



LONG BEACH
T R A N S I T

LONG BEACH PUBLIC TRANSPORTATION COMPANY RETIREMENT PLAN -
CONTRACT EMPLOYEES

FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

**LONG BEACH PUBLIC TRANSPORTATION COMPANY
RETIREMENT PLAN - CONTRACT EMPLOYEES**

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**LONG BEACH PUBLIC TRANSPORTATION COMPANY
RETIREMENT PLAN - CONTRACT EMPLOYEES**

Principal Officials

Board of Directors

Michael Clemson	Chair
David Sutton	Vice Chair
Abigail Mejia	Secretary/Treasurer
Collen Bentley	Director
Raul Añorve	Director
Vacant	Director
Vacant	Director
Lea Eriksen	City Representative, City of Long Beach
Joshua Hickman	City Representative, City of Long Beach

Pension Committee Members

Long Beach Public Transportation Company:

Kenneth McDonald	President and Chief Executive Officer
Lisa Patton	Executive Director/VP, Finance and Budget
Elizabeth Brown	Executive Director/VP, Organizational Development and Administration

Amalgamated Transit Union Local 1277:

Jeff Shaffer	President
Errol Frazier	Vice President
Mauro Varela	Treasurer

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Long Beach Public Transportation Company
Retirement Plan – Contract Employees:

Opinion

We have audited the accompanying financial statements of the Long Beach Public Transportation Company Retirement Plan – Contract Employees, which comprise the statements of fiduciary net position as of June 30, 2022 and 2021, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the fiduciary activities of the Long Beach Public Transportation Company Retirement Plan – Contract Employees (the Plan) as of June 30, 2022 and 2021, and the changes in its financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A) on pages 5-8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the Plan's basic financial statements taken as a whole. The supplemental schedule of assets held for investment purposes, schedule of funding progress, schedule of contributions, and schedule of changes in net pension liability and related ratios, and schedule of revenue by source and expenses by type are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Windes, Inc.".

Long Beach, California
December 16, 2022

LONG BEACH PUBLIC TRANSPORTATION COMPANY RETIREMENT PLAN - CONTRACT EMPLOYEES

Management's Discussion and Analysis

As management of Long Beach Public Transportation Company (Long Beach Transit or the Company), we offer readers this narrative overview and analysis of the financial activities of the Long Beach Public Transportation Company Retirement Plan – Contract Employees (the Plan) for the fiscal years ended June 30, 2022, 2021, and 2020.

FINANCIAL HIGHLIGHTS

- The net position of the Plan at the close of the fiscal year 2022 is \$69.9 million. All of the assets are available to meet the Plan's ongoing obligations to plan participants and their beneficiaries.
- The Plan's total net position decreased by \$11.9 million, or 14.6%, primarily due to the decrease in investment market value.
- The Plan's contributions decreased by approximately \$1.2 million, or 16.8%, primarily due to a decrease in contribution rates.
- Pension benefit distributions increased by approximately \$3.8 million, or 79.2%, for the year due to an increase in the amount of lump-sum distributions.

OVERVIEW of the FINANCIAL STATEMENTS

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

The Statements of Fiduciary Net Position are a snapshot of account balances at fiscal year-end. It indicates the assets available for future payments to retirees and any current liabilities that are owed at this time. The Statements of Changes in Fiduciary Net Position provide a view of current year additions to and deductions from the Plan. Both statements are in compliance with accounting principles generally accepted in the United States of America (GAAP) and by the Governmental Accounting Standards Board (GASB).

The Statements of Fiduciary Net Position and the Statements of Changes in Fiduciary Net Position report information about the Plan's activities. These statements include all assets and liabilities using the accrual basis of accounting. All of the current year's additions and deductions are taken into account regardless of when cash is received or paid. In addition, both realized and unrealized gains and losses are shown on investments.

The Statements of Changes in Fiduciary Net Position present information showing how the Plan's net position changed for the two most recent fiscal years. Over time, increases and decreases in the Plan's net position are one indicator of whether its financial health is improving or deteriorating. Other factors, such as market conditions, should also be considered in measuring the Plan's overall financial health.

The Plan's financial statements can be found beginning on page 9 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 beginning on page 11 of this report.

**LONG BEACH PUBLIC TRANSPORTATION COMPANY
RETIREMENT PLAN - CONTRACT EMPLOYEES**

Management's Discussion and Analysis, continued

FINANCIAL STATEMENT ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the Plan's financial position. The assets of the Plan exceeded its liabilities at the close of fiscal years 2022, 2021, and 2020.

Condensed Summary of Plan's Net Position

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Cash and receivables	\$ 294,097	\$ 1,957,611	\$ 2,963,738
Investments	<u>69,603,554</u>	<u>79,849,471</u>	<u>60,813,128</u>
Total assets	<u>69,897,651</u>	<u>81,807,082</u>	<u>63,776,866</u>
 Net position	 <u>\$ 69,897,651</u>	 <u>\$ 81,807,082</u>	 <u>\$ 63,776,866</u>

As of June 30, 2022, \$69.9 million in total assets is held in trust for pension benefits. All of the assets are available to meet the Plan's ongoing obligation to plan participants and their beneficiaries. There was a \$11.9 million, or 14.6%, decrease in total net position over the prior year primarily due to an unfavorable investment market. There was a negative investment rate of return of (11.1%) due to an unfavorable investment market. The actuarial assumption rate for investment return was 6.5% as of June 30, 2022.

As of June 30, 2021, \$81.8 million in total assets is held in trust for pension benefits. All of the assets are available to meet the Plan's ongoing obligation to plan participants and their beneficiaries. There was a \$18.0 million, or 28.3%, increase in total net position over the prior year primarily due to a favorable investment market. There was a positive investment rate of return of 26.6% due to a favorable investment market. The actuarial assumption rate for investment return was 6.5% as of June 30, 2021.

