

Comprehensive Annual Financial Report
LONG BEACH TRANSIT
2009



For the year ended June 30, 2009 Long Beach, CA
A component unit of the City of Long Beach

Ride Hybrid

Long Beach Public Transportation Company

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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INTRODUCTION





LONG BEACH

TRANSIT
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October 30, 2009

To the Board of Directors of
Long Beach Public Transportation Company:

We are pleased to submit for your information and consideration the Comprehensive Annual Financial Report (CAFR) of Long Beach Public Transportation Company (Long Beach Transit or the Company) for fiscal year July 1, 2008 to June 30, 2009.

The CAFR has become the standard format used in presenting the results of the Company's annual financial operations for the fiscal year. We believe this report is presented in a manner designed to fairly disclose the financial position and results of operations of the Company as measured by its financial activities. To the best of our knowledge and belief the disclosures are accurate in all material respects.

The accompanying basic financial statements, supplemental schedules and statistical information are the representations of the Company's management which bears the responsibility for their accuracy and completeness. Our Independent Auditors' Report, prepared by Windes & McClaughry Accountancy Corporation, is included along with other necessary disclosures to enable the reader to gain maximum understanding of the Company's financial activities.

The independent audit of the accompanying basic financial statements of Long Beach Transit was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the accompanying basic financial statements, but also on the audited agency's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Long Beach Public Transportation Company's separately issued Single Audit Report.

Governmental Accounting Standards Board (GASB) requires management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Company's MD&A can be found immediately following the report of the independent auditors.

Laurence W. Jackson, President and CEO

Renee B. Simon, Chairman

Long Beach Public Transportation Company

REPORTING ENTITY

The Company is a nonprofit corporation, formed in 1963 with the purchase of the local transit system from a private carrier leaving the business.

Long Beach Transit is governed by a seven-member Board of Directors (Board) which provides broad policy and financial decisions, setting direction for management. The Mayor, with the approval of the Long Beach City Council, appoints residents of the community to the Board to serve overlapping four-year terms. In addition, two designees of the City Manager's Office may serve as ex officio members of the Board but do not have voting authority. The Board designates a Chief Executive Officer who is responsible for overseeing daily operations. Long Beach Transit's management is represented by the Chief Operating Officer, Chief Financial Officer and five Executive Directors heading Operations, Maintenance, Risk Management and Human Resources, Information Services, and Customer and Community Services. The Company's organizational chart is shown later in this introductory section.

The Company's reporting entity includes only transit operations and there is no other organization within the City of Long Beach providing a similar scope of public transportation service.

In accordance with GASB, the Company is considered a component financial reporting unit of the City of Long Beach (City). As such, the Company's financial statements are included in the City's comprehensive annual financial report as a discretely presented component unit. Long Beach Transit has a separate legal status and has historically operated as an independently managed and operated nonprofit corporation, receiving no direct administrative or financial support from the City. For the present, there has been no expressed intent to alter the status of this financial reporting and administrative relationship.

SERVICES

Long Beach Transit's mission is "to provide public transit services that enhance and improve the quality of life for the residents of our community." The corporate business plan provides a framework for accomplishing this mission. The business plan serves as a foundation for the preparation of annual action plans and budgets which detail specific objectives to be achieved and the financial resources that will be provided to achieve them. The plan is updated each year to ensure goals are consistent with current and anticipated operating and economic conditions.

Long Beach Transit is a full service public transit system, providing a wide range of transit services, including:

- Fixed route bus service
- Shuttle service (Passport)
- Demand responsive paratransit service (Dial-A-Lift)
- Water taxi service (AquaBus and AquaLink)
- Charter and community special service

Long Beach Public Transportation Company

Fixed Route Bus Service

The Company provides fixed route bus service to a 98 square mile area, which includes the cities of Long Beach, Lakewood and Signal Hill; and portions of Bellflower, Carson, Cerritos, Hawaiian Gardens, Norwalk, Paramount and Seal Beach. This service covers 38 routes, requiring 223 buses and shuttles. During fiscal 2009, Long Beach Transit carried 29.7 million customers.

The Transit Mall, located in downtown Long Beach, is the focal point of the fixed route system as well as Metro Blue Line rail service running between Long Beach and downtown Los Angeles. The Transit Mall provides special features such as exclusive bus lanes and traffic control equipment, special bus stop improvements, passenger shelters equipped with graphic displays, and electronic monitors displaying schedule information. A new customer and information service center was opened on the Transit Mall in June 2009. There is also a Bikestation located directly on the Transit Mall.

Of the 38 fixed routes operated by the Company, 32 radiate from the Transit Mall. This location is a major transfer point not only for the Company's routes but for the Metro Blue Line Light Rail System as well as other bus services provided by Torrance Transit, the Los Angeles Department of Transportation (LADOT), and Los Angeles County Metropolitan Transportation Authority (Metro).

All of Long Beach Transit's fixed-route service vehicles are low-floor and wheelchair accessible. These coaches are maintained and dispatched from two facilities. Approximately 60% of the vehicles are stored at the central administrative, operating and maintenance facility located at 1963 E. Anaheim St. in Long Beach. The remaining coaches are assigned to a satellite maintenance facility at 6860 Cherry Street in North Long Beach. Besides the coaches, the Company owns a fleet of automobiles used for supervisory and administrative functions and various maintenance vehicles for emergency road services and bus stop support.

Long Beach Transit maintains neighborhood bus shelters, benches, and standard bus stops providing customer convenience and comfort. There are over 2000 stops throughout the system and each year the Company ensures the stops are well-maintained and meet cleanliness standards.

Shuttle Service (Passport)

The Passport shuttles provide service via four routes throughout the growing downtown Long Beach area and east to California State University, Long Beach (CSULB). Service is free on Routes B and C which serve the downtown waterfront entertainment complex, the Aquarium of the Pacific, the Convention Center, Pine Ave. district's retail stores and restaurants, the East Village and the Museum of Latin American Art. Routes A and D run from Catalina Landing along Ocean Boulevard to Belmont Shore and CSULB. Service is provided by 30 low-floor minibuses. These vehicles are stored and maintained at the main administrative facility on Anaheim St. During fiscal year 2009, the Passport carried 3.2 million passengers.

Long Beach Public Transportation Company

Demand Responsive Paratransit Service (Dial-A-Lift)

Long Beach Transit is a member of Access Services (ASI) which provides mandated paratransit transportation services to Los Angeles County under the Americans with Disabilities Act. To complement the service provided by ASI, the Company offers Dial-A-Lift paratransit service for persons with disabilities. This curb-to-curb service operates on a subscription or call-in basis and is provided by a private contractor. All vehicles are owned by the Company, but stored, maintained and dispatched by the contractor.

The Dial-A-Lift service is supplied by a local taxi company using a fleet of 16 mini-van taxis. The contractor supplements Dial-A-Lift rides with its ordinary taxi service on an as-needed basis eliminating the need for additional dedicated vans. This results in lower overall costs. There were 52,674 boardings on Dial-A-Lift in 2009.

Water Taxi Service (AquaBus and AquaLink)

The Aquarium of the Pacific, Convention Center, and the Pike venue with restaurants, retail and theatres, continue to attract many visitors to the City's downtown waterfront. As a complement to the Passport shuttles which serve the area, the Company also operates water taxi service in Queensway Bay and along the City's coastline.

There are two AquaBus boats that provide links to the Queen Mary, Aquarium, and Shoreline Village. These boats, which carry up to 49 passengers, tie directly with the downtown shuttle buses and parking facilities, allowing visitors to see Long Beach's many attractions without having to get in their car. For passengers wanting to travel further down the coast, the AquaLink, a 75-seat catamaran, provides service from the Aquarium/Queen Mary area to Alamitos Bay Landing.

The service is provided by a private contractor. The vessels are owned by Long Beach Transit, but stored and maintained at the contractor's docking facilities. This service runs daily during the summer months and then reverts to weekend service for the remainder of the year. Annual ridership for fiscal year 2009 was 48,661 boardings.

Charter and Community Special Service

Charter service is provided to various community groups upon request and vehicle availability. This service provides these groups with a cost-effective solution for transporting their members to programs and special events. Each year, the Company also supports the Toyota Grand Prix of Long Beach and other large, special events by providing supplemental service where needed.

Long Beach Transit provides a Museum Express bus service to major museum and garden attractions in Los Angeles and Orange Counties. Tickets can be purchased in advance for the service, which runs from June through September. The Museum Express offers residents who would not ordinarily ride the bus an opportunity to try transit and is particularly beneficial to our senior and transit dependent customers who can rely on the service to access attractions they could not travel to on their own.

Long Beach Public Transportation Company

ACCOMPLISHMENTS

Long Beach Transit's mission is "to provide public transit services that enhance and improve the quality of life for the residents of our community". To accomplish this mission, the Company has undertaken a wide variety of initiatives to continue improving the overall quality, effectiveness, and efficiency of transit services.

Fleet Improvements

The Company continued to focus on its goal of maintaining a modern, efficient transit fleet. During 2009, Long Beach Transit took delivery of 23 newly designed and modernized 45' hybrid coaches. The new look resembles a sleek, European style, and the bright red and orange façade color scheme is similar to the popular Passport Shuttles and Water Taxis. The coaches also have improvements in the interior designs and have been very well received by customers and the community. With the receipt of these coaches, Long Beach Transit now has 87 buses, nearly 50% of its large bus fleet, that have hybrid gasoline-electric propulsion systems.

The Company continued the practice of mid-life cosmetic upgrading of buses at six years of age, with 39 coaches completed during the year. These coaches received new windows, upholstery replacement where needed, repainting and other improvements to make them look new. In addition, all windows received a new sealant to prevent spotting which can occur as a result of frequent washes.

Long Beach Transit's Aqualink catamaran that provides water taxi service was refurbished during 2009, receiving both equipment and cosmetic upgrades. Besides engine, transmission, electronic and safety upgrades, the vessel was repainted and had new seating and carpeting installed.

Customer Amenities

The Company's global satellite positioning communication system, TranSmart, allows continuous tracking of the exact location of every vehicle in our fleet. Besides generating critical data for operations, it also provides real-time bus arrival information for our customers. Using this technology, the Company has continued to deploy variable message signs at its busiest stops throughout the City. These solar-powered LED signs provide real-time schedule information with next bus arrival times. Various messages can also be displayed informing passengers of detours and schedule changes. There are now 44 such stops, with another 12 stops under construction.

The TranSmart system will also be able to provide callers 24-hour access to automated traveler information, including arrival times, hours of operation, fares, and service bulletins. This interactive voice response system will be implemented in two phases. The first phase will prompt callers to identify the bus stop and route numbers to receive scheduled arrival times. Information would be obtained via touch-tone telephones or automated speech recognition. Phase two will expand the options available to the customer by providing real-time, next bus arrival information. Project completion is expected in Spring 2010.

Long Beach Public Transportation Company

In September 2009, Long Beach Transit joined Google Transit to provide customers easy transit trip planning. Similar to the Company's own website trip planner, Google Transit provides directions on the location of specified bus stops, routes, departure locations and walking directions to final destinations. One way fare and driving cost information are also displayed for comparison.

A new Transit and Visitors Information Center located on the First St. Transit Mall opened for business in June 2009. This facility is larger than the prior visitor center and located on a corner of the mall that is highly visible and easily accessed by pedestrian traffic. Route and schedule displays, transit pass sales, and facilities for coach operators and customers are features of this new center. There is also space for the Long Beach Area Convention and Visitors Bureau to provide information about the region.

During the fiscal year, Long Beach Transit was designated a recipient of American Reinvestment and Recovery Act funding as part of the federal government's effort to stimulate the national economy. As a result, the Company received a one-time grant of \$16.5 million for capital improvements that is being used for new equipment, facilities and improvements for our customers and community. For example, the Company has purchased new shelters and TranSmart signage for customers and is upgrading the First St. Transit Mall with new customer amenities.

Service Improvements

In August 2008, Long Beach Transit installed ticket issuing machines (TRIM) on all of its existing fareboxes. The TRIM system produces and accepts paper ticket cards that are magnetically encoded. It is currently used to issue day and five-day passes and transfers and allows the Company the ability to track their usage. The information generated by the TRIM enhances Long Beach Transit's ability to understand how customers are using the various fare products throughout the system.

The installation of the TRIM allowed the Company to implement a new partnership program with California State University, Long Beach (CSULB). CSULB students, faculty and staff are able to use their university ID card for fare payment on all Long Beach Transit buses. Under the program, entitled U-Pass, CSULB reimburses the Company for rides incurred. The program, which started in September 2008, resulted in an increase of 400% in CSULB related boardings. The program is scheduled to run through the completion of the school year in May 2010.

Sustainability Efforts

Long Beach Transit is committed to being a leader in our efforts to improve the environmental, social and economic health of our region. In addition to gasoline-electric hybrid coaches, the remaining large bus fleet uses ultra-low sulfur diesel and is equipped with particulate traps. The Company is currently working with a consultant to evaluate our long-term alternative fuel strategy to identify all available options in the market and determine the impact of each alternative on the environment and our organization.

Sustainability efforts also are being applied at our facilities by upgrading with efficient fluorescent lights and assessing the benefits of motion-sensors. Many of the bus stops are using solar-based power to provide lighting and energy for the real-time variable message signs. And, the new Transit and Visitors Information Center, completed this summer, is being considered for LEED Certification which recognizes structures that focus on the conservation of energy and water, reduced emissions, and improved indoor environments.

Long Beach Public Transportation Company

KEY PERFORMANCE RESULTS

Performance Statistics

One of the several methods used to monitor performance is through key indicators that track service quality, efficiency, and productivity. The results for fiscal year 2009 are on page 42. As national economic conditions deteriorated in the fall of 2008, the Company moved quickly to reduce expenses without impacting the level of service to our customers. Various capital programs were postponed, miscellaneous administrative expenses such as office supplies were reduced, and up to seven staff positions were left unfilled. This concerted, Company-wide effort, combined with declines in fuel prices compared to the previous year, resulted in Long Beach Transit's fiscal year 2009 operating costs being 6% below budget. This was achieved at the same time overall system ridership grew 5% to 29.7 million boarding customers, an all-time record. The Company's current passengers per vehicle service hour is at the top end of productivity compared to systems of similar size.

The Company also focused on increased awareness of the Aqua water taxi services during the year through additional marketing and completing the refurbishment of the Aqualink catamaran. The increased marketing resulted in ridership rising 15% while the cost to carry each passenger was lower by 7%.

Service miles between mechanical roadcalls declined by 4% during the year. This is a result of maintenance issues that have arisen with the new hybrid gasoline-electric technology and the aging of the Passport shuttle fleet. The Company continues to work closely with the manufacturer to improve reliability of the hybrids and has identified funding to begin replacement of the shuttle fleet.

Community Evaluation

Long Beach Transit also tracks the degree of customer satisfaction with the quality of services provided. An independent research firm is engaged annually to randomly sample customers and non-riders and measure perceptions of service quality. Unfortunately, budget cutbacks resulted in the 2009 community evaluation being postponed one year. Results for prior years are shown on page 43. The information provided by these surveys is a key source for the development of the Company's annual business plan. Ratings and customer comments are analyzed in detail to ensure Long Beach Transit is responsive to customer and community concerns and ideas.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy

The current economic recession in California and the nation continues to present Long Beach Transit with major challenges in sustaining the level and quality of transit services. Facing considerable budget shortfalls, the State Legislature has diverted State Transit Assistance (STA) gas tax funds from transit operators to the State's general fund for the next four years. For Long Beach Transit, this is a \$29.6 million reduction in subsidies through 2013.

Long Beach Public Transportation Company

In October 2007, the California Transit Association (CTA) filed a lawsuit against the State to stop the diversion of voter approved transit revenues. The courts ruled in CTA's favor, and, as of September 2009, all of the State's appeals have been exhausted. The CTA will now begin working with the State to recover this critical funding for transit operators.

Lower retail sales are also affecting our Proposition A and C sales tax subsidies. Long Beach Transit is expecting to receive 11% less subsidy revenue from these sources during fiscal year 2010. The Los Angeles County voters recently approved a new transit revenue source which will help alleviate immediate budget shortfalls. Measure R will provide additional sales tax dollars for transportation improvements. These funds should be dispersed beginning in the second half of fiscal year 2010.

The Company continues to closely monitor the economy, State actions and the recently increasing fuel prices and will adjust service levels as needed to remain within its operating budget.

Financial Policies

The Company procures the majority of all capital assets through annual grants awarded through the Federal Transit Administration. The Federal grants are allocated by region under Section 5307 and 5309 of the Safe, Accountable, Flexible, and Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU) of 2005. The Company is eligible to receive funds based on a formula allocation and discretionary money for specific projects, such as buses.

During 2006, a state-wide bond initiative was passed that provides Los Angeles County with additional capital funds for buses and security-related projects. The availability of these funds is based on the State's ability to issue bonds. Bond proceeds are distributed based on the existing County formula allocation. Any remaining capital needs not funded by Federal or bond monies are financed through state and local grants.

The Company currently has no long-term debt and has historically only used available grant funds to procure capital acquisitions. The Company has no immediate plans to issue debt and will continue to fund future capital needs through formula and discretionary grants.

Daily operations are financed by fare revenue, annual sales tax subsidies received from State and County programs, and miscellaneous other revenue such as income from advertising on Company vehicles and investment income. The amount of sales tax subsidies received each year is based on a regional formula comprised of fares, revenue miles, and passengers.

