

LONG BEACH TRANSIT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

A component unit of the City of Long Beach
For the years ended June 30, 2013 and 2012
Long Beach, CA

2013

Celebrating our 50th Anniversary



50

Long Beach Transit
Since 1963

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For the years ended June 30, 2013 and 2012
Long Beach, CA



2013

Prepared by the Finance Department
Jennifer Abro, Controller
Lisa Patton, Executive Director / VP

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

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LONG BEACH

T R A N S I T

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December 11, 2013

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

We are pleased to submit for your information and consideration the Comprehensive Annual Financial Report (CAFR) of Long Beach Public Transportation Company (Long Beach Transit or the Company) for fiscal year July 1, 2012 to June 30, 2013.

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

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

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

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

Kenneth McDonald, President and CEO

REPORTING ENTITY

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

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

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

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

SERVICES

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

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

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

Fixed Route Bus Service

The Company provides fixed route bus service to a 98 square mile area, which includes the cities of Long Beach, Lakewood and Signal Hill; and portions of Bellflower, Carson, Cerritos, Hawaiian Gardens, Norwalk and Paramount. This service covers 34 routes, requiring 223 buses and shuttles.

Of the 34 fixed routes operated by the Company, 28 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 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, special bus stop improvements, passenger shelters equipped with graphic displays, and electronic monitors displaying real-time schedule information. This location is also a major transfer point for Torrance Transit, Los Angeles Department of Transportation (LADOT), and Los Angeles County Metropolitan Transportation Authority (Metro).

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

Long Beach Transit maintains neighborhood bus shelters and benches, providing customer convenience and comfort. There are over 1,900 stops throughout the system and the Company ensures the stops are well-maintained and meet high cleanliness standards.

Passport Shuttle Service

The Passport is a free bus that connects you to downtown Long Beach's finest attractions and destinations, including the iconic Queen Mary, Aquarium of the Pacific, Pine Avenue, City Place Mall, The Pike at Rainbow Harbor, Convention Center, Shoreline Village, many downtown hotels and Long Beach Transit's water taxis, the AquaLink and AquaBus.

During 2013, the Passport A, B and D routes were streamlined into the Company's fixed route service. The Passport C became the Passport service and continues to provide free service on its entire route. New stops include the Residence Inn and the Hilton Hotel. The service is provided by seven low-floor, CNG buses. Passport vehicles are stored and maintained at the main administrative facility on Anaheim Street. During fiscal year 2013, the Passport carried 1.9 million passengers.

Demand Responsive Paratransit Service (Dial-A-Lift)

Long Beach Transit offers Dial-A-Lift paratransit service for persons with disabilities. This curb-to-curb service operates on a call-in basis and is provided by a private contractor. All vehicles are owned by the Company, but stored, maintained and dispatched by the contractor. The Dial-A-Lift service is operated by a local taxi company using a fleet of mini-van taxis. The contractor supplements Dial-A-Lift rides with its ordinary taxi service on an as-needed basis, eliminating the need for additional dedicated vans. This results in lower overall costs. There were 50,414 boardings on Dial-A-Lift in FY 2013.

Water Taxi Service (AquaBus and AquaLink)

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

There are two AquaBus boats that provide links to the Queen Mary, Aquarium of the Pacific, and Shoreline Village. These boats, which carry up to 49 passengers, tie directly with the downtown Passport shuttle buses and parking facilities, allowing visitors to see Long Beach's many attractions without having to get in their car.

For passengers wanting to travel further down the coast, the AquaLink boats, two 75-seat catamarans, provide service that operates between the Queen Mary, Aquarium of the Pacific, Belmont Pier and Alamitos Bay Landing. Express service began in FY 2012 from the Aquarium of the Pacific dock 4 in downtown Long Beach, directly to Alamitos Bay landing restaurants.

The service is operated by Catalina Express, a private contractor. The vessels are owned by Long Beach Transit, and stored and maintained at the contractor's docking facilities. This service runs daily during the summer months. Annual ridership for fiscal year 2013 was 53,562 boardings.

Community Special Service

Long Beach Transit provides a Museum Express bus service to major museums and garden attractions in Los Angeles and Orange Counties. Tickets can be purchased in advance for the service, which runs from June through August. The Museum Express offers residents who would not ordinarily ride the bus an opportunity to try transit and is particularly beneficial to our senior and transit dependent customers who can rely on the service to access attractions they could not travel to on their own. Each year, the Company also supports the Toyota Grand Prix of Long Beach and other large, special events by providing supplemental service where needed.

ACCOMPLISHMENTS

2013 marks Long Beach Transit's 50th year providing transit service to the City of Long Beach and surrounding communities. We began in 1963 with fewer than 100 buses and carrying about 8 million customers annually. We have grown to over 260 buses, vans and water taxis that carry over 28 million customers annually – making us one of the most productive and efficient transit systems of our size in the country. Rain or shine, through 50 years of achievements and challenges, Long Beach Transit has served our community by never missing a day of service.

Fleet Improvements

The Company continues to focus on its goal of maintaining a modern, low emission, efficient transit fleet. During 2013, we replaced 58 aging diesel buses with Compressed Natural Gas (CNG) buses. These 58 CNG buses, manufactured by Gillig, are operated out of our facility located at 6860 Cherry Street in North Long Beach. These buses, along with our existing fleet of hybrid gasoline-electric buses make our 40-foot bus fleet nearly 73% alternatively fueled.

As part of the ongoing effort to keep our bus fleet modern, attractive, clean and functioning to our highest standards for our customers and community, Long Beach Transit is continuing to detail our coaches twice a year and to replace our passenger and operator seats every three years.

Long Beach Public Transportation Company

Service Improvements

An exciting improvement for our customers is new route 176 that was implemented in February as a result of the Federal Job Access and Reverse Commute funding program. This route connects the Villages at Cabrillo residential community and the Metro Blue Line Pacific Coast Highway (PCH) Station with the Lakewood Mall. This route provides access to the busy PCH corridor, both Long Beach City College campuses, and the Long Beach Airport.

Customer Amenities

Long Beach Transit customers now have easier access to scheduled and real-time bus information with the launch of the Company's mobile website. The new site allows customers to quickly access their route information and next bus arrival via their phone's web browser while on the go.

Facility Upgrades

With the addition of CNG vehicles to our fuel mix, construction of a new CNG station was completed at our facility located at 6860 Cherry Street in North Long Beach. This project included significant upgrades at both our facilities to allow us to repair CNG coaches. These modifications included non-sparking exhaust fans, combustible gas detection alarm systems, low temperature heaters, specialized lighting, automatic rollup doors, and specialized electrical panels and circuitry.

Sustainability Program

Long Beach Transit is committed to being a leader in environmental preservation and resource efficiency by using sustainable materials, methods and technologies that improve the environmental, social and economic health of the communities we serve.

Our commitment to sustainability includes the operation of the largest hybrid gasoline-electric bus fleet in the nation with 89 buses. Further, we have replaced 64 aging diesel buses to date with the purchase of 64 CNG-powered vehicles. Our sustainable bus stops continue to grow with the use of solar-based power to provide lighting and energy for the real-time variable message signs.

Sustainability efforts continue with our Environmental Sustainability Management System (ESMS) team member's successful completion of the FTA Environmental & Sustainability Management System Institute.

Long Beach Transit is a signatory to both the International Association of Public Transportation and American Public Transportation Association sustainability charters, committing the agency to ongoing conservation and sustainability efforts.

Federal and State Audits

During fiscal year 2013, the State of California conducted a Triennial Performance Review of Long Beach Transit. The California Public Utilities Code requires all recipients of Transit Development Act (TDA) funding to complete an independent review on a three-year cycle. The Triennial Performance Review includes compliance requirements, analysis of program data reporting, performance review and functional review. Based on their analysis of our performance and a review of our program compliance and function, Long Beach Transit met the test of compliance with respect to all TDA regulations.

The Federal Transit Administration (FTA) is conducting Project Management Oversight (PMO) reviews on Long Beach Transit's Technological Infrastructure Upgrade project and our Maintenance Asset Management project. PMO is a continuous review and evaluation throughout

Long Beach Public Transportation Company

the life of each project to ensure compliance with statutory, administrative, and regulatory requirements. The FTA monitors the projects to ensure they are progressing on time, within budget, and in accord with approved grantee plans and specifications.

Long Beach Transit received high marks for our Environmental Sustainability Management System (ESMS) and meeting the rigorous ISO standards. The audit ensured our facilities conform to ISO 14001, confirmed that our ESMS program is properly implemented, and evaluated our management review process to ensure the long-term sustainability and effectiveness of the program.

KEY PERFORMANCE RESULTS

Performance Statistics

One of the several methods used to monitor performance is through key indicators that track service quality, efficiency, and productivity. The results for fiscal year 2013 are on page 46.

In terms of fixed route ridership, we carried over 42 passengers per vehicle service hour. This means that we picked up more than 4 customers on each mile driven.

In terms of fixed route cost recovery, we brought in \$17,760,480 in passenger fare revenue. This means that \$2.67 was put into the farebox on each mile driven.

Community Evaluation

Long Beach Transit also tracks the degree of customer satisfaction with the quality of services provided. An independent research firm is engaged annually to randomly poll customers and non-riders to measure perceptions of service quality. Results for 2013 and prior years are shown on page 47. Overall, 97% of riders continue to view Long Beach Transit service as good or excellent.

FACTORS AFFECTING FINANCIAL CONDITION

General Economic Conditions

The state and local economies continue a slow recovery from the recession. Long Beach Transit stands on firmer ground, but more work remains to be done in rebuilding our reserves and ensuring the sustainability of our pensions. The existing state and federal funding environment is not expected to result in significant additional funding for transit in the future. Management believes our conservative financial practices will allow us to meet the funding challenges for the upcoming year while maintaining current service levels.

Financial Policies

It is Long Beach Transit's policy to maintain the fiscal integrity of our operating and capital budgets. We accomplish this by ensuring that our ongoing operating costs do not exceed the amount of our ongoing revenue. Daily operations are financed by fare revenue, annual sales tax subsidies received from state and county programs, and miscellaneous other revenue such as income from advertising on Company vehicles and investment income. The amount of operating sales tax subsidies received each year is based on a regional formula comprised primarily of fares and revenue miles.

The Company has no debt and only uses available grant funds to procure capital acquisitions. The Company has no plans to issue debt and our policy is to continue to fund future capital needs on a pay as you go basis through formula and discretionary grants.

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

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

INNOVATION AND RECOGNITION

For the 22nd straight year, the GFOA of the United States and Canada awarded a Certificate of Achievement for excellence in Financial Reporting to Long Beach Transit for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2012. A Certificate of Achievement is valid for a period of one year only. In order to receive the award, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report in compliance with the GFOA policies, procedures and program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

Daniel Green, Coach Operator, received a Commendation from the City of Long Beach Police Department for his attention to detail. Thanks to Daniel's efforts and commitment, valuable property that had been stolen from a customer was returned and a suspect was arrested.

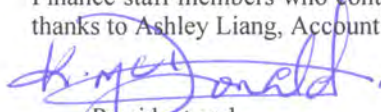
Angela Allen, Coach Operator, received the Community Service Award from the Long Beach Police Foundation for her keen observation skills, quick action, and teamwork during a critical situation. Thanks to Angela's efforts, a missing man with diabetes and dementia, whose safety and health was at grave risk, was safely reunited with his family.

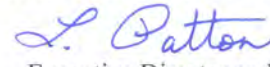
Lanvin Wiggins, Coach Operator, and Kent Bowers, Supervisor, received the Community Service Award from the Long Beach Police Foundation for their attentiveness to the community that they serve and willingness to share vital information with the Police Department. Through their diligence, they ensured the safe return of a missing person who was unable to care for his own safety.


Our Transit Enforcement Detail received the Unit Citation Award from the Long Beach Police Foundation for their commitment and exceptional results. The Transit Enforcement Detail is a small and productive team comprised of one supervisor and five officers. By developing partnerships with Federal, State, local law enforcement, mental health professions, and numerous stakeholders, the Transit Enforcement Detail has developed into a vigilant team focusing on Homeland Security efforts. Members of the team are Sergeant David Marander, Officer Scott Nishitani, Officer Jason Smith, Officer Blayne Tom, Officer Kenny Cruz and Officer Ricardo Ramirez.

ACKNOWLEDGMENTS

We wish to acknowledge the participation and professional contribution of the accountancy firm of Windes & McClaughry in providing technical assistance. In addition, we wish to recognize those Finance staff members who contributed their time and efforts in preparing this document. Special thanks to Ashley Liang, Accounting Manager and Rhodeliza Morillos, Finance Manager.