Condensed Summary of Changes in Plan's Net Position

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Employer contributions	\$ 3,667,102	\$ 4,341,170	\$ 4,357,936
Employee contributions	2,204,920	2,716,208	2,810,418
Investment income (loss)	<u>(8,899,439)</u>	<u>16,154,417</u>	<u>207,350</u>
Total additions	<u>(3,027,417)</u>	<u>23,211,795</u>	<u>7,375,704</u>
 Pension benefits	 8,536,535	 4,763,085	 3,912,892
Administrative costs	<u>345,479</u>	<u>418,494</u>	<u>364,995</u>
Total deductions	<u>8,882,014</u>	<u>5,181,579</u>	<u>4,277,887</u>
 Net increase (decrease) in plan net position	 <u>\$ (11,909,431)</u>	 <u>\$ 18,030,216</u>	 <u>\$ 3,097,817</u>

LONG BEACH PUBLIC TRANSPORTATION COMPANY RETIREMENT PLAN - CONTRACT EMPLOYEES

Management's Discussion and Analysis, continued

Additions to Plan's Net Position

The assets needed to finance retirement benefits are accumulated through the collection of employer and employee contributions, and through earnings on investments. The employer non-PEPRA contribution rates for fiscal years 2022, 2021, and 2020 were 10.59%, 13.73%, and 13.44%, respectively. The employer PEPRA contribution rates for fiscal years 2022, 2021, and 2020 were 10.18%, 13.20%, 12.87%, respectively. The Company met contribution requirements for all three years. Effective July 1, 2011, all full-time contract employees began contributing a percentage of their annual salary toward the Plan.

The actuarial assumption for investment income was 6.5% for fiscal years 2022, 2021, and 2020. In fiscal year 2022, the Plan did not exceed the actuarial assumption rate, producing a negative return of (11.1%). In fiscal year 2021, the Plan exceeded the actuarial assumption rate, producing a positive return of 26.5%. In fiscal year 2020, the Plan did not exceed the actuarial assumption rate, producing a positive return of 0.3%.

Deductions from Plan's Net Position

The Plan was created to provide lifetime retirement annuities, survivor benefits, and permanent disability benefits to qualified members and their spouses. The cost of such programs includes recurring benefit payments, as designated by the Plan, and the cost of administering the program.

Total expenditures for the fiscal year ended June 30, 2022, increased by approximately \$3.7 million, or 71.4%, over fiscal year 2021. In 2022, pension benefit distributions increased by approximately \$3.8 million, due to an increase in benefit distribution amounts. Administration expenses incurred from the management of plan assets decreased by approximately \$73k, or 17.4%, when compared to 2021.

Total expenditures for the fiscal year ended June 30, 2021, increased by approximately \$904k, or 21.1%, over fiscal year 2020. In 2021, pension benefit distributions increased by approximately \$850k, due to an increase in benefit distribution amounts. In addition, administration expenses incurred from the management of plan assets increased by approximately \$53k, or 14.7%, when compared to 2020.

ECONOMIC FACTORS and RATES AFFECTING NEXT YEAR

The Plan completed a new actuarial valuation dated July 1, 2022. The contribution rate specified in the report increased to 20.89% for fiscal year 2023 from the 2022 rate of 16.18%. The Plan's actuarial assumption rate of investment remains at 6.5% for fiscal year 2022.

Any changes that affect the benefits of the Plan are negotiated between the Amalgamated Transit Union Local 1277 (ATU) and the Company. Effective July 1, 2011, all full-time contract employees began contributing a percentage of their annual salary toward the Plan. On June 15, 2012, a decision by the Board of Arbitration specified that the Company shall pay the first 10% of the amount the actuary states is necessary for Plan funding and Union employees will pay the next 5% necessary to fund the Plan. The Company and Union employees will equally split any funding amounts over 15%. In addition, for Union employees hired on or after July 1, 2012, the lump-sum option in the Pension Plan is eliminated. The current contract is effective from July 1, 2021 through June 30, 2023.

Union employees who were hired on or after January 1, 2013 are subject to the California Public Employees' Pension Reform Act (PEPRA). PEPRA employees contribute a percentage of their annual salary to the Plan equal to half of the actuarially determined normal cost and the Company contributes the remainder.

During the year ended June 30, 2022, non-PEPRA employees contributed 5.59% and PEPRA employees contributed 6.00% of their annual salary toward the Plan. The Company contributed the remainder of the actuarially determined rate. Administrative costs of the Plan are a component of the actuarially determined rate.

**LONG BEACH PUBLIC TRANSPORTATION COMPANY
RETIREMENT PLAN - CONTRACT EMPLOYEES**

Management's Discussion and Analysis, continued

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Plan's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director & VP Finance and Budget, Long Beach Transit, 1963 E. Anaheim St., Long Beach, California, 90813.

**LONG BEACH PUBLIC TRANSPORTATION COMPANY
RETIREMENT PLAN - CONTRACT EMPLOYEES**

**Statements of Fiduciary Net Position
June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Assets		
Cash (note 4)	\$ 294,097	\$ 1,710,960
Accounts Receivable:		
Contribution receivable	-	246,651
Investments, at fair value (notes 4 and 5):		
Equity mutual funds	9,563,890	56,416,514
Bond mutual funds	6,150,330	23,432,957
Private equity	<u>53,889,334</u>	<u>-</u>
Total investments	<u>69,603,554</u>	<u>79,849,471</u>
Total assets	<u>\$ 69,897,651</u>	<u>\$ 81,807,082</u>
Net position restricted for pensions	<u>\$ 69,897,651</u>	<u>\$ 81,807,082</u>

**LONG BEACH PUBLIC TRANSPORTATION COMPANY
RETIREMENT PLAN - CONTRACT EMPLOYEES**

**Statements of Changes in Fiduciary Net Position
Years Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Additions:		
Contributions:		
Employer contributions	\$ 3,667,102	\$ 4,341,170
Employee contributions	<u>2,204,920</u>	<u>2,716,208</u>
Total contributions	<u>5,872,022</u>	<u>7,057,378</u>
Investment gain (loss):		
Interest	58	551,694
Dividends and capital gains	642,325	2,129,969
Net unrealized gain (loss) on investments	(18,164,038)	10,602,722
Net realized gain on investments	<u>8,622,216</u>	<u>2,870,032</u>
Total investment gain (loss), net	<u>(8,899,439)</u>	<u>16,154,417</u>
Deductions:		
Expenditures:		
Pension benefits	8,536,535	4,763,085
Direct administrative costs	32,036	182,650
Other administrative costs	<u>313,443</u>	<u>235,844</u>
Total expenditures	<u>8,882,014</u>	<u>5,181,579</u>
Net increase (decrease) in plan's net position	(11,909,431)	18,030,216
Net position restricted for pensions, beginning of year	<u>81,807,082</u>	<u>63,776,866</u>
Net position restricted for pensions, end of year	<u>\$ 69,897,651</u>	<u>\$ 81,807,082</u>