Accounting System

Internal Control Structure

In evaluating and developing the accounting system, Federal Transit Administration (FTA) and generally accepted accounting principles (GAAP) are applied to achieve an adequate system of internal accounting controls which ensures assets are protected against loss from unauthorized use or disposition and the data used to prepare financial statements are timely and reliable. These controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance is to ensure the cost of the control does not exceed the benefit received. It also recognizes the evaluation of costs and benefits require estimates and judgments by management. We believe the Company's internal accounting controls adequately safeguard assets and provide reasonable assurance financial transactions are properly recorded.

Long Beach Public Transportation Company

Basis of Accounting

Long Beach Transit is a single enterprise proprietary fund using the accrual method of accounting. Under this method, revenues are recorded when earned and expenses are recorded when liabilities are incurred.

Government grants for operating assistance and the acquisition of capital assets are not formally recognized in the accounts until the grant becomes a valid receivable as a result of the Company complying with appropriate grant requirements. Operating assistance grants are included in non-operating revenues in the year in which the grant is applicable and the related reimbursable expenditure is incurred. It is the Company's policy to record capital grants as an addition to capital assets and net assets as the related expenditures are incurred.

Cash Management

Idle cash during the year was invested with the State Treasurer's Local Agency Investment Fund (LAIF), bond funds and money market accounts. All investments are governed by an investment policy adopted by the Board. The policy is in accordance with the California Government Code and all other applicable federal, state and local laws, as well as using prudent money management. The Company is authorized to participate in obligations of the federal government and its agencies, commercial paper, bankers' acceptances, repurchase agreements, certificates of deposit, and mutual funds issued by diversified management companies.

All deposits are covered by federal insurance or collateralized under the California Government Code requiring the financial institution to pledge government securities as collateral with a market value of at least 110% of deposits.

Risk Management

Long Beach Transit is self-insured for each occurrence of workers' compensation and public liability and property damage claimed up to \$1.5 million and \$1 million, respectively. Claims in excess of \$1.5 million for workers' compensation and \$1 million for public liability and property damage are covered under policies in force with an independent insurer up to \$25 million for workers' compensation and \$10 million for public liability and property damage. Risk retention levels for public liability and property damage did not change during fiscal year 2009. However, in 2008, the risk retention limit for workers' compensation declined to \$1.5 million from the \$3 million maintained during fiscal year 2007. The amount of settlements for both programs has not exceeded the insurance coverage limits for the last three fiscal years.

An independent claims manager estimates losses and recommends reserve levels with losses recognized on an accrual basis. Cash and investments are maintained to fully fund the estimated liabilities. Additional information on Long Beach Transit's risk management activity can be found on page 23 in note (6) of the notes to the accompanying basic financial statements.

Pension Benefits

The Company sponsors two single employer defined benefit pension plans, one for contract employees and the other for salaried employees. Each year, an independent actuary calculates the amount of annual contribution that Long Beach Transit must make to the pension plans to ensure the plans will be able to fully meet its obligations to retired employees on a timely basis.

Long Beach Public Transportation Company

As a matter of policy, Long Beach Transit fully funds each year's annual required contribution to the pension plans as determined by the actuary. When taking into consideration future projected benefits, the funding status is 57% and 47% for the Contract Plan and Salaried Plan, respectively. The remaining unfunded future liability is being systematically funded over 28 years as part of the annual required contribution calculated by the actuary. The asset value of both Plans' portfolios decreased significantly due to drops in market value resulting in negative investment returns for 2009.

The financial statements for the Contract and Salaried Plans are available under separate cover. There is also additional information regarding the pension plans in this CAFR which can be found on page 29 in note (13) of the notes to the accompanying basic financial statements.

INNOVATION AND RECOGNITION

For the 18th straight year, the GFOA of the United States and Canada awarded a Certificate of Achievement for excellence in Financial Reporting to Long Beach Transit for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2008.

A Certificate of Achievement is valid for a period of one year only. In order to receive the award, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report in compliance with the GFOA policies, procedures and program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

In September 2008, California State University, Long Beach (CSULB) Associated Students presented Long Beach Transit with a Senate Resolution for the Pursuit of Alternative Means of Transportation in recognition of its U-Pass program. This award acknowledges the Company's efforts to improve the environment and provide clean, safe and reliable transportation by providing rides to the university's students, faculty and staff by using their university ID card for fare payment on all Long Beach Transit buses. Under the program, CSULB reimburses the Company for rides incurred.

Long Beach Transit received recognition for its advertising program. A First Place Ad Wheel award was presented to the Company by the American Public Transportation Association (APTA) for best commercial in the category "Television Advertisement or Public Service Announcement".

ACKNOWLEDGMENTS

We wish to acknowledge the participation and professional contribution of the accountancy firm of Windes & McLaughry in providing technical assistance when needed. In addition, we wish to recognize those Finance and Administrative staff members who contributed their time and efforts in preparing this document. Special thanks to Jacqueline Dricker, Office Administrator.



President and
Chief Executive Officer



Executive Vice President and
Chief Operating Officer



Senior Vice President and
Chief Financial Officer

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to
Long Beach
Public Transportation Company
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



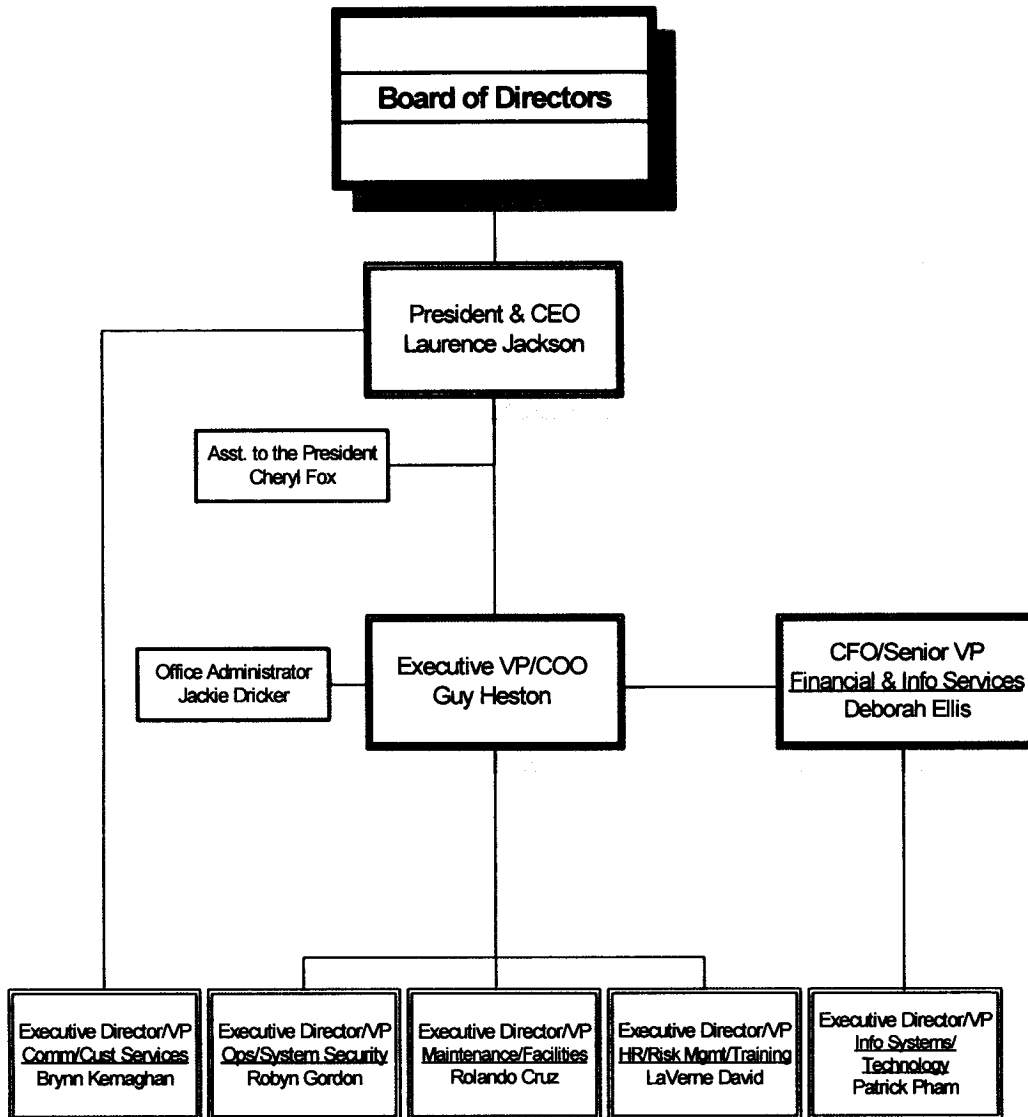
A handwritten signature in black ink, appearing to read "M. L. R.", is written over the printed name.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emen", is written over the printed name.

Executive Director

ORGANIZATION CHART



Long Beach Public Transportation Company

Board of Directors

Renee B. Simon	Chair of the Board
Mark Curtis	Vice Chair
Dr. James P. Norman, Jr.	Secretary – Treasurer
Terry Fiskin	Assistant Secretary – Treasurer
Robert W. Parkin	Director
Freda Hinsche Otto	Director
Barbara Sullivan George	Director
Michael Conway	Ex Officio Member, City of Long Beach
David Roseman	Ex Officio Member, City of Long Beach

Management

Laurence W. Jackson	President & Chief Executive Officer
Guy Heston	Executive Vice President & Chief Operating Officer
Deborah Ellis	Senior Vice President & Chief Financial Officer Financial & Information Systems
Robyn Gordon	Executive Director, VP Operations & System Security
Rolando Cruz	Executive Director, VP Maintenance & Facilities
LaVerne David	Executive Director, VP Risk Management, Training & Human Resources
Patrick Pham	Executive Director, VP Information Systems & Technology
Brynn Kernaghan	Executive Director, VP Community & Customer Services

Long Beach Public Transportation Company

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FINANCIAL



Comprehensive Annual Financial Report

LONG BEACH TRANSIT

2009

for the year ended june 30, 2009, long beach, CA

a component unit of the city of long beach

Prepared by the Finance Department

Deborah Ellis, Chief Financial Officer



FSC paper certification supports
well-managed forests and responsible
use of forest resources
Cert. No. FSC-SECR-7249



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Other Offices:
Irvine
Torrance

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Long Beach Public Transportation Company

We have audited the accompanying financial statements of the Long Beach Public Transportation Company (Company), a component unit of the City of Long Beach, California, as of and for the year ended June 30, 2009 and 2008, as listed in the table of contents. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

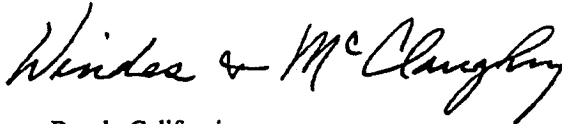
As described more fully in note 1, the financial statements referred to above include only the financial activities of the Long Beach Public Transportation Company and are not intended to present fairly the financial position and results of operations of the City of Long Beach, California in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Long Beach Public Transportation Company, as of June 30, 2009 and 2008, and the respective changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 30, 2009, on our consideration of the Company's internal control over 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audits.

The management's discussion and analysis and budgetary comparison information on pages 3 through 9 and the required supplementary information on page 31, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Long Beach Public Transportation Company's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Long Beach, California
October 30, 2009

Long Beach Public Transportation Company

MANAGEMENT'S DISCUSSION and ANALYSIS

As management of Long Beach Public Transportation Company (Long Beach Transit or the Company), we offer readers of Long Beach Transit's financial statements this narrative overview and analysis of the financial activities of the Company for the fiscal years ended June 30, 2009, 2008 and 2007. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-x of this report.

FINANCIAL HIGHLIGHTS

- Long Beach Transit's assets exceeded its liabilities at June 30, 2009 by \$90.9 million (net assets). Of this amount, \$3.5 million (unrestricted net assets) may be used to meet the Company's ongoing obligations arising from providing transportation service to the community.
- The State of California significantly reduced State Transit Assistance (STA) funding to transit operators in 2009 resulting in a \$6 million loss in revenue.
- To partially offset the loss of STA funds, the Los Angeles County Metropolitan Transportation Authority (Metro) allocated \$4.5 million in Proposition C funds to Long Beach Transit.
- The Company implemented a fare increase in February 2009.
- Operating expenses before depreciation fell 2% due to dropping fuel prices and lower casualty and workers' compensation costs.
- Net assets increased \$14.7 million, or 19%, as annual capital asset acquisitions included the delivery of 23 new coaches. The Company was awarded \$16.3 million in federal American Recovery and Reinvestment Act (ARRA) stimulus capital grant monies. All capital procurements are funded by federal, state, and local grants and are debt free.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Long Beach Transit's financial statements and notes to the financial statements.

The statements of net assets present information on all of Long Beach Transit's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Long Beach Transit is improving or deteriorating.

The statements of revenues, expenses, and changes in net assets present information showing how the Company's net assets changed for the two most recent fiscal years. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Long Beach Public Transportation Company

Management's Discussion and Analysis, continued

The statements of cash flows present information on the Company's cash receipts, cash payments, and net changes in cash (and cash equivalents) for the two most recent fiscal years. Generally accepted accounting principles for governmental units require that cash flows be classified into one of four categories:

- Cash flows from operating activities
- Cash flows from noncapital financing activities
- Cash flows from capital and related financing activities
- Cash flows from investing activities.

The Company's financial statements can be found on pages 10-14 of this report.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 15-33 of this report.

FINANCIAL STATEMENT ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of the Company's financial position. In the case of Long Beach Transit, assets exceeded liabilities by \$90.9 million at the close of fiscal year 2009.

Long Beach Public Transportation Company's Condensed Summary of Net Assets

	Year - Ended		
	2009	2008	2007
Current assets	\$ 33,910,993	\$ 32,465,510	\$ 30,023,743
Other noncurrent assets	19,909,267	22,447,751	18,248,769
Capital assets, net	<u>87,250,464</u>	<u>72,514,620</u>	<u>74,761,808</u>
Total assets	<u>141,070,724</u>	<u>127,427,881</u>	<u>123,034,320</u>
Current liabilities	31,121,815	30,019,746	25,952,804
Noncurrent liabilities	<u>19,093,666</u>	<u>21,288,736</u>	<u>18,714,929</u>
Total liabilities	<u>50,215,481</u>	<u>51,308,482</u>	<u>44,667,733</u>
Net assets:			
Invested in capital assets	87,250,464	72,514,620	74,761,808
Restricted	102,205	259,954	84,674
Unrestricted	<u>3,502,574</u>	<u>3,344,825</u>	<u>3,520,105</u>
Total net assets	<u>\$ 90,855,243</u>	<u>\$ 76,119,399</u>	<u>\$ 78,366,587</u>

Long Beach Public Transportation Company

Management's Discussion and Analysis, continued

Almost all of Long Beach Transit's net assets (96%) reflect its investment in capital assets (e.g., fleet, buildings, passenger facilities, shop equipment). The Company uses these capital assets to provide transportation service to the community; consequently, these assets are not available for future spending. All of Long Beach Transit's capital assets were procured with federal, state, and local grant funds. The remaining balance of unrestricted net assets (\$3.5 million in 2009, \$3.3 million in 2008 and \$3.5 million in 2007) may be used to meet the Company's ongoing obligations arising from providing transportation service to the community.

In fiscal year 2009, Long Beach Transit's net assets increased by \$14.7 million. This is due to capital purchases exceeding annual depreciation by \$14.7 million. Long Beach Transit spent \$28.7 million for capital assets which included procurement of 23 replacement coaches, new farebox equipment, construction of a customer service center, service vehicles, bus stop improvements, and routine expenditures such as bus components and shop and EDP equipment.

For fiscal year 2008, the Company's net assets decreased by \$2.2 million due to the annual depreciation expense exceeding capital purchases by \$2.2 million. Long Beach Transit spent \$15.2 million for capital assets which included new coaches and Dial-A-Lift vehicles, ground-breaking for the new customer service center, upgrades to passenger facilities, and routine replacement of bus tires, shop, office and EDP equipment.

Long Beach Public Transportation Company's Condensed Summary of Changes in Net Assets

	Year - Ended		
	2009	2008	2007
Operating revenues:			
Passenger fares and special events	\$ 15,857,912	\$ 14,893,788	\$ 14,291,818
Advertising	797,814	857,449	847,296
Other	14,551	20,610	30,182
Total operating revenues	<u>16,670,277</u>	<u>15,771,847</u>	<u>15,169,296</u>
Non-operating revenues:			
Subsidies	50,720,199	52,151,341	44,495,763
Interest	740,135	1,561,541	1,686,759
Total non-operating revenues	<u>51,460,334</u>	<u>53,712,882</u>	<u>46,182,522</u>
Total revenues	<u>68,130,611</u>	<u>69,484,729</u>	<u>61,351,818</u>
Expenses:			
Transportation	34,874,385	32,376,023	30,454,056
Maintenance	18,602,288	19,612,265	17,251,960
Administration	14,653,938	17,496,441	13,645,802
Depreciation	14,009,081	17,441,700	16,712,820
Total expenses	<u>82,139,692</u>	<u>86,926,429</u>	<u>78,064,638</u>
Change before capital grants	(14,009,081)	(17,441,700)	(16,712,820)
Capital grants	<u>28,744,925</u>	<u>15,194,512</u>	<u>7,886,262</u>
Change in net assets	<u>\$ 14,735,844</u>	<u>\$ (2,247,188)</u>	<u>\$ (8,826,558)</u>

Management's Discussion and Analysis, continued

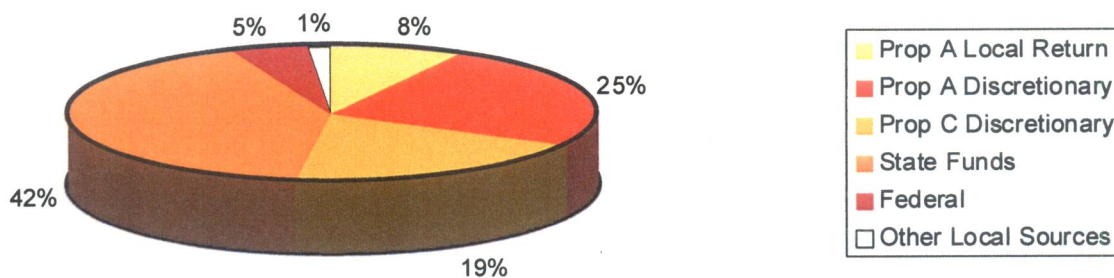
Operating revenues. Fare revenue in 2009 rose \$964,000 or 6% due to higher ridership and a fare increase implemented in February 2009. This was the second consecutive year of increased fare revenue as 2008 totals increased 4% over 2007. Fiscal 2008's increase was mainly due to rising fuel prices that resulted in increased public transit usage and changes to the county's regional pass price that resulted in some passengers moving to other fare media such as Long Beach Transit's monthly and day passes.