President and
Chief Executive Officer


Executive Director and
Vice President of Financial Services


Controller



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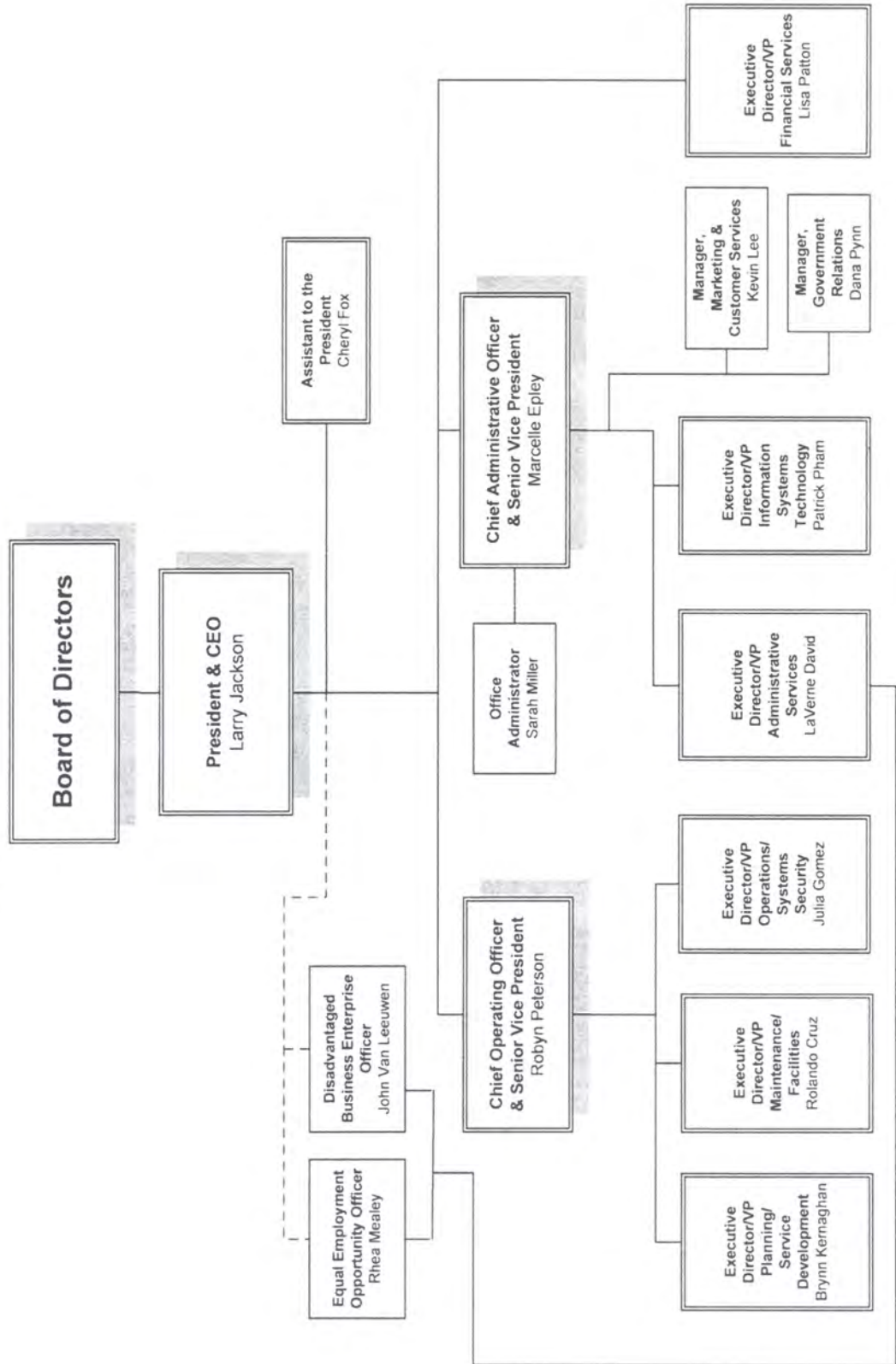
**Long Beach
Public Transportation Company
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

Long Beach Transit General Management



Board of Directors

Barbara Sullivan George	Chair of the Board
Freda Hinsche Otto	Vice Chair
Lori Ann Farrell	Secretary – Treasurer
Dr. James P. Norman, Jr.	Director
Maricela de Rivera	Director
Donald M. First	Director
Victor Irwin	Director
Michael Conway	Ex Officio Member, City of Long Beach
David Roseman	Ex Officio Member, City of Long Beach

Management

Laurence W. Jackson	President & Chief Executive Officer (Until July 1, 2013)
Kenneth McDonald	President & Chief Executive Officer (Effective August 1, 2013)
Robyn Peterson	Chief Operating Officer & Senior Vice President
Marcelle Epley	Chief Administrative Officer & Senior Vice President
Lisa Patton	Executive Director, VP Financial Services
Rolando Cruz	Executive Director, VP Maintenance & Facilities
LaVerne David	Executive Director, VP Risk Management, Training & Human Resources
Patrick Pham	Executive Director, VP Information Systems & Technology
Brynn Kernaghan	Executive Director, VP Planning & Service Development
Julia Gomez	Executive Director, VP Operations & Safety

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Long Beach Public Transportation Company

We have audited the accompanying financial statements of the Long Beach Public Transportation Company (Company), a component unit of the City of Long Beach, California, which comprise the statement of net position as of June 30, 2013 and 2012, 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, 2013 and 2012, 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 9 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

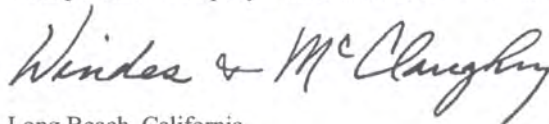
Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The supplemental informational schedules summarizing the funding progress of the Company's defined benefit pension plan and statistical section are presented for purposes of additional analysis and are 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 11, 2013 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.



Long Beach, California
December 11, 2013



MANAGEMENT'S DISCUSSION and ANALYSIS

As management of Long Beach Public Transportation Company (Long Beach Transit or the Company), we offer readers of Long Beach Transit's financial statements this narrative overview and analysis of the financial activities of the Company for the fiscal years ended June 30, 2013, 2012 and 2011. 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-viii of this report.

FINANCIAL HIGHLIGHTS

- Long Beach Transit's assets exceeded its liabilities at June 30, 2013 by \$101.9 million (net position). Of this amount, \$3.6 million (unrestricted net position) may be used to meet the Company's ongoing obligations arising from providing transportation service to the community.
- The State of California reinstated State Transit Assistance (STA) funding to transit operators in 2011. Long Beach Transit received \$4.9 million in STA funds in fiscal year 2013.
- Measure R, approved by the voters, provides a ½ cent sales tax for transportation improvements. In fiscal year 2013, we received \$7.2 million in Measure R funds.
- Effective July 1, 2011, employees were required to contribute 5% of their compensation to the existing defined benefit plan and pay 10% of personal individual medical, dental and vision premiums and 15% of dependent premiums.
- Operating expenses before depreciation increased 4.3% due to an increase in labor and fringe costs.
- In order to balance the operating budget, the Company funded preventive maintenance operating expenses with capital grant funds, as permitted by federal law.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The statements of revenues, expenses, and changes in net position present information showing how the Company'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).

Management's Discussion and Analysis, continued

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

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

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

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 15-37 of this report.

FINANCIAL STATEMENT ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the Company's financial position. In the case of Long Beach Transit, assets exceeded liabilities by \$101.9 million at the close of fiscal year 2013.

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

	Year – Ended		
	2013	2012	2011
Current assets	\$ 41,381,973	\$ 38,377,932	\$ 35,347,004
Other noncurrent assets	21,429,991	25,595,710	24,446,023
Capital assets, net	<u>98,327,695</u>	<u>79,281,750</u>	<u>83,828,062</u>
Total assets	<u>161,139,659</u>	<u>143,255,392</u>	<u>143,621,089</u>
Current liabilities	34,891,699	34,790,710	32,280,231
Noncurrent liabilities	<u>24,315,486</u>	<u>25,578,153</u>	<u>23,908,017</u>
Total liabilities	<u>59,207,185</u>	<u>60,368,863</u>	<u>56,188,248</u>
Net position:			
Invested in capital assets	98,327,695	79,281,750	83,828,062
Restricted	30,174	13,558	21,356
Unrestricted	<u>3,574,605</u>	<u>3,591,221</u>	<u>3,583,423</u>
Total net position	<u>\$ 101,932,474</u>	<u>\$ 82,886,529</u>	<u>\$ 87,432,841</u>

Management's Discussion and Analysis, continued

Almost all of Long Beach Transit's net position (96%) reflect its investment in capital assets (e.g., fleet, buildings, passenger facilities, shop equipment). The Company uses these capital assets to provide transportation service to the community; consequently, these assets are not available for future spending. All of Long Beach Transit's capital assets were procured with federal, state or local grant funds. The remaining balance of unrestricted net position (\$3.6 million in 2013, 2012, and 2011) may be used to meet the Company's ongoing obligations arising from providing transportation service to the community.

For fiscal year 2013, Long Beach Transit's net position increased by \$19 million as a result of capital purchases exceeding depreciation expense by \$19 million. Long Beach Transit spent \$39.3 million for capital assets which included fifty-eight CNG buses, completed construction of a compressed natural gas station and began a maintenance bay modernization project, which consists of the replacement of 12 underground bus lifts. In addition, capital expenditures also included the continuation of a major software upgrade, upgrades to passenger facilities, and routine replacement of bus components, shop, office and IT equipment.

For fiscal year 2012, Long Beach Transit's net position decreased by \$4.5 million as a result of depreciation expense exceeding capital purchases by \$4.5 million. Long Beach Transit spent \$14.8 million for capital assets which included six CNG buses, the construction of a compressed natural gas station and facilities modifications to support the incoming CNG fleet of 64 buses. In addition, capital expenditures also included the start of a major software upgrade, upgrades to passenger facilities, and routine replacement of bus components, shop, office and IT equipment.

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

	Year – Ended		
	2013	2012	2011
Operating revenues:			
Passenger fares and special events	\$ 18,068,109	\$ 18,107,329	\$ 17,350,225
Advertising	542,382	688,089	558,490
Other revenue	17,382	28,783	22,872
Total operating revenues	<u>18,627,873</u>	<u>18,824,201</u>	<u>17,931,587</u>
Non-operating revenues:			
Subsidies	57,671,790	54,112,325	55,012,754
Interest	155,487	339,675	496,298
Total non-operating Revenues	<u>57,827,277</u>	<u>54,452,000</u>	<u>55,509,052</u>
Total revenues	<u>76,455,150</u>	<u>73,276,201</u>	<u>73,440,639</u>
Expenses:			
Transportation	37,554,281	35,139,334	35,413,269
Maintenance	22,042,606	21,834,078	21,292,632
Administration	16,858,263	16,302,789	16,734,738
Depreciation	20,249,160	19,311,548	17,588,757
Total expenses	<u>96,704,309</u>	<u>92,587,749</u>	<u>91,029,396</u>
Change before capital grants	(20,249,160)	(19,311,548)	(17,588,757)
Capital grants	<u>39,295,105</u>	<u>14,765,236</u>	<u>17,130,510</u>
Change in net position	<u>\$ 19,045,945</u>	<u>\$ (4,546,312)</u>	<u>\$ (458,247)</u>

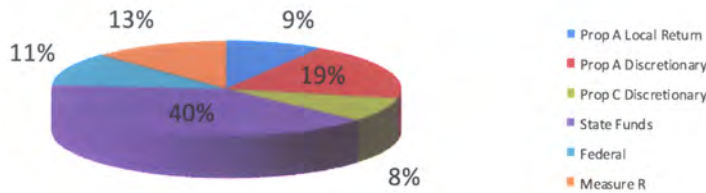
Management's Discussion and Analysis, continued

Operating revenues. Overall total operating revenues for 2013 decreased 1.0%. Fare revenue comprises 99.7% of operating revenues. Fare and special events revenue in 2013 decreased by \$39,220, or 0.2%.

Non-operating revenues. To make up for the decrease in state and local subsidies, we have had to transfer a portion of our capital grants to the operating budget to pay for maintenance costs. Subsidies in 2013, which comprise 75% of total revenues, increased \$3.6 million, or 6.6%, in 2013. This increase is a result of increased labor and fringe expenses offset by lower workers compensation costs.

In 2012, subsidy revenue decreased \$900,429, or 1.6%. This small decrease is a result of two factors: increased expenses in fuel costs offset by lower casualty and liability costs.

2013 Subsidy Revenue by Source

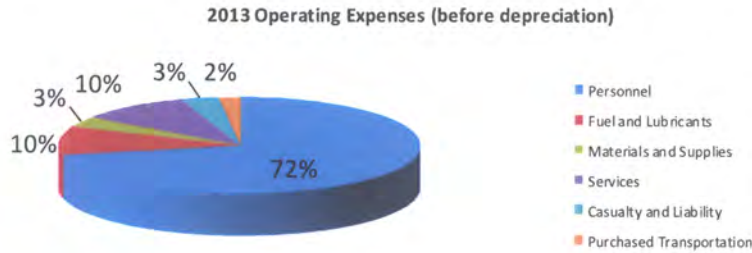


Expenses. Fiscal year 2013 operating expenses, before depreciation, increased 4.3%. This increase is due to increased labor expenses of \$1.5 million which was a result of a 2% wage increase, new JARC (Job Access Reverse Commute) service which started in February 2013 and several vacant positions filled in fiscal year 2013. In addition, pension and sick accrual cost increased \$2.6 million. These were offset by lower workers compensation costs which decreased by \$1.2 million.

In fiscal year 2012, operating expenses, before depreciation, decreased 0.2%. The small variance is a result of fuel costs increasing by \$1.06 million, while casualty and liability expenses decreased by \$1.42 million.

Management’s Discussion and Analysis, continued

In 2013, depreciation expense increased 4.9% and capital acquisitions exceeded depreciation by \$19 million. In 2012, depreciation expense increased 9.8% and exceeded capital acquisitions by \$4.5 million.



CAPITAL ASSETS

Long Beach Transit’s investment in capital assets as of June 30, 2013, amounted to \$98.3 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, fleet, communication and farebox systems, machinery and equipment, and passenger facilities. All assets have been purchased with federal, state or local grants awarded to the Company, and Long Beach Transit has never issued any debt to fund the procurement of capital assets.

The total net increase in the Company’s investment in capital assets for the current fiscal year was 24%. Long Beach Transit had \$39.3 million in new capital acquisitions during the year, an increase of \$24.5 million when compared to 2012. In 2013, the Company purchased 58 CNG buses completing its fleet of 64, completed construction of a compressed natural gas station and began a maintenance bay modernization project, which consists of the replacement of 12 underground bus lifts. In addition, capital expenditures also included the continuation of a major software upgrade, upgrades to passenger facilities, and routine replacement of bus tires, shop, office and IT equipment.

As noted above, all assets are purchased with grants, the majority coming from federal funding. Total grant awards will vary each year as Long Beach Transit is eligible for a formula percentage of the County’s federal funding, plus one-time grants available for specific projects, such as bus replacement. Grant requirements allow, on average, three years to expend these funds. As of June 30, 2013, the Company had \$82.8 million in grant funds designated for capital procurements. This is a \$17.1 million decrease from the available balance at the end of fiscal year 2012.

