrative costs are financed through investment earnings. The employer contributions for the year ended June 30, 2023 was \$6,645,802.

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Measurement Focus, Basis of Accounting, and Basis of Presentation**

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

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

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)**

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

**Investment**

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

**Fair Value Measurement**

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

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

**Investment Expenses**

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

**Use of Estimates**

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

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Risks and Uncertainties**

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

The total OPEB liabilities and net OPEB liabilities disclosed in Note 4 are measured based on certain assumptions, including the long-term rate of return on OPEB investments, inflation rates, employee demographics and health care cost trend rates. These uncertainties inherent in the estimation and assumptions may be material to the financial statements. Actual results could vary from the estimates and assumptions.

**Administrative Expenses**

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

**NOTE 3      INVESTMENTS**

**Investment Policy**

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

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

| <u>Asset Class</u>   | <u>Target Allocation</u> | <u>Investment Range</u> |
|----------------------|--------------------------|-------------------------|
| Growth Assets:       |                          |                         |
| Domestic Equity      | 44%                      | 29%-59%                 |
| International Equity | 23%                      | 8%-38%                  |
| Other                | 0%                       | 0%-10%                  |
| Income Assets:       |                          |                         |
| Fixed Income         | 33%                      | 13%-53%                 |
| Other                | 0%                       | 0%-10%                  |
| Real Return Assets   | 0%                       | 0%-10%                  |
| Cash Equivalent      | 0%                       | 0%-20%                  |
|                      | <u>100%</u>              |                         |

**NOTE 3 INVESTMENTS (CONTINUED)**

**Fair Value Measurement**

At June 30, 2023, investments are reported at fair value. The following table presents the fair value measurements of investments on a recurring basis and the levels with the fair value hierarchy in which the fair value measurements fall at June 30, 2023:

| <u>Investment Type</u>    | <u>Quoted Prices in<br/>Active Markets<br/>for Identical<br/>Assets (Level 1)</u> | <u>Quoted Prices for<br/>Similar Assets in<br/>Active Markets<br/>(Level 2)</u> | <u>Total</u>         |
|---------------------------|---|---|----------------------|
| Money market funds        | \$ 278,106  | \$ -  | \$ 278,106           |
| Mutual funds-Equity       | 35,495,911  | 6,224,048   | 41,719,959           |
| Mutual funds-Fixed Income | 3,835,258   | 15,365,583  | 19,200,841           |
| Total Investments         | <u>\$ 39,609,275</u>  | <u>\$ 21,589,631</u>  | <u>\$ 61,198,906</u> |

**Interest Rate Risk**

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

The following table shows the maturity date of the Plan's investments at June 30, 2023:

| <u>Investment Type</u>    | <u>Fair Value</u>    | <u>Investment Maturity<br/>Less Than 1 Year</u> |
|---------------------------|----------------------|---|
| Money market funds        | \$ 278,106           | \$ 278,106                                      |
| Mutual funds-Equity       | 41,719,959           | 41,719,959                                      |
| Mutual funds-Fixed Income | 19,200,841           | 19,200,841                                      |
| Total Investments         | <u>\$ 61,198,906</u> | <u>\$ 61,198,906</u>                            |

**Credit Risk**

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

The following table shows the distribution of the Plan's investments by rating at June 30, 2023:

| <u>Investment Type</u>    | <u>Fair Value</u>    | <u>AA</u>           | <u>A</u>             | <u>BB</u>         | <u>Not Rated</u>     |
|---------------------------|----------------------|---------------------|----------------------|-------------------|----------------------|
| Money market funds        | \$ 278,106           | \$ -                | \$ -                 | \$ -              | \$ 278,106           |
| Mutual funds-Equity       | 41,719,959           | -                   | -                    | -                 | 41,719,959           |
| Mutual funds-Fixed Income | 19,200,841           | 7,067,973           | 11,263,920           | 868,948           | -                    |
| Total Investments         | <u>\$ 61,198,906</u> | <u>\$ 7,067,973</u> | <u>\$ 11,263,920</u> | <u>\$ 868,948</u> | <u>\$ 41,998,065</u> |