Since fare revenue comprises 95% of operating revenues, total operating revenues for 2009 also increased by 6%. The current economic recession has affected the advertising industry, resulting in less advertising revenue for 2009. For 2008, advertising sales remained stable when compared to 2007 totals.

Non-operating revenues. Subsidies, which comprise 74% of total revenues, both operating and non-operating, decreased \$1.4 million or 2% in 2009. This decrease is a direct result of lower expenses due to a drop in fuel prices and savings in both self-insurance programs. In addition, the State of California, facing significant budget short falls, significantly reduced State Transit Assistance (STA) funds to transit operators in 2009 resulting in a \$6 million loss in revenue. This loss was partially offset by a one-time allocation of \$4.5 million in Proposition C funds from Metro.

In 2008, subsidy revenue increased \$7.7 million to match a 13% increase in expenditures that was caused primarily by higher fuel prices. The Company used a portion of its Proposition A Local Return reserves and Federal preventative maintenance monies to meet budget requirements. Increased sales tax on fuel also produced slightly higher State revenues.

2009 Subsidy Revenue by Source



Expenses. Fiscal year 2009 operating expenses, before depreciation, decreased 2% mainly due to lower fuel prices and savings in self-insurance costs. Fuel expenditures declined 20% or \$1.4 million from 2008. Prices per gallon dropped 50% during the year. Casualty and liability payouts also decreased from 2008 by almost \$700,000 as there were 10% fewer preventable accidents.

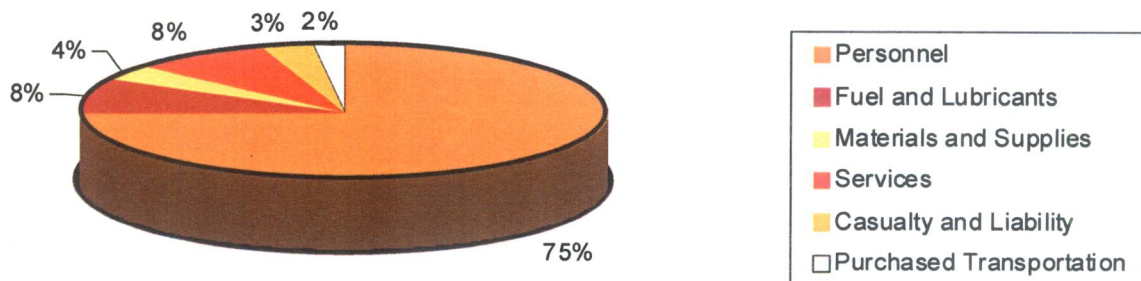
In 2008, operating expenses, before depreciation, rose 13% over 2007, due to increases in fuel, insurance claims, healthcare and wages. Fuel costs exceeded \$7 million and comprised 10.3% of the Company's total operating budget. The Company also made a concerted effort to close older, more expensive workers' compensation claims and, therefore, reserves were increased. Wages were up 7% over 2007 as the Company completed its recruitment efforts to restore manpower levels that were frozen during previous labor negotiations and also to provide additional service hours on the most heavily used bus routes.

Long Beach Public Transportation Company

Management's Discussion and Analysis, continued

Depreciation expense decreased 20% for 2009. Capital acquisitions exceeded depreciation by \$14.7 million as the Company took receipt of 23 new buses in June 2009. In 2008, depreciation expense increased 4% and exceeded capital acquisitions by \$2.2 million.

2009 Operating Expenses (before depreciation)



CAPITAL ASSETS

Long Beach Transit's investment in capital assets as of June 30, 2009, amounted to \$87.3 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, fleet, communication and farebox systems, machinery and equipment, and passenger facilities. All assets have been purchased with federal, state or local grants awarded to the Company, and Long Beach Transit has never issued any debt to fund the procurement of capital assets.

The total net increase in the Company's investment in capital assets for the current fiscal year was 20%. Long Beach Transit had \$28.7 million in new capital contributions during the year, an increase of \$13.6 million when compared to 2008. The Company took delivery of 23 new hybrid coaches in June 2009. Besides buses, the Company completed construction of a new customer service center and purchased new farebox equipment. Other asset acquisitions during the fiscal year were mainly for on-going programs and upgrades and replacements of existing assets.

As noted above, all assets are purchased with grants, the majority coming from federal funding. Total grant awards will vary each year as Long Beach Transit is eligible for a formula percentage of the County's federal funding, plus one-time grants available for specific projects, such as bus replacement. The Company received \$16.3 million in one-time ARRA federal stimulus funds which has been programmed for bus stop and transit mall improvements, service vehicles, safety and training equipment, bus components and EDP equipment. Grant requirements allow, on average, three years to expend these funds. As of June 30, 2009, the Company had \$73.8 million in grant funds designated for capital procurements. This is a \$12.2 million increase from the available balance at the end of fiscal year 2008.

Long Beach Public Transportation Company

Management's Discussion and Analysis, continued

Significant capital asset acquisitions during 2009 included the following:

- The Company took receipt of 23 buses during the year at a cost of \$14.3 million.
- The Company completed construction of a new Transit Visitor and Information Center in downtown Long Beach. Construction and equipment costs during 2009 were \$2.8 million.
- Installed ticket-issuing and magnetic card readers for the farebox system at a cost of \$1.9 million.
- Routine replacement of engines, transmissions, tires, and shop and office equipment totaling \$3.2 million.
- Almost \$1.5 million was spent on upgrades to passenger facilities with the installation of new shelters and variable message signs displaying real-time schedule information
- Procurement of 20 new service cars and trucks totaling \$504,000.

Long Beach Public Transportation Company's Capital Assets (net of depreciation)

	Year - Ended		
	2009	2008	2007
Land	\$ 5,525,000	\$ 5,525,000	\$ 5,525,000
Buildings and improvements	15,960,594	13,821,510	15,162,954
Fleet	54,462,434	43,950,608	43,278,055
Communications systems	293,096	300,057	818,635
Fare collection system	4,810,431	3,315,097	3,869,506
Office, shop and garage equipment	2,645,899	1,954,336	1,742,507
Passenger facilities	2,427,228	988,563	1,999,601
Construction in progress	<u>1,125,782</u>	<u>2,659,449</u>	<u>2,365,550</u>
Total assets, net of depreciation	<u>\$ 87,250,464</u>	<u>\$ 72,514,620</u>	<u>\$ 74,761,808</u>

Long Beach Transit's investment in capital assets as of June 30, 2008, amounted to \$72.5 million (net of accumulated depreciation). The Company had \$15.2 million in new capital contributions during the year, an increase of \$7.3 million when compared to 2007. Asset acquisitions during the fiscal year included new buses, architectural costs for a new customer service center and on-going upgrades and replacements of existing assets. As of June 30, 2008, the Company had \$61.6 million in grant funds designated for capital procurements. This is a \$10.3 million increase from the available balance at the end of fiscal year 2007.

Significant capital asset acquisitions during 2008 included the following:

- The Company took receipt of 15 buses during the year at a cost of \$6.7 million.
- The Company broke ground on a new Transit Visitor and Information Center in downtown Long Beach. Architectural and construction costs during 2008 were \$500,000.
- Routine replacement of engines, transmissions, tires, and shop and office equipment at a cost of \$1.5 million.
- Almost \$700,000 was spent on upgrades to passenger facilities with the installation of new shelters and variable message signs displaying real-time schedule information.
- Procurement of six new Dial-A-Lift vehicles totaling \$252,000.

Long Beach Public Transportation Company

Management's Discussion and Analysis, continued

Additional information on Long Beach Transit's capital assets can be found in note (8) in the notes to the accompanying financial statements beginning on page 25 of this report.

ECONOMIC FACTORS and NEXT YEAR'S FINANCIAL PLAN

The current economic recession in California and the nation continues to present Long Beach Transit with major challenges in sustaining the level and quality of transit services. Long Beach Transit is not alone as transit operators across the country are cutting services and laying off employees. As of this report, the Company has no plans to implement reductions in service, however, a contingency service reduction plan has been prepared for implementation should economic conditions warrant. Subsidy revenues which account for 70% of operating funds are forecasted to be at least 10% lower in 2010 due to a weak economy and loss of STA funding.

Facing considerable budget shortfalls, the State Legislature has diverted STA gas tax funds from transit operators to the State's general fund for the next four years. For Long Beach Transit, this is a \$29.6 million reduction in subsidies through 2013. In October 2007, the California Transit Association (CTA) filed a lawsuit against the State to stop the diversion of voter approved transit revenues. The courts ruled in CTA's favor, and, as of September 2009, all of the State's appeals have been exhausted. The CTA will now begin working with the State to recover this critical funding for transit operators. The Company also receives county Proposition A and C sales tax revenues. However, retail sales continue to suffer in the current economy which means less overall revenue for transit operations.

A portion of the drop in subsidies will be offset by a new source of revenue for Los Angeles County transit operators beginning July 1, 2009. Measure R, approved by the voters, provides a ½ cents sales tax for transportation improvements. We anticipate these funds to begin arriving in the second half of fiscal year 2010. Long Beach Transit's board of directors has also approved a fare increase to be implemented in February 2010.

The final financial plan approved in May 2009 for fiscal year 2010 totals \$70.9 million. This is \$1.5 million less than 2009's financial plan, but maintains existing service levels. Management continues to be focused on cost containment and is reducing or eliminating various expenses and programs, leaving several staff positions unfilled, implementing fuel and energy conservation programs and achieving improved results in both the workers' compensation and casualty and liability programs. Fuel prices continue to be a primary concern as costs have fluctuated significantly over the last three years. The projected fuel costs of over \$5 million for fiscal year 2010 will comprise 7% of the total operating budget. Given the continuing price instability of the oil market, we will monitor this carefully throughout the year. Besides fuel, we are also anticipating significant increases for health-care benefits and required pension plan contributions.

However, while management believes Long Beach Transit's conservative financial practices allow us to meet these funding challenges for the upcoming year, we will closely monitor all of these issues to ascertain whether future service reductions may become necessary.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Long Beach Public Transportation Company's finances for all those with an interest in the Company's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Long Beach Transit, P.O. Box 731, Long Beach, California, 90801.

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MD&A

Long Beach Public Transportation Company

Statements of Net Assets June 30, 2009 and 2008

	Assets	
	<u>2009</u>	<u>2008</u>
Current assets:		
Cash and investments (note 2)	\$ 12,137,945	\$ 14,182,398
Accounts receivable (note 4)	6,207,108	4,547,388
Materials and supplies inventory	929,354	837,849
Prepaid expenses	228,492	390,054
Restricted and designated assets:		
Cash and investments (notes 2 and 5)	1,719,508	341,378
Accounts receivable (note 5)	5,798,360	5,375,688
Cash and investments designated for insurance claims (notes 2, 5 and 6)	<u>6,890,226</u>	<u>6,790,755</u>
Total current assets	<u>33,910,993</u>	<u>32,465,510</u>
Noncurrent assets:		
Cash and investments - contingency reserve (notes 2 and 5)	2,000,000	2,000,000
Restricted assets:		
Cash and investments (notes 2 and 5)	17,909,267	20,447,751
Capital assets (note 8):		
Land	5,525,000	5,525,000
Buildings and improvements	38,985,746	34,845,322
Fleet	117,411,570	100,603,056
Communications systems	6,864,780	6,584,559
Fare collection system	7,437,141	5,353,035
Office, shop and garage equipment	15,646,978	14,716,110
Passenger facilities	4,128,570	5,303,616
Construction-in-progress	1,125,782	2,659,449
Less accumulated depreciation	<u>(109,875,103)</u>	<u>(103,075,527)</u>
Total net capital assets	<u>87,250,464</u>	<u>72,514,620</u>
Total noncurrent assets	<u>107,159,731</u>	<u>94,962,371</u>
Total assets	<u>\$ 141,070,724</u>	<u>\$ 127,427,881</u>

The notes to the financial statements are an integral part of these statements.

Long Beach Public Transportation Company

Statements of Net Assets, Continued June 30, 2009 and 2008

	2009	2008
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 2,203,635	\$ 2,807,890
Accrued payroll expenses	832,866	679,800
Compensated absences payable (note 11)	2,353,992	2,189,350
Retiree health care benefits (note 11)	64,573	74,451
Subsidy deferral (note 9)	12,896,119	12,778,110
Current liabilities payable from restricted or designated assets:		
Deferred revenue (note 5)	5,880,404	4,699,390
Estimated liability for insurance claims (note 6)	6,890,226	6,790,755
Total current liabilities	<u>31,121,815</u>	<u>30,019,746</u>
Noncurrent liabilities:		
Liabilities payable from restricted or designated assets:		
Deferred revenue (note 5)	18,101,132	20,379,302
Retiree health care benefits (note 11)	992,534	909,434
Total noncurrent liabilities	<u>19,093,666</u>	<u>21,288,736</u>
Total liabilities	<u>50,215,481</u>	<u>51,308,482</u>
Net Assets:		
Invested in capital assets	87,250,464	72,514,620
Restricted for capital procurement	102,205	259,954
Unrestricted	3,502,574	3,344,825
Total net assets	<u>\$ 90,855,243</u>	<u>\$ 76,119,399</u>

The notes to the financial statements are an integral part of these statements.

Long Beach Public Transportation Company

Statements of Revenues, Expenses and Changes in Net Assets Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Operating revenues:		
Passenger fares	\$ 15,785,523	\$ 14,789,817
Special events	72,389	103,971
Advertising	797,814	857,449
Other revenue	<u>14,551</u>	<u>20,610</u>
Total operating revenues	<u>16,670,277</u>	<u>15,771,847</u>
Operating expenses:		
Transportation	34,874,385	32,376,023
Maintenance	18,602,288	19,612,265
Administration	14,653,938	17,496,441
Depreciation (note 8)	<u>14,009,081</u>	<u>17,441,700</u>
Total operating expenses	<u>82,139,692</u>	<u>86,926,429</u>
Operating loss	<u>(65,469,415)</u>	<u>(71,154,582)</u>
Nonoperating income:		
Subsidies (note 3)	50,720,199	52,151,341
Interest income	<u>740,135</u>	<u>1,561,541</u>
Total nonoperating income	<u>51,460,334</u>	<u>53,712,882</u>
Change in net assets before capital grants	\$ (14,009,081)	\$ (17,441,700)
Capital grants	<u>28,744,925</u>	<u>15,194,512</u>
Change in net assets	14,735,844	(2,247,188)
Total net assets, July 1	<u>76,119,399</u>	<u>78,366,587</u>
Total net assets, June 30	<u>\$ 90,855,243</u>	<u>\$ 76,119,399</u>

The notes to the financial statements are an integral part of these statements.

Long Beach Public Transportation Company

Statements of Cash Flows Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Cash received from customers	\$ 16,751,840	\$ 15,766,373
Cash paid to employees for services	(34,960,736)	(33,120,357)
Cash paid to other suppliers of goods or services	<u>(33,174,106)</u>	<u>(31,819,678)</u>
Net cash used in operating activities	<u>(51,383,002)</u>	<u>(49,173,662)</u>
Cash flows provided by noncapital financing activities:		
Operating subsidies received	<u>50,256,885</u>	<u>50,274,346</u>
Cash flows from capital and related financing activities:		
Proceeds from sale of capital assets	77,533	434,142
Purchase of capital assets	(28,744,925)	(15,194,512)
Capital grant contributions received	<u>25,769,434</u>	<u>17,918,572</u>
Net cash (used in) provided by capital and related financing activities	<u>(2,897,958)</u>	<u>3,158,202</u>
Cash flows provided by investing activities:		
Purchase of investments	(14,224,993)	--
Interest received on cash and investments	<u>859,239</u>	<u>1,743,686</u>
Net cash (used in) provided by investing activities	<u>(13,365,754)</u>	<u>1,743,686</u>
Net increase (decrease) in cash and cash equivalents	(17,389,829)	6,002,572
Cash and cash equivalents, July 1	<u>43,762,282</u>	<u>37,759,710</u>
Cash and cash equivalents, June 30 (note 2)	<u>\$ 26,372,453</u>	<u>\$ 43,762,282</u>

The notes to the financial statements are an integral part of these statements.

Long Beach Public Transportation Company

Statements of Cash Flows, Continued Years Ended June 30, 2009 and 2008

Reconciliation of Operating Loss to Net Cash Used in Operating Activities	<u>2009</u>	<u>2008</u>
Operating loss	\$ (65,469,415)	\$ (71,154,582)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	14,009,081	17,441,700
Decrease (increase) in accounts receivable from operations	121,129	(312,731)
Increase in materials and supplies inventory	(91,505)	(115,716)
Decrease (increase) in prepaid expenses	161,562	(127,199)
Increase (decrease) in accounts payable	(604,255)	1,505,028
Increase in accrued payroll expenses and compensated absences payable	390,930	465,379
Increase in estimated liability for insurance claims	<u>99,471</u>	<u>3,124,459</u>
Total adjustments	<u>14,086,413</u>	<u>21,980,920</u>
Net cash used in operating activities	<u>\$ (51,383,002)</u>	<u>\$ (49,173,662)</u>

The notes to the financial statements are an integral part of these statements.