Management's Discussion and Analysis, continued

Significant capital asset acquisitions during 2013 included the following:

- Purchased of fifty-eight CNG buses totaling \$30.4 million.
- Completed construction of a compressed natural gas station and facilities' modifications to support the incoming CNG fleet totaling \$2.3 million.
- Began the Maintenance Bay Modernization Project, which consists of the replacement of 12 underground bus lifts and associated flooring work totaling \$799 thousand
- Software upgrade and information systems equipment totaling \$2.3 million.
- Routine replacement of engines, transmissions, tires and bus components totaling \$2.0 million.

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

	Year – Ended		
	<u>2013</u>	<u>2012</u>	<u>2011</u>
Land	\$ 5,525,000	\$ 5,525,000	\$ 5,525,000
Buildings and improvements	14,411,355	10,725,587	12,772,917
Fleet	62,367,909	41,269,035	45,562,325
Communications systems	521,063	96,156	170,711
Fare collection system	1,509,707	2,450,511	3,434,771
Office, shop and garage equipment	3,491,162	3,971,079	4,401,384
Passenger facilities	6,584,513	7,837,719	9,500,866
Construction in progress	<u>3,916,986</u>	<u>7,406,664</u>	<u>2,460,088</u>
Total capital assets, net of depreciation	<u>\$ 98,327,695</u>	<u>\$ 79,281,750</u>	<u>\$ 83,828,062</u>

Long Beach Transit's investment in capital assets as of June 30, 2012, amounted to \$79.3 million (net of accumulated depreciation). The Company had \$14.8 million in new capital acquisitions during the year, a decrease of \$2.4 million, when compared to 2011.

Significant capital asset acquisitions during 2012 included the following:

- Began construction of a compressed natural gas station and facilities' modifications to support the incoming CNG fleet totaling \$4 million.
- Six compressed natural gas (CNG) buses totaling \$3 million.
- Five Dial A Lift Vehicles totaling \$218 thousand.
- Software upgrade and information systems equipment totaling \$1.8 million.
- Routine replacement of engines, transmissions, tires and bus components totaling \$2.6 million.

Management's Discussion and Analysis, continued

Additional information on Long Beach Transit's capital assets can be found in note (8) in the notes to the accompanying financial statements beginning on page 27 of this report.

ECONOMIC FACTORS and NEXT YEAR'S FINANCIAL PLAN

This year's Comprehensive Annual Financial Report highlights the progress that has been made in recovering from the recession. As we embark on 2014, Long Beach Transit and our local and national economies stand on firmer ground, but more work remains to be done. The U.S. economy made progress in FY 13 with increased employment and Long Beach Transit made progress towards rebuilding our reserves. In the near term, sustaining and building upon this progress must remain a priority.

Two threats to our fiscal sustainability remain and they are pension funding and casualty and liability insurance. During FY 2014 we are focusing on addressing structural challenges within our pension plans by conducting an experience analysis on plan expenses, payment forms and interest rate assumptions. The results of this analysis will help us to make changes necessary to ensure the sustainability of our pension plans in the future. In terms of casualty and liability insurance markets, the transit industry is experiencing an increase in claims. As a result, insurance carriers are requiring higher self-insured retention amounts from their clients. As a result, the self-insured retention amounts for Long Beach Transit are increasing from \$1 million to \$1.5 million. This equates to greater financial exposure for the Company in the future. Long Beach Transit's labor contract covering bus operators, mechanics, utility personnel and custodians expired on June 30, 2013. An agreement on a new contract has not been reached, but both parties are continuing negotiations and no disruption of service is anticipated at this time.

The state and local economies continue a slow recovery from the recession. The existing state and federal funding environment is not expected to result in significant additional operating funds for transit in the future. While management believes Long Beach Transit's conservative financial practices will allow us to meet the funding challenges for the upcoming year, we will closely monitor all of the issues. The Company's objective is to maintain current service levels for 2014. The final financial plan approved in June 2013 for fiscal year 2014 totals \$81.4 million.

REQUESTS FOR INFORMATION

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

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**Statements of Net Position
June 30, 2013 and 2012**

	2013	2012
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 35,809,859	\$ 31,344,583
Accounts receivable (note 4 and 5)	3,997,654	6,462,008
Materials and supplies inventory	1,218,685	1,391,557
Prepaid expenses	355,775	1,079,996
Total current assets:	41,381,973	40,278,144
Noncurrent Assets:		
Investments	21,429,991	23,695,498
Capital assets:		
Land	5,525,000	5,525,000
Construction-in-progress	3,916,986	7,406,664
Capital assets, net of accumulated depreciation:		
Buildings and improvements	14,411,355	10,725,585
Fleet	62,367,909	41,269,036
Communications systems	521,063	96,156
Fare collection system	1,509,707	2,450,511
Office, shop and garage equipment	3,491,162	3,971,079
Passenger facilities	6,584,513	7,837,719
Total noncurrent assets	119,757,686	102,977,248
Total assets	\$ 161,139,659	\$ 143,255,392
DEFERRED OUTFLOWS OF RESOURCES		
	\$ ---	\$ ---

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

Statements of Net Position, Continued
June 30, 2013 and 2012

	2013	2012
LIABILITIES:		
Current Liabilities		
Accounts payable	\$ 2,553,637	\$ 2,459,450
Accrued payroll expenses	1,209,213	1,098,441
Compensated absences payable (note 11)	2,792,062	2,529,189
Retiree health care benefits (note 11)	80,143	74,579
Subsidy deferral (note 9)	17,280,041	14,983,697
Unearned revenue (note 5)	0	2,452,137
Estimated liability for insurance claims (note 6)	10,976,603	11,193,217
Noncurrent Liabilities:		
Unearned revenue (note 5)	21,621,054	23,648,215
Retiree health care benefits (note 11)	2,694,432	1,929,938
Total liabilities	\$ 59,207,185	\$ 60,368,863
 DEFERRED INFLOWS OF RESOURCES		
	\$ ---	\$ ---
 NET POSITION		
Restricted for:		
Invested in capital assets	98,327,695	79,281,750
Restricted for capital procurement	30,174	13,558
Unrestricted	3,574,605	3,591,221
Total Net Position	\$ 101,932,474	\$ 82,886,529

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, 2013 and 2012

	2013	2012
Operating revenues:		
Passenger fares	\$ 18,024,416	\$ 18,085,943
Special events	43,693	21,386
Advertising	542,382	688,089
Other revenue	17,382	28,783
Total operating revenues	18,627,873	18,824,201
Operating expenses:		
Transportation	37,554,281	35,139,334
Maintenance	22,042,606	21,834,078
Administration	16,858,263	16,302,789
Depreciation (note 8)	20,249,160	19,311,548
Total operating expenses	96,704,310	92,587,749
Operating loss	(78,076,437)	(73,763,548)
Nonoperating income:		
Subsidies (note 3)	57,671,790	54,112,325
Interest income	155,487	339,675
Total nonoperating income	57,827,277	54,452,000
Change in net position before capital grants	(20,249,160)	(19,311,548)
Capital grants	39,295,105	14,765,236
Change in net position	19,045,945	(4,546,312)
Total Net Position, July 1	82,886,529	87,432,841
Total Net Position, June 30	\$ 101,932,474	\$ 82,886,529

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

Statements of Cash Flows
Years Ended June 30, 2013 and 2012

	2013	2012
Cash flows from operating activities:		
Cash received from customers	\$ 18,685,725	\$ 18,812,798
Cash paid to employees for services	(37,290,156)	(36,099,000)
Cash paid to other suppliers of goods or services	(37,352,653)	(34,848,527)
Net cash used in operating activities	(55,957,084)	(52,134,729)
Cash flows provided by noncapital financing activities:		
Operating subsidies received	60,576,789	57,463,588
Cash flows from capital and related financing activities:		
Proceeds from sale of capital assets	312,161	107,540
Purchase of capital assets	(39,295,105)	(14,765,236)
Capital grant contributions received	37,007,906	13,416,488
Net cash used in capital and related financing activities	(2,597,360)	(1,241,208)
Cash flows provided by investing activities:		
Proceeds from sales and maturities of investments	25,072,770	18,157,381
Purchase of investments	(22,530,008)	(18,022,507)
Realized and unrealized (gains)/losses	(277,255)	171,677
Interest received on cash and investments	177,424	343,242
Net cash provided by investing activities	2,442,931	649,793
Net increase in cash and cash equivalents	4,465,276	4,737,444
Cash and cash equivalents, July 1	31,344,583	26,607,139
Cash and cash equivalents, June 30 (note 2)	\$ 35,809,859	\$ 31,344,583

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

Statements of Cash Flows, Continued
Years Ended June 30, 2013 and 2012

Reconciliation of Operating Loss to Net Cash Used in Operating Activities	2013	2012
Operating loss	\$ (78,076,437)	\$ (73,763,548)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	20,249,160	19,311,548
Increase in accounts receivable from operations	(48,176)	(54,689)
Decrease in materials and supplies inventory	172,872	25,012
Decrease/(increase) in prepaid expenses	724,221	(719,778)
Increase in accounts payable	94,187	408,055
Increase in accrued payroll expenses, compensated absences payable, and retiree health care benefits	1,143,703	322,984
Increase (decrease) in estimated liability for insurance claims	(216,614)	2,335,687
Total adjustments	22,119,353	21,628,819
Net cash used in operating activities	\$ (55,957,084)	\$ (52,134,729)

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

Notes to Financial Statements
June 30, 2013 and 2012

(1) Summary of Significant Accounting Policies

Reporting Entity

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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 and liabilities, the disclosure of contingent assets

Notes to Financial Statements, Continued

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 Company as assets with initial project values exceeding \$5,000, with individual federally funded items costing more than \$500 and having an estimated useful life of more than one year. The Federal Transit Administration (FTA) excludes the bus tire lease from this requirement as it is depreciated over a twelve-month period. Capital assets are valued at historical cost. Depreciation is provided using the straight-line method, with no allowance for salvage values. Donated capital assets are recorded at estimated fair market at the date of donation. The Company did not receive any donated capital assets during fiscal years 2013 and 2012.

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

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

Financial Plan

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

Government Grants

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

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

Notes to Financial Statements, Continued

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

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

Statements of Cash Flows

For purposes of the statements of cash flows, the Company considers all of its cash deposits and investments with an original maturity of three months or less, including restricted and designated cash and investments, to be cash and cash equivalents. Monies invested with the State Treasurer's Local Agency Investment Fund (LAIF) may have maturities longer than 90 days; however, LAIF functions as a demand deposit account. Therefore, the Company considers such investments to be cash equivalents. There were no significant noncash capital and related financing activities in 2013 and 2012.

Reclassifications

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

(2) Cash and Investments

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

	<u>2013</u>	<u>2012</u>
Cash on hand	\$ 92,795	\$ 85,850
Deposits with financial institutions	13,058,982	3,638,886
Cash equivalents	<u>22,658,082</u>	<u>27,619,847</u>
Total cash and cash equivalents	<u>35,809,859</u>	<u>31,344,583</u>
Investments	<u>21,429,991</u>	<u>23,695,498</u>
Total cash, cash equivalents, and investments	<u>\$ 57,239,850</u>	<u>\$ 55,040,081</u>

Notes to Financial Statements, Continued

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

The table below identifies the investment types that are authorized for Long Beach Transit by the Company's investment policy. The table also identifies certain provisions of the Company's investment policy that address interest rate risk, credit risk, and concentration of credit risk. During fiscal year 2013 and 2012, the Company elected to have its investments with LAIF and a similarly structured investment vehicle managed by an independent manager.

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

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Company manages its exposure to declines in fair values by limiting the weighted average maturity of the investment portfolio to no more than two years.

Information about the sensitivity of fair values of the Company's investments to market interest rate fluctuations is provided by the following table that shows the maturity date of each investment at June 30, 2013 and 2012, respectively.

Weighted Average Maturity (Yrs)

<u>Type</u>	<u>2013</u>	<u>Weighted Average Maturity (Yrs)</u>
<u>Cash Equivalents</u>		
Local Agency Investment Fund (LAIF)	\$ 22,429,267	.76
Fidelity Municipal Money Market	228,815	N/A
Total cash equivalents	<u>\$ 22,658,082</u>	

Notes to Financial Statements, Continued

Type	2013	Weighted Average Maturity (Yrs)
Corporate Bonds		
Ameriprise Finl Inc 5.650% Due 11-15-15	\$ 719,830	2.4
Anheuser-Busch Inbev 5.375% Due 11-15-14	636,870	1.4
Bellsouth Corp 5.200% Due 09-15-14	630,036	1.2
General Electric Corp 5.9% Due 05-13-14	733,054	0.9
Goldman Sachs Grp Inc 5.000% Due 10-01-14	730,856	1.3
JPMorgan Chase & Co. 4.650% Due 06-01-14	722,750	0.9
Merrill Lynch Co Inc 5.450% Due 07-15-14	622,500	1.0
Metlife Inc 5.500% Due 06-15-14	725,620	1.0
Prudential Financial Inc. 6.200% Due 01-15-15	646,470	1.5
Corporate Bonds Total	\$ 6,167,986	
Government Bonds		
Federal Hm Ln Bk 0.400% Due 12-18-15	\$ 1,243,913	2.5
Federal Farm Cr Bks 0.400% Due 11-09-15	1,243,963	2.4
Federal Farm Cr Bks 0.420% Due 11-07-14	999,260	1.4
Federal Hm Ln Bk 3.125% Due 12-13-13	1,266,750	0.5
Federal Hm Ln Bk 2.750% Due 03-13-15	1,300,862	1.7
Federal Home Ln Mtg Corp 0.500% Due 10-15-13	1,001,040	0.3
Federal Nat/Mtg Assoc 0.500% Due 05-27-15	1,252,037	1.9
Federal Nat/Mtg Assoc 0.550% Due 05-26-16	993,010	2.9
Federal Nat/Mtg Assoc 0.625% Due 11-14-16	988,880	3.4
Federal Nat/Mtg Assoc 0.900% Due 11-14-17	977,360	4.3
US Treasury Note 0.250% Due 05-31-14	2,001,180	0.9
US Treasury Note 0.125% Due 12-31-14	998,200	1.5
US Treasury Note 0.375% Due 02-15-16	995,550	2.6
Government & Government Agency Bonds Total	\$ 15,262,005	
Total Investment Value	\$ 21,429,991	

As of June 30, 2013, there was \$85,833 of accrued bond interest which is included in accounts receivable.