**NOTE 3 INVESTMENTS (CONTINUED)**

**Custodial Credit Risk**

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

**Investment Concentration**

The following table shows the fair value of investments representing 5% or more of the Plan's fiduciary net position at June 30, 2023:

| Investments                        | Fair Value   | % of Investments<br>over Fiduciary<br>Net Position |
|------------------------------------|--------------|--|
| <b>Mutual funds-Equity</b>         |              |  |
| Vanguard Total International Etf   | \$ 6,854,714 | 11%  |
| Vanguard Ftse Developed Etf        | 3,371,556    | 6%   |
| Vanguard Total Stock Market Etf    | 25,269,640   | 41%  |
| <b>Mutual funds-Fixed Income</b>   |              |  |
| Baird Core Plus Bond Fund Institut | 5,237,129    | 9%   |
| Pgim Total Return Bond CI R6       | 4,244,369    | 7%   |

The remainder of the investments are less than 5% of the Plan's fiduciary net position at June 30, 2023.

**Annual Money-Weighted Rate of Return**

For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 9.47%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**NOTE 4 NET OPEB LIABILITY**

The components of the net OPEB liability of the City at June 30, 2023 measurement date, were as follows:

|  |                      |
|--|----------------------|
| Total OPEB Liability   | \$ 121,371,113       |
| Plan fiduciary net position  | <u>61,199,781</u>    |
| Net OPEB liability   | <u>\$ 60,171,332</u> |
| <br>Plan Fiduciary net position as a percentage of<br>the total OPEB liability | <br><u>50.42%</u>    |

**NOTE 4      NET OPEB LIABILITY (CONTINUED)**

**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, rolled forward to measurement date of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

|  |   |
|--|---|
| Discount rate                                      | 6.00% at June 30, 2023  |
| Expected long-term rate of return                  | 6.00% at June 30, 2022  |
| General inflation                                  | 2.50%   |
| Aggregate payroll increases                        | 2.75%   |
| Merit payroll increase                             | CalPERS 2000-2019 Experience Study  |
| PEMHCA minimum amount increases                    | 3.50% annually  |
| Mortality, Retirement, Disability, and Termination | CalPERS 2000-2019 Experience Study  |
| Mortality improvement scale                        | Mortality projected fully generational with Scale MP-2021                               |
|  | 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 |
|  | Medicare (Kaiser) - 6.25% for 2024, decreasing to an ultimate rate of 3.45% in 2076     |

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

| <u>Asset Class</u>   | <u>Target Allocation</u> | <u>Expected Real Rate of Return</u> |
|----------------------|--------------------------|-------------------------------------|
| <b>Growth Assets</b> |                          |                                     |
| Domestic Equity      | 44%                      | 4.29%                               |
| International Equity | 23%                      | 4.67%                               |
| <b>Income Assets</b> |                          |                                     |
| Fixed Income         | 33%                      | 0.78%                               |
|                      | <u>100%</u>              |                                     |

|                                       |       |
|---------------------------------------|-------|
| Assumed long-term rate of inflation   | 2.50% |
| Expected long-term net rate of return | 6.00% |

**NOTE 4      NET OPEB LIABILITY (CONTINUED)**

**Discount Rate**

The discount rate used to measure the total OPEB liability was 6.00 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.00 percent) or 1-percentage-point higher (7.00 percent) than the current discount rate:

| 1% Decrease<br>(5.00%) | Discount Rate<br>(6.00%) | 1% Increase<br>(7.00%) |
|------------------------|--------------------------|------------------------|
| \$ 74,589,106          | \$ 60,171,332            | \$ 48,101,200          |

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

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage point higher than the current healthcare cost trend rates:

| Healthcare Cost Trend Rates   |   |   |
|---|---|---|
| 1% Decrease   | Discount Rate   | 1% Increase   |
| 7.50% Non-Medicare,<br>6.50% Medicare (Non-<br>Kaiser) and 5.25%<br>Medicare (Kaiser)<br>decreasing to 3.5% | 8.50% Non-Medicare,<br>7.50% Medicare (Non-<br>Kaiser) and 6.25%<br>Medicare (Kaiser)<br>decreasing to 3.5% | 9.50% Non-Medicare,<br>8.50% Medicare (Non-<br>Kaiser) and 7.25%<br>Medicare (Kaiser)<br>decreasing to 3.5% |
| \$ 46,691,136   | \$ 60,171,332   | \$ 75,693,081   |

