Long Beach Transit

2019 Comprehensive Annual Financial Report

A component unit of the City of Long Beach, CA
for the years ending June 30, 2019 and 2018.

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2019 Comprehensive Annual Financial Report

A component unit of the City of Long Beach for the years ending June 30, 2019 and 2018. Long Beach, CA

Prepared by the Finance and Budget Department
Rhea Morallos, Comptroller
Lisa Patton, Executive Director / VP

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018

TABLE OF CONTENTS

TABLE OF CONTENTS
(Continued)

Statistical Section

INTRODUCTION

LONG BEACH TRANSIT

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December 13, 2019

Dear Board of Directors:

On behalf of Long Beach Transit (LBT or Agency), I am pleased to submit for your information and consideration the Comprehensive Annual Financial Report (CAFR) of LBT for fiscal year July 1, 2018 to June 30, 2019.

The CAFR has become the standard format used in presenting the results of the Agency's annual financial operations for the fiscal year. LBT believes this report is presented in a manner designed to fairly disclose the financial position and results of Agency operations as measured by its financial activities. To the best of LBT's 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 Agency's management, which bears the responsibility for its completeness and reliability based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The Independent Auditors' Report, prepared by Windes, Inc., is included, along with other necessary disclosures, to enable the reader to gain maximum understanding of the Agency's financial activities.

The independent audit of the accompanying basic financial statements of LBT 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 LBT's separately issued Single Audit Report.

The 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 Agency's MD&A can be found immediately following the report of the independent auditors.

Sincerely,

Kenneth A. McDonald
President and Chief Executive Officer

REPORTING ENTITY

LBT is a California nonprofit corporation, formed in 1963 to provide public transportation services to the City of Long Beach and its neighboring cities.

LBT is governed by a seven-member Board of Directors (Board), appointed by the Mayor of Long Beach and confirmed by the City Council. The Board provides broad policy and financial decisions, setting direction for management.

Additionally, two designees of the City Manager's Office serve as nonvoting City Representative members of the Board. The Board appoints a Chief Executive Officer (CEO) who is responsible for the performance of the organization and the day-to-day operation of the business of LBT. LBT's Executive Leadership Team is represented by the Deputy CEO and six Executive Directors/Vice Presidents heading Finance and Budget; Maintenance and Infrastructure; Information Technology; Employee and Labor Relations; Transit Service Delivery and Planning; and Customer Relations and Communications. LBT's organizational chart is shown later in this introductory section.

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

In accordance with GASB, LBT is considered a component financial reporting unit of the City of Long Beach (City). As such, the Agency's financial statements are included in the City's comprehensive annual financial report as a discretely presented component unit. LBT 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. Currently, there has been no expressed intent to alter the status of this financial reporting and administrative relationship.

SERVICES

LBT is implementing its strategic planning process to obtain optimal organizational effectiveness. LBT's Vision Statement, Mission Statement, Values and Leadership Competencies are in support of and have a clear connection to LBT's five Strategic Priorities, which are the functional pillars of the organization and guide LBT's organizational strategies, processes, and people:

- Improve Safety and Service Quality
- Exercise Financial Accountability
- Foster Employee Engagement
- Enhance Customer Experience
- Promote Community and Industry Focus

LBT is a full-service public transit system, providing a wide range of transit services, including:

- Fixed-Route Bus Service
- Downtown Circulator (Passport route)
- Demand-Responsive Paratransit Service (Dial-A-Lift)
- Water Taxi Service (AquaBus and AquaLink)
- Community Special Services

Fixed-Route Bus Service

LBT provides fixed-route bus service to a 100-square-mile area, which includes the cities of Long Beach, Lakewood and Signal Hill; and portions of Artesia, Bellflower, Carson, Cerritos, Compton, Hawaiian Gardens, Los Alamitos, Norwalk, Paramount and Seal Beach. This service covers 35 routes, utilizing 224 buses.

Of the 35 fixed routes operated by LBT, 26 radiate from the First Street Transit Gallery. The First Street Transit Gallery, located in downtown Long Beach, is the focal point of the fixed-route system, as well as Los Angeles County Metropolitan Transportation Authority (Metro) Blue Line rail service running between Long Beach and downtown Los Angeles. The First Street Transit Gallery provides special features such as exclusive bus lanes and traffic control equipment, enhanced bus stop amenities, customer transit shelters equipped with graphic displays, and digital monitors displaying real-time schedule information. This location is also a major transfer point for Torrance Transit, Los Angeles Department of Transportation (LADOT), and Metro.

All of LBT's fixed-route service fleet are low-floor and mobility-device accessible. These buses are maintained and dispatched from two facilities. Approximately half of the vehicles are stored at the central administrative, operating and maintenance facility located at 1963 E. Anaheim St. in Long Beach. The remaining buses are assigned to a second operating and maintenance facility located at 6860 Cherry St. in north Long Beach. Besides the buses, LBT owns a number of non-revenue vehicles used for supervisory and administrative functions and various maintenance vehicles for emergency road services and bus stop support.

LBT maintains transit shelters and benches, providing customer convenience and comfort. There are over 1,900 stops throughout the system and the Agency ensures the stops are well-maintained and meet cleanliness standards.

Downtown Circulator (Passport route)

The Passport is a downtown and waterfront service that is a vital mobility component to the City of Long Beach. The Passport connects many points of interest such as the Aquarium of the Pacific, the Pike, the Queen Mary, Pine Avenue, Shoreline Village, the Convention Center, the Long Beach Arena, surrounding hotels, business and government hubs. It is a complimentary service that starts at 10th Street and Pine Avenue and links the restaurants, shops and business on Pacific Avenue and Long Beach Blvd. to the many points of interest in the downtown waterfront. Service operates daily from 5:10 a.m. to 1 a.m.

The service is provided by low-floor, zero-emission battery-electric buses. The Passport fleet is stored and maintained at the central administrative, operating and maintenance facility on Anaheim Street. During fiscal year 2019, the Passport carried 689,933 customers.

Demand-Responsive Paratransit Service (Dial-A-Lift)

LBT offers Dial-A-Lift demand response service for persons with disabilities. This curb-to-curb, shared-ride service operates on a call-in basis and is provided by a private contractor. All vehicles are owned by LBT, but stored, maintained and dispatched by the contractor. In fiscal year 2019, there were 38,126 boardings on Dial-A-Lift.

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 route, LBT also operates water taxi service in Queensway Bay and along the Long Beach coastline.

There are two AquaBus boats that provide connection to the Queen Mary, Aquarium of the Pacific, and Shoreline Village. These boats, which carry up to 38 customers each, tie directly with the downtown Passport route and parking facilities, allowing residents, visitors and tourists to see Long Beach's many attractions without using a car.

For customers wanting to travel further down the coast, the AquaLink vessels, two 75-seat catamarans, provide service that operates between the Queen Mary, Aquarium of the Pacific and Alamitos Bay Landing.

The service is operated by a private contractor. The vessels are owned by LBT, and stored and maintained at the contractor's docking facilities. This service runs daily during the summer months. Annual ridership for fiscal year (FY) 2019 was 83,576 boardings.

Community Special Services

LBT provides a Museum Express bus service to major museums and cultural attractions in Los Angeles and Orange counties. Tickets can be purchased in advance for the service, which runs in July and August. The Museum Express offers residents who would not ordinarily use transit an opportunity to experience transit and is particularly beneficial to LBT's senior and transit-dependent customers who can rely on the service to access attractions they could not travel to on their own. LBT also provides transportation services to Dignity Health Sports Park for Los Angeles Charger games, through the Charger Express, and the Los Angeles Galaxy games, through the Galaxy Express. Each year, LBT also supports the Grand Prix of Long Beach and other large-scale, special events by providing supplemental service where needed.

ACCOMPLISHMENTS

LBT began operations in 1963 with fewer than 100 buses and carrying 8 million boarding customers annually. LBT has grown to over 260 buses, paratransit vehicles, catamarans and boats that provide service to 23 million customer boardings annually across Long Beach and 12 surrounding communities. LBT makes everyday life better through its dedication to connecting communities and moving people.

Organizational Focus

The performance of the Agency is the primary objective of the President and CEO, as he is responsible for the day-to-day operation of the business of LBT. The five Strategic Priorities are the functional pillars of the organization and are used daily to plan, develop, monitor and measure the successful implementation of LBT's business. Listed on the following pages are major successful accomplishments and challenges addressed during the two-year period, beginning January 2018 through December 2019, aligned with the Strategic Priority.

Improve Safety and Service Quality

Route 22 Extension (Feb. 2018)

LBT has extended its Route 22 service to the Metro Green Line Lakewood Station in Downey to provide customers with easier and faster bus routes to facilitate interagency transfers (IAT).

UCLA Westwood Commuter Express 12-Month Pilot Program (Apr. 2019)

LBT launched a pilot program with the University of California, Los Angeles (UCLA) and the Westwood Business Improvement District to transport customers between Long Beach Airport and Willow Metro Station to UCLA's campus in Westwood.

City of Paramount Service Extension (Feb. 2019)

LBT partnered with the City of Paramount to provide transportation services from the City of Paramount to all other LBT service area locations.

Exercise Financial Accountability

Sustainability Program (Aug. 2018)

LBT partnered with the University of Southern California (USC) Price School of Public Policy and the Center for Sustainable Cities, METRANS to develop a 10-year sustainability plan that LBT can use as a roadmap to reduce LBT's environmental footprint, as well as guide LBT's plans to becoming more sustainable in the near future.

Foster Employee Engagement

Wellness Committee (Sept. 2018)

LBT created a wellness committee to promote healthy living through self-care, exercise and nutrition, and by providing informational seminars. This includes introducing a subsidized gym membership through Cigna and providing workshops for all employees on various wellness topics.

Employee Satisfaction Survey (Jan. 2019)

LBT conducted a biennial Employee Satisfaction Survey, which garnered detailed information on approaches and methods that LBT could enhance as an employer.

Incentive Program (Jun. 2019)

LBT created an employee incentive program to reward every employee with LBT goods based on of the organization's Top Five Performance Indicators. When LBT meets or exceeds its established goals, each employee receives points that can be used in LBT's Incentive Program store.

Enhance Customer Experience

Ridelbt.com (Nov. 2018)

LBT revamped its website to provide customers with a more user-friendly navigational interface with updated route and trip-planning access.

Annual Customer and Potential Customer Survey (Jul. 2019)

LBT issued its Annual Customer and Potential Customer Survey that measured customers' experience using LBT services. LBT improved in several areas, especially in positive perception of LBT, increasing to 98.4% in FY19 compared to 97.8% in FY18.

Way App (Aug. 2018)

The LBT app was released on both Android and IOS app stores which provides customers with a quick and easy tool for trip planning and the ability to purchase passes for transit service, Museum Express, and the AquaBus/AquaLink.

Board Electronic Portal (Aug. 2018)

In efforts to become more environmentally friendly and efficient, LBT launched an Electronic Portal that provides Board members electronic versions of all Board of Directors' material.

Digital Engagement Program (Jun. 2019)

In front of LBT1, near the corner of Anaheim Street and Cherry Avenue, LBT installed new digital signs and touch screen kiosks that feature live bus tracking and enhanced customer communications. LBT started piloting these technologies to identify different ways to convey important transit, recreational, and local event information. The pilot will also include a survey of customers to gauge their impressions of the technology.

Customer CARE Framework (Jun. 2019)

LBT created a customer centric initiative developing employees to be compassionate, accountable, respectful and empowered (CARE). This includes designated "Customer Service Champions" to assist with the development and implementation of the CARE framework within the customer service center with future rollout agency-wide.

Year-Round AquaBus and AquaLink (Mar. 2019)

In efforts to meet increasing demand of AquaBus and AquaLink services, LBT began offering weekend AquaBus and AquaLink service year-round.

<u>Promote Community and Industry Focus</u>

Public-Private Partnerships (Ongoing)

Los Angeles Chargers Express Shuttle Service (Aug. 2018)

Building on the success of the Galaxy Express, LBT once again formed a public-private partnership with Dignity Health Sports Park and the National Football League (NFL) to provide free, game-day shuttle service to the LA Chargers home games at the Dignity Health Sports Park for the 2017–2019 NFL seasons, called the Chargers Express. The three-year agreement will net a total of $540,000 in revenue for LBT.

FlixBus (Sep. 2018)

LBT formed a public-private partnership with FlixBus to provide long range travel for customers who would like to travel from the Transit Visitor and Information Center (TVIC) to cities such as Oakland and Las Vegas.

KEY PERFORMANCE RESULTS

One of the several methods used to monitor performance is through key performance indicators that track service quality, efficiency, and productivity. Select results for FY19 are in Exhibit 10.

Successes

Improving Customer Service Response Time

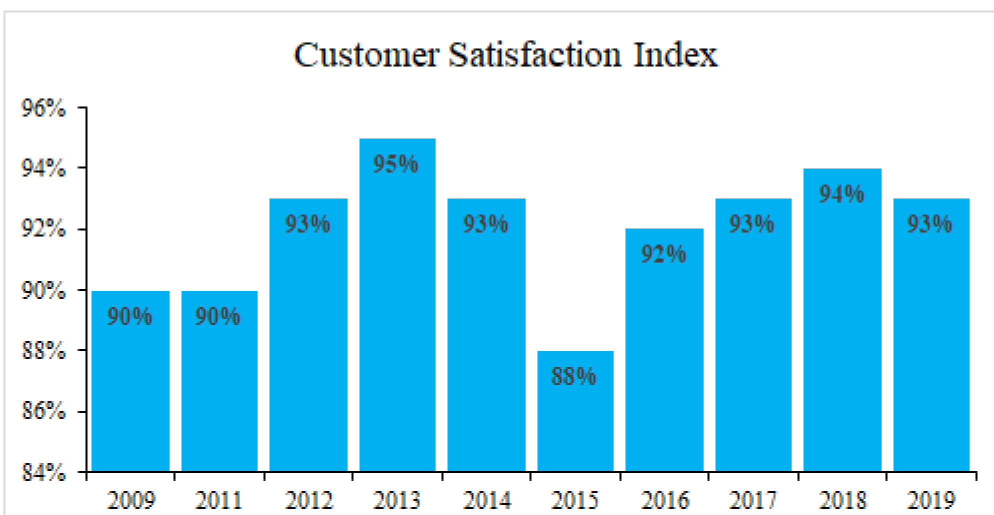
Average speed of answer is a customer service center metric for the average amount of time it takes for calls to be answered in LBT's customer service call center. This data is used to measure efficiency, performance and the degree of accessibility to customers. In fiscal year 2019, LBT improved the average speed of answer from 14 seconds to 11 seconds, exceeding LBT's FY19 target of 13 seconds.

Improving Mean Distance Between Failures

Mean distance between failures (MDBF) is a transit industry standard that measures the mechanical reliability of the fleet. It measures the average bus miles between reportable mechanical failures, i.e., incidents precluding a revenue vehicle from completing its trip. The MDBF increased in 2019 from 3,409 to 4,071 miles, showing an increase in the reliability of LBT's fleet.

Increasing Customer Satisfaction

LBT tracks the degree of customer satisfaction with the quality of services provided. An independent research firm is engaged annually to randomly poll customers and non-customers to measure perceptions of LBT's service quality. Results in several categories are shown in Exhibit 11 for 2019 and prior years. Through continuous focus on the customer experience, the overall customer satisfaction index has remained high, averaging 93% in 2019.



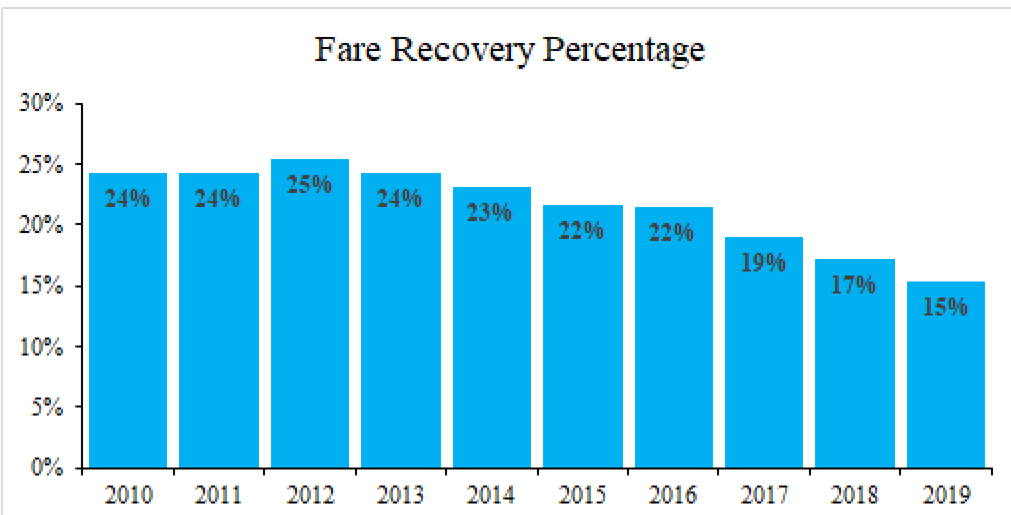
***** There was no Customer Satisfaction survey done in 2010

Challenges

Increasing Unplanned Absences
An unplanned absence is when a bus operator is unexpectedly absent from work. Measuring and decreasing unplanned absences is important as excessive unplanned absences impact LBT's ability to provide customers consistent and reliable transit service. In FY19, unplanned operator absences increased from 11.9% to 12.6%.

Declining Passengers per Revenue Hour
Route productivity is measured in "passengers per revenue (in-service) hour," which represents the total passengers on a route divided by the in-service time. This data may be used to determine if the level of transit service on that route is reasonably well matched with the distribution of demand throughout the day. As observed in many transit systems across the country, LBT's overall passengers per revenue hour declined during FY19 from 33.3 to 32.0 passengers.

Declining Fare Recovery Ratio
Fare recovery ratio is the proportion of operating cost that is covered by fare revenue. It is calculated by dividing the total revenue obtained through rider fares by the total cost of operations. It is generally used by transit and regulatory agencies as a measure of system efficiency. Fare recovery ratio is affected by several elements, including ridership, fare levels, fare structure (discounts), service levels and operating costs. Any changes in these elements affect the fare recovery ratio. For instance, when ridership falls, there is less fare revenue and the fare recovery ratio will correspondingly decrease. In FY19, LBT's overall fare recovery ratio declined from 17% to 15%.



FACTORS AFFECTING FINANCIAL CONDITION

General Economic Conditions

National

The U.S. economy continues to show growth with real GDP growth of 2.0%* in the second quarter of 2019. However, the UCLA Anderson Forecast projects that GDP growth will slow to as low as 0.4% in the second half of 2020. The current U.S. job market continues to show strength as reflected by the national unemployment rate below 4%.

There are several factors that will likely impact the national economy going forward: the trade war with China; the weakening of business investment in equipment and structures; the negatively sloped yield curve (short-term yields exceeding long-term yields); the slowdown in employment growth; the inability of housing activity to launch; and the stagnant stock market.

**Source: US Bureau of Economic Analysis*

State

California continues to outpace the nation in terms of job creation and economic growth, largely driven by technology. Unemployment rates remain low throughout the state and the UCLA Anderson Forecast projects total employment growth rates of 0.8%, 1.7% and 1.2%, in calendar years 2019, 2020 and 2021 respectively.