Notes to Financial Statements, Continued

Type	2012	Weighted Average Maturity (Yrs)
<u>Cash Equivalents</u>		
Local Agency Investment Fund (LAIF)	\$ 23,430,320	.73
Bank of America Money Market	1,340,373	N/A
Fidelity Municipal Money Market	2,849,154	N/A
Total cash equivalents	\$ 27,619,847	
<u>Corporate Bonds</u>		
General Elec Cap Corp Mtn 3.500% Due 08-13-12	\$ 697,314	.1
Cons Edison Co of Nydeb 4.875% Due 02-01-13	666,328	.6
Morgan Stanley Global Note 5.300% Due 03-01-13	662,539	.6
Verizon New Eng Inc Note 4.750% Due 10-01-13	707,373	1.2
JP Morgan Chase & Co Sr. Nt 4.650% Due 06-01-14	681,460	1.8
MetLife Inc Global Note 5.500% Due 06-15-14	700,733	1.9
Goldman Sachs Group Inc Note 5.000% Due 10-01-14	677,690	2.1
Lowes Cos Inc Nt 5.000% Due 10-15-15	731,289	3.0
Morgan Stanley Senior Note 3.450% Due 11-02-15	629,421	3.1
Ameriprise Financial Inc Sr Note 5.650% Due 11-15-15	735,930	3.1
Corporate Bonds Total	\$ 6,890,077	
<u>Government Bonds</u>		
Federal Home Ln Mtg Fr 0.500% Due 10-15-13	1,002,490	1.3
Federal Home Loan Banks Cons Bd 3.125% 12-13-13	1,040,260	1.4
Federal Home Ln Bks Cons Bd 0.350% Due 05-30-14	1,248,850	1.9
US Treasury Notes 0.250% Due 05-31-14	1,997,500	1.9
Federal Home Loan Banks Cons Bd 1.100% 10-27-14	1,000,530	2.3
Federal Farm Cr Bks Cons Bd 0.420% Due 11-07-14	999,140	2.3
Federal Home Ln Mtg Corp Call 1.000% Due 04-24-15	1,001,580	2.8
Federal Home Ln Mtg Corp Call 1.000% Due 05-01-15	1,002,350	2.8
Federal Home Ln Mtg Corp Call 1.050% Due 05-07-15	1,001,910	2.8
Federal Farm Cr Bks Cons Bd 1.040% Due 09-14-15	1,001,620	3.1
Federal Home Ln Mtg Crp Mtn 1.250% Due 12-14-15	1,003,130	3.4
Federal Farm Cr Bks Cons Bd 1.090% Due 07-18-16	1,000,050	3.8
Federal Farm Cr Bks Cons Bd 1.500% Due 08-22-16	1,001,800	4.0
Federal Natl Mtg Assn 1.125% Due 11-16-16	1,255,050	4.3
Federal Natl Mtg Assn Call 1.100% Due 02-28-17	1,249,161	4.5
Government Bonds Total	\$ 16,805,421	
Total Investment Value	\$ 23,695,498	

Notes to Financial Statements, Continued

As of June 30, 2012, there was \$100,923 of accrued bond interest which is included in accounts receivable.

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. For 2013, ratings on the investments, excluding LAIF and money market accounts, are as follows at June 30, 2013.

<u>Investment Type</u>	<u>Rating</u>
<u>Investments</u>	
Ameriprise Finl Inc 5.650% Due 11-15-15	A
Anheuser-Busch Inbev 5.375% Due 11-15-14	A
Bellsouth Corp 5.200% Due 09-15-14	A-
General Electric Corp 5.9% Due 05-13-14	AA+
Goldman Sachs Grp Inc 5.000% Due 10-01-14	A-
JPMorgan Chase & Co. 4.650% Due 06-01-14	A
Merrill Lynch Co Inc 5.450% Due 07-15-14	A-
Metlife Inc 5.500% Due 06-15-14	A-
Prudential Financial Inc. 6.200% Due 01-15-15	A
<u>Investment Type</u>	<u>Rating</u>
<u>Government Bonds</u>	
Federal Hm Ln Bk 0.400% Due 12-18-15	AA+
Federal Farm Cr Bks 0.400% Due 11-09-15	AA+
Federal Farm Cr Bks 0.420% Due 11-07-14	AA+
Federal Hm Ln Bk 3.125% Due 12-13-13	AA+
Federal Hm Ln Bk 2.750% Due 03-13-15	AA+
Federal Home Ln Mtg Corp 0.500% Due 10-15-13	AA+
Federal Nat/Mtg Assoc 0.500% Due 05-27-15	AA+
Federal Nat/Mtg Assoc 0.550% Due 05-26-16	AA+
Federal Nat/Mtg Assoc 0.625% Due 11-14-16	AA+
Federal Nat/Mtg Assoc 0.900% Due 11-14-17	AA+
US Treasury Note 0.250% Due 05-31-14	AAA
US Treasury Note 0.125% Due 12-31-14	AAA
US Treasury Note 0.375% Due 02-15-16	AAA

Notes to Financial Statements, Continued

Concentration of Credit Risk

The investment policy of the Company contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

Custodial Credit Risk

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

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

(3) Operating Subsidies

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

	<u>2013</u>	<u>2012</u>
Proposition A, County of Los Angeles	\$ 10,873,265	\$ 8,822,958
TDA and STA, State of California	22,547,344	20,170,522
Proposition C, County of Los Angeles	4,773,408	5,858,571
Proposition A Allocation, City of Long Beach	5,044,272	5,891,768
Preventative Maintenance, Federal	6,339,255	5,325,134
Measure R	7,160,978	7,687,827
Other local sources	933,268	355,545
	<u>\$ 57,671,790</u>	<u>\$ 54,112,325</u>
Total		

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

Additionally, each city in Los Angeles County receives a formula allocation of certain Proposition A revenues. The City of Long Beach in turn allocates a portion of its Proposition A local share funding to

Notes to Financial Statements, Continued

the Company in accordance with an agreement between the Company, the City and Metro. The portion of the local Proposition A funds used for operating assistance is included above.

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

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

Measure R, approved by the voters in November 2009, provides a ½ cent sales tax for transportation improvements.

Other local monies are reimbursement for service hours supplied to seven surrounding cities and Job Access Reverse Commute funds (JARC) awarded for service for the 7th St. peak service route 171 and weekend service to the Villages at Cabrillo Transitional Housing Complex and route 176 weekday service that provides a direct connection between major employment centers in Long Beach and Lakewood with the Metro Blue Line Pacific Coast Highway (PCH) station.

Notes to Financial Statements, Continued

(4) Accounts Receivable

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

	<u>2013</u>	<u>2012</u>
Subsidies	\$ 33,971	\$ 43,113
Insurance reimbursements	298,683	192,655
Interest	99,797	121,734
Trade	<u>511,926</u>	<u>569,778</u>
Total	<u>\$ 944,377</u>	<u>\$ 927,280</u>

Accounts are written off when determined to be uncollectible. In the opinion of management, all significant accounts receivable at June 30, 2013 and 2012 are fully collectible.

(5) Restricted and Designated Assets and Unearned Revenue

At June 30, 2013 and 2012, the balance of restricted and designated assets and unearned revenue accounts were as follows:

Restricted and Designated Assets

	<u>2013</u>	<u>2012</u>
Cash and investments:		
Proposition A funds, City of Long Beach	\$ ---	\$ 1,829,420
Cash and investments designated for insurance claims	<u>10,976,603</u>	<u>11,193,217</u>
Board mandated contingency reserve	2,000,000	2,000,000
Capital grant funds	<u>21,580,799</u>	<u>23,595,710</u>
Total restricted and designated cash and investments:	<u>\$ 34,557,402</u>	<u>\$ 38,618,347</u>
Accounts receivable:		
Proposition A funds due from City	\$ 1,125,000	\$ 2,316,946
Capital grants receivable	<u>1,928,277</u>	<u>3,217,782</u>
Total restricted and designated accounts receivable	<u>\$ 3,053,277</u>	<u>\$ 5,534,728</u>

Notes to Financial Statements, Continued

	<u>Unearned Revenue</u>	
	<u>2013</u>	<u>2012</u>
Unearned revenue:		
Proposition A funds, City of Long Beach	\$ ---	\$ 2,452,137
Capital grant funds	20,942,463	23,033,957
Other	678,591	614,258
Total unearned revenue	<u>\$ 21,621,054</u>	<u>\$ 26,100,352</u>

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

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

Capital grants receivable are grant funds earned and shown as capital contributions through purchase or construction of qualifying capital assets, but not yet received. Capital grant funds included in restricted and designated cash and investments and unearned revenue are funds the Company has received in advance for capital asset acquisition or construction but which have not been expended at the date of the statements of net 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 Company retains the risk for each occurrence of workers' compensation and public liability and property damage claimed up to \$1.5 million. Claims in excess of \$1.5 million for workers' compensation and for public liability and property damage are covered under policies in force with an independent insurer up to \$25 million for workers' compensation and \$10 million for public liability and property damage. Individual claim settlements for both workers' compensation and public liability and property damage did not exceed insurance coverage limits in fiscal years 2013 and 2012.

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

Notes to Financial Statements, Continued

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

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

	Public Liability and Property Damage	Workers' Compensation	Total
Estimated liabilities at June 30, 2011	\$ 3,026,072	\$ 5,831,458	\$ 8,857,530
Reserves:			
New claims	416,844	520,211	937,055
Adjustments to existing claims	1,026,649	2,966,725	3,993,374
Payouts	<u>(543,180)</u>	<u>(2,051,562)</u>	<u>(2,594,742)</u>
Estimated liabilities at June 30, 2012	3,926,385	7,266,832	11,193,217
Reserves:			
New claims	708,383	624,610	1,332,993
Adjustments to existing claims	1,422,797	1,205,773	2,628,570
Payouts	<u>(1,950,437)</u>	<u>(2,227,740)</u>	<u>(4,178,177)</u>
Estimated liabilities at June 30, 2013	<u>\$ 4,107,128</u>	<u>\$ 6,869,475</u>	<u>\$ 10,976,603</u>

(7) Deferred Compensation

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

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

Notes to Financial Statements, Continued

(8) Capital Assets

Capital asset activity for the years ended June 30, 2013 and 2012 was as follows:

	Balance at June 30, 2012	Adjustments/ Transfers	Increases	Decreases	Balance at June 30, 2013
Capital assets not being depreciated:					
Land	\$ 5,525,000	\$ ---	\$ ---	\$ ---	\$ 5,525,000
Construction in progress	7,406,664	(6,771,821)	3,282,143	---	3,916,986
Total capital assets not being depreciated	12,931,664	(6,771,821)	3,282,143	---	9,441,986
Capital assets being depreciated:					
Buildings & improvements	41,772,353	4,067,690	1,974,423	---	47,814,466
Fleet	128,391,014	696,705	32,642,746	(18,585,176)	143,145,289
Communications systems	6,910,393	390,248	128,665	(27,477)	7,401,829
Fare collection system	7,961,387	---	44,462	---	8,005,849
Office, shop & garage equipment	20,910,227	482,107	1,111,723	(95,488)	22,408,569
Passenger facilities	12,325,520	1,135,071	110,943	---	13,571,534
Total capital assets being depreciated	218,270,894	6,771,821	36,012,962	(18,708,141)	242,347,533
Less accumulated depreciation:					
Buildings & improvements	(31,046,768)	---	(2,356,343)	---	(33,403,111)
Fleet	(87,121,978)	---	(12,240,578)	18,585,176	(80,777,380)
Communications systems	(6,814,237)	---	(94,006)	27,477	(6,880,766)
Fare collection system	(5,510,876)	---	(985,266)	---	(6,496,142)
Office, shop & garage equipment	(16,939,148)	---	(2,073,747)	95,488	(18,917,407)
Passenger facilities	(4,487,801)	---	(2,499,220)	---	(6,987,021)
Total accumulated depreciation	(151,920,808)	---	(20,249,160)	18,708,141	(153,461,827)
Total capital assets being depreciated, net	66,350,086	6,771,821	15,763,799	---	88,885,709
Total capital assets, net	\$79,281,750	\$ ---	\$ 19,045,945	\$ ---	\$ 98,327,695

Notes to Financial Statements, Continued

	Balance at June 30, 2011	Adjustments/ Transfers	Increases	Decreases	Balance at June 30, 2012
Capital assets not being depreciated:					
Land	\$ 5,525,000	\$ ---	\$ ---	\$ ---	\$ 5,525,000
Construction in progress	2,460,088	(1,188,666)	6,135,242	---	7,406,664
Total capital assets not being depreciated	7,985,088	(1,188,666)	6,135,242	---	12,931,664
Capital assets being depreciated:					
Buildings & improvements	41,246,850	206,273	319,230	---	41,772,353
Fleet	126,002,622	774,544	6,105,308	(4,491,460)	128,391,014
Communications systems	6,906,803	283	3,307	---	6,910,393
Fare collection system	7,960,900	---	487	---	7,961,387
Office, shop & garage equipment	19,919,613	173,340	1,521,638	(704,364)	20,910,227
Passenger facilities	11,611,270	34,226	680,024	---	12,325,520
Total capital assets being depreciated	213,648,058	1,188,666	8,629,994	(5,195,824)	218,270,894
Less accumulated depreciation:					
Buildings & improvements	(28,473,933)	---	(2,572,835)	---	(31,046,768)
Fleet	(80,440,297)	---	(11,173,141)	4,491,460	(87,121,978)
Communications systems	(6,736,092)	---	(78,145)	---	(6,814,237)
Fare collection system	(4,526,129)	---	(984,747)	---	(5,510,876)
Office, shop & garage equipment	(15,518,229)	---	(2,125,283)	704,364	(16,939,148)
Passenger facilities	(2,110,404)	---	(2,377,397)	---	(4,487,801)
Total accumulated depreciation	(137,805,084)	---	(19,311,548)	5,195,824	(151,920,808)
Total capital assets being depreciated, net	75,842,974	1,188,666	(10,681,554)	---	66,350,086
Total capital assets, net	\$ 83,828,062	\$ ---	\$ (4,546,312)	\$ ---	\$ 79,281,750

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

Notes to Financial Statements, Continued

(9) Subsidy Deferral

The amount of subsidies received each year is based upon estimated funding marks prepared by Metro. These estimates are used for budget preparation, with final marks received after final budgets are approved. Subsidies received in excess of expenditures are carried over for use in the next year. Subsidy deferrals of \$17,280,041 and \$14,983,697, for 2013 and 2012, respectively, have been included in the accompanying financial statements.