Long Beach Public Transportation Company

Notes to Financial Statements June 30, 2009 and 2008

(1) Summary of Significant Accounting Policies

Reporting Entity

The Long Beach Public Transportation Company (Long Beach Transit or Company) is a nonprofit corporation organized to provide public transportation services to the citizens of Long Beach, California. The Company is governed by a seven-member Board of Directors appointed to serve four-year terms by the Mayor with the approval of the Long Beach City Council. In turn, the Board Members appoint a Chief Executive Officer who is responsible for overseeing the Company's daily operations. The Company is responsible for the preparation of its own annual financial plan.

In accordance with U.S. generally accepted accounting principles (GAAP), the Company is considered a component financial reporting unit of the City of Long Beach (City), California. As such, the Company's financial statements are included in the City's comprehensive annual financial report as a discretely presented component unit. Long Beach Transit has a separate legal status and has historically operated as an independently managed and operated nonprofit corporation, receiving no direct administrative or financial support from the City. For the present, there has been no expressed intent to alter the status of this financial reporting and administrative relationship.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accompanying financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

In accordance with Government Accounting Standards Board (GASB) Statement No. 20, the Company applies all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, Financial Accounting Standards Board (FASB) statements and interpretations, Accounting Principles Board (APB) opinions, or Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedures.

The Company distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Company's principal ongoing operations. The principal operating revenues of the Company include passenger fares charged for transportation service to the community and advertising fees. Operating expenses include the cost of transportation services, maintenance of capital assets and facilities, administrative expenses and depreciation on capital assets. All other revenues and expenses are reported as non-operating revenues and expenses.

Long Beach Public Transportation Company

Notes to Financial Statements, Continued

Material and Supplies Inventories

Inventories are valued at cost on a first-in, first-out basis as applied on a moving-average-cost method, or market, whichever is lower.

Capital Assets

Capital assets, which include property, plant and equipment, are defined by the Company as assets with initial project values exceeding \$5,000, with individual federally funded items costing more than \$500 and having an estimated useful life of more than one year. The Federal Transit Administration (FTA) excludes the bus tire lease from this requirement as it is depreciated over a twelve-month period. Capital assets are valued at historical cost. Depreciation is provided using the straight-line method, with no allowance for salvage values. Donated capital assets are recorded at estimated fair market at the date of donation. The Company did not receive any donated capital assets during fiscal years 2009 and 2008.

Estimated useful lives of the Company's capital assets are as follows:

Buildings and improvements	25 years
Buses and vessels	12 years
Fare boxes	10 years
Smaller coaches	7 years
Furniture, equipment and passenger facilities	5 years
Service trucks	4 years
EDP equipment	3 years
Bus components	3 years
Service autos	3 years
Bus tires	1 year

Financial Plan

The Company adopts an annual financial plan for management information purposes only. Accordingly, financial statements presenting comparison of budgeted and actual results are not included.

Government Grants

Grants, with the exception of Proposition A local share (noted below) for operating assistance, for the acquisition of equipment or other capital outlay are not formally recognized in the accounts until the grant becomes a valid receivable as a result of the Company complying with appropriate grant requirements.

Operating assistance grants are included in non-operating revenues in the year in which a related reimbursable expenditure is incurred or in deferred revenue for use in the subsequent fiscal year.

The Company's policy is to report revenues from capital grants separately after non-operating revenues as the related expenditures are incurred. Assets acquired with capital grant funds are included in capital assets. Capital monies received prior to an expenditure being incurred are recorded as deferred revenue.

Long Beach Public Transportation Company

Notes to Financial Statements, Continued

The City allocates a portion of its Proposition A local share funding to the Company in accordance with an agreement between the Company, the City and the Los Angeles County Metropolitan Transportation Authority (Metro) (see notes 3 and 5). The Company records such Proposition A funds received and due from the City as deferred revenue until used for operating assistance and/or capital expenditures. Those Proposition A funds used for operating assistance are included in non-operating subsidies income and those funds used for capital expenditures are included in net assets.

Statements of Cash Flows

For purposes of the statements of cash flows, the Company considers all of its cash deposits and investments, including restricted and designated cash and investments, to be cash and cash equivalents. Monies invested with the State Treasurer's Local Agency Investment Fund (LAIF) may have maturities longer than 90 days; however, LAIF functions as a demand deposit account. Therefore, the Company considers such investments to be cash equivalents. There were no significant noncash capital and related financing activities in 2009 and 2008.

(2) Cash and Investments

Cash and investments are classified in the accompanying financial statements as follows as of June 30:

	<u>2009</u>	<u>2008</u>
Current unrestricted cash and investments	\$ 12,137,945	\$ 14,182,398
Current restricted and designated cash and investments	1,719,508	341,378
Current cash and investments designated for insurance claims	6,890,226	6,790,755
Noncurrent restricted cash and investments	<u>19,909,267</u>	<u>22,447,751</u>
Total cash and investments	<u>\$ 40,656,946</u>	<u>\$ 43,762,282</u>

Cash and investments consist of the following as of June 30:

	<u>2009</u>	<u>2008</u>
Cash on hand	\$ 63,506	\$ 44,072
Deposits with financial institutions	272,570	3,222,071
Cash equivalents	<u>26,036,377</u>	<u>40,496,139</u>
Total cash and cash equivalents	<u>26,372,453</u>	<u>43,762,282</u>
Investments	<u>14,284,493</u>	<u>--</u>
Total cash, cash equivalents, and investments	<u>\$ 40,656,946</u>	<u>\$ 43,762,282</u>

Long Beach Public Transportation Company

Notes to Financial Statements, Continued

Investments Authorized by the California Government Code and Long Beach Public Transportation Company's Investment Policy

The table below identifies the investment types that are authorized for Long Beach Transit by the Company's investment policy. The table also identifies certain provisions of the Company's investment policy that address interest rate risk, credit risk, and concentration of credit risk. During fiscal year 2008, the Company elected to have all but \$500,000 of its investments with LAIF. The remaining \$500,000 was in an overnight repurchase agreement. In June 2009, the Company diversified its investment in LAIF to other similarly structured investment vehicles managed by an independent manager. In addition, the overnight sweep account was closed and monies were moved to a money market account.

	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Percentage In One Issuer</u>
Local Agency Investment Fund (LAIF)	N/A	None	None
Negotiable Certificates of Deposit	5 years	30%	None
Commercial Paper	270 days	10%	10%
Money Market Mutual Funds	N/A	None	None
Bankers Acceptances	180 days	40%	10%
Repurchase Agreements	90 days	None	None
Reverse Repurchase Agreements	92 days	20%	None
Mutual Funds	N/A	15%	10%
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
Medium-Term Notes	5 years	30%	None
Mortgage Pass-Through Securities	5 years	20%	None
Local Agency Bonds	5 years	10%	None

Disclosures Relating to 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 to changes in market interest rates. The Company manages its exposure to declines in fair values by limiting the weighted average maturity of the investment portfolio to no more than two years.

Long Beach Public Transportation Company

Notes to Financial Statements, Continued

Information about the sensitivity of fair values of the Company's investments to market interest rate fluctuations is provided by the following table that shows the maturity date of each investment at June 30, 2009 and 2008, respectively.

Weighted Average Maturity (Yrs)

Type	2009	Weighted Average Maturity (Yrs)
<u>Cash Equivalents</u>		
Local Agency Investment Fund (LAIF)	\$ 17,845,419	.64
Bank of America Money Market	2,414,775	N/A
Fidelity Municipal Money Market	5,028,060	N/A
Russell Money Market	748,123	N/A
Total cash equivalents	\$ 26,036,377	
<u>Investments</u>		
iShares Barclays 1-3 year Treasury Bond	\$ 3,003,599	1.81
PIMCO 1-3 year US Treasury Index	3,002,696	1.84
iShares Barclays MBS Bond	1,507,610	1.46
iShares Barclays Short Treasury Bond	2,992,745	.32
iShares Barclays TIPS Bond	1,518,603	5.61
Russell Investment Grade Bond	755,686	3.90
PIMCO Short Term	750,458	.63
Russell Short Duration Bond	753,096	1.80
Total investments	\$ 14,284,493	

N/A – not applicable

Type	2008	Weighted Average Maturity (Yrs)
<u>Cash Equivalents</u>		
Local Agency Investment Fund (LAIF)	\$ 39,996,139	.58
Repurchase Agreement (Overnight Sweep Account)	500,000	.003
Total cash equivalents	\$ 40,496,139	

Long Beach Public Transportation Company

Notes to Financial Statements, Continued

Disclosures Relating to 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. LAIF does not have a rating provided by a nationally recognized statistical rating organization. Since all investment holdings were with LAIF in 2008, no rating information is presented for that year. For 2009, ratings on the investments, excluding LAIF and money market accounts, are as follows at June 30, 2009:

<u>Investment Type</u>	<u>Rating</u>
iShares Barclays Short Treasury Bond	AAA/Aaa
iShares Barclays 1-3 year Treasury Bond	AAA/Aaa
PIMCO 1-3 year US Treasury Index	AAA/Aaa
iShares Barclays TIPS Bond	AAA/Aaa
iShares Barclays MBS Bond	AAA/Aaa
PIMCO Short Term	AA+
Russell Short Duration Bond	A
Russell Investment Grade Bond	AA

Concentration of Credit Risk

The investment policy of the Company contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represents 5% or more of total Company investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the Company's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure government deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools, such as LAIF.

Long Beach Public Transportation Company

Notes to Financial Statements, Continued

(3) Operating Subsidies

Subsidies from the following sources were earned during the years ended June 30:

	<u>2009</u>	<u>2008</u>
Proposition A, County of Los Angeles	\$ 12,500,860	\$ 11,679,125
TDA and STA, State of California	21,266,639	25,777,123
Proposition C, County of Los Angeles	9,848,459	5,224,479
Proposition A Allocation, City of Long Beach	4,067,755	7,087,958
Preventative Maintenance, Federal	2,378,850	2,126,915
Other local sources	<u>657,636</u>	<u>255,741</u>
Total	<u>\$ 50,720,199</u>	<u>\$ 52,151,341</u>

The voters of the County of Los Angeles approved Proposition A in November 1980 and Proposition C in November 1990. These voter approved sales tax initiatives each provide a 1/2% sales tax within the County to be used for mass transit and transportation purposes. A substantial portion of these funds are distributed to the various County transit operators by Metro on both a formula and discretionary basis.

Additionally, each city in Los Angeles County receives a formula allocation of certain Proposition A revenues. The City of Long Beach in turn allocates a portion of its Proposition A local share funding to the Company in accordance with an agreement between the Company, the City and Metro. The portion of the local Proposition A funds used for operating assistance is included above.

The State of California's Transportation Development Act (TDA) of 1971 designated a portion of County sales tax receipts to finance transit operations and development. This financing is made available to eligible transit operators within the County through allocations from the Local Transportation Fund of Los Angeles County and administered by Metro. State Transportation Assistance Funds (STA) are generated from a portion of the statewide sales tax and are disbursed to transit agencies based on a formula allocation by Metro.

In accordance with the Federal Transit Administration (FTA) regulations, the Company is allowed to use a portion of federal grant monies for operating preventative maintenance expenditures. These funds are shown as subsidy income in the Company's accompanying financial statements. The FTA funds 80% of the costs with the remaining 20% matched by Proposition C funds.

Other local monies are reimbursement for service hours supplied to seven surrounding cities and Job Access Reverse Commute funds (JARC) awarded through Metro for service to the Villages at Cabrillo.

Long Beach Public Transportation Company

Notes to Financial Statements, Continued

(4) Accounts Receivable

Unrestricted accounts receivable were comprised of the following at June 30:

	<u>2009</u>	<u>2008</u>
Subsidies	\$ 5,440,034	\$ 3,480,581
Insurance reimbursements	233,328	434,456
Interest	122,569	301,173
Trade	<u>411,177</u>	<u>331,178</u>
Total	<u>\$ 6,207,108</u>	<u>\$ 4,547,388</u>

Accounts are written off when determined to be uncollectible. In the opinion of management, all significant accounts receivable at June 30, 2009 and 2008 are fully collectible.

(5) Restricted and Designated Assets and Deferred Revenue

At June 30, 2009 and 2008, the balance of restricted and designated assets and deferred revenue accounts were as follows:

Restricted and Designated Assets

	<u>2009</u>	<u>2008</u>
Current cash and investments:		
Proposition A funds, City of Long Beach	\$ 1,719,508	\$ 341,378
Cash and investments designated for insurance claims	<u>6,890,226</u>	<u>6,790,755</u>
Total current cash and investments	<u>8,609,734</u>	<u>7,132,133</u>
Noncurrent cash and investments:		
Board mandated contingency reserve	2,000,000	2,000,000
Capital grant funds	<u>17,909,267</u>	<u>20,447,751</u>
Total noncurrent cash and investments	<u>19,909,267</u>	<u>22,447,751</u>
Total restricted and designated cash and investments:	<u>\$ 28,519,001</u>	<u>\$ 29,579,884</u>
Accounts receivable:		
Proposition A funds due from City	\$ 4,160,896	\$ 4,358,012
Capital grants receivable	<u>1,637,464</u>	<u>1,017,676</u>
Total restricted and designated accounts receivable	<u>\$ 5,798,360</u>	<u>\$ 5,375,688</u>

Long Beach Public Transportation Company

Notes to Financial Statements, Continued

	<u>Deferred Revenue</u>	
	<u>2009</u>	<u>2008</u>
Current deferred revenue:		
Proposition A funds, City of Long Beach	<u>\$ 5,880,404</u>	<u>4,699,390</u>
Total current deferred revenue	<u>5,880,404</u>	<u>4,699,390</u>
Noncurrent deferred revenue:		
Capital grant funds	<u>17,208,227</u>	<u>19,467,377</u>
Other	<u>892,905</u>	<u>911,925</u>
Total noncurrent deferred revenue	<u>18,101,132</u>	<u>20,379,302</u>
Total deferred revenue	<u>\$ 23,981,536</u>	<u>25,078,692</u>

The Company maintains a \$2 million contingency reserve mandated by the Board of Directors to meet unexpected cash shortfalls.

Proposition A funds from the City are local share Proposition A funds received by the City from Metro and are allocated to the Company in accordance with the agreements described in note 3 in the notes to the accompanying financial statements. Such monies are for the Company's use as operating assistance and/or to finance capital expenditures. The unused portion of Proposition A funds received from and due from the City is included in deferred revenue.

Capital grants receivable are grant funds earned and shown as capital contributions through purchase or construction of qualifying capital assets, but not yet received. Capital grant funds included in restricted and designated cash and investments and deferred revenue are funds the Company has received in advance for capital asset acquisition or construction but which have not been expended at the date of the statements of net assets.

Other noncurrent deferred revenue includes proceeds from the sale of assets originally purchased with capital grant contributions, which will be used for future asset acquisitions, and escheat checks.

(6) Estimated Liability for Insurance Claims

Under its insurance programs, the Company retains the risk for each occurrence of workers' compensation and public liability and property damage claimed up to \$1.5 million and \$1 million, respectively. Claims in excess of \$1.5 million for workers' compensation and \$1 million for public liability and property damage are covered under policies in force with an independent insurer up to \$25 million for workers' compensation and \$10 million for public liability and property damage. Individual claim settlements for both workers' compensation and public liability and property damage did not exceed insurance coverage limits in fiscal years 2009 and 2008.

The level of risk retention is dictated by the insurance market and the rates available to the Company. The Company weighs the increased premium costs against the risk level attempting to minimize overall program expenses. Risk retention levels for both worker's compensation and public liability and property damage did not change during fiscal year 2009. In 2008, the risk retention limit for workers' compensation declined to the \$1.5 million from the \$3 million retention limit maintained during fiscal year 2007.