**NOTE 6      SUBSEQUENT EVENTS**

The Plan evaluated subsequent events through February 26, 2024, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION  
(UNAUDITED)**

**City of Culver City**  
**Other Postemployment Benefit Plan**  
**Schedule 1**  
**Schedule of Changes in Net OPEB Liability and Related Ratios**  
**Last Ten Fiscal Years\***  
**(Dollar Amounts in Thousands)**

|  | 2023              | 2022              | 2021              | 2020              | 2019              | 2018              | 2017              | 2016              | 2015              |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Total OPEB liability</b>  |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Service cost   | \$ 1,944          | \$ 2,102          | \$ 2,120          | \$ 2,519          | \$ 2,525          | \$ 2,244          | \$ 2,528          | \$ 2,544          | \$ 2,905          |
| Interest   | 7,058             | 7,699             | 7,481             | 8,598             | 8,285             | 8,884             | 8,560             | 8,436             | 8,094             |
| Changes of benefit terms   | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| Differences between expected and actual experience                             | -                 | (15,164)          | -                 | (19,715)          | -                 | (12,111)          | (436)             | (11,811)          | -                 |
| Changes of assumptions   | -                 | 11,208            | -                 | (2,124)           | -                 | 7,174             | -                 | (795)             | -                 |
| Benefit payments   | (6,626)           | (6,390)           | (6,059)           | (6,059)           | (5,941)           | (5,795)           | (5,673)           | (5,759)           | (5,387)           |
| <b>Net change in total OPEB liability</b>                                      | <b>2,375</b>      | <b>(545)</b>      | <b>3,542</b>      | <b>(16,781)</b>   | <b>4,869</b>      | <b>396</b>        | <b>4,979</b>      | <b>(7,385)</b>    | <b>5,612</b>      |
| <b>Total OPEB liability-beginning</b>  | <b>118,996</b>    | <b>119,541</b>    | <b>115,999</b>    | <b>132,780</b>    | <b>127,911</b>    | <b>127,515</b>    | <b>122,536</b>    | <b>129,921</b>    | <b>124,309</b>    |
| <b>Total OPEB liability-ending (a)</b>   | <b>\$ 121,371</b> | <b>\$ 118,996</b> | <b>\$ 119,541</b> | <b>\$ 115,999</b> | <b>\$ 132,780</b> | <b>\$ 127,911</b> | <b>\$ 127,515</b> | <b>\$ 122,536</b> | <b>\$ 129,921</b> |
| <b>Fiduciary Net Position</b>  |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Contributions-employer   | \$ 6,646          | \$ 6,404          | \$ 6,072          | \$ 6,073          | \$ 11,176         | \$ 10,940         | \$ 11,037         | \$ 11,263         | \$ 9,865          |
| Net investment income  | 5,162             | (9,271)           | 14,566            | 2,964             | 2,662             | 3,191             | 3,037             | 319               | 289               |
| Benefit payments   | (6,626)           | (6,390)           | (6,059)           | (6,059)           | (5,941)           | (5,795)           | (5,673)           | (5,759)           | (5,387)           |
| Administrative expense   | (35)              | (32)              | (29)              | (14)              | (12)              | (17)              | (15)              | (81)              | (56)              |
| <b>Net change in plan fiduciary net position</b>                               | <b>5,146</b>      | <b>(9,289)</b>    | <b>14,550</b>     | <b>2,964</b>      | <b>7,885</b>      | <b>8,319</b>      | <b>8,386</b>      | <b>5,742</b>      | <b>4,711</b>      |
| <b>Plan fiduciary net position-beginning</b>                                   | <b>56,053</b>     | <b>65,342</b>     | <b>50,792</b>     | <b>47,828</b>     | <b>39,943</b>     | <b>31,624</b>     | <b>23,238</b>     | <b>17,496</b>     | <b>12,785</b>     |
| <b>Plan fiduciary net position-ending (b)</b>                                  | <b>\$ 61,199</b>  | <b>\$ 56,053</b>  | <b>\$ 65,342</b>  | <b>\$ 50,792</b>  | <b>\$ 47,828</b>  | <b>\$ 39,943</b>  | <b>\$ 31,624</b>  | <b>\$ 23,238</b>  | <b>\$ 17,496</b>  |
| <b>City's net OPEB liability ending (a)-(b)</b>                                | <b>\$ 60,171</b>  | <b>\$ 62,943</b>  | <b>\$ 54,199</b>  | <b>\$ 65,207</b>  | <b>\$ 84,952</b>  | <b>\$ 87,968</b>  | <b>\$ 95,891</b>  | <b>\$ 99,298</b>  | <b>\$ 112,425</b> |
| <b>Plan fiduciary net position as a percentage of the total OPEB liability</b> | 50.42%            | 47.10%            | 54.70%            | 43.79%            | 36.02%            | 31.23%            | 24.80%            | 18.96%            | 13.47%            |
| <b>Covered-employee payroll</b>  | \$ 66,994         | \$ 64,593         | \$ 63,029         | \$ 62,408         | \$ 58,967         | \$ 57,411         | \$ 56,415         | \$ 52,215         | \$ 47,105         |
| <b>City's OPEB liability as a percentage of the covered employee payroll</b>   | 89.82%            | 97.45%            | 85.99%            | 104.49%           | 144.07%           | 153.22%           | 169.97%           | 190.17%           | 238.67%           |