(10) Commitments and Contingencies

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

Purchase Contracts

The Company had the following significant purchase commitments outstanding at June 30, 2013. These purchase orders are for future goods and services the Company has yet to receive and can be cancelled prior to delivery by either party subject to the provisions of each individual contract. The balances listed represent some contingency balances, therefore, actual costs may be lower than shown.

<u>Vendor</u>	<u>Project</u>	<u>Amount</u>	<u>Expected Completion</u>
BYD Motors	Battery Bus	\$ 11,528,616	December 2013
Petro Diamond	Gasoline Fuel	3,796,635	June 2014
Pro Petroleum	Diesel Fuel	3,424,853	June 2014
Peterson Hydraulics, Inc.	Vehicle Lifts	1,611,374	August 2014
Complete Coach Works	Engine Kits	993,975	June 2014
McCray's Enterprises	Mid-life Rehab	977,989	December 2013
New Flyer Parts Division	Inverter Upgrade	848,727	November 2013
Center for Transportation	Management Services	456,379	June 2015
	Software		
Five Point Partners LLC	Implementation	431,642	December 2013
Goodyear Tire & Rubber Co	Tires	333,840	September 2013
STV Incorporated	A&E Services	245,000	March 2014
Downtown Ford Sales	Truck	154,087	September 2013
Sardo Bus & Coach	Coach Detailing	149,074	December 2013

Notes to Financial Statements, Continued

Lease Obligations

The Company's tire lease is eligible for capitalization and is depreciated over a twelve (12) month period. Under the terms of the lease, the vendor supplies the tires and invoices the Company based on monthly mileage. There are no minimum guarantee payments required in the contracts. Total lease costs were \$666,235 and \$546,421 for the years ended June 30, 2013 and 2012, respectively.

Notes to Financial Statements, 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, 2013 and 2012, accrued unpaid vacation for all Company employees amounted to \$2,792,062 and \$2,529,189, respectively.

<u>Balance 6/30/12</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/13</u>	<u>Due Within One Year</u>
\$ 2,529,189	\$ 2,792,062	(\$2,529,189)	\$ 2,792,062	\$ 2,792,062
<u>Balance 6/30/11</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/12</u>	<u>Due Within One Year</u>
\$ 2,579,347	\$ 2,529,189	(\$ 2,579,347)	\$ 2,529,189	\$ 2,529,189

Once a year, the Company allows employees to sell back a portion of their earned vacation in lieu of taking the time off. The Company has agreed to buy back vacation time in excess of ten (10) days earned during the calendar year. Vacation days carried over from the previous year are not eligible for this program. The Company paid \$249,955 and \$265,708 under this program during 2013 and 2012, respectively.

Notes to Financial Statements, Continued

Post-Retirement Health Care Benefits

Full-time Company employees are entitled to receive up to 96 hours of sick leave per year. On April 4, 2011, the Board of Arbitration issued a unanimous decision in the Interest Arbitration Proceedings between the Amalgamated Transit Union, Local 1277, and Long Beach Transit. The Board increased the maximum unused sick hours accruable by contract employees and percentage of unused sick hours convertible for cash values from 1,200 hours to 2,722 hours and 50% to 100%, respectively, with a retroactive date of October 1, 2009. Unused sick leave may be accumulated until retirement with the cash value, or a percentage thereof for Contract retirees, used to pay health and dental insurance premiums under the Company's Retired Employees Health Insurance Program (REHIP). Once the cash value of the retiring employee's unused sick leave is exhausted, the retiree is required to pay all health and dental premiums.

There were 82 participants in the Company's REHIP at June 30, 2013 and 2012. The cash value equivalent of the remaining unused sick leave for the current retirees totaled \$1,061,374 and \$782,335, respectively. Total premiums paid by the Company under the REHIP during the fiscal years ended June 30, 2013 and 2012, were \$114,598 and \$105,755, respectively.

The Company has established a liability related to unused sick leave which it estimates will be used by retirees to cover premiums under the REHIP. The estimated costs of the REHIP for both current and expected future payments are \$2,774,575 and \$2,004,517 at June 30, 2013 and 2012, respectively.

<u>Balance 6/30/12</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/13</u>	<u>Due Within One Year</u>
\$ 2,004,517	\$ 884,656	(\$114,598)	\$ 2,774,575	\$ 80,143
<u>Balance 6/30/11</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/12</u>	<u>Due Within One Year</u>
\$ 1,732,354	\$ 377,918	(\$105,755)	\$ 2,004,517	\$ 74,579

(12) Labor Agreement

Union Labor Agreement

The April 4, 2011 Board of Arbitration Decision regarding the Interest Arbitration between the Amalgamated Transit Union, Local 1277, and Long Beach Transit resulted in a labor contract for the period October 1, 2009, to June 30, 2013, succeeding their contract which ended on September 30, 2009. An agreement on a new contract has not been reached, but both parties are continuing negotiations and no disruption of service is anticipated at this time.

The decision by the Board of Arbitration on June 15, 2012, regarding pension, specifies that the current employee pension plan contribution will continue to be 5% until the next actuarial statement of the amount needed to actuarially fund the Plan. When the amount is determined, the Company shall pay the first ten percent of the amount the actuary states is necessary for Plan funding. Union employees will pay the next 5% necessary to fund the Plan. The Company and Union employees will equally split any funding amounts over 15%. In addition, for Union employees hired on or after July 1, 2012, the lump sum option in the Pension Plan is eliminated.

Notes to Financial Statements, Continued

(13) Pension Benefits

Plan Descriptions

The Company sponsors two single employer defined benefit pension plans: one for contract employees, the Long Beach Public Transportation Company Retirement Plan - Contract Employees (Contract Plan), and one for 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, Long Beach Transit adopted a new 401(a) qualified retirement plan for employer matching contributions.

The Company's payroll for employees covered by each pension plan for the years ended June 30, 2013 and 2012 was \$26,589,061 and \$25,904,690 for the Contract Plan, respectively, and \$10,281,649 and \$9,516,264 for the Salaried Plan, respectively. Total Company payroll for 2013 and 2012 was \$37,290,154 and \$35,743,152, respectively.

The Contract and the Salaried Plans are contributory single employer defined benefit pension plans sponsored by the Company. All full-time employees in a job classification covered by a collective bargaining agreement between the Company and the Union participate in the Contract Plan as of their date of employment. All full-time employees not covered by a collective bargaining agreement 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 ten years of credited service and become 100% vested after five credited years of service. Employees covered under the Salaried Plan can retire prior to 64 with a normal retirement benefit if the combination of the employee's age and service equals 80 or more. For employees covered under the Salaried plan hired on or after April 1, 2011, Long Beach Transit 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.

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 for 36 consecutive months of earnings during the last ten calendar years of employment, prior to normal retirement date, which provide the highest value.

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

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

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

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

Notes to Financial Statements, Continued

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

Death and Disability Benefits

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

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

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

Termination

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

Funding Policy and Annual Pension Cost

Plan members are required to contribute 5% of their annual salaries to the Plans. The Company is required to contribute to the Plans at an actuarially determined rate. The contribution rates for 2013 were 13.74% and 20.97% for the Contract and Salaried Plans, respectively. For 2013, the Company's annual pension costs were \$3,578,877 and \$2,694,143 for the Contract and Salaried Plans, respectively. The required contributions were determined as part of the July 1, 2013 actuarial valuation using the entry age normal cost frozen initial liability cost method. The actuarial assumptions were as follows:

- Remaining amortization period 25 years
- Asset valuation method Market value
- Mortality Table IRS 2007 Current
 Liability Combined
- Amortization Method Level Dollar
- Amortization Periods Closed
- Investment rate of return 7.5%
- Projected salary increases* 3.0%
- *includes inflation at 1.5%
- Cost-of-living adjustments None

Notes to Financial Statements, Continued

Funding Progress

The status of funding progress for both Plans is based on the actuarial valuations performed as of July 1, 2013 and 2012. 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
2013	\$ 13,864	\$ 24,503	\$ 10,639	56.58%	\$ 10,282	103.48%
2012	11,028	18,424	7,396	59.86	9,516	77.72

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
2013	\$ 41,325	\$ 58,755	\$ 17,430	70.34%	\$ 26,589	65.55%
2012	37,025	49,513	12,488	74.78	25,905	48.20

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

Three-Year Trend Information

Contract Plan

Year ended June 30	Actuarially Determined Amount	Actual Contribution	Net Pension Obligation
2013	\$3,714,988	\$3,714,988	\$0
2012	3,241,510	3,241,510	0
2011	3,791,200	3,791,200	0

Salaried Plan

Year ended June 30	Actuarially Determined Amount	Actual Contribution	Net Pension Obligation
2013	\$1,886,343	\$2,694,143	\$ 0
2012	1,632,231	1,632,231	0
2011	2,041,762	2,041,762	0

Notes to Financial Statements, Continued

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 Company's contribution to the 401(a) Plan is as follows: (A) eligible employees with 3 years of service or less, a matching contribution equal to the amount of the employee's salary deferrals to the 457 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 Company would make the following contributions: (1) matching contribution equal to the amount of the employee's salary deferrals to the 457 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 Plan for the plan year. As of June 30, 2013 and 2012, there were fourteen and twelve employees, respectively, eligible and eight and one, respectively, elected to participate in the program.

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 Financial Services, P.O. Box 731, Long Beach, CA 90801.

Notes to Financial Statements, Continued

Required Supplementary Information

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

Contract Plan (in thousands)

Actuarial valuation date (July 1)	(a) Actuarial value of assets	(b) Actuarial Accrued liability (AAL) – entry age	(b-a) Unfunded (Funding Excess) (AAL)	(a/b) Funded ratio	(c) Covered payroll	((b-a)/c) UAAL as a percentage of covered payroll
2013	\$ 41,325	\$ 58,755	\$ 17,430	70.34%	\$ 26,589	65.55%
2012	37,025	49,513	\$ 12,488	74.78	25,905	48.20
2011	37,358	47,357	\$ 9,999	78.89	25,474	39.25

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
2013	\$ 13,864	\$ 24,503	\$ 10,639	56.58%	\$ 10,282	103.48%
2012	11,028	18,424	7,396	59.86	9,516	77.72
2011	12,022	18,158	6,136	66.21	9,521	64.44



STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends <i>These schedules contain trend information to assess how the Company's financial performance and well-being have changed over time.</i>	39
Revenue Capacity <i>These schedules contain information on the Company's revenue sources and their fluctuations over time.</i>	42
Demographic and Economic Information <i>These schedules offer demographic and economic indicators regarding the environment within which the Company's financial activities take place.</i>	44
Operating Information <i>These schedules contain information about services the Company provides and the activities it performs.</i>	46
Pension Information <i>The Company's Pension Plans' financial statements are issued under separate cover. The schedules contained in this section include general financial and actuarial information providing data concerning the Plans' funding status and general activity.</i>	54
Grant Information <i>The Company's grant programs are issued under separate cover in the Single Audit. The schedules contained in this section provide a summary of capital grant activity for Federal, State and Local sources.</i>	56

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
2004 - 2013**

Exhibit 1

	Invested in Capital Assets	(1)	Restricted	Unrestricted	Total
2004	\$ 72,060,726		\$ 166,914	\$ 3,437,866	\$ 75,665,506
2005	87,934,270		166,914	3,437,866	91,539,050
2006	83,588,365		113,048	3,491,732	87,193,145
2007	74,761,808		84,674	3,520,105	78,366,587
2008	72,514,620		259,954	3,344,825	76,119,399
2009	87,250,464		102,205	3,502,574	90,855,243
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

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

**Financial Trends
Operating Expenses By Type
2004 - 2013**

Exhibit 2

	Personnel Wages & Benefits	Fuel & Lubricants	Supplies & Materials	Services	Casualty & Liability	Purchased Transportation	Depreciation	Total
2004	\$ 41,828,220	\$ 3,165,438	\$ 2,146,233	\$ 4,205,815	\$ 1,973,444	\$ 1,365,827	\$ 13,673,096	\$ 68,358,073
2005	41,013,333	4,254,173	2,327,356	4,403,307	1,398,575	1,304,570	15,209,043	69,910,357
2006	43,174,005	5,748,498	1,999,984	4,769,648	1,506,641	1,320,429	16,316,882	74,836,087
2007	45,273,578	5,580,884	2,041,326	5,670,338	1,454,319	1,331,373	16,712,820	78,064,638
2008	49,895,725	7,146,145	2,198,443	6,023,734	2,812,729	1,407,953	17,441,700	86,926,429
2009	50,711,153	5,721,736	2,442,697	5,758,880	2,115,349	1,380,796	14,009,081	82,139,692
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