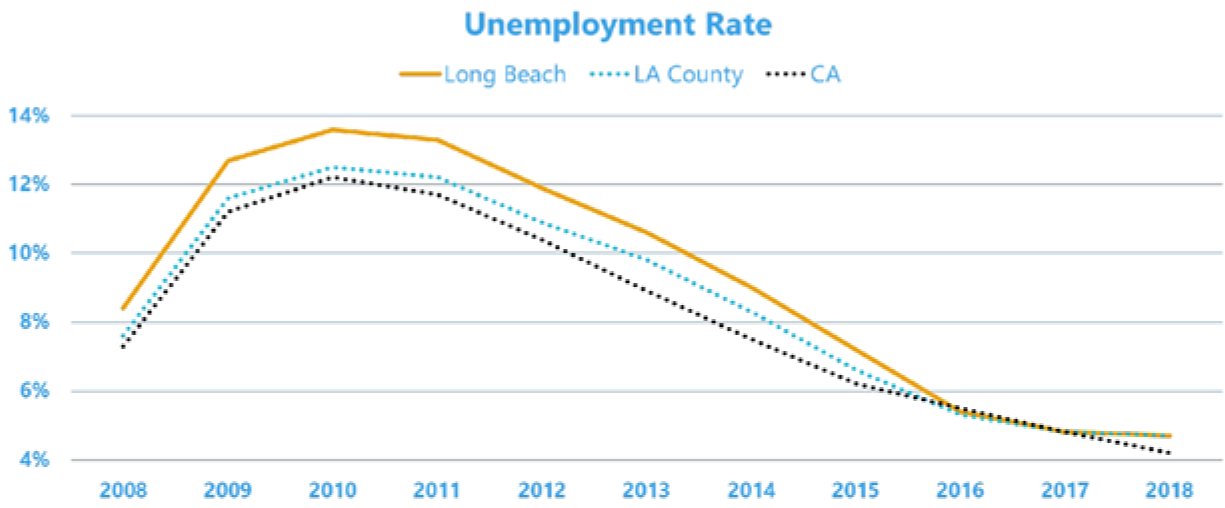
County

As unemployment has fallen and median income has increased in the county, consumption has continued to increase. LBT receives subsidy revenues from the county based on a formula allocation of sales tax revenues collected. Sales tax revenues in LA County have grown consistently at a rate of between 2% to 4% over the last several years. Revenues are projected to continue growing by 2.7%, 2.8%, and 2.8% in FY20, FY21 and FY22 respectively, according to a Beacon Economics projection.

Utilizing the Transportation Economic Development Impact System (TREDIS) provided by the American Public Transportation Association, LBT is able to estimate the economic impact of the Agency’s spending on Los Angeles County. In FY19, LBT’s spending supported 1,447 jobs and over $185 million in economic activity in the county.

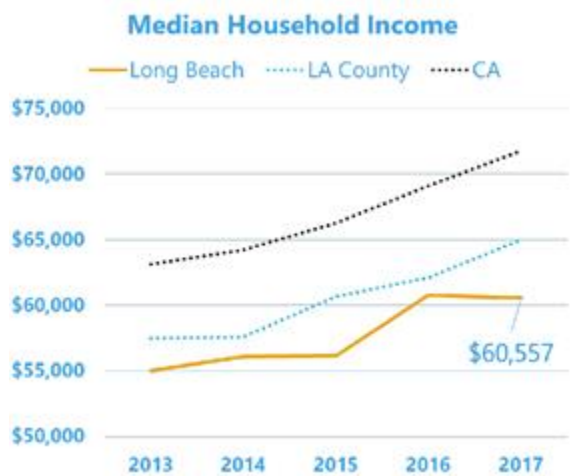
Local

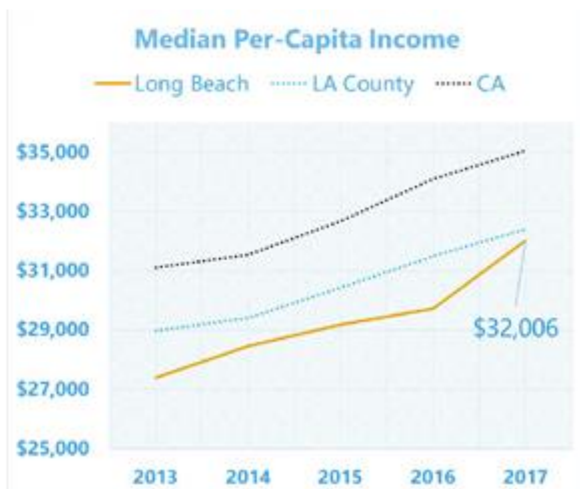
Long Beach currently has a historically-low unemployment rate of 4.2%, which is trending in line with the county, state and national levels. As the economy presses against full employment, human resource constraints and corresponding fiscal implications limit the rate of future growth.



Source: 2019 Long Beach Regional Economic Update

With this historically low unemployment rate, Long Beach residents have a median household income of $60,500, which has grown by 10% over the last five years and a median per-capita income of $32,006, which has grown by 17% during the last five years.





Source: 2019 Long Beach Regional Economic Update

Long Beach is committed to the education and preparation of its students. Developed in 2008, The Long Beach College Promise formalizes the guarantee of access to higher education for every student and promotes greater educational attainment in the community. Long Beach's educational institutions participate in ongoing collaboration and bring programs such as college and career preparation, tuition-free study at Long Beach City College and guaranteed admission at California State University, Long Beach. LBT continues to grow its participation in the Long Beach College Promise by partnering with these institutions to increase students' access to school. Programs like this not only increase ridership but better serve the community's needs.

Financial Policies

It is LBT's policy to maintain the fiscal integrity of its operating and capital budgets. The Agency accomplishes this by ensuring a balanced budget, which is defined as having ongoing operating costs that do not exceed the amount of its incoming revenue. Daily operations are financed by fare revenue, annual sales tax subsidies received from state and county programs, and miscellaneous revenue such as income from advertising on agency revenue vehicles and investment income.

The amount of operating sales tax subsidies received each year is based on a regional formula comprised primarily of fare revenues and in-service miles. These subsidies are recorded in the year in which the grant is applicable and the related reimbursable expenditure is incurred.

LBT uses available grant funds to procure capital acquisitions. Government grants for the acquisition of capital assets are not formally recognized in the accounts until the grant becomes a valid receivable as a result of LBT complying with appropriate grant requirements. It is LBT's policy to record capital grants as an addition to capital assets and net assets as the related expenditures are incurred.

LBT procures the majority of its capital assets through annual grants awarded through the Federal Transit Administration (FTA). The federal grants are allocated by region under Section 5307 of the Fixing America's Surface Transportation (FAST) Act of 2015. The agency is eligible to receive funds based on a formula allocation and competes for discretionary funds for specific transit projects. The agency also uses these funds for preventative maintenance operating expenses to balance the operating budget, as permitted by federal law.

On April 28, 2017, Governor Jerry Brown signed Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017, into law. SB 1 is a long-term transportation solution that provides new revenues for road safety improvements and upgrades to California's public transportation network. SB 1 provides a historic funding increase for transportation with an estimated 10-year funding level of $54 billion to fix highways, local roads and bridges, address congestion for commuters and freight movement, and invest in transit and active transportation. SB 1 allocates formula funds to transit agencies for two different programs: 1) State of Good Repair (SGR) and 2) State Transit Assistance (STA). SGR is a new program funded by the increase in Vehicle License Fees. The second program augments the base of the State Transit Assistance program with a portion of the new sales tax on diesel fuel.

On the November 6, 2018 General Election ballot, a proposition was included, Prop 6, whose intent was to repeal existing SB 1 funding. This was to be done by repealing the fuel tax increases and vehicle fees that were enacted in 2017 and by requiring voter approval (via ballot propositions) for the California State Legislature to impose, increase, or extend fuel taxes or vehicle fees in the future. Proposition 6 was defeated with nearly 57% of votes cast in opposition to the repeal effort. These funds are allocated to LBT based on a formula allocation. SGR funds are used for capital and the STA will be used for operating activities. In FY19, LBT received

$1.03 million in SGR funding and $6.06 million in STA funding. SB 1 funds are now secured to support LBT's operating and capital programs for the next fiscal years.

LBT is committed and will continue to work with legislators, their staff, regulators, industry partners and the community we serve, as it is critical to protect funding in order to successfully implement LBT's programs and effectively fulfill the Agency's mission.

Risk Management

It is LBT's policy to be self-insured for each occurrence of workers' compensation and public liability and property damage claimed up to $1.5 million and $2 million, respectively. Claims in excess of $1.5 million for workers' compensation and $2 million for public liability and property damage are covered under policies in force with an insurance company. Risk retention levels for both workers' compensation and public liability and property damage did not change during FY19. Although the amount of settlements for both programs has not exceeded the insurance coverage limits for the last three fiscal years, we have reported a significant increase in reserve levels this year, particularly for workers' compensation claims.

An actuarial report estimates losses and reserve levels. The Agency recognizes losses on an accrual basis. Cash and investments are maintained to fully fund the estimated liabilities. Additional information on LBT's risk management activity can be found on page 28 in note (6) of the notes to the accompanying basic financial statements.

Pension Benefits

The Agency sponsors two single-employer defined benefit pension plans, one for contract employees and the other for salaried employees hired before April 1, 2011. Each year, an independent actuary calculates the amount of annual contribution that LBT 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. It is LBT's financial policy to fully fund the actuarially determined annual contribution requirement to the pension plans. LBT contributes funding to each plan based on the actuary's calculation of future benefits.

The implementation of GASB 68 in 2015 changed the accounting and financial reporting of pensions. Net pension liability as well as deferred inflows and outflows related to pension is now reflected on LBT's financial statements and has significantly affected the Agency's net position.

The financial statements for the plans are available under separate cover. There is also additional information regarding the pension plans in this CAFR which can be found on page 35 in note (13) of the notes to the accompanying basic financial statements.

Long-Term Financial Planning

LBT's long-term financial plan aligns the Agency's financial capacity with its objectives and ensures it is able to maintain existing levels of service, as well as expand service to meet the community's needs. Strategies have been developed to reduce costs, optimize efficiency and increase revenue in order to achieve long-term sustainability.

LBT's long-term financial planning combines financial forecasting with strategic decision making. Financial forecasts project revenues and expenditures over a five-year period, using assumptions about economic conditions and future spending, including such factors as:

1. Wages and labor agreements
2. Economic growth rates, including sales tax and CPI
3. Contractual obligations with vendors
4. Fuel types and price trends
5. Recommended and planned service changes
6. The accumulation of benefit liabilities
7. The difference between ongoing and one-time expenses and revenues
8. The operating costs associated with capital improvement projects

The Agency's long-term operating and capital plan helps to stimulate discussion and engender a long-range perspective for decision makers. It is used as a tool to prepare for the future, it stimulates long-term and strategic thinking, and it gives consensus on LBT's long-term financial direction.

RECOGNITION

Achievement for Excellence in Financial Reporting

For the 29th consecutive year, the Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for excellence in Financial Reporting to LBT for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. 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 CAFR in compliance with the GFOA policies, procedures and program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

ACKNOWLEDGMENTS

LBT acknowledges the participation and professional contribution of the accountancy firm of Windes, Inc., in providing technical assistance. In addition, LBT recognizes all the Finance and Budget department staff members who contribute their time and efforts to ensure the Agency has accurate and timely daily financials.

K. McDonald President and Chief Executive Officer	Deputy Chief Executive Officer
L. Patton Executive Director/VP, Finance and Budget	Manager, Government Relations, Capital Planning and Grant Programs
Comptroller	Treasurer
J. Sexton Finance Manager	Accounting Manager
Budget Analyst	Administrative Assistant, Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Long Beach Transit

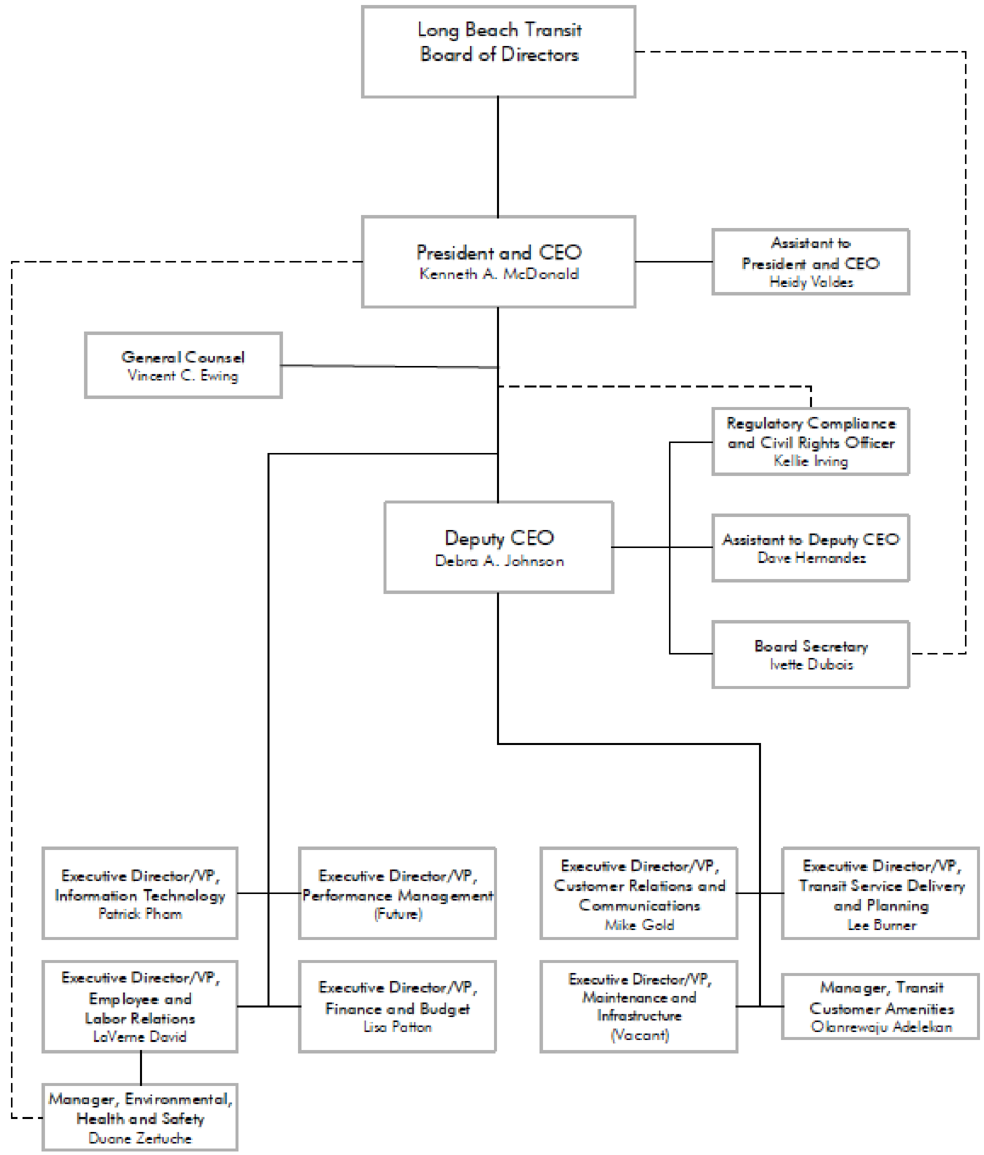
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO


Long Beach Transit
Board of Directors
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Kenneth A. McDonald
Assistant to
President and CEO
Heidy Valdes
General Counsel
Vincent C. Ewing
Regulatory Compliance
and Civil Rights Officer
Kellie Irving
Deputy CEO
Debra A. Johnson
Assistant to Deputy CEO
Dave Hernandez
Board Secretary
Ivette Dubois
Executive Director/VP,
Information Technology
Patrick Pham
Executive Director/VP,
Performance Management
(Future)
Executive Director/VP,
Customer Relations and
Communications
Mike Gold
Executive Director/VP,
Transit Service Delivery
and Planning
Lee Burner
Executive Director/VP,
Employee and
Labor Relations
LaVerne David
Executive Director/VP,
Finance and Budget
Lisa Patton
Executive Director/VP,
Maintenance and
Infrastructure
(Vacant)
Manager, Transit
Customer Amenities
Olanrewaju Adelekan
Manager, Environmental,
Health and Safety
Duane Zertuche

Board of Directors

Colleen Bentley	Chair of the Board
Michael Clemson	Vice Chair
Adam Carrillo	Secretary/Treasurer
Maricela de Rivera	Director
Sumire Gant	Director
Vacant	Director
Vacant	Director
Lea Eriksen	Non-Voting City Representative, City of Long Beach
Vacant	Non-Voting City Representative, City of Long Beach

Executive Leadership Team (ELT)

Kenneth A. McDonald	President and Chief Executive Officer
Debra A. Johnson	Deputy Chief Executive Officer
Lisa Patton	Executive Director/VP, Finance and Budget
Lee Burner	Executive Director/VP, Transit Service Delivery and Planning
Vacant	Executive Director/VP, Maintenance and Infrastructure
LaVerne David	Executive Director/VP, Employee and Labor Relations
Patrick Pham	Executive Director/VP, Information Technology
Mike Gold	Executive Director/VP, Customer Relations and Communications

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LONG BEACH
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TRANSIT

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Long Beach Public Transportation Company

Report on the Financial Statements

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, which comprise the statements of net position as of June 30, 2019 and 2018, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditors' Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Long Beach Public Transportation Company as of June 30, 2019 and 2018, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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 3 through 11 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The supplemental informational schedules summarizing the funding progress of the Company's defined benefit pension plan and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental informational schedules summarizing the funding progress of the Company's defined benefit pension plan are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental informational schedules summarizing the funding progress of the Company's defined benefit pension plan are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated December 13, 2019 on our consideration of Long Beach Public Transportation 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Long Beach Public Transportation Company's internal control over financial reporting and compliance.

Windes, Inc.

Long Beach, California
December 13, 2019


LONG BEACH TRANSIT

Management's Discussion and Analysis

As management of Long Beach Public Transportation (Long Beach Transit, LBT or the Agency), we offer readers of LBT's financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal years ended June 2019, 2018 and 2017. 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-xiv of this report.

FINANCIAL HIGHLIGHTS

- Passenger fares earned for 2019 were $14.17 million, down from $14.56 million last year.
- Advertising revenue was $1.07 million in 2019, an increase from $802 thousand in 2018.
- Total fuel credits received for 2019 amounted to $806 thousand compared to $1.1 million in 2018.
- Interest income earned for 2019 was $1.8 million, up from $383 thousand last year.
- Subsidy revenues increased by $5.5 million, or 7.8% mainly due to increase in state funds.
- Operating expenses increased in 2019 to $110.5 million compared to $104.7 million in 2018. Major increases were in wages and benefits, number of claims to workers' compensation, and fleet parts and supplies.
- Fuel expenses increased by $417 thousand as average fuel prices went up in fiscal year 2019 compared to 2018, with an increase of 13.7% for unleaded gasoline, 12.6% for diesel fuel and 41% for CNG fuel.
- The Agency increased its capital threshold policy from $500 to $5,000 per individual item resulting in increases in expenses for fleet parts and the value of materials and supplies inventory.
- Net position is at $77.1 million compared to $88.8 million in 2018. Total assets decreased by $7.6 million while total liabilities increased by $2.9 million.
- Capital acquisitions in 2019 were $4.5 million compared to $30.1 million in 2018, which included the purchase of 40 Compressed Natural Gas (CNG) buses. There were no new buses acquired in 2019.
- As of June 30, 2019, total deferred outflows related to pension liability decreased $1.2 million in total, $1.5 million decrease, and $358 thousand increase for Contract and Salaried Plans, respectively.
- Total net pension liability also decreased by $1.3 million in total, $379 thousand decrease, and $952 thousand decrease, for Contract and Salaried Plans, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The statements of net position present information on all of LBT's assets, deferred outflow of resources, liabilities, and deferred inflow of resources with the difference between the four reported as net position.

Management's Discussion and Analysis (continued)

The statements of revenues, expenses, and changes in net position present information showing how the Agency's net position changed for the two most recent fiscal years. All changes in net position 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).

The statements of cash flows present information on the Agency'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 Agency's financial statements can be found on pages 12-16 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 17-49 of this report.