Long Beach Public Transportation Company

Notes to Financial Statements, Continued

(8) Capital Assets

Capital asset activity for the years ended June 30, 2009 and 2008 was as follows:

	Balance at June 30, 2008	Adjustments/ Transfers	Increases	Decreases	Balance at June 30, 2009
Capital assets not being depreciated:					
Land	\$ 5,525,000	\$ ---	\$ ---	\$ ---	\$ 5,525,000
Construction in progress	<u>2,659,449</u>	<u>(2,592,075)</u>	<u>1,058,408</u>	<u>---</u>	<u>1,125,782</u>
Total capital assets not being depreciated	<u>8,184,449</u>	<u>(2,592,075)</u>	<u>1,058,408</u>	<u>---</u>	<u>6,650,782</u>
Capital assets being depreciated:					
Buildings & improvements	34,845,322	1,043,549	3,096,875	---	38,985,746
Fleet	100,603,056	294,051	19,833,862	(3,319,399)	117,411,570
Communications systems	6,584,559	192,669	87,552	---	6,864,780
Fare collection system	5,353,035	102,926	1,981,180	---	7,437,141
Office, shop & garage equipment	14,716,110	92,403	1,622,474	(784,009)	15,646,978
Passenger facilities	<u>5,303,616</u>	<u>866,477</u>	<u>1,064,574</u>	<u>(3,106,097)</u>	<u>4,128,570</u>
Total capital assets being depreciated	<u>167,405,698</u>	<u>2,592,075</u>	<u>27,686,517</u>	<u>(7,209,505)</u>	<u>190,474,785</u>
Less accumulated depreciation:					
Buildings & improvements	(21,023,811)	---	(2,001,341)	---	(23,025,152)
Fleet	(56,652,449)	---	(9,616,086)	3,319,399	(62,949,136)
Communications systems	(6,284,502)	---	(287,182)	---	(6,571,684)
Fare collection system	(2,037,938)	---	(588,772)	---	(2,626,710)
Office, shop & garage equipment	(12,761,774)	---	(1,023,314)	784,009	(13,001,079)
Passenger facilities	<u>(4,315,053)</u>	<u>---</u>	<u>(492,386)</u>	<u>3,106,097</u>	<u>(1,701,342)</u>
Total accumulated depreciation	<u>(103,075,527)</u>	<u>---</u>	<u>(14,009,081)</u>	<u>7,209,505</u>	<u>(109,875,103)</u>
Total capital assets, being depreciated, net	<u>64,330,171</u>	<u>2,592,075</u>	<u>13,677,436</u>	<u>---</u>	<u>80,599,682</u>
Total capital assets, net	<u>\$ 72,514,620</u>	<u>\$ ---</u>	<u>\$ 14,735,844</u>	<u>\$ ---</u>	<u>\$ 87,250,464</u>

Long Beach Public Transportation Company

Notes to Financial Statements, Continued

	Balance at June 30, 2007	Adjustments/ Transfers	Increases	Decreases	Balance at June 30, 2008
Capital assets not being depreciated:					
Land	\$ 5,525,000	\$ ---	\$ ---	\$ ---	\$ 5,525,000
Construction in progress	<u>2,365,550</u>	<u>(2,021,382)</u>	<u>2,315,281</u>	<u>---</u>	<u>2,659,449</u>
Total capital assets not being depreciated	<u>7,890,550</u>	<u>(2,021,382)</u>	<u>2,315,281</u>	<u>---</u>	<u>8,184,449</u>
Capital assets being depreciated:					
Buildings & improvements	34,286,581	(61,843)	675,175	(54,591)	34,845,322
Fleet	95,180,251	1,647,091	11,092,182	(7,316,468)	100,603,056
Communications systems	6,582,545	---	2,317	(303)	6,584,559
Fare collection system	5,304,535	3,889	44,611	---	5,353,035
Office, shop & garage equipment	13,906,166	389,638	818,091	(397,785)	14,716,110
Passenger facilities	<u>6,011,286</u>	<u>42,607</u>	<u>246,855</u>	<u>(997,132)</u>	<u>5,303,616</u>
Total capital assets being depreciated	<u>161,271,364</u>	<u>2,021,382</u>	<u>12,879,231</u>	<u>(8,766,279)</u>	<u>167,405,698</u>
Less accumulated depreciation:					
Buildings & improvements	(19,123,627)	3,046	(1,957,821)	54,591	(21,023,811)
Fleet	(51,902,196)	---	(12,066,721)	7,316,468	(56,652,449)
Communications systems	(5,763,910)	---	(520,895)	303	(6,284,502)
Fare collection system	(1,435,029)	---	(602,909)	---	(2,037,938)
Office, shop & garage equipment	(12,163,659)	---	(995,900)	397,785	(12,761,774)
Passenger facilities	<u>(4,011,685)</u>	<u>(3,046)</u>	<u>(1,297,454)</u>	<u>997,132</u>	<u>(4,315,053)</u>
Total accumulated depreciation	<u>(94,400,106)</u>	<u>---</u>	<u>(17,441,700)</u>	<u>8,766,279</u>	<u>(103,075,527)</u>
Total capital assets, being depreciated, net	<u>66,871,258</u>	<u>2,021,382</u>	<u>(4,562,469)</u>	<u>---</u>	<u>64,330,171</u>
Total capital assets, net	<u>\$ 74,761,808</u>	<u>\$ ---</u>	<u>\$ (2,247,188)</u>	<u>\$ ---</u>	<u>\$ 72,514,620</u>

The Company operates from two locations within the City of Long Beach. The principal maintenance facility is located in the central portion of the City and the satellite facility is in North Long Beach. Land included on the Company's books includes a parcel adjacent to the principal maintenance facility and the North Long Beach site. Land occupied by the Company's principal facility has been deeded to the City of Long Beach and is recorded in the accounts of the City.

Long Beach Public Transportation Company

Notes to Financial Statements, Continued

The Company's policy is to estimate and recognize losses on the accrual basis based on the report of the Company's independent claims manager or an actuarial report and to maintain designated cash and investments to fund the estimated liabilities. Liability may also be accrued if it is reasonable to suspect claims may arise from an incident that has occurred, but has yet to be reported to our independent claims manager.

The changes in estimated liabilities for reported claims are as follows:

	Public Liability and Property Damage	Workers' Compensation	Total
Estimated liabilities at July 1, 2007	\$ 1,125,862	\$ 2,540,434	\$ 3,666,296
Reserves:			
New claims	1,310,169	515,270	1,825,439
Adjustments to existing claims	1,019,695	3,595,805	4,615,500
Payouts	<u>(1,691,493)</u>	<u>(1,624,987)</u>	<u>(3,316,480)</u>
Estimated liabilities at June 30, 2008	1,764,233	5,026,522	6,790,755
Reserves:			
New claims	558,402	456,879	1,015,281
Adjustments to existing claims	1,090,910	1,908,813	2,999,723
Payouts	<u>(1,867,862)</u>	<u>(2,047,671)</u>	<u>(3,915,533)</u>
Estimated liabilities at June 30, 2009	<u>\$ 1,545,683</u>	<u>\$ 5,344,543</u>	<u>\$ 6,890,226</u>

During 2008, the Company began using an annual actuarial and claim review for open workers' compensation cases to ensure adequate reserves were maintained. Reserve levels were significantly increased in 2008 to meet projected future medical costs of older claims. In 2009, lower interest rates contributed to the rise in reserves.

(7) Deferred Compensation

The Company offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan is administered by an independent contractor. The Plan is available to all Company employees and permits them to defer a portion of their salary until future years. Plan assets consist of money market and mutual funds and are purchased based on elections made by the Company's employees. The deferred compensation is not available to employees or beneficiaries until termination, retirement, death or unforeseeable emergency.

Existing assets in the Plan are maintained in a qualified custodial account. The Custodian holds the Plan's assets for the exclusive benefit of participants and beneficiaries. The Plan's assets are not the legal property of the Company and are not subject to the claims of the Company's general creditors nor can they be used by the Company for any purpose other than the payment of benefits to employees participating in the Plan or their designated beneficiaries. Therefore, deferred compensation funds are not shown on the Company's Statements of Net Assets.

Long Beach Public Transportation Company

Notes to Financial Statements, Continued

(9) Subsidy Deferral

The amount of subsidies received each year is based upon estimated funding marks prepared by Metro. These estimates are used for budget preparation, with final marks received after final budgets are approved. Subsidies received in excess of expenditures are carried over for use in the next year. Subsidy deferrals of \$12,896,119 and \$12,778,110, for 2009 and 2008, respectively, have been included in the accompanying financial statements.

(10) Commitments and Contingencies

The Company is subject to claims and lawsuits arising in the normal course of business. Such claims are routinely evaluated by the Company's legal counsel. Management may make provisions for probable losses if deemed appropriate on advice of legal counsel. To the extent provisions for damages are considered necessary, appropriate amounts are reflected in the accompanying financial statements. It is the opinion of management, based on consultation with legal counsel, that the estimated liability for unreserved claims and suits will not have a material impact on the Company's financial statements.

Purchase Contracts

The Company had the following significant purchase commitments outstanding at June 30, 2009. These purchase orders are for future goods and services the Company has yet to receive and can be cancelled prior to delivery by either party subject to the provisions of each individual contract. The balances listed represent some contingency balances, therefore, actual costs may be lower than shown.

<u>Vendor</u>	<u>Project</u>	<u>Amount</u>	<u>Expected Completion</u>
Pro Petroleum	Fuel	\$ 2,535,433	June 2010
GE Security	Security cameras	804,266	December 2009
N/S Corporation	Bus washer	394,590	October 2009
Guardsmark, Inc.	Security guard services	372,433	June 2010
Continental Automotive Systems	Variable message signs/MDT units	314,159	September 2009
Goodyear Tire & Rubber Co.	Tires	240,177	January 2010
Taxi Systems, Inc.	Dial-A-Lift services	213,472	December 2009
Sirius Computer Systems	Storage area networks	213,324	October 2009
Ontira Communications	Route arrival notification system	192,283	March 2010

Long Beach Public Transportation Company

Notes to Financial Statements, Continued

<u>Vendor</u>	<u>Project</u>	<u>Amount</u>	<u>Expected Completion</u>
Creative Bus Solutions	Dial-A-Lift vans	\$ 176,244	August 2009
AWI Builders	Construction new facility	163,073	September 2009
Continental Automotive Systems	Transit priority signaling	164,545	December 2009
Windes & McClaughry Accountancy Corp.	Audit services	142,000	November 2009
Unistrut International Corp.	Fall restraint system	162,379	October 2009
Rotary Lifts	Fixed lifts	152,059	December 2009
GIRO Inc.	Software upgrade	129,334	January 2010
Gillig Corp.	Wheelchair securements	128,482	October 2009
ADT Security Services, Inc.	Fire sprinklers	112,995	December 2009
Long Beach Auto Repair Center	Bus detailing services	109,482	January 2010

Lease Obligations

The Company's tire lease is eligible for capitalization and is depreciated over a twelve (12) month period. Under the terms of the lease, the vendor supplies the tires and invoices the Company based on monthly mileage. There are no minimum guarantee payments required in the contracts. Total lease costs were \$514,012 and \$493,533 for the years ended June 30, 2009 and 2008, respectively.

(11) Employee Benefits

Vacation Compensation

Employees accrue vacation by reason of tenure at annual rates ranging from 12 to 30 days per year. Salaried employees may accumulate and carry-over no more than the number of vacation days earned in the previous year. Contract employees are paid their earned vacation in full each year. On June 30, 2009 and 2008, accrued unpaid vacation for all Company employees amounted to \$2,353,992 and \$2,189,350, respectively.

<u>Balance 6/30/08</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/09</u>	<u>Due Within One Year</u>
\$ 2,189,350	\$ 2,353,992	(\$ 2,189,350)	\$ 2,353,992	\$ 2,353,992
<u>Balance 6/30/07</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/08</u>	<u>Due Within One Year</u>
\$ 2,044,881	\$ 2,189,350	(\$ 2,044,881)	\$ 2,189,350	\$ 2,189,350

Long Beach Public Transportation Company

Notes to Financial Statements, Continued

Once a year the Company allows employees to sell back a portion of their earned vacation in lieu of taking the time off. The Company has agreed to buy back vacation time in excess of ten (10) days earned during the calendar year. Vacation days carried over from the previous year are not eligible for this program. The Company paid \$183,373 and \$177,688 under this program during 2009 and 2008, respectively.

Post-Retirement Health Care Benefits

Full-time Company employees are entitled to receive up to 96 hours of sick leave per year. Contract employees can accrue a maximum of 1,200 unused sick hours. Unused sick leave may be accumulated until retirement with the cash value, or a percentage thereof for Contract retirees, used to pay health and dental insurance premiums under the Company's Retired Employees Health Insurance Program (REHIP). Once the cash value of the retiring employee's unused sick leave is exhausted, the retiree is required to pay all health and dental premiums.

There were 61 participants in the Company's REHIP at both June 30, 2009 and 2008, and the cash value equivalent of the remaining unused sick leave for the current retirees totaled \$266,545 and \$324,741, respectively. Total premiums paid by the Company under the REHIP during the fiscal year ended June 30, 2009 and 2008, were \$104,242 and \$118,970, respectively.

The Company has established a liability related to unused sick leave which it estimates will be used by retirees to cover premiums under the REHIP. The estimated costs of the REHIP for both current and expected future payments is \$1,057,107 and \$983,885 at June 30, 2009 and 2008, respectively.

<u>Balance 6/30/08</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/09</u>	<u>Due Within One Year</u>
\$ 983,885	\$ 177,465	(\$ 104,243)	\$ 1,057,107	\$ 64,573
<u>Balance 6/30/07</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/08</u>	<u>Due Within One Year</u>
\$ 863,618	\$ 239,237	(\$ 118,970)	\$ 983,885	\$ 74,451

(12) Subsequent Events

Union Labor Agreement

The labor agreement between the Company and Amalgamated Transit Union, Local 1277 (ATU) expired September 30, 2009. An agreement on a new contract has not been reached, but both parties are continuing negotiations and no disruption of service is anticipated at this time.

(13) Pension Benefits

Plan Descriptions

The Company sponsors two single employer defined benefit pension plans: one for contract employees, the Long Beach Public Transportation Company Retirement Plan - Contract Employees (Contract Plan), and one for salaried employees, the Long Beach Public Transportation Company Retirement Plan - Salaried Employees (Salaried Plan).

Long Beach Public Transportation Company

Notes to Financial Statements, Continued

The Company's payroll for employees covered by each plan for the years ended June 30, 2009 and 2008 was \$25,266,127 and \$23,643,084 for the Contract Plan, respectively, and \$9,375,890 and \$9,125,649 for the Salaried Plan, respectively. Total Company payroll for 2009 and 2008 was \$34,960,736 and \$33,120,357, respectively.

The Contract and the Salaried Plans are noncontributory single employer defined benefit pension plans sponsored by the Company. All full-time employees in a job classification covered by a collective bargaining agreement between the Company and the Union participate in the Contract Plan as of their date of employment. All full-time employees not covered by a collective bargaining agreement participate in the Salaried Plan as of their date of employment. Participants in both the Contract and Salaried Plans are eligible for annual benefit payments at the normal retirement age of 64 and completion of ten years of credited service and become 100% vested after five credited years of service. Employees covered under the Salaried Plan can retire prior to 64 with a normal retirement benefit if the combination of the employee's age and service equals 80 or more.

Plan Benefits

Benefit payments for the Salaried Plan are determined as 1.70% of adjusted final monthly earnings multiplied by years of credited service (maximum credit of 40 years). Adjusted final monthly earnings are the employee's highest average monthly wage for 36 consecutive months of earnings during the last ten calendar years of employment, prior to normal retirement date, which provide the highest value.

Benefit payments for the Contract Plan are determined as the sum of the following:

1. 1.23% of the first \$500 of adjusted monthly earnings multiplied by the years of credited service (maximum credit of 40 years).
2. 1.7% of adjusted final monthly earnings greater than \$500 multiplied by the years of credited service (maximum credit of 40 years).

Contract employees who are at least 54 years of age with ten years of service or more, will have their pension benefits, calculated as the sum of items 1 and 2 above, increased by 15%.

Adjusted final monthly earnings under the Contract Plan are the employee's highest average monthly wage for 60 consecutive months of earnings during the last 10 calendar years of employment, prior to normal retirement date, which provide the highest value.

Retirees for both Plans, if married, are eligible to receive a joint annuity with a reduced annuity to the surviving spouse or domestic partner and, if unmarried, a straight-life annuity. These benefits are actuarially equivalent at the normal retirement date. Plan members are entitled, upon leaving service, to a vested termination of employment benefit if they have completed five years of credited service on their termination date. The vested termination of employment benefit is equal to the normal retirement benefit earned to the termination date.

Death and Disability Benefits

In the event a Plan member dies after reaching retirement age, while still actively employed, a retirement benefit will be paid to the spouse in the amount of 50% of the amount the Plan member would have received under the joint and 50% survivor spouse annuity, assuming retirement occurred the day immediately prior to death.

Long Beach Public Transportation Company

Notes to Financial Statements, Continued

If a Salaried Plan participant becomes occupationally disabled he or she is entitled to a monthly benefit equal to 1.7% of the participant's average monthly final earnings for each year of service earned. The minimum monthly disability benefit is 17% of the participant average earnings regardless of the length of service or vesting status.

If a Contract Plan participant is totally and permanently disabled with ten or more years of credited service, the participant is entitled to receive the full normal retirement benefit earned to the date of disability, without actuarial reduction, commencing six months after the date of disablement. A reduced occupational disability benefit is available for those Plan members unable to perform their usual work duties who leave service after 10 or more years of credited service.

Termination

The Plans may be amended, altered or modified, or successor plans may be adopted at any time with the consent of the employer and its Board of Directors or its successor in interest. In the event of termination, the net assets will be allocated based on the order of priority prescribed in the Plans.

Funding Policy and Annual Pension Cost

Plan members are not required or allowed to make contributions to the Plans. The Company is required to contribute to the Plans at an actuarially determined rate. The contribution rates for 2009 were 12.17% and 17.26% for the Contract and Salaried Plans, respectively. For 2009, the Company's annual pension costs were \$3,048,814 and \$1,582,975 for the Contract and Salaried Plans, respectively. The required contributions were determined as part of the July 1, 2008 actuarial valuation using the entry age normal cost frozen initial liability cost method. For fiscal year 2008, the actuarial assumptions were changed to ensure the long-term stability of the Plans and were used for the valuation of fiscal year 2009 contributions. The actuarial assumptions were as follows:

- Remaining amortization period 29 years
- Asset valuation method Market value
- Mortality Table RP-2000 Combined
- Investment rate of return 7.5%
- Projected salary increases* 4.0%
- *includes inflation at 1.5%
- Cost-of-living adjustments None

Funding Progress

The status of funding progress for both Plans is based on the actuarial valuations performed as of July 1, 2009 and 2008. The actuarial accrued liability is calculated using the entry-age method.