**LONG BEACH PUBLIC TRANSPORTATION COMPANY
RETIREMENT PLAN - CONTRACT EMPLOYEES**

**Notes to Financial Statements
June 30, 2022 and 2021**

(1) Description of Plan

The following brief description of the Long Beach Public Transportation Company Retirement Plan – Contract Employees (the Plan) is provided for general information purposes only. Participants should refer to the Summary Plan Description of the Plan or the Plan Agreement for more complete information.

Plan Origination

The Long Beach Public Transportation Company (Long Beach Transit or the Company) is a nonprofit corporation, formed in 1963, with the purchase of the local transit system from a private carrier leaving the business. At that time, the labor agreement between the Company and the Amalgamated Transit Union (ATU), dictated what, if any, benefits were to be awarded to a retiree. Those pension benefits were paid from the Company's annual operating funds. On June 30, 1979, the Company's Board of Directors approved the formation of the Long Beach Public Transportation Company Retirement Plan for Contract Employees. Any changes to the Plan agreement negotiated between the Company and the ATU are adopted by the Board of Directors and issued as an amendment to the original Plan.

Pension Benefits

The Plan is a defined benefit pension plan sponsored by Long Beach Transit. All full-time employees in a job classification covered by a collective bargaining agreement between the Company and the ATU are eligible under the Plan as of their date of employment. At June 30, 2022 and 2021, membership consisted of:

	<u>2022</u>	<u>2021</u>
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits, but not yet receiving such benefits	142	132
Current employees:		
Vested	394	408
Nonvested	<u>157</u>	<u>135</u>
Total membership	<u><u>693</u></u>	<u><u>675</u></u>

Participants are eligible for annual benefit payments at the normal retirement age of 64 or at completion of ten years of credited service, whichever is later. Monthly benefit payments are currently determined by 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. 1.70% of adjusted final monthly earnings greater than \$500 multiplied by the years of credited service (maximum credit of 40 years).

Contract employees that 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%.

**LONG BEACH PUBLIC TRANSPORTATION COMPANY
RETIREMENT PLAN - CONTRACT EMPLOYEES**

**Notes to Financial Statements, continued
June 30, 2022 and 2021**

Adjusted final monthly earnings are the employee's highest average monthly wage for 60 consecutive months of earnings during the last ten calendar years of employment, prior to normal retirement date, which provide the highest value. Participants are 100% vested after five years of service.

Early retirement may be elected by participants at the age of 54 and upon completion of ten years of credited service. In the case of early retirement, the normal retirement benefit is reduced by 5% for each year the early retirement date precedes the normal retirement date.

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

Death and Disability Benefits

In the event a Plan member dies while still actively employed, a retirement benefit will be paid to the spouse or domestic partner 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.

If a 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 ten or more years of credited service.

Termination

The Plan may be amended, altered or modified, or a successor plan may be adopted at any time with the consent of the employer or its successor in interest. In the event of termination, the assets will be allocated based on the order of priority prescribed in the Plan.

Contributions

Members who were hired on or after January 1, 2013 are subject to the California Public Employees' Pension Reform Act (PEPRA). PEPRA members contribute a percentage of their annual salary to the Plan equal to half of the actuarially determined normal cost and the Company contributes the remainder.

During the year ended June 30, 2022, non-PEPRA members contributed 5.59% and PEPRA members contributed 6.00% of their annual salary toward the Plan. The Company contributed the remainder of the actuarially determined rate. Administrative costs of the Plan are a component of the actuarially determined rate.

**LONG BEACH PUBLIC TRANSPORTATION COMPANY
RETIREMENT PLAN - CONTRACT EMPLOYEES**

**Notes to Financial Statements, continued
June 30, 2022 and 2021**

(2) **Summary of Significant Accounting Policies**

Reporting Entity

The Long Beach Public Transportation Company is a nonprofit corporation organized to provide public transportation services in Long Beach, California. The Company is governed by a seven-member Board of Directors (the Board) appointed by the Mayor, with the approval of the Long Beach City Council, to serve four-year terms. In turn, the Board appoints a President and Chief Executive Officer who is responsible for overseeing the Company's daily operations.

The Company's basic financial statements are available under separate cover. For accounting purposes, Long Beach Transit is considered a component unit of the City of Long Beach (the City). As such, the Company's basic financial statements are included in the City's annual comprehensive 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.

Written requests for the Company's basic financial statements can be sent to Long Beach Transit, c/o Executive Director & VP Finance and Budget, Long Beach Transit, 1963 E. Anaheim St., Long Beach, California, 90813.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting. Contributions are recognized when due and when a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Method Used to Value Investments

The Plan Pension Committee has elected to pursue an investment strategy that is intended to provide moderately low risk for any individual investment with a relatively low overall portfolio risk. Plan investments are carried at fair value. Purchases and sales of investments are recorded on a trade-date basis. The average-cost method is used in the determination of realized gains and losses on sales of investments. Dividend income is recorded on the ex-dividend dates of the investment securities. Interest income is reported as earned.

Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current market value rates.

Trust Fund Managed by the Trustee Bank

Under the terms of a nondiscretionary trust agreement between the trustee bank and the Plan, the trustee bank manages a trust fund on behalf of the Plan. The Plan Pension Committee has discretionary authority concerning purchases and sales of investments in the trust fund. The investments and changes in the trust fund are reported to the Plan by the trustee bank.