FINANCIAL STATEMENT ANALYSIS

Net position may serve as a useful indicator of the Agency's financial position over time. It is also notable to consider the factors that affect the increases and decreases in net position. In the case of LBT, the majority of the fluctuations are due to the timing of capital purchases.

The Agency's, assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by $77.1 million at the close of FY19.

Long Beach Transit's
Condensed Summary of Net Position

	Year Ended		
	2019	**2018**	**2017**
Current assets	$ 57,761,863	$ 54,397,189	$ 49,684,077
Other noncurrent assets	27,052,581	26,183,364	26,253,309
Capital assets, net	91,068,904	102,951,120	89,067,558
Total assets	175,883,348	183,531,673	165,004,944
Deferred outflows of resources	15,468,079	16,633,112	12,467,197
Current liabilities	60,112,279	56,964,118	45,527,860
Noncurrent liabilities	54,110,928	54,356,235	56,510,230
Total liabilities	114,223,207	111,320,353	102,038,090
Deferred inflows of resources	-	-	-
Net position:			
Invested in capital assets	91,068,904	102,951,120	89,067,558
Restricted	87,193	87,193	73,776
Unrestricted	(14,027,877)	(14,193,881)	(13,707,283)
Total net position	$ 77,128,220	$ 88,844,432	$ 75,434,051

Management's Discussion and Analysis (continued)

Total net position is $77.1 million, a decrease from $88.8 million in 2018. Net position includes $91 million invested in capital assets and $14 million representing unrestricted deficit. Reporting the net pension liability (noncurrent) resulted in a deficit in the unrestricted portion of net position. Unrestricted net position are agency resources that have no restrictions in terms of its use. One reason a net position deficit is created is because of a significant noncurrent liability that is paid over time. In the case of LBT, this would be the net pension liability that is funded over multiple years under the pension program.

Current assets increased by $3.4 million, from $54.4 million in 2018 to $57.8 million in 2019. This increase is largely due to investment growth from FY18 STA-SB1 funds of $2.6 million, collected during FY19. Net capital assets decreased by $11.9 million, from $103 million in 2018 to $91 million due to the procurement of 40 CNG buses in 2018 while no new buses were acquired in 2019.

Deferred outflows of resources decreased by $1.2 million or by 7.0% mainly due to the pension plans' net amortization of prior years' actuarial gains and losses. These amounts are derived by comparing actuarial estimates based on plan assumptions to actual plan experience.

Total liabilities increased by $2.9 million or 2.6%, from $111.3 million to $114.2 million in 2019. This included the increase in current liabilities of $3.1 million and a decrease in noncurrent liabilities of $245 thousand. The decrease in noncurrent liabilities includes a decrease in net pension liabilities of $1.3 million and a total increase in both unearned revenue and retiree health care benefits of $1.08 million. Unearned revenue increased by $726 thousand which mainly represents capital grants that have not been expended.

Long Beach Transit's
Condensed Summary of Revenues, Expenses, and Changes in Net Position

	Year-Ended		
	2019	**2018**	**2017**
Operating revenues:			
Passenger fares and special events	$ 14,459,643	$ 15,067,999	$ 15,684,899
Advertising	1,069,805	801,753	618,750
Other revenue	853,200	1,162,645	1,186,303
Total operating revenues	16,382,648	17,032,397	17,489,952
Nonoperating revenues:			
Subsidies	76,153,983	70,611,297	65,351,654
Interest	1,789,816	383,488	243,075
Total nonoperating revenues	77,943,799	70,994,785	65,594,729
Total revenues	94,326,447	88,027,182	83,084,681
Expenses:			
Transportation	47,848,764	45,458,610	44,148,976
Maintenance	23,854,682	22,186,665	20,379,891
Administration	22,456,997	20,855,088	19,052,518
Depreciation	16,340,080	16,178,310	17,554,892
Total expenses	110,500,523	104,678,673	101,136,277
Change before capital grants	(16,174,076)	(16,651,491)	(18,051,596)
Capital grants	4,457,864	30,061,872	23,467,700
Change in net position	(11,716,212)	13,410,381	5,416,104
Total net position, July 1	88,844,432	75,434,051	70,017,947
Total net position, June 30	$ 77,128,220	$ 88,844,432	$ 75,434,051

Management's Discussion and Analysis (continued)

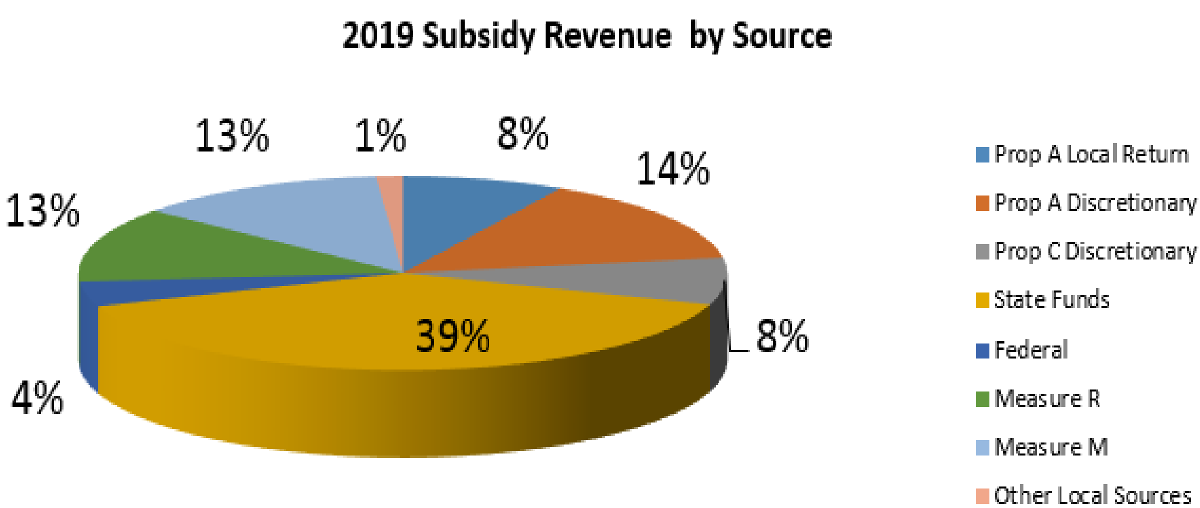
Operating revenues. Overall total operating revenues decreased by 3.8% in 2019. This was mainly due to passenger fares decreasing by 2.7% or $396 thousand compared to 2018. Construction and closures of the Los Angeles County Metropolitan Transportation Authority (Metro) Blue Line negatively affected passenger fares, as well as decreases in regional regular and local student monthly passes. Despite this, there were increases in other areas such as electronically stored value sales, as well as regular and reduced local monthly passes. The offsetting increases helped to stabilize the declining trend in passenger fares that has been seen in the past years. Passenger fares comprise 86.5% of operating revenues.

Advertising revenue in 2019 amounted to $1.07 million compared to $802 thousand. LBT contracts out advertisements on its buses and earns a guaranteed minimum annual revenue. Any excess compared to the minimum annual guarantee (MAG) is collected at the end of each contract year. In 2019, LBT received $400 thousand over the MAG which has been the highest amount in the past five years.

The overall decrease in operating revenues was also affected by the decrease in other revenue, which is mainly represented by fuel tax credits. In 2019, we received fuel tax credits totaling $805 thousand compared to $1.1 million in 2018. The Bipartisan Budget Act of 2018 reinstated the $0.50 per gallon alternative fuel tax credit that expired on December 31, 2017. In 2018, LBT received $536 thousand representing the alternative fuel tax credits via the extension of this bill. The proposal to extend the alternative fuel tax credit is still pending.

Non-operating revenues. Subsidies in 2019, which comprise 80.7% of total revenues, increased by $5.5 million, or 7.8%, compared to 2018. Significant increases were in state funds which include TDA, STA and STA-SB1 funds. Other local sources increased by 83% due to new additional funding from the cities of Paramount and Signal Hill. In 2018, the increase was $5.3 million, or 8%.

Interest revenue increased in 2019 to $1.79 million compared to $383 thousand in 2018, due to higher interest income earnings.

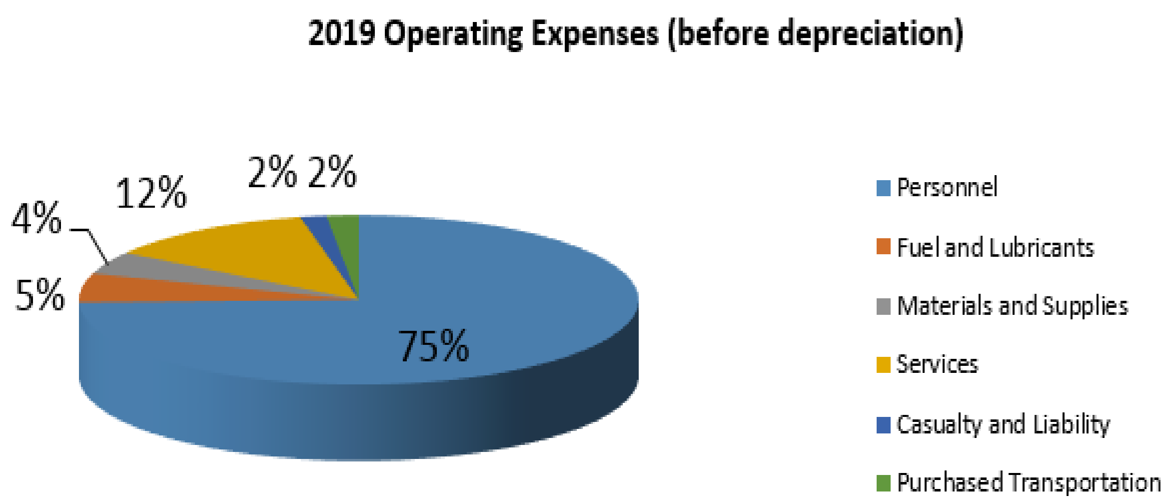


Management's Discussion and Analysis (continued)

Expenses. FY19 operating expenses before depreciation increased to $94.2 million in 2019 from $88.5 million in 2018. This increase is due to higher costs in labor and benefits, including an increase in the number of claims for workers' compensation. In addition, costs of fleet parts, materials and supplies also increased in 2019.

Total labor costs excluding benefits increased by 4.7%, from $43.3 million in 2018 to $45.4 million in 2019. Health benefits increased by $793 thousand or 11.26% and workers' compensation expenses increased by $753 thousand or 16.02%.

Fleet parts, materials and supplies increased to $4.09 million from $3.39 million last year, mainly due to a change in capital threshold policy from $500 to $5,000 per individual item.



Management's Discussion and Analysis (continued)

In FY19, capital acquisitions amounted to $4.5 million and depreciation expense of $16.3 million. Depreciation expense increased by 1% and exceeded capital acquisitions by $11.9 million. In 2018, depreciation expense decreased 7.8% and capital acquisitions exceeded depreciation expense by $13.9 million.

CAPITAL ASSETS

LBT's investment in capital assets as of June 30, 2019 amounted to $91.1 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, fleet, communication and farebox systems, equipment, and customer amenities. All assets have been purchased with federal, state or local grants awarded to the Agency, and LBT has never issued any debt to fund the procurement of capital assets.

The total net decrease in the Agency's investment in capital assets for the current fiscal year was 11.5%. LBT had $4.5 million in new capital acquisitions during the year, a decrease of $25.6 million when compared to 2018 primarily due to the timing of bus procurement which is largely representative of the Agency's capital investments. Major capital acquisitions in FY19 are maintenance and transit customer amenity improvements as well as information system upgrades. In FY18, capital investments included the purchase of 40 CNG buses, two battery-electric buses, construction of a battery-electric bus charging station with Wireless Advanced Vehicle Electrification (WAVE) technology, as well as routine replacement of bus components.

As noted above, all assets were purchased with grants, the majority coming from federal funding. Total grant awards will vary each year as LBT is eligible for a formula percentage of the Los Angeles County's federal funding, plus one-time grants available for specific projects, such as bus replacement. Grant requirements allow, on average, three years to expend these funds.

Management’s Discussion and Analysis (continued)

Significant capital asset acquisitions during 2019 included the following:

- Upgrades to customer amenities totaling $1.1 million
- Information systems and software upgrades totaling $1 million
- Facility improvements and equipment totaling $820 thousand
- Routine replacement of engines, transmissions and bus components totaling $651 thousand
- Security cameras totaling $399 thousand
- Fare collection equipment totaling $219 thousand

Long Beach Transit's
Capital Assets (net of depreciation)

	Year-Ended		
	2019	**2018**	**2017**
Land	$ 14,275,000	$ 14,275,000	$ 14,275,000
Buildings and improvements	9,068,482	10,614,378	12,271,762
Fleet	59,723,463	67,774,286	54,154,525
Communications systems	1,638	12,744	60,871
Fare collection system	743,000	680,364	286,695
Office, shop and garage equipment	2,511,698	3,203,440	4,606,677
Customer Amenities	3,252,143	1,334,350	2,139,831
Construction in progress	1,493,480	5,056,558	1,272,197
Total capital assets, net of depreciation	$ 91,068,904	$ 102,951,120	$ 89,067,558

LBT’s investment in capital assets as of June 30, 2018, amounted to $103 million (net of accumulated depreciation). The Agency had $30.1 million in new capital acquisitions during the year, an increase of $6.6 million, when compared to 2017.

Significant capital asset acquisitions during 2018 included the following:

- 40 compressed natural gas buses totaling $21 million
- Two battery-electric buses totaling $1.6 million
- Completion of an electric charging station totaling $1.2 million
- Routine replacement of engines, transmissions, tires and bus components totaling $1.1 million
- Information systems and software upgrades totaling $961 thousand
- Fare collection systems totaling $515 thousand

Additional information on LBT’s capital assets can be found in note (8) in the notes to the Agency's financial statements on page 30 of this report.

Management's Discussion and Analysis (continued)

ECONOMIC FACTORS AND NEXT YEAR'S FINANCIAL PLAN

The overall economic growth has been at a steady rate. However, the outlook has become less optimistic with projections of a slower economic growth next year. LBT continues to be vigilant and prudent as the Agency moves into FY20. As an organization, we remain focused on our mission of connecting communities and moving people, and on our strategic priorities which serve as our guideposts for daily decision-making.

LBT's values, coupled with the agency's core business categories—Transit Asset Management, Transit Service Delivery and Customer Experience—were at the forefront of financial planning for FY20. These business categories are the building blocks upon which LBT is making good on its commitment to connecting people and making everyday life better. We must keep our rolling stock, customer amenities and facilities in a state-of-good repair so that we can deliver transit services at an optimal level to create and sustain positive experiences for our customers.

The FY20 financial plan also focuses on enhancing the customer experience. By establishing the Customer Relations and Communications department, LBT is expanding its outreach, marketing and communications functions. The Customer Relations and Communications department is heading LBT's new customer "CARE" initiative developing employees who are compassionate, accountable, respectful and empowered.

LBT continues to increase its efforts to strengthen public-private partnership to leverage initiatives in promoting the use of public transit and highlighting its advantages to overall sustainability. This includes promoting LBT in local community centers, high school districts, universities, senior centers and businesses.

There are some challenges and opportunities presented in the FY20 financial plan as well. Recruitment and retention are a major focus for the agency in the next year. LBT plans to continue prioritizing recruitment by adding staff to the recruitment team. Similarly, LBT continues to boost employee benefits in order to retain and attract high quality employees.

LBT has ongoing labor agreements with Amalgamated Transit Union, Local 1277 and American Federation of State, County, and Municipal Employees (AFSCME) District Council 36. Both agreements are effective until June 30, 2021. The Agreements provide the parties with specific procedures governing the duration and renewal of the Agreements. LBT has no reason to expect any service disruption with regard to the Agreements.

Despite challenges, LBT remains financially healthy. The Agency's FY20 budget is balanced with current revenues equal to current expenditures. Through improvements in efficiency, LBT has been able to increase wages while controlling cost increases. The financial plan approved in May 2019 for FY20 totals $106 million.

Management's Discussion and Analysis (continued)

REQUEST FOR INFORMATION

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

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FINANCIAL STATEMENTS

Statements of Net Position
June 30, 2019 and 2018

	2019	2018
ASSETS		
Current Assets:		
Cash and cash equivalents (note 2)	$ 49,898,830	$ 41,779,377
Accounts receivable (note 4)	4,059,527	10,349,894
Materials and supplies inventory	2,226,666	1,456,640
Prepaid expenses	1,576,840	811,278
Total current assets	57,761,863	54,397,189
Noncurrent Assets:		
Investments (note 2)	27,052,581	26,183,364
Capital assets:		
Land	14,275,000	14,275,000
Construction-in-progress	1,493,480	5,056,558
Capital assets, net of accumulated depreciation:		
Buildings and improvements	9,068,482	10,614,378
Fleet	59,723,463	67,774,286
Communications systems	1,638	12,744
Fare collection system	743,000	680,364
Office, shop and garage equipment	2,511,698	3,203,440
Customer amenities	3,252,143	1,334,350
Total noncurrent assets	118,121,485	129,134,484
Total assets	175,883,348	183,531,673
DEFERRED OUTFLOWS OF RESOURCES		
Net difference of changes related to pension liability	15,468,079	16,633,112
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 191,351,427	$ 200,164,785

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

Statements of Net Position, Continued
June 30, 2019 and 2018

	2019	2018
LIABILITIES		
Current Liabilities:		
Accounts payable	$ 2,590,694	$ 4,710,519
Accrued payroll expenses	785,224	680,145
Compensated absences payable (note 11)	3,200,850	3,250,399
Retiree health care benefits (note 11)	214,990	232,825
Subsidy deferral (note 9)	35,204,510	31,000,643
Estimated liability for insurance claims (note 6)	18,116,011	17,089,587
Total current liabilities	60,112,279	56,964,118
Noncurrent Liabilities:		
Unearned revenue (note 5)	16,849,059	16,122,874
Retiree health care benefits (note 11)	4,248,319	3,888,775
Net pension liability (note 13)	33,013,550	34,344,586
Total noncurrent liabilities	54,110,928	54,356,235
Total liabilities	114,223,207	111,320,353
DEFERRED INFLOWS OF RESOURCES		
NET POSITION		
Invested in capital assets	91,068,904	102,951,120
Restricted for:		
Restricted for capital procurement	87,193	87,193
Unrestricted	(14,027,877)	(14,193,881)
Total net position	77,128,220	88,844,432
TOTAL LIABILITIES AND NET POSITION	$ 191,351,427	$ 200,164,785

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

Statements of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2019 and 2018

	2019	2018
Operating revenues:		
Passenger fares	$ 14,167,351	$ 14,562,861
Special events	292,292	505,138
Advertising	1,069,805	801,753
Other revenue	853,200	1,162,645
Total operating revenues	16,382,648	17,032,397
Operating expenses:		
Transportation	47,848,764	45,458,610
Maintenance	23,854,682	22,186,665
Administration	22,456,997	20,855,088
Depreciation (note 8)	16,340,080	16,178,310
Total operating expenses	110,500,523	104,678,673
Operating loss	(94,117,875)	(87,646,276)
Nonoperating income:		
Subsidies (note 3)	76,153,983	70,611,297
Interest income	1,789,816	383,488
Total nonoperating income	77,943,799	70,994,785
Change in net position before capital grants	(16,174,076)	(16,651,491)
Capital grants	4,457,864	30,061,872
Change in net position	(11,716,212)	13,410,381
Total net position, July 1	88,844,432	75,434,051
Total net position, June 30	$ 77,128,220	$ 88,844,432

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

Statements of Cash Flows
Years Ended June 30, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Cash received from customers	$ 16,364,428	$ 17,118,077
Cash paid to employees for services	(45,363,032)	(43,325,111)
Cash paid to other suppliers of goods or services	(48,665,112)	(41,966,439)
Net cash used in operating activities	(77,663,716)	(68,173,473)
Cash flows provided by noncapital financing activities:		
Operating subsidies received	84,605,492	74,910,914
Cash flows from capital and related financing activities:		
Proceeds from sale of capital assets	121,090	47,672
Purchase of capital assets	(7,097,883)	(30,061,872)
Capital grant contributions received	7,401,084	21,145,588
Net cash provided by (used in) capital and related financing activities	424,291	(8,868,612)
Cash flows provided by investing activities:		
Proceeds from sales and maturities of investments	10,576,286	13,973,000
Purchase of investments	(10,354,475)	(13,683,413)
Realized and unrealized gains	(1,091,028)	(219,642)
Interest received on cash and investments	1,622,603	343,513
Net cash provided by investing activities	753,386	413,458
Net change in cash and cash equivalents	8,119,453	(1,717,713)
Cash and cash equivalents, July 1	41,779,377	43,497,090
Cash and cash equivalents, June 30 (note 2)	$ 49,898,830	$ 41,779,377

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

Statements of Cash Flows, Continued
Years Ended June 30, 2019 and 2018

Reconciliation of Operating Loss to Net Cash Used in Operating Activities	**2019**	**2018**
Operating loss	$ (94,117,875)	$ (87,646,276)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	16,340,080	16,178,310
(Increase)/decrease in accounts receivable from operations	(124,985)	182,523
(Increase)/decrease in materials and supplies inventory	(770,027)	(299,879)
(Increase)/decrease in prepaid expenses	(765,562)	(322,832)
(Increase)/decrease in deferred outflows of resources	1,165,033	(4,165,915)
Increase/(decrease) in accounts payable	516,993	1,953,352
Increase/(decrease) in accrued payroll expenses, compensated absences payable, and retiree health care benefits	397,238	293,115
Increase/(decrease) in net pension liability	(1,331,036)	4,639,098
Increase/(decrease) in estimated liability for insurance claims	1,026,425	1,015,031
Total adjustments	16,454,159	19,472,803
Net cash used in operating activities	$ (77,663,716)	$ (68,173,473)

Noncash investing, and capital financing activities:

During the years ended June 30, 2019 and 2018, the Agency had non-cash capital asset additions of $388,573 and $3,028,592 respectively, which were included in accounts payable in the statements of net position.