Salaried Plan

Actuarial valuation date (July 1)	(a) Actuarial value of assets	(b) Actuarial Accrued liability (AAL) – entry age	(b-a) Unfunded AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a Percentage of covered payroll
2009	\$ 7,703	\$ 16,255	\$ 8,552	47.39%	\$ 9,376	91.21%
2008	9,631	15,259	5,628	63.12	9,127	61.67

Long Beach Public Transportation Company

Notes to Financial Statements, Continued

Contract Plan

Actuarial valuation date (July 1)	(a) Actuarial value of assets	(b) Actuarial Accrued liability (AAL)– entry age	(b-a) Unfunded AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a Percentage of covered payroll
2009	\$ 24,228	\$ 42,569	\$ 18,341	56.91%	\$ 25,266	72.59%
2008	28,444	38,557	10,113	73.77	23,643	42.77

The Schedule of Funding Progress, presented as Required Supplemental Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Three-Year Trend Information

Contract Plan

Year ended June 30	Annual required contribution	Percentage contributed	Net Pension Obligation
2009	\$3,048,814	100%	\$0
2008	2,661,268	100	0
2007	2,777,353	100	0

Salaried Plan

Year ended June 30	Annual required contribution	Percentage contributed	Net Pension Obligation
2009	\$1,582,975	100%	\$0
2008	1,202,609	100	0
2007	1,006,587	100	0

Financial statements for the Contract and Salaried Plans are available under separate covers. Copies of the financial statements can be obtained by writing to Long Beach Transit, Attn: CFO, P.O. Box 731, Long Beach, CA. 90801.

Long Beach Public Transportation Company

Required Supplementary Information

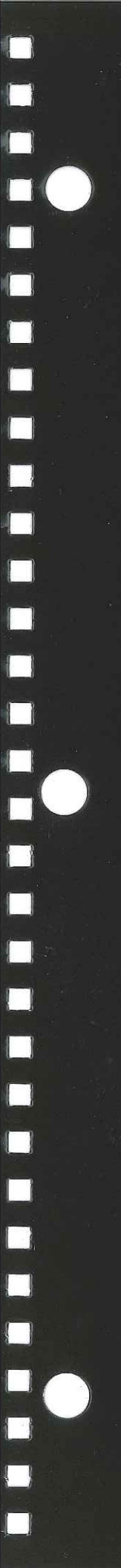
The following tables (which are unaudited) summarize the status of funding progress for the two Company sponsored defined benefit pension plans – Long Beach Public Transportation Company Retirement Plan – Contract Employees (Contract Plan) and Long Beach Public Transportation Company Retirement Plan – Salaried Employees (Salaried Plan). These tables are based on the actuarial valuations performed as the dates indicated.

Contract Plan

Actuarial valuation date (July 1)	(a) Actuarial value of assets	(b) Actuarial Accrued liability (AAL) – entry age	(b-a) Unfunded (Funding Excess) (AAL)	(a/b) Funded ratio	(c) Covered payroll	((b-a)/c) UAAL as a percentage of covered payroll
2009	\$ 24,228	\$ 42,569	\$ 18,341	56.91%	\$ 25,266	72.59%
2008	28,444	38,557	10,113	73.77	23,643	42.77
2007	27,699	36,056	8,357	76.82	21,866	38.22

Salaried Plan

Actuarial valuation date (July 1)	(a) Actuarial value of assets	(b) Actuarial Accrued liability (AAL) – entry age	(b-a) Unfunded AAL (UAAL)	(a/b) Funded ratio	(c) Covered payroll	((b-a)/c) UAAL as a Percentage of covered payroll
2009	\$ 7,703	\$ 16,255	\$ 8,552	47.39%	\$ 9,376	91.21%
2008	9,631	15,259	5,628	63.12	9,127	61.67
2007	12,384	16,456	4,072	75.26	8,487	47.98



STATISTICAL SECTION

This part of Long Beach Public Transportation Company's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Company's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends <i>These schedules contain trend information to assess how the Company's financial performance and well-being have changed over time.</i>	35
Revenue Capacity <i>These schedules contain information on the Company's revenue sources and their fluctuations over time.</i>	38
Demographic and Economic Information <i>These schedules offer demographic and economic indicators regarding the environment within which the Company's financial activities take place.</i>	40
Operating Information <i>These schedules contain information about services the Company provides and the activities it performs.</i>	42
Pension Information <i>The Company's Pension Plans' financial statements are issued under separate cover. The schedules contained in this section include general financial and actuarial information providing data concerning the Plans' funding status and general activity.</i>	49
Grant Information <i>The Company's grant programs are issued under separate cover in the Single Audit. The schedules contained in this section provide a summary of capital grant activity for Federal, State and Local sources.</i>	51

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Long Beach Public Transportation Company

Financial Trends Net Assets by Component 2000 - 2009

Exhibit 1

	Invested in Capital Assets	(2)	Restricted	Unrestricted	Total
2000	\$ 55,593,183		\$ 31,951	\$ 5,663,771	\$ 61,288,905
2001	63,709,904		249,821	3,534,257 (1)	67,493,982
2002	65,847,844		31,951	3,574,975	69,454,770
2003	77,966,453		---	3,606,926	81,573,379
2004	72,060,726		166,914	3,437,866	75,665,506
2005	87,934,270		166,914	3,437,866	91,539,050
2006	83,588,365		113,048	3,491,732	87,193,145
2007	74,761,808		84,674	3,520,105	78,366,587
2008	72,514,620		259,954	3,344,825	76,119,399
2009	87,250,464		102,205	3,502,574	90,855,243

- (1) The Company adopted GASB Statement No. 34 which required reclassification of certain balances, including the presentation of net assets formerly labeled retained earnings and contributed capital.
- (2) Fluctuations in balances reflect the Company's procurement of capital assets in each year. Significant changes occur in years which included the receipt of new buses.

Financial Trends Operating Expenses By Type 2000 - 2009

Exhibit 2

	Personnel Wages & Benefits	Fuel & Lubricants	Supplies & Materials	Services	Casualty & Liability	Purchased Transportation	Depreciation	Total
2000	\$ 32,588,090	\$ 2,076,369	\$ 2,057,487	\$ 3,547,541	\$ 1,052,707	\$ 998,216	\$ 8,629,876	\$50,950,286
2001	35,647,176	2,584,996	2,306,176	3,863,431	1,297,859	1,101,174	9,835,476	56,636,288
2002	36,871,022	2,086,874	2,341,896	3,767,081	1,438,326	1,372,084	11,564,783	59,442,066
2003	38,769,171	2,448,437	2,103,616	4,238,861	1,740,925	1,272,669	13,608,074	64,181,753
2004	41,828,220	3,165,438	2,146,233	4,205,815	1,973,444	1,365,827	13,673,096	68,358,073
2005	41,013,333	4,254,173	2,327,356	4,403,307	1,398,575	1,304,570	15,209,043	69,910,357
2006	43,174,005	5,748,498	1,999,984	4,769,648	1,506,641	1,320,429	16,316,882	74,836,087
2007	45,273,578	5,580,884	2,041,326	5,670,338	1,454,319	1,331,373	16,712,820	78,064,638
2008	49,895,725	7,146,145	2,198,443	6,023,734	2,812,729	1,407,953	17,441,700	86,926,429
2009	50,711,153	5,721,736	2,442,697	5,758,880	2,115,349	1,380,796	14,009,081	82,139,692

Long Beach Public Transportation Company

Financial Trends Changes in Net Assets 2000 - 2009

Exhibit 3

Expenses	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Transportation	\$ 24,168,785	\$ 22,952,978	\$ 23,511,227	\$ 25,385,931	\$ 27,723,568	\$ 27,366,019	\$ 29,156,285	\$ 30,454,056	\$ 32,376,023	\$ 34,874,385
Maintenance	8,964,777	12,555,495	12,736,587	13,400,059	14,154,855	15,781,778	16,800,999	17,251,960	19,612,265	18,602,288
Risk Management	3,286,958	5,414,268	5,681,131	5,026,416	6,076,869	4,223,185	5,068,951	5,191,201	8,119,926	5,278,264
Marketing &										
Customer Service	1,412,759	1,362,181	1,144,752	1,567,140	1,263,387	1,296,256	1,286,531	1,397,475	1,631,278	1,578,839
General										
Administration	4,487,131	4,515,890	4,803,586	5,194,133	5,466,298	6,034,076	6,206,439	7,057,126	7,745,237	7,796,835
Depreciation	8,629,876	9,835,476	11,564,783	13,608,074	13,673,096	15,209,043	16,316,882	16,712,820	17,441,700	14,009,081
Total Expenses	\$ 50,950,286	\$ 56,636,288	\$ 59,442,066	\$ 64,181,753	\$ 68,358,073	\$ 69,910,357	\$ 74,836,087	\$ 78,064,638	\$ 86,926,429	\$ 82,139,692
Revenues										
Passenger Fares	\$ 12,665,927	\$ 12,601,278	\$ 12,571,238	\$ 12,382,726	\$ 12,676,716	\$ 12,814,406	\$ 14,542,379	\$ 14,239,543	\$ 14,789,817	\$ 15,785,523
Special Events	64,738	120,365	26,150	85,589	91,467	85,671	38,346	52,275	103,971	72,389
Advertising	640,000	962,666	937,932	787,856	906,250	743,750	724,158	847,296	857,449	797,814
Subtotal Operating	13,370,665	13,684,309	13,535,320	13,256,171	13,674,433	13,643,827	15,304,883	15,139,114	15,751,237	16,655,726
Subsidies	27,596,166	31,983,169	33,627,182	36,932,476	40,615,870	40,444,529	42,078,890	44,495,763	52,151,341	50,720,199
Interest & Other	1,353,579	1,133,334	536,630	385,032	394,674	612,958	1,135,432	1,716,941	1,582,151	754,686
Subtotal Non-Op	28,949,745	33,116,503	34,163,812	37,317,508	41,010,544	41,057,487	43,214,322	46,212,704	53,733,492	51,474,885
Total Revenues	\$ 42,320,410	\$ 46,800,812	\$ 47,699,132	\$ 50,573,679	\$ 54,684,977	\$ 54,701,314	\$ 58,519,205	\$ 61,351,818	\$ 69,484,729	\$ 68,130,611
Net Expense	\$ (8,629,876)	\$ (9,835,476)	\$ (11,742,934)	\$ (13,608,074)	\$ (13,673,096)	\$ (15,209,043)	\$ (16,316,882)	\$ (16,712,820)	\$ (17,441,700)	\$ (14,009,081)
Capital Grants	8,888,298	11,576,408	13,703,722	25,726,683	7,765,223	31,082,587	11,970,977	7,886,262	15,194,512	28,744,925
Change in Net Assets	\$ 258,422	\$ 1,740,932	\$ 1,960,788	\$ 12,118,609	\$ (5,907,873)	\$ 15,873,544	\$ (4,345,905)	\$ (8,826,558)	\$ (2,247,188)	\$ (14,735,844)

Long Beach Public Transportation Company

Exhibit 4

Financial Trends Capital Expenditures By Type 2000 - 2009

Fiscal Year	Facilities	Fleet	Passenger Facilities	AVL, Farebox & Radio Equipment	Furniture & EDP Equipment	Shop & Garage Equipment	Total
2000	\$ 632,924	\$ 2,559,119	\$ 266,307	\$ 174,392	\$ 475,347	\$ 274,743	\$ 4,382,832
2001	350,339	14,117,206	327,718	78,434	961,265	208,457	16,043,419
2002	953,180	6,940,199	801,494	1,424,775	3,388,494	195,580	13,703,722
2003	563,536	20,082,479	702,691	3,301,673	785,846	290,458	25,726,683
2004	469,413	3,503,160	2,302,210	818,230	358,811	313,399	7,765,223
2005	761,993	27,650,227	719,055	728,378	1,032,081	190,853	31,082,587
2006	903,110	4,311,805	991,917	4,219,234	728,595	816,316	11,970,977
2007	2,013,508	4,839,412	257,740	267,526	193,018	315,058	7,886,262
2008	1,427,166	11,386,235	1,142,643	337,773	744,408	156,287	15,194,512
2009	3,133,478	20,214,981	1,557,227	2,068,732	1,468,789	301,718	28,744,925

Long Beach Public Transportation Company

Revenue Capacity Operating Subsidy Sources 2000 - 2009

Exhibit 5

	Prop A Funds City of Long Beach	Prop A Funds L.A. County	Prop C Funds L.A. County	State Assistance	Federal Preventative Maintenance Program	Other Sources	Total
2000	\$ 1,132,964	\$10,180,128	\$ 5,594,138	\$ 9,684,000	\$ 600,000	\$ 404,936	\$ 27,596,166
2001	2,730,907	13,391,456	3,797,283	10,972,272	660,000	431,251	31,983,169
2002	3,924,805	11,464,183	4,376,041	12,518,354	924,976	418,823	33,627,182
2003	5,421,163	8,714,058	5,328,950	14,231,214	2,928,720	308,371	36,932,476
2004	6,561,550	9,448,398	5,557,841	17,755,993	836,800	455,288	40,615,870
2005	5,740,953	7,956,295	5,296,405	18,236,348	2,533,066	681,462	40,444,529
2006	5,014,805	11,333,677	4,145,171	20,655,260	302,184	627,793	42,078,890
2007	4,656,775	11,840,403	5,507,340	21,864,340	---	626,905	44,495,763
2008	7,087,958	11,679,125	5,224,479	25,777,123	2,126,915	255,741	52,151,341
2009	4,067,755	12,500,860	9,848,459	21,266,639	2,378,850	657,636	50,720,199

Revenue Capacity Farebox Recovery Percentage 2000 - 2009

Exhibit 6

<u>Year</u>	<u>Percentage</u>
2000	30.7%
2001	27.7
2002	27.3
2003	25.2
2004	23.8
2005	24.1
2006	25.8
2007	23.8
2008	21.9
2009	23.9

NOTE: Represents passenger fares divided by fixed route operating expenses before depreciation.

Long Beach Public Transportation Company

Revenue Capacity Fare History 2000 – 2009

Exhibit 7

	<u>2000-2002</u>	<u>2003-2005</u>	<u>2006-2008</u>	<u>2009</u>
Fixed Route Service:				
<u>Cash Fares:</u>				
Regular	\$.90	\$.90	\$.90	\$ 1.10
Student	.75	.75	.90	1.10
Senior & Disabled	.45	.45	.45	.50
Local transfer	.10	.10	---	---
Interagency transfer	.35	.35	.50	.50
 <u>Day Pass:</u>				
Regular			\$ 2.50	\$ 3.50
Discounted			1.50	2.00
 <u>Monthly Pass:</u>				
Regular	\$ 40.00	\$ 40.00	\$ 50.00	\$ 60.00
Student	23.00	23.00	31.00	35.00
Senior & Disabled	11.00	11.00	19.00	21.00
 Dial-A-Lift Service:				
Cash Fares	\$ 1.00	\$ 1.00	\$ 1.50	\$ 2.00
 Water Taxi:				
<u>Cash Fares:</u>				
AquaBus	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
AquaLink		2.00	3.00	5.00

Long Beach Public Transportation Company

Demographic and Economic Information City of Long Beach Demographic Statistics 1999-2008*

Exhibit 8

Fiscal Year Ended June 30	Estimated Population (A)	Personal Income (in millions) (B)	Per Capital Personal Income (B)	Public School Enrollment (C)	Unemployment Rate (D)
1999	452,905	8,651	19,160	89,214	5.6
2000	461,522	9,338	20,234	91,465	6.0
2001	467,072	9,787	20,975	93,694	6.3
2002	472,763	10,048	21,254	96,488	7.5
2003	480,114	10,493	21,855	97,212	7.7
2004	485,797	11,178	23,009	97,560	7.2
2005	488,367	11,370	23,266	96,319	5.9
2006	489,673	12,936	26,417	93,589	5.3
2007	488,848	13,468	27,551	90,663	5.6
2008	489,864	N/A	N/A	88,186	8.3

Sources:

- (A) California Department of Finance.
- (B) Bureau of Economic Analysis. Personal income and per capita personal income, with exception of 1999 and 2005, are based on percent change of per capita personal income for Los Angeles-Long Beach-Santa Ana, CA (Metropolitan Statistical Area). Personal income and per capita personal income are not available for 2008.
- (C) California Department of Education Educational Demographic Unit. Annual school census from Long Beach Unified School District for preschool, grades kindergarten through 12.
- (D) Average annual rate reported by California Employment Development Department (EDD).

N/A - not available.

* Data not available for 2009.

Long Beach Public Transportation Company

**Demographic and Economic Information
City of Long Beach
Principal Employers
Current Year and Nine Years Ago***

Exhibit 9

Employer	2008 Number of Employees	Percentage of Total City Employment	1999 Number of Employees	Percentage of Total City Employment
Long Beach Unified School District	8,335	3.59%	11,400	5.44%
Boeing, N.A. (Previously - McDonnell Douglas)	8,200	3.53	13,781	6.58
California State University, Long Beach	6,367	2.74	2,755	1.32
City of Long Beach	5,812	2.50	6,000	2.86
Long Beach Memorial Medical Center	5,800	2.50	3,928	1.88
Veterans Affairs Medical Center	2,500	1.08	2,278	1.09
Verizon	2,500	1.08	N/A	N/A
Long Beach City College	2,300	.99	1,518	.72
U.S. Postal Service	1,700	.73	N/A	N/A
St. Mary Medical Center	1,480	.64	1,779	.85
GTE	N/A	N/A	1,700	.81
RMS Foundation, Inc., dba Queen Mary Seaport	N/A	N/A	1,000	.48

Source: City of Long Beach, Department of Community Development and the US Census Bureau Labor Force as of 2005.

* This is the latest information available.

N/A – data not available.