**LONG BEACH PUBLIC TRANSPORTATION COMPANY
RETIREMENT PLAN - CONTRACT EMPLOYEES**

**Notes to Financial Statements, continued
June 30, 2022 and 2021**

Investment Management

The Plan Pension Committee has engaged the services of a professional asset management company to manage the investments of the Plan. Investments are held in the Plan's name, but discretionary authority concerning purchases and sales of investments within the limits set in the Board-adopted investment policy has been delegated to the investment manager. The investment manager reports on a quarterly basis to the Plan Pension Committee, setting forth an inventory of portfolio assets, a measurement of investment performance, and a narrative assessing the investment outlook for the short and intermediate term.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, the actuarial present value of accumulated plan benefits at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

Subsequent Events

The Plan has evaluated subsequent events through December 16, 2022, the date the financial statements were available to be issued.

Risks and Uncertainties

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

(3) Federal Income Taxes

The Plan is intended to constitute a qualified plan under Section 401(a) of the Internal Revenue Code, and the related trust is intended to be exempt from federal income taxes under the provisions of Internal Revenue Code Section 501(a). The Company believes the Plan is currently designed and is operated in accordance with applicable sections of the Internal Revenue Code.

(4) Cash and Investments

At June 30, 2022 and 2021, cash and investments consisted of the following:

	<u>2022</u>	<u>2021</u>
Deposits with Trustee	\$ 294,097	\$ 1,710,960
Investments	<u>69,603,554</u>	<u>79,849,471</u>
Total	<u>\$ 69,897,651</u>	<u>\$ 81,560,431</u>

**LONG BEACH PUBLIC TRANSPORTATION COMPANY
RETIREMENT PLAN - CONTRACT EMPLOYEES**

**Notes to Financial Statements, continued
June 30, 2022 and 2021**

Concentration of Credit Risk – Investment Plan Authorized by the Company’s Board of Directors

Plan assets shall be invested to provide safety through diversification in a portfolio of pooled common stocks, bonds, cash equivalents and other investments which may reflect varying rates of return. The investment plan was changed for fiscal year ended June 30, 2022. The revised asset allocation for the Plan for the year ending June 30, 2022 is as follows:

	<u>Lower</u>	<u>Strategic Allocation</u>	<u>Upper</u>
Global Equity	40%	55%	70%
Fixed Income	15%	25%	40%
Real Estate Assets	0%	10%	20%
Diversifying Alternatives	0%	10%	20%
Cash Equivalent	0%	0%	10%

Investments in any one issuer or fund that represent 5% or more of total Plan net position have been summarized in note 5. Investments shall also be diversified within asset classes. Equities shall be diversified by economic sector, industry, quality and size and allocated to managers who have distinct and different investment styles.

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. Information about the sensitivity of fair values of the Plan’s investments to market interest rate fluctuations is provided by the following table that shows the portfolio percentage and maturity, where applicable, for each asset class at June 30, 2022 and 2021.

<u>Type of Investment</u>	<u>2022</u>			<u>2021</u>		
	<u>Portfolio Percentage</u>	<u>Market Value</u>	<u>Maturity</u>	<u>Portfolio Percentage</u>	<u>Market Value</u>	<u>Maturity</u>
Domestic Large						
Capitalization	0%	\$ -	N/A	24%	\$ 19,503,423	N/A
Small Capitalization	0%	-	N/A	8%	5,963,146	N/A
Real Estate Securities	0%	-	N/A	4%	3,057,596	N/A
International Securities	0%	-	N/A	23%	18,028,930	N/A
Multi-strategy	0%	-	N/A	12%	9,863,419	N/A
Global Equities	55%	38,187,939	N/A	0%	-	N/A
Fixed Income	22%	15,577,104	7.8 years	29%	23,432,957	7.5 years
Real Estate Assets	10%	7,114,697	N/A	0%	N/A	N/A
Diversifying Alternatives	13%	8,723,814	N/A	0%	-	N/A
Total		<u>\$ 69,603,554</u>			<u>\$ 79,849,471</u>	

N/A – not applicable

**LONG BEACH PUBLIC TRANSPORTATION COMPANY
RETIREMENT PLAN - CONTRACT EMPLOYEES**

**Notes to Financial Statements, continued
June 30, 2022 and 2021**

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. As of June 30, 2022, global equities comprise 55% of the Plan's asset portfolio and are not rated. 13% of the Plan's asset portfolio comprise of diversifying alternatives and are not rated. Real estate assets comprise 10% of the Plan's asset portfolio and are not rated. The remaining 22% of the Plan's assets are in fixed income assets.

Credit ratings for the Plan's fixed income investments subject to credit risk as of June 30, 2022 and 2021 are as follows:

<u>Investment Type</u>	<u>S&P Rating</u>	<u>2022 Fair Value</u>	<u>2021 Fair Value</u>
Bond Mutual Funds	Not rated	\$ 13,111	\$ -
	AAA	-	19,856,658
	AA	6,137,219	-
	BB	-	3,576,299
		<u>6,150,330</u>	<u>23,432,957</u>
Private Equity	AA	6,195,627	-
	BBB	982,838	-
	B	2,248,309	-
		<u>9,426,774</u>	<u>-</u>
		<u>\$ 15,577,104</u>	<u>\$ 23,432,957</u>

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. Per the Plan's investment policy, the percentage of total assets allocated to cash deposits should be sufficient only to assure liquidity to meet disbursement needs, which are minimal.

Custodial credit risk for investments generally applies 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.