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

Notes to Financial Statements
June 30, 2019 and 2018

(1) Summary of Significant Accounting Policies

Reporting Entity

Long Beach Public Transportation Company (Long Beach Transit or the Agency) is a California nonprofit corporation organized to provide public transportation services in Long Beach, California. The Agency 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 Agency's daily operations. The Agency is responsible for the preparation of its own annual financial plan.

In accordance with U.S. generally accepted accounting principles (GAAP), the Agency is considered a component financial reporting unit of the City of Long Beach (City), California. As such, the Agency's financial statements are included in the City's comprehensive annual financial report as a discretely presented component unit. LBT 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 GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the Statement of Net Position reports separate sections for Deferred Outflows of Resources and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources – represent outflow of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources – (accumulation of net position) that apply to future periods and that, therefore, are not be recognized as revenue until that time.

The Agency distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Agency's principal ongoing operations. The principal operating revenues of the Agency 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.

Notes to Financial Statements (continued)

Use of Estimates and Assumptions

Management uses estimates and assumptions in preparing the financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets, deferred outflows, liabilities, and deferred inflows, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements. Principal areas requiring the use of estimates include determination of useful lives of capital assets, liability for insurance claims, accrued retiree sick leave, and defined benefit plan assumptions.

Material and Supplies Inventory

Inventory is 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 Agency as assets with an initial individual cost of more than $5,000 and having an estimated useful life of more than one year. In FY17 and prior, the bus tire lease was included in the capital assets and depreciated over a 12-month period as allowed by the Federal Transit Administration (FTA). Starting with FY18, the Agency recorded the bus tire lease as an operating expense. 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 reported at acquisition value at the date of donation. The Agency did not receive any donated capital assets during FY19.

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

Buildings and improvements	5-25 years
Buses and vessels	12 years
Fareboxes	10 years
Smaller buses	7 years
Furniture, equipment and customer amenities	5 years
Service trucks	4 years
Information systems equipment	3 years
Bus components	3 years
Service autos and vans	3 years

Notes to Financial Statements (continued)

Financial Plan

The Agency 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's 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 Agency complying with appropriate grant requirements.

Operating assistance grants are included in nonoperating revenues in the year in which a related reimbursable expenditure is incurred or in subsidy deferred for use in the subsequent fiscal year.

The Agency'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 unearned revenue.

The City allocates a portion of its Proposition A local share funding to the Agency in accordance with an agreement among the Agency, the City and Metro (see notes 3 and 4). The Agency records such Proposition A funds received from the City as subsidy deferred 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 capital assets.

Statements of Cash Flows

For purposes of the statements of cash flows, the Agency considers all of its cash deposits and investments with an original maturity of three months or less 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 Agency considers such investments to be cash equivalents.

Notes to Financial Statements (continued)

(2) Cash and Investments

Cash, cash equivalents and investments consist of the following as of June 30:

	2019	2018
Cash on hand	$ 90,920	$ 70,300
Deposits with financial institutions	1,276,237	7,870,903
Outstanding checks	(1,870,529)	(1,092,948)
Cash equivalents	50,402,202	34,931,122
Total cash and cash equivalents	49,898,830	41,779,377
Investments	27,052,581	26,183,364
Total cash, cash equivalents and investments	$ 76,951,411	$ 67,962,741

Investments Authorized by the California Government Code and LBT's Investment Policy

The table below identifies the investment types that are authorized for LBT by the Agency's investment policy. The table also identifies certain provisions of the Agency's investment policy that address interest rate risk, credit risk and concentration of credit risk. During FY19 and 2018, the Agency elected to have its investments with LAIF and a similarly structured investment vehicle managed by an independent manager.

	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Percentage In One Issuer
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	1 year	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 Agency manages its exposure to declines in fair values by limiting the weighted average maturity of the investment portfolio to no more than two years.

Information about the sensitivity of fair values of the Agency's investments to market interest rate fluctuations is provided by the following table that shows the maturity date of each investment at June 30, 2019 and 2018, respectively.

Notes to Financial Statements (continued)

Type		2019	Weighted Average Maturity (Yrs)
Cash Equivalents			
Local Agency Investment Fund (LAIF)	$	50,032,885	0.53
Fidelity Municipal Money Market		369,317	N/A
Total cash equivalents	$	50,402,202	
Corporate Bonds			
Amgen Inc 3.875% Due 11-15-21	$	722,400	2.4
Blackrock Inc 5.000% Due 12-10-19		708,365	0.5
Genzyme Corp 5.000% Due 06-15-20		717,962	1.0
Toyota Motor Credit Corp 3.3% Due 01-12-22		719,761	2.5
Prudential Financial Inc 4.500% Due 11-16-21		735,938	2.4
Texas Instruments Inc 2.750% Due 03-12-21		707,812	1.7
Apple Inc 1.900% Due 02-07-20		698,523	0.6
Nike Inc 2.250% Due 05-01-2023		703,752	3.8
John Deere Cap Corp 1.950% Due 06-22-20		698,201	1.0
Catepillar Finl Svcs 3.350% Due 12-07-20		710,745	1.4
Toronto-Dominion Bank 2.125% Due 07-02-19		700,000	-
Corporate Bonds Total	$	7,823,459	
Government Bonds			
Federal Hm Ln Bk 1.250% Due 05-25-21	$	1,997,240	1.9
Federal Farm Cr Bks 1.470% Due 02-17-21		1,491,360	1.6
Federal Farm Cr Bks Bond 1.560% Due 07-26-21		1,492,155	2.1
Federal Farm Cr Bks 2.000% Due 02-16-22		1,200,012	2.6
Federal Farm Cr Bks 3.050% Due 11-15-21		1,543,155	2.4
Fannie Mae 2.000% Due 10-05-22		1,510,500	3.3
US Treasury NTS Note 1.500% Due 01-31-22		1,988,760	2.6
US Treasury Note 1.750% Due 09-30-19		1,997,900	0.3
US Treasury Note 1.375% Due 02-15-20		1,991,400	0.6
US Treasury Note 1.750% Due 12-31-20		1,997,340	1.5
US Treasury Note Bond 2.125% Due 12-31-21		2,019,300	2.5
Government Bonds Total	$	19,229,122	
Total Investment Value	$	27,052,581	

As of June 30, 2019 and 2018, there were $119,984 and $129,461, respectively, of accrued bond interest which are included in accounts receivable.

Notes to Financial Statements (continued)

Type		2018	Weighted Average Maturity (Yrs)
Cash Equivalents			
Local Agency Investment Fund (LAIF)	$	34,726,961	0.53
Fidelity Municipal Money Market		204,161	N/A
Total cash equivalents	$	34,931,122	
Corporate Bonds			
Amgen Inc 1.900% Due 05-10-19	$	695,443	0.9
Blackrock Inc 5.000% Due 12-10-19		722,071	1.4
General Elec Cap Corp 2.434% Due 11-15-20		684,236	2.3
Genzyme Corp 5.000% Due 6-15-20		726,096	1.9
Toyota Motor Credit Corp 3.3% Due 01-12-22		701,932	3.3
Pepsico Inc 2.250% Due 01-07-19		698,866	0.5
Prudential Financial Inc 4.500% Due 11-16-21		726,089	3.1
Bank Amer CHRLT Nc Mtn 2.050% Due 12-07-18		698,838	0.4
Texas Instruments Inc 2.750% Due 03-12-21		697,753	2.6
Apple Inc 1.900% Due 02-07-20		691,159	1.6
Toronto-Dominion Bank 2.125% Due 07-02-19		695,848	1.0
Corporate Bonds Total	$	7,738,331	
Government Bonds			
Federal Hm Ln Bk 1.750% Due 12-14-18	$	1,247,450	0.5
Federal Natl Mtg Assn 1.875% Due 02-19-19		1,995,540	0.6
Federal Farm Cr Bks 1.470% Due 02-17-21		966,400	2.5
Federal Farm Cr Bks Bond 1.560% Due 07-26-21		1,443,795	3.0
Federal Hm Ln Bk 1.250% Due 05-25-21		1,960,260	0.1
Fannie Mae 2.000% Due 10-05-22		1,451,610	4.0
US Treasury NTS Note 1.500% Due 01-31-22		1,919,920	3.4
US Treasury Note 1.750% Due 09-30-19		1,983,120	1.2
US Treasury Note 1.375% Due 02-15-20		1,473,225	1.6
US Treasury Note 1.375% Due 11-30-18		2,243,318	0.4
US Treasury Note 3.750% Due 11-15-18		1,760,395	0.4
Government Bonds Total	$	18,445,033	
Total Investment Value	$	26,183,364	

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. Ratings on the investments, excluding LAIF and money market accounts, are as follows at June 30, 2019.

Investment Type	Rating
Corporate Bonds	
Amgen Inc 3.875% Due 11-15-21	A
Blackrock Inc 5.000% Due 12-10-19	AA-
Genzyme Corp 5.000% Due 06-15-20	AA
Toyota Motor Credit Corp 3.300% Due 01-12-22	AA
Prudential Financial Inc 4.500% Due 11-16-21	A
Texas Instruments Inc 2.750% Due 03-12-21	A+
Apple Inc 1.900% Due 02-07-20	AA+
Nike Inc 2.250% Due 05-01-23	AA-
John Deere Cap Corp 1.950% Due 06-22-20	A
Catepillar Finl Svcs 3.300% Due 12-07-20	A
Toronto-Dominion Bank 2.125% Due 07-02-19	AA-

Investment Type	Rating
Government Bonds	
Federal Hm Ln Bk 1.750% Due 05-25-21	AA+
Federal Farm Cr Bks 1.470% Due 02-17-21	AA+
Federal Farm Cr Bks Bond 1.560% Due 07-26-21	AA+
Federal Farm Cr Bks 2.000% Due 02-16-22	AA+
Federal Farm Cr Bks 3.050% Due 11-15-21	AA+
Fannie Mae 2.000% Due 10-05-22	AA+
US Treasury NTS Note 1.500% Due 01-31-22	AA+
US Treasury Note 1.750% Due 09-30-19	AA+
US Treasury Note 1.375% Due 02-15-20	AA+
US Treasury Note 1.750% Due 12-31-20	AA+
US Treasury Note Bond 2.125% Due 12-31-21	AA+

Notes to Financial Statements (continued)

Concentration of Credit Risk

The investment policy of the Agency contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total Agency investments are as follows:

Issuer	Investment Type	Amount
Federal Farm Credit Banks	Federal Agency Securities	$ 5,726,682

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Agency 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 Agency'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 the Agency's indirect investment in securities through the use of mutual funds or government investment pools, such as LAIF.

Fair Value

The Agency follows the provisions of GASB No. 72 for fair value measurements of financial assets and financial liabilities and for fair value measurements that are recognized or disclosed at fair value in the financial statements on a recurring basis. GASB No. 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets that the Agency has the ability to access at the measurement date
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly
- Level 3 inputs are unobservable inputs for the asset

None of LBT's investments are valued using Level 1 and Level 3 inputs.

Notes to Financial Statements (continued)

The following table sets forth by level, within the fair value hierarchy, the Agency's investments at fair value measurements:

Fair Value Measurements at June 30, 2019

	(Level 1)	(Level 2)	(Level 3)	Total
Money Market		$ 369,317		$ 369,317
US Treasury Securities:				
Corporate Bonds		7,823,459		7,823,459
Government Bonds		19,229,122		19,229,122
State of California Local Agency Investment Fund		50,032,885		50,032,885
Total assets at fair value	None	$ 77,454,783	None	$ 77,454,783

Fair Value Measurements at June 30, 2018

	(Level 1)	(Level 2)	(Level 3)	Total
Money Market		$ 204,161		$ 204,161
US Treasury Securities:				
Corporate Bonds		7,738,331		7,738,331
Government Bonds		18,445,033		18,445,033
State of California Local Agency Investment Fund		34,726,961		34,726,961
Total assets at fair value	None	$ 61,114,486	None	$ 61,114,486

Notes to Financial Statements (continued)

(3) Operating Subsidies

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

		2019		2018
TDA, STA, STA-SB1 and LCTOP, State of California	$	29,795,924	$	23,689,180
Proposition A, County of Los Angeles		10,944,646		12,648,905
Proposition C, County of Los Angeles		5,949,360		5,554,625
Proposition A Allocation, City of Long Beach		6,170,100		5,924,407
Measure R		9,520,502		10,553,704
Measure M		9,612,018		3,846,430
Preventive Maintenance, Federal		3,158,764		7,846,063
Other local sources		1,002,669		547,983
Total	$	76,153,983	$	70,611,297

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 Transit Assistance Funds (STA) are generated from state fuel taxes and are disbursed to transit agencies based on a formula allocation by Metro.

In April 2017, Governor Jerry Brown signed Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017, into law. A part of this program augments the base of the STA program with a portion of the new sales tax on diesel fuel.

Los Angeles County Low Carbon Transit Operations Program (LCTOP) is one of several programs that are part of the Transit Affordable Housing and Sustainable Communities Program established by the California Legislature in 2014 in Senate Bill 862, which draws funds from the GGRF (Greenhouse Gas Reduction Fund). The LCTOP is designed to provide operating and capital assistance for transit agencies to reduce greenhouse gas emissions and improve mobility, with serving disadvantaged communities being a priority.

Los Angeles County voters approved Proposition A in November 1980 and Proposition C in November 1990. These voter-approved sales tax initiatives each provide a half-cent 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 the 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 Agency in accordance with an agreement between the Agency and the City. The portion of the local Proposition A funds used for operating assistance was $6,170,100 in FY19.

Measure R, approved by county voters in November 2008, provides a half-cent sales tax for transportation improvements. In November 2016, county voters approved Measure M which provides an additional half-cent sales tax for transportation and the indefinite extension of Measure R originally set to expire in 2039 for expansion or introduction of fixed-route bus service in congested corridors.

Notes to Financial Statements (continued)

In accordance with the FTA regulations, the Agency is allowed to use a portion of federal grant monies for operating preventative maintenance expenditures. These funds are shown as subsidy income in the Agency's financial statements. The FTA funds 100% of the costs and FTA local match requirement is met by utilizing Transportation Development Credits.

Other local monies are reimbursement for service hours supplied to seven surrounding cities. In 2017, LBT was awarded funds from the Metro ExpressLanes Net Toll Revenue Reinvestment Grant to operate the Los Angeles Galaxy Shuttle Bus Service.

Notes to Financial Statements (continued)

(4) Accounts Receivable

Accounts receivable were comprised of the following at June 30:

	2019	2018
Subsidies	$ 137,100	$ 189,138
Insurance reimbursements	414,184	307,419
Interest	402,543	235,330
Trade receivables	815,284	797,063
Proposition A funds due from City	1,638,598	3,184,224
Capital grants receivable	651,818	2,986,742
STA	-	1,085,407
STA-SB1	-	1,564,571
Total	$ 4,059,527	$ 10,349,894

Accounts are written off when determined to be uncollectible. In the opinion of management, all significant accounts receivable at June 30, 2019 and 2018 are fully collectible.

(5) Unearned Revenue

At June 30, 2019 and 2018, the balances of unearned revenue are as follows:

	2019	2018
Capital grant funds	$ 16,195,954	$ 15,587,658
Other	653,105	535,216
Total unearned revenue	$ 16,849,059	$ 16,122,874

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 unearned revenue are funds the Agency has received in advance for capital asset acquisition or construction but which have not been expended at the date of the statements of net position.

Other unearned 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 Agency retains the risk for each occurrence of workers' compensation claimed up to $1.5 million. Workers' compensation maximum limit of indemnity per occurrence is statutory and employer's liability is $2,000,000 per aggregate.

Under its insurance programs, the Agency retains the risk for each occurrence of public liability and property damage claimed up to $2 million. Individual claim settlements for both workers' compensation and public liability and property damage did not exceed insurance coverage limits in FY 2019 and 2018.

The level of risk retention is dictated by the insurance market and the rates available to the Agency. The Agency weighs the increased premium costs against the risk level attempting to minimize overall program expenses.

Notes to Financial Statements (continued)

The Agency's policy is to estimate and recognize losses on the accrual basis based on the report of the Agency's independent claims manager or an actuarial report and to maintain designated cash and investments to fund the estimated liabilities. Liabilities 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 June 30, 2017	$ 7,607,021	$ 8,467,535	$ 16,074,556
Reserves:			
New claims	919,408	1,343,179	2,262,587
Adjustments to existing claims	977,562	3,256,657	4,234,219
Payouts	(2,162,170)	(3,319,605)	(5,481,775)
Estimated liabilities at June 30, 2018	7,341,821	9,747,766	17,089,587
Reserves:			
New claims	461,928	1,252,164	1,714,092
Adjustments to existing claims	214,664	4,301,630	4,516,294
Payouts	(853,927)	(4,350,035)	(5,203,962)
Estimated liabilities at June 30, 2019	$ 7,164,486	$ 10,951,525	$ 18,116,011

(7) Deferred Compensation

The Agency offers its employees a deferred compensation plan (the Plan) created in accordance with Internal Revenue Code Section 457. The Plan is administered by an independent contractor. The Plan is available to all Agency employees and permits them to defer a portion of their salary until future years. Plan assets consist of mutual funds and are purchased based on elections made by the Agency'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 Agency and are not subject to the claims of the Agency's general creditors nor can they be used by the Agency 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 Agency's Statements of Net Position.