**Financial Trends
Changes in Net Position
2004 - 2013**

Exhibit 3

Expenses	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Transportation	\$27,723,568	\$27,366,019	\$29,156,285	\$30,454,056	\$32,376,023	\$34,874,385	\$36,416,765	\$35,413,269	\$35,139,334	\$37,554,281
Maintenance	14,154,855	15,781,778	16,800,999	17,251,960	19,612,265	18,602,288	18,546,811	21,292,632	21,834,078	22,042,606
Risk Management	6,076,869	4,223,185	5,068,951	5,191,201	8,119,926	5,278,264	5,266,428	6,791,630	7,175,642	6,222,310
Marketing & Customer Service	1,263,387	1,296,256	1,286,531	1,397,475	1,631,278	1,578,839	1,673,878	1,665,938	1,761,195	1,827,629
General										
Administration	5,466,298	6,034,076	6,206,439	7,057,126	7,745,237	7,796,835	7,988,510	8,277,170	7,365,952	8,808,324
Depreciation	13,673,096	15,209,043	16,316,882	16,712,820	17,441,700	14,009,081	16,519,346	17,588,757	19,311,548	20,249,160
Total Expenses	\$68,358,073	\$69,910,357	\$74,836,087	\$78,064,638	\$86,926,429	\$82,139,692	\$86,411,738	\$91,029,396	\$92,587,749	\$96,704,310
Revenues										
Passenger Fares	\$12,676,716	\$12,814,406	\$14,542,379	\$14,239,543	\$14,789,817	\$15,785,523	\$16,473,909	\$17,308,290	\$18,085,942	\$18,024,416
Special Events	91,467	85,671	38,346	52,275	103,971	72,389	71,809	41,935	21,386	43,693
Advertising	906,250	743,750	724,158	847,296	857,449	797,814	609,161	558,490	688,089	542,382
Subtotal Operating	13,674,433	13,643,827	15,304,883	15,139,114	15,751,237	16,655,726	17,154,879	17,908,715	18,795,417	18,610,491
Subsidies	40,615,870	40,444,529	42,078,890	44,495,763	52,151,341	50,720,199	51,773,322	55,012,754	54,112,325	57,671,790
Interest & Other	394,674	612,958	1,135,432	1,716,941	1,582,151	754,686	964,191	519,170	368,458	172,869
Subtotal Non-Op	41,010,544	41,057,487	43,214,322	46,212,704	53,733,492	51,474,885	52,737,513	55,531,924	54,480,783	57,844,659
Total Revenues	\$54,684,977	\$54,701,314	\$58,519,205	\$61,351,818	\$69,484,729	\$68,130,611	\$69,892,392	\$73,440,639	\$73,276,200	\$76,455,150
Net Expense	\$(13,673,096)	\$(15,209,043)	\$(16,316,882)	\$(16,712,820)	\$(17,441,700)	\$(14,009,081)	\$(16,519,346)	\$(17,588,757)	\$(19,311,549)	\$(20,249,160)
Capital Grants	7,765,223	31,082,587	11,970,977	7,886,262	15,194,512	28,744,925	13,555,191	17,130,510	14,765,236	39,295,105
Change in Net Position	\$(5,907,873)	\$15,873,544	\$(4,345,905)	\$(8,826,558)	\$(2,247,188)	\$14,735,844	\$(2,964,155)	\$(458,247)	\$(4,546,313)	\$19,045,945

**Financial Trends
Capital Expenditures By Type
2004 - 2013**

Exhibit 4

Fiscal Year	Facilities	Fleet	Passenger Facilities	AVL, Farebox & Radio Equipment	Furniture & IT Equipment	Shop & Garage Equipment	Total
2004	\$ 469,413	\$ 3,503,160	\$ 2,302,210	\$ 818,230	\$ 358,811	\$ 313,399	\$ 7,765,223
2005	761,993	27,650,227	719,055	728,378	1,032,081	190,853	31,082,587
2006	903,110	4,311,805	991,917	4,219,234	728,595	816,316	11,970,977
2007	2,013,508	4,839,412	257,740	267,526	193,018	315,058	7,886,262
2008	1,427,166	11,386,235	1,142,643	337,773	744,408	156,287	15,194,512
2009	3,133,478	20,214,981	1,557,227	2,068,732	1,468,789	301,718	28,744,925
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	246,581	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

**Revenue Capacity
Operating Subsidy Sources
2004 - 2013**

Exhibit 5

	Prop A Funds City of Long Beach	Prop A Discretionary Funds L.A. County	Prop C & Measure R Funds L.A. County	State Assistance	Federal Preventative Maintenance Program	Other Sources	Total
2004	\$ 6,561,550	\$ 9,448,398	\$ 5,557,841	\$17,755,993	\$ 836,800	\$ 455,288	\$ 40,615,870
2005	5,740,953	7,956,295	5,296,405	18,236,348	2,533,066	681,462	40,444,529
2006	5,014,805	11,333,677	4,145,171	20,655,260	302,184	627,793	42,078,890
2007	4,656,775	11,840,403	5,507,340	21,864,340	---	626,905	44,495,763
2008	7,087,958	11,679,125	5,224,479	25,777,123	2,126,915	255,741	52,151,341
2009	4,067,755	12,500,860	9,848,459	21,266,639	2,378,850	657,636	50,720,199
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

**Revenue Capacity
Farebox Recovery Percentage
2004 - 2013**

Exhibit 6

<u>Year</u>	<u>Percentage</u>
2004	23.8
2005	24.1
2006	25.8
2007	23.8
2008	21.9
2009	23.9
2010	24.3
2011	24.2
2012	25.4
2013	24.3

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

**Revenue Capacity
Fare History
2003 - 2013**

	<u>2003-2005</u>	<u>2006-2008</u>	<u>2009</u>	<u>2010-2013</u>
Fixed Route Service:				
<u>Cash Fares:</u>				
Regular	\$.90	\$.90	\$ 1.10	\$ 1.25
Student	.75	.90	1.10	1.25
Senior & Disabled	.45	.45	.50	.60
Local transfer	.10	---	---	---
Interagency transfer	.35	.50	.50	.50
 <u>Day Pass:</u>				
Regular		\$ 2.50	\$ 3.50	\$ 4.00
Discounted		1.50	2.00	2.50
 <u>5 Day Pass:</u>				
Regular			\$ 16.00	\$ 18.00
Discounted			8.00	9.00
 <u>Monthly Pass:</u>				
Regular	\$ 40.00	\$ 50.00	\$ 60.00	\$ 65.00
Student	23.00	31.00	35.00	40.00
Senior & Disabled	11.00	19.00	21.00	24.00
 Dial-A-Lift Service:				
Cash Fares	\$ 1.00	\$ 1.50	\$ 2.00	\$ 2.00
 Water Taxi:				
<u>Cash Fares:</u>				
AquaBus	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
AquaLink	2.00	3.00	5.00	5.00

**Demographic and Economic Information
City of Long Beach
Demographic Statistics
2003-2012**

Exhibit 8

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)
2003	469,713	10,703	22,787	97,212	7.7
2004	472,013	11,290	23,919	97,560	7.2
2005	470,781	11,939	23,266	96,319	5.9
2006	467,586	12,854	27,490	93,589	5.3
2007	465,017	13,222	28,434	90,663	5.6
2008	463,250	13,422	28,974	88,186	8.2
2009	462,211	12,866	27,880	87,509	12.8
2010	462,685	12,783	27,627	86,283	13.9
2011	462,257	12,981	28,081	84,812	13.4
2012	465,576	13,129	28,199	83,691	12.2

Sources:

- (A) California Department of Finance.
- (B) Bureau of Economic Analysis. Personal income and per capita personal income, with exception of 2005, are based on percent change of per capita personal income for Los Angeles-Long Beach-Santa Ana, CA (Metropolitan Statistical Area).
- (C) California Department of Education Educational Demographic Unit. Annual school census from Long Beach Unified School District for preschool, grades kindergarten through 12.
- (D) Average annual rate reported by California Employment Development Department (EDD).
- (E) Restated prior years due to the data's annual revision.

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

Exhibit 9

Employer	2012 Number of Employees	Percentage of Total City Employment	2003 Number of Employees	Percentage of Total City Employment
Long Beach Unified School District	11,334	4.83%	11,096	4.83%
City of Long Beach	5,758	2.45	6,542	2.85
Long Beach Memorial Medical Center	5,743	2.45	4,400	1.91
Boeing, N.A. (Previously - McDonnell Douglas)	5,186	2.21	10,500	4.57
California State University, Long Beach	3,527	1.50	5,609	2.44
Veterans Affairs Medical Center	2,200	.94	3,000	1.31
Long Beach City College	1,785	.76	2,000	.87
California State Univ Long Beach Foundation	1,500	.64	1,600	.70
St. Mary's Medical Center	1,432	.61	1,900	.83
United States Postal Service	1,306	.56	1,900	.83

Source: City of Long Beach, Economic Research Group, Department of Development Services and State of California Employment Development Department Labor Market Information.

* This is the latest information available.

**Operating Information
Key Performance Indicators
2004 – 2013**

Exhibit 10

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<u>Fixed Route</u>										
Operating Cost Per Vehicle Service Hour	\$76.52	\$75.64	\$83.12	\$87.48	\$96.17	\$96.28	\$98.73	\$106.77	\$105.61	\$110.11
Operating Cost Per Passenger	\$ 1.96	\$ 1.95	\$ 2.08	\$ 2.22	\$ 2.36	\$ 2.20	\$ 2.34	\$ 2.54	\$ 2.50	\$ 2.56
Roadcalls	978	1,133	871	1,142	1,339	1,392	1,481	1,325	1,819	1,778
Miles Between Roadcalls	8,257	7,211	9,014	6,771	5,904	5,716	5,384	5,807	4,219	4,438
Total Accidents	854	754	883	937	923	940	923	851	865	881
Preventable Accidents	139	138	164	154	166	149	100	90	89	120
Preventable Accidents Per 100,000 Miles	1.72	1.69	2.09	1.99	2.10	1.87	1.25	1.17	1.16	1.52
Passengers per Vehicle Service Hour	41	41	40	42	43	44	43	45	48	43
Service Delivery Rate	99.72%	99.73%	99.35%	99.45%	99.88%	99.88%	99.85%	99.83%	99.90%	99.94%
Number of Vehicles	221	228	229	229	229	263	265	265	260	262
Number of Employees	715	691	680	737	739	742	732	708	725	728
<u>Special Services</u>										
Dial-A-Lift Cost Per Passenger	\$14.71	\$15.97	\$18.57	\$19.96	\$21.32	\$21.65	\$23.02	\$19.71	\$19.64	\$20.42
Dial-A-Lift Passengers Per Vehicle Service Hour	6.1	5.9	5.3	5.0	4.8	4.7	4.8	5.0	5.1	4.8
Number of Dial-A-Lift Vehicles	18	18	18	18	17	16	17	15	15	13
Water Taxi Cost Per Passenger	\$ 5.91	\$ 6.29	\$ 7.10	\$ 8.24	\$10.17	\$ 9.47	\$10.99	\$11.94	\$13.73	\$ 9.23
Water Taxi Passengers Per Vehicle Service Hour	15.60	18.56	14.03	13.50	14.54	14.96	13.81	13.45	13.40	13.80
Number of Water Taxi Vessels	3	3	3	3	3	3	3	3	4	4

Note: Passengers per Vehicle Service Hour numbers have been revised to reflect NTD data.

**Operating Information
Customer Satisfaction Trends
2002-2013***

Exhibit 11

<u>Service Element</u>	% of Customers Rating Favorably									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
LBT Overall	92	94	92	90	95	96	95	97	97	97
LBT Compared to Others	87	88	91	87	94	92	89	89	93	95
Driver Appearance	96	96	96	97	97	99	97	99	99	99
Fares	90	94	92	88	90	91	85	73	87	91
Driver Courtesy	86	89	86	90	91	88	90	90	92	94
Driver Safety	91	93	92	93	93	93	97	97	98	99
On Board Safety	90	91	88	91	90	93	95	95	96	97
Route Convenience	93	96	85	92	93	96	93	95	96	98
Information Available	91	89	89	88	88	93	93	90	95	95
Telephone Information	86	86	86	81	90	92	91	90	91	89
Bus Stop Safety	87	84	83	86	82	91	87	90	92	95
Bus Stop Convenience	96	94	---	94	95	97	95	96	96	97
Schedule Reliability	75	84	69	74	72	77	78	78	85	89
Bus Cleanliness	88	90	79	84	76	88	85	93	94	95
Bus Stop Cleanliness	82	74	80	81	75	89	84	86	91	91
Customer Satisfaction Index**	89	90	86	88	88	92	90	90	93	95

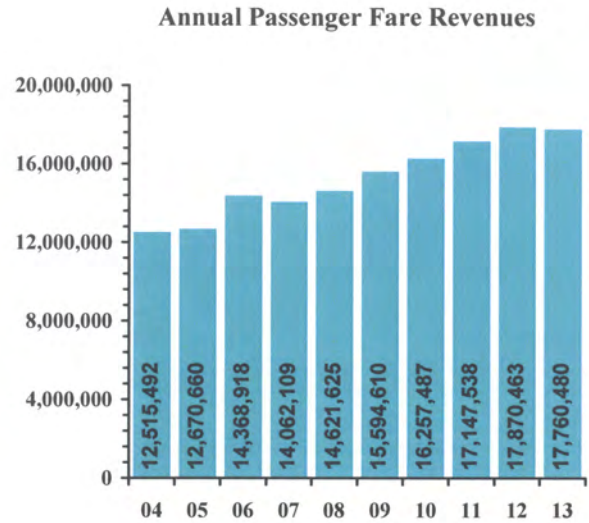
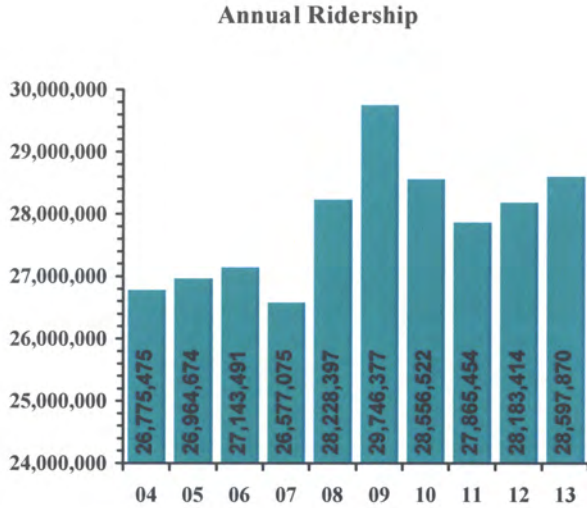
Source: Annual community survey.

* Formal customer surveys were not performed for fiscal years 2005 and 2010.