Risks and Uncertainties

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

**LONG BEACH PUBLIC TRANSPORTATION COMPANY
RETIREMENT PLAN - CONTRACT EMPLOYEES**

**Notes to Financial Statements, continued
June 30, 2022 and 2021**

(5) Investments and Fair Value Measurements

The following investments accounted for 5% or more of the total net position (at fair value) at June 30, 2022 and 2021:

<u>Description of Investments</u>	<u>Cost</u>	<u>Fair Value</u>
2022:		
Northern Trust Collective Funds	\$ 20,274,022	\$ 17,551,405
Magnitude Institutional, Ltd.	8,025,000	8,723,814
JPMCB Core Bond Fund	6,616,508	6,195,627
Baird Aggregate Bond Fund	6,861,875	6,137,219
Causeway Collective Investment Trust	5,210,474	5,029,058
Emerging World Investors LP	4,605,750	4,505,493
Baillie Gifford The Eafe Pure Fund	7,076,998	4,382,356
Invesco Core Real Estate	<u>3,016,363</u>	<u>3,503,520</u>
	61,686,990	56,028,492
Remaining investments not exceeding 5% of total net position	<u>14,419,238</u>	<u>13,575,062</u>
Total	<u>\$ 76,106,228</u>	<u>\$ 69,603,554</u>

<u>Description of Investments</u>	<u>Cost</u>	<u>Fair Value</u>
2021:		
iShares Core US Aggregate Bond ETF	\$ 19,756,240	\$ 19,856,658
Pimco All Asset Fund CI I #34	8,644,480	9,863,419
iShares Core S&P 500 ETF	8,331,964	9,505,921
Russell Multifactor U.S. Equity Fund Class Y	3,516,636	5,374,306
iShares Inc Core MSCI EMKT	4,185,556	5,165,624
iShares Russell 1000	3,200,964	4,623,196
iShares MSCI EAFE ETF	<u>3,467,796</u>	<u>4,259,142</u>
	51,103,636	58,648,266
Remaining investments not exceeding 5% of total net position	<u>17,490,812</u>	<u>21,201,205</u>
Total	<u>\$ 68,594,448</u>	<u>\$ 79,849,471</u>

**LONG BEACH PUBLIC TRANSPORTATION COMPANY
RETIREMENT PLAN - CONTRACT EMPLOYEES**

**Notes to Financial Statements, continued
June 30, 2022 and 2021**

Fair Value Measurements

GASB Statement No. 72, Fair Value Measurement and Application (GASB 72) requires investments measured at fair value to be categorized under a fair value hierarchy. The Plan determines fair value of its investments based upon both observable and unobservable inputs. The Plan categorizes its fair value measurements within the fair value hierarchy as follows:

- *Level 1:* Quoted prices for identical investments in active markets accessible at the measurement date.
- *Level 2:* Observable inputs other than quoted market prices.
- *Level 3:* Unobservable inputs, which generally results in using the best information available.

The remaining investments not categorized under the fair value hierarchy are shown at net asset value (NAV). NAV is used as a practical expedient to estimate the fair value of the Plan's interest therein, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. As of June 30, 2022, the Plan had no specific plans or intentions to sell investments at amounts different from NAV.

The Plan has the following fair value measurements as of June 30, 2022:

Investments by Fair Value Hierarchy	Total	Level 1	Level 2	Level 3
Equity mutual funds	\$ 9,563,890	\$ 3,070,357	\$ 6,493,533	\$ -
Bond mutual funds	<u>6,150,330</u>	<u>-</u>	<u>6,150,330</u>	<u>-</u>
	<u>15,714,220</u>	<u>3,070,357</u>	<u>12,643,863</u>	<u>-</u>
Investments Measured at NAV				
Private equity	<u>53,889,334</u>	<u>-</u>	<u>-</u>	<u>-</u>
Investments at fair value	<u>\$ 69,603,554</u>	<u>\$ 3,070,357</u>	<u>\$ 12,643,863</u>	<u>\$ -</u>

The Plan has the following fair value measurements as of June 30, 2021:

Investments by Fair Value Hierarchy	Total	Level 1	Level 2	Level 3
Equity mutual funds	\$ 56,416,514	\$ 55,595,814	\$ -	\$ 820,700
Bond mutual funds	<u>23,432,957</u>	<u>19,856,658</u>	<u>3,563,214</u>	<u>13,085</u>
Investments at fair value	<u>\$ 79,849,471</u>	<u>\$ 75,452,472</u>	<u>\$ 3,563,214</u>	<u>\$ 833,785</u>

**LONG BEACH PUBLIC TRANSPORTATION COMPANY
RETIREMENT PLAN - CONTRACT EMPLOYEES**

**Notes to Financial Statements, continued
June 30, 2022 and 2021**

Investments Measured Using the Net Asset Value per Share Practical Expedient

The following table summarizes investments measured at fair value based on NAV per share as of June 30, 2022.

<u>June 30, 2022</u>	<u>Fair Value</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>	<u>Unfunded Commitment</u>
Northern Trust Collective Funds	\$ 17,551,405	Daily	n/a	n/a
Magnitude Institutional, Ltd.	8,723,814	Quarterly	65 days	n/a
JPMCB Core Bond Fund	6,195,627	Daily	n/a	n/a
Causeway Collective Trust	5,029,058	Daily	n/a	n/a
Emerging World Investors LP	4,505,493	Monthly	30 days	n/a
Invesco Core Real Estate	3,503,520	Quarterly	45 days	n/a
Oaktree High Yield Bond, LP	2,248,309	Monthly	10 days	n/a
Brook Global Emrg Market Fund	1,890,252	Monthly	1 day	n/a
GW&K Small Cap Core Equity	1,759,018	Daily	n/a	n/a
Harrison Street Core Prop Fund	1,500,000	Quarterly	45 days	n/a
Ninety One Em Blended Debt	<u>982,838</u>	Daily	1 day	n/a
Total	<u>\$ 53,889,334</u>			

Investments classified in level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Level 2 investments are valued using a matrix pricing technique which is used to value securities based on the securities' relationship to benchmark quoted prices.

Fair value of level 3 investments are determined by an independent third-party Valuation Committee comprised of officers of the investment adviser and established pursuant to the policies and procedures adopted by the Board, based on factors such as: (i) indications or quotes from brokers, (ii) valuations provided by a third-party pricing agent, (iii) internal models that take into consideration different factors determined to be relevant by the Adviser; or (iv) any combination of the above. Fair value pricing may require subjective determinations about the value of an asset or liability. The values of the investments in publicly traded foreign equity securities generally will be determined by a pricing service using pricing models designed to estimate likely changes in the values of those securities between the times in which the trading in those securities is substantially completed and the close of the NYSE. Fair values used to determine the investment fund's net asset values may differ from quoted or published prices, or from prices that are used by others, for the same investments.

Following is a description of the valuation methodologies used for assets measured at fair value.