Notes to Financial Statements (continued)

(8) Capital Assets

Capital asset activity for the years ended June 30, 2019 and 2018 was as follows:

	Balance at June 30, 2018	Adjustments/ Transfers	Increases	Decreases	Balance at June 30, 2019
Capital assets not being depreciated:					
Land	$ 14,275,000	$ -	$ -	$ -	$ 14,275,000
Construction in progress	5,056,558	(4,780,665)	1,217,587	-	1,493,480
Total capital assets not being depreciated	19,331,558	(4,780,665)	1,217,587	-	15,768,480
Capital assets being depreciated:					
Buildings and improvements	53,508,635	65,687	523,658	(24,097)	54,073,883
Fleet	172,208,889	2,186,969	1,134,730	(8,764,017)	166,766,571
Communications systems	7,462,121	-	-	-	7,462,121
Fare collection system	9,035,606	165,331	53,783	-	9,254,720
Office, shop and garage equipment	26,986,816	242,344	990,517	(46,740)	28,172,937
Customer amenities	16,309,699	2,120,334	537,589	(138,545)	18,829,077
Total capital assets being depreciated	285,511,766	4,780,665	3,240,277	(8,973,399)	284,559,309
Less accumulated depreciation:					
Buildings and improvements	(42,894,257)	-	(2,135,241)	24,097	(45,005,401)
Fleet	(104,434,603)	-	(11,372,522)	8,764,017	(107,043,108)
Communications systems	(7,449,377)	-	(11,106)	-	(7,460,483)
Fare collection system	(8,355,242)	-	(156,478)	-	(8,511,720)
Office, shop and garage equipment	(23,783,376)	-	(1,924,603)	46,740	(25,661,239)
Customer amenities	(14,975,349)	-	(740,130)	138,545	(15,576,934)
Total accumulated depreciation	(201,892,204)	-	(16,340,080)	8,973,399	(209,258,885)
Total capital assets being depreciated, net	83,619,562	4,780,665	(13,099,803)	-	75,300,424
Total capital assets, net	$ 102,951,120	$ -	$ (11,882,216)	$ -	$ 91,068,904

Notes to Financial Statement (continued)

	Balance at June 30, 2017	Adjustments/ Transfers	Increases	Decreases	Balance at June 30, 2018
Capital assets not being depreciated:					
Land	$ 14,275,000	$ -	$ -	$ -	$ 14,275,000
Construction in progress	1,272,197	(787,687)	4,572,048	-	5,056,558
Total capital assets not being depreciated	15,547,197	(787,687)	4,572,048	-	19,331,558
Capital assets being depreciated:					
Buildings and improvements	53,109,370	119,124	280,141	-	53,508,635
Fleet	157,149,571	216,041	24,428,095	(9,584,818)	172,208,889
Communications systems	7,462,121	-	-	-	7,462,121
Fare collection system	8,520,775	-	514,831	-	9,035,606
Office, shop and garage equipment	26,269,580	72,673	646,606	(2,043)	26,986,816
Customer amenities	16,385,972	379,849	(379,849)	(76,273)	16,309,699
Total capital assets being depreciated	268,897,389	787,687	25,489,824	(9,663,134)	285,511,766
Less accumulated depreciation:					
Buildings and improvements	(40,837,608)	-	(2,056,649)	-	(42,894,257)
Fleet	(102,995,046)	-	(11,024,375)	9,584,818	(104,434,603)
Communications systems	(7,401,250)	-	(48,127)	-	(7,449,377)
Fare collection system	(8,234,080)	-	(121,162)	-	(8,355,242)
Office, shop and garage equipment	(21,662,903)	-	(2,122,516)	2,043	(23,783,376)
Customer amenities	(14,246,141)	-	(805,481)	76,273	(14,975,349)
Total accumulated depreciation	(195,377,028)	-	(16,178,310)	9,663,134	(201,892,204)
Total capital assets being depreciated, net	73,520,361	787,687	9,311,514	-	83,619,562
Total capital assets, net	$ 89,067,558	$ -	$ 13,883,562	$ -	$ 102,951,120

The Agency operates from two facilities within the City of Long Beach. The central administrative, operating and maintenance facility is located in mid-city and the second operating and maintenance facility is in north Long Beach.

Notes to Financial Statement (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. As of June 30, 2019 and 2018, the Agency had remaining Prop A subsidy funding of $27,747,510 and $23,543,643, respectively, to be utilized in future fiscal years.

As of June 30, 2019, the Agency maintained Measure M funds of $4,807,022, STA funds of $1,085,407 and STA-SB1 funds of $1,564,571, which were the same amounts as of June 30, 2018. These funds are to be used to fund operations in future fiscal years.

(10) Commitments and Contingencies

The Agency is subject to claims and lawsuits arising in the normal course of business. Such claims are routinely evaluated by the Agency'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 Agency's 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 Agency's financial statements.

Purchase Contracts

The Agency had the following significant purchase commitments outstanding at June 30, 2019. These purchase orders are for future goods and services the Agency is committed to by contract but has yet to receive. The balances listed include some contingency balances; therefore, actual costs may be lower than shown.

Notes to Financial Statements (continued)

Vendor	Project	Amount	Expected Completion
Michelin North America, Inc.	Tire Lease	$ 104,211	August 2019
Global Paratransit	Dial-A-Lift	$ 332,511	August 2019
Catalina Express	Water Taxi Service	$ 198,985	September 2019
Clean Energy	CNG Station Maintenance	$ 148,860	October 2019
Giro, Inc.	HASTUS Maintenance and Support	$ 166,782	December 2019
Complete Coarch Works	33 Model Year 2012 Gillig Bus Rehab	$ 3,771,987	January 2020
Urban Engineers	Facility Assessment Project	$ 711,314	January 2020
Athens Administrators	Workers' Comp Management Services	$ 149,881	January 2020
Sirius Computer Sol.	Network Core Replacement	$ 147,457	January 2020
New Flyer of America	Hybrid Ucap Reconditioning	$ 485,089	February 2020
Trapeze Software Group, Inc.	Mobile Gateway Router	$ 1,458,016	March 2020
Transit Information Products	Transit Guide Printing	$ 199,548	April 2020
Merrimac Energy Group	Gasoline Fuel	$ 2,860,945	June 2020
SC Fuels	Diesel Fuel	$ 421,362	June 2020
Carl Warren and Co.	Third-Party Administration	$ 150,224	June 2020
Commune Communication	Communications Agency Services	$ 144,193	December 2020
Complete Coarch Works	Rebuilding of Engines	$ 449,645	February 2021

Lease Obligations

In FY17 and prior, bus tire leases were included in the capital assets and depreciated over a 12 - month period as allowed by the FTA. Beginning FY18, the Agency recorded bus tire leases as an operating expense. Under the terms of the lease, the vendor supplies the tires and invoices to the Agency based on monthly mileage. There are no minimum guarantee payments required in the contracts. Total lease costs were $684,149 and $645,993 for the years ended June 30, 2019 and 2018, respectively.

Notes to Financial Statement (continued)

(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 carryover 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, 2019 and 2018, accrued unpaid vacation for all Agency employees amounted to $3,200,850 and $3,250,399, respectively.

Balance 6/30/18	Additions	Deletions	Balance 6/30/19	Due Within One Year
$ 3,250,399	$ 3,200,850	$(3,250,399)	$ 3,200,850	$ 3,200,850

Balance 6/30/17	Additions	Deletions	Balance 6/30/18	Due Within One Year
$ 3,100,575	$ 3,250,399	$(3,100,575)	$ 3,250,399	$ 3,250,399

Once a year, the Agency allows employees to sell back a portion of their earned vacation in lieu of taking the time off. The Agency has agreed to buy back vacation time in excess of 10 days earned during the calendar year. Vacation days carried over from the previous year are not eligible for this program. The Agency paid $215,933 and $199,187 under this program during 2019 and 2018, respectively.

Post-Retirement Health Care Benefits

Full-time Agency employees are entitled to receive up to 96 hours of sick leave per year. Unused sick leave may be accumulated until retirement with the cash value used to pay health and dental insurance premiums under the Agency'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 125 and 139 participants in the Agency's REHIP at June 30, 2019 and 2018, respectively. The cash value equivalent of the remaining unused sick leave for the current retirees totaled $1,327,067 and $1,547,100, respectively. Total premiums paid by the Agency under the REHIP during the fiscal years ended June 30, 2019 and 2018, were $317,180 and $335,057, respectively.

The Agency 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 are $4,463,309 and $4,121,600 at June 30, 2019 and 2018, respectively.

Balance 6/30/18	Additions	Deletions	Balance 6/30/19	Due Within One Year
$ 4,121,600	$ 658,889	$(317,180)	$ 4,463,309	$ 214,990

Balance 6/30/17	Additions	Deletions	Balance 6/30/18	Due Within One Year
$ 4,143,927	$ 312,748	$(335,075)	$ 4,121,600	$ 232,825

Notes to Financial Statement (continued)

(12) Labor Agreements

Union Labor Agreements

The Labor Agreement between LBT and the Amalgamated Transit Union (ATU), Local 1277 (the Agreement), is effective from July 1, 2017, to June 30, 2021. The Agreement provides the parties with specific procedures governing the duration and renewal of the Agreement to maintain safe and efficient operation of the transit system. LBT has no reason to expect any service disruption with regard to the Agreement.

The Labor Agreement between LBT and the American Federation of State, County, and Municipal Employees (AFSCME), District Council 36 (the Agreement), is effective from July 1, 2017, through June 30, 2021. The Agreement provides the parties with specific procedures governing the duration and renewal of the Agreement to maintain safe and efficient operation of the transit system. LBT has no reason to expect any service disruption with regard to the Agreement.

(13) Pension Benefits

Plan Descriptions

The Agency 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 staff employees, the Long Beach Public Transportation Company Retirement Plan – Salaried Employees (Salaried Plan) for employees hired before April 1, 2011. For staff employees hired on or after April 1, 2011, LBT adopted a new 401(a) qualified retirement plan for employer matching contributions.

The Agency's payroll for employees covered by each pension plan for the years ended June 30, 2019 and 2018 was $30,624,368 and $31,093,861 for the Contract Plan, respectively, and $4,782,843 and $4,858,664 for the Salaried Plan, respectively. Total Agency payroll for 2019 and 2018 was $45,326,095 and $43,273,561 respectively.

The Contract and the Salaried Plans are contributory single employer defined benefit pension plans sponsored by the Agency. Full-time employees in a job classification covered by an ATU collective bargaining agreement between the Agency 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 and hired before April 1, 2011 participate in the Salaried Plan as of their date of employment. Participants in the Contract Plan and Salaried Plan employees hired before April 1, 2011, are eligible for annual benefit payments at the normal retirement age of 64 and completion of 10 years of credited service and become 100% vested after five credit 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. For employees covered under the Salaried Plan hired on or after April 1, 2011, LBT adopted a new 401(a) qualified retirement plan for employer matching contributions. Contract employees hired on or after April 1, 2011, are not eligible to participate in the 401(a) qualified retirement plan, but are eligible to continue to participate in the Contract Plan.

Notes to Financial Statements (continued)

Pension 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 of 36 consecutive months of earnings during the last 10 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. 1.70% 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 benefited 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.

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's average earnings, regardless of the length of service or vesting status.

If a Contract Plan participant is totally and permanently disabled with 10 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 are the date of disablement. A reduced occupational disability benefit is available for the Plan members unable to perform their usual work duties who leave service after 10 or more years of credited service.

Notes to Financial Statements (continued)

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 Contributions

The Agency is required to contribute to the Plans at an actuarially determined rate. Salaried Plan members are required to contribute 5% of their annual salaries toward the Plan. Contract Plan members contribute a percentage of their annual salary toward the Plan as decided by the Board of Arbitration on June 15, 2012 whereas the Agency pays the first 10% of the amount the actuary states, Contract employees pay the next 5% and the Agency and the employees equally split any funding amounts over 15%. The Agency is required to contribute to the Plans at an actuarially determined rate. The contribution rates for 2019 were 21.82% and 25.89% for the Contract and Salaried Plans, respectively. For 2019, the Agency's annual contributions were $4,488,508 and $3,111,520 for the Contract and Salaried Plans, respectively. For 2018, the Agency's annual contributions were $4,054,711 and $2,602,155 for the Contract and Salaried Plans, respectively.

Funding Progress

The status of funding progress for both Plans is based on the actuarial valuations performed as of July 1, 2018 and 2017. The actuarial accrued liability is calculated using the entry-age method.

Salaried Plan (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
2019	$ 30,939	$ 33,336	$ 2,397	92.81%	$ 4,783	50.11%
2018	$ 27,867	$ 31,216	$ 3,349	89.27%	$ 4,859	68.92%

Contract Plan (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
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%

Notes to Financial Statements (continued)

Net Pension Liability – Salaried Plan

The Salaried Plan's net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment Rate of Return	6.00% compounded annually
Salary Increases	3.00% per year
Mortality	IRS 2007 Current Liability Combined Table
Employee Contribution	
Interest Credit	5.00% compounded annually
Administrative Expenses	$187,683

Termination before retirement:

Age	Turnover Rate
20	7.94%
25	7.72%
30	7.22%
35	6.28%
40	5.15%
45	3.98%
50	2.56%
55	0.94%

Retirement: For participants who are eligible for 70/80 Retirement, the following rates apply:

Age	Retirement Rate
50-53	5%
54-55	10%
56-57	20%
58-59	40%
60+	100%

All other active participants, inactive vested participants, and future inactive vested participants are assumed to retire at age 64 after completion of 10 years of service.

Marital Status: 80% of non-retired participants are married. Female spouse is assumed to be three years younger than the male spouse.

Form of Payment: 80% of active participants are assumed to elect the lump-sum option. The remaining 20% of active participants are assumed to elect a single-life annuity. Vested terminated participants are assumed to elect a single-life annuity.

Unknown Data: Participants with unreported data, such as missing birthdates, are assumed to have the same characteristics as similar participants.

Notes to Financial Statements (continued)

The long-term expected rate of return on pension plan investments has been based upon the assumption that future real returns will approximate the long-term rates of return projected for each asset class in the Investment Policy Statement. The relative benchmarks for the investment options are monitored on an ongoing basis by the Pension Committee. The Committee has discretion to take corrective action by replacing a manager. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	**Strategic Allocation**	**Long-Term Expected Real Rate of Return**
US Large Agency Stocks	20%	6.9%
US Small Agency Stocks	5	6.9
Real Estate Securities	6	6.9
International Equity	23	7.3
Multi-strategy	15	6.9
Fixed Income	30	5.5
Cash Equivalent	1	2.9

Discount Rate. The discount rate used to measure the total pension liability was 6 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied all periods of projected benefit payments to determine the total pension liability.

	Increase (Decrease)		
	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability**
Balances at 6/30/2018	$ 31,215,626	$ 27,866,540	$ 3,349,086
Changes for the year:			
Service cost	800,422	-	800,422
Interest	1,673,123	-	1,673,123
Expected investment income	-	1,739,831	(1,739,831)
Difference between expected and actual experience	598,675	(962,148)	1,560,823
Net Transfer to/from Contract Plan			
Contributions - employer	-	3,111,520	(3,111,520)
Contributions - employee	-	322,305	(322,305)
Benefit payments, including refunds	(951,414)	(951,414)	-
Administrative expense	-	(187,683)	187,683
Net changes	2,120,806	3,072,411	(951,605)
Balances at 6/30/2019	$ 33,336,432	$ 30,938,951	$ 2,397,481

Notes to Financial Statements (continued)

	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability
Balances at 6/30/2017	$ 29,527,880	$ 25,232,880	$ 4,295,000
Changes for the year:			
Service Cost	831,665	-	831,665
Interest	1,589,310	-	1,589,310
Expected invenstment income	-	1,550,016	(1,550,016)
Difference between expected and actual experience	770,200	(173,234)	943,434
Net Transfer to/from Contract Plan	-	37,663	(37,663)
Contributions - employer	-	2,602,155	(2,602,155)
Contributions - employee	-	320,450	(320,450)
Benefit payments, including refunds	(1,503,429)	(1,503,429)	-
Administratice expense	-	(199,961)	199,961
Net Changes	1,687,746	2,633,660	(945,914)
Balances at 6/30/2018	$ 31,215,626	$ 27,866,540	$ 3,349,086

Notes to Financial Statements (continued)

Net Pension Liability – Contract Plan

The Contract Plan's net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment Rate of Return	6.50% compounded annually
Salary Increases	3.00% per year
Mortality	IRS 2007 Current Liability Combined Table
Employee Contribution Interest Credit	5.00% compounded annually
Administrative Expenses	$364,631

Termination before retirement:

Age	Turnover Rate
20	7.94%
25	7.72%
30	7.22%
35	6.28%
40	5.15%
45	3.98%
50	2.56%
55	0.94%

Retirement:	All active participants, inactive vested participants and future inactive vested participants are assumed to retire at age 64 after completion of 10 years of service.
Marital Status:	80% of non-retired participants are married. Female spouse is assumed to be three years younger than the male spouse.
Form of Payment:	80% of active participants hired prior to July 1, 2012 are assumed to elect the lump-sum option. The remaining 20% of active participants hired prior to July 1, 2012, all actives hired on or after July 1, 2012, and all Vested Terminated participants are assumed to elect the single-life annuity.
Unknown Data:	Participants with unreported data, such as missing birthdates, are assumed to have the same characteristics as similar participants.

Notes to Financial Statements (continued)

The long-term expected rate of return on pension plan investments has been based upon the assumption that future real returns will approximate the long-term rates of return projected for each asset class in the Investment Policy Statement. The relative benchmarks for the investment options are monitored on an ongoing basis by the Pension Committee. The Committee has discretion to take corrective action by replacing a manager. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	**Strategic Allocation**	**Long-Term Expected Real Rate of Return**
US Large Agency Stocks	20%	6.9%
US Small Agency Stocks	5	6.9
Real Estate Securities	6	6.9
International Equity	23	7.3
Multi-strategy	15	6.9
Fixed Income	30	5.5
Cash Equivalent	1	2.9

Discount Rate. The discount rate used to measure the total pension liability was 6.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied all periods of projected benefit payments to determine the total pension liability.

		Increase (Decrease)	
	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability**
Balances at 6/30/2018	$ 87,017,395	$ 56,021,895	$ 30,995,500
Changes for the year:			
Service cost	3,862,139	-	3,862,139
Interest	5,458,336	-	5,458,336
Expected investment income	-	3,735,506	(3,735,506)
Difference between expected and actual experience	(1,182,989)	(2,019,511)	836,522
Net Transfer to/from Contract Plan			
Contributions - employer	-	4,488,508	(4,488,508)
Contributions - employee	-	2,677,045	(2,677,045)
Benefit payments, including refunds	(3,859,763)	(3,859,763)	-
Administrative expense	-	(364,631)	364,631
Net changes	4,277,723	4,657,154	(379,431)
Balances at 6/30/2019	$ 91,295,118	$ 60,679,049	$ 30,616,069

Notes to Financial Statements (continued)

	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Position Liability
Balances at 6/30/2017	$ 78,152,791	$ 52,742,303	$ 25,410,488
Changes for the year			
Service cost	3,750,722	-	3,750,722
Interest	5,173,663	-	5,173,663
Expected investment income	-	3,444,569	(3,444,569)
Differeence between expected and actual experience	1,915,331	(637,492)	2,552,823
Net transfer to/from Contract Plan	-	(37,663)	37,663
Contributions - employer	-	4,054,711	(4,054,711)
Contributions - employee	-	2,461,892	(2,461,892)
Benefit payments, including refund	(5,626,291)	(5,626,291)	-
Admistrative expense	-	(380,134)	380,134
Other changes (assumptions)	3,651,179	-	3,651,179
Net changes	8,864,604	3,279,592	5,585,012
Balances at 6/30/2018	$ 87,017,395	$ 56,021,895	$ 30,995,500

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Contract Plan as of June 30, 2019, 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 one-percentage point lower (5.5%) or one-percentage higher (7.5%) than the current rate. The Salaried Plan's net position is calculated using a discount rate that is one-percentage point lower (5.00%) or one-percentage higher (7.00%) than the current rate or 6.00%.