Long Beach Public Transportation Company

Operating Information Key Performance Indicators 2000 - 2009

Exhibit 10

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Fixed Route										
Operating Cost Per Vehicle Service Hour	\$63.63	\$70.16	\$70.74	\$73.74	\$76.52	\$75.64	\$83.12	\$87.48	\$96.17	\$96.28
Operating Cost Per Passenger	\$ 1.55	\$ 1.74	\$ 1.79	\$ 1.89	\$ 1.96	\$ 1.95	\$ 2.08	\$ 2.22	\$ 2.36	\$ 2.20
Roadcalls	1,349	1,158	942	1,034	978	1,133	871	1,142	1,339	1,392
Miles Between Roadcalls	6,704	6,511	7,207	7,338	8,257	7,211	9,014	6,771	5,904	5,716
Total Accidents	745	902	837	819	854	754	883	937	923	940
Preventable Accidents	138	157	143	105	139	138	164	154	166	149
Preventable Accidents Per 100,000 Miles	1.96	2.23	2.01	1.34	1.72	1.69	2.09	1.99	2.10	1.87
Passengers per Vehicle Service Hour	44	45	45	43	41	41	40	42	43	44
Service Delivery Rate	n/a	99.95%	99.99%	99.75%	99.72%	99.73%	99.35%	99.45%	99.88%	99.88%
Number of Vehicles	202	219	224	221	221	228	229	229	229	263
Number of Employees	612	616	672	711	715	691	680	737	739	742
Special Services										
Dial-A-Lift Cost Per Passenger	\$11.87	\$12.45	\$12.71	\$13.42	\$14.71	\$15.97	\$18.57	\$19.96	\$21.32	\$21.65
Dial-A-Lift Passengers Per Vehicle Service Hour	3.3	4.2	5.1	5.6	6.1	5.9	5.3	5.0	4.8	4.7
Number of Dial-A-Lift Vehicles	22	23	18	18	18	18	18	18	17	16
Water Taxi Cost Per Passenger	\$ 3.18	\$ 4.16	\$ 5.69	\$ 4.69	\$ 5.91	\$ 6.29	\$ 7.10	\$ 8.24	\$10.17	\$ 9.47
Water Taxi Passengers Per Vehicle Service Hour	13.1	10.6	12.9	18.1	15.6	18.56	14.03	13.50	14.54	14.96
Number of Water Taxi Vessels	2	2	3	3	3	3	3	3	3	3

n/a – information not readily available.

Source : Operational data supplied by Long Beach Transit's Maintenance, Risk and Service Development Departments.

Long Beach Public Transportation Company

Operating Information Customer Satisfaction Trends 1998-2008*

Exhibit 11

<u>Service Element</u>	<u>% of Customers Rating Favorably</u>									
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
LBT Overall	92	91	96	94	92	94	92	90	95	96
LBT Compared to Others	86	94	92	86	87	88	91	87	94	92
Driver Appearance	97	96	98	100	96	96	96	97	97	99
Fares	94	91	91	89	90	94	92	88	90	91
Driver Courtesy	92	89	92	89	86	89	86	90	91	88
Driver Safety	95	97	95	92	91	93	92	93	93	93
On Board Safety	95	94	92	93	90	91	88	91	90	93
Route Convenience	91	91	93	90	93	96	85	92	93	96
Information Available	89	92	92	90	91	89	89	88	88	93
Telephone Information	92	88	88	88	86	86	86	81	90	92
Bus Stop Safety	91	90	90	92	87	84	83	86	82	91
Bus Stop Convenience	93	93	94	95	96	94	---	94	95	97
Schedule Reliability	66	82	80	82	75	84	69	74	72	77
Bus Cleanliness	91	92	88	88	88	90	79	84	76	88
Bus Stop Cleanliness	76	88	85	84	82	74	80	81	75	89
Customer Satisfaction Index**	90	91	91	90	89	90	86	88	88	92

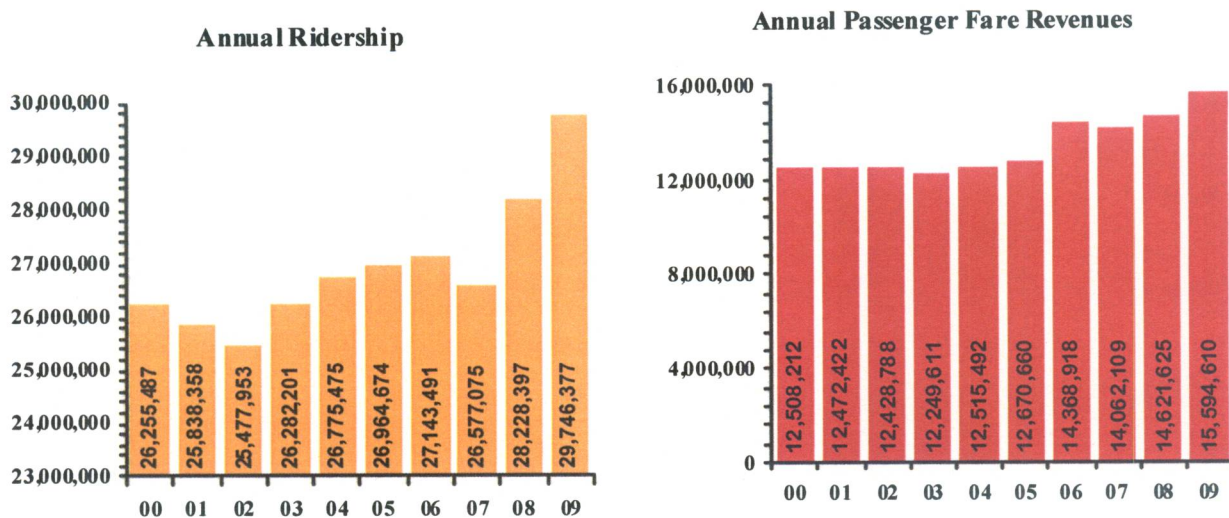
Source: Annual community survey.

* Formal customer surveys were not performed for fiscal years 2005 and 2009.

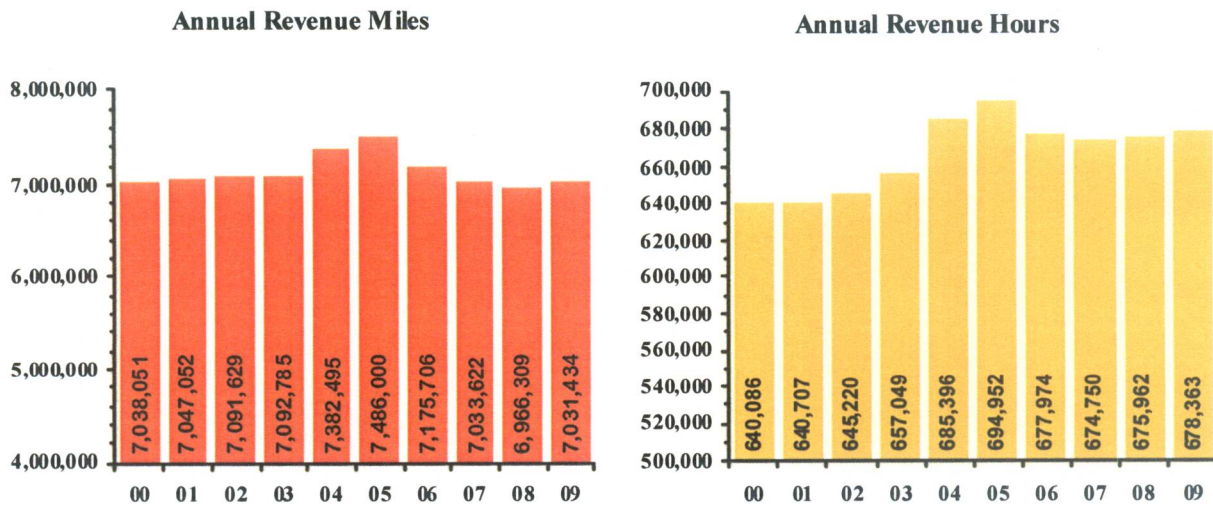
** The customer satisfaction index is an average of the above ratings.

Operating Information Fixed Route Statistics 2000 - 2009

Exhibit 12



Continuing a trend that began in fiscal year 2008, more people turned to public transportation due to rising fuel prices resulting in a 5% increase in the number of passengers for 2009. More riders, combined with a fare increase initiated in February 2009, produced a 7% increase in fare revenue for the fixed route service. Service levels remained virtually unchanged from 2008. A weakening economy and lower subsidy dollars limited the Company's ability to provide additional or new service.

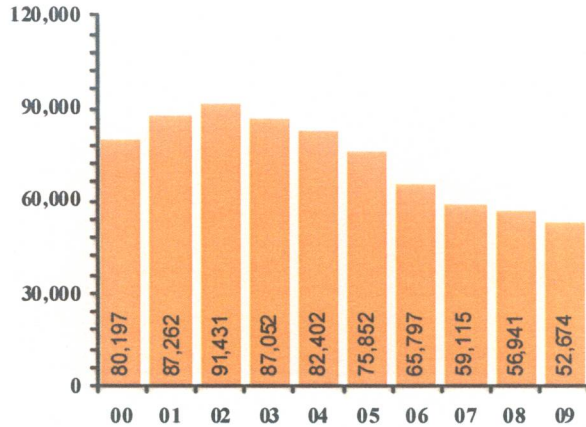


Source: Long Beach Transit's Annual National Transit Database Report

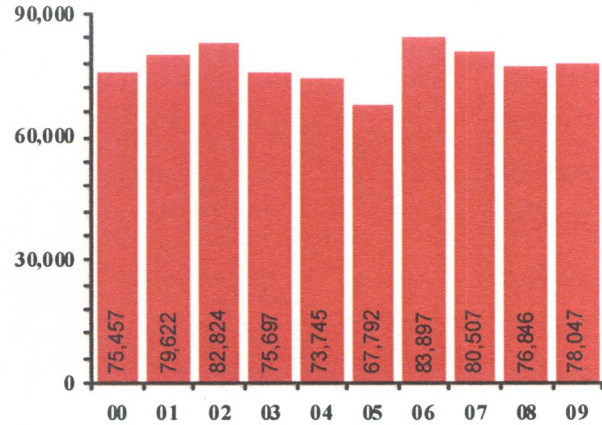
Operating Information Dial-A-Lift Statistics 2000 - 2009

Exhibit 13

Annual Ridership

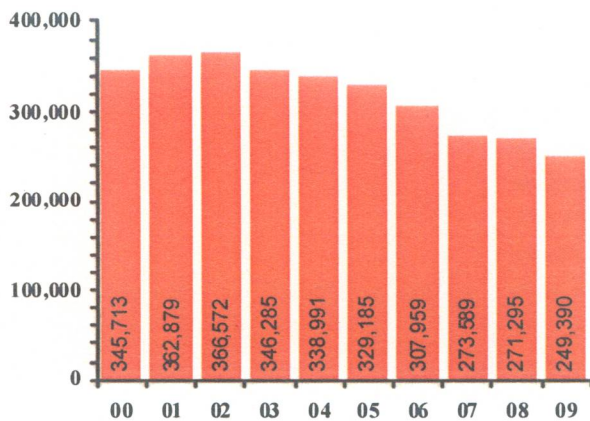


Annual Passenger Fare Revenues

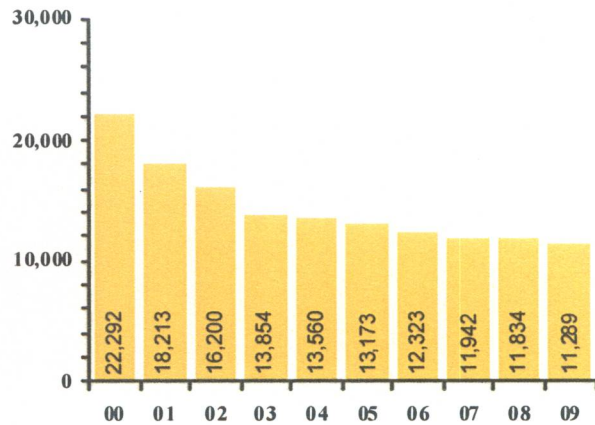


We continue to see a drop in Dial-A-Lift customers as they move to the fixed route bus system which is 100% wheelchair accessible. The Dial-A-Lift service is supplied by a local taxi company which supplements Dial-A-Lift rides with ordinary taxi service on an as-needed basis, eliminating the need for dedicated vans. Service hours are adjusted to meet customer demand. The Company is currently performing an operational analysis to assess appropriate service needs.

Annual Revenue Miles



Annual Revenue Hours

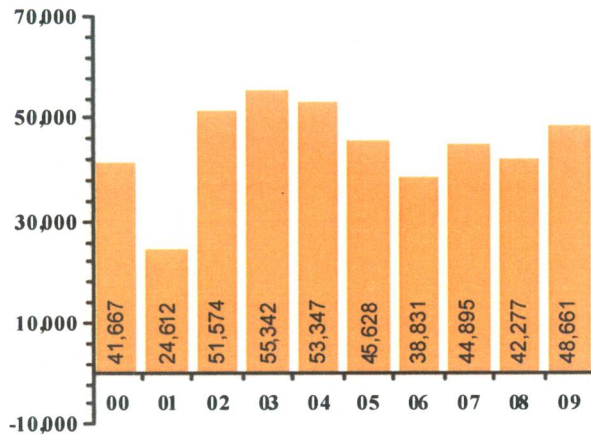


Source: Long Beach Transit's Annual National Transit Database Report

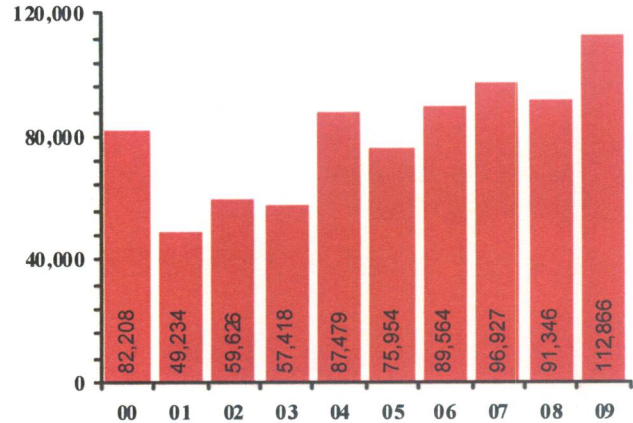
Operating Information Water Taxi Statistics 2000-2009

Exhibit 14

Annual Ridership

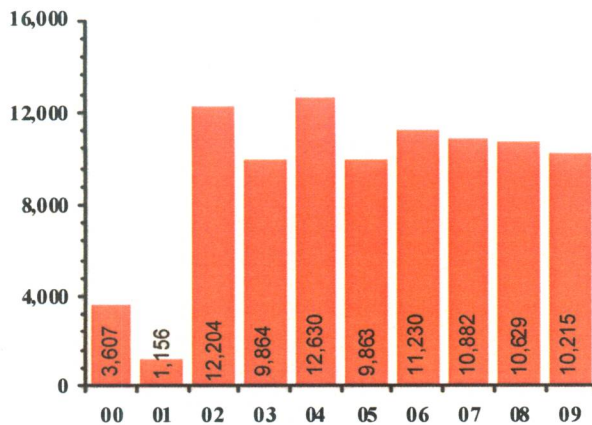


Annual Passenger Fare Revenues

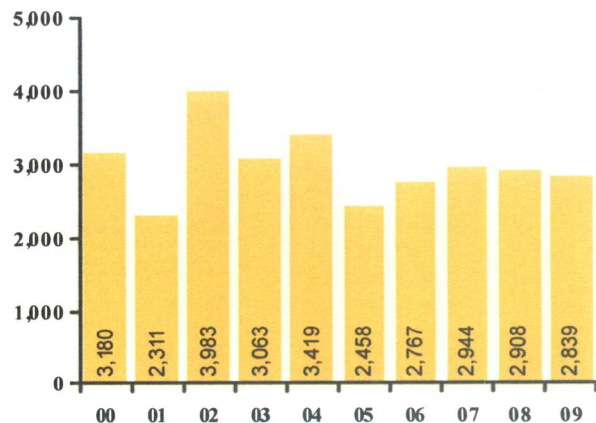


There are two routes for the water taxi service. The Aquabus is assigned two smaller vessels and the Aqualink service is provided by a larger catamaran. Additional advertising and promotion of the water taxis resulted in a 15% increase in ridership during 2009. A fare increase for the Aqualink was initiated during the year which, with the additional riders, resulted in 24% more revenue.

Annual Revenue Miles



Annual Revenue Hours



Source: Long Beach Transit's Annual National Transit Database Report

Long Beach Public Transportation Company

Operating Information Schedule of Insurance in Force June 30, 2009

Exhibit 15

<u>Program</u>	<u>Expiration Term</u>	<u>Company</u>	<u>Amount/Limit</u>
<u>LIABILITY</u>			
A. Auto and General Liability			
	7/1/10 1 yr	Everest National Insurance Company	\$10,000,000 excess of \$1,000,000 SIR
B. Underground Storage Tank- Third-Party Liability			
	3/4/10 1 yr	Illinois Union Insurance Co.	\$1,000,000 - each incident \$2,000,000 - aggregate Deductible \$10,000
<u>PROPERTY & SPECIAL MULTI-FLEX</u>			
	3/14/10 1 yr	Hartford Fire Insurance Company	\$ 17,509,897 Real Property \$ 30,836,000 Business Personal Property \$ 25,000 Deductible for buses in the open \$ 475,000 Extra Expense \$ 2,500 per occurrence; except \$25,000 for buses in the yard
<u>EXCESS WORKERS' COMPENSATION</u>			
	7/1/10 1 yr	Midwest Employers Casualty Company	\$25,000,000 excess of \$1,500,000
<u>CRIME SHIELD POLICY</u>			
	8/8/09 1 yr	Hartford Fire Insurance Co.	\$1,000,000 - employee theft; \$20,000 deductible \$1,000,000 - computer and funds transfer fraud; \$5,000 deductible \$100,000 - theft, disappearance and destruction; \$5,000 deductible
<u>FELONIOUS ASSAULT POLICY</u>			
	7/1/11 3 yr	Chubb and Son, A Division of Federal Insurance Company	\$100,000 - life insurance policy

Source: Long Beach Transit's Risk Management Department.