- *Equity Mutual Funds:* assets of each fund are valued daily at close of market and pricing is transmitted to fund custodians. Fund pricing is done after the close of each market day and the underlying securities are valued based on their closing trading values each day.
- *Bond Mutual Funds:* assets of each fund are valued daily at close of market and pricing is transmitted to fund custodians. Fund pricing is done after the close of each market day and the underlying securities are valued based on their closing trading values each day.

**LONG BEACH PUBLIC TRANSPORTATION COMPANY
RETIREMENT PLAN - CONTRACT EMPLOYEES**

**Notes to Financial Statements, continued
June 30, 2022 and 2021**

- *Private Equity*: includes commingled fund/pooled investment vehicles and real estate investments. Commingled fund/pooled investment vehicle is a fund with capital pooled from multiple investors that is deployed to a mutually agreed upon strategy. The fair value of commingled funds/pooled investment vehicles is measured at NAV, where fair value is measured by multiplying the pool's share price by the number of shares held. Typically, there are no redemption constraints for the commingled funds. Real estate investments are held either in separate accounts, as a limited partner, or in a joint venture or commingled fund. These investments are illiquid and resold at varying rates, with distributions received over the life of the investments. They are typically not redeemed, nor do they have set redemption schedules.

(6) Annual Pension Cost and Net Pension Obligation

As of June 30, 2022, the Company contributed the first 10% of the actuarially determined rate, Plan members contributed the next 5%, and the rate in excess of 15% is equally split between the Company and Plan members for contribution toward the Plan. The Company's annual pension cost and net pension obligation at June 30, 2022 and 2021 are as follows:

Year Ended June 30,	Actuarially Determined Amount	Actual Contribution	Net Pension Obligation
2022	\$ 3,667,102	\$ 3,667,102	\$ -
2021	\$ 4,341,170	\$ 4,341,170	\$ -

(7) Funded Status and Funding Progress

The status of funding progress is based on the actuarial valuations performed as of July 1, 2022 and 2021. The actuarial accrued liability is calculated using the entry-age method.

(dollar amounts in thousands)

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
2022	\$ 69,897	\$ 98,511	\$ 28,614	70.95%	\$ 32,022	89.36%
2021	\$ 81,807	\$ 97,238	\$ 15,431	84.13%	\$ 30,015	51.41%

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.

**LONG BEACH PUBLIC TRANSPORTATION COMPANY
RETIREMENT PLAN - CONTRACT EMPLOYEES**

**Schedule of Assets Held for Investment Purposes
June 30, 2022 and 2021**

<u>Description of Investments</u>	<u>Number of Shares/Units</u>	<u>Cost</u>	<u>Fair Value</u>
June 30, 2022:			
<u>Equity mutual funds:</u>			
Baillie Gifford EAFE Pure Fund	393,036	\$ 7,076,998	\$ 4,382,356
iShares Core S&P 500 ETF	8,098	3,051,521	3,070,357
Cohen & Steers Instl Realty Shares	44,521	2,419,256	2,111,177
Total equity mutual funds		<u>12,547,775</u>	<u>9,563,890</u>
<u>Bond mutual funds:</u>			
Baird Aggregate Bond Fund	613,109	6,861,875	6,137,219
Stone Ridge Reinsurance Risk Prem	326	2,994	13,111
Total bond mutual funds		<u>6,864,869</u>	<u>6,150,330</u>
<u>Private equity:</u>			
Northern Trust Collective Funds	1,248	20,274,022	17,551,405
Magnitude Institutional, Ltd.	2,579	8,025,000	8,723,814
JPMCB Core Bond Fund	309,472	6,616,508	6,195,627
Causeway Collective Trust	472,656	5,210,473	5,029,058
Emerging World Investors LP	4,505,493	4,605,750	4,505,493
Invesco Core Real Estate	15	3,016,363	3,503,520
Oaktree High Yield Bond, LP	39,037	2,636,328	2,248,309
Brook Global Emrg Market Fund	22,750	2,275,000	1,890,252
GW&K Small Cap Core Equity	138,467	2,150,000	1,759,018
Harrison Street Core Prop Fund	1,500,000	1,500,000	1,500,000
Ninety One Em Blended Debt	9,087	384,140	982,838
Total private equity		<u>56,693,584</u>	<u>53,889,334</u>
Total investments		<u>\$ 76,106,228</u>	<u>\$ 69,603,554</u>

**LONG BEACH PUBLIC TRANSPORTATION COMPANY
RETIREMENT PLAN - CONTRACT EMPLOYEES**

**Schedule of Assets Held for Investment Purposes, continued
June 30, 2022 and 2021**

<u>Description of Investments</u>	<u>Number of Shares/Units</u>	<u>Cost</u>	<u>Fair Value</u>
June 30, 2021:			
<u>Equity mutual funds:</u>			
Pimco All Asset Fund Cl I #34	745,534	\$ 8,644,480	\$ 9,863,419
iShares Core S&P 500 ETF	22,111	8,331,964	9,505,921
Russell Multifactor U.S. Equity Fund	319,139	3,516,636	5,374,306
iShares Inc Core MSCI EMKT	77,110	4,185,556	5,165,624
iShares Russell 1000	19,098	3,200,964	4,623,196
iShares MSCI EAFE ETF	53,995	3,467,796	4,259,142
Acuitas US Microcap Fund	226,083	2,148,778	3,786,885
iShares Tr Core MSCI EAFE ETF	45,665	2,833,170	3,418,459
Russell Multifactor International Equity	311,557	2,678,860	3,392,855
Vanguard Real Estate ETF	21,976	2,308,430	2,236,896
iShares Russell 2000	9,488	1,455,430	2,176,261
iShares MSCI EAFE Small Cap ETF	24,175	1,458,964	1,792,850
Predex Fund Class I	31,444	821,046	820,700
Total equity mutual funds		<u>45,052,074</u>	<u>56,416,514</u>
<u>Bond mutual funds:</u>			
iShares Core US Aggregate Bond ETF	172,173	19,756,240	19,856,658
Stone Ridge High Yield Reinsurance	391,993	3,783,140	3,563,214
Stone Ridge Reinsurance Risk Prem	326	2,994	13,085
Total bond mutual funds		<u>23,542,374</u>	<u>23,432,957</u>
Total investments		<u>\$ 68,594,448</u>	<u>\$ 79,849,471</u>

**LONG BEACH PUBLIC TRANSPORTATION COMPANY
RETIREMENT PLAN - CONTRACT EMPLOYEES**

**Schedule of Funding Progress, Schedule of Contributions, and
Schedule of Changes in Net Pension Liability and Related Ratios
June 30, 2022 and 2021**

The following table summarizes the status of funding progress based on the actuarial valuations and performed as of the dates indicated. The actuarial accrued liability is calculated using the entry-age method in accordance with GASB. Prior year unfunded actuarial accrued liability (UAAL) figures and related column calculations, have been restated in accordance with GASB.