	Contract Plan
1% Decrease or 5.5%	$ 99,930,660
6.5 % Current Discount Rate	$ 91,295,118
1% Increase or 7.5%	$ 83,781,742

	Salaried Plan
1% Decrease or 5.0%	$ 35,576,016
6.0% Current Discount Rate	$ 33,336,432
1% Increase of 7.0%	$ 31,362,103

Notes to Financial Statements (continued)

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension

For the year ended June 30, 2019, the Salaried Plan reported deferred outflows and resources and deferred inflows of resources related to pensions from the following sources:

Salaried Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,317,723	
Changes of assumptions	1,003,248	
Net difference between projected and actual earning on plan investments	1,356,965	
Total	$ 3,677,936	None

For the year ended June 30, 2018, the Salaried Plan reported deferred outflows and resources and deferred inflows of resources related to pensions from the following sources:

Salaried Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,029,192	
Changes of assumptions	1,607,614	
Net difference between projected and actual earning on plan investments	683,528	
Total	$ 3,320,334	None

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Salaried Plan – Year Ended June 30	Amount to Be Recognized
2020	$ (1,655,890)
2021	$ (1,159,438)
2022	$ (339,989)
2023	$ (330,171)
2024	$ (192,448)
Thereafter	$ --

For the year ended June 30, 2019, the Contract Plan reported deferred outflows and resources and deferred inflows of resources related to pensions from the following sources:

Contract Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 2,883,338	
Changes in assumptions	4,889,158	
Net difference between projected and actual earning on plan investments	4,017,647	
Total	$ 11,790,143	None

Notes to Financial Statements (continued)

For the year ended June 30, 2018, the Contract Plan reported deferred outflows and resources and deferred inflows of resources related to pensions from the following sources:

Contract Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 4,693,578	
Changes in assumptions	5,679,953	
Net difference between projected and actual earning on plan investments	2,939,247	
Total	$ 13,312,778	None

Amounts report as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Contract Plan – Year Ended June 30	Amount to Be Recognized
2020	$ (3,023,211)
2021	$ (2,332,265)
2022	$ (1,547,937)
2023	$ (1,791,390)
2024	$ (1,698,773)
Thereafter	$ (1,396,567)

Defined Contribution Plan 401(a)

Participation in the 401(a) Plan is limited to full-time regular staff employees hired on or after April 1, 2011. The Agency's contribution to the 401(a) Plan is as follows: (A) eligible employees with three years of service or less, a matching contribution equal to the amount of the employee's salary deferrals to the 457(b) Plan, up to a maximum of 5% of the employee's base salary, and (B) for eligible employees with more than 3 years of service, the Agency would make the following contributions: (1) matching contribution equal to the amount of the employee's salary deferrals to the 457(b) Plan, up to a maximum of 4% of the employee's base salary, and (2) a non-elective contribution equal to 3% of the employee's base salary regardless of whether the employee makes any salary deferrals to the 457(b) Plan for the plan year.

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: Executive Director/VP, Finance and Budget, 1963 E. Anaheim St., Long Beach, CA 90813.

Required Supplementary Information

The following are schedules of Funding Progress and Contributions and Schedules of Changes in Net Pension Liability for the five years ending June 30, 2013 through 2019 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).

LONG BEACH TRANSIT
RETIREMENT PLAN - SALARIED EMPLOYEES

Schedule of Changes in Net Pension Liability
and Related Ratios
For the Years Ended

	2019	2018	2017	2016	2015	2014	2013
Total pension liability							
Service cost	$ 800,422	$ 831,665	$ 858,666	$ 769,704	$ 845,302	$ 773,964	$ 641,489
Interest	1,673,123	1,589,310	1,626,217	1,724,678	1,704,802	1,809,528	1,355,511
Difference between expected and actual experience	598,675	770,200	80,484	427,104	(582,806)	667,873	1,089,429
Changes of assumptions	-	-	-	2,816,346	-	-	3,694,438
Benefit payments	(951,414)	(1,503,429)	(3,003,925)	(1,332,112)	(1,818,412)	(2,342,868)	(702,018)
Net change	2,120,806	1,687,746	(438,558)	4,405,720	148,886	908,497	6,078,849
Beginning total pension liability	31,215,626	29,527,880	29,966,438	25,560,718	25,411,832	24,503,335	18,424,486
Ending total pension liability	$ 33,336,432	$ 31,215,626	$ 29,527,880	$ 29,966,438	$ 25,560,718	$ 25,411,832	$ 24,503,335
Plan fiduciary net position							
Employer contributions	$ 3,111,520	$ 2,602,155	$ 2,790,134	$ 4,270,185	$ 4,758,243	$ 2,847,508	$ 2,244,185
Employee contributions	322,305	320,450	340,086	365,367	402,617	436,748	449,958
Net transfer to/from Contract Plan	-	37,663	255,041	17,501	288	241,886	-
Investment income (loss)	777,683	1,376,782	2,277,537	(194,989)	(11,557)	1,750,047	960,977
Pension benefits	(951,414)	(1,503,429)	(3,003,925)	(1,332,112)	(1,818,412)	(2,342,868)	(702,018)
Administrative expenses	(187,683)	(199,961)	(203,559)	(167,603)	(167,173)	(142,202)	(117,013)
Net change	3,072,411	2,633,660	2,455,314	2,958,349	3,164,006	2,791,119	2,836,089
Beginning plan fiduciary net position	27,866,540	25,232,880	22,777,566	19,819,217	16,655,211	13,864,092	11,028,003
Ending plan fiduciary net position	$ 30,938,951	$ 27,866,540	$ 25,232,880	$ 22,777,566	$ 19,819,217	$ 16,655,211	$ 13,864,092
Company's net pension liability	$ 2,397,481	$ 3,349,086	$ 4,295,000	$ 7,188,872	$ 5,741,501	$ 8,756,621	$ 10,639,243
Plan fiduciary net position as a % of total pension liability	92.81%	89.27%	85.45%	76.01%	77.54%	65.50%	56.58%
Covered payroll	$ 4,783,000	$ 4,859,000	$ 5,187,000	$ 6,023,000	$ 6,381,000	$ 6,925,000	$ 7,801,000
Company's net pension liability as a % of covered payroll	50.11%	68.92%	82.80%	119.36%	89.98%	126.45%	136.38%

Note: The information presented above is not available for years prior to the year ended June 30, 2013.

LONG BEACH TRANSIT
RETIREMENT PLAN - CONTRACT EMPLOYEES

Schedule of Changes in Net Pension Liability
and Related Ratios
For the Years Ended

	2019	2018	2017	2016	2015	2014	2013
Total pension liability							
Service cost	$ 3,862,139	$ 3,750,722	$ 3,352,311	$ 2,713,135	$ 2,893,596	$ 2,285,562	$ 1,972,068
Interest	5,458,336	5,173,663	4,970,642	4,575,251	4,462,912	4,418,719	3,621,647
Difference between expected and actual experience	(1,182,989)	1,915,331	849,980	3,062,106	(1,252,537)	877,921	(652,845)
Changes of assumptions	-	3,651,179	3,194,510	-	-	-	6,749,225
Benefit payments	(3,859,763)	(5,626,291)	(4,615,902)	(3,182,794)	(4,881,029)	(4,326,353)	(2,447,910)
Net change	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	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	$ 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	$ 4,488,508	$ 4,054,711	$ 3,877,435	$ 3,439,288	$ 3,067,778	$ 3,326,307	$ 2,572,888
Employee contributions	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 Contract Plan	-	(37,663)	(255,041)	(17,501)	(288)	(241,886)	-
Investment income (loss)	1,715,995	2,807,077	4,919,899	(407,799)	(569)	5,113,555	3,324,692
Pension benefits	(3,859,763)	(5,626,291)	(4,615,902)	(3,182,794)	(4,881,029)	(4,326,353)	(2,447,910)
Administrative expenses	(364,631)	(380,134)	(376,137)	(325,026)	(349,496)	(323,518)	(291,858)
Net change	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	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	$ 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	$ 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	66.46%	64.38%	67.49%	66.83%	72.41%	74.70%	70.34%
Covered payroll	$ 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	99.97%	99.68%	83.46%	78.39%	68.89%	57.58%	70.58%

Note: The information presented above is not available for years prior to the year ended June 30, 2013.

The following table summarizes contributions required (based on the actuarial valuations) and contributions made for the seven years ended for Salaried Employees Salried Plan):

Schedule of Contributions
Salaried Plan
2013 - 2019

	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	$ 1,933,825	$ 1,922,605	$ 2,030,220	$ 2,000,708	$ 2,605,222	$ 2,484,256	$ 1,886,343
Employer contributions	3,111,520	2,602,155	2,790,134	4,270,185	4,758,243	2,847,508	2,244,185
Employee contributions	322,305	320,450	340,086	365,367	402,617	436,748	449,958
Total contributions	3,433,825	2,922,605	3,130,220	4,635,552	5,160,860	3,284,256	2,694,143
Contribution deficiency (excess)	$ (1,500,000)	$ (1,000,000)	$ (1,100,000)	$ (2,634,844)	$ (2,555,638)	$ (800,000)	$ (807,800)
Covered payroll	$ 4,783,000	$ 4,859,000	$ 5,187,000	$ 6,023,000	$ 6,381,000	$ 6,925,000	$ 7,801,000
Contributions as a percentage of covered - employee payroll	71.79%	60.15%	60.35%	76.96%	80.88%	47.43%	34.54%

Notes to Schedule:

Valuation date:
Actuarially determined contributions rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Frozen Initial Liability
Amortization method	10 years, closed period
Remaining amortization period	7 years
Asset valuation method	Market value
Salary increases	3.0% per annum
Investment rate of return	6% compounded annually
Administrative expenses	Prior Year Actual Expense of $199,961
Employee contribution interest credit	5.00% per year

Termination before retirement

Age	Turnover Rate
20	7.94%
25	7.72
30	7.22
35	6.28
40	5.15
45	3.98
50	2.56
55	0.94

Retirement age — For participants who are eligible for 70/80 retirement the following rates apply:

Age	Retirement Rate
50-53	5.00%
54-55	10
56-57	20
58-59	40
60+	100

All other active participants, inactive vested participants, and future inactive vested participants are assumed to retire at age 64 after completion of 10 years of service.

Marital Status	80% of non-retired participants are married. Female spouse is assumed to be three years younger than the male spouse.
Form of payment	80% of active participants are assumed to elect the lump sum option. The remaining 20% of active participants and vested terminated participants are assumed to elect the single life annuity.
Unknown data	Participants with unreported data, such as missing birthdates, are assumed to have the same characteristics as similar participants. If not specified, participants are assumed to be male.
Lump Sums	Interest: 4.50%; IRS Applicable Mortality
Mortality	IRS 2007 Current Liability Combined Table

The following table summarizes contributions required (based on the actuarial valuations) and contributions made for the seven years ended for Contract Employees (Contract Plan):

Schedule of Contributions
Contract Plan
2013 - 2019

	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	$ 7,165,553	$ 6,516,603	$ 6,018,860	$ 5,193,480	$ 4,711,230	$ 4,763,313	$ 3,714,988
Employer contributions	4,488,508	4,054,711	3,877,435	3,439,288	3,067,778	3,326,307	2,572,888
Employee contributions	2,677,045	2,461,892	2,141,425	1,754,192	1,643,452	1,437,006	1,142,100
Total contributions	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	$ 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	23.40%	20.96%	19.77%	17.44%	18.61%	17.47%	15.04%

Notes to schedule:

Valuation date:
Actuarially determined contributions rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Frozen Initial Liability
Amortization method	30 years, closed period
Remaining amortization period	18 years
Asset valuation method	Market value
Salary increases	3.0% per annum
Investment rate of return	6.5% compounded annually
Administrative expenses	Prior Year Actual Expense of $380,134
Employee contribution interest credit	5.00% per year
Termination before retirement	(see table below)

Age	Turnover Rate
20	7.94%
25	7.72
30	7.22
35	6.28
40	5.15
45	3.98
50	2.56
55	0.94

Retirement age	All active, inactive vested, and future inactive vested participants are assumed to retire at age 64 after completion of 10 years of service.
Marital Status	80% of non-retired participants are married. Female spouse is assumed to be three years younger than the male spouse.
Form of payment	80% of active participants hired prior to July 1, 2012 are assumed to elect the lump sum option. The remaining 20% of active participants hired prior to July 1, 2012, all actives hired on or after July 1, 2012, and vested terminated participants are assumed to elect the single life annuity.
Unknown data	Participants with unreported data, such as missing birthdates, are assumed to have the same characteristics as similar participants. If not specified, participants are assumed to be male.
Lump Sums	Interest: 4.50%; IRS Applicable Mortality
Mortality	IRS 2007 Current Liability Combined Table

STATISTICS

STATISTICAL SECTION

This part of Long Beach Public Transportation Agency'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 Agency's overall financial health.

<u>Contents</u> <u>Page</u>

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

Financial Trends
Net Position by Component
2010 - 2019

Exhibit 1

	Invested in Capital Assets (1)	Restricted	Unrestricted	Total
2010	84,286,309	16,747	3,588,032	$ 87,891,088
2011	83,828,062	21,356	3,583,423	87,432,841
2012	79,281,750	13,558	3,591,221	82,886,529
2013	98,327,695	30,174	3,574,605	101,932,474
2014	84,858,221	156,350	(21,833,158)	63,181,413
2015	91,276,393	144,080	(17,551,860)	73,868,613
2016	83,154,750	52,306	(13,189,109)	70,017,947
2017	89,067,558	73,776	(13,707,283)	75,434,051
2018	102,951,120	87,193	(14,193,881)	88,844,432
2019	91,068,904	87,193	(14,027,877)	77,128,220

(1) Fluctuations in balances reflect the Agency's procurement of capital assets in each year. Significant changes occur in years which included the receipt of new buses and pension liability adjustments.

Financial Trends
Operating Expenses By Type
2010 – 2019

Exhibit 2

	Personnel Wages & Benefits	Fuel & Lubricants	Supplies & Materials	Services	Casualty & Liability	Purchased Transportation	Depreciation	Total
2010	52,742,176	5,625,348	2,280,932	5,997,208	1,897,047	1,349,681	16,519,346	86,411,738
2011	52,462,571	6,754,776	2,858,490	6,644,394	3,693,995	1,026,413	17,588,757	91,029,396
2012	51,744,582	7,816,511	3,104,125	7,132,271	2,274,190	1,204,522	19,311,548	92,587,749
2013	54,820,343	7,290,527	2,654,286	7,692,693	2,532,732	1,464,569	20,249,160	96,704,310
2014	56,985,858	6,770,574	2,619,659	7,917,623	3,953,610	1,645,713	20,605,041	100,498,078
2015	57,228,802	5,487,215	2,414,826	8,483,128	3,606,383	1,642,825	18,343,403	97,206,582
2016	57,929,446	4,133,479	2,480,321	8,599,766	1,700,504	1,530,061	18,355,286	94,728,863
2017*	64,426,881	4,035,132	2,501,985	9,111,699	2,171,419	1,334,269	17,554,892	101,136,277
2018	65,960,366	4,748,476	3,389,418	10,342,384	2,600,478	1,459,241	16,178,310	104,678,673
2019	70,161,457	5,166,101	4,087,981	11,565,340	1,432,513	1,747,051	16,340,080	110,500,523

* Reclassified fiscal year 2017. Total remained the same.

Financial Trends
Changes in Net Position
2010 – 2019

Exhibit 3

Expenses	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Transportation	$ 36,416,765	$ 35,413,269	$ 35,139,334	$ 37,554,281	$ 38,869,648	$ 39,488,966	$ 40,639,813	$ 44,148,976	$ 45,458,610	$ 47,848,764
Maintenance	18,546,811	21,292,632	21,834,078	22,042,606	21,878,415	20,479,627	19,355,457	20,379,891	22,186,665	23,854,682
Risk Management	5,266,428	6,791,630	7,175,642	6,222,310	7,900,442	8,795,766	5,891,767	7,638,605	9,124,849	8,856,141
Marketing & Customer Service	1,673,878	1,665,938	1,761,195	1,827,629	1,917,253	1,948,218	1,950,613	2,119,166	1,849,042	2,339,313
General Administration	7,988,510	8,277,170	7,365,952	8,808,324	9,327,279	8,150,602	8,535,927	9,294,747	9,881,197	11,261,543
Depreciation	16,519,346	17,588,757	19,311,548	20,249,160	20,605,041	18,343,403	18,355,286	17,554,892	16,178,310	16,340,080
Total Expenses	**$ 86,411,738**	**$ 91,029,396**	**$ 92,587,749**	**$ 96,704,310**	**$ 100,498,078**	**$ 97,206,582**	**$ 94,728,863**	**$ 101,136,277**	**$ 104,678,673**	**$ 110,500,523**
Revenues										
Passenger Fares	$ 16,473,909	$ 17,308,290	$ 18,085,942	$ 18,024,416	$ 17,966,020	$ 17,516,839	$ 16,945,561	$ 15,630,301	$ 14,562,861	$ 14,167,351
Special Events	71,809	41,935	21,386	43,693	25,496	18,754	63,143	54,598	505,138	292,292
Advertising	609,161	558,490	688,089	542,382	630,413	603,029	743,132	618,750	801,753	1,069,805
Subtotal Operating	17,154,879	17,908,715	18,795,417	18,610,491	18,621,929	18,138,622	17,751,836	16,303,649	15,869,752	15,529,448
Subsidies	51,773,322	55,012,754	54,112,325	57,671,790	61,008,975	64,700,470	61,703,522	65,351,654	70,611,297	76,153,983
Interest & Other	964,191	519,170	368,458	172,869	262,133	293,115	1,189,184	1,429,378	1,546,133	2,643,016
Subtotal Nonoperating	52,737,513	55,531,924	54,480,783	57,844,659	61,271,108	64,993,585	62,892,706	66,781,032	72,157,430	78,796,999
Total Revenues	**$ 69,892,392**	**$ 73,440,639**	**$ 73,276,200**	**$ 76,455,150**	**$ 79,893,037**	**$ 83,132,207**	**$ 80,644,542**	**$ 83,084,681**	**$ 88,027,182**	**$ 94,326,447**
Net Expense	$ (16,519,346)	$ (17,588,757)	$ (19,311,549)	$ (20,249,160)	$ (20,605,041)	$ (14,074,375)	$ (14,084,321)	$ (18,051,596)	$ (16,651,491)	$ (16,174,076)
Capital Grants	13,555,191	17,130,510	14,765,236	39,295,105	7,135,567	24,761,575	10,233,655	23,467,700	30,061,872	4,457,864
Change in Net Position	**$ (2,964,155)**	**$ (458,247)**	**$ (4,546,313)**	**$ 19,045,945**	**$ (13,469,474)**	**$ 10,687,200**	**$ (3,850,666)**	**$ 5,416,104**	**$ 13,410,381**	**$ (11,716,212)**

Financial Trends
Capital Expenditures By Type
2010 - 2019

Exhibit 4

Fiscal Year	Facilities	Fleet	Customer Amenities	AVL, Farebox & Radio Equipment	Furniture & IT Equipment	Shop & Garage Equipment	Total
2010	$ 1,224,068	$ 6,436,753	$ 2,149,479	$ 47,960	$ 1,796,856	$ 1,900,075	$ 13,555,191
2011	1,206,706	6,764,468	7,256,720	518,104	1,134,931	249,581	17,130,510
2012	4,325,055	6,651,509	859,424	395,016	2,320,594	213,638	14,765,236
2013	3,499,678	33,192,608	246,410	173,465	1,900,072	282,872	39,295,105
2014	1,179,707	4,291,904	432,180	93,033	1,090,098	48,645	7,135,567
2015	790,850	21,682,852	1,121,151	154,802	964,131	47,789	24,761,575
2016	428,727	6,722,168	961,882	177,299	1,739,603	203,976	10,233,655
2017	1,562,076	10,528,848	1,039,431	146,183	1,406,411	34,751	14,717,700
2018	283,004	26,615,064	1,401,501	680,162	982,787	99,354	30,061,872
2019	803,460	1,345,520	537,589	57,250	1,467,834	246,211	4,457,864