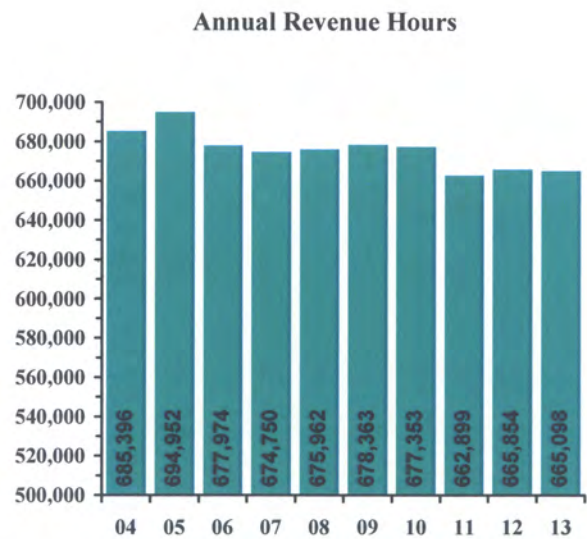
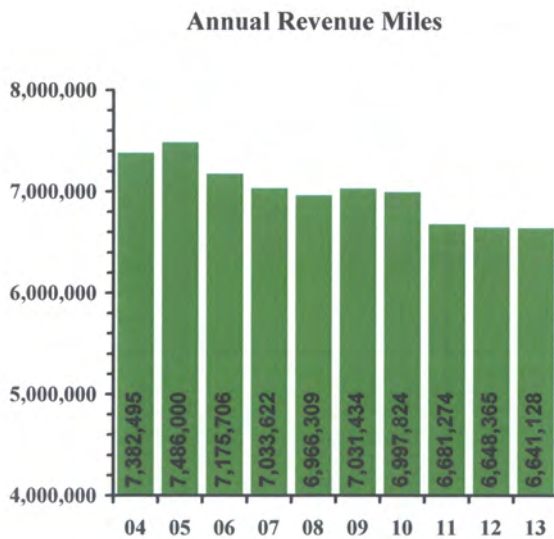
** The customer satisfaction index is an average of the above ratings.

**Operating Information
Fixed Route Statistics
2004 - 2013**

Exhibit 12



Long Beach Transit experienced 28.6 million boardings in FY13, which represented a 1.36% increase over the previous year. The ridership increase in FY13 is attributable not only to a continued increase in the number of California State Long Beach students taking advantage of our UPASS program, but also to an increase in K-12 ridership due to the Long Beach Unified School District’s decision to eliminate all school busing for regular students.

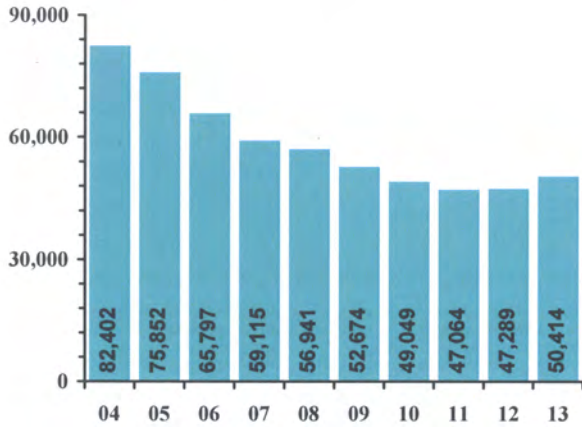


Source: Long Beach Transit’s Annual National Transit Database Report

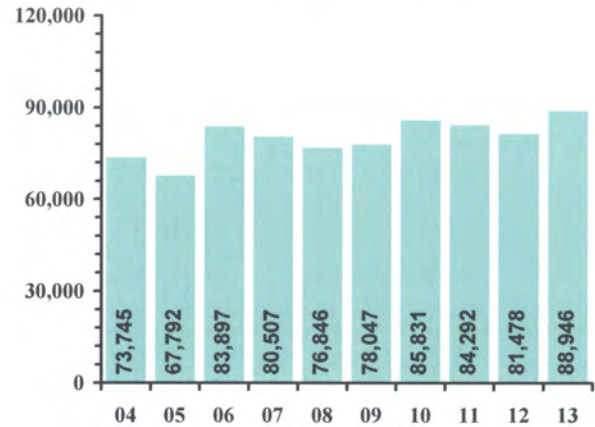
**Operating Information
Dial-A-Lift Statistics
2004 - 2013**

Exhibit 13

Annual Ridership

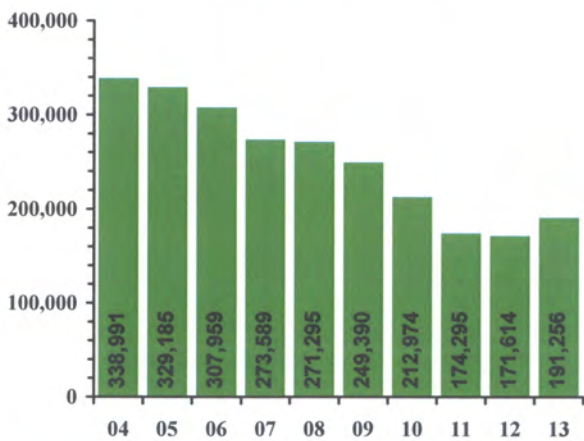


Annual Passenger Fare Revenues

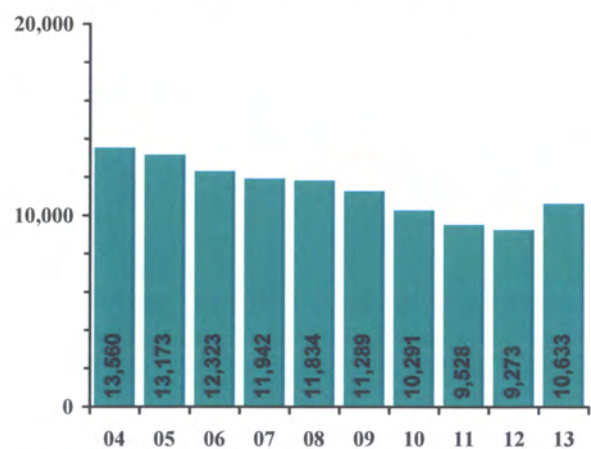


Dial-A-Lift had a 6.6% increase in ridership in FY13. Membership continues to increase due to an influx of Access Service members applying for DAL. In the past, if an applicant was a member of Access, they were denied DAL. It is now required for a DAL applicant to first be a member of Access Services. We are seeing a shift from Access to DAL. The Dial-A-Lift service is supplied by a local taxi company which supplements Dial-A-Lift van rides with taxi trips on an as-needed basis.

Annual Revenue Miles



Annual Revenue Hours

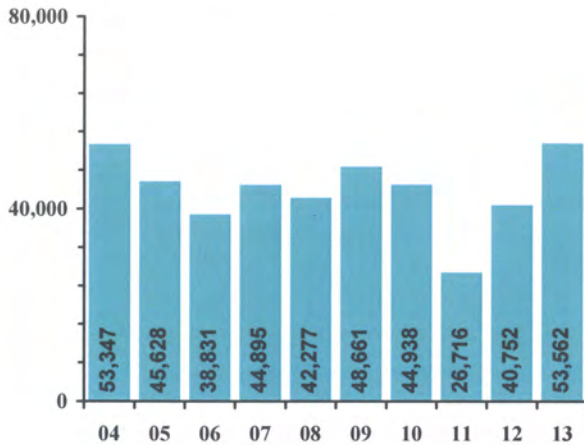


Source: Long Beach Transit's Annual National Transit Database Report

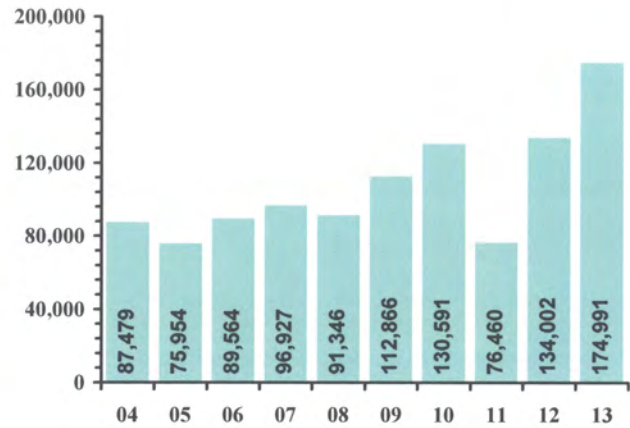
**Operating Information
Water Taxi Statistics
2004-2013**

Exhibit 14

Annual Ridership

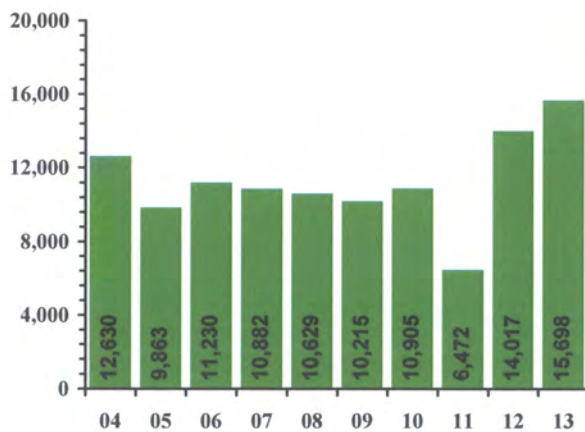


Annual Passenger Fare Revenues

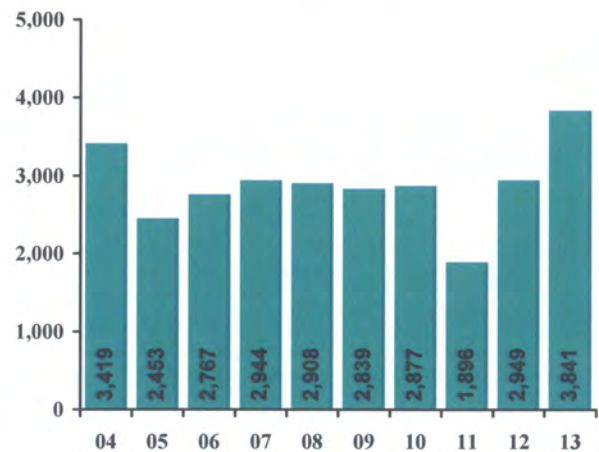


The increase in ridership is attributed to 1) extending the Water Taxi Service in September from Labor Day to the end of the month, 2) increase in trips to all of the destinations the Aqualink serves, and 3) continued efforts of our Marketing Department to bring more awareness of our Water Taxi Services by advertising a coupon that allows two passengers to ride for the price of one also attributed to a higher ridership.

Annual Revenue Miles



Annual Revenue Hours



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

**Operating Information
Schedule of Insurance in Force
June 30, 2013**

Exhibit 15

<u>Program</u>	<u>Expiration Term</u>	<u>Company</u>	<u>Amount/Limit</u>
<u>LIABILITY</u>			
A. Auto and General Liability			
	7/1/13 1 yr	Starr Indemnity & Liability Co.	\$10,000,000 excess of \$1,000,000 SIR
B. Underground Storage Tank- Third-Party Liability			
	3/4/14 1 yr	Illinois Union Insurance Co.	\$2,000,000 - each incident \$3,000,000 - aggregate Deductible \$25,000
<u>COMMERCIAL PROPERTY</u>			
	3/14/14 1 yr	Travelers Property Casualty Co.	\$ 20,331,000 Real Property \$ 17,583,000 Business Personal Property \$ 25,000 Deductible for buses in the open \$ 476,000 Extra Expense \$ 2,500 per occurrence; except \$25,000 for buses in the yard
<u>WORKERS' COMPENSATION</u>			
	7/1/14 1 yr	Safety National Casualty Corp	\$25,000,000 excess of \$1,500,000 SIR
<u>CRIME SHIELD POLICY</u>			
	8/8/13 1 yr	Hartford Fire Insurance Co.	\$1,000,000 - employee theft; \$20,000 deductible \$1,000,000 - computer and funds transfer fraud; \$5,000 deductible \$100,000 - theft, disappearance and destruction; \$5,000 deductible
<u>FELONIOUS ASSAULT POLICY</u>			
	7/1/14 3 yr	Chubb and Son, A Division of Federal Insurance Company	\$100,000 - life insurance policy

Operating Information
Schedule of Insurance in Force (Continued)
June 30, 2013

FIDUCIARY LIABILITY

11/1/13	1 yr	Chubb Group of Insurance Co.	\$ 1,000,000 Each Loss
			\$ 1,000,000 Each Policy Period
			\$ 5,000 Deductible

ENVIRONMENTAL LEGAL LIABILITY

6/21/14	2 yr	Aspen Specialty Insurance Co.	\$ 5,000,000 Pollution Incident Coverage
			\$ 5,000,000 Aggregate Limit of Liability

Source: Long Beach Transit's Risk Management Department.