**Schedule of Funding Progress
(dollar amounts in thousands)**

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
2022	\$ 69,897	\$ 98,511	\$ 28,614	70.95%	\$ 32,022	89.36%
2021	81,807	97,238	15,431	84.13%	30,015	51.41%
2020	63,777	95,974	32,197	66.45%	31,946	100.79%
2019	60,679	91,295	30,616	66.46%	30,624	99.97%
2018	56,022	87,017	30,995	64.38%	31,094	99.68%
2017	52,742	81,804	29,062	64.47%	30,448	95.45%
2016	47,051	73,596	26,545	63.93%	29,787	89.12%
2015	45,790	63,234	17,444	72.41%	25,321	68.89%
2014	46,310	62,011	15,701	74.68%	27,266	57.59%
2013	41,325	58,755	17,430	70.33%	24,693	70.59%

The following table summarizes employer contributions required (based on the actuarial valuations) and contributions made for the ten years ended:

Schedule of Contributions

Year ended June 30,	Actuarially determined amount	Annual required contribution as a percentage of covered payroll	Employer contribution	Employee contribution	Percentage contributed
2022	\$ 5,872,022	16.18%	\$ 3,667,102	\$ 2,204,920	100%
2021	7,057,378	22.45%	4,341,170	2,716,208	100%
2020	7,168,354	21.87%	4,357,936	2,810,418	100%
2019	7,165,553	21.82%	4,488,508	2,677,045	100%
2018	6,516,603	21.07%	4,054,711	2,461,892	100%
2017	6,018,860	19.95%	3,877,435	2,141,425	100%
2016	5,193,480	17.58%	3,439,288	1,754,192	100%
2015	4,711,230	15.95%	3,067,778	1,643,452	100%
2014	4,763,313	17.57%	3,326,307	1,437,006	100%
2013	3,714,988	13.74%	2,572,888	1,142,100	100%

**LONG BEACH PUBLIC TRANSPORTATION COMPANY
RETIREMENT PLAN - CONTRACT EMPLOYEES**

**Schedule of Funding Progress, Schedule of Contributions, and
Schedule of Changes in Net Pension Liability and Related Ratios, continued
June 30, 2022 and 2021**

**Schedule of Changes in Net Pension Liability
and Related Ratios**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total pension liability										
Service cost	\$ 3,811,388	\$ 3,955,142	\$ 3,749,884	\$ 3,862,139	\$ 3,750,722	\$ 3,352,311	\$ 2,713,135	\$ 2,893,596	\$ 2,285,562	\$ 1,972,068
Interest	6,014,362	6,020,256	5,661,960	5,458,336	5,173,663	4,970,642	4,575,251	4,462,912	4,418,719	3,621,647
Differences between expected and actual experience	(15,874)	(5,289,301)	(820,357)	(1,182,989)	1,915,331	849,980	3,062,106	(1,252,537)	877,921	(652,845)
Changes of assumptions	-	1,341,613	-	-	3,651,179	3,194,510	-	-	-	6,749,225
Benefit payments	(8,536,535)	(4,763,085)	(3,912,892)	(3,859,763)	(5,626,291)	(4,615,902)	(3,182,794)	(4,881,029)	(4,326,353)	(2,447,910)
Net change	1,273,341	1,264,625	4,678,595	4,277,723	8,864,604	7,751,541	7,167,698	1,222,942	3,255,849	9,242,185
Beginning total pension liability	97,238,338	95,973,713	91,295,118	87,017,395	78,152,791	70,401,250	63,233,552	62,010,610	58,754,761	49,512,576
Ending total pension liability	\$ 98,511,679	\$ 97,238,338	\$ 95,973,713	\$ 91,295,118	\$ 87,017,395	\$ 78,152,791	\$ 70,401,250	\$ 63,233,552	\$ 62,010,610	\$ 58,754,761
Plan fiduciary net position										
Employer contributions	\$ 3,667,102	\$ 4,341,170	\$ 4,357,936	\$ 4,488,508	\$ 4,054,711	\$ 3,877,435	\$ 3,439,288	\$ 3,067,778	\$ 3,326,307	\$ 2,572,888
Employee contributions	2,204,920	2,716,208	2,810,418	2,677,045	2,461,892	2,141,425	1,754,192	1,643,452	1,437,006	1,142,100
Net transfer to/from Salaried Plan	-	-	-	-	(37,663)	(255,041)	(17,501)	(288)	(241,886)	-
Investment income (loss)	(8,899,439)	16,154,417	207,350	1,715,995	2,807,077	4,919,899	(407,799)	(569)	5,113,555	3,324,692
Pension benefits	(8,536,535)	(4,763,085)	(3,912,892)	(3,859,763)	(5,626,291)	(4,615,902)	(3,182,794)	(4,881,029)	(4,326,353)	(2,447,910)
Administrative expenses	(345,479)	(418,494)	(364,995)	(364,631)	(380,134)	(376,137)	(325,026)	(349,496)	(323,518)	(291,858)
Net change	(11,909,431)	18,030,216	3,097,817	4,657,154	3,279,592	5,691,679	1,260,360	(520,152)	4,985,111	4,299,912
Beginning plan fiduciary net position	81,807,082	63,776,866	60,679,049	56,021,895	52,742,303	47,050,624	45,790,264	46,310,416	41,325,305	37,025,393
Ending plan fiduciary net position	\$ 69,897,651	\$ 81,807,082	\$ 63,776,866	\$ 60,679,049	\$ 56,021,895	\$ 52,742,303	\$ 47,050,624	\$ 45,790,264	\$ 46,310,416	\$ 41,325,305
Company's net pension liability	\$ 28,614,028	\$ 15,431,256	\$ 32,196,847	\$ 30,616,069	\$ 30,995,500	\$ 25,410,488	\$ 23,350,626	\$ 17,443,288	\$ 15,700,194	\$ 17,429,456
Plan fiduciary net position as a % of total pension liability	70.95%	84.13%	66.45%	66.46%	64.38%	67.49%	66.83%	72.41%	74.70%	70.34%
Covered payroll	\$ 32,022,000	\$ 30,015,000	\$ 31,946,000	\$ 30,624,000	\$ 31,094,000	\$ 30,448,000	\$ 29,787,000	\$ 25,321,000	\$ 27,266,000	\$ 24,693,000
Company's net pension liability as a % of covered payroll	89.36%	51.41%	100.79%	99.97%	99.68%	83.46%	78.39%	68.89%	57.58%	70.58%