Revenue Capacity
Operating Subsidy Sources
2010 - 2019

Exhibit 5

	Prop A Funds City of Long Beach	Prop A Discretionary Funds L.A. County	Prop C Measure M & R Funds L.A. County	State Assistance	Federal Preventive Maintenance Program	Other Sources	Total
2010	$ 3,536,593	$ 12,069,662	$ 14,374,634	$ 14,777,565	$ 6,704,200	$ 310,668	$ 51,773,322
2011	5,375,238	13,460,669	12,371,325	17,480,351	6,067,800	257,371	55,012,754
2012	5,891,768	8,822,958	13,546,398	20,170,522	5,325,134	355,545	54,112,325
2013	5,044,272	10,873,265	11,934,386	22,547,344	6,339,255	933,268	57,671,790
2014	4,850,603	12,508,593	13,598,965	24,909,438	3,412,984	1,728,392	61,008,975
2015	5,190,603	12,767,792	14,269,674	24,826,792	5,929,059	1,716,550	64,700,470
2016	5,190,603	12,680,667	11,628,614	24,914,119	5,325,398	1,964,121	61,703,522
2017	5,572,292	14,174,567	15,572,050	24,402,408	4,327,990	1,302,347	65,351,654
2018	5,924,407	12,648,905	19,954,759	23,689,180	7,846,063	547,983	70,611,297
2019	6,170,100	10,944,646	25,081,880	29,795,924	3,158,764	1,002,669	76,153,983

Revenue Capacity
Farebox Recovery Percentage
2010 - 2019

Exhibit 6

Year	Percentage
2010	24.3
2011	24.2
2012	25.4
2013	24.3
2014	23.1
2015	21.6
2016	21.5
2017	18.8
2018	17.1
2019	15.4

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

Exhibit 7

Revenue Capacity
Fare History
2010 - 2019

Fixed Route Service:		
Cash Fares:		
Regular	$	1.25
Student		1.25
Senior & Disabled		0.60
Local transfer		-
Interagency transfer		0.50
Day Pass:		
Regular	$	4.00
Discounted		2.50
5 - Day Pass:		
Regular	$	18.00
Discounted		9.00
Monthly Pass:		
Regular	$	65.00
Student		40.00
Senior & Disabled		24.00
Dial-A-Lift Service:		
Cash Fares	$	2.00
Water Taxi:		
Cash Fares:		
AquaBus	$	1.00
AquaLink		5.00

Demographic and Economic Information — Exhibit 8
City of Long Beach
Demographic Statistics
2010-2019

Fiscal Year Ended June 30	Estimated Population (A)	Personal Income (in millions) (B&E)	Per Capita Personal Income (B&E)	Public School Enrollment (C)	Unemployment Rate (D)
2010	462,685	12,938	27,964	86,283	13.9
2011	462,257	13,486	29,173	84,812	13.4
2012	465,576	14,058	30,196	83,691	12.2
2013	467,646	14,757	31,556	82,256	10.3
2014	469,428	15,525	33,072	81,155	8.6
2015	473,577	16,242	34,296	79,709	6.8
2016	474,140	16,939	35,725	77,812	5.7
2017	480,173	17,864	37,203	76,428	5.3
2018	478,561	16,210	34,370	74,681	5.1
2019	475,984	16,556	34,933	73,221	4.6

Sources:

(A) California Department of Finance.

(B) Bureau of Economic Analysis. Personal income and per capita personal income are based on percent change of per capita personal income for Los Angeles-Long Beach-Santa Ana, CA (Metropolitan Statistic Area). BEA's report does not have personal income and per capita personal income available for 2018, so an average of the last five years was used.

(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 Bureau of Labor Statistics.

(E) Restated prior years due to the data's annual revision.

Demographic and Economic Information — Exhibit 9
City of Long Beach
Principal Employers
Current Year and Nine Years Ago*

Employer	2018 Number of Employees	Percentage of Total City Employment	2009 Number of Employees	Percentage of Total City Employment
Long Beach Unified School District	12,511	5.14%	8,304	3.57%
Long Beach Memorial Medical Center	4,923	2.02%	5,570	2.40%
City of Long Beach	4,852	1.99%	5,805	2.50%
Veterans Affairs Medical Center	3,255	1.34%	2,332	1.00%
California State University, Long Beach	3,136	1.29%	6,690	2.88%
Long Beach City College	2,735	1.20%	2,276	0.98%
Molina Healthcare Inc.	1,869	0.77%	N/A	N/A
CSULB Reserach Foundation	1,649	0.68%	N/A	N/A
St. Mary's Medical Center	1,517	0.62%	7,684	3.10%
The Boeing Company	897	0.37%	1,479	0.64%

Source: Department of Financial Management Accounting and Business License and State of California Employment Development Department Labor Market Info for 2009 and 2018 via City of Long Beach.

* This is the latest information available.

Operating Information
Key Performance Indicators
2010 – 2019

Exhibit 10

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Fixed Route										
Operating Cost Per Vehicle Service Hour	$ 98.73	$ 106.77	$ 105.61	$ 110.11	$ 115.04	$ 115.40	$ 112.67	$ 114.57	$ 120.98	$ 127.44
Operating Cost Per Passenger	$ 2.34	$ 2.54	$ 2.50	$ 2.56	$ 2.69	$ 2.85	$ 2.94	$ 3.22	$ 3.65	$ 3.98
Roadcalls	1,481	1,325	1,819	1,778	2,243	2,163	1,912	1,897	2,367	2,021
Miles Between Roadcalls	5,384	5,807	4,219	4,438	3,413	3,572	4,040	4,222	3,409	4,071
Total Accidents	923	851	865	881	1,026	912	999	938	871	784
Preventable Accidents	100	90	89	120	101	126	103	99	94	101
Preventable Accidents Per 100,000 Miles	1.25	1.17	1.16	1.52	1.36	2.07	1.34	1.29	1.22	1.26
Passengers per Vehicle Service Hour	43	45	48	43	42	40	37	35	33	32
On-Time Performance[1]	99.9%	99.8%	99.9%	99.9%	77.4%	78.5%	85.2%	86.7%	85.7%	84.7%
Number of Vehicles	265	265	260	262	248	249	249	249	249	249
Number of Employees	732	708	725	728	729	723	728	727	746	745
Special Services										
Dial-A-Lift Cost Per Passenger[2]	$ 23.02	$ 19.71	$ 19.64	$ 20.42	$ 20.60	$ 19.36	$ 18.34	$ 18.90	$ 20.19	$ 27.12
Dial-A-Lift Passengers Per Service Hour	4.8	5.0	5.1	4.8	5.1	5.7	4.8	2.1	1.8	1.6
Number of Dial-A-Lift Vehicles	17	15	15	13	13	15	12	10	10	10
Water Taxi Cost Per Passenger[3]	$ 10.99	$ 11.94	$ 13.73	$ 9.23	$ 12.69	$ 11.27	$ 10.94	$ 9.03	$ 9.32	$ 10.17
Water Taxi Passengers Per Vehicle Service Hour[4]	15.61	14.09	13.81	13.94	16.32	16.11	19.02	18.99	19.15	19.49
Number of Water Taxi Vessels	3	3	4	4	4	4	4	4	4	4

[1] Scheduled times are compared with actual departure times using TransitMaster Automated Vehicle Location (AVL) system data. Starting in 2014, no event exceptions are used.

[2] Contract review found adjustments needed to accommodate minimum wage increases, resulting in increased cost.

[3] Costs only include fixed route water taxi services.

[4] Water Taxi Passengers per vehicle service hour has been restated to reflect State Controller reported data, as referenced in exhibit 14.

Operating Information
Customer Satisfaction Trends
2009-2019*

Exhibit 11

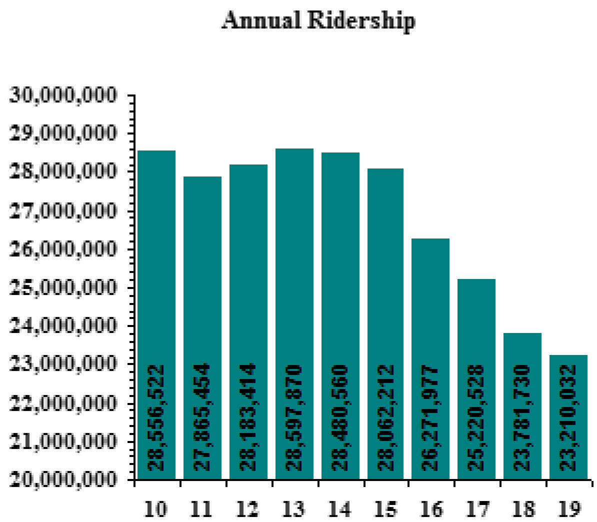
Service Element	% of Customers Rating Favorably									
	2009	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
LBT Overall	95	97	97	97	97	90	96	93	98	98
LBT Compared to Others	89	89	93	95	91	**	**	**	**	**
Operator Appearance	97	99	99	99	98	92	98	98	99	98
Fares	85	73	87	91	92	90	94	93	90	95
Operator Courtesy	90	90	92	94	91	91	95	95	99	96
Operator Safety	97	97	98	99	92	90	98	97	99	99
On Board Safety	95	95	96	97	95	86	90	**	**	**
Route Convenience	93	95	96	98	95	90	95	94	94	96
Information Available	93	90	95	95	92	86	92	91	89	90
Telephone Information	91	90	91	89	86	83	91	88	93	91
Bus Stop Safety	87	90	92	95	92	84	78	**	**	**
Bus Stop Convenience	95	96	96	97	97	89	95	94	95	94
Schedule Reliability	78	78	85	89	84	83	89	88	93	90
Bus Cleanliness	85	93	94	95	95	85	88	91	90	91
Bus Stop Cleanliness	84	86	91	91	92	87	86	88	88	82
Customer Satisfaction Index***	90	90	93	95	93	88	92	93	94	93

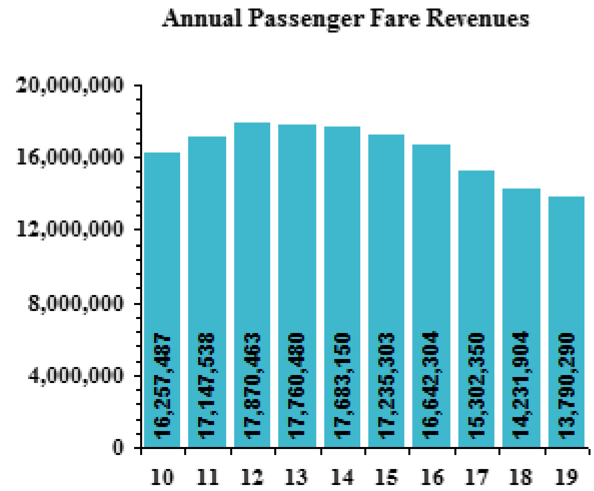
Source: Annual community survey.

* Formal customer surveys were not performed for fiscal year 2010.
** Not surveyed
*** The customer satisfaction index is an average of the above ratings.

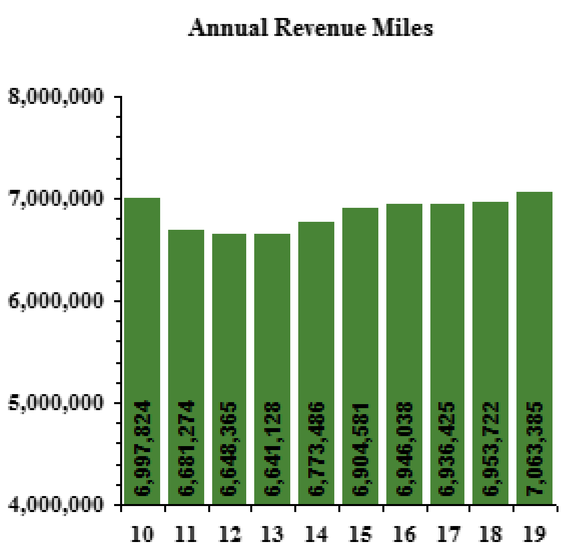
Exhibit 12

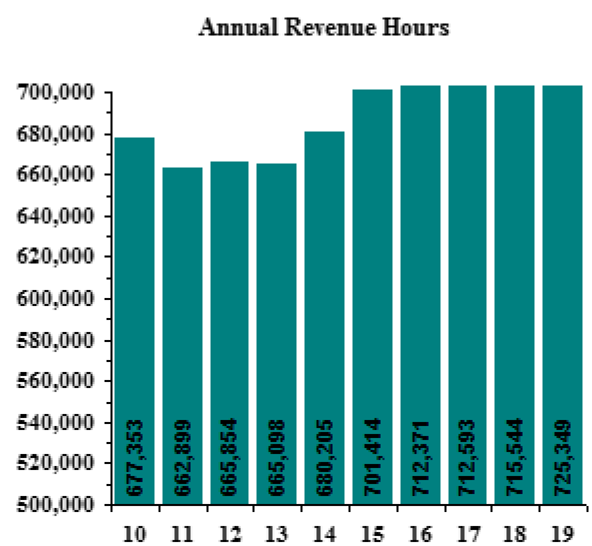
Operating Information
Fixed Route Statistics
2010 - 2019





LBT had a loss of ridership from FY 2018 to FY 2019, with 23.7 million boardings on LBT buses in FY 2018 falling to 23.2 million boardings on LBT buses in FY 2019. The 23.2 million boardings represented a 2.4% decrease from the previous year. This ridership decline is consistent with the experiences of other Southern California transit agencies.

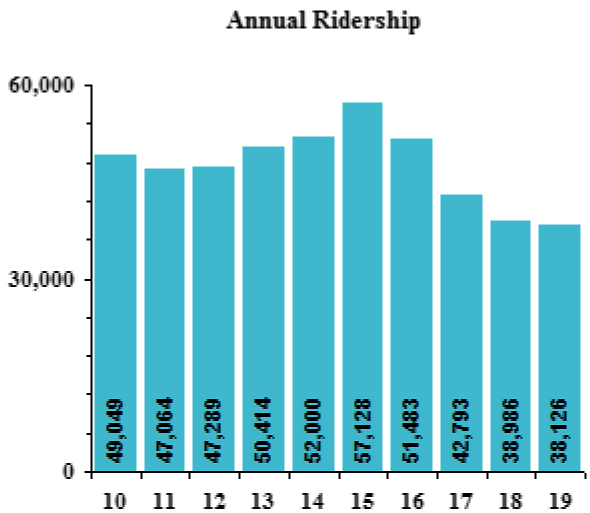


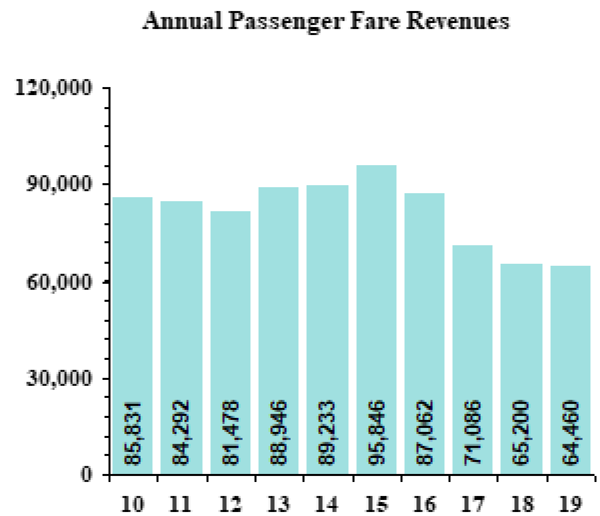


Source: Long Beach Transit's Annual National Transit Database Report

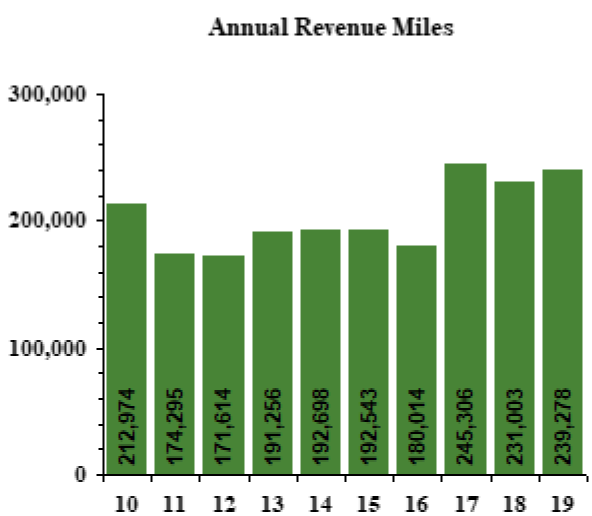
Exhibit 13

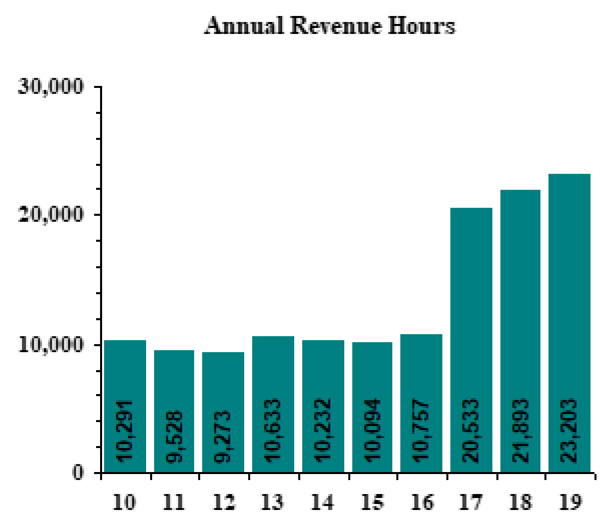
Operating Information
Dial-A-Lift Statistics
2010 - 2019





Dial-A-Lift had a 2.2% decrease in ridership in FY 2019. In FY 2018, LBT began recertifying members who had the service for more than three years to ensure that Dial-A-Lift is serving customers who truly need the service. The ridership decrease is attributed to this recertification process. The Dial-A-Lift service is supplied by a private contractor who provides Dial-A-Lift vehicle trips.