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

DAILY HOURS OF OPERATION

FREQUENCY OF SERVICE

ROUTES	Peak/Base (5am-6pm)			Evening/Night (after 6pm)			DAILY HOURS OF OPERATION		
	Weekday	Saturday	Sunday	Weekday	Saturday	Sunday	Weekday	Saturday	Sunday
1	30	45	45	30/60	45/60	45/60	535A - 903P	519A - 1002P	519A - 1002P
20	15	22.5	22.5	15/30/60	22.5/30/60	22.5/30/60	445A - 105X	510A - 108X	510A - 108X
40	7.5	12	15	10/30	15/30	15/30	436A - 1251X	504A - 1251X	504A - 1251X
50	12/20	15	20	15/20/30	20/30	20/30	430A - 1209X	503A - 1211X	510A - 1211X
60	12/20	15	20	20/30	20/30	20/30	450A - 115X	530A - 112X	532A - 113X
70	30	45	45	30	45/60	45/60	455A - 820P	516A - 1022P	516A - 1022P
80	45/60	--	--	--	--	--	613A - 645P	----	----
90	10/12	15/20/30	20/30	15/30	20/30	20/30	410A - 105X	505A - 110X	500A - 100X
96 ZAP	8/10	--	--	--	--	--	632A-829A 120P-445P	----	----
100	10/20	30	--	30	--	--	500A - 1035P	550A - 745P	----
110	20	30/35	30/35	30/60	30/60	30/60	500A - 111X	533A - 1253X	533A - 1253X
121	20	20	20	20/30	20/30	20/30	500A - 108X	509A - 103X	509A - 103X
131	40	60	60	45	60	60	456A - 926P	530A - 925P	530A - 925P
151	20	25/30	25/30	20/30/60	25/30/60	25/30/60	432A - 1248X	459A - 1248X	459A - 1248X
170	15	15/30	15/30	20/30/60	30/60	20/60	509A - 1250X	520A - 1250X	520A - 1250X
171	35	45	45	35/60	45	45	450A - 1155P	708A - 808P	708A - 808P
176	30	--	--	--	--	--	646A - 713P	----	----
180	15/20	30	30	30/60	30/60	30/60	455A - 1218X	525A - 1218X	525A - 1218X
190	15	20	20	20/30	20/30	20/30	449A - 110X	510A - 115X	510A - 115X
Passport	12	8/10	8/10	12/20/30	10/20/30	10/20/30	513A - 101X	514A - 106X	514A - 106X

Source: Long Beach Transit's Service Development Department

**Pension Information
Employer and Employee Pension Contributions
2004 – 2013**

Fiscal Year Ended June 30	Employer Contribution*	Employee Contribution	Payroll	Contribution as a Percentage of Payroll
Contract Plan				
2004	\$ 2,099,246	\$	20,188,278	10.49%
2005	1,910,696		20,859,915	9.11
2006	2,055,584		21,628,593	10.08
2007	2,777,353		21,866,049	12.32
2008	2,661,268		23,643,084	11.35
2009	3,048,814		25,266,127	12.18
2010	4,111,605		25,501,412	16.20
2011	3,791,200		25,473,634	15.01
2012	2,099,802	1,141,708	25,904,690	12.32
2013	2,473,826	1,105,051	26,589,061	13.74
Salaries Plan				
2004	\$ 1,194,982	\$	7,783,115	15.42%
2005	1,052,894		7,849,876	13.35
2006	1,060,300		7,954,923	12.88
2007	1,006,587		8,486,732	12.30
2008	1,202,609		9,125,649	13.43
2009	1,582,975		9,554,774	17.26
2010	1,964,523		9,337,229	23.11
2011	2,041,762		9,520,926	22.19
2012	1,244,244	387,987	9,516,264	18.90
2013	2,244,185	449,958	10,281,649	20.97

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

Source: Contract and Salaried pension plan financial statements for the year-ended June 30, 2013.
These financial statements are prepared under separate cover and contain additional trend information.

Pension Information
Pension Revenues by Source and Expenses by Type
2004 - 2013

Fiscal Year Ended June 30	Revenues by Source				Expenses by Type			
	Employer and Employee Contributions	Benefit transfer receivable	Investment Return	Total	Administrative Expenses	Benefit Payments	Benefit transfer payable	Total
Contract Plan								
2004	\$ 2,099,246	\$ ---	\$ 2,752,163	\$ 4,851,409	\$ 203,377	\$ 1,835,296	\$ 22,853	\$ 2,061,526
2005	1,910,696	---	2,029,549	3,940,245	191,829	2,294,689	31,496	2,518,014
2006	2,055,584	---	2,599,457	4,655,041	226,499	3,095,306	160,267	3,482,072
2007	2,777,353	---	3,485,553	6,262,906	224,618	2,847,651	365,198	3,437,467
2008	2,661,268	---	571,633	3,232,901	242,097	2,238,944	6,800	2,487,841
2009	3,048,814	---	(5,613,626)	(2,564,812)	167,515	1,448,156	35,377	1,651,048
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	227,965	1,852,836	168,731	2,249,532
2012	3,241,510	---	(682,971)	2,558,539	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
Salaries Plan								
2004	\$ 1,194,982	\$ 22,853	\$ 1,253,069	\$ 2,470,904	\$ 108,519	\$ 788,282	\$ ---	\$ 896,801
2005	1,052,894	31,496	976,622	2,061,012	107,490	1,202,742	---	1,310,232
2006	1,060,300	160,267	1,014,406	2,234,973	130,980	1,669,281	---	1,800,261
2007	1,006,587	365,198	1,687,859	3,059,644	134,999	2,092,796	---	2,227,795
2008	1,202,609	6,800	(184,115)	1,025,294	124,292	3,654,399	---	3,778,691
2009	1,582,975	35,377	(1,889,274)	(270,922)	90,378	1,567,196	---	1,657,574
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

Source: Contract and Salaries pension plan financial statements for the year-ended June 30, 2013.
 These financial statements are prepared under separate cover and contain additional trend information.

**Grant Information
Capital Grant History
Federal Grants 2004 - 2013**

FTA Grants	Authorized Amount	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
CA-03-0496	1,465,794	\$ 66,258									
CA-90-X915	8,769,677	176,109	\$ 320,232	\$(1,267)							
CA-90-X950	6,249,570	1,288,310	1,212,151	(21,161)							
CA-90-Y057	10,381,045	899,083	1,225,417	273,569	\$127,546						
CA-90-Y082	11,356,000	407,214	1,177,836	3,478,611	227,586	\$ 79,907	\$ 608,104				
CA-90-Y117	7,751,180	591,854	529,645	104,451	104,124	582,745	239,603				
CA-03-0596	1,980,630		1,966,039	23,702							
CA-90-X011	35,000	21,905									
CA-90-Y136	7,788,668	1,381	4,526,858	297,813	36,203						
CA-90-Y226	10,958,295	1,875,129	6,216,499	2,077,500	166,025	452,558	241,178	\$ 57,407			
CA-90-Y271	9,982,170	35,834	5,154,206	1,574,121	1,168,787	754,104	1,132,509	130,707			
CAL0301	204,000	131,611		(131,611)							
CA-03-0642	1,980,058		1,921,249	58,809							
CA-03-0664	2,074,022		1,668,386	53,052							
CA-90-Y391	13,354,477			454,548	1,974,135	5,457,189	2,125,881	484,648	\$ 95,849	\$ 60,034	\$2,527,386
CA-90-Y440	6,358,401			98,868	1,295,708	1,343,478	3,394,798	178,157	35,420	11,972	
CA-90-Y502	14,756,941					1,979,965	10,160,890	1,582,195	81,688	132,711	26,545
CA-90-Y652	13,051,167					5,821	1,446,032	1,569,176	654,528	398,367	8,331,767
CA-95-X040	447,000					18,538	70,418	300,763	57,282		
CA-03-0714	970,874					970,874					
CA-04-0061	1,915,492					3,651	1,911,839				
CA-90-Y731	14,960,635					71,794	485,888	5,850,160	4,965,764	234,409	3,761,979
CA-03-0759	485,888										
Subtotal		\$5,494,688	\$25,918,518	\$8,341,005	\$5,100,114	\$11,648,830	\$20,888,934	\$10,153,213	\$5,890,531	\$837,493	\$14,647,677

**Grant Information
Capital Grant History (Continued)
Federal Grants 2004 - 2013**

FTA Grants	Authorized Amount	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Subtotal		\$5,494,688	\$25,918,518	\$8,341,005	\$5,100,114	\$11,648,830	\$20,888,934	\$10,153,213	\$ 5,890,531	\$ 837,493	\$14,647,677
CA-96-X007	16,497,214						496,563	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
CA-90-Y798	13,994,380								3,046,130	6,541,814	646,277
CA-90-Y880	15,774,862									746,816	7,199,267
CA-04-0184	2,863,280									899,012	702,223
CA-04-0199	950,000										950,000
CA-88-0004	6,7000,000										637,161
CA-90-Y957	16,248,527										1,048,270
TOTAL		\$5,494,688	\$25,918,518	\$8,341,005	\$5,100,114	\$11,648,830	\$22,385,497	\$16,619,237	\$19,999,485	\$ 9,896,331	\$ 27,706,394

**Grant Information
Capital Grant History
State Grants 2004 - 2013**

Exhibit 20

State Grants	Authorized Amount	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
CA-90-X915	2,142,753	\$ 44,035	\$ 77,936	\$ 329							
CA-03-0496	366,448	41,566									
CA-90-X950	1,660,481	399,844	204,778	11,388							
CA-90-Y057	2,429,263	224,773	302,449	79,382	\$ 33,271						
CA-90-Y082	1,471,292	52,759	152,352	450,691	29,486	\$ 10,394	\$ 84,231				
CA-90-Y117	1,937,795	147,967	132,350	26,111	26,047	145,681	59,932				
MTAP6059	100,000	5,088									
CA-03-0596	495,158		491,442	3,701							
CA-90-Y136	1,404,025	323	968,205	51,248	4,689						
CA-90-Y226	2,739,574	468,790	1,331,200	440,036	39,728	111,941	88,662	\$ 14,374			
CA-03-0642	405,554		438,604	(33,049)							
CA-95-X040	203,182					8,427	32,009	11,826			
TDA 01	468,185	1,130									
TDA 02	32,225	222,698									
TDA 03	655,624		41,010	(1,161)							
STA 01	990,696	41,609	6,257	557		7,280					
STA 02	1,341,400	57,677	(25,150)	27,391	3,568	2,230					
Subtotal		\$1,708,259	\$4,121,433	\$ 1,056,624	\$ 136,789	\$ 285,953	\$ 264,834	\$ 26,200			

Continued

Grant Information
Capital Grant History (continued)
State Grants 2004 - 2013

Exhibit 20

State Grants	Authorized Amount	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Subtotal		\$1,708,259	\$4,121,433	\$1,056,624	\$ 136,789	\$ 285,953	\$ 264,834	26,200			
STA 03	838,329	631,646	153,430	19,189	30,568	3,698					
STA 07	910,000					746,044					
STA 08	3,528,162					102,135	2,352,877	\$ 440,431	\$ 40,077	\$ 10,681	\$ 19,986
STA 11	580,795										331,826
MSRC 05	335,453		330,453								
1B SEC	1,860,283						240,999	417,044	100,896	252,533	197,999
TOTAL		\$2,339,905	\$4,605,316	\$1,075,813	\$167,357	\$1,137,830	\$2,858,710	\$ 883,675	\$ 140,973	\$ 263,214	\$ 549,806

Long Beach Public Transportation Company

Grant Information
Local Grants 2004 - 2013

Exhibit 21

Local Grants	Authorized Amount	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Prop C Security FY 01	152,000		\$ 12,882								
Prop C Security FY 02	65,000	\$11,051	4,745								
Prop C Security FY 03	349,154	193,599	24,817	\$ 60,772	\$ 40,346	\$ 23,888	\$ 4,096				
Prop C Security FY 04	923,452	5,674	825,606	36,957	5,603	16,208	127				
Prop C - CA-90-Y271	2,375,547	8,960	1,199,967	388,360	300,489	173,882	212,278	\$ 27,101			
Prop C FY 02	1,041,853	331,967	395,502	242,904	60,541	3,004					
Prop C FY 03	1,123,797	130,606	592,344	61,441	223,736	111,223					
Prop C-CA-03-0664	352,584		341,786	10,798							
Prop C FY 04	923,452		203,569	164,860	5,018	98,592	335				
Prop C Security FY 05	324,000		194,669	11,742			110,000				
Prop C FY 05	1,324,200			382,558	639,725	237,755	39,410				
Prop C-CA-90-Y391	2,934,372			101,084	455,102	1,168,738	486,797	118,327	\$21,172	\$13,250	\$517,992
Prop C-CA-90-Y440	1,329,020				242,753	331,894	682,488	36,085	8,134	2,935	
Prop C FY 06	1,398,323				12,717	1,364,204					
MTA8320	65,625			65,624							
Prop C FY 07	152,022				291	13,570	137,823				
Prop C Security FY 07	24,000				4,731	18,279					
Prop C Sec-CA-90-Y440	138,600				81,202	3,943	44,280	8,456	721		
Prop C FY 08	1,661,127					237,858	670,767	111,424	433,695	207,383	
Subtotal		\$ 681,857	\$3,795,887	\$1,527,100	\$2,072,254	\$3,803,038	\$2,388,401	\$ 301,393	\$ 463,722	\$223,568	\$517,992

Continued

**Grant Information
Capital Grant History (Continued)
Local Grants 2004 - 2013**

Exhibit 21

Local Grants	Authorized Amount	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Subtotal	\$	681,857	\$3,795,887	\$1,527,100	\$2,072,254	\$3,803,038	\$2,388,401	\$ 301,393	\$ 463,722	\$ 223,568	\$ 517,992
Prop C-CA-90-Y502	3,512,702					495,589	2,562,193	394,626	20,417	33,179	6,698
Prop C-CA-90-Y652	2,030,062					1,455	245,504	289,667	163,641	131,869	1,037,686
Prop C-CA-03-0714	198,854					198,854					
Prop C-CA04-0061	392,330					748	391,582				
MTA 8111	428,774					162,341	62,909	164,545			
AQMD 08	81,744						81,744				
Prop C-CA03-0759	99,520						99,520				
Prop C Sec-CA-90-Y652	47,128						13,381	33,761	(13)		
Prop C Sec FY08	31,896						31,896				
Prop C FY 09	985,343						142,767	322,747	519,828		
Prop C-CA90-Y731	3,604,442						63,292	1,484,939	1,239,842	58,875	736,865
Prop C FY 10	110,000							60,825	49,175		
Prop C FY 11	3,805,476							155,049	908,816	1,257,341	
Prop C-CA-90-798	3,003,969							762,626	1,635,402	161,627	
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	
Prop C-CA-04-184	860,720								224,801	225,800	
Prop C FY 12	2,824,664										987,020
Prop C FY 13	994,036										27,419
Prop C-CA-88-0004	876,429										219,786
Prop C-CA-90-Y957	2,864										881
TOTAL	\$	681,857	\$3,795,887	\$1,527,100	\$2,072,254	\$4,662,025	\$6,083,189	\$3,052,503	\$3,929,757	\$3,260,888	\$5,440,639