Long Beach Public Transportation Company

Operating Information Fixed-Route Bus Service Summary of Service Frequency and Hours of Operation

Exhibit 16

ROUTES	FREQUENCY OF SERVICE				DAILY HOURS OF OPERATION			
	Weekday	Peak/Base (5am-6pm)	Evening/Night (after 6pm)	Sunday	Weekday	Saturday	Sunday	Sunday
1	20/30	40	40	40	30/60	40	40	538A - 905P 515A - 1002P
7	20/30	40	40	40	30	40	40	516A - 823P 527A - 948P
20	15	20	20	20	15/30/60	20/30/60	20/30/60	440A - 105X 515A - 1253X
40	7.5	12	15	15	12/30	15/30	15/30	436A - 1251X 504A - 1254X
50	12	15	20	20	20/30	20/30	25/30	445A - 1225X 500A - 1225X
60	12	15	15	15	20/30	30	30	440A - 110X 535A - 105X
66 ZAP	12	--	--	--	--	--	--	604A - 922A ----
80	30/60	--	--	--	--	--	--	134P - 455P ----
90	10/12	20	20	20	15/30	20/30	20/30	548A - 554P ----
96 ZAP	10	--	--	--	--	--	--	500A - 1256X 525A - 1255X
100	15/30	30/60	--	--	15/40	--	--	633A-909A 100P-514P
110	15/20	30/35	30/35	30/35	15/30/60	30/60	30/60	445A - 1016P 550A - 635P
130	30	60	60	60	30	60	60	501A - 113X 536A - 1257X
170	15	20	20	20	15/30	20/30	20/30	455A - 810P 600A - 646P
171	30	--	--	--	30	--	--	459A - 1249X 517A - 1252X
180	20	20	20	20	20/60	20/40	20/40	501A - 1005P ----
190	15	20	20	20	15/30	20/30	20/30	436A - 1251X 511A - 1248X
Passport A/D	15	15	15	15	15/20	15/20	15/20	449A - 100X 557A - 107X
Passport B	45	45	45	45	45	45	45	505A - 106X 520A - 1240X
Passport C	10	8	8	8	10/20 M-Thu 10 Fri	8/10	8/20	945A - 732P 530A - 103X

Source: Long Beach Transit's Service Development Department

Long Beach Public Transportation Company

Exhibit 17

Pension Information Employer Pension Contributions 2000 - 2009

Fiscal Year Ended June 30	Employer Contribution*	Payroll	Contribution as a Percentage of Payroll
<u>Contract Plan</u>			
2000	\$ 1,737,843	\$ 17,178,884	10.02%
2001	1,299,915	18,640,591	7.00
2002	1,456,659	18,702,293	7.88
2003	1,908,129	19,213,438	9.94
2004	2,099,246	20,188,278	10.49
2005	1,910,696	20,859,915	9.11
2006	2,055,584	21,628,593	10.08
2007	2,777,353	21,866,049	12.32
2008	2,661,268	23,643,084	11.35
2009	3,048,814	25,266,127	12.18
<u>Salaried Plan</u>			
2000	\$ 694,540	\$ 6,434,724	10.84%
2001	697,882	6,413,045	11.46
2002	938,473	6,999,408	13.54
2003	1,241,173	7,516,706	16.54
2004	1,194,982	7,783,115	15.42
2005	1,052,894	7,849,876	13.35
2006	1,060,300	7,954,923	12.88
2007	1,006,587	8,486,732	12.30
2008	1,202,609	9,125,649	13.43
2009	1,582,975	9,554,774	17.26

* Total contribution amounts reflect year-end accruals which are adjusted for actual pay in the following fiscal year.

Source: Contract and Salaried pension plan financial statements for the year-ended June 30, 2009. These financial statements are prepared under separate cover and contain additional trend information.

Long Beach Public Transportation Company

Pension Information Pension Revenues by Source and Expenses by Type 2000 - 2009

Exhibit 18

Fiscal Year Ended June 30	Revenues by Source				Expenses by Type			
	Employer Contribution	Benefit transfer receivable	Investment Return	Total	Administrative Expenses	Benefit Payments	Benefit transfer payable	Total
Contract Plan								
2000	\$ 1,735,515	\$ ---	\$ 844,726	\$ 2,580,241	\$ 197,609	\$ 2,008,148	\$ ---	\$ 2,205,757
2001	1,299,915	---	(1,242,132)	57,783	190,122	2,294,629	---	2,484,751
2002	1,456,659	---	(978,566)	478,093	168,646	2,842,807	---	3,011,453
2003	1,908,129	---	927,966	2,836,095	159,046	1,327,836	720,171	2,207,053
2004	2,099,246	---	2,752,163	4,851,409	203,377	1,835,296	22,853	2,061,526
2005	1,910,696	---	2,029,549	3,940,245	191,829	2,294,689	31,496	2,518,014
2006	2,055,584	---	2,599,457	4,655,041	226,499	3,095,306	160,267	3,482,072
2007	2,777,353	---	3,485,553	6,262,906	224,618	2,847,651	365,198	3,437,467
2008	2,661,268	---	571,633	3,232,901	242,097	2,238,944	6,800	2,487,841
2009	3,048,814	---	(5,613,626)	(2,564,812)	167,515	1,448,156	35,377	1,651,048
Salaries Plan								
2000	\$ 694,540	\$ ---	\$ 427,294	\$ 1,121,834	\$ 94,575	\$ 165,700	\$ ---	\$ 260,275
2001	697,882	---	(222,349)	475,533	80,988	743,032	---	824,020
2002	938,473	---	(239,242)	699,231	81,827	652,957	---	734,784
2003	1,241,173	720,171	423,704	2,385,048	89,856	380,953	---	470,809
2004	1,194,982	22,853	1,253,069	2,470,904	108,519	788,282	---	896,801
2005	1,052,894	31,496	976,622	2,061,012	107,490	1,202,742	---	1,310,232
2006	1,060,300	160,267	1,014,406	2,234,973	130,980	1,669,281	---	1,800,261
2007	1,006,587	365,198	1,687,859	3,059,644	134,999	2,092,796	---	2,227,795
2008	1,202,609	6,800	(184,115)	1,025,294	124,292	3,654,399	---	3,778,691
2009	1,582,975	35,377	(1,889,274)	(270,922)	90,378	1,567,196	---	1,657,574

Source: Contract and Salaries pension plan financial statements for the year-ended June 30, 2009. These financial statements are prepared under separate cover and contain additional trend information.

Long Beach Public Transportation Company

Exhibit 19

Grant Information Capital Grant History Federal Grants 2000 – 2009

FTA Grants	Authorized Amount	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
CA-03-0368	\$13,875,000	\$ 3,311									
CA-90-X671	7,362,000	66,771	\$ 19,972								
CA-90-X717	3,397,000	244,493	11,122								
CA-03-0468	1,488,850				\$ 829,949						
CA-03-0474	992,500	11,857	72,358	\$ 189,578	508						
CA-90-X778	3,267,220	487,313	576,287	540,713							
CA-90-X841	3,793,248	1,326,193	924,112	254,938	11,406						
CA-03-0496	1,465,794	7,742	1,104,549	94,610	92,632	\$ 66,258					
FBD	1,200,000	61,451	1,138,548								
CA-90-X915	8,769,677	530,284	951,221	846,627	5,875,660	176,109	\$ 320,232	\$ (1,267)			
CA-90-X950	6,249,570	10,437	2,483,944	1,126,987	80,438	1,288,310	1,212,151	(21,161)			
CA-90-Y057	10,381,045		447,781	5,197,417	2,201,222	899,083	1,225,417	273,569	\$ 127,546		
CA-90-Y082	11,356,000			170,751	5,195,237	407,214	1,177,836	3,478,611	227,586	\$ 79,907	\$ 608,104
CA-90-Y117	7,751,180			1,577,124	4,024,566	591,854	529,645	104,451	104,124	582,745	239,603
CA-03-0596	1,980,630				60		1,966,039	23,702			
CA-90-X011	35,000				13,096	21,905					
CA-90-Y136	7,788,668				2,916,966	1,381	4,526,858	297,813	36,203		
CA-90-Y226	10,958,295				83,659	1,875,129	6,216,499	2,077,500	166,025	452,558	241,178
CA-90-Y271	9,982,170					35,834	5,154,206	1,574,121	1,168,787	754,104	1,132,509
CAL0301	204,000					131,611		(131,611)			
CA-03-0642	1,980,058						1,921,249	58,809			
CA-03-0664	2,074,022						1,668,386	53,052			
CA-90-Y391	13,354,479							454,548	1,974,135	5,457,189	2,125,881
CA-90-Y440	1,295,708								1,295,708	1,343,478	3,394,798
Subtotal		\$2,749,852	\$7,729,894	\$9,998,745	\$21,325,399	\$5,494,688	\$25,918,518	\$8,242,137	\$5,100,114	\$8,669,981	\$7,742,073

Continued

Long Beach Public Transportation Company

Exhibit 19

Grant Information Capital Grant History (Con't) Federal Grants 2000 – 2009

FTA Grants	Authorized Amount	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Subtotal		\$2,749,852	\$7,729,894	\$9,998,745	\$21,325,399	\$5,494,688	\$25,918,518	\$8,242,137	\$5,100,114	\$8,669,981	\$ 7,742,073
CA-90-Y502	\$14,756,941									1,979,965	10,160,890
CA-90-Y652	13,051,166									5,821	1,446,032
CA-95-X040	447,000									18,538	70,418
CA-03-0714	970,874									970,874	
CA-04-0061	1,915,492									3,651	1,911,839
CA-90-Y731	14,960,635										71,794
CA-03-0759	485,888										485,888
CA-96-X007	16,497,214										496,563
TOTAL		\$2,749,852	\$7,729,894	\$9,998,745	\$21,325,399	\$5,494,688	\$25,918,518	\$8,242,137	\$5,100,114	\$11,648,830	\$22,385,497

Long Beach Public Transportation Company

Exhibit 20

Grant Information Capital Grant History State Grants 2000 - 2009

State Grants	Authorized Amount	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
CA-03-0368	\$ 4,625,000	\$ 47,164	\$ 669	\$ 699							
CA-90-X671	1,841,000	16,693	5,493								
CA-90-X717	849,250	61,121	3,078								
CA-03-0468	372,212				\$ 207,873						
CA-03-0474	250,000	2,964	18,090	47,394	127						
CA-90-X778	816,805	121,858	144,072	130,385							
CA-90-X841	947,812	332,822	231,028	63,738	10,362						
CA-90-X915	2,142,753	120,974	237,806	211,656	1,453,638	\$ 44,035	\$ 77,936	\$ 329			
CA-03-0496	366,448	1,935	276,138	23,652	20,809	41,566					
CA-90-X950	1,660,481	3,473	620,458	281,791	123,719	399,844	204,778	11,388			
CA-90-Y057	2,429,263		111,692	1,245,281	557,130	224,773	302,449	79,382	\$ 33,271		
CA-90-Y082	1,471,292			22,122	671,328	52,759	152,352	450,691	29,486	\$ 10,394	\$ 84,231
CA-90-Y117	1,937,795			392,840	1,035,009	147,967	132,350	26,111	26,047	145,681	59,932
MTAP6059	100,000			18,334	13,433	5,088					
CA-03-0596	495,158				15		491,442	3,701			
CA-90-Y136	1,404,025				378,326	323	968,205	51,248	4,689		
CA-90-Y226	2,739,574				18,730	468,790	1,331,200	440,036	39,728	111,941	88,662
CA-03-0642	405,554						438,604	(33,049)			
CA-95-X040	203,182									8,427	32,009
Subtotal		\$ 709,004	\$ 1,648,524	\$ 2,437,892	\$ 4,490,499	\$ 1,385,145	\$ 4,099,316	\$ 1,029,837	\$ 133,221	\$ 276,443	\$ 264,834

Continued

Long Beach Public Transportation Company

Grant Information Capital Grant History (continued) State Grants 2000 - 2009

Exhibit 20

State Grants	Authorized Amount	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Subtotal		\$ 709,004	\$1,648,524	\$2,437,892	\$4,490,499	\$1,385,145	\$4,099,316	\$1,029,837	\$ 133,221	\$ 276,443	\$ 264,834
TDA 96	\$4,072,000	417,032	55,480	27,975	33,548						
TDA 99	792,000	70,840									
TDA 00	3,250,000	208,169	2,995,587								
TDA 01	468,185		333,185	133,860	1,130						
TDA 02	32,225		7,549		222,698						
TDA 03	655,624				384,298		41,010	(1,161)			
STA 00	1,012,135	82,417	5,500								
STA 01	990,696		638,201	272,786	235,864	41,609	6,257	557		7,280	
STA 02	1,341,400			807,476	530,452	57,677	(25,150)	27,391	3,568	2,230	
STA 03	838,329				440	631,646	153,430	19,189	30,568	3,698	
STA 07	910,000									746,044	
STA 08	3,528,162									102,135	2,352,877
MSRC 05	335,453						330,453				
PTMISEA	371,111										240,999
SEC 08											
TOTAL		\$1,487,462	\$5,676,477	\$3,687,538	\$5,675,101	\$2,339,905	\$4,605,316	\$1,075,813	\$ 167,357	\$1,137,830	\$2,858,710

Long Beach Public Transportation Company

Exhibit 21

Grant Information Capital Grant History Local Grants 2000 - 2009

Local Grants	Authorized Amount	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Prop A FY 96	\$1,300,000	\$ 4,432									
Prop A FY 97	1,185,000	1,183									
Prop A FY 98	1,207,000	168,047									
Prop A FY 99	1,933,150	418,476									
Prop A - FBD	309,000	16,118									
Prop C Security FY00	245,000	9,774	\$ 22,484								
Prop A FY 00	3,243,000	34,587	\$2,746,887	323,983	\$ 15,606						
Prop A FY 01	40,000		35,854								
Prop C FY 01	2,100,000			559,705	1,535,061						
Prop C Security FY 01	152,000						\$ 12,882				
Prop A FY 02	40,000			44,000							
Prop C Security FY 02	65,000			1,700	49,204	\$ 11,051	4,745				
Prop C Security FY 03	349,154					193,599	24,817	\$ 60,772	\$ 40,346	\$ 23,888	\$ 4,096
AQMD 03	684,837				684,837						
Prop C Security FY 04	923,452					5,674	825,606	36,957	5,603	16,208	127
Prop C - CA-90-Y271	2,375,547					8,960	1,199,967	388,360	300,489	173,882	212,278
Prop C FY 02	1,041,853					331,967	395,502	242,904	60,541	3,004	
Prop C FY 03	1,123,797					130,606	592,344	61,441	223,736	111,223	
Prop C-CA-03-0664	352,584						341,786	10,798			
Prop C FY 04	923,452						203,569	164,860	5,018	98,592	335
Subtotal		\$ 652,617	\$2,782,741	\$ 951,872	\$2,284,708	\$ 681,857	\$3,601,218	\$ 966,092	\$ 635,733	\$ 426,797	\$ 216,836

Continued

Long Beach Public Transportation Company

Exhibit 21

Grant Information Capital Grant History (Continued) Local Grants 2000 - 2009

Local Grants	Authorized Amount	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Subtotal		\$ 652,617	\$ 2,782,741	\$ 951,872	\$ 2,284,708	\$ 681,857	\$ 3,601,218	\$ 966,092	\$ 635,733	\$ 426,797	\$ 216,836
Prop C Security FY 05	324,000						194,669	11,742			110,000
Prop C FY 05	1,324,200							382,558	639,725	237,755	39,410
Prop C-CA-90-Y391	2,934,372							101,084	455,102	1,168,738	486,797
Prop C-CA-90-Y440	1,329,020								242,753	331,894	682,488
Prop C FY 06	1,398,323								12,717	1,364,204	
MTA8320	65,625							65,624			
Prop C FY 07	152,022								291	13,570	137,823
Prop C Security FY 07	24,000								4,731	18,279	
Prop C Sec-CA-90-Y440	138,600								81,202	3,943	44,280
Prop C FY 08	987,014									237,858	670,767
Prop C-CA-90-Y502	3,469,451									495,589	2,562,193
Prop C-CA-90-Y652	1,940,738									1,455	245,504
Prop C-CA-03-0714	198,854									198,854	
Prop C-CA04-0061	392,330									748	391,582
MTA 8111	428,774									162,341	62,909
AQMD 08	81,744										81,744
Prop C- CA03-0759	99,520										99,520
Prop C Sec-CA-90-Y652	47,128										13,381
Prop C Sec FY08	31,896										31,896
Prop C FY 09	971,734										142,767
Prop C-CA90-Y731	3,287,112										63,292
TOTAL		\$ 652,617	\$ 2,782,741	\$ 951,872	\$ 2,284,708	\$ 681,857	\$ 3,795,887	\$ 1,527,100	\$ 2,072,254	\$ 4,662,025	\$ 6,083,189

Long Beach Public Transportation Company

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In Memory of
James A. Ditch

Executive Director, VP Maintenance & Facilities

1947 - 2009