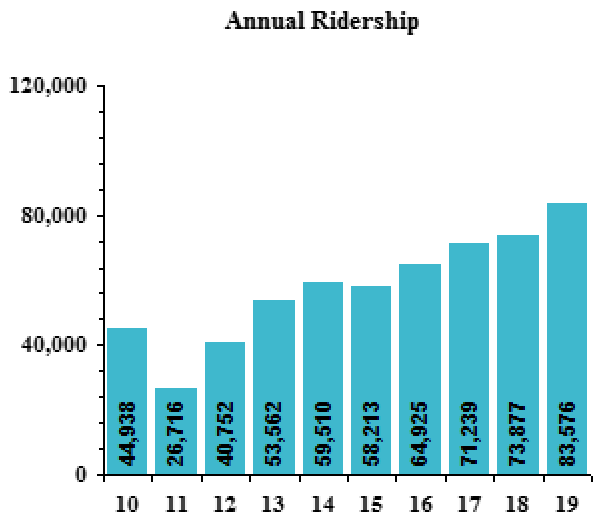


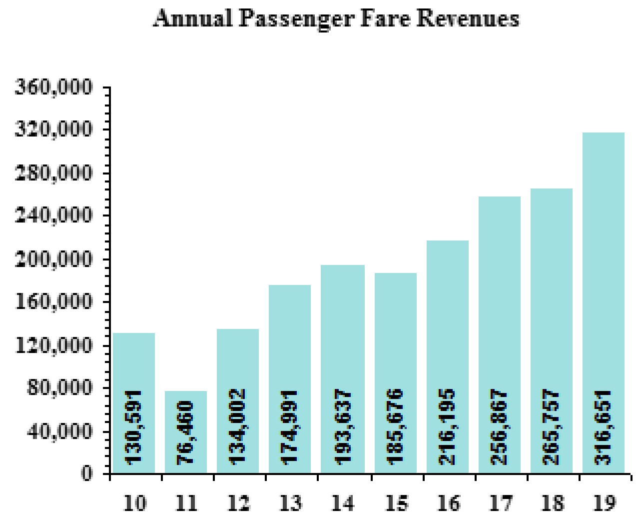


Source: Long Beach Transit's Annual National Transit Database Report

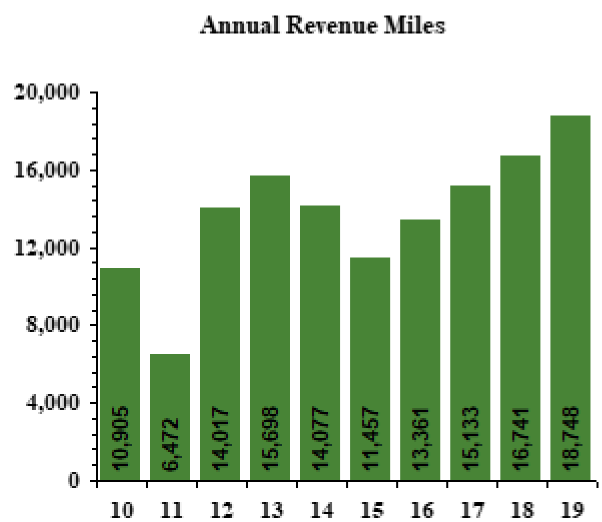
Operating Information
Water Taxi Statistics
2010-2019

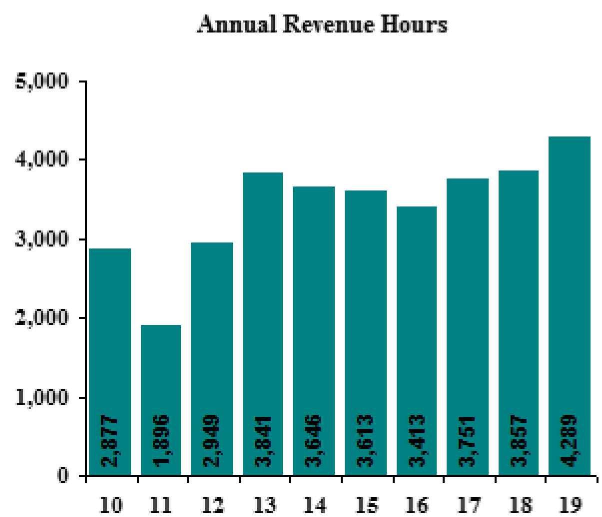
Exhibit 14





Water Taxi ridership increased 13.1% and revenues increased 19.1% in FY 2019. These increases are due to the increased ridership on the AquaLink service. The attractions along the AquaLink route have increased the popularity of the service.





Source: State Controller's Report

Operating Information — Exhibit 15
Schedule of Insurance in Force
June 30, 2019

Program Expiration	Term	Agency	Amount/Limit
LIABILITY			
A. Auto and General Liability			
07/1/20	1 yr	Argonaut Insurance Agency Alteris Insurance Services	$10,000,000 excess of $2,000,000 SIR
B. Underground Storage Tank- Third-Party Liability			
04/1/20	1 yr	Illinois Union Insurance Co.	$2,000,000 - each incident $3,000,000 - aggregate $3,000,000 - aggregate legal defence $6,000,000 Total Policy Aggregate/ All Incidents Deductible $50,000 and $100,000 per Schedule on policy
COMMERCIAL PROPERTY			
04/1/20	1 yr	Travelers Property Casualty Co.	$24,912,277 - Real Property $22,353,000 - Business Personal Property $20,000,000 - Deductible for buses in the open (in the yard) $476,000 - Extra Expense $5,000,000 - Earthquake Sprinkler Leakage $50,000 - Deductible per Earthquake Sprinkler Leakage $2,500 - Deductible per Occurance $50,000 - Deductible for Buses $5,000 - Deductible Personal Property in Transit
WORKERS' COMPENSATION			
07/1/20	1 yr	Safety National Casualty Corp	SIR: $1,500,000 WC limit each accident: Statutory Employer's Liability per occurrence: $2,000,000

CRIME POLICY

11/1/19	1 yr	Hartford Fire Insurance Co.	$1,000,000 - Employee Theft $20,000 deductible (Employee Theft) $1,000,000 - Computer and Funds $1,000,000 - Inside the Premises (Money, Securities and Other Property) $50,000 - Money Orders & Counterfeit Currency $100,000 - Deception Fraud $5,000 - Deductible for all other claims

FELONIOUS ASSAULT POLICY

7/1/20	3 yr	Chubb and Son, A Division of Federal Insurance Agency	$100,000 – Life insurance policy covering death as a result of an assault on the job, Article 31, LBT/ATU 1277 CBA

FIDUCIARY LIABILITY

11/1/19	1 yr	Chubb Group of Insurance Co.	$ 3,000,000 Each Loss $ 1,000,000 Each Policy Period $ 10,000 Deductible

CYBER LIABILITY

07/1/20	1 yr	ACE American Insurance Company	$ 5,000,000 - Pollution Incident Limit $ 5,000,000 - Aggregate Limit of Liability $25,000 - Per Incident Deductible

ENVIRONMENTAL LEGAL LIABILITY

07/1/20	1 yr	ACE American Insurance Company	$ 5,000,000 - Pollution Incident Limit $ 5,000,000 - Aggregate Limit of Liability $25,000 - Per Incident Deductible

Source: Long Beach Transit's Risk Management Department

Operating Information

Exhibit 16

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

Route	FREQUENCY OF SERVICE — Peak/Base (5am - 6pm) Weekday	Saturday	Sunday	Evening/Night (after 6pm) Weekday	Saturday	Sunday	DAILY HOURS OF OPERATION Weekday	Saturday	Sunday
1	30 min	45 min	45 min	30/60 min	45 min	45 min	438A - 1125P	609A - 852P	609A - 852P
20	15/20min	20min	20min	20/30/60 min	20/30/60 min	20/30/60 min	445A - 110X	455A - 113X	455A -113X
40	10 min	12 min	15 min	10/30 min	15/30 min	30/60 min	430A - 125X	502A - 124X	505A - 124X
50	12/15 min	20/30 min	20 min	15/20/30 min	20/30 min	20/30 min	430A - 1210X	505A - 1211X	510A - 1211X
60	12 min	20/30 min	20 min	20/30/60 min	20/30/60 min	20/30/60 min	450A - 120X	532A - 116X	529A - 117X
70	30 min	45 min	45 min	30 min	45 min	45 min	455A - 825P	454A - 932P	454A - 932P
80	50 min	--	--	--	--	--	615A - 643P	--	--
90	12/15 min	15/20 min	20/30 min	15/20/30 min	20/25/30 min	20/30 min	400A - 115X	500A - 113X	500A - 113X
101/103	20/30 min	20/40 min	20/40 min	30 min	20/40 min	20/40 min	458A - 1045P	550A - 805P	550A - 805P
102/104	30/40 min	60 min	60 min	40/60 min	--	--	530A - 857P	648A - 725P	650A - 725P
110	20 min	30 min	30 min	30/60 min	30/60 min	30/60 min	500A - 120X	505A - 101X	505A - 1259X
121	20 min	20/25/30 min	25/30 min	20/30 min	25/30 min	25/30 min	425A -109X	501A - 108X	502A - 108X
131	45 min	60 min	60 min	60 min	60 min	60 min	451A - 1015P	530A - 927P	530A - 927P
151	20 min	40 min	40 min	20/60 min	40 min	40 min	418A - 1252X	454A - 1254X	445A - 1254X
170	15 min	15/30 min	15/30 min	20/30/60 min	15/30/60 min	15/30/60 min	419A - 1256X	508A - 1257X	508A - 1255P
171	40 min	45 min	45 min	40 min	60 min	60 min	430A - 1118X	655A - 1106P	658A-1010P
175	40 min	---	---	--	--	--	631A-717X	--	--
181	45 min	60 min	60 min	45-60 min	60 min	60 min	540A - 955P	505A - 855P	505A - 855P
182	45 min	60 min	60 min	45-60 min	60 min	60 min	555A - 855P	535A -823P	535A - 823P
190	15 min	20 min	20 min	20/30/60 min	20/30/60 min	20/30/60 min	401A - 115X	505A - 121X	505A - 121X
Passport									
Passport	15 min	12/15 min	12/15 min	15/30 min	12/15 min	12/15 min	504A - 101X	503A - 1256X	503A - 1256X

Source: Long Beach Transit's Service Planning Department

Pension Information
Employer and Employee Pension Contributions
2010 – 2019

Exhibit 17

Fiscal Year Ended June 30	Employer Contribution*	Employee Contribution	Covered Payroll **	Contribution as a Percentage of Payroll
Contract Plan				
2010	$ 4,111,605		23,738,325	17.32
2011	3,791,200		23,062,414	16.44
2012	2,099,802	1,141,708	23,947,941	13.54
2013	2,473,826	1,142,100	24,693,232	14.64
2014	3,326,307	1,437,006	27,266,377	17.47
2015	3,067,778	1,643,452	25,321,405	18.61
2016	3,439,288	1,754,192	29,787,114	17.44
2017	3,877,435	2,141,425	30,447,872	19.77
2018	4,054,711	2,461,892	31,093,861	20.96
2019	4,488,508	2,677,045	30,624,368	23.40
Salaried Plan				
2010	$ 1,964,523		7,729,285	25.42
2011	2,041,762		7,121,812	28.67
2012	1,244,244	387,987	7,602,881	21.47
2013	2,244,185	449,958	7,800,712	34.54
2014	2,847,508	436,748	6,924,729	47.43
2015	4,758,243	402,617	6,380,468	80.89
2016	4,270,185	365,367	6,023,124	76.96
2017	2,790,134	340,086	5,186,888	60.35
2018	2,602,155	320,450	4,858,664	60.15
2019	3,111,520	322,305	4,782,843	71.79

* Total contribution amounts reflect year-end accruals which are adjusted for actual pay in the following fiscal year.
** Covered Payroll prior to 2018 have been restated in accordance with GASB.

Source: Contract and Salaried pension plan financial statements for the year ended June 30, 2019.
These financial statements are prepared under separate cover and contain additional trend information.

Pension Information

Exhibit 18

Pension Revenues by Source and Expenses by Type
2010 – 2019

	Revenues by Source				Expenses by Type			
Fiscal Year Ended June 30	Employer and Employee Contributions	Benefit transfer	Investment Return	Total	Administrative Expenses	Benefit Payments	Benefit transfer	Total
Contract Plan								
2010	$ 4,111,605	$ -	$ (3,780,305)	$ 331,300	$ 204,627	$ 2,544,902	$ 158,341	$ 2,907,870
2011	3,791,200	-	6,604,495	10,395,695	227,962	1,852,836	168,731	2,249,529
2012	3,241,510	-	682,971	3,924,481	255,280	2,610,617	25,643	2,891,540
2013	3,714,988	-	3,324,692	7,039,680	291,858	2,447,910	-	2,739,768
2014	4,763,313	-	5,113,555	9,876,868	323,518	4,326,353	241,886	4,891,757
2015	4,711,230	-	(569)	4,710,661	349,496	4,881,029	288	5,230,813
2016	5,193,480	-	(407,799)	4,785,681	325,026	3,182,794	17,501	3,525,321
2017	6,018,860	-	4,919,899	10,938,759	376,137	4,615,902	255,041	5,247,080
2018	6,516,603	-	2,807,077	9,323,680	380,134	5,626,291	37,663	6,044,088
2019	7,165,553	-	1,715,995	8,881,548	364,631	3,859,763	-	4,224,394
Salaried Plan								
2010	$ 1,964,523	$ 158,341	$ (1,169,295)	$ 953,569	$ 94,633	$ 950,146	$ -	$ 1,044,779
2011	2,041,762	168,731	2,235,151	4,445,644	118,827	2,255,212	-	2,374,039
2012	1,632,231	25,643	(238,790)	1,419,084	118,457	2,294,168	-	2,412,625
2013	2,694,143	-	960,977	3,655,120	117,013	702,018	-	819,031
2014	3,284,256	241,886	1,750,047	5,276,189	142,002	234,268	-	376,270
2015	5,160,860	288	(11,557)	5,149,591	167,173	1,818,412	-	1,985,585
2016	4,632,552	17,501	(194,989)	4,455,064	167,603	1,332,112	-	1,499,715
2017	3,130,220	255,041	2,277,537	5,662,798	203,559	3,003,925	-	3,207,484
2018	2,922,605	37,663	1,376,782	4,337,050	199,961	1,503,429	-	1,703,390
2019	3,433,825	-	777,683	4,211,508	187,683	951,414	-	1,139,097

Source: Contract and Salaried pension plan financial statements for the year ended June 30, 2019.
These financial statements are prepared under separate cover and contain additional trend information.

Grant Information
Capital Grant History
Federal Grants 2010 - 2019

Exhibit 19

FTA Grants	Authorized Amount	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
CA-90-Y082	11,356,000										
CA-90-Y117	7,751,180										
CA-90-Y226	10,958,295	$ 57,407									
CA-90-Y271	9,982,170	130,707									
CA-90-Y391	13,354,477	484,648	$ 95,849	$ 60,034	$ 2,527,386						
CA-90-Y440	6,358,401	178,157	35,420	11,972							
CA-90-Y502	14,756,941	1,582,195	81,688	132,711	26,545						
CA-90-Y652	13,051,167	1,569,176	654,528	398,367	8,331,767	$ 428,257	$ 175,263	$ 41,956			
CA-95-X040	447,000	300,763	57,282								
CA-03-0714	970,874										
CA-04-0061	1,915,492										
CA-90-Y731	14,960,635	5,850,160	4,965,764	234,409	3,761,979	71,168	5,361				
CA-03-0759	485,888										
CA-90-X007	16,497,214	6,466,024	8,840,940	693,688							
CA-04-0065	2,604,050		1,998,932	(173,860)	778,978						
CA-04-0134	1,783,466		222,952	351,368	1,096,541	71,421	41,184				
CA-90-Y798	13,994,380		3,046,130	6,541,814	646,277	312,347	829,421	11,026	$ 2,344		
CA-90-Y880	15,774,862			746,816	7,199,267	2,525,909	86,464	40,244	33,223	$ 1,935,227	$ 21,716
CA-04-0184	2,863,280			899,012	702,223	387,690	330,469	5,296	70,224		
CA-04-0199	950,000				950,000						
CA-88-0004	6,700,000				637,161	193,185	88,283	237,053	4,213,586	1,677,736	66,432
CA-90-Y957	16,248,527				1,048,270	2,605,970	5,748,917	46,226	112,598	6,552,428	127,859
CA-90-Z053	17,391,081					773,241	3,102,621	6,504,828	44,927	455,784	96,488
CA-90-Z120	20,701,104					49,875	10,518,828	1,438,564	1,254,135	1,812,501	868,012
CA-58-0015	2,000,000						2,000,000				
CA-90-Z232	14,113,447							1,622,069	5,264,836	4,829,286	302,859
CA-2016-049	20,731,551								1,314,496	9,911,532	498,404
CA-2017-050	17,837,931									2,069,639	3,258,119
CA-37-X100*	437,730									426,335	11,395
CA-2018-127	1,172,867										17,326
	TOTAL	$ 16,619,237	$ 19,999,485	$ 9,896,331	$ 27,706,394	$ 7,419,063	$ 22,926,811	$ 9,947,262	$ 12,310,369	$ 29,670,468	$ 5,268,610

Note: Year 2018 is reinstated to include CA-37-X100

Grant Information

Exhibit 20

Capital Grant History
State Grants 2010 - 2019

State Grants	Authorized Amount	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
CA-90-Y226	$ 2,739,574	$ 14,374									
CA-95-X040	$ 203,182	11,826									
STA 01	$ 990,696										
STA 02	$ 1,341,400										
STA 03	$ 838,329										
STA 07	$ 910,000										
STA 08	$ 3,528,162	440,431	$ 40,077	$ 10,681	$ 19,986						
STA 11	$ 580,795				331,826	$ 248,972					
1B PTMISEA*	$ 22,935,490			863,708	5,851,780	20,924	$ 1,990,351	$ 309,770	$ 1,780,966	$ 1,883,455	$ 508,411
1B SEC	$ 3,952,019	417,044	100,896	252,533	197,999	374,050	274,793	644,369	84,411	22,254	204,910
LCTOP	$ 512,596										483,236
	TOTAL	$ 883,675	$ 140,973	$ 1,126,922	$ 6,401,591	$ 643,946	$ 2,265,144	$ 954,139	$ 1,865,377	$ 1,905,709	$ 1,196,557

Note: Award was not included in prior years' CAFR

Grant Information
Capital Grant History
Local Grants 2010 - 2019

Exhibit 21

Local Grants	Authorized Amount	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Prop C – CA-90-Y271	2,375,547	$ 27,101									
Prop C-CA-90-Y391	2,934,372	118,327	$ 21,172	$ 13,250	$ 517,992						
Prop C-CA-90-Y440	1,329,020	36,085	8,134	2,935							
Prop C Sec-CA-90-440	138,600	8,456	721								
Prop C FY 08	1,661,127	111,424	433,695	207,383							
Prop C-CA-90-Y502	3,512,702	394,626	20,417	33,179	6,698						
Prop C-CA-90-Y652	2,030,062	289,667	163,641	131,869	1,037,686	107,052	$ 43,821	$ 9,366			
MTA 8111	428,774	164,545									
Prop C Sec-CA-90-Y652	47,128	33,761	(13)								
Prop C FY 09	985,343	322,747	519,828								
Prop C-CA90-Y731	3,604,442	1,484,939	1,239,842	58,875	736,865	17,792	2,837				
Prop C FY 10	110,000	60,825	49,175							229,189	11,757
Prop C FY 11	3,808,593		155,049	908,816	1,257,341	702,307	341,032	339,043	105,434		
Prop C-CA-90-798	3,003,969		762,626	1,635,402	161,627	78,086	107,922	2,693	586		
Prop C-CA-04-065	576,983		499,766	(43,498)	120,715						
Prop C-CA-04-134	312,540		55,704	87,876	140,809	17,855	10,297				
Prop C-CA-04-184	860,720			224,801	225,800	125,882	109,267	1,324	17,254		
Prop C FY 12	2,818,242				987,020	928,199	324,026	303,876	104,107	54,336	
Prop C FY 13	3,242,074				27,419	328,881	1,747,453	551,216	357,117	28,235	29,979
Prop C-CA-88-0004	876,429				219,786	82,791	35,027	85,464	443,083	132,474	24,361
Prop C-CA-90-Y957	2,864				881	701	265	841	177		
Prop C FY 14	2,518,706					61,119	499,668	429,482	708,945	624,427	17,104
Prop C-CA-90-Y880	2,252					927	1,325				
Prop C FY 15	4,033,963						658,270	1,117,119	990,459	185,851	242,819
Prop C-CA-90-Z053	89,216						3,305	5,799	706	71,351	7,638
Prop C-CA-90-Z120	1,465,833						890,691	150,106	86,122	2,098	934
Prop C FY 16	4,172,213							92,683	610,084	121,131	283,782
Prop C-CA-90-Z232	90,824								36,827	46,848	5,203
Prop C-CA-2016-049	700,368									608,052	
Prop C-CA-37-X100*	109,433									106,583	2,850
Prop C FY 17	4,401,948									14,715	82,412
Prop C FY 18	4,492,599									551,683	427,283
Prop C FY 19	4,587,785										112,288
	Total	$ 3,052,503	$ 3,929,757	$ 3,260,888	$ 5,440,639	$ 2,451,592	$ 4,775,206	$ 3,089,012	$ 3,460,901	$ 2,776,973	$ 1,248,410

Note: Year 2018 is reinstated to include CA-37-X100

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