**Notes to Schedule**

\* Fiscal year 2015 was the 1st year of implementation, therefore 9 years are shown.

**City of Culver City  
Other Postemployment Benefit Plan  
Schedule 2  
Schedule of OPEB Contributions  
Last Ten Fiscal Years\*  
(Dollar Amounts in Thousands)**

|  | <u>2023</u>   | <u>2022</u>   | <u>2021</u>     | <u>2020</u>     | <u>2019</u>       | <u>2018</u>       | <u>2017</u>       | <u>2016</u>       | <u>2015</u>  | <u>2014</u>     |
|--|---------------|---------------|-----------------|-----------------|-------------------|-------------------|-------------------|-------------------|--------------|-----------------|
| Actuarially determined contribution                                  | \$ 6,778      | \$ 7,268      | \$ 7,144        | \$ 9,219        | \$ 9,049          | \$ 8,885          | \$ 9,422          | \$ 9,241          | \$ 9,945     | \$ 9,778        |
| Contributions in relation to the actuarially determined contribution | <u>6,646</u>  | <u>6,404</u>  | <u>6,072</u>    | <u>6,073</u>    | <u>11,176</u>     | <u>10,940</u>     | <u>11,037</u>     | <u>11,263</u>     | <u>9,865</u> | <u>10,028</u>   |
| <b>Contribution deficiency (excess)</b>                              | <u>\$ 132</u> | <u>\$ 864</u> | <u>\$ 1,072</u> | <u>\$ 3,146</u> | <u>\$ (2,127)</u> | <u>\$ (2,055)</u> | <u>\$ (1,615)</u> | <u>\$ (2,022)</u> | <u>\$ 80</u> | <u>\$ (250)</u> |
| <b>Covered-employee payroll</b>                                      | \$ 66,994     | \$ 64,593     | \$ 63,029       | \$ 62,408       | \$ 58,967         | \$ 57,411         | \$ 56,415         | \$ 52,215         | \$ 47,105    | N/A             |
| Contributions as a percentage of covered-employee payroll            | 9.92%         | 9.91%         | 9.63%           | 9.73%           | 18.95%            | 19.06%            | 19.56%            | 21.57%            | 20.94%       | N/A             |

**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   |
| 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%   |
| Investment rate of return   | 6.00%   |
| Aggregate payroll increase  | 2.75%   |
| 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. |
| Mortality                   | CalPERS 2000-2019 experience study  |
| Mortality improvement scale | 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.  |

**City of Culver City  
Other Postemployment Benefit Plan  
Schedule 3**

**Schedule of Annual Money-Weighted Rate of Return on OPEB Plan Investments  
Year ended June 30, 2023**

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|  | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Annual money-weighted rate of return,<br>net of investment expense** | 9.47%       | -13.97%     | 29.02%      | 6.49%       | 6.21%       | 9.00%       | 11.24%      | 1.39%       | 2.16%       |

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

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



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