**LONG BEACH PUBLIC TRANSPORTATION COMPANY
RETIREMENT PLAN - CONTRACT EMPLOYEES**

**Schedule of Funding Progress, Schedule of Contributions, and
Schedule of Changes in Net Pension Liability and Related Ratios, continued
June 30, 2022 and 2021**

Contract Plan Schedule of Contributions Last 10 Fiscal Years										
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 5,872,022	\$ 7,057,378	\$ 7,168,354	\$ 7,165,553	\$ 6,516,603	\$ 6,018,860	\$ 5,193,480	\$ 4,711,230	\$ 4,763,313	\$ 3,714,988
Employer contributions	3,667,102	4,341,170	4,357,936	4,488,508	4,054,711	3,877,435	3,439,288	3,067,778	3,326,307	2,572,888
Employee contributions	2,204,920	2,716,208	2,810,418	2,677,045	2,461,892	2,141,425	1,754,192	1,643,452	1,437,006	1,142,100
Total contributions	5,872,022	7,057,378	7,168,354	7,165,553	6,516,603	6,018,860	5,193,480	4,711,230	4,763,313	3,714,988
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$32,022,000	\$30,015,000	\$31,946,000	\$30,624,000	\$31,094,000	\$30,448,000	\$29,787,000	\$25,321,000	\$27,266,000	\$24,693,000
Contributions as a percentage of covered-employee payroll	18.34%	23.51%	22.44%	23.40%	20.96%	19.77%	17.44%	18.61%	17.47%	15.04%

**LONG BEACH PUBLIC TRANSPORTATION COMPANY
RETIREMENT PLAN - CONTRACT EMPLOYEES**

**Schedule of Funding Progress, Schedule of Contributions, and
Schedule of Changes in Net Pension Liability and Related Ratios, continued
June 30, 2022 and 2021**

The information presented in the preceding tables was determined as part of the actuarial valuations at the dates indicated. The latest actuarial valuation assumptions include the following:

Valuation date	July 1, 2022
Actuarial cost method	Entry age normal cost frozen initial liability
Amortization method	Level dollar closed
Remaining amortization period on initial liability	15 years
Remaining amortization period on assumption changes	21 years
Remaining amortization period on interest rate assumption	24 years
Remaining amortization period on interest rate assumption	25 years
Remaining amortization period on assumption changes	28 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	6.5%
Discount rate	6.5%
Projected salary increases	3.0%
Cost-of-living adjustments	None

Mortality rates were based on the following:

Healthy: PRI-2012 Blue Collar Mortality Table Projected with Scale MP-2019.

Disabled: PRI-2012 Disabled Mortality Table Projected with Scale MP-2019.

The following presents the net pension liability calculated using the discount rate of 6.5%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.5%) or 1-percentage-point higher (7.5%) than the current rate (dollar amounts in thousands):

<u>Discount Rate</u>	<u>Net Pension Liability</u>
5.5%	\$ 35,771
6.5%	28,614
7.5%	19,097

**LONG BEACH PUBLIC TRANSPORTATION COMPANY
RETIREMENT PLAN - CONTRACT EMPLOYEES**

**Schedule of Revenue by Source and Expenses by Type
Last Ten Fiscal Years**

Revenue by source					
Fiscal year	Contributions*	Benefit transfers	Investment income (loss)	Rate of return	Total
2022	\$ 5,872,022	\$ -	\$ (8,899,439)	(11.14) %	\$ (3,027,417)
2021	7,057,378	-	16,154,417	26.56%	23,211,795
2020	7,168,354	-	207,350	0.34%	7,375,704
2019	7,165,553	-	1,715,995	3.10%	8,881,548
2018	6,516,603	-	2,807,077	5.42%	9,323,680
2017	6,018,860	-	4,919,899	10.66%	10,938,759
2016	5,193,480	-	(407,799)	(1.04)%	4,785,681
2015	4,711,230	29,872	(569)	(0.02) %	4,740,533
2014	4,763,313	-	5,113,555	12.70%	9,876,868
2013	3,714,988	-	3,324,692	8.10%	7,039,680

* Contributions were made in accordance with actuarially determined contribution requirements.

Expenses by type					
Fiscal year	Benefits	Direct administrative costs	Other administrative costs	Benefit transfers	Total
2022	\$ 8,536,535	\$ 32,036	\$ 313,443	\$ -	\$ 8,882,014
2021	4,763,085	182,650	235,844	-	5,181,579
2020	3,912,892	158,643	206,352	-	4,277,887
2019	3,859,763	145,775	218,856	-	4,224,394
2018	5,626,291	139,754	240,380	37,663	6,044,088
2017	4,615,902	126,930	249,207	255,041	5,247,080
2016	3,182,794	114,708	210,318	17,501	3,525,321
2015	4,881,029	118,069	231,427	30,160	5,260,685
2014	4,326,353	122,144	201,374	241,886	4,891,757
2013	2,447,910	104,416	187,442	-	2,739,768